

AN ACT concerning electric vehicles.

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

Section 5. The Electric Vehicle Act is amended by changing Section 45 as follows:

(20 ILCS 627/45)

Sec. 45. Beneficial electrification.

(a) It is the intent of the General Assembly to decrease reliance on fossil fuels, reduce pollution from the transportation sector, increase access to electrification for all consumers, and ensure that electric vehicle adoption and increased electricity usage and demand do not place significant additional burdens on the electric system and create benefits for Illinois residents.

(1) Illinois should increase the adoption of electric vehicles in the State to 1,000,000 by 2030.

(2) Illinois should strive to be the best state in the nation in which to drive and manufacture electric vehicles.

(3) Widespread adoption of electric vehicles is necessary to electrify the transportation sector, diversify the transportation fuel mix, drive economic development, and protect air quality.

(4) Accelerating the adoption of electric vehicles will drive the decarbonization of Illinois' transportation sector.

(5) Expanded infrastructure investment will help Illinois more rapidly decarbonize the transportation sector.

(6) Statewide adoption of electric vehicles requires increasing access to electrification for all consumers.

(7) Widespread adoption of electric vehicles requires increasing public access to charging equipment throughout Illinois, especially in low-income and environmental justice communities, where levels of air pollution burden tend to be higher.

(8) Widespread adoption of electric vehicles and charging equipment has the potential to provide customers with fuel cost savings and electric utility customers with cost-saving benefits.

(9) Widespread adoption of electric vehicles can improve an electric utility's electric system efficiency and operational flexibility, including the ability of the electric utility to integrate renewable energy resources and make use of off-peak generation resources that support the operation of charging equipment.

(10) Widespread adoption of electric vehicles should stimulate innovation, competition, and increased choices in charging equipment and networks and should also attract

private capital investments and create high-quality jobs in Illinois.

(b) As used in this Section:

"Agency" means the Environmental Protection Agency.

"Beneficial electrification programs" means programs that lower carbon dioxide emissions, replace fossil fuel use, create cost savings, improve electric grid operations, reduce increases to peak demand, improve electric usage load shape, and align electric usage with times of renewable generation. All beneficial electrification programs shall provide for incentives such that customers are induced to use electricity at times of low overall system usage or at times when generation from renewable energy sources is high. "Beneficial electrification programs" include a portfolio of the following:

- (1) time-of-use electric rates;
- (2) hourly pricing electric rates;
- (3) optimized charging programs or programs that encourage charging at times beneficial to the electric grid;
- (4) optional demand-response programs specifically related to electrification efforts;
- (5) incentives for electrification and associated infrastructure tied to using electricity at off-peak times;
- (6) incentives for electrification and associated

infrastructure targeted to medium-duty and heavy-duty vehicles used by transit agencies;

(7) incentives for electrification and associated infrastructure targeted to school buses;

(8) incentives for electrification and associated infrastructure for medium-duty and heavy-duty government and private fleet vehicles;

(9) low-income programs that provide access to electric vehicles for communities where car ownership or new car ownership is not common;

(10) incentives for electrification in eligible communities;

(11) incentives or programs to enable quicker adoption of electric vehicles by developing public charging stations in dense areas, workplaces, and low-income communities;

(12) incentives or programs to develop electric vehicle infrastructure that minimizes range anxiety, filling the gaps in deployment, particularly in rural areas and along highway corridors;

(13) incentives to encourage the development of electrification and renewable energy generation in close proximity in order to reduce grid congestion;

(14) offer support to low-income communities who are experiencing financial and accessibility barriers such that electric vehicle ownership is not an option; and

(15) other such programs as defined by the Commission.

"Black, indigenous, and people of color" or "BIPOC" means people who are members of the groups described in subparagraphs (a) through (e) of paragraph (A) of subsection (1) of Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Commission" means the Illinois Commerce Commission.

"Coordinator" means the Electric Vehicle Coordinator.

"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, must be plugged in to charge, and is licensed to drive on public roadways. "Electric vehicle" does not include electric mopeds, electric off-highway vehicles, ~~motorcycles~~ or hybrid electric vehicles and extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

"Electric vehicle charging station" means a station that delivers electricity from a source outside an electric vehicle into one or more electric vehicles.

"Environmental justice communities" means the definition of that term based on existing methodologies and findings, used and as may be updated by the Illinois Power Agency and its program administrator in the Illinois Solar for All Program.

