

WISCONSIN

Focus on Energy 2019 Program Updates

December 13, 2018

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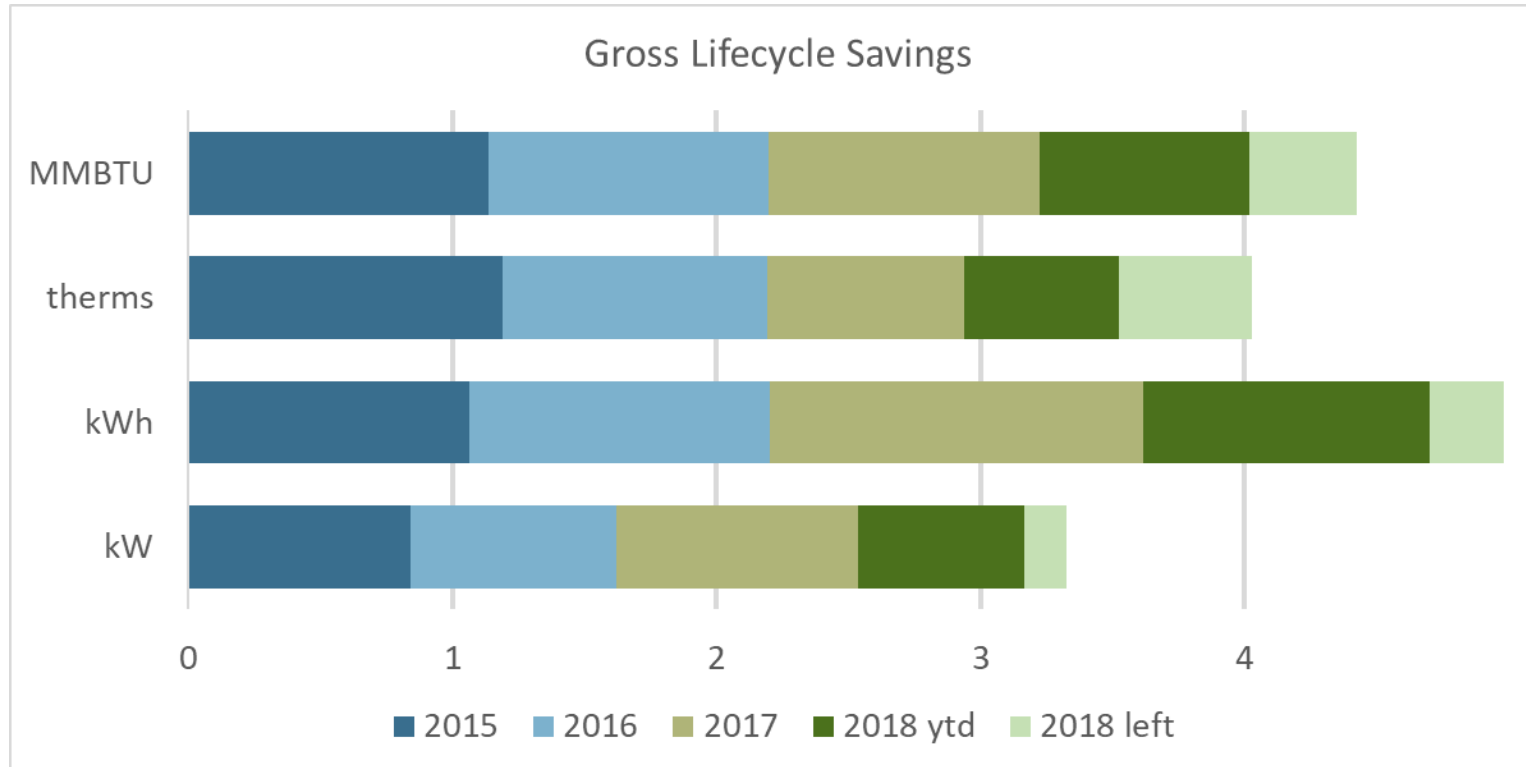
2018 Recap

2018 Highlights

- Program-wide achievements
 - Continued high customer satisfaction
 - Increasing Return on Investment
 - Furthering Rural Broadband integration
 - Small to Large
 - Delivery channels
 - Leveraging pilots
 - Midstream introduction
 - Consistency with prioritization

Reflection on Quad II (2015 – 2018)

