

ACEEE National Conference on
Energy Efficiency as a Resource

Illinois Energy Efficiency Portfolio Standard



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
Rod R. Blagojevich, Governor • Jack Lavin, Director

David Baker

October 2, 2007

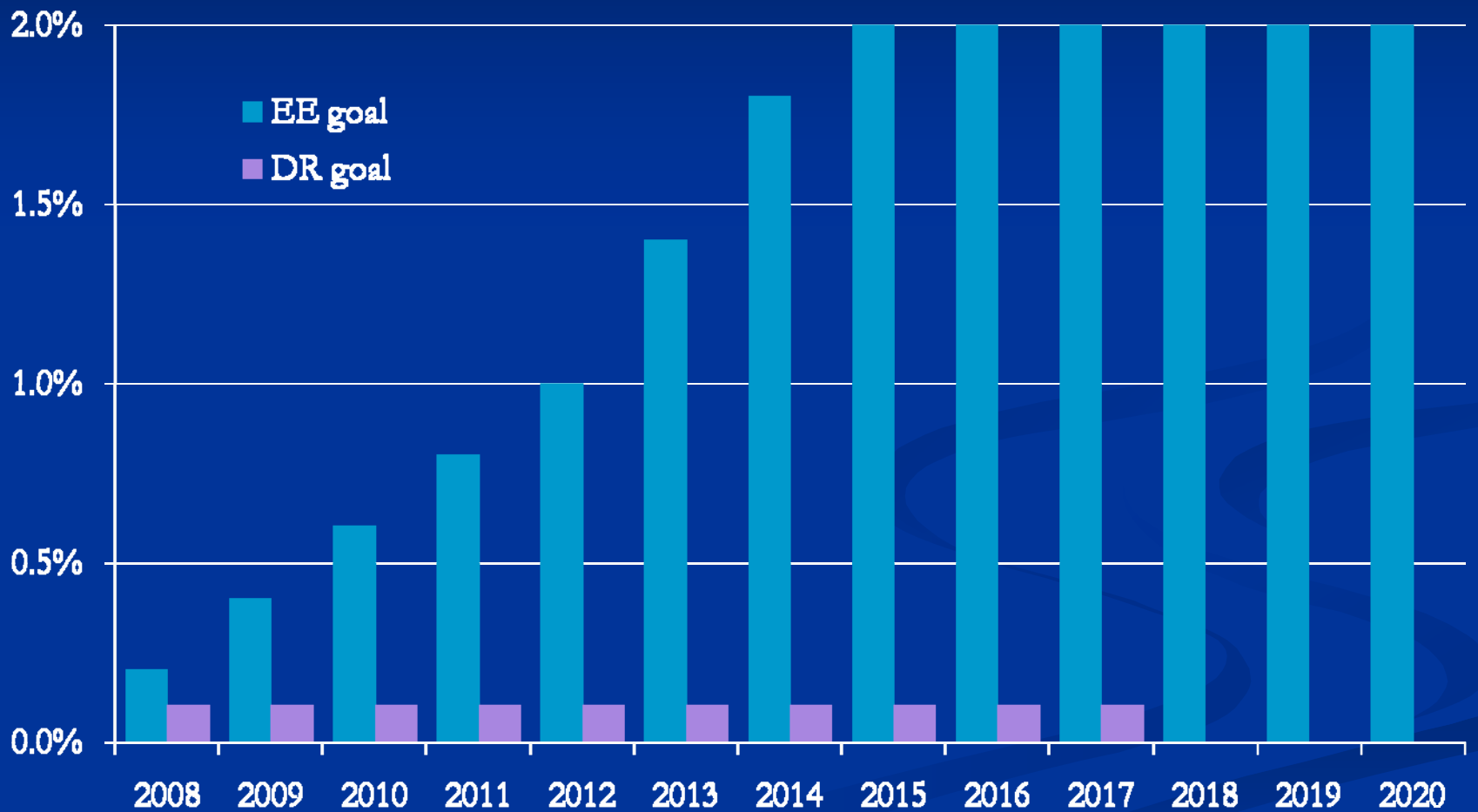
Milestones

- Least Cost Planning 1986-1997
- Illinois Restructuring Law 1997
- Governor's Sustainable Energy Plan Feb. 2005
- Ill. Commerce Commission Resolution July 2005
- Governor's Energy Independence Plan Aug. 2006
- ICC Hearings on EEPS and RPS Aug-Oct 2006
- Illinois General Assembly ₂ Jan-Jul 2007

