

2023 SAG Plan

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January 19, 2023 SAG Meeting

Today's Agenda

- ▶ Administrative Update
- ▶ SAG Background
 - ❖ Creation, Participation, Guiding Principles and Website
- ▶ SAG Coordination with Other Processes
- ▶ SAG in 2023
 - ❖ Defining SAG Groups
 - ❖ 2023 SAG Groups
 - ❖ 2023 Large Group SAG Schedule and Topics
 - ❖ SAG Working Groups
 - ❖ SAG Subcommittees
- ▶ 2023 Updates to SAG Process Guidance
- ▶ Request for Feedback
- ▶ Q&A

Administrative Update

- ▶ Inova Energy Group providing SAG meeting support in 2023 - introduction to Catalina (Caty) Lamadrid
- ▶ Large Group SAG meetings will remain virtual
 - ❖ Quarterly SAG meetings will continue to be split into two days, due to virtual format
 - ❖ Smaller SAG meetings expected to meet in-person a few times per year

SAG Background

SAG Creation

- ▶ The Illinois Energy Efficiency Stakeholder Advisory Group (SAG) was **created in 2008** by direction of the Illinois Commerce Commission (ICC), when the first electric EE Plans were approved by the ICC
- ▶ SAG is an **advisory body** that focuses on:
 - ❖ Educating the IL stakeholder community on EE programs and a variety of EE issues
 - ❖ Building trust among parties with various interests
 - ❖ Providing a forum for narrowing differences among parties
 - ❖ Engaging in constructive discussion; inviting parties to offer constructive approaches and solutions to issues
 - ❖ Building consensus agreement on policy and technical issues, in an effort to reduce or avoid future litigation

SAG Participation

- ▶ Large Group SAG, Working Groups, and Subcommittee meetings are open to all interested parties, unless a topic may present a financial conflict of interest
 - ❖ Participation by the financially interested party could have adverse consequences, such as hindering complete and frank discussions, or the participant may gain an undue advantage or benefit by participating
 - Example: Discussing a draft Request for Proposals; a performance issue; or final consensus
 - ❖ A “financially interested party” means “any person or entity, or employee of an entity, that engages in the purchase, sale, marketing or implementation of energy efficiency products, services, programs, pilots or research. A “financially interested party” may also engage in other work with utilities outside of energy efficiency.”
- ▶ Each SAG group has a separate distribution list - participants are invited to self-select into Working Group(s) and Subcommittee(s)

SAG Guiding Principles

The following guiding principles are intended to support collaborative discussion:

1. ***Build trust and collaboration.*** SAG meetings are intended to build trust and collaborative working relationships among participants.
2. ***Educate and inform.*** SAG meetings are intended to educate and inform participants on specific topics. Parties are encouraged to ask questions and request follow-up if additional information would be informative to the group.
3. ***Offer constructive approaches and solutions.*** Parties are encouraged to raise issues and voice concerns when they don't support specific initiatives discussed at the SAG, including offering constructive approaches and solutions where possible.
4. ***Focus on the merits.*** SAG discussions should focus on the merits of an issue, rather than assertions of prior litigation positions that have already been resolved, unless there is a compelling reason/rationale to revisit the issue.
5. ***Ensure all interests are represented.*** Participation in SAG is open to all interested participants to encourage the discussion of a broad variety of interests, unless a topic presents a financial conflict of interest.
6. ***Participate in consensus discussions in good faith.*** Topics addressed in SAG may involve consensus decision-making. SAG participants will participate in consensus discussions in good faith, by engaging in respectful dialogue and listening to differing opinions of various parties.

