

Illinois Energy Efficiency Stakeholder Advisory Group

2020 SAG Portfolio Planning Process Proposed Energy Efficiency Ideas Template

Due Date: By 5:00 pm (CST) on Monday, April 27, 2020

Purpose: The [SAG Portfolio Planning Process](#) is an opportunity for SAG participants to understand current energy efficiency (EE) portfolios and provide feedback to Illinois utilities (Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas) as they develop their 2022-2025 EE Plans. The objective of the SAG Portfolio Planning Process is to reach consensus on EE Portfolio Plans prior to utilities filing plans for approval with the Illinois Commerce Commission on or before March 1, 2021.

SAG participants are invited to submit:

1. Feedback on current portfolios, focused on suggested changes for the 2022-2025 EE Plans;
2. Stakeholder ideas/approaches for utility consideration, such as program approaches or new measures that have been successfully implemented in other jurisdictions; and
3. Innovative ideas that could be researched during the next EE Plan cycle by utilities, evaluators, SAG, or another advisory group (IL-TRM Technical Advisory Committee; Income Qualified EE Advisory Committee).

How to Submit an Energy Efficiency Idea:

- SAG participants are encouraged to make a good faith effort to fill out as much information as possible in this template by the due date. Templates submitted after the April 27th deadline may not be considered due to time constraints.
- If you need help filling out the Energy Efficiency Idea Template or researching required information, contact the SAG Facilitator for assistance: Celia Johnson (Celia@CeliaJohnsonConsulting.com).
- Ideas will be reviewed by a small group Review Committee, organized by the SAG Facilitator. The SAG Facilitator may follow-up and request additional information after ideas are submitted.
- SAG participants that submit an idea may be invited to present their idea at the May 12-13 SAG meetings. Utilities will respond to feedback and ideas during the June 16-17 SAG Meetings.
- Please email your idea, with any supplemental materials, to the SAG Facilitator via the email above. Questions may be directed to the SAG Facilitator by email (Celia@CeliaJohnsonConsulting.com) or by phone: (312) 659-6758.

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 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 checked="" type="checkbox"/>	Residential Customers – Multifamily (non-income qualified/income eligible)
<input type="checkbox"/>	Residential Customers – Single Family Income Qualified/Income Eligible
<input checked="" type="checkbox"/>	Residential Customers – Multifamily Income Qualified/Income Eligible
<input type="checkbox"/>	Small Business Customers (commercial & industrial sector)
<input 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.

Questions to consider: What issue will this proposed change resolve? Will the proposed change increase participation and result in increased energy savings? Will this reduce costs? Will this increase customer satisfaction? Will this help achieve statutory goals? Will this help increase program penetration?

This idea is to integrate a tiered incentive approach into the multifamily programs. A tiered incentive offers greater energy efficiency incentives as a building does more measures/generates a higher percentage of savings. Not only does this encourage building owners to do more energy measures at their property, it can make it easier or more attractive for them to do larger and more capital-intensive projects as the incentives become deeper. Particularly for income-eligible multifamily properties, providing deeper incentives for capital projects can facilitate more investment in energy work. Because the incentives are tiered, it still leaves room for building owners to pursue energy efficiency in a similar way that they do now to ensure maximum participation but makes it easier to level up for those who choose to do.

This approach can help with utility and statutory goals by increasing the energy savings achieved and improving some implementation efficiency by increasing the savings achieved per building engaged. It should increase penetration of deeper and/or more costly and/or longer lifetime measures with persistent savings which is also a statutory goal. It would not necessarily impact the number of customers that participate, unless it was able to better serve those buildings that are going through a large rehab that right now are not a perfect fit for either the new construction or retrofit programs (for income-eligible).

Tiered incentives could also be used to integrate and promote renewables, net zero, and/or electrification with the energy efficiency projects, by including extra tiers or bonuses for including those components.

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.

