Estimating Savings in 2020 Due to COVID-19 Pandemic – SAG Comments Received

Background: A small group SAG meeting was held on June 11 to discuss evaluation impacts due to COVID-19. The evaluation teams presented three options for estimating savings due to the pandemic. A request for feedback was circulated to participants following the meeting.

*Option 1: Normalize savings for all years of EUL (recommended by evaluators)
*Option 2: Do not normalize savings in CY2020; normalize other years of EUL
*Option 3: Do not normalize savings in a year of EUL

SAG Participant	Option Preferred	Rationale
Ameren Illinois	Option 1	*Agrees with evaluation team rationale
ComEd	Option 1 (exception - no normalization for Home Energy Reports Program)	*Agrees with evaluation team rationale *Statewide evaluator in Pennsylvania made a similar decision, normalization with an exception for Home Energy Reports
Evaluation Teams (Guidehouse and Opinion Dynamics)	Option 1	*Does not reward or penalize the utilities for higher or lower CY2020 or lifetime savings than expected due to the pandemic *Measures deemed in TRM will effectively be normalized and this option avoids inconsistency *Option 1 would put the fully deemed and custom calculated savings on a level playing field, as those measures fully deemed by the TRM will not have their savings affected by the pandemic
Illinois Attorney General's Office	Option 2	*Interested in utility programs reflecting accurate savings estimates *Concerned about ignoring pandemic impacts to savings, in particular due to the potential for electric utility performance incentives
Natural Resources Defense Council	Option 1	*Agrees with evaluation team rationale *Savings claims have always been relative to best estimates of what they will be on average over time because that is the best way to account for the long-term benefits of energy efficiency. We don't bump savings up when the economy is booming and efficient equipment is running longer, so it makes no sense to bump them down when the economy is flagging because of Covid. Nor do we bump cooling savings up when the summer is hotter than normal or down when the summer is cooler than normal. We normalize for these things so that we get reasonable averages over time. The result is that savings achievement is less lumpy, as well as better tied to what the utility can control in their programs. *Option 2 will not necessarily lower [electric utility] incentive payments. While it may lower them in 2020 because of assumed lower savings in that year, the reversion back to "normal" levels of savings in 2021 and years after for the measures installed in 2020 will be recorded as extra savings achieved in 2021. That will make it easier for the utilities to exceed goals in 2021 and earn a bonus in that year as a result.
Nicor Gas	Option 1	*Agrees with evaluation team rationale
Peoples Gas & North Shore Gas	Option 1	*Agrees with evaluation team rationale