

**Illinois Energy Efficiency Stakeholder Advisory Group:
Process Guidance – 2023 Update
Final (1/30/2023)**

I. Background

Since 2008, SAG has provided a venue for utilities and stakeholders to work together to discuss a variety of policy and technical issues and reach consensus on directives from the Illinois Commerce Commission (ICC or Commission). Program Administrators and stakeholders have achieved many successes throughout this process. SAG is a forum that allows parties to provide early and ongoing input on energy efficiency programs, express different opinions, better understand the opinions of others, and foster collaboration and consensus, where possible and appropriate.

The 2022-2025 utility Energy Efficiency Plans (EE Plans) that were filed for approval with the Commission in March 2020 represent the sixth EE Plan filing for electric utility (ComEd), and electric and gas utility (Ameren Illinois), and the fifth EE Plan filings for gas utilities (Nicor Gas, Peoples Gas-North Shore Gas). The SAG Portfolio Planning Process resulted in consensus agreement between individual utilities and non-financially interested stakeholders prior to EE Plan filings. EE Plans were approved by the Commission in summer 2020. Following passage of the Climate and Equitable Jobs Act (CEJA) in September 2021, necessary changes were incorporated for electric energy efficiency plans by Ameren Illinois and ComEd, including updating stipulated agreements with non-financially interested stakeholders.

II. Objective

SAG participants will seek to follow the guiding principles, process rules, and roles and responsibilities described in this Process Guidance document, to foster communication and productive discussion at SAG.

This Process Guidance document will be updated by the SAG Facilitator on an as-needed basis, with input from the SAG Steering Committee and interested SAG participants.

III. Participation

Participation in large group SAG, SAG Subcommittee and SAG Working Group meetings is open to all interested parties, unless a topic presents a financial conflict of interest. Topics that may present a conflict of interest may be identified in advance by the SAG Facilitator. See Section X of this Process Guidance document for additional information on the SAG financial conflict of interest policy.

SAG participants include Illinois utilities administering energy efficiency programs (Ameren Illinois, ComEd, Nicor Gas, and Peoples Gas – North Shore Gas); stakeholders representing environmental advocacy, consumer advocacy, and ratepayer advocacy; Illinois Commerce Commission Staff; program implementation contractors; independent evaluators; the Illinois-

TRM Administrator; community-based organizations; and other interested companies and organizations.

IV. SAG Guiding Principles

All SAG participants are encouraged to follow guiding principles to support collaborative discussion, 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.
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. SAG Groups

There are five categories of SAG groups, as described below.

1. **SAG Steering Committee:** Members of the SAG Steering Committee includes senior representative of utilities and non-financially interested stakeholder participants that signed 2022-2025 Stipulated Agreements with Illinois utilities. The Steering Committee provides substantive feedback to the SAG Facilitator on: (1) annual SAG Plans; and (2) progress towards meeting annual SAG Plan goals to ensure that the time spent on SAG is as productive and valuable as possible. Meetings will be held on a bi-annual basis.
2. **Large Group SAG:** Large Group SAG meetings will be held on a quarterly basis, at a minimum. The SAG Facilitator will prioritize topics and issues that are required by

the Illinois Energy Efficiency Policy Manual Version 2.1, or as it may be updated from time to time; directives to SAG from the Illinois Commerce Commission (ICC); and ICC-approved stipulated agreements between utilities and non-financially interested parties. Other topics related to EE portfolio planning, design, implementation, and evaluation will be scheduled for Large Group SAG discussion as time and resources permit.

3. **SAG Technical Advisory Committee (TAC):** Meetings will be held as needed. Technical Advisory Committee (TAC) meetings address updates to the Illinois Statewide Technical Reference Manual (IL-TRM), EM&V issues, and other issues of a technical nature. SAG participants will be briefed on topics covered in the TAC. SAG TAC meetings related to the IL-TRM are administered by VEIC, the independent IL-TRM Administrator. The SAG Facilitator coordinates with the IL-TRM Administrator and participates, as needed.
4. **SAG Subcommittees:** SAG Subcommittees will be established for necessary issue-specific topics based on ICC directives, Policy Manual requirements, and stipulated agreements. Participation in SAG Subcommittees will be open to all SAG participants, unless there is a financial conflict of interest.
5. **SAG Working Groups:** SAG Working Group meetings will be held to discuss short-term issues that need resolution. Meetings will be held by teleconference and scheduled as needed, with participation by a small group of interested SAG participants.

