

SAG Portfolio Planning Process

5/17/2016

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Planning Update

- Planning Overview
- IPA Update
- 8-103 and 8-104 Plan

Planning Overview

- Simultaneous planning process between IPA and 8-103/104
 - Number, size and cost-effectiveness of IPA bids have direct impact to 8-103/ 8-104 plan portfolio
 - IPA bids are confidential and can only be shared with non-financially interested parties signing an NDA for this material
 - Proposed 8-103/8-104 plan portfolio cannot be shared until discussions around IPA bids are complete
 - As in previous plans, a formal procurement process will follow commission approval of 8-103/8-104 programs
- Meetings with ICC, IPA and those signing an NDA are being scheduled during the last two weeks of May.
- Holistic planning approach for all programs implemented beginning June of 2017. Fully understanding the scope and cost-effectiveness of competitive market bids for all electric customers with demand less than 150 kW is an important first step.

Planning Design Objectives

- Fully comply with Sections 8-103, 8-104 and 16-111.5B
- IPA RFP
 - Unconstrained electric bid with only exceptions of CFLs and kits
 - Open market bid to submit residential and small business programs for three years (2017/PY10, 2018/PY11, 2019/PY12)
- For 8-103/104 plan portfolio
 - Manage customer rate classes to a similar bill impact.
 - Broad EE programs across all customer classes.
 - Serve market classes that face financial barriers to participate.
 - Strive for measures with a life beyond five years.
 - Limit measures that do not pass cost effectiveness.
 - Use gas and electric budget to appropriately draw from each funding source.
 - Consider equipment deployed upstream.

IPA Update

- 2017/PY10 IPA RFP responses delayed at the request of SAG
 - April
- Fifteen bidders
- Twenty-four bids received
 - Eight Residential
 - Sixteen Business
- As bid kWh (3 years) 1.14 billion
- As bid cost (3 years) \$175 million
- Bids were a mix of public, private or both

IPA Update

- Bids shared with IPA, ICC Staff and non-financially interested Stakeholders who have executed an NDA
- Full assessment is underway including TRC analysis

8-103 Electric

Ameren Illinois 8-103			
Budget Cap	\$57,000,000	PY10	% of Utility Budget
Utility Allocation @	75%	\$42,750,000	
Research & Development (Emerging Technologies)		\$1,282,500	3.00%
EM&V Implementation		\$1,282,500	3.00%
Portfolio Administration (Including Planning)		\$2,137,500	5.00%
Portfolio Marketing & Education		\$1,496,250	3.50%
Studies (ie Potential Studies) (External costs)			
Total Portfolio Costs		\$6,198,750	14.50%
Available Program Budget		\$36,551,250	
AIC Subtotal		\$42,750,000	75%
DCEO Allocation @	25%	\$14,250,000	25%
AIC w/DCEO Subtotal		\$57,000,000	100%
OBF - Program Management & EM&V (incl in Admin above)			

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	PY10	
	Est \$	% of Total
Residential Programs	\$14,620,500	40.00%
---- Income Qualified	\$9,000,000	
Business Program	\$21,930,750	60.00%

Spend by Rate at 2% Rate Cap	PY10		PY7 Actual	Difference	% Difference
DS1 Residential	\$15,753,589	43%	\$ 20,673,845	\$ (4,920,256)	-24%
DS2 Business less than 150 Kw	\$6,761,981	19%	\$ 5,654,802	\$ 1,107,179	20%
DS3 Business 150 Kw - 1,000 Kw	\$4,276,496	12%	\$ 2,802,925	\$ 1,473,571	53%
DS4 Business great than 1,000 Kw	\$9,759,184	27%	\$ 9,354,132	\$ 405,052	4%
DS5 Lighting Included in DS2	\$0	0%	\$ -	\$ -	
Total	\$36,551,250	100%	\$ 38,485,704	\$ (1,934,454)	-5%

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8-104 Gas

Ameren Illinois 8-104			
Budget Cap	\$15,700,000	PY10	% of Utility Budget
Utility Allocation @	75%	\$11,775,000	
Research & Development (Emerging Technologies)		\$353,250	3.00%
EM&V Implementation		\$353,250	3.00%
Portfolio Administration (Including Planning)		\$588,750	5.00%
Portfolio Marketing & Education		\$412,125	3.50%
Studies (ie Potential Studies) (External costs)			
Total Portfolio Costs		\$1,707,375	14.50%
Available Program Budget		\$10,067,625	
AIC Subtotal		\$11,775,000	75%
DCEO Allocation @	25%	\$3,925,000	25%
AIC w/DCEO Subtotal		\$15,700,000	100%
OBF - Program Management & EM&V (incl in Admin)			

