**SAG Financial Conflict of Interest Policy for April 19, 2023 Policy Manual Meeting**

**Background:**

* This policy is included in the [SAG Process Guidance Document – 2023 Update (Final 1/30/2023)](https://www.ilsag.info/wp-content/uploads/SAG_Process_Guidance_2023_Update_FINAL.pdf). There are no conflict policies in the current Policy Manual Version 2.1.
* Track changes edits drafted by SAG Facilitator and IQ EE Committee Facilitator, discussed at March 15 Policy Manual meeting
* Additional edits for discussion April 19 (see yellow highlight edits):
  + Added a definition of “implementer”, to clarify that community-based organizations acting as an implementer are not eligible to participate in non-financially interested party discussions
  + Edited the table, to clarify there may be other conflict situations that arise in the future
* Questions for discussion:
  1. Discuss whether there is any additional feedback on edited policy, as follow-up to the March 15 Policy Manual meeting
  2. Discuss whether this policy should be added to Policy Manual Version 3.0, or remain in the SAG Process Guidance Document

**Financial Conflict of Interest Policy:**

**Definitions:**

* "Illinois utilities” refers to the utilities participating in the Illinois Energy Efficiency Stakeholder Advisory Group (SAG), including Ameren Illinois, ComEd, Nicor Gas, Peoples Gas and North Shore Gas.
* A “non-financially interested party” means a person or entity, or employee of an entity, that does not have a financial interest in Illinois utility energy efficiency portfolios, or any other financial interest with Illinois utilities.
* A “financially interested party” means any person or entity, or employee of an entity, that engages in the purchase, sale, marketing or implementation of energy efficiency products, services, programs, pilots or research. A “financially interested party” may also engage in other work with utilities outside of energy efficiency.
* A “community-based organization” means an organization that: (1) provides employment, skill development, or related services to members of the community; (2) includes community colleges, nonprofits, and local governments; (3) has at least one main operating office in the community or region it serves; and (4) demonstrates relationships with local residents and other organizations serving the community.

**Policy:**

SAG is an advisory body created in 2008 by direction of the Illinois Commerce Commission. SAG is a forum that allows participants to express different opinions, better understand the opinions of others, and foster collaboration and consensus. The group is a venue for Illinois utilities and interested stakeholders to work together to discuss progress towards meeting energy efficiency portfolio goals, as well as a variety of policy and technical issues related to energy efficiency.

Participation in Large Group SAG, SAG Subcommittee, and SAG Working Group meetings is open to all interested participants, to encourage discussion by stakeholders representing a variety of interests. However, there are situations where discussion presents a financial conflict of interest and participation is limited to Illinois utilities and non-financially interested parties. Community-based organizations receiving less than $75,000 in annual funding through contracts with Illinois utilities are invited to participate in these “non-financially interested party” discussions in the situations described below, to provide an opportunity for organizations to meaningfully engage with Illinois utilities at SAG and equally contribute to collaborative energy efficiency discussions. Community-based organizations under contract with Illinois utilities as an implementer are not eligible to participate in “non-financially interested party” discussions.[[1]](#footnote-1)

A financial conflict of interest may be present when a SAG participant, in the judgment of the SAG Facilitator, may have a financial stake in a SAG discussion topic and participation by the financially interested party could have adverse consequences, such as hindering complete and frank discussions, or the participant may gain an undue advantage or benefit by participating. SAG participants that may have a financial conflict of interest in specific meetings topics must recuse themselves from participating in those meetings or portions of those meetings for relevant topics. Notwithstanding this restriction, the designated agent(s) of a participating utility shall not be considered to have a financial conflict of interest for purposes of participating in SAG discussions.[[2]](#footnote-2) Topics that may present a financial conflict will be identified by the SAG Facilitator in advance of a meeting. Conflicts may change from time to time. This SAG Financial Conflict of Interest Policy is specific to SAG discussions, and is not applicable to the Illinois Technical Reference Manual (TRM) Administrator. Addressing conflicts that may arise in Illinois TRM discussions is referenced in IL-TRM Policy Document Section 2.1, Stakeholder Roles and Responsibilities, and in Policy Manual Section 7.1 (iii), IL-TRM Administrator Role.

SAG participation is limited in the situations described in the table below. Before a meeting is held, the SAG Facilitator will request participants to self-select if interested in joining one of these discussions.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Eligibility to Participate\*** | | |
| **SAG Discussion that May Result in a Conflict:[[3]](#footnote-3)** | **Illinois Utilities** | **Non-Financially Interested Parties** | **Representative(s) of community-based organizations receiving less than $75,000 annually from Illinois utilities** |
| 1. Discussion of proprietary and/or confidential information (e.g., current and prospective program implementers, contractors, and product representatives) | X | X | X |
| 2. Current and past program performance (e.g., current program implementers and contractors) | X | X | Eligible to participate if the performance of the organization is not being discussed. |
| 3. Future bids (e.g., current and prospective program implementers, potential bidders, and contractors) | X | X | Eligible to participate if the organization does not plan to submit a bid or be part of a bidding team. |
| 4. Evaluation performance and proposed changes (e.g., current and prospective independent evaluation contractors) | X | X | X |
| 5. Final consensus to resolve policy issues, including but not limited to final negotiations in the Illinois Energy Efficiency Policy Manual update process | X | X | X |
| 6. Final negotiations on portfolio planning for utility Energy Efficiency Plans | X | X | X |

\*Prior to the discussion of confidential topic(s), SAG participants may be asked by a utility to sign a non-disclosure, or confidentiality agreement.

1. An “implementer” is an organization under contract with one or more Illinois utilities to implement an energy efficiency program, including installing energy efficiency measures. This does not include contracts for marketing and outreach and/or distribution of energy efficiency kits. [↑](#footnote-ref-1)
2. Objections to individual or company participation in a discussion that has been identified by the SAG Facilitator as presenting a financial conflict of interest will be further addressed by interested utility and stakeholder attorneys, on an as-needed basis. [↑](#footnote-ref-2)
3. Notwithstanding another conflict situation that may arise in the future. [↑](#footnote-ref-3)