

<b>PROGRAM</b>	<b>Residential Direct Load Control</b>				
<b>Objective</b>	This program is designed to acquire peak demand reduction through fully-automated Direct Load Control of residential central air conditioners.				
<b>Target Market</b>	Residential single family homes with Central Air Conditioners (AC). Residential multifamily homes could also be eligible if they singularly have control of and pay for electric service. Other electric appliances, such as hot water heaters and pool pumps could also be incorporated into the program.				
<b>Program Duration</b>	June 2008 – May 2011.				
<b>Program Description</b>	80% of the Ameren Illinois Utilities (The Company) residential customers are estimated to have a Central AC system. These systems typically account for half of a home's summer peak demand. Under this program, the Company provides free installation of a load control switch and a modest customer incentive for authorizing the Company to cycle the customer's air conditioner during times of high peak load.				
<b>Eligible Measures</b>	Direct AC load control switch.				
<b>Implementation Strategy</b>	This program will be implemented primarily by the Company with third party installation and marketing assistance. The Company will solicit participation primarily through bill inserts. When a participation request is received, the Company will route the job to its installation contractor; average time from order to install is estimated to be approximately one working month. The Company will then exercise control over the switch. The customer will be paid an incentive for agreeing to place the air conditioner under the Company's control for up to eight hours per season.				
<b>Exit Strategy</b>	A program termination would be based on program cost-effectiveness falling below acceptable levels. Cost-effectiveness will be greatly affected by churn rate and acquisition cost. If an exit is warranted, market impacts will be slight since only participating end use customers are significantly affected by the program. Experience suggests that direct load control programs are scalable and so this program can be viewed to some extent as a hedge that can be grown or shrunk in response to the performance of other portfolio elements.				
<b>Marketing Strategy</b>	Customers would be recruited using an annual direct mail bill insert campaign, with recruiting supported initially by a broader awareness-building campaign based largely on print media. The program should also be co-marketed with the efficiency programs aimed at central HVAC systems. A customer hit rate of between 7% and 10% is considered typical.				
<b>Incentive Strategy</b>	<table border="1"> <thead> <tr> <th>Measure</th> <th>Incentive per Unit</th> </tr> </thead> <tbody> <tr> <td>Demand-response 1 kW</td> <td>\$170</td> </tr> </tbody> </table>	Measure	Incentive per Unit	Demand-response 1 kW	\$170
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<b>Milestones</b>	<p>December 2007: Draft and distribute implementation vendor RFP</p> <p>February 2008: Commission approval</p> <p>February-April 2008: Final program design and installation contractor selection</p> <p>April-May 2008: Prepare initial customer recruiting campaign</p> <p>June 2008: Program launch</p>				

<p><b>EM&amp;V Requirements</b></p>	<p>The key EM&amp;V issue is verification of the load reduction, both in terms of the reduction per control point as well as the signal success rate which affects the average reduction across control points. The Company will work with the third party M&amp;V contractor to design and execute appropriate analyses of a statistically valid set of sites to verify the per unit load reductions.</p>																																				
<p><b>Administrative Requirements</b></p>	<p>The start-up FTE requirements will range between 1 and 2 FTE to arrange for installation services, manage the development of control protocols and software, and prepare the initial marketing recruiting campaign. Steady-state requirements are approximately .5 to 1.0 FTE on an annual basis, although the requirements are concentrated during the annual recruiting and installation cycle. Participation by the Company's marketing and operations staffs will be required for start-up and ongoing implementation.</p>																																				
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<p><b>Program Metrics</b></p>	<p>The primary metric is demand reduction. Key secondary metrics include reduction per customer, churn rate and acquisition cost.</p>																																				
<p><b>Cost-effectiveness</b></p>	<p>Total Resource Cost Test: <b>1.90</b></p>																																				