

Illinois EE Stakeholder Advisory Group Policy Manual Subcommittee

Wednesday, February 15, 2023

10:00 am – 3:00 pm

Midwest Energy Efficiency Alliance (MEEA) + Teleconference Option

Attendees and Meeting Notes

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Meeting Materials

Posted on the [Policy Manual Subcommittee page](#).

- Income Qualified Reporting
 - [Equity and Affordability Principles + Metrics \(Joint Stakeholder Proposal\)](#)
 - [Diverse Contracting Reporting Metrics \(NCLC / COFI Proposal\)](#)
 - [IQ Multifamily Reporting Principles – Clean Draft for Review following Dec. Meeting](#)
 - [IQ Health and Safety Reporting Principles – Clean Draft for Review following Dec. Meeting](#)
- [Income Qualified Process Policies \(IQ N Committee Facilitator and IQ N Committee Leadership Team\)](#)
- IL-TRM Administrator Role
 - [Policy Manual Edits](#) – Updated following Dec. Meeting
 - [IL-TRM Policy Document Edits](#) – Updated following Dec. Meeting
 - [Excerpt from SAG Process Guidance Document – Current SAG Financial Conflict of Interest Policy](#)
- Electrification
 - Summary of comments received: [Summary Table – Electrification Comments Received \(2/13/2023\)](#)
 - [Peoples Gas & North Shore Gas Presentation: Fuel Switch Feedback](#)
 - [Peoples Gas & North Shore Gas Fuel Switching Policy Proposal](#)
 - [ACEEE Paper from 2020 Summer Study on Energy Efficiency in Buildings: Optimizing Energy Efficiency in Residential Heating Applications - What are the Options? What are the Impacts?](#)
 - [Nicor Gas Presentation: Electrification Policy Proposals - Response to Stakeholder Comments](#)
 - [Nicor Gas Policy Proposal: Electrification Bill Impacts](#)

- [Nicor Gas Policy Proposal: Electrification Energy Consumption Reduction](#)
- [Diverse Contracting Reporting Metrics \(NCLC / COFI Proposal – updated 2/15\)](#)

Attendees (in person)

Celia Johnson, SAG Facilitator
 Caty Lamadrid, Inova Energy Group (SAG Meeting Support)
 Matt Armstrong, Ameren Illinois
 Tina Grebner, Ameren Illinois
 Laura Goldberg, NRDC
 Abigail Miner, IL Attorney General's Office
 Christian Koch, MEEA
 Cassidy Kraimer, Preservation Compact
 Jean Gibson, Peoples Gas & North Shore Gas
 Thomas Manjarres, Peoples Gas & North Shore Gas
 Katie Elmore, Community Investment Corp.
 Ted Weaver, First Tracks Consulting, representing Nicor Gas
 Randy Opdyke, Nicor Gas
 Molly Lunn, ComEd
 Rebecca McNish, ComEd
 David Weaver, Citizens Utility Board

Attendees (by webinar)

Allen Dusault, Franklin Energy
 Andrew Cottrell, Applied Energy Group
 Andrey Gribovich, DNV
 Andy Vaughn, Leidos
 Annette Beitel, Future Energy Enterprises (IQ Committee Sr. Facilitator)
 Billy Davis, Bronzeville Community Development Partnership
 Brittany Davis, VEIC
 Cassidy Kraimer, Community Investment Corp.
 Cheryl Johnson, People for Community Recovery
 Cheryl Watson, Equitable Resilience & Sustainability LLC
 Chris Neme, Energy Futures Group, representing NRDC
 Chris Vaughn, Nicor Gas
 David Brightwell, ICC Staff
 Deb Perry, Ameren Illinois
 Diana Fuller, Walker-Miller Energy Services
 Dylan Royalty, Applied Energy Group
 Elizabeth Horne, ICC Staff
 Gregory Norris, Aces 4 Youth
 Jeff Erickson, Guidehouse
 Jim Fay, ComEd
 John Dakarian, Nicor Gas
 Jonathan Skarzynski, Nicor Gas
 Jonathan Kleinman, Aiqueous
 Kalee Whitehouse, VEIC (IL-TRM Administrator)
 Karen Lusson, National Consumer Law Center
 Kari McCue, Nicor Gas
 Laura Agapay-Read, Guidehouse
 Leanne Jossund, ComEd

LaJuana Garret, Nicor Gas
Neil Curtis, Guidehouse
Omy Garcia, Peoples Gas & North Shore Gas
Philip Mosenthal, Optimal Energy, representing IL AG's Office + NCLC
Ronna Abshure, ICC
Scott Eckel, ICC
Seth Craigo-Snell, SCS Analytics
Stephen Robinson, Northwest Austin Council
Sy Lewis, Meadows Eastside Community Resource Org
Tamika Cole, Walker-Miller Energy Services
Ted Weaver, First Tracks Consulting, representing Nicor Gas
Tim Dickison, Ameren Illinois
Tina Grebner, Ameren Illinois
Tyler Sellner, Opinion Dynamics
Victoria Nielsen, Applied Energy Group
Wade Morehead, Morehead Energy
Zach Ross, Opinion Dynamics

Opening & Introductions

Celia Johnson, SAG Facilitator

Purpose of meeting: Discuss proposed policies for consideration in the Policy Manual Version 3.0 update process; identify feedback and questions.

