

Illinois Energy Efficiency Stakeholder Advisory Group: Policy Manual Subcommittee Plan Final (10/15/18)

I. Purpose

The purpose of the SAG Policy Manual Subcommittee is to reach agreement on Policy Manual Version 2.0. All participants will have an opportunity to propose policies for consideration by the Policy Manual Subcommittee. Participants are encouraged not to propose substantive changes to policies already in the Policy Manual, unless necessary.

II. Background

Creation of an energy efficiency “policy manual” in Illinois was a directive from the Illinois Commerce Commission (ICC) to SAG in 2014. The Policy Manual “provides guiding principles for procurement, oversight, evaluation and operation of the electric and gas Energy Efficiency Programs authorized under Sections 8-103B and 8-104 of the Illinois Public Utilities Act (Act). The principles and policies articulated in the Policy Manual were derived from Commission orders, policies and procedures developed by the SAG, as well as Best Practices from state Energy Efficiency Programs delivered throughout the nation.”¹

The first version of the Policy Manual was approved by the ICC in December 2015, following the conclusion of a SAG Subcommittee process. The second version, Version 1.1, was updated in spring 2017 to reflect editorial changes needed as a result of the Future Energy Jobs Act (FEJA). Version 1.1 was approved by the Commission in October 2017, with an effective date of January 1, 2018. The current Policy Manual is available for download on the SAG website: <http://www.ilsag.info/illinois-ee-policy-manual.html>.

Section 2.4 of Policy Manual Version 1.1 describes the update process: *This Policy Manual will be reviewed at least annually and updated as needed. In 2017, there is expected to be two rounds of review and update. The first (embodied in this version) modifies existing Policy Manual provisions to conform to the addition of Section 8-103B of the Act, the sunset of Section 16-111.5B of the Act, and modifications to Sections 8-103 and 8-104 of the Act, and the second to add a number of additional provisions necessary to address other key aspects of these statutory changes that were not part of the past or this version of the Manual.*

III. Goal

The goal is to reach consensus on Policy Manual Version 2.0 at the negotiation meetings held in April 2019, to finalize the Policy Manual Version 2.0 no later than May 24, 2019, and to submit the Policy Manual Version 2.0 to the Commission for approval in June.

IV. Participation

Participation in the Policy Manual Subcommittee is open to all interested parties, unless a topic presents a Financial Conflict of Interest (see Section VI below). The following organizations have indicated interest in participating in the Policy Manual Subcommittee:

¹ IL EE Policy Manual Version 1.1, Section 2.1, Background.

- Ameren Illinois: Kristol Simms, Cheryl Miller, Jennifer Moore, Mark DeMonte, Jonathon Jackson, Shelita Wellmaker
- Apex Analytics: Scott Dimetrosky, Lauren Miller Gage
- CLEAResult: Angie Ziech-Malek
- Citizens Utility Board: Aimee English
- ComEd: Mike Brandt, Noel Corral
- International Energy Conservation Consultant (IECC): Darren Meyers
- Illinois Attorney General's Office: Karen Lusson, Janice Dale, Phil Mosenthal
- Illinois Commerce Commission (ICC) Staff: Jennifer Morris, Tina Stanford
- Midwest Energy Efficiency Alliance (MEEA): Greg Ehrendreich, Nick Hromalik
- Natural Resources Defense Council (NRDC): Chris Neme (Energy Futures Group), Toba Pearlman
- Navigant Consulting: Rob Neumann, Jeff Erickson, Randy Gunn
- Nicor Gas: Jim Jerozal, Chris Vaughn, Randy Opdyke, Mark Szczygiel, Ted Weaver (First Tracks Consulting), Anne Mitchell (Rooney Rippie & Ratnaswamy)
- Opinion Dynamics: Hannah Howard, Zach Ross
- Peoples Gas – North Shore Gas: Christina Pagnusat, Koby Bailey, Omayra Garcia
- Seventhwave: Brett Bridgeland
- Solutions for Energy Efficiency Logistics (SEEL): Ashley Lucier
- Vermont Energy Investment Corp. (IL-TRM Administrator): Cheryl Jenkins, Sam Dent

V. Meeting Materials

Draft meeting materials for Policy Manual Subcommittee discussion will not be available for download on the SAG website. This is the same process followed during Version 1.0 discussions. Instead, meeting materials, including draft policy language, will be circulated directly to participants by email.

