



**General Counsel Report**  
**Cooperative Technology Conference**  
**October 14, 2021**  
**Normal IL**

**Craig J. Sondgeroth**  
**The Association of Illinois Electric Cooperatives**

# Illinois

- P.A. 102-0662
  - 956 pages and effective Sep 15, 2021
  - Creates 4 New Acts
    - Energy Transition Act
    - Energy Community Reinvestment Act
    - Community Energy, Climate, and Jobs Planning Act
    - Clean Energy Jobs and Justice Fund Act
  - Amends 19 Currently Existing Acts

# Illinois

- P.A. 102-0662

Is it a climate bill or an energy bill?

4 New Acts:

- **Energy** Transition Act
- **Energy** Community Reinvestment Act
- Community **Energy**, Climate, and Jobs Planning Act
- Clean **Energy** Jobs and Justice Fund Act

What should the new legislation be referred to as?

- ~~Clean Energy Jobs Act~~ CEJA
- ~~Climate and Equitable Jobs Act~~ CLEJA
- “ETAECRACECJPACEJJFA and 19 other amended Acts”
- “2021 Energy Law”

# Illinois

- P.A. 102-0662

Enactment of the legislation could just be the 1<sup>st</sup> quarter

2<sup>nd</sup> quarter: trailer bill(s)

3<sup>rd</sup> quarter: implementation by agencies (ICC, EPA, IPA)

4<sup>th</sup> quarter: possible lawsuits

Future possibilities:

- Federal “green” incentives in budget reconciliation (tax credits for EV)

- Illinois might focus on decarbonizing transportation

- Watch California – Gov. Newsom recently signed A.B. 1346, which directs a state agency to prohibit new small off-road engines (lawn and garden equipment) produced after 2023. SB 596 in CA also requires the state agency to develop a strategy to achieve net-zero GHG emissions from cement/concrete production

# Illinois

- Biometric Information Privacy Act (740 ILCS 14) prohibits private companies from collecting biometric data unless they:
  - Inform the person in writing of what data is being collected or stored (unique biological information such as fingerprints, retina/iris scans, voiceprints, hand scans, facial geometry, DNA);
  - Inform the person in writing of the specific purpose and length of time the data will be collected, stored, and used; and
  - Obtain the person's written consent
- Most protective law in nation. Up to \$5,000 liquidated damages **and attorney's fees** for each violation
- BIPA lawyers are prevalent

# Illinois

- On June 25<sup>th</sup>, Illinois became the 49<sup>th</sup> state to adopt the Uniform Electronic Transactions Act (815 ILCS 333)
  - A contract, record, or signature may not be denied legal effect or enforceability simply because it is in electronic form or an electronic record was used in its formation
  - If a law requires a record to be in writing, an electronic record satisfies the law
  - If a law requires a signature, an electronic signature satisfies the law
- P.A. 102-0288 (eff. Aug 6, 2021) amended the Revised Uniform Unclaimed Property Act (765 ILCS 1026). “Virtual currency” now includes “cryptocurrency” and is now presumed abandoned 5 years after the last indication of interest in the property.

# Illinois

- Illinois law currently allows employers to have a zero-tolerance policy for cannabis, but legislation has been proposed that would make it unlawful for an employer to discipline/discharge an employee because of a positive drug test for cannabis (unless exceeds limits in IVC).
- Gov. Pritzker's E.O. 2021-23 reissued previous Executive Orders and extended the face covering requirement through October 16, 2021

# Federal

On Sep. 9, 2021, President Biden signed Executive Orders that require COVID-19 vaccination for federal employees (E.O. 14043) and “adequate COVID safety protocols” for federal contractors (E.O. 14042).

- Federal task force issued guidance on Sep. 24 (vaccination, masking/distance, designation of person to coordinate)
- NRECA believes it is unlikely that FEMA grants or RUS loans are subject to the E.O.

In September, President Biden also announced that OSHA was developing a rule (>100 employees) that requires full vaccination/weekly negative tests.

- On Oct. 12, OSHA submitted Emergency Temporary Standard to OMB
- Should be published in the Federal Register soon and effective upon publication
- OSHA staffing? Lawsuits?

