



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3037

Introduced 1/5/2022, by Sen. Patrick J. Joyce

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-10
20 ILCS 3855/1-20
20 ILCS 3855/1-75

Amends the Illinois Power Agency Act. Provides that the Illinois Power Agency is authorized to oversee the procurement by electric utilities that serve more than 3,000,000 customers in the State as of January 1, 2019 of renewable energy credits from new, newly modernized, or retooled hydroelectric facilities. Provides that the long-term renewable resources procurement plan shall prioritize compliance with the new wind, new photovoltaic, and hydroelectric procurement requirements (rather than the new wind and new photovoltaic procurement requirements). Provides that the Agency shall not comply with the annual percentage targets of the long-term renewable resources procurement plan by procuring renewable energy credits that are unlikely to lead to the development of new renewable resources or modernized or retooled hydroelectric resources (rather than the development of new renewable resources). Provides that the Agency shall consider other approaches, in addition to competitive procurements, to procure renewable energy credits from new and existing hydroelectric facilities to support the development and maintenance of these facilities. Provides that on and after the effective date of the amendatory Act, for all procurements of renewable energy credits from hydroelectric facilities, the Agency shall establish contract terms designed to optimize existing hydroelectric facilities through modernization or retooling. Provides that procurement of renewable energy credits from hydroelectric facilities shall comply with specified geographic requirements. Makes a change in provisions concerning definitions.

LRB102 22347 SPS 31484 b

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Power Agency Act is amended by
5 changing Sections 1-10, 1-20, and 1-75 as follows:

6 (20 ILCS 3855/1-10)

7 Sec. 1-10. Definitions.

8 "Agency" means the Illinois Power Agency.

9 "Agency loan agreement" means any agreement pursuant to
10 which the Illinois Finance Authority agrees to loan the
11 proceeds of revenue bonds issued with respect to a project to
12 the Agency upon terms providing for loan repayment
13 installments at least sufficient to pay when due all principal
14 of, interest and premium, if any, on those revenue bonds, and
15 providing for maintenance, insurance, and other matters in
16 respect of the project.

17 "Authority" means the Illinois Finance Authority.

18 "Brownfield site photovoltaic project" means photovoltaics
19 that are either:

20 (1) interconnected to an electric utility as defined
21 in this Section, a municipal utility as defined in this
22 Section, a public utility as defined in Section 3-105 of
23 the Public Utilities Act, or an electric cooperative as

1 defined in Section 3-119 of the Public Utilities Act and
2 located at a site that is regulated by any of the following
3 entities under the following programs:

4 (A) the United States Environmental Protection
5 Agency under the federal Comprehensive Environmental
6 Response, Compensation, and Liability Act of 1980, as
7 amended;

8 (B) the United States Environmental Protection
9 Agency under the Corrective Action Program of the
10 federal Resource Conservation and Recovery Act, as
11 amended;

12 (C) the Illinois Environmental Protection Agency
13 under the Illinois Site Remediation Program; or

14 (D) the Illinois Environmental Protection Agency
15 under the Illinois Solid Waste Program; or

16 (2) located at the site of a coal mine that has
17 permanently ceased coal production, permanently halted any
18 re-mining operations, and is no longer accepting any coal
19 combustion residues; has both completed all clean-up and
20 remediation obligations under the federal Surface Mining
21 and Reclamation Act of 1977 and all applicable Illinois
22 rules and any other clean-up, remediation, or ongoing
23 monitoring to safeguard the health and well-being of the
24 people of the State of Illinois, as well as demonstrated
25 compliance with all applicable federal and State
26 environmental rules and regulations, including, but not

1 limited, to 35 Ill. Adm. Code Part 845 and any rules for
2 historic fill of coal combustion residuals, including any
3 rules finalized in Subdocket A of Illinois Pollution
4 Control Board docket R2020-019.

5 "Clean coal facility" means an electric generating
6 facility that uses primarily coal as a feedstock and that
7 captures and sequesters carbon dioxide emissions at the
8 following levels: at least 50% of the total carbon dioxide
9 emissions that the facility would otherwise emit if, at the
10 time construction commences, the facility is scheduled to
11 commence operation before 2016, at least 70% of the total
12 carbon dioxide emissions that the facility would otherwise
13 emit if, at the time construction commences, the facility is
14 scheduled to commence operation during 2016 or 2017, and at
15 least 90% of the total carbon dioxide emissions that the
16 facility would otherwise emit if, at the time construction
17 commences, the facility is scheduled to commence operation
18 after 2017. The power block of the clean coal facility shall
19 not exceed allowable emission rates for sulfur dioxide,
20 nitrogen oxides, carbon monoxide, particulates and mercury for
21 a natural gas-fired combined-cycle facility the same size as
22 and in the same location as the clean coal facility at the time
23 the clean coal facility obtains an approved air permit. All
24 coal used by a clean coal facility shall have high volatile
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million btu content, unless the clean coal facility does not

1 use gasification technology and was operating as a
2 conventional coal-fired electric generating facility on June
3 1, 2009 (the effective date of Public Act 95-1027).

4 "Clean coal SNG brownfield facility" means a facility that
5 (1) has commenced construction by July 1, 2015 on an urban
6 brownfield site in a municipality with at least 1,000,000
7 residents; (2) uses a gasification process to produce
8 substitute natural gas; (3) uses coal as at least 50% of the
9 total feedstock over the term of any sourcing agreement with a
10 utility and the remainder of the feedstock may be either
11 petroleum coke or coal, with all such coal having a high
12 bituminous rank and greater than 1.7 pounds of sulfur per
13 million Btu content unless the facility reasonably determines
14 that it is necessary to use additional petroleum coke to
15 deliver additional consumer savings, in which case the
16 facility shall use coal for at least 35% of the total feedstock
17 over the term of any sourcing agreement; and (4) captures and
18 sequesters at least 85% of the total carbon dioxide emissions
19 that the facility would otherwise emit.

20 "Clean coal SNG facility" means a facility that uses a
21 gasification process to produce substitute natural gas, that
22 sequesters at least 90% of the total carbon dioxide emissions
23 that the facility would otherwise emit, that uses at least 90%
24 coal as a feedstock, with all such coal having a high
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million btu content, and that has a valid and effective permit

1 to construct emission sources and air pollution control
2 equipment and approval with respect to the federal regulations
3 for Prevention of Significant Deterioration of Air Quality
4 (PSD) for the plant pursuant to the federal Clean Air Act;
5 provided, however, a clean coal SNG brownfield facility shall
6 not be a clean coal SNG facility.

7 "Clean energy" means energy generation that is 90% or
8 greater free of carbon dioxide emissions.

9 "Commission" means the Illinois Commerce Commission.

10 "Community renewable generation project" means an electric
11 generating facility that:

12 (1) is powered by wind, solar thermal energy,
13 photovoltaic cells or panels, biodiesel, crops and
14 untreated and unadulterated organic waste biomass, and
15 hydropower that does not involve new construction or
16 significant expansion of hydropower dams;

17 (2) is interconnected at the distribution system level
18 of an electric utility as defined in this Section, a
19 municipal utility as defined in this Section that owns or
20 operates electric distribution facilities, a public
21 utility as defined in Section 3-105 of the Public
22 Utilities Act, or an electric cooperative, as defined in
23 Section 3-119 of the Public Utilities Act;

24 (3) credits the value of electricity generated by the
25 facility to the subscribers of the facility; and

26 (4) is limited in nameplate capacity to less than or

1 equal to 5,000 kilowatts.

2 "Costs incurred in connection with the development and
3 construction of a facility" means:

4 (1) the cost of acquisition of all real property,
5 fixtures, and improvements in connection therewith and
6 equipment, personal property, and other property, rights,
7 and easements acquired that are deemed necessary for the
8 operation and maintenance of the facility;

9 (2) financing costs with respect to bonds, notes, and
10 other evidences of indebtedness of the Agency;

11 (3) all origination, commitment, utilization,
12 facility, placement, underwriting, syndication, credit
13 enhancement, and rating agency fees;

14 (4) engineering, design, procurement, consulting,
15 legal, accounting, title insurance, survey, appraisal,
16 escrow, trustee, collateral agency, interest rate hedging,
17 interest rate swap, capitalized interest, contingency, as
18 required by lenders, and other financing costs, and other
19 expenses for professional services; and

20 (5) the costs of plans, specifications, site study and
21 investigation, installation, surveys, other Agency costs
22 and estimates of costs, and other expenses necessary or
23 incidental to determining the feasibility of any project,
24 together with such other expenses as may be necessary or
25 incidental to the financing, insuring, acquisition, and
26 construction of a specific project and starting up,

1 commissioning, and placing that project in operation.

2 "Delivery services" has the same definition as found in
3 Section 16-102 of the Public Utilities Act.

4 "Delivery year" means the consecutive 12-month period
5 beginning June 1 of a given year and ending May 31 of the
6 following year.

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Director" means the Director of the Illinois Power
10 Agency.

11 "Demand-response" means measures that decrease peak
12 electricity demand or shift demand from peak to off-peak
13 periods.

14 "Distributed renewable energy generation device" means a
15 device that is:

16 (1) powered by wind, solar thermal energy,
17 photovoltaic cells or panels, biodiesel, crops and
18 untreated and unadulterated organic waste biomass, tree
19 waste, and hydropower that does not involve new
20 construction or significant expansion of hydropower dams,
21 waste heat to power systems, or qualified combined heat
22 and power systems;

23 (2) interconnected at the distribution system level of
24 either an electric utility as defined in this Section, a
25 municipal utility as defined in this Section that owns or
26 operates electric distribution facilities, or a rural

1 electric cooperative as defined in Section 3-119 of the
2 Public Utilities Act;

3 (3) located on the customer side of the customer's
4 electric meter and is primarily used to offset that
5 customer's electricity load; and

6 (4) (blank).

7 "Energy efficiency" means measures that reduce the amount
8 of electricity or natural gas consumed in order to achieve a
9 given end use. "Energy efficiency" includes voltage
10 optimization measures that optimize the voltage at points on
11 the electric distribution voltage system and thereby reduce
12 electricity consumption by electric customers' end use
13 devices. "Energy efficiency" also includes measures that
14 reduce the total Btus of electricity, natural gas, and other
15 fuels needed to meet the end use or uses.

16 "Electric utility" has the same definition as found in
17 Section 16-102 of the Public Utilities Act.

18 "Equity investment eligible community" or "eligible
19 community" are synonymous and mean the geographic areas
20 throughout Illinois which would most benefit from equitable
21 investments by the State designed to combat discrimination.
22 Specifically, the eligible communities shall be defined as the
23 following areas:

24 (1) R3 Areas as established pursuant to Section 10-40
25 of the Cannabis Regulation and Tax Act, where residents
26 have historically been excluded from economic

1 opportunities, including opportunities in the energy
2 sector; and

3 (2) Environmental justice communities, as defined by
4 the Illinois Power Agency pursuant to the Illinois Power
5 Agency Act, where residents have historically been subject
6 to disproportionate burdens of pollution, including
7 pollution from the energy sector.

8 "Equity eligible persons" or "eligible persons" means
9 persons who would most benefit from equitable investments by
10 the State designed to combat discrimination, specifically:

11 (1) persons who graduate from or are current or former
12 participants in the Clean Jobs Workforce Network Program,
13 the Clean Energy Contractor Incubator Program, the
14 Illinois Climate Works Preapprenticeship Program,
15 Returning Residents Clean Jobs Training Program, or the
16 Clean Energy Primes Contractor Accelerator Program, and
17 the solar training pipeline and multi-cultural jobs
18 program created in paragraphs (a)(1) and (a)(3) of Section
19 16-108.21 of the Public Utilities Act;

20 (2) persons who are graduates of or currently enrolled
21 in the foster care system;

22 (3) persons who were formerly incarcerated;

23 (4) persons whose primary residence is in an equity
24 investment eligible community.

25 "Equity eligible contractor" means a business that is
26 majority-owned by eligible persons, or a nonprofit or

1 cooperative that is majority-governed by eligible persons, or
2 is a natural person that is an eligible person offering
3 personal services as an independent contractor.

4 "Facility" means an electric generating unit or a
5 co-generating unit that produces electricity along with
6 related equipment necessary to connect the facility to an
7 electric transmission or distribution system.

8 "General Contractor" means the entity or organization with
9 main responsibility for the building of a construction project
10 and who is the party signing the prime construction contract
11 for the project.

12 "Governmental aggregator" means one or more units of local
13 government that individually or collectively procure
14 electricity to serve residential retail electrical loads
15 located within its or their jurisdiction.

16 "High voltage direct current converter station" means the
17 collection of equipment that converts direct current energy
18 from a high voltage direct current transmission line into
19 alternating current using Voltage Source Conversion technology
20 and that is interconnected with transmission or distribution
21 assets located in Illinois.

22 "High voltage direct current renewable energy credit"
23 means a renewable energy credit associated with a renewable
24 energy resource where the renewable energy resource has
25 entered into a contract to transmit the energy associated with
26 such renewable energy credit over high voltage direct current

1 transmission facilities.

2 "High voltage direct current transmission facilities"
3 means the collection of installed equipment that converts
4 alternating current energy in one location to direct current
5 and transmits that direct current energy to a high voltage
6 direct current converter station using Voltage Source
7 Conversion technology. "High voltage direct current
8 transmission facilities" includes the high voltage direct
9 current converter station itself and associated high voltage
10 direct current transmission lines. Notwithstanding the
11 preceding, after the effective date of this amendatory Act of
12 the 102nd General Assembly, an otherwise qualifying collection
13 of equipment does not qualify as high voltage direct current
14 transmission facilities unless its developer entered into a
15 project labor agreement, is capable of transmitting
16 electricity at 525kv with an Illinois converter station
17 located and interconnected in the region of the PJM
18 Interconnection, LLC, and the system does not operate as a
19 public utility, as that term is defined in Section 3-105 of the
20 Public Utilities Act.

21 "Index price" means the real-time energy settlement price
22 at the applicable Illinois trading hub, such as PJM-NIHUB or
23 MISO-IL, for a given settlement period.

