

**Illinois EE Stakeholder Advisory Group
Large Group Meeting**

**Tuesday, October 1, 2024
9:30 am – 12:30 pm
Teleconference**

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Meeting Materials

- [Tuesday, October 1 SAG Agenda](#)
- [IQ South EE Committee Feedback on Draft Ameren Illinois EE Plan](#)
- [Non-Financially Interested Negotiating Stakeholders Initial Feedback on Draft Ameren Illinois EE Plan](#)

Attendees

Name	Company or Organization
Celia Johnson	SAG Facilitator (Celia Johnson Consulting)
Jane Anderson	SAG Meeting Support (Inova Energy Group)
Abigail Miner	IL Attorney General's Office
Andrew Cottrell	ScottMadden
Andrey Gribovich	DNV
Andy Vaughn	Leidos
Annette Beitel	Future Energy Enterprises (IQ South Sr. Facilitator)
Babette Washington	Ameren Illinois
Brady Bedeker	Walker-Miller Energy Services
Brent Nakayama	Leidos
Cameron Seeley	Walker-Miller Energy Services
Chris Neme	Energy Futures Group, representing NRDC
Chris Vaughn	Nicor Gas
Christina Frank	Peoples Gas & North Shore Gas
Clayton Schroeder	Resource Innovations
Corey Grace	Resource Innovations
Crystal Warner	Michaels Energy
Danish Murtaza	Peoples Gas & North Shore Gas
Dave Kilgore	Ameren Illinois

Name	Company or Organization
David Barcus	DarkSky International
David Brightwell	ICC Staff
David Lemmon	Utility Energy Services
Dena Jefferson	Franklin Energy
Dr. Deondre Rutues	Future Energy Enterprises (IQ South Facilitation Team)
Dylan Royalty	ScottMadden
Elder Calderon	ComEd
Elizabeth Horne	ICC Staff
Erin Stitz	Applied Energy Group
Fernando Morales	Ameren Illinois
Hannah Howard	Opinion Dynamics
Jamey Neal	Ameren Illinois
Jarred Nordhus	Peoples Gas & North Shore Gas
Jason Fegley	Ameren Illinois
Jean Gibson	Peoples Gas & North Shore Gas
Jeff Erickson	Guidehouse
Jim Fay	ComEd
John Carroll	Ameren Illinois
John Carroll	Ameren Illinois
John Lavallee	Ameren Illinois
Jonathan Kleinman	Brillion
Jonathan Skarzynski	Nicor Gas
Josh Sharon	ComEd
Kanchan Swaroop	Resource Innovations
Karen Lusson	National Consumer Law Center
Kari McCue	Nicor Gas
Kari Ross	NRDC
Keely Hughes	The JPI Group
Kegan Daugherty	Resource Innovations
Ken Walczak	DarkSky International
Kim Janas	IL Attorney General's Office
Kim Swan	ComEd
LaJuana Garrett	Nicor Gas
Lance Escue	Ameren Illinois
Leyah Williams	ICC Staff
Lilieric Florez Monroy	Peoples Gas & North Shore Gas
Lisa Fennell	Bidgely
Lisa Obear	Brightline Group
Matt Armstrong	Ameren Illinois
Melissa Helphingstine	Primera Engineering
Michele McSwain	SEEDS
Mike King	Nicor Gas

Name	Company or Organization
Nelson May	Future Energy Enterprises (IQ South Facilitation Team)
Nic Crowder	Ameren Illinois
Nick Lovier	Ameren Illinois
Nick Warnecke	Ameren Illinois
Nicole Popejoy	IL Association of Community Action Agencies
Omayra Garcia	Peoples Gas & North Shore Gas
Pat Justis	Ameren Illinois
Philip Halliburton	ComEd
Philip Mosenthal	Optimal Energy, representing NCLC
Randy Opdyke	Nicor Gas
Rashaan Keeton	Center for Energy & Environment
Rocco Guaragno	Resource Innovations
Ryan Kroll	Driftless Energy
Sam Stahl	Ameren Illinois
Seth Craigo-Snell	SCS Analytics
Shawn Haas	Peoples Gas & North Shore Gas
Sophie Frey	Brightline Group
Tamika J. Cole	Walker-Miller Energy Services
Ted Weaver	First Tracks Consulting, representing Nicor Gas
Tina Grebner	Ameren Illinois
Tori Woolbright	Metropolitan Mayors Caucus
Travis Hinck	GDS Associates
Victoria Nielsen	ScottMadden
Wade Morehead	Morehead Energy
Zach Ross	Opinion Dynamics
Zachary Froio	Applied Energy Group

Meeting Notes

See **red text** for follow-up items.

