

**Illinois EE Stakeholder Advisory Group
Large Group SAG Meeting**

Tuesday, April 9, 2024
9:00 am – 12:30 pm
Teleconference

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Meeting Materials

Posted on the [April 9 meeting page](#):

- [Tuesday, April 9 SAG Agenda](#)
- [Recurve EE Ideas Presentation](#)
- [Joint Stakeholder EE Ideas Presentation](#)
- [SAG Facilitator Introduction: April EE Idea Meetings](#)

Attendees

Name	Company or Organization
Celia Johnson	SAG Facilitator (Celia Johnson Consulting)
Jorge Medina Zambrano	SAG Meeting Support (Inova Energy Group)
Abigail Miner	IL Attorney General's Office
Alisa Garcia	ICF
Amy Jewel	Elevate
Andrew Cottrell	ScottMadden
Andrey Gribovich	DNV
Andy Gorecki	Franklin Energy
Andy Vaughn	Leidos
Antonia Ornelas	Elevate
Bruce Liu	Nicor Gas
Becca McNish	DNV
Billy Davis	Bronzeville Community Development Partnership
Brian Kirchman	ComEd
Carmen Best	Recurve
Cassidy Kraimer	Community Investment Corp.
Cheryl Johnson	People for Community Recovery
Cheryl Watson	Equitable Resilience & Sustainability LLC

Name	Company or Organization
Chris Neme	Energy Futures Group, representing NRDC
Chris Vaughn	Nicor Gas
Daiva Gylys	Resource Innovations
Darren McRoy	Walker-Miller Energy Services
David Brightwell	ICC Staff
Deb Dynako	Slipstream
Dheeraj Kodi	Resource Innovations
Elena Savona	Elevate
Elizabeth Applegate	Applied Energy Group
Elizabeth Horne	ICC Staff
Eljona Fiorita	CLEARresult
Erika Dominick	Walker-Miller Energy Services
Erin Daughton	ComEd
Erin Dopfel	Aiqueous
Fernando Morales	Ameren Illinois
Gregory Norris	Aces 4 Youth
Grey Staples	The Mendota Group
Hannah Howard	Opinion Dynamics
Hilary Snover	CLEARresult
Jarred Nordhus	Peoples Gas & North Shore Gas
Jean Gibson	Peoples Gas & North Shore Gas
Jennifer Alvarado	Franklin Energy
Jennifer Pearson	CEDA
Jillian Zell	Opinion Dynamics
Jim Fay	ComEd
Jim Oshaughnessy	Energy Infrastructure Partners
John Carroll	Ameren Illinois
John DeRosa	Illinois EPA
Jonathan Skarzynski	Nicor Gas
Josh Schreck	The JPI Group
Josh Sharon	ComEd
Julie Hollensbe	ComEd
Karen Germain	ICF
Karen Lusson	National Consumer Law Center (NCLC)
Kari McCue	Nicor Gas
Kari Ross	NRDC
Kate Shonk	Citizens Utility Board
Keely Hughes	The JPI Group
Kegan Daugherty	Resource Innovations
Ken Parker	Community Investment Corp.
Ken Walczak	DarkSky Chicago
Kim Swan	ComEd

Name	Company or Organization
LaJuana Garrett	Nicor Gas
Lance Escue	Ameren Illinois
Larry Kotewa	Elevate
Leyah Williams	ICC
Lilieric FlorezMonroy	Peoples Gas & North Shore Gas
Maria Onesto Moran	Green Home Experts
Mark Milby	ComEd
Mark Szczygiel	Nicor Gas
Mary Kuhn	Slipstream
Matt Armstrong	Ameren Illinois
Melissa Helphingstine	Primera Engineering
Mia Berrios	Peoples for Community Recovery
Michael Brandt	Elevate
Nate Baer	Staples Energy
Nelson May	Future Energy Enterprises (IQ South Facilitation Team)
Nick Lovier	Ameren Illinois
Nick Warnecke	Ameren Illinois
Nikki Pacific	Ameren Illinois
Omayra Garcia	Peoples Gas & North Shore Gas
Pace Goodman	Illume Advising
Pat Justis	Ameren Illinois
Peter Widmer	Power Takeoff
Philip Halliburton	ComEd
Philip Mosenthal	Optimal Energy, representing IL AG and NCLC
Rlck Tonielli	ComEd
Rashaan Keeton	Center for Energy & Environment
Roger Pavey	IL Association of Community Action Agencies
Ron Markus	BCMW Community Services
Ronna Abshure	ICC
Ryan Kroll	Driftless Energy
Sam Dent	VEIC (IL-TRM Administrator)
Sam Stahl	Ameren Illinois
Sanjyot Varade	Resource Innovations
Sara Castleberry	Resource Innovations
Scott Yee	Resource Innovations
Seth Craigo-Snell	SCS Analytics
Shonda Biddle	Center for Energy & Environment
Sri Paruchuri	Resource Innovations
Stephen Robinson	Northwest Austin Council
Thomas Ketchum	South Suburban Action Conference
Tamika J. Cole	Walker-Miller Energy Services

