

**Illinois EE Stakeholder Advisory Group  
Market Transformation Savings Working Group**

**Monday, October 4 2021 (Q3 Meeting)**

10:00 – 11:30 am

Teleconference

**Attendees and Meeting Notes**

**Meeting Materials**

- Posted on the [October 4 meeting page](#):
  - [October 4, 2021 Market Transformation Savings Working Group Agenda](#)
  - [Energy Codes & Building Performance Standards Presentation \(Slipstream, MEEA and Guidehouse\)](#)
    - [Market Transformation: Proposed Options and Evaluation Considerations for Stretch Energy Codes \(Slipstream, MEEA and Guidehouse\)](#)
    - [Market Transformation: Proposed Options and Evaluation Considerations for Stretch Energy Codes \(Slipstream, MEEA and Guidehouse\) – RedlineVersion](#)
    - [Stretch Codes Market Transformation Initiative: Logic Model \(Draft for SAG Review\)](#)
- 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

Ben Campbell, Energy Resources Center, UIC

Hannah Collins, Leidos

Kegan Daugherty, Resource Innovations

Brysen Daughton, Resource Innovations

Erin Daughton, ComEd

John Davis, PSD Consulting

Nick Dreher, MEEA

Gabe Duarte, CLEAResult

Allen Dusault, Franklin Energy

Jeff Erickson, Guidehouse

Jim Fay, ComEd

Molly Garcia, Resource Innovations

Jean Gibson, Peoples Gas & North Shore Gas

Kevin Grabner, Guidehouse

Molly Graham, MEEA

Vince Gutierrez, ComEd

Scott Hackel, Slipstream

Sumi Han, Smart Energy Design Assistance Center (SEDAC)

Sue Hanson, Tetra Tech

Jeff Harris, Northwest Energy Efficiency Alliance (NEEA)

Dena Jefferson, Franklin Energy

Jim Jerozal, Nicor Gas  
Liz Kelley, ILLUME Advising  
John Lavalley, Leidos  
Jeannette LeZaks, Slipstream  
Alison Lindburg, MEEA  
Thomas Manjarres, Peoples Gas & North Shore Gas  
Jake Millette, Michaels Energy  
Abigail Miner, IL Attorney General's Office  
Jennifer Morris, ICC Staff  
Phil Mosenthal, Optimal Energy, on behalf of IL Attorney General's Office and NCLC  
Chris Neme, Energy Futures Group, on behalf of NRDC  
Rob Neumann, Guidehouse  
Stacey Paradis, MEEA  
Michael Pittman, Ameren Illinois  
Patricia Plympton, Guidehouse  
Ellen Rubinstein, Resource Innovations  
Anthony Santarelli, SEDAC  
Leah Scull, CLEAResult  
Cynthia Segura, Citizens Utility Board  
Rita Siong, Resource Innovations  
Mark Szczygiel, Nicor Gas  
Rick Tonielli, ComEd  
Eric Van Orden, Copper Labs  
Andy Vaughn, Ameren Illinois  
Paul Wasmund, Opinion Dynamics  
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas  
Keith Downes, Guidehouse  
Stu Slote, Guidehouse

### **Meeting Notes**

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

### **Opening and Introductions**

*Celia Johnson, SAG Facilitator*

The purpose of the October 4<sup>th</sup> (Q3) Meeting:

- To update the Working Group on the MT Code Advancement initiative and evaluation pathways for Energy Stretch Codes.

### **Energy Stretch Codes**

*Jeannette LeZaks, Slipstream; Alison Lindburg, MEEA; Keith Downes, Guidehouse*

#### **Introduction**

- Presenting updates on Code Advancement; first presentation Q1 Working Group in March. Two subsequent smaller group meetings were held in May and July.
- Today's discussion entirely on stretch codes. Goal is to reach agreement on stretch codes prior to building performance standards.
- Received feedback on draft stretch codes evaluation pathways document. The team has fleshed out more details requested by SAG in the updated document.

