

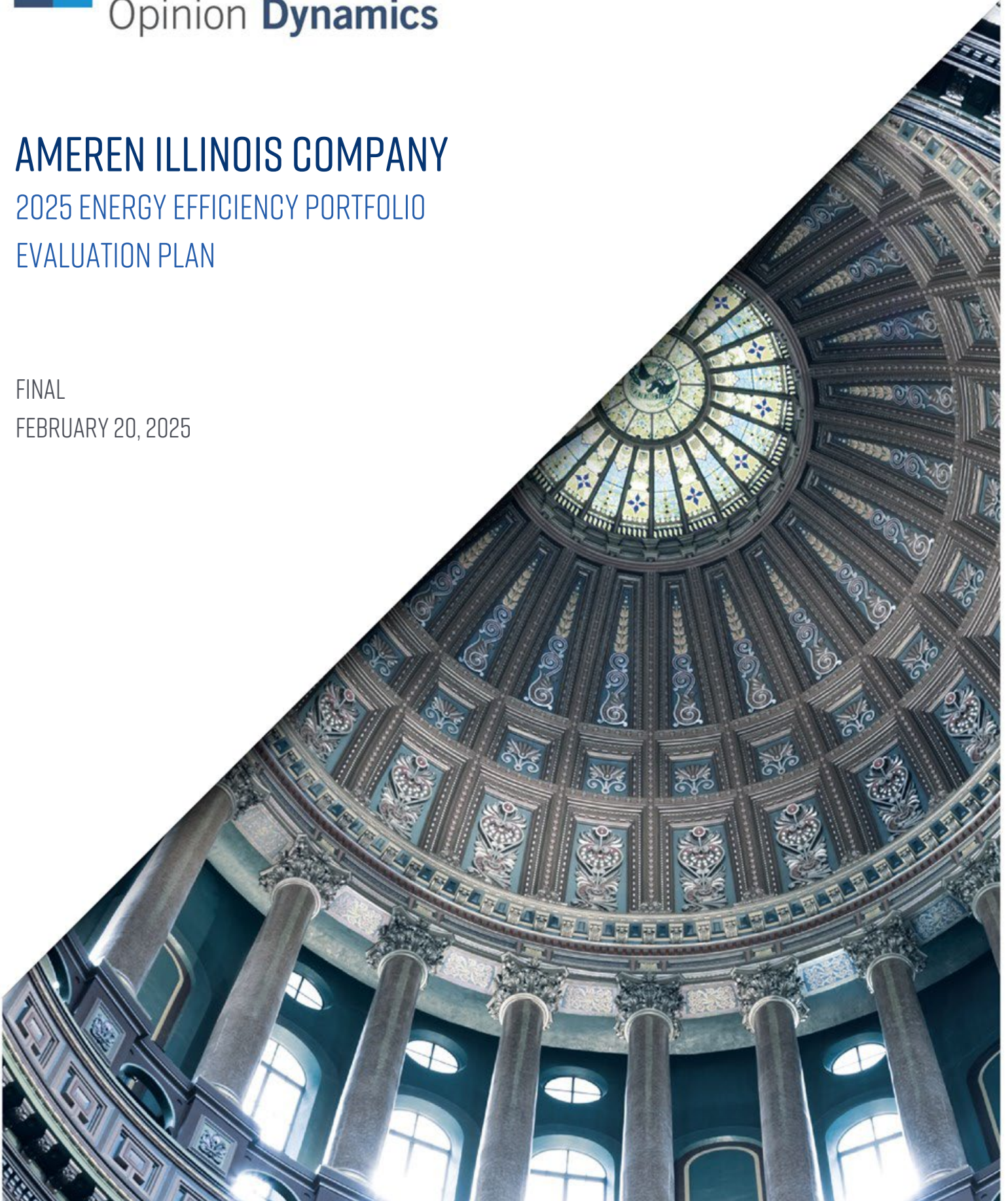


Opinion **Dynamics**

AMEREN ILLINOIS COMPANY

2025 ENERGY EFFICIENCY PORTFOLIO EVALUATION PLAN

FINAL
FEBRUARY 20, 2025



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I. INTRODUCTION

This document presents the 2025 update to the multi-year evaluation plan for Ameren Illinois Company's (AIC) sixth Electric and Gas Energy Efficiency and Demand Response Plan, covering calendar year 2025. Opinion Dynamics, along with its subcontractors Guidehouse, Inc., Michaels Energy, INCA Energy Efficiency, Utilivate Technologies, and Ridge & Associates ("the evaluation team"), has been contracted by AIC to provide independent evaluation, measurement, and verification (EM&V) services for the 2022-2025 ("Plan 6") portfolio.¹ In this document, we provide a detailed evaluation plan capturing the specific efforts planned to evaluate the 2025 program year.

The primary goal of annual evaluation efforts is to determine the electric energy, electric demand, and gas savings from AIC's energy efficiency program offerings, as well as what steps, if any, could be taken to optimize program performance from either an energy savings or customer satisfaction and engagement perspective. Findings from the evaluation process may be used by AIC and relevant stakeholders to demonstrate progress against savings targets, modify program design and operations, inform strategies to achieve deeper program savings, and ensure customer satisfaction and cost-effectiveness.

The following sections describe the AIC energy efficiency portfolio to be evaluated, as well as key evaluation considerations guiding the evaluation team's approach and planned outcomes.

I.1 LEGISLATIVE MANDATES INFORMING ENERGY EFFICIENCY AND EVALUATION

AIC's Plan 6 portfolio is governed by components of Illinois state law (220 ILCS 5/8-103B ["Section 8-103B"] and 220 ILCS 5/8-104 ["Section 8-104"]) which directs large, regulated utilities to offer electric and gas energy efficiency programs. Plan 6 was filed by AIC and approved by the Illinois Commerce Commission (ICC), while versions of Section 8-103B and Section 8-104 that were revised as part of Senate Bill 2814 (the Future Energy Jobs Act, or "FEJA") were in effect, and therefore was designed to meet the requirements presented in FEJA.

Specifically, FEJA introduced changes to utility electric savings targets, planning cycles, and requirements, and to performance incentive mechanisms that continue to be relevant to both the implementation and evaluation of electric energy efficiency programs:

- **Cumulative Persisting Annual Savings (CPAS):** Since 2018, electric energy savings goals for Illinois utilities have been primarily defined based on persisting savings as a percentage of sales. As such, annual evaluations of AIC's electric energy efficiency programs must present both annual and persisting savings over the life of delivered measures. As a result, AIC and its program implementer have also sought to deliver programs that achieve savings that persist for a longer period of time.
- **Weighted Average Measure Life (WAML):** FEJA replaced the existing funding mechanism for electric energy efficiency in Illinois by allowing AIC to create a regulatory asset and amortize and recover the total expenditures of that regulatory asset "over a period that is equal to the weighted average of the measure lives implemented for that year that are reflected in the regulatory asset."² Therefore, annual evaluations of AIC's electric energy efficiency programs must present a WAML in accordance with the guidelines for calculation presented in the Illinois Energy Efficiency Stakeholder Advisory Group's (SAG) WAML Report.³

¹ Approved by the ICC in Docket 21-0158: <https://www.icc.illinois.gov/docket/P2021-0158>.

² Illinois Energy Efficiency Stakeholder Advisory Group. *Weighted Average Measure Life Report*. 2018.

³ Ibid.

- **Applicable Annual Incremental Goal (AAIG):** Section 8-103B allows AIC to earn a rate of return on their energy efficiency spending if they create a regulatory asset, as discussed above. The rate of return that is earned can be adjusted either up or down as a function of AIC’s performance relative to its AAIG. The AAIG is defined as the difference between the cumulative persisting electric savings goal for the year being evaluated and the cumulative persisting electric savings goal for the previous year. AIC must achieve sufficient savings through its programs to replace savings from measures at the end of their measure life before progress can be counted toward the AAIG. Therefore, annual evaluations of AIC’s electric energy efficiency programs must assess AIC’s performance against its AAIG.
- **Third-Party Programs:** Section 8-103B requires that as a component of its portfolio, AIC must request proposals for energy efficiency programs from third-party vendors and select third-party programs to fund in an amount of no less than \$8.35 million annually.
- **Low-Income Energy Efficiency Advisory Committee (LIEEAC):** Section 8-103B directed the Illinois electric utilities to “convene a low-income energy efficiency advisory committee to assist in the design and evaluation of the low-income energy efficiency programs.”⁴

On September 15, 2021, after Plan 6 had been filed and approved, Illinois Public Act 102-0662 (the Climate and Equitable Jobs Act, or “CEJA”) was signed into law. CEJA introduced further changes to electric energy efficiency that will inform both the implementation and evaluation of Plan 6. The following changes have had a particular effect on Plan 6:

- **Electrification:** CEJA included statutory language that enabled electric utilities to use their energy efficiency programs to offer and promote measures that electrify end uses, such as space and water heating, that would otherwise be served by fossil fuels.

As a result, AIC has pursued program strategies in Plan 6 that seek to begin limited electrification activities. In particular, the utility has launched targeted efforts to electrify end uses for low income customers currently served by delivered fuels, such as propane.

- **Large Customer Opt-Outs:** As a provision of FEJA, all nonresidential electric customer sites with peak 15-minute demand greater than 10 MW became ineligible to participate in utility energy efficiency programs as of June 1, 2017. This change significantly affected AIC’s electric energy efficiency programs, which had historically achieved a large amount of electric energy savings from these customers. AIC made several changes to the Business Program in the 2018-2021 cycle to compensate, including significantly increased investment in small business-focused efforts.

CEJA modified this provision significantly. All previously exempt public sector customers are once again eligible for AIC programs. Previously exempt private sector customers have the option to opt-out or participate in AIC programs, and if they choose to opt out, they may further exempt any other sites associated with their business even if their peak 15-minute demand is not greater than 10MW.

- **Savings Conversion:** A provision of FEJA allowed electric utilities to “convert” non-electric energy savings achieved to electric savings for the purposes of goal attainment in certain cases. The total amount of savings allowed to be converted was capped at a maximum of 10% of the utility’s AAIG as part of FEJA. Updates in CEJA increased the conversion cap to 10% of the utility’s annual applicable total savings requirement (a number significantly higher than the AAIG), which increased the ability of electric utilities to claim alternate fuel savings achieved through their programs against their goals.
- **LIEEAC:** Updates in CEJA further clarified the role, responsibilities, and makeup of the LIEEAC and allocated funding to support the LIEEAC. In particular, CEJA explicitly defined the LIEEAC as being made up of two geographically differentiated subcommittees, one for stakeholders in northern Illinois and one for southern Illinois.

⁴ 220 ILCS 5/8-103B(c).
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The southern Illinois subcommittee operates as the Income Qualified South (IQ-S) Energy Efficiency (EE) Advisory Committee (“IQ-S EE Committee”) and directly informs the design, implementation, and evaluation of AIC’s energy efficiency portfolio

Throughout Plan 6, we have actively engaged with AIC, ICC Staff, the SAG, and the IQ-S EE Committee on these issues, as well as collaborated with other evaluation teams in the state to ensure the evaluation of Plan 6 achieves these key objectives. These stakeholders have all received the opportunity to review and comment on this evaluation plan and we thank them for their input.

2. EVALUATION POLICIES AND DEFINITIONS

This plan is informed by a thorough review of key documents guiding energy efficiency policy in Illinois, including:

- The governing statutes for electric and gas energy efficiency in Illinois, Section 8-103B and Section 8-104, with particular focus paid to legislative changes made as part of CEJA that affect 8-103B
- The Illinois Statewide Technical Reference Manual for Energy Efficiency (IL-TRM) Version 13.0
- The Illinois Energy Efficiency Policy Manual (Policy Manual) Versions 2.1 and 3.0
- The Policy Document for the Illinois Statewide Technical Reference Manual for Energy Efficiency (IL-TRM Policy Document) Versions 3.1 and 4.0
- Documents in ICC Docket 21-0158, including the initial and revised AIC Plan 6 filings, the initial and revised settlement stipulations between AIC and stakeholders memorializing agreement on plan objectives, and the initial and revised final orders approving Plan 6
- AIC documents relating to Plan 6 and the 2025 program year

In this section, we outline key requirements around when evaluation-based information should become available. We also provide a set of key terms and definitions used within this document so that stakeholders have a clear understanding of what is planned.

2.1 EVALUATION REQUIREMENTS

Table 1 outlines the dates by which the evaluation team must provide inputs to and outputs from its evaluation efforts. These include evaluation plans and reports, and research and evaluator recommendations related to net-to-gross ratios (NTGRs) and the IL-TRM.

Table 1. Annual Evaluation Milestones

		2024		2025										...	2026				
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	...	Mar	Apr	May	Jun	Jul
		2025 Evaluation Activities																	
Eval Plan	Draft Evaluation Plan													...					
Eval Plan	Final Evaluation Plan													...					
Annual Reporting	Draft Annual Impact Evaluation Reports													...					
Annual Reporting	Final Annual Impact Evaluation Reports													...					
Annual Reporting	Final Annual Integrated Impact Report													...					
Annual Reporting	Draft Annual Cost-Effectiveness Report													...					
Annual Reporting	Final Annual Cost-Effectiveness Report													...					
		Forward Looking Activities																	
TRM	TAC Informs Evaluation Teams of IL-TRM V14.0 Measure Priorities													...					
TRM	Proposed Updates Submitted by Evaluation Teams													...					
TRM	Submission of Final IL-TRM V14.0													...					
NTG	Initial 2026 NTG Recommendations													...					
NTG	Presentation of 2026 NTG Recommendations													...					
NTG	Final 2026 NTG Recommendations													...					

Beyond the stipulated timelines presented in Table 1, it is important to note that the NTG policies included in the Policy Manual state that:

- Free-ridership must be assessed for each program when conducting NTG research;
- Spillover should be included whenever feasible, and the use of secondary sources should be considered if primary research is not possible; and
- Portfolio-level spillover analysis should be considered at least once during a Plan period if feasible.

2.1.1 EVALUATION TERMS AND DEFINITIONS

Within this section, we outline and define the key terms used throughout this plan and in reporting on AIC’s energy efficiency achievements. The first set of terms, presented in Table 2, relates to gross and net energy (electric and gas) and peak demand savings.⁵

Table 2. Gross Savings-Related Terminology and Definitions

Savings Terminology	Definition
Ex Ante Gross Savings	Gross savings present in the final program-tracking database provided by AIC
Ex Ante Net Savings	Net savings present in the final program-tracking database provided by AIC
Verified Gross Savings	Gross savings calculated by the evaluation team
Verified Net Savings	Net savings calculated by the evaluation team based on SAG-approved NTGRs

In Table 3, the evaluation team also defines each of the impact evaluation activities outlined in the evaluation plan. Note that we have differentiated between activities applicable to prescriptive and custom measures, respectively, and use this terminology consistently throughout the evaluation plan.

Table 3. Gross Impact Evaluation Activity Definitions

Prescriptive Measures	Custom Measures
<p><u>Definition:</u> Measures with predetermined savings values or IL-TRM algorithms for use in determining savings</p> <p><u>Example:</u> Tier 1 Advanced Power Strip</p>	<p><u>Definition:</u> Unique or complex measures for which there is not an IL-TRM algorithm</p> <p><u>Example:</u> Compressed air system resequencing</p>
Impact Evaluation Activity Definitions	
<ul style="list-style-type: none"> ▪ Database Review: This activity involves reviewing the program or initiative-tracking data to check that incentivized measures meet program requirements. ▪ Engineering Desk Review: This activity involves reviewing supporting project documentation, as well as initiative-tracking data to ensure that original data was entered correctly from invoices/documentation. ▪ IL-TRM Application Review: This activity involves reviewing initiative-tracking data to see that the correct deemed input values and IL-TRM specified algorithms are used in calculating gross energy savings. ▪ On-Site Verification: This activity involves on-site visits, typically with a sample of projects, to verify that incentivized measures are installed and operational. 	<ul style="list-style-type: none"> ▪ Database Review: This activity involves reviewing the program or initiative-tracking data to check that incentivized measures meet all program requirements. ▪ Engineering Desk Review: This activity involves reviewing project documentation and calculations, and making any associated revisions to account for analytical errors, incorrect assumptions, etc. ▪ On-Site Measurement & Verification: This activity involves conducting site-specific measurement and verification (M&V) (for example, metering equipment runtime), typically with a sample of projects, to estimate site-specific savings. ▪ Consumption Analysis: This analysis involves the use of regression models with historic customer energy usage information to calculate gross annual energy savings. ▪ Modeling: The use of building simulation and statistical models to estimate gross building-level energy savings.

In alignment with Illinois policy, for the 2025 evaluation, we will convert gross savings to net savings using SAG-approved NTGRs. For selected initiatives, we will conduct research to estimate NTGRs that will be used to prospectively update SAG-approved NTGRs.

⁵ Gross savings are the change in energy consumption and/or demand that results directly from program-related actions taken by participants in an efficiency program, regardless of why they participated. Net savings are the change in energy consumption and/or demand that is attributable to a particular energy efficiency program (State and Local Energy Efficiency Action Network [SEE Action] Energy Efficiency Program Impact Evaluation Guide).

3. 2025 EVALUATION PLANS

In this section of the evaluation plan, we present detailed plans for research scoped for the 2025 evaluation of the AIC portfolio. To best serve AIC and stakeholders, we have considered the delivery strategy and unique characteristics of each AIC offering and organized our evaluation activities to use evaluation resources most effectively, minimize customer touchpoints, and provide research insights. As a result, evaluation efforts are not always organized in a way that perfectly aligns with the organization of AIC's portfolio. For example, we group all three distinct AIC multifamily offerings (the Public Housing Initiative, all channels of the Market Rate Multifamily Initiative, and the Multifamily channel of the Income Qualified [IQ] Initiative) together for efficiency of evaluation.

3.1 RESIDENTIAL PROGRAM

3.1.1 RETAIL PRODUCTS INITIATIVE

The AIC Retail Products Initiative offers discounts on a wide range of qualifying ENERGY STAR® products, including LED lighting, advanced power strips, advanced thermostats, and over a dozen other household appliances and miscellaneous equipment through several channels. The Initiative is designed to incentivize customers to purchase energy-efficient versions of select retail products by reducing the price difference between the more and less efficient (typically less expensive) equipment options. The Retail Products Initiative offers incentives in various forms through three different participation channels:

- Point-of-Sale (POS) channel: By partnering with retailers and manufacturers, the POS channel provides in-store discounts that reduce the purchase price of select products.
- Downstream Rebate channel: This channel allows AIC customers to apply for a post-purchase reimbursement to cover a portion of the cost of qualifying product purchases.
- Online Marketplace channel: This channel offers AIC customers select products at discounted price points on AIC's own online store.

EVALUATION APPROACH

The 2025 assessment of the Retail Products Initiative includes both process and impact analysis tasks, as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?
- What are the estimated gross and net electric energy, electric demand, natural gas, and other fuel impacts associated with IQ participants?

Process Questions

The 2025 process evaluation will answer the following questions:

- How did the Retail Products Initiative perform? What were the primary successes and challenges for the Initiative in 2025, and what were their respective drivers? What potential solutions exist for any challenges encountered?
- Was the Initiative implemented as planned in 2025? Were there any adjustments to design or implementation processes in 2025, and what was the impact of those changes?
- How many customers participated in the Initiative overall? How did participation levels compare across channels and product categories relative to prior years? Approximately what portion of participants are income-qualified?

We will explore each of these questions through the activities described in this evaluation plan.

Evaluation Tasks

Table 20 summarizes the 2025 evaluation activities planned for the Retail Products Initiative.

Table 4. Summary of Retail Products Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Review the 2025 database, relevant administrative reports, and marketing and outreach materials to document Initiative design and any changes.
Initiative Staff Interviews		✓		Conduct interviews with AIC and implementation staff to further understand Initiative performance, confirm design and implementation details, and review evaluation priorities.
Impact Analysis	✓			Review Initiative tracking data to ensure accuracy and completeness and that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Initiative Materials and Database Review

The evaluation team will review Initiative materials and tracking data to support evaluation activities. Data requests may include Initiative implementation plans, marketing plans and materials, rebate application forms, and IQ store locations or allocations by zip code. We expect to submit a data request early in Q2, and again towards the end of the year for any other materials or data needed to assess Initiative performance. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Initiative Staff Interviews

The evaluation team will conduct up to six in-depth interviews, in two rounds, with AIC and implementation staff involved in the design and administration of the Initiative. We will schedule the first round of interviews in Q2 to confirm details of Initiative design and implementation processes, gather staff feedback on performance to date, and review evaluation priorities. We will conduct another round of interviews towards the end of the program year to gather final feedback on Initiative performance and identify any additional design and implementation changes that occurred throughout the year.

Deliverable: Completed Interviews

Deliverable Date: April and December 2025

Task 3. Impact Analysis

The evaluation team will review all records in the Initiative database. We will check to ensure that the correct savings assumptions have been applied for each measure and that project data has been recorded fully and correctly. We will resolve any discrepancies found in the database and report on our findings.

We will use the savings parameters outlined in the IL-TRM V13.0 to estimate gross energy and demand savings for each measure and quantify savings associated with either market rate or IQ customers. The evaluation team will use these values and data from the tracking database to calculate gross Initiative savings. For all measures, we will calculate 2025 verified net savings by applying SAG-approved NTGRs to verified gross savings.

Deliverable: Interim impact analysis results

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will include 2025 Initiative impacts in the draft Residential Program Annual Impact Evaluation Report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual impact evaluation report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual impact evaluation report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 21 summarizes the timing and budget associated with each evaluation activity.

