

220 ILCS 5/16-108.6

Statutes current with legislation through P.A. 103-585 of the 2024 Regular Session of the 103rd General Assembly.

Illinois Compiled Statutes Annotated > Chapter 220 UTILITIES (§§ 5/1-101 — 99) > Public Utilities Act (Arts. I — 70) > Article XVI. Electric Service Customer Choice and Rate Relief Law of 1997 (§§ 5/16-101 — 16-135)

220 ILCS 5/16-108.6 Provisions relating to Smart Grid Advanced Metering Infrastructure Deployment Plan

(a) For purposes of this Section and Sections 16-108.7 and 16-108.8 of this Act [220 ILCS 5/16-108.7 and 220 ILCS 5/16-108.8]:

“Advanced Metering Infrastructure” or “AMI” means the communications hardware and software and associated system software that enables Smart Grid functions by creating a network between advanced meters and utility business systems and allowing collection and distribution of information to customers and other parties in addition to providing information to the utility itself.

“Cost-beneficial” means a determination that the benefits of a participating utility’s Smart Grid AMI Deployment Plan exceed the costs of the Smart Grid AMI Deployment Plan as initially filed with the Commission or as subsequently modified by the Commission. This standard is met if the present value of the total benefits of the Smart Grid AMI Deployment Plan exceeds the present value of the total costs of the Smart Grid AMI Deployment Plan. The total cost shall include all utility costs reasonably associated with the Smart Grid AMI Deployment Plan. The total benefits shall include the sum of avoided electricity costs, including avoided utility operational costs, avoided consumer power, capacity, and energy costs, and avoided societal costs associated with the production and consumption of electricity, as well as other societal benefits, including the greater integration of renewable and distributed power resources, reductions in the emissions of harmful pollutants and associated avoided health-related costs, other benefits associated with energy efficiency measures, demand-response activities, and the enabling of greater penetration of alternative fuel vehicles.

“Participating utility” has the meaning set forth in Section 16-108.5 of this Act [220 ILCS 5/16-108.5].

“Smart Grid” means investments and policies that together promote one or more of the following goals:

- (1) Increased use of digital information and controls technology to improve reliability, security, and efficiency of the electric grid.
- (2) Dynamic optimization of grid operations and resources, with full cyber security.

- (3) Deployment and integration of distributed resources and generation, including renewable resources.
- (4) Development and incorporation of demand-response, demand-side resources, and energy efficiency resources.
- (5) Deployment of “smart” technologies (real-time, automated, interactive technologies that optimize the physical operation of appliances and consumer devices) for metering, communications concerning grid operations and status, and distribution automation.
- (6) Integration of “smart” appliances and consumer devices.
- (7) Deployment and integration of advanced electricity storage and peak-shaving technologies, including plug-in electric and hybrid electric vehicles, thermal-storage air conditioning and renewable energy generation.
- (8) Provision to consumers of timely information and control options.
- (9) Development of open access standards for communication and interoperability of appliances and equipment connected to the electric grid, including the infrastructure serving the grid.
- (10) Identification and lowering of unreasonable or unnecessary barriers to adoption of Smart Grid technologies, practices, services, and business models that support energy efficiency, demand-response, and distributed generation.

“Smart Grid Advisory Council” means the group of stakeholders formed pursuant to subsection (b) of this Section for the purposes of advising and working with participating utilities on the development and implementation of a Smart Grid Advanced Metering Infrastructure Deployment Plan.

“Smart Grid electric system upgrades” means any of the following:

- (1) metering devices, sensors, control devices, and other devices integrated with and attached to an electric utility system that are capable of engaging in Smart Grid functions;
- (2) other monitoring and communications devices that enable Smart Grid functions, including, but not limited to, distribution automation;
- (3) software that enables devices or computers to engage in Smart Grid functions;
- (4) associated cyber secure data communication network, including enhancements to cyber-security technologies and measures;
- (5) substation micro-processor relay upgrades;
- (6) devices that allow electric or hybrid-electric vehicles to engage in Smart Grid functions; or
- (7) devices that enable individual consumers to incorporate distributed and micro-generation.

“Smart Grid electric system upgrades” does not include expenditures for: (1) electricity generation, transmission, or distribution infrastructure or equipment that does not directly relate to or support installing, implementing or enabling Smart Grid functions; (2) physical interconnection of generators or other devices to the grid except those that are directly related

to enabling Smart Grid functions; or (3) ongoing or routine operation, billing, customer relations, security, and maintenance.

