

Illinois Energy Efficiency Stakeholder Advisory Group

Subcommittee Plan: 2016 Illinois Power Agency Workshops

Appendix A: ICC Directives to SAG

See below for excerpts of Commission Analysis and Conclusions in ICC Docket No. 15-0541 (emphasis added in **bold**). In addition, consensus language from 2013 and 2014 ICC Staff Energy Efficiency Workshops is excerpted below, as referenced in the Final Order.

Section 7.1.3. Whether the Plan Should Include 2013 Consensus Items in this Section.¹

Commission Analysis and Conclusions (p84-85):

- To begin, Ameren provides this Commission with no information as to what 2013 consensus items are stale or contradictory and no statement as to why some 2013 items are contradictory. Thus, this Commission has no information upon which it can assess Ameren’s argument.
- Additionally Staff states that it reviewed the list of consensus items, and it removed the items that were contradicted by later workshop consensus items. While Ameren argues that the IPA has selectively identified only a few of the 2013 consensus positions, in fact, Staff’s averment that it removed the items that were contradicted in later workshops establishes that this assertion is not correct. Also, as Staff and the IPA point out, inclusion of consensus items in a Plan is useful, it provides guidelines to vendors and the utilities. The Commission therefore declines to require the IPA to amend its Plan in the manner that Ameren requests.
- In order to reduce any potential confusion on this issue, Staff recommends adding the following language: “Accordingly, the Commission hereby approves and adopts the 2013 and 2014 consensus items as requested in the Plan and as is set forth in Section III.B.2-III.B.10 of this Order and the Commission otherwise approves the IPA’s applicability request pertaining to those provisions.” Staff Br. on Exceptions at 3-4. Staff’s request is reasonable and it is hereby approved.
- Ameren withdrew its objection to consensus items based on its perception that some conflict with each other. Ameren Br. on Exceptions at 4.
- **Ameren and Staff point out that the SAG is actively discussing the future development, implementation and evaluation of energy efficiency programs in Illinois. See, e.g., Staff Reply Br. on Exceptions at 8-9. They suggest the addition of the following language: “The Commission clarifies that adoption of the 2013 and 2014 consensus items in the Plan is not intended to prevent evolving energy efficiency policy discussions from occurring through the SAG. The Commission encourages the SAG to review the 2013 and 2014 consensus items adopted in the Plan to help identify any items which should be removed from future Plans due to staleness.” This request is reasonable and it is hereby adopted.**

Section 7.1.4 Whether Ameren Should be Required to Conduct TRC Test Analyses for Programs that are Determined to Duplicate Existing Programs.

Commission Analysis and Conclusions (p89-91)

- Both the IPA and Ameren have valid points. The IPA is concerned with having enough information up front regarding an EE program and Ameren is concerned with the time and expense involved in conducting TRC analyses of bids made by entities that do not follow the directions on Ameren’s RFP form. Staff rightly states that the 2016-2017 delivery year is the end of the current Section 8-103 three-year EE plan cycle, and therefore, it is not possible to

¹ See below for 2013 and 2014 consensus language, excerpted from the 2016 IPA Procurement Plan Final Order.

duplicate a Section 8-103 EE plan for the 2017/2018 delivery year. It is possible, although it seems unlikely, to duplicate another Section 16-111.5B program.

