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Profile: Illinois' Climate and Equitable Jobs Act

An overview of this bill aims to do, and lessons learned



ECEE Mission Statement

Identify new approaches and tools to address equity issues for at-risk communities during the transition to a clean economy.

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www.eceecollaborative.com*

Profile Purpose Statement

The ECEE profiles are an opportunity for members and the public to learn from ideas being practiced by organizations and people at the local, regional, and national level.

These ideas and best practices can be taken and applied to better strengthen communities and make a more equitable society.

The Climate and Equitable Jobs Act

In September 2021, Illinois state legislature passed The Climate and Equitable Jobs Act, which aims to aggressively combat climate change and reduce carbon emissions. This bill is not only focused on carbon emissions, but also on the equity and justice side of climate change and clean energy.

Some of the key goals in the 900-page legislation are:

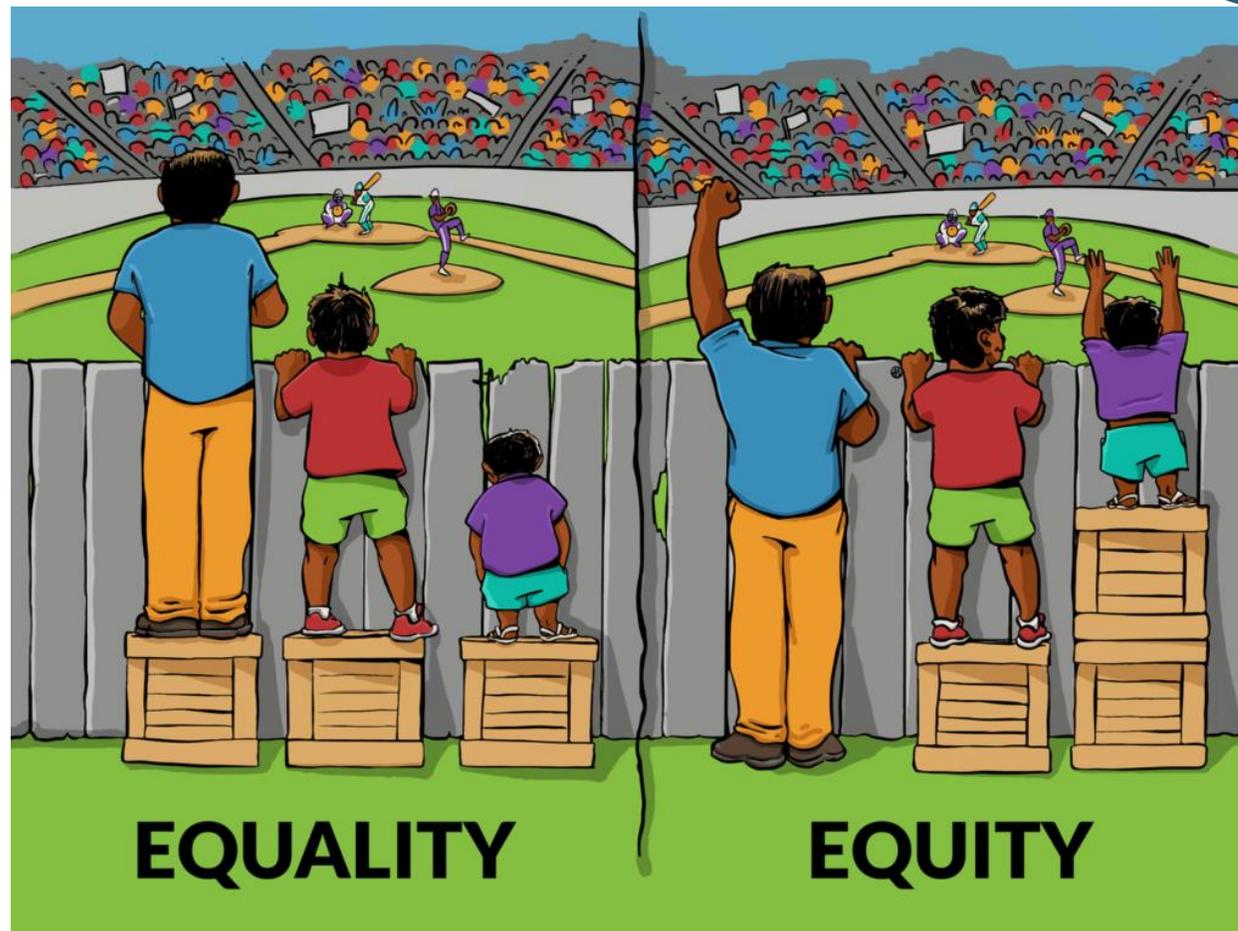
- Zero-emissions power sector by 2045
- Quintuple renewable energy generation by 2040
- Invest in disadvantaged communities

Defining Equity

Despite being climate-legislation with a focus on social equity and justice issues, neither equity nor justice is defined in the bill

A similar equity-focused climate bill passed in Washington State and did not provide definitions to these terms

Lacking a common definition of equity, the goal of a lot of the policy within in these kind of bills, could make it more difficult to assess the success of these policies



Illinois Power Agency (IPA) Definitions: The bill does refer to the IPA on certain topics.

