

**Illinois Energy Efficiency Stakeholder Advisory Group  
Policy Manual Subcommittee Version 3.0: Proposed Policy Template**

**Proposed Policy for Version 3.0: Statewide Potential Study  
Submitted By: NRDC, ICC Staff, and National Consumer Law Center (NCLC)  
/ Community Organizing on Family Issues (COFI)**

**Question 1: Proposed Policy and Rationale**

*Briefly describe the policy proposed to be included in Policy Manual Version 3.0, including rationale for why this policy is necessary in Illinois.*

*Questions to consider:*

- 1. Why does this policy require inclusion in Policy Manual Version 3.0?*
- 2. What unresolved policy issue(s) will be resolved by inclusion in the Policy Manual Version 3.0?*

*Please be as specific as you can. If you have specific policy language to propose at this time, please include in this template. It is not a requirement to draft policy language in the proposal template. If draft policy language is not included here, you may be assigned to draft proposed policy language for review by the Subcommittee at a future meeting.*

**The following is proposed policy language for a statewide potential study:**

Program Administrators shall jointly collaborate with non-financially interested stakeholders (the “Stakeholders”), and the ICC Staff (“Staff”) – collectively referred to as “the Parties” – on the development of a statewide potential study (“Study”) request for proposal (“RFP”), the selection of an independent Potential Study Contractor (the “Contractor”), and the scope of work (“SOW”) for the Contractor. The Contractor shall be instructed to work collaboratively throughout the Study with the Program Administrators, Stakeholders, and Staff to develop and adopt the detailed Study scope, including but not limited to the approach, methods, and data used. Prior to execution of the SOW, all Parties shall be afforded the opportunity to discuss and/or propose modifications to the scope, approach, methods, and data used throughout the duration of the Study. The SOW will provide that the Contractor shall provide all draft work products to the Program Administrators, Stakeholders, and Staff, simultaneously, as soon as practicable. The Parties agree, at appropriate junctures throughout the duration of the performance of the SOW, to discuss or revisit aspects of the study, design and data to be used, with an opportunity for input from all parties, with the goal of not delaying the progress of the Study. The Parties agree to using best efforts to provide comments and/or questions regarding draft work products, and on-going decisions and discussions related to methodological and data issues, in a timely manner in order to foster collaboration, provide transparency and enable more timely resolution of disputes and reduce litigation costs. The Parties agree that the Contractor shall be instructed to give equal consideration to the merits of any feedback on draft work products provided by the Parties in the development of final work products.

The Study shall address, at a minimum, both electric and gas customer-sited efficiency and electrification opportunities. Among other things, the study shall separately quantify

efficiency and electrification opportunities in income qualified single family homes and income qualified multi-family buildings.

The study shall be conducted and timed in a manner that will allow for the assessment of market potential for each service territory that can be used to support development of both the unmodified cumulative persisting annual savings (“CPAS”) goals identified in Section 8-103B(b-5) and (b-15) for the years 2031-2040, the CPAS goals by electric service territory applicable for the next energy efficiency plan for the years 2026-2029, and Section 8-104 gas utility savings goals. The study should take into account for each service territory the savings and objectives (and specifically related to Income Qualified customers) from the 2022-2025 Plan, expiring savings, statutory objectives, statutory budgets, and policy objectives and requirements. Program Administrators will co-fund the Statewide potential study in proportion to their annual efficiency program budgets.

Section 8-103B of the Illinois Public Utilities Act (“Act”) directs that the Commission establish CPAS goals based in part on an energy efficiency potential study. Section 8-104 allows for modified gas savings goals. It is therefore critical that a potential study be developed in an independent manner.

The following Potential Study Contractor Independence protocols shall be used:

- i. With the exception of communications related solely to contractual or other administrative issues, as well as communications conveying confidential or sensitive information, all written communications between the Contractor and the Program Administrators, Stakeholders and/or Staff shall be copied to the Program Administrators, Stakeholders and Staff.
- ii. With the exception of any phone, webinar, or in-person meetings related solely to contractual or other administrative issues, as well as communications conveying confidential or sensitive information, the Program Administrators, Stakeholders and Staff will be made aware of, and invited to, all meetings between the Contractor and the Program Administrators, Stakeholders and/or Staff.
- iii. Any contract between the Program Administrator and the Contractor shall provide that:
  - a. The Study is being conducted for, and on behalf of, the Program Administrators, interested Stakeholders, Staff, and, ultimately, all energy efficiency program ratepayers, and that all non-financially interested Stakeholders and Parties who take an interest in the Potential Study process shall be given equal consideration and standing in all Study discussions and decisions, with the exception of contractual or administrative issues.
  - b. The Contractor must act independently from the Program Administrators and be able to independently assess the amount of potential energy savings in the Program Administrator’s service territory.
  - c. The Commission has the right to direct the Program Administrators to terminate the contract if the Commission determines the Contractor was not acting independently.
- iv. Program Administrators shall submit the final but not yet executed contract and scope of work with the Contractor to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and scope of work and describing its recommendations to the Commission. In addition, Program Administrators will submit any fully executed

