

**Illinois Energy Efficiency Stakeholder Advisory Group  
SAG Market Transformation Savings Working Group  
Code Advancement Small Group Meeting**

**Thursday, March 3, 2022**

1:00 – 2:00 pm

**Attendees and Notes**

**Attendees**

Celia Johnson, SAG Facilitator  
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support  
Abigail Miner, Illinois Attorney General’s Office  
Alison Lindburg, MEEA  
Allen Dusault, Franklin Energy  
Chris Neme, Energy Futures Group, representing NRDC  
Ellen Rubinstein, Resource Innovations  
Erin Daughton, ComEd  
Gabe Duarte, CLEAResult  
Hannah Howard, Opinion Dynamics  
Jane Colby, Apex Analytics  
Jean Gibson, Peoples Gas & North Shore Gas  
Jeannette LeZaks, Slipstream  
Jennifer Morris, ICC Staff  
Jim Jerozal, Nicor Gas  
Kegan Daugherty, Resource Innovations  
Keith Downes, Guidehouse  
Maddie Koolbeck, Slipstream  
Mark Szczygiel, Nicor Gas  
Martha White, Nicor Gas  
Michael Pittman, Ameren Illinois  
Molly Graham, MEEA  
Nick Dreher, MEEA  
Patricia Plympton, Guidehouse  
Paul Wasmund, Opinion Dynamics  
Randy Opdyke, Nicor Gas  
Rick Tonielli, ComEd  
Saranya Gunasingh, Slipstream  
Stacey Paradis, MEEA  
Stefan Johnson, Guidehouse  
Thomas Manjarres, Peoples Gas & North Shore Gas  
Vince Gutierrez, ComEd  
Wade Morehead, Morehead Energy

**Opening & Introductions**

*Celia Johnson, SAG Facilitator*

- This meeting follows two Small Group Code Advancement discussions last year.
- Meeting Purpose: Discuss whether the Market Transformation (MT) Code Advancement initiative should be considered MT, Resource Acquisition (RA) or both.

- Initial comments received on the draft Code Advancement Evaluation Pathways document and draft Logic Model were circulated via zip file to the Code Advancement Small Group.

### **Code Advancement Update**

*Jeannette LeZaks, Slipstream; Alison Lindburg, Midwest Energy Efficiency Alliance; Keith Downes, Guidehouse*

#### **Background**

- MEEA and Slipstream team, jointly funded by the IL utilities.
- In July, team gave an introduction to stretch codes and building performance standards (BPS). This discussion is about stretch codes. BPS for existing buildings will be discussed at a later time.
- In March 2021, team reviewed phase 1 results, summary of engagement and savings estimations
  - Led to small-group meetings for CA and evaluation pathways. Groups needed a pathways document for more specificity following May meetings.
- In October 2021, team presented more detailed evaluation pathways document. Received comments on this document, team has worked to address comments. The purpose of today's meeting is to discuss a comment received on considering code advancement RA, vs. MT.
  - Feedback from Nicor Gas and Resource Innovations:
    - May want to separate RA program and MT initiative for code advancement
    - RA model for compliance support (after stretch code) and MT initiative focused on advancement of stretch code
    - *[Jennifer Morris] ICC Staff hasn't provided comments yet. Once there's an updated version of the pathways the document after this meeting ICC will review. Phil Mosenthal has experience in evaluation approaches in the Northeast. We can learn from other jurisdictions and avoid costly studies.*
    - *[Jeannette LeZaks] There will be opportunity for everyone to comment on the next iteration of the document.*
  - Feedback from the Code Advancement team: There is existing rationale for using MT initiative model for both code compliance support and code advancement. Elements of code compliance support can have transformative impacts on the market - this is what we want to discuss. Showed Rhode Island example.
  - Shared breakdown of TRM attachment C, discreet differences between MT and RA.

#### **Discussion: Should Code Advancement be considered Market Transformation (MT)?**

*[Chris Neme] Will we have two ways of claiming savings for RA and MT? Is this still an open question?*

*[Jeannette LeZaks] The project team has assumed that code advancement and compliance and support would be part of the MT initiative [not RA]. We want to reach consensus on this.*

*[Jennifer Morris] My understanding is Nicor provided comments that stated some of the code advancement program should be MT. Do we want the evaluation to be consistent statewide?*

*[Kegan Daugherty] Those were our original comments submitted in October. We've come to alignment, evolved position to reach consensus on this. Nicor's position was that the pathways document left some additional questions, which have since been clarified to some degree.*

*[Jennifer Morris] Nicor Gas is now on board with code advancement using a MT framework?*

*[Randy Opdyke] Yes.*

*[Jennifer Morris] Including compliance with base code and stretch code?*

*[Randy Opdyke] Yes. MEEA's original code baseline study, included an implementation plan that was more aligned with RA. This is where confusion arose. We believe the evaluation pathways document is an MT framework.*

*[Jeannette LeZaks] In previous document, we separated code advancement and code compliance support. In the next document we will provide more clarity.*

*[Jeannette LeZaks] Is there anyone that feels that code advancement or code support shouldn't be an MT initiative?*

*[No comments or objections]*

### **Discussion: Should Code Advancement be included in the next IL-TRM update (Version 11.0)?**

*[Jennifer Morris] Assuming this next version comes out followed by final comments, is it reasonable to include in the TRM this year?*

*[Jeannette LeZaks] That would be ideal. If we can get something finalized by September. We may need to update the evaluation pathways document before it's made an attachment.*

*[Randy Opdyke] To get to evaluation pathways, there are some work products we need to understand. In the document shared by the code advancement team, there are two elements, the natural market baseline (NMB) in attachment C of TRM, and estimated potential savings including attribution. Attachment C includes theory but not nuts and bolts. We need to figure this out to arrive at the best evaluation pathways.*

