

RECOMMENDATION

# 2 Manage and conserve water and energy resources



Water and energy resources play an obvious, yet often overlooked, role in sustaining economic prosperity and environmental health in our seven-county region. Though Lake Michigan provides clean, inexpensive water, the lake's capacity to serve the region's need is not limitless due to legal constraints on its use that precludes placing ever-increasing demands on this resource.

Furthermore, the infrastructure used to distribute drinking water has seen long-term underinvestment in many places, leading to significant waste of water through leakage. Other parts of the region face increasing expenses and environmental side effects due to their dependence on groundwater. Likewise, conventional energy resources are mostly non-renewable and therefore finite, and their use plays a significant role in climate change.

The conservation of energy and water is a top priority for GO TO 2040. Over the next 30 years, these resources will likely become more constrained, affecting businesses, local governments, and residents alike. By taking a proactive approach to resource conservation, the region can avoid price shocks farther down the road, while saving money in the medium term. Water and energy conservation brings economic and environmental benefits, and steps can be taken now to give northeastern Illinois opportunities to prosper in a new, greener economy. Because of the energy-water nexus — electricity is needed to treat and distribute water, and water is used in the process of generating electricity — there is a double benefit to energy and water conservation. The region needs to use resources sustainably so that economic development can continue while per-capita energy and water use taper off. While conserving water and energy has many monetary benefits, it will also help the region reduce emissions of greenhouse gases, which contribute to climate change. Finally, although the main energy priority in GO TO 2040 is meeting energy service needs through demand reduction, the region must also map out a shift to increased use of renewable energy.

CMAP recommends the following actions to manage water resources sustainably:

**Support water use conservation efforts.**

Conservation measures can promote efficient use while reducing or deferring the need for a utility to increase its capacity. Examples include retrofitting water fixtures with higher efficiency models or the adoption of sensible water conservation ordinances by local governments. Calculating the total volume of water consumed by an individual, community, or business, otherwise known as a “water footprint,” can be a useful audit method for large-scale projects and is helpful in identifying ways to reduce water consumption. Current rate structures for water often do not reflect the entire cost of supplying water, providing consumers little incentive to conserve. Full-cost pricing is recommended to encourage conservation and to provide fully adequate revenues for water utilities.

**Integrate land use policies and site planning with water resources.**

Land use policies that promote compact development will reduce residential water use and reduce both capital and operating costs for water utilities. Green infrastructure, like rain gardens and permeable pavement, should be integrated more fully into site planning. Using green infrastructure to manage stormwater has many benefits and can be more cost effective when compared with gray infrastructure.

**Encourage watershed planning and stormwater infrastructure retrofits.**

There is a widespread need to implement projects in already developed areas to address flooding, water quality, and other objectives. One of the best ways to determine the kinds of stormwater infrastructure retrofits needed is through watershed planning. Watershed plans should identify the most significant water resource problems and evaluate projects and policies to address them, whether the problem is flooding, poor water quality, or loss of habitat.

**Optimize water and energy sources and scale of operation.**

Shallow and deep bedrock aquifers are currently being pumped at rates that exceed the rate of recharge; communities that are dependent on groundwater should consider accessing water from the Fox and Kankakee Rivers. Furthermore, there may be opportunities to coordinate or consolidate service by water utilities. Over 300 water supply utilities provide water for the region; many of these utilities can be consolidated based on water source to achieve cost efficiencies and to improve operations.

CMAP recommends the following actions to encourage energy conservation:

**Link transit, housing, and energy use through livable communities.**

GO TO 2040's emphasis on establishing compact, mixed use, walkable developments served by transit will improve the region's energy efficiency. Energy savings in new buildings can be significant when local and state codes, ordinances, plans, and programs support green development and practices. Zoning codes and permitting policies should also allow and promote renewable energy generation from businesses, institutions, and residences. Livable communities also promote lower-energy modes of travel, such as transit, walking, and biking.

**Promote retrofit programs.**

Retrofit programs provide assistance to property owners to install energy conservation measures in existing buildings, and exist at the local, state, and federal levels already. The CMAP-led Chicago Region Retrofit Ramp-up Program will be an important first step in streamlining access to information, financing mechanisms, and skilled labor to transform the retrofit market.

**Foster sustainable practices and renewable energy generation.**

Communities should take the opportunity to pilot their own projects to promote small-scale renewable energy generation, which could include wind and solar power as well as strategies like combined heat and power generation. A commitment to planting trees in urban areas could also help reduce cooling demand by controlling the heat island effect — the phenomenon in which built-up areas tend to retain heat to a greater degree than less built-up areas — because reduced cooling demand will decrease greenhouse emissions. Because carbon is sequestered in plant biomass (tree trunks, root systems, etc.), open space preservation and restoration will help mitigate climate change.

GO TO 2040 also recommends actions to manage the nexus between water and energy and to encourage solutions that address energy, water, and climate. Opportunities should be sought to integrate energy and water efficiency programs where advantages are to be gained by doing so. As another aspect of the water-energy nexus, energy efficiency measures and renewable electricity generation should also be considered by water utilities.

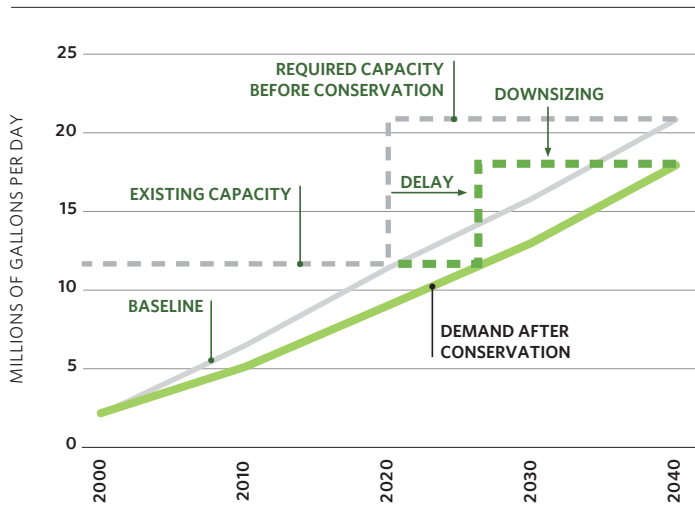
The organization of this section is slightly different from other parts of GO TO 2040; it focuses first on water and then on energy, explaining the importance of conservation actions, describing current conditions, and detailing recommended actions for each, before laying out implementation steps that bring the two together. The overall desired outcome is for the region to reap environmental and economic benefits from increased conservation, contributing to the overall livability of the seven counties and their communities.

## 2.1 Benefits: Water

The Regional Vision sets a goal for the region to be known for its high quality of water and establishes that planning for water resources must be a high regional priority.

Furthermore, the three-year stakeholder-led process culminating in the new *Water 2050* Northeastern Illinois regional water supply/demand plan for the region emphasized the benefits of water conservation.

**Figure 13. Example of delaying or downsizing a capital facility, 2000-2040**



Peak demand/capacity, measured in millions of gallons per day  
Source: American Water Works Association, 2006. *Water Conservation Programs — A Planning Manual*. AWWA Manual M52, First Edition, 75.

### Household and Public Cost Savings

For municipal water utilities, water conservation can reduce or delay the need to expand capacity, presenting major capital savings. In the example of the water utility shown in **Figure 13**, treatment plant capacity would be reached in 2020 if demand grows according to baseline. If water conservation is practiced instead, demand could be reduced so that expansion is not needed until after 2025. In this example, furthermore, the ultimate size (and therefore cost) of the plant after expansion can also be reduced, again because growth in demand will be limited with water conservation measures in place. Besides this, conservation programs are less expensive than developing new water supplies. They typically cost \$0.46 to \$1.40 per 1,000 gallons conserved, while the cost to develop new supplies would be well above the high end of this range.<sup>1</sup> Finally, although utilities sometimes fear they will lose revenue if they begin a conservation program, it is readily possible to make conservation revenue neutral by redesigning rates at the same time.<sup>2</sup> In addition to these cost savings, it has been estimated that every \$1 million of investment in water conservation programs directly and indirectly creates 15 to 22 jobs.<sup>3</sup>

1 Mary Ann Dickinson, "Water Conservation: How to Make It Happen!," presentation to East Central Regional Water Supply Planning Committee in Bloomington, IL, February 27, 2009.

2 Chicago Metropolitan Agency for Planning, "Water 2050: Northeastern Illinois Regional Water Supply/Demand Plan," 2010, 124. See <http://www.cmap.illinois.gov/waterplan>.

3 Alliance for Water Efficiency, "Transforming Water: Water Efficiency as Stimulus and Long Term Investment," December 4, 2008.

## Environmental Benefits

Rising demand for drinking water would have a number of negative consequences over the long term; the use of water conservation measures helps limit those effects. For example, withdrawals from shallow wells are known to be reducing groundwater discharge to streams, so that as pumping from shallow wells increases, water levels in some streams decrease. This is a threat to the fish, aquatic insects, and plants in those streams. Increased groundwater pumping has also led to changes in water quality, causing increased concentrations of arsenic, barium, radium, and salinity, requiring more expensive treatment to meet drinking water standards. After these chemicals are removed from drinking water at the treatment plant, they may have to be treated as hazardous waste, dramatically increasing the cost of disposal and therefore the overall cost of treatment. A number of communities in the region are already affected by barium and radium contamination, which is expected to worsen as pumping increases. Recent evidence also shows that chloride contamination has increased dramatically over the past half-century in both shallow and deep wells around the region.

Impervious surfaces are parts of the landscape, like streets or roofs, that cause runoff rather than allowing rainfall to infiltrate. The amount of imperviousness in a watershed is strongly and negatively linked to the biological health of streams and lakes.<sup>4</sup> A distinction can be drawn between impervious areas that drain to surface waters (such as most conventionally designed urban streets) and those that do not (such as roof downspouts running out into a lawn). Impervious areas that drain to surface waters are associated with increased runoff volumes and water quality declines in streams.

**The use of green infrastructure as recommended in GO TO 2040 can significantly reduce impervious area, and specifically hydraulically connected impervious area.**

Green infrastructure tends to preserve, restore, or mimic natural hydrology, and it includes methods of using vegetation to promote infiltration of stormwater, uptake by plants, and other techniques to retain a portion of runoff onsite rather than discharging it.

---

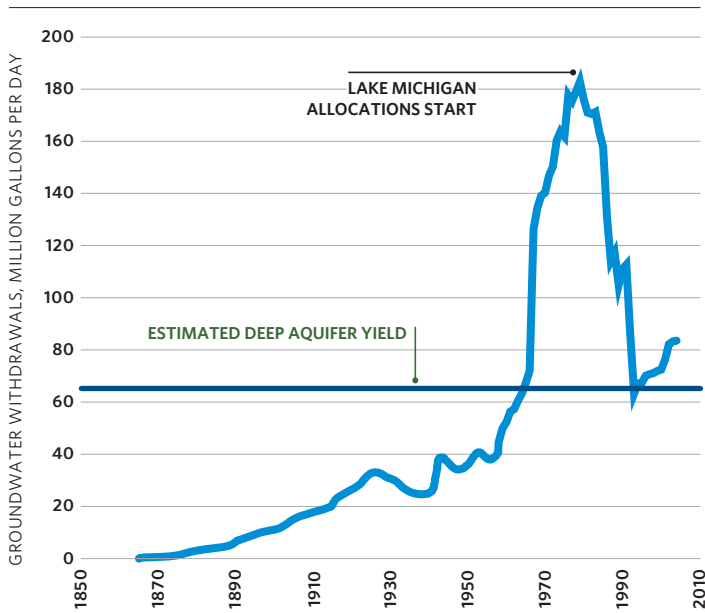
4 Center for Watershed Protection, "Impacts of Impervious Cover on Aquatic Systems," 2003. See [http://www.cwp.org/documents/cat\\_view/78-other-center-publications.html](http://www.cwp.org/documents/cat_view/78-other-center-publications.html).

## 2.2 Current Conditions: Water

Historically the region has been considered water rich, and scarcity has been a minor issue. The region is bordered by Lake Michigan, one of the largest reservoirs of fresh water in the world, from which almost four-fifths of the people in the Chicago area receive their drinking water.

Yet water supplies are not unlimited, and significant demand for drinking water has been placed on sources that may be unable to sustain it in the long term. CMAP recently completed the *Water 2050* Northeastern Illinois regional water supply/demand plan. This three-year effort, led by a diverse group of stakeholders, resulted in a highly specific plan intended to ensure a balance of water demand and supplies through 2050. The discussion below draws widely from the findings of the study.

**Figure 14. Withdrawals from deep bedrock aquifer in northeastern Illinois, 1850-2010**

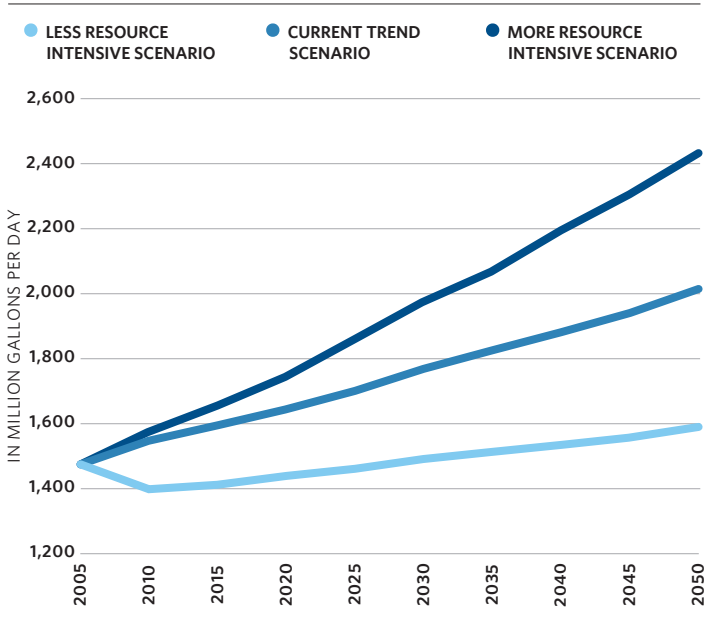


Source: Illinois State Water Survey

Much of the region's drinking water is withdrawn from Lake Michigan and treated by the City of Chicago, then either sold at retail to city customers or sold wholesale to other communities. A smaller amount of water is withdrawn from the lake and treated by other systems. The region's use of Lake Michigan is constrained by a Supreme Court decree: users in Illinois are allowed to divert no more than about 2.1 billion gallons per day from Lake Michigan. This limit was set following litigation with other Great Lakes states over the reversal of the Chicago River to drain into the Des Plaines River and away from Lake Michigan. Lake Michigan water is allocated to individual communities through a permit program administered by the Illinois Department of Natural Resources (IDNR). Outlying areas of the region do not use Lake Michigan, relying instead on groundwater or the Fox and Kankakee Rivers. Here water is much less abundant, and deeper wells are "mining" groundwater, meaning that withdrawal rates exceed natural recharge rates. Although the region was able to control this trend in the 1980s and 1990s because many communities switched to Lake Michigan water, groundwater availability is continually declining because its use is now increasing again, as shown in **Figure 14**. The Fox and Kankakee Rivers supply water for approximately five percent of the population in the region. According to the Illinois State Water Survey (ISWS), flow in the Fox River will continue to increase as a result of population growth and the associated wastewater discharge.<sup>5</sup> As a result, the Fox River has the potential to supply significant new water demands.

