

Policy Manual Updates – Items for Discussion

Illinois Energy Efficiency Stakeholder Advisory Group
Meeting

February 21, 2017

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Agenda

- Evaluation Timeline Changes
- IL-TRM Update Process Timeline Changes
- Net-to-Gross Policy Timeline Changes
- Adjustable Savings Goals Policy and Applicability to Electric Utilities (changes to template)
- Breakthrough Equipment and Devices
- Summary List of Changes to the IL-TRM Policy Document and the IL EE Policy Manual – Questions?
- Timeline and Process for Submission of Updated Policies to the ICC
- Next Steps – Any follow-up discussions needed?

10.2 Evaluation Timeline Changes

Previously Approved Dates	Section 10.2 Draft EM&V Reports	Proposed Dates	Comparison: Same Timeframe as Previously Approved Dates
September 1	Program Administrators shall provide necessary Program material and final Program tracking data for use in the evaluation to the Evaluators.	January 30	April 1
January 15	Draft EM&V Reports Due	March 15	August 15
March 31	Final EM&V Reports Due	April 30	October 31

- The Proposed January 30th and April 30th dates correspond to statutory timeframes outlined for electric utilities in 220 ILCS 5/8-103B(g)(9).
- **With changes to electric requirements for EM&V reports, are gas utilities and their evaluators willing to follow the same timeline?**

7.1 IL-TRM Update Process Timeline Changes

Previously Approved Dates	Section 7.1 Technical Reference Manual	Proposed Dates
July 1	IL-TRM Technical Advisory Committee (TAC) informs independent Evaluators and SAG which Measures are high or medium priority Measures, for which work papers need to be prepared.	February 1
August 1	Proposed updates to existing Measure work papers to clarify terms or approaches to be submitted to the IL-TRM Administrator.	March 1
October 1	Proposed work papers for new Measures to be submitted to the IL-TRM Administrator.	May 1
March 1	Submission of final IL-TRM values.	October 1

- **Will these proposed dates work for electric utility evaluators given new tight deadlines requiring final program year evaluations complete by April 30th?**

7.2 Net-to-Gross Policy Timeline Changes

Previously Approved Dates	Section 7.2 Net-to-Gross Policy	Proposed Dates
February 1	Evaluators' initial recommended deemed NTG Ratios for the upcoming Program Year and associated rationale shall be submitted to Program Administrators, Commission Staff and the SAG.	September 1
Early February	Evaluators will present their initial recommended deemed NTG Ratios for each Energy Efficiency Program, Sub-Program, and/or Measure group (where applicable) to SAG.	Early September
March 1	Evaluators shall report final deemed NTG values	October 1

- Adjusting NTG update schedule to follow previously approved timeframe results in revised deemed NTG values being provided by October 1 of each year.
- **Should exception language be included to allow for the deemed NTG values finalized by March 1, 2017 to be applied for the plan year beginning January 1, 2018?**
- **Is there potential for *any* of the Evaluator's recommended NTG values provided by March 1 to change prior to January 1, 2018 (e.g., new spillover research)?**

6.2 Adjustable Savings Goals Policy and Applicability to Electric Utilities (changes to [template](#))

- **Given new cumulative persisting savings goals in electric statute, is the adjustable savings goals policy even relevant for electric utilities anymore? Or should the policy be restricted to the gas utilities who have modified savings goals?**
- **If adjustable savings goals policy is relevant to electric utility cumulative persisting annual savings goals, then how would the adjustments to the goals actually work? What adjustments would be needed for the statewide Adjustable Savings Goal template?**
- **If exception language is provided to allow for the deemed NTG values finalized by March 1, 2017 to be applied for the plan year beginning January 1, 2018 (as discussed on previous slide), then should the NTG energy savings goal adjustments be limited to the Plans filed in 2021 and beyond? See draft language below:**

Section 6.2 Adjustable Savings Goals

Program Administrator annual energy savings goals will be adjusted to align them with changes to IL-TRM values.

