

# Illinois EE Stakeholder Advisory Group Policy Manual Subcommittee

Wednesday, May 3, 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](#).

- [May 3, 2023 Policy Manual Subcommittee Agenda](#)
- [SAG Facilitator Presentation: Introduction to May 3 Meeting and Policy Background](#)
- [Single Family IQ Eligibility Verification Guidelines Policy](#) (Ameren Illinois will discuss edit to yellow highlight language)
- Evaluation Policies:
  - [Heating Penalty Policies \(Opinion Dynamics\)](#)
  - [Negative Savings Policies \(Guidehouse\)](#)
  - Evaluation Policy Previously Agreed to in SAG (2020) – Discuss whether to include in the Policy Manual: [Evaluating Savings from Non-Qualified Equipment \(Final, Jan. 2020\)](#)

### Attendees (by webinar)

Celia Johnson, SAG Facilitator  
Caty Lamadrid, Inova Energy Group (SAG Meeting Support)  
Andrew Cottrell, Applied Energy Group  
Andrey Gribovich, DNV  
Andy Vaughn, Ameren Illinois  
Brittany Davis, VEIC (IL-TRM Administrator)  
Cassidy Kraimer, Community Investment Corp.  
Charles Ampong, Guidehouse  
Chris Neme, Energy Futures Group, representing NRDC  
Chris Vaughn, Nicor Gas  
Diana Fuller, Walker-Miller Energy Services  
David Kilgore, Ameren Illinois  
Erin Dopfel, Aiqueous  
Jean Gibson, Peoples Gas & North Shore Gas  
Jonathan Skarzynski, Nicor Gas  
Karen Lusson, National Consumer Law Center (NCLC)  
Katherine Elmore, Community Investment Corp.

Kumar Chittory, Verdant Associates  
LaJuana Garrett, Nicor Gas  
Laura Agapay-Read, Guidehouse  
Mike King, Nicor Gas  
Matt Armstrong, Ameren Illinois  
Michael Brandt, Elevate  
Molly Lunn, ComEd  
Neil Curtis, Guidehouse  
Nishant Mehta, Guidehouse  
Omayra Garcia, Peoples Gas & North Shore Gas  
Pat Justis, Ameren Illinois  
Philip Halliburton, ComEd  
Phi Mosenthal, Optimal Energy, representing IL AG's Office and NCLC  
Rebecca McNish, ComEd  
Rohith Mannam, Nicor Gas  
Ronna Abshure, ICC  
Sam Dent, VEIC (IL-TRM Administrator)  
Scott Eckel, ICC  
Seth Craigo-Snell, SCS Analytics  
Stephen Robinson, Northwest Austin Council  
Ted Weaver, First Tracks Consulting, representing Nicor Gas  
Tim Dickison, Ameren Illinois  
Tina Grebner, Ameren Illinois  
Travis Hinck, GDS Associates  
Victoria Nielsen, Applied Energy Group  
Wade Morehead, Morehead Energy  
Zach Ross, Opinion Dynamics

### **Meeting Notes**

Follow-up and next steps identified in red.

### **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.

### **Policy Manual Process Reminder**

*Celia Johnson, SAG Facilitator*

**Materials:** [SAG Facilitator Presentation: Introduction to May 3 Meeting and Policy Background](#)

- Policy Manual process started in June 2022. The goal is to conclude policy discussions in June.
- Creating an EE Policy Manual was a directive to the SAG from Illinois Commerce Commission in 2014. Policies relate to procurement, oversight, evaluation, and operation.
- SAG is a forum to express different opinions. Stakeholders participate in the process in good faith, and there is compromise needed from all participants.
- There are three activities the group has not started yet that need to be discussed in 2023. These will start after the Policy Manual revision process is complete:

