

# Illinois EE Stakeholder Advisory Group Small Group Meeting: Open Evaluation Questions

Monday, February 22, 2021

10:30 am – 12:00 pm

Teleconference

## Attendees and Meeting Notes

### Meeting Materials

- Posted on the [February 22 meeting page](#):
  - [Agenda for Monday, February 22 Small Group Evaluation Meeting](#)
  - [Ongoing Engagement and Persistence in C&I Measures \(Guidehouse\)](#)

### Attendees (by webinar)

Celia Johnson, SAG Facilitator  
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support  
Matt Armstrong, Ameren Illinois  
Kessie Avseikova, Opinion Dynamics  
Kathia Benitez, Franklin Energy  
Erin Daughton, ComEd  
Faith DeBolt, SBW Consulting  
Sam Dent, VEIC, IL-TRM Administrator  
K. C. Doyle, ComEd  
Jeff Erickson, Guidehouse  
Jim Fay, ComEd  
Omayra Garcia, Peoples Gas & North Shore Gas  
LaJuana Garrett, Nicor Gas  
Jenny George, Leidos  
Jean Gibson, Peoples Gas & North Shore Gas  
Kevin Grabner, Guidehouse  
Andrey Gribovich, DNV-GL  
Vince Gutierrez, ComEd  
Amir Haghghat, CLEAResult  
Travis Hinck, GDS Associates  
Brian Hoeger, Nexant  
Hannah Howard, Opinion Dynamics  
Jeff Ihnen, Michaels Energy  
Catherine IZard, Opinion Dynamics  
Laura James, Cadmus  
Jim Jerozal, Nicor Gas  
Anna Kelly, Power Takeoff  
John Lavalley, Leidos  
Marlon McClinton, Utilivate  
Abigail Miner, IL Attorney General's Office  
Fernando Morales, Ameren Illinois  
Jennifer Morris, ICC Staff  
Denise Munoz, ComEd

Chris Neme, Energy Futures Group, on behalf of NRDC  
Eric O'Neill, Michaels Energy  
Carly Olig, Guidehouse  
Randy Opdyke, Nicor Gas  
Hilary Polis, Opinion Dynamics  
Zach Ross, Opinion Dynamics  
Tyler Sellner, Opinion Dynamics  
Ramandeep Singh, ICF  
Arvind Singh, DNV-GL  
Emily Startz, Power Takeoff  
Jacob Stoll, ComEd  
Harsh Thakkar, Franklin Energy  
Rick Tonielli, ComEd  
Andy Vaughn, Leidos  
Paul Wasmund, Opinion Dynamics  
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas  
Shelita Wellmaker, Ameren Illinois  
Peter Widmer, Power Takeoff  
Cate York, Citizens Utility Board  
Angela Ziech-Malek, CLEAResult  
Steven Cofer, Cadmus  
Nicholas Crowder, Ameren Illinois  
Chris Vaughn, Nicor Gas  
Karen Maoz, Guidehouse

### **Meeting Notes**

Action items are indicated in **red font**.

### **Opening and Introductions**

*Celia Johnson, SAG Facilitator*

Purpose of Feb. 22<sup>nd</sup> meeting:

1. To discuss evaluation questions regarding how ongoing engagement should affect persistence in business programs.
2. To introduce savings normalization options for the 2021 program year.

### **Ongoing Engagement and Persistence for Business Programs**

*Carly Olig and Karen Maoz, Guidehouse*

#### **Introduction**

- Interested in guidance on the impacts of ongoing engagement in an EE program on Effective Useful Life (EUL). What is the policy perspective for ongoing engagement – how does engagement impact EUL?
- There is a value in having longer EULs, in particular for IL utilities with Cumulative Persisting Annual Savings (CPAS) goals
- In IL, the EUL must be established at the beginning of a project/program, and is not retroactively changed
  - Jennifer Morris: This policy is currently in the Policy Manual; if needed this could be changed in the future or there could be exceptions established

## **Program Process**

- In the future there may be better data to estimate or project these savings over time
- Primarily representing ComEd.
- We are looking for guidance on establishing the EUL of engagement practices. Can program engagement extend EUL?
- With ongoing engagement, there are a range of solutions. No engagement, engagement on initial solution or implement new solutions.

