

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED JOINT PETITION OF INDIANA GAS)
COMPANY, INC., SOUTHERN INDIANA GAS)
AND ELECTRIC COMPANY, AND INDIANA)
OFFICE OF UTILITY CONSUMER)
COUNSELOR FOR APPROVAL OF AN)
EXTENSION OF THE PROVISION OF A)
PORTFOLIO OF DEMAND SIDE)
MANAGEMENT PROGRAMS, INCLUDING)
INTEGRATED GAS AND ELECTRIC)
PROGRAMS, AND APPROVAL OF THE)
CONTINUATION OF THE ENERGY)
EFFICIENCY RIDER UNDER IC 8-1-2-42(a) AS)
APPROVED IN CAUSE NOS. 42943 AND 43046)

FILED
April 21, 2014
INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 44019

**NOTICE OF SUBMISSION OF 2013 ANNUAL REPORT
BY VECTREN ENERGY DELIVERY OF INDIANA, INC.**

Pursuant to the Commission's Order in this Cause issued August 18, 2011, Indiana Gas Company, Inc. and Southern Indiana Gas and Electric Company, together d/b/a Vectren Energy Delivery of Indiana, Inc. hereby submit the Vectren Natural Gas DSM Portfolio – 2013 Demand Side Management Annual Report.

Respectfully submitted,

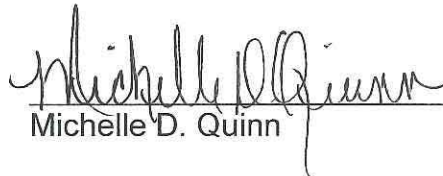

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing notice of submission was served upon the Office of Utility Consumer Counselor and Citizens Action Coalition via electronic mail this 21st day of April 2014 to:

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Vectren 2013 PY2 Annual Report

January 2013 – December 2013



SUBMITTED ON:

February 28, 2014

SUBMITTED TO:

Vectren Oversight Board

SUBMITTED BY:

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CLEAResult

UNLEASHING THE VALUE OF ENERGY

EXECUTIVE SUMMARY	5
Summary of Portfolio Results.....	8
Equipment Verifications.....	13
Trade Ally Outreach	13
Program Year 2 Portfolio Structure	15
BUSINESS REBATE PROGRAM.....	17
Program Overview and Objectives	17
Program Marketing	19
Program Results	21
Lessons Learned	26
Plan for Next Program Year	27
Conclusion.....	27
BUSINESS CUSTOM REBATE PROGRAM	29
Program Overview and Objectives	29
Program Marketing	30
Program Results	31
Lessons Learned	35
Plan for Next Program Year	35
Conclusion.....	35
RESIDENTIAL REBATE PROGRAM.....	37
Program Overview and Objectives	37
Program Marketing	39
Program Results	41
Lessons Learned	46

Plan for Next Program Year	46
Conclusion.....	47
RESIDENTIAL NEW CONSTRUCTION PILOT PROGRAM	49
Program Overview and Objectives	49
Program Marketing	49
Program Results	51
Conclusion.....	53
MULTI-FAMILY DIRECT INSTALL PROGRAM.....	55
Program Overview and Objectives	55
Program Marketing	56
Program Results	57
Lessons Learned	60
Plan for Next Program Year	60
Conclusion.....	60
TARGETED INCOME PROGRAM.....	62
Program Overview and Objectives	62
Program Results	63
Lessons Learned	66
Plan for Next Program Year	66
Conclusion.....	67
SMART THERMSOTAT PILOT PROGRAM.....	69
Program Overview and Objectives	69
Program Marketing	71
Program Results	72

Lessons Learned	73
Plan for Next Program Year	73
Conclusion.....	74
HOOSIER ENERGY WEATHERIZATION PILOT (VECTREN NORTH).....	76
Program Overview and Objectives	76
Program Results	76
RESIDENTIAL AUDIT & DIRECT INSTALL PROGRAM (VECTREN SOUTH)	79
Program Overview and Objectives	79
Program Results	79
LOW-INCOME WEATHERIZATION PROGRAM (VECTREN SOUTH)	82
Program Overview and Objectives	82
Program Results	82
RESIDENTIAL BEHAVIOR LETTERS (VECTREN SOUTH)	84
Program Overview and Objectives	84
Program Results	84
LOW INCOME WEATHERIZATION PROGRAM (VECTREN NORTH)	88
Program Overview and Objectives	88
Program Results	88
Program Administration.....	90
Quarterly SLA Achievement	90
Budget Management.....	90
APPENDIX A: COST EFFECTIVENESS	93

Executive Summary

In November of 2011, Vectren Energy Delivery of Indiana (Vectren) and its Oversight Board selected CLEAResult as the third party administrator for the natural gas demand side management (DSM) portfolio. CLEAResult transitioned the program implementation from WECC and assumed primary management responsibility on February 1, 2012. CLEAResult has managed the gas conservation portfolio since that date.

This report summarizes the results for each program in the portfolio for Program Year Two (January 1, 2013 through December 31, 2013) for the natural gas DSM program portfolio.

The 2013 plan was approved by the Vectren Oversight Board in November 2012. This plan was based on the assumption that the furnace efficiency baseline would change from 80 to 90 percent at mid-year. This baseline change did not occur. As a result, CLEAResult revised the 2013 plan and it was subsequently approved by the Oversight Board in May 2013. The original budgets and goal detailed in the report are based on the plan approved in November 2012. Page 2 of the monthly 2013 scorecards detailed all budget adjustments, including the revised plan and funding memos.

Tables 1 through 5 compare results for each program and the portfolio to forecasted budgets, gross savings, net savings, and cost effectiveness.

Highlighted Results from Program Year Two Include:

1. The overall portfolio of programs achieved 3,078,004 therms which is 119 percent of the gross therm goal of 2,750,828 therms. This goal was established prior to using the unallocated funding.
2. Several funding adjustments were made during the course of the year. These include: the mid-year true-up, the October 23rd funding memo and the December 23rd funding memo. These adjustments were made in response to portfolio performance and primarily drove incentive funds into the highly successful Residential Rebate Program.
3. Overall, the portfolio delivered \$1,940,206 in net benefits with a total resource cost (TRC) ratio of 1.18.
4. The Program Year 2 budget included in the BRD was \$7,911,349 for the gas programs. There was a 2012 carryover of \$89,872 that increased the overall budget to \$8,001,221. This was reflected in the revised approved plan as well as the monthly scorecards. During the course of the program year, several budget shifts were made based on program/portfolio needs. These

include: mid-year true-up, October 23rd funding memo, and December 23rd funding memo. These adjustments were made in response to portfolio performance and primarily drove incentive funds into the highly successful Residential Rebate Program. The portfolio spend was \$7,442,918 and the portfolio ended 2013 at \$468,431 under the original budget. When the \$89,872 carryover over from 2012 is added, the portfolio is \$558,303 under budget. Once the year-end CLEAResult holdback payment of \$64,815 is subtracted, the carryover amount into 2014 is \$493,488. The carryover amount is larger in 2013 than in 2012 mainly because the Duke Low Income Weatherization (North) program did not use the anticipated budget. This program was almost \$350,000 under budget. In addition there were several other programs/line items that did not fully utilize their budget. These include: Unallocated North Integrated Core Program (about \$51,000), Low Income Weatherization (South) program (about \$55,000) and the Evaluation line item (about \$55,000).

5. The Residential Rebate Program achieved 1,454,509 gross therms and delivered 125 percent of its gross therm goal of 1,167,824. The 95 percent annual fuel utilization efficiency (AFUE) furnaces were especially successful with 7,321 rebates paid. Additionally, there were applications for 4,576 programmable thermostats.
6. The Business Rebate Program saved 607,084 gross therms and delivered 108 percent of its gross therm goal of 563,782. From an equipment standpoint, the boiler and boiler tune-ups primarily drove savings in this program. Since many of the individual measures struggled, direct installation of pre rinse spray valves and aerators was used to increase the overall savings achievement. The direct install measures constituted 42 percent of the savings achieved.
7. The Business Custom Program saved 217,161 gross therms and delivered 47 percent of its gross therm goal of 459,313. In total, 22 projects were completed in 2013. The program struggled to establish a strong pipeline.
8. The Multi-Family Direct Install Program achieved 127,716 therms or 89 percent of its gross therm goal of 143,897.
9. The Targeted Income Program achieved 26,908 therms or 134 percent of its gross therm goal of 20,051.
10. The Residential New Construction Pilot Program launched in the fourth quarter and delivered 1,092 gross therms based on processing 6 houses.

11. The Smart Thermostat Pilot Program was launched in the fourth quarter and delivered 27,527 gross therms based on installing 194 Nest thermostats and 276 standard programmable thermostats.
12. The Low Income Weatherization Program for Vectren North was a joint program with Duke Energy. The program saved 81,196 gross therms and delivered 22 percent of its gross therm goal of 373,137.
13. The Hoosier Energy Weatherization Pilot Program achieved 132 percent of its gross therm savings goal and delivered 7,144 gross therms.
14. The Home Energy Audit Program for Vectren South saved 49,888 gross therms and delivered 100 percent of its gross therm goal.
15. The Low-Income Weatherization Program for Vectren South achieved 109 percent of its gross therm savings goal and delivered 137,534 gross therms.
16. The Residential Behavior Letter Program for Vectren South saved 340,244 gross therms and delivered 159 percent of its gross therm goal.

Summary of Portfolio Results

Table 1. Portfolio Results - Overall

Vectren Program Year 2 (1/2013 - 12/2013) Portfolio Results						
Program	Actual Spend	Actual Gross Savings (Therms)	Est. Actual Net Savings (Therms)	TRC (BCR)	UCT/PACT (BCR)	Actual Net Benefits
Business Rebate	\$744,654	607,084	510,445	1.76	1.93	\$924,864
Business Custom	\$383,081	217,161	162,871	0.71	1.00	(\$276,563)
Residential Rebate	\$3,151,205	1,454,509	1,001,828	1.13	2.03	\$836,718
Residential New Construction Pilot	\$46,126	1,092	728	0.28	0.29	(\$34,712)
Multi-Family Direct Install	\$218,429	127,716	127,716	2.05	2.05	\$292,879
Targeted Income (North)	\$200,832	26,908	26,908	0.88	0.88	(\$31,269)
Smart Thermostat Pilot	\$113,616	27,527	27,527	1.02	1.02	\$3,040
Home Audit & Direct Install (South)	\$194,642	49,888	49,888	1.08	1.08	\$15,550
Hoosier	\$66,023	7,144	7,144	0.78	0.78	(\$14,701)
Low Income Wx (South)	\$237,664	137,534	137,534	3.02	3.02	\$481,987
Residential Behavior Letters (South)	\$73,510	340,244	340,244	2.31	2.31	\$96,856
Low Income Wx (North)	\$183,242	81,196	81,196	2.32	2.32	\$242,064
Contact Center	\$125,000	-	-	0.00	0.00	(\$8,750)
Aclara Software Licensing	\$131,760	-	-	0.00	0.00	(\$131,760)
Umbrella Marketing	\$687,826	-	-	0.00	0.00	(\$48,148)
Evaluation	\$76,165	-	-	0.00	0.00	(\$3,278)
CLEAResult Admin	\$809,142	-	-	0.00	0.00	(\$404,571)
Total	\$7,442,918	3,078,004	2,474,029	1.18	1.70	\$1,940,206

Notes:
 50% of the CLEAResult Admin was allocated to the CLEAResult Programs. The balance was allocated at the portfolio level.
 The Percentages used to distribute Non-Implementation/Incentive costs across the programs that CLEAResult implements did not change from the original plan.
 12% of the Evaluation Costs is put into the Nest Gas Pilot. This is based on requesting an additional \$37,174 in evaluation for this project.
 7% of the Contact Center and Umbrella Marketing line items were left allocated at the portfolio level.
 5% of the Evaluation Costs were left allocated at the portfolio level.
 2% of the Evaluation Costs were spread across the Vectren Admin Programs - based on original Evaluation costs provided earlier in the year.

Table 2. Budget Summary - Overall

Vectren Program Year 2 (1/2013 - 12/2013) Budget Summary			
Program	Original Program Budget	Actual Spend	% of Original Budget
Business Rebate	\$649,874	\$744,654	115%
Business Custom	\$730,147	\$383,081	52%
Residential Rebate	\$2,385,613	\$3,151,205	132%
Residential New Construction Pilot	\$40,732	\$46,126	115%
Multi-Family Direct Install	\$280,046	\$218,429	78%
Targeted Income (North)	\$259,688	\$200,832	77%
Smart Thermostat Pilot	\$121,412	\$113,616	93%
Home Audit & Direct Install (South)	\$179,097	\$194,642	109%
Hoosier Energy Wx Pilot	\$37,291	\$66,023	177%
Low Income Wx (South)	\$292,998	\$237,664	81%
Residential Behavior Letters (South)	\$76,933	\$73,510	96%
Low Income Wx (North)	\$750,000	\$183,242	24%
Contact Center	\$125,000	\$125,000	100%
Aclara Software Licensing	\$140,000	\$131,760	94%
Umbrella Marketing	\$750,000	\$687,826	92%
Evaluation	\$270,711	\$76,165	28%
CLEAResult Admin	\$721,242	\$809,142	112%
Unallocated Funding	\$262,709	\$0	0%
Total	\$7,911,349*	\$7,442,918	93%

Notes

Per the revised final December 2012 scorecard \$89,872 of funding was available for carry over into the 2013 program year. The overall budget was increased to \$8,001,221.

The carryover funding into 2014 is \$493,488, determined as follows: Revised Budget of \$8,001,221-Actual Spend of \$7,442,918 - 2013 SLA Holdback of Payment \$64,815.