*[Jennifer Morris] Are you thinking we need the NMB to be inserted in the TRM? Or that there are still a lot of unknowns for the utility on the NMB?*

*[Randy Opdyke] The latter; we don't have clarity on what the NMB looks like or potential savings from efforts to advance it. Working on clarifying, but want to avoid developing an evaluation pathway without knowing this.*

*[Jeannette LeZaks] The evaluation pathways document wasn't meant to include the specificity that you're talking about.*

*[Alison Lindburg] Our current approach has been theory-based. It's not exact numbers for deemed savings.*

*[Kegan Daugherty] If the direction that utilities are going it to treat all code programs as MT based on TRM, there is some documentation needed for utilities to have confidence to pursue MT program and investment. We talked about how to evolve this document to address this. Inclusion in TRM might be premature at this point.*

*[Rick Tonielli] It's productive to have evaluators involved in discussion at the beginning. For the Retail Products Platform MT Initiative, it's been useful to think about the eventual evaluation processes in addition to the NMB.*

*[Randy Opdyke] Agreed. Evaluators should be involved in NMB and utilities need to know what NMB and savings potential are.*

*[Chris Neme] Is the issue with NMB for stretch codes an issue of how many municipalities would have adopted the policy without utility involvement? Issue of attribution?*

*[Kegan Daugherty] Yes, that's what we're trying to determine. We'd like to have a prospective NMB. CEJA has added urgency, but we want to make sure that we're not retroactively changing evaluation after Nicor has invested.*

*[Jeannete LeZaks] As part of evaluation, you need to have a NMB that we all agree with. We want to make sure that's clear in the evaluation pathways - estimation of gross technical savings and NMB. Want to underscore that we're trying to understand is whether municipalities would have adopted the code without utility involvement. Attribution is related to utility involvement.*

*[Keith Downes] The NMB would be the level that people are building in lieu of stretch code. You have compliance rates with a statewide code, so NMB is likely to be close with the statewide code adjusted by compliance. Uncertainty around the attribution of utility involvement - what portion of stretch code adoption by city is attributable to actions by each utility? The team has tried to break down this ambiguity though the evaluation pathways document.*

*[Chris Neme] It sounds like you might be able to document the NMB in time to include in the TRM (6 months). That's the technical baseline. The bigger uncertainty is attribution - would that be documented in evaluation and not a protocol in the TRM?*

*[Keith Downes] I think it is in the utilities' interest for this to be an open question to address ambiguity. Jurisdictions that have done deemed attribution scores tend to get lower attribution. In AZ, there was a cap of 30% for attribution. Where as in CA, utilities' attribution scores are much higher. Allow for performance to dictate scores.*

*[Chris Neme] What is it that Nicor needs nailed down in time for TRM? And should we nail down methodology for attribution?*

*[Randy Opdyke] Yes, we need understanding of what the NMB is. Based on achievable potential savings, and how this contributes to each utilities' market share. Would be good to include in the TRM.*

*[Jeannete LeZaks] To underscore Stacey Paradis' point in chat - CEJA is being addressed right now, stretch code could be established between this summer and next summer, there may be lost opportunities by not acting sooner.*

*[Kegan Daugherty] Interested to see an updated evaluation pathways document that reflects CEJA.*

*[Rick Tonielli] We need to be influencing the market as soon as possible. If we don't act, we're risking potential savings.*

*[Jim Jerozal] Disagree with this. Stretch code will be ready for adoption by January 2024, but just because the code is deployed, doesn't mean it will be adopted or implemented. I think there will be plenty activities for utilities.*

*[Chris Neme] I agree; I think the biggest opportunity will be in code adoption as opposed to development.*

*[Alison Lindburg] Conversations [in municipalities] are happening right now. City of Naperville considered going forward with looking at stretch code adoption, but pushed off until 2024 because that's when it will be available for adoption. However, there is a lot go legwork for code adoption to do now, so that utilities can implement programs in 2024. We've been telling municipalities to adopt codes and that utilities can influence with technical resources. Policy adoption is a long process and so time is of the essence.*

*[Jim Jerozal] How many utilities are going to adopt this code on January 2024? How do we increase this number above the natural baseline? That's the delta and we need to know the baseline.*

*[Thomas Manjarres] Also consider compliance with stretch codes.*

*[Keith Downes] Early adopters of stretch codes could be influenced right now - the baseline is where are you without the stretch code in the buildings being built. If someone adopts the stretch code, did outside factors, like utilities, have influence? If they had influence, what's the attribution? Naturally-occurring baseline is no stretch code.*

*[Randy Opdyke] We need to nail this down - how we get NMB, attribution and savings potential.*

### **Nicor Gas presented preview of proposed MT savings protocol process**

- Will present to the full MT Savings Working Group at the April meeting.

*[Chris Neme] This is helpful. I assume you will share in advance of the SAG meeting? One question - you've spoken about the NMB. There are two important things - what is the NMB, assumed level of efficiency of construction, and what's the mechanism for attribution, determining for assigning utility involvement in code adoption support. Are we in agreement that this needs to be separated?*

*[Randy Opdyke] That is also our understanding.*

*[Jim Jerozal] I think we should include something like this in the TRM - we need a process for transparency that can be replicable for future MT initiatives.*

**Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

1. Updated draft evaluation pathways document will be provided for review and comments (2 weeks)
2. Updated evaluation pathways document will be presented at April MT Savings Working Group Meeting
3. Nicor Gas will present proposed MT savings protocol process at April MT Savings Working Group Meeting