



MEMORANDUM

To: Carlotta Ruiz-Smith, Jamey Neal, Nick Warnecke, Ameren Illinois Company; Seth Craigo-Snell, SCS Analytics; and Elizabeth Horne, ICC Staff

From: The Opinion Dynamics Evaluation Team

Date: March 24, 2025

Re: 2024 Ameren Illinois Company Income Qualified Initiative Smart Savers Channel Process Evaluation

INTRODUCTION

This memorandum presents the findings and results from Opinion Dynamics' interviews with contractors supporting the 2024 Ameren Illinois Company (AIC) Smart Savers channel, also known as Program Allies. The interviews aimed to assess Program Allies' feedback about their participation experience, channel marketing approaches, and customer education efforts. In addition to the Program Ally interviews, we draw findings from our review of supporting data and materials and our interviews with channel and implementation staff where relevant.

CHANNEL DESCRIPTION

The Smart Savers channel, part of the Income Qualified (IQ) Initiative, provides advanced thermostat technology and installation at no cost to AIC customers who reside in ZIP codes with high percentages of IQ customers. The channel's overarching goals are to achieve energy savings through advanced thermostat installation, reach customers who have not previously benefited from AIC's Residential Program, and act as an entry point into other AIC energy efficiency offerings for both customers and contractors.

AIC residential customers in target ZIP codes are eligible for a free ecobee3 lite® or Google Nest E® installed at their home by a qualified Program Ally at no cost.¹ Target ZIP codes include those where 30% or more of the residents are at or below 200% of the Federal Poverty Level (FPL) by census data definitions. Historically, customers have learned about the Smart Savers channel through email, direct mail, utility bill inserts, and/or internet search engine results. However, with the recent scaling back of AIC-led outreach, implementers began shifting the channel to a Program Ally-led marketing approach over the past year.² The channel's implementers, Leidos and i3 Energy, provide Program Allies with marketing support to encourage direct Program Ally outreach and project lead generation. Specifically, Leidos hosts an online marketing portal with preapproved, co-branded marketing collateral, and i3 Energy holds training sessions on how to order and use these materials.

Eligible AIC customers apply for a free thermostat online or over the phone. In this application, customers select whether to self-install their thermostat or have a Program Ally complete their installation. As self-installation was

¹ All product or company names that may be mentioned in this publication are tradenames, trademarks, or registered trademarks of their respective owners.

² In 2024, AIC scaled back its email outreach efforts to reduce the number of customers who opted-out of AIC email communication.

removed from the channel in 2024, customers who select the self-install option are redirected to AIC's Online Marketplace channel and do not participate in the Smart Savers channel.³ Those who move forward with Program Ally installation indicate their preferred contractor. Leidos distributes these leads to the Program Allies the customers selected, who subsequently schedule and complete thermostat installation.

Upon visiting a customer's home to install an advanced thermostat, Program Allies educate the customer on how to use the thermostat and have the customer review and sign a customer acknowledgment form indicating they were educated on how to use the thermostat and consented to the installation. They then install the no-cost thermostat and provide the customer with resources they can reference should they need support with their new device. After installation, Program Allies submit the customer acknowledgment form and project invoice to Leidos via the channel's online portal.

The channel's Program Ally network is managed by i3 Energy, which was brought onto the channel team in 2023. The i3 Energy team identifies and enrolls new Program Allies to ensure adequate coverage across target ZIP codes, onboards new Program Allies into the channel, and provides ongoing training opportunities related to channel participation, thermostat installation, marketing opportunities, and customer education.

Participation in the Smart Savers channel has decreased significantly since it transitioned to a Program Ally-only installation model. The channel achieved 9,239 thermostat installations in 2023; however, Program Ally installations only accounted for 1,622 thermostats (18%). Given this, AIC adjusted the 2024 participation goal from 9,000 to 3,000 thermostats. Even with the decrease, AIC and implementation staff felt they would struggle to meet this adjusted goal, given marketing barriers and the existing market saturation of advanced thermostat technology in their service territory. Leidos noted that advanced thermostat sales were decreasing across the entire AIC energy efficiency portfolio. Participation data received for 2024 to date supports this concern. As of October 2024, the channel achieved 554 thermostat installations across 533 unique participants (526 single-family, seven multifamily). Interviewed Program Allies accounted for 36% of total thermostat installations in this period and 37% of unique participants.

STUDY GOALS

Although a longstanding part of AIC's residential energy efficiency portfolio, the Smart Savers channel has seen significant changes over the past year, including transitioning to a Program Ally-only installation model, increased emphasis on customer education, shift toward Program Ally-led marketing, and introduction of i3 Energy. These changes have substantial implications for Program Ally recruitment and experience, participation levels, and customer satisfaction. These changes necessitated additional research. As such, Opinion Dynamics conducted interviews with Program Allies to complete the following:⁴

- Broadly gauge the Program Allies' participation in Smart Savers and other AIC initiatives.
- Understand Program Allies' experience enrolling in the channel, including their motivations for participating, thoughts on the enrollment process, and experience working with implementation staff.
- Understand the effectiveness of Program Ally education and training, including onboarding and ongoing training opportunities.

³ The free thermostats available through the Online Marketplace vary from those available through the Smart Savers channel, and notably do not include the ecobee3 lite or Google Nest E.

⁴ The original research scope included a research question aimed at assessing Program Allies' experience with the Smart Self-Reliance Pilot (a pilot under the Smart Savers channel). The evaluation team cut this research question upon learning the Pilot was inactive.

- Understand Program Allies' marketing strategies for Smart Savers and cross-promotion of other AIC initiatives (if applicable), including their marketing-related challenges.
- Understand Program Allies' experience completing Smart Savers projects, including their assessment of project volume, reasons for failed installations, thoughts on the new customer acknowledgment form, and perceived impact of the new implementation design.
- Understand the education Program Allies provide to participating customers upon thermostat installation, barriers to customer education, and leave-behind resources that Program Allies provide customers for additional information and support.
- Assess Program Allies' overall satisfaction with Smart Savers, their thoughts on successes and challenges, and recommendations for mitigating challenges.

FINDINGS AND RECOMMENDATIONS

The current research found that participating Program Allies are mostly satisfied with the Smart Savers channel, seeing it as a good business development opportunity and an overall success. However, the research also identified multiple pain points and opportunities for improvement in channel execution. These pain points and opportunities span multiple topics, including channel onboarding, training, project volume, marketing, and customer education. Below is a summary of key findings and associated recommendations.