Name	Company or Organization
Ted Weaver	First Tracks Consulting, representing Nicor Gas
Thomas Drea	Ameren Illinois
Tina Grebner	Ameren Illinois
Tony Shay	Recurve
Victoria Nielsen	ScottMadden
Zachary Froio	Applied Energy Group

Meeting Notes

Follow-up items indicated **in red**.

Opening and Introductions

Purpose of April 9 SAG Meeting:

- For stakeholders to present Energy Efficiency Ideas for Illinois utilities to consider in developing their 2026-2029 EE Plans.
- The April 9th meeting is focused on business ideas, cross-cutting ideas, and market transformation ideas.

[SAG Facilitator Introduction: April EE Idea Meetings](#)

Recurve EE Ideas

Carmen Best, Recurve

Electrification Targeting Analysis (EE Idea tracker rows 53-56) and FLEXMarket (EE Idea tracker rows 57-60)

- Recurve's mission is to create a better balance between energy supply and demand by integrating Distributed Energy Efficiency, including energy efficiency and demand flexibility, as reliable and affordable solutions on the path to decarbonization.
- Recurve aims to bring visibility to energy resources through accurate measurement of intentional and unintentional changes in energy usage, especially in areas like Illinois with a strong track record of quality program delivery.
- Recurve approaches this mission through analytics and the Flex Market platform, which enables measured or pay-for-performance programs to coordinate and validate distributed energy resources and demand flexibility impacts.
- Their equitable heat pump electrification analysis idea focuses on optimizing the deployment of electrification technologies to ensure positive early customer experiences and future adoption.
- The platform provides a comprehensive overview of all customers in a service territory, identifying the best opportunities for targeting electrification interventions based on weather-sensitive usage patterns and energy consumption data aligned with heating and cooling degree days.
- This information can be coupled with propensity to buy or act data and marketing strategies to drive interventions where they are most needed, ultimately helping to design electrification programs with the largest impact.

Karen Lusson – (via chat) By interventions, are you talking about demand response, i.e., the utility taking control of the heat pump?

Carmen Best – Primarily I'm talking about replacement of heating technologies with the heat pump (i.e retrofits and upgrades), but it could also be managing those technologies for their load value.

- Recurve's analytics platform has been utilized in case studies for Southern California Edison and the Clean Tech California initiative.
- In the Southern California Edison case, the platform optimized electrification impact to understand peak load reductions, targeting customers with higher propensity to save. The top half of customers in the program delivered three times the grid impacts, showing the value of targeting peak period savings.
- Similarly, in the Clean Tech California initiative, focusing on customers with high air conditioning usage for heat pump retrofits proved effective. These customers could deliver two-thirds of all summer peak savings, crucial for historically disadvantaged populations who might suffer from bill increases after electrification.
- By targeting interventions towards customers with high impact potential, these programs not only increase grid value but also provide bill savings and contribute to the success of electrification efforts.

Karen Lusson – (via chat) When you say target customers who "maximize peak load savings," are you talking about high usage customers?

Carmen Best – High energy usage can be analyzed in different ways, such as average usage or peak usage at specific times of the day, like 4pm to 10pm. In California, this period is crucial due to high energy demand and declining solar production. Balancing loads with demand flexibility is necessary to address grid constraints during this time.

Chris Neme – When this is used in jurisdictions that also have TRM savings algorithms, they would have to deviate from using the default TRM average savings values and instead use metered data customized to the actual way that the program is delivered. Is that right?

Carmen Best – While deemed savings impacts may constrain the ability to demonstrate higher intervention impacts, the grid impacts remain real. In jurisdictions like Illinois, there's consideration for assessing actual impacts on an ex-post basis, not solely relying on deemed savings. In California's Clean Tech California program, which operates outside the Energy Efficiency Portfolio, goals include assessing GHG and energy savings impacts based on actual measurements, with the requirement that customers do not see bill increases. Despite programs being deployed with deemed savings for rebates, actual measurements remain valuable for understanding overall impacts.