contract and scope of work with the independent Potential Study Contractor as a compliance filing in ICC Docket No. 19-0983, the Policy Manual Version 2.0 approval proceeding, within fourteen (14) days of execution. Such compliance filing will be treated as public information, subject to redactions approved by the Commission of provisions deemed confidential. Program Administrators shall make any portions of such compliance filings that are designated confidential available to parties appearing in the docket who are entitled to receive confidential materials by operation of law or an appropriate protective order, and to other interested parties who do not have a competitive interest in the confidential material and who may not be parties appearing in the docket but who have signed a protective agreement with Program Administrators to receive the confidential material.

- v. If a party has reason to believe that the Contractor is not acting independently, that party is encouraged to raise the concern with the Contractor, Program Administrators, Staff, and the SAG Steering Committee. In the event that the concern cannot be resolved through such conversations, the party may file a petition with the Commission requesting that the Commission order Program Administrators to terminate the contract. The contract between the Contractor and Program Administrators shall automatically terminate upon a Final Order of the Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for Program Administrators, the Contractor, and other interested parties to be heard, including through Commission resolution of any filed applications for rehearing. All due process rights guaranteed by the Public Utilities Act and the Commission's rules shall apply.
- vi. In the event that Program Administrators or the Contractor issues a notice of termination or notice of default of the contract, the issuer of the notice shall contemporaneously provide a copy of such notice to the Commission.
- vii. In the event that Stakeholders, Staff, or Program Administrators, and the Contractor are not able to reach a resolution during the draft Potential Study Report review process concerning a disputed issue that is acceptable to the Parties, the Program Administrators will direct the Contractor to document the issue in dispute within the Potential Study Report along with the Contractor's position, the party's position, and to the extent practical and quantifiable, any associated alternative savings estimates resulting from the differences in positions. Nothing in this Paragraph precludes a Stipulating Party from developing or advocating a position on the Potential Study or any aspect of determining and setting savings values or resulting savings goals under the Act.
- viii. The Contractor shall ensure that the data used in the Potential Study is made available to the Program Administrators, Stakeholders and Staff upon request, subject to any appropriate protective agreements.
- ix. The Program Administrators' contract with the Contractor shall include a provision requiring the Contractor to provide or make available all working models and workpapers to the Program Administrators, Stakeholders upon request who agree to sign protective agreements, and to Staff and the Attorney General. The Staff and the Attorney General are not required to sign such protective agreements. See Sections 4-404 and 5-108 of the Illinois Public Utilities Act (220 ILCS 5/4-404 and 5-108) and Section 6.5(d) of the Attorney General Act. (15 ILCS 205/.)

## **Question 2: Utility Impact**

*Describe whether the proposed policy impacts Illinois gas utilities, electric utilities, or both.*

Both gas and electric utilities

## **Question 3: Background Research**

*Provide any background research completed in preparing this template, including source references and links, as applicable.*

*Questions to consider:*

- 1. Are you aware of other jurisdictions or utilities that address this policy issue?*
- 2. Have any national or regional energy efficiency organizations addressed this policy topic? If so, please provide reports and any other relevant sources.*

This proposed language is a close replication to language agreed to by the parties in the Ameren Illinois 2022-2025 EE Plan stipulated agreement. Similar language also exists in the ComEd stipulated agreement.

- [Ameren Illinois 2022-2025 EE Plan Revised Stipulated Agreement](#)
- [ComEd 2022-2025 EE Plan Revised Stipulated Agreement](#)

## **Optional Question 4: Commission Decision**

*Has the Illinois Commerce Commission previously addressed this policy or issue? If so, please provide language and specific citations, including the ICC docket number.*

## **Optional Question 5: Statutory Consistency**

*Have you reviewed your proposed policy against applicable Illinois law? Are there any possible conflicts? If so, please explain and provide statutory citation(s).*

## **Optional Question 6: Additional Information**

*Provide additional information, as needed, to assist with understanding the proposed policy issue and your request to include it in the Policy Manual Version 3.0. For example, have any memos been drafted to the SAG related to this policy proposal?*