



MEMORANDUM

To: Tammy Jackson, Nick Warnecke, Ameren Illinois Company; Seth Craigo-Snell, SCS Analytics; and Elizabeth Horne, ICC Staff

From: The Opinion Dynamics Evaluation Team

Date: February 17, 2025

Re: 2024 Ameren Illinois Company Market Rate Single Family Initiative Home Efficiency Channel Process Evaluation

INTRODUCTION

This memorandum presents findings and results from Opinion Dynamics' interviews with Ameren Illinois Company (AIC) customers who participated in the Market Rate (MR) Single Family (SF) Initiative Home Efficiency channel (hereafter referred to as the "Home Efficiency channel"). Our evaluation also draws findings between participant feedback, interviews with channel and implementation staff, and our review of channel materials where applicable.

CHANNEL DESCRIPTION

The Home Efficiency channel, launched in 2021, aims to increase the efficiency of existing, occupied single-family homes through building envelope retrofits. The channel targets residential customers who do not qualify for AIC's Income Qualified (IQ) Initiative, defined as those with an annual household income over 300% of the Federal Poverty Level (FPL) by census data definitions.

Participant acquisition mainly occurs via Program Ally lead generation and direct-to-customer outreach activities. The channel leverages the Ameren Illinois Energy Efficiency Program Ally network of professionals certified through the Building Performance Institute (BPI), providing cobranded outreach materials and assisting with developing marketing campaigns. In 2023, Leidos (the channel's implementer) began using AIC customer data segmentations to conduct targeted outreach activities to reach MR customers.

Interested participants are directed to a tool that allows them to search for a Program Ally by name, areas served, and/or contractor type. Customers then contact the Program Ally they choose to discuss the channel and schedule a Home Energy Assessment. As part of the Home Energy Assessment, the Program Ally completes weatherization testing to identify the building envelope improvements needed at the home. The Program Ally uses the results of these tests to create a customized project report. This report details the home's current energy efficiency state, presents basic health and safety test results, identifies options for building envelope upgrades, summarizes relevant AIC discounts, and estimates the remaining out-of-pocket costs for the proposed improvements. In addition to the project report, the Program Ally provides the participant with educational materials related to air sealing, indoor air quality, adequate ventilation, and on-bill financing (OBF).

Upon receipt and review of the project report, participants may decide to move forward with all, some, or none of the recommended upgrades. The Program Ally completes the upgrades for the customer at a reduced price in line with the channel’s measure-specific discount rates. After completing the retrofits, the Program Ally submits an application to AIC confirming the installation of eligible building envelope measures. Upon approval, AIC issues the channel incentive to the Program Ally.

Home Efficiency channel participants must pay the remaining project costs not covered by the channel discounts. The AIC Energy Efficiency Program offers OBF for energy efficiency projects, which allows customers to pay off the cost of their project over time on their existing AIC bill, with an interest rate of 8.99% at the time of this memorandum.¹ Channel outreach and Program Allies also encourage participants to take advantage of the tax credits available for insulation and air-sealing projects through the Inflation Reduction Act (IRA).

PARTICIPATION

According to tracking data, from January 2023 through July 2024, the Home Efficiency channel completed projects at 169 unique households across 163 distinct participants.² As seen in Table 1, the most common upgrades included in projects were air sealing and attic insulation, and the least common upgrades were crawl space and wall insulation. Of the 163 unique participants, 41 only completed air sealing and attic insulation (the two most common measures). The remaining 122 participants completed a broader range of upgrade types. Individual participants completed 3.5 upgrades on average. Notably, none of the participants in this timeframe used AIC’s OBF options.

Table 1. Home Efficiency Channel Participation Summary (January 2023–July 2024)

Upgrade	Projects		Participants	
	Count	% of Total	Participants	% of Total
Air sealing	168	99%	162	99%
Attic insulation	153	91%	148	91%
Rim joist insulation	94	56%	88	54%
Bathroom exhaust fans	73	43%	68	42%
Crawl space insulation	56	33%	51	31%
Wall insulation	54	32%	54	33%
Total	169	100%	163	100%

Source: AIC tracking data.

STUDY GOALS

Since 2021, the Home Efficiency channel has experienced limited but growing participation over time. This growth was bolstered by several programmatic changes made in 2023, such as implementing targeted direct-to-customer outreach and shifting to an “à la carte” retrofit approach, whereby participants do not have to do all recommended upgrades to participate and can instead choose which recommendations to pursue. With these increases in participation, Opinion Dynamics determined that participation numbers would be sufficient to do participant research for the first time. Additionally, AIC staff emphasized their interest in learning how to expand participation in the channel, given its growing

¹ To qualify for AIC Energy Efficiency Program on-bill financing, customers must (1) be the primary person listed on the AIC account, (2) be current on their energy payment, (3) not have a disconnect on their account within the last year, (4) not be on a payment agreement, (5) have a minimum credit score of 640, and (5) have a debt-to-income ratio of less than 50% (for loans over \$3,000).

² Two participants completed projects at more than one address, one being a nonprofit retirement community that completed projects at six of their properties and the other being an individual who completed a project at two of their properties.

importance in contributing to the overall savings portfolio. As such, Opinion Dynamics conducted interviews with channel participants to investigate the following questions:

- What are the self-reported income ranges for participating households? How close or far are participants from the 300% FPL threshold for IQ (i.e., are participants typically borderline MR or more affluent)?
- How did participants learn about the Home Efficiency channel, and what motivated them to participate?
- How did participants pay for the portion of their project costs not covered by the Home Efficiency channel discount?
- To what extent are participants aware of and interested in the IRA tax credits for insulation and air sealing and AIC's OBF option?
- Are participants satisfied with their participation in the Home Efficiency channel, and were there any parts of the participation process that were particularly successful or challenging?
- How influential was the Home Efficiency offering on participants' decision to complete building envelope improvements at their home overall and relative to the influence of other funding sources (e.g., financing, tax credits, other rebates/incentives)?³

FINDINGS AND RECOMMENDATIONS

The current research found that participants are highly satisfied with their experience with the channel, particularly their experience with their Program Ally and the discount they received; however, it also revealed numerous opportunities to boost future participation. These opportunities include incentive design, marketing strategies, customer education, Program Ally coordination, enrollment processes, and availability, as well as additional research opportunities. Our key findings and associated recommendations are detailed below.

- **Finding #1:** In contrast to the IQ Single Family channel (also known as HEIQ), which fully covers the cost of participants' building envelope upgrade projects, the MR Home Efficiency channel offers measure-specific discounts and requires participants to cover the remaining project costs. Most respondents reported pre-tax household incomes significantly above the IQ eligibility threshold, suggesting that the channel's current incentive structure may appeal more to higher-income customers, while those closer to the IQ threshold—and thus more affected by out-of-pocket costs—may be less likely to participate.
 - **Recommendation:** Adjusting the incentive structure could boost participation among customers with incomes just above the IQ eligibility threshold. AIC could consider a tiered model that provides larger discounts to those closer to this threshold.
- **Finding #2:** Despite the recent mass outreach efforts Leidos executed over 2023 and 2024, only one respondent learned about the channel from AIC outreach. Direct outreach commenced in May 2023, and most respondents participated either before or within one year of this outreach starting. Additionally, respondents' motivations for participating closely aligned with the messaging used in channel outreach. These findings indicate that it was premature to assess the outreach's impact among this group of respondents, rather than implying any shortcomings in the marketing strategy.
 - **Recommendation:** Continue using mass outreach strategies to build channel awareness, emphasizing messages around the widespread lack of adequate insulation in homes, channel discounts, decreased energy bills, increased comfort, and decreased energy consumption.

