

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

Monday, February 4, 2019

10:00 am – 12:00 pm

## **Teleconference Meeting Attendees and Meeting Notes**

### **Attendees (by phone)**

Celia Johnson, SAG Facilitator  
Nick Hromalik, Midwest Energy Efficiency Alliance (Meeting Support)  
Ann Collier, Opinion Dynamics  
Erin Daughton, ComEd  
Eric DeBellis, Illinois Attorney General's Office  
Scott Dimetrosky, Apex Analytics  
Brian Eakin, Navigant  
Jim Fay, ComEd  
Mary Ellen Guest, Chicago Bungalow Association  
Randy Gunn, Navigant  
Vincent Gutierrez, ComEd  
Hannah Howard, Opinion Dynamics  
Jonathon Jackson, Ameren Illinois  
Deborah Philbrick, Elevate Energy  
Katherine Johnson, Johnson Consulting Group  
Bruce Liu, Nicor Gas  
Jennifer Ma, Navigant  
Keith Martin, Ameren Illinois  
Anna McCreery, Elevate Energy  
Jessica Minor-Baetens, Navigant  
Fernando Morales, Ameren Illinois  
Jennifer Morris, ICC Staff  
Phil Mosenthal, Optimal Energy, on behalf of Illinois Attorney General's Office  
Chris Neme, Energy Futures Group, on behalf of NRDC  
Theo Okiro, Future Energy Enterprises  
Randy Opdyke, Nicor Gas  
Christina Pagnusat, Peoples Gas & North Shore Gas  
Patricia Plympton, Navigant  
Zach Ross, Opinion Dynamics  
Rachel Scheu, Elevate Energy  
Ellen Steiner, Opinion Dynamics  
Mark Szczygiel, Nicor Gas  
John Tortorella, Opinion Dynamics  
Andy Vaughn, Leidos  
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas  
Chris Vaughn, Nicor Gas

## **Meeting Notes**

### **Cross-Utility Coordination**

#### ***Ted Weaver, on behalf of Nicor Gas***

- Ted Weaver: Nicor Gas has been calculating economic impact since the first plan cycle, and have created a tool that provides a consistent approach.
  - We would like to reach agreement on a consistent methodologies/approach to be used. The utilities should be able to run the model, it doesn't necessarily need to be run by the evaluators. However, open to the evaluators reviewing the analysis.
  - Open Questions:
    - How are we reporting this information?
    - Who are we reporting to?
    - When are we reporting?
    - Does it make sense to have a statewide report?
    - How do we ensure there is not double-counting?
- Jennifer Morris: How often does Nicor Gas complete their economic analysis?
  - Ted Weaver: Nicor Gas has been completing the economic analysis before EE Plan filings. Nicor could do the analysis annually, or on whatever frequency the group decides is appropriate.

### **Methodologies to Assess Economic Impacts of EE Programs**

#### ***Brian Eakin, Navigant and Zach Ross, Opinion Dynamics***

#### **Recap from Last NEI Working Group Meeting**

- August 2018
- Ameren Illinois and ComEd evaluators presented outlined approaches to estimating job impacts.
- Overview of statewide coordination. Evaluators discussed consistent evaluation approaches and followed up with Nicor Gas on their analysis.

#### **IMPLAN Software**

- Opinion Dynamics, Navigant and Nicor Gas have consensus on using IMPLAN software to estimate economic impacts.
- IMPLAN is a software package that allows business activity (incentive payments, hiring of contractors, larger economic activity) to be modeled.
- IMPLAN provides a good framework; technical decisions then need to be made.
  - The evaluator memo circulated before this call includes additional detail about the technical aspects of modeling.
- IMPLAN is commonly used for local and regional economic policy modeling.
- Chris Neme: For programs that are more labor intensive, how does that get accounted for in IMPLAN?
  - We will touch on localization.
  - We know where programs are spending \$.
- Chris Neme: Can these impacts be estimated at the county-level, but not further geographically?

