

ENERGY EFFICIENCY TRUST FUND PROGRAM REPORT

January 2016 through December 2016



Illinois Department of Commerce and Economic Opportunity
Illinois Office of Energy & Recycling
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Illinois
Department of Commerce
& Economic Opportunity

Bruce Rauner, Governor

ENERGY EFFICIENCY TRUST FUND PROGRAM UPDATE

For the Period January 2016 through December 2016

The Department of Commerce and Economic Opportunity (Department) administers the Energy Efficiency Trust Fund (EETF 571) as established by the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 (Law). The Law was renewed on December 4, 2015, PA 99-489, to extend the expiration date to December 31, 2020, which allows for the continuation of the revenue collection from electric utilities and alternative retail electric suppliers that provide electric power and energy to retail customers. Approximately \$3 million in annual revenues is collected. Funds were swept from the Energy Efficiency Trust Fund in 2015 and 2016. The Department did not receive an appropriation from this fund in FY2016 or FY2017. As a result, the Office of Energy & Recycling did not initiate any new projects from this fund during Calendar Year 2016. Additionally, several existing grants were suspended and de-obligated.

The Law requires that funds be spent on projects that promote residential energy efficiency in the State, with emphasis on low-income households. These programs produce two major benefits for the Illinois economy – the efficiency gains that provide substantial energy cost savings to consumers, which in turn can be reinvested back into their communities, and the additional jobs created to install and implement the projects described in this report. Energy efficiency projects furthermore tend to improve building comfort, improve lighting and indoor air quality, decrease unscheduled maintenance, and make a positive contribution to the environment through the reduction of unnecessary pollution.

Over the years, these funds have supported several energy efficiency initiatives such as: the Affordable Housing New Construction Program, University of Illinois' Illinois Center for a Smarter Electric Grid, and University of Illinois' Efficient Living: Public Housing Authority (PHA) Energy Program. These programs are administered in partnership with a range of public and private entities, including universities, and investor-owned utilities. It should be noted that the majority of funding for many of these initiatives comes from the Energy Efficiency Portfolio Standards (EEPS) Fund, but Trust Fund dollars previously allowed the Department to expand these programs to those who are not customers of an investor-owned utility.

Programs funded in the past from EETF:

University of Illinois' Illinois Center for a Smarter Electric Grid

DCEO has partnered with the University of Illinois to establish *the Illinois Center for a Smarter Electric Grid*. This Center provided services for the validation of information technology and control aspects of smart grid systems. "Smart grid" generally refers to a class of technology people are using to bring utility electricity delivery systems into the 21st century, using computer-based remote control and automation. These systems are made possible by two-way communication technology and computer processing that has been used for decades in other industries. They are beginning to be used on electricity networks, from the power plants and wind farms all the way to the consumers of electricity in homes and businesses. They offer many benefits to residential consumers seen in energy efficiency in the energy users' homes.

The key objective of this project was to test and validate, within a laboratory setting, how new and more cost-effective smart grid technologies, tools, techniques, and system configurations can be used in configurations that significantly improve upon the ones that are in common practice today. The

laboratory was a resource for smart grid equipment suppliers and integrators and electric utilities, to allow validation of system designs, before these technologies are deployed to help residential and other customers save energy.

Illinois Energy Efficient Affordable Housing Construction Program

The Illinois Energy Efficient Affordable Housing Construction Program offered grants to fund incremental costs associated with energy efficiency improvements in residential construction projects targeted to low- and moderate-income households. This program was an integral part of the Office of Energy & Recycling's effort to leverage private investments with public dollars and increase capital available to Illinois developers. Since the program's inception in 1988, 3,793 units were rehabilitated, 6,135 units of new multi-family housing were constructed, and nearly 1,665 new single-family homes were completed with this funding.

In addition to providing affordable housing units for these families and meeting the low-income goals of the Energy Efficiency Portfolio law (ILCS 220 5/8-103 and 5/8-104), the results of this program encourage energy efficient building practices in all levels of construction activity in the state. Further, the program served as a training ground for tradesmen to learn the latest energy efficient building techniques. The program was designed to meet or exceed the standards of the national ENERGY STAR® program and the state's Energy Efficient Building Code (based on the International Energy Conservation Code at the time of construction). Many of the buildings would also qualify for LEED certification.

Efficient Living: Public Housing Program

The program targeted renters with incomes below 80% of median income; 67% are extremely low to low-income households, and 72% are elderly or disabled who occupy 8,606 of 11,640 units in 96 public housing buildings across the state that had energy efficiency measures installed with this funding.

CONCLUSION

Energy efficiency allows Illinois homeowners to save money on their energy bills, while creating jobs and promoting environmental stewardship. All program funding and activities from EETF were suspended in 2016 and will continue to be suspended until an appropriation is made available.