

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission :
On its own Motion :
 :
Regarding Illinois' Consideration of :
the Utility of the Future: "NextGrid" :
Grid Modernization Study :
 :

RESOLUTION

By the Commission:

WHEREAS, Illinois is a leader in energy policy; the Electric Service Customer Choice and Rate Relief Law of 1997 opened the door to energy competition, customer choice, and electric industry innovation, and has saved Illinois electricity consumers tens of billions of dollars; the 2011 Energy Infrastructure Modernization Act continues to drive the modernization of the grid with new digital infrastructure and the installation of smart meters and other devices, improving reliability, aiding the environment, creating thousands of Illinois jobs, and enabling customers to better manage their energy use and control its cost; and

WHEREAS, recently Governor Rauner and the General Assembly, on a bipartisan basis, passed the Future Energy Jobs Bill which creates policy support for zero carbon emission baseload generation, and will greatly expand energy efficiency programs and dramatically grow new solar and wind development—the Natural Resources Defense Council calls this legislation the most significant climate and clean energy policy in the state's history; and

WHEREAS, as a result of Illinois' long history of leadership in developing energy markets, modernizing the grid, and addressing climate change, the pace of change effecting the industry and Illinois ratepayers is accelerating quickly; the advent of distributed generation and storage, demand response and energy efficiency, interconnected smart devices and appliances, micro-grids, electric vehicles, the use of big data and analytics, environmental objectives, and a host of new technologies, products, services—spurring the development of entirely new energy markets—is challenging existing network design, capability, and regulatory policy; and

WHEREAS, these developments promise even greater future consumer and societal benefits as customers take advantage of emerging convergence of the electric and technology industries, and the electric system moves towards the integration of

distributed energy resources and a transactional framework allowing customers opportunities to buy, sell, produce, and store electricity; and

WHEREAS, states across the country have already begun to consider the many regulatory issues and challenges presented by the evolving energy industry; Illinois' electric industry and regulatory processes must also evolve, not just to keep pace with these innovations, but to retain its leadership role and ensure the safe, reliable, and efficient provision of essential electric services; and

WHEREAS, Illinois has a history of successfully relying on facilitated collaborative efforts to confront evolving regulatory issues that bring stakeholders from a wide range of perspectives together, including the Regulatory Initiatives Task Force in 1996–97, the Post 2006 Initiative in 2004–05, and the Illinois Statewide Smart Grid Collaborative in 2009–10; and

WHEREAS, the Commission is committed to building on that tradition and to put into action a new proactive collaboration among stakeholders that will identify and explore future technological advancements, and utility and regulatory models that can bring the greatest benefit to customers and communities throughout Illinois, educate policy makers on the issues and challenges associated with a quickly evolving energy landscape, and identify and recommend to the Commission and the General Assembly a range of tangible actions and policies that can maximize benefits to our citizens and economy;

NOW, THEREFORE BE IT HEREBY RESOLVED, that the Commission will initiate a collaborative process called “NextGrid” in which the industry and other stakeholders can develop a shared base of information and work to build consensus on critical issues facing the electric utility industry now and as it continues to rapidly transform; and

RESOLVED, that “NextGrid” will be managed by the Commission, with the assistance of an expert, independent third-party facilitator who will engage electric utilities, communities, and other stakeholders, including industry, academia, ratepayer and environmental advocates in a process of education and discourse concerning topics including, but not limited to:

1. Consumers, Communities, and Economic Development,
2. Grid Design, Digital Networks and Markets,
3. Regulation and Encouraging Innovation, and
4. Climate Change and the Environment; and

RESOLVED, that “NextGrid” will optimize the value of, and the state’s significant investment in, the smart grid and further the Commission’s mandate of ensuring

adequate, efficient, reliable, environmentally safe, and least cost public utility services at prices which accurately reflect the long-term cost of such services and which are equitable to all consumers, consistent with the goals and objectives required by law; and

RESOLVED, that the Illinois electric utilities will provide funding to support the work of the facilitator, including any necessary project management, meeting hosting, and expert assistance costs that the facilitator may require; and

RESOLVED, that the facilitator shall report progress on “NextGrid” at the request of the Commission, in interim reports, and in a final report; and

RESOLVED, that “NextGrid” will result in a final report that outlines relevant issues, opportunities and challenges, identifies areas of consensus and disagreement, educates policy makers, and provides a range of recommendations aimed at empowering customers and communities, driving economic development, optimizing the electric utility industry, and creating a 21st Century regulatory model that supports innovation; and

RESOLVED, that all members of the energy stakeholder community in Illinois are encouraged to contribute to the development of the selection of the facilitator and the development of specific processes and substance of “NextGrid” by filing comments in response to this Resolution by April 30, 2017.

(SIGNED) BRIEN SHEAHAN
Chairman