

Attachment A: Key Issues for SAG Portfolio Planning Process DRAFT

Threshold Issues

- All parties must commit that positions taken during this process, including presentations and comments made during discussion meetings, will not be used in litigation – “rules of the road.”
 - **ACT:** Celia will draft and run it by the lawyers
- What is the scope, sequencing and timing of issues?
- Commission approval of Plans¹:
 - High level topics to be included:
 - Statutory topics for Commission approval:
 - Portfolio Savings, budgets
 - Program Budgets (within 20%)
 - Program content (an opportunity for Customers of all rate classes to participate)
 - Independent evaluation – timing for issuance of evaluator RFPs to ensure a contract is in place at the start of the programs
 - Additional topics for Commission approval:
 - Policy rules
 - Anything else?
 - For electric utilities., what belongs in IPA portfolio?
 - What do the plans really need to settle?
 - What is within Administrator discretion?
 - With accountability comes responsibility
- What would planners/stakeholders like to know up-front?
- What is goal of discussion? Stipulated agreements at end?
 - Who should participate? Review past Plan dockets to determine intervenors.
- What won't settle?
- What is current performance of portfolios?
- Figure out what issues merit time
 - For proposals to be included in the Plan, the interested stakeholder should include impacts to the Plan, including costs and savings. Utilities should also do this as part of their planning process. This information should be allowed to be used in the docket.²
- Annual vs. lifetime savings
- Program gaps and overall Plan design goals
 - What are we trying to accomplish?
 - Continued enhancement of gas and electric coordination
- DCEO budget
 - Can EE help former LIHEAP customers that have been cut off, to reduce usage?
- What information do we need to know to have informed discussions?
 - Data on current (2014) budget across programs
 - Data on cost/unit energy across programs
 - Non-program costs – where is money going?
 - Marketing – 3 – 4%

¹ See Section 8-103(f) and 8-104(f) for a list of filing requirements for Plans.

² See 10-0568 Final Order at 26-27 (December 21, 2010).

- R&D – 3%
- EM&V = 3%
- Admin – generally less than 5% in IL
- Can the utilities clarify in the Plan whether the non-Program costs used in the Plan represent any non-Rider costs?

Issues for Discussion

1. DCEO Funding
 - a. Amount
 - b. Areas they would cover
 - c. Independent evaluation contract
 - d. What are realistic DCO goals?
 - e. What is the load of customers that DCEO actually serves, as a % of entire load?
2. What goes into IPA? **UP FRONT**
 - a. Low/moderate income?
3. Allocation between C&I and Res
 - a. Maximize savings?
 - b. Funds allocated according to class contribution or more generally
 - c. “Balanced” portfolio of options for customers
 - d. Roles that Potential Studies play in determining the allocation
4. Money allocated to low income/moderate income
 - a. Defining “low income” and “moderate income” customers
 - i. Expansion of the low income customer definition.
 - ii. What does “moderate income mean”? What is the purpose of offering programs to this particular subset of customers
 - b. Should there be effort to identify how much these populations contribute? Yes.
 - c. Policy Issue: How much to allocate to low/moderate income? – At a minimum, proportionate share to customer population.
 - i. Is this concern the share of low/moderate income population, or the share of the total population?
 - d. It is possible to offer less efficient equipment for low-income programs and achieve greater savings. (For ex: A 95% AFUE furnace saves apx. 3% more gas than a 92% AFUE furnace, however the cost is apx. 20-25% more). Can the low-income programs serve more customers with their budget if this approach is utilized?
5. Cost-Effectiveness Screening Issues
 - a. NEBs
 - b. Common inputs
 - i. Transparency in the sources (not always common)
 - ii. Transparency in incremental cost assumptions
 - c. Sensitivity analysis
 - i. Societal vs. cost of capital discount rate
 - d. Providing joint program TRC results in Plan filings
6. Cents/First year (and lifetime) kWh and dollars/First year (and lifetime) therm - **UP FRONT**
 - a. Gas
 - b. Electric
 - c. What is current price per kWh/therm savings of the Res/C&I Portfolio?
 - i. Res
 - ii. C&I
 - iii. Low Income

