

ComEd Policy Proposals: Income Eligible Qualification for Electric Homes New Construction Program

Program Overview: IE Allocation for Electric Homes New Construction (EHNC)

- ComEd EHNC Program focuses on promoting high efficiency, all-electric new homes and all-electric gut rehab/renovations by offering builders of new construction (single-family homes, duplexes, townhomes and 2-4 flats) financial incentives for achieving best practice energy efficiency.
- The effort began as an EE R&D concept; the R&D team conducted a market analysis, designed a new incentive and outreach strategy, and then tested the concept's viability as a new program offering during 2020-2022.
- Customer Identification Challenges:
 - Incentives are tied to the energy-efficient product being built, not the eventual sale or occupancy.
 - The final buyer's income or whether the home qualifies as “affordable” (housing + utilities < 30% of household income) is typically unknown.
 - Builders in this category generally do not adhere to affordability standards unless required by another program.

EHNC Insights: Program Growth and Direction

- 2020-2022 pilot participation summary
 - 57 Homes
- 2023 full core program
 - 68 homes
 - First all-electric 15-unit small multifamily project
- 2024 full core program
 - 79 Homes
 - Increase of multifamily projects (12-unit and 6-unit) and 2-4 flat projects
 - ~71% homes in DAC zip codes (64 homes)
- Future program Opportunities: Reclaim Chicago
 - 2,000 Homes on The South and West side of Chicago
 - 500 in Back of Yards, North Lawndale, and Roseland
 - As much as 125 homes per year
 - All in Income Eligible areas

Policy Proposal: Income Eligible Qualification for EHNC

Purpose of Policy: Establish Income Eligibility Verification process that reduces administrative burdens and ensure broad participation in income-qualified new construction energy efficiency programs by offering the following pathways to verify income eligibility:

- Affordable Housing Program Participation
- Qualified Development Pipeline
- Location in Low-Income Area
- Planned Rent Structure
- Targeted Tenant Income Levels
- Alternative Verification Approaches

Exploring Eligibility Verification Pathways

Pathway 1: Affordable Housing Program Participation

- Automatic qualification for projects receiving funding or designation through:
 - LIHTC
 - HUD programs
 - USDA Rural Development
 - State HFA programs
 - Local affordable housing incentives

Pathway 2: Location in Low-Income Area

- Projects sited in Census Tracts identified as low-income using:
- HUD's Qualified Census Tracts
- Program Administrator-defined criteria
- Adjustments allowed to ensure majority of future residents meet income thresholds.

Pathway 3: Planned Rent Structure

- Projects sited in Census Tracts identified as low-income using:
- HUD's Qualified Census Tracts
- Program Administrator-defined criteria
- Adjustments allowed to ensure majority of future residents meet income thresholds.

Exploring Eligibility Verification Pathways Continued

Pathway 4: Targeted Tenant Income Levels

- Developer commitment showing at least 50% of units will be leased to households:
 - At or below 200% of the Federal Poverty Level, or
 - At or below 80% of AMI

Pathway 5: Qualified Development Pipeline

- Projects listed in a recognized pipeline of affordable housing developments, such as:
- State Qualified Allocation Plan pipeline
- Local housing authority development lists

Pathway 6: Alternative Verification Approaches

- Program Administrators may approve other methods that demonstrate income eligibility, such as:
- Participation in disaster recovery or resilience housing programs
- Partnerships with local governments or nonprofits serving low-income populations

Policy Proposal: Summary & Customer Benefits

- Income eligibility pathways for EHNC ensures that there are multiple pathways to make energy-efficient homes accessible to those who benefit most, offering financial relief through lower utility costs and rent, while promoting healthier, safer, and more stable living environments.
- This eligibility approach not only supports household well-being but also strengthens program effectiveness by targeting resources where they have the greatest impact and allows for further impactful program design by:
 - Increase program flexibility to develop and grow impactful Income Eligible offerings
 - Increase participation by removing barriers of burdensome eligibility requirements
 - Decrease program administration costs by Prioritizing least burdensome and most efficient methods
 - Supports program cooperation and braiding with state and federal efforts

Thank you