

# SAG Market Transformation Savings Working Group: 2021 Plan

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March 17, 2021 Working Group Q1 Meeting

# Today's Agenda

- ▶ Purpose and Background
- ▶ 2021 Goals, Participation and Schedule
- ▶ Status Update on MT Policy Questions
- ▶ Process Reminders
  - ▶ Process for Consensus on Savings Protocols
  - ▶ Process for Consensus on Policy Issues
- ▶ Questions?

# Working Group Purpose

*Changes for 2021, compared to 2020, indicated **in red** throughout presentation*

1. To provide a forum to discuss policy issues related to MT savings evaluation and estimation.
2. To provide an opportunity to review specific MT initiatives and the data/approach proposed to be used to develop savings, including but not limited to:
  - ▶ Logic Models
  - ▶ Savings/unit
  - ▶ Total market unit data collection
  - ▶ Natural market baseline data and projections
  - ▶ Service territory accounting
  - ▶ **Market progress indicators**
  - ▶ The duration of any MT savings credit

## Working Group Purpose (cont.)

3. To discuss evaluation questions related to MT initiatives
4. To discuss, and if possible, reach consensus on savings protocols for MT initiatives that may be included in the IL-TRM

# Working Group Background

- ▶ Launched in March 2019; focus in the first year was reaching agreement on a framework for market transformation savings, to be included in IL-TRM
  - ▶ Attachment C: Framework for Market Transformation Savings in IL
    - ▶ Finalized in August 2019, included in IL-TRM Version 8.0
    - ▶ [Attachment C to IL-TRM Version 8.0: Framework for Counting Market Transformation Savings in Illinois \(August 23, 2019\)](#)
- ▶ 2020 meetings focused on quarterly MT updates, including
  - ▶ MT policy issues
  - ▶ Progress updates on MT initiatives

# 2021 Working Group Goals

1. Provide a forum for utilities to update interested stakeholders on the progress of market transformation initiatives
2. Provide a forum for stakeholders to raise market transformation ideas for consideration by Illinois utilities
3. Finalize open market transformation policy questions
4. Discuss and if possible, reach agreement on how utilities may claim savings from market transformation initiatives

# Working Group Participation

- ▶ Updated participation definition for 2021:
  - ▶ MT Savings Working Group participation is open to all interested SAG participants, unless a topic may present a financial conflict of interest **or when consensus resolution is needed, such as finalizing savings protocols for specific market transformation initiatives and finalizing policy issues**. SAG participants are invited to self-select into the Working Group.
- ▶ What does this mean for Working Group meetings?
  - ▶ Quarterly meetings expected to be open to all Working Group participants
  - ▶ When the group needs to discuss final consensus on MT savings protocols, follow-up meeting(s) will be scheduled with non-financially interested parties

# 2021 Schedule

- ▶ **Q1 (Today):**
  - ▶ Overview of 2021 Working Group Plan
  - ▶ Midwest MT Collaborative Update
  - ▶ Code Advancement Update: Stretch Codes and Building Performance Standards
- ▶ **Q2 (Tues., June 29)**
  - ▶ Retail Products Platform: Update on initiative progress; Natural Market Baseline
  - ▶ Thin Triple Pane Windows Update
- ▶ **Q3 (Wed., September 15):**
  - ▶ Process for stakeholders to share MT ideas in Q4 meeting
  - ▶ Gas Heat Pump Water Heaters: Business Plan and Market Characterization
- ▶ **Q4 (Wed., December 1):**
  - ▶ Interested stakeholders to share MT ideas with IL utilities
  - ▶ Utilities to share MT update, if needed: Are there any new MT initiatives being pursued in 2022?

