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Introduction to IL-TRM Policy Issue #4: Electric Vehicle Measure

Celia Johnson, SAG Facilitator
July 9, 2025 SAG Small Group Meeting

July 9 SAG Small Group Meeting

Electric Vehicle Policy Issue #4

Policy issue: Revisiting the Electric Vehicle as an efficiency measure issue

- ❖ Summary of comments received
- ❖ Ameren Illinois response to policy comments
- ❖ Discussion and Q&A

Discuss Next Steps for Policy Issue #4: Is the issue resolved, or is additional discussion needed at the July 24 meeting?

Electric Vehicle Policy Issue #4

Question:

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.

Feedback was due on Monday, June 30. Comments are posted on the SAG website:

- ❖ [ICC Staff](#)
- ❖ [Illinois Office of the Attorney General](#)
- ❖ [NRDC](#)

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 (EV) over a standard baseline EV within separate vehicle classes? Please explain.

ICC Staff

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.*

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 (EV) over a standard baseline EV within separate vehicle classes? Please explain.

IL Office of the Attorney General

Opposes electric utilities claiming EE savings for incentives used to encourage customers to purchase a more efficient EV over a standard baseline EV within separate vehicle classes. IL OAG has previously opposed this Policy Issue and continues to oppose its inclusion in the Illinois EE program.

1. The Beneficial Electrification (BE) provision of CEJA already provides a mechanism for the promotion of efficient EVs and cost recovery. The BE provision of CEJA is the appropriate place to encourage the adoption of efficient EVs. This is especially important given the budget limitations of the EE program and the statutory prioritization of EE investment in income-qualified communities, which are also unlikely to benefit from incentives for the claimed savings for more efficient EVs.
2. We have concerns about free ridership in the incentivization of more efficient EV purchase. Given the costs of EVs, and customers' typical priorities for choosing new cars (e.g. size, style, make or brand, warranty, safety), it is unlikely that a customer would choose a different EV than their preferred make and model to secure a rebate that is likely to be insignificant relative to the total cost of the EV. While a more significant rebate amount could influence this decision and minimize free ridership, given total EE budget limitations and cost-effectiveness mandates, which include specific spending prioritization, we do not think the net-to-gross process is sufficient to address these concerns.

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 (EV) over a standard baseline EV within separate vehicle classes? Please explain.

NRDC

Conceptually, NRDC is supportive of the notion that an efficient EV - i.e., one that consumes less kWh per year than a standard EV a customer would otherwise have purchased - could be a legitimate electric efficiency measure.

- Whenever a customer is in the market to buy an electricity-consuming product there can be an opportunity to influence the purchase so that they buy an efficient version of the product instead of a less efficient or “standard” version of the product. We do not see why EVs are different in this regard than lighting products, air conditioners or refrigerators. The fact that there may be other sources of funds for the purchase of EVs generally does not change that conceptual point if the focus of the utility EE program is not to promote all EVs but only highly efficient ones. If any other Illinois utility ratepayer funded EV promotions or incentives are also designed specifically to promote efficient EVs instead of standard EVs, our response might be different.
- NRDC has concerns about the potential for a utility EE program to effectively promote the purchase of efficient EVs. Our biggest concern is that research on this issue in the Pacific Northwest seems to suggest that the federal mileage rating system upon which Ameren proposes to base savings estimates is not very accurate - and likely significantly over-estimating actual operating efficiency - for at least some EV manufacturers’ models (including many that have among the best efficiency ratings). We also have other concerns about the specifics of Ameren’s proposal, including (1) basing the assumed efficiency of a standard EV on the average efficiency of all EV models available rather than sales weighted average of the models that are actually being purchased today; and (2) assuming that the “baseline” is one standard deviation below the average efficiency rather than the average efficiency.

Discussion

- ❖ Ameren Illinois Response
- ❖ Additional Discussion and Q&A

Next Steps for Electric Vehicle Policy Issue

Is the policy issue resolved, or is additional discussion needed at the July 24 SAG Small Group meeting?

Contact Information

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