

Illinois EE Stakeholder Advisory Group Policy Manual Subcommittee

Wednesday, January 18, 2023

9:30 am – 12:30 pm

Teleconference

Attendees and Meeting Notes

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Meeting Materials

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

- [January 18, 2023 Policy Manual Subcommittee Agenda](#)
- [ComEd Policy Proposal: Cumulative Persisting Annual Savings Goal Setting](#)
- [Follow-up from December Meeting: Interactive Effects Joint Stakeholder Proposal](#)
- [Peoples Gas & North Shore Gas Policy Proposal: Fuel Switching](#)
- [AEG Memo to PG & NSG: Fuel Switching / Electrification Research](#)
- [Nicor Gas Policy Proposal: Electrification Bill Impacts](#)
- [Nicor Gas Policy Proposal: Electrification Energy Consumption Reduction](#)

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Caty Lamadrid, Inova Energy Group (SAG Meeting Support)
Abigail Miner, IL Attorney General's Office
Allen Dusault, Franklin Energy
Andrew Cottrell, Applied Energy Group (AEG)
Andrey Gribovich, DNV
Andy Vaughn, Leidos
Arlinda Bajrami, Midwest Energy Efficiency Alliance (MEEA)
Billy Davis, Bronzeville Community Development Partnership
Cassidy Kraimer, Community Investment Corp.
Charles Ampong, Guidehouse
Cheryl Watson, Equitable Resilience & Sustainability LLC
Chris Neme, Energy Futures Group, representing NRDC
Chris Vaughn, Nicor Gas
Christina Pagnusat, Peoples Gas & North Shore Gas
Christian Koch, MEEA
Dalitso Sulamoyo, Champaign County Regional Planning Commission
David Brightwell, ICC Staff
David Weaver, Citizens Utility Board
Denise Munoz, ComEd

Dylan Royalty, AEG
Elizabeth Horne, ICC Staff
Erin Stitz, AEG
Gregory Norris, Aces 4 Youth
Jean Gibson, Peoples Gas & North Shore Gas
Jeff Erickson, Guidehouse
Jim Fay, ComEd
Jonathan Kleinman, Aiqueous
Josh Sharon, ComEd
Karen Lusson, National Consumer Law Center (NCLC)
Katherine Elmore, Community Investment Corp.
Kelly Mulder, Mulder Consulting
Laura Agapay-Read, Guidehouse
Laura Goldberg, NRDC
Leanne Jossund, ComEd
LaJuana Garret, Nicor Gas
Mark Szczygiel, Nicor Gas
Martha White, Nicor Gas
Matt Armstrong, Ameren Illinois
Matthew Ludwig, ComEd
Mike King, Nicor Gas
Molly Lunn, ComEd
Omayra Garcia, Peoples Gas & North Shore Gas
Philip Mosenthal, Optimal Energy, representing IL AG and NCLC
Randy Opdyke, Nicor Gas
Rebecca McNish, ComEd
Ronna Abshure, ICC
Sam Dent, VEIC (IL-TRM Administrator)
Scott Eckel, ICC
Seth Craig-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
Thomas Manjarres, Peoples Gas & North Shore Gas
Tim Dickison, Ameren Illinois
Tina Grebner, Ameren Illinobn
Tyler Sellner, Opinion Dynamics
Victoria Nielsen, AEG
Wade Morehead, Morehead Energy
Will Supple, Guidehouse
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. Follow-up on several discussions from prior meetings.

- Introduced Catalina (Caty) Lamadrid from Inova Energy Group who will be taking over as notetaker and providing support with SAG Facilitation for 2023.

Program Administration Policy

Molly Lunn, ComEd

Purpose: To discuss ComEd's CPAS goal setting proposal, including questions and feedback.

- **Materials:** [ComEd Policy Proposal: Cumulative Persisting Annual Savings Goal Setting](#)
- **SAG Facilitator Intro:** This is the first discussion of Cumulative Persisting Annual Savings (CPAS) Goal Setting proposal.

ComEd Presentation:

- ComEd's proposal is a draft and starting point. Refer to [slide 2 and 3 of presentation](#) for background of the law and prior discussions. ComEd has presented that a 0.9% and 0.5% goal is unrealistic given savings that would expire in the goal timeframe and the fact that current existing potential would be unavailable by the deadline. It was determined some adjustment might be necessary.
 - In October 2021 ComEd recommended to the Illinois Commerce Commission (ICC) that discussions continue to develop a process for goal-setting through the Policy Manual discussions. In the interim the 0.9% goal went into effect.
- Proposal – [Slide 5](#) contains language proposed by ComEd as well as illustrative timeline.
 - Illustrative timeline included in Slide 5.

