

Memorandum

To: Fernando Morales, AIC; Jennifer Morris, ICC Staff
From: Opinion Dynamics Evaluation Team
Date: February 24, 2020
Re: AIC Income Qualified Initiative – Community Action Agency Interview Findings

Introduction

As part of the evaluation of the 2019 Ameren Illinois Company (AIC) Income Qualified (IQ) Initiative, the evaluation team conducted in-depth interviews with participating Community Action Agencies (CAAs) in October and November 2019. The in-depth interviews aimed to build on research conducted in 2018 and capture feedback from CAAs regarding their experiences, successes, and challenges implementing projects through the Initiative. Additionally, the in-depth interviews collected feedback on customer satisfaction and opportunities to streamline coordination among Initiative stakeholders.

The CAAs provide HVAC, weatherization, and other home upgrades as well as health and safety improvements to income qualified customers throughout Illinois. With AIC funding, CAAs provide their local AIC single family income qualified customers with direct install measures such as LED lighting, advanced thermostats, water saving measures (i.e., faucet aerators and showerheads) and air sealing and insulation (see Table 2). In addition to Initiative funds, CAAs can also leverage funding for the Illinois Home Weatherization Assistance Program (IHWAP), which is funded by three agencies: U.S. Department of Energy (DOE), the State Energy Program, and the U.S. Department of Health and Human Services (HHS) through the Low Income Home Energy Assistance Program (LIHEAP)¹. Resource Innovations is the primary Initiative implementation partner that works directly with CAAs. Their main role is to support CAAs with marketing, budget forecasting and production management², braiding AIC and IHWAP funding, and review of AIC funding applications.

The evaluation team used a census approach and reached out to all 20 CAAs that have completed projects in either 2018 or 2019 and completed interviews with nine agencies, two of whom were also interviewed by our team in 2018. Table 1 in Appendix A presents a snapshot of the responding CAAs, including the number of staff available for weatherization projects, the use of external contractors for projects, the number of funding sources, marketing education and outreach activities, the biggest benefits and challenges related to the Initiative, and project waitlist information.

¹ http://www.iacaanet.org/energy_ihwap.php (accessed December 26, 2019).

² According to Resource Innovations, they currently use two tools to collect budget forecast data. The first tool is an Allocation Planner used in-house and is updated solely by Resource Innovations twice a year. The second tool is an email sent out to CAAs on a quarterly basis for review, and it displays their original forecast numbers and allows the CAA to either confirm or input changes to their actuals.

Key Findings

CAA and Customer Satisfaction with the Initiative

- **The IQ Initiative has improved the ability of CAAs to reach income qualified communities.** Eight out of nine CAAs reported that the main benefit of participating in the AIC Initiative is the increased funding from AIC, which allows CAAs to complete more projects, serve more people, and provide more comprehensive upgrades than they otherwise would in the absence of the Initiative.

“Well from my point of view, it allows our funds from the other sources to go much further. Therefore, we can do many more houses than what we used to do. Therefore, touching more people and providing more services to the clients in our service territory. We are not spending all our normal budget funds from the DOE or HHS or the State. Portions of the costs are being paid for by Ameren that allows the other funds to go much farther and do more homes and save more energy... My opinion is that we simply help more people.”

- **CAAs report that participating customers are satisfied with the Initiative application and participation process, the cost savings, and the health and comfort improvements from the energy efficiency upgrades they received.** CAAs report that customers are motivated to participate in weatherization programs because it allows them to achieve energy and cost savings, which improves their home comfort and indoor air quality. All nine responding CAAs indicated that the majority of the feedback they receive from customers is positive. Feedback that CAAs received from their customers included:
 - Reduced energy bills (n=5);
 - Improved home comfort and indoor air quality (n=5);
 - Satisfaction with the application and participation process (n=5); and
 - Positive experiences interacting with the work crews (n=2).