Table 5. Retail Products Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$5,700
2	Initiative Staff Interviews	April and December 2025	\$9,400
3	Impact Analysis	Q2/Q3 2025 and March 2026	\$65,900
4	Draft Annual Impact Report	March 15, 2026	\$28,300
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$109,300

3.1.2 MARKET RATE SINGLE FAMILY INITIATIVE – MIDSTREAM HVAC CHANNEL

The Market Rate Single Family Initiative’s Midstream HVAC channel is designed to influence distributor stocking and sales practices related to high efficiency HVAC and water heating measures, including air source heat pumps (ASHPs), ductless mini splits, advanced thermostats, and heat pump water heaters (HPWHs). The channel provides an incentive to distributors for approved sales of efficient equipment to, in turn, lower the cost of efficient equipment for contractors, thus encouraging them to (1) pass those savings onto their customers and (2) install more efficient HVAC and water heating equipment than they would otherwise. The channel also provides education and training at distributor events to increase contractor familiarity and acceptance of the equipment, thus further promoting customer adoption. The Midstream HVAC channel is designed to overcome a range of barriers to installing high-efficiency HVAC and water heating equipment, including:

- The cost of high-efficiency equipment
- Customer awareness of newer high-efficiency technologies
- The availability of high-efficiency equipment
- Lack of contractor trust in cold climate heat pumps to meet customer needs
- Customer and distributor acceptance of HPWH technology

EVALUATION APPROACH

The 2025 assessment of the Midstream HVAC channel includes both process and impact analysis tasks, as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts associated with channel-incentivized equipment?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts associated with channel-incentivized equipment?
- What are the estimated net electric energy, electric demand, and natural gas impacts associated with market effects from non-incentivized equipment sales attributable to channel marketing, education, and training?

Process Questions

The 2025 process evaluation will answer the following questions:

- How did the Midstream HVAC channel perform? What were the primary successes and challenges for the channel in 2025, and what were their respective drivers? What potential solutions exist for any challenges encountered?
- Was the channel implemented as planned in 2025? Were there any adjustments to design or implementation processes in 2025, and what was the impact of those changes?
- How many customers participated in the channel and how many pieces of eligible equipment received incentives? How did participation compare across measure categories? Did participation levels meet expectations? If not, why?

We will explore each of these questions through the activities described in this evaluation plan.

Evaluation Tasks

Table 6 summarizes the 2025 evaluation activities planned for the Midstream HVAC channel.

Table 6. Summary of Midstream HVAC Channel Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Channel Material and Database Review	✓	✓		Review the 2025 database, relevant administrative reports, and marketing and outreach materials to document channel design and any changes.

Task	Impact	Process	Market	Details
Channel Staff Interviews		✓		Conduct interviews with AIC and implementation staff to further understand channel performance, confirm design and implementation details, and review evaluation priorities.
Impact Analysis	✓			Review channel tracking data to ensure accuracy and completeness and that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Channel Materials and Database Review

The evaluation team will review channel materials and tracking data to support evaluation activities. Data requests may include implementation plans, marketing plans and materials, rebate application forms, and detailed distributor sales data inclusive of equipment that did not receive channel incentives. We expect to submit a data request early in Q2 and again towards the end of the year for any other materials or data needed to assess channel performance. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Channel Staff Interviews

The evaluation team will conduct up to six in-depth interviews, in two rounds, with AIC and implementation staff involved in the design and administration of the channel. We will schedule the first round of interviews in Q2 to confirm details of channel design and implementation processes, gather staff feedback on performance to date, and review evaluation priorities. We will conduct another round of interviews towards the end of the program year to gather final feedback on channel performance and identify any additional design and implementation changes that occurred throughout the year.

Deliverable: Completed Interviews

Deliverable Date: April and December 2025

Task 3. Impact Analysis

The evaluation team will review all records in the channel database. We will check to ensure that the correct savings assumptions have been applied for each measure and that project data has been recorded fully and correctly. We will resolve any discrepancies found in the database and report on our findings. We will also review sales data from participating distributors to identify non-incentivized channel-eligible sales and quantify the portion of those sales attributable to the Midstream HVAC channel market effects.

We will use the savings parameters outlined in the IL-TRM V13.0 to estimate gross energy and demand savings for each incentivized measure. The evaluation team will use these values and data from the tracking database to calculate gross channel savings. For all measures, we will calculate 2025 verified net savings by applying SAG-approved NTGRs to verified gross savings. We will then apply IL-TRM V13.0-based average savings associated with each measure category to non-incentivized channel-eligible sales to estimate savings associated with channel market effects.

Deliverable: Interim impact analysis results

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will include 2025 channel impacts in the draft Residential Program Annual Impact Evaluation Report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual impact evaluation report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual impact evaluation report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 7 summarizes the timing and budget associated with each evaluation activity.

Table 7. Midstream HVAC Channel Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$5,800
2	Channel Staff Interviews	April and December 2025	\$9,600
3	Impact Analysis	Q2/Q3 2025 and March 2026	\$42,800
4	Draft Annual Impact Report	March 15, 2026	\$18,400
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$76,600

3.1.3 MARKET RATE SINGLE FAMILY INITIATIVE – HOME EFFICIENCY CHANNEL

The Market Rate Single Family Initiative’s Home Efficiency channel serves residential customers who do not qualify for the IQ Initiative (defined as those with an annual household income over 300% of the federal poverty level (FPL), by household size). The channel first offers customers a Home Energy Assessment with a registered Program Ally to identify opportunities for larger building shell retrofits in their homes. As part of the assessment, Program Allies complete necessary testing, provide participants with educational materials on indoor air quality and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) ventilation guidelines, and create a customized project report. The project report details the home’s current state, identifies options for building shell retrofits, summarizes available incentives, and estimates the total out-of-pocket costs for the proposed upgrades. Eligible retrofits include air sealing, bathroom exhaust fans, and various types of insulation (attic, wall, crawlspace, and rim joist). Following this report, participants may or may not choose to move forward with all or some of the project recommendations and associated incentives.

While the IQ Initiative covers most or all project costs, participants in the Home Efficiency channel must pay a portion of project costs; and must pay for their Home Energy Assessment if the Program Ally charges for the service. AIC offers on-bill financing to help participants pay for projects and encourages participants to take advantage of Inflation Reduction Act (IRA) tax credits available for insulation and air sealing upgrades.

EVALUATION APPROACH

The 2025 assessment of the Home Efficiency channel includes both process and impact analyses, as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?

Process Questions

The 2025 process evaluation will answer the following questions:

- How did the Home Efficiency channel perform? What were the primary successes and challenges for the channel in 2025, and what were their respective drivers? What potential solutions exist for any challenges encountered?
- Was the channel implemented as planned in 2025? Were there any adjustments to design or implementation processes in 2025, and what was the impact of those changes?
- How many customers participated in the Home Efficiency channel? Did participation levels meet expectations? If not, why?

We will explore each of these questions through the activities described in this evaluation plan.

Evaluation Tasks

Table 8 summarizes the 2025 evaluation activities planned for the Home Efficiency channel.

Table 8. Summary of MR SF Initiative – Home Efficiency Channel Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Review the 2025 database, relevant administrative reports, and marketing and outreach materials to document channel design and any changes.
Initiative Staff Interviews		✓		Conduct interviews with AIC and implementation staff to further understand channel performance, confirm design and implementation details, and review evaluation priorities.
Impact Analysis	✓			Review channel tracking data to ensure accuracy and completeness and that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Channel Materials and Database Review

The evaluation team will review channel materials and tracking data to support evaluation activities. Data requests may include channel implementation plans, marketing plans and materials, Program Ally contact information, and existing educational leave-behind materials, if any. We expect to submit a data request early in Q2 and again towards the end of the year for any other materials or data needed to assess channel performance. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Channel Staff Interviews

The evaluation team will conduct up to four in-depth interviews, in two rounds, with AIC and implementation staff involved in the design and administration of the channel. We will schedule the first round of interviews in Q2 to confirm details of channel design and implementation processes, gather staff feedback on performance to date, and review evaluation priorities. We will conduct another round of interviews towards the end of the program year to gather final feedback on channel performance and identify any additional design and implementation changes that occurred during the year.

Deliverable: Completed Interviews

Deliverable Date: April and December 2025

Task 3. Impact Analysis

The evaluation team will review all records in the channel database. We will check to ensure that the correct savings assumptions have been applied for each measure and that project data has been recorded fully and correctly. We will resolve any discrepancies found in the database and report on our findings.

We will use the savings parameters outlined in the IL-TRM V13.0 to estimate gross energy and demand savings for each measure. The evaluation team will use these values and data from the tracking database to calculate gross [Initiative/channel] savings. For all measures, we will calculate 2025 verified net savings by applying SAG-approved NTGRs to verified gross savings. If relevant and timely, we will also include available process-related results within this memo.

Deliverable: Interim impact analysis results

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will include 2025 channel impacts in the draft Residential Program Annual Impact Evaluation Report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual impact evaluation report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual impact evaluation report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 9 summarizes the timing and budget associated with each evaluation activity.

Table 9. MR SF Initiative – Home Efficiency Channel Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$5,200
2	Channel Staff Interviews	April and December 2025	\$5,200
3	Impact Analysis	Q2/Q3 2025 and March 2026	\$28,300
4	Draft Annual Impact Report	March 15, 2026	\$10,600
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$49,300

3.1.4 RESIDENTIAL KITS INITIATIVES

AIC delivers energy efficiency kits through three delivery channels across the Residential Program, collectively referred to as the Residential Kits Initiatives. The Initiatives are focused on reaching underserved communities within AIC service territory, promoting fundamental energy efficiency and conservation knowledge, providing no-cost energy saving measures, and starting households on a longer-term journey toward energy efficiency. While they share similar goals, these channels have distinct approaches and target customers. They include the following:

- Direct Distribution of Efficient Products (DDEP) Initiative – School Kits channel:** This channel provides school presentations and energy savings kits to students in participating middle school (largely 5th grade) classrooms. To qualify for participation, schools must be located within AIC territory and at least 50% of the student body must be enrolled in the national free and reduced lunch (FRL) program. By providing the kits in conjunction with energy conservation education in the classroom, AIC hopes to establish an interest in energy efficiency and reduce energy use in participating student homes. Since 2024, this effort also includes the Joint Utility School Kits channel in partnership with Nicor Gas.
- DDEP Initiative – High School Innovation channel:** This channel provides school presentations and energy savings kits to students in participating high school (9th–12th grade) classrooms with a focus on enrolling schools within AIC service territory where at least 50% of the student body qualify for the national FRL program. Along with providing students with advanced energy education materials and energy-saving kits, this channel incorporates workforce development education to promote interest in energy careers.
- IQ Initiative – Community Kits channel:** This channel provides energy savings kits and educational materials to IQ customers. Customers are eligible for a kit if their household income is less than 300% of the FPL; take part in Low Income Home Energy Assistance Program (LIHEAP); receive bill-pay assistance from AIC; or apply through an MDI Community Partner. Kits are distributed by community partners at community events and locations the target population may already be visiting, such as local food banks. Depending on customer account status, customers receive an electric-only, gas-only, or combination (dual fuel) kit.

AIC also occasionally provides kits on an ad-hoc basis throughout the Residential Program (past kit distribution efforts include Credit & Collections Kits, Food Bank Kits, and more). Several other channels, including the IQ Initiative’s Joint Utility and Mobile Homes and Air Sealing (MHAS) channel, also include kits. For the purposes of evaluation, we will conduct an impact evaluation for these kits under the tasks below.

EVALUATION APPROACH

The 2025 assessment of the Kits Initiatives includes both process and impact analyses, as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?

Process Questions

The 2025 process evaluation will answer the following questions:

- How did the Kits Initiatives perform? What were the primary successes and challenges for the Initiatives in 2025, and what were their respective drivers? What potential solutions exist for any challenges encountered?
- Were the Initiatives implemented as planned in 2025? Were there any adjustments to design or implementation processes in 2025, and what was the impact of those changes?
- How many kits were distributed through each channel? Did participation levels meet expectations? If not, why?
- How many IQ Community Kits distribution events were held? How many MDI Community Partners were involved in kit distribution?
- How many schools and teachers participated in the School Kits and High School Innovation channels?

We will explore each of these questions through the activities described in this evaluation plan.

Evaluation Tasks

Table 10 summarizes the 2025 evaluation activities planned for the Kits Initiatives.

Table 10. Summary of Kits Initiatives Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiatives Material and Database Review	✓	✓		Review the 2025 database, relevant administrative reports, and marketing and outreach materials to document Initiatives design and any changes.
Initiatives Staff Interviews		✓		Conduct interviews with AIC and implementation staff to further understand Initiatives performance, confirm design and implementation details, and review evaluation priorities.
Impact Analysis	✓			Review Initiatives tracking data to ensure accuracy and completeness and that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Initiatives Materials and Database Review

The evaluation team will review channel materials and tracking data to support evaluation activities. Data requests may include Initiatives implementation plans, marketing plans and materials, and lists of participating schools, teachers, and community partners. We expect to submit a data request early in Q2 and again towards the end of the year for any other materials or data needed to assess Initiatives performance. We will also leverage the quarterly Residential Program tracking database extracts, as well as supplemental data provided by Leidos on kits savings calculations, to support the evaluation tasks below.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Initiatives Staff Interviews

The evaluation team will conduct two rounds of interviews with program staff. The first round will include up to six interviews, including interviews with AIC and implementation staff involved in the design and administration of the Kits Initiatives, while the second will include two interviews with AIC and Leidos staff. with AIC and implementation staff involved in the design and administration of the Kits Initiatives. We will schedule the first round of interviews in Q2 to confirm details of Initiatives design and implementation processes, gather staff feedback on performance to date, and review evaluation priorities. We will conduct another round of interviews towards the end of the program year to gather final feedback on Initiatives performance and identify any additional design and implementation changes that occurred during the year.

Deliverable: Completed Interviews

Deliverable Date: April and December 2025

Task 3. Impact Analysis

The evaluation team will review all records in the Initiatives database. We will check to ensure that the correct savings assumptions have been applied for each measure and that project data has been recorded fully and correctly. We will resolve any discrepancies found in the database and report on our findings.

We will use the savings parameters outlined in the IL-TRM V13.0 to estimate gross energy and demand savings for each measure. The evaluation team will use these values and data from the tracking database to calculate gross Initiatives savings. For all measures, we will calculate 2025 verified net savings by applying SAG-approved NTGRs to verified gross savings. These NTGRs are all 1.000 given that the Initiative targets predominately IQ communities and students.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis memo in 2025 to provide the implementation team with early feedback on the performance of the Initiatives. If relevant and timely, we will also include available process-related results within this memo.

Deliverable: Interim impact analysis results

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will include 2025 Initiatives impacts in the draft Residential Program Annual Impact Evaluation Report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual impact evaluation report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual impact evaluation report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 11 summarizes the timing and budget associated with each evaluation activity.

Table 11. Kits Initiatives Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiatives Material and Database Review	Ongoing	\$5,200
2	Initiatives Staff Interviews	April and December 2025	\$6,700
3	Impact Analysis	Q2/Q3 2025 and March 2026	\$24,000
4	Draft Annual Impact Report	March 15, 2026	\$12,400
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$48,300

3.1.5 INCOME QUALIFIED INITIATIVE – SINGLE FAMILY WHOLE HOME CHANNELS

The IQ Initiative includes three channels that provide low and moderate income households with in-home energy audits, direct install (DI) measures, and building shell and HVAC upgrades: the Single Family channel, the CAA channel, and the Joint Utility channel. Given their similar design and measures, for evaluation purposes, the team addresses these channels as a group and refers to them collectively as the “Single Family Whole Home” channels. There are additional third party IQ Initiative channels, discussed in subsequent sections, which have significantly different target markets and program designs.

The Single Family Whole Home channels provide no-cost energy audits from a BPI-certified energy auditor that identify building shell and HVAC retrofit opportunities and include a health and safety (H&S) evaluation. During the audit, implementation staff also install energy-efficient DI measures such as LEDs, showerheads, faucet aerators, advanced power strips, pipe insulation, and advanced thermostats at no cost. Following the audit, customers may receive additional retrofits (in some cases, with a copayment for moderate-income customers), such as air sealing and insulation improvements, central air conditioner (CAC) replacements, and air source heat pump (ASHP) replacements. If needed, the program also seeks to address H&S needs. These channels also occasionally include ad-hoc offerings (e.g., kits and handouts at community events) that vary each year. Further, AIC also completes electrification projects targeting AIC electric customers who currently use propane for space heat and other end uses through the Single Family Whole Home channels. AIC has expanded the qualifications of the Single Family Whole Home channels for electrification, and now allow low income customers with an existing propane heating source to switch to a fully electric home.

AIC implements the Single Family Whole Home channels with the following partners:

- For the Single Family channel, Walker-Miller Energy Services, in partnership with Leidos, and BPI-certified AIC Program Allies serve moderate and low income single family customers who are not also participating in the Illinois Home Weatherization Assistance Program (IHWAP).
- For the CAA channel, CAAs, with support from Leidos and Walker-Miller Energy Services, serve low-income customers who participate in the IHWAP program simultaneously. The CAAs combine AIC and IHWAP funding to provide comprehensive energy efficiency and H&S improvements.
- The Joint Utility channel has similar design and implementation processes to the Single Family channel but is a partnership between AIC and Nicor Gas to serve low and moderate income customers in the shared utility territory

of Bloomington-Normal. AIC partners with Leidos and Resource Innovations to implement this channel. In 2024, the channel also began serving small multifamily properties (3 – 6 units) and mobile homes.

EVALUATION APPROACH

The 2025 evaluation of the IQ Initiative Single Family Whole Home channels includes both process and impact analyses as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the channels?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the channels?

Process Questions

The evaluation team will answer the following questions as part of the 2025 process evaluation activities:

- How did each of the Single Family Whole Home channels perform according to AIC and implementation staff?
- What implementation challenges, if any, occurred in 2025 for the channels, and how did IQ implementation staff overcome them?
- What were the biggest successes for the channels in 2025? What were the biggest drivers behind these successes?
- How many customers participated in the channels? Has participation met expectations? If not, why?

Evaluation Tasks

Table 12 summarizes the 2025 evaluation activities planned for the IQ Initiative Single Family Whole Home channels.

Table 12. Summary of IQ Initiative – Single Family Whole Home Channels Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Channel Material and Database Review	✓	✓		Review the 2025 channel tracking database and relevant administrative reports to document channel design and any changes, and to conduct participation analyses for each channel.
Channel Staff Interviews		✓		Conduct interviews with AIC and implementation staff to document channel design and implementation for 2025 and explore channel performance.
Impact Analysis	✓			Review channel tracking data for accuracy, completeness, and to ensure that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Channel Materials and Database Review

For each channel, we will review channel materials and tracking data to support evaluation activities. Data requests may include channel implementation plans and program tracking data. We expect to submit a data request early in Q2, and again towards the end of the year for any other materials or data needed to assess performance. We will also leverage the quarterly Residential Program tracking database extracts to support the impact evaluation task below and to conduct a participation analysis for each channel.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Channel Staff Interviews

We will conduct one round of interviews with the AIC channel managers and implementation staff at the end of 2025 to get retrospective feedback on channel performance and implementation challenges that occurred during the year. We will discuss progress to date and any changes to channel design and implementation over the program year. We will also discuss marketing and outreach efforts, any ad-hoc offerings (e.g., kits or events), and any opportunities or challenges channel staff have faced in 2025. We anticipate conducting up to three interviews per channel (AIC staff, Leidos staff, and Walker Miller or Resource Innovation) (nine in total).

Deliverable: Completed interviews

Deliverable Date: December 2025

Task 3. Impact Analysis

The 2025 evaluation will include gross and net impact estimates. To estimate verified gross impacts associated with measures installed through the Single Family channels, we will conduct an IL-TRM application review for all projects. We will review channel tracking data to ensure that correct deemed input values and IL-TRM V13.0 algorithms are used in calculating savings and will replicate savings calculations to ensure accuracy. This step will produce gross savings estimates for 2025. In addition, we will calculate net savings by applying the SAG-approved NTGR of 1.0 to verified gross electric and gas savings.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis memo in Q2/Q3 2025 to provide the implementation team with early feedback on the Initiative's performance. If relevant and timely, we will also include available process-related results within this memo.

Deliverable: Interim impact analysis memo

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will provide all impact findings in the Residential Program Annual Impact Evaluation Report in March 2025. The evaluation team will provide a draft report for AIC, ICC Staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Residential Program Impact Report

Deliverable Date: March 15, 2025

Deliverable: Chapter in final annual Residential Program Impact Report

Deliverable Date: April 30, 2025

EVALUATION BUDGET AND TIMELINE

Table 13 summarizes the timing and budget associated with each evaluation activity.

Table 13. IQ Initiative – Single Family Whole Home Channels Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$14,800
2	Channel Staff Interviews	December 2025	\$10,500
3	Impact Analysis	Q2/Q3 2025 and March 2026	\$127,400
4	Draft Annual Impact Report	March 15, 2026	\$54,600
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$207,300

3.1.6 INCOME QUALIFIED INITIATIVE – HEALTHIER HOMES CHANNEL

The Healthier Homes channel is a third-party offering in which AIC, in coordination with Energy Infrastructure Partners, works with delivery partners (healthcare providers and local community organizations) to identify IQ or underserved households with a history of asthma or other respiratory ailments. AIC then provides a suite of energy efficiency and health and safety services to deliver both energy bill savings and preventative care to these households. The offering includes an in-home health and energy assessment; various energy-saving products like LEDs; weatherization and HVAC upgrades like air sealing and advanced thermostats; and indoor air quality (IAQ) improvement measures such as hypoallergenic bedding, mold remediation, indoor air quality (IAQ) monitors, and CO detectors. Some measures, such as dehumidifiers and air purifiers, are “hybrid measures” intended to both save energy and improve IAQ.