³ Calculating net-to-gross ratios was not an objective of this study, as we anticipated that the participation volume and expected response rate would yield an insufficient number of responses for reliable calculation.

- **Recommendation:** Monitor sources of awareness via available marketing analytics and future evaluation activities.
- **Finding #3:** The most common ways respondents learned about the channel were from contractors they were already working with and word-of-mouth, indicating that both sources of information remain important for lead generation. Additionally, all respondents were very likely to recommend the channel to others, with many already doing so.
 - **Recommendation:** Collect feedback from Program Allies regarding their channel marketing practices and the support they need to effectively promote the channel to their customers.
 - **Recommendation:** Explore ways to harness word-of-mouth to increase participation in the channel, such as participant testimonials and referral incentives.
- **Finding #4:** More than half of the respondents were aware of the IRA tax credits for insulation and air sealing, and most of those who knew about them had either received or planned to pursue them. However, the majority did not learn about these credits through the channel, none cited them as a motivation for participating, and none felt they significantly influenced their decision to complete building envelope upgrades.
 - **Recommendation:** Continue to include information about IRA tax credits in mass outreach and encourage Program Allies to inform their customers about their availability but acknowledge that these credits do not currently appear to be a major factor driving channel participation.
- **Finding #5:** Respondents' feedback about IRA tax credits reveals misconceptions about how and when customers can claim them. These misconceptions included that the tax credits had income eligibility requirements, that you must itemize your taxes to claim the credits, and that there are no options to claim the credits retroactively if you did not claim them in the year they were completed. Channel outreach directs customers to contact their tax professional if they are interested in learning about the credits; however, it does not provide any resources for understanding what they cover or how to claim them.
 - **Recommendation:** Given that a sizeable portion of potential participants are unlikely to have a traditional tax professional, AIC should consider creating a one-page flyer detailing the IRA tax credits, what they cover, and how to claim them. This resource should be available on the channel webpage and referenced in outreach materials. We acknowledge that there may be legal barriers to AIC providing this kind of tax guidance to customers.
- **Finding #6:** Respondents were highly satisfied with their participation in the channel. Their positive experiences with their contractors primarily drove this satisfaction, the outcomes of their upgrades in terms of increased comfort and reduced energy bills, and what participants perceived as substantial discounts. Few participants cited any reasons for dissatisfaction, although two mentioned they were not fully satisfied with their upgrades and two mentioned they did not see bill savings.
- **Finding #7:** Most respondents completed all the recommended upgrades from their Program Ally; however, those who did not opted to forgo wall insulation and bathroom exhaust fans. Respondents noted that their contractor explained they would need to drill holes in the walls to add insulation if they could not remove the wall paneling and close them with a plug (i.e., drill and fill). Respondents cited aesthetic, cost, and structural concerns with this approach. Those who did not do the recommended bathroom exhaust fan upgrade cited structural concerns and a lack of need.
 - **Recommendation:** Talk to Program Allies to gather more information regarding the types of building envelope upgrades participants typically decide not to move forward with and why, as well the circumstances surrounding instances when a participant completes a Home Energy Assessment but decides not to complete any of the recommended upgrades.

- **Finding #8:** The content and format of the custom project reports respondents received varied by Program Ally, with less than half indicating their report included the results of the health and safety testing completed as part of their Home Energy Assessment. Additionally, over half of the respondents either did not receive educational leave-behind materials from their Program Ally, received them but did not review them, or reviewed them but could not recall their contents. However, none of the respondents indicated that they needed or wanted more information, regularly citing that their Program Allies thoroughly walked them through the results of the tests and answered any questions they had.
 - **Consideration:** Given Program Allies appear to be upholding a high standard of work with the Home Efficiency channel participants they service, implementing additional requirements for project report consistency, health and safety results, and educational leave-behind materials is not essential for ensuring the channel's success.
- **Finding #9:** Channel participation was limited in Southern Illinois, likely due to the limited number of Program Allies. One respondent from Southern Illinois reported not being able to find a Program Ally using the channel's online tool. This respondent found a Program Ally willing to go outside their normal service territory, given the size of the project.
 - **Recommendation:** Prioritize expanding the Program Ally network in Southern Illinois and work with existing Program Allies to assess their willingness to travel outside their normal work service area. This topic is being explored in the AIC Non-Participating Contractor Study, expected to be completed in Q1 2025.⁴
- **Finding #10:** The Program Allies respondents worked with were highly responsive, although a few respondents had to contact multiple contractors to receive a response or experienced lag time to schedule their assessment. Additionally, most projects were completed by the five most active Program Allies in the channel. This suggests that Program Allies may have limited capacity to complete projects through the channel, potentially due to prioritizing IQ-eligible work.
 - **Recommendation:** AIC could gather additional feedback from Program Allies to assess whether they are experiencing bandwidth issues that are hindering their ability to complete MR Home Efficiency jobs, either due to their work in the IQ sector or otherwise.
- **Finding #11:** Channel influence was closely tied to individual respondent characteristics, such as their motivations for completing building envelope upgrades and their financial situation. Those who exhibited lower levels of influence typically had a higher income relative to the IQ eligibility threshold, were already thinking about completing building envelope upgrades prior to learning about the channel, and received upgrades that were necessary repairs regardless of channel availability.
 - **Recommendation:** AIC should look for ways to increase participation among customers closer to the income cutoff for the IQ channel and who are less aware of the building envelope improvements needed at their homes, as these customers are less likely to exhibit high levels of free ridership when net-to-gross (NTG) is assessed in future studies.
- **Finding #12:** Respondent feedback on the influence of the channel on their decision-making suggests that the channel influences the timing and quantity (i.e., the scope of projects) most strongly, with multiple respondents saying they completed their project earlier or completed more upgrades as part of the project than they would in the channel's absence.

⁴ <https://www.ilsag.info/wp-content/uploads/AIC-2024-2025-Evaluation-Plan-FINAL-2024-02-28.pdf>
Opinion Dynamics

EVALUATION METHODS

The evaluation team fielded in-depth interviews with Home Efficiency channel participants between September and October 2024. We drew our participant sample from the channel’s 2023 end-of-year and 2024 mid-year tracking data (participation through July). We restricted projects to those with energy savings and then collapsed multiple projects completed by the same participant into single records. Our final sample included 163 unique participants who completed upgrades through the channel between 2023 and July 2024. We split the sample into three waves, prioritizing by recency of participation and upgrade mix (i.e., whether participants only completed the two most common upgrades or a broader range of upgrades).

Following low response to initial outreach efforts, we reached out to all three sample waves, with each participant receiving up to four emails. After exhausting email outreach, we began cold-calling participants, prioritizing by upgrade mix and participation recency.⁵ Cold calling continued until we reached our goal of 20 completed interviews. In all, we interviewed 20 Home Efficiency channel participants representing 12% of the sample population. Table 2 shows the distribution of the sample and completed interviews across waves.

Table 2. Home Efficiency Channel Participant In-Depth-Interview Sample and Completed Interviews

Wave	Sample			Completed Interviews		
	Common Upgrades	Non-Common Upgrades	Total	Common Upgrades	Non-Common Upgrades	Total
1	31	25	56	3	5	8
2	39	16	55	1	2	3
3	52	0	52	0	9	9
Total	122	41	163	4	16	20

Source: AIC tracking data.

