

IL EE Stakeholder Advisory Group

Policy Manual Subcommittee

Small Group Meeting #2: Leveraging Co-Funding

Thursday, February 16, 2023

11:00 am – 12:00 pm

Teleconference

Attendees and Meeting Notes

Meeting Materials

- Meeting materials are available here:
<https://www.ilsag.info/meetings/subcommittees/policy-manual-version-3-0-subcommittee/>

Attendees (by teleconference)

Celia Johnson, SAG Facilitator
Charles Ampong, Guidehouse
Chris Neme, Energy Futures Group, representing NRDC
Chris Vaughn, Nicor Gas
Elizabeth Horne, ICC Staff
Grant Snyder, IL Attorney General's Office
Jeff Erickson, Guidehouse
Karen Lusson, National Consumer Law Center (NCLC)
Thomas Manjarres, Peoples Gas & North Shore Gas
Matt Armstrong, Ameren Illinois
Mike King, Nicor Gas
Molly Lunn, ComEd
Nick Warnecke, Ameren Illinois
Omy Garcia, Peoples Gas & North Shore Gas
Phil Mosenthal, Optimal Energy, representing IL AG's Office and NCLC
Randy Opdyke, Nicor Gas
Rebecca McNish, ComEd
Seth Craigo-Snell, SCS Analytics
Ted Weaver, First Tracks Consulting, representing Nicor Gas
Wesleyana York, Ameren Illinois
Zach Ross, Opinion Dynamics

Meeting Notes

Follow-up items **in red font**.

Opening & Introductions

Celia Johnson, SAG Facilitator

Purpose: To follow-up on the ComEd policy proposal on leveraging co-funding opportunities, from the Feb. 9 Small Group meeting.

Follow-Up Discussion from Feb. 9 Small Group Meeting:

- **Add a reference to NTG in the policy language, consider adding a dollar boundary on the leveraging discussion.**

Added a reference to “net” energy savings in draft policy language.

Molly Lunn: Instead of including a dollar boundary, we think the language should say “may” and not “shall”. This gives any party the ability to raise a co-funding issue.

- Karen Lusson: Notification language should be added, when the utilities are seeking to leverage.
- Phil Mosenthal: What do we mean by leveraging? Suggests leveraging means the utility is somehow engaging with another sources of funds. Federal tax credits already exist/doesn’t make sense to refer to as “leveraging.” Cooperative marketing with a company (such as Mitsubishi) would be leveraging.
- Chris Neme: New leveraging opportunities are bigger now, vs. previous leveraging. Suggests a \$1,000,000 threshold may make sense.
- Matt Armstrong: Ameren agreed in the stipulation to leverage funds, need to make sure a policy is not in conflict.
- Phil Mosenthal: How would leveraging be treated for other utility funding?
 - Molly Lunn: This is at issue in an open docket (ComEd beneficial electrification plan).
- Seth Craigo-Snell: What would the follow-up discussion on leveraging look like?
 - Molly Lunn: This discussion is outside of the regular evaluation path; one example is the co-funding agreement that occurred for IHWAP. Another example is the net-to-gross of 1.0 for low income programs.
 - Karen Lusson: Stakeholders have an interest in this type of leveraging. This should have been brought to the SAG previously (beneficial electrification).
- Seth Craigo-Snell: Concerned about lack of clarity about when the utilities should notify stakeholders.
 - Phil Mosenthal: Agrees we should try to clarify in the language
 - Jeff Erickson: There is not a clear path towards a decision; should define specific scenarios for what needs to be discussed; how is the group dealing with funding opportunities
- Chris Neme: What would evaluators do today? NTG assumptions are locked in before a program year starts. This should be an opportunity to discuss leveraging opportunities that it outside the existing NTG framework.
- Zach Ross: There is no policy language that currently exists on making retrospective NTG adjustments.
- Molly Lunn: Purpose of ComEd’s proposal was to encourage leveraging; concerned about a policy that would make leveraging challenging.
 - Chris Neme: We want the utilities to pursue leveraging. We want sufficient guardrails around it.
 - Karen Lusson: Agreed.
- Elizabeth Horne: What the purpose of including a dollar amount?

- Chris Neme: To avoid the administrative burden of identifying too many leveraging opportunities.
- Elizabeth Horne: There may be smaller \$ opportunities but may have a bigger impact.
- Chris Neme: Purpose of a threshold is to preserve the discussion with stakeholders to more significant opportunities.
- Thomas Manjarres: Another option would be to use the existing market transformation framework to determine the savings.
 - Participants to review current MT Energy Savings Framework (from IL-TRM) to consider this suggestion.

Closing & Next Steps

Next Small Group meeting on Monday, March 13 (3:00 – 4:30 pm)

- ComEd will propose a definition of “leveraging” and circulate by email for review
- Small Group participants will:
 - Review yellow highlight edits from 2/16 meeting
 - Think about whether \$1,000,000 is the right threshold amount, another suggestion to consider is using a % of budget for a particular program or measure instead of a dollar amount
 - Review market transformation (MT) Energy Savings Framework, is the Framework a possible way to treat leveraging opportunities?
 - Note: The MT Energy Savings Framework was added as an attachment to the IL-TRM in 2019, following review and consensus by the SAG MT Savings Working Group. Proposed edits to this Framework are currently under review by a small group of the SAG MT Savings Working Group. Current draft MT Energy Savings Framework: [IL-TRM Attachment C: Market Transformation Energy Savings Framework](#) (Feb. 2023 Draft)