



Energy Efficiency Regulatory Trends in the Midwest

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*Presented at the 2017 Indiana Energy
Conference*



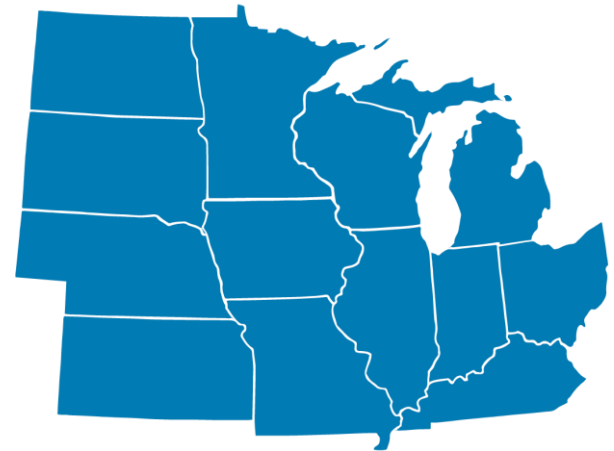
About MEEA

The Trusted Source on Energy Efficiency

We are a nonprofit membership organization with **160+ members**, including:

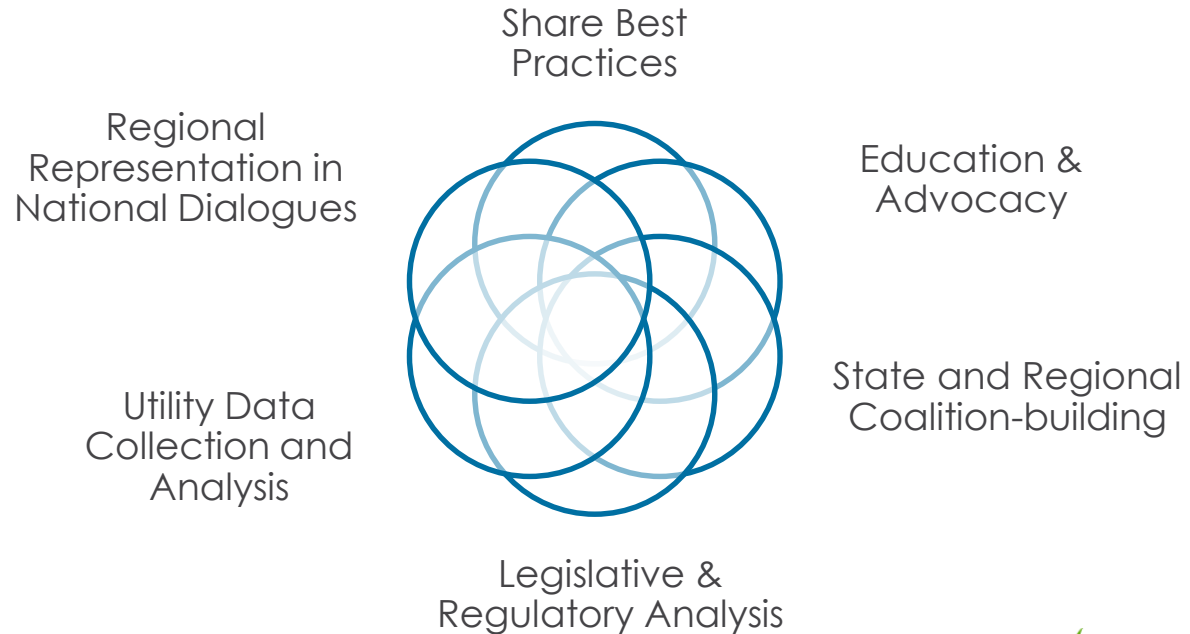
- Utilities
- Research institutions
- State and local governments
- Energy efficiency-related businesses

As the key resource and champion for energy efficiency in the Midwest, MEEA helps a diverse range of stakeholders understand and implement cost-effective energy efficiency strategies that provide economic and environmental benefits.



