

# Illinois EE Stakeholder Advisory Group Policy Manual Subcommittee

Tuesday, June 27, 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](#):

- [Administrative Edits to Policy Manual \(prepared by SAG Facilitator\)](#)
- [Peoples Gas & North Shore Gas Compromise Policy Proposal: Bill Impacts](#)
- [Nicor Gas Electrification Policies](#)
  - Comments Received on Nicor Gas Electrification Policy Proposals:
    - [Ameren Illinois Comments to Nicor Gas Electrification Proposals](#)
    - [ComEd Comments on Electrification Bill Impacts Proposal](#)
    - [ComEd Comments on Electrification Energy Consumption Reduction Proposal](#)
    - [Stakeholder Comments on Electrification Bill Impacts Proposal \(NRDC, NCLC, and IL AG\)](#)
    - [Stakeholder Comments on Electrification Energy Consumption Reduction Proposal \(NRDC, NCLC, and IL AG\)](#)
- [ICC Staff Presentation: Response to Prohibited Expenses Comments](#)
  - Comments Received on ICC Staff Prohibited Expenses Policy Proposal:
    - [Ameren Illinois Prohibited Expenses Comments](#)
    - [Nicor Gas Prohibited Expenses Comments](#)

### Attendees

Celia Johnson, SAG Facilitator  
Caty Lamadrid, Inova Energy Group (SAG Meeting Support)  
Andy Vaughn, Leidos  
Becca McNish, ComEd  
Bobbie Tolson, ComEd  
Cassidy Kraimer, Community Investment Corp.  
Charles Ampong, Guidehouse  
Cheryl Watson, Equitable Resilience & Sustainability LLC  
Chris Neme, Energy Futures Group, representing NRDC  
Christian Koch, MEEA  
Chris Vaughn, Nicor Gas  
Christina Pagnusat, Peoples Gas & North Shore Gas  
David Brightwell, ICC Staff

Deb Perry, Ameren Illinois  
Diana Fuller, Walker-Miller Energy Services  
Ebuka Okoli, ComEd  
Elizabeth Horne, ICC Staff  
Fernando Morales, Ameren Illinois  
Jarred Nordhus, Peoples Gas & North Shore Gas  
Jeff Erickson, Guidehouse  
Jean Gibson, Peoples Gas & North Shore Gas  
Jonathan Kleinman, Aiqueous  
Karen Lusson, National Consumer Law Center (NCLC)  
Katherine Elmore, Community Investment Corp.  
LaJuana Garret, Nicor Gas  
Laura Agapay-Read, Guidehouse  
Matt Armstrong, Ameren Illinois  
Michael Brandt, Elevate  
Naomi Davis, Blacks in Green  
Omayra Garcia, Peoples Gas & North Shore Gas  
Pat Justis, Ameren Illinois  
Philip Halliburton, ComEd  
Philip Mosenthal, Optimal Energy, representing IL AG's Office and NCLC  
Randy Opdyke, Nicor Gas  
Ronna Abshure, ICC Staff  
Sam Dent, VEIC (IL-TRM Administrator)  
Scott Eckel, ICC  
Seth Craigo-Snell, SCS Analytics  
Sy Lewis, Meadows Eastside Community Resource Org.  
Ted Weaver, First Tracks Consulting, representing Nicor Gas  
Tina Grebner, Ameren Illinois  
Thomas Manjarres, Peoples Gas & North Shore Gas  
Travis Hinck, GDS Associates  
Victoria Nielsen, Applied Energy Group  
Zach Ross, Opinion Dynamics

### **Opening & Introductions**

*Celia Johnson, SAG Facilitator*

- **Material:** [SAG Facilitator Presentation: Introduction to June 27 Meeting and Policy Background](#)

### **Administrative Edits to Policy Manual**

*Celia Johnson, SAG Facilitator*

- **Purpose:** For the SAG Facilitator to present administrative edits to the Policy Manual and discuss feedback.
- **Materials:** [Administrative Edits to Policy Manual \(prepared by SAG Facilitator\)](#)
- There are a few minor edits raised as part of Policy Manual update process, these are “administrative edits” that will be shown next to see if there are any objections. SAG Facilitator presented an overview of each redline edit, with rationale.
- Next Steps – SAG Facilitator will incorporate the following edits:
  - Ameren Illinois suggested referencing LIEEAC in the “Acknowledgments” section.

- ICC Staff suggested editing the Weighted Average Measure Life calculation for clarity.