# Status Update on MT Policy Questions

- ▶ Several MT policy questions were raised by the Working Group during the process of finalizing the *Framework for Market Transformation Savings* in spring / summer 2019
  - ▶ *Nov. 2019*: Working Group discussed policy issues
  - ▶ *Feb. 2020*: Working Group discussed proposed policy resolution (drafted by MEEA and Resource Innovations)
  - ▶ *May 2020*: Follow-up discussion on policy resolution; stakeholders raised additional process policy questions
  - ▶ *July 2020*: Proposed resolution of process policy questions; initial feedback from stakeholders shared with SAG Facilitator (see slide 13)
  - ▶ *Oct. 2020*: Working Group decided to wait to finalize policy issues
- ▶ Next steps:
  - ▶ Feedback requested: Is there interest in finalizing MT policies in 2021?
  - ▶ Illinois-specific MT process policies need to be drafted for review by Working Group
  - ▶ Feedback needed from Midwest MT Collaborative
- ▶ [Click here to download the Proposed Market Transformation Policy Resolution \(final draft, updated 6/8/2020\).](#)

# IL Stakeholder Feedback

- ▶ Two stakeholders (NRDC and ICC Staff) shared feedback on the proposed process resolution presented in July 2020. Feedback includes:
  - ▶ Midwest MT Collaborative should coordinate scheduling with SAG MT Working Group; it would be good to know when decisions are being made by the Collaborative, so the SAG Working Group can meet in advance
  - ▶ Stakeholders are interested in providing feedback on Opportunity Briefs before a utility decides to move forward
  - ▶ Stakeholders are interested in providing feedback on a utility moving from the MT Business Plan stage to MT Implementation Plan stage
  - ▶ If there is an IL MT initiative that is undergoing significant refinement or experiencing challenges, that update should be presented to the Working Group
  - ▶ If consensus is not reached on Natural Market Baselines, evaluators should make the final call (suggestion for a similar process to the annual SAG NTG updates)
  - ▶ If consensus is not reached on per unit savings, non-consensus should be addressed in the annual IL-TRM process
  - ▶ Savings protocols could be included in the IL-TRM for specific MT initiatives

# Process for Consensus on Savings Protocols

- ▶ **Objective:** To reach consensus on savings protocols for specific market transformation initiatives, for inclusion in the IL-TRM
- ▶ **Topics to Discuss for Specific MT Initiatives:**
  - ▶ Market Transformation Business Plan
  - ▶ Data/approach proposed to be used to develop savings
- ▶ **Process:**
  1. Review business plan + data/approach proposal for individual MT initiatives; discuss what information should be included in IL-TRM (if any)
  2. Circulate draft savings protocol to non-financially interested parties for review (15 Business Days); schedule follow-up discussion, if needed
  3. Submit final/consensus savings protocol(s) to IL-TRM Administrator for IL-TRM Version 10
- ▶ **Timing for Inclusion in IL-TRM Version 10:** Send final (consensus) protocols to IL-TRM Administrator no later than Sept. 1, 2021

# Process for Consensus on Savings Protocols (cont.)

## ► Open questions:

1. Do any MT savings protocols need to be included in IL-TRM Version 10?
2. If yes to Q1, what information should be included in IL-TRM?
  - This will be discussed for individual MT initiatives; a template will be created, if needed
3. Are any revisions needed to Attachment C: Framework for Counting MT Savings in IL?
  - Note: If Attachment C requires any updates in 2021, the final draft version requires circulation to SAG for review/comment before the Sept. 1 consensus deadline

# Process for Consensus on Policy Issues

1. Background on the policy request will be presented to interested SAG participants
2. Proposed policy resolution will be circulated to SAG for review, including a request for edits or questions, with a minimum of ten (10) Business Days provided for review
3. If the SAG Facilitator receives substantive edits, questions or concerns regarding proposed resolution of an open policy issue, a follow-up discussion will be held with interested SAG participants
4. Final resolution will be documented on the Policy page of the SAG website: <https://www.ilsag.info/policy/>
5. The SAG Facilitator will maintain a “Policy Tracker” describing any policies to be considered in a future update to the Policy Manual or IL-TRM Policy Document

Questions?

