

**Illinois EE Stakeholder Advisory Group
Large Group SAG – Day 1**

**Tuesday, February 13, 2024
9:00 am – 12:30 am
Teleconference**

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Meeting Materials

Meeting materials are posted on the [February 13th meeting page](#):

- [February 13, 2024 SAG Agenda \(Day 1\)](#)
- [SAG Facilitator Presentation: Introduction to February Meetings](#)
- [ComEd EE Portfolio Overview Presentation](#)
- [Nicor Gas EE Portfolio Overview Presentation](#)

Attendees

Celia Johnson, SAG Facilitator
Jorge Medina Zambrano, Inova Energy Group (SAG Meeting Support)
AJ Young, Greenlink
Aadil Ahesan, Nicor Gas
Abigail Miner, IL Attorney General's Office
Andrey Gribovich, DNV
Andy Vaughn, Leidos
Arvind Singh, DNV
Bruce Liu, Nicor Gas
Brian Schiemann, Nicor Gas
Cassidy Kraimer, Community Investment Corp.
Caty Lamadrid, Inova Energy Group
Chanda Rowan, Nicor Gas
Cheryl Watson, Equitable Resilience & Sustainability
Chris Neme, Energy Futures Group, representing NRDC
Christina Pagnusat, Peoples Gas & North Shore Gas
Chris Vaughn, Nicor Gas
David Brightwell, ICC Staff
Deb Dynako, Slipstream
Dena Jefferson, Franklin Energy
Denise Munoz, ComEd
Elizabeth Horne, ICC Staff
Eljona Fiorita, CLEAResult

Erin Daughton, ComEd
Fernando Morales, Ameren Illinois
Hannah Howard, Opinion Dynamics
Heidi Gorrill, Slipstream
Hilary Snover, CLEAResult
Ian VanArsdall, Nicor Gas
Jamie McCloskey, Staples Energy
Janet Sebahar, Nicor Gas
Jarred Nordhus, Peoples Gas & North Shore Gas
Jason Jeunnette, Design Lights Consortium
Jean Gibson, Peoples Gas & North Shore Gas
Jeff Carroll, DNV
Jeff Erickson, Guidehouse
Jim Fay, ComEd
John Dakarian, Nicor Gas
John Lavallee, Ameren Illinois
John Mascarenhas, CLEAResult
Jonathan Skarzynski, Nicor Gas
Josh Sharon, ComEd
Kari McCue, Nicor Gas
Kari Ross, NRDC
Kathryn Brewer, CLEAResult
Keely Hughes, The JPI Group
Keith Cronin, VEIC (IL-TRM Administrator)
Ken Parker, Community Investment Corp.
Ken Walczak, DarkSky Chicago / Adler Planetarium
Kevin Grabner, Skytop Consulting
Kim Brown, ComEd
Kim Janas, IL Attorney General's Office
Kim Swan, ComEd
Kristen Kalaman, Resource Innovations
LaJuana Garrett, Nicor Gas
Larry Kotewa, Elevate
Laura Agapay-Read, Guidehouse
Lauren Gage, Apex Analytics
Lawrence Kotewa, Elevate
Mark Szczygiel, Nicor Gas
Mary Johnson, Resource Innovations
Mary Thony, Guidehouse
Matt Armstrong, Ameren Illinois
MeLena Hessel, Elevate
Michael Brandt, Elevate
Mike King, Nicor Gas
Molly Graham, MEEA
Molly Lunn, ComEd
Nate Baer, Staples Energy
Nelson May, Future Energy Enterprises (IQ South Facilitation Team)
Nick Lovier, Ameren Illinois
Nick Warnecke, Ameren Illinois
Nicole Popejoy, IACAA
Omayra Garcia, Peoples Gas & North Shore Gas

Pauravi Shah, ComEd
Philip Mosenthal, Optimal Energy, representing IL AG and NCLC
Randy Opdyke, Nicor Gas
Rohith Mannam, Nicor Gas
Ronna Abshure, ICC
Sara Castleberry, Resource Innovations
Sarah Amspacher, Resource Innovations
Scott Eckel, ICC
Scott Yee, Resource Innovations
Selena Worster Walde, ERTHE Energy Solutions
Seth Craigo-Snell, SCS Analytics
Tamika J. Cole, Walker-Miller Energy Services
Ted Weaver, First Tracks Consulting, representing Nicor Gas
Tina Grebner, Ameren Illinois
Travis Hinck, GDS Associates
Victoria Nielsen, ScottMadden
Wade Morehead, Morehead Energy
Zach Obert, Franklin Energy
Zach Ross, Opinion Dynamics
Zachary Froio, Applied Energy Group
Zoe Bottger, Elevate

Meeting Notes

Follow-up items are indicated in **red text**.

Opening and Introductions

Purpose of February 13-14 SAG Meetings: For Illinois utilities to present an overview of current EE Portfolios and considerations for 2026- 2029 EE Plans.

