

# Illinois EE Stakeholder Advisory Group Market Transformation (MT) Savings Working Group Meeting

Monday, May 22, 2023  
9:30 am – 12:00 pm  
Teleconference

## Attendees and Meeting Notes

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### Meeting Materials

Meeting materials are posted on the [May 22<sup>nd</sup> meeting page](#):

- [Monday, May 22 MT Savings Working Group Agenda](#)
- [SAG Facilitator Presentation: Introduction to May MT Working Group Meeting](#)
- [ComEd Presentation: Review of Final Attachment C Comments](#)
  - Comments from interested Working Group participants were due on May 8 regarding proposed edits to IL-TRM Attachment C (Framework for Counting Market Transformation Savings in Illinois) and the Final Draft Market Transformation Policy Document. The following comments were submitted:
    - IL Attorney General's Office and National Consumer Law Center: [Comments on Market Transformation Policy Resolution](#)
    - ILLUME: [Comments on IL-TRM Attachment C](#)
- [Status Update on Current Illinois MT Initiatives](#)
  - [Nicor Gas Presentation: MT Initiative Updates](#)
  - [ComEd Presentation: MT Initiative Updates](#)
- [Ameren Illinois Presentation: Luminaire Level Lighting Controls](#)
- [Slipstream and MEEA Presentation: Energy Codes & Building Performance Standards](#)

### Attendees (by webinar)

Celia Johnson, SAG Facilitator  
Caty Lamadrid, Inova Energy Group (SAG Meeting Support)  
Adriana Kraig, Opinion Dynamics  
Alison Lindburg, MEEA  
Allen Dusault, Franklin Energy  
Andrey Gribovich, DNV  
Andy Vaughn, Leidos  
Anna McCreery, Guidehouse  
Bahareh van Boekhold, ILLUME  
Becca McNish, ComEd  
Brent Nakayama, Leidos  
Carl Nelson, Center for Energy & Environment

Chris Neme, Energy Futures Group, representing NRDC  
Christopher Vaughn, Nicor Gas  
Corey Grace, Resource Innovations  
David Brightwell, ICC Staff  
Dena Jefferson, Franklin Energy  
Elizabeth Horne, ICC Staff  
Ellen Rubinstein, Resource Innovations  
Hannah Collins, Leidos  
Jean Gibson, Peoples Gas & North Shore Gas  
Jeannette LeZaks, Slipstream  
Jeff Harris, Northwest Energy Efficiency Alliance (NEEA)  
Jim Fay, ComEd  
John Lavalley, Leidos  
Kegan Daugherty, Resource Innovations  
Mike King, Nicor Gas  
Maddie Koolbeck, Slipstream  
Matt Armstrong, Ameren Illinois  
Michael Brandt, Elevate  
Michael Frischmann, Ecometric Consulting  
Molly Graham, MEEA  
Monique Gagne, Center for Energy & Environment  
Nic Crowder, Ameren Illinois  
Philip Mosenthal, Optimal Energy, representing IL AG's Office and NCLC  
Randy Opdyke, Nicor Gas  
Rick Tonielli, ComEd  
Rita Siong, Resource Innovations  
Ryan Wall, Guidehouse  
Sam Dent, VEIC (IL-TRM Administrator)  
Seth Craigo-Snell, SCS Analytics  
Shane Perry, Leidos  
Sheila Highcock, Ameren Illinois  
Shonda Biddle, Center for Energy & Environment  
Stu Slote, Guidehouse  
Ted Weaver, First Tracks Consulting, representing Nicor Gas  
Tim Dickison, Ameren Illinois  
Tina Grebner, Ameren Illinois  
Thomas Manjarres, Peoples Gas & North Shore Gas  
Vincent Gutierrez, ComEd  
Wayne Leonard, Guidehouse  
Zack Tyler, Opinion Dynamics

### **Opening & Introductions**

*Celia Johnson, SAG Facilitator*

#### **Purpose of meeting:**

1. To follow-up on edits proposed by the Market Transformation Small Group;
2. For Illinois utilities to provide a status update on current Illinois market transformation (MT) initiatives in progress in 2023.
3. To educate participants on the Ameren Illinois Luminaire Level Lighting Controls MT initiative; and
4. To educate participants on the progress of MT code initiatives.

