

Illinois Energy Efficiency Stakeholder Advisory Group

2020 SAG Portfolio Planning Process
Proposed Energy Efficiency Ideas Template

EE Idea

Joint Program Implementation for Nonprofit Customers

Submitter Contact Information

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Energy Efficiency Idea Questions

Please check the boxes below to identify 1) the type of idea; 2) which Illinois utility or utilities will be impacted by the idea; and 3) which EE sector the idea impacts.

Check	Type of Energy Efficiency Idea
<input type="checkbox"/>	New Measure or New Program Idea
<input checked="" type="checkbox"/>	Proposed Program Approach
<input checked="" type="checkbox"/>	Innovative Idea

Check	Illinois Utility Impacted by Energy Efficiency Idea
<input type="checkbox"/>	Ameren Illinois
<input type="checkbox"/>	ComEd
<input type="checkbox"/>	Nicor Gas
<input type="checkbox"/>	Peoples Gas & North Shore Gas
<input checked="" type="checkbox"/>	All Illinois Utilities

Check	Energy Efficiency Sector Targeted by Energy Efficiency Idea
<input type="checkbox"/>	Residential Customers – Single Family (non-income qualified/income eligible)
<input type="checkbox"/>	Residential Customers – Multifamily (non-income qualified/income eligible)
<input type="checkbox"/>	Residential Customers – Single Family Income Qualified/Income Eligible
<input type="checkbox"/>	Residential Customers – Multifamily Income Qualified/Income Eligible
<input checked="" type="checkbox"/>	Small Business Customers (commercial & industrial sector)
<input checked="" type="checkbox"/>	Medium/Large Business Customers (commercial & industrial sector)
<input type="checkbox"/>	Other (research & development, emerging technologies, market transformation)

Additional Questions

1. **Description of Idea:** Describe the proposed idea, including the purpose of the suggested idea and rationale. Describe whether this is an idea that could be implemented in an existing EE program, or whether the idea involves establishing a new measure or program. Please indicate whether additional research may be required before implementation.

Currently, nonprofit, 501(c)3 organizations (NPOs) are considered commercial customers and are eligible for associated business energy efficiency portfolios from all Illinois utilities. The only energy efficiency offering dedicated to serving these customers is ComEd's new Nonprofit Organizations Offering, established in 2019. There is an opportunity to increase participation rates and energy savings by expanding this program to include natural gas efficiency measures and developing a specific, jointly-implemented offering that meets the unique needs of this underserved sector.

Nonprofit organizations play crucial roles in communities across Illinois. These organizations provide healthcare, food, education, shelter, and a myriad of social services for their communities' most at-risk populations. Their facilities have commercial utility accounts and can take many different shapes and sizes. Nonprofits are often housed in aging facilities with deferred maintenance. Their community programs operate long hours and they typically do not have a dedicated energy manager on staff. NPOs are often eligible for Small Business and Standard/Customer energy efficiency offerings. However, these customers face many barriers to participation and often do not take advantage of energy efficiency programs at the same rates as other commercial customers. Joint implementation of ComEd's Nonprofit Organizations Offering alongside the gas utilities would overcome many of these barriers to reach this underserved sector.

In Northern Illinois, this idea could be implemented utilizing the existing ComEd NPO Offering, with the addition of new offerings from the gas utilities within their commercial portfolios. In the rest of the state, Ameren should consider developing a new offering to target nonprofit customers as well. ComEd and its implementers have experience serving these customers through outreach services and the new offering, so minimal additional research would be required before implementation. We have also seen significant evidence of the market need for this work in Central and Southern Illinois as well.

2. **Implementation:** How will this idea be delivered to the target market? Describe marketing strategies used to reach the target market and minimize market confusion.

Outreach and marketing strategies for this sector can be designed to address key nonprofit barriers, such as limited staff time and expertise, aging facilities, and resource constraints. A proven outreach strategy relies on leveraging existing community networks and fostering trusted relationships among nonprofit organizations and their partners. This involves leveraging established stakeholders who have been working with nonprofits and community groups over the long term to build trust and utilize outreach channels through these partners. For example, there are several industry organizations that support various types of nonprofits such as childcare networks, arts organizations, and religious affiliations that can be utilized to reach their constituencies about this new offering.

A jointly-implemented offering would help reduce existing market confusion as currently these customers are eligible for a variety of energy efficiency programs, depending on their size, peak demand, location, and other factors. Further, many nonprofit organizations don't identify themselves as small businesses or commercial customers, so marketing of business offerings often does not reach this sector. This can be extremely confusing to nonprofit representatives that have limited capacity to explore energy efficiency opportunities. Adding offerings from Ameren and the gas utilities to the existing ComEd Nonprofit Organizations Offering will allow for a much more streamlined approach to both marketing and implementation. The implementer can then provide a "One Stop Shop" for all the organization's energy efficiency needs.