- Metrics related to IQ reporting policies
- Discussing GHG savings questions
- Develop + finalize plan for 2024 SAG Portfolio Planning Process
- Updates on upcoming meetings:
  - May 10<sup>th</sup>: Policy Manual Subcommittee meeting to make progress on open IQ-related EE policies
  - May 31<sup>st</sup>: Policy Manual Subcommittee meeting
  - June 7<sup>th</sup>: New date for Equity Subcommittee and Joint IQ North and South Committee Meetings; this is when IQ policies will be introduced, with feedback requested
  - June 21<sup>st</sup>: Policy Manual Subcommittee meeting
  - June 27<sup>th</sup>: Final “pencils down” Policy Manual Subcommittee meeting, wrap up any remaining open items
- Additional open item:
  - A small group proposed edits to Section 8, some feedback was submitted and an updated redline with minor edits will be circulated for review.
- Steps to Finalize Policy Manual
  - In June, conclude policy discussions
  - In July, a writing committee and attorney review meetings. Final policy circulated for “errors only” review.
  - In August, the Policy Manual is filed with the ICC

### **Follow-up from April Meeting**

#### **SAG Facilitator Recommendation**

- SAG Facilitator recommends that three policies discussed during April 19 meeting should be moved outside of Policy Manual process for review by the IQ North and South EE Committees in the future
  1. Income Qualified Program Principles Policy – feedback received from group during 4/19 Policy Manual meeting that this policy should be considered / further developed outside with the IQ North and IQ South EE Committees in the future. This could be added to the Policy Manual in a future update. No concerns from group.
  2. Organizing IQ Policies in Policy Manual – this process would take time and there needs to be feedback in the future from the IQ North and IQ South EE Committees. This could be added to the Policy Manual in a future update. No concerns from group.
    - **Group agreed to an administrative edit, SAG Facilitator will create a simple cross-reference table in the Policy Manual that lists all IQ-related policies.**
  3. Creation of a new IQ Committee Process Section of the Policy Manual – this should be developed in the future with the IQ North and IQ South EE Committees, outside of the Policy Manual process. This could be added to the Policy Manual in a future update. No concerns from group.

#### **Single Family IQ Eligibility Verification Guidelines**

*Matt Armstrong, Ameren IL*

- **SAG Facilitator Background:** This is an Ameren Illinois policy proposal on single family IQ eligibility verification guidelines

- The Policy Manual already includes eligibility verification guidelines for multi-family
- In Sept., Ameren requested interim resolution of this policy, to help address customer eligibility verification challenges in their single family IQ EE programs
- A Policy Manual Small Group meeting was held in October to discuss edits
- At the October Policy Manual meeting, participants reached consensus on an interim policy resolution, with the understanding there would be further refinement of policy language, including identifying additional single family IQ eligibility pathways
- The [interim policy resolution](#) is posted on the [Policy page](#) of the SAG website
- Additional edits were discussed at the Dec. and April Policy Manual meetings
- During the 5/3 meeting, Ameren will describe one additional edit.
- **Materials:** [Single Family IQ Eligibility Verification Guidelines Policy](#)
- Ameren explained the edit: The intention is for the policy to be able to be used for Ameren’s Warm Neighbors Cool Friends (WNCF) program, as a proxy for determining eligibility, recognizing that this program is funded by a combination of customer-donations and shareholders. Ameren drafted the language “ratepayer funded or shareholder-funded” from the interim resolution finalized in Oct. 2022, and needs to retain that language for the updated policy.

*Chris Neme: The purpose of this is to make it easy for customers to be identified and qualified for IQ programs, but what you described is more of a moderate income. If we identify customers that participate in WNCF, would they then be determined to participate in moderate and not low-income offerings?*

- *Matt Armstrong: Correct. That means that customers would be in Tier 2 bucket, and it would require a co-pay.*
- *Chris Neme: The qualification would be the comparable level of income qualified customer?*
- *Matt Armstrong: The policy includes the language “with like eligibility” to cover that.*
- *Karen Lusson: There are customers that get assistance from WNCF that are in fact below 200% poverty level. I don’t want someone plucked to moderate income program if they qualify for low-income.*
- *Matt Armstrong: WNCF is a stopgap for customers that are at 200%-300% of federal poverty line. Below 200% it is LIHEAP. A customer cannot participate in both.*
- *Karen Lusson: I support this policy and think it is the right thing to do, but I want to point out inconsistency of this policy with Ameren’s policy for Low-income customers trying to establish late fee and security deposits.*
  - *Note: SAG Facilitator reminder the credit and collections concern is outside the scope of the EE Policy Manual.*

### **Single Family IQ Eligibility Verification Guidelines Next Steps**

- No concerns were raised about the edits presented by Ameren Illinois. The policy will be posted as “final draft” on the Policy Manual Subcommittee webpage.
- This policy will be presented for input at the June 7 SAG Equity Subcommittee / Joint IQ EE Committee meeting.

