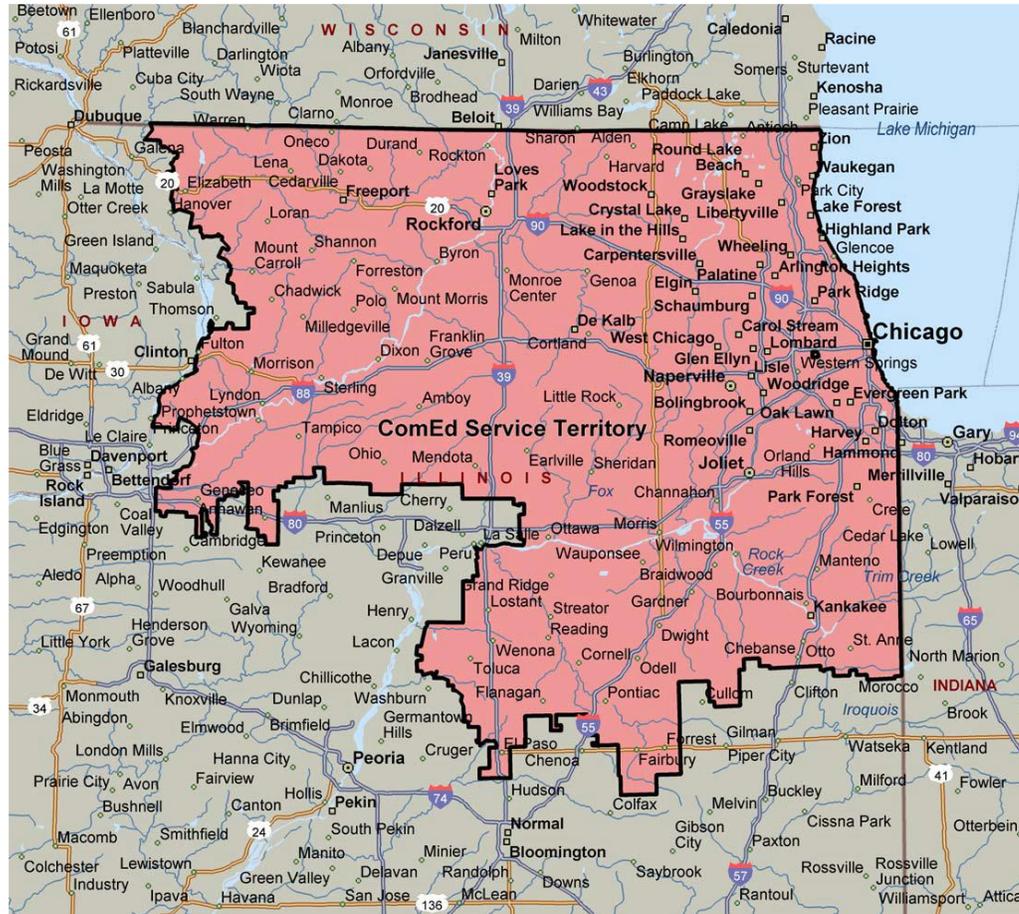


Market Transformation Best Practices
ComEd's Market Transformation Summit & Program

Jim Fay, ComEd
E Source Forum
9/26/2018

ComEd Territory Profile



Quick Facts

- » Service Area: 11,300 square miles
- » Customers: 3.8 million electric
- » Employees: Nearly 6,000
- » Substations: 1,300
- » Distribution & Transmission Power Lines: more than 70,000 miles

Energy Efficiency Program Administrators in Illinois: - ComEd, Ameren, Nicor Gas, Peoples Gas & North Shore Gas

The Illinois Setting - FEJA Issues

- ✓ Rules apply in 2018
- ✓ Illinois utilities now manage Income Eligible, Public Sector & Market Transformation
- ✓ Lifetime energy savings goals (not first-year)
- ✓ Allows kWh conversion for saving other fuels
- ✓ Earn rate of return on portfolio costs

ComEd's Goal for the Summit

- ✓ How do the fundamental principals of market transformation apply to today's utility energy efficiency portfolio?
- ✓ What are the 'must-have' components of a best in class market transformation initiative? Why are those components important? What components should be avoided?
- ✓ What are the market transformation approaches with the greatest likelihood of success in the Midwest at this time?
- ✓ We want to capture both lessons learned from the past as well as new approaches
- ✓ Ultimate goal is guidance for ComEd, but also to generate a deliverable that is informative to all industry practitioners

