



OFFICE OF THE GOVERNOR

NEWS

ROD R. BLAGOJEVICH - GOVERNOR

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Gov. Blagojevich Commends Illinois Commerce Commission for Adopting Sustainable Energy Plan

*Plan Will Give Wind Power a Major Boost and
Generate Billions in New Investment in Illinois*

CHICAGO – Today, the Illinois Commerce Commission adopted Gov. Blagojevich’s Sustainable Energy Plan. The plan will greatly increase the use of renewable energy and energy efficiency that will create jobs, boost investment in rural communities, protect the environment, promote energy independence and help stabilize energy prices.

“The ICC clearly recognizes how renewable energy can improve our quality of life,” Gov. Blagojevich said. “Relying more on our homegrown energy sources will not only make our air cleaner to breathe, but will also provide consumers some relief from high gas prices, help make the energy grid more reliable, and bring much-needed jobs and economic growth to our rural communities.”

Gov. Blagojevich praised the leadership of Commissioner Bob Lieberman, who led the ICC review of the plan, and utility companies, consumer watchdog groups and environmental organizations for coming to agreement after years of deadlocked negotiations.

Under the plan’s Renewable Portfolio Standard, the state’s largest electric utilities will begin supplying 2% renewable energy to their Illinois customers by January 1, 2007, increasing 1% annually to 8% by 2013. Illinois currently gets only about one-half of one percent of its electricity from renewable resources and has only about 100 megawatts of wind energy in operation. Under the Governor’s plan, this requirement will lead to more than 3,000 megawatts of power generated from renewable sources by 2013, enough to serve about 1 million Illinois households. At least 75% of this renewable energy – or more than 2,000 megawatts – would be generated by wind power, Illinois’ most abundant and affordable renewable energy resource.

The ICC also adopted an Energy Efficiency Portfolio Standard that will lead to greater investment by electric utilities in programs that save energy. By 2007, electric utilities will meet 10% of growth in demand for electricity through energy efficiency, ramping up to 25% by 2015. Under the plan, utilities will help their customers install more efficient heating and cooling systems, lights and equipment that will slow the growth in energy use and help lower energy bills for homes and businesses.

Consumer advocates lauded the Sustainable Energy Plan for its ratepayer protections. “The Governor’s plan is a smart way to help shield Illinois ratepayers from rising energy prices,” said Marty Cohen, Executive Director of the Citizen’s Utility Board. “Energy efficiency will save consumers money and

getting more electricity from renewable resources like wind power that are immune from volatile fossil fuel prices will benefit consumers through lower and more stable electricity rates.”

Environmental groups also praised the decision. “We thank Gov. Blagojevich and the ICC for taking this historic first step in Illinois history toward a more secure energy future that will also help protect public health and the environment,” said Jonathan Goldman, Executive Director of the Illinois Environmental Council, a statewide coalition of environmental organizations. “We will continue to work with the ICC and the utilities to fully implement the Sustainable Energy Plan and realize the Governor’s vision.”

“Today’s action by the Commission is a step in the right direction towards making Illinois a leader in clean energy development. If implemented effectively by ComEd and Ameren, the Governor’s Sustainable Energy Plan can be a win-win-win for Illinois by creating jobs, boosting rural economic development, and creating a healthier environment for everyone,” said Howard A. Learner, Executive Director of the Environmental Law & Policy Center. “We look forward to joining the Governor and Lieutenant Governor in working cooperatively to achieve the full implementation of the Governor’s Sustainable Energy Plan.”

“The Sustainable Energy Plan will increase our use of Illinois’ untapped renewable energy resources,” said Lt. Gov. Pat Quinn, who chaired the Governor’s Blackout Solutions Task Force. “Boosting our use of All-American energy will put Illinois on a path to greater energy security and a cleaner environment.”

Both of Illinois’ two largest electric utilities – ComEd and Ameren Corporation – have pledged to implement the plan and will begin accepting proposals from wind developers this fall.

“We are excited to work with Gov. Blagojevich and the ICC to bring more renewable energy to Illinois,” said Frank M. Clark, ComEd President. “We’re committed to following the Governor’s timetable and, with Commission approval, supporting the level of investment specified in the Governor’s plan. Cooperation from all interested parties will allow us to meet that schedule and we look forward to working with these groups over the next few months.”