In addition, **for Plans filed in 2021 and beyond**, Program Administrator annual energy savings goals will be adjusted to align them with the Evaluator's recommended Net-to-Gross values for the entire Plan period prior to the start of the first Plan Year of an approved Plan.

Within sixty (60) days after Commission approval of the annual IL-TRM values, each Program Administrator will file adjusted energy savings goals reflecting updated IL-TRM values applicable to the Program Year commencing January 1.

Breakthrough Equipment and Devices

- The new legislation excludes references to “**demonstration of breakthrough equipment and devices**” from the electric EE statute and instead includes a limitation on spending on “**research, development, or pilot deployment of new equipment or measures.**” What is the difference between spending money on “demonstration of breakthrough equipment and devices” versus spending money on “research, development, or pilot deployment of new equipment or measures.”?
- What changes should be made to the manual, if any, to accommodate the new language in the electric statute concerning “**research, development, or pilot deployment of new equipment or measures**”?
 - Breakthrough Equipment and Devices appears in the following Policy Manual Sections: Section 1: Glossary, Section 3.7: SAG Review, Section 4.2: Budget Allocation, Section 5.2: Portfolio Cost Categories, Section 6.5 Program Administrator Quarterly Reports.

220 ILCS 5/8-104(g): No more than 3% of expenditures on energy efficiency measures may be allocated for **demonstration of breakthrough equipment and devices.**

220 ILCS 5/8-103B(h): No more than 6% of energy efficiency and demand-response program revenue may be allocated for **research, development, or pilot deployment of new equipment or measures.**

Section 1:
Glossary **Breakthrough Equipment and Devices** means energy-efficient technologies, Measures, projects, Programs, and/or services that the Program Administrator determines are generally **nascent** in Illinois or nationally, for which energy savings have not been validated through robust evaluation, measurement and verification (EM&V) efforts, in the Program Administrator service territory, or for which there is substantial uncertainty about their Cost-Effectiveness, performance, and/or Customer acceptance. **Demonstration of Breakthrough Equipment and Devices** is intended to **support research and development activities.**

Section 5.2:
Portfolio Cost
Categories **Demonstration of Breakthrough Equipment and Devices Cost.** Any costs incurred in the administration and implementation of Programs demonstrating Breakthrough Equipment and Devices, including no more than three percent (3%) of approved Plan budgets. All costs associated with Demonstration of Breakthrough Equipment and Devices shall be included in that cost category, excluding the independent evaluation. Breakthrough Equipment and Devices may vary from year to year and are subject to the definition set forth in Section 1. Examples of Demonstration of Breakthrough Equipment and Devices include, but are not limited to assessing: Savings; Customer acceptance; Performance; Market readiness; and Climate zone characteristics.

Summary List of Changes to the IL-TRM Policy Document and the IL EE Policy Manual – Questions?

- Review separate document ‘Policy Manual and IL TRM Policy Document Summary of Changes’ available at: http://www.ilsag.info/mm_2017_02_21.html

Timeline and Process for Submission of Updated Policies to the ICC

- 2/21/2017 – SAG meeting introduction
- 2/21/2017 – 3/21/2017 – **SAG review**
 - Follow up discussion on open items to be scheduled, if needed
 - Discussion in 3/14/2017 meeting, if needed
 - **SAG Comments due 3/21/2017**
 - Follow up discussion to review comments to be scheduled before 4/10, if needed
- 4/10/2017 – Revised copies distributed
 - **Final Comments due 4/21/2017**
- 4/25/2017 – Discussion in SAG meeting
- 5/5/2017 – Final copies distributed to SAG
 - Objections due 5/12/2017
- 6/1/2017 (or 6/30/2017) – Submit to the ICC for approval

Timeline and Process for Submission of Updated Policies to the ICC

Two Options for Submission to the ICC:

- June 1, 2017 – ICC Staff (or other party) could submit consensus updated IL-TRM Policy Document and IL EE Policy Manual to the ICC for approval – *single docketed proceeding*.
- June 30, 2017 – Utilities could submit updated policies with their plan filings – *multiple docketed proceedings*.
- An ICC Order would be sought after June 1, 2017 to allow the legislation to take effect.

