1. AN ACT concerning regulation.
2. Be it enacted by the People of the State of Illinois,
3. represented in the General Assembly:
4. Article 5. Energy Transition
5. Section 5-1. Short title. This Article may be cited as the
6. Energy Transition Act. As used in this Article, "this Act"
7. refers to this Article.
8. Section 5-5. Definitions. As used in this Act:
9. "Apprentice" means a participant in an apprenticeship
10. program approved by and registered with the United States
11. Department of Labor's Bureau of Apprenticeship and Training.
12. "Apprenticeship program" means an apprenticeship and
13. training program approved by and registered with the United
14. States Department of Labor's Bureau of Apprenticeship and
15. Training.
16. "Black, indigenous, and people of color" or "BIPOC" means
17. people who are members of the groups described in
18. subparagraphs (a) through (e) of paragraph (A) of subsection
19. (1) of Section 2 of the Business Enterprise for Minorities,
20. Women, and Persons with Disabilities Act.
21. "Community-based organizations" means an organization
22. that: (1) provides employment, skill development, or related
    1. (n) Program budget.
    2. (1) The Department may allocate up to $3,000,000
    3. annually to the Primes Program Administrator for each of
    4. the 3 regional budgets from the Energy Transition
    5. Assistance Fund.
    6. (2) The Primes Program Administrator shall work with
    7. the Illinois Finance Authority and the Climate Bank as
    8. established by Article 850 of the Illinois Finance
    9. Authority Act or comparable financing institution so that
    10. loan loss reserves may be sufficient to underwrite
    11. $7,000,000 in low-interest loans in each of the 3 Program
    12. delivery areas.
    13. (3) Any grant and loan funding shall be made available
    14. to participants in a timely fashion.
    15. Section 5-60. Jobs and Environmental Justice Grant
    16. Program.
    17. (a) In order to provide upfront capital to support the
    18. development of projects, businesses, community organizations,
    19. and jobs creating opportunity for historically disadvantaged
    20. populations, and to provide seed capital to support community
    21. ownership of renewable energy projects, the Department of
    22. Commerce and Economic Opportunity shall create and administer
    23. a Jobs and Environmental Justice Grant Program. The grant
    24. program shall be designed to help remove barriers to project,
    25. community, and business development caused by a lack of
23. capital.
24. (b) The grant program shall provide grant awards of up to
25. $1,000,000 per application to support the development of
26. renewable energy resources as defined in Section 1-10 of the
27. Illinois Power Agency Act, and energy efficiency measures as
28. defined in Section 8-103B of the Public Utilities Act. The
29. amount of a grant award shall be based on a project's size and
30. scope. Grants shall be provided upfront, in advance of other
31. incentives, to provide businesses, organizations, and
32. community groups with capital needed to plan, develop, and
33. execute a project. Grants shall be designed to coordinate with
34. and supplement existing incentive programs, such as the
35. Adjustable Block program, the Illinois Solar for All Program,
36. the community renewable generation projects, and renewable
37. energy procurements as described in the Illinois Power Agency
38. Act, as well as utility energy efficiency measures as
39. described in Section 8-103B of the Public Utilities Act.
40. (c) The Jobs and Environmental Justice Grant Program shall
41. include 2 subprograms:
42. (1) the Equitable Energy Future Grant Program; and
43. (2) the Community Solar Energy Sovereignty Grant
44. Program.
45. (d) The Equitable Energy Future Grant Program is designed
46. to provide seed funding and pre-development funding
47. opportunities for equity eligible contractors.
48. (1) The Equitable Energy Future Grant shall be awarded
    1. to businesses and nonprofit organizations for costs
    2. related to the following activities and project needs:
    3. (i) planning and project development, including
    4. costs for professional services such as architecture,
    5. design, engineering, auditing, consulting, and
    6. developer services;
    7. (ii) project application, deposit, and approval;
    8. (iii) purchasing and leasing of land;
    9. (iv) permitting and zoning;
    10. (v) interconnection application costs and fees,
    11. studies, and expenses;
    12. (vi) equipment and supplies;
    13. (vii) community outreach, marketing, and
    14. engagement; and
    15. (viii) staff and operations expenses.
    16. (2) Grants shall be awarded to projects that most
    17. effectively provide opportunities for equity eligible
    18. contractors and equity investment eligible communities,
    19. and should consider the following criteria:
    20. (i) projects that provide community benefits,
    21. which are projects that have one or more of the
    22. following characteristics: (A) greater than 50% of the
    23. project's energy provided or saved benefits low-income
    24. residents, or (B) the project benefits not-for-profit
    25. organizations providing services to low-income
    26. households, affordable housing owners, or
49. community-based limited liability companies providing
50. services to low-income households;
51. (ii) projects that are located in equity
52. investment eligible communities;
53. (iii) projects that provide on-the-job training;
54. (iv) projects that contract with contractors who
55. are participating or have participated in the Clean
56. Energy Contractor Incubator Program, Clean Energy
57. Primes Contractor Accelerator Program, or similar
58. programs; and
59. (v) projects employ a minimum of 51% of its
60. workforce from participants and graduates of the Clean
61. Jobs Workforce Network Program, Illinois Climate Works
62. Preapprenticeship Program, and Returning Residents
63. Clean Jobs Training Program.
64. (3) Grants shall be awarded to applicants that meet
65. the following criteria:
66. (i) are equity eligible contractors per the equity
67. accountability systems described in subsection (c-10)
68. of Section 1-75 of the Illinois Power Agency Act, or
69. meet the equity building criteria in paragraph (9.5)
70. of subsection (g) of Section 8-103B of the Public
71. Utilities Act; and
72. (ii) provide demonstrable proof of a historical or
73. future, and persisting, long-term partnership with the
74. community in which the project will be located.
    1. Article VII of the Illinois Constitution on the concurrent
    2. exercise by home rule units of powers and functions exercised
    3. by the State. Nothing in this Section, however, prevents a
    4. unit of local government from adopting an energy efficiency
    5. code or standards for commercial buildings that are more
    6. stringent than the Code under this Act.
    7. (e) A unit of local government requiring the Illinois
    8. Stretch Energy Code must do so with the adoption of the Code by
    9. its governing body.

10 (Source: P.A. 99-639, eff. 7-28-16.)

11 (20 ILCS 3125/55 new)

1. Sec. 55. Illinois Stretch Energy Code.
2. (a) The Board, in consultation with the Department, shall
3. create and adopt the Illinois Stretch Energy Code, to allow
4. municipalities and projects authorized or funded by the Board
5. to achieve more energy efficiency in buildings than the
6. Illinois Energy Conservation Code through a consistent pathway
7. across the State. The Illinois Stretch Energy Code shall be
8. available for adoption by any municipality and shall set
9. minimum energy efficiency requirements, taking the place of
10. the Illinois Energy Conservation Code within any municipality
11. that adopts the Illinois Stretch Energy Code.
12. (b) The Illinois Stretch Energy Code shall have separate
13. components for commercial and residential buildings, which may
14. be adopted by the municipality jointly or separately.
    1. (c) The Illinois Stretch Energy Code shall apply to all
    2. projects to which an energy conservation code is applicable
    3. that are authorized or funded in any part by the Board after 4 January 1, 2024.
15. (d) Development of the Illinois Stretch Energy Code shall
16. be completed and available for adoption by municipalities by 7 December 31, 2023.
17. (e) Consistent with the requirements under paragraph (2.5)
18. of subsection (g) of Section 8-103B of the Public Utilities
19. Act and under paragraph (2) of subsection (j) of Section 8-104
20. of the Public Utilities Act, municipalities may adopt the
21. Illinois Stretch Energy Code and may use utility programs to
22. support compliance with the Illinois Stretch Energy Code. The
23. amount of savings from such utility efforts that may be
24. counted toward achievement of their annual savings goals shall
25. be based on reasonable estimates of the increase in savings
26. resulting from the utility efforts, relative to reasonable
27. approximations of what would have occurred absent the utility
28. involvement.
29. (f) The Illinois Stretch Energy Code's residential
30. components shall:
31. (1) apply to residential buildings as defined under
32. Section 10;
33. (2) set performance targets using a site energy index
34. with reductions relative to the 2006 International Energy
35. Conservation Code; and
    1. (3) include stretch energy codes with site energy
    2. index standards and adoption dates as follows: by no later
    3. than December 31, 2023, the Board shall create and adopt a
    4. stretch energy code with a site energy index no greater
    5. than 0.50 of the 2006 International Energy Conservation
    6. Code; by no later than December 31, 2025, the Board shall
    7. create and adopt a stretch energy code with a site energy
    8. index no greater than 0.40 of the 2006 International
    9. Energy Conservation Code, unless the Board identifies
    10. unanticipated burdens associated with the stretch energy
    11. code adopted in 2023, in which case the Board may adopt a
    12. stretch energy code with a site energy index no greater
    13. than 0.42 of the 2006 International Energy Conservation
    14. Code, provided that the more relaxed standard has a site
    15. energy index that is at least 0.05 more restrictive than
    16. the 2024 International Energy Conservation Code; by no
    17. later than December 31, 2028, the Board shall create and
    18. adopt a stretch energy code with a site energy index no
    19. greater than 0.33 of the 2006 International Energy
    20. Conservation Code, unless the Board identifies
    21. unanticipated burdens associated with the stretch energy
    22. code adopted in 2025, in which case the Board may adopt a
    23. stretch energy code with a site energy index no greater
    24. than 0.35 of the 2006 International Energy Conservation
    25. Code, but only if that more relaxed standard has a site
    26. energy index that is at least 0.05 more restrictive than
36. the 2027 International Energy Conservation Code; and by no
37. later than December 31, 2031, the Board shall create and
38. adopt a stretch energy code with a site energy index no
39. greater than 0.25 of the 2006 International Energy
40. Conservation Code.
41. (g) The Illinois Stretch Energy Code's commercial
42. components shall:
43. (1) apply to commercial buildings as defined under
44. Section 10;
45. (2) set performance targets using a site energy index
46. with reductions relative to the 2006 International Energy
47. Conservation Code; and
48. (3) include stretch energy codes with site energy
49. index standards and adoption dates as follows: by no later
50. than December 31, 2023, the Board shall create and adopt a
51. stretch energy code with a site energy index no greater
52. than 0.60 of the 2006 International Energy Conservation
53. Code; by no later than December 31, 2025, the Board shall
54. create and adopt a stretch energy code with a site energy
55. index no greater than 0.50 of the 2006 International
56. Energy Conservation Code; by no later than December 31,
57. 2028, the Board shall create and adopt a stretch energy
58. code with a site energy index no greater than 0.44 of the
59. 2006 International Energy Conservation Code; and by no
60. later than December 31, 2031, the Board shall create and
61. adopt a stretch energy code with a site energy index no
62. greater than 0.39 of the 2006 International Energy
63. Conservation Code.
64. (h) The process for the creation of the Illinois Stretch
65. Energy Code includes:
66. (1) within 60 days after the effective date of this
67. amendatory Act of the 102nd General Assembly, the Capital
68. Development Board shall meet with the Illinois Energy Code
69. Advisory Council to advise and provide technical
70. assistance and recommendations to the Capital Development
71. Board for the Illinois Stretch Energy Code, which shall:
72. (A) advise the Capital Development Board on
73. creation of interim performance targets, code
74. requirements, and an implementation plan for the
75. Illinois Stretch Energy Code;
76. (B) recommend amendments to proposed rules issued
77. by the Capital Development Board;
78. (C) recommend complementary programs or policies;
79. (D) complete recommendations and development for
80. the Illinois Stretch Energy Code elements and
81. requirements by July 31, 2023;
82. (2) As part of its deliberations, the Illinois Energy
83. Code Advisory Council shall actively solicit input from
84. other energy code stakeholders and interested parties.
85. Section 90-30. The Illinois Power Agency Act is amended by 25 changing Sections 1-5, 1-10, 1-20, 1-35, 1-56, 1-70, 1-75,
    1. annual report. The Commission shall publish each annual report
    2. on its website and shall maintain each annual report for at
    3. least 5 years.

4 (Source: P.A. 98-1056, eff. 8-26-14; 99-906, eff. 6-1-17;

5 revised 7-22-19.)

