



December 2022

Revisiting Post-2030 CPAS Goals

Background

- Section 8-103B of Public Act 102-0062 (PUA) directs the ICC to **establish additional cumulative persisting annual savings (CPAS) goals beyond 2030, and specifically required the ICC to set 2031-2035 goals no later than December 31, 2021, with a default statutory goal of 0.9% per year.**
- “The Commission may **initiate a proceeding to consider establishing goals that increase by more or less than that amount.** Such a proceeding must be conducted in accordance with the procedures described in subsection (f) of this Section. If such a proceeding is initiated, the cumulative persisting annual savings goals established by the Commission through that proceeding **shall reflect the Commission's best estimate of the maximum amount of additional savings that are forecast to be cost-effectively achievable, unless such best estimates would result in goals that represent less than 0.5 percentage point** annual increases in total cumulative persisting annual savings. The Commission may only establish goals that represent less than 0.5 percentage point annual increases in cumulative persisting annual savings **if it can demonstrate, based on clear and convincing evidence and through independent analysis,** that 0.5 percentage point increases are not cost-effectively achievable. The Commission shall inform its decision based on an energy efficiency **potential study** that conforms to the requirements of this Section.”

Background (cont.)

- This was discussed over the course of several **SAG workshops and meetings with Staff and other stakeholders in late 2021**. Although parties appeared to generally be aligned that material downward adjustments to the default goals were likely necessary, due to the statutory deadline of December 31, 2021, many parties also believed it was **impossible at that time to develop the required evidentiary record upon which to base a decision to adjust the CPAS goals**. Given this tight timeline, **ComEd proposed to establish a policy to revisit the establishment of CPAS goals beyond 2030 in a later process**, ahead of the 2030-2033 Plan filing, when more current and robust data and analysis is available, including the potential study, and adequate time is allowed to thoroughly discuss.
- ICC Staff filed a Staff Report to the Commission on October 7, 2021, **recommending that the Commission direct Staff to continue discussions** with interested stakeholders and the utilities on a process by which the default statutory CPAS goals could be altered at a future date and include such a process in the Illinois Energy Efficiency Policy Manual Version 3.0, or such other forum, venue, proceeding, or process that the Staff deems appropriate. At the October 21, 2021, ICC Meeting, the Commission declined to institute a proceeding to establish CPAS goals for 2031-2035 (i.e., Plan 8), and as a result, the **default statutory goals (0.9% per year) went into effect by operation of law but directed Staff to continue discussions with the utilities to develop a process by which the default statutory CPAS goals could be altered at a future date (such as through an update to the Illinois Energy Efficiency Policy Manual)**.

Justification

- **Revisiting goals outside of the Plan** process is warranted for a handful of reasons – based on discussions in late 2021, Parties appeared to agree that the default goals laid out in Statute will likely need to be adjusted. Acknowledging this:
 - First, the goals are fundamental to building a Plan, and goal modification is a significant endeavor and will likely be a somewhat contentious matter. **Settling what the goals are early, will allow adequate time for utilities to focus on Plan development and work collaboratively with stakeholders on what such a Plan should include.** Otherwise, the Plan process could very likely get bogged down in what the goals should be and little else.
 - Second, **CEJA also now requires that if a utility requests a goal modification it forfeits all R&D funding. For goals that all Parties appeared to agree are likely not achievable, this does not seem like a justified condition, and will counteract identifying new ways to reach evermore challenging targets.**

Proposal

- The SAG will undertake a process to revisit CPAS goals beyond 2030 in 2026, and every 4 years thereafter. This process will include:
 - Each electric utility, if they feel it is necessary, presenting to SAG a proposal to adjust the CPAS goals for its forthcoming Plan (e.g., in 2027, for the Plan 8 period of 2030-2033), based on the most recently performed baseline and potential study, no later than January 31.
 - Relevant utilities working with stakeholders, in an effort to reach consensus on adjusted goals, and file them jointly before the ICC, no later than July 31.
 - If agreement cannot be reached by June 30, parties may file them separately before the ICC for consideration, again, no later than July 31.

Illustrative Timeline

- 2023: Baseline & Potential Studies
- 2024: Develop Plan 7
- 2025: File Plan 7
- 2026: Start Plan 7, Baseline & Potential Studies
- 2027: New Potential Study
- ✓ January: Utilities propose goal adjustments
- ✓ February – July: Negotiations
- ✓ August – Year-End: ICC Proceeding
- 2028: Develop Plan 8
- 2029: File Plan 8
- 2030: Plan 8 Starts; Baseline & Potential Studies