

# Illinois EE Stakeholder Advisory Group Market Transformation Savings Working Group

Tuesday, August 16, 2022 Meeting

9:30 am – 12:30 pm

Teleconference

## Attendees and Meeting Notes

### Meeting Materials

- [SAG Market Transformation Savings Working Group Webpage](#)
- Posted on the [August 16 meeting page](#):
  - [Tuesday, August 16 MT Savings Working Group Agenda](#)
  - [SAG Facilitator Timing Reminder](#)
  - [MT Edits to Attachment C \(ComEd Presentation\)](#)
  - [SAG MT Savings Protocol Process Feedback \(Nicor Gas Presentation\)](#)
  - [Building Performance Standards \(Slipstream, MEEA and Guidehouse Presentation\)](#)
  - [Savings Protocols for ENERGY STAR Retail Products Platform \(Guidehouse Presentation\)](#)

### Attendees (by webinar)

Celia Johnson, SAG Facilitator

Greg Ehrendreich, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support

Aivy Mathew, EfficiencyOne

Alison Lindburg, MEEA

Allen Dusault, Franklin Energy

Andrey Gribovich, DNV

Carl Nelson, Center for Energy & Environment

Chris Healey, Enervee

Chris Neme, Energy Futures Group, representing NRDC

Chris Vaughn, Nicor Gas

David Kilgore, Ameren Illinois

Dena Jefferson, Franklin Energy

Elizabeth Iontcheva, Nicor Gas

Erin Stitz, Applied Energy Group

Erin Daughton, ComEd

Gabriel Duarte, CLEAResult

James Gin, Guidehouse

Jane Colby, Apex Analytics

Jason Christensen, Cadmus Group

Jeannette LeZaks, Slipstream

Jeff Erickson, Guidehouse

Jeff Harris, NEEA

Jim Fay, ComEd

Kegan Daugherty, Resource Innovations

Kevin Grabner, Guidehouse

Amanda Maass, ILLUME

Maddie Johnston, MEEA

Maddie Koolbeck, Slipstream  
Matt Armstrong, Ameren Illinois  
Michael Frischmann, Ecometric Consulting  
Michael Pittman, Ameren Illinois  
Nicholas Crowder, Ameren Illinois  
Patricia Plympton, Guidehouse  
Paul Wasmund, Opinion Dynamics  
Rachel Marty, Guidehouse  
Randy Opdyke, Nicor Gas  
Rebecca McNish, ComEd  
Rick Tonielli, ComEd  
Rita Siong, Resource Innovations  
Rohith Mannam, Nicor Gas  
Ryan Wall, Guidehouse  
Saranya, Slipstream  
Seth Craigo-Snell, SCS Analytics  
Stacey Paradis, MEEA  
Stu Slote, Guidehouse  
Sy Lewis, Meadows Eastside Community Resource Org  
Tina Grebner, Ameren Illinois  
Vincent Gutierrez, ComEd  
Wayne Leonard, Guidehouse  
Will Wilson, Leidos  
Zach Ross, Opinion Dynamics

## **Opening and Introductions**

*Celia Johnson, SAG Facilitator*

### **Purpose of Meeting:**

1. To discuss comments on edits proposed by ComEd and Nicor Gas for inclusion in IL-TRM Attachment C;
2. To provide an update on the Building Performance Standards market transformation initiative;
3. To follow-up on the Stretch Codes Evaluation Pathways Addendum to IL-TRM Attachment C; and
4. To follow-up on proposed savings protocols for the ENERGY STAR Retail Products Platform market transformation initiative.

### **SAG Facilitator Timing Reminder**

- Edits to Attachment C need to be discussed and approved in this working group. Final updated attachment will be sent to VEIC for inclusion in TRM v11.0.
  - Deadlines: **Wed, Sept 7** – final attachment sent.
  - Therefore **Fri Sept 2** – final edits consensus here needed.
  - If additional discussion is needed, a meeting will be scheduled week of **August 31**.