“Smart Grid functions” means:

- (1) the ability to develop, store, send, and receive digital information concerning or enabling grid operations, electricity use, costs, prices, time of use, nature of use, storage, or other information relevant to device, grid, or utility operations, to or from or by means of the electric utility system through one or a combination of devices and technologies;
- (2) the ability to develop, store, send, and receive digital information concerning electricity use, costs, prices, time of use, nature of use, storage, or other information relevant to device, grid, or utility operations to or from a computer or other control device;
- (3) the ability to measure or monitor electricity use as a function of time of day, power quality characteristics such as voltage level, current, cycles per second, or source or type of generation and to store, synthesize, or report that information by digital means;
- (4) the ability to sense and localize disruptions or changes in power flows on the grid and communicate such information instantaneously and automatically for purposes of enabling automatic protective responses to sustain reliability and security of grid operations;
- (5) the ability to detect, prevent, communicate with regard to, respond to, or recover from system security threats, including cyber-security threats and terrorism, using digital information, media, and devices;
- (6) the ability of any device or machine to respond to signals, measurements, or communications automatically or in a manner programmed by its owner or operator without independent human intervention;
- (7) the ability to use digital information to operate functionalities on the electric utility grid that were previously electro-mechanical or manual;
- (8) the ability to use digital controls to manage and modify electricity demand, enable congestion management, assist in voltage control, provide operating reserves, and provide frequency regulation; or
- (9) the ability to integrate electric plug-in vehicles, distributed generation, and storage in a safe and cost-effective manner on the electric grid.

(b) Within 30 days after the effective date of this amendatory Act of the 97th General Assembly [P.A. 97-646], the Smart Grid Advisory Council shall be established, which shall consist of 9 total voting members with each member possessing either technical, business or consumer expertise in Smart Grid issues, 5 of whom shall be appointed by the Governor, one of whom shall be appointed by the Speaker of the House, one of whom shall be appointed by the Minority Leader of the House, one of whom shall be appointed by the President of the Senate, and one of whom shall be appointed by the Minority Leader of the Senate. Of the Governor’s 5 appointments: (i) at least one must represent a non-profit membership organization whose mission is to cultivate innovation and technology-based economic development in Illinois by fostering public-private partnerships to develop and execute research and development projects, advocating for funding for research and development initiatives, and collaborating with public and private partners to attract and retain research and development resources and talent in Illinois; (ii) at least one must represent a non-

profit public body corporate and politic created by law that has a duty to represent and protect residential utility consumers in Illinois; (iii) at least one must represent a membership organization that represents the interests of individuals and companies that own, operate, manage, and service commercial buildings in a municipality with a population of 1,000,000 or more inhabitants; and (iv) at least one must represent an alternative retail electric supplier that has obtained a certificate of service authority pursuant to Section 16-115 of this Act [220 ILCS 5/16-115] and that is not an affiliate of a participating utility prior to one year after the effective date of this amendatory Act of the 97th General Assembly.

(1) Serve as an advisor to participating utilities subject to this Section and in the manner described in this Section, and the recommendations provided by the Council, although non-binding, shall be considered by the utilities.

(2) Serve as trustees of the trust or foundation established pursuant to Section 16-108.7 of this Act [220 ILCS 5/16-108.7] with the duties enumerated thereunder.

(c) After consultation with the Smart Grid Advisory Council, each participating utility shall file a Smart Grid Advanced Metering Infrastructure Deployment Plan ("AMI Plan") with the Commission within 180 days after the effective date of this amendatory Act of the 97th General Assembly [P.A. 97-616] or by November 1, 2011, whichever is later, or in the case of a combination utility as defined in Section 16-108.5, by April 1, 2012, provided that a participating utility shall not file its plan until the evaluation report on the Pilot Program described in this subsection (c) is issued. The AMI Plan shall provide for investment over a 10-year period that is sufficient to implement the AMI Plan across its entire service territory in a manner that is consistent with subsection (b) of Section 16-108.5 of this Act. The AMI Plan shall contain:

(1) the participating utility's Smart Grid AMI vision statement that is consistent with the goal of developing a cost-beneficial Smart Grid;

(2) a statement of Smart Grid AMI strategy that includes a description of how the utility evaluates and prioritizes technology choices to create customer value, including a plan to enhance and enable customers' ability to take advantage of Smart Grid functions beginning at the time an account has billed successfully on the AMI network;

(3) a deployment schedule and plan that includes deployment of AMI to all customers for a participating utility other than a combination utility, and to 62% of all customers for a participating utility that is a combination utility;

(4) annual milestones and metrics for the purposes of measuring the success of the AMI Plan in enabling Smart Grid functions; and enhancing consumer benefits from Smart Grid AMI; and

(5) a plan for the consumer education to be implemented by the participating utility.

The AMI Plan shall be fully consistent with the standards of the National Institute of Standard and Technology (NIST) for Smart Grid interoperability that are in effect at the time the participating utility files its AMI Plan, shall include open standards and internet protocol to the maximum extent possible consistent with cyber security, and shall maximize, to the extent possible, a flexible smart meter platform that can accept remote device upgrades and contain sufficient internal memory capacity for additional storage capabilities, functions and services without the need for physical access to the meter.

The AMI Plan shall secure the privacy of personal information and establish the right of consumers to consent to the disclosure of personal energy information to third parties through electronic, web-based, and other means in accordance with State and federal law and regulations regarding consumer privacy and protection of consumer data.

