

Center for Strategic and International Studies

TRANSCRIPT

Online Event

**“U.S. States on Energy and Climate: Illinois”**

DATE

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FEATURING

**Ann Williams**

*State Representative, Chair, Energy and Environment Committee, Illinois General Assembly*

CSIS EXPERTS

**Morgan Higman**

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Morgan Higman: Welcome to CSIS. My name is Morgan Higman, and I am a fellow in the Energy Security and Climate Change Program.

I am so glad to be joined today by Representative Ann Williams of Illinois. Ann is the second leader in our State Leadership Series this week. We'll be speaking to four states over the course of the next couple days. And this series is part of our Clean Resilient States Initiative, which is supported by the Sloan Foundation, and we are grateful for their support for this work.

Representative Williams is in her sixth term in Illinois. She represents the 11<sup>th</sup> District on Chicago's North Side. She is the chair of the Energy and Environment Committee in Illinois, and she is the vice chair of the Judiciary-Civil Committee. She is also the chief sponsor of the Clean Energy Jobs Act, which was integral to the passage of the Climate and Equitable Jobs Act passed in September of 2021. Prior to her election, she worked as an assistant attorney in Illinois supporting public interest agendas related to preventing consumer fraud and encouraging openness and accountability in government. Representative Williams, thank you so much for joining us.

In Illinois, you've got a lot of exciting climate and energy sort of progress being made. I would like to talk, of course, about your state's Climate and Equitable Jobs Act. But before we get to the substance of that legislation, I want to step back a little bit. Back in 2016, Illinois advanced the Future Energy Jobs Act, which encouraged renewables and kept the state's nuclear powerplants operating. And then, of course, last year you had this seminal Climate and Equitable Jobs Act, or CEJA as it has come to be known. And it is incredibly ambitious and also sort of worker-friendly. Before we talk about the substance of that bill, I wondered if you could talk about sort of what changed in the last five years and what really led up to this new CEJA sort of legislation.

Illinois State Representative Ann Williams (D): Well, thank you so much, Morgan, and I'm really excited to be here speaking with you today about one of my favorite topics. But, yeah, that's a really good question.

Actually, the short answer is FEJA was working. It was working so well that in order to accommodate all the investment opportunities and the companies wishing to locate and build in Illinois, we had to expand the programming that we started almost as a seed in FEJA. And of course, within that short period of time from 2016 to when we introduced CEJA originally in 2019, the issue of climate change and the climate crisis was growing exponentially both in terms of what we were seeing on the ground and in terms of the public interest in the topics. So it just seemed like the time was right to start having a conversation about how we could

look at energy in a way that addresses the very real and very epic climate concerns.

Ms. Higman: Very good.

And CEJA contains so many interesting provisions. It touches upon renewable energy deployment, the phaseout of coal powerplants, transportation and electric vehicles, labor and equity standards, workforce development and just transitions, consumer protections and utility reforms, among so many other topics. I wondered if you could talk to us a little bit about some of the provisions that you think are most important in advancing Illinois' climate and energy goals.

Rep Williams: Well, I'd love to. There are, as you said, many, many topics covered in the Climate and Equitable Jobs Act. It's a very comprehensive piece of legislation, and that's what makes it so powerful, really, and nation-leading.

Of course, the marquee – the centerpiece, for me – is the moving us toward the carbon-free future, a carbon-free power sector specifically. So the bill in a myriad of ways puts Illinois on a path to a 100 percent clean-energy future by 2050 and delivers a hundred percent carbon-free power by 2045. And at the beginning, when the bill was first introduced, that seemed like a lofty goal. But with a lot of hard work and commitment and working groups and panels and conversations after – (laughs) – conversations, we were able to get a bill done. While it's not perfect, certainly it does make big strides towards that which I would say is the centerpiece of the bill.

Additionally, we have a strong foundation of equity that threads really throughout all the provisions of the bill. It was important to communities that we spoke with when crafting the original idea for the bill to see what actual real people wanted to see in their clean-energy future. Unlike energy bills of the past in Illinois, where they were crafted in, you know, utility conference rooms, we really wanted to get out in the community and have a conversation with people about what they wanted to see. And the answer across the board is we want clean energy to be a real part of our communities, we wanted to integrate the conversation and make it part of our everyday lives. So we really worked hard to make sure that equity – ensuring that everyone in Illinois could participate in a clean-energy future was really a foundational piece of the bill.

And another piece – and there's so much in it, but another piece that I think is very critical, especially to us in Illinois in light of current events, is a strong suite of equity – I'm sorry, accountability and ethics measures. Illinois is still involved, unfortunately, in a scandal related to

our biggest utility, and, boy, I will tell you, negotiating an energy bill when that's going on is not easy. But it did really serve as a driver for us to ensure we had very strong accountability provisions in the bill. That was something that was important to me personally as well as many of my colleagues, and of course the constituents.

So those are just three examples of topics that are included that I think are very groundbreaking and nation-leading.

Ms. Higman: That is terrific to hear. Thank you so much for that.

