

# ComEd Presentation on Energy Efficiency

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- **Our Vision for Energy Efficiency**
- **Key Components of a Sound Energy Efficiency Portfolio**
- **Proposed Portfolio Plan**
- **Benchmarking Efforts and Best Practices**
- **Proposed Program Details**
- **Approach to Competitive Procurement**
- **Conclusion**

- **Today's environment makes the timing right for Energy Efficiency**
  - Customers need a greater variety of options for meeting their energy needs
  - Energy efficiency, demand response and renewable resources are increasingly viewed as an important part of the mix
  - ComEd wants to help its customers make good energy choices
- **Long Term Vision**
  - Create a new business model for Energy Efficiency driven by Informed Customer Action
  - Energy Future with Lower Cost
  - Reliability Focused Tools
  - Government and Business foster Innovation and partner with Utilities to build foundation

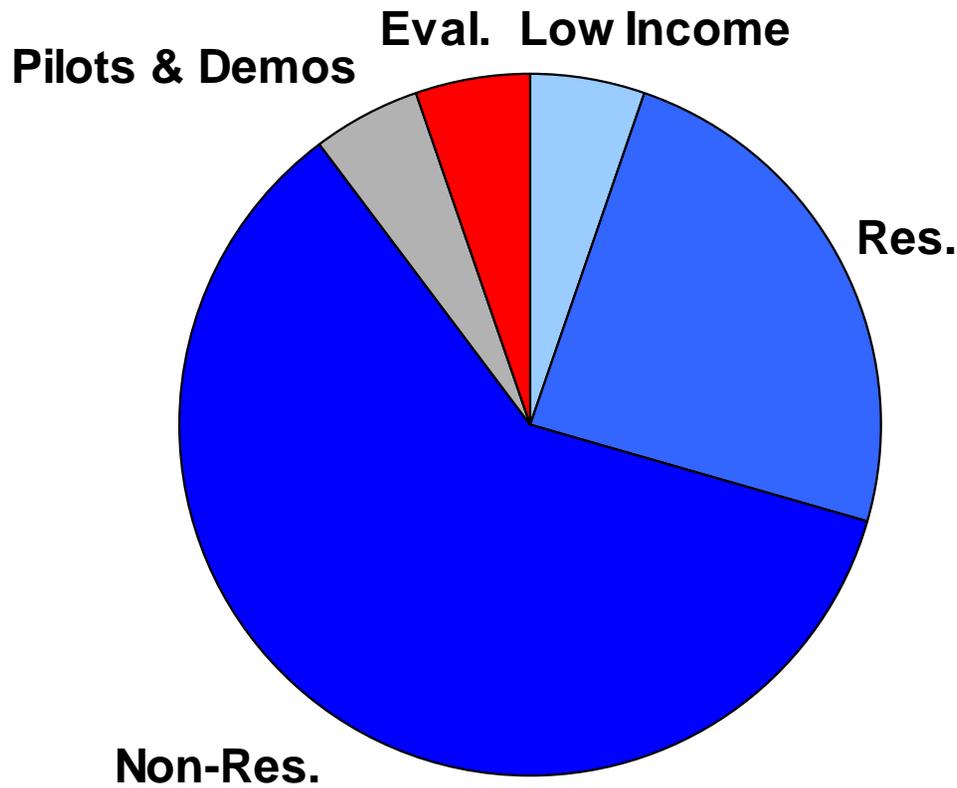
- **ComEd has taken several initial big steps to jump start the development of this Vision**
  - Initiated a voluntary filing to procure renewable wind resources in Illinois
  - Launched Customer Affordable Reliable Energy (CARE) as an initial set of residential energy efficiency programs in anticipation of a more formal statewide initiative.
    - Created \$36M Long Term Energy Efficiency Portfolio proposal to address the first year goals contained in the Governor's Sustainable Energy Plan.
  - Proposed portfolio has continued to evolve based on involvement with NARUC in the National Action Plan for Energy Efficiency and discussions with EPRI

