

**Request for Proposals
(RFP)
Third-Party Efficiency Programs**

**For The Ameren Illinois Residential and Business
Electric and Gas Energy Efficiency Programs 2014**

Issued by:



Issued:
January 23, 2013
REVISED:
February 1, 2013¹

**Electronic Proposals Due:
March 15, 2013 at 4:00pm (Central Time)**

**Print Proposals Due
March 19, 2013 at 4:00pm (Central Time)**

Coordinated by Applied Energy Group, Inc
5301 Limestone Road, Suite 222
Wilmington, DE 19808

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¹ The only revision is indicated on page 18: Bidder must complete a program template of the proposed program in a format that duplicates the program templates provided in Attachment F.

Ameren Illinois Third-Party Efficiency Programs Request for Proposals

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Ameren Illinois Third-Party Efficiency Programs Request for Proposals

1.0 Key Summary and RFP Considerations

This Request for Proposal (RFP) is being issued by the Ameren Illinois Company (AIC) to satisfy a section of the Illinois Public Utility Act; 220 ILCS 5/16-111.5B². This legislation requires that Illinois electric utilities administer an annual solicitation process for the expansion of electric energy efficiency programs to capture all cost-effective achievable efficiency. AIC currently provides its customers with a dual fuel (electric and gas savings) energy efficiency portfolio (Attachment E1). This RFP is soliciting proposals for new portfolio programs that would assist AIC in capturing all cost-effective achievable electric savings.

Applied Energy Group, Inc. (AEG) is coordinating the RFP process on behalf of AIC. AEG is the main contact for bidders and will be performing analysis of bids.

Following is a key summary that comprises this RFP. Details related to these items are following this section. Bidders should review these guidelines carefully.

1. Propose electric energy efficiency measures and programs that acquire cost-effective achievable efficiency in net MWH savings that are incremental to the savings being acquired by the current portfolio.
2. The program's term to acquire savings is for one year, June 1, 2014 through May 31, 2015 with the opportunity to have the contract renewed.
3. AIC will base its evaluation of proposals, in part, on its analysis of cost-effectiveness. Bidders are not expected to perform cost-effectiveness analysis, but must provide the inputs necessary for the analysis to be done.
4. Cost-effectiveness criteria are established by statute. The program must pass the total resource cost (TRC) test with a benefit cost ratio greater than 1.0.
5. The proposed programs are only for those customers currently served by the AIC portfolio (and not for those customers currently served by the Department of Commerce and Economic Opportunity, otherwise known as "DCEO").
6. The proposed programs are only for those customers that are not declared competitive; those whose demand is less than 150KW and are classified as Residential and Small Commercial.
7. While the purpose of this RFP is to satisfy a solicitation process for acquiring electric savings, any programs that acquire gas savings in addition to electric savings are also welcomed. The proposal of gas only savings programs is not acceptable. Any electric savings programs that also acquire gas savings must also supplement or complement

² The entire enrolled legislation can be viewed at <http://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=84&GA=97&DocTypeId=SB&DocNum=3811&GAID=11&LegID=65914&SpecSess=0&Session=0>. Pertinent sections for this RFP are included as Attachment C.

current programs, or be completely new programs. The TRC calculation for dual savings programs can include the gas benefits.

8. AIC is responsible for administration of the proposed program, in collaboration with AIC's prime contractors.
9. The proposed programs are subject to review and approval by AIC, the Illinois Power Agency (IPA) and the Illinois Commerce Commission (ICC).

1.1 Program Proposal

Bidder's proposed programs cannot compete with programs currently offered in the AIC energy efficiency portfolio. The proposed programs can only supplement or complement current programs, or be completely new programs.

AIC is in its fifth year (Y5) of administering an integrated energy efficiency portfolio.³ The proposed programs that result from this bidding process will be implemented during year 7 (Y7) of the portfolio. At the time of this RFP issuance, the portfolio that includes Y7 has not yet been approved by the ICC. In addition, in ICC Docket No. 12-0544, the ICC approved eight incremental energy efficiency programs to be implemented by AIC in Y6 (to achieve incremental IPA savings goals).

Therefore bidders will use the current portfolio (for years 4, 5, and 6) and the Y6 IPA incremental programs as the basis for determining the uniqueness of their programs. These programs are provided as Attachments E1 and E2. The portfolio and its programs can be further researched at the portfolio's website; www.actonenergy.com. Further detail regarding the estimate of net savings is provided in section 2.0.

AIC uses a prime implementer model to deliver its energy efficiency portfolio. The prime implementers are Conservation Services Group (CSG) for residential programs and Science Applications International Corporation (SAIC) for business programs. In order to avoid market conflict and confusion, response to this RFP must be for the purposes of complimenting or supplementing current programs or must be new programs that are not currently in the portfolio. Current prime implementers and current subcontractors for the AIC prime implementers are allowed to provide bids for new programs in response to this RFP. Any programs accepted by this RFP must operate under the direction of AIC. Templates providing a description of current programs are provided in Attachment F.

1.2 Program Term

The program's term to acquire savings is for one year, June 1, 2014 through May 31, 2015.

³ Background information about the current energy efficiency Plan, other programs in Illinois, and related legislation can be found in Attachment B: Reference Documents.

The AIC energy efficiency portfolio operates on three year cycles. The term of the services of this RFP is applicable to June 2014 – May 2015 also known as Y7 of the AIC portfolio (the first year of the third 3-year cycle of the portfolio). AIC may choose to negotiate the extension of a program beyond the one year.

1.3 TRC Test

The program must pass the total resource cost (TRC) test with a benefit cost ratio greater than 1.0.

Bids must reflect both a total program cost and a cost/kwh. Costs provided in the bid must be all inclusive of total program costs (such as rebates/incentives, marketing, customer care, labor including subcontractors, material costs, program management, reporting, etc.). AIC will perform its own analysis to determine if the bidder's program costs abide by the cost requirements.

Following is the definition of the applicable TRC test (20 ILCS 3855/1-10 Sec. 1-10. Definitions):

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases.

As per the definition, the TRC calculation will include gas benefits.

There is no prescribed budget cap for the proposed programs. Bidders must perform market research and apply their expertise to determine the maximum amount of cost-effective savings they can achieve.

Refer to the AIC 2010 Potential Study for additional guidance on market opportunity which can be found at http://www.ilsag.org/evaluation_documents.

AIC reserves the right to modify the proposed size for selected programs. Bidder should state budget ranges for the program enabling AIC to scale the budget/program higher or lower. If AIC decides to award a different amount than the selected bidder's proposed budget, AIC and Bidder will negotiate the net kWh savings and budget for a modified contract amount.

1.4 Customer Segment

The proposed programs are only for those customer segments currently served by the AIC portfolio (and not for those AIC customer segments currently served by efficiency programs offered by the Department of Commerce and Economic Opportunity, otherwise known as "DCEO").

In order to prevent market conflict and confusion for those market segments already served by DCEO, bids cannot include new or expanded programs for market segments already served by DCEO. DCEO provides energy efficiency programs for units of local, state, and federal government, municipal corporations, public school districts, community colleges, and state universities and programs targeted at low income households. Attachment D provides direction on how to access a copy of DCEO's portfolio.

1.5 Administration of Programs

AIC is responsible for administration of the proposed program, in collaboration with Ameren Illinois' prime contractors.

As specified in 220 ILCS 5/16-111.5B the IPA must consider the inclusion of energy efficiency programs in its procurement plan for the next ten years. As part of their annual submission of electricity needs of the IPA, the utilities must also provide identification of new or expanded energy efficiency programs or measures that are incremental to those in their current portfolio. Utilities must issue an annual RFP process to identify these opportunities and provide documentation of the bids received. Accordingly, AIC issues this RFP to comply with 220 ILCS 5/16-111.5B.

Section 1.1 of this RFP speaks to the collaboration of the selected bidder with the AIC implementers.

1.6 Programs are Subject to Regulatory Review and Approval

The proposed programs are subject to review and approval by AIC, the Illinois Power Agency and the Illinois Commerce Commission.

The IPA procures electric supply on behalf of AIC customers that are on bundled service. This supply is then delivered by the AIC distribution system. AIC provides a submission of their customer's estimated supply needs to the IPA by July 15 of each year. The IPA then develops their procurement plan which is docketed and approved, or approved as modified,

by the Illinois Commerce Commission (ICC) no later than December 31 of that same year. The approved procurement plan is then implemented starting June 1 of the subsequent year.

The approved procurement plan will indicate the incremental savings that are included in the procurement and thus dictate the programs that will be implemented as a result of this RFP. Incremental energy efficiency programs that pass the TRC test and are included in the IPA procurement plan will be scrutinized by interested parties in the annual docketed proceeding and will ultimately be approved or rejected by the Commission prior to each year's implementation. AIC cannot predict the outcome of this process and therefore makes no warranties to potential bidders of approved incremental energy efficiency programs that will be implemented.

While AIC seeks to align programs proposed by this RFP with the energy efficiency portfolio's 3-year cycle, the IPA procurement process is an annual process. Programs or the amount of incremental energy efficiency may change based on the annual procurement process. Therefore AIC reserves the right to discontinue contracts.

1.7 Target Market

The proposed programs are only for those customers that are not declared competitive; those whose demand is less than 150KW and are classified as Residential and Small Commercial.

Following is an estimate of the volume and usage of customers that pertain to the programs for this RFP:

From June 1, 2011 – May 31, 2012

	<u>12 month Avg #Cust</u>	<u>12 month Total MWH</u>
Total Residential Retail Service	1,057,096	11,482,603
Total Small Business Retail Service	150,370	5,325,507

2.0 Program and Bidding Guidelines

A bidder may propose more than one program but each distinct program must be provided as a separate bid. A bidder may propose a suite of programs in one bid; however this increases the likelihood that if a program is rejected, the entire bid may be rejected.

2.1 Program Parameters

Proposals can be promotional, technology or delivery based solutions that will produce measureable electricity savings. AIC is only supporting programs for innovative technologies

that are commercially available in the marketplace (pre-commercial technologies are not eligible for this RFP) or proven resource programs providing reliable and measurable kWh savings. The following programs/technologies are not eligible under this RFP:

- Renewable energy
- Demonstration projects and limited production technologies
- Load shifting
- Power factor correction

2.2 Program Evaluation, Accountability and Obligation

Performance evaluation will be conducted by an independent evaluator at the close of each program year, although evaluation activities may be ongoing throughout a program year. Therefore, program design considerations must be made to account for net savings determinations including net-to-gross estimations and measure values. After the bidders are selected and prior to program implementation, AIC's independent evaluation firm will confirm recommendations for values to determine estimated net savings values for planning purposes.

Some of the other elements evaluated will include overall program performance, energy savings achievement, marketing approach, implementation channels, outreach activities and customer satisfaction.

