**Illinois EE Stakeholder Advisory Group:**

**Market Transformation Savings Working Group Plan**

**Draft (3/8/2019)**

1. **Purpose**

The purpose of the SAG Market Transformation Savings Working Group[[1]](#footnote-1) is to discuss market transformation initiatives where the utilities may claim energy efficiency savings. There are two secondary purposes that may require discussion, including 1) For interested parties to have a common understanding of what is meant by “market transformation initiative”; and 2) To enable discussion among interested parties about which market transformation initiatives may merit pursuit in Illinois.

1. **Background**

Market transformation programs were administered by the Illinois Department of Commerce and Economic Opportunity from 2008 – 2017. Due to statutory changes to utility energy efficiency administration as a result of the Future Energy Jobs Act, the administration of market transformation programs shifted to the utilities on June 1, 2017, including Ameren Illinois, ComEd, Nicor Gas, Peoples Gas and North Shore Gas. In fall 2018 Illinois utilities formed a regional collaborative to discuss the future of market transformation programs.

With the understanding that the regional market transformation collaborative is limited to utilities at this time, the Market Transformation Savings Working Group was created in response to interest from SAG participants to discuss how Illinois utilities may claim savings from market transformation initiatives.

1. **Goal**

Discuss and if possible, reach agreement on the methodologies for Illinois utilities to claim savings from specific market transformation initiatives.

1. **Timing**

The SAG Market Transformation Savings Working Group will launch during the first quarter of 2019 and will be convened on an as-needed basis. The number of meetings held in 2019 will be determined by Working Group participants.

1. **Participants**

Participation in the SAG Market Transformation Savings Working Group is open to all interested SAG participants, unless a topic may present a financial conflict of interest. The following entities expressed interest in participating:

**Stakeholders**

* **Ameren Illinois:** Kristol Simms, Cheryl Miller, Jonathon Jackson, Keith Martin, Rob Brown, Ken Woolcutt, Agnes Mrozowski, Fernando Morales
* **City of Chicago:** Amy Jewel
* **ComEd:** Erin Daughton, Jim Fay, Noel Corral
* **ICC Staff:** Jennifer Morris
* **Illinois Attorney General’s Office:** Karen Lusson, Phil Mosenthal, Eric Debellis
* **Nicor Gas:** Jim Jerozal, Randy Opdyke, Chris Vaughn, Mark Szcygiel, LeAnne De Mar
* **Natural Resources Defense Council (NRDC):** Chris Neme
* **Peoples Gas & North Shore Gas:** Christina Pagnusat, Koby Bailey

**Utility Contractors**

* **Franklin Energy:** Allen Dusault
* **Gas Technology Institute:** Hardik Shah
* **Midwest Energy Efficiency Alliance (MEEA):** Stacey Paradis, Nick Hromalik, Molly Graham, Kara Jones, Samarth Medakkar, Alison Lindberg
* **Resource Innovations:** Lauren Casentini, Margie Gardner,Kegan Daugherty
* **Slipstream:** Scott Hackel

**Independent Consultants**

* **Navigant:** Rob Neumann, Jeff Erickson, Patricia Plympton, Laura Agapay-Read, Jan Harris
* **Opinion Dynamics:** Zach Ross, Ellen Steiner, Hannah Howard
* **Smart Energy Design Assistance Center (SEDAC):** Anthony Santarelli, Sumi Han
* **VEIC (IL-TRM Administrator):** Cheryl Jenkins

1. **Key Questions**

Key questions for the Market Transformation Savings Working Group to consider are listed below.

**Process Questions**

1. Clarify the purpose of the regional utility market transformation collaborative – what are the utilities trying to do with market transformation programs/initiatives?
2. How can the SAG Working Group work in parallel with the utility collaborative and avoid duplication?
3. What is currently being proposed for discussion for IL-TRM Version 8.0?
4. How can the SAG Working Group work in parallel with the IL-TRM Technical Advisory Committee and avoid duplication?
5. What market transformation initiative(s) do interested parties want to discuss in 2019?
6. What is the ideal end point for the SAG Working Group in 2019?
7. What is the work product of the SAG Working Group in 2019?
8. Are there any interested participants missing from the SAG Working Group list?