- Monthly Subcommittee meetings include deeper discussion of proposed policies, and edits to draft policy language
- Presenters asked to consider the following:
 - Why the proposal is needed / background
 - Proposed policy language
 - Proposed effective date
- Follow-up may need to be scheduled at a future meeting
- Policy Manual Small Groups scheduled as-needed

Income Qualified (IQ) Policy Proposals

Purpose: To discuss income qualified policy proposals; identify feedback and questions.

Coordination with IQ EE Committee

Celia Johnson, SAG Facilitator

- SAG Facilitator and IQ Committee Facilitator coordinate regularly on IQ EE topics of interest to both groups
- IQ Committee Facilitator requested the IQ Committee have an opportunity to understand + provide input on IQ policy proposals before IQ policies are included in the final Policy Manual
- SAG Equity Subcommittee will meet quarterly in 2023, jointly with the IQ Committee – one of the topics at each meeting will be regular coordination between the groups
- An update on IQ policies for the Policy Manual, including a request for input, will be presented to the IQ Committee at a spring SAG Equity Subcommittee meeting

- *[Annette Beitel – via chat] “Celia, please build into the schedule time for you to present to the IQ Committee so they can comment as well on the IQ-related policies.”*

IQ Reporting Principles – Agenda Topics

- Discussion + initial feedback on Joint Stakeholder Policy Proposal: Equity and Affordability Reporting
- Discussion + initial feedback on National Consumer Law Center Policy Proposal: Diverse Contracting Reporting Metrics
- Follow-up on IQ Multifamily Reporting Principles – is there any additional feedback, as follow-up to the December meeting?
- Follow-up on IQ Health & Safety Reporting Principles – is there any additional feedback, as follow-up to the December meeting?

Joint Stakeholder Proposal: Equity and Affordability Reporting

Karen Lusson, National Consumer Law Center (NCLC), representing COFI

- **Materials:** [Equity and Affordability Principles + Metrics \(Joint Stakeholder Proposal\)](#)
- **SAG Facilitator Background:**
 - This is the first discussion of the equity and affordability policy proposal
 - The goal is to finalize this policy in March or April - equity and affordability metrics will be further developed through the SAG Reporting Working Group in 2023
- **Presenter Background:**
 - Since 2020 investor-owned utilities have been reporting credit and collections data at the zip code level.
 - Through negotiations with utilities, consumer and low-income advocates pushed to break out the silos between utility energy efficiency departments and credit and collections departments.
 - We understand energy efficiency programs are funded by ratepayers, so we want to make sure they serve ratepayers in a way that is meaningful.
 - This proposal is about trying to break down the barriers that exist between credit and collections departments and energy efficiency departments.

[Matt Armstrong] Should we consider this proposal being similar in nature to the Health & Safety, and Multi-Family Reporting Principles?

- *[Karen Lusson] That is what we are hoping for.*
- *[Matt Armstrong] Interested in principles vs. specific metrics, similar to how we approached the IQ Multifamily and IQ Health & Safety Reporting Principles.*
- *[Laura Goldberg] For Multifamily and Health & Safety we did go a level higher because those proposals had conflicts with the stipulation agreement, and we did not want to lock in metrics that might not be appropriate. What the proposal being presented today, it might be helpful to discuss one by one (the bullet points) to understand which metrics are already tracked, and which ones would be challenging to report on.*
- *[Karen Lusson] We recognize some of these metrics might be challenging, but they are important.*

[Chris Vaughn, Nicor Gas] To what degree has this proposal been vetted and supported by the IQ Committee? I want to understand who is involved and ensure the proper parties are at the table.

- *[Karen Lusson] This was written before the IQ Subcommittee was organized, but we had the group's goals in mind.*
- *[Annette Beitel] The issue of linking disconnections between energy efficiency and low-income programs (including federal programs like LIHEAP, IHWAP, etc.) was a topic identified as being of importance to the IQ Committee. The intent of today's proposal is aligned with the IQ Committee goals, and the language itself will be presented in to the IQ Committee so they get a chance to provide input.*

[Annette Beitel] Is there a requirement to identify the number of customers on the verge or disconnections that have received comprehensive counseling about programs available to them (as opposed to partial counseling) and that have had the opportunity to submit applications to a bill assistance program with the right time and assistance to complete them? This would be a helpful metric. To clarify: after a customer learns about a program, a common concern is that they might not have the time or opportunity to apply to the program, and that they may not be providing assistance in completing the application, which is particularly important for disabled or elderly customers.

- *[Karen Lusson] Yes, that is what the last bullet point attempts to get at. Comprehensive information should be provided by utilities. Similar principles have been embraced in California within a "disconnection docket" opened in June 2020 (HB 2172).*

[Cheryl Watson] There should be a policy to ensure that a trusted business can complete an application on behalf of the customer (with proper customer approvals). Because sometimes the customer might need assistance from a third-party to complete paperwork.

