



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1912

Introduced 2/20/2009, by Sen. Mike Jacobs

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3501/825-65  
20 ILCS 3501/825-70  
20 ILCS 3501/825-75  
20 ILCS 3501/830-25

Amends the Illinois Finance Authority Act. Increases the authorization for certain agricultural assistance by \$150,000,000. Authorizes bonds for "renewable energy resources projects" (in addition to clean coal and energy projects), including electric transmission lines and equipment and plants that produce renewable fuels. Allows clean coal projects to include transportation of carbon, clean coal facilities, and SNG facilities. Provides that bond authorization for these purposes is in addition to and not limited by other bond limitations in the Act. Makes other changes. Effective immediately.

LRB096 11225 RCE 21632 b

FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Finance Authority Act is amended by  
5 changing Sections 825-65, 825-70, 825-75, and 830-25 as  
6 follows:

7 (20 ILCS 3501/825-65)

8 Sec. 825-65. Clean Coal and Renewable Energy Project  
9 Financing.

10 (a) Findings and declaration of policy.

11 (i) It is hereby found and declared that Illinois has  
12 abundant coal resources and, in some areas of Illinois, the  
13 demand for power exceeds the generating capacity.  
14 Incentives to encourage the construction of coal-fired  
15 electric generating plants in Illinois to ensure power  
16 generating capacity into the future and to advance clean  
17 coal technology and the use of Illinois coal are in the  
18 best interests of all of the citizens of Illinois.

19 (ii) It is further found and declared that Illinois has  
20 abundant potential and resources to develop renewable  
21 energy resources projects, including renewable fuels. The  
22 development of those projects will create jobs and  
23 investment as well as decrease environmental impacts and

1 promote energy independence in Illinois. Accordingly, the  
2 development of those projects is in the best interests of  
3 all of the citizens of Illinois.

4 (iii) The Authority is authorized to issue bonds to  
5 help finance Clean Coal and Renewable Energy projects  
6 pursuant to this Section.

7 (b) Definitions. ~~Definition.~~

8 "Clean Coal Project ~~and Energy projects~~" means (i) new  
9 electric generating facilities or new gasification facilities,  
10 as defined in Section 605-332 of the Department of Commerce and  
11 Economic Opportunity Law of the Civil Administrative Code of  
12 Illinois, which may include mine-mouth power plants, projects  
13 that employ the use of clean coal technology, projects to  
14 provide scrubber technology for existing energy generating  
15 plants, or projects to provide electric transmission  
16 facilities or new gasification facilities, including the  
17 pipeline or other methods of transport that transfers carbon  
18 from the point of production to the point of storage or  
19 sequestration, (ii) "clean coal facility", as defined in  
20 Section 1-10 of the Illinois Power Agency Act, including the  
21 pipeline or other methods of transport that transfers carbon  
22 from the point of production to the point of storage or  
23 sequestration, or (iii) "clean coal SNG facility", as defined  
24 in Section 1-10 of the Illinois Power Agency Act including the  
25 pipeline or other methods of transport that transfers carbon  
26 from the point of production to the point of storage or

1 sequestration.

2 "Renewable Energy Project" means (i) a project that  
3 produces renewable energy resources, as defined in Section 1-10  
4 of the Illinois Power Agency Act, including the transmission  
5 lines and associated equipment that transfers electricity from  
6 points of supply to points of delivery, (ii) storage technology  
7 for renewable energy such as lithium ion and other batteries,  
8 or (iii) a plant that produces a renewable fuel, as defined in  
9 Section 10 of the Illinois Renewable Fuels Development Program  
10 Act.

11 (c) Creation of reserve funds. The Authority may establish  
12 and maintain one or more reserve funds to enhance bonds issued  
13 by the Authority for a Clean Coal Project or a Renewable ~~and~~  
14 Energy Project ~~projects~~. There may be one or more accounts in  
15 these reserve funds in which there may be deposited:

16 (1) any proceeds of the bonds issued by the Authority  
17 required to be deposited therein by the terms of any  
18 contract between the Authority and its bondholders or any  
19 resolution of the Authority;

20 (2) any other moneys or funds of the Authority that it  
21 may determine to deposit therein from any other source; and

22 (3) any other moneys or funds made available to the  
23 Authority. Subject to the terms of any pledge to the owners  
24 of any bonds, moneys in any reserve fund may be held and  
25 applied to the payment of principal, premium, if any, and  
26 interest of such bonds.

1 (d) Powers and duties. The Authority has the power:

2 (1) To issue bonds in one or more series pursuant to  
3 one or more resolutions of the Authority for any Clean Coal  
4 Project or Renewable ~~and~~ Energy Project ~~projects~~  
5 authorized under this Section, within the authorization  
6 set forth in subsection ~~subsections~~ (e) ~~and (f)~~.

7 (2) To provide for the funding of any reserves or other  
8 funds or accounts deemed necessary by the Authority in  
9 connection with any bonds issued by the Authority.

10 (3) To pledge any funds of the Authority or funds made  
11 available to the Authority that may be applied to such  
12 purpose as security for any bonds or any guarantees,  
13 letters of credit, insurance contracts or similar credit  
14 support or liquidity instruments securing the bonds.

15 (4) To enter into agreements or contracts with third  
16 parties, whether public or private, including, without  
17 limitation, the United States of America, the State or any  
18 department or agency thereof, to obtain any  
19 appropriations, grants, loans or guarantees that are  
20 deemed necessary or desirable by the Authority. Any such  
21 guarantee, agreement or contract may contain terms and  
22 provisions necessary or desirable in connection with the  
23 program, subject to the requirements established by the  
24 Act.

