



ComEd[®]
Energy Efficiency Program

IQAC Feedback Discussion

Income Eligible Elements ComEd Energy Efficiency Program Draft Portfolio Plan – 2022-25

November 10, 2020

Presented to the Illinois Income Qualified Advisory Committee (IQAC)

*ComEd Offers This Preliminary Information For Discussion And Negotiation Purposes Only; Not Admissible For Any Purposes In An Adversarial Proceeding; Facts And Figures Contained Herein Are Subject To Change

Increasing Impact in Income Eligible (IE) Communities

Stakeholder Input:

- Income Eligible
 - Portfolio funding levels
 - Umbrella delivery model for comprehensive programs
 - Customer targeting based on energy burden/billing
 - EE – Billing Assistance coordination
 - Increased collaboration with CBOs
- Equity Hiring

Acronyms /
Definitions

EE: Energy Efficiency
IE: Income Eligible
SF: Single Family Residential
MF: Multi-Family Residential
Retrofits – Whole Building Retrofits

Increasing Impact in Income Eligible (IE) Communities

Initial Challenge:

2018-30 FEJA	\$25.0 million per year (minimum) IE EE measures
2018-21 Portfolio “Plan 5”	\$42.2 million per year (average) IE programs or initiatives ¹ ✓ Of this, \$19.9 million per year IE SF + MF retrofits

- More than 40% of ComEd’s residential customers qualify for Income Eligible energy-saving program offerings
- Annual resources are limited (Budget per Savings Goals)
- This creates the need to optimize impact of EE dollars

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Increasing Impact in Income Eligible (IE) Communities

Initial Challenge:

- Geographic Analysis of 2018-21 Portfolio “Plan 5” Income Eligible and Residential program participation highlights opportunities for providing deeper savings to customers most in need, and expand options to reach all eligible customers, while achieving savings targets
 - There is a lower-than-expected concentration of Income Eligible program participation in areas with the greatest need
 - Residential Program participation is predominately not occurring in high density low-income areas

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Residential Programs – aka Market Rate Residential

Increasing Impact in Income Eligible (IE) Communities

Initial Challenge:

- While Income Eligible Energy Efficiency programs help Income Eligible customers, Residential programs (e.g. the home energy assessment program) also have sizable impacts and could be targeted to IE customers
 - Preliminary analysis shows that comprehensive IE programs have a larger wallet impact than Residential programs, however, the impact from Residential programs is not insignificant, and could increase if adapted for the Income Eligible sector

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Increasing Impact in Income Eligible Communities

2022-25 Draft Portfolio “Plan 6”

54% increase vs. “Plan 5”
~62% increase in retrofits

~\$65.1 million per year (average) IE programs or initiatives²
✓ Of this, ~\$32.2 million per year for SF + MF retrofits

1. Design & Target:

Ensure dollars are going to those who need it most

2. Bridging the gap:

Ensure customers receive a fuller set of solutions that make sense for them

3. Save & Measure:

Help customers ensure that they are seeing actual savings on their bills

Begin to more systematically track (and over-time improve) customer bill impacts

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Income Eligible Targeted Spend

Income Eligible Spending (\$M)

Segment	Component	Program	2022	2023	2024	2025
Res/IE	IE SF Upgrades	Single Family Upgrades	\$10.4	\$10.4	\$10.8	\$10.8
Res/IE	IE SF Upgrades - IHWAP	Single Family Upgrades	\$4.9	\$5.0	\$5.1	\$5.2
Res/IE	Home Energy Assessment	Single Family Upgrades	\$8.9	\$9.3	\$8.4	\$8.2
* Res/IE	IE Multifamily Upgrades	Multifamily Upgrades	\$8.3	\$10.0	\$11.8	\$13.4
* Res/IE	IE MF Upgrades - IHWAP	Multifamily Upgrades	\$5.5	\$5.6	\$5.7	\$5.8
Res/IE	Public Housing Upgrades	Multifamily Upgrades	\$2.5	\$2.5	\$2.5	\$2.5
Res/IE	Affordable Housing New Construction	New Construction- Res/IE	\$3.0	\$3.0	\$3.3	\$3.4
Res/IE	IE Kits	Product Distribution	\$6.2	\$6.1	\$6.1	\$6.0
Res/IE	IE Retail Discounts	Retail/Online	\$5.0	\$4.9	\$4.8	\$4.8
Res/IE	Food Bank Distribution	Product Distribution	\$4.2	\$4.1	\$4.0	\$3.9
Res/IE	Elementary Education Kits	Product Distribution	\$2.4	\$2.6	\$2.7	\$2.9
Res/IE	Sector Outreach - Income Eligible	Sector General - Res/IE	\$1.0	\$1.0	\$1.0	\$1.0
Res/IE	Sector General - Income Eligible	Sector General - Res/IE	\$0.3	\$0.3	\$0.3	\$0.3
All	Portfolio-Level	Overhead (Non-Program) Costs	\$7.5	\$7.5	\$7.2	\$6.5
Total			\$69.9	\$72.2	\$73.5	\$74.7

