**Illinois EE Stakeholder Advisory Group**

**Fuel Conversion Working Group**

**Policy Questions – Request for Responses (6/25/2021)**

**Instructions for Responding to Policy Questions:**

* Interested parties are requested to respond to policy questions no later than **Friday, July 9 –** send responses to [Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com).
* Please provide responses **within this Word document.**
* The SAG Facilitator will organize responses to questions and circulate in advance of Meeting #6, scheduled on Thursday, July 15.

**Policy Questions for Discussion During July 15 Meeting**

* 1. Are savings constrained by the 10% limit in (b)25?
     1. Should discussion of this issue be paused due to pending energy bill? *Note: “Pausing” means keeping as a source calculation (current IL-TRM).*

Discussion of this issue should be paused due to pending legislation.

* 1. Should eligibility be constrained to measures that provide customers monetary savings (either bill savings or total lifecycle cost savings)?

Yes.

* 1. Can the gas utilities claim kWh equivalent savings?

Yes, but only from measures that pass the source energy savings test.

A qualifying gas measure needs to reduce the amount of energy required to achieve a given end use (IL Attorney General’s Office’s June 17, 2021 memo; final paragraph, page 4). Determining whether a measure “reduces the energy required to achieve an end use” should be determined using the source energy savings test.

* 1. Evaluation consideration: If SAG decides that gas conversion is allowed for fuel switching measures, can the same be allowed for other measures that have both fuel components?

Yes, because measures that save both electricity and natural gas and do not increase consumption of other fuels will always pass the source energy savings test and are therefore eligible. (i.e. insulation, air sealing, advanced thermostats,…).

* 1. If proposed legislation that adopts a site conversion for fuel switching in the electric EE statute is passed, should CHP also be calculated at site for consistency? *Note: Question raised by ICC Staff after 6/21 meeting.*

No. It would be inconsistent to treat CHP the same way as a space heating fuel switch because CHP is not a fuel switch from electricity to natural gas. CHP systems are a form of distributed generation that improve energy efficiency in two ways:

1. CHP systems eliminate the transmission and distribution losses of the electric grid by locating electricity generation on-site.
2. CHP systems recover heat that is normally lost in the electricity generation process and use it to offset heating demands, thereby reducing the amount of gas consumed for heating.

A CHP system must deliver total net energy savings to qualify as an energy efficiency measure. The IL TRM has been using pre- and post-installation source energy consumption estimates to qualify CHP systems since the measure was first added to the IL TRM. We support continuing this practice.