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Illinois has a new Renewable Portfolio Standard (RPS) and with it will come greater stability and predictability for the clean energy sector including solar installers, developers and system owners. Having originally started as part of the Illinois Clean Jobs Bill until early 2016, when state legislative leaders requested all energy focused bills in Illinois merge into a single piece of legislation. The end result is the Future Energy Jobs Bill, a comprehensive energy package, encompassing many technologies including solar, wind and energy efficiency. The bill also establishes a new Zero Energy Credit (ZEC) market designed to compensate the Clinton and Quad Cities failing Exelon nuclear plants for their low carbon emissions in exchange for commitments to keep them open for 10 years.

This bill will ensure development of every type of solar - residential, commercial & utility scale - within all public utility service areas, while also ensuring that all ratepayers have fair and easy access to the solar technology either through direct purchase, community solar subscriptions or low income solar programs.

As the name implies, the focus is on creating clean jobs - building an industry that will provide clean energy solutions that result in good paying, long term jobs across Illinois.

Click [here](#) to read a full statement on the bill. You can also look at the slides from the 12/13/16 Policy Webinar on the Future Jobs Bill [here](#). You can watch the webinar [here](#).

Illinois passes a new Renewable Portfolio Standard (RPS)

Illinois has a new Renewable Portfolio Standard (RPS) and with it will come greater stability and predictability for the clean energy sector including solar installers, developers and system owners. Having originally started as part of the Illinois Clean Jobs Bill until early 2016, when state legislative leaders requested all energy focused bills in Illinois merge into a single piece of legislation. The end result is the Future Energy Jobs Bill, a comprehensive energy package, encompassing many technologies including solar, wind and energy efficiency. The bill also establishes a new Zero Energy Credit (ZEC) market designed to compensate the Clinton and Quad Cities failing Exelon nuclear plants for their low carbon emissions in exchange for commitments to keep them open for 10 years.

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The “Solar For All” program includes a job training program for low income communities as well as a path to employment. This is the first time that a program like this has been included in legislation in Illinois, and it has dedicated funding to ensure implementation. The solar industry worked in partnership with environmental justice groups to identify needs and develop opportunities that will create good jobs while ensuring that solar is deployed in all communities in all parts of the state. This program exemplifies the “clean energy revolution” and will hopefully be a model that all states can follow.

Here is a summary of the bill highlights. Implementation will evolve over the next 9 months to a year.

- Long Term Planning Process: IPA will hold authority and responsibility to write a long term plan that will be approved by the ICC. 2017 will likely be primarily dedicated to the development of that plan with stakeholder involvement. Launch potentially late 2017, early 2018. [Note: Energy Years and IL Calendar Years differ. Energy Year = June 1 to May 31, Calendar Year = July 1 to June 30.]
 - Technically targets fall to the Utility but implementation falls to the IPA. No penalties for not hitting goals. There are remedies to allow IPA to adjust plan if off target.
 - Prior to launch of Long Term Plan, an initial utility scale wind and solar procurement will launch within 1 year of effective date June 1, 2017. Delivery to be completed by 2019 (wind) / 2020 (solar) if possible to meet statutory obligations.

- Lines Charge: the most vulnerable part of the original RPS was the budget. By shifting funding from previously complex supplier charges to a single generator lines charge, the Illinois Power Agency will have a continuous and predictable fund from which they can execute the Long Term Plan.
- Renewable Resources Budget = \$200M/year divided among wind/solar new build targets:
 - By 2020: 650 MW wind / 1,350 MW solar (2M RECs)
 - By 2025: 1,000 MW wind / 2,00 MW solar (3M RECs)
 - By 2030: 1,350 MW wind & 2,700 MW of solar (4M RECs)
 - New solar must be sourced as follows:
 - At least 50% from DG / community solar (25% each)
 - At least 40% from utility-scale
 - At least 2% from brownfield
 - Balance at IPA discretion
 - Creates the Adjustable Block Incentive (ABI)
 - IPA will create a published list of REC prices by category
 - <10kW systems
 - 10kW - 2MW systems with possible sub-categories
 - Community Solar systems
 - Brownfield systems
 - IPA has authority to adjust pricing as needed (avoid boom/bust)
 - Residential RECs 15 year contract - full upfront payment
 - Commercial RECs 15 year contract - 20% payable in Year 1, balance paid over next 4 years
 - IPA to hire 3rd party administrator
 - Eligibility for systems installed after June 1, 2017
- Establishes path toward Community Solar (DG <2MW)
 - Caps single subscription <40%
 - Minimum subscription 200watts
 - Must be located in utility service area
 - Subscriptions portable & Transferable
 - 3 revenue streams:
 - Energy costs (not full retail net metering)
 - RECs from ABI (15 years but not all upfront)
 - \$250 rebate/kw installed capacity
- Creates Solar For All Program - unique program to ensure Low-Income access to solar
 - \$10M - \$20M funding
 - Existing RERF + RPS over 5 years
 - Additional 50% of any unused RPS funds
 - Includes Low-Income Job training & a pathway for job placement
 - Assures funding for Low-Income solar installations
 - Success evaluated and adjusted through IPA long term planning
- Eliminated Demand Charge Proposal from ComEd.

