

**SAG Market Transformation Savings Working Group Meeting**  
**Monday, March 11, 2019**  
**1:00 – 2:30pm**

**Teleconference Meeting**  
**Attendees and Meeting Notes**

**Attendees (by phone)**

Celia Johnson, SAG Facilitator  
Nick Hromalik, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support  
Laura Agapay-Read, Navigant  
Mike Brandt, ComEd  
Lauren Casentini, Resource Innovations  
Jane Colby, Cadmus Group  
Allison Cross, Navigant  
Kegan Daugherty, Resource Innovations  
Leanne DeMar, Nicor Gas  
Allen Dusault, Franklin Energy  
Jeff Erickson, Navigant  
Jim Fay, ComEd  
Margie Gardner, Resource Innovations  
Randy Gunn, Navigant  
Scott Hackel, Slipstream  
Sumi Han, Smart Energy Design Assistance Center (SEDAC)  
Jan Harris, Navigant  
Hannah Howard, Opinion Dynamics  
Cheryl Jenkins, VEIC (IL-TRM Administrator)  
Jim Jerozal, Nicor Gas  
Amy Jewel, City of Chicago (Institute for Market Transformation)  
Alison Lindburg, MEEA  
Samarth Medakkar, MEEA  
Cheryl Miller, Ameren Illinois  
Dulane Moran, Northwest Energy Efficiency Alliance (NEEA)  
Jennifer Morris, ICC Staff  
Phil Mosenthal, Optimal Energy on behalf of IL Attorney General's Office  
Chris Neme, Energy Futures Group, on behalf of NRDC  
Randy Opdyke, Nicor Gas  
Christina Pagnusat, Peoples Gas & North Shore Gas  
Zach Ross, Opinion Dynamics  
Anthony Santarelli, SEDAC  
Hardik Shah, Gas Technology Institute (GTI)  
Mark Szczygiel, Nicor Gas  
Ken Woolcutt, Ameren Illinois  
Patricia Plympton, Navigant  
Chris Vaughn, Nicor Gas  
Molly Graham, MEEA  
Kara Jonas, MEEA

## **Meeting Notes**

Follow-up items are indicated **in red** below.

### **Opening and Introductions**

#### ***Celia Johnson, SAG Facilitator***

- Purpose of this new SAG Working Group: To discuss MT initiatives where the utilities are interested in claiming EE savings; to achieve a common understanding among IL stakeholders about what MT is; and to discuss what MT initiatives IL utilities are pursuing.
- This meeting will focus on current efforts related to market transformation in IL, to discuss how we can work in parallel and avoid duplication.

#### **Key Questions for Discussion:**

1. How can the SAG Working Group work in parallel with the utility collaborative and avoid duplication?
2. How can the SAG Working Group work in parallel with the IL-TRM Technical Advisory Committee and avoid duplication?
3. What market transformation initiative(s) do interested parties want to discuss in 2019?
4. What is the work product of the SAG Working Group in 2019? Should the SAG Working Group focus on reaching agreement on the framework and principals for market transformation evaluation, in time for submission in the cross-cutting section of IL-TRM Version 8.0 (to be submitted in mid-August 2019)?
5. What is the ideal end point for the SAG Working Group in 2019? In the future?

### **Illinois Landscape for Market Transformation (MT)**

#### ***Jim Fay, ComEd***

- One of the purposes of this call is to give context for a number of efforts that are occurring around MT in IL.

#### **Recent MT Background in IL**

- In 2017 all MT efforts were managed by DCEO. This changed in 2017 due to FEJA; utilities took over MT in IL.
- Spent early 2018 among utilities developing joint programs and how that framework would work.
- Sept. 2018 ComEd held an MT Summit to bring together leading thinkers nationally on MT to discuss what makes a good utility MT program and the ingredients for success.
  - **SAG Facilitator to circulate final summit report.**
- Nicor Gas held an MT Overlay workshop in fall 2018.
- Utility MT collaborative launched in late 2018.
  - Joint programs make for better programs and to have more influence with market actors; there are tremendous benefits to working across state lines and with several utilities.
- By mid-2020 utilities will be focusing on the next program plans. We need to be thinking about what MT initiatives could go into those plan filings.
- MT Focuses:
  - Training Industry EE Actors
  - Moving Programs Upstream
  - Building Codes Opportunities
- ComEd is also looking at network lighting.

