



Missed Opportunities: The Impact of Recent Policies on Energy Efficiency Programs in Midwestern States

ILLINOIS

In 2016, Illinois enacted the **Future Energy Jobs Act (FEJA)**, with the goal of initiating Illinois' clean economy transition. FEJA exempted large commercial and industrial customers from participating in utility energy efficiency programs. While FEJA has created thousands of clean energy jobs in the state, the exemption policy left additional benefits on the table. In 2021, IL passed the Climate and Equitable Jobs Act (CEJA), which removed the exemption so all large customers can participate.

MEEA commissioned a study to identify and explore the missed opportunities for the utility system and Illinois' utility customers from the exemption. While the exemption has been removed, this study still demonstrates the high value of large customer participation. This factsheet outlines the key findings and potential missed opportunities from the policy.

Net Impact on EE Benefits



With the large C&I exemption, Illinois has undermined energy efficiency's statewide value. **Annually, Illinois will miss \$34 million in benefits.** These benefits include bill savings and lower utility costs.

Social Cost of Carbon



FEJA's exemption **prevents over 100 large energy users from taking part in utility EE programs**, resulting in increased energy use and associated carbon emissions. The social cost of the additional carbon emissions is approximately **\$60 million**.

Health Impacts



Illinois faces **\$1.5 million to \$3.5 million in health care costs** resulting from the policy change. These come from premature mortalities, illnesses and lost workdays from the electric generation air pollution that EE would have avoided.

Macroeconomic Impacts



Illinoisians face a **net job loss of approximately 235 full-time equivalent jobs** and a **net income loss of \$15 million** from the adopted regressive EE policies.

Non-Participant Benefits



EE programs provide benefits to all customers, even those who have not participated. The regressive policy change eliminates **\$14 million in nonparticipant rate relief**.

\$34 MILLION

Lost net benefits



\$60 MILLION

Additional costs from carbon emissions

\$1.5 - 3.5 MILLION

Health damage costs



\$15 MILLION

Net income loss

235 Jobs lost

\$14 MILLION

Lost net benefits for non-participants



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MEEA's policy team released a report with the help of researchers from Synapse Energy Economics. "**Missed Opportunities**" estimates the impacts of recent energy efficiency policy rollbacks in six Midwestern states: Illinois, Indiana, Iowa, Ohio, Missouri and Wisconsin.

The findings underscore the immense value of utility-run energy efficiency programs by quantifying the benefits they provide to society at large - from economic to environmental and health.

View the full report: https://www.mwalliance.org/sites/default/files/meea-research/missed_opportunities_-_midwest_ee_policy_impacts.pdf?current=/taxonomy/term/11