



Energy Efficiency Portfolio Report March - May, 2012

Prepared for
ILLINOIS COMMERCE COMMISSION

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Background

Per 220 ILCS 5/8-104, Sec. 8-104(f)(8), the Ameren Illinois Corporation (AIC) is required to “provide for quarterly status reports tracking implementation of and expenditures for the utility’s portfolio of measures and the Department’s portfolio of measures...”. AIC provides the attached activity reports to satisfy this requirement.¹ AIC also routinely reports and presents portfolio activity to the Illinois Stakeholder Advisory Group (also known as SAG) of which Staff is a participant.

Per 220 ILCS 5/8-104, Sec. 8-103, (Docket #07-0539), AIC started providing an electric energy efficiency portfolio in June 2008. Per 220 ILCS 5/8-104, Sec. 8-104 and Docket #10-0568, AIC started providing a combined portfolio of gas and electric energy efficiency measures beginning in June 2011. This activity report reflects the fourth quarter of the fourth year AIC has been providing energy efficiency measures, which is referred to as Y4. The first three years of energy efficiency is referred to as Plan 1, while the second three year cycle is referred to as Plan 2 (Docket #10-0568). Therefore, while this report reflects Y4 activity, the AIC energy efficiency portfolio is currently operating in Y5 and in the second year of Plan 2.

AIC uses a prime implementer model for the portfolio’s provision of services. Conservation Services Group (known as CSG) is the implementer for the residential portfolio and Services Applications International Corporation (known as SAIC) implements the business portfolio. These implementers provide both the gas and electric portfolio of services in an integrated manner.

The evaluators for Plan 1, who determine the portfolio’s annual savings, were The Cadmus Group and Opinion Dynamics Corporation. In collaboration with Staff, these same evaluators evaluate the Plan 2 savings achievement. Staff attends AIC’s routine meetings with the evaluators, is copied on communication with evaluators and per the Plan order, the evaluation work plans are developed with agreement from Staff.

As referenced, this gas portfolio reporting obligation pertains to the gas energy efficiency portfolio. However, AIC operates an integrated portfolio of gas and electric measures resulting in a summary report containing information about measures impacting both fuels. Further detail on AIC’s energy efficiency portfolio and its programs can be found in the AIC’s Plan 2 filing (Docket #10-0568). Additional detail on all programs can also be found at **actonenergy.com** and the Illinois Stakeholder Advisory Group web site (ilsag.org).

As presented in the attached activity report, the gas & electric energy efficiency programs are as follows:

¹ Even though the legislation and the reporting requirement only pertains to the gas portfolio, AIC is also providing a summary and activity reports for the electric portfolio due to AIC operating an integrated portfolio.

Residential Portfolio:

- Residential Lighting
- Appliance Recycling
- Residential Energy Efficient Products
- New HVAC Equipment
- Home Energy Performance
- Energy Star New Homes
- Multi-Family
- Behavior Modification
- Moderate Income

Business Portfolio:

- Standard
- Custom
- Retro-Commissioning

Fourth Quarter Activity (Q4)

March 1 – May 31, 2012

With this being the fourth year of the portfolio, most programs are focused on expansion and enhancement as opposed to start up activities. Following is a brief explanation of per program activity:

Residential Lighting

The Residential Lighting program provides incentives to the manufacturing and retail partners to increase sales of qualified lighting. Through these upstream and midstream incentives, the end user receives a discount on the price of highly efficient ENERGY STAR or better, qualified lighting products. This program finished its fourth year.

Key Activities and Key Concerns this quarter:

- Bulb sales for the fourth quarter met goal and were effectively regulated through promotions at big box stores.
- Program year goals were exceeded with approximately 4,375,000 bulbs sold. Final invoicing at June month's end will determine the total count.
- The Energy Star's "Take The Pledge" winner hailed from Benton, Illinois and selected several Energy Star appliances.

Appliance Recycling

The Appliance Recycling program provides residential and small business customers free pick-up of eligible equipment (inefficient refrigerators, freezers, and if applicable, other qualifying appliances manufactured on or before 2001) and an incentive for each appliance turned in to the program. This program finished its fourth year.

Key Activities and Key Concerns this quarter:

- Activity was slower in the fourth quarter and monthly goals were not met in any of the three months.
- The not-for-profit referral bonus process continued to produce results averaging over 30 units per month.
- The Sears retailer program launched December 15 and through the end of the fourth quarter period 29 units have been recycled and invoiced.