- Currently on track to exceed the Quad MMBTU goal by about 20%



Program Satisfaction remains high

Measured by Independent Evaluator (The Cadmus Group)



Quad III (2019-2022)

- APTIM selected to administer program for Quad III
- Contract on the agenda for PSC approval 12/20/18

Key Decisions for Quad III (2019-2022)

- Renewable Funding of \$5.5M from Core Budget
- Rural Program Portfolio
 - \$5M annual from core
 - \$5M from unobligated digester
 - Carryover from 2017-2018 Rural programs

2019 Program Updates

Agenda

- 2019 Approach and Planning
- Business Portfolio
- Residential Portfolio
- Renewables
- Rural
- Training
- CY' 18 EOY Actions/Directives for CY'19

2019 Planning – Programmatic variables

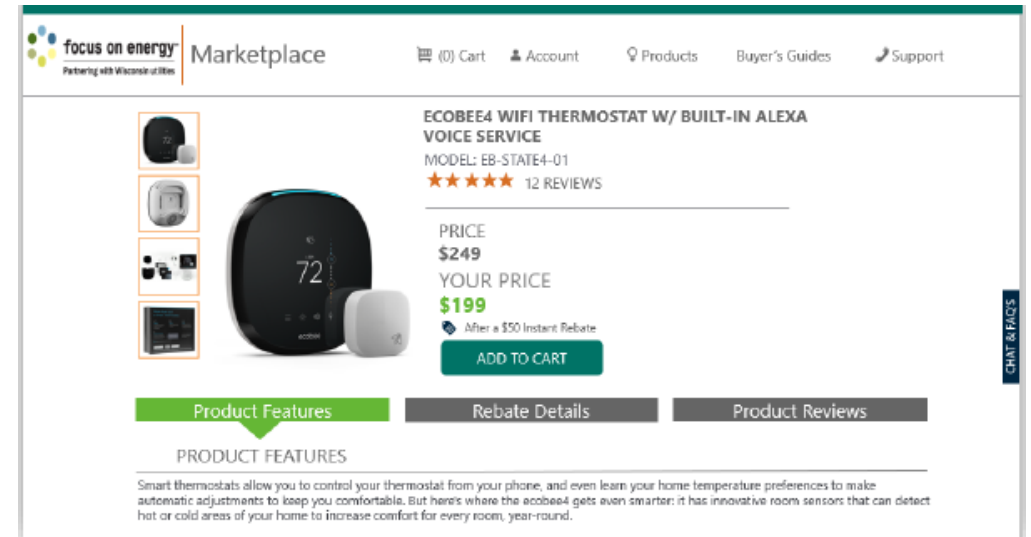
- Customer demand
- Equitable participation
- Utility priorities
- Budget and Savings goals

2019 Planning – Quad III Initiatives

- Furthering access/channel availability to customers
 - Utility-centric
- Capturing unrealized savings/participation
 - Evolving, nimble, yet consistent delivery
- Innovation
 - Focus Forward
- Cost-effectiveness
 - CY'19 data points and market needs

2019 Planning – Quad III Initiatives

- Online marketplace
 - New residential customer channel
 - E-commerce platform inclusive of rebates
 - Retail measure offerings
 - Lighting, t-stats, water saving measures
 - Reduce effort of customer participation
 - Consumer education and awareness
 - Competitive RFP next two weeks
 - Limited scope/implementation planned for mid-year CY'19
 - Cater to utility-specific interests; accommodate branding/attribution