## **Follow-up to April Working Group Meeting**

*Jim Fay, ComEd and Other Market Transformation Writing Team Members (Guidehouse, Resource Innovations / Nicor Gas)*

- **Materials:**
  - [SAG Facilitator Presentation: Introduction to May MT Working Group Meeting](#)
  - [ComEd Presentation: Review of Final Attachment C Comments](#)
- Only three comments received after proposed edits were introduced in last month's meeting. Comments will be presented today along with edits.
- First comment raised a question about "what changes will be applied retrospectively, and which ones are prospectively."
- Slide 3 – graphic where first year shown is a program year (PY), and then an evaluation window is identified in PY2. Typically, a proposed change that emerges in PY2 would be incorporated within that open window and apply for PY3. This means there is a two-year lag between the program year and the year that changes are applied post-evaluation. There is also the possibility that a required change would need additional research to determine the way to implement said change. That would mean there is a longer lag and that the change ends up applied to PY4. These are the guidelines that have been used for all energy efficiency programs. In summary, changes are always prospective and applied to the next program or later if there is a justifiable lag.
- We are proposing for MT programs to follow this existing process that is already in use for resource acquisition programs.
- Since for MT programs the anticipated savings can span multiple years, we should clarify that when the change is applied to prospective savings it would be applied to the multi-year stream.
- Slide 5 – process for incorporating savings for MT is the same as all other programs. If a new MT initiative is being launched and there is enough data to develop an energy savings framework (ESF) ahead of time, then changes are applied prospectively. When there is no data for the new initiative then the data is collected first, and the ESF would apply retrospectively to the first year and prospectively for future years. This is the same process used for resource acquisition pilots.
- MT programs are more likely to require market research to create ESF, so this would likely lead to greater lags in process.

*Phil Mosenthal: There might be some cases in which you may not see a natural market baseline until the end of year or later, after developing ESF. To me, that baseline, once identified, would be applied retrospectively to the program year because the input data was not available until the program had been running for a while.*

*Jim Fay: The team would like to hear more about this because we have not encountered this scenario.*

*Phil Mosenthal: As an example, for a code compliance initiative in Massachusetts, during the ESF process it was decided that there would be a Delphi panel at end of the first program year to estimate baseline. Everyone agreed on the process (Delphi panel), but the answer to the process (baseline) was not available until the end so it was applied retrospectively. Another example would be a MT program where we have an ESF that says we will track sales in IL and then we get total market sales data at the end of the year. That is then used to adjust savings.*

*Jim Fay: On the second point, yes, there is a process to look at sales data and then the analysis allows for a true-up to the program year. On the first point, we want to learn more about what is happening in MA before we understand if it will apply to IL.*

*Phil Mosenthal: The distinction would be guessing where the natural baseline is vs. establishing a process where at end of year research is done and the baseline is determined in a more informed manner. The process is agreed on upfront, but the baseline might be adjusted at the end.*

Jeff Harris: The procedure laid out is similar to what is done in the Northwest because there is a need to establish how a natural market baseline is going to be adjusted, and the review and implement changes on a forward-looking basis. To Phil's comment about MA, Attachment C has a different process for programs that are "in flight" or "in development" as opposed to codes and standard changes. Codes and standards are large MT changes and are often the culmination of the effort, so having the Delphi panel at that point in time makes sense because you need that expert judgement to determine how much contribution of change came from MT vs code changes. What MA is doing is the same process we do in NW with Delphi process, but this is done for codes and standards. For other changes using the sales data is what we believe to be the best practice.

Phil Mosenthal: That makes sense, the one exception is if there is the ability to track sales in real time rather than predicting impact to baseline over the course of the year.

**Next Step: Jim Fay to follow-up with Phil Mosenthal on Massachusetts codes initiative.**

- Second comment is related to preponderance of evidence. The term is nebulous and needs to be better defined.
- Slide 7 – The important thing to capture in Attachment C is that "preponderance of evidence" in the context of MT programs contrasts with the statistical rigor of typical resource acquisition evaluations. For MT programs there is a different standard of evidence. The standard to meet here is whether the program administrator should walk away from program if it is not meeting goals. The definition of this term in Attachment C should be specific in this and reference the need to look at the research strategy embodied in the evaluation plan.
- Slide 8 – in Attachment C we propose a definition for "preponderance of evidence". We will make some additional edits to strengthen how we treat this term so it is defined upfront, and also to ensure it is understood that is a different standard than Resource Acquisition programs and that the evaluation plan and research proposed is what is will be used to determine if the MT program is having an impact.
- Slide 9 – Third comment received was related to supporting documents identified in Attachment C: program design/logic model, evaluation plan, and ESF. It was suggested that those three documents need more discussion. We agree and have put together a table that shows who is responsible for developing and reviewing each of these three documents.
- Slide 11 – proposed table to include in Attachment C.

