**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.
* 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**

**NCLC Responses:**

* 1. Are savings constrained by the 10% limit in (b)25? First, any constraints would only apply to the electric utilities ability to count non-electric savings, and would not impact gas utilities. For electric utilities, this depends on what savings/measure is at issue. For savings from measures that clearly are addressed by (b)25, any conversions are limited to 10% of the utility’s total portfolio goals. For measures not specifically addressed (which would most likely include fuel switching measures from fossil to electric), (b)25 does not constrain them.
		1. Should discussion of this issue be paused due to pending energy bill? *Note: “Pausing” means keeping as a source calculation (current IL-TRM).* Yes, provided that there is agreement that any changes to the TRM regarding fuel conversions can be treated in the same fashion as an “errata,” and can go into effect as soon as practicable, depending on the outcome of any legislative action.
	2. Should eligibility be constrained to measures that provide customers monetary savings (either bill savings or total lifecycle cost savings)? In aggregate for planning purposes yes. Certainly, any customer should be eligible to participate in any offering available for that class of customer, and to do any cost-effective custom measure when custom measures are available in a program. However, as a matter of planning and program design, NCLC does not support a concerted utility effort to systematically pursue and promote measures for discretionary early retirement with fuel switching when they are not, on average, expected to provide some customer life cycle cost savings, as well as pass a TRC cost-effectiveness screen.
	3. Can the gas utilities claim kWh equivalent savings? No. There is no statutory basis for claiming kWh savings as equivalent to gas savings and counting toward gas savings goals. However, because Section 8-104(b) specifically defines eligible efficiency to include measures that reduce total Btus of all fuels even if one goes up, to the extent gas utilities pursue gas savings measures that result in significantly increased electric savings, it is appropriate to only claim the overall net total Btus saved, which would implicitly require a mathematical conversion but not kWh equivalent savings counted as gas savings.
	4. 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? Assuming the term “gas conversion” refers to *electric conversions to gas savings*, no, consistent with above.
	5. 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.* Yes, to the extent it is pursued. NCLC supports further exploration in the Policy Manual Subcommittee of whether CHP, or other fuel switching from electric to fossil gas, should continue to be promoted in the efficiency programs, given State and National climate mitigation policy and decarbonization plans.