VI. Coordination with Other Processes

The SAG Facilitator will coordinate with two other Illinois energy efficiency advisory processes, including 1) Annual update process for the IL-TRM through the TAC, facilitated by Vermont Energy Investment Corp. (VEIC), the IL-TRM Administrator¹; and 2) the Income Qualified Accountability Committee or Low Income Energy Efficiency Advisory Committee (LIEEAC).

SAG Facilitator coordination includes, but is not limited to, the following activities:

- Attending meetings when topics may relate to SAG activities;
- Tracking follow-up for topics that may relate to SAG activities;
- Notifying the facilitators of other advisory processes of SAG discussions that may relate to their work;
- Coordinating with the IL-TRM Administrator on the transfer of policy and/or technical issues between the TAC and SAG, including determining the appropriate venue for discussion; and
- Coordinating with the facilitator of the IQ North and IQ South Committees on the transfer of issues between the Advisory Committees and SAG, including the appropriate venue for discussion.

¹ See IL-TRM page of the SAG website for additional information: <https://www.ilsag.info/technical-reference-manual/>

- Coordinating with the facilitator of the IQ North and IQ South Committees on joint meeting topics.

VII. SAG Topics

This section includes an overview of Large Group SAG topics and annual recurring topics.

The SAG Facilitator will prioritize topics and issues that are required by the Illinois Energy Efficiency Policy Manual Version 2.1, or as it may be updated from time to time; directives to SAG or utilities from the Commission; and ICC-approved stipulated agreements between utilities and non-financially interested parties. Other topics related to EE portfolio planning, design, implementation, and evaluation will be scheduled for Large Group SAG discussion as time and resources permit.

A. Large Group SAG Topics

At a minimum, Large Group SAG meetings will cover the following topics:

- Utility quarterly reports;
- Portfolio planning, starting at least twelve (12) months before utility energy efficiency portfolio plans must be filed with the ICC;
- Program implementation and program planning; and
- Fund shifts that are subject to SAG submittal pursuant to the applicable Policy Manual.

B. Recurring Activities

There are a number of topics that require recurring discussion in the SAG, as referenced in the Policy Manual. The SAG Facilitator will organize the following SAG activities related to recurring topics on an annual basis:

1. Quarterly Reports: Schedule quarterly utility-report-outs to SAG twice per year. Quarterly reports will be posted to the SAG website. For quarters where utilities are not presenting to SAG, utility reports will be circulated to SAG participants by email.
2. Annual Reports: Schedule annual utility report-outs following the end of each program year (combined with a quarterly report-out). Annual reports will be posted to the SAG website.
3. IL-TRM Update Process: Send notice of IL-TRM meetings to the appropriate SAG participants; circulate IL-TRM materials; update the SAG website with IL-TRM materials; and participate in a discussion of IL-TRM priorities prior to the launch of the annual IL-TRM process, in consultation with the IL-TRM Administrator.
4. EM&V Planning: Schedule SAG meeting(s) for evaluators to present an overview of draft EM&V work plans for the upcoming year. Draft EM&V work plans will be

posted to the SAG website for review and comment. Notice will be circulated to SAG directing that comments on draft EM&V work plans shall be submitted to Utilities, ICC Staff, and Evaluators within fifteen (15) business days, or such other timeline mutually agreed to by the Parties. Final EM&V work plans will be posted on the SAG website.

