

# Illinois EE Stakeholder Advisory Group Large Group Meeting – Day 2: Joint with Income Qualified (IQ) EE Committee

Wednesday, November 16, 2022

10:00 – 11:30 am

Teleconference

## Attendees and Meeting Notes

### Meeting Materials

- Posted on the [November 16 meeting page](#):
  - [Wednesday, November 16 Q4 SAG Agenda](#)
  - [Midwest Energy Efficiency Alliance Presentation: Federal Energy Efficiency Opportunities](#)
  - [Walker-Miller Energy Services Presentation: Diverse Business Development and Customer Engagement in Energy Efficiency](#)

### Attendees (by webinar)

Celia Johnson, SAG Facilitator  
Greg Ehrendreich, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support  
AJ Young, U.S. Green Link  
Alan Elliott, Opinion Dynamics  
Allen Dusault, Franklin Energy  
Alyssa Latuchie, Franklin Energy  
Amber Anderson, Walker-Miller Energy Services  
Andrew Cottrell, Applied Energy Group  
Andrey Gribovich, DNV  
Andy Vaughn, Leidos  
Angie Ostaszewski, Ameren Illinois  
Annette Beitel, Future Energy Enterprises (IQ Committee Sr. Facilitator)  
Anthony Santarelli, SEDAC  
Arlinda Bajrami, MEEA  
Billy Davis, Bronzeville Community Development Partnership  
Pastor Booker Vance, Elevate  
Brandy Brown, No Organization Identified  
Carina Paton, Frontier Energy  
Carla Walker-Miller, Walker-Miller Energy Services  
Cathy Feltner, Embarras River Basin Agency  
Chester Kolodziej, Rockford IL EE Advocate  
Chris Neme, Energy Futures Group, representing NRDC  
Chris Vaughn, Nicor Gas  
Christina Pagnusat, Peoples Gas & North Shore Gas  
Claire Flaherty, Cascade Energy  
David Brightwell, ICC Staff  
David Weaver, Citizens Utility Board  
Deb Perry, Ameren Illinois  
Dena Jefferson, Franklin Energy  
Elena Savona, Elevate

Elizabeth Horne, ICC Staff  
Erika Dominick, Walker-Miller Energy Services  
Fernando Morales, Ameren Illinois  
Haley Keegan, Resource Innovations  
Hannah Collins, Leidos  
Hannah Howard, Opinion Dynamics  
Jamey Neal, Ameren Illinois  
Jason Price, West Monroe Partners  
Jean Gibson, Peoples Gas & North Shore Gas  
Jim Fay, ComEd  
John Lavalley, Leidos  
Julie Hollensbe, ComEd  
Kalee Whitehouse, VEIC (IL-TRM Administrator)  
Karen Lusson, National Consumer Law Center (NCLC)  
Kathryn Brewer, CLEARResult  
Keith Goerss, Ameren Illinois  
Ken Woolcutt, Ameren Illinois  
Kevin Grabner, Guidehouse  
Lance Escue, Ameren Illinois  
LaShelle Newland, Resource Innovations  
Lisa Miranda, Rebuilding Together  
Lorelei Obermeyer, CLEARResult  
Madeline Thompson, CLEARResult  
Mary Ellen Guest, Chicago Bungalow Association  
Matt Armstrong, Ameren Illinois  
Michael Brandt, Elevate  
Molly Graham, MEEA  
Monique Leonard, Ameren Illinois  
Omayra Garcia, Peoples Gas & North Shore Gas  
Pat Justis, Ameren Illinois  
Philip Halliburton, ComEd  
Philip Mosenthal, Optimal Energy, representing IL AG's Office and NCLC  
Randy Gunn, Mondre Energy  
Rebecca McNish, ComEd  
Seth Craigo-Snell, SCS Analytics  
Stacey Paradis, MEEA  
Stephen Robinson, Northwest Austin Council  
Sy Lewis, Meadows Eastside Community Resource Org  
Tamika Cole, Walker-Miller Energy Services  
Ted Weaver, First Tracks Consulting, representing Nicor Gas  
Tim Dickison, Ameren Illinois  
Timea Zentai, Skytop Consulting  
Tina Grebner, Ameren Illinois  
Victoria Nielsen, Applied Energy Group  
Vitaliy Ladimirov, Resource Innovations  
Wael El-Sharif, 360 Energy Group  
Zach Ross, Opinion Dynamics

## Meeting Notes

Follow-up indicated **in red**.

