

**Illinois Energy Efficiency Stakeholder Advisory Group:  
Policy Manual Subcommittee Plan  
Version 3.0 Update Process  
Final (10/24/22)**

**I. Purpose**

The purpose of the SAG Policy Manual Subcommittee is to discuss proposed Illinois energy efficiency policies and reach agreement on Illinois Energy Efficiency Policy Manual Version 3.0. If there are proposed policies that may belong in the Illinois TRM Policy Document, it will also be updated through the Policy Manual Subcommittee process.

**II. Background**

Creating an energy efficiency “policy manual” in Illinois was a directive from the Illinois Commerce Commission (ICC) to SAG in 2014. The Policy Manual “provides guiding principles for procurement, oversight, evaluation and operation of the electric and gas Energy Efficiency Programs authorized under Sections 8-103B and 8-104 of the Illinois Public Utilities Act (Act). The principles and policies articulated in the Policy Manual were derived from Commission orders, policies and procedures developed by the SAG, as well as Best Practices from state Energy Efficiency Programs delivered throughout the nation.”<sup>1</sup>

The first version of the Policy Manual was approved by the ICC in December 2015. Policy Manual Version 1.1 was updated in spring 2017 with minor corrections needed as a result of the Future Energy Jobs Act (FEJA). Version 1.1 was approved by the ICC in October 2017. Policy Manual Version 2.0 was developed from September 2018 to September 2019, to incorporate various new policies and policy updates proposed by interested participants. Version 2.0 was approved by the ICC in December 2019. Policy Manual Version 2.1 was updated in fall 2021, to incorporate minor corrections needed due to passage of the Climate and Equitable Jobs Act. Version 2.1 was approved by the Commission in March 2022.

The Policy Manual references an annual review, with updates as needed.<sup>2</sup> Due to the time and effort of SAG participants involved in updating the Policy Manual, the SAG has convened the Policy Manual update process approximately every 3-4 years. The SAG Facilitator recognizes there are policy issues that may need resolution outside of a formal Policy Manual update process. During a time when the Policy Manual Subcommittee is inactive, open policy issues will be resolved in the following manner:

1. The SAG Facilitator will review policy requests and schedule for SAG discussion as needed.
2. Background on the policy request will be presented to interested SAG participants.

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<sup>1</sup> See Policy Manual Version 2.1, Section 2.1, Background

<sup>2</sup> See Policy Manual Version 2.1, Section 2.4, Updates to this Policy Manual: “This Policy Manual will be reviewed annually and updated as needed.”

3. Proposed policy resolution will be circulated to SAG for review, including a request for edits or questions, with a minimum of ten (10) Business Days provided for review.
4. If the SAG Facilitator receives substantive edits, questions or concerns regarding proposed resolution of an open policy issue, a follow-up SAG discussion will be held with interested SAG participants.
5. Final resolution will be documented on this Policy page.
6. The SAG Facilitator will maintain a “Policy Tracker” describing any policies to be considered in a future update to the Policy Manual or IL-TRM Policy Document.

Additional information about the Policy Manual, including prior versions, can be found on the Policy Manual page of the SAG website: <http://www.ilsag.info/illinois-ee-policy-manual.html>.

The Policy Manual Version 3.0 update process will include discussion of proposed policies submitted to SAG for consideration, and policies discussed by SAG between 2019 and 2021 that may be appropriate to include in the Policy Manual. The 2022-2025 Energy Efficiency Plan stipulated agreements between individual utilities (Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas) and non-financially interested stakeholders reference discussion of several topics within the Policy Manual Subcommittee Version 3.0 update process. Policy topics referenced in stipulated agreements were submitted by interested participants through the Proposed Policy process. Policy Small Groups will be established throughout this process as needed, to further develop policy language from submitted policy proposals and bring it back to the larger Policy Manual Subcommittee.

### **III. Participation**

Participation in the Policy Manual Subcommittee is open to all interested SAG and Income Qualified (IQ) EE Leadership Team and Committee participants, including proposing policies for consideration and discussing proposed policies. Final consensus agreement on Illinois policy documents before submittal to the ICC for approval is open to utilities and non-financially interested stakeholders.<sup>3</sup>

### **IV. SAG Guiding Principles**

All SAG Policy Manual Subcommittee participants are encouraged to follow the SAG guiding principles to support collaborative discussion that are described in the [SAG Process Guidance](#), including:

1. ***Build trust and collaboration.*** SAG meetings are intended to build trust and collaborative working relationships among participants.
2. ***Educate and inform.*** SAG meetings are intended to educate and inform participants on specific topics. Parties are encouraged to ask questions and request follow-up if additional information would be informative to the group.