- The goal of the February SAG meetings is to kick-off the SAG Planning Process with a common understanding of current EE Portfolios
- Utility presentations will also help inform the opportunity for SAG participants to submit “Energy Efficiency Ideas” (due Fri., March 15th)
- [SAG Facilitator Presentation: Introduction to February Meetings](#)

ComEd EE Portfolio Overview

Molly Lunn, ComEd

- **2023 Portfolio Summary**
 - Despite challenges such as inflation and labor shortages impacting cost-effectiveness, the company managed to exceed 2023 AAIG and CPAS goals, with an estimated WAML of 13.
 - While costs have increased, prudent management allowed for a reduction in the 2023 budget and the ability to roll over \$24 million into 2024 and 2025. However, implementing Electrification Energy Efficiency (EEE) initiatives in low-income areas has proven to be costly, with the 25% rule limiting savings from other electrification efforts.
 - Consequently, other program areas have been restricted due to budget constraints. Notably, the addition of commercial food service programs presents a new opportunity, albeit one that may require further awareness and outreach efforts.

Business and Public Sector Offerings

- **Standard**

- One of the core programs within the CNI segment, the EESP, relies on a network of trade allies to facilitate incentives for the program, operating through both open and closed networks. With the recent launch of an online application, the implementation process has been streamlined, enhancing efficiency. In 2023 alone, the program successfully disbursed over \$55 million in incentives, resulting in a net savings of 182 GWh.
- **Small Biz Overview**
 - This program operates on par with standard industry programs and serves as a significant component of the portfolio. Catering to customers with a demand of less than 400 kW, it operates through a closed network of service providers who assist in implementing various measures. These measures encompass lighting, lighting controls, HVAC, refrigeration, compressed air, and building envelope improvements.
 - The program relies heavily on outreach and sales efforts by service providers, with approximately 90% of customer leads originating from their initiatives. To ensure effective outreach, the program is supported by two dedicated Small Business outreach representatives.
- **Midstream Overview**
 - With over 130 participating distributors, the program facilitated over 100 GWh in energy savings in 2023. Incentive categories include lighting, HVAC, and fork trucks, offering instant savings provided directly by the distributor, eliminating the need for a separate incentive application process.
- **Commercial Food Service**
 - The dual-fuel program targets non-residential customers, offering them a point-of-sale discount on qualifying commercial foodservice measures purchased through participating suppliers. Initially launched as a pilot program, it has since evolved into a fully-fledged initiative. The program encompasses 25 commercial foodservice measures, covering various equipment categories such as cooking, refrigeration, sanitation, and others.
- **Custom Overview**
 - For measures lacking a fixed incentive amount, customers have the option to identify opportunities and apply for custom incentives and discounts. In 2023, this approach resulted in the completion of 100 projects, yielding a total gross savings of 24,973 MWh.
- **Industrial Overview**
 - Conducting studies to pinpoint potential opportunities, the program aims to identify energy-saving initiatives. In certain cases, incentives cover up to 100% of project costs, further incentivizing participation. The program is actively seeking expansion opportunities to broaden its impact. Implemented by Cascade Energy and its partners, the initiative achieved notable success in 2023, completing 350 projects and achieving a gross energy savings of 50.6 GWh.

Chris Neme: Can you say anything about engagement you have with the large industrial customers that chose to opt out? Those who chose to opt out may not see value in EE. Is ComEd doing anything to reach out to currently opted out customers to opt in for the next EE Plan cycle?

- *Molly Lunn: It's a good idea, but we have not had conversations about bringing those customers back in. A lot of times what we hear is that they are already doing the work, and they want to manage the work they are doing themselves.*
- *Chris Neme: I encourage reaching out. Part of the outreach could be explaining what ComEd could provide under EE programs. We know from numerous studies that most industrial customers are doing projects with short paybacks.*
- *Denise Munoz: We have a very concerted effort focused on large C&I customers who did opt in. We know this is an untapped market. Those conversations have*

challenges; those customers feel like they know what they are doing. We will take this as a follow-up.

- *Chris Neme: This is a good time to start thinking about this, because there is enough lead time.*
- *Molly Lunn: This could be a conversation for opted out customers on what ComEd could be doing to help support them.*

- **Retrocommissioning (RCx) Overview**

- A long-standing program accessible to all building types, it consistently delivers average savings ranging from 5% to 15%. Participants are required to commit to investing between \$1000 and \$15,000 in no and low-cost energy-saving improvements. In 2023, the program showcased substantial results, with 45.9 GW hours verified and 286 projects verified. Additionally, it accepted five Energy Efficiency Service Providers (EESP) while removing seven others.

- **Strategic Energy Management (SEM) Overview**

- SEM is a comprehensive program that addresses both behavioral and operational aspects to optimize energy usage. By helping customers treat energy as a manageable cost and guiding them in setting goals, establishing teams, and identifying savings opportunities, the program fosters deeper relationships and facilitates the implementation of more projects.
- Industrial cohorts occasionally participate in SEM, rotating cohorts annually to ensure continuous improvement. This approach introduces a subtle competitive element among peers, encouraging greater engagement and commitment to energy efficiency initiatives.

Chris Neme – How many customers participate on an ongoing basis? Steady or growing?