By responding to this RFP bidders acknowledge that:

- 1) Bidders are obligated to achieve the savings within the budget as provided in their bid for the program year timeframe of June 1, 2014 – May 31, 2015. Bids are provided as part of a docketed proceeding. If a bid is selected as a result of the docketed proceeding, the bidder is obligated to contract with AIC to provide the savings within the budget as provided in their bid.**
- 2) Program assumptions are subject to changes per the Illinois Technical Reference Manual⁴ (which is revised annually and in effect on March 1, 2014) and annual evaluation results which are received November 2013 through March 2014. Bidders acknowledge that even with these revised assumptions; they are obligated to achieve the savings within the budget as provided in their bid for the program year timeframe of June 1, 2014 – May 31, 2015.**
- 3) Programs that are implemented as a result of this RFP will be contracted as a form of performance contracting where vendors will get paid according to the savings achieved in addition to holdback and penalty provisions.**

⁴ The current Illinois TRM can be found at <http://www.icc.illinois.gov/docket/files.aspx?no=12-0528&docId=187554>

2.3 Marketing and Program Design

The selected bidder will be responsible for program design/redesign, managing, executing, securing, documenting, and reporting energy savings and marketing of the program under the guidance of and in partnership with AIC and its prime implementer. Ultimately it may be determined that it is more feasible for all marketing activities to be coordinated by AIC; but bidders should assume this responsibility for the purposes of this bid.

The program should be designed to avoid the potential of double-dipping (applying for multiple incentives or rebates for the same energy efficiency measure) into AIC's existing portfolio. Energy efficiency measures already in the AIC portfolio will be considered as long as they are targeted at niche market subsectors or customers not already being served by the portfolio. The program can either have an appearance and feel independent of the current portfolio programs, or be an enhancement of a current program in a manner not currently being executed.

All aspects of program design and implementation, marketing plans, materials, and outreach activities, including all customer-facing aspects of the program, must be reviewed and approved by AIC.

Marketing and Program Design costs should be itemized separately on the bid.

2.4 Program Integration

Selected bidders will develop and operate systems that integrate into the portfolio's existing operations.

- Staff
 - Staff will be employed by the selected bidder but will perform under the rules and guidance of AIC or possibly AIC's prime implementer. Selected bidders must provide trained personnel as needed who are able to respond to customer inquiries regarding program services, scheduling issues, warranty issues, and other program-related issues.
- Call center and customer service
 - It is desirable that the program's call center needs are integrated with AIC's current prime implementer call center operations unless a compelling reason exists to operate independently.
- Internet capability
 - Program-specific internet and website program information and participation will be integrated with the current actonenergy.com platform. Any additional costs anticipated to merge a program to this platform must be part of the bid.

2.5 Program Operations

Program Operations' costs as a category should be itemized separately on the bid and be inclusive of the items in this section in addition to other program operations cost requirements.

Ultimately it may be determined that the following items will be coordinated by AIC or its prime implementer but bidders should assume this responsibility for the purposes of this bid:

Intake: Selected bidder will develop and implement intake systems and processes to answer questions from prospective customers, screen for program eligibility and target markets.

Quality Assurance and Evaluation Support: Selected bidder will develop and implement a quality assurance protocol to ensure that the program achieves net electric energy savings. Selected bidder will also provide required documentation for AIC, its prime implementer and the independent evaluator to evaluate the program in terms of safety, customer service, and other performance metrics as determined.

Access: Selected bidder will assist AIC's independent evaluator, including access to program records, access to program employees and subcontractors, and other support. Selected bidder shall accommodate AIC's need to audit selected bidder program processes and field activities, including subcontractor activities.

Program Management Systems and Processes: Selected bidder will develop and implement program management systems and processes that support effective program management and delivery. Program management systems may include computer systems, employee procedures, or other systems. AIC will retain all rights to data, results, and any other information collected/developed during the performance of these programs. At a minimum, these systems must be capable of supporting the following functions:

- Processing customer intake requests and screening customers for program eligibility.
- Procuring and managing the qualified subcontractors required to implement program and providing sufficient capacity of qualified subcontractors to meet program demand in the geographic regions targeted by the program. All contractors shall have or obtain all required licenses, certifications, permits and insurance for the work proposed.
- Scheduling customers, subcontractors, and quality assurance personnel for efficient delivery of program services.
- Providing appropriate training to selected bidder staff and subcontractors needed to provide the program services.
- Providing timely resolution to customer complaints and issues, with documented call center scripting and complaint escalation processes.
- Collecting and storing data on customer energy savings and customer work flow through program implementation.
- Interfacing with AIC portfolio tracking systems, allowing for secure, (possibly weekly) automated data transfers of key program metrics meeting AIC data transfer protocols.
- Maintaining privacy of customer data. Selected bidder data security processes and systems must meet or exceed AIC security requirements.

- Tracking information needed to assess key performance indicators used to measure and structure payments for selected bidder performance, including tracking safety, customer satisfaction, participation, energy savings, and other program features.
- Participating in routine status calls, to be coordinated between AIC, AIC's prime implementer and selected bidder, as needed for effective program management.
- Providing appropriate management reports
- Developing and maintaining policies and procedures for program implementation

Reporting: Selected bidder will provide possibly weekly, monthly, and quarterly management reports to AIC and its prime implementer through paper and email. These reports may also be given to independent evaluators, who may contact participating customers (including through on-site visits) to evaluate Bidder performance and verify installations. Management reports must include, at a minimum a summary of key activities, accomplishments, program status, budget status and estimated savings.

2.6 Policies and Procedures

As described in previous sections, selected bidder will develop and maintain plans, specifications, policies and/or procedures governing the program operations.

At least 60 days prior to program launch, selected bidder will provide draft copies of appropriate materials for approval by AIC and its prime implementer. Bidder shall include in their proposals schedules for developing, submitting, and approving these materials to ensure that program operations can begin on June 1, 2014 and to ensure that program operations adapt to future market changes.

2.7 Customer Satisfaction Research

Selected bidder shall design a customer satisfaction survey method for program participants which cost will be included in the program bid. Selected bidder will track customer survey results as they become available and report results to AIC and its prime implementer. Selected bidder shall be responsible for implementation and all costs related to the customer satisfaction survey process. Customer Satisfaction survey costs should be itemized separately on the bid.

2.8 Key Contractor Selection Criteria

Due to the wide range and variability of proposals AIC may receive, it will not be possible to establish specific criteria until the submittals are reviewed. AIC expects that the potential uniqueness of some of the proposals will necessitate the development of individualized criteria. All proposals should contain and will be evaluated on the following:

- The amount of cost-effective savings anticipated to be achieved by the proposed program.

- The ease with which the initiative can be integrated into the portfolio without undermining or competing with core portfolio programs.
- The proven ability of contractor to manage, design and implement proposed initiative efficiently and effectively.
- Bidder's description must briefly define marketing plan and program delivery approach.
- Provider's statement of the proposed net kWh savings per program year for each program and/or market/subsector.
- Provider's assumptions and calculations underlying forecasted savings and costs, including estimated useful life data, net-to-gross and measure values.

2.9 Exceptions and Disclosures

A copy of the AIC Services Agreement is included with the RFP as Attachment G. Bidders need to provide a description of any proposed exceptions to this Agreement.

Bidders also need to provide a list of any potential conflict and a disclosure of any professional relationship they have with AIC, any of its entities, implementers and contractors currently engaged by AIC for its energy efficiency portfolio.

All Bidders need to provide a completed Attachment B: General Company Information Form.

The cost of RFP preparation and any on-going expenses incurred during the process leading up to implementation will be the sole responsibility of the bidder

2.10 Modification of Request for Proposal

After the analysis of proposals submitted in response to this RFP is completed, Ameren reserves the right to modify the requirements and terms of this RFP. Ameren may also request resubmission of some or all items from some or all of the initial bidders.

2.11 RFP and Program Development Timeline

RFP – Call for Proposals	Start Date	End Date (close of business)
RFP Release Date	January 23, 2013	March 15, 2013
Pre-bid Bidder's Conference Call	February 15, 2013	February 15, 2013
Bidder Questions Deadline	January 23, 2013	February 18, 2013
Intent to Bid due – Not required but beneficial		February 19, 2013
Responses to Questions Issued		February 22, 2013
Bidder Electronic Proposal(s) Submission Due		March 15, 2013
Bidder Paper Proposal(s) Submission Due*		March 19, 2013
Proposal Review and Bid Discussions	March 15, 2013	December 31, 2013

Program Development and Roll Out	Start Date	End Date
Notification of Bid Selection(s) **	January 15, 2014	
Negotiations, Purchase Order/Contract Issued	January 16, 2014	February 28, 2014
Program design and operational development	March 1, 2014	
Program market availability	June 1, 2014	

*1 paper copy of each bid is due to Karen Kansfield, Energy Efficiency, 300 Liberty Street, Peoria, IL 61602

**Subject to ICC final order for the Illinois Power Agency's 2014 procurement plan

2.12 Intent to Bid

Potential bidders are not required to submit a notification of intent to submit a proposal in response to this RFP. However, those who submit intent will then be provided distribution notices that include a list of intended bidders and answers to submitted questions.

Submit notification of your intent to bid by February 19, 2013 to Ralph Nigro at rnigro@appliedenergygroup.com. Complete and attach *Attachment B: General Company Information Form* with your intent to bid notice.

2.13 Bidders' Conference Call

Contractors are encouraged, although not required, to participate in a bidder's conference call. There is no registration required, nor is intent to bid required, to participate in the conference call. The conference call will provide interested firms with an opportunity to seek clarification on the requirements of this RFP. Following are the schedule and instructions for the conference call:

Date: Wednesday, February 15, 2013
Time: 3:30 pm (Eastern Time), 2:30 pm (Central Time)
Call-In Number: (800) 747-5150
Passcode: 8817126

2.14 RFP Questions, Inquiries, and Clarifications

Submit inquiries regarding the RFP by February 18, 2013 to Ralph Nigro at rnigro@appliedenergygroup.com. Outside of the bidder's conference call, all inquiries will be handled by email only. All inquiries and responses will be distributed to those who submitted intent by February 19, 2013.

2.15 RFP Due Date

All proposals must be received by Ralph Nigro at rnigro@appliedenergygroup.com no later than 5:00 PM Eastern Time, 4:00 PM Central Time on March 15, 2013.

Ameren Illinois reserves the right to reject as non-responsive any proposals that do not contain the information requested in this RFP. Late proposals will be rejected. Ameren Illinois is not liable for any costs incurred by any person or firm responding to this RFP or participating in final interviews.

