Illinois EE Stakeholder Advisory Group
Market Transformation Savings Working Group
Code Advancement Small Group #2

Tuesday, July 27, 2021
1:00 – 2:30 pm
Teleconference

Attendees and Meeting Notes

Meeting Materials
- Posted on the July 27 meeting page:
  - Tuesday, July 27 MT Code Advancement Small Group Meeting Agenda
  - Market Transformation – Proposed Options and Evaluation Considerations for Energy Stretch Codes (developed by Slipstream, MEEA and Guidehouse)
  - Energy Codes & Building Performance Standards Presentation (Slipstream, MEEA and Guidehouse)

Attendees (by webinar)
Celia Johnson, SAG Facilitator
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Matt Armstrong, Ameren Illinois
Kegan Daugherty, Resource Innovations
Gabriel Duarte, CLEAResult
Jeff Erickson, Guidehouse
Saranya Gunasingh, Slipstream
Vince Gutierrez, ComEd
Scott Hackel, Slipstream
Jim Jerozal, Nicor Gas
Stefan Johnson, Guidehouse
Jeannette LeZaks, Slipstream
Alison Lindburg, MEEA
Thomas Manjarres, Peoples Gas & North Shore Gas
Jennifer Morris, ICC Staff
Randy Opdyke, Nicor Gas
Stacey Paradis, MEEA
Leah Scull, CLEAResult
Tyler Sellner, Opinion Dynamics
Mark Szczygiel, Nicor Gas
Rick Tonielli, ComEd
Keith Downes, Guidehouse
Stu Slote, Guidehouse

Meeting Notes
Action items are indicated in red font.

Opening and Introductions
Celia Johnson, SAG Facilitator

The purpose of the July 27th meeting:
- To hold a follow-up small group discussion on the potential Code Advancement market transformation initiative, including Energy Codes and Building Performance Standards. Proposed options and evaluation considerations.

The first Code Advancement Small Group meeting was held in May; the July meting will include discussion of proposed options to consider.

Follow-Up Discussion – Energy Stretch Codes
Jeannette LeZaks, Slipstream; Alison Lindburg, MEEA; Keith Downes, Guidehouse

- This presentation will follow the word document on proposed solutions that was circulated in the meeting materials. Purpose is to discuss options for utility involvement and evaluation for stretch code advancement and support.
- The word document also discusses building performance standards. However, we wanted to ensure that stretch codes have clear next steps prior to deep dive on BPS.
- Reviewed MT Framework figures from Attachment C of the IL-TRM. This is a review of how stretch codes fit in the MT framework. For each characteristic, ensure that it fits the MT framework. Internally, we feel stretch code adoption fits within stretch code framework.
- Reviewed differences in evaluation between resource acquisition (RA) and MT programs. Attachment C contains the methods for stretch codes.

Utility Involvement

1. Policy influence or advancement
    a. Currently, there is no stretch code policy in Illinois. We are watching potential policies on the statewide level. Munis may take on their own policy. There are multiple levels of influence utilities can have in terms of geographic support.
2. Program support or compliance

Overview of Evaluation for Stretch Codes

- Graphical illustration of how stretch codes can be evaluated.
- Reviewed Evaluation for Policy Advancement
- Not all buildings comply with base code. Not all energy codes measures are being complied with. Eventually, stretch code pushed beyond the base code target. But we know that there won't be full compliance. The gross technical potential is between compliance with base code and stretch code. Since stretch codes won't be complied with fully, gross savings is difference between compliance with base code and compliance level of stretch code. Net savings is determined by removing NOMAD (natural market baseline). This is the extent of policy advancement (net savings).
- Support programs need to be evaluated separately. To look at the effect of a program on improvement in compliance.

[Jennifer Morris] Is there a separate savings that would be estimated for support programs?

[Jeannette LeZaks] Laid out in the document as such. There would be similar research happening at the same time but observing different market effects.

[Alison Lindburg] Because this is an MT program (outlined in the document) it wouldn't just be applying savings to program participants. Evaluate program participants, also evaluate using a Delphi panel, to determine the impact of the utility program, and extrapolate statewide. Essentially, support program doesn't just accrue participant savings, MT savings as well.

[Jennifer Morris] Is there a potential for double-counting?

[Jeannette LeZaks] Any RA program that customer may be participating is not double counted as part of the support program. That's why they are coordinated efforts. And I think this comes down to the Delphi panel; a group of exerts reviewing available data. And comes down to the qualitative aspects of the review. Try to quantify as much as possible. Delphi panel informs double-counting, but evaluators need to be mindful.

[Alison Lindburg] If there's a jurisdiction with or without a stretch code or base code, baseline is compliance with either of which is law. Utility programs' baseline is the compliance target with whatever code is in law. There shouldn't be double-counting.

Evaluation Steps for Policy Advancement

- Reviewed purpose of Gross Technical Potential evaluation. Savings evaluation based on approach of the policy. Unit quantity looks at how much new construction is expected (statewide or municipality based).
- Reviewed Gross Energy Savings evaluation. Reviewed data collection process. Sampling plan to understand market effects. From there, review building dept records, site data collection and interviews with facility personnel.
- Reviewed Net Savings evaluation. Looks at NOMAD. Delphi panel looks at policy's level of influence including non-utility advocacy, incentive programs, base code and compliance intervention.
- Reviewed Net Program Savings evaluation. Delphi panel takes an iterative process to provide an attribution score for the utility.

