

**I&M DSM/Energy Efficiency  
Program Implementation Oversight Board Meeting  
March 14, 2019 Quarterly Meeting Minutes  
(9:30:00 a.m. – 11:30 a.m. – In-person)**

**Board member attendees:** CAC: Jennifer Washburn  
OUCC: Karol Krohn, John Haselden  
I&M: Jon Walter, Regiana Sistevaris.

**Members of the public in attendance:** None.

**I. Introductions**

- Introductions made.
- Agenda reviewed.

**II. Meeting Minutes from December 13, 2018**

- Reviewed comments exchanged via e-mail and on redline version of draft. Jon indicated he needs to review edits. He will follow up with group if any questions, otherwise he will accept the redline edits.
- Pending final review by Jon, Minutes were accepted.

**III. 2018 Scorecard Review & Program Status Update**

Jon reviewed I&M's 2018 performance Reviewed the document "DSM/EE 2019 PY 9 Quarter 4 Program Scorecard." Jon noted these are draft results as ADM & Associates, I&M's EM&V vendor, is performing a review at this time.

- Jon noted there were some challenges to the 20018 implementation of programs due to the Commission Order being received in October, 2017. However, despite this, I&M performed well in overall portfolio achievement.
- Jon reviewed Residential program performance. He noted that residential lighting performed well, Home New Construction performed well with a lot of home building activity, and a several builders in the program. Jon also noted there was good activity with all electric homes. Last, Jon indicated that home appliance recycling also performed well.
- Jon stated that Income qualified achieved energy savings over 90% of target as shown on "DSM/EE 2019 PY 9 Quarter 4 Program Scorecard." Jon noted that I&M is working with agencies and building relationships with those agencies. He stated I&M is pleased with the IQ performance. Karol noted that IQ performance has improved from 2017.
- Jon discussed audit work being performed. He stated that audits done in the Fort Wayne and South Bend area helped with I&M's IQ results. Again noted that agency relationships have assisted with this.

- The group discussed Energy Education in response to an inquiry by Jennifer. Jon stated there has been a savings adjustment on the kits. Jon noted that there is good school participation, however, but some students do not reside in the I&M service territory at some schools due to service territory overlap. Jennifer inquired about improving install rates with an incentive. Group discussed possible incentives and way to improve install including providing a certificate with on-line sign up for kit. Jennifer asked about other utilities in the area. Jon noted the overlap is with REMC's mostly.
- Jon reviewed HEM program performance. I&M views the HEM program as successful for 2018. High per home peak demand reductions were achieved. Overall I&M had 1.1 kw per home per event which is a good load shift. Jon W stated this was also accomplished with low customer complaints. Program energy savings were discussed as well. Jon W noted it was less than original estimates and therefore were out of alignment but the program still achieved good energy savings for customers. Jon W noted customer enrollment of approximately 2500 in Indiana and 500 in Michigan. Jon stated customers set preferences and the program adheres to those set points so I&M is not seeing large opt out rates.
  - Karol asked about I&M recruiting for HEM program. Jon described transition from old AC cycling program to new HEM program. I&M targeted the old AC cycling customers with outreach to participate in the new HEM program. I&M used outbound calling and also recruited via the web, home shows, mailers and HVAC trade allies to promote the program. Jon W said I&M also did a black Friday sales event on Ecobee thermostats.

Jon stated the old AC cycling customers received the thermostat and install for free. I&M is in the process of old AC cycling switch removal per program funding with several thousand removed to date.

- Home Weatherproofing was discussed. Jon noted that I&M needs to rationalize the targets. I&M needs to use 2-3 years of program history to set ongoing targets. Jon noted that houses are harder to find. Also cost effectiveness is more an issue under TRC than the UCT. Jon also discussed the ebbs and flows of the pipeline of customers. I&M has had a backlog in the past. I&M instituted a \$99.00 charge. If a customer signs up for shell measures, then I&M reimburses the \$99.00. I&M was finding that customers were wanting to talk only, not serious about improvements, or the customer had already done the statewide measures. The \$99.00 charge was to get recruit people that are serious. Allows for the best use of the audit time. Jon further stated the \$99.00 charge has resulted in customers signing up in winter and fall, i.e. the fall rush. A reduced summer time charge of \$50.00 has been tried to move the needle.

Jon also discussed getting HVAC vendor involvement. I&M is looking into this, i.e. partner New Construction builders with HVAC for follow up.