## **Follow-Up Discussion on Proposed Edits to IL-TRM Attachment C**

*Jim Fay, ComEd*

*Randy Opdyke, Nicor Gas*

- ComEd Proposal
  - Summary of Review Comments on Attachment C
    - Goals: provide guidance to utilities to accurately assess expected savings from MT program designs and investments; eliminate unnecessary distinctions between program types (resource acquisition (RA) / market transformation (MT))
    - Trying to understand the role that MT will have in the portfolio. Want to make the programs look like other programs as much as we can. Want to be able to work with differences but where RA & MT can be made to look similar it is desire to do so.
    - Summary of review comments: Ameren, MEEA, NRDC, Nicor, Illume, NEEA
    - Definitions – need to clarify. There are 5 concepts represented on the slide. MT Business Plan, MT Savings Framework, Natural market Baseline, Expected program impact. Program logic model. Diagram shows how they are connected. Want to make sure Nicor agrees with this because business plan is focus of their proposal. Want to be consistent with their understanding of these terms.
      - Randy Opdyke: This looks consistent. There is additional language about funding that may need to be included.
    - Need to get specific / clarify certain definitions – this would be beneficial to all
      - Preponderance of evidence
      - Threshold level of confidence
    - Concepts that need further definition
      - Market based energy savings framework “reopener” – revisit only when we see a significant deviation from the expected market. We measure how it unfolds, and if it is significantly different from expected then revisit the Framework. Need to anticipate and know what it means when we make these changes. This is something we are proposing the WG tackle going forward.
    - We propose that the SAG MT Working Group tackle these two issues in the TRM “off-season.” ComEd is withdrawing proposed edits to TRM Version 11.0. Once definitions are clarified, edits can be discussed again.
  - Next steps: SAG MT Savings Working Group will establish a small group to discuss follow-up.
- Nicor Gas Proposal
  - MT Savings Protocol Process Feedback
  - This document helps us all from a process perspective to be efficient and effective. It is grounded in best practices. Attachment C doesn’t have a lot on how to achieve consensus, so this is to help us get there, building on lessons learned. We can then move forward with implementation of MT programs. Some things are important to know up front before you move on. We want more visibility, better updates and dashboards, so we can leverage the framework to better understand where we are in the process. All the feedback so far has been very positive, from utilities and stakeholders and Staff.
  - Summary of feedback: Edits, terminology, table revisions; questions on where document should live; suggested revisions to specific steps. Minor comments. Ultimately, we want flexibility as our ultimate goal.
  - Comments from AIC, NRDC and MEEA.

- Ameren had questions to align with Attachment C and where this document fits. We will discuss later where we think it will fit. Ameren had some terminology adjustments for added clarity.
- NRDC had the most comments. A lot were table adjustments incorporating initial review and stakeholder feedback. Thought process was to add an extra process step or another option in relation to how it is written. Then there was some waterfall diagram edits and a comment on some language at the beginning. There was a lot there about having an opportunity in the review step to review comments. I was thinking about this in a couple of ways. Review means it is technically could include multiple review steps to incorporate feedback. That could be a process step or like today utility could say that they reviewed the workpaper and are now reviewing feedback. Dashboard status update could include that. Is this a good option?
  - Chris Neme: Most of the comments were to make sure there is clarity about what is involved in the review, who and when. Not sure if this is actually a TRM document but happy to talk that through too.
- There are a couple of things in the waterfall diagram, comments about having a review for opportunity briefs. Depending on the initiative, an opportunity brief may not apply. In most initiatives there will be unit savings, but not always.
  - Chris Neme: It's useful to have language that allows for the fact that there may be different processes but that when things are available, they will go through a review step while remaining flexibility with regard to the programs.
- MEEA had minor updates. Some language adjustments. The other feedback was where the document should live.
  - Alison Lindburg: The one thing in our comments that has come up previously at SAG was the idea that not every MT program is the same and so just trying to figure out how and when these things are required. How it doesn't quite fit the timeline of all programs. If it's not a requirement and doesn't fit all programs, it's maybe guidance rather than something that should be in the TRM.
- This is a process recommendation on how we can get to consensus on the savings protocols – not saying all these steps are required. This will help us as a group to get there and provide clarity on what we are working on.
- Discussion: Should the process document be included in the TRM, or elsewhere?
  - Nicor Gas: We wrote this for the TRM, as a subsection for Attachment C. Ultimately, we believe it will reduce litigation risk which is what the TRM is supposed to do. This is written so it is flexible and complements Att C. We think it can be included in the TRM.
  - Other options – could be hosted on SAG website similar to Policy Manual. Other suggestions?

