

**Energy Efficiency**  
**Stakeholder Advisory Group (EE SAG)**

**Report to the Commission**

DRAFT for EE SAG Participant

Review and Comment

February 23, 2010

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on behalf of

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# **Energy Efficiency Stakeholder Advisory Group (EE SAG)**

## ***Report to the Commission***

### **I. Introduction: Illinois Commerce Commission Directive**

The Energy Efficiency Stakeholder Advisory Group (EE SAG) was established by Illinois Commerce Commission (ICC) directive in the Orders approving the Energy Efficiency and Demand Response Plans filed by Commonwealth Edison (ComEd), Ameren Illinois (Ameren) and the Illinois Department of Commerce and Economic Opportunity (DCEO) pursuant to Section 12-103(f) of the Public Utilities Act.<sup>1</sup> Comments supporting a stakeholder advisory process were filed by the utilities (ComEd and Ameren), the Natural Resources Defense Council (NRDC), the Illinois Attorney General’s Office (AG), the Environmental Law and Policy Center (ELPC), the City of Chicago, and the Building Owners and Managers Association (“BOMA”).

#### **A. EE SAG Duties**

The ICC assigned the following duties and responsibilities to the SAG, while noting that the SAG could assume other duties:

- Review progress towards achieving the required energy efficiency and demand response goals;
- Continue strengthening the portfolio;
- Reviewing final program designs;
- Establishing agreed-upon performance metrics for measuring portfolio and program performance;
- Reviewing Plan progress against metrics and against statutory goals;
- Reviewing program additions or discontinuations;
- Reviewing new proposed programs for the next program cycle, and
- Reviewing program budget shifts between programs where the change is more than 20%.

In addition, the Stakeholder Group was directed to coordinate its efforts with the Staff-led Workshops required by the ICC Order approving the Energy Efficiency and Demand Response Plans.

#### **B. EE SAG Report to the ICC**

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<sup>1</sup> D.07-0540, mimeo pp. 30 – 32 (ComEd Energy Efficiency and Demand Response Plan Order); D.07-0539, mimeo pp. 23 – 25 (Ameren Energy Efficiency and Demand Response Plan Order).

The ICC left to the advisory committee details on how often the advisory group meets and notice and comment for group review of key issues. However, the Commission stated that the Stakeholder Advisory Group **shall** report to the Commission, and noted that the report may be prepared by the independent facilitator. The Commission noted that the Report may include:

- Observations from participants on how well the process worked and how it may be improved, and
- A list of recommendations from Stakeholder Group members on program and portfolio performance, with a response by the Utilities and DCEO to the SAG participant recommendations.

This SAG Report is being submitted to the Commission at this time to follow the final evaluation, measurement and verification (EM&V) reports that independently evaluate first-year results for ComEd, Ameren and DCEO. The monthly and quarterly reports presented to the SAG by the utilities and DCEO were self-reports. The EM&V reports, prepared by independent evaluation contractors (The Cadmus Group for Ameren residential programs, Opinion Dynamic Corporation for Ameren business programs, and Summit Blue, now Navigant Consulting, for the ComEd and DCEO portfolios), provide independent assessments of savings relative to plans filed at the Commission. The timing of this SAG Report to the Commission also coincides with the Year One Annual Reports that Ameren, ComEd and DCEO are submitting and/or filing at the ICC. Subsequent SAG Reports are planned after the end of the 2011 – 2014 portfolio planning process to report on the effectiveness of the planning process, and after the first three-year portfolio is complete. Additional interim SAG Reports may also be filed if issues arise that merit a report.

## **II. Discussion of SAG Activities**

### **A. Review Progress Towards Goals**

The utilities, with review and comment of the SAG, developed a common monthly report format for energy efficiency programs. The reports contain the following information: portfolio, sector (residential and business) and program energy savings achieved to date, expenditures, and high-level comments explaining trends and activities to note by program. Both ComEd and Ameren provide monthly reports. A sample monthly report is attached in Appendix A.

In addition, Ameren, ComEd and DCEO provide quarterly reports that provide savings and expenditure information needed to monitor progress towards statutory goals, and also provide more detailed information on program-specific trends,

challenges, successes and market response. Based on EE SAG input, the quarterly reports are not standardized, but are instead tailored to report on portfolio and program-specific issues.

## **B. Continue Strengthening the Portfolio**

For the first three-year portfolio plan (2008 – 2011), the utilities and DCEO filed program plans for approval, and are implementing the plans as filed. Thus, stakeholder feedback for this portfolio cycle has not focused on changing the current portfolio of programs, but instead on suggesting or reviewing changes to currently-offered programs. For examples, ComEd recently proposed expanding the list of measures for its commercial/industrial prescriptive program, and presented the list of measures to the SAG for review and comment.

However, SAG participants are currently in the process of proposing new program ideas for inclusion in the next three-year portfolio plan (2011 – 2014). To date, SAG participants have suggested the following program ideas to increase portfolio comprehensiveness and increase portfolio savings:

1. Home Performance with Energy Star (MEEA)
2. Systems Approach to Achieving HVAC Savings (MEEA)
3. Comprehensive Approach to the Multi-Family Sector (CNT)
4. Performance-Based Air Sealing (Delta Institute)
5. Plug Load Program (NRDC)
6. Increased Outreach to Municipalities (MMC)
7. No and Low-Cost Measures; Public Education Campaign (ELPC)

The SAG independent facilitator worked with the utilities, DCEO and SAG participants to develop a schedule and process for gathering SAG participant program suggestions that is consistent with the utilities and DCEO's internal portfolio planning process (Attachment B). SAG participants have additional opportunities to propose new program ideas, and then will work collaboratively with the utilities, DCEO and other interested SAG participants to have their suggestions analyzed for cost-effectiveness using a common economic analysis tool (the DSMoore cost-effectiveness calculator).

## **C. Reviewing Final Program Designs**

The current Plan programs are final, so there is no need for SAG participants to review final program plans. As the utilities have modified programs that were filed at the ICC (such as delaying start dates, or adding new measures), the

utilities have presented proposed program modifications to the SAG for review and comment.

The schedule for the second three-year portfolios (2011 – 2014) (Appendix B) includes several SAG sessions where SAG participants will have the opportunity to comment on proposed programs and the portfolio composition before the new portfolio is filed at the ICC.

#### **D. Establish Agreed-Upon Performance Metrics for Portfolio and Program Performance**

The utilities and DCEO are reporting on the following portfolio and program metrics that relate to statutory objectives set forth in Section 12-103(f) of the Public Utilities Act: savings and expenditures. The EE SAG has not had a formal discussion of other metrics to measure portfolio and/or program performance. However, the facilitator will schedule a time to discuss additional metrics during the course of the 2011 – 2014 portfolio planning process.

Recently, the AG's Office asked ComEd, Ameren and DCEO to summarize how their first year costs were allocated across the following five categories:

- Administration (utility or DCEO administrative costs to administer the portfolio and programs)
- Program Implementation (contractor or implementer costs (labor and materials) for implementing programs, not including incentive costs)
- Marketing and Outreach (costs for mass marketing and outreach)
- Incentive Costs (costs paid to mid-stream actors, contractors or customers for selling or promoting high-efficiency equipment)
- Evaluation, Measurement and Verification: The statutory cap for EM&V costs in Illinois is 3% of portfolio costs for process and impact evaluation work.

The first-year cost allocations for each portfolio administrator (ComEd, Ameren, DCEO) are being circulated to the SAG for the February 23 meeting. EE SAG participants may subsequently elect to discuss flexible target percentages for each cost category above, recognizing that for a particular program, maximizing cost-effectiveness may require a different cost allocation.

#### **E. Reviewing Plan Program Against Metrics and Statutory Goals**

The SAG receives monthly and quarterly reports from ComEd and Ameren on program and portfolio progress relative to statutory goals. Ameren and ComEd

have consistently reported that they would be able to achieve first-year statutory goals, and the recently-completed independent evaluation reports by evaluation contractors Cadmus Group, Opinion Dynamic Corporation and Summit Blue (now Navigant Consulting) confirmed that Ameren and ComEd achieved plan and statutory goals. Thus, the Ameren and ComEd self-reports to the SAG were helpful and accurate representation of progress relative to plans.

The SAG generally receives quarterly, but not monthly, reports from DCEO on program and portfolio progress relative to statutory goals. Based on the detail and frequency of DCEO reporting, it has been somewhat more challenging for SAG participants to effectively monitor DCEO progress towards plan goals. Furthermore, the independent evaluator Summit Blue (now Navigant Consulting) reported in the January, 2010 SAG meeting that DCEO did not realize first year plan goals. Going forward, DCEO may wish to work with its evaluation contractors to implement a tracking system that will allow DCEO to easily prepare quarterly and monthly reports to the SAG so that issues and challenges that arise can be addressed and discussed sooner while there is time to make changes.

