



## Rate Relief Package of 2007- and beyond

Illinois Department of Commerce & Economic Opportunity  
Jonathan Feipel, Manager – Energy Department

Jack Lavin, Director

Rod R. Blagojevich, Governor

# Two-Fold Objectives

- ▶ Creates the Illinois Power Agency
- ▶ Electricity Regulation Restructuring
- ▶ Rate Relief
  - Credits
  - Targeted Programs
- ▶ Renewable Portfolio Standard
- ▶ Energy Efficiency Portfolio Standard
- ▶ Extends Renewable Energy, Energy Efficiency and Coal Resources Development Law of 1997 until 2015

Rates

Environmental

# Economic Benefits of the Law

## ▶ Renewable Energy

### ◦ Direct Benefits

- \$ Invested in Renewable Industry facilities in IL
- 1 MW of installed wind capacity = \$1.7 M investment
- Significant contribution to the local tax base

### ◦ Indirect Benefits

- Hedge against fossil fuel price volatility
- Increased fuel diversity
- Downward pressure on energy prices
- Further savings linked to environmental externalities

# Economic Benefits of the Law

## ▶ Energy Efficiency

### ◦ Direct Benefits

- Each \$1 spent on kWh EE saves \$2–3
- EE Contractors market

### ◦ Indirect Benefits

- Downward pressure on energy prices
- Consumers have more \$ to spend in the economy
- Increased jobs to meet economic stimulation
- Further savings linked to environmental externalities

the next generation of energy legislation...

# Illinois Climate Change Advisory Group

- ▶ Reduce Greenhouse Gas Emissions:
  - 1990 levels by 2020
  - 60% below 1990 levels by 2050
- ▶ Advisory Group of Industry, Advocates, and Governments Agencies
- ▶ Task was to develop policy proposals to hit the target
  - Key focus was the shorter term target
  - Follow up meetings will address the long term goal

# ICCAG: Policies Recommended

- ▶ Cap and Trade
- ▶ GHG emission standards for automobiles
- ▶ Low carbon standard for gasoline
- ▶ Double the recycling rate (25%–50%)
- ▶ Forest management, reforestation, programs
- ▶ Expand smart growth and mass transit
- ▶ Renewable Portfolio Standard
- ▶ Energy Efficiency Portfolio Standard

# IPA & the ICCAG

- ▶ RPS
  - “Eligible Customers” only
- ▶ EEPS
  - 2% reduction by 2015
  - Natural Gas excluded
  - Cost Cap from .5% to 2%

- ▶ RPS
  - Total Load
- ▶ EEPS
  - 2% reduction by 2015
  - Natural Gas Included
  - No Cost Cap

Rate Relief Package

Proposed – ICCAG



# Impacts – 2015

- ▶ .7% Reduction kWh
    - 6.3M MWh
  - ▶ 0% Reduction in therms
    - 0 therms
  - ▶ 2,400 MW Renewables
  - ▶ 10.7M metric tons CO<sub>2</sub>
  - ▶ 29,000 jobs
  - ▶ \$2.5B economic activity
- ▶ 2% Reduction in kWh
    - 11.2M MWh
  - ▶ 2% Reduction in therms
    - 672M therms
  - ▶ 4,500 MW Renewables
  - ▶ 25.6M metric tons CO<sub>2</sub>
  - ▶ 79,000 jobs
  - ▶ \$6.5B economic activity