Respondents completed a wide variety of eligible upgrades, an average of 3.6 upgrades each, which closely matches the sample population (3.5 upgrades on average). Table 3 depicts the distribution of upgrades completed by the 20 respondents.

Table 3. Upgrades Completed by Respondents

Upgrade	Interviewee Count ^a	Interviewee %
Air sealing	20	100%
Attic insulation	18	90%
Rim joist insulation	11	55%
Crawl space insulation	8	40%
Wall insulation	8	40%
Bathroom exhaust fans	6	30%
Total	20	N/A

^a Column does not sum to 20 as individual participants completed multiple retrofits.

Source: AIC tracking data.

⁵ At this point, the team prioritized cold-calling participants who completed the two most common upgrades, as this group was underrepresented in the completed interviews.

DETAILED RESULTS

This section details our findings from the process evaluation.

PARTICIPANT INCOME

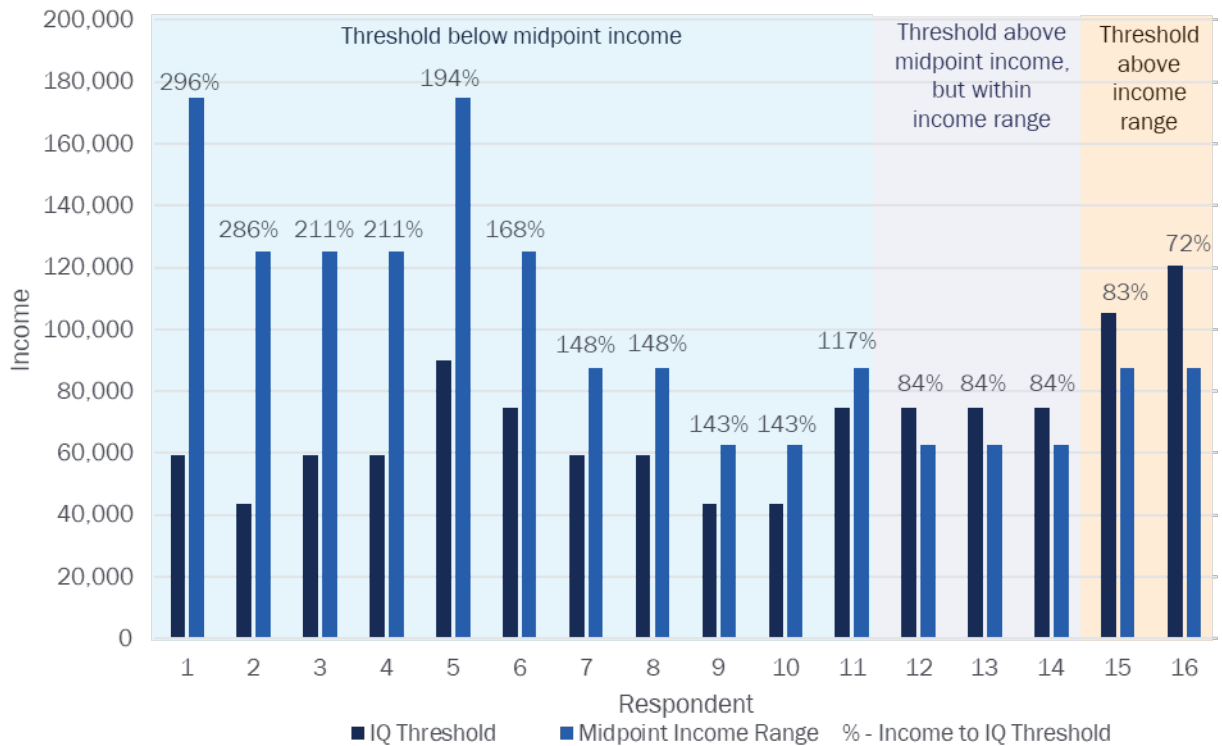
AIC customers interested in completing building envelope retrofits are channeled into one of two AIC offerings based on their annual household income. Customers whose income is less than or equal to 300% of the FPL based on household occupancy are directed to the IQ Single Family channel; those above that threshold are directed to the MR Home Efficiency channel. Consistent with the channel design, IQ participants receive their upgrades free of charge, whereas MR participants must cover a substantial portion of the project costs. Given this, there was interest in assessing how close or far MR participants were to the income threshold for IQ.

Most respondents' incomes were well above their IQ threshold; however, a few were near or below this boundary. Given that the channel discounts for MR participants are the same regardless of income level, participants close to the threshold are likely disproportionately burdened by the channel's out-of-pocket costs. Of the 20 respondents, 16 indicated an income range for their 2023 annual household income from all sources before taxes.⁶ Figure 1 presents each respondent's estimated income (based on the midpoint of their selected income range) and their IQ threshold (equal to three times the 2023 FPL for their household size).⁷ The percentages in the figure reflect each respondent's estimated income relative to their IQ threshold. As seen below, 11 of the 16 respondents' estimated incomes were above their IQ threshold, with their incomes ranging from 117% to 296% of the threshold. Three respondents' estimated incomes were below their IQ threshold; however, their threshold was within the bound of their selected income range. All three respondents had three occupants, giving them an IQ threshold of \$74,580. All three also selected the \$50,000–\$75,000 range, putting the threshold at the high end of their income range. As such, these respondents were likely on the borderline of IQ eligibility but appropriately funneled to the MRHE channel. However, two respondents' income ranges fell below their IQ threshold, indicating either the respondent estimated their 2023 income incorrectly in the interview or their Program Ally incorrectly channeled them into the MR offering despite being eligible for the IQ channel.

⁶ Three respondents preferred not to answer, and one respondent was retired.

⁷ Source: <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>

Figure 1. Respondent 2023 Household Income vs. IQ Income Threshold (n=16)



Source: Participant interviews and federal poverty line guidelines.

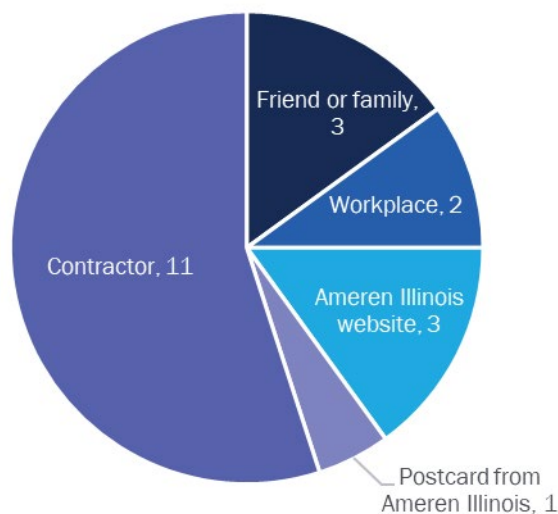
CHANNEL OUTREACH

Prior to 2023, the Home Efficiency channel relied on Program Ally lead generation (i.e., Program Allies did their own outreach and marketing to identify potential participants). The implementation team and AIC staff were previously hesitant to do direct-to-customer outreach out of concern that customers eligible for the IQ channel may be incorrectly directed into the MR channel. Nonetheless, they saw the value of direct outreach in increasing customer awareness of and participation in the channel. They also identified that Program Allies could redirect IQ-eligible customers who reach out to them about the MR channel to the correct offering. Since initiating direct outreach in 2023, the implementation team has utilized customer segmentation data to focus outreach efforts on likely MR customers, successfully planning and executing five outreach efforts: one postcard and one letter campaign in 2023 and two postcard and one letter campaign in 2024. Both AIC staff and implementation team members report that the direct outreach has increased participation. Leidos monitors website traffic, focusing on how customers are directed to the page. Recent outreach efforts also featured unique QR codes specific to each AIC territory, enabling Leidos to track which territories generated the highest traffic and include contact information for local Program Allies. With the recent focus on growing participation via direct outreach, there was interest in exploring how participants learned about the channel.

