

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission :  
On Its Own Motion :  
-vs- :  
Ameren Illinois Company d/b/a Ameren :  
Illinois, Commonwealth Edison Company, :  
The Peoples Gas Light and Coke Company, : 12-0528  
North Shore Gas Company, and Northern :  
Illinois Gas Company d/b/a Nicor Gas :  
Company :  
Approval of the Illinois Statewide Technical :  
Reference Manual for Energy Efficiency. :

ORDER

By Order of the Commission:

On September 19, 2012, and on the recommendation of a Staff Report from the Illinois Commerce Commission's ("Commission") Policy Division dated September 14, 2012, the Commission issued an order initiating this proceeding to consider approval of the September 14, 2012, Final Energy Efficiency Technical Reference Manual ("IL-TRM") that would be applicable for gas program years<sup>1</sup> 1<sup>2</sup> ("GPY1") and 2 ("GPY2") and electric program year<sup>3</sup> 5 ("EPY5"). Pursuant to that initiating order, Ameren Illinois Company d/b/a Ameren Illinois ("Ameren Illinois"), Commonwealth Edison Company ("ComEd"), The Peoples Gas Light and Coke Company and North Shore Gas Company ("Peoples Gas/North Shore Gas" or "PG/NSG"), and Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") (collectively, referred to herein as the "Utilities") were made respondents. Subsequently, during the time permitted for parties to appear in this docket, counsel for Commission Staff ("Staff"), the Attorney General of the State of Illinois ("AG") and the Citizens Utility Board ("CUB") appeared. During this time, the Illinois Power Agency ("IPA") also filed a petition to intervene, which was granted on November 8, 2012. Collectively, the Utilities, Staff, AG, CUB and the IPA are referred to herein as the "Parties".

Pursuant to Sections 8-103 and 8-104 of the Illinois Public Utilities Act ("Act" or "PUA"), certain Illinois electric and gas utilities, in coordination with the Illinois

<sup>1</sup> DCEO's gas energy efficiency programs and the gas utilities' Plan 1 consist of gas program year 1 ("GPY1") June 1, 2011 – May 31, 2012, gas program year 2 ("GPY2") June 1, 2012 – May 31, 2013, and gas program year 3 ("GPY3") June 1, 2013 – May 31, 2014.

<sup>2</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

<sup>3</sup> DCEO's electric energy efficiency programs and the electric utilities' Plan 2 consist of electric program year 4 ("EPY4") June 1, 2011 – May 31, 2012, electric program year 5 ("EPY5") June 1, 2012 – May 31, 2013, and electric program year 6 ("EPY6") June 1, 2013 – May 31, 2014.

Department of Commerce and Economic Opportunity ("DCEO"), are required to file three-year Energy Efficiency ("EE") Plans with the Commission to meet the applicable EE standards specified in the statute. 220 ILCS 5/8-103, 8-104. Between September 29, 2010, and October 1, 2010, the Utilities filed petitions for approval of EE Plans pursuant to Sections 8-103 and 8-104 of the Act. On December 21, 2010, the Commission entered Orders in Docket Nos. 10-0568 (Ameren Illinois) and 10-0570 (ComEd) and concluded:

We further recognize and appreciate that ComEd is developing a TRM. We agree that a TRM can provide substantial benefits to the EEP going forward, and the Commission directs that ComEd will work with other utilities subject to the requirements of Section 8-103 and 8-104 of the PUA and the [Stakeholder Advisory Group or "SAG"] to develop a statewide TRM in the future. This will allow a consistent format to be developed for a TRM.

ComEd, Docket No. 10-0570, Final Order at 59-60, December 21, 2010. On May 24, 2011, the Commission entered Orders in Docket Nos. 10-0562 (Nicor), 10-0564 (PG/NSG), and 10-0568 (Ameren Illinois) and concluded:

Generally, the parties agree that the development of a TRM is appropriate... The Commission directs that Ameren will work with other utilities subject to the requirements of Section 8-103 and 8-104 of the PUA and the SAG to develop a statewide TRM... for use in the upcoming energy efficiency three-year plan cycle. This will allow a consistent format to be developed for a TRM. The Commission also accepts Ameren's recommendation that Ameren, as well as ComEd, and the independent evaluators strive to understand differences in evaluation results and to reconcile differences not driven by differences in weather, market and customers.