October 7 - OSHA cited an insurance agency in Colorado (\$23,406 proposed fine)

- Ignored coronavirus safety requirements and allowed others displaying symptoms to work at location where employee died with COVID-19



# Federal

## *Grano v. Rappahannock Electric Cooperative* (W.D.Va. No. 3:20-cv-65)

- Federal lawsuit filed in October 2020
- Alleged that the statute “has radically rewritten Virginia property law without due process or compensation and has *ex post facto* rewritten existing easement contracts and impaired obligations retroactively.”
- Alleged that the legislation “expands the allowable uses of REC’s existing electric distribution easement on the Granos’ property to allow the installation or maintenance of broadband or other communications services including fiber optic.
- REC abandoned the \$600 million broadband project in February 2021

# Federal

After Congressional hearings, Congress might regulate social media algorithms

- First Amendment challenge likely
- Precedent for regulating amplification of speech, but would a court hold that this is simply unconstitutional regulation of speech?
- FYI - China recently announced they are planning to regulate algorithms

Zoom settlement proposed in class-action for sharing personal data of users with Facebook, Google, and LinkedIn

- \$86 million settlement proposed
- 15% refund on subscription or \$25, whichever is greater

**Thank You**

# **Government Relations Report**

# Thank you!!

## Call-to-Action

Over 40,000 total emails

13,782 emails to Governor Pritzker

27,100 emails to legislators

125 different legislators

The screenshot shows a website for 'Voices for Cooperative Power' with the tagline 'United for Stronger Communities'. The main headline reads: 'Help Illinois Electric Co-ops, Municipalities and Workers Prevent the Premature Closure of Prairie State'. The text explains that lawmakers are on the verge of passing legislation that would raise electric rates and turn Illinois into an exporter of jobs and an importer of energy from neighboring states. It also mentions that the proposal would effectively force the premature closure of the Prairie State Energy Campus, a highly efficient, state-of-the-art power plant in Illinois, and open the door to energy produced in other states that are far behind Illinois on meeting carbon reduction goals. It would also jeopardize grid reliability.

Prairie State, which is owned by not-for-profit utilities that serve families across eight states, is an economic engine for Southern Illinois, employing more than 650 full-time workers and another 1,000 union contractors. Its annual economic impact on the region is greater than \$785 million per year. Moreover, this reliable baseload generator is integral to the efforts of its Illinois electric cooperative and municipal owners to keep energy affordable and reliable, even as they invest in a cleaner energy future.

In fact, Prairie State is a viable part of that transition to Illinois' energy future. Coming online in 2012 during the Obama-Biden Administration and purpose-built with \$1 billion of emissions controls, Prairie State stands apart from older, traditional coal plants. Even so, Prairie State is now partnering with state and federal officials to study ways to cut emissions even further.

The proposed legislation that would close Prairie State is an unfortunate case of policy getting ahead of technology. The current state of renewable solar and wind generation with its intermittent output cannot reliably or cost-effectively replace the steady baseload generation Prairie State provides.

Should Prairie State close prematurely, we will sacrifice affordability, reliability and jobs in Illinois. While Illinois is already outperforming U.S. Climate Alliance goals, we will end up importing power from neighboring states who are far behind on those goals, hoping they can keep our lights on.

We support a common-sense energy transition in which Prairie State can serve as the bridge to Illinois' energy future. Tell Illinois policymakers to keep energy affordable, reliable, and made in Illinois. **Send your message now!**

On the right side of the page, there is a sidebar with a 'SIGN UP' button at the top. Below it, there is a 'Your recipients' section with three entries: Gov. J.B. Pritzker (DEM), Sen. Steve McClure (REP), and Rep. Mike Murphy (REP). Below that is a 'Your letter' section with the text: 'Dear Governor Pritzker, We write to you today concerned about possible legislation in Springfield which could force the premature closure of Prairie State Energy Campus, a 100% cooperative and municipal utility owned power plant in Illinois, putting at risk affordability and reliability. For more than 80 years electric'. At the bottom of the sidebar, there is a green button that says 'Send your letter'.



Say 'NO' to closing Prairie State Energy Campus



# TAKE ACTION

Keep our jobs in Southern Illinois, and keep electricity affordable and reliable!

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_

E-MAIL \_\_\_\_\_

STREET (OR P.O. BOX) MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_, IL ZIP CODE \_\_\_\_\_

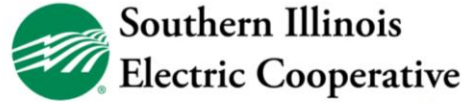
PHONE NUMBER \_\_\_\_\_

I authorize Tri-County Electric Cooperative to communicate on my behalf regarding Illinois' energy challenges.