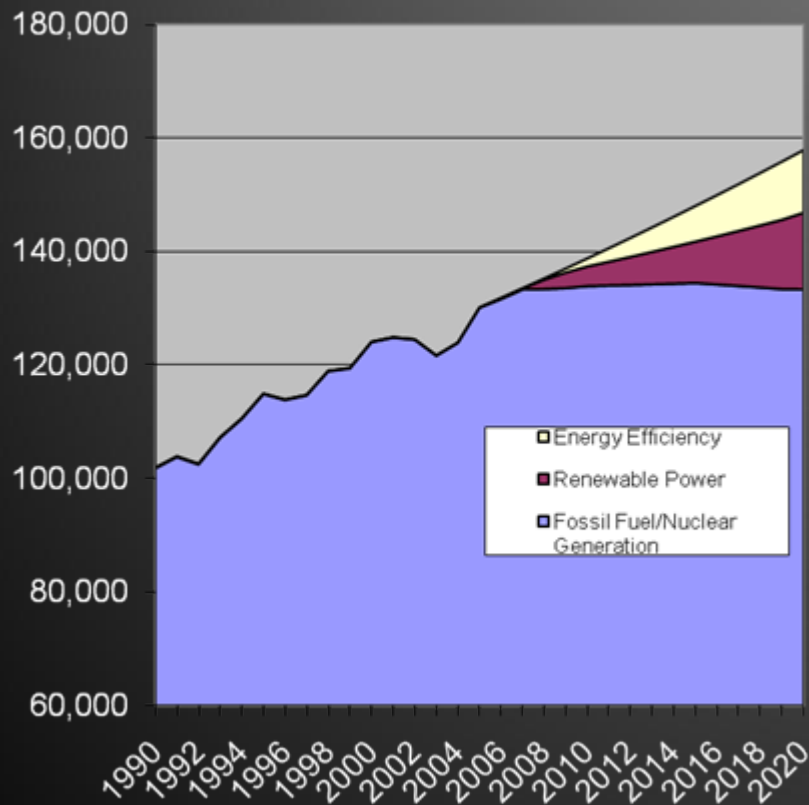
Rate Relief Package

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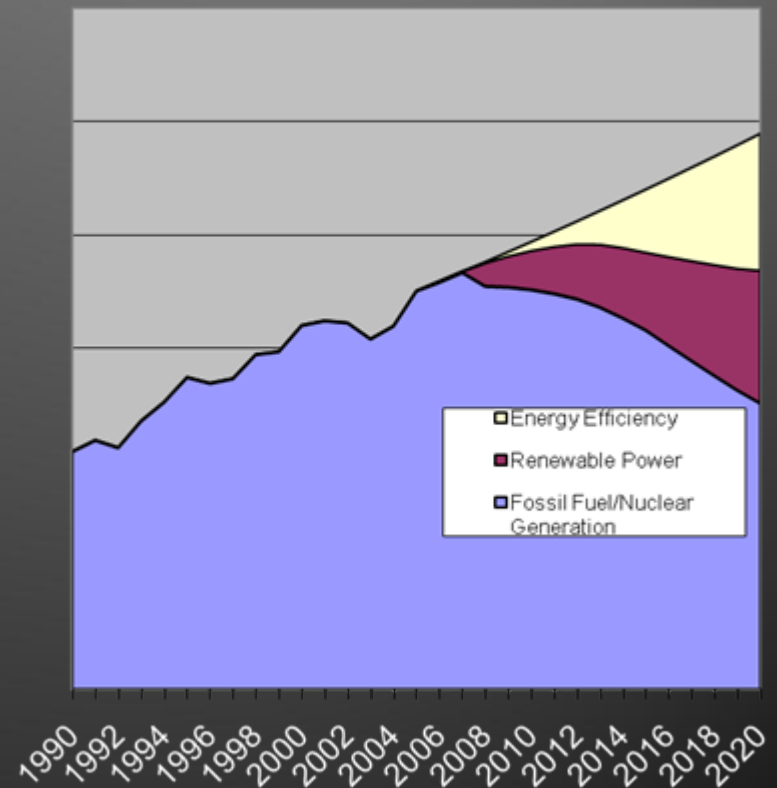
# Electricity Savings

(million kWh)

