2024 SAG Portfolio Planning Process

Celia Johnson, SAG Facilitator

January 17, 2024 SAG Teleconference Meeting

Today's Agenda

- SAG Background
- SAG Coordination with Other Processes
- 2024 SAG Activities
 - Planning Process
 - Schedule
 - Planning Process Survey
- Overview of 2024 SAG Groups
 - Subcommittees
 - Working Groups
- Request for Feedback and Open Items
 - SAG Process Guidance Document
 - Other Documents
 - Planning Process Survey
- Contact Information

SAG Background

SAG Creation

- The Illinois Energy Efficiency Stakeholder Advisory Group (SAG) was **created** in 2008 by direction of the Illinois Commerce Commission (ICC), when the first electric Energy Efficiency (EE) Plans were approved by the ICC
- SAG is an advisory body that focuses on:
 - Educating the IL stakeholder community on EE programs and a variety of EE issues
 - Building trust among parties with various interests
 - Providing a forum for narrowing differences amongst parties
 - Engaging in constructive discussion; inviting parties to offer approaches and solutions to issues
 - Building consensus agreement on EE policy and technical issues, in an effort to reduce or avoid future litigation

Policy Manual Definition of SAG

The SAG is an advisory body, not a decision-making body. It is a forum that allows parties to express different opinions, better understand the opinions of others, and foster collaboration and consensus, where possible and appropriate.

See Section 3.3, Advisory Role:

Illinois Energy Efficiency Policy Manual Version 3.0 (Final)

SAG Participation

- SAG meetings are **open to all interested parties** to encourage discussions by stakeholders representing a variety of interests
 - Opportunity for IL utilities and interested stakeholders to work together to discuss progress towards meeting EE portfolio goals, and policy and technical issues related to EE
- Who participates in SAG?
 - IL utilities-> Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas
 - Advocates representing a variety of interests-> consumer, environmental, low income, and ratepayer
 - Community-based organizations and Community Action Agencies
 - EE implementation contractors
 - Illinois Commerce Commission Staff
 - Independent evaluators of EE programs

Defining SAG Groups

Large Group SAG

- Generally covers broad EE topics of interest
- Prioritizes topics required by the Policy Manual; directives to SAG from the ICC; and ICC-approved stipulated agreements between utilities and non-financially interested parties
- Other topics related to EE portfolio planning, design, implementation, and evaluation are scheduled as time and resources permit

SAG Working Groups

- Established to discuss short-term issues that need resolution
- May be ongoing, or may be time-limited

SAG Subcommittees

- Established for necessary issue-specific topics
- Generally longer-term discussions than Working Groups
- Subcommittees may be ongoing, or may be time-limited

SAG Guiding Principles

The following guiding principles are intended to support collaborative discussion:

- 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.

SAG Guiding Principles (cont.)

- **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.

Policy and Process Guidance

- The following documents provide policy and process guidance on Illinois utility energy efficiency portfolios:
 - Illinois Energy Efficiency Policy Manual Version 3.0 (Final)
 - Version 3.0 approved by the ICC in Dec. 2023
 - IL-TRM Policy Document Version 4.0 (Final)
 - Version 4.0 approved by the ICC in Dec. 2023
 - SAG Process Guidance 2024 Update (Redline Draft 1/11/2024)
 - This document summarizes various SAG processes updated annually, as needed
 - See redlines for proposed 2024 edits for SAG review

SAG Website

- www.ILSAG.info
- SAG website includes:
 - Agendas, meeting materials, and notes for 15 years of meetings
 - Meeting materials can be found on individual meeting pages see the <u>SAG</u> <u>Calendar</u> for a full list of meetings
 - Individual Subcommittee and Working Group pages
 - Evaluation materials EE program evaluation reports, research results, evaluation plans (draft and final)
 - Utility reports on EE portfolio progress (quarterly and annual reports)
 - Other resources:
 - Links to all ICC EE dockets
 - Potential Studies
 - IL Technical Reference Manual annual update
 - List of participating organizations