EVALUATION APPROACH

The 2025 evaluation of the Healthier Home channel includes both impact and process analysis as outlined below.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the channel?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the channel?

Where possible, the impact evaluation of the Healthier Homes channel will also seek to assess and document any other measurable objective criteria established for the pilot in addition to energy savings (i.e. indoor air quality improvements) using any data collected by the implementation team.

Process Questions

The evaluation team will focus on answering the following questions as part of 2025 process evaluation activities:

- How many customers participated in the Healthier Homes channel? Has participation met expectations? If not, why?
- What implementation challenges, if any, occurred in 2025 for the channel, and how did IQ implementation staff overcome them?

- What were the biggest successes for the channel in 2025? What were the biggest drivers behind these successes?
- How have the installed IAQ monitors been utilized in the channel to date? In what way, if any, is the design of the program being updated based on preliminary data collected from installed IAQ monitors?
- From the perspective of delivery partners, what have been their primary successes and challenges for the channel in 2025? What could be improved?
- What have delivery partners found to be the most effective methods for educating customers about home maintenance practices to promote sustainable use and care of improvements made through Healthier Homes?

Evaluation Tasks

Table 14 summarizes the 2025 evaluation activities planned for the IQ Initiative Healthier Homes Channel.

Table 14. Summary of IQ Initiative – Healthier Homes Channel Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Channel Material and Database Review	✓	✓		Review the 2025 channel tracking database and relevant administrative reports to document channel design and any changes and to conduct a participation analysis.
Channel Staff Interviews		✓		Conduct interviews with AIC and implementation staff to document channel design and implementation for 2025 and explore channel performance.
Delivery Partner Interviews		✓		Conduct interviews with delivery partners to identify successes and challenges for delivering services within the channel, identify opportunities for improvement, and identify how they educate customers.
Impact Analysis	✓			Review channel tracking data for accuracy and completeness and to ensure that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

Task 1. Channel Material and Database Review

We will review channel materials and tracking data to support evaluation activities. Data requests may include channel implementation plans program tracking data. We expect to submit a data request early in Q2, and again towards the end of the year for any other materials or data needed to assess performance. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below and to conduct a participation analysis for the channel.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Channel Staff Interviews

We will conduct two rounds of interviews with the AIC and implementation staff. We will schedule the first round in Q2 2025 to discuss progress to date, any design and implementation, and discuss the goals of the delivery partner interviews. We will conduct another round of interviews in Q4 2025 to get retrospective feedback on channel performance and any implementation challenges that occurred during the year. We anticipate conducting two interviews per round (four total).

Deliverable: Completed interviews

Deliverable Date: May and December 2025

Task 3. Delivery Partner In-Depth Interviews

We will conduct 10 -12 in-depth interviews with delivery partners to explore the primary successes and challenges associated with program delivery, opportunities for program improvement, and to document approaches to participant education. Delivery partners serving the Healthier Homes channel provide a boots-on-the-ground perspective that can help optimize the channel. We will work with the implementation team to identify the list of delivery partners, as these will likely include not only entities performing services (called Program Allies in the other channels) but also includes community health partners who help refer customers to the program. The interviews will be 30 – 45 minutes in length. Our target sample size may change based on the total number of delivery partners serving the channel.

Deliverable: Draft and final memo

Deliverable Date: August 2025

Task 4. Impact Analysis

The 2025 evaluation will estimate gross and net impacts. The impact evaluation team will use savings algorithms from the IL-TRM V13.0, and data inputs from the Healthier Homes channel tracking database to estimate verified gross savings. Finally, we will calculate 2025 net savings by applying the SAG-approved NTGR of 1.0 to verified gross electric and gas savings.

In addition to the year-end final impact analysis, dependent on channel participation, we will consider completion of an interim impact analysis memo in Q2/Q3 2025 to provide the implementation team with early feedback on the performance of the channel.

Deliverable: Interim impact analysis memo

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 5. Annual Reporting

The evaluation team will include 2025 Healthier Homes channel impacts in the draft Residential Program annual impact evaluation report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual Residential Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Residential Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 15 summarizes the timing and budget associated with each evaluation activity.

Table 15. IQ Initiative – Healthier Homes Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$5,200
2	Channel Staff Interviews	May and December 2025	\$5,200
3	Delivery Partner Interviews	August 2025	\$18,100
4	Impact Analysis	Q2/Q3 2025 and March 2026	\$12,670
5	Draft Annual Impact Report	March 15, 2026	\$5,430
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$62,300

3.1.7 INCOME QUALIFIED INITIATIVE – ACCESSIBILITY PILOT

The Accessibility Pilot is designed to enhance the lives of AIC residential customers with disabilities through the installation of various smart home devices at no cost to eligible customers. These smart devices are intended to enhance the functionality of the customer's home, fostering independence, heightened safety, and personal agency, all while helping them conserve energy. The potential measures installed include advanced thermostats, smart speakers, video doorbells, smart lighting and electrical outlet controls, and water-saving measures. Customer education on the general functionality and features of the installed products is also offered. Installation of measures is customized based on the needs of the channel participants and provided through the third-party vendor, Solutions for Energy Efficient Logistics (SEEL), in partnership with AIC and a small network of delivery partners.

This pilot has a focus on non energy impacts (NEIs). The 2024 implementation plan highlights how people with mobility challenges or disabilities can face significant limitations in their daily lives resulting from their homes lacking accessibility features. The various smart home devices installed through the program serve to increase the accessibility of households within AIC territory.

EVALUATION APPROACH

The 2025 evaluation of the Accessibility Pilot includes both impact and process analysis, as outlined below.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the pilot?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the pilot?

Process Questions

The evaluation team will also explore the following process-related research questions:

- How many customers participated in the Accessibility Pilot? Has participation met expectations? If not, why?
- What implementation challenges, if any, occurred in 2025 for the channel, and how did IQ implementation staff overcome them?
- What were the biggest successes for the channel in 2025? What were the biggest drivers behind these successes?
- What customer feedback, if any, has been gathered regarding customer use of the smart technologies and accessibility measures offered through the Accessibility Pilot? How has this feedback informed the program's offerings to enhance its non-energy impacts?
- From the perspective of both delivery partners and customers, how have the installed smart home devices influenced the independence and safety of customers with disabilities who are participating in the program, if at all?
- From the perspective of delivery partners, what have been their primary successes and challenges for the channel in 2025? What could be improved?
- What is the participants' experience participating in the channel?
 - How did participants learn about the channel, and what motivated them to participate?

- What kind of education about how to use their new smart devices did participants receive from their delivery partner? Do participants know how to use their new smart devices confidently?
- How satisfied were customers with their participation experience and the installed devices?

We will explore each of these questions through the activities described in this evaluation plan.

Evaluation Tasks

Table 16 summarizes the 2025 evaluation activities planned for the Accessibility Pilot.

Table 16. Accessibility Pilot Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Pilot Material and Database Review	✓	✓		Review the 2025 database and relevant administrative reports to document pilot design and any changes and to conduct a participation analysis.
Pilot Staff Interviews		✓		Conduct interviews with AIC and implementation staff to document pilot design and implementation for 2025 and explore pilot performance.
Delivery Partner Interviews		✓		Conduct interviews with delivery partners to explore the primary successes and challenges from the perspective of delivery partners, opportunities for improvement, and participant feedback they have received about increased independence and safety.
Participant Interviews		✓		Conduct interviews with participants to explore their overall experience with the pilot, how they learned about the pilot, education they received about their new devices, and any changes to their own independence and safety resulting from the installed measures.
Impact Analysis	✓			Review pilot tracking data for accuracy, completeness, and to ensure that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Pilot Material and Database Review

We will review channel materials and tracking data to support evaluation activities. Data requests may include channel implementation plans and program tracking data. We expect to submit a data request early in Q2, and again towards the end of the year for any other materials or data needed to assess performance. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below and to conduct a participation analysis for the channel.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Pilot Staff Interviews

We will conduct two rounds of interviews with the AIC pilot manager and implementation staff. We will schedule the first round in Q2 2025 to discuss progress to date, planned or executed changes to pilot design and implementation, and discuss the goals of the delivery partner and participant interviews. We will also discuss planned or executed marketing and outreach efforts and any opportunities or challenges pilot staff have faced or anticipate they will face in 2025. We will conduct another round of interviews in Q4 2025 to get retrospective feedback on pilot performance and any implementation challenges that occurred during the year. We anticipate conducting two interviews per round (four total).

Deliverable: Completed interviews

Deliverable Date: May and December 2025

Task 3. Delivery Partner Interviews

We will conduct 10 -12 in depth interviews with delivery partners. Interviews will be 30 – 45 minutes in length and will explore the primary successes and challenges from the perspective of delivery partners, opportunities for improvement, and participant feedback they have received about increased independence and safety. Delivery partners directly interact with pilot customers as well as the overarching implementation team. As such, they have a unique perspective to help improve pilot processes and identify any unmet needs of customers with disabilities and mobility challenges. Our target sample size may change based on the total number of delivery partners serving the channel.

Deliverable: Draft and final memo (combined with Task 4 deliverable)

Deliverable Date: October 2025

Task 4. Participant In-Depth Interviews

We will conduct up to 12 interviews with participants in the pilot. As of Q3 2024, approximately 40 customers participated in the pilot and we expect the population of participants to grow. The interviews will explore their overall experience with the channel, how they learned about the channel, the education they received about their new devices, and any changes to their own independence and safety resulting from the installed measures. We will ensure these questions address advanced thermostats, given the popularity of this measure. Interviews will be 30 – 45 minutes in length and we will offer a \$50 incentive as a thank you. We will request participant data as part of Task 2 to support this task.

Deliverable: Draft and final memo (combined with Task 3 deliverable)

Deliverable Date: November 2025

Task 5. Impact Analysis

The 2025 evaluation will estimate gross and net impacts. The impact evaluation team will use savings algorithms from the IL-TRM V13.0, and data inputs from the Accessibility Pilot’s tracking database to estimate verified gross savings. Finally, we will calculate 2025 net savings by applying the SAG-approved NTGR of 1.0 to verified gross electric and gas savings.

In addition to the year-end final impact analysis, dependent on channel participation, we will consider completion of an interim impact analysis memo in September 2025 to provide the implementation team with early feedback on the performance of the channel.

Deliverable: Interim impact analysis memo

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 5. Annual Reporting

The evaluation team will include 2025 Accessibility Pilot’s impacts in the draft Residential Program annual impact evaluation report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual Residential Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Residential Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 17 summarizes the timing and budget associated with each evaluation activity.

Table 17. Accessibility Pilot Channel Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$5,100
2	Channel Staff Interviews	May and December 2025	\$5,100
3	Delivery Partner Interviews	October 2025	\$17,900
4	Participant Interviews	November 2025	\$18,500
5	Impact Analysis	Q2/Q3 2025 and March 2026	\$12,530
6	Draft Annual Impact Report	March 15, 2026	\$5,370
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$82,500

3.1.8 INCOME QUALIFIED INITIATIVE – SMART SAVERS CHANNEL

The Income Qualified Initiative, Smart Savers channel is a third-party offering that provides advanced thermostat technology and installation at no cost to AIC customers who reside in ZIP codes with high percentages of IQ customers.⁶ 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. This channel is primarily implemented by a third-party vendor, i3 Energy (formerly Staples Energy), which recruits and manages the Program Ally network and implements the channel on behalf of Leidos and AIC.

Customers in eligible ZIP codes can apply for a free advanced thermostat online or by phone. As of 2024, the channel only offers Program Ally installation of the advanced thermostats. Customers who want to self-install are redirected to AIC’s Online Marketplace channel. Customers select the Program Ally they want to work with and Leidos subsequently distributes these leads to the appropriate Program Allies, who are then required to schedule the installation within 10 days and complete the installation within 30 days of receiving the lead.

After participants complete their journey through the Smart Savers channel, AIC cross-promotes additional offerings, such as the IQ Single Family channel and the Online Marketplace. Program Allies and AIC staff follow up with participants with questions or concerns about their new thermostat as needed, and Leidos sends all participants an optional satisfaction-focused survey.

AIC, Leidos, and i3 Energy have spent several years refining the Smart Savers channel, consistently prioritizing customer satisfaction when making programmatic changes. Consequently, they are highly interested in monitoring participant satisfaction with the channel over time. Recent modifications to the channel's implementation particularly necessitate updated participant research. These modifications include the transition from AIC mass marketing to a Program Ally-led marketing strategy, the shift to a Program Ally-only installation model, and the enhanced focus on ensuring Program Allies adequately educate participants on how to use their advanced thermostats. T

⁶ Participants are targeted based on their residency in target ZIP codes that consist of, by census data definitions, 37% or more residents that are at or below 200% of the Federal Poverty Level.

EVALUATION APPROACH

The 2025 evaluation of the IQ Initiative Smart Savers channel includes both process and impact analyses as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the channel?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the channel?

Process Questions

The evaluation team will focus on answering the following questions as part of 2025 process evaluation activities:

- What implementation challenges, if any, occurred in 2025 for the channel, and how did IQ implementation staff overcome them?
- What were the biggest successes for the channel in 2025? What were the biggest drivers behind these successes?
- How many single family and multifamily homes participated in Smart Savers? Has participation met expectations? If not, why?
- How well are AIC and its implementation partners working together to achieve the goals of the channel? Are there any ways to improve the efficiency of their coordination?
- What were the Smart Savers channel’s marketing and outreach efforts, including recruitment for Smart Savers and cross-promotion of other AIC offerings? What efforts are perceived to be the most and least successful in 2025, according to AIC and implementation staff?

Evaluation Tasks

Table 18 summarizes the 2025 evaluation activities planned for the IQ Initiative Smart Savers channel.

Table 18. Smart Savers Channel Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Channel Material and Database Review	✓	✓		Review the 2025 database, relevant administrative reports, customer survey reports, and marketing and outreach materials to document channel design and any changes and to conduct a participation analysis.
Channel Staff Interviews		✓		Conduct interviews with AIC and implementation staff to further understand channel performance, confirm design and implementation details, and review evaluation priorities.
Impact Analysis	✓			Review channel tracking data for accuracy and completeness and to ensure that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Channel Material and Database Review

We will review channel materials and tracking data to support evaluation activities. Data requests may include channel implementation plans, survey data or reports based on the Leidos customer surveys, marketing plans and materials, and program tracking data. We expect to submit a data request early in Q2, and again towards the end of the year for any other materials or data needed to assess performance. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below and to conduct a participation analysis for the channel.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Channel Staff Interviews

We will conduct two rounds of interviews with the AIC staff and implementation staff. We will schedule the first round in Q2 2025 to discuss progress to date and planned or executed changes to channel design and implementation. We will also discuss planned or executed marketing and outreach efforts and any opportunities or challenges channel staff might have faced or anticipate they will face in 2025. We will conduct another round of interviews in Q4 2025 to get retrospective feedback on channel performance and implementation challenges that occurred during the year. We anticipate conducting two interviews per round (four total).

Deliverable: Completed Interviews

Deliverable Date: April and December 2025

Task 3. Impact Analysis

The 2025 evaluation will estimate gross and net impacts. The impact evaluation team will use savings algorithms from the IL-TRM V13.0, and data inputs from the Smart Savers channel tracking database to estimate verified gross savings. Finally, we will calculate 2025 net savings by applying the SAG-approved NTGR of 1.0 to the verified gross electric and gas savings.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis memo in September 2025 to provide the implementation team with early feedback on the channel's performance.

Deliverable: Interim impact analysis memo

Deliverable Date: September 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will include 2025 Smart Savers channel impacts in the draft Residential Program Annual Impact Evaluation Report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual impact evaluation report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual impact evaluation report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 19 summarizes the timing and budget associated with each Smart Savers Channel evaluation activity.

Table 19. Smart Savers Channel Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$5,200
2	Channel Staff Interviews	April and December 2025	\$5,200
4	Impact Analysis	September 2025 and March 2026	\$20,300
5	Draft Annual Impact Report	March 15, 2026	\$8,700
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$39,400

3.1.9 INCOME QUALIFIED INITIATIVE - MOBILE HOMES & AIR SEALING CHANNEL

The Mobile Homes & Air Sealing (MHAS) channel is a third-party offering, implemented by Future Energy Enterprises in partnership with AIC and Leidos, that delivers energy efficiency and other improvements to IQ customers living in manufactured and mobile homes. The channel provides kits with energy-saving products as well as weatherization and HVAC upgrades, including some mobile home-specific measures like “belly board” (i.e., subfloor) insulation. Customers also receive energy literacy education. If needed, the channel also seeks to address H&S needs. In addition, AIC and its partners are actively recruiting and training Program Allies to work on mobile home projects, as well as developing partnerships with CAAs and community-based organizations (CBOs) for channel delivery and community engagement.

EVALUATION APPROACH

The 2025 assessment of the IQ initiative MHAS channel includes both process and impact analyses, as outlined in the following sections.

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Initiative?

Process Questions

The evaluation team will focus on answering the following questions as part of 2025 process evaluation activities:

- How many customers participated in the MHAS channel? Has participation met expectations? If not, why?
- What implementation challenges, if any, occurred in 2025 for the channel, and how did IQ implementation staff overcome them?

- What were the biggest successes for the channel in 2025? What were the biggest drivers behind these successes?

We will explore each of these questions through the activities described in this evaluation plan.

Evaluation Tasks

Table 20 summarizes the 2025 evaluation activities planned for the MHAS channel.

Table 20. Summary of MHAS Channel Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Channel Material and Database Review	✓	✓		Review the 2025 channel tracking database, relevant administrative reports, to document channel design and any changes and to conduct a participation analysis.
Channel Staff Interviews		✓		Conduct interviews with AIC and implementation staff to understand channel performance and confirm design and implementation details.
Impact Analysis	✓			Review channel tracking data to ensure accuracy, completeness, and that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Channel Material and Database Review

We will conduct a comprehensive review of all available channel materials and tracking data. Requests may include Initiative implementation plans, marketing plans and materials, and participant tracking data. We expect to submit a request early in Q2 to obtain materials and data to support evaluation activities, and again towards the end of the year for any other materials or data used throughout the year. We will also leverage the quarterly Residential Program tracking database extracts to support the evaluation tasks below and to conduct a participation analysis for the channel.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Channel Staff Interviews

The evaluation team will conduct one round of interviews with AIC and implementation staff involved in the design and administration of the MHAS channel. In the interview, we will confirm details of channel design and implementation processes, any implementation changes over the year, and gather staff feedback on performance. We anticipate conducting up to three interviews (AIC, Leidos, Future Energy Enterprises).

Deliverable: Completed Interviews

Deliverable Date: December 2025

Task 4. Impact Analysis

The evaluation team will review all records in the MHAS channel database. We will check to ensure that the correct savings assumptions have been applied for each measure and that project data has been recorded fully and correctly. We will resolve any discrepancies found in the database and report on our findings.

We will use the savings parameters outlined in the IL-TRM V13.0 to estimate gross energy and demand savings for each measure. The evaluation team will use these values and data from the tracking database to calculate gross channel savings. For all measures, we will calculate 2025 verified net savings by applying SAG-approved NTGRs to verified gross savings. If relevant and timely, we will also include available process-related results within this memo.

Deliverable: Interim impact analysis memo

Deliverable Date: August 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 5. Annual Reporting

The evaluation team will include 2025 channel impacts in the draft Residential Program Annual Impact Evaluation Report. We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual impact evaluation report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual impact evaluation report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 21 summarizes the timing and budget associated with each evaluation activity.

Table 21. MHAS Channel Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Channel Material and Database Review	Ongoing	\$6,700
2	Channel Staff Interviews	December 2025	\$5,000
4	Impact Analysis	August 2025 and March 2026	\$25,100
5	Draft Annual Impact Report	March 15, 2026	\$6,800
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$43,600

3.1.10 MULTIFAMILY INITIATIVES

The Multifamily Initiatives include the Multifamily channel of the Income Qualified Initiative, the Market Rate Multifamily Initiative, and the Public Housing Initiative. These initiatives offer multifamily customers comprehensive property assessments, health and safety evaluations, in-unit and common area direct install measures, and deeper energy-saving weatherization and HVAC measures. The Initiatives use a one-stop shop (OSS) model,⁷ where AIC provides property managers with a concierge, called an Energy Advisor, to support them as they participate in one or more offerings across the AIC portfolio. Using this delivery strategy, AIC and its implementation partners strive to provide a seamless participation experience designed to overcome traditional barriers to participation and barriers to implementing a broad set of energy efficiency upgrades typically offered through multiple discrete AIC offerings.

EVALUATION APPROACH

The 2025 evaluation of the Multifamily Initiatives includes both impact and process analysis as outlined below.

⁷ A one-stop shop, according to the IL EE Policy Manual Version 3.0, is defined by the following four characteristics: program navigation support, application ease, comprehensive technical assistance, and comprehensive offers of all measures or programs that may be applicable to the customer. https://www.ilsag.info/wp-content/uploads/IL_EE_Policy_Manual_Version_3.0_Final_11-3-2023.pdf

Research Objectives

Impact Questions

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Initiatives?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Initiatives?

Process Questions

The evaluation team will also explore the following process-related research questions:

- How many multifamily properties completed projects in 2025, and how many tenant units were served? Has participation met expectations? If not, why?
- What implementation challenges, if any, occurred in 2025 for the Multifamily Initiatives, and how did IQ implementation staff overcome them?
- What were the biggest successes for the Multifamily Initiatives in 2025? What were the biggest drivers behind these successes?

Evaluation Tasks

Table 22 summarizes the 2025 evaluation activities planned for the Multifamily Initiatives.