2019 Planning – Quad III Initiatives

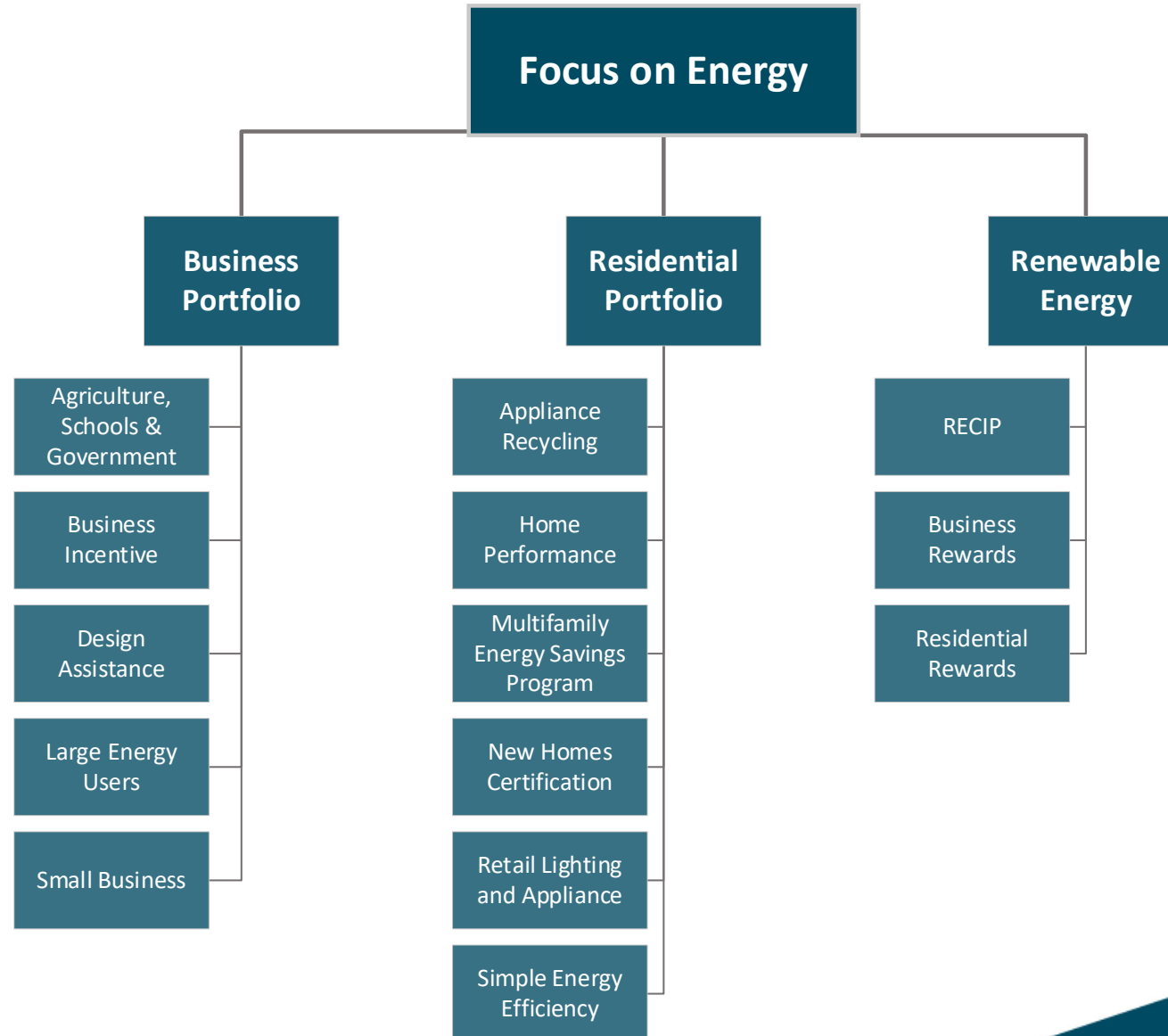
- Midstream Program Offerings
 - Lower cost approach to serving the market
 - Work directly with distributors to move the market and provide customer incentives
 - Working with VEIC to lay out a roadmap, assess supply chain, identify measures
 - Plan to release competitive RFP in Q2 '19

2019 Planning – Quad III Initiatives



- Rural Residential Behavioral Pilot
 - Commission approved a budget of \$750,000 per year
 - Working with VEIC to explore types of offerings well suited for WI and Focus
 - Plan to release competitive RFP in Q2 '19

2019 Programs



Business Portfolio Overview

- No change to program structure
 - Agriculture, Schools and Government Program, Business Incentive Program, Design Assistance Program, Large Energy Users Program, Small Business Program
- Eliminated project incentive cap
- Annual customer incentive cap of \$500,000 for all participants

Business Portfolio – Custom Incentives

- Custom project incentives
 - kW and therms remaining the same at \$100/kW and \$0.80/therm
 - Increasing to \$0.04/kWh
 - AgSG offering \$0.20/therm bonus to all schools and government customers
 - BIP offering \$0.20/therm bonus to all customers

