

Docket No: 15-0487
Bench Date: 12/16/15
Deadline: N/A

MEMORANDUM

TO: The Commission

FROM: Heather M. Jorgenson, Administrative Law Judge

DATE: December 10, 2015

SUBJECT: The People of the State of Illinois, *ex rel.* Lisa Madigan,
Attorney General of the State of Illinois

Petition to Approve an Illinois Energy Efficiency Policy Manual

RECOMMENDATION: Enter the attached order approving the petition.

I. PROCEDURAL HISTORY

On August 26, 2015, the People of the State of Illinois, *ex rel.* Lisa Madigan, Attorney General of the State of Illinois (the "AG"), pursuant to Section 10-101 of the Illinois Public Utilities Act (the "Act"), filed a petition ("Petition") with the Illinois Commerce Commission ("Commission" or "ICC") for the approval of an Illinois Energy Efficiency Policy Manual Version 1.0 ("Policy Manual"). As explained in the Petition, the purpose of the Policy Manual is to provide guiding principles for procurement, oversight, evaluation, and operation of the electric and gas energy efficiency programs authorized under Sections 8-103 and 8-104 of the Act and Section 16-111.5B of the Act, as applicable. 220 ILCS 5/8-103; 220 ILCS 5/8-104; 220 ILCS 5/16-111.5B.

The following parties submitted verifications in support of the Petition: Ameren Illinois Company d/b/a Ameren Illinois ("Ameren Illinois"); Commonwealth Edison Company ("ComEd"); Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas"); The Peoples Gas Light and Coke Company and North Shore Gas Company ("PG/NSG"); the Illinois Department of Commerce and Economic Opportunity ("DCEO"); the Citizens Utility Board ("CUB"); the Environmental Law & Policy Center ("ELPC"); and the Natural Resources Defense Council ("NRDC").

Upon initiation of this proceeding, DCEO entered an appearance. In addition, I granted Petitions for Leave to Intervene filed on behalf of Ameren Illinois, ComEd, Nicor Gas, PG/NSG, CUB, and ELPC.

At the status hearing on September 10, 2015, a schedule was decided for Verified Comments and Objections, as well as Responses and Replies. Consistent with the scheduling order, on September 30, 2015, Staff filed Initial Comments and Objections to

the Policy Manual. On October 14, 2015, Response Comments were filed by the AG together with CUB and ELPC (collectively, the “Consumer and Environmental Stakeholders” or “CES”). Response Comments also were filed on the same date by the DCEO, Ameren Illinois, ComEd, Nicor Gas and PG/NSG (collectively, the “Program Administrators” or “PA”). Staff filed its Reply to the Response Comments on October 22, 2015. On October 29, 2015, the Program Administrators and CES filed their Final Comments on the Policy Manual. On November 5, 2015, Ameren, CUB, ComEd, DCEO, Nicor Gas, PG/NSG, and the AG filed a Joint Draft Proposed Order. A Proposed Order was issued on November 24, 2015. Staff filed a Brief on Exceptions. CES and the Program Administrators filed Reply Briefs on Exceptions.

II. ISSUES

A. Whether to adopt the Policy Manual as proposed in the Petition or with any of Staff’s proposed modifications.

1. Analysis

Staff proposes modifications to multiple sections of the Policy Manual to “increase clarity and certainty for all parties and reduce litigation before the Commission in future proceedings.” Staff Initial Comments at 2. Staff argues that the Policy Manual as proposed in the Petition deviates from past Commission Orders. Staff also argues that some corrections are necessary in order to ensure key policies described support the Commission’s stated goal of the Policy Manual. Staff states that, despite the fact that the Policy Manual appears to cover material that goes beyond the scope of what was directed by the Commission initially, Staff sees value in having the Commission adopt some consistent minimum policy guidance in this proceeding with all the Illinois Program Administrators, in order to avoid having to litigate a whole host of policy issues in the next plan filing dockets.

CES and the Program Administrators note that the Commission ordered the stakeholders to develop a consensus Policy Manual. CES and the Program Administrators state that the Policy Manual attached to the Petition represents a consensus of every Illinois energy efficiency stakeholder involved in this docket other than Staff. CES and the Program Administrators point out that many of the issues raised by Staff are set to be addressed in the Policy Manual Version 2.0 discussions, and it is premature to make changes to the Policy Manual at this time. The Policy Manual as filed reflects the considerable efforts and input of various subject matter experts, including Program Administrators, CES and Staff.

2. Recommendation

While Staff raises certain concerns regarding how the Policy Manual could be clarified or further improved upon, the Order finds that modifications are not needed at this time. Importantly, the Order notes that many of these issues are set to be addressed as part of the Version 2.0 Discussion Framework, and Staff will have the opportunity to

raise all of its recommendations regarding any proposed edits in that context on these and other issues Staff chooses to raise. Staff and all parties also retain the ability to suggest any proposed edits in any future docket in which those concerns may be at issue. The Program Administrators and CES have demonstrated that adoption of the Policy Manual derived from the year-long collaborative process will further the best interests of ratepayers and the continued evolution of energy efficiency policy in the State of Illinois. Moreover, it is consistent with previous Commission Orders that have encouraged Program Administrators and stakeholders to resolve issues related to the delivery and evaluation of the ratepayer-funded programs through this informal process, and then bring them to the Commission for approval. The fact that the AG, Ameren, ComEd, Nicor Gas, PG/NSG, DCEO, CUB, ELPC and NRDC all agree and support a consensus Policy Manual Version 1.0 is significant and should be given considerable weight. The Policy Manual Version 1.0, as attached to the Petition, should be approved with two minor edits relating to a typographical error and providing more consistency between draft report review times.

III. CONCLUSION

I recommend the Commission enter the attached Order with the accompanying Policy Manual Version 1.0. There is no deadline for Commission action; however, the AG requested that the Commission enter a final order by the end of calendar year 2015.

HJ:fs