24 "Indexed renewable energy credit" means a tradable credit
25 that represents the environmental attributes of one megawatt
26 hour of energy produced from a renewable energy resource, the

1 price of which shall be calculated by subtracting the strike
2 price offered by a new utility-scale wind project or a new
3 utility-scale photovoltaic project from the index price in a
4 given settlement period.

5 "Indexed renewable energy credit counterparty" has the
6 same meaning as "public utility" as defined in Section 3-105
7 of the Public Utilities Act.

8 "Local government" means a unit of local government as
9 defined in Section 1 of Article VII of the Illinois
10 Constitution.

11 "Municipality" means a city, village, or incorporated
12 town.

13 "Municipal utility" means a public utility owned and
14 operated by any subdivision or municipal corporation of this
15 State.

16 "Nameplate capacity" means the aggregate inverter
17 nameplate capacity in kilowatts AC.

18 "Person" means any natural person, firm, partnership,
19 corporation, either domestic or foreign, company, association,
20 limited liability company, joint stock company, or association
21 and includes any trustee, receiver, assignee, or personal
22 representative thereof.

23 "Project" means the planning, bidding, and construction of
24 a facility.

25 "Project labor agreement" means a pre-hire collective
26 bargaining agreement that covers all terms and conditions of

1 employment on a specific construction project and must include
2 the following:

3 (1) provisions establishing the minimum hourly wage
4 for each class of labor organization employee;

5 (2) provisions establishing the benefits and other
6 compensation for each class of labor organization
7 employee;

8 (3) provisions establishing that no strike or disputes
9 will be engaged in by the labor organization employees;

10 (4) provisions establishing that no lockout or
11 disputes will be engaged in by the general contractor
12 building the project; and

13 (5) provisions for minorities and women, as defined
14 under the Business Enterprise for Minorities, Women, and
15 Persons with Disabilities Act, setting forth goals for
16 apprenticeship hours to be performed by minorities and
17 women and setting forth goals for total hours to be
18 performed by underrepresented minorities and women.

19 A labor organization and the general contractor building
20 the project shall have the authority to include other terms
21 and conditions as they deem necessary.

22 "Public utility" has the same definition as found in
23 Section 3-105 of the Public Utilities Act.

24 "Qualified combined heat and power systems" means systems
25 that, either simultaneously or sequentially, produce
26 electricity and useful thermal energy from a single fuel

1 source. Such systems are eligible for "renewable energy
2 credits" in an amount equal to its total energy output where a
3 renewable fuel is consumed or in an amount equal to the net
4 reduction in nonrenewable fuel consumed on a total energy
5 output basis.

6 "Real property" means any interest in land together with
7 all structures, fixtures, and improvements thereon, including
8 lands under water and riparian rights, any easements,
9 covenants, licenses, leases, rights-of-way, uses, and other
10 interests, together with any liens, judgments, mortgages, or
11 other claims or security interests related to real property.

12 "Renewable energy credit" means a tradable credit that
13 represents the environmental attributes of one megawatt hour
14 of energy produced from a renewable energy resource.

15 "Renewable energy resources" includes energy and its
16 associated renewable energy credit or renewable energy credits
17 from wind, solar thermal energy, photovoltaic cells and
18 panels, biodiesel, anaerobic digestion, crops and untreated
19 and unadulterated organic waste biomass, and hydropower ~~that~~
20 ~~does not involve new construction or significant expansion of~~
21 ~~hydropower dams~~, waste heat to power systems, or qualified
22 combined heat and power systems. For purposes of this Act,
23 landfill gas produced in the State is considered a renewable
24 energy resource. "Renewable energy resources" does not include
25 the incineration or burning of tires, garbage, general
26 household, institutional, and commercial waste, industrial

1 lunchroom or office waste, landscape waste, railroad
2 crossties, utility poles, or construction or demolition
3 debris, other than untreated and unadulterated waste wood.
4 "Renewable energy resources" also includes high voltage direct
5 current renewable energy credits and the associated energy
6 converted to alternating current by a high voltage direct
7 current converter station to the extent that: (1) the
8 generator of such renewable energy resource contracted with a
9 third party to transmit the energy over the high voltage
10 direct current transmission facilities, and (2) the
11 third-party contracting for delivery of renewable energy
12 resources over the high voltage direct current transmission
13 facilities have ownership rights over the unretired associated
14 high voltage direct current renewable energy credit.

15 "Retail customer" has the same definition as found in
16 Section 16-102 of the Public Utilities Act.

17 "Revenue bond" means any bond, note, or other evidence of
18 indebtedness issued by the Authority, the principal and
19 interest of which is payable solely from revenues or income
20 derived from any project or activity of the Agency.

21 "Sequester" means permanent storage of carbon dioxide by
22 injecting it into a saline aquifer, a depleted gas reservoir,
23 or an oil reservoir, directly or through an enhanced oil
24 recovery process that may involve intermediate storage,
25 regardless of whether these activities are conducted by a
26 clean coal facility, a clean coal SNG facility, a clean coal

1 SNG brownfield facility, or a party with which a clean coal
2 facility, clean coal SNG facility, or clean coal SNG
3 brownfield facility has contracted for such purposes.

4 "Service area" has the same definition as found in Section
5 16-102 of the Public Utilities Act.

6 "Settlement period" means the period of time utilized by
7 MISO and PJM and their successor organizations as the basis
8 for settlement calculations in the real-time energy market.

9 "Sourcing agreement" means (i) in the case of an electric
10 utility, an agreement between the owner of a clean coal
11 facility and such electric utility, which agreement shall have
12 terms and conditions meeting the requirements of paragraph (3)
13 of subsection (d) of Section 1-75, (ii) in the case of an
14 alternative retail electric supplier, an agreement between the
15 owner of a clean coal facility and such alternative retail
16 electric supplier, which agreement shall have terms and
17 conditions meeting the requirements of Section 16-115(d) (5) of
18 the Public Utilities Act, and (iii) in case of a gas utility,
19 an agreement between the owner of a clean coal SNG brownfield
20 facility and the gas utility, which agreement shall have the
21 terms and conditions meeting the requirements of subsection
22 (h-1) of Section 9-220 of the Public Utilities Act.

23 "Strike price" means a contract price for energy and
24 renewable energy credits from a new utility-scale wind project
25 or a new utility-scale photovoltaic project.

26 "Subscriber" means a person who (i) takes delivery service

1 from an electric utility, and (ii) has a subscription of no
2 less than 200 watts to a community renewable generation
3 project that is located in the electric utility's service
4 area. No subscriber's subscriptions may total more than 40% of
5 the nameplate capacity of an individual community renewable
6 generation project. Entities that are affiliated by virtue of
7 a common parent shall not represent multiple subscriptions
8 that total more than 40% of the nameplate capacity of an
9 individual community renewable generation project.

10 "Subscription" means an interest in a community renewable
11 generation project expressed in kilowatts, which is sized
12 primarily to offset part or all of the subscriber's
13 electricity usage.

14 "Substitute natural gas" or "SNG" means a gas manufactured
15 by gasification of hydrocarbon feedstock, which is
16 substantially interchangeable in use and distribution with
17 conventional natural gas.

18 "Total resource cost test" or "TRC test" means a standard
19 that is met if, for an investment in energy efficiency or
20 demand-response measures, the benefit-cost ratio is greater
21 than one. The benefit-cost ratio is the ratio of the net
22 present value of the total benefits of the program to the net
23 present value of the total costs as calculated over the
24 lifetime of the measures. A total resource cost test compares
25 the sum of avoided electric utility costs, representing the
26 benefits that accrue to the system and the participant in the

1 delivery of those efficiency measures and including avoided
2 costs associated with reduced use of natural gas or other
3 fuels, avoided costs associated with reduced water
4 consumption, and avoided costs associated with reduced
5 operation and maintenance costs, as well as other quantifiable
6 societal benefits, to the sum of all incremental costs of
7 end-use measures that are implemented due to the program
8 (including both utility and participant contributions), plus
9 costs to administer, deliver, and evaluate each demand-side
10 program, to quantify the net savings obtained by substituting
11 the demand-side program for supply resources. In calculating
12 avoided costs of power and energy that an electric utility
13 would otherwise have had to acquire, reasonable estimates
14 shall be included of financial costs likely to be imposed by
15 future regulations and legislation on emissions of greenhouse
16 gases. In discounting future societal costs and benefits for
17 the purpose of calculating net present values, a societal
18 discount rate based on actual, long-term Treasury bond yields
19 should be used. Notwithstanding anything to the contrary, the
20 TRC test shall not include or take into account a calculation
21 of market price suppression effects or demand reduction
22 induced price effects.

23 "Utility-scale solar project" means an electric generating
24 facility that:

25 (1) generates electricity using photovoltaic cells;

26 and

1 (2) has a nameplate capacity that is greater than
2 5,000 kilowatts.

3 "Utility-scale wind project" means an electric generating
4 facility that:

5 (1) generates electricity using wind; and

6 (2) has a nameplate capacity that is greater than
7 5,000 kilowatts.

8 "Waste Heat to Power Systems" means systems that capture
9 and generate electricity from energy that would otherwise be
10 lost to the atmosphere without the use of additional fuel.

11 "Zero emission credit" means a tradable credit that
12 represents the environmental attributes of one megawatt hour
13 of energy produced from a zero emission facility.

14 "Zero emission facility" means a facility that: (1) is
15 fueled by nuclear power; and (2) is interconnected with PJM
16 Interconnection, LLC or the Midcontinent Independent System
17 Operator, Inc., or their successors.

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

19 (20 ILCS 3855/1-20)

20 Sec. 1-20. General powers and duties of the Agency.

21 (a) The Agency is authorized to do each of the following:

22 (1) Develop electricity procurement plans to ensure
23 adequate, reliable, affordable, efficient, and
24 environmentally sustainable electric service at the lowest
25 total cost over time, taking into account any benefits of

1 price stability, for electric utilities that on December
2 31, 2005 provided electric service to at least 100,000
3 customers in Illinois and for small multi-jurisdictional
4 electric utilities that (A) on December 31, 2005 served
5 less than 100,000 customers in Illinois and (B) request a
6 procurement plan for their Illinois jurisdictional load.
7 Except as provided in paragraph (1.5) of this subsection
8 (a), the electricity procurement plans shall be updated on
9 an annual basis and shall include electricity generated
10 from renewable resources sufficient to achieve the
11 standards specified in this Act. Beginning with the
12 delivery year commencing June 1, 2017, develop procurement
13 plans to include zero emission credits generated from zero
14 emission facilities sufficient to achieve the standards
15 specified in this Act. Beginning with the delivery year
16 commencing on June 1, 2022, the Agency is authorized to
17 develop carbon mitigation credit procurement plans to
18 include carbon mitigation credits generated from
19 carbon-free energy resources sufficient to achieve the
20 standards specified in this Act.

21 (1.5) Develop a long-term renewable resources
22 procurement plan in accordance with subsection (c) of
23 Section 1-75 of this Act for renewable energy credits in
24 amounts sufficient to achieve the standards specified in
25 this Act for delivery years commencing June 1, 2017 and
26 for the programs and renewable energy credits specified in

1 Section 1-56 of this Act. Electricity procurement plans
2 for delivery years commencing after May 31, 2017, shall
3 not include procurement of renewable energy resources.

4 (2) Conduct competitive procurement processes to
5 procure the supply resources identified in the electricity
6 procurement plan, pursuant to Section 16-111.5 of the
7 Public Utilities Act, and, for the delivery year
8 commencing June 1, 2017, conduct procurement processes to
9 procure zero emission credits from zero emission
10 facilities, under subsection (d-5) of Section 1-75 of this
11 Act. For the delivery year commencing June 1, 2022, the
12 Agency is authorized to conduct procurement processes to
13 procure carbon mitigation credits from carbon-free energy
14 resources, under subsection (d-10) of Section 1-75 of this
15 Act.

16 (2.5) Beginning with the procurement for the 2017
17 delivery year, conduct competitive procurement processes
18 and implement programs to procure renewable energy credits
19 identified in the long-term renewable resources
20 procurement plan developed and approved under subsection
21 (c) of Section 1-75 of this Act and Section 16-111.5 of the
22 Public Utilities Act.

23 (2.10) Oversee the procurement by electric utilities
24 that served more than 300,000 customers in this State as
25 of January 1, 2019 of renewable energy credits from new
26 renewable energy facilities to be installed, along with

1 energy storage facilities, at or adjacent to the sites of
2 electric generating facilities that burned coal as their
3 primary fuel source as of January 1, 2016 in accordance
4 with subsection (c-5) of Section 1-75 of this Act.

5 (2.15) Oversee the procurement by electric utilities
6 that serve more than 3,000,000 customers in this State as
7 of January 1, 2019 of renewable energy credits from new,
8 newly modernized, or retooled hydroelectric facilities in
9 accordance with Section 1-75 of this Act.

10 (3) Develop electric generation and co-generation
11 facilities that use indigenous coal or renewable
12 resources, or both, financed with bonds issued by the
13 Illinois Finance Authority.

14 (4) Supply electricity from the Agency's facilities at
15 cost to one or more of the following: municipal electric
16 systems, governmental aggregators, or rural electric
17 cooperatives in Illinois.

18 (b) Except as otherwise limited by this Act, the Agency
19 has all of the powers necessary or convenient to carry out the
20 purposes and provisions of this Act, including without
21 limitation, each of the following:

22 (1) To have a corporate seal, and to alter that seal at
23 pleasure, and to use it by causing it or a facsimile to be
24 affixed or impressed or reproduced in any other manner.

25 (2) To use the services of the Illinois Finance
26 Authority necessary to carry out the Agency's purposes.

1 (3) To negotiate and enter into loan agreements and
2 other agreements with the Illinois Finance Authority.

3 (4) To obtain and employ personnel and hire
4 consultants that are necessary to fulfill the Agency's
5 purposes, and to make expenditures for that purpose within
6 the appropriations for that purpose.

7 (5) To purchase, receive, take by grant, gift, devise,
8 bequest, or otherwise, lease, or otherwise acquire, own,
9 hold, improve, employ, use, and otherwise deal in and
10 with, real or personal property whether tangible or
11 intangible, or any interest therein, within the State.