5. EM&V Reports: Draft and final EM&V reports will be posted on the SAG website, as they are made available by independent evaluators.
6. Net-to-Gross Updates: Organize and facilitate meeting(s) to discuss Net-to-Gross (NTG) values proposed by independent evaluators by September 1 of each year, with evaluators determining final values by October 1 of each year. Draft and final NTG documents will be posted to the SAG website.
7. Adjustable Savings Goals: Organize and facilitate discussions regarding annual gas utility adjustable saving goal updates with interested SAG participants, as needed. Final Adjustable Savings Goal Templates will be posted on the SAG website on an annual basis.
8. Updates to the Policy Manual: Organize and facilitate Policy Manual Subcommittee meetings to discuss updates to the Policy Manual, as needed.²

VIII. Illinois Energy Efficiency Policy Manual

Creation of an energy efficiency “policy manual” in Illinois was a directive from the Commission 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.”³ SAG participants are encouraged to review the Policy Manual when policy questions arise. The Policy Manual is available for download on the SAG website: <https://www.ilsag.info/policy/illinois-ee-policy-manual/>

The first version of the Illinois Energy Efficiency Policy Manual was approved by the Commission in December 2015, following the conclusion of a SAG Subcommittee process. Policy Manual Version 1.1 was updated in spring 2017 to reflect editorial changes needed as a result of FEJA. Version 1.1 was approved by the Commission in October 2017, with an effective date of January 1, 2018. Policy Manual Version 2.0 was developed by interested SAG participants through the SAG Policy Manual Subcommittee from September 2018 to September 2019. Version 2.0 was approved by the Commission in December 2019, with an effective date of January 1, 2022. There are specific policies within Version 2.0 with an

² See Section 2.4, Updates to this Policy Manual: “This Policy Manual will be reviewed annually by SAG and updated as needed.”

³ IL EE Policy Manual Version 1.1, Section 2.1, Background.

effective date of January 1, 2020. Policy Manual Version 2.1 was updated in 2021, to update errors due to passage of CEJA in September 2021. Version 2.1 was submitted to the Commission for approval in January 2022. The Policy Manual Version 3.0 update process began in June 2022, and is anticipated to conclude in June 2023.

Illinois energy efficiency policy issues are typically resolved through the Policy Manual update process; however, policy questions may arise that require discussion and resolution while the Policy Manual Subcommittee is inactive.

While 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 discussed with interested SAG participants.
3. Proposed 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 the Policy page of the SAG website (<https://www.ilsag.info/policy/>)⁴.
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.

IX. Roles and Responsibilities

Roles and responsibilities of SAG participants are described below, including the SAG Facilitator, utilities, interested stakeholder participants, and the writing committee.

A. SAG Facilitator

For the 2022-2025 EE Plan, SAG is independently facilitated by Celia Johnson, Celia Johnson Consulting LLC. In 2023, meeting support is provided by Catalina Lamadrid, Inova Energy Group.

Individuals or companies seeking additional information about SAG or requesting to join the SAG distribution list are encouraged to contact the SAG Facilitator – Celia Johnson (Celia@CeliaJohnsonConsulting.com). SAG participants are also encouraged to visit the SAG website (www.ILSAG.info).

SAG Facilitator tasks include, but are not limited to, the following activities:

1. Organizing and presiding over meetings;
2. Developing agendas and prioritizing topics to be covered;

⁴ Policy resolution may require a Stipulated Agreement. Whether or not a stipulated agreement is required will be determined by utilities and non-financially interested stakeholders.

3. Maintaining the schedule;
4. Maintaining the distribution list;
5. Responding to questions/comments from SAG participants, ICC Staff, and members of the public, as appropriate;
6. Reviewing draft meeting materials;
7. Requiring demonstration of fact-based support of recommendations prior to discussion at SAG (said support includes, but is not limited to, background, research, and data analysis);
8. Organizing pre-meetings with presenters;
9. Circulating meeting materials (materials will be circulated to participants at least five (5) Business Days in advance of meetings, when possible);
10. Facilitating the contribution of subject matter expertise to inform discussion, and to identify and disseminate Best Practices and tools to continue strengthening the Utilities' EE programs;
11. Preparing meeting summaries, follow-up, and action items following each meeting, as appropriate;
12. Maintaining an "issue tracker" document summarizing follow-up items, information requests, and action items from each meeting, which shall also include responses to open items and provide for when issues were "closed." If needed, the SAG Facilitator will seek clarification from the party making the comment after the meeting;
13. Working with participants to prepare responses to follow-up and action items, as needed. The SAG Facilitator may work with participants collaboratively to find mutually satisfactory resolutions to issues;
14. Clearly indicating when a consensus decision-making process has begun and is completed, and also when issues are finally closed for SAG discussion;
15. Preparing templates for recurring activities, as needed (templates will be circulated for comment and posted on the SAG website);
16. Helping broker consensus between stakeholders and Utilities;
17. Maintaining and updating the SAG website; and
18. When directed by SAG, completing background research, as needed and resources permitting.⁵