## **Opening & Introductions**

*Celia Johnson, SAG Facilitator*

Purpose of November 16<sup>h</sup> meeting:

1. To educate SAG about federal energy efficiency (EE) opportunities; and
2. For Walker-Miller Energy Services to report-out on research for Ameren Illinois.

## **Federal Energy Efficiency Opportunities**

*Stacey Paradis, MEEA*

- Caveat – a lot of this is information that we have researched, this is what we directly know from Dept. of Energy (DOE), but there is a lot to be determined.
- **Justice40 Initiative – Exec Order 14008**
  - Goal – to ensure that 40% of the investment goes to disadvantaged communities, across a range of categories of investment.
  - Interim Implementation Guidance – July 2021
    - Directive across agencies, not just DOE. Starting to define the pieces – definitions of community and disadvantaged community
    - Not just environmental justice (EJ), but also native/tribal communities
    - Includes poverty, employment, segregation, language barriers, housing burden
    - Goes through the data that needs to be pulled together to define which communities are disadvantaged
    - Covered investments – have to be defined and a lot has not been finalized. These will be federal guidelines to the agencies, that will then have to define what they cover.
    - Examples of benefits of covered programs: increased EE programs and resources, deployment of clean energy, establishing microgrids, reducing burden
    - How to calculate benefits – OMB has to put a lot of this together. This is what counts as a benefit. 60 day and 150-day requirements.
    - There are additional requirements for stakeholder consultation – making sure the communities are involved in the process.
    - Reporting – additional guidance required from OMB. Overall, the point of it all is to track progress toward achieving the initiative goal.
    - Specifically broke out wanting to see pilots to maximize the benefits to disadvantaged communities. It says the components that will be needed to maximize the benefits. Lists out modifications that they identified that should maximize the benefits and how the calculations will go forward.
  - A lot of Justice 40 is still to be determined by the federal agencies.
  - DOE has a huge Justice40 office that has to work out how the components fit into each program. As directives are issued, there should be guidance in those directives related to Justice40.

*[Karen Lussan] Observing that the provision referencing coordinating investments and leveraging funds seems appropriate to this conversation and ensuring that the rebates funded through IRA are leveraged through utility programs to the greatest extent possible.*

*[Stacey Paradis] Agree 100%. The challenge will be working it out at the state level.*

- **Infrastructure Investment and Jobs Act (IIJA) (AKA Bipartisan Infrastructure Law – BIL)**
  - Modernize the power grid, support transition to zero-emission economy
  - Clean Energy and Power Provisions
    - Reminder this is an addition to annual appropriations
    - That money will come through the state energy offices - \$500M formula grants to state offices. It has been released and states have to put together plans to receive it. This amount is federal, across the country. Some is going to IL; amount going to states is by formula. A lot goes to TX, CA, and NY.
    - \$250M for building codes will be competitive grant, not yet released
    - \$250M for revolving loan fund has been released
    - \$40M will be competitive but not released yet for energy audit training.
    - Additional WAP appropriation, additional LIHEAP money, EECBG block grant program mirroring what happened in ARRA
  - Office of Energy in Illinois is under the IL EPA unless the Governor moves it. It's a small office – 4 staff – looking for ideas on how to deal with the influx of funding.
- Additional Federal Funding (National \$ Amounts)
  - Schools' competitive grants \$500M
  - \$10M for building training and assessment centers – not released yet
  - \$10M for career skills training
  - \$3B to utilities for technology deployment
  - \$50M for EE materials pilot program – the thought on this and the additional money for the industrial assessment centers (\$150/400M) – assume that the \$50M will be a grant mostly focused on nonprofit buildings, but nothing has been released yet on how that will work
- Not all the IIJA money has been released yet. Some RFIs have not yet gone out. Some of the competitive grants are expected to be released soon. Biggest opportunity is figuring out what it all means when the guidance comes through from DOE and how we can coordinate with investments we are already making.
- Included links to DOE and NASEO pages on the slides

