DCEO Energy Efficiency Portfolio Programs

First Year Report

September 30, 2009

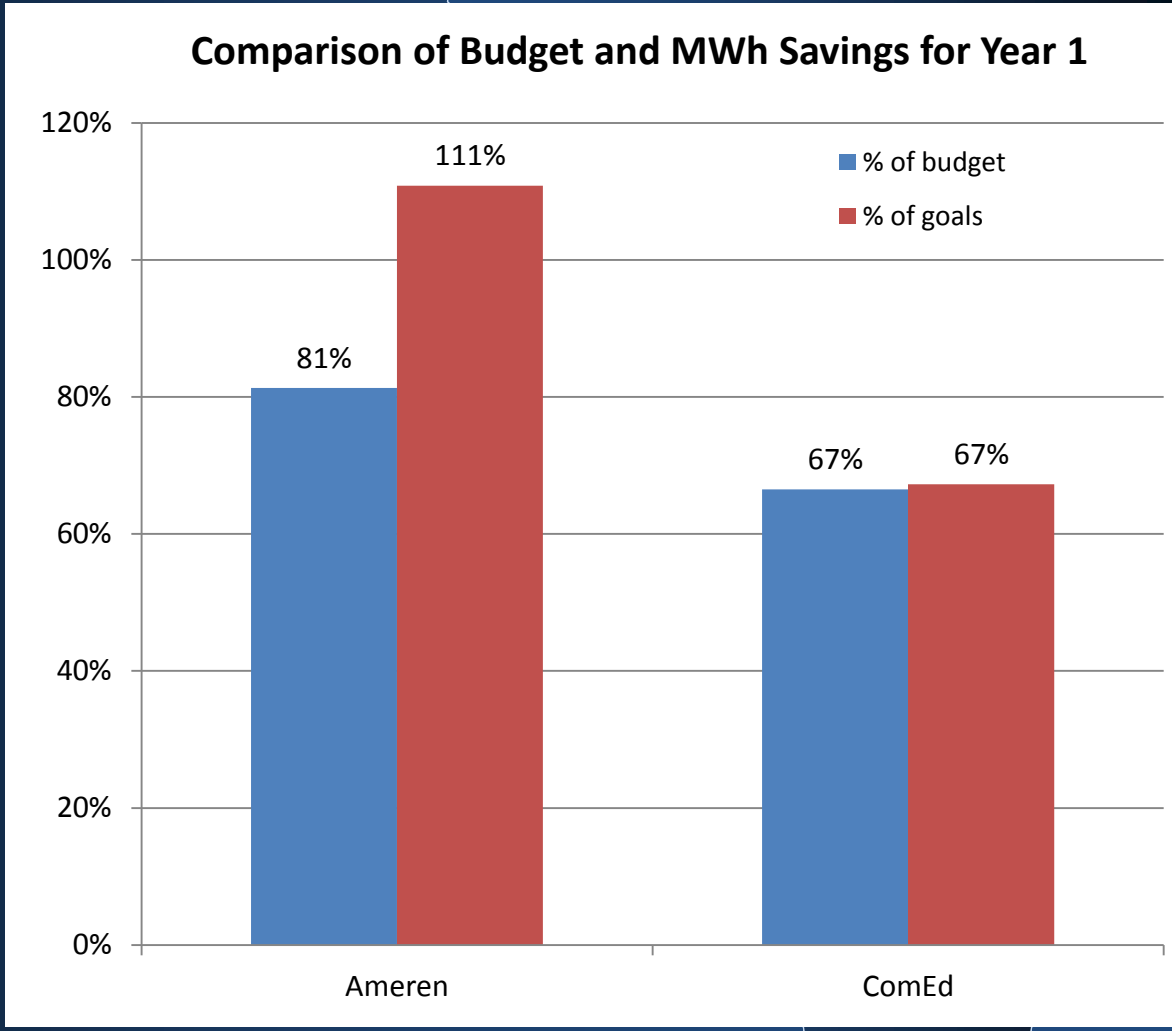
Illinois Department of Commerce &
Economic Opportunity

dceo

EEPS Year 1 Results

Year 1 Projects are estimated to achieve 42,869 MWh and reduce CO_2 emissions by 34,022 metric tons.