- Net metering details:
 - Rates until 5% cap is hit:
 - Eligible DG Systems will continue to receive full NEM value for lifetime of system
 - Eligible DG C&I systems that do not qualify today for NEM will receive a \$250/kW installed rebate payable when energized. (Systems >100kW in ComEd and >150kW in Ameren). System owners are also eligible for RECs under ABI as detailed above.
 - Community Solar subscribers will only receive the cost of energy net metered. Developers are eligible for a \$250/kw installed rebate. payable when energized. System owners are also eligible for RECs under ABI as detailed above.
 - Once hit 3% capacity: ICC will begin rate study to determine an appropriate locational rebate for all NEM customers
 - After 5%, IPA will implement ICC rate plan prescribed in study (if study incomplete, existing plan will remain in place until study is finalized)
 - Tariff to be locationally valued based on grid contributions
 - Residential NEM possibly replaced with Rebate program similar to the C&I plan newly enacted in this bill. Homeowners will be grandfathered and can opt out. If the rebate is accepted, a smart inverter will be needed for compliance as well as utility control provisions
 - C&I and Community Solar rebate amounts which are currently set at \$250 per installed KW may change

For additional information regarding the full bill, here is a summary from the Illinois Environmental Council:

Benefits

- The clean energy provisions in this bill will lead to between \$12 to \$15 billion in additional private investment coming to Illinois and create new jobs—making the Future Energy Jobs Bill one of the greatest economic development plans Illinois has seen in years.
- Illinois will one of the top energy efficiency programs in the entire nation, building on the success of 2007 energy efficiency programs that have led to more than 85,000 jobs across the state of Illinois. With this new bill in place, we will expand that number further.
- It is big win for consumers. According to consumer analysis by CUB, due to the extraordinary benefits of the bill's energy efficiency programs, each customer in Illinois would see a \$14.80 reduction on their electricity bill each year throughout the lifetime of the bill. And the bill now has an overall customer rate cap to ensure that rates will not go up more than 25 cents a month.

- We are especially pleased that this bill will open up opportunities to people in low-income communities who too often have been shut out of participating in the clean energy economy. This bill will invest more than \$750 million in low-income programs, including new Illinois Solar for All Program to prioritize new solar development and job training in economically disadvantaged communities. Specific programs will deliver consumer savings, economic development and job training and creation for ex-offenders and former foster children.

Compromise and Bipartisanship

- It is a victory, as well, for bipartisanship and we applaud members on both sides of the aisle who worked together for the good of their constituents—as well as for the next generation of Illinoisans who will have a healthier environment thanks to the actions taken today.
- It is also a victory for the idea that economic and environmental progress can go hand in hand. With passage of this bill, Illinois has sent an important signal to the rest of the nation: we can create policies that help consumers' pocket books, grow private sector payrolls and protect the planet.
- With uncertainty at the federal level, this also sends a strong signal that states can continue to lead on issues related to climate and clean jobs.
- As with any compromise, individual coalition members are not pleased with every detail in this bill; some key priorities were omitted from the final version of the legislation. However, we have always been united behind the idea that Illinois urgently needs to modernize its energy to deliver both economic and environmental to the people in every part of this state. The Future Energy Jobs Bill does that.
- This win is a credit to the diversity and breadth of our coalition. The Clean Jobs Coalition brought together environmental groups, businesses, faith leaders and consumer advocates. Just this week, we heard from parents concerned about cleaner air for their kids, health advocates, scientists and representatives of union workers speak out in favor of the bill. With a nation that seems more divided and polarized than ever, this stands out as a reminder that there is a path to victory when people of diverse backgrounds join together in common cause.

