

IL EE Stakeholder Advisory Group: Non-Energy Impacts Working Group

Wednesday, August 29, 2018

12:30 – 3:30 pm

Teleconference Meeting

Attendee List and Meeting Notes

Attendees

Celia Johnson, SAG Facilitator
Sophia Markowska, Midwest Energy Efficiency Alliance, providing meeting support
Douglas Ahl, Seventhwave
Ann Collier, Opinion Dynamics
Erin Daughton, ComEd
Brian Eakin, Navigant
Aimee Gendusa-English, Citizens Utility Board
Laura Goldberg, Natural Resources Defense Council (NRDC)
Mary Ellen Guest, Chicago Bungalow Association
Randy Gunn, Navigant
Beth Hawkins, Three Cubed
Hannah Howard, Opinion Dynamics
Jonathon Jackson, Ameren Illinois
Vijeta Jangra, Navigant
Katherine Johnson, Johnson Consulting
Will Klein, Green and Healthy Homes Initiative (GHHI)
Chester Kolodziej, NFP in Rockford, IL
Chelsea Lamar, Navigant
Kristin Landry, Navigant
Michael Li, U.S. DOE
Karen Lusson, Illinois Attorney General's Office
Jen Ma, Navigant
Keith Martin, Ameren Illinois
Michael McKnight, GHHI
Cheryl Miller, Ameren Illinois
Jessica Minor-Baetens, Navigant
Fernando Morales, Ameren Illinois
Wade Morehead, Leidos
Courtney Moriarta, Seek More, LLC
Jennifer Morris, ICC Staff
Chris Neme, Energy Futures Group, representing NRDC
Rob Neumann, Navigant
Carly Olig, Navigant
Christina Pagnusat, Peoples Gas & North Shore Gas
Chelsea Petrenko, Opinion Dynamics
Deborah Philbrick, Elevate Energy
Patricia Plympton, Navigant
Zach Ross, Opinion Dynamics
Ellen Steiner, Opinion Dynamics
Suzanne Stelmasek, Elevate Energy

Andy Vaughn, Ameren Illinois
Angie Ziech-Malek, CLEAResult
Chris Vaughn, Nicor Gas
Gary Ambach, Seventhwave

Introduction (Celia Johnson, SAG Facilitator)

This is the kick-off meeting to the SAG Non-Energy Impacts Working Group. This is a new Working Group, created at the suggestion of ICC Staff and the evaluators. Feedback from this meeting will be used to determine the topics and timeframe for future Working Group meetings.

Background on non-energy impacts:

- SAG and the TRM Technical Advisory Committee have discussed **Non-Energy Benefits** several times over the past few years, but participants did not reach agreement on what benefits may exist and how they should be quantified. For SAG purposes, the discussion has been re-framed to refer to **Non-Energy Impacts**, since impacts from energy efficiency programs can also be negative.
- There is an interest in Illinois-specific research on non-energy impacts of energy efficiency programs, which is why we will be hearing from the Ameren Illinois and ComEd evaluators today on their research plans and timeline. Presenters on NEI research include Patricia Plympton and Jessica Minor-Baetens, Navigant and Ann Collier, Opinion Dynamics.
- The NEI research will also include **job impacts**. Brian Eakin from Navigant and Zach Ross from Opinion Dynamics will share an overview of planned job research.

Goals for the NEI Working Group:

- To discuss and reach agreement for calculating non-energy impacts
 - (Impacts can include benefits and negative impacts)
- IL-specific research on non-energy impacts will be addressed, from the Ameren Illinois and ComEd evaluators.

Timeline for Non-Energy Impact Research and Results (Navigant and Opinion Dynamics)

Agenda Questions:

1. *Do the gas utility evaluators have plans to complete similar research?*
2. *What is the plan for which NEIs, and for which programs, will be investigated over the 4-year EE Plans?*
3. *When should research results be presented/discussed by this Working Group (in phases)?*
4. *When will EE job impact results be available and ready for discussion?*

ComEd Timeline (Patricia Plympton, Navigant)

- Starting with income eligible programs (income eligible participant/societal NEIs and income eligible utility NEIs):
 - Conduct surveys in the fall of 2018 and 2019
 - Quantified and monetized NEIs potentially ready for TRM/TRC in 2020
 - Quantified and monetized Income Eligible Utility NEIs potentially ready for TRM/TRC in 2019
- Three types of traditional non-energy impacts- Navigant will be looking at participant and societal impacts.
- Job impacts will be in coordination with Opinion Dynamics

- Chris Neme: When will estimated job impacts be ready?
 - TBD; evaluators need to address a series of questions first. SAG Facilitator will follow-up with evaluators and include estimated timing in a NEI Working Group Plan.
 - Discussion on job impacts methodologies is needed.
- Karen Lusson: Why is it necessary for two utilities to be doing this work? Are there other studies that could be applicable in IL?
 - Chris Neme: The housing stock may be different, customers may be different. Income qualified NEBs may need to be evaluated in different territories. But there should be collaboration. For jobs, there should be a single methodology that gets applied uniformly.
 - Navigant is re-purposing an existing survey that was developed for national efforts.
 - Karen Lusson: We should be mindful in evaluations of approaching this consistently.
- Jennifer Morris: Will there be fuel-specific research conducted? There are a number of joint programs.
 - The plan is to proceed at a program level and assess impacts that stem from the entire program effort. TBD about fuel-specific impacts.
 - It's difficult to separate electric and gas.

