

Illinois' new clean energy law puts consumers and climate first

With Governor Pritzker's signature, Illinois is the first state in the Midwest to set an aggressive timetable for reaching 100% renewable energy by 2050. This historic new law will make investments in the green energy economy, while providing a just transition for those impacted by the shift to clean energy. This landmark climate law is backed by environmental advocates, labor leaders, grassroots groups, and renewable energy developers.

Here's how Illinois is taking bold action to combat the climate crisis and protect consumers:

DECARBONIZATION

Phases out coal & natural gas by requiring emissions reductions — mandating zero emissions for private coal by 2030 and municipal coal and natural gas by 2045.

RENEWABLE ENERGY AND LABOR STANDARDS

Puts Illinois on the path to **100% clean energy** by 2050, doubles the state's investment in renewable energy, and enacts strong labor standards on renewable energy projects.

WORKFORCE DEVELOPMENT AND JUST TRANSITION

Creates multiple new **workforce development** programs to prepare workers and support communities as we transition to a clean energy economy.

EQUITY

Makes equitable investments in Illinois' new clean energy economy and advances environmental justice.

CONSUMER PROTECTIONS

Protects consumers by eliminating customer deposits and late fees for low-income residents and online payment fees for all customers.

ETHICS AND ACCOUNTABILITY

Creates strongest-ever **ethics requirements** and oversight for public utilities, state officials and state employees.

TRANSPORTATION

Puts **1 million electric vehicles** on the road by 2030, provides \$4,000 EV rebates for consumers and helps fund a statewide charging network.

ENERGY EFFICIENCY

Extends energy efficiency goals until 2040 and establishes new program to reduce energy usage & phase out carbon in public schools.

FAIR RATEMAKING

Ends unfair formula rates and transitions to a new performance-based system with more scrutiny by the ICC.

After more than a year of clean energy working group meetings, Senate Bill 2408 brings together the best ideas from a diverse range of stakeholders. It includes the following provisions:

Decarbonization

- **Requires all private coal-fired and oil-fired electric generating units to reach zero emissions 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. If that emissions reduction requirement is not achieved by December 31, 2035, they must retire one or more units or reduce emissions by 45% from existing emissions by June 30, 2038.
- **Requires all private natural gas-fired units to reach zero emissions by 2045,** prioritizing those with higher rates of emissions and those in and near environmental justice communities.
- **Requires all municipal natural gas-fired units to reach zero emissions by 2045,** unless companies convert units to green hydrogen or similar technology that can achieve zero carbon emissions.
- **Requires all units that utilize combined heat and power or cogeneration technology to reach zero emissions 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 the Illinois Environmental Protection Agency, IPA, and Illinois Commerce Commission (ICC) to jointly conduct a study,** every 5 years starting in 2025, 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, supporting jobs and communities.** This is a right sized agreement supported by an independent audit. Previous laws provided \$16 per megawatt hour for two plants. This agreement provides \$2 per megawatt hour for three plants.
- **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.
- **Requires project labor agreements on all utility-scale wind and solar projects.**
- **Requires payment of prevailing wages on nearly all non-residential wind and solar projects.**
- **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 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.

Workforce development and just transition

- **Creates the Energy Transition Assistance Fund** to allocate funding from ratepayers to support \$180 million in state clean energy programs.
- **Creates a displaced energy workers bill of rights**, administered by DCEO and IDES, to provide state support to transitioning energy sector workers.
- **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 training programs.
- **Creates an Energy Transition Workforce Commission** to report on the anticipated impacts of the transition to a clean energy economy and recommend changes to the workforce through 2050.
- **Requires DCEO to establish an energy transition barrier reduction program.**
- **Requires DCEO to establish a grant program to award grants to promote economic development in eligible, transitioning communities.**
- **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 units of local 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.**

Equity in the clean energy economy

- **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.

- **Establishes three Climate Works Hubs** throughout the state that will be administered by DCEO and will recruit, prescreen, and provide pre- apprenticeship training to equity focused populations.
- **Creates a mechanism for the IPA to provide upfront financing to equity eligible contractors who need assistance paying prevailing wage.**
- **Designates the Illinois Finance Authority as the climate bank** and allows the IFA 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.

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.

Ethics and accountability

- **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.

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**, regardless of where they reside in Illinois.

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.

Fair ratemaking

- **Ends formula rates and transitions to performance-based ratemaking**, where utility spending aligns with key priorities, such as reliability, resiliency, and affordability, and rate increases are more thoroughly scrutinized by the ICC.
- **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.**