Administrative Update

- ► <u>Inova Energy Group</u>, a WBE-certified business, provided SAG facilitation meeting support in 2023 and will continue in 2024
- The majority of SAG meetings will remain virtual in 2024
 - Large Group SAG meetings will continue to be split into two days, due to virtual format
 - Reviewing whether any Large Group SAG meetings should be held inperson

SAG Coordination with Other Processes

Coordination with IL-TRM Update Process

- IL-TRM Administrator (VEIC) leads Technical Advisory Committee meetings to update the next version of the IL-TRM (Version 13.0)
 - IL-TRM is updated annually, beginning each year with prioritization of proposed new measures or measure changes
 - IL-TRM Version 13.0 will be finalized by Oct. 1, 2024
 - To join the IL-TRM distribution list, reach out to VEIC: iltrmadministrator@veic.org
- SAG Facilitator coordinates with IL-TRM process
 - Addressing policy issues that arise during IL-TRM update process
 - Circulating IL-TRM deliverables to SAG
 - Updating SAG website with IL-TRM deliverables
 - Participating in TRM meetings (facilitated by <u>VEIC</u>)
 - Participating in IL-TRM Income Qualified Working Group (facilitated by <u>MUSE</u> <u>Community + Design</u>)

Coordination with IQ EE Committees

- Income Qualified EE Committees (or Low Income Energy Efficiency Advisory Committee, LIEEAC)
 - As described in the Climate and Equitable Jobs Act (CEJA), the LIEEAC's purpose is to "directly inform the design, implementation, and evaluation of the low income and public housing energy efficiency programs"
 - Separate from SAG
 - SAG Facilitator plans to coordinate with IQ Committee representatives on 2024 EE topics that may be of interest to both SAG and IQ North or IQ South Committee participants, including holding joint meetings, as needed

2024 SAG Activities

2024 SAG Portfolio Planning Process

- In 2024, SAG will focus on the Portfolio Planning Process
 - This is a consensus-seeking process to discuss foundational issues to EE Portfolio Plan development with IL utilities
 - Utilities are developing EE Plans for the next 4-year cycle -> 2026-2029
 - Utilities are required by statute to file individual EE Plans with the ICC for approval by March 1, 2025
 - SAG Planning Process occurs once every 4 years
 - The first Planning Process was held in 2016
 - Large Group SAG meetings will focus on Planning Process
 - SAG Subcommittee and SAG Working Groups will focus on current EE portfolio topics that need discussion
 - Dedicated page on SAG website: https://www.ilsag.info/meetings/portfolio-planning-process/

Policy Manual Describes the Process

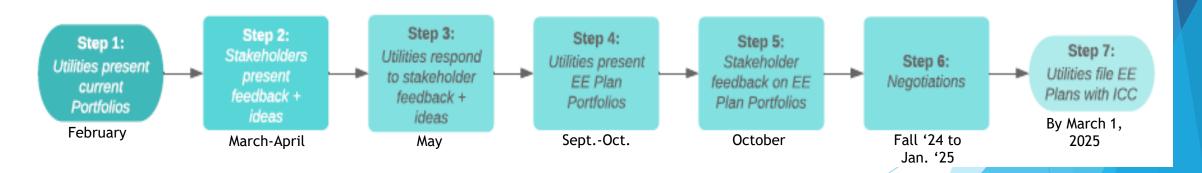
Program Administrators shall work in a cooperative and iterative manner with SAG participants to develop the next multi-year Plan. Such cooperation includes discussion of foundational issues to Plan development; including budgets, Portfolio objectives, Program ideas, and Program design. Program Administrators and SAG shall seek to develop and communicate such foundational assumptions in a manner that supports efficient and timely modeling of proposals for a comprehensive Plan. A primary purpose of these cooperative and iterative discussions is to reduce the number of non-consensus issues and litigation associated with the applicable Plan dockets.