Goal	Category	% of Goal
14,159 MWh Ameren/ 40,412 MWh ComEd	DCEO MWh goals in plan	79%
10% of total portfolio	Local govt., schools, & community colleges	48%
6% of total portfolio	Low Income Households < 150% poverty level	106%
$12.9 million budget	Portfolio Budget	70%

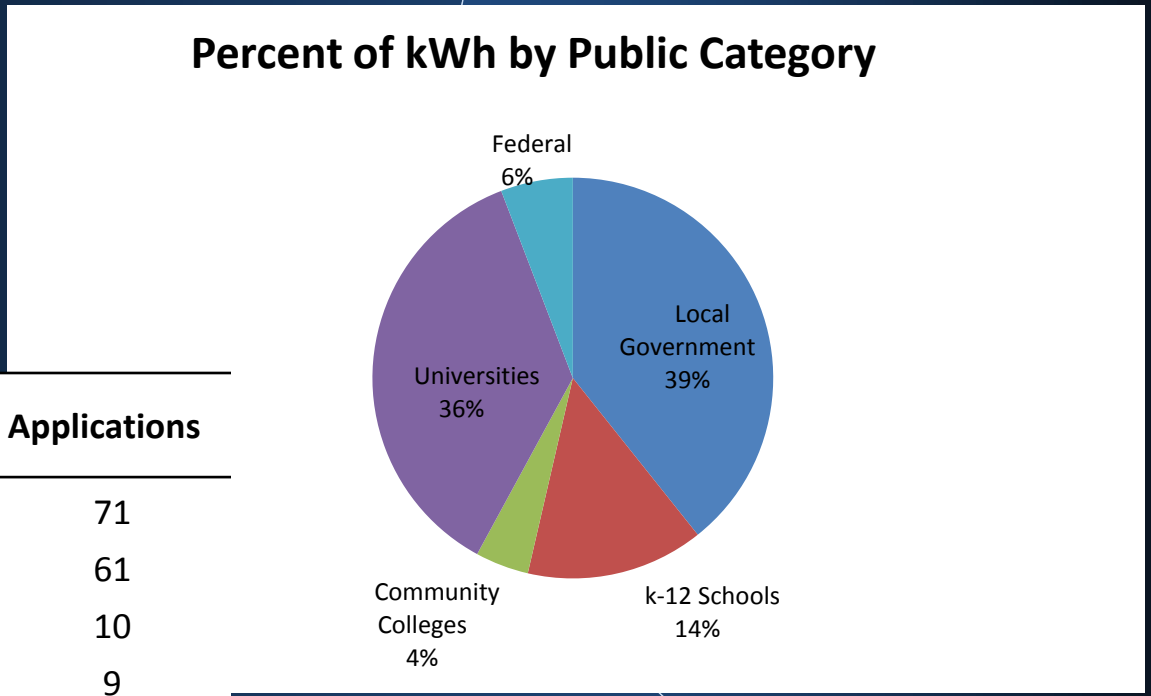


Public Sector Energy Efficiency Program

Standard and Custom Programs

- DCEO provided incentives for 172 completed projects in Year 1 through the standard and custom incentive programs.
- Local governments and k-12 Schools completed the most projects
- Most energy savings were from local government and university projects