#### **F. Reviewing Program Additions or Continuations**

As described previously, the utilities and DCEO have presented to the SAG for review and comment program modifications.

#### **G. Reviewing New Programs for Next Program Cycle**

As described previously, SAG participants are currently proposing new program ideas for the second three-year (2011 – 2014) portfolios, and will also have ample opportunity to review and comment on the program and portfolio plans before they are filed.

#### **H. Reviewing Budget Shifts**

The utilities have presented to the SAG program budget changes, including shutting programs early when program uptake was faster than expected, starting programs later than originally forecast, and shifting budgets from one program to another (such as the prescriptive C&I program budget to the custom program). No SAG participant has objected to any of the proposed budget shifts that the utilities have proposed.

#### **I. Coordinating with Staff-Led Workshops**

ICC staff circulated the Staff-led Workshop agendas to the SAG participants for their review and comment. The Staff-led Workshops included national experts presenting on policy and program issues that should be considered and addressed to foster robust and effective energy efficiency portfolios. The workshops were well-attended by and received high praise from SAG participants as useful and educational.

## **J. SAG Report**

### **1. SAG Input on How Well the Process Worked**

The SAG facilitator seeks feedback on how to improve the SAG process and SAG effectiveness, and has made changes to the process in response to SAG participant feedback (frequency, time and location of SAG meetings, quarterly report format, process and schedule for 2011 – 2014 portfolio planning).

One continuing challenge has been getting presenter materials at least three days ahead of time so the independent facilitator can circulate on a timely basis. In the past, the SAG facilitator has held materials so that they can all be circulated together. This has often resulted in SAG materials not getting to SAG participants three days ahead of time. In the January SAG meeting, SAG participants requested that all materials that arrive three days ahead of time be circulated by the independent facilitator, then materials that come in later be separately distributed.

### **2. Tracking SAG Action Items**

The SAG facilitator tracks SAG action items, and, consistent with available time slots and general SAG participant interest, seeks to address open items in subsequent SAG meetings as soon as is reasonably possible. In some cases, if an action item is of limited interest (because, for example, the action item relates to technical detail that is not of general interest), the independent facilitator may schedule a SAG teleconference that is open to all interested parties. A current copy of the SAG EE Comment Tracking and Reporting Sheet is attached as Appendix C.

## **K. Other Key SAG Activities**

### **1. Evaluation, Measurement and Verification**



- a. The SAG has provided oversight to ensure the independence of the evaluation, measurement and verification process as follows:
- Reviewed Requests for Proposal for selecting evaluation contractors;
  - Reviewed selection of evaluation contractors (Cadmus, ODC, Summit Blue, now Navigant Consulting);
  - Reviewed evaluation contractor contracts;
  - Commented on evaluation workplans;
  - For Ameren and ComEd, the SAG received draft Year One evaluation reports concurrent with when the utilities received these reports;
    - For future process/impact evaluation reports, SAG participants should discuss whether all evaluation reports should be sent concurrently to the SAG when they are sent by the evaluators to the program administrators
  - SAG participants are permitted to have independent discussions with EM&V contractors absent the presence of the portfolio administrators. However, to ensure efficient use of evaluation contractor time and resources, the SAG facilitator schedules teleconferences for discussions outside official SAG time, where possible.

In addition, the SAG has developed a high-level policy framework for guiding evaluations in Illinois. An unresolved policy issue, despite several SAG discussions, was the application of net-to-gross values determined through the evaluation process. In the January SAG, the AG's Office proposed a framework for the application of NTG values which SAG participants universally supported. Although the AG's framework will be discussed again in the February SAG, it appears that SAG participants have a consensus recommendation on application of NTG values.

**b. SAG Input into Second Three-Year Portfolio Planning Process**

The utilities and DCEO have worked with SAG participants to encourage active, collaborative, open and transparent SAG participant input into the next three-year portfolio plan. To date, SAG participants have identified several additional programs and/or strategies that are not currently in the portfolio that may produce additional cost-effective savings. The results of SAG input will be

evident through the common economic analysis that will be used to evaluate proposals, and in the plans that the utilities and DCEO file in October of this year.

**c. Program Coordination Across Utilities**

Before ComEd, Ameren and DCEO filed the 2008 – 2011 Energy Efficiency and Demand Plans, they worked together and with stakeholders to develop, to the extent possible, a common suite of programs and consistent program designs (such as incentives) to minimize market confusion, and reduce administrative costs and burdens. The ICC did not mandate statewide consistency through Plan implementation, but encouraged the utilities and DCEO to “coordinate as much as possible” to “reduce costs or administrative burdens, or . . . improve program performance.” (See, e.g., D.07-0540, mimeo p. 54.) However, the ICC also stated that utilities “must be able to retain the flexibility to address . . . differences” in many items, including, but not limited to “labor costs, housing structure, population density, and even topography.” (*Id.*)

The monthly SAG meetings are joint, and have fostered coordination and consistency during the implementation period. The joint planning process for the second three-year portfolios (2011 – 2014) should help utilities and SAG participants identify coordination opportunities to achieve reduced costs and administrative burdens and increase portfolio and program performance.

**d. Tools and Templates**

Through the SAG process, the following tools and templates have been developed to ensure consistency and coordination:

- Common Monthly Report Format
- EM&V Work Plan Template
- New Program Proposal Template
- High-Level Framework for EM&V Evaluations in IL
- Consensus Statement on Application of Net-to-Gross Values in IL (soon-to-be finalized)

**III. Current Issues to Address**

Certain issues have been raised, but not resolved, through the SAG process, as follows:

**A. Common Input Assumptions for Cost-Effectiveness Analysis and Common, Public Format for Documenting Assumptions**

On several occasions, SAG participants have discussed, with evaluation contractor input, the need for developing, reviewing and memorializing common input assumptions for the cost-effective calculations so that program results can be compared. Several jurisdictions, including California, Michigan and Iowa have measure databases that contain common measure descriptions and savings assumptions. Other states, such as Vermont and Wisconsin, have written Technical Reference Manuals that memorialize values for measure-level assumptions. The SAG has raised and discussed issues associated with various approaches – costs to develop and maintain, ease of use, how to build SAG consensus or seek ICC approval of agreed-upon values, but has not reached consensus on how to proceed. It will be timely to re-visit developing and memorializing common assumptions during the 2011 -2014 portfolio planning process.

**B. Application of NTG Ratios**

The SAG has had at least three discussions trying to reach consensus on how NTG values should be applied (prospectively versus retrospectively, time frame that values can and should be used, when they should be updated, etc.) without reaching consensus. After the Ameren and ComEd impact assessments (EM&V reports) were completed contained measured EM&V values, it again became apparent that how NTG values are applied has real and significant consequences for how energy efficiency portfolios are managed. In the January SAG, the AG's office proposed a framework for the application of NTG values that, based on January SAG feedback, has achieved universal SAG participant consensus.

**C. Ensuring Comparability of EM&V Results Across Utilities and Across Time**

During the EM&V contractor selection process, SAG participants emphasized the importance of consistent evaluation approaches for the same or similar programs so that program results could be meaningfully compared. Some SAG participants suggested using the same evaluation contractors for similar suites of programs. However, due to different EM&V budgets, the evaluation approaches for similar programs were not always identical across the three portfolio administrators and yielded some Year One results that were difficult to compare.

For example, the ComEd and Ameren residential CFL lighting programs had similar implementation approaches: same implementer and mid-stream delivery approach (retail store point-of-sale discount). However, the programs were evaluated by different contractors (Cadmus for Ameren and Summit Blue, now Navigant for ComEd) using different evaluation methodologies (which resulted in part from different relative budgets) and produced significantly different NTG results, as follows:

- Ameren NTG – 1.03
- ComEd NTG – 0.68

It is unclear whether the different results are due to the service territory differences, the different methodologies that were used to assess NTG values, or the different contractors that conducted the studies. In the February 23, 2010 SAG, the evaluation contractors for Ameren and ComEd will discuss the different methodologies and provide their assessment of why the NTG values are significantly different for very similar programs operated during the same time period in contiguous service territories.

In the future, further SAG discussion and oversight will be helpful in ensuring consistent and comparable evaluation results across programs.

#### **D. Common Metrics**

The SAG has not discussed portfolio and program metrics beyond the statutory metrics (budget and savings) but the independent facilitator will schedule a discussion during the 2011 – 2014 planning process.

### **IV. Conclusion**

In accordance with the Commission’s directive to file a SAG Report on the SAG process, SAG participants respectfully file this first SAG report.

