

# Illinois Energy Efficiency Stakeholder Advisory Group

2020 SAG Portfolio Planning Process  
Proposed Energy Efficiency Ideas Template

## Submitter Contact Information

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## Energy Efficiency Idea Questions

Please check the boxes below to identify 1) the type of idea; 2) which Illinois utility or utilities will be impacted by the idea; and 3) which EE sector the idea impacts.

Check	Type of Energy Efficiency Idea
<input type="checkbox"/>	New Measure or New Program Idea
<input checked="" type="checkbox"/>	Proposed Program Approach
<input type="checkbox"/>	Innovative Idea

Check	Illinois Utility Impacted by Energy Efficiency Idea
<input type="checkbox"/>	Ameren Illinois
<input type="checkbox"/>	ComEd
<input type="checkbox"/>	Nicor Gas
<input type="checkbox"/>	Peoples Gas & North Shore Gas
<input checked="" type="checkbox"/>	All Illinois Utilities

Check	Energy Efficiency Sector Targeted by Energy Efficiency Idea
<input type="checkbox"/>	Residential Customers – Single Family (non-income qualified/income eligible)
<input type="checkbox"/>	Residential Customers – Multifamily (non-income qualified/income eligible)
<input checked="" type="checkbox"/>	Residential Customers – Single Family Income Qualified/Income Eligible
<input checked="" type="checkbox"/>	Residential Customers – Multifamily Income Qualified/Income Eligible
<input type="checkbox"/>	Small Business Customers (commercial & industrial sector)
<input type="checkbox"/>	Medium/Large Business Customers (commercial & industrial sector)
<input type="checkbox"/>	Other (research & development, emerging technologies, market transformation)

### **Additional Questions**

1. **Description of Idea:** Describe the proposed idea, including the purpose of the suggested idea and rationale. Describe whether this is an idea that could be implemented in an existing EE program, or whether the idea involves establishing a new measure or program. Please indicate whether additional research may be required before implementation.

*Questions to consider: What issue will this proposed change resolve? Will the proposed change increase participation and result in increased energy savings? Will this reduce costs? Will this increase customer satisfaction? Will this help achieve statutory goals? Will this help increase program penetration?*

### **Income-Qualified (IQ) Weatherization Best Practices**

NCLC offers several suggestions to ensure that the electric and gas utilities are both efficiently spending IQ program dollars, reaching more IQ customers and easing the ability of customers to access weatherization programs. As discussed below, these proposals would require:

- Creation of a single, statewide application process for IQ Multifamily building owners and single point of contact (SPOC);
- Increased funding for the braided IWAP/utility weatherization program, with better communication and coordination with the community action agencies (CAAs);
- Joint delivery of all IQ programs, along with better coordination between utilities with adjacent service territories;
- A consistent measure list for both the braided WAP/utility program and the utility-only funded programs allowing for some variation between the two programs if justified and in order to increase the number of homes served; and
- Initiation of an IQ weatherization Best Practices Group.

## **A. Single, statewide application process for IQ Multifamily Building Owners**

There should be a single, seamless interface for delivering energy efficiency services for owners and tenants of multifamily buildings for owners and managers who want to apply for utility MF programs. The intent is to include both buildings receiving federal housing assistance dollars and those that may not be deed-restricted but are located in Census tract areas where low-income persons reside.

The Massachusetts LEAN multifamily program, considered to be the best in the country by ACEEE, has a single application portal for a multifamily program funded by different programs and agencies. Recently, the web-based LEAN multifamily application portal has been updated to be even more user-friendly.<sup>1</sup> Information on that portal notes that LEAN has served 220,000 multifamily residential units and performed energy assessments on over 13,000 multifamily buildings. The actual application is available online, and FAQs are posted as well to help guide prospective applicants. The program is unquestionably highly successful,<sup>2</sup> and the website has been met with wide approval in the Massachusetts multifamily sector. Notably, even though there are eight program administrators in Massachusetts (delivered through community action agencies), they work collectively through LEAN so that multifamily building owners and managers need only use this one, unified web portal.