[Chris Neme] Clarification on timeline: when would goals for 2023 be established?

- *[Molly Lunn] In 2027. There is an error in slide 5. For 2027 it should say "Goal Adjustment" instead of "New Potential Study."*
- *At the end of 2027 the ICC would review adjustment of goals for 2031-2033.*
- *In 2031, the goals would be revised for 2034-2037.*

[Chris Neme] The reason the statute was written as is, is because it is important for utilities to have sight of goals that are at least two years out. There is potentially an element of concern about the timeline proposed.

[Molly Lunn] The bigger risk is to keep goals as they are because they are unachievable and there is no incentives for utilities to do anything about them and they would just assume the penalty.

[Chris Neme] If this is a process that everyone works on in 2027 and reaches agreement, the utility does not need to file plan until two years later. Does the utility still retain availability to ask for goal adjustment at the time of filing plans?

- *[Molly Lunn] The law permits utilities to request a change in goals with their filing, and ComEd's proposal does not affect that.*

[*Matt Armstrong*] Ameren has not reviewed yet. In general, agree with ComEd. Focus efforts on plan development first and then focus on setting goals at later date. Expiring savings piece still needs to be unpacked.

[*Chris Neme*] We need more discussion on how to define “expiring savings”.

[*Matt Armstrong*] American can think through a potential approach for “expiring savings.” This is a separate policy than the one being discussed, but it is interrelated. Policy Manual Subcommittee would want to think of them simultaneously.

[*Jonathan Kleinman*] Concur that they are separate things and agree that it should be worked out in this Policy Manual Subcommittee. The concept of expired savings would play a role in potential study and future filings. AIQUEOUS will assist Ameren with their proposal for next meeting.

CPAS Goal Setting Proposal Next Steps:

- ComEd will share a draft policy proposal in Word, for review
- Schedule CPAS for follow-up in March meeting
- Separate policy: Discuss Ameren proposal regarding expiring savings in March meeting

Follow-up Discussion from Previous Meetings

Purpose: To discuss follow-up on policy proposals, including questions and feedback.

Cost/Benefit Policy Manual Edits

Zach Ross, Opinion Dynamics

- **Purpose:** Follow-up on Opinion Dynamics electrification cost-effectiveness policy proposal discussed in October 2022 meeting. Including reviewing edits throughout the Policy Manual proposed by a Small Group.
- **Materials:** Circulated following the meeting
- **SAG Facilitator Intro:**
 - General agreement in October Policy Manual meeting that Policy Manual should be edited to reflect “costs as costs” and “benefits as benefits” – from original Opinion Dynamics submittal on policy options for electrification cost-effectiveness
 - A small group including Opinion Dynamics, Guidehouse, interested stakeholders, and others edited the Policy Manual
 - Purpose of today’s discussion is to share a high-level overview of edits; participants will have time to review and share comments

Opinion Dynamics Overview of Edits:

- Sharing a summary of the scope of edits. Proposed edits will be circulated for review.
 - Edits address various edits proposed by the Small Group, as well as an ICC Staff policy submission clarifying Total Resource Cost (TRC), and questions raised during the October 2022 Policy Manual meeting on the need to clarify how savings are converted through statutory mechanisms and how those should be treated in TRC. The edits address both.
 - During the October 2022 Policy Manual meeting, there were questions raised about statutory mechanisms for converting fuel savings and whether a clarification was needed in the Policy Manual.

- A Small Group reviewed the language and agreed that there is no need to adjust this. As a result, there are no redline edits made to this item.
- In terms of the ICC Staff proposal about clarifying when to apply net-to-gross (NTG) ratios, the Small Group has made comprehensive changes through the section.
- Small Group determined that a TRC clarification is needed within the Policy Manual. There was consensus in October 2022 Policy Manual meeting that impacts of electrification measures need to be treated in a way that they lead to positive numbers. After Small Group discussions, there was a determination that TRC should define each category of impact.
- The proposal adds language that specifies for every category whether NTG is applied or not.

