

Illinois Energy Efficiency Stakeholder Advisory Group: 2018 SAG Plan (Final)

I. Background

This 2018 Illinois Energy Efficiency Stakeholder Advisory Group (SAG) Plan includes an overview of SAG activities from July 1 through December 31, 2018. The SAG is independently facilitated by Celia Johnson, Celia Johnson Consulting LLC, with facilitation meeting support provided by the Midwest Energy Efficiency Alliance (MEEA).¹

SAG participants include utilities administering energy efficiency programs (Ameren Illinois, ComEd, Nicor Gas, and Peoples Gas – North Shore Gas) and other interested organizations, state agencies, and companies. Participation in SAG is open to all, with the exception of specific topics that may require limited participation due to a financial conflict of interest. The SAG website includes a list of participating organizations.²

Final Commission orders on utility Energy Efficiency Plans (EE Plans) for Ameren Illinois, ComEd, Nicor Gas, and Peoples Gas – North Shore Gas were reviewed in preparation of this SAG Plan.³ Additionally, stipulated agreements between individual utilities (ComEd, Nicor Gas, and Peoples Gas – North Shore Gas) and non-financially interested stakeholder participants were reviewed. See Attachment A of this 2018 SAG Plan for additional information.

II. SAG Meetings

Table 1 below describes various categories of SAG meetings, including the SAG Steering Committee, Large Group SAG, SAG Technical Advisory Committee, SAG Subcommittees, and SAG Working Groups.

Table 1: SAG Meetings	
Meeting Category	Description
SAG Steering Committee	Members of the SAG Steering Committee includes senior representative of utilities and non-financially interested stakeholder participants. The Steering Committee provides 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. Meetings will be held on a bi-annual basis.

¹ Contact Celia Johnson (Celia@CeliaJohnsonConsulting.com) to join the SAG distribution list.

² See Meeting Participants: <http://www.ilsag.info/meeting-participants.html>

³ Ameren IL EE Plan docket: 17-0311; ComEd EE Plan docket: 17-0312; Nicor Gas EE Plan docket: 17-0310; and Peoples Gas – North Shore Gas EE Plan docket: 17-0309.

Table 1: SAG Meetings	
Meeting Category	Description
Large Group SAG	<p>Large Group SAG meetings will be held in-person on a quarterly basis, at a minimum. Three (3) Large Group SAG meetings will be held in 2018 – July, September, and November.</p> <p>The SAG Facilitator will prioritize topics and issues that are required by the Illinois Energy Efficiency Policy Manual Version 1.1, or as it may be updated from time to time; directives to SAG from the Illinois Commerce Commission (ICC); and ICC-approved stipulated agreements between utilities and non-financially interested parties.</p> <p>Other topics related to EE portfolio planning, design, implementation, and evaluation will be scheduled for Large Group SAG discussion as time and resources permit.</p>
SAG Technical Advisory Committee (TAC)	<p>Meetings will be held as needed. Technical Advisory Committee (TAC) meetings address updates to the IL-TRM, EM&V issues, and other issues of a technical nature. SAG participants will be briefed on topics covered in the TAC. SAG TAC meetings related to the IL-TRM are administered by VEIC, the independent IL-TRM Administrator. The SAG Facilitator coordinates with the IL-TRM Administrator and participates, as needed.</p>
SAG Subcommittees	<p>SAG Subcommittees will be established for necessary issue-specific topics based on ICC directives, Policy Manual requirements, and stipulated agreements. Participation in SAG Subcommittees will be open to all SAG participants, unless there is a financial conflict of interest.</p> <p>In 2018, the Policy Manual Version 2.0 Subcommittee will convened.</p>
SAG Working Groups	<p>SAG Working Group meetings will be held to discuss short-term issues that need resolution. Meetings will be held by teleconference and scheduled as needed, with participation by a small group of interested SAG participants.</p>

A. Recurring Activities

There are a number of topics that require recurring discussion in the SAG, as referenced in the Illinois Energy Efficiency Policy Manual Version 1.1 (Policy Manual).⁴ The SAG Facilitator will organize the following SAG activities related to recurring topics on an annual basis:

⁴ See IL EE Policy Manual Subcommittee: <http://www.ilsag.info/illinois-ee-policy-manual.html>

1. Quarterly Reports: Schedule quarterly utility-report-outs to SAG providing a minimum of 45 days following the end of the first three quarters: June (Q1); September (Q2); and February (Q3) and a minimum of 90 days following the end of the fourth quarter – April (Q4). Quarterly reports will be posted to the SAG website.
2. Annual Reports: Schedule annual utility report-outs in the quarter following the end of each program year (April). Annual reports will be posted to the SAG website.
3. IL-TRM Update Process: Send notice of IL-TRM meetings to the appropriate SAG participants; circulate IL-TRM materials; update the SAG website with IL-TRM materials; and schedule an initial discussion of IL-TRM priorities prior to the launch of the annual IL-TRM process, in consultation with the IL-TRM Administrator.⁵
4. EM&V Planning: Schedule an initial discussion of EM&V planning at SAG beginning in October of each year. Draft EM&V work plans will be posted to the SAG website for review and comment. Notice will be circulated to SAG directing that comments on draft EM&V work plans shall be submitted to Utilities, ICC Staff, and Evaluators within fifteen (15) business days, or such other timeline mutually agreed to by the Parties. Final EM&V work plans will be posted on the SAG website.
5. EM&V Reports: Draft and final EM&V reports will be posted on the SAG website, as they are made available by independent evaluators.
6. Net-to-Gross Updates: Organize and facilitate meeting(s) to discuss Net-to-Gross (NTG) values proposed by independent evaluators by September 1 of each year, with evaluators determining final values by October 1 of each year. Draft and final NTG documents will be posted to the SAG website.
7. Adjustable Savings Goals: Organize and facilitate discussions regarding the first updated Adjustable Savings Goal Template for utility programs, when needed. Updated Adjustable Savings Goal Templates will be posted on the SAG website on an annual basis.
8. Updates to the Policy Manual: Organize and facilitate Policy Manual Subcommittee meetings on an annual basis to review the Policy Manual and discuss updated policies, as needed.⁶

⁵ The IL-TRM is updated on an annual basis. Beginning in 2018, IL-TRM meetings are anticipated to be held from March to October, organized by the IL-TRM Administrator. By April 1, high/medium/low priority topics must be determined by the IL-TRM Administrator.

⁶ See Section 2.4, Updates to this Policy Manual: “This Policy Manual will be reviewed at least annually and updated as needed. In 2017, there is expected to be two rounds of review and update. The first (embodied in this version) modifies existing Policy Manual provisions to conform to the addition of Section 8-103B of the Act, the sunset of Section 16-111.5B of the Act, and modifications to Sections 8-103 and 8-104 of the Act, and the second to add a number of additional provisions necessary to address other key aspects of these statutory changes that were not part of the past or this version of the Manual.”

B. SAG Subcommittees

One SAG Subcommittee will be convened in 2018, as described below. SAG Subcommittees are open to all interested participants unless topics present a conflict of interest. Individual Subcommittee Plans will be prepared for review by Subcommittee participants.

1. Policy Manual Subcommittee

Version 1.0 of the Illinois Energy Efficiency Policy Manual was approved by the Commission in December 2015.⁷ An updated version of the Policy Manual, Version 1.1, was discussed by the Policy Manual Subcommittee in spring 2017 following the passage of the Future Energy Jobs Act (FEJA). Policy Manual Version 1.1 was approved by the Commission in October 2017. Version 1.1 meetings focused on necessary edits due to FEJA changes to Illinois EE programs. Subcommittee participants did not address substantive edits and agreed to address those issues during Version 2.0 discussions following approval of utility EE Plans.

Policy Manual Version 2.0 meetings will focus on new and updated policies that were discussed during settlement stipulations and other, substantive policy proposals submitted by interested participants (including utilities offering EE programs in Illinois – Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas, and other interested stakeholder). Additional issues may need to be addressed due to changes as a result of FEJA. The Policy Manual Subcommittee will be open to all interested SAG participants, unless topics present a conflict of interest.

While the Commission approved Ameren Illinois' Plan without settlement stipulations, settlement stipulations with ComEd, Nicor Gas and Peoples Gas – North Shore Gas include the following Policy Manual issues for discussion:

- a. *TRM Non-Consensus Process*: Agree on a joint procedure for this process.
- b. *Vendor Participation in TRM TAC*: Develop a final policy on this issue.
- c. *Evaluator Independence*: Make good faith efforts to address and reach consensus concerning whether the contract and scope of work may be made public in whole or in part. Develop and implement consistent protocols to ensure that Evaluator independence is maintained.
- d. *SAG Facilitator Independence*: Develop and implement consistent protocols to ensure that SAG Facilitator independence is maintained.
- e. *IL-TRM Administrator Independence*: Develop and implement consistent protocols to ensure that IL-TRM Administrator independence is maintained.

In addition to the issues listed above, the SAG Facilitator will provide an opportunity for Policy Manual Subcommittee participants, including Ameren Illinois, to request new policies for

⁷ The Illinois Attorney General's Office requested the development of an Illinois Energy Efficiency Policy Manual in the last EE Plan dockets, where the three-year energy efficiency plans are reviewed and approved by the Illinois Commerce Commission. In the Final Orders approving the three-year gas and electric energy efficiency plans covering June 2014 through May 2017, the Commission directed the utilities to work with the SAG to complete an Illinois Energy Efficiency Policy Manual in all five final orders. The language in all five Final Orders was similar (see Ameren IL Final Order, ICC Docket No. 13-0498 (p. 129); ComEd Final Order, ICC Docket No. 13-0495 (p. 130); DCEO Final Order, ICC Docket No. 13-0499 (p. 23); Nicor Gas Final Order, ICC Docket No. 13-0549 (p. 57-58); and Peoples Gas-North Shore Gas Final Order, ICC Docket No. 13-0550 (p. 56).

Version 2.0 in August 2018. Proposed policies will be circulated to Subcommittee participants for review. The SAG Facilitator anticipates holding the kick-off Policy Manual Version 2.0 Subcommittee meeting in September 2018. Follow-up Policy Manual Subcommittee meetings will be held monthly, with a follow-up teleconference scheduled between each in-person meeting.

The goal will be to finalize Policy Manual Version 2.0 for submission to the Commission for approval by March 1, 2019, to avoid overlap with the draft evaluation report review process and IL-TRM Version 8.0 process.