Opening and Introductions

The purpose of the October 1st meeting: For interested stakeholders to present feedback to Ameren Illinois on the preliminary draft 2026-2029 EE Plan Portfolio, presented to SAG on September 10.

- [SAG Facilitator Presentation: Introduction to October 1 Meeting](#)

Feedback from IQ South EE Committee

Nelson May, IQ South Facilitation Team

Agenda

- Brief Introduction and Background
- IQ-S Recommendations to Ameren IL

- Cross-Cutting
- Program Specific

CEJA Directive to IQ-S EE Committee

- Per CEJA, IQ-S Committee is directed to: “directly inform the design implementation and evaluation of the low-income and public-housing energy efficiency programs.”

Background

- Initial recommendations presented to Ameren IL on April 17, 2024
- Further refined through regular meetings with IQ-S Leadership Team and Subcommittees
 - Subcommittees meet monthly:
 - AC High Heat
 - Diverse Contractors
 - Returning Citizens
- Over 40 participants, including CBOs (Community-Based organizations), CAAs (Community Action Agencies), Diverse Contractors, Returning Citizens, IQ Implementers

IQ-S Committee Leadership Team

- Mindy Browning – Embarras River Basin Agency (CAA)
- Theresa Collins – Senior Services Plus (CBO)
- Odette Watson – East Central Illinois Community Action Agency (CAA)

Active IQ-S Subcommittees – Chairs

- Increase and Support Diverse Contractors
 - Co-Chair: Odette Watson – East Central Illinois Community Action Agency
 - Co-Chair: Erika Dominick – Walker Miller Energy Services
 - Co-Chair: Jamey Neal – Ameren Illinois
- Support Returning Citizens Entering the Clean Energy Workforce
 - Co-Chair: Scott Alan Davis – Solutions for Energy Efficient Logistics (SEEL)
 - Co-Chair: Nikia Perry – Solutions for Energy Efficient Logistics (SEEL)
- AC/High Heat Pilot Program to Address High Heat Days
 - Co-Chair: Theresa Collins – Senior Services Plus
 - Co-Chair: Jamey Neal – Ameren Illinois
 - Co-Chair: John Carroll – Leidos

IQ Portfolio Goals and Budgets

- Support increased IQ portfolio budget and Market Development Initiative (MDI) budget presented in Ameren IL 9/1-/2024 Presentation to the EE SAG
 - Relative to the Ameren IL 2022 – 2025 IQ Portfolio Budget
 - Increased spent of 6% on IQ portfolio budget
 - Increased spend from 3 to 4% on MDI
- Support reduced goals (annual and long-term) given that Ameren IL is allocating more money to the IQ Portfolio/Programs than required by CEJA, has increased IQ portfolio budget and MDI spend, and in recognition that IQ customers are significantly more expensive to serve than market rate customers

Leverage IRA/Other Funds

- Support for leveraging IRA funds, public and private, to extend impact of utility IQ funds
- Heard on Sept 10 that additional IRA funding is coming

Braiding Funds

- Support for “braiding” funds with the Illinois Home Weatherization Assistance Program (IHWAP), while recognizing that many Community Action Agencies (CAAs) do not have the capacity to braid utility funds given their existing state-allocated funds
- Braiding funds caveat: the barriers to braiding and support need to be addressed
 - Recognize that CAAs are stretched very thin. Staff that trains braiding of funding can get poached by competitors.
 - See a lot of potential for braiding funds for iWAP but want to ensure communicating with CAAs and supporting them

Karen Lusson: I agree that this can be a challenge for Agencies. It would benefit all of us and the utilities to have a better understanding of the capacity of Agencies is to take in braided funding. I have heard an issue is that the salaries can't compete with other private entities. It's a conversation we should have with the state officials and presents an opportunity for utilities to pick up the slack in utility-only weatherization programs. I acknowledge we don't have all the information yet from IL EPA for IRA and DOE programs. This is a lot of money and it is an opportunity to get weatherization in people's homes.