- **Finding #1:** Reduced AIC-led digital marketing for the Smart Savers channel and increased advanced thermostat market saturation across AIC's service territory have significantly reduced advanced thermostat project volume in 2024.⁵ This has caused some interviewed Program Allies disappointment with their project volume, as the number of projects they receive from AIC is spread thin across a growing population of Program Allies. Despite the recent growth in Program Ally enrollment, the shift to a Program Ally-only installation model, and the increased focus on encouraging Program Allies to do their own marketing, our evaluation did not identify any increase in Program Ally-led marketing efforts or lead generation.⁶ We found that Program Allies are generally unaware of the expectation that they need to generate their own leads. In some instances, they are accustomed to relying on AIC's outreach to generate leads that Leidos can then distribute to their business. Additionally, most lack the bandwidth to develop and execute new marketing strategies. Given these bandwidth constraints, Program Allies that did market the channel primarily relied on word-of-mouth and door-to-door efforts, integrating these activities into their existing workflows. Additionally, only a few Program Allies utilized the channel's marketing materials or expressed interest in learning how to market the channel independently.
- **Recommendation:** Leidos and i3 Energy should be transparent with Program Allies about the project volume generated by AIC-led outreach and how the resulting leads are distributed across the existing Program Ally network to ensure they have realistic participation expectations. Additionally, i3 Energy should continue to make it clear to new and existing Program Allies alike that, under the current structure of the channel, the best way to increase their project volume is to do their own marketing and look to recruit Program Allies that are interested in and able to do their own marketing. Additionally, i3 Energy should consider taking steps to alleviate the barriers that prevent Program Allies from doing their own marketing. Such steps could include holding additional training on the co-branded marketing resources available and how to best utilize them, providing

⁵ In 2024, AIC reduced email outreach to prevent customers from opting out of email communications but increased printed marketing through postcards.

⁶ Near the end of 2024, implementation staff made a concerted effort to recruit new Program Allies who wanted to perform their own lead generation. The effects of this can be observed in the significant increase in completed projects in the last quarter of the year.

additional one-on-one support with marketing campaign development and execution, and offering incentives or reimbursements for marketing efforts.

- **Finding #2:** Implementation staff have taken steps to standardize the channel onboarding process, such as assembling all onboarding documents into a single document, establishing a single channel manager, and adding weekly i3 office hours. However, the types and amount of training Program Allies reported receiving as part of onboarding and on a continuous basis varied widely, with some not receiving any training since joining the channel. Program Ally feedback, pain points, and knowledge gaps reveal the need for additional training about marketing portal resources and lead generation, customer education practices, online portal access/navigation, and advanced thermostat installation practices.
- **Recommendation:** To address the inconsistencies in the onboarding and continuous training for Program Allies, i3 Energy should consider further standardizing their training curriculum to ensure uniformity in the number of training sessions and topics covered. The curriculum should consist of essential training modules that all Program Allies are required to complete, with clearly defined objectives and standardized materials. For example, the curriculum could include training on advanced thermostats' basic and advanced energy-saving features, along with strategies for effectively communicating these features to customers. It could also feature demonstrations of thermostat installation practices, workshops on navigating the channel's online portal, and sessions showcasing available marketing materials and their effective use. I3 Energy should also consider the feasibility of recording all such training sessions and posting them to the online portal for Program Allies who may not be able to attend the training live or want to refer to the information later.
- **Finding #3:** Although most Program Allies are satisfied with the channel's new customer acknowledgment form, there is a lack of consistency in the customer education process. Most Program Allies felt the new customer acknowledgment form was a valuable addition to the channel, noting that it provided a helpful checklist for the thermostat installation and customer education process and reduced the number of customer callbacks they received. Nonetheless, findings suggest inconsistencies in the amount of education Program Allies provide customers about their new device. Interviewed Program Allies reported that they typically help the customer program the device's schedule after installation. However, feedback from Program Allies and a limited group of customers (from Leidos' ongoing participant survey) revealed that Program Allies did not always connect customers' devices to Wi-Fi, walk through the phone application for the device, or discuss the device's advanced energy-saving features. Program Allies reported spending 10 to 30 minutes educating customers about how to use their device but noted the time varied by the number of questions customers asked and their level of interest in specific features. This suggests that the level of education customers received from Program Allies was inconsistent and heavily influenced by individual customer's engagement with or interest in the device. Furthermore, only four of 11 Program Allies reported receiving any channel-specific training on customer education practices, and six Program Allies expressed interest in additional training or resources on the subject. Additionally, not all Program Allies reported giving the customer any educational leave-behind resources (including the instructions that came with the product), and only a few specified leaving customers with contact information for them to reference if they encountered difficulties.
- **Recommendation:** I3 Energy should reinforce during onboarding and ongoing training with Program Allies that connecting customers' thermostats to their Wi-Fi and smart devices, in addition to all the items on the customer acknowledgment form, is a mandatory channel requirement. These requirements are not a matter of individual customer preference or comfort level.
- **Recommendation:** Implementation staff should create a standardized list of all the basic and advanced energy-saving features they want Program Allies to communicate to customers in the education process. I3 Energy should provide Program Allies with additional training on these features to ensure they can comfortably talk and answer questions about them. Additionally, implementation staff should consider creating one-page leave-

behind materials highlighting the device's basic usability features and the more advanced features with greater energy-saving potential.

- **Recommendation:** Implementation staff should ensure Program Allies leave customers with their business's contact information and AIC support contact information, should customers need any follow-up assistance.
- **Finding #4:** Since joining the channel, i3 Energy's recruitment efforts have been successful in increasing the size and diversity of the Program Ally network, with a steady flow of new Program Allies enrolling throughout 2024. I3 Energy's efforts to ensure that all Smart Savers-eligible ZIP codes have at least one Program Ally have also been successful, resulting in full coverage as of this evaluation. However, Program Allies remain more concentrated in urban centers and less in rural areas, particularly the rural south. Additionally, due to the challenges i3 Energy experienced in recruiting rural contractors to serve as Program Allies in these areas, much of the expansion in ZIP code coverage resulted from i3 Energy asking existing Program Allies to take on additional areas outside their usual service territories. This approach, while beneficial in that it increased ZIP code coverage and provided Program Allies with the opportunity to increase their Smart Savers project volume, introduced several pain points.

The main pain point noted by some Program Allies was that the time and cost associated with traveling to projects outside their normal service territory were not worth the incentives and business development benefits. As a result, those who took on projects farther away preferred to wait until they received multiple projects in the same area, allowing them to complete several installations in one trip. Although this approach improves efficiencies for the Program Ally and makes the prospect of doing distant projects more appealing, it inherently conflicts with the channel requirement to schedule installations within 10 days of receiving the project lead and complete them within 30 days. I3 Energy tracks and reassigns project leads that are not updated within these time thresholds, which can frustrate Program Allies that would prefer to take this approach.