While funding for any particular multifamily job comes from the utility (or utilities) in whose territory the building is located, the multifamily owner or manager applies via the web portal, not to the local utility company. Even with Illinois utilities not working under a single umbrella, as in Massachusetts, coordination with both WAP and all utilities should occur so that this application process is easier for MF building owners and tenants.

Along with this streamlined application process, utilities should ensure that MF building owners can work with a single point of contact (SPOC) to enable a one-stop shop experience. The purpose of the SPOC would be to answer all questions related to financing if necessary (many MFWB), measure information, quality assurance and any other questions that might arise.

## **B. Funding for the IWAP/Utility Braided Effort Should Be Increasing to Ensure Consistent, Joint Delivery of IQ Weatherization Services**

The utility/Illinois Weatherization Assistance Program (WAP) braided approach to weatherization services has been an effective partnership in delivering IQ weatherization services to Illinois IQ customers. This funding approach should be expanded in the years ahead, with utility funding increased each year as capacity at the community action agencies increases. To date, however, utility funding to this braided effort has been inconsistent in amount, with a *decrease in* funding occurring in one or more years by some utilities. In order for community action agencies' (CAAs) capacity to increase, agencies have made clear that they need solid and early commitments from the utilities about funding levels so that the CAA contractor workforce can grow.

Specifically, utilities need to do a better job of coordinating with the agencies and the Illinois WAP manager so that the CAAs can increase capacity to deliver weatherization services. WAP agencies need commitments that these funding increases will occur, so that additional employee and subcontracting capacity can be obtained. A more formal structure is needed to ensure that this dialog occurs, as discussed later. This effort needs to be

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<sup>1</sup> See: [www.leanmultifamily.org](http://www.leanmultifamily.org)

<sup>2</sup> The LEAN multifamily program received an "Exemplary Program Award" from the American Council for an Energy-Efficient Economy in January 2019. "The New Leaders of the Pack: ACEEE's Fourth National Review of Exemplary Energy Efficiency Programs," at p.64-65 (ACEEE Jan. 2019). See: <https://aceee.org/research-report/u1901>.

planned and balanced so that in the short term, while CAA capacity is being built, federal weatherization dollars are still being spent by the agencies, consistent with the state's weatherization plan, and not primarily focused on utility-only-funded efforts.

There are several reasons why the joint WAP/utility effort should be ramped up in the years ahead. First, the utilities' goal should be to work with and combine forces with the existing WAP delivery network. It simply is more efficient, and ensures that the WAP efforts are not cannibalized as utility funding increases in the years ahead. Coordination with the state WAP manager is key so that utility-only and braided WAP/utility dollar efforts are managed to ensure that *both* federal and state weatherization dollars, as well as utility program budget dollars, are spent.

Second, unless the two programs are identical, to the greatest extent practicable, the continuation of the existing dual approach to weatherization – one WAP-braided and another, different utility-funded only model – creates customer confusion and worse yet, may create the unintended (or ignored) consequence of IQ customers getting fewer energy-saving measures installed than they would otherwise obtain through utilization of the WAP program.

In addition, a consistent list of weatherization measures should be offered throughout the state for IQ single-family and multifamily weatherization customers, with the goals of providing a *whole-home approach* to weatherization and improving the health, safety and comfort of the home being treated – whether or not the program is offered through the braided utility/WAP effort or through the utility-only program. Today, the current list of utility-funded measures varies by service territory. For example, Ameren currently does *not* fund mechanicals in its braided WAP program. We believe that should change now and in the next plan, so that Ameren funds HVAC, just as ComEd, Nicor and Peoples Gas/North Shore Gas currently do.

