

Illinois Energy Efficiency Stakeholder Advisory Group
Low/Moderate Income Follow-Up Call – Attendee List and Meeting Notes – 3/9/2016

Attendee List:

Celia Johnson, SAG Facilitation; Koby Bailey, Peoples Gas – North Shore Gas; Rick Bain, Embertec; Roger Baker, ComEd; Serj Berelson, Opower; Andy Braatz, Nexant; Hammad Chaudhry, Nicor Gas; Andrew Cottrell, AEG; Deirdre Coughlin, IL Department of Commerce and Economic Opportunity; Wael El-Sharif, 360 Energy Group; Julia Friedman, MEEA; Stefano Galiasso, ERC/UIC; Keith Goerss, Ameren IL; Laura Goldberg, CUB; Jeffrey Greenberger, Affordable Community Energy; Mary Ellen Guest, Historic Chicago Bungalow Association; Margaret Hansbrough, City of Chicago; Ashley Harrington, 360 Energy Group; Gabe Klooster, Elevate Energy; Paige Knutsen, Franklin Energy; John Lavalley, Leidos; Daniel LeFevers, GTI; Molly Lunn, Department; Karen Lusson, IL AG; Bridgid Lutz, Nicor Gas; John Madziarczyk, Nicor Gas; John Mansfield, CLEAResult; Keith Martin, Ameren IL; Pat Michalkiewicz, PG-NSG; Cheryl Miller, Ameren IL; Anne Mitchell, on behalf of Nicor Gas; Jennifer Morris, ICC Staff; Sharon Mullen, Navigant; Shraddha Mutyal, ERC/UIC; Sue Nathan, AEG, on behalf of PG-NSG; Rob Neumann, Navigant; Anthony Star, IPA; Suzanne Stelmasek, Elevate Energy; Chris Vaughn, Nicor Gas; Kate Brown, University of Illinois; Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas; Stacie Young, Community Investment Corp.; Kim Ballard, Ameren IL.

Low and Moderate Income Follow-Up Call	
Discussion Question	Comments / Questions
<p>1. Program Coordination – what are effective guiding principles for coordination of low income programs for IL Department of Commerce and Economic Opportunity and utility programs?</p> <p><i>Molly Lunn (IL Department of Commerce) to finish her presentation from the January SAG meeting.</i></p>	<ul style="list-style-type: none"> • The need is great for low income customers. The IL AG proposal is for utilities to offer low income programs in coordination with the Department. • Utilities are encouraged to invest in existing programs and work with existing Department low income implementers. Existing implementers have relationships with low income customer groups. The Department is meeting individually with utilities and mapping out next steps. • The Department will need to coordinate closely with the utilities on programs, because there is potential for duplication in the marketplace. The best way to address this is through program design, implementers, marketing, and evaluation of programs. • Cost/effectiveness – an issue to be discussed is how to balance the goal of maximizing C/E, but move toward deep retrofits. • Utilities are considering working with current implementers and support this idea. However, flexibility should be maintained, depending on the program/market to be served. There are other implementers that can offer unique ideas; there may be other models out there. <p>Action Item: The Department is interested in sharing a tracking chart during the April SAG meeting on utility low/mod EE program offerings, subject to check with the utilities (utilities will present preliminary portfolios in March).</p>

Illinois Energy Efficiency Stakeholder Advisory Group
Low/Moderate Income Follow-Up Call – Attendee List and Meeting Notes – 3/9/2016

Low and Moderate Income Follow-Up Call	
Discussion Question	Comments / Questions
<p>2. Is income qualification needed for low income programs, or could programs be guided in a different manner (such as through census tract)?</p> <p><i>Molly Lunn (IL Department of Commerce) to review and share a response.</i></p>	<ul style="list-style-type: none"> • Implementers should determine which areas to target for low income programs, and should not require additional income verification from customers. • Certain Department programs need to utilize additional income verification due to the other programs that require verification. • Coordination is important; it is important to follow the procedures that existing low income program implementers use. <p>Action Item: Elevate Energy to share heat maps on low income for City of Chicago.</p>
<p>3. How are “low income” and “moderate income” customers defined for energy efficiency programs?</p> <p><i>Stacie Young (Community Investment Corp.) to provide an overview of the chart on page 4, with income data based on the Chicago metro area.</i></p>	<ul style="list-style-type: none"> • It is difficult to target a specific annual salary, as there is a range of low income and/or moderate income customers. • What constitutes “low income” for rent / affordable housing varies depending on the area of the state. • This topic needs further discussion with the Department and utility planners. <p>Action Item: Molly Lunn, IL Department of Commerce, will work with the utilities and propose customer definitions for “low income” and “moderate income” programs, to be presented at the April SAG meeting.</p>
<p>4. What percent of residential customers are defined as “low income” and “low-mod” income, and how much budget should be set aside based on this information?</p> <p><i>See chart estimates on page 5 document, with % based on ERC/UIC analysis.</i></p>	<ul style="list-style-type: none"> • Existing Department programs serve up to 250% of the poverty level. However, the Department sets the budgets based on 150% of the poverty level. • On option proposed is for the utilities and the Department to split which customers are served. However, it’s difficult from an implementation standpoint to split customers; such as serving only 150% of the poverty level. <p>Action Item: How many homes per year does the Department serve? How many customers are served by 80% AMI vs. 150% of the poverty level? Molly Lunn to follow-up.</p>

Illinois Energy Efficiency Stakeholder Advisory Group
Low/Moderate Income Follow-Up Call – Attendee List and Meeting Notes – 3/9/2016