Environmental Justice

“[A]ll people should be protected from environmental pollution and have the right to a clean and healthy environment.”

Environmental Justice Communities

“[A] community with a low-income and/or minority population greater than twice the statewide average.”

Community-led Legislation

Numerous nonprofits and community advocate groups were the primary voice on the topic

As legislation like this is enacted, more states could take this approach

A few of the groups involved:

- [Illinois Clean Jobs Coalition](#)
- [Climate Jobs Illinois](#)
- [Path to 100](#)



Illinois
CLEAN JOBS
Coalition



Renewable Energy Investments

Renewable energy was responsible for about 11% of Illinois' energy, this new bill will aim to increase that standard to 40% by 2030 and 50% by 2045

The bill provides well over \$1 billion in investments in wind, solar, and nuclear

Up to \$580 million in subsidies for solar and wind projects

Nearly \$700 million over five years to three nuclear plants that were in danger of being closed



Electrifying Transportation

The Act establishes several targets for electrifying transportation, particularly for individual electric vehicles

A goal of 1 million electric vehicles by 2030; a maximum \$4000-per-vehicle rebate will be the primary mechanism to encourage people to adopt EVs

\$78 million/year for 10 years dedicated to expanding EV access, with 45% of benefits must go to environment justice and economically disadvantaged communities

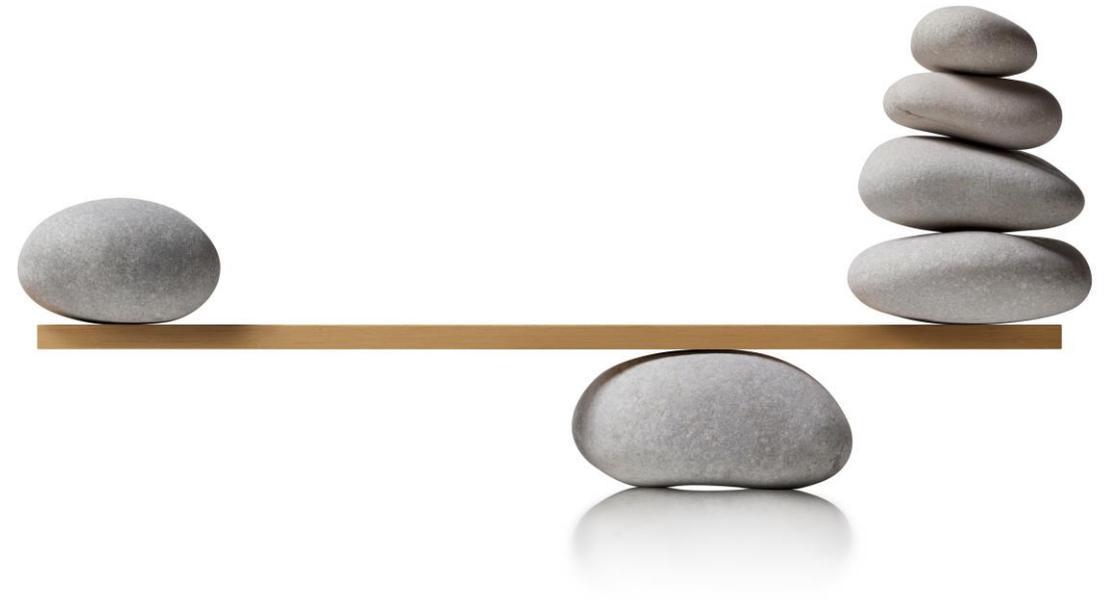
This act also created an ‘EV Coordinator’ role within Illinois’ Environmental Protection Agency that will oversee resource distribution as it relates to electric vehicles

Equity/Justice Component

A major piece of this legislation is the focus on an equitable transition, ensuring that people and communities that have historically carried the burden of environmental damages are able to reap the benefits of a clean energy economy

With this goal in mind, Illinois will invest in \$115 million per year with a focus on clean energy job creation, particularly for communities and people of color

- Job training
- Career pipeline
- Small, clean energy business investment and incubation



Equity/Justice Component Continued

Communities that have economically benefitted from fossil fuels will also be a priority for economic development investments, with \$40 million a year dedicated to:

- Replace lost property taxes
- Economic development and job training
- Creation of a ‘bill of rights’ for displaced workers, including providing services and retraining

Coal and gas plants will be all retired by 2045, with priority of retiring plants closer to environmental justice communities

Environmental justice communities are defined by the Illinois Power Agency:

Utility Ethics Reform

One focus of the bill is to create new ethical guidelines for utilities and tie profits to advancing equity goals

