

Key Issues arising from Comments on “Framework for Estimating MT Savings”

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Commenters

Company	Individuals	Notes
Navigant	Jan Harris	Paper and email comments
Opinion Dynamics	Rick Winch, Hannah Howard	Paper comments
ICC	Jennifer Morris	Paper comments
SEDAC		Paper comments (1)
Ameren IL (AIC)	Agnes Mrozowski	Paper comments (1)
NRDC	Chris Neme	Paper comments
AG Office - consultant	Phil Mosenthal	Paper comments
MTI	Amy Jewel	Paper comments
Franklin Energy	Allen Dusault	Email comments only

Length of Paper and Role as part of TRM

- Shorten for TRM if possible
- Reduce section 1 significantly
- Do not include in TRM since not specific enough for practical initiative evaluation
 - *Action: Shortened the Framework by pulling out background, IL context and policy issues into a “Cover Memo”.*
 - *Remaining framework is closer to a protocol and will become part of the IL TRM.*
 - *Cover Memo also makes recommendation on a forum for discussing policy issues*

Cover Memo

- Purpose of the “Framework for Estimating Savings”
- Illinois Context for Market Transformation
- Proposed Forum for Discussing Policy Issues and MT Initiatives
- Illinois Policy Issues Raised by Using the MT Approach

Proposed Forum

- Proposing a Forum to Discuss
 - Policy Issues (initial list on next slide)
 - MT Initiative-specific factors. Examples include:
 - Overall MT Hypothesis
 - Total Market Unit data collection
 - Service Territory Accounting
 - Savings/Unit
 - Natural Market Baseline data & projections
 - Duration of savings credit
- Who – SAG MT Savings Working Group
- When – Start late summer/early Fall

Initial Policy Issues Raised in Comments

1. How (if at all) will MT savings be incorporated into goals, portfolio cost-effectiveness, and utility performance incentives?
2. Will adjustments to the Natural Market Baseline be applied retrospectively or prospectively?
3. For what duration will continued market savings be credited to the utility after active utility engagement has diminished or ended?
4. What happens for savings that accrue in a future planning cycle?
5. Are initiative-specific protocols required or allowed?

Uncertainty of MT Measurement is Understated

- The high level of uncertainty in numbers* leads to highly contentious results. This MT issue is understated.
 - Loops back to key policy issues, such as goals and performance incentives.
- *Action: Uncertainty message was enhanced.*
- *Forum is suggested for policy resolution*

**Examples include Natural Market Baseline and data availability in general*

Don't separate MT and RA

- One commenter suggested RA and MT shouldn't be as discrete as the paper recommends. Suggested changing the savings approach to adding some long-term measurement to current RA evaluations, and measuring the total savings from all efforts without separating MT and RA.
 - MT is very different than RA in the sense that it's intent is market-level changes, and it's measurement is market-level results.
 - That being said, RA does effect market changes sometimes, and that should be dealt with in the RA evaluation work.
 - *Action: Kept focus on MT in this paper. Added language that RA can also change markets sometimes and that can be included in RA savings methods.*

Accounting for MT/RA Overlap

- Paper proposed 2 options:
 - #1: Melding of RA/MT frameworks
 - One commenter preferred this option
 - #2: Use RA savings as currently “evaluated and filed”
 - Remaining commenters (if they said anything) preferred this option
- Per prior slide,
 - #3: One commenter proposed to merge methods for RA and MT; or offer multiple Accounting options
- *Action: Framework uses Option #2. Text is simplified to reflect: “Subtract any Non-MT actual savings as approved by the ICC in this market.”*

Questions?

- Further edits throughout the document to reflect comments
- Some commenters had questions, and to the extent possible we clarified or added text to explain
 - Please email/call Margie if want to discuss your question
 - Mgardner@resource-innovations.com 503-810-1155

Schedule

- July 17 at 1:00 – Discuss incorporation of comments on V2 with SAG WG
- July 24 – send V3 (will incorporate comments from discussion from July 17 call) to full SAG and Working group
 - Comments due August 7 – Use SharePoint site; incorporation creates V4
- August 14 – Send V4 to SAG WG
- August 19 – Call with SAG WG to discuss V4
- August 23 – File Framework (but not Cover Memo) with VEIC