Energy Efficient Products (REEP)

This program provides rebates for products such as ENERGY STAR high-efficiency water heaters, thermostats, and smart power strips. This program finished its first year.

Key Activities and Key Concerns this quarter:

- The more expensive Super High Efficiency water heaters and Heat Pump water heaters lagged behind goal only achieving 22% of unit goals for the year.
- Thermostats, both gas and electric heat, along with air purifiers dominated the savings and volumes for the REEP programs.
- Smart power strip unit volume increased steadily in this quarter. Unit sales for the year hit 75% of the PY4 goal and with continued manufacturer's promotion this product should be a solid performer in PY5.

New HVAC

This program consists of retrofit and replacement upgrades for air conditioners, heat pumps, and heating and cooling systems, achieving both gas and electric energy savings. This program finished its third year.

Key Activities and Key Concerns this quarter:

- Lower than expected installations of electric savings equipment ended with a poor quarterly result. Comparison to May of last year shows that installations decreased 28%. Conversely, installation of gas savings equipment increased 25% when compared to May of PY3

- To increase installations a \$25 bonus was provided to HEP program participants where higher efficiency HVAC was recommended. As a result, 42 participants contacted HVAC contractors for in home estimates and of those, 14 installed new furnaces.
- This program currently has 801 program allies, of which 428 are active (meaning that they have submitted at least one application within the last six months).
- The new online incentive request form is being used by 102 program allies.

Behavior Modification

Home Energy Reports provide customers with a profile of their energy use, energy efficiency tips, portfolio program information, and a comparison of their energy usage to their “neighbors”; encouraging reduced energy use, achieving both gas and electric energy savings. AIC typically targets this program primarily to dual fuel customers. The program completed its first year in August 2011 with 50,000 participants. The Behavior Modification program has been expanded by adding another 175,000 participants for a six- to seven-month timeframe. This program was a pilot in Y3 and now a program in Y4.

Key Activities and Key Concerns this quarter:

- Behavior Modification achieved 129% of its PY4 gas goal, however, only achieved 82% of its electric goal. These results can be attributed to a decision to include 20,000 gas only customers to the program.
- Plans are underway to make the Home Energy Reports messaging clearer and more user-friendly. Three changes being considered are: replacing the word “neighbor” with “similar homes in your area”, addition of clear contact information for assistance and/or opt out, and addition of a section providing user portal instruction where homeowners can update their home’s information for a better comparison.

Home Energy Performance

Home Energy Performance (HEP) includes a home energy audit, direct install measures (CFLs, energy saving faucet aerators and shower heads), and follow up sealing and insulation measures, achieving both gas and electric energy savings. This program is migrating towards becoming ENERGY STAR in Y6 with goals of collaborating with a statewide framework for program design. This program finished its fourth year.

Key Activities and Key Concerns this quarter:

- A record setting month occurred in May of this quarter with 245 projects completed. A total of 1,731 homes were improved in Y4.

- March and April were strong months for audits with an average of 306 per month. May audits numbers resulted in only 10% of those earlier months. Due to the low response rate a discounted rate of \$25 per HEP audit was offered.
- Initial results for PY4 indicate that HEP achieved 6,762 MWh which was 25% of its electric savings goal, and achieved 543,180 therms which was 115 % of its gas savings goal.

Multifamily

This program provides owners of multifamily buildings measures for apartments (in-unit program) and common area lighting, exit signs, in addition to walk-through audits and incentives for complex measures, achieving both gas and electric energy savings. This program is in its fourth year.

Key Activities and Key Concerns this quarter:

- The Multifamily program finished PY4 with another strong month in electric savings while the gas savings measures were purposefully limited during May due to budget concerns.
- Both electric and gas savings finished higher than goals due to the surge in major measures (installed equipment) in the last two quarters..

Energy Star New Homes

This program targets builders with a package of training, technical and marketing assistance, and incentives for construction of ENERGY STAR homes, achieving both gas and electric energy savings. A HERS test and rating is required for the program ally to receive an incentive. This program finished its third year.

Key Activities and Key Concerns this quarter:

- Overall PY4 was the most successful year to date for the New Homes program as the gas savings goal was surpassed and the program finished under budget. The electric savings, however, did not meet the goal, falling short by 211 MWhs.
- PY5 will be advantaged by starting off with a strong pipeline of pending Energy Star projects and 105 Builder Allies enrolled.

