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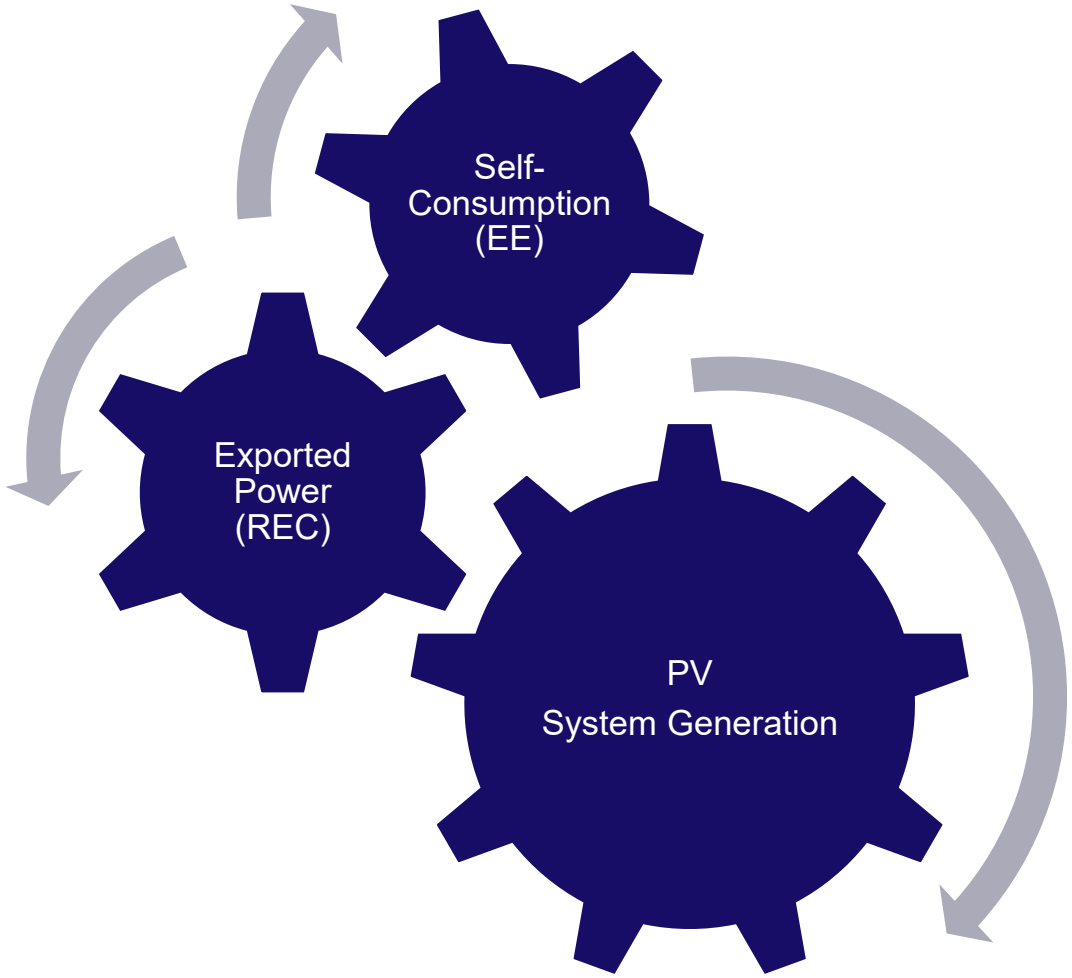
ComEd TRM Policy Updates

