

Illinois EE Stakeholder Advisory Group Market Transformation Savings Working Group

Monday, June 13, 2022 Meeting

10:00 am – 12:00 pm

Teleconference

Attendees and Meeting Notes

Meeting Materials

- [SAG Market Transformation Savings Working Group Webpage](#)
- Posted on the [June 13 meeting page](#):
- [Monday, June 13 Market Transformation Savings Working Group Agenda](#)
- Proposed Edits to IL-TRM Attachment C:
 - [Market Transformation Savings Protocol Process Recommendation Workpaper \(Draft, prepared by Nicor Gas\)](#)
 - [Nicor Gas Protocol Process Recommendation – Excel](#)
 - [ComEd Proposed Edits to IL-TRM Attachment C](#)
- ENERGY STAR Retail Products Platform (ESRPP):
 - [ESRPP Savings Protocols and Structured Expert Judgement Panels Presentation](#)
 - [Market Transformation Evaluation Protocol – ENERGY STAR Retail Products Platform \(Draft\)](#)

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Abigail Miner, IL Attorney General's Office
Aivy Mathew, Efficiency Nova Scotia
Alex Dunn, ILLUME Advising
Alison Lindburg, MEEA
Allen Dusault, Franklin Energy
Beth Littlehales, NEEA
Carl Nelson, Center for Energy & Environment
Chris Neme, Energy Futures Group, representing NRDC
Chris Vaughn, Nicor Gas
Corey Grace, Resource Innovations
David Brightwell, ICC Staff
David Kilgore, Ameren Illinois
Dena Jefferson, Franklin Energy
Denise Munoz, ComEd
Diana Fuller, Walker-Miller Energy Services
Ellen Rubinstein, Resource Innovations
Erin Stitz, Applied Energy Group
Erin Daughton, ComEd
Gabriel Duarte, CLEARresult
Hannah Collins, Leidos
Hannah Howard, Opinion Dynamics
Jacob Serfling, Midwest Building Decarbonization Coalition

Jason Christensen, Cadmus Group
Jeannette LeZaks, Slipstream
Jeff Erickson, Guidehouse
Jeff Harris, NEEA
Jennifer Alvarado, Franklin Energy
Jim Dillon, Ameren Illinois
Jim Fay, ComEd
Jim Jerozal, Nicor Gas
John Lavalley, Leidos
Kathy Wold, Intermountain Gas
Kegan Daugherty, Resource Innovations
Kevin Grabner, Guidehouse
Maddie Johnston, MEEA
Maddie Koolbeck, Slipstream
Marina Dauer, Guidehouse
Mark Milby, ComEd
Martha White, Nicor Gas
Matt Armstrong, Ameren Illinois
Meghan Bean, NEEA
Michael Brandt, No Organization Identified
Michael Frischmann, Ecometric Consulting
Molly Graham, MEEA
Molly Lunn, ComEd
Nicholas Crowder, Ameren Illinois
Noah Purcell, ICF
Christina Pagnusat, Peoples Gas & North Shore Gas
Patricia Plympton, Guidehouse
Randy Opdyke, Nicor Gas
Rebecca McNish, ComEd
Rick Tonielli, ComEd
Rita Siong, Resource Innovations
Ryan Wall, Guidehouse
Samarth Medakkar, MEEA
Sanjyot Varade, Resource Innovations
Stacey Paradis, MEEA
Stefan Johnson, Guidehouse
Stu Slote, Guidehouse
Sy Lewis, Meadows Eastside Community Resource Org
Tamika Cole, Walker-Miller Energy Services
Tyler Sellner, Opinion Dynamics
Vincent Gutierrez, ComEd
Wayne Leonard, Guidehouse

Opening & Introductions

Celia Johnson, SAG Facilitator

Purpose of meeting:

1. To discuss edits proposed for inclusion in IL-TRM Attachment C; and
2. To discuss proposed savings protocols for the ENERGY STAR Retail Products Platform market transformation initiative.

Working Group Process Reminder:

- To be included in the IL-TRM, the final version of changes to Attachment C must be submitted to VEIC by Wednesday, August 3, or September 5, at the latest.
- Comments will be requested on the Nicor Gas and ComEd IL-TRM Attachment C edits.
- A follow-up discussion will be scheduled in July.