## Stretch Codes in CEJA (New IL EE Law)

- CEJA includes a provision that develops an optional stretch code. A prior version of CEJA included a BPS provision, but this was not included in the final bill.
- The bill directs the Capital Development Board (CDB) to create a residential and commercial stretch code that can be adopted by each municipality. Not required. This would be the municipalities base code.
- CEJA establishes savings performance targets that can only be reached through conservation measures. Excludes net-metering.
- Allows an alternative compliance path for compliance. One pathway can be a certified, third-party standard. Calls out the US Passive House standard.
- Allows utilities to engage in code compliance-related education and programming to count toward savings.
- Chicago can still adopt its own stretch code.
- Municipalities can start adoption process earlier, but enforcement can begin until 2024.
- Opportunity / Next Steps
  - Utilities can work with the CDB to develop the stretch code. With an understanding that utilities can fund research to understand changes needed to meet targets, and offer a program to support compliance.
  - Another key piece is advancing code adoption. Availability of stretch code in CEJA makes adoption easier.

*[Abigail Miner] What is the CDB? Who are members? Are any utilities represented?*

*[Alison Lindburg] A body that facilitates the IL Energy Code Adoption process every 3 years. Members are legislative in statute. There is a website, they vote on what the energy code is going to be. They were directed to create this for this reason. No utilities. CDB is a technical group that works on code language.*

## Feedback and Discussion

- Background on past meetings that led to draft evaluation plans document and feedback.
- Feedback needed on updated evaluation pathways document.
- Questions on utility participation. The document attempts to outline utility participation in MT stretch code program.
  - Research: Development of detailed study reports. Market and energy analysis. Cost effectiveness.
  - Policy influence: Active participation with stakeholders. Support adoption of a stretch code.

*[Phil Mosenthal] Can municipalities make any amendments to strengthen the code?*

*[Alison Lindburg] One or the other. You cannot make it stronger. Except for Chicago. There may be other interpretations. My impression is you can't amend to be stronger.*

*[Abigail Miner] Does detailed study research mean utility funding research, such as savings potential research?*

*[Jeannette LeZaks] Yes.*

*[Keith Downes] Includes looking at potential savings. If the goal is to get a maximum attribution score to the utility's proportion of savings potential. Approach requires studying markets, technical and realistic potential of adoption. Looking at the baseline. Economic impacts. Described in the evaluation plan is a holistic and involved research.*

*[Phil Mosenthal] Some of what MA and RI utilities have done includes technical analysis on market share, savings and cost-effectiveness available, if you were to go greater than the default (IECC). Utilities also engage with the groups that do promulgation and code amendments. Utilities can't lobby.*

*[Alison Lindburg] Clarifies - cost-effectiveness applies to cost effectiveness of the code change, not utility program. Cost-effective code change for the builders. Not the same as utility research for utility programs.*

*[Keith Downes] As far as lobbying. This report serves as a starting point to questions that could lead to lobbying from groups that are not utilities.*

*[Phil Mosenthal] You can also do baseline studies. You can show the average energy per square foot what's being met, potentially strengthen.*

*[Jeannette LeZaks] We looked at other examples. Rhode Island is including. Leveraging experience from other states.*

*[Phil Mosenthal] Is there anything in CEJA preventing encouraging adoption of appliance standards?*

*[Chris Neme] There is language that generically states that utilities can advance appliance standards to meeting savings targets. It might be generic language that allows this.*

*[Nick Dreher] Section 103B(g)2.5 allows for advancement and compliance of appliances.*

*[Chris Neme] Opens the door to a variety of options without getting specific on details of how it would be down.*

*[Ted Weaver] My understanding is MT framework would set up a forecast of where the market is expected to go and a forecast of where the market goes. Attributable to program. Now you're talking about attribution scoring. Are you suggesting for measurement of attribution in markets? Seems outside of our past discussion on framework.*

