

Impact of the DAC NTG Policy on ComEd, Nicor Gas, Peoples Gas and North Shore Gas

SAG Meeting July 17, 2024

Agenda

The Questions

1. How do the utilities track and monitor data that allows evaluation to identify installed measures affected by the DAC NTG policy?
2. What is the impact of the DAC NTG policy on IL EE programs?
(We will focus the answer on net savings.)

How ComEd Tracks DAC NTG-relevant Data

How do the utilities track and monitor data that allows evaluation to identify installed measures affected by the DAC NTG policy?

For most programs

- Program tracking data includes, at a minimum, the zip code of the end user where the equipment was installed.
- **Residential Market Rate Programs:** The evaluation uses tracking data zip codes and ComEd's zip code list created by Elevate, to flag, project-by-project, whether projects are in or out of the DAC zip codes.
- **Residential IE Programs**
 - Most IE programs use a deemed 1.0 NTG ratio, as such the DAC policy is not applied by evaluation
 - Retail / Online Program IE Lighting uses a NTG ratio less than 1.0. Evaluation applies the DAC policy to retailers located in DAC identified zip codes.
- **For Business Programs**
 - For all projects, evaluation uses tracking data zip codes and ComEd's zip code list to identify projects that are in or out of the DAC zip codes.
 - Additionally, for private projects, ComEd provides a field in the tracking data called "Delivery Service Class/Customer Class" to identify small load delivery class projects (< 100kW).

