

1ST QUARTER REPORT

Program Year 2019 | 01.01.19 – 3.31.19

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Data presented in this document is based on preliminary results and is subject to revision and evaluation adjustments. Ameren Illinois Energy Efficiency is funded by Ameren Illinois customers in compliance with Illinois Public Act 95-0481.

PORTFOLIO SUMMARY

Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”) provides this quarterly report for the period of January-March 2019 pursuant to Section 6.5 of the Illinois Energy Efficiency Policy Manual Version 1.1 (effective Jan. 1, 2018). Consistent with Section 6.5, Ameren Illinois provides this report using a common template developed in collaboration with other Illinois utilities and stakeholders and designed to provide the categories of information set forth in Section 6.5(i)-(vii). The information in this quarterly report may be based on preliminary results and will be assessed for revision, evaluation and adjustment quarterly, with updates and changes being made on a quarterly basis. As set forth in Section 6.5, interested stakeholders should raise any questions regarding the programs addressed in this report through the Illinois Stakeholder Advisory Group process or with Ameren Illinois directly, including to identify any updates or changes made since prior reports. As has been done previously, AIC will address questions, when practicable, through the appropriate channels, including updates to this report.

- » **Through Q1, the portfolio has achieved 16% of its electric PY2019 forecast¹ of 361,297 MWh and 23% of its gas PY2019 forecast of 3,524,551 therms.**
- » Ameren Illinois Chairman and President, Richard Mark, received MEEA's 2019 Leadership Award at the 15th Annual Inspiring Efficiency Awards event held in February, 2019. The award was based on Mark's leadership of implementing a ground-breaking initiative to open access to energy efficiency programs for moderate- to low-income customers.
- » Ameren Illinois received MEEA's 2019 Education Award for the Ameren Illinois Opportunities Scholarship Program at the 15th Annual Inspiring Efficiency Awards event held in February.
- » Beginning in March of 2019, and new in PY2019, is the option for Program Allies to receive incentives via direct deposit. Thirty-two Program Allies (eighteen with work in the Residential Program and fourteen with work in the Business Program) receive incentives deposited directly into their accounts, creating a 50% reduction in the time it takes to pay Program Allies by check. In the first month, over \$1.7 million in incentives were paid through direct deposit.
- » In 2019, Ameren Illinois will begin reporting on the savings achieved by its Voltage Optimization (VO) program. Ameren Illinois has committed to prioritize implementation of VO on circuits serving low-income utility customers.

PY2019 PORTFOLIO SUMMARY

Actual Net MWh YTD.....	58,019	Diverse Vendor Spend YTD.....	\$ 2,700,000
Actual Net therm YTD.....	804,035	Program Ally Diverse incentive Spend YTD...	\$ 2,803,000
PY2019 MWh Forecast.....	361,297	Income Qualified Incentive Spend YTD.....	\$ 4,871,139
PY2019 Therm Forecast.....	3,524,550	PY2019 Actual Spend YTD.....	\$ 21,014,947
PY2019 MWh Filed Goal.....	356,783	PY2019 Spending Cap.....	\$ 114,050,000
PY2019 Therm Filed Goal.....	3,524,550		

¹ The forecasts identified herein reflect the implementation forecast for the current plan year.

PY2019 YTD ENVIRONMENTAL IMPACT



9,329

CARS OFF THE ROAD



51,715

ACRES OF TREES PLANTED



43,938

CARBON REDUCTION (TONS)



5,261

HOMES POWERED FOR 1 YEAR

RESIDENTIAL PROGRAM

PORTFOLIO-LEVEL NARRATIVE

The Residential Program includes eight initiatives that address key electric and natural gas end-uses in single family homes and multifamily properties. The Residential Program offers a range of educational opportunities and incentives for consumers to implement a series of energy efficiency improvements. Direct installation initiatives, targeted primarily to low- and moderate-income customers, are designed to achieve reductions in energy consumption within participants' homes through the installation of low-cost energy savings measures followed by comprehensive weatherization services. Each initiative is a potential entry point for consumers into the Program, which is structured to facilitate cross-promotion between initiatives and maximize participation.

Ameren Illinois' large geographic service territory encompasses over 43,000 square miles and serves more than one million residential customers of which over 640,000 receive both electric and gas service.