B. Responsibilities of SAG Participants

Utilities administering energy efficiency programs pursuant to Sections 8-103(B) and 8-104 of the Public Utilities Act will participate in the SAG (Ameren Illinois, ComEd, Nicor Gas, and Peoples Gas – North Shore Gas).

Attendance and participation in SAG is open to all other interested stakeholders, unless a topic may result in a financial conflict of interest. Confidential and/or proprietary topics will be identified by the SAG Facilitator in advance.

Utilities and stakeholder participants will seek to follow the roles and responsibilities outlined below.

⁵ Research will not exceed more than fifty (50) hours per calendar year.

1. Provide updates on progress to SAG: In the SAG process, utilities often provide information to SAG to provide updates on programs and seek feedback from stakeholders on specific topics. In accordance with the Policy Manual, regular updates to SAG include, but are not limited to: 1) Presenting Quarterly and Annual Reports, including EE Plan progress towards metrics and statutory goals; 2) Presenting budget shifts between programs, specifically budget shifts of fifty percent (50%) for programs with budgets under \$5 million dollars or twenty percent (20%) for programs with budgets over \$5 million dollars⁶ and 3) Providing an overview of key program additions or discontinuations.
2. Respond to stakeholder requests for information and/or analysis: In addition to providing updates to SAG and seeking stakeholder feedback, utilities are often asked to provide additional information or clarification on specific topics. If requested by stakeholders or ICC Staff, the utilities are encouraged to provide information and/or analysis as soon as practicable, considering the time to review and complete the information request and/or analysis. Conversely, if a utility requests of stakeholders or ICC Staff to provide additional information or clarification on specific topics, stakeholders or ICC Staff are encouraged to provide information and/or analysis as soon as practicable, considering the time to review and complete the information request and/or analysis.
3. Respond to SAG Facilitation requests for information on a timely basis: Utilities and stakeholders will endeavor to respond to requests for information from the SAG Facilitator within five (5) Business Days, to either: 1) Respond to the request for information; 2) Provide a timeframe for when a response will be available; or 3) State that a response to the request will not be provided and include a rationale, including business justification, if applicable.
4. Proposal support: Utilities and/or stakeholders that propose to discuss a policy change, program design, or other topic relevant to SAG shall demonstrate fact-based support of their recommendation(s) prior to discussion at SAG. Support includes, but is not limited to, background, research, and data analysis, and information about other jurisdictions who have implemented the proposed policy change or Program Design change. The Proposed New Program Idea Template and/or Policy / Issue Template must be submitted to the SAG Facilitator in advance of scheduled discussion. The SAG Facilitator reserves the right to request additional information prior to scheduling discussion at SAG.
5. Participate in SAG Subcommittees and SAG Working Groups: Utilities will participate in SAG Subcommittee meetings for long-term discussion and SAG Working Groups for short-term discussion, when the issues at hand are applicable to their service territory. SAG Subcommittees and SAG Working Groups are open to all interested SAG participants, unless topics present a financial conflict of interest.

⁶ As described in Section 6.1 of Policy Manual Version 2.1, this policy is for “specific and intentional planning decisions to shift program budgets.” This policy does not include any “naturally occurring over or underspending that is a result of unexpectedly low or high customer participation.”