Despite recent mass outreach efforts and reports that such efforts bolstered participation, the most common ways respondents learned about the channel were through their contractors or word-of-mouth. However, this finding is likely on account of when respondents participated relative to the outreach beginning. As seen in Figure 2, over half of the respondents learned about the channel from the contractor they were already working with. Eight of these 11 respondents were already working with their contractors to complete building envelope upgrades before learning about available discounts. Of the remaining three, two initially worked with their contractor on a different installation but were persuaded of the benefits of adding insulation or air sealing to their project. The third knew about the channel because

they assisted the contractor with marketing. Three respondents learned about the channel from the AIC website; however, they were not directed there by AIC outreach. Instead, they came upon it when looking at options for building envelope improvements. Only one respondent learned about the channel from direct outreach (i.e., an AIC postcard). Notably, 16 of 20 respondents participated in the channel before (6 respondents) or within one year (10 respondents) of the first direct outreach campaign in May 2023.

Figure 2. How Respondents First Learned about the Home Efficiency Channel (n=20)



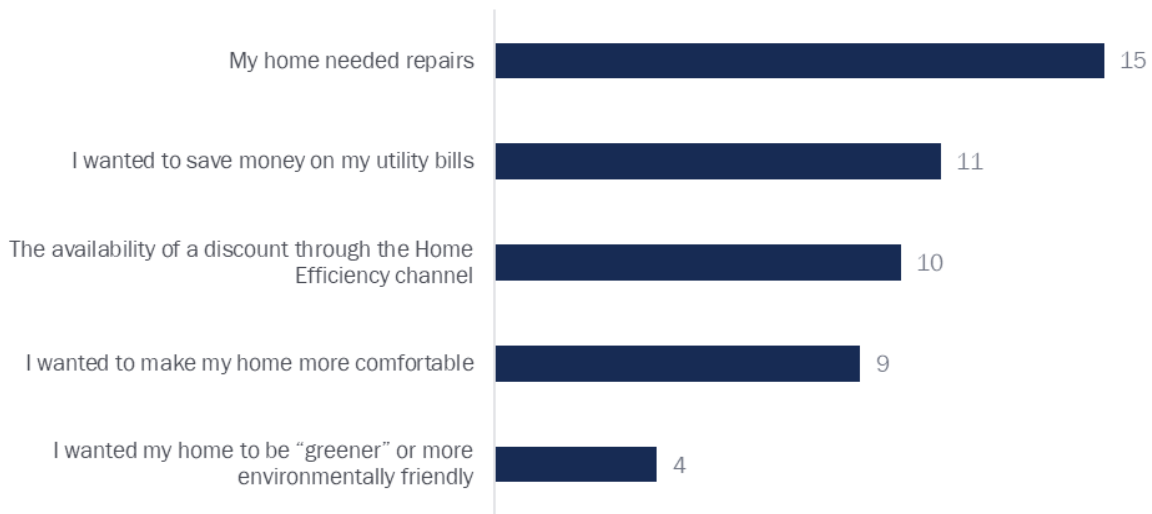
Source: Participant interviews.

MESSAGING

The primary benefits of the Home Efficiency channel highlighted in direct outreach include the widespread lack of adequate insulation in homes, channel discounts, decreased energy consumption, decreased energy bills, increased comfort, and IRA tax credit availability. Given the increased importance of direct outreach, there was interest in understanding if AIC’s messaging aligned with participants’ motivations for participating in the channel.

Respondents’ motivations for participating in the channel suggest that current outreach successfully targets the primary motivators for participation. As seen in Figure 3, most respondents participated in the channel because they recognized their homes were inadequately weatherized; however, other common motivators included saving money on energy bills, channel discounts, and improving home comfort. Those who identified the discount as a motivator skewed lower income relative to their IQ threshold than those who did not mention it on average (136% of the threshold, n=9 vs. 179%, n=7). Notably, no respondents said the availability of IRA tax credits motivated them to participate in the channel. Likewise, respondents who received or planned on receiving tax credits for their project indicated that the credits did not play a major role in their decision to complete their project (see “Channel Influence” section).

Figure 3. Motivations for Participating in the Home Efficiency Channel (n=20)



Note: Responses do not sum to 20 as some respondents indicated multiple motivations.

Source: Participant interviews.

IRA AWARENESS & USAGE

Starting in 2023, the IRA began providing tax credits for insulation and air sealing, covering up to 30% of out-of-pocket costs, up to a maximum of \$1,200. Customers can claim the credit in the tax year the upgrade is installed. The implementation team began highlighting the availability of IRA funding for building envelope upgrades in late 2023, made it the primary focus of an October 2023 postcard, and mentioned it in all direct outreach in 2024. In marketing IRA tax credits, AIC aims to improve the value proposition of participating in the Home Efficiency channel, thereby increasing participation. Given their efforts in this area, AIC was interested in assessing participants' awareness of IRA funding.

Respondent awareness of IRA tax credits was moderate, but most did not learn about it from channel outreach or their Program Ally, suggesting room for improvement in the area. Of the 20 respondents, 12 were aware of the IRA tax credits. Of these 12, four indicated hearing about the credits from the Home Efficiency channel, specifically learning about it from their Program Ally (2 respondents) and an AIC postcard (1 respondent). The fourth was unsure who/what in the channel brought the credits to their attention. Of the remaining eight participants, three learned about it from the internet (Google/Ads), one learned about it from the news, one saw it as an option when filing their taxes, one heard about it from their accountant, one knew about it from working in the industry, and one was unsure. Notably, respondents learned about the IRA tax credits at different points of their participation journey, with three respondents specifying they did not learn about them until long after their building envelope upgrades were completed. Looking at the awareness of IRA by income relative to the IQ threshold, those who were aware of IRA tax credits had an average income of 183% of their IQ threshold (n=8), relative to 126% for those who were unaware (n=8), suggesting that IRA awareness may skew higher income.

PAYMENT METHODS

The evaluation team explored how participants paid for the portion of their projects to assess whether the remaining out-of-pocket costs after Home Efficiency discounts were burdensome enough that participants sought out alternative payment options.

Respondents' payment methods suggest the out-of-pocket costs of their building envelope retrofit projects were not a major financial burden. Of the 20 respondents, 18 said they paid for their project in full after completion via check or cash. The remaining two respondents paid for their project with a credit card, but one specified they paid off the entire charge at the end of the month, suggesting the use of credit was not critical to afford the project.

IRA FUNDING

As previously mentioned, direct-to-customer outreach activities in 2023 and 2024 highlighted the availability of IRA tax credits for insulation and air sealing to increase the value proposition of participating in the Home Efficiency channel. As such, AIC was interested in gauging whether Home Efficiency participants were pursuing said credits.