Table 3. Gross Savings Summary - Natural Gas

Vectren Program Year 2 (1/2013 - 12/2013) Gross Therms Savings Summary			
Program	Original Gross Therm Goal	Actual Gross Therm Savings	% to Original Gross Therm Goal
Business Rebate	563,782	607,084	108%
Business Custom	459,313	217,161	47%
Residential Rebate	1,167,824	1,454,509	125%
Residential New Construction Pilot	6,820	1,092	16%
Multi-Family Direct Install	143,897	127,716	89%
Targeted Income (North)	20,051	26,908	134%
Smart Thermostat Pilot	38,130	27,527	72%
Home Audit & Direct Install (South)	49,888	49,888	100%
Hoosier Energy Wx Pilot	53,396	7,144	132%
Low Income Wx (South)	126,317	137,534	109%
Residential Behavior Letters (South)	214,374	340,244	159%
Low Income Wx (North)	373,137	81,196	22%
Contact Center	-	-	-
Aclara Software Licensing	-	-	-
Umbrella Marketing	-	-	-
Evaluation	-	-	-
CLEAResult Admin	-	-	-
Total	3,216,929	3,078,004	96%

Table 4. Net Savings Summary - Natural Gas

Vectren Program Year 1 (12/2011 - 12/2012) Net Therms Savings Summary			
Program	Original Net Therm Goal	Actual Net Therm Savings	% to Original Net Therm Goal
Business Rebate	445,015	510,445	115%
Business Custom	344,485	162,871	47%
Residential Rebate	799,610	1,001,828	125%
Residential New Construction Pilot	5,627	728	13%
Multi-Family Direct Install	143,897	127,716	89%
Targeted Income (North)	20,051	26,908	134%
Smart Thermostat Pilot	38,130	27,527	72%
Home Audit & Direct Install (South)	49,876	49,888	100%
Hoosier Energy Wx Pilot	5,396	7,144	132%
Low Income Wx (South)	126,317	137,534	109%
Residential Behavior Letters (South)	214,374	340,244	159%
Low Income Wx (North)	373,137	81,196	22%
Contact Center	-	-	-
Aclara Software Licensing	-	-	-
Umbrella Marketing	-	-	-
Evaluation	-	-	-
CLEAResult Admin	-	-	-
Total	2,565,915	2,474,029	96%

Table 5. Cost Effectiveness Summary - Natural Gas

Vectren Program Year 2 (1/2013 - 12/2013) Cost Effectiveness Summary				
Program	Planned TRC	Actual TRC	Planned Net Benefits	Actual Net Benefits
Business Rebate	1.06	1.73	\$87,577	\$908,250
Business Custom	1.14	0.71	\$218,872	(\$285,986)
Residential Rebate	1.12	1.13	\$566,615	\$816,861
Residential New Construction Pilot	1.72	0.29	\$43,807	(\$32,461)
Multi-Family Direct Install	1.77	2.03	\$251,684	\$289,852
Targeted Income (North)	0.80	0.87	(\$59,009)	(\$34,109)
Smart Thermostat Pilot	1.44	1.02	\$3,340	\$3,040
Home Audit & Direct Install (South)	1.16	1.08	\$29,713	\$15,550
Hoosier Energy Wx Pilot	1.04	0.78	\$1,474	(\$14,701)
Low Income Wx (South)	2.24	3.02	\$365,723	\$481,987
Residential Behavior Letters (South)	1.38	2.31	\$29,763	\$96,856
Low Income Wx (North)	-	2.32	-	\$242,064
Contact Center	-	-	(\$8,410)	(\$8,750)
Aclara Software Licensing	-	-	(\$140,000)	(\$131,760)
Umbrella Marketing	-	-	(\$50,462)	(\$48,148)
Evaluation	-	-	(\$12,724)	(\$3,278)
CLEAResult Admin	-	-	(\$363,492)	(\$417,991)
Total	1.10	1.18	\$978,305	\$1,940,206

Notes:

Low Income Wx (North) was approved at mid-year. Assumes TRC is same as Low Income Wx (South).

Planned TRC is based on original plan approved by Vectren OSB. Additional programs were added throughout the year which had their own TRCs. The Actual TRC values show the entire portfolio is cost effective.

Equipment Verifications

For 2013, there were 414 on-site combined residential and commercial QA/QC inspections performed to ensure that contractors and/or homeowners were in compliance with program requirements. With the exception of one contractor, there were no egregious issues or fraud identified as a result of the inspections with most issues being minor in nature, such as transposed or incorrect model or serial numbers. In each of these situations, the qualifying furnaces were installed and operational.

The contractor found to be performing substandard work was Force Mechanical (Force). Early in 2013, CLEAResult discovered Force was performing substandard duct sealing. CLEAResult attempted to work closely with Force to improve the quality of their installations through feedback and trainings. Unfortunately, Force was unwilling to cooperate with the program team and refused to go back and remediate their substandard work. Force was promptly removed from the program and CLEAResult paid to bring their duct sealing work into compliance with program guidelines.

Trade Ally Outreach

In 2013, CLEAResult outreach staff contacted trade allies through in-person visits, emails, and phone calls. In-person contacts were critical to the success of the program. They helped establish a direct line of communication for the trade allies, enabling outreach staff to develop visibility and a stronger connection with the program. Contractors and distributors understand that they have a liaison between themselves and the utility to assist when questions or issues arise with the rebate process. Outreach staff makes it a priority to address trade ally issues in a timely manner with same day response being the objective.

CLEAResult began the year with a trade ally rollout letter outlining the changes to the programs for 2013. This letter went out to almost 2,500 trade allies. Follow up calls were made to many of the trade ally participants in the program to make sure they received the letters and to reaffirm their point of contact in the program. In addition to the letter, CLEAResult staff was in attendance at major manufacturer dealer meetings held in the first quarter. Those dealer meetings included Carrier, Trane, American Standard, Armstrong and Tempstar. We also held trade ally webinars for those who are unable to attend in person meetings.

In 2013, CLEAResult created several trade ally marketing pieces. These include: a 'Selling Savings' postcard for the Business Rebate program; a 'Boiler tune-up' mailer for the Business Rebate program; a Trade Ally newsletter; and insulation and duct sealing mailer for the Residential Rebate program.

Realizing the need to have a greater presence in the Vectren South territory, CLEAResult added a trade ally coordinator in May, 2013. The trade ally coordinator is based in Evansville and has done a great job raising the visibility of the programs in that area and establishing and enhancing relationships with trade allies.

Over the course of the year, our trade ally and program management team regularly attended several industry trade group meetings. These include: the Association of Energy Engineers, ASHRAE, National Association of Power Engineers and others. Attending these meeting gave the team the chance to promote the program to a large group of trade allies in one setting and also be able to answer questions in person.

Table 6. CLEAResult Contacts by Contact Type

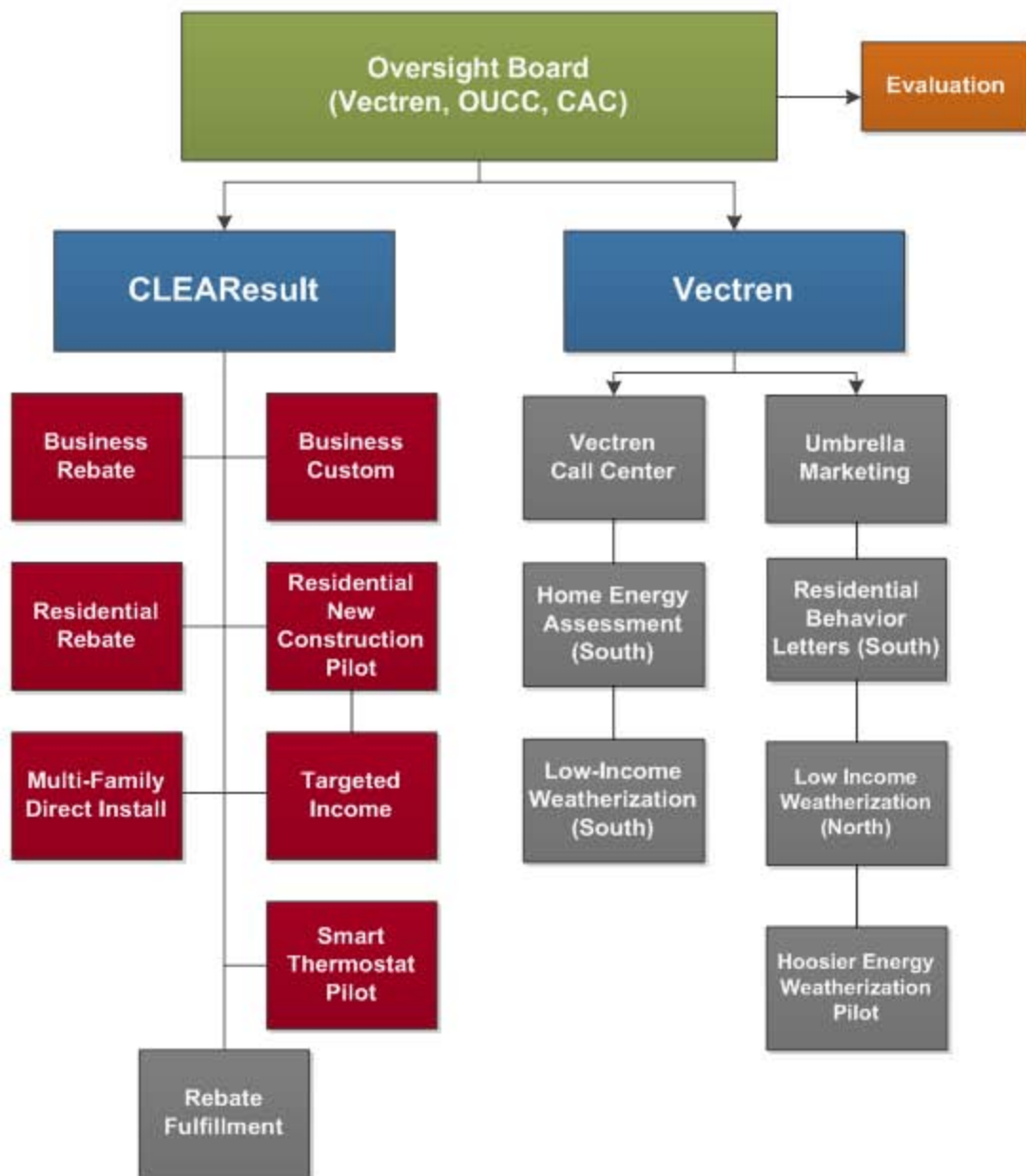
Type	Total
Builder	26
Contractor	1,653
Distributor	12
Property Management	0
Other	77
Total	1,768

Table 7. Vectren Contacts

Type	Total
Residential Customers	298
Commercial Customers	635
HVAC	329
Builders/Developers	366
Plumbers	302
Other	182
Total	2,112

Program Year 2 Portfolio Structure

Program Year 2 Portfolio Structure (January 2013 – December 2013)



Business Rebate Program



Business Rebate Program

Program Overview and Objectives

The Business Rebate Program provides cash-back incentives for the installation of natural gas energy efficiency improvements. In order to qualify for program incentives, participants must be active general service customers of VEDI under Rate 120 or 125 for Vectren South customers or Rate 220 or 225 for Vectren North customers.

The program incentivizes measures at existing and new facilities. Cash-back incentives are available for approved energy saving measures and equipment including natural gas boilers and controls, natural gas furnaces, and natural gas water heaters. Customers may apply for incentives directly or with assistance from the trade ally network. Customers may elect to have the incentive amount reflected on the trade ally invoice and assign the rebate payments to go directly to the trade ally.

Payments are issued to eligible customers after submitting a completed application along with a copy of the invoice for the equipment installed. CLEAResult used our Incentive Processing Center (IPC) to fulfill payment requests.

In an effort to realize maximum therms savings for the program year, CLEAResult performed the direct install of aerators and pre-rinse spray valves at various locations in the service territory. The largest of these installations was Camp Atterbury. CLEAResult kept the Oversight Board informed of the program progress as the installation occurred.

By working closely with our trade allies, and heavily marketing the boiler tune-up and steam traps, CLEAResult successfully increased program participation during the second half of the 2013 program year. We exceeded the goal of 563,782 therms and saved 607,084 therms which is 108 percent of the gross therm goal. We were able to achieve this therm savings level and stay within the adjusted incentive budget of \$382,258.

Table 8 includes a complete list of Business Rebate measures offered. The values listed for rebate amounts per unit and gross therms per unit are from the approved BRDs.

Table 8. Measures and Incentives – Natural Gas

Measures	Rebate/Unit Actual	Rebate/Unit Estimated	Gross Therm/Unit Actual	Gross Therms/Unit Estimated
Aerator - 1.0 < GPM	\$9	\$9	78	38
Boiler - Modulating burner control	\$0	\$1,000	0	1,152
Boiler - 90% AFUE	\$3,076	\$1,000	2,533	2,127
Boiler Reset Control	\$0	\$250	0	1,152
Boiler Tune - up	\$224	\$200	652	1,255
Furnace 92% AFUE @ \$150	\$151	\$150	167	241
Furnace 95% AFUE @ \$250	\$250	\$250	229	293
Furnace 95% AFUE	\$275	\$275	231	293
Pre-rinse Spray Valve – DI Institution	\$150	\$150	525	525
Pre-rinse Spray Valve – DI Restaurant	\$150	\$150	286	286
Pre-rinse Spray Valve – DI School	\$150	\$150	201	201
Outside Pool Cover	\$0	\$500	0	291
Programmable Thermostat	\$23	\$25	50	50
Steam Trap Replacement - High P	\$0	\$200	0	500
Steam Trap Replacement - Low P	\$175	\$175	1,157	100
Infrared Heater	\$613	\$700	451	451
Inside Pool Cover	\$0	\$750	0	500
Turbo Pot	\$75	\$75	216	216
Gas Fryer	\$500	\$500	691	691
Steam Table	\$0	\$750	0	1,299
Convection Oven	\$750	\$750	306	479
Low Temp Dishwasher	\$0	\$150	0	352
High Temp Dishwasher	\$0	\$150	0	489
Instantaneous Hybrid WH <30 Gallon	\$0	\$125	0	44
Water Heater - .82 EF Tankless	\$150	\$150	49	64

Water Heater ≥ 0.67 EF @ \$125	\$125	\$125	62	62
Water Heater 88% TE	\$150	\$150	115	125

Program Marketing

In 2013, the Business Rebate program team relied heavily on our trade ally staff for outreach activities geared toward trade allies and measure-specific marketing strategies to promote the program. With established trade ally relationships and frequent outreach to numerous new contacts, our trade ally outreach staff played a pivotal role in program success. Many of the trade allies undertook marketing activities on their own to promote the program.

Drawing from customer ties developed as a result of maintenance contracts and equipment

retrofits/replacements, trade allies helped upsell qualifying

energy efficient equipment. CLEAResult trade ally staff attended several outreach events. A sample of the events is listed in table 9 below. A list of marketing pieces used is noted in table 10 below.

Additional marketing activities were undertaken in support of the Direct Install program. Commercial customers received education and training in the form of product fact sheets, phone calls, and site visits to promote low-flow sink aerators and pre-rinse spray valves. We successfully installed 3,270 sink aerators and 78 pre-rinse spray valves and saved over 276,000 therms. These units were installed at no charge to the customer.

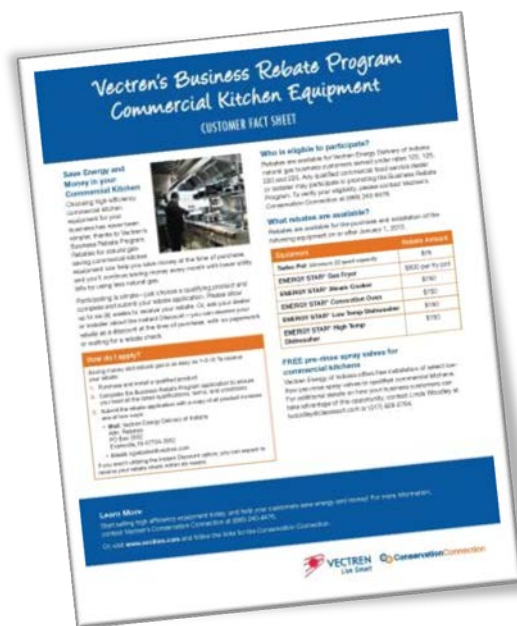


Table 9 lists all of the events and meetings that were attended or held in 2013.

