

HB3624/SB2132 CEJA IS THE WRONG APPROACH FOR IL

THE BILL IMPOSES BILLIONS IN COSTS ON ILLINOIS CITIZENS AND BUSINESSES WITHOUT MUTUAL BENEFIT

The Illinois Chamber of Commerce seeks energy policies that promote competitive costs and markets, electricity reliability and that any investment asked of ratepayers is appropriate and delivers a measurable benefit. Illinois lawmakers are being told that the Clean Energy Jobs Act (CEJA) is critical to prevent staggering increases in Illinoisans' electricity bills. The reality is that CEJA's 600 pages will inflict billions of dollars in increased energy costs on Illinois ratepayers. This is not a choice between supporting green technologies/lowering emissions and cost. Both are achievable through proven innovation and competition.

CEJA'S MOST TROUBLING ATTRIBUTES

1. Decarbonize the Electricity Sector by 2030/ Mandate 2050 Renewables

- Costs to decarbonize with today's technology are staggering – approx. \$4.5 trillion nationwide— roughly \$35,000 per Illinois household. Entities like MIT and the UN Intergovernmental Panel on Climate Change stress the need for negative, low carbon and renewable technologies to cap warming at 2°C and decarbonize at least cost.
- Mandating the use of one technology type for generation limits Illinois' ability to support other technologies to meet its electricity needs and reduce emissions. Renewables provide a great value to consumers and the environment but cannot support all Illinois' electricity needs alone.

2. Electricity Capacity Market Reforms

- CEJA directs Illinois to procure capacity for the ComEd zone. Capacity is the guarantee of future access to electricity. Proponents argue Illinois needs to act to protect against a potential change by federal energy regulators to the market process for securing capacity prices.
- Illinois utility bills could increase by roughly \$22-a-month, or \$2 billion across ComEd in one year. Compared to a utility in PJM that acquires its own capacity now, APCo's (VA/WV) price in the latest capacity market was \$403.35 MW/Day. ComEd's was \$215 MW/Day in PJM's capacity market.
- Claims these changes are needed to save ratepayers money are unfounded. If the savings existed, large energy users would be supportive of this proposal, which they are not. Proponents also have no authority to know how the Federal Energy Regulatory Commission (FERC) will rule on the pending docket and claims for immediate action are fear mongering. Illinois should wait for the FERC ruling.

3. Major Unfunded Initiatives/Unworkable Renewable Provisions

- CEJA includes over 22 unfunded initiatives that lack budgets or cost caps. Several require the utilities to ratebase expenses and lack real assessment metrics, which lead to long-term rate increases.
- It also includes inflexible mandates on renewable developers regarding hiring that no other energy entities or utilities need to meet.

WHERE DO WE GO FROM HERE?

Illinois must address the unfair costs on large users and employers, who pay the brunt of new energy programs and changes through increased electricity bills, forgoing hiring and jobs, and investments in environmental controls. Illinois cannot continue to burden our job creators with the weight of these changes.

The Chamber is willing to consider reasonable approaches to many of the pending proposals, including:

- Workforce Development
- Ensuring reliability across the state
- Formula Rates
- Renewable Development
- Solutions for Large Users
- Market-based approaches to support low-carbon/clean energy

The Chamber is open to discussions but is committed to ensuring ratepayers are not unduly burdened by legislation that will impede economic growth and threaten energy reliability.