2. EM&V Subcommittee

There are a number of evaluation issues that SAG participants are interested in discussing, as referenced in, among other places, the settlement stipulations approved by the Commission. A new EM&V Subcommittee will be established to address these issues, among others. Due to the number of other SAG meetings planned in 2018, the EM&V Subcommittee will not launch until 2019. The SAG Facilitator will develop an EM&V Subcommittee Plan in 2018 and meet with utilities and key stakeholders to discuss feedback before the Subcommittee launches next year. The EM&V Subcommittee will be open to all interested SAG participants, unless topics present a conflict of interest.

Individual stipulated agreements between ComEd, Nicor Gas, Peoples Gas – North Shore Gas and non-financially interested parties included the following evaluation issues for discussion:

- a. Evaluation of steam traps, including a net-to-gross and process evaluation;
- b. Annualized savings for Voltage Optimization measures;
- c. Non-Energy Benefits for low income programs;
- d. The levels of emphasis on different kinds of evaluation (process vs. impact, NTG vs. other, peak vs. energy, value of NEBs, etc.);
- e. Opportunities for better integration and prioritization of evaluation research with the IL-TRM update process;
- f. Measure Life for Research & Development Pilots;
- g. The development of EM&V approaches and pilot R&D programs to develop new programs and measures;
- h. Use of data analytics tools, including input on a competitive solicitation for vendors and pilots;
- i. Evaluation methods/best practices – develop best practices for when program evaluations shall be controlled trials or quasi-experimental design methods; and
- j. A “big picture” discussion of the EM&V framework, including:
 - a. How evaluation contractors are hired/selected and how frequently they are or should be changed;
 - b. Opportunities for more integration of EM&V work across utility service territories;
 - c. The levels of emphasis on different kinds of evaluation (process vs. impact, NTG vs. other, peak vs. energy, value of NEBs, etc.);

- d. Opportunities for leveraging Advanced Metering Infrastructure (“AMI”) data more effectively; and
- e. Opportunities for better integration and prioritization of evaluation research with the IL-TRM update process; etc.

C. SAG Working Groups

SAG Working Groups are small groups of interested SAG participants that are convened by teleconference to discuss short-term issues that need resolution. SAG Working Groups will report-back to the large group SAG following discussions, as needed.

There are several SAG Working Groups that are needed in 2018. A brief summary of each Working Group is below, including the purpose, background, goal, and timing. Additional SAG Working Groups will be established, as needed.

Non-Energy Impacts Working Group

Purpose:

The purpose of the Non-Energy Impacts Working Group is to discuss and reach agreement on defensible methodologies to use across the state related to calculating non-energy impacts and how the NEI results would be included in utilities’ reporting, cost-effectiveness analyses, and the IL-TRM.

Background:

Non-energy impacts include effects from energy efficiency programs or measures, beyond energy savings. Impacts can be either positive or negative. Positive impact examples include increased comfort in participating customer’s homes and water / wastewater bill savings. An example of a negative impact is increased maintenance requirements to keep equipment operating efficiently.

- Navigant, the ComEd evaluator, is developing a detailed research plan to address Non-Energy Impacts. This research will include quantifying utility and participant NEIs and calculating portfolio-level jobs. The draft research plan is anticipated to be available at the end of July, including draft survey guides. A portion of this completed research is anticipated in November.
- The SAG Facilitator will follow-up with other utility evaluators to determine whether similar research is planned.

Goal:

Reach agreement on defensible methodologies to use across the state related to calculating non-energy impacts. Determine what, if any, non-energy impact values should be incorporated into the IL-TRM and utilities’ reporting and cost-effectiveness analyses as a result of completed NEI research.

Timing:

Hold an initial teleconference meeting the last week of August. Additional meetings are anticipated in mid-fall, or as soon as the NEI Working Group determines additional meetings are warranted.

Annual Report Template Working Group

Purpose:

The purpose of the Annual Report Template Working Group is to discuss and reach agreement on a statewide common reporting template for Program Administrator Annual Reports.

Background:

The Policy Manual includes specific requirements for Annual Reports in Section 6.6, Program Administrator Annual Summary of Activities. The statewide Annual Report Template will be an Excel document with tables that can be incorporated into each utility's Annual Report, filed with the ICC and posted to the SAG website. Utilities also present annual report-outs to SAG approximately 90 days after the end of the calendar year.

Goal:

Reach agreement on a statewide Annual Report Template by December 3, 2018.

Timing:

The first teleconference meeting to discuss the Annual Report Template will be held in early October. Additional teleconference meetings will be determined by Working Group participants.

Income Qualified Working Group

Purpose:

Address open issues related to income qualified energy efficiency programs that are SAG-related (e.g. policy or technical issues) and may be more appropriately addressed within the Income Qualified Energy Efficiency Advisory Committee.

Background:

There are two Advisory Committees focused on income qualified energy efficiency programs, in northern Illinois and central/southern Illinois. Illinois utilities offer energy efficiency programs to income qualified customers as part of their Energy Efficiency Portfolios, as required by statute.

The Income Qualified North EE Advisory Committee (IQ North) covers the ComEd, Nicor Gas, Peoples Gas, and North Shore Gas utility service territories. The Income Qualified South EE Advisory Committee (IQ South) covers the Ameren Illinois utility service territory in central and southern Illinois.

Goal:

Reach agreement on open issues related to income qualified energy efficiency programs, as needed. Coordinate with the Income Qualified EE Advisory Committees.

Timing:

TBD, depending on whether open issues need to be resolved. Meetings will be held on an as-needed basis.

III. Deliverables

SAG Facilitator deliverables are described in Table 2 below.

Table 2: SAG Deliverables			
Task No.	Deliverable	Review and Approval	Due Date
1	Develop SAG Process Guidance Document: Develop a SAG Process Guidance document, with input from the SAG Steering Committee, summarizing process rules and guiding principles for the next four-year EE Plan cycle (2018-2021).	Seek feedback from SAG. Seek feedback from SAG Steering Committee.	Draft within 15 days of contract execution; final within 45 days contract execution Annual Updates, as needed: Draft: November 1 Final: January 31
2	Annual Report Template: Develop an “Annual Report Template” with utility and stakeholder input.	Seek interested participants for a small group discussion to develop the Annual Report Template.	Draft 10/19/2018; Final 12/3/2018
3	Develop Annual SAG Plan and Schedule: Develop an annual SAG Plan and schedule with input from the SAG Steering Committee. Present the draft annual SAG Plan at the beginning of each year and request input from SAG participants.	Seek feedback on draft annual plan and schedule from SAG. Seek feedback on final annual plan and schedule from SAG Steering Committee.	Draft by December 15 (annual); Final by January 31 (annual)
4	SAG Tracker: Update and circulate the SAG Tracker document, tracking open issues, action items and recommendations, within five (5) Business Days following each Large Group SAG meeting, to summarize action items and follow-up.	N/A	Within 5 Business Days following Large Group SAG meetings.
5	SAG Parking Lot Issues: Maintain a list of "parking lot" issues raised during SAG meetings that are unable to be addressed. This includes issues that are beyond the scope of the SAG, belong in the Income Qualified Energy Efficiency Advisory Committee or a subcommittee of the SAG,	N/A	Within 5 Business Days following Large Group SAG meetings, as needed.

Table 2: SAG Deliverables			
Task No.	Deliverable	Review and Approval	Due Date
	topics that should be considered at a later date, topics that are not of general interest, etc.		
6	Develop and Launch New SAG Website: Develop and launch the new SAG website, in consultation with a web developer, including a website re-design and the addition of search functionality.	N/A	Launch in 2018

IV. Schedule

Table 3 below includes the 2018 SAG schedule, including Large Group SAG meetings, SAG Steering Committee meetings, SAG Subcommittee kick-off meetings, and SAG Working Group kick-off meetings. Additional SAG Subcommittee and SAG Working Group meetings will be scheduled by the SAG Facilitator with participants of each group.

Meeting agendas will be circulated to participants approximately five (5) Business Days before each meeting. Meeting dates and the agenda topics listed in Table 3 are subject to change.

<i>SAG Meeting Color Coding</i>
SAG Steering Committee
Large Group SAG
SAG Working Groups
SAG Subcommittees

* indicates settlement stipulation topic

** indicates EE Plan directive or Policy Manual requirement

Table 3: SAG 2018 Schedule		
Date / Time	Agenda	Next Steps
<p>SAG Steering Committee Meeting #1: Tues., July 24 Teleconference</p> <p>11:00 am - 12:30 pm</p>	<p>• SAG Planning: Discuss feedback on draft 2018 SAG Plan and schedule; SAG Process Guidance document; draft SAG Website Re-Design RFP.</p>	<p>Schedule end-of-year check-in on 1) SAG progress in 2018 and 2) draft 2019 SAG Plan.</p> <p>Finalize and circulate SAG Website Re-Design RFP</p>

Table 3: SAG 2018 Schedule

Date / Time	Agenda	Next Steps
<p>Tues., July 31 Large Group SAG In-person 10:00 am – 4:00 pm Chicago, IL</p>	<ul style="list-style-type: none"> • SAG Planning: SAG Facilitator presents draft 2018 SAG Plan and schedule; SAG Process Guidance document. • R&D: ComEd presents an overview of R&D budget, process and projects. • Quarterly Reporting: Utilities present Q1 2018 results.* • Annual Reporting: Utilities present EE program results from Program Year 9 and Program Year 6; Transition Period (June 1 – Dec. 31, 2017).* 	<p>Stakeholder comments on draft 2018 SAG Plan and SAG Process Guidance Document due within ten (10) Business Days. SAG Facilitator to finalize both documents and post on SAG website after comment period.</p> <p>Interested parties to request participation in SAG Subcommittees and SAG Working Groups within ten (10) Business Days.</p>
<p>Wed., August 29 SAG Working Group: Non-Energy Impacts Teleconference 12:30 – 3:30 pm</p>	<ul style="list-style-type: none"> • Timeline for NEI research and results. • Overview of planned job research. • Overview of ComEd NEI Research Plan. • Overview of Ameren Illinois NEI Research Plan. • Discuss open issues. 	<p>Next steps TBD. Additional meetings will be scheduled with Working Group participants, as needed.</p>
<p>Thurs., Sept. 6 Large Group SAG Teleconference 12:30 – 3:30 pm</p>	<ul style="list-style-type: none"> • NTG Recommendations: Evaluators present initial recommended NTG values (Ameren Illinois and ComEd). Discuss comments/questions and determine if there is any follow-up needed.** 	<p>NTG values must be finalized by independent evaluators by Oct. 1, 2018.</p>
<p>Fri., Sept. 7 Large Group SAG Teleconference 10:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • NTG Recommendations: Evaluators present initial recommended NTG values (Nicor Gas and Peoples Gas-North Shore Gas). Discuss comments/questions and determine if there is any follow-up needed.** 	<p>NTG values must be finalized by independent evaluators by Oct. 1, 2018.</p>
<p>Fri., Sept. 14 Large Group SAG Teleconference 9:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • NTG Follow-up Meeting: Follow-up discussion on recommended NTG values. Discuss consensus on recommended values.** 	<p>NTG values must be finalized by independent evaluators by Oct. 1, 2018.</p>
<p>Tues., Sept. 18 Large Group SAG In-person 10:00 am – 4:00 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Industry Spotlight: Equity in Energy Efficiency • Peoples Gas & North Shore Gas Research & Development Programs • ComEd LED Street Lighting Program 	<p>Follow-up items TBD.</p>

