

SAG EE Ideas Joint Stakeholder Presentations

Wednesday, April 10: Residential IQ EE Ideas

Joint Stakeholders:

- ▶ NRDC - Natural Resources Defense Council
- ▶ CIC - Chicago Investment Corporation
- ▶ PCR - People for Community Recovery
- ▶ CUB - Citizens Utility Board
- ▶ ACES - ACES 4 Youth
- ▶ NCLC - National Consumer Law Center
- ▶ AG - IL Attorney General
- ▶ CEDA - Community and Economic Development Association
- ▶ UEG - Urban Efficiency Group

Wednesday, April 10: Residential Income Qualified (IQ) EE Ideas

9:40 - 10:30 Joint Stakeholder Residential IQ Ideas

Change ComEd's IE SF Whole Home Electric program SF eligibility offering (EE Idea tracker row 20)

- ▶ Idea Submitters: NRDC, CIC, AG
- ▶ Relevant Utilities: ComEd
- ▶ New or Existing Program: Existing

For ComEd's Whole Home Electric program, the Income-Eligible SF portion is limited to homeowners only. Stakeholders propose opening this offering to non-owner-occupied SF homes as well, with approval from the homeowner.

Targeted community propane electrification "sprint" (row 29)

- ▶ Idea Submitters: NRDC, CIC, CUB, NCLC, AG
- ▶ Relevant Utilities: ComEd
- ▶ New or Existing Program: Existing

While ComEd does not have a large portion of propane-heating in its service territory, there are small pockets of it, with many homes in some of those communities likely to be income qualified. ComEd should identify those communities and launch community-focused outreach to engage as many customers as possible in a local electrification initiative. Because propane is expensive, these homes will provide significant energy bill savings opportunities. And there may be opportunities for significant cost reductions through economies of scale for a competitively selected contractor.

Relax criteria for weatherizing electrically heated homes (EE Idea tracker row 28)

- ▶ Idea Submitters: NRDC, CIC, CUB, NCLC, AG
- ▶ Relevant Utilities: ComEd
- ▶ New or Existing Program: Existing

In ComEd's IQ SF program for homes with ductless electric heat (e.g., electric baseboard), to be prioritized for treatment, a home must have a significant attic insulation and air sealing opportunity as well as a basement air sealing opportunity.

Because there are huge savings opportunities from replacing electric resistance baseboard with ductless mini-split heat pumps (probably bigger savings % potential than gas-heated homes that have low levels of insulation), and because electric rates are much higher per delivered BTU of heat than gas when the home uses electric resistance heat, this requirement inappropriately rules out significant opportunities to help low-income households. Any home with electric resistance heat, whether ducted or otherwise, should receive priority for both heat pump retrofits and simultaneous building envelope upgrades.

Drop "efficiency kit" programs (row 30)

- ▶ Idea Submitters: NRDC, CIC, NCLC, AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

With LEDs now standard products, the value of kits is significantly diminished. Funds are better spent on IQ weatherization. Possible exception might be kits distributed through community partners such as food pantries, only when used/ marketed as an opportunity to introduce customers to weatherization.

Wednesday, April 10: Residential Income Qualified (IQ) EE Ideas

10:40 - 12:00 Joint Stakeholder Multi-Family EE Ideas

Enable EE programs to incentivize bringing vacant/distressed IQ MF units to above-code energy efficiency (EE Ideas tracker row 7)

- ▶ Idea Submitters: NRDC, CIC, PCR, CUB, ACES, NCLC, AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

Rehabilitating vacant, distressed, and Class C apartments can be cost-prohibitive without incentive or subsidy; however, many buildings do not qualify for IQ Multifamily programs due to free ridership limitations. For example, utilities with an Affordable Housing New Construction program have had little participation from projects that need "major renovation," and getting units above code is also difficult to achieve for otherwise unsubsidized projects. In general, there is an opportunity to support these vacant and distressed units and provide EE. This issue could be resolved through focusing a portion of Health and Safety funding to address vacant/distressed units, and/or starting a Pilot through a market transformation initiative to help these buildings get to above-code.

Enhance IQ multifamily building owner customer outreach by targeted building owners (i.e. subsidized vs unsubsidized) (EE Ideas tracker row 8)

- ▶ Idea Submitters: NRDC, CIC, PCR, CUB, ACES, AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

Enhance targeted outreach to owners of unsubsidized low-cost housing that qualify for IQ MF offerings by providing comprehensive program information to building owner networks, groups, and online platforms and by creating opportunities for owners to share information within their existing networks of building owners. Enhance outreach to subsidized housing owners by increasing presence at affordable housing-oriented conferences, meetings, and membership organizations. Utilize review of American Community Survey (or other data source, including monthly zip code level arrearage and disconnection data) data to auto-identify eligible buildings, as permitted in the IL Energy Efficiency Policy Manual.

Enhance and clarify electrification offerings and coordination with one-stop-shop (EE Ideas tracker row 9)

- ▶ Idea Submitters: NRDC, CIC, PCR, CUB, ACES, NCLC, AG
- ▶ Relevant Utilities: All Electric
- ▶ New or Existing Program: Existing

Enhance cross program coordination between IQ Multifamily programs and Electrification programs and clearly define protocol for cross-program coordination and referrals for property owners from one program to the other.