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<sup>3</sup> A policy proposal was submitted by the IQ North Leadership Team for Community-Based Organizations and Community Action Agencies to be considered non-financially interested parties. This proposal will be discussed in the Subcommittee process.

3. ***Offer constructive approaches and solutions.*** Parties are encouraged to raise issues and voice concerns when they don't support specific initiatives discussed at the SAG, including offering constructive approaches and solutions where possible.
4. ***Focus on the merits.*** SAG discussions should focus on the merits of an issue, rather than assertions of prior litigation positions that have already been resolved, unless there is a compelling reason/rationale to revisit the issue.
5. ***Ensure all interests are represented.*** Participation in SAG is open to all interested participants to encourage the discussion of a broad variety of interests, unless a topic presents a financial conflict of interest.
6. ***Participate in consensus discussions in good faith.*** Topics addressed in SAG may involve consensus decision-making. SAG participants will participate in consensus discussions in good faith, by engaging in respectful dialogue and listening to differing opinions of various parties.

## **V. Meeting Materials**

For transparency and ease of review, agendas, notes and draft policy documents will be posted on the [Policy Manual Subcommittee webpage](#) throughout the Policy Manual update process. After updated policy documents are approved by the ICC, draft materials will be removed from the SAG website. Agendas and meeting materials will also be circulated to the Policy Manual distribution list. The SAG Facilitator will request materials be provided in advance of each meeting, to allow participants time to review materials. Agendas will be organized by topic area.

## **VI. Financial Conflict of Interest**

The SAG Financial Conflict of Interest policy is described in the [SAG Process Guidance](#):

**Definitions:** A non-financially interested stakeholder participant does not have a financial interest in Illinois utility energy efficiency portfolios, or a financial interest with Illinois utilities. A “financially interested party” means any person or entity, or employee of an entity, that engages in the purchase, sale, marketing or implementation of energy efficiency products, services, programs, pilots or research. A “financially interested party” may also engage in other work with utilities outside of energy efficiency.

**Policy:** A financial conflict of interest may be present when a SAG participant, in the judgment of the SAG Facilitator, may have a financial stake in a SAG discussion topic and participation by the financially interested party could have adverse consequences, such as hindering complete and frank discussions, or the participant may gain an undue advantage or benefit by participating. SAG participants that may have a financial conflict of interest in specific meetings topics must recuse themselves from participating in those meetings or portions of those meetings for relevant topics. Notwithstanding this restriction, the designated agent(s) of a participating utility shall not be considered to

have a financial conflict of interest for purposes of participating in SAG discussions. 8 Conflicts may change from time to time.

Topics that may present a financial conflict of interest include, but are not limited to, the following:

1. Discussion of proprietary and/or confidential information (e.g., current and prospective program implementers, contractors, and product representatives);
2. Current and past program performance (e.g., current program implementers and contractors);
3. Future bids (e.g., current and prospective program implementers, potential bidders, and contractors);
4. Evaluation performance and proposed changes (e.g., current and prospective independent evaluation contractors); and/or
5. Final negotiations on portfolio planning for utility Energy Efficiency Plans.

Prior to the discussion of confidential topic(s), SAG participants may be asked by a utility or utilities to sign a non-disclosure, or confidentiality agreement.

## **VII. Proposed Policies**

SAG participants and IQ Committee Leadership Team participants interested in proposing a policy for inclusion in Policy Manual Version 3.0 were invited to complete a Proposed Policy Template and submit it to the SAG Facilitator. Completed templates were due June 17, 2022. Proposed policies are posted on the [Policy Manual Subcommittee webpage](#). Policy proposals submitted after the deadline will not be considered, unless there is consensus with the Subcommittee on adding a new policy proposal to the discussion list.

## **VIII. Writing Committee**

Following Policy Manual Version 3.0 negotiations, the SAG Facilitator will convene interested attorneys representing Policy Manual utility and stakeholder participants in a small group Writing Committee. The purpose of the Writing Committee is for attorneys to review final policy language for the updated Policy Manual and updated IL-TRM Policy Document, if applicable, prior to submitting policy documents to the ICC for approval. The Writing Committee will review final draft policy language so that updated policy documents have a consistent voice, “look and feel”, and content. Attorneys will seek to preserve the substance of any policies they edit. If a substantive edit is needed, the SAG Facilitator will document the rationale for the edit and an update will be shared with Policy Manual negotiating parties.

