

Summary of Major Changes in Compromise Amendment

The critical changes listed below add key priorities, address legal issues, and support implementation and feasibility for State agencies.

Prairie State

- The new language is identical to the SB 18 language, but requires municipal coal, including Prairie State and CWLP Dallman, to be 100% carbon-free by December 31, 2045, with an interim emissions reductions goal of 45% from existing emissions by no later than January 1, 2035.
- In contrast, SB 18 had no interim emissions reductions goal, allowing the largest polluter in the state—and the seventh largest polluter in the nation—to continue polluting at the same levels for the next 24 years.
- The new language allows flexibility for Prairie State and CWLP Dallman to install carbon capture and sequestration technology, with the goal of achieving 100% capture or closing down by 2045.
- Provides up to \$200 million (\$20m/year over 10 years) to Prairie State to finance interim emissions reductions, including possible carbon capture and sequestration.

Previous Agreements

- Adds language rewriting the Alternate Fuels Act to allow IEPA to use existing funds to create a \$4,000 rebate for consumers who purchase an electric vehicle (revenue-neutral).
- Adds language eliminating customer deposit requirements for low-income utility residential customers.

Consumer Protections

- Strengthens provisions around disconnection and credit and collections reporting by requiring monthly, rather than annual, reporting from utilities.

Labor and Workforce Changes

- Makes changes to the Bureau of Apprenticeship and Clean Energy Jobs to clarify IDOL's role and its collaboration with other agencies implementing clean energy programs and conducting procurements.
- Removes mandatory provisions related to the hiring of displaced energy workers, which interfere with state hiring practices, including Shakman-related compliance.
- Removes provisions related to Equitable Energy Future Certifications to prioritize renewable energy procurements with equity eligible contractors.
- Clarifies that certain requirements that regulated entities be built with project labor agreements applies only prospectively.
- Clarifies that DCEO and IDOC will work together to implement the Returning Residents Program, which will prepare graduates to work in the clean energy jobs industry.
- Deletes language requiring DCEO to report on the "likely outcome" for workers impacted by closure, since likely outcome is undefined and difficult to determine.
- Provides that the Energy Transition Workforce Commission will consult with IDoR and IEPA to produce certain elements of its transition report.
- Deletes language mandating that companies maintain certain retirement accounts, which is likely preempted by federal law (ERISA).
- Clarifies that the Energy Transition Assistance Fund can fund independent evaluations in addition to programs.

- Adds language to the Displaced Energy Worker Bill of Rights clarifying that “closure” means the permanent shutdown of an electric generating unit or coal mine.

Coal-to-Solar Program

- Extends the coal to solar timeline by 3 months (from January 30, 2022 to March 31, 2022) to allow the Illinois Power Agency (IPA) adequate time to prepare to conduct its initial procurement.

Technical Changes

- Removes references and language for several bills that are now law: amendments to the High Impact Business Program (HB 3174), creation of a Prairie Research Institute carbon capture advisory group (HB 165), and changes to the Energy Assistance Act (SB 265). Failure to remove this language will create legal problems.
- Fixes conflicting rollover solar language by clarifying that the fund will exclude money credited to customers during any utility billing cycle that commenced prior to the effective date of the Act (since refunds began going back to ratepayers on 8/26/21).
- Adds IEPA to the list of members for the Nonprofit Electric Generation Task Force.
- Makes technical changes to the decarbonization section to ensure language is clear (e.g., clarifications around air pollution construction permit language and eGrid).
- Extends the time for IDoR to implement the energy transition assistance charge.
- Removes language repealing a section of the Illinois Income Tax Act, which would prevent a taxpayer who files an amended Illinois return from utilizing a tax credit for coal research and coal utilization that they previously had earned and applied on their original return.
- Extends by one year the time in which the Capital Development Board is required to create a stretch energy code for buildings.

Zion

- Provides financial support for the community of Zion by assessing spent fuel pools and dry cask storage systems at the former Zion Nuclear Power Station as real property rather than personal property and providing for grants in proportional shares of \$15 per kilogram of spent nuclear fuel stored at such a facility.

Full Summary of SB 2408

Ethics

- Expands statement of economic interest requirements to include any spouse or immediate family member employed by a public utility in Illinois.
- Subjects the Illinois Power Agency to ex-parte communication requirements.
- Creates a Public Utility Ethics and Compliance Monitor to ensure utility companies are meeting the highest level of ethical standards.
- Requires the ICC to initiate an investigation into how ratepayer funds were used in connection with the conduct outlined in ComEd’s Deferred Prosecution Agreement, potentially putting refunds back into residential ratepayers’ pockets.
- Requires each utility to establish the position of a Chief Ethics and Compliance Officer who must submit annual reports to the ICC.