Table 9. Events & Meetings

Event / Meeting	Date or Frequency
B & B Energy Presentation- Indianapolis	2/2013
Heating & Air Conditioning Alliance of Indiana-Indianapolis	8/2013
Brock Grain Systems-Frankfort	9/2013
Indiana National Guard-Indianapolis	9/2013
Enviromax-Indianapolis	10/2013
Van Valer Mechanical – Greenwood	11/2013
Baker Specialties – Indianapolis	11/2013
NAPE Meetings – Indianapolis	Quarterly
AEE Meetings – Indianapolis	Quarterly

Table 10 lists the marketing initiatives that were used to promote the program.

Table 10. Marketing Initiatives in PY2

Marketing Piece	Date Initiated
2013 Program Letter	1/2013
Commercial Kitchen Fact Sheet	2/2013
Application	1/2013
Fact Sheet	1/2013
Spray Valve Email	3/2013
Instant Discount Fact Sheet	4/2012
Boiler Fact Sheet	9/2012

Program Results

In 2013, the program issued rebates for 62 boilers, which brought in 157,028 in savings, which was 246 percent of the measure's gross goal, and 28 percent of the program goal. CLEAResult also installed 3,270 sink aerators, which saved 256,068 therms, which was 1,123 percent of the measure's gross goal, and 45 percent of the program goal. Additionally, the program paid rebates for 26 low pressure steam traps and 71 infrared heaters.

CLEAResult achieved 607,084 therms utilizing an incentive budget of \$379,479. The original program budget of \$228,175 was supplemented with additional funding as a result of the midyear true-up and two funding memos.

Below are several tables that show the details of the program results. Table 11 is the participation log. Table 12 is the program participation results. Table 13 is the program incentive budget results. Table 14 is the program gross savings results. Table 15 is the program net savings results. Table 16 is the overall program budget results.

Table 11. Participation Log – Natural Gas

Month	Program Participation	Gross Therms Saved	% of PY2 Total Gross Therms
January	72	32,564	1%
February	46	12,257	.5%
March	1,682	150,305	6%
April	748	66,649	3%
May	455	49,789	2%
June	568	55,285	2%
July	177	20,359	1%
August	26	43,498	2%
September	24	6,348	0%
October	45	30,828	1%
November	31	36,318	2%
December	163	102,884	4%
Total PY2	4,037	607,084	25%

Table 12. Program Participation Results - Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Aerator - 1.0 < GPM	3,270	600	545%
Boiler - Modulating burner control	0	1	0%
Boiler - 90% AFUE	62	30	207%
Boiler Reset Control	0	7	0%
Boiler Tune - up	62	196	32%
Furnace 92% AFUE @ \$150	51	85	60%
Furnace 95% AFUE @ \$250	67	15	447%
Furnace 95% AFUE	120	30	400%
Pre-rinse Spray Valve – DI Institution	5	70	7%
Pre-rinse Spray Valve – DI Restaurant	27	60	45%
Pre-rinse Spray Valve – DI School	46	170	27%
Outside Pool Cover	0	10	0%
Programmable Thermostat	86	101	85%
Steam Trap Replacement - High P	0	6	0%
Steam Trap Replacement - Low P	26	44	59%
Infrared Heater	71	21	338%
Inside Pool Cover	0	7	0%
Turbo Pot	12	72	17%
Gas Fryer	9	21	43%
Steam Table	0	10	0%
Convection Oven	4	14	29%
Low Temp Dishwasher	0	23	0%
High Temp Dishwasher	0	25	0%
Instantaneous Hybrid WH <30 Gallon	0	11	0%
Water Heater - .82 EF Tankless	116	7	1,657%
Water Heater ≥ 0.67 EF @ \$125	1	1	100%

Water Heater 88% TE	2	7	29%
Total	4,037	1,644	245.6%

Table 13. Program Incentive Budget Results - Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Aerator - 1.0 < GPM	\$29,430	\$5,400	545%
Boiler - Modulating burner control	\$0	\$1,000	0%
Boiler - 90% AFUE	\$190,705	\$30,000	636%
Boiler Reset Control	\$0	\$1,750	0%
Boiler Tune - up	\$13,895	\$39,200	35%
Furnace 92% AFUE @ \$150	\$7,700	\$12,750	60%
Furnace 95% AFUE @ \$250	\$16,750	\$3,750	447%
Furnace 95% AFUE	\$33,000	\$8,250	400%
Pre-rinse Spray Valve – DI Institution	\$750	\$10,500	7%
Pre-rinse Spray Valve – DI Restaurant	\$4,050	\$9,000	45%
Pre-rinse Spray Valve – DI School	\$6,900	\$25,500	27%
Outside Pool Cover	\$0	\$5,000	0%
Programmable Thermostat	\$1,975	\$2,525	78%
Steam Trap Replacement - High P	\$0	\$1,200	0%
Steam Trap Replacement - Low P	\$4,550	\$7,700	59%
Infrared Heater	\$43,550	\$14,700	296%
Inside Pool Cover	\$0	\$5,250	0%
Turbo Pot	\$900	\$5,400	17%
Gas Fryer	\$4,500	\$10,500	43%
Steam Table	\$0	\$7,500	0%
Convection Oven	\$3,000	\$10,500	29%
Low Temp Dishwasher	\$0	\$3,450	0%
High Temp Dishwasher	\$0	\$3,750	0%

Instantaneous Hybrid WH <30 Gallon	\$0	\$1,375	0%
Water Heater - .82 EF Tankless	\$17,400	\$1,050	1,657%
Water Heater ≥ 0.67 EF @ \$125	\$125	\$125	100%
Water Heater 88% TE	\$300	\$1,050	28.6%
Total	\$379,479	\$228,175	166%

Table 14. Program Gross Savings Results - Natural Gas

Measures	Actual Gross Therms	Original Gross Therm Goal	% to Original Goal
Aerator - 1.0 < GPM	256,068	22,800	1,123%
Boiler - Modulating burner control	0	1,152	0%
Boiler - 90% AFUE	157,028	63,823	246%
Boiler Reset Control	0	8,064	0%
Boiler Tune - up	40,429	245,915	16%
Furnace 92% AFUE @ \$150	8,528	20,485	42%
Furnace 95% AFUE @ \$250	15,338	4,395	349%
Furnace 95% AFUE	27,709	8,790	315%
Pre-rinse Spray Valve – DI Institution	2,625	36,750	7%
Pre-rinse Spray Valve – DI Restaurant	7,722	17,160	45%
Pre-rinse Spray Valve – DI School	9,246	34,170	27%
Outside Pool Cover	0	2,910	0%
Programmable Thermostat	4,300	5,050	85%
Steam Trap Replacement - High P	0	3,000	0%
Steam Trap Replacement - Low P	30,070	4,400	683%
Infrared Heater	32,021	9,471	338%
Inside Pool Cover	0	3,500	0%
Turbo Pot	2,592	15,552	17%
Gas Fryer	6,219	14,511	43%
Steam Table	0	12,990	0%

Convection Oven	1,224	6,706	18%
Low Temp Dishwasher	0	8,096	0%
High Temp Dishwasher	0	12,225	0%
Instantaneous Hybrid WH <30 Gallon	0	484	0%
Water Heater - .82 EF Tankless	5,675	448	1,267%
Water Heater ≥ 0.67 EF @ \$125	63	62	101%
Water Heater 88% TE	229	873	26%
Total	607,084	563,781	108%

Table 15. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therm Goal	% to Original Goal
Aerator - 1.0 < GPM	243,265	21,660	1,123%
Boiler - Modulating burner control	0	864	0%
Boiler - 90% AFUE	117,771	47,867	246%
Boiler Reset Control	0	6,048	0%
Boiler Tune - up	30,322	184,436	16%
Furnace 92% AFUE @ \$150	6,396	15,364	42%
Furnace 95% AFUE @ \$250	11,503	3,296	349%
Furnace 95% AFUE	20,782	6,593	315%
Pre-rinse Spray Valve – DI Institution	2,494	34,913	7%
Pre-rinse Spray Valve – DI Restaurant	7,336	16,302	45%
Pre-rinse Spray Valve – DI School	8,784	32,462	27%
Outside Pool Cover	0	2,183	0%
Programmable Thermostat	3,225	3,788	85%
Steam Trap Replacement - High P	0	2,250	0%
Steam Trap Replacement - Low P	22,553	3,300	683%
Infrared Heater	24,016	7,103	338%
Inside Pool Cover	0	2,625	0%

Turbo Pot	1,944	11,664	17%
Gas Fryer	4,664	10,883	43%
Steam Table	0	9,743	0%
Convection Oven	918	5,030	18%
Low Temp Dishwasher	0	6,072	0%
High Temp Dishwasher	0	9,169	0%
Instantaneous Hybrid WH <30 Gallon	0	363	0%
Water Heater - .82 EF Tankless	4,256	336	1,267%
Water Heater \geq 0.67 EF @ \$125	47	46	101%
Water Heater 88% TE	172	655	26%
Total	510,445	445,015	115%

Table 16. Program Budget Results – Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Business Rebate Program	\$744,654	\$649,874	115%

Lessons Learned

We continued to learn about properly budgeting for the 90% AFUE boiler measure. The original budget for the program was only \$30,000 and the program paid out \$190,705 in incentives. The additional funding provided by the midyear true-up and two funding memos helped to cover the budget overage. In addition, at the midyear true-up, the largest boilers, over 2,000 MBH were required to be evaluated through the Business Custom program. The boiler rebate has been revised for 2014 year to be a tiered rebate based on boiler size in an attempt to properly budget for the program.

Late in 2013, CLEAResult began a push to enroll steam traps from dry cleaners. This measure had little success in 2013, but we anticipate greater success in 2014. Direct installs represented 45 percent of the therms saving totals for the program year. While these savings levels made a substantial contribution to the overall program goal achievement, it is important to offer a wider range of measures in a program portfolio. We have revised our program mix for 2014 in order to reach a wider customer base. Feedback

from our trade allies and our trade alley outreach team was invaluable in the development of the more diverse program measure mix that will be offered in 2014. This includes:

- Condensing Boiler being offered under a tiered rebate structure from \$500 to \$5,000, depending on size.
- Steam Traps being offered under a 3 tier system instead of 2, with an increased rebate for the high pressure steam traps to \$250.
- Addition of the following kitchen equipment: Combination Oven, Energy Star Griddle, Infrared Upright Broiler and Infrared Charbroiler.

Plan for Next Program Year

For 2014, we have revised the method in which boiler rebates will be calculated. For program year 2014, boiler rebates will be paid based on a tiered methodology, relative to the size of the boiler. The result of this change will have a major impact on the cost effectiveness of this measure.

The commercial kitchen equipment program will be expanded in 2014. Added to the commercial kitchen equipment list will be various pieces of equipment including infrared upright broiler and infrared charbroilers. Dishwashers will be removed from the program, due to no performance with this measure.

We have received a large number of referrals from Customer Link, our call center, which indicates customers are actively seeking information about ways to reduce energy consumption and available rebates. The CLEARResult team plans to increase its marketing and outreach efforts in 2014 and we are working with our communications department to develop marketing collateral that will help us reach a wider customer base.

Conclusion

The Business Rebate Program exceeded the savings goal while staying within the revised incentive budget. In doing so, CLEARResult was also able to exceed the original 2013 program goals. While we are satisfied with the program results, CLEARResult is working to deliver a diverse and cost effective program for 2014 that is not heavily reliant on direct install measures.

Business Custom Rebate Program



Business Custom Rebate Program

Program Overview and Objectives

The Business Custom Rebate Program provides cash-back incentives to commercial customers for the installation of natural gas energy efficiency improvements. In order to qualify for program incentives, participants must be active general service customers of VEDI under Rate 120 or 125 for Vectren South customers or Rate 220 or 225 for Vectren North customers.

The program incentivizes measures at existing and new facilities. Cash-back incentives are available on approved energy saving measures not already incentivized through the Business Rebate Program, including heat recovery, shell measures, economizers, energy management systems and demand control ventilation. Customers may apply for incentives directly or with assistance from a trade ally. Customers may elect to have the incentive amount reflected on trade ally invoice and assign rebate payments to go directly to the trade ally.

Rebates were paid at the rate of \$0.50 per therm for projects under 7,500 therms, \$0.75 per therm for projects equal to or greater than 7,500 therms and less than 25,000 therms, and all therms saved over 25,000 were paid at \$1.00 per them up to \$50,000 maximum. Project rebates are limited to 50 percent of the total project costs and must have a simple payback of more than 12 months.

In order to qualify for a rebate under the Business Custom Program, customers must submit an application for their project for review prior to the start of their project. Submitted projects are reviewed for program eligibility and then receive an engineering review to confirm therms savings calculations. After the engineering review is completed and if the project is approved, customers are notified of the amount of the rebate that will be reserved for their project. Customers have 90 days from the date of notification of approval to complete their project. If the project last longer than 90 days an extension can be requested.

Once a project is complete, customers are required to submit a final application that indicates any changes from the original scope of the project. Quality assurance and quality control procedures are undertaken in order to confirm that a project is complete before payments are issued. Payments are issued to eligible customers after submitting a final application along with a copy of the invoice for the equipment installed. CLEAResult used our Incentive Processing Center (IPC) to fulfill payment requests. Table 17 lists the measures and incentives within the program.

Table 17. Measures and Incentives – Natural Gas

Measures	Rebate/Unit Average	Gross Therms/Unit Average
Small Projects (< 7500 therms)	\$2,234.77	4,469.5
Large Projects (≥ 7500 but < 25,000 therms)	\$10,162.02	13,549.4
Max. Incentive Projects (≥ to 25,000 therms)	\$33,068.57	44,091.4

Program Marketing

In 2013, CLEAResult added a trade ally coordinator to cover the Vectren South territory. This allowed us the opportunity to double the amount of trade ally outreach time in the Vectren service territory. Our South representative covered the triangle from Evansville to Terre Haute to Jeffersonville, while our other trade ally coordinator covered the remaining territory.

The CLEAResult program team combined trade ally outreach with direct customer contact to promote the custom program. With established trade ally relationships and frequent outreach to numerous new contacts, our trade ally outreach staff played a pivotal role in program success. A concentrated effort was made to reach out to trade allies and walk them through the application process and answer questions. Contractor inquiries are responded to immediately and the program team is readily available to assist with the application process or meet with a contractor to discuss a project.

Program management staff also contributed to the marketing effort with frequent in-person meetings and phone calls to customers and trade allies to promote the custom program. Many of the trade allies became champions of the program themselves and took the initiative to promote the program to their customers. In 2013, a program fact sheet was created. It highlighted past participants and included a program overview.

Many of the trade allies were active participants in both the Business Rebate program and the Business Custom program. With this overlap, in 2013, outreach staff initiated over 1,700 points of contacts with trade allies either in person, or via email and phone calls. In person contacts were critical to the success of the program as they helped establish a direct line of communication for the trade allies, enabling outreach staff to develop a feeling of trade ally trust with the program. Contractors and distributors were made aware that both the outreach staff and program manager were readily available to assist when they had questions, or as issues arise regarding the rebate process.