- **Note from the SAG Facilitator: There was additional meeting discussion about fraud concerns in a situation where an entity submits an application on behalf of a customer, and the role of private identifying information (PII). In the SAG Facilitator's judgment, both of these topics are outside the scope of the current energy efficiency Policy Manual process.*

[Katie Elmore] It's important to understand how energy efficiency programs are serving the neighborhoods that need it most. I think there might be a challenge when we talk about zip codes with disconnection burdens we might be focusing on single-family and homeowner customers, but we need to recognize there might be multi-family buildings and rental customers as well.

- *[Ted Weaver] In this proposal, some say low-income programs, some say low-income whole building programs, etc. language might need to be clarified.*
 - *[Karen Lusson] The first four bullets specifically reference Whole building weatherization, and last three bullets are more generally about Low-Income Energy Efficiency program participation in general (in reference to whatever the utilities have in their systems as designated low-income customers).*
 - *Celia Johnson edited the draft policy document per Karen's clarification.*

[Ted Weaver] Matt Armstrong highlighted that this proposal is more specific than we usually have, we might want to avoid putting specifics in a Policy Manual and then not have the ability to tweak them. I think the bullet points included in the proposal can be

reported on annually, though some of them appear to be items that can be reported via evaluation with less frequency.

- [Laura Goldberg] Agree that this proposal might be narrow, so it might be worth broadening it to better serve the objective. And maybe the piece about how metrics are reported on is something we can figure out in the reporting working group.
- [Karen Lusson] I caution against losing zip code level detail of the proposal. If credit and collections are reported at zip code level, it makes sense to report energy efficiency benefits at this level too.
- [Annette Beitel – via chat] It would be helpful to get "heat maps" of reporting metrics so we aren't just looking at zip codes.
- [Cheryl Watson – via chat] Zip codes inform the communities of who is being differentially impacted.
- [Karen Lusson] This is a link to ICC heat maps that shows disconnections: <https://www.icc.illinois.gov/industry-reports/credit-collections-and-arrearages-reports/monthly-dashboard>
- [Annette Beitel – via chat] If the IQ metrics get developed through Reporting Working Group, please make sure they are equally discussed in the Equity Subcommittee meetings that are joint with the IQ Committee.

Next Steps on Equity and Affordability Reporting:

- Ted Weaver will work with utilities on a response / counter-proposal, to discuss in the March meeting.
- Laura Goldberg will work with stakeholders that submitted proposal to broaden introductory language.

Diverse Contracting Reporting Metrics

Karen Lusson, National Consumer Law Center (NCLC)

- **Materials:** [Diverse Contracting Reporting Metrics \(NCLC / COFI Proposal – updated 2/15\)](#)
- **SAG Facilitator Background:**
 - This proposal was briefly discussed at the November Subcommittee meeting; participants requested more time to review.
- **Presenter Background:**
 - Each utility through the settlement negotiation process has agreed to hire diverse contractors as part of the delivery of programs. On an annual basis, utilities make a presentation to the Illinois Commerce Commission (ICC) about diverse contracting practices. The problem with that report is that it does not break it down to include energy efficiency.
 - We want more visibility into the spending breakdown on diverse contractors for the Market Development Initiative and overall portfolio.
 - [Annette Beitel] The IQ Subcommittee is interested in increasing the number of diverse contractors that are trade allies but may not be directly in contract with utility. Can you clarify what this proposal covers?
 - [Karen Lusson] We also want to include trade allies. The last bullet point of first section covers various tiers of contractors.
 - [Annette Beitel – via chat] Karen - suggest you use the terms "Program Allies" and "Trade Allies" as well as "contractors." Program Allies and Trade Allies may be getting incentive dollars from the utility but may be formally considered

"independent contractors." Also, Trade Allies don't necessarily need to be under contract with the utility to be eligible to claim incentives.

- *[Elizabeth Horne] Is there a specific qualification that contractors go through that second or third tier would have to go through a vetting process if they are receiving funds at any level?*
 - *[Karen Lusson] One of the reasons we were pushing utilities to incorporate MDI in their portfolios is because I heard from diverse contractors that they were missing out on opportunities to be primary contractor. This is a way to help bring some transparency into the implementation contract process, and if we see that diverse firms that are getting business are missing out on opportunities, then this is a problem that will be exposed by these numbers.*
- *[Matt Armstrong] This proposal feels very specific.*
 - *[Karen Lusson] For the Market Development Initiative (MDI) expense category, for some utilities the goal of the initial phase of MDI was to get an understanding of who are and where diverse contractors are. This is ongoing work.*
 - *[Matt Armstrong] We did agree to an assessment on MDI, not a potential study. This language might be too specific.*
 - *[Celia Johnson] I think the "potential study" is referring to research completed by the norther IL utilities in 2023; a report-out will be scheduled in the Equity Subcommittee this spring.*
 - *[Ted Weaver] If we are doing this be forward looking, this background research has been completed and we should move to execution. We agree that there should be reporting on vendor usage, we just think we should go higher level so we are not stuck with a prescriptive list that a few years down the road might not be applicable.*
 - *[Chris Vaughn] Utilities had some research already completed, and what was asked from stakeholders was to complete these research projects and then allow feedback from stakeholders on what utilities should be tracking. This proposal needs to be mindful not to undermine that process.*
 - *[Matt Armstrong] I would be curious if there is feedback on current reporting on diverse spending. Ameren has been included this information in quarterly reports.*
- *[Annette Beitel] Could we get a list of all current reporting that is being done and the reporting that is being proposed so we can look at all of it side by side? Is there value in having some high-level reporting principles but being able to change reporting metrics over time? I'd like to argue for principles of flexibility.*
 - *[Celia Johnson] There is a list of required reporting in the current Policy Manual – Section 6.5 (Program Administrator Quarterly Reports) and Section 6.6 (Program Administrator Annual Summary of Activities). There is also a statewide quarterly report template and statewide annual report template the utilities use (see [SAG Templates](#) page). Additionally, the utilities agreed to various reporting in their 2022-2025 EE Plan Stipulated Agreements (see [Stipulated Agreements](#) page).*
 - *[Karen Lusson] I want to make an argument for specificity. I don't want to lose the value of some of the bullets that are listed because we are trying to be high level. To me reporting is about getting consistency in the data.*

