

**Technical Reference Manual:
Consensus Changes to Front Matter (Areas of Agreement) and
Remaining Non-Consensus Issues**

July 30, 2012 (Excerpted from P. Mosental/Jennifer Hinman list 7/17)

A. Areas of Agreement: Consensus Changes to Front Matter

1. **Modify/Remove Custom Measure Protocols:** Modify (pp. 523-532) and remove (pp. 533-538) the Custom section and remove reference on page 18
Edit text on Pages 523-532; remove text on Pages 533-538; and edit text on Page 18 of 6/6/12 TRM version (only p. 18 edits are shown below)

“2.6 Measure Expansion Protocol for Custom Application of TRM Measures
A TRM measure may be treated as a “Custom” rather than a “Prescriptive”
measure as long as the measure is treated as a custom measure on a consistent
basis within the program in question. In such cases where otherwise prescriptive
measures within the TRM are implemented on a custom basis, the Measure
Expansion Protocol must be applied as described in detail in Section 8.”

2. **TRM-verified energy savings should “count” towards savings goal achievement**

Edit text on Page 24 of 6/6/12 TRM version

“Evaluators shall perform savings verification (see glossary section) and present savings estimates based on TRM values within the evaluation reports of the Utilities’ and DCEO’s energy efficiency portfolios. These savings verification values shall be used for the purpose of measuring savings toward compliance with Program Administrators’ energy savings goals. Evaluators shall perform net-to-gross research consistent with utility orders.”

3. **TRM #s must be shown in Plan Filing, even if the Program Administrator chooses to deviate from the TRM**

Edit text on Page 25 of 6/6/12 TRM version

“The Utilities and DCEO are permitted to use additional assumptions other than those contained within the TRM in their Plan filings, provided they include a description of why they believe deviation from the TRM is appropriate (e.g., a particular measure may be in the process of getting updated in the TRM at that time); however, Program Administrators must also show planning estimates from using the TRM assumptions for comparison purposes.”

4. **Mandatory use of TRM Values in Evaluation Report:** Commission-approved TRM #s must be shown in evaluation report in instances where Program Administrator has deviated from TRM by using a different prescriptive savings algorithm (where consensus was reached), and in cases where there is consensus that the TRM contains an error and agreement is reached on a correction to the TRM

Edit text on Pages 23-24 of 6/6/12 TRM version

Agree we resolved, but see comment on #6 under unresolved issues. Again, I thought we agreed to drop this option and the only exceptions would be a custom approach, or when there is a mid-year revision or error.

“4.4 Using the TRM to Calculate Savings

The TRM is intended to bring a high level of standardization to the measure savings that each Program Administrator (Utilities and DCEO) uses across the state. To accomplish the goal of statewide standardization, Program Administrators are required to use the prescriptive savings algorithms and input values that are provided in the TRM, subject to the following three exceptions.

1. The measure savings are being calculated on a custom basis.

A Program Administrator can choose to implement a TRM measure as a custom measure. Just because a measure is in the TRM does not mean that a Program Administrator must calculate savings for that measure prescriptively. The Program Administrator may choose to implement a measure through its own custom program, calculate savings using actual or on-site parameter values. However, once a measure is implemented on a custom basis within a particular program, all instances of the measure within that program must be implemented on a custom basis. Also, prior to treating a TRM measure as a custom measure in a particular program, the Program Administrators will notify the TAC, and the treatment of the measure as a custom versus a prescriptive measure will be discussed during the TRM Update Procedure during the next update cycle.

2. The measure does not yet exist in the TRM.

In this case, the Program Administrator is free to use algorithms and/or input values that do not yet appear in the TRM after discussing the new measure with the TAC. The Program Administrator shall provide to the TAC and TRM Administrator the Components of the TRM Measure Characterization contained in Section 2.3, and also work papers in the approved format. The results will be subject to the usual evaluation and ICC review requirements, and the new measure must be submitted to the TRM Update Procedure during the next update cycle.

3. The TRM measure definition or prescriptive savings inputs do not correctly characterize a measure that is already implemented in an existing program.

