
ILLINOIS ENERGY FORUM

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Bills of Interest

The following bills of interest to the energy industry were considered in the 100th Illinois General Assembly during its Spring 2018 session:

Senate Bill 2213 (Sen. Daniel Biss, D-Skokie and Rep. Juliana Stratton, D-Chicago) – would require state agencies to adopt, maintain and enforce environmental rules that are at least as stringent as various previous regulatory baselines under federal law. Passed the Senate on a vote of 32-21-1. Referred to the House Environment Committee. Re-referred to the House Rules Committee.

Senate Bill 3005 (Sen. Kwame Raoul, D-Chicago) – would allow any “person” to appeal or intervene in lawsuits challenging decisions of state agencies, a legal status which is currently reserved for “parties” to the decision. Re-referred to the Senate Assignments Committee.

Senate Bill 3549 (Sen. Chapin Rose, R-Champaign and Rep. Arthur Turner, D-Chicago) – would require certain inspections of underground natural gas storage facilities. Passed the Senate on a vote of 52-0. Referred to the House Environment Committee. Re-referred to the House Rules Committee.

General Assembly Wraps Up Spring Session

The Illinois General Assembly wrapped up its 2018 Spring Session on May 31st. The highlight of the session was passage of a full year state budget. Governor Bruce Rauner signed the budget, which had been overwhelmingly approved on bi-partisan votes in both the House and Senate.

On the energy policy front, the bill attracting most attention during the last month of the session was Senate Bill 1531 (Sen. Kimberly Lightford, D-Chicago and Rep. Greg Harris, D-Chicago). The bill started out by passing the Senate as a real estate appraiser bill on a vote of 52-0. However, when the bill landed in the House it soon became the vehicle for legislative proposals by the Illinois Attorney General’s Office dealing with Alternative Retail Electric Suppliers (ARES) and credit and collection rules for the state’s investor-owned utilities.

Eventually, the utility credit and collection provisions were dropped and the bill became focused on proposed new rules for the ARES. Opponents pointed out the fact that new rules for ARES had just gone into effect on May 1st after lengthy and arduous negotiations during a rulemaking process at the Illinois Commerce Commission (ICC).

SB 1531 eventually was amended in committee to address some of the opponents concerns. But the changes were not enough to remove ARES opposition. When the bill was called for a vote on the House floor, it did not receive enough votes to pass the chamber and was placed on postponed consideration. The vote was 56-54, with 60 votes being needed to pass the House. Eventually, the bill was re-referred to the House Rules Committee.

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FROM THE STAFF

We actually have a state budget – overwhelmingly approved by the House of Representatives and the State Senate, and signed by the Governor. Some folks had almost forgotten what that feels like. Sincere thanks to the Governor, the legislative leaders and rank-and-file legislators for a job well done. It certainly won't solve all the state's problems, but it is definitely better than the continued alternative of stalemate and financial deterioration. Let's all have a good summer before the election intensity rules the day. **IEF**

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Bills

House Bill 4081 (Rep. Mike Halpin, D-Rock Island and Sen. Emil Jones III, D-Chicago) – would impose sanctions and penalties on any company that relocates a call center, or large portion of a call center, out of state. Passed the House on a vote of 61-49. Referred to the Senate Telecommunications and Information Technology Committee. Considered by that committee but further action postponed.

House Bill 4898 (Rep. Will Guzzardi, D-Chicago) – would prohibit a utility in a specific geographic area from using a previously approved rider mechanism to recover costs of its infrastructure modernization program. Re-referred to the House Rules Committee.

House Bill 5101 (Rep. Marcus Evans, D-Chicago) – would limit electricity customer choice

to using municipal aggregation programs to obtain power from alternative retail electric suppliers (ARES). Motion to Table filed by the sponsor.

House Bill 5564 (Rep. Anna Moeller (D-Elgin) – would require that parties have the option of trial by jury in property condemnation proceedings associated with use of eminent domain authority. Tabled in the House Judiciary – Civil Committee.

House Bill 5626 (Rep. Greg Harris, D-Chicago) – would make several statutory changes regarding alternative retail electric suppliers (ARES), including not allowing ARES to charge certain customers more for electricity than the rate charged by the default electricity supplier. Re-referred to the House Rules Committee. **IEF**

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Spring Session

Another bill that touched on the energy industry had a better fate. House Bill 4746 (Rep. Carol Ammons, D-Urbana and Sen. Chapin Rose, R-Champaign) was amended in the Senate to impose annual inspection and leak notification requirements on natural gas storage fields above the Mahomet Aquifer. The sponsor worked with the impacted gas storage field and there was no opposition to the final version of the legislation. The bill passed the House 115-0 and the Senate 51-0.

Also, county assessors and solar farm developers forged an agreement on property tax treatment for commercial solar installations. The agreement contained in Senate Bill 486 (Sen. Don Harmon, D-Oak Park

and Rep. Barbara Flynn Currie, D-Chicago) will make it easier for developers to deploy new solar installations throughout the state.

The General Assembly will now take a break and is not scheduled to return to Springfield until the annual Fall Veto Session which begins on November 13th. **IEF**

ICC Chairman Sheahan Appointed to Nuclear Energy Advisory Committee

United States Secretary of Energy Rick Perry has appointed Brien J. Sheahan, Chairman and CEO of the Illinois Commerce Commission, to serve on the Nuclear Energy Advisory Committee (NEAC) of the Department of Energy (DOE).

