



February 13, 2024

# ComEd EE Portfolio Overview

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# Agenda

- Overview of current EE portfolio programs, including EE portfolio trends and contracting process
  - Overview
  - Business & Public Sector
  - Residential & Income Eligible
  - Portfolio-Level
- Considerations for 2026-2029 EE portfolios
- Q&A

# Overview of Current EE Portfolio Programs

# 2023 Portfolio Summary

- Exceeded 2023 AAIG and CPAS, with estimated WAML of 13
- At the start of 2023, we were on track to just meet CPAS and AAIG, but over the course of the year we've been able to:
  - Ramp down \$/kWh of programs that had significant increases in 2022, to address market conditions, collectively improving portfolio cost-effectiveness by ~\$0.02
  - Reduce the 2023 forecast by ~\$24M, to put towards projected savings gaps in 2024 and 2025
  - While, staying on track to meet legislative/stipulation targets
- Meanwhile, some new challenges have emerged; for example, while EE electrification (EEE) demand is strong, low-income whole home electrification in first year has been very expensive, and we are already seeing the 25% CEJA rule as a limiting factor for this new savings opportunity for the portfolio

1,569,223

Estimated Net MWh Savings

102.3%

Estimated AAIG Achievement

\$415,623,217

Actual Spend YTD

\$439,746,496

2023 Budget

# Portfolio Overview

Residential & Income Eligible (IE)	Business & Public Sector	Multi-segment	Portfolio
<ul style="list-style-type: none"><li>• Home Heating &amp; Cooling</li><li>• Retail</li><li>• Product Distribution</li><li>• New Construction</li><li>• Home Energy Reports</li><li>• Home Energy Savings</li><li>• Multi-Family Energy Savings</li><li>• Whole Home Electric</li></ul>	<ul style="list-style-type: none"><li>• Standard</li><li>• Small Business</li><li>• Instant Discounts</li><li>• Commercial Food Service</li><li>• Custom</li><li>• Industrial Systems</li><li>• Retro-commissioning</li><li>• New Construction</li><li>• SEM</li><li>• Facility Assessments</li></ul>	<ul style="list-style-type: none"><li>• Voltage Optimization</li></ul>	<ul style="list-style-type: none"><li>• R&amp;D</li><li>• MDI</li><li>• Education &amp; Awareness</li><li>• Evaluation</li><li>• Portfolio Administration</li></ul>



# Business and Public Sector Offerings

- Standard
- **Small Business *[and Public Sector Facilities]***
- Instant Discounts
- Commercial Food Service
- Custom
- Industrial Systems
- Retro-commissioning
- New Construction
- SEM
- Facility Assessments



# Standard Overview

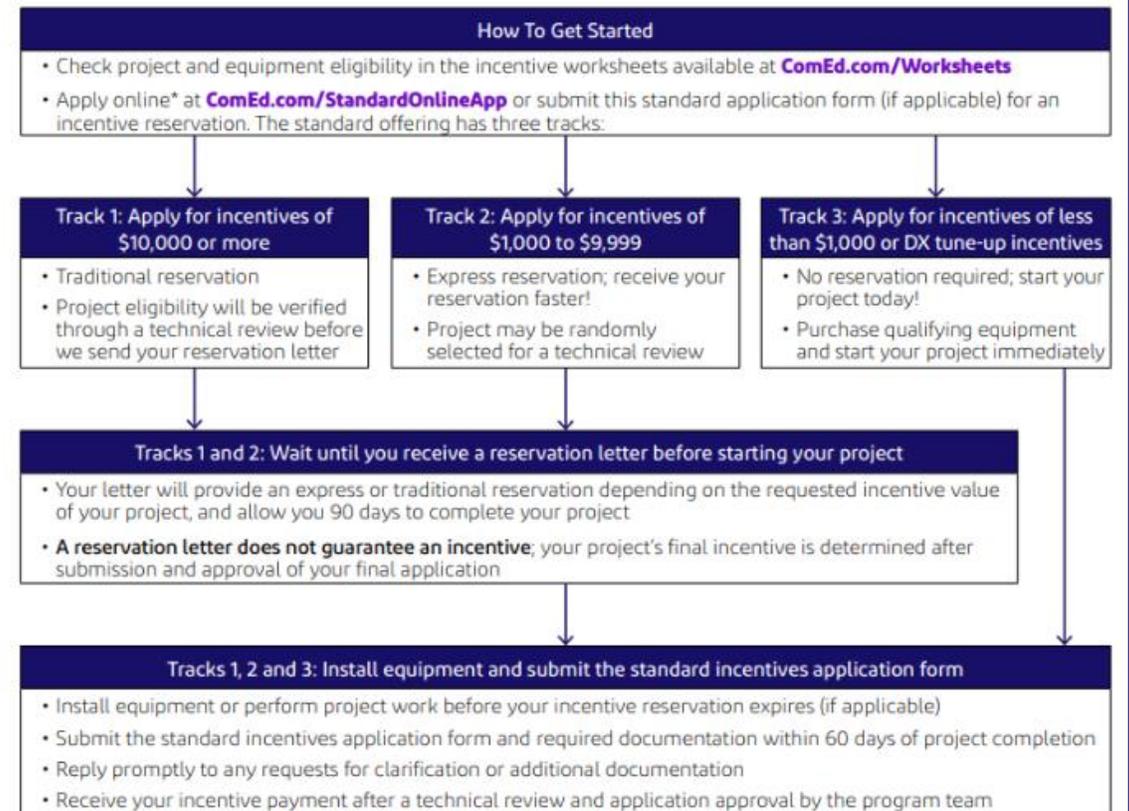
- Provides incentives for commercial, industrial and public sector customers on a fixed or per-unit basis
- Incentives for energy efficiency upgrades such as lighting, HVAC, energy management, refrigeration, compressed air and more
- Two-tiered EESP network (open and closed)
- Over \$55 million in incentives paid and 182 net GWh saved in 2023
- Apply for incentives and track projects online at [ComEd.com/StandardOnlineApp](https://ComEd.com/StandardOnlineApp)
- Download the Standard application and incentive worksheets at [ComEd.com/Applications](https://ComEd.com/Applications)

## Standard Incentives Application

January 1, 2024 - December 31, 2024

The ComEd Energy Efficiency Program offers incentives to help facilities save money by improving the efficiency of their equipment. Eligible customers can receive standard incentives for common energy efficiency improvements.

Save time - **apply online**\*. If you register for an account, you can track your project's progress.



Questions? Call **855-433-2700** or email [BusinessEE@ComEd.com](mailto:BusinessEE@ComEd.com).

\*Streetlight applications are only eligible under Track 1, and are not eligible for online application.

# Small Biz Overview

- Customer eligibility
  - Private small businesses and public facilities with peak demand <400 kW
- Building types: offices, warehouses, small industrial, retail, restaurants, churches, schools, libraries, police & fire stations, city halls, etc.
- Closed Service Provider network: 77
- Measure categories include: lighting, lighting controls, HVAC, refrigeration, compressed air, building envelope
- Customer Leads
  - Approx 90% from Service Provider outreach & sales
  - 2 dedicated Small Business outreach reps
  - Customers self-serve - request Assessments via ComEd's website



# Midstream Overview

- Midstream offering targeting business customers via distributors
- 2024 incentive categories: Lighting, HVAC, Fork Trucks
- Instant savings provided by the distributor – no incentive applications necessary. Incentives only available to customers via Participating Distributors.
- Over 130 participating distributors
- Over 100 GWh in 2023
- Over 1.2 million units incentivized
- Download the offering guides:  
[ComEd.com/BizLights](https://ComEd.com/BizLights)  
[ComEd.com/BizHVAC](https://ComEd.com/BizHVAC)  
[ComEd.com/ForkTruck](https://ComEd.com/ForkTruck)



# Commercial Food Service Overview

- Non-residential customers receive a point-of-sale discount on qualifying commercial foodservice measures purchased through a participating supplier.
- Participant network consists of enrolled dealers or manufacturers selling direct to the customer.
- 25 commercial foodservice measures including cooking, refrigeration, sanitation, and other equipment
- Statewide, dual fuel program including Ameren Illinois (gas and electric), ComEd, Nicor Gas, Peoples Gas, and North Shore Gas.
- Implemented by Frontier Energy, in partnership with Energy Solutions, Energy Sciences, and Mulder Consulting.