I hear about cost saving a lot. When I go to the final inspection, I am thinking ‘how can they already know they are saving energy’? But some of them have already gotten the next bill. A lot of improved comfort. You hear that a lot. A lot of people don’t understand the non-energy benefits that we do. Like doing the crawl space sealing and different things that are health benefits. Once you start explaining it to them, I think they realize it... Every once in a while, you will get people who have breathing problems and [they] will tell you they can breathe better.

- **Long waitlists are a continual challenge that CAAs face, and duration of time spent on the waitlist may affect customer participation or satisfaction with the Initiative.** Seven out of nine CAAs reported having a waitlist for weatherization projects at their agency. The size and duration of time spent on the waitlist for participants varies based on the CAA and the county in which they reside. CAAs report having waitlists of up to 1,500 customers, or wait times ranging from six months to five years before receiving an audit. The waitlists generally operate on a first come first serve basis; however, once an application for the waitlist is submitted, participants are given a priority number (issued by the State) to determine the order by which weatherization projects are completed. Applicants who are given points for higher priority include the elderly, people with disabilities, and people with children under age six. However, long waitlists can be burdensome to agencies because of the need to redetermine customer eligibility on an annual basis, and the long wait times may cause some frustration for customers and affect their overall satisfaction with the Initiative. One agency reported that they frequently hear from customers

who wanted to participate in the program for a particular, often urgent need (i.e., a broken furnace), but by the time the CAA reaches the customer, they have already had to find a different way to address the immediate need.

Feedback on Administrative Processes and Coordination with the Initiative

- **Interactions with Resource Innovations are generally positive, reliable, and consistent for CAAs, though agencies report their communication can at times be too frequent or duplicative.** Among the seven CAAs that could speak to their agency's interactions with Resource Innovations, six agencies described positive experiences working with Resource Innovations.³ CAAs indicated that Resource Innovations is readily available to them via phone or email when needed. However, despite reporting positive interactions overall, CAAs reported some additional administrative burden related to the frequency of contact and, for those that serve multiple utility territories, duplicative budget forecast reporting to multiple points of contact at Resource Innovations. Among the seven CAAs that could speak to their coordination with Resource Innovations, all reported submitting forecasting reports on at least a quarterly basis, in addition to ad-hoc communications at least monthly. We spoke with two agencies that receive funding from several utilities, and they both mentioned that they have a different point of contact at Resource Innovations per utility. They commented that working with two points of contact is both confusing and time consuming. When asked about suggestions for improving the relationship between Resource Innovations and CAAs, one agency indicated:

"I guess it is just a matter of surveying and forecasting constantly. I realize they [Resource Innovations] have to do that. They need to know where they are at and need to stay on track. But it is cumbersome and burdensome for us sometimes... Between the State and Fed and Ameren, etc., someone always wants a report. I feel like if I could stop making reports, I could actually get something done."

Recommendation 1: To streamline coordination and reduce administrative reporting burden for CAAs, Resource Innovations should consider establishing a single point of contact for CAAs that serve multiple territories (nine out of 36 CAAs), where feasible. Another potential strategy is for Resource Innovations to develop one budget reporting document for each CAA that fulfills all utilities' requirements.

- **In comparison to 2018, measure funding requirements are more widely understood by CAAs.** Five CAAs we spoke with indicated that, in 2018 when they were first participating in the Initiative, they were initially confused about what would be funded by AIC. However only two of those same five agencies reported that the confusion is still an issue this year. The three CAAs who have reduced confusion ascribe this change to experience with the Initiative process over time. However, confusion remains for some agencies and warrants attention as the Initiative brings on another new CAA in PY2020. This confusion may create an administrative burden on agencies because they would need to spend more time determining how to appropriately braid funding rather than completing weatherization projects.

³ Notably, all nine responding CAAs were asked about their experience working with Resource Innovations. However, two CAAs could not provide answers as one staff did not work with Resource Innovations directly and the other had not worked with Resource Innovations at the time of the interview due to staff turnover at their agency.

Recommendation 2: Continue to work toward resolving confusion around measure funding to streamline administrative processes, reduce the risk of funding issues when CAAs seek reimbursement from AIC, and allow CAAs to dedicate more resources to project implementation. Consider offering detailed documents, workshops, or other means of communication to inform and update CAAs about AIC offerings.

