

# Illinois EE Stakeholder Advisory Group Market Transformation Savings Working Group

**Wednesday, March 17, 2021**

10:00 am – 12:00 pm

Teleconference Meeting

## Attendees and Meeting Notes

### **Meeting Materials**

- Posted on the [March 17 meeting page](#):
  - [March 17, 2021 Market Transformation Savings Working Group Agenda](#)
  - [SAG Facilitator Presentation: 2021 Working Group Plan](#)
  - [Market Transformation Savings Working Group 2021 Plan \(Draft for Review\)](#)
  - [Midwest Market Transformation Collaborative Update Presentation \(MEEA\)](#)
  - [Energy Codes & Building Performance Standards Presentation \(Slipstream and MEEA\)](#)
  - References:
    - [Energy Stretch Code & Building Performance Standard Programs for Illinois – Phase 1 Report \(Midwest Energy Efficiency Alliance and Slipstream, Oct. 2020\)](#)
- Visit the [SAG Market Transformation Working Group](#) page for information on the Working Group and prior meetings.

### **Attendees (by webinar)**

Celia Johnson, SAG Facilitator  
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support  
Matt Armstrong, Ameren Illinois  
Kevin Berry, PSD Consulting  
Chris Burgess, MEEA  
Hannah Collins, Leidos  
Kegan Daugherty, Resource Innovations  
Erin Daughton, ComEd  
John Davis, PSD Consulting  
Nick Dreher, MEEA  
Julie Drennen, Center for Energy & Environment  
Gabe Duarte, CLEAResult  
Allen Dusault, Franklin Energy  
Crystal Egelkamp, MEEA  
Kathryn Eggers, MEEA  
Ross English, Resource Innovations  
Julia Friedman, Oracle  
Margie Gardner, Resource Innovations  
Jon Gordon, Enervee  
Kevin Grabner, Guidehouse  
Molly Graham, MEEA  
Saranya Gunasingh, Slipstream  
Scott Hackel, Slipstream  
Jeff Harris, Northwest Energy Efficiency Alliance (NEEA)

Brian Hedman, Cadmus Group  
Hannah Howard, Opinion Dynamics  
Laura James, Cadmus Group  
Jim Jerozal, Nicor Gas  
David Kilgore, Ameren Illinois  
John Lavalley, Leidos  
Jeannette LeZaks, Slipstream  
Sharon Lewis, Meadows Eastside Community Resource Organization  
Alison Lindburg, MEEA  
Bruce Liu, Nicor Gas  
Todd Malinick, Opinion Dynamics  
Thomas Manjarres, Peoples Gas & North Shore Gas  
Samarth Medakkar, MEEA  
Kate Merson, Resource Innovations  
Mark Milby, ComEd  
Jennifer Morris, ICC Staff  
Chris Neme, Energy Futures Group, on behalf of NRDC  
Randy Opdyke, Nicor Gas  
Stacey Paradis, MEEA  
Michael Pittman, Ameren Illinois  
Anthony Santarelli, Smart Energy Design Assistance Center (SEDAC)  
Leah Scull, CLEAResult  
Grant Snyder, IL Attorney General's Office  
Holly Spears, SEEL  
Mark Szczygiel, Nicor Gas  
Rick Tonielli, ComEd  
Andy Vaughn, Ameren Illinois  
Paul Wasmund, Opinion Dynamics  
Fred Wu, Aiqueous  
Brittany Zwicker, CLEAResult  
Steven Cofer, Cadmus Group  
Nicholas Crowder, Ameren Illinois  
Patricia Plympton, Guidehouse  
Chris Vaughn, Nicor Gas

### **Meeting Notes**

Follow-up items are indicated **in red** and summarized at the end of the notes.

### **Opening and Introductions**

*Celia Johnson, SAG Facilitator*

The purpose of the March 17<sup>th</sup> (Q1) Meeting:

1. For the SAG Facilitator to present the 2021 MT Savings Working Group Plan and request final comments;
2. To provide an update on the Midwest MT Collaborative; and
3. To provide an update on the Code Advancement MT research project (Stretch Codes and Building Performance Standards); discuss utility attribution models.