Key Components of Energy Bill

- Energy Efficiency Portfolio Standard – incremental annual electric load reductions
- Demand response goals – annual peak reductions for “eligible customers”
- Renewable Portfolio Standard (25% by ‘25)
- Illinois Power Authority (new procurement process and \$4 billion bonding authority)
- Rate Relief Agreement - \$1,001,000,000
- Applies only to Commonwealth Edison & Ameren Companies

Incremental Annual Energy Savings and Reductions in Peak Demand

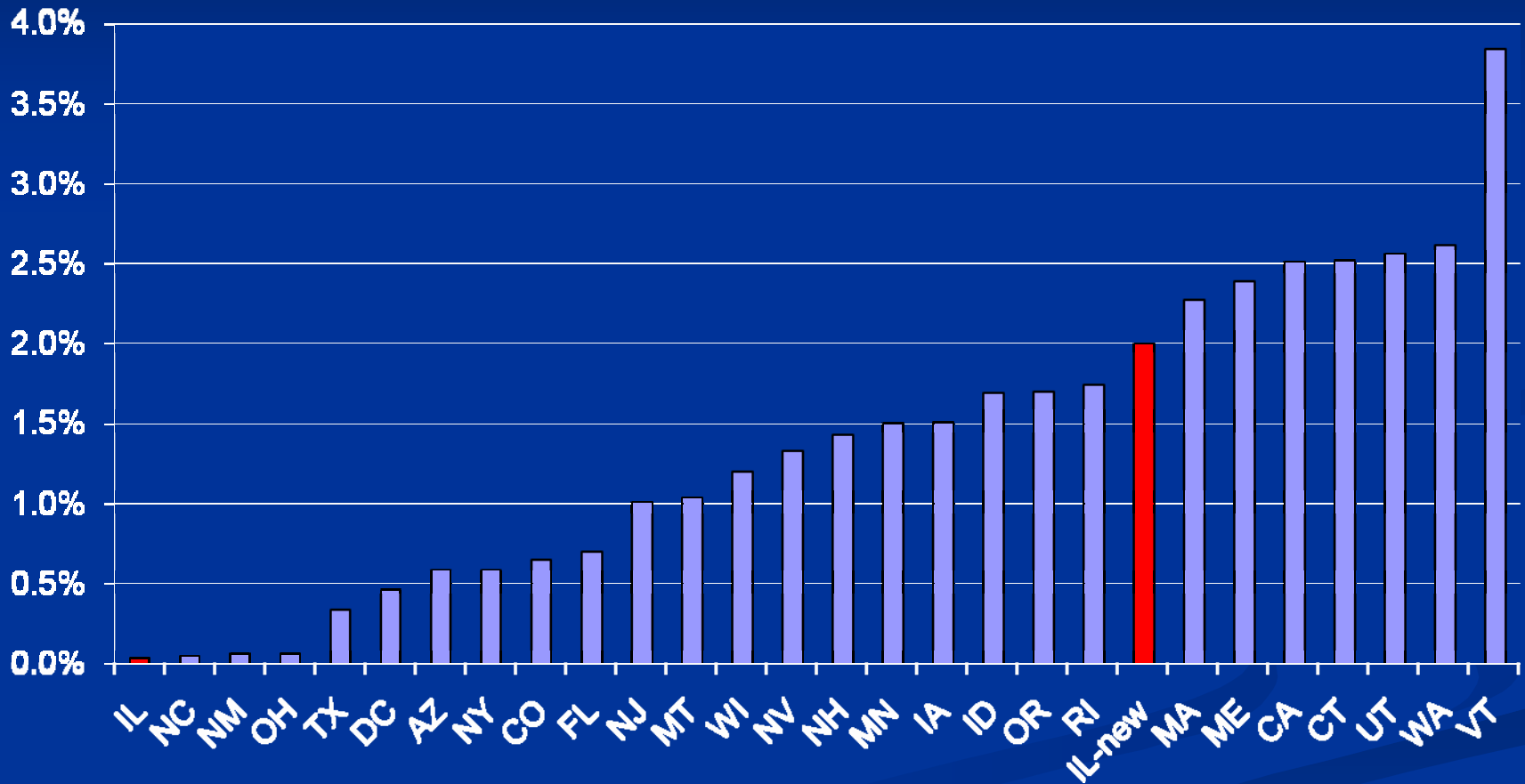


New Energy Efficiency Funding

<i>Year</i>	<i>Rate Cap</i>	<i>Funding Level</i>
2008	0.5%	\$61 million
2009	1.0%	\$123 million
2010	1.5 %	\$186 million
2011 & thereafter	2.0%	\$250 million

Public Benefit Funding for Energy Efficiency

Percent of Utility Revenues



Source: American Council for an Energy-Efficient Economy, September 2007

Implementation by the Numbers

- 75% of EE measures implemented by utilities
- 25% of EE measures implemented by State
- 100% of DR measures implemented by utilities
- 3% of funding for measurement and verification
- 3% of funding for breakthrough equipment and devices
- 10% of EE to local governments, k-12 schools, community colleges, administered by State
- 6-7% of EE measures for low income households

Accelerated Schedule

- General Assembly passes SB 1592 July 26, 2007
- Governor signs bill (P.A. 95-0481) Aug. 28, 2007
- Utilities & state submit 3-year plans Nov. 15, 2007
- ICC approves plans within 90 days Feb. 15, 2008
- Utilities & state implement programs June 1, 2008

Potential Programs

<i>Utility Programs</i>	<i>State Programs</i>
C & I prescriptive	Public Sector prescriptive
C & I custom	Public Sector custom
C & I new construction	C & I/Public Sector design assistance
Residential lighting and appliances	Residential low income
DR – pricing programs, AC controls	Training and Education

