**ComEd Policy Proposal: Leveraging Co-Funding**

**Feb. 16, 2023 Policy Small Group Meeting**

**Proposed Policy Language:**

* In order to resolve uncertainty and provide utilities and stakeholders with the confidence to pursue co-funding opportunities, the following process is established to discuss co-funding opportunities:
  + If a Program Administrator identifies an applicable opportunity to leverage available funding or grants for energy efficiency measures with an annual impact expected to be greater than $1,000,000, that Program Administrator shall notify SAG.
  + If a utility or stakeholder identifies an applicable opportunity to leverage available funding or grants for energy efficiency measures, they may bring it to the applicable utilities and non-financially interested Policy Committee members for discussion related to the potential co-leveraging implementation approach, and allocation and treatment of net energy savings, with the goal to reach written consensus among the parties, and to be shared with and adopted by the independent evaluator in future calculation of energy savings. If consensus is not reached, the independent evaluator shall make a retrospective adjustment.
    - Note: Existing NTG policy does not currently allow retrospective NTG.
* Memorializing it in the Policy Manual will provide more certain and efficient administration and recognition of energy savings, which is critical given the increasing need/frequency to address varying co-funding opportunities.

**Follow-up: Next Small Group meeting on Monday, March 13 (3:00 – 4:30 pm)**

* ComEd will propose a definition of “leveraging” and circulate by email for review
* Small Group participants will:
  + Review yellow highlight edits from 2/16 meeting
  + Think about whether $1,000,000 is the right threshold amount, another suggestion to consider is using a % of budget for a particular program or measure instead of a dollar amount
  + Review market transformation (MT) Energy Savings Framework, is the Framework a possible way to treat leveraging opportunities?
    - Note: The MT Energy Savings Framework was added as an attachment to the IL-TRM in 2019, following review and consensus by the SAG MT Savings Working Group. Proposed edits to this Framework are currently under review by a small group of the SAG MT Savings Working Group.

**Summary of Feb. 9 Policy Small Group Follow-up Items:**

1. ComEd will add a reference to NTG in the policy language, and will think about a $ boundary on leveraging.
2. Previous American Recovery and Reinvestment Act (ARRA) agreement: Ted Weaver and Jeff Erickson will look into whether there was a written agreement.
3. Follow-up on federal tax credit opportunity, should there be a negotiated NTG?
4. Ameren Illinois will consider whether policy edits are needed to reference existing agreements where other savings are attributed (IHWAP, voltage optimization, street lighting). Another idea is to create a SAG website page where leveraging agreements can be posted.
5. Stakeholders will consider the “shall” vs. “may” edit; consider a $ boundary on leveraging.
6. State of Illinois guidance on federal funding: Consider engaging with IL EPA to discuss how SAG (or a small group of SAG) recommends the state to proceed, which could also include educating IL EPA about IL EE