

Legislative & Regulatory Backdrop for Chicago Community Trust Critical Infrastructure & Microgrids Workshop

Chris Townsend

Energy Law Partner, Clark Hill PLC

May 16, 2017

CLARK HILL

ARIZONA | DELAWARE | ILLINOIS | MICHIGAN | NEW JERSEY | PENNSYLVANIA | WASHINGTON, DC | WEST VIRGINIA

CLARK HILL PLC

An entrepreneurial full-service law firm consistently providing client-centered solutions to clients ranging from individuals and innovative start-ups to Fortune 500 corporations.

FAST FACTS:

Attorneys & Professionals: 350+

Offices: 12 Nationwide

Year Established: 1890

Full Service:

- Business Legal Services
- Personal Legal Services
- Government & Public Affairs

Prominence:

- AM Law 200 Ranked
- Ranked as a top 100 client service law firm in the U.S. by BTI
- 64 Best Lawyers in America
- 114 Super Lawyers/Rising Stars
- 14 Chambers USA Ranked Attorneys

FUTURE ENERGY JOBS ACT

- **PA 96-0906 (aka “the Future Energy Jobs Act” or “FEJA”) is a broad rewrite of Illinois energy policy.**
- **503-page law that significantly amends the Illinois Public Utilities Act and the Illinois Power Agency Act.**
- **Approved by both the Illinois House and Illinois Senate on December 1, 2016.**
 - **Significant “eleventh hour” changes, revising and removing key provisions – including Microgrid language.**
 - **Highly contentious legislative and lobbying efforts.**

FUTURE ENERGY JOBS ACT

- Gov. Rauner acknowledged that FEJA provides a subsidy to uneconomic Exelon nuclear plants -- and he normally would not support subsidies -- but in his view energy markets are already full of subsidies.
- Gov. Rauner signed the legislation into law at ceremonies in Clinton and the Quad Cities on December 7, 2016.
- FEJA does not have a stated “effective” date. Effective date was dropped at the last minute to lower the number of votes needed for passage. Thus, it will automatically become “effective” June 1, 2017.

FUTURE ENERGY JOBS ACT

- Most coverage of FEJA focused on the Exelon nuclear “bailout” provisions, known as the “Zero Emissions Credit” or “ZEC” provisions.
- FEJA also significantly changes Illinois law on other topics, including:
 - Energy efficiency requirements and applicability, as well as utility cost recovery and revenue generation.
 - Voltage Optimization.
 - Renewable Portfolio Standards.
 - Additional funding for renewables.

NEXTGRID

- **On March 22, 2017 the Illinois Commerce Commission passed a Resolution launching “NextGrid” -- an 18-month inclusive, consumer-focused, collaborative study designed to develop tangible actions and policies. (ICC Docket No. 17-0142)**
- **Convened by the ICC and led by an expert facilitator, the NextGrid process will evaluate new technologies, utility business models, and regulatory strategies to transform the state's grid into a more flexible and efficient resource.**
- **Topics to be addressed include:**
 - **Consumers, Communities, and Economic Development.**
 - **Grid Design, Digital Networks, and Markets.**
 - **Regulation and Encouraging Innovation.**
 - **Climate Change and the Environment.**

**LOOKING FORWARD TO OUR DISCUSSION.
THANK YOU!**



Chris Townsend

312.517.7555

ctownsend@clarkhill.com