Continue to determine IQ eligibility using the qualification methodologies that are the least burdensome and time-consuming for building owners and maximize the potential for and ease of participation in their IQ multifamily programs (EE Ideas tracker row 12)

- ▶ Idea Submitters: NRDC, CIC, PCR, CUB, ACES, NCLC, AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

This "least-burdensome" IQ eligibility determination has already been adopted in the Illinois Energy Efficiency Policy Manual Version 2.0 and should be practiced in all future IQ programs. Requirement to always start with the least burdensome methodologies, including census tract and/or participation in another program that requires income eligibility already (WAP, affordable housing program, etc).

More comprehensiveness on building envelope measures and outline what protocols are in place to understand which multifamily building measures are in place and what measures are implemented (EE Ideas tracker row 14)

- ▶ Idea Submitters: NRDC, CIC, CUB, NCLC, AG, CEDA
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

Detailed information on the protocols currently being used (and/or to be used in the future, if different) for identifying when a multifamily building is eligible for building envelop retrofits (i.e., air sealing and insulation upgrades) as well as for heat pump retrofits, should be publicly available (to both MF building owners and stakeholders). Protocols should be designed that address all of a home's energy efficiency upgrade needs in one fell swoop as well as promote meaningful energy burden reduction. Ensure building owners are aware of comprehensive offerings and increase efforts to implement whole-home retrofits, connecting owners external resources and options to undertake retrofits if utility programs do not cover the measures.

Change Nicor + ComEd's joint Affordable New Construction program's base measure package (EE Ideas tracker row 23)

- ▶ Idea Submitters: NRDC, CIC, CUB, NCLC, AG
- ▶ Relevant Utilities: Joint
- ▶ New or Existing Program: Existing

For Nicor + ComEd's joint Affordable New Construction program, include electric heat pump and heat pump water heaters in the base package of measures, instead of the optional package.

Tenant Protection Agreements (EE Ideas tracker row 39)

- ▶ Idea Submitters: NCLC, AG, CEDA
- ▶ Relevant Utilities: All Electric
- ▶ New or Existing Program: Existing

When building electrification occurs in either multi-family or single-family tenant occupied buildings, tenants need to be protected from both rent increases and monthly utility bill increases. As part of the electrification process, ComEd and Ameren should have in place an agreement that requires the building owner to agree to the following minimum tenant protections, particularly when HOMES and HEAR rebates from the Inflation Reduction Act are incorporated (braided) into the programs: For at least two (2) years following the receipt of the IRA Home Energy Rebates:

The owner agrees to rent the dwelling unit to a low-income tenant. This is a minimum requirement and affordability requirements should be commensurate with total rebate amount awarded.

The owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.

The owner agrees not to increase the rent of any tenant of the building as a result of the energy improvements with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.

The owner agrees that if the property is sold within two years of receipt of the rebates, the aforementioned conditions apply to the new owner and must be part of the purchase agreement.

In the event the owner does not comply, the owner must refund the rebate(s).

A specific and verifiable mechanism (e.g., addendum to the lease) is in place for providing tenants with written notice of their rights and their building owner's obligations.

Enforcement and penalties are clear and sufficient to act as a deterrent for owner violations and provide for damages and attorney's fees recoverable by tenants. IRA Guidance ver. 1.1 (Oct. 13, 2023) at 17 and 54. In addition, ComEd and Ameren shall ensure that customers of treated building are not (1) kicked off of PIPP and that the next LIHEAP payment received covers the increased electric bill; and (2) the customer is switched to the lower electric heating rate with the next monthly bill.

Wednesday, April 10: Residential Income Qualified (IQ) EE Ideas

12:00 - 12:25 Additional Joint Stakeholder EE Ideas

IQ Weatherization: Quality Assurance / Quality Control Requirements (EE Ideas tracker row 38)

- ▶ Idea Submitters: NCLC, CEDA
- ▶ Relevant Utilities: All
- ▶ Illinois needs a local, independent third party(ies) to perform quality assurance/quality control of all weatherization projects for both SF and MF income-qualified projects. We need an unbiased, non-financially incentivized party to ensure that work performed has ensured a whole-building, robust treatment with inspections to ensure work is done correctly.
- ▶ Illinois seeks the establishment of a local, independent third-party entity or entities to oversee quality assurance/quality control procedures across all weatherization projects, encompassing both single-family (SF) and multi-family (MF) income-qualified initiatives. The objective is to introduce an impartial, non-financially motivated presence that ensures comprehensive treatment of buildings and rigorous inspections to verify the accuracy and effectiveness of work performed.
- ▶ These QA/QC entities will play a pivotal role in fostering contractor equity and advancing contractor quality management standards. Their responsibilities will entail conducting qualitative analyses to identify areas for improvement and refine existing practices. Furthermore, they will spearhead quantitative training and development initiatives aimed at enhancing overall quality management protocols. Through this approach, a systematic framework for assessing and addressing the quality of weatherization projects will be established, promoting fairness, accountability, and continual improvement within the sector.⁷

Coordination and Referrals (EE Ideas tracker row 36)

- ▶ Idea Submitters: NRDC, CIC, CUB, NCLC, AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

All IQ customers who inquire about an EE program should be made aware of other non-EE programs for which they are eligible. Such customers should also receive support in accessing those other programs (LIHEAP, PIPP, discount rates and any other utility-sponsored assistance programs) -- not just given a brochure, but direct human help navigating to and enrolling in other programs if eligible and interested. (For LIHEAP/PIPP, this could be offering the address and phone number of the nearest community action agency. For utility-sponsored programs that the customer is interested in, the utility shall assist the customer in enrolling.)

This would assist ComEd and Ameren, too, in meeting their PBR affordability metric. (Metric = 10% annual reduction in disconnections in the 20 zip codes with the highest disconnection rates.) Coordination with the credit and collections departments will be critical.