Respectfully Submitted,

/s/ various SAG participants

## **Appendices**

## A. Monthly Report (Sample)

### AMEREN ILLINOIS UTILITIES Electric Energy Efficiency/Demand Response Plan PORTFOLIO PROGRAM YEAR YTD Monthly Report: June - January 2010

OVERALL EE/DR PORTFOLIO				OVERALL RESIDENTIAL PORTFOLIO				OVERALL BUSINESS PORTFOLIO			
Indicator	Actual PYTD	Goal PY09	% Achieved PY09	Indicator	Actual PYTD	Goal PY09	% Achieved PY09	Indicator	Actual PYTD	Goal PY08	% Achieved PY08
<b>ENERGY SAVINGS (MWH)</b>				<b>ENERGY SAVINGS (MWH)</b>				<b>ENERGY SAVINGS (MWH)</b>			
Actual	44,957	-	-	Actual	30,350	-	-	Actual	14,607	-	-
Pending	54,210	-	-	Pending	6,418	-	-	Pending	47,792	-	-
Total	99,167	131,952	75.15%	Total	36,768	48,084	76.47%	Total	62,399	83,868	74.40%
<b>INCENTIVE BUDGET</b>				<b>INCENTIVE BUDGET</b>				<b>INCENTIVE BUDGET</b>			
Actual	\$4,186,313	-	-	Actual	\$3,013,083	-	-	Actual	\$1,173,230	-	-
Pending	\$3,563,452	-	-	Pending	\$561,185	-	-	Pending	\$3,002,267	-	-
Total	\$7,749,765	\$10,836,555	71.52%	Total	\$3,574,268	\$3,913,707	91.33%	Total	\$4,175,497	\$6,922,848	60.31%
PYTD Total Carbon Emissions Reduction (kWh x 1.75 lbs)/2,205):				Total kWh: 99,167,061				Total Reduction: 78,704 Metric Tons			
DR MW Goal: 4				MW Achieved: 1.30				% MW Achieved: 32.50%			
<b>RESIDENTIAL PORTFOLIO</b>											
<b>RESIDENTIAL ACTUAL ENERGY SAVINGS ACHIEVED</b>											
Portfolio	Net MWh Actual PYTD	Net MWh Goal PY09	% Achieved	Comments							
Lighting & Appliance	15,980	31,817	50.23%	volume increasing, price per unit decreasing due to multipacks							
Appliance Recycling	5,280	9,440	55.94%								
Multifamily	1,865	1,746	106.81%								
Home Energy Performance	476	2,474	19.22%								
Heating and Cooling	6,655	2,328	285.88%								
DR-Direct Load Control	90	279	32.32%	Using two contractors, moving to four in February							
Energy Star New Homes	3	-	-	Five houses completed in January.							
Total	30,350	48,084	63.12%								
<b>RESIDENTIAL ACTUAL INCENTIVE FUNDS PAID</b>											
Portfolio	Actual Costs PYTD	Budget Goal PY09	% Spent PY09	Cost / kWh YTD	Comments						
Lighting & Appliance	\$792,176	\$1,740,298	45.52%	\$0.05	Large increase in bulbs and weekly volumes holding steady						
Appliance Recycling	\$306,810	\$546,000	56.19%	\$0.06							
Multifamily	\$194,322	\$137,119	141.72%	\$0.10							
Home Energy Performance	\$55,320	\$349,290	15.84%	\$0.12							
Heating and Cooling	\$1,443,680	\$620,200	232.78%	\$0.22							
DR-Direct Load Control	\$219,375	\$520,800	42.12%	\$2.43	PY2 goal expected to be attained mid March (2 MW)						
Energy Star New Homes	\$1,400	-	-	-							
Total	\$3,013,083	\$3,913,707	76.99%	\$0.10							
<b>RESIDENTIAL PENDING ENERGY SAVINGS AND INCENTIVES</b>											
Portfolio	Volume	Net MWh Savings	Incentive Allocation	Cost/kWh	Comments						
Lighting Incentives	143,139	4,403	\$160,112	\$0.04	Exceeded the 600,000 mark in number of bulbs sold						
Appliance Rebates	103	21	\$2,620	\$0.12							
Appliance Recycling	198	119	\$6,930	\$0.06							
Multifamily	-	390	\$26,833	\$0.07							
Home Energy Performance	215	55	\$6,384	\$0.12							
New HVAC	776	1,405	\$304,842	\$0.22							
DR-Direct Load Control	248	21	\$51,864	\$2.47	Mailings completed to increase installation volume						
Energy Star New Homes	8	4	\$1,600	\$0.40							
Total	144,687	6,418	\$561,185	\$0.09							
<b>BUSINESS PORTFOLIO</b>											
<b>BUSINESS ACTUAL ENERGY SAVINGS ACHIEVED</b>											
Portfolio	Net MWh Actual PYTD	Net MWh Goal PY09	% Achieved	Comments							
Standard	10,360	63,182	16.40%	includes SB HVAC electric and grocery							
Custom	3626	17,136	21.16%								
Retro-commissioning	0	3,355	0.00%								
Small Business On-Line Store	486	NA	NA	Component of standard portfolio							
New Construction	48	102	NA	NC projects being reviewed/approved using custom criteria							
DR-Direct Load Control	87	93	93.55%	145 tstats installed as of 12/31/09							
Total	14,607	83,868	17.42%								
<b>BUSINESS ACTUAL INCENTIVE FUNDS PAID</b>											
Portfolio	Actual Costs PYTD	Budget Goal PY09	% Spent PY09	Cost / kWh Program YTD	Comments						
Standard	\$792,481	\$4,723,382	16.78%	\$0.076	includes SB HVAC electric						
Custom	\$300,834	\$1,226,790	24.52%	\$0.083							
Retro-commissioning	\$0	\$588,858	0.00%	\$0.00							
Small Business On-Line Store	\$10,161	See note	NA	\$0.02	Component of standard portfolio						
New Construction	\$3,182	\$114,025	2.79%	\$0.07	NC projects being reviewed/approved using custom criteria						
DR-Direct Load Control	\$66,572	\$269,793	24.68%	\$0.77	cost of both installation (\$100/\$75) & tstat (\$173) (291 installed)						
Total	\$1,173,230	\$6,922,848	16.95%	\$0.080							
<b>BUSINESS PENDING ENERGY SAVINGS AND INCENTIVES</b>											
Portfolio	Volume	Net MWh Savings	Estimated Incentive Allocation	Cost/kWh Pending Savings	Comments						
Standard	437	19,637	\$1,644,695	\$0.084	includes SB HVAC electric and grocery						
Custom	74	12,338	\$1,041,342	\$0.084							
Retro-commissioning	27	15,804	\$315,070	\$0.020							
Small Business On-Line Store	NA	NA	NA	NA							
New Construction	1	13	\$1,160	\$0.089							
DR-Direct Load Control	84	NA	NA	TBD	84 installs currently in backlog						
Total	623	47,792	\$3,002,267	\$0.063							

## **B. Schedule and Plan for SAG Input to 2011 – 2014 Planning Process**

### **EE SAG Agenda Topics and Schedule of SAG Input to 2011 – 2014 Portfolio Planning Schedule: DATES SUBJECT TO CHANGE Year 2: 2009 – 2010 Ver. 4.0 (2/19/10)**

#### **Overview**

This document sets forth the dates of planned agenda topics for Year 2 and schedule/plan for EE SAG Input to 2011 – 2014 Portfolio Planning Process.

#### **SAG Dates**

##### **2009 Meeting Dates**

Wednesday, September 30

- Moved back one day due to ACEEE conference in Chicago “Efficiency As A Resource”
- Technical Subcommittee in the morning
  - Ameren PY1 Residential EM&V Report
    - Process
    - Impacts
  - Ameren Market Assessment Results (Preliminary)
  - ComEd Market Assessment Results (Preliminary)
- Afternoon
  - DCEO Annual (PY1) and Quarterly Reports (PY2, Q1)
  - ComEd Quarterly Report (PY2, Q1)
  - Ameren Quarterly Report (PY2, Q1)
  - Proposed Scope/Schedule for SAG Input to 2011 – 2014 Portfolio Development

Tuesday, October 27

- Ameren PY1 Business EM&V Report
  - Process
  - Impacts
- DCEO Market Assessment
- OPEN

Tuesday, December 1

NOTE: This date is the November meeting, and is moved from November due to Thanksgiving week. There is no meeting scheduled for December.

- Program Planning Template – (ComEd – Mike Brandt) This is common template Stakeholders should fill out to propose program for consideration
- DSMoore Presentation (ComEd) – Presentation on analytic tool that will be used by ComEd/Ameren to analyze proposed Program
- Common planning assumptions
- ComEd Process/Impact Assessments (PY1)
- DCEO Process/Impact Assessments (PY1)

### **2010 Meeting Dates**

Tuesday, January 26

- Technical Subcommittee in the morning (if needed)
- KICK-OFF SAG Input to Portfolio Planning Process
  - Portfolio and Planning Goals (Strawman and Discussion)
  - New Program Ideas from SAG
  - Changes to Existing Programs
  - Should Outside Experts be Brought in on any Topics (Who?) e.g. Opinion Dynamics
- Quarterly Reports circulated (Sept – Nov (Q2)) – Dec SAG

Tuesday, February 23

- SAG participant program suggestions for 2011 – 2014 portfolio

Tuesday, April 6

- Technical Subcommittee in the morning
  - Ensuring evaluation consistency
  - Common Planning Assumptions
    - What planning assumptions should be the same?
    - Which should vary?
    - How should planning assumptions be memorialized?
  - Policy/Practice on setting measure –level incentive levels
- Quarterly Reports circulated (Dec – Feb (Q3))
- Additional SAG Program Suggestions for 2011 -2014 Portfolio – FINAL OPPORTUNITY
  - Additional C&I (AG)
  - Public Education and Outreach (ELPC; Others)



NOTE: This March SAG is moved back one week to avoid conflict with Passover.