## **IX. Final Consensus**

Consensus agreement on final policy documents before submittal to the ICC will be between utilities and non-financially interested stakeholders.

Agreement will include:

1. Conceptual agreement on which policies will be included in the Policy Manual and/or IL-TRM Policy Document
2. Final policy language
3. Effective date for the Manual and/or specific policy effective dates. For example, but not limited to:
  - a. Option 1: The start of the next Program Year, following Policy Manual approval by the Commission
  - b. Option 2: The start of the next EE Plan (January 1, 2026)
  - c. Option 3: A combination of the two above, depending on the policy

If agreement is reached: ICC Staff will file the Policy Manual with the ICC, requesting a docket be opened for approval.

If agreement cannot be reached:

- SAG Facilitator will prepare a comparison exhibit documenting the non-consensus issues
- Interested parties will have an opportunity to review and propose edits before the comparison exhibit is finalized
- ICC Staff will file the Policy Manual with the ICC, requesting a docket be opened to address the non-consensus policy issues

## X. Final Review

Policy Manual Subcommittee participants will have an opportunity for ‘almost final’ review of updated policy documents following the Writing Committee review process, to identify any errors prior to submittal to the ICC for approval. Redline and clean versions of the ‘almost final’ Policy Manual will be circulated to the Policy Manual Subcommittee.

The final version of the Policy Manual will be circulated to the SAG distribution list for informational purposes only, prior to the submission of the Policy Manual to the ICC for approval.

### I. Schedule

The table below describes the Policy Manual Subcommittee schedule for 2022 and 2023. The agenda topics described in this table are **tentative and subject to change**. Final agendas will be circulated to the Policy Manual Subcommittee in advance. Key deliverables are identified in green highlight.

Meeting Date / Time	Agenda Topics
<b>Thurs. June 23, 2022</b> <b>Policy Manual Meeting #1</b> 10:30 am - 3:30 pm Teleconference	Kick-off Part 1: Introduce policy proposals; identify questions and/or initial feedback

Meeting Date / Time	Agenda Topics
<p><b>Wed. August 3, 2022</b>  <b>Policy Manual Meeting #2</b>            9:30 am - 12:30 pm            Teleconference</p>	<p>Kick-off Part 2: Introduce income qualified / income eligible policy proposals; identify questions and/or initial feedback</p> <p>Request feedback from Subcommittee participants on policies that may not be appropriate for the Policy Manual or may belong in another forum; request final feedback on Subcommittee Plan and Schedule</p>
<p><b>Wed. Sept. 21, 2022</b>  <b>Policy Manual Meeting #3</b>            9:30 am – 12:30 pm            Teleconference</p>	<p>Follow-up discussion on policy proposal feedback received</p>
<p><b>Wed. Oct. 19, 2022</b>  <b>Policy Manual Meeting #4</b>            10:30 am – 3:30 pm            In-Person with Teleconference Option</p>	<p>Electrification Policy:</p> <ul style="list-style-type: none"> <li>• Interactions Between Electrification and Other Efficiency Measures (Joint Stakeholders)</li> <li>• Electrification Savings in Cost-Effectiveness (Opinion Dynamics)</li> <li>• Electrification Cost-Effectiveness (Ameren Illinois)</li> </ul> <p>Program Administration Policy:</p> <ul style="list-style-type: none"> <li>• Framework for Claiming Savings from Co-Funded Programs (ComEd)</li> <li>• Statewide Potential Study (Joint Stakeholders)</li> </ul> <p>Income Qualified Policy:</p> <ul style="list-style-type: none"> <li>• Single Family IQ Eligibility Verification Guidelines (Ameren Illinois)</li> <li>• Net-to-Gross Policy for Disadvantaged Areas (Ameren Illinois)</li> </ul> <p>Evaluation Policy:</p> <ul style="list-style-type: none"> <li>• Net-to-Gross Clarification (ICC Staff)</li> <li>• Weighted Average Measure Life Clarification (ICC Staff)</li> </ul>
<p><b>Mon. Nov. 7, 2022</b>  <b>Policy Manual Meeting #5</b>            9:30 am - 12:30 pm            Teleconference</p>	<p>Follow-up from October meeting (if needed)</p> <p>IQ Policy:</p> <ul style="list-style-type: none"> <li>• IQ Reporting updated proposals (Joint Stakeholders)</li> <li>• One-stop-shop multi-family updated proposal (Joint Stakeholders)</li> </ul> <p>Program Administration Policy:</p> <ul style="list-style-type: none"> <li>• CPAS Goal Setting (ComEd)</li> </ul> <p>Evaluation Policy:</p> <ul style="list-style-type: none"> <li>• Allowing Renewable Measures under EE programs (Guidehouse)</li> </ul>
<p><b>Wed. Dec. 14, 2022</b>  <b>Policy Manual Meeting #7</b>            9:30 am - 12:30 pm            Teleconference</p>	<p>Follow-up from Nov. meeting (if needed)</p> <p>Independence Policy:</p> <ul style="list-style-type: none"> <li>• IL-TRM Administrator Role (ComEd)</li> <li>• IL-TRM Administrator and Evaluator Contract Review (Ameren Illinois)</li> <li>• Independence Policy Clarification (ICC Staff)</li> </ul> <p>Electrification:</p> <ul style="list-style-type: none"> <li>• Fuel Switching (Peoples Gas &amp; North Shore Gas)</li> </ul>