2.16 Bid Submission Items and Checklist

Proposals must follow the format described below. Bidders must address each item listed; if an item does not apply, the Bidder must provide an explanation. Bidders should provide sufficient detail to address each item clearly and briefly, but should avoid excessive or elaborate submittals. The following items must be included and addressed in each proposal:

Proposal cover

Signed cover/transmittal letter

Table of Contents (include proposal date and page numbers on each page of proposal)

Completed Proposal Checklist (Attachment A)

General Company Information (Attachment B)

Executive Summary

Program Description and Schedule

- The description should summarize the market or market segment being served, an overall program description including the efficiency measures that will be implemented, and how the program will be marketed and delivered.
- The description should explain how the proposed program is incremental to and does not compete with AIC's existing programs

- The proposed schedule should address program planning, launch and operations, focusing on the time required from contract award to full operation. The schedule should be in bar chart or tabular form with key milestone dates shown.
- The schedule should also address the steps required for program shutdown.

Brief Marketing Strategy

- The marketing strategy should define the target market, and how the bidder intends to reach the market. The Bidder should address key messaging and the value proposition that will be used to attract participants.

Staffing Chart (including subcontractors)

- Bidders should provide a table or organization chart with the key positions and individuals within the Bidder's and subcontractors' organizations responsible for designing, implementing and marketing the proposed program.

Summary of Qualifications and Experience

- Bidders must provide a description of qualifications and experience relevant to the proposed program.

Budget

- Bidders must provide a budget in the format provided in the following table. Budget items are defined below, and Bidder should clearly explain what is included in each line item:
 - Program Start Up includes one-time, non-recurring expenses specifically related to establishing a new program.
 - Program Administration includes the Bidder's on-going administrative costs to support program operations. These may include tracking, reporting, subcontractor administration, call center and customer support operations, etc.
 - Program Marketing includes advertising, customer outreach and education, development and production of marketing materials, website and content development, media purchases (if any), and related expenses.
 - Program Delivery includes the costs of application intake, pre-qualification, incentive processing, technical support, and other costs related to applicant project support.
 - Incentives are payments made to reduce the participants' costs of energy efficiency measures. Incentives are **not** intended to eliminate participants' costs for purchasing and installing measures. If measures are provided at

no cost to the participant, those costs should be provided separately as the Costs of Direct Delivery (see below).

- Costs of Direct Delivery apply to certain programs where the full cost of measures, including installation, is provided at no charge to the customer. Many residential and business direct install programs provide some measures at no charge to the customer. .

Budget Item	Year 7
Program Start Up	
Program Administration	
Program Marketing	
Program Delivery	
Incentives	
Costs of Direct Delivery	
Total	

Detailed Efficiency Measure Information

- Each proposed program measure must be provided with the information required in the embedded Excel spreadsheet. There is no limit on the number of measures that may be submitted as part of a program. Bidders must provide this information as an Excel file.



Measure Information
 template.xlsx

- For measures that are covered in the State of Illinois Technical Reference Manual (TRM)⁵, Bidders are responsible for ensuring that proposed measure values comply with the TRM's calculation methodologies and/or deemed savings values.
- Bidders must provide estimated annual participation or number of efficiency units deployed, and estimated NTG ratios. The TRM does not provide participation or NTG ratios. Bidder must indicate exceptions to TRM values and provide an explanation.
- AIC reserves the right to evaluate and adjust Bidder's proposed measure information if necessary.

⁵ The Illinois TRM can be found at <http://www.icc.illinois.gov/docket/files.aspx?no=12-0528&docId=187554>

Preferred Payment Methodology (optional)

- Bidder should propose a preferred payment methodology if different from AIC's Service Agreement in Attachment G, and shall include a method for linking payment to performance. Specifically, AIC will require that payments be tied to achieving defined energy savings targets. Payments will be subject to a holdback pending the achievement of targets. Failure to achieve targets will result in penalty provisions including but may not be limited to forfeiture of the holdback amount.

Exceptions to Contract Terms (as needed)

- Bidder must clearly indicate any exceptions to the Contract Terms provided in Attachment G.

Disclosures (as needed)

Appendix - Resumes of key program leads (1 page per resume) (optional)

Signed Services Agreement (unless exceptions to contract terms are offered)

Completion of Supplier Diversity Business Plan (Attachment H)

Completed Program Template

- Bidder must complete a program template of the proposed program in a format that duplicates the program templates provided in Attachment F.

Attachment A: Bid Submission Items and Proposal Checklist

Company Name: _____

Proposed Program Name: _____

Indicate the following items are included in the bid submission:

- Proposal cover
- Signed cover letter/transmittal letter
- Table of Contents (include proposal date and page numbers on each page of proposal)
- Completed Proposal Checklist
- General Company Information (see Attachment B for format)
- Executive Summary
- Program Description and Schedule
- Brief Marketing Strategy
- Staffing Chart (including subcontractors)
- Summary of Qualifications and Experience
- Budget
- Detailed Efficiency Measures Information
- Preferred Payment Methodology (optional)
- Exceptions to Contract Terms (as needed)
- Disclosures (as needed)
- Appendix - Resumes of key program leads (1 page max per resume) (optional)
- Signed Services Agreement (unless exceptions to contract terms are offered)
- Diverse Supplier Business Plan (Attachment H)
- Completed Program Template

Attachment B: General Company Information Form

Company Information	
Company Name:	
Street Address:	
City:	
State:	
Telephone:	
Website:	
Prime bidder office location for this project:	
Contact Information	
Contact Name:	
Title/Position	
Telephone:	
Email:	
Address:	
Business Information	
Nature of Business:	
Ownership (LLC, corporation, etc) :	
Years in Business:	
2009 and 2010 Annual Revenues:	
Parent Company (if any):	
Affiliates (if any):	
Subsidiaries (if any):	
For Profit / Non-Profit Status:	
Management Information	
List of Company's Controlling Personnel	
	<i>Add rows as needed</i>
Prime Bidder Staffing Information	
Total No. Permanent Employees:	
Teaming Information	
Subcontractor Name / Principal Role (list all proposed)	Subcontractor Location (City/State)
	<i>Add rows as needed</i>

Attachment C: 220 ILCS 5/16-111.5B: Select Provisions Relating to Energy Efficiency Procurement⁶

(220 ILCS 5/16-111.5B)

Sec. 16-111.5B. Provisions relating to energy efficiency procurement.

(a) Beginning in 2012, procurement plans prepared pursuant to Section 16-111.5 of this Act shall be subject to the following additional requirements:

(1) The analysis included pursuant to paragraph (2)

of subsection (b) of Section 16-111.5 shall also include the impact of energy efficiency building codes or appliance standards, both current and projected.

(2) The procurement plan components described in

subsection (b) of Section 16-111.5 shall also include an assessment of opportunities to expand the programs promoting energy efficiency measures that have been offered under plans approved pursuant to Section 8-103 of this Act or to implement additional cost-effective energy efficiency programs or measures.

(3) In addition to the information provided pursuant

to paragraph (1) of subsection (d) of Section 16-111.5 of this Act, each Illinois utility procuring power pursuant to that Section shall annually provide to the Illinois Power Agency by July 15 of each year, or such other date as may be required by the Commission or Agency, an assessment of cost-effective energy efficiency programs or measures that could be included in the procurement plan. The assessment shall include the following:

(A) A comprehensive energy efficiency potential

study for the utility's service territory that was completed within the past 3 years.

(B) Beginning in 2014, the most recent analysis

submitted pursuant to Section 8-103A of this Act and approved by the Commission under subsection (f) of Section 8-103 of this Act.

(C) Identification of new or expanded

cost-effective energy efficiency programs or measures that are incremental to those included in energy efficiency and demand-response plans approved by the Commission pursuant to Section 8-103 of this Act and that would be offered to all retail customers whose electric service has not been declared competitive under Section 16-113 of this Act and who are eligible to purchase power and energy from the utility under fixed-price bundled service tariffs, regardless of whether such customers actually do purchase such power and energy from the utility.

(D) Analysis showing that the new or expanded

⁶ These provisions are provided for convenience. Bidders are responsible for referencing and complying with all applicable laws.

cost-effective energy efficiency programs or measures would lead to a reduction in the overall cost of electric service.

(E) Analysis of how the cost of procuring

additional cost-effective energy efficiency measures compares over the life of the measures to the prevailing cost of comparable supply.

(F) An energy savings goal, expressed in

megawatt-hours, for the year in which the measures will be implemented.

(G) For each expanded or new program, the

estimated amount that the program may reduce the agency's need to procure supply.

In preparing such assessments, a utility shall

conduct an annual solicitation process for purposes of requesting proposals from third-party vendors, the results of which shall be provided to the Agency as part of the assessment, including documentation of all bids received. The utility shall develop requests for proposals consistent with the manner in which it develops requests for proposals under plans approved pursuant to Section 8-103 of this Act, which considers input from the Agency and interested stakeholders.

(4) The Illinois Power Agency shall include in the

procurement plan prepared pursuant to paragraph (2) of subsection (d) of Section 16-111.5 of this Act energy efficiency programs and measures it determines are cost-effective and the associated annual energy savings goal included in the annual solicitation process and assessment submitted pursuant to paragraph (3) of this subsection (a).

(5) Pursuant to paragraph (4) of subsection (d) of

Section 16-111.5 of this Act, the Commission shall also approve the energy efficiency programs and measures included in the procurement plan, including the annual energy savings goal, if the Commission determines they fully capture the potential for all achievable cost-effective savings, to the extent practicable, and otherwise satisfy the requirements of Section 8-103 of this Act.

In the event the Commission approves the procurement

of additional energy efficiency, it shall reduce the amount of power to be procured under the procurement plan to reflect the additional energy efficiency and shall direct the utility to undertake the procurement of such energy efficiency, which shall not be subject to the requirements of subsection (e) of Section 16-111.5 of this Act. The utility shall consider input from the Agency and interested stakeholders on the procurement and administration process.

(6) An electric utility shall recover its costs

incurred under this Section related to the implementation of energy efficiency programs and measures approved by the Commission in its order approving the procurement plan under Section 16-111.5 of this Act, including, but not limited to, all costs associated with complying with this Section and all start-up and administrative costs and the costs for any evaluation, measurement, and verification of the measures, from all retail customers whose electric service has not been declared competitive under Section 16-113 of this Act and who are eligible to purchase power and energy from the utility under fixed-price bundled service tariffs, regardless of whether such customers actually do purchase such power and energy from the utility through the automatic adjustment clause tariff established pursuant to Section 8-103 of this Act, provided, however, that the limitations described in subsection (d) of that Section shall not apply to the costs incurred pursuant to this Section or Section 16-111.7 of this Act.

(b) For purposes of this Section, the term "energy efficiency" shall have the meaning set forth in Section 1-10 of the Illinois Power Agency Act, and the term "cost-effective" shall have the meaning set forth in subsection (a) of Section 8-103 of this Act.