6 (220 ILCS 5/8-103B)

1. Sec. 8-103B. Energy efficiency and demand-response
2. measures.
3. (a) It is the policy of the State that electric utilities
4. are required to use cost-effective energy efficiency and
5. demand-response measures to reduce delivery load. Requiring
6. investment in cost-effective energy efficiency and
7. demand-response measures will reduce direct and indirect costs
8. to consumers by decreasing environmental impacts and by
9. avoiding or delaying the need for new generation,
10. transmission, and distribution infrastructure. It serves the
11. public interest to allow electric utilities to recover costs
12. for reasonably and prudently incurred expenditures for energy
13. efficiency and demand-response measures. As used in this
14. Section, "cost-effective" means that the measures satisfy the
15. total resource cost test. The low-income measures described in
16. subsection (c) of this Section shall not be required to meet
17. the total resource cost test. For purposes of this Section,
18. the terms "energy-efficiency", "demand-response", "electric
19. utility", and "total resource cost test" have the meanings set
20. forth in the Illinois Power Agency Act. "Black, indigenous,
21. and people of color" and "BIPOC" means people who are members
22. of the groups described in subparagraphs (a) through (e) of
23. paragraph (A) of subsection (1) of Section 2 of the Business
24. Enterprise for Minorities, Women, and Persons with
25. Disabilities Act.
26. (a-5) This Section applies to electric utilities serving
27. more than 500,000 retail customers in the State for those
28. multi-year plans commencing after December 31, 2017.
29. (b) For purposes of this Section, electric utilities
30. subject to this Section that serve more than 3,000,000 retail
31. customers in the State shall be deemed to have achieved a
32. cumulative persisting annual savings of 6.6% from energy
33. efficiency measures and programs implemented during the period
34. beginning January 1, 2012 and ending December 31, 2017, which
35. percent is based on the deemed average weather normalized
36. sales of electric power and energy during calendar years 2014,
37. 2015, and 2016 of 88,000,000 MWhs. For the purposes of this
38. subsection (b) and subsection (b-5), the 88,000,000 MWhs of
39. deemed electric power and energy sales shall be reduced by the
40. number of MWhs equal to the sum of the annual consumption of
41. customers that have opted out of ~~are exempt from~~ subsections
42. (a) through (j) of this Section under paragraph (1) of
43. subsection (l) of this Section, as averaged across the
44. calendar years 2014, 2015, and 2016. After 2017, the deemed
45. value of cumulative persisting annual savings from energy
46. efficiency measures and programs implemented during the period
47. beginning January 1, 2012 and ending December 31, 2017, shall
48. be reduced each year, as follows, and the applicable value
49. shall be applied to and count toward the utility's achievement
50. of the cumulative persisting annual savings goals set forth in
51. subsection (b-5):
52. (1) 5.8% deemed cumulative persisting annual savings
53. for the year ending December 31, 2018;
54. (2) 5.2% deemed cumulative persisting annual savings
55. for the year ending December 31, 2019;
56. (3) 4.5% deemed cumulative persisting annual savings
57. for the year ending December 31, 2020;
58. (4) 4.0% deemed cumulative persisting annual savings
59. for the year ending December 31, 2021;
60. (5) 3.5% deemed cumulative persisting annual savings
61. for the year ending December 31, 2022;
62. (6) 3.1% deemed cumulative persisting annual savings
63. for the year ending December 31, 2023;
64. (7) 2.8% deemed cumulative persisting annual savings
65. for the year ending December 31, 2024;
66. (8) 2.5% deemed cumulative persisting annual savings
67. for the year ending December 31, 2025;
68. (9) 2.3% deemed cumulative persisting annual savings
69. for the year ending December 31, 2026;
70. (10) 2.1% deemed cumulative persisting annual savings
71. for the year ending December 31, 2027;
    1. (11) 1.8% deemed cumulative persisting annual savings
    2. for the year ending December 31, 2028;
    3. (12) 1.7% deemed cumulative persisting annual savings
    4. for the year ending December 31, 2029; ~~and~~
    5. (13) 1.5% deemed cumulative persisting annual savings
    6. for the year ending December 31, 2030;~~.~~
    7. (14) 1.3% deemed cumulative persisting annual savings
    8. for the year ending December 31, 2031;
    9. (15) 1.1% deemed cumulative persisting annual savings
    10. for the year ending December 31, 2032;
    11. (16) 0.9% deemed cumulative persisting annual savings
    12. for the year ending December 31, 2033;
    13. (17) 0.7% deemed cumulative persisting annual savings
    14. for the year ending December 31, 2034;
    15. (18) 0.5% deemed cumulative persisting annual savings
    16. for the year ending December 31, 2035;
    17. (19) 0.4% deemed cumulative persisting annual savings
    18. for the year ending December 31, 2036;
    19. (20) 0.3% deemed cumulative persisting annual savings
    20. for the year ending December 31, 2037;
    21. (21) 0.2% deemed cumulative persisting annual savings
    22. for the year ending December 31, 2038;
    23. (22) 0.1% deemed cumulative persisting annual savings
    24. for the year ending December 31, 2039; and
    25. (23) 0.0% deemed cumulative persisting annual savings
    26. for the year ending December 31, 2040 and all subsequent
72. years.
73. For purposes of this Section, "cumulative persisting
74. annual savings" means the total electric energy savings in a
75. given year from measures installed in that year or in previous
76. years, but no earlier than January 1, 2012, that are still
77. operational and providing savings in that year because the
78. measures have not yet reached the end of their useful lives.
79. (b-5) Beginning in 2018, electric utilities subject to
80. this Section that serve more than 3,000,000 retail customers
81. in the State shall achieve the following cumulative persisting
82. annual savings goals, as modified by subsection (f) of this
83. Section and as compared to the deemed baseline of 88,000,000
84. MWhs of electric power and energy sales set forth in
85. subsection (b), as reduced by the number of MWhs equal to the
86. sum of the annual consumption of customers that have opted out
87. of ~~are exempt from~~ subsections (a) through (j) of this Section
88. under paragraph (1) of subsection (l) of this Section as
89. averaged across the calendar years 2014, 2015, and 2016,
90. through the implementation of energy efficiency measures
91. during the applicable year and in prior years, but no earlier
92. than January 1, 2012:
93. (1) 7.8% cumulative persisting annual savings for the
94. year ending December 31, 2018;
95. (2) 9.1% cumulative persisting annual savings for the
96. year ending December 31, 2019;
97. (3) 10.4% cumulative persisting annual savings for the
    1. year ending December 31, 2020;
    2. (4) 11.8% cumulative persisting annual savings for the
    3. year ending December 31, 2021;
    4. (5) 13.1% cumulative persisting annual savings for the
    5. year ending December 31, 2022;
    6. (6) 14.4% cumulative persisting annual savings for the
    7. year ending December 31, 2023;
    8. (7) 15.7% cumulative persisting annual savings for the
    9. year ending December 31, 2024;
    10. (8) 17% cumulative persisting annual savings for the
    11. year ending December 31, 2025;
    12. (9) 17.9% cumulative persisting annual savings for the
    13. year ending December 31, 2026;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 14 |  | (10) | 18.8% | cumulative persisting | annual | savings | for |
| 15 | the | year | ending | December 31, 2027; |  |  |  |
| 16 |  | (11) | 19.7% | cumulative persisting | annual | savings | for |
| 17 | the | year | ending | December 31, 2028; |  |  |  |
| 18 |  | (12) | 20.6% | cumulative persisting | annual | savings | for |
| 19 | the | year | ending | December 31, 2029; and |  |  |  |
| 20 |  | (13) | 21.5% | cumulative persisting | annual | savings | for |
| 21 | the | year | ending | December 31, 2030. |  |  |  |

1. No later than December 31, 2021, the Illinois Commerce
2. Commission shall establish additional cumulative persisting
3. annual savings goals for the years 2031 through 2035. No later
4. than December 31, 2024, the Illinois Commerce Commission shall
5. establish additional cumulative persisting annual savings
6. goals for the years 2036 through 2040. The Commission shall
7. also establish additional cumulative persisting annual savings
8. goals every 5 years thereafter to ensure that utilities always
9. have goals that extend at least 11 years into the future. The
10. cumulative persisting annual savings goals beyond the year
11. 2030 shall increase by 0.9 percentage points per year, absent
12. a Commission decision to initiate a proceeding to consider
13. establishing goals that increase by more or less than that
14. amount. Such a proceeding must be conducted in accordance with
15. the procedures described in subsection (f) of this Section. If
16. such a proceeding is initiated, the cumulative persisting
17. annual savings goals established by the Commission through
18. that proceeding shall reflect the Commission's best estimate
19. of the maximum amount of additional savings that are forecast
20. to be cost-effectively achievable unless such best estimates
21. would result in goals that represent less than 0.5 percentage
22. point annual increases in total cumulative persisting annual
23. savings. The Commission may only establish goals that
24. represent less than 0.5 percentage point annual increases in
25. cumulative persisting annual savings if it can demonstrate,
26. based on clear and convincing evidence and through independent
27. analysis, that 0.5 percentage point increases are not
28. cost-effectively achievable. The Commission shall inform its
29. decision based on an energy efficiency potential study that
30. conforms to the requirements of this Section.
31. (b-10) For purposes of this Section, electric utilities
    1. subject to this Section that serve less than 3,000,000 retail
    2. customers but more than 500,000 retail customers in the State
    3. shall be deemed to have achieved a cumulative persisting
    4. annual savings of 6.6% from energy efficiency measures and
    5. programs implemented during the period beginning January 1,
    6. 2012 and ending December 31, 2017, which is based on the deemed
    7. average weather normalized sales of electric power and energy
    8. during calendar years 2014, 2015, and 2016 of 36,900,000 MWhs.
    9. For the purposes of this subsection (b-10) and subsection
    10. (b-15), the 36,900,000 MWhs of deemed electric power and
    11. energy sales shall be reduced by the number of MWhs equal to
    12. the sum of the annual consumption of customers that have opted
    13. out of ~~are exempt from~~ subsections (a) through (j) of this
    14. Section under paragraph (1) of subsection (l) of this Section,
    15. as averaged across the calendar years 2014, 2015, and 2016.
    16. After 2017, the deemed value of cumulative persisting annual
    17. savings from energy efficiency measures and programs
    18. implemented during the period beginning January 1, 2012 and
    19. ending December 31, 2017, shall be reduced each year, as
    20. follows, and the applicable value shall be applied to and
    21. count toward the utility's achievement of the cumulative
    22. persisting annual savings goals set forth in subsection 23 (b-15):
32. (1) 5.8% deemed cumulative persisting annual savings
33. for the year ending December 31, 2018;
34. (2) 5.2% deemed cumulative persisting annual savings
    1. for the year ending December 31, 2019;
    2. (3) 4.5% deemed cumulative persisting annual savings
    3. for the year ending December 31, 2020;
    4. (4) 4.0% deemed cumulative persisting annual savings
    5. for the year ending December 31, 2021;
    6. (5) 3.5% deemed cumulative persisting annual savings
    7. for the year ending December 31, 2022;
    8. (6) 3.1% deemed cumulative persisting annual savings
    9. for the year ending December 31, 2023;
    10. (7) 2.8% deemed cumulative persisting annual savings
    11. for the year ending December 31, 2024;
    12. (8) 2.5% deemed cumulative persisting annual savings
    13. for the year ending December 31, 2025;
    14. (9) 2.3% deemed cumulative persisting annual savings
    15. for the year ending December 31, 2026;

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| --- | --- | --- | --- | --- | --- |
| 16 |  | (10) 2.1% deemed cumulative | persisting | annual | savings |
| 17 | for | the year ending December 31, | 2027; |  |  |
| 18 |  | (11) 1.8% deemed cumulative | persisting | annual | savings |
| 19 | for | the year ending December 31, | 2028; |  |  |
| 20 |  | (12) 1.7% deemed cumulative | persisting | annual | savings |
| 21 | for | the year ending December 31, | 2029; ~~and~~ |  |  |
| 22 |  | (13) 1.5% deemed cumulative | persisting | annual | savings |
| 23 | for | the year ending December 31, | 2030;~~.~~ |  |  |

1. (14) 1.3% deemed cumulative persisting annual savings
2. for the year ending December 31, 2031;
3. (15) 1.1% deemed cumulative persisting annual savings
   1. for the year ending December 31, 2032;
   2. (16) 0.9% deemed cumulative persisting annual savings
   3. for the year ending December 31, 2033;
   4. (17) 0.7% deemed cumulative persisting annual savings
   5. for the year ending December 31, 2034;
   6. (18) 0.5% deemed cumulative persisting annual savings
   7. for the year ending December 31, 2035;
   8. (19) 0.4% deemed cumulative persisting annual savings
   9. for the year ending December 31, 2036;
   10. (20) 0.3% deemed cumulative persisting annual savings
   11. for the year ending December 31, 2037;
   12. (21) 0.2% deemed cumulative persisting annual savings
   13. for the year ending December 31, 2038;
   14. (22) 0.1% deemed cumulative persisting annual savings
   15. for the year ending December 31, 2039; and
   16. (23) 0.0% deemed cumulative persisting annual savings
   17. for the year ending December 31, 2040 and all subsequent
   18. years.
   19. (b-15) Beginning in 2018, electric utilities subject to
   20. this Section that serve less than 3,000,000 retail customers
   21. but more than 500,000 retail customers in the State shall
   22. achieve the following cumulative persisting annual savings
   23. goals, as modified by subsection (b-20) and subsection (f) of
   24. this Section and as compared to the deemed baseline as reduced
   25. by the number of MWhs equal to the sum of the annual
   26. consumption of customers that have opted out of ~~are exempt~~

|  |  |
| --- | --- |
| 1 | ~~from~~ subsections (a) through (j) of this Section under |
| 2 | paragraph (1) of subsection (l) of this Section as averaged |
| 3 | across the calendar years 2014, 2015, and 2016, through the |
| 4 | implementation of energy efficiency measures during the |
| 5 | applicable year and in prior years, but no earlier than |
| 6 | January 1, 2012: |
| 7 | (1) 7.4% cumulative persisting annual savings for the |
| 8 | year ending December 31, 2018; |
| 9 | (2) 8.2% cumulative persisting annual savings for the |
| 10 | year ending December 31, 2019; |
| 11 | (3) 9.0% cumulative persisting annual savings for the |
| 12 | year ending December 31, 2020; |
| 13 | (4) 9.8% cumulative persisting annual savings for the |
| 14 | year ending December 31, 2021; |
| 15 | (5) 10.6% cumulative persisting annual savings for the |
| 16 | year ending December 31, 2022; |
| 17 | (6) 11.4% cumulative persisting annual savings for the |
| 18 | year ending December 31, 2023; |
| 19 | (7) 12.2% cumulative persisting annual savings for the |
| 20 | year ending December 31, 2024; |
| 21 | (8) 13% cumulative persisting annual savings for the |
| 22 | year ending December 31, 2025; |
| 23 | (9) 13.6% cumulative persisting annual savings for the |
| 24 | year ending December 31, 2026; |
| 25 | (10) 14.2% cumulative persisting annual savings for |
| 26 | the year ending December 31, 2027; |