- *Matt Armstrong: We have had capacity challenges for a number of years. We work closely with Agencies to understand their production capacity based on staffing and funding. On the wage issue and disparity in pay between Agencies and program allies—we have had numerous discussions with DCEO and we worked with them to conduct a wage study. Ameren IL was willing to close that gap by using program funding to augment Agency weatherization pay for staff, but we were denied that ability. We were told it would create problems because then the EE folks would be earning more than others in the Agency.*
- *Karen Lusson: Is it DCEO leadership making that decision?*
- *Jamey Neal: Agencies ultimately make the decision on the pay.*
- *Nelson May: We have heard that big box stores have been poaching as well. Difficult for CAAs to compete with those organizations.*

Individual Measures: Lighting

- Support for continuation of including lighting in IQ kits and IQ Direct Install programs
- Rationale – recognizing that soon high efficiency lighting will be just available in stores, and a lot of homes will be forced to phase out lighting. A lot of folks will continue to use existing lighting regardless of efficiency.
 - EE kits offer a good intro to EE as topic of conversation for IQ families.

Chris Neme: I get the argument for direct install. The point you're making in respect to kits doesn't hold up. It's different when it's direct install when the person installing the LED is taking away the inefficient product.

- *Nelson May: If the issue is more related to the customer throwing it out, it's an opportunity for more education – should be teaching customers the difference between LED and old lighting.*
- *Chris Neme: I don't know if sending products in the mail in the kit in that context is the best way to educate. When thinking about the things we can do to provide bill reductions, energy education is an important part of that and not sure if kits is the best way to do that.*
- *Karen Lusson (via chat): Agree that lighting issue is a problem!*

Kari Ross: Is the IQ South committee measuring the impact of EE kits? You mentioned it's a good gateway to EE - how do you get to that conclusion? (interviews, etc).

- *Nelson May: A lot of feedback is directly from the IQ South leadership team. We are hearing a lot of anecdotes from staff working with the customers using the kits. We ourselves are not measuring the direct impacts of the kit.*

Ken Walczak: You mentioned in the kits there is info on EE and a large potential is the reduction in the amount of lights being used. There is a larger potential there to educate [external lighting, overuse of lighting, motion sensing, etc.]. Is there access to the information that is sent out?

- *Nelson May: There are some additional lighting measures in the Health and Safety slides.*

Karen Lusson (via chat): I want to clarify and emphasize, too, that the utilities still need to continue to actively engage and push IL EPA to allow for braiding / leveraging of the HOMES and HEEHRA rebates in utility-only weatherization programs -- separate and apart from the capacity issue with the CAAs and their ability to leverage more federal dollars. That may involve coordinating/modifying the counting of energy savings to ensure that federal standards for the rebate programs are met.

Individual Measures: Furnaces

- Support offering 95% AFUE furnaces to IQ customers
 - Furnace not functioning
 - Furnace no longer safe
 - Furnace greater than 15 years old.
 - Find that age is a much better metric to judge the quality of a furnace rather than the replacement cost. In the field, there's going to be a challenge with getting the contractors to quote out the status of a furnace

Karen Lusson: Rather than 15 years old, something that presents evidence of significant maintenance cost, but it's not based off of looking at the cost of replacement. It's about trying to preserve opportunity to make sure the person gets what they need

- *Chris Neme: The reason we laid out a different approach is that we are in a zero sum game—there are limits to budgets, so question is where to spend the limited dollars. Also, the pace that we are weatherizing homes means it will be many years to get to all the low-income housing stock, so every time you replace an existing furnace that is old but functioning well, you are not insulating and sealing up the house and never will. Opposite is not true about insulating and sealing of the home.*

Individual Measures: Electrification

- Support electrifying propane customers, including heat pumps (heating/cooling, water heating, ranges, clothes dryers)
- Support offering ASHP, ductless mini-splits and other heat pump technologies (which may include heat pump water heaters and heat pump clothes dryers) for customers who are using electric resistance heating (such as multi-family residents)
- Electrification is a new topic, propane customers pay a lot for fuel, and we would like to see customers electrified with heat pump technology

Individual Measures: Electrification

- Critical need to education customers
 - Heat Pump technologies do not provide same level of service as gas equivalent

- As equipment is installed, need to provide education
- ASHP vs Gas-Fired Furnaces
 - Need to install “Cold Weather Climate” ASHP
- Heat Pump Clothes Dryers vs. non-heat pump dryers
 - Heat pump dryers save energy but have a smaller capacity and longer drying time
- Need to tell customer upfront and before install

Jonathan Kleinman: Question about the experience of installs—what are the capital or logistical challenges faced when making that change out and what effect does it have on the cost?

