

Policy Issue: EE Measures with On-Site Generation

Issue: *Whether there are concerns about utilities claiming energy efficiency savings from measures at a site with significant on-site generation.*

- **Question 1:** If a utility energy efficiency program implements a measure in a building that has on-site renewable energy supply, can the program claim energy efficiency savings from that measure?
- **Question 2:** If a utility claims savings from an energy efficiency measure in a building that has on-site renewable energy supply, should there be any limits to those savings?

Guidehouse: Brief explanation of policy issue

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On-Site Generation Issue - Question 1

Issue: Whether there are concerns about utilities claiming energy efficiency savings from measures at a site with significant on-site generation.

Question 1: If a utility energy efficiency program implements a measure in a building that has on-site renewable energy supply, can the program claim energy efficiency savings from that measure?

<u>Comment Submitted By</u>	<u>Explanation of Position</u>	<u>Link to Comments</u>
ICC Staff	Yes, if utilizing an "offset-purchased-power rule", which grounds the EE results in what actually happens at the meter.	ICC Staff
Illinois Office of the Attorney General	No position yet - raised questions and requested additional discussion.	Illinois Office of the Attorney General
Natural Resources Defense Council (NRDC)	Yes. The fact that there may be on-site supply of electricity does not change the fact that the EE measure will reduce electricity consumption by the measure, which is the statutory goal.	NRDC

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On-Site Generation Issue - Question 2

Issue: *Whether there are concerns about utilities claiming energy efficiency savings from measures at a site with significant on-site generation.*

Question 2: If a utility claims savings from an energy efficiency measure in a building that has on-site renewable energy supply, should there be any limits to those savings?

<u>Comment Submitted By</u>	<u>Explanation of Position</u>	<u>Link to Comments</u>
ICC Staff	Yes, there should be limits on the claimed savings. Staff supports claimed savings for EE measures installed in buildings with on-site renewable generation be limited to, and not exceed, the customer's metered grid imports over the most recent twelve-month period.	ICC Staff
Illinois Office of the Attorney General	No position yet - raised questions and requested additional discussion.	Illinois Office of the Attorney General
Natural Resources Defense Council (NRDC)	There should be no limits to savings.	NRDC

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Guidehouse responds to questions raised by Illinois Office of the Attorney General

1. How do other states evaluate efficiency savings at sites with on-site behind-the-meter renewable generation?
 - **Guidehouse Answer:** We do not have research that would provide a comprehensive answer to the question.
2. Referring to Guidehouse's memo re: Energy Efficiency Measures in Net Zero Buildings dated June 3, 2025, provide statutory support for the "Arguments" on page 2.
 - **Guidehouse Answer:** The Guidehouse memo was intended to help policy makers think about the issues at hand. The memo has a section labeled 'arguments' but it should have been labeled something else. We take no position on the policy question and make no arguments either in favor or against it. We feel it is not appropriate for us to extend any specific argument.

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3. If behind-the-meter on-site renewable generation expands because of utility intervention, how do we ensure this does not lead to an increased infrastructure investment expenses because of variable or increased load (assuming these projects do not have battery components)?
 - **Guidehouse Response:** The intent of policy issue #3 is to address only energy efficiency measures installed in buildings that already have on-site generation. Thus questions of the implications of expanding renewable generation behind the meter are not germane to the policy issue at hand.
4. Clarify whether these questions exclusively apply to on-site, behind-the-meter, renewable projects, or whether they would apply to all on-site, behind-the-meter, generation projects (e.g. gas generation)?
 - **Guidehouse Response:** This is a question that the policy should address and as such Guidehouse takes no position.

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Opportunity for Discussion

- Are there any additional questions or comments on this policy issue?

Next Steps for On-Site Generation Policy Issue:

- Additional comments due Friday, August 8 - send to Celia@CeliaJohnsonConsulting.com
- SAG will hold a follow-up discussion in September, if needed
- Resolution of this policy does not need to be included in the IL-TRM; resolution could be considered for a future update to the IL EE Policy Manual