Clean Energy Incentive Program

Illinois Renewable Energy Conference
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July 21, 2016
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.
Clean Power Plan
Background and Status

• EPA regulation aimed at reducing CO₂ emissions from existing power plants by 32% from 2005 levels by 2030
• States can use RE and EE to comply with the CPP
• Currently stayed by the Supreme Court, with oral argument scheduled for Sept. 27 in the D.C. Circuit
Clean Energy Incentive Program

Background

• Optional *early action* component of the CPP

• State and matching federal *credits* (allowances or ERCs) awarded to RE and EE projects for energy saved or generated in 2020 and 2021

• Goals:
  – Limit the burden of compliance on vulnerable communities
  – Limit new natural gas
  – Avoid delayed investment in new EE and RE
Design Details proposed on June 16
- States allocated credits (allowances or ERCs) based on their emission reduction requirement
- Half of the credit pool for RE projects, half for EE and solar projects benefiting low-income (LI) communities
- These EE projects will receive one credit from the state and one matching credit from EPA for every MWh saved
CEIP Design Details
Low-Income Communities

• States given flexibility to define low-income communities
• Can use geographic or income-based definitions, multiple definitions, as long as definitions are used consistently
• Definition must have been established prior to release of final CPP (October 2015)
• States have flexibility to determine the types of demand-side EE projects eligible for CEIP awards (so long as they benefit LI communities)

• Residential projects

• Commercial projects in buildings and institutions that provide critical services to low-income communities

• T&D improvement projects
• Illinois eligible to receive **17,906,162** matching allowances, or **22,382,704** matching ERCs in total, from 2020-2021

• EE projects in low-income communities eligible for half of these matching credits, and an equivalent amount from the state of Illinois

• Total MWh of energy saved by EE programs in Illinois in PY6: 16 million MWh
Commenting on the CEIP

Input Requested by the EPA

- Should credits be divided equally between RE and LI pools?
- Should any other technologies be eligible under the RE pool?
- How to avoid over- or under-inclusion in state-based definitions of LI?
- Should T&D projects be eligible?
- Should credits be reapportioned if unused?
Commenting on the CEIP
Opportunities for Input

• Public hearing in Chicago on **August 3**
• EPA accepting written comments through **September 2**
• [https://www.epa.gov/cleanpowerplan/clean-energy-incentive-program](https://www.epa.gov/cleanpowerplan/clean-energy-incentive-program)
Questions?
Thank you!

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