Ameren Illinois Timeline (Opinion Dynamics)

- Timeline:
 - Draft plan submitted—August 2018
 - Agreement on evaluation plan and methods—September 2018
 - Conduct program-specific NEI research—concurrent with 2018 program evaluation
 - Share draft program specific NEI findings—spring 2019
 - Provide 2018 program job creation impacts—fall 2019
 - 2019 – kick-off the jobs impact assessment
- Using the 2018 program evaluation cycle to determine what the most relevant NEIs are going to be, and come to an agreed approach (both internally, with the NEI Working Group, and with the ComEd evaluation team).
- Initial data collection will be focused on income eligible programs.
- Opinion Dynamics is reviewing papers and studies completed to date, including how to appropriately leverage past work.
- Karen Lusson: Can you talk about rationale for ODC looking at NEIs in Ameren's territory and Navigant in ComEd's territory?
 - It comes down to us wanting to establish regional specific values for the two utilities and as well as recognizing some of the NEIs depend on regional characteristics. There is a great interest in having Illinois specific NEI metrics, and within that they may have different impacts across the state.
- Ameren IL has both electric and gas EE programs so Opinion Dynamics is planning to cover all of the bases with their research. Both fuels will be covered as part of their work.
 - The evaluators will be coordinating with Nicor Gas, Peoples Gas & North Shore Gas, as needed.
 - Is Nicor Gas interested in similar research?
 - IL AG and NRDC shared concerns that the gas budgets are more limited. They do not think a separate analysis is needed.

- Jennifer Morris: To the extent the program level for ComEd are measuring gas as well, the results for the ComEd study may pertain to People's and Nicor and then maybe there wouldn't be need for a separate study for income qualified.
 - You can't separate them out. If someone experiences health and comfort it is the entirety of EE improvements and we can't take out one from the other. This will be included in the research that we do and can point to EE measures for both gas and electric that resulted for NEIs.

Job Impacts Planned Research (Navigant and Opinion Dynamics)

Agenda Questions:

1. *What is the appropriate level to report job impacts (statewide, portfolio / utility-wide, sector-specific or program-specific)?*
2. *Should direct, indirect, and/or induced jobs be reported?*
3. *Should net job impacts be reported?*
4. *What is the appropriate place to report job impacts (utility reporting, IL-TRM, TRC)?*
5. *Any other questions?*

ComEd Job Impacts Research (Brian Eakin, Navigant)

- Money is spent differently in other regions; the impact from EE programs in one region may differ from another.
- Categories of impacts
 - Employment
 - Labor income
 - Value for industry output
- Job definitions:
 - Direct = a direct change to economic activity (people that are employed to employment programs, contractors implementing the programs)
 - Indirect = how this ripples out through the economy; business to business transactions
 - Induced = impacts from household income (people making purchases from other industries)
- Navigant will use IMPLAN (an economic analysis tool), which breaks out the effects of direct, indirect and induced jobs.
- Chris Neme: Are there geographic boundaries on what impacts are being counted? There is a lot of interest in jobs in economically disadvantaged areas; is it possible to estimate for a sub-set of communities?
 - Consider 'economic leakage', such as purchases made on Amazon.
 - May not be able to look at this at the community level, but perhaps in counties that have a greater proportion of economically disadvantaged customers.
 - The model is capturing the economic impacts directly within the state of IL.
 - The model can capture how much economic activity is sent outside of IL; but not to separate industries to separate locations.
- Chris Neme: Concerned about jobs being estimated in specific utility territories (separated in Ameren Illinois and ComEd territories)
 - This is an outstanding methodology question for a future NEI Working Group meeting – will job impacts be estimated statewide?
- The best opportunity of program-specific impacts is with bill savings.
- Net job impacts will be presented.