Consumer Protections

- Eliminates the customer deposit requirement and late fees for low-income utility residential customers.
- Eliminates the online payment fee for all customers' utility bills.
- Requires utility companies to accurately report to the ICC on the number of shutoffs and reconnections on a monthly basis.
- Provides utility-funded compensation to non-profit representatives of consumer interests that intervene in ICC proceedings in order to increase public engagement and transparency, expand information available to the ICC, and improve decision-making.
- Requires the ICC to conduct a comprehensive study to assess whether low-income discount rates for residential customers are appropriate and consider the design and implementation of such rates.
- Requires the ICC to initiate a docket to provide for the refunding of excess deferred income taxes by the end of 2025.

Decarbonization

- Requires the closure of all private coal-fired and oil-fired electric generating units by January 1, 2030.
- Requires municipal coal, including Prairie State and CWLP Dallman, to be 100% carbon-free by December 31, 2045, with an interim emissions reductions goal of 45% from existing emissions by no later than January 1, 2035.
- Requires the closure of all private natural gas-fired units by 2045, prioritizing those with higher rates of emissions and those in and near environmental justice communities.
- Requires the closure of all municipal natural gas-fired units by 2045, unless companies convert units to green hydrogen or similar technology that can achieve zero carbon emissions.
- Requires the closure of all units that utilize combined heat and power or cogeneration technology by 2045, unless companies convert units to green hydrogen or similar technology that can achieve zero carbon emissions.
- Allows a unit to stay open if it is determined that ongoing operation is necessary to maintain power grid supply and reliability.
- Requires every 5 years, starting in 2025, IEPA, IPA, and ICC to jointly conduct a study on the State's progress toward its renewable energy resources development goals and the current and projected status of electric resource adequacy and reliability throughout the state.
- Provides \$694 million in financial support over 5 years for the Byron, Dresden, and Braidwood nuclear plants, which will also keep the LaSalle nuclear plant viable and cost the average residential ratepayer an estimated \$0.80/month.
- Creates a coal to solar program to support the transition of coal plants to renewable energy facilities.
- Authorizes the Governor to create a commission on market-based carbon pricing solutions.
- Creates a Nonprofit Electric Generation Task Force to investigate carbon capture and sequestration and debt financing options for Prairie State.

Renewable Energy and Labor Standards

- Provides that it is the policy of the State to move toward 100% clean energy by 2050.
- Makes changes to the Illinois Power Agency Act to double the state's investment in renewable energy, put the state on a path to 40% renewable energy by 2030 and 50% by 2040, and shift to indexed Renewable Energy Credits, costing residential ratepayers around \$1.22/month.
- Requires project labor agreements on all utility-scale wind and solar projects.

- Requires prevailing wage on all non-residential wind and solar projects (with the exception of projects up to 100 kw on houses of worship).
- Requires the ICC to initiate an energy storage proceeding.
- Expands clean energy transmission by allowing the ICC to grant a certificate of public convenience and necessity to construct, operate, and maintain a qualifying direct current project.
- Requires the ICC to open an investigation to develop and adopt a renewable energy access plan to achieve transmission capacity to support renewable energy expansion.
- Permits Ameren to establish up to 2 utility-scale solar pilot projects.
- Permits schools to lease property in excess of 25 years to support renewable energy projects.
- Prevents municipal and cooperative electric providers from imposing discriminatory financial repercussions on customers who self-generate electricity.
- Requires the IPA to issue upfront REC payments to equity eligible contractors that need assistance in paying the prevailing wage.
- Requires renewable industry reporting on diversity and inclusion efforts.
- Establishes a self-direct program for large commercial and industrial users to offset a portion of their RPS payments through the procurement of RECs from utility-scale renewable projects.

Ratemaking

- Ends formula rates and transitions to performance-based ratemaking.
- Requires an independent audit of the current state of the grid and expenditures made since 2012.
- Requires utilities to file a Multi-Year Rate Plan where they will be rewarded and penalized based on achievement of ICC-approved performance metrics, which will be based on reliability and resiliency, peak load reductions attributable to demand response programs, supplier diversity expansion, affordability, interconnection response time, and customer service performance.
- Requires annual performance evaluations to evaluate utilities' performance on their metric targets during the previous year.
- Requires utilities to file a Multi-Year Integrated Grid Plan to support the state's clean energy goals and comprehensive grid planning.
- Creates a new Division of Integrated Distribution Planning at the ICC.