Proposed State Programs

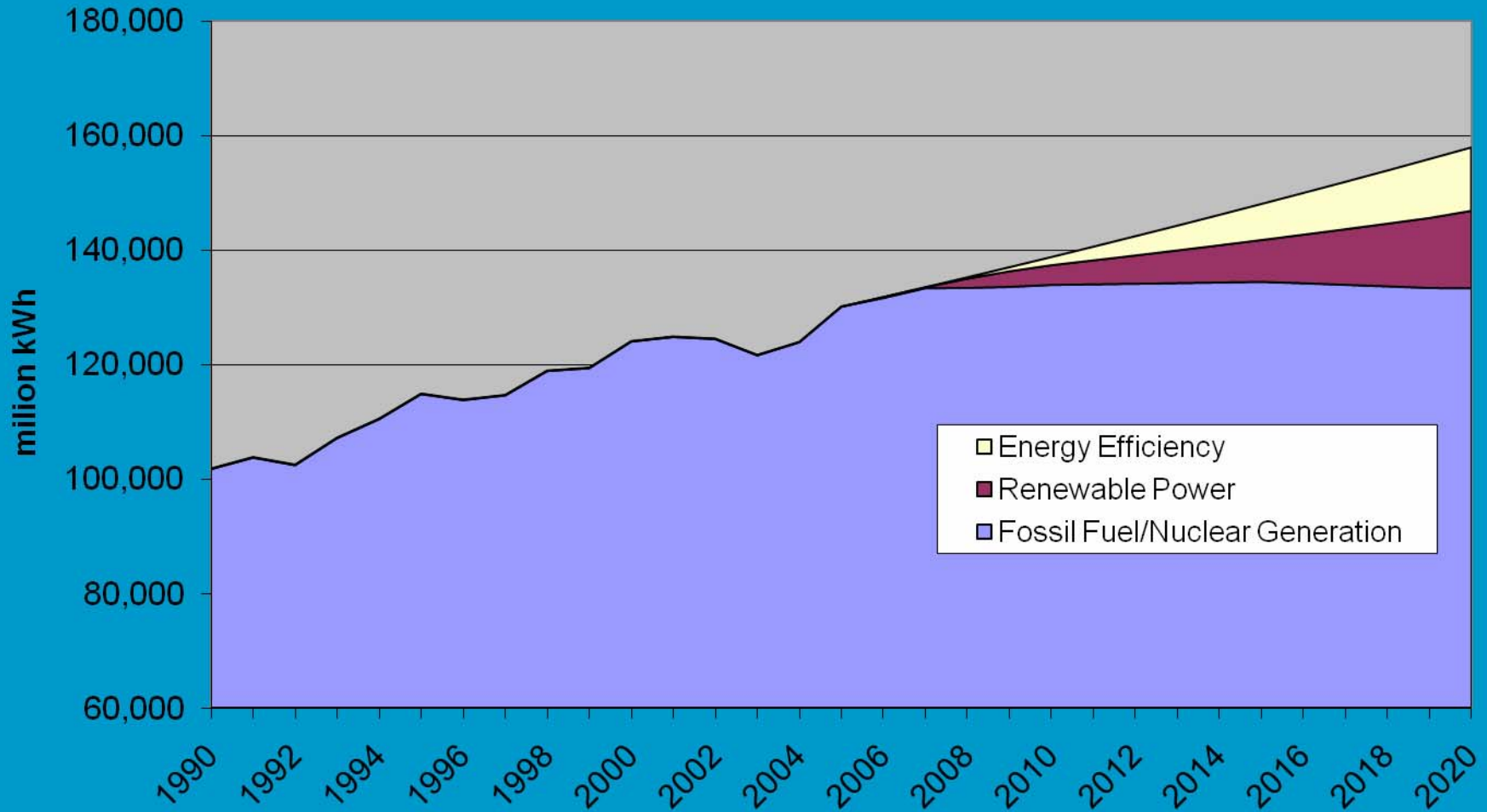
- **Incentive Programs** for local governments, k-12 schools, community colleges, public universities, and state government.
- **Low income** – new construction, gut rehab, moderate rehab, enhanced weatherization
- **Technical assistance** – Smart Energy Design Assistance Center, Manufacturing Energy Efficiency Program, LEED Design Assistance
- **Training** – Building Operator Certification, Retro-commissioning, Code and Beyond Code Training, Home Performance and Energy Star, Lights for Learning

Special Challenges

- What is the goal?
- Can the EE goals be met under the rate cap?
- What is included in Total Resource Cost test?
- How should natural gas reductions be addressed?
- Who is in charge of measurement and verification?
- Do energy efficiency peak reductions count toward DR goals?
- How should the program spending be distributed across sectors: by cost-effectiveness, revenue or kWh share?
- How can market transformation programs be included in portfolio without documentable savings?
- Do CHP projects qualify? Up to gross purchases?
- Should profits and rates be decoupled?