Total w/o General +OH

\$62.1

\$64.4

\$66.0

\$67.9

*** 4-year average MF Retrofit Spend**

\$16.5

4-year average Program Spend

\$65.1

Key:

Current Joint Program Offerings

Current ComEd Only/ Potential Joint Offerings

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IE: Income Eligible
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Res: Residential
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Increasing Impact in Income Eligible Communities

Three workstreams planned for increased impact:

1. Design & Target:	<ul style="list-style-type: none"> • Ensure dollars are going to those who need it most
Workstream	<ul style="list-style-type: none"> • Optimize impact of current funds and programs to ensure that the deepest savings go to customers that need it the most while ensuring offerings for all eligible customers
Key Workstream Highlights	<ul style="list-style-type: none"> ✓ Leverage analytics to target customers with greatest need ✓ Establish sliding scale for existing offerings ✓ Shift some current Res offerings to only IE customers ✓ Continue to identify and pilot new measures/offerings to increase savings and stretch dollars further for IE customers

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Workstream 1: Design & Target

1

Target deepest savings to most in-need

- Limit IE SF to only customers at or below 200% Federal Poverty Level and/or high arrearages /wallet share
- Establish similar, more stringent threshold for IE MF, e.g., qualify properties in zip codes with 60% IE households (vs. 50% now) and Illinois Home Weatherization Assistance Program (IHWAP) income-qualified
- Develop and test targeting strategies of IE SF and MF Programs using analytics for high density IE communities

2

Shift current Residential EE offerings to Income Eligible customers

- Shift Home Energy Assessments (HEA), Market Rate MF, and Elementary Education Kits to IE customers
- IE customers that are above new thresholds can be directed to Market Rate and other lower touch offerings
- Establish centralized outreach/ intake to help navigate SF and MF programs, and develop materials/methodology for handling inquiries and guiding customers to the appropriate programs

3

Continue to identify and pilot new measures/offerings to increase savings and stretch dollars further for IE customers

- Identify and pilot new measures/offerings to increase savings and stretch dollars further for IE customers (ex. cost-effective deep retrofits, beneficial electrification, adjust on-bill underwriting criteria/offer higher incentives for low/moderate income customers, etc.)

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Increasing Impact in Income Eligible Communities

Three workstreams planned for increased impact:

2. Bridging the gap:	<ul style="list-style-type: none"> • Ensure customers receive a fuller set of solutions that make sense for them
Workstream	<ul style="list-style-type: none"> • Refine program delivery for customer benefit, coordinating EE and financial assistance programs when possible
Key Workstream Highlights	<ul style="list-style-type: none"> ✓ Deliver umbrella outreach strategy through CBOs within targeted communities ✓ Identify coordination opportunities within ComEd Customer Experience & Revenue Management teams to better serve IE customers

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Workstream 2: Bridging the gap:

1

Goal:

- Improve delivery of EE and other ComEd programs to IE customers

2

Action

- Pilot umbrella outreach strategy through CBOs within targeted communities, and sync with Bill Assistance Outreach

3

Action

- Identify and test coordination opportunities with Bill Assistance & Revenue Management teams to better serve IE customers

Acronyms /
Definitions

CBO: Community-Based Organization
EE: Energy Efficiency
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Increasing Impact in Income Eligible Communities

Three workstreams planned for increased impact:

3. Save & Measure	<ul style="list-style-type: none"> • Help customers ensure that they are seeing <i>actual</i> savings on their bills • Begin to more systematically track (and over-time improve) customer bill impacts
Workstream	<ul style="list-style-type: none"> • Measure and track customer bill impacts more systematically, while making actual (versus deemed) savings more sustainable
Key Workstream Highlights	<ul style="list-style-type: none"> ✓ Analyze the potential bill impacts for Income Eligible and Market Rate Residential programs ✓ Set customer savings expectations ✓ Preemptively engage customers if participation/program results deviate from the expected result

Workstream 3: Save and Measure

1

Goal:

- Measure and track customer bill impacts more systematically, while making actual savings sustainable

2

Action

- Refine bill impact information for individual and aggregate program impacts and measure for Plan 6
- Set and reinforce customer savings expectations

3

Action

- For high-touch offerings, pilot potential approaches to tracking actual v. deemed savings, as well as preemptive outreach to customers when merited
- For other offerings, offer education on ways to track bill impacts from EE, e.g., My Account

