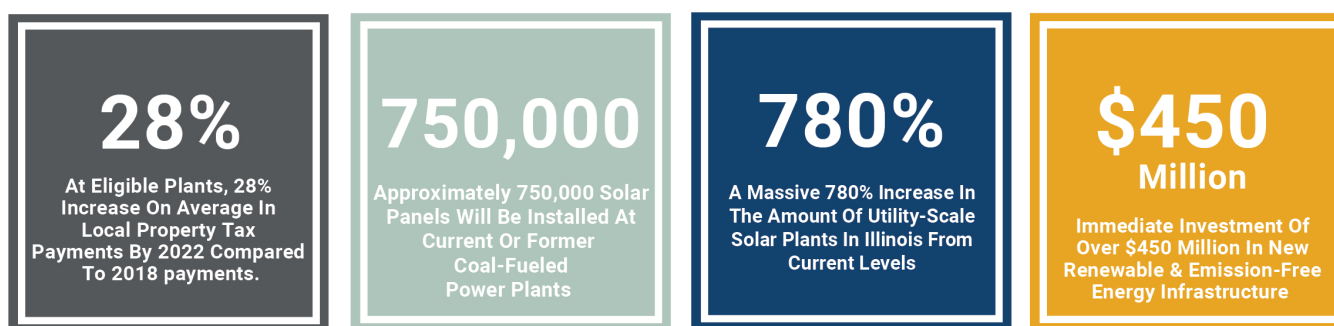


## The Illinois Coal to Solar and Energy Storage Act of 2020 – (HB 5663 & SB 3848)

The **Illinois Coal to Solar and Energy Storage Act** is a bold and visionary proposal to expand and deploy renewable energy technologies at existing power plant sites across the central and southern Illinois. The plan calls for the reinvestment of over \$450 million at 10 power plants to immediately develop approximately 300 megawatts (MW) of utility-scale solar projects and approximately 150 MW of new energy storage facilities. This investment will support approximately 2,000 union construction jobs and provide a new or enhanced tax base for local plant communities for decades to come.

The renewable and emission-free electricity infrastructure will be located at the site of repurposed or existing coal power plants and will start coming online as early as 2022/2023 and no later than 2025. Currently, Illinois only has approximately 40 MW of large-scale solar facilities and 130 MW of energy storage capacity. The Act incentivizes an immediate infusion of over \$450 million in renewable energy infrastructure across central and southern Illinois to increase the state's renewable energy portfolio and help achieve its emission reduction commitments.

### The Coal To Solar And Energy Storage Act By The Numbers:



The Act helps Illinois transition to a new, renewable energy future to benefit future generations to come by unlocking the benefits of the renewable energy economy by:

- **Investing in Shovel-ready Renewable Energy Projects at Legacy Plant Sites:** To spur the transition toward renewable energy sources, the Illinois Power Agency (IPA) will award 15-year contracts to owners of existing plants to provide renewable energy credits from emission-free generation that will be built at the legacy plants. Union labor will construct and operate the new solar and energy storage facilities which will come online by 2022/2023.
- **Increasing Grid Stability, Reliability, and Renewable Resources Through New Energy Storage:** To further enhance the grid's stability, reliability, and ability to best utilize renewable power, approximately 150 MW of energy storage will be built across central and southern Illinois and come online between 2023-2025. As a result, Illinois would have the largest network of energy storage facilities in the Midwest and one of the largest in the nation.
- **Reinvesting in Downstate Plant Communities and Supporting Local Business Property Tax Base:** Power plants are often a leading source of property tax revenue for local communities, helping pay for local schools, public safety, and municipal services. The reinvestment in renewable technology benefits the local tax base and it is estimated that fleetwide, average property taxes will increase by 28% compared to 2018 levels.
- **Repurposing Coal Plants And Existing Transmission Infrastructure Is Environmentally Responsible:** The plan calls for existing plants, interconnects, and transmission lines to be re-used for the new renewable energy infrastructure. This benefits the environment and reduces the need to build and develop expensive new transmission lines across Illinois, while facilitating utility-scale solar and energy storage projects.
- **Responsibly Maintaining Electricity Assets In Illinois As Renewables Come Online:** For a variety of longstanding factors, between 2015 and 2022 approximately 4,700 MW – enough power for 2.3 million homes – of electricity generation capacity has closed or will close in the downstate Illinois MISO Zone 4 market. The Act has a transition plan, tied to market prices, to keep 2,200 MW of existing in-state generation capacity that is at-risk of premature closure in operation through 2025. This gives more time for additional in-state renewable generation to be planned and built. In 2025, market conditions and other policy decisions will determine the future of the remaining legacy coal plants.

