Illinois General Assembly Enacts Energy Infrastructure Modernization Act

Landmark legislation will modernize grid and deliver tangible benefits to consumers

Springfield, Ill. (October 27, 2011) – The General Assembly today enacted the Energy Infrastructure Modernization Act, setting in motion a $2.6 billion investment by ComEd to strengthen and modernize the state’s electric grid. The groundbreaking legislation will create thousands of jobs, improve system reliability, provide new ways for consumers to save on their energy bills and establish the most progressive accountability-based regulatory model in the country.

Final approval came when the General Assembly overrode Governor Quinn’s veto of Senate Bill 1652.

“Today, the General Assembly took a historic step toward creating a stronger Illinois that will help us deliver more value and better service to the 3.8 million customers we proudly serve,” said ComEd President and Chief Operating Officer Anne Pramaggiore. “We thank our supporters in the General Assembly for their leadership.”

In the hours leading up to final vote, the General Assembly also passed a separate trailer bill introduced earlier in the week that added provisions toughening utility performance standards, lowering the allowed return on equity and establishing a fund to assist low-income customers, seniors and disabled veterans with their utility bills.

Senate Bill 1652 was sponsored in the House by Rep. Kevin McCarthy (D-Orland Park) and in the Senate by Sen. Mike Jacobs (D-Moline). The trailer bill adding new provisions to the Smart Grid legislation was developed by Sen. Don Harmon (D-Oak Park).

“We appreciate the hard work of the three chief legislative sponsors in addressing the many issues involving in writing and passing complex legislation such as this,” Pramaggiore said. “This was truly a collaborative process, with scores of changes made over the course of the past several months to ensure legislation that would achieve its primary goal of authorizing a major long-term investment in grid modernization and ensure strong consumer protections.”

The final package authorizes implementation of a 10-year, $2.6 billion investment program by ComEd to strengthen the existing electric system, while adding new digital smart technology. Its passage means a variety of benefits now will become reality for Illinois:

- SB 1652 will put Illinois back to work with specific provisions that mandate more than 2,500 statewide jobs at the peak of the grid’s build-out. The investment also will spur job growth in construction, cable and electric equipment manufacturing and other key traditional industries.

- A Smart Grid will improve overall system reliability, reducing outages and improving power restoration while allowing consumers to save money through a set of new Smart Grid-related efficiencies. Smart meters will help consumers save on energy costs by providing options for new pricing plans, better managing energy use and becoming eligible for new rebates by reducing power usage in peak hours.

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• It also will contribute to a cleaner environment by increasing funding for energy efficiency programs and encouraging greater use of solar and wind power. Development of the Smart Grid will allow for the intelligent charging stations needed to encourage greater use of electric vehicles.

• Under the trailer bill, ComEd will provide $50 million and Ameren will provide $10 million in programs designed to help low-income families and seniors over the 10-year program laid out in SB 1652. This overall $60 million assistance fund is in addition to $50 million already designated in SB 1652 for education outreach to all residential energy consumers.

• The trailer bill also re-directed $200 million toward targeted “undergrounding” of overhead lines, tree-resistant overhead conductors and other storm hardening solutions to strengthen the distribution system in the wake of the historic storm season of 2011. These solutions are in addition to the inspection and replacement of residential underground cable and mainline cable programs that are also a prominent piece of SB 1652.


“The investment, job creation, economic development, and regulatory improvements contained in the Energy Infrastructure Modernization Act will unlock many significant opportunities for residents and businesses that depend on quality reliable power to thrive,” said McCarthy. “And customers throughout Illinois, including seniors and low-income families, will have the opportunity to save significantly on their electric bills through a variety of rebate and pricing programs, as well as by simply having more information and ability to control their electric use.”

“The passage of SB 1652 is a game-changer for Illinois working families. Over the past few years, we’ve seen countless skilled workers seek jobs in other states, because the work hasn’t been here. This bill reaffirms my commitment to putting Illinois back to work,” said Jacobs.

Senator Harmon praised the collaborative effort to put together a legislative package that secured bipartisan support.

“The entire package in this legislation is the product of thoughtful negotiations that have taken place over many months and involved many stakeholders,” said Harmon. “This resulted in an improved and comprehensive plan from what was initially proposed. This was always the goal and we would not be standing today on the cusp of a new era for Illinois were it not for the bipartisan support and cooperation among everyone who realized the opportunity a modern grid will provide to Illinois.”

Pramaggiore said she looks forward to beginning the work to modernize Illinois grid and make the benefits of SB 1652 a reality.

“The passage of this legislation is just the beginning of the process. “Tomorrow we begin the serious work of developing a Smart Grid and smart meter system. We intend to work closely and collaboratively with our partners and stakeholders to bring all perspectives to bear as we work to create an electric service model that is more reliable, more flexible, greener and more customer-focused.”

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Commonwealth Edison Company (ComEd) is a unit of Chicago-based Exelon Corporation (NYSE: EXC), one of the nation’s largest electric utilities with approximately 5.4 million customers. ComEd provides service to approximately 3.8 million customers across northern Illinois, or 70 percent of the state’s population.