- *Nelson May: When you’re swapping over, you have to do electrical work like electric panel upgrades. Sometimes there is duct work involved, have to look at sizing.*
- *Jonathan Kleinman: There was a comment on where is the best place for money to go for certain upgrades. It’s more than just the normal installation of equipment. I understand the importance of electrification for policy objective, but balances between serving needs of IQ community and making sure dollars go as far as they can.*

Seth Craigo-Snell (via chat): No need to sidetrack the presentation here (or even this meeting, per se), but referencing [National Consumer Law Center](#)'s comment above about "coordinating/modifying the counting of energy savings to ensure that federal standards for the rebate are met." Do the evaluators have opinions about what that would look like given the nature of the IL TRM savings approaches being quite different from the requirements for the HOMES program? AND, related, how NTG would be adjusted/approached in cases where funds would be braided? I think that those two issues are significant challenges for the utilities to leverage the funding.

- *Zach Ross (via chat): Worthy of future discussion, Seth. On the first point (the more technical savings evaluation issue), more thought needed. On the second point, I think there needs to be some policy discussion in SAG (as there has been in the past), especially as it pertains to low income programs where we typically don't worry about attribution in IL anyway.*
- *Celia Johnson (via chat): I'm happy to continue tracking this issue and raise it for discussion at SAG when there is more information available from IL EPA*
- *Karen Lusson (via chat): @Seth -- Have the utilities had that conversation with IL EPA? That seems pretty important. If not, that needs to happen ASAP. Also -- and I can research this point -- is there any room for adjustment by DOE of those different requirements? I suspect this will be an issue for any state with active utility EE programs that have established TRMs and savings counting rules already in place.*
- *Philip Mosenthal (via chat): Regarding the issue of tracking savings if the utilities braid the IRA funds into their whole building programs. I know that RI and ME have already started implementing IRA programs braided with utility programs, and MA plans to. So I don't think this is a significant problem. I do suspect that DOE may require counting savings for their purposes differently than our TRM, which may require tracking savings too ways, but that should be possible.*

Individual Measures: Electrification

- Gas Ranges vs. Induction/Energy Star Electric Range
 - Need to think carefully about business case for induction cooktops in IQ setting
 - Also need to be prepared to purchase new cookware for installing induction range
- Making sure customer need is fulfilled without breaking the budget

Chris Neme: Special cookware is not always needed – a vast amount of cast iron and stainless steel works with induction. Copper and ceramic don't work, but it's dependent on what the customer has. So there may not be a big issue here. The real issue around induction ranges is customer acceptance—people tend to prefer the control you have with gas stoves.

Kari Ross: Has the IQ-S committee discussed health or indoor air quality health impacts of gas stove vs induction?

- *Nelson May: We have talked a little bit about H&S.*
- *Kari Ross: Generally, made good points about affordability, and health is another aspect of this. There is a pretty decent correlation with respiratory illnesses with gas vs induction, which leads to affordability of healthcare, etc.*

Individual Measures: Electrification

- Gas Water Heaters vs. Heat Pump Water Heaters
 - Need to install 240V not 120V heat pump water heater
- 240V heat – MUST be given IQ customers to ensure same level of service that they would get from gas water heater EVEN THOUGH 240V more expensive and may require additional panel upgrades
- Balance between offering same quality of service, but recognizing that some of the new and emerging technologies are constant concerns

Chris Neme: A comment about HPWH comparing 240V to 120V. There's a concern that 120 volt models do not have quick recovering potential to meet hot water demand. I'm not sure that that is true about 120V models. Not a definitive statement but wanted to flag it—more of an issue of what models focusing on, not 120V vs 240V necessarily. Suggest modifying bullet to say "installing units that have quick recovery ability."

- *Nelson May: Our concern is making sure the customer has the same quality of service.*

Health and Safety Measures

- Came out from annual IQ South leadership team meeting, and conversation around what we are seeing in the field relating to EE but really focused on health and safety.
- Support adding the following "health and safety" measures to all programs where applicable:
 - Porch lights
 - Porch lights can go a long way in making the customer and neighborhood feel safer
 - Solar walkway lights
 - A lot of times for senior population, folks don't go outside at night. SWL would allow those communities to go out even at dusk
 - Interior safety lights
 - Such as night lights and solar strips for steps or other locations that might be dangerous in darkness (such as dangerous to seniors who might trip absent light)
 - Seniors will leave an entire room lit up with lighting in the absence of night/safety lights
 - Air purifier
 - Finding a lot of homes there is a risk to seniors. An air purifier can go a long way in increasing comfortability

Ken Walczak: Porch and exterior lighting – there is no such thing as a credible claim that lighting decreases crime or increases public safety.