Chris Neme – Would these be supported by independent evaluators?

Carmen Best – Yes. This could potentially be done through a pilot program or another method to allow for the calibration of incentives.

Thomas Ketchum – Is this tool accessible?

Carmen Best – Typically Recurve is hired by program administrators, utilities, or implementation companies to provide insights and program optimization capabilities. The software is commercial but built on an open-source code base, publicly available through the Linux Foundation. Recurve manages data ingestion and visibility, while clients determine how to utilize the insights for impact assessment.

- Emphasizes the importance of bill savings as a key component of program success, highlighting the significance of actual energy savings experiences for customers beyond deemed savings estimates.
- Suggests the need for targeted analysis, particularly for income-eligible populations, citing research that demonstrates improved realization rates with targeted interventions.
- Advocates for systematic monitoring of electrification outcomes throughout programs, allowing for ongoing adjustments and optimization, rather than waiting for end-of-program evaluations.
- Describes the benefits of using a systematic approach for monitoring electrification outcomes, including standardized pre-post measurement outputs, which can inform program optimization and contractor management.
- Discusses the utility of customer management insights, especially for new technologies and complementary interventions, using examples such as the Fleet Manager program in Arizona Public Service.
- Proposes investing in embedded analytics as critical for successful electrification initiatives, from targeting to detailed tracking and monitoring, suggesting it as a no-regret idea for any program.
- Introduces the concept of a performance-based intervention model, suggesting synergizing efficiency and peak load management goals for incremental impacts and potential savings, and proposes piloting such a model in Illinois.
- Describes the demand flexibility settlement platform as a virtual power plant that optimizes demand flexibility across various technologies, coordinating interventions to address grid impacts and save customers money on their bills.
- Explains how the flex market technology works to identify demand flexibility opportunities, assess grid value, and enable virtual power plants to deliver impacts based on attractive business models for customers.
- Illustrates the continuous value loop facilitated by Recurve's software platform, which unifies utilities, aggregators, and customers into a pay-for-performance program to maximize system benefits derived from energy efficiency programs.
- Flex market is primarily used for pay-for-performance programs.
- Shifts risk of performance from utility and ratepayer dollars to service-delivering companies, not customers.
- Encourages competition among service providers to deliver valuable grid impacts and allows easy engagement for aggregators, bringing in diverse vendors.
- Drives incremental impacts for the portfolio while aligning incentives based on performance value.
- Quantifies both long-term energy efficiency and short-term demand response impacts.
- Provides visibility to hourly avoided costs, elevating them as price signals.
- Amplifies peak value through energy efficiency with a peak-oriented value stream.
- Can include gas usage and equity considerations in transactions.
- Streamlines program operations and adjusts value to market conditions.
- Quantification of changes in energy consumption for gas and electric impacts over time.

- Flex market reduces friction with visibility and accountability for performance-based outcomes.
- Aligns incentives for aggregators, providing extra flexibility to meet customer needs and freedom from prescriptive technology incentives.
- Involves utility or load serving entity partnering with a program administrator to create and manage the market.
- Open-source Measurement and Verification embedded in the program ensures transparency and accountability.
- Aggregators engage through flexibility purchase agreements and target customers for projects.
- Customer journey involves finding or connecting with aggregators, agreeing on projects, and accruing energy savings.
- Case study example: Market Access program in California delivered impressive results, achieving a 40% increase in existing energy efficiency.
- MCE deployed the flex market model, accommodating different load shapes and driving impacts from various vendors.
- Model accessible to Illinois through federal funding and home's measured performance pathway.
- Flex market model allows synergizing various programs and incentives, potentially increasing overall impact on demand and natural gas usage.
- Incorporating measurement verification enables unique interventions beyond fixed incentives for known technologies.

Joint Stakeholder Business EE Ideas

Chris Neme, Energy Futures Group, representing NRDC; Phil Mosenthal, Optimal Energy, representing IL AG and NCLC

- Not all stakeholders listed are sponsoring every idea presented, but this doesn't necessarily mean they oppose them. Collaboration among stakeholders was undertaken to collectively identify these ideas.

Expand small business direct install (DI) programs to promote more comprehensive treatment of larger (non-lighting) savings opportunities, including weatherization where applicable (row 33)

- Small business energy efficiency programs have primarily emphasized commercial lighting measures. Comprehensive treatments, such as weatherization, have not received sufficient attention in these programs. Many small businesses, including those formerly residential, may benefit from building envelope efficiency upgrades. Even businesses in strip malls have opportunities for energy efficiency improvements.
- The recommendation is to expand programs to address deeper energy savings opportunities beyond quick fixes. Emphasis should be placed on gas utilities, especially in buildings that are electrically heated.
- Refine delivery of Direct Install (DI) programs to include assessment and identification of major energy efficiency opportunities. While DI initiatives continue, encourage customers to explore and follow up on additional significant opportunities identified during assessments.