12 (6) To acquire real or personal property, whether
13 tangible or intangible, including without limitation
14 property rights, interests in property, franchises,
15 obligations, contracts, and debt and equity securities,
16 and to do so by the exercise of the power of eminent domain
17 in accordance with Section 1-21; except that any real
18 property acquired by the exercise of the power of eminent
19 domain must be located within the State.

20 (7) To sell, convey, lease, exchange, transfer,
21 abandon, or otherwise dispose of, or mortgage, pledge, or
22 create a security interest in, any of its assets,
23 properties, or any interest therein, wherever situated.

24 (8) To purchase, take, receive, subscribe for, or
25 otherwise acquire, hold, make a tender offer for, vote,
26 employ, sell, lend, lease, exchange, transfer, or

1 otherwise dispose of, mortgage, pledge, or grant a
2 security interest in, use, and otherwise deal in and with,
3 bonds and other obligations, shares, or other securities
4 (or interests therein) issued by others, whether engaged
5 in a similar or different business or activity.

6 (9) To make and execute agreements, contracts, and
7 other instruments necessary or convenient in the exercise
8 of the powers and functions of the Agency under this Act,
9 including contracts with any person, including personal
10 service contracts, or with any local government, State
11 agency, or other entity; and all State agencies and all
12 local governments are authorized to enter into and do all
13 things necessary to perform any such agreement, contract,
14 or other instrument with the Agency. No such agreement,
15 contract, or other instrument shall exceed 40 years.

16 (10) To lend money, invest and reinvest its funds in
17 accordance with the Public Funds Investment Act, and take
18 and hold real and personal property as security for the
19 payment of funds loaned or invested.

20 (11) To borrow money at such rate or rates of interest
21 as the Agency may determine, issue its notes, bonds, or
22 other obligations to evidence that indebtedness, and
23 secure any of its obligations by mortgage or pledge of its
24 real or personal property, machinery, equipment,
25 structures, fixtures, inventories, revenues, grants, and
26 other funds as provided or any interest therein, wherever

1 situated.

2 (12) To enter into agreements with the Illinois
3 Finance Authority to issue bonds whether or not the income
4 therefrom is exempt from federal taxation.

5 (13) To procure insurance against any loss in
6 connection with its properties or operations in such
7 amount or amounts and from such insurers, including the
8 federal government, as it may deem necessary or desirable,
9 and to pay any premiums therefor.

10 (14) To negotiate and enter into agreements with
11 trustees or receivers appointed by United States
12 bankruptcy courts or federal district courts or in other
13 proceedings involving adjustment of debts and authorize
14 proceedings involving adjustment of debts and authorize
15 legal counsel for the Agency to appear in any such
16 proceedings.

17 (15) To file a petition under Chapter 9 of Title 11 of
18 the United States Bankruptcy Code or take other similar
19 action for the adjustment of its debts.

20 (16) To enter into management agreements for the
21 operation of any of the property or facilities owned by
22 the Agency.

23 (17) To enter into an agreement to transfer and to
24 transfer any land, facilities, fixtures, or equipment of
25 the Agency to one or more municipal electric systems,
26 governmental aggregators, or rural electric agencies or

1 cooperatives, for such consideration and upon such terms
2 as the Agency may determine to be in the best interest of
3 the residents of Illinois.

4 (18) To enter upon any lands and within any building
5 whenever in its judgment it may be necessary for the
6 purpose of making surveys and examinations to accomplish
7 any purpose authorized by this Act.

8 (19) To maintain an office or offices at such place or
9 places in the State as it may determine.

10 (20) To request information, and to make any inquiry,
11 investigation, survey, or study that the Agency may deem
12 necessary to enable it effectively to carry out the
13 provisions of this Act.

14 (21) To accept and expend appropriations.

15 (22) To engage in any activity or operation that is
16 incidental to and in furtherance of efficient operation to
17 accomplish the Agency's purposes, including hiring
18 employees that the Director deems essential for the
19 operations of the Agency.

20 (23) To adopt, revise, amend, and repeal rules with
21 respect to its operations, properties, and facilities as
22 may be necessary or convenient to carry out the purposes
23 of this Act, subject to the provisions of the Illinois
24 Administrative Procedure Act and Sections 1-22 and 1-35 of
25 this Act.

26 (24) To establish and collect charges and fees as

1 described in this Act.

2 (25) To conduct competitive gasification feedstock
3 procurement processes to procure the feedstocks for the
4 clean coal SNG brownfield facility in accordance with the
5 requirements of Section 1-78 of this Act.

6 (26) To review, revise, and approve sourcing
7 agreements and mediate and resolve disputes between gas
8 utilities and the clean coal SNG brownfield facility
9 pursuant to subsection (h-1) of Section 9-220 of the
10 Public Utilities Act.

11 (27) To request, review and accept proposals, execute
12 contracts, purchase renewable energy credits and otherwise
13 dedicate funds from the Illinois Power Agency Renewable
14 Energy Resources Fund to create and carry out the
15 objectives of the Illinois Solar for All Program in
16 accordance with Section 1-56 of this Act.

17 (28) To ensure Illinois residents and business benefit
18 from programs administered by the Agency and are properly
19 protected from any deceptive or misleading marketing
20 practices by participants in the Agency's programs and
21 procurements.

22 (c) In conducting the procurement of electricity or other
23 products, beginning January 1, 2022, the Agency shall not
24 procure any products or services from persons or organizations
25 that are in violation of the Displaced Energy Workers Bill of
26 Rights, as provided under the Energy Community Reinvestment

1 Act at the time of the procurement event or fail to comply the
2 labor standards established in subparagraph (Q) of paragraph
3 (1) of subsection (c) of Section 1-75.

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

5 (20 ILCS 3855/1-75)

6 Sec. 1-75. Planning and Procurement Bureau. The Planning
7 and Procurement Bureau has the following duties and
8 responsibilities:

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

1 Procurement Bureau shall also develop procurement plans and
2 conduct competitive procurement processes in accordance with
3 the requirements of Section 16-111.5 of the Public Utilities
4 Act for the eligible retail customers of small
5 multi-jurisdictional electric utilities that (i) on December
6 31, 2005 served less than 100,000 customers in Illinois and
7 (ii) request a procurement plan for their Illinois
8 jurisdictional load. This Section shall not apply to a small
9 multi-jurisdictional utility until such time as a small
10 multi-jurisdictional utility requests the Agency to prepare a
11 procurement plan for their Illinois jurisdictional load. For
12 the purposes of this Section, the term "eligible retail
13 customers" has the same definition as found in Section
14 16-111.5(a) of the Public Utilities Act.

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

24 In accordance with subsection (c-5) of this Section, the
25 Planning and Procurement Bureau shall oversee the procurement
26 by electric utilities that served more than 300,000 retail

1 customers in this State as of January 1, 2019 of renewable
2 energy credits from new utility-scale solar projects to be
3 installed, along with energy storage facilities, at or
4 adjacent to the sites of electric generating facilities that,
5 as of January 1, 2016, burned coal as their primary fuel
6 source.

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

13 (A) direct previous experience assembling
14 large-scale power supply plans or portfolios for
15 end-use customers;

16 (B) an advanced degree in economics, mathematics,
17 engineering, risk management, or a related area of
18 study;

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

21 (D) expertise in wholesale electricity market
22 rules, including those established by the Federal
23 Energy Regulatory Commission and regional transmission
24 organizations;

25 (E) expertise in credit protocols and familiarity
26 with contract protocols;

1 (F) adequate resources to perform and fulfill the
2 required functions and responsibilities; and

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

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

12 (A) direct previous experience administering a
13 large-scale competitive procurement process;

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

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

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

22 (E) expertise in credit and contract protocols;

23 (F) adequate resources to perform and fulfill the
24 required functions and responsibilities; and

25 (G) the absence of a conflict of interest and
26 inappropriate bias for or against potential bidders or

1 the affected electric utilities.

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

- 17 (A) failure to satisfy qualification criteria;
18 (B) identification of a conflict of interest; or
19 (C) evidence of inappropriate bias for or against
20 potential bidders or the affected utilities.

21 The Agency shall remove experts or expert consulting
22 firms from the lists within 10 days if there is a
23 reasonable basis for an objection and provide the updated
24 lists to the affected utilities and other interested
25 parties. If the Agency fails to remove an expert or expert
26 consulting firm from a list, an objecting party may seek

1 review by the Commission within 5 days thereafter by
2 filing a petition, and the Commission shall render a
3 ruling on the petition within 10 days. There is no right of
4 appeal of the Commission's ruling.

5 (4) The Agency shall issue requests for proposals to
6 the qualified experts or expert consulting firms to
7 develop a procurement plan for the affected utilities and
8 to serve as procurement administrator.

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

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

22 (b) The experts or expert consulting firms retained by the
23 Agency shall, as appropriate, prepare procurement plans, and
24 conduct a competitive procurement process as prescribed in
25 Section 16-111.5 of the Public Utilities Act, to ensure
26 adequate, reliable, affordable, efficient, and environmentally

1 sustainable electric service at the lowest total cost over
2 time, taking into account any benefits of price stability, for
3 eligible retail customers of electric utilities that on
4 December 31, 2005 provided electric service to at least
5 100,000 customers in the State of Illinois, and for eligible
6 Illinois retail customers of small multi-jurisdictional
7 electric utilities that (i) on December 31, 2005 served less
8 than 100,000 customers in Illinois and (ii) request a
9 procurement plan for their Illinois jurisdictional load.

10 (c) Renewable portfolio standard.

11 (1) (A) The Agency shall develop a long-term renewable
12 resources procurement plan that shall include procurement
13 programs and competitive procurement events necessary to
14 meet the goals set forth in this subsection (c). The
15 initial long-term renewable resources procurement plan
16 shall be released for comment no later than 160 days after
17 June 1, 2017 (the effective date of Public Act 99-906).
18 The Agency shall review, and may revise on an expedited
19 basis, the long-term renewable resources procurement plan
20 at least every 2 years, which shall be conducted in
21 conjunction with the procurement plan under Section
22 16-111.5 of the Public Utilities Act to the extent
23 practicable to minimize administrative expense. No later
24 than 120 days after the effective date of this amendatory
25 Act of the 102nd General Assembly, the Agency shall
26 release for comment a revision to the long-term renewable

1 resources procurement plan, updating elements of the most
2 recently approved plan as needed to comply with this
3 amendatory Act of the 102nd General Assembly, and any
4 long-term renewable resources procurement plan update
5 published by the Agency but not yet approved by the
6 Illinois Commerce Commission shall be withdrawn. The
7 long-term renewable resources procurement plans shall be
8 subject to review and approval by the Commission under
9 Section 16-111.5 of the Public Utilities Act.

10 (B) Subject to subparagraph (F) of this paragraph (1),
11 the long-term renewable resources procurement plan shall
12 attempt to meet the goals for procurement of renewable
13 energy credits at levels of at least the following overall
14 percentages: 13% by the 2017 delivery year; increasing by
15 at least 1.5% each delivery year thereafter to at least
16 25% by the 2025 delivery year; increasing by at least 3%
17 each delivery year thereafter to at least 40% by the 2030
18 delivery year, and continuing at no less than 40% for each
19 delivery year thereafter. The Agency shall attempt to
20 procure 50% by delivery year 2040. The Agency shall
21 determine the annual increase between delivery year 2030
22 and delivery year 2040, if any, taking into account energy
23 demand, other energy resources, and other public policy
24 goals. In the event of a conflict between these goals and
25 the new wind, ~~and~~ new photovoltaic, and hydroelectric
26 procurement requirements described in items (i) through

1 (iii) of subparagraph (C) of this paragraph (1), the
2 long-term plan shall prioritize compliance with the new
3 wind, ~~and~~ new photovoltaic, and hydroelectric procurement
4 requirements described in items (i) through (iii) of
5 subparagraph (C) of this paragraph (1) over the annual
6 percentage targets described in this subparagraph (B). The
7 Agency shall not comply with the annual percentage targets
8 described in this subparagraph (B) by procuring renewable
9 energy credits that are unlikely to lead to the
10 development of new renewable resources or modernized or
11 retooled hydroelectric resources.

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

22 For the delivery year beginning June 1, 2018, the
23 procurement plan shall attempt to include, subject to the
24 prioritization outlined in this subparagraph (B),
25 cost-effective renewable energy resources equal to at
26 least 14.5% of each utility's load for eligible retail

1 customers and 14.5% of the applicable portion of each
2 utility's load for retail customers who are not eligible
3 retail customers, which applicable portion shall equal 75%
4 of the utility's load for retail customers who are not
5 eligible retail customers on February 28, 2017.

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

22 For each delivery year, the Agency shall first
23 recognize each utility's obligations for that delivery
24 year under existing contracts. Any renewable energy
25 credits under existing contracts, including renewable
26 energy credits as part of renewable energy resources,

1 shall be used to meet the goals set forth in this
2 subsection (c) for the delivery year.

3 (C) The long-term renewable resources procurement plan
4 described in subparagraph (A) of this paragraph (1) shall
5 include the procurement of renewable energy credits from
6 new projects pursuant to ~~in amounts equal to at least~~ the
7 following terms:

8 (i) At least 10,000,000 renewable energy credits
9 delivered annually by the end of the 2021 delivery
10 year, and increasing ratably to reach 45,000,000
11 renewable energy credits delivered annually from new
12 wind and solar projects by the end of delivery year
13 2030 such that the goals in subparagraph (B) of this
14 paragraph (1) are met entirely by procurements of
15 renewable energy credits from new wind and
16 photovoltaic projects. Of that amount, to the extent
17 possible, the Agency shall procure 45% from wind
18 projects and 55% from photovoltaic projects. Of the
19 amount to be procured from photovoltaic projects, the
20 Agency shall procure: at least 50% from solar
21 photovoltaic projects using the program outlined in
22 subparagraph (K) of this paragraph (1) from
23 distributed renewable energy generation devices or
24 community renewable generation projects; at least 47%
25 from utility-scale solar projects; at least 3% from
26 brownfield site photovoltaic projects that are not

1 community renewable generation projects. For utilities
2 that serve more than 3,000,000 customers in this State
3 as of January 1, 2019, the Agency shall procure
4 additional renewable energy credits from new, newly
5 modernized, or retooled hydroelectric facilities.

