

Ameren Illinois SAG Update

Third Party RFP as Approved in 17-0311

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02.25.19



AIC Third-Party Energy Efficiency Programs

Requirements of the Statute 8-103B(g)(4)

- AIC third-party energy efficiency programs budget: \$8.35 million per year.
- Bid in 2018 for one or more of the years with implementation commencing January 1, 2019.
- Company required to conduct a solicitation process and identify the sector, technology or geographical areas for which it is seeking bids.
- Bidder qualifications, performance measurement process, and contract structure were subject to Commission approval.
- Company retained an independent third-party to score the bids received through the process.



AIC Third-Party Energy Efficiency Programs

Approved Framework for AIC Third-party Programs (ICC Docket No. 17-0311)

- Modeled spending of \$8.35 million, on third-party programs, annually 2019 through 2021 with a first year cost of approximately \$0.17-\$0.20/kwh
- Four key criteria for the third-party programs proposal
 - 1) be independent of other market/ally engagement strategies/programs and easily stand alone;
 - 2) able to benefit from a competitive solicitation, i.e., innovation and/or pricing reductions;
 - 3) be independent of community-based strategies; and
 - 4) be capable of attracting national firms to bring expertise or leverage to the Ameren Illinois market.
- Measures in the Residential Retail Products Initiative, Residential Direct Distribution Efficient Products Initiative and Business Standard Initiative, delivered through national retailers and online stores



AIC Third-Party Energy Efficiency Programs

- **Objectives of the this Approach**

- Find the best vendor, with strong national and regional retailer relationships, and an established history of running effective programs
 - Address significant “disruption” in traditional retail sales channels
 - Bring new, innovative practices to online sales and integration of technology to brick and mortar locations
 - Provides efficiency of multi-year contract
- Effective approach to using limited funds to achieve up to 15% of the 2019 annual energy savings targets
 - Serve all AIC customers eligible to participate in the three initiatives (or any new initiative bid)



AIC Third-Party Energy Efficiency Programs

Process

Identified independent evaluator CADMUS to:

- Develop and finalize RFP based on Staff, AIC and stakeholder input
- Issue RFP and perform outreach to potential bidders
- Conduct bidders call and provide equal access of information to all bidders
- Develop timeline for submission of questions and proposals
- Communicate submission requirements, evaluation criteria and weighting factors
- Score bids and provide written report of recommendations and results



Savings Targets and Budgets Addressed by RFP

Initiative	2019 Savings	2020 Savings	2021 Savings	Total
Residential - Retail & Online Sales of Efficient Products	60,000 MWh	38,000 MWh	32,000 MWh	130,000 MWh
Residential - Direct Distribution of Efficient Products	1,500 MWh	1,500 MWh	1,500 MWh	4,500 MWh
Business - Online Sales of Efficient Products	1,650 MWh	875 MWh	875 MWh	3,400 MWh
Program Total Net Savings	63,150 MWh	40,375 MWh	34,375 MWh	137,900 MWh
Annual Budget	\$8.35 million	\$8.35 million	\$8.35 million	\$25.05 million
First Year Cost/kWh	13.1 ¢/kWh	20.6 ¢/kWh	24.1 ¢/kWh	19.3 ¢/kWh



AIC Third-Party Energy Efficiency Programs

SAG Feedback on RFP included:

- Review by CUB
- Comments/review from Staff (J. Morris)
- Comments/review from NRDC (C. Neme)
- Review by Office of Attorney General
- Meeting with interested Stakeholders held on Monday August 13th
- Posted on SAG website and other locations at the end of August



AIC Third-Party Energy Efficiency Programs

Timeline

RFP Release Date	August 27, 2018
Pre-Bid Bidder(s)' Conference Call	September 4 , 2018
Bidder Questions Deadline	September 10, 2018
Responses to Questions Issued	September 13, 2018
Intent to Bid Due	September 10, 2018
Bidder Proposal(s) Submission Due	September 24, 2018
Proposal Review*	September 24– October 26, 2018
Notification of Bid Selection(s)*	October 26, 2018



AIC Third-Party Energy Efficiency Programs

CADMUS Summary of Bids

- 8 Bids Total
 - 1 Retail Products Initiative Aligned with Plan
 - 3 School Kit Bids
 - 2 with very similar price
 - 1 higher in comparison to other two
 - 2 Behavior Programs – Both Competed with Existing Residential and Behavior Initiatives
 - 2 Community Kit Distribution Initiatives
 - Both relatively expensive and duplicative of our current program using community action agencies



Table 4. Key Details for Bids Received

Bidder	Initiative	Description	Target Market	Participation
NEF	School Kits*	Take-home kits delivered in school to 5 th to 8 th graders	Households in communities under 300% of FPL	22,500 households
National Children's Theatre (NTC)	School Kits*	Educational in-school program, followed by opt-in water-heater fuel-specific mailed kits	Households with kids in school	26,100 households
CLR	Residential Retail Products	Upstream discounts, downstream appliance rebates; online marketplace; instant rebate coupon	All residential consumers	6+ million LEDs; 328,000 non-lighting measures
CLR	School Kits*	Take-home kits delivered in school to 3 rd to 4 th graders or to 5 th to 8 th graders	Schools with 55% low-income students	30,000 households
CLR	Low-Income Community Products Distribution*	Efficient products delivered through food pantries; participants allowed to choose from selection of kits-type measures (LEDs make up 89% of savings)	Low-income households (at/below 185% of FPL)	Approx. 150,000
UIC-ERC	Low-Income Kits*	Kits offered free to families visiting CAA offices to sign up for services	1 to 4 unit homes, at or below 250% of poverty level	60,000 households
<u>Bidgely</u>	AI Targeting	AI disaggregation of meter data recommend actions	Residential high-consumption	13,500 households
Power Takeoff	Commercial <u>MBCx</u>	AMI data-based commissioning	Small and medium businesses	138 businesses

*Net savings calculated by Cadmus using standardized per-unit values. See discussion in Level 4 Review Approach section.

AIC Third-Party Energy Efficiency Programs - Scoring Framework

Category	Weight	Maximum Score	Proposal Requirements to Achieve Maximum Scores
Accurate Savings	2	9	Savings documented; Assumptions conform to TRM if applicable; Supporting evidence for non-TRM assumptions
Reasonable Savings	3	12	Participation estimates reasonable based on experience of similar programs; Detailed explanation for participation estimates if not in line with similar program; Discussion of risk and how risks will be managed
Accurate Pricing	2	9	Pricing is consistent with proposed participation; Costs fully itemized; line items discussed in detail in narrative
Reasonable Pricing	3	40	\$/kWh is within $\pm 15\%$ of average across proposals; Labor estimates are reasonable; Budget based on pay-for-performance mechanism
Program Management	1	75	Narrative provides satisfactory approach for: scheduling, intake/processing, subcontractor management, partner training, safety, customer relations, monitoring customer satisfaction, data collection and storage, reporting, KPI tracking, and coordination with AIC
Experience	2	15	Past experience with similar programs; Proposal documents market experience; Proposal documents management experience
Key Staff	1	15	Top staff have experience with similar programs; Identifies specific individuals for most positions; Staff based in IL (if applicable)
Diversity	3	5	At least 19% of budget directed to minority/women owned businesses
Maximum Overall Score		327	



AIC Third-Party Energy Efficiency Programs

- Retail Products Initiative
- 1 School Kit Program

Bidder	Initiative	TRC	\$/kWh (First Year)
CLR	Residential Retail Products	2.45	\$0.20
NEF	School Kits	4.83	\$0.37





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