- At this time, the Commission agrees with Ameren in that it should not be required to conduct a TRC analysis on bids when they have been found to duplicate existing EE plans. Therefore, the IPA shall strike the language in its Plan that requires the utilities to do so.
- **It may be possible to find some common ground between the IPA's position and Ameren's by exploring the topic in workshops conducted by the SAG. Perhaps additional information would be helpful up front, without the necessity of a full TRC analysis. Or, it may be possible that some parts of the TRC analysis could be conducted preliminarily, without the necessity of a full TRC analysis. Other ways may bridge the gap between Ameren's position and the IPA's. Exactly what information the IPA needs up front should be discussed in SAG workshops and hopefully resolved therein.**
- **The Commission acknowledges Ameren's argument that because the process has changed, this issue may be moot. However, the IPA is of the opinion that it needs more information, and how to address the information it needs is best left to discussions at the SAG workshops. On that point, the Commission agrees with the IPA.**
- On Exceptions, the AG takes issue with the language in the Commission's Analysis and Conclusion immediately above. The AG reasons that permitting utilities to circumvent TRC analysis leaves the IPA without the critical TRC cost analysis it relies upon to independently assess all of the utility's findings and recommendations as to what should be included in a Plan. It points out that the IPA retains independent authority to determine whether a program is competing or duplicative. Because the IPA relies upon the utilities to conduct TRC analyses, the importance of a utility submitting a TRC analysis cannot be understated. AG Br. on Exceptions at 10-12.
- The IPA argues that the language in the Commission's Analysis and Conclusion immediately above is erroneous. The IPA avers that while the Commission-directed process for making a determination as to whether a program is duplicative does not specifically address TRC calculations, it does require utilities to provide the IPA with all of the underlying documents for the IPA's review. It contends that requiring TRC analyses for all programs is consistent with the spirit of this requirement. The IPA states that absent a TRC analysis, it would not know whether it should include a program that a utility has designated as duplicative in a Plan. IPA Br. on Exceptions at 4-5. ELPC concurs with the AG and the IPA that the TRC test is crucial and the IPA needs this information. ELPC Reply Br. on Exceptions at 5.
- **No party has stated what in a TRC analysis is critical for the IPA's independent assessment as to whether an EE program is duplicative. It is more logical, at this time, to ensure via SAG workshops that the parties are on the "same page" as to what information the IPA needs to determine whether that information can be tendered without a formal TRC analysis, and then, if need be in the future, revisit this issue with concrete information.** The Commission therefore declines to make a change to the language above.
- On Exceptions, Ameren points out that the issue here involves not whether Ameren determines whether a program is duplicative; rather, here, the programs in question were determined to be duplicative by the Natural Resources Defense Council, ELPC, the Department of Commerce and Economic Opportunity, Ameren, and Commission Staff. It maintains that, in last year's procurement plan proceeding, Docket No. 14-0588, parties requested more stakeholder involvement in the bid review process and the Commission agreed. ICC Docket No. 14-0588, Final Order of December 17, 2014, at 225. Ameren then incorporated the various stakeholders, including the IPA, into the review process. In other words, Ameren continues, the IPA had already reviewed the programs in question by July 15, 2015, which was when Ameren made its

submittal to the IPA. Also, at that time, the IPA had already determined, along with other stakeholders, that these programs were duplicative. Ameren Reply Br. on Exceptions at 5-7.

- **The Commission notes that Ameren’s averments are indicia that the correct course of action is not to require TRC analysis of programs that are determined to be duplicative. Instead, as is set forth above, a more useful course of action is to determine exactly what information the IPA would need through SAG workshops.**
- Ameren further takes issue with the IPA’s statement regarding the directive to provide it with all of the underlying documents regarding an EE program bid. It asserts that providing the underlying documents is not at all the same as conducting a TRC analysis. Ameren concludes that the IPA’s logic linking the two is faulty. *Id.* at 8. This statement further indicates that workshops clarifying the terms involved and addressing the issue are needed.

Section 7.1.4 Whether to Require the SAG to Address How Section 16-111.5B Programs can be Used to Expand Section 8-103 EE Programs that have not yet been Approved by the Commission.

Commission Analysis and Conclusion (page 93-94)