# Custom Overview

## Tailored energy efficiency solution:

Custom is the incentive opportunity for energy efficiency projects with a defined scope or timeline that can't be addressed by other offerings.

**Flexible incentives based on verified savings:** Custom incentives are based on verified savings and can **cover up to 100% of project cost.**

## In 2023:

- 100 projects completed
- 24,973 MWh gross savings



# Industrial Overview

- Customers with industrial equipment in-house and high energy use systems
- Process cooling, industrial refrigeration, compressed air, process equipment, large pumps and fans, water and wastewater treatment
- Comprehensive and Fix-It-Now options for capital projects and operational/maintenance measures
- Up to 100% of project costs can be incentivized
- Implemented by Cascade Energy and partners
- 350 projects and 50.6 gross GWh energy savings in 2023



# RCx Overview

- All building types, private & public sectors, with peak demand more than 100 kW
- Annual Energy Use
  - Over 0.5 GWh/year (RCx Flex)
  - Over 3 GWh/year (MBCx)
- Average savings of 5-15%
- Low/no-cost operational measures with average payback periods of 1.5 years
- Participants must commit to spending \$1,000 to \$15,000 on no- and low-cost energy-saving improvements
- 2023 Results:
  - 45.9 GWh verified (net)
  - 286 projects verified
  - 5 EESPs accepted / 7 EESPs removed



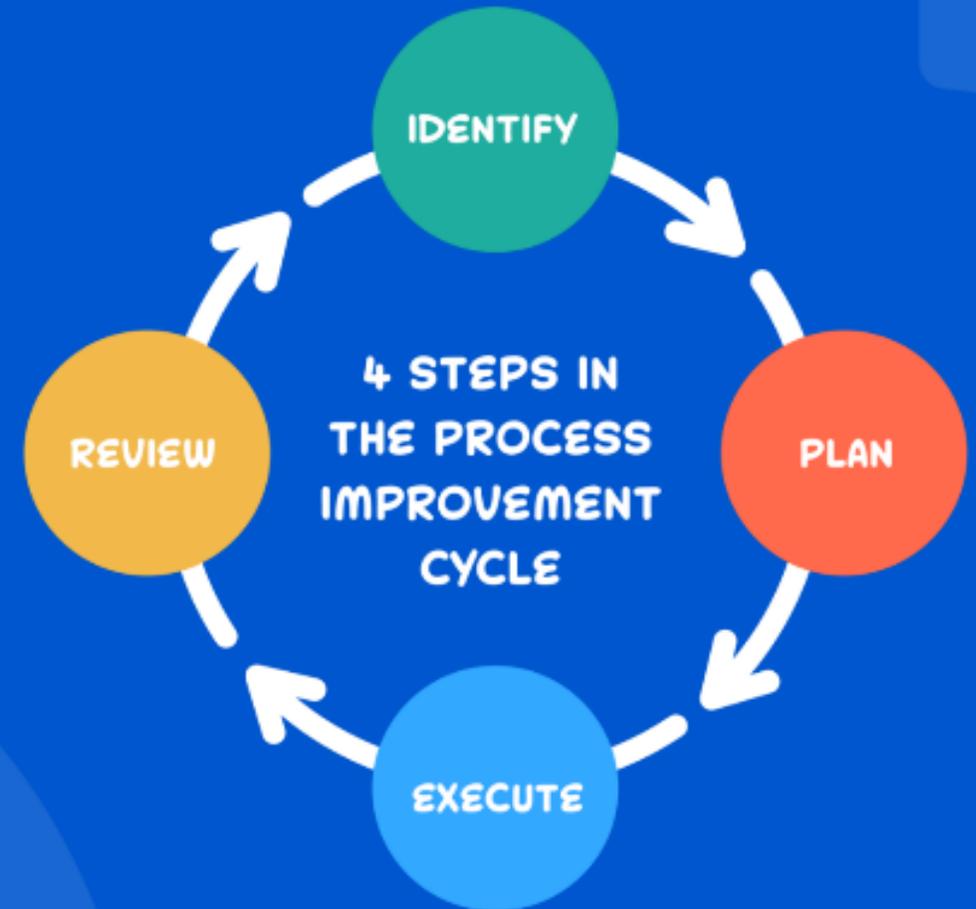
# SEM Overview

SEM is a holistic program that focuses on behavioral and operational measures.

Customers learn to:

- develop energy efficiency skills
- prioritize projects (operational & capital)
- change mindsets and culture
- set energy reduction goals
- measure energy savings
- manage energy on their own

SEM helps customers treat energy as any other manageable cost – setting goals, establishing teams, finding savings opportunities, developing measurement systems. Resulting in more projects and deeper relationships.



# New Construction Overview

- Helps push designs further by offering both technical assistance and financial incentives for energy conservation measures
- Best practices and performance paths
- Eligibility requirements:
  - Minimum of 5,000 ft<sup>2</sup>
  - Project is in design phase prior to permit
  - Building must be a commercial building as defined by state and local building codes
  - Project will exceed the current Illinois Energy Conservation Code requirements for Energy Efficiency
  - Scope of work to include significant beyond-code energy conservation measures for at least two of these primary building systems: Envelope, Primary HVAC, Lighting, or Qualified Refrigeration



# Facility Assessment Overview

- Free assessment of customer facilities to identify energy savings opportunities
- Available to ComEd business customers with peak demand of 400 kW or greater
- Through preliminary interview and subsequent in-person or virtual site visit by an engineer, energy savings opportunities are identified
- Customer will receive report with customized project opportunities, shown with potential annual energy and dollar savings and simple payback calculations including incentive amounts and environmental impacts
- Customers decide whether to implement projects, choosing a ComEd EESP from our directory, using an unaffiliated contractor, or doing it themselves

## Facility Assessment

Prepared for

### *Example Project (123 Main Street)*

#### EXECUTIVE SUMMARY

##### Financial Benefit

We estimate your Facility has the potential for:

<b>Annual Savings</b>	<b>\$72,410</b>
<b>ComEd® Energy Efficiency Program Incentive</b>	<b>\$178,460</b>

##### Annual Energy Benefit

Before		<b>Up to 23% Energy Savings</b>
After		<b>Up to 794,900 kWh Reduced</b>

##### Annual Environmental Benefit

Can Reduce Your Carbon Footprint by up to...

**433 Metric Tons of CO<sub>2</sub> Equivalent**  
or **107 Cars off the Road Annually**

# Public Schools Carbon Free Assessment (PSCFA) Overview

- Free decarbonization assessment to identify Energy Efficiency, Building Envelopment & Mechanical Insulation, Solar, Building Electrification, Vehicle Electrification and WELL certification opportunities
- Available to ComEd Public School Customers K-12
- Includes central district preliminary interview and on-site visit that can take up to 8 hours
- Customer will receive report with customized project options, shown with potential annual energy and dollar savings and simple payback calculations including incentive amounts, environmental impacts, third party grant opportunities and infrastructure upgrades required to support electrification
- Customers decide whether to implement projects, choosing a ComEd EESP from our directory, using an unaffiliated contractor, or doing it themselves

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# 2023 Biz/Pub Highlights

- Over 8,200 private sector projects and 1,200 public sector projects completed
- **Small Business** – Over 66 GWh completed projects (30% of total program savings) in disadvantaged communities (DC), totaling \$22M in incentives; significantly increased share of non-lighting measures
- **Retrocommissioning** – 36 completed projects in DCs; team also initiated work with Chicago Department of Aviation on the implementation of a project at Midway and enrolling O’Hare soon; Q4 achievements best on record
- **Instant Discounts** – Fork truck incentive (EEE measure) was added in Q2, experienced very strong demand, and became fully subscribed in Q3
- **Custom** – Completed first electrification project (VRF with heat recovery); innovations to streamline the process and improve the customer experience (e.g., applications updated to reduce duplicate data entries and time, improved internal processes to accelerate the pre-application review process)