While electricity and natural gas are provided by the private sector under state regulation, drinking water in the region is provided almost exclusively by public utilities, which usually are municipally owned and operated. Providing water to residents is largely in the hands of local governments; their individual and collective actions in the upcoming years will determine how adequately the region confronts increasing demand. *Water 2050* projects that while total population will increase by 38 percent through 2050, water demand could increase by 64 percent or even decrease by 7 percent compared to 2005, depending on the region's policy choices (see **Figure 15**).

<sup>5</sup> Some of this flow may be incrementally reduced by communities switching from groundwater to the Fox River, as wastewater discharge will not then be causing a net increase in flow. In addition, the City of Waukesha, WI, may switch to Lake Michigan water, which would have to be returned to the Great Lakes Basin; in that case, Waukesha would no longer contribute wastewater discharge to the Fox River, lowering the flow available to Illinois communities. While there are complications, then, it still appears that additional water will be available in the Fox River to support the use of the river rather than groundwater.

**Figure 15. Demand scenario water withdrawals, 2005-2050**

Source: Dziegielewski and Chowdhury, 2008

A major conclusion of *Water 2050* is that the region needs to pursue water demand management and seek to achieve that lower figure. Often the concern is too much water, however, not too little. Because of its broad floodplains and typically clayey soils, northeastern Illinois is flood prone. The increased runoff from impervious areas like roofs, streets, and parking lots compared to farm fields or woodlands means that flooding will be worse, since more rainfall will be converted to runoff. As a result, one of the most significant water resource problems in the region is flooding. Many areas — especially the watersheds of the Des Plaines and Little Calumet Rivers, but others as well — are threatened by flooding, which is exacerbated by historic development within floodplains and lack of detention storage (see **Figure 16**). Extensive expenditures have been made on flood control projects, but flooding problems remain, creating great hardships for residents and businesses.

Local government stormwater management requirements grew out of a need to reduce flood damage. The first objective of most stormwater management ordinances, therefore, is to limit the rate of peak runoff from a developed site, which is accomplished mainly through detention storage. Traditionally, detention basins have been constructed to hold a specified amount of runoff as determined by ordinances, the size of the project, and a number of other factors.

The detention basins are then equipped with a flow restrictor to discharge at a specified release rate.

Most communities in the region have ordinance requirements for detention. Adoption of these standards has been facilitated by northeastern Illinois' unique and very successful countywide stormwater management structure. State law authorizes counties in northeastern Illinois to create "Stormwater Management Planning Committees" with balanced county and municipal representation to prepare a stormwater management plan, to implement the plan through a countywide ordinance, and to fund stormwater management projects and other activities through a property tax levy.<sup>6</sup> The ordinances are adopted by the County Board and provide minimum standards for all municipalities and unincorporated areas within the county, although a municipality may then create stricter criteria if it chooses to do so. In Cook County, this authority was given to the Metropolitan Water Reclamation District. Kendall County has not yet developed a countywide stormwater ordinance.

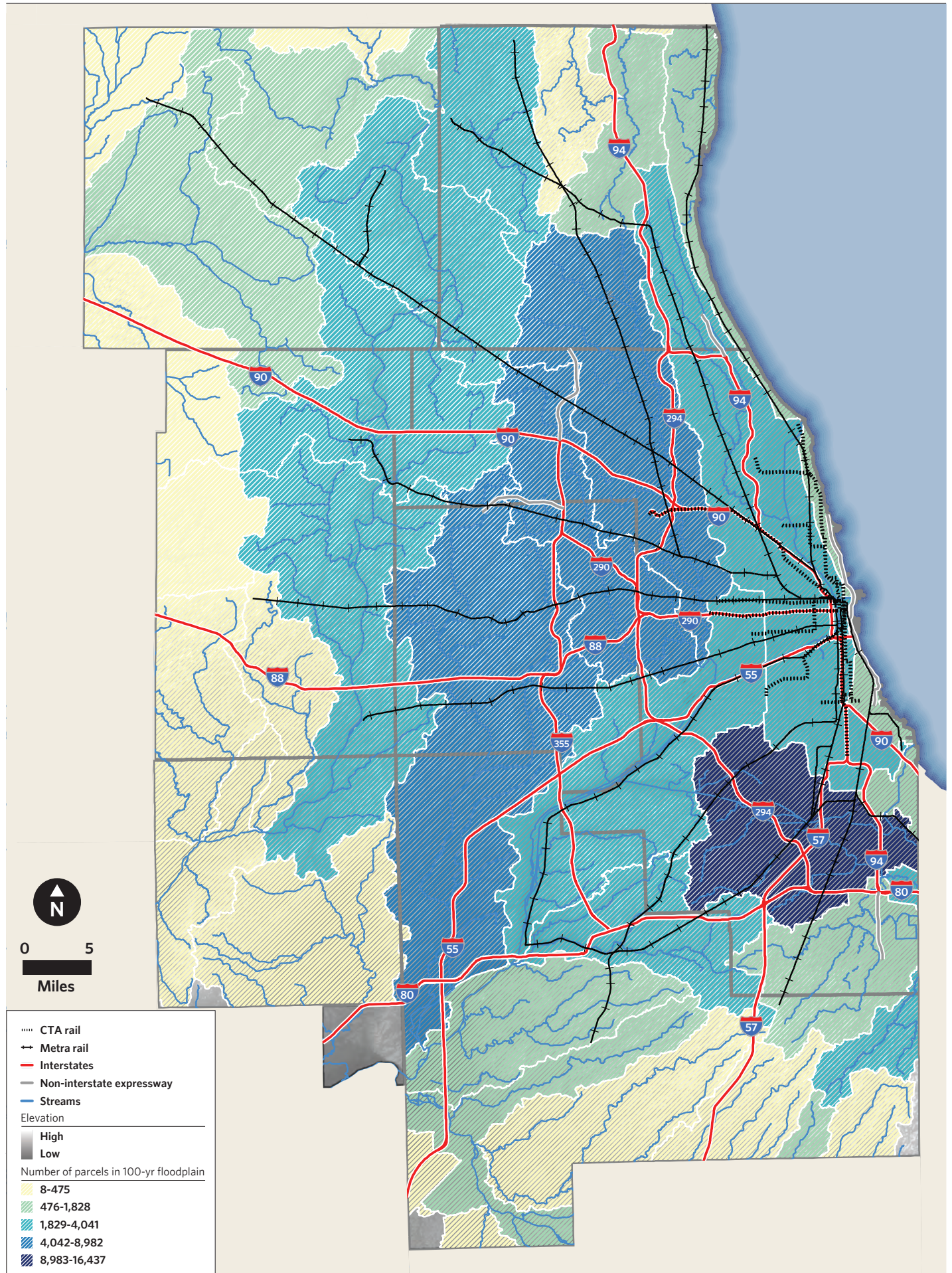
Detention remains an incomplete solution, however. It delays the discharge of stormwater from a site but does not reduce the actual volume being released.<sup>7</sup> In a large watershed, the cumulative effect of developed sites discharging at the allowable release rate can still result in flooding.<sup>8</sup> Furthermore, urban runoff contains contaminants that are harmful to aquatic life, but detention generally does little to control this. The county stormwater committees and the municipalities have, to varying degrees, incorporated into their ordinances requirements to address water quality and runoff volume, but challenges remain. A potential solution to these problems is to adopt more thoroughly a "green infrastructure" approach to stormwater management, which tends to preserve, restore, or mimic natural hydrology. Green infrastructure could supplement detention through methods of using soil and vegetation to promote infiltration of stormwater, uptake by plants, and other techniques to retain a portion of runoff onsite rather than discharging it. Green infrastructure practices may also reduce stormwater flow to combined sewer systems (in which stormwater discharge is combined with wastewater), which could result in significant cost and energy savings to wastewater treatment plants.

6 These counties were DuPage, Kane, Lake, McHenry, and Will, and each has passed a countywide ordinance. In P.A. 94-675 (55 ILCS 5/5-1062.2) the authority was extended to Kendall and another five counties. Kendall has not yet adopted an ordinance. P.A. 93-1049 (55 ILCS 5/5-1062.1) gave the Metropolitan Water Reclamation District of Greater Chicago the authority to develop a countywide stormwater management program for Cook County.

7 Engineering Resource Associates, Inc., "WMO Regulatory Requirement Recommendation: Volume Control Provisions," prepared for Metropolitan Water Reclamation District of Greater Chicago, 2008.

8 J. Navota and D. Dreher, "Protecting Nature in Your Community," Northeastern Illinois Planning Commission and Chicago Wilderness, 2000.

Figure 16. Parcels in Federal Emergency Management Agency 100-year floodplain



Source: Chicago Metropolitan Agency for Planning, 2010. Note that only non-agricultural, non-vacant parcels are included in this analysis.



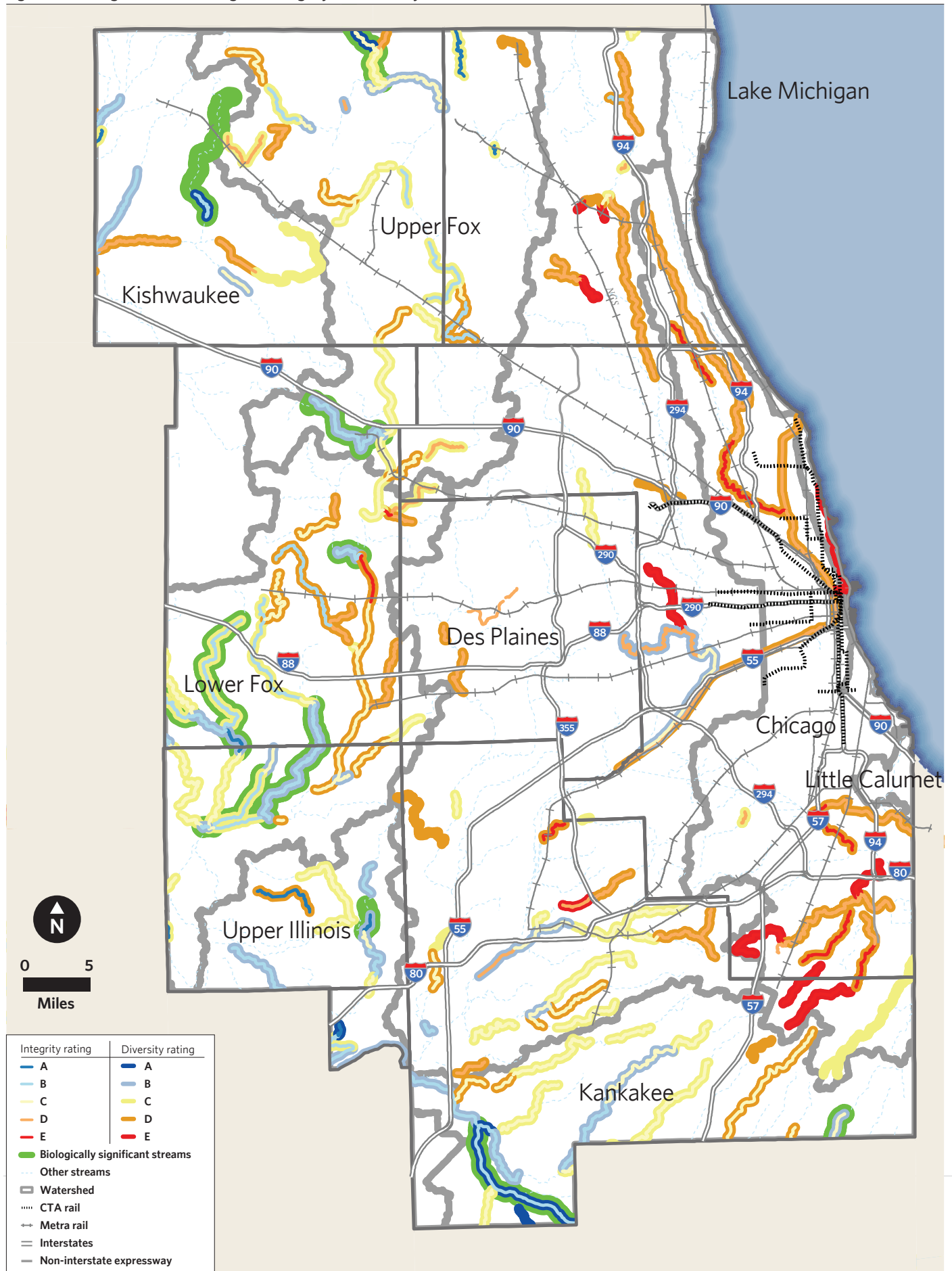
There are many neighborhoods in the region that were built before detention or any other stormwater management requirements were in place. Even after they were required, early detention basins and other stormwater management infrastructure were built with little regard for controlling runoff volume or improving water quality. As a result of urban runoff and other factors, the waterways in more urban areas of the region (within and east of the Des Plaines basin) are mostly in poor condition, while most — but not all — streams in the less-developed Fox, Kankakee, and Kishwaukee basins are in moderate to good condition (see **Figure 17**). While this discussion has focused on urban runoff as a threat to streams and lakes, it is not the only danger. Besides combined sewer overflows, some streams and lakes have been impaired by wastewater and industrial discharges, while others have been badly altered by farm drainage practices and ongoing agricultural runoff.