- The parties do not define what is meant by “expansion” of Section 8-103 programs. It appears that Section 16-111.5B limits what can be offered to those programs that do not duplicate programs provided pursuant to Section 8-103. However, that does not mean, that a program related to an existing Section 8-103 program, but which does not duplicate it, would contravene Section 16-111.5B.
- The Commission notes that, according to the IPA, if the Commission does not require workshop discussion on this issue, such discussion will not occur. **The best course of action, with regard to planning, duplication, and many other related topics, would be to address these topics at workshops conducted by the SAG. Therefore, the SAG shall convene workshops to address this specific issue.**
- On Exceptions, ComEd avers that the term “expansion” can be found in the IPA Act, which limits the types of energy efficiency programs to “new or expanded” cost effective energy efficiency programs or measures that are incremental to those included in energy efficiency and demand-response plans approved by the Commission pursuant to Section 8-103 of the Act, citing 220 ILCS 5/16-111.5B(a)(3)(C). In other words, ComEd continues, programs or measures pursuant to Section 16-111.5B must be considered alongside the Section 8-103 portfolio. ComEd Br. on Exceptions at 2. ComEd, however, does not take issue with the conclusion above finding that the SAG workshops are the best forums addressing this issue currently. **ComEd points out that the IPA has mentioned the concepts of stipulations or conditional approval, which could be explored more fully where all interested energy efficiency stakeholders are participating in SAG workshops. *Id.* at 2, 3.**
- Also on Exceptions, the IPA states that a program expansion constitutes taking a Section 8-103 program whose reach and budget is limited by the statutory rate impact cap in Section 8-103(d)(5) and expanding it to fully capture the potential for all achievable cost-effective savings through inclusion in an IPA procurement plan. The IPA points out that, as new Section 8-103 portfolios will not yet have been approved by next July’s utility submittal deadline, this creates the timing issue identified in the Plan. IPA Br. on Exceptions at 7-9. The IPA does not take issue with the conclusion above finding that the SAG workshops are the best forums addressing this issue currently. *Id.* at 9.
- Staff and the IPA suggest the addition of the following clarifying language:
 - **The Commission recognizes the challenges of “expansion” of Section 8-103 programs when the portfolio for such programs has not yet been approved. This creates a natural tension: while unapproved programs cannot easily be “expanded,”**

the law calls for IPA plans to fully capture the potential for all achievable cost-effective savings, which presumably includes expanded Section 8-103 programs.

- In recognition of this challenge, the Commission directs the SAG to address this topic at workshops. These workshops should demonstrate a genuine commitment to resolving this problem, consistent with the goal of capturing all achievable energy savings. It should also consider solutions such as the conditional approval of Section 8-103 program expansions in the IPA's 2017 Plan and potential contractual mechanisms to accommodate the uncertainty that is present when there is an unapproved Section 8-103 portfolio.
- This request is reasonable and it is approved.

Section 7.1.5.2 Whether Ameren's Adder to its TRC Analysis for Administrative Costs in EE Programs Adequately States what its Actual Administrative Costs Are.

Commission Analysis and Conclusion (page 97-98)

- The Commission agrees with Staff and the IPA. Ameren's potential study is not a cost which was incurred in administering any particular program. As Staff has pointed out, including costs in a TRC Test analysis of a particular program that do not involve that specific program skews the test results. Additionally, while Ameren has argued that the IPA is cutting its administrative budget, the IPA and Staff have demonstrated that this is not correct. The Commission agrees with Ameren and Staff that the percentage of Ameren's administrative costs may very well differ from that incurred by ComEd.
- **It seems that even after the Commission ordered the utilities to track their administrative costs in Docket No. 14-0588, the utilities are not clear as to what administrative costs should be tracked, and, as ComEd has noted, it is unclear what Staff proposes with respect to additional reporting and whether it is needed. These topics should be thoroughly addressed and determined with specificity in workshops conducted by the SAG.**
- On Exceptions, Ameren asserts that the extra costs in the 13.58% adder contains an (unspecified) amount for planning, assessment and tracking of the programs, as well as a portion of the costs to conduct the potential study. Ameren Br. on Exceptions at 7. Ameren states that it recognizes that this issue was inadvertently made more complicated by its submittal to the IPA. *Id.* Additionally, according to Ameren, the cost of the potential study was not the only cost that the IPA cut from Ameren's administrative adder. *Id.* at 8.
- The problem with this argument is that Staff and the IPA are of the opinion that the cost of the potential study was the only cost that the IPA cut from Ameren's administrative adder. (*See* above). Also, Ameren has failed to quantify the amount it incurred for planning, assessment and tracking of the programs. This lack of clarity about basic facts may have been avoided if Ameren had provided the IPA with more than just rudimentary information, which it apparently did not do. The Commission declines to alter the conclusion above, as Ameren has failed to demonstrate that it is not correct.

