

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
ENERGY EFFICIENCY & CONSERVATION COMMITTEE MEETING**

FRIDAY, OCTOBER 15, 2021

Chairman Rick Abell called the meeting, conducted by webinar, to order at 10:00 a.m. Roll call was taken showing a quorum was present. Larry Taylor made a motion to approve the minutes of the October 1, 2020 meeting, seconded by Brian Keys. The voice vote showed unanimous approval.

Old Business

Rodd Whelpley reviewed the amounts of money each Member city was allocated for the year and funding yet to be obligated for this fiscal year including carryover amounts. He then reviewed the current Energy Efficiency Program results for the past twelve years along with the number of finished projects. He also reviewed the current EV Charging Station Program results for the past three years. Whelpley discussed barriers to the current EV Charging Station Program to include that the funding of \$30,000/yr is low, Member cities need to manage a local program for their residents and the incentive levels are low. He explained that IMEA staff goals are to keep a successful Energy Efficiency Program going for the next three years; encourage more uptake for the EV Charging Station and EV Program; allow Members to demonstrate the use of EVs for their residents by leasing an EV for City use and be comparable with the EV Charging Station and EV Programs in the new State energy legislation. That legislation states that the EV Rebate Program (pursuant to the Electric Vehicle Rebate Act) will be administered by the IEPA beginning on July 1, 2022 and will make \$4,000 rebates available until 2026. Rebates will then be reduced to \$2,000 until 2028 after which they will be reduced to \$1,000. This measure indicates that each person will be eligible. Staff will be on the lookout for more information and will keep Members informed. IMEA's incentive may be consistent with incentives in the Electric Vehicle Act. Whelpley reported that starting on July 1, 2022 and continuing for as long as funds are available, the IEPA shall award rebates or grants that fund up to 80% of the cost of the installation of charging stations. He discussed the rise of EVs in IMEA communities based on a report from the Illinois Secretary of State of EV registrations by zip code.

New Business

Whelpley reported that IMEA Staff proposes the following: (1) The Energy Efficiency Program continue for FY2022-23 through FY2024-25 with \$1 million for incentives per year. Any unused funds may roll over for the first two years, however, all funds must be used by the end of the third year; (2) FY2021-22 is a "use it or lose it" year meaning any funds not allocated as incentives to Energy Efficiency Program projects by April 30, 2022 will be transferred into the IMEA Rate Stabilization Fund. However, in years past, the IMEA Board has allowed some of those funds to be rolled over into the next year; (3) the measures in the Energy Efficiency Program continue as they currently are unless IMEA or CLEAResult determine changes are warranted due to the new Illinois Statewide Technical Reference Manual for Energy Efficiency

or required as part of any new federal legislation or Agency mandates; and (4) establish a separate IMEA EV and EV Charging Station Program with \$250,000 for incentives per year. Any unused funds may roll over for the first two years, however, all funds must be used by the end of the third year.

At that time, Whelpley presented a breakdown of the current program budget for FY2021-22 to include \$12,000 for CLEAResult consulting fees, \$1,000,000 in incentives for EE projects and \$30,000 for the EV Charging Station Program all under one budget item. IMEA Staff is proposing that the FY2022-23 program budget be divided into two budget lines; one for the EE Program to include the \$12,000 for CLEAResult consulting fees and \$1,000,000 in incentives for EE projects. The other budget line item would be for EV Chargers and the EV Program in the amount of \$250,000 for incentives.

Whelpley stated that staff's proposal for the EV Charging Station and EV Program includes establishing a residential and commercial Level 2 Charging Station Program (same program in effect for FY2021-22), and/or using funds for up to 80% of the equipment purchase or lease cost of a City- or Utility Department-owned or leased Level 2 or Level 3 charging station that would be made available for public use, and/or using funds for up to 80% for the purchase or lease cost of a City- or Utility Department-owned or leased EV. The City would have to commit to publicizing the vehicle as a means of promoting the use of EVs in their City.

Whelpley explained that the EV charging station incentive applies to the cost of purchasing the EV charger or to the current year's lease of that EV charger. In subsequent years, cities may use the funding to pay up to 80% of that year's eligible lease cost, and this may be done each year for the three years of the program. Any site preparation, make-ready or any other costs not specifically covered in the purchase or the base lease agreement are not eligible for an incentive. If the life of the lease runs longer than the IMEA EV Charging Station and EV Program, then cities need to be prepared to pay the full cost of the remaining years of the lease or have the ability to exit the lease arrangement on terms agreed to by the vendor and the city.