Program	Net MWh	% Savings Achieved of YE Forecast	Program Participation	Unit Definition
Small Business - Private	190,731	107%	5,282	Projects
Small Business – Public	35,321	102%	545	Projects
Incentives – Standard - Private	162,348	96%	2,087	Projects
Incentives – Standard – Public	29,860	87%	516	Projects
Incentives – Custom – Private	11,271	90%	85	Projects
Incentives – Custom – Public	1,083	99%	15	Projects
Retro-commissioning – Private	27,158	90%	191	Projects
Retro-commissioning – Public	19,427	110%	116	Projects
Industrial Systems	39,139	88%	382	Projects
Strategic Energy Management – Private	35,816	107%	113	Participating Customers
Strategic Energy Management – Public	6,729	101%	37	Participating Customers
C&I New Construction – Private	7,966	104%	63	Projects
C&I New Construction – Public	1,520	107%	24	Projects
Midstream/Upstream – Private	78,777	116%	959,373	Lighting products; battery chargers; HVAC, Fork Trucks
Midstream/Upstream – Public	14,503	121%	281,387	Lighting products; battery chargers; HVAC, Fork Trucks
Commercial Food Services - Private	1,286	108%	468	Units
Commercial Food Services - Public	40	70%	27	Units

# 2024 Biz/Pub Updates

- **Standard** – 15% additional incentive for DCs, continued improvements in application processing and inspections, incentive value and unit adjustments
- **Small Biz** – 4 new refrigeration measures (reach-in and walk-in cooler and freezer gaskets), 2 promotional campaigns for Public Sector and Disadvantaged Communities, incentive value adjustments
- **Instant Discounts** – New incentive and efficiency levels for heat pumps to align with Home Heating & Cooling program and increase participation; HVAC spec adhere to IECC 2021; other incentive value adjustments
- **Commercial Food Service** – Added measures (pressure fryers; efficient gas & induction cooktops; and high-temperature pot, pan & utensil dishwashers) and adjusted incentive values
- **Custom, Industrial** – 15% incentive increase for DCs

Offering	Implementer	ComEd Only/Joint
Facility Assessments	ComEd	ComEd Only
Standard	Resource Innovations (RI)	ComEd Only
Custom	Cascade Energy	ComEd Only
Small Business	RI	ComEd Only
Retrocommissioning	RI	Coordinated
SEM	CLEAResult	Joint
New Construction	Cascade	Coordinated
Instant Discounts	DNV	ComEd Only
Industrial Systems	Cascade Energy	ComEd Only
Commercial Food Service	Frontier Energy	Joint



# Residential & Income Eligible Offerings

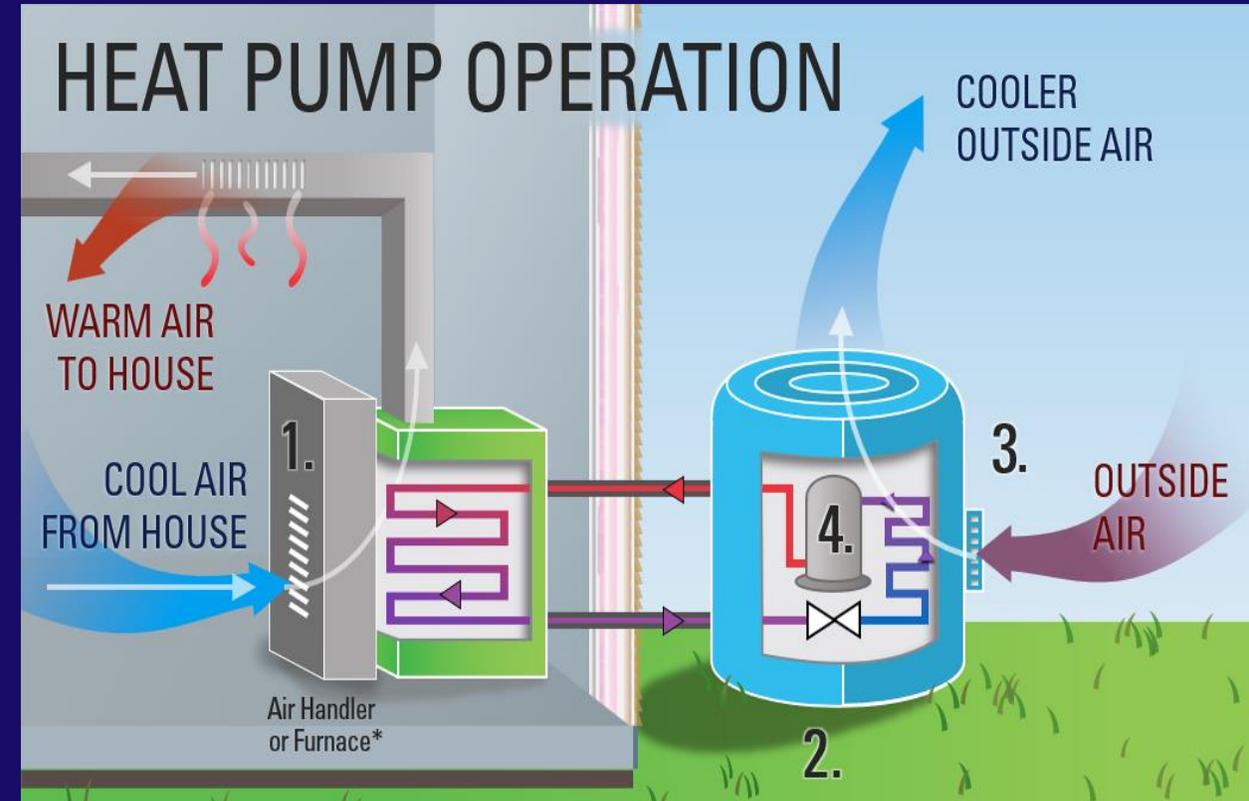
- Home Heating & Cooling
- Retail
- Product Distribution
- New Construction
- Home Energy Reports
- Home Energy Savings
- Multi-Family Energy Savings
- Whole Home Electric



# Home Heating & Cooling Overview

Offers midstream incentives on energy efficient heat pumps installed in ComEd residential customers' homes. Discount is applied directly at the point-of-sale from enrolled distributors. The program also offers downstream incentives via authorized contractors installing eligible geothermal heat pumps at ComEd residential customers' homes.

- Measures: Air Source Heat Pumps (midstream), Mini Split Heat Pumps (midstream), Ground Source Heat Pumps (downstream)
  - In 2024, downstream incentives removed from: CAC Tune Up, ASHP Tune Up, Duct Sealing, Smart Thermostats
- Incentives can only be offered to Heat Pump Contractors that have completed program training requirements.



# Retail Overview

- Offers customers rebates and instant discounts on select ENERGY STAR® certified appliances, lighting, and other home products
- Purchases can be made at any retailer that sells the qualifying ENERGY STAR® certified appliances, including online retailers, such as the ComEd Marketplace
- Within this program, a portion of the budget is dedicated to IE customers by offering higher discounts at participating retailers on select products in targeted geographic areas (e.g., IE census tracts), making energy saving products more affordable for IE customers

Marketplace Home Browse Programs Support

SUBSCRIBE ORDER HISTORY 0

## Welcome to the ComEd Marketplace!

You have the power to save! Get instant rebates on qualifying energy-saving products!