There are a variety of ways tiered programs can be set up (see Question 3 for some examples), including multiple pathways or basing it on percentage of savings achieved or different levels of prescriptive savings. These incentive structures could be incorporated into the existing programs and use those existing marketing channels, which should not increase market confusion as these programs already exist. For buildings going through the program, the energy assessment reports would show the potential energy and cost savings and available incentives at different tiers to help them make informed decisions, as is the case now, and can be structured to help encourage and deeper retrofits and make it as easy as possible. This will rely more on knowledgeable program staff than a large marketing campaign.

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.

Questions to consider: In what jurisdiction has this idea been successfully implemented? Do you have information on eligible customers, participation achieved, and/or savings achieved? Do you have access to reports describing the successful idea / program approach?

This idea has been successfully implemented in a number of multifamily programs, both income eligible and market rate, and for retrofits, rehabs, and new construction. It is listed as one of the best practices for multifamily programs in [this ACEEE report](#) (worth noting that at least one IL multifamily program is already following the remaining best practices suggested in this report). Some example programs include:

- NYSERDA in New York offers a [five-tier program](#),
- Oregon Housing and Community Services provides a good model for a [multi-pathway approach](#),

- SMUD in Sacramento offers [escalating incentives](#) as well as higher incentives for income-eligible properties (and also still offers the standard prescriptive option to ensure wide options for participation)
- Delaware SEU offers an Affordable Multifamily program with an [existing building path](#) that provides tiered incentives

Beside adjusting the program processes and pathways, tiered programs require truly more impactful incentives at the higher tiers, so available incentive amounts would need to increase from current levels for the higher tiers, both in order to make the deeper retrofits feasible and in order to not block out those owners who would participate now at the lowest tier but aren't able to go deeper. Moving to tiering should not make programs less attractive for any customer segment at the expense of making it more attractive for a smaller group (particularly for the income-eligible segment).

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.

Questions to consider: What level of impact will this idea have on current EE programs? How much additional market share do you estimate this change will impact?

All multifamily, from retrofit to rehab to new construction, could potentially be a fit for this program model. The incentives should be scaled higher for the income-eligible segment, consistent with current practice, which will help achieve deeper savings across all segments and ensure equitable access to energy efficiency opportunities. This will have a positive impact on participating customers as it adds more opportunity for them to achieve higher savings and receive higher incentives to facilitate that work. Deeper retrofits have a long lasting impact on the buildings by reducing operating costs, increasing cash flow and stabilizing the building (thereby preserving affordable housing in that customer segment), increasing tenant comfort and reducing turnover, and ensuring persistent and long lasting 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?

This would be for the full 4-year Plan. Larger projects have longer timelines so ensuring constancy across years is key to building customer trust and confidence in the offering.

6. **Estimated Budget:** Provide the total estimated budget for each program year (2022 – 2025). Budget could be consistent with current multifamily program budgets but is scalable to more sizes depending on portfolio needs. As incentives would need to increase, total budget would also need to increase if continuing increased participation in terms of number of buildings is a goal.

7. **Estimated Participation:** Provide participation totals for each program year (i.e. number of measures installed, number of customer participants, etc.) Participation is likely similar to current participation in terms of number of buildings but should increase participation in terms of number of measures installed and especially increase number of higher-cost, longer-life measures.

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.

In-text links are duplicated here for reference:

ACEEE Report: <https://www.aceee.org/files/pdf/resource/revising-multifamily-incentive-structure.pdf>

NYSERDA Program: <https://www.nyserda.ny.gov/All-Programs/Programs/MPP-Existing-Buildings/Incentives-and-Financing>

Oregon Program: <https://oregonmultifamilyenergy.com/wp-content/uploads/2019/10/OHCS-Multifamily-Energy-Program-Manual-1.pdf>

SMUD Program: <https://www.smud.org/en/Business-Solutions-and-Rebates/Business-Rebates/Multi-Family-Housing-Rebates/Multi-Family-Custom>

DE SEU Program: <https://www.energizedelaware.org/residential/affordable-multifamily-housing/>