Program Results

For program year 2013, CLEAResult was able to achieve 217,161 gross therms savings and successfully completed 22 custom projects. This represents achieving only 47 percent of the year end savings goal.

In the first half of the year CLEAResult struggled to fill the pipeline. Recognizing that it would be difficult to attain the year end savings goal, the forecast was reduced to 337,369 at the mid-year true-up. The program was not able to achieve this goal, despite the revision.

As a result of the program change approved at the mid-year true up, the Custom Program approved 8 large boilers yielding over 18,000 therms.

Several large projects that were delayed in 2013 are scheduled to move forward in 2014. In addition, CLEAResult has developed several very strong relationships with our trade allies. We are actively staying abreast of new projects on the drawing board and steadily building up the custom pipeline.

Below are several tables that show the details of the program results. Table 18 is the participation log. Table 19 is the program participation results. Table 20 is the program incentive budget results. Table 21 is the program gross savings results. Table 22 is the program net savings results. Table 23 is the overall program budget results.

Table 18. Participation Log – Natural Gas

Month	Program Participation	Gross Therms Saved	% of PY2 Total Gross Therms
January	0	0	0%
February	0	0	0%
March	1	2,589	.1%
April	1	1,473	.1%
May	1	4,014	.2%
June	1	15,894	.7%
July	2	5,543	.2%
August	0	0	0%
September	11	105,119	4.3%
October	0	0	0%
November	4	55,720	2.3%
December	1	26,809	1.1%
Total PY2	22	217,161	8.9%

Table 19. Program Participation Results - Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Small Projects (< 7500 therms)	16	11	145.5%
Large Projects (≥ 7500 but < 25,000 therms)	2	14	14.3%
Max. Incentive Projects (≥ to 25,000 therms)	4	5	80.0%
Total	22	30	73.3%

Table 20. Program Incentive Budget Results - Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Small Projects (< 7500 therms)	\$30,036	\$24,582	122.2%
Large Projects (≥ 7500 but < 25,000 therms)	\$21,789	\$142,268	15.3%
Max. Incentive Projects (≥ to 25,000 therms)	\$107,076	\$165,343	64.8%
Total	\$158,901	\$332,194	47.8%

Table 21. Program Gross Savings Results - Natural Gas

Measures	Actual Gross Therms	Original Gross Therms Goal	% to Original Goal
Small Projects (< 7500 therms)	56,034	49,165	114.0%
Large Projects (≥ 7500 but < 25,000 therms)	29,052	189,691	15.3%
Max. Incentive Projects (≥ to 25,000 therms)	132,075	220,457	59.9%
Total	217,161	459,313	47.3%

Table 22. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therms Goal	% to Original Goal
Small Projects (< 7500 therms)	42,026	36,874	114.0%
Large Projects (≥ 7500 but < 25,000 therms)	21,789	142,268	15.3%
Max. Incentive Projects (≥ to 25,000 therms)	99,056	165,343	59.9%
Total	162,871	344,485	47.3%

Table 23. Program Budget Results – Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Business Custom Program	\$383,081	\$730,147	52%

Lessons Learned

It is critical to program success to keep a full and current pipeline of projects. Several projects scheduled for completion in 2013 experienced projects delays or were simply cancelled and we were not able to make-up the shortfall in time to meet the program goal. Some of the delayed, that appear to be viable projects, have been rolled into 2014.

We also realized the importance of continuous follow-up with contractors in order ensure we keep abreast of pending projects. Several projects were ineligible for the program because the contractor had failed to get the required project approval prior to the start of the program.

One of the challenges to the program is the ongoing perception by contractors that the application process was too complicated and not worth the effort to apply for a rebate. The CLEARResult staff continually stressed the availability of our team to assist with the application process and making in person visits to offer assistance during the application process, we were able to break down some of these perceptions, which will hopefully deliver projects in 2014.

At the end of the year, CLEARResult changed the manager of the program. One of their goals was to have greater scrutiny on prequalifying projects so that they do not make it into the pipeline until there is some real likelihood of proceeding.

Plan for Next Program Year

The rebate levels will remain the same in 2014: For those projects under 7,500 therms savings, rebates will be paid at \$0.50 per therm. For those projects larger than 7,500 but less than 25,000 therms savings, rebates will be paid at \$0.75 per therm. For those projects equal or greater than 25,000 therms savings, the first 24,999 therms will be paid at \$0.75 per therm and all savings above 24,999 therms savings will be paid at \$1.00 per therm.

Conclusion

The Business Custom Program achieved 217,161 therms or 47 percent of the program goal of 459,313 therms. This marks the second year in a row the program has not been able to achieve the lofty goals presented. For 2014, the goal has been reduced to a more reasonable and achievable 337,000 therms. The relationships that were developed and the marketing knowledge that was gained during the 2013 program year has positioned the custom program to meet the 2014 program goal.

Residential Rebate Program



CLEAResult

Residential Rebate Program

Program Overview and Objectives

The Residential Rebate Program offers cash incentives to end-use customers to save energy, help cover the incremental cost to make efficiency improvements and drive the market to promote and stock more efficient technologies. The incentives are available to Vectren residential customers who are replacing equipment upon or prior to failure and in newly constructed homes. For 2013, CLEAResult added rebates for insulation and duct sealing to the program.

The program was offered to Vectren residential gas customers with active accounts. Payments were issued to eligible customers after submitting a complete application, along with an itemized copy of the contractor's invoice. CLEAResult used its Incentive Processing Center (IPC) to fulfill payment requests. Contractors were provided the option to offer an instant discount on the invoice as an added incentive to customers.

The Residential Rebates Program exceeded the anticipated forecast in the first half of 2013. Reevaluating potential and feasibility, the program revised the participation forecast in June as part of the Mid-year True Up. Forecasted participation levels were increased through the Mid Year True-Up Plan.

The program performed exceptionally well through the remainder of 2013 and exceeded the program goals by year end. As a result, CLEAResult requested additional funding from Vectren in October and December in order to pay incentive budget overages. The funding requests were approved and the program was operational throughout the entire year.

The prescriptive gas residential rebates saved 1,454,509 therms, which was 125 percent of the original program year goal.

Table 24 includes a complete list of prescriptive measures offered. The values listed for rebate amounts per unit and gross therms per unit are from the approved BRDs.

Table 24. Measures and Incentives - Natural Gas

Measures	Rebate/Unit	Gross Therms/Unit
Boiler 90% AFUE @ \$300	\$300	112
Furnaces 95% AFUE	\$275	135
Furnaces 95% AFUE @ \$250	\$250	135
Furnaces 92% AFUE	\$150	112
Water Heater - .82 EF Tankless Carryover	\$150	56
Water Heaters > 0.67 EF @ \$125 Carryover	\$125	27
Programmable Thermostats	\$20	35
Attic Insulation	\$450	87
Duct Sealing	\$400	122
Wall Insulation	\$450	341



Figure 2: Business & Residential Instant Discount Option Sheet

Program Marketing

In 2013, the program team focused outreach activities geared toward trade allies and measure-specific marketing strategies. Since the offerings of the Residential Rebate Program helped upsell qualifying energy efficient equipment, trade allies served as a marketing tool in themselves due to their relationships with customers through maintenance contracts or specific equipment retrofits/replacement.

Outreach associates provided trade ally awareness of the program offerings through trade ally events, in-person meetings, phone

correspondence, and emails. Trade allies were equipped with training and marketing materials for use in upselling customers to premium high efficiency products. The team provided trade allies and end use

customers a trade ally fact sheet, customer fact sheet, instant discount fact sheet, and tri-fold program brochure. In 2013, outreach staff initiated over 1,700 contacts with trade allies to promote the Vectren programs.

Also in 2013, additional trade ally engagement efforts were implemented as part of program training for the new insulation and duct sealing measures. CLEAResult launched a series of trade ally trainings across Vectren's service territory to promote the new shell measures during January - March. In order to offer these rebates, trade allies were required to attend a training session and execute an agreement indicating they would install the measures according to program guidelines. Equipped to effectively deliver the insulation and duct sealing measures, contractors left the trainings with a packet of measure-specific insulation and duct sealing promotional materials and a thorough understanding of the installation requirements. By the end of 2013, over 90 trade allies attended training and signed-up as participating contractors in the insulation and duct sealing measures. Participating duct sealing contractors performed over 897 installs through the program in 2013.

Table 25 lists the main events and meetings CLEAResult attended and/or participated in the initial Program Year. Table 26 below outlines the marketing pieces produced for the 2013 program.

Table 25. Events/Meetings Attended

Event / Meeting	Date or Frequency
Monroe County Building Association-Bloomington	2/2013
Koch Dealer Meeting-Indianapolis	2/2013
Duncan Supply Dealer Meeting – Indianapolis, Terre Haute, Bloomington	3/2013
Trane Dealer Meeting-Merrillville	3/2013
PHCC Presentation – Indianapolis	4/2013
Property One Group - Indianapolis	5/2013
G.W. Berkheimer Dealer Meeting – Merrillville	5/2013
Koch Dealer Meeting - Indianapolis	8/2013
Berkheimer Dealer Meetings(3)-Indianapolis, Fishers, Lafayette	10/2013
Ryland Homes-Indianapolis	10/2013
Dial One/Ben Franklin - Indianapolis	10/2013

Table 26. Marketing Initiatives in PY2

Marketing Piece	Date Initiated
Customer Fact Sheet	12/2012
Trade ally Fact Sheet	12/2012
Instant Discount Fact Sheet	12/2012
Trifold Program Brochure	6/2012

Program Results

The prescriptive gas rebate portion of the program relies heavily on furnace rebates for gas goal attainment. In 2013, the program issued rebates for 9,037 furnaces. The program's second most popular measure was programmable thermostats followed by the insulation and duct sealing measures.

Below are several tables that show the details of the program results. Table 27 is the participation log. Table 28 is the program participation results. Table 29 is the program incentive budget results. Table 30 is the program gross savings results. Table 31 is the program net savings results. Table 32 is the overall program budget results.

Table 27. Participation Log – Natural Gas

Month	Program Participation	Gross Therms Saved	% of PY2 Total Gross Therms
January	1,414	140,897	6%
February	1,181	116,368	5%
March	1,101	113,937	5%
April	1,172	115,189	5%
May	1,138	111,038	5%
June	1,078	104,789	4%
July	1,069	104,842	4%
August	1,139	108,026	4%
September	1,008	101,510	4%
October	1,392	138,986	6%
November	1,242	123,379	5%
December	1,738	175,546	7%
Total PY2	14,672	1,454,509	60%

Table 28. Program Participation Results - Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Boiler 90% AFUE	28	35	80%
Furnaces 95% AFUE	4,259	2,678	159%
Furnaces 95% AFUE @ \$250	3,062	1,582	194%
Furnaces 92% AFUE	1,716	1,709	100%
Water Heater - .82 EF Tankless Carryover	83	30	277%
Water Heaters > 0.67 EF @ \$125 Carryover	51	110	46%
Programmable Thermostats	4,576	3,500	131%
Attic Insulation	200	535	37%
Duct Sealing	599	700	86%
Wall Insulation	98	405	24%
Total	14,672	11,284	130%

Table 29. Program Incentive Budget Results - Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Boiler 90% AFUE @ \$300	\$8,400	\$10,500	80%
Furnaces 95% AFUE	\$1,170,975	\$736,450	159%
Furnaces 95% AFUE @ \$250	\$765,500	\$395,500	194%
Furnaces 92% AFUE	\$257,420	\$256,350	100%
Water Heater - .82 EF Tankless Carryover	\$12,450	\$4,500	277%
Water Heaters > 0.67 EF @ \$125 Carryover	\$6,375	\$13,750	46%
Programmable Thermostats	\$91,465	\$70,000	131%
Attic Insulation	\$79,788	\$240,750	33%
Duct Sealing	\$235,574	\$280,000	84%
Wall Insulation	\$33,555	\$182,250	18%
Total	\$2,661,501	\$2,190,050	122%

Table 30. Program Gross Savings Results - Natural Gas

Measures	Actual Gross Therms	Original Gross Therms Goal	% to Original Goal
Boiler 90% AFUE	3,136	3,920	80%
Furnaces 95% AFUE	574,965	361,530	159%
Furnaces 95% AFUE @ \$250	413,370	213,570	194%
Furnaces 92% AFUE	192,192	191,408	100%
Water Heater - .82 EF Tankless Carryover	4,648	1,680	277%
Water Heaters > 0.67 EF @ \$125 Carryover	1,377	2,970	46%
Programmable Thermostats	160,160	122,500	131%
Attic Insulation	24,965	46,524	54%
Duct Sealing	73,258	85,617	86%
Wall Insulation	6,438	138,105	5%
Total	1,454,509	1,167,824	125%

Table 31. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therms Goal	% to Original Goal
Boiler 90% AFUE @ \$300	2,101	2,626	80%
Furnaces 95% AFUE	402,476	253,071	159%
Furnaces 95% AFUE @ \$250	289,359	149,499	194%
Furnaces 92% AFUE	134,534	133,986	100%
Water Heater - .82 EF Tankless	2,928	1,058	277%
Water Heaters > 0.67 EF @ \$125	1,308	2,822	46%
Programmable Thermostats	107,307	67,375	159%
Attic Insulation	15,728	32,567	48%
Duct Sealing	40,292	59,932	67%
Wall Insulation	5,794	96,674	6%
Total	1,001,828	799,609	125%

Table 32. Program Budget Results – Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Residential Rebate Program	\$3,151,205	\$2,385,613	132%

Lessons Learned

Market analysis, collaboration with industry professionals, trade ally outreach and inspections armed the CLEAResult team with important insights into measure limitations and opportunities to increase market penetration.

The team found the pre-existing R-value requirement of R-8 creates barriers to customers with newer homes. Homes built post-1970 typically have insulation present greater than R-8. Despite the limitation the measure still achieved moderate success with 200 rebates claimed in 2013. CLEAResult plans to address the pre-existing limitation through outreach and design strategies in 2014.

Early in 2013, CLEAResult discovered that substandard duct sealing work was being performed by program contractor, Force Mechanical (Force). CLEAResult attempted to work closely with Force to improve the quality of their installations through feedback and trainings. Unfortunately, Force was unwilling to cooperate with the program team and refused to go back and remediate their substandard work. Force was promptly removed from the program and CLEAResult paid to bring their duct sealing work into compliance with the program guidelines. From the experience, CLEAResult has placed strong focus on monitoring the insulation and duct sealing work of new and existing program contractors to ensure compliance with the program guidelines.

Our second year of implementation has provided valuable insight into Vectren's residential program market potential. Specifically, we discovered furnaces were under-forecasted in 2013. We have applied our two years of Vectren implementation experience in forecasting measures for 2014.

Plan for Next Program Year

The Residential Rebate Program will continue to offer the 2013 measure mix in 2014 with minimal changes. Incentive levels for all measures will remain the same.

In order to increase the volume of attic insulation participation, we have increased the pre-existing R-value requirement from R-8 to R-11. Additionally, we plan to target Vectren customers for attic insulation participation whose homes are older than 1970 through direct mailers and outreach. Based on the age of the home, these customers are more likely to meet the pre-existing attic insulation requirements.