30+ of the Industry's Leading MT Thinkers



Catalyst Ranch, Chicago, IL



Market Transformation Summit

Chicago, IL

September 12-13, 2018



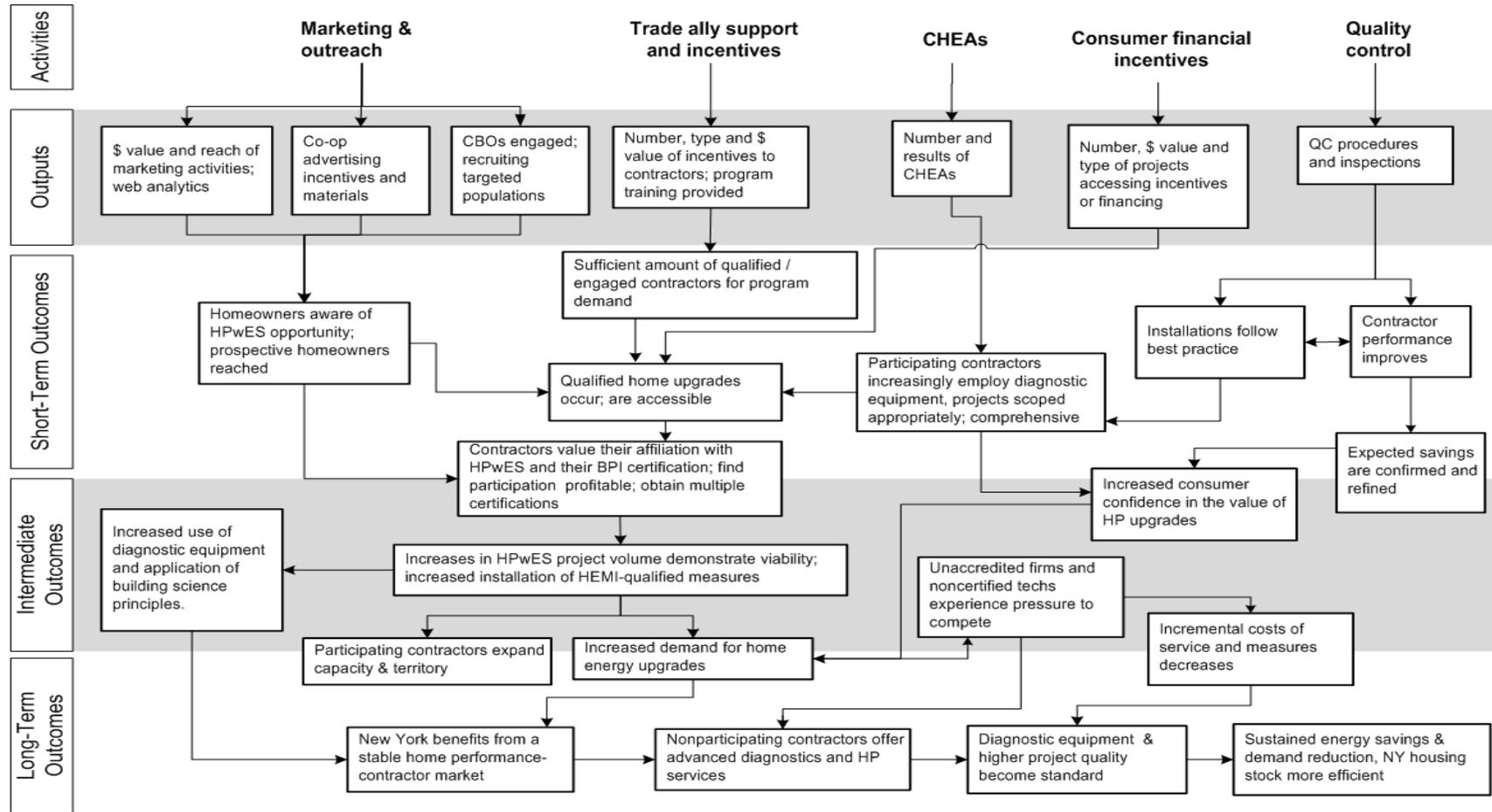
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Energy Efficiency Program

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Market Transformation Summit Takeaways

1. MT programs should be integrated into the EE portfolio
2. Pursue the opportunity to collaborate
3. Develop the core of the program plan - the logic model