- **The Grant Accountability and Transparency Act (GATA)⁴ increased the amount of paperwork and complexity involved in applying for Federal and State grants.** All CAAs that we spoke to reported having at least four funding sources: the DOE, HHS, a State-funded grant, and AIC. Except for AIC funding⁵, each funding source has its own grant application process that CAAs must complete annually in Q2. CAAs reported that GATA has created redundancy and complexity to the grant application process, resulting in additional administrative burden to them. During the grant application period (in Q2), agencies report they must spend more time working on administrative paperwork rather than spending their time completing projects for the AIC IQ Initiative.

Recommendation 3: If feasible, we recommend AIC pursue strategies to shift AIC reporting requirements for CAAs away from Q2 as much as possible. Importantly, AIC will need to balance reducing CAA reporting burden with AIC's own internal needs for project forecasting updates. However, even if reducing Q2 reporting is not possible, it may be beneficial to work with the CAAs to develop a reporting schedule that avoids similar timelines and due dates as GATA.

- **There are duplicative quality control (QC) field inspections, in some cases without information sharing between AIC Initiative staff and CAAs.** A single CAA project could potentially receive up to four QC inspections, though in most cases they receive one or two. All nine CAAs reported that, per IHWAP rules, every weatherization project must receive a final QC inspection upon completion of the project. Some CAAs also conduct inspections during the installation process for 25% of their projects. IHWAP also conducts random QC inspections of CAA work. Finally, Leidos conducts QC inspections for the Initiative on a selection of CAA projects.⁶ Seven of the nine CAA staff we spoke with were familiar with QC inspection processes. Of those seven, five CAAs were unaware that AIC was also conducting their own inspections and two were aware. One of the two who were aware reported that AIC implementation staff conducted QC inspections alongside their internal QC inspector on a portion of their agency's projects. For instance, one of these CAAs mentioned that AIC staff will contact them to learn when the CAA's QC inspection will occur and will attempt to join the inspection, if possible.

Recommendation 4: AIC should consider ways to improve coordination with CAAs and IHWAP on QC inspections. During an interview with Leidos, we learned that Leidos attempts to coordinate with CAAs and IHWAP as much as possible to perform joint QC inspections and reduce the burden on the customer. Leidos should continue to take advantage of opportunities for joint inspections, but there may be additional communication and/or training strategies that could help CAAs better understand Initiative QC inspection processes and communicate it to their customer upfront to set the appropriate expectations. For instance, the Initiative could share Leidos' QC protocol with CAAs, which contains

⁴ In 2014, GATA was signed into law to "establish consistent, federally compliant requirements for all grants regardless of the source of funding."

⁵ CAAs sign participation agreements in their first year utilizing AIC funds and each year thereafter they sign extensions to the original agreement noting any changes.

⁶ Leidos' field inspection target is 100% of the first five jobs completed by a given CAA, a minimum of 20% of the next 20 jobs, and 5% of jobs thereafter.

information on what the QC inspection entails, how many completed projects will be inspected, as well as the timing of inspections. Another potential strategy is for AIC to coordinate directly with CAAs to add any unique, AIC-specific topics to IHWAP inspections of Initiative projects. This may reduce or eliminate the need for duplicative inspections, and potentially provide cost-savings to the Initiative.

- **CAAs did not report a strong need for help with marketing and outreach efforts, but those who need it reported receiving the necessary help from Resource Innovations.** Although two of nine CAAs reported that Resource Innovations helps with their marketing and outreach efforts, none of the remaining seven agencies indicated a need for marketing and outreach assistance due to the long waitlists already in place. As indicated in Table 2, eight of nine CAAs reported that they do marketing and outreach for their weatherization programs. Marketing and outreach methods include community events, social media outreach, distributing energy kits, and Low Income Home Energy Assistance Program (LIHEAP) related marketing and outreach activities funded by HHS.