3. **Background:** Describe where the idea originated from, including whether this idea has been successfully implemented in other jurisdictions. Provide specific background information that will help utilities and SAG participants understand the proposed idea.

Elevate Energy began serving nonprofit customers in 2012, as an Outreach Service Provider for ComEd's commercial portfolio. Through this work, the team analyzed this market of customers, their energy needs, and their impact on Illinois' communities. Nonprofit organizations are hard-to-reach with traditional energy efficiency program strategies and marketing tactics. Similar to low-income customers, they face many barriers to participation. However, unlike income-eligible residential buildings, nonprofits who serve income-eligible individuals through their commercial spaces cannot access the same increased energy efficiency resources. Without providing affordable rental housing, commercial nonprofit customers cannot currently be included in existing income-eligible programs. This has created a gap in the market. ComEd's Nonprofit Organizations Offering has made strides in filling this need. However there is significant opportunity for natural gas energy savings, and increased uptake in electric savings through a joint offering that made the process as easy as possible for nonprofit customers to navigate.

The American Council for an Energy-Efficient Economy (ACEEE) recently published a report describing the current state of non-residential energy efficiency offerings that support low-income communities¹. One example of successfully integrated energy efficiency program implementation targeting these customers is the Nonprofit Energy Efficiency Program (NEEP) in Colorado. NEEP allows nonprofit 501(c)3 organizations that serve low-income populations receive energy upgrades to their building or long-term leased space. The program provides a building assessment, energy conservation measures, and management of building improvements. This program is jointly offered by Atmos Energy, Black Hills Energy, Colorado Natural Gas, Xcel Energy, and the Denver Office of Strategic Partnerships².

4. **Idea Impact:** Provide additional information on the customer segment that will be targeted with the program idea, including how and why this idea will have a positive impact on customers participating in Illinois EE programs.

The need and potential impact of a comprehensive, tailored energy efficiency offering for nonprofit customers is palatable. Nonprofit organizations often struggle to keep their doors open on shoestring budgets. Energy efficiency is an innovative tool for building the resilience and sustainability of these critical organizations. Further, the long-term presence of stable social services has ripple effects on the welfare of that entire community.

Further, the multi-pronged approach of a joint program is unique in its ability to allow Illinois' utilities to delve deep into their communities and deliver services that fill many gaps. The energy savings potential in nonprofit facilities, particularly those located in low-income communities is significant. This sector is one of the farthest behind in terms of energy efficiency program uptake and have the most barriers to participation. Targeted, streamlined resources are necessary to ensure these customers can take advantage of energy efficiency resources and see deep energy savings.

5. **Duration:** Is this idea intended to be offered for the duration of the 4-year EE Plan or as a pilot measure or program?

As ComEd is already in their second year of the Nonprofit Organizations Offering, joint-implementation with the gas utilities in Northern Illinois can be implemented over the full 4-year Plan. Larger efficiency projects at nonprofit organizations have longer timelines so ensuring constancy across years is key to building customer trust and confidence in the offering. Ameren may want to consider beginning with a pilot offering in their territory.

6. **Estimated Budget:** Provide the total estimated budget for each program year (2022 – 2025).

Budget could be consistent with current Nonprofit Offering funding but is scalable depending on portfolio needs. As new measures and incentives would be added for natural gas savings, total incentive budget would increase. There are also opportunities for economies of scale as having one implementer provide services such as marketing, outreach, and facility assessments that cover both electric and natural gas measures will provide savings across the portfolios overall.

7. **Estimated Participation:** Provide participation totals for each program year (i.e. number of measures installed, number of customer participants, etc.)

Participation is likely to be similar to the current participation rate of the ComEd Nonprofit Organizations Offering but will increase participation by nonprofit customers in Ameren and gas utility offerings. Specific totals of measures installed and savings will be dependent on program budget and goals.

Sources

If any sources will be useful to Illinois utilities in reviewing ideas, please either provide links within this template or send attachment(s) to the SAG Facilitator with the Energy Efficiency Idea submittal.

¹ACEEE report: <https://www.aceee.org/blog/2019/11/how-do-efficiency-programs-serve-low>

²Nonprofit Energy Efficiency Program: <https://www.energyoutreach.org/programs-for-organizations/non-profit-energy-efficiency/>