* + 1. (11) 14.8% cumulative persisting annual savings for
    2. the year ending December 31, 2028;
    3. (12) 15.4% cumulative persisting annual savings for
    4. the year ending December 31, 2029; and
    5. (13) 16% cumulative persisting annual savings for the
    6. year ending December 31, 2030.
    7. No later than December 31, 2021, the Illinois Commerce
    8. Commission shall establish additional cumulative persisting
    9. annual savings goals for the years 2031 through 2035. No later
    10. than December 31, 2024, the Illinois Commerce Commission shall
    11. establish additional cumulative persisting annual savings
    12. goals for the years 2036 through 2040. The Commission shall
    13. also establish additional cumulative persisting annual savings
    14. goals every 5 years thereafter to ensure that utilities always
    15. have goals that extend at least 11 years into the future. The
    16. cumulative persisting annual savings goals beyond the year
    17. 2030 shall increase by 0.6 percentage points per year, absent
    18. a Commission decision to initiate a proceeding to consider
    19. establishing goals that increase by more or less than that
    20. amount. Such a proceeding must be conducted in accordance with
    21. the procedures described in subsection (f) of this Section. If
    22. such a proceeding is initiated, the cumulative persisting
    23. annual savings goals established by the Commission through
    24. that proceeding shall reflect the Commission's best estimate
    25. of the maximum amount of additional savings that are forecast
    26. to be cost-effectively achievable unless such best estimates

1. would result in goals that represent less than 0.4 percentage
2. point annual increases in total cumulative persisting annual
3. savings. The Commission may only establish goals that
4. represent less than 0.4 percentage point annual increases in
5. cumulative persisting annual savings if it can demonstrate,
6. based on clear and convincing evidence and through independent
7. analysis, that 0.4 percentage point increases are not
8. cost-effectively achievable. The Commission shall inform its
9. decision based on an energy efficiency potential study that
10. conforms to the requirements of this Section.
11. ~~The difference between the cumulative persisting annual~~
12. ~~savings goal for the applicable calendar year and the~~
13. ~~cumulative persisting annual savings goal for the immediately~~
14. ~~preceding calendar year is 0.8% for the period of January 1,~~
15. ~~2018 through December 31, 2025 and 0.6% for the period of~~

16 ~~January 1, 2026 through December 31, 2030.~~

1. (b-20) Each electric utility subject to this Section may
2. include cost-effective voltage optimization measures in its
3. plans submitted under subsections (f) and (g) of this Section,
4. and the costs incurred by a utility to implement the measures
5. under a Commission-approved plan shall be recovered under the
6. provisions of Article IX or Section 16-108.5 of this Act. For
7. purposes of this Section, the measure life of voltage
8. optimization measures shall be 15 years. The measure life
9. period is independent of the depreciation rate of the voltage
10. optimization assets deployed. Utilities may claim savings from
11. voltage optimization on circuits for more than 15 years if
12. they can demonstrate that they have made additional
13. investments necessary to enable voltage optimization savings
14. to continue beyond 15 years. Such demonstrations must be
15. subject to the review of independent evaluation.
16. Within 270 days after June 1, 2017 (the effective date of
17. Public Act 99-906), an electric utility that serves less than
18. 3,000,000 retail customers but more than 500,000 retail
19. customers in the State shall file a plan with the Commission
20. that identifies the cost-effective voltage optimization
21. investment the electric utility plans to undertake through