*[Sy Lewis] How do we break this down for Illinois?*

*[Stacey Paradis] There is an allocation for states from the formula grants. Others will be competitive. I assume IL will apply, but don't know if they will win the grant and how much. Revolving loan fund is still up in the air.*

*[Celia Johnson] Back to the formula grant, can you explain that?*

*[Stacey Paradis] Every year the DOE EERE office does sustaining grants to each state for the state energy office, by statute. A few years ago, the large states encouraged them to develop a formula that guarantees the funding for each state. IL gets a percentage of the allocation based on that formula – automatically in their appropriation – and then this additional funding gets distributed by that same formula instead of having to apply for it. Weatherization and LIHEAP are also both by formula and are addition to*

*normal allocation. EECBG is by population, and each state will get a portion of that and then pass down to the local entities who are eligible to receive them. Those EECBG funds are one-time funds.*

- **Inflation Reduction Act (IRA) (HR 5376)**

- Key investments – funding levels shown on the slide. Will talk more about the \$60M for environmental justice. Will pull out some of the big EE programs to go through what their intentions are. Keep in mind that some of these were free-standing bills in congress that were 70-80 pages turned into a page and a half in IRA. A lot left to work out.
- High-Efficiency Electric Homes Rebates - \$4.5B to spend by 2031
  - DOE says it will start in 2022, but won't get out to the communities this year
  - Point of Sale (POS) rebates up to \$14k for LMI households for new qualified electric projects
  - Goes through State Energy Offices and tribal orgs, still waiting on guidance
  - Examples of rebate levels – listed on the slide
  - Multifamily qualifies if they have a key number of LMI occupants
  - Contractor incentives per project
- Home Owner Managing Energy Savings Act
  - HOMES program – \$4.3B through state energy offices
  - Direct rebate for home energy retrofits – capped for market rate housing, rebates doubled for LMI
  - Prohibition on combining with the retrofit, but not on combining with state programs or tax credits – should work on fitting those together.
- EE Contractor Training Grants
  - Not much information on this yet
- Tax Credits
  - Even though the previous ones won't hit the street until late 2023 (probably, my opinion) the tax credits should start in 2023
  - 25C Residential Tax Credit – credit limits and properties must meet CEE highest tier
  - 25D Residential clean energy credit – gets renamed but it has been around for 15 years. Intention to encourage investment now instead of later; there is also a business component for commercial properties
  - 179D Commercial Building EE Tax Deduction – substantial increase if you do it with prevailing wage and apprenticeship.
- Building Energy Code Implementation
  - Another \$1B under IRA in addition to what came from IIJA
  - Majority of State Energy Offices don't have any authority on building codes (though the money will come through them)
  - Competitive bids for the states
  - Under ARRA there was, in theory, thought to be a requirement to have a statewide code level to get the funds. DOE pulled back on that and states got the funds. This time it is much clearer that states need to be at 2021 IECC or ASHRA 90.1 2019 or better, or they will not be eligible.
  - IL followed the ARRA guidance and is in a great place for being eligible for this funding
- Environmental Justice - \$60B

- Not a lot of guidance yet what that will be used for; still TBD by the Sec of Energy
- Next Steps – What Can You Do?
  - Majority is through state energy offices. Much is left to be determined.
  - DOE is reaching out to industry people to talk through provisions, then they put out RFIs, then they publish a program and open for applications. Lots of bureaucratic process.
  - IL – set to receive \$132M under HOME rebates, and \$131M for HE Electric Homes Rebates – but not sure when it will show up
  - DOE has put out a timeline, which may be ambitious

*[Chris Neme] The issue I'm flagging has to do with the efficiency standards for being eligible for the rebates – and those are different than for the tax credits. For the electrification rebates, they have to be Energy Star rated. ES will have ratings for general and cold climate heat pumps and it's not clear which will be eligible and if DOE or states will determine that.*