- Well integrated approach should include energy efficiency, demand response and renewable energy resources.
- ComEd uniquely positioned to manage programs to deliver benefits to customers.
- Program costs should be recovered through rates.
- Extent of programs would be limited by rate caps.
- Programs should address all customer classes and end uses.
- Stable and predictable funding will ensure long term program sustainability.
- Program services should be competitively procured.
- Program results should be independently evaluated.
- Modest performance rewards for utilities for managing effective and efficient programs

# Proposed Portfolio Plan



**\$36M Budget based upon 0.5% rate increase limit**  
**Budget allocated based on customer class revenues**



Segment	\$000	Percent
Low Income	\$1,792	5%
Residential	\$9,767	27%
Non-Res.	\$20,700	58%
Pilots & Demos	\$1,792	5%
Evaluation	\$1,792	5%
TOTAL	\$35,843	100%

# Benchmarking and Best Practices



- **Benchmarked our Proposed EE Portfolio with industry experts to obtain feedback on general direction**
  - ACEEE
  - Alliance to Save Energy
  - NRDC
  - Former MA PU Commissioner (Sue Tierney)
- **Feedback included:**
  - \$36 M was significant commitment; but higher levels of EE were achievable over the long term
  - Liked broad coverage of customer classes and end uses and the focus on tried and true programs, especially at the portfolio's onset
  - Consider reducing / consolidating the number of programs
  - Add new construction programs in later years
  - Increase evaluation from 3% to 5% of total budget

# Proposed Residential Programs



- **Research and benchmarking suggest that there is a good deal of “low hanging fruit” in this sector**
- **Research also indicates that prescriptive programs (i.e., those that provide incentives) are necessary to build awareness and establish early momentum**
- **We recommend early retirement/replacement programs to encourage customers to replace inefficient equipment, with longer-lasting, more efficient products, such as:**
  - **Lighting Incentives**
    - Maximize outreach through regional Change A Light, Change the World program
    - Offers incentives and in-store rebates for CFLs
  - **Refrigerator/Freezer Incentives**
    - Incentives and rebates for operational older refrigerators and freezers
    - Environmentally sound recycling of older units
  - **Air Conditioning Incentives**
    - Incentives and rebates targeting peak use
- **We also recommend awareness and education programs**
  - Spanish and English energy educational materials
  - On – Line energy audit program.

# Proposed Low Income Programs



- **Research suggests that “set asides” are used in a number of other states to support programs for low income customers**
  - Typically these programs are not as cost-effective as other residential programs
- **Benchmarking suggests that third party engagement in the design and delivery of these programs is very effective with a focus on weatherization programs and appliance replacement**
- **We recommend at least a 5% set aside for low income programs**
  - Roughly 5% of ComEd’s residential customers receive LIHEAP assistance

# Proposed Non - Residential Programs



- **Research and benchmarking indicate that “tried and true” energy efficiency (EE) programs should form part of the portfolio**
  - C&I Lighting Incentives
  - C&I Air Conditioning Incentives
  - C&I Motor Incentives
- **Research also suggests that customized retrofit programs should also be offered**
  - Small Business Direct Install Lighting
  - Small Business Energy Advantage (Audit with Incentives & Financing)
  - Custom Energy Efficiency Upgrade Program (Targets New Technologies)
  - Industrial Compressed Air Program
  - Industrial Efficiency Assessment Program

- **Program services would be procured through RFP processes**
- **Solicitations would be conducted to procure implementation services for ComEd programs**
- **Bids could be submitted by customers, aggregations of customers, vendors, etc.**
- **Multiple RFPs could be issued**
  - **Residential energy efficiency**
  - **Non- residential energy efficiency**
  - **By end use**
- **Preference would be to maximize incentives placed into the hands of customers**

- **Illinois needs to decide its level of commitment to Energy Efficiency**
- **Framework for EE funding and cost recovery needs to be determined**
- **A forum for obtaining meaningful stakeholder input can begin immediately**
- **Timeline for implementation of EE program processes and systems is 12 – 18 months from final rules**
- **Need to balance the priority to get ‘programs on the street’ quickly with the importance and time requirements necessary for high quality sustainable programs**