

Illinois EE Stakeholder Advisory Group Fuel Conversion Working Group

Tuesday, March 9, 2021 (Meeting #1)

10:00 am – 12:00 pm

Teleconference

Attendees and Meeting Notes

Meeting Materials

- Posted on the [March 9 Working Group meeting page](#):
 - [March 9, 2021 Fuel Conversion Working Group Agenda](#)
 - Introduction to Fuel Conversion Working Group:
 - [SAG Facilitator Presentation: 2021 Fuel Conversion Working Group Plan](#)
 - [VEIC Presentation to Fuel Conversion Working Group: Comparing the Electric and Fuel Impacts of Efficiency Measures](#)

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Matt Armstrong, Ameren Illinois
Rick Berry, Guidehouse
Joe Birschbach, Leidos
Ben Campbell, Energy Resources Center, UIC
Andrew Cottrell, Applied Energy Group
Sam Dent, VEIC (IL-TRM Administrator)
Nick Dreher, MEEA
Gabe Duarte, CLEAResult
Allen Dusault, Franklin Energy
Jim Fay, ComEd
Scott Fotre, CMC Energy
LaJuana Garrett, Nicor Gas
Jenny George, Leidos
Jean Gibson, Peoples Gas & North Shore Gas
Pace Goodman, ILLUME
Kevin Grabner, Guidehouse
Molly Graham, MEEA
Amir Haghghat, CLEAResult
Travis Hinck, GDS Associates
Hannah Howard, Opinion Dynamics
Laura James, Cadmus Group
Jim Jerozal, Nicor Gas
Nikki Kuhn, VEIC (IL-TRM Administrator)
Thomas Manjarres, Peoples Gas & North Shore Gas
Rebecca McNish, ComEd
Mark Milby, ComEd
Abigail Miner, IL Attorney General's Office
Jennifer Morris, ICC Staff
Phil Mosenthal, Optimal Energy, on behalf of IL AG's Office and NCLC

Chris Neme, Energy Futures Group, on behalf of NRDC
Randy Opdyke, Nicor Gas
Stacey Paradis, MEEA
Michael Pittman, Ameren Illinois
Reine Rambert, MEEA
Zach Ross, Opinion Dynamics
Tyler Sellner, Opinion Dynamics
Grant Snyder, IL Attorney General's Office
Jacob Stoll, ComEd
Mark Szczygiel, Nicor Gas
Andy Vaughn, Leidos
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
Andrenika Whisenton, CLEAResult
Ken Woolcutt, Ameren Illinois
Brittany Zwicker, CLEAResult
Chris Vaughn, Nicor Gas

Meeting Notes

Action items are indicated in **red font**.

Opening and Introductions

Celia Johnson, SAG Facilitator

The purpose of the March 9th meeting:

1. For the SAG Facilitator to present an overview of the 2021 Fuel Conversion Working Group Plan;
2. To introduce and discuss open fuel conversion policy questions raised in 2020; and
3. To determine if there are additional fuel conversion questions that need to be addressed

Overview of 2021 Fuel Conversion Working Group Plan

Celia Johnson, SAG Facilitator

Working Group Purpose

- A forum to discuss fuel conversion policy questions that were raised in 2020 IL-TRM update process and if possible, reach consensus on policy questions.

Background

- Policy questions were raised during the 2020 IL-TRM update (Version 10.0). VEIC (IL-TRM Administrator) requested that SAG address policy questions.
- Fuel conversion methodology was developed in IL-TRM Version 4.0 process.

Policy Resolution Options

- If consensus is reached, it will be documented
- If consensus is not reached, a Comparison Exhibit of Non-Consensus Issues will be prepared / shared with IL-TRM Administrator and IL-TRM TAC

VEIC Presentation to Working Group: Comparing the Electric and Fuel Impacts of Efficiency Measures

Sam Dent, VEIC (IL-TRM Administrator)

Presentation Agenda

- Background of issues
- Review of current methodologies
- Key policy questions

Issue Background

- 2015: TAC discussed methodology for dealing with fuel-switching measures and combined heat and power.
 - Major question: whether BTUs in savings of measures should consider site energy (i.e. savings at customer's meter) or source energy (savings from generation)
 - TAC agreed to consider source energy savings (line losses)
 - To calculate SOURCE energy, the Heat Rate of the Grid (i.e. the Btu's consumed per kWh generated) and any line losses during distribution are factored in.
- 2020: Issue came up again as TAC considered a request for a new measure for EVs. Comparing electricity used by EV compared with fuel savings from gasoline combustion. Measure wasn't added to TRM for other reasons, but TAC agreed that we would figure out the correct way to do the calculation. Language within FEJA was brought to TACs attention.
- Reviewed FEJA provision on fuel conversion: Section 8-103B(b-25)
 - *For those energy efficiency measures or programs that save both electricity and other fuels but are not jointly offered with a gas utility under plans approved under this Section and Section 8-104 or not offered with an affiliated gas utility under paragraph (6) of subsection (f) of Section 8-104 of this Act, the electric utility may count savings of fuels other than electricity toward the achievement of its annual savings goal, and the energy savings value associated with such other fuels shall be converted to electric energy savings on an equivalent Btu basis at the premises.*
 - *In no event shall more than 10% of each year's applicable annual incremental goal as defined in paragraph (7) of subsection (g) of this Section be met through savings of fuels other than electricity.*
- Upon review of this Statute language, it was suggested that this decreed that electric impact should be assessed "at the premises" or using SITE energy, contrary to our existing methodology.
- However, during subsequent TAC discussions it became clear that there are different opinions as to the exact purpose, intent and reach of this language:
 - Members pointed to apparent discrepancies with language within other Statutes, for example the Illinois Power Agency Act (ILCS 3855) defining "Energy efficiency" as measures that "reduce the total Btus of electricity, natural gas, and other fuels needed to meet the end use or uses".
 - Others suggested that the intent of FEJA was to encourage more fuel switching away from fossil fuel systems and that requiring site conversion would be inconsistent with that goal.
 - Questions on the reach of this language were also raised – does the Statute language only apply to measures not jointly offered, does it relate to CHP?

