

Annette Beitel Comments on IL-TRM Administrator Role
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I. Proposed Facilitator Role

- **TRM Facilitator facilitates:**
 - Ensures all interested parties are aware of issue (provides sufficient notice)
 - Ensures all interested parties can provide input (due process)
 - Ensures each parties positions *and rationale for position* clearly stated and understandable to all parties
 - Positions need to be understandable to educated but non-technical people.
 - Makes reasonable attempt to broker consensus, which could include facilitator suggesting compromise positions (which don't necessarily reflect the *facilitator's* desired position but is a reasonable position that could be a compromise between various parties based on evidence-based information.)
 - Early on (not at back end), produces "Comparison Exhibit" to clearly document areas of agreement and areas of disagreement plus rationale for each
 - Comparison Exhibits are used and useful tools in reaching settlements because they help parties understand each other's position.

- **TRM Facilitator does *not* provide "independent" judgment on the "right" answer + the "myth" of independence**
 - TRM processes do not require one entity to opine on what is "technically" correct
 - Reasonable people, including engineers, disagree on technical issues on a regular basis
 - TRM provides *forecast* values. By its very nature, developing forecast values requires making assumptions about the current market conditions, future market, including future market conditions, etc. . Many assumptions go into developing forecast values, and many of the assumptions are not just "engineering equations" and "hard data" but individual judgment. More below.
 - Reasonable TRM *forecast* values are comprised of multiple inputs, including equations, assumptions about reasonable parameter values (which may include measured data), assumptions about market conditions and market impact, etc.
 - Forecast values are *not* just comprised of engineering equations. They are "built up" using a broad range of data and information that involve judgment, and one single person does not necessarily have the correct "judgment" even if they are deemed "independent." That single person may not really know much about the market or other parameters that involve judgment if they don't have considerable experience with the market and/or measure, which no one person does.
 - Future forecast values for IQ measures need to meaningfully consider input from the IQ committee to ensure the final values are technically accurate and grounded in a correct understanding of the market and other factors that could impact savings and other key parameters.
 - Although engineers have dominated the TRM process, engineers do not necessarily have the most accurate judgment on all matters used to "build up" forecast values.
 - I strongly disagree with notion that an engineer's judgment is "technical" and the input from others is "fluff," particularly when it comes to markets and/or

the “real world” application of measures in emerging markets (such as IQ context) that the engineer may not have extensive experience with.

- NOTE that the IL TRM has very few circumstances where input parameters to measures reflect IQ market realities, such as existing efficiencies, EULs, customer behavior, etc.
- Thus, in IL, IQ measure development is “underdeveloped” and VEIC may not have “superior” judgments as to what is “best available data” even if VEIC is “independent.” Also, everyone has biases . . .no one is truly independent.

II. Proposed Process

- Adequate notice which includes very clear and succinct description of any new measure or proposed changes to a measure
- All parties who are interested in measure given opportunity to comment
- Facilitator ensures all positions clearly stated in “relatable language” along with rationale
- Facilitator tries to broker consensus, and produces “Comparison Exhibit” early on if consensus not relatively easy to reach
- If facilitator cannot produce consensus after reasonable period of time, “non-consensus” issues go to Commission for resolution along with very clearly drafted “Comparison Exhibit.”