## **Market Transformation Working Group 2021 Plan**

*Celia Johnson, SAG Facilitator*

### Working Group Purpose

- Forum to discuss policy issues on evaluation and estimation of MT savings
- Review specific initiatives and approach to develop savings
- One new goal in 2021: for stakeholders to raise new MT ideas for consideration by IL utilities
- Consensus on savings protocols for MT initiatives is a main goal of Working Group

### Working Group Background

- Launched in March 2019, focus was reaching agreement on savings framework (IL-TRM V8 Attachment C)
- 2020 focused on quarterly updates to policy issues and MT initiatives

### 2021 Working Group Goals

- Updates on MT initiatives
- Ideas for consideration
- Address open policy questions
- Consensus on savings protocols

### Participation

- Quarterly meetings, open to all participants
- Meetings to reach consensus on savings protocols will include only non-financially interested parties

### Status update on MT policy questions

- Stakeholders raised process questions, and interest in resolving everything altogether
- In the fall, consensus was we wait to resolve policy issues
- Feedback needed: Is there interest in finalizing these issues in 2021?
- See link in presentation for the final draft of policy resolution

### Process for consensus on savings protocol; inclusion on TRM v10

- Open question on whether any MT savings protocols should be included in TRM v10

### Feedback requested:

1. Comments on the draft 2021 Working Group Plan and schedule are due no later than March 31, 2021. Send comments to the SAG Facilitator ([Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)).
2. Additional feedback requests-> Please respond by March 31.
  - a. Should the Working Group should focus on reaching agreement on open MT policy questions in 2021?
  - b. Are there any MT savings approaches/protocols that the Working Group needs to reach agreement on in 2021, in time for addition to IL-TRM Version 10.0?
    - i. Note: To be included in IL-TRM Version 10.0, savings approaches need to be finalized/consensus no later than September 1<sup>st</sup>.

## **Midwest Market Transformation Collaborative (MTC) Update**

Stacey Paradis, MEEA

### Midwest MTC Journey

- MEEA working jointly with Resource Innovations and interested utilities
- Ways to collaborate on initiatives regionally
- Establishment of MT infrastructure in Midwest

### Current Collaborative Partners

- IL, MI, MN
- Wisconsin utilities interested, but special considerations given public benefit fund model for EE in the state
- Interest from smaller co-op utilities, mainly in Michigan

### MT list of initiatives that have been discussed

- For some MT initiatives, there opportunity isn't there; i.e. code compliance and Building Operator Certification (BOC); not enough savings

### Structure of collaborative

- In 2019 and 2020, it was a joint initiative led by Resource Innovations (RI) and utilities were providing additional funding
- Evolved structure to where MEEA is facilitator of the collaborative, RI is technical consultant; open collaborative to all MEEA members
- No additional funding, funding comes from MEEA's member dues
- Will need to address potential support from utilities sponsoring any initiative for larger lifts

### MTC activities

- Utility-only meetings on their work together
- Quarterly members for all MEEA's members
- MEEA will track IL, MI and MN stakeholder group developments/conversations
- Provide overview of MTC activities for SAG
- Topic specific calls for MT opportunities – will address how stakeholders can weigh in
- Analysis of ideas

### MT ideas submission process

- Initial outline of call-for-ideas
- Regional opportunity that can be coordinated with various stakeholder groups

### MT development process

- We are a bit delayed – first utility collaborative meeting will be this spring
- Full collaborative meeting in May
- MEEA will coordinate with SAG Working Group

## **[Discussion]**

*[Chris Neme] To clarify, you are planning to have an annual meeting during which stakeholders across the region would be invited on MEEA's regional MT initiative and to get feedback. But you haven't yet gotten a schedule yet?*

*[Stacey Paradis] Correct. This annual meeting would be a general update, and work in a call-for-ideas. Challenge is, once you get the ideas, what do we do with those? MEEA and RI would complete an analysis of each idea. The goal is to minimize investment and maximize outcome for collaboration.*

*[Chris Neme] This makes sense to try to do that once regionally. If you will implement regionally, less work, less redundancy. Guessing the call for ideas would probably happen after the annual check-in?*