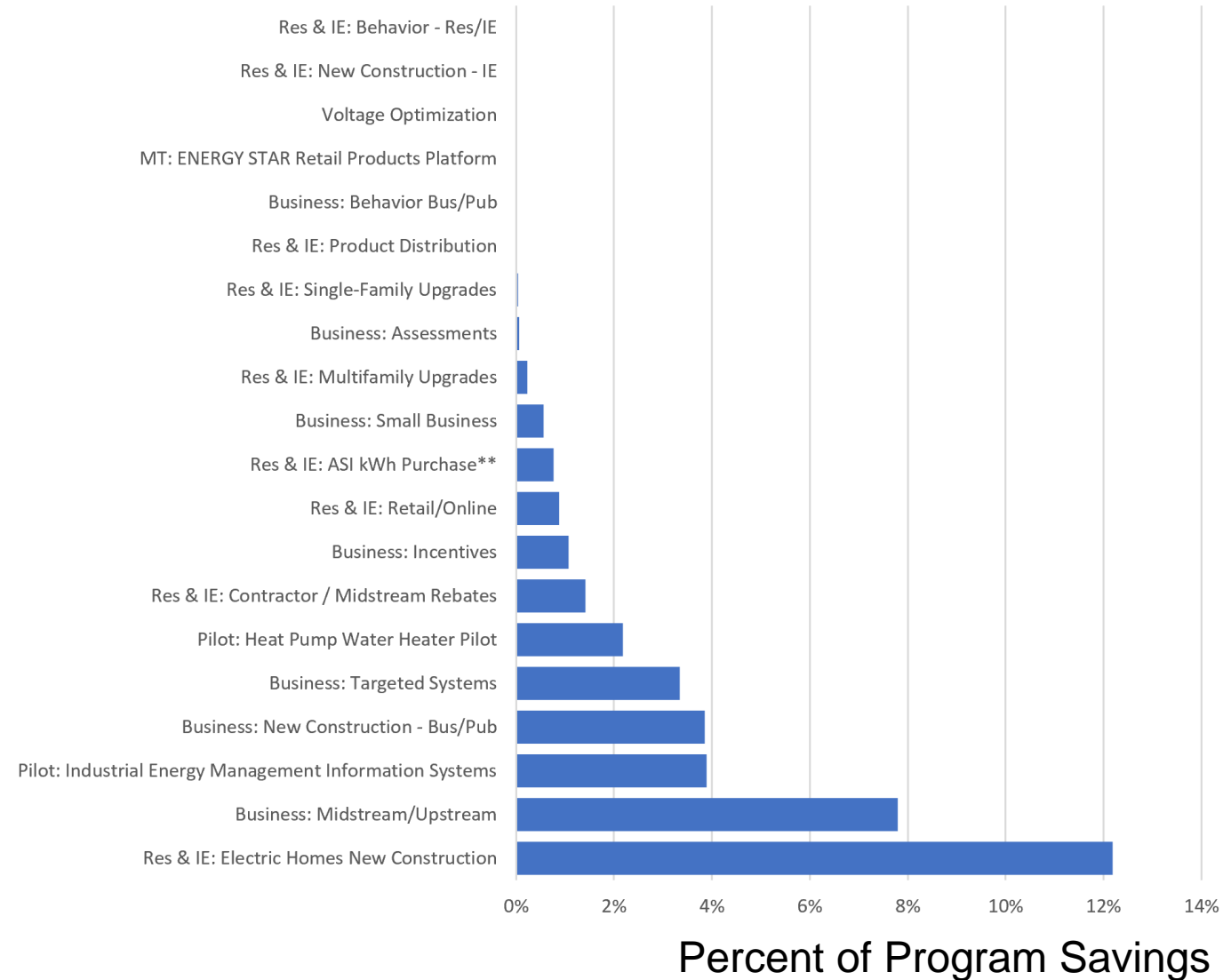
How ComEd Tracks DAC NTG-relevant Data

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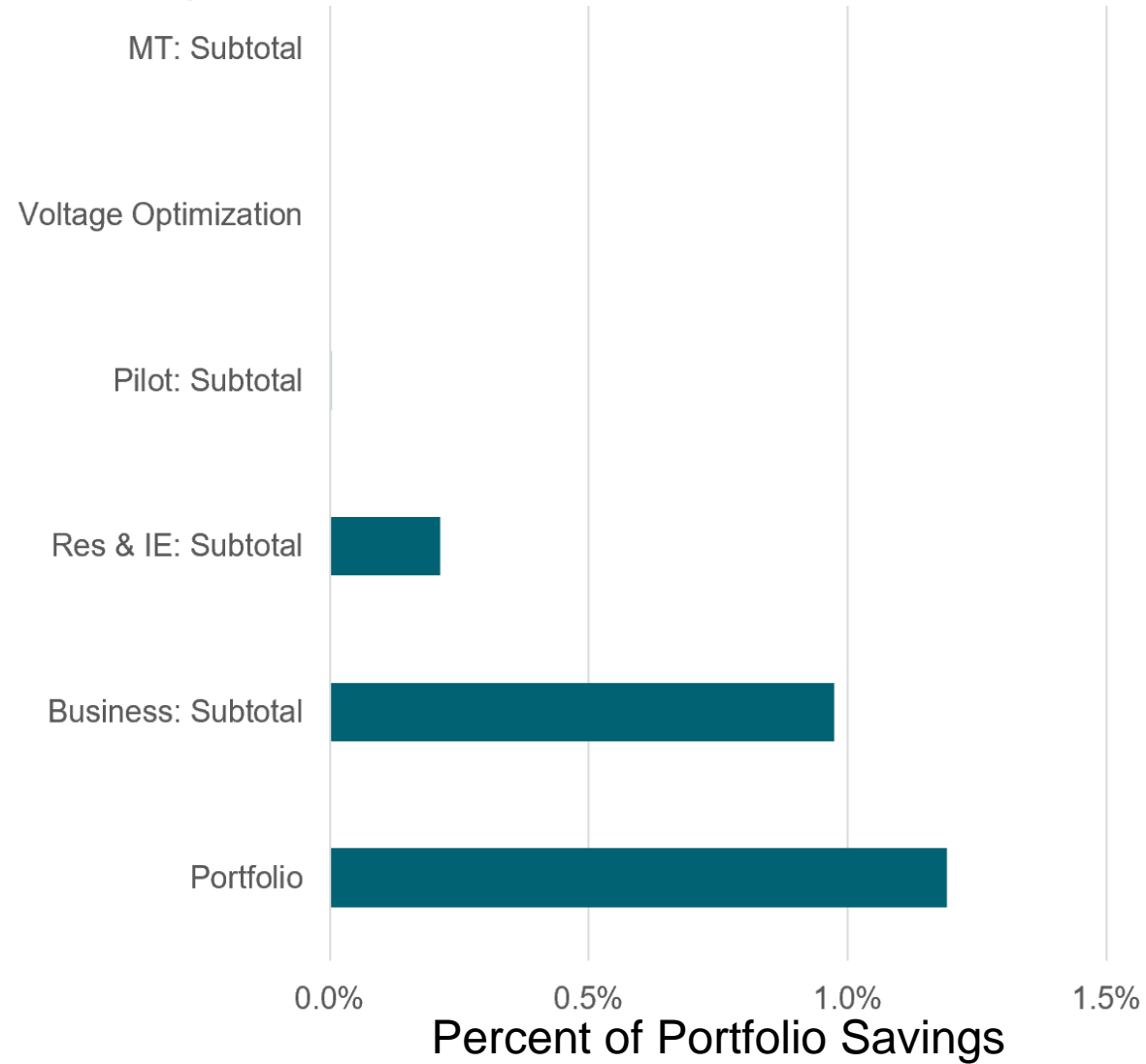
For some programs

- The tracking data cannot contain, by the nature of the program, specific customer information. e.g., Home Energy Reports (HER), Voltage Optimization.
- For HER, net savings are a natural outcome of the analysis. There is no NTG ratio to be applied.
- For Voltage Optimization, the NTG ratio is deemed at 1.0.
- For Building Operator Certification, the savings information referenced in the TRM is net. Therefore, this measure does not require the additional application of a NTG ratio.
- For Business New Construction, no delivery service class, customer class, or energy usage information is available. Building type (e.g. office, retail, etc.) and building area is used as a proxy for energy consumption using typical energy intensity values for code-compliant buildings. Public sector buildings are assigned a NTG of 1.0.
- For contractors and distributors selling products or services through a business midstream or upstream program, if either the contractor or distributor is located in a DAC-designated area, all resulting projects will get a NTG of 1.0.
 - If the contractor or distributor is NOT located in a DAC-designated area, we would use recipient zip code and rate class and will assume the recipient is the end user (not contractor).
 - If the tracking data indicates the recipient is a general delivery service municipal, public school or local government customer, we will not use the rate class in the NTG criteria.

