

# Policy Manual Feedback

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Wednesday, September 21, 2022 Policy Manual Subcommittee Meeting

# Presentation Agenda

- ▶ Background
  - ▶ Policy Manual Purpose
  - ▶ Policy Manual Process
  - ▶ SAG Guiding Principles
- ▶ Request for Feedback
- ▶ Discuss Feedback Received and Next Steps
- ▶ Q&A

# Why does Illinois have an EE Policy Manual?

- ▶ Creating an “energy efficiency Policy Manual” was a directive to SAG from the Commission in 2014
- ▶ Policy Manual Background
  - ❖ 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*
- ▶ Policy Manual Goals
  - ❖ “**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 Process

## ▶ Purpose of Policy Manual Subcommittee Version 3.0 Update Process:

- ❖ To discuss proposed Illinois energy efficiency policies and reach agreement on Policy Manual Version 3.0
- ❖ If there are proposed policies that may belong in the Illinois TRM Policy Document, it will also be updated

## ▶ Proposed Policies:

- ❖ Participants had an opportunity in June to propose new policies for consideration in Policy Manual Version 3.0
- ❖ Proposed policies are posted on the [Policy Manual Subcommittee webpage](#)

## ▶ Kick-off meetings:

- ❖ Two kick-off meetings were held (June and August) to briefly discuss all policy proposals at a high-level to better understand each proposal and identify initial questions or feedback

## ▶ Future Policy Manual meetings:

- ❖ Monthly meetings will include deeper discussion of proposed policies, and edits to draft policy language
- ❖ Goal - reach conceptual agreement by end of April 2023; file Policy Manual with ICC for approval by end of June 2023

# SAG Guiding Principles

- ▶ **Reminder:** SAG is a forum that allows parties to express different opinions, better understand the opinions of others, and foster collaboration and consensus
  
- ▶ The following guiding principles from the SAG Process Guidance Document are intended to support collaborative discussion in SAG processes:
  1. Build trust and collaboration
  2. Educate and inform
  3. Offer constructive approaches and solutions
  4. Focus on the merits
  5. Ensure all interests are represented
  6. Participate in consensus discussions in good faith

# Request for Feedback

- ▶ **SAG Facilitator requested feedback following the August kick-off meeting:**
  1. Policy Manual Subcommittee Plan and Updated Schedule
  2. Whether policies addressed by SAG from 2019-2021 should be considered in the Policy Manual process
  3. Identify policy proposals that may not be appropriate for the Policy Manual, or may belong in another forum

Feedback was due **September 9**

- ❖ Feedback summary spreadsheet: [Proposed Policy Tracker – Feedback Received on Policy Manual Proposals \(9/15/2022\)](#)

# Why was feedback requested on policy proposals?

- ▶ During the June meeting, it was suggested by several participants that a threshold discussion is needed on what is appropriate to consider in the Policy Manual
  - ❖ [Policy Principles](#)
    - Created by SAG Facilitator to help guide feedback
    - Presented at August meeting
    - Includes questions to consider when reviewing policies
  - ❖ Interested participants were asked to consider whether a policy proposal may not be necessary, or appropriate for the Policy Manual, or may belong in another forum outside of this Subcommittee

# Purpose of Today's Discussion on Feedback

- ▶ For participants to better understand each other where there is disagreement on whether the policy should be considered in the Policy Manual process
- ▶ Goal = to determine next steps
  1. Participant may withdraw a policy proposal
  2. A policy proposal may be raised in another forum
  3. What if a participant feeling strongly about a proposal being discussed in the Policy Manual process, or if there is significant disagreement on whether a proposal should be considered?
    - The proposal will be presented to the Subcommittee once, with opportunity for discussion and feedback
    - The proposal will then be moved to a “non-consensus list”, to be discussed at the end of the Policy Manual process
    - If disagreement remains at the end of this process, a comparison exhibit will be prepared to document various positions



# IQ Policy Proposals Submitted by IQ North Committee Leadership Team and Facilitator

- ▶ See Proposed Policy Tracker, rows 39-67
- ▶ **SAG Facilitator Recommendations:**
  1. Encourage Leadership Team to raise majority of policy topics in the IQ EE Committee / LIEEAC, outside of the Policy Manual
  2. Develop high-level IQ policy principles in Policy Manual process
  3. Keep discussion of the following procedural proposals in Policy Manual Version 3.0:
    - Local CBOs/CAAs considered “non-financially interested parties” (row 63)
    - Create single section in Policy Manual for IQ policies (row 66)
    - All IQ items discussed through SAG should be grouped together (row 67)
  4. Consider these proposals in a future process, if needed:
    - Policy on Primary of LIEEAC Over SAG (row 64)
    - Primary of IQ-TRM Working Group vs. TRM Working Group (row 65)

# IQ Policy Proposals Submitted by Various

- ▶ See Proposed Policy Tracker, rows 68-71
- ▶ Discuss feedback on:
  - ❖ New Income Qualified Accountability Section proposal (row 70)
  - ❖ One-Stop-Shop Program Design Definition for IQ MF Retrofit proposal (row 71)

# IQ Reporting Proposals Submitted by Stakeholders

- ▶ See Proposed Policy Tracker, rows 68-71
- ▶ Discuss feedback on all reporting proposals:
  - ❖ Equity and Affordability Statewide Reporting Metrics (row 74)
  - ❖ IQ Multi-Family Reporting Metrics (row 75)
  - ❖ Health and Safety Reporting (row 76)
  - ❖ Diverse Vendor Reporting (row 77)

# Evaluation Policy Proposals

- ▶ See Proposed Policy Tracker, rows 34-47
- ▶ All parties that submitted feedback agree these policies should be considered in Policy Manual process

# Independence Policy Proposals

- ▶ See Proposed Policy Tracker, rows 80-82
- ▶ Discuss feedback on LIEEAC Facilitator Independence proposal (row 81)

# Program Administration Policy Proposals

- ▶ See Proposed Policy Tracker, rows 80-85
- ▶ Discuss feedback on:
  - ❖ CPAS Goal Setting proposal (row 85)
  - ❖ Statewide Potential Study proposal (row 87)
  - ❖ Prohibited Expenses proposal (row 88)

# Policies Discussed by SAG from 2019-2021

- ▶ See Proposed Policy Tracker, rows 14-18
- ▶ Discuss feedback on all:
  - ❖ Market Transformation Policy Issues (final draft from 2020; row 14)
  - ❖ Estimating Savings Due to COVID-19 (resolved in 2020 and 2021; row 15)
  - ❖ Low Income Customer Eligibility Verification (resolved in 2020; row 16)
  - ❖ Evaluating Savings from Non-Qualified Equipment (resolved in 2020; row 17)
  - ❖ Project Application Date for Affordable Housing New Construction Program (resolved in 2020; row 18)

# Electrification Policy Proposals

- ▶ See Proposed Policy Tracker, rows 22-31
- ▶ Discuss feedback on:
  - ❖ Electrification Cost-Effectiveness proposal (row 22)
  - ❖ Interactive Effects proposal (row 23)
  - ❖ Fuel Switching Definition proposal (row 25)
  - ❖ Assessments for Fuel Switching Measures Using HFCs (row 26)
  - ❖ Electrification Savings Calculations (row 27)
  - ❖ Electrification Bill Impacts (row 28)
  - ❖ Electrification Energy Consumption Reduction (row 29)
  - ❖ GHG Savings Calculations (row 30)



# Q&A

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