(Source: P.A. 97-616, eff. 10-26-11; 97-824, eff. 7-18-12.)

Attachment D: Reference Documents

Illinois Technical Reference Manual

<http://www.icc.illinois.gov/docket/files.aspx?no=12-0528&docId=187554>

Ameren Illinois 2010 Potential Study http://www.ilsag.org/evaluation_documents

Public Utilities Act: 220 ILCS 5/8-103 (Energy efficiency and demand-response measures) and 220 ILCS 5/8-104 (Natural gas energy efficiency programs)

<http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=1277&ChapAct=220%26nbsp%3BILCS%26nbsp%3B5%2F&ChapterID=23&ChapterName=UTILITIES&ActName=Public+Utilities+Act%2E>

Ameren Illinois Electric and Gas Energy Efficiency and Demand-Response Plan (Compliance Filing) dated January 20, 2011. This detailed plan includes descriptions of the Energy Efficiency programs and implementation approaches for the two portfolios. Ameren Illinois has flexibility to change portfolio programs.

<http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=160813>

Ameren Illinois Evaluation Reports from PY1, PY2 and PY3.

See appendix of the following for the PY1 EM&V reports;

<http://www.actonenergy.com/home/annual-report/>

See the following for the PY2 EM&V reports;

<http://www.icc.illinois.gov/docket/files.aspx?no=10-0519&docId=162788>

<http://www.icc.illinois.gov/docket/files.aspx?no=10-0519&docId=162789>

See the following for the PY3 EM&V reports;

<http://www.icc.illinois.gov/docket/Documents.aspx?no=11-0592>

DCEO Plan in Ameren Illinois Docket #10-0568

Exhibit 1.1:

<http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=157716>

Attachment E1: AIC Energy Efficiency Portfolio⁷

Energy Efficiency	Annual MWH Savings			Annual MW Savings			Annual Therm Savings			Annual Program Costs (\$ millions)		
	PY4	PY5	PY6	PY4	PY5	PY6	PY4	PY5	PY6	PY4	PY5	PY6
RES-Lighting	82,485	61,974	42,418	2.5	1.9	1.3	0	0	0	\$ 7.00	\$ 5.21	\$ 3.74
RES-Efficient Products	11,079	11,999	13,110	2.3	2.4	2.7	324,590	463,622	552,133	\$ 3.31	\$ 3.59	\$ 3.99
RES-HVAC	13,448	14,187	15,109	6.4	6.8	7.2	896,800	1,147,316	1,480,704	\$ 6.84	\$ 8.07	\$ 9.69
RES-Appliance Recycling	19,889	20,070	16,036	2.9	2.9	2.3	0	0	0	\$ 2.66	\$ 2.77	\$ 2.28
RES- Home Energy Performance	2,593	2,665	2,728	0.7	0.7	0.7	100,890	103,916	107,034	\$ 1.35	\$ 1.41	\$ 1.48
RES-New Construction	273	304	329	0.1	0.1	0.1	12,831	14,268	15,449	\$ 0.18	\$ 0.21	\$ 0.23
RES-Multi-family	4,874	5,217	5,285	0.9	1.0	1.0	247,116	290,831	313,078	\$ 1.56	\$ 1.79	\$ 1.97
RES-Behavioral Modification	21,705	21,705	21,705	4.9	4.9	4.9	664,517	664,517	664,517	\$ 0.96	\$ 0.99	\$ 1.02
RES-Moderate Income	1,732	1,774	1,800	0.5	0.5	0.5	64,850	66,795	68,799	\$ 0.83	\$ 0.87	\$ 0.91
RES-Voltage Optimization *	0	0	0	4.5	4.5	4.5	0	0	0	\$ 1.06	\$ 1.19	\$ 1.18
RESIDENTIAL PORTFOLIO TOTAL	158,078	139,895	118,521	25.5	25.6	25.1	2,311,593	2,751,267	3,201,714	\$ 25.76	\$ 26.10	\$ 26.50
BUS-Standard	47,815	40,648	37,334	20.2	17.2	15.8	1,145,345	1,306,813	1,429,883	\$ 12.06	\$ 12.45	\$ 13.15
BUS-Custom	55,620	54,490	50,648	16.3	15.9	14.8	189,043	210,919	223,281	\$ 11.17	\$ 11.35	\$ 10.91
BUS-RCx	3,309	3,196	3,019	0.8	0.8	0.7	5,654	5,002	4,651	\$ 0.28	\$ 0.28	\$ 0.28
BUS-New Construction	8,194	7,123	6,454	2.9	2.5	2.2	51,483	50,035	47,131	\$ 2.20	\$ 2.11	\$ 2.06
BUSINESS PORTFOLIO TOTAL	114,938	105,458	97,456	40.1	36.3	33.5	1,391,525	1,572,768	1,704,945	\$ 25.71	\$ 26.19	\$ 26.39
Ameren Illinois - Portfolio Admin costs										\$ 2.57	\$ 2.60	\$ 2.64
Ameren Illinois - EM&V costs										\$ 1.54	\$ 1.56	\$ 1.59
Ameren Illinois - Education										\$ 1.29	\$ 1.30	\$ 1.32
Ameren Illinois - Marketing										\$ 1.29	\$ 1.30	\$ 1.32
Discretionary Funding Margin **	518	518	518	-	-	-	31,899	31,624	35,789	\$ 0.19	\$ 0.19	\$ 0.20
PORTFOLIO TOTAL	273,534	245,871	216,495	65.6	61.9	58.7	3,735,017	4,355,658	4,942,447	\$ 58.35	\$ 59.25	\$ 59.96

⁷ This is the portfolio as filed in ICC docket 10-0568 and is subject to change. Savings are net savings values.
<http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=160813>

Attachment E2: Y6 AIC IPA Incremental Programs

Program	Program Cost	Net MWh Savings
Residential Multi-Family	\$1,128,135	2,731
Res ENERGY STAR New Homes	\$403,017	372
Residential Lighting	\$7,122,150	19,418
Small Business Prescriptive	\$1,866,028	6,916
Residential Efficiency Kits	\$266,213	2,149
All-Electric Homes	\$7,908,859	11,871
CFL Distribution	\$558,372	4,710
Small Business Direct Install	\$7,890,462	17,921
Incremental Savings Goal/Budget	\$27,143,236	66,088

Attachment F: Program Design for the Current AIC Portfolio⁸

Residential Portfolio Programs

PROGRAM	Residential Lighting
Objective	Increase sales and awareness of ENERGY STAR qualified lighting products
Target Market	The target market will be national retailers, including, but not limited to: Home Depot, Lowe's, Menard's, and Sam's Club. This target market will continue to leverage existing program partners (retailers and hardware stores) but also attempt to expand to include more local retailers and hardware stores as the program matures. Ameren Illinois will also offer an online store to service customers who do not have a retailer near their location.
Program Description	The program will be run through a prime contractor and their subcontractors with significant experience in working with national retail outlets. The contractor will offer incentives to the manufacturing and retail partners to increase sales of qualified lighting. Through these upstream and midstream incentives, the end-user receives a discount on the price of highly efficient, ENERGY STAR or better, qualified lighting products. There will be an emphasis on training the retail outlet sales staff to discuss the benefits of efficient lighting as well as increased point of purchase marketing materials to increase consumer awareness.
Eligible Measures & Incentive Strategy	The program's incentives will be targeted at the mid-stream and up-stream program partners. Mark-downs on qualified products will allow end-use customers to purchase efficient lighting products at a reduced cost while reducing the administrative burden associated with buy-down and point of purchase ("POP") rebates to the customer.

⁸ As filed in ICC docket 10-0568 and is subject to change. <http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=160813>

Implementation Strategy

Ameren Illinois will hire a prime contractor and subcontractors to implement this program. The prime contractor will provide the necessary services to effectively implement the program and obtain the energy savings goals outlined in the Plan while adhering to the budgetary constraints identified by Ameren Illinois. Key implementation aspects include:

- Create marketing material including coupons, POP marketing materials, and other materials to be used to support the sales staff.
 - The contractor or their subs will have a call center to monitor program activity and assist with any customer discrepancies or questions that may arise. The call center should have knowledgeable staff that can assist and direct customers to the appropriate channels to alleviate customer concerns.
 - A tracking system database will collect and monitor sales data from the field. The tracking system will monitor rebates processed, segmented by retail partner, geographical locations, and sales volume. The tracking system will have components to track field work as well, identifying stores visited, marketing materials left at store, and retailer feedback among other items. All data should be transparent, and Ameren Illinois will have access to this tracking system at its discretion.
 - A subcontractor will report the program's progress in relation to meeting budgets and savings goals on a regular basis. There will be other reporting which will identify operational details on progress with field representatives. Quarterly and annual reporting summarizing program milestones and achievements will be provided to Ameren Illinois for review.
 - The contractor will hire, train, and develop field representatives to educate and monitor retail outlet partners. These field representatives will be responsible for delivering marketing materials, training the retailers' sales staff, and reporting their findings.
- Additionally, an online store will be available to those customers who either cannot find a local retailer in their area or are more prone to purchase products online.

Marketing Strategy

The primary marketing efforts will be separated into customer awareness and sales staff education. Recruitment of retail partners and further upstream manufacturing partners will be critical to the success of this program. Identifying the benefits of providing more efficient lighting products to customers as well as outlining the corresponding incentives will help to build the retail trade ally network. Various marketing materials will be delivered to the participating retail stores to inform end-use customers about efficient lighting. These materials include but are not limited to:

- POP Materials (hang tags, stickers, etc.)
- Lighting clinics and events at retailers
- Co-op advertising
- Coupons
- Print, radio, television commercials
- Web placement
- Billboards

The second component of the marketing will consist of training and educating the sales staff on effectively promoting and endorsing ENERGY STAR or other high efficiency lighting products. Field representatives will deliver marketing materials to staff, train and educate the sales staff surrounding the ENERGY STAR brand and its benefits, and provide a point of contact for retail partners to ask questions and receive any further clarification as needed. One item each retailer will receive is a retailer training manual. This manual will outline various sales techniques, identify benefits of ENERGY STAR and other high efficiency lighting products, and inform the staff on the program procedures and inner workings. This manual will serve as the cornerstone in retailer training.