SIGNATURE \_\_\_\_\_

Adams Outlet  
July 2 at 11:55 AM

Under the Illinois legislative energy proposal, Prairie State Energy Campus would be required to close by 2035. This would result in 20-25% higher rural utility bills, reduced reliability and result in 20-25% higher rural utility bills. The campus is committed to keeping energy affordable and reliable and will invest in a cleaner energy future, but we cannot let technology get ahead of policy. Visit <https://voicesforcooperativepower.com> to tell Governor Pritzker and our State Legislators that we need energy affordable and reliable.



A Touchstone Energy® Cooperative

HOME ABOUT SIEC MY ACCOUNT MEMBER SERVICES ENGINEERING & MAINTENANCE

## Take Action to Help Electric Co-ops Prevent the Premature Closure of Prairie State

Posted June 11, 2021

Early closure of Prairie State Energy Campus could result in 20-25% higher rural utility bills. Don't let environmental policy get ahead of technology. Tell Governor Pritzker and our State Legislators that we must keep energy affordable and reliable. Click this [LINK](#) to take action.



Help keep rural electricity affordable and reliable



Your Touchstone Energy® Cooperative  
P.O. Box 560 | 1355 State Hwy 128 | Shelbyville, Illinois 62565

HOME ABOUT US NEWS MEMBER SERVICES & BILLING OUTAGE CENTER COMMUNITY PWR-NET INTERNET SHELBY ENERGY COMPANY CONTACT EMPLOYMENT OPPORTUNITIES

## WORKING TO PROTECT RELIABLE, AFFORDABLE AND RESPONSIBLE POWER

We Need Your Help Click Here!



930 South Fifth Avenue ■ P.O. Box 340 ■ Canton, IL 61520 ■ Telephone: (309) 647-2700 ■ Fax: (309) 647-7354

ABBADINI PEGGY L  
16608 E CHEROKEE RD  
CUBA IL 61427

Dear Member:

For more than 80 years, electric cooperatives have provided safe, affordable, and reliable electricity to their consumers throughout rural Illinois. The 25 not-for-profit electric cooperatives, each owned and democratically controlled by their members, provide service to approximately 600,000 primarily rural Illinoisans located in 90 of the state's 102 counties, including you!

Prairie State Energy Campus is wholly owned by not-for-profit electric cooperatives and municipalities in Illinois and other midwestern states, providing affordable and reliable electricity. Under the comprehensive Illinois legislative energy proposal, Prairie State would be required to close by 2035. Prairie State is state-of-the-art and highly efficient, and today is only 10 years into its expected 30-plus year life. We oppose legislation that reduces grid reliability, makes us dependent on neighboring states for energy generation, results in good paying energy jobs and tax base being transferred to neighboring states and increases in our rates by 20% to 25%. In 2035, cooperatives will still have \$188 million of debt owed on Prairie State Energy Campus. That debt, coupled with the cost of replacement energy and capacity, could result in 20-25% increased costs to our consumer-member utility bills.

Spoon River Electric Cooperative is committed to keeping energy affordable and reliable while we invest in a cleaner energy future, but we cannot let policy get ahead of technology. Current technology needs to be improved and expanded upon before we can reliably power the grid with no carbon emissions.

Forcing a premature closure of Prairie State will negatively impact the affordability and reliability of electricity in Illinois' rural areas.

Help send the message to Governor Pritzker and State Legislators that any legislation proposed must provide a delayed effective date for not-for-profit power plants to operate as currently permitted and allow owners to pay off their debt on these new facilities.

Visit <https://voicesforcooperativepower.com/illinois/> to send a letter or fill out the postage paid post card included and drop it back in the mail or at the office at 930 S. 5<sup>th</sup> Ave. Canton IL 61520.

Sincerely,  
Bill Dodds, President/CEO



Help keep rural electricity affordable and reliable

# 2021 Energy Legislation

- Public Act 102-0662 (SB 2408)
- Passed the House Sept. 9 (83 yes, 33 no) Concurred by the Senate Sept. 13 (37 yes, 17 no, 3 p)
- Signed by the Governor on Sept. 15
- Key components
  - Decarbonization / 100% clean energy by 2050
  - Creates carbon mitigation credits. \$700M in subsidies over 5 years for Exelon Byron, Dresden, and Braidwood nuclear power plants. (Funded by ComEd customers only)
  - Ends formula rates for Ameren and ComEd and transitions to 5-year forward looking performance-based ratemaking.
  - The investor owned utility (IOU) renewable portfolio standard (RPS) is established at 40% by 2030 and 50% by 2040.
  - Doubles the amount of investor-owned utility line item charged to customers in order to fully fund solar and wind incentive programs.

