

Illinois Energy Efficiency Stakeholder Advisory Group
[Program Administrator]'s 2017-2019 Energy Efficiency and Demand Response Plan
Settlement Stipulation
DRAFT, v7 (10/26/15)¹

[Additional introductory language to be added]

Portfolio Stipulations: Overview

The Parties agree that the agreements reached in this Stipulation maximize [Program Administrator's] ability to achieve the statutory energy efficiency and demand response savings goals set out in subsections (b) and (c) of Section 8-103 / 8-104 of the Public Utilities Act ("the Act"), as applicable, while ensuring that expenditures remain within the spending screen established by Section 8-103 / 8-104². The Parties agree that the stipulations reached in this agreement, consistent with the statutory obligations listed in Sections 8-103 and 8-104 of the Act, will ensure that the proposed energy efficiency plan and funding levels:

1. will achieve the requirements that are identified in subsections (b) and (c) of section 8-103 and 8-104, as modified by the spending screens identified in subsections (d) and (e);
2. Present specific proposals to implement new building and appliance standards that have been placed into effect;
3. Presents estimates of the total amount paid for electric/gas service expressed on a per kilowatt-hour / therm basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsections (b) and (c) of this Section, as modified by subsections (d) and (e);
4. Coordinates with the Department of Commerce and Economic Opportunity (the Department) to present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level, and that the energy efficiency programs provided by the Department are targeted to households with incomes at or below 80% of area median income;
5. Demonstrates that its overall portfolio of energy efficiency and demand-response measures, not including programs covered by item (4) of this subsection (f), are cost-effective using the total resource cost test and represent a diverse cross-section of opportunities for customers of all rate classes to participate in the programs;
6. Demonstrates that a gas utility affiliated with an electric utility that is required to comply with Section 8-103 of this Act has integrated gas and electric efficiency measures into a single program that reduces program or participant costs and appropriately allocates costs to gas and electric ratepayers. The Department shall integrate all gas and electric programs it delivers in any such utilities' service territories, unless the Department can show that integration is not feasible or appropriate³;
7. Includes a proposed cost-recovery tariff mechanism to fund the proposed energy efficiency and demand-response measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs;
8. Provides for an annual independent evaluation of the performance of the cost-effectiveness of the utility's portfolio of measures and the Department's portfolio of measures, as well as a full review of the 3-year results of the broader net program

¹ NOTE: This document includes example stipulations for conceptual discussion purposes, as indicated by *[Example]*.

² Depending on whether consensus is reached, this stipulation may also reference Section -111.5B programs.

³ NOTE: This requirement is specific to Ameren IL; see 220 ILCS 8/104(f)(6).

impacts and, to the extent practical, for adjustment of the measures on a going-forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given year; and

9. Provide for quarterly status reports tracking implementation of and expenditures for the utility's portfolio of measures and the Department's portfolio of measures, an annual independent review, and a full independent evaluation of the 3-year results of the performance and the cost-effectiveness of the utility's and Department's portfolios of measures and broader net program impacts and, to the extent practical, for adjustment of the measures on a going forward basis as a result of the evaluations.⁴
10. Maximizes opportunities for joint delivery of electric and gas energy efficiency programs; and
11. Fosters statewide coordination and consistency between statutorily mandated natural gas and electric energy efficiency programs to reduce program or participant costs or to improve program performance.

The Parties and the [Program Administrator] agree to the Portfolio Stipulations set forth below, and seek to have the Commission adopt the Portfolio Stipulations in the Final Orders.

Program-Level Stipulations: Overview

In addition to broader portfolio-related issues, the Parties also engaged in extensive, good faith discussions on various topics related to the specific design of energy efficiency programs. Consistent with the flexibility granted to Program Administrators in prior Commission three-year Plan orders and the Illinois Energy Efficiency Policy Manual, [Program Administrator] shall retain the ability to adjust portfolio and program design based on the real-time information it receives regarding program performance. Specifically, [Program Administrator] shall be able to reallocate funds across program elements and modify, discontinue and add program elements within approved programs based on actual implementation experience and the results of the evaluation of its programs, consistent with the directives of the Policy Manual that address Program Flexibility and Budgetary Shift Rules, and reporting requirements to the Stakeholder Advisory Group ("SAG") and the Illinois Commerce Commission ("the Commission").