Section 7.1.6.4 Whether to Exclude Programs that ComEd has Determined are "Performance Risk" Programs from the Plan.

Commission Analysis and Conclusion (page 113-114):

- ComEd and the IPA are of the opinion that the "pay for performance" nature of Section 16-111.5B contracts insulates ratepayers from paying for programs that cannot achieve expected savings. Staff argues that the "pay for performance" nature of these contracts is not in fact insulating ratepayers from paying for programs that do not achieve expected savings. Staff

- also pointed out that the programs at issue here are not scrutinized in the same manner that the Section 8-103 EE programs vendors are scrutinized. **It seems to be a simple matter to require the same level of scrutiny for Section 16-111.5B contracts as that which is imposed for Section 8-103 contracts. The utilities are directed to develop a plan to implement use of the same scrutiny for Section 16-111.5B contracts as that for Section 8-103 contracts through workshops conducted by the SAG.** However, the Commission rejects Staff's proposals to require the utilities to withhold payment and to disallow under-performing programs, as the workshops should address issues that will help insulate ratepayers from paying for programs that cannot achieve expected savings.
- Additionally, Staff states that in contrast to the analysis performed by Ameren, ComEd relies solely on information supplied by vendors when conducting TRC analysis and it does not perform an independent analysis of EE programs. ComEd has given this Commission no reason for its failure to do so. ComEd is directed to conduct future TRC analyses in the manner in which Ameren performs this analysis.
 - As for Staff's recommendation to reject the four EE programs included in the Plan that were identified as "performance risks," the Commission declines to do so at this time. Not enough information was provided for the Commission to make an informed decision in this regard. In fact, Staff did not state which four programs of the six performance risk programs should be rejected. The Commission also did not consider matters in another Commission proceeding, Docket No. 14-0567. Issues presented in that proceeding will be resolved in that case.
 - On Exceptions, Staff argues that ComEd's TRC test results for the four of six performance risk programs included in the IPA plan are erroneous. (Only four of the six were included in the Plan). Staff Brief on Exceptions at 5. Staff reasons that the language above does not adequately address how approving these programs satisfies the legal requirement that approval of programs must represent "achievable" cost effective savings, citing 220 ILCS 5/16-111.5B(a)(5). According to Staff, there is no evidence here which demonstrates that the savings goals assumed for the performance risk programs are achievable.
 - Staff did not raise this issue earlier; therefore, it has waived its right to do so now. *Franciscan Communities*, 2012 IL App (2d) 110431 at par. 19. It is true that, in earlier briefs, Staff contested the propriety of the manner in which ComEd amasses information for TRC testing. However, Staff's requested relief was to require ComEd to make reasonable adjustments to its TRC analysis of bids consistent with the approach used by Ameren. This was addressed above.
 - Staff did not previously argue that ComEd's TRC analysis was so faulty that it does not demonstrate that the savings goals for these programs are achievable. It does so for the first time in its Brief on Exceptions. Despite the fact that this issue is waived, ComEd should be required to make adjustments to its TRC analyses of these four programs in a manner that is consistent with Ameren's methodology.
 - On Exceptions, ComEd argues that it already subjects its Section 16-111.5B contracts to the same scrutiny that it applies to Section 8-103 contracts and also that it engages in an in-depth analysis of the proposals it receives through the RFP process. According to ComEd, Staff's allegations that utilities scrutinize vendor contracts differently under the two statutes was refuted. ComEd does not state where in the record this claim was refuted. Instead, it cites a previous energy efficiency proceeding, Docket No. 13-0529, (Final Order of June 11, 2014) at 14, in which, a ComEd witness was quoted as stating that ComEd used the same cost control procedures that it applies to the rest of its energy efficiency portfolio. ComEd Br. on Exceptions at 6-7.
 - ComEd also contends that in its Response it explained that it had constructed an inclusive RFP process that ensures that such submissions are subjected to follow-up enquiry and utility