Customize small biz DI delivery services for strategic market segments, with vendors that can address unique needs (e.g., food service, refrigeration, laundry, etc.) (EE Idea tracker row 34)

- Emphasize a more specialized approach for addressing major energy efficiency upgrades beyond standard DI measures.
- Structure contracts with lighting contractors to incentivize identification of additional energy efficiency opportunities beyond lighting upgrades.
- Implement a semi-Direct Install (DI) approach where contractors facilitate follow-up visits by subcontractors to address identified opportunities.
- Aim for a seamless process where contractors assist customers in implementing energy efficiency measures instead of leaving them to find their own contractors.

Chris Vaughn – Is there a specific target or scale for this proposal?

Chris Neme – The expectation is to implement a program design that incorporates identifying additional major energy efficiency opportunities for every customer, in addition to the current DI offerings. The specific numeric impact is not provided, but the focus is on conceptualizing the program's design and encouraging uptake of major energy efficiency measures.

Ted Weaver – Nicor has a program like this. The Building Optimization Program (BOB) and Central Plant Optimization Program (CPOP) focus on buildings with boilers and central plants, with BOB targeting businesses and CPOP targeting multifamily buildings. BOB is particularly aimed at disadvantaged areas and offers free services beyond basic measures like insulation. These programs serve as gateways to more comprehensive energy efficiency projects, but face challenges due to barriers. Despite challenges, BOB has gained traction and offers insights into upgrading building shells. Is this new idea backed by a model that can be replicated?

Philip Mosenthal – The idea is to expand beyond basic lighting upgrades in small business energy efficiency programs. In Massachusetts, there were efforts to incentivize comprehensive upgrades beyond lighting, leading to significant savings in areas like refrigeration. Shell measures, such as window film and reducing cooling loads, offer additional opportunities for energy savings in buildings like strip malls. The key is to have auditors who are skilled in identifying a range of cost-effective opportunities beyond just lighting upgrades.

Eljona Fiorita – In Nicor's small business DI program, we offer a range of energy efficiency measures tailored to the needs of the customers. These include boiler tune-ups, space and water heating upgrades, and other improvements aimed at reducing energy consumption. While there are areas for enhancement, such as weatherization and steam trap optimization, the program takes a comprehensive approach to address various energy efficiency needs.

Chris Neme – The idea is to recognize the diversity within the small business market and tailor the direct install programs accordingly. By acknowledging that certain sectors, such as restaurants, may have unique energy-saving opportunities, we propose a more specialized approach. Instead of relying on one contractor to cover all types of businesses, subcontractors with expertise in specific sectors like food service or laundry could be utilized.

*Rashaan Keeton (via chat) – As of 2022-2023, Mass Save was offering 100% incentives for *typical* Wx in small commercial that was at least 50% (by sq ft) leased/rented (this from someone who spent ~10 yrs in New England's EE space, most recently at City of Boston's Environment Dept.*

Nate Baer (via chat) – Focus on Energy in Wisconsin had a very good refrigeration program for a few years mainly hitting ECMs, Anti sweat heater controls and evap fan motors. That program sunset in 2016.

Ted Weaver – Do you know what savings would be achievable, especially for gas?

Philip Mosenthal – Not sure about gas because most of the programs have been electric focused. It would be worth talking to Massachusetts utilities to understand their experience.

Jean Gibson – Interested in understanding how these proposals fit together. The previous one would be a comprehensive assessment of all the opportunities and this one would be more specific?

Chris Neme – Depending on the contractor doing the specific work on implementation of new measures, they can recommend other more specific measures that could be installed given their on-site experience and suggestions.

Follow-up items for joint stakeholder small business ideas:

- Ted Weaver asked whether there are models for this type of program. Phil Mosenthal suggested Massachusetts has provided comprehensive small business programs. Chris Neme suggested Connecticut may be an example. Phil and Chris to look into this question and follow-up.
- Phil Mosenthal will identify who to talk to in Massachusetts regarding refrigeration.