SAG Website

- ▶ Visit www.ILSAG.info
- ▶ SAG website includes:
 - ❖ Agendas, meeting materials and notes for 14 years of SAG meetings
 - ❖ Meeting materials can be found on individual meeting pages - see the [SAG Calendar](#) for a full list of meetings
 - ❖ Individual Subcommittee and Working Group pages
 - ❖ Evaluation materials - EE program evaluation reports, research results, evaluation plans (draft and final)
 - ❖ Utility reports on EE portfolio progress (quarterly and annual reports)
 - ❖ Other resources:
 - Links to all ICC EE dockets
 - Potential Studies
 - IL Technical Reference Manual annual update
 - List of participating organizations

SAG Coordination with Other Processes

Coordination with IL-TRM Update Process

- ▶ **IL-TRM Administrator (VEIC) leads Technical Advisory Committee meetings to update the next version of the IL-TRM (Version 12.0)**
 - ❖ IL-TRM kick-off meeting will be scheduled soon
 - ❖ IL-TRM Version 12.0 will be finalized by Oct. 1
 - ❖ To join the IL-TRM distribution list, reach out to VEIC: iltrmadministrator@veic.org
- ▶ **SAG Facilitator coordinates with IL-TRM process**
 - ❖ Addressing policy issues that arise during IL-TRM update process
 - ❖ Circulating IL-TRM deliverables to SAG
 - ❖ Updating SAG website with IL-TRM deliverables
 - ❖ Participating in TRM meetings, as needed (facilitated by VEIC)
 - ❖ Participating in IL-TRM Income Qualified Working Group, as needed (facilitated by MUSE)

Coordination with IQ EE Committee

- ▶ **Income Qualified EE Committee (or Low Income Energy Efficiency Advisory Committee, LIEEAC) is separate from SAG**
 - ❖ As described in the Clean Energy Jobs Act (CEJA), the Committee’s purpose is to “directly inform the design, implementation, and evaluation of the low income and public housing energy efficiency programs”
 - ❖ CEJA also references “emphasiz[ing] opportunities to bundle and coordinate delivery of low-income energy efficiency with other programs that serve low-income communities, such as the Illinois Solar for All Program and bill payment assistance programs”
 - ❖ Additional information can be found on the IQ EE Committee website: <https://www.iqadvisorycommittee.com/>
 - ❖ IQ Committee has a separate Facilitator from SAG
 - SAG Facilitator regularly coordinates with IQ Committee Facilitator on topics that may be of interest to both SAG and IQ Committee participants, including holding joint meetings, as needed

SAG in 2023

Defining SAG Groups

▶ Large Group SAG

- ❖ Generally covers broad EE topics of interest to the larger group
- ❖ Prioritizes topics and issues that are required by the Policy Manual; directives to SAG from the ICC; and ICC-approved stipulated agreements between utilities and non-financially interested parties
- ❖ Other topics related to EE portfolio planning, design, implementation, and evaluation will be scheduled for Large Group SAG discussion as time and resources permit

▶ SAG Working Groups

- ❖ Established to discuss short-term issues that need resolution
- ❖ Working Groups may be ongoing

▶ SAG Subcommittees

- ❖ Established for necessary issue-specific topics
- ❖ Generally longer-term discussions

2023 SAG Groups

▶ Large Group SAG

- ❖ Quarterly meetings planned
- ❖ In addition to quarterly meetings: Net-to-Gross update process in September + annual evaluation plan review in December

▶ SAG Subcommittees

- ❖ Equity Subcommittee
- ❖ Network Lighting Controls Subcommittee
- ❖ Policy Manual Subcommittee

▶ SAG Working Groups

- ❖ Evaluation Working Group
- ❖ Greenhouse Gas Savings Working Group (new)
- ❖ Market Transformation Savings Working Group
- ❖ Non-Energy Impacts Working Group
- ❖ Potential Study Working Group (new)
- ❖ Reporting Working Group

2023 SAG Groups (cont.)

▶ SAG Steering Committee

- ❖ Generally holds two meetings per year; members include utility representatives and non-financially interested stakeholders that signed 2022-2025 EE Plan stipulated agreements with individual utilities
- ❖ The purpose is to provide substantive feedback to the SAG Facilitator on: (1) annual SAG Plans; and (2) progress towards meeting annual SAG Plan goals to ensure that the time spent on SAG is as productive and valuable as possible

