



## MEMORANDUM

### AIC MULTIFAMILY INITIATIVES

**To:** Tammy Jackson, Nick Warnecke, Ameren Illinois Company; Seth Craigo-Snell, SCS Analytics,

**From:** The Opinion Dynamics Evaluation Team

**Date:** November 1, 2023

**Re:** 2022 AIC Multifamily Initiatives Process Evaluation Results

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This memorandum summarizes the 2022 process evaluation results for the Ameren Illinois Company (AIC) Multifamily Initiatives. These findings are based on feedback from Initiatives staff, implementation partners, and participating property managers.

### INTRODUCTION

The AIC Multifamily Initiatives include three distinct components: the Market Rate Multifamily Initiative (Market Rate Multifamily), the Public Housing Initiative (Public Housing), and the Multifamily Channel of the Income Qualified Initiative (IQ Multifamily). The Initiatives are designed to provide a wide range of direct install, building shell, and HVAC measures that lower energy use, lower costs of living, and increase tenant comfort. The implementation process and measure offerings are similar across these initiatives, with some variations. CMC Energy implemented the Multifamily Initiatives in 2022 in coordination with AIC and Leidos.

AIC transitioned the delivery of the Multifamily Initiatives to a “one-stop shop” (OSS) model beginning in 2020. The OSS model is intended to streamline the participation experience by seamlessly connecting offerings available to multifamily properties across the Residential and Business Programs. AIC provides property managers with a single point of contact, an Energy Advisor (EA). The EA discusses property upgrade needs with the property manager, conducts an energy assessment of the property, and provides education and recommendations for energy upgrades in an assessment report. In cases where property managers choose to pursue additional upgrades beyond the Multifamily Initiatives, the EA continues to serve as the single point of contact, helping the participant navigate an expanded project scope. This delivery model creates an opportunity for multifamily property owners and managers to develop a trusted, longer-term relationship with their EA, allowing AIC to continuously serve their energy efficiency needs.

The key objectives of the process evaluation were to:

- Understand how the Multifamily Initiatives broadly, and the OSS process specifically, have been functioning,
- Assess the effectiveness of OSS in connecting participating multifamily property managers with additional AIC offerings, and
- Gather high-level insights on property manager satisfaction and tenant measure in-service rates (ISR) in preparation for more in-depth 2023 property manager and tenant surveys.

## KEY FINDINGS AND RECOMMENDATIONS

The results of this evaluation suggest that AIC and its partners are providing seamless, high-quality service to property managers; and most measures remain installed in properties. Tenant research is needed to verify ISRs and gather their perspective on the Initiatives. In terms of the OSS, staff appear to be successfully delivering on a key pillar of the model: building long-term, trusted partnerships between AIC and multifamily properties that create opportunities for future energy upgrade projects. There is also some evidence, based on feedback from EAs and tracking data, to suggest the OSS is building awareness and spurring participation in other AIC initiatives—another critical theoretical component of the OSS. However, OSS data tracking issues significantly inhibit the evaluability of referrals to other initiatives, highlighting a priority need for data improvements and alternative research strategies to fully assess the effectiveness of the OSS. Staff also highlighted several implementation issues and participation barriers limiting the reach of the Initiatives, particularly in rural areas, that could potentially slow future participation growth.