# Climate/Decarbonization --- Private Owned Generation

## Coal

- Requires private coal-fired and oil fired generating units to reach zero emissions by Jan. 1, 2030

## Natural Gas

- Reduce all CO<sub>2</sub>e and copollutant emissions to zero, or use 100% green hydrogen, by:
  - Jan. 1, 2030 – NO<sub>x</sub> emissions greater than 0.12 lbs/MWh or a SO<sub>2</sub> emission rate greater than 0.006 lb/MWh, and located within 3 miles of an environmental justice or equity investment eligible community.
  - Jan. 1, 2040 – NO<sub>x</sub> emissions greater than 0.12 lbs/MWh or a SO<sub>2</sub> emission rate greater than 0.006 lb/MWh, and located not within 3 miles of an environmental justice or equity investment eligible community
    - After Jan. 1, 2035 each unit must reduce its CO<sub>2</sub>e emissions by at least 50% from its existing emissions for CO<sub>2</sub>e, and shall be limited in operate to, on average, 6 hours or less per day, measured over a calendar year, and shall not run for more than 24 consecutive hours except in emergency conditions
  - Jan. 1, 2035 - NO<sub>x</sub> emissions less than 0.12 lbs/MWh or a SO<sub>2</sub> emission rate less than 0.006 lb/MWh, and located within 3 miles of an environmental justice or equity investment eligible community.
    - Reduce its CO<sub>2</sub>e emissions by at least 50% from its existing emissions for CO<sub>2</sub>e no later than Jan. 1, 2030.
  - Jan. 1, 2040 – All units with a heat rate greater than 7000 BTU/kWh.
    - Reduce 50% from its existing emissions for CO<sub>2</sub>e no later than Jan. 1, 2035.
  - All remaining by Jan. 1, 2045.



# Climate/Decarbonization --- Public Owned Generation

Electric cooperatives, Municipalities, Governmental or nonprofit entities

## Coal

- Jan. 1, 2035 – Reduce CO<sub>2</sub>e emissions by 45% from existing emissions
- June 30, 2038 – If the emissions reduction requirement is not achieved by December 31, 2035, the plant shall retire one or more units or otherwise reduce its CO<sub>2</sub>e emissions by 45% from existing emissions by June 30, 2038.
- December 31, 2045 - Reduce all CO<sub>2</sub>e to zero no later than December 31, 2045.

## Natural Gas

- Jan. 1, 2045 – Public GHG-emitting units that use gas as a fuel and are public GHG-emitting units shall permanently reduce all CO<sub>2</sub>e and copollutant emissions to zero, including through unit retirement or the use of 100% green hydrogen or other similar technology that is commercially proven to achieve zero carbon emissions
- Notwithstanding EGUs may temporarily continue emitting GHG after any applicable deadline if necessary to maintain power grid supply and reliability with RTO approval
- EGU means a fossil fuel-fired boiler/turbine/system that has a nameplate capacity greater than 25MWe and produces electricity for sale
- Existing emissions means the total average ton-per-year emitted by the EGU in years 2018 through 2020
  - (or the first 3 full years of the units operation if the unit was not yet in operation by Jan. 1, 2018)

## Customer self-generation of electricity (Pages 913-916)

- (a) The General Assembly finds and declares that municipal systems and electric cooperatives shall continue to be governed by their respective governing bodies, but that such governing bodies should recognize and implement policies to provide the opportunity for their residential and small commercial customers who wish to self-generate electricity and for reasonable credits to customers for excess electricity, balanced against the rights of the other non-self-generating customers. This includes creating consistent, fair policies that are accessible to all customer and transparent, fair processes for raising and addressing any concerns.
- (b) Customers have the right to install renewable generating facilities to be located on the customer's premises or customer's side of the billing meter and that are intended to primarily offset the customer's own electrical requirements and produce, consume, and store their own renewable energy without discriminatory repercussions from an electric cooperative or municipal system. This includes a customer's rights to:
  - (1) generate, consume, and deliver excess renewable energy to the distribution grid
  - (2) use technology to store energy at his or her residence
  - (3) interconnect his or her electrical system that generates renewable energy, stores energy, or any combination thereof, with the electricity meter on the customer's premises that is provided by and electric cooperative or municipal system
    - (A) Timely
    - (B) Safely.
    - (C) Providing written notice and meeting code requirements
  - (4) receive fair credit for excess energy delivered to the distribution grid.

