IL EE Stakeholder Advisory Group

Q1/Q2 Planning Meeting #5 - Day 1 & 2:

Monday, May 1 and Tuesday, May 2, 2017 10:30 – 4:30

> Midwest Energy Efficiency Alliance 20 North Wacker Drive, Suite 1301 Chicago, IL 60606

Attendee List and Action Items

Attendee List

Annette Beitel, SAG Facilitation

Ashley Palladino, SAG Facilitation

Celia Johnson, SAG Facilitation

Agnes Mrozowski, Ameren Illinois

Aimee Gendusa-English, Citizens Utility Board (CUB)

Alexis Cain, US EPA

Alison Giangrasse, CLEAResult

Amanda La Brier, City of Chicago

Andrea Inouye, Illinois Housing Council

Andrew Braatz, Nexant

Andrew Cottrell, Applied Energy Group

Andrey Gribovich, DNVGL

Anna Lising, Oracle

Anne Evans, Elevate Energy

Anne McKibben, Elevate Energy

Anne Mitchell, Rooney, Rippie & Ratnaswamy, LLP on behalf of Nicor Gas

Antonia Ornelas, Elevate Energy

Arturo Hernandez, ComEd

Ashley Munson, Illinois Environmental Council

Blaine Fox, CMC Energy

Bridgid Lutz, Nicor Gas

Chantal Jones, ComEd

Chelsea Lamar, Navigant

Cheryl A. Miller, Ameren IL

Chris Neme, Energy Futures Group, on behalf of NRDC

Chris Vaughn, Nicor Gas

Christie Hicks, Environmental Defense Fund

Clair Cowan, Seventh Wave

Craig Catallo, Franklin Energy

Dalitso Sulamoyo, Illinois Association of Community Action Agencies

Dan Bailey, Sieben Energy Associates

Dan LeFevers, Gas Technology Institute (GTI)

Dan Maksymiw, CEDA

David Brightwell, Illinois Commerce Commission ("ICC") Staff

David South, West Monroe Partners

Dean Porter, Enterprise Community Partners

Debra Perry, Ameren IL

Edith Makra, Metropolitan Mayors Caucus

Elena Savona, Elevate Energy

Emma van Beuningen, Navigant

Erin Daughton, ComEd

Erin Stitz, Applied Energy Group (AEG), on behalf of Peoples Gas – North Shore Gas (PG-NSG)

Hammad Chaudhry, Nicor Gas

Hannah Arnold, Opinion Dynamics

Jack Erffmeyer, CUB

James Carlton

Jane Colby, Cadmus

Jean Ascoli, ComEd

Jeff Erickson, Navigant

Jen Morris, ICC Staff

Jim Fay, ComEd

Jim Heffron, Franklin Energy, on behalf of PG-NSG

Jim Jerozal, Nicor Gas

John Lavallee, Leidos

John Madziarczyk, Nicor Gas

John Pady, CEDA

Jon Jackson, Ameren IL

Jonathan Feipel, on behalf of ELPC

Jordan Berman-Cutler, DCEO

Julia Friedman, MEEA

Julia Sander, Leidos

Karen Winter-Nelson, SEDAC

Kate Brown, Building Research Council, University of Illinois Urbana - Champaign

Kathy Walk, CEFS Economic Opportunity Corporation

Keith Martin, Ameren IL

Ken Woolcutt, Ameren IL

Kevin Dick, Delta Institute

Kevin Grabner, Navigant

Kim Ballard, Ameren IL

Koby Bailey, PG-NSG

Kristi Simkins, Nicor Gas

Kristol Simms, Ameren IL

LaJuana Garret, Nicor Gas

Lance Escue, Ameren IL

Laura Goldberg, NRDC

Lauren Casentini, Resource Innovations

Lauren Pashayan, Land of Lincoln Legal Assistance Foundation

Lawrence Kotewa, Elevate Energy

Leanna McKeon, Chicago Housing Authority

Leslie DeVore, DCEO

Mack Shaughnessy, Navigant

Maged Kafafy, DNVGL

Margaret Hansbrough, City of Chicago

Mark Pruitt, Metropolitan Mayors Caucus

Martha Strawser, Rockford IL

Mary Ellen Guest, Chicago Bungalow Association

McFarland Bragg II, Peoria Citizens Committee for Economic Opportunity

Michelle Rindt, Peoples Gas-North Shore Gas

Mike Brandt, ComEd

Mike Marks, AEG on behalf of PG-NSG

Mindy Browning, Embarras River Basin Agency, Inc.