*[Keith Downes] There would be a multiple step process in the evaluation. The last step is doing the attribution. Start out with gross technical potential - seeing the amount of savings to be expected is everyone was following code. Then, includes removing those not complying with code – gross savings. From there, remove naturally occurring market adopters yields net savings. Then apply an attribution factor. Overall attribution would be product of weight and attribution factor. This would be developed through a Delphi panel process, as the most neutral and diverse body.*

*[Ted Weaver] Sounds like a traditional net to gross framework, not a market transformation framework as previously discussed.*

*[Jeannette LeZaks] Document discusses how this adheres to the market transformation framework. Our position is that it adheres to a market transformation – the use of NOMAD*

*qualifies. Document should make rationale clear. If not, we can discuss. Discussion of timing may help understanding.*

*[Chris Neme] Do you envision that part of the way that this could demonstrate influence is commitment or promise of energy savings before sunset of policy?*

*[Jeannette LeZaks] Separate actions 2 and 3 because of a nuance. When utilities end up adopting codes, it's through their own process, and they receive pushback. When utilities can offer technical assistance, incentives to reduce costs to make palatable for builders. Utilities are uniquely positioned to support adoption.*

*[Chris Neme] This is helpful and important. Raises points for this group to agree on. Just because a code or standard is adopted does not just become law, utilities can support adoption. Savings claims need to be evaluated for double-counting, and need to establish sunset period.*

*[Phil Mosenthal] A similar issue in Rhode Island. Improve the national model code and add amendments to it. National Grid pointed out that everyone getting rebates, they are counting at a smaller amount because baseline increases. Need to create an incentive structure that makes it worthwhile for utilities to do this, considering it will eat savings.*

*[Jeannette LeZaks] First step is understanding gross technical potential (GTP). It wasn't clear how the GTP was determined – statewide or territory. This document clarifies this. We propose GTP based on statewide adoption. Understanding overall savings helps understand NOMAD to adhere to MT framework. Based on construction permits, or energy savings, but likely former, can be a way to count savings. Savings only claimed in a utility service territory.*

*[Phil Mosenthal] Suppose ComEd teams up with another utility. ComEd should be able to claim savings within their service territory, but are gas customers participating. Not to decide now – do gas converted savings count? Something to consider down the road.*

*[Jeannette LeZaks] Considering MT framework. Understand boundaries, electric and gas savings. Need to define gas and electric savings. Needs to be thought through.*

- Graph illustrates the GTP, Gross Savings Potential, and NOMAD. Separates support program savings. This is demonstrated in the document. Separate evaluation but evaluation looks at synergies.
- Document indicates that stretch code policy could be interpreted as either measure base or whole building. In a previous presentation, we discussed phase 1 of this report – posted on the SAG website. But CEJA seems to indicate the use of Site Energy Index.
- Next slides discuss process. Baseline compliance study mentioned in 2019. Discussed in the document is that this could be the baseline study. Future one's can be referred to as compliance studies. Recommending statewide going forward to compare apples to apples. Used for both evaluation and support programs. Applied to both evaluations.
- Infield compliance study 6 years following the baseline study. Suggesting that, due to cost and time of study, a Delphi panel help estimate a compliance in 2022 and follow up with field study 6 years following.

*[Jennifer Morris] In this scenario, when would savings be claimed? What if you try to claim savings within 3 years, and following compliance study, reduced compliance?*

*[Phil Mosenthal] This has been grappled with in MA and RI. To evaluate real savings, it's expensive. More money spent on EM&V than program. Even doing compliance study every 6 years, there's issues with adoption of statewide model code, and goes up. Do you really need to have data through the beginning and end of a code cycle? Then negotiating. Delphi panel could estimate attribution factors.*

*[Ted Weaver] Convene during negotiation in advance or before?*

*[Phil Mosenthal] MA has a policy reads NTG in advance (like IL), projected, recognized value that could change but locked in. Gross savings are adjusted.*