Through the TRM development process, the TAC attempted to identify all of the measures that are currently being implemented in programs. The TAC also worked to ensure that the prescriptive savings inputs describe how the measure is being implemented in all of the current programs. However, the measures or prescriptive savings inputs in the TRM may differ from how the measure is actually being

implemented in a particular program, especially over time as programs and markets evolve. If the TRM measure or prescriptive savings inputs do not match how a measure is implemented in an existing program, the utilities and DCEO may modify savings inputs as long as the TAC is notified of the change prior to the utility using the modified savings inputs, and the measure definition change and/or modified prescriptive inputs are submitted to the TRM Update Procedure during the next update cycle.

In cases where the Program Administrator feels that it has a strong and documented case for calculating the prescriptive measure savings based on its own prescriptive savings inputs and algorithms that differs from prescriptive savings inputs and algorithms contained in the TRM, it must first submit its case to the TAC with the measure characterization and work papers and to the TRM Update Procedure for possible inclusion in a subsequent version of the TRM. For example, the Program Administrator may have undertaken a new evaluation study that provides a new parameter value that is better supported or more applicable to the local conditions.

For Cases 1 – 3 above, the utilities will present for comment to the TAC prior to using a value that is not in the TRM, and also submit the alternate value to the TRM Update Procedure during the next update cycle. At least ten (10) business days prior to presenting Cases 1 – 3 to the TAC, the Program Administrator shall submit to the TRM Administrator and the SAG Facilitator the measure characterization and work papers in the approved work paper format so that the TAC has adequate time to meaningfully review and comment on the proposed variation to the TRM applicability. Furthermore, utilities bear retrospective risk if the ICC does not agree with measure values, including prescriptive savings inputs, used by the utilities that differ from what is in the TRM.

If a SAG/TAC participant believes that the TRM measure characterization does not adequately reflect savings of a measure, then it should inform the SAG/TAC of its concern and present an alternative. If consensus is reached that the alternative is more appropriate, then the TRM Administrator shall inform the Evaluators to also calculate savings under this alternative, in addition to performing savings verification using the Commission-approved TRM. If such alternative calculation is stipulated for acceptance by all the parties in the utility's savings docket, this alternative value may be used in measuring savings toward compliance with the Program Administrator's savings goals.

4.4.1 TRM Mistakes

If a significant mistake is found in the TRM that results in an unreasonable savings estimate, the Program Administrator(s), Evaluator, TRM Administrator, and SAG will strive to reach consensus on a solution that will result in a reasonable savings estimate. For example, an unreasonable savings estimate may result from an error or omission in the TRM, or an assumption in the TRM that is found to differ significantly from actual program findings. In only these limited cases where there is consensus that the TRM contains a significant mistake will TRM updates occur within a program year and outside of the TRM update schedule defined in Section 4.

In these limited cases where consensus is reached, the TRM Administrator shall inform the Evaluators to will use corrected TRM algorithms and inputs to calculate energy and capacity savings, in addition to using the Commission-approved TRM algorithms and inputs to calculate savings. If the corrected TRM algorithms and inputs are stipulated for acceptance by all the parties in the utility's savings docket, then the corrected TRM savings verification values may be used for the purpose of measuring savings toward compliance with the Program Administrator's energy savings goals. Otherwise, errors found in the TRM will be officially corrected through the annual TRM Update Process. Program Administrators should provide sufficient justification for using the alternate solution within a memo to the SAG/TAC for comment prior to using the alternate measure or prescriptive savings assumption. This documentation will also be used for the TRM update process.”