*[Chris Neme] What is here is helpful and useful to flesh out and provides clarity and transparency on the steps that are typically required to advance an MT initiative and the roles of different parties. I like the dashboard idea. I struggle with it as a TRM document – I think of the TRM around technical issues related to documentation of savings. This reads more like a process document. In some ways this might fit better in the Policy Manual or an official document of the MT Working Group. Agree it should be documented somewhere.*

- MEEA agrees

*[Zach Ross] If this isn't included in the TRM, is there a way for it to be approved by the Commission?*

*[Stacey Paradis] What is the process to include in the Policy Manual?*

*[Celia Johnson] Policy Manual update process recently kicked off; discussions will occur over the next year or so. The goal is to submit the Policy Manual to the Commission for approval in June 2023. Process includes a final negotiation at the end, to decide what policies will be included / final policy language (likely April 2023). The Policy Manual is only updated every 3-4 years.*

*[Randy Opdyke] I don't think this is a policy document. It relates to TRM Attachment C. Attachment C lacks clarity on how to get to consensus. At a minimum, a reference should be included in Attachment C to the process document.*

*[Kegan Daugherty] Att C is high level. I believe from 2019, intent was to keep it a framework and vague. That doesn't facilitate easy adoption of how to bring forth an initiative and clearly document intent. The process document provides specificity and clarity that aren't in Att C. It enhances it to provide more direction for individual MT initiatives. Att C doesn't provide specific guidance on measures. The interpretations of Att C have caused lots of confusion and back-and-forth.*

*[Chris Neme] I think a statement in Att C that says this is the things you need to do to document savings and here is a process worked out to get from here to there. I have no problem with something like that in the TRM.*

*[Randy Opdyke] I think we all saw the value in process and structure. This is also a document for us to continuously improve. As a minimum the value of using it is there. The time to launch one of these initiatives is long and we need to be efficient.*

*[Stacey Paradis] MEEA agrees with including a footnote in TRM and recommendation to post on MT Working Group page.*

- **Next steps:**
  - Randy Opdyke will draft a footnote for IL-TRM Attachment C (to reference the MT process document) and share an updated version of the MT process document by August 22nd – for circulation / final review by the Working Group.
  - The final MT process document will be posted on the SAG MT Savings Working Group webpage.

## **Market Transformation Code Initiative Updates**

*Jeannette LeZaks, Slipstream; Alison Lindburg, Midwest Energy Efficiency Alliance (MEEA); Stu Slote & Wayne Leonard, Guidehouse*

- We have been talking about MT in the context of stretch codes for about a year. Introduced back in March 2021. This discussion today is meant as an introduction. To discuss building performance standards (BPS) as an MT initiative. Goal is to make sure we have a process we all agree on.
- Background on BPS

- BPS is a policy adopted typically by a municipality (sometimes county or state). Benchmarking comes first. Reviewing energy performance of existing buildings. Stretch codes focus on new construction, BPS focuses on existing buildings. Building energy use and characteristics of the building. This defines energy use intensity for comparison with other like buildings. Once benchmark data is in place, can be taken to the BPS level. For a worse performing set of buildings, they have a certain period of time to take action and increase their performance. Requires low performing buildings to do something about it. It's a strong policy motivator to make changes in existing buildings.
- We are seeing that this policy is happening in several places around the country. Noting that there is typically a size associated with it – not always all inclusive of every single building – minimum sq. ft. thresholds are common. You can also see that the year adopted and compliance year are not the same. Buildings notified they are low performing and then have several years to take action. Also, there are different performance metrics. What's not on the slide is that benchmarking policies have been in place for all of these for several years before the BPS policies were enacted.
- National BPS coalition has happened in the past year. State and local governments committing to April 2024 implementation of BPS policies. Evanston and Chicago have signed on. Notable here is that it is still TBD on what kind of support they are giving, but leveraging local resources and opportunities for utilities to play a role in terms of local resources.
- Opportunities – municipalities are having climate goals and want to have something to do with what is happening in their jurisdictions. Their own operations, but also the community. National BPS coalition shows there is national momentum. Existing buildings has significant savings opportunities. We want to see new buildings built efficiently but we all recognize there are a lot more existing buildings. Upgraded buildings have a higher market value. Provide benefit to underserved communities and ratepayers. Because it looks at energy use and requires something, it is an opportunity for everyone to be involved.

