

IL EE Stakeholder Advisory Group: Market Transformation Savings Working Group

Friday, May 10, 2019

1:00 – 3:00 pm

Teleconference Meeting

Attendees and Meeting Notes

Attendees (by webinar)

Celia Johnson, SAG Facilitator

Nick Hromalik, Midwest Energy Efficiency Alliance (MEEA), Meeting Support

Ben Campbell, Energy Resources Center, UIC

Jane Colby, Cadmus Group

Nick Dreher, MEEA

Julie Drennen, Center for Energy in the Environment

Allen Dusault, Franklin Energy

Jim Fay, ComEd

Margie Gardner, Resource Innovations

Molly Graham, MEEA

Saranya Gunasingh, Slipstream

Scott Hackel, Slipstream

Sumi Han, Smart Energy Design Assistance Center (SEDAC)

Jeff Harris, Northwest Energy Efficiency Alliance (NEEA)

Jan Harris, Navigant

Hannah Howard, Opinion Dynamics

Jim Jerozal, Nicor Gas

Amy Jewel, Institute for Market Transformation / City of Chicago

Alison Lindburg, MEEA

Molly Lunn, ComEd

Samarth Medakkar, MEEA

Dulane Moran, NEEA

Jennifer Morris, ICC Staff

Phil Mosenthal, Optimal Energy, on behalf of IL Attorney General's Office

Agnes Mrozowski, Ameren Illinois

Chris Neme, Energy Futures Group, representing NRDC

Rob Neumann, Navigant

Randy Opdyke, Nicor Gas

Christina Pagnusat, Peoples Gas & North Shore Gas

Stacey Paradis, MEEA

Patricia Plympton, Navigant

Ralph Prael, Prael and Associates

Marci Sanders, Resource Innovations

Anthony Santarelli, SEDAC

Ellen Steiner, Opinion Dynamics

Mark Szczygiel, Nicor Gas

Kara Jonas, MEEA

Rick Winch, Opinion Dynamics

Meeting Notes

Market Transformation Savings Working Group Plan

Celia Johnson, SAG Facilitator

- Overview of Working Group Plan and schedule for 2019. No comments or questions.

High Level Outline of Framework for Market Transformation Savings Whitepaper

Margie Gardner, Resource Innovations; Jeff Harris and Dulane Moran, NEEA; and Ralph Prah, Prah and Associates

Background and Section 1:

Margie Gardner, Resource Innovations

- FEJA brought MT to the utilities from DCEO, so now there is a need to look through MT with savings lens. The intent is to finalize for inclusion in the IL-TRM by August 2019.
- Utility Market Transformation Collaborative is intended to develop initiatives and tools in the Midwest; IL is leading the way (Collaborative launched by ComEd and Nicor Gas).
- We need to figure out what should be included in IL-TRM Version 8.0; specifically, what parts of this whitepaper should be incorporated.
- Business Plan – documents the strategy, assumptions and data. Changes as knowledge of the market evolves.
 - During the development of the businesses plan, allowing evaluators to review and make recommendations will be important
 - Anticipated costs will be included in business plans.
- Logic Model – what the theory of change we are trying to introduce in the market? This is described within business plans.
- Resource acquisition – identifying the programs that are typically done in a standard approach, compared to an effort to change the market.
- Definition of “Market Transformation” = The strategic process of intervening in a market to create lasting change. The lasting change results in accelerated adoption of energy efficiency products, services and practices.
 - This definition was used at the ComEd MT Summit in Sept. 2018.
- Theory Based Evaluation is the practice MT uses.
 - We want to be able to attribute savings.
 - We need to separate savings into different buckets to prevent duplicate accounting.
 - Attribution: What would have happened without intervention?
 - Accounting: If there is a program that is working within the market MT program will operate in, separating those units.
 - Allocation: Separating savings among multiple service territories.
- Evaluation Products
 - Different than impact evaluation.
 - Referred to as ‘market progress evaluation reports’, to evaluate market progress.
 - MPIS = Market Progress Indicators
 - Recurring efforts to understand the changing market
 - This is the metric used to track the progress within the market
 - Are market outcomes changing in the manner anticipated?
- What makes MT initiatives recognizable?
 - Arose from questions from both this and NTG group
 - How would we know to use a new framework or existing framework?

- Proposing the MT approach used for initiatives with a business model and logic model to ensure that it is an MT-focused initiative.

Section 2: Estimating Savings MT Initiatives

Dulane Moran, Northwest Energy Efficiency Alliance (NEEA)

- It's important to estimate the Natural Market Baseline Units; this can be challenging.
 - Is it possible that there are no Natural Market Baseline Units?
 - There are situations where it is difficult to determine; however, in that situation we would do market characterization studies or market impact research.
- This section will discuss some challenges and options to move forward and additional discussion and recommendations on accounting and allocation.
- Involves a reliable estimate of unit energy savings, not much different from that unit used for Resource Acquisition.
- Unit needs to coincide with market being analyzed.
- Often, savings estimates are easy to come by: TRMs; Energy Star; evaluated results from other jurisdictions. However, for MT it is difficult to estimate this for products new in the market, with no metering studies.
- The paper will include a deeper dive on codes and standards. The paper will include a rationale for applying market transformation savings.
- Chris Neme: More specificity may be needed to be included in the IL-TRM.
 - Dulane Moran: There is a lot of conceptual groundwork that can be done, to plan and evaluate these programs effectively. The detail, such as actual unit EE savings, etc. is embedded in any specific initiative.
 - Ralph Prael: It is helpful to include 'rules of the road'. There will be more detail provided in the paper.
 - Chris Neme: How are we counting savings? What is the process to establishing the baseline? Etc.
 - Margie Gardner: In some situations, there are things that will need to be negotiated for specific initiatives. You may also not want to fix certain things in the IL-TRM, since baselines can change.
 - Dulane Moran: The draft includes best practices for some of the challenging tasks, such as setting baseline, revising it, what sources should be turned to, etc. There are also policies and process that may need to be established to get alignment/agreement on an element.
 - Phil Mosenthal: How do we separate out and treat MT vs. free ridership later on? Should that get counted against or has it already been accounted for?
 - Jan Harris: We may not be able to anticipate every situation.
- If there are additional resources that should be reviewed, Working Group participants are encouraged to send to Resource Innovations.

Next Steps:

- Comments on high level outline due by Friday, May 24th. Send comments to Marci Sanders, Resource Innovations – Msanders@Resource-Innovations.com – and CC Celia@CeliaJohnsonConsulting.com.
- The draft paper will be circulated for review on Tuesday, June 11th.
- The next Market Transformation Savings Working Group meeting to discuss the draft paper will be held on Friday, June 14th.