

Illinois Energy Efficiency Stakeholder Advisory Group
Policy Manual Subcommittee Version 2.0
Adjustable Goals for Weighted Average Measure Lives
Policy Recommendation From Nicor Gas

Adjustable Goals for Weighted Average Measure Lives	
Policy Issue	<p>The Settlement Agreements signed by Illinois utilities and stakeholders in 2018-21 Plan Approval dockets defined minimum weighted average measure life (WAML) values. These provisions ensured that utilities continue to emphasize lifecycle savings as they exercised Policy Manual provisions that allow flexibility in shifting budgets among programs.</p> <p>Many of the measure lives used to set WAML values in the settlement agreements have since been updated based on secondary research by Navigant. These changes affect WAML values even when utilities do not shift budgets from approved Plan budgets.</p> <p>It is inconsistent with the intents of the settlement agreements for utilities to manage changes to WAML values that do not result from budget shifts. Note that these changes in measures lives can both increase or decrease WAML.</p>
Proposed Resolution	<p>Policy Manual section 6.2, which defines Adjustable Savings Goals, should be revised to address changes in measure useful lives as well as changes in gross savings calculations.</p> <p>Revised language for gas utilities is proposed below. Since Policy Manual Version 1.1 leaves open adjustable savings goals for electric utilities, additional language might be appropriate for electric utilities.</p> <p style="text-align: center;"><u>6.2 Adjustable Savings Goals</u></p> <p>Gas utility annual energy savings goals <u>and weighted average measure life targets</u> will be adjusted to align them with changes to <u>gross energy savings algorithms, as well as deemed and default measure lifetimes, defined in the IL-TRM-values</u>.</p> <p>Within sixty (60) days after Commission approval of the annual IL-TRM values, each gas utility will file adjusted energy savings goals <u>and weighted average measure life targets</u> reflecting updated IL-TRM values applicable to the Program Year commencing January 1.</p>
Market Impact	This policy impacts all gas utilities and could also impact electric utilities.
Commission Directive(s) – if applicable	In addition to adjustable savings goals provisions included in Policy Manual v1.1, the Commission approved annual energy savings goals for Ameren Illinois in Docket 13-0498 (covering Electric Plan Years 7-9 and Gas Plan Years 4-6) that allowed goals for both electric and gas savings to adjust each year for changes in IL-TRM savings algorithms values as well as NTG values. These provisions have since been superseded by the language included in Policy Manual 1.1.
Statutory Consistency	No conflict with statutes.

**Adjustable Goals for
Weighted Average Measure Lives**

<p>Background Research (optional)</p>	<p>No additional background research.</p>
<p>Additional Information</p>	<p>The Nicor Gas Stipulation Agreement in Docket 17-0310 contains the following provision regarding WAML:</p> <p style="padding-left: 40px;">While Nicor Gas retains the flexibility, as documented in the Illinois Energy Efficiency Policy Manual, to shift resources between programs and measures, Nicor Gas agrees that it will not exercise this flexibility in a way that results in a portfolio weighted average measure life decrease to less than 11.91, which would be 1.0 year lower than 12.91 as reflected in the filed Plan that is the subject of this Stipulation.</p> <p>Nicor has also proposed changes to Section 6.2 regarding treatment of NTG. Combined language addressing both proposals is presented below:</p> <p style="padding-left: 40px;">Gas utility annual energy savings goals <u>and weighted average measure life targets</u> will be adjusted to align them with changes to <u>gross energy savings algorithms and deemed and default measure lifetimes, defined in the IL-TRM values as well as updated prospective NTG values</u>.</p> <p style="padding-left: 40px;">Within sixty (60) days after Commission approval of the annual IL-TRM values, each gas utility will file adjusted energy savings goals <u>and weighted average measure life targets</u> reflecting updated IL-TRM values <u>and NTG values</u> applicable to the Program Year commencing January 1.</p>