Nabil Salik, DNVGL

Neil Pickard, Nexant

Nick Lovier, Ameren

Nicki Pecori Fioretti, Illinois Housing Department Authority

Noel Corral, ComEd

Noelle Gilbreath, Community Investment Corporation (CIC) Chicago

Paige Knutsen, Franklin Energy

Pat Michalkiewicz, PG-NSG

Patricia Plympton, Navigant

Peter Ludwig, Elevate Energy

Philip Mosenthal, Optimal Energy on behalf of the AG's Office

Randy Gunn, Navigant

Rev. Booker Steven Vance, Faith in Place

Rob Neumann, Navigant

Robert Hilgenbrink, Southwestern Illinois College

Sarah Edwards, Cook County

Scott Allen, Citizens Utility Board

Scott Yee, CLEAResult

Shaun Dentice, CLEAResult

Shraddha Mutyal, UIC

Spencer Skinner, Illinois Housing Department Authority

Stacie Young, CIC Chicago

Stacy Gloss, Indoor Climate Research & Training

Stefano Galiasso, Energy Resources Center, UIC

Susan Sams, Ameren IL

Suzanne Stelmasek, Elevate Energy

Tamara Dzubay, Environmental Law and Policy Center

Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas

Todd Rusk, U of I Urbana-Champaign

Travis Hinck, GDS Associates

Tyler Hammer, Nexant

Vikram Sridhar, ComEd

Vince Gutierrez, ComEd

Wael El-Sharif, 360 Energy Group

Meeting Notes and Action Items

Action items are indicated in yellow highlight.

Day 1 - Monday, May 1, 2017

Franchise Agreements:

Next steps:

1. Identify Audience

- Utilities agreed other departments in their organizations would be better contacts for this topic (ComEd – likely External Affairs, Ameren IL – likely Rates and Regulatory).
- Metropolitan Mayors Caucus (MMC) and US EPA to follow up outside of the SAG as appropriate.

Nicor Gas – Portfolio Presentation:

Summary Notes:

- Plan currently serves 734,000 customers, one third of their customer base
- Economic development and jobs impact are key objectives bulk of initial impact estimates are from Outreach program (energy saving kits) due to significant water savings (high water costs, greater cost savings for increased consumer spending)
- Low income:

- Proposed greater spending for income qualified customers than the statutory requirement.
- Will target specific territories counties/census tracts based on income.

Public sector:

- Funded at \$4 million per year.
- o Individual participants will be tracked within system
- Incentives are greater than private sector, generally comparable to what DCEO offered, though not as high.
- The public sector programs will not be separate, but a component of core commercial programs.

Outreach – Reports:

- o Reintroducing the behavioral program, which was last offered 3 years ago.
- 150,000 customers/year on average.
- 6% of budget
- Will be reviewing options with vendor to use messaging that aligns with objectives ("starting the EE journey") rather than standard messaging.
- Home Energy Efficiency Rebate Program:
 - o Adding furnace quality install, quality maintenance.
- Discussing upstream smart thermostat offer, coordinated statewide
- Emerging Technology:
 - Allocating full 3% allowed by legislation
 - Not capturing savings
- Market transformation:
 - o Currently in development, interested in discussion/feedback

Next Steps:

1. Batch File Review

- Several questions arose surrounding measure-level detail, participation levels, etc., which will be included in batch files –
 - Increase in total participants/customers from prior plan appears to be within energy savings kits, which some stakeholders would like to see balanced.
 - Single-family versus multi-family split in Low Income
- Action Item: Nicor Gas distributing batch files to non-financially interested stakeholders with a signed NDA by May 12, 2017 (approximate) for further analysis and recommendations.

