

Illinois EE Stakeholder Advisory Group Large Group Meeting – Day 1

Tuesday, November 15, 2022

9:30 am – 12:30 pm

Teleconference

Attendees and Meeting Notes

Meeting Materials

- Posted on the [November 15 meeting page](#):
 - [Tuesday, November 15 Q4 SAG Agenda](#)
 - [Ameren Illinois Quarterly Update Presentation \(Nov. 2022\)](#)
 - [ComEd Quarterly Update Presentation \(Nov. 2022\)](#)
 - [Nicor Gas Quarterly Update Presentation \(Nov. 2022\)](#)
 - [Peoples Gas & North Shore Gas Quarterly Update Presentation \(Nov. 2022\)](#)

Attendees (by webinar)

Celia Johnson, SAG Facilitator
Greg Ehrendreich, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
AJ Young, US Green Link
Al Walker, Leave No Veteran Behind
Amanda Egan, Ameren Illinois
Amber Anderson, Walker-Miller Energy Services
Amir Haghghat, No Company Identified
Andrew Cottrell, Applied Energy Group
Andrey Gribovich, DNV
Andy Vaughn, Ameren Illinois
Angie Ostaszewski, Ameren Illinois
Antonia Ornelas, Elevate
Arlinda Bajrami, MEEA
Ashley Palladino, Resource Innovations
Ben Slipstream, Slipstream
Billy Davis, Bronzeville Community Development Partnership
Bob Baumgartner, Leidos
Pastor Booker Vance, Elevate
Carina Paton, Frontier Energy
Chris Neme, Energy Futures Group, representing NRDC
Chris Vaughn, Nicor Gas
Christina Pagnusat, Peoples Gas & North Shore Gas
Claire Flaherty, Cascade Energy
David Brightwell, ICC Staff
David Kilgore, Ameren Illinois
David Weaver, Citizens Utility Board
Deb Perry, Ameren Illinois
Dena Jefferson, Franklin Energy
Elizabeth Horne, ICC Staff
Erika Dominick, Walker-Miller Energy Services
Farzin Parang, BOMA

Gregory Norris, Aces 4 Youth
Haley Keegan, Resource Innovations
Hannah Collins, Leidos
Jamey Neal, Ameren Illinois
Jason Fegley, Ameren Illinois
Jean Gibson, Peoples Gas & North Shore Gas
Jim Fay, ComEd
John Carroll, Ameren Illinois
John Lavalley, Leidos
John Mansfield, Nicor Gas
Josh Sharon, ComEd
Julie Hollensbe, ComEd
Kara Jonas, ComEd
Karen Lusson, National Consumer Law Center (NCLC)
Katherine Elmore, Community Investment Corp.
Kathryn Brewer, CLEARResult
Keith Goerss, Ameren Illinois
Kelly Mulder, Mulder Consulting
Ken Woolcutt, Ameren Illinois
Kevin Dick, 389nm
Lance Escue, Ameren Illinois
Larry Kotewa, Elevate
LaShelle Newland, Resource Innovations
Laura Goldberg, NRDC
Lawrence Kotewa, Elevate
LaJuana Garret, Nicor Gas
Lorelei Obermeyer, CLEARResult
Madeline Thompson, CLEARResult
Mark Szczygiel, Nicor Gas
Martha White, Nicor Gas
Mary Ellen Guest, Chicago Bungalow Association
Mary Johnson, Resource Innovations
Matt Armstrong, Ameren Illinois
Max Michelotti, Power Takeoff
Michael Brandt, Elevate
Molly Graham, MEEA
Molly Lunn, ComEd
Monique Leonard, Ameren Illinois
Nicholas Crowder, Ameren Illinois
Nick Lovier, Ameren Illinois
Omayra Garcia, Peoples Gas & North Shore Gas
Peter Widmer, Power Takeoff
Philip Halliburton, ComEd
Philip Mosenthal, Optimal Energy, representing IL AG's Office and NCLC
Randy Opdyke, Nicor Gas
Rebecca McNish, ComEd
Ryan Kroll, Driftless Energy
Sam Dent, VEIC (IL-TRM Administrator)
Sanjyot Varade, Resource Innovations
Scott Eckel, ICC
Selena Worster Walde, Erthe Energy Solutions