- analysis, as well as analysis from key stakeholders. Additionally, ComEd states that it is not clear what Ameren's process is or how it differs from that of ComEd. *Id.* at 8.
- The Commission notes that what occurred in a previous energy efficiency proceeding, without more, does not establish what occurs now. Other than this one sentence, ComEd provides no facts to establish that it subjects the two types of contracts to the same scrutiny. *See*, ComEd Response at 9. Additionally, if ComEd is truly subjecting its Section 16-111.5B contracts to the same scrutiny applied to Section 8-103 contracts, then it should be a simple matter for it to comply with the language above. This argument lacks validity.
 - **This issue should be discussed at the SAG workshops. There, how the two utilities proceed regarding RFPs for EE plans can be discussed, compared and perhaps even improved through communication of ideas. The Commission declines to alter the language above at this time, except to note that SAG workshops are needed on this issue.**

2013 and 2014 Consensus Language (Final Order p33-38):

The IPA additionally states that consensus was reached in the EE Workshops recommending for Commission approval the following:

2. Coordination of EE Programs

- The utilities should include cost-effective expansions of the Section 8-103 EE programs in the annual EE assessment they submit to the IPA, unless Section 8-103 EE programs are already expected to achieve the maximum achievable cost-effective savings.
- An "expansion" of a Section 8-103 EE program per Section 16-111.5B is not strictly defined and could include expanding the EE program in such a way as to facilitate tracking of the Section 16-111.5B portion of the expanded EE program.
- Expansion of DCEO's Section 8-103 EE programs would need to be shown to be cost-effective per Section 16-111.5B requirements.
- Sections 8-103 and 16-111.5B EE portfolios can be kept separately.
- Sections 8-103 and 16-111.5B EE budgets shall be kept separately.
- EE program expansions would be expanded in such a way as to facilitate utility tracking of the original Section 8-103 portion and the Section 16-111.5B portion of the expanded EE program.
- Savings from the Section 8-103 portion of an expanded EE program would count toward achievement of a utility's Section 8-103 savings goal.
- Savings from the Section 16-111.5B portion of an expanded EE program would count toward achievement of a utility's Section 16-111.5B savings goal, not the Section 8-103 savings goal.
- For general reporting purposes, it would be appropriate to report each Section's EE goals, achieved savings, budgets, and impact on EE rider surcharge to show the impact of the utilities' EE portfolios across the state, both individually and collectively, so that progress can be tracked separately for each EE portfolio.

3. Procurement of EE Programs

- Multi-year EE procurement is allowed in the context of the annual EE procurement plan proceeding.
- Utilities should include all bids in their EE assessments submitted to the IPA.
- Utilities should include bid reviews in their EE assessments submitted to the IPA.
- Utilities should have flexibility to structure Section 16-111.5B EE contracts in a manner which best balances the potentially competing objectives of making the procurement process

- attractive to as many bidders as possible and providing confidence that the savings which are proposed/bid will actually be delivered.
- To the extent that parties are concerned with EE replacing power purchase needs under Section 16-111.5B, it would be appropriate for the IPA and procurement administrator, in consultation with the utilities and/or evaluators, to estimate the amount that the Section 16-111.5B EE programs reduce the IPA's need to procure supply, to serve as a check on the utilities' original estimate required by Section 16-111.5B(a)(3)(G), and to provide useful information to customers.
 - In general, the IL-TRM should be used for Section 16-111.5B EE programs.
 - There may be special circumstances where deviation from the IL-TRM may be appropriate; the utility/vendor should have the option to make the case for the special circumstance. However, the IL-TRM values must also be provided for comparison purposes.
 - Evaluation of the Section 16-111.5B EE programs should be performed by the Section 8-103 EE program evaluators.
 - Evaluation of Sections 8-103 and 16-111.5B EE programs should be coordinated.
 - Evaluation sampling, *e.g.*, net-to-gross ("NTG") could occur on an expanded EE program-level basis, or could be based on each component of the expanded EE program (the Section 8-103 portion and the Section 16-111.5B portion of the expanded EE program), depending on the specific circumstance.
 - There must be a balance in the evaluation of Section 16-111.5B EE programs between the degree of evaluation and the size of the program, wherein larger programs justify more complete evaluations.
 - Expenditures on evaluation should be capped for the Section 16-111.5B EE programs as they are for the Section 8-103 EE programs.
 - Section 16-111.5B EE evaluation reports should be provided to the Commission in a public docket, either reconciliation proceeding or savings case.
 - Ex-post cost-effectiveness analysis should be performed for the Section 16-111.5B EE programs.
 - Ex-post cost-effectiveness analysis should be performed using actual participation and the best available information (*e.g.*, updated NTG).
 - Under the pay for performance contract, the Commission could authorize on a program basis, a maximum energy savings achieved and spending cap.
 - Prudence accountability exists in a docketed proceeding but no docketed proceeding for savings goals is required per Section 16-111.5B.