Low and Moderate Income Follow-Up Call	
Discussion Question	Comments / Questions
<p>5. How are utilities identifying “low income” and “moderate income” customers? How is utility revenue calculated for these customers?</p> <p><i>Utilities to respond.</i></p> <p>o How does the mix of multi-family housing impact low and low-mod budget allocations? For example, if low/low-mod Multi-family buildings are classified as Commercial accounts (as opposed to Residential), shouldn't that impact the budgeting for low and low-mod?</p>	<ul style="list-style-type: none"> • The question of how to identify customers is still under consideration. • Joint programs is a consideration; gas/electric budget availability. • Nicor Gas has completed a customer analysis to inform this question. • Ameren IL's program serves customers up to 300% of the poverty level, based on the number of people in the home. • There are significant multifamily buildings out there that are unsubsidized but offer affordable housing (unsubsidized housing do not receive any grants). Suggestion: The utilities should consider targeting the areas where those buildings exist. This is an important customer segment, because the vast majority of affordable rental housing does not receive any subsidy.
<p>6. Are there customer gaps?</p> <p><i>Molly Lunn (IL Department of Commerce) to share a response to this question.</i></p>	<ul style="list-style-type: none"> • Yes. Two examples are gaps in customer education and availability of gas budget.
<p>7. What is the need of customers? How can we match that need with offerings? (For example: Do these customers need a different kind of programming, or different marketing to convince them to participate?)</p> <p><i>Group discussion.</i></p>	<ul style="list-style-type: none"> • Utilities should look at existing Department of Commerce programs as a starting point. • Building owners with rental housing need additional assistance. The needs of building owners in low income neighborhoods differ. Once you have your foot in the door, the EE program needs to do as much as possible to get to a deep retrofit. <p>Do existing programs have an educational component for residents, to reach them directly instead of only through building owners?</p> <ul style="list-style-type: none"> • Some Department implementers do this now; however the Department is looking at increasing educational outreach in the next EE Plan.

Illinois Energy Efficiency Stakeholder Advisory Group
Low/Moderate Income Follow-Up Call – Attendee List and Meeting Notes – 3/9/2016

Low and Moderate Income Follow-Up Call	
Discussion Question	Comments / Questions
<p>8. Cost-effectiveness: Can IL Program Administrators exclude low income programs from the TRC Test? (Overall results?)</p> <p><i>Utilities and Department to respond.</i></p>	<ul style="list-style-type: none"> The specific question is whether the dollars spent related to low income programs need to be included in the portfolio-level TRC calculation. Responses to this question were both yes and no: 1) No - Per the statute, any programs classified as low income are excluded from the C/E requirement. 2) Yes – low income should be included in the portfolio TRC. However, a portfolio TRC with and without low income programs should be shown for the purposes of the planning discussion. Programs that target customers above low income should not be excluded. How much this impacts the portfolio TRC depends on the budget spent. Low energy prices impact cost-effectiveness. The Department includes low income in the portfolio TRC, and the portfolio is above 1.0. This information is broken out in the cost-effectiveness report. <p>Action Items: 1) Utilities to follow-up with attorneys on the C/E statutory question; and 2) Parties are interested in reviewing the Department PY6 TRC Report. SAG Facilitation to check SAG website and upload.</p>
Additional Questions/Comments?	<ul style="list-style-type: none"> Suggestion: Utility and Department programs should pursue deeper retrofits. Suggestion: Non-Energy Benefits (NEBs) should be included for low income programs. The Department currently runs cost-effectiveness analysis with and without NEBs, and with both discount rates. NEBs can make a difference in C/E. NEBs categories will be reviewed by the Policy Manual Version 2.0 Subcommittee.

Illinois Energy Efficiency Stakeholder Advisory Group
Low/Moderate Income Follow-Up Call – Attendee List and Meeting Notes – 3/9/2016

Chart estimates for Question 4:

Low Income Customer Need by Utility Territory (<80 AMI)			
<i>Utility Territory</i>	<i>EPY7/GPY4 Residential Expenditures*</i>	<i>% of Low Income Customers (<80 AMI)***</i>	<i>Est. Total Low Income Customer Need (<80 AMI)</i>
Ameren IL**	\$ 27,807,801	42.0%	\$ 11,679,276
ComEd	\$ 33,139,184	40.1%	\$ 13,288,813
Nicor Gas	\$ 14,657,074	32.9%	\$ 4,822,177
North Shore Gas	\$ 1,705,278	27.8%	\$ 474,067
Peoples Gas	\$ 8,676,116	47.6%	\$ 4,129,831
<i>Est. Total Low Income Customer Need (per Program Year)</i>			\$ 34,394,164

Low Income Customer Need by Utility Territory (<150% poverty)			
<i>Utility Territory</i>	<i>EPY7/GPY4 Residential Expenditures*</i>	<i>% of Low Income Customers (<150% poverty)***</i>	<i>Est. Total Low Income Customer Need (<150% poverty)</i>
Ameren IL**	\$ 27,807,801	23.0%	\$ 6,395,794
ComEd	\$ 33,139,184	21.0%	\$ 6,959,229
Nicor Gas	\$ 14,657,074	14.9%	\$ 2,183,904
North Shore Gas	\$ 1,705,278	11.7%	\$ 199,517
Peoples Gas	\$ 8,676,116	28.6%	\$ 2,481,369
<i>Est. Total Low Income Customer Need (per Program Year)</i>			\$ 18,219,813

*Residential portfolio budget data pulled from Q4 reports for the last Program Year, using expenditures.

**ERC/UIC data for Ameren Electric used for illustrative purposes.

***Based on ERC/UIC analysis: Number of Households by Poverty Criteria and Utility Territory (see October 2015 Meeting Materials follow-up; slide 12).