12 December 31, 2024. The Commission, after notice and hearing,

1. shall approve or approve with modification the plan within 120
2. days after the plan's filing and, in the order approving or
3. approving with modification the plan, the Commission shall
4. adjust the applicable cumulative persisting annual savings
5. goals set forth in subsection (b-15) to reflect any amount of
6. cost-effective energy savings approved by the Commission that
7. is greater than or less than the following cumulative
8. persisting annual savings values attributable to voltage
9. optimization for the applicable year:
10. (1) 0.0% of cumulative persisting annual savings for
11. the year ending December 31, 2018;
12. (2) 0.17% of cumulative persisting annual savings for
13. the year ending December 31, 2019;
14. (3) 0.17% of cumulative persisting annual savings for
    1. the year ending December 31, 2020;
    2. (4) 0.33% of cumulative persisting annual savings for
    3. the year ending December 31, 2021;
    4. (5) 0.5% of cumulative persisting annual savings for
    5. the year ending December 31, 2022;
    6. (6) 0.67% of cumulative persisting annual savings for
    7. the year ending December 31, 2023;
    8. (7) 0.83% of cumulative persisting annual savings for
    9. the year ending December 31, 2024; and
    10. (8) 1.0% of cumulative persisting annual savings for
    11. the year ending December 31, 2025 and all subsequent
    12. years.
    13. (b-25) In the event an electric utility jointly offers an
    14. energy efficiency measure or program with a gas utility under
    15. plans approved under this Section and Section 8-104 of this
    16. Act, the electric utility may continue offering the program,
    17. including the gas energy efficiency measures, in the event the
    18. gas utility discontinues funding the program. In that event,
    19. the energy savings value associated with such other fuels
    20. shall be converted to electric energy savings on an equivalent
    21. Btu basis for the premises. However, the electric utility
    22. shall prioritize programs for low-income residential customers
    23. to the extent practicable. An electric utility may recover the
    24. costs of offering the gas energy efficiency measures under
    25. this subsection (b-25).
    26. For those energy efficiency measures or programs that save
        1. both electricity and other fuels but are not jointly offered
        2. with a gas utility under plans approved under this Section and
        3. Section 8-104 or not offered with an affiliated gas utility
        4. under paragraph (6) of subsection (f) of Section 8-104 of this
        5. Act, the electric utility may count savings of fuels other
        6. than electricity toward the achievement of its annual savings
        7. goal, and the energy savings value associated with such other
        8. fuels shall be converted to electric energy savings on an
        9. equivalent Btu basis at the premises.
        10. In no event shall more than 10% of each year's applicable
        11. annual total savings requirement ~~incremental goal~~ as defined
        12. in paragraph (7.5) ~~(7)~~ of subsection (g) of this Section be met
        13. through savings of fuels other than electricity.
        14. (b-27) Beginning in 2022, an electric utility may offer
        15. and promote measures that electrify space heating, water
        16. heating, cooling, drying, cooking, industrial processes, and
        17. other building and industrial end uses that would otherwise be
        18. served by combustion of fossil fuel at the premises, provided
        19. that the electrification measures reduce total energy
        20. consumption at the premises. The electric utility may count
        21. the reduction in energy consumption at the premises toward
        22. achievement of its annual savings goals. The reduction in
        23. energy consumption at the premises shall be calculated as the
        24. difference between: (A) the reduction in Btu consumption of
        25. fossil fuels as a result of electrification, converted to
        26. kilowatt-hour equivalents by dividing by 3,412 Btu's per
15. kilowatt hour; and (B) the increase in kilowatt hours of
16. electricity consumption resulting from the displacement of
17. fossil fuel consumption as a result of electrification. An
18. electric utility may recover the costs of offering and
19. promoting electrification measures under this subsection 6 (b-27).
20. In no event shall electrification savings counted toward
21. each year's applicable annual total savings requirement, as
22. defined in paragraph (7.5) of subsection (g) of this Section,
23. be greater than:
24. (1) 5% per year for each year from 2022 through 2025;
25. (2) 10% per year for each year from 2026 through 2029;
26. and
27. (3) 15% per year for 2030 and all subsequent years.
28. In addition, a minimum of 25% of all electrification savings
29. counted toward a utility's applicable annual total savings
30. requirement must be from electrification of end uses in
31. low-income housing. The limitations on electrification savings
32. that may be counted toward a utility's annual savings goals
33. are separate from and in addition to the subsection (b-25)
34. limitations governing the counting of the other fuel savings
35. resulting from efficiency measures and programs.
36. As part of the annual informational filing to the
37. Commission that is required under paragraph (9) of subsection
38. (g) of this Section, each utility shall identify the specific
39. electrification measures offered under this subjection (b-27);
40. the quantity of each electrification measure that was
41. installed by its customers; the average total cost, average
42. utility cost, average reduction in fossil fuel consumption,
43. and average increase in electricity consumption associated
44. with each electrification measure; the portion of
45. installations of each electrification measure that were in
46. low-income single-family housing, low-income multifamily
47. housing, non-low-income single-family housing, non-low-income
48. multifamily housing, commercial buildings, and industrial
49. facilities; and the quantity of savings associated with each
50. measure category in each customer category that are being
51. counted toward the utility's applicable annual total savings
52. requirement. Prior to installing an electrification measure,
53. the utility shall provide a customer with an estimate of the
54. impact of the new measure on the customer's average monthly
55. electric bill and total annual energy expenses.
56. (c) Electric utilities shall be responsible for overseeing
57. the design, development, and filing of energy efficiency plans
58. with the Commission and may, as part of that implementation,
59. outsource various aspects of program development and
60. implementation. A minimum of 10%, for electric utilities that
61. serve more than 3,000,000 retail customers in the State, and a
62. minimum of 7%, for electric utilities that serve less than
63. 3,000,000 retail customers but more than 500,000 retail
64. customers in the State, of the utility's entire portfolio
65. funding level for a given year shall be used to procure
66. cost-effective energy efficiency measures from units of local
67. government, municipal corporations, school districts, public
68. housing, and community college districts, provided that a
69. minimum percentage of available funds shall be used to procure
70. energy efficiency from public housing, which percentage shall
71. be equal to public housing's share of public building energy
72. consumption.
73. The utilities shall also implement energy efficiency
74. measures targeted at low-income households, which, for
75. purposes of this Section, shall be defined as households at or
76. below 80% of area median income, and expenditures to implement
77. the measures shall be no less than $40,000,000 ~~$25,000,000~~ per
78. year for electric utilities that serve more than 3,000,000
79. retail customers in the State and no less than $13,000,000
80. ~~$8,350,000~~ per year for electric utilities that serve less
81. than 3,000,000 retail customers but more than 500,000 retail
82. customers in the State. The ratio of spending on efficiency
83. programs targeted at low-income multifamily buildings to
84. spending on efficiency programs targeted at low-income
85. single-family buildings shall be designed to achieve levels of
86. savings from each building type that are approximately
87. proportional to the magnitude of cost-effective lifetime
88. savings potential in each building type. Investment in
89. low-income whole-building weatherization programs shall
90. constitute a minimum of 80% of a utility's total budget
91. specifically dedicated to serving low-income customers.
    1. The utilities shall work to bundle low-income energy
    2. efficiency offerings with other programs that serve low-income
    3. households to maximize the benefits going to these households.
    4. The utilities shall market and implement low-income energy
    5. efficiency programs in coordination with low-income assistance
    6. programs, the Illinois Solar for All Program, and
    7. weatherization whenever practicable. The program implementer
    8. shall walk the customer through the enrollment process for any
    9. programs for which the customer is eligible. The utilities
    10. shall also pilot targeting customers with high arrearages,
    11. high energy intensity (ratio of energy usage divided by home
    12. or unit square footage), or energy assistance programs with
    13. energy efficiency offerings, and then track reduction in
    14. arrearages as a result of the targeting. This targeting and
    15. bundling of low-income energy programs shall be offered to
    16. both low-income single-family and multifamily customers
    17. (owners and residents).
    18. The utilities shall invest in health and safety measures
    19. appropriate and necessary for comprehensively weatherizing a
    20. home or multifamily building, and shall implement a health and
    21. safety fund of at least 15% of the total income-qualified
    22. weatherization budget that shall be used for the purpose of
    23. making grants for technical assistance, construction,
    24. reconstruction, improvement, or repair of buildings to
    25. facilitate their participation in the energy efficiency
    26. programs targeted at low-income single-family and multifamily
92. households. These funds may also be used for the purpose of
93. making grants for technical assistance, construction,
94. reconstruction, improvement, or repair of the following
95. buildings to facilitate their participation in the energy
96. efficiency programs created by this Section: (1) buildings
97. that are owned or operated by registered 501(c)(3) public
98. charities; and (2) day care centers, day care homes, or group
99. day care homes, as defined under 89 Ill. Adm. Code Part 406,
100. 407, or 408, respectively.
101. Each electric utility shall assess opportunities to
102. implement cost-effective energy efficiency measures and
103. programs through a public housing authority or authorities
104. located in its service territory. If such opportunities are
105. identified, the utility shall propose such measures and
106. programs to address the opportunities. Expenditures to address
107. such opportunities shall be credited toward the minimum
108. procurement and expenditure requirements set forth in this
109. subsection (c).
110. Implementation of energy efficiency measures and programs
111. targeted at low-income households should be contracted, when
112. it is practicable, to independent third parties that have
113. demonstrated capabilities to serve such households, with a
114. preference for not-for-profit entities and government agencies
115. that have existing relationships with or experience serving
116. low-income communities in the State.
117. Each electric utility shall develop and implement
     1. reporting procedures that address and assist in determining
     2. the amount of energy savings that can be applied to the
     3. low-income procurement and expenditure requirements set forth
     4. in this subsection (c). Each electric utility shall also track
     5. the types and quantities or volumes of insulation and air
     6. sealing materials, and their associated energy saving
     7. benefits, installed in energy efficiency programs targeted at
     8. low-income single-family and multifamily households.
     9. The electric utilities shall participate in ~~also convene~~ a
     10. low-income energy efficiency accountability ~~advisory~~ committee
     11. ("the committee"), which will directly inform ~~to assist in~~ the
     12. design, implementation, and evaluation of the low-income and
     13. public-housing energy efficiency programs. The committee shall
     14. be comprised of the electric utilities subject to the
     15. requirements of this Section, the gas utilities subject to the
     16. requirements of Section 8-104 of this Act, the utilities'
     17. low-income energy efficiency implementation contractors,
     18. nonprofit organizations, community action agencies, advocacy
     19. groups, State and local governmental agencies, public-housing
     20. organizations, and representatives of community-based
     21. organizations, especially those living in or working with
     22. environmental justice communities and BIPOC communities. The
     23. committee shall be composed of 2 geographically differentiated
     24. subcommittees: one for stakeholders in northern Illinois and
     25. one for stakeholders in central and southern Illinois. The
     26. subcommittees shall meet together at least twice per year.
         1. There shall be one statewide leadership committee led by
         2. and composed of community-based organizations that are
         3. representative of BIPOC and environmental justice communities
         4. and that includes equitable representation from BIPOC
         5. communities. The leadership committee shall be composed of an
         6. equal number of representatives from the 2 subcommittees. The
         7. subcommittees shall address specific programs and issues, with
         8. the leadership committee convening targeted workgroups as
         9. needed. The leadership committee may elect to work with an
         10. independent facilitator to solicit and organize feedback,
         11. recommendations and meeting participation from a wide variety
         12. of community-based stakeholders. If a facilitator is used,
         13. they shall be fair and responsive to the needs of all
         14. stakeholders involved in the committee.
         15. All committee meetings must be accessible, with rotating
         16. locations if meetings are held in-person, virtual
         17. participation options, and materials and agendas circulated in
         18. advance.
         19. There shall also be opportunities for direct input by
         20. committee members outside of committee meetings, such as via
         21. individual meetings, surveys, emails and calls, to ensure
         22. robust participation by stakeholders with limited capacity and
         23. ability to attend committee meetings. Committee meetings shall
         24. emphasize opportunities to bundle and coordinate delivery of
         25. low-income energy efficiency with other programs that serve
         26. low-income communities, such as the Illinois Solar for All
118. Program and bill payment assistance programs. Meetings shall
119. include educational opportunities for stakeholders to learn
120. more about these additional offerings, and the committee shall
121. assist in figuring out the best methods for coordinated
122. delivery and implementation of offerings when serving
123. low-income communities. The committee shall directly and
124. equitably influence and inform utility low-income and
125. public-housing energy efficiency programs and priorities.
126. Participating utilities shall implement recommendations from
127. the committee whenever possible.
128. Participating utilities shall track and report how input
129. from the committee has led to new approaches and changes in
130. their energy efficiency portfolios. This reporting shall occur
131. at committee meetings and in quarterly energy efficiency
132. reports to the Stakeholder Advisory Group and Illinois
133. Commerce Commission, and other relevant reporting mechanisms.
134. Participating utilities shall also report on relevant equity
135. data and metrics requested by the committee, such as energy
136. burden data, geographic, racial, and other relevant
137. demographic data on where programs are being delivered and
138. what populations programs are serving.
139. The Illinois Commerce Commission shall oversee and have
140. relevant staff participate in the committee. The committee
141. shall have a budget of 0.25% of each utility's entire
142. efficiency portfolio funding for a given year. The budget
143. shall be overseen by the Commission. The budget shall be used
144. to provide grants for community-based organizations serving on
145. the leadership committee, stipends for community-based
146. organizations participating in the committee, grants for
147. community-based organizations to do energy efficiency outreach
148. and education, and relevant meeting needs as determined by the
149. leadership committee. The education and outreach shall
150. include, but is not limited to, basic energy efficiency
151. education, information about low-income energy efficiency
152. programs, and information on the committee's purpose,
153. structure, and activities.
154. (d) Notwithstanding any other provision of law to the
155. contrary, a utility providing approved energy efficiency
156. measures and, if applicable, demand-response measures in the
157. State shall be permitted to recover all reasonable and
158. prudently incurred costs of those measures from all retail
159. customers, except as provided in subsection (l) of this
160. Section, as follows, provided that nothing in this subsection
161. (d) permits the double recovery of such costs from customers:
162. (1) The utility may recover its costs through an
163. automatic adjustment clause tariff filed with and approved
164. by the Commission. The tariff shall be established outside
165. the context of a general rate case. Each year the
166. Commission shall initiate a review to reconcile any
167. amounts collected with the actual costs and to determine
168. the required adjustment to the annual tariff factor to
169. match annual expenditures. To enable the financing of the
170. incremental capital expenditures, including regulatory
171. assets, for electric utilities that serve less than
172. 3,000,000 retail customers but more than 500,000 retail
173. customers in the State, the utility's actual year-end
174. capital structure that includes a common equity ratio,
175. excluding goodwill, of up to and including 50% of the
176. total capital structure shall be deemed reasonable and
177. used to set rates.
178. (2) A utility may recover its costs through an energy
179. efficiency formula rate approved by the Commission under a
180. filing under subsections (f) and (g) of this Section,
181. which shall specify the cost components that form the
182. basis of the rate charged to customers with sufficient
183. specificity to operate in a standardized manner and be
184. updated annually with transparent information that
185. reflects the utility's actual costs to be recovered during
186. the applicable rate year, which is the period beginning
187. with the first billing day of January and extending
188. through the last billing day of the following December.
189. The energy efficiency formula rate shall be implemented
190. through a tariff filed with the Commission under
191. subsections (f) and (g) of this Section that is consistent
192. with the provisions of this paragraph (2) and that shall
193. be applicable to all delivery services customers. The
194. Commission shall conduct an investigation of the tariff in
195. a manner consistent with the provisions of this paragraph
196. (2), subsections (f) and (g) of this Section, and the
197. provisions of Article IX of this Act to the extent they do
198. not conflict with this paragraph (2). The energy
199. efficiency formula rate approved by the Commission shall
200. remain in effect at the discretion of the utility and
201. shall do the following:
202. (A) Provide for the recovery of the utility's
203. actual costs incurred under this Section that are
204. prudently incurred and reasonable in amount consistent
205. with Commission practice and law. The sole fact that a
206. cost differs from that incurred in a prior calendar
207. year or that an investment is different from that made
208. in a prior calendar year shall not imply the
209. imprudence or unreasonableness of that cost or
210. investment.
211. (B) Reflect the utility's actual year-end capital
212. structure for the applicable calendar year, excluding
213. goodwill, subject to a determination of prudence and
214. reasonableness consistent with Commission practice and
215. law. To enable the financing of the incremental
216. capital expenditures, including regulatory assets, for
217. electric utilities that serve less than 3,000,000
218. retail customers but more than 500,000 retail
219. customers in the State, a participating electric
220. utility's actual year-end capital structure that
221. includes a common equity ratio, excluding goodwill, of
222. up to and including 50% of the total capital structure
223. shall be deemed reasonable and used to set rates.
224. (C) Include a cost of equity, which shall be
225. calculated as the sum of the following:
226. (i) the average for the applicable calendar
227. year of the monthly average yields of 30-year U.S.
228. Treasury bonds published by the Board of Governors
229. of the Federal Reserve System in its weekly H.15
230. Statistical Release or successor publication; and
231. (ii) 580 basis points.
232. At such time as the Board of Governors of the
233. Federal Reserve System ceases to include the monthly
234. average yields of 30-year U.S. Treasury bonds in its
235. weekly H.15 Statistical Release or successor
236. publication, the monthly average yields of the U.S.
237. Treasury bonds then having the longest duration
238. published by the Board of Governors in its weekly H.15
239. Statistical Release or successor publication shall
240. instead be used for purposes of this paragraph (2).
241. (D) Permit and set forth protocols, subject to a
242. determination of prudence and reasonableness
243. consistent with Commission practice and law, for the
244. following:
245. (i) recovery of incentive compensation expense
246. that is based on the achievement of operational
247. metrics, including metrics related to budget
248. controls, outage duration and frequency, safety,
249. customer service, efficiency and productivity, and
250. environmental compliance; however, this protocol
251. shall not apply if such expense related to costs
252. incurred under this Section is recovered under
253. Article IX or Section 16-108.5 of this Act;
254. incentive compensation expense that is based on
255. net income or an affiliate's earnings per share
256. shall not be recoverable under the energy
257. efficiency formula rate;
258. (ii) recovery of pension and other
259. post-employment benefits expense, provided that
260. such costs are supported by an actuarial study;
261. however, this protocol shall not apply if such
262. expense related to costs incurred under this
263. Section is recovered under Article IX or Section
264. 16-108.5 of this Act;
265. (iii) recovery of existing regulatory assets
266. over the periods previously authorized by the
267. Commission;
268. (iv) as described in subsection (e),
269. amortization of costs incurred under this Section;
270. and
271. (v) projected, weather normalized billing
272. determinants for the applicable rate year.
273. (E) Provide for an annual reconciliation, as
     1. described in paragraph (3) of this subsection (d),
     2. less any deferred taxes related to the reconciliation,
     3. with interest at an annual rate of return equal to the
     4. utility's weighted average cost of capital, including
     5. a revenue conversion factor calculated to recover or
     6. refund all additional income taxes that may be payable
     7. or receivable as a result of that return, of the energy
     8. efficiency revenue requirement reflected in rates for
     9. each calendar year, beginning with the calendar year
     10. in which the utility files its energy efficiency
     11. formula rate tariff under this paragraph (2), with
     12. what the revenue requirement would have been had the
     13. actual cost information for the applicable calendar
     14. year been available at the filing date.
     15. The utility shall file, together with its tariff, the
     16. projected costs to be incurred by the utility during the
     17. rate year under the utility's multi-year plan approved
     18. under subsections (f) and (g) of this Section, including,
     19. but not limited to, the projected capital investment costs
     20. and projected regulatory asset balances with
     21. correspondingly updated depreciation and amortization
     22. reserves and expense, that shall populate the energy
     23. efficiency formula rate and set the initial rates under
     24. the formula.
     25. The Commission shall review the proposed tariff in
     26. conjunction with its review of a proposed multi-year plan,
274. as specified in paragraph (5) of subsection (g) of this
275. Section. The review shall be based on the same evidentiary
276. standards, including, but not limited to, those concerning
277. the prudence and reasonableness of the costs incurred by
278. the utility, the Commission applies in a hearing to review
279. a filing for a general increase in rates under Article IX
280. of this Act. The initial rates shall take effect beginning
281. with the January monthly billing period following the
282. Commission's approval.
283. The tariff's rate design and cost allocation across
284. customer classes shall be consistent with the utility's
285. automatic adjustment clause tariff in effect on June 1,
286. 2017 (the effective date of Public Act 99-906); however,
287. the Commission may revise the tariff's rate design and
288. cost allocation in subsequent proceedings under paragraph
289. (3) of this subsection (d).
290. If the energy efficiency formula rate is terminated,
291. the then current rates shall remain in effect until such
292. time as the energy efficiency costs are incorporated into
293. new rates that are set under this subsection (d) or
294. Article IX of this Act, subject to retroactive rate
295. adjustment, with interest, to reconcile rates charged with
296. actual costs.
297. (3) The provisions of this paragraph (3) shall only
298. apply to an electric utility that has elected to file an
299. energy efficiency formula rate under paragraph (2) of this
300. subsection (d). Subsequent to the Commission's issuance of
301. an order approving the utility's energy efficiency formula
302. rate structure and protocols, and initial rates under
303. paragraph (2) of this subsection (d), the utility shall
304. file, on or before June 1 of each year, with the Chief
305. Clerk of the Commission its updated cost inputs to the
306. energy efficiency formula rate for the applicable rate
307. year and the corresponding new charges, as well as the
308. information described in paragraph (9) of subsection (g)
309. of this Section. Each such filing shall conform to the
310. following requirements and include the following
311. information:
312. (A) The inputs to the energy efficiency formula
313. rate for the applicable rate year shall be based on the
314. projected costs to be incurred by the utility during
315. the rate year under the utility's multi-year plan
316. approved under subsections (f) and (g) of this
317. Section, including, but not limited to, projected
318. capital investment costs and projected regulatory
319. asset balances with correspondingly updated
320. depreciation and amortization reserves and expense.
321. The filing shall also include a reconciliation of the
322. energy efficiency revenue requirement that was in
323. effect for the prior rate year (as set by the cost
324. inputs for the prior rate year) with the actual
325. revenue requirement for the prior rate year
326. (determined using a year-end rate base) that uses
327. amounts reflected in the applicable FERC Form 1 that
328. reports the actual costs for the prior rate year. Any
329. over-collection or under-collection indicated by such
330. reconciliation shall be reflected as a credit against,
331. or recovered as an additional charge to, respectively,
332. with interest calculated at a rate equal to the
333. utility's weighted average cost of capital approved by
334. the Commission for the prior rate year, the charges
335. for the applicable rate year. Such over-collection or
336. under-collection shall be adjusted to remove any
337. deferred taxes related to the reconciliation, for
338. purposes of calculating interest at an annual rate of
339. return equal to the utility's weighted average cost of
340. capital approved by the Commission for the prior rate
341. year, including a revenue conversion factor calculated
342. to recover or refund all additional income taxes that