Table 22. Summary of Multifamily Initiatives Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Materials and Database Review	✓	✓		Review the 2025 Initiative tracking data and relevant administrative reports to document Initiative design and any changes and to conduct a participation analyses.
Initiative Staff Interviews		✓		Conduct interviews with AIC and implementation staff to document Initiative design and implementation for 2025 and explore Initiative performance.
Impact Analysis	✓			Review Initiative tracking data for accuracy and completeness and to ensure that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating gross savings. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

Task 1. Initiative Materials and Database Review

For each Initiative, we will review Initiative materials and tracking data to support evaluation activities. Data requests may include Initiative implementation plans and program tracking data. We expect to submit a data request early in Q2, and again towards the end of the year for any other materials or data needed to assess performance. We will also leverage the quarterly Residential Program tracking database extracts to support the impact analysis outlined below, including a participation analysis and SAG mandated reporting metrics.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Initiative Staff Interviews

We will conduct one round of interviews with the AIC Initiative manager and implementation staff at the end of 2025 to get retrospective feedback on Initiative performance and implementation challenges that occurred during the year. We will discuss progress to date and changes to the Initiative design and implementation over the program year. We will also discuss planned or executed marketing and outreach efforts and any opportunities or challenges Initiative staff have faced in 2025. We anticipate conducting three interviews.

Deliverable: Completed interviews

Deliverable Date: December 2025

Task 3. Impact Analysis

The 2025 evaluation will estimate gross and net impacts. The impact evaluation team will use savings algorithms from the IL-TRM V13.0, and data inputs from the Initiative tracking database to estimate verified gross savings. For net impacts, we will apply the SAG-approved NTGRs for 2025, which vary by Initiative.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis memo in September 2025 to provide the implementation team with early feedback on the performance of the Initiatives.

Deliverable: Interim impact analysis memo

Deliverable Date: Q2/Q3 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

Task 4. Annual Reporting

The evaluation team will include 2026 Initiative impacts in the draft Residential Program annual impact evaluation report. This report will also include the SAG mandated Multifamily reporting metrics.⁸ We will incorporate our responses to stakeholder feedback in a final report.

Deliverable: Chapter in draft annual Residential Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Residential Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 23 summarizes the timing and budget associated with each evaluation activity.

Table 23. Multifamily Initiatives Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Materials and Database Review	Ongoing	\$14,600
2	Initiative Staff Interviews	December 2025	\$5,400
3	Impact Analysis	Q2/Q3 2025 and March 2026	\$60,270
4	Draft Annual Impact Report	March 15, 2026	\$48,730
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$109,000

⁸ https://www.ilsag.info/wp-content/uploads/Equity-and-Affordability-Reporting-Policy-Metrics_FINAL-Clean-6-20-2024.pdf
Opinion Dynamics

3.1.II ELECTRIFICATION TARGETING AND BARRIERS STUDY

AIC offers various electrification measures to AIC electric customers who have propane through their Electrification channel, which is embedded in the Single Family Whole Home channels. In 2022, AIC identified 32,600 potential single family propane homes based on those customers having an AIC electric account but no AIC gas account. In 2023, AIC refined and further segmented the list of potential electrification participants and implemented direct marketing to 2,500 potential income qualified single family propane homes. Furthermore, five communities were identified as having opportunities for electrification and 55 outreach events were held in these communities. In 2024, outreach expanded to 15 more communities with 45 outreach events held. Prior to the end of the year, over 38,000 customers were identified and received direct marketing. Also new in 2024, electrification efforts have expanded to offer electrification measures in propane-dependent, low income mobile home parks. AIC staff are working with the park managers of 11 potential mobile home parks.

Despite AIC’s marketing and outreach efforts, the company has not seen the desired level of uptake in its electrification offerings. Given these challenges, there is a need to understand the impact that marketing and outreach efforts and targeting are having on program performance.

EVALUATION APPROACH

The 2025 electrification targeting and barriers study will address the following research questions as outlined below.

Research Objectives

- How does AIC currently identify potential propane customers? In what ways, if any, can this approach be improved?
- Are AIC customers currently aware of electrification efforts? What is the current level of acceptance for electrification measures amongst customers?
- What are the barriers to electrification efforts? Are the barriers to electrification related to awareness and acceptance? Can addressing these barriers help increase program participation and optimize marketing and outreach efforts?

Evaluation Tasks

Table 24 summarizes the 2025 research activities planned for this study.

Table 24. Summary of Electrification Study Research Activities for 2025

Task	Impact	Process	Market	Details
Staff Interviews		✓		Conduct interviews with AIC and implementation staff to document current targeting approach, as well as challenges in recruitment
Marketing, Education, and Outreach Document Review				Review and document current IQ electrification marketing, education, and outreach materials
Review of Existing Targeting Approach		✓		Request information from Leidos and AIC around how they target potential propane customers currently. Information may include documentation on current approach, AMI disaggregation analyses, and any marketing and outreach plans.

Task	Impact	Process	Market	Details
Non-participant Survey		✓		Conduct an online survey with customers who have received electrification marketing but have not yet participated to understand customer awareness, acceptance, and barriers to electrification and opportunities to optimize marketing and outreach efforts.
Peer Utility Research		✓		Conduct interviews with peer utilities pursuing electrification in propane customer homes to understand how other utilities target their electrification customers and any marketing and outreach efforts they have found to be helpful.

Task 1. Staff Interviews

We will interview AIC and implementation staff to discuss the status of AIC’s electrification efforts, current targeting approaches, marketing and outreach strategies, and recruitment challenges. We anticipate conducting up to four interviews across AIC and Leidos.

Deliverable: Completed interviews

Deliverable Date: March 2025

Task 2. Marketing, Education, and Outreach (ME&O) Review

We will review and document the marketing, education, and outreach materials used to recruit and educate customers on the IQ electrification offering. Following the staff interviews, we will request information from Leidos and AIC on their ME&O materials. Requested information may include brochures, marketing emails, posters, webinar or presentation slides, bill inserts, and/or any other relevant materials mentioned during the staff interviews.

Deliverable: Data request

Deliverable Date: April 2025

Task 3. Review of Existing Targeting Approach

We will review the current targeting approach for potential propane customers. Following the staff interviews, we will request information from Leidos and AIC regarding how they target potential propane customers. Requested information may include documentation on the current approach, methodological documentation on any analysis conducted to identify customers with electric vs. fossil space heat, and any marketing and outreach plans. We will review all available information to identify any recommendations for improvement in targeting.

Deliverable: Data request

Deliverable Date: April 2025

Task 4. Non-Participant Survey

Following the staff interviews, we will conduct a short online survey with customers who were targeted for the electrification offering and received electrification marketing but have not yet participated. Through the survey, we will identify top barriers to customer electrification and assess the recall of marketing and outreach efforts, as well as awareness and acceptance of electrification efforts. We will use the results to offer recommendations for increasing participation and optimizing marketing and outreach efforts.

We plan to conduct the web survey in English but will also consider fielding in Spanish if marketing has been done in multiple languages. Survey respondents will receive a \$10 incentive as a thank you. As part of this task, we will issue a data request to create the survey sample.

Deliverable: Draft and final survey instrument

Deliverable Date: May 2025

Task 5. Peer Utility Research

In tandem with the non-participant survey, we will conduct up to five interviews with peer utilities that offer electrification measures to customers using propane to understand how other utilities target their electrification

customers and any marketing and outreach efforts they have found to be helpful. Interviews will last 30 – 45 minutes. We will identify peer utilities through publicly available information, such as utility websites and annual reports, and develop a sample frame of 10 – 12 peer utilities for recruitment purposes in coordination with AIC.

Deliverable: Draft and final memo peer utility interview guide

Deliverable Date: May 2025

Task 6. Reporting

The evaluation team will synthesize the results from Tasks 1 – 4 into a report that includes key findings and recommendations.

Deliverable: Draft and final report

Deliverable Date: July 2025

EVALUATION BUDGET AND TIMELINE

Table 25 summarizes the timing and budget associated with each evaluation activity.

Table 25. Electrification Targeting and Barriers Study Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Staff Interviews	March 2025	\$5,100
2	ME&O Review	April 2025	\$4,300
3	Review of Targeting Approach	April 2025	\$5,600
4	Non-participant Survey	May 2025	\$40,300
5	Peer Utility Research	May 2025	\$15,600
6	Reporting	July 2025	\$14,700
Total Budget			\$85,800

3.1.12 CREDIT AND COLLECTIONS STUDY

Income qualified customers in AIC territory may be more likely to have trouble paying their bills and to experience a disconnection of service. At the same time, they may also benefit from energy efficiency offerings that can both reduce energy use and create bill savings. As such, AIC aims to refer customers with bills sent to collections or those negotiating payment plans to its IQ energy efficiency offerings to mitigate arrearages and service shutoffs. As part of the SAG policy process, AIC made a commitment to consider conducting a credit and collections study before the end of 2026. The impetus for this study stems from the following Equity and Affordability Reporting Metrics:

“Program Administrators will consider completing a one-time study no later than the end of 2026...This study will assess the level and consistency of cross referrals made by credit and collections departments to IQ EE programs, and what portion of customers receiving referrals subsequently participate in an IQ whole building program.”⁹

For purposes of this study, the “IQ whole building program,” as noted in the text above, would include the following IQ channels:

- Single Family channel
- CAA channel

⁹ https://www.ilsag.info/wp-content/uploads/Equity-and-Affordability-Reporting-Policy-Metrics_FINAL-Clean-6-20-2024.pdf

- Joint Utility channel
- MHAS channel
- Healthier Homes channel

The IQ Initiative’s multifamily channel is not included, as participation in this channel focuses on property managers.

RESEARCH OBJECTIVES

This Credit and Collections Study will address the following research objectives.

- How frequently and consistently does the AIC credit and collections department refer customers to AIC’s IQ energy efficiency offerings?
- What portion of customers who receive referrals go on to participate in an IQ whole-building offering?

Evaluation Tasks

Table 26 summarizes the 2025 activities planned for this study.

Table 26. Summary of Credit and Collections Research Activities for 2025

Task	Impact	Process	Market	Details
Staff Interviews		✓		Conduct interviews with AIC credit and collection department staff to understand the status of operations and if and how referrals occur.
Tracking Data Review and Analysis		✓		Submit a data request for the credit and collections tracking data to review what data is currently being collected. Analyze tracking data to understand the frequency of referrals.
Customer Survey		✓		Conduct an online survey with customers who have interacted with or received communication from the credit and collection department to assess if they were likely eligible for IQ whole building offerings and if they were referred to additional AIC IQ whole building offerings to assess the consistency of referrals.

Task 1. Staff Interviews

We will conduct interviews with AIC credit and collection department staff and AIC IQ staff to understand the current referral process. We will explore how referrals occur and how they are tracked. For budgeting purposes, we expect to conduct five to eight interviews that are 30 minutes in length, but this number may change as we learn more about the structure of the department and how it is staffed.

Deliverable: Completed interviews

Deliverable Date: May 2025

Task 2. Tracking Data Review and Analysis

We will review the tracking data and materials used by the credit and collections department to support the study. We may issue data requests that include the credit and collections participant tracking data, staff training materials, and other materials we identify through the staff interviews in Task 1. Depending upon the available data, we will analyze the number of referrals to the different whole building IQ channels.

Deliverable: Data request

Deliverable Date: June 2025

Task 3. Customer Survey

We will conduct an online survey targeting customers who have engaged with or received correspondence from the credit and collections department. We will design survey questions to understand if they were likely eligible for IQ whole

building programs and if they were referred to additional AIC IQ whole building offerings, which will help us estimate the consistency of referrals. Our target sample is tentatively set at 100, but we may need to update this target based on a review of the tracking data. We plan to field an online web survey in English but may consider fielding in Spanish if a significant portion of customers were contacted, either in writing or by phone, by the credit and collection staff in Spanish. Survey respondents will receive a \$10 incentive as a thank you.

Deliverable: Draft and final survey instrument

Deliverable Date: September 2025

Task 4. Reporting

The evaluation team will synthesize the results from Tasks 1 – 3 into a report that includes key findings and recommendations.

Deliverable: Draft and final report

Deliverable Date: December 2025

EVALUATION BUDGET AND TIMELINE

Table 27 summarizes the timing and budget associated with each evaluation activity.

Table 27. Credit and Collections Study Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Staff Interviews	May 2025	\$11,300
2	Tracking Data Review and Analysis	June 2025	\$9,700
3	Customer Survey	September 2025	\$43,100
4	Reporting	December 2025	\$13,100
Total Budget			\$77,200

3.2 BUSINESS PROGRAM

3.2.1 STANDARD INITIATIVE

The Standard Initiative offers AIC private and public sector business customers fixed incentives for the installation of prescriptive energy efficiency measures. The Initiative primarily focuses on lighting retrofits, lighting controls, motors, HVAC equipment, steam traps, and specialty applications such as agricultural and refrigeration measures. AIC also offers incentives to building operators in their service territory to attend Building Operator Certification (BOC) training through the Standard Initiative.

For the purposes of this report, the Initiative offerings are grouped into three channels:

- **Standard Core channel:** The Standard Core channel consists of a collection of downstream incentives targeted at a variety of energy-intensive end uses. Incentive requests exceeding \$10,000 require pre-approval by AIC staff. For projects that do not exceed this cap, customers can apply for incentives following the purchase and installation of qualifying equipment.
- **Online Store channel:** The Online Store channel is an e-commerce marketplace where AIC business customers can purchase energy-efficient equipment at a reduced price.

- **Building Operator Certification (BOC) Training:** BOC Training is a nationally-recognized certification training that educates building operators on a variety of topics such as equipment operations, common low-cost operational improvements, performance benchmarking, and building commissioning.

EVALUATION APPROACH

The 2025 evaluation of the Standard Initiative will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Standard Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Standard Initiative?

PROCESS QUESTIONS

The 2025 process evaluation will seek to answer the following questions:

- How many customers participated in the Initiative? How does this compare to participation in previous years?
- What types of customers participated in the Initiative (e.g., facility types/segment)?
- How many projects were completed through the Initiative? How does this compare to previous years?
- What types of projects did customers complete? How does this compare to previous years?
- How many trade allies participated in the Initiative? How does this compare to previous years?
- What was the distribution of completed projects across the participating trade allies?
- Did the Initiative experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 28 outlines the planned tasks for the 2025 Standard Initiative evaluation.

Table 28. Summary of Standard Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Gather information about Initiative design, implementation and performance in 2025.
Initiative Staff Interviews		✓		Explore changes made since 2024 and gather information about 2025 design and implementation.
Impact Analysis	✓			Review Initiative tracking data to ensure that correct deemed values and IL-TRM V13.0 specified algorithms are used in calculating savings. Estimate gross impacts through a review of the tracking database and application of the IL-TRM V13.0. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

TASK 1. INITIATIVE MATERIAL AND DATABASE REVIEW

The team will conduct a comprehensive review of all Initiative materials and tracking data. This includes Business Program marketing and implementation plans, customer and ally communications, and extracts from the Business Program tracking database (i.e., AMPLIFY). We request extracts from AMPLIFY on a regular basis and will continue to communicate with AIC and Leidos about data needs.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. INITIATIVE STAFF INTERVIEWS

We will develop an in-depth interview guide for 2025 to explore Initiative implementation, performance, and other topics relevant to our research objectives. We will conduct up to two interviews with Business Program staff involved in the Standard Initiative: (1) a brief interview mid-cycle to understand the design and implementation strategy of the Initiative in 2025, allow implementation staff the opportunity to comment on the Initiative's performance to-date, and to provide time for the evaluation team to modify any research tasks as necessary and, (2) if needed, an additional interview toward the end of 2025 to follow-up on any relevant items.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. IMPACT ANALYSIS

To estimate verified gross impacts associated with measures installed through the Standard Initiative, we will conduct an IL-TRM application review for all Standard projects. We will review Initiative tracking data to ensure that correct deemed input values and IL-TRM V13.0 algorithms are used in calculating savings and will replicate savings calculations to ensure accuracy. This step will produce gross savings estimates for 2025. In addition, we will calculate net savings by applying the SAG-approved NTGRs for 2025 to gross savings.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis in August 2025 to provide the implementation team with early feedback on the performance of the Initiative.

Deliverable: Interim impact analysis

Deliverable Date: August 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

TASK 4. REPORTING

The evaluation team will provide all impact findings and associated process findings in the Business Program Annual Impact Evaluation Report in March 2026. The evaluation team will provide a draft report for AIC, ICC Staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program Impact Report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program Impact Report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 29 summarizes the timing and budget associated with each evaluation activity.

Table 29. Standard Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$5,500
2	Initiative Staff Interviews	June and November 2025	\$9,000
3	Impact Analysis	August 2025 and March 2026	\$86,100
4	Draft Annual Impact Report	March 15, 2026	\$15,000
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$115,600

3.2.2 CUSTOM INITIATIVE

The Custom Initiative offers incentives to AIC Business Program customers for energy efficiency projects involving equipment not covered through other AIC initiatives. Business customers often represent the highest potential for energy savings, but these savings frequently result from highly specialized equipment designed for particular industries or types of facilities. The Custom Initiative allows customers to propose additional measures and tailor projects to the specific needs of their facilities. It also provides an avenue for piloting new measures prior to incorporating them into the Standard Initiative.

The Custom Initiative is delivered to customers through several different channels. Two main offerings are typically responsible for all of the savings claimed through the Initiative:

- The **Custom Incentives** channel provides incentives for electric and gas measures not incentivized through other AIC offerings. Some examples of common Custom Incentives measures include compressed air improvements, energy management systems (EMS), and industrial process measures, including heat recovery, process heat, and improvements to steam systems.
- The **New Construction Lighting** channel offers additional incentives for lighting measures in new construction projects.

Additionally, AIC offers a number of smaller channels through the Custom Initiative, including Metering and Monitoring, Feasibility Studies, Strategic Energy Management, Staffing Grants, Agricultural Energy Audits, and Building Energy Assessments. These offerings aim to engage AIC's business customers more deeply with energy efficiency.

EVALUATION APPROACH

The 2025 evaluation of the Custom Initiative will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts from the Custom Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts from the Custom Initiative?
- What is the estimated NTGR for Combined Heat and Power (CHP) projects?

PROCESS QUESTIONS

The 2025 process evaluation will seek to answer the following questions:

- How many customers participated in the Initiative? How does this compare to participation in previous years?
- What types of customers participated in the Initiative (e.g., facility types/segment)?
- How many projects were completed through the Initiative? How does this compare to previous years?
- What types of projects did customers complete? How does this compare to previous years?
- How many trade allies participated in the Initiative? How does this compare to previous years?
- What was the distribution of completed projects across the participating trade allies?
- Did the Initiative experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 30 outlines the planned tasks for the 2025 Custom Initiative evaluation.

Table 30. Summary of Custom Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Gather information about Initiative design, implementation and performance in 2025. Analyze Initiative tracking data to assess performance.
Initiative Staff Interviews		✓		Explore changes made since 2024 and gather information about 2025 design and implementation.
Net-to-Gross Research	✓	✓	✓	Conduct NTG research with Combined Heat and Power (CHP) participants. Explore participant satisfaction with Initiative processes.
Impact Analysis	✓			Use desk review and on-site M&V results to estimate gross impacts and measure lives for the Initiative. Determine 2025 net impacts using SAG-approved NTGR values.
Early Reviews	✓			At the implementation team's request, review project documentation and calculations to account for analytical errors, incorrect assumptions, etc., for in-process projects.

We describe each of these activities in detail below.

TASK I. INITIATIVE MATERIAL AND DATABASE REVIEW

The team will conduct a comprehensive review of all initiative materials and tracking data. This includes Business Program marketing and implementation plans, customer and ally communications, and extracts from the Business Program tracking database (i.e., AMPLIFY). We will request extracts from AMPLIFY on a regular basis and will continue to communicate with AIC and Leidos about data needs as needed.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. INITIATIVE STAFF INTERVIEWS

We will develop an in-depth interview guide for 2025 to explore Initiative implementation, performance, and other topics relevant to our research objectives. We will conduct up to two interviews with Business Program staff involved in the Custom Initiative: (1) a brief interview mid-cycle to understand the design and implementation strategy of the Initiative in 2025, allow implementation staff the opportunity to comment on the Initiative's performance to-date, and to provide time for the evaluation team to modify any research tasks as necessary and, (2) if needed, an additional interview toward the end of 2025 to follow-up on any relevant items.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. NET-TO-GROSS RESEARCH

The evaluation team plans to continue research started in 2024 with customers completing Combined Heat and Power (CHP) projects. These projects have longer lead times and often take multiple years to complete. The best practice is to conduct NTG interviews with these customers when they have committed to completing the project, rather than after the project is completed. The evaluation team will conduct this research with CHP participants as in-depth interviews and will complete the interviews on an ongoing basis as projects enter the pipeline.

Deliverable: IDIs with CHP customers

Deliverable Date: Ongoing

Deliverable: Draft and final NTGRs

Deliverable Date: Ongoing

TASK 4. IMPACT ANALYSIS

Conducting gross impact analysis for custom projects requires custom engineering calculations. Since custom projects can have large variability in measures and savings, the gross impact analysis for the Custom Initiative will employ a sample-based, bottom-up approach to estimating gross savings. Consistent with prior years, the impact analysis will be based on site-specific engineering desk reviews and on-site measurement and verification.

We will conduct engineering desk reviews and on-site data measurement and verification for a sample of projects to review and verify savings assumptions. This may include an examination of existing equipment and/or the implementer's measurement and verification results. We will tailor the scope of each on-site visit to the specific measures installed at the site, but at a minimum, the review engineer will perform the following actions during the on-site visits:

- Verify that the installed measure(s), for which the Initiative participants received an incentive payment, is/are still installed and functioning, and that the quantity is consistent with the number of measures incentivized.
- Collect additional physical data to further analyze and determine the energy savings resulting from the incentivized measure(s). The pertinent data collected from each site will be determined based on an in-depth review of the site's project files and will be unique to each installed measure.

