To: The Staff of the Illinois Commerce Commission and Interested Stakeholders  
From: Ameren Illinois Company, d/b/a Ameren Illinois  
RE: The Ameren Energy Savings Goals Workshops.

Dear Staff of the Illinois Commerce Commission:

As noted in the March 5 and April 17, 2019 Notices of Energy Efficiency Workshops regarding Ameren Achieving Statutory Energy Savings Goals:

[the Illinois Commerce Commission’s September 11, 2017 Final Order in ICC Docket No. 17-0311 (“Ameren EE Plan Order”) directed the Staff of the Illinois Commerce Commission (“ICC Staff”) to initiate a minimum of three workshops “involving Ameren Illinois and interested stakeholders to develop a path to achieving the [cumulative persisting annual savings goals] set out in the statute for future plans, with a focus on reduction of the cost/kWh in the Ameren Illinois service territory subject to the objectives and requirements of the Act.]

In accordance with the Ameren EE Plan Order, ICC Staff scheduled three workshops and facilitated a robust information sharing process that provided Ameren Illinois and other stakeholders the opportunity to present, review, learn, comment and assess the first year of Ameren Illinois’ 2018-2021 Energy Efficiency Plan approved in ICC Docket No. 17-0311 (EE Plan). The workshop and information sharing process included both formal presentations, question and answer sessions and informal discussions between interested parties.

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1 Ameren Illinois Co. d/b/a Ameren Illinois, ICC Final Order Docket No. 17-0311, 45 (September 11, 2017) (“Ameren EE Plan Order”). See also page 71 of the Ameren EE Plan Order which states: “IT IS FURTHER ORDERED that the Staff is directed to convene a minimum of three workshops, and Ameren Illinois is directed to participate. At the workshops, stakeholders may offer proposals to aid Ameren Illinois in achieving statutory savings goals. The Staff shall compile a summary of the alternatives so offered and shall submit a report on the same to the Commission.”

2 The workshops were scheduled for: March 29, 2019 (for Ameren Illinois to present on its first year of implementation); May 13, 2019 (rescheduled to accommodate stakeholders who wanted to present ideas, comments and recommendations for Ameren Illinois to consider for future implementation); and May 30, 2019 for the Ameren Illinois response to the stakeholder presentation).

3 The formal presentations, questions and answers can be found at the following address: https://icc.illinois.gov/Electricity/workshops/AmerenEnergySavings.aspx.
In preparing for the final workshop presentation, which reflects consideration of, and responses to, the ideas, comments and recommendations presented by stakeholders on May 13, 2019, Ameren Illinois appreciated the efforts made by all parties to identify potential ways to achieve more savings in future plan years. In this regard, Ameren Illinois would particularly like to thank the ICC Staff for its leadership and facilitation of the workshops and information sharing process, which led to a successful and collaborative dialogue that benefited Ameren Illinois and its customers.

Finally, as reflected in the attached presentation, Ameren Illinois remains open and committed to exploring ways with interested stakeholders to increase savings in a manner consistent with the EE Plan objective. While the market conditions encountered during 2018 were generally in line with, if not even more difficult than, those assumed during the planning stage, challenges were encountered in 2018 and will continue to be faced in the future. Ameren Illinois welcomes the opportunity to continue the collaborative discussions started during this workshop and information sharing process, so that it can continue down a path of overcoming any market challenges, deliver meaningful savings to its eligible customers and exceed its Commission-approved energy savings goals.

Sincerely,

Kristol Simms, Director of Energy Efficiency
Workshop Process Scope and Goals


#2: Provide information regarding PY2018 performance to assess market conditions, successes, challenges and impact on path to achieving cumulative persisting annual savings goals.

#3: Receive collaborative, innovative, concrete ideas and suggestions from interested stakeholders to assist with path towards future portfolio success.
Overview

- Summary of Workshop Process to Date
- Home Efficiency Income Qualified Offering
- Business Custom Commercial and Industrial Customers
- Midstream and Upstream Product Incentives
- Other
  - Commercial New Construction
  - Market Transformation
  - Joint Program Delivery
  - Market Development Initiative
Summary of Workshop Process to Date

- On March 29, 2019, Ameren Illinois presented a comprehensive review of the implementation of its energy efficiency plan (EE Plan) in 2018.