*[Stacey Paradis] Exactly. Also, there are some MT initiatives moving in MN so we need to watch those as well.*

#### Next steps:

- Reach out to Stacey Paradis (MEEA) with any questions about the MTC Collaborative: [sparadis@mwalliance.org](mailto:sparadis@mwalliance.org)

#### **Code Advancement Update**

*Jeannette LeZaks, Slipstream and Alison Lindburg, MEEA*

Definitions of stretch code/reach code and building performance standards (BPS)

- Stretch codes can be adopted at the state goal
  - Important policy lever for new construction
- BPS builds off benchmarking, can be used when a city understands their baseline building performance and target lower performing buildings

Stretch codes national examples

- Different flavors and characteristics based on state/city
- Utilities are involved on all of these to some extent – explicit stretch code programs or rebates and incentives

Building performance standard national examples

- For example, Spire and Ameren were involved in the St. Louis process
- Uncertain whether they can claim savings

Phase 1 overview

- Found that municipalities want to move forward on these policies
- See Phase 1 report for additional information: [Energy Stretch Code & Building Performance Standard Programs for Illinois – Phase 1 Report \(Midwest Energy Efficiency Alliance and Slipstream, Oct. 2020\)](#)
- In phase 1, we focused on four engagements; including where we knew there could be movement
  - Evanston: Through engagement with Evanston, found that they were interested in potential utility support for adoption, implementation and compliance. Grounded in their climate plan from 2019. Stretch codes were identified as one of the opportunities. They are already moving forward with a public engagement process. We are meeting with Evanston March 18 to better understand timeline.
  - Chicago: A lot of things happening, Chi is part of Bloomberg cities. They have their own initiatives. Similar to Evanston in that Chi wants to work with communities.

- Metropolitan Mayors Caucus: They work as a collaborative and have a climate action. These initiatives can be scaled up through this caucus. They have expressed interest in utility programs that can support. Stretch codes and BPS are elements of their greenest region initiative.
- Urbana Champaign: Community motivation has been a challenge. Neighboring cities aren't enforcing building codes. This isn't conducive to adopting stretch codes, if they aren't complying with existing codes. Determined that there isn't enough political capital to move forward.

## **[Discussion]**

*[Chris Neme] On Evanston engagement, you're asking a policy question?*

*[Alison Lindburg] I think that's a question we have for the group. There are two ways to look at savings for this potential program. One would be advancement, supporting adoption. Two would be technical assistance and implementation. We wanted to get this timeline in front of the group to support the adoption that is currently the opportunity, but ensure that utilities can claim savings.*

*[Jeannette LeZaks] Evanston is steps ahead of others, so we don't want to miss opportunities.*

*[Alison Lindburg] Without involvement and support from utilities, policy could get watered down. If utilities do choose to get involved, they could support passing the policy, given they can claim savings for technical assistance, and this would support a good policy adoption.*

*[Jeannette LeZaks] Tomorrow we are having a call with Evanston to get a better idea on timeline.*

- Reviewed stretch codes net-zero EUI targets
- Reviewed figure on stretch code pathways
  - ASHRAE accelerated, generally a 7% savings increase over each code adoption
- Reviewed technical potential for savings in Illinois
- Reviewed IL utility-specific potential savings.
  - Based on previous statewide values
  - Utility specific data on square footage of utility specific estimated commercial new construction market
  - Data not available for Ameren

## **[Discussion]**

*[Chris Neme] What are the 78% and 92% savings relative to? The last two columns are 100% participation at a 15% stretch code, and first column is 60% participation.*

*[Jeannette LeZaks] Yes, this is compared against the baseline.*

*[Saranya Gunasingh] Baseline is current BAU savings from utility EE programs in 2021 as soon as IECC [code] is adopted. What we're looking at here, as soon as 2021 code is*

*adopted, is a projected increase in savings from BAU EE program. The last two columns are how much savings would increase, for either flavor of stretch code.*

*[Chris Neme] The first column is what is the savings would be without stretch codes for the utility program?*

*[Saranya Gunasingh] Correct.*

*[Jim Jerozal] The 600k therms is gross savings BAU. 1.1 mil gross statewide therm reduction is if the stretch codes were adopted. Is that in addition to the 600k or incremental increase, additional 400 therms?*