Cost/Benefit Policy Manual Edits Next Steps:

- Circulate the draft redline Policy Manual edits for review. Goal is to resolve comments by email. If needed, follow-up in a future Policy Manual Subcommittee meeting.
- Comments due by Wednesday, February 8. Send comments to Zach Ross, Opinion Dynamics (zross@opiniondynamics.com) and CC Celia@CeliaJohnsonConsulting.com

Interactions between Electrification and Other Efficiency Measures (Joint Stakeholder Proposal)

Matt Armstrong, Ameren Illinois

- **Purpose:** Follow-up from Dec. Meeting: Ameren Illinois update on legal review of policy language
- **Materials:** [Follow-up from December Meeting: Interactive Effects Joint Stakeholder Proposal](#)
- **SAG Facilitator Intro:**
 - Joint stakeholders presented a policy proposal on interactions between electrification and other efficiency measures
 - NRDC proposed a compromise policy, which was further edited during the November Subcommittee meeting
 - Subcommittee asked to review updated compromise and provide feedback during December meeting – Ameren’s legal team requested time to review
 - Purpose of discussion is to confirm Ameren legal is comfortable with policy language

Update from Ameren Illinois:

- Ameren’s legal team has reviewed and is comfortable with the way it is written. No further comments or action needed.
- Phil Mosenthal asked if the interactive effects policy needs to be further discussed related to one of Nicor Gas’ electrification proposals.

Interactive Effects Proposal Next Steps:

- Ameren Illinois is comfortable with the compromise policy language; no concerns raised from other participants on the compromise language.
- Phil Mosenthal asked if the interactive effects policy needs to be further discussed related to one of Nicor Gas’ electrification proposals. The Policy Manual Subcommittee will discuss this if needed.

Electrification Policy Discussion

Purpose: To discuss electrification policy proposals, including questions and feedback.

Peoples Gas & North Shore Gas Policy Proposals

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:**
 - This is the first discussion of the fuel switching policy proposal.

Peoples Gas & North Shore Gas Presentation:

- [Slide 2](#) – Concept of Fuel-switching is not new. When presented with these opportunities, because our family of utilities (WEC Energy Group) includes dual-fuel utilities, we look at what is best for customers, and have found that fuel-switch doesn't automatically come with benefits to the customer.
 - *[Karen Lusson – via chat] “Thomas, I want to take issue with the notion that this map shows that many states / commissions have determined that “there aren't benefits to fuel-switching.” That is not what this map shows by any stretch of the imagination. The gray shaded states haven't addressed the issue, according to the map. That doesn't mean they've concluded that there aren't benefits.”*
- [Slide 3](#) - Other utilities and Public Utility Commissions around the country agree that not all fuel-switches are beneficial. Because of this, the states that allow fuel-switching have “safeguards” in place (or Fuel Switch Criteria) to confirm that the fuel-switching is good for customer, and they are implemented through various mechanisms. Proposal is to codify this in the Policy Manual. Specifically, we want to review underlined language ([Slide 5](#))

[Karen Lusson] How to interpret section 45 is currently in litigation in ComEd's beneficial electrification docket (BE Docket). This cannot be discussed in this forum until the final order is obtained.

[Scott Eckel] Concur with Karen. Reply briefs for this case are due today. Final order expected late March.

- Energy Efficiency and Demand Response Measures ([Slide 5](#))
 - Objective is to ensure that whatever we are doing is beneficial enough to overcome costs for entire pool of ratepayers. Proposing safeguards in place to do that.

[Phil Mosenthal] On the language requiring cost-effective energy efficiency and demand response measures: ICC has ruled in the past that the term “measures” in the statute refers broadly to overall actions of the effort, not individual measures in the way they are thought of for energy efficiency programs. Policy Manual also addresses this.

- *[Chris Neme] Agreed. There is language further on in Section 8-103B paragraph 3 says utilities should demonstrate that their overall portfolio of measures is cost-effective, not at individual measure level.*

- *[Ted Weaver] There is language in Policy Manual that helps interpret the law (added before CEJA) and it states that utilities must calculate cost-effectiveness for individual measures and programs. And where individual measures and programs are not cost-effective, utilities can implement with justification. In the past, this requirement has been for a handful of measures but with CEJA things have changed because of electrification, therefore it is appropriate to revisit.*
- Review the proposal for actual language proposed to be included in Policy Manual – [Slide 7](#).
 - Proposed language is backed up with best practices from around the country. This proposal will guarantee fuel switching is beneficial to customers.