"Equity investment eligible community" or "eligible community" means the geographic areas throughout Illinois which would most benefit from equitable investments by the State designed to combat discrimination and foster sustainable

economic growth. Specifically, "eligible community" means the following areas:

(1) areas where residents have been historically excluded from economic opportunities, including opportunities in the energy sector, as defined pursuant to Section 10-40 of the Cannabis Regulation and Tax Act; and

(2) areas where residents have been historically subject to disproportionate burdens of pollution, including pollution from the energy sector, as established by environmental justice communities as defined by the Illinois Power Agency pursuant to Illinois Power Agency Act, excluding any racial or ethnic indicators.

"Equity investment eligible person" or "eligible person" means the persons who would most benefit from equitable investments by the State designed to combat discrimination and foster sustainable economic growth. Specifically, "eligible person" means the following people:

(1) persons whose primary residence is in an equity investment eligible community;

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

(3) persons who were formerly incarcerated.

"Low-income" means persons and families whose income does not exceed 80% of the state median income for the current State fiscal year as established by the U.S. Department of Health and Human Services.

"Make-ready infrastructure" means the electrical and construction work necessary between the distribution circuit to the connection point of charging equipment.

"Optimized charging programs" mean programs whereby owners of electric vehicles can set their vehicles to be charged based on the electric system's current demand, retail or wholesale market rates, incentives, the carbon or other pollution intensity of the electric generation mix, the provision of grid services, efficient use of the electric grid, or the availability of clean energy generation. Optimized charging programs may be operated by utilities as well as third parties.

(c) The Commission shall initiate a workshop process no later than November 30, 2021 for the purpose of soliciting input on the design of beneficial electrification programs that the utility shall offer. The workshop shall be coordinated by the Staff of the Commission, or a facilitator retained by Staff, and shall be organized and facilitated in a manner that encourages representation from diverse stakeholders, including stakeholders representing environmental justice and low-income communities, and ensures equitable opportunities for participation, without requiring formal intervention or representation by an attorney.

The stakeholder workshop process shall take into consideration the benefits of electric vehicle adoption and barriers to adoption, including:

(1) the benefit of lower bills for customers who do not charge electric vehicles;

(2) benefits to the distribution system from electric vehicle usage;

(3) the avoidance and reduction in capacity costs from optimized charging and off-peak charging;

(4) energy price and cost reductions;

(5) environmental benefits, including greenhouse gas emission and other pollution reductions;

(6) current barriers to mass-market adoption, including cost of ownership and availability of charging stations;

(7) current barriers to increasing access among populations that have limited access to electric vehicle ownership, communities significantly impacted by transportation-related pollution, and market segments that create disproportionate pollution impacts;

(8) benefits of and incentives for medium-duty and heavy-duty fleet vehicle electrification;

(9) opportunities for eligible communities to benefit from electrification;

(10) geographic areas and market segments that should be prioritized for electrification infrastructure investment.

The workshops shall consider barriers, incentives, enabling rate structures, and other opportunities for the bill

reduction and environmental benefits described in this subsection.

The workshop process shall conclude no later than February 28, 2022. Following the workshop, the Staff of the Commission, or the facilitator retained by the Staff, shall prepare and submit a report, no later than March 31, 2022, to the Commission that includes, but is not limited to, recommendations for transportation electrification investment or incentives in the following areas:

(i) publicly accessible Level 2 and fast-charging stations, with a focus on bringing access to transportation electrification in densely populated areas and workplaces within eligible communities;

(ii) medium-duty and heavy-duty charging infrastructure used by government and private fleet vehicles that serve or travel through environmental justice or eligible communities;

(iii) medium-duty and heavy-duty charging infrastructure used in school bus operations, whether private or public, that primarily serve governmental or educational institutions, and also serve or travel through environmental justice or eligible communities;

(iv) public transit medium-duty and heavy-duty charging infrastructure, developed in consultation with public transportation agencies; and

(v) publicly accessible Level 2 and fast-charging

stations targeted to fill gaps in deployment, particularly in rural areas and along State highway corridors.

The report must also identify the participants in the process, program designs proposed during the process, estimates of the costs and benefits of proposed programs, any material issues that remained unresolved at the conclusions of such process, and any recommendations for workshop process improvements. The report shall be used by the Commission to inform and evaluate the cost effectiveness and achievement of goals within the submitted Beneficial Electrification Plans.