VI. Guiding Principles

All SAG Policy Manual Subcommittee participants are encouraged to follow guiding principles to support collaborative discussion, including:

1. **Build trust and collaboration.** SAG meetings are intended to build trust and collaborative working relationships among participants.
2. **Educate and inform.** SAG meetings are intended to educate and inform participants on specific topics. Parties are encouraged to ask questions and request follow-up if additional information would be informative to the group.
3. **Offer constructive approaches and solutions.** Parties are encouraged to raise issues and voice concerns when they don't support specific initiatives discussed at the SAG, including offering constructive approaches and solutions where possible.
4. **Focus on the merits.** SAG discussions should focus on the merits of an issue, rather than assertions of prior litigation positions that have already been resolved, unless there is a compelling reason/rationale to revisit the issue.

5. **Ensure all interests are represented.** Participation in SAG is open to all interested participants to encourage the discussion of a broad variety of interests, unless a topic presents a financial conflict of interest.
6. **Participate in consensus discussions in good faith.** Topics addressed in SAG may involve consensus decision-making. SAG participants will participate in consensus discussions in good faith, by engaging in respectful dialogue and listening to differing opinions of various parties.

VII. Financial Conflict of Interest

A financial conflict of interest is present when a SAG participant, in the judgment of the SAG Facilitator, has a financial stake in a SAG discussion topic and participation by the financially interested party could have adverse consequences, such as hindering complete and frank discussions. SAG participants that have a financial conflict of interest in specific meetings topics must recuse themselves from participating in those meetings. Notwithstanding this restriction, the designated agent(s) of a participating utility shall not be considered to have a financial conflict of interest for purposes of participating in SAG discussions.² Conflicts may change from time to time.

Topics that may present a financial conflict of interest include, but are not limited to, the following:

1. Discussion of proprietary and/or confidential information (e.g., current and prospective program implementers, contractors, and product representatives);
2. Current and past program performance (e.g., current program implementers and contractors);
3. Future bids (e.g., current and prospective program implementers, potential bidders, and contractors);
4. Evaluation performance and proposed changes (e.g., current and prospective independent evaluation contractors); and/or
5. Negotiations on portfolio planning for utility Energy Efficiency Plans.

Prior to the discussion of confidential topic(s), SAG participants may be asked by a utility or utilities to sign a non-disclosure agreement.

VIII. Process

- Before the first Subcommittee meeting, the SAG Facilitator will prepare a Policy Manual Subcommittee Plan, review and circulate the tracking list of policy issues that have been raised since Policy Manual Version 1.0 and Version 1.1 were completed, and circulate all proposed policies to Subcommittee participants for review.
- SAG participants interested in proposing a policy for inclusion in Version 2.0 must complete a Proposed Policy Template and submit it to the SAG Facilitator. Completed templates were due during the first week of September, 2018.
 - The [Proposed Policy Template](http://www.ilsaq.info/templates.html) is available for download on the Templates page of the SAG website: <http://www.ilsaq.info/templates.html>.

² Objections to individual or company participation in a discussion that has been identified by the SAG Facilitator as presenting a financial conflict of interest will be further addressed by interested utility and stakeholder attorneys, on an as-needed basis.