[Karen Lusson] Agree that customers should be provided with information to make the best decision for their household. And they should be presented with what fuel switching for one measure would do for overall impacts.

- *Example: air source heat pump (ASHP) may also provide cooling, but if customer has an air conditioning unit (AC) there could be a reduction or increase in costs. But the overall package of measures will produce energy savings and positive bill impacts (to the customer). This is the context that should be provided to customers so they can be in charge of their decisions.*
- *The notion that every measure should meet the proposed criteria is a non-starter for NCLC.*

[Sy Lewis – via chat] Giving as much information to the customer as possible" should be a focused goal in any of these changes that will impact customers and is often left as an aside.

- *[Thomas Manjarres – via chat] Thank you Sy. We agree. We would be open to adding that as a criteria.*
- *[Abigail Miner, AG – via chat We agree with Karen that customers need to be presented with comprehensive knowledge of the bill impacts and energy savings of all options available to them.*
- *[Thomas Manjarres] The proposed criteria would not conflict with the example provided by Karen because that example is considered efficiency and not fuel-switching.*
- *[Phil Mosenthal] Heat pump is a single device and the customer needs to look at it holistically.*

[Jonathan Kleinman] Why is the proposed approach specific to fuel switching and not for whole portfolio? Why draw a boundary?

- *[Thomas Manjarres] An energy efficiency measure, by definition, meets all three criteria proposed. But there are fuel-switching measures that meet some or none of these.*
- *[Phil Mosenthal] Are you proposing that number 3 (cost-effectiveness) applies to all measures and not just fuel-switching?*
- *[Thomas Manjarres] For example: if ratepayers are collectively paying for a fuel-switch measure that reduces a customer's bills by \$100 but as a direct result it triggers many other upgrades to generation, transmission,*

and distribution system, that upgrade cost would be spread-out to all ratepayers.

- [Jonathan Kleinman] This makes sense in terms of providing information to customers. But struggling with notion that the proposed language affects only one class of measures in the portfolio (fuel-switching) and not others.
- [Ted Weaver] One distinction is that right now where measures are not cost-effective, they are typically small in their energy savings contributions and associated budget. Fuel-switching is orders of magnitudes larger in the utilities' spend budget.
- [Molly Lunn – via chat] Just to clarify, for those not as familiar, \$40M over 4 years.
- [Jonathan Kleinman – via chat] But the portfolio itself has to screen, correct?
- [Allen Dusault – via chat] Electrification can and sometimes does increase fossil fuel consumption. That has been stated by EPRI and others.
- [Thomas Manjarres] From our perspective this would align electrification projects with the way custom projects are treated.

[Karen Lusson – via chat] Also, we want our utility weatherization programs to mirror the best practices of the state/federally funded weatherization program (IWAP). In that regard, the customer is presented with a variety of measures, some of which may not necessarily be cost effective individually but they are nevertheless included because they are part of the overall effort to improve the comfort, safety and health of the home. And of course, the measures in total lower energy bills in a holistic manner.

- [Thomas Manjarres] The proposal is to collectively agree that the measure needs to be good for customers, and then come to an agreement on what is a cost-effective fuel-switching measure.
- [Chris Neme] First, there are reasons why customers would invest in something with a value that utilities may not be able to understand or quantify. This is one of the reasons that there isn't a requirement for individual measures to be cost-effective. It seems that imposing this additional requirement is inconsistent with statute and how everything else is treated. I concur that the most important thing is for customers to have information and make their own judgement. This form of protection already exists in the statute as a requirement of the utility. NRDC would likely be opposed to this proposal.
- [Karen Lusson – via chat] Again, looking at what happens in our weatherization program (IWAP), not every measure would pass this proposal. Low-income weatherization is where most of the fuel switching will occur, at least under the current plan. For example: Weatherization services that can be funded through IHWAP include:
 - Air sealing
 - Attic and wall insulation
 - HVAC repair or replacement
 - Water heater repair or replacement
 - Electric base load reduction (lighting and refrigerator replacement)
 - Ventilation and moisture control measures (and other health and safety measures)

- *Maximum \$16,000 per eligible client's home for energy-related weatherization and repair work*
 - *Maximum \$3,500 for health and safety related measures"*
 - *[Karen Lusson – via chat] “And Thomas, to your point about hindsight and regrets, we would also regret it if low income customers have been left behind because of rules like this when wealthier customers have been able to electrify their homes, leaving [low income] customers holding the bag on paying for the gas distribution system as customers leave based on electrification.*
 - *[Allen Dusault – via chat] Electrification impacts are not individual when done at scale. Those cost, and they could be in billions, are spread among all ratepayers.*
- **Wrap-up:** PG/NSG is proposing to come up with a way of quantifying benefits. Our intention is to create a working group to come up with a test that would let us screen good fuel-switch projects. It sounds like there is agreement on the first two screening criteria.