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Additional Key Changes – Income Eligible & Residential

- » Consistent commitment to funding for coordinated program with Illinois Home Weatherization Assistance Program ("IHWAP"), with a goal to get to 100% braided projects within Plan 6
- » Increase spend within Multi-Family, primarily by transitioning current market-rate program to be focused on IE properties, tenants and landlords
- » Coordination with gas utilities on utility-only (outside of IHWAP) offerings
- » Manufactured Housing served through Single Family Upgrades
- » Food Bank Distribution and Income-eligible Kit programs transition from Third-Party
- » Growth of Product Distribution (i.e., Kits, Food Bank), particularly for IE customers
- » Within Single Family Upgrades, Home Energy Assessment offering will continue to leverage virtual assessment capabilities

Key Portfolio Changes

- » Streamline program implementation, through **Portfolio Consolidation** and contracting efficiencies – consolidate from 36 to 18 programs (Income Eligible, Residential, and Commercial/ Industrial)
- » **Increase impact in Income Eligible ("IE") communities** – improve program design and targeting, bridge to other ComEd programs, and evolve how we think about helping customers save and measure impact

Portfolio Consolidation

RESIDENTIAL & INCOME ELIGIBLE	Single Family Upgrades	Contractor/ Distributor Rebates (Midstream/ Upstream)	Product Distribution	Behavior	Multifamily Upgrades	Recycling	Retail/Online
	Home Energy Assessment	Heating & Cooling (HVAC) Rebates	Elementary Education Kits	Home Energy Report	MF Market Rate	Fridge & Freezer Recycling	Appliance Rebates
	IE SF Upgrades	Residential Midstream HVAC	IE Kits		IE MF Upgrades		Lighting Discounts
	IE SF IHWAP		Food Bank Distribution		IE MF IHWAP		IE Retail Discounts
	Manufactured Housing Retrofit				Public Housing Upgrades		

BUSINESS	Assessments/ DI	Incentives	Behavior	Targeted Systems	Small Business	Midstream/ Upstream	Targeted Outreach
	Facility	Standard	Strategic Energy Management	Industrial Systems Optimization	Small Business - Public & Private	Instant Discounts	Non-Profit
		Custom	Business Energy Analyzer	Retro-commissioning	Small Business - Kits	Commercial Cooking	Agriculture
							Telecom
							Grocer
						Distressed	

MULTI-SEGMENT	Voltage Optimization	On-Bill Financing	New Construction	R&D/Market Trans
			Business New Construction (Business)	Emerging Tech
			Affordable Housing New Construction (IE)	Market Transformation

What is (is not) Portfolio Consolidation?

- » As a part of Plan 6, we are looking at how to improve and streamline our portfolio
 - Understanding and navigating 36 programs and 15 ICs is difficult for customers, partners, and stakeholders – even our own team
 - Administering 36 programs is also a heavy lift for our team; Plan 6 offers opportunities to improve efficiencies and eliminate any redundancies
 - How can we improve the customer experience and our team's operations?

- » **What it is:** An opportunity to step back and improve incrementally upon an extremely successful portfolio and complement to our broader Customer Solutions Portfolio

- » **What it's not:**
 - Elimination of a bunch of programs – in most cases, consolidation
 - How the Portfolio will exclusively be managed/procured/implemented – will help inform, but internal administration will likely look a little different, just as it has in Plan 5

Equity Hiring & Workforce Development

- » Equity hiring and workforce development is a priority for ComEd and our EE Team – it is not only what was promised with FEJA and the right thing to do, but will make our portfolio stronger
 - Can look different to different people, but includes – minorities, women, LGBTQ, veteran, local, and specific communities
 - Portfolio-wide: while IE offerings and communities are a priority, these are portfolio-wide issues and opportunities
- » Hiring
 - Vendor Diversity & Development: program implementation and portfolio-level (e.g., evaluation, R&D) contracting
 - Service Provider Diversity & Development: large network of contractors that perform a majority of the on-the-ground work
 - Community-Based Organizations (CBO's) Diversity & Development: engaging CBOs in our region
 - Workforce Diversity & Development: jobs with ComEd, vendors, service providers, and community organizations
- » ComEd made some progress in Plan 5, but we recognize that we've only scratched the surface and intend to go deeper and do better in Plan 6
 - Dedicated funding to improve intentionality and focus on this space
 - Could support initiatives like expanding Service Provider Diverse Incubator, workforce development study, internship program

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R&D: Research and Development

Next Steps

- » We look forward to hearing feedback from Stakeholders in November, and in the meantime, please do not hesitate to reach out with questions



Thank You!

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