Feedback on Measures Funded by AIC

- **CAAs report that the inability to use AIC funds for HVAC and mechanical repairs is a significant challenge when braiding funds for projects.** AIC funds do not cover HVAC or mechanical repairs⁷ for CAA projects. CAAs report that these measures make up a large portion of the necessary home upgrades and utilize IHWAP funding to cover these repairs. CAAs find this challenging because it complicates the process of braiding AIC funds with other sources as AIC funds only specific measures (see Table 2). As such, CAAs spend time reviewing multiple measure catalogues in order to determine funding for each customer. Meanwhile CAAs report that there are fewer restrictions on measures funded through other utility programs elsewhere in the state, which allows CAAs to divide project costs evenly between funding sources. Notably, one CAA mentioned that they do not face similar constraints when braiding Commonwealth Edison Company (ComEd) and the northern gas utilities'⁸ funds. Specifically, the agency reported that they may split the cost of HVAC and mechanical repairs 50/50 with other funding sources. See Table 2 in Appendix B for a list of measures offered by AIC versus IHWAP.

Recommendation 5: Consider funding a portion of the cost of HVAC and mechanical repairs through the CAA channel to improve the efficiency of CAA's administration and completion of weatherization projects. If plausible, consider funding at least some HVAC measure types using a 50/50 split between government grants and AIC funds. CAAs report that ComEd has allowed for a similar strategy; AIC may want to consider discussing the topic with ComEd and the northern gas utilities' income qualified program staff to help determine if this could be a feasible approach for AIC. We note that there may be budgetary constraints for such a strategy, depending on the type of HVAC system installed and replaced – AIC should consider cost per unit of savings in determining which measures this strategy can reasonably be pursued for.

- **CAAs mentioned several remaining opportunities amongst income qualified customers that the Initiative does not currently fund.** CAAs reported that it would be helpful if AIC could provide funding for windows and doors, stoves, refrigerators, furnaces, and more extensive insulation offerings.

⁷ Mechanical work includes any work or repairs that need to be done to install or replace existing HVAC equipment, water heaters, thermostats, or other equipment offerings. Based on interviews completed by the evaluation team in 2018, these repairs commonly include duct work, repairing doors and windows, and electrical work.

⁸ The northern gas utilities include Nicor Gas, Peoples Gas and North Shore Gas.

Notably, AIC funds furnaces and extensive insulation for non-CAA projects, but does not fund them for CAA projects. These measures are currently covered by IHWAP funding.

Recommendation 6: As AIC continues to seek opportunities for new measures to add to the Initiative, consider whether any CAA-recommended would be cost-effective additions to the list of eligible measures. In particular, refrigerators may merit consideration based on dollars per kWh produced. AIC should also consider whether it is possible and cost-effective to allow CAAs to split the cost of furnaces and more extensive insulation offerings with their other funding sources.

Conclusion

Overall, the partnership between CAAs and the Initiative appears successful in 2019. The CAAs we spoke with were supportive of the Initiative and said the injection of AIC funds allows them to serve more customers than they otherwise could. They were also generally satisfied with their coordination with Resource Innovations, though a few opportunities for improvement remain. Many CAAs also reported that they are becoming more accustomed to the braided funding process. However, some of the key customer demand and administrative issues we identified during the 2018 evaluation remain pertinent issues for CAAs in 2019 and going into 2020, namely long waitlists, constrained resources, and limitations on what measures AIC will fund. Some of these challenges, like waitlists and constrained resources, are not entirely addressable through Initiative changes. However, AIC should continue to work closely with the CAAs, Resource Innovations, and other partners like Walker-Miller to explore any possible strategies for streamlining CAA administrative processes and expanding their ability to deliver energy savings to AIC customers.