- iv. By program?
 - d. What is reasonably aggressive goal (price/kWh; price/therm) for Res and C&I Portfolio?
- 7. Annual vs. Lifetime savings
 - a. To what extent should focus on annual vs. lifetime savings?
- 8. Allocation across Programs – **UP FRONT**
- 9. Cost-Effectiveness of Portfolio?
- 10. Large C&I Customers
 - a. What are their unique needs?
 - b. How can we address programmatically the best we can?
 - c. Can we have a specific meeting for them to come?
- 11. Are we allocating EM&V resources in an ideal way? If not, are there any fundamental changes that need to be considered?
 - a. How much money impact vs. process?
 - b. Forward looking vs. bean counting?
 - c. Do we need simple discussion annually about forward-looking EM&V?
- 12. Program Design
 - a. What specific programs could be improved?
 - b. New program ideas/new technologies/new services? Additional description in the Plans on demonstration of “breakthrough equipment and devices.”
 - c. Are upstream incentives being utilized to their full potential?
 - d. Smart Grid – are we fully leveraging deployment of smart meters through EE? (This question needs to be addressed within the context of where each utility will be in terms of service territory installation rates.)
 - e. Role of Codes and Standards – can we claim savings? (Codes Collaborative – will this continue?)
 - f. Role of Market Transformation
 - i. What are markets we want to prioritize for transformation
 - ii. How broadly should market transformation be defined?
 - g. Wasted Energy – do we have effective program strategies to capture?
- 13. Portfolio Gaps?
 - a. Programs
 - b. Technologies
- 14. Maximizing savings vs. comprehensiveness?
- 15. Gas vs. Electric spending?
 - a. Section 8-104 Limits
- 16. Process Moving forward
 - a. Matrix
 - i. Dollars/Budget
 - ii. Take off top – Portfolio costs
 - 1. EM&V; admin; general marketing
 - iii. Historic Information in Matrix
 - 1. Can the utilities clarify in the Plan and in data presented for historic detail, whether the non-Program costs used in the Plan represent any non-Rider costs?
 - 2. For joint programs, costs and savings for both electric and gas should be included.
 - b. Top Down
- 17. Potential Studies
 - a. Role of potential studies
 - b. When will they be done?

- c. How will they be used?
 - i. Gas – Are there areas we are not currently getting?
 - ii. IPA – Could we use to identify other decisions that could go into plan?
 - iii. Are there areas we have not been pursuing?
 - d. What are the bounds of potential studies?
 - e. Is there information gathered that could be leveraged to update the TRM?
 - f. Is there information gathered that could inform estimates for non-participant spillover?
18. Gas-Electric Coordination
- a. What programs should be coordinated, ideally?
 - b. To what extent does lower gas budget preclude full coordination?
 - c. Providing joint TRC results for programs
 - d. Timing to facilitate ComEd having gas final numbers when their Plan is filed
 - e. Options for different levels of funding, for the Commission to consider
19. Changes to Current Program Design – **Up Front**
- a. Starting Point – Current Portfolio
 - b. Any changes?
 - c. Evidence
 - d. Portfolios and programs are mature – evidence-based discussion to inform changes (other jurisdictions)
 - e. Custom Programs – how do Program Administrators come up with savings?
20. Adjustable Goals? Nuanced Discussion
- a. Changes due to TRM changes vs. changes due to NTG values
 - b. Reach agreement on the NTG ratios used in the Plan filing.
 - c. Transparency in calculations and key inputs to facilitate any adjustments. Use the TRM measure code and articulate any assumptions made in calculating.
21. Marketing of programs
- a. Can we move to statewide trademark and marketing, similar to MASSaves? (<http://www.masssave.com/en/about-mass-save>)
22. Policy Changes
- a. Should be worked out through Policy Manual discussions!
23. Demand Response
- a. Inclusion in the next Plan – is it appropriate to continue this programs once the statutory requirement ends? What about the customers that have already signed up?
24. Voltage Optimization
- a. This has come up in the last two Plans for Ameren IL.
 - b. How can this program be independently evaluated?
25. Independent funding source for SAG
26. Economically Efficient Potential – what are Program Administrators doing with this information? How will this be considered in Plan development?
27. Savings
- a. Plans should include several options for corresponding savings goals, which would allow the Commission to determine their preferred approach. (For ex: 1) C&I vs. residential funding split; 2) various sizes of joint electric-gas programs³).
28. Syncing the specific dates in the tariffs for certain utility filings.
29. For which programs/markets might it be appropriate to have greater coordination and/or identical statewide effort.

