

SAG Equity Subcommittee Meeting

Joint with the IQ North EE Committee and IQ South EE Committee

Celia Johnson, SAG Facilitator

June 26, 2023 Meeting

Presentation Agenda

- ▶ SAG Background
- ▶ Coordination with IQ North Committee and IQ South Committee
- ▶ Policy Manual Background
- ▶ Policy Manual Update Process
- ▶ Request for Feedback
- ▶ Next Steps
- ▶ Q&A

SAG Background

- ▶ The Illinois Energy Efficiency Stakeholder Advisory Group (SAG) was **created in 2008** by direction of the Illinois Commerce Commission (ICC), when the first electric utility EE Plans were approved by the ICC
- ▶ SAG is an **advisory body** that focuses on:
 - ❖ Educating the IL stakeholder community on EE programs and a variety of EE issues
 - ❖ Building trust among parties with various interests
 - ❖ Providing a forum for narrowing differences among parties
 - ❖ Engaging in discussion of open EE issues; inviting parties to offer constructive approaches and solutions
 - ❖ Building consensus agreement on EE policy and technical issues, in an effort to reduce or avoid future litigation
- ▶ The **Equity Subcommittee** is one of several active Subcommittees and Working Groups at SAG
 - ❖ SAG Equity Subcommittee Webpage:
<https://www.ilsag.info/meetings/subcommittees/equity-subcommittee/>

Coordination with IQ North Committee and IQ South Committee

- ▶ IQ North EE Committee and IQ South EE Committee are **separate groups from SAG**
 - ❖ Income qualified (IQ) energy efficiency topics are also of interest to SAG participants
 - ❖ SAG Facilitator coordinated with IQ South Committee Facilitator, Annette Beitel, throughout the Policy Manual update process
 - ❖ SAG Facilitator coordinates with the IQ South Committee Facilitator on IQ topics that may be of interest to both SAG and IQ South Committee participants
 - ❖ SAG Facilitator coordinates with IQ North Committee Leadership Team and ICC Staff on IQ topics that may be of interest to both SAG and IQ North Committee participants
- ▶ **Joint Meetings**
 - ❖ SAG Equity Subcommittee will meet jointly with the IQ North Committee and IQ South Committee - 4 joint meetings planned in 2023
 - ❖ If an IQ policy or issue needs review by SAG , intent is to bring that IQ topic to a joint Equity Subcommittee meeting and provide at least 10 days for comment prior to finalizing

Policy Manual Background

▶ What is a “policy”?

- ❖ Policies can help ensure compliance, give guidance for decision-making, define objectives, streamline processes and procedures

▶ Why does Illinois have a Policy Manual?

- ❖ Creating an Illinois energy efficiency “policy manual” was a directive from the ICC to SAG in 2014
 - Illinois Attorney General’s Office requested a Policy Manual be created in the ICC dockets to approve the 2014-2017 utility EE Plans
 - Policy Manual Version 1.0 was developed through the Subcommittee in 2014/2015, and approved by the ICC in Dec. 2015
 - Policy Manual Version 2.0 was developed through the Subcommittee in 2018/2019, and approved by the ICC in Dec. 2019
- ❖ The Policy Manual “provides guiding principles for procurement, oversight, evaluation and operation of the electric and gas Energy Efficiency Programs authorized under Sections 8-103B and 8-104 of the Illinois Public Utilities Act. The principles and policies articulated in the Policy Manual were derived from Commission orders, policies and procedures developed by the SAG, as well as best practices from state Energy Efficiency Programs delivered throughout the nation.” See Policy Manual Section 2.1, Background
- ❖ [Illinois Energy Efficiency Policy Manual Version 2.1](#)

Policy Manual Background (cont.)

- ▶ **What are the goals of the Policy Manual?**
 - ❖ **“Achieve consistent policies for utility ratepayer funded Energy Efficiency Programs;**
 - ❖ **Reduce litigation before the Commission;**
 - ❖ **Reduce Program Administrator risk for disallowance;**
 - ❖ **Provide clarity and certainty for Program Administrators and other parties; and**
 - ❖ **Create a policy framework that supports the delivery of Cost-Effective Energy Efficiency Portfolios, pursuant to Section 8-103B and 8-104.”**

See Policy Manual Section 2.2, Goals

Policy Manual Background (cont.)

▶ Current Illinois EE Policy Manual Examples

❖ Utility EE Plans

- EE Portfolio objectives
- Budget allocations
- Flexibility and budgetary shift rules
- Defines cost categories, to standardize reporting among utilities and for transparency and consistency
 - ▶ Examples: Marketing Costs, Evaluation Costs

❖ Reporting

- Types of reports available for Illinois EE portfolios
- List of info required for utility quarterly reports
- List of info required for utility annual reports

Policy Manual Background (cont.)

▶ Current Illinois EE Policy Manual Examples

❖ Evaluation

- Defines responsibilities for independent evaluators
- Independence protocols for evaluators
- Process for annually submitting draft evaluation work plans; process for providing draft evaluation reports

❖ SAG

- Describes role of SAG Facilitator
- Independence protocols for SAG Facilitator
- Options for consensus decision-making at SAG

Policy Manual Background (cont.)

- ▶ **How often is the Policy Manual updated by SAG?**

- ❖ As needed - typically every 3-4 years

- ▶ **Policy Manual Subcommittee Webpage:**

- <https://www.ilsag.info/meetings/subcommittees/policy-manual-version-3-0-subcommittee/>

Policy Manual Update Process

- ▶ Current Policy Manual update process began in June 2022 - proposed policies were due from interested participants
 - ❖ Two kick-off meetings held in summer 2022, brief introduction to each policy proposal
 - ❖ Monthly Policy Manual Subcommittee meetings to discuss and edit proposed policies
 - ❖ Small Group Policy Manual meetings held as needed, to discuss follow-up on specific policies
 - ❖ Two final Policy Manual Subcommittee meetings scheduled in July 2023
 - ❖ Goal is for ICC Staff to file the updated Policy Manual with the ICC for approval in August 2023

Request for Feedback

- ▶ SAG Policy Manual Subcommittee is **interested in feedback** on new IQ policies from interested participants of the SAG Equity Subcommittee, IQ North Committee and IQ South Committee
 - ❖ The **purpose of the June 26 meeting** is to introduce new IQ policies and answer clarifying questions
 - ❖ The new IQ policies are **intended to support** Illinois utility IQ EE program offerings
 - ❖ **If interested participants have feedback**, please submit comments directly in the Word document with IQ-related policies circulated by the SAG Facilitator
 - Language in track changes is still under discussion by the Policy Manual Subcommittee
 - Effective dates for all policies are under review by the Policy Manual Subcommittee

Next Steps

▶ **Feedback on IQ Policies Due By: Thursday, July 13**

- ❖ Send feedback to the SAG Facilitator, Celia Johnson (Celia@CeliaJohnsonConsulting.com)
 - Feedback received will be circulated to the Policy Manual Subcommittee for review
 - Policy Manual Subcommittee will discuss any comments received at the Wed. July 19 meeting
 - Organization(s) that share feedback will be invited to attend the July 19 meeting
 - At the end of the Policy Manual update process, the SAG Facilitator will provide a summary to the SAG Equity Subcommittee, IQ North Committee and IQ South Committee summarizing how feedback was incorporated into the IQ-related policies
 - The Policy Manual will be filed with the Illinois Commerce Commission for approval (August)

Q&A

▶ SAG Facilitator - Celia Johnson

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