ILLINOIS CHAMBER

GOVERNMENT RELATIONS

Overview of Energy Omnibus – Amendments #4 and #5

SB 25 - House Floor Amendment #4

- Under changes to DCEO's Administrative Code Law, regarding changes to the Energy Transition Assistance Fund, increases the amount of funds allocated to $192 million in addition to other amounts necessary to fund programs under the Fund.
- Under provisions related to Beneficial Electrification Plan provisions, makes largely technical changes.
- Removes provisions related to funding for the Energy Transition Navigator Program prioritizing organizations with experience serving climate change impacted populations.
- Adds additional language allowing the Department to engage contractors or provide grants to NGOs for technical assistance for equity eligible contractors under the Clean Energy Primes Contractor Accelerator Program and the Clean Energy Contractor Incubator Program.
- Makes largely technical changes to the definition of "geothermal heating and cooling system", adding parameters around the systems meeting or exceeding Energy State standards and other EPA guidance. Adds a clean-up provision concerning geothermal heating.
- Makes largely technical changes to provisions concerning photovoltaic community renewable generation projects.
- Concerning the additional energy storage procurements of 3,000 megawatts, makes changes to the annual schedule for procurements.
- Under the Counties Code, provides additional flexibility to allow counties to continue to require setback distances between fencing and public rights-of-way if the requirement is not specific to wind and solar energy systems.
    - Allows for waivers of certain rules under the Illinois Pollution Control Board. Makes other changes.
    - Adds a specific provision for wind and solar farms in Madison County.

- Adds provisions concerning the Natural Gas Energy Efficiency Program.
    - Provides that beginning January 1, 2027, the following requirement shall apply to efficiency programs that are targeted to low-income customers.
    - Gas utilities with more than 300,000 customers, provides that no less than 25% or 5% points more than the proportion of total annual gas sales to non-opt-out retail customers that are consumed by how-income households, whichever is greater. For gas utilities with fewer than 300,000 customers, it sets a 15%/5% threshold.
    - Adds provisions related to measures concerning whole building weatherization programs; provides that utilities must invest in health and safety measures for comprehensive weatherization of homes; provides that the applicability of the EE program changes apply for Multi-Year Plans commencing after the enaction of this bill; allows for a gas utilities to propose increasing the amount of EE implemented; adds requirements to be submitted under gas utility MYPs—largely regarding cost savings and coordination with electric utilities; creates a new incentive mechanism for the utility to meet or exceed the goals associated with its proposed MYP if the utility meets or exceeds certain thresholds; creates additional provisions regarding amended MYPs as it relates for opting-out of EE programs;
- Removes a provision concerning Consumer Intervenor Compensation Fund allocations made towards consumer interest representative compensation.
- Adds additional language concerning MYPs submitted by the utilities with regard to identifying methods of minimizing ratepayer impacts and minimizing or exempting costs to low-income ratepayers with respect to the expansion of EV charging programs by further allowing the ICC to evaluate the standards and cost-effectiveness of the programs.
- Makes a technical change to remove a less than 5,000 kW threshold for filing a rebate petition request to an electric utility serving more than 200,000 customers. Outlines additional criteria for rebate eligibility. Makes conforming changes.
- Makes changes to the Energy Storage System Resources Procurement Plan provisions:
    - Makes a technical modification concerning the Plan conforming with the IRP.
    - Provides that any procurement should consider the value of higher capacity resources that aid in resource adequacy. Provides that the Agency must propose contract structures that do not create contractual obligations on utilities that are not contingent on full and timely cost recovery, that avoid

negative financial impacts on the utilities, and that are implemented through contracts that are agreed upon by the utilities.

