



MANAGER'S MEMORANDUM

Prepared for: **Naperville City Council**

By: City Manager's office

12/03/2020

A. MANAGER'S MEMORANDUM

Source:
1. Public Utilities – Electric

Subject:
Yearend Renewable Energy
Program

Action:
FYI

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: December 3, 2020

TO: Doug Krieger, City Manager

THROUGH: Marcie Schatz, Deputy City Manager

FROM: Lucy Podlesny, Electric Utility Director

SUBJECT: Yearend Renewable Energy Program

PURPOSE:

The purpose of this memorandum is report on the 2020 progress of the Renewable Energy Program and 2021 grant recommendations.

BACKGROUND:

The Renewable Energy Program began in 2004. The program is a way for electric utility customers to voluntarily support renewable energy through a monthly monetary contribution. The program has been modified over the years to support renewable energy in many forms. The goals of the current program, as of March 2020, are to meet the State of Illinois' Renewable Portfolio Standard of 25% renewable energy by the year 2025 through the purchase of renewable energy certificates (RECs), and to support energy efficiency (the greenest watt is the watt not produced) and a sustainable environment through grants for its members. Currently the program supports the purchase of RECs to the level of \$250,000 and several grants to the level of \$410,000 for a total of \$660,000 in funding.

RECs are a product of renewable energy generators, such as solar and wind farms. 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 under the terms of the program.

Grant dollars are awarded to residential members for window replacement, attic insulation, solar projects, and electric vehicle charging station installations. Commercial members receive grant dollars for solar and energy efficiency projects. These grants help promote energy savings and a sustainable environment.

The program currently has 2,960 (2,938 residential and 22 non-residential) participants. Twenty-two new members have joined to take advantage of the grant opportunities. The program generates approximately \$250,000 annually with a cash balance of approximately \$1.3 million.

DISCUSSION:

This year, 2020, has proven to be a most unique year. In a year full of uncertainty, many predictions and assumptions were challenged. The Renewable Energy Program is no exception. This year showed an absolute slow down to energy efficiency dollars by commercial customers. In previous years funds would have been depleted within 2-3 months. This year supported only one commercial solar project. This year has also seen an increase in residents investing in their homes. This is also seen by the Transportation, Engineering, and Development Business Group in an increase in residential decks/pools/fence/solar/etc permits and dollar value over 2019.

The first seven months of the program anticipates awarding grants at the value of approximately \$350,000, with 90% of the dollars going to residential members for 14 electrical vehicle charging station installations, 36 window replacements, 65 attic installations and 78 solar installation. Currently, \$250,000 has been awarded and approximately \$100,000 is pending approval (most waiting on actual project completions or complete paperwork submission). RECs in the quantity of 105,000kWh have been purchased for \$184,000. This, in addition to what the Illinois Municipal Electric Agency, our power provider, brings the total renewable energy supplied to the City to 17.5%, a 1.5% increase from last year. The total dollars the program will support in 2020 will be approximately \$534,000.

Due to the current year's performance within overall targets, staff is recommending maintaining the same funding level for 2021, \$660,000. This will allow for data collection for a full year. This data, in addition to the 8 months of data collected from 2020, will provide additional guidance on where future dollars may be allocated.

Staff anticipates the current number of participant support for the program will continue to increase annually with additional education and the benefits the program provides. Staff is comfortable in setting these limits and readjusting for the following years as the uses are monitored and demands of participants change.

The Public Utility Advisory Board has been a positive supporter of advancing the City's renewable energy portfolio by supporting grants and purchasing RECs.

RECOMMENDATION:

Please share this information with the Mayor and City Council through the Manager's Memorandum.

CC: PUAB