[Jim Jerozal] Use of the Delphi panel, would an alternative approach be to do what often happens with evaluation, i.e. survey a large group of participants? Is this analogous or is the Delphi panel more accurate?

[Jeannette LeZaks] Yes, experts can review data with their firsthand experience. But we have discussed other ways at getting data. A survey is possible, another method for experts to understand. I'll make a note to mention other ways to procure data, like surveys. Evaluators aren't the only ones who will review the data.

[Keith Downes] This is a straw proposal. I was the one who put forth the Delphi panel approach. I think a lot of this would be determined just. We're not sure how utilities would be advocating for policy, so the way we evaluate would be determined based on what's taking place in the field. In the end, if it's a different list of utility activities, approach may be different. A survey would likely feed the Delphi panel, and provides evaluators flexibility for determining the main drivers of this.

Less subjective and more objective, but it's difficult to foresee, so Delphi panel provides a good foundation for evaluation.

[Jeannette LeZaks] Delphi panels are used in other jurisdictions for evaluation of stretch codes.

- Reviewed Allocation evaluation. Number of ways, as described in Attachment C. The one that seems most straightforward is proposition of sponsor funding. This is a straw proposal, however.

[Jennifer Morris] When you're doing the analysis is it statewide first. If it is, you could make a split between utilities based on territory.

[Jeannette LeZaks] Another option that we were considering is this customer by territory approach. If it is a statewide stretch code, and utilities were involved in policy advancement, you could break it out by customers affected.

[Jennifer Morris] It seems it's important to make sure that utilities aren't claiming other utilities' savings from their territory.

[Alison Lindburg] Just for clarification. I think that would make sense. Because this is a MT program, we are considering utilities claim savings from advancing market overall, and therefore claim savings that occur in other service territories. I believe MT framework allows for that.

[Jennifer Morris] From my perspective, I don't think that's allowed. Even though lighting is MT, we net out leakage. For efficient choice, utilities only claim savings from their territory even though savings may accrue elsewhere. In the way that the statute is written, it's clear that utilities must reduce energy savings in their territory.

[Jim Jerozal] A proportion based on funding might be not be the right way to think about it. It could be based on territory; even though funding is unbalanced, there is an important factor that your local utility is behind it.

[Jennifer Morris] After the call, if you find the language that seems to say utilities can claim savings in other territories, send the language to me, as it shouldn't be savings that.

[Alison Lindburg] We did determine that claimed savings should only be within Illinois. California does get to claim savings for outside California, the work they do affects things at on a national level.

[Jim Jerozal] Or leadership role in it. If utility is all in from ground zero, but a utility comes last minute with a check, who really performed the transformation?

[Keith Downes] Consider a cohort of utilities to advance a statewide stretch code that various munis are afraid to adopt. While the local utility will have some influence on the local policy, the creation of the statewide stretch code would be attributed to the cohort of utilities.

[Jennifer Morris] If a statewide SC were to get passed, it seems the utilities are less influential.

[Keith Downes] The presumption is the utilities would be engaged in the research and market studies that go into creating the statewide stretch code. They would be intimately involved.

[Jennifer Morris] That was already proposed

[Jim Jerozal] But the proposed legislation says to develop a stretch code.

[Alison Lindburg] Even if the code would be set, the jurisdiction adoption is a big piece. The cost is high, and if utilities can come in to help compliance, that's a big deal.

[Jennifer Morris] That's helpful.

[Jim Jerozal] It basically established the creation of a statewide stretch code, but then it's optional for munis to adopt it. Furthermore, the language specifically says utilities can claim certain savings.

[Jennifer Morris] Did it clarify savings outside of territory?

[Jim Jerozal] No, just lays out stretch code needs to be developed, timeline, and states utilities can be involved in adoption and support.

[Jennifer Morris] Cost to evaluation of funding vs geography.

[Jeannette LeZaks] My sense is geography approach would be feasible.

Evaluation of Code Support Programs

- Reviewed Compliance Baseline evaluation. Determine baseline from which they evaluate the impact of utility activities. There's a timing element, to see how baseline is moving from code cycle to code cycle.
- Reviewed Gross Technical Potential evaluation. Understanding baseline helps understand what's on the table due to non-compliance. Delphi panel looks at impact of program efforts
- Reviewed Determining Code Support Impact evaluation. Delphi panel determines compliance levels under scenarios of current code and utility involvement. Similar to NOMOAD, understand the other actors involved in advancement.

Closing and Next Steps

- Comments / questions on the draft MT Pathways document due by Friday, August 13 – send to Celia@CeliaJohnsonConsulting.com
- Slipstream/MEEA/Guidehouse will address stakeholder comments/questions in the MT Pathways document
- An update will be presented to the MT Savings Working Group at the Q3 meeting (September 15); final feedback will be requested
- Goal is to reach consensus on Stretch Codes prior to discussing Building Performance Standards