Regarding City or Utility Department-owned or leased EVs, Whelpley explained that this incentive applies only to the cost of purchasing or the current year's lease cost of the EV. Any costs not specifically covered in the purchase or lease agreement are not eligible for an incentive under this program. In subsequent years, cities may use funding to pay up to 80% of that year's eligible lease costs. If the life of the lease runs longer than the IMEA EV Charging Station and EV Program, cities need to be prepared to pay the full cost of the remaining years of the lease or exit the lease with the vendor. The cost of adding decals to the vehicle to denote that it is part of the City's EV fleet or any costs of publicizing its acquisition are not eligible for an incentive under this program. The EV Program payment would only cover the annual lease costs and not any fees for extra mileage, damage, special insurance or extended warranties on a leased vehicle.

Whelpley explained that IMEA Staff is requesting an increase in order to fund the EV Charging Station and EV Program at a total of \$250,000 per year. That nets out to be an increase of \$220,000 taking into account that the current program has a \$30,000 budget for EV charging stations. He presented an estimated cost per Member per month of expanding the EV Charging Station and EV Program.

Whelpley discussed a second option if the IMEA Board does not want to increase the EV Charging Station and EV Program by \$220,000. This option includes keeping the total budget for the EE, EV Charging Station and EV Program at the current amount. This would mean that \$1,030,000 would be budgeted for EE incentives and \$12,000 for the CLEAResult consulting contract. The \$1,030,000 would be allocated to the cities on a load share ratio basis and cities could use all of their funding for incentives for EE program projects. However, cities would have until January 30 to exercise the option to transfer up to 25% of their EE Program incentive funding to use on EV Charging Stations and EVs. Funds transferred into the EV Charging Stations and EV Program could not be transferred out, but could roll over until the end of the third year.

Whelpley stated that IMEA Staff recommends establishing separate programs with an increased budget for EV Charging Stations and EVs. This keeps the EE Program robust, reduces barriers to uptake of the EV Charging Station Program and makes more options and funding available for EVs and EV chargers when the number of EVs in Member municipalities is increasing and the new State energy legislation is making more incentives available to people who purchase EVs. Furthermore, the budgeted overall increase is modest in terms of mWh cost, and separating the programs in the IMEA Budget is cleaner and more transparent.

Regarding “use it or lose it” Electric Efficiency Program incentive funds that may remain unused as of April 30, 2022, Larry Taylor made a motion to roll over the funding into FY2022-23. Any funds from prior years that are rolled over into FY2022-23 that still remain unused by April 30, 2023 would be transferred to the IMEA Rate Stabilization Fund. John Tolan seconded the motion. The roll call vote showed all in favor.

Discussion ensued with regard to incentive levels for electric vehicle charging stations. Whelpley explained that the Electric Vehicle Program would mirror the Energy Efficiency Program with regard to the rollovers of funding and members would be able to transfer their EV funding allotments to the Energy Efficiency Program if they so choose.

Larry Taylor made a motion that the budget for the EV Charging Station and EV Program for FY2022-23 through FY2024-25 be \$250,000 per year to use for electric vehicle charging stations or electric vehicle incentives; that a Member may choose to transfer all of part of its EV charging station & EV Program funds into the Electric Efficiency Program up to the 3 years of funding and that the incentive level for purchasing EV charging stations is 80% of the total project cost, with a cap of \$20,000 payout per charging station per year. Similarly, payment for an EV purchase or lease of a qualified EV is capped at \$20,000 per vehicle per year. Brian Keys seconded the motion and the roll call vote showed unanimous approval.

There being no further business, the meeting was adjourned at 11:38 a.m. by a motion from John Tolan, seconded by Brian Keys. Voice vote showed all were in favor.

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COMMITTEE MEMBERS PRESENT VIA WEBINAR

Altamont	Larry Taylor
Freeburg	John Tolan
Metropolis	Rick Abell
Naperville	Brian Groth
Winnetka	Brian Keys

COMMITTEE MEMBERS ABSENT

Peru	Jim Lukosus
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OTHERS IN ATTENDANCE

Naperville	Olga Geynisman
CLEAResult	Angela Ziech-Malek
IMEA	Kevin Gaden
IMEA	Rodd Whelpley
IMEA	Mike Genin
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Tammy Hall