Diverse Contracting Reporting Metrics - Next Steps:

- Matt Armstrong will work with utilities on a response / counter-proposal, to discuss in the March meeting.
- Celia Johnson will share a link to Ameren's latest quarterly report for reference on diverse spending reporting.

Follow-up on IQ Multifamily Reporting Principles – is there any additional feedback, as follow-up to the December meeting?

- Policy Manual Subcommittee participants did not have additional feedback on policy language.

Follow-up on IQ Health & Safety Reporting Principles – is there any additional feedback, as follow-up to the December meeting?

- Policy Manual Subcommittee participants did not have additional feedback on policy language.

IQ Process-Related Policy Proposals

Annette Beitel, Future Energy Enterprises, IQ Committee Sr. Facilitator

- **Materials:** [Income Qualified Process Policies \(IQ N Committee Facilitator and IQ N Committee Leadership Team\)](#)
- **SAG Facilitator Intro:**
 - IQ North Committee Leadership Team and IQ Committee Facilitator proposed a number of policies for consideration in the Policy Manual update process in June 2022.
 - After feedback from Subcommittee participants, most policy proposals were moved to the IQ Committee to consider, instead of the Policy Manual – process-related policy proposals remain for consideration in the Policy Manual.

Proposal #1: Create single section in EE Policy Manual for IQ Policies + Include Income Qualified Policy Vision / Mission / Values in Policy Manual

- Create single section in EE Policy Manual for IQ Policies
 - Income Qualified Program-Specific Policies
 - Overview
 - Vision: the vision for serving Income Qualified Customers is [Placeholder]
 - Mission: the mission for serving Income Qualified Customers through Energy Efficiency and related efforts is [Placeholder]
 - Values: the values for serving Income Qualified Customers through Energy Efficiency and related efforts is below [Placeholder]
 - All policies that are either uniquely applicable or likely applicable to income qualified programs are either listed below or cross-referenced in the section below.
- Goal is to make it easier for CBOs/CAAs to apply to programs for their communities.
- It would be valuable to come up with some principles of how these communities should be served.

[Celia Johnson] Joint stakeholders also submitted a proposal that there should be a specific section in the Policy Manual that has IQ-related policies. It sounds like there would be two parts to this effort (1) cross-referencing existing IQ policies within a new section of the Policy Manual, and (2) creating a specific section for them.

- *[Annette Beitel] We might want to move IQ-specific policies into a separate section but also think about the various way they are described and whether they be understandable to a CBO/CAA who may not be familiar to energy efficiency program policy. Also suggest that we think about combing Policy Manual for policies that are specific to IQ programs. But keep in mind there are policies that are clearly applicable to an IQ customer/community and maybe those can only be referenced.*
- *[Katie Elmore] This could be a substantive editorial effort. If we are going to change the phrasing, we need to be careful that we don't change the intention. We might have to do this on a separate timeline.*
- *[Sy Lewis] Did the IQ Committee leadership team have any input into this proposal?*
 - *[Annette Beitel] The policy proposal we are discussing was submitted back in June to the Policy Manual Subcommittee. Though there is no leadership team in place for 2023 they will be selected shortly, but the interim leadership team from 2022 reviewed this language. The first two policies are facilitator proposals and the language here I drafted (these are facilitator proposals that are procedural). The final proposal related to CBO participation originally came from Billy Davis.*

[Laura Goldberg] What other places in addition to the Policy Manual should information be available? We should make it as accessible as possible.

- *[Annette Beitel] The IQ Committee website has all documents on a one-stop shop and that is where we could put IQ specific policies. I think directing CBO/CAA to SAG page can easily lead them to be overwhelmed by volume of information.*

Proposal #2: Policy that all IQ items discuss through SAG and/or SAG subcommittees should be grouped so that interested IQ participants can participate in targeted way in SAG meetings.

- Proposed policy language: “All IQ items discuss through SAG and/or SAG subcommittees should be grouped so that interested IQ participants can participate in targeted way in SAG meetings, where reasonably possible.”
- **No concerns raised. Celia will include edit in Policy Manual.**

Proposal #3: Local CBOs/CAAs Considered “Non-financially interested parties”

- Policy indicating that, by definition, local CBOs/CAAs are included in definition of “non-financially interested parties” except in the narrow case that a contract with that organization is being considered by SAG or a SAG subcommittee.
- This originated with Billy Davis but was supported broadly by 2022 IQ North Leadership Team. The issue is that if CBO/CAAs get some funding from a utility through an RFP or stipend, but it is a small amount of money, should those organizations be considered financially interested parties and be barred from discussions that are only for non-financially interested parties?
 - Items to consider:
 - Should there be cap on level of funding that CBO can receive to still be excluded from “non-financially interested party” definition? What about \$50,000 per annum?
 - For example, should all MDI recipients be excluded because they've received a small amount of money from a utility?