“We believe the Governor’s sustainable energy plan will attract the necessary renewable generation to Illinois to make this program work. Ameren pledges to take the necessary steps to implement the Governor’s Sustainable Energy Plan as adopted today by the Illinois Commerce Commission,” said Ameren Senior Vice-President Steven Sullivan. “The ICC’s resolution sets out a clear timeframe and objectives that, with the help of the ICC and other stakeholders, we fully intend to achieve.”

A recent study by the University of Illinois at Chicago Energy Resources Center found that the Governor’s Sustainable Energy Plan will give Illinois’ economy a boost while reducing air pollution. The study concluded that producing 8% of electricity from renewable energy by 2012 would create 7,800 jobs and generate nearly \$9 billion in additional household and business income. The study also concluded that, by 2012, renewable energy generation will reduce sulfur dioxide and nitrogen oxides emissions equivalent to four mid-size power plants operating today.

Wind farms benefit rural communities by providing property tax revenue for local governments and additional income for farmers and landowners who host wind turbines on their property. In Illinois, a single wind turbine can provide \$3,000-\$5,000 annually in income, while farmers can continue to raise crops or livestock up to the foot of the turbines.

ICC adopts governor's plan on sustainable energy

July 20, 2005

BY MARY WISNIEWSKI Business Reporter

Renewable energy sources like wind and sun could supply 8 percent of Illinois' electric supply by 2013, under an energy plan adopted by a regulatory commission Tuesday.

After five months of discussion with ComEd, Ameren and other stakeholders, the Illinois Commerce Commission adopted Gov. Blagojevich's Sustainable Energy Plan.

Under the voluntary plan, Illinois' electric utilities will begin acquiring 2 percent of their electricity from sources such as wind and methane captured from landfills by the end of 2006, ramping up in 1 percentage point annual increments to 8 percent.

"With oil, natural gas and coal prices at near record highs, the governor's plan offers Illinois rate payers a hedge against high energy prices," said Commissioner Bob Lieberman. The ICC changed the deadline to meet the 2 percent target in the governor's plan to 2007 from 2006, to allow utilities enough time to enter contracts.

"We'll be soliciting bids from wind developers. We hope to conclude that by the end of the year," said Arlene Juracek, ComEd vice president of energy acquisition.

Besides creating alternatives to fossil fuel, the energy plan is also intended to create jobs and income in rural areas -- the likely spots for wind farms -- and achieve cleaner air. A total of 75 percent of utility's renewable energy portfolio will come from wind energy.

More than a dozen new wind energy projects are planned for Illinois, including the world's biggest wind farm in McLean County, which will have several hundred wind turbines capable of producing 400 megawatts of power, according to Steve Frenkel, senior environmental and energy policy adviser for Illinois. The farm is being developed by Texas-based Zilkha Renewable Energy

"The goal is to get the wind farms built in 2006 to take advantage of the federal renewable tax credits that expire by the end of the year," Frenkel said.

The ICC staff proposed that expenditures on renewable energy should not be permitted to increase rates for customers by more than half a percent in any one year, or by more than 2 percent cumulatively.

Investment and development in wind farms are expected to pick up speed because of the plan.

"If the governor's plan is carried forward, it will result in significant development of wind power in Illinois," said Stefan Noe, president of Chicago-based Midwest Wind Energy, which developed the Crescent Ridge wind farm project. "Illinois stands to be one of the leading states" in this technology, Noe said.

Illinois currently gets only one-half of one percent of its electricity from renewable sources.

The energy plan also includes an efficiency component, under which utilities will create programs to reduce 10 percent of electricity demand by 2007 by helping customers invest in energy-saving equipment and technology. The target is to cut 25 percent off Illinois' increasing energy demand by 2015.

Illinois Lt. Gov. Pat Quinn, who will chair a state advisory council to monitor the plan's implementation, said he would have preferred the goals were mandatory. However, he said it's a "good step forward" for "all-American energy."

Pros, cons and hows of wind power

Wind turbines in rural Illinois don't look like the windmills jostled by Don Quixote, or painted in blue onto Delft china.

They're sleek and metal, like the pinwheel of a giant robot child. Wind energy is the world's fastest growing energy technology, and is one of the lowest-cost renewable energy sources, according to the Energy Department's Web site. The state of Illinois' recommendation calls for 75 percent of a utility's renewable energy portfolio to come from the wind.