*Seth Craigo-Snell: Some of the comments submitted were geared at approval of the documents. The proposed table describes development and review of the document but not approval.*

*Jim Fay: There is no approver listed on table. The approval process of these three documents is the same as with any document in the SAG, there is no formal "approver" entity but the SAG process is for stakeholders to review, comment, and ideally reach consensus. We can include a description of that process in the redline version for review.*

*Randy Opdyke: Reminder the MT Working Group approved the MT process recommendation in 2022.*

*Chris Neme: What happens in the event there isn't consensus?*

*Jim Fay: The small group concluded that we do not need to change the process or do anything different than the already established non-consensus process.*

*Chris Neme: In the context of TRM, we try to reach consensus and if we cannot, then the TRM administrator offers perspective of best option and then submits documentation to Illinois Commerce Commission with non-consensus comments. Is that the same situation with MT non-consensus?*

*Jim Fay: We are dealing with two issues (1) who is the custodian of documenting non-consensus? Within TRM processes, that role is held by VEIC, within SAG processes that role is the SAG Facilitator. (2) What happens when there is an open non-consensus issue and the program goes into evaluation. My understanding is that the program is evaluated for each side of non-consensus issue.*

*Kegan Daugherty: The intent was to have the evaluators be the final arbiter and documenters of non-consensus. I don't think we have determined how this works procedurally to a level of detail.*

*Jeannette LeZaks: Wee will be presenting later today on codes and standards work. Having the evaluator onboard with the development of ESF is an integral part of the process.*

#### **Next Steps:**

- **Jim Fay and small group writing team to review Attachment C edits to ensure consistency with discussion and feedback. An updated redline version will be circulated to the MT Working Group for review, highlighting any additional changes. If there are any substantive comments, a follow-up meeting will be scheduled.**

## **Status Update on Current Illinois MT Initiatives**

*Tim Dickison, Ameren Illinois; Rick Tonielli, ComEd; Randy Opdyke, Nicor Gas; and Thomas Manjarres, Peoples Gas and North Shore Gas*

**Purpose:** For Illinois utilities to provide a status update on current Illinois market transformation (MT) initiatives in progress in 2023.

**Materials:**

- [Status Update on Current Illinois MT Initiatives](#)
- [Nicor Gas Presentation: MT Initiative Updates](#)
- [ComEd Presentation: MT Initiative Updates](#)
- Note: Other utilities shared verbal updates

*Randy Opdyke, Nicor Gas*

- Key initiatives Nicor Gas is currently working on include High Performance Windows, code advancements, Efficient Rooftop Units (RTU), Gas Heat Pump Water Heaters, Residential HVAC GHP.
- For these initiatives Nicor has been working with our evaluator, Guidehouse, on incorporating feedback. We hope for High Performance Windows to be presented to the group in the fall for comments.
- On High Performance Windows, a workpaper was developed for the TRM. In 2024 there will be an effort to target all high-performance windows. Nicor just submitted proposed measure change to TRM process with updated U-factors per updated ENERGY STAR® standard. In partnership with ComEd and Ameren IL, we concluded quantitative research that will help understand the natural baseline and logic model for high-performance windows. This was a general population survey.
- For Gas Heat Pumps, Nicor is working with North American Gas Heat Pump Collaborative and People's Gas and Northshore Gas to engage manufacturers in trying to understand when these products will be available so the design of logic model and NB framework can be informed. We expect more information in Q4.
- For Efficient RTU, Nicor has contracted with GTI and to complete quantitative research in IL to understand market potential and what units are available. Nicor has also partnered with NEEA to establish higher specifications for RTU, in hopes that manufactures will design units to have higher efficiency and transform the market. This is early stages.

*Rick Tonielli, ComEd*

- ComEd has been involved in initiatives related to windows and codes and standards. Focus on a couple of ComEd initiatives that are electric-only.
- Retail Products Platform – this was presented to the group in previous meetings. The 2022 process evaluation was completed, and we have good data for the first time. ComEd is now looking at next steps. An expert judgment panel is being conducted by Guidehouse. ComEd has hired Energy Solutions to be the implementation contractor. First task is to look at improving program and we are looking at options for adding new appliances, working more closely with retailers.
- Second initiative that is just starting is Electric homes New Construction (EHNC). There is a work group established that is in the initial process of developing logic model, identifying natural baseline, and market progress indicators. One interesting topic of this initiative is the many factors that have influence the market (codes and standards, availability of federal funding, other ComEd programs, other synergies).