Table 3: SAG 2018 Schedule

Date / Time	Agenda	Next Steps
<p>Wed., Sept. 19 SAG Subcommittee: Policy Manual In-person 10:00 am - 4:00 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Subcommittee Kick-off Meeting: Discuss draft Policy Manual Subcommittee Plan and schedule. Discuss policy; determine next steps. 	<p>Monthly in-person meetings to be scheduled, with follow-up in-between monthly meetings to be held by teleconference.</p>
<p>Mon., Sept. 24 Large Group SAG Teleconference 10:00 am - 12:00 pm</p>	<ul style="list-style-type: none"> • NTG Final Meeting: Follow-up discussion on recommended NTG values. Finalize consensus on recommended values.** 	<p>NTG values must be finalized by independent evaluators by Oct. 1, 2018.</p> <p>Schedule additional discussion, if needed.</p>
<p>Wed. Sept. 26 IL-TRM TAC Teleconference 10:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • Evaluation Research Priorities: IL-TRM Version 7 will be completed on Sept. 13. After finalizing the TRM, VEIC prepares an annual memo describing their suggestions on evaluation research and priorities. This meeting will focus on VEIC presenting an overview of their research memo. 	<p>Follow-up items TBD.</p>
<p>Tues., Oct. 9 SAG Working Group: Annual Report Template Teleconference 10:00 – 11:00 am</p>	<ul style="list-style-type: none"> • Discuss Annual Report Template requirements; ideas on how to structure template.** 	<p>Additional meetings will be scheduled with Working Group participants, as needed.</p>
<p>Wed., Nov. 7 Large Group SAG In-person 10:00 am – 4:00 pm Chicago, IL</p>	<ul style="list-style-type: none"> • Quarterly Reporting: Utilities present Q2 and Q3 (to date) quarterly report-outs.* • Industry Spotlight - Market Transformation: ComEd presents an overview of the recent Market Transformation Summit; Nicor Gas presents an overview of the recent Market Transformation Workshop. 	<p>Follow-up items TBD.</p>
<p>Mon., Dec. 3 Large Group SAG Teleconference 9:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • Draft EM&V Work Plans: Evaluators present an overview of high-level draft multi-year evaluation plans for Ameren Illinois and ComEd EE programs.** 	<p>Draft multi-year and draft annual evaluation plans will be available for review and comment on or before January 5, 2018.</p> <p>SAG Facilitator to post on the SAG website and circulate notice to SAG.</p>

Table 3: SAG 2018 Schedule

Date / Time	Agenda	Next Steps
<p>Tues., Dec. 4 Large Group SAG Teleconference</p> <p>10:00 am – 12:00 pm</p>	<ul style="list-style-type: none"> • Draft EM&V Work Plans: Evaluators present an overview of high-level draft multi-year evaluation plans for Nicor Gas and Peoples Gas – North Shore Gas programs.** 	<p>Draft multi-year and draft annual evaluation plans will be available for review and comment on or before January 5, 2018.</p> <p>SAG Facilitator to post on the SAG website and circulate notice to SAG.</p>
<p>SAG Steering Committee Meeting #2: December Teleconference</p> <p>Date/Time TBD</p>	<ul style="list-style-type: none"> • Feedback: Mid-year check-in – discuss 2018 SAG process and feedback. • SAG Planning: Discuss draft 2019 SAG Plan and schedule. 	<p>SAG Facilitator to circulate draft 2019 SAG Plan and schedule to SAG and request comments/questions.</p> <p>SAG Facilitator to present an overview of the 2019 SAG Plan and schedule to SAG in early 2019.</p>

Attachment A: Overview of Directives to SAG

This Attachment A includes excerpts from Final Orders from the Commission approving 2018 – 2021 EE Plans for Ameren Illinois, ComEd, Nicor Gas, and Peoples Gas – North Shore Gas.⁸ For ComEd, Nicor Gas, and Peoples Gas – North Shore Gas, this attachment also includes excerpted settlement stipulation language.

Links to Energy Efficiency Plan dockets and stipulated agreements:

- *Ameren IL EE Plan*: [17-0311](#)
- *ComEd EE Plan*: [17-0312](#) ([Final ComEd Stipulated Agreement](#))
- *Nicor Gas EE Plan*: [17-0310](#) ([Final Nicor Gas Stipulated Agreement](#))
- *Peoples Gas - North Shore Gas EE Plan*: [17-0309](#) ([Final PG/NSG Stipulated Agreement](#))

References to SAG are highlighted in red font.

Ameren IL EE Plan Docket (17-0311) Directives and References to SAG

Issue: Proposed Plan Changes

Commission Analysis and Conclusions (pages 63-64):

- The Commission agrees that Ameren Illinois' 2018 Plan meets each requirement of the Public Utilities Act and will deliver significant opportunities to its customers across rate classes. It also takes into consideration the unique circumstances of Ameren Illinois' service territory which, largely rural, is less dense and has a relatively higher percentage of customers that are exempt from the Act's energy efficient provisions.
- The Commission is strongly supportive of the Plan's emphasis on serving low income customers in the Company's service territory, and developing new economic and energy efficiency opportunities for diverse individuals and communities.
- Approval of the Plan, however, is conditioned on the incorporation of Staff's suggestions for certain reallocations, as identified by Staff witness Dr. Brightwell in his direct testimony, that could achieve another 10,500 to 14,500 MWhs of savings. In addition, the Company is directed to determine how it can serve the objectives and goals of the Act, while reducing the overall costs of the Income Qualified Programs through a different measure mix or incentive levels and lowering its cost/kWh. The Company is ordered to submit this information to the Commission in a timely compliance filing.
- The Commission recognizes that NRDC-CUB-EDF, the AG, and Staff have provided numerous suggestions as to how AIC could meet the statutory savings goal, while staying within the budget cap, and strongly encourages the Company to work cooperatively with all stakeholders to help ensure that the implementation of the Plan is cost effective and practicable throughout its service territory.
- **Additionally, the Commission finds that AIC should continue its collaborative efforts with SAG, the Economically Disadvantaged Advisory Committee, and other interested parties.**

⁸ See ICC Docket Nos. 17-0312 (ComEd); 17-0310 (Nicor Gas); and 17-0309 (Peoples Gas – North Shore Gas).

Issue: Rider EE

Commission Analysis and Conclusions (page 66):

- Based on the record evidence and there being no objection, the Commission approves Riders APM and GER. Rider EE was approved in Docket No. 17-0288 on August 15, 2017. **As noted by Dr. Brightwell, the Commission directed the Company and Staff, with interested parties, to present the issue of the WAML methodologies and their impact on energy efficiency regulatory asset amortization periods and customer rates, as well as the most appropriate implementation method, to the SAG, to attempt to reach a consensus. SAG was directed to file a report with the Commission summarizing the conclusions reached in the SAG process.** Nothing in this Order is intended to modify the Commission's conclusion on WAML in Docket No. 17-0288. Based on the record and at the recommendation of Staff, the Commission finds the revenue requirement of \$14,465,000 and the schedules and workpapers identified as Staff Exhibits 1.1 and 1.2 to be just and reasonable. The Commission directs AIC to make a compliance filing setting the rates to be effective with the January, 2018 billing period.

Issue: Rebates and Data Usage

Commission Analysis and Conclusions (page 69):

- The Commission recognizes the concerns raised by both RESA and AIC. The Commission notes that AIC maintains brand and technology neutrality throughout its energy efficiency portfolio. Although RESA raises concerns about data usage, there is no dispute between the parties at present. **The Commission agrees with AIC; these issues are of the type routinely addressed by SAG and directs RESA and AIC to participate in the SAG process to build a consensus.** No other Commission finding is necessary at this time.

Other SAG Mentions and Items to Note:

- **The Company affirms its commitment to a collaborative SAG process.** Mr. K. Martin testifies that, during the developmental process, Ameren Illinois participated in a collaborative process led by SAG and including the Economically Disadvantaged Advisory Committee, which was convened after the passage of PA 99-0906. Mr. K. Martin explains that working with the Economically Disadvantaged Advisory Committee was especially useful as it convened a large number of groups and parties that have not traditionally presented the Company or the Commission with their perspectives on utility-delivery of energy efficiency programs to some of the State's neediest communities. **The Company affirms that it intends to continue working on process improvements through the SAG facilitation team.**
- Ameren Illinois withdrew its request for adjustable savings goals in its rebuttal testimony.

Ameren Exhibit 8.1 (Rev.), pages 3-7

1. **Evaluator Independence.** Ameren Illinois shall implement protocols to ensure that evaluator independence is maintained, as required by Section 8-103B and 8-104 of the Act.
 - a. Any contract between Ameren Illinois and the independent evaluator shall provide that: (i) the Commission has the right to terminate the contract if the

Commission determines the evaluators were not acting independently; and (ii) the evaluator must act independently from Ameren Illinois and be able to independently evaluate the energy savings performance and cost-effectiveness of Ameren Illinois' energy efficiency programs.

