

**Illinois EE Stakeholder Advisory Group
Policy Manual Subcommittee**

**Wednesday, May 10, 2023
9:30 am – 12:30 pm
Teleconference**

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Meeting Materials

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

- [NTG for Disadvantaged Areas Policy – Ameren Illinois Redline Edits](#)
- [Equity and Affordability Reporting Policy](#)
- [Diverse Contracting Reporting Policy](#)

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Caty Lamadrid, Inova Energy Group (SAG Meeting Support)
Andrew Cottrell, Applied Energy Group
Andy Vaughn, Leidos
Angie Ostaszewski, Ameren Illinois
Billy Davis, Bronzeville Community Development Partnership
Cassidy Kraimer, Community Investment Corp.
Chris Vaughn, Nicor Gas
Dalitso Sulamoyo, Champaign County Regional Planning Commission
David Brightwell, ICC Staff
Diana Fuller, Walker-Miller Energy Services
Elizabeth Horne, ICC Staff
Erin Dopfel, Aiqueous
Gregory Norris, Aces 4 Youth
Jarred Nordhus, Peoples Gas & North Shore Gas
Jean Gibson, Peoples Gas & North Shore Gas
John Carroll, Ameren Illinois
Jonathan Skarzynski, Nicor Gas
Karen Lusson, National Consumer Law Center (NCLC)
LaJuana Garrett, Nicor Gas
Laura Agapay-Read, Guidehouse
Laura Goldberg, NRDC
Mike King, Nicor Gas
Manjarres, Thomas D Peoples Gas & North Shore Gas
Matt Armstrong, Ameren Illinois
Michael Brandt, Elevate

Molly Lunn, ComEd
Nick Warnecke, Ameren Illinois
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
Rebecca McNish, ComEd
Ronna Abshure, ICC
Scott Eckel, ICC
Seth Craig-Snell, SCS Analytics
Ted Weaver, First Tracks Consulting, representing Nicor Gas
Thomas Manjarres, Peoples Gas & North Shore Gas
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.

- Agenda: Revisit three Income Qualified policies previously discussed.
- All Income Qualified policies will be presented to the SAG Equity Subcommittee/Joint with IQ North and IQ South EE Committees on June 7th
- **Materials:** [SAG Facilitator Presentation: Introduction to May 10 Meeting and Policy Background](#)

Follow-up on Equity and Affordability Reporting Principles Policy

- **SAG Facilitator Background:**
 - Policy proposed by joint stakeholders. Discussed in Feb, March, and April subcommittee meetings. Goal is to discuss any additional edits.
 - There are two open items from April meeting: changing “may” to “shall” and adding a reference to LIHEAP and PIPP participants.
 - After the policy is finalized, the SAG Reporting Working Group needs to work on reporting metrics.
- **Materials:** [Equity and Affordability Reporting Policy](#)
- Background: Utilities wanted to bring this policy up to high-level principles. Utilities also wanted to leave room for flexibility within the proposal to allow reporting metrics to evolve. The “may” language permits that flexibility. Examples of how this is already happening:
 - Example 1:
 - In the first set of bullets. There is agreement that utilities will provide geographic information and will use it to show how they serve communities of low income, and how it overlaps with other indicators of equity.

- If utilities do a good job with 2nd and 3rd bullets, later it may be decided that bullet 1 is not needed because it is an exhausting list that potentially no one looks at.
- Example 2:
 - Bullet requires reporting by zip code. There may be a reason to use a metric other than zip code, for example census tracts or blocks. These may be more useful because tracts and blocks have same number of people and therefore allow more uniformity. Zip codes can vary in size. Similarly, poverty and economic justice information is tracked at census level.
- Example 3:
 - Adding LIHEAP and PIPP to the language. LIHEAP is not a great indicator and there may be others to consider. Utilities recommend leaving room to decide in the future which indicator should be used.
- Last paragraph of policy includes “shall,” requiring utilities to work with stakeholders for reporting. The other references to “may include” should remain, this language allow reporting to evolve over time.

Karen Lusson: Agree with your discussion of zip code. However, using only “may” is not a solid commitment on reporting.

Chris Vaughn: We should have conversation about other metrics/programs that may be of higher value, if we are adding LIHEAP and PIPP we should talk about all of them at this time, or we keep all of them for later discussion.

Matt Armstrong: The policy also references “will report.” We commit to that but we need to take more time to think about specifics around metrics so we can be consistent and provide meaningful data.

