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"Raising standards in the construction industry."

January 31, 2024

Sent Via email: jim.zolnierek@illinois.gov
c/o Jim Zolnierek, Bureau Chief, Public Utilities
Illinois Commerce Commission

RE: Thermal Energy Networks Final Comments

Dear Illinois Commerce Commission,

The Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC) appreciates the opportunity to provide comments to the Illinois Commerce Commission (ICC). The III FFC is a 501(c)5 nonprofit construction industry advocacy organization guided by a joint board of trustees representing the International Union of Operating Engineers, Local 150 and its signatory contractors. As an organization committed to the welfare of the workforce and the sustainable development of our energy landscape, we remain invested in the discussions around market structures, regulatory oversight, the development of alternative power sources, and labor standards. Through our previous submissions, we have consistently emphasized the importance of striking a balance that encourages investment while safeguarding the interests of consumers.

In our ongoing commitment to advocating for the integration of thermal energy networks, we wish to reiterate the potential benefits these networks offer to both market participants and the broader community. The extent of greenhouse gas reduction achieved by a thermal network is contingent upon several factors, such as the energy sources utilized, the types of buildings connected, and the overall efficiency of the system. Recognizing the multifaceted nature of these variables, the III FFC continues to underscore the significance of the pilot program in studying the impact of thermal energy networks on existing structures in Illinois. This program serves as a crucial tool for assessing the real-world implications and refining the implementation of thermal networks to ensure optimal environmental and community benefits.

In advancing the integration of thermal energy networks, the goal on aligning the skill sets of existing utility and building trades workforces with the construction of the networks remains steadfast. This alignment not only mitigates skill shortages but also holds the potential for substantial job creation and retention, contributing significantly to the overall sustainability and growth of the entire construction industry.

Recognizing the expertise of the utility union workforce allows a smooth transition of workers to thermal energy networks, effectively addressing training concerns through an already-established skill set. This approach not only streamlines the transition but also enhances affordability by

retaining the knowledge, experience, and expertise inherent in the existing utility union workforce.

To facilitate this transition, the III FFC advocates for prioritizing the hiring of transitioning utility workers who may face job loss due to downsizing in gas transmission and distribution systems. Additionally, the III FFC strongly supports the implementation of project labor agreements in publicly funded projects, providing an added layer of support to facilitate the transition of workers and uphold the state's proprietary interest in the seamless and uninterrupted delivery of energy through thermal energy networks.

These agreements encompass various essential elements, including requirements for prevailing wage rates, bona fide apprenticeship criteria, promotion of pre-apprenticeship programs, and systematic outreach efforts targeting the recruitment and assistance of individuals from underrepresented and low-income communities. The utilization of project labor agreements in construction contributes significantly to fostering a stable working environment, thereby ensuring the continual success of these pivotal projects.

The III FFC places further emphasis on the importance of implementing a comprehensive pilot program to thoroughly evaluate the feasibility of integrating thermal energy networks, especially when considering the intricacies of incorporating these networks into existing building structures. The pilot program serves as an essential tool to assess and navigate the unique challenges posed by the diverse climate conditions within the state of Illinois, coupled with the aging infrastructure that characterizes various regions.

Given the distinct climate variations across Illinois, ranging from the harsh winters in the northern regions to the milder conditions in the southern areas, the pilot program becomes instrumental in understanding how thermal energy networks perform under diverse weather patterns. This in-depth analysis is vital to ensure the resilience and reliability of these networks throughout the state, considering factors such as temperature extremes, seasonal variations, and potential environmental stressors.

Furthermore, the age and condition of existing infrastructure add an additional layer of complexity to the integration of thermal energy networks. The pilot program, therefore, becomes an indispensable tool in assessing how these networks can be seamlessly incorporated into structures with varying degrees of age and material composition. It allows for a detailed examination of potential retrofitting challenges, the adaptability of aging systems, and the overall compatibility of thermal energy networks with the existing built environment.

A pilot program serves as a proactive measure to address the multifaceted considerations associated with the Illinois climate and aging infrastructure. Through systematic testing, data collection, and analysis, the program will provide invaluable insights into the feasibility, adaptability, and long-term viability of thermal energy networks, enabling relevant stakeholders to make informed decisions that align with the unique characteristics of the state's climate and infrastructure landscape.

Additionally, the III FFC advocates for transparent and fair rate structures. Transparent pricing mechanisms not only benefit consumers but also attract crucial investments and foster innovation within the sector. As part of the rule-making process, we urge the Commission to specifically address these considerations, aiming to cover necessary research and development expenditures. Furthermore, the inclusion of low and moderate-income housing in these projects is crucial. Including at least one project proposal by all power suppliers in economically disadvantaged communities is a strategic move towards fostering inclusivity and addressing broader societal challenges through the implementation of thermal energy networks. The final decision on these matters should ideally be reached through a comprehensive stakeholder process, ensuring that the perspectives and interests of all involved parties, especially the workforce, are taken into account.

We appreciate the opportunity to submit comments regarding the integration of thermal energy networks and the associated workforce considerations.

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