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

22 (ii) In any given delivery year, if forecasted
23 expenses are less than the maximum budget available
24 under subparagraph (E) of this paragraph (1), the
25 Agency shall continue to procure new renewable energy
26 credits until that budget is exhausted in the manner

1 outlined in item (i) of this subparagraph (C).

2 (iii) For purposes of this Section:

3 "New wind projects" means wind renewable energy
4 facilities that are energized after June 1, 2017 for
5 the delivery year commencing June 1, 2017.

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

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

24 (D) Renewable energy credits shall be cost effective.
25 For purposes of this subsection (c), "cost effective"
26 means that the costs of procuring renewable energy

1 resources do not cause the limit stated in subparagraph
2 (E) of this paragraph (1) to be exceeded and, for
3 renewable energy credits procured through a competitive
4 procurement event, do not exceed benchmarks based on
5 market prices for like products in the region. For
6 purposes of this subsection (c), "like products" means
7 contracts for renewable energy credits from the same or
8 substantially similar technology, same or substantially
9 similar vintage (new or existing), the same or
10 substantially similar quantity, and the same or
11 substantially similar contract length and structure.
12 Benchmarks shall reflect development, financing, or
13 related costs resulting from requirements imposed through
14 other provisions of State law, including, but not limited
15 to, requirements in subparagraphs (P) and (Q) of this
16 paragraph (1) and the Renewable Energy Facilities
17 Agricultural Impact Mitigation Act. Confidential
18 benchmarks shall be developed by the procurement
19 administrator, in consultation with the Commission staff,
20 Agency staff, and the procurement monitor and shall be
21 subject to Commission review and approval. If price
22 benchmarks for like products in the region are not
23 available, the procurement administrator shall establish
24 price benchmarks based on publicly available data on
25 regional technology costs and expected current and future
26 regional energy prices. The benchmarks in this Section

1 shall not be used to curtail or otherwise reduce
2 contractual obligations entered into by or through the
3 Agency prior to June 1, 2017 (the effective date of Public
4 Act 99-906).

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

26 Notwithstanding the requirements of this subsection

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

1 adjustments to those contract amounts shall be allowed.
2 All costs incurred under such contracts shall be fully
3 recoverable by the electric utility as provided in this
4 Section.

5 (F) If the limitation on the amount of renewable
6 energy resources procured in subparagraph (E) of this
7 paragraph (1) prevents the Agency from meeting all of the
8 goals in this subsection (c), the Agency's long-term plan
9 shall prioritize compliance with the requirements of this
10 subsection (c) regarding renewable energy credits in the
11 following order:

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

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

17 (ii) renewable energy credits necessary to comply
18 with the new wind and new photovoltaic procurement
19 requirements described in items (i) through (iii) of
20 subparagraph (C) of this paragraph (1); and

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

23 (G) The following provisions shall apply to the
24 Agency's procurement of renewable energy credits under
25 this subsection (c):

26 (i) Notwithstanding whether a long-term renewable

1 resources procurement plan has been approved, the
2 Agency shall conduct an initial forward procurement
3 for renewable energy credits from new utility-scale
4 wind projects within 160 days after June 1, 2017 (the
5 effective date of Public Act 99-906). For the purposes
6 of this initial forward procurement, the Agency shall
7 solicit 15-year contracts for delivery of 1,000,000
8 renewable energy credits delivered annually from new
9 utility-scale wind projects to begin delivery on June
10 1, 2019, if available, but not later than June 1, 2021,
11 unless the project has delays in the establishment of
12 an operating interconnection with the applicable
13 transmission or distribution system as a result of the
14 actions or inactions of the transmission or
15 distribution provider, or other causes for force
16 majeure as outlined in the procurement contract, in
17 which case, not later than June 1, 2022. Payments to
18 suppliers of renewable energy credits shall commence
19 upon delivery. Renewable energy credits procured under
20 this initial procurement shall be included in the
21 Agency's long-term plan and shall apply to all
22 renewable energy goals in this subsection (c).

23 (ii) Notwithstanding whether a long-term renewable
24 resources procurement plan has been approved, the
25 Agency shall conduct an initial forward procurement
26 for renewable energy credits from new utility-scale

1 solar projects and brownfield site photovoltaic
2 projects within one year after June 1, 2017 (the
3 effective date of Public Act 99-906). For the purposes
4 of this initial forward procurement, the Agency shall
5 solicit 15-year contracts for delivery of 1,000,000
6 renewable energy credits delivered annually from new
7 utility-scale solar projects and brownfield site
8 photovoltaic projects to begin delivery on June 1,
9 2019, if available, but not later than June 1, 2021,
10 unless the project has delays in the establishment of
11 an operating interconnection with the applicable
12 transmission or distribution system as a result of the
13 actions or inactions of the transmission or
14 distribution provider, or other causes for force
15 majeure as outlined in the procurement contract, in
16 which case, not later than June 1, 2022. The Agency may
17 structure this initial procurement in one or more
18 discrete procurement events. Payments to suppliers of
19 renewable energy credits shall commence upon delivery.
20 Renewable energy credits procured under this initial
21 procurement shall be included in the Agency's
22 long-term plan and shall apply to all renewable energy
23 goals in this subsection (c).

24 (iii) Notwithstanding whether the Commission has
25 approved the periodic long-term renewable resources
26 procurement plan revision described in Section

1 16-111.5 of the Public Utilities Act, the Agency shall
2 conduct at least one subsequent forward procurement
3 for renewable energy credits from new utility-scale
4 wind projects, new utility-scale solar projects, and
5 new brownfield site photovoltaic projects within 240
6 days after the effective date of this amendatory Act
7 of the 102nd General Assembly in quantities necessary
8 to meet the requirements of subparagraph (C) of this
9 paragraph (1) through the delivery year beginning June
10 1, 2021.

11 (iv) Notwithstanding whether the Commission has
12 approved the periodic long-term renewable resources
13 procurement plan revision described in Section
14 16-111.5 of the Public Utilities Act, the Agency shall
15 open capacity for each category in the Adjustable
16 Block program within 90 days after the effective date
17 of this amendatory Act of the 102nd General Assembly
18 manner:

19 (1) The Agency shall open the first block of
20 annual capacity for the category described in item
21 (i) of subparagraph (K) of this paragraph (1). The
22 first block of annual capacity for item (i) shall
23 be for at least 75 megawatts of total nameplate
24 capacity. The price of the renewable energy credit
25 for this block of capacity shall be 4% less than
26 the price of the last open block in this category.

1 Projects on a waitlist shall be awarded contracts
2 first in the order in which they appear on the
3 waitlist. Notwithstanding anything to the
4 contrary, for those renewable energy credits that
5 qualify and are procured under this subitem (1) of
6 this item (iv), the renewable energy credit
7 delivery contract value shall be paid in full,
8 based on the estimated generation during the first
9 15 years of operation, by the contracting
10 utilities at the time that the facility producing
11 the renewable energy credits is interconnected at
12 the distribution system level of the utility and
13 verified as energized and in compliance by the
14 Program Administrator. The electric utility shall
15 receive and retire all renewable energy credits
16 generated by the project for the first 15 years of
17 operation. Renewable energy credits generated by
18 the project thereafter shall not be transferred
19 under the renewable energy credit delivery
20 contract with the counterparty electric utility.

21 (2) The Agency shall open the first block of
22 annual capacity for the category described in item
23 (ii) of subparagraph (K) of this paragraph (1).
24 The first block of annual capacity for item (ii)
25 shall be for at least 75 megawatts of total
26 nameplate capacity.

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

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

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

1 quickly as possible.

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

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

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

26 (B) Contract awards for waitlisted

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

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

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

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

24 (iv) Assuming all other program
25 requirements are met, applicant firms may
26 adjust the expected production associated

1 with applicant projects, subject to
2 verification by the Program Administrator.

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

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

1 (iii) of subparagraph (K) of this subsection
2 (c).

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

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

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

26 (iii) Permission for the ability of a

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

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

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

1 selected project.

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

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

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

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

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

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

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

1 quantity of energy produced in the relevant
2 settlement period.

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

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

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

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

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

7 (v-5) On and after the effective date of this
8 amendatory Act of the 102nd General Assembly, for all
9 procurements of renewable energy credits from
10 hydroelectric facilities, the Agency shall establish
11 contract terms designed to optimize existing
12 hydroelectric facilities through modernization or
13 retooling.

14 (vi) All procurements under this subparagraph (G),
15 including the procurement of renewable energy credits
16 from hydroelectric facilities, shall comply with the
17 geographic requirements in subparagraph (I) of this
18 paragraph (1) and shall follow the procurement
19 processes and procedures described in this Section and
20 Section 16-111.5 of the Public Utilities Act to the
21 extent practicable, and these processes and procedures
22 may be expedited to accommodate the schedule
23 established by this subparagraph (G).

24 (H) The procurement of renewable energy resources for
25 a given delivery year shall be reduced as described in
26 this subparagraph (H) if an alternative retail electric

1 supplier meets the requirements described in this
2 subparagraph (H).

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

15 The informational filing shall identify each
16 facility that was eligible to satisfy the alternative
17 retail electric supplier's obligations under Section
18 16-115D of the Public Utilities Act as described in
19 this item (i).

20 (ii) For a given delivery year, the alternative
21 retail electric supplier may elect to supply its
22 retail customers with renewable energy credits from
23 the facility or facilities described in item (i) of
24 this subparagraph (H) that continue to be owned by the
25 alternative retail electric supplier.

26 (iii) The alternative retail electric supplier

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

15 For the delivery year beginning June 1, 2018,
16 the maximum amount of renewable energy credits to
17 be supplied by an alternative retail electric
18 supplier under this subparagraph (H) shall be 68%
19 multiplied by 25% multiplied by 14.5% multiplied
20 by the amount of metered electricity
21 (megawatt-hours) delivered by the alternative
22 retail electric supplier to Illinois retail
23 customers during the delivery year ending May 31,
24 2016.

25 For delivery years beginning June 1, 2019 and
26 each year thereafter, the maximum amount of

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

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

26 If the requirements set forth in items (i) through

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

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

23 (I) The Agency shall design its long-term renewable
24 energy procurement plan to maximize the State's interest
25 in the health, safety, and welfare of its residents,
26 including but not limited to minimizing sulfur dioxide,

1 nitrogen oxide, particulate matter and other pollution
2 that adversely affects public health in this State,
3 increasing fuel and resource diversity in this State,
4 enhancing the reliability and resiliency of the
5 electricity distribution system in this State, meeting
6 goals to limit carbon dioxide emissions under federal or
7 State law, and contributing to a cleaner and healthier
8 environment for the citizens of this State. In order to
9 further these legislative purposes, renewable energy
10 credits shall be eligible to be counted toward the
11 renewable energy requirements of this subsection (c) if
12 they are generated from facilities located in this State.
13 The Agency may qualify renewable energy credits from
14 facilities located in states adjacent to Illinois or
15 renewable energy credits associated with the electricity
16 generated by a utility-scale wind energy facility or
17 utility-scale photovoltaic facility and transmitted by a
18 qualifying direct current project described in subsection
19 (b-5) of Section 8-406 of the Public Utilities Act to a
20 delivery point on the electric transmission grid located
21 in this State or a state adjacent to Illinois, if the
22 generator demonstrates and the Agency determines that the
23 operation of such facility or facilities will help promote
24 the State's interest in the health, safety, and welfare of
25 its residents based on the public interest criteria
26 described above. For the purposes of this Section,

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

20 (J) In order to promote the competitive development of
21 renewable energy resources in furtherance of the State's
22 interest in the health, safety, and welfare of its
23 residents, renewable energy credits shall not be eligible
24 to be counted toward the renewable energy requirements of
25 this subsection (c) if they are sourced from a generating
26 unit whose costs were being recovered through rates

1 regulated by this State or any other state or states on or
2 after January 1, 2017. Each contract executed to purchase
3 renewable energy credits under this subsection (c) shall
4 provide for the contract's termination if the costs of the
5 generating unit supplying the renewable energy credits
6 subsequently begin to be recovered through rates regulated
7 by this State or any other state or states; and each
8 contract shall further provide that, in that event, the
9 supplier of the credits must return 110% of all payments
10 received under the contract. Amounts returned under the
11 requirements of this subparagraph (J) shall be retained by
12 the utility and all of these amounts shall be used for the
13 procurement of additional renewable energy credits from
14 new wind or new photovoltaic resources as defined in this
15 subsection (c). The long-term plan shall provide that
16 these renewable energy credits shall be procured in the
17 next procurement event.

18 Notwithstanding the limitations of this subparagraph
19 (J), renewable energy credits sourced from generating
20 units that are constructed, purchased, owned, or leased by
21 an electric utility as part of an approved project,
22 program, or pilot under Section 1-56 of this Act shall be
23 eligible to be counted toward the renewable energy
24 requirements of this subsection (c), regardless of how the
25 costs of these units are recovered. As long as a
26 generating unit or an identifiable portion of a generating

1 unit has not had and does not have its costs recovered
2 through rates regulated by this State or any other state,
3 HVDC renewable energy credits associated with that
4 generating unit or identifiable portion thereof shall be
5 eligible to be counted toward the renewable energy
6 requirements of this subsection (c).

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

24 The Adjustable Block program shall include for each
25 category of eligible projects for each delivery year: a
26 single block of nameplate capacity, a price for renewable

1 energy credits within that block, and the terms and
2 conditions for securing a spot on a waitlist once the
3 block is fully committed or reserved. Except as outlined
4 below, the waitlist of projects in a given year will carry
5 over to apply to the subsequent year when another block is
6 opened. Only projects energized on or after June 1, 2017
7 shall be eligible for the Adjustable Block program. For
8 each category for each delivery year the Agency shall
9 determine the amount of generation capacity in each block,
10 and the purchase price for each block, provided that the
11 purchase price provided and the total amount of generation
12 in all blocks for all categories shall be sufficient to
13 meet the goals in this subsection (c). The Agency shall
14 strive to issue a single block sized to provide for
15 stability and market growth. The Agency shall establish
16 program eligibility requirements that ensure that projects
17 that enter the program are sufficiently mature to indicate
18 a demonstrable path to completion. The Agency may
19 periodically review its prior decisions establishing the
20 amount of generation capacity in each block, and the
21 purchase price for each block, and may propose, on an
22 expedited basis, changes to these previously set values,
23 including but not limited to redistributing these amounts
24 and the available funds as necessary and appropriate,
25 subject to Commission approval as part of the periodic
26 plan revision process described in Section 16-111.5 of the

1 Public Utilities Act. The Agency may define different
2 block sizes, purchase prices, or other distinct terms and
3 conditions for projects located in different utility
4 service territories if the Agency deems it necessary to
5 meet the goals in this subsection (c).