You talked about equity, and I think this bill as it was a bill and act now that it has become embedded in your – in your state's work really got a lot of recognition for stakeholder engagement in that equity piece. And I wondered, sort of beyond maybe forums or opportunities to hear what various stakeholders' concerns or interests were, what are the measures that are included in this act that are going to sort of directly benefit maybe particular communities or groups that have not benefitted historically from energy policy?

Rep. Williams: We do really work hard to make sure that equity is a consideration in every step of the process. No matter what we're doing – from reducing carbon to building up our renewable energy portfolio to EV infrastructure – we looked at every topic in terms of how it could be more inclusive and benefit communities traditionally left behind.

So in terms of workforce and contractor development, we focused our programs. We're going to invest millions of dollars in equity-focused communities, and we identified 13 hubs throughout the state of Illinois where we would really hone in on these communities and see where we could institute these programs. So we have implemented minimum diversity equity requirements for all renewable energy projects, and that's just something that hasn't been considered before. And we have dedicated support for disadvantaged contractors to participate in the clean-energy economy.

So we're not just creating jobs, although that's important; we're looking at opportunities to really build wealth. And that's where the contractor hubs and the incubator programs come into play. We have training programs for soon-to-be-released people previously incarcerated. We create a green bank to finance clean-energy projects and jobs, and program that really specifically focuses on EJ communities to provide seed capital. So we're going far beyond just creating good-paying jobs, although that is an important part of the bill as well.

Ms. Higman: Very good.

You also mentioned accountability measures. I wondered if you could talk a little bit more about what those look like. And also, what kind of measures are included in the act to help folks understand how this act is being implemented and which sort of pieces are going to be sort of near-term or long-term? How do we know how it's working?

Rep Williams: Those are great questions. I'll start with the accountability question.

In light of the massive federal investigation, this was top of mind for all of us as we moved forward with the energy bill. As a start, we did not write this in – like I said, this was not written in the back room. This was not a wheeling-and-dealing sort of bill. This bill really was very organically developed, starting in communities. We had input from the environmental community, from faith-based organizations. Labor unions were a huge part of getting us to where we ended in terms of building a strong bill that was going to create a lot of good-paying jobs.

In terms of specific accountability measures for utilities, we do end formula rates. In Illinois, there are automatic rate increases built into the process where companies were rewarded simply for building and investing. And while we want to encourage investment, we want to make sure it's thoughtful and it's done in a way that benefits communities as a whole.

So we are pushing and will be pushing utilities to spend and invest in – by using performance measures to gauge that. So performance-based metrics include things like reliability; of course resilience, which is what we're all talking about these days; equity; affordability; and clean-energy goals. So we are developing right now a series of accountability measures that we will be utilizing moving forward. So it's not just utility companies put money into a project and they're approved and the rates are raised accordingly; we actually are taking a step back and, with the Illinois Commerce Commission, who is the regulatory body over the utilities, taking a good hard look at what these utility companies are doing to reach out climate goals, our equity goals, et cetera.

Ms. Higman Very good.

You also talked about coal phaseouts in this legislation. I think that's a topic that's sort of resonating across the country. Could you talk a little bit about how the negotiations for phasing out coal power plants unfolded? What were the considerations both for energy reliability and also maybe workforce opportunities?

Rep. Williams: Well, there's a bit of a misconception that this bill and our efforts to address the climate crisis directly caused coal plants to close. In Illinois, the plants were closing and are closing based on market forces. It was not something that was starting with our legislation. It was something that we decided to address, because if coal plants close for market reasons or suddenly leave a community, those communities are often devastated. They rely so heavily for employment, for infrastructure, for revenue base, taxes, on those coal plants that when they close, the communities are really left in a lurch.

Our goal was to include planning for the closures and to have planned closures and organized closures so that we could support the communities as they transition. We call this our just transition. So one of the hallmarks of this part of the bill is a grant program where nuclear or fossil-fuel generators and mines that close will have grants available. We'll invest in grants to support communities as they go through a transition. So eventually that will apply to nuclear plants. And right now it primarily addresses coal plants.

We also created a Displaced Energy Worker Bill of Rights for fossil-fuel plant workers and created incentives to transition to a different type of energy work. So we're hoping that the workers that were employed in the coal plants that closed for whatever reason will be able to be retrained and take advantage of our vast programming related to workforce development as well.

Ms. Higman: And as these sort of provisions in this act unfold, what else are you thinking about in your Committee on Energy and Environment?

Rep. Williams: Well, you know, unfortunately we're not done. We can't check the box and say we've addressed this issue. Addressing climate crisis and environmental issues is certainly an ongoing thing.

You also asked about how we'll know if we are being successful. You know, traditionally we pass a big energy bill or a big gaming bill or a health-care bill and then move on to the next item. I've worked hard in my committee to make sure that we are keeping legislators apprised of how things are going.

We made a lot of sweeping commitments, and they include things like providing these jobs, ensuring that we're doing this in an equitable way, providing accountability for utility companies. We want other, you know, legislators, we want the public, we want the stakeholders to know we are monitoring the progress on all these areas and more. And we are providing information directly to communities about implementation.

