
ILLINOIS ENERGY FORUM

VOLUME 16, ISSUE 1

JANUARY, 2009

New Study Shows Low-Income Energy Assistance is Critical

PROGRAMS that help low-income households pay their energy bills are more critical than ever, according to a new study released by the American Gas Association (AGA). The study, "LIHEAP and Energy Efficiency Programs are Essential to Help At-Risk, Low-Income Consumers Cope with Increasing Energy Costs," reports that in recent winters impoverished households have experienced substantially increased difficulty in paying their heating bills.

"Study after study has demonstrated the clear linkage between adequate heating and cooling and public health, so we were thrilled that this year Congress funded the Low Income Home Energy Assistance Program (LIHEAP) at an historic level of \$5.1 billion," said David N. Parker, President of AGA. "Despite this impressive level of funding, however, more is needed to address the underlying and enduring problem of Americans not being able to handle the high cost of energy."

In Fiscal Year (FY) 2007, 5.8 million households benefited from federal energy assistance programs. (See **AGA** on Page 2)

FERC Reports Progress in Demand Response, Advanced Metering

DEMAND response and advanced metering programs have made significant progress in serving more consumers across the country, says a new Federal Energy Regulatory Commission (FERC) report that charts the expansion of these energy-saving programs since 2006.

The report, *2008 Assessment of Demand Response and Advanced Metering*, is FERC's third annual report on demand response issues. While it notes progress on overcoming regulatory and financial hurdles over the past three years, the report also points to continuing obstacles – the limited number of retail customers on time-based rates, restrictions on customer access to meter data and the scale of financial investment necessary to deploy enabling technologies during an economic downturn – that could limit opportunities for continued growth in these programs.

"It is good to see the numbers behind the progress we know is

being made on these demand response and advanced metering fronts," FERC Chairman Joseph T. Kelliher said. "We at FERC also are making demand response a priority. Our competition rule, Order No. 719 issued in October, required organized wholesale power market operators to modify their designs to identify and address barriers to comparable treatment of demand response resources."

FERC Commissioner Jon Wellinghoff, who leads the Commission's efforts in the Collaborative Dialogue on Demand Response with the National Association of Regulatory Utility Commissioners, noted the link between demand response and smart grid technologies. "Demand response is clearly the 'killer application' for the smart grid," he said. "By our FERC report gauging progress and identifying continuing barriers to demand response, we can effectively assess our progress in deploying essential (See **FERC** on Page 2)

Inside This Issue

- | | |
|---|---|
| 2 | From The Staff |
| 2 | Nicor Provides Creative Outlet for Students |
| 3 | Energy News |
| 4 | Energy Association Activities |
-

From The Staff

HAPPY New Year! Looks like we are in for another “interesting” year here in the Land of Lincoln. Buckle your seat belts, it’s probably going to be a wild ride through the spring legislative session with the issue of impeachment and removal of the governor dominating the news. Hopefully, some good policy decisions will also be made on many pressing issues. **IEF**

(Continued from Page 1)—————

FERC

smart grid technologies.”

The report’s conclusions are based on a survey that shows the ratio of advanced meters to all installed meters has reached 4.7 percent for the United States, a significant jump from the less than 1 percent in 2006. Market penetration of advanced metering programs has risen substantially throughout the country, with the largest increase coming in peninsular Florida.

On the demand response side, 8 percent of energy consumers in the United States are in some kind of demand response program and the potential demand response resource contribution from all such U.S. programs is close to 41,000 megawatts, or 5.8 percent, of U.S. peak demand. This represents an increase of about 3,400 MW from the 2006 estimate. The largest demand response resource contributions are from the Mid-Atlantic, Midwestern and Southeastern regions of the U.S.

The report also notes that in the past year, Colorado, Maryland, Ohio and other states promoted demand response through utility regulation legislation. Alabama and California led states in approving time-based rates for consumers. And multi-state groups from the Mid-Atlantic to the Pacific Northwest are coordinating across juris-

dictions to enhance demand response through research, education and planning.

A copy of the report can be found at www.ferc.gov. **IEF**

(Continued from Page 1)—————

AGA

Eighty-four percent of those eligible, however, did not receive LIHEAP heating assistance. The doubling of LIHEAP in 2008 will increase the number of those helped, but others will still be left to do their best to stay warm this winter and cool in the summer.

“While funding will always play a critical role in helping those in need, energy efficiency programs can offer a longer term solution for income-eligible consumers seeking to mitigate high energy costs now,” Parker said.

Since 2000, more than half a billion dollars has been spent annually by energy utilities and governments to improve the energy efficiency of low-income homes. Taking simple steps like caulking, increasing insulation, replacing weather stripping, installing energy efficient windows and doors, and purchasing high efficiency appliances can provide years of energy and dollar savings.

According to the report:

- The number of households that are eligible for LIHEAP funds has increased 22 percent since 2001.

- This winter’s heating bills are expected to be near last year’s record levels, but colder than normal weather could push these increases higher.

- The portion of the LIHEAP recipients’ annual income needed to pay home energy bills jumped from 15 percent in 1998 to 22 percent in 2007.

- The number of households in arrears on their utility bills increased 9.5 percent in early 2008. Electric utilities experienced an

increase of 7.1 percent in uncollectible expenses between 2006 and 2007, while natural gas customer uncollectible expenses increased 9.5 percent. This confirms that customers were facing increased difficulty in paying their home energy bills even before the increases in energy costs took hold in 2008. Deteriorating economic conditions likely will exacerbate this problem. **IEF**

Nicor Provides Creative Outlet for Students

IN December, Nicor encouraged Illinois students to enter its annual *Energy by Design* poster contest and utilize their holiday breaks from school to create their energy efficiency posters. *Energy by Design* is a visual arts contest designed to bring students, teachers, and families together to become more aware of how to use energy wisely and its effects on the environment. New to this year’s contest materials are the inclusion of “green tips” which help educate students on ways to help improve the environment. Students in kindergarten through grade 8 who attend schools within Nicor’s service area are eligible to participate.