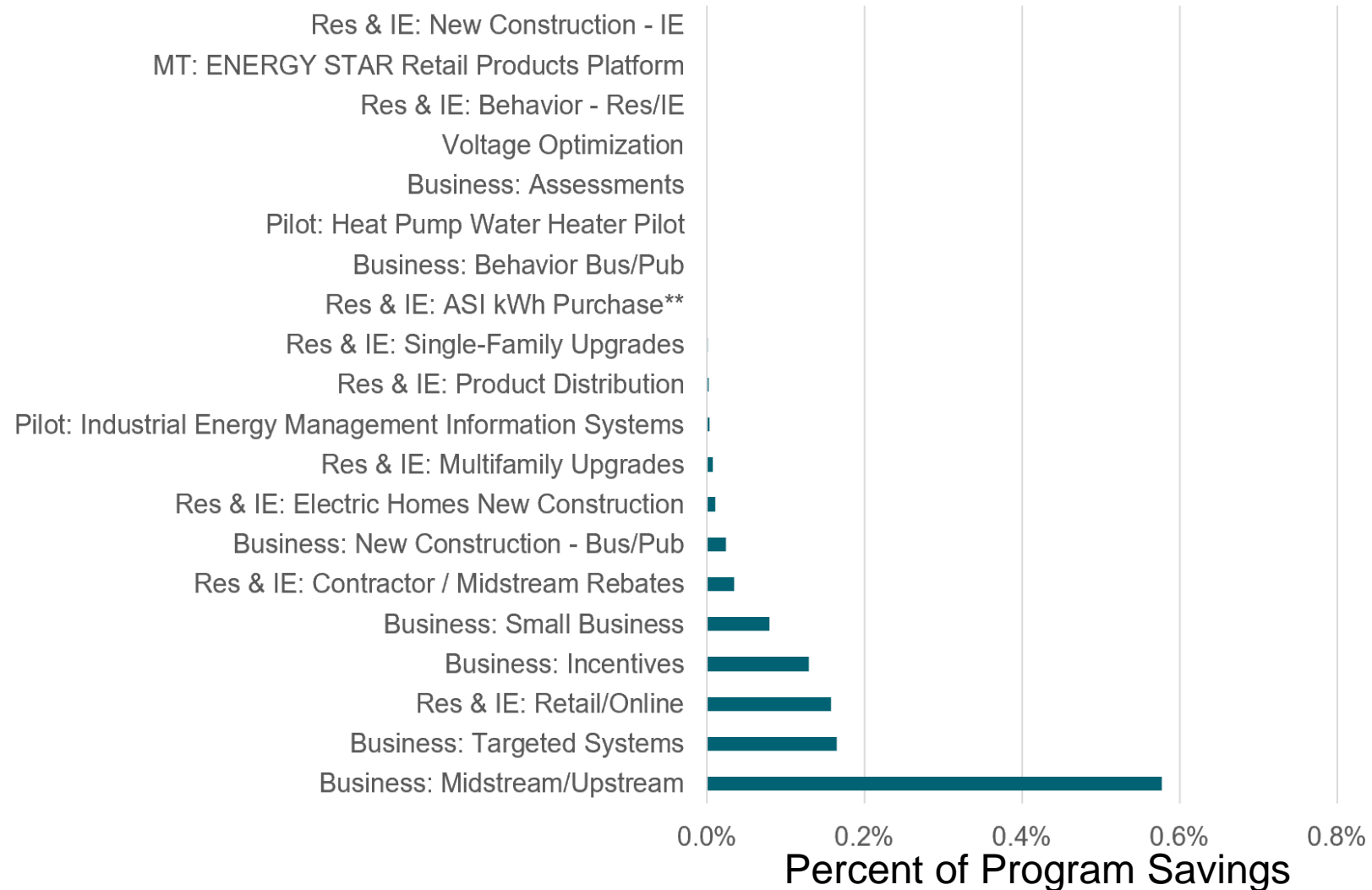
ComEd Net Savings Impact on Programs



ComEd Net Savings Impact on the Portfolio



ComEd Net Savings Impact on Portfolio



ComEd Net Savings Impacts

Sector	Program	Verified Net Savings with DAC (kWh)	Verified Net Savings without DAC (kWh)	DAC Net Impact (kWh)	Percent Program Impact	Percent Portfolio Impact
Business & Public Sector	Small Business	227,894,346	226,628,638	1,265,708	0.6%	0.08%
Business & Public Sector	Incentives	195,491,153	193,426,978	2,064,175	1.1%	0.13%
Business & Public Sector	Midstream/Upstream	127,961,662	118,714,410	9,247,252	7.2%	0.58%
Business & Public Sector	Targeted Systems	81,694,225	79,055,049	2,639,176	3.2%	0.16%
Business & Public Sector	Behavior Bus/Pub	41,221,956	41,219,445	2,511	0.0%	0.00%
Business & Public Sector	New Construction - Bus/Pub	10,442,324	10,054,599	387,726	3.7%	0.02%
Business & Public Sector	Assessments	2,309,581	2,308,154	1,426	0.1%	0.00%
Business & Public Sector	Subtotal	687,015,247	671,407,273	15,607,974	2.3%	0.97%
Res & IE	Retail/Online	287,010,272	284,497,238	2,513,034	0.9%	0.16%
Res & IE	Product Distribution	308,497,484	308,466,141	31,343	0.0%	0.00%
Res & IE	Single-Family Upgrades	55,752,243	55,734,403	17,840	0.0%	0.00%
Res & IE	Multifamily Upgrades	54,465,051	54,342,495	122,555	0.2%	0.01%
Res & IE	Contractor / Midstream Rebates	39,748,236	39,192,169	556,067	1.4%	0.03%
Res & IE	New Construction - IE	4,112,309	4,112,309	-	0.0%	0.00%
Res & IE	Electric Homes New Construction	1,460,362	1,301,802	158,559	10.9%	0.01%
Res & IE	Behavior - Res/IE	82,444,452	82,444,452	-	0.0%	0.00%
Res & IE	ASI kWh Purchase**	791,055	785,031	6,024	0.8%	0.00%
Res & IE	Subtotal	834,281,463	830,876,039	3,405,424	0.4%	0.21%
Pilot	Industrial Energy Management Information Systems	1,349,395	1,298,793	50,602	3.7%	0.00%
Pilot	Heat Pump Water Heater Pilot	111,119	108,745	2,374	2.1%	0.00%
Pilot	Subtotal	1,460,514	1,407,538	52,976	3.6%	0.00%
Market Transformation	ENERGY STAR Retail Products Platform	9,610,560	9,610,560	-	0.0%	0.00%
Market Transformation	Subtotal	9,610,560	9,610,560	-	0.0%	0.00%
Voltage Optimization	Voltage Optimization	68,991,654	68,991,654	-	0.0%	0.00%
Voltage Optimization	Subtotal	68,991,654	68,991,654	-	0.0%	0.00%
Portfolio	Grand Total	1,601,359,437	1,582,293,064	19,066,373	1.2%	1.19%

How Nicor Tracks DAC NTG-relevant Data

How do the utilities track and monitor data that allows evaluation to identify installed measures affected by the DAC NTG policy?