## **Reviewed Four Scenarios of Engagement** (illustrative of engagement practices for C&I measures)

1. Initial solution, no new soon suggested
  - One solution tracked, customer is course corrected (to same savings) and engaged when savings drops
2. Initial solution and new solutions are tracked together, same project
  - Analogous to home energy report.
3. Initial solution and new solution are tracked separately, submitted as different projects
4. Regular cadence of engagement, regardless of increase of decrease in savings.
  - Note engagement

## **Discussion**

Q: *Is there a scenario where energy savings follows a flat line?*

- *[Karen Maoz] Yes, this is all illustrative.*

Q: *[Jennifer Morris] Are there cases where savings would be higher after engagement?*

- *[Karen Maoz] Yes there could be opportunities where savings goes up.*

Q: *[Jennifer Morris] Do you have a sense of how this normally happens? Are there more savings upon engagement?*

- *[Karen Maoz] We haven't done enough evaluations to know this.*
- *[Carly Olig] We haven't really evaluated these cases post-engagement. Take the virtual commissioning program. This program has ongoing engagement, and we've changed our tracking to understand how savings are impacted. Savings may go up if there's ongoing engagement and a new measure is implemented.*

Q: *How do you project these patterns over years for long term planning?*

- *[Karen Maoz] We're still evaluating this, there is not sufficient data. Right now, we would be able to do up front adjustment.*

Q: *Is there a TRM solution?*

- *[Carly Olig] No TRM solution. This is why we are looking for a policy solution.*
- *[ComEd] In our other retro commissioning offers, we are doing some pilot tests so we're trying to gather data there.*
- *[Carly Olig] Yes, these scenarios and question apply to new programs or approaches that ComEd is considering. Interested in determining what value comes from ongoing engagement.*
- *[ComEd] for reference, the original concept was, if we're doing engagement every 6 months, can we extend EUL 6 months?*

### **Policy Questions:**

1. How should EUL be impacted by ongoing engagement?
2. Does it matter which scenario (initial and / or new resolutions) we're discussing?

Reviewed EUL scenarios. Is the answer different for the scenarios described?

1. EUL is short but utility can claim savings at after every engagement if the measure is still in place or re-implemented
2. EUL is long based on the expected engagement length. The practical concern is that EUL is set at the start of the measure.
  - Consider, for example: What if the implementer goes out of business? Then the EUL is longer than the engagement period. Also, engagement isn't always successful. For example, the customer may want to use scheduled thermostat differently.
3. EUL is somewhere in between, i.e. Home Energy Reports
  - If the long EUL is 3 years and short EUL is 1 year, take the average. i.e. Home Energy Reports – in the first year, you claim full savings, savings then decay and you claim fewer savings

### **Discussion**

*Comment: [Zach Ross] It might be useful to come up with some type of definition of the types of interventions we are talking about. For example, how these interventions differ from a capital measure. For retro commissioning or systems optimization programs, there are some capital costs and it's not all operational.*

- *[Carly Olig] We are thinking about operational measures. For example, scheduling programmable thermostat. It could be worth exploring what else might fall under this framework.*

*Q: [Karen Maoz] Should there be considerations between projects that have a cost vs. those that do not?*

- *[Zach Ross] That could be one solution criteria. Thinking about compressed air leak repair. Relatively low-cost measure that requires some engagement. This may be one example to consider.*

*Q: [Andrey Gribovich] Can a utility claim a future savings measure, for example implementing a change now that would result in savings sometime in the future?*

- *[Carly Olig] It's a good point because that's what we would be doing with long EUL scenario. Not sure what measure this would apply to.*

*Comment: [Sam Dent] One solution we looked at – for a solution in year 1 revisited in year 3, and you find savings are persisting, instead of claiming savings in that third year, we have the option of claiming a little bit of first year savings but immediately applying a mid-life adjustment that increases the savings back up to the original level. This prevents reclaiming first year savings, but increases the measure life of the original measure. Utilities would get credit for continued savings without first year benefit.*

- *[Carly Olig] This sounds similar to a short EUL; instead of getting to claim all first-year savings, you claim a small portion in the first year, but mainly this is ongoing savings.*
- *[Zach Ross] That may create a negative expiring savings number; not sure how that would impact AAIG savings.*

- *[Ted Weaver] This could be a problem in IL because savings expire. May not be a good solution It would be unclear if you would contribute to AAIG or CPAS.*

Q: *[Faith DeBolt] For whole building/meter-based savings, how are different measures tracked separately? Are the savings large enough to justify sub metering?*