Tuesday, April 27

- Portfolio/Program Metrics
- Portfolio Planning Exercise – use “strawman” PAC-levelized cost (cents/kWh) values for standard programs (lighting, C&I, direct install, HVAC, marketing and outreach, new construction)
- Do sensitivity analysis with various portfolio program mixes to see how TRC and portfolio yield varies with different portfolio compositions

Tuesday, May 25

- Residential Programs
  - Utility/DCEO Presentations on new Portfolio of Programs
  - Impact/Process evaluator suggestions
  - SAG input

Tuesday, June 29

- Non-Residential Programs (small C&I)
  - Utility/DCEO Presentations on new C&I Portfolio of Programs
  - Impact/Process evaluator suggestions
  - SAG input
- Technical Subcommittee in the morning (if needed)
- Quarterly Reports during regular SAG (March - May (Q4))

Tuesday, July 28 –Non-Resource Programs/M&O/Other Topics

- Non-Resource/Innovative/Education/Market Transformation/Other Programs
  - Utility/DCEO Presentations
    - Proposed changes to existing Programs
    - New proposed Programs
  - Impact/Process evaluator suggestions
  - SAG input
- Plans/Metrics to Foster Non-Profit, Local-Government, WMBE Participation in Portfolio as Customer/Contractors (Implementers)
  - Utility/DCEO Presentations
    - Proposed changes to existing Programs
    - New proposed Programs
  - Impact/Process evaluator suggestions
  - SAG input
- Marketing and Outreach Plans

- Utility/DCEO Presentations
  - Proposed changes to existing Programs
  - New proposed Programs
- Impact/Process evaluator suggestions
- Outside Experts – Opinion Dynamics
- SAG input
- Coordination with other EE and Demand-Side Efforts
  - Utility/DCEO Presentations
  - SAG Input
    - Gas
    - City Strategic Plan
    - ARRA
    - Federal
    - Financing (On-Bill)
    - WAP (Weatherization Assistance Program)
    - DR
    - SmartRates

#### August Meeting (tbd)

- Ameren Final Portfolio
- ComEd Final Portfolio
- DCEO Final Portfolio
- Comparison Chart Showing Program/Portfolio Consistencies
- Chart of Non-Consensus Items

#### October 2010 – Portfolio Plans Filed At ICC

##### **List of Other Topics to Consider Including**

- Effectiveness of Broad-Based Education Campaign (Opinion Dynamics)
- On-Bill Financing ( Ameren June Launch)
- Primer on TRC and other C/E tests
- NTG calculations and implications
- Behavioral marketing (authors of book Nudge are part of U of C)
- National Action Plan Vision for 2025
- Lighting Technology transitions (and when will program stop incenting CFLs and incent other lighting measures)
- Stakeholder/EM&V input on topics?

#### **C. EE Comment Tracking and Reporting Sheet**

**Energy Efficiency Stakeholder Advisory Group  
Comment Tracking and Response System  
Ongoing List**

<b>Issue, Question or Action Item</b>	<b>Response</b>	<b>Resulting Impact on Demand-Side Portfolio or Program</b>
<ul style="list-style-type: none"> <li>• Including person/party who raised item</li> <li>• Parties who indicate support for issues</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed resolution or</li> <li>• Timeline and process for resolving issue</li> </ul>	<ul style="list-style-type: none"> <li>• Was change made to portfolio or program as result of issue?</li> <li>• How?</li> </ul>
<b>June 2, 2008 Stakeholder Advisory Group Meeting</b>		
<b>Leveraging Resources Outside of EEPS:</b> Identify and leverage existing programs and resources to promote efficiency messages (D. O'Donnell, City)	Ongoing	As other programs/resources identified that can leverage EEPS funds, can quantify how leveraging increases portfolio performance (e.g. increases cost-effectiveness, reduces levelized costs, or increases program reach)
<b>July 7, 2008 Stakeholder Advisory Group Meeting</b>		
<b>CFL Bulb Recycling:</b> As additional partners/big boxes brought into lighting programs, encourage them to support in-store bulb recycling (R. Kelter, ELPC)	Will look into increasing number of store that participate in bulb recycling during fall "Change a Light" campaign	Done.
<b>Awareness Messaging:</b> In SAG meeting, present utility and DCEO no-cost EE awareness messaging (R. Kelter)	Ameren, ComEd and DCEO no-cost messaging presented in August 12 SAG	Done.
<b>Marketing/Outreach Campaigns:</b> Present Ameren and ComEd Marketing and Outreach campaigns to SAG (R. Kelter, ELPC)	Ameren Marketing and Outreach campaign presented in July 31, 2008 SAG	Done
<b>Plug Load:</b> include a SAG agenda item on Plug load: magnitude of Plug load problem, successful ways to address, including Plasma screen TVs and video games (R. Kelter, ELPC; B. McDaniel, CUB).	NRDC to present plug load program for 2011 – 2014 portfolio.	Done
<b>Social Marketing:</b> Include session	Will include in SAG session	Open

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
on social marketing techniques and how can be used to increase reach of efficiency messaging (various, including R. Kelter, ELPC)	on Public Education, currently scheduled April 2010.	
<b>CFL Breakage:</b> Provide information on human health risks of CFL breakage, ways to clean up, how to message with customers (various, including B. Granahan, Env. IL)	Presented Consortium for Energy Efficiency information sheet on CFL breakage, including clean-up guidelines and human health risk, in July 31 SAG	Done
<b>Incentive Levels:</b> schedule agenda items on how Ameren and ComEd incentive levels derived (G. Crandall, MSB Consulting)		Open
<b>July 31 Stakeholder Advisory Group Meeting – “EM&amp;V Focus”</b>		
<b>EM&amp;V Process and SAG:</b> Identify through EM&V-Focus group the clear “check-in” points when the EM&V contractors need to “check-in” with the SAG. (various)	Evaluation contractors will present to SAG for comment: <ul style="list-style-type: none"> <li>• Draft evaluation work plans</li> <li>• Draft evaluation reports</li> <li>• Final evaluation reports</li> </ul>	Done.
<b>August 12 SAG Meeting</b>		
<b>CFL Recycling:</b> Talk to vendors about bulb recycling	ComEd reports they have talked to vendors about CFL recycling.	Done
<b>Incentive Levels:</b> schedule agenda items on how Ameren and ComEd incentive levels derived (G. Crandall, MSB Consulting)	Will be discussed in context of incentive setting during 2011 – 2014 portfolio planning process	Open.
<b>Staff-led Workshops:</b> Rich Zuraski will ask Rich Sedano and Chuck Goldman (LBL) to have materials circulated prior to the staff-led workshops.	Annette followed-up with Staff	Done
<b>Performance Indicators for DCEO Education/Training:</b> Recommendation to DCEO establish consistent performance indicators for its Education and		Open

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
Training programs and assess how many customers are served by each of the trained students. (A. Beitel)		
<b>September 9 EE SAG Meeting</b>		
<b>ComEd Community Challenge:</b> Anybody interested in giving ComEd guidance regarding not-for-profits or who would like to help ComEd evaluate Community Challenge applications should contact Mike Brandt. (Val Jensen)	ComEd invited SAG participants to help shape and evaluation ComEd community challenge applications	Done
<b>Carbon Measurement:</b> Plan a SAG presentation on carbon measurement	Role and value of carbon to be discussed in session on 2011 – 2014 portfolio planning	OPEN.
<b>September 23 Evaluation Framework SAG Meeting</b>		
<b>ICC Approval of SAG Consensus on EM&amp;V:</b> ICC counsel will report at next SAG meeting on the processes available to SAG for getting ICC approval on the EM+V criteria and framework.	ICC counsel suggested SAG report may be appropriate vehicle	DONE.
<b>October 21 Evaluation Framework SAG meeting</b>		
<b>Documenting EM&amp;V Agreements:</b> Identify best way to document SAG members' agreement or disagreement on pertinent framework issues		Open
<b>November 18 SAG Meeting</b>		
<b>EM&amp;V Framework Principles:</b> Annette to work with the group regarding allocation of resources and draft a summary statement of EM&V principles.	Annette drafted framework of EM&V principles. Most elements were consensus elements, except agreement not reached on application of NTG ratios	DONE
<b>December 16 SAG Meeting</b>		
<b>ComEd DR:</b> ComEd will plan to have a Demand Response representative at the next SAG meeting.	Jim Eber presented ComEd DR programs to SAG.	DONE