- **Key Finding #1:** Almost all participating property managers reported being very satisfied with their interactions with Initiatives staff and the equipment installed at their properties. Based on their experiences with the Initiatives, most multifamily property managers (72%) said they plan to consult their EA in the future about potential energy efficiency upgrades.
- **Key Finding #2:** Staff reported challenges recruiting Program Allies for projects in rural areas, especially in Southern Illinois. The root causes of these challenges, according to staff, are an overall limited network of Program Allies and hesitancy for smaller businesses in these areas to take on large projects.
  - Recommendation: Consider non-participating trade ally research in 2024 to identify opportunities to recruit additional Program Allies in areas where AIC's network is limited, including Southern Illinois. Further, hold discussions with existing Program Allies in rural areas to further understand the barriers they experience with multifamily or other larger-scale projects in general.
  - Recommendation: Leverage the Workforce Development and Diverse Vendor Procurement channels of the Market Development Initiative to build up the capacity of existing Program Allies in rural areas (e.g., help them hire additional staff to enable larger-scale projects) and identify new businesses that can help address service gaps.
- **Key Finding #3:** Significant data challenges limited the evaluability of the OSS referral process. Three fundamental challenges with the OSS referral data are (1) it is relatively new and not fully populated with historical data, (2) it has no reliable unique identifier to connect related datasets, and (3) it is missing data on unsuccessful or outstanding referrals.
  - Recommendation: Establish a unique identifier (or “key”) that allows connection between records in OSS referral data, OSS assessment data, and Multifamily Initiatives tracking data (i.e., the Residential Program data used for annual impact analyses). The current OSS identifier changes periodically when there are repeat engagements with a property, which may preclude its usability as a unique identifier. Other information that is unlikely to change, such as premise identifiers, may be more appropriate.

- Recommendation: Include all referrals in the OSS referral data, including those that were not successful or are still in progress. This will allow for further examination of the success rate of OSS referrals.
- Recommendation: Re-evaluate the OSS referral process, including the proportion of participating properties that receive referrals and the success rate of referrals, once the above improvements to the data have been made and sufficient time, participation, and referrals have occurred. If the changes are made in late 2023 or early 2024, we anticipate a follow-up analysis could be feasible in 2025.
- **Key Finding #4:** The channeling analysis showed that almost all successful referrals are from IQ Multifamily into Small Business Direct Install (SBDI). We expected a focus on the Business Program, given the wide variety of Residential Program measures already available through the Multifamily Initiatives. However, the lack of successful Market Rate and Public Housing referrals, paired with the concentration of successful referrals into one specific Business Program offering, warrants further investigation.
  - Recommendation: Leverage upcoming AIC staff and implementer interviews (planned for Q4 2023) to discuss potential root causes for a lack of successful referrals outside the “IQ Multifamily to SBDI” scenario. In particular, determine if there is an overall lack of other types of referrals (indicating lack of opportunities or missed opportunities) or a low success rate of other types of referrals (indicating participant barriers).
- **Key Finding #5:** Property managers verified that most measures they received were installed, and there is compelling evidence of potential respondent recall error in the cases where they did not. Further, no property managers reported that they, their maintenance staff, or their tenants (to their knowledge) uninstalled any measures. While these findings suggest ISRs could be 100% for most or all measures, it is possible that tenants uninstalled measures without the property managers’ knowledge.
  - Recommendation: Assume all measures in the tracking database were installed but leverage upcoming tenant surveys to determine ISRs for measures that tenants have relatively higher possibilities of uninstalling. For example, tenants are less likely to uninstall door sweeps, wall plate gaskets, pipe insulation, ductless heat pumps, or advanced thermostats, and the IL-TRM v.11.0 currently assumes an ISR of 100% for these measures. However, there is a possibility that tenants could be dissatisfied with and easily uninstall measures like LEDs, advanced power strips, showerheads, and faucet aerators.

The following sections provide an overview of our research methods and detailed results from the evaluation.

## METHODS

There were three research tasks included in the process evaluation:

- **Exploratory and in-depth interviews:** In August 2022, we conducted exploratory (i.e., loosely structured) interviews with AIC staff, Leidos, and CMC Energy (the Initiatives implementer) regarding the overall status and performance of the Multifamily Initiatives, the efficacy of the OSS model specifically, and the critical successes and challenges encountered in 2022. We also conducted semi-structured in-depth interviews with the three EAs who serve as the single point of contact for the participants of the Multifamily Initiatives. These interviews covered similar topics to the staff and implementer interviews but focused more on the EAs’ first-hand experience working with property managers.
- **Participating property manager surveys:** We conducted surveys with participating property managers across all three Multifamily Initiatives offerings to gather feedback on their decision-making processes for completing property upgrades, assess satisfaction and experience with Initiative components, document challenges faced during the participation process, and verify that measures remained installed and operating.