*[David Kilgore] Does it apply to industrial buildings?*

*[Alison Lindburg] Usually whatever the benchmarking policy is – typically commercial and sometimes multifamily.*

- Utility-specific opportunities: what we are laying out here as our introduction is to look at opportunities and barriers and what utilities can do. Hope this is foundation for a logic model. Utilities have historical energy use data, existing programs and trade ally networks to support retrofitting buildings, and have historically worked on quantifying costs and benefits of investments

*[Amanda Maass] Why only Commercial and MF? Any SF?*

*[Jeannette LeZaks] It's a lot harder to get SF residents to disclose energy use. There is some kind of opportunity like a BPS but there are privacy concerns we would have to figure out. Portfolio Manager is for commercial buildings. It's a lot harder to get it happening on a SF level. People are thinking about it. Chicago Decarbonization Working Group considered expanding benchmarking to SF as an opportunity.*

*[Chris Neme] There are time of sale efficiency disclosures.*

- **Barriers related to BPS**
  - Limited resources at municipalities – they have to find the resources to do that. Building owners and managers wary of regulation – tendency for pushback from building owners/managers at benchmarking level and hearing it at the BPS level as well. Not necessarily surprising that that tension is there. Split incentives between owners and tenants. Difficulty enforcing benchmarking or BPS – experience with the data and using it to enforce – might need outside party. Also changes in real estate investment due to pandemic and real estate market.
- Metropolitan Mayor’s Caucus – engaging a task force of about 15 municipalities including several counties to create a roadmap to pioneer stretch codes and BPS, provide feedback and guidance to the utilities. Just kicked off in August.
  - Feedback: from a poll
  - Biggest concerns – reflecting what was mentioned previously – pushback from business community; make sure developers and contractors are aware; technical support for community; enforcement is a big one from a municipal perspective; political influence – support or lack thereof; balance performance vs buy-in from community.
  - Mayors in the group have a desire to make change but don’t want to burden their constituents too much.
- Illinois Green Alliance – needs assessment for a High Performance Building Hub. Research is not public, reach out to IL Green Alliance. Interviews and market research. Want to create a building hub. Quotes from open-ended questions (noted on the slide).
- Utility involvement – there is a lot utilities can do to help municipalities advance and provide implementation support. In stretch code discussion split up two aspects – advancement (helping municipalities adopt) and implementation support. Very similar to what is in the stretch code document here. All of this is going to address the barriers we saw in the previous slides. Technical and financial support – utilities partnering in implementation of the BPS. There is a natural synergy in buildings programs.
- How is it different from stretch codes? While stretch codes do include, especially in IL, some Single Family; this will likely focus on commercial and MF first. There is a minimum threshold of square footage. Like mentioned previously, the time horizon is longer for compliance.
- **Next steps:**
  - Develop a logic model and evaluation pathway outline
  - Follow-up discussion with SAG MT Savings Working Group (estimated Q4 2022)

*[Alison Lindburg] Thanks for the items in the chat and seeing what is happening. Through conversations with some of the municipalities in Illinois, a commercial BPS might not be the best strategy for them because of the makeup of their buildings. We are finding that some are looking for a SF option as well.*

*[Jeannette LeZaks] The Chicago area is a spectrum of communities when thinking about existing buildings. Some are highly residential without a lot of commercial properties. Growth and stretch codes, but some don’t have any growth. Every community has different needs. Hope the task force will show us what a variety of communities need and help us think of creative ways to*

*address it. I still see the role of the utility being the same even with a slightly different policy. Requires some flexibility to see what the policies are.*

*[Randy Opdyke] Related to the next steps, understanding the draft logic model before finalizing it might be something we want to address from a process perspective. Thinking about evaluation methodology is fine but we need to understand the logic model first.*

- Update on Stretch Codes Evaluation Pathways Document
  - We sent out a draft early in the summer and received comments from Resource Innovations and Nicor, which were very helpful. There were definitions and clarifications. We have discussed internally. Next step for us is realizing we need to pare down the document – it has morphed over time – trying to pare down and make straightforward definitions and think about what attribution actually means. Don't want to get into details now. We're working on the final version and taking into consideration the comments.