- b. Ameren Illinois shall submit the finalized but not yet executed contract with the independent evaluator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and describing its recommendations for Commission action, if any. In addition, Ameren Illinois will submit any contract and scope of work with the independent evaluator as a compliance filing in ICC Docket No. 17-0311 within fourteen (14) days of execution. Ameren Illinois shall make any portions of such compliance filings that are designated confidential available to parties appearing in the docket who are entitled to receive confidential materials by operation of law or an appropriate protective order, and to other interested parties who do not have a competitive interest in the confidential material and who may not be parties appearing in the docket but who have signed a protective agreement with the Company to receive the confidential material. **Ameren Illinois also agrees to make good faith efforts to address and reach consensus concerning whether the contract and scope of work may be public in whole or in part as part of the discussions for the Illinois Energy Efficiency Policy Manual Version 2.0.**
- c. Evaluators shall develop Evaluation, Measurement & Verification (“EM&V”) Work Plans consistent with the Policy Manual. In the event that stakeholders, including Staff or Ameren Illinois, and the evaluator are not able to reach a resolution during the Draft EM&V Report review process concerning a disputed issue that is acceptable to all parties, then Ameren Illinois will direct the evaluator to document the issue in dispute within the EM&V Report along with the evaluator's position, the stakeholder's position, and to the extent practical and quantifiable, any associated alternative savings estimates resulting from the differences in positions.
- d. Ameren Illinois shall ensure that the data used in the evaluations is made available to the Commission upon request.
- e. Annual Independent Ex Post TRC Test Evaluation: Ameren Illinois shall direct its independent third-party evaluator to perform an ex post TRC cost-effectiveness analysis annually during the course of the 4-year portfolio plan pursuant to Sections 8-103B(g)(6) and 8-104(f)(8) of the Act. Ameren Illinois will also direct its independent third-party evaluator to conduct a cost-effectiveness analysis at the conclusion of the 4-year Plan pursuant to Section 8-103B(g)(6) of the Act.
- f. The evaluator contract with Ameren Illinois shall automatically terminate upon a Final Order of the Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for Ameren Illinois, the evaluator, and other interested parties to be heard.
- g. In the event that Ameren Illinois or the evaluator issues a notice of termination or notice of default of the contract, the issuer of the notice shall contemporaneously provide a copy of such notice to the Commission.

2. **SAG Facilitator Independence.** Ameren Illinois shall implement protocols to ensure that SAG Facilitator independence is maintained. To the extent SAG Facilitator Independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede these SAG Facilitator Independence provisions. Specifically, Ameren Illinois shall implement the following SAG Facilitator independence protocols:
 - a. Ameren Illinois shall submit the finalized but not yet executed contract with the independent SAG Facilitator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and describing its recommendations for Commission action, if any. In addition, Ameren Illinois will submit any contract and scope of work with the independent SAG Facilitator as a compliance filing in ICC Docket No. 17-0311 within fourteen (14) days of execution.
 - b. Ameren Illinois will include language in the independent SAG Facilitator contract that provides that the Commission has the right to terminate the SAG Facilitator contract if the Commission determines the SAG Facilitator is not acting independently, or is unable or unwilling to independently facilitate the Illinois Energy Efficiency Stakeholder Advisory Group.
 - c. The SAG Facilitator contract with Ameren Illinois will automatically terminate upon a Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for Ameren Illinois, the SAG Facilitator, and other interested parties to be heard.
 - d. In the event that Ameren Illinois or the SAG Facilitator issues a notice of termination or notice of default of the contract, the issuer of the notice shall contemporaneously provide a copy of such notice to the Commission.

3. **IL-TRM Administrator Independence.** Ameren Illinois shall work with the other electric and gas utilities that participate in the SAG to develop and implement protocols to ensure that IL-TRM Administrator independence is maintained as part of Policy Manual Version 2.0 discussions. To the extent IL-TRM Administrator Independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede these IL-TRM Administrator independence provisions.. Until such time that the Commission approves the Policy Manual IL-TRM Administrator independence provisions, Ameren Illinois agrees to implement the following IL-TRM Administrator independence protocols:
 - a. Ameren Illinois shall submit the finalized but not yet executed contract with the independent IL-TRM Administrator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and describing its recommendations for Commission action, if any. In addition, Ameren Illinois will submit any contract and scope of work with the independent IL-TRM Administrator as a compliance filing in ICC Docket No. 17-0311 within fourteen (14) days of execution.
 - b. Ameren Illinois will include language in the independent IL-TRM Administrator contract that provides that the Commission has the right to terminate the IL-TRM Administrator contract if the Commission determines the IL-TRM Administrator

- b. For purposes of Section 8-103B, the IL Energy Efficiency Policy Manual Ver. 1.1, Section 6.2 provides that the “potential applicability of an adjustable savings goals policy to an electric utility implementing Energy Efficiency Programs pursuant to Section 8-103B may be determined by the Commission in an electric utility’s Energy Efficiency Plan docket, updates to the Policy Manual, or other Commission proceedings. The lack of inclusion in this Version 1.1 shall not be construed as limiting any consideration of, or resolution of any request to the Commission, seeking adjustable savings goals.” Pursuant to this provision of the Policy Manual, Ameren Illinois reserves the right to petition the Commission to consider the applicability of the adjustable goals policy to its electric savings goals during the 2018-2021 energy efficiency Plan.
7. **EM&V Methods.** Ameren Illinois will work with the independent third party evaluator and SAG to develop best practices for when program evaluations shall be controlled trials or quasi-experimental design methods. Until SAG develops best practices, where appropriate given the EM&V budget constraints, the independent evaluator shall give preference to randomized controlled trials or quasi-experimental design methods. When a program evaluator believes that randomized control trials or quasi-experimental designs are not appropriate given the EM&V budget constraints, the program evaluator shall provide an explanation and support for its decision as part of its evaluation plan.
8. **Revisit the EM&V Framework.** Ameren Illinois and interested stakeholders shall engage in discussions at SAG, or within a subcommittee of SAG, regarding the current EM&V framework. This will be a “big picture” discussion and will include reviewing how evaluation contractors are hired/selected, how frequently they are or should be changed, opportunities for more integration of EM&V work across utility service territories, the levels of emphasis on different kinds of evaluation (process vs. impact, NTG vs. other, peak vs. energy, value of NEBs, etc.), opportunities for better leveraging AMI data, opportunities for better integration and prioritization of evaluation research with the IL-TRM update process, etc.

ComEd EE Plan Docket (17-0312) Directives and References to SAG

Issue: ComEd EE Plan

Commission Analysis and Conclusion (pages 23-24):

- In light of the Stipulation, the Commission notes that it is uncontested that ComEd’s Plan 5 satisfies the applicable requirements of Section 8-103B of the Act. **The Commission acknowledges and appreciates the continued collective efforts of the parties through the SAG Portfolio Planning Process that resulted in the Stipulation. Moreover, the Commission observes that the Plan’s collaborative development among a diverse group of stakeholders over many months resulted in key stakeholders reaching consensus regarding the proposed Plan, including Staff. *Id.***
- The Commission has reviewed the evidence in this proceeding, and, subject to the Stipulation, finds that ComEd’s Plan meets the requirements of the Act. Specifically, the Commission finds that ComEd has demonstrated, through substantial evidence, that its Plan contains an energy efficiency portfolio designed to achieve the statutory energy

savings goals within the statutorily-set budgets, and that the corresponding implementation, management, and EM&V plans also meet the requirements of Section 8-103B. The Commission also recognizes that new to Plan 5 are a variety of offerings associated with low-income (or income-eligible), public sector, and market transformation, as well as the rollout of the VO program, third-party administered programs, and an AC Cycling demand response program. In particular, the Commission applauds the negotiated commitment to significantly increase energy efficiency program spending for low income utility customers. Lastly, the Commission notes that ComEd's Plan 5 also includes ComEd's proposed tariff for calculating and applying Section 8-103B's performance adjustment, Rider EEPA.

- Therefore, the Commission approves all aspects of ComEd's Plan 5 and the Stipulation, subject to the Company's February 2018 compliance filing, and finds that the provisions of the Plan and Stipulation are reasonable, consistent with Section 8-103B of the Act, and supported by substantial evidence in the record. In addition, the Commission finds that the terms of the Stipulation are in the public interest.

Issue: RESA's Proposed Clarifications (*RESA seeks the following three clarifications regarding aspects of ComEd's proposed Plan 5: (1) all rebates under the Plan should be brand and technology neutral; (2) the process for all rebates under the Plan should be simplified and streamlined; and (3) data obtained through energy audits should only be utilized for program evaluation purposes*).

Commission Analysis and Conclusion (pages 26-27):

- The Commission appreciates RESA's interest in Illinois' energy efficiency programs, and welcomes new participants to the State's collaborative processes dedicated to the planning, design, implementation, and administration of Illinois utilities' energy efficiency portfolios. **As explained by ComEd witness Corral, the clarifications raised by RESA in this docket are the very kinds of issues routinely addressed by the SAG, as well as by the Smart Thermostat Collaborative. The Commission therefore urges RESA to participate in these consensus-building processes, which have been very successful in reducing the number of contested issues in the expedited proceedings to approve utility energy efficiency portfolios. Indeed, the Stipulation is evidence of this success.**
- With respect to the issues for which RESA seeks clarification, the Commission understands that RESA and ComEd largely share the same goals, and **further discussion regarding the technologies and implementation details associated with smart thermostat offerings can be addressed in the SAG, which was convened by the Commission nearly 10 years ago to address just these sorts of issues. To provide stakeholders with guidance regarding these SAG discussions, the Commission expressly affirms, and directs the continued implementation of, the following practices: (i) ComEd will continue to maintain brand and technology neutrality throughout its energy efficiency portfolio, subject to the technological specifications and requirements set forth in the TRM; (ii) ComEd will continue to explore opportunities through the SAG to streamline and simplify the rebate application and delivery processes associated with the measures offered under its Plan, including but not limited to smart thermostat measures; (iii) ComEd will explore developing a process to enable third parties to provide customers instant rebates at the point of sale; and (iv) ComEd will continue to refrain from**

providing data obtained through energy audits under its Energy Efficiency Program to any affiliate alternative retail electric supplier in order for that affiliate to provide data analytics and/or energy conservation products.

- With respect to the offering of energy audits under ComEd’s Energy Efficiency Program, the Commission rejects RESA’s proposal to limit or terminate these audits in any way. The Commission agrees with ComEd that the basic purpose of an energy audit is to analyze and offer recommendations to customers on how to reduce overall energy consumption, and that new Section 8-103B specifically authorizes utilities to incorporate AMI data into the planning, implementation, and evaluation of energy efficiency measures and programs. *See* 220 ILCS 5/8-103B(i). Energy audits have been a fundamental offering under ComEd’s energy efficiency plans over the past 10 years, and no cause exists for their termination. These audits are a core feature of energy efficiency portfolios and instrumental in achieving the statutory energy savings goals.

