

SPEAKER



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Illinois Public Act 102-0662: The Impact of the New Clean Energy Bill On Vehicle Electrification



by Commissioner Maria S. Bocanegra

Electric Vehicle Act Amendments 20 ILCS 627

- Establishes the Electric Vehicle Coordinator at IEPA
- Establishes a goal of 1 million additional EVs by 2030
- ICC Workshops: on utility beneficial electrification programs

"Beneficial electrification programs" means programs that lower carbon dioxide emissions, replace fossil fuel use, create cost savings, improve electric grid operations, reduce increases to peak demand, improve electric usage load shape, and align electric usage with times of renewable generation."
- After workshop, ICC Staff must submit recommendations for TE investment or incentives
 - (ii) MDHD EVSE used by government and **private fleet** vehicles that serve or travel through environmental justice or eligible communities;
 - (iii) MDHD EVSE used in school bus operations, whether **private** or public, that primarily serve governmental or educational institutions, and also serve or travel through environmental justice or eligible communities;
 - (iv) public transit MDHD EVSE, developed in consultation with public transportation agencies; and
 - (v) publicly accessible L2 and DC Fast stations targeted to fill gaps in deployment, **particularly in rural areas and along State highway corridors.**

Electric Vehicle Act Amendments 20 ILCS 627

- *Utility Beneficial Electrification Plans (BEPs)*
 - Update BEP by 7/1/24 and every three years thereafter. In reviewing the BEPs, “the Commission shall consider whether the investments and other expenditures are designed and reasonably expected to:
 - . . . support at least a 40% investment of make-ready infrastructure incentives to facilitate the rapid deployment of charging equipment in or serving environmental justice, low-income, and eligible communities ...
 - . . . support at least a 5% investment target in electrifying MDHD school bus and diesel public transportation vehicles located in or serving environmental justice, low-income, and eligible communities
 - . . . provide resources to support private investment in charging equipment for uses in public and private charging applications, including residential, multi-family, fleet, transit, community, and corridor applications.
- *IEPA Charging Rebate Program* - Rebates, consistent with utility TEPs to public and private organizations and companies to install and maintain L2 and L3 charging stations. Rebates shall fund up to 80% of the costs.
- *IDOT Funding Study* - IDOT shall perform a study that shall look at the needs associated with EV deployment. It shall look at infrastructure revenue losses and options for replacement.

Electric Vehicle Rebate Act 415 ILCS 120/27

- The Alternative Fuels Fund is renamed the Electric Vehicle Rebate Fund
- The definition of EVs is revised to include vehicles **exclusively** powered by electricity (excluding motorcycles)
- Covered Counties include Cook, DuPage, Kane, Lake, McHenry, Will, Aux Sable*, Goose Lake Townships in Grundy County*, and Oswego Township in Kendall County*. (**newly added counties*)
- Starting 7/1/22 and if funds remain, persons in covered counties are eligible to apply for EV rebates, which can't exceed cost of EV
 - **For 2022 – 2026** **\$4,000**
 - **For 2026 – 2028** **\$2,000**
 - **For 2028 – 2030** **\$1,000**
- One time rebate for new and used
- Once every 10 years to a purchaser. \$225,000 shall be appropriate to the IEPA from the former AFF for the EVRF

DCEO's Energy Transition Assistance Fund

FUNDING

SOURCE: ComEd and Ameren customers.
CAP: \$180m per year

PRIORITY

1. 21 million annually to the Clean Jobs Workforce Hubs up to 6/1/23 and \$24,333,333 annually thereafter;
2. \$21 million annually to the Clean Energy Contractor Incubator Program;
3. \$9 million annually to the Clean Energy Primes Contractor Accelerator;
4. \$21 million annually for the Barrier Reduction Program;
5. \$34 million annually for the Jobs and Environmental Justice Grant Program;
6. \$6 million annually for the Returning Residents Clean Jobs Training Program;
7. \$6 million annually for the Energy Transition Navigators;
8. \$10 million annually for the Illinois Climate Works Apprenticeship Program;
9. \$40 million annually for CEEZs and Energy Transition Community Support Grants;
10. \$1.1 million annually for displaced worker dependent scholarships;
11. \$10 million annually for the ICC for PUF (Public Utility Fund)
12. \$4 million annually for the IPA; and
13. \$1 million annually for the Clean Energy Jobs and Justice Fund.
14. DCEO may use 10% of the fund for its own administration.