- There is more uncertainty about impacts at the zip code level, or congressional district level and down. There is not as much primary economic data reported at those levels.
- This level of analysis would require breaking out information at the county-level – this would be extremely difficult.
- We may be able to explore this level of analysis in the future.
- Inputs: Net incremental measure costs, participant rebates, net bill savings, bill surcharges, trade ally and contractor incentives, program and portfolio expenditures.
- Outputs: Jobs (FTEs), labor income, output, gross regional product.
- Brian Eakin: We may want to discuss IMPLAN impacts again in the future.

### **Methodology Impact Framework**

- Comprehensive approach to the economic transactions throughout the lifecycle of EE programs.
- Includes positive economic impacts (i.e. net bill savings) and negative economic impacts (i.e. bill surcharges)
  - Bill surcharges = the money collected to fund the program
- Economic impacts are associated with the applicable industry classification

### **Geography of Impacts**

- There are impacts outside of IL; however, for the purpose of these studies the evaluators are planning to use the multi-regional input/output in IMPLAN, which allows the geography to be defined. This will allow impacts to be calculated at the service territory level and at the statewide level, for each utility.
- If there is interest in analysis of a specific community/geography that is impacted by a program, that analysis could be done but it would be a “one off” and outside the statewide analysis.
  - Chris Neme: Agrees with the principal focus on statewide and utility service territory impacts. If there is a way to look at impacts that would be proxy for impacts in lower income communities that would be great, realizing this not be possible during the first study.
  - Next steps: Follow-up on the geography of impacts this fall, after the first study results are completed. We may want to consider a more refined analysis by income level in the future.
- IMPLAN provides results by sector of the economy. Some of those sectors include residential customers, defined by income range in IMPLAN. It’s possible there will be information on certain categories of customers.

### **Timeline**

- Opinion Dynamics – we are planning on including economic study results in the Ameren Illinois cost-effectiveness report.
- Chris Neme suggestion: Statewide impacts should be ‘rolled up’ into one report-out at some point.
  - This could be done after individual utility work is finalized this year. There is a need to ensure that the methodology feeds into a type of statewide, summary report that is well-defined.
  - Zach Ross and Brian Eakin will consider this suggestion and follow-up in a future meeting.

- Preliminary results will be ready to discuss in July (in PPT format, not in written report format at that point).
- Jennifer Morris: Will Nicor Gas also be able to provide results in July?
  - Ted Weaver will discuss internally with Nicor Gas team and follow-up.
- Peoples Gas & North Shore Gas is open to discussing analysis in their service territory – Patricia Plympton will follow-up with Christina Pagnusat.

## **Next Steps**

### **Key Follow-up:**

- NEI Working Group participants are encouraged to review the memo prepared by Navigant and Opinion Dynamics: **Memo to NEI Working from Navigant and Opinion Dynamics: Illinois Economic and Employment Impact Methodology (draft, January 30, 2019)**
  - Written comments and questions are due within 10 Business Days (by COB on Tuesday, February 19). Send comments to Zach Ross, Opinion Dynamics and Brian Eakin, Navigant.
  - If any substantive issues are raised, the NEI Working Group will discuss during our March meeting.
    - Evaluators are interested in feedback on what methodologies should be discussed in March. Celia will follow-up with key parties.

### **March NEI Working Group Meeting**

- Key topics:
  - Double counting issue – follow-up discussion on methodology.
  - Joint presentation from Navigant and Opinion Dynamics, including recommendations for:
    - NEIs to conduct research on and NEIs to exclude;
    - Methodology to quantify selected NEIs; and
    - Methodology to monetize selected NEIs.
- Celia will work with key parties on an early draft agenda and will send a Doodle poll to key parties with meeting date options.

### **July NEI Working Group Meeting**

- Key topic: Preliminary study results.

### **October NEI Working Group Meeting**

- Key topics:
  - Presentation of joint recommendations on next steps – which may include monetized NEIs into a future version of the IL-TRM or Policy Manual, or another document referencing the TRC process.
  - Follow-up discussion of refinements to future studies, such as the geography of impacts and whether impacts can be further studied by income level.

### **November Large Group SAG Meeting**

- Statewide results presentation for both economic impact studies and NEI studies.