

Illinois DEA Case Study Work Group
Meeting #2: Defining the DEA Context
May 10, 2024
Meeting Notes

Attendee list

Bev Bowlby, Ameren Illinois
Peter Millburg, Ameren Illinois
Agnes Mrozowski, Ameren Illinois
Brice Sheriff, Ameren Illinois
Andrew Weuve, Champaign County Regional Planning Commission
Mary Ellen Guest, Chicago Historic Bungalow Association
Sarah Moskowitz, Citizens Utility Board
Kyle Danko, ComEd
Molly Lunn, ComEd
Cassidy Kraimer, Community Investment Corp (CIC) Chicago
Kenyatta Parker, Community Investment Corp (CIC) Chicago
MeLena Hessel, Elevate
Pastor Booker Vance, Elevate
Chris Neme, Energy Futures Group (for NRDC)
Cheryl Watson, Equitable Resilience Sustainability
Selena Worster Walde, Erthe Energy Solutions
Neil Curtis, Guidehouse
Mark Mandolini, Honeywell
Roger Pavey, Illinois Association of Community Action Agencies
Caty Lamadrid, Inova Energy Group
Grey Staples, Mendota Group
Kari Ross, Natural Resources Defense Council
Susan Satter, Office of the Illinois Attorney General
Shelby Smith, Office of the Illinois Attorney General
Scott Metzger, Office of the Illinois Attorney General
Hannah Howard, Opinion Dynamics
Julia Friedman, Oracle
Kristen Kalaman, Resource Innovations
Nikia Perry, Solutions for Energy Efficient Logistics (SEEL)
Keely Hughes, The JPI Group

Meeting Recording

<https://us06web.zoom.us/rec/share/DSDlNwPhnesgyWkt739QbCXuXGv2sVwpX3l6OifxKFBrtmUMDI20h8J1AYX6cgQ.qmYVQXLBX3A14EhX>

Welcome, Introductions, Background (Slides 1-10)

The project team introduced themselves and time was provided for new members of the work group to introduce themselves in the chat.

The team provided a recap of the project background, goals and objectives that were presented in the first meeting in March.

The team discussed the foundational resources for the project – the [NSPM](#) and [DEA Guide](#). The DEA Guide will be released this month by Lawrence Berkeley National Lab. DOE says it is on the communications schedule to be released on May 15. Note: the project team has since been updated that the DEA Guide will be released the week of May 20.

This was followed by a reminder of the work group role and meeting guidelines. MEEA presented that the community compensation fund has been established and that the agreement form is available to download and fill out at the case study web page (<http://deacasesstudy.org>).

The team briefly reviewed the Illinois policies that inform the case studies – CEJA and FEJA.

Summary of Meeting Sections (w/ Questions & Answers)

Overview DEA and Stage 2 and Discussion (Slides 11-15)

The team reviewed a Venn diagram showing the relationship between the various dimensions of energy equity, and how distributional equity fits in. The use of DEA along with benefit cost analysis (BCA) was discussed as a way to assess the distributional equity aspects of utility resource investments. There is only so much that can be done in DEA and other analyses are necessary to cover the other dimensions of energy equity.

This meeting covers Stage 2 of the DEA Framework – Articulate the DEA Context. As a reminder, stakeholder involvement (established in first stage that we covered in our first meeting) is a critical component of the DEA framework and is needed throughout all stages of the process.

The team reviewed the meaning of the DEA context and how the project scope aligns with the BCA scope.

- 1) Identify DER type
- 2) Identify DEA application(s)
- 3) Identify the DEA timeframe
- 4) Identify the Geographic scope

Q: Have there been efforts to collect a diverse stakeholder group for this case study?

A: We have been working to recruit diverse stakeholders and hope that is reflected in the work group membership, but we also know that there are some people who aren't at the meeting today. We welcome more input on representation and can bring in more voices that you feel need to be here and represented.

Q: How are equity benefits defined and quantified?

A: Equity metrics referred to earlier will be addressed more in an upcoming meeting. They can be costs or benefits to the customers. Some examples will come later today how the metrics could affect decisions around context.