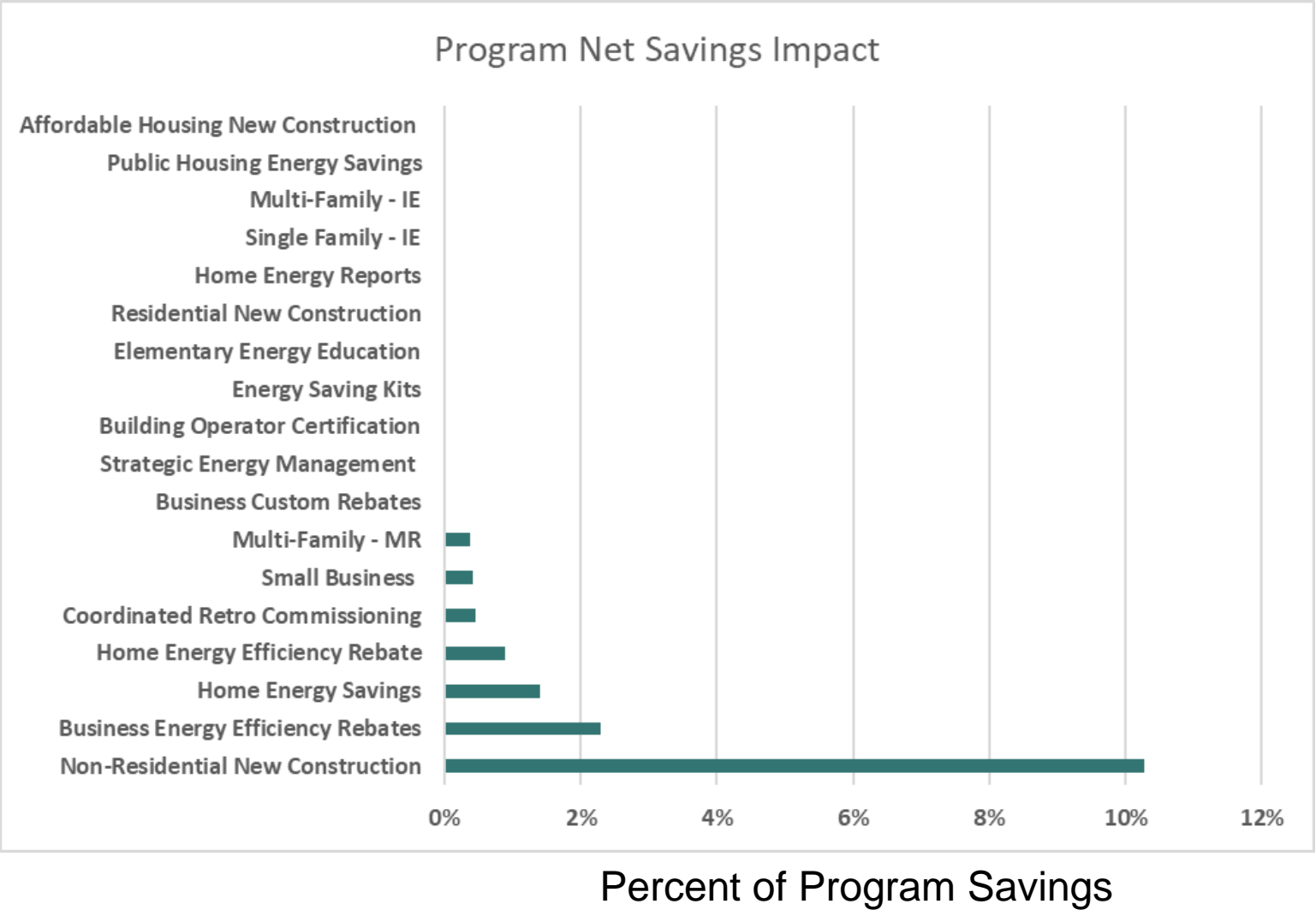
- Program tracking data includes, at a minimum, the zip code of the end user where the equipment was installed. Include a field with census tract designation and a field with Yes/No if a project is in DAC area
- **Residential Market Rate Programs:** The evaluation uses Nicor's census tract IDs provided in the tracking data or flag, project-by-project, whether projects are in or out of the DAC zip codes.
 - 2023 market rate net savings accounted for a residential non-participant spillover (NPSO) factor of 1.048. This was not applied to DAC designation sites. We assume the DAC NTG of 1.0 is a combination of free ridership and spillover, therefore applying the 1.048 multiplier will double count spillover. This approach will continue in 2024
 - Home Energy Report net savings are a natural outcome of the analysis. There is no NTG ratio to be applied.
- **Residential IE Programs:** IE programs use a deemed 1.0 NTG ratio, as such the DAC policy is not applied by evaluation

How Nicor Tracks DAC NTG-relevant Data

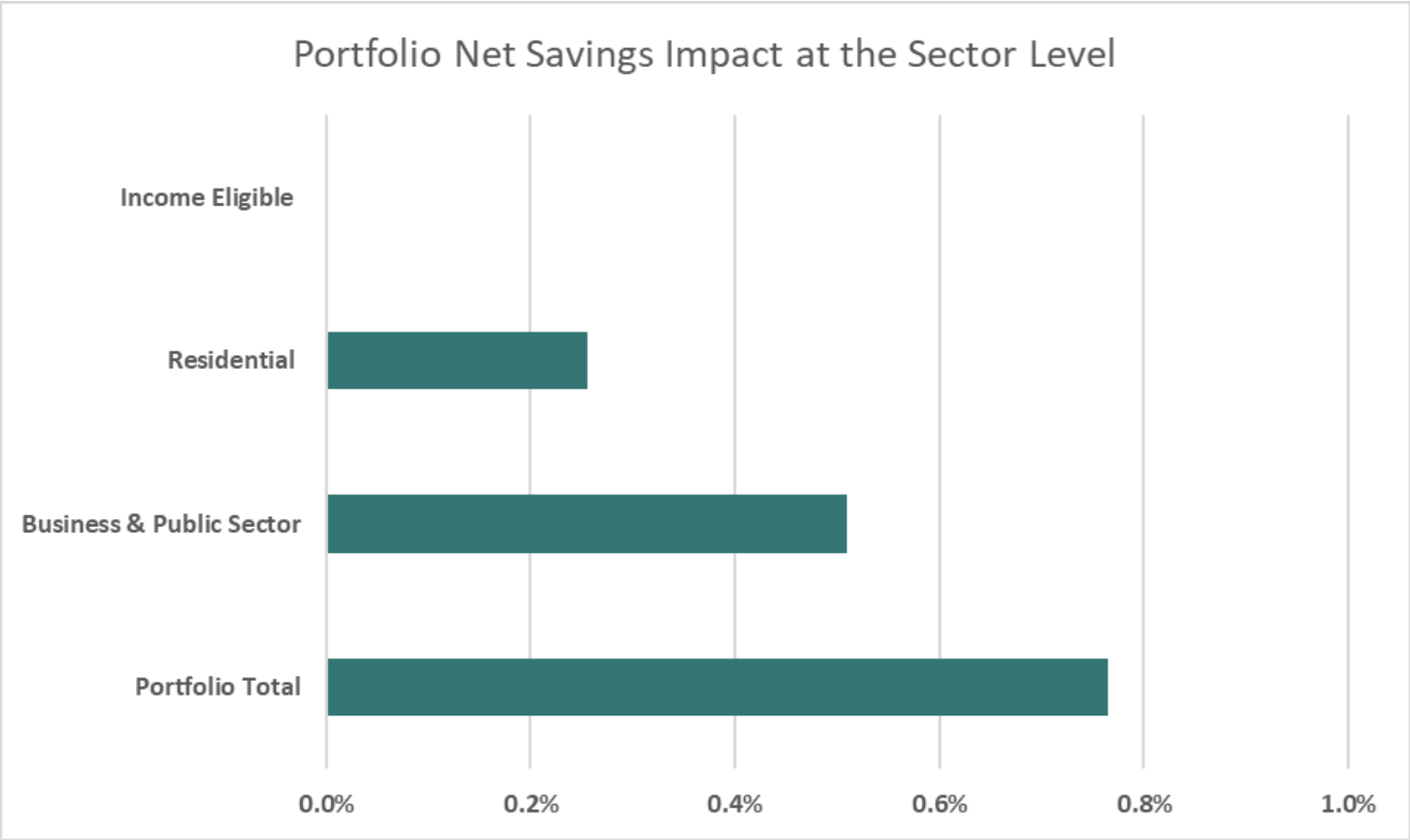
How do the utilities track and monitor data that allows evaluation to identify installed measures affected by the DAC NTG policy?