The Logic Model is the Core Strategic Element

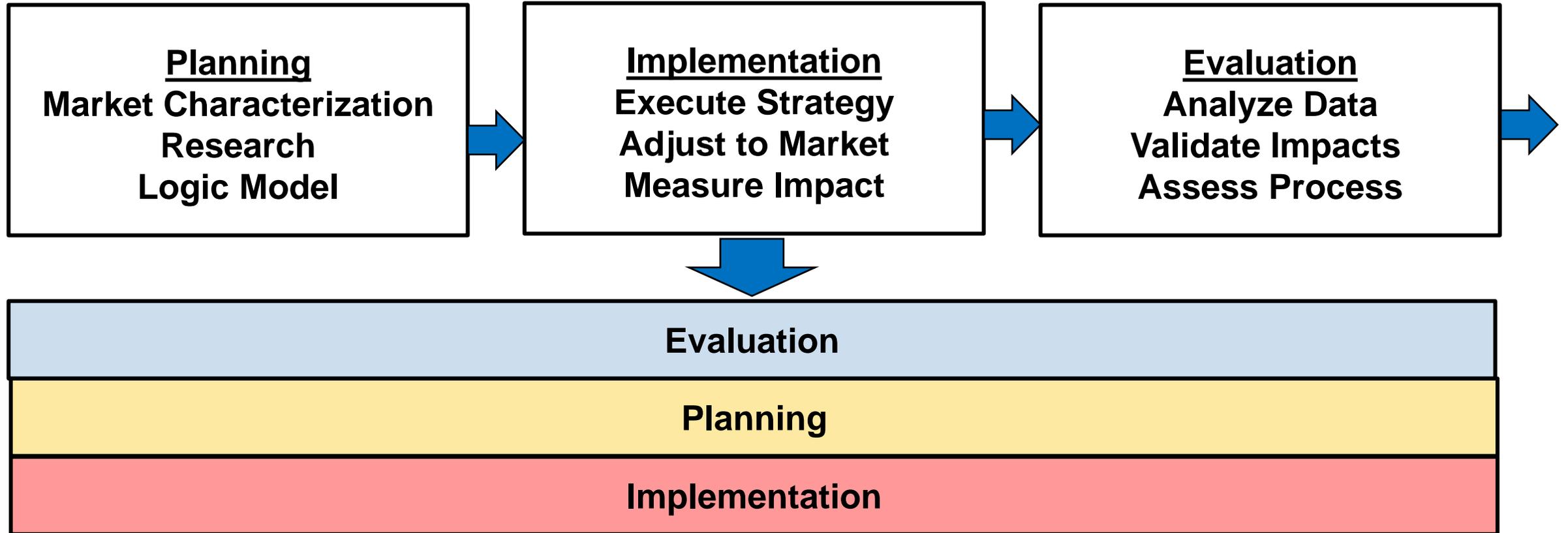


Source: Home Performance with ENERGY STAR® Logic Model, NYSERDA, March 2014

Market Transformation Summit Takeaways

1. MT programs should be integrated into the EE portfolio
2. Pursue the opportunity to collaborate
3. Develop the core of the program plan - the logic model
4. Listen & learn – the first step to new relationships
5. Improve designs by iterating – Consumer NPD Model
6. Get Evaluators in on the front end

End of Summit Questions



Market Transformation Summit Takeaways

1. MT programs should be integrated into the EE portfolio
2. Pursue the opportunity to collaborate
3. Develop the core of the program plan - the logic model
4. Listen & learn – the first step to new relationships
5. Improve designs by iterating – Consumer NPD Model
6. Get Evaluators in on the front end
7. Use MT as a market catalyst for new EE products

2018 Market Transformation Upstream Pilots

- ✓ **Portfolio Objectives of Moving Programs Upstream**
 - Lower the cost and increase participation
- ✓ **2018-19 Upstream Pilots**
 - High-Efficiency Food Service Equipment
 - Residential Heat Pump Water Heaters

Moving Upstream: Challenges

1. Characterize the Supply Channel

- Who are our new partners and how do their businesses work?
- What is the savings potential?