(d) No later than July 1, 2022, electric utilities serving greater than 500,000 customers in the State shall file a Beneficial Electrification Plan with the Illinois Commerce Commission for programs that start no later than January 1, 2023. The plan shall take into consideration recommendations from the workshop report described in this Section. Within 45 days after the filing of the Beneficial Electrification Plan, the Commission shall, with reasonable notice, open an investigation to consider whether the plan meets the objectives and contains the information required by this Section. The Commission shall determine if the proposed plan is cost-beneficial and in the public interest. When considering if the plan is in the public interest and determining appropriate levels of cost recovery for investments and expenditures related to programs proposed by an electric utility, the Commission shall consider whether the

investments and other expenditures are designed and reasonably expected to:

(1) maximize total energy cost savings and rate reductions so that nonparticipants can benefit;

(2) address environmental justice interests by ensuring there are significant opportunities for residents and businesses in eligible communities to directly participate in and benefit from beneficial electrification programs;

(3) support at least a 40% investment of make-ready infrastructure incentives to facilitate the rapid deployment of charging equipment in or serving environmental justice, low-income, and eligible communities; however, nothing in this subsection is intended to require a specific amount of spending in a particular geographic area;

(4) support at least a 5% investment target in electrifying medium-duty and heavy-duty school bus and diesel public transportation vehicles located in or serving environmental justice, low-income, and eligible communities in order to provide those communities and businesses with greater economic investment, transportation opportunities, and a cleaner environment so they can directly benefit from transportation electrification efforts; however, nothing in this subsection is intended to require a specific amount of

spending in a particular geographic area;

(5) stimulate innovation, competition, private investment, and increased consumer choices in electric vehicle charging equipment and networks;

(6) contribute to the reduction of carbon emissions and meeting air quality standards, including improving air quality in eligible communities who disproportionately suffer from emissions from the medium-duty and heavy-duty transportation sector;

(7) support the efficient and cost-effective use of the electric grid in a manner that supports electric vehicle charging operations; and

(8) provide resources to support private investment in charging equipment for uses in public and private charging applications, including residential, multi-family, fleet, transit, community, and corridor applications.

The plan shall be determined to be cost-beneficial if the total cost of beneficial electrification expenditures is less than the net present value of increased electricity costs (defined as marginal avoided energy, avoided capacity, and avoided transmission and distribution system costs) avoided by programs under the plan, the net present value of reductions in other customer energy costs, net revenue from all electric charging in the service territory, and the societal value of reduced carbon emissions and surface-level pollutants, particularly in environmental justice communities. The

calculation of costs and benefits should be based on net impacts, including the impact on customer rates.

The Commission shall approve, approve with modifications, or reject the plan within 270 days from the date of filing. The Commission may approve the plan if it finds that the plan will achieve the goals described in this Section and contains the information described in this Section. Proceedings under this Section shall proceed according to the rules provided by Article IX of the Public Utilities Act. Information contained in the approved plan shall be considered part of the record in any Commission proceeding under Section 16-107.6 of the Public Utilities Act, provided that a final order has not been entered prior to the initial filing date. The Beneficial Electrification Plan shall specifically address, at a minimum, the following:

(i) make-ready investments to facilitate the rapid deployment of charging equipment throughout the State, facilitate the electrification of public transit and other vehicle fleets in the light-duty, medium-duty, and heavy-duty sectors, and align with Agency-issued rebates for charging equipment;

(ii) the development and implementation of beneficial electrification programs, including time-of-use rates and their benefit for electric vehicle users and for all customers, optimized charging programs to achieve savings identified, and new contracts and compensation for

services in those programs, through signals that allow electric vehicle charging to respond to local system conditions, manage critical peak periods, serve as a demand response or peak resource, and maximize renewable energy use and integration into the grid;

(iii) optional commercial tariffs utilizing alternatives to traditional demand-based rate structures to facilitate charging for light duty, heavy duty, and fleet electric vehicles;

(iv) financial and other challenges to electric vehicle usage in low-income communities, and strategies for overcoming those challenges, particularly in communities and for people for whom car ownership is not an option;

(v) methods of minimizing ratepayer impacts and exempting or minimizing, to the extent possible, low-income ratepayers from the costs associated with facilitating the expansion of electric vehicle charging;

(vi) plans to increase access to Level 3 Public Electric Vehicle Charging Infrastructure to serve vehicles that need quicker charging times and vehicles of persons who have no other access to charging infrastructure, regardless of whether those projects participate in optimized charging programs;

(vii) whether to establish charging standards for type of plugs eligible for investment or incentive programs,

and if so, what standards;

(viii) opportunities for coordination and cohesion with electric vehicle and electric vehicle charging equipment incentives established by any agency, department, board, or commission of the State, any other unit of government in the State, any national programs, or any unit of the federal government;