Phil Mosenthal: Adding language of LIHEAP and PIPP does not precludes us from that conversation. All stakeholders are saying is that we want to see some of that data, later we can determine how it is shown or the details around it.

Jean Gibson: PG/NSG is comfortable with this.

Mike King: Changes seem reasonable to Nicor Gas, will review and confirm internally.

Matt Armstrong: Ameren IL will review and confirm internally.

Rebecca McNish: ComEd is ok with these edits.

SAG Facilitator Note: Proposed edits were discussed by participants with a redline version of the edited policy circulated to the Subcommittee. Since most of the comments about this policy involved editorial discussion, not all of the commentary is captured here.

Equity and Affordability Reporting Policy Next Steps

- Policy edited during meeting. ComEd is comfortable with the policy. Ameren Illinois, Nicor Gas, PG/NSG to review policy. A Policy Small Group meeting will be scheduled to discuss any additional comments.
- This policy will be presented for input at the June 7 SAG Equity Subcommittee / Joint IQ EE Committees meeting.

Follow-up on the Diverse Contracting Reporting Policy

- **SAG Facilitator Background:**
 - Proposed by NCLC.
 - Discussed during February, March, and April Subcommittee meetings.
 - A small group discussed edits on April 27, 2023. Goal today is to discuss any additional edits.
 - After the policy is finalized, the SAG Reporting Working Group needs to work on reporting metrics.
- **Material:** [Diverse Contracting Reporting Policy](#)
- A question came up before the meeting about interpreting bullet #1. SAG Facilitator rearranged language without changing substance.

Matt Armstrong: SAG Facilitator edits work for Ameren.

Karen Lusson: Comments on first paragraph and bullets. I want to make sure there is a denominator on number comparison for the first bullet.

Jean Gibson: Since Peoples Gas and North Shore Gas has a smaller budget, we have a handful of diverse contractors, therefore by indicating a number at a particular category we could be telecasting what their contractual value is, and that is private. Concerned about protecting sensitive information.

Philip Mosenthal: What if we add some ranges? To give sense of proportion without revealing too much? Can we add some general language that we will protect confidentiality of contractors?

Ted Weaver: Add general language protecting/considering confidentiality.

Molly Lunn – via chat: Here's the specific language we have that leaves optionality:

- *ComEd commits to providing the following in its ICC-filed EE Quarterly Reports:*
 - a) *Number or proportion of diverse vendors by category (i.e., MBE, WBE and VBE), as well as by primary contractors and subcontractors, and network service providers)*
 - b) *Breakdown of diverse vendors by category (i.e., MBE, WBE and VBE)*
 - c) *Percent of or amount of portfolio dollars (excluding pass-through incentives) for diverse spend, by category (i.e., MBE, WBE and VBE)”*

Karen Lusson: The identity of contractors is not confidential, but the dollar value of an individual contract is. I want to make sure the language added reflects this.

Celia Johnson: Does anyone have feedback on the proposed effective date of 2024?

Molly Lunn: We haven't finalized the language yet. ComEd committed to similar reporting in our Plan stipulation. If this policy language is aligned with what we have in our stipulation, we can stick to what we are already reporting on and then add to it if needed. But if this policy language suggests tweaking existing reports, ComEd would

like to stick with stipulation reporting. In that situation ComEd would like an effective date of next plan cycle (2026).

Pat Justis – via chat: I'm curious if stakeholders find [the Ameren Illinois] quarterly reporting useful? As I recall, there is not much in the way of questions/engagement after we put those reports out.

SAG Facilitator Note: Proposed edits were discussed by participants with a redline version of the edited policy circulated to the Subcommittee. Since most of the comments about this policy involved editorial discussion, not all of the commentary is captured here.

Diverse Contracting Reporting Policy Next Steps

- Policy edited during meeting. PG/NSG to review edits regarding confidentiality, and edits to item 1 in the policy. All of the utilities to review policy.
- Stakeholders to review what the utilities are currently reporting, would it meet the current policy?
- This policy will be presented for input at the June 7 SAG Equity Subcommittee / Joint IQ EE Committees meeting.