"I would like to thank Secretary Perry for the opportunity to serve on this important committee. This is a pivotal time for the nuclear energy industry. Illinois leads the nation in terms of the number of reactors and generating capacity from nuclear power and recent state policy changes affirm strong support for maintaining this essential zero carbon resource. I look forward to sharing my experience and knowledge with the other members of the committee and am honored to have been chosen," Sheahan said.

The committee was established in 1998 to provide independent advice to the Office of Nuclear Energy on scientific, commercial, technical, and programmatic issues. The committee reviews and provides advice and recommendations on the DOE's nuclear energy programs. **IEF**

Coalition of Illinois Utilities Opens Doors for Diverse Suppliers in 2017

Charter members of the Illinois Utilities Business Diversity Council (IUBDC) spent a combined total of more than \$1.25 billion on goods and services provided by minority-, women-, and veteran-owned businesses in 2017, a 7.8% increase over the prior year. IUBDC was formed in 2015 to increase business opportunities for diverse suppliers through closer collaboration, technical development and sharing of best practices among Illinois leading utilities. IUBDC members include Ameren Illinois, ComEd, Illinois American Water, Nicor Gas, North Shore Gas and Peoples Gas.

"These results demonstrate that our companies are opening doors for more diverse businesses to participate in utility supply chains," said Richard J. Mark, chairman of the IUBDC Board of Directors, and chairman and President of Ameren Illinois. "Partnering with diverse suppliers is not only good for business, it contributes to stronger local and regional economies."

Mark cited the landmark Energy Infrastructure Modernization Act (EIMA) or "Smart Grid Bill" enacted in 2011, and the Natural Gas Consumer, Safety & Reliability Act, enacted in 2013 as catalysts for growth in utility spending with diverse suppliers. Under these programs, Illinois' natural gas and electric utilities are undertaking a massive upgrade to the state's aging energy delivery infrastructure, installing new technologies and equipment to reduce outages, improve reliability, and provide customers with programs to manage and save energy. In addition, Illinois American Water is investing in modernization of the water distribution system, replace aging mains, and upgrading well stations.

"We're proud that more diverse suppliers than ever are providing IUBDC members with the high quality equipment, technology, and business support services we need to execute these important infrastructure projects." Mark said.

Contributing to the increase in diverse-supplier procurement was the formation of a Prime Partner Institute to increase utilization of diverse businesses throughout the supply chain. In 2017, the Council held three targeted events to engage prime (Tier 1) contractors with potential sub-contractors. These efforts were recognized by the Women's Business Development Council, which awarded IUBDC with its 2017 Future Forward Award. **IEF**

What is the Smart Grid?

The term "Smart Grid" is one used frequently these days by energy providers and the news media. However, few people know what the smart grid is. The word "Grid" itself refers to the electric grid, a network of transmission lines, substations, transformers and more that deliver electricity to your home or business from the power plant, or renewable energy sources such as wind and solar. What makes it smart are the ways it can use technology to help both consumers and power providers.

The smart grid uses new computers, communication, automation and control technology to improve the efficiency and reliability of power delivery. It incorporates "smart meters," which provide tools for consumers to monitor and make better decisions about energy use, and to save on their energy bills.

"It's just evolution," says Mike Abba, a utility director of Smart Grid Integration and System Improvement. "For 100-plus years, utilities have continuously tried to maintain and improve reliability and efficiency of the grid to keep costs low and to provide our consumers with information to make the best energy decisions they can. As technologies have evolved, they have helped us to make the electric grid smarter, which results in more benefits to our customers. The Smart Grid is also vital to efficiently integrating increasing generation of renewable energy. Growing development of utility-scale solar and wind systems, and popularity of renewable energy for residential and small business use, require the grid to provide smarter, more efficient connections to the power delivery system.

"The thing with renewables, unlike our central generation, is the sun is not always shining and the wind is not always blowing," says Abba. "Even a passing cloud can lower energy to a solar-powered home, which is where the Smart Grid's technology can come into play - enabling the grid to react to the change and keep the grid up and running."

Another way smart grid technology is helping consumers is utilities knowing when there is an outage and making it possible for them to remotely or automatically switch circuits and get power restored faster than ever. **IEF**

NCSL Annual Meeting in Los Angeles

Monday, July 30, marks the beginning of the Annual Meeting of the National Conference of State Legislatures (NCSL) in Los Angeles. The NCSL's mission is to "improve state legislatures, foster communication among states and ensure a strong, cohesive voice in the federal system." Several Illinois legislators are members of key NCSL committees. The NCSL serves the legislators and staffs of the nation's 50 states, its commonwealths and territories. It is funded by the states and governed by a 56-member executive committee. For more information go to www.ncsl.org/summit. **IEF**

NARUC Summer Policy Summit in Phoenix

The National Association of Regulatory Utility Commissioners (NARUC) will hold its Summer Policy Summit in Phoenix, from July 15-18. State Commissioners and staff members from around the country will meet in various committees and subcommittees with an eye toward developing NARUC policy on several important issues of interest to the regulatory community.

Policies developed at the summer meetings may be acted upon at the NARUC annual meeting in Orlando in November. **IEF**

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