

**Illinois Energy Efficiency Stakeholder Advisory Group  
Subcommittee Plan: 2016 Illinois Power Agency Workshops  
Draft (updated 1/11/2016)**

Subcommittee	Participants
<b>Facilitation Team</b>	Annette Beitel and Celia Johnson, Future Energy Enterprises
<b>Subcommittee Members:</b> Illinois Program Administrators	<ul style="list-style-type: none"> <li>• Ameren IL</li> <li>• ComEd</li> </ul>
<b>Subcommittee Members:</b> Non-Utility Members	<ul style="list-style-type: none"> <li>• Citizens Utility Board</li> <li>• Environmental Law &amp; Policy Center</li> <li>• ICC Staff</li> <li>• IL Attorney General’s Office</li> <li>• Illinois Power Agency</li> <li>• Natural Resources Defense Council</li> </ul>
<b>Final Deliverable(s)</b>	The Subcommittee will create the following documents: <ol style="list-style-type: none"> <li>1. Subcommittee Report</li> <li>2. Comparison Exhibit of Non-Consensus Items (as needed)</li> </ol>
<b>Commencement Date</b>	January 2016
<b>Conclusion Date</b>	February 2016

**I. Subcommittee Objectives**

The key objective of the 2016 Illinois Power Agency Workshops (“2016 IPA Workshops”) will be to address directives from the Illinois Commerce Commission (“ICC” or “Commission”) to the Illinois Energy Efficiency Stakeholder Advisory Group (“SAG”) in the ICC Docket No. 15-0541 Final Order. The Commission directives may raise other related questions or issues that the group should address to effectively resolve the issues raised by the Commission. To the extent possible, and time permitting, the Subcommittee will seek to address and resolve these related questions as well. Docket No. 15-0541 is a petition for approval of the 2016 IPA Procurement Plan (“IPA Plan”). The IPA Plan was approved by the Commission in December 2015, however the Commission directed SAG to discuss and resolve several issues through workshops. Four meetings will be held in January and February with expectation that the workshop process will conclude by the end of February 2016 prior to the issuance of Section 16-111.5B RFPs in mid-March 2016. An overview of each workshop and the issues to be discussed is described below.

**II. Disclaimer**

Illinois Energy Efficiency Stakeholder Advisory Group (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.

**III. Consensus Discussions Limited to Non-Financially Interested Parties**

**Stakeholder Participation/Participation Restrictions for Financially-Interested Parties.** Attendance and participation in the 2016 Illinois Power Agency Workshops is open to all interested stakeholders. However, there may be agenda items during this process that require open discussion between Program Administrators and non-financially interested stakeholders, involving confidential and/or proprietary information. Confidential and/or proprietary topics will be identified by the SAG Facilitation Team in advance. Participants with a financial interest (e.g. current and prospective program implementers, contractors, and product representatives) must recuse themselves from attending confidential and/or proprietary meetings. For the purposes of the 2016 IPA Workshop Subcommittee, SAG participants who expect to bid into IPA procurement shall identify and recuse themselves from discussions.

**IV. Schedule**

Date	Agenda	Next Steps
<p><b><u>Workshop #1</u></b></p> <p>Tuesday, 1/12 10:30 am – 4:30 pm</p>	<ul style="list-style-type: none"> <li>• Overview of Workshop (Subcommittee) and Plan overview (SAG Facilitation).</li> <li>• Overview of ICC directives, issues to resolve, and related questions (SAG Facilitation).</li> <li>• Feedback from stakeholders on characterization of Commission directives and related questions.</li> <li>• Current RFP process for Section 16-111.5B Programs.</li> <li>• For each issue, identify additional documents/data, etc. that should be produced and considered to inform each Commission directive and its resolution.</li> <li>• Discuss proposed resolution or path to develop resolution for each issue.</li> <li>• Discussion of the timeframe surrounding the resolution of each issue—by when is clarity required for each during the upcoming year?</li> <li>• Identify a party to draft proposed resolution for each issue.</li> </ul>	<p>Draft proposed language (for potential use in 2017 IPA Plan, next version of the Policy Manual, Workshop Report, etc.) for each issue that does not require additional data/analysis/documents.</p> <p>For issues that require more information, clearly identify the information need and who is responsible for providing.</p>
<p><b><u>Workshop #2</u></b></p> <p>Tuesday, 1/19 10:30 am – 4:30 pm</p>	<ul style="list-style-type: none"> <li>• Discuss each issue.</li> <li>• Discuss additional documents or data provided.</li> <li>• Discuss proposed resolution of issues that required more data.</li> <li>• Discuss any draft resolution language produced after Workshop #1.</li> </ul>	<p>Draft proposed language for issues that did not get addressed in first round due to need for more information.</p> <p>Update resolutions based on group discussion.</p>

<p><b><u>Workshop #3</u></b></p> <p>Tuesday, 2/2 10:30 am – 4:30 pm</p>	<ul style="list-style-type: none"> <li>• Identify consensus items and non-consensus items</li> <li>• Discuss whether to seek resolution of non-consensus items.</li> </ul>	<p>Identify consensus items; submit consensus items to Writing Team to refine.</p> <p>Prepare Comparison Exhibit for non-consensus items.</p>
<p><b><u>Workshop #4</u></b></p> <p>Tuesday, 2/16 10:30 am – 4:30 pm</p>	<ul style="list-style-type: none"> <li>• Review consensus items.</li> <li>• Review draft Subcommittee Report (to be prepared by Facilitation Team).</li> <li>• Final attempt to resolve non-consensus items.</li> </ul>	