We also plan to go back to previous furnace rebate participants from 2012 and 2013 to create marketing lists for the insulation and duct sealing measures. Integrating the age of the home with past participant data will create a very robust sample for target marketing efforts.

Conclusion

In summary, the Residential Rebate Program performed exceptionally well in 2013 by exceeding the therm goal by 125%. The program accomplished the 2013 objectives through:

- Extensive outreach to trade allies
- Presentations at vendor and dealer meetings
- Trade ally trainings
- Trade ally contact, whether in-person, by phone, email, and mailer.

Additionally, the team provided various program marketing materials to trade allies and consumers for program promotion.

The program team plans to deliver new strategies to promote the prescriptive rebate offerings in 2014.

Residential New Construction Pilot



CLEAResult

Residential New Construction Pilot Program

Program Overview and Objectives

The Residential New Construction Pilot Program was introduced in the fourth quarter of 2013. The Pilot was limited to homes with Vectren electric and natural gas service or Vectren electric service only. The program featured rebates that were based solely on the Home Energy Rating System (HERS) Index. Since the rebates did not require specific efficiency standards for heating and cooling equipment, builders had more flexibility in finding the best way to meet the HERS Index requirement. The rebates were very well received by the building community.

Table 33. Measures and Incentives - Natural Gas

Measures	Rebate/Unit	Gross Therms/Unit
Silver Star \leq 75 HERS Gas	\$300	102
Gold Star \leq 67 HERS Gas	\$450	182
Platinum Star – EPA Act Credit Gas	\$500	228

Program Marketing

CLEAResult marketed the program via phone and email outreach to builders and HERS raters, and the builders association; face-to-face meetings with builders; monthly builder association meetings; program launch meeting held at Vectren headquarters with a variety of attendees from the residential construction community.

Vectren's Residential New Construction Program
PROGRAM FACTS FOR RATERS AND BUILDERS

Build new, energy efficient homes with Vectren's Residential New Construction Program. The program offers rebates to local builders and developers for single-family detached homes and duplexes that are constructed to Vectren Silver Star, Gold Star and Platinum Star standards. If the home does not meet any of these standards, rebates may be available through Vectren's Residential Rebate Program. For qualifying equipment and more details, visit www.vectren.com/construction.

The Residential New Construction Program offering is available to newly constructed homes with Vectren service. They must also have had a HERS Home Energy Rating System rating performed between January 1, 2014 and December 31, 2014. Participants of the Residential New Construction Program are not eligible for rebates on energy-efficient equipment through Vectren's Residential Rebate Program.

How do builders submit an application?
There are two ways to submit your completed application and documentation within 90 days of HERS certification:

- Email application and HERS certificate to april@vectren.com
- Mail application and HERS certificate to:
Vectren Energy Delivery of Indiana,
ATTN: Rebates
PO Box 1000
Evansville, IN 47714-0000

Homes must have either:

1. Vectren electric and/or natural gas service, where gas is used as the primary heating fuel, including water heating. Genset AC must also be present.
2. Vectren electric service where an electric heating system is the main source for space conditioning and central air conditioning is present.

Gas heat systems, where a heat pump is used in conjunction with a gas furnace, are not eligible for rebates. The New Construction Rebates on this form are available for single-family detached homes and duplexes. Please see the tables on the other side of this sheet for details.

What rebates are available?

HERS ratings must be completed by a PSENET certified HERS rater between January 1, 2014 and December 31, 2014. The home must meet the HERS score requirement for Silver Star, Gold Star or Platinum Star to qualify for a rebate. Please see the tables below that outline the requirements and rebates available for homes with Vectren electric and/or natural gas service.


Star	Component	HERS Requirement for Homes with Vectren		
		Gas Only	Electric Only	Gas & Electric
Silver Star	HERS Score Falls below	≤ 75 \$300	≤ 75 \$300	≤ 75 \$300
Gold Star	HERS Score Falls below	≤ 67 \$450	≤ 67 \$300	≤ 67 \$300
Platinum Star	HERS Score Falls below	≤ 55 \$500	≤ 55 \$1,000	≤ 55 \$1,000

Please note the rebate tiers detailed above are only available for homes with HERS ratings performed on or after January 1, 2014. These offerings are available from January 1, 2014 - December 31, 2014. Participants of the Residential New Construction Program are not eligible for rebates on energy-efficient equipment through Vectren's Residential Rebate Program.

Learn More
Visit www.vectren.com/construction today to help your homeowners with energy and comfort. For more information, contact the Residential New Construction Program at (866) 242-4078 or email us at april@vectren.com.

Or, visit www.vectren.com/construction to learn more about rebates and resources available.

Figure 1: Residential New Construction Fact Sheet



Vectren Energy Delivery of Indiana
 Residential New Construction Program Application

Participant Information

1. Home Builder Information

Company Name		Federal Tax ID or Social Security Number
Phone Number		Email Address
Contact First Name	Contact Last Name	

2. New Home Installation Address

Installation Address		
City	State	Zip Code
	IN	

3. Mailing Address for Rebate Check

Name	Mailing Address	
City	State	Zip Code

4. Sign Application

I hereby certify that: 1. The information contained in this application is accurate and complete. 2. All rules of this incentive application have been followed. 3. I have read and understand the Terms and Conditions included with this document. I agree to verification of certification which may include a site inspection by a program or utility representative. I hereby agree to indemnify, hold harmless and release the utility from any actions or claims in regard to the installation, operation and disposal of equipment (and related materials) covered herein, including liability from any incidental or consequential damages.

Applicant Signature _____ Date _____

Submit pages 3 and 4 along with a copy of your HERS certificate within 90 days of product certification in one of two ways:
 Mail: Vectren Energy Delivery of Indiana, ATTN: Rebates, PO Box 3552, Evansville, IN 47734-3552
 Email: lnrebates@vectren.com

1-866-240-8476 | WWW.VECTREN.COM 3 OF 4

5. Enter HERS Score Information

Homes with both natural gas and electric service

Required HERS Rating Score	Rebate	HERS Rating	Certification Date
Silver Star: HERS Rating ≤ 75	\$600		
Gold Star: HERS Rating ≤ 67	\$900		
Platinum Star: Meets Energy Policy Act Efficient Home Tax Credit (EPAEC) requirements	\$1,000		

Homes with electric service only

Required HERS Rating Score	Rebate	HERS Rating	Certification Date
Silver Star: HERS Rating ≤ 75	\$600		
Gold Star: HERS Rating ≤ 67	\$900		
Platinum Star: Meets Energy Policy Act Efficient Home Tax Credit (EPAEC) requirements	\$1,000		

Homes with natural gas service only

Required HERS Rating Score	Rebate	HERS Rating	Certification Date
Silver Star: HERS Rating ≤ 75	\$300		
Gold Star: HERS Rating ≤ 67	\$450		
Platinum Star: Meets Energy Policy Act Efficient Home Tax Credit (EPAEC) requirements	\$500		

Figure 2: Residential New Construction Application

Program Results

The program achieved 16 percent of the gas goal generating 1,092 therms. The low percent of goal attainment is due to the delay in the processing of the HERS certificate. Builders frequently wait two to three months from when a HERS rating is completed until completion of the HERS certificate. Additionally many of the homes that were rated in the first month of the pilot had received rebates for the equipment through the Residential Rebate Program making them ineligible.

Below are several tables that show the details of the program results. Table 34 is the participation log. Table 35 is the program participation results. Table 36 is the program incentive budget results. Table 37 is the program gross savings results. Table 38 is the program net savings results. Table 39 is the overall program budget results.

Table 34. Participation Log – Natural Gas

Month	Program Participation	Gross Therms Saved	% of PY2 Total Gross Therms
January	0	0	39%
February	0	0	5%
March	0	0	30%
April	0	0	7%
May	0	0	1%
June	0	0	3%
July	0	0	1%
August	0	0	0%
September	0	0	0%
October	1	182	0%
November	2	364	0%
December	3	546	0%
Total PY2	6	1,092	0%

Table 35. Program Participation Results - Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Silver Star ≤ 75 HERS Gas	0	20	0%
Gold Star ≤ 67 HERS Gas	6	20	30%
Platinum Star – EPAct Credit Gas	0	5	0%
Total	6	45	13%

Table 36. Program Incentive Budget Results - Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Silver Star ≤ 75 HERS Gas	\$0	\$6,00	0%
Gold Star ≤ 67 HERS Gas	\$2,700	\$9,000	30%
Platinum Star – EPAct Credit Gas	\$0	\$2,500	0%
Total	\$2,700	\$17,500	13%

Table 37. Program Gross Savings Results - Natural Gas

Measures	Actual Gross Therms	Original Gross Therms Goal	% to Original Goal
Silver Star ≤ 75 HERS Gas	0	2,040	0%
Gold Star ≤ 67 HERS Gas	1,092	3,640	30%
Platinum Star – EPAct Credit Gas	0	1,140	0%
Total	1,092	6,820	16%

Table 38. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therms Goal	% to Original Goal
Silver Star ≤ 75 HERS Gas	0	1,632	0%
Gold Star ≤ 67 HERS Gas	728	2,912	25%
Platinum Star – EPAct Credit Gas	0	1,083	0%
Total	728	5,627	13%

Table 39. Program Budget Results - Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Residential New Construction Program	\$46,126	\$40,732	115%

Conclusion

Residential New Construction Pilot did not meet the forecasted energy savings. The forecast was based on feedback from builders. Those estimates proved to be higher than the number of actual homes built in the last quarter. The lower number of homes combined with the lag in builders receiving HERS Certificates, significantly affected the program results. For 2014, we will expand the eligibility to include homes served by Vectren natural gas only. This will increase the potential number of homes since Vectren natural gas territory includes the Indianapolis metropolitan market where there has been increased building activity. The forecasts for the expanded program are more conservative to ensure that we meet our goals. Additionally several of the high volume builders in the Indianapolis market participate in the Residential Rebate Program. Since they already have a rebate submission process in place, we will be able to easily introduce the new construction rebates.

Multi-Family Direct Install Program



Multi-Family Direct Install Program

Program Overview and Objectives

The Multi-Family Direct Install Program offers a no cost direct installation of low-cost energy efficiency improvements in multi-family properties¹ to reduce consumption of natural gas for Vectren customers, tenants and/or property owners of these properties. High performance, energy-efficient water fixtures and services reduce water-heating fuel usage. The program educates tenants about the low-cost measures installed and behaviors that will have a lasting impact on their energy and water consumption. The program served customers with gas service² and provided the products and services at no cost to the tenant or property owner. Table 40 below list the measures and incentives for the program.

Table 40. Measures and Incentives - Natural Gas

Measures	Rebate/Unit	Gross Therms/Unit
Bath Aerator - 1.0 GPM (1 unit)	\$2	4.8
Installation	\$35	0
Installation Holdback	\$5	0
Pipe Wrap	\$5	6.3
Kitchen Aerator - 1.5 GPM (1 unit)	\$2	3.8
Showerhead - 1.5 GPM (1 unit)	\$7.5	28.2
Handheld Showerhead – 1.5 GPM (1 unit)	\$10	28.2
Hot Water Boiler Pipe Wrap	\$250	300
Set Back Water Heater Temperature	\$5	6.4

¹A type of home or building with multiple units owned by one or more parties. Condo buildings and duplexes can be considered multi-family residences; but with a duplex, both the property and the land are recorded on one deed. Whereas with a condo, the owners only own their individual units, not the common space or land, and each have their own deed

² Vectren South Electric customers may have also received CFL's in conjunction with the Vectren Electric funded initiatives and reported directly to Vectren Electric program.

Program Marketing

CLEAResult marketed the program via phone outreach to engaged property owners/managers; face-to-face meetings with new and existing property management firms and owners; and through apartment association and housing authorities. Concluding its fifth year, but second year ran by CLEAResult, the Multi-Family Direct Install Program has had a successful run since its debut. While goal attainment has been achieved, the potential within the traditional demographic of multifamily apartment properties required a higher level of outreach to achieve the program's participation and savings goals in 2013. Energizing Indiana has continued to present some challenges through solicitation of properties that Vectren's Multi-Family Direct Install has traditionally defined as the multifamily market further impacting the program potential and in some cases causing confusion to property managers. Launch of 2013 Multifamily program was delayed due to pending changes surrounding furnace baselines, potentially scaling back the budget available for this program. Rulings allowed for a late first quarter launch. Table 41 it shows the marketing initiatives in Program Year two.

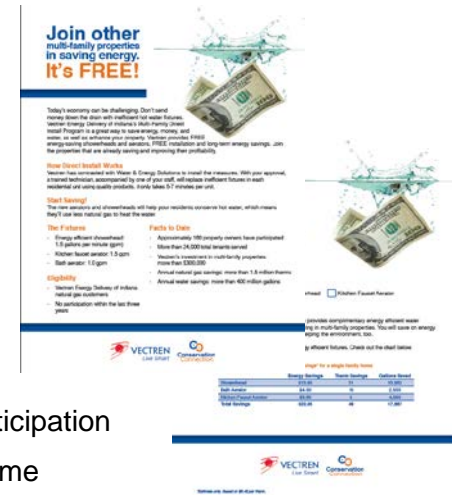


Figure 2: Multifamily Direct Install Fact Sheet

Table 41. Marketing Initiatives in PY2

Marketing Piece	Date Initiated
Property Manager Fact Sheet	3/2/2013
Tenant Fact Sheet	3/2/2013
Resident Letter	3/2/2013
Property Manager Fact Sheet	3/2/2013

Program Results

The program achieved 89 percent of the gas goal generating 127,716 therms. Working collaboratively with Water and Energy Solutions the program has touched over 3,200 customers.

Below are several tables that show the details of the program results. Table 42 is the participation log. Table 43 is the program participation results. Table 44 is the program incentive budget results. Table 45 is the program gross savings results. Table 46 is the program net savings results. Table 47 is the overall program budget results.

Table 42. Participation Log – Natural Gas

Month	Program Participation	Gross Therms Saved	% of PY2 Total Gross Therms
January	0	0	0%
February	0	0	0%
March	0	0	0%
April	0	0	0%
May	107	976	0%
June	2,778	25,068	1%
July	2,820	25,377	1%
August	2,635	23,231	1%
September	788	7,223	.3%
October	92	941	0%
November	191	1,567	.1%
December	4,967	43,335	1.8%
Total PY2	14,378	127,716	5.2%

Table 43. Program Participation Results - Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Bath Aerator - 1.0 GPM (1 unit)	3,216	3,130	103%
Installation	3,436	2,603	132%
Installation Holdback	0	2,603	0%
Pipe Wrap	1,196	2,084	57%
Kitchen Aerator – 1.5 GPM (1 unit)	3,029	2,603	116%
Showerhead – 1.5 GPM (1 unit)	3,221	3,128	103%
Handheld Showerhead – 1.5 GPM (1 unit)	28	0	N/A
Hot Water Boiler Pipe Wrap	0	3	0%
Set Back Water Heater Temperature	252	2,603	10%
Total	14,378	18,757	77%

Table 44. Program Incentive Budget Results - Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Bath Aerator - 1.0 GPM (1 unit)	\$4,975	\$6,260	80%
Installation	\$111,670	\$91,105	123%
Installation Holdback	\$0	\$13,015	0%
Pipe Wrap	\$5,382	\$10,420	52%
Kitchen Aerator - 1.5 GPM (1 unit)	\$6,058	\$5,206	116%
Showerhead - 1.5 GPM (1 unit)	\$13,371	\$23,460	57%
Handheld Showerhead – 1.5 GPM (1 unit)	\$280	\$0	N/A
Hot Water Boiler Pipe Wrap	\$0	\$750	0%
Set Back Water Heater Temperature	\$1,260	\$13,015	10%
Total	\$142,996	\$163,231	88%

Table 45. Program Gross Savings Results - Natural Gas

Measures	Actual Gross Therms	Original Gross Therms Goal	% to Original Goal
Bath Aerator - 1.0 GPM (1 unit)	15,437	15,024	103%
Installation	0	0	N/A
Installation Holdback	0	0	N/A
Pipe Wrap	7,535	13,213	57%
Kitchen Aerator – 1.5 GPM (1 unit)	11,510	9,891	116%
Showerhead – 1.5 GPM (1 unit)	90,832	88,210	103%
Handheld Showerhead – 1.5 GPM (1 unit)	790	0	N/A
Hot Water Boiler Pipe Wrap	0	900	0%
Set Back Water Heater Temperature	1,613	16,659	10%
Total	127,716	143,897	89%

Table 46. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therms Goal	% to Original Goal
Bath Aerator - 1.0 GPM (1 unit)	15,437	15,024	103%
Installation	0	0	N/A
Installation Holdback	0	0	N/A
Pipe Wrap	7,535	13,213	57%
Kitchen Aerator – 1.5 GPM (1 unit)	11,510	9,891	116%
Showerhead – 1.5 GPM (1 unit)	90,832	88,210	103%
Handheld Shower Head – 1.5 GPM (1 unit)	790	0	N/A
Hot Water Boiler Pipe Wrap	0	900	0%
Set Back Water Heater Temperature	1,613	16,659	10%
Total	127,716	143,897	89%

Table 47. Program Budget Results – Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Multifamily Direct Install Program	\$218,429	\$280,046	78%

Lessons Learned

The 2013 Multi-Family Program was received positively by property managers and positively impacted more than three thousand tenants. While the apartment market continued to be a stretch goal due to saturation for the installation of high efficiency water fixtures. The program offered boiler pipe insulation and water heater setback to continue to deliver increasing savings per customer touch. The program was also complemented again in 2013 with the inclusion of the compact fluorescent lamps (CFL's) on behalf of Vectren Electric for Vectren South customers in these dual fuel markets. Market saturation will require further evolution of markets served to capitalize on the manufactured home which is another high potential and underserved demographic.

Plan for Next Program Year

CLEAResult will propose programmable thermostat as a new measure and increase the market potential through a primary targeting of manufactured homes during 2014. In addition to the expansion into the manufactured homes, condominium associations will begin to emerge as another potential market for expanded penetration.

Conclusion

In 2013, the Multi-Family Program achieved 89% of the goal after a late launch beginning in the second quarter. However the program was still cost effective. In 2014, while market saturation makes this program more challenging, the program continues to evolve and look for ways to target other segments of this market that are more difficult to reach. We also plan to invigorate the program with new measures and delivery methods to address opportunities. This program delivers energy savings to an underserved market demographic to reduce customer's energy consumption while achieving an indirect benefit of water reductions.

Targeted Income Program



Targeted Income Program

Program Overview and Objectives

To participate in the Targeted Weatherization Program, Vectren customers apply for weatherization services through the local community action agencies which are sub-grantees of the Indiana Housing & Community Development Authority (IHCDA). Customers who meet income eligibility requirements receive a comprehensive home energy audit. The audit identifies energy efficiency upgrades that will make the customer's home more energy efficient.

The Program covers the full cost to retrofit homes with eligible energy efficiency measures and educates customers on ways to reduce their energy use and manage their utility costs through behavior modification. Under the supervision of the IHCDA, local weatherization assistance providers deliver these services.

We were able to successfully install weatherization measures in over 122 homes in the Vectren North territory. The program achieved 26,908 therms savings and 134% of the 2013 program goal.

Table 48. Measures and Incentives - Natural Gas

Measures	Rebate/Unit	Gross Therms/Unit Average
Air Sealing 25% Reduction	\$250	43
Bath Aerator - 1.0 GPM (1 unit)	\$2.00	6
Ceiling Insulation R0 to R38	\$1,724	286
Ceiling Insulation R8 - R38	\$1,235	87
Duct Sealing 10% Improvement	\$400	122
Furnaces 92% AFUE	\$300	112
Water Heaters 0.67 EF	\$175	27
Kitchen Aerator - 1.5 GPM (1 unit)	\$2	11
Showerhead - 1.5 GPM (1 unit)	\$9	31
Wall Insulation R0 to R13	\$1,754	341

Note: Rebate and gross therm values varied by customer due to custom calculations for each home.

Program Results

We found that the program participants of the Targeted Income Program were extremely eager to receive the program measures that were offered. They also were very interested in learning about other ways that they could reduce their energy consumption and reduce energy costs.

The air sealing and furnace installations were the most popular measures in the program. In 2013, of the 26,908 therms that were saved, 20 percent of the savings was attributed to air sealing measures and 21 percent was attributed to 51 furnaces that were installed. Also, ceiling and wall insulation measures accounted for 53 percent of the overall savings.

Below are several tables that show the details of the program results. Table 49 is the participation log. Table 50 is the program participation results. Table 51 is the program incentive budget results. Table 52 is the program gross savings results. Table 53 is the program net savings results. Table 54 is the overall program budget results.

Table 49. Participation Log – Natural Gas

Month	Program Participation	Gross Therms Saved	% of PY2 Total Gross Therms
January	0	0	0%
February	0	0	0%
March	0	0	0%
April	0	0	0%
May	53	4,613	.2%
June	0	0	0%
July	0	0	0%
August	205	16,721	.7%
September	60	3,949	.2%
October	5	212	0%
November	0	0	0%
December	20	1,412	.1%
Total PY2	343	26,908	1%

Table 50. Program Participation Results – Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Air Sealing 25% Reduction	122	5	2,440%
Bath Aerator - 1.0 GPM (1 unit)	50	7	714%
Ceiling Insulation R0 to R38	23	26	89%
Ceiling Insulation R8 - R38	5	16	31%
Duct Sealing 10% Improvement	0	16	0%
Furnaces 92% AFUE	51	6	850%
Water Heaters 0.67 EF	0	10	0%
Kitchen Aerator - 1.5 GPM (1 unit)	41	6	683%
Showerhead - 1.5 GPM (1 unit)	29	16	181%
Wall Insulation R0 to R13	22	22	100%
Total	343	130	264%

Table 51. Program Incentive Budget Results – Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Air Sealing 25% Reduction	\$46,241	\$1,250	3,619%
Bath Aerator - 1.0 GPM (1 unit)	\$150	14	1,071%
Ceiling Insulation R0 to R38	\$19,644	\$44,824	44%
Ceiling Insulation R8 - R38	\$1,959	19,760	10%
Duct Sealing 10% Improvement	\$0	\$6,400	0%
Furnaces 92% AFUE	\$16,820	\$1,800	934%
Water Heaters 0.67 EF	\$0	\$1,750	0%
Kitchen Aerator - 1.5 GPM (1 unit)	\$123	\$12	1,025%
Showerhead - 1.5 GPM (1 unit)	\$261	\$144	181%
Wall Insulation R0 to R13	\$32,423	\$38,588	84%
Total	\$116,620	\$114,542	102%

Table 52. Program Gross Savings Results – Natural Gas

Measures	Actual Gross Therms	Original Gross Therms Goal	% to Original Goal
Air Sealing 25% Reduction	5,409	216	2,510%
Bath Aerator - 1.0 GPM (1 unit)	295	41	727%
Ceiling Insulation R0 to R38	6,868	7,446	92%
Ceiling Insulation R8 - R38	654	1,391	47%
Duct Sealing 10% Improvement	0	1,957	0%
Furnaces 92% AFUE	5,712	672	850%
Water Heaters 0.67 EF	0	270	0%
Kitchen Aerator - 1.5 GPM (1 unit)	459	67	690%
Showerhead - 1.5 GPM (1 unit)	885	488	181%
Wall Insulation R0 to R13	6,626	7,504	88%
Total	26,908	20,051	134%

Table 53. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therms Goal	% to Original Goal
Air Sealing 25% Reduction	5,409	216	2,510%
Bath Aerator - 1.0 GPM (1 unit)	295	41	727%
Ceiling Insulation R0 to R38	6,868	7,446	92%
Ceiling Insulation R8 - R38	654	1,391	47%
Duct Sealing 10% Improvement	0	1,957	0%
Furnaces 92% AFUE	5,712	672	850%
Water Heaters 0.67 EF	0	270	0%
Kitchen Aerator - 1.5 GPM (1 unit)	459	67	690%
Showerhead - 1.5 GPM (1 unit)	885	488	181%
Wall Insulation R0 to R13	6,626	7,504	88%
Total	26,908	20,051	134%

Table 54. Program Budget Results - Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Targeted Income (North) Program	\$200,832	\$259,688	77%

Lessons Learned

During the program design process, quarterly goals had been based on the assumption that IHCD A would be able to do installations throughout the program year. Working with the IHCD A, we came to more fully understand that IHCD A funding is not received on a set payment cycle. IHCD A subcontracts with the Community Action Partnership (CAP) Agencies for Weatherization. Those subcontracts are funded through two different federal grants, one from the Department of Energy (DOE) and one from Health and Human Services (HHS). In a normal budget year, congress preapproves the state-level budget for these grants. This preapproval allows the states to know when they will receive funding for that year and the amount of funding. In 2012 and 2013, budgets were cut, delayed, and issued on a piecemeal basis. Thus, for the past two years, the IHCD A was not told until well after the program year started how much they would be getting and when they would be getting it. As a result, the CAP agencies delayed production until federal funds were available. This delay resulted in inconsistent production from the CAP agencies and missed quarterly goals for CLEAResult.

In order to address the funding concern above in future program years, CLEAResult will be meeting with IHCD A program staff throughout the annual planning process to try to gauge anticipated funding levels and determine if there are politics directly affecting the amount or timing of subsequent year funding. CLEAResult will also pay special attention to the number and type of measures Vectren will be funding, taking a conservative approach when it comes to the number of overall homes, and Vectren homes that could receive benefits through the federal funding.

Plan for Next Program Year

Over the past two years, CLEAResult and IHCD A have become a cohesive team and are working towards a better understanding of the payment cycle. We plan to move forward with the same measure mix of program offerings in 2014.

Conclusion

While programs targeted to low income areas tend to not be cost effective, they play an important part in energy conservation. In addition, both economic and health issues can be alleviated when these types of programs are made available to low income households.

Smart Thermostat Pilot



Smart Thermostat Pilot Program

Program Overview and Objectives

The Smart Thermostat Pilot Program offers direct installation of standard programmable and Nest thermostats to residential end-use customers. There is no cost to the customer to participate. Both the new thermostat and installation costs are covered by the program. This program was designed as a research study in cooperation with Cadmus to determine if 'smart' thermostats will save more energy than standard programmable thermostats. In late 2014, Cadmus will issue a report comparing the energy use of three study groups: a control group, the standard programmable thermostat group and the Nest group. If the results of the study show that statistically significant savings can be realized by installing the 'smart' thermostat then the 'smart' thermostat should be included as a separate line item in the Residential Rebate program offering in 2015.

The program was offered to Vectren gas and electric residential customers that had received an Energizing Indiana home energy audit (HEA) in 2012 or 2103 (up to program start). In order to receive a new thermostat under this program, the customer must meet the following criteria:

- Active Vectren residential customers receiving both electric and gas service from Vectren
- Received a Home Energy Audit from Energizing Indiana in 2012 or 2013
- Have a gas furnace and electric central air conditioner
- Have manual/non-programmable thermostat or no thermostat at all
- Agree to provide Cadmus access to energy bill data
- Agree to send back loggers at completion of the program
- Lived in the home for past 12 months
- No plans to move for at least 14 months
- To receive Nest, must have wireless internet in home

Once the customer met the criteria, Water and Energy Solutions (WES) scheduled and performed the direct installation of the new thermostats.

The original program design was to install loggers in all the standard programmable thermostat homes. However, after speaking with Nest, they could not commit to providing the expected residential data that the unit collects and sends to Nest data center. As a result, the program was modified so that loggers were installed in half of the standard programmable thermostat homes and half of the Nest homes. Cadmus felt this still provided the robustness needed to review the data.

Loggers were placed at the thermostat and on the air conditioning unit. The interior loggers measured interior temperature only and were used to corroborate programmable thermostat operation. The exterior loggers measured the run time of the air conditioner.

At installation, WES gathered customer information as well as HVAC system information using iPad questions/apps provided by Cadmus, the study designer. WES also left an information package for the customer, including a program fact sheet and magnet.

After installation, the data collected on the IPADs was sent directly back to the Cadmus database.

Since installation started in October, Cadmus will start contacting customers at the same time in 2014 regarding returning loggers. The battery life for loggers is about 1 year, so the goal is to get the loggers back in the 1-year timeframe. Cadmus will send an email reminder, and then provide the self-addressed stamped envelopes used to return the loggers at no cost to the customer. It is expected that Cadmus will offer a small denomination gift card to the customers for returning the loggers.

The Smart Thermostat Pilot Program encountered a large quantity of failed nest thermostats that needed to be replaced. Nest has acknowledged there was a software issue on some of their units. CLEAResult needed to replace 72 Nests that failed at or after installation. These were replaced by Nest at no cost to the program.

All thermostats were supposed to be installed by the end of December 2013. However, with the failures noted above, installation was not completed until January 2014. Funding for the program was carried over into 2014, in accordance with the program design.

Table 55 shows the measures, incentive amounts and savings for the program.

Table 55. Measures, Incentives amounts and savings - Natural Gas

Measures	Rebate/Unit	Gross Therms/Unit
Nest Thermostat	\$130	92
Standard Programmable T Stat	\$55	35

Program Marketing

Marketing for this program occurred primarily through direct mail to targeted customers. Several direct mail campaigns were initiated to specific areas with older homes but with occupants likely to have disposable income to spend on weatherization measures. In addition, CLEAResult and TSI placed door hangers in specific neighborhoods to raise awareness. For the few homeowners that did have the work performed, lawn signs were installed to promote the program. Finally, CLEAResult had a booth at a community festival promoting the programs. The marketing initiatives distributed during the program year are listed in Table 56 below.

Marketing activities for this program focused directly on residential customers. CLEAResult sent postcards to all HEA participants from 2013 (up to program start). About 2 days after the postcards were sent, outbound phone calls were made to the participants. The purpose of the phone call was to qualify and enroll the potential participant. Participants were asked several qualifying questions prior to scheduling the installation. If the customer did not meet the criteria detailed in the previous section, they were politely informed that they did not qualify for the program.

