

**Illinois EE Stakeholder Advisory Group
Market Transformation Savings Working Group
2019 Plan (Final Draft v2, updated 6/13/2019)**

I. Purpose

The purpose of the SAG Market Transformation Savings Working Group¹ (MT Savings Working Group) is to provide a forum to discuss:

- Market transformation initiatives where the utilities may claim energy efficiency savings and/or other market impacts;
- What is meant by “market transformation initiative” and;
- Which market transformation initiatives may be pursued in Illinois?

The MT Savings Working Group will report-back to the large group SAG, as needed.

II. Background

Market transformation programs were administered by the Illinois Department of Commerce and Economic Opportunity from 2008 – 2017. Statutory changes to utility energy efficiency administration resulting from the Future Energy Jobs Act caused the administration of market transformation programs to shift to the following utilities on June 1, 2017: Ameren Illinois, ComEd, Nicor Gas, Peoples Gas and North Shore Gas. In fall 2018 several Illinois utilities formed a regional collaborative to discuss the future of market transformation programs.

Participation in the regional market transformation collaborative is limited to utilities at this time. The MT Savings Working Group was created in response to interest from SAG participants to discuss how Illinois utilities may claim savings from market transformation initiatives.

III. Goal

Discuss and if possible, reach agreement on the methodologies for Illinois utilities to claim credit for market impacts including energy savings resulting from specific market transformation initiatives.

IV. Timing

The MT Savings Working Group launched during the first quarter of 2019. MT Savings Working Group meetings will be convened on an as-needed basis.

¹ SAG Working Groups are small groups of interested SAG participants that are convened to discuss short-term issues that need resolution.

V. Participants

Participation in the MT Savings Working Group is open to all interested SAG participants, unless a topic may present a financial conflict of interest. The following entities expressed interest in participating:

- **Ameren Illinois:** Kristol Simms, Cheryl Miller, Jonathon Jackson, Keith Martin, Rob Brown, Ken Woolcutt, Agnes Mrozowski, Fernando Morales
- **Cadmus Group:** Jane Colby
- **Center for Energy in the Environment:** Julie Drennen
- **City of Chicago:** Amy Jewel (Institute for Market Transformation)
- **ComEd:** Molly Lunn, Erin Daughton, Jim Fay, Noel Corral
- **Energy Resources Center, UIC:** Ben Campbell
- **Franklin Energy:** Allen Dusault
- **Gas Technology Institute:** Hardik Shah
- **ICC Staff:** Jennifer Morris
- **Illinois Attorney General's Office:** Karen Lusson, Phil Mosenthal, Eric Debellis
- **Midwest Energy Efficiency Alliance (MEEA):** Stacey Paradis, Nick Hromalik, Nick Dreher, Molly Graham, Kara Jonas, Samarth Medakkar, Alison Lindberg
- **Navigant:** Rob Neumann, Jeff Erickson, Patricia Plympton, Laura Agapay-Read, Jan Harris, Chelsea Lamar, Allison Cross
- **Northwest Energy Efficiency Alliance (NEEA):** Jeff Harris, Dulane Moran
- **Nicor Gas:** Jim Jerozal, Randy Opdyke, Chris Vaughn, Mark Szczygiel, LeAnne De Mar
- **NRDC:** Chris Neme
- **Opinion Dynamics:** Zach Ross, Ellen Steiner, Hannah Howard, Rick Winch
- **Peoples Gas & North Shore Gas:** Christina Pagnusat, Koby Bailey
- **Prahl & Associates:** Ralph Prahl
- **Resource Innovations:** Lauren Casentini, Margie Gardner, Kegan Daugherty, Marci Sanders
- **SEDAC:** Anthony Santarelli, Sumi Han
- **Slipstream:** Scott Hackel, Saranya Gunasingh
- **VEIC (IL-TRM Administrator):** Cheryl Jenkins

VI. Market Transformation Initiatives

The MT Savings Working Group will discuss market transformation initiatives where Illinois utilities may be interested in claiming savings. Topics for discussion will be identified by the SAG Facilitator in coordination with Working Group participants.

VII. Schedule

Meetings of the MT Savings Working Group in 2019 are outlined below. This schedule is subject to change pending feedback from Working Group participants. Additional meetings will be scheduled as needed.

Table 1: SAG Market Transformation Savings Working Group Schedule		
Date / Time	Agenda	Next Steps
<p>Meeting #1: Monday, March 11</p> <p>1:00 – 2:30 pm Teleconference</p>	<p>Illinois Landscape for Market Transformation and Current Efforts Related to Market Transformation – How can we work in parallel and avoid duplication?</p> <ul style="list-style-type: none"> • IL Landscape for Market Transformation (ComEd) • Plans for IL-TRM Version 8.0 Market Transformation White Paper (ComEd) • IL-NTG Working Group – Savings Attribution Protocol for Codes (Navigant) • Utility Market Transformation Collaborative (Resource Innovations) • Discuss key questions and feedback (All) 	<p>SAG Facilitator to update the Working Group Plan / schedule and circulate for review and comment.</p> <p>Resource Innovations to send high level outline of draft MT white paper by May 6.</p>
<p>Meeting #2: Friday, May 10</p> <p>1:00 – 3:00 pm Teleconference</p>	<p>Overview of SAG MT Savings Working Group Plan (SAG Facilitator)</p> <p>High Level Outline for White Paper on Framework and Principles for Market Transformation Savings and Evaluation (Resource Innovations)</p> <p>Discuss comments and feedback (All)</p>	<p>Additional comments / questions on outline due within 10 Business Days (by Friday, May 24).</p> <p>Resource Innovations to send written draft MT white paper, incorporating feedback on the outline, on Tuesday, June 11.</p>
<p>Meeting #3: Friday, June 14</p> <p>11:00 am – 1:00 pm Teleconference</p>	<p>Discuss written draft White Paper on Framework and Principles for Market Transformation Savings and Evaluation (Resource Innovations)</p>	<p>Comments on written draft MT white paper due within 10 Business Days (by Thurs., June 27).</p> <p>Resource Innovations to incorporate feedback and send updated draft MT white paper by July 12.</p>
<p>Meeting #4: Wed., July 17</p> <p>1:00 – 3:00 pm Teleconference</p>	<p>Discuss final draft White Paper on Framework and Principles for Market Transformation Savings and Evaluation (Resource Innovations).</p>	<p>Resource Innovations to incorporate feedback from July 17th meeting and send “final draft” Market Transformation White Paper to SAG Facilitator by July 23.</p> <p>SAG Facilitator to circulate “final draft” Market Transformation White Paper to SAG and Working Group by July 24. SAG and Working Group comments due within 10 Business Days (Wed., August 7).</p>