SURPLUS

- \$0.5 million annually for Capital Development Board development of stretch codes and other standards
- \$7 million annually for the IEPA Energy Efficiency Trust and Clean Air Act Permit Funds
- \$10 million to CMS for State fleet electrification.

Public Utility Act (PUA) Amendments

- *Electric Energy Efficiency and Demand Response – Section 8-103B:*
 - *Large Customers* - Removes the large customer exemption from EE programs and provides for a large customer opt-out from such programs. Requires according adjustments of deemed savings and savings goals.
 - *Electrification* – Utilities may also promote electrification if it **reduces total energy consumption at the premises**, can count such reductions toward savings, and may recover the costs of such measures . . . at least 25% of electrification related savings must be from low-income housing measures . . . must provide customers estimates of the impact of such measures on their electric bills and total annual energy expenses.
- *Public Schools Carbon Free Assessments Program – new Section 8-402.2:*
 - Must implement carbon-free assessment programs
 - Plan to increase energy efficiency, reduce carbon emissions, and move to carbon-free energy usage by 2030
 - Standardized assessments (some flexibility for unique circumstances)
 - Assess potential programs and investments
 - Building envelope assessment

PUA Amendments (Cont'd)

- *Renewable Energy Access Plan (aka Transmission Plan)– new Section 8-512*: The ICC is to open an investigation to develop and adopt a renewable energy access plan no later than December 31, 2022. The plan shall: (1) designate renewable energy access plan zones where conditions are suitable for developing renewables; (2) develop a transmission plan to get renewables in access plan zones to consumers or other states in a cost effective manner; (3) use the state's positions as a transmission hub to create investment in renewables; (4) consider programs, policies, and transmission projects that promote the cost-effective delivery of renewables to meet RPS standards; (5) consider proposals to improve RTO planning; and (6) make findings and policy recommendations to cost-effectively achieve policy goals; present conclusions and recommendations to determine actions the ICC should take.
- *Independent Baseline Assessment – new Section 16-105.10*: Within 30 days of the effective date of the Act, the ICC will issue and order initiating an audit of ComEd and Ameren, which shall examine: (1) an assessment of the utilities' distribution grids; (2) capital projects placed into service over the last 9 years; (3) an analysis of the utilities' initiatives to optimize reliability and resiliency of the grid apart from capital spending; (4) creation of a database to inform the multi-year integrated grid planning process; and (5) identification of data deficiencies that may impact the planning process.
- *Multi-Year Integrated Grid Plan – new Section 16-105.17*: It shall be designed to coordinate the utilities distribution planning over a 5-year horizon with the State's policy goals.

PUA Amendments (Cont'd)

Performance Based Ratemaking new Section 16-108.8

PERFORMANCE METRICS

- For Ameren and ComEd only to improve performance over a performance period 4-10 years
- No more than 8 performance metrics, with at least one each from six specified categories including
 - (1) improvements in reliability and resiliency, with emphasis on service in disadvantaged areas
 - (2) peak load reductions from demand response
 - (3) supplier diversity expansion
 - (4) achieving affordable customer delivery service costs, with an emphasis on disadvantaged communities
 - (5) interconnection response timing and related ease of interconnection;
 - (6) customer service performance
- Workshops - The ICC must start a workshop process within 15 days of effective date of the Act

Other Potential Future Funding

Volkswagen Settlement Funding

- \$108 million Environmental Mitigation Trust (“EMT”) fund to fund transportation projects that will reduce NOx emissions

- Funds are allocated based on a State’s Beneficiary Mitigation Plan (“BMP”)

- Currently in third round of funding
 - ◆ VW Round 3 (Chicago area): Up to \$6.5 million for all-electric school buses in the Chicago metropolitan area.
 - ◆ VW Round 3 (Metro-East): Up to \$2.5 million for all-electric school buses in the Metro-East

- Funds *may be* allocated for many industrial and commercial vehicles including: Class 8 Local Freight Trucks and Port Drayage Trucks, Freight Switchers, Ferries/Tugs, Ocean Going Vessels Shorepower, Class 4-7 Local Freight Trucks, Airport Ground Support Equipment, Forklifts and Port Cargo Handling Equipment, Light Duty Zero Emission Vehicle Supply Equipment, and Diesel Emission Reduction Act Option