	AgSG	BIP	LEU
kW	\$100	\$100	\$100
kWh	\$0.04	\$0.04	\$0.04
Therm	\$0.80 + \$0.20 Bonus	\$0.80 + \$0.20 Bonus	\$0.80

Business Portfolio – Midstream



- Continuing Midstream Commercial Kitchen Equipment offering
 - All equipment incented through the Commercial Kitchen Equipment Incentive Catalog is instead incented at the point of sale at participating distributors
- Continuing Midstream Commercial and Industrial Lighting pilot
 - Select distributors in Green Bay area
 - Only for select lamp and downlight measures

Business Portfolio – Prescriptive Incentives



- Incentive catalogs will be available January 1 (hard copy)
 - PDFs on web site December 21
- Lighting Incentive Catalog
 - New Measures:
 - Additional 2x4 troffer, high bay and linear replacement options
 - LED replacement lamps for CFL pin-based lamps
 - Exterior linear ambient LED fixtures
 - Modified Measures:
 - Track/accent lighting changed to watts reduced incentive
 - All new construction measures moved to Lighting Power Density reduction

Business Portfolio – Prescriptive Incentives



- HVAC and Plumbing Incentive Catalog
 - New Measures:
 - Split system heat pumps
 - Modified Measures:
 - EBTU – increased incentive rates for some measures, removed boiler tune-up measure, removed square foot requirement
 - Chiller incentives modified for full-load optimization and part-load optimization
 - Increased incentive for RTU controls

Business Portfolio – Prescriptive Incentives



- Process Systems Incentive Catalog
 - Added Data Center and Telecom Facilities section
 - Cooling, airside economizer, drycooler, UPS and rectifier upgrades
 - New Measures:
 - High frequency battery chargers
 - Boiler combustion upgrades for process boilers
 - Side entry agitators
 - Splined rotor upgrades
 - Modified Measures:
 - Removed 3-year agreement requirement for compressed air leak surveys

Business Portfolio – Prescriptive Incentives



- Commercial Refrigeration Incentive Catalog
 - New Measures:
 - Freezer evaporator defrost controls
 - Reach-in case evaporator fan speed controls
 - Modified Measures:
 - Measures no longer new construction eligible:
 - ECMs on compressor and condenser fan motors
 - Occupancy sensors on refrigerated case lights
 - Anti-sweat heater controls
 - Energy-efficient doors on non self-contained refrigerated cases
- Commercial Kitchen Incentive Catalog
 - Modified Measures:
 - Kitchen hood DCV no longer new construction eligible
 - Additional size options added for electric and natural gas steamers

Business Portfolio – Prescriptive Incentives



- Agribusiness Incentive Catalog
 - New Measures:
 - Horticultural lighting
 - Additional 2x4 troffer, high bay and linear replacement options
 - Exterior linear ambient LED fixtures
 - Milking equipment compressor and condenser fan motors
 - Modified Measures:
 - Increased incentives on VFDs, high bay lighting, grain dryers, and ventilation measures
 - Increased compressed air leak survey and repair incentives; removed 3-year agreement requirement for surveys

Agriculture, Schools & Government

- Continuing Comprehensive Lighting Initiative
- Agriculture
 - New ag TA bonus on prescriptive applications
 - 2019 targets: dairy, greenhouses and irrigation
- Schools
 - Marketing campaigns following up 2018 Benchmarking Study, promoting RCx/EBTU
 - 2019 targets: K-12, private and technical colleges and universities
- Government
 - Continuing Water and Wastewater Facilities special offerings
 - 2019 targets: Municipalities, wastewater treatment facilities

Business Incentive

- 2019 targets: commercial real estate, lodging, healthcare, data centers/communication providers, retail/grocery, chain/franchise restaurants, food and beverage manufacturing, commercial printing, and plastic, wood and metal products manufacturing
- Balance of TA and customer engagement

Large Energy Users

- 2019 Changes
 - Custom project payback window is 1.5 – 10 years
 - Incentives for Low payback stalled projects
 - \$0.02/kWh, \$0.20/Therm, up to 50% of cost with a maximum \$200,000 incentive
 - New incentives for:
 - Investment Grade Assessments – 50% of cost up to \$40,000
 - ISO 50001 certified - \$20,000; 50001 Ready completion - \$10,000
- New Initiatives
 - Industrial Association Integration, Economic Development Organization coordination
- Continuing Initiatives
 - SEM Partners, 2019 Incentive Bid Projects

