

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, : **14-0189**
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 the Commission:

On March 5, 2014, and on the recommendation of a Staff Report from the Illinois Commerce Commission's ("Commission") Policy Division dated February 24, 2014, the Commission issued an Order to initiate a proceeding to consider approval of the second annual update to the Illinois Statewide Technical Reference Manual for Energy Efficiency ("IL-TRM"). 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") and the Attorney General of the State of Illinois ("AG") appeared. Collectively, the Utilities, AG, and Staff 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 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. When the Commission entered Orders approving the Utilities' respective EE Plans, the Commission required the Utilities to collaborate with the Illinois Energy Efficiency Stakeholder Advisory Group ("SAG") participants and DCEO to develop an Illinois Statewide Technical Reference Manual. See ComEd, Docket No. 10-0570, Final Order at 59-60 (Dec. 21, 2010);

Ameren, Docket No. 10-0568, Order on Rehearing at 19 (May 24, 2011); Nicor Gas, Docket No. 10-0562, Final Order at 30 (May 24, 2011); Peoples Gas/North Shore Gas, Docket No. 10-0564, Final Order at 76 (May 24, 2011).

The purpose of the IL-TRM is to provide a transparent and consistent basis for calculating energy (electric kilowatt-hours ("kWh") or natural gas therms) and capacity (electric kilowatts ("kW")) savings generated by the State of Illinois' EE programs, which are administered by the Utilities and DCEO, otherwise known as the Program Administrators. The first version of the IL-TRM, dated September 14, 2012, was developed to comply with the Commission's Orders from the EE Plan dockets. The Commission entered an Order approving the first version of the IL-TRM in Docket No. 12-0528, stating "[t]he September 14, 2012 Final Energy Efficiency Technical Reference Manual, filed in this docket as attachments to the Staff Report, is approved and adopted for [Gas Program Year 1], [Gas Program Year 2], and [Electric Program Year 5]." Docket No. 12-0528, Final Order at 5 (Jan. 9, 2013). The Commission entered an Order approving the second version of the IL-TRM in Docket No. 13-0437, stating, "the Illinois Statewide Technical Reference Manual for Energy Efficiency Version 2.0 dated June 7, 2013, filed in this docket as an attachment to the Staff Report, is approved and adopted, and shall be effective beginning June 1, 2013." Docket No. 13-0437, Final Order at 4 (Nov. 6, 2013).

The Policy Document for the IL-TRM, which is Attachment A to the Policy Division Staff Report filed in Docket No. 13-0077 ("TRM Policy Document"), was approved and adopted by the Commission in that docket. Docket No. 13-0077, Final Order at 5 (Mar. 27, 2013). The TRM Policy Document bears on this docket as it provides that the IL-TRM shall be annually updated because technology and markets are so dynamic and the IL-TRM must keep pace with change, otherwise it will become obsolete and the savings estimates less reliable. TRM Policy Document at 5-8.

Per the Commission's Orders, the SAG participants had the opportunity to, and also participated in, the update process for the IL-TRM. Thus, the second update of the IL-TRM is a result of an ongoing review process involving the SAG. The updated IL-TRM is embodied in the Illinois Statewide Technical Reference Manual for Energy Efficiency Version 3.0 dated February 24, 2014 ("IL-TRM Version 3.0") and having an effective date of June 1, 2014. This is the document under review in this docket.

Pursuant to the schedule set forth in the Commission's Initiating Order, Staff filed Verified Comments on March 12, 2014, recommending support and adoption of the IL-TRM Version 3.0. The Parties were given leave to file Responses to Staff's Verified Comments by March 27, 2014; no responses were filed.

Pursuant to due notice as required by law and by the rules and regulations of the Commission, a status hearing was held in this matter on April 2, 2014 before a duly-authorized ALJ at the Commission's offices in Chicago, Illinois. The Utilities, AG, and Commission Staff appeared through legal counsel. The record was marked "Heard and Taken" at the April 2, 2014 hearing. Also at the April 2, 2014 status hearing, the Parties

stated that they intended to provide an agreed draft proposed order to the ALJ wherein the Commission is urged to adopt the IL-TRM Version 3.0 presented in this docket. Staff prepared a draft proposed order, which was circulated to the Parties for review, comment and edit. The Parties' agreed draft proposed order was filed on April 9, 2014.

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.

II. Staff's Position

Staff stated that the IL-TRM Version 3.0 attached to its Report filed in this docket was arrived at using the Commission-mandated process. Specifically, the IL-TRM Version 3.0 was developed by the TRM Administrator with substantial input from SAG participants. Staff understands that the IL-TRM Version 3.0 is the result of consensus between and among all SAG participants and stakeholders. As such, Staff recommends that the IL-TRM Version 3.0 should be applicable to the Illinois Program Administrators in implementing energy efficiency programs pursuant to Sections 8-103 and 8-104 of the Act, and should be approved.

III. Utilities' Position

No responses or objections were filed in response to Staff's Report or Verified Comments.

IV. Attorney General's Position

The Office of the Attorney General did not object to the Staff's Report or Verified Comments.

V. Commission Analysis and Conclusion

The Staff Report filed in this docket attaches the IL-TRM Version 3.0, which provides a transparent and consistent basis for calculating energy and capacity savings generated by the State of Illinois' energy efficiency programs. In reviewing this document, the Commission appreciates the efforts of the participants in producing the update to this comprehensive aid. The Commission has broad legal authority under Sections 8-103 and 8-104 of the Act to determine whether the IL-TRM Version 3.0 filed in this docket is in compliance with the Commission's Orders from the Utilities' energy efficiency Plan dockets identified above. The Commission agrees with Staff that the IL-TRM Version 3.0 filed in this docket as an attachment to the Staff Report was arrived at using the Commission-mandated process, it is a consensus document, and it is consistent with the Commission's Orders and the TRM Policy Document adopted by the Commission. The Commission hereby approves and adopts the IL-TRM Version 3.0 dated February 24, 2014 that was filed in this docket as an attachment to the Staff Report. Pursuant to its own terms, the IL-TRM Version 3.0 is effective beginning June 1, 2014.

VI. 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 Illinois Statewide Technical Reference Manual for Energy Efficiency Version 3.0 dated February 24, 2014, filed in this docket as an attachment to the Staff Report, is approved and adopted, and shall be effective beginning June 1, 2014.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Illinois Statewide Technical Reference Manual for Energy Efficiency Version 3.0 dated February 24, 2014, as filed in this docket, is approved and adopted, and shall be effective beginning June 1, 2014.

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.

By Order of the Commission this 29th day of April, 2014.

(SIGNED) DOUGLAS P. SCOTT

Chairman