

# **IL EE Stakeholder Advisory Group**

**SAG Planning Process for Q1/Q2 2017**

## **SAG Planning Meeting**

Tuesday, February 21, 2017

10:30 – 4:30

**Metropolitan Mayors Caucus / CMAP**

**233 S. Wacker Drive, Suite 800**

**Chicago, IL 60606**

## Attendee List and Action Items

### **Attendee List**

Annette Beitel, SAG Facilitation  
Ashley Palladino, SAG Facilitation  
Adam Roche, Franklin Energy  
Agnes Mrozowski, Ameren Illinois  
Aimee English, Citizens Utility Board  
Andrew Cottrell, Applied Energy Group  
Arturo Hernandez, ComEd  
Ashley Harrington, 360 Energy Group  
Brian Bowen, First Fuel  
Brian Tomkins, Metropolitan Mayors Caucus  
Bryan Tillman, 360 Energy Group  
Byron Lloyd, Department  
Chantal Jones, ComEd  
Chelsea Lamar, Navigant  
Cheryl A. Miller, Ameren IL  
Cheryl Jenkins, VEIC  
Chris Neme, Energy Futures Group, on behalf of NRDC  
Chris Vaughn, Nicor Gas  
Clair Cowan, Seventh Wave  
Daniel LaFevers, Gas Technology Institute  
David South, West Monroe Partners  
Debra Perry, Ameren IL  
Deirdre Coughlin, Department  
Edith Makra, Metropolitan Mayors Caucus  
Elena Savona, Elevate Energy  
Erin Daughton, ComEd  
Erin Stitz, Applied Energy Group (AEG), on behalf of Peoples Gas – North Shore Gas (PG-NSG)

George Malek, ComEd  
Hannah Arnold, Opinion Dynamics  
Jack Erffmeyer, Citizens Utility Board  
Jane Colby, Cadmus  
Jean Ascoli, ComEd  
Jeff Erickson, Navigant  
Jen Morris, Illinois Commerce Commission (“ICC”) Staff  
Jim Fay, ComEd  
Jim Heffron, Franklin Energy, on behalf of PG-NSG  
Jim Jerozal, Nicor Gas  
John Lavallee, Leidos  
John Madziarczyk, Nicor Gas  
Jon Jackson, Ameren IL  
Julia Friedman, MEEA  
Julia Sander, Leidos  
Karen Lusson, IL Attorney General’s Office  
Karen Winter-Nelson, SEDAC  
Kate Brown, Building Research Council, University of Illinois Urbana - Champaign  
Katie Baehring, Franklin Energy  
Keith Martin, Ameren IL  
Ken Amin, ComEd  
Ken Woolcutt, Ameren  
Kim Ballard, Ameren IL  
Koby Bailey, PG-NSG  
Kristi Simkins, Nicor Gas  
LaJuana Garrett, Nicor Gas  
Laura Agapay-Read  
Laura Goldberg, NRDC  
Lauren Casentini, Resource Innovations  
Maged Kafafy, DNVGL  
Margaret Hansbrough, City of Chicago  
Mary Ellen Guest, Chicago Bungalow Association  
Michelle Rindt, PG-NSG  
Mike Brandt, ComEd  
Mike King, Nicor Gas  
Mike Marks, AEG on behalf of PG-NSG  
Molly Lunn, Department  
Neil Pickard, Nexant  
Nick Lovier, Ameren  
Noel Corral, ComEd  
Noelle Gilbreath, Community Investment Corporation (CIC) Chicago

Paige Knutsen, Franklin Energy  
Pat Michalkiewicz, PG-NSG  
Patricia Plympton, Navigant  
Philip Mosenthal, Optimal Energy on behalf of the AG's Office  
Randy Gunn, Navigant  
Rick Bain, Embertec  
Rob Neumann, Navigant  
Roger Baker, ComEd  
Shaun Dentice, CLEAResult  
Stacie Young, CIC Chicago  
Stefano Galiasso, Energy Resources Center, UIC  
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas  
Teri Lewand, ComEd  
Terry Fry, Nexant  
Todd Rusk, SEDAC  
Travis Hinck, GDS Associates  
Vincent Gutierrez, ComEd  
Wade Morehead, CLEAResult  
Wael El-Sharif, 360 Energy Group  
Will Baker, Midwest Energy Efficiency Alliance

### **Meeting Notes and Action Items**

Action items are indicated in **yellow** highlight.

### **Budget Spending Flexibility –**

Next steps:

1. **Electric utilities expect to request percentage flexibility above spending cap**
  - Due to challenge of spending the exact budget within a program year, utilities are considering a request for the ability to spend a certain percentage above the stipulated spending caps. Nicor Gas indicated they're not as concerned due to 4-year budget cap versus 1-year electric cap.
  - **Action Item:** Utilities to determine proposed allowance, if any, and present in March 14, 2017 meeting.
  - **Action Item:** Following March 14<sup>th</sup> meeting, SAG facilitation to set up a meeting with attorneys, including Attorney General's office, OGC, CUB and Utilities to discuss: utilities' proposals, allow for stakeholder input, how to address (in stipulations?)