In addition, in the utility-only funded programs, all of the utilities fail to consistently approach weatherization measure mixes. For example, currently, NCLC understands that ComEd/Peoples Gas does not permit the Chicago Historic Bungalow Association program to install HVAC measures. This is a missed opportunity to apply whole building best practices to these homes. Nicor's utility-only funded program, as NCLC understands it, likewise does not install HVAC measures or offers significantly less than what is available through the braided WAP/utility effort. Worse yet, Nicor runs its program without working jointly with ComEd, despite promises over several years that it would work toward that goal. As a result, customers receive gas-only efficiency measures. This runs contrary to the best practice of taking a whole home approach to weatherization. Such programs essentially become "weatherization-lite" efforts. Because multifamily buildings vary significantly in their size and configurations, an energy audit should always be performed before work proceeds, with a consistent, master list of all eligible measures available to the clients.

Increasing energy savings (lowering customer bills) and improving the comfort and safety of a home are twin goals of the WAP program. Utilities, too, need to embrace this approach to weatherization in its utility-only funded programs. The mission of IQ weatherization is by its nature an expensive proposition, and one that does not necessarily fit within a utility's larger focus on achieving statutory savings goals. IQ programs in general should not shoulder utility efforts to minimize costs by installing cheaper measures only, for example, rather than a whole-building approach, in an effort to hit savings targets and maximize shareholder return. That's a reality the utilities should acknowledge and accept in order to achieve best practices in IQ weatherization program delivery. Exceptions can be made, with good cause shown. But that criteria for installing less should be discussed with stakeholders, the CAAs, the Illinois WAP manager, other implementers and contractors on the ground. At the end of the day, IQ programs are about serving the client and maximizing monthly bill savings, not achieving utility savings goals or appeasing shareholders.

### C. Creating a Best Practices Subcommittee

As noted above, better coordination is needed both to ensure consistency in funding and content of energy efficiency measure mixes. In Massachusetts, the award-winning LEAN program conducts a Best Practices working group that meets several times per year with specific agendas in establishing program implementation approaches, pilot programs and measure mix discussions. The discussion is led by LEAN representatives – not the utilities -- although they are critical partners in the discussion and in setting the agenda. The meetings are cordial, focused and results-driven. The same could and should be implemented in Illinois. Given the inconsistency that currently exists in terms of the funding and content of utility-funded weatherization efforts, creation of a Best Practices group, that includes utilities, CAAs, contractors (both in and outside the WAP network), the Illinois WAP manager, other implementers and stakeholders is critical.

2. **Implementation:** How will this idea be delivered to the target market? Describe marketing strategies used to reach the target market and minimize market confusion.

See explanation above.

3. **Background:** Describe where the idea originated from, including whether this idea has been successfully implemented in other jurisdictions. Provide specific background information that will help utilities and SAG participants understand the proposed idea.

*Questions to consider: In what jurisdiction has this idea been successfully implemented? Do you have information on eligible customers, participation achieved, and/or savings achieved? Do you have access to reports describing the successful idea / program approach?*

The Massachusetts LEAN model, as noted above, is considered a best practices model for the country. Today, all electric and gas utility funding is combined with federal WAP dollars, with the program delivered by the LEAN community action agency network. See attached “LEAN and Green” NCLC white paper.

4. **Idea Impact:** Provide additional information on the customer segment that will be targeted with the program idea, including how and why this idea will have a positive impact on customers participating in Illinois EE programs.

*Questions to consider: What level of impact will this idea have on current EE programs? How much additional market share do you estimate this change will impact?*

See explanation above.

5. **Duration:** Is this idea intended to be offered for the duration of the 4-year EE Plan or as a pilot measure or program?

Yes.

6. **Estimated Budget:** Provide the total estimated budget for each program year (2022 – 2025).

To be determined, based on total IQ budget and in consultation with the Illinois weatherization network.

7. **Estimated Participation:** Provide participation totals for each program year (i.e. number of measures installed, number of customer participants, etc.)

N/A

### **Sources**

If any sources will be useful to Illinois utilities in reviewing ideas, please either provide links within this template or send attachment(s) to the SAG Facilitator with the Energy Efficiency Idea submittal.

<https://www.nclc.org/issues/lean-and-green.html>