## How It Works: The Illinois Coal to Solar and Energy Storage Act

Illinois can quickly pivot its legacy downstate energy fleet to be part of the renewable energy economy through a partnership between the State of Illinois, Illinois Power Agency, the Illinois subsidiaries of Vistra Energy and utility companies. Under the transformation plan, the State will spur the rapid development and deployment of more than 300 megawatts (MW) of new utility-scale solar plants and approximately 150 MW of new energy storage facilities across central and southern Illinois.

**The Illinois Coal to Solar and Energy Storage Act** (HB 5663 & SB 3848) establishes a reasonable, affordable, and achievable transition plan for downstate generation that works within preestablished rate-caps:

**Facilitates An Investment of Over \$450 Million In New Utility-Scale Renewable Energy Assets:** To ensure the rapid deployment of utility-scale renewable energy infrastructure, the Illinois Power Agency (IPA) will award 15-year contracts to owners of existing plant sites to provide an aggregate amount of 400,000 to 600,000 Renewable Energy Credits (RECs) per year, priced at \$35 per REC. Vistra and its subsidiaries will be solely responsible for the initial capital investment needed to develop and build the energy infrastructure required under the plan.

**Shovel-ready Solar and Energy Storage Projects Come Online Between 2022 and 2025:** Since Vistra already owns all of the land and transmission infrastructure at its sites, the renewable energy projects can be quickly built with union labor. Vistra has already taken the steps to design the solar and energy storage facilities and seek approval from grid operators to connect the new renewable energy assets to the grid – a costly process that can take years. These projects are shovel-ready and can begin as soon as 2021.

**New Utility-Scale Renewable Energy Infrastructure Builds On Previous Efforts:** The Act builds on previous legislative efforts to encourage renewable energy assets across Illinois and calls for the creation of utility-scale solar and energy storage. Today, Illinois only has 40 MW of large-scale solar facilities and 130 MW of energy storage. This plan diversifies Illinois' renewable portfolio and Vistra is one of the most experienced developers of utility-scale solar and energy storage facilities in the nation.

**Responsibly Maintain Existing Energy Assets Through 2025:** For a variety of longstanding factors, between 2015 and 2022 approximately 4,700 MW of generation capacity – enough power for 2.3 million homes – has closed or will close in Illinois MISO Zone 4 market. The Act provides a mechanism, tied to market prices for capacity, to provide transition assistance of no more than \$92.5 million/year in total, and very likely less, to keep up to 2,200 MW of electric generation capacity online through 2025.

After 2025, market conditions and other policy decisions will determine the future of the remaining legacy coal-fueled plants, but this assistance period gives union energy workers and their families, local communities, vendors, and suppliers time to prepare and transition, while helping ensure there is sufficient generation capacity to meet the downstate MISO Zone 4 needs while more renewable generation is planned and built.

**Coal to Solar and Energy Storage Initiative Charge:** These programs will be funded through a new statewide add-on charge to delivery service customers. Any collections of the charge not needed for funding of the programs will be refunded to customers.

**An Affordable Investment In A Renewable And Emission-Free Future:** Over the life of the program, it is estimated that a typical residential consumer would pay about \$0.27/month for the benefit of providing a reasonable transition to renewable and emissions-free energy assets across Illinois, creating thousands of construction jobs and economic value.

**A Decreasing Financial Impact Over Time:** It is projected that an average monthly residential user would pay \$0.60/month until 2024; drop to \$0.43/month for 2025; then \$0.21 from 2026-2033; and continue to drop until the end of the program in 2037.