

Introduction to May 31 Policy Manual Meeting + Policy Background

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May 31, 2023 Meeting

Process Reminder

- ▶ **The Policy Manual update process kicked off in June 2022, when policy proposals were due**
 - ❖ This is an opportunity to collaborate on EE policy development
 - ❖ One of SAG’s “Guiding Principles” is to participate in consensus discussions in good faith
 - ❖ Compromise will be needed from all participants

- ▶ **Timing Reminder**
 - ❖ Progress is needed in order to finalize the Policy Manual for filing this summer
 - ❖ There are several other SAG activities that will not take place until the Policy Manual is finalized:
 - Discussing metrics related to the IQ reporting principle policies (finalize by end of 2023)
 - Discussing GHG savings questions (finalize by end of 2023, or identify non-consensus issues)
 - Develop + finalize plan for 2024 SAG Portfolio Planning Process

Effective Dates

- ▶ Throughout the Policy Manual update process, participants have proposed a variety of effective dates for policies
 - ❖ For Policy Manual Version 2, there were two effective dates: January 1, 2020 and January 1, 2022 (the start of the next EE Plan)
 - ❖ Effective Date Options for the Version 3 process ->
 - January 1, 2024
 - January 1, 2026 (the start of the next EE Plan)
 - Other?
 - ❖ Effective dates need to be finalized before the Policy Manual is submitted to the ICC for approval
 - ❖ Goal is to agree on all policies + effective dates by end of June

Steps to Finalize the Policy Manual

▶ **June: Conclude policy discussions**

- ❖ Discuss follow-up on any remaining open items by end of June
- ❖ Discuss whether any policy issues remain non-consensus, and whether a non-consensus comparison exhibit will be filed when the Policy Manual is submitted to the ICC for approval
- ❖ As policies reach “final draft” form, they are posted on the [Policy Manual Subcommittee webpage](#) - policies highlighted in yellow in the Policy Tracker are considered “final draft”
- ❖ SAG Facilitator will incorporate redline edits for all “final draft” policies, to share with Writing Committee

▶ **July: Writing Committee / Attorney Review Meetings**

- ❖ The purpose of convening a Policy Manual Writing Committee after policies are finalized, before filing the Policy Manual with the ICC, is to ensure final policy language has a consistent voice, “look and feel”, and content, avoiding substantive edits
- ❖ Writing Committee is open to non-financially interested attorney participants and ICC Staff
- ❖ Final Policy Manual circulated to Subcommittee for “errors only” review

▶ **August: File Policy Manual with ICC**

June Meetings

- ▶ **Policy Small Group Meeting - IQ Policy Follow-up: Thurs. June 1 (2:30 - 4:30 pm)**
 - ❖ Goal is to reach “final draft” agreement on remaining open IQ policies: 1) NTG for Disadvantaged Areas; 2) Diverse Contracting Reporting; and 3) Equity and Affordability Reporting
- ▶ **SAG Equity Subcommittee / Joint IQ North and IQ South EE Committee Meeting: Wed. June 7 (9:30 am - 12:30 pm)**
 - ❖ Introduce IQ policies that will be included in Policy Manual
 - ❖ Opportunity for written feedback after the meeting - due by Wed. June 21
 - ❖ *NOTE: The June 7th meeting depends on the outcome of the June 1st Policy Small Group meeting*
- ▶ **Policy Manual Subcommittee Meeting: Wed. June 21 (9:30 am - 12:30 pm)**
 - ❖ Follow-up from prior meetings
 - ❖ Discuss comments on administrative edits
 - ❖ Discuss process next steps, including whether a non-consensus comparison exhibit will be filed
- ▶ **Policy Manual Subcommittee Meeting: Tues. June 27 (9:30 am - 12:30 pm)**
 - ❖ Discuss comments received from IQ Committee
 - ❖ Confirm final effective dates
 - ❖ Goal is for this to be a PENCILS DOWN meeting - final Policy Manual discussion

Additional Open Items

- ▶ **CPAS Goal Setting:** This is a ComEd policy proposal - small group met twice and is reviewing edited language
 - ❖ **Next Step:** This policy may not be included in Policy Manual, but will be finalized in the same timeframe (by end of June)
- ▶ **Policy Manual Section 8 Edits:** To follow-up on a Subcommittee discussion, a small group proposed edits to Policy Manual Section 8, to reflect “costs as costs and benefits as benefits”
 - ❖ Edits were circulated to the Subcommittee for review, with comments due Feb. 8th
 - ❖ Blacks in Green and Peoples Gas/North Shore Gas submitted comments; the Small Group is working to incorporate minor edits
 - ❖ **Next Step:** An updated redline with minor edits will be circulated to the Subcommittee soon for review/comment; follow-up in June 21 meeting, if needed
- ▶ **Administrative Edits:** There are several edits that are administrative / minor, listed in the Policy Tracker
 - ❖ **Next Step:** SAG Facilitator will incorporate in redline and circulate for review soon; follow-up in June 21 meeting, if needed

May 31 Policy Topics

Background on Renewable Energy Policy

- ▶ Guidehouse policy proposal - allowing renewable measures under EE programs
- ▶ This policy question was first presented to the SAG Evaluation Working Group in summer 2021
- ▶ A memo was circulated to SAG for comments in November 2021
- ▶ SAG Facilitator recommended waiting until the Policy Manual process to discuss finalizing the policy
- ▶ **During today's meeting:** Guidehouse will present an updated version of the policy proposal

Background on Nicor Gas Electrification Proposals

- ▶ Nicor Gas presented two electrification policy proposals, discussed at the January and February meetings
 - ❖ Interested Subcommittee participants shared written feedback on electrification proposals following the January meeting
 - ❖ Following the February meeting, Nicor Gas agreed to consider feedback, including whether to propose higher level policies
 - ❖ **During today's meeting:** Nicor Gas will present higher level policy proposals on *electrification bill impact calculations* and *electrification savings verification*
- ▶ Joint stakeholders proposed a policy on interactive effects between measures
 - ❖ The stakeholder proposal was discussed in October, with follow-up discussion in Nov., Dec. and Jan. - following the Jan. meeting, the policy was labeled “final draft”
 - ❖ **During today's meeting:** Nicor Gas will present additional edits

Background on ICC Staff Prohibited Expenses Proposal

- ▶ “Prohibited Expenses” is an existing Policy Manual policy
- ▶ ICC Staff submitted several proposed edits to the Prohibited Expenses policy in June 2022, as one of the policies to be considered in the Policy Manual update process
- ▶ One of the proposed edits is an issue in an open docket (incentive compensation), therefore will not be discussed in this Policy Manual process
- ▶ **During today’s meeting:** ICC Staff is proposing an updated version of the policy proposal regarding edits to the Prohibited Expenses policy