**Illinois EE Stakeholder Advisory Group**

**Fuel Conversion Working Group**

**Policy Questions – Request for Responses (6/25/2021)**

**Instructions for Responding to Policy Questions:**

* Interested parties are requested to respond to policy questions no later than **Friday, July 9 –** send responses to [Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com).
* Please provide responses **within this Word document.**
* The SAG Facilitator will organize responses to questions and circulate in advance of Meeting #6, scheduled on Thursday, July 15.

**Policy Questions for Discussion During July 15 Meeting**

1. Are savings constrained by the 10% limit in (b)25? **ComEd responded to this question in a 6/18/21 e-mail to Celia:**

**The only comment we would add is not based on language in the legislation, but more an observation based on logic and consistency.  Although the FEJA legislation does not explicitly specify a rule for savings in the fuel conversion situation as it does for joint programs and utility-only programs, it would be logical to view the 3 Paragraphs in section b-25 together as a group. If the SAG group decides that savings are determined “at the premises” (i.e., 3412 Btu/kWh) to be consistent with the other alternate fuel situations, the 10 % cap would also apply. However, if the group decides the guidance for fuel conversions lies elsewhere in the legislation, it would be fair and consistent to also question if fuel conversion savings should fall under the 10% cap.**

* 1. Should discussion of this issue be paused due to pending energy bill? *Note: “Pausing” means keeping as a source calculation (current IL-TRM***).**

**While ComEd could support a pause of the discussions related to the question posed above (and rolling over these issues to the next TRM on one condition), ComEd believes that the heat rate component needs to be updated in V 10.0 of the TRM. The reason ComEd supports the pause is because it is clear the TAC does not agree. The stakeholder positions captured in Celia’s Summary Table of May 10 have not changed in the subsequent 2 months of discussion.**

**However, to defer making the needed and well-founded heat rate revision based on potential future legislation is not good TRM policy or precedent. Given the uncertainty of whether legislation will be enacted, what will be included in any such legislation, and the effective date of the legislation, the TRM assumptions should be based on the legal and regulatory requirements currently in effect to govern current market decisions.**

**ComEd disagrees with the Peoples Energy proposal on heat rate. ComEd recommends that VEIC develop a specific proposal before engaging with stakeholders again. It would be best if VEIC can solve the problem as they see it and then make a recommendation to the group.**

**On the ICC Staff’s recommendation of including a footnote in the TRM, the footnote should also include the 10% conversion cap exemption that has appeared in draft legislation.**

1. Should eligibility be constrained to measures that provide customers monetary savings (either bill savings or total lifecycle cost savings)?

**As ComEd noted in comments submitted in April, the legislation says that cost-effectiveness is determined by the TRC test. The TRM should not adopt additional or alternative cost-effectiveness criteria. There is no basis for proposing that new criteria be adopted.**

1. Can the gas utilities claim kWh equivalent savings?
   1. Evaluation consideration: If SAG decides that gas conversion is allowed for fuel switching measures, can the same be allowed for other measures that have both fuel components?

**Unlike Section 8-103B, this issue – and the framework and caps applicable to calculating and claiming savings – is not addressed in Section 8-104 of the PUA.**

1. If proposed legislation that adopts a site conversion for fuel switching in the electric EE statute is passed, should CHP also be calculated at site for consistency? *Note: Question raised by ICC Staff after 6/21 meeting.*

**ComEd believes all measures (including fuel conversion) should be treated in as consistent a manner as is possible.**