Meeting Date / Time	Agenda Topics
	<ul style="list-style-type: none"> <li>Assessments for Fuel Switching Measures Using HFCs (Peoples Gas &amp; North Shore Gas)</li> </ul>
<p><b>Wed. Jan. 18, 2023</b>  <b>Policy Manual Meeting #8</b>  10:30 am – 3:30 pm  In-Person with Teleconference Option</p>	<p>Follow-up from Dec. meeting (if needed)</p> <p>IQ Policy:</p> <ul style="list-style-type: none"> <li>General IQ policy principles</li> </ul> <p>Evaluation Policy:</p> <ul style="list-style-type: none"> <li>Heating Penalties (Opinion Dynamics and Guidehouse)</li> </ul> <p>Program Administration:</p> <ul style="list-style-type: none"> <li>Prohibited Expenses Expansion (ICC Staff) – tentative pending status of open dockets</li> </ul> <p>Electrification:</p> <ul style="list-style-type: none"> <li>Bill Impacts (Nicor Gas)</li> <li>Electrification Energy Consumption Reduction (Nicor Gas)</li> </ul>
<p><b>Wed. Feb. 15, 2023</b>  <b>Policy Manual Meeting #9</b>  9:30 am - 12:30 pm  Teleconference</p>	<p>Follow-up from Jan. meeting (if needed)</p> <p>IQ Policy</p> <ul style="list-style-type: none"> <li>Follow-up on general IQ policy principles</li> <li>IQ procedural policies (IQ-N Leadership Committee)</li> <li>New IQ Accountability Committee Section (Joint Stakeholders)</li> <li>LIEEAC Facilitator Independence (ComEd)</li> </ul> <p>Evaluation Policy</p> <ul style="list-style-type: none"> <li>Evaluating Savings from Non-Qualified Equipment (Finalized by SAG in 2020)</li> </ul>
<p><b>Wed. March 15, 2023</b>  <b>Policy Manual Meeting #10</b>  9:30 am - 12:30 pm  Teleconference</p>	<p>Follow-up from prior meetings</p> <p>Discuss administrative Policy Manual edits, if needed</p>
<p><b>Wed. April 19, 2023</b>  <b>Policy Manual Negotiation Meeting</b>  10:30 am - 3:30 pm  Location TBD</p>	<p>Negotiation Meeting: Utilities and non-financially interested stakeholders</p> <p>Goal for this meeting is to reach conceptual agreement on Policy Manual Version 3.0; determine whether there are any non-consensus issues</p>
<p><b>Wed. April 26, 2023</b>  <b>Follow-up Negotiation Meeting</b>  9:30 am - 12:30 pm  Teleconference</p>	<p>Follow-up Negotiation Meeting: Utilities and non-financially interested stakeholders (if needed)</p> <p>Discuss final language edits to follow-up on April 19 meeting</p>
<p><b><u>Deliverable:</u> By Friday, May 5, 2023 SAG Facilitator to send 'cleaned up' Policy Manual Version 3.0 to negotiating parties and Writing Committee</b></p>	
<p><b>May, 2023: Writing Committee Meetings</b></p>	<p>Policy Manual Writing Committee meetings to review final edits</p>

Meeting Date / Time	Agenda Topics
	<b><u>Deliverable:</u> By June 1, 2023, SAG Facilitator to circulate clean final copy of Policy Manual Version 3.0 to Policy Manual Subcommittee, for "nits and errors" review (no substantive edits) - 10 Business Days</b>
	<b><u>Deliverable:</u> By Friday, June 16, 2023 - Comments on errors due</b>
	<b><u>Deliverable:</u> By Friday, June 30, 2023 - ICC Staff to file Policy Manual Version 3.0 with ICC</b>