

IL EE Stakeholder Advisory Group

Sub-Committee Meeting: CHP

Tuesday, July 15, 2014

3:00 – 5:00

Midwest Energy Efficiency Alliance

20 North Wacker Drive, Suite 1301

Call-In Number: 760-569-6000

Passcode: 844452#

Time	Agenda Item	Discussion Leader
3:00 – 3:10	Opening and Introductions	Annette Beitel, SAG Facilitator
3:10 – 3:20	Meeting Objectives/Outcomes <ul style="list-style-type: none">• Review Commission Directives.• Review/discuss list of questions.• Develop meeting schedule and plan.• Assign open issues.• Agree on final Work Product. A proposed work product list is identified in the draft Subcommittee process flowchart (pending discussion of Qs/Open Issues).	Annette Beitel
3:20 – 4:20	Questions/Open Issues <ul style="list-style-type: none">• Review list of Qs/Open Issues.• Any other Qs/Issues to address?• Discuss responses.• Assign for drafting responses/further research.	All
4:20 – 4:55	Process/Schedule/Plan <ul style="list-style-type: none">• Process: Subcommittee participants per organization/company.• Goal: Final Draft Work Product(s) in September.• Meetings: Tuesdays at MEEA (weekly or every other week?)• Report out to SAG: September 29th Meeting.	Annette Beitel
4:55 – 5:00	Close	Annette Beitel

Attendee List

Annette Beitel, SAG Facilitator

Celia Johnson, SAG Senior Policy Analyst
Roger Baker, ComEd
Ian Adams, MEEA
Steve Baab, ComEd
Chris Vaughn, Nicor Gas
Jim Jerozal, Nicor Gas
Bryan McDaniel, CUB
Rob Neumann, Navigant
Pat Michalkiewicz, Peoples Gas-North Shore Gas
Koby Bailey, Peoples Gas-North Shore Gas
Cheryl Miller, Ameren IL
Keith Goerss, Ameren IL
Pat Sharkey, Environmental Law Counsel/MCA
Cliff Haefke, ERC/UIC
John Cuttica, ERC/UIC
Samantha Williams, NRDC
Stephanie Schlitter, NRDC
Rich Hackner, GDS Associates
Malcolm Quick, Nicor Gas
Curt Volkmann, ELPC
Phil Mosenthal, Optimal Energy, on behalf of IL AG
Jim Fay, ComEd
Roger Hill, Navigant
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
George Roemer, Franklin Energy
Byron Lloyd, DCEO
Shraddha Raikar, ERC/UIC
Travis Hinck, GDS Associates
Erin Carroll, VEIC
Stefano Galiasso, ERC/UIC
Jennifer Hinman, ICC Staff
Chris Neme, Energy Futures Group, on behalf of NRDC
Karen Lusso, IL AG
David Diebel, ADM Energy
Tim McAvoy, CLEAResult
Ken Woolcutt, Ameren IL
Doug Dougherty, Geo Exchange

Meeting Notes

Action Items are highlighted **in yellow**.

Intro – Annette Beitel, SAG Facilitator

Meeting Objectives/Outcomes

- Timing – aim for every other week, with a report-out at SAG meeting.
- Website – will post meeting notes/attendee list and documents, including draft documents.

- Keith Goerss, Ameren IL – A disclaimer should be included on all documents – this is a work in progress; does not necessarily represent the view of all parties. Annette will draft and send to attorneys for review.
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Sam Williams, NRDC: Is there a timeline that ComEd would start a program?

- Mike Brandt, ComEd: If a customer would bring in a project right now, it could go through the custom program.
- Steve Baab, ComEd: For custom projects, ComEd would work with Navigant to determine how to come up with savings.
- Pat Sharkey: Concerned about timing; the longer we wait to figure out issues, since there is a 3-year window
- Steve Baab, ComEd: The 3-year window isn't necessarily a stop to the program. ComEd has issued reservation letters than go into the following plan cycle.