» **Through Q1, the Residential Program has achieved 15% of its electric PY2019 forecast of 108,915 MWh and 11% of its gas PY2019 forecast of 1,084,855 therms.**

» A summary report on the various residential initiatives follows.

RESIDENTIAL BEHAVIOR MODIFICATION INITIATIVE

Overview: The Behavior Modification Initiative generates both electric and natural gas energy savings by empowering consumers to make better-informed decisions regarding their energy use. Customers receive feedback regarding their energy consumption relative to similar homes and individually customized energy savings tips based on their energy usage patterns, housing characteristics, and demographics. Feedback is delivered by mail, email, and interactions with a customized website.

Q1 UPDATE:

- » **45 net MWh and 39,133 net therm savings achieved (1% and 38%, respectively, of forecast).**
- » The initiative has reached over 40,000 participants.
- » In comparison to PY2018, customer use of the online portal has increased nearly 60%.
- » Training and additional access was made available by the vendor providing Ameren Illinois marketing specialists the ability to cross-promote several initiatives within the Residential Program.

RESIDENTIAL DIRECT DISTRIBUTION OF EFFICIENT PRODUCTS INITIATIVE

Overview: The Direct Distribution of Efficient Products Initiative primarily targets students in grades 5 through 8 providing energy education to influence families' energy behaviors. Teachers receive energy education curriculum and training by a qualified professional. Students are provided with a 'take-home' kit that raises awareness about how individual actions and low-cost measures can provide reductions in electricity, natural gas, and water consumption. Additional kits are distributed through community and other outreach efforts.

Q1 UPDATE:

- » **261 net MWh and 13,373 net therm savings achieved (8% and 15%, respectively, of forecasts).**
- » Nearly 40 schools were registered for presentations with approximately 3,500 students expected to participate in the education and training sessions.

RESIDENTIAL PROGRAM

RESIDENTIAL RETAIL PRODUCTS INITIATIVE

Overview: The Retail Products Initiative intervenes at the point of sale to encourage residential customers to purchase high efficiency products through “brick and mortar” retail stores and online e-commerce sites. Customers receive instant discounts and/or mail-in cash rebates as an incentive to upgrade to ENERGY STAR® and other qualified high efficiency lighting products, home appliances, and smart thermostats.

Q1 UPDATE:

- » **13,964 net MWh and 10,295 net therm savings achieved (16% and 1%, respectively, of forecasts).**
- » In the first quarter of 2019, 2,600 customers participated in in-store lighting education clinics held throughout the Ameren Illinois service territory.
- » Specialty lighting activity increased during the first quarter with over 30% of the energy savings achieved from specialty lighting.

RESIDENTIAL HVAC INITIATIVE

Overview: The HVAC Initiative partners with HVAC contractors to offer instant discounts and/or mail-in cash-back rebates on efficient electric heating and cooling equipment, heat pump water heaters, and smart thermostats.

Q1 UPDATE:

- » **773 net MWh and 30,084 net therm savings achieved (14% and 66%, respectively, of forecasts).**
- » This initiative is off to a strong start with the installation of 74 Air Source Heat Pumps (ASHP), 600 Electronically Communicated Motors (ECM), 307 Central Air Conditioning (CAC) and 443 smart thermostats.
- » Smart thermostat activity remained high even after a decrease in the rebate offered (\$269 for the first half of the quarter and reduced to \$100 for the second half of the quarter).

RESIDENTIAL APPLIANCE RECYCLING INITIATIVE

Overview: In the Appliance Recycling Initiative, operable, inefficient refrigerators and freezers are permanently removed and recycle in an environmentally responsible manner. The pickup service is paid for by energy efficiency funds without additional cost to the customer, who also receives a cash reward for each qualified appliance they turn in.

Q1 UPDATE:

- » **482 net MWh savings achieved (19% of forecast).**
- » The Initiative is performing well and on-track to meet the forecasted goal.
- » Use of a new, local recycling facility has allowed the implementer to streamline operations and better manage transportation costs.
- » The polar vortex that hit the mid-west with extreme, cold temperatures in late January 2019, resulted in the cancellation and/or delayed pickups and the need for rescheduled appointments.