4. EE Program Management

- Funds approved pursuant to Section 16-111.5B could not be spent on EE programs that were not approved in a Commission procurement plan case.
- The Commission may authorize, on a program basis, an expected spending level and the spending level cap.

5. Cost-Effectiveness of EE Programs and Measures

- The TRC test should be calculated at the program or measure level.
- Cost-ineffective programs should be dropped during the procurement plan proceeding.
- Section 16-111.5B (a)(3)(D) can be interpreted as the Utility Cost Test.
- Section 16-111.5B (a)(3)(D) should be calculated for each program.
- Section 16-111.5B (a)(3)(E) can be interpreted as the TRC Test.
- The Commission should determine how the additional information provided pursuant to Section 16-111.5B (a)(3)(D)-(E) should be used (*i.e.*, litigate).

Consensus items from the 2014 Section 16-111.5B workshops recommended for Commission approval are described below.

6. Deeming and Evaluation for Future Section 16-111.5B EE Programs

Deeming should be permitted for the Section 16-111.5B EE programs just as it is for the Section 8-103 EE programs. Annual updates to the deemed IL-TRM for EE and NTG ratio values should occur for these Section 16-111.5B programs. As a result, reasonable changes to the vendors' savings goals and/or cost structure are permitted during contract negotiations based in part on these updates to the IL-TRM and NTG. Multi-year contracts should be constructed to re-negotiate savings calculations based on annual IL-TRM and NTG updates and should leave open the possibility for utilities to update savings calculations and contract terms based in part on IL-TRM updates or errata and NTG updates.

The IL-TRM Policies adopted in Docket No. 13-0077 should apply for the Section 16-111.5B EE programs (*e.g.*, applicability and effective dates for updated versions of the IL-TRM should be consistent for both Section 16-111.5B and Section 8-103 EE programs). Prospective application of standard measure-level savings values from the updated IL-TRM and NTG values recommended by the evaluator that are available before the start of a program year should be deemed for one program year. Ex-post evaluation results for gross savings calculations should be applied retrospectively for custom measures, behavioral measures, and for EE measures with uncertain savings, which is consistent with the approach used for EE measures under the Section 8-103 EE programs. *See*, Plan at 83-92.

7. Responsible Entity

The utilities have primary responsibility for prudently administering the contracts with the vendors approved by the Commission for the Section 16-111.5B EE programs.

8. Policy or Clarity on Status of Bid Accepted into IPA Procurement Plan and Approved by the Commission and Flexibility

Once the Commission approves the procurement of EE pursuant to Section 16-111.5B(a)(5) of the PUA, the utilities and approved vendors should move forward in negotiating the exact terms of the contract based on the terms of the RFP and the bid itself (and that are “not significantly different” from the initial bid), with the clarification that negotiation around other details of the contract/scope of work/implementation plan still might need to occur depending on a variety of factors (*e.g.*, lessons learned since bid submittal, updates to the IL-TRM and NTG, changes in the market, desire to add new measures).