Commission Directives – DCEO and ComEd

- DCEO
 - Open issue is on savings calculation for CHP, and what goes into the TRM.
 - There are separate Commission directives on the TRM process.
- Jim Jerozal, Nicor Gas: Nicor Gas described a CHP program in an uncontested portion of the EE Plan docket.

Open Issues List Discussion

Timing Issue – when is report-out for Subcommittee?

- Goal will be to report back to SAG in September.

Issue 1c) Pat Sharkey, Environmental Law Counsel/MCA: When is the savings credit claimed? MCA is concerned about the Large C&I Pilot Program, which had a specific stop included.

- Steve Baab, ComEd: Savings is claimed once a project is “installed and operational.”
- Phil Mosenthal, Optimal Energy: Is there any reason we would need to treat CHP differently from any other project that might span plan periods?
 - Steve Baab, ComEd: No.
- Keith Goerss, Ameren IL: Under what program would this get funded? Ex: Large C&I Pilot requires customers to opt-in, which impacts projects. If a CHP project came May need to look at program rules. Another example: in the custom project, NTG changes every year. CHP would be eligible under the custom program as well; there was not language in the Final Order.
 - Phil Mosenthal, Optimal Energy: CHP could be considered another eligible efficiency measure.
- John Cuttica, ERC/UIC: Incentive is received at the end of the 12 months, because it is performance-based.
- Jim Jerozal, Nicor Gas: If a CHP project came to Nicor Gas, it would not be clear how to handle it due to the fuel switching issue.
- Pat Michalkiewicz, Peoples Gas-North Shore Gas: CHP is not currently an eligible program or measure in the compliance filing.
- Subcommittee Decision: CHP Project credits and payments may span planning periods, depending on the rules of the program in which the project has applied. It is understood,

however, that if a project is not completed within the current plan cycle, the applicant runs the risk that the program may be discontinued or the program parameters may be different in the next planning cycle.

Issue 2: Whether to include fuel switching and ground source heat pumps in this Subcommittee.

- John Cuttica, ERC/UIC: Fuel switching is already defined.
- Doug Dougherty, Geothermal Exchange Organization: GEO is concerned about the proposal to add ground source heat pump discussion to this Subcommittee. The Final Orders do not mention this measure. GEO is also concerned about broadening this Subcommittee to fuel switching. The law that amended the definition of ‘energy efficiency’ addressed the issue of fuel switching. (Total amount of BTUs saved).
- Phil Mosenthal, Optimal Energy: Fuel switching is a sub-set of efficiency.
- Jim Jerozal, Nicor Gas: The law talks about gas and electric – it doesn’t refer to other items (propane and electric, for example).
- Keith Goerss, Ameren IL: Who gets credit for a reduction in BTUs? The gas side, or the electric side?
- John Cuttica, ERC/UIC: A lot of the issues associated with these savings, how to calculate, where to allocate, are the same issues faced by geothermal heat pumps. Ok with keeping this Subcommittee to CHP, but we should not exclude discussing what geothermal heat pumps are doing.
 - Doug Dougherty, Geothermal Exchange Organization: The geothermal heat pumps measure is already in the TRM. The measure is currently a high priority for updating in TRM Version 4.0.
 - Phil Mosenthal, Optimal Energy: Agrees with the Subcommittee focusing on CHP, but suggested that the Subcommittee be cognizant that we don’t want to create a policy that will be violated elsewhere.
- Erin Carroll, VEIC: How are CHP and geothermal heat pumps coupled together, when they are separate things?
 - Phil Mosenthal, Optimal Energy: CHP brings up a lot of the same issues, because multiple fuels are being dealt with, and switching between the two.
- Decision: The Subcommittee will focus on CHP. The Subcommittee will be cognizant of how CHP issues are being addressed by other technologies.