*[Ted Weaver] You could lock it in within a plan cycle. Agreed upon an attribution factor. How do you dedicate budget resources? Support this approach.*

*[Phil Mosenthal] Division of Energy in MA may not be supportive anymore. One potential pathway was to say, we can't understand the true attribution, how about we create performance incentive mechanism – look at what are you earning per KWh for new construction program. Designed to give flexibility. Incentive could be around activities.*

*[Jeff Harris] In the NW, code adoption efforts funded by NEEA to assist agencies in four states. Agreement in principle with regulators – because adoption support, there's a deemed estimated savings attributed to utility funded effort that is negotiated. Compliance rate is assumed based on prior studies. Negotiated for 3 code cycles currently. A proxy for saying, if not for utility involvement, code adoption would have been slower.*

*[Ted Weaver] Sounds more like the MT framework that we discussed in this working group.*

- Graph shows Code Program Timeline for a Municipal Example

*[Jennifer Morris] In this timeline, starting in 2023 or 2024 that utilities would count savings?*

*[Jeannette LeZaks] Around 2023, but depends on when muni adopts it. Could adopt the CEJA language ahead of time, but can't enforce it until CEJA allows.*

*[Jennifer Morris] Utility advancement refers to effort with CDB or muni?*

*[Jeannette LeZaks] Yes, the activities that were discussed. Research and adoption support.*

*[Phil Mosenthal] The earliest opportunity, the biggest opportunity, is influencing the aggressiveness of the code. Law potentially allows this.*

*[Jeannette LeZaks] That would require documentation from utility demonstrating that stretch code can be more stringent. Slipstream and MEEA are working with utilities on this. Also discussing with CDB, expressing opportunity to support. There are still questions about what the law means.*

*[Alison Lindburg] There are some opportunities to assist the CDB with this process. In terms of pushing harder – that’s going to depend on whether those measures are C/E for the construction market. Another consideration is ease of enforcement. Code officials need to understand the code, can’t make it too confusing. Utilities can potentially offer support for compliance mechanisms – offering incentives, technical assistance for performance software, for example. We want to be respectful of the CDB process. I’ve received feedback that the CDB feels overwhelmed with what this process may entail. They are open to assistance, but there are many people reaching out to offer assistance. We are thinking through how utilities can be most helpful. We’re understanding that documentation to support attribution is key.*

- Document describes usefulness of Delphi Panel – estimating compliance, attribution.

*[Keegan Daugherty] How would this be applied over multiple municipalities? Integrate evaluation efforts.*

*[Jeannette LeZaks] Aligns with code update cycle. We discussed acknowledging the 3-year update cycle and individual adoption schedules.*

*[Keegan Daugherty] Evaluation efforts would be municipalities together. Can you elaborate.*

*[Jeannette LeZaks] Evaluation cycle will include municipalities. We are explicit in the document. We also mention that we are reliant on municipalities own schedule.*

- Logic Model: Draft circulated for this meeting. We welcome feedback on this and evaluation costs.
- Next Steps: What do we need for consensus, what is the timing (considering CEJA) and what are the biggest issues that need resolution?
  - Ideally would like consensus by end of 2021.

## **Closing & Next Steps**

- Comments due by Thursday, October 28. Send comments to [Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)
  - [Market Transformation: Proposed Options and Evaluation Considerations for Stretch Energy Codes \(Slipstream, MEEA and Guidehouse\)](#)
  - [Stretch Codes Market Transformation Initiative: Logic Model \(Draft for SAG Review\)](#)
- **Review Process:** When reviewing the updated draft evaluation pathways document and draft Logic Model, please consider:
  1. In which areas consensus needs to be documented on Energy Stretch Codes.
  2. Should an attachment on Energy Stretch Codes be included in IL-TRM Version 11.0? If so, what should be included?
- **Timing for Resolution:** The goal is to reach consensus on Energy Stretch Codes by the end of this year. If needed, a consensus discussion will be scheduled with non-financially interested parties.