- Chris Neme: Net jobs impacts would account for capital investments in new power plant or labor intensity of building a new power plant may be different than insulation in homes to avoid new powerplant
 - Not a comparable in terms of building a power plant and EE. Important point that EE reduces need for transmission or new power plants and impacts the economy.
 - There is a methodology that attempts to net this out.
- Chris Neme is interested in geographic job impacts data, in particular in economically disadvantaged communities. Such as bill savings at the zip code or county level.
 - Navigant will consider geographic data from zip code or county. There is a cost of acquiring data to run these studies so looking at how many counties are of interest and to narrow that scope.
- Timeline – results are estimated in September 2019, depending on getting information from ComEd and the program-specific evaluations.

Ameren Illinois Job Impacts Research (Zach Ross, Opinion Dynamics)

- Opinion Dynamics is also planning on using IMPLAN to estimate job impacts; the same methodology should be used for both research studies.
- Will assess job impacts and economic impacts at the portfolio level. After we see initial results, we can consider more specific/granular estimates if there is an interest.
- Will follow-up with Navigant on looking at geographic impacts, particularly in economically disadvantaged communities.
- Do not necessarily see the benefit to breaking this up into individual programs. It would be interesting to look at what industries the impacts are in, not a focus on individual programs
- Timing – results will include “first-year job impacts” (for 2018) and lifetime job impacts
- Would there be a benefit to looking at program-specific economic impacts?
 - Chris Neme: Yes
- Timeline – Opinion Dynamics is planning to have final results ready by end of Sept. 2019, for the 2018 program year.
 - Chris Neme: Draft results should be shared with interested parties in advance, for comments and questions, before finalizing. SAG Facilitator will circulate draft results and schedule a NEI Working Group meeting, as needed.
 - How will results be used? Opinion Dynamics is not expecting to monetize these results into cost-effectiveness testing immediately. We should be looking at quantifying job impacts first.
- Deborah Philbrick: We need to make sure that as analysis moves forward and being conscious of how results are presented and make sure it is representative of jobs that were created in 2018 and that things will change throughout program years
 - This should be considered for a future Working Group agenda. Once this research is done for 2018 programs, if we should do this again in future years.
 - Follow-up Q: Should the new third-party programs that begin in 2019 be included in a future study?
- Summary of comments received:
 - Received 33 comments.
- Chris Neme: Related to bill savings, are you estimating them using retail rates or avoided costs?
 - Estimated using retail rates—what customer would have paid in absence of program.

- Chris Neme: There may be an issue there because the real savings are based on avoided costs, so even though bill is largely based on throughput charge not necessarily representative of ultimate savings to IL community
 - Good point on rate adjustments and how much of that is fixed costs. This is something we will look into how much of that is realized in terms of reduced revenue to the utility. The aspect if this will cause bill increases which will be counteractive to positive impacts of bill savings.

Ameren IL Non-Energy Impacts Research Plan (Ann Collier, Opinion Dynamics)

- Opinion Dynamics will be coming up with detailed research plans for 2019, and detailed plans for each year following.
- We envision that NEIs will be included in the IL-TRM.
- Focusing 2018 activity on three programs: income qualified, multifamily market rate, and public housing
 - Karen Lusson: The results of this research may impact the cost-effectiveness assessment. Are you suggesting by including it in the TRM it will impact the savings analysis?
 - Yes, but this is worth discussing with the NEI Working Group.
- Key methods and activities:
 - Literature review is first task
 - NEI map by AIC initiative
 - Develop NEI evaluation tools
 - SAG and cross-utility coordination
 - Chris Neme: As you start rolling out 2019, 2020 and 2021, do you start to expect to monetize some of the NEIs for programs for a schedule you'll come up with later?
 - Yes, and the framework that we come up, along with working with Navigant team and this working group, with will help us set direction
 - Chris Neme: What are you Benchmarking against?
 - We intended to identify what monetary values others have come up with and determine what type of modifications might be needed in Ameren territory. We know a lot of great research from DOE and other evaluators in other states looking at how it applies to specific states.
 - Laura Goldberg : Health and safety and comfort will come up a lot in groups and knowing action is being taken would be exciting
 - Schedule information sharing of our status and initial results at a future Working Group meeting.
- Karen Lusson: Why isn't the detailed assessment in the 2018 plan?
 - Our approach for 2018 is to take broad view of all NEIs and assess at portfolio – detailed assessment is on the priority list and we are a bit budget constrained
- Chris Neme: Will there be completed results in 2019?
 - In response to stakeholder feedback Navigant will be coming up with detailed research plans for 2019 and each year following that.
- Where should NEI results be captured? Chris Neme: It's important that they are captured somewhere/available for reference.
 - Karen Lusson: It may be useful to include NEI information in quarterly reports
 - Chris Neme: Or at least in utility annual reports.
- Laura Goldberg: Are there other NEIs that are planned?
 - Health, safety and comfort for IQ programs and multi-family.
 - Market rate multi-family – reduced tenant turnover, to the extent possible