The utilities should use reasonable and prudent judgment in negotiating the exact terms of the contract after Commission approval and should rely upon the best available information and ensure that any modifications continue to result in a cost-effective EE program. Negotiations may result in reasonable adjustments to savings goals for the EE program in comparison to the amount proposed in the bid and reasonable and prudent modifications to the cost structure which are in line with the original design. Some degree of flexibility within an EE program should be allowed for vendors implementing EE programs under Section 16-111.5B. Flexibility should not be allowed regarding the following: (1) measures that provide less confidence in the quality of service; (2) the addition of new EE measures with no confidence in the savings; (3) measures that duplicate or compete with other EE programs; (4) cost-ineffective EE program; or (5) whether a

completely different EE program is proposed, in comparison to what was bid and approved. The utilities/IPA should share the description of the vendor's EE program included in the draft procurement plan with the vendor to help ensure the EE program is accurately characterized.

An understood process for vendors to submit program changes should be clearly conveyed to all vendors by the utilities. If a vendor decides to add (or remove) EE measures midstream, they should seek approval from the utility for such changes prior to implementing the change in order to allow for possible contract renegotiations. Vendors are allowed to receive credit for energy savings from implementing new EE measures if they have received pre-approval from the utility for adding that new EE measure. To help protect against gaming, any EE measure that has not received pre-approval from the utility or is not included in the vendor's approved proposal should not be considered for energy savings. The utility should notify the IPA, ICC, and the SAG when it has stopped negotiations with an approved Section 16-111.5B EE program vendor and a contract agreement cannot be reached, and if it has terminated a contract with an approved Section 16-111.5B EE program vendor. The utility should notify the Commission in a filing in the procurement plan case in which the EE program was approved (similar to the approach ComEd used for PY7 and the approach proposed by Ameren in Docket No. 13-0546, Order at 112; Ameren RBOE at 14). The utilities should notify the SAG and keep the IPA apprised of any expected shortfalls in savings. The utility should notify the Commission of changes made, in comparison to the approved programs.

9. Continuity for Multi-Year EE Programs

The utilities should have the capability for any of the Section 16-111.5B EE programs to be able to expand into the Section 8-103 portfolio for a given program year, at the utility's discretion, if: (1) the Section 16-111.5B savings goal for the EE program⁹ from the Commission Order in the procurement plan case or compliance filing/contract) is achieved and the approved budget (from Commission Order in the procurement plan docket) is exhausted; and (2) the utility has budget available in the Section 8-103 EE portfolio. The utilities should make the vendor aware of this option in advance so as to avoid program disruption.

The Commission could pre-authorize up to a 20% budget shift across program years for multi-year programs, assuming remains within total approved multi-year program budget, to allow for successful EE programs to continue operation in the early (or later) program years of the multi-year contract. In such a situation, it is assumed that the kWh savings goals and budgets would be cumulative for the number of years of the contract. The utilities should make the vendor aware of this option in advance so as to help avoid EE program disruption.

10. Evaluation Budget and Process Evaluations

Consistent with the Section 8-103 evaluation process, evaluators may conduct process evaluations where justified, to encourage improvement in the implementation of the Section 16-111.5B EE programs.

Expenditures on evaluation should be capped for the Section 16-111.5B EE programs in the same manner as they are for the Section 8-103 EE programs. Each program's evaluation budget should not be restricted to 3% of the EE program budget, but evaluation costs should be limited to 3% of the combined Section 16-111.5B EE programs' budget.

To the extent that certain third-party EE programs have innovative delivery mechanisms and the potential to achieve significant savings, either generally or from key targets, a process evaluation

may be justified, where the value of this effort must be weighed against the cost of conducting such an evaluation for an EE program that is: a) not unique or innovative; b) achieves very small savings; or c) is not likely to gain traction as an ongoing EE program either in future Section 16-111.5B EE processes or as part of the Section 8-103 EE portfolio. *See*, Plan at 89-93.

The IPA requests that the Commission explicitly approve the consensus items from prior years' workshops set forth above, and requests that the Commission approve such items prospectively, expressly allowing for their application to the 2016 RFP solicitation and bid evaluation process to increase certainty for all affected parties.