- *Molly Lunn – There has been steady participation. Typically, a business is in a cohort for a year. Will follow-up with number of participants.*
- *Chris Neme – Is there potential for growth?*
- *Molly Lunn – Anticipate SEM being steady going forward. It's not a program that will help fill in gaps at a lower cost.*

- **New Construction Overview**

- The program targets both private and public sector Commercial and Industrial (C&I) entities, providing technical assistance and financial incentives to encourage energy conservation measures. Eligible facilities must have a minimum size of 5,000 square feet. The program offers two pathways: Best practice, which provides tailored incentives predetermined by sector (e.g., parking, garage), and Performance, which bases incentives on energy modeling and actual savings achieved within the facility. Recently, there has been a growing recognition of opportunities to exceed standard measures, particularly in the realm of electrification, indicating a trend towards more ambitious energy efficiency efforts.

- **Facility Assessment Overview**

- The program is accessible to customers with a usage of 400 kW and above, catering to a broad range of clients. Although the program may not yield substantial savings, it serves as a fundamental education platform.
- Smaller customers are directed to the small business program for assessments. The process typically involves a preliminary interview followed by an on-site assessment, ensuring tailored recommendations and guidance for energy efficiency improvements.

Chris Neme – How many assessments does ComEd do each year? What is the cost?

- Denise Munoz – In the high hundreds each year. Can be a half or full day depending on the customer. Appx. \$1600 per visit.
- *ComEd will follow-up with 2023 Facility Assessment results.*
- Phil Mosenthal – For the bigger customers, return on investment and cashflow impact is important. This would be a good way to approach customers.
- Denise Munoz: Agreed, we are trying to provide the information large customers need.
- *Molly Lunn: In Plan 6, we agreed to do a pilot comprehensive assessment. Will provide additional information.*

○ **Public Schools Carbon Free Assessment (PSCFA)**

- The public schools carbon-free assessment initiative stands apart from the Energy Efficiency (EE) portfolio, focusing on assessing public schools' carbon emissions. While it aligns with facility assessments, its scope extends beyond EE to include opportunities such as solar installation, EV charging stations, and electrification. Accessible to all public schools, the program aims to achieve carbon neutrality by 2029, reflecting a holistic approach to sustainability and environmental stewardship within the education sector.

Ted Weaver – Did the Climate and Equitable Jobs Act (CEJA) set up a separate funding stream?

- *Molly Lunn – Funds are collected through the EE Rider, but not part of ComEd's EE budget. This is a comprehensive assessment. It can be a good way to identify other EE opportunities with public schools.*
- *ComEd will provide the number of PSCFA assessments.*
- *Kim Janas: Your goal is to service all of the public schools in what timeframe?*
- *Molly Lunn: By 2029*
- *Kim Janas: Can you explain how these funds are collected through the EE Rider but are not part of the EE budget?*
- *Molly Lunn: Funds are collected through the EE Rider for the EE portfolios, as well as a handful of non-EE programs. This is one of the non-EE programs. This has been worked out through ComEd's reconciliation cases. On Bill Financing is another non-EE program that is collected through the EE Rider.*

○ **2023 Biz/Pub Highlights**

- In recent years, both the private and public sectors have seen significant participation in energy efficiency initiatives, with over 8,200 private sector projects and 1,200 public sector projects completed. This extensive participation highlights the scale and impact of these programs. Discussions during the last Stakeholder Advisory Group (SAG) meeting in the fall emphasized the importance of these efforts.
- 30% of program savings are attributed to disadvantaged communities, underscoring a commitment to equity and inclusivity. With ongoing efforts and a growing prioritization of energy efficiency by utilities, the momentum is expected to continue and potentially increase.
- There has been a notable uptick in non-lighting measures, particularly in HVAC systems. Additionally, Retro-Commissioning (RCx) efforts are increasingly focused

on disadvantaged communities, with plans to enroll major airports like O'Hare and Midway soon.

- The achievements in the fourth quarter of the year marked the best performance on record, reflecting the effectiveness and impact of these initiatives.
- **Instant Discounts**
 - In the third quarter, the program experienced high demand, leading to full subscription and the subsequent suspension of enrollment. Approximately 25% of this demand stemmed from Income Eligible (IE) programs. Upon evaluation, it was recognized that the incentive offered was overly generous, prompting a decision to adjust the incentive structure for better management in 2024.
 - The incentive for the upcoming year has been reduced to ensure more sustainable program operations and allocation of resources trying to streamline process and improve customer experience.

Chris Neme – Surprised to see how small the % of savings is on the custom program. Some other jurisdictions are much bigger. What is the reason?