- **Recommendation:** I3 Energy should explore further strategies for identifying and engaging rural contractors, such as utilizing local networks and community events to build relationships and offering business development support. I3 should continue to source potential candidates through other AIC programs focused on business development (e.g., Diverse Program Ally Incubator, Market Development Initiative).
- **Recommendation:** Although recruiting more Program Allies in rural areas should be the primary strategy for ensuring geographic Program Ally coverage, AIC and implementation staff should continue to allow Program Allies to cover areas outside of their normal service territory and allow them flexibility in scheduling and completing projects located farther away to accommodate their preference for completing these projects in batches.
- **Recommendation:** AIC and implementation staff should consider adding additional incentives, such as higher incentives and travel stipends, for contractors working outside their normal service territory to help offset the cost of traveling long distances to projects.
- **Finding #5:** Most Program Allies are interested in completing multifamily projects through the channel, seeing it as an opportunity to increase their project volume. Historically, the Smart Savers channel has included multifamily participation, with its implementation staff collaborating closely with the Multifamily channel team to ensure that premises were not already served by the Multifamily channel. However, as of May 2024, AIC and implementation staff have different perspectives on whether multifamily premises should be going through the Multifamily channel or the Smart Savers channel. Although AIC reported directing multifamily customers interested in installing advanced thermostats to the Multifamily channel, i3 Energy highlighted their desire to include more multifamily projects through the Smart Savers channel to increase project volume.
- **Recommendation:** AIC and i3 Energy should align their approach to multifamily participation in the Smart Savers channel. As part of this, all parties should consider the benefits and drawbacks of promoting multifamily participation in the Smart Savers channel to increase project volume (thereby also addressing some Program

Ally concerns regarding project availability) versus directing multifamily participation to the Multifamily channel, which offers a more comprehensive measure list and greater energy-saving potential.⁷

- **Finding #6:** Program Allies reported that failed installations were rare and typically resulted from customers being unreachable at their scheduled installation time or their furnace being incompatible with the advanced thermostat. Despite this, channel tracking data identified 73 failed installs in the first three quarters of 2024, with three Program Allies having ten or more failed installations.
- **Recommendation:** The implementation team should follow up with Program Allies reporting a substantial number of failed installations to better understand what prevented them and what actions, if any, could reduce the number of failed installations in the future.
- **Finding #7:** Many Program Allies were already participating in another AIC offering, and nearly all were interested in participating in other AIC energy efficiency offerings, specifically showing interest in the IQ Single Family and Multifamily channels.
- **Recommendation:** Implementation staff should continue utilizing Smart Savers to engage contractors who have yet to participate in any AIC energy efficiency offerings, using it as a launching point to channel them into other AIC offerings.

EVALUATION METHODS

The evaluation team fielded in-depth interviews with all 35 Program Allies actively participating in the Smart Savers channel as of October 2024 (i.e., a census approach).⁸ Of the 35 Program Allies, the channel identified 23 as diverse vendors.⁹ We fielded the interviews between October and November of 2024. We made three attempts to contact Program Allies via email and two attempts through phone. Two Program Allies declined to participate in this study, while 22 did not respond to any outreach attempts. Ultimately, we completed 11 interviews, 9 of which were with diverse vendors.

DETAILED EVALUATION FINDINGS

This section details our findings from the process evaluation. First, we summarize the characteristics of the interviewed Program Allies to contextualize our findings and ascertain the extent to which the sample is representative of the broader populations. Next, we provide detailed evaluation results regarding recruitment and enrollment, onboarding and ongoing training, channel marketing, the Program Ally network, thermostat installation, and Program Ally overall satisfaction.

PROGRAM ALLY CHARACTERISTICS

Understanding the characteristics of the Program Allies we interviewed is key to gauging their representativeness of the larger Program Ally population and contextualizing their feedback on key channel elements. Therefore, we contextualize the detailed results of this research with an aggregated description of the interviewed Program Allies. Specifically, this

⁷ In late 2024, the Smart Savers and Multifamily channels established a standard operating procedure that outlined Program Allies ability to pursue multifamily leads through the Smart Savers channel.

⁸ In early October 2024, i3 Energy provided the research team with a list of 37 Program Ally contacts. The team excluded two Program Allies from this research as one was still in the pipeline to enroll, and one had recently asked to unenroll.

⁹ The channel defines diverse Program Allies as those that are minority, woman, and/or veteran-owned.

summary includes their enrollment timing, motivations for enrolling, the extent of their participation to date, the type of work they focused on outside of the channel, and their participation in other AIC energy efficiency offerings.

Most Program Allies were relatively new to the channel and, outside of participating in Smart Savers, worked in the HVAC and building envelope space. Of the 11 interviewed Program Allies, just over half (6 of 11) had been supporting the channel for less than two years. Time in the channel for the remaining five Program Allies ranged from two to four years. Three of the Program Allies had not yet completed any Smart Savers projects at the time of their interview due to the recency of their enrollment, staff availability, time limitations, or the proximity of projects to their usual service territory. Among the remaining eight Program Allies, estimates of the number of thermostats installed through Smart Savers in 2024 as of October ranged from 12 to 80. The two most common types of work they undertook outside their Smart Savers projects were HVAC (6 of 11) and building envelope upgrades (3 of 11). Other work types included carpentry, commercial refrigeration, general contracting, plumbing, procurement, and social service programming.

Motivations for enrolling in Smart Savers included business development and getting additional projects to supplement existing work. The most common motivator for enrolling in Smart Savers among Program Allies was business development (5 of 11), specifically, using the channel to build their business reputation. This was followed by generating additional projects (3 of 11) and promoting energy efficiency (2 of 11). Other one-off reasons included supporting AIC and generating revenue.

“To be able to say you're a business owner. Coming from where I come from, that wasn't in the cards. To have someone believe in you when most people didn't a lot of your life, that means something to me.”

Several of the Program Allies participated in other AIC energy efficiency offerings beyond Smart Savers; nearly all expressed interest in participating in other AIC offerings in the future. Eight of 11 Program Allies indicated they participated in at least one other AIC energy efficiency offering. Among the other offerings they participated in, the most common were the IQ Single Family channel (5 of 11) and Multifamily channel (3 of 11). Nearly all the Program Allies (9 of 11) expressed interest in participating in additional AIC offerings in the future. Of these Program Allies, three were unsure of what offerings were available, two were interested in the IQ Single Family channel, and two were interested in the Multifamily channel. Other types of offerings Program Allies expressed interest in included efficient lighting for business customers and EV charger installation. This aligns with AIC feedback that the Smart Savers channel acts as a good entry point for new Program Allies into other clean energy AIC offerings, as it is a longstanding, well-developed channel ideal for contractors' first point of engagement with AIC. Additionally, those enrolled will likely be eligible to participate in other offerings (such as IQ Single Family).

