

# IL EE Stakeholder Advisory Group Large Group SAG Meeting

Tuesday, November 12, 2019

9:30 am – 12:00 pm

**Teleconference**

## **Attendee List and Meeting Notes**

### **Attendees (by webinar)**

Celia Johnson, SAG Facilitator

Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support

Laura Agapay-Read, Navigant

Charles Ampong, Navigant

Tyler Barron, Environmental Law & Policy Center

Rick Berry, Navigant

Brian Bowen, Uplight

David Bryant, No Organization

James Carlton, People for Community Recovery

Jane Colby, Cadmus Group

Andrew Cottrell, Applied Energy Group

Erin Daughton, ComEd

Leanne DeMar, Nicor Gas

Sam Dent, VEIC (IL-TRM Administrator)

Jeff Erickson, Navigant

Jim Fay, ComEd

Jason Fegley, Leidos

Julia Friedman, Oracle

Omayra Garcia, Peoples Gas & North Shore Gas

Kevin Grabner, Navigant

Andrey Gribovich, DNV-GL

Mary Ellen Guest, Chicago Bungalow Association

Randy Gunn, Navigant

Vince Gutierrez, ComEd

Jan Harris, Navigant

Travis Hinck, GDS Associates

Cheryl Jenkins, VEIC (IL-TRM Administrator)

Haley Keegan, Resource Innovations

Anna Kelly, Power Takeoff

Ryan Kroll, Michaels Energy

Chelsea Lamar, Navigant

Bruce Liu, Nicor Gas

Karen Lusson, National Consumer Law Center

Rebecca McNish, ComEd

Nishant Mehta, Navigant

Abby Miner, IL Attorney General's Office  
Jennifer Morris, ICC Staff  
Phil Mosenthal, Optimal Energy, on behalf of IL Attorney General's Office  
Chris Neme, Energy Futures Group, representing NRDC  
Rob Neumann, Navigant  
Theo Okiro, Future Energy Enterprises  
Randy Opdyke, Nicor Gas  
Patricia Plympton, Navigant  
Alberto Rincon, Future Energy Enterprises  
Ramandeep Singh, ICF  
Erin Stitz, Applied Energy Group  
Mark Szczygiel, Nicor Gas  
Evan Tincknell, Opinion Dynamics  
Taso Tsiganos, IL Attorney General's Office  
Cate York, Citizens Utility Board  
Arvind Singh, DNV-GL  
Chris Vaughn, Nicor Gas  
Janie Boman, Embertec  
Ian Champ, CLEAResult  
Larry Dawson, IL Association of Community Action Agencies

## **Meeting Notes**

### **Open Policy Question: Non-Qualified Equipment (Rick Berry, Navigant)**

- This issue comes up the ComEd standard business program; it comes up once or twice per year. It has affected rather large projects in the past.
- There is a lack of objective guidance on how evaluators should consider program requirements during verification of non-TRM measures.
- Savings occur but measures don't meet program requirements. How should evaluators treat these scenarios when verifying savings?
- See IL-TRM Policy Document (savings verification) – doesn't address situations where measures implemented don't meet program requirements and are not in TRM.
- Issue occurs infrequently but regularly, once or twice a year, and for rather large projects
- Can move the needle in terms of impact evaluation.
- Important to reach agreement because issue will arise again in CY 2020
- "Program requirements" refers to equipment efficiency requirements, limitations to equipment, etc., essentially anything related to
- In all scenarios, the measure is generating some amount of energy savings.
- Chris Neme: Why do we care if a measure is not qualified under the definition of the program? The purpose of EE program design is to guide a structured approach to acquiring savings. If evaluators can demonstrate savings are being produced, isn't that enough? The fact that measures installed were non-compliant with program design may be a useful process evaluation
  - This is a valid question. Navigant is interested in guidance so there is no question.
  - There are cases where it can go either way - savings may be less, but they may also be greater.

- Phil Mosenthal: It may also be useful to get clarification on IL-TRM measures as well.
- Jennifer Morris: Are projects evaluated on a custom basis in this scenario?
  - Yes
- Example: Customer has received an incentive for the project and had a typical program participant experience, however the project should have been rejected according to requirements. Measure is generating energy savings.