We conducted the survey as a census (i.e., attempting to reach all available contacts) and fielded from October through December 2022. We administered the survey online for IQ Multifamily and Public Housing participants,

whereas we conducted surveys with Market Rate Multifamily property managers over the phone. The Market Rate Multifamily phone survey was largely identical to the web-based survey but included an additional section on Net-to-Gross that required a skilled interviewer to complete (i.e., to ask additional follow-up questions and capture the complexity of Initiative influence). Table 1 provides a summary of the number of property managers who completed projects in 2022 and the number of surveys completed. Overall, the evaluation team completed 32 surveys, representing 13% of participating properties. Most completes were for IQ Multifamily, which is the largest component of the Initiatives in terms of participation and savings.

Table 1. Summary of Survey Completes

Component	Number of 2022 Property Managers	Number of Completed Surveys
IQ Multifamily	184	25
Market Rate Multifamily	37	6
Public Housing	30	1
<b>Total</b>	<b>251</b>	<b>32</b>

- Channeling Analysis:** The evaluation team reviewed available data on energy assessments, assessment recommendations, and cross-initiative participation for multifamily properties that participated between January 2020 and December 2022. The goals of this analysis were to assess the quality of OSS data and understand the extent to which properties participate in other Residential or Business Program initiatives after receiving an OSS referral.

## LIMITATIONS

The process evaluation results are subject to the following key limitations.

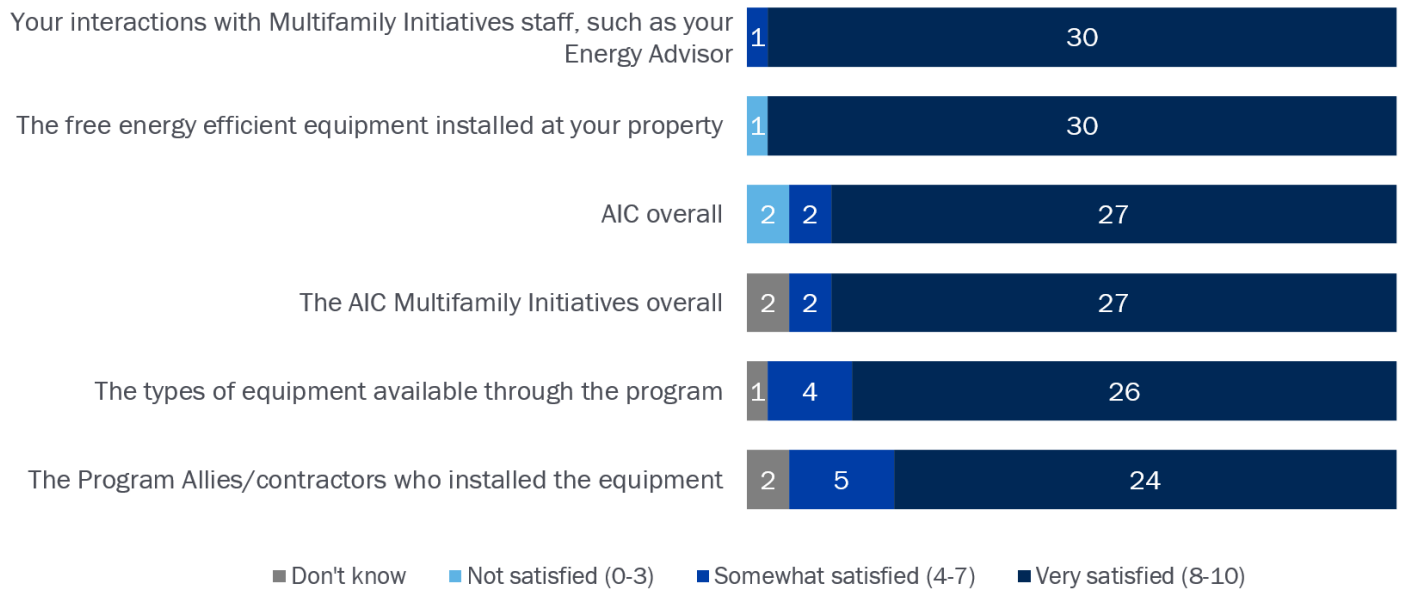
- The majority of surveys completed are from IQ Multifamily property managers, limiting the representativeness of the survey results for Market Rate Multifamily and Public Housing. For Public Housing in particular, only one property manager responded to the survey, and managers of public housing authorities have specific barriers (e.g., related to being publicly funded) that could impact their experience with the Initiatives and the effectiveness of the OSS approach. The last process evaluation, completed in 2021, had a much greater representation of Public Housing managers. We found similarly high levels of satisfaction and positive feedback on the Initiatives in that study, suggesting a consistent overall experience across components despite differences in structural barriers.
- As with most surveys, the results are subject to several potential forms of bias. For example, property managers who had negative experiences with the Initiatives may have been less inclined to respond (i.e., non-response bias), and some respondents may be inclined to provide what they perceive as more appropriate responses about their motivations or experiences (i.e., social desirability bias). We utilized a census approach, including multiple outreach attempts, to maximize response and minimize the risk of non-response bias. Further, we employed survey design best practices (e.g., avoiding leading questions) to reduce the risk of bias in responses.
- Property managers provide an excellent source of information on the overarching experience of tenants at their property, and they or maintenance staff regularly visit tenant units. However, property managers may still have limited knowledge or awareness of tenants' use or removal of Initiative measures, limiting the reliability of these results for tenant measures ISRs.
- The inability to connect the tracking datasets we used for the channeling analysis significantly limited the ability to evaluate the OSS referrals process. More detail on these issues is available in the Channeling Analysis section.