18 may be payable or receivable as a result of that

1. return. Each reconciliation shall be certified by the
2. participating utility in the same manner that FERC
3. Form 1 is certified. The filing shall also include the
4. charge or credit, if any, resulting from the
5. calculation required by subparagraph (E) of paragraph
6. (2) of this subsection (d).
7. Notwithstanding any other provision of law to the
8. contrary, the intent of the reconciliation is to
9. ultimately reconcile both the revenue requirement
10. reflected in rates for each calendar year, beginning
11. with the calendar year in which the utility files its
12. energy efficiency formula rate tariff under paragraph
13. (2) of this subsection (d), with what the revenue
14. requirement determined using a year-end rate base for
15. the applicable calendar year would have been had the
16. actual cost information for the applicable calendar
17. year been available at the filing date.
18. For purposes of this Section, "FERC Form 1" means
19. the Annual Report of Major Electric Utilities,
20. Licensees and Others that electric utilities are
21. required to file with the Federal Energy Regulatory
22. Commission under the Federal Power Act, Sections 3,
23. 4(a), 304 and 209, modified as necessary to be
24. consistent with 83 Ill. Admin. Code Part 415 as of May
25. 1, 2011. Nothing in this Section is intended to allow
26. costs that are not otherwise recoverable to be
27. recoverable by virtue of inclusion in FERC Form 1.
28. (B) The new charges shall take effect beginning on
29. the first billing day of the following January billing
30. period and remain in effect through the last billing
31. day of the next December billing period regardless of
32. whether the Commission enters upon a hearing under
33. this paragraph (3).
34. (C) The filing shall include relevant and
    1. necessary data and documentation for the applicable
    2. rate year. Normalization adjustments shall not be
    3. required.
    4. Within 45 days after the utility files its annual
    5. update of cost inputs to the energy efficiency formula
    6. rate, the Commission shall with reasonable notice,
    7. initiate a proceeding concerning whether the projected
    8. costs to be incurred by the utility and recovered during
    9. the applicable rate year, and that are reflected in the
    10. inputs to the energy efficiency formula rate, are
    11. consistent with the utility's approved multi-year plan
    12. under subsections (f) and (g) of this Section and whether
    13. the costs incurred by the utility during the prior rate
    14. year were prudent and reasonable. The Commission shall
    15. also have the authority to investigate the information and
    16. data described in paragraph (9) of subsection (g) of this
    17. Section, including the proposed adjustment to the
    18. utility's return on equity component of its weighted
    19. average cost of capital. During the course of the
    20. proceeding, each objection shall be stated with
    21. particularity and evidence provided in support thereof,
    22. after which the utility shall have the opportunity to
    23. rebut the evidence. Discovery shall be allowed consistent
    24. with the Commission's Rules of Practice, which Rules of
    25. Practice shall be enforced by the Commission or the
    26. assigned administrative law judge. The Commission shall
35. apply the same evidentiary standards, including, but not
36. limited to, those concerning the prudence and
37. reasonableness of the costs incurred by the utility,
38. during the proceeding as it would apply in a proceeding to
39. review a filing for a general increase in rates under
40. Article IX of this Act. The Commission shall not, however,
41. have the authority in a proceeding under this paragraph
42. (3) to consider or order any changes to the structure or
43. protocols of the energy efficiency formula rate approved
44. under paragraph (2) of this subsection (d). In a
45. proceeding under this paragraph (3), the Commission shall
46. enter its order no later than the earlier of 195 days after
47. the utility's filing of its annual update of cost inputs
48. to the energy efficiency formula rate or December 15. The
49. utility's proposed return on equity calculation, as
50. described in paragraphs (7) through (9) of subsection (g)
51. of this Section, shall be deemed the final, approved
52. calculation on December 15 of the year in which it is filed
53. unless the Commission enters an order on or before

20 December 15, after notice and hearing, that modifies such

1. calculation consistent with this Section. The Commission's
2. determinations of the prudence and reasonableness of the
3. costs incurred, and determination of such return on equity
4. calculation, for the applicable calendar year shall be
5. final upon entry of the Commission's order and shall not
6. be subject to reopening, reexamination, or collateral
7. attack in any other Commission proceeding, case, docket,
8. order, rule, or regulation; however, nothing in this
9. paragraph (3) shall prohibit a party from petitioning the
10. Commission to rehear or appeal to the courts the order
11. under the provisions of this Act.
12. (e) Beginning on June 1, 2017 (the effective date of
13. Public Act 99-906), a utility subject to the requirements of
14. this Section may elect to defer, as a regulatory asset, up to
15. the full amount of its expenditures incurred under this
16. Section for each annual period, including, but not limited to,
17. any expenditures incurred above the funding level set by
18. subsection (f) of this Section for a given year. The total
19. expenditures deferred as a regulatory asset in a given year
20. shall be amortized and recovered over a period that is equal to
21. the weighted average of the energy efficiency measure lives
22. implemented for that year that are reflected in the regulatory
23. asset. The unamortized balance shall be recognized as of

18 December 31 for a given year. The utility shall also earn a

1. return on the total of the unamortized balances of all of the
2. energy efficiency regulatory assets, less any deferred taxes
3. related to those unamortized balances, at an annual rate equal
4. to the utility's weighted average cost of capital that
5. includes, based on a year-end capital structure, the utility's
6. actual cost of debt for the applicable calendar year and a cost
7. of equity, which shall be calculated as the sum of the (i) the
8. average for the applicable calendar year of the monthly
9. average yields of 30-year U.S. Treasury bonds published by the
10. Board of Governors of the Federal Reserve System in its weekly
11. H.15 Statistical Release or successor publication; and (ii)
12. 580 basis points, including a revenue conversion factor
13. calculated to recover or refund all additional income taxes
14. that may be payable or receivable as a result of that return.
15. Capital investment costs shall be depreciated and recovered
16. over their useful lives consistent with generally accepted
17. accounting principles. The weighted average cost of capital
18. shall be applied to the capital investment cost balance, less
19. any accumulated depreciation and accumulated deferred income
20. taxes, as of December 31 for a given year.
21. When an electric utility creates a regulatory asset under
22. the provisions of this Section, the costs are recovered over a
23. period during which customers also receive a benefit which is
24. in the public interest. Accordingly, it is the intent of the
25. General Assembly that an electric utility that elects to
26. create a regulatory asset under the provisions of this Section
27. shall recover all of the associated costs as set forth in this
28. Section. After the Commission has approved the prudence and
29. reasonableness of the costs that comprise the regulatory
30. asset, the electric utility shall be permitted to recover all
31. such costs, and the value and recoverability through rates of
32. the associated regulatory asset shall not be limited, altered,
33. impaired, or reduced.
34. (f) Beginning in 2017, each electric utility shall file an
    1. energy efficiency plan with the Commission to meet the energy
    2. efficiency standards for the next applicable multi-year period
    3. beginning January 1 of the year following the filing,
    4. according to the schedule set forth in paragraphs (1) through
    5. (3) of this subsection (f). If a utility does not file such a
    6. plan on or before the applicable filing deadline for the plan,
    7. it shall face a penalty of $100,000 per day until the plan is
    8. filed.
    9. (1) No later than 30 days after June 1, 2017 (the
    10. effective date of Public Act 99-906), each electric
    11. utility shall file a 4-year energy efficiency plan
    12. commencing on January 1, 2018 that is designed to achieve
    13. the cumulative persisting annual savings goals specified
    14. in paragraphs (1) through (4) of subsection (b-5) of this
    15. Section or in paragraphs (1) through (4) of subsection
    16. (b-15) of this Section, as applicable, through
    17. implementation of energy efficiency measures; however, the
    18. goals may be reduced if the utility's expenditures are
    19. limited pursuant to subsection (m) of this Section or, for
    20. a utility that serves less than 3,000,000 retail
    21. customers, if each of the following conditions are met:
    22. (A) the plan's analysis and forecasts of the utility's
    23. ability to acquire energy savings demonstrate that
    24. achievement of such goals is not cost effective; and (B)
    25. the amount of energy savings achieved by the utility as
    26. determined by the independent evaluator for the most
35. recent year for which savings have been evaluated
36. preceding the plan filing was less than the average annual
37. amount of savings required to achieve the goals for the
38. applicable 4-year plan period. Except as provided in
39. subsection (m) of this Section, annual increases in
40. cumulative persisting annual savings goals during the
41. applicable 4-year plan period shall not be reduced to
42. amounts that are less than the maximum amount of
43. cumulative persisting annual savings that is forecast to
44. be cost-effectively achievable during the 4-year plan
45. period. The Commission shall review any proposed goal
46. reduction as part of its review and approval of the
47. utility's proposed plan.
48. (2) No later than March 1, 2021, each electric utility
49. shall file a 4-year energy efficiency plan commencing on

16 January 1, 2022 that is designed to achieve the cumulative

1. persisting annual savings goals specified in paragraphs
2. (5) through (8) of subsection (b-5) of this Section or in
3. paragraphs (5) through (8) of subsection (b-15) of this
4. Section, as applicable, through implementation of energy
5. efficiency measures; however, the goals may be reduced if
6. either (1) clear and convincing evidence demonstrates,
7. through independent analysis, that the expenditure limits
8. in subsection (m) of this Section preclude full
9. achievement of the goals or (2) ~~the utility's expenditures~~
10. ~~are limited pursuant to subsection (m) of this Section or,~~
11. each of the following conditions are met: (A) the plan's
12. analysis and forecasts of the utility's ability to acquire
13. energy savings demonstrate by clear and convincing
14. evidence and through independent analysis that achievement
15. of such goals is not cost effective; and (B) the amount of
16. energy savings achieved by the utility as determined by
17. the independent evaluator for the most recent year for
18. which savings have been evaluated preceding the plan
19. filing was less than the average annual amount of savings
20. required to achieve the goals for the applicable 4-year
21. plan period. If there is not clear and convincing evidence
22. that achieving the savings goals specified in paragraph
23. (b-5) or (b-15) of this Section is possible both
24. cost-effectively and within the expenditure limits in
25. subsection (m), such savings goals shall not be reduced.
26. Except as provided in subsection (m) of this Section,
27. annual increases in cumulative persisting annual savings
28. goals during the applicable 4-year plan period shall not
29. be reduced to amounts that are less than the maximum
30. amount of cumulative persisting annual savings that is
31. forecast to be cost-effectively achievable during the
32. 4-year plan period. The Commission shall review any
33. proposed goal reduction as part of its review and approval
34. of the utility's proposed plan.
35. (3) No later than March 1, 2025, each electric utility
36. shall file a 4-year ~~5-year~~ energy efficiency plan
37. commencing on January 1, 2026 that is designed to achieve
38. the cumulative persisting annual savings goals specified
39. in paragraphs (9) through (12) ~~(13)~~ of subsection (b-5) of
40. this Section or in paragraphs (9) through (12) ~~(13)~~ of
41. subsection (b-15) of this Section, as applicable, through
42. implementation of energy efficiency measures; however, the
43. goals may be reduced if either (1) clear and convincing
44. evidence demonstrates, through independent analysis, that
45. the expenditure limits in subsection (m) of this Section
46. preclude full achievement of the goals or (2) ~~the~~
47. ~~utility's expenditures are limited pursuant to subsection~~
48. ~~(m) of this Section or,~~ each of the following conditions
49. are met: (A) the plan's analysis and forecasts of the
50. utility's ability to acquire energy savings demonstrate by
51. clear and convincing evidence and through independent
52. analysis that achievement of such goals is not cost
53. effective; and (B) the amount of energy savings achieved
54. by the utility as determined by the independent evaluator
55. for the most recent year for which savings have been
56. evaluated preceding the plan filing was less than the
57. average annual amount of savings required to achieve the
58. goals for the applicable 4-year ~~5-year~~ plan period. If
59. there is not clear and convincing evidence that achieving
60. the savings goals specified in paragraphs (b-5) or (b-15)
61. of this Section is possible both cost-effectively and
62. within the expenditure limits in subsection (m), such
63. savings goals shall not be reduced. Except as provided in
64. subsection (m) of this Section, annual increases in
65. cumulative persisting annual savings goals during the
66. applicable 4-year ~~5-year~~ plan period shall not be reduced
67. to amounts that are less than the maximum amount of
68. cumulative persisting annual savings that is forecast to
69. be cost-effectively achievable during the 4-year ~~5-year~~
70. plan period. The Commission shall review any proposed goal
71. reduction as part of its review and approval of the
72. utility's proposed plan.
73. (4) No later than March 1, 2029, and every 4 years
74. thereafter, each electric utility shall file a 4-year
75. energy efficiency plan commencing on January 1, 2030, and
76. every 4 years thereafter, respectively, that is designed
77. to achieve the cumulative persisting annual savings goals
78. established by the Illinois Commerce Commission pursuant
79. to direction of subsections (b-5) and (b-15) of this
80. Section, as applicable, through implementation of energy
81. efficiency measures; however, the goals may be reduced if
82. either (1) clear and convincing evidence and independent
83. analysis demonstrates that the expenditure limits in
84. subsection (m) of this Section preclude full achievement
85. of the goals or (2) each of the following conditions are
86. met: (A) the plan's analysis and forecasts of the
87. utility's ability to acquire energy savings demonstrate by
88. clear and convincing evidence and through independent
89. analysis that achievement of such goals is not
90. cost-effective; and (B) the amount of energy savings
91. achieved by the utility as determined by the independent
92. evaluator for the most recent year for which savings have
93. been evaluated preceding the plan filing was less than the
94. average annual amount of savings required to achieve the
95. goals for the applicable 4-year plan period. If there is
96. not clear and convincing evidence that achieving the
97. savings goals specified in paragraphs (b-5) or (b-15) of
98. this Section is possible both cost-effectively and within
99. the expenditure limits in subsection (m), such savings
100. goals shall not be reduced. Except as provided in
101. subsection (m) of this Section, annual increases in
102. cumulative persisting annual savings goals during the
103. applicable 4-year plan period shall not be reduced to
104. amounts that are less than the maximum amount of
105. cumulative persisting annual savings that is forecast to
106. be cost-effectively achievable during the 4-year plan
107. period. The Commission shall review any proposed goal
108. reduction as part of its review and approval of the
109. utility's proposed plan.
110. Each utility's plan shall set forth the utility's
111. proposals to meet the energy efficiency standards identified
112. in subsection (b-5) or (b-15), as applicable and as such
113. standards may have been modified under this subsection (f),
114. taking into account the unique circumstances of the utility's
115. service territory. For those plans commencing on January 1,
116. 2018, the Commission shall seek public comment on the
117. utility's plan and shall issue an order approving or
118. disapproving each plan no later than 105 days after June 1,
119. 2017 (the effective date of Public Act 99-906). For those
120. plans commencing after December 31, 2021, the Commission shall
121. seek public comment on the utility's plan and shall issue an
122. order approving or disapproving each plan within 6 months
123. after its submission. If the Commission disapproves a plan,
124. the Commission shall, within 30 days, describe in detail the
125. reasons for the disapproval and describe a path by which the
126. utility may file a revised draft of the plan to address the
127. Commission's concerns satisfactorily. If the utility does not
128. refile with the Commission within 60 days, the utility shall
129. be subject to penalties at a rate of $100,000 per day until the
130. plan is filed. This process shall continue, and penalties
131. shall accrue, until the utility has successfully filed a
132. portfolio of energy efficiency and demand-response measures.
133. Penalties shall be deposited into the Energy Efficiency Trust
134. Fund.
135. (g) In submitting proposed plans and funding levels under
136. subsection (f) of this Section to meet the savings goals
137. identified in subsection (b-5) or (b-15) of this Section, as
138. applicable, the utility shall:
139. (1) Demonstrate that its proposed energy efficiency
140. measures will achieve the applicable requirements that are
141. identified in subsection (b-5) or (b-15) of this Section,
142. as modified by subsection (f) of this Section.
143. (2) (Blank). ~~Present specific proposals to implement~~
144. ~~new building and appliance standards that have been placed~~
145. ~~into effect.~~
146. (2.5) Demonstrate consideration of program options for
147. (A) advancing new building codes, appliance standards, and
148. municipal regulations governing existing and new building
149. efficiency improvements and (B) supporting efforts to
150. improve compliance with new building codes, appliance
151. standards and municipal regulations, as potentially
152. cost-effective means of acquiring energy savings to count
153. toward savings goals.
154. (3) Demonstrate that its overall portfolio of
155. measures, not including low-income programs described in
156. subsection (c) of this Section, is cost-effective using
157. the total resource cost test or complies with paragraphs
158. (1) through (3) of subsection (f) of this Section and
159. represents a diverse cross-section of opportunities for
160. customers of all rate classes, other than those customers
161. described in subsection (l) of this Section, to
162. participate in the programs. Individual measures need not
163. be cost effective.
164. (3.5) Demonstrate that the utility's plan integrates
165. the delivery of energy efficiency programs with natural
166. gas efficiency programs, programs promoting distributed
167. solar, programs promoting demand response and other
168. efforts to address bill payment issues, including, but not
169. limited to, LIHEAP and the Percentage of Income Payment
170. Plan, to the extent such integration is practical and has
171. the potential to enhance customer engagement, minimize
172. market confusion, or reduce administrative costs.
173. (4) Present a third-party energy efficiency
174. implementation program subject to the following
175. requirements:
176. (A) beginning with the year commencing January 1,
177. 2019, electric utilities that serve more than
178. 3,000,000 retail customers in the State shall fund
179. third-party energy efficiency programs in an amount
180. that is no less than $25,000,000 per year, and
181. electric utilities that serve less than 3,000,000
182. retail customers but more than 500,000 retail
183. customers in the State shall fund third-party energy
184. efficiency programs in an amount that is no less than 19 $8,350,000 per year;
185. (B) during 2018, the utility shall conduct a
186. solicitation process for purposes of requesting
187. proposals from third-party vendors for those
188. third-party energy efficiency programs to be offered
189. during one or more of the years commencing January 1,
190. 2019, January 1, 2020, and January 1, 2021; for those
191. multi-year plans commencing on January 1, 2022 and

