



Illinois
Department of Commerce
& Economic Opportunity

Pat Quinn, Governor

September 16, 2013

Anthony Star
Acting Director
Illinois Power Agency
160 North LaSalle, Suite C-504
Chicago, Illinois 60601

Re: DCEO's Objection to the IPA's 2014 Draft Energy Efficiency Procurement Plan

Dear Director Star:

On behalf of the Department of Commerce & Economic Opportunity (DCEO), the Bureau of Energy & Recycling objects to the Illinois Power Authority's (IPA) 2014 Draft Energy Efficiency Procurement Plan. DCEO's objection is in accordance with Section 16-111.5(d)(2) of the Public Utilities Act and is supported by the Agency's Potential Study submitted to the IPA on July 15, 2013 and enclosed with this correspondence.

The IPA's decision to exclude DCEO from the 2014 Draft Energy Efficiency Procurement Plan is inconsistent with the intent of the Public Utilities Act. Sections 8-103 and 8-104 of the Public Utilities Act require the utilities and DCEO to work concurrently to administer cost-effective energy efficiency programs to all utility customers. The Public Utilities Act specifically requires DCEO to administer energy efficiency programs that serve two of the most financially challenged utility customer classes, low income residents and the public sector. Low income residents spend a greater percentage of their monthly income on energy and are the least able, in comparison to the other utility customers, to invest in energy efficiency measure that will reduce their energy bills. The potential for energy efficiency in low income housing, particularly multi-family rental housing is very large. DCEO's current low income energy efficiency programs cannot keep up with the demand in this sector, which is the impetus for DCEO to expand our Energy Savers Program as part of the 2014 IPA Procurement Plan in order to yield 3,769 Mwh in energy savings. Similarly, DCEO seeks to expand our public sector Street Lighting Program via IPA Draft Procurement Plan which would yield 29,744 Mwh in energy savings. The IPA's exclusion of these programs from the Draft Energy Efficiency Procurement Plan is inconsistent with the Public Utilities Act and prohibits DCEO from performing our statutory duty to serve low income residents and the public sector in conjunction with the utilities programs.

The IPA and DCEO acknowledge that amendments to the Illinois Power Agency Act are silent on how the 2014 Draft Energy Efficiency Procurement Plan applies to DCEO; clearly this omission was not the intent of the General Assembly when passing Senate Bills 1652 and 3811.

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In the absence of express IPA authority, DCEO believes the Illinois Commerce Commission (ICC) has the authority to bring consistency to the energy efficiency programs under the Public Utilities Act. The ICC has set a precedent by interpreting certain utility directives in the energy efficiency portfolio statute. For example, the ICC has interpreted provisions of the Public Utilities Act that require the utilities to demonstrate that their programs are cost-effective applies to DCEO as well. The ICC has also determined that provisions of the Public Utilities Act that require the utilities to provide an independent evaluation of their programs also apply to DCEO, even though the Act does not expressly mention DCEO.

DCEO respectfully request the IPA support our objection by joining our request to the ICC that they interpret the amendments to the Illinois Power Agency Act to include DCEO's low income and public sector programs as part of the 2014 Draft Energy Efficiency Procurement Plan consistent with the utilities programs.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melville Nickerson', written in a cursive style.

Melville Nickerson
Deputy Director
Illinois Energy & Recycling Office

Enclosure (1)