Shawn Siems, Cardinal Building Performance
Stacey Paradis, MEEA
Stephen Robinson, Northwest Austin Council
Sy Lewis, Meadows Eastside Community Resource Org
Tamika Cole, Walker-Miller Energy Services
Tara Cunningham, Rinnai
Ted Weaver, First Tracks Consulting, representing Nicor Gas
Tim Dickison, Ameren Illinois
Tina Grebner, Ameren Illinois
Victoria Nielsen, AEG
Vitaliy Ladimirov, Resource Innovations
Wael El-Sharif, 360 Energy Group
Zach Ross, Opinion Dynamics

Meeting Notes

Follow-up indicated **in red**.

Opening & Introductions

Celia Johnson, SAG Facilitator

Purpose of November 15th meeting: For Ameren Illinois, ComEd, Nicor Gas, Peoples Gas & North Shore Gas to report-out on 2022 EE portfolio progress.

Ameren IL 2022 EE Portfolio Update

Matt Armstrong, Nick Lovier, Jamey Neal, and Angie Ostazewski, Ameren Illinois

- Ameren Illinois does not have the Quarterly Report filed with the ICC or posted yet; it will be soon. Today sharing highlights and challenges so far in 2022. More in-depth details will be in the quarterly report.
- Savings and spend through Q3:
 - Electric savings are roughly 260k MWh with a goal of 455k – over halfway to electric goal.
 - Typically, we see a good amount of savings to come in during late Q3 and Q4.
 - Tracking behind forecast but we are making ground since these numbers were pulled together. Compared to Q3 2021, we were at 63% electric and 59% gas.
 - Gas goals are at 32%, tracking behind there as well. There are always a lot of savings at the end of the year. We anticipate getting closer, but we are struggling with that portfolio right now. Will discuss how we are trying to turn that around.
- PY22 Budget
 - Current spend at \$66M, not quite halfway to the budget of \$135M.
 - IQ spend is tracking towards what was in the EE Plan.
 - Third-party electric spend is roughly halfway.
 - Non-profit spend a little under \$2M.
 - In general, anticipate coming in below budget.
- Diverse supplier and program spend through Q3
 - Slightly over \$9M for both supplier and program ally. Close to \$20M total.
 - In 2021, it was roughly \$24.5M; we should be on track to meet or exceed that.
- Health & safety spend through Q3
 - In accordance with the EE Plan and statute it is around \$3.9M budget per year. We are at ~\$1.6 currently.
- Headwinds & Mitigation

- Partner onboarding for the 2022 new plan, and third-party implementation partner requirement. We were on good track at start of PY2022.
- There were challenges with revising the plan and modifying it. Slowed down the efforts to get partners on board. We have seen a lag with some of those programs, specifically some that provided good savings in the past. Not getting those programs in the field until mid-year has been a problem for the portfolio.
- The modified EE Plan also provided the new >10MW customer opt-out and we got behind on marketing to large customers to get them into the program and underway so they could be in the 2022 results. That's been a challenge for the portfolio.
- Supply chain issues continue to be a problem – we have worked with distributors and tried to communicate what measures will be in the program next year so they can pre-purchase and bulk purchase to combat supply chain challenges.
- Inflation pressure – designed and developed portfolio based on 2020 costs and recognizing now that 2022 costs are quite a bit greater. Heat pumps are a great example of the higher cost now – especially in the IQ program where we pay the full cost.
- Rising interest rates have been a factor on the business side, recognizing that can affect the business customers moving forward on a project.
- Finally, labor has been a real challenge, especially in the Community Action Agency (CAA) channel.

[Chris Neme] With the higher cost of heat pumps, have you explored the potential for bulk purchases of heat pumps to lower costs? For low income programs.

A: It's something we can explore.