2023 Large Group SAG Schedule*

▶ First Quarter

- ❖ March 21-22

▶ Second Quarter

- ❖ May 2-3

▶ Third Quarter

- ❖ July 11-12
- ❖ September - annual Net-to-Gross Update Process (4 meetings)

▶ Fourth Quarter

- ❖ November 14-15
- ❖ December 5-6 - annual meetings for evaluators to present draft evaluation plans

**A separate schedule is in development for Working Groups and Subcommittee meetings in 2023, and will be reviewed by participants in those groups - a full SAG schedule for the year will be posted on the SAG website*

2023 Large Group SAG Topics

- ▶ Utilities report-out on the progress of energy efficiency portfolios twice per year
- ▶ Introduction to equity metrics (presentations from ACEEE and University of Michigan)
- ▶ Leveraging / integrating other energy efficiency opportunities with utility EE programs (such as federal funding)
- ▶ Report-out on EE research initiatives / results
- ▶ Energy efficiency opportunities
 - ❖ Are there any successful or innovative energy efficiency initiatives from other jurisdiction(s) that should be shared with SAG in 2023, to help inform future EE portfolio planning?
- ▶ Other EE topics, as needed

SAG Working Groups

Evaluation Working Group

- ▶ **Purpose:** To discuss evaluation questions that are more technical in nature and may not be of interest to all large group SAG participants
- ▶ **Working Group Website:** <https://www.ilsag.info/evaluation-working-group/>
- ▶ **2023 Topics:** None at this time
- ▶ **Meeting Timing:** Scheduled as-needed

Greenhouse Gas Savings Working Group

- ▶ **Purpose:** To discuss greenhouse gas (GHG) savings, including 1) defining approaches for calculating GHG savings from energy efficiency measures and programs and 2) addressing how electric and gas utilities in Illinois will communicate GHG impacts to the ICC
- ▶ **Background:** Nicor Gas raised in questions in 2022 as part of the Policy Manual update process; discussion moved to 2023, outside of the Policy Manual
- ▶ **Working Group Website:** Coming soon
- ▶ **2023 Topics:**
 - ❖ Introduce questions related to GHG savings; discuss potential resolution; determine if there are non-consensus issues
- ▶ **Meeting Timing:**
 - ❖ Early fall 2023, after Policy Manual V3 is submitted to the ICC for approval

Market Transformation Savings Working Group

- ▶ **Purpose:** To provide a forum for utilities and stakeholders to discuss Illinois market transformation initiatives, and the data/approach proposed to be used for savings protocols
 - ❖ **What is “market transformation”?**
 - Illinois definition: “Market transformation is the strategic process of intervening in a market to create lasting change that results in the accelerated adoption of energy efficient products, services and practices.”
 - Intervention activities that seek to impact the long-term EE market, such as working directly with manufacturers, engaging with government agencies on test procedures, etc.
- ▶ **Background:** Established in 2019 to reach agreement on a framework for market transformation savings, to be included in IL-TRM Version 8
 - ❖ Since 2019, MT Working Group meetings have focused on discussing MT policy issues, progress on IL MT initiatives, MT evaluation
- ▶ **Working Group Website:**
https://www.ilsag.info/mt_savings_working_group/

Market Transformation Savings Working Group (cont.)

▶ 2023 Topics:

- ❖ Updates on utility MT initiatives, which may include Building Performance Standards, Luminaire Level Lighting Controls, Retail Products Platform, Gas Heat Pump Water Heaters, Thin Triple Pane Windows
- ❖ When needed, discuss how utilities may claim savings from market transformation initiatives

▶ Meeting Timing:

- ❖ **Q1 Meeting:** Wednesday, March 8
- ❖ Additional meetings TBD, pending feedback on when MT initiatives will be ready for discussion

Non-Energy Impacts Working Group

- ▶ **Purpose:** To discuss results from Illinois non-energy impact (NEI) studies
 - ❖ **What are “non-energy impacts”?**
 - Impacts of energy efficiency programs other than energy and bill savings - can be positive or negative (though usually positive)
 - Examples: indoor air quality / health benefits; comfort of the home; reduced operation or maintenance costs
- ▶ **Background:** Established in 2018 to discuss NEI research plans and draft research results from Illinois NEI studies, as well as defensible methodologies to use across the state related to calculating non-energy impacts
 - ❖ Meetings to date have focused on discussing NEI research plans, results and study methodologies, including economic impact methods
 - ❖ Since 2020, limited number of meetings held to discuss progress updates on NEI studies
- ▶ **Working Group Website:** <http://www.ilsag.info/nei-working-group>

Non-Energy Impacts Working Group (cont.)