[Karen Lusson NCLC I don't think we had agreement on number 2, recognizing that an ASHP may slightly reduce the energy savings and positive bill impacts but still be valued by the customer because, for example, that customer now has cooling for their home for the first time.

- *[Molly Lunn] ComEd's position is that there is no need to come up with a policy or additional language because these three points are already addressed by existing policy language.*
- *[Chris Neme – via chat] NRDC would oppose new Policy Manual language on #1 (GHG emissions) and #2 (ratepayer costs). We do not think we need such an addition, and that the statute already provides sufficient protections. As Phil noted, we did include in the electric utility plan stipulates a requirement for reducing IQ bills, we don't think that requirement should apply to all customers and we also don't think it needs to be in the Policy Manual for IQ.*
- *[Karen Lusson– via chat] Agree with Chris's point above.*
- *[Karen Lusson – via chat] I also think this entire discussion is a moving target because of the new federal rebates on ASHPs that are coming as a result of the Inflation Reduction Act.*

Fuel Switching Proposal Next Steps:

- PG/NSG to share written Word version of policy proposal – participants invited to share written feedback. Feedback is due by Wednesday, February 8. A follow-up discussion will be held at the February 15 Policy Manual Subcommittee meeting.

Nicor Gas Electrification Policy Proposals

Ted Weaver, First Tracks Consulting, representing Nicor Gas

- **Materials:**
 - [Nicor Gas Policy Proposal: Electrification Bill Impacts](#)
 - [Nicor Gas Policy Proposal: Electrification Energy Consumption Reduction](#)
- **SAG Facilitator Intro:**
 - This is the first discussion of the Nicor Gas electrification policy proposals.

Electrification Bill Impacts (Nicor Gas Policy Proposal)

Nicor Gas shared the following explanation via email on 1/16, summarizing the Electrification Bill Impacts Policy Proposal:

“The **Bill Impact** policy clarifies how electric utilities will comply with the requirements of Section 8-103B(b-27) to provide customers with estimates of the impact of electrification measures on customers’ average monthly electric bill and total annual energy expenses.

- The policy includes provisions to ensure that customers receive bill impact information that:
 - Identifies impacts for the electrification measure itself, separate from impacts from other end uses or measures included in broader projects;
 - Compares efficient electrification options with other efficient options;
 - Is appropriate to the individual customer installing the measure;
 - Reflects all the factors required to calculate accurate energy prices and bill impacts.
- The policy also ensures transparency and accuracy by:
 - Leveraging the TRM process to define appropriate algorithms and assumptions used in bill impact calculations
 - Leveraging the Independent Evaluator to certify that customer information follows TRM guidance and is otherwise accurate”

Nicor Gas Presentation:

- The law requires Electric Utilities to provide estimates of electrification measures to customers.
- Proposal lays out some approaches for how that should happen and processes, so that the information provided is transparent and accurate.
- Rates are extremely complex and they change over time (spreadsheets and graphics presented).
- We want to ensure customer receives comprehensive information.
- Summary of proposal:
 - Commentary on Point (1) Requires that bill information provides impacts for electrification itself.
 - Commentary on Point (2) TRM is set up to calculate savings compared to something inefficient. Even fuel-switching for electrification measures, that’s how savings should be calculated in terms of goal. But comparisons are important for customers for them to decide.
 - Commentary on Point (3) Appropriateness to individual customer installing the measure.
 - Commentary on Point (4) It should reflect all factors required to calculate prices and bill impacts. TRM would lay this out as well.
 - Proposal includes provisions for the evaluator to check the math and algorithms, just like it is done on saving calculations.

[Sy Lewis – via chat] Is it given to customers in a way that they can understand? The best way for customers to make an informed decision with this level of information is to allow CBO's and CAA's the opportunity to impart this information in a neutral and digestible manner.

