

## **The Energy Transition Act**

*PA 102-662/SB 2408*

Governor Pritzker signed The Energy Transition Act into law on September 15th. Here is a summary of what this sweeping legislation will do:

### **Consumer Protection**

- Prohibits utilities from charging low-income residential customers a late fee, charge, or penalty.
- Requires utilities to report monthly on the number of disconnections for nonpayment.
- Prohibits electric and gas utilities from imposing credit card convenience fees.
- Prohibits electric and gas utilities from requiring low-income residential ratepayers to provide a security deposit against potential non-payment.
- Establishes an opportunity for compensation to consumer interest groups who intervene in ICC proceedings.
- Directs the ICC to study whether low-income discount electric rates are appropriate for residential customers.

### **Workforce and Contractor Development**

- Creates the Clean Jobs Workforce Network Program, which consists of 13 geographically diverse hub sites that rely on community-based organizations to provide job training and a career pipeline for equity-focused populations.
- Creates the Illinois Climate Works Preapprenticeship Program to train workers for careers in clean energy sector construction and building trades.
- Creates the Clean Energy Contractor Incubator Program, which provides access to low-cost capital, training, mentorship, and recruitment opportunities for small clean energy businesses and contractors.
- Creates the Returning Residents Clean Job Training Program to train soon-to-be released people who are incarcerated for jobs in the solar and energy efficiency sectors.
- Creates the Clean Energy Primes Contractor Accelerator, a program for prime contractors that offers mentorship, operation support grants, business coaching, and assistance applying for certifications, procurement programs, and preparing bids. A corresponding disparity study will measure the racial discrimination on minority businesses and workers in the clean energy industry.

- Creates the Energy Workforce Advisory Council to coordinate and review workforce program performance metrics and offer suggestions.
- Establishes Energy Transition Navigators to provide education, outreach, and recruitment to equity-focused populations to ensure they are aware of workforce development programs.
- Creates the Energy Transition Assistance Fund to provide funding to workforce development and just transition programs.
- Requires the Department of Labor to partner with community-based organizations in order to assist clean energy contractors with prevailing wage payroll administrative burdens.
- Establishes a rate cap for funding these programs at \$180,000,000 in annual collections charged at no more than 1.3% of the 2009 electric rates.
- These programs sunset in 2045.

### **Just Transitions**

- Creates an Energy Transition Workforce Commission to report on the anticipated impact of the clean energy transition and provide comprehensive recommendations to address changes to the workforce.
- Creates an Energy Transition Barrier Reduction Program to support those impacted by the energy transition and encourage participation in the just transition and workforce training programs.
- Establishes the Displaced Energy Worker Bill of Rights which requires advance notice of power plant or coal mine closure, notifying workers of programs available to assist them in the energy transition, employment assistance and career services, financial planning services and insurance alternatives.
- Establishes a program to provide grants to communities where nuclear or fossil fuel generators and mines have or will close to address the social and economic impacts.
- Offers scholarships to the children of displaced energy workers at Illinois higher education institutions.
- Requires an annual review of the just transition programs in an Energy Community Reinvestment Report.
- Permits units of local government to develop Clean Energy, Climate, and Jobs Plans to address climate change and clean energy resources.
- These programs sunset in 2045.

## **Green Bank Programs**

- Establishes the Jobs and Environmental Justice Grant Program, which consists of two subprograms: the Equitable Energy Future Grant Program and the Community Solar Energy Sovereignty Grant Program, to provide seed capital to energy efficiency and renewable energy projects that provide opportunities for diverse businesses.
- Establishes a Climate Bank to finance clean energy projects through the Illinois Finance Authority.
- Establishes the Jobs and Justice Fund, a nonprofit entity intended to provide funding and support to minority-owned businesses.

## **Renewable Energy**

- Establishes a statewide clean energy goal of 100% by 2050 and a renewable energy goal of 50% by 2040.
- Expands the State's Renewable Portfolio Standard (RPS) budget, restructures renewable energy credit (REC) contracts, and requires all projects with REC contracts to comply with new equity and labor standards.
- Adds new categories to the Adjustable Block Program, including school solar, equity eligible contractors, and community-driven community solar.
- Creates incentives to build utility-scale solar generation and energy storage at the site of closed or soon-to-close coal generation facilities.
- Expands clean energy transmission by enabling construction of two interstate direct current lines.
- Directs the ICC to study the issue of transmission and offer recommendations.
- Establishes an interconnection working group at the ICC and an interconnection ombudsman to settle disputes through non-binding arbitration.
- Permits Ameren to establish up to two utility-scale solar pilot projects, one near Peoria and one near East St. Louis.
- 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.
- Expands labor standards to require project labor agreements on all utility-scale projects with public utility REC contracts and requires all other non-residential projects to pay the prevailing wage (with the exception of projects up to 100 kW on houses of worship).

