STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Ameren Illinois Company d/b/a 
Ameren Illinois, Commonwealth Edison 
Company, The Peoples Gas Light and Coke 
Company, North Shore Gas Company and 
Northern Illinois Gas Company d/b/a Nicor Gas Company 
Petition to Approve Illinois Energy 
Efficiency Policy Documents. 

ORDER

By the Commission:

I. PROCEDURAL HISTORY


Pursuant to notice as required by law and by the rules and regulations of the Commission, a prehearing conference was held in this matter before a duly-authorized Administrative Law Judge ("ALJ") on October 24, 2019. Staff of the Commission ("Staff") participated in this proceeding and no petitions to intervene were filed. Collectively, the Utilities and Staff are referred to herein as the "Parties."

On November 7, 2019, Staff filed the Direct Testimony of Jennifer Morris. No party filed a response. An evidentiary hearing was held on November 13, 2019. At the hearing, Staff’s Direct Testimony was admitted into evidence, and the record was closed. The Parties filed an Agreed Draft Order on November 19, 2019.

II. BACKGROUND

According to Section 8-103B of the Public Utilities Act (the “Act”), electric utilities are required to design, oversee and implement energy efficiency measures and programs and demand response measures to reduce delivery load. 220 ILCS 5/8-103B. Similarly, natural gas utilities are required under Section 8-104 of the Act to design, oversee and
implement energy efficiency measures and programs with a primary purpose of reducing total energy deliveries and reducing costs of utility service to consumers. 220 ILCS 5/8-104.

The Illinois Attorney General’s Office (“AG”) submitted testimony in the Utilities’ individual three-year energy efficiency plan dockets filed in fall 2013, requesting that the Commission direct the Utilities to work with the Illinois Energy Efficiency Stakeholder Advisory Group (“SAG”) on the development of “an Illinois Energy Efficiency Policy Manual, designed to streamline and encourage consistency on various program-related policies for review and approval by the Commission.” See, e.g., Docket No. 13-0495, Direct Testimony of Philip Mosenthal at 44-45. In each of the three-year energy efficiency plan Orders, the Commission approved a clarified proposal from the AG, directing the Utilities to work in the SAG to complete a Policy Manual “to ensure that programs across the state and as delivered by various program administrators can be meaningfully and consistently evaluated.” See Docket No. 13-0495, Order at 130 (Jan. 28, 2014); Docket No. 13-0498, Order at 129 (Jan. 28, 2014); Docket No. 13-0499, Order at 23 (Jan. 28, 2014); Docket No. 13-0549, Order at 57-58 (May 20, 2014); Docket No. 13-0550, Order at 56 (May 20, 2014).

Consistent with the Commission’s directive, Policy Manual Version 1.0 was developed through a collaborative SAG process with an independent SAG facilitator conveying a Policy Manual Subcommittee that was open to all interested participants. The Commission approved and adopted the Policy Manual Version 1.0 in Docket No. 15-0487. The Policy Manual provides guiding principles for procurement, oversight, evaluation, and operation of the electric and gas energy efficiency portfolio plans authorized under the Act. The goals of the Policy Manual are to: (1) achieve consistent policies for utility ratepayer funded energy efficiency programs; (2) reduce litigation before the Commission; (3) reduce the Utilities risk for disallowance as Program Administrators; (4) provide clarity and certainty for Program Administrators and other parties; and (5) create a policy framework that supports the delivery of cost-effective energy efficiency portfolios.

Separately, the Commission approved and adopted the IL-TRM Policy Document dated October 25, 2012 in Docket No. 13-0077, which established the policies surrounding the applicability and use of the IL-TRM in planning, implementation, and evaluation as well as the annual IL-TRM Update Process. The purpose of the IL-TRM Policy Document is to provide transparency of and consistency in the applicability of IL-TRM values so that all stakeholders have a common reference document for measure, program, and portfolio savings associated with the energy efficiency portfolio plans implemented by the Utilities pursuant to the Act.

The Policy Manual Version 1.1 and the IL-TRM Policy Document Version 2.0 were developed by the SAG Policy Manual Subcommittee in 2017, necessitated by Public Act 99-0906. The Commission approved and adopted the Policy Manual Version 1.1 and the IL-TRM Policy Document Version 2.0 in Docket No. 17-0270. Changes incorporated into those versions included, among other things: (1) moving the effective date to January 1, 2018; (2) addressing the new calendar year energy efficiency plan cycle; (3) modifying applicable reporting deadlines; and (4) modifying timelines for the annual update process for the net-to-gross policy and the IL-TRM.
III. POLICY MANUAL VERSION 2.0

The Policy Manual Version 2.0 submitted for approval in this proceeding was developed over the course of a year through the collaboration and work of the SAG Policy Manual Subcommittee, which included, but was not limited to, representatives of the Utilities, Staff, consumer and environmental stakeholders, independent evaluators, and an independent facilitator.