According to the DOE, turbines operate like this: The wind turns the blades, which spin a shaft, which connects to a generator, which makes electricity. The electricity is sent through transmission and distribution lines to homes and businesses.

An advantage of wind turbines as opposed to other power sources is that they are clean. They don't burn fossil fuels or generate nuclear waste. A disadvantage is that wind is intermittent, and doesn't always blow when energy is wanted. Also, birds can get killed in the blades.

One reason Illinois is a good place to build wind farms is that while there are states with gustier winds, Illinois has a robust electrical grid and a large population, which eases distribution, according to Steve Frenkel, senior environmental and energy policy adviser for Illinois.

From the Daily Herald

Governor's energy plan is adopted

From Daily Herald news services

Posted Wednesday, July 20, 2005

After five months of public comment and deliberation, the Illinois Commerce Commission Tuesday adopted Governor Blagojevich's Sustainable Energy Plan.

The ICC resolution reflects the proposal the governor submitted to the ICC last February that called for both a Renewable Energy and Energy Efficiency Portfolio Standard.

Illinois' electric utility companies will need to acquire 2 percent of their electricity from renewable sources like wind, methane captured from landfills and crops and organic waste by the end of 2006, ramping up in 1 percent annual increments to 8 percent by 2012.

Utilities also must create new programs to reduce 10 percent of rising electricity demand by 2007 by helping their customers invest in energy saving equipment and technology. By 2015, these energy efficiency programs will reduce 25 percent of Illinois' increasing energy demand.

The ICC expects Illinois' electric utilities to file plans to comply within 30 days.

Renewable energy standards approved

By Mike Colias , July 20, 2005

CHICAGO -- State energy regulators on Tuesday approved a plan that sets targets for the percentage of power supplies electric companies get from wind or other renewable sources.

The new standards should help the environment and protect electricity customers from spikes in oil prices, which drive up power-generation costs, the Illinois Commerce Commission said after adopting the proposal Tuesday.

"This is the start of learning how to use electricity smarter and more efficiently, and producing electricity that isn't exposed to the risks of the fossil fuel market," ICC Commissioner Bob Lieberman said.

By the end of 2006, Illinois power companies are expected to obtain at least 2 percent of their electricity portfolio from renewable sources, such as wind or methane from landfills. The percentage grows 1 percent every year to 8 percent by 2012.

The regulations are voluntary, but Lieberman said the state could sue if utilities that have formally agreed to meet the standards back out. Both Commonwealth Edison and Ameren Corp. -- the state's largest utilities -- said Tuesday they would comply with the new standards.

"We're very excited and interested in doing what we can to make it work," said Arlene Juracek, vice president of energy acquisition for ComEd.

The ICC still must determine a process to allow utilities to pass along any added costs of buying renewable power to customers, Lieberman said. He said any increase would be capped at a half-percentage above conventional generation costs.

Juracek said ComEd now gets about 100 megawatts, or less than 1 percent of its supply, from renewable sources. She said the 2 percent target for ComEd is about 250 megawatts -- enough to power about 100,000 homes.

Job creation

Gov. Rod Blagojevich in February submitted the proposal to the ICC as a way to reduce air pollution and create jobs through construction of wind farms and other renewable projects.

"Relying on homegrown energy sources will not only make our air cleaner to breathe, but will provide consumers some relief from high gas prices ... and bring much-needed jobs and economic growth to our rural communities," Blagojevich said in a statement Tuesday.

Environmental groups strongly supported the governor's proposal. But environmentalists said Tuesday they are cautiously optimistic about whether utilities will follow through on their pledges.

"It really is up to ComEd and Ameren to do what they said they were going to do and implement the plan," said Rebecca Stanfield, director of Illinois PIRG.

The utilities could get their power from projects such as the \$500 million wind power project planned for eastern McLean County that would generate enough to power an estimated 120,000 homes each year.

The McLean County Board is expected to consider approving the wind farm Aug. 16.

Nineteen other states and the District of Columbia have adopted similar renewable-energy standards, according to the ICC.

State approves new standards for renewable energy

Wednesday, July 20, 2005

By Mike Colias
The Associated Press

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