- Ameren Illinois also responded to inquiries from stakeholders, including subparts, in order to provide information to stakeholders to assess the EE Plan in 2018 and "provide proposals to aid Ameren Illinois in achieving statutory savings goals." (ICC May 5, 2019 Notice of Workshops)

- On April 17, 2019 ICC Staff rescheduled the second workshop to accommodate stakeholders' schedules, and provided a list of "Information Requested from Stakeholders Providing Recommendations at the Ameren Illinois Commission Facilitated Workshops". (ICC April 17, 2019 Notice)

- On May 13, 2019 the Natural Resources Defense Council provided a written and oral presentation reflecting NRDC's "Ideas & Recommendations" and the Office of the Attorney General provided oral comments.

- Ameren Illinois responded to additional inquiries during and after the May 13, 2019 presentation.

- Today, Ameren Illinois provides its responses to the ideas, recommendations and comments provided while providing a path forward to continuing its work with stakeholders pursuant to the traditional Stakeholder Advisory Group (SAG) process.
HOME EFFICIENCY INCOME
QUALIFIED OFFERING
IQ Topic #1: A/C Replacements

- **Topic:** Reallocate Home Efficiency Income Qualified (HEIQ) Offering spend on replacement air conditioner measure to other Offerings and measures such as ductless heat pumps in the IQ Multifamily Offering or prescriptive incentives in the Standard Business Offering to garner more savings.

- **Response:** It is important to engage and encourage our customers in comprehensive energy efficiency adoption and savings, as well as address health and safety issues identified in the home. Air conditioning is a health issue for many of our customers, especially those living in the central and southern part of the state. People with respiratory issues and allergies, as well as senior citizens, require air conditioning to maintain proper humidity, temperature, and air filtration during the summer months. We follow the BPI standard practices for sizing HVAC equipment. If the current HVAC system meets the criteria for replacement, a whole house load calculation is performed to identify properly sized new equipment. Proper sizing based on actual cooling load helps to ensure new air conditioners function effectively. Of the 2,671 2018 HEIQ projects, only 1,344 received an A/C measure and all A/C units installed were appropriate and in line with the objectives of the plan.

- **Action:** Ameren Illinois will explore the possibility of adding a window A/C replacement measure pilot for applicable situations as early as a 2019.

- **Topics for Future Discussions:**
  1. What health and safety conditions should be considered related to replacement A/C units?
  2. When is installation of an A/C unit appropriate?
  3. What is an acceptable criteria for a window A/C measure versus a central A/C measure?
  4. Is there a particular customer segment that should be targeted for the window A/C measure?
  5. What are the anticipated additional savings and costs of adding the window A/C measure?
  6. What is the impact of achieving long term CPAS goals? (Further discussion needed regarding the short term vs. long term impact of CPAS goals related to the window A/C measure.)
IQ Topic #2: IHWAP Leveraging

- **Topic:** Leverage IHWAP funding, single family and multifamily, to lower average project costs and potentially run as one for <200%.

- **Response:** As a statewide approach, it has not been determined that more funding or running as one program will address the issues raised. The low income customers served by Ameren Illinois Registered Program Allies are those customers that are unable to receive weatherization services through IHWAP, for a variety of reasons (prioritization, availability of funds, etc.), however, Ameren Illinois does not promote to those customers. Referrals (see appendix for referral process) come from Community Action Agencies (CAAs) and community outreach efforts.

- **Actions:** Ameren Illinois commits to continue to lead statewide discussions about serving low income customers and to having further discussions with stakeholders regarding the process a single family customer follows to receive the greatest benefit and how best to serve multifamily properties. Ameren Illinois is also open to entering into an agreement with stakeholders regarding measures provided in the CAA channel.