This isn't a one day the bill passes, the next day it's implemented. There are workshops happening as we speak on many of these topics and cases before the ICC that will determine really how the bill evolves. So while I'm sure we will need to revisit these issues probably in the not-too-distant future, we really are working hard to make sure that people – this conversation continues and people are apprised as to how this is going and what we're doing and what we're looking to do next.

Ms. Higman: And as you think about the impact of this CEJA legislation, I wonder if you have done any kind of engagement with your neighbors across the Midwest, or maybe across the country, in thinking about how this legislation could be a model for other states or what you could learn from other states to continue this work.

Rep. Williams: Well, I think it's a two-way street. We are sharing information, but we are also gaining information from our neighbors. Obviously, energy doesn't stop at the border. We do operate using the RTOs. So what's happening in our surrounding states is critical to how successful we are as a state.

In the future, while we're addressing the power sector here, I think the conversations will continue in the EV space. We've done some serious investment in EV infrastructure through CEJA. We have worked on increasing use of EVs in terms of transit, school buses, things like that. But we've only really scratched the surface of what we can do with EVs. And EVs, again, you don't stop driving at the border of Illinois. This is a region-wide conversation as well.

I would also say that transmission is a huge topic. We started talking about it in CEJA, but obviously that's not something you can implement in a matter of days or months. Transmission really is a part of what we are looking to do. In CEJA we're calling integrated grid planning. So, rather than just having utility companies work in silos, we're looking at the planning the grid based on a number of things, including need, peak demand, or what other states are doing, how our RTOs are faring in terms of energy procurement, things like that. So, obviously, energy has to be considered on a regional level. And transmission, I think, is really the heart of that piece.

Ms. Higman: Absolutely.

It seems to me as though Illinois has done a pretty good job investing in both wind and solar, and I wondered if you are beginning to have conversations about other kinds of low-carbon energy technologies? In particular, I'm thinking about hydrogen and energy storage, maybe also the future of your nuclear fleet, and any other technologies that are on your radar.

Rep Williams: Well, just like anything, technology's really the key to, you know, unlocking, you know, potential here. As far as the nuclear piece, I have some colleagues that are really interested in exploring some technologies that really have not been put in practice yet, so that's always something that we're thinking about.

But hydrogen seems to be the topic de jure. I think I have a call scheduled later this week to hear about some ideas in that space. One of my colleagues, Representative Howard, from the suburbs here has started a Hydrogen Energy Task Force. So, that will be taking a look at those issues in, hopefully, a new and innovative way.

So, I think that's the thing – no sooner do we pass a bill, whether it's on tech or healthcare or energy, and we're already looking at ways to continue the conversation to address the advancing technology, which I think is a great thing.

You know, it's hard for the law to keep up, but here technology really is leading. So the answer is yes.

Ms. Higman: Terrific.

I think we're about out of time here. I wanted to end the conversation with a sort of request for your reflections on the kind of negotiations that were necessary to advance this CEJA legislation and – yeah, I mean, I think there was a terrific amount of stakeholder engagement, but also negotiations, big and small. And I wondered, what do you think made that successful, and what should other states be thinking about when they try to engage on some of these topics?

Rep. Williams: Well, I love thinking about it, especially now that it's over – (laughs) – at least that part of it – because it was a lot of work. It really was quite a rollercoaster ride. I mean, it really depended on the day, week, sometimes hour how we felt about the legislation and its success.

But I would say at the core, you know, we had stakeholders, as you mentioned. We had a myriad of stakeholders. I think one conference call had 85 people on it. That was in the early days before we got a smaller room to actually do the bill.

But, you know, I think the key for me was really the grassroots engagement, and that was – it started with the conversations I referenced in the beginning about going into communities and getting their feedback on what they wanted to have their energy future look like. Because once

the grassroots got involved, they could get excited about the bill, and certainly, people care about the climate crisis.

Young people were a huge part of the grassroots movement. And the more energy and engagement we had from the grassroots, the more legislators would hear about the bill, and the more they would be invested and engaged in the process. And the more likely it is we would get our goals met.

So, having that piece at the beginning really helped turn CEJA into a household acronym, I would say. My colleagues all knew about CEJA. They'd be hearing about it at every turn and sometimes roll their eyes and say, OK, Ann, what's going on with CEJA? I've gotten 20 calls in the last hour about it. What can you tell me?

And they would focus on an area that might be of particular interest to them. So, that really enabled the negotiations to move forward – having individual legislators involved in the conversation, whatever their angle might be. Some were very focused on the EV space. Others were concerned about job creation. Voters in my district wanted to hear what was our solution to – at least on the state level, what could we contribute to the climate crisis conversation.

So, it depended on where you represented to – as to what the priorities were. But again, having it kind of a bottom-up conversation, I think, was really critical to getting it passed and to getting it to be kind of the issue that everyone was talking about at that time, and ultimately, led us to get the bill passed.

Ms. Higman: Well, congratulations, you certainly did a great job there. Thank you so much for your time, Representative Williams. We really enjoyed having you. I hope that our audience can tune in tomorrow for a conversation with Oregon and on Thursday for conversations from a leader in New Mexico.

Thank you so much for joining us, Representative Williams.

Rep Williams: Thank you for having me.

(END)