Karen Lusson (via chat): To Nelson's point, a significant portion of IQ-eligible customers are seniors and disabled persons. In 2019, I interviewed Mick Prince, IL weatherization manager, about demographics of IL IQ population. In 2019, about 27.5% of the Illinois WAP units served are occupied by disabled persons and about 54% of units served are occupied by elderly persons, according to Mick.

Health and Safety Measures

- Support adding the following “health and safety” measures to all programs where applicable
 - Cooling if a customer does not already have functioning cooling
 - Support cooling using an EnergyStar window unit to cool at least one room unless a particular application will not permit a window unit (such as bars on the window), in which case another cooling measure should be considered
 - Support introduction of air source heat pump window units once they become commercially available
 - Support claiming savings for all IQ cooling measures regardless of whether a cooling unit exists prior to installation pursuant to the IL TRM, which includes a savings calculation approach for IQ customers who do not have existing cooling

Health and Safety Measures

- Support adding the following “health and safety” measures to all programs where applicable
 - Indoor air quality monitors
 - CO detector
 - Vents for unvented cooking equipment (ranges)
 - Efficient room fan to assist with cooling

Kari Ross: Did the IQ-S Committee use the term health and safety consistent with what is specifically defined in statute? There is a provision that at least 15% of total IQ budget be used for Health and Safety. IS the IQ-S committee recommending that these added measures are within the 15% budget?

- *Nelson May: Yes, we are using the same terminology. I believe that health and safety do not all have to claim savings, so that leaves room for additional measures.*
- *Kari Ross: There is a bucket of money that is needed to fix big problems that wouldn't be able to be fixed in IQ homes otherwise (like a big hole in the roof). Wondering if it's appropriate to put these in health and safety.*

Karen Lusson (via chat): Are carbon dioxide detectors regularly installed as part of your weatherization program? I thought it was. I know it is in IHWAP.

- *Matt Armstrong: Will follow-up.*

Karen Lusson: Note about a concern that the installation of new cooling (where none previously existed) increases electric consumption: An argument could be made that installation of AC units, as proposed by IQ South, counts as a Health and Safety measure given climate change, increasing and longer lasting heat waves, urban heat islands and the particular dangers vulnerable populations face when they lack access to cooling. See <https://www.nclc.org/wp->

High Heat

- Program Offering: Ameren IL should offer an AC/High Heat Program in the next 4-year portfolio
- Measures Offering: Measures should include room AC units with the option of heat pump window unit technologies as they become available in the market
- Target Audience: Program should prioritize serving vulnerable populations
- Program Marketing: Program and customer recruitment should be marketed through CBO and CAA channels to extent possible
- Funding: Program should braid Utility and IRA funding when IRA funding becomes available
- Budget: Budget for an AC/High Heat Program should be proportionate to AC usage by low-income households in Ameren Illinois Service Territory relative to total electric energy use for IQ customers.

AC/High Heat

- Cooling (IQ Programs, Generally): Cooling should be offered to all IQ customers in existing comprehensive weatherization programs or other programs where cooling would be appropriate to add if the customer does not already have cooling, or the cooling is:
 - Not functioning or poorly functioning
 - Existing cooling measure over 15 years old.
- Stand-Alone Cooling Program: A portion of the cooling budget shall be allocated to a stand-alone cooling program for targeting vulnerable populations (seniors, disabled, pregnant women, households with young children, medical needs).

Diverse Contractors

- Spending: Ensure that diverse contractor spend is equal to the percentage of diverse population in Ameren Illinois Service Territory
- Expand Incubator Program
 - Continue/Expand diverse contractor incubator program to 10 contractors per year
 - Engagement Tracking: Track diverse contractor engagement and participation in EE jobs after incubator program to understand ongoing needs and challenges
 - Have heard great things from folks who have participated
- Payment to contractors
 - Contractors must be paid no later than 2 weeks after job completion. True up inspection fails afterwards
 - From interviews, learning that payment to contractors is a big issue that can impact retention
- Additional Support: Identify and seek to support contractors with additional needs such as equipment (equipment lending library), EE-specific training/certifications and EE-related back-office support to help contractors transition to the EE field and understand/be compliant with EE-specific requirements, such as reporting requirements

Diverse Contractors

- Pathway to Prime Implementor

- Work to develop a pathway for small implementation contractors to become full-service implementors and support diverse contractors who demonstrate interest in becoming prime implementors
- This might be something already happening in MDI, but have heard this a lot from contractors
- Pathway to Auditing/Quality Assurance (QA): Offer training and support for diverse contractors who are interested in performing EE audits and/or quality assurance inspections

Returning Citizens

- Collaboration: Continue to work and coordinate with industry experts to support Returning Citizens entering the Clean Energy Workforce
- Mentoring: Mentor 10 Returning Citizens each year and track impact of mentoring on success of Returning Citizens
- Workforce Development: Identify at least five (5) employers each year who are interested in hiring Returning Citizens and track success of placing Returning Citizens. Offer more support and investment to Program Allies who actively support second chance hiring.
- Developmental Programs: Coordinate with Illinois Department of Corrections to develop a BPI certification and other energy efficiency training programs within Illinois Prisons, with focus on incarcerated individuals who are nearing re-entry.