2. Forge New Business Relationships

- Trust and *industry knowledge barrier*
- Persuade new businesses to participate

3. Build effective program information systems

- Must meet distributor & ComEd informational needs with *low hassle-factor*

4. Train new partners on up-selling energy efficient equipment

- Lack of knowledge and organizational infrastructure

2018-19 Upstream Pilots: Forging New Business Relationships

✓ Food Service Equipment Distributors

- Primary Channel for independent restaurants (vs. chains & institutional food service)
- GTI/Fisher-Nickel cache



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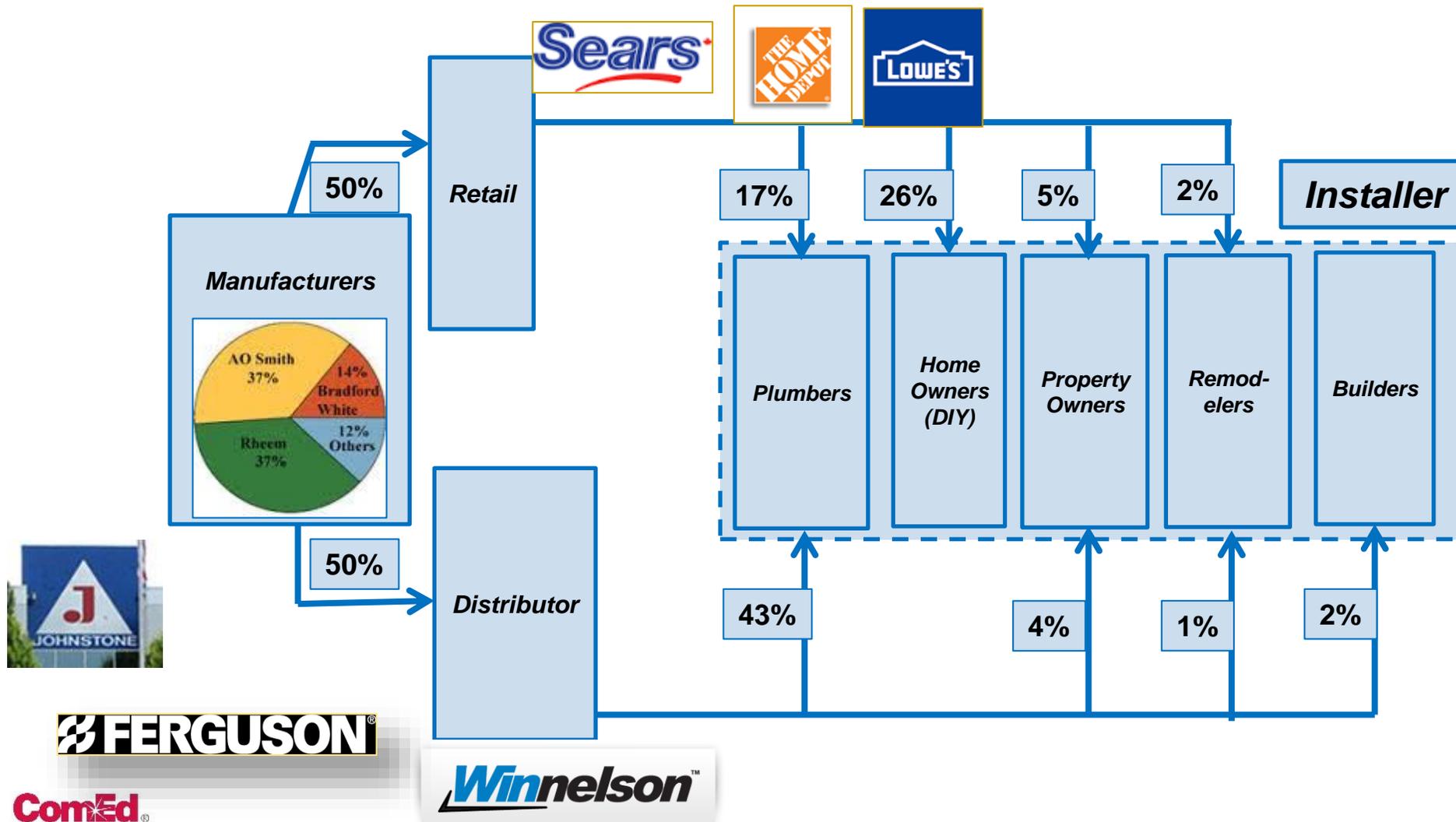
✓ Plumbing Supply Houses

- 50% of new water heaters move through Plumbing Supply Houses (vs. retail)
- 3 primary water heater manufacturers assisting with distributor introductions