1 January 1, 2026, the utility shall conduct a

1. solicitation process during 2021 and 2025,
2. respectively, for purposes of requesting proposals
3. from third-party vendors for those third-party energy
4. efficiency programs to be offered during one or more
5. years of the respective multi-year plan period; for
6. each solicitation process, the utility shall identify
7. the sector, technology, or geographical area for which
8. it is seeking requests for proposals; the solicitation
9. process must be either for programs that fill gaps in
10. the utility's program portfolio and for programs that
11. target low-income customers, business sectors,
12. building types, geographies, or other specific parts
13. of its customer base with initiatives that would be
14. more effective at reaching these customer segments
15. than the utilities' programs filed in its energy
16. efficiency plans;
17. (C) the utility shall propose the bidder
18. qualifications, performance measurement process, and
19. contract structure, which must include a performance
20. payment mechanism and general terms and conditions;
21. the proposed qualifications, process, and structure
22. shall be subject to Commission approval; and
23. (D) the utility shall retain an independent third
24. party to score the proposals received through the
25. solicitation process described in this paragraph (4),
26. rank them according to their cost per lifetime
27. kilowatt-hours saved, and assemble the portfolio of
28. third-party programs.
29. The electric utility shall recover all costs
30. associated with Commission-approved, third-party
31. administered programs regardless of the success of those
32. programs.
33. (4.5) Implement cost-effective demand-response
34. measures to reduce peak demand by 0.1% over the prior year
35. for eligible retail customers, as defined in Section
36. 16-111.5 of this Act, and for customers that elect hourly
37. service from the utility pursuant to Section 16-107 of
38. this Act, provided those customers have not been declared
39. competitive. This requirement continues until December 31, 15 2026.
40. (5) Include a proposed or revised cost-recovery tariff
41. mechanism, as provided for under subsection (d) of this
42. Section, to fund the proposed energy efficiency and
43. demand-response measures and to ensure the recovery of the
44. prudently and reasonably incurred costs of
45. Commission-approved programs.
46. (6) Provide for an annual independent evaluation of
47. the performance of the cost-effectiveness of the utility's
48. portfolio of measures, as well as a full review of the
49. multi-year plan results of the broader net program impacts
50. and, to the extent practical, for adjustment of the
51. measures on a going-forward basis as a result of the
52. evaluations. The resources dedicated to evaluation shall
53. not exceed 3% of portfolio resources in any given year.
54. (7) For electric utilities that serve more than
55. 3,000,000 retail customers in the State:
56. (A) Through December 31, 2025, provide for an
57. adjustment to the return on equity component of the
58. utility's weighted average cost of capital calculated
59. under subsection (d) of this Section:
60. (i) If the independent evaluator determines
61. that the utility achieved a cumulative persisting
62. annual savings that is less than the applicable
63. annual incremental goal, then the return on equity
64. component shall be reduced by a maximum of 200
65. basis points in the event that the utility
66. achieved no more than 75% of such goal. If the
67. utility achieved more than 75% of the applicable
68. annual incremental goal but less than 100% of such
69. goal, then the return on equity component shall be
70. reduced by 8 basis points for each percent by
71. which the utility failed to achieve the goal.
72. (ii) If the independent evaluator determines
73. that the utility achieved a cumulative persisting
74. annual savings that is more than the applicable
75. annual incremental goal, then the return on equity
76. component shall be increased by a maximum of 200
77. basis points in the event that the utility
78. achieved at least 125% of such goal. If the
79. utility achieved more than 100% of the applicable
80. annual incremental goal but less than 125% of such
81. goal, then the return on equity component shall be
82. increased by 8 basis points for each percent by
83. which the utility achieved above the goal. If the
84. applicable annual incremental goal was reduced
85. under paragraphs (1) or (2) of subsection (f) of
86. this Section, then the following adjustments shall
87. be made to the calculations described in this item

12 (ii):

1. (aa) the calculation for determining
2. achievement that is at least 125% of the
3. applicable annual incremental goal shall use
4. the unreduced applicable annual incremental
5. goal to set the value; and
6. (bb) the calculation for determining
7. achievement that is less than 125% but more
8. than 100% of the applicable annual incremental
9. goal shall use the reduced applicable annual
10. incremental goal to set the value for 100%
11. achievement of the goal and shall use the
12. unreduced goal to set the value for 125%
13. achievement. The 8 basis point value shall
14. also be modified, as necessary, so that the
15. 200 basis points are evenly apportioned among
16. each percentage point value between 100% and
17. 125% achievement.
18. (B) For the period January 1, 2026 through

5 December 31, 2029 and in all subsequent 4-year periods

1. ~~2030~~, provide for an adjustment to the return on
2. equity component of the utility's weighted average
3. cost of capital calculated under subsection (d) of
4. this Section:
5. (i) If the independent evaluator determines
6. that the utility achieved a cumulative persisting
7. annual savings that is less than the applicable
8. annual incremental goal, then the return on equity
9. component shall be reduced by a maximum of 200
10. basis points in the event that the utility
11. achieved no more than 66% of such goal. If the
12. utility achieved more than 66% of the applicable
13. annual incremental goal but less than 100% of such
14. goal, then the return on equity component shall be
15. reduced by 6 basis points for each percent by
16. which the utility failed to achieve the goal.
17. (ii) If the independent evaluator determines
18. that the utility achieved a cumulative persisting
19. annual savings that is more than the applicable
20. annual incremental goal, then the return on equity
21. component shall be increased by a maximum of 200
22. basis points in the event that the utility
23. achieved at least 134% of such goal. If the
24. utility achieved more than 100% of the applicable
25. annual incremental goal but less than 134% of such
26. goal, then the return on equity component shall be
27. increased by 6 basis points for each percent by
28. which the utility achieved above the goal. If the
29. applicable annual incremental goal was reduced
30. under paragraph (3) of subsection (f) of this
31. Section, then the following adjustments shall be
32. made to the calculations described in this item

12 (ii):

1. (aa) the calculation for determining
2. achievement that is at least 134% of the
3. applicable annual incremental goal shall use
4. the unreduced applicable annual incremental
5. goal to set the value; and
6. (bb) the calculation for determining
7. achievement that is less than 134% but more
8. than 100% of the applicable annual incremental
9. goal shall use the reduced applicable annual
10. incremental goal to set the value for 100%
11. achievement of the goal and shall use the
12. unreduced goal to set the value for 134%
13. achievement. The 6 basis point value shall
14. also be modified, as necessary, so that the
15. 200 basis points are evenly apportioned among
16. each percentage point value between 100% and
17. 134% achievement.
18. (C) Notwithstanding the provisions of
19. subparagraphs (A) and (B) of this paragraph (7), if
20. the applicable annual incremental goal for an electric
21. utility is ever less than 0.6% of deemed average
22. weather normalized sales of electric power and energy
23. during calendar years 2014, 2015, and 2016, an
24. adjustment to the return on equity component of the
25. utility's weighted average cost of capital calculated
26. under subsection (d) of this Section shall be made as
27. follows:
28. (i) If the independent evaluator determines
29. that the utility achieved a cumulative persisting
30. annual savings that is less than would have been
31. achieved had the applicable annual incremental
32. goal been achieved, then the return on equity
33. component shall be reduced by a maximum of 200
34. basis points if the utility achieved no more than
35. 75% of its applicable annual total savings
36. requirement as defined in paragraph (7.5) of this
37. subsection. If the utility achieved more than 75%
38. of the applicable annual total savings requirement
39. but less than 100% of such goal, then the return on
40. equity component shall be reduced by 8 basis
41. points for each percent by which the utility
42. failed to achieve the goal.
43. (ii) If the independent evaluator determines
44. that the utility achieved a cumulative persisting
45. annual savings that is more than would have been
46. achieved had the applicable annual incremental
47. goal been achieved, then the return on equity
48. component shall be increased by a maximum of 200
49. basis points if the utility achieved at least 125%
50. of its applicable annual total savings
51. requirement. If the utility achieved more than
52. 100% of the applicable annual total savings
53. requirement but less than 125% of such goal, then
54. the return on equity component shall be increased
55. by 8 basis points for each percent by which the
56. utility achieved above the applicable annual total
57. savings requirement. If the applicable annual
58. incremental goal was reduced under paragraph (1)
59. or (2) of subsection (f) of this Section, then the
60. following adjustments shall be made to the
61. calculations described in this item (ii):
62. (aa) the calculation for determining
63. achievement that is at least 125% of the
64. applicable annual total savings requirement
65. shall use the unreduced applicable annual
66. incremental goal to set the value; and
    1. (bb) the calculation for determining
    2. achievement that is less than 125% but more
    3. than 100% of the applicable annual total
    4. savings requirement shall use the reduced
    5. applicable annual incremental goal to set the
    6. value for 100% achievement of the goal and
    7. shall use the unreduced goal to set the value
    8. for 125% achievement. The 8 basis point value
    9. shall also be modified, as necessary, so that
    10. the 200 basis points are evenly apportioned
    11. among each percentage point value between 100%
    12. and 125% achievement.
    13. (7.5) For purposes of this Section, the term
    14. "applicable annual incremental goal" means the difference
    15. between the cumulative persisting annual savings goal for
    16. the calendar year that is the subject of the independent
    17. evaluator's determination and the cumulative persisting
    18. annual savings goal for the immediately preceding calendar
    19. year, as such goals are defined in subsections (b-5) and
    20. (b-15) of this Section and as these goals may have been
    21. modified as provided for under subsection (b-20) and
    22. paragraphs (1) through (3) of subsection (f) of this
    23. Section. Under subsections (b), (b-5), (b-10), and (b-15)
    24. of this Section, a utility must first replace energy
    25. savings from measures that have expired ~~reached the end of~~
    26. ~~their measure lives and would otherwise have to be~~
67. ~~replaced to meet the applicable savings goals identified~~
68. ~~in subsection (b-5) or (b-15) of this Section~~ before any
69. progress towards achievement of its applicable annual
70. incremental goal may be counted. Savings may expire
71. because measures installed in previous years have reached
72. the end of their lives, because measures installed in
73. previous years are producing lower savings in the current
74. year than in the previous year, or for other reasons
75. identified by independent evaluators. Notwithstanding
76. anything else set forth in this Section, the difference
77. between the actual annual incremental savings achieved in
78. any given year, including the replacement of energy
79. savings ~~from measures~~ that have expired, and the
80. applicable annual incremental goal shall not affect
81. adjustments to the return on equity for subsequent
82. calendar years under this subsection (g).
83. In this Section, "applicable annual total savings
84. requirement" means the total amount of new annual savings
85. that the utility must achieve in any given year to achieve
86. the applicable annual incremental goal. This is equal to
87. the applicable annual incremental goal plus the total new
88. annual savings that are required to replace savings that
89. expired in or at the end of the previous year.
90. (8) For electric utilities that serve less than
91. 3,000,000 retail customers but more than 500,000 retail
92. customers in the State:
    1. (A) Through December 31, 2025, the applicable
    2. annual incremental goal shall be compared to the
    3. annual incremental savings as determined by the
    4. independent evaluator.
    5. (i) The return on equity component shall be
    6. reduced by 8 basis points for each percent by
    7. which the utility did not achieve 84.4% of the
    8. applicable annual incremental goal.
    9. (ii) The return on equity component shall be
    10. increased by 8 basis points for each percent by
    11. which the utility exceeded 100% of the applicable
    12. annual incremental goal.
    13. (iii) The return on equity component shall not
    14. be increased or decreased if the annual
    15. incremental savings as determined by the
    16. independent evaluator is greater than 84.4% of the
    17. applicable annual incremental goal and less than
    18. 100% of the applicable annual incremental goal.
    19. (iv) The return on equity component shall not
    20. be increased or decreased by an amount greater
    21. than 200 basis points pursuant to this
    22. subparagraph (A).
    23. (B) For the period of January 1, 2026 through