As part of this process, the team will submit formal M&V plans and reports for a minimum of six of the largest and/or most complex Custom Initiative projects. Not all Custom Initiative projects will have a written site-specific plan or report.

Based on the results determined for projects in our sample, we will calculate the gross savings-weighted realization rate (total verified gross savings divided by the total ex ante gross savings). This sample-based gross realization rate will be used to adjust the ex ante savings for the population of Custom Initiative projects. The ratio estimate of Y, the verified savings for the population of Custom projects, is:

Equation 1. Ratio Estimate of Population Total

$$\hat{Y}_R = \frac{y}{x}X$$

Where:

y = The total verified savings for the sample of projects

x = The total ex ante savings for the sample of projects

X = The ex ante savings for the population of projects

Given the timing of this evaluation plan, it is too early to predict the level of activity expected for the Custom Initiative in 2025 and the desirable sample sizes for the impact evaluation. However, we will determine the optimal sampling approach based on the number, type, and size of projects completed in 2025, and target 10% relative precision at 90% confidence (90/10) by fuel type, if possible. For budgeting purposes, we assume that we will conduct 45 project reviews. As the 2025 evaluation concludes and we update our understanding of the Initiative project characteristics, we will revise our planned sample size as necessary.

In an attempt to conduct impact research in a more “real time” fashion, we will develop our sample for engineering desk reviews and on-site verification in multiple waves, using the Initiative tracking database as a sample frame. We expect to conduct up to three waves of impact research for the Custom Initiative in 2025. For each wave, we will stratify the Custom Initiative projects included in the Initiative tracking database by ex ante savings and select a number of projects proportionate to the share of final Initiative savings we project the wave represents.

We anticipate drawing separate samples for gas, electric, and fuel-switching projects and, within each sample, stratifying projects by size.¹⁰ Stratification by size allows us to over-sample large savers, thus ensuring that our analysis covers a sufficient share of Initiative savings. From within each stratum, we will randomly sample participants to achieve the precision and confidence targets. As necessary, we will adjust the sample size depending on participation in order to achieve the statistical targets if necessary.

In 2025, we will also stratify our sample by project type. In recent years, separating Custom Incentives and New Construction Lighting projects into separate sample frames has allowed the evaluation team to achieve improved precision around our impact evaluation results while decreasing the need for quick turn-around evaluation results at the close of the program year. We expect to employ a sampling approach that uses multiple waves for Custom Incentives, while conducting only one wave of impact evaluation for New Construction Lighting.

The team will share the results of our gross impact analysis with AIC and ICC Staff as project reviews are completed. The Excel file provided for review and discussion will feature the ex ante and verified savings for each project selected for engineering review and/or on-site measurement and verification, the resulting realization rate, and the reasons for the realization rate. Our schedule for delivering draft results will depend on several factors specific to the projects chosen for review, but we will look to meet the following milestones if possible:

- Deliver 20 completed project reviews by December 15, 2025 and hold a meeting to discuss the findings and answer any questions with AIC, its implementation team, and ICC Staff by January 30, 2026.
- Deliver 15 additional completed project reviews by January 30, 2026 and hold a meeting to discuss the findings and answer any questions with AIC, its implementation team, and ICC Staff by February 28, 2026.

¹⁰ In the 2023 and 2024 evaluations, the evaluation team sampled a census of fuel switching projects. Depending on the number of fuel-switching projects completed in 2025, the evaluation team may continue with the census approach.

- Deliver all remaining project reviews by February 28, 2026 and hold a meeting to discuss the findings and answer any questions with AIC, its implementation team, and ICC Staff by March 15, 2026.

We will calculate 2025 net savings by applying the SAG-approved NTGRs for the Custom Initiative.

Deliverable: Site visit M&V plans

Deliverable Date: Ongoing

Deliverable: Desk review and site visit results

Deliverable Date: As specified above

Deliverable: Final analysis in draft report

Deliverable Date: March 2026

TASK 5. REPORTING

The evaluation team will provide all impact finding and associated process findings in the Business Program Annual Impact Evaluation Report in March 2026. The evaluation team will provide a draft report for AIC, ICC Staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program Impact Report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program Impact Report

Deliverable Date: April 30, 2026

TASK 6. EARLY REVIEWS

At the request of the implementation team, the evaluation team will conduct “early reviews” of in-process or pending approval Custom Initiative projects. Early reviews are designed to support a number of aims, including:

- Providing early indications to the implementation team as to whether Custom Initiative projects are likely to be successful;
- To identify data needed for the evaluation that can be collected earlier in the implementation process; and
- To help the implementation team make pre-approval decisions for large/costly Custom Initiative projects.

The evaluation team will budget for up to 12 early reviews in 2025 to support the AIC team. Deliverables will be in the form of project-specific early review memos that memorialize the evaluation team’s review of projects and provide suggestions for ensuring projects are successful.

Deliverable: Project-specific early review memos

Deliverable Date: Ongoing

EVALUATION BUDGET AND TIMELINE

Table 31 summarizes the timing and budget associated with each evaluation activity.

Table 31. Custom Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$5,000
2	Initiative Staff Interviews	June and November 2025	\$8,000
3	Net-to-Gross Research	August 2025	\$24,200
4	Impact Analysis	March 2026	\$325,600
5	Draft Annual Impact Report	March 15, 2026	\$24,200
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	

Task	Evaluation Activity	Deliverable Date	Budget
6	Early Reviews	Ongoing	\$30,300
Total Budget			\$417,300

3.2.3 SMALL BUSINESS INITIATIVE

The primary objective of the Small Business Initiative is to deliver energy savings to small commercial and industrial customers by increasing access to energy efficient products through financial and technical support. The Initiative targets private and public facilities through two channels that work in tandem to provide a comprehensive suite of offerings:

- **Small Business Direct Install (SBDI) channel:** The SBDI channel is available to all small nonresidential facilities in AIC’s service territory and focuses on rapidly deployable lighting and refrigeration measures. The SBDI channel is the primary driver of the Small Business Initiative electric savings.
- **Small Business Energy Performance (SBEP) channel:** The SBEP channel targets facilities located in Empower Communities¹¹ and focuses on delivering building envelope upgrades, HVAC improvements, and other non-SBDI measures supported by participating program allies.

Both channels leverage a network of program allies to coordinate and install the incentivized measures in participating facilities. These program allies specialize in serving small businesses, non-profits, schools, and local governments. Many projects are fully funded through channel incentives and require no out-of-pocket contribution from the customer. The low-touch, high-impact measures incentivized through the SBDI channel, combined with the customized, deeper retrofits incentivized through the SBEP channel offer customers in this segment an opportunity to comprehensively upgrade their facilities.

EVALUATION APPROACH

The 2025 evaluation of the Small Business Initiative will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts attributable to the Small Business Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts attributable to the Small Business Initiative?
- What is the spillover rate among Small Business Trade Allies?

PROCESS QUESTIONS

The 2025 process evaluation will seek to answer the following questions:

- How many customers participated in the Initiative? How does this compare to participation in previous years?

¹¹ Predominately non-White and/or economically challenged communities.

- What types of customers participated in the Initiative (e.g., facility types/segment)?
- How many projects were completed through the Initiative? How does this compare to previous years?
- What types of projects did customers complete? How does this compare to previous years?
- How many trade allies participated in the Initiative? How does this compare to previous years?
- What was the distribution of completed projects across the participating trade allies?
- Did the Initiative experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 32 outlines the planned tasks for the 2025 Small Business Initiative evaluation.

Table 32. Summary of Small Business Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Gather information about Initiative design, implementation and performance in 2025.
Initiative Staff Interviews		✓		Explore changes made since 2024 and gather information about 2025 design and implementation.
Trade Ally Spillover Research	✓	✓	✓	Conduct follow up research to the study completed in 2024 to assess the persistence of the savings identified in the study.
Impact Analysis	✓			Review Initiative tracking data to ensure that correct deemed input values and IL-TRM V13.0 specified algorithms are used in calculating savings. Estimate gross impacts through review of the Initiative tracking database and application of the IL-TRM V13.0. Estimate net impacts using SAG-approved NTGR values for 2025.

We describe each of these activities in detail below.

TASK 1. INITIATIVE MATERIAL AND DATABASE REVIEW

The team will conduct a comprehensive review of all Initiative materials and tracking data. This includes Business Program marketing and implementation plans, customer and ally communications, and extracts from the Business Program tracking database (i.e., AMPLIFY). We request extracts from AMPLIFY on a regular basis and will continue to communicate with AIC and Leidos about data needs.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. INITIATIVE STAFF INTERVIEWS

We will develop an in-depth interview guide for 2025 to explore Initiative implementation, performance, and other topics relevant to our research objectives. We will conduct up to two interviews with Business Program staff involved in the Small Business Initiative: (1) a brief interview mid-cycle to understand the design and implementation strategy of the Initiative in 2025, allow implementation staff the opportunity to comment on the Initiative's performance to-date, and to provide time for the evaluation team to modify any research tasks as necessary and, (2) if needed, an additional interview toward the end of 2025 to follow-up on any relevant items. We will likely conduct interviews focusing on all Business Program initiatives together, but we will conduct interviews with staff specific to this initiative as needed.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. TRADE ALLY SPILLOVER RESEARCH

The evaluation team will monitor the SBDI program tracking data throughout 2025 to explore whether the ally whose responses significantly drove the results of the 2024 trade ally spillover study returns to participating in the channel. This ally has historically been very active in the SBDI channel but reported that they had stopped participating due to barriers to the incentive application process. The implementation team may have adjusted the application process to address these barriers, potentially impacting the persistence of the spillover savings identified in the 2024 study. Therefore, the evaluation team will monitor SBDI activity to identify whether this ally re-engages in the channel. If so, the evaluation team will explore adjusting the SBDI NTGR recommendation for 2026.

Deliverable: Revised SAG recommendation, if appropriate

Deliverable Date: September 2025

TASK 4. IMPACT ANALYSIS

To estimate verified gross impacts associated with measures installed through the Small Business Initiative, we will conduct an IL-TRM application review for all Small Business Initiative projects. We will review Initiative tracking data to ensure that correct deemed input values and IL-TRM V13.0 algorithms are used in calculating gross savings and will replicate savings calculations to ensure accuracy. We will also review and verify any custom savings approaches used for the SBEP channel. We will calculate net savings by applying the SAG-approved NTGRs for 2025 to electric and gas gross savings.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis in August 2025 to provide the implementation team with early feedback on the performance of the Initiative.

Deliverable: Interim impact analysis

Deliverable Date: August 2025

Deliverable: Results provided in annual report

Deliverable Date: March 15, 2026

TASK 5. REPORTING

The evaluation team will provide all impact findings and associated process findings in the Business Program Annual Impact Evaluation Report in March 2026. The evaluation team will provide a draft report for AIC, ICC Staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 33 summarizes the timing and budget associated with each evaluation activity.

Table 33. Small Business Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$5,500
2	Initiative Staff Interviews	June and November 2025	\$9,000
3	Trade Ally Spillover Research	August 2025	\$5,000
4	Impact Analysis	August 2025 and March 2026	\$93,900
5	Draft Annual Impact Report	March 15, 2026	\$10,000
	Comments from AIC and ICC Staff	Within 15 Business Days	

	Final Annual Report	April 30, 2026	
Total Budget			\$123,400

3.2.4 MIDSTREAM INITIATIVE

The Midstream Initiative provides incentives to distributors and wholesalers to reduce prices at the point of sale for efficient equipment. The goal is to increase the adoption of high efficiency equipment without requiring the end-customer to submit an incentive application. The Initiative includes three channels:

- **Midstream Lighting:** The Midstream Lighting Channel incentivizes the sale of linear LED lamps, wall packs, exit signs, and mogul-based LED lamps at the distributor level and is a significant contributor of savings for the portfolio.
- **Midstream HVAC:** The Midstream HVAC Channel incentivizes the sale of air source heat pumps, advanced thermostats, notched V-belts, and air source heat pump water heaters.
- **Midstream Food Service:** The Midstream Food Service Channel incentivizes the sale of commercial food service equipment such as freezer/refrigerator doors, griddles, fryers, ovens, and broilers. This channel is implemented at a statewide level.

Public sector and non-profit customers can receive an additional incentive to cover the cost of installation services if they hire a qualified program ally to install equipment purchased through the HVAC and Lighting channels.

EVALUATION APPROACH

The 2025 evaluation of the Midstream Initiative will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts attributable to the Midstream Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts attributable to the Midstream Initiative?

PROCESS QUESTIONS

The 2025 process evaluation will seek to answer the following questions:

- How many customers participated in the Initiative? How does this compare to participation in previous years?
- How many projects were completed through the Initiative? How does this compare to previous years?
- What types of projects did customers complete? How does this compare to previous years?
- How many trade allies participated in the Initiative? How does this compare to previous years?
- What was the distribution of completed projects across the participating trade allies?
- Did the Initiative experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 34 outlines the planned tasks for the 2025 Midstream Initiative evaluation.

Table 34. Summary of Midstream Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Gather information about Initiative design, implementation and performance in 2025.
Initiative Staff Interviews		✓		Explore changes made since 2024 and gather information about 2025 design and implementation.
Impact Analysis	✓			Review Initiative tracking data to ensure that correct deemed values and IL-TRM V13.0 specified algorithms are used in calculating savings. Estimate gross impacts through review of the tracking database and application of the IL-TRM V13.0. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

TASK 1. INITIATIVE MATERIAL AND DATABASE REVIEW

The team will conduct a comprehensive review of all Initiative materials and tracking data. This includes Business Program marketing and implementation plans, customer and ally communications, and extracts from the Business Program tracking database (i.e., AMPLIFY). We request extracts from AMPLIFY on a regular basis and will continue to communicate with AIC and Leidos about data needs.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. INITIATIVE STAFF INTERVIEWS

We will develop an in-depth interview guide for 2025 to explore Initiative implementation, performance, and other topics relevant to our research objectives. We will conduct up to two interviews with Business Program staff involved in the Midstream Initiative: (1) a brief interview mid-cycle to understand the design and implementation strategy of the Initiative in 2025, allow implementation staff the opportunity to comment on the Initiative's performance to-date, and to provide time for the evaluation team to modify any research tasks as necessary and, (2) if needed, an additional interview toward the end of 2025 to follow-up on any relevant items.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. IMPACT ANALYSIS

To estimate verified gross impacts associated with measures installed through the Midstream Initiative, we will conduct an IL-TRM application review for all Midstream projects. We will review Initiative tracking data to ensure that correct deemed input values and IL-TRM V13.0 algorithms are used in calculating gross savings and will replicate savings calculations to ensure accuracy. We will calculate net savings by applying the SAG-approved NTGRs for 2025 to gross savings.

In addition to the year-end final impact analysis, we will complete and deliver an interim impact analysis in August 2025 to provide the implementation team with early feedback on the performance of the Initiative.

Deliverable: Interim impact analysis

Deliverable Date: August 2025

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

TASK 4. REPORTING

The evaluation team will provide all impact findings and associated process findings in the Business Program Annual Impact Evaluation Report in March 2026. The evaluation team will provide a draft report for AIC, ICC staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 35 summarizes the timing and budget associated with each evaluation activity.

Table 35. Midstream Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$13,500
2	Initiative Staff Interviews	June and November 2025	\$21,000
3	Impact Analysis	August 2025 and March 2026	\$144,300
4	Draft Annual Impact Report	March 15, 2026	\$15,000
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$193,800

3.2.5 RETRO-COMMISSIONING INITIATIVE

The RCx Initiative helps AIC business customers evaluate their existing mechanical equipment, energy management, and industrial compressed air systems to identify no-cost and low-cost efficiency measures to optimize existing energy-using systems.

Over time, deferred maintenance and changing operating directives and practices can lead to inefficient operation of building systems. Retro-commissioning is a process that examines current equipment operations relative to the needs of equipment owners and those served by the equipment, and then determines opportunities for increasing equipment efficiency through maintenance, system tune-ups, scheduling, and optimization of operations. Most of the identified improvement opportunities require little, if any, capital funds to implement.

Major market barriers to RCx include a lack of awareness of improvement opportunities and the cost of the detailed engineering studies required to identify these opportunities. Additionally, customer apathy can inhibit the implementation of recommendations despite there being no cost. To address these barriers, the RCx Initiative subsidizes Retro-Commissioning Service Providers (RSPs) studies and publicizes the benefits of retro-commissioning to foster a market for the services, with utility-certified RSPs providing the marketing outreach.

The Initiative includes the following channels:

- Large Facilities RCx
- Industrial Refrigeration
- Retro-Commissioning Lite

- Virtual Commissioning and Virtual Strategic Energy Management (Virtual SEM)¹²
- Monitoring-Based Retro-Commissioning

EVALUATION APPROACH

The 2025 evaluation of the Retro-Commissioning Initiative will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy, electric demand, natural gas, and other fuel impacts attributable to the Retro-Commissioning Initiative?
- What are the estimated net electric energy, electric demand, natural gas, and other fuel impacts attributable to the Retro-Commissioning?

PROCESS QUESTIONS

The 2025 process evaluation will seek to answer the following questions:

- How many customers participated in the Initiative? How does this compare to participation in previous years?
- What types of customers participated in the Initiative (e.g., facility types/segment)?
- How many projects were completed through the Initiative? How does this compare to previous years?
- What types of projects did customers complete? How does this compare to previous years?
- How many trade allies participated in the Initiative? How does this compare to previous years?
- What was the distribution of completed projects across the participating trade allies?
- Did the Initiative experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 36 outlines the planned tasks for the 2025 Retro-Commissioning Initiative evaluation.

Table 36. Summary of Retro-Commissioning Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Gather information about Initiative design, implementation and performance in 2025.
Initiative Staff Interviews		✓		Explore changes made since 2024 and gather information about 2025 design and implementation.
Impact Analysis	✓			Review project documentation and calculations to identify analytical errors, incorrect assumptions, etc. Collect on-site data to inform measure verification and verified gross impacts. Determine 2025 net impacts using SAG-approved NTGR values.

¹² While the Virtual Commissioning and Virtual SEM Channel is a component of the Retro-Commissioning Initiative, its evaluation plan is provided separately in Section 4.2.6 due to substantial differences in required evaluation activities.

We describe each of these activities in detail below.

TASK 1. INITIATIVE MATERIAL AND DATABASE REVIEW

The team will conduct a comprehensive review of all Initiative materials and tracking data. This includes Business Program marketing and implementation plans, customer and ally communications, and extracts from the Business Program tracking database (i.e., AMPLIFY). We request extracts from AMPLIFY on a regular basis and will continue to communicate with AIC and Leidos about data needs.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. INITIATIVE STAFF INTERVIEWS

We will develop an in-depth interview guide for 2025 to explore Initiative implementation, performance, and other topics relevant to our research objectives. We will conduct up to two interviews with Business Program staff involved in the Retro-Commissioning Initiative: (1) a brief interview mid-cycle to understand the design and implementation strategy of the Initiative in 2025, allow implementation staff the opportunity to comment on the Initiative's performance to-date, and to provide time for the evaluation team to modify any research tasks as necessary and, (2) if needed, an additional interview toward the end of 2025 to follow-up on any relevant items.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. IMPACT ANALYSIS

Conducting gross impact analysis for retro-commissioning projects requires custom engineering calculations. Retro-commissioning projects can have large variability in savings among participants. Sources of variability include the physical size of the participant site, the systems installed, the condition of systems prior to retro-commissioning, the extent of control capabilities, the scope and quality of the retro-commissioning study itself, and the willingness of customers to implement recommendations. To appropriately represent this variability, the gross impact analysis for the Retro-Commissioning Initiative will employ a bottom-up approach to estimating gross savings. Consistent with prior years, the impact analysis will be based on site-specific engineering desk reviews¹³ and on-site M&V (as needed).

Given the timing of this evaluation plan, it is too early to predict the level of activity for the Initiative in 2025. However, based on the level of activity observed in recent years, the evaluation team expects to evaluate impacts for a census of RCx projects completed in 2025. For budgeting purposes, we have assumed that we will conduct 8 engineering reviews and four on-site visits. If participation exceeds 10 projects, we will switch to a sample-based evaluation, determine the optimal approach based on the number and types of completed projects, and target 90/10 confidence and precision around our results, by fuel type. As needed, and as project completion timing allows, we will conduct our impact analysis in multiple waves to expedite our 2025 evaluation results.

The team will share the results of our gross impact analysis with AIC and ICC staff via Excel file in advance of submitting the draft annual report. The Excel file provided for review and discussion will feature the ex ante and verified savings for each project selected for engineering review and for each site selected for on-site measurement and verification, the resulting realization rate, and the reasons for the realization rate. To the degree time allows, we will also hold a meeting with AIC and its implementation team, as well as with ICC staff, to discuss the findings and answer any questions.

We will calculate 2025 net savings by applying SAG-approved NTGRs to electric and gas gross savings.

¹³ As needed, engineering desk reviews will include consumption analysis and modeling on a project-specific basis.

Deliverable: Gross impact analysis summary spreadsheet

Deliverable Date: TBD¹⁴

Deliverable: Final analysis in annual report

Deliverable Date: March 2026

TASK 4. REPORTING

The evaluation team will provide all impact findings and associated process findings in the Business Program annual impact evaluation report in March 2026. The evaluation team will provide a draft report for AIC, ICC staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 37 summarizes the timing and budget associated with each evaluation activity.

Table 37. Retro-Commissioning Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$3,000
2	Initiative Staff Interviews	June and November 2025	\$2,100
3	Impact Analysis	March 2026	\$46,900
4	Draft Annual Impact Report	March 15, 2026	\$3,300
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$55,300

3.2.6 VIRTUAL COMMISSIONING AND VIRTUAL SEM CHANNELS

AIC launched the Virtual Commissioning channel in 2020 with Power TakeOff as the implementer. Virtual Commissioning is an approach that remotely targets the traditionally hard-to-reach customer segment of small and medium business customers to support low- and no-cost energy-saving measures. The VCx approach leverages Advanced Metering Infrastructure (AMI) data to support targeted insights for hard-to-reach customers through the design, implementation, and evaluation phases of the channel.