RECRUITMENT AND ENROLLMENT

Since its introduction as a third-party implementer, i3 Energy has been responsible for identifying, recruiting, and onboarding new Program Allies. In addition to cold-calling contractors identified via Google search, i3 Energy follows up on referrals from other AIC offerings, including the Diverse Program Ally Incubator, Multifamily channel, Small Business Program, and IQ Single Family channel. Upon reaching these contractors, i3 Energy explains the value proposition of participating and begins enrollment if they agree to participate. The process includes reviewing and submitting several forms (Program Ally Agreement, Company Requested Information, W-9 form, Automated Clearing House form, Certificate of Insurance, and Illinois Commerce Commission Certification). Given i3 Energy's focus on recruiting

additional Program Allies and providing them with a seamless enrollment experience, AIC was interested in learning how Program Allies came to participate in the Smart Savers channel and how they felt regarding ease of enrollment.

The ways Program Allies learned about Smart Savers were consistent with i3 Energy's approach to recruiting new and diverse participants over the past year, with most channeled from another AIC offering. Just over half (6 of 11) of respondents became aware of the Smart Savers channel from another AIC offering, with five learning about it from the Diverse Program Ally Incubator and one from the IQ Single Family channel. These Program Allies typically became aware of Smart Savers because i3 Energy contacted them due to their involvement in these other offerings, or they learned more about the channel during their Diverse Program Ally Incubator classes and sought information independently. Other ways Program Allies learned about the Smart Savers channel included receiving contact from i3 Energy (separate from those i3 Energy contacted given their participation in other offerings; 2 of 11) and Leidos reaching out to them (2 of 11). Only one Program Ally mentioned hearing about the channel through a colleague.

Very few Program Allies expressed any difficulty or dissatisfaction with the paperwork they had to review and submit as part of the enrollment process. Only two Program Allies mentioned any issues with the channel's enrollment forms, with the remaining Program Allies noting that it was straightforward, transparent, and easy to complete. The two Program Allies with concerns noted that the paperwork felt unnecessarily extensive and complicated, with one specifying that they had difficulty completing it electronically and would have preferred to review and sign physical copies. Despite feeling the paperwork was extensive, the second Program Ally specified it was not a problem as i3 Energy was readily available to assist with any troubleshooting.

ONBOARDING AND ONGOING TRAINING

After completing the required digital paperwork and being formally enrolled in the Smart Savers channel, Program Allies must attend training sessions with i3 Energy to navigate the channel's online portal, submit invoices and customer acknowledgment forms, and use the marketing portal. I3 Energy reported recently introducing ongoing training opportunities for existing Program Allies, covering topics such as utilizing the channel's marketing portal and best practices for installing advanced thermostats. They recently added weekly online office hours for Program Allies and have been working with product supplier Green Home Experts to offer ecobee® and Sensei®-specific training.¹⁰ I3 also plans to offer additional training sessions in the future. Given i3 Energy's focus on properly educating Program Allies on channel requirements, processes, and opportunities, AIC was interested in exploring what Program Allies thought about the training they received as part of onboarding and on an ongoing basis, as well as any knowledge gaps that may still exist.

Program Allies were satisfied with the quality and content of the training they received as part of onboarding and on a continuous basis. However, not all had received onboarding or additional training since beginning their participation. Four of 11 Program Allies, only one of which enrolled in the channel before i3 Energy joined as an implementer, reported receiving no training during the channel onboarding process. Additionally, four reported they had not received any additional ongoing training since becoming involved with the channel. Those who received onboarding training were satisfied with its quality and thoroughness. They noted that topics covered included navigating the channel's online portal (7 of 11), thermostat installation practices (5 of 11), a general overview of the channel (4 of 11), and expectations for participation (5 of 11). Program Allies were also satisfied with the quality of the ongoing training opportunities and mentioned that these training sessions mainly covered online portal navigation (3 of 11) and invoice

¹⁰ At the time of this evaluation, Sensi ST55 thermostats were not offered by the Smart Savers channel; however, implementation staff are currently working on adding them.

submissions (2 of 11). One Program Ally mentioned that it would be helpful if the training sessions were recorded, as his busy schedule prevented him from attending all sessions.

The main knowledge gaps and points of confusion that present opportunities for future channel training include online portal access and navigation, marketing portal resources, lead generation expectations, customer education practices, and advanced thermostat installation practices.

- **Marketing portal resources and lead generation:** As previously mentioned (and discussed in further detail in the “Channel Marketing” section of this memo), the channel has shifted towards a Program Ally-led marketing approach over the past year. With this change, Program Ally awareness and usage of the channel’s marketing portal became vital to generating project leads. Five Program Allies were not familiar with or had not reviewed the channel’s marketing portal. Program Allies expressed limited interest in learning more about the channel’s marketing resources, with none expressing they wanted more information about it as part of onboarding and only one being interested in ongoing training on the topic. Additionally, all (11 of 11) Program Allies were unaware of the expectation that they would need to do their own marketing to generate leads. They were operating under the assumption that AIC and the implementation team would generate and distribute leads to them. Further, six expressed disappointment that the volume of projects they received from AIC fell short of their expectations, and three noted that project volume expectations were unclear when they enrolled. Together, these findings suggest the need for more upfront and ongoing training on channel expectations regarding project volume and the importance of Program Ally-led marketing to promote lead generation.

“Channel staff gave me the impression that I was going to get jobs here in my town, and then they gave them to somebody else.”¹¹

“When the program was first explained to me, I was under the impression that they had a list of customers that needed thermostats that we would receive and install each week.”

- **Customer education practices:** Most Program Allies (8 of 11) agreed that the onboarding training effectively clarified channel expectations regarding customer education. However, many (7 of 11) did not receive channel-specific training on educating customers on their new advanced thermostats as part of onboarding or otherwise. Instead, they often learned through online videos (e.g., YouTube), other training provided by different AIC programs, and prior experience educating customers about thermostat installation. When prompted about additional resources that would help improve the customer education process, Program Allies mentioned leave-behind materials with instructions for the customers (2 of 11), video tutorials for customers (2 of 11), and video training for Program Allies (2 of 11).

¹¹ Notably, Leidos distributes leads to the Program Ally customers select on their channel application. Leidos only redistributes this lead in cases where the selected Program Ally is unable to complete the installation in a timely manner. Implementation staff have communicated to all Program Allies how project leads are distributed and the conditions under which they may be redistributed.

“I've got several guys who know how to install advanced thermostats, as far as the wiring and everything. However, there are only a couple that I trust with installing advanced thermostats for customers because there's a lot more to it in terms of explaining to the homeowner how to navigate through everything on the thermostat. It'd be nice if they had training on the menus and features of the device.”