6 The Adjustable Block program shall include the
7 following categories in at least the following amounts:

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

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

19 (iii) At least 30% from photovoltaic community
20 renewable generation projects. Capacity for this
21 category for the first 2 delivery years after the
22 effective date of this amendatory Act of the 102nd
23 General Assembly shall be allocated to waitlist
24 projects as provided in paragraph (3) of item (iv) of
25 subparagraph (G). Starting in the third delivery year
26 after the effective date of this amendatory Act of the

1 102nd General Assembly or earlier if the Agency
2 determines there is additional capacity needed for to
3 meet previous delivery year requirements, the
4 following shall apply:

5 (1) the Agency shall select projects on a
6 first-come, first-serve basis, however the Agency
7 may suggest additional methods to prioritize
8 projects that are submitted at the same time;

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

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

20 (4) projects greater than 2 MW may not apply
21 until after the approval of the Agency's revised
22 Long-Term Renewable Resources Procurement Plan
23 after the effective date of this amendatory Act of
24 the 102nd General Assembly.

25 (iv) At least 15% from distributed renewable
26 generation devices or photovoltaic community renewable

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

23 "Environmental Justice Community" shall have the
24 same meaning set forth in the Agency's long-term
25 renewable resources procurement plan;

26 "Organization Unit", "Tier 1" and "Tier 2" shall

1 have the meanings set for in Section 18-8.15 of the
2 School Code;

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

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

19 (1) community ownership or community
20 wealth-building;

21 (2) additional direct and indirect community
22 benefit, beyond project participation as a
23 subscriber, including, but not limited to,
24 economic, environmental, social, cultural, and
25 physical benefits;

26 (3) meaningful involvement in project

1 organization and development by community members
2 or nonprofit organizations or public entities
3 located in or serving the community;

4 (4) engagement in project operations and
5 management by nonprofit organizations, public
6 entities, or community members; and

7 (5) whether a project is developed in response
8 to a site-specific RFP developed by community
9 members or a nonprofit organization or public
10 entity located in or serving the community.

11 Selection criteria may also prioritize projects
12 that:

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

21 (2) increase the diversity of locations of
22 community solar projects in Illinois, including by
23 locating in urban areas and population centers;

24 (3) are located in Equity Investment Eligible
25 Communities;

26 (4) are not greenfield projects;

1 (5) serve only local subscribers;

2 (6) have a nameplate capacity that does not
3 exceed 500 kW;

4 (7) are developed by an equity eligible
5 contractor; or

6 (8) otherwise meaningfully advance the goals
7 of providing more direct and tangible connection
8 and benefits to the communities which they serve
9 or in which they operate and increasing the
10 variety of community solar locations, models, and
11 options in Illinois.

12 For the purposes of this item (v):

13 "Community" means a social unit in which people
14 come together regularly to effect change; a social
15 unit in which participants are marked by a cooperative
16 spirit, a common purpose, or shared interests or
17 characteristics; or a space understood by its
18 residents to be delineated through geographic
19 boundaries or landmarks.

20 "Community benefit" means a range of services and
21 activities that provide affirmative, economic,
22 environmental, social, cultural, or physical value to
23 a community; or a mechanism that enables economic
24 development, high-quality employment, and education
25 opportunities for local workers and residents, or
26 formal monitoring and oversight structures such that

1 community members may ensure that those services and
2 activities respond to local knowledge and needs.

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

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

22 (vi) At least 10% from distributed renewable
23 energy generation devices, which includes distributed
24 renewable energy devices with a nameplate capacity
25 under 5,000 kilowatts or photovoltaic community
26 renewable generation projects, from applicants that

1 are equity eligible contractors. The Agency may create
2 subcategories within this category to account for the
3 differences between project size and type. The Agency
4 shall propose to increase the percentage in this item
5 (vi) over time to 40% based on factors, including, but
6 not limited to, the number of equity eligible
7 contractors and capacity used in this item (vi) in
8 previous delivery years.

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

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

21 (vii) The remaining capacity shall be allocated by
22 the Agency in order to respond to market demand. The
23 Agency shall allocate any discretionary capacity prior
24 to the beginning of each delivery year.

25 To the extent there is uncontracted capacity from any
26 block in any of categories (i) through (vi) at the end of a

1 delivery year, the Agency shall redistribute that capacity
2 to one or more other categories giving priority to
3 categories with projects on a waitlist. The redistributed
4 capacity shall be added to the annual capacity in the
5 subsequent delivery year, and the price for renewable
6 energy credits shall be the price for the new delivery
7 year. Redistributed capacity shall not be considered
8 redistributed when determining whether the goals in this
9 subsection (K) have been met.

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

16 The Adjustable Block program shall be designed to
17 ensure that renewable energy credits are procured from
18 projects in diverse locations and are not concentrated in
19 a few regional areas.

20 (L) Notwithstanding provisions for advancing capital
21 prior to project energization found in item (vi) of
22 subparagraph (K), the procurement of photovoltaic
23 renewable energy credits under items (i) through (vi) of
24 subparagraph (K) of this paragraph (1) shall otherwise be
25 subject to the following contract and payment terms:

26 (i) (Blank).

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

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

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

16 (iv) For those renewable energy credits that
17 qualify and are procured under items (iii) and (iv) of
18 subparagraph (K) of this paragraph (1), and any like
19 projects that qualify and are procured under item
20 (vi), the renewable energy credit delivery contract
21 length shall be 20 years and shall be paid over the
22 delivery term, not to exceed during each delivery year
23 the contract price multiplied by the estimated annual
24 renewable energy credit generation amount. If
25 generation of renewable energy credits during a
26 delivery year exceeds the estimated annual generation

1 amount, the excess renewable energy credits shall be
2 carried forward to future delivery years and shall not
3 expire during the delivery term. If generation of
4 renewable energy credits during a delivery year,
5 including carried forward excess renewable energy
6 credits, if any, is less than the estimated annual
7 generation amount, payments during such delivery year
8 will not exceed the quantity generated plus the
9 quantity carried forward multiplied by the contract
10 price. The electric utility shall receive all
11 renewable energy credits generated by the project
12 during the first 20 years of operation and retire all
13 renewable energy credits paid for under this item (iv)
14 and return at the end of the delivery term all
15 renewable energy credits that were not paid for.
16 Renewable energy credits generated by the project
17 thereafter shall not be transferred under the
18 renewable energy credit delivery contract with the
19 counterparty electric utility. Notwithstanding the
20 preceding, for those projects participating under item
21 (iii) of subparagraph (K), the contract price for a
22 delivery year shall be based on subscription levels as
23 measured on the higher of the first business day of the
24 delivery year or the first business day 6 months after
25 the first business day of the delivery year.
26 Subscription of 90% of nameplate capacity or greater

1 shall be deemed to be fully subscribed for the
2 purposes of this item (iv). For projects receiving a
3 20-year delivery contract, REC prices shall be
4 adjusted downward for consistency with the incentive
5 levels previously determined to be necessary to
6 support projects under 15-year delivery contracts,
7 taking into consideration any additional new
8 requirements placed on the projects, including, but
9 not limited to, labor standards.

10 (v) Each contract shall include provisions to
11 ensure the delivery of the estimated quantity of
12 renewable energy credits and ongoing collateral
13 requirements and other provisions deemed appropriate
14 by the Agency.

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

21 (vii) If, at any time, approved applications for
22 the Adjustable Block program exceed funds collected by
23 the electric utility or would cause the Agency to
24 exceed the limitation described in subparagraph (E) of
25 this paragraph (1) on the amount of renewable energy
26 resources that may be procured, then the Agency may

1 consider future uncommitted funds to be reserved for
2 these contracts on a first-come, first-served basis.

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

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

19 (x) Contracts may be assignable, but only to
20 entities first deemed by the Agency to have met
21 program terms and requirements applicable to direct
22 program participation. In developing contracts for the
23 delivery of renewable energy credits, the Agency shall
24 be permitted to establish fees applicable to each
25 contract assignment.

26 (M) The Agency shall be authorized to retain one or

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

15 The Program Administrator may charge application fees
16 to participating firms to cover the cost of program
17 administration. Any application fee amounts shall
18 initially be determined through the long-term renewable
19 resources procurement plan, and modifications to any
20 application fee that deviate more than 25% from the
21 Commission's approved value must be approved by the
22 Commission as a long-term plan revision under Section
23 16-111.5 of the Public Utilities Act. The Agency shall
24 consider stakeholder feedback when making adjustments to
25 application fees and shall notify stakeholders in advance
26 of any planned changes.

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

14 The Agency and its consultant or consultants shall
15 monitor block activity, share program activity with
16 stakeholders and conduct quarterly meetings to discuss
17 program activity and market conditions. If necessary, the
18 Agency may make prospective administrative adjustments to
19 the Adjustable Block program design, such as making
20 adjustments to purchase prices as necessary to achieve the
21 goals of this subsection (c). Program modifications to any
22 block price that do not deviate from the Commission's
23 approved value by more than 10% shall take effect
24 immediately and are not subject to Commission review and
25 approval. Program modifications to any block price that
26 deviate more than 10% from the Commission's approved value

1 must be approved by the Commission as a long-term plan
2 amendment under Section 16-111.5 of the Public Utilities
3 Act. The Agency shall consider stakeholder feedback when
4 making adjustments to the Adjustable Block design and
5 shall notify stakeholders in advance of any planned
6 changes.

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

21 (i) The Agency shall establish a registration
22 process for entities seeking to qualify for
23 program-administered incentive funding and establish
24 baseline qualifications for vendor approval. The
25 Agency must maintain a list of approved entities on
26 each program's website, and may revoke a vendor's

1 ability to receive program-administered incentive
2 funding status upon a determination that the vendor
3 failed to comply with contract terms, the law, or
4 other program requirements.

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

17 (iii) To discourage deceptive marketing or other
18 bad faith business practices, the Agency may require
19 direct program participants, including agents
20 operating on their behalf, to provide standardized
21 disclosures to a customer prior to that customer's
22 execution of a contract for the development of a
23 distributed generation system or a subscription to a
24 community solar project.

25 (iv) The Agency shall establish one or multiple
26 Consumer Complaints Centers to accept complaints

1 regarding businesses that participate in, or otherwise
2 benefit from, State-administered incentive funding
3 through Agency-administered programs. The Agency shall
4 maintain a public database of complaints with any
5 confidential or particularly sensitive information
6 redacted from public entries.

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

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

21 (vii) To the extent that complaints received
22 implicate the jurisdiction of the Office of the
23 Attorney General, the Illinois Commerce Commission, or
24 local, State, or federal law enforcement, the Agency
25 shall also refer complaints to those entities as
26 appropriate.

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

18 Through the development of its long-term renewable
19 resources procurement plan, the Agency may consider
20 whether community renewable generation projects utilizing
21 technologies other than photovoltaics should be supported
22 through State-administered incentive funding, and may
23 issue requests for information to gauge market demand.

24 Electric utilities shall provide a monetary credit to
25 a subscriber's subsequent bill for service for the
26 proportional output of a community renewable generation

1 project attributable to that subscriber as specified in
2 Section 16-107.5 of the Public Utilities Act.

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

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

23 (O) For the delivery year beginning June 1, 2018, the
24 long-term renewable resources procurement plan required by
25 this subsection (c) shall provide for the Agency to
26 procure contracts to continue offering the Illinois Solar

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

26 (P) All programs and procurements under this

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

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

22 (Q) Each facility listed in subitems (i) through
23 (viii) of item (1) of this subparagraph (Q) for which a
24 renewable energy credit delivery contract is signed after
25 the effective date of this amendatory Act of the 102nd
26 General Assembly is subject to the following requirements

1 through the Agency's long-term renewable resources
2 procurement plan:

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

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

22 (ii) all new utility-scale photovoltaic
23 projects;

24 (iii) all new brownfield photovoltaic
25 projects;

26 (iv) all new photovoltaic community renewable

1 energy facilities that qualify for item (iii) of
2 subparagraph (K) of this paragraph (1);

3 (v) all new community driven community
4 photovoltaic projects that qualify for item (v) of
5 subparagraph (K) of this paragraph (1);

6 (vi) all new photovoltaic distributed
7 renewable energy generation devices on schools
8 that qualify for item (iv) of subparagraph (K) of
9 this paragraph (1);

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

18 (viii) all new photovoltaic distributed
19 renewable energy generation devices that (1)
20 qualify for item (ii) of subparagraph (K) of this
21 paragraph (1); (2) are not projects that serve
22 single-family or multi-family residential
23 buildings; and (3) are not houses of worship where
24 the aggregate capacity including collocated
25 projects would not exceed 100 kilowatts.

26 (2) Renewable energy credits procured from new

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

21 (3) It is the intent of this Section to ensure that
22 economic development occurs across Illinois
23 communities, that emerging businesses may grow, and
24 that there is improved access to the clean energy
25 economy by persons who have greater economic burdens
26 to success. The Agency shall take into consideration

1 the unique cost of compliance of this subparagraph (Q)
2 that might be borne by equity eligible contractors,
3 shall include such costs when determining the price of
4 renewable energy credits in the Adjustable Block
5 program, and shall take such costs into consideration
6 in a nondiscriminatory manner when comparing bids for
7 competitive procurements. The Agency shall consider
8 costs associated with compliance whether in the
9 development, financing, or construction of projects.
10 The Agency shall periodically review the assumptions
11 in these costs and may adjust prices, in compliance
12 with subparagraph (M) of this paragraph (1).