## DETAILED FINDINGS

### PARTICIPATION EXPERIENCE

**Participating property managers report high levels of satisfaction with the Initiatives.** Almost all participating property managers reported being very satisfied with their interactions with Initiatives staff and the equipment installed at their properties. In addition, almost 90% of participating property managers were very satisfied with the Multifamily Initiatives and AIC overall (Figure 1).

Figure 1. Property Manager Satisfaction (n=31)



Note: One respondent who provided invalid responses to all items was excluded from this analysis.

Specific feedback from those less satisfied included four participants who mentioned wanting more product offerings to choose from, such as a wider selection of lighting and insulation products. Of these respondents, three suggested that sending updated information on product offerings would improve their participation experience.

Additionally, three participants mentioned they were less satisfied with the Program Allies who installed the equipment, mentioning the Program Allies did not make reasonable efforts to provide proper notice of their site visits, deliver equipment in a timely fashion, or correctly install the equipment they received through the program.

**Despite these minor issues with Program Allies, all multifamily property managers surveyed appear to be very satisfied with their interactions with implementation staff and the EAs.** Surveyed property managers commented on how “prompt,” “professional,” and “polite” their EAs were in responding to their questions and concerns about the program

*“The Ameren and CMC staff working this project have been extremely helpful in all aspects of the project. They are cooperative and understand our needs as well as our residents’ needs and have bent over backwards to ensure everyone is happy with the new products in their homes. They are very easy to work with and [we] have had almost no complaints from residents.”*

and its various product offerings. Several also mentioned that their EAs were “knowledgeable,” “understanding,” and “easy to work with,” such that their goals of identifying possible energy-saving improvements and solutions for their property felt very easy to achieve and implement.

## IMPLEMENTATION CHALLENGES

**There are insufficient Program Allies willing and able to provide services to large multifamily properties, particularly in rural areas.** Implementer staff mentioned that most Program Allies in rural areas of AIC’s service territory are small contractors and are often reluctant to accept large-scale projects, such as projects at public housing complexes and other large properties. They added that, particularly in Southern Illinois, there is a backlog of properties with incomplete building envelope projects due to a limited number of Program Allies with the capacity or willingness to complete them.