Q: Is there no baseline definition for energy equity benefits?

A: Utilities have requirements in legislation to do some of these exercises, that is one example of a baseline benefit to look at. There are many other metrics and associated baselines we could look at. We can discuss baselines with the Work Group in a future meeting.

Q: How is accessibility considered within the framework (e.g., how complex application processes are for programs, stringency of eligibility requirements, the likelihood of program uptake, etc.)?

A: These are important issues, but they are not directly included in the DEA. Direct impacts would include amount of participation (as one example). If participation isn't as high as stakeholders and policymakers would like, those indirect impacts may be why. For example, improving program design could enhance the participation rate. The report could provide some high-level recommendations but will likely identify gaps.

Q: For DERs are we trying to enhance or create new resources?

A: In general, DEA should match the scope of the BCA. So, we will propose 4 possible types of analyses today and for those BCAs that exist, the goal would be to enhance and expand the resources.

Q: What types of DERs can be examined? Some examples include: energy efficiency (EE), demand response, distributed solar, distributed storage, and building or transportation electrification. Are these the relevant DERs for this group?

A: Yes, they are all relevant. What we have done is look at the universe of options. We've discussed with ICC staff and utilities, and EE and beneficial electrification (BE) have risen to the top of our discussion. In theory DEA can be done for any utility resource.

Q: How did those plans rise to the top as being the most prominent and able to benefit from the case study?

A: We will be discussing this further in later slides but can comment briefly. At a high level, EE plans are well established and in place with lots of data available. They don't dig into distributional equity much and could benefit from a DEA case study. BE is new and has made some attempts to look at equity, not as much as the DEA looks at, and it's different from EE so it can benefit from the additional look.

Background Stage 2 (Slides 16-22)

The project team took an initial look at several possibly relevant plans and data sources, including the Multi-Year Grid Plans (MYGP). The team presented information on the utility MYGPs, and how they provide useful foundational information that can contribute to the DEA; however, the MYGPs are too broad in scope to be a good candidate for the DEA case studies.

The team presented the options for DEA context that we reviewed in terms of utility, DER type, geographic scope, timeframe, and detail level of analysis. There are 8 options of the DEA case studies under consideration. The team ultimately focused on electric utilities, as the gas utilities don't have the same depth of reporting and data availability as the electric utilities, and the gas utilities don't have the BE plans.

The background on policy, availability of plans, and equity consideration in the plans for EE were reviewed. There are legislative requirements for the plans and annual reports that provide historical information and quarterly summary reports. However, there is not a lot of detailed consideration of equity in the EE plans. For example, there are broad, robust income qualified (IQ) programs, but there may be other customers in priority populations that don't fall under that IQ definition. In addition, the EE plans do not have any specific equity metrics.. Finally, the team went over the considerations for case studies of the EE plans. In both utility cases, there are positive aspects that would make them good for a case study. One key thing is that they don't already account for distributional equity, meaning an EE case study can add a lot of value for future EE plans. The project team suggested that ComEd EE plan would be a good candidate to work with.

Similarly, background on policy, available plans, and equity considerations for BE were reviewed. There are clear legislative requirements and prior stakeholder work groups, with BE plans filed in 2022 and plan updates due in July 2024. There are various equity considerations already covered in these BE plans – more than what is found in the EE plans.

Considerations for BE case studies were presented. They are newer than the EE plans and have a requirement to demonstrate some benefits to Equity Investment Eligible Communities (EIEC) and Low Income (LI) customers. There will be more recent data and info from the July 2024 BE plan updates. The project team noted that it thinks Ameren would be a good candidate for a case study here, as Ameren has done some of the related work already by allocating some benefits to customers that we can expand on.

Q: Could you define RIM test?

A: The Rate Impact Measure Test is one of the traditional tests developed by California and included in the California Standard Practice Manual. However, in recent years it hasn't been used much for EE screening. It's used as a way to try to see if there might be rate impacts, however as we discuss in the NSPM, it doesn't serve that purpose well. The NSPM presents a way to look at rate impacts better than the RIM does.