Next Steps – Any follow-up discussions needed?

- Schedule teleconference to address any follow-up items
- Update the Adjustable Savings Goals [Template](#) (and [Guidelines](#))

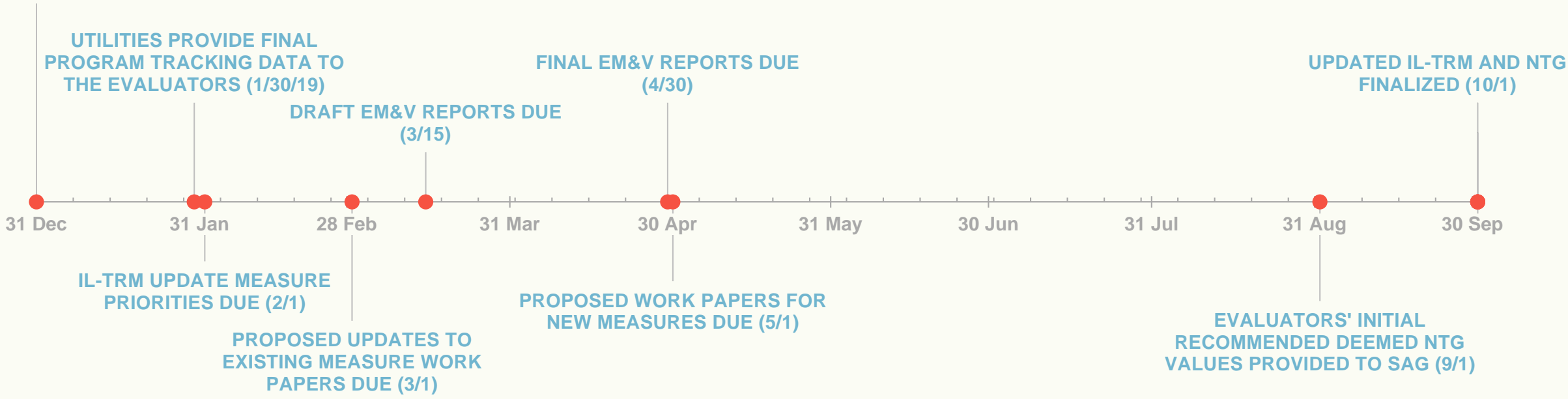
Appendix – Detailed Timelines

Overall Timeline Changes

Topic	Previously Approved Dates	Milestone	Proposed Dates (Sorted)	Comparison: Same Timeframe as Previously Approved Dates
EM&V	September 1	Program Administrators shall provide necessary Program material and final Program tracking data for use in the evaluation to the Evaluators.	January 30	April 1
IL-TRM	July 1	IL-TRM Technical Advisory Committee (TAC) informs independent Evaluators and SAG which Measures are high or medium priority Measures, for which work papers need to be prepared.	February 1	February 1
IL-TRM	August 1	Proposed updates to existing Measure work papers to clarify terms or approaches to be submitted to the IL-TRM Administrator.	March 1	March 1
EM&V	January 15	Draft EM&V Reports Due	March 15	August 15
EM&V	March 31	Final EM&V Reports Due	April 30	October 31
IL-TRM	October 1	Proposed work papers for new Measures to be submitted to the IL-TRM Administrator.	May 1	October 1
NTG	February 1	Evaluators' initial recommended deemed NTG Ratios for the upcoming Program Year and associated rationale shall be submitted to Program Administrators, Commission Staff and the SAG.	September 1	September 1
NTG	March 1	Evaluators shall report final deemed NTG values	October 1	October 1
IL-TRM	March 1	Submission of final IL-TRM values.	October 1	October 1

Timeline with Policy Manual Proposed Dates for EM&V, NTG, and IL-TRM

END PLAN YEAR 2018
(GPY7/EPY10) (12/31/18)



Detailed Timeline – EM&V, NTG, and IL-TRM

END PLAN YEAR 2018
(GPY7/EPY10) (12/31/18)

