

## **Proposed Policy for Version 3.0: Electrification Bill Impacts** **Submitted By: Nicor Gas**

### **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.*

8-103B(b-27) requires electric utilities to provide customers with estimates of the impact the electrification will have on customers' electric bill and total annual energy expenses. (See statutory language in Question 5, below.)

The Policy Manual should address the approach electrical utilities will use to calculate these impacts, including the following issues:

- How calculations will provide customers with information on savings relative to baselines for existing equipment, standard efficiency new equipment, and high efficiency new equipment.
- How calculations will provide customers with information on savings from the electrification itself as well as auxiliary savings. For example, savings for heat pumps should clearly distinguish heating electrification savings from auxiliary cooling savings. Likewise, heat pump water heaters can affect water heating, cooling, and dehumidification.
- How calculations will distinguish electrification savings from savings resulting from other measures implemented at the same time (e.g., from other equipment upgrades, weatherization upgrades, etc.).
- How calculations will be customized to the characteristics of individual building and equipment.
- How calculations will rely on TRM algorithms, custom software, or other approaches.
- How calculations will differ for different program delivery strategies, including midstream, time of sale, new construction, retrofit, and early replacement.
- How calculations will specify energy prices, including:
  - ComEd tariffs for delivery and default service
  - Gas utility tariffs
  - Competitive supplier prices for electricity and natural gas
  - Other fossil fuel prices
  - Marginal prices specific to individual customers
- How calculations will address expected changes to electric, gas, and other fossil fuel costs over the life of installed equipment.
- How calculations will address equipment costs, including utility financial incentives.

The Policy Manual should also address how electric utilities will communicate these impacts to customers, including the following issues:

- The information that will be provided to customers.
- The structure and format of the information that will be provided to customers.
- If appropriate, how information will differ for different programs, measures, etc.

The Policy Manual should also address how electric utilities will communicate these impacts to the Commission, including the following issues:

- The information that will be provided to the Commission.
- The structure and format of the information that will be provided to the Commission.
- If appropriate, how information will differ for different programs, measures, etc.

### **Question 2: Utility Impact**

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

Proposal impacts electric utilities directly in fulfilling their statutory requirement to inform customers of the impacts of electrification measures. Gas utilities also have an interest in these issues.

### **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.*

No.

### **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.*

No.

### **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).*

8-103B(b-27):

Prior to installing an electrification measure, the utility shall provide a customer with an estimate of the impact of the new measure on the customer's average monthly electric bill and total annual energy expenses.

**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?*

None.