

**IL EE Stakeholder Advisory Group:
Midstream-Upstream Working Group
Friday, March 6, 2020
12:00 – 2:00 pm
Teleconference Meeting**

Attendee List and Meeting Notes

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Samarth Medekkar, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Laura Agapay-Read, Guidehouse
Matt Armstrong, Ameren Illinois
David Brightwell, ICC Staff
Erin Daughton, ComEd
Leanne DeMar, Nicor Gas
Gabriel Duarte, CLEAResult
Jack Erffmeyer, IL Attorney General's Office
Jim Fay, ComEd
LaJuana Garrett, Nicor Gas
Kelly Gunn, ComEd
Randy Gunn, Guidehouse
Sue Hanson, TetraTech
Jan Harris, Guidehouse
Hannah Howard, Opinion Dynamics
Kathy Warren, ILLUME Advising
Jim Jerozal, Nicor Gas
John Lavalley, Leidos
Kelly Lena, Nicor Gas
John Mansfield, Nicor Gas
Karianne McCue, Nicor Gas
Brady McNall, DNV-GL
Mark Milby, ComEd
Abigail Miner, IL Attorney General's Office
Jennifer Morris, ICC Staff
Phil Mosenthal, Optimal Energy, on behalf of IL Attorney General's Office
Kelly Mulder, ILLUME Advising
Chris Neme, Energy Futures Group, on behalf of NRDC
Rob Neumann, Guidehouse
Randy Opdyke, Nicor Gas
Michael Pittman, Ameren Illinois
Hilary Polis, Opinion Dynamics
Jacob Stoll, ComEd
Mark Szczygiel, Nicor Gas
Andy Vaughn, Ameren Illinois
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
Chris Vaughn, Nicor Gas
Sara Wist, Cadmus Group

Meeting Notes

Midstream-Upstream Working Group: 2020 Plan

Celia Johnson, SAG Facilitator

- Final comments on the Midstream-Upstream Working Group Plan for 2020 are due by COB on Friday, March 20.
 - Click here to download: [SAG Midstream-Upstream Working Group Plan \(final draft – updated 3/4/2020\)](#)

Ameren Illinois Midstream/Upstream Update

Matt Armstrong, Ameren Illinois

- Current offerings:
 - Lighting (majority of offerings)
 - Ameren IL is shifting in response to change in lifetime savings for LEDs
 - Notched v-belts
 - Not emphasized anymore and they're moving away because of short measure life
- Future considerations:
 - Smart t-stats for commercial
 - Heat pump water heater for commercial and residential
 - HVAC for residential and commercial

Discussion:

- Randy Gunn: Is the lighting for residential or commercial?
 - John Lavalee: Both channels.
- Phil Mosenthal: Is the commercial lighting offering led tubes or fixtures and controls?
 - Matt Armstrong: On the commercial side, it covers screw in bulbs and LED mobile base lamps but linear tubes led are the majority.
 - Andy Vaughn: We tried to put controls back through and update went down, so they were moved back downstream.
- Chris Neme: Are you still thinking about commercial food service equipment?
 - John Lavalee: This is still on Ameren's radar, but further down in terms of priority.

ComEd: Incorporating an Upstream/Midstream Strategy in EE

Jim Fay and Kelly Gunn, ComEd

- Purpose: Update the WG on upstream/midstream work
 - Some initiatives underway
 - Plethora of research working with utilities nationally and compiling lessons learned from successful and unsuccessful pilots
 - Research slated for the next several months to solicit sag feedback
- Reviewed Terminology (see presentation)
 - Upstream, midstream, supply chain
- Midstream/upstream programs have proven their efficacy nationally
 - Over 80 active programs in North America as of last year (Esource)
 - Nationally successful areas are lighting retail products, HVAC, commercial kitchen equipment and heat pump water heaters
 - These are the focus areas of their research as a result
- Considerations:
 - When you move to upstream, you're opening to a larger market
 - Larger group can benefit from moving in up-stream direction

- Increased efficient product sales, demonstrated by PG&E
- ComEd's Research
 - ComEd's has been looking at what other utilities are doing to move programs in up- stream direction for the past 5 years
 - Previously had never done any benchmarking of other utilities
 - Typically, they set up a half hour call to discuss general topics: overall experience; keys to success; pitfalls to avoid; timing; distributor pushback
 - Background slide: "benchmarking discussions with other utilities" contains the branding of utilities and stakeholders that they have had discussion with
- Considerations that arose from discussions
 - Opportunities and challenges regarding customers, market actors and program management
 - These will come up in discussions where measures/offerings are discussed
- Integrating in portfolio planning process. Two decisions will need to occur well before start of next Plan (2022-2025):
 - Over the next 9 months begin working on a competitive solicitation
 - Will need to make a decision by the end of year what programs need to be contracted to implementers (what measures they're going to move midstream or upstream)
 - Chris Neme: Surprised that lead time is 12 months. Why planning so far in advance?
 - Jim Fay: This includes drafting the RFP, internal review, involving contracts in supply group, etc. When you take all this into account we need to start early.
- Plan filing is the next phase
 - Planning needs to occur before RFP
 - When ComEd starts to draft portfolio plans, starting in the second quarter 2020, we have to make a decision on a starting point for what we are moving midstream or upstream
 - Initial plan will have to include assumptions on what programs to move upstream
 - Right now, we are looking at 3 programs in addition to lighting. Looking for SAG's input.
- Pilots
 - Food service equipment in 2020
 - Upstream commercial HVAC concept
 - Key questions pilots are intended to answer:
 - Do we believe that we can achieve lower cost and increased participation if measures moved up-stream?
- Benchmarking research has showed key concerns in barriers for distributor participation
 - Smooth and efficient back office platform to provide reimbursement
 - Distributor staff should feel comfortable working with utility systems
- Questions to answer:
 - What should be the incentive level? Admin cost? What should participation levels be?
 - In each of these programs moving upstream, ComEd will need to anticipate what the answers to these questions will be. This is the goal in the next 6 months.
- ComEd's current midstream/upstream initiatives
 - 3 pilots: food service, commercial lighting, commercial HVAC
 - Commercial lighting
 - Successful as a midstream offering