Mobile Homes

- Furnaces: Furnaces should remain an important measure for servicing mobile homes
- Propane: Propane customers should be identified and targeted for electrification efforts
- Budget: The IQ budget for programming servicing mobile homes should be representative of the IQ population living in mobile homes within Ameren Illinois Service Territory

Kari Ross: Mobile homes initiative – do you know roughly what the percentage of the IQ population is for mobile homes?

- *Nelson May: We believe what Ameren is proposing lines up well with the target number. More investigation is needed.*

Feedback to Ameren Illinois from Non-Financially Interested Negotiating Parties

Chris Neme, Energy Futures Group, representing NRDC

Context

- Feedback is preliminary and high level
 - Have not fully examined details of plan
 - Not all stakeholders were able to carefully review Ameren materials given schedules
 - Have not had the chance yet to fully discuss questions/concerns with Ameren
- Feedback is from the following organizations
 - NRDC
 - NCLC (NCLC's feedback limited to Context, IQ portfolio, Energy Savings and Portfolio-Level Spending amount comments)
 - OAG
 - DarkSky
 - Aces4Youth

- Nothing in today’s comments should be interpreted as a change of position from the high-level “Asks” document previously submitted to Ameren
- Intervenors who submitted original high-level “Asks” proposals stand by those positions and are not taking those “Asks” off the table.

Key Things We Liked

- Appreciated the work Ameren put into their plan.
- Mix of portfolio objectives – balancing focus on cost savings, IQ and community investment, comprehensiveness, workforce development
- Continued focus on (and budget for) IQ
- Good mix of program opportunities for each customer group
- Expansion of small biz program to be more comprehensive, including weatherization measures
- Agreement to limit outdoor lighting measures to “dark sky” compliant models
- Inclusion of some priority market transformation initiatives (e.g., triple-glazed windows)

Electric Savings Goals Appear Too Low

- Think Ameren might be able to reach unadjusted AAIG for 2026, 2027 and 2029 (not 2028)
 - More analysis to be done, but this is our initial high-level conclusion
 - Increase savings for roughly \$240,000 to \$290,000 to get to those targets
- Would need to increase \$ for measures with high savings per \$
 - While not lowering IQ budgets
 - While not compromising other objectives like increased small biz comprehensiveness
- Need to explore options for such \$ shifts, including
 - Reduce portfolio-level (“below-the-line”) costs to increase spend on programs
 - Reduce non-incentive spend (strategically) to increase participation/savings – details TBD
 - Shift from some high-cost measures to some lower-cost measures—specifics TBD
 - Account for ability to leverage IRA funds (but reflecting challenges too)
 - Fully leveraging gas conversion potential – it appears Ameren is not maxing this out
 - Other options TBD
- It is important to remember that cost-effective reductions in energy and peak demand is the principal statutory goal of the EE programs

Jonathan Kleinman: You’re stating that you can present measure level builds that will get close to unadjusted AAIG, however that would be a different measure build than proposed. Beyond comprehensiveness for small business, comprehensiveness is something you want to see – one concern would be scarifying comprehensiveness. Is achieving the highest amount of savings the most important thing?

- *Chris Neme: More is better, and we understand there are tradeoffs in some of the choices. Some of the things we’re looking at will involve some tradeoffs. Comprehensiveness is one potential thing – some can be done without sacrificing concerns in comprehensiveness for some of the key market program areas. The primary goal of the EE statute is to reduce cost on the grid, so the more cost effective the portfolio, the better.*

Annette Beitel: Related to what Jonathan asked—this is a constrained optimization problem, not just trying to optimize savings. The factors traditionally to consider are 1) comprehensive, 2) the idea of if there is going to be naturally occurring turnover, focus on measures that are not going to be installed absent program intervention—want to discuss this more as a group, and 3) statutory language that IQ-S Committee needs to be part of program design, so how much weight are we going to give voices that are new to the process that may direct us to do other things than just maximize savings.

