

SAG Facilitator Introduction to July 18, 2024 Small Group Meeting

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Purpose of July 18 Meeting

1. For Ameren Illinois to follow-up on the electric vehicle policy question presented to SAG on June 12; and
2. For ComEd to follow-up on two income eligible electrification attribution policy questions presented to SAG on June 12

Written comments were requested from interested SAG participants following the June 12 Large Group SAG meeting

- ❖ July 18 Small Group SAG meeting is a follow-up discussion with the goal of reaching agreement on policy questions
- ❖ At the end of today's meeting, next steps will be identified, including whether additional review or discussion is needed

Written Comments Received June 26

- [Community Investment Corp. Questions on ComEd Policy Proposals](#)
- [Elevate Comments on ComEd Policy Proposals](#)
- [ICC Staff Comments on Ameren Electric Vehicle Measure Proposal](#)
- [Illinois Attorney General's Office and National Consumer Law Center Comments on Ameren Electric Vehicle Measure Proposal and ComEd Policy Proposals](#)
- [NRDC Comments on Ameren Electric Vehicle Measure Proposal and ComEd Policy Proposals](#)

SAG Consensus Processes

- ▶ SAG Advisory Role, from Policy Manual Section 3.3:
 - ❖ *The SAG is an advisory body, not a decision-making body. It is a forum that allows parties to express different opinions, better understand the opinions of others, and **foster collaboration and consensus**, where possible and appropriate.*
- ▶ Good Faith Consensus Discussions, from SAG Guiding Principles in the [SAG Process Guidance Document](#):
 - ▶ **Participate in consensus discussions in good faith.** *Topics addressed in SAG may involve consensus decision-making. SAG participants will participate in consensus discussions in good faith, by engaging in respectful dialogue and listening to differing opinions of various parties.*
- ▶ The Commission has recognized and supported the goal of using the SAG forum to collaborate and reach consensus on EE issues with interested participants

SAG Consensus Processes

- ▶ See ICC Docket No. 21-0158, Approval of the 2022-2025 Ameren IL EE Plan:
 - ▶ The Commission has reviewed the evidence in this proceeding and finds that the Company's 2022 Plan meets the requirements of Section 8-103B and Section 8-104 of the Act. In light of the Stipulation, the Commission notes that approval of the 2022 Plan is supported by the Stipulating Parties, as well as the parties to this docket. **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.
- ▶ See ICC Docket No. 23-0761, adopting Policy Manual Version 3.0 and IL-TRM Policy Document Version 4.0:
 - ▶ **The Commission appreciates the efforts of the participants in collaborating to produce the updates to the EE Policies. The Commission agrees with Staff that the EE Policies filed in this docket are the subject of a consensus between and among all non financially interested stakeholders that participated in the SAG's Policy Manual Subcommittee.** The Commission has broad legal authority under Sections 8-103B and 8-104 of the Act to review and approve the EE Policies filed in this docket. Accordingly, the Commission hereby approves and adopts the EE Policies filed in this docket. Pursuant to their terms, the EE Policies will be effective beginning January 1, 2024.

Policy Manual Section 3.12, SAG Consensus Decision-Making

- ▶ **The SAG does not make use of formal voting.** If the Commission directs a specific decision or action to the SAG, consensus decision-making will be used to reach agreement. Consensus decision-making is in the nature of settlement discussions. As a matter of general agreement, positions or statements made during SAG meetings shall not be used by any party to contradict or impeach another party's position, or prove a party's position, in a Commission proceeding.
- ▶ **If, after a reasonable period of time, as determined by the SAG Facilitator, consensus is not reached, the SAG Facilitator will produce a Comparison Exhibit that identifies the issue, different opinions, and the basis for those opinions.** Where practicable, the parties supporting each position will be identified. For consensus decision-making, **SAG participants shall provide one position on a particular issue, per company or organization.** The SAG Facilitator will share information with SAG participants unable to attend a consensus decision-making meeting, including an opportunity to review and comment on the proposed agreement.
- ▶ For the purposes of the SAG, consensus may be determined through one of three ways:
 1. *In-Person or Teleconference.* Consensus may be determined if no objections are voiced in a SAG meeting to an issue. The meeting may be in-person or over the phone. Determining consensus through lack of objection at a meeting will be used sparingly as it is preferable for parties to see written proposals and have ample time to consider the proposal.
 2. *Review of Written Proposal.* Generally, consensus should be determined through review of a written proposal so parties know what they are agreeing to. **Consensus will be determined on a particular written proposal based on receiving no objections from any party on that written proposal by a date specified reasonably in advance by the SAG Facilitator**, with fifteen (15) Business Days for review and comment.
 3. *Review of Written Proposal, with Affirmative Written Consent.* For items that are filed at the Commission, written affirmative consent of a written proposal will generally be sought so that it is clear which parties are indicating consent.

SAG Process for Resolving Policy Issues

- ▶ Policy issues are typically resolved through the SAG Policy Manual Subcommittee update process, which occurs once every 3-4 years. However, policy questions may arise that require discussion and resolution while the Policy Manual Subcommittee is inactive.
 - ▶ The Policy Manual Subcommittee is currently inactive, since Policy Manual Version 3.0 and IL-TRM Policy Document Version 4.0 were approved by the Commission in December 2023.
 - ▶ Policy resolution may require a Stipulated Agreement. Whether or not a stipulated agreement is required will be determined by utilities and non-financially interested stakeholders.
 - ▶ Consensus on a policy issue may need to be limited to non-financially interested parties
- ▶ While the Policy Manual Subcommittee is inactive, open policy issues will be resolved in the following manner:
 1. The SAG Facilitator will review policy requests and schedule for SAG discussion as needed.
 2. Background on the policy request will be presented to interested SAG participants.
 3. 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.
 4. If the SAG Facilitator receives substantive edits, questions or concerns regarding proposed resolution of an open policy issue, a follow-up SAG discussion will be held with interested SAG participants.
 5. Final resolution will be documented on this Policy page.
 6. 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.