- Don't we want entities who "touch customers" and have some knowledge of IQ EE to participate in "behind door discussions"?
- If a CBO/CAA is providing "full-service implementation" – marketing and installation, should they be considered a CBO or a "implementer?" for purposes of non-financially interested party.

[Ted Weaver] The only way this non-financially interested party definition is operationalized, if we say "for this SAG meeting we need to exclude certain people" and think about it from a conflict of interest perspective. I'm unsure if the definition itself needs to be re-defined. I think utilities are only triggering this definition it where it is very obvious, like an RFP process that might be ongoing. We may want to review the existing conflicts policy instead.

- *[Annette Beitel] Agree it makes sense to discuss scenarios in the current policy.*
- *[Comment] Introductory language is needed to the current conflict of interest SAG policy.*

IQ Process-Related Policy Proposals Next Steps:

- Celia Johnson will include 'grouping IQ items at SAG' in Policy Manual edits.
- Follow-up in March Policy Manual meeting to discuss edits to current SAG Conflict of Interest policy
 - Celia Johnson and Annette Beitel to work on edits
- Follow-up in April Policy Manual meeting to discuss proposed IQ policy principles and organizing new IQ section in Policy Manual
 - Annette Beitel and Matt Armstrong to develop proposed IQ policy principals
 - Celia Johnson to work on new IQ section edits

Independence Policy Proposal

Rebecca McNish, ComEd

Purpose: To follow-up on the TRM Administrator Role policy proposal presented in December; discuss additional questions and feedback.

- **Materials:** [IL-TRM Policy Document Edits](#) – Updated following Dec. Meeting
- **SAG Facilitator Background:**
 - Goal is to finalize this policy soon, to incorporate into the upcoming IL-TRM update process
 - ComEd presented the IL-TRM Administrator Role policy proposal at the Sept. Policy Manual meeting
 - A TRM Administrator Policy Small Group met to discuss policy edits in early December – a proposed conceptual agreement was circulated to the Small Group for review
 - ComEd prepared redline edits to the Policy Manual and IL-TRM Policy Document to reflect the proposed conceptual agreement; edits were discussed at the December meeting with additional feedback provided
 - During today's meeting additional edits will be discussed
- **Presenter Background:**
 - Overview of proposed changes to the policy, incorporating redline edits discussed during the December Policy Manual meeting.

Suggested edits to policy:

1. “Non-financially interested” may be too specific for the TRM process. Remove this, instead reference the conflict of interest language.
2. Change reference to notice in situations of non-consensus from “non-financially interested” to SAG and IQ Committee.
3. Use a different word instead of “disputes.” May want to reference “differing recommendations” instead of a dispute.

IL-TRM Administrator Policy Next Steps:

- ComEd will make the additional edits discussed and share a redline and clean copy of the policy language.

Electrification Policy Proposals

Purpose: To follow-up on the electrification policy proposals presented in January; discuss additional questions and feedback.

- **SAG Facilitator Intro:**
 - Several electrification proposals were presented at the January meeting:
 - Peoples Gas & North Shore Gas: Fuel Switching
 - Nicor Gas: Electrification Bill Impacts
 - Nicor Gas: Electrification Energy Consumption Reduction
 - Written feedback received from Ameren Illinois, Blacks in Green, ComEd, IL Attorney General's Office, National Consumer Law Center, and NRDC
 - Feedback circulated to Subcommittee in a summary table: [Summary Table – Electrification Comments Received \(2/13/2023\)](#)
 - There were some areas where commenters agreed conceptually, however general feedback was these policies are not necessary
 - Today's Meeting:
 - Nicor Gas and PG/NSG will respond to feedback
 - Questions to consider:
 1. Is there a possibility of policy agreement for part(s) of the submitted proposals?
 2. Is there any additional discussion needed, or should the group follow-up at the end of the Policy Manual process on non-consensus next steps?

Nicor Gas Electrification Policy Proposals

Ted Weaver, First Tracks Consulting, representing Nicor Gas

- **Materials:**
 - [Nicor Gas Presentation: Electrification Policy Proposals – Response to Stakeholder Comments](#)
 - [Nicor Gas Policy Proposal: Electrification Bill Impacts](#)
 - [Nicor Gas Policy Proposal: Electrification Energy Consumption Reduction](#)

Nicor Gas Electrification Bill Impacts Proposal

- ComEd and Ameren submitted general comments on the proposals. The rest of the parties responded more in-detail. Comments are included in PPT and summarized.
- ComEd and Ameren overall suggested that Electrification Bill Impacts should be discussed with stipulating parties. On the Electrification Savings discussion ComEd and Ameren said that the savings approach is already addressed in 8-103B and IL TRM.

