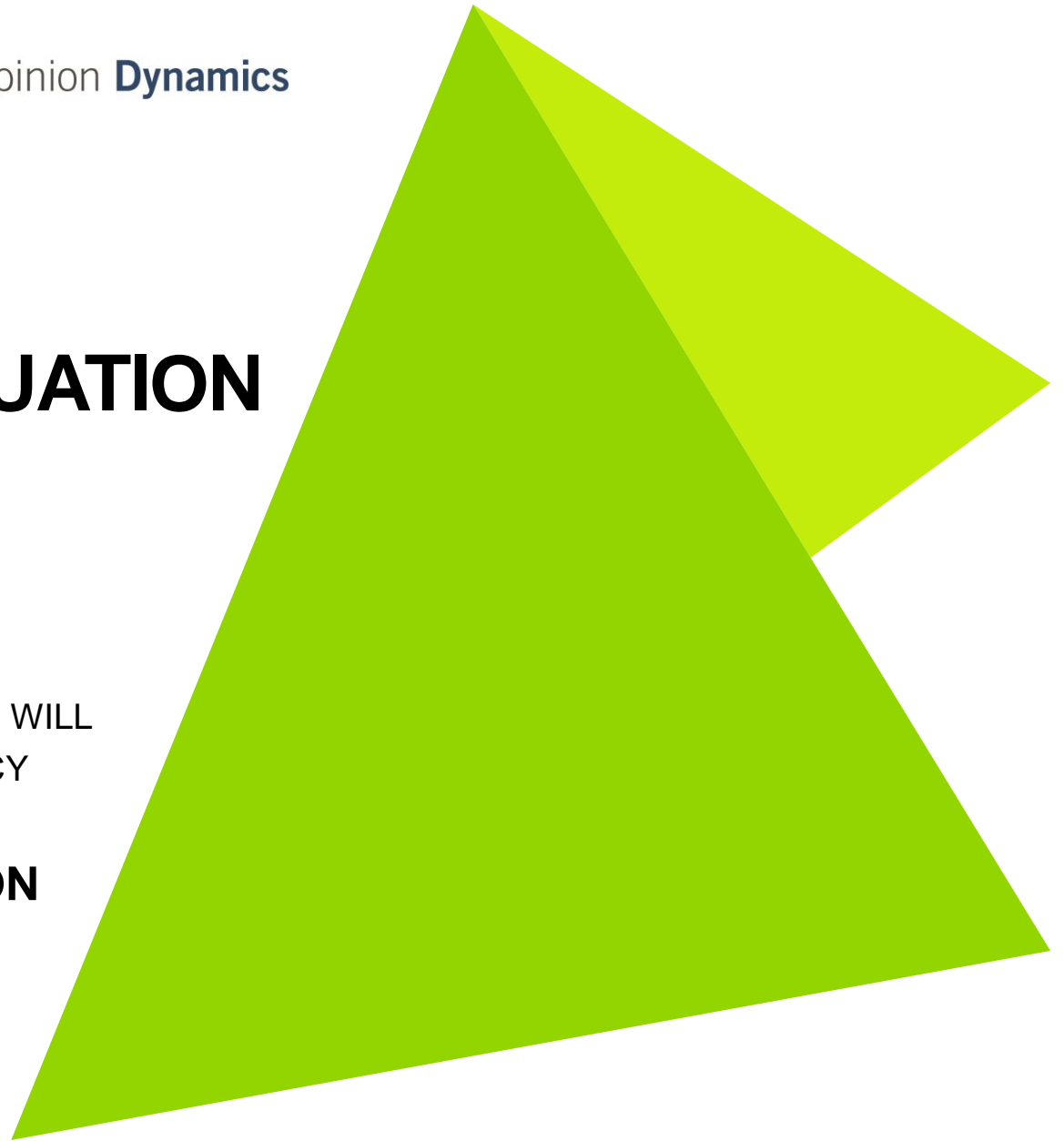




# ILLINOIS EVALUATION AND COVID-19

WHAT TO DO WHEN COVID-19 WILL  
AFFECT THE ENERGY EFFICIENCY  
SAVINGS WE MEASURE?

