



OFFICE OF THE GOVERNOR

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CHICAGO, ILLINOIS, 60601

Pat Quinn
GOVERNOR

March 3, 2009

The Honorable Charles E. Box
Chairman
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

RE: State Energy Program Funding

Dear Chairman Box:

I am attaching the relevant section of the recently passed American Recovery and Reinvestment Act of 2009 (H.R. 1)(ARRA), which contains a requirement that Governors make certain assurances regarding energy efficiency programs as a condition of the State receiving our share of \$3.1 billion from the Federal State Energy Program (SEP).

Within the limits of my authority as Governor, and fully recognizing that you have been appointed to an independent regulatory agency, I request that you consider appropriate additional steps consistent with State law, the attached statute and relevant PURPA requirements, to advance energy efficiency programs. I am asking our state energy director to work with you and answer any questions you might have. Such coordination can benefit the public.

I further request that you inform me of your actions.

Sincerely,

A handwritten signature in blue ink that reads "Pat Quinn".

Pat Quinn
Governor

cc: Jonathan Feipel, State Energy Director and Deputy Director, Department of Commerce and Economic Opportunity, Bureau of Energy and Recycling

SEC. 410. ADDITIONAL STATE ENERGY GRANTS.

(a) IN GENERAL.— Amounts appropriated under the heading “Department of Energy—Energy Programs—Energy Efficiency and Renewable Energy” in this title shall be available to the Secretary of Energy for making additional grants under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.). The Secretary shall make grants under this section in excess of the base allocation established for a State under regulations issued pursuant to the H. R. 1—33 authorization provided in section 365(f) of such Act only if the governor of the recipient State notifies the Secretary of Energy in writing that the governor has obtained necessary assurances that each of the following will occur:

- 1) The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the State regulatory authority has ratemaking authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provide timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers’ incentives to use energy more efficiently.
- 2) The State, or the applicable units of local government that have authority to adopt building codes, will implement the following:
 - a. A building energy code (or codes) for residential buildings that meets or exceeds the most recently published International Energy Conservation Code, or achieves equivalent or greater energy savings.
 - b. A building energy code (or codes) for commercial buildings throughout the State that meets or exceeds the ANSI/ASHRAE/IESNA Standard 90.1–2007, or achieves equivalent or greater energy savings.
 - c. A plan for the jurisdiction achieving compliance with the building energy code or codes described in subparagraphs (A) and (B) within 8 years of the date of enactment of this Act in at least 90 percent of new and renovated residential and commercial building space. Such plan shall include active training and enforcement programs and measurement of the rate of compliance each year.
- 3) The State will to the extent practicable prioritize the grants toward funding energy efficiency and renewable energy programs, including—
 - a. the expansion of existing energy efficiency programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded—
 - i. by the State; or
 - ii. through rates under the oversight of the applicable regulatory authority, to the extent applicable;

- b. the expansion of existing programs, approved by the State or the appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives, and other forms of financial assistance; and
- c. cooperation and joint activities between States to advance more efficient and effective use of this funding to support the priorities described in this paragraph.

(b) STATE MATCH.—The State cost share requirement under the item relating to “Department of Energy; Energy Conservation” in title II of the Department of the Interior and Related Agencies H. R. 1—34 Appropriations Act, 1985 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assistance provided under this section.

(c) EQUIPMENT AND MATERIALS FOR ENERGY EFFICIENCY MEASURES AND RENEWABLE ENERGY MEASURES.—No limitation on the percentage of funding that may be used for the purchase and installation of equipment and materials for energy efficiency measures and renewable energy measures under grants provided under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.) shall apply to assistance provided under this section.