- Stipulation requires that ComEd and the parties discuss how electrification affects customer bills.
 - *[Chris Neme] We agree that utilities should always inform customers and not just do an electrification project that would hurt them.*
 - *[Phil Mosenthal] The stipulation language is clear that all measures within the home must collectively reduce energy use; it does not cover individual measures.*

- Nicor Gas' proposal outline is included in the slides.
 - *[Abigail Miner] I don't see anything in the proposal about Alternative Retail Electric Supplier *ARES)? Our office has had concerns in the past that a customer could be given misinformation when they go through an audit and receive recommendations that falsely state the impacts of electrification because their agreement is through an ARES and not with the utility.*
 - *[Ted Weaver] We cover this in section 5. I believe we put it in there, but we may have used generic language.*
 - *[Karen Lusson] If utilities are providing the calculations and an ARES is involved, then they should let the customer know that the numbers would be different if they are on the default supply rate vs an ARES.*

- Slide 9 shows comments received from parties. I think Phil Mosenthal and I agree that it is important for customers to see heating and cooling total impact and separate.
 - *[Phil Mosenthal] I do think it is helpful for the customer to see this information, I just don't think the law requires it. I also think the heat pump is a single measure.*
 - *[Ted Weaver] When I use the word "auxiliary" it is everything about the measure that is not electrified.*
 - *[Chris Neme] There is a fundamental disagreement about what the law requires. This proposal also has a level of detail that goes beyond what the rest of the Policy Manual does, and that gives us pause.*
 - *[Chris Neme – via chat] Here is the legislative language from (b-27): 'Prior to installing an electrification measure, the utility shall provide a customer with an estimate of the impact of the new measure on the customer's average monthly electric bill and total annual energy expenses'. Note that it does not say estimates of the impact of "electrification" on customer bills, but estimates of the impacts of the "measures". Heat pumps are measures address multiple end-uses.*
 - *[Molly Lunn] Agreed. This proposal moves away from the idea of principles, in its level of detail. ComEd did not provide detailed comments because we believe this policy proposal is not necessary. If we are going to review this at the detail level then ComEd would need time to respond point by point.*
 - *[Matt Armstrong] Ameren feels that we already went through this process with stakeholders and this conversation would be repetitive. We would be happy to walk through the bill impact calculator with the gas utilities.*
 - *[Molly Lunn] ComEd can do the same. The reason why ComEd discussed this with only stakeholders is because this is a mandate for electric utilities.*
 - *[Jean Gibson] Peoples Gas & North Shore Gas is also interested in the calculators.*
 - *[Matt Armstrong] Want to recognize discussions on calculations can get very detailed.*

- *[Ted Weaver] Nicor Gas is interested in the total impacts but also the other parts involved. We think it is important to give customers information and let them make the choice. Rather than going point by point on written comments to the proposal, we'll take ComEd/Ameren's offer to be part of their process.*
- *Next steps on electrification bill impacts: Nicor Gas will consider whether to propose higher level principals on bill impacts after understanding the Ameren Illinois and ComEd bill impact calculators.*

Nicor Gas Electrification Energy Consumption Reduction Proposal

[Chris Neme] One of the first things we wrestled with for the Policy Manual was the order in which electrification and energy efficiency savings would be addressed in a project that had both. And I believe the resolution was that we would not worry about which one comes first but instead we would treat the entire project as a whole. It seemed like some of your proposed language would undo that because now we want to parse it out. Can you clarify?

- *[Ted Weaver] Nicor's understanding was that the TRM would define how you calculate savings. The difference in how to meet this provision is that electrification reduces consumption at the premise.*
- *[Phil Mosenthal] The language on the screen provides that the electrification "measures" (plural). I think Ted's point is valid for weatherization, but I don't think the legal language implies that each measure or end-use should be approached separately.*
- *[Zach Ross] I'm struggling to understand how this is different from what the TRM tells us, but I will take some time and read the proposal and comment.*
- *[Phil Mosenthal] The statute now says electrification measures, as long as they save energy in premise, are valid energy efficiency measures. I think other than any other explicit statutory requirements, it would be inappropriate to treat them differently whether it comes to implementation or evaluation.*
- *[Thomas Manjarres] Electrification is a large set of measures, and a subset of that would be energy efficiency savings. In the name of transparency, this proposal would require that we show customers where those savings are coming from, and let them make the decision.*
- *[Sy Lewis – via chat] Agreed that the customer can make good choices when provided with clear concise and unbiased information.*
- *[Sy Lewis – via chat] How do we intend to provide the information to the customer? In writing, via CBO/CAA's? what will be simplest method?*
 - *[Karen Lusson – via chat] The information would be provided to the individual customer by the implementer in their home/ to the MF building owner who has done the energy assessment. Specific written information to that customer.*
 - *[Philip Mosenthal] It will depend on the program the customer is participating in.*
 - *[Karen Lusson – via chat] We are trying to create consistent methodologies so that the customer can make an informed decision about the measures being installed and what they can expect the bill impact to be after the installation. That's the goal from my perspective.*
- **Nicor Gas is interested in the evaluators' thoughts on the electrification energy consumption reduction proposal. Specifically, how do the evaluators verify that the**

projects meet the requirements of the law and the savings claims meet the requirements of the law?