Free shipping over \$49 Exclusive benefits with a MyAccount Easy enrollment in money-saving programs

## Measures

- All: Advanced power strip, air purifier, clothes washer, dehumidifier, electric clothes dryer, heat pump clothes dryer, induction cooktop and range, room AC, smart stat, water dispenser, low-flow showerhead, weatherization products
- IE: LED bulbs and fixtures, and higher rebates for the above

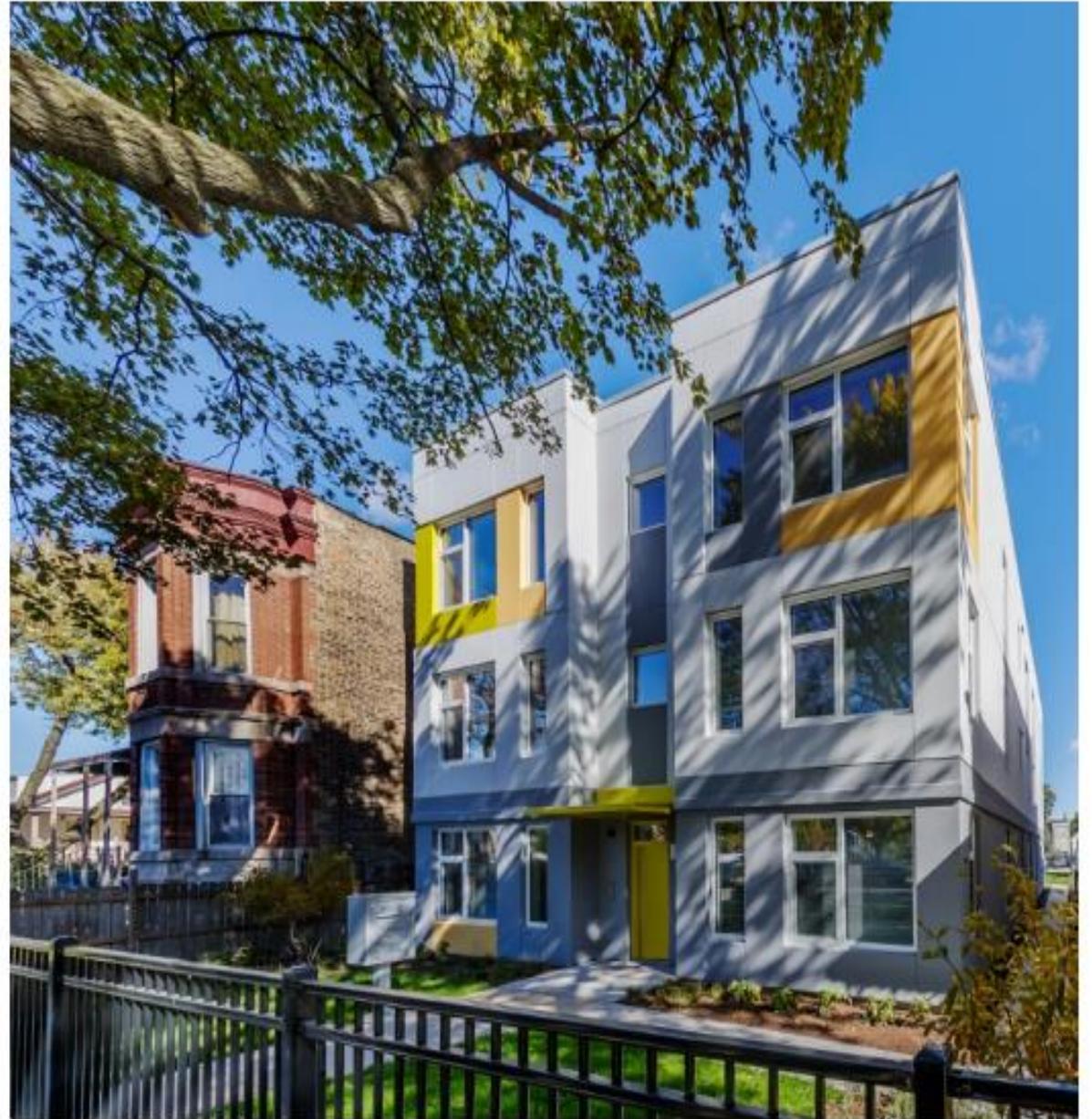
# Product Distribution Overview

- Through this offering ComEd distributes free energy-saving products and kits to residential customers via local community channels including, but not limited to, participating local schools (aka School Kits); Community Action Agencies (“CAAs”) and CBOs (aka IE Kits); and local food banks and food pantries (aka Food Bank)
- Offering is largely focused on IE customers, with School Kits serving all residential
- Types of products include: ENERGY STAR certified lighting products, water-saving products, advanced power strips, and weatherization measures
- Also provide EE educational information and product installation instructions



# Res/IE New Construction Overview

- Affordable Housing New Construction – Offers incentives and technical assistance to building developers for new construction or major renovation of affordable housing, including single-family, low-rise, mid-rise, and high-rise multifamily buildings; bundled ECMs and custom or prescriptive approaches for specific building types are designed to result in significant energy savings over the current Illinois energy code
- Electric Homes New Construction – Promotes high performance all-electric homes that allow customers to stack the benefits of all-electric energy efficiency, demand-response, electric vehicles, solar, and new rate structures; offers tiered incentives to builders, and then works with local builders and HERS raters to ensure that new homes exceed the requirements of the state's energy code for increased energy savings

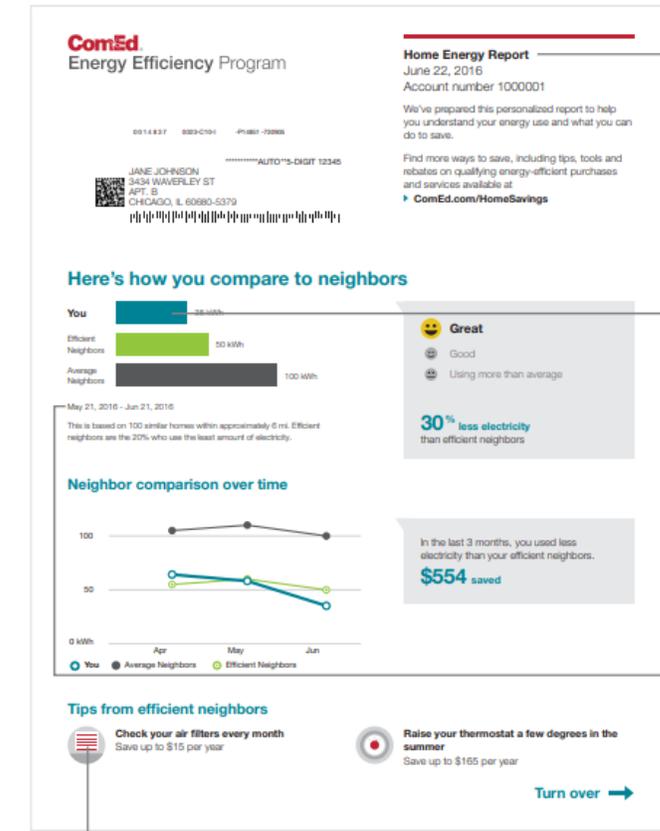


# Home Energy Reports Overview

- Opt-out only, behavioral-based program that provides single-family and multifamily residential customers with information on how they use energy within their households and leverages social norms to drive customer adoption of energy efficient behaviors
- Customers receive up to six paper reports a year or monthly emailed reports, which include neighbor comparison information, personalized EE tips and information on additional EE offerings

## A guide to your Home Energy Report

Your **Home Energy Report** provides helpful information about the way you use energy. It also includes recommendations for making your home more efficient. If you receive your report via email, some images may be different.



Front

### Why am I receiving a Home Energy Report?

Most people are eager to make their home more efficient and save money, but aren't sure where to start. We send you these reports—filled with energy efficiency tips and information about your usage—so you can take steps to save.

### I seem to use more energy than my efficient neighbors. What do they do to be energy efficient?

Efficient households likely take a variety of steps to reduce their energy use, including using their thermostat to manage heating and cooling costs, turning off lights and electronics when not in use, and always running full loads in the dishwasher, washer, and dryer. Explore more ways to save at [ComEd.com/MyAccount](http://ComEd.com/MyAccount).

### What time period does my report cover?

The time period is listed below the neighbor comparison. In your paper report, the time period could be representative of a month, three months, or an entire season. If you receive your report via email, the time period represents one month.

### What else can I do to save?

Follow the tips included on your report. For more personalized tips, visit [ComEd.com/MyAccount](http://ComEd.com/MyAccount) and complete the questionnaire in "What Uses Most" beneath "My Usage."