Proposed Edits to IL-TRM Attachment C

Nicor Gas MT Process Recommendation

Randy Opdyke, Nicor Gas

- This recommendation was introduced in the April Working Group meeting.
- The purpose of this proposal is to build in a process for how we can reach consensus on MT initiatives. Build structure for a recommended process that streamlines these discussions. Agree on work products.
- Attachment C does not highlight a process for how to reach consensus.
- Section 2: MT Savings Protocol
 - Includes components of savings protocol. Includes structure for follow-up.
- Section 3: MT Protocol Development Process and Phases
 - This proposal focuses on process and structure for Phases 1 and 2 (see graphic).
- Shared table: MT Framework and Work Breakdown Structure
 - These will vary by initiatives. Establishes roles for evaluators, SAG and TAC through process. Strategically establishes roles including input, review, advise, and inform.
- Section 3.1.1: Phase 1: Concept Development and Assessment
 - Includes example of process steps, work product/goals, and roles for the evaluator and SAG. Again, varies by initiative.
- Section 3.1.2: Phase 2: MT Strategy Development and Testing
 - This is where utilities connect different funding and resources for developing a business plan, target markets, products, in-state goal, development of logic model, savings estimates, intervention points. Table 1 template depicts the many activities within Phase 2.
 - See Figure 2. First Tier of Key MT Process Components. Shared in April meeting. Note order of operation.
 - As we move through this process, we have more defined activities for evaluators and SAG working group. Goal is to have information prior to decision-making – more work up-front.
- Figure 3: Second Tier of Key MT Process Components
 - Evaluation plan development. Utilities work with evaluators to provide more visibility and transparency.
- Section 3.2: Documentation of MT Savings Protocol Consensus
 - Includes example dashboard. Helps understand the status of each initiative's savings protocol development.

[Chris Neme] Question on process and terminology regarding blue section (MT Savings Protocol). What happens after input has been provided? What does "inform" mean?

[Randy Opdyke] Uses term “inform” because at this point, we’ve incorporated feedback at that point from all groups. Review is a continual process (before “blue” work products get published).

[Allison Lindburg] Can you explain how there is flexibility for different initiatives?

[Randy Opdyke] Varies by MT initiative. Some activities might not be necessary, depending on the initiative. That being said, since this is being used to help SAG understand when these work products are necessary, we need to determine what’s applicable.

ComEd Proposed Edits to Attachment C

Jim Fay, ComEd

- Timeline for MT program evaluation progress
 - Incorporated the best practices from other jurisdictions. Informed guidelines in Attachment C.
 - Since then, we’ve had two evaluation cycles for the Retail Products Platform (RPP). Those evaluations describe what those evaluations were able to do and weren’t able to do. We view this as a long-term work in progress; changes we’re incorporating and principles we’re adopting are a work in progress. We’re hopeful that we can continue to work on basic understanding of RPP program so that it’s viewed as fully vetted. Slide includes reference to these documents.
 - We need to update Attachment C to reflect what we’ve learned to date. Have a portfolio that has a perfect mix of MT and RPP programs. MT programs are high risk, but higher longer term pay-off. We want to get to a point where both programs (Resource acquisition (RA) and Market Transformation) are evaluated and invested in on a level playing field.
- Proposal: Within Attachment C, guidelines should include that programs need to emphasize up-front work before investment is made; investment should be made with as much certainty for how savings will materialize.
 - Context: Goal is to get us to a point where we look at a MT program and have the savings predictability that we say we need. Consistent with what Randy has said with Nicor. Do homework up-front. Stands in contrast to typical RA program; more up-front work to get everyone on the same page for how program impact will be measured. We want to get to a point where if the program is executed with the logic model, these are the savings we would expect (higher predictability). As Randy mentioned, we need an upfront thorough review of the program, logic model. A model that has that level of confidence. Evaluation questions up-front should address this predictability.
- Expert Judgement Panel for RPP
 - We’re working with Guidehouse on a series of questions for an expert judgement panel. Market research should be part of what we do up front.

[Chris Neme] I think the idea of locking down makes sense. MT issues can be quite long-lived. New information could emerge that suggests that our logic may have been faulty. It would seem problematic to run on the same assumptions in this case. How do we strike the right balance – can you provide clarity on this?

A: This will be addressed in the slides.

- Proposal: Create a criterion for understanding how far off our market predictions were before we open up the savings framework. Evaluation plan will propose to measure what the market has done.
 - Context: Under what conditions do we open savings framework. If we get new info and find we were wrong, what do we do about it? Difference between real market impacts and predicted impacts is the market for revisiting the MT savings framework. Proposes a 115% or greater difference as the criteria – we would like feedback on this. We should be adopting a perspective of the market that as long as it's close to being accurate. Not change until we recognize that we were inaccurate.

[Chris Neme] What does the 15% apply to? Savings are function of market share multiplied by savings per unit. Are you talking about just the market baseline?

[Jim Fay] Referring only to market share. For RPP, most energy savings are deemed.

[Chris Neme] Your focus is on factors that calculate market share?

[Jim Fay] Proposing this so that we don't reopen framework every year. We should be as prospective as possible. What we developed over the past 12 years through SAG is a set of rules, regs and practices that adopt this philosophy. Changes should be made going forward, not retroactively. This is critically important for RA programs as MT programs. Once we learn something new, we should make changes going forward, not retroactively. Attachment C should reflect this.

[Q:] How will we know we've reached the 15% threshold?

[Jim Fay] We won't know whether we're at 15% threshold until we dig further. We'll have data annually about where the market is. Every year evaluation will include this assessment, but it won't trigger a redesign until this delta is bigger (>15%)

[Q:] What if we get new info that says we over or underestimated the NMB?