PROGRAM	Residential Energy Efficient Products
Objective	<p>The objective of the Energy Efficient Products Program is to raise customer awareness of the benefits of “high-efficiency” products (ENERGY STAR or better). The Program is meant to encourage customers to purchase qualified appliances, power management, water heaters, window air conditioning units, and programmable thermostats. Also, the program will seek to educate and train retailers, distributors, and contractors to endorse and promote high-efficiency products.</p>
Target Market	<p>All residential customers within the Ameren Illinois service territory.</p>
Program Description	<p>This Program will promote high-efficiency products through the mid-stream and upstream levels. Ameren Illinois will continue to leverage the existing trade ally network of contractors and retail partners with hopes to enroll more program partners to increase market reach and provide a wider coverage of the Ameren Illinois service territory. The Energy Efficient Products Program is meant to be an umbrella program, incorporating various program partners, products, and program delivery strategies.</p> <p>The program will actively participate in national ENERGY STAR awareness campaigns developed by ENERGY STAR and in efforts to keep ENERGY STAR specifications up to date and relevant. Similarly, Ameren Illinois will also work with the Consortium for Energy Efficiency (“CEE”) to develop efficiency tiers above ENERGY STAR for many products. As appropriate, Ameren Illinois will support these tiers with higher incentives. Depending on specific product parameters, this may provide greater per unit and customer savings, and developing and supporting these tiers also helps accelerate future ENERGY STAR specification revisions.</p>
Eligible Measures & Incentive Strategy	<p>Ameren Illinois will continue to work with its implementation contractor teams to continue to develop incentives for the mid-stream level. Incentives are only paid if and when sales of qualifying products are documented. Program partners do not pay for products sitting in distribution centers, back rooms, or on high racks; they do not pay for products transferred from stores in their service territory to stores outside their territory, or for products returned from a retailer to a manufacturer because sales velocity has been lower than expected.</p> <p>Other midstream incentives will be paid to the distributor level as well as to contractors responsible for installing measures and assisting customers. The incentives paid to distributors will defray the incremental cost of stocking efficient equipment versus standard, code mandated products. Contractors will receive an incentive based on quantity of units receiving quality installation certification. For smart strips, the customer will receive the smart strip at no additional cost with the purchase of a qualified entertainment system, which would incorporate multiple components such as a television, audio components, receiver, etc. The cost of this smart strip to the retailer will be reimbursed by Ameren Illinois once the appropriate paperwork is received.</p> <p>Incentive levels will be developed through a formulaic approach determining the necessary payback to move the market. The appropriate incentive level for each measure will bring the payback down to two years. Incentive levels are by no means fixed and will likely change to reflect market conditions and drive the market participation. The incentive values below represent estimated dollar amounts and will be verified by the implementer at the time of program launch.</p>
Implementation Strategy	<p>Ameren Illinois’ primary implementation strategy involves more direct interaction with customers in the form of incentives. Ameren Illinois will offer incentives to retail partners to buy-down the cost of efficient products, and where appropriate, offer instant rebates for certain equipment. If a customer prefers purchasing efficient products online or lives in an area void of retail partners, an online store may be utilized.</p> <p>For certain products, including water heaters, a hybrid approach may be utilized. Ameren Illinois will target two categories of program partners: distributors and contractors. An incentive will be offered to distributors to encourage efficient stocking practices, promotion, and sales of high efficiency water heaters. Furthermore, contractors will receive an incentive (based on number of units sold) to encourage</p>

	<p>consumers to purchase high efficiency water heaters. The existing network of HVAC contractors will be trained and provided with the necessary marketing materials to sell and properly install high-efficiency heating and cooling equipment as well as water heating systems. Plumbing contractors will begin to be recruited to assist with the water heater component of this program as well. By offering incentives at the distributor level as well as to the contractors, Ameren Illinois will increase market reach, leverage contractors' impact on the consumer decision-making process, and provide quick turn-around on the installation of essential household products. Ameren Illinois will be offering direct install smart strip power management devices to address the growing consumer electronics market. It is difficult to penetrate the electronics market segment due to fast-paced changes within the industry and high levels of product cannibalization. To address this important category, Ameren Illinois will work with retailers as well as local home entertainment installers to provide a smart strip power management device and educate the customer on the functionality and proper usage of the device – a critical piece to this electronics component. Once the customer purchases an entertainment system (television, audio components, DVD player, etc.), the retailer's installation team will travel to the home and install the system as well as the smart strip, which will help facilitate proper installation and avoid low realization rate issues. Marketing materials will be left with the customer as well as a brief tutorial on proper usage of the device.</p>
<p>Marketing Strategy</p>	<p>Ameren Illinois and its implementation contractors will continue to follow a multi-faceted approach to marketing highly efficient appliances, electronics, and products with an emphasis on ENERGY STAR. In addition to direct advertising targeted at residential customers, Ameren Illinois expects to leverage national ENERGY STAR marketing campaigns and to work collaboratively with industry partners and trade allies at all levels of the retail supply chain.</p> <p>Among the specific marketing activities targeting residential customers are the following:</p> <ul style="list-style-type: none"> • Retail marketing and POP displays. • TV, radio, print, billboard advertising. • Ameren Illinois' Act On Energy Website. • Leveraging marketing budgets through cooperative promotions with retailers, distributors, contractors, and manufacturers including special events at retail stores and in communities. • Training and supporting retail sales staffs so they are able to tell customers about the benefits of ENERGY STAR appliances and products and to help customers choose the best products to meet their needs. • Utilize the knowledge and experience of the contractor trade ally network to promote the installation of high-efficiency products and educate the customer on energy efficiency. • Train and educate retail entertainment installation staff on proper usage, benefits, and cautions of smart power strips. <p>Ameren Illinois will cross market the Energy Efficient Products program with other RES umbrella programs, i.e., Home Energy Performance, New Homes, Low Income, and Multifamily.</p>

PROGRAM	Residential HVAC
Objective	Obtain energy and demand savings through improvement in the operating performance of existing residential cooling units or replacement of existing furnaces and/or central AC units and heat pumps.
Target Market	Residential customers with central AC units, heat pumps, and/or natural gas furnaces.
Program Description	This program covers most aspects of air conditioners and heat pumps including commissioning and retro-commissioning, rated unit efficiency, actual unit efficiency, duct system efficiency, retrofit and replacement upgrades. Second, it provides new marketing concepts that, when successful, can be used for other programs in Ameren Illinois' service area. Ameren Illinois will

	<p>review the possibility of utilizing a more targeted marketing approach potentially containing multiple data sets including billing, census, and county/municipality data.</p> <p>The Residential HVAC program improves the efficiency of new and existing central air conditioning systems, including heat pumps and new gas furnaces, as well as replacing legacy heating and cooling systems within the home. The baseline efficiency conditions for new and replacement cooling and heating systems are applicable federal equipment standards and applicable building codes. Air conditioning systems are typically oversized relative to the cooling load and are usually not operating at manufacturer's specifications at install. The baseline conditions for existing air conditioning systems usually include refrigerant charge and airflow across the coils not within manufacturer's specifications and leaky ducts. In many cases, ducts are undersized.</p>
<p>Implementation Strategy</p>	<p>Ameren Illinois will hire a contractor to implement this program. The contractor will provide the necessary services to effectively implement the program and obtain the energy savings goals outlined in the Plan while adhering to the budgetary constraints identified by Ameren Illinois. Key implementation aspects include:</p> <ul style="list-style-type: none"> • Targeted marketing approach for contractor recruitment and training. Developing a consistent and robust educational component will help deliver an effective program. Training will commence once contractors enter into the participation agreement. • Specific areas of training include measure testing protocols for the required test equipment, calibration requirements, procedures for various conditions, and acceptable tolerances. For equipment, the protocols will specify sizing requirements, efficiency standards, and other elements such as a matching indoor and outdoor coil requirement for new air conditioning equipment. Once contractors are trained, they can utilize the techniques and incentives provided by Ameren Illinois to improve sales of highly efficient HVAC equipment and effectively diagnose and improve existing system inefficiencies. Ameren Illinois will provide incentives at the mid-stream (contractor) level to encourage sales of energy efficient products and for properly installed HVAC energy saving upgrades. <p>The program will employ the implementation contractor's preferred protocols to verify in real time for each job technicians' performance in refrigerant charge and airflow optimization, quality installs, and duct sealing. This tune-up process has a few key components:</p> <ul style="list-style-type: none"> • If the unit is not properly adjusted, predetermined diagnostic testing protocols instruct the technician to perform the appropriate repairs and re-test the system. <i>This step ensures that systems are not qualified for replacement based on correctable problems. It also delivers tune-ups to improve the energy performance of systems that are not replaced.</i> • Replacement systems are commissioned using the same diagnostic testing. <i>This step verifies the rated efficiency of the new system and verifies that it is properly installed and operating. This closes the loop in documenting the energy savings delivered by the replacement.</i>
<p>Marketing Strategy</p>	<p>Marketing to customers must help to overcome barriers to their participation, especially: (a) lack of awareness, understanding, or trust of the new measures, (b) lack of awareness and trust as to whom in the market can provide the new measures, and (c) higher first costs. Program messaging will be designed to address the lack of awareness regarding the optimal performance of HVAC equipment and the benefits of high efficiency new equipment. The following methods will be employed to maximize customer attention, receptivity, and action:</p> <ul style="list-style-type: none"> • If deemed feasible and within the budget, the contractor will analyze utility customer usage data, weather data, and demographic data to target the 10-

	<p>15% of Ameren Illinois residential customers who are most likely to have inefficient heating and cooling systems. Utilizing this data, the contractor will send targeted direct mail to these customers identifying potential HVAC improvements tailored to their specific situation as defined by the data analysis.</p> <ul style="list-style-type: none"> • Contractor co-op advertising. The contractor will work with HVAC contractors to target their existing customers and to prospect for new customers. The contractor will work with the HVAC contractor community to identify existing customers that may qualify for the program as well as assistance on developing a new client base. • Program collateral. The program will develop marketing collateral to support all aspects of the program, especially materials for customers and contractors. Contractor training will not only provide avenues to improve the qualified installation/retrofit community of HVAC professionals, but also provide information and education on Ameren Illinois' portfolio of residential energy efficiency programs. The implementation contractor will provide small amounts of marketing materials and hold brief question and answer type sessions describing other programs such as the Ameren Illinois Energy Efficient Products program.
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PROGRAM	Residential Appliance Recycling
Objective	Promote the retirement and recycling of secondary, inefficient refrigerators, freezers and, if applicable, other qualifying appliances from households and/or businesses by offering a turn-in incentive and free pickup of working equipment, as well as information and education on the cost of keeping an inefficient unit in operation.
Target Market	Residential customers with working secondary refrigerators, freezers, and other qualifying appliances manufactured on or before 2001. In special cases, small business customers having secondary refrigerators, freezers, or other qualifying equipment may be eligible for the program depending on project specifics. Ameren Illinois will also evaluate primary refrigerators, freezers, and other appliances to determine if they merit consideration.
Program Description	<p>The contractor, acting on behalf of Ameren Illinois, will contract with an appliance recycling company to provide turnkey implementation services that include verification of customer eligibility, scheduling of pick-up appointments, appliance pickup, recycling and disposal activities, and incentive processing. In contractor selection, preference will be given to appliance recycling companies that have recycling/disposal facilities located in Illinois or that are willing to construct such facilities given the anticipated volume resulting from the program. Recycling/disposal practices will be designed to prevent the release of chlorofluorocarbons ("CFCs").</p> <p>Turnkey program implementation through an appliance recycling contractor will simplify program delivery, reduce Ameren Illinois' administrative costs, and ensure a streamlined participation process. The program will be designed to minimize barriers to participation by offering incentives, convenient scheduling of appointments, and cost-free pickup of qualifying equipment.</p>
Implementation Strategy	<p>Key elements of the Appliance Recycling Program implementation strategy include:</p> <ul style="list-style-type: none"> • Outsourcing implementation: A regional/national appliance recycling company will provide comprehensive, turnkey implementation services from eligibility verification to proper disposal/recycling of turned-in refrigerators. • Customer education/recruitment: The contractor will develop and implement the marketing strategy. There will be a consumer marketing and education component emphasizing how much it costs to operate that old, secondary refrigerator, as well as the availability of program incentives and pick-up services. This marketing message will vary depending on seasonality and