Residential Program Update

- Ameren Illinois is at 53% on electric and 41% on gas.
- We've seen success in late Q3 and Q4. One of the successes is in the home efficiency income qualified program – the late year surge puts on pace to reach goal. Retail products has also been very successful this year, about 80-85% of goal now. Thrift stores move a tremendous amount of lighting – a third at point of sale. Sales per store are double Walmart sales. We launched a Google thermostat blitz that has moved 2000 thermostats in the last 4 weeks.
- High volume of retail product price increases from inflation has been a battle all year. We have had a number of challenges related to gas – you can see the Smart Savers – our goal was decreased to 2,000 because of implementation delays and challenges. That may decrease more. A number of headwinds with that initiative and we're doing everything we can, but it's been a battle all year. We had other late starts – mobile homes, multifamily building envelope. The MF IQ heat pumps have exceeded the stretch goal and a ton of work with direct install. Healthier Homes never took off. Kits is on target but is only 50% through Q3. We're a bit behind as of Q3.

[Laura Goldberg] Can you talk more about MF building envelope challenges?

A: Heat pumps have been very successful. Direct install as well. They are offered together. The Air Force Base project has been a big project for us. Over the course of the last 10-12 years, Ameren's EE program has done a lot of MF envelope measures and I think we are finding it harder to find MF buildings that we haven't touched yet. In the beginning it was easy to hit larger cities and metro areas, now we are having to go to more rural areas just to get to one or two buildings to work on than we used to be able to.

[Phil Mosenthal] Looking at IQ SF and IQ CAA, the relationship between MWh and therms seems quite different. 20:1 vs 85:1 – are you having an issue getting traction with certain measures, or anything about why those are so different?

- *[Chris Neme] Is it possible that besides the major measures you are doing direct install lighting as well? Are CAA's doing that to the same level? That could be a big reason why there are lower kWh savings from that channel.*
- *A: Yes. There are labor challenges with the Agencies.*
- *[David Kilgore] We are doing kWh to therm conversions in the IQ SF channel and not in the IQ CAA channel. In the portfolio, we can convert some therm savings to kWh. This year we converted SF IQ furnace installs that get recorded there instead.*

- Residential – Single Family Health & Safety
 - Implemented by Walker Miller and Leidos. Considered allowable costs in a retrofit or envelope project. There was a brief list last year. In PY2022 the list increased so all customers can get a safe home. They are found during home energy assessment. Without the remediation, customers would get denied. Bar graph shows the most frequent measures we see – vent exhaust fan is the most common. On the lower end it is water heater repair and replace. Average 2 measures per home, most is 10 in a home. Largest investment was a crawlspace vapor barrier. We try to remediate everything we can. Sometimes there are major mold or sewage issues that we might not be able to remediate but we do our best to try to assist them and remediate what we come in contact with.
 - We have exhausted 43% of the budget. At the very minimum everyone gets a proper bath fan. 35% of projects would have been non-viable without the H&S projects. Examples are hoarding, infestation, structure, knob & tube. 20% of emergency furnace projects had H&S issues.
 - Challenges
 - Available contractors in all areas, vast service territory. Not every program ally can work on all issues. Trying to identify subcontractors to work on projects. Walker-Miller is identifying diverse contractors.
 - Coordination – if we have to bring in more contractors it goes on hold for remediation. We have a coordinator to track the projects and communicate with the customer – enhances the customer experience and keeps it on track.
 - Completed 209 projects with a goal of 415. Forecasting EOY of 338. We have built relationships and made partnerships. There have been problems with agencies that haven't signed participation agreements as of Q3 and have been working on state grant projects rather than braided projects. 12 of 15 partner agencies expressed significant staffing issues – they pay less often than the private sector and can have a hard time retaining staff. Implemented a multi-stage staffing pilot to provide workers to agencies and refer candidates to open positions. 12 of 15 partner Agencies have also had trouble finding contractors. State pricing is also lower than private sector pricing which makes it hard. Program staff market work in the CAA channel – supplemental work for existing program allies and contractor recruitment events. There are several low performing agencies that have to achieve state mandated goals so they can maintain their IHWAP funding. It reduces the capacity to work on braided projects.

