

Initial Feedback on Ameren's 9/10 Draft EE Plan

Non-Financially Interested Stakeholders

October 1, 2024

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 organization:
 - NRDC
 - NCLC**
 - OAG
 - DarkSky
 - Aces4Youth

**NCLC's feedback limited to Context, IQ portfolio, Energy Savings and Portfolio-Level Spending amount comments.

Context (continued)

- 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

- 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
- Would need to increase \$ for measures with high savings per \$
 - While not lowering IQ \$
 - 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.

Proposed Portfolio-Level Costs Too High

Category	2023 Actuals			2026-2029 Plan Avg			Change	
	Electric	Gas	Total	Electric	Gas	Total	\$	%
Programs	105.65	15.67	121.32	106.19	15.91	122.10	0.78	1%
Other Portfolio Costs								
Portfolio Admin	6.00	0.83	6.83	6.31	0.97	7.28	0.45	7%
Portfolio Marketing	2.65	0.36	3.01	4.41	0.69	5.10	2.09	69%
Evaluation	1.99	0.29	2.28	3.78	0.59	4.37	2.09	92%
Market Devt Initiative	3.62	0.00	3.62	4.41	0.68	5.09	1.47	41%
Trade Ally Support	0.00	0.00	0.00	0.77	0.30	1.07	1.07	
IRA Support	0.00	0.00	0.00	0.25	0.00	0.25	0.25	
Total	14.26	1.48	15.74	19.93	3.23	23.16	7.42	47%
Grand Total	119.91	17.15	137.06	126.12	19.14	145.26	8.20	6%

Notes:

1. 2023 values from Ameren Q4 reporting spreadsheet
2. 2026-2029 Grand Totals from Ameren's 9/10 presentation (slide 14)
3. 2026-2029 Other portfolio costs from Ameren's 9/10 presentation (slide 23)
4. 2026-2029 Program costs are computed diff between total \$ and other portfolio costs


 About 90% of budget increase going to portfolio level costs

In 2022, Ameren spent \$14.2 M 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)

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

Residential Program Comments

- Want to 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

Note: will have additional feedback once we dive deeper into program details

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

Note: 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