<p>Marketing Strategy</p>	<p>program performance towards meeting energy savings targets.</p> <p>The program will employ strong consumer education and marketing components emphasizing the savings associated with retiring old, inefficient refrigerators, freezers, and other qualifying appliances and the importance of ensuring proper disposal/recycling. Marketing materials will also include messaging about the benefits of ENERGY STAR qualified new equipment, as some secondary refrigerators will eventually be replaced with new equipment. The program will leverage ENERGY STAR promotional resources such as the national Refrigerator Retirement Promotion (July – September) and the Refrigerator Retirement Savings Calculator. Call Center staff will be trained and provided with program collateral.</p> <p>Anticipated marketing materials will include:</p> <ul style="list-style-type: none"> • Web content • Bill stuffers and other direct mail • Limited mass market advertising around special promotions • TV, radio • Garage Sale ads, promotional handouts to LIHEAP agencies, realtors, and appliance retailers • Door-hangers, truck wraps • Billboards <p>Ameren Illinois will explore additional marketing strategies that may increase opportunities for appliance re-cycling by possibly providing incentives to customers to replace existing inefficient primary refrigerators. In addition, Ameren Illinois will work with retailers to determine if there are opportunities to re-cycle used appliances that are targeted to be sold in the secondary markets.</p>
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<p>PROGRAM</p>	<p>Residential Home Energy Performance</p>
<p>Objective</p>	<p>To educate residential customers about energy use in their homes and to offer information, products, and services to residential customers to save energy cost effectively. This allows the customer to identify and initiate the process of installing cost-effective energy efficiency upgrades and practices. The Home Energy Performance (“HEP”) program itself has multiple components. In addition, it provides yet another entryway for customers to take advantage of Ameren Illinois’ entire portfolio of residential energy solutions.</p>
<p>Target Market</p>	<p>All existing single family residential homes.</p>
<p>Program Description</p>	<p>HEP is an energy efficiency program focused on a whole house approach. An implementation contractor will market and administer the program, leveraging Ameren Illinois’ existing trade ally network of subcontractors. The prime contractor will market various services including energy audits, air sealing, insulation, and highlight free direct-install measures (CFLs, Faucet Aerators, and High Efficiency Shower Heads, Hot Water Pipe Insulation). The sub contractor will begin with an energy audit and recommend various energy efficiency measures found in Ameren Illinois’ portfolio based off the audit findings. In addition, as warranted, the contractor will coordinate with the HVAC New Equipment Program to deliver various program services as determined by the audit. The contractor will direct the homeowner to Ameren Illinois’ Lighting and Energy Efficient Products programs for additional discounted home energy efficiency measures.</p>
<p>Eligible Measures & Incentive Strategy</p>	<p>There will be multiple incentive strategies for the Home Energy Performance program, as energy savings can be delivered through multiple avenues, including:</p> <ul style="list-style-type: none"> • Direct Install (100% incentive to customer) of measures including CFLs, high efficiency shower heads and faucet aerators, as well as hot water pipe wrapping. • Mid-stream incentives paid to subcontractors for follow-up measure installation.

	<ul style="list-style-type: none"> • Donations or other program funding for the community organizations assisting in the promotion of the Program. Ameren Illinois will work closely with state and federal groups in determining how state and federal funding, including potential HomeStar federal funding, can be used to improve the effectiveness of the program. • On the invoice presented to the customer, the incentives will be displayed as a line item to identify the marked-down price of the audit via program incentives to contractors. Incentive levels will be guided by a formulaic approach determining the necessary payback to move the market. The appropriate incentive level for each measure will bring the payback down to two years. Incentive levels are by no means fixed and will likely change to reflect market conditions and drive the market participation. The incentive values below represent estimated dollar amounts and will be verified by the implementer at the time of program launch. Some measures may qualify to receive additional incentives. As part of the Residential Moderate Income program, supported by the Energy Assistance Foundation, customers falling into the 200% - 300% of poverty class can receive additional incentive funding for selected energy efficiency improvements. This extended incentive level is meant to drive participation and increase program awareness in multiple market segments of Ameren Illinois' service territory.
<p>Implementation Strategy</p>	<p>Customer billing analysis will be conducted to identify customers with the greatest savings potential. Potential segments to target include high use customers, all electric customers, and hard to reach segments which are sometimes underserved by other programs (rural agricultural customers, low income, or elderly). Various forms of marketing including direct mail, community outreach events, and direct calling will be utilized to maximize participation.</p> <p>The contractor will develop and train qualified Energy Advisors to assess residential homes.</p> <p>The contractor will develop a call center to handle follow-up work questions and scheduling.</p> <p>The audit will involve 4 main steps. First, the auditor will sit down and conduct a short interview with the customer, outlining the program and the services he/she can provide. Next, the auditor will make direct installations including CFLs, high efficiency faucet aerators and shower heads, and hot water pipe wrap. The auditor then conducts a walk-through audit, identifying areas of improvement in infiltration and heat loss through the walls and attic space. In addition, if a central air conditioner is present, the assessment will include identification of the age and size of the unit and the last service date. The last step involves the auditor leaving a list of BPI certified contractors qualified to complete the recommended efficiency installations. Contractor list generation will be based on types of improvements recommended, geographic proximity to the audited home, and quality of past work with the program.</p> <p>The contractor will be responsible for developing software capable of incorporating audit results to generate real-time reports for the customer. The report will be informed by utility billing data (to the extent it is available) and will summarize existing household energy characteristics, suggested improvements from the audit, and chart available incentives for the project follow-up work. The software should also have functionality to generate contractor proximity based off zip codes.</p> <p>Post audit, a list of qualified subcontractors will be left with the homeowner. The homeowner can contact the call center to arrange for HVAC and insulation contractor appointments. If the customer does not call after 1-2 weeks, the call center will initiate contact with the customer to ask if the customer is considering the follow-up work. If a subcontractor off the list is preferred by the customer, the call center will schedule accordingly.</p>
<p>Marketing</p>	<p>The marketing strategy will focus on targeted market segments of customers</p>

Strategy	<p>encompassing large energy users, hard-to-reach customers, and underserved market segments. The HEP program is closely intertwined with the Moderate Income and HVAC programs.</p> <p>The contractor will conduct a billing analysis to identify high-use customers and leverage Ameren Illinois databases highlighting underserved market segments. These target markets will receive either a direct mail or some community informational session to spark interest in the program. Next, for the HEP component of the program, customers will be contacted directly by the contractor. Furthermore, to increase interest and motivate customers to implement the audit recommended measures, a “neighborhood awareness” strategy will be employed where the contractor identifies common improvements being implemented by homes in close proximity to the home being audited. This social pressure will help inform the customer and drive participation rates higher.</p> <p>To initiate contact and broaden the network of trade allies associated with the HEP component, Ameren Illinois will consult various community organizations to communicate the benefits of the program within their respective social circles. Instructing these community leaders on how the program works and the benefits of energy efficiency will provide a trusted network of Ameren Illinois spokespersons that the communities can identify with. These “social sales-reps” will have marketing brochures identifying potential efficiency improvements, benefits of participating in the program, a marketing survey to fill out, and rebates for CFLs from the online store, contingent upon the completion of the short survey. These “social sales-reps” will promote the program in their community meetings, seminars, weekly sports leagues, etc. to reach a broad audience in a concentrated environment.</p>
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PROGRAM	Residential ENERGY STAR New Homes
Objective	To increase consumer awareness of and demand for ENERGY STAR version 3.0 single family homes while increasing the building industry’s willingness and ability to construct ENERGY STAR homes. This program’s primary goal is to achieve energy savings through sales of ENERGY STAR homes.
Target Market	Residential new homes market, with initial focus on mid-market homes.
Program Description	<p>New construction covers the building of new energy-efficient homes, including the new home’s envelope (outer walls, windows, doors, skylights, roof and insulation), HVAC system, ductwork, lighting, and appliances. The program targets builders with a package of training, technical, and marketing assistance and incentives for construction of ENERGY STAR homes. The program would also provide supplemental incentives for savings measures not otherwise included in the builders’ design or construction process (e.g. the ENERGY STAR Advanced Lighting Package, duct sealing, air sealing, insulation, and ENERGY STAR certified appliances). This program is designed to be closely coordinated with the Ameren Illinois’ Residential Lighting, Appliance Recycling, and Energy Efficient Products program.</p> <p>Recent activity within the Illinois building code sector has raised the bar for building requirements. IECC 2009 is the new building code, which is 15% more stringent than IECC 2006. ENERGY STAR version 3.0 attempts to increase incremental energy savings above and beyond this new code to provide consumers with the most energy efficient options.</p>
Implementation Strategy	Ameren Illinois’ program provides incentives to builders to defray the incremental costs of reaching ENERGY STAR levels. More successful programs have focused on providing marketing support and incentives that cover the cost of the Home Energy Ratings (“HERS”) rating required to establish that the home meets ENERGY STAR standards.

Ameren Illinois will engage contractor(s) to implement the program. Key aspects of contractor's proposed implementation plans should include the following components:

- **Build the HERS provider infrastructure.** The key to all successful ENERGY STAR Homes programs is an active HERS rating provider community. RESNET (the organization that certifies HERS raters) lists about 7 certified raters in Illinois, suggesting that there is at least the start of the required infrastructure already in place.
- **Recruit builders.** This step requires one-on-one meetings with builders to establish the program's value-proposition. The proposition in many markets has been that by building to ENERGY STAR levels, builders can create market differentiation. Using large incentives as the value proposition can be inconsistent with a goal of transforming builder practices. Over a dozen builders in the Company's services areas are listed as ENERGY STAR builders, although they report relatively few homes having actually been built. Outreach to, and engagement of, these builders will be an essential part of the recruiting strategy.
- **Provide builder training.** Provide training on ENERGY STAR requirements, compliance paths, incentive structures, and the marketing strategy. Monies will be allocated to allow sufficient outreach and builder visits to promote the program and monitor progress.
- **Recruit trade allies.** Electrical and HVAC contractors are key to the success of the program, as their ability to perform greatly influences the success of the program. Electrical contractors may need training in the lighting design using CFL fixtures. HVAC contractors will likely need training in proper sizing, charging, and duct sealing.
- **Establish incentive structure.** Ameren Illinois currently pays builders a nominal incentive to cover the cost of the HERS rating. Ameren Illinois will continue to explore incentive mechanisms that encourage large numbers of ENERGY STAR homes. Several successful program models have been based on using a competitive bid process to award program incentives. The bid involves both a commitment to a number of homes as well as a bid of cooperative advertising dollars.
- **Training.** Depending on the strength of the local housing market and the extent to which realtors are involved in new home sales, the program may offer lender, realtor, and appraiser training courses.