## **Follow-up on Electrification Proposals**

### **Peoples Gas & North Shore Gas Compromise Proposal: Bill Impacts**

*Jean Gibson, Peoples Gas & North Shore Gas*

- **SAG Facilitator Background:** PG&NSG presented a Fuel Switching Policy proposal which was discussed in the January and February meetings. Following comment submittals, the proposal was determined to be in non-consensus. Today PG&NSG will present a compromise proposal.
- **Material:** [Peoples Gas & North Shore Gas Compromise Policy Proposal: Bill Impacts](#)
- The document is a walk-through of the progress of the proposal. At the top is the language presented back in February. The center section shows the current redline edits for tracking purposes. The bottom section has the revised compromise proposal in clean language.
- Overview of compromise proposal:
  - First sentence is direct language from CEJA.
  - SAG Facilitator will host a working group on greenhouse gas (GHG) emission calculations, and so this piece of proposal has been removed and PG&NSG will participate in this effort.
  - The second piece of proposal about fuel switching measures having to be cost-beneficial, has been removed due to lack of agreement, and PG&NSG hopes to revisit in the future.
  - The third piece of proposal on reducing the rate-payer's energy costs, the compromise proposal being presented is for the SAG Facilitator to convene a series of working groups to achieve consensus on how best to present estimated bill impacts to the customer. In Northern IL territory electric and gas utilities are not joint, so neither utility has a good picture of what customer costs are. Utilities need to work together for the customer to have complete information on the annual costs resulting from electrification measures.

*Naomi Davis: Has there been a discussion to anchor goals against measures for delivering a certain progress to ensure ratepayers spend less than 6% of household income on gas and electric costs? Is there a mechanism that can be used to review progress regarding affordability?*

*Jean Gibson: In the context of this proposal, we are not focusing on formulas and calculations, but we want to engage in those conversations through the proposed working group discussions. As far as SAG general discussions, no benchmark has been established as of yet.*

*Celia Johnson: A SAG working group to discuss GHG savings and reporting will begin after the Policy Manual is filed. Discussions will start in September.*

*Chris Neme: With respect to Naomi's question, I think you are asking a broader question about whether gas and electric efficiency programs are looking at how they are affecting the energy burden and helping low-income customers stay within 6% limit that you referenced. I wonder if this one of the issues that needs to be discussed as part of working group that will start shortly on reporting metrics.*

*Celia Johnson: There is also a SAG Reporting Working Group that will begin meeting in September, after the Policy Manual is filed. The goal of this working group is to discuss metrics related to reporting-principles that are newly established in this update to the Policy Manual.*

*Chris Neme: As it relates to this proposal, it talks about the subset of electric utility initiatives on electrification and there is a separate proposal that will be heard today from Nicor Gas on bill impacts. Is this a substitute to Nicor's proposal?*

*Jean Gibson: PG&NSG has not discussed with Nicor. This is not intended to replace policies that Nicor is presenting today.*

*Chris Neme: I think the policies need to be considered together because they are addressing same topic. From NRDC's perspective we do not believe that we need either policy. We do not feel that the working group will be successful in its process, due to how difficult the discussion has been so far. The mandate is for electric utilities and I think the SAG should not overstep by dictating how it should happen.*

*Chris Neme – via chat: Plus, we have so many working groups already, it is becoming challenging for non-utility stakeholders to participate meaningfully in all of them. We need to prioritize.*

*Jean Gibson: Utilities don't have access to each other's data, so to us feels important that we engage in discussion so customers have a full picture.*

*Chris Neme: Electric utilities already do this at some level when they do weatherization of gas-heating homes. This discussion is not needed.*

*Phil Mosenthal: In terms of Naomi's concern on energy burden I agree this is important and I believe we explicitly put language about reporting on energy burden in at least one of the IQ policies that were presented yesterday to IQ Committee. In terms of the proposal, it probably makes sense to put this conversation on hold until we hear back from Nicor. It may well be that it is covered there if we can reach consensus. That said, I don't think I would have issue with adding sentence on working group to the Nicor's proposal if there was additional detail, but I also share Chris' concern about micromanaging the process.*

*Karen Lusson: I would support formation of a working group if needed, but agree with PG & NSG and Nicor Gas working on a joint proposal.*

*Naomi Davis: Strongly agree that providing more information to the customer in these contexts is critical.*