- **Next steps on electrification energy consumption reduction: Nicor Gas is interested in feedback from the evaluators (Guidehouse and Opinion Dynamics), including how the evaluators verify that the projects meet the requirements of the law and the savings claims meet the requirements of the law? Celia Johnson will follow-up with the evaluators.**

Nicor Gas Electrification Policy Proposal Next Steps:

- On Electrification Bill Impacts: Nicor Gas will consider whether to propose higher level principals on bill impacts after understanding the Ameren Illinois and ComEd bill impact calculators.
- On Electrification Energy Consumption Reduction: Nicor Gas is interested in feedback from the evaluators (Guidehouse and Opinion Dynamics), including how the evaluators verify that the projects meet the requirements of the law and the savings claims meet the requirements of the law? Celia Johnson will follow-up with the evaluators.

Peoples Gas & North Shore Gas Fuel Switching Proposal

Thomas Manjarres, Peoples Gas & North Shore Gas

- **Materials:**
 - [Peoples Gas & North Shore Gas Policy Proposal: Fuel Switching](#)
 - [AEG Memo to PG & NSG: Fuel Switching / Electrification Research](#)
- **SAG Facilitator Intro:**
 - Follow-up on fuel switching proposal, including comments received
- Overview: We received one question and several organizations sent feedback. The question came from Naomi Davis. The answer is that the specific language being proposed is from Peoples Gas.

[Phil Mosenthal] It is important to clarify that the term “measure” in this language means the measures as a whole and not individual/single energy efficiency measures.

- Feedback from parties: Peoples Gas and North Shore Gas felt that comments received were not applicable to what we were proposing (Slide 3). Our proposal is for the SAG Facilitator to convene working group(s) for stakeholders to work together on how best to assess and track criteria proposed.

[Karen Lusson – via chat] “This language goes beyond the statutory language, which has electrification looking at the total impact on the household.”

- *[Chris Neme – via chat] “Agree with Karen. There is no statutory requirement for “cost beneficiality” for electrification (or fuel switching generally). We fundamentally disagree with the notion that it is appropriate to add an additional test for fuel switching that is not applied to efficiency measures.”*

[Jonathan Kleinman] You are suggesting that the suite of cost-benefit test is insufficient? Are you proposing a new cost-test for fuel switching?

- *[Thomas Manjarres] We haven’t had those discussions yet to determine what the right test would be.*
- *[Molly Lunn] This feels like reinventing the wheel.*

- *[Chris Neme – via chat] If legislators had wanted an additional "cost-beneficiality" test to be applied to fuel switching, they would have put that requirement in statute.*
- *[Thomas Manjarres] 90% of fuel-switching measures will hit the threshold, but some measures will not. And because we are using energy efficiency funds, we think that they should use those dollars responsibly. This is just meant to clarify which fuel-measures will count towards energy efficiency goals.*
- *[Phil Mosenthal] The legislation is clear on what is important.*
- *[Thomas Manjarres] Disagree. I think we need a consistent fuel-switching policy because legislation is not clear. What we are saying is the fuel-switching measures that reduce costs and decrease impacts should be counted, the ones that do not, should not be included.*
- *[Chris Neme] But the language is about "measures" as a whole, not about specific measures.*
- *[David Brightwell] One concern is that overall savings might be inflated because you would not be counting negative savings.*

[Thomas Manjarres] What we are saying is we should only count positive savings from measures that check all three criteria. If there are measures that produce savings but do not check the other boxes, then we should not count those.

- *[Karen Lusson – via chat] How would we determine whether the measure itself would reduce greenhouse gas measures? Compared to what?*
- *[Thomas Manjarres] We cannot assume that reducing site energy does the other two objectives of energy efficiency measures, we need to do our homework and figure it out. And if some measures do not fit the criteria, then they should be treated as free riders.*
- *[Karen Lusson – via chat] This would impact how weatherization works in Illinois given that we braid utility (ratepayer funded) dollars with the weatherization program. So, under your proposal, the Weatherization program that included utility (ratepayer funded) dollars couldn't install a new efficient window AC that might be desperately needed in that household.*

[Phil Mosenthal] TRC test does include greenhouse gas emissions for carbon now, but it is just a \$/MWh value.

- *[Ted Weaver] Gas utilities do not use MWh. In the last plan development, we reached consensus on converting MWh to Therms. I think Thomas is right, in order to do TRC correctly we need to figure out how to quantify greenhouse gas emissions associated with gas.*
- *[Phil Mosenthal] I think your point then is about a factor for greenhouse gas (coming up with one) not about changing TRC.*
- *[Celia Johnson] This is why Ted Weaver proposed that SAG convene a working group in an effort to reach agreement, if possible, on greenhouse gas savings. This is something that would be done after Policy Manual is filed (anticipated late summer).*

- Slide 4 shows proposed language. Let's open it up for comments. In response to comments in the chat:
 - Some concerns about number 3 and why measures are being treated differently. The reason is that (1) not all fuel-switching is energy efficiency, and (2) in specific example of electrification we can look at the underlined content for 8-103B. The regulators said they require investment in energy efficiency because it reduces

costs and impacts for customers. But if we are doing things that don't meet one of these requirements (increasing load on grid) we are saying we look at costs and determine that the beneficial impact justifies the cost.