*“I have a list of people who need insulation, but getting somebody to go do the inspection or be willing to do it is pulling teeth...The ones that are doing it are already busy or they won't go out.”*

**Global supply chain issues limited equipment availability and caused project delays in 2022.** Initiative and implementer staff mentioned an increasing number of project delays in 2022 due to limited supplies of equipment. One implementer mentioned that a property with over 50 units had been forced to hold off their equipment installation for six months in 2022 due to the shortage of equipment available in the market.

## PARTICIPATION BARRIERS

**Upfront cost remains a key barrier to participation.** EAs noted that many property managers express concern about the cost of more comprehensive upgrades based on the energy assessment. Some implementation staff suggested that supply chain issues exacerbate this issue by limiting equipment availability, thereby increasing costs.

**Finalizing participation agreements is a challenge in initiating retrofit projects.** Implementation staff reported that after the completion of the on-site assessment, participation agreement signing can be delayed for several months when approval from multiple individuals in the organization is needed. According to EAs, some property managers are reluctant to participate in the Initiative because they see the internal approval process as burdensome. One EA mentioned a case where two multifamily properties owned by the same company took drastically different amounts of

*“Sometimes that information doesn't go anywhere...You know that the owner, if they heard about the program, would probably want it done... [but] the property manager considers it time out of their day [when] they must deal with something else. Getting participation agreements signed is getting harder and harder.”*

time to complete the participation agreement because one of the properties required the approval of multiple regional managers while the other did not.



## EFFECTIVENESS OF THE OSS MODEL

We assessed the effectiveness of the OSS model from two angles: qualitative feedback from interview respondents and quantitative assessment of data available on OSS referrals to other AIC initiatives (i.e., channeling analysis).

### EA AND PROPERTY MANAGER FEEDBACK

**The OSS delivery model is creating opportunities for longer-term partnerships with property managers.** EAs and implementation staff emphasized that seamlessly providing a plethora of related services (e.g., outreach and education, application support, project management assistance, and post-installation services) is critical to building partnerships with property managers. Reinforcing this point, based on their experiences with the Initiatives, most multifamily property managers (72%) said they plan to consult their EA in the future about potential energy efficiency upgrades. Among those who were unsure or did not have plans to consult their EA, two said they had no need for further improvements, two said they were not pleased with the delays in their response, and one expressed dissatisfaction with the EA-referred Program Allies.

**The OSS delivery model appears to be driving interest in other AIC initiatives.** EAs mentioned that serving as the single point of contact for property managers to provide information on all available AIC initiatives has improved customer awareness of and interest in the different types of AIC offerings. In the past, the EAs often struggled to connect multifamily properties with other initiatives for more comprehensive upgrades because the program structure did not allow them to present the full range of equipment options and programs to property managers the way the OSS approach enables them to do.

*“It's amazing the things that if you just ask and explain to a property, they're willing to do it.”*

### CHANNELING ANALYSIS

We leveraged three distinct datasets to complete this analysis:

- Multifamily Initiatives tracking data, which included all participating properties, projects completed, and savings claimed. This is the same dataset used for survey sampling and for annual impact analyses.
- OSS assessment data, which contained the results and notes from the energy assessments provided by EAs. This data included, for example, detailed property characteristics, baseline energy-using equipment information, potential upgrade opportunities, and notes on property manager interest in specific measures.
- OSS referral tracking data, which contained a list of OSS referrals to other initiatives, whether the properties ultimately participated in the other initiatives (“conversion”), and the timing of participation across the portfolio.