**Because of these water resource problems, there is a need to undertake special projects in the region's watersheds to determine the best ways to control flooding, reduce runoff volume, improve water quality, and so forth.**

A simple example would be to construct small bioretention areas in existing parking lots to capture runoff. Retrofits using green infrastructure generally mean “disconnecting” existing impervious surfaces, so that they no longer produce runoff that is discharged off-site. Other examples would include building additional flood storage or increasing channel conveyance capacity. Perhaps the largest current program of this sort is that of the Metropolitan Water Reclamation District, which has been studying the watersheds of Cook County to identify projects with multiple benefits (flood control, water quality, habitat, etc.) to undertake in its capital improvement program.

Also, aging sewer infrastructure is often in poor condition. Compared to the funds now available for energy retrofits, however, the funding sources are limited for stormwater retrofits. Projects to retrofit stormwater infrastructure for water quality purposes often rely on grants available through Section 319 of the Clean Water Act, which is an important but very small source of funding. Lake County offers a small grant program to leverage other sources like Section 319, as does DuPage County.

Figure 17. Biological stream ratings for integrity and diversity



The Biologically Significant Streams ratings are a 2008 update to the stream characterization ratings that have been in use in Illinois since the 1980s. Produced by scientists with the Illinois Department of Natural Resources, the rating scale runs from A to E, with A being the highest quality streams. Diversity measures the number of different species present in a stream from various groups of organisms (taxa). Integrity measures the biological intactness of a stream relative to an undisturbed or less disturbed reference site. Biologically Significant Streams are that have a high rating based on data from at least two taxonomic groups. It can be achieved by obtaining an A rating either for diversity or for integrity that is based on data from two or more taxonomic groups.

## 2.3 Indicators and Targets: Water

The region’s success in managing and conserving water can be measured by two indicators: water use and impervious surface.

In the following, these indicators are compared between targets for GO TO 2040 and their expected value if future conditions follow current trends.

### Water Demand

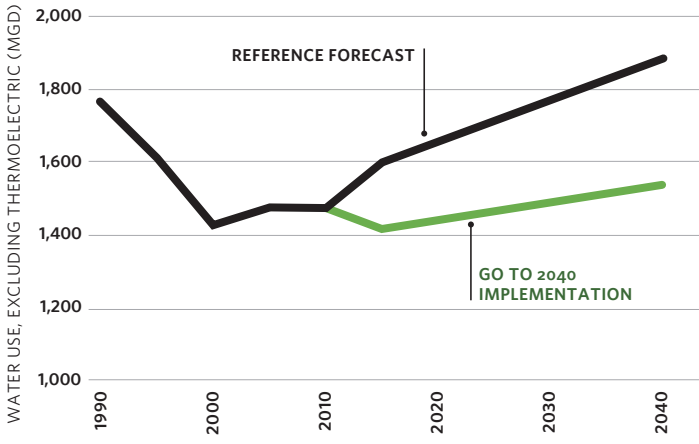
The *Water 2050* plan provides demand projections to 2040 (as an interim year) based on three potential demand scenarios. GO TO 2040 recommends a target that follows the less resource intensive (LRI) scenario (see **Figure 18**), which is predicated on the region choosing policies to reduce future demand. These include an increased commitment to water efficiency, using water rates to encourage conservation, and development patterns that decrease irrigation needs. In 2005, water demand was 1,480 million gallons per day (MGD) as “normalized” to control for drought that year. The year 2010 value was developed as a forecast.

#### WATER DEMAND PROJECTIONS

**1,416 million gallons per day by 2015**

**1,539 million gallons per day by 2040**

**Figure 18. Water demand targets under the less resource intensive scenario, 1990-2040**



Sources: Chicago Metropolitan Agency for Planning, 2010; Dziegielewski and Chowdhury, 2008

### Connected Impervious Area

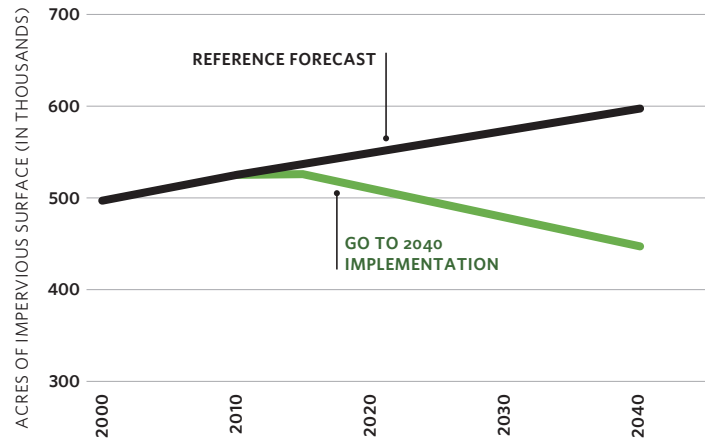
The total area of impervious surface in the region in 2010 is approximately 525,000 acres. With a commitment to green infrastructure and more compact development patterns in newly developing areas, it should be possible to reduce the creation of new connected impervious surface area (see **Figure 19**). More than this, redevelopment is also an opportunity to reduce connected imperviousness. Green infrastructure retrofit projects identified in watershed plans can also “disconnect” existing impervious areas and infiltrate the runoff from them, thus actually reducing the negative impact of imperviousness of already developed areas. While it may appear optimistic to expect reductions in existing imperviousness, removing existing imperviousness is necessary to improve water resource conditions, and redevelopment along with watershed retrofits can help accomplish this.

#### ACRES OF CONNECTED IMPERVIOUS AREA

**525,000 acres by 2015**

**450,000 acres by 2040**

**Figure 19. Effective impervious area targets, 2000-2040**



Source: Chicago Metropolitan Agency for Planning, 2010

## 2.4 Recommendations: Water

GO TO 2040 supports an integrated approach to water resources planning. This involves actions that protect and enhance water quality and quantity at all parts of the water cycle.

The main theme for these actions is source protection through water use conservation, volume reduction of wastewater effluent, and stormwater management. The following section outlines these actions while supporting the recommendations developed for *Water 2050*.

**Table 1. Potential water savings associated with conservation measures at two tiers of implementation**

CONSERVATION MEASURES	LOW CONSERVATION (MGD)	HIGH CONSERVATION (MGD)
High Efficiency Toilets <sup>†</sup>	15.0	74.8
Water Waste Prohibition <sup>†</sup>	12.1	60.3
Metering <sup>*</sup>	30.3	31.5
Leaks and Audit Repair <sup>*</sup>	5.9	29.7
Residential Plumbing Retrofits <sup>‡</sup>	5.2	26.0
Commercial/Industrial <sup>‡</sup>	5.0	25.2
High-Efficiency Clothes Washers <sup>†</sup>	3.2	16.1
Large Landscape <sup>*</sup>	1.0	5.1
Residential Water Survey <sup>†</sup>	0.1	0.7
<b>All Measures — Total</b>	<b>77.8</b>	<b>269.4</b>

\* Low conservation applies to 10% of demand; high conservation applies to 50% of demand.

† Low conservation applies to 10% of eligible households; high conservation applies to 50% of eligible households.

‡ Low conservation applies to 10% of employees; high conservation applies to 50% of employees. Employee estimates only include public supplied commercial and industrial establishments.

Source: Chicago Metropolitan Agency for Planning, 2010

### Support Water Use Conservation Efforts

*Water 2050* identified thirteen conservation measures that promote efficiency and can reduce or defer the need for a utility to increase its capacity. A subset of these is shown in **Table 1**. The measures include retrofitting water fixtures to higher efficiency models, programs that conserve water on “large landscapes” (irrigated areas that are greater than two acres), and leak detection<sup>9</sup>, among others. One of the most important ways local governments can do this is to adopt sensible water conservation ordinances, as these can result in an average of 20 percent savings in water use.<sup>10</sup> In March 2010, CMAP released its updated Model Water Use Conservation Ordinance to serve as a tool to help communities achieve efficiencies in water consumption while deferring the need for infrastructure expansion. As with energy, retrofits with more efficient appliances and plumbing fixtures can result in significant savings in water use. Retrofit programs should be aligned with the WaterSense label, which is assigned by the U.S. Environmental Protection Agency (U.S. EPA) to the most efficient water-using appliances, plumbing fixtures and fittings. The model ordinance, which drew widely from existing regulations and literature review, outlines mechanisms by which local governments can assure the installation of WaterSense devices. However, because many areas were developed well before national standards for plumbing fixture efficiency went into effect, there is still a need to directly retrofit buildings, or for municipalities to encourage retrofits as part of providing water service or as a condition of a property transaction.<sup>11</sup> Water conservation programs through municipal utilities should be combined with energy retrofit programs to increase the dividend.

9 Leak detection is undertaken by water utilities to ensure that system inefficiencies are addressed through system water audits. The City of Chicago pursues system leak detection by inspecting each water main every four years and the critical main every year. See p. 100 of “Water 2050”, <http://tinyurl.com/26vcwca>.

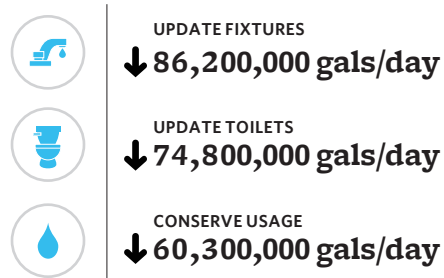
10 U.S. Environmental Protection Agency, WaterSense Program. See <http://www.epa.gov/watersense/>.

11 The Chicago Metropolitan Agency for Planning Model Water Use Conservation Ordinance, 2010, contains additional information and resources on retrofitting. See <http://tinyurl.com/2wln57f>.

Funding for the measures above can be linked to the State Revolving Loan Funds that are administered by the Illinois Environmental Protection Agency (IEPA). The Public Water Supply Loan Program (PWSLP) and the Water Pollution Control Loan Program (WPCLP) provide loans with low or zero interest rates to fund the construction, expansion and upgrade of water supply and wastewater treatment facilities respectively. Under ARRA requirements, states must allocate 20 percent of the loan funds for eligible projects under the Green Project Reserve program. Funding eligibility falls under four categories: water efficiency, energy efficiency, green infrastructure, and environmentally innovative projects. IEPA should review criteria for funding to ensure that resource efficiency goals are met.

### Figure 20. Projected water savings from conservation measures

If 50% of our region put these three water conservation measures into place, we could reduce our per capita daily water consumption by almost 20 gallons per person.



An increased commitment to conservation can be achieved in the Lake Michigan Service Region, which refers to the communities that draw water supplies from Lake Michigan. These communities report their water use to the Lake Michigan Management Section of IDNR. The process by which IDNR tracks water usage and ensures compliance with the permit conditions is currently conducted at a basic level and does not capture all the information that could potentially be used to promote regional conservation initiatives. By expanding this process to collect data on existing permit requirements and additional conservation efforts, IDNR can more closely track permit compliance while developing additional regional water supply data. Furthermore, IDNR should make water usage data available online for use by others including the academic community, state surveys, water utilities, and area planners to allow broad access to this valuable information and to benefit regional and local water supply planning. It is important to note that increased water use conservation in the Lake Michigan area has regional implications as the lake may provide an option to communities that can no longer rely on groundwater for long term supplies.

Communities should use water “footprinting” as a standard audit method for large-scale projects in conjunction with conservation plans that aim to reduce annual consumption. Water footprint is the total volume of water consumed by an individual, community, or business.<sup>12</sup> In the context of this document, water footprinting refers to water consumption onsite. Water footprinting is useful when applied to large scale projects where the estimated water demand could have a significant impact on the long term plans of a water supply utility. Water footprinting should be used to identify ways to reduce water consumption onsite or to help make compensating reductions in demand elsewhere in the system. For example, Nestle was able to reduce its water withdrawal by 28 percent (alongside 76 percent revenue growth) through the use of a business Water Footprint Accounting method, which was used to identify measures to offset the impact on various water supply resources of the total volume of water the company used.<sup>13</sup> While the concept of water footprinting is still fairly new in the U.S., there is an opportunity for northeastern Illinois to be a regional leader in promoting the technique. Water neutrality, full water recycling, or total water use reduction present an opportunity to move beyond management practices that facilitate water conservation to a more holistic approach for water use reduction.

The cost a utility incurs to supply water to its customers includes a number of components, such as the cost of obtaining raw water from ground or surface supplies, treatment to make the water potable, and distribution to users. But there are more than simply the variable costs of operating wells and machinery. Water production is a very capital intensive enterprise, and the physical plant of the utility needs substantial ongoing maintenance. Yet, current municipal water rates often do not reflect the entire cost of supplying water to the end user. For example, the real cost of maintenance, or even the cost of new infrastructure, may not be completely accounted for in the rate, so that the rate is artificially low. Because of this, consumers have little incentive to conserve water, while municipally-owned utilities are rendered dependent on general revenues or taxes to subsidize development of additional water supplies to meet growing demand.

Municipal utilities should shift toward full cost pricing for drinking water. This can be done in such a way that it encourages conservation and protects water utility revenue; it can also be implemented in such a way that overall municipal revenues are unchanged.<sup>14</sup> This is an area of interest to many communities, but there is a need for more information to help attain the conservation goals in GO TO 2040 while ensuring predictable revenue streams for utility operations. It is important that such actions be accompanied

12 Water Footprint Network. See <http://www.waterfootprint.org/?page=files/home>.

13 H. Lopez, “The Corporate Water Footprint: What Can We Do to Decrease It?” presented at World Water Week, Stockholm, Sweden, 2008. Among the various methods that Nestle employed to offset the impact of their water consumption was the formation of partnerships to deliver clean water where needed and provide technical expertise in water management practices to communities that hosted their facilities.

14 More analysis on this subject is available in Chicago Metropolitan Agency for Planning, Water 2050: Northeastern Illinois Regional Water Supply/Demand Plan, 2010. See <http://www.cmap.illinois.gov/waterplan>.

by public information campaigns as well as proper bill design that facilitate better comprehension of this measure and allow customers to respond accordingly. Communities should ensure that such pricing policies do not result in inequities nor adversely impact low-income residents. Options such as targeted retrofits/rebate programs, assistance with bill payment, and increased awareness activities should be linked with the above policies.