Most respondents who were aware of the IRA tax credits received or planned on pursuing them; however, participant feedback suggests confusion around eligibility and timing. Of the 12 respondents who were aware of the IRA tax credits, seven indicated receiving or planning to pursue them, and an additional two said they gave the relevant materials to their tax professional and assumed the credits were applied. One respondent indicated they were still considering it, and the last two said they did not and would not be receiving the credits. These two participants cited their reasonings as being ineligible for income reasons and not having claimed the tax credits in the year the project was completed. Given that the IRA tax credits for insulation and air sealing do not have an income eligibility component, this participant likely misunderstood IRA eligibility. On the matter of not claiming the credits in the tax year the work was completed, homeowners who completed an insulation or air sealing project in 2023 but did not claim the IRA credits in their 2023 tax year can amend their return within three years of filing to claim the credits. One respondent who was aware of and received the credits learned about them in July 2024 from their accountant, who subsequently filed an amended return on their behalf to claim credits for upgrades completed in 2023.

A few respondents mentioned they did not think claiming savings for energy efficiency upgrades would apply to them because they did not itemize their taxes, a point of confusion that could lead many participants to miss out on the opportunity. Three respondents indicated that, while they were unaware of the IRA tax credits, they did not think it would apply to them because they did not itemize their taxes. Customers do not need to itemize their taxes to receive IRA tax credits; rather, they need to submit Form 5695 alongside their Form 1040, 1040-SR, or 1040-NR. Clarifying this misconception could enhance the value proposition for AIC customers who previously assumed they were ineligible for the credits.

Channel outreach materials encourage interested customers to contact their tax professionals about claiming IRA tax credits; however, not all customers work with a tax professional, leaving them without an easy resource for navigating the process. Notably, both participants who were aware of the tax credits but did not claim them due to a misconception about the process did not mention working with a tax professional. Likewise, of the three who mentioned itemization as a barrier, two did not mention having a tax professional, and the third mentioned thinking they should “check with [their] tax person on that.” Looking at the usage of IRA tax credits by income relative to the IQ threshold, those who received or planned on receiving IRA tax credits had an average income of 170% of their IQ threshold (n=6), relative to 138% for those who did not get or intend on getting the credits (n=9), suggesting that like IRA awareness, IRA usage may skew higher income.

ON-BILL FINANCING

AIC and implementation staff noted that promoting OBF as an option for Home Efficiency channel participants was not a priority due to its high interest rate (compared to better alternatives offered by contractors) and stringent eligibility

criteria. In line with this, none of the channel's recent marketing materials mentioned OBF, and none of the participants in the sample used OBF for their project.

In line with contractors being able to offer customers more favorable and accessible financing options than AIC OBF and AIC not actively promoting OBF, only 4 of 20 respondents were aware OBF was available. Of the four participants who heard of AIC's OBF, two indicated they did not need it as the out-of-pocket costs were not a burden, and two indicated they tried to use OBF but were ineligible to receive it. The two participants who reported that cost was not a burden had estimated incomes of 148% and 211% relative to their IQ threshold. Of the two participants who tried to use OBF, one had an estimated income of 84% of their threshold, and the other did not report their financial information.

PARTICIPATION EXPERIENCE

This study was the first participant primary data collection effort completed for the Home Efficiency channel since its launch in 2021. Given this, there was interest in exploring participants' satisfaction with the channel and whether it was being implemented in accordance with its design.

Respondents were highly satisfied with the channel overall and were extremely likely to recommend it to others, with many already having done so. Respondent satisfaction on a scale of 0 "not at all satisfied" to 10 "extremely satisfied" averaged 9.4 (n=20). No respondents gave a satisfaction score of less than seven, and more than half (12 of 20) rated the channel a 10. When asked about their likelihood of recommending the channel to a friend or family member on a scale of 0 "not at all likely" to 10 "extremely likely," all 20 respondents provided a score of 10. Further, nearly half (9 of 20) had already recommended the channel to others.

*"So far I have five people that have done the work because I told them about AIC's program." **Satisfaction Score – 10***

*"It saved me quite a bit of money and it took effectively no effort on my part. All [the contractor] had to do was run some tests, which gave us good information, then submit the paperwork to Ameren." **Satisfaction Score – 10***

In a channel that is highly reliant on Program Allies to guarantee a positive participant experience, respondents spoke very highly of their Program Allies. All respondents were satisfied with their Program Ally. Further, two respondents chose to work with them again for another project, and five said they either had or would recommend working with them to others.

*"We liked them so much, we had them come back and do some work for us after the fact. They're really dependable." **Satisfaction Score – 10***

*"[Contractor] was great, really beginning to end. From the guy who did the assessment, to the people who came out to do the insulation work, to the receptionist. I've recommended them to other people." **Satisfaction Score – 10***

Respondents spoke highly of their Home Energy Assessment, stressing its thoroughness, clarity, and relevance. All respondents were satisfied with their Program Ally's assessment of their home. None of the respondents identified any issues with the clarity or relevance of the testing. Nine respondents stressed the thoroughness of the assessment, and two highlighted that their Program Ally answered all their questions. Notably, three recounted that their Program Ally

identified other issues with their home, including water in the crawlspace, mold, HVAC issues, a gas leak, and disconnected ductwork.

*"I thought the assessment was very thorough and [the contractor] answered all my questions that I had as we were going, which I appreciated. He spent longer than I was expecting him to spend, and I appreciated that." **Satisfaction Score - 10***

*"They were thorough, they checked everything, came back with a set of recommendations, and sort of explained and walked through how those things might or might not help address the temperature issues that we were having." **Satisfaction Score - 10***

*"The best thing that came out of this whole experience was that I found out a bunch of things that were wrong in my house that I would've otherwise been unaware of... I had water in the crawl space. I had mold. I found out there was a problem with the HVAC system." **Satisfaction Score - 9***

The channel has no standardized guidelines for customized project reports, resulting in reports that are highly variable in content and format depending on Program Ally; however, this does not appear to be creating satisfaction issues. The channel design specifies that Program Allies are to provide participants with a customized project report that includes health and safety testing results, recommended building envelope upgrades, estimated AIC discounts, and the remaining out-of-pocket costs. Only 6 of 20 respondents reported receiving the results of their health and safety testing in writing. Of the remaining respondents, five were sure they had not received them, and nine were unsure. Of the 16 respondents who did not or were unsure if they received these results in writing, nine mentioned that their Program Ally had walked them through the results in person. Notably, none of the respondents indicated they wished they had more information related to health and safety testing, suggesting that ensuring Program Allies consistently provide this information is not a high-priority item to improving the channel.

*"[The contractor] walked through the airflow rate and they measured all the fans. They walked me through most of the results. I don't remember any of the numbers offhand; I think I took notes on the ones that were relevant. I could probably call them and ask for the results if I needed them." **Satisfaction Score - 10***

Most respondents were satisfied with the quality of the upgrades their Program Ally completed, with a few exceptions. Respondents' thoughts on the quality of the upgrades were highly positive. Five respondents highlighted their Program Ally's thoroughness in cleaning up after completing the work. Only two respondents indicated any dissatisfaction with the upgrades themselves. One respondent indicated they did not like their new bathroom fan because it ran 24/7 but clarified that it had to be installed for ventilation because the other building envelope upgrades sealed the house so tightly. The second respondent said that the Program Ally drilled holes in the walls to add wall insulation (a common practice for adding wall insulation). They were unhappy with the location of the holes and the material used to plug them. Upon removing the existing plugs to replace them, the respondent noticed that some cavities in the wall were not full, leading them to contact AIC and have their Program Ally return to refill them.