*David Brightwell: There is a lot of debate around what information is provided to customers and coming up with a uniform information template would be beneficial. But if this conversation is not going to go anywhere, I would prefer to avoid the working group.*

*Karen Lusson: I am also conscious of over-scheduling meetings but having a clear understanding of how information is presented to customers is worth to put together a template and agreement. I want to make clear that even if the move to electrification*

*shows an increase in bill, we are not saying the customer shouldn't do it because it is ultimately their decision.*

*Rebecca McNish: Agree with the concerns that Chris Neme noted upfront. This is the customer's decision and we are comfortable capturing language that upholds transparency and accuracy (we made edits on Nicor's proposal), but I am hesitant to agree to working group on a topic that ComEd feels is already addressed in the stipulation.*

*Matt Armstrong: Ameren built a calculator and are open to being transparent with it. Let's discuss again after Nicor's proposal. As far as holding another working group we feel that there are other priorities and that we would not reach consensus. We need to have some flexibility as things evolve, and going the working group process feels very prescriptive.*

*Naomi Davis: With respect to number of meetings and micro-management aspect. I agree that we already have a lot of meetings, but this is a priority and is critical.*

*Sy Lewis – via chat: There is no reason why the customer should not be fully informed for many it will be a hard sell anyway. The information may make the difference.*

*Karen Lusson – via chat: And the ratepayers are paying for the program! The customer needs to receive the information needed to understand what a change of appliances means for their monthly bill. How that information is being presented to the customer, as well as the assumptions used in the presentation of data, is critical for the customer to know. I repeat -- the ratepayers are paying for this program. I don't consider settling on how that information is reported as micro-managing.*

*Chris Neme – via chat: Sy and everyone else: Just to be clear, NRDC completely agrees that it is important that the customer be educated on impacts of efficiency and electrification. NRDC argued strongly for that, especially for low-income customers, in negotiating the Ameren and ComEd settlement agreements. That information will be provided. I am just questioning whether we need another SAG working group to address the subject is needed or helpful.*

## **Nicor Gas Electrification Bill Impacts Policy Proposal**

*Ted Weaver, First Tracks Consulting, representing Nicor Gas*

- **SAG Facilitator Background:**
  - At the May 31 meeting, Nicor Gas presented higher level policy proposals on electrification bill impact calculations and electrification savings verification
  - The higher level policy proposals are in response to feedback shared in February
  - Written feedback was requested, including specific feedback on any components of the policy proposals that could be accepted in the Policy Manual
  - Feedback was submitted by Ameren Illinois, ComEd and joint stakeholders (NRDC, National Consumer Law Center, and IL Attorney General's Office)
  - Nicor Gas would like to clarify the comments submitted
- **Material:** [Nicor Gas Electrification Policy Presentation](#)
- There is one sentence on Bill Impacts from 8-103B (b-27). This is legal requirement for electric utilities is very broad, so we want to add a policy to narrow it down and arrive at a common understanding of how bill impacts are calculated.

- This is the second round for incorporating comments. On our new proposal outline, we have 6 points and a couple of them have an (a) and (b) subsection.
- In point 3 we define two issues where we have a difference of opinions, this is around the definition on electrification and how impacts are provided to the customer. In our proposal we should show impacts by end use and by measure. In point 5 we talk about requiring evaluator verification once per year and that utilities should share their models and assumptions.
- Point 6 discusses the conditions that should be represented for specific customers when practicable.

*Naomi Davis: Is there something that discusses sharing the acquisition cost of purchasing the equipment needed to take advantage of electrification? There are many vendors with different pricing and we don't have a chart that provides guidance to people who are cost-sensitive.*

*Ted Weaver: This policy addresses what is in the law, and the law does not require discussion of upfront costs, it only requires information on annual operating costs. However, as an example, ComEd's low-income EE electrification program is a free offering for customers (all of it is free). For those customers the upfront cost is less important because they are not paying any of it.*

*Rebecca McNish: Correct. We cover full cost of measure for customers participating and there are additional requirements in stipulation that we would not move forward with installation of measure unless it results in a reduction in their electric bill.*

*Phil Mosenthal: On 3b by measure, NCLC/AG want to see both total and by measure.*

*David Brightwell: I think ICC Staff would agree to 1, 2, 5a and to some degree 6. As far as 4 goes I think there is some justification for it but the language needs to be softened. For 3a and 3b we have concerns.*

- Discussion on Point 6:

*Phil Mosenthal: The expectation is that utilities are doing this for income-qualified (IQ) customers at the home and doing specific calculations, and that we want to make sure we are allowed to use defaults. The one clarification I would have "when practicable" is an important phrase, because for example for customers on ARES rates this may not be possible and they might have to use default values.*

*Chris Neme: Our expectation is that a cut sheet will not be used on all cases. We are concerned the language in this paragraph is very detailed. If we can come up with something more simplified, we would agree to it.*

*Phil Mosenthal: Language suggestion: "When practicable, bill impacts should reflect specific customer circumstances, however reliance on default assumptions may also be used."*

- Discussion on Point 5: there is agreement about being transparent and accurate. Electric utilities agree to share their models and assumptions with Gas utilities. However, none of the parties were comfortable with the process that was laid out for disputes. In the

second round of the proposal, we asked that evaluators check once per year, but stakeholders did not agree to it, so I'd like to ask feedback on what should happen if there is a disagreement?

*Phil Mosenthal: This is not an evaluation function, it is a customer's communication and that is why we don't feel it is appropriate for the evaluator to do this. As to what happens, I think this is the electric utilities' program and it is on them to resolve. If someone doesn't agree, then it is contested in regulatory process.*

*Chris Neme: Agreed. If someone really wants to contest, they could go to the Commission to reconciliation proceedings or in a plan docket. There are a lot of things that happen in utilities' planning of programs that stakeholders do not have input on, this is no different.*

*Sy Lewis: But they are going to be transparent right? I am assuming that utilities will lean into being transparent and accurate, and with that expectation I don't think there is an issue.*

*Ted Weaver: I see this discussing belonging to point 2 about being transparent to customers, but number 5 is about transparency to evaluator.*

*Phil Mosenthal: I see it as both 2 and 5.*

*Ted Weaver: 5a gets at the process for sharing accuracy.*

*Jean Gibson: A reminder of what is happening in northern IL territory. Utilities do not share billing data, getting to accuracy takes more work to make sure we do it right.*

*David Brightwell: I understand the desire for accuracy but some extent there is inherent issues with that, we'll never have perfect data. We don't have any data on propane and oil either. There will always be missing data.*

*Ted Weaver: I am hearing, we keep 5a and remove 5b and just replace with language about "consider feedback provided."*

- Discussion on point 3, there seems to be disagreement on part (a), but I think there is some agreement on part (b).

*Chris Neme: NRDC agrees to separating effect of electrification measures.*

*Phil Mosenthal: We have no issue with that, but would also like to see electrification effects being broken down by individual measures. I think it is important to explain the fixed charge issue to customer and be clear on what each measure saves.*

*Chris Neme: Laying it all out may work for lots of customers but for others it may also be confusing and utility should be prepared to explain with more detail. But when you show measure by measure you can show misleading information. I would rather not show the misleading stuff. I want to add minimum requirement to Policy Manual and then utilities can do more if needed.*

*Matt Armstrong: Agree with Chris. We need to recognize that other customers might need different levels of information, we also think this is too prescriptive. We are not supporting this level of detail.*

*Ted Weaver: Matt, would you be ok with an electrified vs non-electrified bucket?*

*Matt Armstrong: Yes.*

*Karen Lusson: Interested to see what customers are being provided today. Is there a document that is being provided to customers now, can ComEd and Ameren share this? I'd like to see it for low-income weatherization programs and market-rate residential.*

*Rebecca McNish – via chat: I believe we've shared that with SAG previously but are working to schedule time for more updates in late summer and winter.*

*Philip Mosenthal – via chat: Statutory language, (which refers specifically to "an electrification measure" (singular)): 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.*

*Chris Neme McNish – via chat: Agree with Karen that it would be easy to share an example of ComEd's current communication w/stakeholders via email. I do think we saw this from ComEd months ago in a PowerPoint, but it has probably been updated since then.*

#### **Next Steps for Bill Impacts Policy Proposal:**

- Nicor Gas, Peoples Gas & North Shore Gas to coordinate and create “clean” compromise version of bill impacts policy for Policy Manual Subcommittee to review.
- Karen Lusson request for ComEd and Ameren Illinois to share an example of information they are currently providing to customers.

#### **Next Steps for Nicor Gas Electrification Energy Savings Policy Proposal:**

- Not discussed on June 27<sup>th</sup> due to time constraints.
- Nicor Gas will present follow-up on comments received at the July 11 Policy Manual Subcommittee Meeting.