- **Online portal access and navigation:** Program Allies primarily use the channel’s online portal to update the status of Smart Savers leads and submit project invoices and customer acknowledgment forms to receive incentives. Three Program Allies mentioned they had difficulty logging into the portal but noted that i3 Energy was very responsive and helped them regain access to the system. Three Program Allies encountered challenges navigating the portal, all highlighting difficulties arising from changes made to the portal over time. Two suggested providing more onboarding training on the topic, and one emphasized the need for additional ongoing training. Program Allies also recommended making the portal more user-friendly to simplify login and navigation.

“I learned most of that portal by myself, and it took me, well, probably six months to get my first payment because I didn't know how to use the portal properly or they changed something. We were getting ready to get out of the program over it.”

“When it was time to become onboarded, that's when I got in touch with i3 Energy and they guided me through it. That was a little hurdle for me at the beginning because I'm not really tech-savvy. So when it came down to getting on the portal and learning how to work the portal, that was a stumbling block. But again, we got through it, and all was well.”

- **Advanced thermostat installation practices:** Program Allies did not express any concerns about their ability to install advanced thermostat devices in customer homes correctly. However, two recommended that device installation training be added to onboarding, and three expressed interest in ongoing training opportunities on the subject.

CHANNEL MARKETING

Over the past year, AIC reduced email outreach for energy efficiency programs to avoid customers unsubscribing due to high email volume. Given the reductions in AIC email communications and the lack of a Google Blitz campaign for 2024 (which drove substantial participation in 2023), the implementation team began exploring new marketing strategies to drive customer participation. In addition to attending large events and sending bill inserts, Leidos and i3 Energy increased their efforts to encourage Program Allies to market the channel independently. As part of this, i3 Energy began incorporating a review of the marketing portal and pre-approved materials into channel onboarding and offering continuous marketing training and support. The i3 Energy team was surprised that more Program Allies did not use the materials but noted that motivating them to market the channel was challenging as they were accustomed to receiving all their leads from Leidos. From Leidos’ perspective, Program Allies need to market the channel themselves to drive more revenue, but many likely lack the bandwidth, especially during the busy summer season. Given the recent shifts in marketing strategy, AIC was interested in gauging what types of outreach Program Allies were doing, the barriers they faced in marketing, and how the channel could support them in overcoming those challenges.

Program Allies were satisfied with the content and quality of the co-branded materials available on the channel's marketing portal. However, few utilized the resources, indicating a preference for marketing strategies that aligned with their existing practices and did not require additional time or resource commitments. As previously mentioned, five Program Allies were not familiar with or had not reviewed the channel's marketing portal, and all (11 of 11) were unaware of the expectation that they would need to do their own marketing to generate leads. Those who had seen the marketing collateral felt the materials were comprehensive and had no recommendations for improving the design or submission process for these items. Nonetheless, only three Program Allies indicated they had ordered and distributed materials from the portal. Those who promoted the channel favored word-of-mouth (5 of 11) and door-to-door strategies (4 of 11), leveraging opportunities to market it while visiting homes for other projects or engaging with members of their community. Most Program Allies (8 of 11) also direct eligible customers to the Smart Savers channel if they call with a thermostat issue or are looking for a thermostat replacement. Program Allies doing door-to-door marketing anticipated difficulty reaching customers during the winter months. They also noted that door-to-door and word-of-mouth strategies were ineffective at reaching customers located further away.

Despite the general lack of familiarity and usage of the channel's marketing materials, most Program Allies were generally not interested in more training or additional support on channel marketing, given their limited bandwidth to market the channel themselves. When asked about the types of support Program Allies need to market the channel more effectively, the majority (6 of 11) felt they did not need additional support, either because they were set in their marketing strategies (3 of 11) or not interested in marketing the channel at all (3 of 11). Most Program Allies generally felt that, given their current workload, the effort required to plan and execute their own channel marketing efforts outweighed the benefits of generating additional leads. Of the four Program Allies who identified ways the channel could support them with marketing, two wanted more assistance with marketing planning, one wanted more physical materials, and one wanted better transportation to promote the channel.

Most Program Allies cross-promote other AIC energy efficiency offerings when they complete Smart Savers projects. More than half of the Program Allies (6 of 11) reported promoting other AIC offerings to their Smart Savers customers, most commonly IQ Single Family (4 of 11). Other offerings they indicated promoting included the Multifamily channel and Small Business Direct Install (SMDI) channel. When cross-promoting, Program Allies typically provide customers with online resources or details on how to get involved, either verbally or by providing online sources.

PROGRAM ALLY NETWORK SIZE, DIVERSITY, AND COVERAGE

The i3 Energy team has three main goals for the Smart Savers channel's Program Ally network: expanding its overall size, increasing the participation of diverse contractors, and expanding its coverage across eligible ZIP codes. Given the importance of a robust Program Ally network to the channel's implementation, AIC was interested in assessing how the channel and i3 Energy performed on all three fronts.

NETWORK SIZE AND DIVERSITY

Before 2024, Smart Savers channel leads were mainly generated through AIC outreach efforts. During this time, there was little emphasis on enrolling additional Program Allies, as implementers had limited leads to distribute and sought to avoid oversaturating areas with too many. With the shift to a Program Ally-led marketing strategy, i3 Energy posited that boosting Program Ally saturation would foster competition, motivating Program Allies to take charge of their own marketing efforts. With this, i3 Energy increased its efforts to grow the overall network size, focusing on enrolling diverse contractors.

i3 Energy's recruitment approach of using cold-calling and referrals from other AIC offerings has been fruitful in growing the size and diversity of the Smart Savers channel Program Ally network. Between September 2023 and October 2024, the number of Program Allies increased from 17 to 35, 23 of which were considered diverse. Of the 23 diverse Program Allies, 15 were classified as minority-owned, 11 as woman-owned, and five as veteran-owned. i3 Energy tracking data from September 2024 identified an additional 141 contractors they contacted about the channel that had not enrolled, 109 of which they identified from another AIC offering.