Moderate Income/Warm Neighbors

This program partners with a non-profit organization which identifies qualified moderate income households and provides higher incentives for energy efficiency improvements and retrofits, achieving both gas and electric energy savings. This program was a pilot in Y3 and was offered in Y4 as a program to a greater geographic area.

Key Activities and Key Concerns this quarter:

- The Moderate Income program performed 91 audits in the fourth quarter for a total of 258 for the year. Retrofit projects in the fourth quarter numbered 74 for a PY4 total of 179 improved homes.
- The PY4 electric savings goal of 651 MWhs was not reached, however the gas savings goal of 105,465 therms was slightly surpassed.

Business Portfolio

Following is a brief description of the Business portfolio programs. All of these finished their fourth year:

- Standard: Incentivizes customers to purchase energy efficient measures with predetermined savings values and fixed incentive levels, achieving both gas and electric energy savings. Examples of measures include process steam, water heaters, furnaces, boilers, water heaters, seasonal HVAC and chiller tune-ups, steam trap repair, VFDs for HVAC applications, various commercial kitchen appliances including pre-rinse spray nozzles, plus stock waterers, heat exchangers, and heat reclaimers in the agriculture segment.
- Custom: Applies to energy efficient measures that do not fall into the Standard Incentive program. These projects normally are complex and unique, requiring incentive applications and calculations of estimated energy savings, achieving both gas and electric energy savings. Custom gas related measures may include heat recovery options (flue gas heat exchangers, de-super-heater heat exchangers, exhaust air heat exchangers, compressed air heat exchangers, process heat exchangers and grain drying heat exchangers), as well as shell measures including windows, doors, infiltration reduction, roof and wall insulation.
- Retro-Commissioning: Provides options and incentives for businesses to improve operations and maintenance practices for buildings, systems, and processes, achieving both gas and electric energy savings.

During Plan 1 the gas energy efficiency program was limited to residential and small business customers. Beginning in Y4 all commercial and industrial customers were eligible to participate in the gas programs.

Key Activities and Key Concerns this quarter:

- Preliminary results indicate that the business program achieved its electric and gas savings goals while staying within its budget for PY4.
- Some PY4 projects that were not able to be completed by the end of May 2012 and will be carried into PY5.
- The CFL/LED Bulb Kit Project mailed out a total of 22,127 kits and received a 26% response rate to that offer, generating 25,622 net MWH savings.
- All four of the Competitive Large Incentive Project (CLIP) projects were completed in PY4. The total savings from these projects were 6,000 MWH and 114,000 therms.
- The Business Symposiums were successful with 138 attendees at the event in Normal, IL and 162 attendees at the Collinsville, IL location.
- At the end of Y4 the Business program has 565 Program Allies enrolled with 136 of those allies joining in Y4.

Voltage Optimization Program Pilot

- Testing of Voltage Optimization started April 30, 2012 and will continue through December 29, 2012.
- A test of the Maximum Demand Response was executed for the Spring measurement on May 7th and May 8th. The limits tested were 2% on the first day and 4% on the second day.
- Monitoring of voltage levels from circuit sensors has indicated that all voltage levels along the distribution feeders have remained within acceptable voltage levels.

Attachment: Activity Reports

Ameren Illinois Gas Energy Efficiency Portfolio
 Key Indicator Report
 Program Year 4
 As of August 31, 2012

Overall Portfolio			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (therms)			
Total	5,750,995	4,310,838	133%
Portfolio Cost			
Total	\$ 10,523,399	\$ 13,946,734	75%

Residential Programs			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (therms)			
Total	3,271,276	2,641,008	124%
Program Cost			
Total	\$ 7,364,016	\$ 7,354,609	100%

Business Programs			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (therms)			
Total	2,479,719	1,669,830	149%
Program Cost			
Total	\$ 2,579,536	\$ 5,390,172	48%

Other Portfolio Costs			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (therms)			
Total	NA	NA	NA
Other Costs			
Total	\$ 579,846	\$ 1,201,953	48%

Notes: Goals for Residential and Business Programs are based on implementer contracts.
 Energy Savings are based on PY2 EMV values.
 Cumulative figures include pending projects.
 The above does not include DCEO.
 PYTD = Program Year To Date

