

SAG EE Ideas Joint Stakeholder Presentations

Wednesday, April 17: Residential IQ EE Ideas

11:25am-12:25pm

Joint Stakeholders:

- ▶ NRDC - Natural Resources Defense Council
- ▶ CIC - Community 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

Increase electrification for propane/oil heated homes, including marketing to all propane/oil customers regardless of whether Ameren Gas may be considering them for connection (row 6)

- ▶ Idea Submitters: NRDC, CIC, PCR, CUB, ACES, AG
- ▶ Relevant Utilities: Ameren
- ▶ EE Sector: All Residential, with focus on IQ
- ▶ New or Existing Program: Existing

Ameren electrification numbers have been extremely low, probably in significant part because of internal constraints put on marketing to customers that the gas side of the company may want to try to convert to gas. Such a constraint is inappropriate. Propane-heating customers have the potential for realizing significant energy cost savings through electrification while also being part of the energy transition that is necessary to decarbonize buildings. To avoid creating stranded assets, Ameren Gas should not market natural gas expansion to existing propane or electric-resistance heat customers. For IQ residential customers, needed electric appliances should be supplied at zero cost to the customer.

Ameren should launch a super-efficient, all-electric residential new construction program analogous to ComEd's (row 13)

- ▶ Idea Submitters: NRDC, CUB, NCLC, AG
- ▶ Relevant Utilities: Ameren
- ▶ EE Sector: All Residential
- ▶ New or Existing Program: New

Electric heat is most economic in new construction. Moreover, when building envelopes are optimized, it is the lowest cost option, both for customers who ultimately pay the energy bills and for builders and society (including avoiding gas connection costs). However, most buildings in IL are not familiar with advanced heat pumps and other electric appliances. Ameren should explore a partnership with Habitat for Humanity in its service territory as part of this effort (similar to Nicor Gas's partnership - except to install all-electric appliances only).

Stop central A/C rebates; increase focus on heat pump rebates (EE Idea tracker row 35)

- ▶ Idea Submitters: NRDC, CIC
- ▶ Relevant Utilities: All Electric
- ▶ EE Sector: Residential Market Rate
- ▶ New or Existing Program: Existing

Heat pumps should be the only HVAC measures rebated through non-IQ channels by Ameren and ComEd. They provide greater flexibility in terms of their ability to both cool and heat buildings (partial electrification) and savings per unit are much higher as a result. This emphasis will also help grow the market for heat pumps, increasing competition and driving down costs over time.

NOTE: Idea title adjustment

Eliminate furnace and central A/C replacements, unless the HVAC system is no longer functioning, there is a health and safety emergency (e.g. carbon monoxide leak), and/or there is above-average ongoing maintenance costs. When any of these three criteria are triggered for a central HVAC replacement, electric utilities will determine whether the home is a good candidate to first offer a heat pump replacement (row 22 + 21 combined)

- ▶ Idea Submitters: NRDC, CIC
- ▶ Relevant Utilities: All
- ▶ EE Sector: Residential IQ
- ▶ New or Existing Program: Existing

Early equipment replacements are very expensive and the substantial savings are relatively short-lived (per dual baselines). Funds would be better spent on weatherizing more homes. Ensure there's consistency in defining emergency conditions across all utilities.

Ameren-specific: If a gas furnace is eligible for replacement, Ameren's current approach is replacing the furnace first rather than switching fuel type. All non-efficient furnaces should be replaced with Cold Climate Heat Pumps. Bill impacts must be assessed and communicated to customer to ensure customer buy-in.

NOTE: Idea title adjustment

For gas or dual fuel utilities, end rebates for market rate residential gas consuming equipment (row 10)

- ▶ Idea Submitters: NRDC, CIC, PCR, CUB, ACES
- ▶ Relevant Utilities: All Gas
- ▶ EE Sector: Residential Market Rate
- ▶ New or Existing Program: Existing

Gas utilities have historically relied very heavily on gas equipment rebates and under-invested in building weatherization, particularly for market rate (non-IQ) homes. There is a significant risk that gas equipment, which will last decades, will need to be converted to electricity at some point in its life if climate goals are to be met. Plus, market barriers to high efficiency gas equipment are much lower than for weatherization, so it is more important focus efforts on the more difficult market. That is particularly true since weatherization is going to be needed regardless of what one believes a decarbonized future will evolve. Finally, the most important gas equipment measure - furnaces - will have to be super efficient (95% AFUE) per federal standards starting in 2028.