Nicor Gas – Income-Qualified Presentation:

Summary Notes:

- Programs/offers closely align with DCEO offerings.
- 80% AMI is similar to 250% of the federal poverty level.

- Discrepancy between the budget calculation (16% of revenues/accounts households at or below 150% of poverty) versus percent eligible for programs (39% - incomes at or below 80% of AMI) aligns with UIC potential study
- 2 million total residential accounts approximately 330,000 are incomequalified.
- Chris Neme, on behalf of NRDC: Why is the budget 25% higher but the savings are only 10% higher?
 - Nicor Gas: Due to serving DCEO customers / income-qualified customers.
- Aimee English, CUB: Where is the income-qualified customer data from?
 - Nicor Gas: A market research firm was used to come up with this data.

Next Steps:

1. Increased budget / savings

Action Item: Small group meetings to revisit budget increase (25%) versus savings increase (10%) from prior plan.

2. Income-Qualified Customer Outreach and Marketing Best Practices

 Action Item: With success of reaching income-qualified customers within core programs, request for Nicor Gas to present to the SAG on strategies, best practices to reach this segment.

3. Grant Agreement Structure

 Action Item: Discussion needed within Economically Disadvantaged EE Advisory Committee on grant agreement structure.

Peoples Gas-North Shore Gas – Income-Qualified Presentation:

Summary Notes:

- The income-qualified pilot program began in January, with joint program offerings with ComEd.
- PG-NSG is working with DCEO vendors to continue the program after the June 1 transition.
- 42% of the total residential budget (26% of total portfolio) is proposed to be spent on income qualified customers. Details on this program will be worked out over the transition period.
 - o Action Item question: Add to the low income advisory committee?
- Kevin Dick: Does the residential retrofit budget include acquisition costs?
 - o PG-NSG: There are some additional funds available for marketing.

Next Steps:

1. Income-Qualified Program Strategy

 Action Item: Discuss with Economically Disadvantaged EE Advisory Committee.

Peoples Gas-North Shore Gas – Portfolio Presentation:

Summary Notes:

- Outreach and Education:
 - 5% of the Peoples Gas residential budget, 25% of the NSG residential budget – why the discrepancy?
- Summary of differences from prior plan:
 - Corrected assumptions on multi-family (units per building, impacted some elements)
 - Smart thermostat volumes adjusted
 - PG-NSG will share a more detailed comparison
 - Chris Neme, on behalf of NRDC, requested cost per savings (therms and lifetime therms), excluding income-qualified and public sector, in comparison
- Small business DI
 - Does not currently include heating measures, specifically programmable thermostats (only offered as a rebate).
 - Phil Mosenthal, on behalf of the IL Attorney General's Office, strongly encourages programmable thermostats in direct install

Next Steps:

1. PG vs. NSG Outreach and Education Budget Discrepancy

 Action Item: PG-NSG to respond with rationale for significant discrepancy between the two.

2. Summary of Changes from Prior Plan

Action Item: PG-NSG to distribute detailed comparison of current proposed plan to prior filing (by Tuesday, May 9, 2017), request to include cost per therm/lifetime therm comparison (excluding income-qualified and public sector).

3. Response/Follow Up to Stakeholder Requests

 Action Item: PG-NSG to review request by Phil Mosenthal, on behalf of IL Attorney General's Office, to include programmable thermostats as a direct install measure in the small business program.

Day 2 – Tuesday, May 2, 2017

Ameren IL – Portfolio Presentation:

Summary Notes:

Randy Gunn, Navigant: Can AIC explain the reduced budget?