- **For Business Programs:**
 - For all projects, evaluation uses tracking data census tract ID provided by Nicor Gas to identify projects that are in or out of the DAC area and eligible for NTG of 1.0
 - For public projects, Nicor Gas provided additional field designating the municipalities and facility type of the DAC project.
- For Building Operator Certification, the savings information referenced in the TRM is net. Therefore, this measure does not require the additional application of a NTG ratio.
- For joint utility programs, zip code and ComEd rate class or gas utility therms usage is used to determine DAC eligibility and get a NTG of 1.0. If a project qualifies as DAC for one utility criteria, it qualifies for all utilities (e.g. NRNC, RCx, MF-IE).
- For Business New Construction, no delivery service class, customer class, or energy usage information is available. Building type (e.g. office, retail, etc.) and building area is used as a proxy for energy consumption using typical energy intensity values for code-compliant buildings. Public sector buildings are assigned a NTG of 1.0.

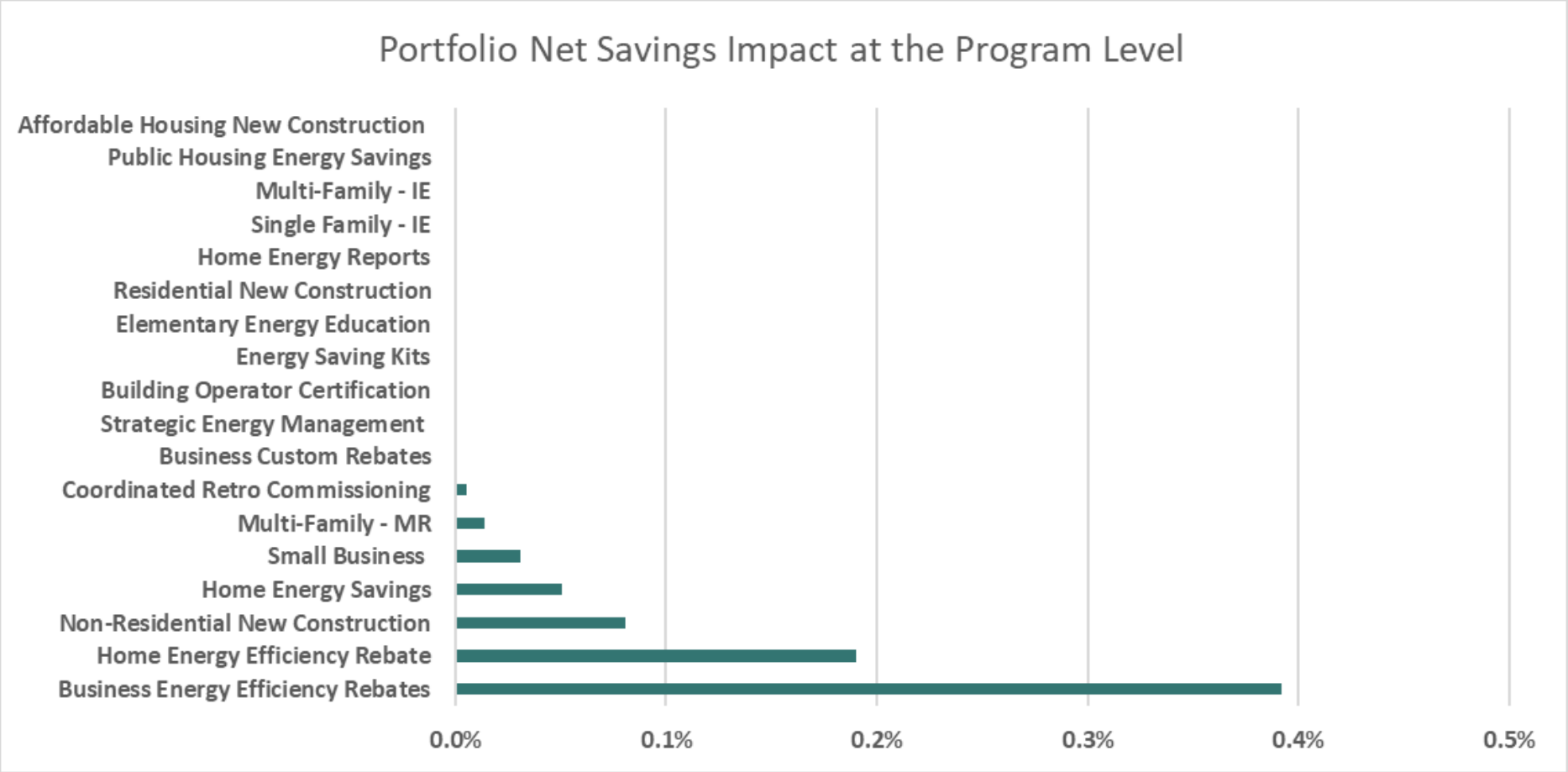
Nicor Net Savings Impact on Programs



Nicor Net Savings Impact on Sector



Nicor Net Savings Impact on Portfolio



Nicor Gas DAC Net Savings Impacts

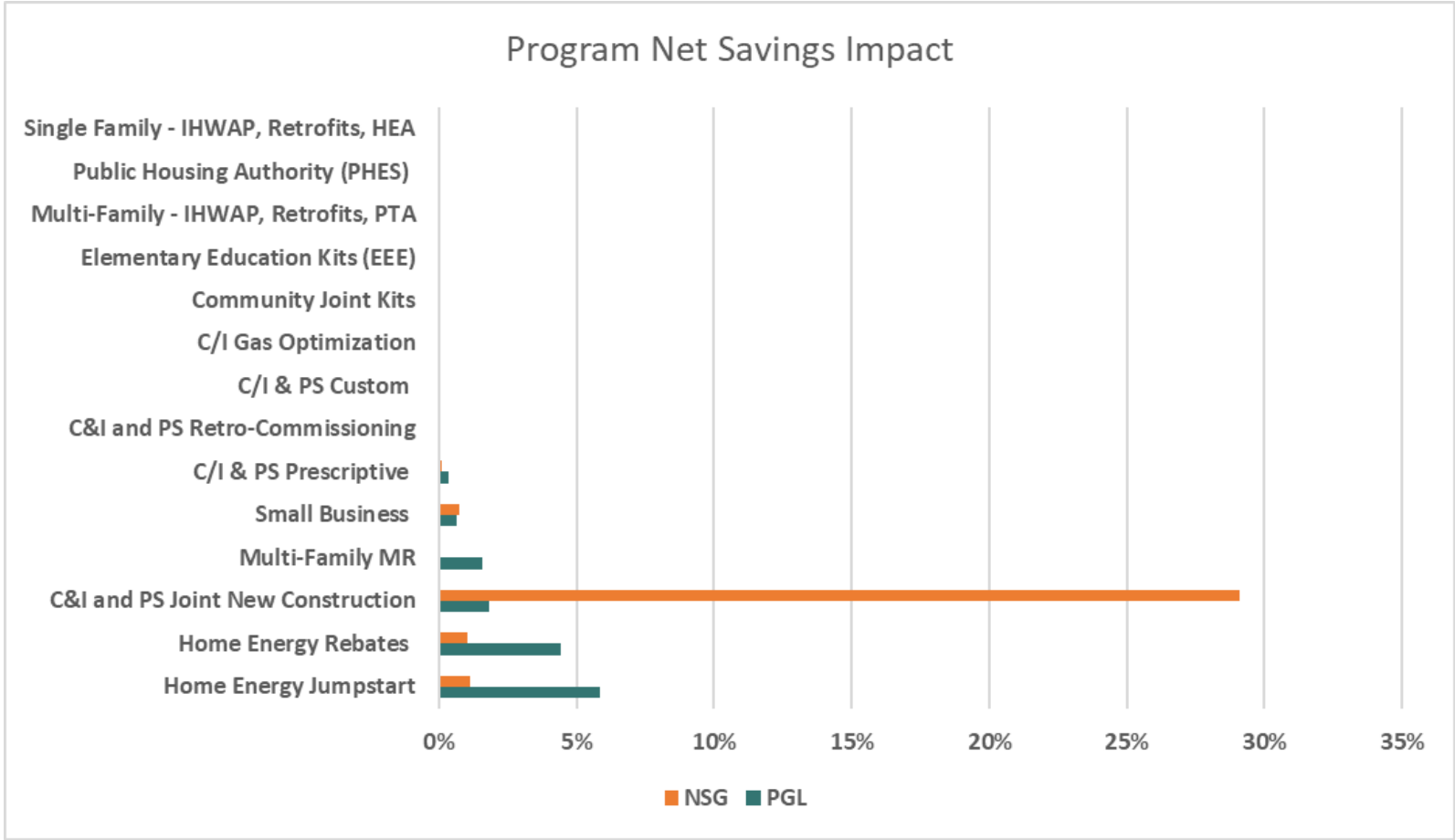
Sector	Program	Verified Net Savings with DAC (therms)	Verified Net Savings without DAC (therms)	DAC Net Impact (therms)	Percent Impact
Business	Business Energy Efficiency Rebates	2,751,278	2,688,362	62,916	2.3%