ComEd Settlement Stipulation – Directives and References to SAG

III. Plan Budget and Energy Savings Goals Stipulations

In addition to the \$6 million allocated to Third Party programs in years 2-4 of the Plan that are currently included in the ComEd Third Party program batch files, ComEd commits to spend on average, over the four-year Plan period, a minimum of \$6 million annually dedicated to Income-Qualified programs or research from either Research and Development (“R&D”) or Third Party expenditures, provided that there are proposals for such spending and appropriate R&D opportunities that are meritorious. **ComEd commits to work with stakeholders with the goal of reaching consensus on the development of R&D IQ programs and Third Party requests for proposals (“RFPs”) related to these programs, as well as the review of Third Party proposals that are received. The IQ Third Party programs will be developed through separate RFP(s) specifically dedicated to IQ programs.**

IV. Program-Level Stipulations

C. Leveraging of Existing Low-Income Program Implementers

f. Program Administrator-initiated decisions to not contract with independent third parties that have demonstrated capabilities to serve Income-Qualified households, including not-for-profit entities and government agencies that have existing relationships with or experience serving Low-Income communities in the State, will be brought to the Stakeholder Advisory Group (“SAG”) and the Income-Qualified Energy Efficiency Advisory Committee in order to provide notice and feedback regarding the proposed change. To the extent practicable and in consideration of program continuity concerns, these contacting changes will be presented to SAG and the Income-Qualified Energy Efficiency Advisory Committee before implementation.

D. Commitments Regarding Interactions with the Income-Qualified Advisory Committee

1. ComEd agrees to report on a quarterly basis to both the Income-Qualified Energy Efficiency Advisory Committee and the SAG on the development of reporting metrics on the following topics:
 - a. Identification of budget, savings, and number of participants served through Income-Qualified Plan funding, separately tracking by single-family and multi-family programs;
 - b. Job training in economically disadvantaged and diverse communities within its service territory that is supported by ComEd's efficiency program portfolio funding, including training offered through the IHWAP program necessary to increase capacity to deliver services in ComEd's territory;
 - c. Income-Qualified pilot program results;
 - d. Identification of implementation vendors who receive funding designated for Income-Qualified programs, indicating whether each vendor is an independent third party that has demonstrated capabilities to serve such households, including not-for-profit entities and government agencies that have existing relationships with or experience serving Low-Income communities in the State.

E. Individual Program Measures

ComEd also commits to developing the following measures during 2018 for introduction during the 2019 – 2021 calendar years:

1. **Smart Thermostats.** ComEd agrees to work with other utilities and stakeholders toward development of a single rebate application, instant discount or midstream smart thermostat offering for implementation by January 1, 2019. ComEd will review on an annual basis whether adjustment of incentive levels is appropriate during the Plan to ensure that incentive levels reflect the efficient use of program dollars and needed customer inducements.
2. **Ductless Heat Pumps.** ComEd commits to work with stakeholders participating in the SAG to develop a cost-effective expanded Residential Low-Income, all-electric multi-family program that includes a bulk purchase of high performance, cold climate ductless heat pumps as well as comprehensive treatment of building envelop measures. ComEd will work with stakeholders to develop such a program during 2017, run it as a pilot during 2018 (possibly funded through R&D), and if successful, implement as a program, possibly to be bid through the Third-Party program bidding process outlined in Section 8-103B(g)(4.5) of the Act, with savings targets.

F. Commercial and Industrial Programs

ComEd will commit to working with other utilities in the State, to deliver a pilot upstream incentive offering for commercial kitchen rebates for eligible business customers (possibly funded through the R&D funds), with a focus on taking advantage of Statewide distributor

networks and the associated efficiencies, with a goal of implementing the program beginning in 2019 assuming a cost-effective program design is developed.

G. Public Sector Programs

ComEd commits to closely monitoring whether incentive levels for Public Sector measures and programs, which are defined in Section 8-103B(c) of the Act and in the Plan, are sufficient, in order to determine whether incentives need to be increased to meet the Plan's savings goals.

ComEd will track and report its incentive monitoring on a quarterly basis as a component of its quarterly SAG program performance reports. If ComEd is not on track to meet Public Sector spending requirements and savings goals as of June 30, 2018, then the Parties may discuss program adjustments, including incentive level increases, at that time. **Beginning with the second calendar year of ComEd's Plan (i.e., 2019), ComEd will include, in its quarterly reports to SAG, additional performance data, including but not limited to the geographic distribution of Public Sector customers participating in incentive programs and the types of program measures utilized by Public Sector customers.** This additional data may be reviewed by all Parties and should inform any future program adjustments.

H. Third Party Programs

ComEd agrees to work with interested stakeholders during 2018 on the development of RFPs for Third Party programs for years 2019-2021, including the transition of pilot programs developed through R&D initiatives, and as discussed above.

V. Research and Development / Evaluation, Measurement, and Verification Commitments

ComEd commits to work with interested stakeholders and use best efforts to reach consensus through SAG in the development of evaluation, measurement, and verification ("EM&V") approaches and pilot R&D programs to develop new programs and measures, and to more effectively leverage the value of Advanced Metering Infrastructure data.

Among the potential uses of such data that should be considered are:

1. The use of interval (30 minute) consumption data to develop load profiles for customers based on sector (residential, small commercial, and large commercial). The load profiles will be used to help determine the best possible energy and demand savings interventions for customers based on usage patterns (*e.g.*, overall usage, peak demand, time-of-day, cooling/heating/base load, etc.). This data may be used to target market offerings to customers through custom communications or targeted marketing efforts. This data analysis may also be used to direct customers to utility services and programs outside of energy efficiency.
2. The use of consumption data and energy efficiency project data as analytics tools to track actual savings from projects and programs, including the Income-Qualified programs, to perform remote and intelligent quality assurance/quality control ("QA/QC"), where practicable. Advanced Metering Infrastructure data may be used to

perform intelligent QA/QC for projects and programs and oversee trade allies performing the projects.

3. The creation of a pilot program using Advanced Metering Infrastructure data and analytics software, to track the savings from projects completed by each individual trade ally and monitor performance across the service territory. For example, the utility can use data from home performance contractors and billing data to evaluate the performance of the contractors on their projects to analyze effectiveness of trade ally performance.

4. The use of data analytics tools (“M&V 2.0”) to support an enhanced EM&V process by automatically measuring savings from projects and programs in less time than traditional evaluation. ComEd, in consultation with the SAG, commits to identifying the measures that potentially can most rapidly and cost-effectively improve existing EM&V processes, tasks, and tools in terms of granularity and speed using M&V 2.0 tools and Advanced Metering Infrastructure data. Vendors and pilots for this project will be selected through a competitive solicitation with input and consultation from the SAG.

The use of selected M&V 2.0 tools and Advanced Metering Infrastructure data to improve the accuracy and process time of evaluating individual energy efficiency programs and subsequent updates to the Illinois Statewide Technical Reference Manual for Energy Efficiency (“TRM” or “IL-TRM”).

C. Voltage Optimization

ComEd commits to bring in ComEd personnel developing Voltage Optimization (“VO”) plans to consult with the SAG to ensure that VO investments, when practicable and without material adverse impacts to program effectiveness and efficiency, prioritize projects targeted in locations that shall produce significant customer benefits, with an initial focus on targeting economically disadvantaged communities.

D. TRM Development

1. ComEd agrees that, to the extent a consensus among the utilities and intervening parties cannot be reached regarding a measure or measure values in the TRM, the IL-TRM Administrator shall have the authority to use its best judgment to decide on the measure or measure value. ComEd further agrees to work with the other utilities and implementing stakeholders to agree on a joint procedure for this process and to include it in the next Policy Manual update.
2. ComEd agrees that it is not appropriate for financially interested vendors to participate in the IL-TRM TAC meetings, unless they are specifically invited by the TRM Administrator to present information regarding a particular measure. ComEd further agrees to work with the other utilities and intervening stakeholders to develop a final policy on this issue and to include it in the next Policy Manual update.

VII. Stipulations Related to Staff Requests

A. EM&V

1. EM&V Methods. Where practical, program evaluations shall be conducted using randomized controlled trials or quasi-experimental design methods. When a program evaluator believes that randomized control trials or quasi-experimental designs are not practical, the program evaluator shall provide an explanation and support for its decision as part of its evaluation plan.

2. Revisit the EM&V Framework. The Parties agree to engage in discussions at the SAG, or within a subcommittee of the SAG, regarding the current EM&V framework. The Parties understand that this will be a “big picture” discussion and will include reviewing how evaluation contractors are hired/selected, how frequently they are or should be changed, opportunities for more integration of EM&V work across utility service territories, the levels of emphasis on different kinds of evaluation (process vs. impact, NTG vs. other, peak vs. energy, value of NEBs, etc.), opportunities for better leveraging Advanced Metering Infrastructure data, opportunities for better integration and prioritization of evaluation research with the IL-TRM update process, etc.

3. Policy Manual Version 2.0. The Parties agree to participate in Policy Manual Subcommittee discussions for the Illinois Energy Efficiency Policy Manual Version 2.0, following Commission approval of the Energy Efficiency Plans beginning in 2018. The Parties commit to make good faith efforts to expeditiously reach consensus regarding an Illinois Energy Efficiency Policy Manual Version 2.0.

4. Statewide Common Reporting Templates. ComEd agrees to make good faith efforts to have completed Statewide common reporting templates for Program Administrator Quarterly Reports required by Section 6.5 of the Illinois Energy Efficiency Policy Manual available in advance of filing the first ComEd Quarterly Report for 2018. ComEd also agrees to make good faith efforts to have completed Statewide common reporting templates for Program Administrator Annual Summary of Activities (“Annual Reports”) required by Section 6.6 of the Illinois Energy Efficiency Policy Manual available in advance of filing the fourth ComEd Quarterly Report for 2018. ComEd further agrees to make good faith efforts to file and make available to the SAG quarterly reports within 45 days of the end of each quarter for Q1, Q2 and Q3 and 90 days for Q4.

5. Joint Total Resource Cost Test (“TRC”) Results. ComEd agrees to present the joint TRC results for joint programs as part of its 2018-2021 Plan filing in Docket No. 17-0312.

