IL EE Stakeholder Advisory Group (SAG)
Request for Comments on IL-TRM Policy Issues

Instructions:

- Using this template, send written comments on IL-TRM Policy Issues[1] #1, #3, and #4 to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com **by Monday, June 30**.
- Include "TRM Policy Issue Feedback" in the subject line of the email.
- All comments will be posted on the SAG website, and circulated to SAG.
- Small group follow-up meetings are planned on July 9 and July 24. 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 #1: Review Stakeholder Compromise on General Service Lamps

Policy Issue #1, Question 1: Ameren Illinois proposed to align IL-TRM Version 14.0 with Ameren's 2026-2029 EE Plan stipulation, to continue to offer lighting via direct install in the Income Qualified (IQ) Single Family and Multifamily channels. Do you have comments or feedback on this Ameren Illinois proposal? Please explain.

See excerpt from Ameren Illinois 2026-2029 EE Plan stipulation (page 9):

- *As reflected in the batch files, Ameren Illinois will continue to offer lighting via direct install in its IQ Single-Family and Multifamily channels. Direct install of General Purpose Lighting (GPL) will only occur in instances where non-LED lighting currently exists in a customer's home or multifamily building and with such inefficient lamps being recycled or otherwise disposed of by the program. The Parties agree to support Ameren Illinois in its efforts to modify the Technical Reference Manual Version v14, to allow continued direct install of lighting in IQ Single-Family and Multifamily properties.*

ICC Staff Comments: Staff supports retaining a narrowly targeted lighting offering for the IQ Single-Family and Multifamily channels, but under strict conditions that prevents inflated energy savings now that the federal 45-lumen-per-watt backstop and the LED baseline in IL-TRM v13 have reset the market**.** My concerns are how will Ameren ensure that every bulb swapped through the direct install program is documented in operation to demonstrate there was a working non-LED at the time of installation, thereby validating the necessity of replacement; also what processes will Ameren put in place to guarantee that all removed inefficient lamps are recycled or disposed of in compliance with environmental rules, and how does Ameren intends to calculate energy savings to account for higher free-ridership and the likelihood of early burn-outs, ensuring that reported energy savings are accurate.

[1] Policy issue #2 related to renewable/solar EE measures will be discussed at a follow-up SAG meeting on Monday, June 23. Written comments will be requested after the June 23 meeting, with a deadline of Friday, July 11. A written comment template will be circulated following the June 23 meeting.

<u>Policy Issue #1, Question 2</u>: ComEd proposed to extend eligibility in IL-TRM Version 14.0 for General Service Lamp (GSL) offerings to income qualified customers through 2029, including:

1. EE kits
2. Retail programs

Do you have comments or feedback on the ComEd proposal? Please explain.

ICC Staff Comments: Staff supports ComEd proposal to extend GSL offerings to income-qualified customers through 2029, including EE kits and retail programs, however thru limited distribution through CBOs or utility-run EE kit programs that (1) ship only to addresses verified as low-income, and (2) exclude the basic A-line LEDs that are now plentiful and cheap in every big-box aisle. As a consideration, specialty shapes—globes, candelabras, reflectors—that still cost more than four dollars apiece could remain in the retail programs because they continue to be cost-effective savings; however, upstream retail incentives for standard A-19 LEDs should sunset after Program Year 2025, reflecting the sharply lower incremental savings available under the new federal 45-lumen-per-watt baseline.

<u>Policy Issue #1, Question 3</u>: During the June 9 SAG meeting, several stakeholders suggested ComEd consider using the same approach as Ameren Illinois, <u>offering lighting via direct install</u> in the Income Qualified (IQ) Single Family and Multifamily channels. Do you have comments or feedback on this proposed approach? Please explain.

<u>Policy Issue #1, Question 4</u>: Should the measure lifetime for LED bulbs continue to be eight (8) years in IL-TRM Version 14.0? Please explain.

Background information for policy issue #1:

- IL-TRM Administrator Presentation: Overview of Policy Issues – see slides 4-5
- ComEd Presentation: EISA Exemption for General Service Lamps
- See IL-TRM Version 13.0 LED measures, including:
  - 5.5.6 LED Specialty Lamps
  - 5.5.8 LED Screw Based Omnidirectional Bulbs
  - 5.5.9 LED Fixtures

ICC Staff Comments: Staff does not support keeping the eight-year measure life for IQ programs. The useful life assigned to LED bulbs in IL-TRM v14 should reflect today's market reality, not the conditions that existed when the current eight-year measure life was first adopted for income-qualified (IQ) programs. The federal 45-lumen-per-watt "backstop" and DOE's 2022 lighting rule have all but swept inefficient lamps off store shelves, pushing LEDs to near-universal availability and has shifted the baseline. LEDs installed in enclosed fixtures, high-heat kitchens, or humid bathrooms can fail well before their lab-rated life. A blanket eight-year life assumes uniform operating conditions that the income-qualified sector rarely experience; a tiered approach (e.g., 6 yrs for enclosed or high-temperature locations, 12 yrs for open fixtures) would better reflect field realities in IQ communities.