- **Topics for Future Discussions:**
  1. Can examples of competition between the channels be provided?
  2. What is average project cost for statewide CAA braided projects?
  3. What measures are eligible to be offered by agencies through IHWAP statewide?
  4. What measures are offered by utility-parallel programs statewide?
  5. Is there any data that supports the belief that IHWAP leveraging should lower costs per unit?
  6. What potential constraints or risks exist due to the IHWAP process (state training requirements, funding cycles, staffing, prioritization of customers, etc.)?
  7. What is the appropriate customer referral process and how should the pipeline be managed and prioritized?
  8. How should Ameren Illinois, CAAs and Program Allies (if applicable) address the barrier of wage issues (Davis Bacon Act, etc.?)
IQ Topic #3: Non-Incentive Spend

- **Topic:** Review of non-incentive spend and potential increase in leveraging IHWAP.

- **Response:** Upon review of available Illinois utilities reports, the $5.7 million non-incentive spend appears to be in line, particularly in consideration of the related activities. Non-incentive spend for HEIQ includes outreach and education, data management and tracking, post-inspections, call center, Program Ally and Community Action Agency management, incentive processing costs, marketing, and mileage. Labor costs, as incurred by the implementation contractor, for conducting the audit and installing measures during the audit are also categorized as non-incentive costs.

- **Actions:** Ameren Illinois has continually and will continue to monitor non-incentive costs to ensure that they are managed appropriately to deliver these important and complicated programs through available market channels.

- **Topics for Future Discussions:**
  1. When can statewide reviews and conversations be held about the IHWAP leveraging framework?
   a. Ameren Illinois made this request last year through the SAG process.
   b. Renewed focus at last large SAG meeting in May 2019.
  2. What is the most useful way to calculate and compare costs between IQ delivery channels?
   a. Varying approaches can lead to different inferences and conclusions (e.g. characterization that IQ budget is 2x larger than planned).
  3. How can a fair feedback process be set up to allow for ongoing review and adjustments, as needed?
   a. Stakeholders must ensure that all information is known from key participants, including Ameren Illinois and CAAs, before drawing conclusions.
IQ Topic #4: Electric Heat Participants

- **Topic:** Increase participation of single family and multifamily electric heat customers to garner more savings.

- **Response:** Ameren Illinois believes there may be enough potential for a dedicated offering and will design an offering to target high use electric resistance space heat customers in the Ameren Illinois service territory and assess the ability of this effort to obtain higher savings at lower cost. Ameren Illinois will consider the design of the offering for both the rural and metropolitan markets.

- **Actions:** Ameren Illinois will evaluate existing resistance space heating and resistance water heating utilizing AMI data with potential to begin opportunities in this area in 2020. Additionally, Ameren Illinois will analyze actual savings and impact on customers for 12 mini splits installed in 2018.

- **Topics for Future Discussions:** None at this time until after digesting and cross-referencing regional and end use data as it becomes available through AMI.
IQ Topic #5: Multifamily Participation

- **Topic:** Streamline multifamily eligibility criteria, increase multifamily participation beyond direct install measures, implement a “one-stop-shop” approach and build a relationship with Illinois Housing Development Authority (IHDA).

- **Response:** Ameren Illinois agrees that identifying Income Qualified properties is challenging. A new multifamily marketing outreach coordinator was hired in 2019, with a focus on MF IQ properties. In 2019, over 100 properties have already completed participation agreements.

- **Actions:** Ameren Illinois will adopt expanded eligibility requirements for multifamily properties consistent with the Illinois Policy Manual and agreements with stakeholders. Ameren Illinois will explore the “one-stop-shop” option. In parallel, Ameren Illinois is working to build relationships with IHDA to align program design with their energy/water requirements.

- **Topics for Future Discussions:** None at this time.
BUSINESS CUSTOM COMMERCIAL & INDUSTRIAL CUSTOMERS
Participation From Large Customers

- **Topic:** While there are many good design elements, enhance the custom offering to increase participation closer to filed savings by greater use of customer segmentation specialists, implementation of specialized sub-offerings and specialized offers, such as agriculture and lighting as a service, enhancing the account management structure and tackling the installer certification barrier.

