
ILLINOIS ENERGY FORUM

VOLUME 27, ISSUE 1

JANUARY, 2020

Two New American Gas Foundation Studies Provide Cost-Effective Pathways For Achieving Significant U.S. Emission Reductions

The American Gas Association (AGA) is highlighting [two new studies](#) by the American Gas Foundation (AGF) focused on reducing greenhouse gas (GHG) emissions through the use of emerging natural gas direct use technologies and the development of renewable natural gas.

“These two studies demonstrate how we will continue to use our vast, reliable and safe natural gas infrastructure to deliver affordable energy and drive down emissions,” said Karen Harbert, President and CEO of the American Gas Association. “By incorporating new, highly efficient natural gas appliances and using renewable natural gas, America’s natural gas utilities will reduce emissions along their systems and American homes can drastically cut emissions while maintaining the warmth and comfort they have grown to love from natural gas.”

NATURAL GAS DIRECT USE TECHNOLOGIES

The [first study](#), conducted by Enovation Partners, demonstrates how widespread adoption of emerging natural gas direct use technologies could

FERC Directs PJM to Expand Minimum Offer Price Rule

On Dec.19, The Federal Energy Regulatory Commission (FERC) issued an order affecting the competitive capacity market administered by PJM Interconnection, L.L.C. (PJM) by directing PJM to expand its current Minimum Offer Price Rule (MOPR) to address state-subsidized electric generation resources, with certain exemptions.

The action reaffirms and builds on FERC’s June 29, 2018, order, which found that out-of-market payments provided, or required to be provided, by PJM states to support operation of certain generation resources threaten the competitiveness of PJM’s capacity market.

“FERC is affirming our obligation to safeguard the competitiveness of the PJM capacity market,” FERC Chairman Neil Chatterjee said. “I recognize, and wholeheartedly re-

spect and support, states’ exclusive authority to make choices about the types of generation they support and that get built to serve their communities. They still can do so under this order.

“But the Commission has a statutory obligation, and exclusive jurisdiction, to ensure the competitiveness of the markets we oversee,” Chatterjee added. “An important aspect of competitive markets is that they provide a level playing field for all resources, and this order ensures just that within the PJM footprint.”

PJM now has 90 days to comply with the order, and at that time is to provide the Commission with a new timeline for the next auction.

Reaction to the Order was varied, generally depending upon the respective position of companies regarding

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FROM THE STAFF

It's almost time for the Illinois General Assembly to return to Springfield to do the peoples' business. This promises to be a busy Spring Session on several fronts, and we will be there to keep our readers up to date on developments affecting energy policy in Illinois. Please let us know if you have any ideas regarding how we can better meet that challenge. Feel free to call, send us an email or even stop by the office on the Old State Capital Plaza. We would be happy to hear what you have to say. Have a very Happy New Year. **IEF**

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AGA

Contribute significantly to achieving deep reductions in GHG emissions in the U.S. residential sector at much lower costs than other options under consideration. It estimates that natural gas residential emissions could be reduced by approximately 40 percent at a very competitive cost of \$66 per metric ton of CO₂ emissions. On average, consumers who install the emerging high-efficiency technologies modeled in the study would also save \$271 annually compared to existing technologies.

RENEWABLE NATURAL GAS

The [second study](#), conducted by ICF, outlines the potential domestic resource base for renewable natural gas (RNG), the corresponding potential for emission reductions and associated costs. Notably, this study is the first to examine power-to-

gas technology as a production method for renewable natural gas.

ICF estimates that by 2040 approximately 4,513 trillion Btu of RNG could be produced annually. Additionally, this equates to a 235 million metric ton reduction in GHG emissions, or a 95 percent reduction in emissions from the natural gas residential sector.^[1] ICF found costs competitive with other GHG emission abatement options, beginning at \$55 per metric ton of CO₂ emissions. **IEF**

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FERC

State-subsidized generation resources.

Much of the initial discussion centered on FERC's definition of a "subsidy", which differed significantly from what had been proposed by PJM in its filing that led to the Order. FERC built on PJM's April 2018 MOPR –Ex proposal to address the impact of state subsidies on the wholesale capacity market.

In this Order, FERC directed PJM to expand its MOPR to apply to any new or existing resource that receives, or is entitled to receive, a state subsidy, unless an exemption applies. The agency then identified some limited general exemptions and requested that PJM develop a process for unit-specific exemptions.

The Order addressed a complex and controversial subject matter, so parties interested in the matter continue to examine the Order even three weeks after it was issued, trying to determine how it will impact the PJM wholesale capacity market

generally and specific companies participating in that market in particular. Several parties, including several states, are expected to request a re-hearing. **IEF**

Ameren Illinois Spreads Holiday Cheer with \$50,000 to Illinois Food Banks

To help Illinois food banks keep up with the demand this winter, Ameren Illinois presented a total of \$50,000 to six food banks in central and southern Illinois.

The contribution will help provide nutritious meals to families across its service territory. The food banks and food pantries include Midwest Food Bank, Central Illinois Food Bank, Eastern Illinois Food Bank, Collinsville Food Pantry, Catholic Urban Programs and Southern Illinois Food Pantry Network.