The new ENERGY STAR v 3.0 contains two paths to qualify projects: Performance Path and a Prescriptive Path. It will be the contractors responsibility to review and approve ENERGY STAR new homes.

Prescriptive Path

Build homes to the ENERGY STAR Reference Design Specifications.
Complete all inspection checklists.

Performance Path

Model home with ENERGY STAR Reference Design specifications using approved software and generate HERS Index.
Specifications may be adjusted but must ensure HERS score is less than or equal to ENERGY STAR v 3.0 target.
Build home with selected specifications
Complete inspection checklists.

Marketing Strategy

The program will continue to educate homebuilders, consumers, and trade allies regarding the energy-saving benefits and value of ENERGY STAR qualified homes. Marketing efforts will focus on: homebuilder recruitment, continued training and support, coordination with state and federal incentive programs, public relations, and the implementation of multi-media advertising campaigns geared toward homebuilders, consumers, and trade allies. The program will also begin to explore the development of leads through building permit lists in cities and towns throughout the Ameren Illinois service territories. Hosting, sponsoring, and attending various trade show exhibitions and

homebuilder conferences remain crucial to marketing the program.

PROGRAM	
Objective	Residential Multifamily Deliver cost-effective conservation services to the multifamily housing market, with a focus on common area improvements. Secondary focus will be on affordable housing properties.
Target Market	Owners, managers, and developers of market rate multifamily housing (three or more units). Focus on management companies holding multiple properties.
Program Description	The program would provide installation of measures in tenant spaces and also provide significant incentives for replacement of standard efficiency common area lighting and incandescent and fluorescent exit signs with LED exit signs. More expensive or complex measures (windows, replacement of roof-top AC units) would be subject to an energy analysis to validate cost-effectiveness and set incentive levels. The incentives for these measures would be calculated in a fashion similar to the Business Custom Incentive program, although the threshold payment period would be set at 1 year, recognizing that this is a market that is harder to reach than the C&I market. The program would include limited technical services such as walk-through audits to determine approximate measure of cost effectiveness
Implementation Strategy	<p>This program will be implemented by a third party contractor. However, even within this third party structure there are two different implementation structures. The first uses the implementation contractor to recruit customers, perform technical services such as audits, arrange pricing, and assist with arranging for installation contractors. An alternative approach that may be evaluated will utilize the contractor to recruit trade allies, negotiate pricing and qualify the contractors, and then allow them to market the program. Incentives would be paid directly to contractors based on proof of performance. Some experience shows that this second approach is more effective in driving actual savings. It does, however, require more vigilant QA/QC. The implementation steps outlined below assume a hybrid model that includes some level of direct outreach to customers:</p> <ul style="list-style-type: none"> • Set final equipment eligibility and rebate levels, and develop contractor participation agreements. Most multifamily programs achieve most of their savings through common area lighting and in-unit CFL installations. Although the program provides for broader measure eligibility, the incentive structure focuses on generating activity with lighting replacement. Standard lighting technologies would be eligible for standard incentives. • Contractors sell the projects without direct involvement from the program, aside from the verification and incentive payment. Customers would be required to agree to provide access to their facilities for verification. • The program would conduct direct outreach to owners and managers of multifamily properties through direct mailing. These customers could request brief energy surveys of their properties that would be combined with some direct installation of measures. In addition, these customers could directly undertake efficiency improvements with facility staff or a contractor of their choosing. Rebate levels for common measures would be the same, but the program would also provide customized rebates for more complex cost-effective measures. • Monitor installations. The first set of projects performed by each contractor would be site-verified, with random site verifications thereafter to ensure that installations are being performed properly and that equipment is being installed as reported. At Ameren Illinois' discretion, projects undertaken directly by the customer would be site-verified prior to payment. • Pay incentives. This program would not use a reservation system. Upon completion of a project, the contractor would submit an incentive application, including property manager acceptance of the completed project and documentation of the types and location of installed equipment. Subject to the verification process outlined above, the incentives would be paid by the implementation contractor or Ameren Illinois.
Marketing	The marketing strategy has two-tracks: one aimed at lighting contractors and the

Strategy	other at property owners and managers. Marketing tactics would include direct mail and phone contact and participation in local meetings of multifamily property managers. The program would be advertised via Ameren Illinois' web site. Marketing collateral would be limited to a basic program brochure.
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PROGRAM	Residential Behavior Modification
Objective	The program provides residential customers with a Home Energy Report designed to both motivate and educate recipients to improve the energy efficiency of their homes.
Target Market	Ameren Illinois' contractor will perform historical energy usage, demographic, and geographic research, in conjunction with Ameren Illinois, to identify the regions of Ameren Illinois' territory best suited to deploy the pilot program. Zip codes, city, and county boundaries will be considered so as to optimize data coverage and ensure speedy deployment.
Program Description	The Home Energy Report relies on providing customers with a comparison of their energy usage to their "neighbors." A neighbor is not necessarily a next door neighbor but rather someone who has similar characteristics in terms of size of home, distance from the home, and heating fuel. Home Energy Reports will be mailed to targeted residential customers on an average bi-monthly frequency (6 reports every 12 months), with exact frequencies for each customer mutually-agreed-to, for the duration of the program. The energy and program participation data for this implementation will be provided on an ongoing basis by Ameren Illinois and will be combined with third party data to build comprehensive profiles of each participating customer. In addition to the Home Energy Reports, a customer service interface will give customer service representatives online access to the full history of the Home Energy Reports delivered to customers. Last, the Energy Insider customer-facing website will provide customers online access to their Home Energy Report, online benchmarking, audit-like functionality ("best tips for me" and "neighbor challenge"), and access to additional energy efficiency information beyond that presented on the mailed report.
Implementation Strategy	Ameren Illinois will utilize a third party contractor to implement the program. Key implementation steps and process include but are not limited to: <ul style="list-style-type: none"> • Home Energy Reports will be mailed to targeted residential customers on an average bi-monthly frequency (6 reports every 12 months), with exact frequencies for each customer mutually-agreed-to, for the duration of the program. • The energy and program participation data for this implementation will be provided on an ongoing basis by Ameren Illinois and will be combined with third party data to build comprehensive profiles of each participating customer. • In addition to the Home Energy Reports, a customer service interface will give customer service representatives online access to the full history of the Home Energy Reports delivered to customers. • Ameren Illinois website will provide customers online access to their Home Energy Report, online benchmarking and audit-like functionality ("best tips for me" and "neighbor challenge"), and access to additional energy efficiency information beyond that presented on the mailed report.
Marketing Strategy	Use energy, housing, and demographic data and available past program participation data to design a multi-dimensional segmentation plan of potential customers based on: <ul style="list-style-type: none"> • Energy consumption patterns (e.g. normalized high seasonal peak, high base load, etc.) • Housing data (e.g. age of house, size of house, value of home, type of construction, presence of a pool, presence of a garage) • Past program participation & rebate redemption (e.g. ENERGY STAR and

	<p>other rebates; rate programs, etc.) if available</p> <ul style="list-style-type: none"> Demographic data (e.g. renter vs. homeowner, presence of children in the household, indicators of interest in environmental issues, age of customer, duration of residence, socioeconomic/income levels, as available) <p>Identify high-potential prospects for program marketing by profiling historical participants and available historical marketing campaign results.</p>
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PROGRAM	Residential Moderate Income
Objective	Focus Moderate Income funding on energy efficiency improvements in moderate income households rather than on more traditional bill paying assistance activities. By investing in energy efficiency improvements, these target customers will experience lower energy bills for years to come. Similar to the historical bill paying assistance, these funds would be targeted to customers that are financially constrained but not eligible for traditional low income weatherization programs targeted to customers at or below 200% of the poverty level.
Target Market	The Moderate Income Program targets homeowners greater than 200% but less than 300% of the poverty level for the household size.
Program Description	The Moderate Income program seeks to further subsidize the implementation of energy efficiency improvements in moderate income households that are struggling financially and unable to either pay for or borrow the funds to pay for the efficiency upgrades. These homeowners are above the low income weatherization income guidelines and are not eligible for free services but are still in need of assistance. The Moderate Income program seeks to leverage the benefits and incentives of Ameren Illinois' efficiency programs with Moderate Income funding targeted to lower moderate income homeowners and incorporate a financing component for the customer portion of the financial transaction. As a result, eligible moderate income homeowners would be able to afford long term energy efficiency improvements but still be participating in the investment through some sort of financing mechanism.
Eligible Measures & Incentive Strategy	<p>The working assumptions are as follows: Moderate Income funding – up to \$5,000 per eligible household. The determination of each contributing source would follow these proposed guiding principles:</p> <ul style="list-style-type: none"> Act On Energy efficiency incentives would be subtracted first from the total cost of the project; A customer contribution through a specified financing mechanism - \$500 or 10% of the total project cost would be subtracted next; and, Moderate Income funding would contribute the balance of the remaining project cost up to a maximum of \$5,000. <p>For example, assume an eligible household needed attic insulation and air sealing as well as a new gas furnace, and the total cost of the project was \$6,000. If Act On Energy incentives came to a total of \$700, the customer could contribute \$600 (the greater of 10% of the total project cost or \$500), and the Moderate Income funding could cover the difference of \$4,700 (\$6,000 minus \$1,300).</p> <p>If, on the other hand, the project for the same eligible household was a new gas furnace with a total installed cost of \$3,000, then Act On Energy would pay \$200, the customer could fund \$500, and the Moderate Income fund could cover the difference, or \$2,300.</p>
Implementation Strategy	<p><u>Energy Assistance Foundation (“EAF”) Role:</u></p> <ul style="list-style-type: none"> Conduct outreach to prospective eligible customers in the agreed upon targeted geographic areas in the first program year based upon agreed upon participation goals for each geographic area; Establish an income documentation protocol and screen prospective participant homeowners using the protocol to establish income eligibility for the

Moderate Income program;

- Prescreen potential energy efficiency projects in eligible homes and provide a description of the project to the Act On Energy residential administrator;
- Refer eligible screened projects to the Act On Energy residential administrator; and,
- Reimburse the Act On Energy residential administrator on a monthly basis for project costs incurred according to an agreed upon procedure.

