

Illinois EE Stakeholder Advisory Group
Large Group SAG Meeting
Wednesday, November 20, 2019
10:00 am – 12:00 pm

Midwest Energy Efficiency Alliance (MEEA)
20 N. Wacker Drive, Suite 1301, Chicago, Illinois

Attendees and Meeting Notes

Attendees (in-person)

Celia Johnson, SAG Facilitator
Samarth Medakkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Jacob Stoll, ComEd
Jim Fay, ComEd
Chris Vaughn, Nicor Gas
Jim Jerozal, Nicor Gas
Kegan Dougherty, Resource Innovations
Lance Escue, Ameren Illinois
Andrew Cottrell, Applied Energy Group
Jenny George, Leidos
Deb Perry, Ameren Illinois
Matt Armstrong, Ameren Illinois
Jean Gibson, Peoples Gas & North Shore Gas
Leanne DeMar, Nicor Gas
Mark Szygiel, Nicor Gas
Rob Neumann, Navigant
Randy Gunn, Navigant
Kristol Simms, Ameren Illinois
Chris Neme, Energy Futures Group, representing NRDC
Molly Lunn, ComEd
Phil Mosenthal, Optimal Energy, representing IL Attorney General's Office
Chris Burgess, MEEA
Abby Miner, IL Attorney General's Office
David Baker, Energy Resources Center, UIC
Andy Vaughn, Leidos
Laura Goldberg, NRDC

Attendees (by webinar)

Foluke Akanni, CUB
Anabelle Bardenheier, Navigant
Brian Bowen, Uplight
James Carlton, People for Community Recovery
Jane Colby, Cadmus Group
Mark DeMonte, Whitt-Sturtevant, on behalf of Ameren IL
Erin Daughton, ComEd
Sam Dent, VEIC

Scott Dimetrosky, Apex Analytics
Atticus Doman, Resource Innovations
Jeff Erickson, Navigant
Jason Fegley, Leidos
Lauren Gage, Apex Analytics
Omayra Garcia, Peoples Gas & North Shore Gas
Keith Goerss, Ameren Illinois
Andrey Gribovich, DNV-GL
Vince Gutierrez, ComEd
Grace Halbach, Navigant
Travis Hinck, GDS Associates
Hannah Howard, Opinion Dynamics
Cheryl Jenkins, VEIC (IL-TRM Administrator)
Amy Jewel, Institute for Market Transformation, City of Chicago Mayor's Office
Katherine Johnson, Johnson Consulting
Haley Keegan, Resource Innovations
Anna Kelly, Power Takeoff
Jon Koliner, Apex Analytics
Chester Kolodziej, Northern IL Expos and Summits
Ryan Kroll, Michaels Energy
Karen Lusson, National Consumer Law Center
Thomas Manjarres, Franklin Energy
Karen Maoz, Navigant
Steven McCracken, Bidgely
Brady McNall, DNV-GL
Rebecca McNish, ComEd
Dan Merchant, Agentis
Cheryl Miller, Ameren Illinois
Jennifer Moore, Ameren Illinois
Jennifer Morris, ICC Staff
Agnes Mrozowski, Ameren Illinois
Randy Opdyke, Nicor Gas
Patricia Plympton, Navigant
Megan Petraitis, Energy Resources Center, UIC
Joe Reilly, Applied Energy Group
Zach Ross, Opinion Dynamics
Edwards Schmidt, MCR Group
Craig Sinnamon, Power Takeoff
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
Cate York, Citizens Utility Board
Brittany Zwicker, CLEAReslut
Arvind Singh, DNV-GL
Kegan Daugherty, Resource Innovations
Chelsea Lamar, Navigant
Leah Scull, CLEAReslut
Carolyn Sloan, Oracle
Ken Woolcutt, Ameren Illinois
Avelino Deveyra, Energy Resources Center, UIC
Jennifer Michael, Ameren Illinois
Rick Tonielli, ComEd

Opening and Introductions

Celia Johnson, SAG Facilitator

Purpose of today's meeting:

1. To educate SAG participants on CPAS and AAIG.
2. To educate SAG on CPAS considerations, including how Ameren Illinois and ComEd are adjusting EE program design(s);
3. To tee up utility challenges related to meeting CPAS goals; and
4. To raise CPAS issues that may require resolution in 2020 during the SAG Portfolio Planning Process.