- *Chris Neme: I appreciate those points, Annette. We have tried to carefully consider the ideas the IQ-S Committee has put forward. There are relatively limited places where we are not aligned with the IQ-S Committee—but I don't think that the areas of non-alignment are where we aren't going to reach savings goals.*

Proposed Portfolio-Level Costs Too High

- It looks like the proposed spending for 2026-29 represent an \$8.2 million increase over what was spent in 2023. \$7.42 million is associated with increased portfolio level costs. Does not make sense.
- Ameren had suggested to be careful point to any one year. In 2022, Ameren spent \$14.2 million on portfolio-level costs, but also less on programs (\$103.9 M). That translated to 12.0% of total spend on portfolio-level costs – a little higher than the 11.5% in 2023, but also significantly less than the planned 15.9% for 2026-2029)
- About 90% of budget increase going to portfolio level costs

Abigail Miner: I would appreciate clarification from Ameren on the difference between market development initiative and trade ally support.

- *Matt Armstrong: MDI effort is intended to grow more program allies, especially diverse program allies and help stand their business up, how to run a business, and is directly tied to program ally incubator. The trade ally support is more recognizing that a lot of trade allies are unfamiliar with newer heat pump technology, and we need to help familiarize them with the tech. Heat pumps are the biggest focus, but assuming there are some other areas there that effect the whole building envelope, and gas being a part of it.*

Phil Mosenthal: To an extent, if dedicated to extensive measures like heat pumps, might want to move it to specific programs instead of portfolio level budget.

- *Matt Armstrong: Sourcing spending data from our quarterly reports is not the best source – it really is preliminary information. The best source of information needs to go to cost effectiveness report – where we have been able to close the books out and see what was actually spent in year prior. When we look at actual spend historically and compare to what is in the place, we have budget flexibility now, so they go up and down within the year. In this case, in 2023 our actual spend on electric was \$123 million, not \$5 mil above what was in the statute. We have proposed increases below the line in portfolio level costs, and they are associated with MDI, Trade Ally, and IRA Support. In 2023 the admin costs were over budget because we spent a lot of time on the policy manual.*
- *Chris Neme: The portfolio admin row is not an area where to think about shifting dollars.*

IQ Program Comments

- Generally good mix of offerings but...
 - But want commitment that 90% of spend will be on major measures such as insulation, air sealing, heat pumps, etc.

- Multi-family heat pump to displace inefficient electric resistance heat only grow to about 700/year
 - Only ~30% of electric resistance heat apartments served by the program each year
 - Largest energy saving measure for IQ multi-family residents – by far
 - Program should aim to get 70% market penetration
- Electrification spending seems too low
 - Want aggressive targeting of propane communities
- Should reflect ability to leverage IRA funds
- Note: will have additional feedback once we dive deeper into program details

Karen Lusson: Promoting electric heat pumps among propane communities is a great opportunity to promote the electric IQ discount rates. Will help encourage people to get this more efficient form of heating/cooling source but go to CAA to sign up for electric discount rates, hopefully in place in 2026.

Matt Armstrong: Are you suggesting comprehensiveness be determined on a measure level basis?

- *Phil Mosenthal: Within those programs, would like to see 90% of dollars going to major measures.*
- *Matt Armstrong: You're suggesting that within the IQ SF channel, the 90% rule would only apply to specific measures that you consider comprehensive?*
- *Phil Mosenthal: We will need to look at individual measures to look at what should count or not*
- *Chris Neme: We think the vast majority of spending should be in major measures. Have seen in MF in the past, while nominally a whole building programs, most of the apartments are not getting major measures. We just want to up the focus on that.*
- *Matt Armstrong: will need to talk more about this – seems challenging. Would health and safety be a part of the 90%?*
- *Chris Neme: Yes, I think so.*

Matt Armstrong: Electrification – that seems to conflict with previous message about the primary goal being to implement cost effective reduction and energy measures, recognizing that electrification projects increase load and that they are expensive.

- *Chris Neme: I don't think it's in conflict of the primary goal to save energy – heat pumps are more efficient than propane furnaces. The point about the cost is fair, but I don't think the concept here is in conflict.*

Matt Armstrong: Leveraging IRA funds is a message we continue to hear. We had the meeting with IL EPA in September, and we hope that everyone took away that Ameren is doing everything we can to engage with IL EPA. We cannot agree to inflate savings goal to reflect IL EPA leveraging, not knowing what will be offered. We can come back to attribution once more information is known.