B. Independence of Evaluator, SAG Facilitator, and TRM Administrator

1. Evaluator Independence. ComEd agrees to continue to implement protocols to ensure that evaluator independence is maintained, as required by Section 8-103B of the Act.

a. ComEd will submit the finalized but not yet executed contract with the independent evaluator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and describing its recommendations for Commission action, if any. In addition, ComEd will submit any contract and scope of work with the independent evaluator as a compliance filing in Docket No. 17-0312 within fourteen (14) days of execution. **The Parties also agree to make good faith efforts to address and reach consensus concerning whether the contract and scope of work may be made public in whole or in part as part of the discussions for the Illinois Energy Efficiency Policy Manual Version 2.0.**

2. SAG Facilitator Independence. **ComEd agrees to work with the other electric and gas utilities that participate in the SAG to develop and implement protocols to ensure that SAG Facilitator Independence is maintained as part of Policy Manual Version 2.0 discussions.** To the extent SAG Facilitator independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the SAG Facilitator Independence provisions in this Stipulation. Until such time that the Commission approves the Policy Manual SAG Facilitator Independence provisions, ComEd agrees to implement the following SAG Facilitator Independence protocols: (for additional language see Stipulation page 15).

3. IL-TRM Administrator Independence. **ComEd agrees to work with the other electric and gas utilities that participate in the SAG to develop and implement protocols to ensure that IL-TRM Administrator independence is maintained as part of Policy Manual Version 2.0 discussions.** To the extent IL-TRM Administrator independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the IL-TRM Administrator independence provisions in this Stipulation. Until such time that the Commission approves the Policy Manual IL-TRM Administrator independence provisions, ComEd agrees to implement the following ILTRM Administrator independence protocols: (for additional language see Stipulation page 16).

VIII. Stipulations Related to ComEd Requests

C. Annualization – All measure savings for the year of implementation will be annualized, with the exception of Residential Behavior which will continue as laid out in the Illinois Technical Reference Manual.

Voltage Optimization measures are included in annualization once commissioning is complete. **Annualized savings assumed for 2018 VO savings will be determined by the independent evaluators – in consultation with ComEd, Staff, and other stakeholders** – based on best available information regarding likely savings levels. Such best available information for 2018 may include results of ComEd pilot projects, relevant evaluations from other jurisdictions, information on the circuits on which ComEd began to apply VO in calendar 2018, and/or other

relevant information. For 2019 and beyond, annualized savings estimates will be based, to the greatest extent possible, on evaluation of savings from ComEd distribution system infrastructure subjected to VO.

E. Measure Life for R&D Pilots – For R&D projects that contain technologies not in the TRM, ComEd may deem the measure life value upfront for evaluation purposes after consulting with the evaluators and interested SAG participants and reaching consensus on such deemed value.

Nicor Gas EE Plan Docket (17-0310) Directives and References to SAG

Issue: Nicor Gas EE Plan

Commission Analysis and Conclusion (pages 8-9):

- It is uncontested that Nicor Gas' EEP 2018-2021 satisfies the applicable requirements of Section 8-104 of the Act. The Commission has reviewed the evidence in this proceeding, and finds that the Company's Plan meets the requirements of the Act. **In addition, the Commission acknowledges and appreciates the collective efforts of the parties that resulted in the Stipulation and modifications to the Company's EEP 2018-2021 through the SAG Portfolio Planning Process.** The Commission finds that the terms of the Stipulation are reasonable, consistent with Section 8-104, and the Commission hereby approves and adopts the terms of the Stipulation for purposes of Nicor Gas' EEP 2018-2021.
- The Company has demonstrated, through substantial evidence, that it is highly unlikely that it will be able to achieve the statutory savings requirements without exceeding the statutory rate cap imposed by the Act. Thus, the Commission agrees with the calculations of Nicor Gas' modified savings goals and the budget cap as consistent with Sections 8-104(c) and (d). Nicor Gas' modified savings goals for EEP 2018-2021 are 16,509,650 net therms for each year of the Plan, with a four-year cumulative modified savings goal of 66,038,601 net therms. The Commission recognizes that these modified savings goals are subject to further adjustment based upon annual IL-TRM adjustments, consistent with the Adjustable Savings Goals policy approved in the Policy Manual, and the Adjustable Savings Goals provisions set forth in the Stipulation.
- Further, the 2% budget cap for EEP 2018-2021 is \$161 million, of which \$8.075 million per year, excluding any allocated portfolio level costs, will be spent on Income Qualified programs over the 2018-2021 plan period for the dedicated low-income sector targeted programs or initiatives (i.e., outside of the regular Residential program portfolio), primarily through jointly delivered Nicor Gas and ComEd Low Income programs, as described in the Stipulation and in ComEd's filed Plan, and directed at customers whose annual incomes fall at or below 80% AMI. This amount of \$8.075 million per year includes spending for customers living in Public Housing Authority buildings in the Nicor Gas Income Qualified Program. In addition, \$4.014 million per year will be spent on Public Sector programs, \$1.204 million per year will be spent on the Emerging Technology Program, and \$2.007 million per year will be spent on the Market Transformation initiative.

Issue: RESA Recommendations (*RESA witness Gibbs states that RESA wants to clarify certain aspects of EEP 2018-2021. First, Mr. Gibbs recommends that all rebates under the Plan should*

be brand and technology neutral. Second, Mr. Gibbs recommends that the process for all rebates under the Plan should be simplified and streamlined to make rebates available at the point of sale or through a simplified application process to accommodate customer preferences. Third, Mr. Gibbs recommends that data obtained through energy audits should only be utilized for program evaluation purposes because RESA is concerned about Nicor Gas' potential to use data to perform analytics and offer recommendations on how to reduce overall energy consumption. As an alternative, Mr. Gibbs recommends that data obtained through energy audits could be made available to other interested parties. At a minimum, Mr. Gibbs recommends that Nicor Gas not be allowed to share energy audit data with any affiliates or preferred vendors unrelated to the EEP.)

Commission Analysis and Conclusion (pages 9-10):

- The Commission appreciates RESA's interest in Illinois' energy efficiency programs, and welcomes new participants to the State's collaborative processes dedicated to the planning, design, implementation, and administration of Illinois utilities' energy efficiency portfolios. **As explained by Nicor Gas witness Mr. Jerozal, the clarifications raised by RESA in this docket are the very kinds of issues routinely addressed by the SAG, as well as by the Smart Thermostat Collaborative. The Commission therefore urges RESA to participate in these consensus-building processes, which have been very successful in reducing the number of contested issues in the expedited proceedings to approve utility energy efficiency portfolios. Indeed, the Stipulation is evidence of this success.**
- With respect to the issues for which RESA seeks clarification, the Commission understands that RESA and Nicor Gas largely share the same goals, and further discussion regarding the technologies and implementation details associated with smart thermostat offerings can be addressed in the SAG, which was convened by the Commission nearly 10 years ago to address just these sorts of issues. **To provide stakeholders with guidance regarding these SAG discussions, the Commission expressly affirms, and directs the continued implementation of, the following practices: (i) Nicor Gas will continue to maintain brand and technology neutrality throughout its energy efficiency portfolio, subject to the technological specifications and requirements set forth in the TRM; (ii) Nicor Gas will continue to explore opportunities through the SAG to streamline and simplify the rebate application and delivery processes associated with the measures offered under its Plan, including but not limited to smart thermostat measures; (iii) Nicor Gas will explore developing a process to enable third parties to provide customers instant rebates at the point of sale; and (iv) Nicor Gas will continue to refrain from providing data obtained through energy audits under its Energy Efficiency Program to any affiliate alternative retail gas supplier in order for that affiliate to provide data analytics and/or energy conservation products.**
- With respect to the offering of energy audits under Nicor Gas' EEP, the Commission rejects RESA's proposal to limit or terminate these audits in any way. The Commission agrees with Nicor Gas that the basic purpose of an energy audit is to analyze and offer recommendations to customers on how to reduce overall energy consumption. Energy audits have been a fundamental offering under Nicor Gas' energy efficiency plans over the past six years, and no cause exists for their termination. These audits are a core

feature of energy efficiency portfolios and instrumental in achieving energy savings goals.

Nicor Gas Settlement Stipulation – Directives and References to SAG

II. Portfolio Stipulations

B. Portfolio Stipulations

3. Adjustable Savings Goals:

a. Nicor Gas shall file a completed Adjustable Savings Goal Template for Section 8-104 Programs and Measures as an attachment to the Plan.

b. Within fourteen (14) days of the Commission Order approving the EEP 2018-2021, Nicor Gas shall provide the SAG Facilitator with a native Excel version of the final Adjustable Savings Goal Template for posting to the SAG website.

c. For purposes of the Section 8-104 Programs Adjustable Savings Goals policy approved in the Illinois Energy Efficiency Policy Manual Version 1.1, the energy efficiency measure participation levels identified in the approved Plan to derive the energy savings goals shall be fixed for the entirety of the Plan, in the adjustable savings goal calculation, where adjustments are applied.

d. In advance of filing the first updated Adjustable Savings Goal Template with the Commission, Nicor Gas will present to the SAG its first updated Adjustable Savings Goal Template containing the savings goal adjustments due to the changes reflected in the consensus 2019 IL-TRM, resulting from the existing stakeholder consensus processes in place in order to provide stakeholders with an opportunity to ask questions concerning the updated Adjustable Savings Goal Template and reach agreement on the adjusted savings goal.

6. Workforce Development and Supplier Diversity: Nicor Gas acknowledges the importance of fostering economic activity in Illinois through the use of energy efficiency dollars to support Illinois-based jobs.

- a. Nicor Gas shall investigate ways to integrate workforce development initiatives, in coordination with ComEd and other workforce development entities, including, if practicable, the Illinois Home Weatherization Assistance Program, within its Market Transformation program as described in the EEP 2018-2021.
- b. Nicor Gas shall engage in discussions within the low-income energy efficiency advisory committee convened pursuant to Section 8-103B(c) of the Act (“Income Qualified Advisory Group”) aimed at increasing the diversity and number of locally-based trainees, vendors, and employees of the energy efficiency workforce within the Nicor Gas territory and integrating workforce development initiatives, as described in Section II.B.6.a above.

- c. Nicor Gas will give preference to use of Illinois-based vendors whenever possible without sacrificing program effectiveness and/or efficiency.
- d. Nicor Gas shall maintain a diversity initiative as described in the EEP 2018-2021.
- e. Nicor Gas shall collaborate with stakeholders to develop reporting metrics on diverse vendor activity as part of its quarterly reporting requirements.