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	PY10	
	Est \$	% of Total
Residential Programs	\$6,040,575	60.00%
---- Income Qualified	\$3,000,000	
Business Program	\$4,027,050	40.00%
Total	\$10,067,625	100.00%

Spend by Rate at 2% Rate Cap	PY10		PY7 Actual	Difference	% difference
GDS1 Residential	\$6,543,956	65%	\$ 5,570,517	\$ 973,439	15%
GDS2 Business AVD less than 200 therms	\$1,912,849	19%	\$ 919,567	\$ 993,282	52%
GDS3 Business AVD between 200 and 1,000 therms	\$704,734	7%	\$ 517,557	\$ 187,177	27%
GDS4 Business AVD greater than 1,000 therms	\$906,086	9%	\$ 2,648,162	\$ (1,742,076)	-192%
Delta	\$10,067,625	100.0%	\$ 9,655,803	\$ 411,822	4%

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TRC Challenges

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Plan 3 Residential Compliance Filing

Energy Efficiency	TRC	Annual MWH Savings			Annual MW Savings			Annual Therm Savings			Annual Program Costs (\$ millions)		
		PY7	PY8	PY9	PY7	PY8	PY9	PY7	PY8	PY9	PY7	PY8	PY9
RES-Appliance Recycling	1.00	4,010	3,702	3,329	0.5	0.5	0.4	0	0	0	\$1.58	\$1.46	\$1.31
RES-Behavior Modification	1.04	29,350	0	0	6.7	0.0	0.0	1,887,500	1,887,500	1,887,500	\$1.97	\$0.98	\$0.98
RES-ENERGY STAR New Homes	1.18	791	791	791	0.2	0.2	0.2	25,663	25,663	25,663	\$1.02	\$1.02	\$1.02
RES-HPwES	1.31	5,346	5,346	5,346	3.3	3.3	3.3	768,779	768,779	768,779	\$6.18	\$6.18	\$6.22
RES-HVAC	1.17	4,492	4,492	4,492	3.2	3.2	3.2	0	0	0	\$2.84	\$2.84	\$2.84
RES-Lighting	3.16	26,359	5,841	4,968	3.0	0.7	0.6	0	0	0	\$6.35	\$0.00	\$0.00
RES-Moderate Income	1.05	1,194	6,604	6,604	0.7	2.6	2.6	219,987	462,778	462,778	\$2.30	\$9.68	\$9.68
RES-Multifamily In-Unit	1.81	5,517	5,517	5,517	0.4	0.4	0.4	112,521	112,521	112,521	\$1.37	\$1.37	\$1.37
RES-School Kits	1.59	388	388	388	0.0	0.0	0.0	54,986	54,986	54,986	\$0.24	\$0.24	\$0.24
RESIDENTIAL PORTFOLIO TOTAL	1.35	77,446	32,680	31,435	18.0	10.9	10.7	3,069,436	3,312,228	3,312,228	\$23.85	\$23.78	\$23.67

Portfolio/Program TRC Challenges

- Energy prices are down since filing of the last plan
 - Power prices are down roughly 25%.
 - Natural gas prices are down roughly 40%.
- TRM savings are decreasing
 - Significant loss in air sealing savings.
 - Large reduction hours per use in commercial building lighting.

Portfolio/Program TRC Challenges

- Reductions in energy prices and savings is making it challenging to include programs that were in previous plans in our next plan. For example:

➤ Appliance Recycling TRC = 0.74

➤ Res New Home Construction TRC = 0.42

➤ Moderate Income

• 95% AFUE Furnace TRC = 0.41

• 14.5 SEER A/C TRC = 0.44

Update on Stakeholder Proposals

- Focus on Deeper Savings
 - Current Plan 4 Average Lifetime Savings
 - 14 years for electric; 13 years for gas
- Lighting
 - CFLs to LEDs
- LED Street Lighting
- Multifamily Programs
 - with emphasis on weatherization
 - MF programs running in AIC service territory from \$3M in PY6 to a budget of \$18M in PY9
 - MF measure issues
- Midstream/Upstream Measures

Update on Stakeholder Proposals

- Home Retrofit Changes
 - emphasis on low income
- Residential electric heat opportunities
- Advanced Power Strip
- Small Business Direct Install
 - Maximize comprehensiveness
 - Opportunities for joint electric-gas delivery
- Laminar Flow Aerator Measure
- Custom Program
 - Rewarding comprehensiveness
- CHP

Update on Stakeholder Proposals

- Codes and Standards
- Advanced Pay
- Voltage Optimization

Next Steps

- Continued Plan 4 development
- Resolution of issues