**Scenario A: A technology that is not incented through the program.**

- This is for a project that could have gone custom but didn't. There are additional details that are unknown to us – since there was no custom application submitted.
- Some measures have pre-approval, some do not.

**Scenario B: An ineligible application of program technology.**

- The question is how to evaluate a project that we don't have all of the data for. This is a limitation of this scenario. It becomes difficult to verify savings.
- In this scenario we don't know for sure if it would have qualified as custom.
- Rick Berry: In this case we could take a more conservative approach; zero savings doesn't seem fair.
- The customer application will go through a preapproval process. Ideally these measures get caught and communicated to customer that the measure doesn't meet criteria. If it doesn't get caught, we can choose to deny the customer or accept that it's energy savings. In the preapproval process, the potential project is reviewed. Sometimes, the preapproval process doesn't outline the project correctly
- Andrey Gribovich: For custom projects you have to have a good understanding of previous conditions. What was in place isn't always easily accessible. Ideally the application would have gone through the custom program.
- Phil Mosenthal: In the end what we care about is portfolio savings. If a measure should have gone into a different program but the application wasn't submitted in the right one, we should still be counting the savings. I would rather error on the side of giving the savings than zero-ing it out. However, we may want to remove a project like this from the savings sample, such as for determining the realization rate.
- Chris Neme: Could a project like this be moved into custom for evaluation purposes?
  - Erin Daughton: We have looked at doing this in various cases, but in general it ends up with a disproportionate incentive effect.
  - Chris Neme: We are interested in this for evaluation purposes, not changing the incentive the customer receives.
  - Jeff Erickson: Some of this may happen at the 11<sup>th</sup> hour; it may disrupt our ability to line up our savings numbers.
- Phil Mosenthal: It's important to identify in the report that you found x number of projects that shouldn't have been qualified.

**Scenario C: Equipment fails to meet savings-related criteria.**

- No questions.

**Scenario D: Equipment fails to meet criteria inconsequential to energy savings.**

- Navigant is concerned about removing this type of project from the 'sample.' We could treat this on a case by case basis if we are talking about a large amount of savings (such as millions of kWh).
- Celia Johnson: You mentioned this comes up in the ComEd standard business program; have the evaluators experienced this issue in other utility programs?

- This will come up in a minority of prescriptive programs.
- Karen Lusson: Interested in additional background information.

### Next steps:

- SAG participants are in favor of including these savings. Navigant to draft proposed resolution and send to Celia for circulation to SAG for 10 Business Day review/comment.
- The issue needs to be finalized in time for the 2020 evaluation process to begin in late January.

## ComEd 2020 Evaluation Plan (Jeff Erickson, Navigant)

### Overview of 2020 Evaluation Plan

- Written draft evaluation plan is anticipated to be circulated on December 9 for review.
- Navigant is completing impact evaluations for all ComEd programs.
  - Combined Heat and Power will be reported through custom, instead of as a separate program.
- Research (See presentation for list of programs and pilots)
  - Business programs (18)
  - Income Eligible (8)
  - Residential programs (8)
  - Pilots (5)
  - Voltage Optimization
- Impact evaluations are either
  - TRM based; verifying data and calculations consistent with Navigant and ComEd (Majority of Res, IQ & Pilot)
  - Model-based for custom projects
  - Regression-based – home energy reports + voltage optimization
- NTG research – we will not conduct NTG analysis on all programs.
  - NTG research planned for 5 business programs, 1 Income Eligible (TBD), 4 Residential & 1 pilot (process and market related issues).
  - Income Eligible product discounts – a discussion needs to be scheduled with SAG to discuss whether we do NTG research on this program.
- Process analysis (See presentation for specific programs to be analyzed)
  - Business – operational efficiency and third-party programs because they're new
  - Residential elementary education
  - Pilot – Commercial Geothermal advancement
  - Continuing research on IQ programs
- Chris Neme: For income eligible evaluations, what type of questions are you hoping to answer?
  - Chelsea Lamar: For single family, we completed a process evaluation in 2018. We talked to participants in the Chicago Bungalow Association program component. We asked about additional opportunities for energy savings, satisfaction level, how they interacted with the program, etc. This evaluation is a continuation of that effort with evaluation of Chicago Vintage Association and IHWAP channel. Last year we also talked to Community Action Agencies, so that is not happening in this year's evaluation.
  - Chris Neme: I wonder if there is more that should be evaluated in the IHWAP channel – such as improving how customers are served, avoiding confusion in the marketplace, etc. This seems like something a process evaluation may be able to address. I think this may be useful for both single family and multi-family.