## Customer self-generation of electricity (Pages 913-916)

- (c) The policies of municipal systems and electric cooperatives regarding self-generation and credits for excess electricity may reasonably differ from those required of other entities by Article XVI of the Public Utilities Act or other Acts.
- (d) Within 180 days after this amendatory Act of the 102<sup>nd</sup> General Assembly, each electric cooperative and municipal system shall update its policies for the interconnection and fair crediting of customer self-generation and storage if necessary, to comply with the standards of subsection (b) of this Section. Each electric cooperative and municipal system shall post its updated policies to a public-facing area of its website.
- (e) An electric cooperative or municipal system customer who produces, consumes, and stores his or her own renewable energy shall not face discriminatory rate design, fees or charges, treatment, or excessive compliance requirements that would unreasonably affect that customer's right to self-generate electricity as provided for in this Section.
- (f) An electric cooperative or municipal utility system customer shall have a right to appeal any decision related to self-generation and storage that violates these rights to self-generation and non-discrimination pursuant to the provisions of this Section through a complaint under the Administrative Review Law or similar legal process.

# Consumer Protections

## Investor owned utility new rules

- 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.

# Renewable Energy

- Restores funding for the Illinois Power Agency's solar and wind incentive programs
- The IPA will be developing a new Revised-Long Term plan to reflect the new funding and a revised Adjustable Block Program
- They will re-open the program within 90 days – by Dec. 14, 2021
- Prevailing wage requirements added to larger projects

# Electric Vehicles

- 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
  - Begins July 1, 2022
  - Must pay prevailing wage on installation projects
- Requires the Department of Transportation 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.
  - Currently just limited to Cook, DuPage, Kane, Lake, McHenry, and Will, the townships of Aux Sable and Goose Lake in Grundy County, and the township of Oswego in Kendall County.

# Federal Update

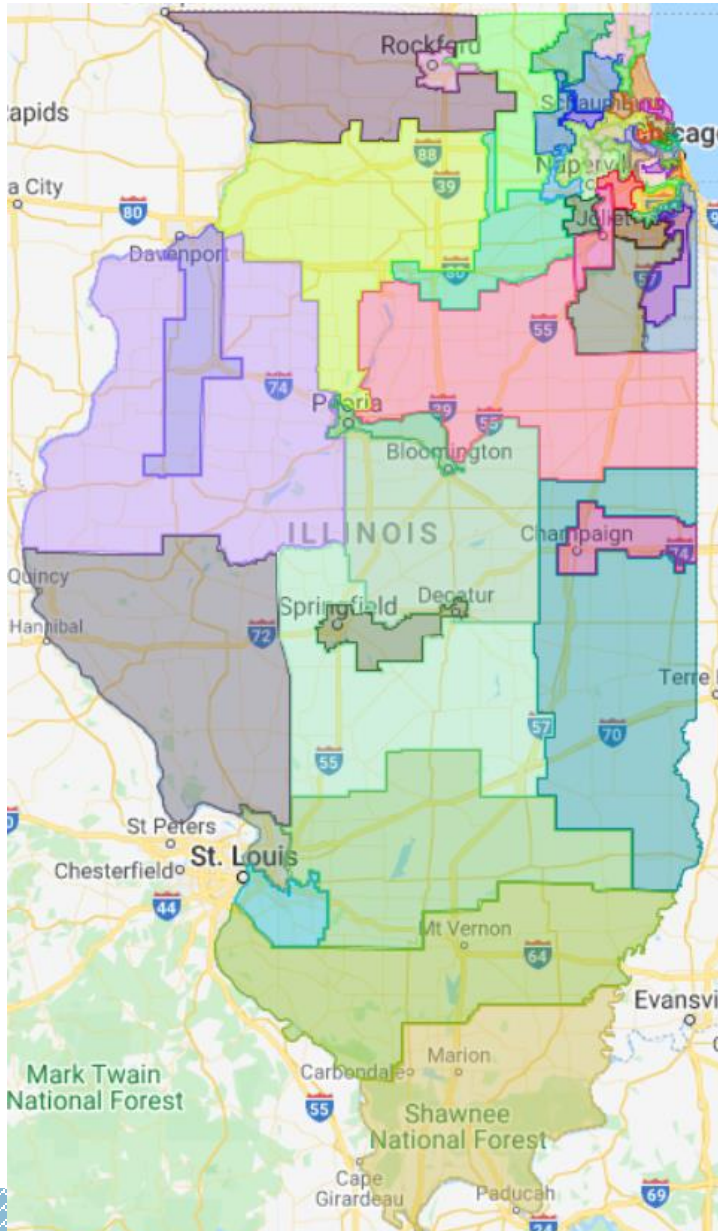
- Reconciliation Package
- Clean Electricity Performance Plan (CEPP)
  - 2023-2030 Program
  - Utilities that increase their supply of clean electricity by at least 4% over the previous year would receive \$150 for each MWh above 1.5% of its clean energy electric generation in the previous year
  - Utilities that don't meet this goal would be forced to pay \$40 per every MWh of their shortfall
  - Baseline period is average clean energy achieved during years 2019 and 2020
- RUS Repricing
- USDA Clean Energy Assistance Program - \$10B program
- Direct Pay Tax Credits