- *[Carly Olig] Of the programs we talked about, many of the retro commissioning pathways have submetering on specific pieces of equipment. But virtual retro commissioning tracks savings on the whole building level. If solutions were implemented at the same time, they would be counted as one project and we wouldn't be able to distinguish. If there is time in between implementation, then they could be considered as two different projects. A question that arises – if a customer's usage is changing, it would be unclear which project is attributable to this (retro commissioning). Engagement and customer interviews might reveal why.*

Q: *[Chris Neme] When you're talking about engagement, are you referencing utility program engagement or are there other scenarios, such as servicing contracts? In Ontario, the gas TRM has different measure lives for demand control ventilation based on whether the customer would put in place a service contract for periodic review.*

- *[Carly Olig] We are thinking more of the operational side of measures, where the solution could be rolled back. Monitoring meter data if they start to see reduced savings. Or regularly following up with the customer. Not equipment traditional widget replacement.*
- *[Chris Neme] The TRM could account for ongoing engagement.*
- *[Carly Olig] Correct. The question is would ongoing engagement extend the measure life? There could be situations where two programs are the same except for engagement.*

Q: *[Zach Ross] A different question, what counts at the point of the measure? I think it's a good model there's just some nuance.*

- *[Chris Neme] Concerned that utilities don't have perverse incentives. Need to be careful that the model is reasonable.*
- *[Faith DeBolt] Maybe some concept of realization rate that's applied to EUL. We say it's 10 years at the beginning, and assuming we have the data, we see if the savings are actualized and adjust.*
- *[Carly Olig] From our perspective, that would be an exception to the policy.*

#### **Next Steps:**

- Guidehouse is interested in feedback on the policy questions presented:
  1. How should EUL be impacted by ongoing engagement?
  2. Does it matter which scenario (initial and / or new resolutions) we're discussing?
- Guidehouse will prepare a short summary of questions for comment (15 Business Days)

#### **Savings Normalization for 2021 Program Year**

*Carly Olig, Guidehouse*

SAG held several meetings in summer / fall 2020 on normalization during COVID-19 environment, specifically should savings be normalized?

- In 2020, stakeholders opted to normalize the 2020 savings and used the normal savings for the duration of the UL.
- What should we be doing in 2021? When should we make this decision?

- There is time pressure as implementers are interested in whether adjustments need to be made (i.e. to Home Energy Reports program) based on whether savings will be normalized.

Normalization Options (same as discussed in 2020)

1. Normalize savings for all years of the EUL (2020 method – evaluator suggested approach)
2. Do not normalize savings in 2021 but normalize other years of EUL
3. Do not normalize savings in any year of EUL

## **Discussion**

*[Ted Weaver] We owe it to implementers to let them know what the rule of the road is going to be. We made a decision last year after several discussions; that approach should still apply. Even if things go back to normal sooner than expected, we can still normalize just for the first quarter.*

*[Chris Neme] I agree with this. Sticking with option 1 is the right decision.*

## **Next steps:**

- A request for any objections to using Option 1 for normalization will be circulated (15 Business Days).

## **Closing & Next Steps**

*Celia Johnson, SAG Facilitator*

## **Summary of Next Steps**

1. Persistence in Operational and Behavioral Measures:
  - a. Guidehouse is interested in feedback on the policy questions presented:
    - i. How should EUL be impacted by ongoing engagement?
    - ii. Does it matter which scenario (initial and / or new resolutions) we're discussing?
  - b. Interested parties are requested to comment within 15 Business Days – by Thursday, March 18
2. Savings Normalization in 2021:
  - a. A request for any objections to using Option 1 for normalization will be circulated (15 Business Days) – by Thursday, March 18.

For comments on persistence in operational and behavioral measures, comments should be submitted to Carly Olig ([carly.olig@guidehouse.com](mailto:carly.olig@guidehouse.com)), Karen Maoz ([karen.maoz@guidehouse.com](mailto:karen.maoz@guidehouse.com)). Please CC the SAG Facilitator ([Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)).

For objections to savings normalization in 2021, comments should be submitted to Carly Olig ([carly.olig@guidehouse.com](mailto:carly.olig@guidehouse.com)) and Zach Ross ([zross@opiniondynamics.com](mailto:zross@opiniondynamics.com)). Please CC the SAG Facilitator ([Celia@CeliaJohnsonConsulting.com](mailto:Celia@CeliaJohnsonConsulting.com)).