- Laura Goldberg – this should also be included for income qualified multi-family.
 - Opinion Dynamics will consider this.
 - The current plan is to speak only with tenants. Laura strongly recommends speaking with both tenants AND property managers.
- Chris Neme: For ODC, would your 2018 efforts be better suited to not interview participants that have had them installed for just a month or two but instead interview customers that will be treated soon about current condition so you can re-interview them later and get a pre-post- like Navigant is planning to do for ComEd?
 - Great point. We will have to think internally about how that fits with our available data collection opportunities this year.
- Two main goals:
 - 1- Set up an organizing framework by the end of 2018, to determine whether they will be able to leverage existing tools and approaches (both from Navigant and other researchers across the country); determine where there are gaps
 - 2- Collect preliminary NEI data for several programs.
- This is an exercise that will be completed as data allows.
- In future years the evaluator anticipates being able to expand this effort.
- Open question – how to present NEI information/result to the Income Qualified Advisory Committees? At least a draft presentation would be useful in the future. Consider if there is a time where the Committees could give substantive feedback.

ComEd Non-Energy Impacts Research Plan (Patricia Plympton and Jessica Minor-Baetens, Navigant)

- The NEI Working Group should also discuss “non-well established” NEIs.
- There is an emphasis on gathering IL-specific data, to establish program-level NEIs.
- Team is starting to research multifamily market impacts.
- Karen Lusson: How are deposit policies, utility deferred payment and arrearages policies accounted for? How do those issues interact with efficiency? It is one thing to incorporate benefits so that measures are cost-effective; concerned about a change in savings as a result of NEIs.
 - Opinion Dynamics will loop back to answer this question. For other payment methods, once we can look at data we will be able to make more sense of different factors we need to take into account.
 - Chris Neme: NEIs should have no impact on energy savings; they should be capturing benefits that are currently not included in cost-effectiveness analysis.

Open Discussion

1. Under what conditions would the NEI results get rolled into the IL-TRM, and how would they be included given that NEIs are often estimated at the program-level?
 - a. Chris Neme suggestion to include NEI information in an appendix/attachment to the IL-TRM. There should be a public place for people to find these documents.
 - b. ICC Staff is open to including both NEI values and methods.
2. Under what conditions would the NEI results be incorporated into cost-effectiveness analysis?) What is the best way to quantify impacts?
 - a. Chris Neme suggestion – at the program level.
3. Is this the best format to discuss statewide job impacts?
 - a. There is value in flushing out the methodological discussion in more detail; a NEI Working Group call should be scheduled focused on that topic.

- b. Will reconvene the NEI Working Group again to address job impacts once research is available.
- c. Chris Neme suggestion: Successes Subcommittee should be reconvened (2019)

Additional Suggestions/Comments:

- Proposed Methodology: If the evaluators are able to survey the SF and MF participants and building owners, they may have results this winter.
 - Survey guides – evaluators would like to share with the NEI Working Group and get input. SAG Facilitator to schedule for future discussion.
- Karen Lusson: How income qualified weatherization positively impacts supply of affordable housing. It’s a huge problem and it would be great to get some info about that as well.
 - Laura Goldberg: If there are other metrics to think about for increasing supply for affordable housing, they should also be considered.
- Spend time on a follow-up call to discuss assumptions on utility cost recovery; where avoided costs would be realized; etc.
- Karen Lusson: Will the NEI analysis include an impact examination of bad debt, cash working capital and credit and collection practices?
 - Evaluators will look at this.
- Deborah Philbrick: We should think about slicing the data, including how the income eligible programs are functioning and even targeting certain household so the outcome could improve programs. Think of the process of how we reach low income households.
- **Suggestions on topics to address (Navigant and Opinion Dynamics will cover this list in the collective Tracking Document)**
 - Researching longer term health impacts (e.g., cancer, cardiovascular diseases, lead exposure)
 - Reductions in O&M costs
 - Property value impacts
 - IE-specific Environmental and Economic NEI Research
 - Do “comfort” NEIs fall under the “quantifiable societal benefit” language in the IL TRC test?
 - Defining the parameters/features to quantify NEIs at the program level
 - Intent to incorporate into the TRM for future application to cost-effectiveness analysis?

Closing and Next Steps (Celia Johnson, SAG Facilitator)

- Evaluators are reviewing feedback/comments/questions from stakeholders submitted on the draft NEI research plans.
 - Navigant provided responses in this Excel document:
 - The SAG Facilitator will follow-up with Opinion Dynamics on responses to comments.
- Evaluators will review the current list of open questions and provide a collective Tracking Document to the Working Group for feedback (10 Business Days). Once feedback is reviewed, the SAG Facilitator will develop a draft Working Group Plan/schedule in coordination with evaluators. Evaluators expect to provide an estimate on when the Tracking Document will be ready by the end of next week.