(ix) ideas for the development of online tools, applications, and data sharing that provide essential information to those charging electric vehicles, and enable an automated charging response to price signals, emission signals, real-time renewable generation production, and other Commission-approved or customer-desired indicators of beneficial charging times; and

(x) customer education, outreach, and incentive programs that increase awareness of the programs and the benefits of transportation electrification, including direct outreach to eligible communities;

(e) Proceedings under this Section shall proceed according to the rules provided by Article IX of the Public Utilities Act. Information contained in the approved plan shall be considered part of the record in any Commission proceeding under Section 16-107.6 of the Public Utilities Act, provided that a final order has not been entered prior to the initial filing date.

(f) The utility shall file an update to the plan on July 1, 2024 and every 3 years thereafter. This update shall describe transportation investments made during the prior plan period, investments planned for the following 24 months, and updates to the information required by this Section. Beginning with the first update, the utility shall develop the plan in conjunction with the distribution system planning process described in Section 16-105.17, including incorporation of stakeholder feedback from that process.

(g) Within 35 days after the utility files its report, the Commission shall, upon its own initiative, open an investigation regarding the utility's plan update to investigate whether the objectives described in this Section are being achieved. The Commission shall determine whether investment targets should be increased based on achievement of spending goals outlined in the Beneficial Electrification Plan and consistency with outcomes directed in the plan stakeholder workshop report. If the Commission finds, after notice and hearing, that the utility's plan is materially deficient, the Commission shall issue an order requiring the utility to devise a corrective action plan, subject to Commission approval, to bring the plan into compliance with the goals of this Section. The Commission's order shall be entered within 270 days after the utility files its annual report. The contents of a plan filed under this Section shall be available for evidence in Commission proceedings. However, omission from

an approved plan shall not render any future utility expenditure to be considered unreasonable or imprudent. The Commission may, upon sufficient evidence, allow expenditures that were not part of any particular distribution plan. The Commission shall consider revenues from electric vehicles in the utility's service territory in evaluating the retail rate impact. The retail rate impact from the development of electric vehicle infrastructure shall not exceed 1% per year of the total annual revenue requirements of the utility.

(h) In meeting the requirements of this Section, the utility shall demonstrate efforts to increase the use of contractors and electric vehicle charging station installers that meet multiple workforce equity actions, including, but not limited to:

(1) the business is headquartered in or the person resides in an eligible community;

(2) the business is majority owned by eligible person or the contractor is an eligible person;

(3) the business or person is certified by another municipal, State, federal, or other certification for disadvantaged businesses;

(4) the business or person meets the eligibility criteria for a certification program such as:

(A) certified under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act;

(B) certified by another municipal, State, federal, or other certification for disadvantaged businesses;

(C) submits an affidavit showing that the vendor meets the eligibility criteria for a certification program such as those in items (A) and (B); or

(D) if the vendor is a nonprofit, meets any of the criteria in those in item (A), (B), or (C) with the exception that the nonprofit is not required to meet any criteria related to being a for-profit entity, or is controlled by a board of directors that consists of 51% or greater individuals who are equity investment eligible persons; or

(E) ensuring that program implementation contractors and electric vehicle charging station installers pay employees working on electric vehicle charging installations at or above the prevailing wage rate as published by the Department of Labor.

Utilities shall establish reporting procedures for vendors that ensure compliance with this subsection, but are structured to avoid, wherever possible, placing an undue administrative burden on vendors.

(i) Program data collection.

(1) In order to ensure that the benefits provided to Illinois residents and business by the clean energy economy are equitably distributed across the State, it is

necessary to accurately measure the applicants and recipients of this Program. The purpose of this paragraph is to require the implementing utilities to collect all data from Program applicants and beneficiaries to track and improve equitable distribution of benefits across Illinois communities. The further purpose is to measure any potential impact of racial discrimination on the distribution of benefits and provide the utilities the information necessary to correct any discrimination through methods consistent with State and federal law.

(2) The implementing utilities shall collect demographic and geographic data for each applicant and each person or business awarded benefits or contracts under this Program.

(3) The implementing utilities shall collect the following information from applicants and Program or procurement beneficiaries where applicable:

(A) demographic information, including racial or ethnic identity for real persons employed, contracted, or subcontracted through the program;

(B) demographic information, including racial or ethnic identity of business owners;

(C) geographic location of the residency of real persons or geographic location of the headquarters for businesses; and

(D) any other information necessary for the

purpose of achieving the purpose of this paragraph.