X. Process Rules

The process rules described below will be observed by the SAG Facilitator, utilities, and stakeholders, as part of participation in SAG meetings.

A. Annual SAG Planning

The SAG Facilitator will prepare an annual SAG Plan and schedule, for review and comment by the SAG Steering Committee and SAG participants. In preparing the annual SAG Plan and schedule, the SAG Facilitator will consider issue priorities and the time commitments of various parties.

B. Discussions in the Nature of Settlement

SAG discussions are intended to be in the nature of settlement discussions. As a matter of general agreement, written and/or oral positions or statements made during SAG meetings shall not be used by any party to contradict or impeach another party's position, or prove a party's position, in a Commission proceeding.⁷

C. Meeting Format

To encourage open and collaborative discussion, SAG meetings are not recorded. Instead, meeting notes and follow-up items are circulated to participants following each meeting. Unless a meeting may include discussion of a confidential topic, meeting notes are also posted on the SAG website.

D. Financial Conflict of Interest⁸

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

⁷ See IL EE Policy Manual Version 1.1, Section 3.1, Disclaimer.

⁸ The Financial Conflict of Interest "process rule" has been raised for discussion in the Policy Manual Version 3.0 update process, and is anticipated to be resolved in spring 2023. If a change to the existing language is needed, the SAG Process Guidance document will be updated.

be considered to have a financial conflict of interest for purposes of participating in SAG discussions.⁹ 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);
5. Final consensus to resolve policy issues, including but not limited to final negotiations in the Illinois Energy Efficiency Policy Manual update process; and
6. 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.

E. Writing Committee

A small group Writing Committee will be convened by the SAG Facilitator on an as-needed basis to review SAG deliverables and/or work product. The purpose of the Writing Committee is to produce documents with a consistent voice, “look and feel”, and content, with high quality editorial review. The Writing Committee will seek to preserve the substance of writings they edit.

F. Consensus Decision-Making

The Illinois Energy Efficiency Policy Manual¹⁰ includes a summary of the SAG “Consensus Decision-Making” policy:

The SAG does not make use of formal voting. If the Commission directs a specific decision or action to the SAG, consensus decision-making will be used to reach agreement. Consensus decision-making is in the nature of settlement discussions. As a matter of general agreement, positions or statements made during SAG meetings shall not be used by any party to contradict or impeach another party’s position, or prove a party’s position, in a Commission proceeding.

If, after a reasonable period of time, as determined by the SAG Facilitator, consensus is not reached, the SAG Facilitator will produce a Comparison Exhibit that identifies the

⁹ Objections to individual or company participation in a discussion that has been identified by the SAG Facilitator as presenting a financial conflict of interest will be further addressed by interested utility and stakeholder attorneys, on an as-needed basis.

¹⁰ See IL EE Policy Manual Version 2.1, Section 3.9 – Consensus Decision-Making

issue, different opinions, and the basis for those opinions. Where practicable, the parties supporting each position will be identified. For consensus decision-making, SAG participants shall provide one position on a particular issue, per company or organization. The SAG Facilitator will share information with SAG participants unable to attend a consensus decision-making meeting, including an opportunity to review and comment on the proposed agreement.

For the purposes of the SAG, consensus may be determined through one of three ways:

- i. **In-Person or Teleconference.** Consensus may be determined if no objections are voiced in a SAG meeting to an issue. The meeting may be in-person or over the phone. Determining consensus through lack of objection at a meeting will be used sparingly as it is preferable for parties to see written proposals and have ample time to consider the proposal.
- ii. **Review of Written Proposal.** Generally, consensus should be determined through review of a written proposal so parties know what they are agreeing to. Consensus will be determined on a particular written proposal based on receiving no objections from any party on that written proposal by a date specified reasonably in advance by the SAG Facilitator, with fifteen (15) Business Days for review and comment.
- iii. **Review of Written Proposal, with Affirmative Written Consent.** For items that are filed at the Commission, written affirmative consent of a written proposal will generally be sought so that it is clear which parties are indicating consent.

Notwithstanding the language above, the SAG Facilitator has discretion to modify the process as needed.