Policy Issue #3: Energy Efficiency Upgrades at a Site with Significant On-Site Generation

Policy Issue #3, 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? Please explain.

ICC Staff Comments: ICC Staff supports the "offset-purchased-power" rule because it grounds the energy-efficiency results in what actually happens at the meter. Under this approach, a project may claim first-year kilowatt-hour savings only up to the amount of electricity the customer bought from the grid over the previous twelve months; any savings calculated beyond that cap cannot be used for statutory energy saving targets. By tying efficiency claims to real grid purchases, and limiting credit to a customer's recent imports guarantees that every recorded kilowatt-hour truly reduces ComEd's delivery load. For buildings that already meet most or all of their needs with on-site solar, additional efficiency upgrades/retrofits may seem advantageous, these retrofits can be beneficial for the building itself, however the overall impact on the energy efficiency savings might be minimal. The cap prevents such over-statements, eliminates the risk of counting the same energy twice—as renewable exports and again as avoided consumption. More importantly, this rule still lets customers with solar tap into energy efficiency incentives; it merely prevents the portfolio from paying for savings that do not help the grid, avoids overstating statutory energy savings, and keeps more dollars available for EE projects in commercial buildings—where every kilowatt-hour saved directly reduces energy generation costs and emissions.

Policy Issue #3, 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? Please explain.

Background information for policy issue #3:

- IL-TRM Administrator Presentation: Overview of Policy Issues – see slide 8
- Guidehouse Memo: Energy Efficiency Measures in Net Zero Buildings (June 3, 2025)

ICC Staff Comments: 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. Buildings with rooftop solar or another on-site renewable system, are generating much of its own electricity, thereby reducing the electricity the customer must buy from the grid and, potentially, the excess renewable kilowatt-hours that flow back onto the grid. Therefore, if a utility claims the full estimated energy savings from EE measures without this cap, there's a risk of crediting savings that are not attributable to the grid supply. The most equitable solution should consider capping the claimable savings on the customer's actual grid purchases over the most recent twelve months. Therefore, every kilowatt-hour claimed from the EE measure represents a real drop in delivery load—and avoids double-counting benefits that are already being rewarded under renewable-energy programs.

Policy Issue #4: Revisiting the electric vehicle as an efficiency measure issue

Policy Issue #4, Question 1: Can electric utilities claim energy efficiency savings for incentives used to encourage customers to purchase a more efficient Electric Vehicle over a standard baseline Electric Vehicle within separate vehicle classes? Please explain.

Background information for policy issue #4:

- IL-TRM Administrator Presentation: Overview of Policy Issues – see slides 9-16
- Ameren Illinois Presentation: New Measure - Light Duty Electric Vehicles
- Light Duty Electric Vehicle New Measure (Ameren Illinois)
- Additional Reference Provided: ACEEE White Paper: Electric Vehicle Efficiency: Unlocking Consumer Savings and Environmental Gains (August 2024)

ICC Staff Comments: Staff does not support any attempt to claim BEV-efficiency rebates as EE savings in IL-TRM v14.0 and as it does not demonstrate real, incremental, and durable kilowatt-hour reductions. The proposal misses the core intent of Section 8-103B, which is to fund cost-effective measures that actually reduces the utility's delivery load. Customers switching from a small SUV electric vehicle that uses, for example 40.7 kWh per 100 miles to one that only uses 33.0 kWh could save a notable amount of kilowatt-hours per year, however those kilowatt-hours appear only after the customer adds a brand-new electric load to the grid. The incentive addresses a future increase; it does not create a net reduction and does not meet the criteria for load reduction. Staff is also concern that there is no federal or state minimum-efficiency standard exists for BEVs, there is no stable baseline for claiming incremental savings, or accurate evaluation methodologies that track second-owner transfers, vehicle retirements, or cars that leave the service territory. Considering the potential data gaps may present a challenge in reporting savings that are verifiable.

Additionally, ICC previously determined utilities cannot provide rebates for passenger electric vehicles because that authority is granted to the IL EPA. This pertained to the electric utility Beneficial Electrification plan, but the same concept applies to EE.

Excerpt from ICC Docket No. 22-0432, Interim Order for ComEd's petition for approval of Beneficial Electrification Plan:

> *ComEd's BE Plan proposes rebates for residential passenger EVs and rebates for charging stations (as opposed to make-ready infrastructure). These are exactly the types of rebates that the IEPA was given the authority to grant. To state that the Commission has the authority to approve such rebate programs under the EVA would dilute the purpose of assigning the rebates to the IEPA through the EV Rebate Act and the EVA. Moreover, if the Commission approved similar rebate programs through the EVA, they would be unnecessarily duplicative. Accordingly, the Commission finds that the rebate programs identified and contested by Staff are not within the authority of the Commission to approve and should be removed from the BE Plan. Staff's Motion regarding this issue is granted.*