*[Randy Opdyke] There is more clarity on what the market indicators are...we think there is still a lot of uncertainty and unknowns on what it might be and what can be evaluated. Not sure the document is ready for the TRM because of those uncertainties.*

*[Jeannette LeZaks] What we want to include is the process for evaluations – it wouldn't include utility-specific savings. Evaluators will be doing the natural market baseline and trying to understand utility impact.*

*[Rick Tonielli] We talked about limiting what would go in a document in the short term to the areas we have wide agreement on, and not include the things where we don't have full agreement – narrowing down the document.*

- **Next steps:**
  - The Stretch Codes evaluation document will be pared down for inclusion in the IL-TRM. The updated document will be circulated for final review.

## **Follow-Up Discussion on Proposed Savings Protocols for ENERGY STAR Retail Products Platform (ESRPP)**

*Mike Frischmann, EcoMetric; Jason Christensen, Cadmus; Patricia Plympton, Guidehouse*

- Purpose is to discuss edits to the ESRPP evaluation protocol; specific to ESRPP
- ESRPP is implemented by Northwest Energy Efficiency Alliance (NEEA), focus on asking retailers to take a comprehensive view of the products they sell. ComEd joined in Q2 2020 and has two types of measures.
- Comments: From ComEd, NEEA and from Opinion Dynamics
  - ComEd/NEEA: Small clarifications and text edits
  - Opinion Dynamics comments tied to the specificity of the draft, how it relates to ComEd vs other utilities – make it more flexible and broadly applicable
- Updates to the ESRPP Protocol – replace specific language with general language for protocol updating for future activities

- Data cleaning – retained a lot of the details, which product lists to use, priority order, etc. But generally tried to adjust from “should do” to “recommended approach.” Details on product list and priority remain intact.
- Natural Market Baseline – text edits around the description and leveraging WI Focus on Energy data, reference that as an available data source that could extend what is available, but not that it must be used.
- Unit energy savings – largest number of edits. Could be a version control issue. Trying to maintain what is in the ESRPP right now. Section of the protocol is here for future products of configuration.
- Annual savings calculations – some formulas in there. Zach had comments about interaction with other programs. Wanted to be explicit there, added that OPS term there and added Participant Sales (PS) variable removed from the total amounts.
- Non-participating retailers – initially based on Guidehouse suggestions for ComEd – edited it so it is directive to assess the non-participant contribution and some methods but does not require the use of ComEd’s value.
- **Next steps:**
  - Updated version of ESRPP protocol will be circulated for final review

*[David Kilgore] If they are not participating, I don’t understand savings?*

*[A] There are several participating retailers, but it doesn’t cover every retailer that sells products. The savings for non-participating retailers is driven by participating retailers – if participants change stocking practices, the non-participants would follow market trends. If we look at total market sales and subtract out the participant portion, then the non-participating sales can be attributed.*

## **Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

### **ComEd Proposed Edits to IL-TRM Attachment C:**

- ComEd is withdrawing proposed edits to Attachment C for IL-TRM Version 11.0.
- Additional discussion needed in the “TRM off-season” by a SAG MT Savings Working Group Small Group – goal is to update IL-TRM Attachment C in 2023.

### **Nicor Gas Proposed Edits to IL-TRM Attachment C:**

- Nicor Gas drafted language for IL-TRM Attachment C to reference the MT process document, and incorporated feedback to the MT process document for final review.
- The final MT process document will be posted on the [SAG MT Savings Working Group webpage](#).

### **Building Performance Standards:**

- A follow-up discussion by the Working Group is anticipated in Q4 2022.

### **Stretch Codes Evaluation Pathways Document:**

- The Stretch Codes evaluation document will be pared down for inclusion in IL-TRM. The updated document will be circulated for final review soon.

### **ENERGY STAR Retail Products Platform Evaluation Protocol:**

- Updated version circulated for final review by Working Group, for inclusion in IL-TRM.