Residential Programs					
Energy Savings (therms)					
Programs	Actual PYTD	Pending	Cumulative PYTD	Goal	% PYTD
Energy Efficient Products	182,911	0	182,911	106,877	171%
New HVAC Equipment	969,735	0	969,735	889,185	109%
Home Energy Performance	626,855	0	626,855	543,180	115%
Energy Star New Homes	12,800	0	12,800	9,216	139%
Multi-Family	271,493	0	271,493	74,452	365%
Behavior Modification	1,097,048	0	1,097,048	912,632	120%
Moderate Income	110,434	0	110,434	105,466	105%
Total	3,271,276	0	3,271,276	2,641,008	124%
Program Cost					
Programs	Actual PYTD	Pending	Cumulative PYTD	Budget	% PYTD
Energy Efficient Products	\$ 222,803	\$ -	\$ 222,803	\$ 206,624	108%
New HVAC Equipment	\$ 1,375,434	\$ -	\$ 1,375,434	\$ 2,854,512	52%
Home Energy Performance	\$ 3,110,862	\$ -	\$ 3,110,862	\$ 2,754,803	113%
Energy Star New Homes	\$ 106,683	\$ -	\$ 106,683	\$ 102,090	104%
Multi-Family	\$ 981,051	\$ -	\$ 981,051	\$ 273,536	359%
Behavior Modification	\$ 736,720	\$ -	\$ 736,720	\$ 720,300	102%
Moderate Income	\$ 830,464	\$ -	\$ 830,464	\$ 642,544	129%
Total	\$ 7,364,016	\$ -	\$ 7,364,016	\$ 7,354,609	100%

Business Programs					
Energy Savings (therms)					
Programs	Actual PYTD	Pending	Cumulative PYTD	Goal	% PYTD
Standard	1,577,188	0	1,577,188	902,000	175%
Custom	541,838	0	541,838	685,830	79%
Retro-Commissioning	360,693	0	360,693	82,000	440%
Total	2,479,719	0	2,479,719	1,669,830	149%
Program Cost					
Programs	Actual PYTD	Pending	Cumulative PYTD	Budget	% PYTD
Standard	\$ 1,452,324	\$ -	\$ 1,452,324	\$ 2,950,590	49%
Custom	\$ 852,628	\$ -	\$ 852,628	\$ 2,302,861	37%
Retro-Commissioning	\$ 274,111	\$ -	\$ 274,111	\$ 136,721	200%
Demand Response	\$ 474	\$ -	\$ 474		
Total	\$ 2,579,536	\$ -	\$ 2,579,536	\$ 5,390,172	48%

Other Portfolio Costs			
Portfolio Cost			
Programs	Cumulative PYTD	Budget	% PYTD
Portfolio Administration	\$ 270,701	\$ 698,610	39%
Marketing and Education	\$ 184,775	\$ 121,000	153%
Evaluation, Measurement & Verification	\$ 124,370	\$ 382,343	33%
Total	\$ 579,846	\$ 1,201,953	48%

DCEO *			
Energy Savings (therms)			
Programs	Cumulative PYTD	Goal	% PYTD
Total	0	470,362	0%
Program Cost			
Programs	Cumulative PYTD	Budget	% PYTD
Public Sector	\$ 1,174,888	\$ 2,048,846	57%
Low Income	\$ 1,598,855	\$ 1,575,498	101%
Market Transformation and SEDAC	\$ 595,076	\$ 546,091	109%
Other	\$ 144,257	\$ 463,382	31%
Total	\$ 3,513,076	\$ 4,633,817	76%

* As reported by DCEO, NOT included in the Overall Portfolio shown above

Ameren Illinois Electric Energy Efficiency Portfolio
 Key Indicator Report
 Program Year 4
 As of August 31, 2012

Overall Portfolio			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (MWH)			
Total	354,333	323,278	110%
Portfolio Cost			
Total	\$ 36,908,836	\$ 44,452,535	83%

Residential Programs			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (MWH)			
Total	193,211	185,352	104%
Program Cost			
Total	\$ 18,188,425	\$ 19,624,695	93%

Business Programs			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (MWH)			
Total	161,122	137,926	117%
Program Cost			
Total	\$ 16,466,454	\$ 21,843,258	75%

Other Portfolio Costs			
	Cumulative PYTD	Goal	% PYTD
Energy Savings (MWH)			
Total	NA	NA	NA
Other Costs			
Total	\$ 2,253,958	\$ 2,984,582	76%

Notes: Goals for Residential and Business Programs are based on implementer contracts.
 Energy Savings are based on PY2 EMV values.
 Cumulative figures include pending projects.
 The above does not include DCEO or Volt/VAR.
 PYTD = Program Year To Date

