Preliminary Confidential Draft Document
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For Illustrative and Discussion Purposes Only

AIC is presently considering the following design attributes and objectives. Please note that the attributes and objectives as outlined below assumes current framework, legislation and applies to the 3-year portfolio starting June 1, 2017. AIC recognizes objectives may need to be reconciled. The order of the objectives listed below does not reflect level of priority or importance.

1. AIC will seek to broaden its array of energy efficiency programs across all customer classes and major market segments. AIC will seek to further enhance the number of measures within its portfolio of programs seeking new savings opportunities for all sub-markets within each rate class. AIC will also seek to provide more options for consumers willing to participate, and allow Illinois energy efficiency portfolios to continue to evolve and expand.

2. The allocation of the Total Available Budget as ordered by the Commission [1] across customer rate classes will be managed to maintain a similar Bill Impact[2] for each rate class.

3. AIC will seek to maximize the amount of funds dedicated to serving market segments within the rate class that face financial barriers to program participation. Two examples of such market segments are locally-owned small business facilities and low/moderate income residential customers. This could result in higher net-to-gross ratios, but would help less fortunate and local business within the State of Illinois.

4. AIC will seek to increase focus on budgets for programs that have energy saving options where the average measure life is greater than 5 years.

5. AIC will seek to minimize the number of measures that do not pass the cost effectiveness test – even when bundling such cost ineffective measures does not cause the program TRC to be less than 1.

6. AIC will seek to optimize each program budget and related market penetration such that the program TRC is maximized. AIC may limit program budgets, if necessary, to prevent incremental measures, projects, or market penetration to cause a decline in the program level TRC.

7. AIC will seek to utilize the respective gas and electric budgets in a manner that allows joint programs to draw from each funding source based on equivalent BTU's of energy savings.
8. AIC will consider equipment and devices deployed upstream of the customer meter when such equipment results in energy efficiency and savings for consumers.

[1] Total Available Budget – Electric: Approximately 2% of the utility revenues plus 2% of an estimate of energy costs as procured from a third-party energy supplier. Gas: Approximately 2% of the utility's gas distribution and purchase gas adjustment revenues.

[2] Bill Impact - Estimated by dividing the energy efficiency rider charges applicable to the customer rate class by the total energy costs for each rate class. The total energy costs for each rate class are the sum of: 1) utility revenues for the rate class, and 2) cost of energy paid to third-party energy suppliers by all customers within the rate class.