- Celia Johnson: There is a SAG meeting scheduled in January to discuss IHWAP (weatherization) program challenges.
  - Jeff Erickson: We could potentially add a question to the survey.
  - Karen Lusson: Parallel utility programs may or may not include measures included in IHWAP Wx programs. Is the utility program the best for the customer if/or they could've gotten more elsewhere?
- Chris Neme: Will there be NEI questions addressed in the evaluations?
  - Patricia Plympton: We have asked screening questions, in particular with Public Housing Authority participants. We are planning NEI-specific surveys for single family and multifamily participants.
- Pilot-Level Impact Evaluations Planned for 2020
  - Adsorbent Air Cleaner- for a possible TRM update
  - Commercial Geothermal Advancement- for a possible TRM update
  - Upstream Commercial Food Service Equipment- for a possible TRM update
  - Income Eligible Program Design- to verify savings
  - Savings for Income Eligible Seniors- to verify savings
- For the Income Eligible program design evaluation, ComEd is working with pilot partners and selecting different communities to help community leaders get the message out.
  - Chris Neme: Is your role savings verification or success in successfully implementing a new delivery channel?
    - Savings verification.
- Lighting: Depending on timing, there is an agreement to sort out where the market is on lighting. Assuming rollback of EISA holds, this might be an important evaluation to do. (Income Eligible & non-Income Eligible markets). In-store intercepts typically happen in the fall. There is still time for feedback on whether it is necessary to do in-store intercepts.

### ***Coordination Among Utility Programs***

- Phil Mosenthal: For programs that are jointly delivered – seems like there would be a lot of benefits to joint analysis. Will this be the case?
  - If the program is joint between ComEd and a gas company, same team at Navigant doing both sides of the research.
- Phil Mosenthal: One of the important things to understand in particular for income qualified program is how well the utilities are working together.
  - Karen Lusson: Stakeholders are interested in evaluators asking a question on coordination between programs, in particular for utility weatherization programs.
  - Chris Neme: At some level this type of coordination evaluation question applies to all coordinated / joint programs.

### ***Impact vs. Process Evaluations***

- Phil Mosenthal: I would like to see a lot more process evaluations. Is there a legal mandate to do impact evaluations on every program every year, to verify savings?
  - Karen Lusson: I don't recall this is a requirement. This question can be further reviewed.
  - Chris Neme: I think there is a requirement that the savings claimed for every program should be verified every year; that doesn't mean it needs to be a full impact evaluation.
  - Randy Gunn: We have completed impact evaluations on every program, every year. However, there are different levels of impact evaluation. If we don't do an

impact evaluation every year, we would use the previous year's realization rate to verify savings, for example.

- Phil Mosenthal: In a situation where energy savings hasn't changed much, I think we should consider doing less impact evaluations and putting that budget into more process evaluations. Another idea is to deem savings at "x %" for a period of time.
- Jennifer Morris: I'm not sure I would be comfortable with stopping impact evaluations.
- Chris Neme: Perhaps this could be reviewed on a case by case basis.
- Jennifer Morris: I have gotten the impression that less process evaluation is needed, in particular for programs that have been implemented for many years.
  - Chris Neme: Markets can change; periodically checking in with customers may not be a bad thing. This will depend on the market.
- Jeff Erickson: Navigant agrees there are programs that may not need as much impact evaluation. We will look at this; more information will be provided in the written draft evaluation plan.
- Karen Lusson: I'm interested in more information about electric utility 3<sup>rd</sup> party programs.
  - Celia will schedule a SAG discussion in 2020, including program results in 2019.

### **Market Transformation Evaluation Activities**

- Activities:
  - Commercial Food Service Equipment- impact evaluation
  - Building Operator Certification
  - Retail Products Platform
  - Residential and Commercial New Construction Codes
- Point of clarification: Navigant is not analyzing actual transformation of the market. They are only verifying savings. Savings protocols for market transformation initiatives will be further discussed in the SAG MT Savings Working Group in 2020.