- *[Sy Lewis] Customers need group settings to understand this information. Q: How would you get this information out? In some communities, customers are hesitant if they don't have a good understanding from a trustworthy source.*
 - *[Ted Weaver] The proposal is not that all the detail that goes in the calculation be presented to the customer, but just the most important information.*
 - *[Karen Lusson – via chat] Agree that the bill impact calculation process be as precise as impossible on the back end, incorporating the right assumptions about rates, seasonal price changes, and delivery price changes, etc., so that on the customer-facing front end, the estimations of bill impacts can be as precise as possible.*
 - *[Billy Davis – via chat] Agree with Sy. Decision is not as simple as comparing costs, because costs change. More important that customers understand the dynamics.*
 - *[Abigail Miner- via chat] Enrollment with an alternative supplier is also a variable.*
 - *[Molly Lunn] ComEd has worked on this with stakeholders and doesn't feel a policy is needed at this time. Will review proposed language.*
 - *[Thomas Manjarres – via chat] "I agree with Sy. The fuel switch criteria proposed are intended to ensure that the opportunities presented to customers have already been screened and demonstrated that they will benefit the customer.*
 - *[Cheryl Watson] Who will be interacting with the customer when these decisions are made? How will this information be made user friendly? There should be a rubric to help customers understand how pieces fit together.*
- This proposal has to do with calculations at the right level of detail. But Cheryl brings up a good point that goes beyond this policy proposal.

[Chris Neme] Stakeholders have already been involved in conversations with Ameren and ComEd about this. Two components to proposal (1) technical piece, and (2) process piece of leveraging TRM process and evaluators. Why do we need this second part? Disagree with the notion that we should differentiate between the two functions that a heat pump provides, we should look at heating and cooling together.

- *[Ted Weaver] Proposed TRM does more than what it does now. It seems appropriate to leverage a functional process to ensure bill impacts provided to customers in compliance with the law are accurate. On Chris' point about the heat pump, our position is that the electrification measure of a heat pump is the heating, not the cooling. Our proposal allows to provide the total savings, but also the individual savings/costs are heating and cooling, and this would be helpful for customers to make a choice.*
- *[Chris Neme] There is no such thing as a "heating" measure, there is a heat pump measure that provides both heating and cooling. The measure is the heat pump and not the end uses.*
- *[Philip Mosenthal] I agree it is a single measure, but I think splitting it up could be useful information for customers. One area not in agreement is the comparison of the measure against hypothetical options the customer might have. This arguably could add huge burden.*

- *Clarification on midstream: in some cases heat pumps will be promoted through midstream actors (distributors or contractors) and they may be unable to make the analysis recommended.*
- *[Thomas Manjarres] In response to Phil, I disagree that it is not possible to come up with hypothetical options. I believe this is our responsibility and we are the ones that have that expertise and thus we should provide this to customers.*
- *[Karen Lusson – via chat] It's up to the customer to determine what's best for them -- not the utilities. The utilities obligation and our duty is to ensure that the information the utility is supplying the customer is accurate. I'm okay with providing information about very efficient gas furnaces cost impacts vs. ASHPs. But the devil is in the details as to how you do that. Again, we need to provide as much info as possible to the customer.*
- *[Sy Lewis] Disagree that utilities should be making those decisions for the customer. Assume the customer is smart enough to make the decision.*
- *[Abigail Miner, AG – via chat] Customers need to be provided the full information so they can make the decision for themselves.*
- *[Chris Neme – via chat] To Sy and Cheryl's comment, my take on the challenge of explaining this to income qualified customers is that it would be important for the entities delivering the utilities' programs - the community action agencies, Chicago Bungalow Association, Elevate Energy, etc. - to play lead roles in that presentation. As Sy noted, these organizations should have relationships and trust with income qualified customers. To the extent that they do, that will be critically important.*
- *[Karen Lusson – via chat] Agree with Chris. We don't want contractors who might prefer a certain appliance delivering the message. There has to be a script, and agreement on what written information is provided to the customer, at a minimum.*
- *[Sy Lewis] Agreed. Non-profits and community-based organizations with no financial incentive are needed to deliver this information neutrally.*
- *[Chris Neme – via chat] “And to be clear, the challenges to explaining this are substantial for any kind of customer. I just addressed IQ customers in my previous comment because we know who is delivering efficiency and electrification services to them and that the delivery is very customer specific (vs. through a large network of HVAC contractors).”*
- *[Matt Armstrong] Ameren needs to review how this proposal aligns with discussions with stakeholders on the bill impact analysis.*

Electrification Bill Impacts Next Steps:

- Participants invited to share written feedback. Feedback is due by Wednesday, February 8. A follow-up discussion will be held at the February 15 Policy Manual Subcommittee meeting.
- Send comments to Ted Weaver (weaver_t@mindspring.com) and Celia@CeliaJohnsonConsulting.com.

