



February 2023

Framework for Claiming Savings from Co-Funded Programs Follow-Up

Context

- Thanks to a growing acknowledgement that equitable climate action is needed, opportunities abound for EE co-funding, i.e., formally or informally combining utility EE funding with other funding sources (e.g., local/state/federal funds) in the implementation of a program or program components. Some examples include:
 - Illinois Home Weatherization Assistance Program (existing)
 - Federal Inflation Reduction Act funding for LMI electrification rebates (potential)
 - Federal Infrastructure Investment & Jobs Act funding for state-level revolving loan funds (potential)
 - City of Chicago (potential)
- Leveraging and coordinating this funding has the opportunity to: reach more customers, make utility EE portfolios more cost-effective for ratepayers, make the variety of funding streams more straightforward to consumers, and ultimately accelerate the State's achievement of its clean energy goals. Such leveraging and coordination should be encouraged. This is particularly true for low-income opportunities, where needs are significant, but cost-effectiveness of programs/projects is often low, in comparison to market-rate projects/programs.
- However, as utilities consider such opportunities, they may be hesitant to pursue them due to uncertainty regarding the amount of claimable savings toward their statutory goals (e.g., impacts to free ridership and/or % of savings from a project going to the utility). This could lead to competition for projects and confusion for customers, rather than coordination.

Proposal

- In order to resolve this uncertainty and provide utilities and stakeholders with the confidence to pursue co-funding opportunities, the following process is established to discuss, where needed, co-funding opportunities:
 - If a utility identifies an applicable opportunity and would like to obtain consensus among non-financially interested parties regarding savings treatment for an opportunity, a utility may bring it to non-financially interested Policy Committee members for discussion, with the goal to reach written consensus, to be shared with and adopted by the independent evaluator.
- This is consistent with the process used for IHWAP, and memorializing it in the Policy Manual will provide more certain and efficient administration, which is critical given the increasing need/frequency to address varying co-funding opportunities.

Follow Up

- Policy could be written in a way to promote the utilities leveraging other funding when it's available.
 - *We believe it is but are open to additional language*
- Add general principles around leveraging, may also include how savings or NTG should be treated.
 - *We agree discussions should include NTG, but weren't sure this needed to be called out separately? If so, happy to add.*
- Consider articulating the IHWAP savings split agreement in the Policy Manual
 - *We are open to this; Ameren to share further thoughts (Note: initial language referencing IHWAP was struck by stakeholders)*
- Consider adding language about addressing on a case-by-case basis, with an opportunity for stakeholder consensus. May also want to reference factors that should be looked at to make the decision such as the amount of \$ contributed, impact, etc.
 - *Generally open to this, though not sure we should get too prescriptive on the factors to consider, as grant/co-funding opportunities vary quite a bit*
- May want to address the effort/time it takes to develop a co-funding opportunity, before it would be discussed with stakeholders.
 - *Agree with sentiment – is there specific language to add?*
- Consider referencing an MT path to claim savings.
 - *We do not feel MT is best fit for this, but open to considering specific edit*
- If it is a co-funding opportunity that impacts more than one utility, all should be involved in the same discussion.
 - *Agree – think stakeholder-proposed edits help this*