Ameren Illinois, Docket No. 10-0568, Order on Rehearing at 19, May 24, 2011.

The Commission ordered that Ameren and ComEd work together and with other Illinois utilities to develop a statewide TRM in the future. (ICC Docket 10-0568 Final Order at 70; ICC Docket 10-0570 Final Order at 59-60). Consistent with those Orders, the Commission requires Nicor to participate in the statewide TRM development. The Commission also recommends that the newly-created natural gas SAG participate in developing a statewide TRM.

Nicor Gas, Docket No. 10-0562, Final Order at 30, May 24, 2011.

Also consistent with our rulings in other recent dockets, the Commission agrees that the development of a TRM will be valuable. We direct the

Utilities to coordinate with other utilities, DCEO and SAG participants to develop a statewide manual.

Peoples Gas/North Shore Gas, Docket No. 10-0564, Final Order at 76, May 24, 2011.

The IL-TRM dated September 14, 2012, was developed by the TRM Administrator with input from the Parties, who are all SAG participants, to comply with the Commission's Orders from the Utilities' EE Plan dockets, as required above.

Staff filed a Verified Statement on October 16, 2012, recommending support and adoption of the IL-TRM dated September 14, 2012, for the exclusive purpose of GPY1,<sup>4</sup> GPY2, and EPY5. A status hearing was held on October 17, 2012, wherein Staff's Verified Statement was entered into the record and the parties were given leave to file a response to Staff's Verified Statement on November 2, 2012. This matter was also set for status, thereafter, on November 8, 2012. A response was filed by the AG on November 2, 2012, urging this Commission to adopt the IL-TRM. No other response or objection was filed. On November 8, 2012, a status hearing was held, and parties stated they intended to provide an agreed Proposed Order to the ALJ wherein the Commission is urged to adopt the IL-TRM presented in this docket. Staff prepared a draft proposed order, which was circulated to the other parties for review, comment and edit. On December 11, 2012, Staff filed the Parties' agreed joint proposed order.

## **I. Statutory Authority**

### **Section 8-103. Energy Efficiency and Demand-Response Measures.**

Section 8-103 of the Act requires, among other things, electric utilities and DCEO to use cost-effective energy efficiency and demand-response programs and measures to reduce delivery load, and also allows for the recovery of costs for reasonable and prudent expenses incurred in implementing these programs and measures. As noted above, the Commission is authorized under subsections (e) and (f) of Section 8-103 to approve the Utilities' filing and delivery of cost-efficient energy efficiency programs.

### **Section 8-104. Natural Gas Energy Efficiency Programs.**

Section 8-104 of the Act requires, among other things, natural gas utilities and DCEO to use cost-effective energy efficiency programs and measures to reduce direct and indirect costs to consumers, and also allows for the recovery of costs for reasonable and prudent expenses incurred in implementing these programs and measures. As noted above, the Commission is authorized under subsections (e) and (f) of Section 8-104 to approve the Utilities' filing and delivery of cost-efficient energy efficiency programs.

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<sup>4</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