- For IL-TRM Version 9.0 (updated in 2020), the existing methodology was maintained within the TRM.
- The question of whether a change to the methodology should be applied as an errata is a question TAC can deal with once consensus is reached on the policy questions.

Discussion

Jennifer Morris: Doesn't CHP have a different type of conversion factor?

Chris Neme: The CHP equivalencies were based on a carbon equivalency; effectively about halfway between site and source. The heat rates were used to calculate the emission impacts in carbon, which became the basis for establishing the equivalencies.

Phil Mosenthal: Isn't it the other way around? Switching from fossil systems for electricity, that a site conversion would encourage that more than a source.

Jennifer Morris: Agreed. Site is more beneficial for the electric than gas utilities so it would be more supportive of the goals. Unsure about the intent of FEJA to encourage more fuel-switching. I think the language was not related to fuel switching; it was for continuing joint programs in spite of budget discrepancies. It's possible that this was just an argument.

Review of Current Methodologies

- eGRID is current Heat Rate of the Grid factor methodology (EPA)
- Two regions – one for ComEd and one for Ameren IL
- There are open questions about the appropriate calculation of Heat Rate. TAC will discuss these issues only if it is determined that Source calculations are appropriate.
- Reviewed current values based on eGRID 2018
- **Ted Weaver: It would be a good idea to define "line losses" in the TRM**
 - **VEIC will look at this.**

Discussion

Phil Mosenthal: In your first bullet, it references the annual heat input from combustion. I know they have an emitting heat rate in eGRID. Is it correct that we are just using the emitting heat rate? Because I would think we're using other share of renewables and non-carbon sources.

Chris Neme: I think we're using non-baseload. There's potentially a distinction to be made between what's the marginal unit in the short term (any given year) and in the long run. For example, marginal unit is at a minimum considers RPS goal.

Phil Mosenthal: Clarifying whether we're using non-baseload or emitting powerplants. Seems like some renewables can be on the margins some of the time. Sam's bullet seems to be saying we're only using one related to combustion generation.

Sam Dent: That's just the definition used by eGRID. The point that this becomes moot if we decide to count savings at site. Those tables do include renewable generation and those are at least used in the non-baseload heat rates.

*Additional meeting discussion included refining fuel conversion policy questions. The updated list of policy questions is posted on the [March 9 Working Group meeting page: Fuel Conversion Policy Questions to Address \(Draft for Review\)](#)

Closing & Next Steps

Celia Johnson, SAG Facilitator

1. [SAG Fuel Conversion Working Group Plan \(Draft for Review – updated 3/9/2021\)](#)
 - a. **Comments on the Working Group Plan + schedule due by Monday, March 22** – send to Celia@CeliaJohnsonConsulting.com
 - b. Due to the number of policy questions identified, the timing for Meeting #2 is expanded and an extra meeting was added on Monday, May 10 (see Plan edits in track changes)
2. [Fuel Conversion Policy Questions to Address \(Draft for Review\)](#)
 - a. **If there are any additional questions (or sub questions) that need to be added to this list for discussion at Working Group Meeting #2, please share feedback by Monday, March 22** – send to Celia@CeliaJohnsonConsulting.com
 - b. Following the March 22nd deadline, Policy Questions will be circulated to the Working Group; interested parties are requested to respond to questions by **Monday, April 19**
 - c. SAG Facilitator will organize responses to questions and circulate in advance of Meeting #2
3. [Fuel Conversion Measure Table \(template for completion\)](#)
 - a. **Utilities to complete Fuel Conversion Measure Table by Monday, April 19** – send to Celia@CeliaJohnsonConsulting.com
 - b. SAG Facilitator will combine responses into one table + circulate in advance of Meeting #2
4. [SAG Policy Resolution – Evaluation Treatment of Heating Penalties and Negative Savings: SAG Edits and Comments Received \(updated 3/10/2021\)](#)
 - a. A question was raised during yesterday's meeting about resolution of heating penalties and negative savings policy questions, discussed by SAG in 2020.
 - b. **Additional comments or edits are due by Friday, March 19** – send to Celia@CeliaJohnsonConsulting.com