7. TRM Development

- a. Nicor Gas agrees that, to the extent a consensus among the utilities and intervening parties cannot be reached regarding a measure or measure values in the TRM, the IL-TRM Administrator shall have the authority to use its best judgment to decide on the measure or measure value. Nicor Gas further agrees to work with the other utilities and implementing stakeholders to agree on a joint procedure for this process and to include it in the next Policy Manual Update.
- b. Nicor Gas agrees that it is not appropriate for financially interested vendors (*e.g.*, vendors that have unique or express interest in a specific measure or set of measures) to participate in the IL-TRM TAC meetings, unless they are specifically invited by the TRM Administrator to present information regarding a particular measure. Nicor Gas further agrees to work with the other utilities and intervening stakeholders to develop a final policy on this issue and to include it in the next Policy Manual update.

8. Statewide Marketing: Nicor Gas shall engage in discussions aimed at statewide coordination of marketing efforts, incentive levels, and points of contact.

9. Policy Manual Subcommittee

- a. Nicor Gas shall participate in Policy Manual Subcommittee discussions for the Illinois Energy Efficiency Policy Manual Version 2.0, following Commission approval of the Energy Efficiency Plans beginning in 2018. Nicor Gas shall make good faith efforts to expeditiously reach consensus regarding an Illinois Energy Efficiency Policy Manual Version 2.0.
- b. Nicor Gas shall participate in good faith discussions with other stakeholders in the Policy Manual Subcommittee to develop consistent contract requirements that ensure Evaluation, Measurement & Verification (“EM&V”) evaluator independence, SAG Facilitator independence, and IL-TRM Administrator independence.

10. Statewide Common Reporting Templates: Nicor Gas shall make good faith efforts to have completed statewide common reporting templates for Program Administrator Quarterly Reports required by Section 6.5 of the Illinois Energy Efficiency Policy Manual available in advance of filing the first Nicor Gas Quarterly Report for 2018. Nicor Gas also shall make good faith efforts to have completed statewide common reporting templates for Program Administrator Annual Summary of Activities (Annual Reports) required by Section 6.6 of the Illinois Energy Efficiency Policy Manual available in advance of filing the fourth Nicor Gas Quarterly Report for 2018.

11. EM&V Evaluator Independence: Nicor Gas shall institute protocols to ensure that evaluator independence is maintained, as required by Section 8-104 of the Act.

a. Nicor Gas shall submit the finalized but not yet executed contract with the independent evaluator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and describing its recommendations for Commission action, if any. In addition, Nicor Gas shall submit any contract and scope of work with the independent evaluator as a compliance filing in the applicable EEP docket within fourteen (14) days of execution. Nicor Gas shall make any portions of such compliance filings that are designated confidential available to parties appearing in the docket who are entitled to receive confidential materials by operation of law or an appropriate protective order, and to other interested parties who do not have a competitive interest in the confidential material and who may not be parties appearing in the docket, but who have signed a protective agreement with the Company to receive the confidential material. **Nicor Gas also agrees to make good faith efforts to address and reach consensus concerning whether the contract and scope of work may be made public in whole or in part as part of the discussions for the Illinois Energy Efficiency Policy Manual Version 2.0.** *(See Stipulation page 6 for additional language on Evaluator Independence)*

12. SAG Facilitator Independence: Nicor Gas agrees to implement protocols to ensure that SAG Facilitator independence is maintained. **To the extent SAG Facilitator Independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the SAG Facilitator Independence provisions in this Stipulation.** Specifically, Nicor Gas agrees to implement the following protocols: *(See Stipulation page 6 for additional language on SAG Facilitator Independence)*

13. IL-TRM Administrator Independence: Nicor Gas agrees to implement protocols to ensure that IL-TRM Administrator independence is maintained. **To the extent IL-TRM Administrator Independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the IL-TRM Administrator Independence provisions in this Stipulation.** Specifically, Nicor Gas agrees to implement the following protocols: *(See Stipulation pages 7-8 for additional language on IL-TRM Administrator Independence)*

III. Program-Level Stipulations

B. Stipulations – Residential Programs

1. Income Qualified Programs

c. In delivering the single family offering (and multi-family as appropriate) within the dedicated Income Qualified Program, Nicor Gas will partner with the Illinois Home Weatherization Assistance Program (“IHWAP”), including through the following provisions:

i. Nicor Gas will ensure that its dedicated program takes advantage of state and federal funding available through IHWAP.

ii. Nicor Gas shall engage in discussions with stakeholders in SAG regarding appropriate allocations of energy savings for offerings delivered through IHWAP and make prospective adjustments to plan goals (first year terms and portfolio measure life) as described in Sections II.B.1.b and II.B.1.e of this Stipulation on a going forward basis as necessary.

iii. Nicor Gas will serve all customers who qualify for IHWAP through the IHWAP program delivery infrastructure.

iv. Nicor Gas will supplement IHWAP's capabilities in order to expand eligibility for the single family offering within the dedicated Income Qualified Program beyond IHWAP's eligibility limit (customers with household incomes up to 200% of the federal poverty level) to ensure that the program serves customers with household incomes up to 80% of area median income.

v. Nicor Gas will work with IHWAP to ensure that outreach, intake, quality control, training, and other program delivery functions are integrated across the different Nicor Gas weatherization offerings (*i.e.*, income qualified offerings for customers with household incomes up to 200% of federal poverty level; income qualified offerings for customers with household incomes up to 80% of area median income; and offerings for customers without income qualifications).

vi. Nicor Gas may engage with additional organizations (*e.g.*, United Way, Rebuilding Together) to expand IHWAP capabilities and increase the program's ability to serve all customers with household incomes up to 80% of area median income.

vii. Nicor Gas will strive to engage local diverse weatherization contractors to perform weatherization activities for income qualified offerings for customers with household incomes up to 200% of federal poverty level; income qualified offerings for customers with household incomes up to 80% of area median income; and offerings for customers without income qualifications.

C. Stipulations – Business Programs

1. **Upstream:** Nicor Gas shall commit to working with other utilities in the State to deliver a pilot upstream incentive offering for commercial kitchen rebates for eligible business customers (possibly funded through Research & Development (“R&D”) funds), with a

focus on taking advantage of statewide distributor networks and the associated efficiencies, with a goal of implementing the program beginning in 2019.

2. **Steam Traps:** Nicor Gas and the other Parties will work collaboratively through the SAG evaluation process to ensure that the independent evaluator, during its 2018 evaluation efforts, performs a net-to-gross and process evaluation of the Nicor Gas steam trap offerings for large commercial and industrial customers.

IV. Other Commitments

- A. **Revisit the EM&V Framework:** Nicor Gas agrees to engage in discussions at SAG, or within a subcommittee of SAG, regarding the current EM&V framework. Nicor Gas understands that this will be a “big picture” discussion and will include reviewing how evaluation contractors are hired/selected, how frequently they are or should be changed, opportunities for more integration of EM&V work across utility service territories, the levels of emphasis on different kinds of evaluation (process vs. impact, NTG vs. other, peak vs. energy, value of NEBs, etc.), opportunities for better leveraging AMI data, opportunities for better integration and prioritization of evaluation research with the IL-TRM update process, etc.
- B. **Evaluation Methods:** Nicor Gas will work with the independent third party evaluator and SAG to develop best practices for when program evaluations shall be controlled trials or quasi-experimental design methods. Until SAG develops best practices, where appropriate given the EM&V budget constraints, the independent evaluator shall give preference to randomized controlled trials or quasi-experimental design methods. When a program evaluator believes that randomized control trials or quasi-experimental designs are not appropriate given the EM&V budget constraints, the program evaluator shall provide an explanation and support for its decision as part of its evaluation plan.

Peoples Gas – North Shore Gas Final Order (17-0309) Directives and References to SAG

Issue: PG-NSG EE Plan

Commission Analysis and Conclusion (pages 11-12):

- The Commission notes that there are no contested issues as to Plan 3. The evidence presented by the Companies, AG, and RESA indicate that the Plan 3 filings satisfy the requirements of Section 8-104. Further, the Stipulated Settlement terms are reasonable and comply with the requirements of Section 8-104. **The Commission acknowledges and appreciates the collective efforts of the stakeholders in reaching consensus through the SAG Portfolio Planning Process as to Plan 3 and negotiating the Stipulated Settlement.** The Commission approves North Shore’s Plan 3 and Peoples Gas’ Plan 3 and adopts the terms of the Stipulated Settlement.
- The Commission finds that the testimony and exhibits presented by the Companies and the AG establish, through substantial evidence, that it is highly unlikely that North Shore or Peoples Gas will be able to achieve the statutory natural gas savings requirements without exceeding the statutory rate cap as required by Section 8-104 of the Act. The Commission agrees that the modified goals, as presented by North Shore and Peoples Gas, are consistent with the requirements of Sections 8-104(c) and (d) of the Act. The modified savings goal for the four-year program period of North Shore’s Plan 3 is

7,860,097 therms. The modified savings goal for the four-year program period of Peoples Gas' Plan 3 is 38,325,353 therms. Subject to the Policy Manual, the Adjustable Savings Goals Policy Guidelines and the Stipulated Settlement, those modified savings goals may change over the course of the Plan periods. The Commission further finds that the Plan 3 portfolio's spending on programs for local governmental customers and income eligible customers meets or exceeds the requirements of Section 8-104(e-5). In particular, the Commission applauds the negotiated commitment to significantly increase energy efficiency program spending for low income utility customers. The Commission finds that the North Shore and Peoples Gas Plan 3 meets the statutory requirements of Section 8-104(f). The Commission, therefore, approves all aspects of Plan 3 and the Stipulation and finds that the provisions of the Plan and Stipulation are reasonable, consistent with Section 8-104 of the Act, and supported by substantial evidence in the record. In addition, we find that the terms of the Stipulation are in the public interest.