Power TakeOff uses its internal software to complete an initial analysis of AMI data from AIC's small and medium business customers to identify prospective participants. Power TakeOff then uses the outcomes of this analysis to remotely identify opportunities for low- and no-cost energy-saving improvements at the participants' facilities. These opportunities commonly include HVAC system modifications and lighting scheduling adjustments.

Power TakeOff energy advisors then contact potential participants to share the results of the analysis, confirm the energy-saving opportunities, and verify facility characteristics. After participants implement the recommended changes, Power TakeOff develops individual facility-level regression models using the participants' pre- and post-participation energy consumption to estimate savings. The models must meet certain criteria for robustness in order for Power

¹⁴ This is dependent upon the sampling approach chosen for 2025.

TakeOff to claim savings. If a project demonstrates continued savings for three months and meets the model robustness criteria, Power TakeOff claims annualized savings for the project for the program year.

Building on the success of the VCx channel, AIC launched a Virtual Strategic Energy Management (Virtual SEM) pilot in partnership with Power TakeOff in 2023. The Virtual SEM pilot is designed in accordance with the Consortium for Energy Efficiency’s minimum elements for effective strategic energy management (SEM) and seeks to educate participants and enable them to manage their facility’s energy usage in a holistic manner. Participants receive the training, tools, and resources they need to develop and implement a continuous energy improvement plan. The implementation team targets recruitment activities toward customers that were previously engaged through the VCx channel and targets low and no-cost operational, maintenance, and behavioral improvements.

Given the similarities in the approaches to estimating the savings for the VCx and Virtual SEM channels, the evaluation team has grouped them together for simplicity. However, we recognize that these channels are separate and distinct.

EVALUATION APPROACH

The 2025 evaluation of the VCx and Virtual SEM channels will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy and electric demand impacts attributable to the VCx and Virtual SEM channels?
- What are the estimated net electric energy and electric demand impacts attributable to the VCx and Virtual SEM channels?

PROCESS QUESTIONS

The 2025 process evaluation will answer the following questions:

- How many customers participated in the channels? How does this compare to participation in previous years?
- What types of customers participated in the channels (e.g., facility types/segment)?
- How many projects were completed through the channels? How does this compare to previous years?
- Did the channels experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 38 outlines the planned tasks for the 2025 VCx and Virtual SEM evaluation.

Table 38. Summary of Virtual Commissioning and Virtual SEM Evaluation Activities for 2025

Task	Impact	Process	Details
Initiative Material and Database Review	✓	✓	Gather information about channel design, implementation and performance in 2025.
Initiative Staff Interviews		✓	Explore changes made since 2024 and gather information about 2025 design and implementation.

Task	Impact	Process	Details
Impact Analysis	✓		Determine the appropriate modeling approach(es) for 2025. Calculate verified gross and net electric savings using the selected approach. Determine the savings due to participation in other AIC initiatives and make adjustments to account for them. Apply the SAG-approved NTGR values to estimate net impacts.

We describe each of these activities in detail below.

TASK 1. CHANNEL MATERIAL AND DATABASE REVIEW

The evaluation team will conduct a comprehensive review of all VCx and Virtual SEM channel materials and tracking data. We will request data extracts from Power TakeOff at up to two points throughout the implementation period. We plan to request early data extracts with participant AMI data, weather data, savings calculation details, participant information, and supporting data/project records, including participant M&V workbooks. The evaluation team will work with Power TakeOff and AIC to determine the appropriate times to request the data extracts based on the number of participants and post-period data availability. The evaluation team will use these initial extracts to set up our data cleaning and modeling approach to prepare for receiving the complete 2025 data in January. Upon receipt of the data, we will conduct data reviews to ensure we have the appropriate data inputs listed in the data request and we will follow up as necessary to obtain any additional data.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. CHANNEL STAFF INTERVIEWS

We will conduct early evaluation interviews with AIC and Power TakeOff staff to confirm our understanding of VCx and Virtual SEM design and implementation in 2025. These interviews will provide AIC and implementation staff with an opportunity to discuss their goals for the channel, highlight evaluation priorities for 2025, and share early insights on channel performance. We plan to conduct one interview early in the implementation period and another at the end of the year with Power TakeOff and AIC/Leidos for a total of four interviews.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. IMPACT ANALYSIS

Per discussion and agreement with AIC and Power TakeOff, the evaluation and implementation teams have agreed upon a common modeling approach to analyze project results for the VCx channel, detailed in past evaluation reports. We will employ the agreed-upon modeling approach in 2025 to calculate verified savings and confirm whether the models meet the robustness criteria required to claim savings. The evaluation team will apply the Illinois SAG-approved NTGR to estimate net impacts.

The evaluation and implementation teams have not agreed upon a single modeling approach for the Virtual SEM channel, given the potential for disparate program interventions across participating sites. However, to-date, the interventions implemented through the Virtual SEM channel have aligned with the types of interventions implemented through the VCx channel. Therefore, the implementation and evaluation teams have leveraged similar modeling approaches to the agreed-upon approach for VCx. While the specific modeling approaches could differ in 2025, what will remain consistent is the use of a pre- and post-participation energy consumption analysis to estimate savings.

In addition, the evaluation team will calculate a savings adjustment to account for the portion of net savings estimated from the VCx and Virtual SEM impact analyses that have already been claimed by other AIC initiatives. Given that the impact analysis approach for both channels is based upon consumption data, savings from equipment that is rebated through other AIC initiatives will appear in the savings results for the VCx and Virtual SEM channels and savings results

for the rebate initiatives, which will result in the double counting of savings if adjustments are not made. The evaluation team will base the savings associated with participation in other AIC initiatives on the results of their respective 2025 impact evaluations. As such, the team will conduct a joint savings analysis to calculate adjusted net savings estimates. The joint savings analysis identifies the portion of savings from the VCx and Virtual SEM interventions that are double counted by these channels and other AIC energy efficiency initiatives.

Deliverable: Interim joint savings results

Deliverable Date: October 2025

Deliverable: Findings in draft report

Deliverable Date: March 2026

TASK 4. REPORTING

The evaluation team will provide all impact findings and associated process findings in the Business Program annual impact evaluation report in March 2026. The evaluation team will provide a draft report for AIC, ICC staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 39 summarizes the timing and budget associated with each evaluation activity.

Table 39. Virtual Commissioning and Virtual SEM Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$12,000
2	Initiative Staff Interviews	June and November 2025	\$4,000
4	Impact Analysis	March 2026	\$78,600
4	Draft Annual Impact Report	March 15, 2026	\$12,000
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$106,600

3.2.7 STREETLIGHTING INITIATIVE

The Streetlighting Initiative incentivizes the replacement of streetlighting using high-pressure sodium (HPS) and mercury vapor (MV) lighting with energy-efficient LED technology. The Initiative targets streetlighting for upgrades through two channels:

- **Municipality-Owned Streetlighting (MOSL):** AIC targets municipal customers who own their streetlighting fixtures. Incentives are provided to encourage customers to replace existing MV and HPS streetlights with LED streetlights.
- **Utility-Owned Streetlighting (UOSL):** AIC targets municipal customers who have AIC-owned streetlighting fixtures. Early replacement of functioning HPS and MV streetlights with LED streetlights is available to customers through the Initiative for a per-fixture fee. In addition, through this channel, AIC claims savings from ongoing replacement of existing AIC-owned HPS streetlighting with LED streetlights upon burnout.

EVALUATION APPROACH

The 2025 evaluation of the Streetlighting Initiative will include both impact and process evaluation activities.

RESEARCH OBJECTIVES

IMPACT QUESTIONS

The 2025 impact evaluation will answer the following questions:

- What are the estimated gross electric energy and electric demand impacts attributable to the Streetlighting Initiative?
- What are the estimated net electric energy and electric demand impacts attributable to the Streetlighting Initiative?

PROCESS QUESTIONS

The 2025 process evaluation will seek to answer the following questions:

- Did the Initiative experience any implementation challenges in 2025? If so, what were they, and how were they overcome?

EVALUATION TASKS

Table 40 outlines the planned tasks for the 2025 Streetlighting Initiative evaluation.

Table 40. Summary of Streetlighting Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Material and Database Review	✓	✓		Gather information about Initiative design, implementation and performance in 2025.
Initiative Staff Interviews		✓		Explore changes made since 2024 and gather information about 2025 design and implementation.
Impact Analysis	✓			Review Initiative tracking data to ensure that correct deemed values and IL-TRM V13.0 specified algorithms are used in calculating savings. Estimate gross impacts through review of the tracking database and application of the IL-TRM V13.0. Determine 2025 net impacts using SAG-approved NTGR values.

We describe each of these activities in detail below.

TASK 1. INITIATIVE MATERIAL AND DATABASE REVIEW

The team will conduct a comprehensive review of all Initiative materials and tracking data. This includes Business Program marketing and implementation plans, customer and ally communications, and extracts from the Business Program tracking database (i.e., AMPLIFY). We request extracts from AMPLIFY on a regular basis and will continue to communicate with AIC and Leidos about data needs.

Deliverable: Data requests

Deliverable Date: Ongoing

TASK 2. INITIATIVE STAFF INTERVIEWS

We will develop an in-depth interview guide for 2025 to explore Initiative implementation, performance, and other topics relevant to our research objectives. We will conduct up to two interviews with Business Program staff involved in the Streetlighting Initiative: (1) a brief interview mid-cycle to understand the design and implementation strategy of the Initiative in 2025, allow implementation staff the opportunity to comment on the Initiative’s performance to-date, and to provide time for the evaluation team to modify any research tasks as necessary and, (2) if needed, an additional interview toward the end of 2025 to follow-up on any relevant items. We will likely conduct interviews focusing on all Business Program initiatives together, but we will conduct interviews with staff specific to this Initiative, as needed.

Deliverable: Completed interviews

Deliverable Date: July and December 2025

TASK 3. IMPACT ANALYSIS

To estimate verified gross impacts associated with measures installed through the Streetlighting Initiative, we will conduct an IL-TRM application review for all Streetlighting projects. We will review Initiative tracking data to ensure that correct deemed input values and IL-TRM V13.0 algorithms are used in calculating gross savings and will replicate savings calculations to ensure accuracy. We will calculate net savings by applying the SAG-approved NTGRs for 2025 to gross electric savings.

Deliverable: Analysis in draft annual impact evaluation report

Deliverable Date: March 2026

TASK 4. REPORTING

The evaluation team will provide all impact findings and associated process findings in the Business Program Annual Impact Evaluation Report in March 2026. The evaluation team will provide a draft report for AIC, ICC staff, and SAG review and then deliver a final report that incorporates any comments from the review.

Deliverable: Chapter in draft annual Business Program impact report

Deliverable Date: March 15, 2026

Deliverable: Chapter in final annual Business Program impact report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 41 summarizes the timing and budget associated with each evaluation activity.

Table 41. Streetlighting Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Material and Database Review	Ongoing	\$2,000
2	Initiative Staff Interviews	June and November 2025	\$2,500
3	Impact Analysis	March 2026	\$7,500
4	Draft Annual Impact Report	March 15, 2026	\$3,000
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$15,000

3.2.8 PIPELINE CHANNELS PROCESS EVALUATION

AIC's Business Program includes several channels, collectively referred to as "pipeline channels," which are designed to provide Business customers with the information and data they need to scope, plan, and fund energy efficiency projects.¹⁵ The pipeline channels include:

- Strategic Energy Management (SEM)
- Retro-Commissioning (RCx Core)
- Virtual Commissioning (VCx)
- Feasibility Studies (FS)
- Process Energy Advisor Assessments (PEAs)
- Building Energy Assessments (BEAs)
- Staffing Grants (SG)
- Metering & Monitoring (M&M)

These channels have become increasingly important to the strategic direction of the Business Program over the current program cycle. The objective behind offering these channels is to generate a continuous organic pipeline of projects that customers bring to the implementation team each year rather than relying solely on the implementation team's recruiting efforts to reach savings and participation goals.

Given the nature of these channels, it is expected that the timeline between participation and the completion of projects through the Business Program could be considerable. This is because following their participation, customers may need to go through internal processes to obtain approval for the project and/or to have the project included in future capital expenditure budgets. Given this landscape, this research will focus on providing AIC and its implementation partners with insights into the business program activity generated by participants in the pipeline channels from 2018-2021 so that they can assess the relative effectiveness of each of these channels in producing energy-saving projects through the Business Program and make informed decisions regarding which channels to emphasize and which to potentially refine in future years.

RESEARCH OBJECTIVES

The evaluation team will seek to answer the following research questions as part of this study:

- How are each of the pipeline channels designed and implemented?
- What do the staff implementing these channels see as the strategic objectives/outcomes of each channel?
- What is the expected customer participation experience like from recruitment through project completion?
- How successful are the pipeline channels, collectively, in producing project conversions? Which channels are most and least effective at generating projects?
- What types of follow-up projects are pipeline channel participants completing?
- What is the incremental cost per unit of savings associated with the pipeline channels?

¹⁵ The majority of these pipeline channels do not directly produce electric or gas savings; they provide customers with data and information. The RCx Core channel does directly produce savings, but it is also considered a pipeline channel because a key component of channel implementation is collecting data on the overall energy impact of systems and processes, which can lead to larger capital investments.

EVALUATION TASKS

Table 42 outlines the planned tasks for the 2025 Pipeline Channels Process Evaluation.

Table 42. Summary of Pipeline Channel Process Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Historic Conversion Analysis		✓		Analyze the historical performance of each of the channels.
Cost-Efficiency Analysis		✓		Explore the incremental cost per unit of energy savings associated with operating each of the channels.
Program Staff Interviews		✓		We will interview the applicable channel staff to understand how each channel is implemented and the outcomes they are intended to produce.
Customer Participation Process Mapping		✓		Document the customer participation experience through each of the channels from recruitment through project completion.
Reporting		✓		A comprehensive report detailing the results of each of the tasks and actionable recommendations for process and implementation improvements where practical.

We describe each of these activities in detail below.

TASK I. HISTORIC CONVERSION ANALYSIS

The objective of the historic conversion analysis is to identify all completed energy efficiency projects associated with participation in one of the pipeline channels and calculate a project conversion rate. The definition of a “project conversion” will differ for each of the channels based on their scope. For example, some pipeline channels focus on specific facilities, such as the Process Energy Advisor Assessments. Other channels are targeted at the organizational level, such as SEM, or specific projects like M&M. Table 43 includes details on how the evaluation team will define a project conversion for each of the pipeline channels.

Table 43. Project Conversion Definitions by Channel

Channel	Unit of Analysis	Conversion Definition
Strategic Energy Management	Organization	Completion of a project by the organization associated with the SEM participation.
Retro-Commissioning Core	Facility	Completion of a project at the facility associated with the RCx survey.
Virtual Commissioning	Facility	Completion of a project at the facility associated with the VCx project.
Feasibility Study	Project	Completion of the project associated with the study.
Process Energy Advisor Assessments	Facility	Completion of a project at the facility associated with the assessment.
Building Energy Assessments	Facility	Completion of a project at the facility associated with the assessment.
Metering & Monitoring	Project	Completion of the project associated with the study.
Staffing Grants	Organization	Completion of a project by the organization associated with the Staffing Grants participation.

The evaluation team will start by analyzing historical program tracking data to identify all pipeline channel participants from 2018-2021. Then, based on the conversion definitions described in Table 43, we will identify all subsequent project activity through the Business Program associated with the participant, their facility, and/or their organization. For the FS and M&M channels, the evaluation team will take the additional step of confirming whether any of the identified program activities align with the scope of the M&M or FS scope to determine whether any of the identified projects represent a conversion.

Ultimately, the evaluation team will provide AIC and its implementation partners with information on the number and types of project conversions associated with the pipeline channels as a whole, as well as with each individual channel. This information will assist in determining the relative success of each of the channels in producing program activity.

Deliverable: Analysis in draft process evaluation report

Deliverable Date: July 2025

TASK 2. COST-EFFICIENCY ANALYSIS

The cost-efficiency analysis will seek to understand the return the pipeline channels produce in terms of units of energy savings in relation to the cost incurred by AIC to support the channels. This analysis will be built upon the historic conversion analysis by spreading the incentive cost of each participant’s pipeline channel participation across the resulting projects to determine the incremental cost to the portfolio per unit of savings generated associated with operating the pipeline channels. Table 44 illustrates some example outputs this analysis would generate. The analysis would examine the cost to operate each of the pipeline channels, the electric energy and/or gas savings directly produced through the channel (if any), the electric energy and/or gas savings produced through the project conversions associated with each channel, and a calculated metric of the dollars spent per each unit of resulting electric energy and gas savings.

Table 44. Example Results Table for the Cost-Efficiency Analysis

Channel	Ex Ante kWh	Ex Ante Therms	Incentive Costs	Converted Ex Ante kWh	Converted Ex Ante Therms	\$/kWh	\$/Therm
Strategic Energy Management							
Retro-Commissioning							
Virtual Commissioning							
Feasibility Study							
Process Energy Advisor Assessments							
Building Energy Assessments							
Metering & Monitoring							
Staffing Grants							
Total							

Deliverable: Analysis in draft process evaluation report

Deliverable Date: July 2025

TASK 3. PROGRAM STAFF INTERVIEWS

We will interview staff who administer each of the pipeline channels to understand how each channel is implemented, including how participants are recruited, what the participation process entails, what data or materials the participants receive through their participation, and what (if any) engagement occurs between program staff and the participants to support the completion of energy efficiency projects. In addition, the evaluation team will explore the perspective of program staff regarding the objectives of each of the channels and how they fit into the overall strategic direction of AIC’s Business Program. In total, we expect to complete six interviews.

Deliverable: Completed interviews

Deliverable Date: May and June 2025

TASK 4. CUSTOMER PARTICIPATION PROCESS MAPPING

The evaluation team will use the information gathered through the program staff interviews to document the expected customer experience for each channel, from recruitment into the channels through participation and ultimately to the completion of follow-up projects. The maps will also include key steps or outputs from the pipeline channel participation process. The overall objective is to understand how these pipeline channels operate and how the staff administering these channels envision the participation process leading to completed projects by customers.

Deliverable: Maps included in draft process evaluation report

Deliverable Date: July 2025

TASK 5. REPORTING

The evaluation team will compile the results of the conversion analysis, cost-efficiency analysis, and customer participation process mapping into a comprehensive report. Based on the results of these tasks, the evaluation team will provide feedback on the design, implementation, and performance of these pipeline channels to date and make actionable recommendations for process and implementation improvements if practical. In addition, this information may inform future research with participants to understand their participation experience and explore the circumstances behind why they did or did not complete projects following their participation in the pipeline channels.

Deliverable: Draft process evaluation report

Deliverable Date: July 2025

EVALUATION BUDGET AND TIMELINE

Table 45 summarizes the timing and budget associated with each evaluation activity.

Table 45. Pipeline Channels Process Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Historic Conversion Analysis	July 2025	\$50,900
2	Cost-Efficiency Analysis		\$9,000
3	Program Staff Interviews		\$42,800
4	Customer Participation Process Mapping		\$24,000
5	Reporting		\$39,700
Total Budget			\$166,400

3.3 VOLTAGE OPTIMIZATION PROGRAM

In 2025, AIC will be operating and claiming savings from the VO Program as part of its energy efficiency portfolio. In this section, we outline the anticipated evaluation activities for the VO Program in 2025.

EVALUATION APPROACH

The 2025 evaluation of the VO Program focuses on estimating energy and peak demand saving impacts associated with VO implementation and related considerations.

In accordance with Illinois evaluation requirements, we will deliver a draft Annual Voltage Optimization Impact Evaluation Report on or before March 15, 2026, covering the 2025 program year. This report will include information on 2025 verified impacts.

Research Objectives

Impact Questions

The VO evaluation team seeks to address the following research question:

- What are the estimated net energy savings from VO?
- What are the estimated net peak demand impacts from VO?

The process evaluation for this program will be limited to annual interviews with program staff, which will aid the evaluation team's understanding of the status of the program at the start of the evaluation year and inform the team of key developments in the VO program.

EVALUATION TASKS

Table 46 summarizes the 2025 evaluation activities planned for the VO Program.

Table 46. Summary of Voltage Optimization Program Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Program Staff Interviews	✓	✓		Explore program status, progress deploying VO technology, and potential ramifications for the 2025 evaluation.
Data Request and Materials Review	✓			Request data needed for impact calculations, review and assess data for quality and completeness.
Verification of VO Deployment to Date	✓			Verify ongoing operation of past VO deployments.
Impact Analyses	✓			Calculate 2025 full year net impacts using algorithmic approach in March 2026; deliver interim impact results in May and October 2025.

Task 1. Program Staff Interviews

We will conduct an interview with AIC program and engineering staff in early 2025 to learn of any changes to program design and implementation, successes and challenges encountered in deploying VO as planned, and any potential impacts changes could have on the evaluation timeline.

Deliverable: Completed interview

Deliverable Date: April 2025

Task 2. Data Request and Materials Review

The evaluation team will request data needed to calculate impacts using the approach outlined in IL-TRM V13.0. We will conduct a comprehensive review of all data submitted in response to the data request. The data review will include a VO Program data inventory, QA/QC of submitted data, and an assessment of data coverage. We will submit data requests two or more times during 2025 to support delivery of interim impact results to AIC, and we will submit a final data request in early 2026 to support the final, annual impact analysis.