**V. Description of Issues**

The Commission directives to the SAG, and initial related questions, are summarized below. The Appendix provides excerpts from the Final Order related to the SAG directives:

1. Section 7.1.3 – Whether the Plan Should Include 2013 Consensus Items in this Section.
  - Are there any consensus items that should not be included in the IPA’s 2017 Procurement Plan due to them contradicting other consensus items or due to their staleness?
  - Related Questions:
    - i. Should consensus items be re-formatted/re-written/re-organized for clarity?
    - ii. Are there any consensus items that are already covered in the Policy Manual, can be expected to be covered in the Policy Manual going forward, or conflict with the Policy Manual?
    - iii. If the consensus items are included in the Policy Manual, how should they be addressed in the Policy Manual? As an Appendix?
    - iv. What is process for re-visiting consensus items going forward?
    - v. Are there any consensus items that are no longer consensus?
2. Section 7.1.4 – What TRC-related information do utilities need to provide to the IPA for its analysis of duplicative programs?
  - What information does IPA need to evaluate whether a program is duplicative or competing?
  - Related Questions:
    - i. If the IPA, ICC, or stakeholder reviewers disagree with utility characterization that a program is duplicative, how can the need for a TRC calculation be addressed? Will utility agree to perform TRC quickly?
    - ii. Is distinction between duplicative and competing articulated in prior IPA Plans something with which all parties agree?
    - iii. To the extent that a TRC is not provided with a July 15<sup>th</sup> utility submittal, is there additional information that could be provided short of a full TRC analysis?
3. **Critical Question:** Section 7.1.4 – How can we expand Section 8-103 programs through the 16-111.5B process when that portfolio of programs has not been approved?
  - Related Questions:
    - i. Expansion – how is “expansion” defined? (See Section 16.111.5B(3)(c))
    - ii. Timing – when to issue RFPs for Section 16-111.5B programs?

- iii. Scope – what will scope of the RFPs be? Will some RFPs cover existing utility program (“targeted programs”)? Will the RFPs still allow for “gap-filling” (“open-ended”) programs that will not likely duplicate the utility programs that are expected to be approved in the next plan filing?
  - iv. Planning – how can all achievable cost-effective savings be captured?
  - v. Process – what will be published by IPA with respect to programs that may be expanded 8-103 programs that are not yet approved but will likely be approved?
  - vi. Mechanisms – Are there contractual mechanisms which could address uncertainty around expanded 8-103 programs? Could conditional approval of expanded programs be a pathway for the inclusion of expanded programs?
4. Section 7.1.5.2 – Administrative cost tracking and analysis
- What administrative costs should be tracked?
  - What is Staff’s proposal on reporting administrative costs? Is any additional reporting needed?
  - Related Questions:
    - i. What admin costs should be used to calculate TRC? Which program costs are fixed or only variable costs? Examples:
      - Bidding: Costs to bid/evaluate/file/litigate IPA programs
      - K Administration: Cost to administer programs
      - EM&V: Cost for EM&V associated with IPA programs
      - M&O: Incremental costs for expanded Education, Marketing and Outreach
      - Other (Allocation of Fixed Costs): What are costs related to programs?
    - ii. Order from prior year said track costs, so should admin costs will be based on costs incurred. Is this resolution?
      - Ameren IL just started tracking in PY8;
      - ComEd started tracking earlier so had more data. In past, Ameren IL has included admin costs for IPA bids; this is first year that ComEd has included costs.
    - iii. What was tracked last year since directive to track costs was issued last year?
    - iv. What was magnitude of costs and how do those categories/amounts compare to the estimates used in the 2016 Plan and in prior 16-111.5B TRC analyses?
5. **Critical Question:** Section 7.1.6.4 – Develop plan to ensure that Section 16-111.5B contracts receive same level of scrutiny as 8-103 contracts.
- What is the existing level of scrutiny for Section 16-111.5B contracts vs. 8-103 contracts?
  - What needs to be changed to ensure contracts receive same level of scrutiny?
  - Related Questions:
    - i. Identify differences in 16-111.5B and 8-103 RFPs, contracts, bid evaluation criteria, development/negotiation processes, timelines, and other considerations.
    - ii. Discuss whether any differences should be harmonized to ensure similar process/scrutiny for Section 16-111.5B programs.
    - iii. Can cost-effective Section 16-111.5B bids be eliminated due to performance risk or other criteria that would cause 8-103 bids to be eliminated? If so, what criteria are used and should be used to eliminate bids? (e.g. vendor not qualified, technologies not market-ready, program design not likely to succeed).
    - iv. Contract Structure: How can/should payments to vendors under 16-111.5B contracts be structured? Should a uniform system apply? To what extent can up-front payments be made, and how much payment up-front is required to ensure robust vendor participation?

- v. Operationalizing Directive:
  - o When IPA includes all cost-effect programs in draft plan that is released (August 15<sup>th</sup> plan) and/or plan filed with the ICC, to what extent should it flag bids that raise other issues, such as performance risk, and let ICC decide whether it should exercise discretion?

**VI. Subcommittee Deliverables and Due Dates**

The Subcommittee shall produce the following documents by the end of February:

1. Subcommittee Report (SAG Facilitation Team)
2. Consensus language for items that have broad (but not necessarily universal) consensus (Writing Team). Goal is to capture consensus items so that they can be added to the Policy Manual.
3. Comparison Exhibit for items that are contested. (SAG Facilitation Team, with final review by Writing Team)

**VII. Attachments**

- Appendix A, ICC Directives to the SAG