

SAG EE Ideas Joint Stakeholder Presentations

Tuesday, April 9, 2024: Business and Cross-Cutting 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 - Attorney General

Tuesday, April 9 Presentations

Tuesday, April 9: Business and Cross-Cutting EE Ideas

9:40 - 10:30 Joint Stakeholder EE Ideas

Expand small business DI programs to promote more comprehensive treatment of larger (non-lighting) savings opportunities, including weatherization where applicable (row 33)

- ▶ Idea Submitters: NRDC and AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

There are likely to be significant building envelop efficiency upgrade opportunities in many small businesses that are not being assessed, let alone addressed, in current small biz DI programs. Such major measures have higher barriers than lighting retrofits so are much less likely to be addressed in the future. We should not be missing opportunities while we are in these buildings to identify and promote such opportunities. This is a particularly important opportunity for gas utilities to consider.

Customize small biz DI delivery services for strategic market segments, with vendors that can address unique needs (e.g., food service, refrigeration, laundry, etc.) (row 34)

- ▶ Idea Submitters: NRDC and AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

We are not 100% certain about the extent to which small business DI programs are addressing opportunities beyond lighting, but suspect it is modest. We also suspect more comprehensive savings could be realized, with end uses other than lighting producing more savings, if the small biz DI programs were segmented, with a different focus for different types of small businesses, possibly with different contractors with different specialized expertise, delivering to different types of small businesses.

All electric C&I: significantly increase focus on and savings from LLLC and networked lighting controls (EE Idea tracker row 32)

- ▶ Idea Submitters: NRDC and AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

TLEDs have likely become standard practice in the market. However, numerous studies/analyses suggest there is significant savings available from even efficient LED commercial lighting from luminaire-level and networked lighting controls which currently have extremely low market shares. ComEd and Ameren have been promoting this technology, but we think those efforts should be scaled up dramatically.

All electric C&I: stop all upstream/midstream or downstream rebates for TLEDs (EE Idea tracker row 31)

- ▶ Idea Submitters: NRDC and AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

We believe that TLEDs are now standard practice - at least for many business customers. Thus, efficiency budgets should shift away from this technology and focus instead on infrequently deployed networked controls (see previous slide)

Limit new CHP projects to those that use biogas or waste products (e.g., wood, sawdust, etc.) (EE Idea tracker row 27)

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

CHP increases on-site gas consumption. Thus, it is fuel-switching from electricity to gas. As the grid gets cleaner, that will mean increased greenhouse gas emissions in the relatively near future (if not today). We cannot afford that at a time when we need to be on a trajectory for rapidly reducing emissions. Note that we support biogas-fired CHP when the biogas is a waste by-product of an existing operation (e.g., at a waste water treatment plant).

Ameren and ComEd outreach ASAP to large industrials to identify needs and what could be offered to get them to not opt out (EE Idea tracker row 26)

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

This is just a process suggestion for identifying opportunities to improve offerings to large C&I customers (including those that do not have an opt out option).

Tuesday, April 9: Business and Cross-Cutting EE Ideas

10:40 - 11:35 Joint Stakeholder Cross-Cutting EE Ideas

Implementer 3rd Party Ombudsman (EE Idea tracker row 17)

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

There is a need for a third-party ombudsman to address problems on the ground in the delivery of energy efficiency and changing work, customer eligibility and other requirements. We need this third-party representative to keep utilities informed of problems on the ground, as perceived by trade allies, subcontractors and implementers to ensure continuity in delivery approach and to support both contractors and utilities. This new role will help ensure transparency, continuity and consistency in training and in the delivery of programs. Currently, when perceived problems arise, subcontractors and trade allies have no direct relationship with the utility for which to report the problem. In addition, it is unclear when changes are proposed whether they are coming from the implementer or the utility itself - particularly when subcontractors are pushed to make changes in order to increase annual energy savings targets.