- *Molly Lunn: There are a lot of measures in the standard program – it is very comprehensive. Projects that used to be custom are now in the standard program. Other measures may be covered in the industrial program, that before were custom. There are also opportunities that used to be in custom, such as data centers. What we found is data centers was not evaluated well because customers were going to do the projects anyway.*
- *Denise Munoz: Agreed, a lot of measures that have been successful in custom have moved to the standard program.*

- **2024 Biz/Pub Updates**

- Added incentives for disadvantaged communities.
- Standard
 - Significant enhancements have been made in application processing and inspection procedures, with a shift towards customer-submitted applications rather than relying solely on providers. Additionally, a 15% additional incentive is offered for DCs, further motivating participation. Continuous improvements in application processing, inspections, incentive values, and unit adjustments have been prioritized to streamline program efficiency and effectiveness.
- Small Biz
 - 4 new refrigeration measures (reach-in and walk-in cooler and freezer gaskets), 2 promotional campaigns for Public Sector and Disadvantaged Communities, incentive value adjustments
- Instant discounts
 - New incentive and efficiency levels for heat pumps to align with Home Heating & Cooling program and increase participation; HVAC spec adhere to IECC 2021; other incentive value adjustments
 - MDI adjustments to align with program and increase participation.
- Commercial food service
 - Added measures pressure fryers, efficient gas and induction, cook tops and high temperature pot, pan & utensil dishwashers) and adjusted incentive values.
- Custom, Industrial
 - 15% incentive increase for DCs

Residential and Income Eligible Offerings

- Deep dive on income eligible EE offers will take place at Feb. 21 SAG meeting.
- Home Heating and Cooling
 - Offers midstream incentives on energy efficient heat pumps installed in ComEd residential customers' homes. Discount is applied directly at the point-of-sale from enrolled distributors. The program also offers downstream incentives via authorized contractors installing eligible geothermal heat pumps at ComEd residential customers' homes.
 - Through our distributors and also incentives that are done through contractors in the network
 - Standard heating pumps removed.
 - Measures air source heat pumps (midstream), mini split heat pumps (midstream), and ground source heat pumps (downstream).
 - Contractors have to complete training requirements.
 - Trainings have been effective on education for contractors regarding installation.

Chris Neme – Are air source heat pumps limited to cold-climate models? If not, they should be.

- *See Denise Munoz' response below.*

Travis Hinck: Are you claiming savings for fuel switching?

- *Molly Lunn: Some, depending on the information we have about the customer's baseline equipment.*

Phil Mosenthal: What do you claim on new construction?

- *Molly Lunn: I believe for whole home electrification or whole building electrification in new construction, we are claiming it as electrification savings. Will follow-up to confirm.*
- *Ted Weaver: I think you are also incentivizing hybrid heat pumps, where the customer chooses to keep furnaces as backup.*
- *Denise Munoz: We are not restricting this program to cold climate heat pump models. Customers have to work with their contractor. We also abide by AHRI.*
- **ComEd to follow-up with Chris Neme to discuss further.**

• Retail Overview

- Portion dedicated to Income Eligible customers.
 - Higher discounts for specific programs and geographic areas
 - Expanded to a whole variety of products.

• Product Distribution Overview

- School kit program for IE customers and non-IE customers
- Also trying to provide extra IE educational materials.
- Through this offering ComEd distributes free energy-saving products and kits to residential customers via local community channels including, but not limited to, participating local schools (aka School Kits); Community Action Agencies ("CAAs") and CBOs (aka IE Kits); and local food banks and food pantries (aka Food Bank)

• Residential / Income Eligible New Construction

- Affordable Housing New Construction
 - Offers incentives and technical assistance to building developers for new construction or major renovation of affordable housing, including single-family, low-rise, mid-rise, and high-rise multifamily buildings; bundled ECMs and custom or

prescriptive approaches for specific building types are designed to result in significant energy savings over the current Illinois energy code.

- ComEd is working on passive house projects and promoting all-electric homes.
- Electric Homes New Construction
 - Promotes high performance all-electric homes that allow customers to stack the benefits of all-electric energy efficiency, demand-response, electric vehicles, solar, and new rate structures; offers tiered incentives to builders, and then works with local builders and HERS raters to ensure that new homes exceed the requirements of the state's energy code for increased energy savings.
 - Savings claimed through electrification on electric homes NC

Cheryl Watson – how can communities engage with passive homes for affordable housing?

- *Molly Lunn: ComEd offers this program through affordable housing developers. If your community was interested in moving towards passive house, we could work with the Chicago Housing Authority or another local developer.*
- *Cheryl Watson: I am located in Chatham. I'm interested in more information.*
- *Molly Lunn: In this program, we proactively monitor developer opportunity. **ComEd will follow-up with Cheryl Watson.***
- Additional information on ComEd's website: [Affordable Housing | ComEd - An Exelon Company](#)

• Home Energy Reports Overview

- The umbrella program has transitioned to a self-assessment model, focusing on behavioral-based strategies for energy efficiency. It operates as an opt-out initiative, providing single-family and multifamily residential customers with insights into their energy usage and leveraging social norms to promote the adoption of energy-efficient behaviors. Notably, the program primarily targets low-income customers, aiming to address their specific energy needs and challenges.
- Online requests for market rate
 - *Kari Ross (via chat) Does ComEd have figures on level of success with self- and in-home assessments? e.g. outreach v uptake?*
 - *Denise Munoz (via chat) – We did 12,792 home assessments in total in 2023. The self-guided assignments launched in Q4 2023 so at this point we have that 392 of the assessments were done via the self-guided assessments.*
 - *Denise Munoz (via chat) – Should additionally note that we marketed to 1,205 customers on the self-guided assessments so our success rate was about 33% on getting those converted = 392 assessments. Does that answer your question?*
 - *Kari Ross (via chat) – Yes. Do you have similar numbers for how many customers the IE home-assessments were marketed to?*
 - *Denise Munoz (via chat) – Of the 12,792 home assessments completed, 6,580 were with income eligible customers.*