NETWORK COVERAGE

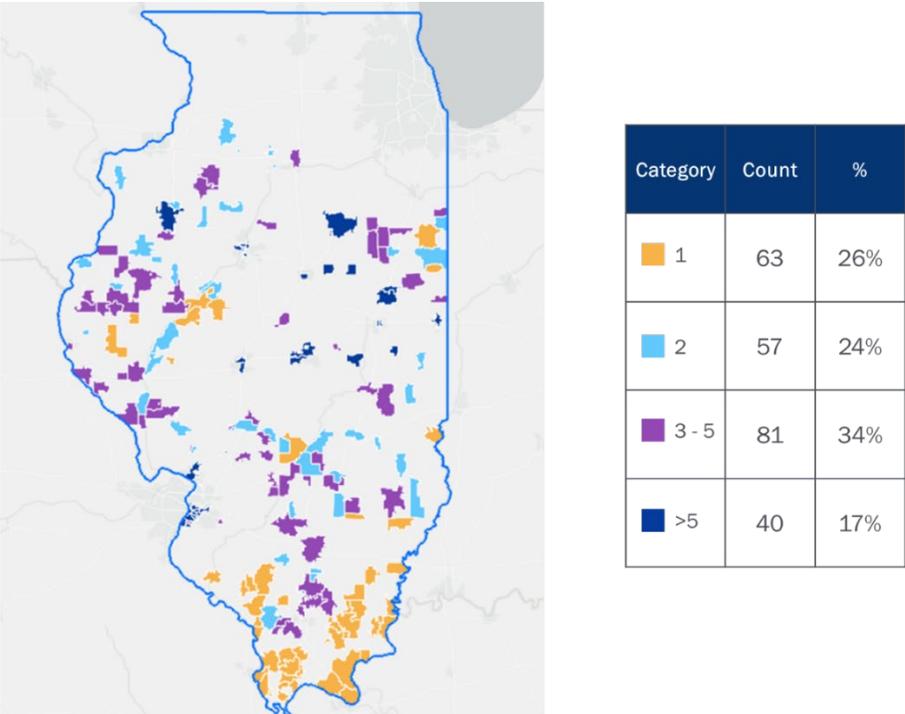
Over the past year, i3 Energy has significantly increased Program Ally coverage across Smart Savers eligible ZIP codes, achieving full network coverage as of this evaluation.¹² The i3 Energy team achieved this by enrolling new Program Allies and encouraging existing Program Allies to add ZIP codes outside their normal service territory to the ZIP codes they serve through the channel. The i3 Energy team made considerable efforts to enroll new Program Allies in rural areas not covered by the existing network. However, when they encountered resistance from rural contractors, they shifted to requesting existing Program Allies to serve these areas. Given that broad Program Ally coverage is essential for serving all eligible ZIP codes under the channel's Program Ally-only installation model, AIC wanted to evaluate how effectively they met this objective.

Although all Smart Savers eligible ZIP codes had at least one Program Ally as of this evaluation, Program Allies are concentrated in the city centers and spread thin across other areas, particularly the rural south. As of September 2024, all 241 Smart Savers eligible ZIP codes were served by at least one Program Ally. However, 26% of all ZIP codes only had one Program Ally, 24% had two Program Allies, and 34% had between three and five Program Allies, leaving 16% with more than five. Figure 1 depicts the density of Program Allies servicing each eligible ZIP code. Notably, one Program Ally committed to serving every eligible ZIP code during enrollment, which is highly questionable given the financial and time barriers such a commitment presents. Without the coverage provided by this Program Ally, the channel is left with 63 eligible ZIP codes without a Program Ally and 57 ZIP codes that drop from having two Program Allies to just one.¹³

¹² Full network coverage means that at least one Program Ally is assigned to all eligible ZIP codes.

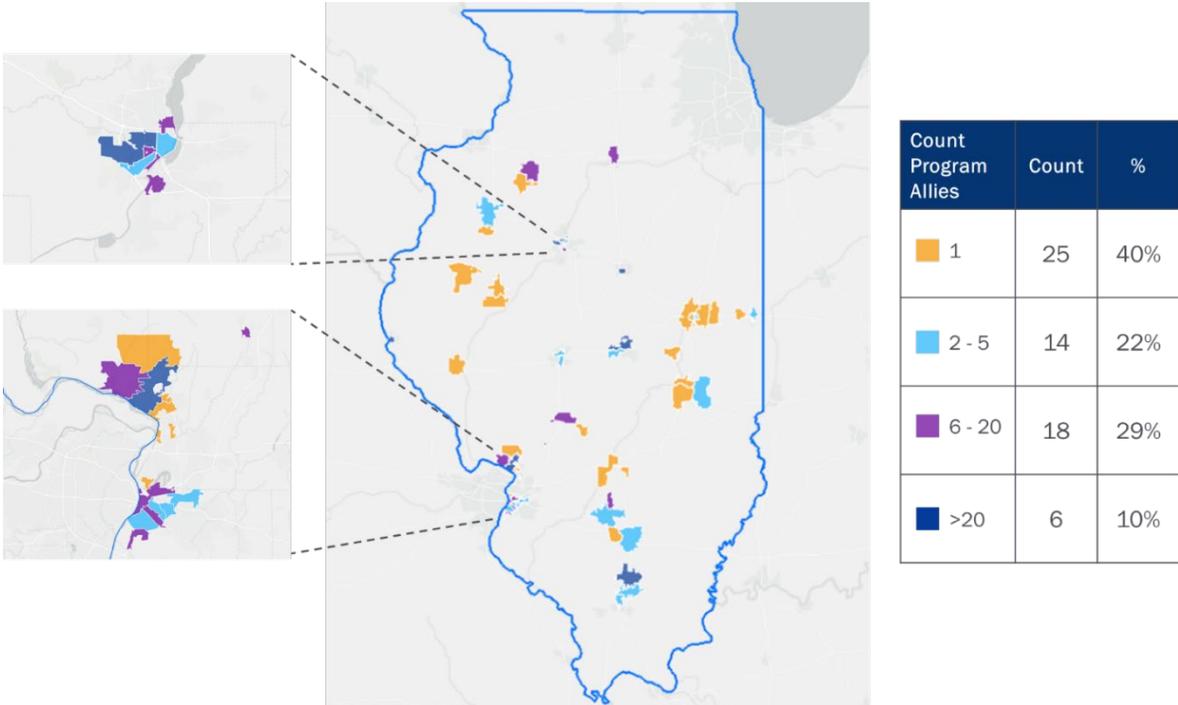
¹³ As of March 2024, the Smart Savers channel Program Ally network covered 91% of eligible ZIP codes and 98% of eligible customers.
Opinion Dynamics

Figure 1. Smart Savers Channel Program Ally Network Density (September 2024)



The ZIP codes with the most complete Smart Savers projects as of October 2024 align with the city centers with the greatest population and number of enrolled Program Allies. As seen in Figure 2, projects were most concentrated in the Peoria, St. Louis, Decatur, Bloomington, and Benton areas. Notably, of the 63 unique ZIP codes served in this time frame, 40% only had one project completed in the ZIP code and a further 22% only had two to five.