Jon further noted that building HVAC relationships will be part of I&M's next 3-yr plan filing. Noted AC savings are part of the New Construction market. However, Jon also stated that homes will be challenged by the cost-effective test in the next 3-yr plan filing. Jon stated that builders are not doing the AC upgrades as part of the New Construction program and that more efficient HVAC systems in new homes is a challenge to achieve but more savings can be realized if upgrades are undertaken by the builders. I&M will look at HVAC to help with this going forward. Karol noted the AC price difference.

Group discussed I&M partnering with NIPSCO gas. Jon noted this has been done in the past, i.e. 2014/2015. Issue was NIPSCO budgets. Jennifer noted the NIPSCO budgets are better now and encouraged I&M to consider a partnership again. Discussed that the NIPSCO vendor is Lockheed. The I&M vendor is CleaResult for New Construction.

Jon also discussed issues with builders in I&M's service territory not doing Energy Star 3. Noted unless you have electric heat homes cost effectiveness is an issue.

- C&I 2018 program performance was reviewed. Jon noted that there is a very healthy pipeline of projects already in 2019 but the programs have reduced targets compared to prior years. Jon noted strong interest in compressed air and LED lighting in C&I and discussed how C&I is not impacted by EISA lighting legislation as much. Jon discussed moving budget and rollover dollars for 2019. Discussed possible need to stop program due to budget or manage the rebate levels. Jon noted I&M has exhausted roll over in development of 2019. I&M may be able to transfer PES streetlighting funds, dependent on how this program performs. Jon discussed SB and the PES program. I&M will be meeting with SB to gauge SB interest in street lighting. This meeting will help determine if I&M keeps this program in next plan.
- Noted for IQ, I&M continues to look at apartments, work with builders on rehab and AC's.

#### **IV. 3-Yr Plan**

- 3 Year Plan filing discussed. I&M is forecasting what it sees from 2019 to carry forward in the plan filing. Discussed what IRP is showing for 2020, 2021 and 2022. C&I is being selected by IRP. Jennifer notes that she has indicated the CAC's issues with I&M's IRP. Jennifer's opinion is that the Market Potential Study (MPS) forecast numbers do not tie with actual numbers. Jon indicated that I&M is using I&M specific numbers. The IRP is tied to the MPS and the cost are accurate. Jennifer contends that the MPS is not based on good numbers. The numbers in the MPS are out of whack compared to other IOU's. John H inquired if I&M's costs are too high. Jennifer indicated the bundle costs are off when compared to program scorecard current costs. Jon discussed I&M's bundles and how the IRP bundle tables depict a levelized cost of energy which is different than costs shown on the program scorecard so care needs to be taken in comparing the right costs. Jennifer repeated that I&M's costs are high and the load shapes look off.
- Jon indicated that the TRC cost test will be very difficult for each residential and C&I to pass given I&M's avoided cost structure.
- Next, the timing of I&M's next Market Potential Study (MPS) was discussed. Jon said funding for another MPS will be included in I&M's 3-yr plan for 2020 through 2022. The estimated cost will be \$400,000-\$500,000. I&M will do a Request for Proposal for vendor. Jennifer inquired if the CAC can be part of the vendor selection due to concerns over using AEG as the vendor. Jon indicated I&M will listen to input on vendor but I&M will do selection. Jon explained that I&M will be looking for a vendor that can handle I&M's multi-jurisdictions and has experience with PJM. Jon explained issues for Michigan jurisdiction with their use of deemed savings. Jennifer expressed concern over using AEG. Jennifer stated the CAC recommends GDS as MPS vendor.

- MPS- Jennifer would like the current MPS excel file posted on the I&M website. (note: Jennifer left meeting due to conflict with another appointment)
- Karol asked if I&M is seeing issues in lighting related to cost effectiveness. Jon indicated that in 2020 lighting is no longer cost effective. Group discussed changes in lighting base line and impact on TRC test. Jon W further explained that in the IRP, residential lighting disappears in the short-term and returns later due to technology changes. I&M's 3-yr plan will likely have some lighting, but it will be a lower volume and use an on-line market place, not point of sale. Jon W noted the on-line campaign was popular with small and rural communities when offered during 2018 and helped to improve I&M's attribution in that program.
- Group discussed future residential programs. Jon noted heat pump water heaters are cost effective. He also discussed challenges in residential DSM for TRC cost effectiveness and noted that I&M's 3-year plan will have a residential program that will largely focus on electric heat customers.
- Group discussed TRC vs. UCT. OUCC indicated that other utilities are using UCT. Jon noted that I&M will run all tests but that passing the TRC will be a challenge for many programs in the upcoming 3-year plan.
- OUCC inquired on status of WEM contract. Jon indicated it is being circulated for review and approval.

V. The meeting was adjourned.