*“Ideally after you leave my house, I shouldn't be able to tell you where there, aside from if you fixed something. [The Program Ally] was really good about cleaning up after themselves. They even wore the little shoe covers when they walked through the house so that they didn't track anything in.” **Satisfaction Score - 10***

*“We left when [the Program Ally] came to do the insulation part. They swept our rugs, they swept our stairs, and they tried to pick up any little mess that they made. I think they're fantastic.” **Satisfaction Score - 10***

*“I've got old wood cedar siding, so they couldn't just take the panel off, drill in, plug it, and reattach the panel. They had to drill through the face of the insulation. Some of the spots they drilled weren't the best spots... I had a lot of plastic plugs, so I [planned to replace them]. When I was replacing some of the plugs, I noticed there were some cavities that weren't full.” **Satisfaction Score - 7***

Several respondents observed improvements in comfort after completing their upgrades. Eight respondents highlighted that the temperature of their home felt more comfortable since completing the upgrades. One participant noted that they were initially told by another contractor that their house was so large that they would need a second HVAC unit for cooling but that the insulation their Program Ally added resolved their temperature issue entirely.

*“The temperature in my house tends to be more normalized throughout the house. The whole house feels better.” **Satisfaction Score - 10***

*“We saw a tremendous difference [in temperature]. Now you touch the walls in the winter, and they are room temperature, not freezing.” **Satisfaction Score - 8.5***

Several respondents saw a decrease in their energy bill after their upgrades, but a few were disappointed about seeing minimal to no bill savings. Six respondents mentioned observing savings on their energy bills after the upgrades, one of which expressed disappointment that the change was not larger. Two respondents specified they did not see any bill savings, but one clarified that it had nothing to do with the quality of the upgrades and was entirely due to the features of the home. Multiple respondents could not speak about the effect of the upgrades on their energy bill, as they either did not closely track their bills or not enough time had passed for them to tell.

*“I took the past six months of my energy usage and gas usage and compared it to the previous year's six months. I've seen an average of, at minimum, a 30% drop in usage. I am super happy with it.” **Satisfaction Score - 10***

*“We've got more than we expected to get as far as energy cost savings. We spent a lot of money; it's going to take us a while to get that money back, but it's not going to take us as long as we thought it would be based on our current savings so far.” **Satisfaction Score - 10***

*“Truthfully, I think that they did a wonderful job on the insulation. Did it work for our house? Absolutely not. I truly blame this on the home. I don't know if it's because our house is so old and big. Our AC units are just running and running because they can't keep up [with the heat]. Nothing improved with our power bills for the summer at all. I'm curious to see how well the insulation will help us with frozen pipes this winter.” **Satisfaction Score - 10***

Respondents felt their Program Allies' recommendations were sensible and thorough. Only four respondents expressed any degree of surprise regarding their recommendations. Three were pleasantly surprised to learn about something their home needed that they were not aware of. The fourth respondent was displeased to learn they needed a bathroom exhaust fan but understood that it would compensate for how well their home would be sealed after the upgrades they completed.

"I was shocked by exactly how much [we needed]. After [the contractor] completed the test, he said that our home insulation was less than 20% of what it should be... When they came out and they told us exactly how bad it was and how much it was affecting [our home], I thought it was shocking. [The insulation] was too thin, and there were some spots where insulation should have been installed, and it wasn't." **Satisfaction Score - 10**

Most respondents completed all their Program Allies' recommendations; however, the most commonly skipped upgrades were wall insulation and bathroom exhaust fans. Six respondents indicated that their Program Ally made a recommendation they chose not to pursue. Of the six, four did not install the recommended wall insulation, and two did not install the recommended bathroom exhaust fan. As mentioned earlier, drilling holes directly into the walls is a more affordable (and sometimes necessary) alternative to removing panels to add wall insulation. The reasons respondents decided not to move forward with wall insulation included aesthetic concerns (three respondents), insufficient benefits compared to cost (one respondent), and the presence of knob and tube wiring (one respondent). The three respondents with aesthetic concerns felt they would never move forward with adding wall insulation; however, the respondent who could not install the insulation because of knob and tube wiring expressed they would like to in the future if they lived in the home long enough and had the budget. Of the two respondents who did not install the recommended bathroom exhaust fan, one explained that it would be difficult to connect due to the existing vent setup but expressed interest in figuring it out in the future. The other respondent mentioned rarely using the bathroom where the fan would have been installed, but indicated they would consider adding it if they decide to sell the house in the future.

"[Our Program Ally] talked about the trade-off. You have to drill a bunch of holes in your house, so there's a question about whether you would like how that looks. I'm sure it would help our house heat retention-wise, but then there's a question of whether you want all these holes out there, and they're just plugged up with little plastic plugs." **Satisfaction Score - 8**

Not all respondents received educational materials from their Program Ally, and several who did either did not review them or could not recall their contents; however, respondents did not feel they needed more information. According to channel design, Program Allies are to leave participants with educational materials related to air sealing, indoor air quality, and ventilation guidelines. Eight respondents said they did not receive any such materials. Of the 12 that did, five indicated they did not review the materials, and two reviewed the materials but could not remember them. The five respondents who reviewed and remembered the materials generally found them clear and helpful and did not have any recommendations for additional information. Two respondents said they were already familiar with the topics they reviewed, but both were experienced with the topics through work (one being a retired HVAC distributor and one assisting one of the Program Allies with marketing). None of the respondents who did not receive the materials or did not review or remember them said they wished they had more information. Further, several respondents said they did not need more information because their Program Ally walked them through all the testing they did and upgrades they installed and fully answered any questions they had. This indicates that enhancing the quality and distribution of these materials is not a top priority for improving the channel's implementation.

“I did receive [the educational materials], but I probably set them on the table and never looked at them. If I had any questions, rather than digging through those, I just asked [my contractor] when they came out and talked to me.”

Satisfaction Score - 10

Despite AIC concerns that inflation may be making the discount levels for eligible upgrades less appealing, respondents were highly satisfied with the size of the discounts they received. All 20 respondents indicated they were satisfied with the discount’s size, with 15 expressing very high levels of satisfaction. Five respondents mentioned they were pleasantly surprised with how much of their costs AIC covered, one highlighting how much larger it was compared to when they participated in a similar program with another utility for a previous home. Only one participant indicated they wished the discount covered more.

“I was very surprised [by the size of the discount]. We did not qualify for AIC covering [the whole project] like [the contractor] thought I might. However, the discount I did receive, I was happy.” ***Satisfaction Score - 10***