• Home Energy Savings Overview

- Four segments within the Homes Energy Savings umbrella offering, all for single-family residential customers
 - 1- Self Assessments, targeting market rate customers (>80% AMI)
 - 2- Home Assessments, for income eligible customers
 - 3- Comprehensive retrofits, for income eligible customers
 - 4- Braided IHWAP, for income eligible customers

• Multifamily Energy Savings Overview

- Similar umbrella type of program, including:
 - Income Eligible offering
 - Public housing offering
 - Market rate offering
 - IHWAP offering
- Income eligible customers are getting more for free or heavily discounted. In IHWAP side most is covered, income eligible has a copay.
- **Whole Home Electric**
 - New offering geared towards residential income-eligible single family and multi-family property types as well as buildings owned or managed by a public housing authority.
 - Focused on full home electrification.
- **2023 Residential and Income Eligible Highlights**
 - Over 23,600 homeowners & tenants – including over 16,000 income eligible customers – have received direct install products and home upgrades from assessment.
 - Customers have received over \$2,688,000 in incentives and have added a lot of products for IE customers.
- **2024 Residential and Income Eligible Updates**
 - The Improved Home Weatherization Assistance Program (IHWAP) has secured additional funding to address home and safety requirements. Under the Home Energy Savings initiative, the customer journey now entails in-home screenings, with a focus on prioritizing individuals for deeper service interventions.
 - The Multifamily Energy Savings program has expanded its range of measures to enhance energy efficiency in multifamily properties. Furthermore, the Whole Home Electric initiative concentrates on identifying and assisting customers who have previously received weatherization services, aiming to provide comprehensive energy solutions for their homes.
- **Research & Development (R&D)**
 - Mission: To identify, test, validate, and integrate new energy-saving technologies and program delivery strategies into the ComEd Energy Efficiency Program, so that it continues to meet customers' needs and its energy savings goals cost-effectively
 - Mentioned key successes. In any given year there could be 60 R&D projects.
 - Website shows more details on the projects and submit ideas: <https://innovate.comed.com/>

Chris Neme – Do you have a summary report for each R&D project?

- *Molly Lunn – Website has reports on each specific project. R&D project summaries can also be found attached to ComEd's quarterly EE reports.*
- *In the future ComEd can share out a report-out of R&D projects. SAG Facilitator to add this as a future SAG topic in 2025.*

- **ComEd's Market Development Initiative**
 - To help reduce participation barriers and expand the pipeline of diverse Energy Efficiency contractors, service providers, and workers.
 - Program design has been informed by research and has involved a diverse implementation contractor to help shape its stand-up.
 - Four main delivery channels:
 - 1- Workforce Development
 - 2- Diverse Vendor Procurement
 - 3- EE Service Provider Engagement
 - 4- Community-Based Organization Partnerships
 - Activities are rapidly underway to establish the framework around each delivery channel, which will set the foundation for program delivery going forward.

- **EE Contracting & Diverse Spend**
 - In Plan 6, ComEd significantly increased diverse spend, from \$51 million (15%) in 2021 to \$133 million (27%) in 2023.
 - ComEd has continued and expanded its practice of providing opportunities for certified diverse business enterprises to compete on an equal basis for implementation of its Plan – to do this it has worked to identify ready, willing, and able diverse firms offering relevant services in ComEd’s service area, as well as identify ongoing relevant opportunities to contract with these.
 - Focus has been on growing the diverse spend.

Considerations for 2026-2029 EE Portfolio

- **Reminder: Big Picture EE Challenges**
 - The ComEd EE portfolio has encountered declining opportunities and challenges in meeting its goals, influenced by various factors. Economic conditions have led to an increase in the cost per kilowatt-hour (\$/kWh), impacting program viability. Moreover, there has been a rise in the expiration of savings, contributing to the overall decrease in available opportunities. Additionally, there has been a notable decline in low-cost savings opportunities, particularly within programs such as Energy Independence and Security Act (EISA), Verified Offsets (VO), and the saturation of the Commercial and Industrial (C&I) lighting market.
 - Federal and other funding opportunities have also played a role in shaping the landscape of the portfolio, requiring strategic adaptation to navigate the evolving market dynamics.
- **Near-Term: 2024-2025 Forecast & Challenges**
 - Voltage Optimization: Due to technical issues and budget constraints outside of EE, VO workplan has been updated to decrease savings significantly in 2024-2025 (with projected increases in 2026 and 2027)
 - EE Electrification
 - Income eligible whole home electrification has been very expensive in its first year
 - 25% rule is a limiting factor
 - Actively pursuing closure opportunities – bringing costs down, shifting non-incentive funds to incentive funds, focusing on disadvantages areas NTG of 1.0, braided other funding
- **Plan 7 (2026-2029) Outlook**
 - Modeling shows significant challenges to meeting CPAS and AAIG in all years – with >100 GWh shortfalls to annual goals in 2026 and 2027, and >500 GWh and 300 GWh shortfalls in 2028 and 2029 respectively (AAIG achievement ranging between 23-84%)
 - **Challenges**
 - Expiring Savings
 - Significant drop-offs in low-cost savings opportunities (e.g., EISA, VO, and C&I lighting market saturation)
 - Relatively high cost of IE offerings
 - EE Electrification
 - Market Transformation
 - Increasing demands for portfolio-level expenses
 - **Opportunities**
 - Braiding funding (e.g., IRA Residential Rebates)
 - Building Energy Analyzer
 - EE Electrification
 - R&D and Market Transformation
 - Implementation and portfolio-level cost efficiencies

