



Legislation Details (With Text)

File #: 20-091 **Version:** 1

Type: Report **Status:** Agenda Ready

File created: 1/13/2020 **In control:** Public Utilities Advisory Board

On agenda: 1/16/2020 **Final action:**

Title: Receive information on next steps to the Renewable Energy Program

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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PUBLIC UTILITIES ADVISORY BOARD AGENDA ITEM

ACTION REQUESTED:

Receive information on next steps to the Renewable Energy Program

DEPARTMENT: Electric Utility

SUBMITTED BY: Lucille Podlesny, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2004 the City Council approved the Renewable Energy Program. This program is a way for electric utility customers to monetarily support renewable energy.

Renewable energy generators, such as solar and wind farms, produce both electrons and renewable energy certificates (RECs). Electrons are the electricity flowing in the wires from the generator to an outlet (equivalent to water in the pipes coming to a faucet). A REC is a certificate representing the number of electrons produced by a renewable energy generator and is given a dollar value. For more details view a short video [here <https://www.naperville.il.us/services/electric-utility/powering-our-community-for-the-future/renewable-energy-program/>](https://www.naperville.il.us/services/electric-utility/powering-our-community-for-the-future/renewable-energy-program/).

The electric utility purchases and retires RECs equivalent to the amount of renewable energy kWhs supported each year. The current Renewable Energy Program is comprised of 99% wind and 1% solar RECs. The City has purchased approximately 128,977,000 kWh in RECs, or \$281,744, over the last five years.

In 2012, the program expanded to provide a single grant up to \$50,000 for non-residential customers with a total grant program maximum of \$150,000 per year. The intent of the grant was to incent

individuals to measurably increase renewable energy usage, displace fossil fuels, develop community education opportunities, and to support recurrent projects.

Since 2014 the program has granted \$317,500 for nine projects. Recipients have included North Central College, Naperville Park District, Midwest Sports and Pain Specialist, and NEX-NRM.

The City Council approved a \$100,893 award for the installation of solar panels on the Municipal Center roof in 2016 and \$34,169 award for the installation of solar panels on the roof at the Public Works building on Forthill Drive in 2019.

In 2019, at the request of City Council, staff partnered with a group of program participants, including members of the Sustainability Task Force, Naperville Park District, North Central College and non-profits (churches), to evaluate and recommend possible enhancements and modifications. There was great interest from the group in providing some immediate changes in a stepped approach with a promise to continue to consider changes as time progressed. These initial changes, approved by council in September of 2019, allocated more dollars to purchase RECs, a new residential solar grant option, and an educational component. In 2019, this change supported a residential solar grant and increased the amount of REC purchases to 83,000 (6% up from less than 1% in previous years). Bringing the total amount of renewable energy used by the City to 16%. Ten percent comes directly from Illinois Municipal Electric Agency (IMEA), the City's electricity provider.

The Renewable Energy Program currently has 2,774 (2,753 residential and 21 non-residential) participants. It generates approximately \$258,000 annually and has a cash balance of \$1.5 million.

DISCUSSION:

Staff has been discussing next steps for the program with a small working group consisting of John Krumman, Kevin Coyne, and Dan Knotter. In addition, the Sustainability Task Force has been consulted. Discussion and input is requested on the below bullet points.

- Add grant dollars to support energy efficiency for all customers; 'The Greenest Watt is the Watt Not Produced'
- Add flexibility in adjusting the grant dollar funding amounts based on yearly allocations
- Increase the number of RECs supported to meet the State of Illinois' goal of 25% renewable energy by the year 2025 (total will include IMEA)
- Purchase cost effective RECs from Illinois or neighboring states