

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission :
On Its Own Motion :
Response to Governor's Sustainable : 05-0437
Energy Plan for the State of Illinois :
RESOLUTION

By the Commission:

WHEREAS, the inflation-adjusted prices of fossil fuels have risen steadily in the last five years; and

WHEREAS, the prices of fossil fuels have a significant effect on the future price of electricity; and

WHEREAS, the price of fossil fuels are decided in national and international markets that are beyond the control of state jurisdiction; and

WHEREAS, on February 11, 2005, the Governor of the State of Illinois sent to the Illinois Commerce Commission a proposal for a Sustainable Energy Plan for Illinois; and

WHEREAS, the Governor's proposed Sustainable Energy Plan included a Renewable Portfolio Standard and an Energy Efficiency Portfolio Standard; and

WHEREAS, the Governor's proposed Sustainable Energy Plan included a recommendation that the Illinois Commerce Commission establish an Illinois Sustainable Energy Advisory Council, with members appointed by the Chairman; and

WHEREAS, the Illinois Commerce Commission commenced the Sustainable Energy Initiative, issuing a "Request for Public Comment Concerning the Implementation of Governor Blagojevich's Proposal for a Sustainable Energy Plan for Illinois" on March 2, 2005; and

WHEREAS, the Illinois Commerce Commission organized workshops to discuss potential issues and invited Illinois utilities to present proposed implementation plans consistent with the Governor's proposed Sustainable Energy Plan; and

WHEREAS, during the course of the workshops, the Illinois Commerce Commission learned that the use of renewable energy sources will lead to rural economic development and improve environmental quality; and

WHEREAS, the Staff of the Energy Division of the Illinois Commerce Commission produced a Staff report dated July 7, 2005 addressing the various issues surrounding the implementation of renewable energy, demand response and energy efficiency programs; and

WHEREAS, the Illinois Commerce Commission adopted a resolution accepting Staff's report on July 13, 2005.

IT IS THEREFORE RESOLVED by the Illinois Commerce Commission that the Commission hereby adopts the Governor's proposed Sustainable Energy Plan with modifications based on information gathered through the Sustainable Energy Initiative and Staff's Report.

IT IS FURTHER RESOLVED that the Renewable Portfolio Standard should be set as follows: 2% of the bundled retail load should be obtained from renewable energy resources as defined below in 2007, 3% in 2008, 4% in 2009, 5% in 2010, 6% in 2011, 7% in 2012 and 8% in 2013.

IT IS FURTHER RESOLVED that sources of renewable energy shall include wind, solar thermal energy, photovoltaic cells and panels, dedicated crops grown for energy production and organic waste biomass, methane recovered from landfills, hydropower that does not involved the construction of new dams or significant expansion of existing dams, and other such alternative sources of environmentally preferable energy.

IT IS FURTHER RESOLVED that the Illinois Commerce Commission recognizes the benefits to Illinois by implementing the Sustainable Energy Plan, including using renewable energy and energy efficiency as a hedge against rising fossil fuel costs, and demand response as a mechanism to maintain system reliability and lower prices for all customers. Additionally, the Sustainable Energy Plan will create economic benefits in rural areas, create jobs and reduce air pollutants.

IT IS FURTHER RESOLVED that 75% of the renewable energy used to meet the renewable portfolio standard should come from wind power, 25% should come from other sources as defined above.

IT IS FURTHER RESOLVED that the Illinois Commerce Commission will review the Renewable Portfolio Standard every year after its implementation to assess the progress toward meeting the Standard.

IT IS FURTHER RESOLVED that the Energy Efficiency Portfolio Standard should be set as follows: years 2007-2008 at 10% reduction in load growth, years 2009-2011 at 15% reduction in load growth, years 2012-2014 at 20% reduction in load growth and years 2015-2017 at 25% reduction in load growth.

IT IS FURTHER RESOLVED that the Illinois Commerce Commission encourages creativity and innovation with respect to energy efficiency programs and urges participants to explore all possible options.

IT IS FURTHER RESOLVED that any entity participating in the Sustainable Energy Plan shall procure renewable energy and energy efficiency services through arms-length transactions.

IT IS FURTHER RESOLVED that the Chairman of the Illinois Commerce Commission shall appoint members to the Illinois Sustainable Energy Advisory Council within thirty (30) days of the adoption of this resolution.

IT IS FURTHER RESOLVED that the Illinois Commerce Commission expects electric public utilities and alternative retail electric suppliers to participate in the Sustainable Energy Plan by filing appropriate documentation to implement the Plan within thirty (30) days of the adoption of this resolution.

Adopted by the Commission this 19th day of July, 2005

(SIGNED) Edward C. Hurley

Chairman