## II. Staff's Position

Staff stated that the IL-TRM document is a result of an ongoing review process involving the Illinois Energy Efficiency Stakeholder Advisory Group ("SAG"). The SAG was first defined in the electric utilities' first energy efficiency Plan Orders to include "the Utility, DCEO, Staff, the Attorney General, BOMA and CUB and representation from a variety of interests, including residential consumers, business consumers, environmental and energy advocacy organizations, trades and local government... [and] a representative from the ARES (alternative retail electric supplier) community should be included." Docket No. 07-0540, Final Order at 33, February 6, 2008. The active participants in the TRM development were designated as the SAG Technical Advisory Committee ("TAC"). The TRM Administrator met with the SAG and/or the TAC to create a high level of transparency and vetting in the development of the IL-TRM over the December 2011 through May 2012 timeframe. Staff explained that the purpose of the weekly reviews was to maximize the level of collaboration and visibility into the measure characterization process. Staff pointed out that in keeping with the goal of transparency, the TRM Administrator compiled a summary of the comments and their status to-date under a separate cover. It is Staff's understanding that there is consensus among the SAG participants that the Commission should approve the resulting IL-TRM document dated September 14, 2012, that would be applicable for GPY1,<sup>5</sup> GPY2, and EPY5. This first edition of the IL-TRM was arrived at using the Commission-mandated process, and is compliant with the Commission's Orders. Staff recommends that the Commission approve the first edition of the IL-TRM dated September 14, 2012, for GPY1,<sup>6</sup> GPY2, and EPY5.

## III. Other Parties' Position

No objections were filed in response to Staff's Report or Verified Statement, each of which supports and recommends adoption of the IL-TRM. On November 2, 2012, the AG filed a Response to the Staff's Verified Statement generally concurring in Staff's conclusions, and stating that: "Commission adoption of the TRM presented in this docket would facilitate a more open, transparent and well-documented methodology for calculating energy (kWh or therms) savings forecasted and achieved in the energy efficiency programs." No other party filed a response or objection to Staff's Verified Statement. Accordingly, the parties agree with Staff's representations that the IL-TRM dated September 14, 2012, filed in this docket was developed to comply with the Commission's Orders from the Utilities' EE Plan dockets, as required and set out above, and should be adopted by the Commission for GPY1,<sup>7</sup> GPY2, and EPY5.

## IV. Commission Analysis and Conclusion

The Staff Report includes, as an attachment, the IL-TRM dated September 14, 2012, which provides a transparent and consistent basis for calculating energy and capacity savings generated by the State of Illinois' energy efficiency programs. In

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<sup>5</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

<sup>6</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

<sup>7</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

reviewing this document, the Commission appreciates the efforts of the participants in producing this comprehensive aid. The Commission has broad legal authority under Sections 5/8-103 and 5/8-104 of the Act to determine whether the IL-TRM dated September 14, 2012, and filed in this docket is in compliance with the Commission's Orders from the Utilities' EE Plan dockets identified above. The Commission agrees with Staff that the first IL-TRM dated September 14, 2012, that was filed as an Attachment<sup>8</sup> to the Staff Report on September 19, 2012, in this docket was arrived at using the Commission-mandated process, and is consistent with the Commission's Orders. Accordingly, the Commission adopts for the purpose of GPY1,<sup>9</sup> GPY2, and EPY5, the State of Illinois Energy Efficiency Technical Reference Manual Final as of September 14, 2012, that was filed as attachments to the Staff Report on September 19, 2012, in this docket.

## V. Findings and Orderings Paragraphs

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) The Commission has jurisdiction over the subject matter in and the parties in this proceeding;
- (2) The recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (3) The September 14, 2012 Final Energy Efficiency Technical Reference Manual, filed in this docket as attachments to the Staff Report, is approved and adopted for GPY1,<sup>10</sup> GPY2, and EPY5.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the September 14, 2012 Final Energy Efficiency Technical Reference Manual, as filed in this docket, is approved and adopted for GPY1, GPY2,<sup>11</sup> and EPY5.

IT IS FURTHER ORDERED that all motions, petitions, objections and other matters in this proceeding that remain unresolved are hereby disposed of in a manner consistent with the conclusions herein.

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

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<sup>8</sup> The IL-TRM dated September 14, 2012 is filed in Docket No. 12-0528 as Attachment (part 1), Attachment (part 2), Attachment (part 3), and Attachment (part 4). <http://www.icc.illinois.gov/docket/files.aspx?no=12-0528&docId=187554>

<sup>9</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

<sup>10</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

<sup>11</sup> The IL-TRM is not required to be applied for Ameren and DCEO GPY1.

By Order of the Commission this 9th day of January, 2013.

(SIGNED) DOUGLAS P. SCOTT

CHAIRMAN