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AN EXELON COMPANY

ComEd TRM Policy Updates

6/23/2025

Summary of Stakeholder Comments:

- **Portfolio Impacts: Risk of Diverting Funds from Core EE Programs**
  - Organizations like NRDC and The Preservation Compact argue that including PV solar in the TRM could dilute funding for traditional EE measures (e.g., insulation, HVAC upgrades)
  - These programs are seen as more cost-effective and critical for low-income and multifamily housing
- **Statute Definition: Statutory and Legal Framework Excludes Generation**
  - Multiple stakeholders (e.g., ICC Staff, IL OAG, IPA) emphasize that Illinois law explicitly excludes generation, transmission, and distribution infrastructure from the definition of energy efficiency
  - Including PV solar could conflict with existing statutes and blur the lines between energy efficiency and renewable generation programs
- **Market Impacts: Potential for Market Confusion and Program Overlap**
  - The Illinois Power Agency and NRDC warn that integrating PV solar into EE programs could confuse customers, duplicate existing incentives (like Illinois Shines), and weaken consumer protections
  - It may also complicate REC tracking and undermine the integrity of renewable energy programs
- **Generation Technologies: Slippery Slope to Including Other Generation Technologies**
  - Several stakeholders caution that allowing PV solar as EE could set a precedent for including other generation sources (e.g., fossil-fuel generators, battery storage), which could undermine environmental goals and distort the intent of EE programs

Solar as Energy Efficiency: Portfolio Impacts

Future Portfolio Considerations

- The portfolio has already closed the gap of screw-in lighting (300 GWh) by increasing investment in comprehensive offerings for C&I Markets such as **Industrial Studies, Commissioning Solutions and Energy Advising**. In parallel, ComEd is implementing innovative new upstream offerings such as **Stretch Codes and Market Transformation** efforts.
- In the coming years, linear lighting offerings will be phased out, introducing an equally large savings and offering gap to customers
  - To date, no other existing or incoming energy efficiency measure/technology has demonstrated the same level of effectiveness and market penetration as lighting
  - Advanced lighting controls, Heat Pumps and Weatherization alone cannot close this gap
  - Neither will PV Solar, It's not a replacement for "Traditional Energy Efficiency" it's one more tool in our tool-box. Not even our most cost-effective tool at that.
- The solution is integrating these offerings, into comprehensive whole building offerings
  - Whole Home Electric + Solar Integration
  - A bundled offering that combines **deep electric efficiency (or EEE) upgrades** (e.g., heat pumps, induction stoves, building controls and Water Heating) with **rooftop solar installation**, delivered through a **single contractor** under the EE framework

Solar as EE: Market Impact

Solar as EE: Market Impact

- **We've heard concerns on maintaining "Traditional Energy Efficiency" and we've asked the question "Is there some other magical thing we're missing?"**
  - To date, **no energy efficiency measure** has matched the **impact and mass adoption** of lighting
  - **The market is shaped by our customers, contractors, and stakeholders**
    - Innovation is welcome, but adoption depends on **Customer Needs**, **Market Capacity**, and **Economic Feasibility**
    - We continue to explore new measures, but none currently offer the scale or cost-effectiveness of lighting

- **Solar's Value Proposition as Energy Efficiency**
  - **Resource Adequacy**
    - Solar contributes to grid reliability by **offsetting peak demand**, especially when paired with storage
    - Helps reduce reliance on dispatchable fossil generation
  - **Price Suppression**
    - Solar generation can **lower wholesale electricity prices** by displacing higher-cost generation
    - This effect benefits **non-participants** through **societal cost reductions** and **Price Supression**
  - **Energy Savings & Customer Protections**
    - **Solar delivered through EE frameworks ensures stronger consumer protections** when combined with traditional REC-based models

Solar as EE: Enhancing, Not Undermining, REC Contracts

- **Solar delivered through EE frameworks complements REC contracts**, rather than replacing or weakening them
  - The **REC contract remains intact**, preserving IPA's oversight and compliance mechanisms
  - Solar generation can still be tracked for **exported power**, while EE frameworks focus on **behind-the-meter consumption**—ensuring **no double-counting**
- **Consumer protections are stronger when combined with EE delivery**:
  - Customers benefit from **one installer**, **transparent pricing**, and **standardized quality assurance**
  - EE programs have their own consumer protections in place that will stack on-top of those existing
- **Point-of-sale (POS) rebates** under EE are **not taxable**, unlike REC-based incentives:
  - This results in **~20% more MW delivered per dollar** compared to traditional REC contracts
  - Customers save more upfront and avoid additional tax burdens, improving affordability and adoption
- **EE-led solar deployment supports broader state policy goals**:
  - Drives **resource adequacy** by reducing peak demand and grid stress
  - Contributes to **price suppression** in wholesale markets, benefiting all ratepayers—including non-participants.
  - Delivers **energy savings** by reducing delivery load and improved grid efficiency
  - **Reduces total BTU's** of Electricity or Natural gas needed to meet end uses

Solar as EE: Generation Technologies

Opening the Door for Generation

- **Generation measures already exists in the TRM** and portfolio offerings, Combined Heat and Power is a generation measure and power generation consumed on-site can be claimed as Energy Efficiency
  - Proposed solar savings methodology for Solar PV is no different
  - Every generation technology must be explored within this own merit in accordance with the definitions and intent of the law

- **Solar PV is Uniquely Aligned with EE and Decarbonization Goals**
  - Unlike fossil-fuel generators, solar PV produces zero-emission electricity and directly supports Illinois' climate and equity mandates under CEJA. Its inclusion in EE portfolios is based on environmental performance, not just generation capability

- **Policy Precedent Already Differentiates Generation Technologies**
  - Regulatory frameworks already distinguish between clean distributed generation (like PV Solar and CHP) and fossil-based systems. Including solar PV does not require opening the door to all generation technologies—criteria such as emissions, fuel source, and grid impact can be used to maintain program integrity
  - Unlike other carbon-fuel based generation technologies, PV Solar **Reduces total BTU's** of Electricity or Natural gas in the grid needed to meet end uses at the meter

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