

Introduction to July 11 Policy Manual Meeting + Policy Background

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July 11, 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

Process Reminder

▶ Today is meeting #15 of the Policy Manual Subcommittee

- ❖ In addition, there have been 15 Policy Small Group meetings to follow-up on various policies
- ❖ This group has made great progress!
 - There is one more Subcommittee meeting scheduled
 - Goal is to finish policy discussions in July + file the Policy Manual with the ICC for approval **by end of August**
- ❖ There are several other SAG activities that will not take place until the Policy Manual is finalized:
 1. SAG Reporting Working Group to discuss metrics related to the IQ reporting principle policies (finalize metrics by end of 2023)
 2. SAG Greenhouse Gas (GHG) Savings Working Group to discuss GHG savings questions (finalize by end of 2023, or identify non-consensus issues)
 3. SAG Facilitator to develop, request feedback on, & finalize plan for 2024 SAG Portfolio Planning Process

Steps to Finalize the Policy Manual: July

- ▶ **Tues. July 11 Policy Manual Meeting:**
 - ❖ Discuss next steps for Section 8 comments
 - ❖ Follow-up on electrification proposals from Nicor Gas, Peoples Gas & North Shore Gas
 - ❖ Follow-up on ICC Staff prohibited expenses policy
 - ❖ Discuss proposed effective dates
- ▶ **Thurs. July 13 Small Group Meeting:**
 - ❖ Follow-up discussion on renewable energy policy proposal
- ▶ **Mon. July 17 Deadline:**
 - ❖ Feedback on IQ policies due from SAG Equity Subcommittee, IQ North Committee and IQ South Committee
- ▶ **Wed. July 19 Policy Manual Meeting:**
 - ❖ Policy Manual Subcommittee to discuss feedback received on IQ policies + finalize IQ policies
 - ❖ Final follow-up on policies and effective dates, if needed
- ▶ **After Final July Meeting:**
 - ❖ SAG Facilitator will incorporate redline edits for all “final draft” policies, to share with Writing Committee

Steps to Finalize the Policy Manual: August

▶ 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
- ❖ Two meetings anticipated in August
- ❖ **If you are an attorney and want to participate in the Writing Committee, reach out to me ASAP**
- ❖ Following Writing Committee meetings, final Policy Manual circulated to Subcommittee for “errors only” review

▶ File Policy Manual with ICC for approval by end of August

Next Steps for Policy Manual Section 8 Comments

- ▶ Section 8 of the current Policy Manual Version 2.1, Total Resource Cost Test, was edited by a small group earlier this year
 - ❖ Purpose of edits is to reflect “costs as costs” and “benefits as benefits”
 - ❖ The need for these edits was discussed by the Subcommittee in fall 2022
- ▶ Feedback
 - ❖ The first round of feedback on redline edits was due in February
 - ❖ Minor feedback was incorporated from feedback received in Feb. - the final round of feedback was due July 10

Next Steps for Policy Manual Section 8 Comments

- ▶ Peoples Gas & North Shore Gas proposed edits related to updating the definition of “financial incentives” to include non-EE program funds that a utility uses to encourage customers to participate in EE programs: [Peoples Gas & North Shore Gas Section 8 Comments \(see green edits on pages 6-7\)](#)
 - ❖ **Explanation/Rationale:** This is important when a utility plans on using funds from the Electric Vehicles (EV) Act/Beneficial Electrification plan to electrify buildings and claim those savings as energy efficiency savings. Including EV Act/BE plan incentives in the cost-effectiveness calculations allows the full picture of the costs of EE electrification measures to be reflected.
 - ❖ **Next Steps:** SAG Facilitator recommends not discussing beneficial electrification since there is an appeal pending in the ComEd Beneficial Electrification ICC docket - if needed, this can be raised in the future

July 11 Policy Topics

Electrification Follow-Up: Bill Impacts

- ▶ At the June 27 meeting:
 - ❖ Nicor Gas walked through comments received on their Bill Impacts Policy Proposal
 - ❖ Peoples Gas & North Shore Gas presented a compromise proposal on bill impacts, which replaces their previous fuel switching proposal
- ▶ Following the June 27 meeting:
 - ❖ The gas utilities worked together to combine the proposals, and incorporate feedback
- ▶ **During today's meeting:** Nicor Gas, Peoples Gas & North Shore Gas will present an updated joint bill impacts proposal
 - ❖ Discuss feedback and the proposed effective date
 - ❖ Goal is to reach agreement today

Electrification Follow-Up: Savings

- ▶ Nicor Gas presented higher level *electrification energy consumption reduction policy* at the May 31 meeting, requesting written feedback
- ▶ Due to time constraints, follow-up was not discussed on June 27
- ▶ **During today's meeting:**
 - ❖ Nicor Gas will walk through comments submitted
 - ❖ Discuss feedback and the proposed effective date
 - ❖ Goal is to reach agreement today

Prohibited Expenses Follow-Up

- ▶ “Prohibited Expenses” is an existing Policy Manual policy
 - ❖ ICC Staff presented an updated version of the policy proposal on May 31
 - Written feedback was requested
 - Feedback was submitted by Ameren Illinois and Nicor Gas
 - ❖ Policy Manual Subcommittee discussed updated policy on June 27
 - ❖ ICC Staff proposes additional edits to follow-up on the June 27 meeting
- ▶ **During today’s meeting:**
 - ❖ Discuss updated policy edits from ICC Staff and the proposed effective date
 - ❖ Goal is to reach agreement today

Proposed Effective Dates

- ▶ Policy effective dates need to be finalized
 - ❖ 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 Version 3
 - January 1, 2024 (the majority of policy proposals include this proposed effective date)
 - January 1, 2026 (the start of the next EE Plan)
 - Other?
- ▶ The Policy Status Table includes all proposed effective dates
 - ❖ This was circulated for review following the June 27 meeting
- ▶ **During today's meeting:**
 - ❖ Discuss any questions or concerns about proposed effective dates
 - ❖ Decide whether follow-up is needed