## Integrate Land Use Policies and Site Planning with Water Resources

Land use policies that encourage compact development should be promoted at the regional and local levels, as compact development is known to reduce residential water use and to reduce capital and operating costs for water utilities.<sup>15</sup> This should be coupled with the identification of sensitive aquifer recharge areas (SARAs) and their protection from potential contamination, which will help ensure the security of water supplies for future generations. Carefully planned development decisions that incorporate the protection of SARAs are essential steps for the integration of water supply and land use planning.<sup>16</sup>

Developers, local governments, and county stormwater committees in the region should make a commitment to using green infrastructure to manage stormwater. The use of green infrastructure for infiltration, evapotranspiration, and reuse has many benefits, and studies have shown that it is often less expensive to implement compared to traditional gray infrastructure. Furthermore, green infrastructure practices, such as rain gardens, wetlands, bioswales, permeable pavers, and rainwater harvesting for non-potable indoor uses, among others, are adaptable and can be used in settings ranging from urban to semi-rural, both in new development and in redevelopment.

**Green infrastructure practices emphasize the importance of rainwater as a natural resource that can replenish aquifers and provide baseflow for streams in addition to being reused for other purposes such as irrigation.**

Although several communities in the region have recently, or are currently, updating stormwater management regulations to allow the use of green infrastructure for stormwater management, few have established mechanisms for the long term maintenance and funding of these practices. The conventional approach of leaving maintenance of on-site stormwater infrastructure in the hands of private owners often leads to poor upkeep and performance.

While many area stormwater management agencies appreciate the benefits of green infrastructure practices, there is still a certain level of discomfort with using them because of lack of regional performance data, complicating the shift from tried-and-true conventional methods. Thus, perhaps the most important recommendations for green infrastructure implementation are to develop sustainable sources of financing and to provide performance data to stormwater managers. In addition to implementing pilot projects utilizing green infrastructure practices, local governments should explore the feasibility of establishing a fee for long term maintenance of stormwater infrastructure to be charged along with user fees for services such as water provision and wastewater collection.<sup>17</sup> The purpose of the fee is to provide a dependable, dedicated source of funding for stormwater management that is directly related to the runoff produced by a property. The fee can be designed to be revenue-neutral so that the overall municipal levy does not increase.

15 Cameron Speir and Kurt Stephenson, "Does Sprawl Cost Us All: Isolating the Effects of Housing Patterns on Public Water and Sewer Costs," *Journal of the American Planning Association* 68 (2002): 1, 56-70.

16 McHenry County Water Resources Department developed a Groundwater Protection Action Plan based on the identification of the Sensitive Aquifer Recharge Areas in the county. See <http://tinyurl.com/38kb2jf>.

17 The Village of Streamwood, IL uses Special Service Areas, a taxing system to certain parts of a community, to maintain existing wetlands and upgrade existing stormwater infrastructure. The City of Rolling Meadows, IL charges a stormwater utility fee of \$1.65 per 3,604 square feet of impervious area per month.

## Encourage Watershed Planning and Stormwater Infrastructure Retrofits

Stormwater ordinances only apply to new development and redevelopment, but there is a widespread need to implement projects in already developed areas to address flooding, water quality, and other objectives. A major type of project is a stormwater infrastructure retrofit, implementing green infrastructure practices to capture, treat, and potentially infiltrate stormwater that otherwise might be routed to a stream with little or no treatment or even detention. Other projects may be measures meant primarily to address flooding. One of the best ways to determine the kinds of projects needed is through watershed planning. Many of these plans have been developed in the region, yet there are numerous watersheds where they have not.

**Watershed plans should identify water resource problems and evaluate retrofit projects to address them, whether the problem is flooding or poor water quality or loss of habitat.**

Ideally a watershed plan will consider multi-objective projects that address several problems simultaneously. Frequently a watershed will need a mix of different kinds of projects and policies to address the problems identified there. The northeastern Illinois region should ultimately have an overlay of watershed plans that cover all watersheds, promoting water use conservation and evaluating projects to reduce point and non-point source pollution, improve aquatic habitat, and control flooding.

IEPA currently funds watershed planning through Sections 319 and 604(b) of the Clean Water Act, but these sources are limited and focused on water quality. There is a need for an increased commitment from county stormwater management and planning committees to support watershed-based plans using funds allocated for stormwater management, whether from general revenues or from stormwater utility fees. Additionally, in terms of capital improvements for stormwater retrofits, there are also limited funding sources from state or federal sources to construct improvements. In addition to exploring other funding opportunities, local governments with stormwater management responsibilities should consider charging dedicated user fees to cover the costs of maintaining stormwater infrastructure.

One of the main benefits of green infrastructure is a reduction in impervious surface. With a commitment to green infrastructure and more compact development patterns in newly developing areas, it should be possible to reduce the creation of new effective impervious surface area. In redevelopment projects, green roofs, rain gardens, or other techniques can also be used to decrease runoff volumes from a site below what they were prior to redevelopment. Finally, the retrofits recommended in GO TO 2040 will make it possible to “disconnect” existing impervious areas and infiltrate the runoff from them, thus actually reducing the effective imperviousness of already developed areas. CMAP will continue to take a leadership role in addressing flooding issues throughout the region through various implementation measures, including utilizing its committee structure to continue an ongoing dialog to remedy these issues.

## Optimize Water and Energy Sources to Scale of Operation

Communities that are currently on groundwater but could potentially access water supplies from the Fox and Kankakee Rivers should explore shifting to those sources. This recommendation is supported by findings from studies by the ISWS showing that the Fox River has the potential to supply significant amounts of drinking water for future growth. Meanwhile, the shallow and deep bedrock aquifers that supply water to nearby communities are being pumped at rates that exceed the rate of recharge.<sup>18</sup> If communities in the Fox River corridor tap into surface waters for their supplies, they may not only gain resource security but also achieve considerable energy savings of up to a 30 percent reduction in electricity usage.<sup>19</sup> This is primarily because more energy will be expended in pumping from wells in which the water level is increasingly lower.

CMAP is well placed to coordinate with the municipalities identified by ISWS to be at risk of water shortages, and with IDNR, to explore the feasibility of shifting from groundwater resources to the Fox River. There is an opportunity for Councils of Governments (COGs) or other collaborations to explore shifting to surface supplies and to adopt a coordinated approach to achieving sustainable water supplies.<sup>20</sup> Communities along the Kankakee River could make a similar shift, but it has not been studied to the extent that the Fox has been. CMAP should collaborate with the communities that could potentially benefit from the Kankakee River to facilitate studies and modeling by the ISWS.

Over 300 water supply utilities currently provide water for the region from three sources; Lake Michigan, groundwater, and inland surface water (see **Figure 21**). Communities dependent on Lake Michigan are mostly served by water that has been treated and processed by the Chicago Water Management Department. Thus, it is particularly relevant for communities that draw from surface water supplies and groundwater to explore consolidation of water service to attain economies of scale. Instead of a number of small utilities, a major supplier may perform the same tasks with higher cost effectiveness, energy efficiency, and better compliance with drinking water regulations.<sup>21</sup> Operation at a larger scale may result in pooling of risks and increased utilization of expertise and technology. This same model can be replicated for communities that receive Fox River water and, potentially, Kankakee River water. Using the same principle, smaller communities should consider consolidating wastewater systems, which could encourage the utilization of capacity in existing plants instead of the construction of new ones.<sup>22</sup> There are many details to weigh in assessing the value of consolidation. It may mean the formation of a new district or commission to replace several municipal utilities, or it could simply involve a service agreement between municipalities; it could mean shared facilities, shared billing systems, or other efficiencies. Several communities around the region are studying various governance structures to ensure fair representation, equity of cost allocation, and long term reliability of operating systems.<sup>23</sup>

18 Chicago Metropolitan Agency for Planning, "Water 2050: Northeastern Illinois Regional Water Supply/Demand Plan," 2010, 40-43.

19 Bevan Griffiths-Sattenspiel and Wendy Wilson, "The Carbon Footprint of Water," a River Network Report, 2009, 41.

20 The southwest suburbs of Orland Park, Mokena, Oak Forest, and others are in discussions with Oak Lawn, the water provider, regarding forthcoming infrastructure improvements. Several of the northwest suburbs in Lake County are exploring the formation of a water commission to provide service for their communities.

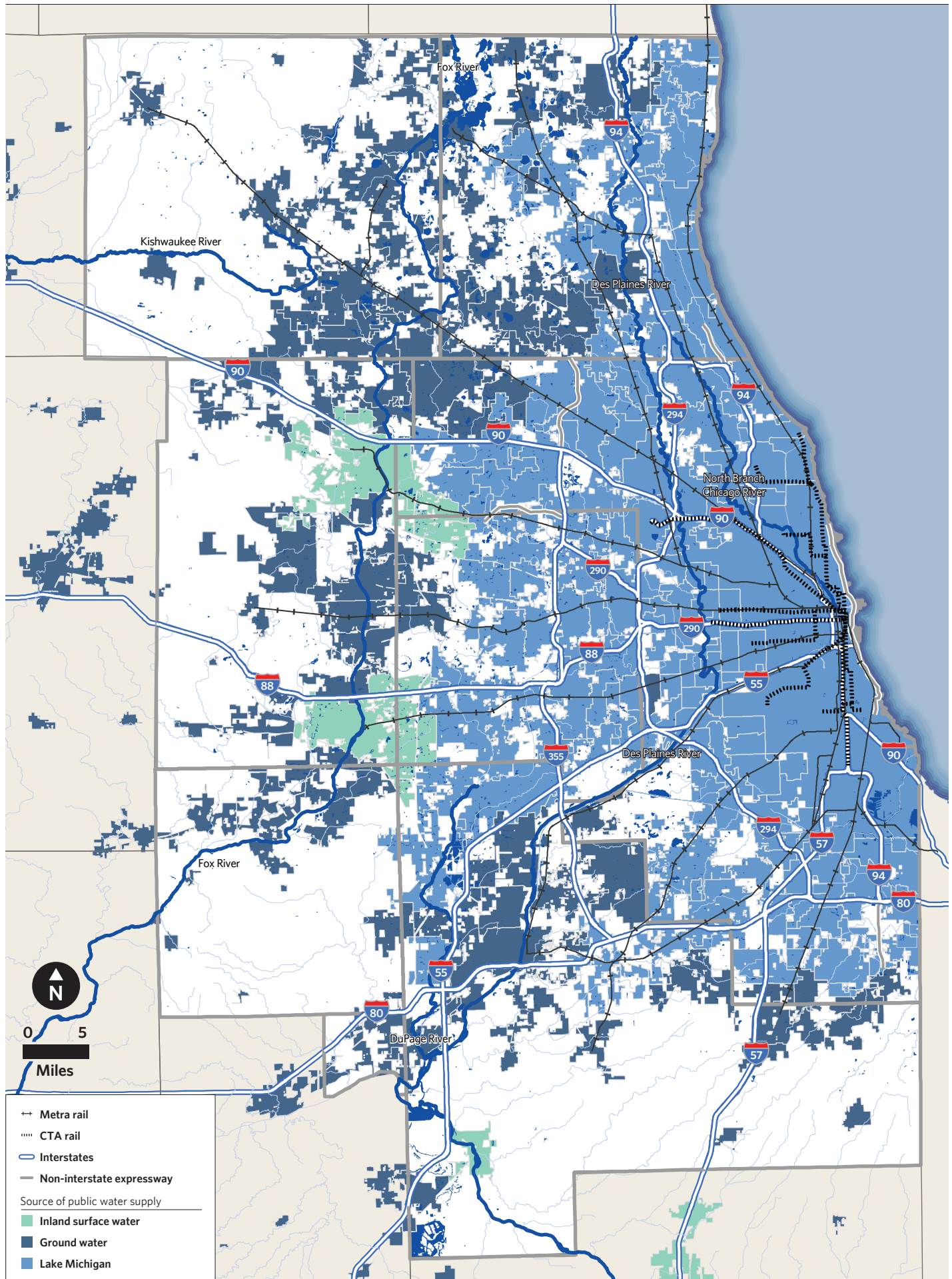
21 J. Cromwell and S. Rubin, "Estimating Benefits of Regional Solutions for Water and Wastewater Service," American Water Works Association Research Foundation, 2008.

22 Data from U.S. Environmental Protection Agency, 2006-2007. Permit Compliance System shows that in the seven-county region, wastewater flows were 1,750 million gallons per day (MGD), while total capacity was 2,501 MGD.

23 This and other forms of local government service coordination are discussed more fully in the GO TO 2040 plan's "Pursue Coordinated Investments" section.



Figure 21. Source of public water supply by municipality



Source: Chicago Metropolitan Agency for Planning, 2010

## 2.5 Benefits: Energy

The Regional Vision states that the region should be a leader in green building techniques, the production of green energy, and in providing energy-efficient transportation options.

Additionally, during the “Invent the Future” phase of public engagement for GO TO 2040, participants identified energy reduction as one of the four most important indicators to track progress toward achieving the Regional Vision, along with regional economy, transportation choice, and land consumption. Energy conservation is also part of many other strategies in GO TO 2040, ranging from the mixed-use reinvestment that is part of promoting livable communities to the provision of a balanced supply of housing and jobs.

### Household and Public Cost Savings

While energy conservation measures generally entail an upfront cost, the stream of avoided costs continues long after the initial investment is repaid. Furthermore, many state and federal programs are available to assist with the initial costs to help encourage energy conservation by local governments, residents, and businesses. Based on 2005 prices, the region’s average household could save \$550 per year in natural gas and electricity following a retrofit, while savings for a typical commercial account would be \$6,400.<sup>24</sup> A particular energy conservation measure may not make sense in every case, but in general conservation pays dividends to the user. There is a clear financial motive for conservation.