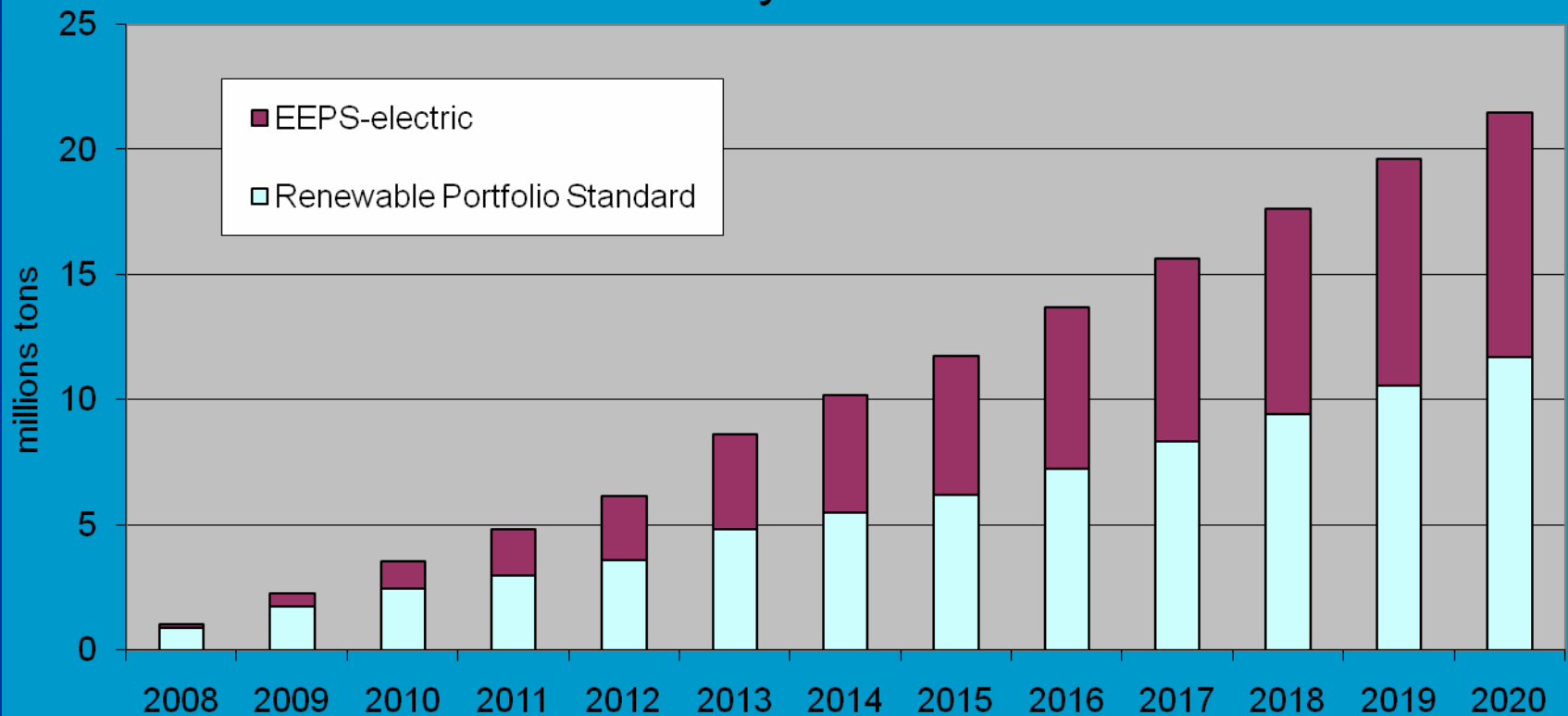
Electricity Load Reductions

Electricity Savings



Emission Benefits

Carbon Dioxide Reductions from Efficiency and Renewables



Based on Shaw Environmental, "Emissions Impact Assessment of the Sustainable Energy Plan for Illinois", prepared for US DOE and Ill. Dept. of Commerce and Economic Opportunity, July 2007

Economic Benefits in 2015

	<i>Jobs and Income</i>	<i>Direct</i>	<i>Indirect</i>	<i>Total</i>
<i>EEPS</i>	econ. activity (millions)	\$885	\$1,002	\$1,887
	jobs	6,418	18,663	25,081
<i>RPS</i>	econ. activity (millions)	\$263	\$306	\$570
	jobs	903	2,993	3,896
<i>Total</i>	econ. activity (millions)	\$1,149	\$1,308	\$2,456
	jobs	7,320	21,657	28,977

Based on Ill. Energy Resources Center, "The Economic and Environmental Impacts of Clean Energy Development in Illinois," prepared for Ill. Dept. of Commerce and Economic Opportunity, June 2005

For Additional Information

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- Program info:

<http://www.illinoisenergy.org>

- Info on the statute:

<http://www.ilga.gov/legislation/publicacts/95/095-0481.htm>