*[Stacey Paradis] There are many things to talk about with those two programs. NASEO has convened a working group with DOE to work some of those details out. MN is part of that group. That is happening before they put out the RFI. When that comes out, everyone can ask those questions. The working group is trying to answer some of those, or put specific questions into the RFI. The inconsistency between the two requirements is incredibly frustrating. That happens when you try to put together so many bills piecemeal.*

*[Chris Neme] MEEA could help by playing a role of when we have an opportunity to provide guidance, our collective voice needs to get heard on that. There may be an opportunity for joint comments to be submitted.*

*\*MEEA and SAG Facilitator to follow-up on opportunity for comments.*

*[Stacey Paradis] MEEA is part of an informal group with the Building Performance Association and we have an initial list of questions about the details, how it works with existing programs and braiding and the low income side. It's a great idea if we can get combined comments – small offices can't always do their own comments.*

*[Karen Lusson] From the low income customer perspective, we don't want a program where you walk into a big box store and there are POS rebates for ASHPs. Doesn't work if the rebate doesn't cover the full cost. If the customer can get it at zero cost through a weatherization program and if the rebate can spread into that program and leverage the existing dollars, that is ideal. There are also often electric upgrades needed for the installation. A POS rebate program is not ideal. Also concerned about the possibility of contractor fraud.*

*[Stacey Paradis] Rebates at POS has installation challenges – improper installation doesn't maximize on the efficiency benefits as well.*

## **Diverse Business Development and Customer Engagement**

*Angie Ostaszewski, Ameren Illinois; Carla Walker-Miller, Walker-Miller Energy Services*

- Ameren Illinois introduction to Walker-Miller research. Purpose of this research is to help us become data driven and intentional on how we engage with low/moderate income customers and diverse businesses.
- This research allowed us to look at utilities in multiple states and explore the barriers and constraints that diverse business and people have to take advantage of EE programs.
  - This research and the Ameren Market Development Initiative (MDI) program helped us support the commitment to EE for All best practices, to increase the number of diverse businesses in delivery and increase the meaningful participation of diverse customers.
  - As you engage people there are three equity opportunities – hiring inclusive implementation teams, address more different and diverse customers in a way that honors them, and afford access to opportunities to more diverse businesses. Equitable access to all customers in all demographics to all opportunities that make sense.
- Reducing energy consumption – understand how Midwest utilities can increase engagement. Best practices to address the challenges that we know exist.
- Walker-Miller is minority and woman-owned. Detroit based. Focus on EE and transforming into clean energy. Want to reduce burden on families and create local jobs, diversify the workforce. Introductions of Erika Dominick and Amber Anderson – the research team.
- Worked with the Urban Energy Justice Lab at University of Michigan. Dr. Tony Reames is now a deputy director at DOE. All of Justice40 will report directly through his department.
- Started with Diversity & Inclusion Initiatives. We talked about all the categories of diversity. A lot of us jump right to ethnicity, but we have to address all the categories for ratepayer funded initiatives. We are all learning about those categories. I could probably add three more since we made that graphic.
- As we talk about the barriers and constraints, there are best practices to increase diverse businesses as program providers, and for increasing business participation.
- We surveyed a number of diverse business enterprises (DBEs) – their relationships and the work with the EE industry. Surveyed across 5 states. Distributed to over 300, got about 70 respondents. Findings were not surprising to us
  - Lack of access to contract opportunities – don't know where to look, no relationships with utility executives and procurement departments
  - Limited capital, limited marketing
  - Inadequate staffing – big issue for all businesses but especially SMB diverse businesses
  - Understanding the regulatory landscape under the RFPs is a challenge
  - Not having the knowledge or technical expertise
  - Lack of cybersecurity and liability insurance has become a prominent barrier
- Best practices are to build a culture that attracts them – recruit them and integrate them into program design. The world has changed since 2019. The utility industry has changed. We have made a huge leap in how we look at DEI issues and the utility responsibility. We are making strides in believing in these best practices.
- Recommendations based on the research:
  - Incorporate diverse spending goals into contracts. This is a major incentive – Ameren Illinois MDI contract has intentionality around requiring diverse spend

and has made a huge difference. Diverse Vendor Procurement has been successful with more than 80 new vendors because of those spending goals. That is the #1 best practice. If you want to do business with the utility, you have to adhere to the diverse spend goals.