Chris Neme: Is the 23-84% the forecasted percentage shortfall on AAIG?

- Molly Lunn: Yes. But we are also short on CPAS. This represents a 16% shortfall of AAIG.
- Chris Neme: We appreciate there is a challenge. Interested in discussing further.
- ComEd will walk through additional information on savings shortfalls in a future discussion.

Nicor Gas EE Portfolio Overview

Mike King, Nicor Gas

- **Portfolio and Program Structure**

- Residential
 - Home Energy Efficiency Rebates (HEER)
 - Home Energy Savings (HES)
 - Energy Education and Outreach
 - Multi-Family (MF)
 - Residential New Construction (RNC)
- Income Eligible
 - Weatherization (Wx)
 - Public Housing Authority (PHA)
 - Affordable Housing New Construction (AHNC)
 - Energy-Saving Kits (IE-ESK)
- Business
 - Business Energy Efficiency Rebates (BEER)
 - Commercial Food Service (CFS)
 - Business Optimization (BOP)
 - Custom
 - Small Business (SB)
 - Strategic Energy Management (SEM)
 - Commercial/Industrial New Construction (CINC)
- Portfolio
 - Management
 - Marketing
 - Evaluation
 - Emerging Technology (ET)
 - Market Transformation (MT)
 - Market Development Initiative (MDI)

- **Key Portfolio Successes**

- Support for key customer groups is important. Launched a new Market Development Initiative (MDI) as well as rolling out a Community Connection Center (C3). Business Optimization Program (BOP) was also implemented to better connect communities to energy efficiency solutions.
- In order to provide efficient delivery, there have been several joint and coordinated programs. A one-stop-shop platform was launched for residential and multifamily customers to streamline services.
- Increased innovation has always been a priority for Nicor Gas; focused on data driven implementation adding software systems to better serve their customers.

- **Portfolio Design Objectives**

- The budget for Nicor remains within the 2% statutory budget threshold while meeting other statutory constraints such as Income Eligible and Public Sector requirements, ensuring cost-effectiveness. The portfolio is designed to achieve Therm savings annually and over the lifecycle, while also reducing greenhouse gas emissions. The program prioritizes

fairness by offering a diverse cross-section of opportunities and aims to increase opportunities for diverse vendors and underserved communities. Market consistency is maintained to ensure stability for partners and customers. Additionally, the initiative contributes to economic development by providing jobs and economic benefits for Nicor Gas communities.

- **Annual Portfolio Budget**

- Total budget \$45.7M. Gives a strong visual about where the portfolio is being invested and how balanced it is.
 - \$6.4M in Business Private Programs
 - \$4.6M Business Public Programs
 - \$12M in Residential Market Rate Programs
 - \$13M in Income Eligible Programs
 - \$3.7M in Innovation (ET/MT) Programs
 - \$6M in Market Development Programs

- **Portfolio Budget and Savings Overview**

- High level overview of the Income Eligible budget and the Therm savings for Residential and Business and within the first two years of where the third savings are and where the spend is. 51% of the budget for 4 years has achieved 50% of the Therm savings goals. Tracking to hit the goals within budget.

- **Residential**

- Therm reduction increasing from year 2022 to 2023
- Contractor circle trade ally enables instant discount. Can also hire a non-circle participating contractor to receive rebates (open and closed). Smart Thermostat options are being offered through the Standard Program. They can apply using a paper or online application.

Chris Neme – how are contractors selected to be included in the contractor circle?

- *Mike King – They need to install at least 5 EE measures in order to participate in the Contractor Circle program. Trade ally outreach managers work closely with them to equip them with opportunities for certification and 1-1 training. After the 5th installation they are eligible to be a part of the circle network.*
- *Chris Neme – Is there a focus on disadvantaged communities?*
- *Mike King – Yes, this is a large focus. This is also part of Nicor's Market Development Initiative.*
- Additional information about the Nicor Gas Contractor Circle:
<https://www.nicorgas.com/business/ways-to-save/trade-allies/contractor-circle.html>

Overview of Residential Programs

- **Home Energy Efficiency Rebates (HEER)**

- High-efficiency furnaces and boilers, Tankless water heaters, Smart Thermostats
- Customers work directly with a trade ally to install equipment