Expanding and Defining the DEA Context (Slides 23-26)

Comprehensive vs Streamlined DEA

The team provided an explanation of what we mean when we discuss a comprehensive vs streamlined DEA, and what goes into each stage of the framework for each of these approaches. We want to make it clear here and in the case studies that there can be a lot of value from a streamlined approach as well, and this will provide an important message to our audience. For each of the seven DEA stages, we compared the comprehensive vs streamlined approaches. It is important to not streamline the stakeholder process (stage 1) – that should be the same regardless of approach.

Q: Is there an opportunity to use a different approach or a blend of approaches (comprehensive vs. streamlined) based on the DEA stage?

A: Yes, we could use varied approaches that vary by the stage. There is no hard line. You do the level that is appropriate for your needs. It is best to view comprehensive and streamlined as a spectrum of approaches rather than two distinct options. DEAs could be “relatively streamlined” or “relatively comprehensive” . One consideration here is that we are demonstrating conducting a DEA as a case study, so we'll want to *try* to stick with an approach that is consistent with either the comprehensive or streamlined approach.

Q: I'm wondering about the Comprehensive approach to Stage 6 (Present and interpret DEA results) - would benchmarking (assuming you have comparative data) require significant additional work?

A: Some of this will be answered in a later meeting. That said, it depends. If you have certain benchmarks without data, it will take extra work. It also requires identifying the benchmarks. It can be more complicated and involved and resource intensive.

Q: Have you identified the "pass/fail criteria from legislation" for a streamlined approach?

A: The project team has not done that specifically. We can review the legislation that is relevant and see what benchmarks it points to, as well as commission orders.

Q: If the team is going to focus on ComEd EE and Ameren BE, and exclude gas EE programs, should we adjust the Goal statement that states that the decision framework will assess the distributional equity impacts of electric and gas resource investment decisions?

A: Yes and no. Yes, that is technically correct. However, what we demonstrate here should also be applicable to gas utilities. The metrics and data and details may be different, but it should be transferrable. At the appropriate juncture as we go through these stages, we can consider differences or analogous considerations for what the DEA would look like in a gas program application. It's part of our learning from these case studies and something we can address during meetings.

Q: Using existing criteria from legislation and orders depends on how those approached equity. Having been involved with that development, they move us forward but of course are not perfect. Wanted to name that aloud.

A: We wouldn't want to be in conflict with legislation or violate anything, so the DEA would be building on it and finding places that are missing from the legislated approach.

Q: Do you expect to use the [Climate and Economic Justice Screening Tool](#) (CEJST) or the data that's driving the tool?

A: That's a good question and the project team is doing our homework on that and other tools. This will be a key part of a future Work Group meeting, so expect more details to come.

The differences between a DEA application for a portfolio vs a single program were reviewed. If you just look at a portfolio, it's helpful because you have the aggregate impacts of all programs combined. For example, some programs may have negative or low/not good equity impacts, but other programs could offset those. That's part of why portfolios are designed with multiple programs for multiple customer types. The program level has advantages that it is possible to look at individual programs and consider the details of that specific program to improve it. One could also compare programs with one another. Consider an example with two parallel programs, where one is strong, and the other is not. An analysis could help identify how can these programs can reach similar levels of performance. Ultimately, a program DEA application allows for focusing on programs designed to approach equity to see if they are achieving.

DEA Timeframe

The differences between DEA timeframe for retrospective vs prospective analysis were reviewed. Retrospective looks at actual data and experiences. It is similar to evaluation, measurement, and verification (EM&V) studies for EE. After-the-fact analysis is then used to improve future design. Prospective analysis looks at a plan that is going to be implemented or has been implemented but lacks results. The advantage there is that prospective analysis can improve programs before they are even implemented.

Geographic Scope

The differences between geographic scope for urban vs rural were reviewed. One of the reasons we are proposing this is that Joyce Foundation (a key funder of the project) is interested in determining whether there are equity differences between the two population groups. To do that we have to look at three cases: one involving all customers, one with urban only, and another with rural only. In each of those cases you have to look at the impacts for the priority population and other customers.