- The Commission approves the continued use of North Shore's and Peoples Gas' continued use of Rider EOA, on file with the Commission, for the recovery of costs incurred pursuant to Section 8-104 of the Act.
- The Commission appreciates RESA's interest in Illinois' energy efficiency programs and welcomes new participants to the State's collaborative processes dedicated to the planning, design, implementation, and administration of Illinois utilities' energy efficiency portfolios. **As explained by the Companies' witness Mr. Marks, the clarifications raised by RESA in this docket are the very kinds of issues routinely addressed by the SAG, as well as by the Smart Thermostat Collaborative. The Commission therefore urges RESA to participate in these consensus-building processes, which have been very successful in reducing the number of contested issues in the expedited proceedings to approve utility energy efficiency portfolios.**
- With respect to the issues for which RESA seeks clarification, the Commission understands that RESA and the Companies largely share the same goals, **and further discussion regarding the technologies and implementation details associated with smart thermostat offerings can be addressed in the SAG, which was convened by the Commission nearly ten years ago to address just these issues. To provide stakeholders with guidance regarding these SAG discussions, the Commission expressly affirms, and directs the continued implementation of, the following practices: (i) the Companies will continue to maintain brand and technology neutrality throughout its energy efficiency portfolio, subject to the technological specifications and requirements set forth in the TRM; (ii) the Companies will continue to explore opportunities through the SAG to streamline and simplify the rebate application and delivery processes associated with the measures offered under its Plan, including but not limited to smart thermostat measures; (iii) the Companies will explore developing a process to enable third parties to provide customers instant rebates at the point of sale; and (iv) the Companies will continue to refrain from providing data obtained through energy audits under its Energy Efficiency Program to any affiliate alternative retail electric supplier or alternative gas supplier in order for that affiliate to provide data analytics and/or energy conservation products.**
- With respect to the offering of energy audits under the Companies' Energy Efficiency Programs, the Commission rejects RESA's proposal to limit or terminate these audits in any way. The Commission agrees with the Companies that the basic purpose of an energy audit is to analyze and offer recommendations to customers on how to reduce overall

energy consumption. Energy audits have been a fundamental offering under the Companies' energy efficiency plans over the past six years, and no cause exists for their termination. These audits are a core feature of energy efficiency portfolios and instrumental in achieving the statutory energy savings goals.

- The Commission urges North Shore, Peoples Gas, Staff and the stakeholders to continue to engage in a SAG portfolio planning process regarding the development and implementation of future plans.

Peoples Gas – North Shore Gas Settlement Stipulation – Directives and References to SAG

II. Portfolio Stipulations

D. Adjustable Savings Goals

1. North Shore and Peoples Gas shall each file a completed Adjustable Savings Goal Template for the Section 8-104 Programs and Measures as an attachment to its Plan 3.
2. For purposes of the Section 8-104 programs Adjustable Savings Goals policy approved in the Policy Manual, the measure participation levels identified in each approved Plan 3 to derive the energy savings goals shall be fixed for the entirety of each Plan 3, in the adjustable savings goal calculation.
3. In advance of filing the first updated Adjustable Savings Goal Template with the Commission, Peoples Gas and North Shore will present to the SAG its first updated Adjustable Savings Goal Template containing the savings goal adjustments due to the changes reflected in the consensus 2019 IL-TRM resulting from the existing stakeholder consensus processes in place in order to provide stakeholders with an opportunity to ask questions concerning the updated Adjustable Savings Goal Template and reach agreement on the adjusted savings goal.

G. Income Qualified Subcommittee, Workforce Development and Reporting

2. The Companies shall engage in discussion within the low-income energy efficiency advisory committee convened pursuant to Section 8-103B(c) of the Act (“Economically Disadvantaged Advisory Group”) aimed at increasing the diversity and number of locally-based trainees, vendors, and employees of the energy efficiency workforce within each of the Companies' service territories and integrating workforce development initiatives, as described herein, and in coordination with ComEd and the Department of Commerce and Economic Opportunity's Office of Employment and Training and Office of Community Assistance. The Companies shall report to SAG and the Economically Disadvantaged Advisory Committee progress related to use of diverse business enterprises and diversity training and hiring related to energy efficiency programs.

I. TRM Development

The Companies agree that, to the extent a consensus among the utilities and intervening parties cannot be reached regarding a measure or measure values in the TRM, the ILTRM Administrator shall have the authority to use its best judgment to decide on the measure or measure value. **The Companies further agree to work with the other utilities and implementing stakeholders to agree on a joint procedure for this process and to include it in the next Policy Manual update.**

The Companies agree that it is not appropriate for financially interested vendors to participate in the IL-TRM TAC meetings, unless they are specifically invited by the TRM Administrator to present information regarding a particular measure. **The Companies further agree to work with the other utilities and implementing stakeholders to develop a final policy on this issue and to include it in the next Policy Manual update.**

J. Research and Development / Evaluation, Measurement, and Verification

1. Coordination. The Companies commit to work with interested stakeholders and use best efforts to reach consensus through the SAG in the development of evaluation, measurement and verification (“EM&V”) approaches and pilot Research & Development (“R&D”) programs to develop new programs and measures.

2. Evaluation Methods: Where practical, program evaluations shall be conducted using randomized controlled trials or quasi-experimental design methods. When a program evaluator believes that randomized control trials or quasi-experimental designs are not practical, the program evaluator shall provide an explanation and support for its decision as part of its evaluation plan.

3. Revisit the EM&V Framework: NS-PG agrees to engage in discussions at SAG, or within a subcommittee of SAG, regarding the current EM&V framework. NS-PG understands that this will be a “big picture” discussion and will include reviewing how evaluation contractors are hired/selected, how frequently they are or should be changed, opportunities for more integration of EM&V work across utility service territories, the levels of emphasis on different kinds of evaluation (process vs. impact, NTG vs. other, peak vs. energy, value of NEBs, etc.), opportunities for better leveraging AMI data, opportunities for better integration and prioritization of evaluation research with the ILTRM update process, etc.

K. Updates to the Illinois Energy Efficiency Policy Manual

a. NS-PG shall participate in Policy Manual Subcommittee discussions for Illinois Energy Efficiency Policy Manual Version 2.0, following Commission approval of the Energy Efficiency Plans beginning in 2018.

b. NS-PG shall make good faith efforts to expeditiously reach consensus regarding an Illinois Energy Efficiency Policy Manual Version 2.0.

L. Common Statewide Reporting Templates

NS-PG shall make good faith efforts to have completed statewide common reporting templates for Program Administrator Quarterly Reports required by Section 6.5 of the Illinois Energy Efficiency Policy Manual available in advance of filing the first NS-PG Quarterly Report for 2018. NS-PG also shall make good faith efforts to have completed statewide common reporting templates for Program Administrator Annual Summary of Activities (Annual Reports) required by Section 6.6 of the Illinois Energy Efficiency Policy Manual available in advance of filing the fourth NS-PG Quarterly Report for 2018.

N. Independence of Facilitators and Evaluators

1. SAG Facilitator Independence: NS-PG agree to implement protocols to ensure that SAG Facilitator independence is maintained. **To the extent SAG Facilitator Independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the SAG Facilitator Independence provisions in this Stipulation.** Specifically, NS-PG agree to implement the following protocols: *(See Stipulation page 9 for additional language).*

2. IL-TRM Administrator Independence: NS-PG agrees to implement protocols to ensure that IL-TRM Administrator independence is maintained. **To the extent IL-TRM Administrator Independence provisions are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the IL-TRM Administrator Independence provisions in this Stipulation.** Specifically, NS-PG agree to implement the following protocols: *(See Stipulation page 10 for additional language).*

3. Evaluator Independence: NS-PG shall put protocols into place to ensure that evaluator independence is maintained, as required by Section 8-104 of the Act.¹ The evaluator would not be “independent” as required by statute if the Program Administrator had control over the Evaluator. *Stipulation page 11 for additional language).*

III. Program-Level Stipulations

B. Multi-family Income-Qualified Program Design

The following provisions address program design for multi-family buildings in the Income-Qualified Programs. Multi-family buildings as used in this section is defined as 3 or more units in a building.

1. The Companies shall commit to providing appropriate incentive levels for the subsidized and unsubsidized multifamily rental stock that are flexible enough to meet the individual needs of the owner. To that end, the Companies shall commit to the following in the implementation of its Multifamily Income-Qualified Programs:

- a. Subsidized Multifamily Buildings
 - i. In the Companies' Plan 3 program incentives shall be offered with incentives with no less than 75% of the incremental cost for retrofits to subsidized multifamily building owners and at a level that takes into account the owner's financial situation. **Depending on program performance, owner's financing needs and market conditions, those incentive/grants may be adjusted, in consultation with interested SAG participants;**
 - ii. Offer On-Bill Financing, to the extent funding is available, or other financing mechanisms to participants in the Income-Qualified program;
 - iii. Provide project commitments, including providing a binding commitment when needed by the multifamily subsidized building owner.

- b. Unsubsidized Multifamily Buildings
 - i. In the Companies' Plan 3 program incentives shall be offered that take into account the owner's financing needs, including incentives that are less than 50% of the incremental cost for retrofits, where applicable. **Depending on program performance, owner's financing needs and market conditions, those incentive/grant may be adjusted, in consultation with interested SAG participants;**
 - ii. Offer On-Bill Financing, to the extent funding is available, or other financing mechanisms to participants in the Income-Qualified program;
 - iii. Provide project commitments, including providing a binding commitment when needed, to the multi-family unsubsidized building owner.

D. Leveraging of Existing Low Income Program Implementers

6. Program Administrator-initiated decisions to not contract with Illinois-based independent third parties that have demonstrated capabilities to serve income qualified households, including not-for-profit entities and government agencies that have existing relationships with or experience serving low-income communities in the State shall be communicated to non-financially interested parties in the SAG and Economically Disadvantaged Energy Efficiency Subcommittee in order to provide notice and feedback regarding the proposed change. To the extent practicable and in consideration of program continuity concerns, these contracting changes shall be presented to SAG and/or the Economically Disadvantaged Energy Efficiency Subcommittee before implementation.

E. Other Individual Program Measures

The Companies also commit to developing the following measures during 2018 for introduction during the 2019 – 2021 program years:

- 1. **Smart Thermostats: The Companies agree to work with other utilities and stakeholders toward development of a single rebate application, instant discount or midstream smart thermostat offering for implementation by January 1, 2019.** The Companies shall review on an annual basis whether adjustment of incentive levels is appropriate during the Plan

to ensure that incentive levels reflect the efficient use of program dollars and needed customer inducements.

F. Commercial and Industrial Programs

1. The Companies shall work with other utilities in the State, to deliver a pilot upstream incentive offering for commercial kitchen rebates for eligible business customers (possibly funded through the R&D funds), with a focus on taking advantage of statewide distributor networks and the associated efficiencies, with a goal of implementing the program beginning in 2019.