- Residential – Mobile Homes Initiative
 - Enrolled 130+ customers; expanding our partnerships.
 - Also got some assistance and connected some minority hires for state roles.
 - Challenges with mobile homes is that we installed furnaces last year and those had some unintended consequences – when you install a furnace it affects the central air that is in place. Installing the furnace but leaving the coils and line sets of the central air which lost cooling capabilities. We have pivoted to replacing furnace and central air at the same time. This pivot ensures there is a total HVAC system improvement. We plan to seek opportunities to try heat pumps, but those also have challenges in fitting into mobile homes. The housing stock here is difficult. We have also gotten a lot of installation experience with contractors. It's a specific type of work on these homes and it's been difficult to find contractors.
- Residential – Program Ally Network
 - Recently instituted a vetting process to see work quality and concerns to consider before we invite them to participate. This has sped up the audit training.
 - Working to restore relationships with our program ally network that have drifted because of COVID. Increased office and on-site meetings. Have had challenges with home performance contractors – limited supply of educated insulation contractors. We've provided as much assistance as we can but doesn't necessarily mean they will have the attention to detail we require. With midstream, the switch to that model has removed some of the regular field contact that kept us in touch with the companies. Trying to work with distributors in the field to find opportunities. Workforce retention – have learned about staff departures and vacancies – from program allies of all types, basically across the board. It's a struggle to keep contractors employed regardless of what they are working on.
- Business Program Update
 - Business programs are following the same pattern as portfolio. Continuing efforts with small business and empowering communities. Large number of facilities with lead-acid forklifts that want replacement. Network Lighting Controls has continued and steady success but haven't seen a large uptake yet. Continue with the market transformation efforts and engaging the supply chain. Continuing the process energy advisor visits and moving forward toward a midstream commercial food service pilot.
 - When we get to the end of the year, the custom projects we have coming in create a management challenge for the programs team. One large project could account for 4% of the annual goal. Working through the supply chain and labor problems.
- Market Development Initiative Update
 - Ameren Illinois Video Link: <https://vimeo.com/759672050/c0e963549f>
 - This year we placed 14 interns with 14 employers where 50% converted to full time and we're still actively placing. Some returned to school as well.
 - With our scholarships program, have awarded 17 so far and added a 7th school to the network.
 - Workforce Development Channel – thrilled to have placed 34 job seekers into full time positions, 55 into training programs and served 99 people by Q3. Our goal had been 25 and 25. Credit goes to the community organizations that refer into the program.

- We did a two-week deep dive training in Peoria and filled it with 28 students. Had great attendance and 28 graduates that now have a certification and 24 have been placed into full time jobs. 2 of them got placed with Leidos.
- Diverse procurement – partner with Walker-Miller Energy Services. Launched an internal database to self-search on demand for vendors. Also hosted 4 outreach events with diverse Chambers of Commerce. Promoted grant writing opportunity. Identified 75 new eligible RFP bidders this year.
- Lastly, we completed our mural unveiling with the Peoria Guild of Black Artists. 3 sustainability themed murals, with fall festival. Over 465 people attended. All local diverse vendor spend, including food trucks, hay bales, photo booth, etc.

Follow-up questions from Ameren presentation:

1. What % is the diverse program ally spend compared to total ally spend? (Phil Mosenthal)
2. What has Ameren deemed to be reasonable measures for hoarding? This is something ComEd is currently discussing. (Molly Lunn)
3. Are the challenges with contractors the reason for the low amount of H&S in the Income Qualified Community Action Agency channel? If not, can you explain why? (Phil Mosenthal)
4. In addition to the top 5 shared in the presentation, can Ameren provide a list of all health & safety measures/types being addressed, and any types that could not be addressed? (Laura Goldberg)
5. Can Ameren identify the four agencies that still aren't contracted with Ameren? (Karen Lusson)
6. How many of the Income Qualified Community Action Agencies projects are being walked away from due to lack of H&S, if any? (Phil Mosenthal)
7. Can you elaborate on the pay difference challenge between the state weatherization and utility-funded programs for workers? (Karen Lusson)
8. For the Mobile Homes Initiative, why not Air Source Heat Pumps rather than new furnaces and central air units? (Karen Lusson)
9. Is Ameren going to test centrally-ducted cold climate heat pumps in the mobile homes requiring both furnace and central A/C replacement? Rather than ductless? (Chris Neme)

