

**IL EE Stakeholder Advisory Group
Thursday, June 21, 2018 Teleconference
9:00 – 11:00 am**

**IL-TRM Policy Issues for SAG
Teleconference**

Attendees (by phone)

Celia Johnson, SAG Facilitator
Sam Dent, VEIC (IL-TRM Administrator)
Cheryl Jenkins, VEIC (IL-TRM Administrator)
Karen Lusson, IL Attorney General's Office
Phil Mosenthal, Optimal Energy, on behalf of IL AG's Office
Jennifer Morris, ICC Staff
Greg Ehrendreich, Midwest Energy Efficiency Alliance (MEEA)
Anthony Santarelli, SEDAC
Michael Li, U.S. Department of Energy
Noelle Gilbreath, Community Investment Corp.
Ingo Bensch, Evergreen Economics
Linda Choong, Nicor Gas
LaJuana Garrett, Nicor Gas
Bruce Liu, Nicor Gas
John Madziarczyk, Nicor Gas
Randy Opdyke, Nicor Gas
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
Mark Szczygiel, Nicor Gas
Chris Vaughn, Nicor Gas
Noel Corral, ComEd
Jim Fay, ComEd
Vince Gutierrez, ComEd
Arturo Hernandez, ComEd
James Lyon, ComEd
Mark Milby, ComEd
Bob Mudra, ComEd
Adam Roche, Franklin Energy
Hannah Howard, Opinion Dynamics
Kevin Ketchman, Opinion Dynamics
Zach Ross, Opinion Dynamics
Matt Drury, Opinion Dynamics
Andrew Cottrell, Applied Energy Group (AEG)
Erin Stitz, AEG
Atticus Doman, Resource Innovations
Matt Kok, Resource Innovations
Ashley Palladino, Resource Innovations
Travis Hinck, GDS Associates
Michael Jung, Varentec
Ryan Kroll, Michaels Energy
Jason LaFleur, Gas Technology Institute
Katie Norem, Think Evolve
Maged Kafafy, DNV-GL

Angie Ziech-Malek, CLEAResult
Brian Yeung, Seventhwave
John Lavalley, Leidos
Hanh Pham, The Weidt Group
Larry Kotewa, Elevate Energy
Caroline Pakenham, Elevate Energy
Suzanne Stelmasek, Elevate Energy
Chelsea Lamar, Navigant
Rob Neumann, Navigant
Randy Gunn, Navigant
Kristin Landry, Navigant
Ellen Craig, Enovation Partners

Secondary Electricity Savings from Reduced Water Use Issue (Larry Kotewa, Elevate Energy)

- The proposal to add a factor for secondary energy savings from water usage savings is representative of guidance that is currently being used in Wisconsin and of state and national studies that assess the energy intensity of water and wastewater services.
- Elevate provided a draft of what the measures would look like to the TRM TAC, applying the approximately 5000 kWh per million-gallon factor to the calculated water savings. This additional savings will not be included in the TRC Test.
- Rationale for proposal – using the energy savings from water savings values can be used to help customers + building owners do water conservation work and water savings work. This allows the utilities to bring this into their programs.
- Issue – water utilities served by utilities that are not ComEd customers.
- “MG” stands for million gallons. The most common way to calculate this is kWh per million gallons.
- The plan to address the TRC Test is to leave the test “as is” which involves the embedded cost savings of water saved. The benefit of the secondary system energy savings is already included in that avoided cost of water. The additional calculated energy savings from water savings are therefore not included in the TRC calculation as this would lead to a double claiming of the secondary savings benefit.
 - Jennifer Morris, ICC Staff: There needs to be an additional line item in evaluation reports so there is no double counting.
- Gas savings was not reviewed. The studies reviewed focused on electric energy savings.
 - Elevate thinks this is a good start; this number is validated across the country for electric savings.
 - In Navigant’s California study, gas savings were not publicly available for the study.

SAG question: Is it appropriate to claim secondary energy savings that do not go to the customer or end user?

- No objections were raised on the call that a “kWh per million-gallon” factor should be used to calculate secondary electricity savings from reduced water use.
- Specific details on the factor to be used and which measures it will apply to will be addressed by the TAC in the IL-TRM Version 7.0 process.
- There is interest in reviewing potential gas savings. Adam Roche (Franklin Energy) will look into potential gas savings. Ted Weaver is also interested in discussing this and will follow-up with Adam.

- Larry Kotewa: It has been difficult to get publicly available data for gas savings.
- Adam Roche: It may not be possible to address gas savings in IL-TRM Version 7.0.