All electric C&I: significantly increase focus on and savings from LLLC and networked lighting controls (row 32)

- The proposal is to shift focus towards obtaining savings from luminaire level lighting controls and network lighting controls, recognizing that the market for traditional LEDs (T LEDs) is approaching saturation.
- The idea emphasizes the potential for substantial additional savings from more sophisticated controls, such as network lighting controls, which have been promoted to some extent by utilities like ComEd and Ameren. Prioritizing these advanced control technologies over T LEDs could yield significant energy savings with minimal free-rider rates.
- The issue with T LEDs is that while they're easy and cheap to implement, they only provide about half of the potential savings. The rest of the savings can be achieved through newer, more efficient fixtures combined with advanced controls.
- In Connecticut, where fully networked controls are estimated to save 49%, they've implemented a program design that offers higher incentives for projects that include controls alongside fixture upgrades. a similar model could be beneficial.

Nate Baer (via chat) – If lighting contractors are electricians, it is not a major leap to have them move to refrigeration. Ameren Illinois has some good

examples of this. For refrigeration they are primarily electrical. ECMs, anti-sweat, evap fan controls.

Karen Lusson (via chat) – Could you break down the acronyms, Chris and Phil? TLEDS, for example. LLLC, I assume stands for luminaire-level lighting controls. It would also be helpful to describe how these kinds of lighting controls are different. I assume one saves more than another.

Philip Mosenthal – T LEDs, or tubular LEDs, are tubes with LED strings that can be easily installed in existing fixtures without the need for an electrician. They're inexpensive and simple to install, but they're not very efficient as the fixtures are designed for fluorescent tubes. Luminaire level controls are integrated into the fixture itself, offering precise tuning and features like lumen level trim, daylight dimming, and occupancy sensing. Networked controls are connected to the internet, allowing for remote control via Wi-Fi. These advanced controls offer more flexibility and efficiency compared to T LEDs.

Andrey Gribovich – There is still a segment of the market resistant to transitioning to LEDs, with some opting for T LEDs as a steppingstone. Despite legislative shifts, T LEDs still hold value, especially in certain jurisdictions, but the discussion around funding allocation warrants consideration, aligning with the emphasis on advancing lighting controls.

All electric C&I: stop all upstream/midstream or downstream rebates for TLEDs (row 31)

- The recommendation is to phase out incentives for T LEDs in lighting programs due to their widespread adoption and concerns that promoting them might signal to customers that they are sufficient, potentially hindering the transition to more advanced lighting technologies.
- This applies to downstream, midstream, and upstream programs, except for Small Business BI programs for the time being.

Karen Lusson (via chat) – Are TLEDS standard practice such that they shouldn't be counted as producing savings, like most LED lighting now?

Philip Mosenthal – In Massachusetts and Connecticut, T LEDs have become standard practice with net to gross ratios of around 17%. They are widely available, prices have dropped, and their easy installation process has contributed to their widespread adoption.

Limit new CHP projects to those that use biogas or waste products (e.g., wood, sawdust, etc.) (row 27)

- The proposal suggests limiting new combined heat and power (CHP) projects to those utilizing biogas or waste products instead of fossil gas. CHP systems increase on-site gas consumption to reduce grid electricity usage, resulting in a fuel switching measure. However, with the grid becoming cleaner, fossil gas-based CHP projects may lead to increased greenhouse gas emissions.
- Therefore, promoting biogas-fired CHP, particularly when biogas is a waste product, is supported, such as in operations like wastewater treatment plants.

Jim Fay – Is there a shareable model or report that showcases the emissions numbers that trade off CHP vs. the grid?

Ameren and ComEd outreach ASAP to large industrials to identify needs and what could be offered to get them to not opt out (row 26)

- The suggestion is to proactively engage with large industrial customers who may have the option to opt out of program portfolios in the future.
- By reaching out to understand their needs and preferences, utilities can potentially improve their offerings and tailor solutions that encourage these customers to stay within the program. This proactive approach could also inform the design of custom offerings for other commercial and industrial customers, contributing to overall program effectiveness.

Karen Lusson – Increased participation from large CNI customers not currently engaged in utility programs can assist utilities in meeting their annual goals. This could potentially enable utilities to allocate more resources towards programs aimed at increasing spending or maximizing benefits for income-qualified programs.

Chris Neme – Historically, it has been observed that utilities can achieve savings more cost-effectively from very large customers compared to other customer groups on a per kilowatt-hour basis. If fewer customers opt out, while the goals and budget would increase, the savings might increase more. This could potentially provide additional flexibility in budget allocation across the rest of the program portfolio.