Steps to resolve open policy issues excerpted from [SAG Process Guidance Document](#), Section VIII

SAG Consensus Processes

- ▶ If SAG participants are not able to reach consensus on an issue, there is flexibility on how the issue is resolved. Options used over the years include:
 1. Agree to disagree - issue is withdrawn after a reasonable effort to resolve with interested SAG participants
 2. SAG Facilitator creates a Comparison Exhibit identifying non-consensus issue(s) and positions of interested parties; it is posted on the SAG website for transparency, but the issue is withdrawn
 3. SAG Facilitator creates a Comparison Exhibit identifying non-consensus issue(s) and positions of interested parties; it is filed with the Commission by the party requesting resolution of the issue

Note: If an issue is withdrawn, it may be raised at SAG again in the future.

Ameren Illinois Policy Question

- ▶ **SAG Coordination with annual IL-TRM update process:**
 - ❖ SAG Facilitator coordinates with the IL-TRM Technical Advisory Committee (TAC) and the IL-TRM Administrator (VEIC) by:
 - ❖ Participating in IL-TRM meetings
 - ❖ Circulating IL-TRM deliverables to SAG with an opportunity for comments
 - ❖ Scheduling IL-TRM related policy questions for SAG discussion, as needed
- ▶ **On June 12, Ameren presented a policy question that was raised in a TAC meeting to the Large Group SAG:**
 - ❖ Whether there are policy concerns about the IL-TRM including a Light Duty Electric Vehicle EE Measure

Ameren Illinois Policy Question

- ▶ The following SAG participants submitted comments:
 - ❖ ICC Staff
 - ❖ Illinois Attorney General's Office and National Consumer Law Center
 - ❖ NRDC

Comments submitted on policy question:

NRDC:

- ▶ NRDC believes that this proposal is consistent with statute and conceptually reasonable...
- ▶ ...important details will need to be addressed in the development of the measure characterization... sorted out in the TRM process
- ▶ There may also be reasonable questions about potential free ridership. However, they should be addressed through the SAG's NTG framework rather than in the TRM.

Ameren Illinois Policy Question

Additional comments submitted on program design, and whether an EV program should be offered in an EE portfolio:

ICC Staff:

- ▶ Authority of offering rebates on electric vehicles is with IL EPA... Staff may not endorse the use of EE funds to incentivize the adoption of measures that would lead to an increase in electrical load, particularly in the case of electric vehicles.

IL Attorney General's Office and National Consumer Law Center:

- ▶ Opposes Ameren's proposal to add efficient EVs to its existing or new programs, due to total EE budget limitations, the need for high rebates to limit free ridership, and that EVs are unlikely to be purchased in large numbers by low-income customers

NRDC:

- ▶ We believe it will be difficult to design an EV program that delivers real net efficiency savings at reasonable utility cost, we would suggest that this be assigned a low priority when considering whether this TRM measure (versus others) should be developed.

Ameren Illinois Update

ComEd Policy Questions

- ▶ On June 12, ComEd presented two policy questions to the Large Group SAG, with recommended resolution
 - ❖ **Policy Issue 1:**
 - For mix market programs such as Midstream, Income Eligible (IE) Energy Efficiency Electrification savings should be allocated at the zip code level to either IE households or non-IE households based on the percent of households in each zip code that are below 80% of the U.S. Department of Housing and Urban Development Area Median Income (AMI) threshold.
 - ❖ **Policy Issue 2:**
 - To claim all achieved Electrification savings within the 10% cap, 25% of the achieved electrification savings must come from income eligible households. If that threshold is not achieved each year, it is not clear what should happen to these savings.
 - For any remaining Electrification savings, ComEd recommends shifting baseline from fuel switching to electric and recategorizing these savings as traditional energy efficiency savings.

Comments Received on ComEd Policy Questions

▶ Community Investment Corp.

- ❖ Submitted two questions about the policy proposals

▶ Elevate

- ❖ Recognized the challenges and limitations from the requirement to ensure 25% of all energy efficiency electrification (EEE) savings are sited in income-eligible (IE) customer housing
- ❖ Policy issue 1-> Elevate did not take a position on allocating EEE savings
- ❖ Policy issue 2-> Elevate supports the proposal to fully utilize savings from electrification measures by allowing an electric baseline to be used in the case of measure savings after the 25% IE EEE ratio or the total 5% or 10% EEE cap is reached

Comments Received on ComEd Policy Questions

▶ Illinois Attorney General's Office and National Consumer Law Center

❖ Policy issue 1->

- AG and NCLC do not support this proposal; ComEd should not assume any midstream participants are low income customers, regardless of zip code; the assumption that a significant number of low income customers will choose to pay for expensive electrification measures.
- AG and NCLC do not support the assumption that 53% of all heat pumps rebated in the midstream program are electrification (fuel switching) projects

❖ Policy issue 2->

- AG and NCLC would like more information about this proposal. Specifically, the AG and NCLC request that ComEd provide its statutory support for this proposal, given that it appears to mischaracterize electrification savings as standard efficiency savings.

▶ NRDC

- ❖ Policy issue 1-> NRDC has significant concerns; it is likely to significantly overstate low-income participation in midstream rebate programs
- ❖ Policy issue 2-> NRDC supports

ComEd Update