# Home Energy Savings Overview

Four segments within the Homes Energy Savings umbrella offering, all for single-family residential customers:

1. Self Assessments, targeting market rate customers (>80% AMI)
  - Self-led assessment with free and discounted energy-saving products delivered post-assessment
2. Home Assessments, for income eligible customers
  - In-home or virtual walkthrough and introduction to energy efficiency, including direct install measures and a customized report
3. Comprehensive Retrofits, for income eligible customers
  - For customers prioritized through Home Assessments based upon significant energy efficiency need
  - May include weatherization, HVAC, and health and safety
4. Braided IHWAP, for income eligible customers
  - For customers identified and served through Community Action Agencies (CAAs), serving customers with incomes <200% FPL
  - Include weatherization, HVAC, appliances, and health and safety

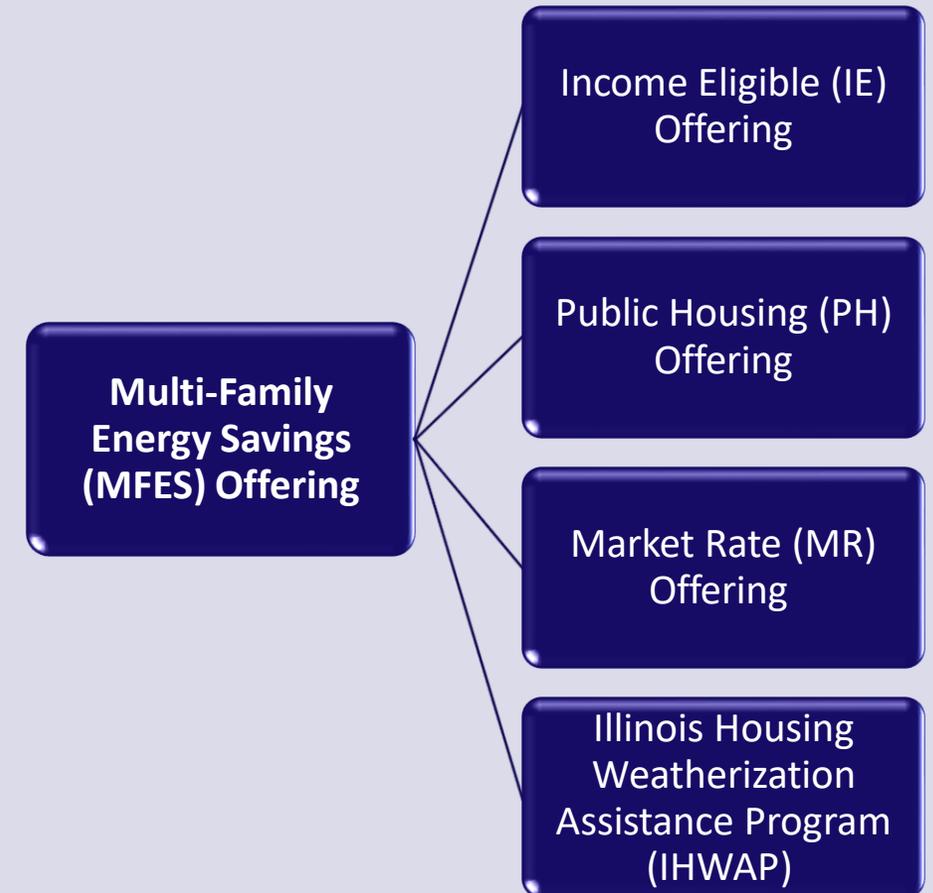
# Multifamily Energy Savings Overview

## Multi-Family Properties

- With three or more units
- All Public Housing buildings
- Must have active account with ComEd or partner Gas utilities\*

## Incentive / Measure Categories:

- Lighting / Electric
- Weatherization
- Heat Pumps
- HVAC / Boilers / Water Heaters
- Health and Safety



*\*Nicor, Peoples, North Shore Gas*

# General Overview

Income Eligible And Public Housing*		Market Rate		Illinois Home Weatherization Assistance Program (IHWAP)	
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• IE offering: Low income / affordable housing; building located in low-income census tract</li> <li>• PH offering: Available to any property owned and managed by a public housing authority (PHA)</li> </ul>	<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Eligible if property does not qualify for Income Eligible or Public Housing Offerings</li> </ul>	<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• IE offering: Low income / affordable housing; building with 60% of tenants that fall at or below 200% federal poverty level (FPL)</li> <li>• Available to any property owned and managed by a public housing authority (PHA)</li> </ul>
<b>Funding Availability</b>	<ul style="list-style-type: none"> <li>• Incentive budget (buys down customer cost; covers 100% of upgrades for certain measures)</li> <li>• Includes health &amp; safety budget</li> <li>• Includes electric, gas and joint measures</li> </ul>	<b>Funding Availability</b>	<ul style="list-style-type: none"> <li>• Incentive budget (buy downs the customer cost)</li> <li>• Includes electric, gas and joint measures. Gas measures are incentivized through each gas utility.</li> </ul>	<b>Funding Availability</b>	<ul style="list-style-type: none"> <li>• The IHWAP Program is funded by both government grants and utility funding</li> </ul>
<b>Direct Installation</b>	Completed by Franklin Energy	<b>Direct Installation</b>	Completed by Franklin Energy	<b>EESPs</b>	EESPs can partner directly with Community Action Agencies (CAAs) to provide braided, with comprehensive energy efficiency retrofits

\*Public Housing offering: Program team must confirm project approval with Public Housing Authorities executive staff, building managers cannot approve projects.

# Whole Home Electric Overview

- Geared towards residential income-eligible single family and multi-family property types as well as buildings owned or managed by a public housing authority.
- Focuses on converting fossil fueled appliances and heating and cooling systems with efficient electric appliances and systems.
- Measures include:
  - Heat Pumps
  - Heat Pump Water Heaters
  - Induction Cooking Ranges
  - Heat Pump Clothes Dryers
  - Electrical Panel Upgrades
- Upgrades are free to qualifying single family customers. Income-eligible and public housing multi-family building owners (not tenants) may have a co-pay for certain measures.



# 2023 Res & IE Highlights

- Over 23,600 homeowners & tenants – including over 16,000 income eligible customers – have received direct install products and home upgrades from assessments
- Customers have received over 2,688,000 incentives
- **Retail** – Enhanced efforts to serve IE customers by adding unique, higher post purchase rebates on various ENERGY STAR certified products including water dispensers, air purifiers, dehumidifiers, refrigerators, induction cooktops, clothes washers, electric clothes dryers, and heat pump clothes dryers
- **Multifamily Home Energy Savings** – Strategic electric resistance to heat pump conversion initiative saw great success, with 669 heat pumps installed in IE and public housing properties, resulting in over 9,500 MWhs of savings and over \$4M in incentives distributed
- **New Construction** – Electric Homes New Construction completed its first multifamily project; also added 14 first-time builders

Program	Net MWh YTD	% Savings Achieved of YE Forecast	Program Participation YTD	Unit Definition
Home Energy Savings – Market Rate Assessment	411	69%	6,212	Homes
Home Energy Savings – Income Eligible Assessment	5,326	101%	6,580	Homes
Home Energy Savings – Income Eligible Retrofits	5,939	82%	2,825	Homes
Multi-Family Energy Savings – Income Eligible	23,229	109%	Tenant Unit Direct Installation: 9,473 Building Upgrades: 2,115	Projects
Multi-Family Energy Savings – Public Housing	1,691	104%	Tenant Unit Direct Installation: 0 Building Upgrades: 48	Projects
Multi-Family Energy Savings – Market Rate	5,294	99%	Tenant Unit Direct Installation: 1,361 Building Upgrades: 347	Projects
Whole-Home Electric	3,895	81%	Single Family Homes: 99 Multi-Family Buildings: 4 Tenant Unit Conversions: 163	Projects
Home Energy Reports	60,196	95%	Home Energy Reports (print): 5,533,409 Home Energy Reports (email): 9,387,006 High Usage Alerts: 2,471,725 Weekly Usage Reports: 8,234,615	Reports and Alerts
Retail – Market Rate	57,356	152%	Home Products: 531,691	Appliances
Retail – Income Eligible	120,224	99%	Home Products: 260,496 Lighting: 1,887,201	Appliances; Light Bulbs
Product Distribution – Market Rate	4,835	89%	28,666	School Kits
Product Distribution – Income Eligible	268,736	100%	3,459,891	Kits and Food Bank Measures
Residential New Construction – Affordable Housing	1,038	119%	6	Projects
Residential New Construction – All Electric	161	74%	68	Homes
Heating and Cooling - Midstream/ Rebates	13,117	137%	8,839	Units