---

24 GO TO 2040 Regional Energy Strategy Report, 2009.  
See <http://www.goto2040.org/energy/>.

## Economic

Increasing reliance on efficiency to meet energy service needs also has a broader economic payoff, in that it directly and indirectly creates “green jobs” and induces job creation elsewhere in the economy. In fact, most of the green jobs expected to emerge in the seven-county region over the next decade are linked to energy use and conservation.<sup>25</sup> While estimates of direct job creation vary, it is likely that each \$1 million investment in energy efficiency could create eight to 10 full-time jobs,<sup>26</sup> primarily in the skilled trades needed to conduct energy audits and install energy efficiency measures. Indeed, taking full advantage of the opportunity will require parallel investments in workforce training to establish a labor pool sufficient to, for example, undertake a large-scale energy retrofit program. The products and services needed from manufacturers and other vendors (e.g., compact fluorescent light bulbs, energy efficient windows, etc.) would account for indirect job creation on top of this.

Job creation induced by efficiency gains is expected to be substantial as well. Induced jobs are those created elsewhere in the economy, not immediately related to water and energy efficiency. California, for example, has managed to hold its per-capita household energy consumption nearly constant since state energy efficiency policies began to go into effect in the 1970s, while average U.S. consumption has continued to increase, so that per-capita California consumption is now more than a third below the national average. At least 1.5 million net new jobs in the State of California over the period 1972-2006 could be attributed to the diffuse, economy-wide effects of those household energy efficiency gains, primarily because households were able to spend money on other goods besides energy.<sup>27</sup> Although job losses occurred in some parts of the energy sector, they were far outweighed by gains elsewhere. The non-renewable energy supply chain is generally less job-intensive than other areas of the economy, so being able to shift spending to other areas will, on balance, stimulate the creation of more jobs.

The benefits are wider when a shift to renewable energy is also considered. Manufacturers in the region have major opportunities for growth in emerging green industries (e.g., manufacturing components for wind turbines or solar panels), while headquarters and white collar jobs in renewable energy industries have a location advantage in the seven-county region as well.<sup>28</sup> A recent study revealed that 1,200 companies in our region were in industries producing one or more of the parts needed in wind turbines, while 680 companies were in industries manufacturing at least one part for solar panels.<sup>29</sup> Thus, while these companies may not currently manufacture parts for renewable energy generation, they are well-positioned to branch into that market in response to demand. Likewise, the emergence of wind farms in or near metropolitan Chicago has been dramatic in the past few years following state and federal policies promoting wind power production. Construction, installation, and maintenance jobs on wind farms in or near the region could become promising careers in the near term.

25 GO TO 2040 Green Jobs Strategy Report, 2009. See [http://www.goto2040.org/green\\_jobs/](http://www.goto2040.org/green_jobs/).

26 Chicago Metropolitan Agency for Planning, Chicago Region Retrofit Ramp-up Proposal, 2009; Energy Future Coalition, “Rebuilding America: A National Policy Framework for Investment in Energy Efficiency Retrofits,” 2009.

27 David Roland-Holst, “Energy Efficiency, Innovation, and Job Creation in California,” from Center for Energy, Resources, and Economic Sustainability at the University of California at Berkeley, prepared for Next 10, 2008.

See [http://www.next10.org/next10/publications/research\\_eeijc.html](http://www.next10.org/next10/publications/research_eeijc.html).

28 GO TO 2040 Green Jobs Strategy Report, 2009. See [http://www.goto2040.org/green\\_jobs/](http://www.goto2040.org/green_jobs/).

29 GO TO 2040 Green Jobs Strategy Report, 2009, Appendix A. See [http://www.goto2040.org/green\\_jobs/](http://www.goto2040.org/green_jobs/). Data used from Renewable Energy Policy Project, “Component Manufacturing: Illinois’ Future in the Renewable Energy Industry,” June 2006. The study was conducted at the six-digit NAICS level.

## Environmental

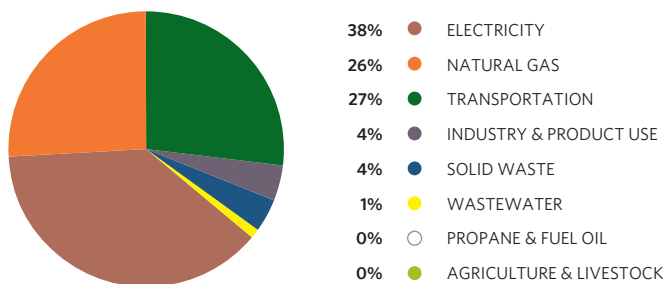
Energy use is tightly linked with the greenhouse gas emissions that cause climate change. For example, keeping a 100-watt (W) incandescent light bulb on for ten hours is associated with the release of about 1.5 pounds of carbon dioxide into the atmosphere.<sup>30</sup> The average household releases about nine pounds of carbon dioxide through heating and cooking.<sup>31</sup> Electricity and natural gas usage, which are mostly associated with energy use in buildings, like heating and cooling, appliances, etc., make up almost two-thirds of the greenhouse gas emissions in the region, as seen in **Figure 22**. Thus, efforts to improve energy efficiency in buildings will also pay dividends in greenhouse gas reductions, helping to reduce the severity of climate change.

While the main thrust of this section is actions that can be taken to directly reduce energy and mitigate climate change, there are a number of actions recommended elsewhere in the plan that have the co-benefit of mitigating our influence on the climate. The transportation sector is the second-largest contributor of greenhouse gas emissions in the region, after energy use in buildings. Most of the transportation emissions are from on-road sources, with most of that from passenger vehicles or light-duty trucks.<sup>32</sup> Since the use of transit is associated with lower emissions per passenger mile than automobiles,<sup>33</sup> and biking and walking generate no additional carbon dioxide, promoting alternative modes of transportation as recommended in GO TO 2040 also tends to mitigate climate change. Because residents in communities with compact, mixed-use development make fewer automobile trips, making communities more livable tends to reduce greenhouse gas emissions as well.<sup>34</sup> Similarly, because carbon is stored in

plant biomass (tree trunks, root systems, etc.), the open space preservation and restoration recommended elsewhere in the plan will also help mitigate climate change.

There has been great interest, but little progress, in establishing national greenhouse gas reduction targets. CMAP firmly believes that this is necessary. The energy efficiency measures, the shift toward renewable energy, and other GO TO 2040 recommendations will go part of the way toward meeting widely accepted targets (described in subsection 2.7, “Indicators and Targets: Energy”), but federal action is needed to reach them. At the same time, most atmospheric science researchers agree that some climate change effects will occur even if private parties and governments at all levels commit to reductions in greenhouse gas emissions. These effects include increased risks of flooding, mortality associated with summer heat waves, and the spread of invasive species. Climate change also threatens to intensify the demand for water while availability decreases. Increased average summer temperatures will make the energy efficiency of buildings even more important and financially attractive.

**Figure 22. Regional emissions profile without aviation, total million metric tons CO<sub>2</sub>e: 127.8**



Source: Center for Neighborhood Technology

30 GO TO 2040 Greenhouse Gas Inventory Strategy Paper, 2009. See <http://tinyurl.com/3xju9cw>. U.S. Energy Information Administration, Voluntary Greenhouse Gas Reporting Program: Emission Factors and Global Warming Potentials. See [http://www.eia.doe.gov/oiaf/1605/emission\\_factors.html](http://www.eia.doe.gov/oiaf/1605/emission_factors.html).

31 GO TO 2040 Greenhouse Gas Inventory Strategy Paper, 2009. See <http://tinyurl.com/3xju9cw>. U.S. Energy Information Administration, Voluntary Greenhouse Gas Reporting Program: Emission Factors and Global Warming Potentials. See [http://www.eia.doe.gov/oiaf/1605/emission\\_factors.html](http://www.eia.doe.gov/oiaf/1605/emission_factors.html).

32 GO TO 2040 Greenhouse Gas Inventory Strategy Paper, 2009. See <http://tinyurl.com/3xju9cw>.

33 Booz Allen Hamilton, “Regional Green Transit Plan Carbon Displacement Analysis: Impact of RTA and Its Service Boards’ Operations on Greenhouse Gas Emissions in the Chicago Region,” draft, prepared for Regional Transportation Authority, 2010.

34 Reid Ewing, Keith Bartholomew, Steve Winkelman, Jerry Walters, and Don Chen. “Growing Cooler: The Evidence on Urban Development and Climate Change,” for the Urban Land Institute, 2007.

## 2.6 Current Conditions: Energy

In Illinois, electricity is largely generated from coal-fired and nuclear plants, with a small amount from renewable sources. Natural gas is used to generate additional electricity during periods of peak demand.

However, much of the region's electricity is actually sourced from a wider electric power market covering parts of the Midwest and mid-Atlantic that relies more heavily on coal.<sup>35</sup> Electricity is delivered to customers through a distribution system owned by ComEd (aside from a small portion of Kendall County outside ComEd's service territory<sup>36</sup> and a handful of municipalities<sup>37</sup> that own the distribution network), although because of deregulation customers may now choose to purchase electricity from so-called "alternative retail electric suppliers."

While electricity used in the region is often generated hundreds of miles away, a small amount is also generated by much smaller power plants closer to where it is consumed. This is called "distributed generation," and can be deployed by large industrial or commercial users, large institutions, or a district of smaller users. The higher efficiencies — and therefore lower variable costs — of these systems are a reason to try to expand their use, and they represent a significant opportunity for the region. Through "net metering," individual households can also generate some of their electricity through renewable sources, typically wind or solar, and obtain a credit on their utility bills in proportion to what they generate.<sup>38</sup> Illinois also has a Renewable Energy Portfolio Standard, which mandates that an increasing proportion of electricity sold in Illinois each year is generated from renewable sources, topping out at 25 percent in compliance year 2024-2025.<sup>39</sup> Most of this would be from wind generation, although a small amount would be from solar.

Natural gas is delivered to customers in the Chicago region by one of three investor-owned utilities, although following deregulation there are also requirements to permit customer choice in natural gas suppliers. Very little of the natural gas used in Illinois is produced here, although the state is a major hub in the cross-country transport of natural gas via pipelines.<sup>40</sup> In the residential sector, natural gas is used primarily for space heating, but it also powers appliances like hot water heaters, clothes dryers, and kitchen stoves. Natural gas consumption by residential consumers in the Chicago region is slightly higher than that of commercial and industrial accounts, with 57 percent of the region's consumption attributed to the residential sector.

Electricity in the residential sector is primarily used for air conditioning, lighting, and a wide variety of appliances. Unlike natural gas, however, households are not the dominant consumers of electricity. They account for only 31 percent of electricity consumption; the remainder is used in the commercial and industrial sectors to power manufacturing equipment. Although natural gas consumption varies with the weather, in the residential sector consumption per household has been decreasing slightly over time as home insulation, windows, and heating systems become more efficient. On the other hand, electricity consumption per capita has been rising steadily, resulting mainly from the increasing size of homes, which adds to the space requiring cooling and lighting, and the profusion of electronic appliances.<sup>41</sup> **Figure 23** shows the change in residential electricity and natural gas consumption in Illinois over the past two decades.

35 The wider wholesale power market is the PJM Interconnection. See <http://tinyurl.com/24j8sx7> and <http://www.pjm.com/about-pjm.aspx>.

36 ComEd, Delivering safe, reliable electricity in northern Illinois, see <http://tinyurl.com/2d6dwfj>.

37 Naperville, Batavia, St. Charles, and Winnetka are known to have municipal electric utilities.

38 Illinois Attorney General Lisa Madigan, "Using Renewable Energy to Lower Your Electric Bill." See <http://www.illinoisattorneygeneral.gov/environment/netmetering.html>.

39 Illinois Power Agency Act, Public Act 095-0481, see <http://tinyurl.com/232ek7k>. For additional summary, Database of State Incentives for Renewables & Efficiency, see <http://tinyurl.com/2fq3axc>.

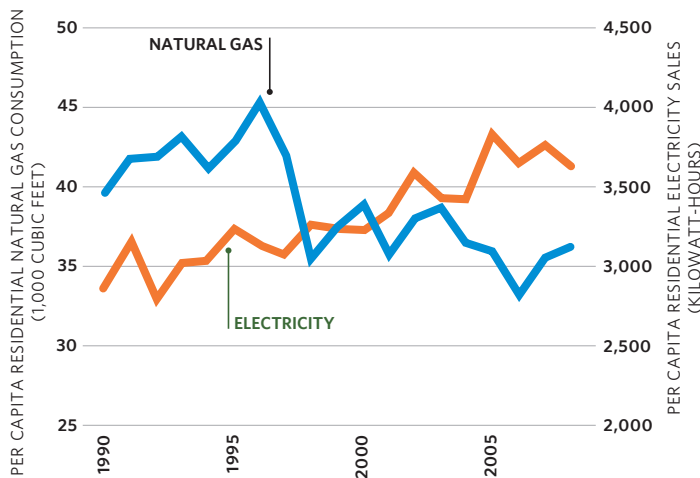
40 U.S. Energy Information Administration, "State Energy Profile: Illinois, 2010." See <http://tinyurl.com/2ew9rnp>.

41 Information in this section relies primarily on GO TO 2040 Regional Energy Strategy Report, 2009. See <http://www.goto2040.org/energy/>.

While the region has begun to make strides toward energy efficiency in residential and commercial buildings, both the suburbs and the city are ripe for many more such improvements. This is partly because of age: 21 percent of the region's housing units were built before 1939, and over half were built before 1970, well before energy codes went into effect. But more than age is at work. It has been noted that "even in comparison to other Midwest cities, Chicago is dramatically less efficient: a typical Chicago building uses twice the energy of a comparable building in the Midwest."<sup>42</sup> In response, retrofit programs aimed at lower-income residents as well as some market programs have emerged in recent years through the State of Illinois, nonprofits, and utilities. Besides those funded through the American Recovery and Reinvestment Act of 2009 (ARRA), the biggest of these is likely the Energy Efficiency Portfolio Standard (EEPS), enacted by the Illinois General Assembly, which calls for a reduction in electricity demand of 2 percent by 2015 and each year afterward. Gas utilities also must meet a portfolio standard,<sup>43</sup> starting at 0.2 percent in 2011 and rising to 8.6 percent in 2020, with increases of 1.5 percent each year after that. These programs are spurring investor-owned utilities to fund programs aimed at reducing demand for gas and electricity.