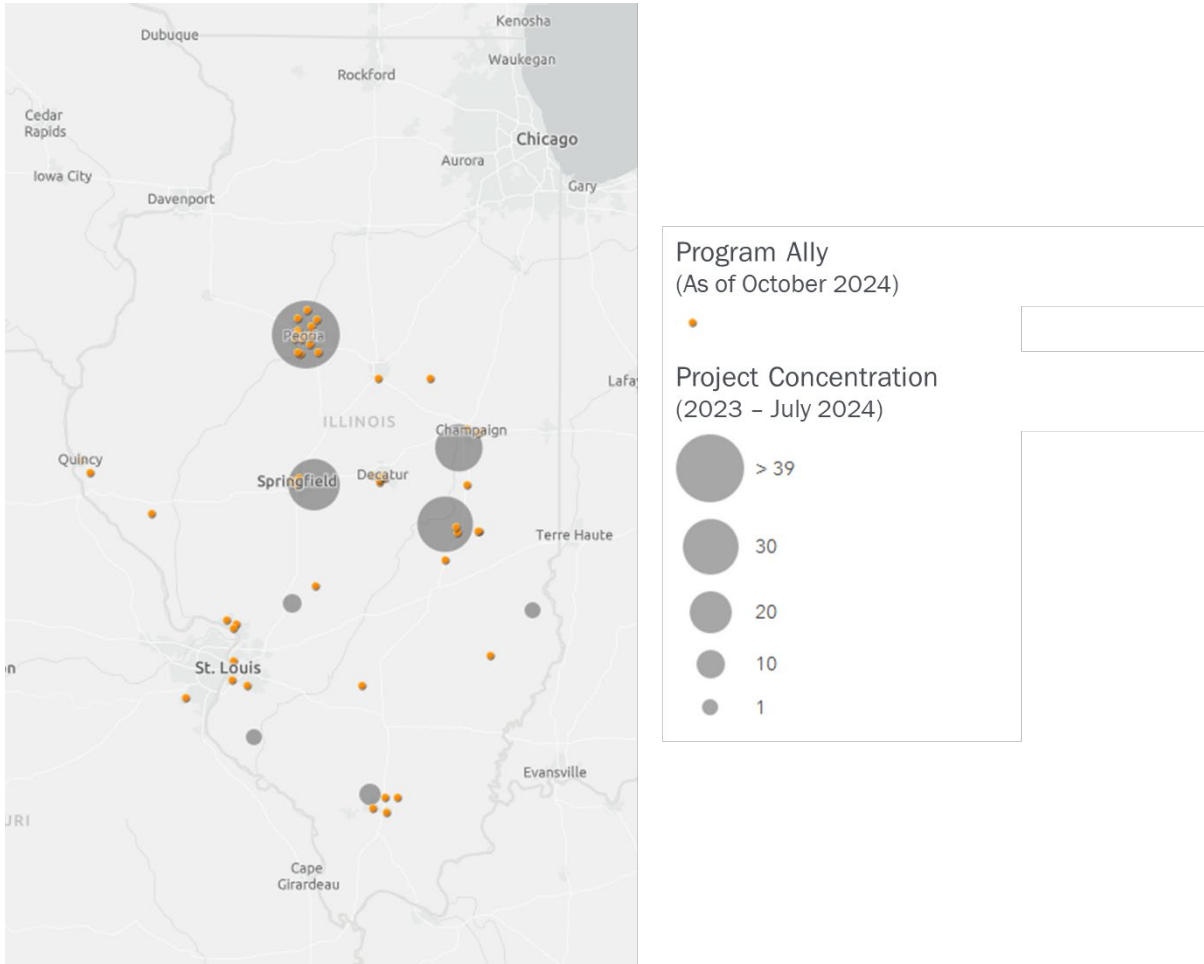
“It was wonderful! [The discount] was a huge help. I had bought the house not that long before, and it ended up being a money vacuum. So when [the contractor] told me about [the discount], I was like, ‘Oh my God, thank God.’”

Satisfaction Score - 9

PROGRAM ALLY AVAILABILITY

There was limited participation in Southern Illinois, potentially due to the limited number of Program Allies in the area. AIC staff have noted the lack of Program Allies in Southern Illinois as a barrier to implementation across the entire energy-efficiency portfolio. As seen in Figure 4, although there was some participation in the areas of Southern Illinois near Program Allies, participation was limited compared to areas like Peoria, Springfield, Champaign, Decatur, and Matton/Charleston. One respondent reported having difficulty finding a contractor to work with due to the lack of Program Allies in their area. The respondent used the tool on the channel website to look for a Program Ally near their home in rural Southern Illinois but found none nearby. This respondent ended up working with a Program Ally who was willing to go outside of their normal service territory to do the job, given the size of the project. Participation was also limited in low-population counties between urban centers, highlighting the opportunity to increase participation by expanding the Program Ally network to cover a wider range of regions.

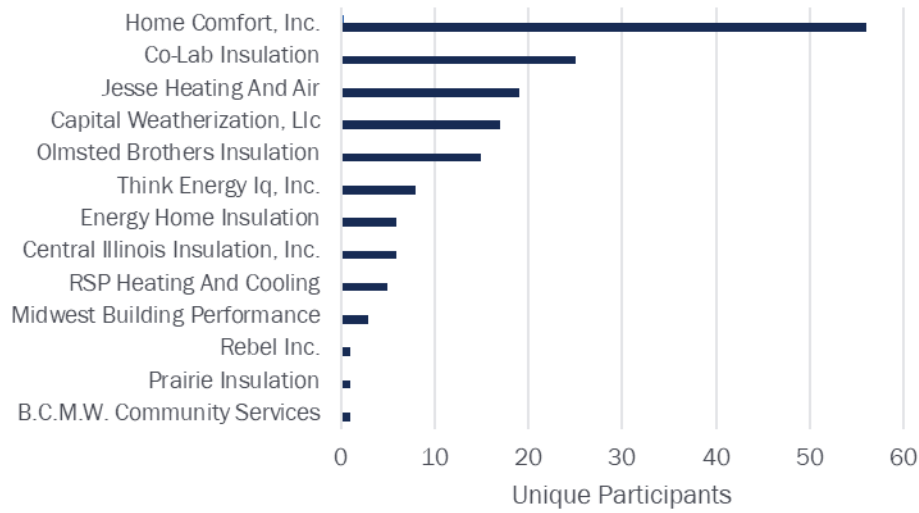
Figure 4. Project Concentration vs. Program Ally Locations



Live ArcGIS Map: <https://www.arcgis.com/apps/mapviewer/index.html?webmap=a6d40a5692fe49c0aa04abd6010de4a2>

The Program Allies that respondents chose to work with were highly responsive and accommodating; however, responsiveness and availability seem to vary across Program Allies. AIC staff noted that Program Allies may prioritize potential IQ jobs over MR ones, as these projects are almost guaranteed to move forward due to being fully incentivized by AIC, making them cost-free for the customer. All respondents reported that once they found a responsive Program Ally to work with, they had no issue scheduling a time for their Home Energy Assessment. However, one respondent indicated their Program Ally was booked far out ahead of time because it was their busy summer season. Additionally, five respondents reached out to multiple contractors in their search for a Program Ally, with three of them contacting a second contractor due to the first being unresponsive. As seen in Figure 5, 81% of participants worked with the five most active Program Allies in the channel between January 2023 and July 2024. Conversations with Program Allies could provide further insight into whether time constraints or IQ prioritization pose challenges to increasing channel participation.

Figure 5. Unique Participants by Program Ally (January 2023 – July 2024)



CHANNEL INFLUENCE

As of the current research, there has been no AIC-specific NTG research for the Home Efficiency channel. Since its launch in 2021, the channel’s measure-specific NTG values have been based on evaluator recommendations and default values. This research did not aim to calculate formal NTG values, but there was significant interest in gathering participants’ feedback on channel influence to help guide potential future NTG research efforts.

The impact of the Home Efficiency channel on respondents’ decisions to complete home envelope upgrades varied widely depending on their individual circumstances, such as their motivations for upgrading and their financial situation. The channel’s influence on respondents’ decisions to complete their home upgrade projects on a scale of 0 (“not at all influential”) to 10 (“extremely influential”) ranged from 0 to 10 and averaged 6.2 (n=20).