24 December 31, 2029 and in all subsequent 4-year periods

1. ~~2030~~, the applicable annual incremental goal shall be
2. compared to the annual incremental savings as
3. determined by the independent evaluator.
4. (i) The return on equity component shall be
5. reduced by 6 basis points for each percent by
6. which the utility did not achieve 100% of the
7. applicable annual incremental goal.
8. (ii) The return on equity component shall be
9. increased by 6 basis points for each percent by
10. which the utility exceeded 100% of the applicable
11. annual incremental goal.
12. (iii) The return on equity component shall not
13. be increased or decreased by an amount greater
14. than 200 basis points pursuant to this
15. subparagraph (B).
16. (C) Notwithstanding provisions in subparagraphs
17. (A) and (B) of paragraph (7) of this subsection, if the
18. applicable annual incremental goal for an electric
19. utility is ever less than 0.6% of deemed average
20. weather normalized sales of electric power and energy
21. during calendar years 2014, 2015 and 2016, an
22. adjustment to the return on equity component of the
23. utility's weighted average cost of capital calculated
24. under subsection (d) of this Section shall be made as
25. follows:
26. (i) The return on equity component shall be
27. reduced by 8 basis points for each percent by
28. which the utility did not achieve 100% of the
29. applicable annual total savings requirement.
30. (ii) The return on equity component shall be
31. increased by 8 basis points for each percent by
32. which the utility exceeded 100% of the applicable
33. annual total savings requirement.
34. (iii) The return on equity component shall not
35. be increased or decreased by an amount greater
36. than 200 basis points pursuant to this
37. subparagraph (C).
38. (D) ~~(C)~~ If the applicable annual incremental goal
39. was reduced under paragraph ~~paragraphs~~ (1), (2), ~~or~~
40. (3), or (4) of subsection (f) of this Section, then the
41. following adjustments shall be made to the
42. calculations described in subparagraphs (A), ~~and~~ (B),
43. and (C) of this paragraph (8):
44. (i) The calculation for determining
45. achievement that is at least 125% or 134%, as
46. applicable, of the applicable annual incremental
47. goal or the applicable annual total savings
48. requirement, as applicable, shall use the
49. unreduced applicable annual incremental goal to
50. set the value.
51. (ii) For the period through December 31, 2025,
52. the calculation for determining achievement that
53. is less than 125% but more than 100% of the
54. applicable annual incremental goal or the
55. applicable annual total savings requirement, as
56. applicable, shall use the reduced applicable
57. annual incremental goal to set the value for 100%
58. achievement of the goal and shall use the
59. unreduced goal to set the value for 125%
60. achievement. The 8 basis point value shall also be
61. modified, as necessary, so that the 200 basis
62. points are evenly apportioned among each
63. percentage point value between 100% and 125%
64. achievement.
65. (iii) For the period of January 1, 2026
66. through December 31, 2029 and all subsequent
67. 4-year periods, the calculation for determining
68. achievement that is less than 125% or 134%, as
69. applicable, but more than 100% of the applicable
70. annual incremental goal or the applicable annual
71. total savings requirement, as applicable, shall
72. use the reduced applicable annual incremental goal
73. to set the value for 100% achievement of the goal
74. and shall use the unreduced goal to set the value
75. for 125% achievement. The 6 basis-point value or 8
76. basis-point value, as applicable, shall also be
77. modified, as necessary, so that the 200 basis
78. points are evenly apportioned among each
79. percentage point value between 100% and 125% or
80. between 100% and 134% achievement, as applicable
81. ~~2030, the calculation for determining achievement~~
82. ~~that is less than 134% but more than 100% of the~~
83. ~~applicable annual incremental goal shall use the~~
84. ~~reduced applicable annual incremental goal to set~~
85. ~~the value for 100% achievement of the goal and~~
86. ~~shall use the unreduced goal to set the value for~~
87. ~~125% achievement. The 6 basis point value shall~~
88. ~~also be modified, as necessary, so that the 200~~
89. ~~basis points are evenly apportioned among each~~
90. ~~percentage point value between 100% and 134%~~
91. ~~achievement~~.
92. (9) The utility shall submit the energy savings data
93. to the independent evaluator no later than 30 days after
94. the close of the plan year. The independent evaluator
95. shall determine the cumulative persisting annual savings
96. for a given plan year, as well as an estimate of job
97. impacts and other macroeconomic impacts of the efficiency
98. programs for that year, no later than 120 days after the
99. close of the plan year. The utility shall submit an
100. informational filing to the Commission no later than 160
101. days after the close of the plan year that attaches the
102. independent evaluator's final report identifying the
103. cumulative persisting annual savings for the year and
104. calculates, under paragraph (7) or (8) of this subsection
105. (g), as applicable, any resulting change to the utility's
106. return on equity component of the weighted average cost of
107. capital applicable to the next plan year beginning with
108. the January monthly billing period and extending through
109. the December monthly billing period. However, if the
110. utility recovers the costs incurred under this Section
111. under paragraphs (2) and (3) of subsection (d) of this
112. Section, then the utility shall not be required to submit
113. such informational filing, and shall instead submit the
114. information that would otherwise be included in the
115. informational filing as part of its filing under paragraph
116. (3) of such subsection (d) that is due on or before June 1
117. of each year.
118. For those utilities that must submit the informational
119. filing, the Commission may, on its own motion or by
120. petition, initiate an investigation of such filing,
121. provided, however, that the utility's proposed return on
122. equity calculation shall be deemed the final, approved
123. calculation on December 15 of the year in which it is filed
124. unless the Commission enters an order on or before

19 December 15, after notice and hearing, that modifies such

1. calculation consistent with this Section.
2. The adjustments to the return on equity component
3. described in paragraphs (7) and (8) of this subsection (g)
4. shall be applied as described in such paragraphs through a
5. separate tariff mechanism, which shall be filed by the
6. utility under subsections (f) and (g) of this Section.
7. (9.5) The utility must demonstrate how it will ensure
   1. that program implementation contractors and energy
   2. efficiency installation vendors will promote workforce
   3. equity and quality jobs.
   4. (9.6) Utilities shall collect data necessary to ensure
   5. compliance with paragraph (9.5) no less than quarterly and
   6. shall communicate progress toward compliance with
   7. paragraph (9.5) to program implementation contractors and
   8. energy efficiency installation vendors no less than
   9. quarterly. Utilities shall work with relevant vendors,
   10. providing education, training, and other resources needed
   11. to ensure compliance and, where necessary, adjusting or
   12. terminating work with vendors that cannot assist with
   13. compliance.
   14. (10) Utilities required to implement efficiency
   15. programs under subsections (b-5) and (b-10) shall report
   16. annually to the Illinois Commerce Commission and the
   17. General Assembly on how hiring, contracting, job training,
   18. and other practices related to its energy efficiency
   19. programs enhance the diversity of vendors working on such
   20. programs. These reports must include data on vendor and
   21. employee diversity, including data on the implementation
   22. of paragraphs (9.5) and (9.6). If the utility is not
   23. meeting the requirements of paragraphs (9.5) and (9.6),
   24. the utility shall submit a plan to adjust their activities
   25. so that they meet the requirements of paragraphs (9.5) and
   26. (9.6) within the following year.
8. (h) No more than 4% ~~6%~~ of energy efficiency and
9. demand-response program revenue may be allocated for research,
10. development, or pilot deployment of new equipment or measures.
11. Electric utilities shall work with interested stakeholders to
12. formulate a plan for how these funds should be spent,
13. incorporate statewide approaches for these allocations, and
14. file a 4-year plan that demonstrates that collaboration. If a
15. utility files a request for modified annual energy savings
16. goals with the Commission, then a utility shall forgo spending
17. portfolio dollars on research and development proposals.
18. (i) When practicable, electric utilities shall incorporate
19. advanced metering infrastructure data into the planning,
20. implementation, and evaluation of energy efficiency measures
21. and programs, subject to the data privacy and confidentiality
22. protections of applicable law.
23. (j) The independent evaluator shall follow the guidelines
24. and use the savings set forth in Commission-approved energy
25. efficiency policy manuals and technical reference manuals, as
26. each may be updated from time to time. Until such time as
27. measure life values for energy efficiency measures implemented
28. for low-income households under subsection (c) of this Section
29. are incorporated into such Commission-approved manuals, the
30. low-income measures shall have the same measure life values
31. that are established for same measures implemented in
32. households that are not low-income households.
33. (k) Notwithstanding any provision of law to the contrary,
    1. an electric utility subject to the requirements of this
    2. Section may file a tariff cancelling an automatic adjustment
    3. clause tariff in effect under this Section or Section 8-103,
    4. which shall take effect no later than one business day after
    5. the date such tariff is filed. Thereafter, the utility shall
    6. be authorized to defer and recover its expenditures incurred
    7. under this Section through a new tariff authorized under
    8. subsection (d) of this Section or in the utility's next rate
    9. case under Article IX or Section 16-108.5 of this Act, with
    10. interest at an annual rate equal to the utility's weighted
    11. average cost of capital as approved by the Commission in such
    12. case. If the utility elects to file a new tariff under
    13. subsection (d) of this Section, the utility may file the
    14. tariff within 10 days after June 1, 2017 (the effective date of
    15. Public Act 99-906), and the cost inputs to such tariff shall be
    16. based on the projected costs to be incurred by the utility
    17. during the calendar year in which the new tariff is filed and
    18. that were not recovered under the tariff that was cancelled as
    19. provided for in this subsection. Such costs shall include
    20. those incurred or to be incurred by the utility under its
    21. multi-year plan approved under subsections (f) and (g) of this
    22. Section, including, but not limited to, projected capital
    23. investment costs and projected regulatory asset balances with
    24. correspondingly updated depreciation and amortization reserves
    25. and expense. The Commission shall, after notice and hearing,
    26. approve, or approve with modification, such tariff and cost
34. inputs no later than 75 days after the utility filed the
35. tariff, provided that such approval, or approval with
36. modification, shall be consistent with the provisions of this
37. Section to the extent they do not conflict with this
38. subsection (k). The tariff approved by the Commission shall
39. take effect no later than 5 days after the Commission enters
40. its order approving the tariff.
41. No later than 60 days after the effective date of the
42. tariff cancelling the utility's automatic adjustment clause
43. tariff, the utility shall file a reconciliation that
44. reconciles the moneys collected under its automatic adjustment
45. clause tariff with the costs incurred during the period
46. beginning June 1, 2016 and ending on the date that the electric
47. utility's automatic adjustment clause tariff was cancelled. In
48. the event the reconciliation reflects an under-collection, the
49. utility shall recover the costs as specified in this
50. subsection (k). If the reconciliation reflects an
51. over-collection, the utility shall apply the amount of such
52. over-collection as a one-time credit to retail customers'
53. bills.
54. (l) For the calendar years covered by a multi-year plan
55. commencing after December 31, 2017, subsections (a) through
56. (j) of this Section do not apply to eligible large private
57. energy customers that have chosen to opt out of multi-year
58. plans consistent with this subsection (1).
59. (1) For purposes of this subsection (l), "eligible
    1. large private energy customer" means any retail customers,
    2. except for federal, State, municipal, and other public
    3. customers, of an electric utility that serves more than
    4. 3,000,000 retail customers, except for federal, State,
    5. municipal and other public customers, in the State and
    6. whose total highest 30 minute demand was more than 10,000
    7. kilowatts, or any retail customers of an electric utility
    8. that serves less than 3,000,000 retail customers but more
    9. than 500,000 retail customers in the State and whose total
    10. highest 15 minute demand was more than 10,000 kilowatts.
    11. For purposes of this subsection (l), "retail customer" has
    12. the meaning set forth in Section 16-102 of this Act.
    13. However, for a business entity with multiple sites located
    14. in the State, where at least one of those sites qualifies
    15. as an eligible large private energy customer, then any of
    16. that business entity's sites, properly identified on a
    17. form for notice, shall be considered eligible large
    18. private energy customers for the purposes of this
    19. subsection (l). A determination of whether this subsection
    20. is applicable to a customer shall be made for each
    21. multi-year plan beginning after December 31, 2017. The
    22. criteria for determining whether this subsection (l) is
    23. applicable to a retail customer shall be based on the 12
    24. consecutive billing periods prior to the start of the
    25. first year of each such multi-year plan.
    26. (2) Within 45 days after the effective date of this
        1. amendatory Act of the 102nd General Assembly, the
        2. Commission shall prescribe the form for notice required
        3. for opting out of energy efficiency programs. The notice
        4. must be submitted to the retail electric utility 12 months
        5. before the next energy efficiency planning cycle. However,
        6. within 120 days after the Commission's initial issuance of
        7. the form for notice, eligible large private energy
        8. customers may submit a form for notice to an electric
        9. utility. The form for notice for opting out of energy
        10. efficiency programs shall include all of the following:
        11. (A) a statement indicating that the customer has
        12. elected to opt out;
        13. (B) the account numbers for the customer accounts
        14. to which the opt out shall apply;
        15. (C) the mailing address associated with the
        16. customer accounts identified under subparagraph (B);
        17. (D) an American Society of Heating, Refrigerating,
        18. and Air-Conditioning Engineers (ASHRAE) level 2 or
        19. higher audit report conducted by an independent
        20. third-party expert identifying cost-effective energy
        21. efficiency project opportunities that could be
        22. invested in over the next 10 years. A retail customer
        23. with specialized processes may utilize a self-audit
        24. process in lieu of the ASHRAE audit;
        25. (E) a description of the customer's plans to
        26. reallocate the funds toward internal energy efficiency
60. efforts identified in the subparagraph (D) report,
61. including, but not limited to: (i) strategic energy
62. management or other programs, including descriptions
63. of targeted buildings, equipment and operations; (ii)
64. eligible energy efficiency measures; and (iii)
65. expected energy savings, itemized by technology. If
66. the subparagraph (D) audit report identifies that the
67. customer currently utilizes the best available energy
68. efficient technology, equipment, programs, and
69. operations, the customer may provide a statement that
70. more efficient technology, equipment, programs, and
71. operations are not reasonably available as a means of
72. satisfying this subparagraph (E); and
73. (F) the effective date of the opt out, which will
74. be the next January 1 following notice of the opt out.
75. (3) Upon receipt of a properly and timely noticed
76. request for opt out submitted by an eligible large private
77. energy customer, the retail electric utility shall grant
78. the request, file the request with the Commission and,
79. beginning January 1 of the following year, the opted out
80. customer shall no longer be assessed the costs of the plan
81. and shall be prohibited from participating in that 4-year
82. plan cycle to give the retail utility the certainty to
83. design program plan proposals.
84. (4) Upon a customer's election to opt out under
85. paragraphs (1) and (2) of this subsection (l) and
86. commencing on the effective date of said opt out, the
87. account properly identified in the customer's notice under
88. paragraph (2) shall not be subject to any cost recovery
89. and shall not be eligible to participate in, or directly
90. benefit from, compliance with energy efficiency cumulative
91. persisting savings requirements under subsections (a)
92. through (j).
93. (5) A utility's cumulative persisting annual savings
94. targets will exclude any opted out load.
95. (6) The request to opt out is only valid for the
96. requested plan cycle. An eligible large private energy
97. customer must also request to opt out for future energy
98. plan cycles, otherwise the customer will be included in
99. the future energy plan cycle. ~~For the calendar years~~
100. ~~covered by a multi-year plan commencing after December 31,~~
101. ~~2017, subsections (a) through (j) of this Section do not~~
102. ~~apply to any retail customers of an electric utility that~~
103. ~~serves more than 3,000,000 retail customers in the State~~
104. ~~and whose total highest 30 minute demand was more than~~
105. ~~10,000 kilowatts, or any retail customers of an electric~~
106. ~~utility that serves less than 3,000,000 retail customers~~
107. ~~but more than 500,000 retail customers in the State and~~
108. ~~whose total highest 15 minute demand was more than 10,000~~
109. ~~kilowatts. For purposes of this subsection (l), "retail~~
110. ~~customer" has the meaning set forth in Section 16-102 of~~
111. ~~this Act. A determination of whether this subsection is~~
112. ~~applicable to a customer shall be made for each multi-year~~
113. ~~plan beginning after December 31, 2017. The criteria for~~
114. ~~determining whether this subsection (l) is applicable to a~~
115. ~~retail customer shall be based on the 12 consecutive~~
116. ~~billing periods prior to the start of the first year of~~
117. ~~each such multi-year plan.~~
118. (m) Notwithstanding the requirements of this Section, as
119. part of a proceeding to approve a multi-year plan under
120. subsections (f) and (g) of this Section if the multi-year plan
121. has been designed to maximize savings, but does not meet the
122. cost cap limitations of this Section, the Commission shall
123. reduce the amount of energy efficiency measures implemented
124. for any single year, and whose costs are recovered under
125. subsection (d) of this Section, by an amount necessary to
126. limit the estimated average net increase due to the cost of the
127. measures to no more than
128. (1) 3.5% for each of the 4 years beginning January 1, 18 2018,