Small Business

- Incentive changes
 - Commercial refrigeration – decreased anti-sweat heater controls, ECM fans, and cooler evaporator fan controls
 - Lighting – decreased TLEDs, exterior LED – high and very high output, delamping, and LED high bays
- 2019 targets: offices, retail/c-store, restaurants, lodging, and Trade Allies

Design Assistance

- Incentives increased in August 2018
 - \$0.13/kWh and \$0.75/therm
- Obligated incentives
 - 2019 fully subscribed
 - Accepting projects for 2020-2023
- Customer report
 - Updated to include utility logos on cover page

Residential Portfolio Overview



- No change to program structure
 - Appliance Recycling Program, Home Performance Program, New Homes Certification Program, Retail Lighting & Appliance Program, Simple Energy Efficiency
- Multifamily New Construction Program integrated into Multifamily Energy Savings Program

Appliance Recycling

- Continue to maintain a high level of customer satisfaction
- Incentive reduction to **\$20/unit recycled**
- 2019 targets: customers with secondary refrigerators and freezers

Home Performance: Whole Home and Heating & Cooling



- 2019 Changes:
 - Elimination of \$250 Bonus offer (Whole Home + H&C Bonus)
 - Exploring a simpler incentive design for Whole Home Improvement path in Q2.
- New initiative for 2019: Ambassador Initiative
 - Marketing initiative to increase customer acquisition and provide an interactive opening experience with Focus on Energy
 - Leverage influencers (Real estate agents) that customers trust to promote Focus on Energy
- 2019 Targets: SF homes, increased duplex & triplex owner engagement
- Recruit additional Whole Home Trade Allies

Multifamily Energy Savings

- 2019 changes
 - Single program delivery for new construction and existing buildings
 - New measures include Lighting and HVAC measures listed in Business Portfolio updates, plus:
 - HVAC incentives: Air sealing, VFDs for domestic water pumps, natural gas tankless residential-type water heaters,
 - Lighting incentives: ‘in-unit’ linear ambient and track/accent lighting fixtures
 - Limited energy modeling
- 2019 Targets: property management companies, builders/developers, Trade Allies

New Homes Certification Program



- Reduced incentives in 2019
- 2019 targets: Builders, potential home buyers

Retail Lighting & Appliance

- Continue to offer instant discounts on ENERGY STAR® LED lamps, ENERGY STAR Low-E storm windows and advanced power strips
- Cash-back reward on ENERGY STAR smart thermostats
- 2019 targets: rural and hard to reach customers through combination of retail site locations, such as dollar discount stores, community organizations and pop up retail events

Simple Energy Efficiency

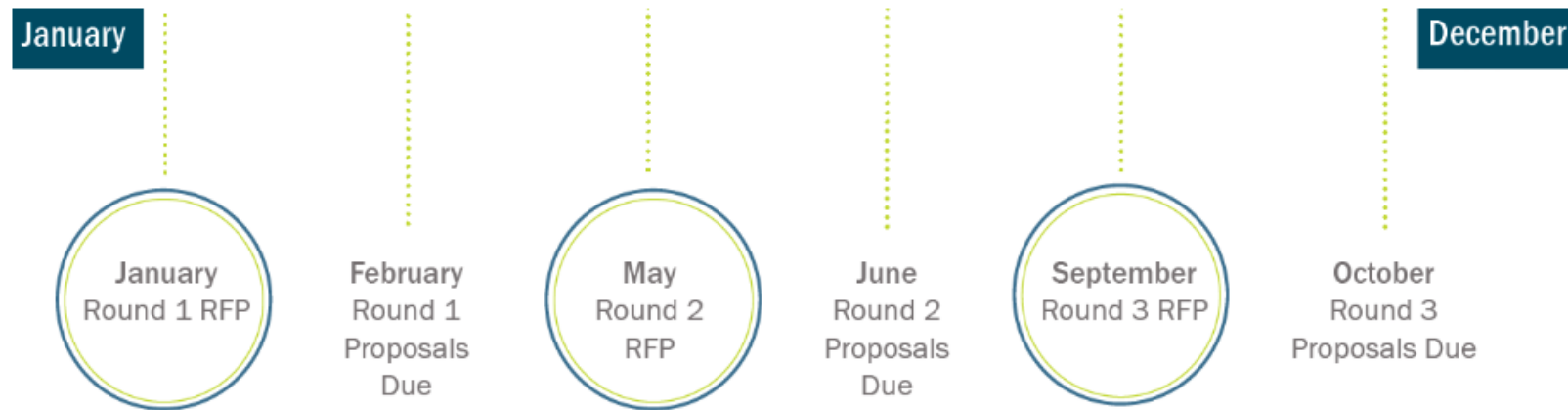
- No changes to kits in 2019
- 2019 targets: MF residents, rural residents, low income residents
- 2019 marketing tactics: Social media, multifamily-specific messaging, integrated marketing