**FOLLOW-UP DISCUSSION**  
**2020-08-24**



# History

- 1. SAG Meeting June 11<sup>th</sup> to present the challenges and ask for SAG position**
- 2. Questions from the Illinois Attorney General's Office**
- 3. Memo August 10 Answering Questions**
- 4. Discuss those answers today**
- 5. Receive guidance**

# Introduction

## The evaluation has three choices for addressing the impact of COVID-19 on program savings

1. Normalize savings for all years of EUL (recommended by the evaluation team)
2. Do not normalize savings in CY2020; normalize other years of EUL
3. Do not normalize savings in any year of EUL

In favor of option 1: ComEd, Ameren, NRDC, Nicor Gas, Peoples Gas and North Shore Gas (ComEd favors NOT normalizing for HER)

In favor of option 2: The Illinois Attorney General's office

The AG's office asked several questions, discussed in subsequent slides.

# AG Question #1-2

**#1 How much savings would be impacted? Is this a rounding error, or is this potentially a large impact?**

**#2 Is there a way to quantify what type of savings impact this would have, in option 1 vs option 2?**

Percent of 2020 net energy savings to be evaluated using custom methods where normalization might be an issue:

<b>Electric</b>	<b>Ameren 11%</b> <b>ComEd 22.5% without HER (29.8% with)</b>
<b>Gas</b>	Ameren 31% Nicor Gas 27.2-35.5% Peoples Gas and North Shore Gas 13.3-20.2%

# AG Question #1-2

#1-2 How much savings would be impacted? Is this a rounding error, or is this potentially a large impact?

## Electric – Projected Share of 2020 AAIG Achieved

	AIC	ComEd no HER	ComEd w/ HER
-100%	70.9%	65.9%	53.6%
-50%	82.6%	84.9%	78.7%
-20%	89.6%	96.3%	93.8%
-10%	91.9%	100.1%	98.9%
<b>No Normalization</b>	<b>94.2%</b>	<b>103.9%</b>	<b>103.9%</b>
+10%	96.6%	107.7%	108.9%
+20%	98.9%	111.5%	114.0%
+50%	105.9%	122.9%	129.1%
+100%	117.6%	141.9%	154.2%

# AG Question #1-2

#1-2 How much savings would be impacted? Is this a rounding error, or is this potentially a large impact?

## Gas – Projected Share of 2020 First-Year Savings

	AIC	Nicor Gas no HER	Nicor Gas w/ HER	PG/NSG no HER	PG/NSG w/ HER
-100%	68.7%	72.8%	64.5%	79.8%	66.5%
-50%	84.4%	86.4%	82.3%	89.9%	83.3%
-20%	93.7%	94.6%	92.9%	96.0%	93.3%
-10%	96.9%	97.3%	96.5%	98.0%	96.7%
No Normalization	100.0%	100.0%	100.0%	100.0%	100.0%
+10%	103.1%	102.7%	103.5%	102.0%	103.3%
+20%	106.3%	105.4%	107.1%	104.0%	106.7%
+50%	115.6%	113.6%	117.7%	110.1%	116.7%
+100%	131.3%	127.2%	135.5%	120.2%	133.5%

# AG Question #3

**#3 What is the true evaluation cost impact of option 2? If the outer bound of the cost is 1.5 times what is initially estimated, what does that mean?**

Answer: Assuming an increase of 1.5x for the affected analysis:

Utility	Added Cost	% of Budget
Ameren	\$160,000	5%
ComEd	\$850,000	9%
Nicor	\$120,000	13%
Peoples Gas and North Shore Gas	\$110,000	14%
Total	\$1,240,000	

# AG Question #4

## #4 Why would option 2 essentially require two evaluations?

Answer:

- For individual projects or programs, Option 2 would ask us to estimate savings both in their actual state for 2020, as well as a hypothetical state for future years.
- We will need to **both** gather 2020-specific data as to occupancy, production, energy usage, etc., as well as develop expected occupancy, production, energy usage, etc. in future years.
- We typically do some normalization. Some, but not all of that would continue even under Option 2 (e.g., weather). The line between not normalizing for COVID-19 and normalization that should continue may not be clear, leading to more internal and external debate.



# AG Question #5

**#5 What do we do next year if COVID continues? Will we be revisiting this decision in future years?**

Answer:

- This has not been discussed with SAG to date and should be discussed in the future.
- The decision about CY2020 should not be binding on the future.
- It will likely be reasonable in 2021 to view the conversation to date as basic precedent from which further decision-making can stem, as some of the issues we have thought through and discussed would be applicable in future years as well.

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