See Section 3.9, SAG Review, Draft Portfolio Outlines:

Illinois Energy Efficiency Policy Manual Version 3.0 (Final)

Planning Process Timeline

- January to October 2024: Monthly Large Group SAG meetings
- **September 2024 to January 2025:** Negotiation meetings with individual utilities and non-financially interested stakeholders
- **By January 31, 2025:** Finalize negotiations and 2026-2029 EE Plan stipulations
- **By March 1, 2025:** IL utilities file individual 2026-2029 EE Plans with the ICC for approval



Participation

- Majority of Large Group SAG meetings during the Planning Process will be open to all interested parties, to encourage discussion by stakeholders representing a variety of interests
 - There are limited situations where SAG participation needs to be closed to utilities and non-financially interested parties only - when a topic or process presents a financial conflict of interest
 - In those situations, participation by a financially interested party could have adverse consequences, such as:
 - 1. Hindering complete and frank discussions, and / or
 - 2. A participant may gain an undue advantage or benefit by participating
 - Non-financially interested party = a company or organization that <u>does</u> <u>not receive funding</u> from an Illinois utility
 - Financially interested party = a company or organization that receives funding from an Illinois utility

Participation (cont.)

- Examples of conflict situations:
 - Discussing confidential or proprietary information
 - Reviewing and discussing a draft Request for Proposals
 - Discussing a vendor performance issue
 - EE Plan negotiations with individual utilities
- SAG "Financial Conflict of Interest Policy" is in the SAG Process Guidance Document, and referenced in annual SAG Plans
 - SAG Facilitator identifies conflict situations before a meeting
 - Participants who have a financial interest are asked to recuse themselves from participating

Proposed Update to SAG Conflicts Policy

- During the Policy Manual update process in 2022/2023, concerns were raised about how to include community-based organizations (CBOs) in SAG meetings or processes that involve a conflict
- To address concerns, the SAG Financial Conflict of Interest Policy has DRAFT edits available for review
- If consensus is reached, the edits would allow representative(s) of CBOs to participate in "non-financially interested party" discussions at SAG in the following scenarios:
 - A CBO that receives no utility funding
 - A CBO that receives a Market Development Initiative grant
 - A CBO that serves as a Program Ally or Trade Ally
 - A CBO that works with an IL utility in a marketing, outreach or implementation capacity with a contract totaling less than \$100,000 annually

Proposed Update to SAG Conflicts Policy (cont.)

- ► The draft policy is available for review: <u>SAG Financial Conflict of Interest Policy Update (Draft 1/10/2024)</u>
- Comments are due by Thursday, February 1
 - Comments should be submitted to the SAG Facilitator (Celia@CeliaJohnsonConsulting.com)
 - Anyone who submits comments will be invited to the SAG Steering Committee meeting on Tuesday, February 6

2024 SAG Schedule

- ► 2024 SAG Schedule: 2024 SAG Portfolio Planning Process Schedule Flowchart (Final Draft 1/10/2024)
 - Blue = Large Group SAG Meetings
 - Orange = SAG Subcommittee and SAG Working Group Meetings
 - Green = Deliverables and Deadlines
 - Aqua = Negotiations
 - Pink = Coordination with IQ North EE Committee and IQ South EE Committee

February Utility Presentations

- Ameren Illinois, ComEd, Nicor Gas, Peoples Gas and North Shore Gas will present an overview of current EE Portfolios and considerations for 2026-2029 EE Plans
 - The goal is to kick-off the SAG Planning Process with a common understanding of current EE Portfolios
 - Utility presentations will help inform the opportunity for SAG participants to submit "Energy Efficiency Ideas"
- Kick-off utility presentations:
 - Tuesday, February 13
 - ComEd EE Portfolio Presentation
 - Nicor Gas EE Portfolio Presentation
 - Wednesday, February 14
 - Ameren Illinois EE Portfolio Presentation
 - Peoples Gas & North Shore Gas EE Portfolio Presentation
 - Wednesday, February 21
 - All utilities present overview of Income Eligible/Income Qualified EE Programs

