

# WHAT IS THE FUTURE ENERGY JOBS ACT?

*An in-depth look into Illinois' new energy legislation*

**The Future Energy Jobs Act (Senate Bill 2814)** is one of the most significant pieces of energy legislation ever to pass the Illinois General Assembly. It followed nearly two years

of negotiations between energy companies, consumer advocates, and environmental groups. This fact sheet is designed to show you how the new law will impact electric customers.

## MAIN FEATURES OF THE ACT

### ENERGY EFFICIENCY



- Requires Commonwealth Edison and Ameren Illinois—the state's two biggest electric utilities—to dramatically expand their energy efficiency programs and reduce electricity waste, lowering Illinois power bills by billions of dollars through 2030.
- Expands the definition of “low income” beyond just people who qualify for state assistance, and it directs the utilities to engage with economically disadvantaged communities in designing and delivering new programs for customers most challenged to pay bills.

### RENEWABLE ENERGY



- Fixes Illinois' renewable energy laws, which will spark billions of dollars in new investment to develop wind and solar power in Illinois.
- Creates a community solar program that will allow entire neighborhoods to enjoy the benefits of solar energy, whether they can install solar panels on their rooftops or not.

### JOB TRAINING & PAYMENT HELP



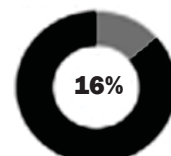
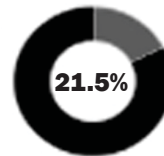
- Devotes \$750 million to programs that provide training for new energy jobs and help consumers cut their utility bills.
- Improves the state's on-bill financing program, which helps people pay for efficiency upgrades through their utility bills.

## HOW DO THESE CONSUMER PROTECTIONS HELP ME?

### Energy Efficiency

#### What the act does:

It requires Illinois' largest electric utilities to launch one of the nation's most ambitious plans for customer electricity savings. By 2030, ComEd must expand and enhance customer efficiency programs to cut electricity waste by a record 21.5 percent, and Ameren by 16 percent.



#### Why that's important:

For years, Illinois efficiency standards have required utilities to offer a whole menu of helpful programs—such as refrigerator recycling and rebates on efficient appliances—that allow customers to reduce their energy usage and save money. The Future Energy Jobs Act improves and expands these programs.

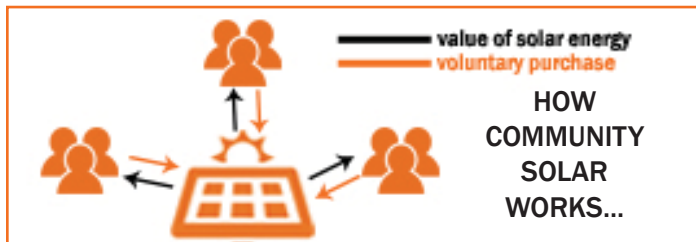
For the first time, ComEd and Ameren will have an incentive to meet their efficiency goals, with bonuses for exceeding targets and penalties for falling short. They also now have an incentive to invest in longer-lasting efficiency programs – things that save money year after year. The biggest winners will be Illinois consumers. The Natural Resources Defense Council (NRDC) conducted an analysis that estimated the act could lead to up to \$7 billion in net savings for residential and business customers.

**Note:** The utilities will present their plans for approval in June of 2017, and CUB will create a full listing of the enhanced and new efficiency programs once those plans are approved.

## Community Solar

### What the act does:

It launches a “community solar” program that will allow more consumers to enjoy the benefits of solar energy—even those who can’t install solar panels directly on their own property because they can’t afford them, don’t have the space, or are limited by local zoning laws.



### Why that’s important:

For years, Illinois’ biggest utilities have resisted community solar.

Illinois homeowners with their own rooftop solar panels have long been able to send excess energy back to the power grid in return for credits on their electric bills—a benefit called “net metering.” However, very few participated because many people lacked the funding and space to install rooftop solar.

Community solar helps overcome those barriers. It allows homes that enter into an agreement to help fund solar energy installations in their neighborhood—at a local school, for example—to then share in the compensation credits generated by that installation.

