



# 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 1718/House Bill 804) currently before the Illinois General Assembly. CEJA would boost energy efficiency standards, take advantage of the falling cost of renewable power, and protect the state from a federal regulatory ruling that could hit most Illinois consumers with up to \$1.7 billion in higher power bills over the next decade. CEJA is the only energy legislation in Springfield that would secure savings for consumers while significantly ramping up renewable energy development—and it does all this while holding Illinois utilities accountable to their customers.

## WHY DOES ILLINOIS NEED THE CLEAN ENERGY JOBS ACT?

Thanks to a series of ground-breaking 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?

Key CEJA provisions would:

- Implement electricity market reforms to reduce power bills.
- Expand electric and gas efficiency programs.
- Secure 100% carbon-free power by 2030, and 100% renewable energy by 2050.
- Expand vehicle electrification so more people have access to cleaner, more affordable transportation.
- Increase clean energy careers across Illinois.
- Align utility regulation with state and consumer priorities, ensuring more transparency and accountability.

## HOW DOES CEJA CUT COSTS FOR ILLINOIS CONSUMERS?

Multiple provisions help lower our utility bills:

### Capacity Market Reforms

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.

The FERC ruling could raise most Illinois power bills by up to \$1.7 billion over the next decade, 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.

## Guaranteed 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. The 5 percent savings is a minimum—customer savings could be greater.

## 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), ground-breaking 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.

## Vehicle Electrification

CEJA would increase the development of EV ride-sharing, electrified public transportation and EV charging stations. It would also create a "beneficial electrification" program with policies designed to entice 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 \$2.6 billion in consumer savings over the next decade, if the state implements smart EV policies.

## Reducing Peak Demand

CEJA would direct the Illinois Power Agency 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.

## HOW DOES CEJA HOLD UTILITIES ACCOUNTABLE?

CEJA's accountability provisions would:

- End formula rate hikes. Setting ComEd and Ameren rates by formula—a system that lacks adequate consumer protections—would be replaced with a system in which state regulators only approve utility programs and rates that are cost-effective.
- Require utilities to pursue affordability as a goal, and they would only make more money if they do a better job.
- Create an independent monitor to ensure ethics compliance by all public utilities.
- Provide restitution for customers. In the wake of the ethics scandal, ComEd shareholders would have to repurpose ill-gained profits to fund programs for communities in need.
- Prohibit the use of customer funds to cover expenses tied to federal ethics investigations.

## WHAT ELSE DOES CEJA ACCOMPLISH?

- It would attract more than \$30 billion in private investment in clean energy and spark thousands of jobs.
- 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 expand 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 in low-income communities.
- It 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, a group of more than 200 consumer advocates, green businesses and community leaders who support CEJA.

**For more information:** Keep track of Illinois policy developments on our website, [citizensutilityboard.org](http://citizensutilityboard.org), where you can sign up to receive action alerts about utility issues. Or visit [ilcleanjobs.org](http://ilcleanjobs.org).