

IL EE Stakeholder Advisory Group

Policy Manual Subcommittee

Small Group Meeting: Leveraging Co-Funding

Thursday, February 9, 2023

1:00 – 2:30 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
Cher Seruto, Guidehouse
Chris Neme, Energy Futures Group, representing NRDC
Chris Vaughn, Nicor Gas
Elizabeth Horne, ICC Staff
Omy Garcia, Peoples Gas & North Shore Gas
Grant Snyder, IL Attorney General's Office
Jeff Erickson, Guidehouse
Karen Lusson, National Consumer Law Center (NCLC)
Matt Armstrong, Ameren Illinois
Mike King, Nicor Gas
Molly Lunn, ComEd
Phil Mosenthal, Optimal Energy, representing IL AG's Office and NCLC
Rebecca McNish, ComEd
Seth Craigo-Snell, SCS Analytics
Ted Weaver, First Tracks Consulting, representing Nicor Gas
Tina Grebner, Ameren Illinois
Victoria Nielsen, Applied Energy Group

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.

- Background and rationale for policy proposal

- ComEd follow-up from October discussion
- Stakeholder suggested edits
- Ameren Illinois suggestion on incorporating other agreements in Policy Manual
- Feedback, Questions, and Next Steps

ComEd Follow-Up from October Discussion

Molly Lunn, ComEd

Policy Proposal and Rationale

- ComEd has had opportunities in the past where other sources of funding have been leveraged, such as IHWAP (where funding is braided with the state for weatherization). Utilities and stakeholders came to an agreement about savings attribution before IHWAP braiding began. There are additional opportunities for leveraging future sources of funding – Inflation Reduction Act, funds through cities, etc. ComEd wants to leverage other funding, but needs to understand what kind of savings can be claimed from leveraged programs.

Follow-Up from October Discussion

- Feedback from October – policy could be written in a way to promote the utilities leveraging other funding when it’s available.
 - ComEd Comment: We believe the policy is written this way, but are open to additional language if needed.
- Feedback from October – add general principles around leveraging, may also include how savings or NTG should be treated.
 - ComEd Comment: We agree discussions should include NTG, but weren’t sure this needed to be called out separately.
 - Phil Mosenthal: This could include a negotiated NTG; may not need to be called out in the policy.
 - Chris Neme: For IHWAP, NTG wasn’t as relevant since low income programs have a NTG of 1.0.
 - **ComEd to add a reference to NTG**
- Feedback from October – consider articulating the IHWAP savings split agreement in the Policy Manual
 - ComEd Comment: Open to this, Ameren will share further thoughts.
- Feedback from October – Consider adding language about addressing on a case-by-case basis, with an opportunity for stakeholder consensus. May also want to reference factors that should be looked at to make the decision such as the amount of \$ contributed, impact, etc.
 - ComEd Comment: Generally open to this, not sure we should get too prescriptive on the factors to consider, as grant / co-funding opportunities vary quite a bit.
- Feedback from October – May want to address the effort / time it takes to develop a co-funding opportunity, before it would be discussed with stakeholders.
 - ComEd Comment: Agree with sentiment – should specific language be added?
 - Stakeholders don’t think any edits are needed.

- Feedback from October – Consider referencing an MT path to claim savings.
 - ComEd Comment: We don't think MT is the best fit for this, but open to considering a specific edit.
 - Stakeholders agree.
- Feedback from October – If it is a co-funding opportunity that impacts more than one utility, all should be involved in the same discussion.
 - Comment from ComEd: Agree, unless there is a timing issue. Stakeholder edits reference who would participate in the discussion.
 - Phil Mosenthal: All of the utilities should be aware of the conversation.

Stakeholder Edits

- ComEd is generally good with the stakeholder proposed edits, except for the “shall” vs. “may” language. Is there a size threshold, or another boundary that could be included?
- Karen Lusson: IHWAP agreement shouldn't be considered precedent for leveraging other EE opportunities.
 - Phil Mosenthal: The reference to “implementation approach” was added because it's likely to be a significant driver of the savings allocation.
 - Molly Lunn: Important to consider effort vs. scale.
 - Matt Armstrong: No comments.
 - Ted Weaver: Looks generally fine.
- Molly Lunn: Should any boundaries be put around the co-funding policy? It can involve a small grant with one community, for example.
 - Karen Lusson: We put in “shall” to avoid the utility skipping a funding opportunity, or not discussing allocation with stakeholders. Is there an example of the types of “small” co-funding projects?
 - Chris Neme: I don't think a group needs to be convened to talk about a small opportunity – defining in dollar terms might make sense.
 - **ComEd and stakeholders will think about a potential boundary further**
- Cher Seruto: There is a Navigant (now Guidehouse) analysis from 2012 about the American Recovery and Reinvestment Act (ARRA):
 - https://www.ilsag.info/wp-content/uploads/SAG_files/Meeting_Materials/2012/June-26,-2012-Meeting/Attribution_of_Non-Utility_EE_Benefits_to_UTILITY_Programs_Navigant.pdf
 - **Ted Weaver: There was also an agreement about ARRA. Ted will look into this further.**
 - **Jeff Erickson: Will also look into this.**
- Ted Weaver: It would be helpful to have a discussion about what a leveraging opportunity looks like / what the savings attribution
 - Molly Lunn: We don't want to hold up finalizing this policy.
 - Matt Armstrong: What about the EE tax rebates?
 - Chris Neme: Tax credits differ from other opportunities; individuals decide whether they seek out the tax credits. Utilities should leverage their ability in the program design, but the impact could be addressed in the NTG assessment.

- Matt Armstrong: Ameren is working to educate customers on the minimum requirements for EE tax rebates.
- Chris Neme: It's great to leverage it in a utility's program design, but an attribution meeting likely isn't needed.
- Phil Mosenthal: Could be incorporated into NTG through a negotiated value.
- Follow-up on federal tax credit opportunity, should there be a negotiated NTG?

Federal Comments to Dept. of Energy

- NCLC, NRDC (nationally) and the Exelon Utilities are individually working on comments.

Referencing Other Agreements

- Ameren Illinois is interested in referencing other leveraging agreements in the Policy Manual. IHWAP, voltage optimization, and street lighting. For voltage optimization and street lighting, there are non-utility funds leveraged with utility EE funds.
- Ameren Illinois proposes a referencing existing agreements where other savings are attributed to the EE program
- Chris Neme: Suggests creating a SAG website page on leveraging co-funding, where future agreements could be posted

Closing & Next Steps

- Small Group Meeting #2 to be scheduled in February

Summary of Follow-up Items

ComEd Edits:

- Add a reference to NTG
- Think about a \$ boundary on leveraging

Previous American Recovery and Reinvestment Act (ARRA) agreement:

- Ted Weaver and Jeff Erickson will look into whether there was a written agreement.

Follow-up on federal tax credit opportunity, should there be a negotiated NTG?

Ameren Illinois will consider whether policy edits are needed to reference existing agreements where other savings are attributed (IHWAP, voltage optimization, street lighting). Another idea is to create a SAG website page where leveraging agreements can be posted.

Stakeholders will consider the "shall" vs. "may" edit; consider a \$ boundary on leveraging

State of Illinois guidance on federal funding:

- Consider engaging with IL EPA to discuss how SAG (or a small group of SAG) recommends the state to proceed, which could also include educating IL EPA about IL EE programs. Potential timing is mid-summer, after the Policy Manual process concludes. Include state weatherization representatives.