Act On Energy Residential Administrator Role:

- Schedule HEP audit for each prescreened Moderate Income customer in a timely fashion;
- Conduct the HEP audit, waiving the \$25 fee, and install efficient lighting and high efficiency water measures at the time of the audit;
- Produce a report for the customer indicating eligible energy efficiency measures;
- Arrange for participating contractors to provide pricing for the measures;
- Present a final proposal to the customer incorporating contractor pricing and a breakdown of the various funding components of the project;
- Coordinate contractor work;
- Conduct a final quality assurance inspection;
- Pay the participating contractors;
- Invoice EAF and Ameren Illinois for the incentives paid, and,
- Develop a monthly program status report that is created with input from both Ameren Illinois and EAF and then distributed on a monthly basis to both Ameren Illinois and EAF.

General management and oversight of the Program Coordinator will be assumed by the Act On Energy residential programs administrator.

Marketing Strategy

Marketing strategy is integrated with the Home Energy Performance program. The marketing strategy will focus on targeted market segments of customers who meet the moderate income guidelines. For those customers that have applied to receive EAF funding, an informational session will be held to discuss qualifying efficiency measures, projects, and improvements. Further down the road, a more targeted marketing approach may be used sending out mailers or holding general community sessions to reach a broader customer base. Next, for the Home Energy Performance component of the program, customers will be contacted directly by the contractor.

A unique marketing opportunity that may be considered to initiate contact and broaden the network of trade allies associated with the Home Energy Performance component is that Ameren Illinois will consult various community organizations to communicate the benefits of the program within their respective social circles. Instructing these community leaders on how the program works and the benefits of energy efficiency will provide a trusted network of Ameren Illinois spokespersons that the communities can identify with. These "social sales-reps" will have marketing brochures identifying potential efficiency improvements, benefits of participating in the program, a marketing survey to fill out, and rebates for CFLs from the online store, contingent upon the completion of the short survey. These "social sales-reps" will promote the program in their community meetings, seminars, weekly sports leagues, etc. to reach a broad audience in a concentrated environment.

Business Portfolio Programs

PROGRAM	Business Standard Incentive Program
Objective	The Business Standard Incentive Program is designed to promote the installation of energy efficient technologies including lighting, motors, HVAC, and refrigeration in nonresidential properties. Measures included within this program are common in multiple marketplaces and have default savings values associated with their energy performance.
Target Market	Nonresidential customers including commercial, industrial, and targeted institutional.
Program Description	<p>The Business Standard Program will incentivize customers to purchase energy efficient products. Measures included within this program will have predetermined savings values and fixed incentive levels associated with them (although these incentive values may change as program budgets and performances alter throughout the year). Applications are filled out and delivered to Ameren Illinois via contractors, customers, or through the Act On Energy website. Various measures may require a simple calculation to identify measure savings, but the measure level incentives will remain fixed regardless of individual project characteristics (air compressors, VFDs, etc.). Trade allies including contractors, retailers, and distributors will be the main sales force promoting the program and educating customers.</p> <p>There will be a separate marketing effort applied to the motors market to attempt to transform a historically inefficient marketplace. According to Ameren Illinois' 2010 DSM potential study, the long-term energy savings associated with the installation of National Electrical Manufacturers Association ("NEMA") Premium motors for Ameren Illinois' service territory is approximately 500 GWH. Fundamental barriers to achieving this potential include: first cost vs. life cycle costing; energy efficiency taking secondary status to operating conditions, lack of corporate direction, and the general massive scale of the potential market. At its core, this program is a market transformation program designed to create pull through marketing for NEMA Premium motors. It is behavior-based to create long-term persistence. It is technology-based to create short-term opportunities for the retrofitting of existing inefficient motors through innovative marketing programs including a "bounty" program. It is also designed to create long-term opportunities to replace inefficient motors with NEMA Premium motors through attrition.</p>
Implementation Strategy	<p>A third party contractor will be responsible for program implementation and management. Primary responsibilities include final program design, measure lists, implementation plan development, and expanding the existing trade ally network of program partners. The main distribution channel will be the trade allies, which include contractors, distributors, vendors, and local economic development associations where applicable. In order for these allies to effectively promote and communicate the benefits of the program, proper training and marketing materials must be provided by the contractor.</p> <p>As customers submit applications for incentives, program staff will review the applications and pre-approve projects if they meet the necessary criteria developed by the contractor and Ameren Illinois. An individual project implementation timeline will be utilized to encourage prompt installation and maintain accurate tracking of program savings goals and relative budgets. For the motors marketing plan, Ameren Illinois and its contractor will work with the motor dealer / distributor in program design. Not only are they potential marketing and educational allies, but they are key influences in customer decisions.</p> <p>Educating the end user is the most effective way to increase sales and stocking habits of dealers and help ensure persistence. Components of the implementation plan include:</p> <ul style="list-style-type: none"> • End User Rebates • Dealer Stocking Programs

	<ul style="list-style-type: none"> • Upstream Dealer Incentives • Educational/Evaluative Programs • Motor Bounty/Retrofit/Crusher Credit Incentives
<p>Marketing Strategy</p>	<p>Marketing efforts will focus on trade allies and program partners. Key pillars of the marketing strategy for the Business Standard Incentive Program include:</p> <ul style="list-style-type: none"> • Education. Contractor will play an important role in training and educating the trade ally sales staff. The contractor will assist trade allies in identification of measures qualifying for prescriptive incentives; identify the different application options, and identify how to effectively sell the program to customers. • Marketing Materials. Materials will be provided to the customers to further enhance program awareness and increase market penetration. • Direct Mail. This marketing vehicle will require a targeted approach, identifying potential efficient installs based on business operating characteristics and building types. • Associations. A unique opportunity exists in various trade organizations. Businesses rely on these organizations to represent that industry's best interests in lobbying, growth, and identification of business opportunities. Ameren Illinois will coordinate with specific associations to highlight program offerings suitable for their respective industry. • Highlight successfully completed projects. Ameren Illinois will selectively choose projects to display the process and benefits of the custom program. This type of marketing will spur the customer's competitors to improve building performance and increase business process efficiency. This marketing strategy also allows the selected customer promotional and marketing opportunities. • Market Segmentation. To more effectively penetrate the Ameren Illinois' markets, a targeted marketing approach can be used. Separating the program's marketing campaign to focus on specific customer types (hospitality/lodging, grocery/convenience store, etc.) will increase customer interest and drive installations. Motors will require a special segmentation approach which will leverage Ameren Illinois' service representatives to work closely with customers to identify motor and motor system needs and inefficiencies. Field Representatives are also crucial to this kind of effort to regularly visit motor dealers for relationship building, training, and education purposes (MotorMaster, selling with a Rebate, etc.), POP replenishment, assistance with application processing and (when desired) ride-alongs to end users. These ride-alongs allow the Representative to educate and seek other motor / VFD opportunities. Additionally, it helps train the dealer how to promote energy efficiency measures and life cycle costing concepts. The marketing strategy for program years 2-3 has the following elements: <ul style="list-style-type: none"> • Use the program to uncover all the various energy saving opportunities available at C&I locations. This includes not only motors and drives, but lighting, HVAC, steam, pumping, and compressed air. • As Ameren Illinois develops its portfolio of measures, it might find solar, wind, CHP, DG and load shedding opportunities are worth pursuing based upon what the motor program uncovers during generalized energy profile audits. • Work with U.S. DOE on heavy industry sectors. • Develop sustainability and persistence within the C&I sector through Best Practices and behavior changes in purchasing and specification.

<p>PROGRAM</p>	<p>Business Custom Incentive Program</p>
<p>Objective</p>	<p>The Business Custom Incentive program provides energy efficiency expertise, services, and financial incentives to encourage C&I customers to install energy efficient equipment and complete process system</p>

	<p>improvements that reside outside prescriptive lighting, HVAC, motors, refrigeration, and some process applications. Some Custom Incentive projects are complex and require detailed savings calculations to arrive at the appropriate custom incentive level.</p>
Target Market	<p>Nonresidential customers including commercial, industrial, and targeted institutional.</p>
Program Description	<p>The Custom Incentive Program applies to products in lighting, HVAC, refrigeration, motors, and some process upgrades that do not fall into the Standard Incentive program. These projects normally are complex and unique, requiring separate incentive applications and calculations of estimated energy savings.</p>
Eligible Measures & Incentive Strategy	<p>Financial incentives will be provided to offset the higher costs associated with installation of new, higher efficient equipment, building system, or process upgrades. Cost-effective measures falling outside of the scope of standard lighting, refrigeration, HVAC, and motors programs will be included in the Custom Incentive Program. Incentive levels will be calculated based off of energy savings estimates for each project. Incentives will be subject to modification to balance the program's financial requirements and savings targets.</p> <p>Project funding will be capped at a predetermined amount per project, per program year, per facility. Incentive levels will vary between different technologies and fuel types as needed to adhere to budgetary limits and achieve energy savings goals.</p> <p>Alternatively, for large projects yielding large kWh savings, a competitive project incentive will be offered. This program area will have no payback criteria and will have a predetermined incentive cap (not to exceed 50% of project cost). The application process will mimic the process flow listed above, with the major difference being the incentive amount and payback criteria.</p> <p>The measures below represent typical Custom Incentive program measures and are accompanied by estimated energy savings. The incentive levels below reflect a \$0.05/kWh incentive for lighting and a \$0.07/kWh for all other electric measures. For applicable natural gas measures, \$0.60/therm was used based off of market research and discussions with implementation teams. Incentives have also been capped at 50% of project cost, although this value is dynamic and will change to meet market demand. These incentive levels are based off of Ameren Illinois' best projections but will likely change based on market conditions and implementation experience.</p>
Implementation Strategy	<p>The Custom Incentive program will be implemented by the implementation contractor. The implementation contractor will be responsible for engineering review and QA/QC. The implementation and installation of efficiency measures is the responsibility of the customer. The customer will submit an application outlining their potential efficiency upgrades. The implementation contractor will perform a thorough desk review of project cost and estimated energy savings to pre-approve the installation. Qualifying potential projects follow a common screening criteria process flow:</p> <ul style="list-style-type: none"> • Facility eligibility – does the facility have the necessary requirements to be included in the program (appropriate rate class, located in Ameren Illinois' service territory, equipment must be new and installed at a non-residential location)? • Project eligibility – project must be installing new, premium efficient equipment or incorporating energy efficient designs, and Ameren Illinois must approve any product purchase or installation before the customer can receive an incentive. • Application submittal – the customer will submit the project application to

