

Illinois Commerce Commission (ICC)

Future of Gas Workshops: Phase 1

Written Comment Template for Workshop #7 – May 29, 2024

Instructions:

- Using this Written Comment Template, send written comments to the Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com **by Friday, June 7**
 - Include “Workshop 7 Comments” in the subject line.
 - Please keep the description of each proposed topic brief (1-2 sentences). If needed, provide an explanation and rationale in the “Add Comments” section.
 - Please refrain from sharing a position on topics or issues – Phase 1 of the ICC Future of Gas Workshop process is focused on topic/issue gathering.
- Comments received will be posted [on the ICC Future of Gas website](#)
- Comments received may be used by ICC Staff and the Facilitation Team in preparing the Phase 1 Workshop Report

Comments Submitted By:

Name: Elizabeth B. Stein

Company or Organization: Institute for Policy Integrity at NYU School of Law

Email: elizabeth.stein@nyu.edu

Phone: 212-992-8641

Website: <https://policyintegrity.org/>

Location: New York

Question 1: What topics should be further explored related to Illinois manufacturing?

1. In the course of the presentations on manufacturing, one presentation (FTI) asserted that heat pump sales are slowing and that heat pumps are generally suitable only in warm climates; however, Maine, which has a cold climate, is the state with the fastest heat pump adoption, and the rate is accelerating.¹ Phase 2 should include an up-to-date, empirical assessment of the performance of current and anticipated heat pump performance in climate conditions similar to those experienced in Illinois.

Add Comments:

Question 2: What topics should be further explored related to workforce and organized labor?

1. Presentations raised the issue that aging gas pipes can present serious safety problems, especially for workers. Phase 2 should include a rigorous examination of the costs of maintaining the current system in comparison to transition costs, including the consideration of the full range of options for addressing present and future needs arising from pipes nearing the end of or passing the end of their useful lives (including without limitation repair, replacement, and retirement of those pipes).

Add Comments:

¹ Cara Buckley, *Why Mainers Are Falling Hard for Heat Pumps*, N.Y. TIMES (Mar. 2, 2024), <https://www.nytimes.com/2024/03/02/climate/heat-pumps-maine-electrification.html>.

Question 3: What topics should be further explored related to wastewater?

1. The presentation discussed a GHG reduction opportunity available from capturing and processing methane produced by anaerobic digestion and injecting it into natural gas pipelines, but did not address the scale of the opportunity, either in terms of available GHG emissions reductions or quantity of RNG available through this pathway. Phase 2 should include a rigorous examination of the lifecycle emissions of RNG produced through this pathway, the quantity of that resource in Illinois, and the most efficient use of that resource, as well as consideration of the safeguards that ensure that RNG that is deployed as an energy resource in Illinois contributes to and does not undermine Illinois's achievement of its GHG emissions reduction goals (for example, metrics that ensure any use of RNG as an energy resource is the first productive use of such gas, that waste isn't generated for this purpose, and that resources and/or emissions reductions associated with those resources are not double-counted).

Add Comments:

Question 4: The second version of the ["Future of Gas Working Document of Topics"](#) is available for review, based on the discussion and comments received to date. Please review and submit feedback if an issue or topic is missing.

- This "Working Document" is posted on the [Discussion Topics page](#) of the ICC Future of Gas website: [Working Document of Topics](#) - updated May 23

Add Comments:

1. The document currently mentions reduced line extension allowances, and targeted decommissioning, as strategies to reduce stranded infrastructure risk. The inquiry should also explore other options for avoiding further line extensions that could result additional stranded infrastructure, such as modifying the extent to which line extensions are available to prospective customers not currently served by natural gas and using targeted electrification programs to avoid the need for line extensions.
2. The document currently mentions the need to explore how rates, terms, and conditions for gas utility service, including line extension policies, impact decarbonization. There is a corresponding need to explore how rates, terms, and conditions for electric utility service (including an examination of whether rate designs are appropriately structured for electric heating customers) impact electrification (and hence decarbonization).
3. The document currently mentions "advanced rate design" as one of the potential ways to "mitigate the impact of both transportation and building electrification on the grid". The discussion of electric rate design should also consider whether tariffs would need to change to ensure that heat pump customers, who may have very different annual load shapes from other customers in the same rate class, are not overcharged for their share of distribution system costs.

4. In the bullet on “quantifying societal costs,” the document describes a need to “explore the societal cost of carbon, methane, and other pollutant emissions.” Two clarifications are important:
 - a. Particularly with respect to global climate emissions, such as carbon dioxide and methane, this exploration should include emissions that are related to activity in Illinois but that occur outside Illinois, such as methane emissions at the point where natural gas to be used in Illinois is extracted.
 - b. To ensure that societal costs can be evaluated as actual costs and compared with other costs, and not merely cited as an abstract or qualitative consideration, this evaluation should quantify these impacts in terms of tons of emissions and their dollar value at the Social Cost of Greenhouse Gas Emissions.
5. The document refers to exploring “prioritizing low-income areas for electrification where it is affordable and where it makes technical sense.” This exploration should include potential synergies between electrification programs with other programs for other types of building upgrades that improve health, comfort, safety, and affordability.
6. The discussion of “resource adequacy, reliability, and resiliency” mentions storage in the context of resource adequacy, but not in the other contexts discussed in that section, including peaker plants and peak energy needs. The discussions of peaker plants and other aspects of peak energy needs should include storage as well.
7. The discussion of “fuel diversity” as a source of reliability and resiliency should include non-fuel-based resources such as solar, wind, geothermal, and storage.