

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, North Shore Gas	:	
Company, and Northern Illinois Gas	:	17-0270
Company d/b/a Nicor Gas Company	:	
	:	
Adoption of the Policy Document for the	:	
Illinois Statewide Technical Reference	:	
Manual for Energy Efficiency Version 2.0	:	
and the Illinois Energy Efficiency Policy	:	
Manual Version 1.1.	:	

ORDER

By the Commission:

I. Background

On June 1, 2017, the Illinois Commerce Commission ("Commission") issued an Order to initiate a proceeding to consider adoption of the Policy Document for the Illinois Statewide Technical Reference Manual for Energy Efficiency ("IL-TRM") Version 2.0, dated May 5, 2017 ("IL-TRM Policy Document"), and the Illinois Energy Efficiency Policy Manual Version 1.1, dated May 5, 2017 ("Policy Manual") (collectively "EE Policies"), based on the recommendation of a Report from the Policy Division of the Commission's Staff ("Staff") dated May 16, 2017 ("Staff Report"). Pursuant to that Initiating Order, 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 (collectively, the "Utilities") were made respondents to this proceeding. Collectively, the Utilities and Staff are referred to herein as the "Parties."

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 Programs (“EEPs”) implemented by the Utilities pursuant to Sections 8-103, 8-103B and 8-104 of the Public Utilities Act (“the Act”), as applicable. 220 ILCS 5/8-103; 220 ILCS 5/8-103B; 220 ILCS 5/8-104. The changes memorialized in the IL-TRM Policy Document Version 2.0 address statutory changes effected by Public Act 99-0906 (“P.A. 99-0906”), which took effect on June 1, 2017, including the alignment of program years to a calendar-year basis, increasing the plan cycle duration, and removing the Illinois Department of Commerce and Economic Opportunity as a Program Administrator.

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 EEPs authorized under Sections 8-103, 8-103B and 8-104 of the Act, as applicable. The goals of the Policy Manual are to: (1) achieve consistent policies for utility ratepayer funded EEPs; (2) reduce litigation before the Commission; (3) reduce Program Administrator risk for disallowance; (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. The Policy Manual Version 1.1 contains updates to conform to the addition of Section 8-103B of the Act, the sunset of Section 16-111.5B of the Act, and modifications to Sections 8-103 and 8-104 of the Act.

As set forth in the Initiating Order, Staff, the Utilities, the independent evaluators, and other stakeholders of the Illinois Energy Efficiency Stakeholder Advisory Group (“SAG”) worked together to develop the updates contained in the EE Policies to make the changes required by P.A. 99-0906. The proposed modifications in the EE Policies that are made necessary by P.A. 99-0906 include, among others: (1) moving the effective date to January 1, 2018; (2) addressing the new calendar-year plan cycle; (3) modifying applicable reporting deadlines; and (4) providing for appropriate timelines for the annual update process relating to the Net-to-Gross Policy and the IL-TRM.

In accordance with the schedule set forth in the Initiating Order, Staff filed the Verified Comments of Jennifer H. Morris on June 14, 2017. No party filed a response. Pursuant to due notice as required by law and by the rules and regulations of the Commission, a hearing was held before a duly authorized Administrative Law Judge of the Commission, at its offices in Chicago, Illinois on July 11, 2017. At the hearing, Staff's Verified Comments were admitted into evidence and the record was closed. On September 29, 2017, the Parties filed an agreed Draft Order.

II. Statutory Authority

Section 8-103B of the Act requires electric utilities to use cost-effective energy efficiency and demand-response measures to reduce delivery load. 220 ILCS 5/8-103B. Section 8-103B also allows for the recovery of costs for reasonably and prudently incurred expenditures for implementing these energy efficiency measures. 220 ILCS 5/8-103B(d). The Commission has the authority to review and approve each utility's filing and implementation of an energy efficiency and demand-response plan. 220 ILCS 5/8-103B(f); 220 ILCS 5/8-103B(g).

Section 8-104 of the Act requires natural gas utilities to use cost-effective energy efficiency measures to reduce direct and indirect costs to consumers. 220 ILCS 5/8-104. Section 8-104 also allows for the recovery of costs for reasonably and prudently incurred expenses for implementing these energy efficiency measures. 220 ILCS 5/8-104(e-10). The Commission has the authority to review and approve each utility's filing and implementation of an energy efficiency plan. 220 ILCS 5/8-104(f).

III. Staff's Position

Ms. Morris states that Staff, the Utilities, the independent evaluators, and other participants of the SAG collaborated to develop the updates contained in the EE Policies to address changes required by P.A. 99-0906. Staff understands that the changes reflected in the EE Policies are the subject of consensus between and among all non-financially interested stakeholders. Staff recommends that the Commission approve and adopt the updates contained in the EE Policies.

IV. Commission Analysis and Conclusion

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. 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, 2018.

V. Findings and Ordering Paragraphs

The Commission, having given due consideration to the entire record and being fully advised in the premises, 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 Policy Document for the Illinois Statewide Technical Reference Manual for Energy Efficiency Version 2.0, dated May 5, 2017, is approved and adopted, and shall be effective beginning January 1, 2018; and
- (4) the Illinois Energy Efficiency Policy Manual Version 1.1, dated May 5, 2017, is approved and adopted, and shall be effective beginning January 1, 2018.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Policy Document for the Illinois Statewide Technical Reference Manual for Energy

Efficiency Version 2.0, dated May 5, 2017, as filed in this docket, is approved and adopted, and shall be effective beginning January 1, 2018.

IT IS FURTHER ORDERED that the Illinois Energy Efficiency Policy Manual Version 1.1, dated May 5, 2017, as filed in this docket, is approved and adopted, and shall be effective beginning January 1, 2018.

IT IS FURTHER ORDERED that any objections, motions, or petitions filed 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 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 19th day of October, 2017.

(SIGNED) BRIEN SHEAHAN

Chairman