- **Response:** Ameren Illinois agrees participation from large customers is an important focus area and continues to make modifications to gain participation. The Custom Offering will continue to push to get as much participation and as many measures under Standard due to ease for customers and mitigating the risk of achieving savings associated with custom projects.
Participation From Large Customers

- **Actions**: Ameren Illinois will launch enhanced efforts in 2019 to increase participation from large customers. Elements may include, but are not limited to:

  - Enhanced marketing efforts to all personnel levels including facility managers, plant supervisors, finance departments and executives. Outreach and account management staff (Energy Advisors) will increase their focus on the Custom Offering and marketing and outreach emphasis will be placed on large projects.
  
  - Strategic funding increases to encourage more projects, adding engineering and industry expertise, and enhanced Feasibility Study and/or Staffing Grant incentives.
  
  - Expansion of sector engagement, increase partnerships with industry groups, and the continuation of sector specific trainings and webinars*. The creation of a specialized agriculture offering to combine custom and prescriptive measures adopting aspects of the Michigan Farm Energy Program and associated utility incentives, as applicable, in 2020 with target to evaluate the usefulness of a pilot in 2021.
  
  - Access opportunities to pursue lighting as a service, including lighting controls. While a relatively new concept/idea and is premature to determine impact to savings, we will continue to assess the applicability to increase savings. Ameren Illinois recommends elevating this opportunity to SAG for discussion.
  
  - Utilization of case studies* as done in the past. Ameren Illinois welcomes new ideas, sectors and best practice information.
  
  
  - Additional work with national accounts on Installer Certification - plan to continue work in this arena with dedicated national account outreach and a well-documented process.

* Additional information included in Appendix
Participation From Large Customers

Topics for Future Discussions:

1. What incentives have been offered and effective with other utilities?
2. What is the statewide impact of the loss of 10 MW+ customers?
3. Can examples of effective case studies produced by other utilities be provided?
4. Are there specific examples of account management incentive structures that have been successful in other markets?
Expand Midstream and Upstream Measures

- **Topic:** Expand midstream and upstream beyond lighting to include measures such as heat pump water heaters, circulations pumps, a broader application of commercial & industrial lighting, business and residential HVAC equipment, and food service equipment. Implementation examples were given for Connecticut and Vermont.

- **Response:** Ameren Illinois is willing to explore the applicability of expanding midstream and upstream measures.

- **Actions:** Ameren Illinois proposes a working group, including stakeholders and evaluators, to research and identify measures consistent with the persistent savings structure. Discussions from this working group will hopefully lead to a statewide pilot and the ability to claim savings across all fuels. The working group should also include a stated goal of identifying measures that will allow utilities to claim higher electric savings at lower cost.

- **Topics for Future Discussions:**
  1. Is program design from other regions, climate zones, demographics, fuels, environments and service territories applicable to Ameren Illinois?
  2. Would deemed and/or agreed upon NTG values, leakage, fuel switching, attribution and other EM&V/policy considerations be an issue in the early years of a potential pilot?
  3. Will the Illinois Policy Manual establish consistent terminology for midstream and upstream programs?
  4. How will the market potential for these measures be determined?
  5. What is the impact of Certified Installer requirements on midstream measures?
OTHER
Commercial New Construction

- **Topic:** Create a separate commercial new construction offering with a targeted focus to develop high participation rates.

- **Response:** Ameren Illinois believes this is a viable recommendation. The potential study projects approximately 20 million square feet of new construction per year and represents limited new customer growth.

- **Actions:** Ameren Illinois commits to have a focused discussion on this potential opportunity and will attempt to incorporate a pilot, as early as 2020. Additionally, Ameren Illinois will create a separate commercial new construction application.

- **Topics for Future Discussions:**
  1. Are there successful utility new construction programs that can be referenced to learn best practices?
  2. Do lending institutions or property developers have a role in leveraging a joint program?
  3. How does the modified New Construction Offering make the business portfolio generate more CPAS savings as compared to other business offerings?
Market Transformation

- **Topic:** Invest in market transformation initiatives.
- **Response:** Ameren Illinois believes this is a viable recommendation.
- **Actions:** Ameren Illinois will engage with the Midwest Market Transformation Collaborative and will look for opportunities to work jointly with other Illinois utilities on strategies that will yield increased savings and increased savings at lower cost.
- **Topics for Future Discussions:**
  1. Has a gauge for potential savings been identified?
  2. What is the timing for realization of savings from market transformation efforts?
Joint Program Delivery

- **Topic:** Strategically consider joint program delivery where it can cut costs.