Renewable Energy Programs

- Prescriptive Programs
 - Business Renewables Incentives:
 - 12% of the system cost / Capped at **\$4,000 (same as 2018)**
 - Residential Renewables Incentives:
 - 12% of the system cost / Capped at **\$2,000 (same as 2018)**
 - New for 2019:
 - Customers no longer required to reserve incentives

Renewable Energy Programs

- **RECIP** (Renewable Energy Competitive Incentive Program)
- New for 2019
 - RFPs will be issued three (3) times per year (January, May, and September)



- More opportunity for small and mid-sized project to secure incentives
- Streamlined and simplified application process
- Additional RECIP incentive funding for farms and agricultural producers in January RFP

Rural Offerings - Business

- Agriculture
 - Increased prescriptive incentives
 - Ag TA bonus
 - Ag specific RECIP
- Industrial
 - Efficiency project incentive RFP
 - Staffing grant
 - Process energy modeling
 - Industry best practice guides and training

Rural Offerings - Residential



- Behavioral Program – Residential Energy Report
- Enhanced renewables rewards
 - Rural residents will be eligible for additional incentives - 12% of the system cost / Capped at \$4,000 total
- Residential pop up stores at large employers
- Farmhouse kit

Training

Training

- One-day (2) sessions of Compressed Air Challenge in 2019
- 1x1 Residential TA Coaching will be available as a one-day pilot
- Scholarship \$ for BOC will increase to \$1,695
- Technical Courses: Motors & VFD's course will be updated to include Pumps (Hydraulic & Vacuum pumps w/and w/o VFD's
- Two sessions of the Design Lights Advanced Network Lighting Controls course will be offered in summer of 2019

2018 Actions & Next Steps for CY'19

- Program update and marketplace notifications
 - Market actors
- Finalize budget and goals
 - SEERA and PIs
- Workplans/RFPs for new initiatives
 - Ex. Online marketplace
- Ongoing PA engagement
 - Utility initiatives/plans
- Implement and insure customer satisfaction
 - Marketplace feedback and adapt