"These organizations work hard year round to make sure families who struggle with food insecurities get the meals they need," said Ameren Illinois Chairman and President, Richard J. Mark. "We are hopeful these donations will have a positive impact on local families in our community now and into the New Year."

The grant funds were made available through the Ameren Cares program, which connects Ameren Illinois with the communities it serves through charitable giving and volunteering. A key focus of this program is to partner with nonprofit organizations such as these to give back to communities across the 43,700-square-mile Ameren Illinois service territory. **IEF**

Vistra Energy Joins the Climate Leadership Council and Americans for Carbon Dividends

On Dec.19, Vistra Energy announced it has joined the Climate Leadership Council ("CLC") as a founding member. The CLC is an international policy institute created in collaboration with prominent business, opinion, and environmental leaders to promote a carbon dividends framework as the most cost-effective, equitable, and politically viable climate solution. Vistra joins 24 prominent companies across a myriad of industries with a combined market cap of \$3.8 trillion in advocating for a national carbon fee and dividend policy. Founding members of the CLC include five oil and gas supermajors, the two largest automobile manufacturers in the U.S., as well as the largest telecommunications company, insurance company, and healthcare company in the world, among others.

Consistent with Vistra's commitment to the transformative impact of a market-based, cost-effective, and politically viable climate solution, the company is also contributing \$1 million to the Americans for Carbon Dividends ("AFCD") advocacy campaign, underwriting its efforts to encourage Congress to enact a carbon fee and dividend plan.

Vistra is joined by other prominent organizations including IBM, Ford Motor Company, Calpine, and General Motors, which the AFCD announced have also made financial commitments to the campaign. IBM will similarly be joining the CLC as a founding member (Ford, Calpine, and General Motors are already founding members).

"Over the last several years, Vistra has greatly accelerated its efforts to reduce its CO₂ footprint through, among other initiatives, power plant retirements and billions of dollars of investments in renewables, energy storage, emissions control equipment, and other energy efficient technologies," said Curt Morgan, Vistra's president and chief executive officer. "These types of individual efforts, however, must be complemented and supported by a national public policy solution focused on reducing carbon emissions while utilizing market-based, competitive principles. We believe an economy-wide, adequately priced carbon fee and dividend plan would be the most effective and equitable public policy solution to advance this goal through appropriately incentivized investments in carbon-free and carbon-reducing technologies." **IEF**

Nicor Gas Adds New Communications Platform to Keep Customers Informed

As part of its commitment to providing natural gas customers with best-in-class service utilizing innovative technology, Nicor Gas is enhancing its ability to quickly and directly reach customers by leveraging mobile phone technology.

Nicor Gas is introducing "Keep Me Informed" or KMI, a new communications platform that proactively provides status updates to residential customers about their scheduled appointments through text messages. When scheduling certain types of service appointments, such as new service connections, Nicor Gas customers will now be able to opt-in to receive text messages to keep them informed of the status of their appointment.

"As customer expectations continue to grow and shift and the technology available to us evolves, adding another option for our customers to communicate with us is one of many ways we're adapting and adjusting our operating practices to meet new and changing demands," said Anthony McCain, vice president of Resource Management at Southern Company Gas.

Nicor Gas is one of the four natural gas distribution companies of Southern Company Gas, which has made KMI technology a prioritized investment to expand customer communications.

"By investing in innovative communications solutions through text message and concierge services, we hope to make customer interactions with Nicor Gas more convenient, and ultimately make it easier to do business with us," McCain said.

Customers whose appointments are covered by KMI will receive a confirmation text after an appointment is scheduled and will receive a reminder message the day before and the day of their scheduled appointment. The KMI system, introduced in select Nicor Gas service areas in September, will also send a text alerting the customer that the technician is on the way. Once work is complete, customers will be notified through a final text, which will include a link to a customer satisfaction survey.

The Keep Me Informed system will continue to be offered in selected Nicor Gas service territories and will be available to all residential customers by the end of January. KMI text messages are currently being used for new service appointments with plans to expand the service to other appointment types in the near future. For more information about Keep Me Informed, call our Customer Care Center at 888.Nicor.4U (642.6748). **IEF**

Current Issues Seminar in New Mexico April 5-8

The annual Current Issues Seminar hosted by the Center for Public Utilities at New Mexico State University will be held in the state Capitol of Santa Fe on April 5-8, 2020. Among this year's participants are some of the nation's leading experts on energy policy issues.

Registration information for the Current Issues Seminar can be obtained by contacting Jeanette Walker of the Center for Public Utilities at 505-646-4812. **IEF**

NARUC Winter Committee Meetings in Washington, DC

The National Association of Regulatory Utility Commissioners (NARUC) will hold its Winter Committee Meetings in Washington, DC, from February 9-12, 2020. State Commissioners and staff members from around the country will meet in various committees and subcommittees with an eye toward developing NARUC policy on several important issues of interest to the regulatory community.

Members of the Illinois Commerce Commission serve on key NARUC policy committees. Policies developed at the Winter Meetings may be acted upon at the organization's Summer Meetings in Boston. **IEF**

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