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Water Heater Value Chain Schematic



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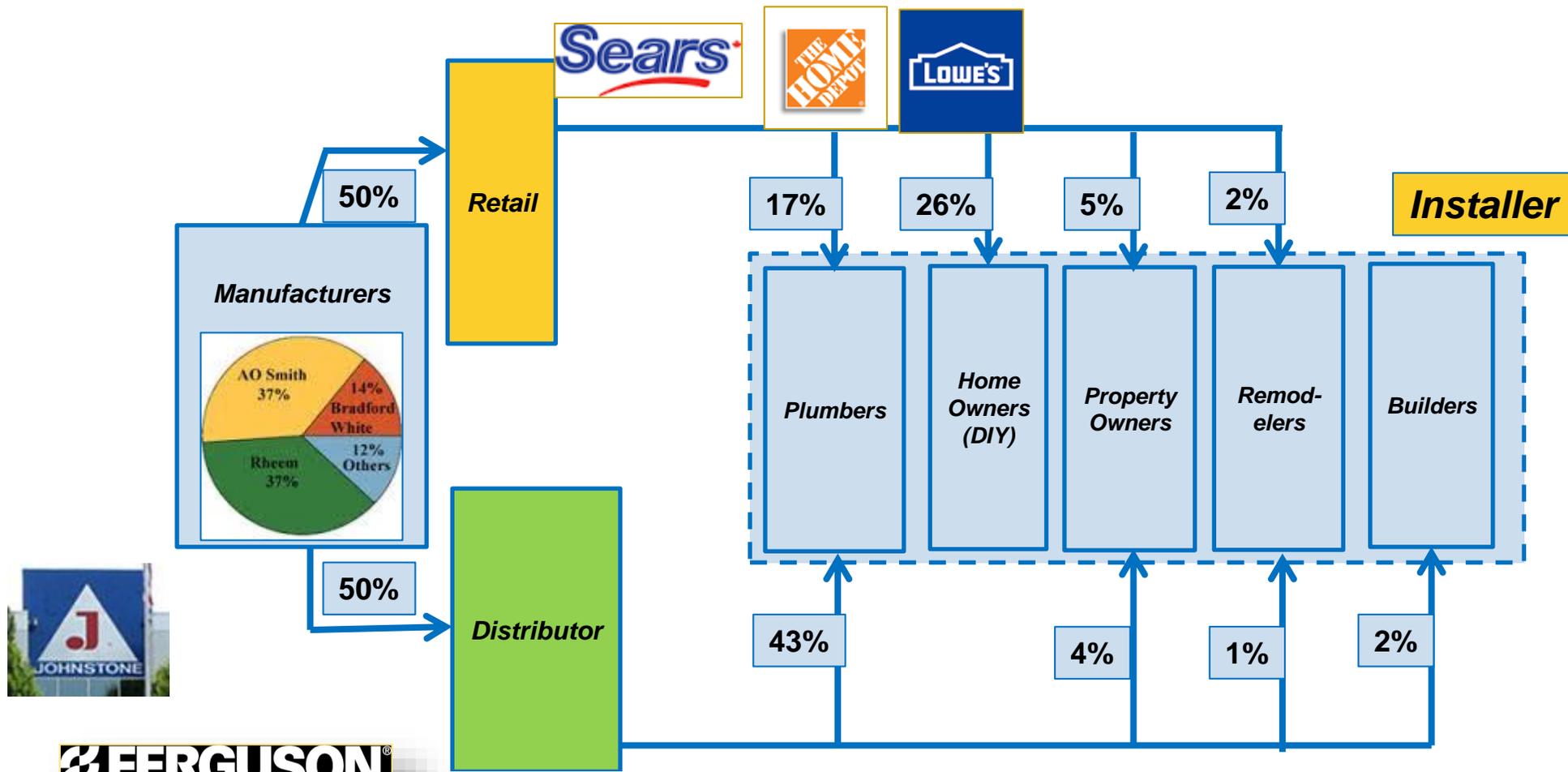
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Water Heater Value Chain Schematic



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Looking Forward: 2019

- 1. Conclude & hand-off Food Service Equipment and Heat Pump Water Heater upstream pilots**
- 2. Continue to test upstream program designs**
- 3. Evaluate how Lighting & HVAC Energy Efficiency markets and supply channels are evolving**
- 4. Evaluate new collaborative upstream opportunities**