- Requires the Illinois Power Agency (IPA) to issue REC payments up front to equity eligible contractors that need assistance in paying the prevailing wage.
- Requires renewable industry reporting on diversity and inclusion efforts, especially within the organized labor force.
- 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.
- Establishes new consumer protection requirements for developers with REC contracts procured by the IPA.

### **Decarbonization**

- Provides financial assistance in the form of carbon mitigation credits to the Byron, Dresden, and Braidwood nuclear plants for a 5-year period.
- Enables the governor to commission a carbon pricing study.
- Requires the closure of all private coal electric generating units that produce electricity for sale onto the grid and privately owned oil-fired electric generating units in excess of 25 MW by 2030.
- Requires the repowering or closure of all private natural gas by 2045, with interim repowering deadlines that prioritize plants in environmental justice communities and with the dirtiest emissions. Makes allowances for plants that address peak demand to remain open for five years past their initial repower deadline if they cut their carbon emissions by 50%. Requires that all private gas plants not increase emissions over their current levels.
- Requires the repowering or closure of all municipal gas, municipal oil, and cogeneration plants by 2045.
- Requires municipal coal plants to reduce carbon emissions by 45% by 2035. If the plants do not reduce emissions by 2035, they must reduce their emissions by 45% by 2038 by carbon capture or unit closure. Municipal coal plants must reduce emissions to zero or close by 2045.
- Establishes a Nonprofit Electricity Generation Task Force to investigate technical and financial options to install carbon sequestration technology at the Prairie State Generation plant.

### **Energy Efficiency**

- Requires the Capital Development Board to establish a Stretch Energy Code for projects it funds and for municipalities to voluntarily adopt.
- Extends electric energy efficiency goals until 2040, expands-low income weatherization programs, 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 in districts that are working to improve student outcomes.
- Establishes an Equitable Energy Upgrade Program to permit customers to finance energy efficiency upgrades through their utility bills.

### **Electric Vehicles**

- Establishes an Electric Vehicle Coordinator within the Environmental Protection Agency.
- Provides rebates for Illinois residents who purchase new or used electric vehicles in state, if they live in counties that participate in the program.
- Requires Ameren and ComEd to file Beneficial Electrification Plans with the ICC. These plans must describe efforts the utilities will make to electrify the transportation sector.
- Establishes a State goal of 1,000,000 new electric vehicles adopted by 2030.
- Offers rebates for EV charging installation in eligible communities if the prevailing wage is paid on construction of the project.
- Directs the Department of Transportation to conduct a study on how EV proliferation may adversely impact transportation infrastructure.

### **Accountability**

- Expands statement of economic interest requirements to require the disclosure of any immediate family member employed by a public utility in Illinois.
- Subjects the Illinois Power Agency to ex-parte communication reporting requirements.
- Creates the Public Utility Ethics and Compliance Monitor and establishes new internal ethics controls for all electric and natural gas public utilities.
- Requires each utility to establish the position of a Chief Ethics and Compliance Officer who must submit annual reports to the ICC.
- Prevents utilities from recovering criminal penalties or the post-employment costs of those convicted of a criminal act in the course of their employment with the utility from ratepayers.

### **Tax changes**

- Updates the solar energy system definition in the Property Tax Code and extends the wind assessment until 2035.

- Permits the Department of Commerce and Economic Opportunity to authorize utility-scale solar projects as High Impact Businesses.
- Requires that spent nuclear fuel at decommissioned nuclear sites is assessed as real property.

### **Ratemaking**

- Ends formula rates.
- Requires an independent baseline assessment of the grid investments made by Ameren and ComEd since 2021.
- Establishes a four-year multi-year ratemaking process.
- Amortizes the impact of rate changes.
- Establishes a five-year forward-looking multi-year integrated grid planning process to incorporate stakeholder input.
- Establishes performance-based ratemaking, which is designed encourage reliability, decarbonization, demand response, affordability, workforce diversity, improved customer service, and faster interconnection response time. Electric utilities would file four-year rate plans requiring ICC approval prior to and after pending ratepayer dollars.
- Establishes a division of Integrated Distribution Planning at the ICC.

*This listing posted by the Peoria County Democratic Central Committee, September 25, 2021.*