# 2024 Res & IE Updates

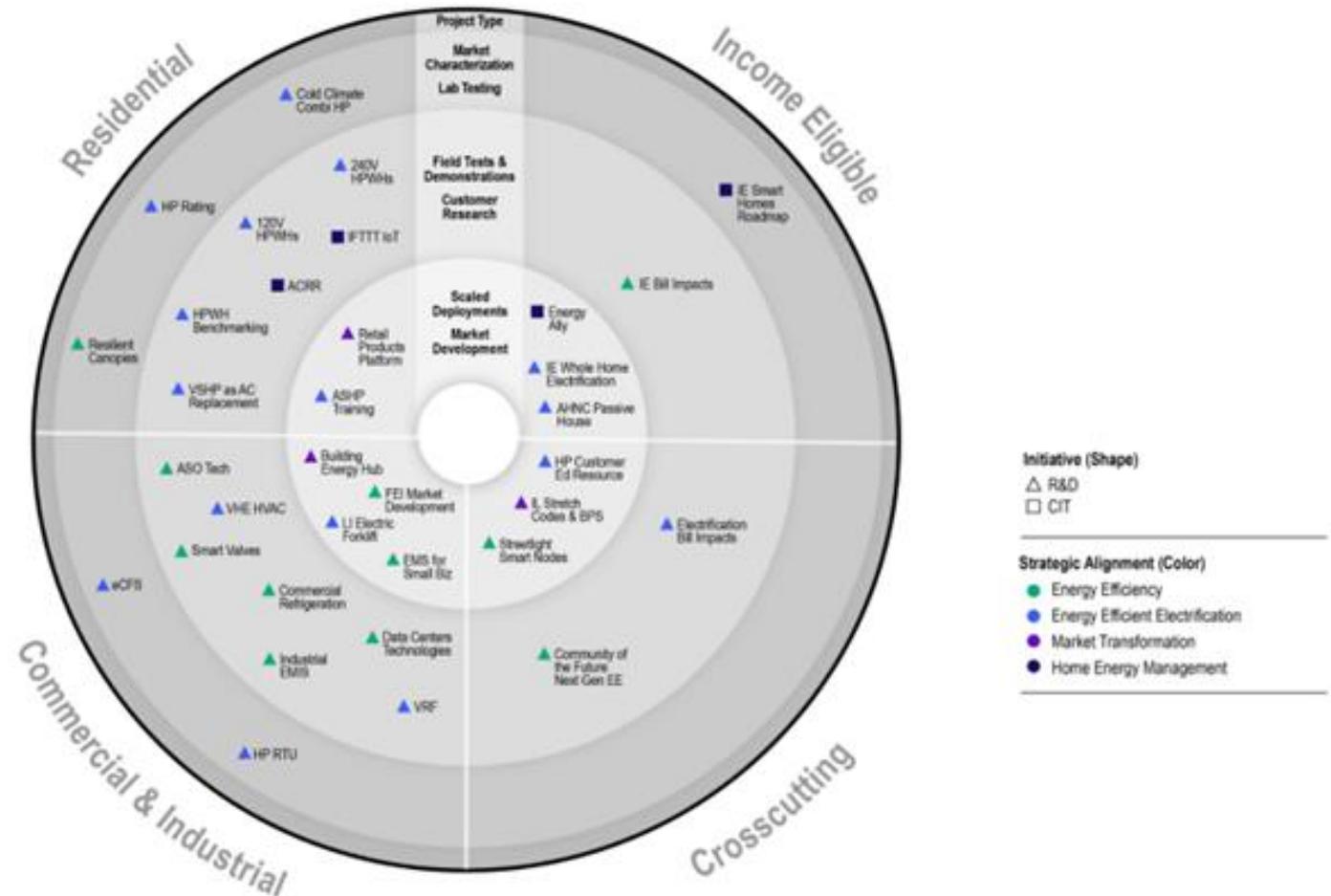
- **Home Energy Savings** – Customer journey now requires in-home screening, to be prioritized for deeper services; measures added to Comprehensive Retrofits (Low-e storm windows, EC Motor replacement, AC Covers); funding from Federal Home Loan Bank incorporated, to address health and safety issues preventing energy efficiency work; braided IHWAP: now allows up to \$30,000 per project to spend on health and safety needs, under Weatherization+
- **Multifamily Energy Savings** – Added measures (exterior photocell repair, spring loaded garage door hinge, furnace tune ups, water heater tune ups, central condensing water heater array), removed measures (chillers, thermostatic radiator valve); incentive value adjustments
- **Whole Home Electric** – Single offering serving both SF and MF properties types as well as buildings owned or managed by a public housing authority; focusing on identifying and serving customers that have previously been served with weatherization

Offering	Implementer	ComEd Only/Joint
Home Heating & Cooling	DNV	Joint
Retail	SEEL	Joint (smart stats only)
Product Distribution	Walker-Miller	Joint
New Construction	Slipstream	Coordinated/ComEd Only
Home Energy Savings	RI	Joint
Multifamily Energy Savings	Franklin	Joint
Home Energy Reports	Oracle	ComEd Only
Whole Home Electric	RI	ComEd Only

# Research & Development

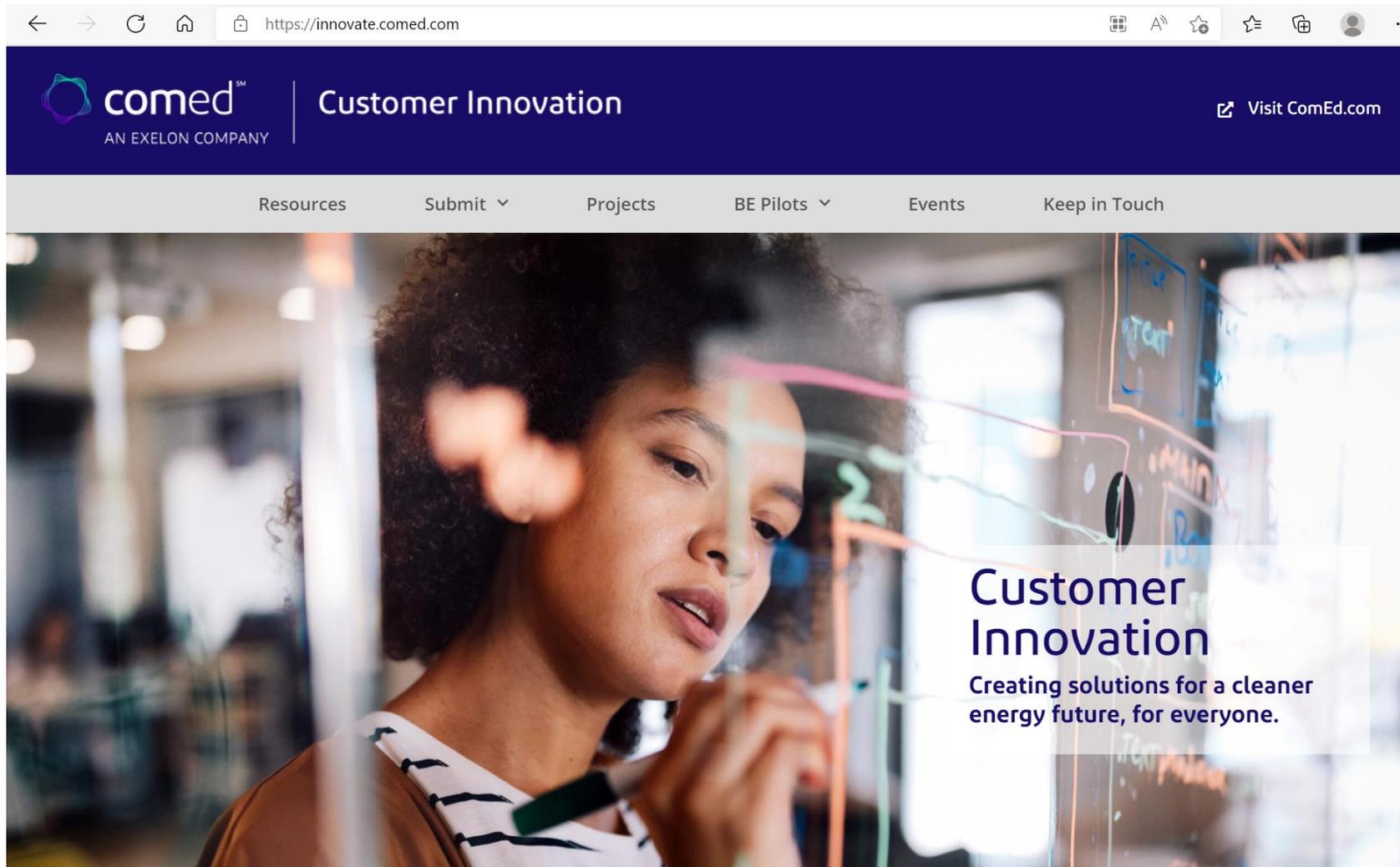
- The mission of R&D is to identify, test, validate, and integrate new energy-saving technologies and program delivery strategies into the ComEd Energy Efficiency Program, so that it continues to meet customers' needs and its energy savings goals cost-effectively
- Major successes in Plan 6 include:
  - ENERGY STAR Retail Products Platform
  - Whole Home Electrification
  - Commercial Food Service
  - ASHP Contractor Training
  - Go Electric Website
  - IE Bill Impacts
  - MDI Research