Follow-up items for joint stakeholder commercial & industrial ideas:

- Phil Mosenthal will send Jim Fay information about the Connecticut lighting controls program.
- Chris Neme will follow-up with Jim Fay on the grid assumptions report (mentioned during the CHP idea presentation).

Joint Stakeholder Cross-Cutting EE Ideas

Karen Lusson, National Consumer Law Center

Implementer 3rd Party Ombudsman (row 17)

- Excerpt from idea proposal:
 - There is a need for a third-party ombudsman to address problems on the ground in the delivery of energy efficiency and changing work, customer eligibility and other requirements. We need this third-party representative to keep utilities informed of problems on the ground, as perceived by trade allies, subcontractors and implementers to ensure continuity in delivery approach and to support both contractors and utilities. This new role will help ensure transparency, continuity and consistency in training and in the delivery of programs. Currently, when perceived problems arise, subcontractors and trade allies have no direct relationship with the utility for which to report the problem. In addition, it is unclear when changes are proposed whether they are coming from the implementer or the utility itself – particularly when subcontractors are pushed to make changes in order to increase annual energy savings targets.
 - This impartial representative will serve as a crucial partner in ensuring equitable treatment for all contractors, including implementers, subcontractors and trade allies, enhancing communication on technical matters, and addressing concerns regarding programmatic service delivery. By keeping utilities informed of ground-level challenges perceived by these entities, this independent ombudsman role

will promote transparency, consistency, and continuity in training and program delivery. Such an approach is essential to support the needs and interests of all parties involved, including the customers for whom the programs are supposed to benefit.

- The proposal suggests the establishment of an implementer third-party ombudsman to address issues encountered during the delivery of energy efficiency programs.
- This role would serve as a liaison between stakeholders, including subcontractors, implementers, and utilities, to ensure transparency and consistency in program delivery. Currently, subcontractors and trade allies lack a direct relationship with utilities to report problems, leading to uncertainties about proposed changes originating from either the implementer or the utility.
- Additionally, discussions are open regarding whether there should be separate ombudsmen for different utility regions or a single statewide ombudsman.

Matt Armstrong – Is there a specific type of complaint this approach would address? It would be helpful to better understand how comprehensive these issues are, the resources needed, etc.

Karen Lusson – The disagreements include alterations to program eligibility criteria and the hiring of a new subcontractor for direct install services. Subcontractors expressed concerns about not being given the opportunity to bid on the new contract, which they felt should have been locally provided.

Cheryl Johnson – Expresses frustration about not being able to participate in the program despite obtaining all necessary certifications and training. Despite their efforts to pursue opportunities, they feel overlooked and unsure about the next steps. They emphasize the need for more accessible pathways for new contractors like themselves to participate in the program and contribute to meeting the community's needs.

Matt Armstrong – Where would you suggest the funding come from for this program?

Karen Lusson – From administrative costs.

Diverse Contracting (row 18)

- Excerpt from idea proposal:
 - While utilities currently state they are pursuing opportunities to increase diverse contracting, including implementers and trade allies, the reality is that Illinois-based implementers (and potentially trade allies) are being left behind. CEJA was envisioned to create more opportunities in clean energy work for Illinois-based diverse businesses -- not out of state or national companies. We are asking for the utilities to pay close attention to the incorporation state of a diverse business as well as those with whom the implementer subcontracts. RFPs should be written to ensure that Illinois-based diverse businesses are prioritized.
- There are concerns that Illinois-based implementers and trade allies may be overlooked in favor of out-of-state or national companies.
- Importance of prioritizing local diverse businesses to align with the goals of creating new workforce opportunities within the state and supporting environmental justice communities.

- Suggests incorporating criteria in RFPs to prioritize Illinois-based diverse businesses and ensure their inclusion in the selection process for implementers.

Matt Armstrong – Are there any studies that highlight or demonstrate any significant benefits between choosing in-state vs. out-of-state implementers?

Karen Lusson – There are potential benefits to the state when businesses hired for contracts are from Illinois, citing tax contributions and ease of hiring through connections to local trade allies.