This impartial representative will serve as a crucial partner in ensuring equitable treatment for all contractors, including implementers, subcontractors and trade allies, enhancing communication on technical matters, and addressing concerns regarding programmatic service delivery. By keeping utilities informed of ground-level challenges perceived by these entities, this independent ombudsman role will promote transparency, consistency, and continuity in training and program delivery. Such an approach is essential to support the needs and interests of all parties involved, including the customers for whom the programs are supposed to benefit.

Diverse contracting (EE Idea tracker row 18)

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

While utilities currently state they are pursuing opportunities to increase diverse contracting, including implementers and trade allies, the reality is that Illinois-based implementers (and potentially trade allies) are being left behind. CEJA was envisioned to create more opportunities in clean energy work for Illinois-based diverse businesses -- not out of state or national companies. We are asking for the utilities to pay close attention to the incorporation state of a diverse business as well as those with whom the implementer subcontracts. RFPs should be written to ensure that Illinois-based diverse businesses are prioritized.

Transparency provisions on contracting (EE Idea tracker row 19)

- ▶ Idea Submitters: NCLC and AG
- ▶ Relevant Utilities: All
- ▶ New or Existing Program: Existing

Stakeholders should be permitted to weigh in on the content, incentive structures and scoring criteria of implementer RFPs. Only then can we identify issues that might arise due to pay-for-performance terms and other content that leads to a degradation in program comprehensiveness via implementers unilaterally changing qualifying building metrics mid-plan in an attempt to increase achievement of annual energy savings goals. The IQ programs are not the place to emphasize cost-effectiveness or achievement of annual goals, as the statute specifically excludes IQ programs from meeting the total resource cost test (TRC) cost-effectiveness criteria. *See* 220 ILCS 5//8-103B(a). We know that comprehensive weatherization, which incorporates health and safety measures, is expensive relative to energy savings achieved compared to other programs. Implementers should not be allowed to switch subcontractors mid-plan without allowing Illinois-based subcontractors with experience in delivery of IQ programs to bid on the contract.

Non-Profit Bidding (EE Idea tracker row 37)

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

CEJA states that "Implementation of EE measures and programs targeted at low-income households should be contracted, when it is practicable, to independent third parties that have demonstrated capabilities to serve such households, with a preference for not-for-profit community-based organization (CBO) entities and government agencies with or experience serving low-income communities in the state." 220 ILCS 5/8-103B(c).

Institutionalize assignment of bonus points in scoring of proposals to local non-profits who bid to deliver IQ program services. When services are not bid out - including when subcontractors of an already "won" bid are changed, there should be a demonstration that local non-profits were considered and preferred for such services.

Process recommendation idea: Quarterly Deep Dives from Implementors (row 16)

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

Enable implementors and primary subcontractors to share feedback with stakeholders as part of the IL SAG on program implementation, offering insights from on-the-ground experiences. This review can spotlight challenges, successes, and opportunities, as well as provide constructive feedback on program structure, promoting transparency based on real projects funded by utility programs. Should include the ability to discuss and workshop challenges and opportunities mid plan-cycle and plan-year, and not just be a one-way report out.

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11:35 - 12:00 Joint Stakeholder Market Transformation EE Ideas

Support market transformation program for triple-glazed windows (EE Idea tracker row 24)

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

We believe most (if not all) IL utilities are currently planning to support this MT initiative, so this is just support for that (or encouragement for any who may not be planning to support it to do so).

Support municipalities interested in adopting stretch codes (EE Idea tracker row 25)

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

We believe at least some utilities are planning to do this, so this suggestion is just an encouragement for all utilities to do so.

Work with one or more municipalities to develop a multi-family rental energy efficiency standard (EE Idea tracker row 15)

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

Municipal rental efficiency standards can be a vehicle for ensuring efficiency improvements for many multi-family buildings. Because multi-family renters are disproportionately lower income, this can have a huge equity benefit. Several municipalities across the country have adopted such standards (Burlington, VT and Boulder, CO are examples). The suggestion here is that the IL utilities work with several local municipalities who may have an interest in such a policy to help them develop the policy and then support building owner compliance with it (at least for a time - eventually, they could instead claim market transformation savings).