Residential Programs					
Energy Savings (MWH)					
Programs	Actual PYTD	Pending	Cumulative PYTD	Goal	% PYTD
Lighting	142,142	0	142,142	117,020	121%
Energy Efficient Products	1,847	0	1,847	1,769	104%
New HVAC Equipment	5,216	0	5,216	13,593	38%
Appliance Recycling	13,230	0	13,230	12,647	105%
Home Energy Performance	1,713	0	1,713	6,761	25%
Energy Star New Homes	189	0	189	400	47%
Multi-Family	6,548	0	6,548	5,675	115%
Behavior Modification	22,038	0	22,038	26,836	82%
Moderate Income	288	0	288	651	44%
Total	193,211	0	193,211	185,352	104%
Program Cost					
Programs	Actual PYTD	Pending	Cumulative PYTD	Budget	% PYTD
Lighting	\$ 7,092,973	\$ -	\$ 7,092,973	\$ 6,457,132	110%
Energy Efficient Products	\$ 439,406	\$ -	\$ 439,406	\$ 494,462	89%
New HVAC Equipment	\$ 1,902,475	\$ -	\$ 1,902,475	\$ 4,127,303	46%
Appliance Recycling	\$ 2,409,568	\$ -	\$ 2,409,568	\$ 2,418,166	100%
Home Energy Performance	\$ 2,807,026	\$ -	\$ 2,807,026	\$ 3,988,966	70%
Energy Star New Homes	\$ 149,865	\$ -	\$ 149,865	\$ 245,091	61%
Multi-Family	\$ 1,759,859	\$ -	\$ 1,759,859	\$ 812,638	217%
Behavior Modification	\$ 714,391	\$ -	\$ 714,391	\$ 720,500	99%
Moderate Income	\$ 912,862	\$ -	\$ 912,862	\$ 360,437	253%
Total	\$ 18,188,425	\$ -	\$ 18,188,425	\$ 19,624,695	93%

Business Programs					
Energy Savings (MWH)					
Programs	Actual PYTD	Pending	Cumulative PYTD	Goal	% PYTD
Standard	105,447	0	105,447	65,000	162%
Custom	41,403	0	41,403	49,500	84%
Retro-Commissioning	14,272	0	14,272	23,426	61%
Total	161,122	0	161,122	137,926	117%
Program Cost					
Programs	Actual PYTD	Pending	Cumulative PYTD	Budget	% PYTD
Standard	\$ 10,119,643	\$ -	\$ 10,119,643	\$ 10,897,770	93%
Custom	\$ 4,642,069	\$ -	\$ 4,642,069	\$ 8,661,606	54%
Retro-Commissioning	\$ 1,696,132	\$ -	\$ 1,696,132	\$ 2,283,882	74%
Demand Response	\$ 8,610	\$ -	\$ 8,610	\$ -	-
Total	\$ 16,466,454	\$ -	\$ 16,466,454	\$ 21,843,258	75%

Other Portfolio Costs			
Portfolio Cost			
Programs	Cumulative PYTD	Budget	% PYTD
Portfolio Administration	\$ 1,031,442	\$ 1,311,543	79%
Marketing and Education	\$ 646,062	\$ 429,000	151%
Evaluation, Measurement & Verification	\$ 578,453	\$ 1,244,039	46%
Total	\$ 2,253,958	\$ 2,984,582	76%

Demand Response *			
Energy Savings (MW)			
Programs	Actual MW	Goal	Achieved
Volt/VAR	0.00	4.19	0%
Program Cost			
Programs	Actual	Budget	Achieved
Volt/VAR	\$ 25,145	\$ 60,000	42%

* NOT included in the Overall Portfolio shown above

DCEO *			
Energy Savings (MWH)			
Programs	Cumulative PYTD	Goal	% PYTD
Total	0	40,797	0%
Program Cost			
Programs	Cumulative PYTD	Budget	Achieved PYTD
Public Sector	\$ 6,783,949	\$ 7,660,000	89%
Low Income	\$ 3,707,748	\$ 3,540,000	105%
Market Transformation and SEDAC	\$ 1,616,012	\$ 1,480,000	109%
Other	\$ 454,207	\$ 1,910,000	24%
Total	\$ 12,561,916	\$ 14,590,000	86%

* As reported by DCEO, NOT included in the Overall Portfolio shown above