

**Illinois Energy Efficiency Stakeholder Advisory Group
Policy Resolution – 2020 Program Year and 2021 Program Year
Final (March 24, 2021)**

Policy Issue:

How should evaluators estimate savings in Calendar Year 2020 and Calendar Year 2021 given the COVID-19 pandemic?

Background:

The evaluation teams (Guidehouse and Opinion Dynamics) presented three options to SAG for estimating savings in 2020 given the COVID-19 pandemic:

1. Normalize savings for all years of Effective Useful Life (EUL)
2. Do not normalize savings in CY2020; normalize other years of EUL
3. Do not normalize savings in a year of EUL

The evaluation teams recommended option 1 above. In this option, the evaluators would normalize the Calendar Year 2020 energy efficiency program savings, essentially aiming to estimate savings as if the pandemic had not occurred. This option would put the fully deemed and custom calculated savings on a level playing field, as those measures fully deemed by the Illinois Statewide Technical Reference Manual (TRM) will not have their savings affected by the pandemic. Additionally, this option gives the utilities savings for an “expected” or “typical” year and treats the gas measures (which are claimed for the first year only) and the electric measures (which are claimed using Cumulative Persisting Annual Savings) equivalently.

Several SAG meetings were held in summer 2020 to further discuss this issue. The process and final resolution are described below.

In February 2021, SAG discussed the question of whether the same policy should be followed in Calendar Year 2021. The process and final resolution are described below.

Process:

- *June 2020:*
 - [June 11 Meeting](#): The evaluation teams (Guidehouse and Opinion Dynamics) presented on evaluation impacts due to COVID-19. As a follow-up item, the evaluation teams requested feedback on next steps for estimating savings in 2020 due to COVID-19, recommending option 1 (normalize savings for all years of EUL).
 - The following document, prepared by evaluators, was circulated for review and comment on June 18: [Estimating Savings in CY2020 Due to COVID-19 Pandemic](#)
- *July 2020:*
 - Following the comment deadline, the SAG Facilitator prepared a summary of comments received: [Estimating Savings in 2020 Due to COVID-19: SAG Comments Received](#)
- *August 2020:*
 - [August 24 Meeting](#): A follow-up discussion was held on COVID-19 evaluation impacts, with the goal of resolving the option the evaluators will use to count 2020 custom savings. A number of participants expressed support for option 1 (normalize savings for all years of EUL). The question of whether Home Energy

Reports should be excluded from normalization was discussed during the meeting. Additional feedback was requested from participants.

- *October 2020:*
 - To follow-up on the August meeting, Guidehouse and Opinion Dynamics put together a joint memo regarding normalization of 2020 savings from the Home Energy Reports program due to COVID-19. After further review, the evaluation teams recommend against normalization for the Home Energy Reports Program. This affects ComEd, Nicor Gas, and Peoples and North Shore Gas; Ameren Illinois is not running a Home Energy Reports Program in 2020.
 - The memo was circulated on October 16, with a request for comments: [Memo from Guidehouse and Opinion Dynamics to ComEd, Nicor Gas, Peoples Gas & North Shore Gas: Adjusting Home Energy Report Program Savings for the Effects of COVID-19 – Approaches and Considerations \(Oct. 16, 2020\)](#)
- *December 2020:*
 - The evaluation teams worked with interested stakeholders to decide that the Home Energy Reports Program will be normalized using historic program data. The evaluation teams will work with each individual utility on the specifics for their program.
- *February 2021:*
 - During a Small Group SAG evaluation meeting on February 22, Guidehouse raised the question of how the evaluation teams should normalize for the pandemic in Calendar Year 2021. Several meeting participants suggested that the same approach be followed in 2021, per SAG consensus in 2020. Interested parties were requested to submit comments or objections following the meeting. No comments or objections were received.

Final Resolution:

When evaluating energy efficiency programs in Calendar Year 2020, evaluators will normalize the 2020 program savings, aiming to estimate savings as if the pandemic had not occurred. This option puts the fully deemed and custom calculated savings on a level playing field, as those measures fully deemed by the Illinois TRM will not have their savings affected by the pandemic. Additionally, this option gives the utilities savings for an “expected” or “typical” year and treats the gas measures (which are claimed for Nicor Gas and Peoples Gas/North Shore Gas using a combination of annual savings and weighted average measure life, and for Ameren Illinois gas as annual savings) and the electric measures (which are claimed using Cumulative Persisting Annual Savings) equivalently. Evaluators will follow the same normalization process when evaluating energy efficiency programs in Calendar Year 2021.