RESIDENTIAL INCOME QUALIFIED INITIATIVE

Overview: The Income Qualified (IQ) Initiative helps low- to moderate-income customers manage their electric and/or natural gas energy consumption through comprehensive home weatherization services, enhanced rebates on HVAC equipment, LED lighting and direct distribution of energy saving kits. Single family homes and multifamily living units and properties with average household incomes up to 300% of Federal Poverty Guidelines may receive a free, comprehensive home assessment, including a health and safety evaluation, to identify the energy efficiency services to be offered. Low-cost energy saving devices are installed in conjunction with the assessment at no cost. Comprehensive weatherization measures are also installed for eligible customers at no cost including insulation, air sealing, duct sealing, and ECM blower replacement. In addition, eligible customers receive enhanced incentives on energy efficient HVAC equipment. Energy savings kits are distributed at no cost through special events and other direct distribution efforts.

RESIDENTIAL PROGRAM

Q1 UPDATE:

- » **2,280 net MWh and 236,825 therm savings achieved (18% and 19%, respectively, of forecasts).**
- » **The IQ Initiative is implemented through three channels:**

1. IQ – Registered Program Ally Channel – serving low to moderate income single family homes
2. IQ – Community Action Agency Channel – serving low income single family homes
3. IQ – Multifamily – serving low to moderate income multifamily homes

IQ: REGISTERED PROGRAM ALLY CHANNEL – LOW TO MODERATE INCOME

The IQ-Registered Program Ally Channel is in its second year of implementation – with a commitment to develop community-focused energy efficiency initiatives.

- » The Initiative is on-track to meet goal.
- » Direct deposit was added in the latter part of the first quarter, which is minimizing cash flow challenges for program allies.
- » On-going communication with Program Allies is providing real-time feedback and continuous program improvement. An example of this effort is Ameren Illinois implementer staff and Program Allies performing joint inspections of completed projects.
- » The program implementer, AIC staff and other parties continue to work through possible solutions to effectively serve the mobile home market.

IQ: COMMUNITY ACTION AGENCY CHANNEL – LOW INCOME

The IQ-Community Action Agency Channel partners with Community Action Agencies (CAA) located in Ameren Illinois' service territory and is in its second year of serving low income customers.

- » Agreements have been signed with 22 agencies which includes two new agencies in PY2019.

- » Production is on track to meet the forecasted goal.
- » Direct deposit was added in the latter part of the first quarter which is minimizing cash flow challenges for program allies and CAAs.
- » On-going communications with CAAs is resulting in real-time feedback and continuous program improvement.
- » Differences in timing related to funding by Federal and State agencies continues to encumber use of utility funds by CAAs.
- » Significant effort to supplement CAA workforce training is ongoing with the current focus on accurately completing incentive applications and improving the timeliness and accuracy of forecasted savings and costs.

IQ: MULTIFAMILY

This Income Qualified initiative targets low income multifamily properties and uses a diverse vendor in its outreach to facility managers.

- » Outreach continues to be successful with an adequate pipeline of projects identified.
- » The lack of available maintenance staff to oversee installation continues to present challenges.
- » The implementation contractor has focused on electric heat customers with increased attention on installation of mini-split technology.

RESIDENTIAL PUBLIC HOUSING INITIATIVE

Overview: The Public Housing Initiative targets public sector housing owned by government entities including federal, state and municipal housing authorities. The initiative mirrors the comprehensive home weatherization service offered through the IQ Initiative in terms of income eligibility, home assessment, weatherization services, and incentive structure.

RESIDENTIAL PROGRAM

Q1 UPDATE:

- » **246 net MWh and 11,396 net therm savings achieved (21% and 58%, respectively, of forecasts).**
- » Outreach continues to be successful with 715 units completed and over 600 units in the pipeline.
- » The lack of maintenance staff available to oversee installation at the public housing properties has presented a challenge for the program.

RESIDENTIAL MULTIFAMILY INITIATIVE

Overview: The non-IQ Multifamily Initiative provides electric and gas energy savings in multifamily buildings for market rate and low- to moderate-income customers that are not a part of the IQ Initiative through the direct installation of free, low-cost energy saving measures in individual living units and common areas.

Q1 2018 UPDATE:

- » 345 net MWh and 10,474 net therm savings achieved (29% and 36%, respectively, of forecasts).
- » Outreach continues to be successful with adequate units in the pipeline.
- » The extreme cold temperatures in late January/early February led to some no-heat situations due to a wiring issue with the Nest smart thermostat. The solution required modification to the thermostat installation.