5. Independence of TRM Administrator

Edit text on page 27 of 6/6/12 version

“**TRM Administrator** (Independent Consultant) – The TRM Administrator has primary responsibilities to manage changes to the TRM document, present to the SAG TAC, coordinate with the SAG, serve as an independent technical resource, and if desired by the SAG, manage a publicly accessible TRM website that contains TRM-related documents such as references, recommendations, responses, and versions of the TRM. The TRM Administrator reviews and responds^[1] to all formal TRM recommendations by a date specified in advance by the TRM Administrator, when updating the TRM for a specific program year. The TRM Administrator prepares the revised TRM document (redlined) each year for filing with the ICC based on recommended TRM changes vetted through the SAG TAC and the large-group SAG. The TRM Administrator shall make any necessary revisions to the TRM to reflect the Commission Order from the annual TRM Update proceeding. To ensure independence of the TRM Administrator and transparency in the TRM development process, the TRM Administrator shall ensure that all requesting parties are copied on all correspondence between the TRM Administrator and any other party related to the Illinois Statewide TRM development and update process and other activities associated with the TRM Administrator's role as set forth in the TRM. The TRM Administrator shall keep a log of discussions with any party related to the TRM.”

B. Areas of Disagreement: Non-Consensus Items Regarding Front Matter

1. TRM Update Timeline and Annual ICC Approval

^[1] The TRM Administrator's “response” to a formal recommendation for a TRM change shall explain whether the TRM Administrator agrees with the formal recommendation (either in its entirety or as modified by the TRM Administrator) and the justification for the TRM Administrator's recommendation.

2. **Evaluation Results Reporting; Evaluation Results Updating TRM** Location and timing of measure- and program-level evaluation research reporting, the results of which are used for planning purposes and to inform TRM updates – (a) appropriateness of having these measure- and program-level evaluation research findings reported within the annual evaluation reports (TRM p. 24 requires dual savings reporting) and (b) appropriateness of having the ex post TRC analysis incorporate these findings (potentially dual TRC results based on difference in savings from TRM). I agree that we did not fully resolve (b), whether ex-poste TRC analysis should rely only on the TRM deemed values or any newer evaluation findings. However I thought we did all agree on (a) that utilities will include as an appendix in filings any evaluations that were done, but that they would not be also providing a specific table up front showing two sets of portfolio numbers (e.g., the deemed and verified values AND the EM&V ex-poste values).
3. **Must TRM Incremental Measure Costs Be Used in the Efficiency Plan Filings:** Appropriateness of having the TRM incremental costs (labeled “deemed measure cost” in TRM) mandatory to use in efficiency plan filings (measure screening) and/or ex post TRC analysis (issue particularly relevant for cases where the measure characterizations don’t explicitly permit using a different or actual (direct install) incremental cost value).
4. **Independence of TRM Administrator** – Appropriateness of ICC authority to approve TRM Administrator contract and to direct utilities to terminate contract for lack of independence
5. **Appropriateness of including policy changes in the TRM that relate to the evaluations of EPY4/GPY1 (June, 2011- May, 2012) programs** (p. 24 “o For savings achieved in EPY4/GPY1, Evaluators will apply unit savings included in Utilities’ approved Energy Efficiency Plans.”) After a call with Nicor I believe the TRM document is not the appropriate place for this but that this is a fairly urgent issue the SAG does need to resolve ASAP so Nicor and Integryns can move forward with EM&V work. Suggest we add this to next SAG agenda and try to resolve as a separate issue.
6. **Appropriateness of reporting TRM savings values for TRM measures that Program Administrators choose to implement on a custom basis.** My understanding was that we did agree PAs do not need to do dual reporting for those measures done on a “custom basis” as that term is defined (i.e., when a PA is truly using a custom method as allowed within the TRM that relies in some way on more site-specific inputs and is really customized, an example being the plans of some PAs for air sealing). I do believe we did not fully resolve the situation where a utility could plausibly ignore a prescriptive algorithm in the TRM and simply use a different prescriptive approach at risk, however, I thought the utilities agreed they could give up this option and we would edit the doc to not allow this (obviously we can all still agree to revise a prescriptive algorithm mid-year and then use it and we agreed in those cases there would be dual reporting).

This still gives PAs flexibility to come to SAG/TAC to request a fix to the algorithm they don't like, but not to unilaterally ignore it. So, if utilities are still in agreement to remove this additional exception to use of the TRM without consensus I believe we have agreement on these issues.