## Evaluation Policies

Zach Ross, Opinion Dynamics

### Heating Penalty Policy

- **SAG Facilitator Background:** Proposal by Opinion Dynamics
  - Three policies related to heating penalties – these policies describe how evaluators currently address these situations
  - SAG previously discussed these issues in 2020 and 2021, including incorporating proposed edits from interested parties
  - Visit the [SAG Evaluation Working Group page](#) for information on previous discussions
  - 5/3 meeting: discuss policy proposal and if possible, reach agreement
- **Material:** [Heating Penalty Policies \(Opinion Dynamics\)](#)
- Background: These policies reflect what the ICC has approved and what the evaluators have done for years, but it is not documented. The idea is to document for posterity. No changes from current approach are proposed.
- Some efficiency measures have natural gas heating penalties, for goal attainment you only consider positive benefit on electric side, but for reporting purposes you report both savings and penalty.
- If electric saving measures produces an electric heating penalty utility does need to take penalty for goal.

*Ted Weaver: is the gas approach documented in original policy 10 years ago?*

- *Zach Ross: No, I don't believe so. But if we need to add language clarifying how it impacts gas utilities, I support that.*
- *Phil Mosenthal: I vaguely remember that if it was prescriptive lighting, you didn't take gas penalty but if it was new construction then you only counted the net savings of entire project.*
- *Ted Weaver: I don't think that is right. Because gas utility is paying for gas savings.*
- *Phil Mosenthal: I think there was never an intent for gas utilities to be penalized, but I am wondering why proposal isn't considering other fuels.*
- *Zach Ross: the point of this policy is specifically about goal attainment. However, for cost-effectiveness you should look at all fuel-types.*
- *Phil Mosenthal: Now that we do electrification and gas conversion, is it appropriate to give utilities a bonus? My broader point is that we are moving into a fuel-neutral era. This strikes me as an inconsistency.*
- *Zach Ross: We added language to clarify that this policy is not meant to be extrapolated to electrification or set any precedent. This just aims to document existing practices.*
- *Chris Neme: I understand Phil's point, but suggest we don't go there at this point. We have taken small steps towards a fuel-blind approach, but we are nowhere close to that. Recommend we leave this policy until there is a more fundamental change in the regulatory construct.*

### Heating Penalty Policy Next Steps

- Incorporated minor edits during meeting; no additional concerns were raised. This policy will be posted as “final draft” on the Policy Manual Subcommittee webpage.

## Negative Savings Policy

Charles Ampong, Guidehouse

- **SAG Facilitator Background:** Proposal by Guidehouse
  - Two policies related to negative savings – these policies describe how evaluators currently address these situations
  - SAG previously discussed similar issues in 2020 and 2021, including incorporating proposed edits from interested parties
    - Visit the [SAG Evaluation Working Group page](#) for information on previous discussions
    - This Guidehouse proposal is a modified / redline version of what was previously discussed
  - 5/3 meeting: discuss policy proposal and if possible, reach agreement
- **Materials:** [Negative Savings Policies \(Guidehouse\)](#)
- Background on how Guidehouse arrived at these edits and previous SAG discussions.
- One example involves energy management system projects, this is a prescriptive non-TRM measure for ComEd and a custom measure for other utilities. Evaluator occasionally finds this measure being used.
- To arrive at a resolution on whether negative savings are realized, in the past evaluators have set negative savings to zero. We made this proposal to SAG for guidance on how to treat these moving forward. The resolution from the SAG was that if evaluation was not confident about custom analysis, then they should have the discussion to verify negative savings as saving realized, or if they cannot be verified to cap the savings at zero (current practice). In some cases, evaluators allowed the program to provide sufficient information on usage data and determine from additional information whether to count negative savings.
- However, if the information available to the evaluator is sufficient to determine if negative savings would be counted, then the evaluator can count them. There is an exception due to projects making assumptions to meet code compliance.
- The only edit made by Guidehouse was to rearrange the language.