- Ameren IL: 10 MW customers are no longer eligible. The price of energy also changed in 2015 and differs from ComEd's territory.
- Savings targets are "lumpy" because goals change over the 4-year period.
 - Ameren IL looking to achieve cumulative over 4-years.
 - On average, if evenly distributed, savings would be 375,000 MWh annually.
 - Legislation causing discrepancies year-to-year expired savings, EISA savings impact, behavior modification degradation
 - In 2021, all self-direct customers are out and cannot opt back in (new legislation).
- Business/residential is currently a 65/35 split.
- There is a new gas focus on the small business program.
- Public Sector:
 - Ameren IL owns the majority of street lights. The utility is pursuing a street lights on burnout program, with LED replacements. Those savings are not reported as part of the EE goal. Budget is not coming from EE – budget is coming from base rate and O&M investments.
 - Customer messaging needs to be addressed "For my business" may not be intuitive to public sector.
 - Significant opportunity for Ameren IL existing utility outreach to engage with public sector (gas safety, fire houses, etc.)
 - Enhanced incentives will be offered on select measures, Waste Water Treatment (WWT) – "enhanced incentives" is not limited to rebate amounts, but will include enhanced funding allocations to public sector (e.g. staffing grants)
- Staffing grants
 - \$ to manage projects at a facility or group of facilities.
 - These grants typically have a 2-year timeframe.
 - Feedback requested on specific challenges/barriers/considerations for public sector.
 - Grants must be attached to EE projects, with savings estimates that must be realized.
- Third Party electric EE (new legislation):
 - The budget for third party programs fits within the spend limit.
 - There is flexibility to identify what is in the RFP, such as residential/business split. This process, program structure, sectors have not been figured out yet.
 - Competitive bid process to be established.
 - There is risk and there could be disruption to EE programs due to delay in start until 2019, and 1-year contracts. Initial objective is to select programs

- that are least complex, that can withstand timeframe constraints and transitions.
- The structure will be laid out in the upcoming filing but all issues do not need to be resolved at this point.
- SAG will dedicate time to discuss proposals, plans, feedback.

Next Steps:

1. Adjustment to EISA Impact

- Confirmed impact should be applied 1/1/2021, not 1/1/2020.
- Action Item: Ameren IL to update from 1/1/2020 impact to 1/1/2021.

2. Terminology for Public Sector Participants

- Stakeholder recommendation to revisit "For your business"
 language, as it may not be intuitive to all public sector participants.
- Action Item: Ameren IL will conduct a larger marketing effort to address Public Sector.

3. Staffing Grants

- Pastor Vance, Faith in Place: Interested in where staffing grants have been completed in Ameren IL territory, specifically for small business customers. Where is marketing needed?
- Ameren IL: Will provide this information. Does not have many small business examples yet. Staffing grants started a few years ago, targeting large users first.
- Action Item: Ameren IL to provide follow up on where staffing grants have been utilized geographically.
- Action Item: Ameren IL requested feedback on considerations for public sector staffing grants; Stefano Galiasso, ERC, other DCEO implementers to discuss.

4. Third-Party Programs

- Chris Neme, on behalf of NRDC: SAG time and resources should be dedicated to this following the upcoming EE Plan filings. SAG should also discuss contract structure.
- SAG Facilitation to add to action items list for SAG planning.
- Ameren IL request for thoughts/ideas on this process.
- Action Item: SAG facilitation will allocate time to SAG meetings post-filing.

5. Potential to Reach Statutory Goals

- Chris Neme, on behalf of NRDC, would like to review scenarios, potential to reach statutory goals.
 - Has analysis on different programs been completed on the portfolio? If not, would Ameren IL be willing to complete this

analysis? Can this analysis be shared (bottom up specifically)?

- o Ameren IL: This is a legal question; there are various requirements in the statute such as offering a broad range of program, achieving statutory goals, etc. Ameren IL can't speak to whether one should be prioritized over another. Ameren IL has reviewed different scenarios, both top down and bottom up. It's a lengthy and challenging process. Ameren IL isn't sure if the files are in shape to share; will discuss internally. Ameren IL would like specific recommendations and can model that way.
- Phil Mosenthal, on behalf of IL AG: It would be helpful to see what the options are to reach goals.
 - Action Item: Ameren IL will review bottom-up analysis and check on whether it can be shared. Chris N. and Phil M. will work on a set of recommendations for Ameren IL.