Workforce Development

- Creates the Energy Transition Assistance Fund to allocate funding from ratepayers to support \$180 million in state clean energy programs.
- Allows local governments to engage in community energy and climate planning.
- Creates a displaced energy workers bill of rights, administered by DCEO and IDDES, to provide state support to transitioning energy sector workers.
- Creates a Clean Jobs Workforce Network Hubs Program, establishing 13 program delivery hub sites that leverage community-based organizations to ensure members of equity-focused populations have dedicated and sustained support to enter and complete the career pipeline for clean energy and related sector jobs.
- Establishes Energy Transition Navigators to provide education, outreach, and recruitment to equity-focused populations to ensure they are aware of workforce development programs.

- Requires DCEO to develop a Climate Works Pre-apprenticeship Program and provide funding to three Climate Works Hubs throughout the state which will recruit, prescreen, and provide pre-apprenticeship training to equity focused populations.
- Creates a clean energy contractor incubator program to provide access to low-cost capital and financial support for small clean energy businesses and contractors.
- Creates a returning residents clean jobs training program to provide training for careers in the clean energy sector to individuals who are currently incarcerated.
- Creates a clean energy primes contractor accelerator program to mentor and support businesses and contractors through business coaching and operational support.
- Creates a jobs and environmental justice grant program to provide upfront and seed capital to support community ownership and development of renewable energy projects.
- Establishes the Energy Workforce Advisory Council within DCEO to make recommendations to the state on clean energy workforce programs.

Just Transition

- Creates an Energy Transition Workforce Commission to report on the anticipated impact of the energy transition and recommend changes to the workforce through 2050.
- Requires plant owners to provide written notice of a plant closure to DCEO and community leaders and provide assistance to impacted communities through displaced energy worker dependent transition scholarships, an energy transition barrier reduction program, and just transition grants to promote economic development in eligible communities.
- Requires DCEO to establish a grant program to award grants to promote economic development in eligible, transitioning communities.
- Requires DCEO, in collaboration with IDES, to implement a displaced worker bill of rights that provides benefits to displaced energy workers, including notice of a plant closure.
- Requires DCEO to administer a transition scholarship program to support youth who are deterred from attending or completing an educational program at an Illinois institution of higher education because of his or her parent's layoff from a retiring power plant.
- Requires DCEO to create or commission a report on the energy worker and transition programs.
- Allows a local unit of government to establish Community Energy and Climate Plans, which are intended to aid local governments in developing a comprehensive approach to combining different energy and climate programs and funding resources.
- Requires plant owners to notify employees and public officials of a plant closure two years in advance.

Climate Financing

- Designates the Illinois Finance Authority as the climate bank and allows the Authority to aid clean energy efforts by providing financial products and programs to finance and otherwise develop and implement clean energy.
- Creates a clean energy jobs and justice fund and board to finance and support clean energy investments.

Transportation

- Establishes a goal of adopting 1,000,000 electric vehicles in Illinois by 2030.
- Requires electric utilities to file beneficial electrification plans with the ICC to support the rapid deployment of electric vehicles and make-ready infrastructure statewide.

- Requires IEPA to award rebates to help fund up to 80% of the cost of the installation of charging stations and requires recipients to pay prevailing wage on installation projects.
- Creates an Electric Vehicle Coordinator within IEPA.
- Requires IDOT to conduct a study to consider how the adoption of EVs will adversely affect resources needed for transportation infrastructure.
- Creates an up to \$4,000 rebate for consumers who purchase an electric vehicle.

Energy Efficiency

- Requires CDB, in consultation with DCEO, to create and adopt a stretch energy code to allow municipalities and projects authorized or funded by CDB to achieve more energy efficiency in buildings than the Illinois Energy Conservation Code.
- Extends electric energy efficiency goals until 2040, expands low income weatherization, and permits large energy consumers to opt out and develop their own energy efficiency efforts with demonstrated compliance.
- Establishes a Public Schools Carbon-Free Assessment program to analyze the infrastructure necessary for energy efficiency and solar energy installation in public schools, especially those in Tier 1 and Tier 2 districts.
- Requires public utilities to adopt an Equitable Energy Upgrade Program to permit customers to finance the construction of energy projects through tariffs on their bills.