## Overview of MT Initiatives

- Market Actor Training Programs
  - IL Home Performance Program (IHP), residential
    - Joint program: 3 northern IL Utilities
  - Building Operator Certification (BOC), commercial
    - Joint program: all 4 IL utilities
    - ComEd: MF PHA Version of BOC
  - Both market actor training programs are being reviewed as MT programs: develop market potential view, logic models and business plans with Resource Innovations, MEEA and NEEA.
- Upstream: Commercial Food Service Equipment (CFS)
  - Joint program: 3 northern IL utilities
  - CFS Phase I Complete—solid basis for market and savings data, looking at cost effectiveness.
  - Moving now to pilot phase working with distributors.
  - Chris Neme: Is there a report that explains where you landed at end of Phase I?
    - Jim Fay will send to Chris.
  - Separate effort with Resource Innovation to develop MT baseline for CFS. A decision will be made in the near future on whether to go with MT or resource acquisition route.
  - Working on a potential heat pump for MT as well.
- Codes
  - MEEA/Cadmus Existing Codes Baseline assessment should allow program development in summer (residential) and fall (commercial).
    - Joint program: all 4 IL Utilities
  - A parallel effort is looking at influencing new codes/stretch codes also in formative stages
    - Joint program: all 4 IL utilities
  - Also looking at what MT would be for developing stretch codes; early in discussions.
  - MT benchmarking effort with Institute for Market Transformation/City of Chicago. Discussing if we can influence markets by helping people comply with their benchmarking requirements (primarily multifamily).
- 2019 Timeline
  - Review BOC and IHP.
  - Codes – review the results of the baseline studies.
  - Develop and apply MT principles to commercial food service pilot.
    - Phil Mosenthal: You could have a measure that is both MT and a measure, something to consider.

## Incorporating MT into the IL-TRM

- 2019 MT decisions depend on 2020 “rules of the road” (i.e. the IL-TRM).
- The proposed goal for the IL-TRM is to provide sufficient 2020 program guidance to support MT program decisions.
- Key action item is to develop a workpaper that could be included in the cross-cutting section of IL-TRM Version 8.0.
  - The first goal of the SAG MT Savings Working Group will be to review and finalize MT workpaper for IL-TRM Version 8.0.
  - Resource Innovations is drafting the MT workpaper.

- Chris Neme: Interested in reviewing/discussing but concerned about a methodology for MT that is too general.
  - Jennifer Morris: Future IL-TRM updates would likely include more specific MT initiatives.
- Chris Neme: Is a building retrofit / code ordinance initiative with the City of Chicago on your radar?
  - Amy Jewel: Building on the existing City benchmarking ordinance there is the multifamily marketing effort we are hoping to start very soon. I agree with Chris that a city energy performance standard or retrofit requirement ordinance could be the next step/level.
  - Phil Mosenthal: We may want to consider a middle step, such as an audit (like done in NYC) which then caused retrofits to occur.
  - Amy Jewel: Since the City is in transition with a mayoral election coming up, we will need to give the new administrative time to review. Priorities likely won't change greatly.