- **Response:** Ameren Illinois believes this is a viable recommendation and will work to expand joint program delivery beyond OBF, statewide retail products implementer and implementation of the Community Action Agency channel.

- **Actions:** Ameren Illinois will explore launching a pilot before the end of this cycle to jointly deliver incentives to customers with other Illinois utilities.

- **Topics for Future Discussions:**
  1. How well are Illinois utility joint programs working from a stakeholder perspective?
  2. Do we understand where the economies of scale are and are the programs with the greatest impacts being prioritized?
Market Development Initiative

- **Topic:** Shift some of the market development budget to the Business Program.

- **Response:** Ameren Illinois believes it is premature to begin considering a shift in market development funding levels at this time. There is a clearly identified need for this effort, and Ameren Illinois has not seen indications that the need will subside in the immediate or near future.

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**ENERGY EFFICIENCY INTERNSHIPS**

Connecting the future workforce with opportunities in the energy efficiency industry.

Ameren Illinois is helping local communities and organizations in the energy efficiency field recruit talented students who will help us become a leader in energy efficiency initiatives. These internships are part of our stronger community and a critical step in developing a larger, more capable energy efficiency workforce. As part of our commitment to this initiative, Ameren Illinois is pleased to announce an enhanced summer internship program.

- **Program Enrollment:** Full-time or part-time (40-16 weeks during the internship period), earning up to $10/hour per week.
- **Internship and Student Responsibilities:** Communicate with project leads, manage internships, and help with various other tasks.
- **Application Process:** All eligible candidates must submit an online application.

Learn more at: [AmerenIllinoisSavings.com/Internships](http://AmerenIllinoisSavings.com/Internships) or call 1.844.481.1225.

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**AMEREN ILLINOIS OPPORTUNITIES SCHOLARSHIP PROGRAM**

As part of Ameren Illinois’ mission to bring diverse candidates into the energy efficiency industry, Ameren Illinois created the Opportunities Scholarship to help train the next generation of Construction Management and HVAC professionals.

This program provides a total of 32 scholarships per school year to area community colleges in Illinois. Scholarship winners receive a $5,000 stipend to defray the costs of their training. Looking toward students’ future, Ameren Illinois wants students to not only become Ameren Illinois professionals based on attitude, performance, and work ethic—students like Bryon Peisler.

After his mother’s death when he was just 11 years old, Peisler navigated his challenges — and Chicago’s south side — with the help of meaningful mentorship. Eventually, he found a home at Northwest Community College and a passion for HVAC work. His plans to pay it forward via a youth mentorship program.

To date, the Ameren Illinois Opportunities Scholarship program has provided over $160,000 to support the growth of the diverse energy efficiency workforce in Illinois.
Next Steps

- Continue to collaboratively engage with interested stakeholders on topics raised during the workshop process.
  - Engage with the Office of the Attorney General to plan for and participate in statewide discussions regarding low income programs.
  - Engage NRDC for further discussion on developing best practices related to the business ideas and recommendations.
- Work with the SAG facilitator to determine which topics can be incorporated into the 2020 SAG plan, as appropriate.
- Maintain an open dialogue with interested parties in an effort to identify potential ways to increase savings, when appropriate.
QUESTIONS?
Achieved Savings Compared to Unmodified Savings Goals

Topic:
- Premise from NRDC: Ameren Illinois only fell 4% below the unmodified statutory goal in 2018, so with just a few changes, the unmodified statutory CPAS goals could be met.
- Data provided: Ameren achieved 381 GWh savings in 2018; would need 397 GWh per year to hit the unmodified CPAS goals; and Ameren Illinois’ modified goal is 346 GWh per year.