#### **Follow-up on Prohibited Expenses Policy Proposal**

*Elizabeth Horne, ICC Staff*

- **SAG Facilitator Background:**
  - “Prohibited Expenses” is an existing Policy Manual policy
  - ICC Staff submitted several proposed edits to the Prohibited Expenses policy in June 2022, as one of the policies to be considered in the Policy Manual update process
  - One of the proposed edits is an issue in an open docket (incentive compensation), therefore will not be discussed in this Policy Manual process
  - ICC Staff presented an updated version of the policy proposal on May 31
  - Written feedback was requested
  - Feedback was submitted by Ameren Illinois and Nicor Gas
  - ICC Staff will respond to written feedback
- **Materials:** [ICC Staff Presentation: Response to Prohibited Expenses Comments](#)

- ICC Staff does not concur with some of the changes proposed around prohibited expenses. Details shown on slides..

*Phil Mosenthal: I don't see how a sponsorship can be a ticket. If it is already disallowed, why is the part in red needed?*

*Chris Vaughn: When this was originally presented it was explicitly said that it did not include sponsorship. But sometimes when you do a sponsorship you get tickets as a package.*

*Karen Lusson: I have an issue with this.*

*Elizabeth Horne: I think the language is what is difficult. You could sponsor an entertainment even with ratepayers' funds to promote energy efficiency program. But employee activities and team building cannot be done with ratepayer funding, they have to be a cost to the utility.*

*Chris Vaughn: But there are many events we attend that are not energy efficiency specific and utilities go in and sponsor the event.*

*Karen Lusson: The difficulty is in the word sponsorship and its definition.*

*Sy Lewis: Under what circumstances will there be sponsoring for a sporting event?*

*Elizabeth Horne: It has been submitted and disallowed in the past. It might be a rodeo, a John Deere event, another sports event.*

*Chris Vaughn: There is language about the sponsorship being specifically utilized for marketing energy efficiency. As an example: "Naperville Kids Fest" it can be seen as entertainment even and, the organizer may include tickets to that event as part of the sponsorship packet that utilities get to attend and discuss energy efficiency items with attendees.*

*Sy Lewis: For this example, we see it as a community festival, and it would make sense to be here. But to give away free tickets for people to watch a sporting event or concert would not be applicable.*

*Chris Vaughn: That is the issue, what some people see as community festival some people can see as entertainment. I also agree with the tickets example that Sy provided, but in other circumstances the tickets are part of the sponsorship. We need to narrow it down.*

*Elizabeth Horne: Any expenses related to sporting events, concerts, movies that are not specific for energy efficiency outreach are not allowable. This is not to say that utilities should not do outreach at a festival, it's just that it should not be paid for by ratepayers.*

*Phil Mosenthal: Given that this is about prohibited expenses that you can or cannot recover, I'm not sure extra language is needed. Because if it is an appropriate expense that happens along with being a sponsor where you get free tickets, there is no expense for the tickets per se (they are free). But because it is specific to tickets, if it is a freebie*

*given to utility to hand out to people, one could argue that the ticket portion does not have a cost and cannot be recovered.*

*Karen Lusson: Unless there is another level of sponsorship that does not include tickets.*

*Phil Mosenthal: Right, in which case they should not be included.*

*Karen Lusson: It is different to attend a nonprofit or community event to promote the program vs. attending a Nascar race, ratepayers should not have to pay for that. Utilities must tie actual marketing of the program with information to the public in order for it to be recoverable.*

*Chris Vaughn: I agree with this point, but I think this proposed language makes it more confusing because everyone has their own interpretation of what an entertainment or sporting event is. You gave an example of setting up a kiosk to talk about energy efficiency, but Miss Horne sees it as an imprudent expense.*

*Phil Mosenthal: Can we do an edit that says something like “tickets explicitly paid for” to show the tickets are the part you cannot recover cost for?*

*Elizabeth Horne: Based on this discussion we would enter specific examples of what costs would be prohibited. I think, after discussion, that we are getting closer to defining what is allowable for sport tickets, but on the entertainment side I will take this back and come up with some more detail on what would be prohibited. I see what Chris Vaughn is saying about tickets being a part of sponsorship, but I would prefer to keep sponsorships separate from the discussion.*

#### **Next Steps for ICC Staff Prohibited Expenses Policy Proposal:**

- ICC Staff will prepare an edited policy; follow-up at July 11 Policy Manual Subcommittee meeting.

#### **Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

- [Summary of Next Steps from June 27 Policy Manual Meeting](#)