*[Saranya Gunasingh] Yes, it's the incremental increase. Driven by increase in participation. 60% is a little conservative. We're assuming that when a stretch code is adopted, it would apply to all new construction.*

*[Jim Jerozal] The savings seem low. Seems like a small number for this effort.*

*[Stacey Paradis] Considering Jim's questions and the recent actions from the ICC, which changed the process for IECC code adoption timeline, if the code development process flatlines, there could be substantial increase in the stretch codes in future years. Is that correct?*

*[Saranya Gunasingh] Yes, the IECC is unclear on projected longer-term savings. ASHRAE is more predictable. Assumptions is based on ASHRAE, recently, we got information that the current ASHRAE version is expected 6% increase from previous standard. In line with our projections. Logic is that we still have continuous savings from ASHRAE and savings from IECC.*

*[Alison Lindburg] Illinois is required to adopt IECC code. On the commercial side, there are two pathways, ASHRAE version or IECC. Going forward, the reason why they have those two pathways, the efficiency ties up. The amount of EE is about the same. If IECC doesn't continue to move forward, will they continue to tie ASHRAE in as an option for the IECC? If not, IL is required to adopt the IECC Commercial Code. If ASHRAE moves away from that, then the state might not be moving forward as fast with the baseline code. Saving potential difference could be higher for the stretch code. We don't know what's going to happen with the IECC. If they don't move as fast as ASHRAE, then the baseline code will be lower for the state.*

*[Celia Johnson] Do you have an idea of when the decision on codes in IL will be clear?*

*[Alison Lindburg] Not really. IECC process which they just changed, used to be a code process which is now a standards process (not defined). IECC has said that they want to set a long-term target on net zero, as well as ASHRAE. ASHRAE has a timeline for it but not IECC. They have indicated they will set standard process in the next few months. Development process takes two years and is underway. We will not know for at least 2 years. ASHRAE will be known soon.*

Reviewed BPS savings estimation and EUI shift

- Different flavor of estimating savings. Based savings on Chicago benchmark data.

- Filtered out worst performing stock [defined as bottom 35%], worst performing buildings would be better performing over life of standard
- Reviewed BPS Energy savings analysis; would not expect this to happen on an annual basis.

## **[Discussion]**

*[Chris Neme] Is this just the city of Chicago? Is a Building Performance Standards (BPS) cycle 4-5 years, so about 130k MWh and 6 million therms per year?*

*[Jeannette LeZaks] Approximately, yes. When you think of the scale of retrofit opportunities, if you take the worst performing buildings and market them better, it's substantial.*

*[Jim Jerozal] Chris, this is what you're talking about – taking an existing building that's not performing very well and creating a standard?*

*[Chris Neme] It's essentially a code for existing buildings. Established at a point that requires the worst performing building to improve to that level. How much do you require and where do you set the cutoff?*

*[Alison Lindburg] To clarify, this is different than a code because it is enforced through officials. What this does is measure of performance of the building and then it becomes mandatory. To that end, there's a lot of savings opportunity but getting a standard passed is a big lift. You're putting requirements on building owners that may require substantial changes to their staff and management, systems.*

*[Jim Jerozal] If you have a municipality that passes a BPS, that would mean that essentially, as a building owner you need to know how you score. If you fall below that score to a certain level, the building owner needs to get their performance above the line.*

*[Chris Neme] Chicago already has a score [benchmarking ordinance]. The ordinance would go along with the existing ratings for commercial buildings. Many cities already have requirements, all commercial buildings a certain size need to have their performance benchmarked. You wouldn't have a BPS without a benchmarking program already in place. BPS takes benchmarking ordinance to next level.*

*[Jim Jerozal] For a town with a benchmarking ordinance, this would be a good opportunity?*

*[Jeannette LeZaks] Correct.*

*[Thomas Manjarres] Is this where Chicago is currently?*

*[Alison Lindburg] Correct, the city of Chicago is considering a BPS in line with their decarbonization goals. They're considering it, but it's hard to get building owners on board. No guarantee. This is an area where utilities can provide support. Evanston also has a benchmarking standard in place. What we heard was that they weren't considering a BPS due to COVID. I have since learned they put forward an idea of a building emissions performance standard that would include industrial facilities. Also, other*