The following items were created for this program:

1. Outbound call script
2. Program Post Card
3. Program Fact Sheet
4. Program Magnet
5. Vectren branded folder to hold items 3 and 4 and given to customer at installation

Table 56 lists the marketing pieces used for the Smart Thermostat Pilot Program.

Table 56. Program Marketing Pieces

Marketing Piece	Date Initiated
Postcard	10/2013
Fact Sheet	10/2013
Magnet	10/2013
Folder	10/2013

Program Results

The program had a goal of installing 300 standard programmable thermostats and 300 Nest thermostats. Installations started in October and were completed in January, 2014. At year end, 194 Nests and 276 standard programmable thermostats were installed. See table 58 for program participation results.

Table 57 summarizes the monthly installation activity and associated savings.

Table 57. Participation Log

Month	Program Participation	Gross Therms Saved	% of Total Gross Therms
November 2013	146	7,622	28%
December 2013	324	19,905	72%
Total	470	27,527	100%

Table 58. Program Participation Results – Natural Gas

Measures	Program Participation	Original Planning Goal	% to Original Goal
Nest Thermostat	194	300	65%
Standard Programmable T Stat	276	300	92%
Total	470	600	78%

Table 59. Program Incentive Budget Results – Natural Gas

Measures	Actual Incentives	Original Incentive Goal	% to Original Goal
Nest Thermostat	\$25,321	\$39,157	65%
Standard Programmable T Stat	\$15,255	\$16,580	92%
Total	\$40,575	\$55,737	73%

Table 60. Program Gross Savings Results – Natural Gas

Measures	Actual Gross Therms	Original Gross Therms Goal	% to Original Goal
Nest Thermostat	17,867	27,630	65%
Standard Programmable T Stat	9,660	10,500	92%
Total	25,527	38,130	72%

Table 61. Program Net Savings Results - Natural Gas

Measures	Actual Net Therms	Original Net Therms Goal	% to Original Goal
Nest Thermostat	17,867	27,630	65%
Standard Programmable T Stat	9,660	10,500	92%
Total	25,527	38,130	72%

Table 62. Program Budget Results - Overall

Overall Budget	Actual Total Spend	Original Budget Goal	% to Original Goal
Smart Thermostat Pilot Program	\$113,616	\$121,412	93%

Lessons Learned

With the outreach and installation portion of the program only lasting a couple months, there was limited time to improve delivery. However a couple items have become evident in retrospect:

- The HEA customer data from 2013 was more reliable than the 2012 customer data. There were many cancelled phone numbers and bad addresses for the 2012 data. As such, we had more participation from the 2013 HEA pool.
- The more recent the 2013 data, the higher the likelihood to participate. Customers who recently had an HEA had energy efficiency in the forefront of their mind and were interested in the program.

Plan for Next Program Year

If the Cadmus report shows that a statistically significant savings occurs for the smart thermostat, then it will likely be built into the Residential Rebate Program for 2015 plan with its own specific rebate amount. Since these units retail for \$250, it is expected the rebate amount would be greater than the \$20 currently offered for a standard programmable thermostat.

Conclusion

The Smart Thermostat Pilot Program had planned to have all installations completed in 2013, but it was hampered due to the Nest software issue. All thermostats were installed by the end of January 2014. The next phase is for Cadmus to retrieve the loggers and begin their analysis. It is expected that the report will be issued early 4th quarter 2014.

A final note: Cadmus and CLEAResult are also working on a Smart Thermostat program with NIPSCO. The results from the Vectren and NIPSCO report are expected to be combined into one report so that the sample size of the program is 1,400 customers.

Hoosier Energy Weatherization Pilot (Vectren North)



Hoosier Energy Weatherization Pilot (Vectren North)

Program Overview and Objectives

Integrated gas and electric weatherization pilot with Hoosier Energy. The pilot seeks to demonstrate that weatherization natural gas heated homes whose electric service comes from an REMC can be cost-justifiable for each utility company through an appropriate split of the costs incurred in the weatherization process. The pilot provided a diagnostic energy audit and direct install measures and insulation for qualified homes at no cost to the customer.

Program Results

The pilot targeted 25 customers of Vectren Energy Delivery and Johnson County REMC/Hoosier Energy located in Johnson County. Work on this project began in May and concluded in December 2013. In total, 26 homes were weatherized and the program achieved 132 percent of its savings goal. However, due to a large number of homes that were audited but work was not able to be performed due to health and safety issues, the actual spend was much higher than originally planned. The program results will be analyzed by an independent evaluator with the report available by end of quarter one 2014. This program will not continue in 2014 as Hoosier Energy has elected to cease offering a weatherization program at this time. Below tables 63 and 64 that summarize the overall results:

Table 63. Program Results - Overall

Measure	Measure			Therm Savings (Gross)			Therm Savings (Net)		
	Actual	Goal	%	Actual	Goal	%	Actual	Goal	%
Homes Completed – Direct Water Heating Measures	5	35	14%	721	5,396	132%	721	5,396	132%
Homes Completed – Insulation/Air Sealing	26	25	104%	6,423			6,423		
Hoosier Energy Weatherization Pilot	31	60	52%	7,144	5,396	132%	7,144	5,396	132%

Table 64. Program Budget Results

Measure	Actual	Original	%
Hoosier Energy Weatherization Pilot	\$66,023	\$37,291	177%

Program Marketing

The target list of customers was developed through a collaboration between Vectren Energy and Johnson County REMC. Customers with higher than normal natural gas and electric usage in neighborhoods that typically are above the qualifications for low-income weatherization were targeted. Vectren and Hoosier contracted with Sherlock Homes Inspections to identify the pilot group. Direct mail to the target group of customers was the primary marketing method.

Lessons Learned

The pilot was hampered by a large number of homes with health and safety issues. These issues prevented the weatherization work from being performed and resulted in a higher than expected number of homes in the pilot that were audited. This drove higher than planned program costs and delayed the completion of the pilot.

Plan for Next Year

This program will not continue in 2014 as Hoosier Energy has elected to cease offering a weatherization program as part their 2014 portfolio.

Conclusion

Providing cost effective whole house weatherization using a single fuel type is difficult. It has been proven that integrated gas/electric programs can deliver a cost effective whole house weatherization program. Although Hoosier Energy has elected to not continue this program in 2014, Vectren will continue to seek out other collaborative efforts going forward.

Residential Audit & Direct Install Program (South)



Residential Audit & Direct Install Program (Vectren South)

Program Overview and Objectives

The Residential Audit and Direct Install Program targeted a hybrid approach that combined helping customers analyze and understand their energy use via an on-site energy audit program which recommended appropriate weatherization measures. This program worked jointly with Vectren South's electric program to capture as much energy savings as possible and was delivered by the electric state-wide Core Program administrator Energizing Indiana.

The program provided the direct installation of specific energy efficiency measures including efficient low-flow fixtures such as, energy efficient low flow products, CFL bulbs, air sealing and other energy efficiency measures, along with a brochure (where appropriate) recommending participation in other DSM programs. Measures directly installed included:

- Energy Efficient Showerhead
- Kitchen Aerator
- Bathroom Aerator
- Leak Detection Kit
- Switch and Outlet Gasket Insulators
- CFL Light Bulbs

Program Results

The program goal was based on the Vectren South Electric filed plan for 2013 that included completion of 4,356 home energy audits in the Vectren South territory. The program design included the assumption that there would be a customer crossover of 84 percent with Vectren South electric, and of those 84 percent, about 50 percent of the homes treated would utilize natural gas for water heating. The program performed very strong starting in January, and achieved its planning goal of 1,801 homes by end of February 2013. Below tables 65 and 66 summarize the overall results:

Table 65. Program Results - Overall

Measure	Measure			Therm Savings (Gross)			Therm Savings (Net)		
	Actual	Goal	%	Actual	Goal	%	Actual	Goal	%
Home Energy Audit & DI	1,801	1,801	100%	49,888	49,888	100%	49,888	49,888	100%

Table 66. Program Budget Results

Measure	Actual	Original	%
Residential Audit & Direct Install	\$194,642	\$179,097	109%

Program Marketing

The Residential Audit & Direct Install program was administered by GoodCents and utilized the same marketing tactics as the Core electric state-wide program.

Plan for Next Year

This program is continuing in 2014 in the Vectren South gas and electric territory and Vectren North/Duke Energy territory utilizing the therm bank integrated program cost share design.

Conclusion

Integrated program designs have been proven to be a benefit to customers by either lowering the overall delivery costs through either the ability to do more work for the same amount of program funding or lowering the costs overall. Vectren will continue to seek out integrated program opportunities in future plan years.

Low-Income Weatherization Program (South)



Low-Income Weatherization Program (Vectren South)

Program Overview and Objectives

The Low-Income Weatherization Program was designed to provide customized weatherization upgrades to low income homes that otherwise would not have been able to afford the energy saving measures. The program was delivered by the electric state-wide Core Program administrator Energizing Indiana. The program provided insulation in homes with Vectren natural gas service that would not have received the insulation as part of the Core program offering.

The Residential Low Income Weatherization Program targets single-family homeowners and tenants, who have electric service in their name with Vectren and with a total household income up to 200% of the federally-established poverty level. Homes with Vectren natural gas service are also eligible as long as they have an active Vectren electric service.

The program included education to consumers on ways to reduce energy consumption and professional installation of weatherization and efficiency measures. Home diagnostics before and after installation of the measures were completed to validate the energy savings realized from the program.

Program Results

The program goal was based on the Vectren South Electric filed plan for 2013 that included 1,235 income qualified homes in the Vectren South territory. The program design included the assumption that about 60 percent of the homes treated would utilize natural gas for water heating, with additional incremental funding to provide insulation in 269 natural gas heated homes. The program met its planning goal and served 740 homes with natural gas water heat. Due to lower than expected insulation costs per home, the program yielded a much higher than planned number of homes served with insulation, resulting in completion of 359 homes. Below tables 67 and 68 summarize the overall results:

Table 67. Program Results - Overall

Measure	Measure			Therm Savings (Gross)			Therm Savings (Net)		
	Actual	Goal	%	Actual	Goal	%	Actual	Goal	%
DWH Direct Install Measures	740	740	100%	93,018	93,015	100%	93,018	93,015	100%
Insulation	359	269	133%	444,516	33,301	134%	44,516	33,301	134%
Low-Income Weatherization (South)	1,099	1,009	109%	137,534	126,317	109%	137,534	126,317	109%

Table 68. Program Budget Results

Measure	Actual	Original	%
Low-Income Weatherization	\$237,664	\$292,998	81%

Program Marketing

The Low-Income Weatherization program was administered by GoodCents and utilized the same marketing tactics for the Core electric state-wide program.

Plan for Next Year

This program is continuing in 2014 in the Vectren South gas and electric territory utilizing the therm bank integrated program cost share design to purchase insulation in 250 natural gas heated homes.

Integrated program designs have been proven to be a benefit to customers by either lowering the overall ability to do more work for the same amount of program funding or will continue to seek out integrated program opportunities in future

Residential Behavior Letters (Vectren South)

Program Overview and Objectives

The Residential Behavioral Savings Program was designed to motivate behavior change and provide relevant, targeted information to the consumer through regularly scheduled direct contact. The direct contact, typically through letters, helps the consumer to better understand their energy use. Once a consumer understands better how they use energy, they can then start conserving energy.

The program provided letters to residential customers in the Vectren South territory on an every other month basis to consumers combining energy usage data along with customer demographic, housing and utility data to develop specific, targeted recommendations that educate and motivate consumers to reduce their energy consumption. The recommendations provided in the letter give the consumer a variety of ways to save energy in their home, from low to no cost to higher cost investments.

Program data and design were provided by a third party vendor, OPower, who provided energy usage insight that drives customers to take action by selecting the most relevant information for each particular household, which ensures maximum relevancy and high response rate to recommendations.

This program worked in coordination with Vectren South's electric behavioral program to ensure the most effective and efficient delivery of this program and to yield higher savings than implementation of a gas only or electric only program.

Program Results

The program goal was based on the Vectren South Electric filed plan for 2013 that included 75,000 customers in the Vectren South territory. The program design included letters to 25,000 homes with Vectren electric-only service and 50,000 homes with a combination Vectren natural gas and electric service with forecasted natural gas savings of 214,374 therms. Actual natural gas savings as provided by OPower was much higher than planned and finished at 390,587 therms. Below tables 69 and 70 summarize the overall results:

Table 69. Program Results - Overall

Measure	Measure			Therm Savings (Gross)			Therm Savings (Net)		
	Actual	Goal	%	Actual	Goal	%	Actual	Goal	%
Residential Behavior Letters	50,000	50,000	100%	340,244	214,374	159%	340,244	214,374	159%

Table 70. Program Budget Results

Measure	Actual	Original	%
Residential Behavior Letters	\$73,510	\$76,933	96%

Program Marketing

The Residential Behavior Letter program does not include a marketing component for enrollment, as it is an opt-out program.

Plan for Next Year

This program is continuing in 2014 in the Vectren South gas and electric territory. The 2014 plan includes approximately 42,000 Vectren South natural gas customers whom will be receiving letters.

Conclusion

The Residential Behavior Letter program has performed well above planning expectations with regard to natural gas savings during the first few years of the program. These savings have been verified by independent evaluation. Although this program is not cost effective as a natural gas only program, the integrated cost share approach does allow for a cost effective program for both natural gas and electric.

Low Income Weatherization Program (North)



Low Income Weatherization Program (Vectren North)

Program Overview and Objectives

The Low-Income Weatherization Program was designed to provide customized weatherization upgrades to low income homes in the Vectren North gas and Duke Energy electric overlap territory that otherwise would not have been able to afford the energy saving measures. The program was delivered by the electric state-wide Core Program administrator Energizing Indiana. The program provided insulation in homes with Vectren natural gas service that would not have received the insulation as part of the electric Core program offering.

The Residential Low Income Weatherization Program targets single-family homeowners and tenants, who have electric service in their name with Vectren and with a total household income up to 200% of the federally-established poverty level.

The program included education to consumers on ways to reduce energy consumption and professional installation of weatherization and efficiency measures. Home diagnostics before and after installation of the measures were completed to validate the energy savings realized from the program.

Program Results

This program was approved in June 2013 with a budget to serve 1,000 homes. Incremental gas funding was first utilized to install attic insulation in gas-heated homes. Any funding remaining afterwards was utilized to conduct incremental home audits and weatherization. However, insulation was only provided in 181 income-qualified homes with Vectren natural gas heat. A late program start, coupled with a higher number of homes than planned that did not require insulation, caused the program to fall short of its planning goal. However, 86 incremental IQW audits were performed from the incremental gas funding not utilized for attic insulation in gas-heated homes. Below tables 71 and 72 summarize the overall results:

Table 71. Program Results - Overall

Measure	Measure			Therm Savings (Gross)			Therm Savings (Net)		
	Actual	Goal	%	Actual	Goal	%	Actual	Goal	%
IQW Therm Bank Purchases for cost of insulation @ \$3.01 per therm	-	-	-	25,587	373,137	22%	25,587	373,137	22%
Insulation	181	1,000	18%	22,444			22,444		
Incremental IQW's	86	-	-	10,811			10,811		
IQW Therm Bank Purchases for Incremental IQW's @ \$3.01 per therm	-	-	-	22,354			22,354		
Low-Income Weatherization (North)	181	1,000	18%	81,196	373,137	22%	81,196	373,137	22%

Table 72. Program Budget Results

Measure	Actual	Original	%
Low-Income Weatherization (North)	\$183,242	\$531,258	34%

Program Administration

In 2013, CLEAResult provided third party administrative services for the Vectren gas portfolio. Services included overall program management, trade ally outreach and equipment/installation verifications for all programs. In addition, CLEAResult provided subcontractor management (of TSI and WES), budget management, call center services, rebate fulfillment services and program design. In total, CLEAResult processed 33,452 gas measures.