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
<b>EM&amp;V Coordination:</b> Utilities and DCEO will include deliverables in their evaluation contractor contracts regarding coordination with ICC and SAG and amongst each other.		DONE
<b>Quarterly Reports:</b> All parties presenting a quarterly report will have them prepared and distributed to SAG at least two days prior to the SAG meeting in which the report is to be presented.		DONE - ongoing
<b>Advanced Lighting Technologies:</b> ComEd will provide a description of the lighting technology that is and will be included in all phases of their lighting program. This description should include type, wattage and name brands of lighting. Ameren and DCEO shall provide a similar description of their lighting programs.	ComEd did presentation on advanced lighting technology to SAG.	DONE
<b>February 3 SAG Meeting</b>		
<b>EM&amp;V Coordination:</b> Evaluation contractors will provide SAG with a list of items on which they will be coordinating and consistent		OPEN
<b>EM&amp;V Reports:</b> Evaluation contractors to report any unexpected findings to SAG through monthly and quarterly reports. Draft reports to be presented to SAG concurrently.		OPEN
<b>EM&amp;V Reports:</b> Final reports or impact evaluations sent to ICC shall also be sent to SAG concurrently		DONE
<b>February 17<sup>th</sup> SAG Meeting</b>		
<b>Potential Studies:</b> To be determined what is best next best	Draft potential study plan presented to SAG for	DONE

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
step for Illinois re: potential studies.	comment.	
<b>March 3<sup>rd</sup> SAG Meeting</b>		
<b>SAG Agenda Development:</b> Develop SAG meeting plan listing agenda items over several months	Meeting schedule and key agenda topics developed through June 2010	DONE
<b>April 7<sup>th</sup> SAG Meeting</b>		
<b>DCEO/Stimulus Funding Overlap:</b> SAG participants invited to contact David Baker with ideas regarding how DCEO can fund its projects so as to not overlap with stimulus funding.		DONE
<b>Evaluation Work Plan Template:</b> Evaluation contractor's to give feedback during June SAG meeting regarding work plan template	Work plan template presented to SAG for comment.	DONE
<b>Evaluation Work Plan Template:</b> Mary Sutter to draft a common reporting format for evaluation contractors. (For June SAG).	Work plan template presented to SAG for comment.	DONE
<b>May 26<sup>th</sup> SAG Meeting</b>		
<b>Future SAG Suggestions:</b> SAG suggestions for topics to consider in future SAG meetings: Topics of interest for future meetings include: 1. Home Performance with Energy Star 2. Positive Energy. 3. Google applications: Power Meters. 4. Developing program approaches to work with municipalities. 5. New Construction Programs	Topics are being addressed during 2011 – 2014 Portfolio Planning Process	DONE. Impact will be assess based on whether program ideas screen as cost-effective and can be included in 2011 – 2014 portfolio.

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
<p>– develop a program to give builders the tools and knowledge to build with energy efficiency.</p> <ol style="list-style-type: none"> <li>6. More school based programs (that produce measurable savings).</li> <li>7. Financing options for EE – on-bill financing, PACE-bonds.</li> <li>8. How to market efficiency to harder-to-reach communities.</li> <li>9. Looking at new realities in the marketplace and determining how to replace old programs.</li> <li>10. Consumer Electronics</li> <li>11. Training issues – ensuring capacity in market to install high-efficiency equipment</li> <li>12. The Illinois TIGER.</li> <li>13. Social marketing techniques.</li> </ol>		
<p><b>June 30 Meeting</b> – No Action Items</p>		
<p><b>September 30 Meeting 2011– 2014 Portfolio Planning Process:</b> For the SAG Planning process and schedule of topics for Year 2, SAG participants recommended the following:</p> <ul style="list-style-type: none"> <li>• Address gas-electric program coordination to reduce costs/increase</li> </ul>	<p>Gas –electric program coordination will be addressed through the 2011 – 2014 planning process</p>	<p>Done</p>



Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
<p>program effectiveness through the SAG planning process;</p> <ul style="list-style-type: none"> <li>For meetings that address planning for specific sectors (such as schools, local governments, etc..) consider inviting representatives of those customer groups to provide feedback on program design.</li> </ul>	<p>Sector specific customer groups will be invited to meetings where the administrators present plans impacting those customer groups</p>	
<p><b>SAG Process Suggestion:</b> Instead of allocating one hour per quarterly report, allocate 15 minutes to present high-level results and allow 15 minutes for SAG questions on specific issues of interest to SAG members.</p>	<p>The revised approach to quarterly reports implemented in January 2010 SAG</p>	<p>DONE</p>
<p><b>October 27 SAG Meeting</b></p>		
<p><b>2011 – 2012 Portfolio Planning Process:</b> Electric-gas program coordination issues should be addressed through SAG planning process when coordination will reduce costs/increase program effectiveness</p>	<p>Will be addressed through 2011 – 2014 SAG planning process</p>	<p>DONE</p>
<p><b>December 16 SAG Meeting</b></p>		
<p><b>Ratepayer Attribution Language:</b> Rob Kelter offered to develop proposed language for how to communicate source of funds for discount, and present at a future SAG for SAG consideration.</p>		<p>OPEN</p>
<p><b>Strawman NTG Application:</b> The AG’s office offered to draft a</p>	<p>AG’s office drafted framework for application</p>	<p>DONE</p>

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
<p>strawman proposal for application of NTG ratios for SAG consideration at the next SAG meeting. If SAG consensus is reached, the SAG can discuss how to memorialize/file with the ICC, which either could be through the Year 1 SAG Report, or some other process such as an informational filing.</p>	<p>of NTG ratios for January SAG meeting. No SAG members proposed framework. Next step is to memorialize NTG values and file with ICC</p>	
<p><b>EM&amp;V Results on CLFs:</b> SAG participants would like evaluation contractors to explain different methodologies used, and also provide their opinion about source of difference: service territory, methodology, contractors.</p>	<p>This topic is scheduled for Feb. 23 SAG meeting</p>	<p>OPEN -</p>
<p><b>January 26 Meeting</b></p>		
<p><b>DCEO Impact Assessment:</b> Follow-up questions:</p> <ul style="list-style-type: none"> <li>• Need summary slides, as follows: <ul style="list-style-type: none"> <li>○ Results compared to plan, by program, by utility</li> <li>○ Expenditures by program, by utility</li> </ul> </li> <li>• Basis for 6% savings on Programmable Thermostats – is this consistent with recent DOE/EPA findings? Annette to send memo that George Malek circulated (Done)</li> <li>• Tech Potential for Industrials – can this be calculated in subsequent</li> </ul>		<p>OPEN</p>

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
<p>phase of potential study?</p> <ul style="list-style-type: none"> <li>Is realization rate for Lights for Learning reasonable given findings in retail lighting program? Should results be downward adjusted given that people may purchase CLFs because it is fundraiser for worthy cause, but are not really interested in them?</li> </ul>		
<p><b>NTG Summary Tables:</b> Evaluation contractors to prepare summary of evaluated NTG ratios to include in “Application of NTG values” memo</p>	<p>NTG charts prepared for presentation at Feb. 23 SAG</p>	<p>DONE</p>
<p><b>CFL NTG ratios:</b> ComEd and Ameren evaluation contractors should report on why lighting NTG values so different: different service territories, different methodologies or different contractors</p>	<p>Report-out scheduled for February 23</p>	<p>DONE</p>
<p><b>Cost-Allocation:</b> AG request for Year 1 portfolio cost allocations in following categories:</p> <ul style="list-style-type: none"> <li>Incentives</li> <li>Administration</li> <li>Marketing and Outreach</li> <li>EM&amp;V</li> <li>Program Implementation costs</li> </ul>	<p>Information prepared by ComEd, Ameren and DCEO in similar format; to be circulated for Feb. 23, 2010 SAG</p>	<p>DONE</p>
<p><b>Positive Energy Pilot:</b> Request presentation on Positive Energy Pilot</p>	<p>ComEd will present in February 23 SAG</p>	<p>DONE</p>

Issue, Question or Action Item	Response	Resulting Impact on Demand-Side Portfolio or Program
<p><b>DCEO Report-out</b> SAG members request DCEO go first in next SAG to cover:</p> <ul style="list-style-type: none"> <li>• Progress to date in Year 2</li> <li>• DCEO’s assessment of how to improve program performance</li> <li>• Stakeholder input on how to improve performance of DCEO portfolio</li> </ul>	DCEO will present on listed topics in February 23 SAG	DONE

**D. EE SAG Website**

The independent facilitator circulates SAG meeting materials to SAG participants before meetings. In addition, her note-taker posts them on a SAG website ([www.ilsag.org](http://www.ilsag.org)). Other background documents are posted on this site, including the enabling statute and the Energy Efficiency and Demand Response Plans filed at the ICC.