Market-rate energy efficiency programs generally provide upfront financing for improvements that repay the investment through energy savings over time, and funding capacity remains low relative to the need. For example, consultants for the City of Chicago projected being short of the Climate Action Plan's retrofit goal for 2020 by more than one-third, even under optimistic assumptions, if further resources are not developed.<sup>44</sup> Furthermore, the numerous funding programs are fragmented and difficult to negotiate for households, businesses, and local governments. Thus, some financing programs, such as the funding available from the EEPS, are not being accessed to the degree that they could.

**Figure 23. Annual residential energy consumption in Illinois per capita, 1990-2008**



Sources: Energy Information Administration and Census Bureau

42 Center for Neighborhood Technology, "Creating a Chicago Regional Building Energy Efficiency System," 2009, 3.

43 Illinois Power Agency Act amendment, Public Act 96-033, Section 8-104. See <http://tinyurl.com/mcahko>.

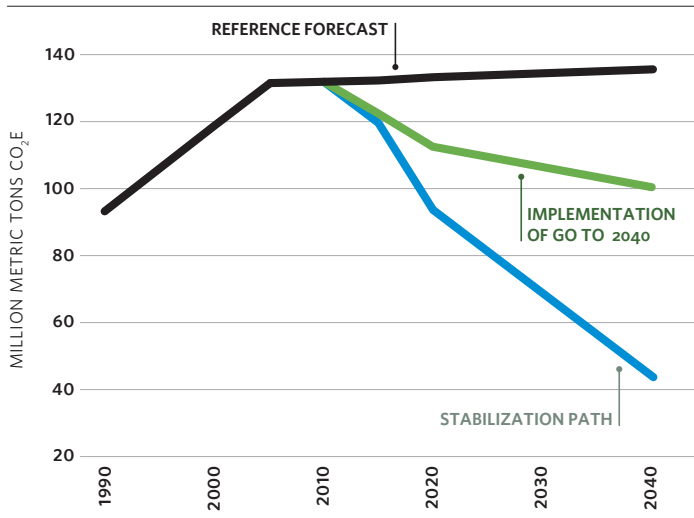
44 Katzenbach Partners, "Chicago Retrofit Strategy Final Report," 2009. See <http://tinyurl.com/2dm94jv>.

## 2.7 Indicators and Targets: Energy

The region’s success in conserving energy can be measured using the broader metric of greenhouse gas emissions as a proxy. Although greenhouse gas emissions do not perfectly track energy use, they are very closely related, in that progress in reducing greenhouse gases also means progress in reducing energy demand.

This indicator is compared between targets for GO TO 2040 and their expected values if future conditions follow current trends.

Figure 24. Greenhouse gas emissions targets, 1990-2040



Sources: Chicago Metropolitan Agency for Planning and the Center for Neighborhood Technology. 2010

The current level of greenhouse gas emissions is 132 million metric tons of carbon dioxide equivalent (MMTCo<sub>2</sub>e) per year, the “equivalent” being a convention to express the relative effect of other greenhouse gases in terms of the global warming potential of carbon dioxide. A continuation of current trends would likely lead to emissions of 135 MMTCo<sub>2</sub>e in 2040 (see **Figure 24**). With a commitment to reduce carbon emissions, and with strong action by local governments, developers, and individuals in the region, it would be possible to reduce regional emissions to 101 MMTCo<sub>2</sub>e by 2040, or about 10 percent above 1990 levels. Emissions reductions are based on the energy retrofits, transit investments, and emphasis on compact development recommended in GO TO 2040, which represent an optimistic but achievable level of voluntary greenhouse gas emissions reductions for the region that concentrate on transportation and energy use in buildings, as they are two areas which can be positively influenced by GO TO 2040.

More significant emissions reductions than this will ultimately be needed, on the order of 80 percent below 1990 levels by 2050, which will require federal action to address emissions economy-wide. Emissions reductions of this magnitude would place the region on a “stabilization path,” the approximate emissions trajectory needed to stabilize temperatures at a global mean increase of two degrees Celsius. Further reduction requires federal action to address the carbon content of fuels, industrial emissions, emissions from electricity generation, and so forth. In **Figure 11**, the area between the line representing implementation of GO TO 2040 and the stabilization path is the emissions reduction that requires federal action to achieve.

GREENHOUSE GAS EMISSIONS REDUCTION PER YEAR

**119 MMTCo<sub>2</sub>e by 2015**

**47 MMTCo<sub>2</sub>e by 2040**

## 2.8 Recommendations: Energy

The following sections describe the actions recommended by CMAP to increase energy efficiency. CMAP will work in partnership with local governments to investigate the most effective means of implementing the recommendations.

Adopting a resource conservation strategy is best achieved at the community level by governing bodies and the following recommendations are aimed for local governmental action.

### Link Transit, Housing, and Energy Use Through Livable Communities

Responding to a more resource-constrained world means pursuing more efficient growth and travel patterns. A major recommendation of GO TO 2040 is the promotion of livable communities, or compact, mixed use, walkable and bicycle-friendly developments served by transit. Besides their quality-of-life benefits, they also improve energy efficiency through increased use of lower-energy modes of travel (transit, walking, and biking) over automobiles. Measures to reduce congestion are important as well, because congestion corresponds to wasted fuel.<sup>45</sup>

Whereas retrofit programs address existing buildings, energy codes and green building programs improve the energy efficiency of new construction and substantial remodeling. Energy codes are legal requirements that govern the design and construction of buildings by setting minimum standards for energy performance. State law requires newly constructed and renovated residential and commercial buildings to meet the standards set forth in the 2009 version of the International Energy Conservation Code (IECC), a model energy code developed by the International Code Council.<sup>46</sup> It is estimated to result in 12- to 15-percent energy savings over the 2006 IECC.<sup>47</sup> In the short term, however, there is a need to train local government building inspectors to implement the code requirements.

While they can do so for commercial buildings, local units of government, with the exception of the City of Chicago, may not establish residential building code requirements that are more stringent than the 2009 IECC. Energy savings beyond the code may still be encouraged at the local level. For example, an expedited permitting program could be established to lower fees or give review priority to green buildings (defined potentially as achieving a certain rating in the Leadership in Energy and Environmental Design [LEED] program) or green building practices could be made a condition of receiving development assistance. Zoning and permitting processes should allow and promote renewable energy generation from businesses, institutions, and residences. Local governments should encourage developers to undertake a leadership role in the planning, design, and construction of buildings to the highest standards in energy efficiency.

<sup>45</sup> This recommendation is addressed in more detail in the GO TO 2040 sections "Achieve Greater Livability through Land Use and Housing" and "Increase Commitment to Public Transit."

<sup>46</sup> Energy Efficient Building Act, 20 ILCS 3125/45.

<sup>47</sup> Energy Efficient Codes Coalition, "Energy & Cost Savings Analysis of 2009 IECC Efficiency Improvements," 2008. See <http://tinyurl.com/27d7pht>.

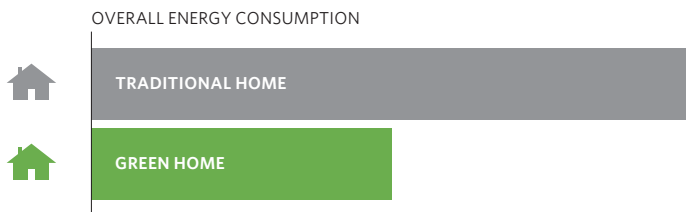


## Promote Retrofit Programs

Retrofit programs provide assistance to property owners to install energy conservation measures in existing buildings. Because existing buildings, especially in the residential sector, may be in use for decades, improving their energy efficiency is a crucial part of achieving conservation goals. The most effective programs combine information as well as technical and financial assistance to help property owners make the best choices and provide them with access to capital in order to achieve the highest energy savings for their investment. Typical energy conservation measures improve the heating and cooling systems, hot water heaters, lighting, appliances, or the building envelope itself (insulation, windows, etc.). A national evaluation has shown that household energy consumption can be reduced by an average of 30 percent if comprehensive energy retrofits using existing technologies are implemented,<sup>48</sup> which can result in significant savings on utility bills. There is much that can be done in commercial buildings as well. Tools such as the Energy Star Portfolio Manager or other energy performance indicators can be used to assess resource consumption in buildings and to help identify retrofit needs. Finally, opportunities to pursue water efficiency as part of an energy retrofit are worth considering as well.

**Figure 25. Energy consumption for traditional vs. green homes**

Whether in new or existing homes, the use of efficient appliances, better insulation and windows, and programmable thermostats can cut energy consumption in half.



Source: Center for Neighborhood Technology

The Chicago Climate Action Plan (CCAP) recognized the significance of this strategy in energy savings and set retrofit targets of 400,000 buildings by 2020. Similarly, the Evanston Climate Action Plan identified the building sector as the one that offers the greatest potential for direct decreases in greenhouse gas emissions through energy use reductions, while the Aurora Sustainability Plan calls for technical assistance and incentives to encourage early adoption of energy efficiency measures among both residential and commercial property owners.

Local governments should take a more prominent role in retrofit programs, both working with their residents and businesses and retrofitting municipal buildings. GO TO 2040 recommends that municipalities work to develop retrofit targets to which they can commit. At the same time, increased regional coordination is necessary. While a number of programs at the federal, state, and utility levels are intended to improve energy efficiency, the difficulty of accessing information on numerous disconnected programs has resulted in limited participation by those who could benefit. This barrier needs to be attacked by establishing a regional information clearinghouse for retrofit programs. However, the major, multi-year task of retrofitting existing building stock also requires additional financing as well as a trained workforce to carry out the retrofits. The Chicago Region Retrofit Ramp-up (CR<sub>3</sub>) Program, led by CMAP, is a major step toward providing an information clearinghouse and linking financing for retrofits to workforce training. Key to a large scale retrofit program is a market transformation whereby access to information, finance, and skilled labor is supported by a regulatory environment that promotes retrofit programs.

Because a number of retrofit programs were funded under ARRA, it is prudent for the region to consider sustaining these programs via local financing so that retrofit efforts continue beyond the short term. Continued funding should be sought at the federal and state levels, but there are also several local financing options. For instance, local revolving funds can provide loans for efficiency measures, with loan payments replenishing the revolving fund over time so that it can be used to finance other efficiency measures. The original capitalization can be accomplished through a number of means, including local funds, private lenders, or grants. Another approach is *property assessed clean energy* (PACE), a mechanism through which loans provided to property owners to retrofit buildings are repaid through their tax bills. Not only does this provide upfront financing and a straightforward means of repayment, the obligation to repay the investment stays with the property and passes to the next owner when the property is sold. While PACE has encountered some hurdles, it remains an important potential mechanism for financing retrofits and should be supported.<sup>49</sup> Energy performance contracting — in which energy service companies (ESCO) provide guarantees that savings produced are sufficient to fund project costs — is an increasingly popular financing mechanism as it reduces risks to homeowners and lending institutions. Communities should encourage utilities to partner with ESCOs for customer retrofits that may be payable over time through the utility bills. Energy consumption savings should offset the loan payback portion of the bill, thus resulting in a relatively stable utility bill.

48 Martin Schweitzer, "Estimating the National Effects of the U.S. Department of Energy's Weatherization Assistance Program with State-Level Data: A Meta Evaluation Using Studies from 1993 to 2005," Oak Ridge National Laboratory. See <http://www.osti.gov/bridge>.

49 Legislation authorizing PACE was considered in the Illinois legislature in 2010, but did not pass. At the federal level, Fannie Mae and Freddie Mac, which guarantee a large fraction of the mortgages in the U.S., have resisted PACE out of a concern that energy efficiency loans made through that mechanism would be senior to mortgage debt.

## Foster Sustainable Practices and Renewable Energy Generation

It is important for communities to develop energy efficiency and conservation strategies to help make informed decisions. This would involve an analysis of baseline energy use, a broad identification of potential energy conservation and other conservation measures, and an analysis of their feasibility for implementation.<sup>50</sup> The CCAP, as well as the sustainability and climate plans of several other municipalities, have employed such an approach. Communities across the region should develop strategies to determine the best measures to implement locally. Most crucially, these should be integrated into comprehensive planning at the local level.

**It is important for communities to focus on conservation activities that move beyond the installation of energy efficient devices, and rather include a continuous review of processes and exploration of means to reduce energy demand.**

Furthermore, local governments can encourage individual conservation actions through public education utilizing their channels of communication with residents. These simple actions to promote sustainability could include making modest changes in thermostat settings, remembering to turn off the lights, and unplugging electronics or using a power strip to reduce electricity used in standby mode.

Additionally, local governments should ensure that conservation goals are met in applicable franchise agreements with utilities. Under these agreements, ComEd provides electric service in exchange for the use of municipal rights-of-way for the company's electricity distribution infrastructure. The utility then recovers the cost of the municipal service through a charge on the bills of customers in that municipality.<sup>51</sup> Thus, franchise agreements shift the cost of service from residents' general taxes to their utility bills. While the arrangement looks positive to municipal officials from a budgetary standpoint, it is also an impediment to conservation, since it provides little incentive for municipalities to conserve electricity. Many municipalities in the region have these agreements with ComEd,<sup>52</sup> and there are similar agreements with natural gas service companies.<sup>53</sup> Instead of simply providing "free" service to municipalities, these agreements could be restructured so that they fund energy efficiency improvements, either on municipal property or for residents. With energy conservation, the cost of the "free" service to municipal residents could be reduced over the life of the agreement. Although doing so may create budget difficulties in the short term, municipalities are encouraged to pursue this when their franchise agreements come up for renewal.

Although the main energy priority in GO TO 2040 is meeting energy service needs through demand reduction, the region must also map out a shift to renewable energy. Significant progress has been made in certain areas, such as the state's renewable energy portfolio standard. Moving toward increased use of renewable energy is a complex and evolving enterprise, involving questions of market potential, state and federal policy, and technological readiness. On the supply side, for example, considerable improvements to electricity transmission and distribution systems may be needed to integrate renewable energy. Unlike conventional sources, renewable sources may only produce electricity at certain times (e.g., when the wind blows or the sun shines), rather than continuously as a base load power plant would, which may strain the ability to "balance" power demand across the grid.<sup>54</sup> On the demand side, there is a need to deploy technology that allows customers to see their energy consumption on a minute-to-minute basis and respond to price signals.<sup>55</sup> These kinds of improvements are part of what is often called the "smart grid," which would use better information and improved technology to manage demand by consumers and gain operational efficiencies for utilities. The state, utilities, researchers, policy advocates, CMAP, and others should continue to push toward using renewable sources for a significant fraction of our energy needs, which may involve policy changes, new technology investments, and other measures.