CPAS and AAIG Overview

Chris Neme, Energy Futures Group, representing NRDC

- Background and overview on Cumulative Persisting Annual Savings (CPAS) and Applicable Annual Incremental Goal (AAIG).
- Savings expiring from previous years need to be achieved to make progress on CPAS.
 - You can only count progress in AAIG until you've met expiring savings
 - Legacy savings – legislation identifies these (statutory trajectory)
 - Drop off is difference from one year to the other
- Jim Jerozal: Is the drop off based on avg of 2014-16?
 - This is specified in statute. When numbers generated in statute, attempt to approximate how much would drop off over time, bigger each year in the beginning but its shrinking.
 - Counterbalancing that – additional expiring savings that are dropping off and this needs to be accounted for as well.
 - Examples of expiring savings:
 - Measures that reached end of life
 - Baseline shift (early retirement)
 - Residential led bulbs – federal standards, certain number of savings relative to halogen and then baseline changes
 - Savings degradation, such as from residential behavior programs
- Jim Jerozal: Does FEJA go beyond 2030?
 - Not currently, but there is legislation on the table that does.
- Kristol Simms: The biggest challenges with CPAS is related to expiring savings, from post-2017 EE programs:
 - Measures that reached end of life
 - Measures with baseline shift (such as early retirement measures)
 - Measures with savings degradation (residential behavioral programs)
- Measure life can be determined using a lot of different information. Degradation of savings may be more subjective.
- The savings curve is choppy – based on the TRM and how it works; for example, there is a big drop in 2021.
 - Chris Neme: How smooth or bumpy the curve is, is based on how the electric portfolios are designed.
 - Molly Lunn: It's a challenge to make dramatic shifts; at one point our portfolio was 70% lighting. Another challenge is planning for a 4 year portfolio, and a baseline shifts or there is a NTG change that impacts the kWh savings that can be counted for measure(s).
 - Kristol Simms: Due to TRM considerations, AAIG is choppy/less smooth.

- When you plan portfolio targets, you need to plan for success in the future. If you offer a lot of behavior savings programs, you may achieve savings in one year but this creates a significant deficit in future years.
 - Historically we haven't paid as much attention to measure life, but now we are. Evaluation teams are working on this and it's an increased focus.
- Travis Hinck: Can future baselines or lifetimes change for measures after they are implemented?
 - Chris Neme: Once a measure life assumption is locked into the TRM, we stick with that. Changing the measure life of measures that were installed in the past may be risky. This is also true for baselines, for measures that have already been installed.
 - Molly Lunn: Changes can occur that utilities didn't anticipate, such as a baseline shift in the TRM.
- Rob Neumann: Evaluators have been documenting CPAS at the end of each year. Navigant has also been doing research on EULs, to refine where there may be issues.
- **Questions that need to be further addressed:**
 - **What does it mean to reach the end of the measure life?**
 - **How to define "expired savings"?**
 - **How does the IL-TRM identify the end of the measure life?**