Transparency provisions on contracting (row 19)

- Except from idea proposal:
 - Stakeholders should be permitted to weigh in on the content, incentive structures and scoring criteria of implementer RFPs. Only then can we identify issues that might arise due to pay-for-performance terms and other content that leads to a degradation in program comprehensiveness via implementers unilaterally changing qualifying building metrics mid-plan in an attempt to increase achievement of annual energy savings goals. The IQ programs are not the place to emphasize cost-effectiveness or achievement of annual goals, as the statute specifically excludes IQ programs from meeting the total resource cost test (TRC) cost-effectiveness criteria. See 220 ILCS 5//8-103B(a). We know that comprehensive weatherization, which incorporates health and safety measures, is expensive relative to energy savings achieved compared to other programs. Implementers should not be allowed to switch subcontractors mid-plan without allowing Illinois-based subcontractors with experience in delivery of IQ programs to bid on the contract.
- The proposal advocates for transparency provisions in contracting processes, particularly regarding implementer RFPs for income qualified programs. It highlights the importance of stakeholders being able to weigh in on incentive structures, scoring criteria, and contract terms to ensure alignment with program goals.
- Emphasis is placed on the need for clarity regarding expectations for implementers and subcontractors, especially concerning the balance between achieving energy savings and addressing health and safety concerns in comprehensive weatherization programs. The goal is to foster understanding and oversight to ensure the effective delivery of income qualified programs.

Ted Weaver – Is this an upfront process or a review of the RFP process?

Karen Lusson – Yes, input on the RFP and when contracts are awarded, that there is the ability to review terms to make sure the requirements in contracts are consistent.

Cheryl Johnson – Is this proposing subcontractors can be replaced mid-plan based on performance or other factors? Concern about ensuring safety and energy savings in residential homes.

Karen Lusson – It is actually the opposite of that. The proposal aims to prevent subcontractors from being replaced mid-plan solely due to not meeting energy savings targets, especially in cases where health and safety measures are the primary focus.

Matt Armstrong – While cost-effectiveness is not a requirement for IQ programs, program administrators still face pressure to meet goals set by statute. Therefore, it's crucial for administrators to ensure that their portfolios perform in a manner that delivers the required savings to avoid penalties.

Karen Lusson – Ratepayers fund the programs, and stakeholders represent their interests. The proposal for transparency in RFPs to ensure clear understanding and the opportunity for stakeholders to review and provide feedback on what may impact program effectiveness.

Matt Armstrong – In the past, RFP reviews have been resource-intensive and drawn out, hindering the ability to achieve savings within the program.

Julie Hollensbe – [Referring to the example Karen Lusson mentioned] The adjustment in prioritization criteria for the single-family retrofit program was driven by the need to manage high demand within budget constraints and avoid a first-come, first-serve approach. The goal was to prioritize customers who would benefit most from any retrofit, aligning with higher savings potential, while ensuring transparency for agencies to serve customers best suited for other programs.

Non-Profit Bidding (row 37)

- Excerpt from idea proposal:
 - CEJA states that "Implementation of EE measures and programs targeted at low income households should be contracted, when it is practicable, to independent third parties that have demonstrated capabilities to serve such households, with a preference for not-for-profit community-based organization (CBO) entities and government agencies with or experience serving low-income communities in the state." 220 ILCS 5/8-103B(c).
 - Institutionalize assignment of bonus points in scoring of proposals to local nonprofits who bid to deliver IQ program services. When services are not bid out-including when subcontractors of an already "won" bid are changed, there should be a demonstration that local non-profits were considered and preferred for such services.
- The proposal emphasizes the importance of adhering to the directive outlined in CEJA, which mandates that energy efficiency programs targeting low-income households be contracted to independent third parties with demonstrated capabilities, particularly favoring nonprofit community-based organizations and government agencies with experience serving such communities.
- Incorporating bonus points in the scoring of proposals for these programs to recognize and prioritize local nonprofit entities as required by statute would be useful.

Cheryl Johnson – Is that inclusive of Community Action Agencies (CAAs)?

Karen Lusson – Yes, absolutely.

Joint Stakeholder Process EE Idea

Kari Ross, NRDC; Cassidy Kraimer, Community Investment Corp.

Quarterly Deep Dives from Implementors (row 16)

- Excerpt from idea proposal:

- Enable implementors and primary subcontractors to share feedback with stakeholders as part of the IL SAG on program implementation, offering insights from on-the-ground experiences. This review can spotlight challenges, successes, and opportunities, as well as provide constructive feedback on program structure, promoting transparency based on real projects funded by utility programs. Should include the ability to discuss and workshop challenges and opportunities mid plan-cycle and plan-year, and not just be a one-way report out.
- In this proposed quarterly deep dive session, implementers and primary subcontractors would directly engage with stakeholders.
- This aims to foster dialogue, address challenges, brainstorm solutions, and celebrate successes related to energy efficiency programs.
- Suggests specific programs or channels for discussion, inviting feedback on the feasibility of implementing this idea through the appropriate process.