Follow-up on NTG for Disadvantaged Areas Policy

Seth Craigo-Snell, SCS Analytics

- **SAG Facilitator Background:**
 - Proposal by Ameren Illinois
 - Discussed at October Subcommittee meeting
 - Three Policy Manual Small Group meetings held, in January, April and May
 - Discuss additional edits prepared by Ameren Illinois
- **Materials:** Updated [NTG for Disadvantaged Area policy document](#)
- **Background:** This policy has been discussed several times. Sharing some background, most of this material has already been reviewed previously.
 - There are some challenges specific to low-income programs in terms of resources and timeline and intensity of effort associated with EE programs.
 - Looking at how Ameren's EE spending over time compares to non-disadvantaged areas, we see wide disparity on a per customer basis, from 17%-27%. On a per customer basis for customer in disadvantaged areas vs non-disadvantaged areas we see less than a ¼ of incentive payments of business programs being focused there.
 - It is well established there is a need to better engage customers. And that is the foundation from where this policy was born.
 - During a previous meeting we reviewed several methods and settled on recommending the Illinois Solar for All approach for Income-Eligible Communities. We think this approach works best for the state for this policy moving forward.
 - We need to discuss to what customer this policy applies. We are talking about deeming a NTG value of 1.0 for customers within those disadvantaged areas as defined by the geography we talked about. We are talking about applying this to all residential customers for all programs within those areas, and for business customers within those areas with some rate designations shown on slide.

- Final point, it can be challenging to know exactly how to define what one means by “chain retail” or business location. We need a careful designation if that is a path we are going on.

Karen Lusson: On slide 4, the 80th percentile of what?

Seth Craigo-Snell: I believe of 200% FPIL, diversity index is other than white, and % of asthma. This comes from a study produced by county. Having said all of that, this is not the method we are proposing moving forward. The objective of this slide is just to show that using this specific existing method developed for identifying disadvantaged areas we have found wide disparities. This is just for small business; you likely could not use this method for residential initiatives.

Karen Lusson: For Low Income residential programs isn't there an assumed NTG of 1.0 currently?

Seth Craigo-Snell: Correct. The number of residential customers that this would apply to would honestly be small. Probably market rate initiative within disadvantaged areas. This applies to a relatively small fraction of the state and only non-income qualified program activity that is attributable to those areas.

Karen Lusson: it would be helpful to understand what this means in terms of numbers, because this impacts whether [electric] utilities get a profit boost on energy efficiency budget. It is important to understand what including market rate initiative customers in those disadvantaged areas does in terms of budget or numbers. I also struggle with a Home Depot or other national franchises being eligible under this policy.

Seth Craigo-Snell: The data analysis that looks at larger Ameren customers, Lowes and Home Depot locations that are in disadvantaged areas are mostly DS-A customers. For Menards is mostly DS-B. For Walmart locations, of 57 locations on Ameren's territory 10 are 3A customers and 47 are 3B. In most cases most of those locations are large and not eligible.

Karen Lusson – via chat: I really struggle with assuming Walmart needed the program to invest in EE.

- *Seth Craigo-Snell: We added non-profits and had a question from ICC Staff about whether the policy would apply to nonprofits, and it occurred to me that if there is a nonprofit that is DS3 and above they would be excluded. SAG Facilitator Note: The group agreed in the meeting to remove the reference to non-profits, because smaller non-profits are already eligible under the policy language.*

Phil Mosenthal: you talk about definitions by rate class for Ameren's rate, but I assume we are agreeing to statewide. Are we looking to get universal definitions, or would they be different by utility?

Seth Craigo-Snell: The hope would be that we can identify something that works for the whole state and the guiding principle might be to try to keep it as simple as reasonable. Rate classes may differ by utility.

Ted Weaver: Nicor does not have same cut-offs but rate 4 is smallest class we have and that could be used. We would have to figure out the language or maybe we list rate classes for all utilities.

Phil Mosenthal: I think it is problematic to use rate classes. Perhaps a better approach would be to specify it based on peak demand cutoff for electric or average daily consumption (or annual) for gas. We can pick middle ground that includes some of the smaller customers in that big category.

Karen Lusson – via chat: Do the utilities include their marketplace "store" purchases in EE savings?

Rebecca McNish: Yes, we do count those marketplace savings.

Ted Weaver: Nicor Gas does not have a marketplace. But they partner with ComEd on sales of thermostats.

Zach Ross: For Ameren programs, there is a complicated process that has been used to apply NTG. If we have information about customer being low-income then we qualify it as such.

Zach Ross: The point of this proposed policy is to try to increase investments in historically underserved communities. I say this because if we look at past data it may not be a good indicator of where we want to go next. Also, the vast majority of Ameren's residential program investment is already in income qualified or existing retail product section. The market rate SF is 1% of electric savings, the MF is 2% and the midstream is 5% of savings. These are the only things that would be impacted by this policy on the residential side. I hope that is helpful to give sense of scale.