[Jim Fay] We won't have a way to measure it. We won't know if we've been wrong. There will need to be info that says the assumptions we made in the NMB were faulty. I think this should be a part of it. In terms of reopening savings framework, we are saying that we shouldn't just adopt annual default. We should create criteria for reopening, including learning about assumption in NMB that we originally made. Main point – be prospective.

[Chris Neme] I agree conceptually. Gut reaction is that devils in the details. What does 15% apply to, how do we determine if it's triggered, are we looking at the NMB. Laying out some of these specifics would be very helpful.

Next Steps:

- ComEd will put together redline edits to Attachment C, for review by the Working Group.

Proposed Savings Protocol for ENERGY STAR Retail Products Platform (ESRPP)

Rick Tonielli, ComEd; Mike Frischmann, EcoMetric; Jason Christensen, Cadmus; Patricia Plympton, Guidehouse

Objectives

- Discuss ESRPP Savings Protocols and Structured Expert Judgement Panels
- Discuss proposed update to Attachment C regarding specifics of savings protocol for ESRPP. Where the data comes from. Trying to get some things codified in the TRM.
- Patricia and Jason will discuss the Expert Judgement Panel.

Overview of ESRPP

- RPP is a market transformation initiative ComEd joined in 2020. Facilitated by NEEA. Goal is to guide manufacturing product standards in a more EE direction. Use the retail channel as the way to do this. Provide midstream incentives for clothes washers and refrigerators. Goal of incentives is to encourage retailers to change stocking methods and use their combined purchasing power to get manufacturers to big more efficient models to market.

Attachment C Update

- Purpose: provide guidance on main inputs and methods. Comes from experience over the last two years.
- More information and details in the word document

ESRPP MT Elements

- Log model
- Market Progress Indicators (MPI)

Next step: Where do we get data?

- ESRPP National Sales Portal. All national retailers provide monthly product sales data. This data has some details that we would want to see. Model numbers, qualified status, technical patches for gross savings. Take this data directly from retailers, validate, clean and ensure we have all inputs for the TRM algorithm. This has all the technical details.
- When we look at cleaning the data, there's a hierarchy. Look at model number, model number matching for various qualified product list. Prioritize Energy Star, then DOE list, then the CA Energy Commission. Go through these three lists to apply TRM algorithms.
- Next step: Data and Data Cleaning
 - Assign each model number and efficiency tier

Natural Market Baseline

- Program sponsors get 12 months of historical sales data.
- Guidehouse team combined Focus on Energy data (Wisconsin) with ComEd's data going back to 2016.
- Judgement panel tries directly into NMB evaluation. We would ask them to weigh in on this.

Annual Savings

- Start with national data; apply ratios to get to specific configurations of product sold in ComEd territory. Account for savings from other programs.

Structured Expert Judgement Panels on NMBs

- Analyzed market progress indicators from 2021 activities. We're still on this learning curve. The goal is to reduce uncertainty and increase robustness of NMBs.
- Goal of panel is to reduce uncertainty for NMB and resulting savings. Mike described how we've developed forecast to date. There is still a lot of questions. ComEd and NEEA are the only sponsors evaluating this program as an MT program. Other sponsors are evaluating as a RA program.
- Expert panel would help with judgement on data and forecast. Increase confidence that our estimated savings capturing the effects of ESRPP on the market. Help fill in some of these details – similar to a Delphi process.

[Rita Siong] What data is provided to the expert panel?

[Patricia Plympton] Which product categories are incented, participating retailers, trends that we are observing in market shares, intro of efficiency tiers.

Final results from two panels will be brought to this group for vetting in Q4 of this year.

- Guidehouse is working with GuidePoint. They help this process by recruiting experts from their database. They provide anonymized bios and we select from there. Discussed with ComEd and NEEA on Friday.
- Shared the types of skills and experience that we want to see. With exception of downstream program participation. We want to refine baseline to ensure robustness and give our savings estimates more confidence. Take qualitative information and quantify for savings calculations.
- Sample Questions for Experts on Judgment Panel
 - Jim Fay: One of the things that we're looking as program managers from Delphi panel is information that could enable us to improve program designs. From the participating retailers' question, the question for us is, do we leave program design as is? We're also looking for info that would help us from program design and implementation perspective from the panel.

Closing and Next Steps

- **Nicor Gas Process Proposal for Attachment C:** Comments due by Monday, July 11. Send comments to Randy Opdyke, Nicor Gas (rwopdyke@southernco.com).
- **ComEd Proposed Edits to Attachment C:** Comments due by Monday, July 11. Send comments to Jim Fay, ComEd (James.Fay@exeloncorp.com).
- **ENERGY STAR Retail Products Platform Market Transformation Evaluation Protocol:** Comments due by Wednesday, June 29 (this document was previously circulated to the Working Group on June 7th). Send comments to Ryan Wall, Guidehouse (rwall@guidehouse.com).
- **Please CC the SAG Facilitator on all comments submitted:**
Celia@CeliaJohnsonConsulting.com