### **Savings Methodologies –**

Next steps:

**1. Persisting Savings Proposal – Track savings at measure level across measure life**

- General agreement with approach, with further discussion required about exceptions (e.g., new construction, whole home/building, behavioral, SEM)
- **Action Item:** Smaller group discussion prior to March 14, 2017 meeting to review

**2. EULs Proposal –**

- Prospective (general agreement), with:
  - Adjustment at 4-year planning cycle, or
  - Annual re-evaluation of measure-level EULs
- **Action Item:** Further discussion required; SAG facilitation to set up teleconference follow up meeting and outline measure parameters for review:
  - Timing and frequency of EUL evaluation
    - In evaluation report, outside of impact cycle?
  - Deemed versus custom
    - For custom, are there common measures where deemed values can be determined and documented in TRM?
  - Measure parameters – savings, EULs, IMC, NTG
  - Memorialize – include in Policy Manual?

**Social Discount Rate –**

Next steps:

**1. Proposal – 10-year bond**

- Proposal to include philosophy in the Policy Manual that the bond that most closely matches the average measure life should be used (10-year seems reasonable, may change).
- **Action Item:** Detail in Policy Manual.

**2. Proposal – real versus nominal**

- i. Utilities can use the real, 0.46% versus nominal rate, 2.38%, per the IL TRM guidance.
- ii. **Action Item:** Detail in Policy Manual.

**3. Proposal – Gas utilities to also use social discount rate**

- Agreed.
- **Action Item:** Detail in Policy Manual.

**Non-Energy Benefits –**

Next steps:

**1. Future Evaluation Studies of NEBs**

- Utilities are to consider NEB evaluation during the planning process, and coordinate statewide.
- **Action Item:** Utilities review evaluation priorities and budgets to include NEB evaluation studies when possible.

**Policy Manual Review –**

Next steps:

**1. Evaluation Reports – electric and gas to follow same timeline**

- Electric utilities are required to follow new timeline, gas is optional.
- Ameren completes all evaluations on same cycle.
- Nicor Gas and PG-NSG are not opposed, however:
  - January 30<sup>th</sup> due date for program materials and tracking data may be a challenge for gas utilities to follow
  - Utilities to follow “best efforts” for due date (already in Policy Manual)
  - Gas utilities to prioritize joint program data, and additional coordination needed to determine how gas data will be handled
- Navigant would prefer to not require all ComEd, Nicor Gas and PG-NSG be completed on same cycle.
- **Action Item:** Evaluator and utility coordination needed on how tracking data will be prioritized for gas programs if January 30 date is not achievable.

**2. TRM Updates – new timeline proposed**

- General agreement –
  - April 1 – IL-TRM update measure priorities due
  - May 15 – proposed updates to existing measure work papers due
  - May 15 – proposed work papers for new measures due
  - October 1 – final updated IL-TRM
- **Action Item:** Include in Policy Manual. ***Revision completed per 2/28/2017 Policy Manual Subcommittee Meeting.***

**3. NTG Updates – new timeline proposed**

- General agreement –
  - October 1 final
  - Exception language to be added for the program year beginning January 1, 2018 to use NTG finalized by March 1,

2017 (with the exception of the PG-NSG which will utilize survey data and be completed by May 30, 2017).

- **Action Item:** Include in Policy Manual. **Revision completed per 2/28/2017 Policy Manual Subcommittee Meeting.**

#### 4. Adjustable Savings Goals

- Not applicable for electric goals, unless a modification to the electric savings goals is triggered.
- **Action Item:** Chris Neme and Ameren to review and provide input for how modifications will be handled. **Recommendation completed per 2/28/2017 Policy Manual Subcommittee Meeting – modified goals will not be included in Adjustable Savings Goals.**

#### 5. Remaining Items

- Not all items reviewed; additional items raised in savings, cost effectiveness methodologies to be considered for inclusion in the Policy Manual.
- **Action Item:** To be covered by Policy Manual Subcommittee prior to the March 14, 2017 meeting, with full SAG revisiting proposed edits and open issues in March 14, 2017 meeting. **Completed Policy Manual Subcommittee Meeting on 2/28/2017; revisions to be distributed to all SAG participants.**

### Public Sector Eligibility –

Next steps:

#### 1. Public Sector defined in legislation, opportunity to extend budgets to serve other public entities

- DCEO (Molly Lunn) recommends increasing the budget to allow for additional public sector entities, beyond those stipulated in legislation, to participate in the program offering specific to public sector customers (whether enhanced incentives or other program design).
- **Action Item:** Utilities to present in March/April presentations how they plan to address program offerings for the public sector customers.

### Public Housing Eligibility –

Next steps:

#### 1. Public Housing and Overall Low Income Budgets

- DCEO (Molly Lunn) recommends calculating the required “Public Housing budget” including only Public Housing Authorities, with the understanding that other entities (e.g. public and private affordable

housing) that may be considered Public Housing are otherwise captured in the Low Income budget.

- Attorney General's office (Karen Lusson) goal is to maximize the spending for low income customers, including public housing – the overall spending on low income customers and public housing should not go down from prior years with this legislation change.
- **Action Item:** Utilities to present in March/April presentations:
  - How are Public Housing and Low Income budgets calculated, overall budgets for both
  - For electric utilities – does Public Housing budget include only PHAs or other entities?
  - For all utilities – who is served by program(s)? Low income customers, PHA's, other.
- **Action Item:** Molly Lunn, DCEO, to share original planned budgets for comparison. **Completed 2/22/2017.**

## **Market Transformation –**

Next steps:

### **1. Market transformation opportunities**

- **Action Item:** Utilities to present market transformation plans in March/April presentations, reviewing discussion questions from the presentation.