

Illinois Energy Efficiency Portfolio Programs

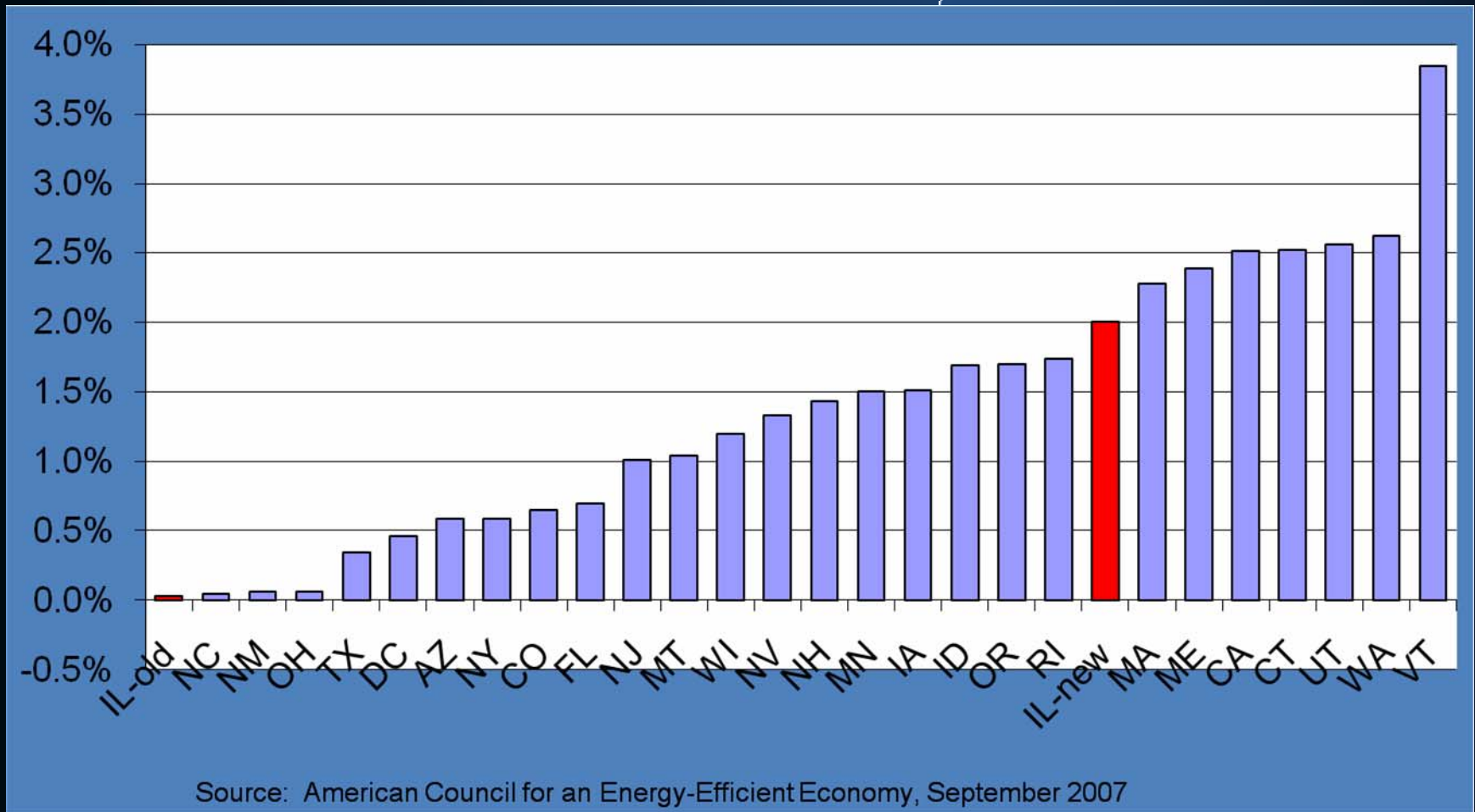
The First Year

September 29, 2009

Illinois Department of Commerce &
Economic Opportunity



Public Benefit Funding for EE as a Percent of Utility Revenues



DCEO's Portion of the Illinois Energy Efficiency Portfolio

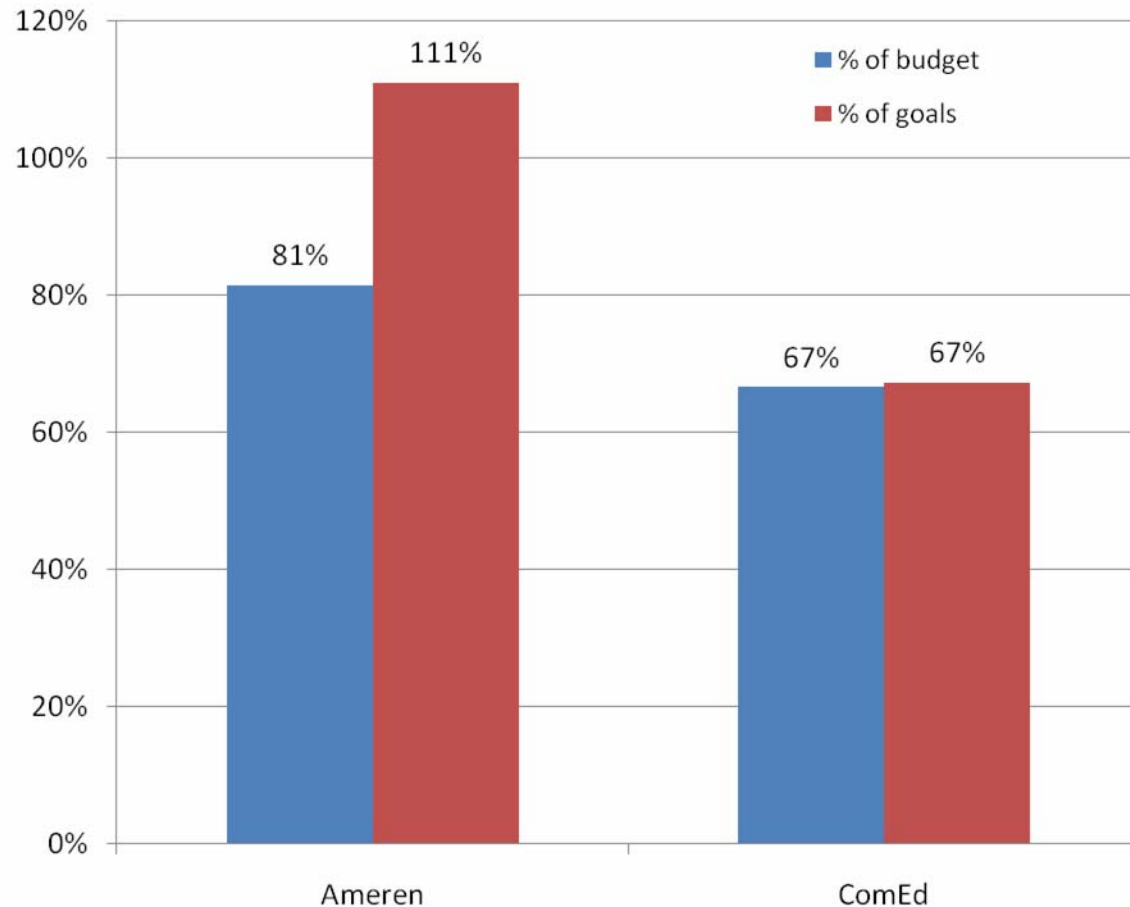
- **Public Sector (~65%)**
 - Local Governments
 - K-12 Schools
 - Community Colleges
 - Universities
 - State & Federal Facilities
- **Low Income (~25%)**
 - New Construction/Gut Rehab
 - Remodeling/Weatherization
- **Technical Assistance (~5%)**
 - Commercial Bldg Assessments
 - Design Assistance
 - Large Customer Management Practices Assessments
- **Education & Training (~5%)**
 - Building Codes
 - Building Operators/Owners
 - Design/Construction and HVAC Replacement Industry

Illinois EEP Year 1 Results

Year 1 Projects are estimated to achieve 42,869 MWh and reduce CO₂ emissions by 34,022 metric tons.

Goal	Category	% of Goal
14,159 MWh Ameren/ 40,412 MWh ComEd	DCEO MWh goals in plan	79%
10% of total portfolio	Local govt., schools, & community colleges	48%
6% of total portfolio	Low Income Households < 150% poverty level	106%
\$12.9 million budget	Portfolio Budget	70%

Comparison of Budget and MWh Savings for Year 1

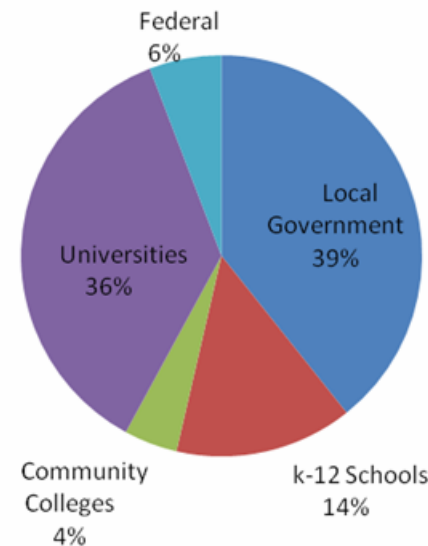


Public Sector Energy Efficiency Program

- DCEO provided incentives for 172 completed projects in Year 1 through the standard and custom incentive programs.
- Local governments and k-12 Schools completed the most projects
- Most energy savings were from local government and university projects

Category	Applications
Local Governments	71
k-12 Schools	61
Community Colleges	10
Universities	9
State	0
Federal	21

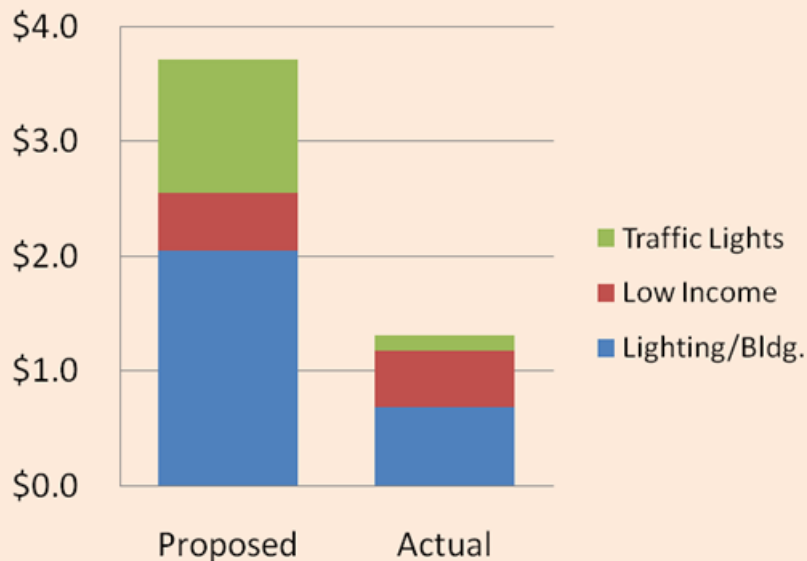
Percent of kWh by Public Category



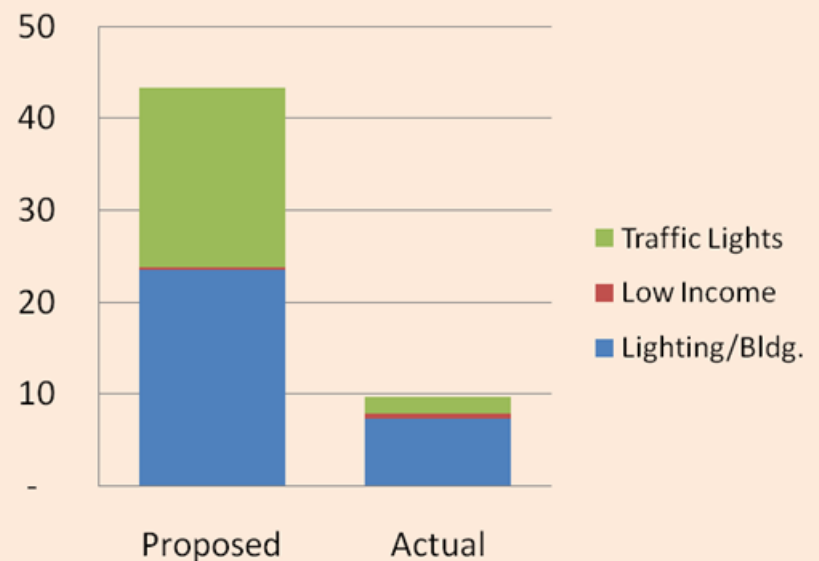
Public Sector Energy Efficiency Program

- Approximately 70 Year 1 projects were moved to Year 2 or cancelled.
- Several projects were greatly scaled back in scope from the original application.

EEPS Spending - Chicago
(millions)

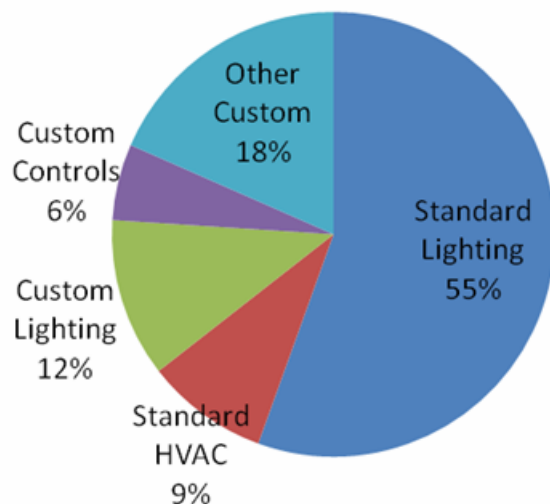


Energy Savings - Chicago
(millions kWh)



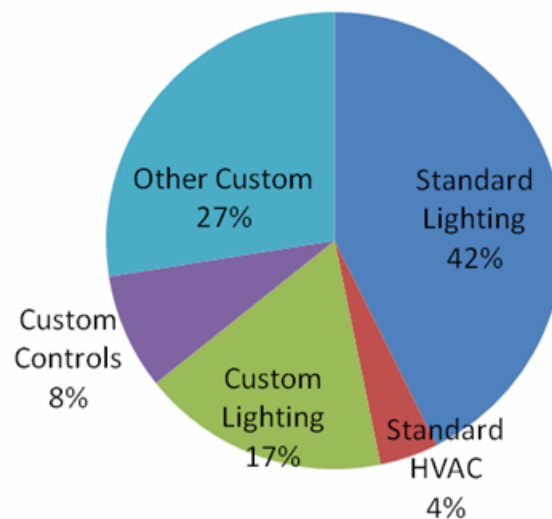
Public Sector Energy Efficiency *Incentives and Savings by Project Type*

Share of Incentives by Project Type



The vast majority of measures are standard lighting or custom lighting – 67% of all incentive funding.