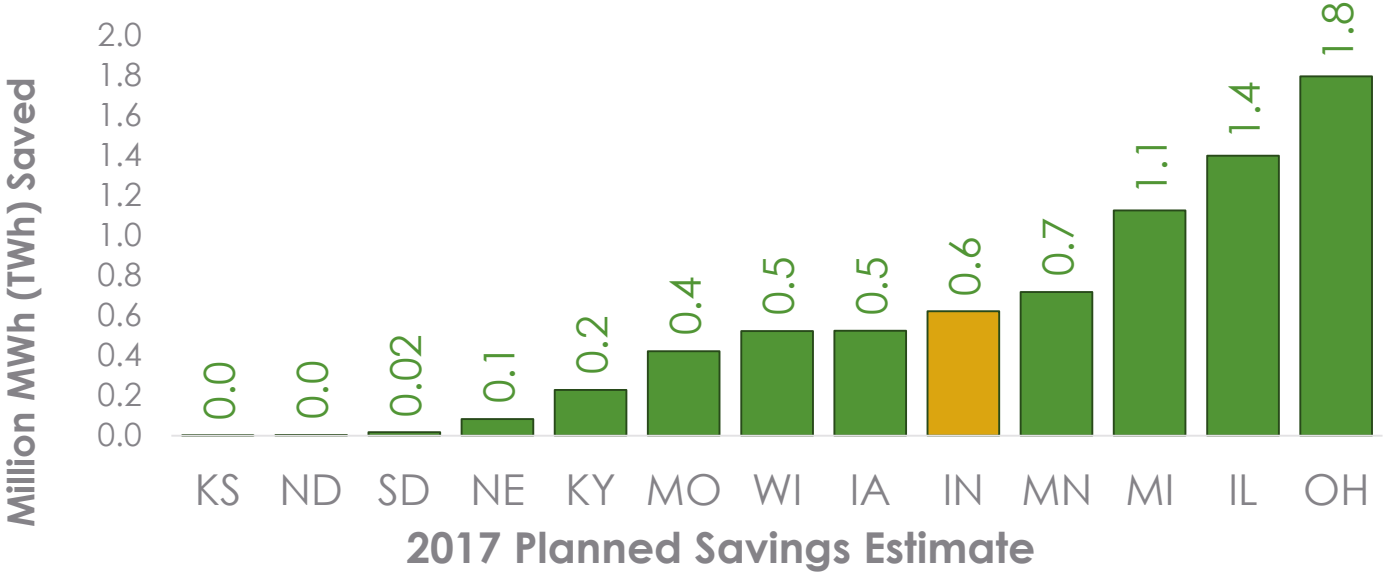
MEEA's Role as a Resource

Supporting Energy Efficiency Policy in the Midwest



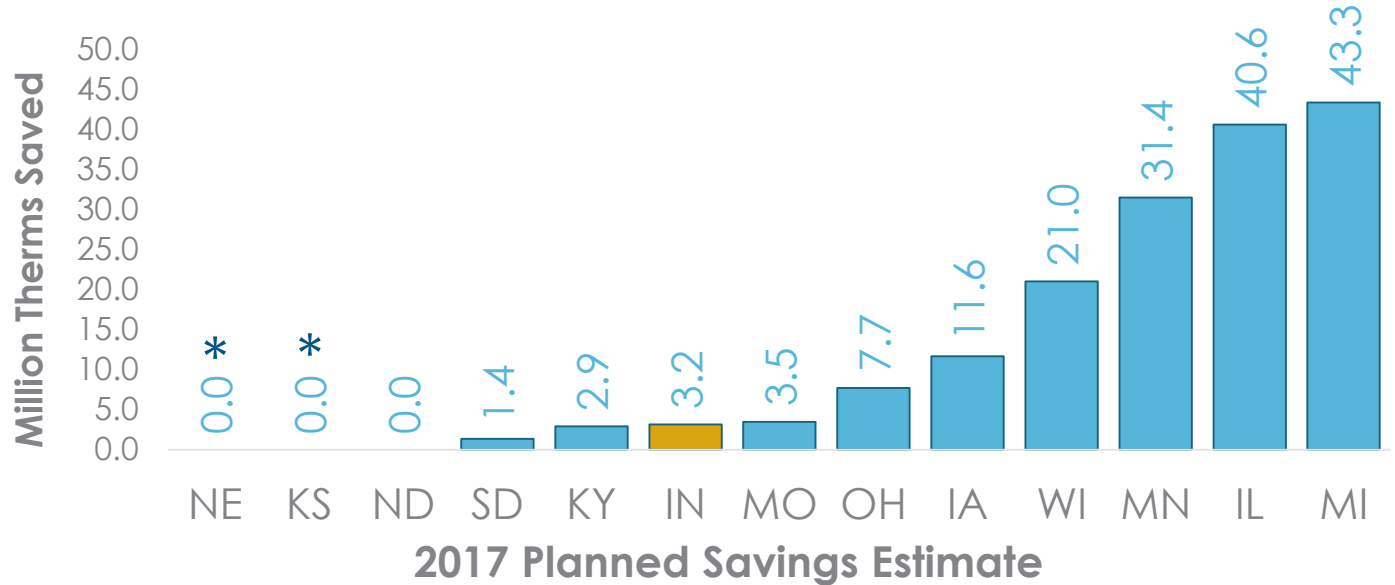
Energy Savings in Midwest States

Electricity



Energy Savings in Midwest States

Natural Gas



* Natural Gas savings data not available

Agenda

Significant areas of regulatory change/action in the Midwest that affect Energy Efficiency