*buildings in cities without ordinances are likely doing some benchmarking as it's a best practice.*

*[Chris Neme] There are other approaches for cities to establish standards for certain building sectors, for example rental energy ordinances targeted at multifamily buildings. They can be shaped in different ways – prescriptive requirements. There could be triggers for compliance.*

*[Jeannette LeZaks] The BPS is a moving target. Once the baseline (worst buildings) improve, the standard increases, so it's a dynamic policy.*

#### IL Codes Program Timeline

- This is illustrative, one way this initiative could move forward
- We are starting conversations with the development board; we could envision developing this stretch code
- Knowing there's an infrastructure in place could make these policies more palatable

#### [Discussion]

*[Jim Jerozal] There are rebates, technical assistance, dollars that can offset those costs. In an earlier slide, it stated utilities could help with compliance. Would utilities be enforcing compliance?*

*[Mark Milby] I think we have to broaden our thinking outside of how we run programs today. What is the type of support needed to allow municipalities to adopt these policies? Some of that could be rebates. We also have to expand to technical assistance. Some of that could be that this is something we would need. To even feel comfortable and support building owner compliance. This is an example of a program type that's not offered today but could support attribution for continued claiming savings.*

*[Jim Jerozal] If the city needs support on enforcement, it could be that the utility is funding a circuit rider.*

*[Mark Milby] Right, or providing local training. Still, these programs would be outside the current program toolbox. At the basic level, this conversation is, how can we ensure utilities continue to provide incentives if these policies were to advance. What are the ways utilities employ their ratepayers funding to enable these municipalities? Presents a stronger logic model. Municipality may not be able to move forward with utility support.*

#### Reviewed phase 2, looking ahead

- Continue conversations with stakeholders, monitoring status of initiatives
- Working with communities
- Monitoring Clean Energy Jobs Act legislation (CEJA)
  - A statewide stretch code may allow for consistency across cities
  - CEJA also includes a state BPS. Cities could adopt stretch code instead of IECC code. This could lead to more broad adoption of a BPS
  - IL legislative session ends in May
- Reviewed pathways to claim savings: Does it make sense to have a separate work group for Code Advancement?

- Attribution model: There are attribution assumptions that we are reviewing. Other people are also thinking about attribution and savings. This approach would have a local flavor. It depends on who is adopting these policies.

## **[Discussion]**

*[Celia Johnson] Open to feedback on the question of a separate work group or small group to focus on Code Advancement initiative*

*[Jeannette LeZaks] Yes, we're happy to have further discussions with anyone interested*

*[Jim Jerozal] If time is important, and that showing interest in this initiative from utilities is important, this should translate to claiming savings framework. A follow-up discussion seems reasonable.*

*[Mark Milby] I agree, we should have this conversation sooner than later. There's also a risk here. ComEd can't engage aggressively with Chicago on BPS only to learn from evaluator that we can't claim savings from this if it becomes code, because it would be free-ridership. But agree that we need to have this conversation early.*

*[Chris Neme] I agree on the suggestion for a follow-up meeting.*

*[Patricia Plympton] Guidehouse is gathering information from other jurisdictions and perspectives from ODC. We are looking forward to diving in on this.*

*[Mark Milby] My 2 cents is that this is a good opportunity, it's synergistic. There is an opportunity to engage early now which could be critical in the formation of policy, opportunity for shaping policy, and opportunity for technical assistance. Looking forward to talking about which approach is right. Dependent on municipalities adopting the policy and we're glad they are aware we are engaged at this point.*

### **Next steps:**

- Small group follow-up meetings are needed to further discuss Code Advancement, including utility attribution and evaluation considerations. The first follow-up call will be scheduled during the week of May 3<sup>rd</sup>.
- If you would like to participate in detailed conversations on Code Advancement in the small group meeting, please reach out to the SAG Facilitator ([Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)) by March 31.

## **Closing & Next Steps**

### **Feedback Requested by the SAG Facilitator:**

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