Response:
- Ameren Illinois exceeded goal in 2018, but given market conditions and changing policy scheme those savings levels are not sustainable, particularly with baseline shifts due to federal lighting standards expected in 2021.
- A successful 2018, especially in key offerings like Retail Products, does not increase the ability to achieve the 2021 unmodified statutory CPAS goal.
- Expiring savings, mainly due to lighting baseline shifts, have a major role in achievement of annual CPAS goals.
  - The EE Plan projected expired savings of approximately 35 GWh in 2021 from measures installed in 2018.
  - Due to 2018 portfolio achievements, the expired savings in 2021 from measures installed in 2018 is approximately 58 GWh, an increase of over 20 GWh, which is about 6% of the CPAS goal.
  - In addition to expiring savings from measures installed in 2019 and 2020, expired savings in 2021 could be over 90 GWh.
- The 397 GWh per year, referenced above, only accounts for expired savings beyond expired savings in the original filing. In order to fully account for all savings required to meet unmodified CPAS goals, expired savings that occur from the compliance filing and 2018 actuals need to be accounted for.
Examples of Ongoing Sector Specific Trainings and Webinars

- Combined Heat and Power (CHP)
- Wastewater Treatment Plant (WWTP)
- HVAC in Warehouses
- Industrial Assessment Center (IAC)
- DOE Better Plants
- Industrial Internet of Things
- Public Sector Customer Case Studies
- Compressed Air Challenge
- Power Over Ethernet (POE)
- EPA ENERGY STAR ® Industrial and Commercial Tools
Case Studies

> All case studies, including those specific to the Custom Offering, can be found [HERE](#).

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CUSTOM PROJECT PUTS KIN GERRY PRINTING ON CUTTING EDGE

Cardinal Hwy II of Rockwood, IL, a KIP imaging plant, invested in and threatened through ongoing change. They turned to Ameren Illinois for help, and in 2016, Jason and Amanda Goyer could not be happier with the results. The thought that the plant can keep on growing.

“We are a technology leader,” Jason Goyer, President of the company says. “It’s time to do the right thing.”

Until recently, the company dealt with a problem that plagued many like it. Inexpensive, paper-based signs were all they could use to do the job. They needed to move to a more sustainable, paperless alternative.

A Printer with a Lighter Future

In 2016, Jason Goyer found a solution in an emerging technology called software-defined imaging. Software-defined imaging produces images on a computer, which are then sent to the printer as a PDF or PostScript file. This allows the printer to produce images that are beyond the capabilities of traditional printers.

The technology uses less ink and is more flexible than other technologies. The printer is able to handle a variety of materials, including paper and plastic. It is also able to handle a wide range of color profiles, which makes it ideal for use in the printing industry.

A recent study found that software-defined imaging can save companies up to 90% of their printing costs. It is also a more sustainable option because it reduces the need for paper and ink.

This technology is the future of printing and is becoming more and more popular. It is also becoming more affordable, making it more accessible to small businesses.

The Goyer family was hesitant at first but ultimately decided to use the technology. They are now happy with the results and plan on using it in the future.

For more information, visit [Case Studies](#).

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CONVENT’S NEW BOILER SYSTEM IS TESTAMENT TO EFFICIENCY

Scottish Hostel Community has replaced its Sterling Boiler with a new one made by CCGE. The new boiler system is more efficient and provides better energy performance for the building.

The old boiler system was not efficient and was causing problems with the building’s energy performance. The new boiler system is more efficient and provides better energy performance for the building.

The new boiler system is more efficient because it uses less fuel compared to the old system. It also has a higher efficiency rating, which means that it is able to convert more of the fuel into usable energy.

For more information, visit [Case Studies](#).

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GROUNDBREAKING EFFICIENCY PROJECT GIVES MAHOMET IGA AN EDGE

As athresh, we are focused on energy efficiency and sustainability. In 2020, the city of Mahomet, IL, embarked on an energy efficiency project that has made a significant impact on the community.

The project included the installation of new energy-efficient lighting, the conversion of the city’s fleet to electric vehicles, and the implementation of a comprehensive energy management system.

The project has led to significant reductions in energy consumption and has saved the city thousands of dollars in energy costs.

For more information, visit [Case Studies](#).