- Expedited invoices – get the money to them quickly. Ameren has been open to expediting payments to some of our businesses ability to participate.
- Increased access to capital. This has increased over the last 2-3 years such as green banks and the federal funding. This will always be in the top 3 even with those strides.
- Customized training – diverse business incubator pilot last year, trained businesses in how to participate as program allies. Had success with those businesses, and increased sustainable revenues for them through the program.
- Increased visibility to RFPs – opened up the RFPs and allowed more businesses to actually see them. There were worries about which businesses would submit bids – and they self-weed out. Businesses are only applying if they feel they can do it and it hasn't increased the load on Ameren to review them.
- Adjust eligibility and requirements – some requirements are cumbersome to small and diverse businesses, and there have been a number of adjustments. Including insurance requirements that make sense for the product being delivered.
- Increased DBE participation – have made diverse businesses feel welcome in participating and has increased for Ameren.
- From our experience in Detroit – many vendors don't work in some neighborhoods. Diverse businesses serve the diverse communities.

*[Karen Lusson] Can you elaborate on the point about lack of contract opportunities – one thing I have heard is that utilities and other companies might put out an RFP but because of the lists they use to send them out, many might not even know it is available. Can you talk about how to get that right?*

*[Carla Walker-Miller] Utilities tend to advertise opportunities to their current supplier base. Or even limited to a portion of that. A lot of reasons for that but it has limited the number of people who can ever respond to an opportunity. We had that problem with the growth of Walker-Miller. Then there are paid organizations and many small businesses don't even know those exist either. Important to be really intentional to advertise in print media, online, and doing it widely. Industry websites – like MEEA – and LinkedIn. Putting notices on their own websites, so you can go there and look for the RFPs. There is a tug of war between diversity and procurement people and those who have to evaluate the RFPs on how widely they want to advertise. But the wider they are advertised, the better. Advertising with ethnic chambers is a really great way to go – even just having a list of those organizations to send RFPs to.*

*[Erika Dominick] We have partnered with some of the local diverse Chambers and educated diverse vendors about the opportunities. We have about 75 new potential RFP bidders added to the pipeline. Just as our webinar series ended, we engaged about 100 new diverse businesses for the vendor database.*

*[Chris Neme] Question about insurance requirements in RFPs. Is there an opportunity for utilities to provide an aggregator role or a clearinghouse role on here's how you can get insurance, to make it easier for bidders?*



*[Carla Walker-Miller] That has the potential to be helpful. That's the type of innovation required if we want to really open the doors. Absolutely the type of thinking we are going to have to do.*

*[Erika Dominick] Allies for Community Businesses (A4CB) is the name of that organization. They provide a broad suite of services.*

- Residential Customers
  - Looked at barriers / constraints and best practices. The team did two virtual focus groups. Moderated groups in two areas.
  - Barriers
    - Biggest barrier is that rebates do not work. Unaffordable upfront costs keep them from being a sustainable option.
    - Second barrier is building owners with no incentive to care about energy waste because they just pass on the cost.
    - Info is not digestible to the communities.
    - Older customers – technology issues.
    - Increase in the lack of trust and lack of awareness of EE programs.
  - Best Practices
    - Integrate inclusion into program design
    - Gather demographic information about low-participating communities – barrier is that they are harder and more expensive to engage
    - Tailor outreach
    - Leverage finance options (veterans, seniors)
    - Correlations between diversity and energy vulnerability and other vulnerability
  - Recommendations
    - Build trust by cultivating relationships with trusted entities – the MDI program is based on that
    - Fill gaps in EE knowledge at all levels
    - Connection between EE and health disparities – high energy is old housing stock with so many other issues
    - Target by geography – heard over and over that their physical community was being ignored. They want utilities to come where they are and honor their places.

## **Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

- Federal EE opportunities: SAG Facilitator to follow-up with MEEA on timing for comments to be submitted to the Dept. of Energy.