25 (5) To exercise such other powers as are necessary or  
26 incidental to the foregoing.

1 (e) Clean Coal Project and Renewable Energy Project bond  
2 authorization and financing limits. In addition to any other  
3 bonds authorized to be issued under Sections 801-40(w), 825-60,  
4 830-25 and 845-5, the Authority may have outstanding, at any  
5 time, bonds for the purpose enumerated in this Section 825-65  
6 in an aggregate principal amount that shall not exceed  
7 \$3,000,000,000 ~~\$2,700,000,000~~, of which may be issued to  
8 finance Clean Coal Projects, as defined in this Section 825-65,  
9 and Renewable Energy Projects, as defined in this Section  
10 825-65. ~~no more than \$300,000,000 may be issued to finance~~  
11 ~~transmission facilities, no more than \$500,000,000 may be~~  
12 ~~issued to finance scrubbers at existing generating plants, no~~  
13 ~~more than \$500,000,000 may be issued to finance alternative~~  
14 ~~energy sources, including renewable energy projects and no more~~  
15 ~~than \$1,400,000,000 may be issued to finance new electric~~  
16 ~~generating facilities or new gasification facilities, as~~  
17 ~~defined in Section 605-332 of the Department of Commerce and~~  
18 ~~Economic Opportunity Law of the Civil Administrative Code of~~  
19 ~~Illinois.~~ An application for a loan financed from bond proceeds  
20 from a borrower or its affiliates for a Clean Coal Project or a  
21 Renewable and Energy Project ~~project~~ may not be approved by the  
22 Authority for an amount in excess of \$450,000,000 for any one  
23 borrower or its affiliates. These bonds shall not constitute an  
24 indebtedness or obligation of the State of Illinois and it  
25 shall be plainly stated on the face of each bond that it does  
26 not constitute an indebtedness or obligation of the State of

1 Illinois, but is payable solely from the revenues, income or  
2 other assets of the Authority pledged therefor.

3 (f) The bonding authority granted under this Section is in  
4 addition to and not limited by the provisions of Section 845-5.  
5 ~~Additional Clean Coal and Energy bond authorization and~~  
6 ~~financing limits. In addition to any other bonds authorized to~~  
7 ~~be issued under this Act, the Authority may issue bonds for the~~  
8 ~~purpose enumerated in this Section 825-65 in an aggregate~~  
9 ~~principal amount that shall not exceed \$300,000,000.~~

10 (Source: P.A. 95-470, eff. 8-27-07.)

11 (20 ILCS 3501/825-70)

12 Sec. 825-70. Criteria for participation in the program.  
13 Applications to the Authority for financing of any Clean Coal  
14 or Renewable ~~and~~ Energy Project ~~project~~ shall be reviewed by  
15 the Authority. Upon submission of any such application, the  
16 Authority staff shall review the application for its  
17 completeness and may, at the discretion of the Authority staff,  
18 request such additional information as it deems necessary or  
19 advisable to aid in review. If the Authority receives  
20 applications for financing for Clean Coal and Renewable Energy  
21 Project ~~projects~~ in excess of the bond authorization available  
22 for such financing at any one time, it shall consider  
23 applications in the order of priority as it shall determine, in  
24 consultation with other State agencies.

25 (Source: P.A. 93-205, eff. 1-1-04.)

1 (20 ILCS 3501/825-75)

2 Sec. 825-75. Additional Security. In the event that the  
3 Authority determines that monies of the Authority will not be  
4 sufficient for the payment of the principal of and interest on  
5 any bonds issued by the Authority under Sections 825-65 through  
6 825-75 of this Act for Clean Coal Projects or Renewable Energy  
7 Projects ~~new electric generating facilities or new~~  
8 ~~gasification facilities~~ during the next State fiscal year, the  
9 Chairperson, as soon as practicable, shall certify to the  
10 Governor the amount required by the Authority to enable it to  
11 pay such principal, premium, if any, and interest on such  
12 bonds. The Governor shall submit the amount so certified to the  
13 General Assembly as soon as practicable, but no later than the  
14 end of the current State fiscal year. This subsection shall  
15 apply to any bonds or notes as to which the Authority shall  
16 have determined, in the resolution authorizing the issuance of  
17 the bonds or notes, that this subsection shall apply. Whenever  
18 the Authority makes such a determination, that fact shall be  
19 plainly stated on the face of the bonds or notes and that fact  
20 should also be reported to the Governor. In the event of a  
21 withdrawal of moneys from a reserve fund established with  
22 respect to any issue or issues of bonds of the Authority to pay  
23 principal, premium, if any, and interest on such bonds, the  
24 Chairman of the Authority, as soon as practicable, shall  
25 certify to the Governor the amount required to restore the



1 reserve fund to the level required in the resolution or  
2 indenture securing those bonds. The Governor shall submit the  
3 amount so certified to the General Assembly as soon as  
4 practicable, but no later than the end of the current State  
5 fiscal year. The Authority shall obtain written approval from  
6 the Governor for any bonds and notes to be issued under this  
7 Section.

8 (Source: P.A. 95-470, eff. 8-27-07.)

9 (20 ILCS 3501/830-25)

10 Sec. 830-25. Bonded indebtedness limitation. The Authority  
11 shall not have outstanding at any one time State Guarantees  
12 under Section 830-30 in an aggregate principal amount exceeding  
13 \$160,000,000. The Authority shall not have outstanding at any  
14 one time State Guarantees under Sections 830-35, 830-45 and  
15 830-50 in an aggregate principal amount exceeding \$225,000,000  
16 ~~\$75,000,000~~.

17 (Source: P.A. 93-205, eff. 1-1-04.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.