

IL EE Stakeholder Advisory Group (SAG) Request for Comments on Inflation Reduction Act (IRA) Savings Attribution Proposal

Instructions:

- Using this template, send written comments to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com **by Wednesday, January 28, 2026.**
- Include “IRA Proposal Feedback” in the subject line of the email.
- All comments will be posted on the [SAG website](#), and circulated to SAG.

Background Information:

- During the [January 13, 2026 Large Group SAG meeting](#), Illinois utilities (Ameren Illinois, ComEd, Nicor Gas, Peoples Gas and North Shore Gas) jointly shared an IRA savings attribution proposal.
- Please review the following materials from the January 13 meeting:
 - [Illinois EPA Presentation: IRA Home Energy Rebate Program Update](#)
 - [Joint Utility Presentation: Inflation Reduction Act \(IRA\) Savings Attribution Discussion](#)
- A follow-up meeting is anticipated on **Friday, February 6 (9:30 – 11:00 am)** to discuss comments received.

Comments Submitted By:

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Question 1: Please describe comments and /or questions on the joint utilities’ IRA savings attribution proposal, excerpted from slide 4 of the [January 13 presentation to SAG](#):

IRA Savings Attribution Proposal

- Replicating the existing approach and methodology used with IHWAP.
- A 50% cost contribution for eligible measures by funding utility or utilities (based on fuel type/savings) for full (100%) savings attribution to the funding utility or utilities for funded measures.
 - » Utility/utilities fund 50% of the total cost for eligible measures, as calculated by the CAA; includes material, labor and CAA administration and implementation fees.

ICC Staff Response: *ICC Staff supports 100% attribution for joint programs utilizing IRA funding.*

Under the proposal, the utility share would be 50% of the total eligible measure cost as calculated by the applicable Community Action Agency (“CAA”), inclusive of materials, labor, and CAA administration and implementation fees. The utilities state that this approach mirrors a stipulated

arrangement in place since 2018 for IHWAP and has led to a successful partnership and consistent planning, implementation, and evaluation. While there are operational benefits to continuity—particularly as DCEO and CAAs manage complex IRA requirements—stakeholders require additional detail to evaluate how “eligible measures” will be defined, how CAA-calculated costs (including administrative components) will be reviewed and validated for attribution purposes, and how the approach will be applied in multi-funded projects to ensure it does not produce inequitable or distorted portfolio results.

In particular, IRA funds are intended to expand, not replace, existing IQ program efforts; therefore, utilities should affirmatively commit that adoption of this attribution proposal will not be used to justify reductions, offsets, or redistribution of utility IQ budgets, program scope, or service levels in future planning cycles for the 2027-2029 energy efficiency plan (“EEP”). Furthermore, the proposal cannot be evaluated solely as an administrative attribution convention; it must be evaluated for its interaction with utility monetary performance incentives tied to energy efficiency achievement. Under Section 8-103B, electric utilities’ return on equity (“ROE”) may be adjusted through “basis points” depending on whether the independent evaluator determines the utility exceeded its applicable annual incremental (“AAIG”) savings goal. Take into account the following, if electric utilities are permitted to claim 100% attribution for IRA-braided energy savings while IRA funding increases the volume/cost-effectiveness of installed measures, electric utilities could, more readily, *significantly exceed* their energy-saving goals and increase the magnitude of basis-point awards (subject to the statutory cap). The IRA joint program attribution proposal does not address how (or whether) these performance-incentive interactions will be mitigated.

To mitigate the risk of unintended ROE “windfall” outcomes, stakeholders should promptly revisit in stipulation negotiations—within the existing Section 8-103B plan and annual ROE-adjustment framework—how “IRA-braided” energy savings will be treated for purposes of electric utilities’ basis-point calculation.

Accordingly, Staff request that the electric utilities (ComEd and Ameren) **(1)** state clearly whether they intend IRA-braided savings credited under a 100% attribution approach to be included in the energy savings used for basis-point calculations; if so, they should explain how the proposal avoids an unintended “two-way” financial benefit (i.e., external IRA dollars plus increased basis points); **(2)** If the electric utilities recovers 50% of measure costs from ratepayers and also uses 100% of associated energy savings to increase basis-point earnings, what safeguards will prevent ratepayers from bearing both (i) program costs and (ii) increased ROE/basis-point costs for savings partially funded by IRA dollars?; and **(3)** If the electric utilities IQ budgets increase due to CRGA adaption, how will ComEd and Ameren ensure that the combination of (i) increased budgets and (ii) IRA-braided savings credited at 100% attribution does not materially increase basis-point awards *without* commensurate incremental utility performance?