Details of the Bill

ENERGY EFFICIENCY

- Will make Illinois one of the top states for energy efficiency in the country, lowering bills for everyone.
- Requires ComEd to achieve 21.5% reduction in energy use by 2030, and requires Ameren to achieve 16% reduction in energy use by 2030, with a focus on deeper, longer-lasting savings rather than one-off projects.

- Due to the extraordinary benefits of the bill's energy efficiency programs, each customer in Illinois would see a \$14.80 reduction on their electricity bill each year throughout the lifetime of the bill, according to an analysis by consumer watchdog Citizens Utility Board.
- Incentivizes utilities to achieve more energy efficiency savings for customers, with performance bonuses for exceeding targets, and financial penalties for falling short.
- Requires \$25 million per year to be spent on programs to help low-income homes become more efficient.
- Requires 10% of the overall budget be used to incentivize local governments to save energy and lower overhead costs.
- Stimulates innovation and entrepreneurship by requiring funding to be set aside for competitive, third-party-run efficiency programs, other than the utility.
- Expands on-bill financing options to allow homeowners to pay back costs of home upgrades on the electric bill

RENEWABLE ENERGY

- Will restart renewable energy development in Illinois after 5 years of waiting.
- Keeps the existing goal of 25% renewables in Illinois by 2025 and the existing 2% cost cap on rates that customers have been paying for renewable energy for years, but redirects that money to go to actually building new projects, rather than buying cheap credits from projects already paid for by customers in other states.
- More than \$200 million per year of the money we spend on electricity will be spent on building new solar and wind facilities in Illinois, not sent to old, dirty power plants.
- That means, at a minimum, this will lead to 3,000 MW of solar development and 1,300 MW of Wind development right here in Illinois. That's enough solar and wind to power almost 1 million homes.
- 50% of the solar projects are required to come from projects on the roofs of homes and businesses, and in the community. Homes and businesses will be able to more easily afford to install rooftop solar through an up-front "adjustable block incentive."
- The bill creates the state's first Community Solar program, which enables those not able to build solar on their roof to subscribe to a shared project in their community. That means those who live in apartment buildings, or can't install solar on their roof, could subscribe to a solar project at a local church, school, or business and have the energy rolled-off their own electric bill.
- Creates the Illinois Solar for All program, a nation-leading, comprehensive low-income solar deployment and job training program that will open up access to the solar economy for millions of low-income families.
- Net metering, the policy that lets those with solar offset their electric bills from what they generate, will continue as is until we deployment hits 5% of the load of the grid (existing policy). After that, rooftop solar owners will get an up-front value of solar rebate to account for their geographic, time, and performance-based values to the grid. Those who get net-metering get to continue net-metering for the life of their system.

- Businesses that do not get full net-metering today will get a new incentive, \$250 per kW, to install rooftop solar, by crediting it for the additional value it provides to the electric grid. Community solar would also get that incentive.

ZERO-EMISSION STANDARD

- As part of this bill, the state will create a new “Zero-Emission Standard” to provide at-risk nuclear plants payments based on the fact that they do not emit carbon dioxide.
- The payments are limited to nuclear plants that qualify as at-risk, have a cap on the total number of credits to provide, and a cap on the total program cost of \$235 million per year from the bills we pay for electricity.
- The credit payment is based on the Social Cost of Carbon as developed by the federal government, but is reduced if the market price for energy goes up.
- The program will last for 10 years. In return, Exelon promised to keep open its two at-risk nuclear plants: the Clinton plant in central Illinois, and the Quad Cities plant in northwest Illinois.
- A study commissioned by the grid operator determined that if those two plants were to close, the need for power would be replaced by coal and natural gas fossil fuel plants, and that would increase carbon dioxide emissions and other air pollutants in Illinois by 8%, and electric costs by more than \$400 million per year.

CAPS ON ANY RATE INCREASES

- Included in the final days of session were rate caps for residential, business and industrial customers to ensure that rates cannot go up more than 25 cents per month for ComEd customers, 35 cents for Ameren customers, and 1.3% for business and industrial customers on average.
- If rates do go up, the Illinois Commerce Commission has to reduce expenses for the Zero Emission Credits, Energy Efficiency Program, and the Solar Rebates.

CONTROVERSIAL ELEMENTS REMOVED FROM THE BILL

- The controversial Fixed Resource Adequacy Plan, or FRAP, that would have provided hundreds of millions of dollars in market subsidies to downstate coal plants was removed.
- Additionally, so-called “demand rates,” that were designed to change the way customers were billed for the portion of their bill that paid for the local electric grid, were removed.