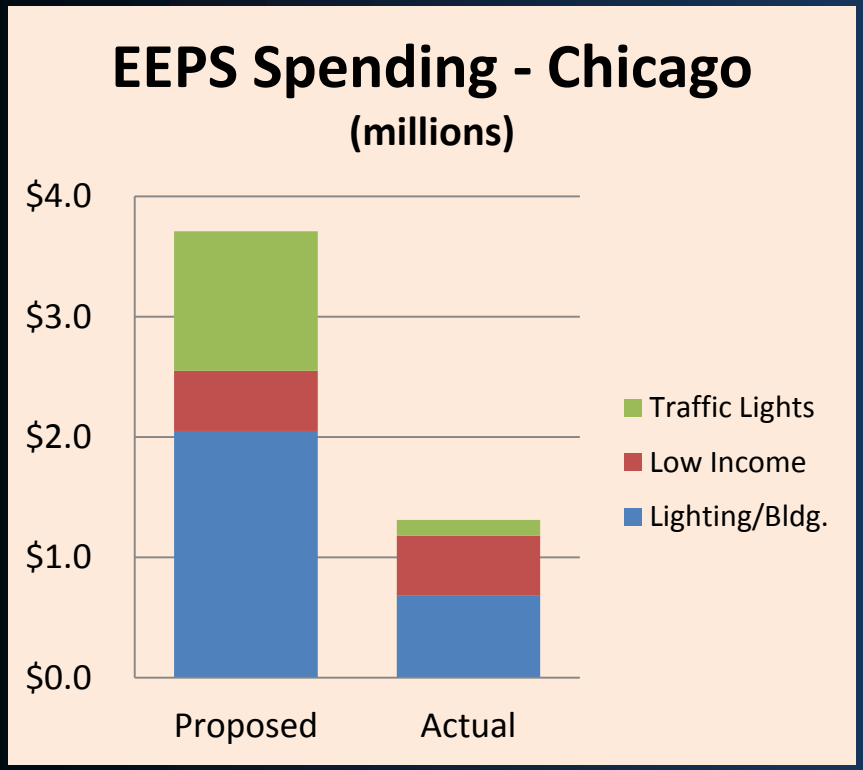
Category	Applications
Local Governments	71
k-12 Schools	61
Community Colleges	10
Universities	9
State	0
Federal	21

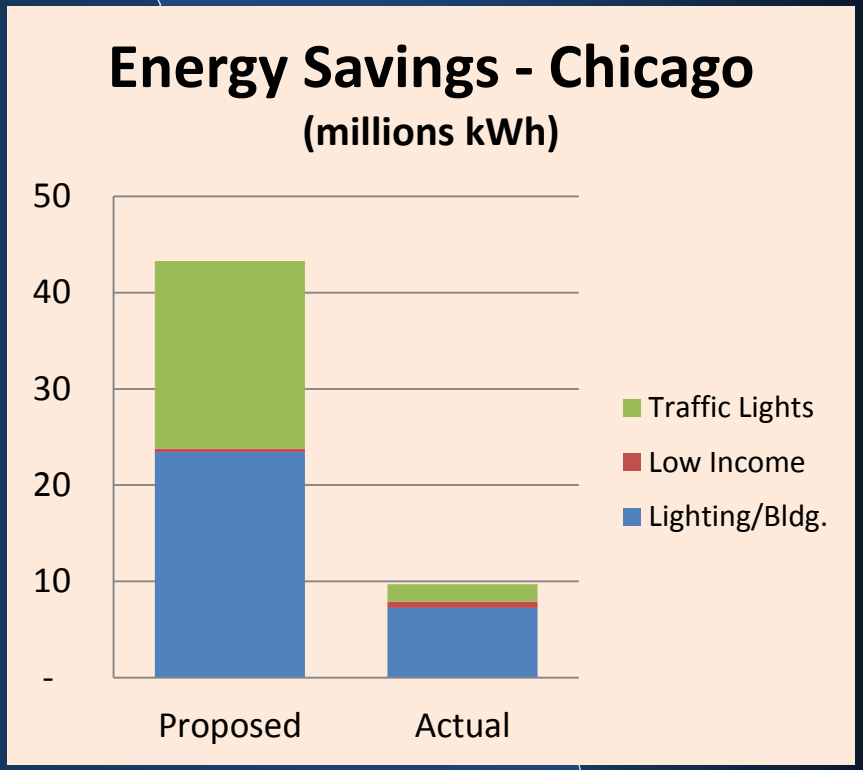


Public Sector Energy Efficiency Program

Standard and Custom Programs

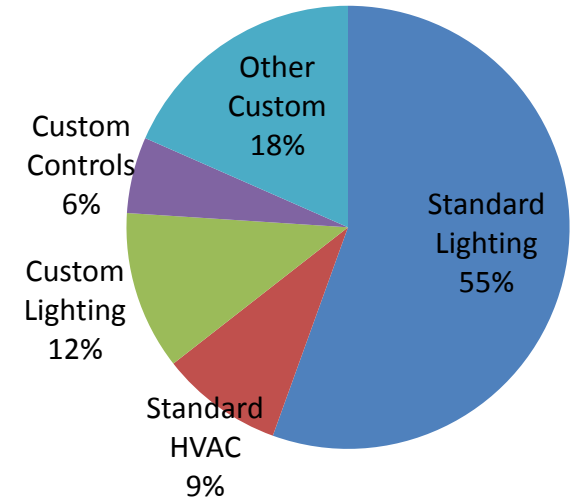
- Approximately seventy Year 1 projects were moved to Year 2 or cancelled.
- Several projects were greatly scaled back in scope from that in the original application.