Business	Business Custom Rebates, Plus Nicor Gas only RCx	2,098,991	2,098,991	-	0.0%
Business	Strategic Energy Management	1,029,263	1,029,263	-	0.0%
Business	Coordinated Retro Commissioning	188,481	187,636	846	0.4%
Business	Coordinated Non-Residential New Construction	126,500	113,503	12,997	10.3%
Business	Small Business Program	1,183,660	1,178,724	4,936	0.4%
Business	Building Operator Certification	16,812	16,812	-	0.0%
Business & Public Sector	Subtotal	7,394,985	7,296,479	81,694	1.1%
Residential	Home Energy Efficiency Rebate	3,423,179	3,392,632	30,546	0.9%
Residential	Home Energy Savings	576,885	568,772	8,113	1.4%
Residential	Multi-Family	590,939	588,698	2,240	0.4%
Residential	Energy Saving Kits	444,550	444,550	-	0.0%
Residential	Elementary Energy Education	458,118	458,118	-	0.0%
Residential	Residential New Construction	562,950	562,950	-	0.0%
Residential	Home Energy Reports	708,472	708,472	-	0.0%
Res & IE	Subtotal	6,765,092	6,724,192	40,900	0.6%
Income Eligible	Single Family - IHWAP, Contractors Channel, BNP, Kits	881,610	881,610	-	0.0%
Income Eligible	Multi-Family - IHWAP, Contractors Channel, BNP, Kits	935,005	935,005	-	0.0%
Income Eligible	Public Housing Energy Savings	50,960	50,960	-	0.0%
Income Eligible	Affordable Housing New Construction	16,491	16,491	-	0.0%
Income Eligible	Subtotal	1,884,066	1,884,066	-	0.0%
Portfolio	Grand Total	16,044,143	15,904,737	122,594	0.8%

How PGL/NSG Tracks DAC NTG-relevant Data

How do the utilities track and monitor data that allows evaluation to identify installed measures affected by the DAC NTG policy?