Rulemakings

Proposals & Orders

Broader Steps

Key Changes for Michigan EE Regulation

- Set statewide IRP parameters & modeling assumptions (in collaboration with MAE and DEQ)
- Establish common filing requirements for IRPs
- Independent EE and DR potential studies for Upper Peninsula and Lower Peninsula
- Implement on-bill financing

<https://www.michigan.gov/mpsc/0,4639,7-159-80741---,00.html>

FEJA: PA 99-0906 (SB2814 of 2016)

Key changes for Illinois EE Regulation

- Annual targets set as Cumulative Persisting Annual Savings (CPAS)
- Utilities responsible for all EE
- EE spending can be rate-based
- Rate of return tied to EE goal achievement
- Change to 4-year planning cycle
- Statutory minimum spend on low-income
- Large customer exemption (not an opt-out)

Key Changes for Missouri EE Regulation

- Non-energy benefits included where quantifiable
- Utilities can use statewide TRM or utility-specific
- Public annual DSM reports
- Potential study every 3 years (from 4)
- Statewide collaborative
- Opt-out customers must document savings

https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EX-2016-0334

Key Changes for Indiana EE Regulation

- Rulemaking #15-06
- Common IRP filing requirements
- IRP stakeholder process
- Common EE plan & reporting requirements
- Draft proposed rule has been published, formal rulemaking has not yet started

<http://www.in.gov/iurc/2843.htm>

Modified target approved

- Plan had modified goal less than FEJA
- Approved but must refile in 30 days to include ICC staff rec's for more savings
- Unique service territory, budget limits and industrial exemption led to mod target
- Still expected to meet 2030 CPAS target
- Performance to be reviewed after 1 year
- Any 2018 incentive will be donated

<https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=17-0311>

Plan withdrawn after modification

- 3-year, \$29.7 million EE plan
- Approved, but with extensive modifications
- Plan subsequently withdrawn as allowed by KEEIA
- Company has stated desire to extend current programs until a new proposal.

<http://estar.kcc.ks.gov/estar/portal/ksc/PSC/DocketDetails.aspx?DocketId=1503133f-e8e0-4f64-89c9-f6499959bd5c>

Will propose industrial opt-out

- 2019-2023 plan
- Discussed proposed plan at stakeholder meeting on Sept. 21, 2017
- Propose opt-out for customers with >15MW at a single meter
- Plan to be filed Nov. 1, 2017
- Opt-out has previously been denied by Iowa Utilities Board

Broader Steps

Utility of the future

Explorations of future regulatory & technology trends

**Working
Case EW-
2017-0245
(Missouri)**

**NextGrid
(Illinois)**

**e21
(Minne-
sota)**

**Power
Forward
(Ohio)**

- Long-term projects (6+ months)
- Stakeholder engagement
- Public workshops



- Exploration of the future of grid & metering tech and how smarter grids will communicate securely



The future of rate design & utility compensation

- Exploration of rate design & utility business model topics such as
 - Performance-based regulation
 - Cost of service / customer charges



Broader Steps

Distributed Energy Resources

The role of DERs in the future grid

- Customer-owned, community & utility-scale resources
- Energy storage
- Interconnection



Active, educated energy users

- How utilities serve customers through smart meters, thermostats & appliances
 - Energy usage data
 - TOU & peak time billing



Broader Steps

Additional areas

Some of the other areas being explored

- Electric markets 
- Efficiency financing 
- Integrated system planning 
- Policy resiliency 
- Pilot projects 

Review

Takeaways

The big ideas right now in Midwest EE regulation

- Aligning/re-aligning regulations with legislation
 - Consistency
 - Potential studies & assumptions
 - IRP modeling parameters & scenarios
 - Reporting standards
 - Utility rate of return for EE
 - Performance incentives & lost revenues
- Specific customer classes
 - Large customer / industrial opt-outs
 - Emphasis on low-income customers & programs
 - Public participation & stakeholder involvement
 - The future of the grid & energy regulation

Thank you!

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