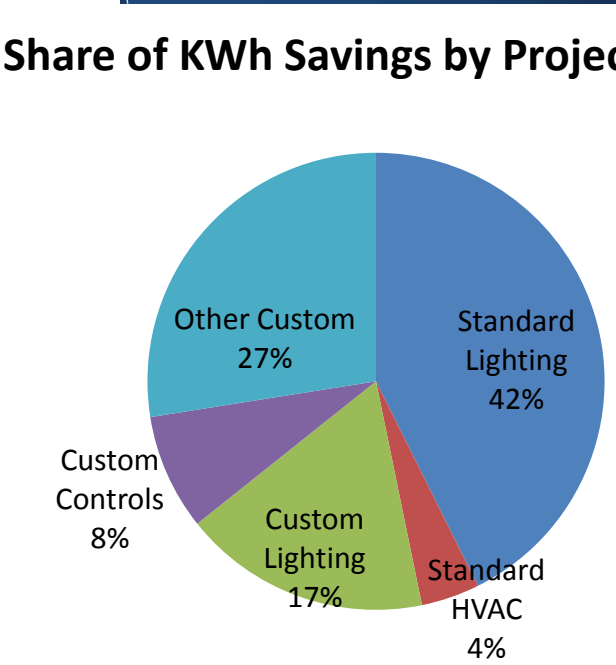


Note: City of Chicago projects include city buildings, fire & police, Chicago Public Schools, CTA, Park District, Daley Center, and Housing Dept.

Public Sector Incentives and Energy Savings by Project Type



The vast majority of measures are standard lighting or custom lighting – 67% of all incentive funding.

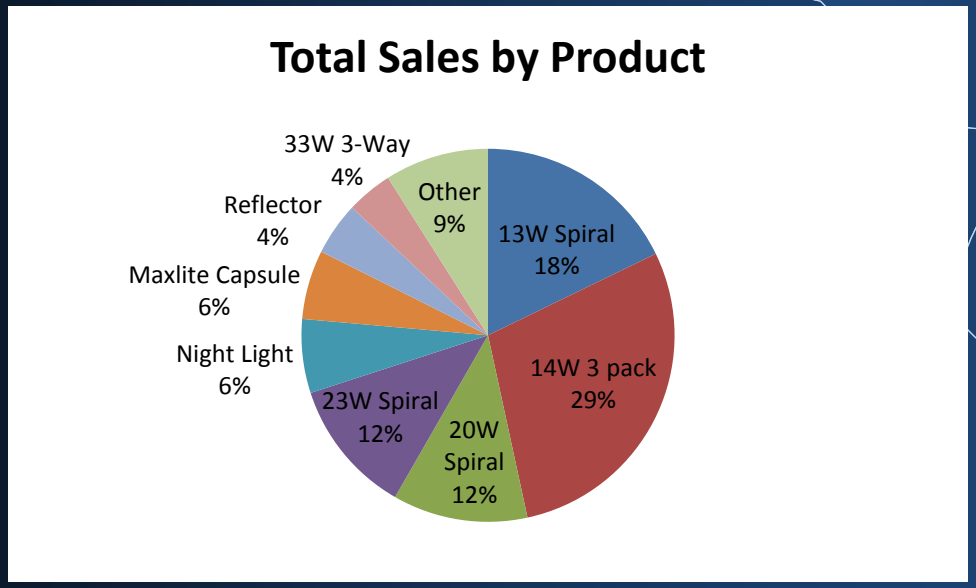


Custom Projects account for a much larger share of KWh savings (52%) than incentives (36%), due to theirhigher cost effectiveness (incentives/kwh).