The context around respondents’ scores revealed several key themes:

A sizeable portion of respondents had already decided to do a home envelope upgrade before learning about the channel, and they exhibited lower levels of channel influence than those who decided after. Specifically, over half (13 of 20) had already decided to make envelope upgrades of some kind. The average influence score for those who decided to make home envelope upgrades after learning about the channel was 7.2 (n=7), whereas the score for those who decided before averaged 5.6 (n=13). Most respondents who had already decided to make home envelope upgrades before learning about the channel still felt it influenced their decision to some extent. They noted that the channel simplified the decision-making process, prompted them to do more upgrades than originally planned, or encouraged them to complete the upgrades sooner.

Many respondents were motivated to participate in the channel because their homes needed repairs that, in some cases, participants felt would have been completed regardless of the channel’s availability. Three-fourths (15 of 20) of the respondents were motivated to participate in the channel because their homes needed repairs. Of those 15, seven indicated the upgrades included in their projects were repairs they would have done for health, comfort, and safety reasons regardless of receiving a discount. Six of the seven participants who felt this way scored the influence of the channel lower than four.

*“Either way it goes, it would have been done. We made the choice 100% because we did not want frozen pipes anymore and we were hoping that it would keep our house cooler in the summer. Also, when we go to sell, the realtor said we would have a better chance of selling.” **Influence Score - 0***

*“It was an untenable situation living in that amount [of heat], and I have pets... getting above or below a certain temperature could be life-threatening for them” **Influence Score - 1***

*“My bedrooms were freezing, so I knew I needed to have insulation... So regardless of the program, I would’ve still had insulation put in my house because I knew it needed to be done.” **Influence Score - 2***

Participants varied in whether they needed the discount to afford their project based on the proximity of their income to their IQ threshold. Half of the respondents (10 of 20) explicitly cited the availability of a discount as a motivation for participating in the channel. Of these respondents, seven said that the availability of the Home Efficiency channel discount played a major role in their ability to complete their home envelope upgrades. All seven of them rated the channel’s influence seven or higher. These seven respondents’ estimated income relative to their IQ threshold averaged 120%, with six having a ratio lower than the 154% average for all respondents.

*“I think participating in the [channel] was the main reason we did [the project]. The fact that we could get some of it paid for by Ameren, that was the main reason that I went for insulation upgrades.” **Influence Score - 8***

*“It influenced [our decision] 100%. We were thinking about doing [this type of project] but we could not afford it.” **Influence Score - 10***

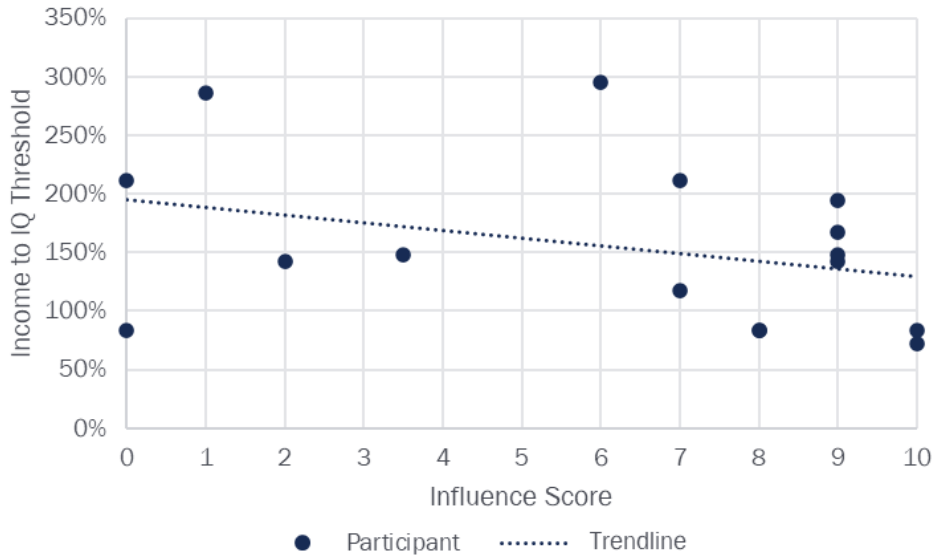
*“I wasn’t going to do any of the [upgrades] because I did not want to pay for all that, but it was a good enough discount that [thought], ‘yeah, let’s do it.’” **Influence Score - 10***

Of the 20 respondents, three explicitly mentioned that they did not need the discount to proceed with their project. These respondents scored the channel’s influence as zero, one, and nine. The respondent who provided a score of nine specified that while they probably would have done the project without the discount, the discount made it “easier to do.” These three respondents’ income relative to their IQ threshold averaged 222%, and all had a ratio higher than the 154% average for all participants.

*“We would have done [the project] anyways and we would have just paid full price for it... We are in a privileged position here. Not everyone necessarily has the money on hand to get that fixed up right away, but we had just bought the house, and we knew that there were going to be some additional repair costs involved and that was just one of them.” **Influence Score - 0***

As seen in Figure 6, there was a slight trend whereby respondents with higher estimated income relative to their IQ threshold scored the channel’s influence lower than those with a lower income relative to their IQ threshold.

Figure 6. Influence Score vs. Income to IQ Threshold (n=16)



Some respondents indicated that the channel influenced the timing or scale of their project. Three respondents mentioned that the channel helped them complete their home envelope upgrades sooner than they would have in the channel’s absence. Five respondents said their participation influenced them to complete more upgrades than they would have otherwise, either because they would not have known about them or could not afford them.

“I was going to do [the project] anyways... but I suppose it encouraged me to do it quicker because I knew I was going to get some rebates on it.” Influence Score - 3

“I think if the [channel] did not exist, it would have taken us a lot longer. We probably would have had to do it in stages if we had to pay for everything out of pocket.” Influence Score - 7

“I would have done [the project], but I would not have done as much. I would have done the attic insulation but might not have gone ahead with the crawl space insulation and [other upgrades] as I did not know about them.” Influence Score - 7

“I do not think we would have done [the project] without the sizable discount, or we would have done just the bare minimum to put some insulation in the walls.” Influence Score - 9

A few respondents highlighted that the channel connected them with a qualified installer. When asked about the channel’s influence on their decision-making, two respondents highlighted the role the channel played in connecting them with their Program Ally.

“In the past year or two, I independently reached out to try to find people that did insulation, but I always ended up running into a brick wall. The places I reached out to were not responsive, or did not seem like a good fit, so finding the right place to work with was great.” Influence Score - 9

IRA INFLUENCE

As previously mentioned, channel outreach encourages participants to claim IRA tax credits for their home envelope upgrades, which increases the value proposition of participating. The availability of these credits also adds a layer of complexity to the topic of channel influence, as it adds a sizeable non-channel element with potentially significant impacts on decision-making. Given this, there was interest in understanding how IRA tax credit availability influenced participant decision-making.

All the respondents who received or planned on pursuing IRA tax credits said the credits did not play a large role in their decision to complete their project. Five of the seven respondents who were certain they would be receiving the IRA tax credits referred to them as a “bonus” or “extra benefit.” The remaining two respondents said it did not play a role in their decision-making, one because they did not learn about them until after completing their home envelope upgrades and one because their taxes were complex and handled by an accountant. Likewise, of all 20 respondents, none indicated that the availability of IRA tax credits motivated them to participate in the channel.

“It's just an extra benefit. I wouldn't ever spend that kind of money because of a tax rebate. It's not enough. It doesn't pay that much of it to make me want to do those kinds of things [i.e., complete home upgrades].”

“The primary [influence] was the upfront discount that I got for the work, where Ameren covered a notable portion [of the project costs... The tax credit, I think that's just a bonus for me. I don't think that would've been a make-or-break part of my decision.”