³ See 10-0568 Final Order at 26-27 (December 21, 2010).

- 30. Geographically-targeted EE to alleviate T&D
 - a. Consumer's Energy – August 1; DE
- 31. Clean Power Plan
 - a. Going beyond budgets constraints

Next Steps

- SAG Facilitation Team to put together proposed flow chart containing scope, sequence, timing, templates for group discussion.

Schedule and Sequence (Proposed)

Contributors to Draft Schedule: K. Lusson, P. Mosenthal, S. Galiasso, A. Beitel, R. Kelter, C. Neme, J. Morris, D. Brightwell, K. Munsch

2015 Meetings

- Note: Proposed presenters are identified in parenthesis. The purpose of each meeting is described prior to the list of meeting topics. Deliverables can be found in the Portfolio Plan Schedule.

July (Large Group SAG Meeting – July 28th, 2015)

- *Purpose: To narrow key issues; determine if there are additional issues; discuss questions and next steps.*

Meeting Topics:

- Stakeholder Group Discussion (Annette Beitel, EE SAG Facilitator; Roger Baker, ComEd; Karen Lusson, IL AG; Sue Nathan, AEG on behalf of Peoples Gas-North Shore Gas; Hammad Chaudhry, Nicor Gas)
 - Expected outcome
 - Review scope, deliverables, and responsibilities
 - Lessons learned from the Policy Manual development process
 - Scope – what will stakeholders seek to reach resolution on?
 - Overall budget
 - Targets
 - List of Programs
 - New Initiatives
 - Be clear about what will be left to the administrator's discretion:
 - Allocation of funds to different programs
 - Program details
 - Schedule/deliverables/responsibilities
 - Question for discussion:
 - How do we retain focus on key issues and avoid spending too much time on issues that either are not of general interest, are not going to have big impacts on statutory objectives and/or impinge on Program Administrator discretion?
- **Meeting Goal:**
 - Agreement on Process: Stakeholder discussion/agreement about scope/schedule/deliverables/goals of stakeholder portfolio planning process
 - Agreement on Process Rules: Reach agreement on process and how to avoid spending unnecessary time on unproductive discussions on minor issues/details.

August (Prep Work)

- Develop “Portfolio and Program Filing Template” (SAG Facilitation and ICC Staff; review Massachusetts filing for ideas):
 - Portfolio Template
 - Front Matter
 - Program Template
 - Existing programs – key changes
 - New Programs – more detail
 - Appendices
- Develop process “Ground Rules” (SAG Facilitation)
 - In nature of settlement discussions
- Identify all parties who should be notified of planning process and schedule so they can participate when interested (SAG Facilitation)
 - IPA
 - Cities: City of Chicago – Metropolitan Mayor’s Caucus
 - Large C&I
 - Low Income (HUD, Chicago Housing Authority, other authorities – Rockford, IL AG recommendation on low income rep)
 - Any other parties?
- Collect Current Portfolio/Program Data in common template (2014 Base Year – Program Administrators to provide)
 - Program NTG and TRCs
 - Program cost/unit energy
 - Program budgets and savings
 - Any other data?
 - Admin costs (Portfolio-Level Admin, M&O)
- Survey of other leading jurisdictions to identify program gaps (VT, MA, CA, Other Midwestern) (SAG Facilitation; Stakeholders)
- Provide C/E screening Inputs in Template (besides TRM values) (PAs to complete)
 - Confidential items (avoided costs) don’t have to be included
 - Any basis for confidential avoided costs?
 - NDA for parties to review who want to?
 - At least generic \$/MW value
 - Cost per marginal MWh should be disclosed so we can use for general cost-effectiveness
 - NEBs – portfolio or measure-level?
- **Goal: Prep Work:** Various parties to do prep work to ensure planning process informed.