## ComEd Customer Innovation Portfolio Summary 2023 Q4



This visualization provides an overview of the Customer Innovation Team's selected research concepts and projects for 2023, organized by stage of research and relevant customer segments. Further information about each project may be found in the following table. Project descriptions are available on the ComEd Customer Innovation website at [Innovate.ComEd.com](https://www.innovate.comed.com).

# Research & Development (cont.)



- Summaries of R&D projects (including status updates) are attached to ComEd's EE quarterly reports
- More details on projects, as well as submittal information and events can also be found on the website [Home - ComEd Customer Innovation](#)

# ComEd's Market Development Initiative

The objectives of the Market Development Initiative (MDI) are set forth in *ComEd's Revised Plan 6 Energy Efficiency Stipulation Agreement* and will help **reduce participation barriers** and **expand the pipeline** of diverse Energy Efficiency contractors, service providers, and workers.

## Energy Efficiency Market Development Initiative (EE MDI)

Increase contracting opportunities for diverse contractors, subcontractors, distributors, & other suppliers and CBOs while assisting them in developing the necessary capabilities to participate in the delivery of ComEd's energy efficiency programs; improve the diversity and inclusiveness of the ComEd Energy Efficiency Program supplier workforce.

Program design has been **informed by research** and has involved a **diverse implementation contractor** to help shape its stand-up

As currently proposed, the broader program will be centered around **four main delivery channels**:

### Workforce Development

Uplift and empower traditionally excluded individuals, providing them with skills and opportunities for sustainable employment in the energy efficiency and clean energy industries.

### Diverse Vendor Procurement

Promote economic opportunity for diverse businesses and a more inclusive business environment.

### Energy Efficiency Service Provider Engagement

Address the challenge surrounding the availability of qualified service providers, by creating pathways to connect diverse contractors specializing in EE with potential implementation contractors.

### Community-Based Organization Partnerships

Establish partnerships with CBOs whose missions align with the goals of MDI and energy efficiency.

# Overview: Upcoming Standup and Program Delivery

With contracting now complete, activities are rapidly underway to establish the framework around each delivery channel, which will set the foundation for program delivery going forward

## Standup *(through January 2024)*

### Channel 1: Workforce Development

- Form an Employer Advisory Network who will serve as an interview panel, share job openings, guide direction of training and lend in program design
- Host monthly roundtables with network to gather feedback on program design

### Channel 2: Diverse Vendor Procurement

- Setup and implementation of diverse vendor procurement database
- Host discovery roundtables with ComEd, Energy Efficiency contractors, and CBOs to review the selection and management of diverse vendors
- Identify and begin outreach to potential financing partners along with CBOs

### Channel 3: EESP Engagement

- Host roundtables to determine barriers that prevent full participation in portfolio offerings
- Provide analysis & recommendations for expansion of EESP Incubator through wrap-around services, pilot DBE & CBO Incubators, and WFD partnership
- Determine specific collateral materials needed for training

### Channel 4: CBO Engagement

- Host discovery roundtables with CBOs to determine what potential services & resources that promote successful CBO participation in the MDI program



## Program Delivery *(through Q1+ 2024)*

### Channel 1: Workforce Development

- Recruitment and interviewing for upskill cohort trainees
- Recruitment and interviewing for new industry cohorts

### Channel 2: Diverse Vendor Procurement

- Begin facilitating informational sessions with financing partners & CBOs
- Begin facilitating webinars for interested DBEs to educate them on the procurement process

### Channel 3: EESP Engagement

- Develop collateral materials
- Define and create schedule training plans for pilot DBE and CBO incubators and Workforce Development partnership

### Channel 4: CBO Engagement

- Perform direct outreach to CBOs to begin the relationship building process, eventually passing the connection along to WFD, DVP, and EESP Engagement channels

# EE Contracting & Diverse Spend

- ComEd is committed to procuring goods and services for its EE portfolio in a competitive, fair, transparent and equitable manner and recognizes the value of competition in driving innovation, improving quality, and reducing cost
- In Plan 6, ComEd competitively bid EE program implementation, MDI and EM&V initiatives for the Plan Period, with the exception of Home Energy Reports
- ComEd also acknowledges the value of supplier diversity in equitably investing ratepayer funds in the communities from which they originated, by creating business and employment opportunities in the EE job market
- In Plan 6, ComEd has continued and expanded its practice of providing opportunities for certified diverse business enterprises to compete on an equal basis for implementation of its Plan – to do this it has worked to identify ready, willing, and able diverse firms offering relevant services in ComEd’s service area, as well as identify ongoing relevant opportunities to contract with these firms

As a result of this focus and corresponding actions, ComEd has grown diverse spend significantly in Plan 6 – *from \$51M (15%) in 2021, to more than \$133M (27%) in 2023*

Tier 1 Diverse Category	Spend	# of Vendors YTD
MBE	\$23,151,164	10
WBE	\$30,612,118	15
VOSB	\$2,515,509	2
<b>Total</b>	<b>\$56,278,790</b>	<b>27</b>

Tier 2 Diverse Category	Spend	# of Vendors YTD
MBE	\$13,343,356	33
WBE	\$34,090,615	37
VOSB	\$9,329,217	5
<b>Total</b>	<b>\$56,763,188</b>	<b>75</b>