dceo

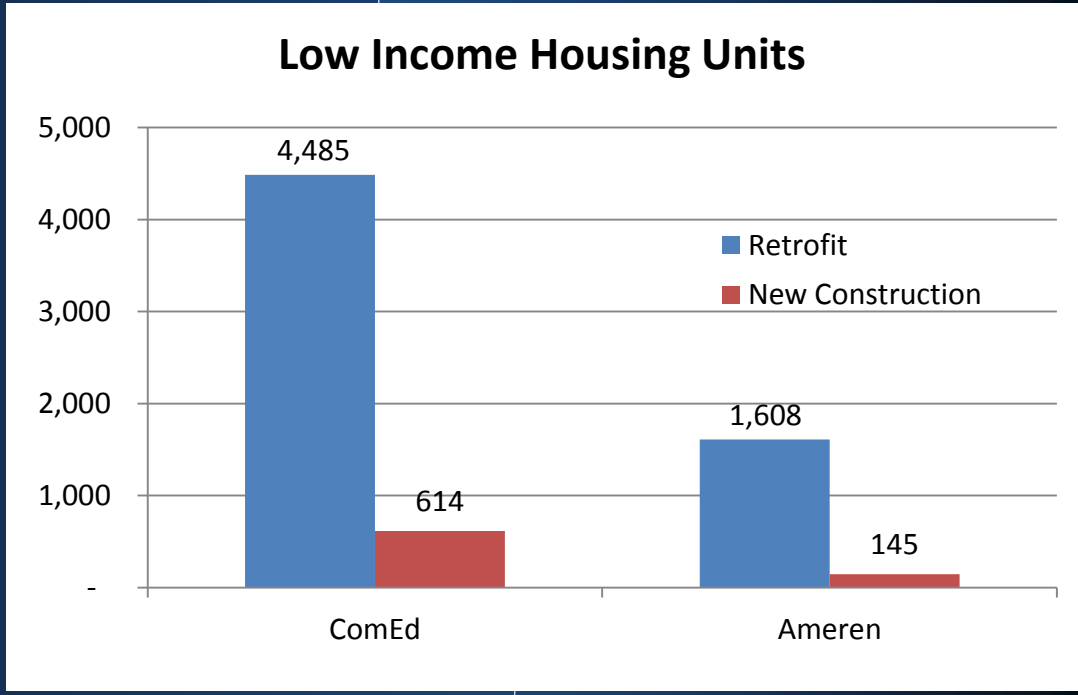
Lights for Learning

- During the 2009-2009 school year, 139 schools and organizations participated in this program
  - Program administered by MEEA
  - 2,394 students participated in this fundraising program, selling over 37,000 CFLs and LED products
  - Estimated kwh savings of 1.9M from the program



Low Income Programs

- Provided funding for programs and projects that will result in energy efficiency in 759 new housing units and more than 6,000 existing units.
- Achieved 862% of the planned kWh reductions from low income programs – 5,592,000 kWh rather than 876,000 kWh – due to greater emphasis on direct install projects and higher than anticipated completion rate of new housing projects.