For every month of the program year, CLEAResult delivered the draft scorecard to the Vectren Oversight Board by the 10th business day, meeting the SLA requirement. In addition, as the third part administrator CLEAResult led the monthly Oversight Board meeting. Prior to each meeting, CLEAResult would send a progress memo that would serve as the meeting agenda and also summarize activities completed for the month. The memo would also outline upcoming deliverables.

Quarterly SLA Achievement

On a quarterly basis, CLEAResult submitted reports documenting our achievement of the Service Level Requirements from the contract. For the program year, CLEAResult made all SLA requirements except the first quarter savings goal. At year end, CLEAResult had exceeded the year end goal and therefore earned the first quarter holdback.

Budget Management

The Program Year 2 budget included in the BRD was \$7,911,349 for the gas programs. There was a 2012 carryover of \$89,872 that increased the overall budget to \$8,001,221. This was reflected in the revised approved plan as well as the monthly scorecards. During the course of the program year, several budget shifts were made based on program/portfolio needs. These include: mid-year true-up, October 23rd funding memo, and December 23rd funding memo. These adjustments were made in response to portfolio performance and primarily drove incentive funds into the highly successful Residential Rebate Program.

The portfolio spend was \$7,442,918 and the portfolio ended 2013 at \$468,431 under the original budget. When the \$89,872 carryover over from 2012 is added, the portfolio is \$558,303 under budget. Once the year-end CLEAResult holdback payment of \$64,815 is subtracted, the carryover amount into 2014 is \$493,488. Overall, the portfolio exceeded the savings goal of 2,750,828 therms by 298,556 therms, or 11 percent. In terms of net benefits, the portfolio delivered \$1,940,206 in net benefits. The actual TRC was 1.18, which is above the cost effectiveness threshold value of 1.0.

Program Marketing

The Low-Income Weatherization program was administered by GoodCents and utilized the same marketing tactics for the Core electric state-wide program.

Plan for Next Year

This program is continuing in 2014 in the Vectren North/Duke Energy territory utilizing the therm bank integrated program cost share design to purchase insulation in 250 natural gas heated homes.

Lessons Learned

The original planning goal was 1000 natural gas heated homes to receive insulation in 2013. The goal was found not to be attainable due to a higher than expected number of homes that did not require insulation. Therefore, the planning goal for 2014 was lowered to 250 homes.

Conclusion

Integrated program designs have been proven to be a benefit to customers by either lowering the overall delivery costs through either the ability to do more work for the same amount of program funding or lowering the costs overall. Vectren will continue to seek out integrated program opportunities in future plan years.

Appendix A: Cost Effectiveness



CLEARResult

Appendix A: Cost Effectiveness

Measure	Input Assumptions						Benefit/ Cost			
	Measure Quantity	Therms/ Unit	Incremental Cost	Measure Life	Attribute (%)	Gross Therm Savings	Net Therm Savings	Incentive Cost (\$)	TRC	UCT
Grand Total (Natural Gas Portfolio)	87,126					3,078,004	2,474,029	\$ 3,502,773	1.18	1.70
Business Rebate Program	4,037					607,084	510,445	\$ 379,479	1.76	1.93
Boiler 90% AFUE	62	2,533	\$ 2,600	25	75%	157,028	117,771	\$ 190,705	8.03	5.09
Boiler - Modulating Burner Control	0	1,152	\$ 3,808	12	75%	-	-	\$ -		
Boiler Reset Control	0	1,152	\$ 835	20	75%	-	-	\$ -		
92% AFUE Furnace (80% Baseline)	51	167	\$ 635	18	75%	8,528	6,396	\$ 7,700	1.76	5.56
95% AFUE Furnace (80% Baseline)	120	231	\$ 784	18	75%	27,709	20,782	\$ 33,000	1.97	4.21
95% AFUE Furnace (80% Baseline) \$250 Rebate	67	229	\$ 784	18	75%	15,338	11,503	\$ 16,750	1.95	4.59
Outside Pool Cover	0	291	\$ 500	6	75%	-	-	\$ -		
Programmable Thermostat	86	50	\$ 250	15	75%	4,300	3,225	\$ 1,975	2.03	16.60
Tankless Water Heater > or =0.82 EF	116	49	\$ -488	20	75%	5,674	4,256	\$ 17,400	0.72	1.76
Storage Water Heater >0.67 EF	1	62	\$ 600	10	75%	62	47	\$ 125	0.44	1.58
88% TE Water Heater	2	114	\$ 660	10	75%	229	172	\$ 300	0.73	2.42
PRSV - DI Institution	5	525	\$ 150	5	95%	2,625	2,494	\$ 750	8.72	8.28
PRSV - DI Restaurant	27	286	\$ 150	5	95%	7,722	7,336	\$ 4,050	4.75	4.51
PRSV - DI School	46	201	\$ 150	5	95%	9,246	8,784	\$ 6,900	3.34	3.17
Aerator - DI	3,270	78	\$ 9	5	95%	256,068	243,265	\$ 29,430	20.24	19.23
Boiler Tune-Up	62	652	\$ 450	2	75%	40,429	30,322	\$ 13,895	1.43	2.15
Steam Trap Replacement - High P	0	500	\$ 300	6	75%	-	-	\$ -		
Steam Trap Replacement - Low P	26	1,157	\$ 200	6	75%	30,070	22,552	\$ 4,550	15.80	13.54
Turbo Pot	12	216	\$ 100	3	75%	2,592	1,944	\$ 900	3.14	3.14
Infrared Heater	71	451	\$ 1,716	12	75%	32,021	24,016	\$ 43,550	1.29	2.71
Inside Pool Cover	0	500	\$ 1,200	6	75%	-	-	\$ -		
Hybrid Instantaneous WH <30 Gallon	0	44	\$ 150	15	75%	-	-	\$ -		
Gas Fryer	9	691	\$ 905	12	75%	6,219	4,664	\$ 4,500	3.75	5.09
Steam Table	0	1,299	\$ 4,000	12	75%	-	-	\$ -		
Convection Oven	4	306	\$ 4,000	12	75%	1,224	918	\$ 3,000	0.38	1.50
Low Temp Dish Washer	0	352	\$ 2,000	12	75%	-	-	\$ -		
High Temp Dish Washer	0	489	\$ 2,000	12	75%	-	-	\$ -		
Business Custom Program	22					217,161	162,871	\$ 158,901	0.71	1.00
Small Projects (<7500 therms)	16	3,502	\$ 6,200	10	75%	56,034	42,026	\$ 30,036	2.39	5.91
Large Projects (≥7500 but <25,000 th)	2	14,526	\$ 20,000	10	75%	29,052	21,789	\$ 21,789	3.07	4.22
Max. Incentive Projects (≥2 to 25,000 th)	4	33,019	\$ 110,000	10	75%	132,075	99,056	\$ 107,076	1.27	3.91
Bonus \$.25/therm greater than 25k	0	-	\$ 8,000	10	75%	-	-	\$ -		
Residential Rebate Program	14,672					1,454,509	1,001,828	\$ 2,661,501	1.13	2.03
Boiler 90% AFUE	28	112	\$ 422	25	67%	3,136	2,101	\$ 8,400	2.19	2.06
Furnaces 95% AFUE (80% baseline)	4,259	135	\$ 784	20	70%	574,965	402,476	\$ 1,170,975	1.24	2.47
Furnaces 95% AFUE (80% baseline) \$250 Rebate	3,062	135	\$ 784	20	70%	413,370	289,359	\$ 765,500	1.24	2.72
Furnaces 92% AFUE (80% baseline)	1,715	112	\$ 635	20	70%	192,080	134,456	\$ 257,220	1.27	3.76
Furnace 92% AFUE @ \$200 (Eliminated 4/1/12)	1	112	\$ 635	20	70%	112	78	\$ 200	1.27	2.82
Water Heater - 0.82 Tankless (2012 - Carryover - Phase Out)	83	56	\$ 605	13	63%	4,648	2,928	\$ 12,450	0.48	1.23
Programmable Thermostat	4,576	35	\$ 50	11	67%	160,160	107,307	\$ 91,465	3.20	5.36

Attic Insulation	200	125	\$ 1,261	25	63%	24,965	15,728	\$ 79,788	0.96	1.92
Duct Sealing	599	122	\$ 450	20	55%	73,258	40,292	\$ 235,574	3.57	2.25
Wall Insulation	98	66	\$ 2,348	25	90%	6,438	5,794	\$ 33,555	0.54	3.35
Water Heater - 0.67 (2012 - Carryover - Phase Out)	51	27	\$ 400	13	95%	1,377	1,308	\$ 6,375	0.35	1.07

Measure	Input Assumptions								Benefit/ Cost	
	Measure Quantity	Therms/ Unit	Incremental Cost	Measure Life	Attribute (%)	Gross Therm Savings	Net Therm Savings	Incentive Cost (\$)	TRC	UCT
Multi-Family Direct Install	14,378					127,716	127,716	\$ 142,996	2.05	2.05
Bath Aerator - 1.0 GPM (1 unit)	3,216	5	\$ 2	10	100%	15,437	15,437	\$ 4,975	14.69	14.69
Installation	3,436	-	\$ 33	0	100%	-	-	\$ 111,670	0.00	0.00
Installation Holdback	0	-	\$ 5	0	100%	-	-	\$ -		
Pipe Wrap	1,196	6	\$ 5	12	100%	7,535	7,535	\$ 5,382	6.87	6.87
Kitchen Aerator - 1.5 GPM (1 unit)	3,029	4	\$ 2	10	100%	11,510	11,510	\$ 6,058	9.25	9.25
Showerhead - 1.5 GPM (1 unit)	3,221	28	\$ 4	10	100%	90,832	90,832	\$ 13,371	29.85	29.85
Handheld Showerhead - 1.5 GPM (1 unit)	28	28	\$ 10	10	100%	790	790	\$ 280	12.15	12.15
Hot Water Boiler Pipe Wrap	0	300	\$ 250	10	100%	-	-	\$ -		
Setback Water Heater Temperature	252	6	\$ 5	5	100%	1,613	1,613	\$ 1,260	2.98	2.98
Targeted Income (North)	343					26,908	26,908	\$ 116,620	0.88	0.88
Air Sealing 25% Reduction	122	44	\$ 371	15	100%	5,409	5,409	\$ 45,241	0.76	0.76
Bath Aerator - 1.0 GPM (1 unit)	50	6	\$ 3	10	100%	295	295	\$ 150	9.12	9.12
Ceiling Insulation R0 to R38	23	299	\$ 854	25	100%	6,868	6,868	\$ 19,644	3.60	3.60
Ceiling Insulation R8 to R38	5	131	\$ 392	25	100%	654	654	\$ 1,959	3.23	3.23
Duct Sealing 10% Improvement	0	122	\$ 400	20	100%	-	-	\$ -		
Furnaces 92% AFUE	51	112	\$ 330	20	100%	5,712	5,712	\$ 16,820	2.44	2.44
Water Heaters 0.67 EF	0	27	\$ 175	13	100%	-	-	\$ -		
Kitchen Aerator - 1.5 GPM (1 unit)	41	11	\$ 3	10	100%	459	459	\$ 123	16.58	16.58
Showerhead - 1.5 GPM (1 unit)	29	31	\$ 9	10	100%	885	885	\$ 261	14.85	14.85
Wall Insulation R0 to R13	22	301	\$ 1,474	25	100%	6,626	6,626	\$ 32,423	2.18	2.18

Measure	Input Assumptions								Benefit/ Cost	
	Measure Quantity	Therms/ Unit	Incremental Cost	Measure Life	Attribute (%)	Gross Therm Savings	Net Therm Savings	Incentive Cost (\$)	TRC	UCT
Smart Thermostat Pilot	470					27,527	27,527	\$ 40,575	1.02	1.02
Nest Thermostat Direct Install	194	92	\$ 131	11	100%	17,867	17,867	\$ 25,321	3.22	3.22
Programmable Thermostat Direct Install	276	35	\$ 55	11	100%	9,660	9,660	\$ 15,255	2.89	2.89
Residential New Construction Pilot	6					1,092	728	\$ 2,700	0.28	0.29
Silver Star HERS ≤ 75 Gas	0	102	\$ 708	25	67%	-	-	\$ -		
Gold Star HERS ≤ 67 Gas	6	182	\$ 1,126	25	67%	1,092	728	\$ 2,700	2.93	4.90
Platinum Star - EPA Credit Gas	0	228	\$ 1,914	25	67%	-	-	\$ -		

Measure	Input Assumptions								Benefit/ Cost	
	Measure Quantity	Therms/ Unit	Incremental Cost	Measure Life	Attribute (%)	Gross Therm Savings	Net Therm Savings	Incentive Cost (\$)	TRC	UCT
Home Energy Assessments (South)	1,801					49,888	49,888	\$ -	1.08	1.08
Homes Completed	1,801	28	\$ -	10	100%	49,888	49,888	\$ -		
Low Income Wx (South)	1,099					137,534	137,534	\$ -	3.02	3.02
Homes Completed - Direct Water Heating Measure / Air Sealing	740	126	\$ -	13	100%	93,018	93,018	\$ -		
Homes Completed - Insulation	359	124	\$ -	13	100%	44,516	44,516	\$ -		
Behavior Letters (South)	50,000					340,244	340,244	\$ -	2.31	2.31
Households Receiving Letters	50,000	7	\$ -	1	100%	340,244	340,244	\$ -		
Low Income Wx (North)	267					81,196	81,196	\$ -	2.32	2.32
IQW Therm Bank Purchases for cost of insulation @ \$3.01 per therm	0	-	\$ -	13	100%	-	-	\$ -		
Homes Completed - Insulation	181	124	\$ -	13	100%	22,444	22,444	\$ -		
Incremental IQW's completed	86	683	\$ -	13	100%	58,752	58,752	\$ -		
IQW Therm Bank Purchases for incremental IQW's @ \$3.01 per therm	0	-	\$ -	13	100%	-	-	\$ -		
Hoosier Energy Wx Pilot	31					7,144	7,144	\$ -	0.78	0.78
Homes Completed - Direct Water Heating Measures	5	144	\$ -	20	100%	721	721	\$ -		
Homes Completed - Insulation/Air Sealing	26	247	\$ -	20	100%	6,423	6,423	\$ -		