**E. EE SAG Quarterly Reports Prepared by Independent Facilitator**

Attached are reports prepared by the independent facilitator describing SAG activities in greater detail than contained in the body of this report. The reports cover the following time periods:

- May – July 2008;
- August – October 2008;
- November – January 2009;
- February - June 2009; and
- July – December 2009

October 18, 2008

Re: Activity Report for First Quarter Activities (May – July 2008): IL Energy Efficiency Stakeholder Advisory Group

## **Overview**

For the first quarter of the IL Energy Efficiency Stakeholder Advisory Group, I had three objectives:

- **Procedural:** Establishing regular meeting dates and procedures
- **Assessing Stakeholder Objectives:** Receiving Input from SAG participants on their goals for the process
- **Meeting Facilitation:** Facilitating meetings containing agenda items responsive to SAG member requests

The primary objective in Q1 was to educate stakeholders about the Plans, and provide stakeholders with additional information about the portfolio and programs based on stakeholder questions and input. As the ICC had recently approved the EE Plans, it was appropriate for the Program Administrators (Ameren, ComEd, DCEO) to have time to “work the plans” before seeking any changes or modifications.

## **Description of Key Activities**

### **Procedural**

The following procedural elements are now in place for the EE SAG:

1. Based on input from SAG members, meetings are generally scheduled twice a month, the first and third Tuesday afternoons. Meetings are held in Chicago at the Thompson Center. The Springfield meeting location was discontinued due to lack of interest.
2. Meeting agendas are circulated in draft. SAG participants are given the opportunity to request that agenda items be added, and are afforded the opportunity to make presentations if they wish.
3. The final agenda and meeting materials are circulated in advance;
4. Meetings are broadcast via Web-Ex to allow for remote participation, which is particularly useful for SAG participant consultants, many of whom are not based in Illinois.
5. In addition to facilitator Annette Beitel, a meeting note-taker is in place to record meeting highlights and follow-up action items (Susan Wobbekind).

### **Assessing Stakeholder Objectives**

I developed a standard questionnaire that I used to interview SAG participants. With the exception of one organization (City of Chicago), all meetings were in-person at the organization’s office, and included some Springfield locations. Generally, the meetings lasted 2-

3 hours long. The questions and issues that were covered include: goals for the process in 2008, goals over the next three years, biggest challenges facing the portfolio, request for “small groups” to focus on issues such as technical, EM&V, policy, coordination with staff-led workshops, process rules, other issues or comments that the person/organization cares about or would like to discuss.

I interviewed the following SAG participants: ComEd, Ameren, DCEO, ICC Staff, ICC Counsel, Environmental Law and Policy Center, Natural Resources Defense Council, Center for Neighborhood Technology, Citizen’s Utility Board, Illinois Attorney General’s Office; Metropolitan Mayor’s Caucus, Environment Illinois, Midwest Energy Efficiency Alliance, Illinois Power Agency.

### Meeting Facilitation

During the first quarter, I facilitated three meetings: June 2, July 7, July 31. Key topics included marketing and outreach; energy efficiency messaging/awareness building; program launch updates; EM&V consultant and contractor RFPs; harmonizing statewide incentive levels; risks associated with programs (particularly addressing mercury in light bulbs).

### Challenges and Successes

My key challenge is getting all presenters to send me meeting materials in advance.

The key indicator of success, to date, is participation. The meetings regularly have 20 – 25 participants representing the main parties who are active in demand-side energy policy and programs in Illinois. Furthermore, the tone of the meetings are collegial and respectful.

### Goals for Second Quarter of the EE SAG Process

The primary goals of the second quarter will be to: 1. Coordinate with staff on energy efficiency-focused staff-led workshops; 2. Establish a EE SAG website to facilitate dissemination of meeting materials and other information relevant to EE SAG participants, and 3. Start process of regular reporting on portfolio performance and progress.

February 8, 2009

Re: Activity Report for Second and Third Quarter (August – October, 2008 and November – January, 2009, respectively) IL Energy Efficiency Stakeholder Advisory Group

### **Overview**

In the second and third quarters of the IL SAG, the meetings were heavily focused on evaluation, measurement and verification (EM&V). The core EM&V activities were: (1) Providing input to IL-specific evaluation principals to guide IL evaluation activities, and (2) providing input to the RFP and selection of the evaluation contractor team that will lead and implement evaluation over the three-year EE portfolios.

Other SAG developments include:

- Development of a common monthly report template;
- Quarterly reports will continue to be tailored by the individual administrator (ComEd, Ameren, DCEO) but will contain common elements; and
- A SAG website to post meeting materials and other materials of interest

During this period, the SAG provided input on scope of staff-led workshops that staff convened to assess whether the ICC should develop additional regulatory rules to govern energy efficiency. The meetings included presentations by nationally –known experts. The workshops were very well received. At the conclusion of the workshop staff concluded that, at this time, the ICC should not promulgate additional rules but instead stakeholders should continue to cooperate and seek to reach agreement on key issues through the SAG.

### **Description of Key Activities**

#### **EM&V Framework**

ComEd and Ameren, with input from the SAG, hired evaluation consultants Ralph Prah and Gil Peach to develop an evaluation framework to govern evaluation activities in IL. Peach and Prah provided, for SAG discussion, review and comments the following:

- Outline of issues to be addressed in an evaluation framework
- Recommendations for how the framework should be developed

- A timeline for developing the framework and evaluation plans
- Their recommendations for how key issues should be addressed in IL, and
- A common template for evaluation work plans that will be developed

Except for two key issues (development and application of net-to-gross ratios and whether input values should be applied prospectively or retroactively), SAG participants seemed receptive to the principles set forth by the evaluation consultants. In future SAGs, it might be helpful to have additional discussions of the two contested principles to identify majority and minority opinions, and the evidence to support the different positions. ICC staff have indicated that the IL evaluation framework principles are advisory, so evaluation contractors can elect to take different approaches. Although the framework principles are advisory, the extensive education about and discussion of the principles were useful because they helped participants gain a better understanding of evaluation and the key issues in evaluation that can impact results.

### **EM&V Contractors**

Based on input from the SAG and SAG evaluation consultants in the RFP development, EM&V contractor selection and contracting process, ComEd, Ameren and DCEO have hired high-quality independent evaluation contractors who will guide the development of process evaluations (designed to identify program improvements) and impact evaluations (to independently verify savings from the programs).

### **Regular SAG Reporting**

SAG members provided input on what they would like to have reported on a monthly basis. Based on this input and feedback, Ameren developed a common monthly report format that will be used for SAG reporting. The three administrators will continue to use their own report format for quarterly reporting.

### **Other Issues**

In addition to EM&V and program and portfolio updates and reporting, the SAG meetings addressed the following topics:

- ComEd’s Community Challenge – ComEd is seeking to assess whether local governments can be an effective delivery channel for EE programs. ComEd presented several versions of its proposed program design to the SAG for comment and feedback;
- ComEd “Energy Doctor” – ComEd presented its “mobile energy doctor” concept for SAG input and feedback. This outreach channel will bring efficiency messages to customers who may not be receiving EE information through traditional channels;
- Ameren presented for SAG feedback portfolio adjustments it would like to make based on market response to its offering, and also identified unique challenges its lighting program faces; and



- The three administrators jointly developed a common proposal for how to deal with projects that cut across program years, which the SAG reviewed and accepted

### **Challenges and Successes**

The SAG meetings continue to be well-attended. The material presented is building greater awareness and understanding of energy efficiency. The SAG meetings are also fostering consistent and coordinated efficiency efforts among the administrators.

During this time period, my biggest challenge continues to be getting presenters to submit materials before meetings so they can be reviewed in advance by SAG members.

### **Goals for Fourth Quarter of the EE SAG Process**

I plan to have individual meetings with SAG participants to assess what they would like to see the SAG accomplish in 2009. Given new funds available for gas programs through the Stimulus Bill there will likely need to be greater coordination of efficiency efforts to ensure that reported results are consistent and to leverage programs to maximize success and value of dollars spent.