Solar as Energy Efficiency

Policy Driver: Supporting Energy State Goals

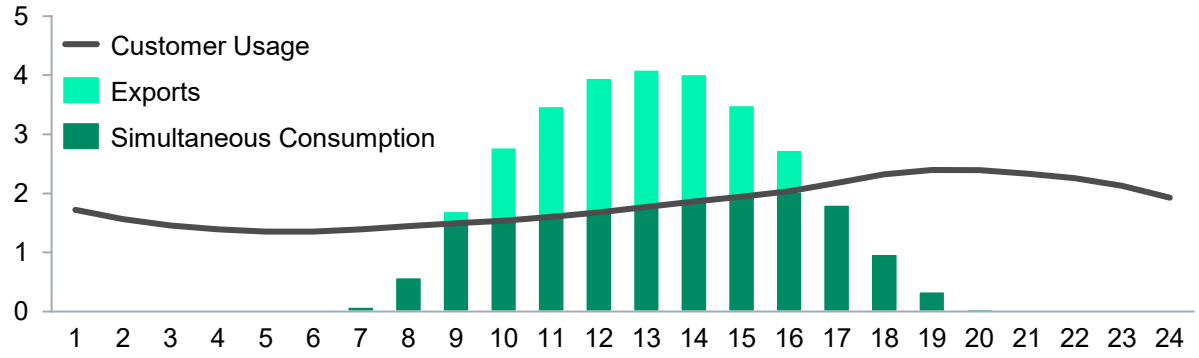
- Energy Efficiency is defined as “measures that reduce the amount of electricity or natural gas consumed in order to achieve a given end use.” (20 ILCS 3855/1-10)
- TRM currently includes some generation measures as EE, such as Combined Heat & Power (CHP). Solar generation is no different and should be considered similarly
- A single PV system can have two distinct impacts at the meter:
  - Exported power supplements renewable generation goals while simultaneously consumed generation reduces electricity consumed at the premise/meter, aligning with state energy efficiency goals
- Other states recognizing Solar as EE in their TRM include: TX, MN, NY, CA, MA & PA
- **Recognizing solar self-consumption as energy efficiency enables Illinois to accelerate the adoption of distributed solar—advancing clean energy, climate, and affordability goals while targeting summer on-peak energy consumption**



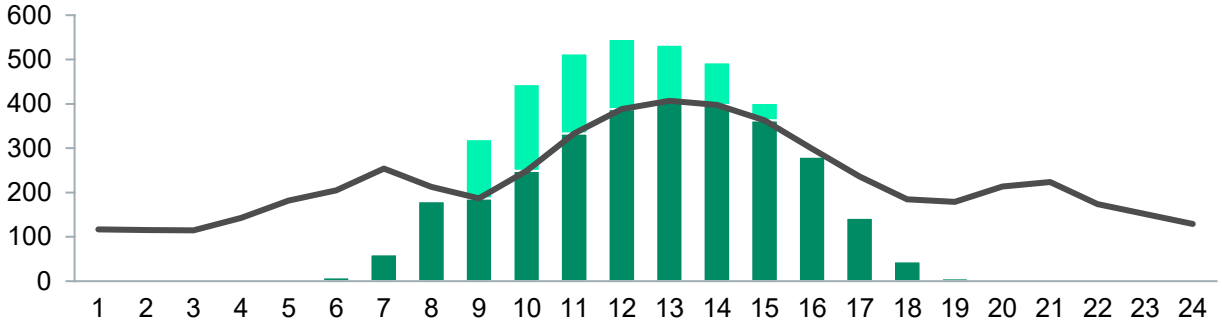
How Can Rooftop Solar be an Energy Efficiency Measure?

- On-site solar PV systems reduce grid demand by offsetting building energy use. ComEd proposes counting only the energy used on-site—excluding excess energy exported to the grid via net metering
  - Exports are similar to the production of any generating unit
  - Energy that is directly used by the customer reduces load at the meter just like any other energy efficiency measure being deployed
  - Example: A typical residential rooftop system can reduce load at the meter by ~5,500 kWh annually for 25-30 years
- ComEd has evaluated solar as an energy efficiency measure and found it cost-effective under the current Total Resource Cost (TRC) methodology
- EE incentives are non-taxable and can be applied at point of sale, project incentives can be provided faster and more simply, enhancing customer access and accelerating adoption

Solar System Typical Behavior for Residential and C&I (kWh)



On average, residential solar customers tend to simultaneously consume **~50%** of the production of the solar being produced



On average, C&I solar customers tend to simultaneously consume **~66%** of the production of the solar being produced

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Solar as EE: Workpaper overview

- **Definition of Efficient Equipment:** On-Premise PV system with or without battery storage
- **Definition of Baseline Equipment:** Assumes no existing PV-System
- **Savings Methodology:** PV Watts (NREL) Tool generation Analysis
- **Simultaneous (Self) Consumption Factor:**
  - 0.50 for Residential PV Systems
  - Custom evaluation for C&I PV Systems
- **Deemed Lifetime of Efficiency Equipment:** 25 years
- **Deemed Measure Cost:**
  - If known, the actual material and labor cost of installation should be used
  - Unknown:
    - C&I: $2 per watt installed
    - Res: $3 per watt installed

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