Market Transformation Programs

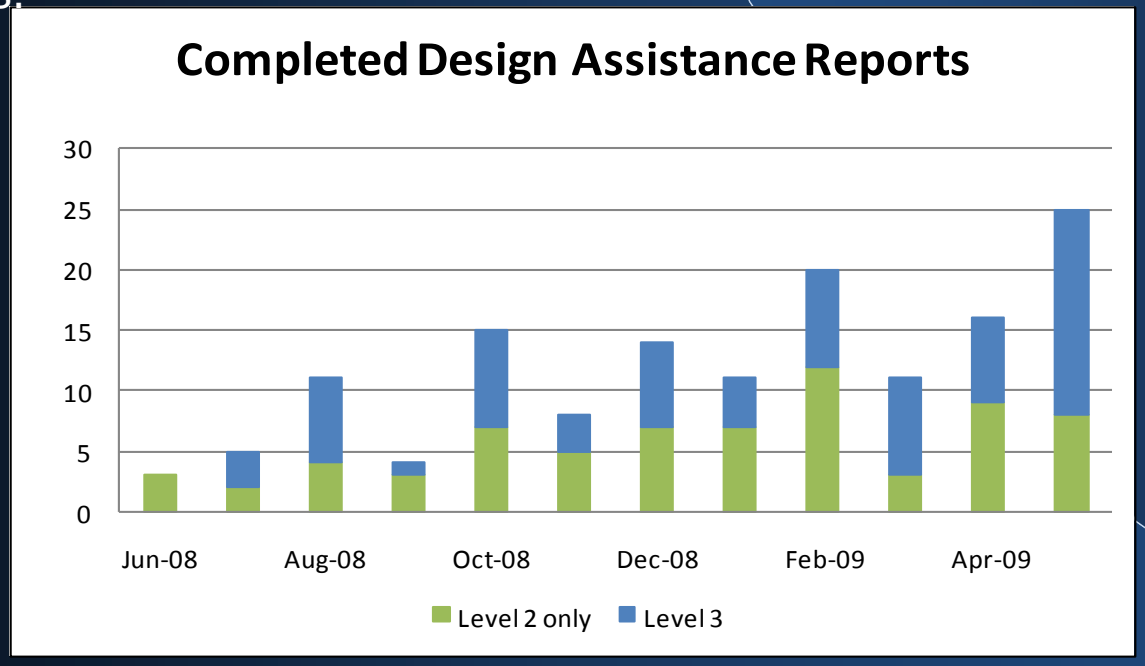
Smart Energy Design Assistance Center

Design Assistance

- Level 1 assistance (initial consultation) provided to 369 clients.

•146 reports for EEPS eligible projects were completed—141 with quantified recommendations, including 74 with Level 3 analysis (design assistance).

•Level 4 follow up services (implementation assistance) provided to 40 EEPS eligible projects.



Market Transformation Programs

Smart Energy Design Assistance Center

Potential savings

- Total potential energy cost savings for all clients to date is about $7 million, with an internal rate of return of 24.7%.
- Total potential electrical energy savings for all clients to date is 57,492,353 kWh (5.2 kWh per square foot). The associated demand reduction of 8,377 kW is possible.
- 53% of clients plan to implement or have implemented energy cost reduction measures. Based on client feedback, implementation has achieved an estimated savings of 4,486,386 kWh so far.

Market Transformation Programs

Other Programs

- **Building Industry Training and Education**
  - The various grant recipients for this program provided almost 11,700 hours of training to building professionals
  - Received 76 applications in Year 2 proposals, with over $11.7 million in funding request. Program Funding is $600,000 for Year 2.
- **Large-customer Energy Analysis Program**
  - have done over 20 diagnostic sessions with large energy users to identify current energy management practices, and have assisted 20 entities in developing energy action plans or provided technical services such as energy audits

dceo

Recommendations for Program Year 2

Public Sector Programs

- Increase incentives by about 10%
- Increase maximum project to $200,000
- Add special category for outdoor lighting pilots
- Set earlier date to receive Final Applications
- Add measures to standard list – LED lighting, induction lighting, additional controls
- Add “but for” statement to certification
- Consider adding additional categories such as museums, private schools and universities
- Use ARRA programs (SEP and EECGB) to expand awareness of EEPS and develop projects
- Expand outreach efforts through IML, ILARC, etc.

dceo

Challenges in Program Year 1

Public Sector Programs

- Difficulty meeting local govt. goals – due to low incentives and slow process for finding and approving match money
- Potential overlap with Clean Energy Community Foundation and ARRA programs
- Deluge of last minute projects and final applications to process
- New lighting technologies were becoming commercial and strong interest in testing new outdoor lighting options

Challenges in Program Year 1

Low Income Programs

- In the Low Income Retrofit Program, the incentives did not cover enough of the measure costs, due to individual bidding requirements
- Public Housing Authorities fell through cracks of program offerings, neither fitting Public Sector nor Low Income Programs as designed
- The definition of low income household (<150% of poverty level) precluded many projects and caused confusion
- Difficulty in getting grants in place due to required interagency agreements, legal review, varying program structures, changes in agencies, etc.

dceo

Recommendations for Program Year 2

Low Income Programs

- Develop program targeted at Public Housing Authorities
- Provide greater flexibility in determining incentive levels for each measure, depending on actual program costs
- Put on hold Moderate Rehab Program
- Revise definition of low income based on SB2150 – 80 AMI vs. 150% of poverty level

dceo