▶ **2023 Topics:**

- ❖ Evaluators for Ameren Illinois and ComEd present final results on income qualified participant NEI research studies
- ❖ Discuss methods used for annual economic impact reports; whether / when any changes are needed

▶ **Meeting Timing:** Two meetings in Q4 (October and December)

SAG Potential Study Working Group

- ▶ **Purpose:** To discuss development of, and stakeholder input on, an energy efficiency baseline and potential study to inform future utility Energy Efficiency Portfolio Plans
- ▶ **Background:** Established in late 2022; participation in this Working Group is limited to utilities funding the energy efficiency potential / baseline study and non-financially interested stakeholders
 - ❖ Participation is limited because the Working Group is discussing development of a Request for Proposals (RFP) for the study; as the study progresses, the Working Group may also discuss modeling and assumptions that are confidential
 - ❖ Once draft study results are available (anticipated Q1 2024), results will be presented to the large group SAG
- ▶ **Working Group Website:** <https://www.ilsag.info/potential-study-working-group/>
- ▶ **2023 Topics:** Discuss draft scope, RFP, and study progress
- ▶ **Meeting Timing:** Throughout 2023

SAG Reporting Working Group

- ▶ **Purpose:** To discuss utility reporting on EE portfolios, as needed
- ▶ **Background:** Quarterly and Annual reporting requirements described in the Policy Manual
 - ❖ See Section 6.5 - Program Administrator Quarterly Reports and Section 6.6 - Annual Summary of Activities
 - ❖ Utilities file quarterly reports with the ICC, and share with SAG for posting on the [Utility Reports page](#); links to reports are circulated to SAG following each quarter
 - ❖ Utilities use statewide reporting templates - available on the [SAG Templates page](#)
- ▶ **Working Group Website:** www.ilsag.info/reporting-working-group
- ▶ **2023 Topics:** Several “reporting principles” proposed by stakeholders are being discussed through the SAG Policy Manual update process; the Reporting Working Group plans to use these final principles to develop metrics in specific topic areas in 2023
- ▶ **Meeting Timing:** Q2 - Q4, with the goal of resolving metrics by end of the year

SAG Subcommittees

Equity Subcommittee

- ▶ **Purpose:** To discuss topics related to equity in EE portfolios
- ▶ **Background:** Established in 2022; this was a directive from several of the utility 2022-2025 EE Plan Stipulated Agreements
 - ❖ Coordinate with IQ EE Committee and hold joint meetings, as needed
- ▶ **Subcommittee Website:**
<https://www.ilsag.info/meetings/subcommittees/equity-subcommittee/>
- ▶ **2023 Topics:**
 - ❖ Updates on launch and progress of market development initiatives (MDI) from northern IL utilities (ComEd, Nicor Gas, PG/NSG)
 - ❖ Progress updates on Ameren Illinois MDI
 - ❖ Progress on Champaign County Regional Planning Commission (CCRPC tool) used for Ameren Illinois EE programs
- ▶ **Meeting Timing:** Quarterly, at a minimum

Network Lighting Controls Subcommittee

- ▶ **Purpose:** To discuss the progress of measures associated with network lighting controls (NLC) with Ameren Illinois, ComEd and interested stakeholders, including strategies for accelerating adoption of networked lighting controls, luminaire level lighting controls, and other related measures
 - ❖ **What are network lighting controls?**
 - Controls for commercial properties that combine LEDs, controls, connectivity and data for a flexible lighting system that can improve occupant comfort and space utilization; strategies include occupancy sensing, daylight harvesting, continuous dimming and more
- ▶ **Background:** Established in 2022, referenced in both the Ameren Illinois and ComEd 2022-2025 EE Plan stipulations
- ▶ **Subcommittee Website:**
<https://www.ilsag.info/meetings/subcommittees/network-lighting-controls-subcommittee/>

Network Lighting Controls Subcommittee (cont.)