- Lessons learned - timing and working with distributors; understanding supply chain prior to entering market is key
 - Challenges - complication regarding the removal of omnis; cost effectiveness of program hasn't decreased over the years
 - Evaluation and double counting concerns - solutions have been found and evaluator are key for making this sound going forward
 - Customer attribution - how do you continue to engage customers after you've moved up stream? Administration costs are increased when the program moves in an up-stream direction.
- Pilots
 - Food service equipment rebates
 - Officially launched in July
 - Rebates began Jan 1
 - Great success
 - Already reached target number of distribution and have started processing rebates
 - This pilot specifically is a required stipulation in FEJA and they've worked with the gas utilities
 - Already great lessons learned in working with each market segment and treating them as separate entities
- Chris Neme: For commercial food service, you have 19 distributors enrolled. Do you have a sense of what proportion of food service in the territory?
 - Kelly Gunn: A lot of the big distributors that work in the territory they aren't state focused - they're national/international. Haven't been as successful with bigger distributors. With medium size distributors on board, a little pressure on larger distributors; which is helpful, but we currently do not have the big distributors included.
 - Jim Fay: This may be changing based on recent updates we received.
- Residential HVAC (pilots contd)
 - Still trying to find ways to streamline rebates
 - Equipment is still a downstream rebate
 - They want to gauge if this can be extended to other heating and cooling equipment in portfolio
 - They're moving forward with surveys to distributor and contractor to implement efficiently
- Phil Mosenthal: What is the minimum SEER requirement for this program?
 - Kelly Gunn: 15, 16, 18 SEER are the three rebated at the midstream level
 - Phil Mosenthal: One concern is net to gross ratios; if it's a product with already large market share, we should be aware of managing how we push more efficient technologies.
 - Phil Mosenthal: When Connecticut went from downstream to upstream, they saw a big bump in uptake but not a big change in penetration, so may be picking up just free riders.
 - Kelly Gunn: We need to have a plan and get involved from the get-go. The baseline study helps them understand the customer bases and detailed info including, the majority of HVAC are 1 for 1 replacement.
- Commercial HVAC (pilots contd)
 - Similar structure for how residential rebate program will be set up
 - Investigate how to influence stocking practices
 - Reviewed lessons learned and challenges; like previous discussed

- Other potential initiatives – we are also looking at smaller opportunities to move upstream
 - Heat pump water heaters; you may have heard success in the northwest or northeast; they're moving resistant water heaters whereas in the ComEd territory, the gas water heaters have a stiff market share
 - Potentially combining heat pump water heaters with recirculation pumps
- Retail products platform
 - Looking at national buyers (Loews, Home Depot, Best Buy)
 - Looking into refrigerators and clothes dryers as either new programs or supplemental within their current portfolio
 - Also looking into pool pumps; there's over 100000 pools in the territory making this viable measure
 - They've done several hundred over the last year; in moving upstream they think they can do better
 - Chris Vaughn: Where are the utilities located? Do they already have existing initiatives or relationships with these distributors?
 - Jim Fay: All over the country; a few in CA, Pacific Northwest, NE, one or two in the Midwest. This is a combined effort working with key decision makers in stores to push more efficient products. Utilities interact with those in their service territory.
- Phil Mosenthal: There may be an opportunity on the commercial side from ECM motors; people don't pay attention to these motors but if you can get them higher standing in the stock then that can make a significant difference.

Next Steps

1. Final comments on the Midstream-Upstream Working Group Plan for 2020 are due by COB on Friday, March 20.
 - Click here to download: [SAG Midstream-Upstream Working Group Plan \(final draft – updated 3/4/2020\)](#)
 - Send comments to the SAG Facilitator (Celia@CeliaJohnsonConsulting.com)
2. Stakeholder proposals for new “Energy Efficiency Ideas” are due by April 1.
 - [Click here to download the Energy Efficiency Ideas Template.](#)
 - If any midstream and/or upstream-specific ideas are proposed, they will be presented at the May 14-15 large group SAG meetings, with follow-up discussion in the June 2nd Midstream-Upstream Working Group meeting.
3. Next Midstream-Upstream Working Group Meeting: **Tuesday, April 28**