ComEd 2022 EE Portfolio Update

Molly Lunn, ComEd

- ComEd is on track to meet CPAS and AIG targets, with a WAML of 11.7. We're at 70% of forecast, which is typical for end of Q3. We have a strong pipeline and expecting strong numbers in Q4. Anticipate coming in under budget. Budget was \$424M, up from \$350. Very aggressive to get to the level. Expect to be about \$397 by end of year which is an increase over last year and we think over the 4-year budgets we will be able to roll those over.
- Similar challenges / headwinds Ameren noted in their presentation – new vendors, new implementers, supply chain issues, labor issues, customer economic concerns. ComEd has been trying to increase incentives, shift funds, and other real-time fixes. ComEd commissioned research to work on how we can increase, see what other utilities across the country are doing and how they are mitigating. We're not alone and the same challenges and cost increases are what other utilities are seeing as well. The interesting thing is that we have identified some new strategies for mitigation. Such as bulk ordering. Inventory forecasting as well, especially for long lead time products. Also,

helping contractors and distributors find substitutions and comparable products from manufacturers that don't have lag times. Biggest challenges in the commercial program.

- Residential Program Update
 - Residential has done pretty well along with income eligible programs. On track to achieve savings goals and spend targets.
 - Slow start in Q1, largely because of new vendors. Back on track now.
 - Strong demand for MF program, both market rate, income eligible and public sector.
 - Exciting developments in the program – 6 new EE service providers, so now we have 84 in the program. About a quarter are diverse suppliers. The labor market for MF has been strong.
 - We've spent a lot of time in small group meetings about our electrification plan. The electric resistance commitment we made is also on track – our stipulation commitment of about \$1M for heat pump retrofits and we're on track for that.
 - First public housing project in this space in Jo Daviess County.
 - Single Family has had strong performance and strong customer satisfaction.
 - Health & safety – like Ameren, we have significantly higher funds available. YTD so far, the trends in types of issues include structural, roof, mold, clutter, standing water and asbestos. ComEd has spent about \$3M on H&S projects; reaching back to some projects we had to defer at the start of the year.
 - Home energy assessments – Q3 was strongest of the year. A lot in income eligible space. More free products for income eligible customers and connect with the retrofit program if they are interested. In the product distribution space, lots of events in the food bank channel and in the income eligible kits. CAAs are the core partner but have added neighborhood housing services and working with the Propel App. In new construction, have completed an award-winning project in Elgin – best practices in completing a significant EE rehab while preserving historic buildings.
 - Heating and cooling – increased incentives for heat pumps and mini-splits. Received significantly higher interest from distributors and contractors.
 - Financial Assistance Highlights – cross promoting EE and financial assistance to customers. Started a Targeting Hardship campaign with emails and social media to customers with payment trouble – help them manage their bills. Good target engagement. Also have the Community Energy Assistance Ambassador program – layered EE education into that and they now have completed their most recent round of trainings. Outreach in communities, specifically speaking to how customers can take part in financial assistance and also use EE programs to manage their bills. Guidehouse is researching programs that are doing combined program design in this space, especially multifamily.
- Business Program Update
 - Addressing challenges as mentioned earlier.
 - Public sector has been stronger, but is not without some challenges.
 - Retro commissioning program is probably the strongest.
 - Standard and small business have significant increase in incentives and have started to see programs recover. Particularly on the small business side, the campaign has had a 194% increase and continue to see the pipeline grow. They are recovering, the question is just how do we sustain them at this level and continue to ramp up in the next three years. The level of incentives we are offering now may not be sustainable for the duration of the EE Plan. Looking at how we can keep program demand but pull back on some of those incentives.

