IL EE Stakeholder Advisory Group (SAG) Request for Comments on IL-TRM Policy Issue #2: Renewable / Solar Generation

Instructions:

- Using this template, send written comments on IL-TRM Policy Issue #2 to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com by Friday, July 11.
- Include "TRM Policy Issue Feedback" in the subject line of the email.
- Following the July 11 written comment deadline:
 - o All comments will be posted on the SAG website, and circulated to SAG.
 - Next steps will be reviewed following the comment deadline, including whether a
 follow-up meeting is needed, or whether a non-consensus comparison exhibit should be
 prepared.
- Deadline Reminder:
 - o The goal is to resolve IL-TRM policy issues before the August 1, 2025 IL-TRM deliverable.

Comments Submitted By:

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Policy Issue #2: New Measures Involving Renewable / Solar Generation

<u>Policy Issue #2, Question 1</u>: Does the statutory definition of "energy efficiency" allow a solar as energy efficiency measure (i.e. rooftop solar generation) in the Illinois TRM?

ICC Staff Comments: Staff does not support the inclusion of solar generation, such as rooftop solar photovoltaic (PV) systems, as an energy efficiency measure in the IL-TRM under the current statutory framework. A PV system produces electricity; it does not reduce the quantity of electricity needed to perform an end-use function at the premises. Section 8-103B declares that utilities must use "cost-effective energy efficiency and demand-response measures to reduce delivery load." To "reduce," not "offset through self-generation." The focus is on cutting down the actual amount of electricity a building needs to operate—A solar PV system generates power but does not decrease the underlying energy demand for functions like heating or running appliances at the location. Section 8-103B does make a specific allowance for electrification measures—such as switching from gas to electric heat pumps—specifically when they result in a net reduction in total energy use at the site. No similar exception exists for solar PV or other renewable generation technologies, reinforcing that they are outside the scope of energy efficiency as defined by statute.

<u>Policy Issue #2, Question 2</u>: Does the statutory definition of "energy efficiency" allow a solar thermal measure (i.e. solar hot water and solar air heaters) in the Illinois TRM?

ICC Staff Comments: Staff does not support allowing solar-thermal measure—such as solar hotwater or solar air-heating systems—to be treated as an energy-efficiency resource in the IL-TRM. Section 8-103B, directs electric utilities to deploy "cost-effective energy efficiency and demand-response measures to reduce delivery load," specifically characterizing eligible resources as those that lower the quantity of energy delivered or consumed while providing equivalent service. Solar-thermal technologies do not reduce the amount of energy required to perform a given end-use; rather, they create new on-site thermal energy that substitutes for utility-supplied fuel. The statutory language focuses on efficiency—using less delivered energy for the same output—rather than on-site generation or fuel substitution, solar-thermal generation falls outside the scope of Section 8-103B's definition of "energy efficiency".

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Background Information

See the statutory definition of "energy efficiency"- excerpted from Illinois Power Agency Act (20 ILCS 3855/1-10) and Public Utilities Act (220 ILCS 5/8-104(b)):

"Energy efficiency" means measures that reduce the amount of electricity or natural gas consumed in order to achieve a given end use. "Energy efficiency" includes voltage optimization measures that optimize the voltage at points on the electric distribution voltage system and thereby reduce electricity consumption by electric customers' end use devices. "Energy efficiency" also includes measures that reduce the total Btus of electricity, natural gas, and other fuels needed to meet the end use or uses.

June 23 Large Group SAG meeting materials:

- Facilitator Introduction to June 23 SAG Meeting
- ComEd Presentation
- Discussion Slides for June 23 SAG Meeting

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Additional SAG meeting materials related to the "Solar as EE" policy issue:

- ComEd Presentation (June 9 SAG meeting): Solar as Energy Efficiency
- ComEd Follow-up: Solar as EE in Other States
- <u>ComEd Follow-up: Position on the grouping of solar PV and solar thermal</u> technologies/measures
- Solar as Energy Efficiency Residential New Measure (ComEd updated following June 9 meeting)
- Solar as Energy Efficiency Commercial & Industrial New Measure (ComEd updated following June 9 meeting)
- Spreadsheets that support the solar as EE workpapers:
 - EE Residential Solar

- PV Watts ETDF Calculations
- <u>Simultaneous Adjustment Factor Analysis Residential</u>

Additional IL-TRM workpaper related to renewable policy issue:

• Residential Solar Water Heater New Measure (Ameren Illinois)