BUSINESS PROGRAM

PORTFOLIO-LEVEL NARRATIVE

The Business Program provides incentives and services to non-residential customers to achieve electric and gas energy savings. The core initiatives for the Business Program include Standard, Custom, Retro-Commissioning (RCx) and Street Lighting. Financial incentives are provided to business customers to drive them to conduct energy efficiency projects. Other aspects include education and training for customers and market professionals, energy efficiency marketing, and advancement of energy systems construction and monitoring beyond standard industry practices.

There are 160,000 business customers spanning the 42,000 square mile Ameren Illinois service territory. Ameren Illinois has 358 commercial and industrial customers with demands between 1 and 10 MW.

- » **Through Q1, the Business Program has achieved 17% of its PY2019 electric forecast of 219,205 MWh and 27% of its PY2019 gas forecast of 1,664,787 therms.**

STANDARD INITIATIVE

*Overview: The Business Standard Initiative incentivizes customers to purchase energy efficient products. Applications are filled out and delivered to Ameren Illinois via contractors, customers or through the **AmerenIllinoisSavings.com** website. Program Allies – including contractors, retailers, and distributors – are the main sales force promoting and educating consumers about the Standard Initiative. Midstream offerings in lighting technologies provide simple access to incentives for business customers. Small businesses, including non-profits, schools, and local government facilities, receive unique services and higher incentives through a network of Program Allies experienced and trained to assist facilities receiving delivery services under the electric DS-2 and the gas GDS-2 delivery service rates.*

Q1 UPDATE:

- » **33,085 net MWh and 155,014 net therm savings achieved (19% of both electric and gas forecasts).**
- » The Standard Initiative processed applications representing 47% of the gross electric energy savings for the Business Program.
- » Approximately 26% of the savings for the Standard Initiative was attributable to the small business direct install projects with nearly 2,300 assessments performed by 100 active allies.
- » The public sector commercial kitchen offer that had widespread acceptance in PY2018 continued into PY2019.
- » Significant efforts and resources are being deployed to assist with the recertification of energy efficiency installers.
- » To assist customers needing Energy Assessments, efforts are ongoing with developing partnerships through the Department of Energy's Industrial Assessment Centers. Partnerships include the University of Illinois at Chicago, University of Missouri and Indiana University.

CUSTOM INITIATIVE

Overview: The Business Custom Initiative offers incentives, training, and education for improving efficiency of compressed air, lighting, HVAC, refrigeration, motors/drives, waste/water treatment, and manufacturing processes. Complex and large scale new construction and building renovation projects also qualify under the Custom Initiative. Services such as the Staffing Grant, Metering & Monitoring, Strategic Energy Management (SEM), and the Feasibility Study are also provided.

Q1 UPDATE:

- » **3,887 net MWh and 297,411 net therm savings achieved (11% and 48%, respectively, of forecasts).**

BUSINESS PROGRAM

- » Strategic Energy Management (SEM) sessions continue to be held with a focus on educating large customers on the value of 'custom' incentives.
- » The Energy Management System (EMS) offering for public K through 12 schools continues to provide leads for Custom projects.
- » Participation and interest in feasibility Studies and Metering & Monitoring applications is lower than expected and is presenting a challenge for achieving the custom savings targets.
- » The newly adopted IECC-2018 code in Illinois is also creating challenges in achieving savings targets.

RETRO-COMMISSIONING (RCX) INITIATIVE

Overview: The Business RCx Initiative identifies no cost/low cost (zero- to one-year payback) energy efficiency measures to optimize the operation of existing systems for compressed air, healthcare, commercial and public sector building facilities, industrial ventilation systems, industrial refrigeration and grocery stores. The energy efficiency measures in this Initiative generally go beyond what is offered by the Standard Initiative.

Q1 UPDATE:

- » 695 net MWh and zero net therm savings achieved (17% and 0%, respectively, of forecasts).
- » The initiative included six (6) carryover projects from PY2018 with no new projects in the first quarter for either Compressed Air RCx or Large Facility RCx.
- » With a limited number of Retro-Commissioning Service Providers (RSPs), recruitment for new Program Allies for all Retro-Commissioning offerings is continues.
- » Progress is being made at expanding the number of relationships with various levels of management at customer facilities.

STREET LIGHTING INITIATIVE

Overview: The Street Lighting Initiative incentivizes municipal customers to upgrade their street light fixtures to LED technology. Ameren Illinois-owned street light fixtures are incentivized to encourage replacement prior to burn out with a per fixture incentive provided to the customer.