## SB 1592



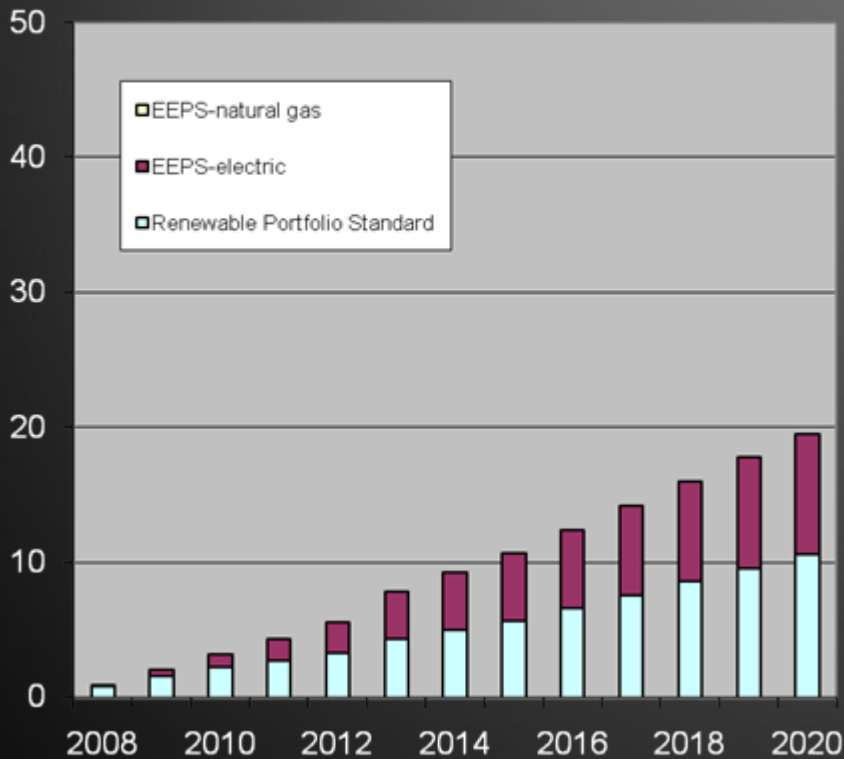
## ICCAG



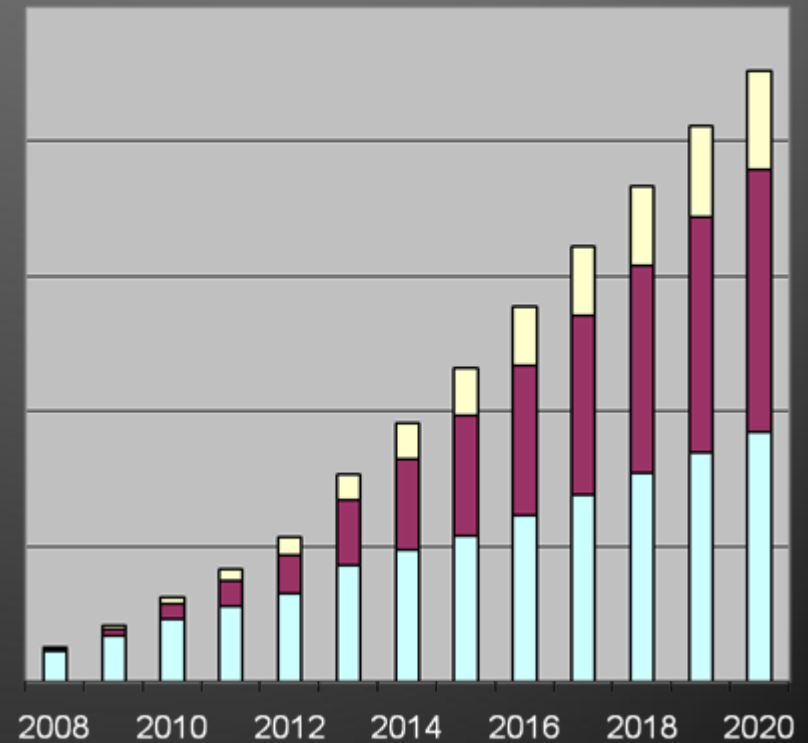
# Carbon Dioxide Emission Reductions

(million metric tons)

## SB 1592



## ICCAG





“the late blooming trees are those  
that bear the best fruit.”