- Replace formula rates with a system that ties equity goals and utilities' profits together
- Provide resources and method of communities to provide more input on system planning in order to increase transparency and equity
- Creation of a Public Utility Ethics and Compliance Monitor, who reports directly to the Executive Director of the Illinois Commerce Commission
- Requires utilities to create a Chief Ethics and Compliance Officer that must submit annual reports to the Illinois Commerce Commission. Duties include:

Duties of Chief Ethics and Compliance Officer

Below are the five listed duties of the Chief Ethics and Compliance Officer required for each utility:

- Oversee creation/implementation of code of ethical conduct for the utility
- Oversee training for all level of utility employees
- Oversee monitoring of contractors, consultants, and vendors to ensure code compliance
- Annual review of the public utility's internal controls, code of ethical conduct, and procedures to assess effectiveness
- Maintain records of all conduct determined to be in violation of IL law

Part of a Larger Movement

The Illinois legislation is a piece of a larger, national movement towards a clean energy transition

In Fall 2021, the Biden administration signed a \$1 trillion infrastructure bill with significant clean energy and climate targets attached

Biden launched the Justice40 initiative requiring 40% of the benefits of investments made into a clean energy economy must go to environmental justice communities

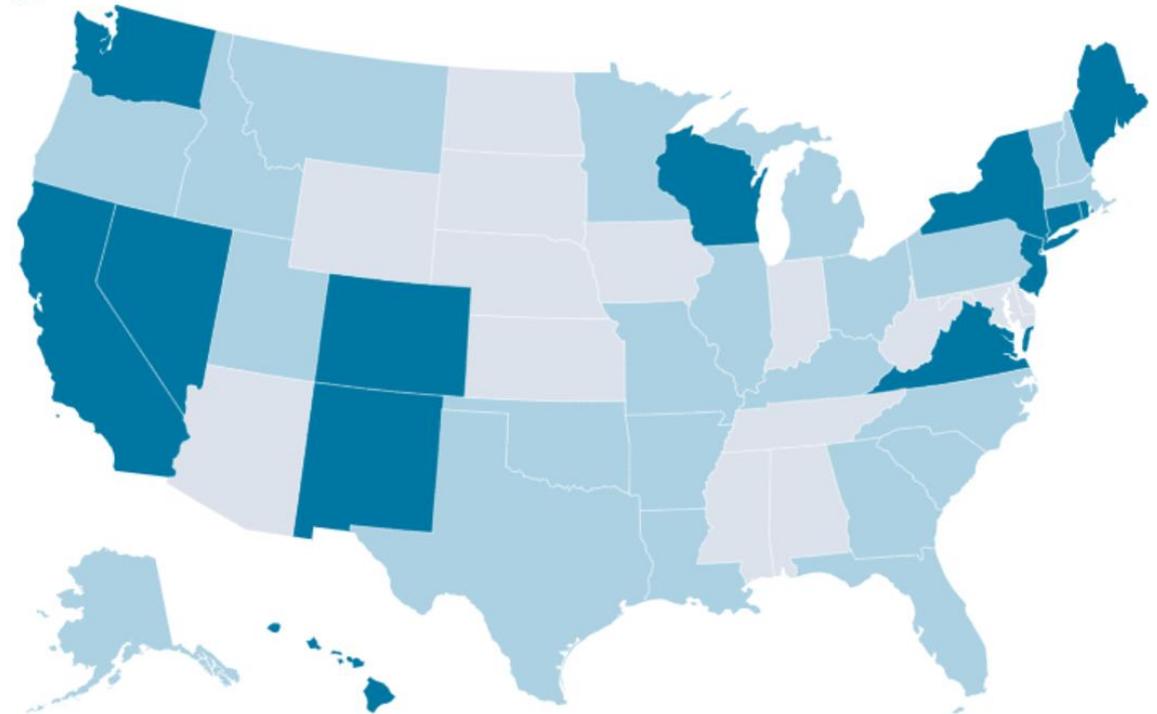
Several states have already passed their own bills laying the out the roadmap for a clean transition

- Washington State – [Clean Energy Transformation Act](#)
- California – [100 Percent Clean Energy Act](#)
- Nevada – [Senate Bill 358](#)

100 percent clean policies by state as of April 2020

Action taken at:

■ State level ■ City/County level ■ No action taken



Lessons Learned

This legislation is the most aggressive among states, both in terms of its climate goals but also for its focus on equity

As environmental justice and equity issues rise to the forefront of climate issues, community-driven change will become more and more prominent

Involvement for utilities will vary by state, the Illinois model of not consulting utilities could spread

It's too early to see the impact of this legislation, both on larger social level but also on an operational level for energy providers

Both the Illinois bill and Biden's Justice40 Initiative are focused on guaranteeing a certain level of 'benefits' to frontline communities, however there is no published measuring tool for either at this moment. Equity measurements will be an important tool moving forward

Contact

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