- *Philip Mosenthal: You did put specific numbers in the portfolio cost side of this, but a fair statement.*
- *Chris Neme: This is not a criticism of Ameren's efforts with IL EPA*
- *Matt Armstrong: Thinking about an agreement that we come back together after IRA funding is decided, then we can discuss to see do we revise the goal to discuss attribution decision.*

- *Karen Lusson (via chat): To Phil's point, might I suggest that the utilities, to the extent that they have concerns about or difficulties with how to track savings associated with the IRA rebates and federal requirements, that they reach out to Brian Beote in Massachusetts. Brian is Director of EE Operations at Action Inc -- one of two IQ implementers that oversee IQ weatherization efforts in the state of MA on behalf of the electric and gas utilities. His email address is bbeote@actioninc.org*
- *Pat Justis: I want to make this group aware that we are not just sitting on our hands waiting for IL EPA – still trying to engage and work with them. We're being realistic about the amount of money coming down, it's not insignificant but also not massive.*
- *Chris Neme: Could be some sort of proportional allocation of \$10-12 million a year of IQ spend.*
- *Jonathan Kleinman: Is that HOMES and HEAR?*
- *Chris Neme: Yes.*
- *Jonathan Kleinman: We came up with a different back of the envelop number, so need to discuss and align on that.*
- *Jonathan Kleinman: I think it would help to see a specific plan from stakeholders on how they would envision IRA leveraging, and quantifying it.*
- *Karen Lusson: We will have a much clearer picture by January as to what you will be able to assume the IL EPA will want to do with leveraging. There needs to be assumptions/language in the stipulations to reflect this fact. Also, we want to and feel the need to continue to reiterate that we expect the utilities to continue to engage and work with IL EPA to make the leveraging work. We aren't in those meetings, so we think it important to emphasize how important this is to stakeholders.*

Annette Beitel: Leveraging the IRA funds with IHWAP—from the IQ South Committee, we strongly support leveraging wherever we can. When I met with IQ-S on this, there many concerns that we picked up in the Illinois EPA meeting. Concerns, with focus on weatherization:

- 1) *Illinois EPA presented a tool that is different than the IHWAP tool. The idea that it is performance based and what that means is going to be challenging for CAAs and contractors to work with.*
- 2) *The performance-based standards presented by Illinois EPA – 20% reduction on the bill is aggressive. It will be barrier to contractors, and they will struggle with the program design*
- 3) *CAAs are really struggling with capacity. Hard for them to retain auditor staff.*

Karen Lusson (via chat): The 20% performance standard is something we expect the utilities and IHWAP managers to push back on to the extent they can in their discussions with IL EPA if that is seen as a barrier.

- *Chris Neme (via chat): I think the 20% savings performance standard is an IRA statutory requirement (for the performance path).*
- *Matt Armstrong: It would be helpful to stakeholders to reach out to IL EPA to work with the utilities.*
- *Karen Lusson: It needs to come from the top at the state level as well. If it's a problem for the Agencies, needs to be understood by IL EPA.*

Residential Program Comments

- Stop market rate gas furnace rebates and shift funds to grow market rate weatherization

- Ameren has noted need to eliminate furnace rebate starting 2028 due to federal standard, but we want them eliminated starting 2026 – both because market will be transforming and to spend scarce budget on weatherization measures that will not otherwise happen
- This does not limit “customer choice”. Customers can still choose to use gas – just without gas equipment rebates
- Should be no kits program for market rate customers
- Will have additional feedback once we dive deeper into program details

Matt Armstrong: The kits included are directed towards IQ customers. No delivery intended for market rate customers.

- *Chris Neme: That’s good to know.*
- *Kari Ross (via chat): Matt, the Res kit offering was mentioned on slide 20 of the presentation. Does your comment mean that the budget is only for Retail Products?*
<https://www.ilsag.info/wp-content/uploads/AIC-2026-Plan-SAG-DRAFT.pdf>

Business Program Comments

- Good mix of initiatives
- Want to eliminate TLED rebates from all programs but small business DI
- Want dramatic increase in business lighting focus to LLLC and network lighting controls – e.g., 50%+ of all business lighting savings by 2029
 - Ameren has said it plans to increase focus on this measure, but we cannot tell from the 9/10 presentation whether they have adopted this level of focus
- Will have additional feedback once we dive deeper into program details

Ameren Policy Proposals

- Oppose allowance for TLEDs through midstream channel (see previous slide)
- Need further discussion before taking positions on other proposals

Closing and Next Steps

- Negotiation meetings between Ameren Illinois and non-financially interested parties begin on October 9th.
- Ameren Illinois is required by statute to file the 2026-2029 EE Plan by March 1, 2025.