

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

Comments Submitted By:

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

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

IL OAG Response: Assuming that “solar” refers to photovoltaic (PV) panels that convert the energy of the sun into electricity, IL OAG’s position is that PV solar does not meet the statutory definition of “energy efficiency” as reflected in Section 8-103B(a) of the Public Utilities Act and Section 1-10 of the Illinois Power Agency Act. This is because PV solar does not reduce the amount of electricity utilized in order to achieve a given end use and also does not reduce delivery load. Rather, PV solar is a behind-the-meter generation resource that produces electricity for end users and also potentially sold by those end users to other end users.

The Illinois Power Agency Act defines energy efficiency as “measures that reduce the amount of electricity or natural gas consumed in order to achieve a given end use.” 20 ILCS 3855/1-10. This definition includes two other provisions. First, that 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.” Second, 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.”

Section 8-103B(a) of the Public Utilities Act also contains the following policy statement about energy efficiency: “It is the policy of the State that electric utilities are required to use cost-effective energy efficiency and demand-response measures to reduce delivery load. Requiring investment in cost-effective energy efficiency and demand-response measures will reduce direct and indirect costs to consumers by decreasing environmental impacts and by avoiding or delaying the need for new generation, transmission, and distribution infrastructure.” 220 ILCS 5/8-103B(a).

PV solar generates electricity by converting the energy of the sun into electricity. PV solar does not reduce a “given use” of electric or delivery load. Its primary purpose is to generate electricity for the end user. As such, PV solar plainly does not satisfy the definition of “energy efficiency.” As stated in Section 8-103B(a), “generation, transmission and distribution infrastructure” are listed as concepts as outside the scope of energy efficiency. Further, an interpretation to expand the definition of energy efficiency to include behind-the-meter generation resources would lead to erroneous results, potentially

allowing for the inclusion of other generation resources in the Illinois Energy Efficiency Program, such as Battery Energy Storage Systems or even gas-fired back-up generation. Because PV solar does not reduce the amount of electricity consumed for a given use, but rather generates electricity from a renewable source, PV solar does not meet the statutory definition of energy efficiency.

IL OAG reserves the right to further supplement its response to this TRM policy issue.

Policy Issue #2, Question 2: 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?

IL OAG Response: Assuming that the solar thermal measure is designed to reduce the amount of electricity or gas used for a given end use, such as a solar water heater that uses the energy of the sun to heat water, IL OAG’s position is that those solar thermal measures do satisfy the definition of “energy efficiency” as provided in the relevant provisions of the Public Utilities Act and the Illinois Power Agency Act.

IL OAG reserves the right to further supplement its response to this pending TRM Policy Issue.

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](#)
- [ComEd Follow-up: Position on the grouping of solar PV and solar thermal 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](#)
- [Simultaneous Adjustment Factor Analysis – Residential](#)

Additional IL-TRM workpaper related to renewable policy issue:

- [Residential Solar Water Heater New Measure \(Ameren Illinois\)](#)