



DEPARTMENT OF PUBLIC WORKS

Environmental Sustainability Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing and Members of the Urbana City Council
FROM: Scott R. Tess, Environmental Sustainability Manager
DATE: May 18, 2015
SUBJECT: Clean Jobs Bill SB 1485 / HB 2607

Three bills have been introduced into the Illinois Legislature this year that address the statewide energy market.

On May 5, 2015 at the Urbana Sustainability Advisory Commission meeting, Morgan Johnston moved that the Commission request Mayor Prussing and the City Council support the Clean Jobs Bill SB1485/HB2607 over both the Illinois Low Carbon Portfolio Standard SB1585/HB3293 and the ComEd Bill SB1879/HB3328. The motion was seconded by Bart Bartels and unanimously approved.

The Metropolitan Mayor's Caucus analysis attached to this memo provides a summary of each bill.

A comparison of pending Illinois energy legislation:

| | The Illinois Clean Jobs Bill (SB1485/HB2607) | Exelon Bill (SB1585/HB3293) | Com Ed Bill (SB1879/HB3328) |
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| Jobs: | Creates <u>32,000 jobs per year</u> once fully implemented. <i>(source: Illinois Science Technology Institute)</i> | Creates zero new jobs. Claims it will save jobs; but, refuses to commit to a number nor to keeping plants open long-term even with new revenue. | Creates 400 jobs. <i>(Source: Com Ed press release, 3/19/15.)</i> |
| Impact on customers: | <u>Saves</u> customers <u>at minimum</u> \$1 Billion in net present value through 2030 through energy efficiency alone. That translates into minimum savings of 7.9%, or \$8 - \$9/month, by 2030 for avg. residential customer in current dollars. <i>(source: Citizens Utility Board)</i> | Imposes a \$300 Million/year surcharge on customers-- who have already paid for Exelon's nuclear plants many times over. | Raises monthly net costs on consumers beginning in 2019. <i>(Source: Com Ed briefing materials, p. 11; 3/17/15.)</i> Changes rates to charge customers based on peak demand instead of consumption, but won't reveal how. |
| Energy efficiency: | Raises energy efficiency standards to 20% by 2025, building on successful energy efficiency programs that have saved customers more than \$1 billion since 2007 and helped create a new industry in Illinois. | Ignores energy efficiency. | Reduces the amount of energy efficiency in the State by eliminating existing third-party energy programs that are more innovative and effective than utility programs. "Commonwealth Edison wants to make it <u>illegal in Illinois to count the benefits of lowering energy prices</u> when deciding which energy efficiency projects should qualify for ratepayer-funded financial assistance." <i>(Source: Crain's, 4/1/15).</i> Bill contemplates steps such as voltage optimization—which Com Ed should be doing already per a 2014 order. |
| Renewable energy: | Fixes the state's flawed RPS, and raises the standard to 35% by 2030, helping IL compete for capital and investment being captured by surrounding states. A commitment to priorities like rooftop solar, community solar and solar for low-income communities and for residents who lack roof access. | No RPS fix. By imposing enormous technical and financial requirements on bidders (such as limiting contracts to 5 years, and de facto locational requirements), the bill essentially blocks new renewables, like wind and solar, from entering the Illinois marketplace. | Impact of peak demand charges could be damaging to rooftop solar as it prevents IL customers from easily controlling costs and could create minimum bills. Includes a very limited and restrictive community solar program that is unlikely to lead to financeable projects. No meaningful RPS fix, leaving IL at a competitive disadvantage to other states in competing for wind, solar. |

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| | | | Example: All of Chicago-based SoCore Energy's industrial and commercial solar projects in 2014 were built out-of-state: in California, Texas, Utah, New England and the mid-Atlantic. In wind, Okla. brought 600+MWs on-line; Illinois: zero new MWs. |
| Impact on competitiveness and innovation; source of investment: | Encourages investments from capital markets. By ramping up renewables, will help IL attract investments currently being lost to other states; will allow for expansion of energy efficiency industry, and help increase local clean energy supply chain that currently includes 400 Illinois firms. | Virtually ensures that Exelon nuclear plants would be only bidders allowed to participate in "low carbon" portfolio, blocking innovation and stifling competition. | Relies on \$400 Million in ratepayer money to make investments in microgrids and electric vehicle car charging stations and protect profits, using its monopoly designation to unfairly enter a market that is already being served by competitive firms that can provide this service cheaper, better and faster, while creating jobs. These components also create a hidden backdoor for ComEd to build and own new power generation paid for by ratepayers – which would otherwise be prohibited under the laws that deregulated Illinois electricity sector. |
| Supported by: | The Illinois Clean Jobs Coalition, including more than 70 companies and 30 organizations; plus, 40+ House co-sponsors, 20+ Senate co-sponsors, the most of any pending energy-related bill. | Exelon; 25 House co-sponsors; 16 Senate co-sponsors. | Com Ed; 6 House co-sponsors, 3 Senate co-sponsors. |
| Prevents future fund sweeps: | Yes, through a fix of a broken RPS. | No. | No. |
| Reducing Carbon Pollution: | Recommends a competitive, market-based approach to complying with proposed EPA carbon standards, to reward innovation and reduce pollution at lowest possible cost. | No carbon pollution reductions. Prioritizes "low carbon" energy sources, defined in such a way that only existing nuclear plants will likely benefit. Will increase consumer electric bills and provide no incentive for new clean energy projects or innovation. | No mention of carbon reductions. |