- Makes changes concerning IRP review and approval changes; makes largely technical changes to the GA's role in the review of any changes that may lead to increased costs on ratepayers.
- Revises provisions concerning "siting of qualified energy facilities." Rewrites a new section created to allow for resolution of disputes between facility owners and units of local government related to the siting of qualified energy facilities to ensure the expedited procedures of the State's siting laws. Allows for rule-making authority.
- Adds provisions concerning the Board adopting regulations around noise emissions limitations. Provides that in connection with any commercial solar energy facility or commercial wind energy facility, the fee simple owner of a participating property, participating residence, nonparticipating property or residence, or any combination of these properties may enter a waiver agreement to waive enforcement of certain rules.
- Revises language concerning data center backup generators.
  - Provides that each air pollution construction permit for diesel powered backup generators to data centers, that is applied for 6 months after the enaction of the bill, and that is required to have a CAAPP permit, must require each backup generator to (i) meet standards at least as protective as Tier 4 standards for non-road diesel engines set out under the US EPA, and (ii) operate solely as an emergency or standby unit,
  - If the diesel generator becomes out of compliance these standards during a power outage, the generator may operate for 24 hours or operate when compliance is achieved.
  - Makes similar rules around natural gas-powered backup generators. Provides that that each of those generators must meet Tier 2 standards under the US EPA and operate on an emergency or standby basis. Allows for a similar 24-hour dispensation in the event of a power outage.
- Increases the annual fees per nuclear power reactors for nuclear reactors that have a plume exposure pathway emergency planning zone that extends beyond the site boundary. Increases the fees from $3.9 million in the first fiscal year, to increasing by 1.5% each year for 9 years per operating reactor. Provides that by the 10th year, the escalator shall end and that fee rate shall apply for every subsequent year.
  - Clarifies that the operator of a nuclear power reactor with an emergency planning zone constructed on a new site after 2026 must reimburse the Agency for several expenses related to monitoring systems.

    - Clarifies that one-time fees created under the bill must be paid in 4 equal installments through a schedule ranging from July 1, 2026 to April 1, 2027.
- Under changes to the Public Utilities Act, makes a technical change concerning Small Modular Reactor (or SMR) language that is being eliminated under the legislation. Makes several conforming changes to allow for the development of new nuclear reactors in Illinois.
- Adds provisions related to the Low-Level Radioactive Waste Facility Development and Operation Fund.
- Adds provisions related to the Radioactive Waste Compact Enforcement. Removes references to SMRs.
- Adds additional provisions under the Nuclear Safety Law of 2004 to further eliminate references to SMRs. Repeals Sections 75 and 90.
- Makes changes to the Illinois Nuclear Safety Preparedness Act by repealing Section 2.5 dealing with SMRs.
- Amends the Illinois Nuclear Facility Safety Act by making definition changes and removing references to resident inspectors.
- Amends the Illinois Low-Level Radioactive Waste Management Act by removing references to SMRs.
    - Increases waste fees collected from each generator of low-level radioactive waste from $50 to $100 or a per-cubic-foot rate of $3, whichever is greater.
    - Sets a minimum of $30,000 for each nuclear power reactor per year.
    - Eliminates several other provisions, largely focused on the allocation of funds.
    - Provides additional uses for waste fee funds, largely focusing on nuclear safety and consumer protection.
- Amends the Radioactive Waste Storage Act; Radioactive Waste Tracking and Permitting Act, Radiation Protection Act, Uranium and Thorium Mill Tailings Control Act, and the Laser System Act of 1997.
    - Removes a reference to SMRs.

SB 25 – House Amendment #5

- Makes changes to the Natural Gas Energy Efficiency Program changes under HAM #4:
    - Adds language concerning the 10% minimum requirement of EE portfolio of cost-effective measures to be procured from local government, municipalities, school districts, public institutions of higher education, and

community college districts; provides that if a utility files a plan or amended place, then the minimum spend rises to 30%.

- Makes adjustments to the EE programs targeted to low-income households. Provides that gas utilities must leverage State and federal low-income weatherization programs and delivery capacity.
- Modifies EE program requirements of gas utilities, outside of single-fuel gas utilities with less than 1 million customers, as follows:
  - The portion of the entire budget for efficiency programs that is spent on efficiency programs for low-income households shall be no less than the greater of: (A) 25% or (B) five percentage points more than the proportion of total annual gas sales to non-opt-out retail customers that are consumed by low-income households.
  - The portion of spending on efficiency measures that are targeted at low-income households that is delivered through whole building weatherization programs that comprehensively address building envelope efficiency upgrade opportunities as well as other efficiency measures shall be at least 80%; and
  - Utilities must invest in health and safety measures that are appropriate and necessary for comprehensively weatherizing the single-family and multi-family buildings of low-income households, with up to 15% of income-qualified program spending made available for such purposes.
- Maintains provisions concerning gas utilities with greater than 300,000 customers and gas utilities with less than 300,000 customers.
- Provides that the ICC may, in its order approving the plan or modified plan, also may adjust public sector spending requirements.
- Adds additional provisions to financial incentive dollar credits related to health and safety measure investments and for modified plans, and requires a compliance filing from the utility to adjust budgets and natural gas savings targets, if necessary, to reflect the final level of customers opting out.

- Makes other technical changes.