Energy Efficiency Ideas

- Opportunity for interested SAG participants to submit:
 - 1. Feedback on current EE portfolios, suggesting changes for the 2026-2029 EE Plans; and / or
 - 2. Energy efficiency ideas for utility consideration, such as program approaches or new measures that have been successfully implemented in another jurisdiction
- Deadline for EE Ideas Friday, March 15, 2024
 - EE Ideas will be presented to SAG in April
 - IL utilities will respond to EE ideas at SAG in May
- SAG participants encouraged to:
 - 1. Focus on the highest priority EE ideas
 - 2. Work together to submit joint EE ideas, when possible
 - 3. Review the latest <u>utility EE reports</u> and participate in February SAG meetings to avoid proposing an EE idea already offered by a utility

Energy Efficiency Ideas (cont.)

- How should interested SAG participants submit an EE Idea?
 - A link to an online template will be provided
 - This is <u>not</u> a formal RFP process
 - For participants who want to work together on EE Idea submittals, a Word version of the template will be shared
- How does the EE Ideas process interact with the annual IL-TRM update?
 - If your EE idea involves a new measure, or a change to an existing measure, <u>please also submit a measure request</u> to the IL-TRM Administrator (VEIC)
 - Information on how to submit IL-TRM measure requests will be shared with SAG
- Introduction to EE Ideas Template

2026-2029 Utility EE Plan Presentations

- ► Fall 2024: Each of the utilities (Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas) will present a draft 2026-2029 EE Plan to SAG
 - * **September:** Nicor Gas presents draft EE Plan
 - October: Ameren Illinois, ComEd, Peoples Gas & North Shore Gas present draft EE Plans
- October SAG Meetings: Opportunity for interested SAG participants to present initial feedback to SAG
- Following October SAG Meetings: Negotiations begin with each utility and non-financially interested stakeholders

Negotiations

- ▶ Negotiations on 2026-2029 EE Plans will take place at the end of the process from Sept. 2024 to January 2025
 - Negotiations between individual utilities and non-financially interested parties
 - A utility may require the execution of a Non-Disclosure Agreement (confidentiality agreement) before participating in meetings
 - Goal of negotiations is to finalize a stipulated agreement with each utility summarizing agreement on that utility's EE Plan, to be filed with the ICC
 - SAG Facilitator will organize and track issues in all negotiation meetings
- By Friday, March 15, 2024: Non-financially interested stakeholders who are eligible to participate in negotiations to notify SAG Facilitator of their interest
 - Earlier negotiation meetings anticipated in spring, to discuss a policy for IL utilities to leverage non-utility EE funding (federal \$, City of Chicago \$)

SAG Planning Process Survey

- An online survey will be circulated to SAG this week, to inform the 2024 Planning Process responses <u>due by Thursday</u>, February 1:
 - 1. What topic(s) should IL utilities cover in their February SAG presentations?
 - To kick-off the Planning Process, IL utilities will present overview of current EE portfolios and considerations for the 2026-2029 EE Plans
 - 2. What high level EE idea(s) are you considering submitting to SAG for the March 15th "EE Ideas" deadline?
 - Stakeholders are encouraged to work together to submit joint EE ideas, when possible goal is to use survey responses to identify topics of mutual interest
 - * Responding to this question is <u>not</u> required to submit an EE Idea in March
 - 3. Are you interested in a meeting with the SAG Facilitator to discuss the 2024 SAG Planning Process or additional background on SAG?

2024 SAG Groups

Overview of 2024 SAG Groups

SAG Steering Committee

- Holds 1-2 meetings per year; members include utility representatives and non-financially interested stakeholder organizations that signed the 2022-2025 EE Plan stipulated agreements
- The purpose is to provide substantive feedback to the SAG Facilitator on: (1) annual SAG Plans; and (2) progress towards meeting annual SAG Plan goals to ensure that the time spent on SAG is as productive and valuable as possible