Receiving over 900 entries from 31 communities within its service territory last year, Nicor’s *Energy by Design* contest continues to build upon a 14-year tradition of providing energy-related teaching materials to schools. *Energy by Design* was developed by Nicor and the National Energy Foundation to enhance Nicor’s existing free natural gas instructional materials program in a new and exciting way. **IEF**

Results Exceed ComEd Expectations on Energy Efficiency Program

ON December 16, ComEd announced that its customers already are on track to save more than \$44 million in energy costs in the first program year from recycling more than 5,000 refrigerators, freezers and window air conditioner units and purchasing more than 1.8 million ENERGY STAR® qualified compact fluorescent light (CFL) bulbs since the launch of the company's Smart Ideas program just six months ago.

ComEd's Smart Ideas for Your Home program promotes energy efficiency by providing residential customers with opportunities to manage their energy usage, save money and help the environment. ComEd's goal is to collect and recycle nearly 60,000 appliances and to change more than 11 million incandescent bulbs to CFLs in the next three years.

"ComEd is committed to providing reliable service and helping our customers make smart energy choices through programs that make a real difference," said Val R. Jensen, Vice President, Marketing and Environmental Programs, ComEd. "These incentives are encouraging people to integrate environmentally-friendly actions into their everyday lives to conserve energy and save money."

Smart Ideas makes energy efficiency easily accessible and the cost-savings can be substantial. CFL bulbs use up to 75 percent less

electricity than equivalent incandescent bulbs and last up to 10 times longer. Replacing one 60-watt incandescent bulb with a comparable CFL can save up to \$44 over the lifetime of the bulb. In addition, more energy efficient appliance models could use up to five times less electricity than an older model, which can consume nearly \$150 in energy each year.

Moreover, the results extend far beyond one's own household. According to the U.S. Department of Energy, if every home replaced the five most frequently used light bulbs with CFL bulbs, Americans would save close to \$8 billion each year in energy costs and would prevent greenhouse gas emissions equivalent to nearly 10 million cars. [IEF](#)

US EPA Makes Decision on Fine Particle Pollution

THE U.S. EPA has notified 25 governors and 23 tribal leaders that certain areas in their states and tribal lands do not meet the agency's daily standards for fine particle pollution, also known as PM 2.5.

"These designations are an important step in our steady march toward cleaner air," said EPA Administrator Stephen L. Johnson. "We will continue working with our state and tribal partners to meet these air quality standards."

EPA closely reviewed recommendations from states and tribes along with public comments before making its decision to designate 211 counties and parts of counties as not meeting EPA's PM 2.5 standards. These areas, called nonattainment areas, include counties with monitors violating the standards and nearby areas that con-

tribute to that violation. Affected states and tribes will be required to take steps to reduce the pollution that forms fine particles. The vast majority of U.S. counties and tribal lands are meeting these standards, but will need to continue working to maintain clean air.

In 2006, EPA strengthened the 24-hour fine particle standards from 65 micrograms per cubic meter to 35 micrograms per cubic meter of air to protect public health. Nationwide, monitored levels of fine particle pollution fell 11 percent from 2000 to 2007. Fine particles can either be emitted directly, or they can form in the atmosphere from reactions of sulfur dioxide and nitrogen oxides. Exposure to fine particle pollution can cause a number of serious health problems including aggravated asthma, increased hospital admissions and emergency room visits for respiratory and cardiovascular disease, heart attacks and premature death. [IEF](#)

MidAmerican Energy Holdings Earns Recognition from Platts

CITING MidAmerican Energy Holdings Company's impressive string of energy industry honors, organizers of the 2008 Platts Global Energy Awards recently recognized MidAmerican as one of four companies worldwide to earn an Award of Excellence.

The Award of Excellence honors MidAmerican for having earned the most recognition as a Platts Global Energy Award winner throughout a "decade of tumultuous change." MidAmerican has earned more Platts awards than any other company in the history of the awards. [IEF](#)

DistribuTECH Conference in San Diego

MORE than 6,000 industry attendees and over 200 exhibiting companies will participate in DistribuTECH 2009 in San Diego, California, from February 3-5, 2009. Now 19 years old, the conference covers current trends shaping the utility industry.

Encompassing automation and control systems, information technology, transmission and distribution engineering, power delivery equipment and water utility technology. DistribuTECH provides attendees with tremendous resources, tools and networking opportunities.

Registration information can be obtained by calling 1-888-299-8016 or by going to the www.distributech.com web site. **IEF**

AGA Communications & Marketing Meeting

THE American Gas Association (AGA) Public Relations and Marketing Communications Committees Spring Meeting will take place Wednesday, March 11 – Friday, March 13, 2009 in New Orleans, Louisiana.

The program will include discussions on leading issues facing the natural gas industry, including climate change, energy efficiency and much more.

The meeting provides an opportunity for energy industry professionals to interact with peers and colleagues to discuss strategies for communicating with customers and increasing the natural gas industry's profile.

For additional information, please contact Sherri Hamm (shamm@aga.org). **IEF**

Illinois Energy Forum is published monthly by the Illinois Energy Association, Springfield, Illinois. For questions or comments, please contact James Monk at **217-523-7348** or e-mail at jmonk@ilenergyassn.org.

For name or e-mail address changes, contact Marsha Neuber at **217-523-7348**, fax at **217-523-0643**, or e-mail at mneuber@ilenergyassn.org.