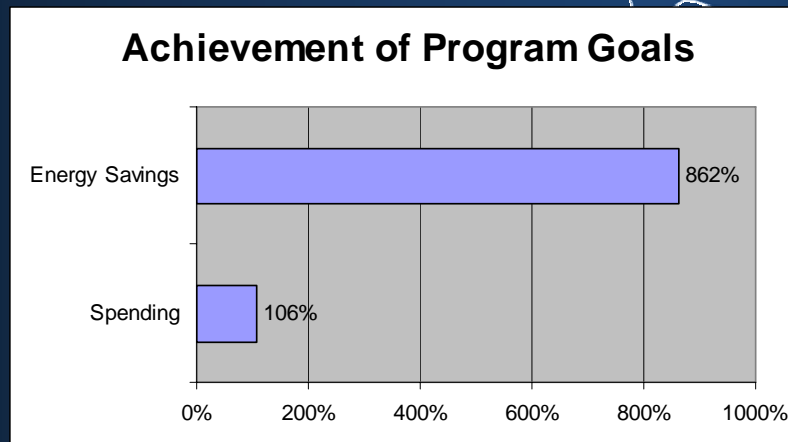
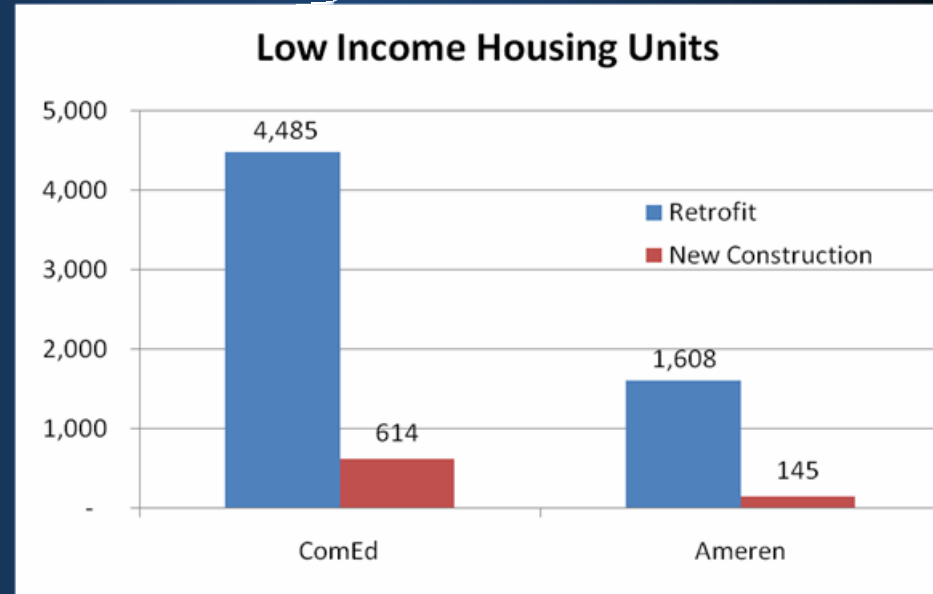
Share of KWh Savings by Project Type



Custom Projects account for a much larger share of KWh savings (52%) than incentives (36%), due to their higher cost effectiveness (incentives/kWh).

Low Income Programs

- Provided funding for programs and projects that will result in energy efficiency in 759 new housing units and more than 6,000 existing units.
- Achieved 862% of the planned kWh reductions from low income programs – 5,592,000 kWh rather than 876,000 kWh – due to greater emphasis on direct install projects and higher than anticipated completion rate of new housing projects.