Large Group SAG

Monthly Planning Process meetings planned from January to October 2024

SAG Subcommittees

- Equity Subcommittee
- Network Lighting Controls Subcommittee

SAG Working Groups

- Non-Energy Impacts Working Group
- Market Transformation Savings Working Group
- Reporting Working Group

Equity Subcommittee

- Purpose: To support equity discussions in energy efficiency portfolios
 - Meetings will be held jointly with Income Qualified (IQ) North EE Committee and IQ South EE Committee, including an opportunity for SAG and IQ EE Committee participants to coordinate on discussion of EE efforts related to equity
- ▶ Background: Established in 2022; this was a directive from several of the utility 2022-2025 EE Plan Stipulated Agreements
- Subcommittee Website: https://www.ilsag.info/meetings/subcommittees/equity-subcommittee/
- **2024 Topics:**
 - Ameren Illinois Market Development Initiative Assessment
 - Presentation on DCEO grant opportunities
 - Updates on launch and progress of market development initiatives (MDI) from northern IL utilities (ComEd, Nicor Gas, PG/NSG)
 - IQ North Committee and/or IQ South Committee EE topic updates, if needed
- Meeting Timing:
 - Two meetings planned March (Q1) and July (Q3)

Network Lighting Controls Subcommittee

- Purpose: To discuss the progress of measures associated with network lighting controls (NLC) with Ameren Illinois, ComEd and interested stakeholders, including strategies for accelerating adoption of networked lighting controls, luminaire level lighting controls, and other related measures
 - What are network lighting controls?
 - Controls for commercial properties that combine LEDs, controls, connectivity and data for a flexible lighting system that can improve occupant comfort and space utilization; strategies include occupancy sensing, daylight harvesting, continuous dimming and more
- Background: Established in 2022, referenced in both the Ameren Illinois and ComEd 2022-2025 EE Plan stipulations
- Subcommittee Website:
 https://www.ilsag.info/meetings/subcommittees/network-lighting-controls-subcommittee/
- 2024 Topics: Progress update from Ameren Illinois and ComEd on NLC measures in 2023; opportunity for interested participants to share feedback on NLC measures for the 2026-2029 EE Plans
- Meeting Timing: 1 meeting planned April

Market Transformation Savings Working Group

- Purpose: To provide a forum for utilities and stakeholders to discuss Illinois market transformation initiatives, and the data/approach proposed to be used for savings protocols
 - What is "market transformation"?
 - Illinois definition: "Market transformation is the strategic process of intervening in a market to create lasting change that results in the accelerated adoption of energy efficient products, services and practices."
 - Intervention activities that seek to impact the long-term EE market, such as working directly with manufacturers, engaging with government agencies on test procedures, etc.
- **Background:** Established in 2019 to reach agreement on a framework for market transformation savings; this framework was included in IL-TRM Version 8
 - Since 2019, MT Working Group meetings have focused on discussing MT policy issues, progress on IL MT initiatives, MT evaluation
- Working Group Website: https://www.ilsag.info/mt_savings_working_group/

Market Transformation Savings Working Group (cont.)

2024 Topics:

- Updates on utility MT initiatives, which may include Stretch Codes and Building Performance Standards, Luminaire Level Lighting Controls, Retail Products Platform, Gas Heat Pump Water Heaters, Thin Triple Pane Windows, Efficient Rooftop Units, Secondary Glazing Systems
- When needed, discuss market transformation savings protocols

Meeting Timing:

- Q1 Meeting: February
- Q2 Meeting: May
- Q3 Meeting: July
- Any suggestions related to MT in the next utility EE Plans (2026-2029) need to be submitted through the large group SAG

Non-Energy Impacts Working Group

- Purpose: To discuss results from Illinois non-energy impact (NEI) studies
 - What are "non-energy impacts"?
 - Impacts of energy efficiency programs other than energy and bill savings can be positive or negative (though usually positive)
 - Examples: indoor air quality / health benefits; comfort of the home; reduced operation or maintenance costs
- **Background:** Established in 2018 to discuss NEI research plans and draft research results from Illinois NEI studies, as well as defensible methodologies to use across the state related to calculating non-energy impacts
 - Meetings to date have focused on discussing NEI research plans, results and study methodologies, including economic impact methods
 - Since 2020, limited number of meetings held to discuss progress updates on NEI studies
- Working Group Website: http://www.ilsag.info/nei-working-group
- Meeting Timing: 1 meeting planned (February)

