

Support Municipal Utility & Electric Cooperatives Transparency & Good Governance

What does the Muni & Cooperative Transparency Bill do?

Good Governance & Basic Transparency Practices for Ratepayers and Community Members of Electric Cooperatives and Municipal Utilities

Over 1 million Illinoisans get their electricity from a Rural Electric Cooperative (REC) or a Municipal Utility (Muni). Unlike ComEd and Ameren, these entities are not subject to rate oversight or renewable portfolio standards. Instead, Illinois (like many states) relies on democratic mechanisms to ensure management is conducting prudent decision making and resource planning to reflect ratepayers' economic and environmental interests. In practice, the management of these utilities is heavily centralized and opaque, and ratepayers often struggle to access basic information about where their power comes from and how their utility bills are being spent.

Importance & Effects

This bill implements a variety of common-sense, good governance measures, adapted from other states, to establish a framework for municipal power agencies and cooperatives to provide basic information to their ratepayers and member municipalities and to proactively evaluate and plan their generation portfolios with public engagement.

Policy Details

1. Transparency Improvements: Municipal Utilities & Joint Agencies:

- a. Imposes recordkeeping and access requirements to ensure member municipalities are able to **understand and monitor the economic value** of current generation assets and trade association and lobbying expenditures.
- b. Expands existing access for individual residents who obtain their power from municipal power agencies under Illinois's Open Meetings and FOIA Acts by **limiting an existing exception** under the Open Meetings Act that has been abused by municipal power agencies to **avoid discussing the costs** of existing contracts and generation resources at public meetings.

2. Transparency & Democratic Improvements: Electric Cooperatives:

- a. Adopts a similar set of policy measures enacted by Colorado in 2021 that increases transparency into both the **management and selection of leadership** in rural electric cooperatives including:
 - **Opening all meetings** of an electric cooperative to its members, subject to a limited exception for executive sessions to consider confidential information.
 - Requires cooperatives to post its **current rates** and make available to all members, upon request, **financial audits** in the past three years.
 - Requires cooperatives to adopt and make public a written policy on elections, to publicly post a list of candidates at least 60 days prior to any election, and **increase candidates' access** to member lists to facilitate contested elections

3. Ethics Improvements: Munis & Cooperatives

- a. Requires both cooperatives and municipal power agencies to develop written policies regarding **conflict of interest** and to make these policies public.
- b. Publicly disclose the amount of ratepayer funds spent on **political lobbying**.

4. Good Governance & Transparent, Democratic Planning: Munis & Cooperatives:

- a. Conduct an Integrated Resource Plan (IRP) process every three years, similar to what is required of cooperatives in other states such as North Dakota and Minnesota. As part of such a IRP process utilities must:
 - Develop a plan to meet forecasted electricity demands, assessing current resources and potential least cost options to meet projected customer needs through **new resources** and **energy efficiency programs**.
 - Engage stakeholders and make a draft version **available for comment by members and ratepayers**. Utilities may avail themselves of an outside expert, selected by the Illinois Power Agency, to ensure a rigorous and independent review at little or no cost to ratepayers.
 - Develop non-binding plans to meet the same renewable portfolio standards that apply to Ameren and ComEd and **prepare to meet decarbonization timelines** under CEJA.



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