*Seth Craigo-Snell: Would this also apply to other program types? Can you give a sense of how often the evaluation teams have encountered these situations in recent years?*

- *Charles Ampong: This applies to every program or measure that is not a TRM measure. Not only business custom program but any program or project with custom measures. In terms of frequency, almost every year we encounter this scenario for a couple of projects, where a regression analysis produces savings that are close to zero or negative. We have worked with ComEd on these scenarios to determine eligibility.*
- *Zach Ross: for Ameren's portfolio we've seen it less often, but it has certainly happened in previous years. It is rare but not unheard of.*

*Seth Craigo-Snell: Can you elaborate on the "sufficient confidence" idea"? There's much discretion on the evaluator. Is there a way to better frame thresholds?*

*Zach Ross: I hear what you are saying, but I don't know how to write a "one size fits all". This is often about regression-analysis.*

*Andrey Gribovich – via chat: How would you verify that the measure is responsible for creating negative savings rather than simply increasing energy use due to additional*

capabilities/energy using factors that should have a new baseline developed (baseline shift)?

- *Nishant Mehta: In special cases where we see negative savings based on meter data, we have gone back to customers to understand what is really going on. We do confirm with customer and work proactively with implementers to ensure data reflects what is happening on the site.*
- Traditionally we had counted negative savings resulting from code compliance as negative savings. If the approach is difficult to apply, evaluators should cut the savings at value of zero.

*Dave Kilgore: Any language that would suggest an incremental for code compliance suggests that those codes are enforced or that the savings would be realized because of the program. Code compliance is not something that factors in into our outreach efforts.*

- *Phil Mosenthal: We don't want to penalize them by effectively changing the baseline. I don't think that edit is needed.*
- *Dave Kilgore: Agreed.*

*Zach Ross: Charles can you remind us of the intent? Is this all measures or custom measures only?*

- *Charles Ampong: Custom only.*
- *SAF Facilitator Note: "Custom" was added to the header to clarify.*

*SAG Facilitator Note: PG/NSG requested to review further, and confirmed after the 5/3 meeting they are comfortable with the language.*

### **Negative Savings Policy Next Steps**

- Incorporated minor edits during meeting; no additional concerns were raised. This policy will be posted as "final draft" on the Policy Manual Subcommittee webpage.

### **Evaluating Savings from Non-Qualified Equipment**

*Charles Ampong, Guidehouse*

- **SAG Facilitator Background:**
  - SAG discussed this in 2019 and a resolution was reached in January 2020. Guidehouse will walk through history of policy and resolution.
  - The only question for discussion is whether this policy should be included in the Policy Manual.
- **Materials:** [Evaluating Savings from Non-Qualified Equipment \(Final, Jan. 2020\)](#)
- In November 2019, Guidehouse presented several scenarios where we identified certain measures in evaluation programs where the program requirements were not met by measures. These were all non-TRM measures where the customer received an incentive for the project and had a typical participant experience, but under normal circumstances the program should have rejected the measures, but the measure did deliver savings. We observed this was infrequent, but it was happening. The policy question is how evaluation should treat measure installations that do not meet the criteria of the program but still result in savings.
- Final resolution was reached in January 2020 where it was decided that it should be assessed on -by-case basis and look at CPAS and whether it is being impacted by measure not meeting the criteria.

- Agreement reached on including this in Policy Manual.

### **Closing and Next Steps**

- **Upcoming Policy Manual Subcommittee Meetings:**
  - Wednesday, May 10 (teleconference)
  - Wednesday, May 31 (teleconference)
  - Wednesday, June 21 (teleconference)
  - Tuesday, June 27 (teleconference)
- **Rescheduled SAG Equity Subcommittee Meeting (Joint with IQ EE Committees) to Introduce and Request Input on IQ-Related Policies:** Wednesday, June 7 (teleconference)