After notice and hearing, the Commission shall, within 60 days of the filing of an AMI Plan, issue its order approving, or approving with modification, the AMI Plan if the Commission finds that the AMI Plan contains the information required in paragraphs (1) through (5) of this subsection (c) and further finds that the implementation of the AMI Plan will be cost-beneficial consistent with the principles established through the Illinois Smart Grid Collaborative, giving weight to the results of any Commission-approved pilot designed to examine the benefits and costs of AMI deployment. A participating utility's decision to invest pursuant to an AMI Plan approved by the Commission shall not be subject to prudence reviews in subsequent Commission proceedings. Nothing in this subsection (c) is intended to limit the Commission's ability to review the reasonableness of the costs incurred under the AMI Plan. A participating utility shall be allowed to recover the reasonable costs it incurs in implementing a Commission-approved AMI Plan, including the costs of retired meters, and may recover such costs through its tariffs, including the performance-based formula rate tariff approved pursuant to subsection (c) of Section 16-108.5 of this Act.

(d) The AMI Plan shall secure the privacy of the customer's personal information. "Personal information" for this purpose consists of the customer's name, address, telephone number, and other personally identifying information, as well as information about the customer's electric usage. Electric utilities, their contractors or agents, and any third party who comes into possession of such personal information by virtue of working on Smart Grid technology shall not disclose such personal information to be used in mailing lists or to be used for other commercial purposes not reasonably related to the conduct of the utility's business. Electric utilities shall comply with the consumer privacy requirements of the Personal Information Protection Act. In the event a participating utility receives revenues from the sale of information obtained through Smart Grid technology that is not personal information, the participating utility shall use such revenues to offset the revenue requirement.

(e) On April 1 of each year beginning in 2013 and after consultation with the Smart Grid Advisory Council, each participating utility shall submit a report regarding the progress it has made toward completing implementation of its AMI Plan. This report shall:

- (1)** describe the AMI investments made during the prior 12 months and the AMI investments planned to be made in the following 12 months;
- (2)** provide sufficient detail to determine the utility's progress in meeting the metrics and milestones identified by the utility in its AMI Plan; and
- (3)** identify any updates to the AMI Plan.

Within 21 days after the utility files its annual report, the Commission shall have authority, either upon complaint or its own initiative, but with reasonable notice, to enter upon an investigation regarding the utility's progress in implementing the AMI Plan as described in paragraph (1) of this subsection (e). If the Commission finds, after notice and hearing, that the participating utility's progress in implementing the AMI Plan is materially deficient for the given plan year, then the

Commission shall issue an order requiring the participating utility to devise a corrective action plan, subject to Commission approval and oversight, to bring implementation back on schedule consistent with the AMI Plan. The Commission's order must be entered within 90 days after the utility files its annual report. If the Commission does not initiate an investigation within 21 days after the utility files its annual report, then the filing shall be deemed accepted by the Commission. The utility shall not be required to suspend implementation of its AMI Plan during any Commission investigation.

The participating utility's annual report regarding AMI Plan year 10 shall contain a statement verifying that the implementation of its AMI Plan is complete, provided, however, that if the utility is subject to a corrective action plan that extends the implementation period beyond 10 years, the utility shall include the verification statement in its final annual report. Following the date of a Commission order approving the final annual report or the date on which the final report is deemed accepted by the Commission, the utility's annual reporting obligations under this subsection (d) shall terminate, provided, however, that the utility shall have a continuing obligation to provide information, upon request, to the Commission and Smart Grid Advisory Council regarding the AMI Plan.

(f) Each participating utility shall pay a pro rata share, based on number of customers, of \$5,000,000 per year to the trust or foundation established pursuant to Section 16-108.7 of this Act for each plan year of the AMI Plan, which shall be used for purposes of providing customer education regarding smart meters and related consumer-facing technologies and services and 70% of which shall be a recoverable expense; provided that other reasonable amounts expended by the utility for such consumer education shall not be subject to the 70% limitation of this subsection.

(g) Within 60 days after the Commission approves a participating utility's AMI Plan pursuant to subsection (c) of this Section, the participating utility, after consultation with the Smart Grid Advisory Council, shall file a proposed tariff with the Commission that offers an opt-in market-based peak time rebate program to all residential retail customers with smart meters that is designed to provide, in a competitively neutral manner, rebates to those residential retail customers that curtail their use of electricity during specific periods that are identified as peak usage periods. The total amount of rebates shall be the amount of compensation the utility obtains through markets or programs at the applicable regional transmission organization. The utility shall make all reasonable attempts to secure funding for the peak time rebate program through markets or programs at the applicable regional transmission organization. The rules and procedures for consumers to opt-in to the peak time rebate program shall include electronic sign-up, be designed to maximize participation, and be included on the utility's website. The Commission shall monitor the performance of programs established pursuant to this subsection (g) and shall order the termination or modification of a program if it determines that the program is not, after a reasonable period of time for development of at least 4 years, resulting in net benefits to the residential customers of the participating utility.

(h) If Section 16-108.5 of this Act becomes inoperative with respect to one or more participating utilities as set forth in subsection (g) or (h) of that Section, then Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act [220 ILCS 5/16-108.5, 220 ILCS 5/16-108.6, 220 ILCS 5/16-108.7, and 220 ILCS 5/16-108.8] shall become inoperative as to each affected utility and its service area on the same date as Section 16-108.5 becomes inoperative.

History

P.A. 97-616, § 10; 97-646, § 5.

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