Karen Lusson – via chat: It would be helpful to have the information Zach just provided relative to percentage of portfolio impacted by this policy from the other utilities.

Zach Ross: if this policy is NTG then it is fuel separate. There are separate NTG values for gas and electric. Sometimes they are the same, but they are defined separately for each measure and program.

Seth Craigo-Snell: I think we need to clean language to reflect that accurately. But our intention is to dial this to something everyone is comfortable with and accomplishes the goal of engaging customers. To that end we would be open to applying it separately

Phil Mosenthal: I have an issue with adding municipalities that aren't in that category but have facilities in disadvantaged areas. For environmental injustice reasons we have always had wastewater facilities and airports in disadvantaged communities, and it feels unfair to count large municipality customers in these communities because they happen to be sited there. Look at a-d bullets: D) is saying even when you don't meet the criteria above, if you happen to be owned by municipality or nonprofit we treat you as qualifying no matter how big you are. I have concerns about nonprofit as well.

Seth Craigo-Snell: this suggestion came from Chris Neme to include muni customers regardless of size if in disadvantaged areas.

Thomas Manjarres: Does municipal customer mean something different than public sector customers?

Phil Mosenthal: Public sector is a subset, we are not including all public sector.

Instead of using rate classes, Phil Mosenthal suggested for electric utilities to specify a peak demand cutoff or average daily consumption; for gas it would be average daily consumption. Need to determine what the cutoff would be, Phil suggested meeting in the middle. Phil has concerns about the larger business customers being included. The utilities will review Phil's suggestion, and come back to stakeholders with a proposal.

Information requested by Karen from each of the utilities:

- *Which programs or subsets or programs would this policy apply to, for both residential and business?*
- *Provide examples of the types of customers / examples of business customers this would apply to*

SAG Facilitator Note:

- *Removed reference to IL Solar for All tool in the policy, as discussed in meeting.*
- *Proposed edits were discussed by participants with a redline version of the edited policy circulated to the Subcommittee. Since most of the comments about this policy involved editorial discussion, not all of the commentary is captured here.*

Additional Comments from Karen Lusson via chat: The utilities need to make their credit and collection protections for low income customers, including protection from late fees and security deposit penalties (now required by statute) consistent with their desire to enable 1.0 NTG evaluation and self-certification for utility-sponsored low income weatherization eligibility... your inclination to make it easier to engage in EE in economically disadvantaged areas and to incentivize the utilities to invest in these areas is the right one! We're asking to afford that same benefit and level of trust to your actual low income customers on matters impacting monthly bill affordability. Stop requiring them to send in proof of income or participation in other entitlement programs in order to receive the protection from late fees and deposits. Let them self-certify.

- *Karen Lussons requests that EE utility representatives follow-up with the credit and collections departments on this issue. [Noted from Karen: Nicor Gas permits self-certification on late fee and security deposit protections].*
- *Note: SAG Facilitator reminder the credit and collections concern is outside the scope of the EE Policy Manual.*

NTG for Disadvantaged Areas Policy Next Steps

- **Policy edited during meeting.** A Policy Small Group meeting will be scheduled to discuss any additional comments.
- **Follow-up items:**
 1. Instead of using rate classes, Phil Mosenthal suggested using a different eligibility criterion for this policy. For example, specify a peak demand cutoff or average daily consumption for electric utilities; for gas utilities use average daily consumption. Phil also raised concerns about the larger rate class of business customers being included. The utilities will review these suggestions, and share an updated proposal on eligibility.
 2. The utilities will each share:

- a. Which programs or subsets or programs would this policy apply to, for both residential and business?
- b. Provide examples of the types of business customers the policy would apply to under the updated eligibility proposal.

Closing and Next Steps

Celia Johnson, SAG Facilitator

- A Policy Small Group meeting will be scheduled soon to discuss additional follow-up on the policies discussed May 10th.
- Upcoming Meetings:
 - Tuesday, May 30 (teleconference) – Policy Small Group Meeting to Discuss CPAS Goal Setting Policy
 - Wednesday, May 31 (teleconference) – Policy Manual Subcommittee Meeting
 - Wednesday, June 7 (teleconference) – SAG Equity Subcommittee Meeting (Joint with IQ EE Committees) to Introduce and Request Input on IQ-Related Policies:
 - Wednesday, June 21 (teleconference) – Policy Manual Subcommittee Meeting
 - Tuesday, June 27 (teleconference) – Policy Manual Subcommittee Meeting