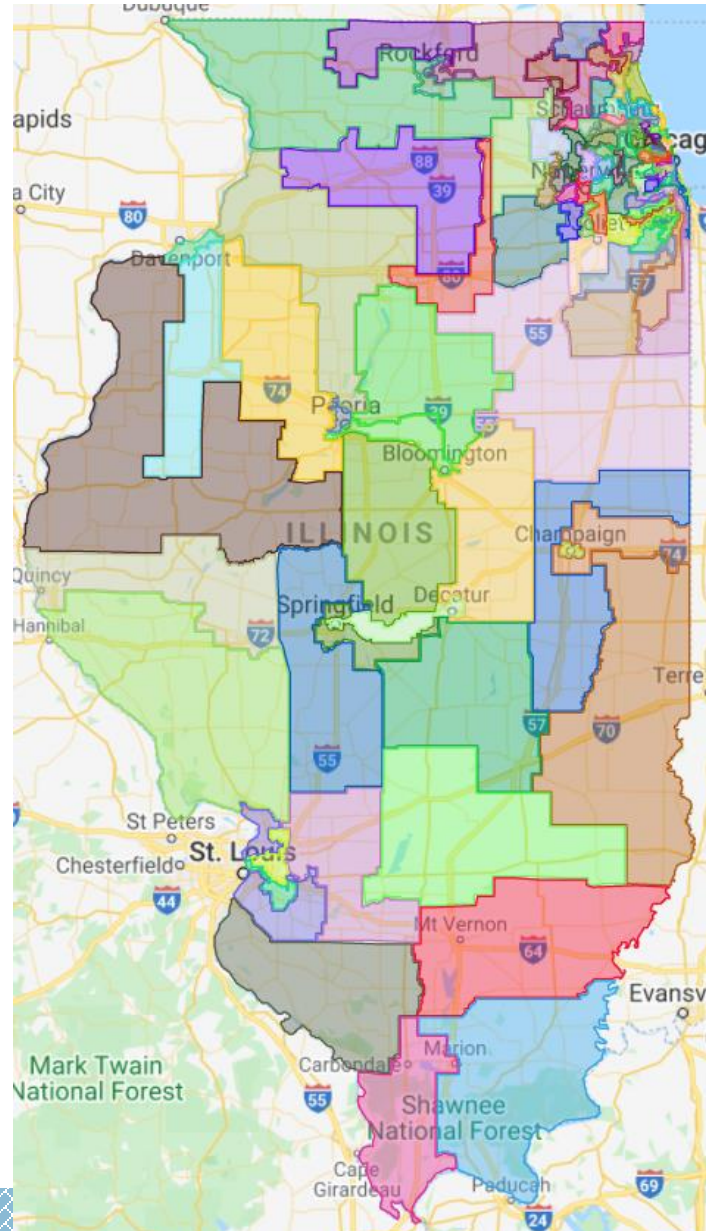
# Redistricting

\*pending lawsuit challenges

## Senate Districts (Public Act 102-0663)



## House Districts (Public Act 102-0663)



## Congressional Districts

- Not drawn yet
- Hearings this week and next



# 2022 Elections

## Petitions

- Can begin circulating January 13, 2022
- Due by March 14, 2022

## Primary Election

- Tuesday, June 28, 2022
- (Normally would have been March 15)

## General Election

- General Election: Tuesday, November 8, 2022

