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"Raising standards in the construction industry."

December 26, 2023

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

RE: Thermal Energy Network Round 2 Comments

Dear Illinois Commerce Commission,

The Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC) appreciates the opportunity to provide comments on the Illinois Commerce Commission (ICC) Staff's inquiry whether thermal energy network projects further climate justice and emissions reductions and benefits to utility customers and society at large, including but not limited to public health benefits in areas with disproportionate environmental burdens, job retention and creation, reliability, and increased affordability of renewable thermal energy options; and approaches to thermal energy network projects that advance financial and technical approaches to equitable and affordable building electrification, including access to thermal energy network benefits by low and moderate income households. 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.

The significance of thermal energy network projects in promoting climate justice, emissions reductions, and societal benefits becomes evident when considering the inherent efficiency of these networks. By efficiently utilizing and exchanging thermal energy from diverse underground sources and buildings, these projects effectively minimize their impact on the electricity grid.

The application of thermal energy networks not only enhances efficiency but also extends benefits to both participants and non-participants. This results in societal advantages, positively affecting the environment, and generating market benefits tied to the reduction of electricity and natural gas volume, as well as peak demand. Aligning with the state's interests, as outlined in the Public Utilities Act, these projects contribute to the efficient and reliable delivery of energy and safeguarding the state's energy infrastructure.

Recognizing that utility corporations and other power suppliers share these interests, it is crucial to acknowledge their duty in protecting proprietary interests in the funded projects. Therefore, establishing effective contractor qualification and performance standards, encompassing



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prevailing wage rates, bona fide apprenticeship criteria, and project labor agreements, becomes instrumental in ensuring the protection of ratepayer resources invested in these projects.

The complexity of constructing thermal energy networks stems from the highly skilled and complex work of the construction industry. Establishing robust qualification standards for craft labor personnel becomes paramount to ensure the successful delivery of projects. This becomes particularly critical considering the widespread skill shortages prevalent across the country, exerting adverse effects on ongoing capital projects.

Fortunately, the construction of thermal energy networks aligns with the skill sets of the existing utility and building trades workforces. This alignment not only mitigates potential challenges posed by skill shortages but also holds the potential for substantial job creation and retention within thermal energy networks and across a diverse spectrum of other construction projects. Therefore, the integration of thermal energy networks into construction projects, supported by solid qualification and performance standards, addresses immediate skill-related challenges and contributes significantly to the overall sustainability and growth of the construction industry.

Furthermore, it is essential to emphasize the importance of a pilot program to assess the feasibility of these networks, particularly when integrating networks into existing building structures. Also, the inclusion of low and moderate-income housing in these projects is crucial. Mandating 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.