September (SAG Meeting +1, 2 days – Monday/Tuesday – September 28-29th)

- *Purpose:*
 - *To educate SAG.*
 - *Discuss questions and/or concerns.*
 - *Determine whether there are additional threshold and general allocation issues to consider*
 - *Discuss whether there are additional program types in IL that could be improved in the next Plan cycle.*

Meeting Topics:

- Each Utility/DCEO presents (Keith Goerss, Ameren IL; George Malek, ComEd; Jim Jerozal, Nicor Gas; Pat Michalkiewicz, Peoples Gas-North Shore Gas; Molly Lunn, DCEO)
 - Portfolio Budget
 - DCEO proposed budget (25%)
 - Expected Costs for various admin categories (EM&V, M&O)
 - Use Policy Manual categories
 - Programs for IPA (Ameren IL and ComEd only)
- General Allocation Issues
 - C&I vs. Res Split (Chris Neme, Energy Futures Group, on behalf of NRDC)
 - Roughly equivalent to class contribution
 - Low-Income Funding (Karen Lusson, IL AG)
 - What percent of IL customers are low-income?
 - Are they getting fair share of funds back given the amount currently going to DCEO?
 - Allocation should be proportionate to low income in the customer base.
 - Gas – Electric (Mike Brandt, ComEd; Keith Goerss, Ameren IL)
 - Should electric utilities put more money into joint program if gas limited and electric savings still cost-effective?
 - Portfolio Admin Costs – Program Administrators to propose (Keith Goerss, Ameren IL; George Malek, ComEd; Jim Jerozal, Nicor Gas; Pat Michalkiewicz, Peoples Gas-North Shore Gas; Molly Lunn, DCEO)
 - What percentage M&O?
 - What percentage admin?
- Discuss Changes to Current Portfolio (Annette Beitel, EE SAG Facilitator)
 - Review current (2014) program performance
 - Which programs are candidates for scaling up?
 - Which programs should be scaled back?
- Identify Current Programs That Potentially Could Be Improved – Utilities and Stakeholders
 - Maximizing Midstream and Upstream Incentives (Mike Brandt, ComEd)
 - Residential Retrofits (Keith Goerss, Ameren IL)
 - Low-Income – are programs optimized? (Karen Lusson, IL AG)
 - Market Transformation (Annette Beitel, EE SAG Facilitator; Molly Lunn, DCEO)
 - Question to address: Are current DCEO market transformation efforts maximizing market transformation?
 - Training
 - Labeling and disclosure of efficiency at time-of-sale
 - Rental energy codes (Boulder, CO and Burlington, VT examples)
 - Commercial & industrial (Paige Knutsen, Franklin Energy, on behalf of Peoples Gas-North Shore Gas)
 - Wasted Energy (Rob Kelter, ELPC)
 - Street lighting – both DCEO and utility programs (Keith Goerss, Ameren IL; Molly Lunn, DCEO)
 - Demand Response (Mike Brandt, ComEd; Keith Goerss, Ameren IL)
 - More focus on peak demand reductions.
 - Integrating DR in better ways.

- Are any other areas of improvement needed?
- Policy Issues to Consider (Also consider in December after Veto Session)
 - Clean Power Plan (CPP) – how will this impact planning process?
 - CPP Modeling (Ian Adams, Clean Energy Trust)
 - Does current EE meet IL CPP EE goals? (Becky Stanfield, NRDC)
 - IL Proposed Legislation
 - ComEd Bill (Mike Brandt, ComEd)
 - Clean Jobs Bill (Becky Stanfield, NRDC)
 - Commercial PACE Bill (Bryan McDaniel, CUB)
 - Additional policy issues – are there any other issues that parties want to address? (Annette Beitel, EE SAG Facilitator)
 - Identify, and if consensus reached, add to Policy Manual ver. 2.0 (March 1, 2016 filing)
 - Expected changes to codes or standards (federal and/or states) (Jim Jerozal, Nicor Gas)
- **Goal:**
 - Initial Stakeholder input on budget;
 - Consensus stakeholder input on threshold planning questions; areas of existing portfolio to scale-up/scale down.

