Fuel Switch Proposal Feedback

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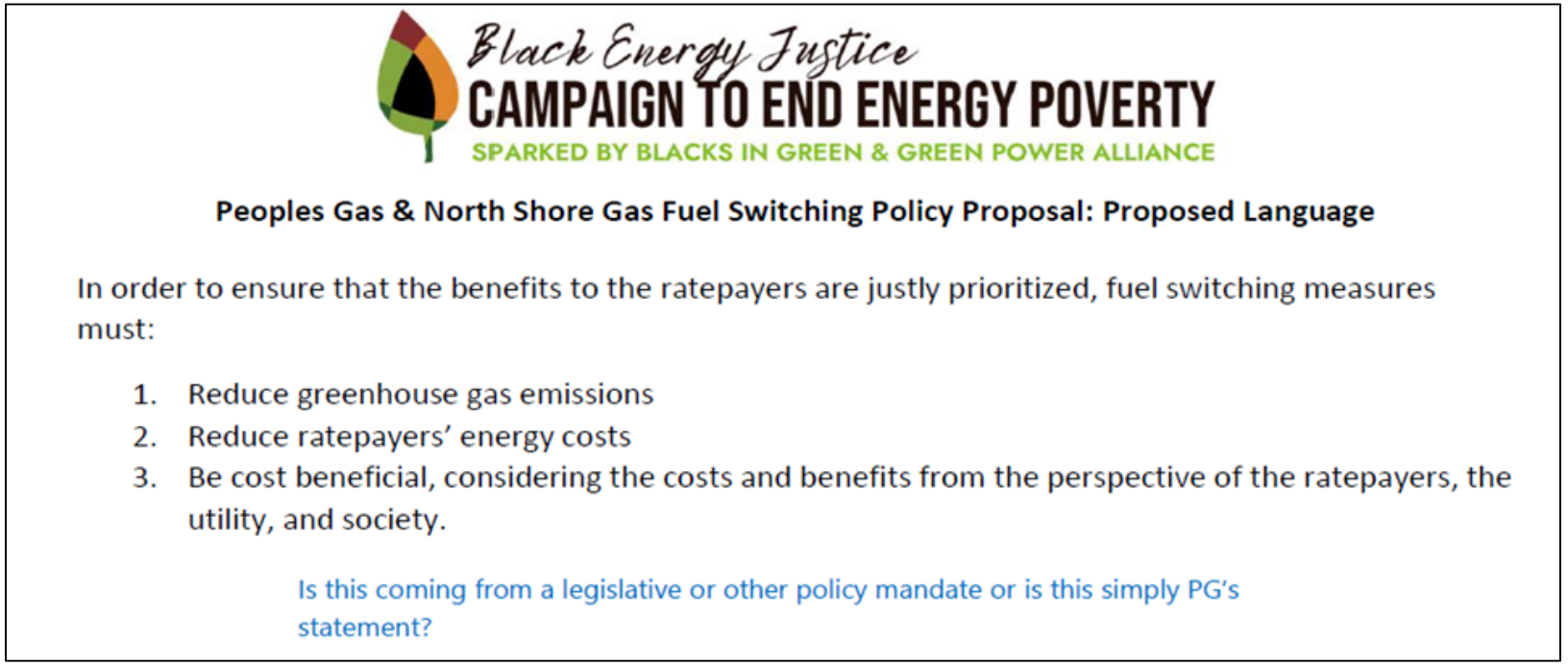

Actual language is our suggestion for memorializing safeguards in the policy manual to ensure that energy efficiency is achieved when we use ratepayer energy efficiency dollars to fuel switch.

(220 ILCS 5/8-103B)
Sec. 8-103B. Energy efficiency and demand-response measures.

(a) 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.

Clarifying the Proposal

	What the proposal IS NOT	What the proposal IS
Ameren	We are not proposing to require "cost-effectiveness" and to use the TRC test.	The proposal is for measures to be "cost beneficial" and to define how we measure this in a working group.
ComEd, NCLC, IL AG, NRDC	The proposal is not specific/unique to electrification. We are not proposing to create hurdles for electrification.	Establishing a consistent framework that applies to all fuel switching (propane to gas, etc.). Ensuring that when ratepayer energy efficiency dollars are spent on electrification or any other fuel switch, it results in actual energy efficiency.
	Not meant to stop customers from electrifying.	Clarifying which fuel switch measures count as energy efficiency savings.

Proposal: Fuel Switch Safeguards

Proposed Policy Manual Language:

In order to ensure that the benefits to the ratepayers are justly prioritized, fuel switch measures must:

1. Reduce greenhouse gas emissions.
2. Reduce ratepayers' energy costs.
3. Be cost beneficial, considering the costs and benefits from the perspective of the ratepayers, the utility, and society.

The SAG facilitator will convene a series of working groups where Program Administrators and interested stakeholders will work together, with the goal of achieving consensus, on how best to assess and track the above criteria.

Rationale:

Actual language is our suggestion for memorializing safeguards in the policy manual to ensure that energy efficiency is achieved when we use ratepayer energy efficiency dollars to fuel switch.

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Greenhouse Gas (GHG) Emissions Impacts

1. ComEd Stipulation Agreement

F) Energy Efficiency Electrification under Section 8-103B

2) Program Approaches

c) The Parties agree that one of the objectives of Section 8-103B's energy efficiency electrification initiatives is to reduce greenhouse gas emissions. The Parties further agree to work together, with the goal of achieving consensus, on how to assess and track greenhouse gas emissions impacts of ComEd's Section 8-103B energy efficiency electrification initiatives.

We agree. Our proposal invites *all* stakeholders to participate in the decision making

2. SAG Greenhouse Gas Savings Working Group is part of 2023 SAG plan.

- We can start these meetings now

3. Required input for the TRC test

- GHG emissions increase/reduction are required inputs to the measure level TRC test.
- Section 8: Total Resource Cost Test (IL EE Policy Manual)