Deliverable: Data Requests

Deliverable Date: April 2025, September 2025, and January 2026

Task 3. Verification of VO Deployment to Date

As an ongoing evaluation task, the evaluation team will verify continued operation of VO on circuits for each year of the study. The evaluation team will perform an analysis to verify ongoing operations of VO on a sample of circuits deployed in 2018-2024. This analysis will take place in early 2026 following a data request by January 2026.

Deliverable: VO verification findings in annual impact evaluation report

Deliverable Date: March 2026

Task 4. Impact Analysis

The evaluation team will use the methodology detailed in IL-TRM V13.0 to calculate net energy savings and summer coincident peak demand impacts from VO. The evaluation team will calculate interim energy savings twice throughout 2025 before delivering final energy savings and peak demand savings results in the annual impact report in March 2026.

Deliverable: Interim memos and circuit-level savings estimates

Deliverable Date: May and October 2025

Deliverable: Results provided in annual impact evaluation report

Deliverable Date: March 2026

Task 5. Reporting

The evaluation team will provide final impact findings in the annual impact evaluation report in March 2026. The evaluation team will provide a draft report for AIC and ICC staff review and then deliver a final report that addresses any comments from the review. Results will be incorporated in the portfolio Integrated Impact Evaluation Report as well as the portfolio Cost-Effectiveness Report.

Deliverable: Draft annual Voltage Optimization Impact Report

Deliverable Date: March 15, 2026

Deliverable: Final annual Voltage Optimization Impact Report

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 47 summarizes the timing and budget associated with each evaluation activity.

Table 47. Voltage Optimization Program Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Program Staff Interviews	April 2025	\$6,000
2	Data Request and Materials Review	April and September 2025, January 2026	\$40,000
3	Verification of VO Deployment to Date	March 2026	\$14,000
4	Impact Analysis	May and October 2025, March 2026	\$90,000
5	Draft Annual Impact Report	March 15, 2026	\$30,000
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$180,000

3.4 PILOTS AND EMERGING AREAS

3.4.1 LUMINAIRE LEVEL LIGHTING CONTROLS MARKET TRANSFORMATION INITIATIVE

AIC is currently operating a Luminaire Level Lighting Controls (LLLC) Market Transformation Initiative (LLLC Initiative). To date, AIC's Plan 6 portfolio has primarily focused on resource acquisition (RA) programs. In RA programs, the program implementer affects the decision-making and behaviors of individual actors (i.e., program participants), causing them to take actions that save energy compared to the actions they would have taken had it not been for the program intervention.

The LLLC Initiative, however, is an MT program. Theoretically, MT programs involve shifting away from focusing on individuals by changing the structure and function of an entire market. By doing so, MT programs have the potential to provide substantial benefits to society because the market dynamics the program influences further influence the actions of a much broader pool of market actors. MT programs, however, are generally more complex to design and implement because (1) they are aimed at affecting dynamic markets with an array of actors, (2) the timeframe under which MT programs operate is generally longer term, (3) the savings/impacts will be harder to measure, and (4) attribution claims will be more complicated and uncertain.

Given these considerations, the evaluation team has designed evaluation activities over a three-year time horizon (2024-2026) to help provide clarity to AIC, ICC Staff, and SAG as to how the Initiative will be evaluated over the next three years. These evaluation activities were designed to be repeated on a three-year cycle as program activities continue. This section describes the activities planned for the 2025 evaluation. Note that the tasks included in this evaluation plan were previously presented to and approved by AIC, ICC Staff, and SAG through the AIC LLLC MT Initiative Business Plan in 2023.

Note that while the LLLC Initiative is focused on transforming the market for LLLCs, it works in tandem with existing AIC prescriptive rebate programs (e.g. the Standard Initiative) that also offer financial incentives for LLLCs.

EVALUATION APPROACH

Our 2025 LLLC Initiative evaluation will include both process and impact components. The evaluation will address the following key objectives:

- Characterize initiative implementation and explore areas for initiative improvement, including increasing its overall effectiveness and ease of implementation.
- Assess the amount of knowledge gained from the LLLC training and determine the extent to which an increase in recommendations of LLLCs to clients occurred.
- Assess annual levels of awareness and understanding of LLLCs among market actors.
- Measure how the market share of LLLCs shifted over the evaluation period.
- Estimate net energy savings associated with the LLLC Initiative.

Evaluation Tasks

Table 48 outlines the planned tasks for the 2025 LLLC Initiative evaluation.

Table 48. Summary of LLLC Initiative Evaluation Activities for 2025

Task	Impact	Process	Market	Details
Initiative Materials Review		✓	✓	Comprehensive review of initiative materials to inform process and market evaluation activities
Training Assessments		✓	✓	Annual surveys and interviews with program allies to assess learnings and changes in behavior associated with LLLC training participation and estimate key MPIs
Market Actor Surveys	✓		✓	Annual surveys with non-participating market actors to gauge market awareness, familiarity, and experience with LLLC technology, assess key MPIs, and estimate LLLC adoption
Market Analysis and MPI Assessments	✓		✓	Secondary research and analysis of lighting market sales data to track LLLC market activity and assess market share of LLLCs in and around AIC territory, as well as analysis of primary research to assess progress toward MPI targets

Task	Impact	Process	Market	Details
Estimation of Market Transformation Savings	✓		✓	Annual year-end estimation of MT savings

We describe each of these activities in more detail below.

Task 1. Initiative Materials Review

The evaluation team will conduct a comprehensive review of all available Initiative materials, including implementation plans, logic models, marketing plans, training content, materials provided to participating program allies, as well as mass marketing materials. We will work closely with the implementation team to request all related materials as they become available throughout the year. Our team’s review of these materials will inform the process evaluation and allow us to document the design and implementation of the LLLC Initiative each year to continually assess how initiative activities may shift the lighting controls market in future years.

Deliverable: Data requests

Deliverable Date: Ongoing

Task 2. Training Assessments

The evaluation team will conduct surveys and interviews with program allies that enroll in the LLLC Initiative training workshops or courses. We will conduct three phases of training assessment data collection efforts to capture program allies’ input prior to, immediately after, and several months after participating in trainings. To the degree possible, training assessments will be embedded as part of ongoing training efforts, and we will attempt a census of all training participants. The goals for each assessment are as follows:

- Pre-training surveys — Before the training, the evaluation team will develop a baseline estimate for program allies’ understanding of the LLLC technology prior to participating in the training.
- Post-training surveys — Immediately following the training, the evaluation team will assess program allies’ reactions to and satisfaction with the training. These surveys will also inform our assessment of MPI V (i.e., increased number of trained contractors/installers).
- Post-training follow-up interviews — Several months after program allies’ participation in the training, the evaluation team will assess changes in behavior and activity around LLLCs, as well as changes in sales practices and comfort promoting LLLCs to customers. These assessments will inform assessments of MPI III and IV (increased recommendations of LLLC to customers by program allies and increased installations of LLLCs by program allies). The post-training assessments will also provide insights into barriers to LLLC adoption and opportunities for further training to help inform continuous improvements of the initiative trainings.

Deliverable: Draft survey instruments

Deliverable Date: May 2025

Deliverable: Fielding summary

Deliverable Date: August 2025

Task 3. Market Actor Surveys

The evaluation team will conduct two separate annual surveys with broad populations of AIC business customers and trade allies who did not participate in trainings or receive or facilitate AIC LLLC incentives. Through these surveys, our team will develop current estimates of awareness and familiarity with LLLC technology among key populations (MPI I and MPI II), savings potential of LLLCs, demand potential of LLLCs, and non-energy benefits among nonresidential building owners, property managers, decision-makers, lighting sellers, and lighting installers. Our team will also use these surveys to develop estimates of recommendation/installation prevalence (MP III and MPI IV).

We plan to repeat these surveys annually over the course of the program to build a base of evidence for shifts in the lighting controls market that may be attributable to the LLLC Initiative. Each year, we will use a random sampling

approach for the survey; we will target a sample of end users using a simple random approach and will target a sample of trade allies using stratified random sampling; stratifying by whether the contact is considered a distributor or installer.

We will design a sample from the population of end users and trade allies to target a total of 350 completes from end users and 50 completes from trade allies. This approach will allow us to separate each population into two groups; we plan to avoid reaching out to the exact same sample of end users and trade allies every year to encourage higher response rates.

Deliverable: Draft survey instruments

Deliverable Date: June 2025

Deliverable: Fielding summary

Deliverable Date: September 2025

Task 4. Market Analysis and MPI Assessment

Each evaluation year, the evaluation team will conduct secondary research and review annual lighting market sales data to track market changes and shifts in LLLC market shares locally and nationally.¹⁶ This task will allow the evaluation team to stay up to date on LLLC technology advancements, relevant changes to codes and standards, and other market influences affecting LLLC adoption among AIC customers.¹⁷ Annual sales data along with other secondary sources will serve to corroborate the results of market actor surveys conducted with AIC customers and trade allies. This information may also be used as evidence in future years to revise the NMB or inform Delphi panel input on initiative attribution.

The evaluation team will also analyze primary data from training assessments and market actor surveys to provide directional evidence of initiative influence on LLLC market adoption and will compare MPI estimates to targets set by AIC and its implementation team. Through 2026, the evaluations will focus on the short- and mid-term MPIs (MPI I through MPI V). Beginning in 2027, however, the evaluation team recommends additional focus be placed on MPI VI and MPI VII to begin measuring progress toward long-term goals.

Deliverable: Analysis in draft report

Deliverable Date: March 2026

Task 5. Market Transformation Savings Estimation

The evaluation team will rely primarily on market actor survey findings from AIC business customers to estimate current LLLC adoption levels in AIC service territory. We will corroborate these results with findings from the market actor trade ally survey and analysis of available secondary research and lighting market sales data. We will then use the IL-TRM V13.0 to determine LLLC Unit Energy Savings (UES) associated with all LLLCs currently installed in AIC service territory. We will then subtract the portion of those savings forecasted by the NMB estimate, as well as the portion of savings associated with incentivized LLLCs already claimed by AIC resource acquisition (RA) offerings. Equation 2 summarizes the estimation of market transformation savings attributable to the LLLC Initiative.

Equation 2. Market Transformation Savings

$$MT\ Savings = (UES \times LLLC\ Units) - NMB\ Savings - RA\ Savings$$

Where:

¹⁶ The team has identified the 'United States Commercial Lighting Market Data Set', produced by Advance Market Analytics, as source for LLLC market share data in Illinois.

¹⁷ Examples of secondary data sources include DOE lighting market reports, regional lighting market studies, or research conducted with industry experts or knowledgeable market actors.

MT Savings = Total Market Transformation Savings Claimable by the LLLC Initiative

UES = Unit Energy Savings (Baseline Unit Energy Consumption Minus EE Unit Energy Consumption)

LLC Units = Total Market Units of LLLCs in AIC Territory

NMB Savings = LLLC Savings Forecasted by NMB

RA Savings = LLLC Savings Associated with RA Offerings

It should be noted that MT savings typically take time to generate meaningful savings. As a result, the evaluation team anticipates relatively small savings in the early stages of the initiative.

Deliverable: Analysis in draft report

Deliverable Date: March 2026

Task 6. Reporting

We will summarize the results and recommendations from this research in a draft report and address any comments and questions on the draft report before delivering a final version to memorialize the results.

Deliverable: Draft reporting

Deliverable Date: March 15, 2026

Deliverable: Final reporting

Deliverable Date: April 30, 2026

EVALUATION BUDGET AND TIMELINE

Table 49 summarizes the timing and budget associated with each evaluation activity.

Table 49. Summary of LLLC Initiative Evaluation Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Initiative Materials Review	Ongoing	\$6,800
2	Training Assessments	May and August 2025	\$31,500
3	Market Actor Surveys	June and September 2025	\$29,300
4	Market Analysis and MPI Assessment	March 2026	\$25,000
5	Market Transformation Savings Estimation	March 2026	\$20,600
6	Draft Annual Impact Report	March 15, 2026	\$21,800
	Comments from AIC and ICC Staff	Within 15 Business Days	
	Final Annual Report	April 30, 2026	
Total Budget			\$135,000

3.4.2 HIGH PERFORMANCE WINDOWS MARKET TRANSFORMATION INITIATIVE

In 2025, AIC plans to take steps to work toward the implementation of a High Performance Windows (HPW) Market Transformation Initiative (HPW Initiative). As requested by the AIC and implementation teams, Opinion Dynamics will provide support in this process in two specific areas:

- We will work with the AIC and implementation teams to develop a HPW Initiative evaluation plan for inclusion in a future HPW Initiative Business Plan. This task is expected to occur in Q1 2025.
- We will also provide support to and coordination with the implementation team for the purpose of determining if existing implementation materials being developed are acceptable from an evaluation perspective in setting baselines for the HPW Initiative. This task is expected to occur in Q1-Q2 2025.

We have reserved \$40,000 of the evaluation budget to support this work as part of the 2025 evaluation.

3.5 COMPLIANCE AND STAKEHOLDER ENGAGEMENT ACTIVITIES

As part of our 2025 evaluation, we will provide several cross-cutting compliance and stakeholder engagement services to AIC that are not specific to any planned program evaluations. Each of these is detailed below.

3.5.1 GAS ADJUSTABLE SAVINGS GOALS REVIEW FOR 2026

As outlined by the Policy Manual, during each year of the 2026-2029 plan period, AIC will file annual adjustments to its gas energy savings goals resulting from updates or changes to the IL-TRM.¹⁸ As required by the Policy Manual, AIC's independent evaluator must verify in advance of the filing that the adjustments to the energy savings goals have been performed accurately. To support this process, we expect to conduct two tasks:

- First, we expect to conduct a one-time initial review of AIC's adjustable goal tracker that will be used to support the 2026-2029 Plan to ensure that the baseline calculations to be used for future adjustable goals changes accurately reflect the prevailing version of the Illinois TRM. We expect that this task will occur in Q1 2025 but will work with AIC to determine the best time to complete this activity.
- Secondly, as we have in prior years, we will work with AIC to receive its updated adjustable goals tracker in December 2025 and complete our review by January 2026 to align with the Policy Manual's requirements for updating adjustable goals for 2026.

We have reserved \$30,000 of evaluation budget to support this activity in 2025.

3.5.2 ECONOMIC AND EMPLOYMENT IMPACTS ANALYSIS

Illinois statute requires Illinois program administrators to report estimates of job and macroeconomic impacts from their energy efficiency portfolios annually at the conclusion of each year's annual impact reporting cycle (April 30 following the year of program implementation).¹⁹ During 2018 and 2019, the evaluation team collaborated with the ComEd evaluation team to develop a methodology for estimating these impacts, which was approved by the Illinois SAG.

¹⁸ Illinois Energy Efficiency Policy Manual Version 3.0, Section 6.2.

¹⁹ Reporting requirements are further defined in the Policy Manual.

This analysis is currently conducted using a plug-and-play multiplier-based approach, built in Microsoft Excel, that uses portfolio savings estimates and cost information to estimate job and macroeconomic impacts. We will provide these estimates as part of the 2025 Annual Integrated Impact Evaluation Report.

We have reserved \$10,000 of the evaluation budget to support this activity in 2025.

3.5.3 ILLINOIS STATEWIDE TECHNICAL REFERENCE MANUAL SUPPORT

The evaluation team is actively involved in the annual IL-TRM update process in a number of ways:

- We are regular participants in Illinois Technical Advisory Committee (TAC) meetings, including participation in weekly calls, as well as reviewing and commenting on IL-TRM update items presented to the TAC. This includes participation in TAC subgroups as needed, including the IQ TRM Working Group.²⁰
- We coordinate and collaborate with other Illinois evaluation teams as needed on key IL-TRM related research.
- We develop workpapers to update the IL-TRM based on evaluation research conducted in prior years and discuss these updates with the Illinois TRM Administrator and other interested parties as needed.
- We reserve ad-hoc budget and time to support the IL-TRM Administrator, VEIC, and other Illinois stakeholders in all of the above.

In addition, we scope and execute research activities outside of annual program evaluations and specifically designed to result in IL-TRM updates on an as-needed basis. Throughout 2025, we will coordinate with AIC, its implementation team, and other Illinois stakeholders to identify and pursue research to update the IL-TRM.

We have reserved \$90,000 of the evaluation budget to support these activities in 2025.

3.5.4 COST-EFFECTIVENESS ANALYSIS AND SUPPORT

Section 8-103B and Section 8-104 direct utilities to operate cost-effective energy efficiency programs, and to demonstrate that their energy efficiency portfolios are cost-effective using the Illinois Total Resource Cost (TRC) test. In accordance with law, relevant ICC orders, and policy developed by the Illinois SAG, we conduct a cost-effectiveness analysis of AIC's energy efficiency portfolio on an annual basis.

Cost-effectiveness testing for the Illinois TRC conducted as part of our annual evaluations will align with national standard practice, as well as directives presented in the Policy Manual, and will incorporate information from AIC program tracking data, Opinion Dynamics' annual evaluations of AIC's portfolio, and supporting information from the IL-TRM.

To assess cost-effectiveness, the team monetizes each initiative's net resource benefits, as measured by the avoided costs, total incremental costs of measures installed, and administrative costs to calculate initiative-level benefit-cost ratios. These results are aggregated to produce program- and portfolio-level benefit-cost ratios, as well. We will work closely with AIC and its implementer to ensure we accurately capture costs and benefits associated with the portfolio.

State law requires AIC's energy efficiency portfolio to be cost-effective at the portfolio level,²¹ but does not prescribe cost-effectiveness requirements at the program level. Nevertheless, to the degree possible, our analysis will provide insights into the cost-effectiveness of various components of AIC's portfolio to provide further insight for program

²⁰ Participation in the Illinois NTG Working Group is discussed in Section 4.5.7.

²¹ State law specifically exempts measures delivered to low-income customers from this requirement, which means that the cost-effectiveness requirement is for the portfolio, less all effects of low-income programs.

planning. In addition to the Illinois TRC test, we will conduct the program administrator cost test (PA/UCT) to support SAG requested reporting.

We will report the results of our analysis in an annual verified cost-effectiveness report to be delivered after yearly program impacts have been finalized. We will utilize best efforts to provide the final verified cost-effectiveness report for each program year no later than July 1 in the year following implementation.

Additionally, we will provide ad hoc support to AIC and its implementation teams by screening proposed measures and implementation scenarios for cost-effectiveness.

We have reserved \$50,000 of the evaluation budget to support this activity in 2025.

3.5.5 REGULATORY TESTIMONY IN RIDER EE DOCKET

As required in AIC's stipulated agreement for Plan 6,²² as AIC's independent evaluator, Opinion Dynamics is required to participate in AIC's annual Rider EE update docket, including but not limited to the following activities:

- Filing of concise direct testimony that:
 - Provides a high-level summary of our annual evaluation reports,
 - Summarizes annual incremental savings achieved that can be counted toward AIC's 2025 AAIG and explains how those calculations were performed,
 - Summarizes CPAS achieved that can be counted toward AIC's 2025 CPAS goal and explains how those calculations were performed, and
 - Describes any disputes that have been documented in evaluation reports in accordance with the Policy Manual.
- Responding to any data requests we are served by parties to the proceeding;
- Filing testimony in response to any issues raised with evaluation reports and available to provide oral testimony at the evidentiary hearing while being represented by our own counsel;
- Filing any corrections or errata to our reports; and
- Retain our own legal counsel to appear at the evidentiary hearing and move for admission into the record of our reports, evaluations, testimonies, affidavits, verifications, and any other exhibits we authored.

As required in the stipulation, we will use best efforts to file our initial direct testimony within 14 days of AIC filing its annual petition to open the Rider EE docket.

We have reserved \$15,000 of the evaluation budget to support this activity in 2025, which includes legal fees.

3.5.6 SAG PARTICIPATION

Since 2008, SAG has provided a venue for utilities and stakeholders to work together to discuss a variety of policy and technical issues and reach consensus on ICC directives.²³ In support of AIC's portfolio, Opinion Dynamics is a regular attendee at SAG meetings and is frequently called upon to present and/or support SAG discussions on a variety of topics. This includes, but is not limited to, participation in Large Group SAG meetings, as well as participation in any SAG

²² Ameren Exhibit 1.1 – Appendix J Docket 21-0158. Accessed at: <https://www.icc.illinois.gov/docket/P2021-0158/documents/308480/files/537749.pdf>

²³ Illinois Energy Efficiency Stakeholder Advisory Group: Process Guidance – 2024 Update. https://www.ilsag.info/wp-content/uploads/SAG_Process_Guidance_2024_Update_REDLINE-1-11-2024.docx

working groups and activities in support of AIC’s portfolio, including but not limited to the SAG Market Transformation Savings Working Group, the SAG Non-Energy Impacts Working Group, and the SAG Reporting Working Group. Opinion Dynamics also presents evaluation materials as part of a number of annual SAG activities, including the annual NTG update process, which will occur in September 2025 for the 2026 program year.

SAG participation is dependent on expressed needs and can vary significantly from year to year; we have reserved \$95,000 of the evaluation budget to support this activity in 2025 based on our best estimates of costs associated with participation in and engagement with the discussions listed above.

3.5.7 NTG WORKING GROUP PARTICIPATION AND FACILITATION

As part of numerous ICC orders in 2014, the ICC directed Illinois utilities to require their evaluators to collaborate with other Illinois evaluators and the SAG in developing consensus statewide NTG methodologies to be included as an attachment to the IL-TRM. The ICC indicated that the independent evaluators should take the lead in this effort.²⁴ This collaboration was formalized as the Illinois NTG Working Group; the Opinion Dynamics team has participated in (and frequently facilitated) this group since its inception.

For the 2024-2025 NTG Working Group cycle, supporting updates to IL-TRM Attachment A for IL-TRM V14.0, Opinion Dynamics will be continuing its role of lead facilitator for the NTG Working Group, which includes coordinating requests for updates, organizing and facilitating methodological discussions, and drafting of a redline revision to Attachment A in time for the final IL-TRM V14.0 in September 2025.

