



WHAT IS THE CLEAN ENERGY JOBS ACT?

An in-depth look at the latest energy legislation

The Clean Energy Jobs Act (CEJA) is comprehensive clean energy legislation (Senate Bill 2132/House Bill 3624) currently before the Illinois General Assembly. CEJA would boost energy efficiency standards, take advantage of the falling cost of wind and solar power, and protect the state from a federal regulatory ruling that could hit most Illinois consumers with up to \$864 million a year in higher power bills. CEJA is the only energy legislation in Springfield that could secure savings for consumers while significantly ramping up renewable energy development in the state.

WHY DOES ILLINOIS NEED THE CLEAN ENERGY JOBS ACT?

Thanks to a series of groundbreaking clean energy laws like the 2014 Future Energy Jobs Act, Illinois has gone from the highest electric bills in the country to some of the lowest. But electricity generators that use fossil fuels don't like cleaner sources of energy—such as wind and solar—eating into their profits.

In recent years, these companies have been working overtime in Washington and Springfield to stop Illinois' clean energy development. It is critical that we pass the Clean Energy Jobs Act to preserve what we have accomplished and improve upon it.

WHAT WOULD CEJA DO?

CEJA would:

- Implement electricity market reforms to reduce power bills.
- Expand electric and gas efficiency programs.
- Take advantage of the falling cost of clean energy and put Illinois on a cost-effective path to 100% renewable energy by 2050.
- Remove the equivalent of 1 million gasoline and diesel vehicles from Illinois roadways and invest in EV ride-sharing, electrified public transportation and EV charging stations.
- Expand access to clean energy careers across Illinois.

HOW DOES CEJA HELP CUT COSTS FOR ILLINOIS CONSUMERS?

Multiple provisions help lower our utility bills:

Electricity Market Protections

CEJA would put the Illinois Power Agency (IPA)—a state agency—in charge of running a special electricity market for northern Illinois.

Why is this important? We pay power plant operators for the commitment to have enough electricity available if demand spikes, like on a hot summer afternoon. This is called capacity. So you not only pay for the power you use now, but you also pay for capacity—the power you could use in the future.

The price for capacity for ComEd customers is determined by auctions run by PJM Interconnection, the power grid operator for northern Illinois and all or part of 12 other states. The auction process has needlessly inflated Illinois electric bills in recent years, and now fossil fuel generators have pushed the Federal Energy Regulatory Commission (FERC) to revamp capacity market rules to funnel more money to their dirty power plants.

This move could raise most Illinois power bills by up to \$864 million a year, but putting the IPA in charge of a capacity market for northern Illinois would protect customers from this increase. It also would put the state in charge of its own clean energy policy, creating the opportunity to save consumers money while greatly expanding renewable energy investment in the state.

Energy Efficiency

CEJA expands energy efficiency programs that have already saved consumers billions of dollars.

Why is this important? The Future Energy Jobs Act (FEJA), groundbreaking energy legislation passed in 2016, required Illinois' largest electric utilities to launch one of the nation's most ambitious plans for customer electricity savings.

Under FEJA, ComEd must develop and enhance customer efficiency programs to cut electricity waste by a record 21.5 percent, and Ameren by 16 percent, by 2030. For the first time, big utilities have an incentive to meet their efficiency goals, with bonuses for exceeding targets and penalties for falling short. The Natural Resources Defense Council conducted an analysis that estimated that FEJA's energy efficiency provisions could lead to up to \$7 billion in consumer savings. CEJA would improve upon the efficiency standards established by the FEJA by applying those standards to natural gas bills.

Built-in Cost Savings

CEJA contains a consumer protection adjustment.

Why is this important? CEJA's "consumer protection adjustment" guarantees cost savings for ComEd customers over what they currently pay for electricity. The bill locks in a combined 5 percent savings on the following charges: energy, capacity, zero emissions credits (ZECs), and renewable energy credits (RECs). For 2018/2019, for example, ComEd customers would have saved a minimum of \$250 million under this provision. But the 5 percent savings is a price ceiling, not a floor. Customer savings could be greater.

Reducing Peak Demand

CEJA would direct the IPA to develop a plan to cut electricity demand through programs that promote energy storage, efficiency, and special rate plans.

Why is this important? High electricity demand increases electricity market prices and forces Illinois consumers to pay for new power plant construction. That's expensive. But programs that lower "peak demand"—when electricity demand is at its highest—can decrease our costs by billions of dollars.

New Rate Plan

The act would create a new optional rate plan, called "Time of Use" (TOU). TOU pricing charges participants different electricity rates during certain periods of the day, such as a day rate and a night rate.

Why is this important? Consumers are hungry for good choices in the market that can help them lower their bills. Past policy developments in Illinois have helped create Hourly Pricing and Peak Time Rewards, which both have led to millions of dollars in savings for consumers. TOU would give customers another money-saving option.

Vehicle Electrification

CEJA would remove 1 million gasoline and diesel vehicles from Illinois roadways and increase the development of EV ride-sharing, electrified public transportation and EV charging stations. It would also create a "beneficial electrification" program that would encourage people into charging their electric vehicles during times when electricity demand is low.

Why is this important? Policies that prevent a spike in demand have the potential to make the power grid more reliable and reduce electricity bills for everyone—even those who don't own an EV. In fact, a CUB study found that Illinois could reap more than \$2.5 billion in consumer savings over the next decade, if the state implements smart EV policies.

WHAT ELSE DOES CEJA ACCOMPLISH?

- CEJA would build enough new wind and solar farms to power more than 5 million homes and attract more than \$30 billion in new private investment to Illinois. The 40 million new solar panels and 2,500 additional wind turbines in the state would quadruple the amount of new renewable energy created by FEJA.
- CEJA would create "Clean Jobs Workforce Hubs," a network of frontline organizations providing workforce training across Illinois for economically disadvantaged communities and former fossil fuel workers.
- CEJA would quadruple the size of the Illinois Solar for All program to ensure low- and moderate-income communities see the benefits of new community solar projects. It would also create incentives to expand access to rooftop solar and community solar projects for low-income communities.
- CEJA would provide a fund for energy efficiency contractors to address health and safety issues—such as mold, asbestos and leaks—that prevent them from completing low-income home efficiency projects. Better efficiency lowers costs for everyone on the grid.

WHO ELSE SUPPORTS CEJA?

CUB is part of the Illinois Clean Jobs Coalition, which supports the legislation. It's a group of more than 200 consumer advocates, green businesses and community leaders working together to advance clean energy jobs, healthier air, and lower energy bills. The group championed the 2016 Future Energy Jobs Act, which passed the General Assembly with bipartisan support and positioned Illinois to become a national leader in clean energy.

For more information: Keep track of Illinois policy developments on our website, citizensutilityboard.org, where you can sign up to receive action alerts about utility issues.