(4) The utility shall publish, at least annually, aggregated information on the demographics of program and procurement applicants and beneficiaries. The utilities shall protect personal and confidential business information as necessary.

(5) The utilities shall conduct a regular review process to confirm the accuracy of reported data.

(6) On a quarterly basis, utilities shall collect data necessary to ensure compliance with this Section and shall communicate progress toward compliance to program implementation contractors and electric vehicle charging station installation vendors.

(7) Utilities filing Beneficial Electrification Plans under this Section shall report annually to the Illinois Commerce Commission and the General Assembly on how hiring, contracting, job training, and other practices related to its Beneficial electrification programs enhance the diversity of vendors working on such programs. These reports must include data on vendor and employee diversity.

(j) The provisions of this Section are severable under Section 1.31 of the Statute on Statutes.

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

Section 10. The Electric Vehicle Rebate Act is amended by

changing Sections 10 and 27 as follows:

(415 ILCS 120/10)

Sec. 10. Definitions. As used in this Act:

"Agency" means the Environmental Protection Agency.

"Covered Area" means the counties of Cook, DuPage, Kane, Lake, McHenry, and Will, the townships of Aux Sable and Goose Lake in Grundy County, and the township of Oswego in Kendall County.

"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, must be plugged in to charge, and is licensed to drive on public roadways. "Electric Vehicle" does not include electric mopeds, electric off-highway vehicles ~~motorcycles~~, or hybrid electric vehicles and extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

"Environmental justice community" has the same meaning, based on existing methodologies and findings, used and as may be updated by the Illinois Power Agency and its Program Administrator of the Illinois Solar for All Program.

"Low income" means persons and families whose income does not exceed 80% of the State median income for the current State fiscal year, as established by the United States Department of Health and Human Services.

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

(415 ILCS 120/27)

Sec. 27. Electric vehicle rebate.

(a) Beginning July 1, 2022, and continuing as long as funds are available, each person shall be eligible to apply for a rebate, in the amounts set forth below, following the purchase of an electric vehicle in Illinois. The Agency shall issue rebates consistent with the provisions of this Act and any implementing regulations adopted by the Agency. In no event shall a rebate amount exceed the purchase price of the vehicle.

(1) Beginning July 1, 2022, a \$4,000 rebate for the purchase of an electric vehicle that is not an electric motorcycle.

(2) Beginning July 1, 2026, a \$2,000 rebate for the purchase of an electric vehicle that is not an electric motorcycle.

(3) Beginning July 1, 2028, a \$1,500 ~~\$1,000~~ rebate for the purchase of an electric vehicle that is not an electric motorcycle.

(4) Beginning July 1, 2022, a \$1,500 rebate for the purchase of an electric vehicle that is an electric motorcycle.

(b) To be eligible to receive a rebate, a purchaser must:

(1) Reside in Illinois, both at the time the vehicle was purchased and at the time the rebate is issued.

(2) Purchase an electric vehicle in Illinois on or

after July 1, 2022 and be the owner of the vehicle at the time the rebate is issued. Rented or leased vehicles, vehicles purchased from an out-of-state dealership, and vehicles delivered to or received by the purchaser out-of-state are not eligible for a rebate under this Act.

(3) Apply for the rebate within 90 days after the vehicle purchase date, and provide to the Agency proof of residence, proof of vehicle ownership, and proof that the vehicle was purchased in Illinois, including a copy of a purchase agreement noting an Illinois seller. The purchaser must notify the Agency of any changes in residency or ownership of the vehicle that occur between application for a rebate and issuance of a rebate.

(c) The Agency shall make available in application materials methods for purchasers to identify as low-income. The Agency shall prioritize the review of qualified applications from low-income purchasers and award rebates to qualified purchasers accordingly.

(d) The purchaser must retain ownership of the vehicle for a minimum of 12 consecutive months immediately after the vehicle purchase date. The purchaser must continue to reside in Illinois ~~a covered area~~ during that time frame and register the vehicle in Illinois during that time frame. Rebate recipients who fail to satisfy any of the above criteria will be required to reimburse the Agency all or part of the original rebate amount and shall notify the Agency within 60 days of

failing to satisfy the criteria.

(e) Rebates administered under this Section shall be available for both new and used ~~passenger~~ electric vehicles.

(f) A rebate administered under this Act may only be applied for and awarded one time per vehicle identification number. A rebate may only be applied for and awarded once per purchaser in any 10-year period.

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

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