50 The Center for Neighborhood Technology created a model strategy, "Chicago's Guide to Completing an Energy Efficiency & Conservation Strategy," February 2009. See <http://tinyurl.com/ccmodelstrategy>.

51 ComEd, Rider FCA Franchise Cost Additions. See <http://tinyurl.com/2asxl43>.

52 ComEd, Franchise Cost Percentages. See <http://tinyurl.com/3733kam>.

53 Nicor Gas Company, Franchise Cost Adjustment. See <http://tinyurl.com/37d4jwm>.

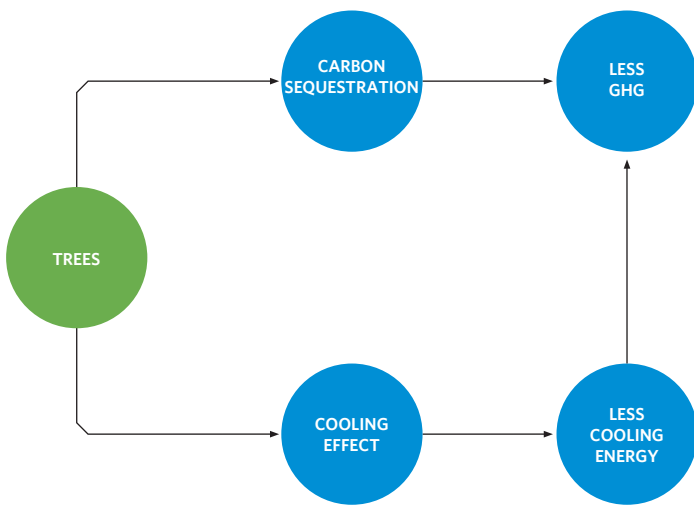
54 B. Kirby and M. Milligan, "Facilitating Wind Development: The Importance of Electric Industry Structure," National Renewable Energy Laboratory, 2008. See <http://www.nrel.gov/docs/fy08osti/43251.pdf>.

55 Center for Neighborhood Technology, "Empowering Consumers Through a Modern Electric Grid," summary report for the Illinois Smart Grid Initiative, 2009. See <http://www.cnt.org/repository/ISGI.SummaryReport.pdf>.

At the local level, communities should use their own facilities as demonstration and pilot projects for promoting small-scale renewable generation, which could involve wind, geothermal, and solar power as well as other strategies such as combined heat and power for public buildings. They should review their zoning ordinances to make sure they incorporate best practices for siting renewable energy facilities, such as wind turbines; more research may be needed at the regional level to support actions by local governments. Local governments should also make a commitment to using alternative fuels in their fleets and public works equipment. At least one municipality in the region has considered using biodiesel generated from locally-gathered waste vegetable oil.<sup>56</sup> Indeed, communities could undertake a multitude of actions to “lead by example,” including the review of procurement processes to ensure the inclusion of green materials for governmental equipment (e.g., increased use of recycled materials in construction activities), a higher commitment to waste reduction and recycling, and so forth.

Other approaches are less obvious, such as urban forestry. Apart from the quality of life benefit that mature trees yield, they also provide shade and encourage evaporative cooling, which together help mitigate urban heat island effects (see **Figure 26**), thereby reducing demand for electricity to power air conditioning. They also absorb carbon dioxide while growing. It has been estimated that a large scale tree-planting program in the Chicago region could cool air temperature by up to 2.5 degrees F in summer, leading to significant savings in air conditioning costs.<sup>57</sup> At the same time, urban trees provide significant stormwater management benefits, in that, for instance, their leaves intercept rainfall.<sup>58</sup> Urban forest and tree programs should be implemented at the local level to mitigate the urban heat island effect and provide other important benefits. In addition, the restoration of lands recommended for preservation by GO TO 2040 would provide a significant amount of carbon sequestration.<sup>59</sup> However, it should be noted that preserved lands may themselves require attention and changed management strategies in the face of climate change, as described in the Chicago Wilderness *Climate Action Plan for Nature*.

**Figure 26. Effect of trees on greenhouse gas emissions**



Source: Chicago Metropolitan Agency for Planning, 2010

56 The Village of Algonquin is studying the use of vegetable oil for municipal fleets and equipment. Algonquin Environmental Action Plan, 2009.

57 Gregory E. McPherson, David J. Nowak, and Rowan A. Rowntree eds., “Chicago’s Urban Forest Ecosystem: Results of the Chicago Urban Forest Climate Project,” Gen. Tech. Rep. NE-186 (Radnor, PA: U.S. Department of Agriculture, Forest Service, Northeastern Forest Experiment Station, 1994).

58 Jennifer Seitz and Francisco Escobedo. n.d. “Urban Forests in Florida: Trees Control Stormwater Runoff and Improve Water Quality.” University of Florida Extension. <http://edis.ifas.ufl.edu/fr239>.

59 See the GO TO 2040 section titled “Expand and Improve Parks and Open Space.”

## 2.9 Energy-Water Nexus

Recognizing the nexus between energy and water, GO TO 2040 encourages solutions that address energy, water, and climate together. To further this, the plan recommends policies that will lead to energy use reductions in water and wastewater utilities.

At the local government level, energy use is tightly linked with water treatment and distribution. Electricity constitutes 24 to 40 percent of a typical wastewater treatment plant's budget and 80 percent of the cost of treating and distributing drinking water.<sup>60</sup> Depending on the treatment processes and source of water, it can require 2,700 to 3,700 kWh of electricity per million gallons to withdraw raw water, treat it to drinking water standards, and distribute it to households, then collect and treat the resulting wastewater.<sup>61</sup> When demand for water is reduced, water utilities should see energy savings because of the reduced need for water treatment and conveyance. At the same time, reduced water use results in less wastewater being produced, which in turn can save energy used in treatment. These energy savings are closely tied to reduced greenhouse gas emissions. Options such as waterless urinals and composting toilets, among others, should be further studied as means to further reduce effluent volumes.

While water production clearly requires energy, the reverse is also true: energy production requires significant water supplies. Thermoelectric power generation uses far more water than any other use sector, at least by total withdrawals.<sup>62</sup> To some extent, energy efficiency measures and a shift to renewable sources would help temper withdrawals for power generation. Therefore, water utilities should address reductions in energy consumption, and potentially costs, through renewable generation. Increased utilization of solar and wind energy may lower utility energy bills, afford power security, and improve air quality. Furthermore, utilities should include energy consumption and costs when conducting studies for plant and service expansion. Energy and water are inextricably linked because of the energy required to treat and distribute drinking water, and because of the water required in thermoelectric generation.

There are many other ways of gaining water and energy efficiencies simultaneously. Simply reducing water demand is expected to reduce energy demand and vice versa, but the two could be better integrated at the program level. For instance, energy retrofit or appliance rebate programs could also consider replacement of water fixtures with better water efficiency or appliances with reduced water use; in most cases they will also be more energy efficient.

60 Bevan Griffiths-Sattenspiel and Wendy Wilson, "The Carbon Footprint of Water," a River Network Report, 2009. At the Metropolitan Water Reclamation District of Greater Chicago, 24 percent of the Maintenance and Operations Department budget is allocated for electricity and natural gas for plant and pumping station operation.

61 Bevan Griffiths-Sattenspiel and Wendy Wilson, "The Carbon Footprint of Water," a River Network Report, 2009, 44. The lower figure is for surface water and wastewater treatment with activated sludge; the higher figure is for groundwater withdrawal followed by advanced treatment.

62 B. Dziegielewski and F.J. Chowdhury, "Regional Water Demand Scenarios for Northeastern Illinois: 2005-2050," Southern Illinois University at Carbondale, 2008. See <http://tinyurl.com/294pv8q>.

## 2.10 Implementation Action Areas

The following tables are a guide to specific actions that need to be taken to implement GO TO 2040. The plan focuses on five implementation areas for managing and conserving water and energy resources:

- Implementing Energy and Water Retrofit Programs**
- Integrating Land Use Planning and Resource Conservation**
- Pricing**
- Funding**
- Local Governments as Early Adopters of Sustainable Practices**

### Implementation Action Area #1: Implementing Energy and Water Retrofit Programs

<p><b>Develop a framework for retrofit program administration</b></p> <p>LEAD IMPLEMENTERS: CMAP, City of Chicago, City of Rockford</p>	<p>Implement the Chicago Region Retrofit Ramp-Up program, which was funded in April 2010 at a level of \$25 million by the U.S. Department of Energy (DOE).</p>
<p><b>Provide a financial framework for retrofit programs</b></p> <p>LEAD IMPLEMENTERS: State (DCEO), municipalities, utilities, lending institutions</p>	<p>Support the development and delivery of financing products targeted across retrofit customer segments. Help support a market transformation to broaden retrofit demand and to give private lenders the confidence to lend to customers for energy efficiency measures. Provide case study data that shows that energy savings are an effective and dependable cash flow stream that can be used to secure loans. Utilities and municipalities should emulate programs as the ones the Illinois Department of Commerce and Economic Opportunity (DCEO) is currently administering for financing energy and water efficiencies by partnering with retailers to conduct rebate programs to replace appliances/fittings with more efficient models.</p>
<p><b>Increase access to a trained workforce</b></p> <p>LEAD IMPLEMENTERS: State, trade associations, community colleges, Workforce Investment Boards</p>	<p>Develop a regional training center for certified efficiency work. Establish consistent standards and certifications for workers and contractors and create a network to match building owners with certified contractors. Create a “central broker” to match trained job-seekers to businesses seeking certified workers.</p>
<p><b>Increase access to information concerning retrofits</b></p> <p>LEAD IMPLEMENTERS: Chicago Regional Retrofit Steering Committee (DCEO, CMAP, City of Chicago, utilities, nonprofits)</p>	<p>Develop a regional information center for connecting building owners to qualified contractors and financial products, conduct outreach via community-based/ trade associations and Chambers of Commerce, use energy audits and web-based applications to provide information to building owners, and introduce marketing and branding strategies for retrofits. Expand the use of financing that is already available, such as the funding from the EEPS.</p>

**Implementation Action Area #2: Integrating Land Use Planning and Resource Conservation**

<p><b>Create model codes/ordinances</b></p> <p>LEAD IMPLEMENTERS: CMAP</p>	<p>Assist communities in amending or adopting codes for water conservation by providing ordinance language and related resources. Assist implementation by making available guidance for model review processes.</p>
<p><b>Accelerate use of efficient appliances/ fixtures through green code adoption</b></p> <p>LEAD IMPLEMENTERS: Counties, Municipalities</p>	<p>Amend ordinances to reflect requirements of the Illinois Energy Efficiency Building Act and expand on it to include items such as appliances and fixtures. Utilize EnergyStar Portfolio Manager/Energy Performance Indicator or other performance indicators for energy efficiency review in commercial and residential buildings. Also amend ordinances to encourage water conservation, including use of plumbing fixtures and fittings that conform to WaterSense standards.<sup>63</sup></p>
<p><b>Provide technical assistance to local governments</b></p> <p>LEAD IMPLEMENTERS: State (DCEO), CMAP</p>	<p>Encourage incorporation of sustainability plans or codes in local planning practices during energy-related grant award processes by prioritizing funding to communities that have taken these initiatives. Allocate funding for the development of green codes. CMAP should offer conservation coordination assistance to communities that wish to employ water conservation practices.</p>
<p><b>Promote rainwater harvesting for non-potable indoor uses</b></p> <p>LEAD IMPLEMENTERS: State, counties, municipalities, nonprofits</p>	<p>Local governments should ensure that existing regulations do not prohibit the indoor handling of rainwater. Collaborate in executing informational/demonstrational efforts for the implementation of rainwater harvesting. Amend ordinances and codes accordingly.</p>
<p><b>Increase commitment to conservation in the Lake Michigan Service Region</b></p> <p>LEAD IMPLEMENTERS: State (IDNR), CMAP</p>	<p>Encourage Lake Michigan Service Region permittees to develop conservation plans and set conservation targets that can be reported to IDNR. Encourage annual water audit reports that follow the International Water Association and American Water Works Association standard water balance protocol while eliminating the maximum unavoidable loss allowance. Conserving Lake Michigan water by individual permittees is in the interest of the region because it would potentially make Lake Michigan water available to more communities. Permittees should make information available online to encourage increased engagement in conservation activities. CMAP should use its relationships and access to communities to assist IDNR with outreach efforts to achieve these recommendations. CMAP should develop a reporting framework/ template for communities to demonstrate water management activities to the Lake Michigan Management Section. CMAP should encourage communities to publicize their water conservation milestones.</p>
<p><b>Identify and protect sensitive recharge areas</b></p> <p>LEAD IMPLEMENTERS: State (ISWS, ISGS), CMAP, counties, municipalities</p>	<p>CMAP should lead a collaboration to identify SARAs, prioritize those most important for protection, and develop and disseminate model ordinances to ensure their preservation.</p>
<p><b>Encourage the integration of resource conservation in land use planning</b></p> <p>LEAD IMPLEMENTERS: State (DCEO), CMAP</p>	<p>Use planning grant programs to assist communities in incorporating resource conservation in local comprehensive planning. Encourage communities to indicate available future water supplies for projected population growth in comprehensive plans.</p>
<p><b>Adopt policies to encourage attainment of zero water footprints/water neutrality for large scale projects</b></p> <p>LEAD IMPLEMENTERS: Municipalities, water utilities</p>	<p>Water utilities should require large-scale projects to seek water neutrality. Project sponsors should work with utilities to set an annual water budget following an audit that identifies water saving mechanisms. Project operators should then adhere to the water budget. If the budget is exceeded, as determined by water billing triggers, operators would contribute to local conservation efforts to offset that amount elsewhere in the system.</p>

63 Chicago Metropolitan Agency for Planning Model Water Conservation Ordinance, 2010.  
See <http://tinyurl.com/2wln57f>.