Appendix A. Snapshot of Responding CAAs

Table 1. Snapshot of Responding CAAs (n=9)

| CA A | Completed Interview in 2018 | Number of Administrative Staff | External Contractors | Waitlist | Waitlist Length | Number of Funding Sources | Greatest Benefit | Biggest Challenge | Marketing Efforts |
|------|-----------------------------|--------------------------------|----------------------|----------|------------------|---------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------|
| 1 | No | 4 | Yes | No | 0 | 4 | Ability to serve more people with the greatest need | Having enough certified staff | Community events, social media, newspaper ads |
| 2 | No | 3 | No | No | 0 | 4 | Ability to serve more people with the greatest need | Confusion in measures offered | Energy kits, Head Start program, educational materials |
| 3 | No | 2 | Yes | Yes | 3 years | 4 | More funding allows them to complete more jobs | Adjusting to braided funding | Social media, LIHEAP program |
| 4 | Yes | 2 | No | Yes | 2-3 years | 4 | Ability to complete more jobs | Confusion in measures offered | Community events, educational materials |
| 5 | No | 3 | Yes | Yes | 1-2 years | 4 | More funding for staffing and purchasing equipment | Initial confusion with paperwork | Website, handout materials, office outreach staff |
| 6 | Yes | 5 | Yes | Yes | 1,500 households | 4 | More funding allows them to complete more homes | HVAC and Mechanical not funded by AIC | Community events, office outreach staff, radio ads |
| 7 | No | 4 | Yes | Yes | 6 months | 6 | Ability to spend more money on projects | Paperwork is time consuming | Not actively marketing |
| 8 | No | 8 | Yes | Yes | 1 year | 5 | Reaching more people and providing more services to their clients in their territory | Maintaining accurate catalogues and paperwork | Office outreach staff, website, and social media |
| 9 | No | 3 | Yes | Yes | 2-3 years | 4 | Program funding allows them to complete more projects | Unaware of any existing challenges | Social media, community events, distributing flyers |

Appendix B. Energy Efficiency Measures Offered by AIC and IHWAP

Table 2. EE Measures Offered by AIC IQ Initiative CAA Channel and IHWAP

| Measure Offerings | AIC IQ (CAA Channel) ^a | IHWAP ^b |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|
| Administrative and program support costs | ✓ | ✓ |
| Advanced power strips | ✓ | |
| Appliances: cleaning, mechanical repairs, or replacement of appliances (i.e., refrigerators, freezers, & water heaters) | | ✓ |
| Blower door testing | ✓ | ✓ |
| Burner retrofits | | ✓ |
| Combustion appliance safety inspections | | ✓ |
| Conversion to solar thermal installations, repairs and replacements | | ✓ |
| Duct sealing, including repairs and additions | | ✓ |
| Energy audits | ✓ | ✓ |
| Envelope measures – insulation and air sealing | ✓ | ✓ |
| Exhaust fan replacement | ✓ | |
| Health and safety repairs | ✓ | ✓ |
| Health and safety measures, i.e., carbon monoxide and smoke alarms, lead-safe weatherization procedures | ✓ | ✓ |
| HVAC replacement and repair (furnaces, central air conditioners, and heat pumps) | | ✓ |
| HVAC-related health and safety checks and cleaning and tuning | | ✓ |
| Lighting | ✓ | ✓ |
| Low-flow water measures (i.e., faucet aerators and showerheads) | ✓ | ✓ |
| Minor electrical and plumbing repairs | | ✓ |
| Pipe insulation | | ✓ |
| Repair or replacement of damaged minor roof and wall leaks | | ✓ |
| Thermostat replacement, including valves and adjustments | ✓ | ✓ |
| Window and door repair or replacement | | ✓ |

^a Source: Ameren Illinois Company. “PY19 Implementation Plan – Residential Measure List” and “Ameren Illinois Program Year 2019 Implementation Plan Sec. 8-103B/8-104”. Illinois: Ameren Illinois Company, 2019

^b Source: Illinois Department of Commerce. “2018 DOE State Weatherization Plan For the period of July 1, 2018 – June 30, 2019”. Illinois: DCEO <https://www2.illinois.gov/dceo/CommunityServices/HomeWeatherization/Pages/WeatherizationStatePlan.aspx> (Date Accessed: October 15, 2018). Page 17.