Q: Do you have established definitions for equity, income level, etc. of vulnerability to environmental impacts, climate hazard impacts, etc?

A: In our research for the forthcoming DEA Guide, we have seen many states and many definitions for priority populations. We will be doing more defining of these things in the next Work Group meeting. Briefly, there are lots of definitions that exist – and that is part of the project teams' homework to put together for that meeting. There are some definitions already in IL legislation that we can use as a foundation. We will bring that to the working group for discussion to see if there are additional definitions that need to be established to align with what the working group is looking for.

Straw Proposals (Slides 27-29)

The team presented a straw proposal for the two DEA Case Studies

1. ComEd EE Plan – comprehensive DEA
2. Ameren Illinois BE Plan – streamlined DEA (or “somewhat streamlined” because we can also draw on our work for the parallel comprehensive study)

The team reviewed the objectives and lessons expected to be learned from each case study. We think it's important to show how to conduct a streamlined approach as well as the comprehensive approach.

Q: The slides seem to largely refer to impacts on customers, which implies the equity lens is about energy end uses. However, a big part of FEJA and CEJA is about trying to create clean energy jobs and - more importantly - to ensure that those jobs are grown for economically disadvantaged communities. Do you intend to address not only customer equity but also jobs and economic development equity? Note that stakeholders are finalizing discussions with utilities right now about new reporting on EE contracting and trade ally diversity, and there is prominent discussion on what can be done in the design of the efficiency programs to ensure that more of the jobs are flowing into the communities you want to place more emphasis on.

A: This will depend on the metrics that we use, which will be based on data and input from the Work Group and will be addressed in future meetings focused on DEA metrics. Jobs can be considered one of the equity metrics in a DEA. However, it should be noted that jobs require careful consideration and framing. For example, there are jobs created by EE in general, and there are jobs that are located in and filled by priority populations. As long as data are readily attainable, this is a fine metric to pursue.

That said, it's always important to think about what is analyzed and what is being compared to what. For example, when considering EE programs, is there much difference between local jobs created by different programs? If the answer is no, perhaps this metric does not matter that much. On the other hand, if you are comparing EE to an avoided cost or resource power plant, those job impacts will likely be very different and will be critical to distinguish these differences.

Overall, results from this case study can help show how to redesign a program for more equity. If time and resources allow, we could identify more local job data and recommend some design decisions that could be made. We do want to stress that a case study can only do so much, but we hope the lessons learned can be readily applied by those who shape design of key programs.

Q: I wanted to ask because this issue is very prominent in current EE discussions in the state, as well as for PV and other DERs, so I think some intentional discussion of whether to address this will be important. From discussions I have had and been involved with, the jobs issue is so important from an equity lens.

A: In every state this is important. Jobs can be considered one of the metrics in a DEA. It's a little different in some ways from other metrics. It's always important to think about what is analyzed and what is being compared to what. For example, is there much difference between local jobs created by different programs? If you are comparing to an avoided power plant, there could be a distinct difference.

Q: Right now they have been talking about statewide job impacts and we have been looking to see if utilities could do it at a more granular level. They have said "not easily" but it isn't just a question of whether there are more or less jobs created in disadvantaged communities compared to no

programs, but also what could be done in design to make sure more jobs are accruing in communities. It's a hard counterfactual.

A: This could happen with other metrics too. It could help show how to redesign a program for more equity. We could if time and resources allow, identify more local job data and recommend some design decisions that could be made. Case study can only do so much, providing lessons that can then be applied by designers.

Q: Struggling with when we talk about workforce development and training, still trying to recover from CEJA training programs and how do those manifest as long term jobs in the communities. Job training is in process and hasn't delivered results yet. Both are going on and it's hard to see how do we go from analysis to practice and transform the reality of jobs for folks on the street. Lots of moving parts and they aren't all touching yet.

A: We hope we can identify where there is a gap and hope that this can provide some iterative process that can move to close those gaps.

