**Illinois Energy Efficiency Stakeholder Advisory Group Policy Manual**

***Proposed Policy of Allowing RE Measures Under EE Programs***

Updated by Allen Dusault – Franklin Energy 06-14-2023

**Relevance and Eligibility**

The Illinois General Assembly passed the Climate and Equitable Jobs Act (CEJA, Public Act 102 0662) and Governor Pritzker signed it into law on September 15, 2021. Section 8-103B and 8-104 set the conditions for what can be included under respective electric and gas utility energy efficiency portfolios. However, the statute is largely silent on measures that serve both energy efficiency (EE) and renewable energy (RE) functions. Because there are increasing opportunities for installation of measures or systems that serve both EE and RE functions, there is potential for misapplying EE and/or RE incentives amounts, either for use reduction and/or generation.

The following policy is meant to clarify how and when to recognize and account for the relative contributions of EE and RE energy benefits when they accrue in the same measure or systems application. The stipulations below reflect revisions and updates since the first draft policy was memorialized by Guidehouse on October 20, 2021, annotated on May 31, 2023, and redrafted for the May 31 2023 SAG Small Workgroup meeting, by Allen Dusault of Franklin Energy, based on stakeholder input. It is intended as clarifying guidance for Illinois utilities, their independent evaluators and other stakeholders, and not meant to supplant any other relevant law or policy.

**Policy Proposal – Eligibility**

The following conditions define measure(s) or system(s) that are eligible for inclusion in Illinois utilities energy efficiency portfolio, where they conform to the following conditions.

**Condition 1 –** The measure must reduce usage of grid-connected electricity or pipeline supplied natural gas at the customer facility.

**Condition 2** - The grid or pipeline connections may provide supplemental electricity or natural gas to the renewable energy device or system, but behind the customer meter generated and net exported energy to the grid or pipeline, from the RE generator, is not eligible as energy efficiency.

**Condition 3** - The useful energy benefit(s) of a measure, or set of measures, inclusive of energy output, the reduction in energy consumption and/or greenhouse gas emissions, may receive incentives from Illinois utilities for renewable energy programs and Illinois energy efficiency programs; but the RE and EE attributes cannot be double counted as RE and EE, such that they are greater than their total energy output.