**General Market Transformation Questions**

1. What challenges exist in Illinois to claim savings from market transformation programs?
2. Should there be a pilot program before launching a full-scale market transformation program?
3. Can savings be claimed from a pilot program?
4. Are market transformation programs evaluated in the same manner as ‘traditional’ EE programs?
5. How will savings be estimated for a market transformation initiative? What is the analytical evaluation framework we will use for calculating savings?
   1. Need to determine:
      1. Baseline
      2. How to forecast a baseline change over time
      3. How to measure improvements relative to the baseline
6. What is the logic model for each market transformation initiative?
7. What decisions need to be made in order for utilities to claim savings from market transformation initiatives?
8. What portion of the credit for savings should be attributed to the utilities (which may differ by initiative)?
9. For how long can the utilities claim savings for market transformation initiatives?
10. Under what condition(s) can utilities still provide incentives for customers when claiming savings for a code update, for example.
11. Are there any other Technical Reference Manuals that include market transformation protocols for claiming savings?

**Codes and Standards Questions**

1. What’s the process for claiming savings from a codes program?
2. Are there successful codes programs/pilots in other jurisdictions that we can learn from?
3. When claiming savings for a code increase, under what condition(s) can utilities still provide EE incentives for those customers?
4. How much did code compliance improve, per building or per residence?
5. How much of the code compliance improvement can utilities claim credit for? 100% or a fraction? How does this work in other jurisdictions?
6. What is the total number of therms and kWh that can be claimed per home?
7. How will the results of MEEA’s codes study impact the savings framework?
   1. When will residential study results be available?
   2. When will commercial study results be available?
8. Should residential and business savings frameworks be separately discussed for codes and standards? If so, which should the Working Group start with?
9. Is the Working Group interested in discussing a municipal initiative for existing commercial buildings?
10. **Schedule**

The first five meetings of the Market Transformation Savings Working Group are outlined below. This schedule is tentative and subject to change pending feedback from Working Group participants. Additional meetings will be scheduled as needed.

| **Table 1: SAG Market Transformation Savings Working Group Schedule** | | |
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| **Date / Time** | **Agenda** | **Next Steps** |
| **Meeting #1:**  **Monday, March 11**  1:00 – 2:30 pm  Teleconference | Introductions and Purpose of MT Savings Working Group; brief overview of draft Working Group Plan (SAG Facilitator)  Illinois Landscape for Market Transformation and Current Efforts Related to Market Transformation – How can we work in parallel and avoid duplication?   * IL Landscape for Market Transformation (ComEd) * Plans for IL-TRM Version 8.0 Market Transformation Workpaper (ComEd) * IL-NTG Working Group – Savings Attribution Protocol for Codes (Navigant) * Utility Market Transformation Collaborative (Resource Innovations)   Discuss key questions and feedback (All) | SAG Facilitator to finalize the Working Group Plan. Comments are due on the draft plan within 10 Business Days. |
| **Meeting #2:**  **Mon., May 20**  Time TBD | Presentation on framework and principals for market transformation evaluation (ComEd)  Presentation on Market Transformation Savings (Northwest Energy Efficiency Alliance)  Municipal Buildings Initiative (Chris Neme, representing NRDC and Amy Jewel, City of Chicago) – *tentative* | Follow-up items TBD. |
| **Meeting #3:**  **Mon., June 17**  Time TBD | Follow-up on framework and principals for market transformation evaluation.  Additional Topics TBD | Follow-up items TBD. |
| **Meeting #4:**  **Mon., July 22**  Time TBD | Continue follow-up on framework and principals for market transformation evaluation.  Questions for discussion:   * What market transformation initiative(s) are IL utilities interested in pursuing? * What market transformation initiative(s) should this Working Group discuss next for claiming savings?   Additional Topics TBD | Final comments due on Market Transformation Savings Principles for Evaluation document by Friday, August 2. |
| **Meeting #5:**  **Mon., August 12**  Time TBD | Discuss final comments on framework and principals for market transformation evaluation. | Final draft Market Transformation Principles for Evaluation due to VEIC by August 23. |

1. SAG Working Groups are small groups of interested SAG participants that are convened to discuss short-term issues that need resolution. The Market Transformation Savings Working Group will report-back to the large group SAG following discussions, as needed. [↑](#footnote-ref-1)