Substantive Issues

- *Additional issue: What are the elements of the approach for CHP? How will CHP be evaluated?*
 - Steve Baab, ComEd: For CHP, there are a lot of barriers surrounding acquiring customers. Including a front-end would put more certainty around that.
 - Examples of front-end: Strategic Energy Management (SEM). How savings are counted is being done independently. Nicor Gas has partnered with ComEd.
 - Jim Jerozal, Nicor Gas: In this way, Nicor Gas could partner with ComEd.
 - Phil Mosenthal, Optimal Energy: Concerned that this is a program design decision/issue, not a policy issue.
 - Pat Sharkey, Environmental Law Counsel/MCA: The Commission said a stand-alone program should be evaluated. Things that MCA likes about a stand-alone CHP program are the outreach elements.
 - Steve Baab, ComEd: will put together proposed CHP key channel elements for the next meeting.

- Roger Hill, Navigant: will put together an evaluation strategy for CHP.
- *Issue: Whether to include CHP as a measure in the Technical Reference Manual (TRM).*
 - Erin Carroll, VEIC: Putting CHP into a TRM where they are listed as a semi-custom measure will be very difficult. There is no prescriptive formula to put into the TRM related to savings, because it is site-specific. The methodology relates to specifying efficiencies and specified equipment, and not the savings calculation.
 - Chris Neme, Energy Futures Group/NRDC: Agrees. The process could be laid out in the TRM, but it is not a simple formula.
 - Ted Weaver, First Tracks Consulting: Isn't there already an algorithm in place by DCEO?
 - Phil Mosenthal, Optimal Energy: The biggest issue is how to count savings. The decision of whether or not to publish it in the TRM is a fairly simple one.
 - Keith Goerss, Ameren IL: Once we apply a calculation, it gives us a BTU savings amount. How much will be related to gas savings, and how much will be related to electric savings?
 - Jim Jerozal, Nicor Gas: Perhaps we should put different philosophies on the table and consider them. Final Order states that CHP should be included in the TRM.
 - Stefano Galiasso, ERC/UIC: There is an algorithm from the DCEO methodology, but it is complex. It involves several calculations.
 - Chris Neme, Energy Futures Group/NRDC: Due to the Final Order language, this should be included in the TRM.
- *Issue: Program design issues.*
 - Remove issue 4a.
 - Issue 4b) Pat Sharkey, Environmental Law Counsel/MCA: This is a general point as to not burdening a CHP project. These are examples of things that could be additional requirements that are concerns.
 - ComEd is considering additional incentives for CHP, not a lower incentive.
 - Steve Baab, ComEd will keep this concern in mind in drafting the CHP channel discussion.
- *Issue: Roles and allocation of responsibilities of the gas and electric utilities.*
 - Steve Baab, ComEd will consider joint delivery in drafting the CHP channel discussion.
- *Issue: Roles and allocations of responsibilities of the gas and electric utilities.*
 - Individual project TRCs.
 - Phil Mosenthal: Depending on how savings are screened, this may change.
- *Issue: How to estimate savings – there are two areas of disagreement.*
 - 1) Should efficiency be calculated at the site or source?
 - 2) How many BTU savings can be allocated to electric vs. gas?

Pat Sharkey, Environmental Law Counsel/MCA: Suggested it be put down on paper what is being proposed as far as an alternate calculation methodology; for example, Chris/Phil's position - to understand the parameters and where they differ.

- Phil Mosenthal and Chris Neme will prepare an alternate calculation methodology for the next meeting that is numeric (formula with defined parameters).
- Ted Weaver, First Tracks Consulting/Nicor Gas: The three options are to go all the way to the source/generators; you can go all the way back to the meter of the building, or you can go into the building and track down the end uses. It is a policy decision on which one works best.

- Jim Jerozal, Nicor Gas: The Subcommittee should consider positives/negatives of each approach.
- Pat Sharkey, Environmental Law Counsel/MCA: There should be authority included of where each approach is utilized.
 - John Cuttica, ERC/UIC: We are just talking about site vs. source. How to distribute between gas/electric is a second issue. Other approaches should include a source and citations to other jurisdictions. There needs to be formulas included in a comparison.
- Ted Weaver, First Tracks Consulting, will put together a comparison chart that includes at least three (3) savings calculations methodologies, comparing the different approaches and identifying the positives/negatives of each approach.

Next meeting: Tuesday, August 5th from 12:30-4:30pm.

- Materials due by COB on July 29th for circulation to the Subcommittee.