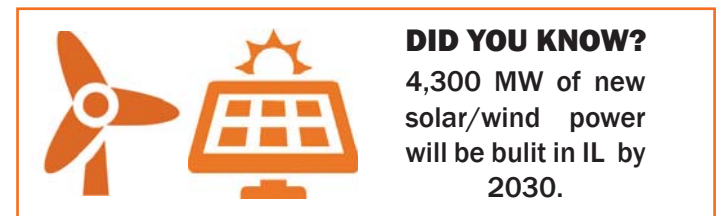
Such a program has a direct benefit on participants’ electric bills, but it also has the potential to lower market prices for all residents, alleviate stress on the power grid, and lessen the need for expensive power plants. Community solar would be particularly effective in reducing energy demand during peak times—when prices skyrocket and power plants produce the most pollution. (See fact sheet on community solar, at [CitizensUtilityBoard.org](http://CitizensUtilityBoard.org).)

“SUCH A PROGRAM...  
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## Renewable Energy

### What the act does:

It fixes funding for Illinois’ renewable energy law, which mandates that 25 percent of ComEd’s and Ameren’s power come from renewable sources, such as wind and solar, by 2025. For years, the Illinois Power Agency—the state office in charge of managing the utilities’ power purchases—has bought renewable energy with the help of a small charge on the supply side of Ameren and ComEd bills. That’s the portion of the bill that covers the price of the actual electricity you use. While the Future Energy Jobs Act does not increase funding for renewable energy, it makes a major improvement: It moves that charge to the delivery side of electricity bills. This means that the Power Agency can collect and invest funds much more easily. Also, the Act requires at least 4,300 megawatts of new solar and wind power—enough electricity to power millions of homes—to be built in Illinois by 2030. Never before has Illinois had such a requirement for homegrown renewable energy projects.



### Why that’s important:

Having the renewable energy charge on the supply side of power bills blocked the state from receiving consistent funding for renewable energy, as millions of Illinois customers moved away from the utilities to alternative suppliers. Alternative suppliers also had to give money toward renewable energy, but because of flaws in the law, that money often sat unused or the state used it for other purposes. Moving the charge to the delivery side of the bill—which all ComEd and Ameren customers pay no matter who their supplier is—gives the Illinois Power Agency a consistent source of money devoted solely to buying renewable energy.

Having a diverse power portfolio that includes renewable energy—other than just coal and nuclear power—helps bring down power prices and increases reliability for everyone. Plus, it’s good for the economy: The Environmental Defense Fund (EDF) estimates that fixing the state’s renewable energy laws and requiring more renewable energy power plants to be built in Illinois will spark up to \$15 billion in wind and solar development. Homegrown renewable energy means jobs for Illinois.

## Job Training & Payment Help

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### What the act does:

It devotes \$750 million to programs that provide training for new energy jobs and help low-income customers, seniors and disabled veterans afford their utility bills. The act also improves an on-bill financing program that allows people to pay for efficiency home improvements through their power bills.

### KEY TAKEAWAYS:

- Creates tens of thousands of jobs, many of them connected to renewable energy and efficiency.
- Provides programs that help low-income customers, seniors and disabled veterans afford their utility bills.
- Allows consumers to pay for efficiency upgrades through their power bills.

### Why that's important:

The act is expected to spark tens of thousands of jobs connected to improvements in energy efficiency and renewable energy in Illinois—jobs like solar installers and efficiency auditors.

Programs that help certain vulnerable groups—such as seniors and disabled veterans—lower their utility bills and keep up-to-date on payments are important, because if they can't afford their bills, those costs get spread out among all customers, increasing everyone's bills.

The act also improves Illinois' on-bill financing program. The program, made possible by state legislation CUB supported in 2009, allows people to make efficiency upgrades with no initial upfront payment and then pay off a loan for the upgrades over time through their electric and natural gas bills. Because of the act, the amount financed by each utility will increase by \$5 million per year, up to a maximum of \$20 million. As of 2019, any improvement that a qualified building assessment recommends, including health and safety measures, will be eligible for on-bill financing.

### MORE INFORMATION:

Keep track of Illinois policy developments at [citizensutilityboard.org](http://citizensutilityboard.org), where you can learn about new choices as they appear, and sign up to receive action alerts.