Q: Agree with the discussion. We have to look at where programs are falling short, but also we have places where programs just don't exist yet. Some of them are still being out in Requests for Proposals – they will fall short due to just not having started yet. The learning objectives are important and we hope it will plug back into what we do but it isn't necessarily explicit yet. I would love to do this and know that it will plug back into process. I've seen things like this – even with buy in – fail to achieve those goals.

A: We hope to demonstrate how a good, robust DEA can be done. So in future plans and analyses these can be done repeatedly by stakeholders. Then when future DEA shows gaps we can close them.

Q: One of the things hoping to come out, I think, is documentation of where we are at right now. An earlier analogy to EE EM&V is that good studies don't just document, they offer observations on change to improve outcomes. That's the feedback I think we're looking for. Do we expect these to go that far, or is it beyond the resources available for this project?

A: This work group will have an important role as we do the DEA and look at the results – you can help us identify those gaps and use the results to go back to the other processes to resolve those issues. Oftentimes some of the challenges cut across or overlap with other equity dimensions (procedural, recognition, and restorative), which we can't solve with this analysis but we hope we can bring awareness in solving the problems that the DEA team and the Work Group identify. We can at least identify some first steps for those other processes and provide a template and framework to do this going forward.

Q: When you say "distributional equity" are you referring to equity benefits associated with the distribution grid or is distributional equity the availability and distribution of benefits from various programs such as EE participation? In other words, will the analysis include analysis of infrastructure investment benefits?

A: Distributional equity refers to how benefits and costs are spread across a population. We aren't specifically in these case studies trying to cover investments in distribution system

infrastructure. DEA could apply to those, but that isn't what we are looking for here (our focus is on DERs). There may be benefits to the distribution grid from any DER program, and that could be considered as a metric. DEA does not specifically refer to the distribution grid, that's a misconception that comes up.

Q: For timeline - I think I heard that the intent of this ComEd EE case study is to help inform design in the upcoming 2026-2029 EE portfolio planning (bullets 5/6 on slide 31). That process will most formally kick off in August/September 2024 and aims to close in January/February 2025. It's my understanding though that these meetings go into Q2 2025... what is your vision for marrying the two processes as best as possible?

A: We will be able to document findings earlier than Q2 2025. Also, we'll take that question back and see if we can shift the schedule somewhat to provide earlier input.

A: Noting that I agree with some of comments about why a distributional equity analysis would be valuable for the EE plans in particular, comments on timeline do make me concerned with respect to case study #1 that this would come out right as the proposals for the next 4 years are being finalized - and that seems less than ideal for having an actual impact on the program. So, we appreciate the timeline consideration offered.

Q: This fall there will be draft portfolio plans shared to look at program proposals, which is trying to wrap up this fall. We want to make sure we have some tangible ideas to help inform those next plans, hoping that the DEA team and stakeholders can connect more on timeline and intentionality around those types of deliverables.

A: We will have some results, and they may be available for those processes. We can look at schedule adjustments. Of course, there are two case studies we want to do, and there is staff availability to consider. Also we'll need to consider access to data and all the time issues associated with that. We appreciate that input.

Q: Regarding mapping, for what it is worth, I believe that the EE programs are using the "solar for all" definition of disadvantaged communities as a focus for distributional equity. That includes a recent decision to provide a net-to-gross ratio of 1.0 to all residential and small business participants in such communities, as a means (in part) to assign greater value to EE investments in such communities.

A: [Comment noted]

Project Schedule / Next Steps (Slides 30-33)

The current project schedule will have Meeting #3 (Priority populations and analysis) and Meeting #4 (DEA metrics and analysis) in June-July 2024. Meetings #5-6 will be in Q4 2024, Meeting #7 will be in Q1 2025, and Meeting #8 will be in Q2 2025. However, we are revisiting this schedule in light of the comments by Work Group members.

The next steps include consideration of the following questions before the next two meetings:

- 1) Should we develop a single priority population? How should the priority population incorporate the equity populations already identified by statute and used in practice?

2) Which potential metrics are relevant for the DEA context we chose today?

We invite the Work Group to email us with any follow up questions and comments, and we will be happy to work with them and to share that Q&A at the next meeting.