13 (R) In its long-term renewable resources procurement
14 plan, the Agency shall establish a self-direct renewable
15 portfolio standard compliance program for eligible
16 self-direct customers that purchase renewable energy
17 credits from utility-scale wind and solar projects through
18 long-term agreements for purchase of renewable energy
19 credits as described in this Section. Such long-term
20 agreements may include the purchase of energy or other
21 products on a physical or financial basis and may involve
22 an alternative retail electric supplier as defined in
23 Section 16-102 of the Public Utilities Act. This program
24 shall take effect in the delivery year commencing June 1,
25 2023.

26 (1) For the purposes of this subparagraph:

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

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

19 (2) For renewable energy credits to count toward
20 the self-direct renewable portfolio standard
21 compliance program, they must:

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

24 (ii) be sourced from one or more renewable
25 energy generating facilities that comply with the
26 geographic requirements as set forth in

1 subparagraph (I) of paragraph (1) of subsection
2 (c) as interpreted through the Agency's long-term
3 renewable resources procurement plan, or, where
4 applicable, the geographic requirements that
5 governed utility-scale renewable energy credits at
6 the time the eligible self-direct customer entered
7 into the applicable renewable energy credit
8 purchase agreement;

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

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

23 (v) be retired by or on behalf of the large
24 energy customer;

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

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

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

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

19 (4) The Commission shall approve a reduction in
20 the volumetric charges collected pursuant to Section
21 16-108 of the Public Utilities Act for approved
22 eligible self-direct customers equivalent to the
23 anticipated cost of renewable energy credit deliveries
24 under contracts for new utility-scale wind and new
25 utility-scale solar entered for each delivery year
26 after the large energy customer begins retiring

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

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

13 (i) the customer's certification that, at the
14 time of the customer's application, the customer
15 qualifies to be a self-direct eligible customer,
16 including documents demonstrating that
17 qualification;

18 (ii) the customer's certification that the
19 customer has entered into or will enter into by
20 the beginning of the applicable procurement year,
21 one or more bilateral contracts for new wind
22 projects or new photovoltaic projects, including
23 supporting documentation;

24 (iii) certification that the contract or
25 contracts for new renewable energy resources are
26 long-term contracts with term lengths of at least

1 10 years, including supporting documentation;

2 (iv) certification of the quantities of
3 renewable energy credits that the customer will
4 purchase each year under such contract or
5 contracts, including supporting documentation;

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

11 (vi) certification that the customer intends
12 to maintain the contract for the duration of the
13 length of the contract.

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

1 program.

2 (2) (Blank).

3 (3) (Blank).

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

6 (5) Beginning with the 2010 delivery year and ending
7 June 1, 2017, an electric utility subject to this
8 subsection (c) shall apply the lesser of the maximum
9 alternative compliance payment rate or the most recent
10 estimated alternative compliance payment rate for its
11 service territory for the corresponding compliance period,
12 established pursuant to subsection (d) of Section 16-115D
13 of the Public Utilities Act to its retail customers that
14 take service pursuant to the electric utility's hourly
15 pricing tariff or tariffs. The electric utility shall
16 retain all amounts collected as a result of the
17 application of the alternative compliance payment rate or
18 rates to such customers, and, beginning in 2011, the
19 utility shall include in the information provided under
20 item (1) of subsection (d) of Section 16-111.5 of the
21 Public Utilities Act the amounts collected under the
22 alternative compliance payment rate or rates for the prior
23 year ending May 31. Notwithstanding any limitation on the
24 procurement of renewable energy resources imposed by item
25 (2) of this subsection (c), the Agency shall increase its
26 spending on the purchase of renewable energy resources to

1 be procured by the electric utility for the next plan year
2 by an amount equal to the amounts collected by the utility
3 under the alternative compliance payment rate or rates in
4 the prior year ending May 31.

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

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

23 In meeting the renewable energy requirements of this
24 subsection (c), to the extent feasible and consistent with
25 State and federal law, the renewable energy credit
26 procurements, Adjustable Block solar program, and

1 community renewable generation program shall provide
2 employment opportunities for all segments of the
3 population and workforce, including minority-owned and
4 female-owned business enterprises, and shall not,
5 consistent with State and federal law, discriminate based
6 on race or socioeconomic status.

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

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

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

19 (2) The Agency shall conduct 2 procurement events to
20 select owners of electric generating facilities meeting
21 the eligibility criteria specified in this subsection
22 (c-5) to enter into long-term contracts to sell renewable
23 energy credits to electric utilities serving more than
24 300,000 retail customers in this State as of January 1,
25 2019. The first procurement event shall be conducted no
26 later than March 31, 2022, unless the Agency elects to

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

19 (A) The applicant owns an electric generating
20 facility located in this State that: (i) as of January
21 1, 2016, burned coal as its primary fuel to generate
22 electricity; and (ii) has, or had prior to retirement,
23 an electric generating capacity of at least 150
24 megawatts. The electric generating facility can be
25 either: (i) retired as of the date of the procurement
26 event; or (ii) still operating as of the date of the

1 procurement event.

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

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

1 generating facility identified in paragraph (A) is
2 located: (i) a new renewable energy facility of at
3 least 5 megawatts but no more than 20 megawatts of
4 electric generating capacity, and (ii) an energy
5 storage facility having a storage capacity equal to at
6 least 0.5 megawatts and at most one megawatt.

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

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

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

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

25 (H) The applicant commits to enter into a contract
26 or contracts for the applicable duration to provide

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

18 (I) The applicant's application is certified by an
19 officer of the applicant and by an officer of the
20 applicant's ultimate parent company, if any.

21 (3) An applicant may submit applications to contract
22 to supply renewable energy credits from more than one new
23 renewable energy facility to be constructed at or adjacent
24 to one or more qualifying electric generating facilities
25 owned by the applicant. The Agency may select new
26 renewable energy facilities to be located at or adjacent

1 to the sites of more than one qualifying electric
2 generation facility owned by an applicant to contract with
3 electric utilities to supply renewable energy credits from
4 such facilities.

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

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

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

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

1 new renewable energy facility to be constructed and
2 operated by the applicant, with the sale and purchase
3 obligations under the contracts to aggregate to the total
4 number of renewable energy credits per year to be supplied
5 by the applicant from the new renewable energy facility.

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

20 (8) The Agency, in conjunction with its procurement
21 administrator if one is retained, the electric utilities,
22 and potential applicants for contracts to produce and
23 supply renewable energy credits pursuant to this
24 subsection (c-5), shall develop a standard form contract
25 for the sale, delivery and purchase of renewable energy
26 credits pursuant to this subsection (c-5). Each contract

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

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

11 (9) Coal to Solar and Energy Storage Initiative
12 Charge.

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

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

19 (B) Each electric utility shall remit on a monthly
20 basis to the State Treasurer, for deposit in the Coal
21 to Solar and Energy Storage Initiative Fund provided
22 for in this subsection (c-5), the electric utility's
23 collections of the Coal to Solar and Energy Storage
24 Initiative Charge in the amount estimated to be needed
25 by the Department for grant payments pursuant to grant
26 contracts entered into by the Department pursuant to

1 paragraph (10) of this subsection (c-5).

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

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

18 (B) The Coal to Solar and Energy Storage
19 Initiative Fund shall not be subject to sweeps,
20 administrative charges, or chargebacks, including, but
21 not limited to, those authorized under Section 8h of
22 the State Finance Act, that would in any way result in
23 the transfer of those funds from the Coal to Solar and
24 Energy Storage Initiative Fund to any other fund of
25 this State or in having any such funds utilized for any
26 purpose other than the express purposes set forth in

1 this paragraph (10).

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

15 (1) the electric generating facility at the
16 site has, or had prior to retirement, an electric
17 generating capacity of at least 150 megawatts;

18 (2) the electric generating facility burns (or
19 burned prior to retirement) coal as its primary
20 source of fuel;

21 (3) if the electric generating facility is
22 retired, it was retired subsequent to January 1,
23 2016;

24 (4) the owner of the electric generating
25 facility has not been selected by the Agency
26 pursuant to this subsection (c-5) of this Section

1 to enter into a contract to sell renewable energy
2 credits to one or more electric utilities from a
3 new renewable energy facility located or to be
4 located at or adjacent to the site at which the
5 electric generating facility is located;

6 (5) the electric generating facility located
7 at the site was at one time owned, in whole or in
8 part, by a public utility as defined in Section
9 3-105 of the Public Utilities Act;

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

18 (7) the proposed energy storage facility at
19 the site will have energy storage capacity of at
20 least 37 megawatts;

21 (8) the owner commits to place the energy
22 storage facility into commercial operation on
23 either June 1, 2023, June 1, 2024, or June 1, 2025,
24 with such date subject to adjustment as needed due
25 to any delays in completing the grant contracting
26 process, in finalizing interconnection agreements

1 and in installing interconnection facilities, and
2 in obtaining necessary governmental permits and
3 approvals;

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

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

24 (11) the owner commits that not less than the
25 prevailing wage, as determined pursuant to the
26 Prevailing Wage Act, will be paid to the owner's

1 employees engaged in construction activities
2 associated with the new energy storage facility
3 and to the employees of the owner's contractors
4 engaged in construction activities associated with
5 the new energy storage facility, and that, on or
6 before the commercial operation date of the new
7 energy storage facility, the owner shall file a
8 report with the Department certifying that the
9 requirements of this subparagraph (11) have been
10 met; and

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

22 The Department shall accept applications for this
23 grant program until March 31, 2022 and shall announce
24 the award of grants no later than June 1, 2022. The
25 Department shall make the grant payments to a
26 recipient in equal annual amounts for 10 years

1 following the date the energy storage facility is
2 placed into commercial operation. The annual grant
3 payments to a qualifying energy storage facility shall
4 be \$110,000 per megawatt of energy storage capacity,
5 with total annual grant payments pursuant to this
6 subparagraph (C) for qualifying energy storage
7 facilities not to exceed \$28,050,000 in any year.

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

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

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

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

22 (B) For purposes of this paragraph (11), diversity
23 composition shall be based on the percentage, which
24 shall be a minimum of 25%, of eligible expenditures
25 for contract awards for materials and services (which
26 shall be defined in the plan) to business enterprises

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

21 (C) The plan shall provide for, but not be limited
22 to: (i) internal initiatives, including multi-tier
23 initiatives, by the applicant or owner, or by its
24 engineering, procurement and construction contractor
25 if one is used for the project, which for purposes of
26 this paragraph (11) shall be referred to as the EPC

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

25 (D) The applicant or owner may submit a revised or
26 updated plan to the Commission from time to time as

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

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

1 advancing equity across Illinois by providing access to the
2 clean energy economy for businesses and workers from
3 communities that have been historically excluded from economic
4 opportunities in the energy sector, have been subject to
5 disproportionate levels of pollution, and have
6 disproportionately experienced negative public health
7 outcomes.

8 (1) Minimum equity standards. The Agency shall create
9 programs with the purpose of increasing access to and
10 development of equity eligible contractors, who are prime
11 contractors and subcontractors, across all of the programs
12 it manages. All applications for renewable energy credit
13 procurements shall comply with specific minimum equity
14 commitments. Starting in the delivery year immediately
15 following the next long-term renewable resources
16 procurement plan, at least 10% of the project workforce
17 for each entity participating in a procurement program
18 outlined in this subsection (c-10) must be done by equity
19 eligible persons or equity eligible contractors. The
20 Agency shall increase the minimum percentage each delivery
21 year thereafter by increments that ensure a statewide
22 average of 30% of the project workforce for each entity
23 participating in a procurement program is done by equity
24 eligible persons or equity eligible contractors by 2030.
25 The Agency shall propose a schedule of percentage
26 increases to the minimum equity standards in its draft

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

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

26 (B) Halfway through each delivery year, the Agency

1 shall require each entity participating in a
2 procurement program to confirm that it will achieve
3 compliance in that delivery year, when applicable. The
4 Agency may offer corrective action plans to entities
5 that are not on track to achieve compliance.

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

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

1 (E) The Agency shall pursue efficiencies achieved
2 by combining with other approved vendor or designee
3 reporting.

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

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

1 designees under this subsection (c-10). In developing
2 these requirements, the Agency shall also consider whether
3 equity goals can be further advanced through additional
4 measures.

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

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

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

19 (C) A program for approved vendors, designees,
20 eligible persons, and equity eligible contractors to
21 receive trainings, guidance, and other support from
22 the Agency or its designee regarding the equity
23 category outlined in item (vi) of subparagraph (K) of
24 paragraph (1) of subsection (c) and in meeting the
25 minimum equity standards of this subsection (c-10).

26 (D) A process for certifying equity eligible

1 contractors and equity eligible persons. The
2 certification process shall coordinate with the Energy
3 Workforce Equity Database set forth in subsection
4 (c-25).

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

1 similarly situated applicants have been able to meet
2 these minimum equity commitments. For repeated waiver
3 requests for specific lack of eligible persons or
4 eligible contractors available, the Agency shall make
5 recommendations to target recruitment to add such
6 eligible persons or eligible contractors to the
7 database.

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

16 (6) The Agency shall keep confidential all information
17 and communication that provides private or personal
18 information.

19 (7) Modifications to the equity accountability system.
20 As part of the update of the long-term renewable resources
21 procurement plan to be initiated in 2023, or sooner if the
22 Agency deems necessary, the Agency shall determine the
23 extent to which the equity accountability system described
24 in this subsection (c-10) has advanced the goals of this
25 amendatory Act of the 102nd General Assembly, including
26 through the inclusion of equity eligible persons and

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

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

23 (1) Purpose. It is the purpose of this subsection to
24 empower the Agency and other State actors to remedy racial
25 discrimination in Illinois' clean energy economy as
26 effectively and expediently as possible, including through

1 the use of race-conscious remedies, such as race-conscious
2 contracting and hiring goals, as consistent with State and
3 federal law.

4 (2) Racial disparity and discrimination review
5 process.

