

Illinois Energy Efficiency Stakeholder Advisory Group Policy Manual Subcommittee Version 3.0: Proposed Policy Template

Proposed Policy: Allowing Renewable Measures Under EE Programs Submitted By: Guidehouse

Question 1: Proposed Policy and Rationale

Briefly describe the policy proposed to be included in Policy Manual Version 3.0, including rationale for why this policy is necessary in Illinois.

Questions to consider:

- 1. Why does this policy require inclusion in Policy Manual Version 3.0?*
- 2. What unresolved policy issue(s) will be resolved by inclusion in the Policy Manual Version 3.0?*

Please be as specific as you can. If you have specific policy language to propose at this time, please include in this template. It is not a requirement to draft policy language in the proposal template. If draft policy language is not included here, you may be assigned to draft proposed policy language for review by the Subcommittee at a future meeting.

Proposed policies for allowing renewable measures under EE programs

This policy proposal is intended to give the utilities and their independent evaluators guidance about which measures with renewable energy (RE) components can be included in the energy efficiency (EE) portfolios and under what conditions.

Policy proposal – Eligible. The following conditions define that a measure or system with renewable energy (RE) components **is eligible** for inclusion in an energy efficiency (EE) portfolio when Condition 1, Condition 2, and Condition 3 are true:

Condition 1. The measure reduces usage of grid-connected electricity or pipeline-supplied natural gas at a site because it either (only one of A, B, or C need to be true):

- Has a renewable energy (RE) conversion component that is integral to a single device meeting a specific end use need – i.e., the RE feature and other features are designed, sold and installed as a single device (e.g., PV built into outdoor lighting) and not as separate components that are connected as a system.
- Is specifically designed to use a form of renewable energy that is naturally available on-site to reduce the grid or pipeline supplied energy required for a site-specific end use, without an additional energy conversion step after capture (includes, for example, daylighting, light tubes, solar thermal water heating, and passive solar space heating).
- Utilizes an existing on-site produced bio-based feedstock to produce renewable energy on-site to reduce an on-site energy need. Energy efficiency savings are limited to the feedstock produced on-site and the site-energy reduced. Importation of biofuels and feeding energy into the grid or pipeline may be part of the project, but do not count as energy efficiency.

Condition 2. The grid or pipeline connections may provide supplemental electricity or natural gas to the renewable energy device, but energy to the grid or pipeline received from the RE device is not eligible as energy efficiency.

Condition 3. Useful energy output of the measure does not receive incentives from or contribute savings to both Illinois renewable energy programs and Illinois energy efficiency programs. The useful energy output may be allocated in part to RE and EE, but not double-counted as both RE and EE.

Question 2: Utility Impact

Describe whether the proposed policy impacts Illinois gas utilities, electric utilities, or both.

The policy impacts gas and electric utilities

Question 3: Background Research

Provide any background research completed in preparing this template, including source references and links, as applicable.

Questions to consider:

- 1. Are you aware of other jurisdictions or utilities that address this policy issue?*
- 2. Have any national or regional energy efficiency organizations addressed this policy topic? If so, please provide reports and any other relevant sources.*

Invited and received input from SAG members and Illinois utilities

Optional Question 4: Commission Decision

Has the Illinois Commerce Commission previously addressed this policy or issue? If so, please provide language and specific citations, including the ICC docket number.

Not sure

Optional Question 5: Statutory Consistency

Have you reviewed your proposed policy against applicable Illinois law? Are there any possible conflicts? If so, please explain and provide statutory citation(s).

Not sure if this conflicts with Illinois law.

Optional Question 6: Additional Information

Provide additional information, as needed, to assist with understanding the proposed policy issue and your request to include it in the Policy Manual Version 3.0. For example, have any memos been drafted to the SAG related to this policy proposal?

Yes, a draft policy document was circulated to a SAG subgroup working on the policy (10/19/21) and a revised memo based on comments received (December 14, 2021) was developed but not circulated. The proposed version of the policy above has changed since the December 14, 2021 memo.



Renewable Measures
Policy Proposal 2021-



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