Q1 UPDATE:

- » **43 net MWh savings achieved (1% of forecast).**

STREET LIGHTING: MUNICIPAL-OWNED

- » *Incentive levels were increased to \$1/watt beginning in PY2019 to generate increased interest.*
- » *Although no projects were completed in the first quarter, 10 applications were received.*
- » *Three Municipal-Owned Street Lighting projects from 2018 were carried over to PY2019.*

STREET LIGHTING: AMEREN-OWNED

- » *A diverse contractor is under contract to perform the change-out of street lights.*
- » *Twenty applications were received in March in four separate Ameren Illinois operating divisions within the Ameren Illinois service territory.*

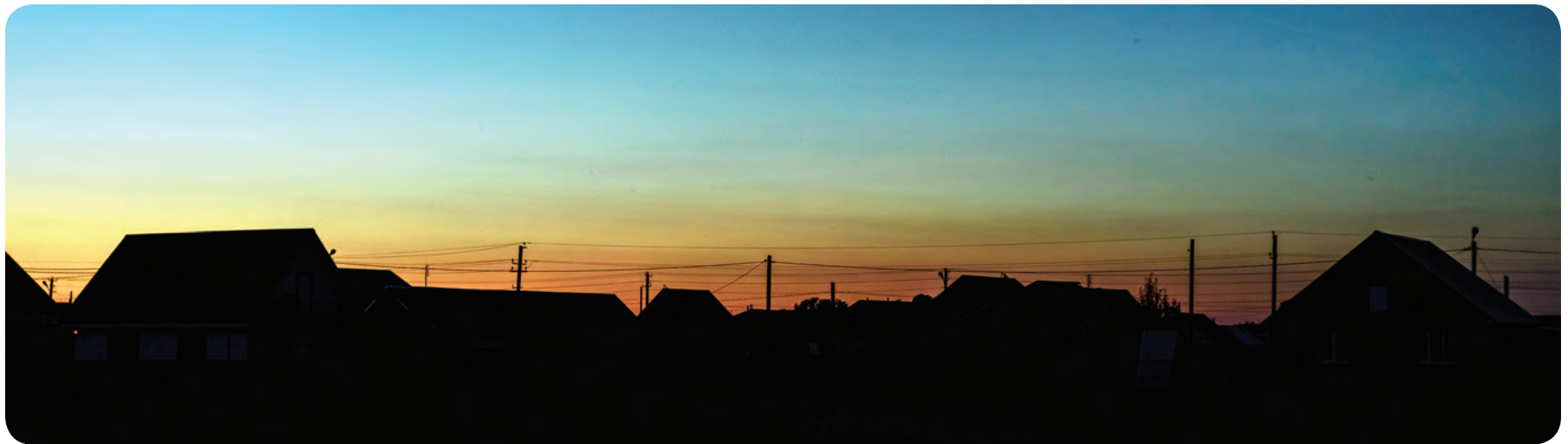


VOLTAGE OPTIMIZATION

Overview: Voltage Optimization (“VO”) is the use of automation on distribution voltage control devices (switched capacitor banks, voltage metering, voltage regulators and LTC’s) to reduce the reactive power (VAR) flows on a circuit, and lower the voltage within regulatory limits to reduce end-use customer energy consumption and utility distribution system losses. As part of its portfolio, Ameren Illinois plans to deploy VO to an estimated 1047 cost-effective circuits from 2019-2025, while using its best efforts to identify and prioritize circuits with low-income customers.

Q1 UPDATE:

- » **1,913 net MWh savings achieved (25% of forecast).**
- » 19 circuits are operational and being evaluated for energy savings in 2019.



BREAKTHROUGH EQUIPMENT & DEVICES

MARKET DEVELOPMENT INITIATIVE

Overview: As part of its portfolio goals and activities, Ameren Illinois deploys targeted funding to meet the goals of the Market Development Initiative, which include developing the energy efficiency workforce, the energy efficiency markets in unserved or underserved communities in the Ameren Illinois service territory as well as developing and supporting local and diverse businesses.