Ameren IL – Residential and Income-Qualified Presentation:

Summary Notes:

- "Deep retrofit" Ameren IL likes the definition of "Comprehensive Efficiency" that is in the IL EE Policy Manual.
- The Ameren IL residential portfolio has a heavy low/moderate income focus.
 Low/moderate income programs are more than double the statutory requirement.
- Pastor Vance, Faith in Place: What is the low/moderate split?
 - Ameren IL: The statute defines low income. Low to moderate income is mostly "low" in the service territory.
- Thermostats:
 - Standard Programmable as a rebate Chris Neme, on behalf of NRDC, expressed concern about offering this as a rebate due to high free ridership (DI is acceptable).
 - Recommendation to consider smart thermostats 3x the savings and 3x the incentives (of a standard programmable), even with 5x the cost could have potential.
 - Smart thermostats are often easier than a standard programmable to use, does not have same barriers as standard programmable.
- Heat pumps:

 Ductless mini-split potential – Chris Neme, on behalf of NRDC, recommended consideration due to significant heating load savings for electric-heat customers.

Retail products:

- o Introducing white goods in 2020 due to lighting changes.
- Bulb mix comparisons:
 - How does the current bulb mix compare to the new plan, for consideration in planning for EISA changes?
 - PY9: 1.7M standard, 350K specialty
 - 2018: 2.2M total bulbs (mix needed)

Circulating pumps:

- Chris Neme, on behalf of NRDC, recommended consideration of an statewide upstream circulating pump measure.
- Ameren IL potential study found only 2% of customers have application (hydronic heating)

Appliance Recycling:

PHA and Weatherization contractors, who will be in customers' homes,
 will be trained to identify and engage customers on recycling program

Multi-Family

- Income qualified options both income-qualified and public housing (nonincome qualified program will also be offered)
- Income-qualified customers living in non-income qualified properties will receive the same free DI; income-qualified properties will be eligible for enhanced common area incentives but tenants receive same offers.
- Phil Mosenthal, on behalf of IL AG's Office How will customers be income qualified for multifamily?
 - Ameren IL: Would like to use demographic data. It's very difficult to get income data on rental properties.

Income Verification:

- o What support is available to customers?
- Several avenues for customer support, such as the customer service call center, website, etc.

All electric customers:

- Budget constraints limit what can be offered
- Customer base has been well saturated, based on feedback from prior implementer offering all-electric services discontinuing program

Income-qualified incentives:

 There will be enhanced initiatives on a few measures for income qualified customers. The full cost of a measure will not be replaced unless there is a health or safety issue.

- The intent is to go to Community Action Agencies first to provide extra funding for weatherization. Ameren IL would like to supplement what is already occurring.
- o Intent is to make on bill financing available for income qualified customers.
- New construction for affordable housing is not a planned program.
- Jobs impact and considerations:
 - How many additional providers are needed/what is the gap in providers with the increase in weatherization funding?
 - Not yet determined
 - Ameren IL is looking to engage local community action agencies, other local organizations to hire, aligned with the diversity of the area

Next Steps:

1. Smart Thermostats for Income-Qualified Customers

- Select stakeholders encouraged Ameren IL to consider including smart thermostat rebates and DI for income-qualified customers.
- Action Item: ENERGY STAR specifications and energy savings estimates:
 - ENERGY STAR Smart Thermostats (General):
 https://www.energystar.gov/products/heating_cooling/smart_thermostats
 - Press Release: Indicates 8% average savings (not fuel-specific, applies to both heating and cooling).
 https://www.energystar.gov/about/content/energy_star_ends
 https://www.energystar.gov/about/content/energy_star_ends
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• Product Requirements:

https://www.energystar.gov/sites/default/files/asset/documen t/ENERGY%20STAR%20Program%20Requirements%20for %20Connected%20Thermostats%20Version%201.0.pdf

Qualified Products:

https://www.energystar.gov/productfinder/product/certified-connected-thermostats/results

2. Review Ductless Mini-Split Potential

- Chris Neme, on behalf of NRDC, requested Ameren IL to consider including ductless mini-splits for electric-heating customers.
- Action Item: ENERGY STAR specifications and energy savings estimates:

3. Support for Income-Qualified Customers

 Action Item: Follow up discussion on support for customers in the Economically Disadvantaged EE Stakeholder Advisory Committee.

4. Bulb Mix Forecast and Comparison (historic versus 2018-2021)

Action Item: Ameren IL to provide bulb mix (omni directional to specialty) for review, in consideration of EISA changes.