November 4, 2009

Re: Activity Report for 2009: Q2: (February – June 2009)<sup>2</sup> IL Energy Efficiency Stakeholder Advisory Group

### **Report Period**

This report covers the following meetings:

- February 3, 2009
- February 17, 2009
- March 3, 2009
- April 7, 2009
- May 26, 2009
- June 30, 2009 (morning technical subcommittee, afternoon regular meeting)

### **Overview**

In the second quarter of 2009, meetings focused on the following activities:

- Planning
  - Discussion of Planning Process for the Second Three-Year Energy Efficiency Portfolio
- Program Design
  - Whole Home/Energy Star with Home Performance Pilot Program
  - ComEd's Small Commercial Strategy
  - ARRA Stimulus Funds and Coordination with Ratepayer-Funded Efficiency
  - Demand Response Programs
- Reporting
  - Ameren, ComEd, DCEO Q1 Reports
  
- Evaluation, including

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<sup>2</sup> Per direction from CEF, this and subsequent reports shall cover calendar quarters, so this report covers February through June, 2009. Subsequent quarter

- Review/comment of the Program Year (PY 2008 – 2009) Ameren, ComEd and DCEO Residential and C&I Program Evaluations
- Overview of Potential Studies and Market Assessment by National Energy Efficiency Expert (Phil Mosenthal – Optimal Energy)
- IL Evaluation Framework – Final Draft
- IL Default Values – the TIGR Database

## **Description of Key Activities**

### **Planning**

- **Second Year Portfolio Planning Process**

The EE facilitator met individually with each active SAG participant to discuss their procedural and substantive goals and objectives for the Second year Portfolio Planning process. She then shared this input with Ameren, ComEd and DCEO. The meetings resulted in proposed planning goals (still to be vetted with SAG in December), a schedule for planning activities (presented to the SAG) and a program planning template that will give SAG members the opportunity to propose program ideas and program improvements for the second three-year portfolio.

Ameren and ComEd have been very receptive to working with the SAG to make it possible for SAG members to provide meaningful input during the planning process, and to ensure the planning process is open, transparent and inclusive.

### **Program Design**

SAG members were asked to provide input and comments on the following program design and/or program design issues that are in development or under consideration: Whole Home Strategies, ARRA Stimulus funds and coordination with ratepayer-funded activities and demand response program integration with energy efficiency programs. Discussions/issues included the following:

- **Whole Home**

Current efficiency program offerings in IL are largely single-fuel (for single fuel utilities) and single measure. To get greater savings on the residential side, efficiency advocates in Illinois and elsewhere are advocating for “whole home” approaches. The national model for “Whole Home” is Home Performance with Energy Star, but other approaches are also being used and are successful. To seek input on how to facilitate and encourage moving beyond “single fuel/single measure” programs on the residential side, the EE SAG group had presentations from EPA/DOE on its “Home Performance with Energy Star” model and Anne Evens, of the Center for Neighborhood Technology, on the Whole Home Pilot

underway in Chicago. These presentations will serve as a foundation for considering increased “whole home” approaches in the second three-year portfolio.

- Demand Response

In IL, demand response and energy efficiency are largely operated as separate programs, and are not seen or marketed as complementary ways to help customers save money and energy. Ameren and ComEd presented their current demand response programs to stakeholders, which may serve to encourage more integrated offerings in the next three-year portfolio.

- Coordination of ARRA –funds and Ratepayer-funded Programs

Jonathan Feipel of DCEO presented DCEO’s plans for ARRA-funds, and how DCEO designed ARRA funding initiatives to complement rather than compete or overlap with existing ratepayer-funded programs. Ongoing discussion of how these funding sources can complement/leverage each other will be beneficial.

## **Reporting**

- Monthly Reporting

Ameren and ComEd circulate monthly reports to the SAG stating results using a common reporting template.

- Quarterly Reporting

Ameren, ComEd and DCEO report quarterly on their program results, including successes and challenges. The report is not a common program template, as the information is not strictly numeric, but an assessment of what is working and what is not working, which may vary by program and administrator (ComEd, Ameren, DCEO).

## **Evaluation**

- Review/Comment of First Year Evaluation Plans (Ameren, ComEd, DCEO)

The evaluation contractors for the Ameren, ComEd and DCEO residential and business portfolios presented their evaluation plans for the first year portfolios. The evaluation contractors who presented included senior evaluators from around the country, including Sami Khawaja (Cadmus Group) from Portland, Oregon, Jeff Erickson from Summit Blue Consulting and Mary Sutter and Bill Norton (Opinion Dynamics) from California and Boston, respectively. The evaluation contractors explained their proposed allocation of resources across different programs, and also choices between allocating funds between impact evaluations, which assess how much energy was saved by a program, and process evaluations, which identify how programs can be improved. The “large group” meeting

was followed by two SAG teleconferences to allow interested SAG participants to ask additional follow-up questions on the proposed methodology and resource allocations across evaluations and propose evaluation plan changes.

The evaluation contractors expressed a willingness to make changes to proposed resource allocations and methodologies in response to SAG member input. Although SAG members had many questions, they did not request changes to the proposed evaluation methodologies. Although the SAG review did not result in changes, it helped ensure that the evaluation process was independent, transparent, responsive to stakeholder input, and educated stakeholders about the evaluation process.

- Overview of Potential Studies and Market Assessment Studies

Phil Mosenthal, a nationally and internationally known expert in potential studies who wrote the National Energy Action Plan chapter on potential studies, educated the SAG about potential studies and market assessments. He addressed several key questions, including:

- What is a potential study?
- What information is collected in a potential study?
- How are potential studies used?
- How do potential studies differ from or supplement other market assessment studies?
- What questions do they answer?
- When should a potential study be done?
- How much do they cost?
- What are pitfalls/shortcomings with potential studies?
- What potential studies already exist for the IL?  
EPRi potential study

After Mr. Mosenthal's primer on potential studies, ComEd and Ameren presented their plans for potential studies and market assessments for SAG input. As with the Program Year 1 evaluation plans, the evaluation contractors for the Ameren and ComEd potential studies were willing to make changes to the potential study plans in response to SAG input.

- Final IL Evaluation Framework

In the fall of 2008, there were a series of presentations on principles guiding evaluations in IL by evaluation consultants Ralph Prah and Gil Peach. The presentations culminated in a document titled: Illinois Evaluation Framework: Guiding Principles. Evaluation consultant Prah/Peach recommended against a "cookbook" approach to evaluation in IL given the funding for evaluation, the level of evaluation resources and capacity, and the maturity of the programs. Thus, the principles are high-level statements intended to govern the approach and applicability of evaluations in IL.

Stakeholders reviewed and reached consensus on many principles. Two key principles that are unresolved, despite several discussions at the SAG, are:

- Whether evaluation results should be applied retroactively or prospectively, and
- The use of net savings results.

The resolution of these issues will have a significant impact on whether, long-term, ComEd, Ameren and DCEO are viewed as having met their legislatively-mandated goals. The SAG did not reach a compromise on these principles, though several compromised positions were discussed. Thus, the Illinois Commerce Commission will need to discuss and resolve these issues.

- **IL TIGR Database**

To ensure that program proposals and results can be compared to assess which are most successful, it will be helpful to have a database of common planning assumptions, including costs, savings and expected useful lives that are based on IL-specific data. At a SAG Technical Subcommittee, technical experts discussed what form the common planning assumptions should take, such as a Technical Reference Manual, an Excel Spreadsheet or a more sophisticated searchable database. The evaluation consultants and technical experts identified certain challenges that will need to be addressed and resolved, such as how often and through what process the database would be updated, and also that the utilities are currently using different measure-identifiers.

The evaluation consultants are developing a list of common measures, and this can provide a starting point for a database of common planning assumptions.

MEEA has offered to host the database of common planning assumptions. This effort will hopefully move forward during the Second Three-year planning process.

### **Challenges and Successes**

The SAG meetings continue to be well-attended, and attendance is increasing. The material presented is building greater awareness and understanding of energy efficiency. The SAG meetings are also fostering consistent and coordinated efficiency efforts among the administrators.

During this time period, my biggest challenge continues to be getting presenters to submit materials before meetings to they can be reviewed in advance by SAG members.

### **Goals for Second Year of the EE SAG Process**

The key activities for the second year of the EE Process will be to:

- Have a clear, fair, transparent, open process for EE SAG Input into the second three-year planning process.

The EE SAG Facilitator met with each active participant in the SAG process to assess their goals for providing input to the process and goals of the second three-year portfolio planning process. The result of meetings includes: portfolio planning process goals, a planning template and a schedule of meetings starting in December 2009 through August 2010. The process will allow for SAG participants to provide program ideas, improvements to existing programs, and help shape the goals of the portfolio beyond the statutory goals.

In turn, ComEd and Ameren have both been extremely receptive to receiving input from SAG members on the next three-year portfolio. Utility support for this process has included developing a program planning template that stakeholders can use to propose programs, training on the economic analysis that program ideas will need to undergo and pass to be considered in the new portfolio, and offers to include stakeholders in “small group” planning teams on specific topics of interest. ComEd and Ameren have also committed to a common, coordinated schedule for SAG input to allow for easier participation and input by SAG members into the planning process.

- Coordination

In the next three-year portfolio cycle, statutory gas programs will also operate, and there will likely continue to be ARRA and Block Grant funds. Efficiency programs will need to be effectively coordinated to minimize administrative costs, avoid creating duplicative infrastructure, and to maximize program penetration/minimize customer and trade ally confusion. The SAG has discussed principles and practices for effective statewide coordination, and also has discussed program areas that should be coordinated. These discussions will continue in Program Year 2.

