

# DEFINITION OF “BREAKTHROUGH EQUIPMENT AND DEVICES”

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# ICC Directives

## Ameren IL Final Order, ICC Docket No. 13-0498 (p.33):

- Staff initially recommended that the Commission adopt a definition of breakthrough equipment and devices in this proceeding. AIC initially agreed with Staff. NRDC suggests that the Commission should not adopt any such definition at this time. Subsequently, Staff recommended that the Commission order AIC to work with the SAG to identify measures which meet the definition recommended by Staff, and further direct that AIC shall list the measures included in its Plan which meet that criteria in a compliance filing AIC files in this docket within 45 days of the date of the Order in this docket. AIC states it does not object to Staff's request in its Initial Brief to have the Commission order a workshop during which Ameren Illinois and Staff could work with other SAG participants on a clear definition of “breakthrough equipment and devices” that could be applied during Plan 3.
- **Based upon a review of the parties' arguments, the extent to which parties agree is not entirely clear. As a result, the Commission is reluctant to either explicitly or implicitly adopt a definition in this proceeding. Instead, the Commission directs AIC and Staff to conduct a workshop with other SAG participants on a clear definition of breakthrough equipment and devices that could be applied during Plan 3. The Commission believes this result will best accommodate the concerns of AIC, Staff, and NRDC.**

# ICC Directives

## **ComEd Final Order, ICC Docket No. (p. 136):**

- The Commission does not see that a definition can be adopted at this time. Staff has proposed a definition, ComEd has proposed an alternate definition and, in Docket 13-0498, Ameren has proposed further discussion concerning Staff's definition through a workshop process before adoption. **The Commission believes a consistent definition should be adopted across the state. A statewide definition for "breakthrough equipment and devices" should be addressed at the SAG and it can be presented to the Commission for approval. The Commission directs Staff to conduct a workshop with other SAG participants on a clear definition of breakthrough equipment and devices that could be applied during Plan 3.**

# ICC Directives

## **DCEO Final Order, ICC Docket No. 13-0499 (p. 46-47):**

- Although DCEO accepts Staff's definition and has agreed to make a compliance filing to show which technologies meet Staff's definition, ComEd has proposed an alternate definition in Docket 13-0495 and, in Docket 13-0498, Ameren has proposed further discussion concerning Staff's definition through a workshop process before adoption. **The Commission believes a consistent definition should be adopted across the state and because the utilities are not represented in this proceeding, the Commission declines to adopt Staff's definition at this time. A statewide definition for "breakthrough equipment and devices" should be addressed at the SAG and it can be presented to the Commission for approval. The Commission directs DCEO and Staff to conduct a workshop with other SAG participants on a clear definition of breakthrough equipment and devices that could be applied during Plan 3.**

# ICC Directives

## **Peoples Gas-North Shore Gas, ICC Docket No. 13-0550 (p. 35-36):**

- The Utilities' statutory savings goals have been substantially modified downward in this Plan as a result of the spending limitation set forth in Section 8-104(d) of Act. Therefore, every dollar spent on "breakthrough equipment and devices" means a dollar that is not spent on efficiency measures that provide for more certain savings benefits. By imposing such limitation on a specific cost category within the statute, the General Assembly intended that such costs be constrained so as to help achieve the policy objectives of the statute, i.e., the reduction of direct and indirect costs to consumers.
- For these reasons, it is more important than ever that the Utilities comply with the Section 8-104(g) statutory spending limitation. **To ensure such compliance, the Commission sees that a definition for "breakthrough equipment and devices" is needed, and believes this question is best addressed by the SAG. There a clear definition with a few examples of the energy efficiency measures and programs that would fall under such definition can be developed and presented to the Commission for approval. Accordingly, the Commission directs the Utilities and Staff to conduct a workshop with other SAG participants on a clear definition of breakthrough equipment and devices that could be applied during Plan 2. Additionally, the Utilities should include within their reports to the Commission any definition adopted, the measures that fall under the definition, and, if necessary, any modifications to the Plan that the Utilities make to bring the Plan into compliance with Section 8-104(g) of the Act.**

# Definition

***Breakthrough Equipment and Devices*** refers to energy-efficient technologies, Measures, projects, Programs, and/or services *that the Program Administrator determines\** are generally nascent in Illinois or nationally, for which energy savings have not been validated through robust evaluation, Measurement and verification efforts, in the Program Administrator service territory, or for which there is substantial uncertainty about their Cost-Effectiveness, performance, and/or Customer acceptance. Demonstration of Breakthrough Equipment and Devices is intended to support research and development activities associated with Breakthrough Equipment and Devices.

*\*Note – italicized language is currently non-consensus.*

## Definition (cont.)

All costs associated with Breakthrough Equipment and Devices shall be included in that cost category, excluding the independent evaluation. Breakthrough Equipment and Devices may vary from year to year. Examples of Breakthrough Equipment and Devices include, but are not limited to:

- Demonstrating savings;
- Demonstrating Customer acceptance;
- Demonstrating performance;
- Demonstrating market readiness; and
- Demonstrating climate zone characteristics.

All Measures that Program Administrators move from the Breakthrough Equipment and Devices category to the Section 8-103 or 8-104 Portfolios shall be reported to SAG.

# Definition (cont.)

Overview of non-consensus language (“...*that the Program Administrator determines...*”)

- Pro: It is within Program Administrator discretion to determine whether a measure is considered a Breakthrough Equipment or Device, utilizing the agreed-upon definition.
- Con: The Commission should determine whether a measure is considered a Breakthrough Equipment or Device. Program Administrators should not have universal right to define what qualifies under the word in the statute.

# Next Steps

ICC Staff proposes that utilities/DCEO file a petition to the Commission for approval of the definition of “Breakthrough Equipment and Devices,” once consensus is reached.

- Questions?
- Consensus on the proposed next step?