More specifically, SAG Policy Manual Subcommittee discussions were held in the interest of working in good faith towards a compromise, consensus document. The Utilities and non-financially interested participants (the AG’s Office, Staff, and the Natural Resources Defense Council) reached consensus on the Policy Manual Version 2.0.

The changes incorporated into the Policy Manual Version 2.0 include, among other things: (1) independence provisions for the SAG facilitator, independent evaluators, and IL-TRM Administrator; (2) clarifications to the definitions of SAG groups; (3) program and portfolio planning goals; (4) income eligibility verification guidelines for low income multi-family programs; (5) prohibited expenses; (6) program administration and reporting; (7) Total Resource Cost Test policies; (8) updated timing for Evaluation, Measurement and Verification (“EM&V”) work plans; and (9) policies related to electric utility energy savings and expenditures.

The proposed effective date of the Policy Manual Version 2.0 is January 1, 2022; however, there are specific provisions with a proposed effective date of January 1, 2020, as noted in the document.

IV. IL-TRM POLICY DOCUMENT VERSION 3.0

The IL-TRM Policy Document Version 3.0 similarly was updated as part of the collaborative SAG process with the Utilities and non-financially interested participants (the AG’s Office, Staff, and the Natural Resources Defense Council) reaching consensus.

The changes memorialized in the IL-TRM Policy Document Version 3.0 include: (1) modify how non-consensus issues are addressed through the TRM update process; (2) clarify that the TRM administrator may limit participation in the event a Technical Advisory Committee participant (except for Program Administrators or an entity acting on the Program Administrator’s behalf) has a financial conflict of interest, becomes disruptive, and/or is hindering complete and frank discussions; and (3) eliminate dual reporting for Errata.

The proposed effective date of the IL-TRM Policy Document Version 3.0 is January 1, 2020.

V. STAFF’S POSITION

Staff presented the testimony of Jennifer Morris, an Economic Analyst in the Policy Division of the Bureau of Public Utilities at the Commission. Ms. Morris indicates that the Policy Manual Version 2.0 includes updates required by prior Commission Orders. Staff Ex. 1.0 at 3. Ms. Morris states that, over the course of a year, all parties worked in good faith to reach consensus on all of the updates made to the policy documents as reflected in the Policy Manual Version 2.0 and the IL-TRM Policy Document Version 3.0. Therefore, Ms. Morris recommends that the Commission approve and adopt the Illinois
VI. COMMISSION ANALYSIS AND CONCLUSION

The Commission appreciates the efforts of the participants in collaborating to produce the Policy Manual Version 2.0 and the IL-TRM Policy Document Version 3.0. The Commission agrees that the Policy Manual Version 2.0 and the IL-TRM Policy Document Version 3.0 filed in this docket are the subject of a consensus between and among the Utilities and non-financially interested participants. The Commission has broad legal authority under Sections 8-103B and 8-104 of the Act to review and approve the Policy Manual Version 2.0 and the IL-TRM Policy Document Version 3.0 filed in this docket. Accordingly, the Commission hereby approves and adopts the Policy Manual Version 2.0 and the IL-TRM Policy Document Version 3.0 filed in this docket, which will be effective pursuant to their respective terms.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record herein, is of the opinion and finds that:

(1) the Commission has jurisdiction over the subject matter of this proceeding and the parties hereto;

(2) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are adopted as findings of fact;

(3) the Illinois Energy Efficiency Policy Manual Version 2.0, dated September 19, 2019, is approved and adopted, and the provisions of which shall be effective beginning on either January 1, 2020 or January 1, 2022, as reflected therein; and


IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Illinois Energy Efficiency Policy Manual Version 2.0, dated September 19, 2019, is approved and adopted, and the provisions of which shall be effective beginning on either January 1, 2020 or January 1, 2022, as reflected therein.


IT IS FURTHER ORDERED that any objections, motions or petitions filed in this proceeding that remain unresolved should be disposed of in a manner consistent with the ultimate conclusions contained in this Order.
IT IS FURTHER ORDERED that subject to the provisions of Section 10-113(a) of the Public Utilities Act and 83 Ill. Adm. Code 200.880, any application for rehearing shall be filed within 30 days after service of the Order on the party.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 4th day of December, 2019.

(SIGNED) CARRIE ZALEWSKI

Chairman