We have reserved \$80,000 of evaluation budget to support this activity in 2025.

3.6 CROSS-CUTTING EVALUATION RESEARCH

As part of our 2025 evaluation plan, we also plan to complete a number of specific evaluation research studies activities that are not specific to any planned program evaluations. Planned activities for 2025 are detailed below.

3.6.1 HEAT PUMP INCENTIVE AND PROGRAM DESIGN STUDY

AIC is interested in increasing adoption of heat pump space and water heating (henceforth, “heat pump technology”) within its market rate initiatives. Evaluations in recent years, including interviews and surveys with distributors, contractors, and customers, have raised questions about whether AIC's incentives for heat pump technology are optimized to encourage more adoption while also maximizing program influence, i.e., to capture more customers who otherwise would not have participated at current incentive levels. AIC is also interested in other design choices beyond incentives that could potentially be tweaked to encourage more participation.

EVALUATION APPROACH

To address this need, we will conduct a residential customer survey with a conjoint analysis to quantify incentive sensitivity and gauge the implications of other program design choices for customer likelihood to adopt heat pump technology. The survey will also include self-report questions to explore other determinants of heat pump purchase decisions, installation behavior, and fuel switching tendencies.

²⁴ Illinois Statewide Technical Reference Manual V13.0 – Attachment A: Illinois Statewide Net-to-Gross Methodologies. https://www.ilsag.info/wp-content/uploads/IL-TRM_Effective_010125_v13.0_Vol_4_X-Cutting_Measures_and_Attach_09202024_FINAL.pdf

Research Objectives

This research will answer the following questions:

- How can AIC residential offerings optimize incentive levels for heat pump technology to increase adoption while maximizing program influence?
- What purchase considerations and program design elements most influence customers' choice of HVAC and water heating equipment (e.g., upfront cost, equipment efficiency, previous equipment type, incentive availability/format, contractor involvement)?
- To what degree are AIC residential customers familiar with and open to adopting heat pump technology? What do customers see as the primary benefits and drawbacks of heat pump technology?
- How do customers typically approach the installation of new heat pump technology, and how do these tendencies vary across different types of equipment or when fuel switching is involved?

Evaluation Tasks

Table 50 summarizes the 2025 evaluation activities planned as part of this study, each of which is described in more detail below.

Table 50. Summary of Heat Pump Incentive and Program Design Study Activities for 2025

Task	Impact	Process	Market	Details
Market Pricing Review			✓	Conduct a review of available information on typical heat pump pricing and operating costs relative to directly alternative heating and cooling equipment to contextualize current AIC heat pump incentive offerings and establish reasonable parameters for customer-facing survey questions and conjoint analysis.
Customer Survey			✓	Design and field an online survey of residential customers involving conjoint exercises and traditional self-report questions to better understand optimal incentive levels, drivers of heat pump adoption, and customer approaches to purchasing and installing heat pump technology.
Survey Analysis			✓	Modeling of survey-based conjoint exercise data to quantify relative preferences of individual elements, gauge price sensitivity, and simulate relative heat pump technology adoption levels under varying conditions. Also includes analysis of traditional survey self-report questions.
Reporting			✓	Summarize detailed methods, results, key findings, and recommendations in a standalone report.

Task 1. Market Pricing Review

Prior to developing a customer survey instrument, the evaluation team will conduct a detailed review of available research and documentation on typical upfront and operational costs associated with heat pump installations to directly inform survey design and subsequent analysis. As part of this review, we will establish typical price ranges and annual energy costs for the technology and compare those costs against those of equivalently sized central air conditioning and gas furnaces typically relied upon by AIC customers for their home's heating and cooling needs. We will also gather information regarding key determinants of upfront costs (e.g., home size, system features, etc.) and implications for typical pricing options available to customers considering heat pump purchases in Illinois.

The outputs of this review will not only provide valuable context around current and historical incentive amounts offered through existing AIC residential initiatives, but also directly inform design of the upcoming customer survey. This research around pricing and costs will help ensure the survey's conjoint exercise hypotheticals are as realistic as possible and provide all applicable information typically available to customers when considering an upgrade or

replacement of their home's heating and cooling equipment. In addition, average pricing information will serve as inputs to conjoint analysis and will inform exploration of relative preferences between different options at typical price points with and without various incentive amounts applied.

Deliverable: Data collection instrument

Deliverable Date: June 2025

Task 2. Customer Survey

The evaluation team will conduct an online survey with AIC residential customers to characterize customer awareness, preferences, and decision-making regarding the purchase and installation of new heat pump technology. In addition to traditional self-report questions, the survey will include conjoint exercises, which rely on hypothetical scenarios to reveal customer decision-making preferences. The conjoint approach allows researchers to observe and quantify the relative importance of multiple purchase considerations simultaneously, making it a useful method for characterizing not only price sensitivity, but also the degree to which other program elements and purchase considerations play into customer decision-making. In the early stages of conjoint design development, the evaluation team will coordinate with relevant AIC and implementation staff to ensure appropriate representation of factors that can best inform future offerings.

Conjoint exercises involve interactive visuals best suited to online survey fielding. We will invite residential customers to participate via email and offer \$10 incentives for any customer who completes the survey. For survey sampling, we anticipate relying on an extract of AIC residential customers with valid email addresses and will contact up to 60,000 residential customers to achieve the targeted yield; approximately 1,200 responses from single-family occupants with central cooling systems for whom the heat pump purchase conjoint exercise are directly applicable.²⁵

Survey-based conjoint research consists of hypothetical scenarios where respondents are asked to make a series of choices between available options. On each screen, respondents are presented with a few different options that vary on a predetermined set of attributes and are asked to choose one. By tracking which combinations of attributes are selected most often, researchers can model relative preferences for individual features. These quantified relative preferences then allow for predictions of customers' likelihood of selecting specific options or the portion of customers who would make a given selection.

In the context of this research, respondents would be asked to imagine they are in the market for new HVAC or water heating equipment. We will design separate conjoint exercises for each type of equipment, and each respondent will be asked to respond to one conjoint exercise depending on the type of equipment they have in their home. This will help ensure the exercise is as realistic as possible for each respondent.

We will conduct a project kickoff meeting with AIC staff and others involved in implementation of relevant residential offerings to refine and clarify individual research questions and solicit input on the draft survey instrument and conjoint exercise design. As a conceptual example, Table 51 presents one possible set of options that could be shown in a conjoint exercise. Prior to presenting this information, respondents would be provided with introductory context meant to help them understand the conjoint options they are presented with. In this example, a customer with central gas heat and central air conditioning (AC) is told that they need to replace their central AC system. They are presented with four options varying in terms of price, equipment type, average annual energy cost, and incentive availability. Each respondent would be presented a series of such choices, where each choice includes four different options, plus an opt-out "none" option.

²⁵ This assumes up to four distinct conjoint exercise designs, each of which requires at least 300 survey completes for statistical viability, with a conservative yield of 2% (i.e. assumes a target of 1,200 total completes and that 2% of customers contacted will qualify for and provide valid responses to the survey).

Table 51. Conjoint Exercise Conceptual Example (Customers with Gas Heat Replacing Central AC)

Attribute	Option 1	Option 2	Option 3	Option 4	None
Price	\$6,000	7,500	\$9,000	\$6,000	I wouldn't choose any of these options
Equipment Type	Heat Pump (Keep Natural Gas Furnace as Backup)	Heat Pump (Keep Natural Gas Furnace as Backup)	Heat Pump (Remove Natural Gas Furnace)	Central AC (Keep Natural Gas Furnace)	
Average Annual Energy Cost	\$1,250	\$750	\$1,250	\$1,750	
Incentive Availability	\$1,000 Rebate with Proof of Purchase	No Incentive	\$500 Discount at Time of Purchase	\$1,500 Discount at Time of Purchase	

In addition to the conjoint exercise, the survey will include traditional self-report questions to further explore determinants of heat pump purchase decisions, installation behavior, and fuel switching tendencies. We will also include separate questions for those customers who recently completed an HVAC or water heater installation in their home to solicit direct feedback about their experience with the process.

Deliverable: Data collection instrument

Deliverable Date: June 2025

Deliverable: Completed fielding

Deliverable Date: August 2025

Task 3. Survey Analysis

Analysis of survey-based conjoint data involves advanced statistical modeling and specialized software to estimate the degree to which each element in the conjoint exercise impacted customers' selections. We will rely on Hierarchical Bayesian modeling to produce estimates of the relative importance, or "utility", of each program element for each respondent.²⁶ These utility scores capture the degree to which customers consider and prioritize each element when making a purchase decision.

In addition, the modeled utility scores associated with each decision-making element allow for predictive market simulations to capture the proportion of customers likely to select a given option (i.e., a combination of attributes tested). These simulations enable researchers to quantify and compare relative shares of preference across a range of different available options depending on which options are available. For example, researchers can simulate shares of preference for two different options available at the same price point or how shares of preference change when the same option is available at different price points. By comparing market simulations representing different incentive amounts and program configurations, we will gauge the degree to which individual program changes are expected to impact heat pump technology adoption.

Responses to the traditional self-report questions will help contextualize conjoint analysis results and address topics that are not included in the conjoint analysis. Topics include customers' knowledge of heat pump technology, perceived benefits and drawbacks associated with the technology, contractor roles in identifying available equipment, and tendencies regarding installation and fuel switching.

Deliverable: Draft reporting

Deliverable Date: November 2025

²⁶ Hierarchical Bayesian modeling is an industry standard approach to conjoint analysis due to its ability to generate relative importance of attributes and handle situations where respondents are only provided some of the total possible choices by borrowing information from the entire sample of responses.

Optional: Follow-up In-Depth Interviews

Although not currently included in scope or budget for this study, AIC could consider adding supplemental follow-up interviews with a subset of survey respondents who recently purchased new heat pump technology. These in-depth interviews would allow for deeper exploration of customer purchase decisions and installation tendencies. As part of this effort, an experienced interviewer would discuss individual customer’s experiences choosing between available HVAC or water heating equipment and navigating the installation process. These interviews would explore how customers identified available equipment, the order of operations by which they narrowed down options, and the timing and influence of contractor involvement. Where applicable, this would also include considerations and rationales around potential fuel switching. Prior to pursuing this optional in-depth interview task, we will discuss the associated benefits and potential costs with AIC staff to determine whether the additional scope would be worthwhile to inform future AIC program offerings.

Task 4. Reporting

We will summarize the results and recommendations from this research in a standalone draft report and will address any comments and questions on the draft report before delivering a final version to memorialize the results.

Deliverable: Draft reporting

Deliverable Date: November 2025

Deliverable: Final reporting

Deliverable Date: December 2025

EVALUATION BUDGET AND TIMELINE

Table 52 summarizes the timing and budget associated with each evaluation activity.

Table 52. Heat Pump Incentive and Design Study Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Market Pricing Review	June 2025	\$6,100
2	Customer Survey	June and August 2025	\$53,000
3	Survey Analysis	November 2025	\$24,500
4	Reporting	November 2025 and December 2025	\$20,400
Total Budget			\$104,000

3.6.2 PARTIAL DISPLACEMENT HEAT PUMP METERING STUDY

AIC is interested in increasing adoption of heat pump space heating technology (henceforth, “heat pump technology”) across its portfolio. A specific area of interest for AIC and the Illinois TRM are heat pump systems in partial displacement applications (“partial displacement heat pumps”): heat pumps that displace some, but not all of a facility’s heating load. The current Illinois TRM residential heat pump measure (5.3.1 Air Source Heat Pumps [Centrally Ducted, Ductless, and Portable]) characterizes partial displacement heat pumps using an engineering approach that relies on the choice of a defined switchover temperature where a home’s heating system switches from a heat pump to an alternate heating system. There is currently no known Illinois-specific research that provides information on observed *in situ* switchover temperatures; the Illinois TRM currently instructs the user to assume a default of 32 degrees Fahrenheit.

EVALUATION APPROACH

To strengthen the measure characterization with primary data, we will conduct a targeted metering study to research the observed switchover temperature for a sample (n≈20) of customers. This study can serve as a stand-alone effort or could serve as the first phase of a possible two-phase study. An optional second phase (which could not occur until mid-2026 at the earliest and therefore is not included in this evaluation plan) could use advanced metering infrastructure (AMI) data analysis of the metered customer sites to develop switchover load signals that could then be used to analyze a larger sample of AIC customers known to have heat pumps in their home to further refine switchover information.

Research Objective

This research will answer the following question:

- What is the observed *in situ* switchover temperature between heating sources for air source heat pumps with backup fossil/electric resistance heat?

If deemed possible without requiring study rescoping, we may leverage study activities to collect additional data that can support updates or provide context around other TRM measure parameters.

Evaluation Tasks

Table 53 summarizes the 2025 evaluation activities planned as part of this study, each of which is described in more detail below.

Table 53. Summary of Partial Displacement Heat Pump Metering Study Activities for 2025

Task	Details
Sampling and Metering Plan	We will develop a detailed sampling and metering plan to outline the details of the study and ensure agreement on the study’s methods.
Study Participant Recruitment	We will conduct outreach to recruit study participants.
Logger Installation	We will install loggers at the homes of selected study participants before the start of the 2025-2026 heating season. During logger installation, an on-site questionnaire will be completed to gather important site-specific information that can be used in our analysis.
Logger Retrieval	After the end of the 2025-2026 heating season, we will return to homes to retrieve loggers.
Analysis and Reporting	Summarize detailed methods, results, key findings, and recommendations in a standalone report.

Task 1. Sampling and Metering Plan

To ensure transparency and agreement on the planned methodology for the study, in June 2025 we will develop a detailed sampling and metering plan to outline the details of the study and ensure agreement on the study's methods. The sampling and metering plan will consider topics such as the length of time metering equipment should stay in place, the desired geographical distribution of study participants, and the desired mix of equipment types and backup heating sources.

Deliverable: Draft sampling and metering plan

Deliverable Date: June 2025

Task 2. Study Participant Recruitment

To recruit participants for the study, we currently expect to conduct a web survey with AIC customers known to have installed heat pumps to gather key information and determine if customers are amenable to participating in the study. The web survey will offer a sweepstakes-style incentive to increase participation and inform potential participants of further financial incentives to be offered to participants.

While we have planned and budgeted for this approach, we believe there are potential alternate recruitment approaches available that could be lower-cost and expect to discuss those approaches with AIC in early-to-mid 2025 to ensure agreement on a final approach before recruitment begins.

Deliverable: Draft and final recruitment instruments

Deliverable Date: Q2 2025

Deliverable: Recruited participants

Deliverable Date: Q2-Q3 2025

Task 3. Logger Installation

Before the beginning of the 2025-2026 heating season (likely September 2025 dependent on details determined as part of the sampling and metering plan), we will install logger equipment at the homes of recruited participants. We currently expect to install two HOBO loggers that will meter the run-time of the heat pump as well as the back-up heat source, as well as an indoor temperature sensor. A simple logger approach that measures motor on/off for the relevant heating systems will be used to ensure that electricians are not required to install the loggers in customer homes. Loggers will maintain data locally and will not require an internet connection. We will also gather outdoor air temperatures from publicly available weather data using customer address information.

At the time of logger installation, we expect to complete an on-site questionnaire to verify/gather any critical site-specific information needed for analysis, such as equipment types, setpoint/setback information, types of controls installed, HVAC zones, etc. Participating customers will receive a \$250 financial incentive in gift card form at the time of logger installation.

Deliverable: Loggers installed and on-site questionnaires completed

Deliverable Date: Q3 2025

Task 4. Logger Retrieval

At the end of the 2025-2026 heating season (likely May 2026 dependent on details determined as part of the sampling and metering plan), we will retrieve logger equipment from the homes of recruited participants. Participating customers will receive a second \$250 financial incentive in gift card form at the time of logger retrieval.

Deliverable: Loggers retrieved

Deliverable Date: Q2 2026

Task 5. Analysis and Reporting

After loggers are retrieved and data is downloaded, we will analyze data and summarize the results and recommendations from this research in a standalone draft report. We will address any comments and questions on the draft report before delivering a final version to memorialize the results.

EVALUATION BUDGET AND TIMELINE

Table 54 summarizes the timing and budget associated with each evaluation activity.

Table 54. Heat Pump Incentive and Design Study Schedule and Budget for 2025

Task	Evaluation Activity	Deliverable Date	Budget
1	Sampling and Metering Plan	June 2025	\$14,500
2	Study Participant Recruitment	Q3 2025	\$35,900
3	Logger Installation	Q3 2025	\$54,400
4	Logger Retrieval	Q2 2026	\$29,900
5	Analysis and Reporting	Q2 2026	\$55,600
Total Budget			\$190,300

3.6.3 COMPRESSED AIR EUL RESEARCH

In partnership with the evaluation team for ComEd, we are currently conducting a statewide IL-TRM research study focused on updating the effective useful life (EUL) for compressed air leak repairs.²⁷ The study has been in progress since Q4 2021 and is using a longitudinal approach to examine air leak repair failure rates. We expect results in 2025.

We have reserved \$20,000 of evaluation budget to support this study as part of the 2025 evaluation.

3.7 QUALITY ASSURANCE AND CONTROL

Per our contract, the team must hire a separate entity for quality assurance/quality control (QA/QC) review and work collaboratively with this entity to ensure the quality of our evaluation plans, analysis, and reporting. Since PY4, the team has worked with Dr. Richard Ridge, who has a long history in energy efficiency evaluation. In recent years, Dr. Ridge has used his expertise to help write evaluation protocols and oversee other firms in their evaluation efforts, as well as continuing to perform evaluations across the country. From 2005 through 2012, Dr. Ridge was a consultant to the California Public Utilities Commission (CPUC) evaluation staff, where he worked with them to understand evaluation needs, review contractor plans, and participate in many aspects of a multi-million-dollar evaluation effort. From 2008 through 2016, he provided similar support to the New York State Department of Public Service. From 2019 through 2022, he assisted in the evaluation of multiple programs implemented by the California IOUs and third parties and advised the CPUC.

As part of the 2025 evaluation efforts, Dr. Ridge will continue to (1) discuss portfolio evaluation plans with the evaluation team, providing advice as needed; (2) participate in ongoing sampling and evaluation design efforts as requested (including the Illinois Net-to-Gross Working Group); (3) review draft evaluation reports to ensure quality and accuracy; and (4) provide the ICC with a report on the efforts in which he was involved. Dr. Ridge's report will be provided to AIC and ICC Staff concurrently on or before March 25, 2026.

3.8 PORTFOLIO EVALUATION REPORTING

In addition to initiative-specific activities, the evaluation team will meet core compliance requirements in 2026 by providing five reports summarizing the performance of the 2025 portfolio: the annual Residential, Business, Voltage Optimization, and Integrated Impact Evaluation Reports to serve as the point of reference for AIC portfolio savings achievement, and the annual portfolio Cost-Effectiveness Report to verify whether the AIC portfolio met Illinois requirements for cost-effectiveness. Drafts of the annual Impact Evaluation Reports will be provided by March 15, 2026,²⁸ with reports to be finalized by April 30, 2026. The draft Cost-Effectiveness Report will be provided as early as feasible, with the final report to be delivered by July 1, 2026, utilizing best efforts. As needed, annual evaluation reporting will also include any other analysis not detailed in this evaluation plan required by the Policy Manual.

To support these reports, we will provide an annual workbook that compiles all CPAS achieved by the AIC portfolio and calculates AIC's achievements of its energy savings goals. We will also provide cost-effectiveness results in workbook format.

²⁷ Joint ComEd-Ameren Illinois Compressed Air Leak Repair Effective Useful Life Research Plan. November 2021.

²⁸ Or best efforts in alignment with the Illinois EE Policy Manual.

3.9 2025 EVALUATION BUDGET SUMMARY

The following table outlines the estimated budget to execute the detailed 2025 evaluation plans presented above, as well as budget allocations for other overarching portfolio activities.²⁹

Table 55. 2025 AIC Evaluation Budget

Evaluation Activity		Budget
Program-Specific Activities		
Market Rate & Kits	Retail Products	\$109,300
	Market Rate Single Family - Midstream HVAC	\$76,600
	Market Rate Single Family - Home Efficiency	\$49,300
	Kits Initiatives	\$48,300
Income Qualified & Multifamily	Single Family Whole Building	\$207,300
	Healthier Homes	\$62,300
	Accessibility Pilot	\$82,500
	Smart Savers	\$39,400
	Mobile Homes	\$43,600
	Multifamily Initiatives	\$109,000
	IQ Credit & Collections Study	\$77,200
	IQ Electrification Research	\$85,800
Business Program	Standard	\$115,600
	Custom	\$417,300
	Small Business	\$123,400
	Midstream	\$193,800
	Retro-Commissioning	\$55,300
	Virtual Commissioning & Virtual SEM	\$106,600
	Streetlighting	\$15,000
	Pipeline Channels Process Evaluation	\$166,400
Pilots & Emerging Areas	LLLC MTI Evaluation	\$135,000
	HPW MTI Support	\$40,000
Total Program-Specific Activities		\$2,359,000
Portfolio-Level Cross-Cutting Activities		
Compliance and Stakeholder Engagement Activities		\$370,000
Cross-Cutting Evaluation Research		\$314,300
Quality Assurance and Control		\$20,000
Portfolio Evaluation Reporting		\$50,000
Other Non-Program Activities (Project Management, Evaluation Planning, Program Design Support, etc.)		\$410,000
Total Portfolio-Level Cross-Cutting Activities		\$1,164,300
Contingency		\$167,453
Total		\$3,690,753

²⁹ Please note that the evaluation of the VO Program is conducted under a stand-alone budget and is not included in Table 4. A budget for the 2025 VO Program evaluation is provided in Section 4.3.



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