Ted Weaver – How would the the proposed quarterly deep dive sessions with implementers differ from the current structure of the utility report-out SAG meetings? Suggests considering how SAG currently operates and how its time is allocated, noting that implementers already participate in quarterly updates and address questions.

Cassidy Kraimer – This would be a supplement to what is already being done with SAG meetings.

Ted Weaver – There needs to be a focus on improving program efficiency and communication rather than delving into individual contractor issues. If there are specific concerns about program management, they should be addressed through appropriate channels.

Karen Lusson – This session would be an opportunity to gain a more comprehensive understanding of how energy efficiency programs are implemented on the ground, from start to finish. These sessions would provide stakeholders with insights into the practical aspects of program delivery, such as customer interactions and implementation processes.

Matt Armstrong – Is this vision for the proposal different from what was presented by utilities in February regarding IQ EE programs? The overviews of such programs, including customer entry points, marketing strategies, customer journeys, measures offered, and step-by-step processes of customer interaction aligns with this suggested approach.

Cassidy Kraimer – The SAG presentations in Feb. provided a comprehensive overview of all programs, which was valuable. However, delving into the details of specific programs could be more useful. Deep dives into specific programs, allowing space for interactive discussions.

Matt Armstrong – Stakeholders should consider the resources required for program administrators to present materials and caution against overburdening stakeholders with additional meetings.

Joint Stakeholder Market Transformation EE Ideas

Chris Neme, Energy Futures Group, representing NRDC

Support market transformation program for triple-glazed windows (row 24)

- There is ongoing support from utilities for a market transformation initiative focused on triple glazed windows. There is emphasis on the importance of continuing this support in the next planning cycle, as it addresses a building envelope measure not typically covered by programs. The initiative is seen as having significant potential for impactful outcomes in the future.

Kegan Daugherty (via chat) Note we have shifted the terminology from TTW/TTG to High Performance Windows.

Support municipalities interested in adopting stretch codes (row 25)

- Proposes that utilities report municipalities expressing interest in adopting stretch codes as a market transformation initiative, particularly for new construction.

Celia Johnson – [Based on the most recent SAG Market Transformation Savings Working Group meeting], only ComEd is currently funding code initiatives.

Philip Mosenthal – Highlights examples of cities such as Chicago and St. Louis that have already adopted such standards in addition to stretch codes.

Ted Weaver – Nicor Gas is moving forward with this, albeit a little different because of the nature of gas utilities.

Work with one or more municipalities to develop a multi-family rental energy efficiency standard (row 15)

- Excerpt from idea proposal:
 - Municipal rental efficiency standards can be a vehicle for ensuring efficiency improvements for many multi-family buildings. Because multi-family renters are disproportionately lower income, this can have a huge equity benefit. Several municipalities across the country have adopted such standards (Burlington, VT and Boulder, CO are examples). The suggestion here is that the IL utilities work with several local municipalities who may have an interest in such a policy to help them develop the policy and then support building owner compliance with it (at least for a time – eventually, they could instead claim market transformation savings).
- Proposes the development of rental efficiency standards for multifamily rental properties, aimed at benefiting lower-income households and promoting equity.
- Examples of municipalities like Burlington, Vermont, and Boulder, Colorado, have already adopted such standards. The suggestion is for Illinois utilities to collaborate with local municipalities interested in implementing similar policies.
- Utilities would support policy development and assist building owners in meeting efficiency standards through existing programs or tailored initiatives. Ultimately, this initiative aims to achieve market transformation and long-term energy savings.

Ted Weaver – Nicor has ongoing work in this area. Boulder, CO had a successful program, which was aided by rental properties requiring a license, linked to meeting efficiency standards. How can this enforcement be tackled

without such mechanisms?

Chris Neme – The original Burlington ordinance from the mid-90s applied efficiency standards at the time of property transfer, but this approach was not very effective. Burlington later revised the ordinance.

Follow-up information shared by Chris Neme:

- Here is a link to the Burlington standard: <https://www.burlingtonvt.gov/mayor/housingpolicy/energy>
- Here is a more detailed explanation of the actual efficiency standard (based on BTUs of annual energy use per square foot): <https://www.burlingtonelectric.com/weatherization-ordinance/>

Closing and Next Steps

- Additional “Energy Efficiency Idea” SAG meeting scheduled on Wed. April 10; Tues., April 16, and Wed. April 17
- **Tuesday, April 30th Deadline:** Eligible non-financially interested stakeholders who want to participate in EE Plan negotiations will notify SAG Facilitator (Celia@CeliaJohnsonConsulting.com)