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

17 (B) As soon as is practicable thereafter, the
18 Agency, in consultation with the Department of
19 Commerce and Economic Opportunity, Department of
20 Labor, and other agencies that may be relevant, shall
21 commission and publish a disparity and availability
22 study that measures the presence and impact of
23 discrimination on minority businesses and workers in
24 Illinois' clean energy economy. The Agency may hire
25 consultants and experts to conduct the disparity and
26 availability study, with the retention of those

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

18 (c-20) Program data collection.

19 (1) Purpose. Data collection, data analysis, and
20 reporting are critical to ensure that the benefits of the
21 clean energy economy provided to Illinois residents and
22 businesses are equitably distributed across the State. The
23 Agency shall collect data from program applicants in order
24 to track and improve equitable distribution of benefits
25 across Illinois communities for all procurements the
26 Agency conducts. The Agency shall use this data to, among

1 other things, measure any potential impact of racial
2 discrimination on the distribution of benefits and provide
3 information necessary to correct any discrimination
4 through methods consistent with State and federal law.

5 (2) Agency collection of program data. The Agency
6 shall collect demographic and geographic data for each
7 entity awarded contracts under any Agency-administered
8 program.

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

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

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

22 (C) any other information the Agency determines is
23 necessary for the purpose of achieving the purpose of
24 this subsection.

25 (4) Publication of collected information. The Agency
26 shall publish, at least annually, information on the

1 demographics of program participants on an aggregate
2 basis.

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

7 (c-25) Energy Workforce Equity Database.

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

18 (A) publicly accessible;

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

20 (C) organized by company specialty or field;

21 (D) region-specific; and

22 (E) populated with information including, but not
23 limited to, contacts for suppliers, vendors, or
24 subcontractors who are minority and women-owned
25 business enterprise certified or who participate or
26 have participated in any of the programs described in

1 this Act.

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

5 (A) a map of environmental justice and equity
6 investment eligible communities;

7 (B) job postings and recruiting opportunities;

8 (C) a means by which recruiting clean energy
9 companies can find and interact with current or former
10 participants of clean energy workforce training
11 programs;

12 (D) information on workforce training service
13 providers and training opportunities available to
14 prospective workers;

15 (E) renewable energy company diversity reporting;

16 (F) a list of equity eligible contractors with
17 their contact information, types of work performed,
18 and locations worked in;

19 (G) reporting on outcomes of the programs
20 described in the workforce programs of the Energy
21 Transition Act, including information such as, but not
22 limited to, retention rate, graduation rate, and
23 placement rates of trainees; and

24 (H) information about the Jobs and Environmental
25 Justice Grant Program, the Clean Energy Jobs and
26 Justice Fund, and other sources of capital.

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

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

25 (d) Clean coal portfolio standard.

26 (1) The procurement plans shall include electricity

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

24 A utility party to a sourcing agreement shall
25 immediately retire any emission credits that it receives
26 in connection with the electricity covered by such

1 agreement.

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

8 A utility shall be deemed to have complied with the
9 clean coal portfolio standard specified in this subsection
10 (d) if the utility enters into a sourcing agreement as
11 required by this subsection (d).

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

26 Notwithstanding the requirements of this subsection

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

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

11 (B) in 2011, the greater of an additional 0.5% of
12 the amount paid per kilowatthour by those customers
13 during the year ending May 31, 2010 or 1% of the amount
14 paid per kilowatthour by those customers during the
15 year ending May 31, 2009;

16 (C) in 2012, the greater of an additional 0.5% of
17 the amount paid per kilowatthour by those customers
18 during the year ending May 31, 2011 or 1.5% of the
19 amount paid per kilowatthour by those customers during
20 the year ending May 31, 2009;

21 (D) in 2013, the greater of an additional 0.5% of
22 the amount paid per kilowatthour by those customers
23 during the year ending May 31, 2012 or 2% of the amount
24 paid per kilowatthour by those customers during the
25 year ending May 31, 2009; and

26 (E) thereafter, the total amount paid under

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

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

21 (3) Initial clean coal facility. In order to promote
22 development of clean coal facilities in Illinois, each
23 electric utility subject to this Section shall execute a
24 sourcing agreement to source electricity from a proposed
25 clean coal facility in Illinois (the "initial clean coal
26 facility") that will have a nameplate capacity of at least

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

17 (A) a formula contractual price (the "contract
18 price") approved pursuant to paragraph (4) of this
19 subsection (d), which shall:

20 (i) be determined using a cost of service
21 methodology employing either a level or deferred
22 capital recovery component, based on a capital
23 structure consisting of 45% equity and 55% debt,
24 and a return on equity as may be approved by the
25 Federal Energy Regulatory Commission, which in any
26 case may not exceed the lower of 11.5% or the rate

1 of return approved by the General Assembly
2 pursuant to paragraph (4) of this subsection (d);
3 and

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

20 (B) power purchase provisions, which shall:

21 (i) provide that the utility party to such
22 sourcing agreement shall pay the contract price
23 for electricity delivered under such sourcing
24 agreement;

25 (ii) require delivery of electricity to the
26 regional transmission organization market of the

1 utility that is party to such sourcing agreement;

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

23 (iv) be considered pre-existing contracts in
24 such utility's procurement plans for eligible
25 retail customers;

26 (C) contract for differences provisions, which

1 shall:

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

24 (ii) provide that the utility's payment
25 obligation in respect of the quantity of
26 electricity determined pursuant to the preceding

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

16 (iii) not require the utility to take physical
17 delivery of the electricity produced by the
18 facility;

19 (D) general provisions, which shall:

20 (i) specify a term of no more than 30 years,
21 commencing on the commercial operation date of the
22 facility;

23 (ii) provide that utilities shall maintain
24 adequate records documenting purchases under the
25 sourcing agreements entered into to comply with
26 this subsection (d) and shall file an accounting

1 with the load forecast that must be filed with the
2 Agency by July 15 of each year, in accordance with
3 subsection (d) of Section 16-111.5 of the Public
4 Utilities Act;

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

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

18 (v) require the owner of the initial clean
19 coal facility to provide documentation to the
20 Commission each year, starting in the facility's
21 first year of commercial operation, accurately
22 reporting the quantity of carbon emissions from
23 the facility that have been captured and
24 sequestered and report any quantities of carbon
25 released from the site or sites at which carbon
26 emissions were sequestered in prior years, based

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

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

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

22 (vii) require Commission review: (1) to
23 determine the justness, reasonableness, and
24 prudence of the inputs to the formula referenced
25 in subparagraphs (A)(i) through (A)(iii) of
26 paragraph (3) of this subsection (d), prior to an

1 adjustment in those inputs including, without
2 limitation, the capital structure and return on
3 equity, fuel costs, and other operations and
4 maintenance costs and (2) to approve the costs to
5 be passed through to customers under the sourcing
6 agreement by which the utility satisfies its
7 statutory obligations. Commission review shall
8 occur no less than every 3 years, regardless of
9 whether any adjustments have been proposed, and
10 shall be completed within 9 months;

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

18 (ix) limit the utility's or alternative retail
19 electric supplier's obligation to incur any
20 liability until such time as the facility is in
21 commercial operation and generating power and
22 energy and such power and energy is being
23 delivered to the facility busbar;

24 (x) provide that the owner or owners of the
25 initial clean coal facility, which is the
26 counterparty to such sourcing agreement, shall

1 have the right from time to time to elect whether
2 the obligations of the utility party thereto shall
3 be governed by the power purchase provisions or
4 the contract for differences provisions;

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

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

18 (xiii) conform with customary lender
19 requirements in power purchase agreements used as
20 the basis for financing non-utility generators.

21 (4) Effective date of sourcing agreements with the
22 initial clean coal facility. Any proposed sourcing
23 agreement with the initial clean coal facility shall not
24 become effective unless the following reports are prepared
25 and submitted and authorizations and approvals obtained:

26 (i) Facility cost report. The owner of the initial

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

13 (ii) Commission report. Within 6 months following
14 receipt of the facility cost report, the Commission,
15 in consultation with the Agency, shall submit a report
16 to the General Assembly setting forth its analysis of
17 the facility cost report. Such report shall include,
18 but not be limited to, a comparison of the costs
19 associated with electricity generated by the initial
20 clean coal facility to the costs associated with
21 electricity generated by other types of generation
22 facilities, an analysis of the rate impacts on
23 residential and small business customers over the life
24 of the sourcing agreements, and an analysis of the
25 likelihood that the initial clean coal facility will
26 commence commercial operation by and be delivering

1 power to the facility's busbar by 2016. To assist in
2 the preparation of its report, the Commission, in
3 consultation with the Agency, may hire one or more
4 experts or consultants, the costs of which shall be
5 paid for by the owner of the initial clean coal
6 facility. The Commission and Agency may begin the
7 process of selecting such experts or consultants prior
8 to receipt of the facility cost report.

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

20 (iv) Commission review. If the General Assembly
21 enacts authorizing legislation pursuant to
22 subparagraph (iii) approving a sourcing agreement, the
23 Commission shall, within 90 days of such enactment,
24 complete a review of such sourcing agreement. During
25 such time period, the Commission shall implement any
26 directive of the General Assembly, resolve any

1 disputes between the parties to the sourcing agreement
2 concerning the terms of such agreement, approve the
3 form of such agreement, and issue an order finding
4 that the sourcing agreement is prudent and reasonable.
5 The facility cost report shall be prepared as follows:

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

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

21 (ii) an estimate of the capital cost of the
22 balance of the plant, including any capital costs
23 associated with sequestration of carbon dioxide
24 emissions and all interconnects and interfaces
25 required to operate the facility, such as
26 transmission of electricity, construction or

1 backfeed power supply, pipelines to transport
2 substitute natural gas or carbon dioxide, potable
3 water supply, natural gas supply, water supply,
4 water discharge, landfill, access roads, and coal
5 delivery.

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

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

20 (C) The facility cost report shall also include an
21 operating and maintenance cost quote that will provide
22 the estimated cost of delivered fuel, personnel,
23 maintenance contracts, chemicals, catalysts,
24 consumables, spares, and other fixed and variable
25 operations and maintenance costs. The delivered fuel
26 cost estimate will be provided by a recognized third

1 party expert or experts in the fuel and transportation
2 industries. The balance of the operating and
3 maintenance cost quote, excluding delivered fuel
4 costs, will be developed based on the inputs provided
5 by duly licensed engineering and construction firms
6 performing the construction cost quote, potential
7 vendors under long-term service agreements and plant
8 operating agreements, or recognized third party plant
9 operator or operators.

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

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

24 (E) Amounts paid to third parties unrelated to the
25 owner or owners of the initial clean coal facility to
26 prepare the core plant construction cost quote,

1 including the front end engineering and design study,
2 and the operating and maintenance cost quote will be
3 reimbursed through Coal Development Bonds.

4 (5) Re-powering and retrofitting coal-fired power
5 plants previously owned by Illinois utilities to qualify
6 as clean coal facilities. During the 2009 procurement
7 planning process and thereafter, the Agency and the
8 Commission shall consider sourcing agreements covering
9 electricity generated by power plants that were previously
10 owned by Illinois utilities and that have been or will be
11 converted into clean coal facilities, as defined by
12 Section 1-10 of this Act. Pursuant to such procurement
13 planning process, the owners of such facilities may
14 propose to the Agency sourcing agreements with utilities
15 and alternative retail electric suppliers required to
16 comply with subsection (d) of this Section and item (5) of
17 subsection (d) of Section 16-115 of the Public Utilities
18 Act, covering electricity generated by such facilities. In
19 the case of sourcing agreements that are power purchase
20 agreements, the contract price for electricity sales shall
21 be established on a cost of service basis. In the case of
22 sourcing agreements that are contracts for differences,
23 the contract price from which the reference price is
24 subtracted shall be established on a cost of service
25 basis. The Agency and the Commission may approve any such
26 utility sourcing agreements that do not exceed cost-based

1 benchmarks developed by the procurement administrator, in
2 consultation with the Commission staff, Agency staff and
3 the procurement monitor, subject to Commission review and
4 approval. The Commission shall have authority to inspect
5 all books and records associated with these clean coal
6 facilities during the term of any such contract.

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

13 (d-5) Zero emission standard.

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

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

17 The 16% value identified in this paragraph (1) is the
18 average of the percentage targets in subparagraph (B) of
19 paragraph (1) of subsection (c) of this Section for the 5
20 delivery years beginning June 1, 2017.

21 The procurement process shall be subject to the
22 following provisions:

23 (A) Those zero emission facilities that intend to
24 participate in the procurement shall submit to the
25 Agency the following eligibility information for each
26 zero emission facility on or before the date

1 established by the Agency:

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

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

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

26 (iv) a commitment to continue operating, for

1 the duration of the contract or contracts executed
2 under the procurement held under this subsection
3 (d-5), the zero emission facility that produces
4 the zero emission credits to be procured in the
5 procurement.

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

17 (B) The price for each zero emission credit
18 procured under this subsection (d-5) for each delivery
19 year shall be in an amount that equals the Social Cost
20 of Carbon, expressed on a price per megawatthour
21 basis. However, to ensure that the procurement remains
22 affordable to retail customers in this State if
23 electricity prices increase, the price in an
24 applicable delivery year shall be reduced below the
25 Social Cost of Carbon by the amount ("Price
26 Adjustment") by which the market price index for the

1 applicable delivery year exceeds the baseline market
2 price index for the consecutive 12-month period ending
3 May 31, 2016. If the Price Adjustment is greater than
4 or equal to the Social Cost of Carbon in an applicable
5 delivery year, then no payments shall be due in that
6 delivery year. The components of this calculation are
7 defined as follows:

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

20 (ii) Baseline market price index: The baseline
21 market price index for the consecutive 12-month
22 period ending May 31, 2016 is \$31.40 per
23 megawatthour, which is based on the sum of (aa)
24 the average day-ahead energy price across all
25 hours of such 12-month period at the PJM
26 Interconnection LLC Northern Illinois Hub, (bb)

1 50% multiplied by the Base Residual Auction, or
2 its successor, capacity price for the rest of the
3 RTO zone group determined by PJM Interconnection
4 LLC, divided by 24 hours per day, and (cc) 50%
5 multiplied by the Planning Resource Auction, or
6 its successor, capacity price for Zone 4
7 determined by the Midcontinent Independent System
8 Operator, Inc., divided by 24 hours per day.