SAG Reporting Working Group

- Purpose: To discuss utility reporting on EE portfolios; the Reporting Working Group is convened on an as-needed basis
- **Background:** Quarterly and Annual reporting requirements for IL utilities administering EE portfolios is described in the Policy Manual
 - See Section 6.5 Program Administrator Quarterly Reports and Section 6.6 Annual Summary of Activities
 - Utilities file quarterly reports with the ICC, and share with SAG for posting on the <u>Utility Reports page</u>; links to reports are circulated to SAG following each quarter
 - Utilities use statewide reporting templates available on the <u>SAG Templates page</u>
- ► Working Group Website: www.ilsag.info/reporting-working-group

SAG Reporting Working Group (cont.)

- ▶ 2024 Topics: Since fall 2023, the Reporting Working Group has engaged in a "metrics process" for IL utilities and interested stakeholders to reach consensus on specific reporting metrics to address the new reporting principles added to Policy Manual Version 3.0:
 - Income Qualified Multi-Family Reporting Principles
 - Income Qualified Health and Safety Reporting Principles
 - Equity and Affordability Reporting Principles
 - Diverse Contracting Reporting Principles

Meeting Timing:

The "metrics process" is almost complete - final meeting is January 23

Request for Feedback and Open Items

SAG Process Guidance Document

- ► The SAG Process Guidance Document describes guiding principles, process rules, and roles and responsibilities of SAG participants, to foster communication and productive discussion at SAG.
 - Developed in 2018; updated on an as-needed basis
- See proposed redline edits for 2024:
 - ❖ SAG Process Guidance 2024 Update (Redline Draft 1/11/2024)
 - Comments are due by February 1

Request for Feedback

Comments and questions on 2024 SAG planning documents due <u>by</u> <u>Thursday, February 1</u>

- 2024 SAG Portfolio Planning Process Project Plan (Final Draft 1/11/2024)
- 2024 SAG Portfolio Planning Process Schedule Flowchart (Final Draft 1/10/2024)
- SAG Financial Conflict of Interest Policy Update (Draft 1/10/2024)
- ❖ SAG Process Guidance 2024 Update (Redline Draft 1/11/2024)

Send questions, comments and proposed edits directly to the SAG Facilitator, Celia Johnson: Celia@celiaJohnsonConsulting.com

If any discussion is needed on SAG planning documents, those who submit comments will be invited to the SAG Steering Committee meeting on Tuesday, February 6

Reminder - SAG Planning Process Survey

- An online survey will be circulated to SAG this week, to inform the 2024 Planning Process responses <u>due by Thursday</u>, February 1:
 - 1. What topic(s) should IL utilities cover in their February SAG presentations?
 - To kick-off the Planning Process, IL utilities will present overview of current EE portfolios and considerations for the 2026-2029 EE Plans
 - 2. What high level EE idea(s) are you considering submitting to SAG for the March 15th "EE Ideas" deadline?
 - Stakeholders are encouraged to work together to submit joint EE ideas, when possible goal is to use survey responses to identify topics of mutual interest
 - * Responding to this question is <u>not</u> required to submit an EE Idea in March
 - 3. Are you interested in a meeting with the SAG Facilitator to discuss the 2024 SAG Planning Process or additional background on SAG?

Contact Information

- SAG Facilitator Celia Johnson (<u>Celia Johnson Consulting</u>)
 - Email: celia@celiajohnsonconsulting.com
 - Phone: (312) 659-6758
 - SAG Website: www.ILSAG.info

Distribution List Updates

- There is a separate distribution list for each SAG group
- Reach out to Celia Johnson to join the Large Group SAG or any of the SAG Subcommittee or SAG Working Group lists