January 29, 2010

Re: Activity Report for 2009: Q3: (July – September) and Q4 (October – December) IL Energy Efficiency Stakeholder Advisory Group

### **Report Period**

This report covers the following meetings:

- September 30, 2009 (including morning Technical Subcommittee)
- October 27, 2009
- December 16, 2009

Meetings were not held in July, August or November. However, the SAG facilitator had several one-on-one meeting with individual SAG participants to get input on designing a statewide, collaborative 2011 – 2014 portfolio planning process.

### **Overview**

In the third and fourth quarters of 2009, SAG meetings focused on the following topics: 1. Reports from Program Year 1, including both self-reports and reports from the evaluation contractors and 2. Developing a framework for a statewide, collaborative 2011 – 2014 portfolio planning process. SAG meeting topics included:

- **Developing Statewide, Collaborative 2011 – 2014 Portfolio Planning Process**
  - Proposed Scope and Process for SAG Input to the 2011 – 2014 EE Portfolio Development
  - Program Planning Template for 2011 – 2014 Planning Process
  - DSMoore Cost-Effectiveness Tool presentation
- **EM&V:**
  - Preliminary Potential Study/Market Assessment for ComEd and Ameren
  - Ameren Residential EM&V Results (Process and Impact)
  - Ameren Business EM&V Results (Process and Impact)
  - ComEd request to finalize SAG recommendations on application of NTG results



- **Reporting**
  - Quarterly Reports: Ameren and ComEd
  
- **Other**
  - ComEd presentation on Electric-Gas Program Coordination
  - DCEO BITE (Building Training and Education Programs for Year 2 EEPs)
  - Utility Image Building through EE Funds

### **Description of Key Activities**

#### **Developing Statewide, Collaborative Planning Process for 2011 – 2014 Plan**

- **Individual Meeting to Gather Input on Statewide, Collaborative Planning Process for 2011 – 2014 Plans**

During July – September, 2009 (Q3), EE SAG facilitator Annette Beitel met with the following people and organizations to get input on the Statewide, Collaborative Planning Process for 2011 – 2014:

- Ameren (Martin, Kansfield, others) (meeting in Peoria)
- ICC Staff (Brightwell, Kennedy, Zuraski) (meeting in Springfield)
- ELPC (Kelter)
- AG’s Office (Hedman, Mosenthal, Munsch)
- City DOE (O’Donnell)
- ComEd (Jensen, Brandt)
- Env. IL (Granahan)
- DCEO (Feipel)
- CUB (McDaniel)
- Metropolitan Governor’s Association (Agassie)

The meetings focused on the scope, schedule and process for facilitating SAG participant suggestions for new programs, measures and strategies for the EEPs administrators to consider in the next three-year portfolio. The collaborative planning process will allow participants to propose new ideas, which the administrators will evaluate for cost-effectiveness using the DSMoore calculator. If the participant ideas are cost-effective,

the administrators will work with interested SAG participants to assess whether the idea is viable and can be included in the 2011 – 2014 portfolio.

- **Common SAG Participant Planning Template**

ComEd (Brandt) developed a common planning template that all SAG participants can use for new program ideas, and presented to the SAG for input and feedback. This template is a common, consistent platform for moving forward with SAG ideas.

- **DSMoore Cost-Effectiveness Calculator Presentation**

ComEd and Ameren have selected the same cost-effectiveness tool (DSMoore) to conduct economic analysis of individual measures, programs and the portfolio. ComEd arranged to have DSMoore present an overview of the calculator to give SAG participants an understanding of the inputs and calculator results that will guide whether a particular measure or program can meet the economic screen to be included in the 2011 – 2014 portfolio.

**EM&V:**

- **Market Assessments, Process and Impact Studies**

Three high-quality evaluation contractors were selected with SAG input to provide process (how to make programs better) and impact (what results programs achieved) assessments for the three portfolios. The contractors are the Cadmus Group (for Ameren residential), Opinion Dynamics Corporation (for Ameren Commercial and Industrial-sector programs) and Summit Blue (recently purchased by Navigant Consulting) for ComEd and DCEO's programs. In addition, the Cadmus group was selected by both Ameren and ComEd to conduct market assessment and potential studies to inform future program and portfolio design. During Q3 and Q4, the evaluation contractors reported on the following market/potential studies, process and impact results:

- Preliminary Potential Study/Market Assessment for ComEd and Ameren
- Ameren Residential EM&V Results (Process and Impact)
- Ameren Business EM&V Results (Process and Impact)

One impact assessment result that has prompted considerable SAG discussion is the very different net-to-gross (NTG) ratios that evaluation contractors Summit Blue (ComEd) and Cadmus (Ameren) reported for ComEd's and Ameren's residential lighting programs, despite similar program design. ComEd's NTG results for the residential lighting program was 0.68, whereas Ameren's NTG results for the same program was 1.03. It is unclear whether the different results are due to differences in service territory, different evaluation methods or the

different contractors used. The SAG will have further discussions to explore this result and seek to develop stable, high-quality, consistent methodologies to ensure comparable results between administrators and over time.

- **ComEd request to finalize SAG recommendations on application of NTG results**

Val Jensen presented ComEd's request to finalize the SAG recommendations on how EM&V-derived NTG results should be used to determine savings, an issue that the SAG has discussed previously but had not been able to resolve. The AG's office (Hedman and Mosenthal) agreed to develop a proposed framework for counting net savings in IL for SAG review. The AG did present this framework in the January, 2010 SAG meeting, and no SAG participants opposed the framework.

## **Reporting**

- **Quarterly Reports: Ameren and ComEd**

ComEd and Ameren continue to provide monthly reports to the SAG on program and portfolio performance. In addition, ComEd, Ameren and generally DCEO also provide quarterly reports to the SAG where they review progress to date, areas or initiatives that are particularly successful, and areas that are challenges or lagging, for SAG input and feedback.

Given the amount of material to cover in the SAG, SAG participants recommended shortening the quarterly report-outs to ½ an hour, an approach that will be tested during the next quarterly report-out.

## **Other**

- **ComEd presentation on Electric-Gas Program Coordination**

ComEd (Malek) made a presentation on the importance of coordinating programs, particularly gas and electric coordination, and explained how such coordination is consistent with ICC directives. He reports that the value of coordination in reducing costs and extending program reach. He described many examples of current coordination efforts (coordinated marketing, incentives, joint offerings, etc.), and sought SAG feedback on additional areas and initiatives to coordinated.

Mr. Malek's presentation provided a useful set of principles to consider moving forward with the next portfolio planning process.

- **DCEO BITE (Building Training and Education Programs for Year 2 EEPs)**

David Baker presented the building training and education grants that DCEO will fund for Year 2. One DCEO-funded initiative that several EE SAG participants will participate in is the Home Performance with Energy Star planning process that MEEA is leading.

- **Utility Image Building through EE Funds**

Rob Kelter (ELPC) presented several images from stores where the EEPS-funded incentives for light bulbs are being promoted by ComEd through point-of-purchase displays that read “SAVE – Low Price Brought to You by ComEd”, and expressed concern that ratepayer-funded CFL incentives are being used to burnish ComEd’s brand. Both ComEd and Ameren expressed willingness to consider a “tagline” that stakeholders are comfortable with to indicate the incentives are funded through ratepayers. Rob indicated he was willing to take the lead to work with stakeholders to propose a tagline for use in marketing and outreach.

### **Challenges and Successes**

The SAG meetings continue to be well-attended, and attendance continues to increase. If participation increases further, we may need to consider a new space as the MEEA conference room is at capacity.

During this time period, my biggest challenge continues to be getting presenters to submit materials five calendar days before meetings so they can be reviewed in advance by SAG members.

### **Goals for Second Year of the EE SAG Process**

The key activities for the next three quarters of the EE Process will be to:

- **Fostering an Open, Transparent, Collaborative and Inclusive Planning Process**

SAG members are in the process of developing and proposing new measures, programs and initiatives for the new three-year portfolio. The administrators will be working with interested SAG participants to assess cost-effectiveness and the viability of the SAG-proposed ideas.

- **Coordination**

Coordination will continue to be an important theme and focus of the SAG. The different NTG results from Ameren and ComEd’s lighting program underscores the need for coordination and consistency. I expect coordination will include:

- Further discussion and process for better coordinating EM&V across administrators to ensure comparable results

- Further discussion and coordination of input assumptions (where justified by similar characteristics) to the cost-effectiveness calculator
- Further coordination across different program administrators to ensure common program designs, measure descriptions and incentive levels
- Coordination with ARRA funds to leverage and maximize results from the EEPs and ARRA funds

**F. Proposed Consensus Framework for Application of NTG Ratios** (SAG discussion needed on whether this should be included in SAG report, along with NTG values)