**Implementation Action Area #2: Integrating Land Use Planning and Resource Conservation (continued)**

<p><b>Implement urban and community forestry programs</b></p> <p>LEAD IMPLEMENTERS: Counties, municipalities, park districts</p>	<p>Adopt minimum standards for tree coverage in development projects along with tree preservation and maintenance regulations. Undertake these programs through park districts in public sites. Incentives should be provided for residents to plant trees, such as discounted sales and/or planting assistance.</p>
<p><b>Use green infrastructure practices to manage stormwater in new development and redevelopment</b></p> <p>LEAD IMPLEMENTERS: Counties, municipalities</p>	<p>Ensure that stormwater management using green infrastructure is integrated in the planning and design phase of development projects. Use infill or redevelopment as opportunities to promote retrofits with green infrastructure in developed areas. Require maintenance plans in the stormwater management permitting process that specify maintenance activities and indicate responsible parties. These plans should be transferrable with property deeds.</p>
<p><b>Implement green infrastructure retrofits</b></p> <p>LEAD IMPLEMENTERS: Counties, municipalities</p>	<p>Watershed plans for developed areas should identify potential green infrastructure retrofits, such as rain gardens, green streets, parking lot bioretention, and so forth. These plans should be used to help secure capital funding for retrofits.</p>

**Implementation Action Area #3: Pricing**

<p><b>Utilize full cost pricing to incentivize more efficient water use and to fund conservation programs</b></p> <p>LEAD IMPLEMENTERS: Illinois Commerce Commission, CMAP, municipalities, utilities</p>	<p>Municipalities should decouple water utility budgets from the municipal general revenue fund and ensure that revenues collected from water billing meet capital and operations and maintenance (O &amp; M) budgets. Utilities should implement metering and appropriate bill designs. Utilities should ensure that bills reflect the full cost of treatment and delivery of water. CMAP should offer technical assistance on conservation pricing and rate-setting.</p>
<p><b>Institute stormwater utility fees</b></p> <p>LEAD IMPLEMENTERS: Counties, municipalities</p>	<p>Local governments with stormwater management responsibilities should charge dedicated user fees to property owners to cover the costs of maintaining stormwater infrastructure. Such fees should be directly linked to the amount of impervious area on a site. With these revenues in hand, local governments should consider taking maintenance responsibility for stormwater infrastructure on private property, as property owners may not be willing or able to do so.</p>

**Implementation Action Area #4: Funding**

<p><b>Use State Revolving Funds as mechanism for implementing water conservation measures</b></p> <p>LEAD IMPLEMENTERS: State (IEPA)</p>	<p>Develop criteria that prioritize PWSLP to utilities that adopt full-supply cost pricing structures in their water billing. Require that water supply utilities develop conservation plans that set annual water use targets to be reported to IEPA as a condition for granting loans.</p>
<p><b>Use the Green Project Reserve for energy and water efficiencies</b></p> <p>LEAD IMPLEMENTERS: State (IEPA)</p>	<p>Utilize the 20 percent of the State Revolving Funds for water and energy efficiency projects, such as retrofits to pumps and treatment processes, irrigation equipment, reuse of rainwater/stormwater, leak detection equipment, and on-site clean power production.</p>
<p><b>Implement Energy Performance Contracting</b></p> <p>LEAD IMPLEMENTERS: Counties, municipalities, utilities</p>	<p>Contract with private ESCOs to identify energy savings potential. Offer cost sharing or loans for property owners for improvements to be paid by consequent cost savings resulting from the installation of energy efficient equipment and fixtures. ESCOs provide guarantees that cost savings will be attained; if not, they pay the difference.</p>

**Implementation Action Area #4: Funding (continued)**

<p><b>Pursue innovative financing mechanisms for retrofits</b></p> <p>LEAD IMPLEMENTERS: State (General Assembly, IFA), counties, municipalities, utilities, lenders</p>	<p>Explore the use of PACE financing, Green Loan Programs, New Market Tax Credits, Energy Efficiency Ratings Incentives, revolving loan funds and loan pools, etc. for funding energy and water efficiency programs. Form partnerships required to implement these programs with utilities, lending institutions and contractors.</p>
<p><b>Establish comprehensive energy and climate change policy</b></p> <p>LEAD IMPLEMENTERS: Federal (Congress)</p>	<p>Address greenhouse gas emissions economy-wide by such actions as improving the carbon content of fuels, reducing industrial emissions, and limiting emissions from electricity generation, as well as establishing policies to promote energy conservation and renewable energy. The federal government should have a strong role in this area.</p>

**Implementation Action Area #5: Local Governments as Early Adopters of Sustainable Practices**

<p><b>Implement green infrastructure demonstration projects</b></p> <p>LEAD IMPLEMENTERS: Counties, forest preserve and conservation districts, municipalities, park districts</p>	<p>Local governments in the region should implement green infrastructure demonstration projects with regular performance monitoring to further evaluate the applicability of such measures to local conditions. They should utilize available staff and technical expertise/resources to construct and maintain green infrastructure facilities and perform seasonal monitoring, modifying designs to adapt to local conditions as necessary. Local governments should partner with developers in establishing demonstration projects by offering financial assistance/cost share with construction costs.</p>
<p><b>Utilize green infrastructure practices in all public improvement projects</b></p> <p>LEAD IMPLEMENTERS: State (IDOT, IDNR), counties, forest preserve and conservation districts, municipalities, school and park districts</p>	<p>All governmental bodies that undertake construction activities should implement policies that require the use of site-appropriate green infrastructure practices for stormwater management.</p>
<p><b>Consolidate water supply and wastewater treatment services to achieve energy efficiencies and economies of scale</b></p> <p>LEAD IMPLEMENTERS: COGs</p>	<p>Local governments should investigate coordinating or consolidating water utilities to enhance cost-effectiveness and lower financial risks. The expansion of existing water supply plants should be emphasized over the development of smaller plants for individual utilities. A common funding stream for plant expansion could be obtained by tapping into collective resources.</p>
<p><b>Consider devoting the cost of power under franchise agreements to retrofit and rebate programs instead</b></p> <p>LEAD IMPLEMENTERS: Municipalities</p>	<p>Municipalities often receive free electric service by utilities as compensation for granting the franchise privilege of using the municipality's public rights of way for the delivery of electricity.<sup>64</sup> Discussion should be initiated to use the funds instead for retrofit and rebate programs.</p>
<p><b>Utilize renewable energy generation in water utilities</b></p> <p>LEAD IMPLEMENTERS: Municipalities, utilities</p>	<p>Municipal utilities should seek to employ solar and wind energy to generate all or part of the power required for utility operations. Unused power can be sold back to the grid.</p>
<p><b>Develop energy and water efficiency and conservation strategies</b></p> <p>LEAD IMPLEMENTERS: Municipalities</p>	<p>Communities should develop a baseline analysis of energy and water use, broadly identify potential efficiency and conservation measures, and analyze the feasibility of implementing them, including the availability of financing. This strategy should be used as an input to local comprehensive planning and as a guide to implementation.</p>

64 ComEd. Rate information available through tariff documents, under "Rider FCA—Franchise Cost Additions," see <http://tinyurl.com/2eqkzkw>.



## 2.11 Costs and Financing

This section discusses financing for the energy efficiency, water conservation, and stormwater management recommendations in GO TO 2040, focusing on local units of government.

All of the resource conservation recommendations are expected to provide net savings for local governments and taxpayers over the medium to long-term, although upfront investment is necessary.

### Water Use

The water conservation measures recommended in GO TO 2040 and *Water 2050* are expected to reduce the capital costs growing communities face to expand their water systems. In both growing and built-out communities, water rates can be redesigned so that conservation does not decrease revenue for the utility. Conservation measures can be funded through a range of mechanisms, including loans from the State Revolving Fund, but most conservation is financed locally. Two of these local financing approaches are as follows. First, the use of full-cost pricing, as GO TO 2040 advocates, will tend to reduce water use by customers, and it will also provide funding that is adequate for a utility to address the system water loss (e.g., through leaking water mains) that acts as a drag on utility budgets. Second, user fees can be charged to customers to fund water conservation, much like the electric and gas utilities' small charge to pay for efficiency programs. This fee can be as much or as little as appropriate, and much of it can be returned to customers through water savings or appliance rebates. Conservation finance is outlined in much more detail in *Water 2050*,<sup>65</sup> but it is worth noting here that strong local leadership and effective education are crucial prerequisites for funding conservation locally.

### Stormwater Management

According to case studies in the Midwest, the use of green infrastructure can reduce site development and long-term maintenance costs by eliminating the need for gray infrastructure.<sup>66</sup> This is not always the case, however; savings depend on site conditions and the specific green infrastructure techniques used. The Center for Neighborhood Technology (CNT) has developed a useful online calculator<sup>67</sup> that estimates the costs associated with using conventional and green infrastructure techniques for a chosen soil type, lot size, and slope, etc. Costs and cost savings are divided helpfully into private (developers and building owners) and public (mainly municipalities). It is important to note that local government permitting plays a significant role in the cost-effectiveness of green infrastructure. Frequently the implementation of stormwater ordinances will take a “both-and” approach where many kinds of gray infrastructure are still required even if green infrastructure is used on site, eliminating the potential for cost savings. To save on development and maintenance costs, it will be necessary to reduce the requirements for other infrastructure. A common way of doing this in other states — but not the only way — is to provide a detention volume credit for the use of green infrastructure that reduces the volume of detention storage required, thus saving space on site and decreasing installation costs. However, local government engineering staff may have concerns that not enough data are available to show that green infrastructure performs well enough to give such credits. CMAP, the state, and regional partners should continue to provide information on performance to support a shift to green infrastructure.

Provision must be made for maintaining any stormwater management practice, and green infrastructure is no different. In older areas of the region, stormwater infrastructure (like regional detention basins and storm sewers) is often owned and maintained by local governments, most frequently by municipalities but sometimes by park districts. General revenue is typically used for maintenance. In newer areas, by contrast, stormwater management practices such as detention basins and buffer areas remain on private property and subject to private maintenance. The detention basins in subdivisions, for instance, will generally be maintained by homeowners' associations. Some jurisdictions require a Special

65 Chicago Metropolitan Agency for Planning, “Water 2050: Northeastern Illinois Regional Water Supply/Demand Plan,” 2010, 117 and following. See <http://www.cmap.illinois.gov/waterplan>.

66 Conservation Research Institute, “Changing Cost Perceptions: An Analysis of Conservation Development,” 2005. See <http://tinyurl.com/2g6xmrr>.

67 Center for Neighborhood Technology, Green Values Stormwater Toolbox. See <http://greenvalues.cnt.org/>.

Service Area (SSA) as a backup to fund maintenance if it is not performed by the homeowners' association, but local governments are often reluctant to activate the SSA and assess property owners for maintenance.

Like any form of infrastructure, the effectiveness of green infrastructure will decline without maintenance, and maintenance depends on funding. It is crucial to establish a dedicated revenue stream to maintain stormwater management infrastructure. An important technique for local governments to consider is the stormwater utility fee, which is typically charged to property owners in proportion to the amount of runoff from their property (typically proxied by the amount of impervious surface on site). It replaces the general revenues that currently support local government stormwater programs with an enterprise fund, and can be designed to be revenue neutral. The amount of the fee must bear a reasonable relationship to the cost of service, so the charge for a stormwater fee depends on the need for stormwater infrastructure maintenance. It is arguably more equitable than funding stormwater programs out of general revenue since those who "use" the service more (i.e., place more demands on the stormwater management system) will pay more.<sup>68</sup>

## Energy Conservation

The many local units of government in northeastern Illinois own a significant number of buildings, from village halls to libraries to police stations to schools, and there are many opportunities to retrofit them to improve their energy performance. It is crucial for local government to lead residents and businesses by example, and a number of programs are available to provide partial financing. One of the most significant, and underutilized, sources of finance that can be accessed by public sector entities is the EEPS funding, which provides incentives for certain kinds of efficiency improvements. The program will be funded at \$150 million statewide in 2010 through system benefit charges on ComEd and Ameren customers' bills. DCEO administers the EEPS for public sector clients, which can include a variety of local government units and special districts, public schools, etc.<sup>69</sup> The standard set of improvements includes lighting, refrigeration, heating, ventilating, and air conditioning (HVAC) equipment, as well as other improvements to municipal operations like the use of light-emitting diodes (LEDs) in traffic signals, but a customized set of improvements can also be funded. EEPS will also fund energy efficiency beyond code in new public

buildings. Restructuring of municipal franchise agreements — described further in the recommendations section of this chapter — can also help to provide financial resources for energy efficiency improvements.

ARRA provided significant funding to the Energy Efficiency and Conservation Block Grant (EECBG) program, a sizeable portion of which went to local governments through direct grants from DOE. Those communities which were not eligible for direct grants in the region are eligible for funds from DCEO and administered by the Metropolitan Mayors Caucus (MMC). While these funds have helped local governments make inroads into the need for energy conservation, more can be done. In addition to making their own operations more efficient, municipalities can try to build energy efficiency into their approaches to issues that are more squarely in their traditional domains of concern, such as economic development and commercial revitalization. For instance, typical façade improvement financing could include updating windows for improved energy efficiency, or assistance with energy audits could be provided for downtown businesses to help them cut operating costs and improve their financial positions. Local governments can also help property owners by setting up PACE programs (or Energy Financing Districts, as they are sometimes called). These allow local governments to raise money by issuing bonds to fund energy conservation projects in buildings or to serve a district, and the debt is serviced over a set number of years through a special assessment on the property owners who choose to participate in the program.<sup>70</sup> Authorizing legislation is required to make PACE available.

68 L. Wilson and G. Lindsey, "Authority for Local Stormwater User Fees in Indiana," Indiana University Center for Urban Policy and the Environment, 1995. See <http://stormwaterfinance.urbancenter.iupui.edu/PDFs/Indiana.pdf>.

69 Illinois Department of Commerce and Economic Opportunity, "Energy Efficiency." See <http://tinyurl.com/38gh7wh>.

70 Merrian C. Fuller, Cathy Kunkel, and Daniel M. Kammen, "Guide to Energy Efficiency and Renewable Energy Financing Districts for Local Governments," Renewable and Appropriate Energy Laboratory (RAEL), University of California, Berkeley, 2009. See <http://www.tinyurl.com/2ectd8m>.