Q1 UPDATE:

- » With many partners nearing the halfway point of the first year of their projects, the market development initiative saw continued momentum and real results.
- » Multiple community partners continue to organize events, drive energy efficiency education and engagement, and generate leads to the Ameren Illinois energy efficiency program.
- » The spring bill payment assistance events allowed for the Ameren Illinois Energy Efficiency program to partner with Ameren Illinois Customer Service and provide energy efficiency kits to income-qualified customers across the service territory: 120 in Taylorville, 599 in Peoria, 727 in East St. Louis, and 368 in Collinsville. Recipients also received energy efficiency education at the event and tips on how to use the items in their kits.
- » In addition to ongoing projects, the Market Development Initiative launched a tracking database in partnership with Champaign County Regional Planning Commission, allowing community partners to more effectively monitor their progress and outcomes. Between January 1 and April 1, 2019, community partners tracked 1,437 customers educated about or referred to Ameren Illinois Energy Efficiency programs.
- » In March, Ameren Illinois also launched illinoisenergyefficiencyjobs.com in partnership with Springfield Urban League. The online jobs board allows employers in the energy efficiency industry to post opportunities, candidates to seek positions, and all users to receive resources and

services such as job readiness training, financial coaching, and find industry recognized credential training. Springfield Urban League and Ameren Illinois are currently putting together a promotional plan for the site that involves reaching out to Program Allies, Chambers of Commerce, community colleges, and community-based organizations across the state to promote this free service.

BUSINESS ENERGY REPORTS (BERs), ADVISOR AND ENGAGEMENT PORTALS PILOT

Ameren Illinois launched a pilot initiative in PY2018 to further engage non-residential customers. The scope of the pilot is two-fold. First, printed BERs will be sent to approximately 30,000 Ameren Illinois small business customers and is intended to provide a monthly snapshot of energy use with tips to reduce energy consumption. Second, a web-based online self-service platform will provide unique, personalized information based on the customer's energy usage and business-type, and is available to all business customers. This cloud-based analytics solution will also provide program staff with customer usage data enabling identification of customers with the most opportunity for improvement in energy efficiency and energy optimization. The utilization of Ameren Illinois AMI interval data is anticipated.

Q1 UPDATE:

- » Portal tool is under development.



MARKETING EDUCATION AND AWARENESS

PORTFOLIO

Ameren Illinois continues to integrate its overarching marketing strategy to cover all programs across all market segments. The efforts have increased utilization and message consistency across 5 areas of focus:

1. Print advertising and traditional media
2. Digital advertising and electronic channels
3. Community outreach & events
4. Customer and Program Ally engagement
5. Data, software & analytics

Ameren Illinois received MEEA's 2019 Education Award for the Ameren Illinois Opportunities Scholarship Program at the 15th Annual Inspiring Efficiency Awards event held in February.

RESIDENTIAL

Q1 UPDATE:

- » Expanded use of social media platforms included efforts with Facebook, paid search, Yahoo native advertising, search engine optimization, YouTube, Pinterest, and Twitter.
- » Integrated promotion of Retail Products included monthly ads, cross promotion of Home Energy Reports, and digital marketing - timed around manufacturer promotions.
- » Outreach at 5 Home Shows provided information and education to over 12,000 event-goers
- » 43 outreach events were held and reached customers across the Ameren Illinois service territory.
- » Facebook referred over 12,500 customers to the Ameren Illinois Residential Program web page.

BUSINESS

Q1 UPDATE:

The Website customer experience, data analytics and general deployment continues to improve as indicated by the following metrics.

- » Year over year, business visitors have increased on the website by 65% with a returning customer ratio of 30%.
- » From March 2018 to March 2019, new and returning business visitors have increased by 80%.
- » Facebook.com remains the top referring website, followed by Yahoo.com for business segment, responsible for over 42,000 visitors in the first quarter.
- » Facebook, business digital marketing include paid searches, LinkedIn and SEO continue to be expanded.

WAYS TO SAVE FOR BUSINESSES

Business Program
Save now with energy efficiency incentives for your business and you'll continue to enjoy the energy savings for years to come! Our program is designed to help you complete more energy efficiency projects, including:

- Energy-efficient lighting
- Heating and cooling improvements
- Special incentives for small facilities
- Motor efficiency upgrades
- Custom projects for your facility

Learn more —
Visit AmerenIllinoisSavings.com/Business
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NEW MEASURES

No new measures were added to either the Business or Residential Programs during the first quarter of PY2019.

APPENDIX A

APPENDIX A: BUDGET SHIFTS

AIC has not identified any reportable budget shifts in Q1.