Consistent with the foregoing, the undersigned Parties stipulate to the following items, subject to Commission approval:

Portfolio Stipulations

Programs

1. Residential programs to be included in the Plan submitted by [Program Administrator's] for ICC approval shall include: [list programs and agreed-upon dollar amounts].
2. Commercial and industrial programs to be included in the Plan submitted by [Program Administrator] for ICC approval shall include: [list programs and agreed-upon dollar amounts].

Budget

1. [Program Administrator's] three-year budget for the Plan will be \$_____. This amount represents a three-year cumulative total, and [Program Administrator] commit to spend

⁴ Public Utilities Act (220 ILCS 8-103/(f)(1-7); 220 ILCS 8-104(f)(1-8).

total allocated dollars in each year in a way that ensures customers have access to the approved programs in each program year.

2. Of the total three-year total budget, ____%, or \$____, is representative of [Program Administrator's] portion of the budget, while ____% or \$____ is representative of portion of the budget designated for use by the Department of Commerce and Economic Opportunity ("the Department").
3. \$____ of [Program Administrator's] portion of the budget is designated for Demonstration of Breakthrough Equipment and Devices, not to exceed three percent (3%) of the approved Plan budget.
4. Three percent (3%) or \$____ of [Program Administrator's] portion of the budget is designated as an Evaluation Cost for Evaluation, Measurement and Verification ("EM&V").
5. \$____ of [Program Administrator's] portion of the portfolio budget is designated for Marketing Costs.
6. \$____ of [Program Administrator's] portion of the portfolio budget is designated for Portfolio Administrative Costs.
7. \$____ of [Program Administrator's] portion of the portfolio budget is designated for program implementation ("Program Budget").
8. The Program Budget will be divided as follows: ____% or \$____ for residential programs and ____% or \$____ for commercial and industrial programs.
9. [Example] The Plan's behavior change programs shall not exceed ____% or \$____ of the Portfolio budget.
10. [Example] The Plan's low income programs shall comprise at least ____% or \$____ of the Portfolio budget.

Savings

1. The assumed savings goal for the Plan shall be ____ for Electric Program Year 10 / Gas Program Year 7; ____ for Electric Program Year 11 / Gas Program Year 8; and ____ for Electric Program Year 12 / Gas Program Year 9; or to be calculated as a cumulative three-year savings goal of _____.
2. This agreement does not change the Department's share of the portfolio (____ MWh for Electric Program Year 10 / Gas Program Year 7; ____ MWh for Electric Program Year 10 / Gas Program Year 8; and ____ MWh for Electric Program Year 12 / Gas Program Year 9. [Program Administrator]'s responsibility for delivering energy savings does not change if the Department is unable to meet those targets.
3. The assumed savings goal for each residential program shall be [list savings goals by program for each Program Year].
4. The assumed savings goal for each commercial and industrial program shall be [list savings goals by program for each Program Year].

[Additional stipulations to be added]

Additional Portfolio Stipulations

1. The Illinois Energy Efficiency Policy Manual, as updated from time to time, shall govern the procurement, oversight, evaluation, and operation of the programs identified in these stipulations.
2. [Example] [Program Administrator] shall include lifetime savings goals in the Plan for tracking purposes and shall track and report lifetime savings achieved to the Commission and SAG in quarterly reports.

Program Stipulations

1. *[Example]* [Program Administrator] shall offer the following low income programs to eligible customers: [list low income programs]
2. *[Example]* [Program Administrator] will work with other utilities and the Department to develop coordinated, statewide marketing efforts for energy efficiency programs.

[Additional stipulations to be added]

This stipulation is the only and entire agreement by the parties representing the consensus reached in SAG discussions concerning the developing and implementation of the next three-year Plan to be approved by the Commission pursuant to 220 ILC 5-8-103 and 220 ILCS 5-8/104 for [Program Administrator].

[STIPULATING PARTY]

By: _____
Name:
Position:
Date: