STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Ameren Illinois Company d/b/a Ameren Illinois Approval of the Energy Efficiency and Demand Response Plan Pursuant to 220 ILCS 5/8-103B and 220 ILCS 5/8-104	))))))	Docket No. 17-0311

INITIAL BRIEF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION

Pursuant to Section 200.800 of the Rules of Practice of the Illinois Commerce Commission ("Commission") and the Ruling of the Administrative Law Judge, the Retail Energy Supply Association[1] submits its Initial Brief in this proceeding, the petition of Ameren Illinois Company d/b/a Ameren Illinois ("Ameren") for approval of its Energy Efficiency and Demand Response Plan (the "Plan").

I. BACKGROUND

On June 30, 2017, Ameren filed its Petition seeking approval of its Plan, pursuant to Sections 8-103B and 8-104 of the Public Utilities Act. RESA only seeks clarification or revision of three aspects of the Plan. RESA sponsored the Direct Testimony of Robert L. Gibbs, the Director - Corporate and Regulatory Affairs for Direct Energy Services, LLC ("Direct Energy"). Direct Energy is a member of RESA.

[1] The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

II. RESA POSITION

RESA made three recommendations regarding the Plan. First, all rebates under the Plan should be brand and technology neutral. Second, the process for all rebates under the Plan should be simplified and stream-lined. Third, the use of data obtained through energy audits should be limited. (RESA Ex. 1.0, p. 4)

A. All Rebates under the Plan Should Be Brand and Technology Neutral.

It is not clear from the Plan whether rebates would be limited based on the brand of a product or the technology that the product uses. For example, it is not clear what types of smart thermostats would be eligible for rebates in Ameren's Plan. If Ameren were to limit rebates for smart thermostats to those only utilizing Wi-Fi technology, it would be disqualifying Direct Energy's Hive smart thermostat product, which does not rely on Wi-Fi as its communication protocol. With Hive, customers can control their heating and cooling, lights, plugs and sensors through a mobile application. Direct Energy's Hive smart thermostat product relies on Zigbee, which is a wireless technology that is a simpler and less expensive communications protocol than Wi-Fi. Many technologies can provide tangible energy or cost savings while others provide valuable insight into a customer's usage and costs which may lead to tangible actions that further reduce energy usage. Ameren's programs should, with reasonable requirements for meeting the program specifications, be open to brand neutral technologies that customers may wish to choose on the open market. To that end, Ameren should allow reasonable input into the program specifications that would ensure the broadest possible spectrum of brand neutral technologies to qualify for inclusion in the programs proposed by Ameren. (*Id*., pp. 4-5)

With regard to technology selection for inclusion in the programs, RESA suggests that Ameren adopt, wherever possible and appropriate, an application process whereby potential vendors, manufacturers, or providers of energy efficiency measure technologies can be apprised of the program specifications and apply for eligibility in whatever program(s) that particular technology may be suited for (for example, smart thermostats for residential, low-income or multi-family programs and energy measurement or monitoring technologies for business programs). Such an application process would allow Ameren and its program administrator(s) the ability to verify a technology's qualifications for inclusion in the program while at the same time ensuring Ameren's customers have the broadest spectrum of products available to them to meet their and the state's energy efficiency goals. (*Id*., p. 5)

In response to RESA's recommendation, Ameren offered the Rebuttal Testimony of Mr. Keith Martin, Director, Energy Efficiency, for Ameren. Mr. Martin testified that Ameren's past practices and the Plan generally align with Mr. Gibbs' recommendation. Ameren has and will remain brand neutral to the extent that a product's qualification aligns with the features and criteria detailed in the approved Illinois Technical Reference Manual for Energy Efficiency ("TRM"). In addition, Mr. Martin testified that Ameren uses independent certifications like ENERGY STAR to identify products that meet acceptable quality and efficiency standards. Specifically regarding thermostats, Mr. Martin testified that Ameren currently provides rebates that various thermostat brands that meet the applicable screening criteria and that Ameren will continue to evaluate new products as they are introduced into the marketplace. (Ameren Ex. 8. 0, pp. 24-25)

RESA recommends that the Commission direct Ameren to continue to maintain brand and technology neutrality throughout its energy efficiency portfolio, subject to the technological specifications and requirements set forth in the TRM.

B. The Process for Rebates Should Be Simplified and Streamlined.

Rebates should be available at the point of sale or through a simplified application process, for example, a tri-fold brochure which includes an application for the rebate that would be submitted to Ameren's program administrator, with payment going directly to the customer or the supplier of the product for which the rebate is offered. Mr. Gibbs recommends that Ameren utilize a rebate process similar to that used by the New Jersey Board of Public Utilities (see: http://www.njcleanenergy.com/main/rebates-and-promotions/rebates-and-promotions). (RESA Ex. 1.0, p. 6)

By properly structuring the flow of energy efficiency rebates, they can be made available to a customer at the point of sale. For example, a streamlined rebate process would allow a third party to offer a discounted thermostat—and instant rebate—to a customer. Then, after the point of sale and pursuant to appropriate verification requirements, the third party would submit a rebate request to the utility. Customers may prefer an instant rebate because many technologies, such as smart thermostats, have high upfront costs that a customer may not want to incur even though the long-term benefit substantially exceeds the upfront cost. Additionally, many customers may not want to go through the administrative process and delay associated with submitting a standard paper rebate form. Streamlining the process improves the customer experience and increases the accessibility of energy efficient technologies to customers within Ameren's service territory. However, a customer who chooses to buy the product and submit the

application with a receipt for the rebate directly to Ameren or its program administrator and receive the rebate directly should be able to do so. (*Id*., pp. 6-7)

In response to Mr. Gibbs' recommendation, Mr. Martin again testified that Ameren's past practices and Plan generally align with his recommendation. He stated that Ameren has offered and will continue to offer a simplified incentive process. This process includes incentives at the point of purchase with the discount recognized at the cash register, with no application or rebate process form required. Specifically with respect to smart thermostats, rebates are offered via an online application, which can be submitted from a smart phone. Smart thermostat rebates may also be provide at the point-of-purchase with the discount recognized at the cash register. (Ameren Ex. 8.0, p. 25)

The Commission should direct Ameren to continue to explore opportunities to streamline and simplify the rebate application and delivery processes associated with the measures offered under the Plan, including but not limited to smart thermostat measures.

C. The Use of Data Obtained through Energy Audits Should be Limited.

Mr. Gibbs testified that RESA has no objection to Ameren's use of data obtained through energy audits to perform program evaluation and analysis. However, RESA is concerned about the use of that data to perform analytics and offer recommendations on how to reduce overall energy consumption. Such services would compete with services available through the private market. For example, Direct Energy offers home energy audits, using customer data to perform analytics and offer recommendations on how to reduce overall energy consumption. At a minimum, the Commission should prohibit Ameren from providing data obtained through energy audits to any affiliate or preferred

vendor unrelated to this filing in order for that affiliate or preferred vendor to provide data analytics and/or energy conservation products. (RESA Ex. 1.0, pp. 7-9)

In response to RESA's position on this matter, Mr. Martin testified that to the extent that RESA is attempting to modify the roles and responsibilities of competitive retail electric suppliers in the State of Illinois or gain access to customer's confidential energy usage information, such policy issues are better addressed in other data privacy dockets with the Commission. (Ameren Ex. 8.0, pp. 25-26)

The Commission should prohibit Ameren from providing data obtained through energy audits to any affiliate or preferred vendor in order for that affiliate or preferred vendor to provide data analytics and or/energy conservation products.

III. CONCLUSION

In conclusion, RESA respectfully requests that the Commission enter an order consistent with RESA's recommendations in this proceeding.

Respectfully submitted,

s/s GERARD T. FOX
Gerard T. Fox
An Attorney for the Retail Energy Supply Association

Law Offices of Gerard T. Fox
203 N. LaSalle Street
Suite 2100
Chicago, IL 60601
(312) 909-5583
gerardtfox@gerardtfoxlawoffices.com

NOTICE OF FILING

Please take note that on August 17, 2017, I caused to be filed via e-docket with the Chief Clerk of the Illinois Commerce Commission, the attached Initial Brief of the Retail Energy Supply Association in this proceeding.

/s/GERARD T. FOX
Gerard T. Fox

CERTIFICATE OF SERVICE

I, Gerard T. Fox, certify that I caused to be served copies of the foregoing Initial Brief of the Retail Energy Supply Association upon the parties on the service list maintained on the Illinois Commerce Commission's eDocket system for Ill. C. C. Docket 17-0311 via electronic delivery on August 17, 2017.

/s/ GERARD T. FOX
Gerard T. Fox