[Phil Mosenthal] I would find it helpful if Thomas could flesh out a definition of "cost-beneficial." I'm struggling to understand how that is different from producing benefits that exceed costs (TRC).

- *[Randy Opdyke] In last month's presentation Thomas included examples from other states, that may be good to reference.*

[Chris Neme] NRDC doesn't see a path to agreement. There are several concerns: (1) none of the items listed are required by statute for electrification or fuel-switching and we think it is inappropriate to have a set of requirements that affect one set of measures and not the rest. (2) It is not clear to us what you mean by cost-beneficial, but I don't understand why the test we are prescribed to use by the statute (TRC) should not apply to a subset of measures. (3) Not all measures will be cost-effective through certain lenses, customers make decisions that sometimes don't make sense from a calculation standpoint and that is OK. (4) NRDC is interested in these topics because of GHG emission reductions but I am skeptical of that we'll get there. Not to mention the time it will take and resource constraints.

- *[Karen Lusson – via chat] Agreed. You're also ignoring the avoidance of "indirect costs" part of the language in the statute. I would argue that the indirect costs that the statute references would include healthcare costs associated with living in an unsafe, uncomfortable, inefficient home. In other words, there may be measures that don't necessarily reduce energy usage but (as a part of weatherization, for example) benefit the customer's health and safety and home environment.*
- *[Thomas Manjarres – via chat] We support including all of those.*
- *[Molly Lunn] ComEd understands what you are proposing, but we disagree it is needed.*

[Thomas Manjarres] Is there comfort claiming energy efficiency savings from measures that increase greenhouse gas emissions and costs?

- *[Chris Neme] We have a fundamentally different perspective. As for reducing ratepayers' costs, there are things we do for good reasons that may not be cost-effective from customer's perspective, but there are a variety of reasons the customer might want to do and we will continue to do it as long as they don't dominate the portfolio.*
- *[Allen Dusault – via chat] Could there be clarification of a primary purpose of SAG. If we don't have agreement prior to detailed discussion in context of new legislation, doesn't that suggest we should give it a try before dismissing it. These are very important questions.*
- *[Celia Johnson] The primary purpose of SAG is EE education / transparency, and collaboration on issues with a goal of reaching consensus to avoid litigation. However, there comes a point where there is disagreement on a topic, and it does not make sense to continue discussing in that forum. At this point I suggest we end the conversation about the fuel switching proposal, and come back at the end of the Policy Manual process later this spring to determine whether a comparison exhibit documenting various positions should be submitted to the ICC, requesting an ICC decision. The other option is to "agree to disagree."*

PG/NSG Fuel Switching Proposal Next Steps:

- Phil Mosenthal interested in definition of “cost-beneficial” as referenced in the policy proposal.
- Revisit next steps at the end of the Policy Manual process, to determine whether a comparison exhibit documenting various positions will be submitted to the ICC to request an ICC decision. The other option is to document various positions and “agree to disagree.”

Summary of Next Steps

Equity and Affordability Metrics Next Steps:

- Ted Weaver will work with utilities on a response / counter-proposal, to discuss in the March meeting.
- Laura Goldberg will work with stakeholders that submitted proposal to broaden introductory language.

Diverse Contracting Reporting Metrics Next Steps:

- Matt Armstrong will work with utilities on a response / counter-proposal, to discuss in the March meeting.
- Ameren Illinois interested whether stakeholders have feedback on their current diverse spending reporting, from the quarterly report – see page 4 of the 2022 Q3 report: [Ameren Illinois 2022 Q3 Report](#), posted on the [Utility Reports page](#) of the SAG website.

IQ-Process Related Policy Proposal Next Steps:

- Celia Johnson will include ‘grouping IQ items at SAG’ in Policy Manual edits.
- Follow-up in March Policy Manual meeting to discuss edits to current SAG Conflict of Interest policy:
 - Celia Johnson and Annette Beitel to work on edits
- Follow-up in April Policy Manual meeting to discuss proposed IQ policy principles and organizing new IQ section in Policy Manual:
 - Annette Beitel and Matt Armstrong to develop proposed IQ policy principals
 - Celia Johnson to work on new IQ section edits

IL-TRM Administrator Role Proposal Next Steps:

- ComEd will make the additional edits discussed and share a redline and clean copy of the policy language.

Nicor Gas Electrification Bill Impact Proposal Next Steps:

- Nicor Gas will consider whether to propose higher level principals on bill impacts after understanding the Ameren Illinois and ComEd bill impact calculators.

Nicor Gas Electrification Energy Consumption Reduction Next Steps:

- Nicor Gas is interested in feedback from the evaluators (Guidehouse and Opinion Dynamics), including how the evaluators verify that the projects meet the requirements of the law and the savings claims meet the requirements of the law? Celia Johnson will follow-up with the evaluators.

Peoples Gas & North Shore Gas Fuel Switching Proposal Next Steps:

- Phil Mosenthal interested in definition of “cost-beneficial” as referenced in the policy proposal.
- Revisit next steps at the end of the Policy Manual process, to determine whether a comparison exhibit documenting various positions will be submitted to the ICC to request an ICC decision. The other option is to document various positions and “agree to disagree.”