

WHAT IS THE CLIMATE & EQUITABLE JOBS ACT?

An in-depth look at the latest energy legislation

The **Climate & Equitable Jobs Act (CEJA)** is historic legislation the Illinois General Assembly passed in 2021. If implemented correctly, this 900-page law could be a national model on how states can fight the most devastating and expensive consequences of climate change while controlling costs for energy customers.

WHAT DOES THE CLIMATE & EQUITABLE JOBS ACT DO?

The Climate & Equitable Jobs Act...

- Moves Illinois to 100 percent carbon-free power by 2045.
- Expands energy efficiency and other cost-saving opportunities for consumers.
- Implements the toughest utility ethics standards in state history.
- Launches a major expansion of cleaner, more affordable modes of transportation.
- Implements equity programs that help bring benefits of the clean energy economy to all communities.

WHAT ARE THE MAIN COMPONENTS OF CEJA?

Cost-Saving Measures:

- Sets the stage for lower “capacity” charges, hidden fees on our electric bills that pay big generators for reserve power. ComEd customers pay too much for capacity: about \$1.7 billion a year—much of that to support fossil fuels. But federal regulators are reforming the system to support cleaner energy, so CEJA’s historic expansion of low-cost clean energy opens the door to lower capacity costs.
- Extends electric energy efficiency programs beyond a 2030 end-date mandated by past legislation. Those programs have already saved consumers billions.
- Requires utilities to pass through the savings from recent federal corporate tax cuts over the next few years, rather than the decades the utilities favored.

- Creates a process for state regulators to consider a new low-income rate and prohibits late fees and customer deposits for lower-income customers.

Utility Accountability Reforms:

- Replaces the unfair formula-rate system with a rate-setting system that provides more oversight by the Illinois Commerce Commission (ICC).
- Launches a long-range, inclusive and transparent planning process to cost-effectively clean up the power-grid. The ICC will develop performance and tracking metrics and incentives to get electric utilities to prioritize pro-consumer benefits like cost-effective investment and affordability.
- Creates an independent ethics monitor, hired by the ICC, to help watchdog utilities. Major utilities must have a compliance officer at their headquarters to ensure the companies are following ethics guidelines—including restrictions on utility lobbying—and cooperating with the independent monitor.
- Requires public officials to disclose if immediate family members work for utilities.
- Prohibits ComEd from forcing customers to pay for any criminal penalties associated with its corruption scandal that was uncovered in 2020.

Promoting cleaner, more affordable transportation:

- Increases support for electric transportation, aiming to put 1 million battery-powered cars and trucks on the road by 2030.
- Includes incentives for electrifying public transit, school buses and city-owned vehicles.
- Creates rebates of up to \$4,000 for customers who buy electric vehicles. Promotes creative programs such as EV car-sharing and lower-income EV rebates.

- Requires utilities to launch ICC-approved programs to help ensure that the electrification of transportation is done in a way that benefits all consumers, not just those who own EVs.

Promoting clean, affordable energy:

- Achieves a carbon-free power grid by 2045, closing all fossil-fuel power plants.
- Increases support for renewable energy to reach 40 percent by 2030 and 50 percent by 2040.
- Immediately opens the closed solar incentive programs to save solar jobs, and creates thousands of new jobs in renewable energy.
- Increases funding for the Illinois Solar for All program—which gives lower-income customers access to solar power—from \$30 million a year to \$70 million a year.

Making sure all Illinois benefits from clean energy:

- Establishes a \$40 million grant program to support communities impacted by power plant closings, including towns where the fossil fuel industry has abandoned the community.
- Protects more than 2,000 jobs in nuclear power plants by giving a subsidy to Exelon. (CUB note: Keeping carbon-free nuclear power plants open is the fastest, cheapest way for Illinois to fight climate change. The company pushed for a much bigger subsidy but got billions of dollars less.)
- Targets \$80 million per year for clean energy workforce and contractor development programs in Black and Brown communities. CEJA creates a “Green Bank” to finance clean energy projects.

HOW MUCH WILL CEJA COST?

CUB estimates the legislation will cost customers an average of between \$3 and \$4 per month over the next five years. That cost estimate does not include savings made possible by this legislation (for example, savings from energy efficiency, low-cost solar energy or lower capacity and energy prices). With proper implementation, CEJA should lead to consumer savings over time.

WHY DOES CUB SUPPORT CEJA?

While CUB doesn’t agree with every provision in this compromise legislation, the overall act is a good deal for Illinois consumers. It is the most cost-effective way for the state to fight climate change. The worst, most expensive outcome for Illinois consumers would have been if the state failed to pass a bill. A climate change report by the United Nations in 2021 was described as a “code-red for humanity,” meaning volatile weather will only get worse and more costly for consumers in Illinois, the country and the world in years to come. For example, CUB’s research team found that hotter weather could cause ComEd electric bills to increase by nearly \$11 billion in the next few decades just because of higher air conditioning costs. CUB supported CEJA because fighting climate change is necessary to reduce consumers’ future costs.

FOR MORE INFORMATION:

Keep track of CEJA’s implementation by visiting CitizensUtilityBoard.org.