October/November (2 SAG Meetings +1 (3 Days – Monday/Tuesday October 26th – 27th; Tuesday, November 17th) – New Initiatives

- *Purpose: To educate SAG on proposed new initiatives; answer questions and concerns; determine if any additional research is needed.*

Meeting Topics:

1. Gaps based on Potential Studies (Sue Nathan, AEG on behalf of Peoples Gas-North Shore Gas; Hammad Chaudhry, Nicor Gas)
2. Customers Served – discuss niche customers that are currently not being served (Chris Neme, Energy Futures Group, on behalf of NRDC)
3. New Technologies (Jim Jerozal, Nicor Gas)
4. New Programs (Annette Beitel, EE SAG Facilitator)
 - Are there programs in other MW jurisdictions; CA; NY; MA and VT that are missing in IL?
5. Financing programs (Kristin Munsch, CUB)
 - MassSaves Loan Program
 - Commercial PACE
 - Expand IL on-bill financing, use bill payment rather than credit score for determining eligibility
 - Any others?
6. C&I Customers – how can we improve offerings? (Sue Nathan, AEG on behalf of Peoples Gas-North Shore Gas)
7. Fostering IL-based businesses (Annette Beitel, EE SAG Facilitator)
 - Non-profits, WMBEs
 - Successful approaches in other jurisdictions
8. Wasted Energy (Rob Kelter, ELPC)
9. AMI-based EM&V (Kristin Munsch, CUB)
10. Leveraging Smart Meters with EE (Kristin Munsch, CUB)
11. Codes and Standards program (Jim Jerozal, Nicor Gas)

12. Leveraging Other Players (cities, non-profits, etc.) (Edith Makra, Metropolitan Mayors Caucus)
 13. Leveraging Other Funding (Karen Lusson, IL AG)
 - Non-utility financing
 - Commercial PACE
 - Tax Incentives
 - Off-balance sheet lease programs
 14. Statewide EE Trademark and Marketing (Stefano Galiasso, ERC/UIC)
 15. New Market Transformation Initiatives (Molly Lunn, DCEO)
 16. Scale-Up:
 - Smart Thermostats (Todd Thornburg, ComEd; John Paul-Jewell, ELPC)
 - Residential and Multi-Family Weatherization (Kristin Munsch, CUB)
 17. More LEDs; fewer CFLs (Mike Brandt, ComEd)
 18. Expand gas funds (requires legislation) (Annette Beitel, EE SAG Facilitator)
 19. Hotel program (Rob Kelter, ELPC)
- **Goal:** Consensus stakeholder input on which new initiatives should be included in portfolio plans.

December (SAG meeting – Tuesday, December 15th)

- *Purpose: Seek to reach consensus on new programs/initiatives/technologies to pursue. Follow-up on October/November new initiative presentations, as needed.*

Meeting Topics:

- Follow-up on Policy Issues to Consider
 - Clean Power Plan (Annette Beitel, EE SAG Facilitator)
 - How does CPP impact planning process?
 - IL Legislation / Results (as applicable) (Becky Stanfield, NRDC)
 - ComEd Bill
 - Clean Jobs Bill
 - Commercial PACE
 - Any other Policy Issues that Parties Want to Address (in Policy Template) (Annette Beitel, EE SAG Facilitator; Utilities / Stakeholders)
 - Identify, and if consensus reached, add to Policy Manual ver. 2.0 (March 1, 2016)
 - Expected changes to codes or standards (federal and/or state) (Jim Jerozal, Nicor Gas)
- **Goal:** Achieve common understanding about how new policies will impact portfolio planning.