### Next Steps:

- Rick Tonielli to follow-up with Chris Neme on RPP plumbing channel.
- Rick Tonielli to follow-up with Seth Craigo-OSnell on 2022 Retail Products Platform results, vs. 2021.

*Tim Dickison, Ameren Illinois*

- Randy Opdyke's presentation covered the work we are doing for high performing windows. LLLC will be discussed later in agenda. No new information to add.

*Thomas Manjarres, Peoples Gas and North Shore Gas*

- Two initiatives for us were covered by Randy Opdyke's presentation. Codes initiatives will be discussed later in agenda. No new information to add.

## **Luminaire Level Lighting Controls (LLLC)**

*Nick Crowder, Ameren Illinois*

**Purpose:** To educate participants on the Ameren Illinois Luminaire Level Lighting Controls MT initiative.

**Materials:** [Ameren Illinois Presentation: Luminaire Level Lighting Controls](#)

- Slide 3 – Background for LLLCs as a MT initiative. There are research papers showing significant savings.
- Slide 5 – When it comes to LLLC there is sufficient TRM definition. Logic model shown on slide is version 1. A group is working on revising this logic model as the program has moved from pilot to mainstream. This was discussed during March meeting.
- Slide 6 – Details how Ameren IL is including incentives in our offerings and engaging market actors.
- Slide 7 and 8 – Program ally training. This summer Ameren's engagement will include additional trainings with distributors, and we will be offering additional educational collateral and supporting resources.
- Slide 9 – Opinion Dynamics is fielding surveys to distributor and installers as well as customers to understand target market in terms of awareness and familiarity and likelihood to install.
- Slide 10 – Ameren and partners have discussed the basic component and structure of natural market baseline. The numbers on last slide are illustrative example only.

## **MT Stretch Codes and Building Performance Standards Initiatives Update**

*Jeannette LeZaks, Slipstream and Alison Lindburg, Midwest Energy Efficiency Alliance*

**Purpose:** To educate participants on the progress of MT code initiatives.

**Materials:** [Slipstream and MEEA Presentation: Energy Codes & Building Performance Standards](#)

- Background of the project: started in 2018. From 2021 to present it is called Phase 2 of project and it includes timeline of direct engagement with SAG as well as other activities.
- Stretch codes address new construction market and building performance standards address existing buildings.
- Slide shows web links to background presentations and discussions about stretch codes for context. A lot of time was spent in 2021 and 2022 on this topic, and this is the first presentation of 2023.

- Utilities can provide support for advancement of policies and then also program implementation and adoption once policies are advanced. The goal is to ensure municipalities have support.
- The reason why this is included under MT is because we are looking at longer term horizon and incorporating multiple levels of engagement.
- Last August we submitted an evaluation pathways document in collaboration with all three utility partners and input from Guidehouse. We continue to work with all utilities and Guidehouse in biweekly meetings that have been taking place for over a year. Last year we developed policy roadmaps and fact sheets for municipalities.
- We have asked municipalities what would help them adopt stretch codes. There are multiple actors and room for utilities to help municipalities understand and enact change.
- Overview of changes: logic model structure has been updated to include additional elements heard from stakeholder's feedback, and to focus on outcomes or increased energy savings as opposed to only adoption of stretch codes. Market progress indicator table have been created.
- Natural market baseline – there re key elements for building performance standards and stretch codes, we think ultimately these will be done separately.
- Illustration of what we are trying to quantify for stretch codes, there is an added element that adoption is not the same as compliance.
- Next step: We want to gather total statewide new construction square feet forecast for municipalities likely to adopt, and estimate percent influence of naturally-occurring vs under utility influence. We are also completing the building performance standards and stretch codes pathway documents and later this year materials will be submitted to SAG for review.

### **Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

- Jim Fay to follow-up with Phil Mosenthal on Massachusetts codes initiative.
- Rick Tonielli to follow-up with Chris Neme on Retail Products Platform plumbing channel.
- Rick Tonielli to follow-up with Seth Craigo-0Snell on 2022 Retail Products Platform results, vs. 2021.
- Jim Fay and small group writing team to review Attachment C edits to ensure consistency with discussion and feedback. An updated redline version will be circulated to the MT Working Group for review, highlighting any additional changes. If there are any substantive comments, a follow-up meeting will be scheduled.