**Significant data challenges limited the evaluability of the OSS referral process.** There were two fundamental challenges. First, the datasets above could not be connected in a reliable manner using the unique identifier for OSS assessments (the OSS ID), account numbers, property addresses, property names, or other contact information. According to Initiative staff, the OSS referral tracking data is a relatively new dataset that has not been fully updated to reflect participation prior to its creation, which they suggest caused many of the disconnections with historical tracking data for the Multifamily Initiatives or the OSS assessments tracking data. Staff also noted the possibility that, in some cases, the OSS IDs or other customer information have changed over time (e.g., when the property has multiple engagements with the Initiatives, creating new OSS IDs every time) or changes in property ownership or management staffing. Second, the

OSS referral data only included information on cases where participants received a referral and ultimately participated in other initiatives. These issues ultimately limited the ability to verify the logical connections between OSS assessment findings and referrals, verify participation in other initiatives or the measures completed, or properly contextualize results by determining the proportion of participating properties that received OSS referrals and ultimately acted upon them. As such, the following channeling analysis relied solely on the OSS referral tracking data.

**OSS referrals focused primarily on Business Program offerings.** As shown in Table 2, between January 2020 and April 2023, 66 properties participated in other AIC initiatives after receiving an OSS referral (i.e., a successful referral). Based on the data available, the total amount of OSS referrals and the referral success rate are unclear. However, the data show the most successful referrals are specifically from IQ Multifamily, with disproportionately fewer referrals for Market Rate and none for Public Housing, suggesting there are particularly limited opportunities and/or larger barriers for these two segments. Further, all referrals were for the Business Program and, in almost all cases, SBDI. This trend reflects that the Multifamily Initiatives already provide most, if not all, measures available through other Residential Program offerings.

Table 2. Other AIC Initiative Participation After OSS Referral

Component	IQ Multifamily	Market Rate Multifamily	Public Housing
SBDI	59	3	0
Business Online Store	2	0	0
Business Standard Lighting	1	0	0
Utility-Owned Street Lighting	1	0	0
<b>Total</b>	<b>63</b>	<b>3</b>	<b>0</b>

## MEASURE VERIFICATION

**Property managers verified installation of all or most of each measure included in the analysis.** Table 3 presents verification rates for each measure. About a third of respondents included in the analysis (9 of 30) did not verify receiving a measure; typically, they did not recall receiving one measure, but they did recall receiving all the other measures. Further, in many of these cases, respondents received very few of the unverified measures. For example, one respondent did not recall receiving six door sweeps; another respondent did not recall receiving one thermostat. While these findings could be indicative of data tracking issues, the response patterns and relatively small incidence suggests a potential respondent recall issue instead (i.e., respondents did not remember or never knew they received a measure).

Based on this information, ISRs may be 100% for all or most measures; however, further survey research with tenants is necessary to confirm ISRs. Apart from common area LEDs, the measures included in this analysis were installed in tenant units. While none of the surveyed property managers reported that they, their maintenance staff, or tenants removed any measures the property received, it is possible that some tenants have removed measures without their knowledge. As such, more research is required to determine ISRs for several measures.

Table 3. Measure Verification Findings

Measure	Percentage of Measures Verified as Received	Quantity Distributed (Tracking Data)	Number of Respondents	Number that Did Not Verify Receipt
Wall plate gaskets	100%	5,532	17	0



Measure	Percentage of Measures Verified as Received	Quantity Distributed (Tracking Data)	Number of Respondents	Number that Did Not Verify Receipt
Standard LED bulbs	100%	14,669	26	0
Faucet aerators	100%	1,318	15	0
Advanced thermostats	100% <sup>a</sup>	251	12	1
Common area LEDs	100%	3	3	0
Ductless heat pumps	100%	21	3	0
Specialty LED bulbs	98%	5,769	14	2
Smart power strips	97%	1,022	23	1
Door sweeps	96%	358	11	3
Thermostatic shower valves	95%	417	13	2
Pipe insulation	91%	825	9	1
Low-flow showerheads	84%	496	17	2

Note: Analysis excludes two respondents with evidence of significant recall issues or invalid responses.

<sup>a</sup> The advanced thermostat verification rate is slightly less than 100%. The actual value is 99.6%.