Figure 2. Smart Savers Channel 2024 Project Density (October 2024)



Although having existing Program Allies expand the ZIP codes they serve improves network coverage, feedback from AIC staff, implementation staff, and Program Allies highlights its connection to implementation challenges and satisfaction concerns. Five of the 11 Program Allies reported serving ZIP codes outside their usual service territory for the Smart Savers channel. These Program Allies decided to serve additional areas for various reasons, including supporting AIC, increasing their volume of Smart Savers projects, and expanding their customer base. However, when reflecting on their decision to serve additional ZIP codes, all five Program Allies indicated they did so without fully considering the associated time and travel constraints. In practice, taking on these distant projects presents challenges for Program Allies, as income and business development benefits do not make up for the associated travel and staffing costs. Consequently, these Program Allies find it more effective to wait until they have multiple projects in an area so they can complete several installations in one trip. Although this approach improves the value proposition for Program Allies traveling further for Smart Savers projects, it inherently conflicts with the channel requirement that installations be scheduled within 10 days and completed within 30 days.

To address scheduling delays, i3 Energy tracks project leads that take too long and reassigns them to other Program Allies when necessary, which can frustrate the Program Allies utilizing this strategy. i3 Energy also recounted a past situation in which a Program Ally committed to servicing a portion of Illinois but found they could not reach that area as time progressed, leading them and i3 Energy to jointly decide it was best for them to unenroll. Notably, i3 Energy provides Program Allies with some flexibility in scheduling. Although Program Allies are expected to schedule within 10 business days of receiving a lead, i3 Energy typically does not follow up on project status until after 15 days.

“I wasn't getting the volume like I expected, and the volume I did get was far away. I had to rent a hotel room and a rental car just to do one or two jobs in the area. I wasn't expecting that. I was under the impression that Ameren would have a bunch of customers who were already ready to go in my local area. That's what I was told. I only got a few in my area, and that kind of discourages me.”

Program Allies' feedback suggests a relationship between dissatisfaction with project volume, geographic Program Ally density, lack of Program Ally-led marketing efforts, and the number of leads available in Program Allies' typical service territories. As mentioned, six Program Allies were disappointed with the volume of projects they received from AIC, and three indicated they felt project volume expectations were unclear when they enrolled. One Program Ally expressed feeling misled, as they signed up for the channel thinking they would receive project leads for customers in their area; however, they later learned that all the leads in their area were distributed to a different Program Ally that served the territory. Another Program Ally highlighted that they would go three to four months without receiving any project leads, and another received only two to three project leads monthly. Concerns about individual Program Ally project volume are supported by 2024 tracking data through October, which shows that of the 35 Program Allies in the data, about half (17 of 35) installed five or fewer thermostats through the channel in the first three-quarters of the year, with nine of those installing no thermostats.

Program Allies' concerns related to project volume are also tied to their challenges securing projects in their typical service area. One Program Ally noted that only 5% of their leads were in their typical service territory, and another shared that they were only offered projects outside of their service area as the opportunities near their business were given to other Program Allies. As discussed earlier, project volume has been a challenge channel-wide in 2024, with Program Ally thermostat installations lagging compared to 2023 (554 thermostats in 2024 as of October, compared to 1,622 in 2023) due to a downsize in AIC-led marketing and increasing advanced thermostat market saturation. This issue is exacerbated for individual Program Allies. As the number of Program Allies in the same location increases, AIC's limited marketing is not generating enough leads to distribute sufficient work to each Program Ally. The theory that this dynamic would lead to increased pressure on Program Allies to do their own marketing and generate their own leads

has not yet materialized because Program Allies are generally not aware that they need to do their own marketing if they want to generate substantial project leads and, even if they are, they do not have the capacity to do so.

THERMOSTAT INSTALLATION PROCESS

Over the past year, the Smart Savers channel underwent significant design changes, which have implications for the thermostat installation process and experience. Additionally, recent research on the Smart Savers channel has focused on customer sentiment rather than the Program Ally experience. Given this, AIC wanted to better understand Program Allies' processes for scheduling and completing Smart Savers projects.

The Smart Savers thermostat installation process is thorough and consistent across Program Allies, leading to a positive customer experience. Interviewed Program Allies generally follow similar steps during their typical thermostat installation process. Upon entering the home, they greet the customer and walk through the customer acknowledgment form before taking the necessary steps to install the advanced thermostat. This process involved verifying the furnace's compatibility, safely disconnecting the home's power, installing the thermostat, ensuring proper wiring connections, and restoring power. Once the device is installed, the Program Ally helps the customer program the advanced thermostat schedule, walks the customer through the device's essential functions, and answers any questions that may arise (further detail included in the "Customer Education" section of this memo). Customer feedback from Leidos' ongoing participant survey (i.e., a survey Leidos sends to all customers after advanced thermostat installation) suggests the thermostat installation process is working well. When asked how likely they were to recommend the channel to others, 42 of the 51 survey respondents from 2024 said they were very likely to recommend it, three were somewhat likely, and six were very unlikely.¹⁴ When asked how easy it was to schedule their thermostat installation, 41 respondents indicated it was very easy, and a further six felt it was somewhat easy.¹⁵ Only one respondent felt it was very difficult, one somewhat difficult, and two found it neither easy nor difficult.

Interviewed Program Allies reported minimal instances of failed installations, but channel tracking data suggests the issue may be slightly larger than interview feedback suggests. Only four of the 11 Program Allies reported having any failed installations. These Program Allies indicated failed installations were infrequent and primarily due to customer unavailability (i.e., customers not answering the phone or the door at scheduled appointment time) and furnace-thermostat incompatibility. One Program Ally noted ongoing challenges with the Google Nest E thermostats they received from the channel, noting they now brought multiple devices to each installation because they found the devices were inoperable about half the time. Although Program Ally feedback suggests minimal instances of failed thermostat installations, 2024 tracking data reports 73 failed installs as of October, which is fairly substantial compared to the 554 thermostats installed successfully in the same period. Notably, the four Program Allies we interviewed with failed installations only accounted for 15% of the 73 failed installs. Five of the remaining eight Program Allies we did not interview had between one and six failed installs, and three had ten or more. Among the six respondents to Leidos' participant survey who stated they were very unlikely to recommend the Smart Savers channel, five reported that their Program Ally did not install an advanced thermostat during their visit. This suggests that these cases involved failed installations, negatively influencing their perception of the channel.

Despite implementation staff holding a meeting with all Program Allies at the beginning of 2024 regarding Smart Savers shifting to a Program Ally-only installation model, most interviewed Program Allies were not aware of the switch; however, it had minimal impact on their participation. As previously mentioned, the Smart Savers channel transitioned to a Program Ally-only installation model in 2024. The majority (7 of 11) of Program Allies were unaware that the channel had transitioned to this model. Notably, two Program Allies mentioned leaving advanced thermostats behind

¹⁴ Response options included very likely, somewhat likely, neither likely or unlikely, somewhat unlikely, and very unlikely.