ComEd Presentation: CPAS Considerations and Challenges
Jacob Stoll, ComEd

- Jim Fay: In the 2018 and 2019 IL-TRM we had CFLs as the baseline. In the 2020 TRM CFLs are no longer the baseline.
- Long life measure examples:
 - Large appliances
 - Cooling systems
 - Weatherization
 - LED fixtures
- FEJA also includes an overall bill impact cap, which includes EE, EVs, zero emission credits.
- Priorities for next EE Plan:
 - Comprehensive evaluation of new program opportunities
 - Upstream program design strategies
 - Example: Air conditioner measure
 - Portfolio savings from Potential Study
 - Looking at R&D opportunities
- Utility challenges in meeting aggressive CPAS goals:
 - Many of the lowest cost measures are no longer viable under CPAS (lighting, Home Energy Reports).
 - Responding to baseline shifts, NTG and predicting market adjustments.
 - Competing policy goals.
 - Achieving budget commitments.
 - Baseline shifts need to be thought out well in advance (TRM process for example).
 - What can we find that's cost-effective that can make up those savings?
 - Chris Neme: The reference to "low cost" is for first year savings. May not be low cost for a lifetime savings framework.
- Utilities are not required to claim savings for pilot initiatives.

- Jim Jerozal: How can we make income qualified efforts equal with other objectives, so IQ doesn't get left behind?
 - Different assumptions for income qualified measures/programs should be considered.
 - Kristol Simms: For lighting, there is a different assumption for income qualified but that is only for a period of time.
 - Molly Lunn: ComEd has invested a lot in IQ, however if we're going to achieve goals within budget cap, it will be difficult to remain at the same level of funding in the next EE Plan.
- Questions that need to be further addressed:
 1. SAG needs to think about this from a policy standpoint; how do we address competing policy objectives? How do we address the impact of CPAS on income qualified/income eligible programs?
 2. Are there process changes needed to the annual TRM update to account for CPAS considerations, such as the potential for future baseline shifts and market adjustments?
 3. How can the TRM process consider different assumptions for income qualified measures?

Ameren Illinois Presentation: CPAS Considerations and Challenges
Kristol Simms, Ameren Illinois

- Savings is one piece among other competing objectives, including affordability and process/how well we serve customers.
- Ameren IL is removing most measures with a measure life of less than 2 years.
- Jim Jerozal: For behavior change programs (Home Energy Reports) and other short-term measures, engaging participants in this way can move them to engage with deeper savings opportunities.
 - Chris Neme: Disagrees. If that type of measure plays an outreach/marketing function, justify as a marketing cost – you can still fund it and not claim savings from it.
- Kristol Simms: When the CPAS goals were set, was the lighting baseline considered?
 - Chris Neme: It's complicated; there were some pretty major changes that happened at the last minute in FEJA.
- Phil Mosenthal: Can Home Energy Reports be justified from the gas perspective (since CPAS is currently an electric goal)?
 - Yes
 - If the incremental additional cost is \$0 and the gas utility is already offering it, how does this allocation work?
 - This is a challenge for AAIG.
- Should utilities be able to claim market effects?
 - Phil Mosenthal: If you want to claim market effects, there ought to be conscious planning to make market effects. Should be evaluated from reasonable estimation construct.
 - This differs from market transformation discussion to date because this is about shorter-term savings. A lot of traditional EE programs have market effects.
 - There are other factors present that impact the market outside of EE programs.
 - There are certain types of programs that keep the load down – for example steam traps, monitoring and replacement – if there weren't EE programs, there would be a natural rise in number of leaks. Those should be taken into account

that leaks would've gone undetected. When we repair the leak, is the baseline we're using the current magnitude of the leak or the magnitude of the leak in the future.

- Ted Weaver: Significant electric changes due to CPAS will also impact gas utilities. Suggestion to address this further in 2020.
- Should there be higher incentives for longer measure lives beyond 2030?
 - This needs to be addressed through policy.
- **Questions that need to be further addressed:**
 1. **Impact on IL gas utility portfolios due to significant electric changes.**
 2. **Should there be higher incentives for longer measure lives beyond 2030?**

Next Steps

- There are a number of policy questions that require further discussion in 2020. The next meeting focused on CPAS is anticipated in January.
- SAG Facilitator will discuss open policy questions further with Ameren IL and ComEd and circulate an updated list in advance of the next meeting.