Table 1: SAG Market Transformation Savings Working Group Schedule		
Date / Time	Agenda	Next Steps
		Resource Innovations to incorporate any final feedback by Wed., August 14.
Meeting #5: Mon., August 19 10:00 am – 12:00 pm Teleconference	Discuss updated final draft Framework for Market Transformation White Paper.	Final draft Market Transformation White Paper due to VEIC by Friday, August 23.
Meeting #6: Wed., September 18 10:00 am – 2:00 pm In-person	Presentation on Residential Code Study Results – tentative (MEEA) Update on IL MT initiatives: <ul style="list-style-type: none"> • What market transformation initiative(s) are IL utilities planning on pursuing / what is the timeline for moving forward? • What market transformation initiative(s) should this Working Group discuss next for claiming savings? Additional topics TBD.	Follow-up items TBD.
Meeting #7: Wed., Nov. 20 10:00 am – 2:00 pm In-person	Presentation on Commercial Code Study Results (MEEA) Additional topics TBD.	Follow-up items TBD.

Attachment A: Market Transformation Questions

A variety of questions about market transformation have been raised to the SAG Facilitator in planning for the MT Savings Working Group. This attachment includes questions that may need to be considered by Working Group participants in 2019 or in the future. The MT Savings Working Group will not necessarily discuss or resolve the questions described in this attachment.

Process Questions

1. Clarify the purpose of the regional utility market transformation collaborative – what are the utilities trying to do with market transformation programs/initiatives?
2. How can the SAG Working Group work in parallel with the utility collaborative and avoid duplication?
3. What is currently being proposed for discussion for IL-TRM Version 8.0?
4. How can the SAG Working Group work in parallel with the IL-TRM Technical Advisory Committee and avoid duplication?
5. What market transformation initiative(s) do interested parties want to discuss in 2019?
6. What is the ideal end point for the SAG Working Group in 2019?
7. What is the work product of the SAG Working Group in 2019?
8. Are there any interested participants missing from the SAG Working Group list?

General Market Transformation Questions

1. Should there be a pilot program before launching a full-scale market transformation program? Can savings be claimed from a pilot program?
2. Are market transformation programs evaluated in the same manner as ‘traditional’ EE programs?
3. How will savings be estimated for a market transformation initiative? What is the analytical evaluation framework we will use for calculating savings?
 - a. Need to determine:
 - i. Baseline
 - ii. How to forecast a baseline change over time
 - iii. How to measure improvements relative to the baseline
4. What is the logic model for each market transformation initiative?
5. What decisions need to be made in order for utilities to claim savings from market transformation initiatives? What challenges exist in IL to claim savings from market transformation programs?
6. Are market transformation programs evaluated in the same manner as ‘traditional’ EE programs?
7. What portion of the credit for savings should be attributed to the utilities (which may differ by initiative)?
8. For how long can the utilities claim savings for market transformation initiatives?
9. Under what condition(s) can utilities still provide incentives for customers when claiming savings for a code update, for example. Or does this represent double counting of savings?
10. Are there any Technical Reference Manuals that include savings and NTG estimation for market transformation programs?

Market Transformation Initiative Example: Codes and Standards Questions

1. What are different types of code programs?
2. Are there any successful codes programs or pilots in other jurisdictions that we can learn from?
3. What is the savings potential for a code program?
4. What is the process for claiming savings from a codes program?
5. When claiming savings for a code compliance increase, under what condition(s) can utilities still provide EE incentives for those customers? Does this represent double counting of savings?
6. How do you calculate a code compliance improvement? By improved energy performance per building or per residence?
7. What is the methodology for calculating attribution? How much of a code compliance improvement can utilities claim credit for (100% or a fraction)? How does this work in other jurisdictions?
8. How will the results of MEEA's codes study impact the savings framework?
 - a. Residential study results are anticipated in summer 2019.
 - b. Commercial study results are anticipated in fall 2019.
9. Should residential and business savings frameworks be separately discussed for codes and standards? If so, which should the Working Group start with?
10. Is the Working Group interested in discussing a municipal initiative for existing commercial buildings such as an ordinance or requirements for retrofit projects, or an energy code for rental units?

Additional Questions

There may be a need to determine additional discussion questions for specific market transformation initiatives, such as Illinois Home Performance, upstream pilots, Building Operator Certification, etc.