- **Home Energy Savings (HES)**

- Provides customers with assessment educating how products can help them save money. The delivery has changed as 2023 evolved. A new portal was installed for customers in order to see purpose of installed measures.
- Joint market rate home assessment will not be offered in 2024.
- Natural gas products installed:
 - Door sweeps
 - Pipe insulation
 - Showerheads

- Faucet aerators
- Shower flow reducer
- Air handler replacement
- Programmable and advanced thermostat
- Nicor Gas has a new market rate program launching in 2024 for smart thermostats.
- Included journey maps of the home assessment. Many new home assessments are derived from word-of-mouth. Stakeholders commented on the pathway to participation and Nicor has been working on tools to help visualize and clarify the process.
- Home Energy Saving focuses on air sealing and insulation, which has been increasing year over year. In 2022 Nicor Gas did not hit the target of 1850 single family and multi-family units, but increasing marketing efforts and contractor pool, Nicor has been able to hit that goal in 2023.

Chris Neme – How is it determined whether customer get in-home vs virtual assessment. Does it include blower door?

- *Mike King – Customers will determine what they want. Does not include blower door. The assessment is not entirely tied to air insulation. It is there to provide products, educate, and offer electric and gas opportunities. Insulation is a standalone program. Customers do not have to do a home assessment to qualify for air insulation.*
- *Chris Neme – Does the home assessment channel encourage customers to go into the air sealing and insulation program?*
- *Mike King – Yes. Customers are educated about the air sealing and insulation program. But they are not required to have a home assessment to qualify to participate in that program.*
- *Ted Weaver: Contractors are driving the market for air sealing and insulation. Home assessment program is joint with ComEd.*
- *Mike King – Not many customers have ability to go through multiple assessments due to high customer touchpoints.*
- *Phil Mosenthal: Nicor Gas may want to think about a graduated incentive level, to encourage people to maximize air sealing and insulation projects.*

Chris Neme: Do you have data on the average CFM reduction for SF and MF, and what that represents as a % of the baseline?

- *The average CFM reduction for SF air sealing and insulation was 860 CFM50, in 2023*
- *Chris Neme: Do you have the data on what the 860 CFM50 represents as % of the starting CFM50? For example, if the average starting point was 3000 CFM50, the 860 would be nearly 30%.*
- *Kari McCue: The average starting point is 3,281.*

Questions were raised in the meeting about rebates available. This information was shared:

- Air Sealing and Insulation Single Family
 - Air sealing \$500 per home
 - Duct sealing \$600 per home
 - Wall insulation \$150 - \$350 per home
 - Attic insulation \$400 per home
- Air Sealing and Insulation Multi-Family
 - Air sealing \$2 per linear foot
 - Duct sealing \$2.50 per sq foot

- Attic insulation \$500 per building
- Visit the Nicor Gas website for information about current rebate amounts. These amounts could change in the future:
 - Residential Rebates: <https://www.nicorgas.com/residential/ways-to-save/rebates.html>
 - Business Rebates: <https://www.nicorgas.com/business/ways-to-save/rebates.html>
- **Multi-Family**
 - Buildings with 3 or more units
 - Energy advisor completes a free building assessment
 - Free energy saving products installed – showerhead, kitchen and bath faucet aerator, shower timer, programmable t-stat
 - Custom building report shared
 - Prescriptive rebates, custom rebates, and Central Plant Optimization (CPOP)
 - CPOP: Nicor Gas will do engineering calculations for custom projects. Also, free installation and services for boilers. This program did not allow engagement with tenants. Nowadays, the contractor can go into boiler room without engagement and streamline work.
 - Multi-family Direct Install: Providing education and promoting behavioral change to increase savings.
- **Energy Education and Outreach**
 - Energy Saving Kits- Online order; or calling through outreach center; or via community partners; signing up at community events
 - Energy Education Kits- Teachers enroll; focus on income eligible communities
 - Home Energy Reports monitor electricity and gas usage which is useful to help educate customers about savings
 - Programs targeting 5th grade students have been effective creating energy champions to help drive education and action from a community perspective.
 - Also education programs about mechanical opportunities including advanced windows and other building techniques and opportunities.
- **Residential New Construction**
 - Newly constructed single-family detached homes and townhomes are eligible
 - Recruit homebuilders and verifiers to participate
 - Provide builders with technical assistance, training, and support
 - Projects are verified through independent companies

Chris Neme – What levels of efficiency improvement is needed to participate?

- *Mike King: There are three different participation tiers*
 - *Tier 1- 92% efficient furnace, advanced t-stat*
 - *Tiers 2 and 3- 95% efficient furnace, air and duct sealing, option to install advantaged t-stat*
 - *Homes need to be built to code requirements*

Chris Neme: Could you also tell us the number of participate by package? How many are in Tier 1 with just a 92% furnace and smart t-stat? How many in Tiers 2 and 3? Ideally for 2023, but 2022 is fine if 2023 data isn't available yet.