## **IL-TRM V7 NTG Methodologies**

### ***Laura Agapay-Read, Navigant***

- IL-TRM provides high level guidance for attributing savings to MT programs.
- Delphi Panel (for a Code Compliance program)
  - Panel of experts review and comments on estimates of gross energy savings, building construction data, evidence of attribution.
  - Panelists review others' estimate and rationale, revise their estimate and rationale
  - Evaluators review estimates and rationales to develop a final attribution estimate
  - This is a method for evaluation of a code compliance program.
  - Q: Who is on the panel?
    - Chris Neme: My experience – other states primarily put evaluators on the panels and stakeholders get input. Ultimately you need someone making a decision.
- Market Analyses
  - It's best when specific market metrics are tracked over time (rather than backward looking).
  - Attribution for MT is not always about adjusting gross savings with Free Ridership and Spillover.
  - May not be about widgets that can be tracked in manufacturing, distribution, sales or tracking system.
  - Not always possible to estimate gross savings.
  - Not always possible to estimate Free Ridership and Spillover.
- There is a chapter in the IL-TRM that covers Net-to-Gross (NTG) protocols. This chapter is updated annually within the NTG Working Group, parallel with the annual IL-TRM update. The 2019 NTG chapter update will include discussion of several market transformation protocols.
  - Note: During the 3/11 meeting we discussed moving the discussion of MT NTG protocols into the SAG MT Savings Working Group. However, in a follow-up discussion between the SAG Facilitator, Navigant and ICC Staff, it was suggested a better process would be for evaluators to develop MT protocols that can be further presented to the SAG MT Savings Working Group for review and discussion.

## Midwest Market Transformation Collaborative

### *Margie Gardner, Resource Innovations*

- MT leverages markets to get more energy savings at lower costs:
  - Can shift whole markets
  - Can leverage other funds
- Purpose of the Utility Midwest MT Collaborative: Working together can leverage resources, expand market impacts and share costs.
- Regulatory Review: understanding regs crucial for utility involvement
- Collaborative activities:
  - Develop MT practices and methods
  - Develop MT initiatives
  - Facilitate the pooling of resources to implement MT initiatives
- Founding members: ComEd and Nicor Gas
  - There are other utilities joining (DTE and CenterPoint) and others considering it and/or observing in 2019.
  - Currently joining (DTE and CenterPoint)
- SAG MT Working Group will feed what IL is doing into the Midwest Collaborative that others can then use.
- MT Initiative Development Process:
  - Phase I: initial assessment
  - Phase II: design and testing
  - Phase III: implementation and long-term monitoring
- Chris Neme: What is the process by which the Midwest MT Collaborative utilities are assessing what initiatives they will work on? What is the timeline and process for stakeholder engagement?
  - Margie Gardner: This is a discussion that is ongoing for the Collaborative.
  - Chris Neme is interested in more information about the Collaborative's prioritization of initiatives in IL.
    - **SAG Facilitator to schedule this topic for presentation at a future SAG MT Working Group meeting.**

## Next Steps

- SAG Facilitator to circulate:
  - The final report from the ComEd MT Summit held in September 2018.
  - ComEd presentation slides on the IL landscape for MT.
- The initial focus of the SAG MT Savings Working Group will be to review a draft MT workpaper to be considered for inclusion in IL-TRM Version 8.0.
  - SAG Facilitator will follow-up with Resource Innovations on timing for when a draft workpaper will be ready for presentation to the Working Group.
  - Once workpaper timing is confirmed, SAG Facilitator will circulate an updated Working Group Plan and Schedule for review/comment.
- NTG Working Group:
  - There are several market transformation protocols that will be discussed within a subgroup of the NTG Working Group (Residential, Cross-Cutting, Market Transformation/Upstream subgroup).
  - The subgroup will begin meeting on **Thursday, March 28** and plans to meet every other Wednesday starting **April 10** through August. Among other topics, the NTG protocols for market transformation that will be discussed include Code Advancement, Food Service, Building Operator Certification, and Home Performance.

- The NTG protocols that will be discussed include Code Advancement, Food Service, Building Operator Certification, and Home Performance.
  - If you are interested in participating in the NTG Working Group subgroup, please reach out to Meg Johnson, Navigant ([meg.johnson@navigant.com](mailto:meg.johnson@navigant.com)).
  - A representative of the NTG Working Group will present NTG protocols on market transformation to the SAG MT Savings Working Group, anticipated to be scheduled in early summer.
- Next SAG MT Savings Working Group meeting:
  - Anticipated this spring. An updated schedule will be circulated in the coming weeks.