5. Statewide Upstream Circulating Pump Potential

Action Item: Ameren IL and ComEd to coordinate (ComEd indicated measure is being considered).

6. Income-qualified multi-family eligibility

 Action Item: Follow up discussion on multi-family eligibility and verification process in the Economically Disadvantaged EE Stakeholder Advisory Committee.

7. Jobs impact / staffing needs / hiring and training opportunities for increased weatherization funding

 Action Item: Follow up discussion on jobs, training, economic development support in the Economically Disadvantaged EE Stakeholder Advisory Committee.

8. Comparison of current income-qualified budget to DCEO filed plan

 Action Item: Chris Neme, on behalf of NRDC, requested budget comparison.

ComEd – Income-Qualified Presentation:

Summary Notes:

- Budget is currently at \$39M (\$33M in incentives), above the statutory requirement of \$25M. Anticipate additional funding to be allocated.
- Supportive Housing program mostly HUD-subsidized, whole building retrofits
- Energy Savings Kits distributed to customers who have applied for weatherization assistance, through food pantries (approximately 400K customers)
- Lighting Discounts, Income-Eligible enhanced rebates offered in incomeeligible communities, up to 100% of the IMC
- Behavioral Program piloted under Emerging Technologies (not incomeeligible budget) without claimed savings – evaluating due to low savings found with MidAmerican

Next Steps:

1. Final Numbers

Action Item: ComEd locking in portfolio by May 15, 2017.

General Discussion – Income-Qualified Programs:

1. Terminology

- Income qualified, income eligible, low income, economically challenge, economically disadvantaged. Preference to stay away from "low income."
- Consider statewide alignment.
- Action Item: Revisiting in the Economically Disadvantaged EE Advisory Committee meeting – May 23rd, June 6th; stakeholders asked to consider preferences/options.

ComEd – Portfolio Presentation:

Summary Notes:

- 3rd party cost proxy is set at 50 cents per kWh for planning purposes; this
 may change.
- Measure lives will increase once weatherization for income-qualified customers are addressed.
- Plan to balance portfolio with programs at or below \$0.36/kWh
- Chris Neme, on behalf of NRDC: What is the forecast mix for lighting discounts? How has it changed?
 - ComEd: The program is continuing as usual, but discussing the switch to specialty lighting. In PY9, out of 9 million bulbs, 2/3 are omni-directional.
 - Expect 40% drop in savings from EISA in 2021.
- Public Sector:
 - Budget at 10% of portfolio (mandated)
 - o The higher measure life for public sector is due to LED street lighting.
 - SEM, Industrial, Facility Assessments will be offered (still need to be built out)
 - Phil Mosenthal, on behalf of IL AG: ComEd should consider promoting controls for LED street lighting, including incentives or free services on lighting design.
 - Conducted study of national programs and based on findings, public and private sector incentive levels remain the same (Esource, CEE, program surveys); may offer public sector-specific offers (WWT) but not larger incentives.
- Retro-commissioning 4.7 measure life appears low; ComEd studying to increase.
- Custom built into "Incentives" in presentation
- Chris Neme, on behalf of NRDC: ComEd should consider offering circulator pumps; potentially in a joint third party program with Ameren IL.
 - ComEd: Considering this for a 3rd party RFP.

Next Steps:

1. Final Numbers

Action Item: ComEd locking in portfolio by May 15, 2017.

2. Street Lighting Controls, Design Assistance

 Action Item: Phil Mosenthal, on behalf of IL AG's office, encourages ComEd to consider street lighting control incentives, and incentives/assistance for lighting design.

3. Circulating Pumps

 Action Item: Chris Neme, on behalf of NRDC, encourages ComEd to consider circulating pump measure (jointly with Ameren IL, upstream).

General Discussion:

Next Steps:

1. Stakeholder Feedback

Action Item: SAG participants are encouraged to provide questions and feedback as soon as possible for all utility programs: Ameren IL, ComEd, Peoples Gas – North Shore Gas, and Nicor Gas. Feedback is due to SAG Facilitation (or to utilities, CCing SAG Facilitation) by COB on Friday, May 5 – ashley.palladino@futee.biz.