



October 8, 2024

ComEd Energy Efficiency Program Draft Portfolio Plan 2026-2029

Presented to the Illinois Energy Efficiency Stakeholder Advisory Group

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Agenda

1. **Opening Remarks**
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5. **Strategic Challenges**
6. **The Planning Process**
7. **Potential Study Results & Comparison**
8. **Plan 7 Portfolio Structure**
9. **Closing Remarks**

Opening Remarks

Scott Vogt

Vice President, Strategy & Energy Policy

Denise Munoz

Director, Strategy and Innovation

ComEd Clean Energy Solutions

We help customers interact with energy to save money and help the planet.

With a comprehensive suite of demand side management (DSM) solutions, we aim to deliver environmental impact while driving equitable outcomes and seamless customer experience.



Team Overview

Denise Munoz
Director, Strategy and Innovation

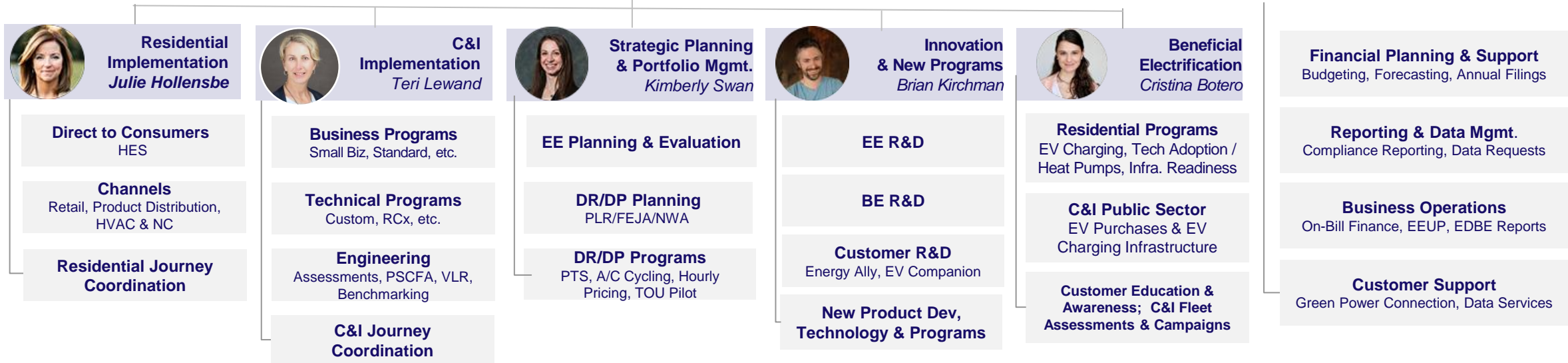
Clean Energy Solutions Structure & Programs: 2024



**Director, Clean Energy Solutions
Strategy & Implementation**
Denise Munoz



**Director, Clean Energy Solutions
Business & Customer Support**
Nick Bafaloukos



Definitions (from left to right)

DTC: Direct To Consumer

DR & DP: Demand Response & Dynamic Pricing

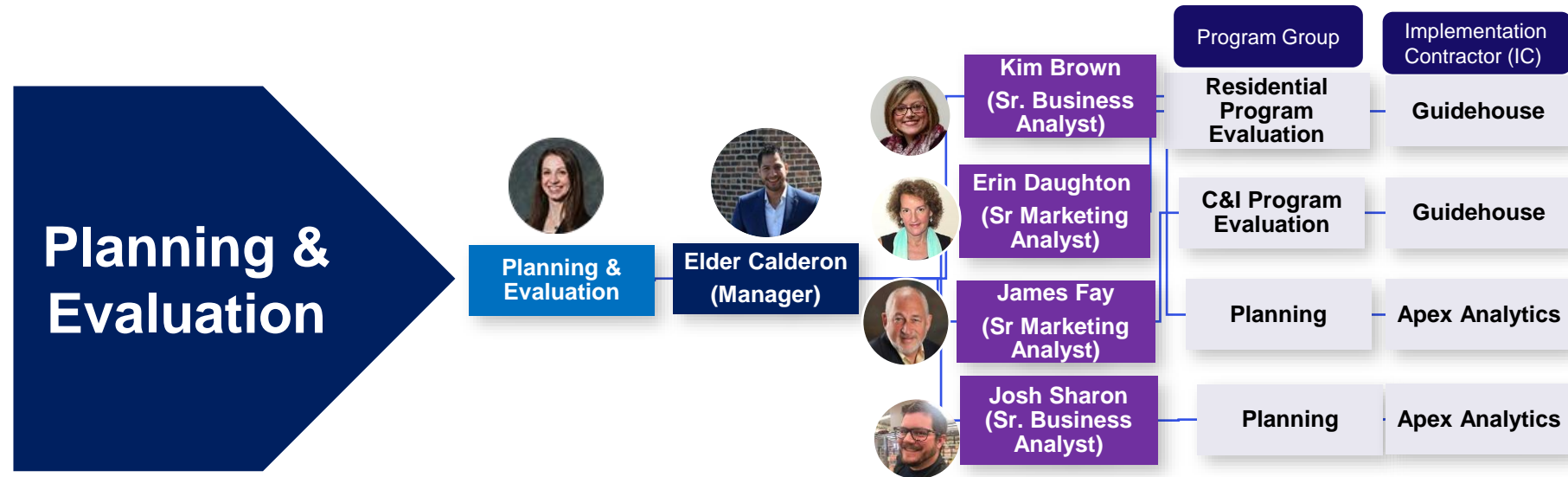
Eng: Engineering

DSM: Strategic Demand Side Management

FPC: Financial Planning & Controls

GPC: Green Power Connection

Clean Energy Solutions: Energy Efficiency Planning & Evaluation



ComEd Energy Efficiency Portfolio Achievements

Denise Munoz
Director, Strategy and Innovation

Portfolio Lifetime Achievements



\$10.10

billion on customer bills saved

89.09

million Net MWh saved

6.65

million cars off the road for a year

35.53

million acres of trees planted

65.79

billion pounds of CO₂ reduced

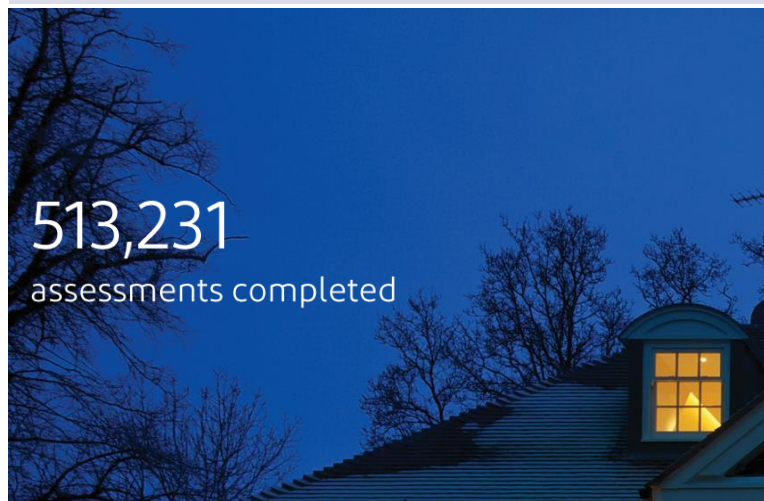
159.2

million efficient bulbs sold



\$2.25

billion in incentives provided to customers*



513,231

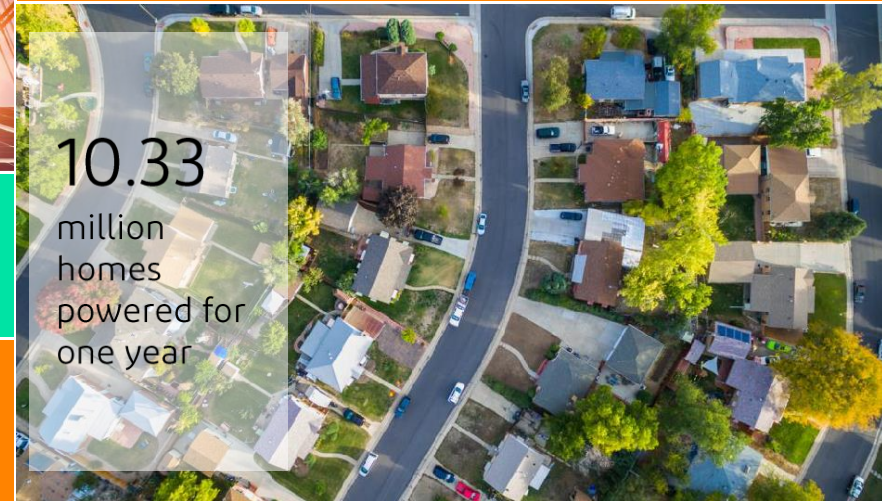
assessments completed

170,049

business projects completed

7,426,871

rebates & incentives provided

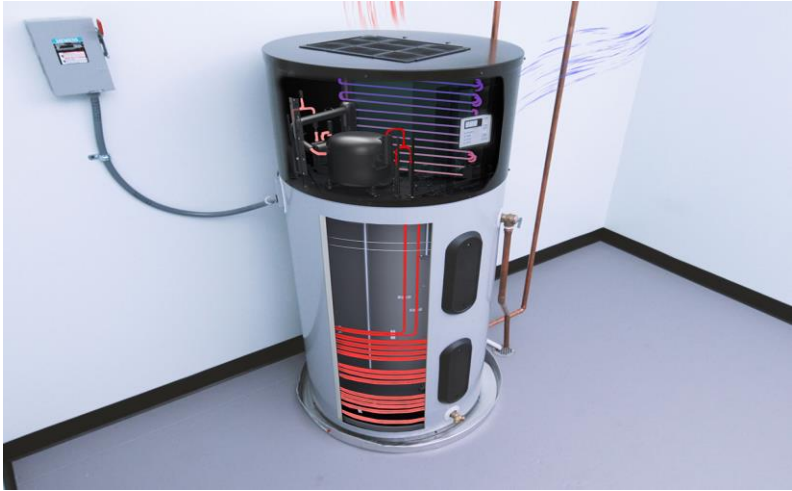


10.33

million homes powered for one year

*Based on lifetime net MWh savings realized through CY2023. Incentives for the ongoing year is based on applied percentage of about 65%.

Portfolio Plan 6 Achievements



7 New
Electrification Measures

New Industrial Offerings:

- Industrial Energy Management systems
- Advanced Refrigeration Controls



New Commercial Offerings:

- Building Operator Certification
- Commercial Food Service Joint Offering

Provided over **1,870 local schools** with e-learning activities, take-home energy-saving kits and an educational online tools



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AN EXELON COMPANY

Energy Efficiency



Over **7,100 IE Single-Family** comprehensive home upgrades

Over **\$5.6 million** in incentives to assist in the development of over **2,100** affordable housing units



Plan 7 Goals

Kim Swan

Sr Manager, Strategic Planning and Portfolio Management

Plan 7 Goals

Savings & Spend Goals:

	2026	2027	2028	2029
Legislated AAIG (GWh)	747	747	747	747
AATS Goal (GWh)	1,402	1,369	1,726	1,387
IE Spend Requirement	\$40M	\$40M	\$40M	\$40M
Public Spend Requirement	10%	10%	10%	10%
IE Electrification Savings	25%	25%	25%	25%

Legislative Goals:

- “It is the policy of the State that electric utilities are required to use cost-effective energy efficiency and demand-response measures to reduce delivery load.” 220 ILCS 5/16-103B(a).
- “Energy efficiency . . . should be used . . . to reduce costs to consumers, improve reliability, and improve environmental quality and public health.” 20 ILCS 3855/1.5(9).

Strategic Challenges

Kim Swan

Sr Manager, Strategic Planning and Portfolio Management

Portfolio Challenges: Reaching Savings Goal

Plan 7 presents difficult challenges to ComEd's ability to reach statutory goals

- **Market Considerations**

- Plan 7 includes no Residential & Street Lighting LEDs
- Increasingly efficient codes for commercial buildings

- **Program Considerations**

- Inflationary program cost pressures are expected to continue in Plan 7
- High cost of delivering programs to hard-to-reach customers has proven persistent

- **Technology Considerations**

- EEE is still cost prohibitive and in early adoption stages
- There is no known technology that can replace the lost LED savings

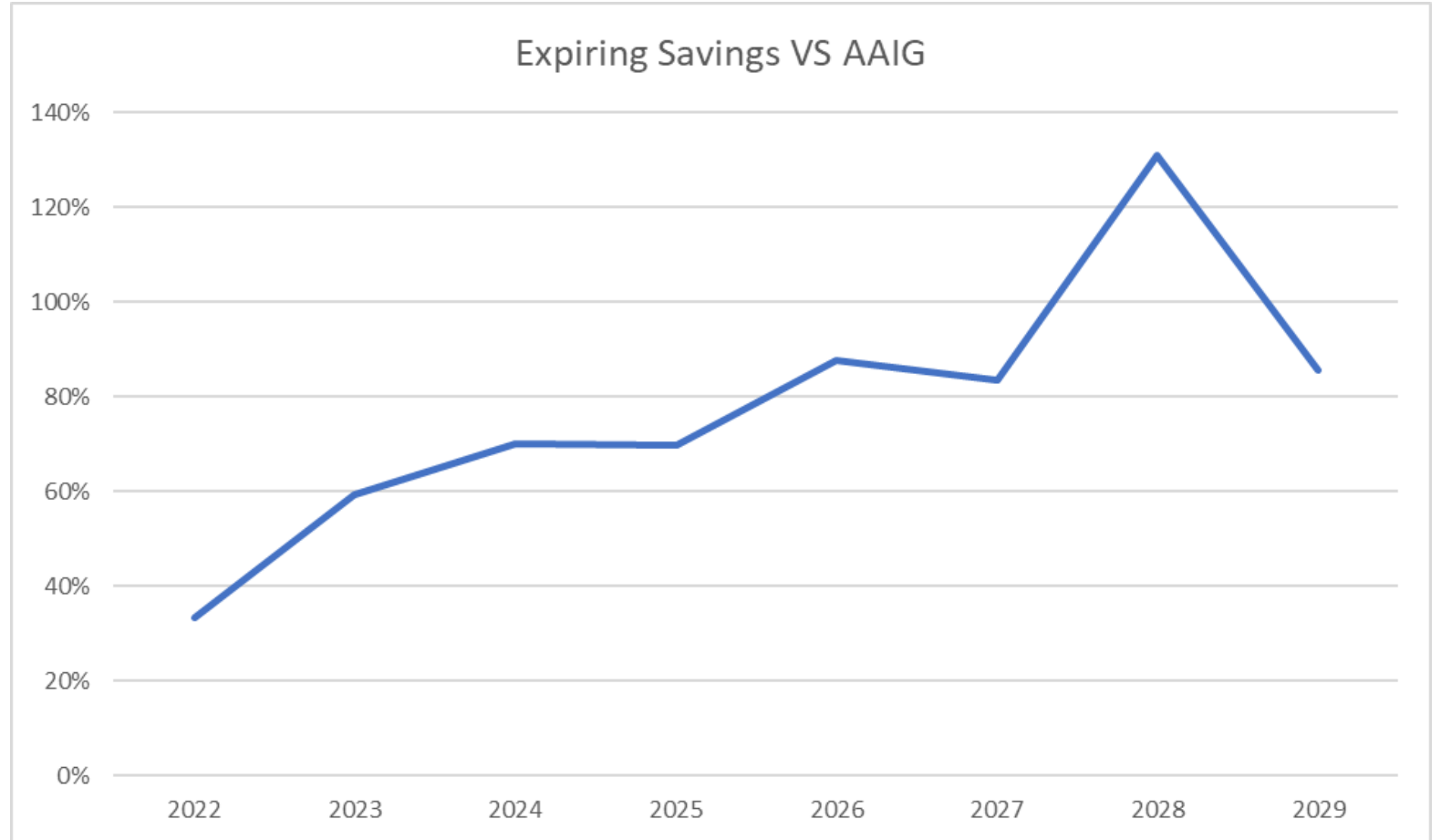
- **New Program Designs**

- Business Energy Analyzer (BEA)
- Market Transformation

In response to these challenges, Plan 7 is carefully crafted to attempt to meet statutory goals; nonetheless, we face increased risk and uncertainty

Portfolio Challenges: Required Savings

- Plan 7 has the highest amount of expiring savings so far, so the savings required to meet the goal is increasing.
- This issue is compounded with previously stated challenges related to achieving savings.
- Controlling cost per kWh of savings will be critical to achieving goals.



Planning Process

Elder Calderon

Manager, Energy Efficiency Strategic Planning and Evaluation

External Inputs:

- Stakeholder Recommendations
- IC Inputs



Planning Process



Internal Inputs





1. PM Interviews
2. Measure Mix Optimization
3. TRM Updates
4. 2025 NTG Values

ComEd Potential Study Results & Comparison

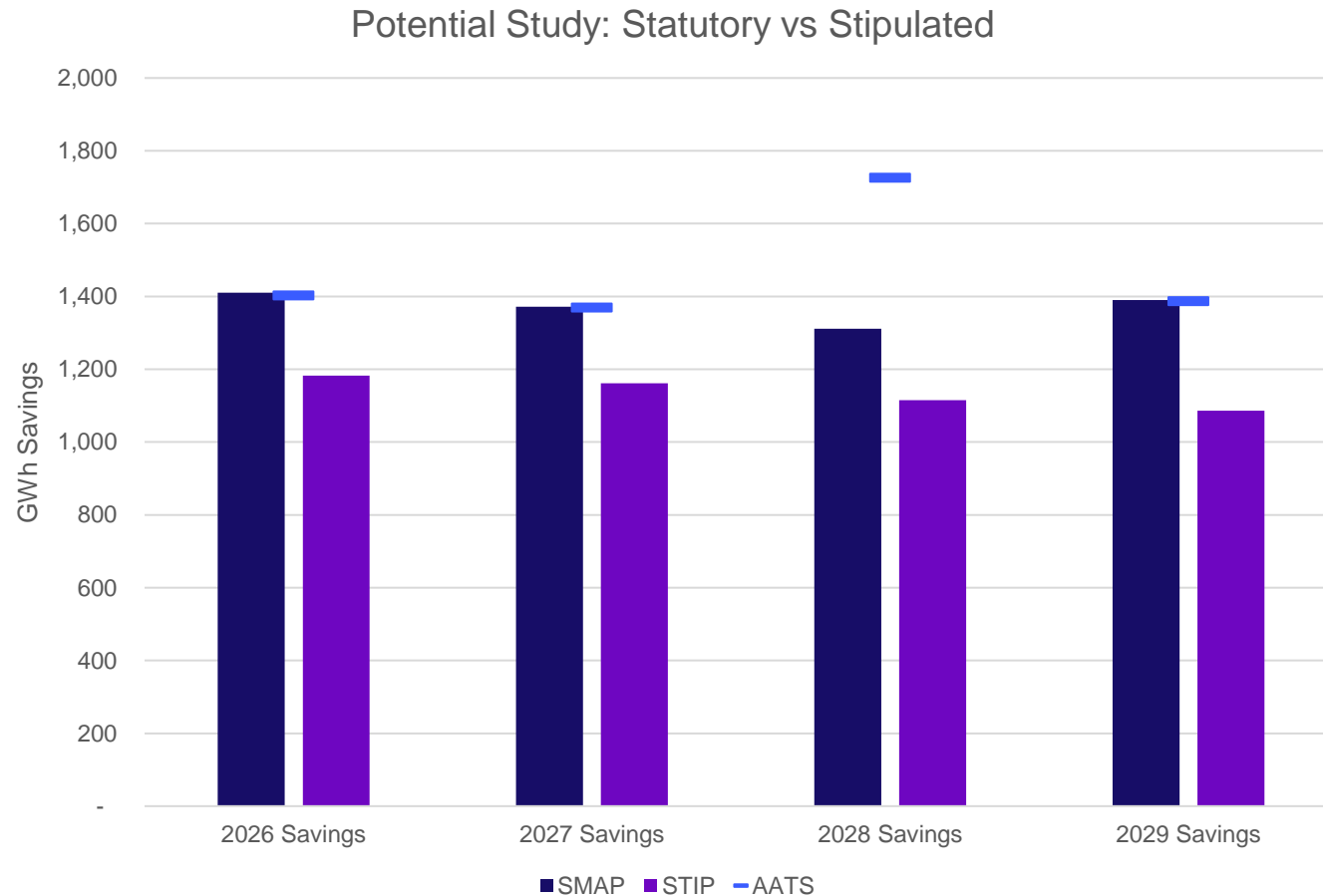
Elder Calderon

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Potential Study: Scenarios

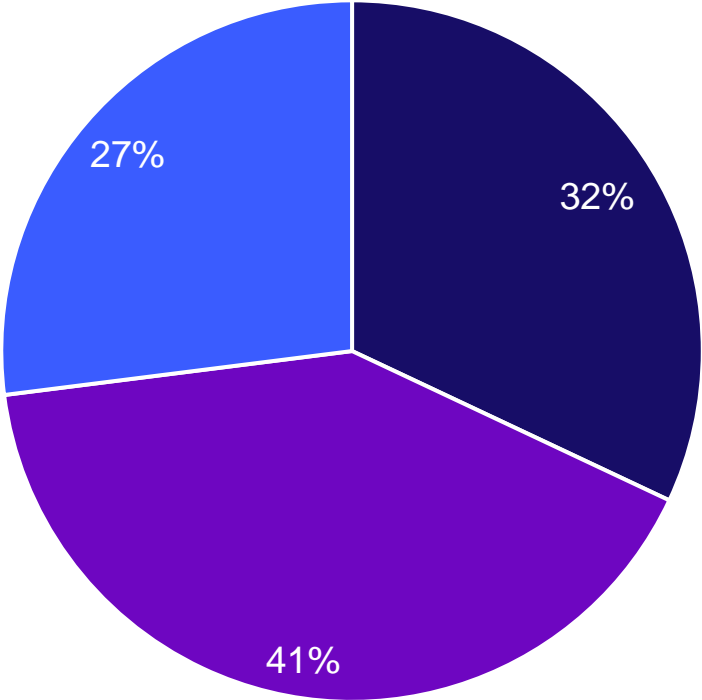
MAP Maximum Available Potential	RAP Realistic Available Potential	SMAP Statutory Maximum Potential	STIP Stipulated Available Potential	STIP+ Stipulated+ Available Potential	STIPWx Stipulated with Weatherization
<ul style="list-style-type: none"> Assumes 100% incentive for incremental or full cost Budgets include non-incentive costs based on historical non-incentive cost per unit of savings by program type Adoption curves influence the timing No statutory limits Savings and TRC influenced by NTG in MAP and below 	<ul style="list-style-type: none"> Applies historical/typical incentives to measures Budgets include non-incentive costs based on historical non-incentive cost per unit of savings 	<ul style="list-style-type: none"> Statutory limits applied to RAP Electrification capped at 10% savings for 2026-2029 and 15% 2030+ (but never exceeds 3% because electrification budget capped at 20% of IE budget) Budgets capped at \$133M for 4 years, then increase by inflation \$40M to IE <div data-bbox="960 1100 1156 1296" style="text-align: center;">  </div>	<ul style="list-style-type: none"> Stipulation limits applied to RAP Electrification capped at 5% savings for 2026 and allowed to grow to 15% by 2040 (but never exceeds 6% because electrification budget capped at 20% of IE budget) Budgets capped at \$1,714M for 4 years \$100M to IE <div data-bbox="1373 1100 1569 1296" style="text-align: center;">  </div>	<ul style="list-style-type: none"> Stipulation limits applied to RAP Electrification capped at 5% savings for 2026 and allowed to grow to 15% by 2040 Budgets capped at \$1,714M for 4 years \$100M to IE 80% of spending towards cheapest measures; 20% towards all other measures <div data-bbox="1788 1100 1984 1296" style="text-align: center;">  </div>	<ul style="list-style-type: none"> Residential Only Stipulation limits applied to RAP Electrification capped at 5% savings for 2026 and allowed to grow to 15% by 2040 Budgets capped at \$1,714M for 4 years \$100M to IE Shell measures are prioritized <div data-bbox="2206 1100 2402 1296" style="text-align: center;">  </div>

Is there enough Market Potential?



- Plan 6 stipulated requirements would provide significant savings barriers to achieving savings goals.
- Potential study prioritizes measure selection based on TRC cost effectiveness rather than a more accurate measure: acquisition (\$/kWh savings) costs.
- Acquisition cost-based measure ranking approach increases potential in SMAP.

Key Methodological Assumption: Lighting Potential

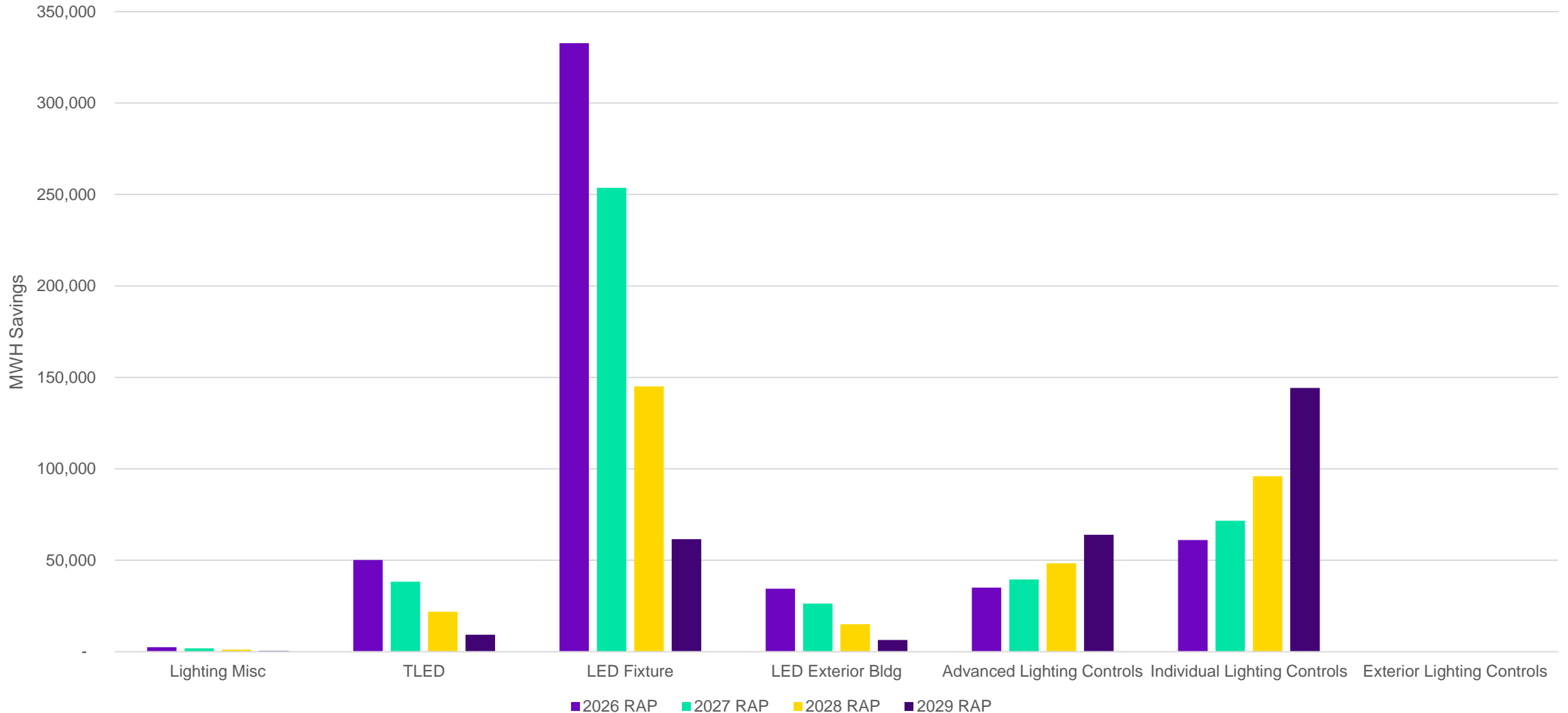


- Remaning Int Lighting Long Term Adoption Opportunity (Lamps/Fix)
- Avg, Int existing EE Saturation
- Unattainable EE

- Potential study finds that lighting is only **41% saturated**.
- Lighting potential incorporated achieving savings from **only** the 32% sector.
- Clean Lighting Act will have significant impact on lighting market.
- Changes in market will open the remaining **27% of lighting potential**.
- **Midstream programs** are best positioned to help capture changes in lighting market.

Lighting Potential: Fixtures, TLEDs and Controls

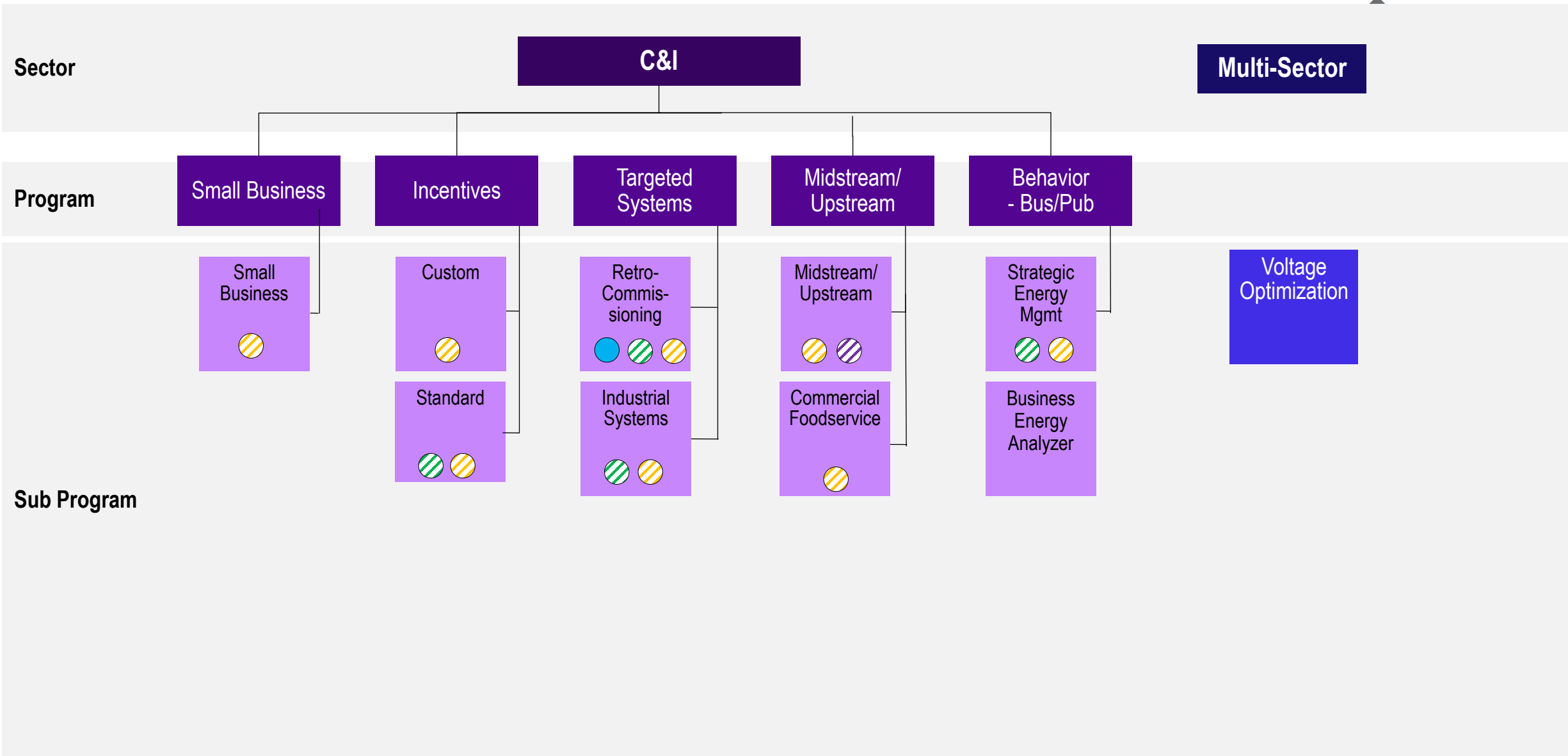
NonRes Lighting Potential by End Use (2026-2029)






Plan 7 Portfolio Structure

Elder Calderon

Manager, Energy Efficiency Strategic Planning and Evaluation



Indicators:

-  Public Sector (partial)
-  3rd Party (partial)
-  Coordinated Program

Sector

RES/IE

Program

Single Family Upgrades

Multi-Family Upgrades

Behavior - Res/IE

Retail Online

Product Distribution

Res New Construction

Res Contractor/ Midstream Rebates

Sub Program

Home Energy Assessment - MR

Home Energy Assessment - IE

SF Electrification - IE

Market Rate

Income Eligible

MF Electrification - IE

Home Energy Report

Marketplace Non-Lighting

Retail - Market Rate

Retail - Income Eligible

Food Bank

IE Kits

Elementary Education -IE

Elementary Education - MR

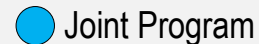
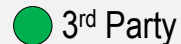
Affordable Housing New Construction

All-Electric New Construction

Contractor/ Midstream Rebates

Retail Product Portfolio

Indicators:

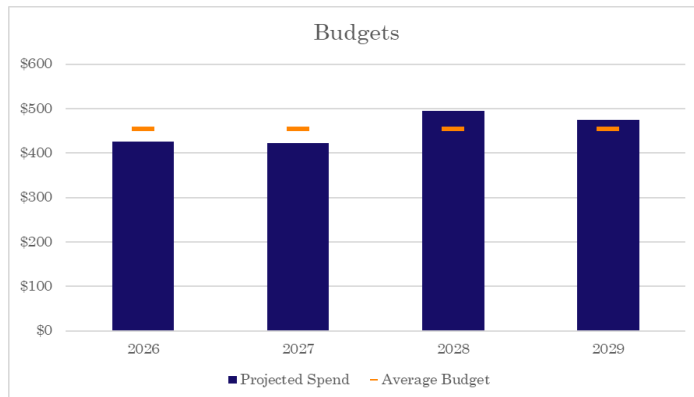
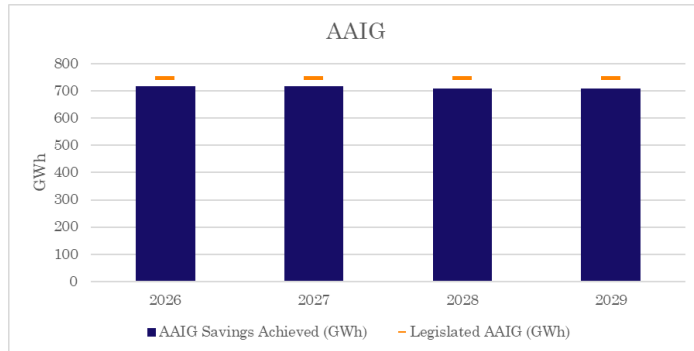
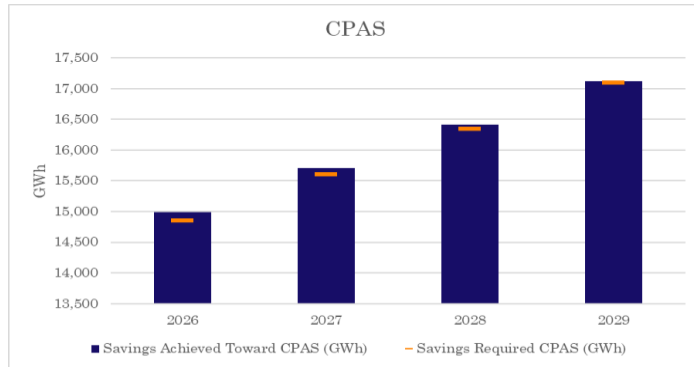


Portfolio Overview

Elder Calderon

Manager, Energy Efficiency Strategic Planning and Evaluation

Portfolio Summary



	Plan 7			
	2026	2027	2028	2029
Savings Required CPAS (GWh)	14,857	15,604	16,351	17,098
Savings Achieved Toward CPAS (GWh)	14,989	15,706	16,416	17,126
CPAS Achievement (Achieved as % of Goal)	99%	99%	99%	99%
Legislated AAIG (GWh)	747	747	747	747
AAIG Savings Achieved (GWh)	718	718	710	710
AAIG Achievement (Achieved as % of Goal)	96%	96%	95%	95%
Average Budget	\$454M	\$454M	\$454M	\$454M
Projected Spend	\$426M	\$422M	\$495M	\$474M
\$ % of Average Spend	94%	94%	110%	104%
IE Spend Total	\$60M	\$60M	\$60M	\$60M
Total Expiring Savings (GWh)	-655	-622	-979	-640
WAML (Years)	13.2	13.2	13.3	13.2
Therms Claimed (% of Allowable)	100%	100%	100%	100%
EEE Savings (% of Allowable)	60%	58%	41%	41%
IE EEE Savings (% of EEE)	25%	25%	25%	25%

Program Summary: Savings

Savings (GWh)	Plan 7			
	2026	2027	2028	2029
Residential and Income Eligible				
Additional Joint Program	9	9	9	9
Behavior - Res/IE	89	81	89	74
Contractor/Midstream Rebates	70	70	70	58
Multifamily Upgrades	74	73	73	73
New Construction	8	5	3	-
Product Distribution	34	34	34	34
Retail/Online	102	100	96	113
Single-Family Upgrades	2	2	2	2
Res/IE Total	386	375	376	363
Business and Public Sector				
Behavior - Bus/Pub	45	45	45	45
Commercial Food Service	2	2	2	2
Incentives	264	226	305	232
Midstream/Upstream	205	202	228	219
Small Business	229	202	237	207
Targeted Systems	104	105	106	107
BEA	46	55	58	50
Third Party	31	69	243	124
Bus/Pub Total	927	907	1,223	987
Multi-Segment				
Voltage Optimization	61	58	89	-
ComEd EE Portfolio				
Portfolio Total*	1,374	1,340	1,688	1,350

- Continued focus on comprehensive offerings within Multi and Single-family homes
- Novel third party idea to help fill in gaps for comprehensive C&I offerings
- Expanded lighting control savings through standard and small business programs
- Subsuming of New Construction C&I offering
- TLED offerings within midstream through 2029

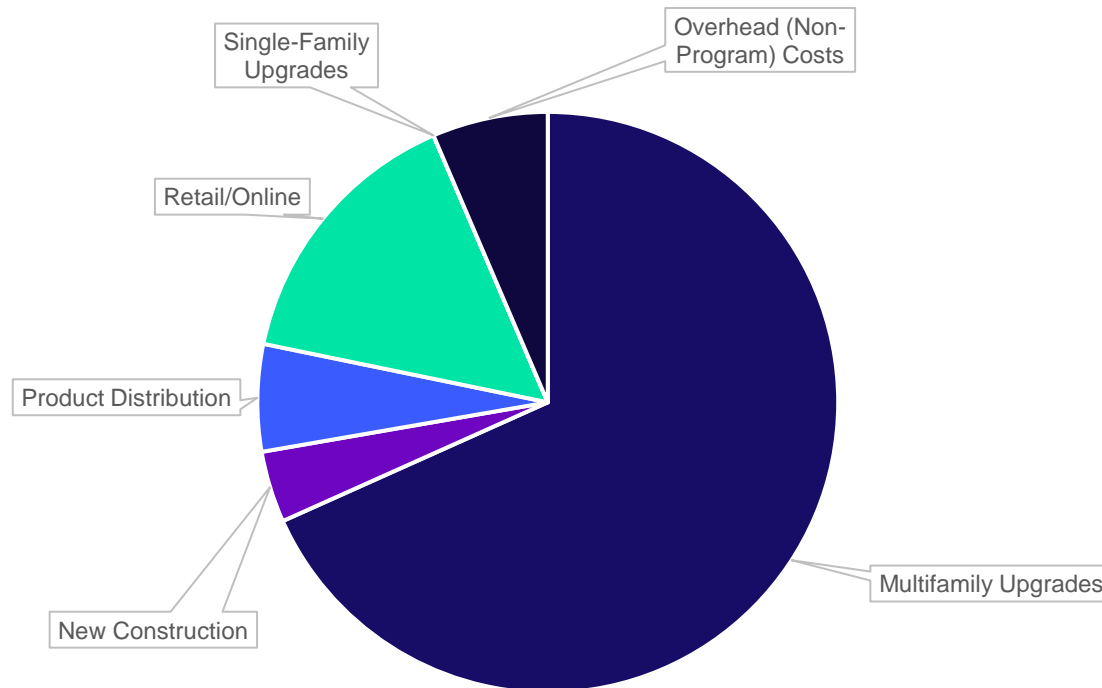
Program Summary: Spend

Spend (\$M)	Spending			
	2026	2027	2028	2029
Residential and Income Eligible				
Additional Joint Program	\$0	\$0	\$0	\$0
Behavior - Res/IE	\$6	\$6	\$6	\$6
Contractor/Midstream Rebates	\$13	\$14	\$14	\$13
Multifamily Upgrades	\$42	\$43	\$44	\$45
New Construction	\$5	\$3	\$2	\$0
Product Distribution	\$3	\$4	\$4	\$4
Retail/Online	\$19	\$19	\$19	\$27
Single-Family Upgrades	\$1	\$1	\$1	\$1
Overhead (Non-Program) Costs	\$10	\$10	\$10	\$11
Res/IE Total	\$99	\$100	\$100	\$106
Business and Public Sector				
Behavior - Bus/Pub	\$10	\$10	\$11	\$11
Commercial Food Service	\$1	\$1	\$1	\$1
Incentives	\$85	\$72	\$92	\$77
Midstream/Upstream	\$43	\$44	\$53	\$52
Small Business	\$91	\$79	\$97	\$84
Targeted Systems	\$35	\$36	\$38	\$39
BEA	\$1	\$1	\$1	\$1
Third Party	\$12	\$28	\$52	\$52
Overhead (Non-Program) Costs	\$16	\$17	\$17	\$17
Bus/Pub Total	\$294	\$288	\$361	\$334
Portfolio Level Costs	\$2,026	\$2,027	\$2,028	\$2,029
EE Reg Asset Labor - Portfolio	\$5	\$5	\$5	\$5
Evaluation, Measurement & Verification	\$10	\$10	\$10	\$11
Facility Assessment	\$1	\$1	\$2	\$2
Market Development Initiative	\$2	\$2	\$2	\$2
Portfolio Administration	\$8	\$8	\$9	\$9
R&D Costs - Market Rate	\$6	\$6	\$7	\$7
Total Portfolio	\$33	\$33	\$34	\$35
ComEd EE Portfolio				
Portfolio Total	\$426	\$422	\$495	\$474

- Increased funding in C&I programs to support comprehensive business offerings
- New C&I program offering: Business Energy Analyzer
- Continued focus on comprehensive offerings through Small Business program
- Balancing funding of electrification within high-cost Income Eligible programs to increase potential of low-cost market-rate offerings

Income Eligible Programs

Plan 7 IE Spending by Program (\$M)



- We must reduce spend on IE Programs.
- Lower-cost measures have been prioritized to extent possible.
- Remaining IE funding primarily focuses on comprehensive offerings.
- Cost can not be reduced within:
 - EESP Labor
 - Materials

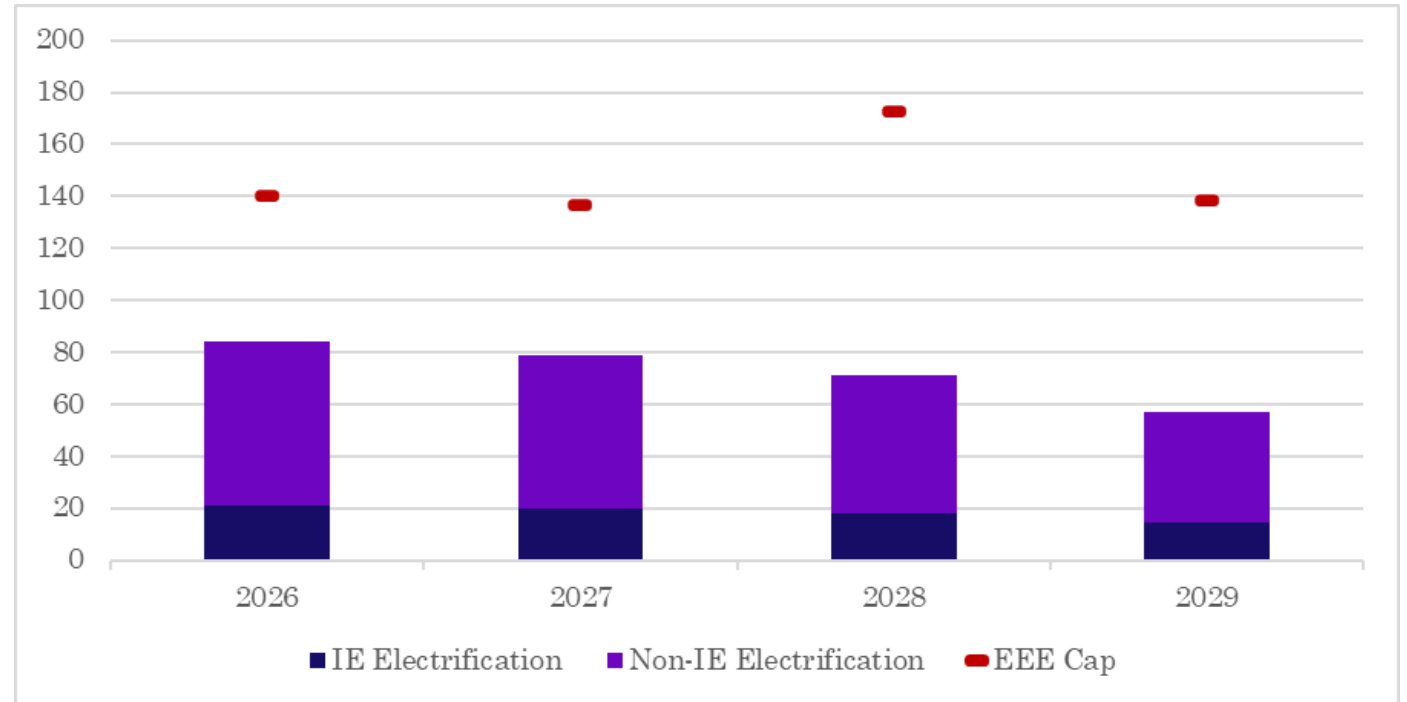
Portfolio Costs

Portfolio Level Costs	Spending (\$M)	
	Plan 7	Avg. Annual
EE Reg Asset Labor - Portfolio	\$ 20	\$ 5.0
Evaluation, Measurement & Verification	\$ 38	\$ 9.5
Facility Assessment	\$ 8	\$ 1.9
Market Development Initiative	\$ 7	\$ 1.7
Portfolio Administration	\$ 34	\$ 8.6
R&D Costs - Market Rate	\$ 28	\$ 7.0
Total Portfolio	\$ 135	\$ 34

- Portfolio admin costs have been minimized to support increased program and incentive spend.
- Focus spend to producing savings to the extent possible.
- There is little to no margin within portfolio costs.
- R&D is critical to identify gap fillers for Plan 8.

Electrification

- Market Rate electrification has significant potential but is limited by the IE savings requirements.
- Income Eligible electrification is increasingly cost-prohibited with uncertain bill impacts to customers.
- As a result, the portfolio has limited electrification potential in Plan 7 and will not plan on reaching statute cap in any year.



Plan 7 Coordination: Inflation Reduction Act (IRA)

- The ComEd planning team has dedicated extensive hours to understand IRA funding structures and coordinating with the implementing team at the IEPA
- ComEd agrees that IRA funds present an additional opportunity for project funding to customers and IRA rebates should be leveraged to the maximum extent possible
- Current rebate structure and IEPA timeline make braiding impossible
- Unknown attribution for Utilities limit resources for braiding efforts
- IEPA Request for Proposal (RFP) administration requirements limit utility involvement in implementation
- Plan 7 assumes IRA funds will supplement gas utility weatherization measures, reducing ComEd only spend in joint programs
- **ComEd will continue to work with IEPA to identify funding leveraging opportunities**

Inflation Reduction Act (IRA)

- IRA EE as ComEd Peak Load Reduction (PLR) resource.
- The ICC includes any energy efficiency measure not paid through the 8-103B portfolio to be included in the PLR portfolio.
 - ComEd must achieve incremental MW reduction goals for PLR as one of its performance metrics.
 - In order to avoid penalty, ComEd must achieve 50 MW incremental reduction potential annually.
 - Still significant uncertainty in the PLR space with an Order expected in December.
- Conceptually, believe ComEd could provide a higher incentive to IEPA after the fact for achieved savings than we could provide through braiding EE 8-103B funds.

Closing Remarks

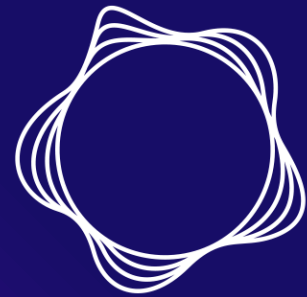
Kim Swan

Sr Manager, Strategic Planning and Portfolio Management

Summary & Next Steps

- Draft Plan 7 gets ComEd close to statutory goals while taking on larger risks than previous plans. Key elements include:
 - CPAS goals close to being met (within acceptable risk levels to not seek reduction in goals)
 - Consolidated programs, to reduce customer confusion and administrative burden
 - Continued commitment to income eligible support, including in comprehensive programs and for multifamily customers
 - Movement of measures upstream and new savings opportunities
- Portfolio has risks – Lighting, MT Savings, Balancing Electrification savings, Novel Third Party Approach, TRM changes
- Getting here has not been easy and margins are minimal; **there is a narrow band in which goals can be within reach**
- We look forward to hearing feedback from Stakeholders, and in the meantime, please do not hesitate to reach out with questions

Thank you



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