▶ 2023 Topics:

- ❖ Ameren Illinois and ComEd present progress updates on NLC measures in 2022
- ❖ Mid-year check-in on NLC measure updates from Ameren Illinois and ComEd; if needed, discuss any major updates from utilities across the country on NLC measure offerings

▶ Meeting Timing:

- ❖ Two meetings planned - March and September

Policy Manual Subcommittee

- ▶ **Purpose:** To reach agreement on Policy Manual Version 3.0
- ▶ **Background:** Creation of Policy Manual Version 1.0 directed by ICC to SAG in 2014; first version of the Policy Manual filed with ICC for approval in 2015
 - ❖ Policies can help ensure compliance, give guidance for decision-making, define objectives, streamline processes and procedures
 - ❖ Since the first version, there have been three updates-> Version 1.1 (minor legislative changes due to Future Energy Jobs Act in 2016); Version 2.0 (Subcommittee update process); and Version 2.1 (minor legislative changes due to Climate and Equitable Jobs Act in 2021)
 - ❖ Policy Manual typically updated every 3-4 years
 - ❖ Version 3.0 Policy Manual update process began in June 2022
 - ❖ Current Policy Manual: [Illinois Energy Efficiency Policy Manual Version 2.1](#)
- ▶ **Subcommittee Website:**
<https://www.ilsag.info/meetings/subcommittees/policy-manual-version-3-0-subcommittee/>

Policy Manual Subcommittee (cont.)

▶ 2022 / 2023 Activities and Process:

- ❖ Proposed policies for consideration in the Policy Manual update were due in June 2022
- ❖ Two kick-off meetings held in 2022 (June and August)
- ❖ Monthly meetings to discuss proposed policies began in September 2022
- ❖ Goal is to reach conceptual agreement with non-financially interested parties in April 2023
- ❖ Goal is for ICC Staff to file the updated Policy Manual with the Commission for approval by end of June 2023

▶ **Meeting Timing:** Monthly through April 2023; additional monthly meetings will be scheduled if needed

2023 Updates to SAG Process Guidance

- ▶ The **SAG Process Guidance Document** describes guiding principles, process rules, and roles and responsibilities of SAG participants, to foster communication and productive discussion at SAG
 - ❖ Developed in 2018; updated on an as-needed basis
- ▶ **2023 Edits**
 - ❖ ***Added Meeting Format:*** “To encourage open and collaborative discussion, SAG meetings are not recorded. Instead, meeting notes and follow-up items are circulated to participants following each meeting. Unless a meeting may include discussion of a confidential topic, meeting notes are also posted on the SAG website.”
 - ❖ ***Added conflict example to “Financial Conflict of Interest” Policy:*** Topics that may present a financial conflict of interest include... “Final consensus to resolve policy issues, including but not limited to final negotiations in the Illinois Energy Efficiency Policy Manual update process.”
 - The definition of “non-financially interested parties” has been raised in the Policy Manual process - if edits are needed in the SAG process document, it will be updated after the Policy Manual is finalized

Request for Feedback

SAG Planning Documents

- ▶ Questions, comments, and proposed redline edits on the final draft 2023 SAG Plan and SAG Process Guidance document due **by COB on Thursday, January 26**
 - ❖ Send questions, comments and proposed edits directly to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com
 - ❖ Documents will be finalized by Tuesday, January 31 and posted on the SAG website

Distribution List Updates

- ▶ There is a separate distribution list for the Large Group SAG, each Subcommittee, and each Working Group
- ▶ Contact Celia Johnson to join any of the 2023 Subcommittee or Working Groups

Q&A

▶ SAG Facilitator - Celia Johnson

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