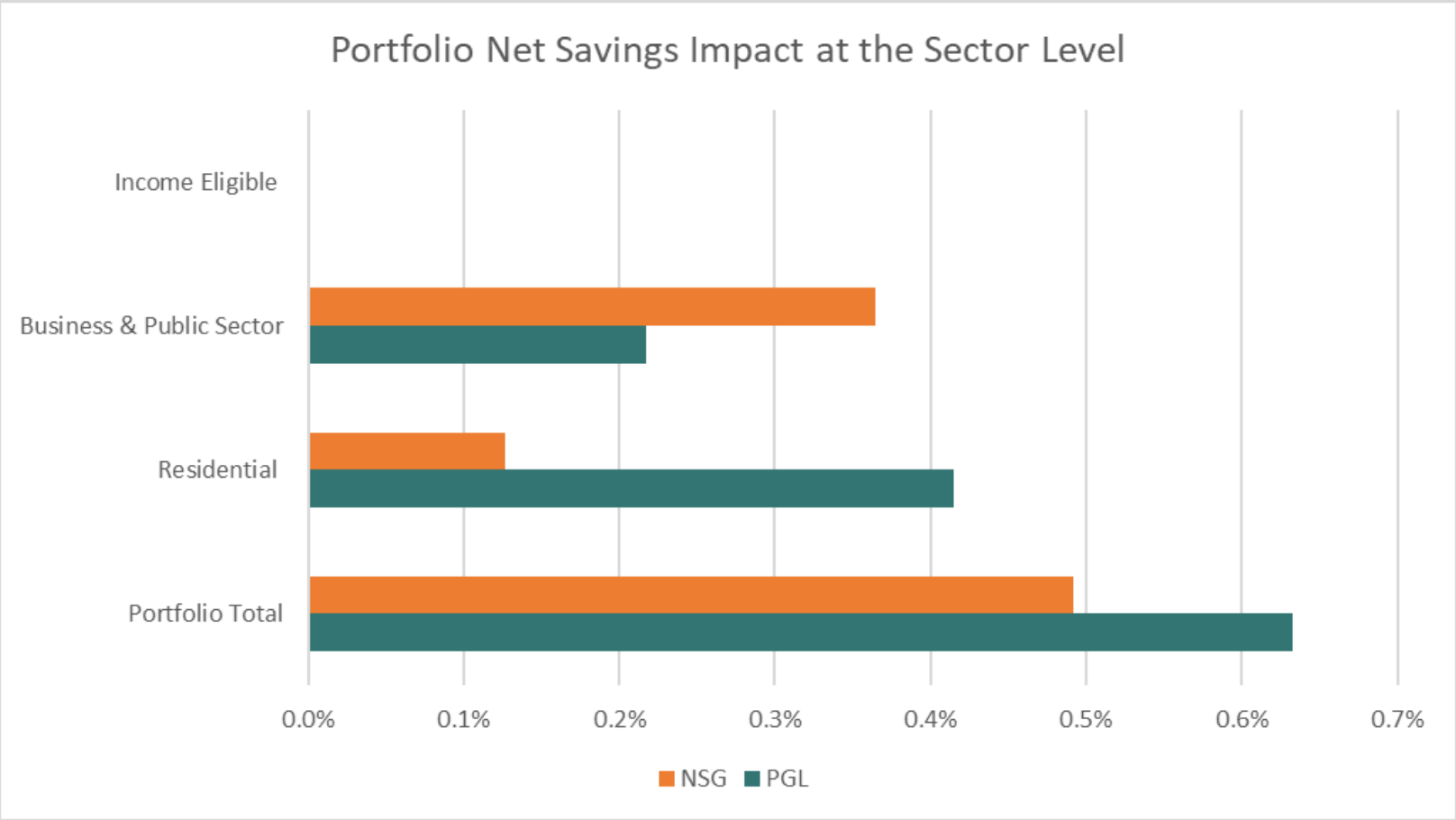
- Program tracking data includes zip code of the end user where the equipment was installed. Include a field with census tract designation and a field with Yes/No if a project is in DAC area
 - **Residential Market Rate Programs:** The evaluation used census tract information provided in the tracking data to flag, project-by-project in or out of the DAC designated area. The data has a field with Yes/No if a project is in DAC area
 - Not applicable in 2023, but in 2024 the Market Rate net savings will account for a residential non-participant spillover (NPSO) factor of 1.083. Like Nicor Gas, this factor will not apply to DAC designation sites to avoid double counting of spillover.
- **Residential IE Programs:** IE programs use a deemed 1.0 NTG ratio, as such the DAC policy is not applied by evaluation
- **For Business Programs:**
 - For all projects, evaluation used census tract designation, a list of projects which Usage <35k Therms, and a field with Yes/No if a project is in DAC area eligible for NTG of 1.0
 - For public projects, PGL/NSG provided additional field designating the DAC municipalities and DAC project.
- For joint utility programs, we used zip code and ComEd rate class or gas utility therms usage to determine DAC eligibility. If a project qualifies as DAC for one utility criteria, it qualifies for all utilities (e.g. NRNC, RCx, MF-IE).