19 (2) (blank), ~~3.75% for each of the 4 years beginning~~

20 ~~January 1, 2022, and~~

21 (3) 4% for each of the 4 ~~5~~ years beginning January 1, 22 2022 ~~2026~~,

1. (4) 4.25% for the 4 years beginning January 1, 2026,
2. and
3. (5) 4.25% plus an increase sufficient to account for
4. the rate of inflation between January 1, 2026 and January
5. 1 of the first year of each subsequent 4-year plan cycle,
6. of the average amount paid per kilowatthour by residential
7. eligible retail customers during calendar year 2015. An
8. electric utility may plan to spend up to 10% more in any year
9. during an applicable multi-year plan period to
10. cost-effectively achieve additional savings so long as the
11. average over the applicable multi-year plan period does not
12. exceed the percentages defined in items (1) through (5). To
13. determine the total amount that may be spent by an electric
14. utility in any single year, the applicable percentage of the
15. average amount paid per kilowatthour shall be multiplied by
16. the total amount of energy delivered by such electric utility
17. in the calendar year 2015, adjusted to reflect the proportion
18. of the utility's load attributable to customers that have
19. opted out of ~~who are exempt from~~ subsections (a) through (j) of
20. this Section under subsection (l) of this Section. For
21. purposes of this subsection (m), the amount paid per
22. kilowatthour includes, without limitation, estimated amounts
23. paid for supply, transmission, distribution, surcharges, and
24. add-on taxes. For purposes of this Section, "eligible retail
25. customers" shall have the meaning set forth in Section
26. 16-111.5 of this Act. Once the Commission has approved a plan
27. under subsections (f) and (g) of this Section, no subsequent
28. rate impact determinations shall be made.
29. (n) A utility shall take advantage of the efficiencies
30. available through existing Illinois Home Weatherization
31. Assistance Program infrastructure and services, such as
32. enrollment, marketing, quality assurance and implementation,
33. which can reduce the need for similar services at a lower cost
34. than utility-only programs, subject to capacity constraints at
35. community action agencies, for both single-family and
36. multifamily weatherization services, to the extent Illinois
37. Home Weatherization Assistance Program community action
38. agencies provide multifamily services. A utility's plan shall
39. demonstrate that in formulating annual weatherization budgets,
40. it has sought input and coordination with community action
41. agencies regarding agencies' capacity to expand and maximize
42. Illinois Home Weatherization Assistance Program delivery using
43. the ratepayer dollars collected under this Section.

14 (Source: P.A. 100-840, eff. 8-13-18; 101-81, eff. 7-12-19.)

15 (220 ILCS 5/8-201.7 new)

1. Sec. 8-201.7. Prohibition on deposits for low-income
2. residential customers or applicants.
3. (a) On and after the effective date of this amendatory Act
4. of the 102nd General Assembly, no electric or gas utility
5. shall, as a condition for standard service, require a
6. low-income residential customer or applicant to provide a
7. deposit as security against potential non-payment for service
8. except when the utility has proof that the customer engaged in
9. tampering of the electric or gas utility equipment during the
10. previous 5 years. Within 60 days after the effective date of
11. diverse and equitable workforce and a diverse set of
12. contractors, including minority-owned businesses,
13. disadvantaged businesses, trade unions, graduates of any
14. workforce training programs established by this amendatory Act
15. of the 102nd General Assembly, and small businesses. An
16. electric utility must comply with the equity commitment
17. requirements in subsection (c-10) of Section 1-75 of the
18. Illinois Power Agency Act. The electric utility must certify
19. that not less than the prevailing wage will be paid to
20. employees engaged in construction activities associated with
21. the pilot project. The electric utility must file a project
22. labor agreement, as defined in the Illinois Power Agency Act,
23. with the Commission prior to constructing, installing,
24. controlling, or owning a pilot project authorized by this
25. Section.

16 (220 ILCS 5/8-402.2 new)

1. Sec. 8-402.2. Public Schools Carbon-Free Assessment
2. programs.
3. (a) Within one year after the effective date of this
4. amendatory Act of the 102nd General Assembly, each electric
5. utility serving over 500,000 retail customers in this State
6. shall implement a Public Schools Carbon-Free Assessment
7. program.
8. (b) Each utility's Public Schools Carbon-Free Assessment
9. program shall include the following requirements:
   1. (1) Each plan shall be designed to offer within the
   2. utility's service territory to assist public schools, as
   3. defined by Section 1-3 of the School Code, to increase the
   4. efficiency of their energy usage, to reduce the carbon
   5. emissions associated with their energy usage, and to move
   6. toward a goal of public schools being carbon-free in their
   7. energy usage by 2030. The program shall include a target
   8. of completing Public Schools Carbon-Free Assessment for
   9. all public schools in the utility's service territory by

10 December 31, 2029.

1. (2) The Public Schools Carbon-Free Assessment shall be
2. a generally standardized assessment, but may incorporate
3. flexibility to reflect the circumstances of individual
4. public schools and public school districts.
5. (3) The Public Schools Carbon-Free Assessment shall
6. include, but not be limited to, comprehensive analyses of
7. the following subjects:
8. (A) The top energy efficiency savings
9. opportunities for the public school, by energy saved;
10. (B) The total achievable solar energy potential on
11. or nearby a public school's premises and able to
12. provide power to a school;
13. (C) The infrastructure required to support
14. electrification of the facility's space heating and
15. water heating needs;
16. (D) The infrastructure requirements to support
    1. electrification of a school's transportation needs;
    2. and
    3. (E) The investments required to achieve a WELL
    4. Certification or similar certification as determined
    5. through methods developed and updated by the
    6. International WELL Building Institute or similar or
    7. successor organizations.
    8. (4) The Public Schools Carbon-Free Assessment also
    9. shall include, but not be limited to, mechanical
    10. insulation evaluation inspection and inspection of the
    11. building envelope(s).
    12. (5) With respect to those public school construction
    13. projects for public schools within the service territory
    14. of a utility serving over 500,000 retail customers in this
    15. State and for which a public school district applies for a
    16. grant under Section 5-40 of the School Construction Law on
    17. or after June 1, 2023, the district must submit a copy of
    18. the applicable Public Schools Carbon-Free Assessment
    19. report, or, if no such Public Schools Carbon-Free
    20. Assessment has been performed, request the applicable
    21. utility to perform such a Public Schools Carbon-Free
    22. Assessment and submit a copy of the Public Schools
    23. Carbon-Free Assessment report promptly when it becomes
    24. available. The Public Schools Carbon-Free Assessment
    25. report shall include, but not limited to, an energy audit
    26. of both the building envelope and the building's
17. mechanical insulation system. It shall also include an
18. inspection of both the building envelope and the
19. mechanical insulation system. The district must
20. demonstrate how the construction project is designed and
21. managed to achieve the goals that all public elementary
22. and secondary school facilities in the State are able to
23. be powered by clean energy by 2030, and for such
24. facilities to achieve carbon-free energy sources for space
25. heat, water heat, and transportation by 2050.
26. (6) The results of each Public Schools Carbon-Free
27. Assessment shall be memorialized by the utility or by a
28. third party acting on behalf of the utility in a usable
29. report form and shall be provided to the applicable public
30. school. Each utility shall be required to retain a copy of
31. each Public Schools Carbon-Free Assessment report and to
32. provide confidential copies of each report to the Illinois
33. Power Agency and the Illinois Capital Development Board
34. within 3 months of its completion.
35. (7) The Public Schools Carbon-Free Assessment shall be
36. conducted in coordination with each utility's energy
37. efficiency and demand-response plans under Sections 8-103,
38. 8-103A, and 8-103B of this Act, to the extent applicable.
39. Nothing in this Section is intended to modify or require
40. modification of those plans. However, the utility may
41. request a modification of a plan approved by the
42. Commission, and the Commission may approve the requested
43. modification, if the modification is consistent with the
44. provisions of this Section and Section 8-103B of this Act.
45. (8) If there are no other providers of assessments
46. that are substantively the same as those being performed
47. by utilities pursuant to this Section by 2024, a utility
48. that has a Public Schools Carbon-Free Assessment program

7 may offer assessments to public schools that are not

1. served by a utility subject to this Section at the
2. utility's cost.
3. (9) The Public Schools Carbon-Free Assessment shall be
4. offered to and performed for public schools in the
5. utility's service territory on a complimentary basis by
6. each utility, with no Assessment fee charged to the public
7. schools for the Assessments. Nothing in this Section is
8. intended to prohibit the utility from recovering through
9. rates approved by the Commission the utility's prudent and
10. reasonable costs of complying with this Section.
11. (10) Utilities shall make efforts to prioritize the
12. completion of Public Schools Carbon-Free Assessments for
13. the following school districts by December 31, 2022: East
14. St. Louis School District 189, Harvey School District 152,
15. Thornton Township High School District 205.

23 (220 ILCS 5/8-406) (from Ch. 111 2/3, par. 8-406)

1. Sec. 8-406. Certificate of public convenience and
2. necessity.