2016 Meetings

January (SAG Meeting +1) (Monday/Tuesday; January 25th – 26th)

- *Purpose: Continue seeking to reach consensus on new programs/initiatives/technologies to pursue.*

February/March (SAG Meetings + ½ Day)(Tuesday, February 23rd – Electrics; Tuesday, March 22nd (Gas))

Monday, February 22nd – DCEO ½ Day; Tuesday, February 23rd (Electrics)

- *Purpose: To educate SAG on high-level program plans; answer questions and concerns; determine if any additional work is needed.*

Meeting Topics:

- Utilities (electric) and DCEO present draft programs in high-level template form; portfolio results (savings and cost-effectiveness) (Keith Goerss, Ameren IL; George Malek, ComEd; Molly Lunn, DCEO)
 - DSMoore Run No. 1
 - Existing Programs – note key changes
 - New Programs – provide more detail
- Identify all gas-electric and inter-Program Administrator coordination opportunities
- Review Cost-Effectiveness Inputs in Template
- **Goal:**
 - Feedback from group on DSMoore Run 1
 - Consensus stakeholder input on high-level program templates

Tuesday, March 22nd (Gas)

- *Purpose: To educate SAG on high-level program plans; answer questions and concerns; determine if any additional work is needed.*

Meeting Topics:

- Utilities (gas) present draft programs in high-level template form; portfolio results (savings and cost-effectiveness) (Jim Jerozal, Nicor Gas; Pat Michalkiewicz, Peoples Gas-North Shore Gas)
 - DSMoore Run No. 1
 - Existing Programs – note key changes
 - New Programs – provide more detail
- Identify all gas-electric and inter-Program Administrator coordination opportunities
- Review Cost-Effectiveness Inputs in Template
- Feedback from group on DSMoore Run 1
- **Goal:**
 - Reach consensus stakeholder input on high-level programs and program plans.

April/May (4 days) (SAG meetings + 2 Days)(Monday/Tuesday – April 25th – 26th)(Monday/Tuesday – May 24th – 25th)

- Consensus-building on funding allocation; program and portfolio design
 - DSMoore Run No. 2
- May 2: Circulate Draft Filings for Comment

June/July (SAG Meetings)(Tuesday, June 28th)(Tuesday, July 26th)

- Consensus building on draft filings
- July 31: Finalize consent agreement
- **Goal:**
 - Reach consensus stakeholder input on
 - portfolio budget, savings, programs,
 - New initiative to include in filing
 - Produce clear Comparison Exhibit of non-consensus items and different positions/rationale.

September 1 – Electric Utilities file

October 1 – Gas Utilities file

Process Overview

Templates Needed:

1. Existing Portfolio/Program Report (2014 Base Year)
 - a. Portfolio Level Costs
 - b. Program-Level information
 - c. Name, budget, savings, costs, NTG, TRC, cost/unit energy
2. Portfolio Filing Template, including front matter and appendices
3. Program Template – High Level – New Program
4. Program Template – High Level – Existing Program
5. Program Template (filing) – Existing and New Programs
6. Cost-Effectiveness Calculator Inputs (non-TRM)
7. Policy / Issue Template (for proposed Policy Changes)

Documents Needed:

1. Planning Process Schedule
2. Planning Process “Ground Rules”
3. Consent Agreement with non-consensus items

Deliverable Due Dates:

- 2015
 - September 15: Existing Portfolio/Program Report
 - September 15: Proposed Portfolio Budget/IPA Programs (IPA for electrics only)
 - December 14: Any new proposed policies
- 2016
 - February 15; March 15 (Electrics on 2/15; Gas on 3/15):
 - Portfolio and Program Results (DSMoore Run 1)
 - Budget, savings, cost-effectiveness
 - High-level Program Templates
 - April 15; May 15 (Electrics on 3/15; Gas on 3/15)
 - Portfolio and Program results (DSMoore Run 2)
 - Budget, savings, cost-effectiveness
 - May 1; June 1 (Electrics on 5/1; Gas on 6/1):
 - Draft filings
 - August 1: Consent agreement with any non-consensus items (electrics)
 - September 1: Consent agreement with any non-consensus items (gas)
 - September 1: Electrics file
- October 1: Gas companies file