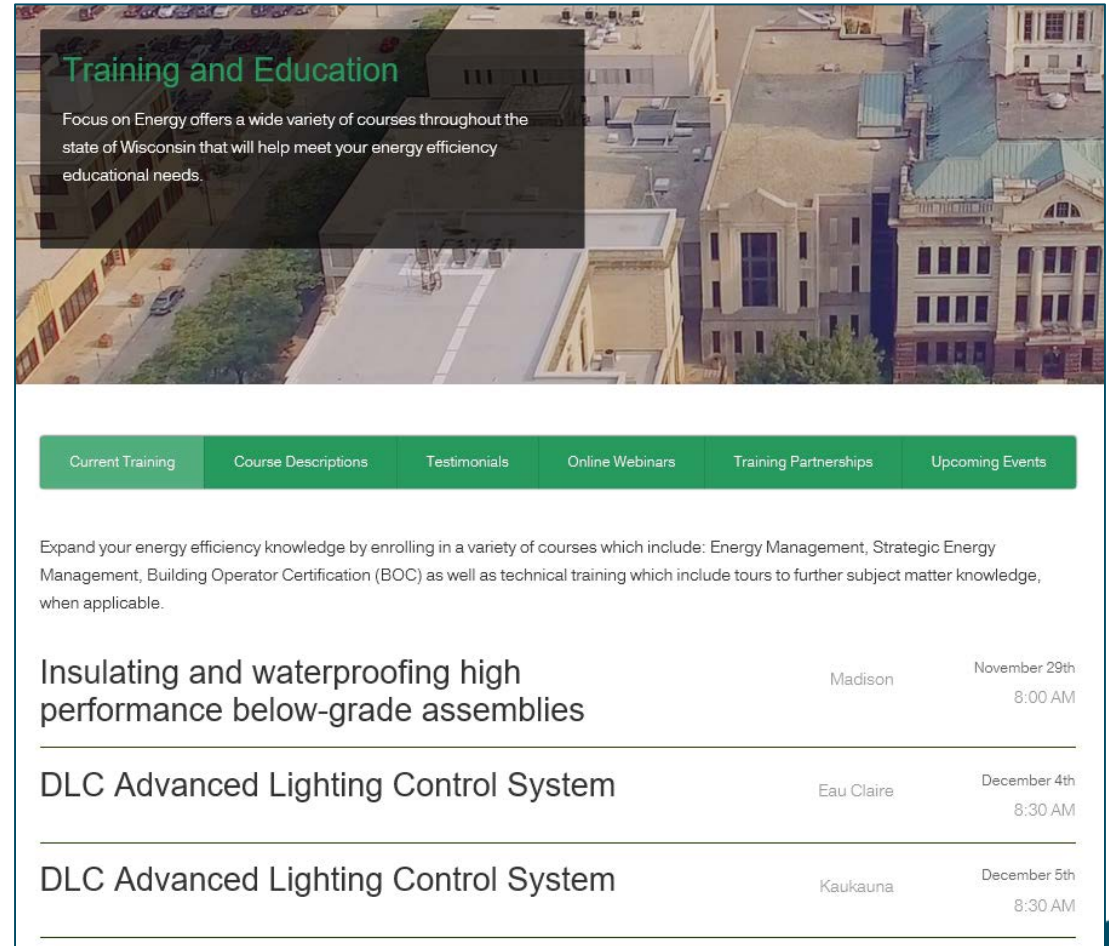
2019 Marketing Updates

Updates

- Collateral store will be updated by January 1
- Catalog PDF's available December 21
 - Hard copies January 1
 - Business dropdown > Catalogs and Applications
- Campaign Calendar available on website by December 21
 - About Us dropdown > Utility Resources

Website

- Business equipment incentive finder updated January 1
 - Business dropdown > Equipment Incentives & Qualified Products
- New Events & Training area January 1



Training and Education

Focus on Energy offers a wide variety of courses throughout the state of Wisconsin that will help meet your energy efficiency educational needs.

Current Training | Course Descriptions | Testimonials | Online Webinars | Training Partnerships | Upcoming Events

Expand your energy efficiency knowledge by enrolling in a variety of courses which include: Energy Management, Strategic Energy Management, Building Operator Certification (BOC) as well as technical training which include tours to further subject matter knowledge, when applicable.

Insulating and waterproofing high performance below-grade assemblies	Madison	November 29th 8:00 AM
DLC Advanced Lighting Control System	Eau Claire	December 4th 8:30 AM
DLC Advanced Lighting Control System	Kaukauna	December 5th 8:30 AM

Events

- Program Administrator-sponsored
 - Better Buildings: Better Business Conference – February
 - MREA Energy Fair – June
 - State Fair – August
- Pop-up lighting fairs
 - Large employers
 - Public events



Campaigns

- Earth Day – announce Awards winners
- Google nest Power Project
 - Addressing energy poverty
 - Nest working with United Way and Habitat for Humanity
 - Focus to purchase discounted nests
 - Will work with agencies/property managers to DI
- Energy Awareness Month – October
 - Community service effort



Program-Specific Campaigns

- Home Performance
 - Two campaigns per year – spring/summer and fall/winter
 - Realtor Ambassador effort
 - Coordinate with your new customer emails/mailings?
- Retail Products
 - Smart thermostats – Memorial Day/Father’s Day, 4th of July, Labor Day, Black Friday
 - Lighting – Black Friday
- Other programs have collateral available for year-round use

Energy Excellence Awards

- Nominations start today!
- Who's eligible?
 - Any customer or Trade Ally demonstrating a commitment to energy efficiency
- Who can nominate?
 - Focus staff, utility staff, Trade Ally contractors
- Timeline
 - Nominations start today thru March 1, 2019
 - Winners announced Earth Day (April 22)
 - In-person presentations begin in May
- Visit www.focusonenergy.com/ExcellenceAwards for more info and to nominate a customer/member

Questions?

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Thank you