



Stakeholder Suggestions for Utility EE Program Directions

October 27, 2015



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Presentation Overview

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1. Multi-Fuel & Portfolio Recommendations
2. Electric Program Recommendations
3. Gas Program Recommendations
4. Other Utility-Specific Recommendations

Note: what follows is a range of recommendations from a number of different parties that I (Chris Neme) have consolidated and am presenting on behalf of all stakeholders who submitted comments or suggestions to me or Celia/Annette. While NRDC would support many of them, we do not necessarily support (and possibly don't fully understand) all of them.

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General/Portfolio Recommendations

Program Themes

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- Move many more prescriptive rebates “upstream”
 - Maybe appropriate to phase this, starting a couple measures then expanding – less perceived risk, learn from doing, etc.
- Move as many Res. & Small Bus. electric programs as possible into IPA to free up more EEPS \$:
 - Exception: dual-fuel, whole building programs
- Increase emphasis on longer-lived savings, programs that likely have market transformation benefits
- Is there more joint delivery that could/should be done?
 - Not just electric-gas, but electric-electric & gas-gas
 - Upstream program approach would benefit in particular

Cross-Fuel Programs

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- Multi-family
 - Increase emphasis and support for weatherization measures
 - What can be done to get more participation & savings?
- Statewide emerging technology program
 - Jointly funded by all utilities
 - Perhaps starting w/Nicor program design

Policy Issues

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- Accelerate/broaden codes & standards support
 - Codes enforcement support
 - Accelerated adoption of new product standards
 - Need mechanism/policy for giving credit for portion of savings
- Adopt Policy to promote risk-taking on new measures
 - Perhaps through pilots
 - Accelerate process for deeming savings while testing concepts
 - Insulate utilities from risk of requests for disallowances
- What will be the role of DR?

IPA Process

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- Utilities competitively bid all major programs moving to IPA
 - Utility selects best option(s) based on cost and other factors
 - Utility submits selected program/vendor to IPA
 - Utility maintains oversight role
- Program bidding process applies to DCEO markets too
 - DCEO supports crafting RFPs and vendor selection processes
 - But utilities ultimately submit selected programs/vendors to IPA
- Existing 3rd party bidding is retained
 - But follows specific program bidding process (above)
 - Focus is exclusively on areas not covered by program specific bidding process (or other utility programs)

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Program Recommendations

Business Programs (1)

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STANDARD/PRESCRIPTIVE REBATES

- Move promotion of many more products “upstream”
 - HVAC equipment
 - Food service equipment
 - LED fixtures
- Eliminate or reduce fluorescents/HIDs rebates
 - Except for applications with no LED or other better alternatives
 - Aggressively promote LEDs instead
 - Particularly LED troffer alternatives to linear fluorescents
 - Best way to address budget limitations (maximizes mkt transformation)

Business Programs (2)

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CUSTOM

- Scale Custom incentives to reward comprehensiveness
 - Gas: % savings? Other?
 - Electric: % savings? LPD standard? % savings from non-lighting?
- Consider dollar cap to reduce costs of biggest projects

RETRO-COMMISSIONING

- What can be done to get more participation & savings?

Business Programs (3)

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SMALL BUSINESS DIRECT INSTALL

- Ensure we are maximizing comprehensiveness
 - ▣ Are IPA electric programs going much beyond lighting today? If not, that should change.
- Opportunities for joint electric-gas delivery?
 - ▣ May hinge on design that addresses comprehensiveness (see above)
 - ▣ Understand that there may be some limitations
 - ▣ some small gas customers don't meet IPA electric definition
 - ▣ Might only be able to jointly deliver a portion until gas \$ runs out

Business Programs (4)

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OTHER

- Greater emphasis on new construction program
 - Some states getting huge portion of C&I savings here
 - Savings are long-lived, with MT benefits too
- Launch “utility-owned” LED street lighting program (if \$ available)
- Transition current large industrial SEM pilots to full programs
 - Should also be joint electric-gas, or at least tightly coordinated

Residential (1)

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- Move HVAC, DHW, appliance rebates “upstream”
- Move most residential electric programs into IPA
 - ▣ Mass market: lighting, HVAC, appliances, smart t-stats
 - ▣ Behavior programs
 - ▣ All electric home retrofits
- Encourage gas co-funding for IPA programs
 - ▣ Behavior programs, smart t-stats, etc.
 - ▣ Easy to do with “utility-sponsored” IPA programs
 - ▣ Can be part of RFP for private solicitations

Electric Residential (2)

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- Transition completely from CFLs to LEDs
- Increase emphasis on whole building programs
 - ▣ Only residential programs funded by electric EEPS \$
 - ▣ Retrofits are key priority
 - ▣ New construction only if significant enough opportunity
- Home retrofit changes:
 - ▣ Single-family and multi-family
 - ▣ Emphasize low/moderate-income (maybe diff \$)
 - ▣ Modify incentive structure to maximize comprehensiveness

Electric Residential (3)

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- New measures:
 - Smart t-stats
 - Heat pump dryers – maybe initially as pilot
 - biggest opportunity besides lighting for gas-heated homes
 - Go upstream – may reduce incremental cost appreciably
 - Ultra-efficient ductless heat pumps
 - Great measure for most electric heated homes (mainly Ameren)
 - Heating COPs of 3+ vs. electric baseboard COP of 1
 - Start w/bulk purchase for electric retrofits through IPA
 - Cost has been an issue, but seeing much lower costs where technology has some market traction – “chicken and egg” problem

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Utility Specific Recommendations

DCEO

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- Revisit Market Transformation objectives & offerings
 - ▣ Review what other leading jurisdictions are doing
 - ▣ SAG discussion on what should be added, subtracted or changed
- Revisit Public Housing program
 - ▣ Cost-effectiveness needs to be substantially improved
- Offer three year contracts to vendors

Ameren

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- Address substantial residential electric heat opp
 - Weatherization – not sure how much happening
 - Ultra-efficient ductless heat pumps
 - See discussion in previous slides

Nicor

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- Portion of budget going to portfolio-wide admin (~21%) seems high

Peoples/North Shore

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- Portion of savings from residential behavior programs is way too high
 - 49% NSG; 31% PG

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Q&A

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