### **IL-TRM Update Research**

- Advanced power strips, smart thermostats, general TRM updates. Work with group on necessary updates to methodology.
- EUL (See presentation for specifics)
  - Compressed air EUL research
  - Identified as high priority
  - Retention surveys – phone
  - Field studies on the measure
  - Retro-Commissioning

### **Non-Energy Impact Research**

- There is NEI research planned that is specific to income eligible programs, and not specific to income eligible programs. We are working with ODC on survey instruments and coordination.
- Income qualified NEI results is the first phase (results by Q2 2021). NEI beyond income qualified is the next phase of research.
- The first round of participant surveys will be fielded in Q1 2020, second round in 2021.
- Estimated Timeline for Results
  - Utility NEIs- Q1 2020
  - Participant NEIs
    - Participant NEIs (reduced O&M)- Q2 2021

- Health, safety and comfort NEIs- Q2 2021
- Other NEIs:
  - Societal NEIs
  - Economic (including job creation)
- Navigant will be posting a survey instrument by the end of this year, for interested stakeholders to comment.
- **Chris Neme: I'm interested in more information on which programs Navigant selects for additional NEI research, and results of Navigant's secondary research.**
  - **Celia will follow-up with Patricia Plympton and schedule an NEI Working Group call in Q1 2020 (anticipated).**

### ***Use of AMI Data***

- ComEd requests that AMI data is used as often as possible. Energy usage data and regression analysis for individual programs, customer by customer for detailed custom program analyses that are done. That level of detail also done on voltage optimization.

### ***Budget Overview***

- Business – 51% of savings (CY 2018)
- Residential – 39% of savings (CY 2018)
  - These savings proportions don't impact budget
- Business programs tend to be more difficult to evaluate
- IQ is 8% of budget and growing but most eval is TRM based
- Business is largest because custom research required

### ***Coordination with Other Utility Evaluations***

- Navigant staff on Nicor Gas, Peoples Gas & North Shore Gas evaluations are the same.
- Ameren IL and ComEd evaluation teams have regular bi-weekly conversations on evaluation methods.
- Navigant participates in cross-cutting research groups – NTG Working Group (TRM); NEI Working Group; etc.

### **Next Steps + Summary of Follow-Up Items**

1. **Non-Qualified Equipment Policy Request:** SAG participants are in favor of including these savings. Navigant to draft proposed resolution and send to Celia for circulation to SAG for 10 Business Day review/comment.
  - a. The issue needs to be finalized in time for the 2020 evaluation process to begin in late January.
  - b. If any substantive questions or concerns are raised, a call will be schedule in early January. If not, resolution will be documented on the SAG website – <https://www.ilsag.info/policy/>
2. **ComEd 2020 Evaluation Plan:** ComEd 2020 written draft evaluation plan will be available for review in December (anticipated Dec. 9<sup>th</sup>). SAG Facilitator will circulate all evaluation plans to SAG and post on the SAG website – <https://www.ilsag.info/evaluation-documents/draft-evaluation-materials/>
  - a. Note: There will likely be several rounds of comments on draft evaluation plans. If you are interested in reviewing and commenting on the draft evaluation plan, it's important to submit comments in the first round to be included in additional updates.
  - b. Final evaluation plans will be posted on the SAG website (anticipated by end of February) – [https://www.ilsag.info/evaluation-documents/evaluation\\_plans/](https://www.ilsag.info/evaluation-documents/evaluation_plans/)

### 3. Additional Follow-Up Items

- a. **Non-Energy Impacts:** Additional information will be provided to the Non-Energy Impacts Working Group on which programs Navigant selects for additional NEI research, and results of Navigant's secondary research. Meeting anticipated in Q1 2020.
- b. **Electric Utility 3<sup>rd</sup> Party Programs:** SAG Facilitator will schedule a report-out on 3<sup>rd</sup> party programs in 2020.
- c. **Income Eligible/Income Qualified NTG Research:** A discussion needs to be scheduled with SAG regarding whether NTG research is completed on the product discounts program. SAG Facilitator to follow-up with Navigant.