



Clean Energy Incentive Program

Illinois Renewable Energy Conference
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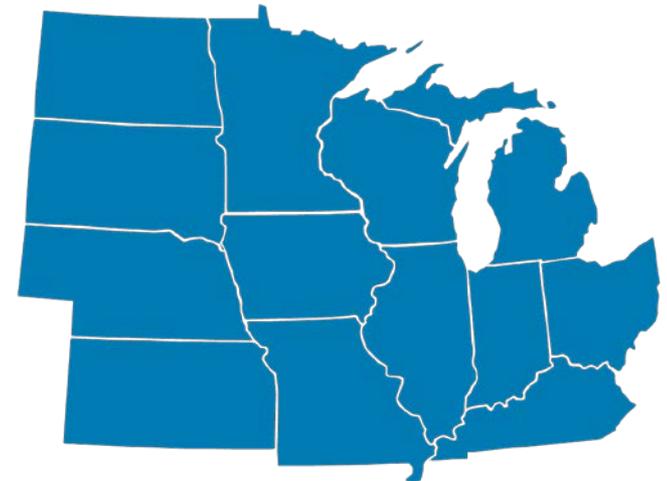
About MEEA

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.



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



CEIP Design Details

Mechanics

- 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)



CEIP Design Details

Project Eligibility

- 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



CEIP Design Details

Implications for Illinois

- 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 reappportioned 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>





Questions?

Thank you!

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