Electrification Energy Consumption Reduction (Nicor Gas Policy Proposal)

- Brief explanation of email, referenced below. The proposal is to review approaches that should be in place to help give everyone confidence that the law has been met. This relies in information you have after a project, but some similar language to first proposal.
- Further discussion at February meeting, following opportunity for written feedback.

Nicor Gas shared the following explanation via email on 1/16, summarizing the Electrification Energy Consumption Reduction policy proposal:

“The **Energy Consumption Reduction** policy clarifies how electric utilities will comply with the requirements of Section 8-103B(b-27) to limit electrification to those installations that reduce total energy consumption at the premises and to limit electrification contributions to applicable annual total savings goals.

- The policy includes provisions to ensure that premise savings are calculated:
 - For the electrification measure itself, separate from impacts from other end uses or measures included in broader projects;
 - Specific to the individual customer installing the measure;
- The policy also ensures transparency and accuracy by:
 - Leveraging the TRM process to define appropriate algorithms and assumptions used in savings calculations
 - Leveraging the Independent Evaluator to certify that electrification projects reduce site energy consumption and do not exceed the applicable annual total savings limits”

Electrification Energy Consumption Reduction Next Steps:

- Participants invited to share written feedback. Feedback is due by Wednesday, February 8. A follow-up discussion will be held at the February 15 Policy Manual Subcommittee meeting.
- Send comments to Ted Weaver (weaver_t@mindspring.com) and Celia@CeliaJohnsonConsulting.com.

Closing and Next Steps

Celia Johnson, SAG Facilitator

- Next Policy Manual Subcommittee Meeting: Wednesday, February 15 (10:00 am – 3:00 pm), in-person at MEEA, with a teleconference option

CPAS Goal Setting Proposal Next Steps:

- ComEd will share a draft policy proposal in Word, for review. Schedule CPAS for follow-up in March meeting.
- Separate policy: Discuss Ameren proposal regarding expiring savings in March meeting.

Cost/Benefit Policy Manual Edits Next Steps:

- Circulate the draft redline Policy Manual edits for review. Goal is to resolve comments by email. If needed, follow-up in a future Policy Manual Subcommittee meeting.
- Comments due by Wednesday, February 8. Send comments to Zach Ross, Opinion Dynamics (zross@opiniondynamics.com) and CC Celia@CeliaJohnsonConsulting.com

Interactive Effects Proposal Next Steps:

- Ameren Illinois is comfortable with the compromise policy language; no concerns raised from other participants on the compromise language.

- Phil Mosenthal asked if the interactive effects policy needs to be further discussed related to one of Nicor Gas' electrification proposals; Policy Manual Subcommittee will discuss this if needed.

Fuel Switching Proposal Next Steps:

- PG/NSG created summary Word version of policy proposal – participants invited to share written feedback. A follow-up discussion will be held at the February 15 Policy Manual Subcommittee meeting.
- Feedback is due by Wednesday, February 8. Send comments to Thomas Manjarres (Thomas.Manjarres@wecenergygroup.com) and Celia@CeliaJohnsonConsulting.com.

Electrification Bill Impacts Next Steps:

- Participants invited to share written feedback on Nicor Gas proposal. A follow-up discussion will be held at the February 15 Policy Manual Subcommittee meeting.
- Feedback is due by Wednesday, February 8. Send comments to Ted Weaver (weaver_t@mindspring.com) and Celia@CeliaJohnsonConsulting.com.

Electrification Energy Consumption Reduction Next Steps:

- Participants invited to share written feedback on Nicor Gas proposal. A follow-up discussion will be held at the February 15 Policy Manual Subcommittee meeting.
- Feedback is due by Wednesday, February 8. Send comments to Ted Weaver (weaver_t@mindspring.com) and Celia@CeliaJohnsonConsulting.com.