

ILLINOIS ENERGY EFFICIENCY STAKEHOLDER ADVISORY GROUP
CHP Subcommittee
Open Issues List
DRAFT July 10, 2014 (Updated July 15)

Procedural Issues

1. Timing of this Subcommittee's work.
 - a. Subcommittee should report back to the SAG in ~~September~~December. (ComEd)
 - b. The target date for the CHP Subcommittee reporting back to the SAG should be the September SAG meeting. The formation and work of the CHP Subcommittee should be expedited in the same fashion as was the work of the ComEd Large C & I Subcommittee. Subcommittee meetings for that program were held every Tuesday and the program was approved by the SAG within 2 months. (This is particularly important for meeting the mandate of the ICC in Docket 13-0495 to move "as quickly as possible" which was based on the Commission's interest in seeing CHP projects and programs established and achieving energy savings and incentives within the timeframe of the current 3-Year Plan. This is also particularly important since ComEd has said it feels it cannot approve CHP in custom programs (including the Large C & I program) until certain issues are addressed within the CHP Subcommittee.) (MCA) (NICOR)
Ok with participants- meetings to be held every other week.
 - c. Does the law allow CHP projects accepted in the program and/or commenced in the Plan 3 timeframe, but which cannot be completed in that timeframe, to be completed subsequently? If so, when do the energy savings get credited and when are the incentives paid? (MCA)
Steve Baab (ComEd): Savings are claimed once a project is "installed and operational."
Projects could span Plan periods.
John Cuttica (ERC/UIC): Incentive is received at the end of 12 months, because it is performance-based.
2. Proposal to combine consideration of CHP and Ground Source Heat Pumps in this Subcommittee.
 - a. Related to the concern in #1 above, this joint consideration should not be allowed to delay review and approval of CHP program parameters as ordered by the ICC. While consideration of these two technologies together may be appropriate for some issues and parameters, it may not be for others. CHP issues and parameters, including issues these technologies have in common, should be identified and addressed at the outset, with other issues related to Ground Source Heat Pumps being taken up separately. (MCA)
 - b. Substantive issues stated below are more broadly issues for any fuel switching measures not just CHP. Suggest we might want to broaden the subcommittee to be a "fuel switching subcommittee." Need to develop policies for all fuel switching and this might be one of the first items for documentation in the future policy manual. (AG)

This Subcommittee will focus on CHP, with the understanding that the group is working towards a September report-out to SAG. The Subcommittee will be cognizant of how CHP issues are being addressed by other technologies (for ex: geothermal heat pump measure).

Substantive Issues

1. What are the elements of the approach for CHP? How will CHP be evaluated?

Steve Baab (ComEd) will draft proposed CHP key channel elements for the next meeting.

Roger Hill (Navigant) will put together an evaluation strategy for CHP for the next meeting.

2. How to estimate/calculate/track electric and gas savings of CHP for the purposes of reporting "savings." (NRDC) (AG) (NICOR) (MCA)

a. This issue should be taken up first. (DCEO)

b. Three Steps in Calculating Savings that Need SAG Discussion (DCEO)

1. Should efficiency be calculated back to grid or just at site?

Position 1: Savings should be calculated back to grid.

Position 2: Savings should only be calculated at source.

2. How many BtUs savings should be allocated to electric vs. gas?

Position 1: 25% of savings allocated to gas; 75% to electricity

Position 2: All savings should be allocated to electricity.

3. Approach to converting BtUs back to kWh (possibly issue) and therm savings (not at issue). Conversion to gas savings not controversial. Any areas of disagreement on how BtUs should be converted to kWh savings?

This is an open issue for the Subcommittee. Phil Mosenthal (Optimal Energy) and Chris Neme (Energy Futures Group) will prepare an alternate calculation methodology for the next meeting. Ted Weaver (First Tracks Consulting) will prepare a comparison chart of approaches, including positives/negatives of each approach.

2. How to screen CHP for TRC cost-effectiveness. (NRDC)(NICOR)(MCA)

3. Roles and allocation of responsibilities of the gas and electric utilities. (AG)(NICOR)(MCA)

Steve Baab (ComEd) will keep this concern in mind in drafting the CHP channel discussion.

4. Program design issues.

a. ~~These could include whether we are comfortable with the minimum efficiency requirements, incentive levels, want to impose incentive caps, etc. (AG)(NICOR)~~

- b. CHP programs should be designed to encourage CHP projects and should not be subject to requirements and limitations that are not required for other EE measures, e.g. the requirement that some qualifying CHP projects receive a lower incentive rate than others; requirement that every other EE measure be considered before a CHP project can be incentivized. (MCA)(NICOR)

Steve Baab (ComEd) will keep this in mind in drafting the CHP channel description.

- 5. Whether to include CHP as a measure in the Technical Reference Manual (TRM).
 - a. Position 1: The CHP measure should only be treated on a custom basis. (VEIC)
 - b. Position 2: In the alternative, if CHP is included in the TRM, all that should be specified are qualifying technologies and minimum combined efficiencies. (VEIC)