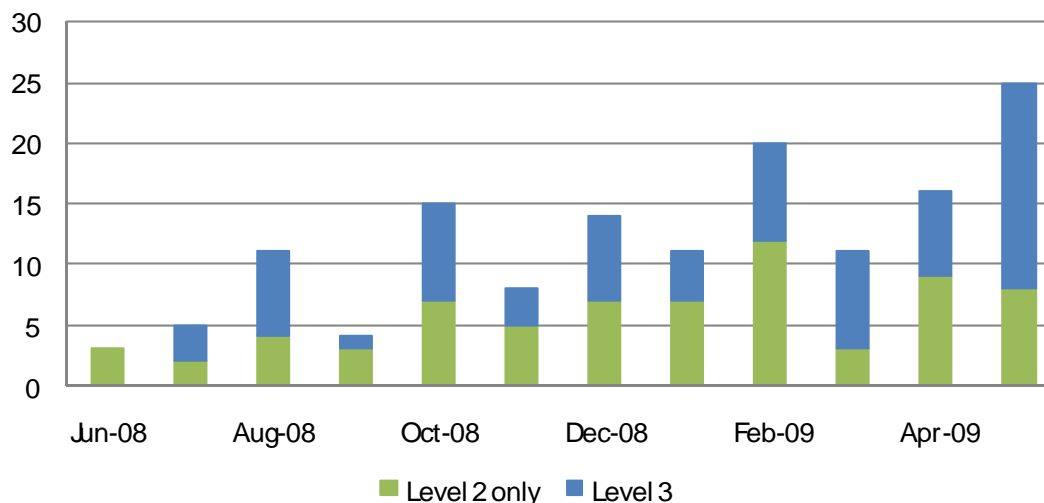
Market Transformation Programs

Smart Energy Design Assistance Center

Design Assistance

- Level 1 assistance (initial consultation) provided to 369 clients.
- 146 reports for EEPS eligible projects were completed—141 with quantified recommendations, including 74 with Level 3 analysis (design assistance).
- Level 4 follow up services (implementation assistance) provided to 40 EEPS eligible projects.

Completed Design Assistance Reports



Market Transformation Programs

Smart Energy Design Assistance Center

Potential savings

- Total potential energy cost savings for all clients to date is about \$7 million, with an internal rate of return of 24.7%.
- Total potential electrical energy savings for all clients to date is 57,492,353 kWh (5.2 kWh per square foot). The associated demand reduction of 8,377 kW is possible.
- 53% of clients plan to implement or have implemented energy cost reduction measures. Based on client feedback, implementation has achieved an estimated savings of 4,486,386 kWh so far.

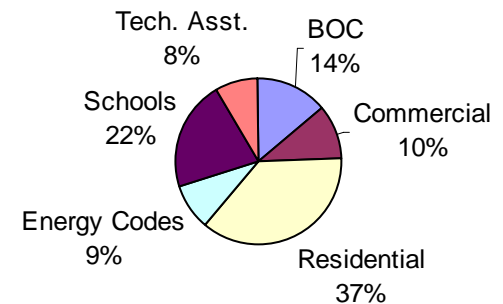
Market Transformation Programs

Other Programs

- **Building Industry Training and Education (BITE)**

- The various grant recipients for this program provided almost 11,700 hrs. of training to building professionals
- Received >100 applications in Year 2 proposals, with ~ \$15 million in funding requests. Program Funding is \$600,000 for Year 2.

BITE Spending



- **Large-customer Energy Analysis Program**

- have conducted two workshops with large energy users, over 20 diagnostic sessions, analyzed energy management practices, and assisted them in developing energy action plans or provided technical services such as energy audits

Challenges in Program Year 1

Public Sector Programs

- Difficulty meeting local govt. goals – due to low incentives and slow process for finding and approving match money
- Received no state projects, due to budget and match issues
- Potential overlap with Clean Energy Community Foundation and ARRA programs
- Deluge of last minute projects and final applications to process
- New lighting technologies were becoming commercial and strong interest in testing new outdoor lighting options

Challenges in Program Year 1

Low Income Programs

- In the Low Income Retrofit Program, the incentives did not cover enough of the measure costs, due to individual bidding requirements
- Public Housing Authorities fell through cracks of program offerings, neither fitting Public Sector nor Low Income Programs as designed
- The definition of low income household (<150% of poverty level) precluded many projects and caused confusion
- Difficulty in getting grants in place due to required interagency agreements, legal review, varying program structures, changes in agencies, etc.

Recommendations for Program Year 2

Public Sector Programs

- Increase incentives by about 10%
- Increase maximum project to \$200,000
- Add special category for outdoor lighting pilots
- Set earlier date to receive Final Applications
- Add measures to standard list – LED lighting, induction lighting, additional controls
- Add “but for” statement to certification
- Consider adding additional categories such as museums, private schools and universities
- Use ARRA programs (SEP and EECGB) to expand awareness of EEPS and develop projects
- Expand outreach efforts through IML, ILARC, etc.

Recommendations for Program Year 2

Low Income Programs

- Develop program targeted at Public Housing Authorities
- Provide greater flexibility in determining incentive levels for each measure, depending on actual program costs
- Put on hold Moderate Rehab Program
- Revise definition of low income based on SB2150 – 80 AMI vs. 150% of poverty level

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