- SAG participants are expected to make a good faith effort to provide supporting information about proposed policy issue(s), background research, and the proposal to address those issue(s). Additional information may be requested by the SAG Facilitator or Policy Manual Subcommittee participants.
 - Policy issues that are listed in stipulated agreements do not require completion of a Proposed Policy Template.
 - Administrative edits do not require completion of a Proposed Policy Template.
 - Version 1.0 docket issues do not require completion of a Proposed Policy Template, because the rationale for proposed change(s) was already raised in the docket.
- Policy Manual Subcommittee Version 2.0 discussions will begin in September 2018, to discuss and reach agreement on policies for inclusion in Version 2.0.
 - Additional background on policies from other jurisdictions may be presented by the SAG Facilitator or by policy experts outside of Illinois, to provide context to Subcommittee participants.
 - Monthly in-person meetings will be held, with teleconference options for those unable to participate in-person.
 - Follow-up teleconference meetings will be held to follow-up on topics discussed during in-person meetings.
 - Policy content discussions will conclude by the end of March, 2019.
 - Negotiation meetings will be held in April 2019 (dates/locations TBD).
 - An Attorney Review Process will occur in April 2019, convened by the SAG Facilitator. See Section IX below, Attorney Review Process.
 - The final Policy Manual Version 2.0 will be circulated to the Subcommittee for ten (10) Business Day review by Friday, May 3, 2019. This review will be for any final “nits” and errors only.
 - The final Policy Manual will be circulated to SAG for information purposes only, prior to submission to the Commission for approval.
 - Policy Manual Version 2.0 will be finalized no later than Friday, May 24, 2019.
 - Policy Manual Version 2.0 is expected to be submitted to the Commission for approval in June 2019.

IX. Attorney Review Process

An Attorney Review Process will occur following Policy Manual Version 2.0 negotiations. The SAG Facilitator will convene interested attorneys representing Policy Manual stakeholders in a small group “writing committee.” The purpose of the Attorney Review Process is for attorneys to review final policy language from Policy Manual Version 2.0 with a consistent voice, “look and feel”, and content. Attorneys will seek to preserve the substance of any policies they edit. If a substantive edit is needed, the SAG Facilitator will document the rationale for the edit.

Policy Manual Subcommittee participants will have an opportunity for ‘almost final’ review of Policy Manual Version 2.0 following the Attorney Review Process, for any nits and errors, prior to finalizing the Manual for submission to the Commission for approval. Redline and “clean” versions of the ‘almost final’ Manual will be circulated to the Subcommittee.

X. Prioritization

The SAG Facilitator will follow a prioritization process for all policies submitted for inclusion in Policy Manual Version 2.0, similar to the annual IL-TRM measure prioritization process.

The purpose of the prioritization process is to align schedule restraints with desired updates to the Policy Manual. Policy prioritization will be discussed at the September kick-off meeting, to determine high, medium, and low priority policies.

Proposed policies submitted by interested parties will be ranked based on the following criteria to determine the approximate priority level for order of inclusion in the Policy Manual:

High Priority

- Proposed changes to existing policies where the impact of the requested change is high and will affect all Illinois utilities.
- New policies where the impact of the requested change is high and will affect all Illinois utilities.
- Administrative edits that are needed due to errors.
- Process edits that are needed to resolve schedule constraints.
- Substantive policy changes (new or existing) that should be added as a result of the Future Energy Jobs Act.

Medium Priority

- Proposed changes to existing policies where the impact of the requested change is less significant or does not impact all Illinois utilities.
- New policies where the impact of the requested change is less significant or does not impact all Illinois utilities.

Low Priority

- Proposed changes to existing policies where the impact of the requested change is small.
- New policies where the impact of the requested change is small.
- Proposed changes to existing policies and/or new policies where it is not clear how to implement in the next Program Year, or it would be beneficial to review additional research or evaluation results before developing a policy.

XI. Schedule

The schedule below describes Policy Manual Subcommittee meetings that will be held in fall/winter 2018 and the first half of 2019. In-person meetings will be held on a monthly basis, with teleconference meetings scheduled to hold follow-up discussions, as needed. Negotiation meetings are anticipated in April 2019.