¹⁵ Response options included very difficult, somewhat difficult, neither easy nor difficult, somewhat easy, very easy

for self-installation but specified this was a rare occurrence and only occurred if there were time constraints in the home. While Program Allies generally felt that the change in the model did not affect how they engaged with the channel, their lack of awareness about the change likely contributed to their limited marketing efforts.

A few Program Allies noted delays in receiving channel incentive payments. Two Program Allies noted that the payment processing time following thermostat installation could be improved. One Program Ally specified that implementation staff told them that incentive payment should typically be processed within three to five business days after submitting the invoice and customer acknowledgment form, but in their experience, it often took 10 to 14 days.

There seem to be differing views between AIC and members of the implementation team regarding whether multifamily properties should receive advanced thermostats through the Smart Savers channel or the Multifamily channel. As previously mentioned, multifamily participation in Smart Savers has been low, with only seven multifamily participants in 2024 as of October. AIC staff noted that, although multifamily properties are eligible to participate in the Smart Savers channel, they typically refer them to the Multifamily channel, as that is the more appropriate offering for them to participate in. Leidos did not report channeling eligible multifamily properties from Smart Savers into the Multifamily channel. Still, they reported that when multifamily properties apply for Smart Savers, they always reach out to the Multifamily channel to ensure they are not already serving the property. I3 Energy reported seeing multifamily projects as a big opportunity for growing Smart Savers project volume, indicating they wanted to do more in the future. All 11 Program Allies also expressed a strong interest in completing Smart Savers projects at multifamily premises despite not having done so thus far.

CUSTOMER EDUCATION

In 2024, the channel strengthened its focus on customer education to enhance customer satisfaction, increase customer awareness of the thermostats' energy-saving features, and minimize post-installation service requests. Opinion Dynamics' 2023 participant survey identified gaps in customer education, with a third of survey respondents indicating that their Program Ally did not teach them how to use their thermostat and that most of them underutilized their devices' features. I3 Energy now highlights the importance of on-site customer education during Program Ally onboarding and as part of ongoing training. The channel also introduced a customer acknowledgment form that serves as a checklist for Program Allies to confirm they walked the customer through thermostat setup and usage (including Wi-Fi and smart device connectivity). Learning about the technology also gives customers a final opportunity to opt out of installation. Since the channel covers the costs of post-installation requests to service or remove advanced thermostats, AIC hoped the new form would help reduce these occurrences. Given the prioritization of customer education, AIC was interested in learning whether Program Allies offered consistent and thorough education to customers, how customers responded to such education, and whether the education led to fewer service requests.

Most Program Allies felt the new customer acknowledgment form provided a useful checklist for Program Allies, gave customers a clear understanding of what to expect regarding the device's installation and features, and decreased customer callbacks. Program Allies (11 of 11) expressed that the form effectively served its purpose. Three indicated that the form reduced the number of callbacks they received looking for help with the device or requesting removal. Nine stated that the form was a useful checklist, ensuring they communicated all the necessary information to the customer. Only one Program Ally provided constructive feedback, suggesting that the implementation team should eliminate some redundant information to make the form shorter.

Program Allies consistently helped customers program their advanced thermostat schedule, and most connected the device to the home Wi-Fi. Fewer provided additional guidance on the other energy-saving features of the device. All Program Allies helped set the device's schedule, and most indicated connecting it to Wi-Fi. Program Allies reported spending 10 to 30 minutes educating customers on how to use the device, noting that time spent depended on the

number of questions the customers had and their interest in specific features. Program Allies' education on device functionality typically included Wi-Fi and smart device connectivity (7 of 11), device energy-saving capabilities (5 of 11), and scheduling options (4 of 11). Six Program Allies reported leaving the instructions that came with the product with the customer, and four provided their contact information, such as a business card.

Consistent with our interview findings, only three of 51 Leidos participant survey respondents indicated their Program Ally did not offer any education about their device. In contrast, 11 of 51 survey respondents reported that their Program Ally did not connect their advanced thermostat to the home Wi-Fi. This raises questions about whether the Program Ally failed to connect the device to the internet or if it was connected, but the customer was not aware of the connection and the additional energy-saving features it enabled. Additionally (and as mentioned in the "Onboarding and Ongoing Training" section of this memo), only four of the 11 Program Allies received channel training on customer education, and multiple Program Allies identified ways AIC could support their customer education efforts in the future (leave-behind materials and video tutorials for customers, online video training for Program Allies).

"A lot of our clients just want a new thermostat, and so we'll have a lot of people who won't even be interested in having it hooked up to an application to be able to use from their phone or anything like that. The short answer, how much education we provide depends on what the client would like to be informed about. Typically, we just ask if they'd like to be talking about all the different functions."

"Thinking of our demographic, if we had just a one-sheeter that said how to turn it off, how to turn it on, how to change from cool, and how to change from heat. We don't have to get into the nitty-gritty of scheduling and all that. That's, I know, in the booklet that comes with the device. And that's fine. But just the very everyday basics, I think people would appreciate that very much."

PROGRAM ALLY SATISFACTION

Despite recognizing areas for improvement in channel implementation, most Program Allies expressed a high level of satisfaction and a strong overall sense of success with the channel. The majority of Program Allies (7 of 11) were satisfied with the channel overall, rating their satisfaction with the channel as a four or five on a one-to-five scale. They emphasized the level of support and assistance provided by the implementation team and the channel's role in creating job opportunities that contribute to their business operations. Four Program Allies rated the channel a three or less. Their reasons for dissatisfaction echo previous insights, highlighting a desire for swifter payment processing, enhanced support with the portal, a more consistent flow of projects, and improved clarity of communication.

"As soon as we get the application, every part of the program benefits our clients, which is our main concern. Our largest success with the program is just being able to install the thermostats. Our clients love them, and we like to do them. It's good for everyone."

"I am satisfied with the program because it supports my business. They show you different strategies, how to make it work for you, and it actually works. They're not just giving you something and saying, 'Here, figure it out.' They show you the blueprints of what has been working for other contractors that's already been figured out. I like the support system."

Most Program Allies were highly satisfied with their experience working with i3 Energy. Seven of the 11 Program Allies expressed only positive sentiments about their experience with the i3 Energy team, citing i3 Energy's promptness and level of support during the enrollment process and beyond. Four shared concerns about their experience working with i3 Energy. These concerns included the time it took to obtain payment, expectations about project volume and travel time not being met, and issues with communication clarity. Implementation staff clarified that payment delays were often due to Program Allies improperly completing customer acknowledgment forms or not submitting necessary materials (necessitating follow-up). Two Program Allies shared concerns with the tone of communication. Program Allies offered limited suggestions for improving their collaboration with i3 Energy either because they only had positive interactions with the implementer, or they had no recommendations to share. However, one highlighted the need to improve communication clarity going forward.