Next steps:

- SAG Facilitator will work with Sam and Larry to draft a brief overview of the agreement to be circulated to SAG. Since the first draft of the IL-TRM is due during the last week of June, the IL-TRM Administrator will move forward assuming the water savings factor will be included. If there is an objection from a SAG participant, the IL-TRM Administrator will remove the water savings factor in a future draft.
- Adam Roche (Franklin Energy) will look into potential gas savings. Ted Weaver is also interested in discussing this and will follow-up with Adam.

Below Code Baseline Issues

- The below code baseline issues are being raised now due to the measures being proposed for IL-TRM Version 7.0.
- Concerns were mentioned that if calculations go below code, they should go above code as well. This could result in reduced savings.
- There is a performance path to meeting code. It is messy if you single out individual situations, but not all situations.
- Concerns were mentioned that there may not be enough data on code compliance.
- One option is to address by making NTG adjustments.
- IL AG shared concerns about below code baselines being used, particularly for prescriptive measures.
- ICC Staff has concerns about baselines below code being included in the TRM. Any adjustment should be made in the NTG ratio, not in TRM savings calculations. This could be sent to the NTG Working Group (for prescriptive measures). That group should consider how to make adjustments to NTG to address this topic.

Scenario 1: Early Replacement Measures

- This scenario relates to replacing an existing piece of equipment with an efficient option. Often the existing piece of equipment is lower than the current code. In that situation, the baseline would be characterized as the existing equipment.

Scenario 2: Assuming Time of Sale or New Construction Baseline that is Lower than Code due to Actual Installation Practices

- This scenario is a result of typical installation practices that are not actually meeting code. This came up related to advanced controls. There is a proposed measure being drafted for advanced controls. A second example was raised where lighting controls are required in New Construction, but are often found not to have been installed. When calculating savings from new efficient light fixtures in a building without controls – should the hours of use reflect the reality of no controls, or should it assume code was met and controls installed?
- **SAG Question 1:** Should the baseline always be code even if evidence suggests actual “average” practice is below code?
- **SAG Question 2:** In the occupancy lighting control example, when calculating savings from new efficient fixtures in a building without controls – should the hours of use reflect the reality of no controls, or should it assume code was met and controls installed?

- Opinion Dynamics submitted the Scenario 2 example. There has been a relatively recent code change in IL; due to that change, there is now a new requirement for occupancy sensors to be installed in all space types (this requirement was not previously in effect).
 - Zach Ross, Opinion Dynamics: This example is specifically for new construction custom measures, for occupancy controls. We took a conservative approach and assumed only savings ABOVE code, even though the installers know that controls were not installed.
- There are also situations where the marketplace actually exceeds code, however in theory this is captured in free ridership. There is currently no mechanism to address situations below code.
- A baseline study could provide information on to what degree this is an issue.

Scenario 3: Assuming an Efficient Condition that Doesn't Meet Code

- **SAG Question:** Is it appropriate to characterize a measure from the installation of an efficient measure that saves energy but that does not meet other code requirements?
 - Concerns were mentioned about promoting measures that do not comply with the law.
 - IL-TRM Administrator suggestion: Seek SAG approval on a case by case basis, where an efficient condition doesn't meet code.

Policy Proposal and Next Steps

This is a broader policy question – if there is clear evidence accepted by the IL-TRM TAC that a baseline is below code, is it acceptable for the baseline to be characterized that way in the IL-TRM?

The proposed agreements discussed during the SAG meeting are described below.

Policy Proposal

1. **Secondary Electricity Savings from Reduced Water Use:** A “kWh per million-gallon” factor should be used to calculate secondary electricity savings from reduced water use. Specific details on the factor to be used and which measures it will apply to will be addressed by the TAC in the IL-TRM Version 7.0 process.
2. **Custom Measures:** For custom measures, the existing baseline could be used in savings calculations at the discretion of program administrators (for example, if the existing condition is not compliant with code and there is data to back that up, the existing condition can be used).
3. **Prescriptive Measures:** For prescriptive measures, code level will be assumed to be the baseline. Any adjustment should be made in the NTG ratio, not in TRM savings calculations.
4. **NTG Working Group Follow-Up:** The NTG Working Group will review how to make adjustments to NTG ratios for the below code baseline scenarios, for both prescriptive and custom measures.
5. **Seeking SAG Approval:** When a situation arises in the IL-TRM TAC where an efficient condition doesn't meet code, the IL-TRM Administrator will seek SAG approval on a case by case basis before approving the measure.
6. **Memorializing Policy Agreements:** Policies should be included in either Policy Manual Version 2.0 or an updated version of the IL-TRM Policy Document. The SAG Facilitator will add this policy topic to tracking list.

Next Steps: SAG Facilitator will circulate the Policy Proposal to SAG and provide 15 business days for comments, questions and/or objections. If any participant objects or has comments or questions, please send to Celia by COB on Wednesday, July 18.