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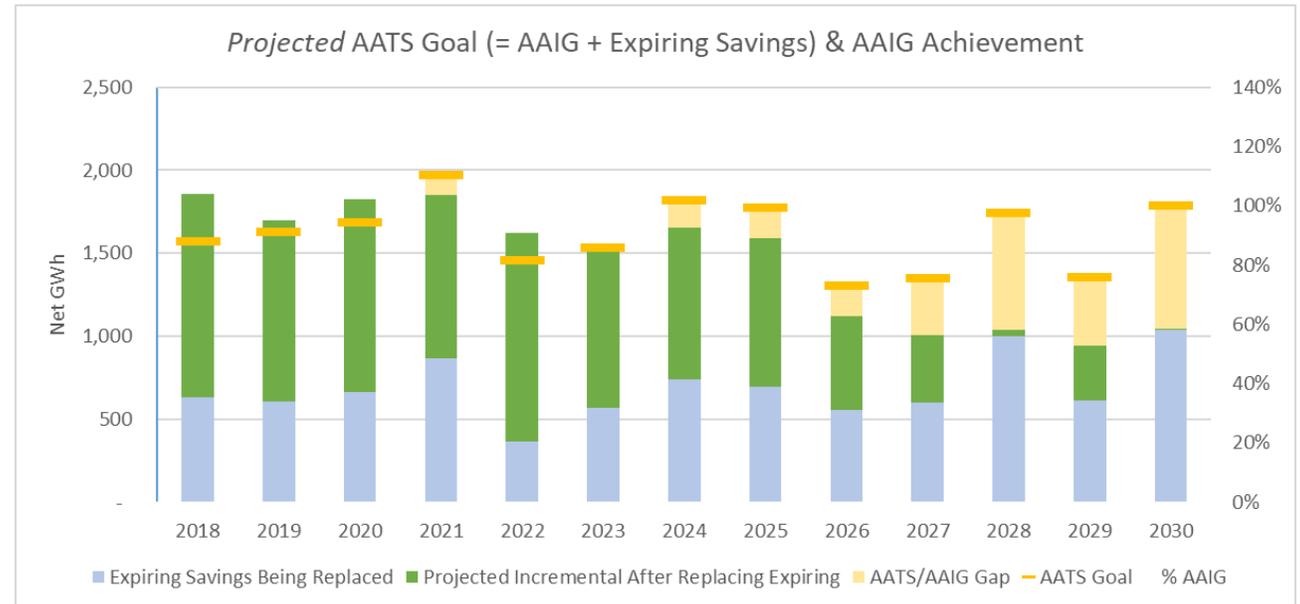
# Considerations for 2026-2029 EE Portfolio

# Reminder: Big Picture EE Challenges

- The ComEd EE Portfolio has been tremendously successful since its inception in 2008, and we expect to continue to deliver huge benefits to our customers and the environment moving forward – however, we are looking out at a **horizon of annual and cumulative goals that are increasingly difficult to achieve**

- Wide range of factors we see impacting the Portfolio:

- **Economic conditions** and resulting increase in \$/kWh
- Increasing amounts of **expiring savings**
- Significant **drop-offs in low-cost savings** opportunities (e.g., EISA, VO, and C&I lighting market saturation)
- Federal and other funding opportunities



- **We are not alone** – benchmarking in 2022 confirmed that many other utilities are feeling have similar concerns

# Near-Term: 2024-2025 Forecast & Challenges

- **Voltage Optimization:** due to technical issues and budget constraints outside of EE, VO workplan has been updated to decrease savings significantly in 2024-2025 (with projected increases in 2026 and 2027)
- **EE Electrification:** while demand is strong, low-income whole home electrification in first ~year has been very expensive, and we are already seeing the 25% rule as a limiting factor
- Actively pursuing **closure opportunities**, e.g., continuing to bring \$/kWh of programs down where possible (especially IE EEE), shifting non-incentive funds into incentives, focusing on DC NTG of 1 opportunity, braiding other funding (e.g., City of Chicago, IRA)

## IRA Sidebar

- In 2023, completed analysis of **tax credits** and connections to portfolio, which has already allowed us to right-size some incentives (e.g., HPs)
- Working with State on **retrofit and EEE rebates** braiding/coordination – have been speaking with them since Q1 2023, and all utilities meeting to help inform IEPA plan to be submitted in Q1 2024

# Plan 7 (2026-2029) Outlook – Challenges & Opportunities

- **Modeling shows significant challenges to meeting CPAS and AAIG in all years** – with >100 GWh shortfalls to annual goals in 2026 and 2027, and >500 GWh and 300 GWh shortfalls in 2028 and 2029 respectively (AAIG achievement ranging between 23-84%)
  - *Note: Modeling is updated frequently, and changes, but the trend of significant shortfalls has not changed* since we've started looking at this in the last 4+ years

## Challenges

- Expiring Savings
- Significant drop-offs in low-cost savings opportunities (e.g., EISA, VO, and C&I lighting market saturation)
- Relatively high cost of IE offerings
- EE Electrification
- Market Transformation
- Increasing demands for portfolio-level expenses

## Opportunities

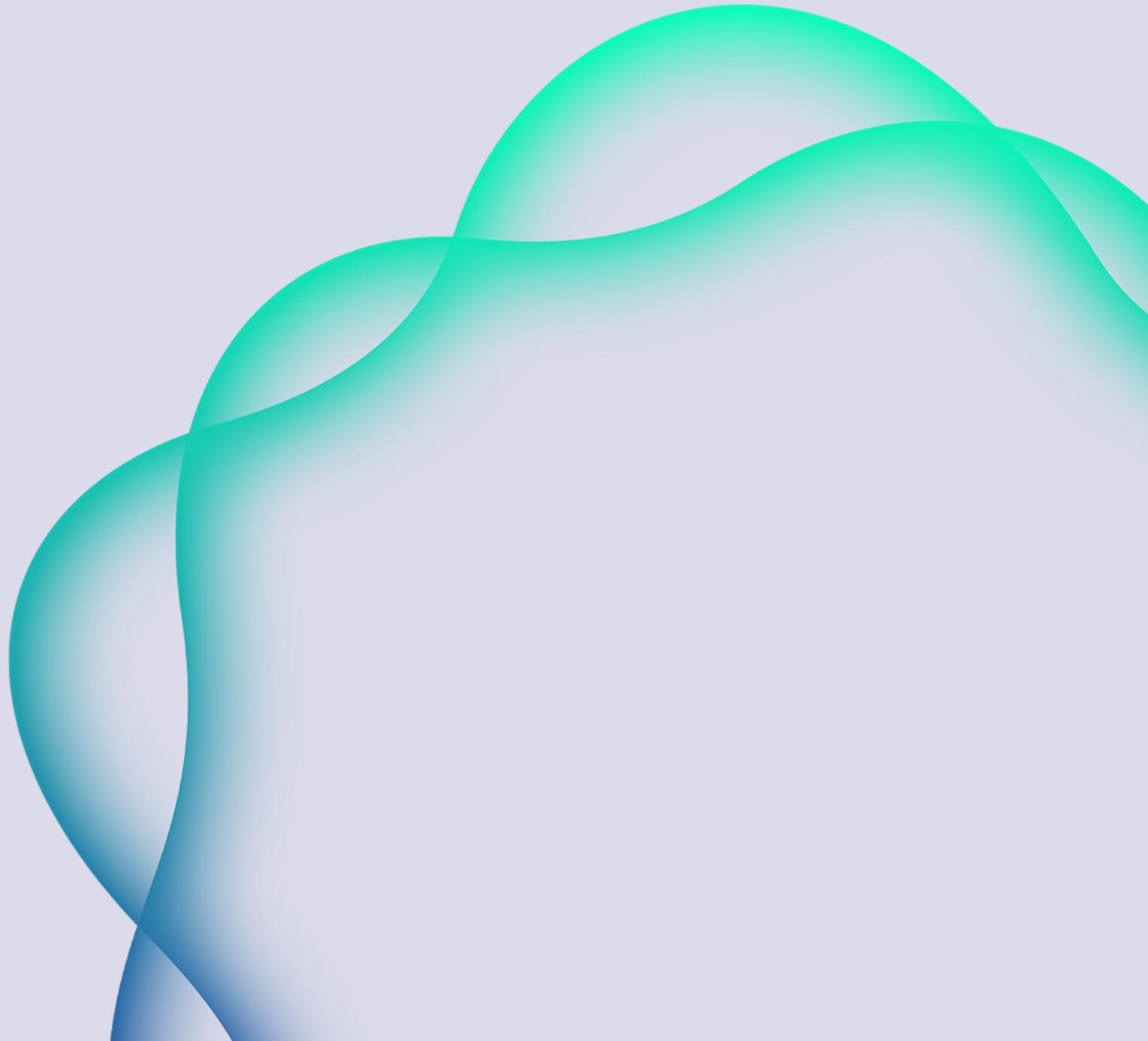
- Braiding funding (e.g., IRA Residential Rebates)
- Building Energy Analyzer
- EE Electrification
- R&D and Market Transformation
- Implementation and portfolio-level cost efficiencies



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# Q&A





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**Thank you**