PGL/NSG Net Savings Impact on Programs

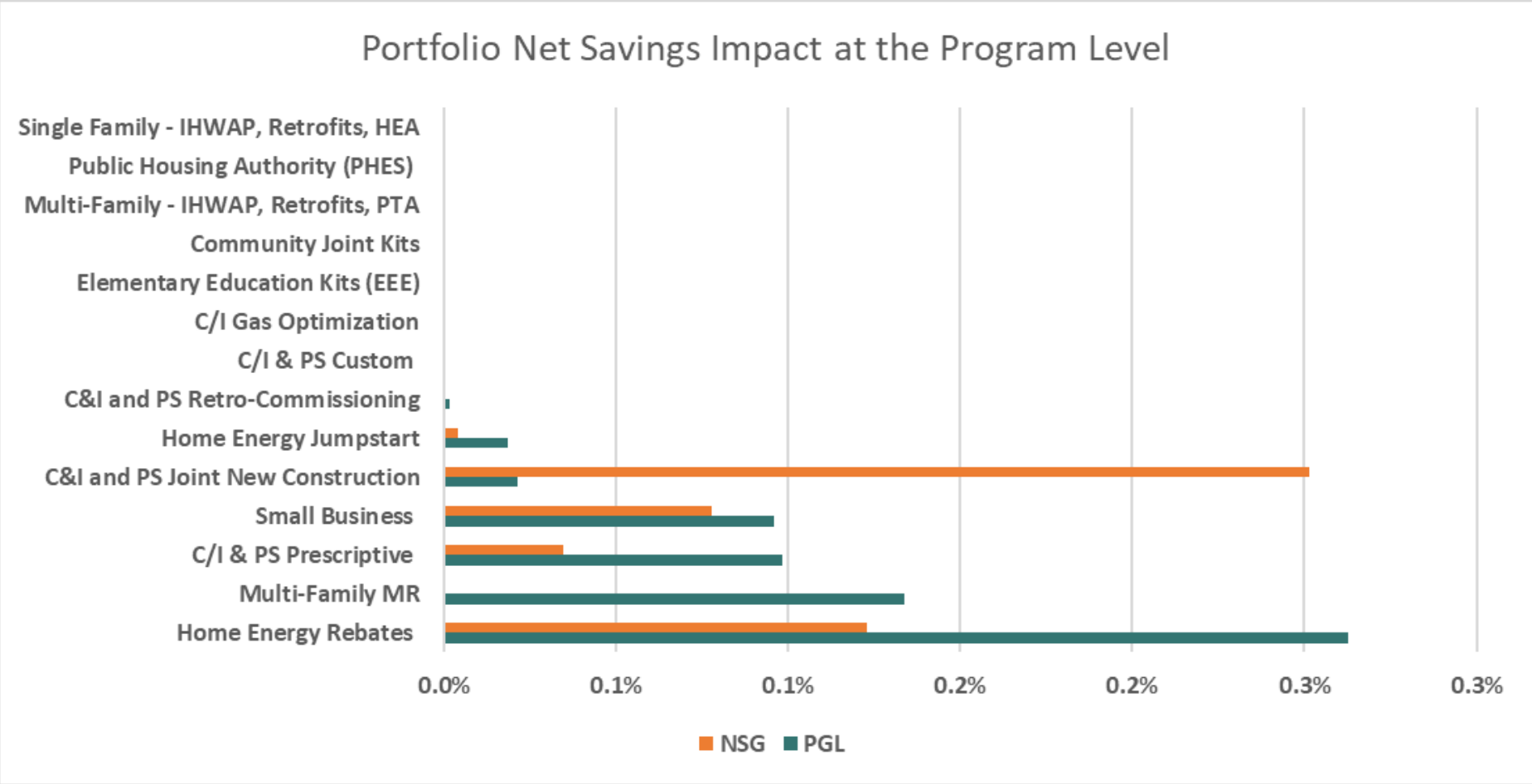


Percent of Program Savings

PGL/NSG Net Savings Impact on Sector



PGL/NSG Net Savings Impact on Portfolio



PGL DAC Net Savings Impacts

Sector	Program	Verified Net Savings with DAC (therms)	Verified Net Savings without DAC (therms)	DAC Net Impact (therms)	Percent Impact
Business & Public Sector	C/I & PS Prescriptive	2,958,176	2,948,504	9,672	0.3%
Business & Public Sector	C/I & PS Custom	446,414	446,414	-	0.0%
Business & Public Sector	C/I Gas Optimization	357,321	357,321	-	0.0%
Business & Public Sector	C&I and PS Joint New Construction	116,557	114,454	2,103	1.8%
Business & Public Sector	C&I and PS Retro-Commissioning	355,674	355,479	195	0.1%
Business & Public Sector	Strategic Energy Management			-	-
Business & Public Sector	Small Business	1,527,973	1,518,537	9,437	0.6%
Business & Public Sector	Subtotal	5,762,116	5,740,710	21,406	0.4%
Residential	Elementary Education Kits (EEE)	203,814	203,814	-	0.0%
Residential	Home Energy Rebates	582,011	556,162	25,849	4.4%
Residential	Multi-Family MR	835,192	822,034	13,158	1.6%
Residential	Home Energy Jumpstart	31,287	29,450	1,838	5.9%
Res & IE	Subtotal	1,652,304	1,611,460	40,845	2.5%
Income Eligible	Community Joint Kits	548,595	548,595	-	0.0%
Income Eligible	Multi-Family - IHWAP, Retrofits, PTA	1,296,987	1,296,987	-	0.0%
Income Eligible	Public Housing Authority (PHES)	58,045	58,045	-	0.0%
Income Eligible	Single Family - IHWAP, Retrofits, HEA	521,887	521,887	-	0.0%
Income Eligible	Subtotal	2,425,514	2,425,514	-	0.0%
Portfolio	Grand Total	9,839,935	9,777,684	62,251	0.6%

NSG DAC Net Savings Impacts

Sector	Program	Verified Net Savings with DAC (therms)	Verified Net Savings without DAC (therms)	DAC Net Impact (therms)	Percent Impact
Business & Public Sector	C/I & PS Prescriptive	835,996	835,299	698	0.1%
Business & Public Sector	C/I & PS Custom	99,000	99,000	-	0.0%
Business & Public Sector	C/I Gas Optimization	-	-	-	-
Business & Public Sector	C&I and PS Joint New Construction	17,294	12,266	5,028	29.1%
Business & Public Sector	C&I and PS Retro-Commissioning	5,053	5,053	-	0.0%
Business & Public Sector	Strategic Energy Management	-	-	-	-
Business & Public Sector	Small Business	206,668	205,111	1,557	0.8%
Business & Public Sector	Subtotal	1,164,011	1,156,729	7,282	0.6%
Residential	Elementary Education Kits (EEE)	37,545	37,545	-	0.0%
Residential	Home Energy Rebates	237,603	235,148	2,455	1.0%
Residential	Multi-Family MR	55,064	55,064	-	0.0%
Residential	Home Energy Jumpstart	7,541	7,456	85	1.1%
Res & IE	Subtotal	337,754	335,214	2,540	0.8%
Income Eligible	Community Joint Kits	36,638	36,638	-	0.0%
Income Eligible	Multi-Family - IHWAP, Retrofits, PTA	447,004	447,004	-	0.0%
Income Eligible	Public Housing Authority (PHES)	-	-	-	-
Income Eligible	Single Family - IHWAP, Retrofits, HEA	13,521	13,521	-	0.0%
Income Eligible	Subtotal	497,162	497,162	-	0.0%
Portfolio	Grand Total	1,998,927	1,989,105	9,822	0.5%

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Thank You

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ComEd Business New Construction DAC Size Criteria

For Business New Construction program, NTG surveys are completed prior to building construction and/or occupancy. Therefore, the delivery service class and energy consumption for the site is not known.

- The energy use for the building is estimated based on the building use type and the building area.
- Electric and natural gas energy consumption per square foot was calculated using sixteen prototypical buildings modeled for IECC 2021 compliance in ASHRAE climate zone 5A (Chicago)
 - Similar building types (e.g. Small office, medium office, and large office) were averaged together, resulting in eight building type categories
- Building size thresholds were calculated for each building type category as the area require to exceed either an electric usage of 750,000 kWh or a natural gas usage of 35,000 therms
- The size threshold was set to zero for refrigerated warehouse and industrial buildings, as these are all expected to exceed the DAC usage thresholds
- Buildings not meeting any defined building type are classified as "other" with the size threshold being set as the average of the other building types, less industrial.

Building Type	Area Threshold (sq. ft.)
Office	85,000
Retail	90,000
Education	90,000
Medical	40,000
Lodging	75,000
Warehouse (non-refrigerated)	275,000
Refrigerated Warehouse	0
Food Service	10,000
Multifamily Residential	90,000
Industrial	0
Other	85,000

ComEd Business Midstream/Upstream Program

Midstream and Upstream programs, broadly speaking, are energy efficiency programs in which the incentives are not provided directly to the end user.

- For contractors and distributors selling products or services through a business midstream or upstream program, if either the contractor or distributor is located in a DAC-designated area, all resulting projects will get a NTG of 1.0.
- If the contractor or distributor is NOT located in a DAC-designated area, then the following decision processes would apply to determine the appropriate NTG value. “Information” in this context would include location and rate class (as applicable for non-residential programs).
 - If the tracking data has the recipient zip code or census tract and not their rate class:
NTG = regular program or measure-level NTG value.
 - If the tracking data has both the recipient zip code or census tract and the rate class we will assume the recipient is the end user (not the contractor)
 - If the zip code or census tract is in a DAC area **and** the rate class meets the conditions stated in the policy for the project
NTG = 1.0.
 - If the zip code or census tract is NOT in a DAC area **OR** the rate class does not meet the conditions stated in the policy for the project
NTG = regular program or measure-level NTG value.
 - If the tracking data indicates the recipient is a general delivery service municipal, public school or local government customer, we will not use the rate class in the NTG criteria.
 - If the zip code or census tract is in a DAC area
NTG = 1.0.
 - If the zip code or census tract is NOT in a DAC area
NTG = regular program or measure-level NTG value.