



Illinois Commerce Commission Thermal Energy Workshop
Illinois PIRG Education Fund Final Round Comment

January 31st, 2024

Dear ICC Staff,

Thank you for the opportunity to provide comment following the conclusion of the Thermal Energy Network Forum.

Illinois PIRG Education Fund recommends that thermal energy networks continue to be explored through the development of pilot projects in both areas of new development as well as in areas where retrofitting existing buildings is required. While implementing a thermal energy network pilot in a new development would be more cost effective, the viability of transitioning existing communities from the gas system to a thermal energy network is of critical interest to us and other stakeholders. Therefore, a pilot focused on retrofitting existing buildings would provide a better assessment of the scalability and cost for a realistic implementation of a thermal energy network.

Pilots should also provide stakeholders with the opportunity to analyze alternative ownership models and rate structures that are separate from incumbent utilities. While we should not necessarily exclude incumbent utilities from adding thermal networks to their assets, we should proactively explore other ownership models.

Existing utilities, especially gas utilities, have a vested interest in maintaining the status quo and continuing to operate and invest in the gas system. If the implementation of a thermal energy network is approached holistically to include weatherization and efficiency improvements to the building (which are necessary to achieve peak effectiveness and efficiency of the network), a backup heat source is not needed. Having a backup gas heat source diminishes the impact of emissions reduction, adds additional energy costs for consumers and is unnecessary given the efficiency of ground source heat.

The long term transition off the gas system and the implementation of a thermal energy network should be approached on a neighborhood and community scale rather than solely appliance by appliance and household by household. Doing so will lower the overall cost of the transition, avoid severe rate hikes for remaining gas customers, ensure reliable utility service, and broadly share the benefits of the clean energy transition.

The cost of implementing a thermal energy network should be considered carefully, and compared to other approaches, including relying on the existing electric grid paired with electric appliances not tied to a thermal network. Of course any transition of this magnitude will entail significant costs. These costs must be compared to alternative courses of action, as well as to the benefits of a decarbonized buildings sector, including reducing global warming emissions,



customer affordability, and health. Cost analysis should also consider state energy efficiency and weatherization programs and federal funding that could subsidize some of the cost of implementing thermal energy networks.

Sincerely,

Jordan Hamrick
Utility Watchdog Organizer
Illinois PIRG Education Fund