

Program Planning Template

2017 – 2020 Programs

GY 7 – 9; EY 10 - 12

Program Applicable for: Ameren _____ ComEd _____ DCEO x____
Nicor _____ People's Gas/North Shore Gas _____

Program Name	Public Sector Standard & Custom Program
Program Description	<p>The overarching purpose of the Public Sector Standard & Custom Program will be to provide financial incentives, to public sector entities, to upgrade their facilities with high efficiency equipment. Specifically, the "standard" arm of the program will offer incentives for a menu high efficiency electric and gas equipment. The "custom" arm will provide incentives based on based upon a technical engineering analysis; this allows public customers to implement more complex efficiency measures, not well covered by the standard program. Incentives will be based on calculated savings for specific customer projects. Also under this Program, customers will be able to take advantage of incentives for specific boiler efficiency measures, including boiler "tune-ups," to encourage proper maintenance practices, and equipment upgrades. Finally, because of the significant unique and significant needs of the water and wastewater treatment industry, these customers will be offered specific incentives, to promote the adoption of new technologies, process controls, and process modifications. Through one comprehensive application, public sector customers will be able to apply for all of the following types of financial incentives:</p> <p>Standard: A simple menu of incentives will be offered for the purchase and installation of energy efficient equipment and measures to reduce electricity and gas consumption at public facilities. This is one of the core Department programs, in terms of anticipated kWh and therm reductions, and has a significant budget as appropriate to that role. A streamlined incentive application and quality control process along with targeted marketing approaches will be employed to facilitate ease of participation and produce maximum program results.</p> <p>Funds will be made available on a first come, first served basis, beginning on a date to be determined specific to program guidelines. Payments of less than \$150,000 for individual measures or bundles of measures will be made as rebates. At the discretion of the Department, customers implementing measures eligible for payments of more than \$150,000 shall receive payment either as multiple rebates for separate packages of measures, or as one bundled grant. The Department reserves the right to establish maximum payments per customer and to establish other procedures to manage the flow of funds in an orderly fashion (to help manage applicant expectations) throughout the program year.</p> <p>Custom: Additionally, custom incentives will be offered for kWh and therm reductions to cover energy efficiency improvements not included in the standard menu. These may include new equipment purchases, facility modifications, or large process improvements. Such improvements may be identified through the design assistance program, energy performance contracting providers, or other technical engineering analyses. The program is designed to be complementary with the standard incentives.</p> <p>Boiler Tune-Up: Incentives will also be provided to improve natural gas boiler efficiency, including "tune-ups" from qualified contractors, and, when needed, equipment upgrades. Tune-ups should result, on average, in a 1.6% efficiency gain in the operation of the boiler, according to the IL TRM. While conducting the tune-up, contractors are encouraged to look for further energy savings opportunities within the boiler system, such as mechanical (pipe) insulation, steam trap replacement, installation of boiler reset controls and parallel positioning control systems. Other energy saving measures not covered under this area can also be identified by contractors and applied for under the Program.</p> <p>Water and Wastewater Treatment: Water and wastewater treatment facilities make up a significant portion of municipal energy consumption, and their energy efficiency needs are sometimes unique. Understanding this, the Department will offer tailored incentives for new high speed turbo aeration</p>

	<p>blower technology and associated secondary systems. This type of equipment is estimated to be 20% more energy efficient than conventional systems, and retrofitted water and wastewater treatment systems have shown 30 – 50% energy savings. The Department will encourage customers to leverage complementary funding through the Illinois Environmental Protection Agency's (IEPA) State Revolving Fund and the Illinois Clean Energy Community Foundation (ICECF). It is important to note that projects of this type can often take in excess of 12 months to develop and implement.</p>
<p>Program Duration</p>	<p>6/17 through 5/20</p>
<p>Delivery Strategy</p>	<p>This Program will be administered by the Department, with contractor assistance, as necessary. Efficiency measure implementation and installation will be the responsibility of the customer. The application for this program will be updated and issued annually. Applications will be accepted and reviewed by the Department throughout the program year and approved applications will be implemented until program dollars are expended or additional funds are allocated. Key elements of the implementation strategy include:</p> <p><u>Customer Recruitment:</u> Participants will be recruited through a variety of marketing and outreach activities, as well as partnerships. Marketing is discussed in further detail below, but will include webinars, email blasts, and participation in targeted conferences and events. The Department will leverage robust partnerships to recruit Program participants, including its Trade Allies (this initiative is run under the Marketing portion of the Plan) and Aggregators. Trade Allies have been very helpful in the implementation of this Program in the past, and the Department intends to provide them with robust information and frequent updates on the Program and available incentives. The Department will also solicit and select Aggregators, who will combine projects from eligible customers, in an effort to: simplify the overall application process, quickly deliver energy efficiency savings, and capture projects that are not worthwhile for submittal as a standalone. Moreover, the program seeks to engage multiple projects within a local government (public works, police, fire, library, school, parks) and, in the case of non-profit grantees, multiple projects across municipal boundaries. In addition, the program will serve as a delivery channel to hard-to-reach customers. This approach was tried for the first time in Plan 3 and was very successful.</p> <p><u>Technical Assistance:</u> Technical assistance will be provided by: Department staff, Aggregators, implementers of the Department's Assessment and Market Transformation Programs, and other contractors as deemed necessary.</p> <p><u>QA/QC:</u> Applications will be subject to a quality assurance/quality control review, to ensure all required forms and documentation have been submitted and calculation of incentive totals are correct.</p> <p><u>Project Verification:</u> The Department reserves the right to site-verify installations prior to or after approval and incentive payments.</p> <p><u>Boiler Tune-Ups:</u> Some special conditions apply to the boiler tune-ups measures. Customers are required to use qualified contractors, active in Illinois, to perform the tune-ups and some repairs/replacements. Use of professional contractors is required for boiler tune-ups, reset controls and parallel positioning control systems for safety reasons, but in-house staff can perform pipe insulation repairs and steam traps repair/replacements. Boiler Tune-Ups require a before and after combustion analysis to certify the efficiency improvement and correct boiler operations. For both pipe insulation and steam traps, testing of the system is required to prove the need of repairs. Testing on steam traps can be done via Ultrasounds or via Infrared Imaging, while pipe insulation repair needs can be documented via pictures of the existing piping or via Infrared Imaging that shows the thermal losses.</p>
<p>Target Market</p>	<p>Units of local government, municipal corporations, public schools, community colleges, State and Federal facilities, public water and wastewater treatment Plants, and State universities. All targeted customers taking electrical delivery service from ComEd or Ameren and natural delivery service from Peoples, North Shore, Nicor, or Ameren are eligible for this program, regardless of their choice of supplier.</p>
<p>Marketing Strategy</p>	<p>The Department has developed the "Illinois Energy Now" brand for all of its EEPs programs, which helps create brand value and provides visibility and awareness to the programs. The Department will continue to market through its regional offices, State of Illinois press office and elected officials to do program announcements in their territories. Furthermore, the Department will make announcements on its energy efficiency website, leverage its listserv, host a call center, participate</p>

