

Illinois Clean Energy Jobs Act Fossil Fuel Generation Phaseout

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Operating Committee

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- Omnibus energy bill passed in extended session
- Statute covers myriad issues across state energy policy
 - Increased RPS
 - Enhanced distribution planning
 - Electric vehicle incentives
 - Environmental justice considerations
 - **Fossil Fuel Phaseout**
- Implementation requires extensive effort by Illinois state agencies

One of governor's major legislative priorities is phasing out fossil fuel emissions from electricity generation in Illinois.

Emissions Elimination

The statute mandates phased retirement, or adoption of emission-free tech, for **all** fossil units in the state.

Environmental Justice

Generators closer to Environmental Justice Communities to be phased out sooner.

Reliability Considerations

The statute includes real-time and forward-looking “off ramps” for grid reliability.

Immediate Emissions Restrictions



Fossil Fuel Phaseout



Private natural gas generators are immediately limited to a baseline level.

- Baseline is set to the total average tons per year of CO₂ and co-pollutants between 2018–2020.
- Combined cycles not yet in operation will be baselined on their first three years of operation.

Coal generation phaseout based on public vs. private ownership.

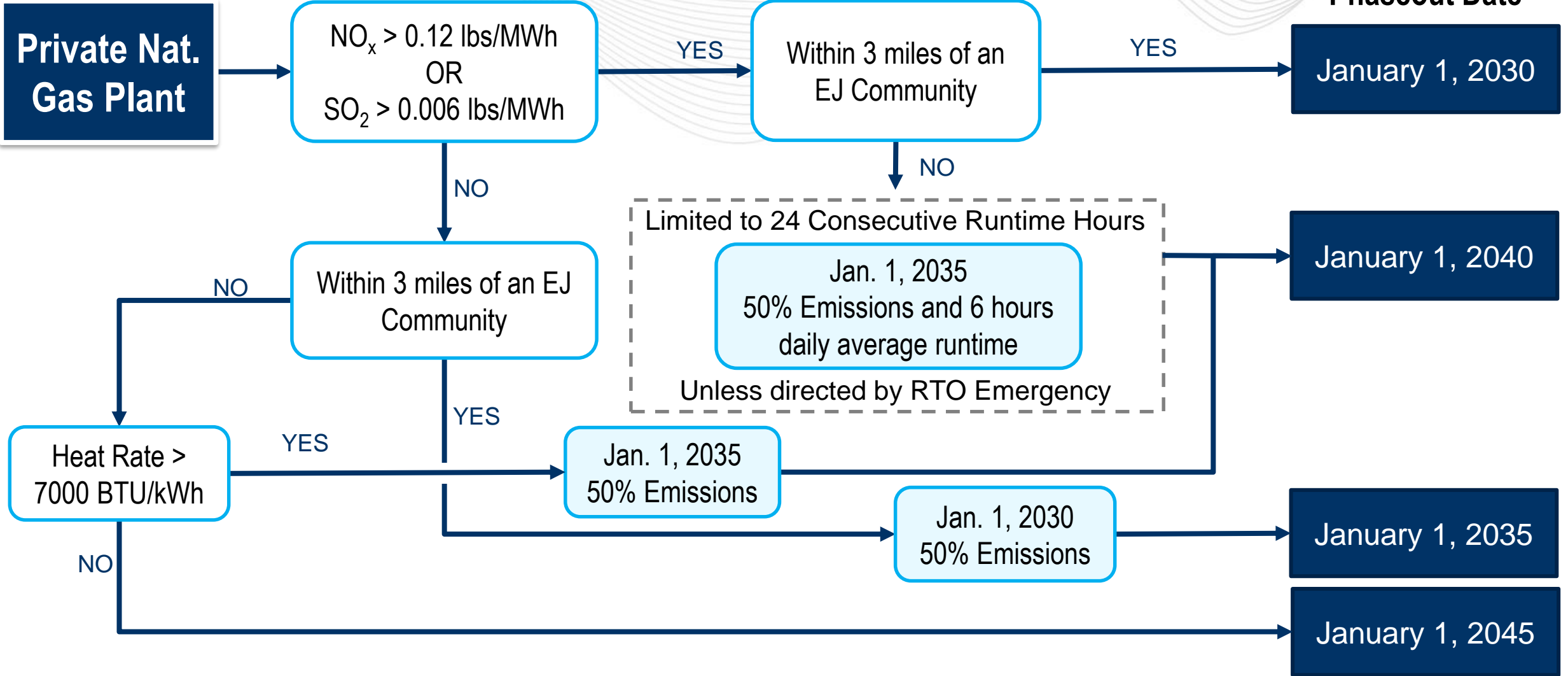
- By 2030, private, large GHG-emitting units that use coal must reduce CO₂ to zero.
- By 2035, public coal must reduce CO₂ emissions by 45% and to zero by 2045.

Private natural gas generation phaseout based on proximity to EJ Community.

- Location within 3 miles of an EJ Community results in interim emission reduction mandates and earlier phaseout dates.
- Phaseout timing is also based on emission rates and operating parameters.

Private Natural Gas Plant Phaseout

Phaseout Date



Forward-Looking Resource Adequacy Provisions

Every five years beginning in 2025, the Environmental Protection Agency, Illinois Power Agency and Illinois Commerce Commission shall prepare a public report to the General Assembly.

Examine resource adequacy and reliability throughout state for the study period beginning five-years ahead.

Propose solutions for any findings.

Consult PJM and MISO (or respective successor organizations).

If analysis shows a violation will occur during the study period by:

- A resource adequacy shortfall or
- An RTO's determination of a reliability violation

Regarding:

- Forecasted resource adequacy and reliability needs
- Anticipated new generation interconnection
- New transmission development or upgrades
- Any announced large GHG-emitting unit closure dates

IPA and EPA shall:

- Develop a plan to reduce or delay emissions reductions requirements until resource adequacy and reliability needs are met
- Allow any plants needed for reliability to continue operating past their targeted phaseout date

- Emitting generators may temporarily continue emitting greenhouse gases after any applicable deadline if it has been determined that ongoing operation **of the generator is necessary to maintain power grid supply and reliability.**
- Emitting generators may temporarily continue emitting greenhouse gases after any applicable deadline if it has been determined that ongoing operation **is necessary to serve as an emergency backup to operations.**

- PJM will initiate a data request to affected unit owners to fill in gaps for reliability analysis.
- PJM will assess near-term reliability impacts (winter 2021–2022) based on immediate emissions reductions.
- PJM will work with unit owners and regulators if any short-term operating procedures are needed:
 - Switching solutions will be posted on PJM.com.
 - Procedures will be posted in Manual 3B (CEII).
- PJM will begin to analyze longer-term reliability impacts.

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Illinois Clean Energy Jobs Act – IL Generators and PJM Next Steps



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