**SAG Policy Manual Subcommittee
Version 2.0 Schedule – 2018 and 2019**

Date / Time	Agenda	Next Steps
<p>Wed., Sept. 19, 2018 SAG Subcommittee: Policy Manual In-person</p> <p>10:30 am – 3:30 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Kick-off meeting. Overview of draft Policy Manual Subcommittee Plan. • Discuss process questions – What will be the effective date of Version 2.0? • Discuss policy issue prioritization (high, medium, low). 	<p>SAG Facilitator to finalize Subcommittee Plan and schedule; circulate prioritization list.</p>
<p>Wed., Oct. 17, 2018 SAG Subcommittee: Policy Manual In-person</p> <p>10:30 am – 3:30 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Discuss proposed policy issues (agenda circulated in advance). 	<p>SAG Facilitator to circulate meeting notes.</p>
<p>Thurs., Nov. 8, 2018 SAG Subcommittee: Policy Manual In-person</p> <p>11:00 am – 4:00 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Follow-up on policy issues addressed during prior meetings. • Discuss proposed policy issues (agenda circulated in advance). 	<p>SAG Facilitator to circulate meeting notes.</p>
<p>Wed., Dec. 12, 2018 SAG Subcommittee: Policy Manual Teleconference</p> <p>10:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • Follow-up teleconference on policy issues addressed during prior meetings (Oct. 17 and Nov. 8). 	<p>SAG Facilitator to circulate meeting notes.</p>
<p>Wed., Jan. 9, 2019 SAG Subcommittee: Policy Manual Teleconference</p> <p>10:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • Discuss proposed policy issues (agenda circulated in advance). 	<p>SAG Facilitator to circulate meeting notes.</p>
<p>Wed., Jan. 30, 2019 SAG Subcommittee: Policy Manual In-person</p> <p>10:30 am – 3:30 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Discuss proposed policy issues (agenda circulated in advance). 	<p>SAG Facilitator to circulate meeting notes.</p>
<p>Wed., Feb. 13, 2019 SAG Subcommittee: Policy Manual Teleconference</p> <p>10:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • Follow-up teleconference on policy issues addressed during prior meetings (Jan. 9 and Jan. 30). 	<p>SAG Facilitator to circulate meeting notes.</p>

SAG Policy Manual Subcommittee Version 2.0 Schedule – 2018 and 2019		
Date / Time	Agenda	Next Steps
Wed., Feb. 27, 2019 SAG Subcommittee: Policy Manual In-person 10:30 am – 3:30 pm Chicago, IL	<ul style="list-style-type: none"> • Discuss proposed policy issues (agenda circulated in advance). 	SAG Facilitator to circulate meeting notes.
Wed., March. 13, 2019 SAG Subcommittee: Policy Manual Teleconference 10:00 am – 12:00 pm	<ul style="list-style-type: none"> • Discuss proposed policy issues (agenda circulated in advance). 	SAG Facilitator to circulate meeting notes.
March 2019 SAG Subcommittee: Policy Manual In-person (Date TBD) 10:30 am – 3:30 pm Chicago, IL	<ul style="list-style-type: none"> • Follow-up on policy issues addressed during prior meetings (Feb. 27 and March 13). • Final policy discussion before negotiations. 	SAG Facilitator to circulate meeting notes.
April 2019 – Negotiation Meetings (Dates/Times TBD)	<ul style="list-style-type: none"> • Negotiation meetings – dates/times TBD. 	SAG Facilitator to circulate follow-up and notes.
April 2019 – Attorney Review Process (Dates/Times TBD)	<ul style="list-style-type: none"> • Attorney Review meetings convened by SAG Facilitator – dates/times TBD. 	SAG Facilitator to send the 'almost final' Policy Manual Version 2.0 to Policy Manual Subcommittee for review by May 3, 2019 (nits and errors).
May 2019 SAG Subcommittee: Policy Manual Teleconference (Date/Time TBD)	<ul style="list-style-type: none"> • Schedule a meeting to discuss final “nits” errors, as needed – date/time TBD. 	SAG Facilitator to circulate final Policy Manual Version 2.0 to SAG by Friday, May 24, for information purposes.