in trade shows, host webinars and workshops, and coordinate efforts with the electric and gas utilities to maximize program awareness.

However, previous Program experience suggests the need for very creative and targeted marketing to reach the various segments within the public sector market. Thus the Department's specific Program approach is two-fold – raising awareness among public sector customers, and raising awareness among energy service professionals. To reach public sector customers, the program is marketed through local government associations, school and higher education associations, and building industry professional associations. DCEO will continue partnerships with statewide organizations such as the Illinois Association of Regional Councils (ILARC), the Illinois Municipal League, the Illinois Association of School Boards (IASB), the Illinois Association of Park Districts (IAPD) and the Metropolitan Mayor's Caucus. Additionally, the program is marketed through the Trade Ally program, which provides information and continuous education and updates on the program, incentive levels and industry best practices. To raise awareness with energy contractors, builders and industry professionals, the Department will leverage its Trade Allies, providing information and education on the program, incentive levels and industry best practices. Contractors in particular are one of the best outreach and marketing tools available to the Program, because they are talking with potential customers every day.

The Department will also promote specific technologies, as key areas of opportunity, including: outdoor lighting (including streetlights), boiler tune-up, and water/wastewater treatment measures. This marketing will be targeting to strategic customers: municipalities, school districts (focusing on administrators and boards), state and federal facilities, and public water/wastewater treatment facilities. Specifically for water/wastewater measures, the Department will also leverage the marketing resources of the IEPA and ICECF.

Eligible Measures

The standard incentive menu will include energy efficient equipment which has a broad application throughout the public sector, in the areas of: lighting, electric heat pumps, motors/compressors/pumps, commercial gas and electric cooking equipment, gas and electric furnaces, gas boilers, gas and electric water heaters, controls, insulation, and thermostats. The total list of measures can be made available upon request. DCEO reserves the right to revise the list of eligible measures as needed, in accordance with current market development, technology development, EM&V results, and program implementation experience.

Custom measures will include cost-effective electric and energy efficiency measures that are not covered by the standard menu, boiler tune-up, or water/wastewater treatment.

Boiler tune-up measures will include: mechanical (pipe) insulation repair/installment, steam trap repair/replacement, boiler reset controls, and parallel positioning control (PPC) systems. These measures could also be expanded or removed based on market conditions.

Finally, water/wastewater treatment measures will include: high speed turbo blowers, aeration controls, aeration controls and dissolved oxygen controls, diffuser upgrades, process modifications, and variable speed drives.

Program Targets

Participation Levels

	PY10	PY11	PY12	Total
Total Facilities	1672	1637	1611	4920

Annual Savings Targets

	PY10	PY11	PY12	Total
Gross MWh	126,354	110,578	108,268	345,200
New MWh	111,588	97,437	95,376	304,402
Gross Therms	6,311,356	6,335,465	6,296,368	18,943,189
Net Therms	5,007,591	5,028,348	4,996,992	15,032,931

Program Budget

ELECTRIC	PY10	PY11	PY12	Total
Implementation	\$593,951	\$582,256	\$566,205	\$1,742,412
Incentives	\$20,380,049	\$19,802,744	\$19,357,795	\$59,540,588
Total	\$20,974,000	\$20,385,000	\$19,924,000	\$61,283,000
GAS	PY10	PY11	PY12	Total
Implementation	\$227,234	\$228,740	\$228,011	\$683,985
Incentives	\$7,796,989	\$7,779,533	\$7,795,412	\$23,371,934
Total	\$8,024,223	\$8,008,273	\$8,023,423	\$24,055,919
COMBINED	PY10	PY11	PY12	Total
Implementation	\$821,185	\$810,996	\$794,216	\$2,426,397
Incentives	\$28,177,043	\$27,582,278	\$27,153,210	\$82,912,531
Total	\$28,998,228	\$28,393,274	\$27,947,426	\$85,338,928

Cost-Effectiveness Results

	Test Results
TRC	3.19
TRC with NEBs	3.51
UCT	4.40

	Cost Per Unit Saved
Electric	\$0.61 \$/KWh
Natural Gas	\$4.80 \$/therm