9 (iii) Market price index: The market price
10 index for a delivery year shall be the sum of
11 projected energy prices and projected capacity
12 prices determined as follows:

13 (aa) Projected energy prices: the
14 projected energy prices for the applicable
15 delivery year shall be calculated once for the
16 year using the forward market price for the
17 PJM Interconnection, LLC Northern Illinois
18 Hub. The forward market price shall be
19 calculated as follows: the energy forward
20 prices for each month of the applicable
21 delivery year averaged for each trade date
22 during the calendar year immediately preceding
23 that delivery year to produce a single energy
24 forward price for the delivery year. The
25 forward market price calculation shall use
26 data published by the Intercontinental

1 Exchange, or its successor.

2 (bb) Projected capacity prices:

3 (I) For the delivery years commencing
4 June 1, 2017, June 1, 2018, and June 1,
5 2019, the projected capacity price shall
6 be equal to the sum of (1) 50% multiplied
7 by the Base Residual Auction, or its
8 successor, price for the rest of the RTO
9 zone group as determined by PJM
10 Interconnection LLC, divided by 24 hours
11 per day and, (2) 50% multiplied by the
12 resource auction price determined in the
13 resource auction administered by the
14 Midcontinent Independent System Operator,
15 Inc., in which the largest percentage of
16 load cleared for Local Resource Zone 4,
17 divided by 24 hours per day, and where
18 such price is determined by the
19 Midcontinent Independent System Operator,
20 Inc.

21 (II) For the delivery year commencing
22 June 1, 2020, and each year thereafter,
23 the projected capacity price shall be
24 equal to the sum of (1) 50% multiplied by
25 the Base Residual Auction, or its
26 successor, price for the ComEd zone as

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

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

13 "Rest of the RTO" and "ComEd Zone" shall have
14 the meaning ascribed to them by PJM
15 Interconnection, LLC.

16 "RTO" means regional transmission
17 organization.

18 (C) No later than 45 days after June 1, 2017 (the
19 effective date of Public Act 99-906), the Agency shall
20 publish its proposed zero emission standard
21 procurement plan. The plan shall be consistent with
22 the provisions of this paragraph (1) and shall provide
23 that winning bids shall be selected based on public
24 interest criteria that include, but are not limited
25 to, minimizing carbon dioxide emissions that result
26 from electricity consumed in Illinois and minimizing

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

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

23 Upon publishing of the zero emission standard
24 procurement plan, copies of the plan shall be posted
25 and made publicly available on the Agency's website.
26 All interested parties shall have 10 days following

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

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

19 (C-5) As part of the Commission's review and
20 acceptance or rejection of the procurement results,
21 the Commission shall, in its public notice of
22 successful bidders:

23 (i) identify how the winning bids satisfy the
24 public interest criteria described in subparagraph
25 (C) of this paragraph (1) of minimizing carbon
26 dioxide emissions that result from electricity

1 consumed in Illinois and minimizing sulfur
2 dioxide, nitrogen oxide, and particulate matter
3 emissions that adversely affect the citizens of
4 this State;

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

14 (iii) quantify the environmental benefit of
15 preserving the resources identified in item (ii)
16 of this subparagraph (C-5), including the
17 following:

18 (aa) the value of avoided greenhouse gas
19 emissions measured as the product of the zero
20 emission facilities' output over the contract
21 term multiplied by the U.S. Environmental
22 Protection Agency eGrid subregion carbon
23 dioxide emission rate and the U.S. Interagency
24 Working Group on Social Cost of Carbon's price
25 in the August 2016 Technical Update using a 3%
26 discount rate, adjusted for inflation for each

1 delivery year; and

2 (bb) the costs of replacement with other
3 zero carbon dioxide resources, including wind
4 and photovoltaic, based upon the simple
5 average of the following:

6 (I) 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 wind projects in the
10 procurement events specified in item (i)
11 of subparagraph (G) of paragraph (1) of
12 subsection (c) of this Section; and

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

25 Each utility shall enter into binding contractual
26 arrangements with the winning suppliers.

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

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

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

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

1 payment shall be due to the zero emission facility
2 during the duration of the event.

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

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

23 (iv) A zero emission facility shall be
24 permitted to terminate the contract in the event
25 the Nuclear Regulatory Commission terminates the
26 resource's license.

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

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

17 Notwithstanding the requirements of this subsection
18 (d-5), the contracts executed under this subsection (d-5)
19 shall provide that the total of zero emission credits
20 procured under a procurement plan shall be subject to the
21 limitations of this paragraph (2). For each delivery year,
22 the contractual volume receiving payments in such year
23 shall be reduced for all retail customers based on the
24 amount necessary to limit the net increase that delivery
25 year to the costs of those credits included in the amounts
26 paid by eligible retail customers in connection with

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

1 Section.

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

8 (3) Six years after the execution of a contract under
9 this subsection (d-5), the Agency shall determine whether
10 the actual zero emission credit payments received by the
11 supplier over the 6-year period exceed the Average ZEC
12 Payment. In addition, at the end of the term of a contract
13 executed under this subsection (d-5), or at the time, if
14 any, a zero emission facility's contract is terminated
15 under subparagraph (E) of paragraph (1) of this subsection
16 (d-5), then the Agency shall determine whether the actual
17 zero emission credit payments received by the supplier
18 over the term of the contract exceed the Average ZEC
19 Payment, after taking into account any amounts previously
20 credited back to the utility under this paragraph (3). If
21 the Agency determines that the actual zero emission credit
22 payments received by the supplier over the relevant period
23 exceed the Average ZEC Payment, then the supplier shall
24 credit the difference back to the utility. The amount of
25 the credit shall be remitted to the applicable electric
26 utility no later than 120 days after the Agency's

1 determination, which the utility shall reflect as a credit
2 on its retail customer bills as soon as practicable;
3 however, the credit remitted to the utility shall not
4 exceed the total amount of payments received by the
5 facility under its contract.

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

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

17 (B) The average of the market price indices, as
18 defined in subparagraph (B) of paragraph (1) of this
19 subsection (d-5), during the term of the contract,
20 minus the baseline market price index, as defined in
21 subparagraph (B) of paragraph (1) of this subsection
22 (d-5).

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

25 (4) Cost-effective zero emission credits procured from
26 zero emission facilities shall satisfy the applicable

1 definitions set forth in Section 1-10 of this Act.

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

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

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

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

19 (1) The General Assembly finds:

20 (A) The health, welfare, and prosperity of all
21 Illinois citizens require that the State of Illinois act
22 to avoid and not increase carbon emissions from electric
23 generation sources while continuing to ensure affordable,
24 stable, and reliable electricity to all citizens.

25 (B) Absent immediate action by the State to preserve
26 existing carbon-free energy resources, those resources may

1 retire, and the electric generation needs of Illinois'
2 retail customers may be met instead by facilities that
3 emit significant amounts of carbon pollution and other
4 harmful air pollutants at a high social and economic cost
5 until Illinois is able to develop other forms of clean
6 energy.

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

14 (D) The clean energy attributes of nuclear generation
15 facilities support the State in its efforts to achieve
16 100% clean energy.

17 (E) The State currently invests in various forms of
18 clean energy, including, but not limited to, renewable
19 energy, energy efficiency, and low-emission vehicles,
20 among others.

21 (F) The Environmental Protection Agency commissioned
22 an independent audit which provided a detailed assessment
23 of the financial condition of the Illinois nuclear fleet
24 to evaluate its financial viability and whether the
25 environmental benefits of such resources were at risk. The
26 report identified the risk of losing the environmental

1 benefits of several specific nuclear units. The report
2 also identified that the LaSalle County Generating Station
3 will continue to operate through 2026 and therefore is not
4 eligible to participate in the carbon mitigation credit
5 program.

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

9 (H) The procurement of carbon mitigation credits
10 representing the environmental benefits of carbon-free
11 generation will further the State's efforts at achieving
12 100% clean energy and decarbonizing the electricity sector
13 in a safe, reliable, and affordable manner. Further, the
14 procurement of carbon emission credits will enhance the
15 health and welfare of Illinois residents through decreased
16 reliance on more highly polluting generation.

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

23 (2) As used in this subsection:

24 "Baseline costs" means costs used to establish a customer
25 protection cap that have been evaluated through an independent
26 audit of a carbon-free energy resource conducted by the

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

12 "Carbon mitigation credit" means a tradable credit that
13 represents the carbon emission reduction attributes of one
14 megawatt-hour of energy produced from a carbon-free energy
15 resource.

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

19 (3) Procurement.

20 (A) Beginning with the delivery year commencing on
21 June 1, 2022, the Agency shall, for electric utilities
22 serving at least 3,000,000 retail customers in the State,
23 seek to procure contracts for no more than approximately
24 54,500,000 cost-effective carbon mitigation credits from
25 carbon-free energy resources because such credits are
26 necessary to support current levels of carbon-free energy

1 generation and ensure the State meets its carbon dioxide
2 emissions reduction goals. The Agency shall not make a
3 partial award of a contract for carbon mitigation credits
4 covering a fractional amount of a carbon-free energy
5 resource's projected output.

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

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

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

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

25 (iv) financial need and the risk of loss of the
26 environmental benefits of such resource, which shall

1 include the following information:

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

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

24 The information described in this subparagraph (B) may
25 be submitted on a confidential basis and shall be treated
26 and maintained by the Agency, the procurement

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

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

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

23 (ii) Contracts for carbon mitigation credits shall
24 commence with the delivery year beginning on June 1,
25 2022 and shall be for a term of 5 delivery years
26 concluding on May 31, 2027.

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

4 (I) one of the following energy price indices,
5 selected by the bidder at the time of the bid for
6 the term of the contract:

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

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

18 (II) the Base Residual Auction Capacity Price
19 for the ComEd zone as determined by PJM
20 Interconnection, LLC, divided by 24 hours per day,
21 for the applicable delivery year for the first 3
22 delivery years, and then any subsequent delivery
23 years unless the PJM Interconnection, LLC applies
24 the Minimum Offer Price Rule to participating
25 carbon-free energy resources because they supply
26 carbon mitigation credits pursuant to this Section

1 at which time, upon notice by the carbon-free
2 energy resource to the Commission and subject to
3 the Commission's confirmation, the value under
4 this subitem shall be zero, as further described
5 in the carbon mitigation credit procurement plan;
6 and

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

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

19 To protect retail customers from retail rate
20 impacts that may arise upon the initiation of carbon
21 policy changes, if the price-per-megawatt-hour
22 calculation performed under item (iii) of this
23 subparagraph (C) for a given delivery year results in
24 a net negative value, then the supplier counterparty
25 to the contract shall multiply such net value by the
26 applicable contract quantity and remit such amount to

1 the electric utility counterparty. The electric
2 utility shall reflect such amounts remitted by
3 suppliers as a credit on its retail customer bills as
4 soon as practicable.

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

12 The baseline costs for the applicable year shall
13 be the following:

14 (I) For the delivery year beginning June 1,
15 2022, the baseline costs shall be an amount equal
16 to \$30.30 per megawatt-hour.

17 (II) For the delivery year beginning June 1,
18 2023, the baseline costs shall be an amount equal
19 to \$32.50 per megawatt-hour.

20 (III) For the delivery year beginning June 1,
21 2024, the baseline costs shall be an amount equal
22 to \$33.43 per megawatt-hour.

23 (IV) For the delivery year beginning June 1,
24 2025, the baseline costs shall be an amount equal
25 to \$33.50 per megawatt-hour.

26 (V) For the delivery year beginning June 1,

1 2026, the baseline costs shall be an amount equal
2 to \$34.50 per megawatt-hour.

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

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

26 (D) No later than 7 days after the effective date of

1 this amendatory Act of the 102nd General Assembly, the
2 Agency shall publish its proposed carbon mitigation credit
3 procurement plan. The Plan shall provide that winning bids
4 shall be selected by taking into consideration which
5 resources best match public interest criteria that
6 include, but are not limited to, minimizing carbon dioxide
7 emissions that result from electricity consumed in
8 Illinois and minimizing sulfur dioxide, nitrogen oxide,
9 and particulate matter emissions that adversely affect the
10 citizens of this State. The selection of winning bids
11 shall also take into account the incremental environmental
12 benefits resulting from the procurement or procurements,
13 such as any existing environmental benefits that are
14 preserved by a procurement held under this subsection
15 (d-10) and would cease to exist if the procurement were
16 not held, including the preservation of carbon-free energy
17 resources. For those bidders having the same public
18 interest criteria score, the relative ranking of such
19 bidders shall be determined by price. The Plan shall
20 describe in detail how each public interest factor shall
21 be considered and weighted in the bid selection process to
22 ensure that the public interest criteria are applied to
23 the procurement. The Plan shall, to the extent practical
24 and permissible by federal law, ensure that successful
25 bidders make commercially reasonable efforts to apply for
26 federal tax credits, direct payments, or similar subsidy

1 programs that support carbon-free generation and for which
2 the successful bidder is eligible. Upon publishing of the
3 carbon mitigation credit procurement plan, copies of the
4 plan shall be posted and made publicly available on the
5 Agency's website. All interested parties shall have 7 days
6 following the date of posting to provide comment to the
7 Agency on the plan. All comments shall be posted to the
8 Agency's website. Following the end of the comment period,
9 but no more than 19 days later than the effective date of
10 this amendatory Act of the 102nd General Assembly, the
11 Agency shall revise the plan as necessary based on the
12 comments received and file its carbon mitigation credit
13 procurement plan with the Commission.

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

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

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

17 (iii) quantify the environmental benefit of
18 preserving the carbon-free energy resources procured
19 pursuant to this subsection (d-10), including the
20 following:

21 (I) an assessment value of avoided greenhouse
22 gas emissions measured as the product of the
23 carbon-free energy resources' output over the
24 contract term, using generally accepted
25 methodologies for the valuation of avoided
26 emissions; and

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

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

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

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

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

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

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

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

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

26 (h) The Agency shall assess fees to each bidder to recover

1 the costs incurred in connection with a competitive
2 procurement process.

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

16 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;
17 102-662, eff. 9-15-21.)