- *2023 Residential New Construction Participation:*
 - *Tier 1 (prescriptive: no envelope testing): 1,008*

- Tier 2 (performance base: envelope testing required): 194
- Tier 3 (performance high-efficiency: envelope testing required): 816

- **Customer and Community Engagement**

- Nicor Gas focused on increasing outreach efforts across segments. Small business customers and more vulnerable communities are in need of more guidance.
- Habitat for Humanity campaign for engagement with EE programs has been successful. Other Market Development Initiatives launched in May of 2023 that have helped grassroots efforts. Low Income communities were targeted with new programs.
- Trade ally development program focuses on back-office support and reduction of administrative barriers as well as business coaching.
- Workforce training and employment program focuses on unemployment and underemployment that focuses on providing certification and training for EE programs as well as prioritizing job placement after graduation
- Other support programs for existing Trade Allies include certification for diverse trade allies as well as supplying Trade Ally managers who provide support to navigate the process
- 322 community events last year. There is a data driven approach (census, past participation). Nicor Gas has been intentional about where events are being held focusing on communities that are disadvantaged.
- Community Connection Center (C3)
 - Launched in 2022
 - Connects customers to EE and additional resources
 - Customers can access energy efficiency and resources by using a new Community Assistance Navigator (CAN) tool. This tool helps reduce barriers and increase engagement. The Community Connection Center (C3) has been one of the more successful community engagement initiatives since 2022.

- **Market Development Initiative**

- Workforce Training and Employment (WTE) Program
- Trade Ally Development (TAD) Program
- Support for Existing Trade Allies

Keely Hughes: How many people from the Community Connection Center (C3) program are participants in the Market Development Initiative Workforce Training and Employment (WTE) Program?

- *Nicor Gas will follow-up.*

Overview of Business Programs

- **Business Energy Efficiency Rebates (BEER)**

- Free energy assessment to identify opportunities
- Installation of free energy saving products
- Customized report of efficiency recommendations
- Rebates – space and water heating; steam traps; key efficiency improvements; boiler tune-ups

- **Commercial Food Service**

- Midstream program. Highly impactful for food-service businesses. Rebates delivered directly to equipment distributors. Distributors promote efficient equipment to customers.

- Joint offering with all of the utilities.
- Equipment examples on slide 33.

Philip Mosenthal – Why has the cost per Therm gone up?

- *Nicor Gas had less engagement for steam traps (most cost-effective measure). Low level of engagement. Hoping to improve ASHRAE progress through the year. General comment not related to Food Service alone.*
- *Ted Weaver – New measures and a growing customer base made Therms more expensive. The program scale almost tripled. As newer customers came in, they needed a different mix of measures that were more expensive.*

- **Business Optimization Program (BOP)**

- Focuses on small businesses and Income Eligible communities. Over 20 contractors participating in this program. Has kept Trade Allies engaged, even during difficult COVID times. The price per Therm is one of the highest yielding programs for Nicor Gas. There is no cost to the customer for this program. It is one of the programs that has the least amount of barriers to implementation from the data gathered over the last year.

- **Small Business**

- Geared towards businesses using 60k Therms or less. Assessments and rebates available for these types of customers. Steam traps have been most effective in the program.

- **Custom**

- Engineering capabilities being offered for more complex projects. These analyses provide an ROI and Payback analysis. The services also include Retro-commissioning, which is offered in conjunction with ComEd.

- **Strategic Energy Management Program (SEM)**

- Optimizing commercial and industrial sector buildings. Cohort-driven program segmented according to building type. Focuses on waste reduction and process improvement. Resources such as workshops and webinars are provided at no cost to promote behavior change. Joint program with ComEd.

- **Commercial Industrial New Construction (CINC)**

- Focuses on major renovations on existing buildings and new construction promoting developers to exceed current codes and encouraging to build above code. For buildings of minimum of 5,000 sq. ft.
- Plans must include 2 major building systems envelope, refrigeration, etc. It is a joint program with ComEd.

- **Emerging Technology Program**

- Performed in partnership with GTI Energy. Encourages business with no technical knowledge to understand ability to save energy with measures seamlessly.

- **Market Transformation**

- Large benefit to continuing market transformation initiatives.
- [SAG Market Transformation Savings Working Group](#) continues to discuss market transformation initiatives in IL.

Closing and Next Steps

Celia Johnson, SAG Facilitator

ComEd Follow-up Items:

1. Number of participants in Strategic Energy Management in 2023.
2. Number of participants in Facility Assessments in 2023.

3. Provide additional information about the pilot comprehensive assessment commitment for Facility Assessments in Plan 6.
4. Number of Public Schools Carbon Free Assessments in 2023.
5. Residential Home Heating and Cooling – follow-up with Chris Neme to discuss air source heat pumps further.
6. Follow-up with Cheryl Watson on Affordable Housing program. Cheryl is interested in how communities can engage with passive homes for affordable housing.
7. In the future ComEd can share out a report-out of R&D projects. SAG Facilitator to add this as a future SAG topic in 2025.
8. ComEd will walk through additional information on savings shortfalls in a future discussion.
9. How do the utility-sponsored weatherization programs communicate with Community Action Agencies?

Nicor Gas Follow-up Items:

1. How many people from the Community Connection Center (C3) program are participants in the Market Development Initiative Workforce Training and Employment (WTE) Program?
2. How do the utility-sponsored weatherization programs communicate with Community Action Agencies?