- Strategic Energy Management (SEM) has been a bright spot, and recruitment continues to be strong. Including three of the >10MW customers that are back in. Hired 15 interns to help support the future workforce. Industrial systems had projects shift out due to delays and long lead times on equipment. Especially in the compressed air space. Hoping by 2023 those will start to resolve. Gradually over 2022 the supply chain timelines have started to decrease. Finally in midstream/upstream, we added DLS fixtures to influence purchase decisions. Positive feedback from the network.
- Diverse Spend Update
 - More than 13 prime contractors and 78 subcontractors. In total pretty significant spend. Behind the target – 4 year average \$100M per year and we're behind this year due to the overall under-spend. As we rebalance, we are trying to mitigate the impacts on diverse contractors. We're proud of where we are in Q3 and expecting a surge in Q4. Will need to ramp up for 2023-2025. ComEd's new Market Development Initiative will be focusing on that. The Griffin and Strong research is on track to be completed in December, as we shared earlier this year.
 - Income eligible bill impacts joint research with the gas utilities – pleased with the findings so far. The final reports on this will be in good shape for Q1 2023. We did have 4 papers at ACEEE Summer Study from our R&D work, which shows the strength of the R&D efforts and our portfolio. They included market transformation, virtual commissioning, high efficiency refrigerated display cases, and how rates are critical for space heating work.

[Chris Neme] On the MDI initiative, you've gotten some bids back, is the hiring decision imminent?

A: Yes, goal is to have a contract by end of December so they can start in Q1 and have some overlap with the Griffin and Strong team with their research.

[Karen Lusson] Is there an effort to work with the gas companies on that?

A: Yes, the research is with both Nicor Gas and Peoples Gas/North Shore Gas. We needed to get our RFP rolling for the MDI space to get the work launched, but within the RFP we made clear that it would be in coordination with the gas utilities once they launch their MDIs.

[Karen Lusson] What research question is Guidehouse looking into, connecting MF Wx and energy assistance?

A: In our stipulation we agreed we would do a pilot that looked at how to offer a program – not just cross-marketing but a program designed to deliver both in a coordinated way. Guidehouse is looking at other program models. Also looking at how other utilities are incorporating EE with other clean energy programs.

Follow-up questions from ComEd presentation:

1. Will ComEd's underspend from 2022 be rolled into next year's budget or some reconciled via the rider (returned to ratepayers)? (Karen Lusson)
2. How are the utilities working with Mick Prince and the state weatherization program to increase weatherization worker capacity? Is there any communication there between the two? (Karen Lusson)
3. ComEd to send additional detail on their APA award-winning project.
4. Can you provide a contact name from Guidehouse on the research related to connecting MF uptake and energy assistance? (Karen Lusson)

Nicor Gas 2022 EE Portfolio Update

Chris Vaughn, Nicor Gas

- Since this is the first year of a new portfolio, it's going pretty much as expected for some and others are doing mildly better. The last year of a portfolio (i.e. 2021) isn't the best comparison to the first year of a portfolio (i.e. 2022). Nicor Gas is at about the 40% mark on savings using 58% of the spend. The first-year lag between spend and therms is usually greater than that – this highlights that we have had some efficient and active programs. Some of that is due to the learning curve and others are based on market conditions.
 - Residential new construction has had a robust real estate market in the past years and a good pipeline. We're above 75% of the goal on that.
 - On income eligible retrofits, we've been active and serviced 924 single family and 5763 multifamily units.
 - Business custom has had some issues and some successes.
 - Overall, programs are close to what we projected and we're ahead of the curve in a lot of ways especially for income eligible.
- Therms Savings
 - Slide shows the progress of where we are in the sectors. The business sector goal is a little off I think, but still about on par with what was projected. Residential is performing well and very efficient. Income eligible is doing starkly better than we did in the first year of the 2018-2021 portfolio. Overall, still making some tweaks.
- Residential Programs
 - Performing well and efficiently. Achieved over 50% of the net therms savings goal with 46% of spend. It's been very cost effective, especially HES (home energy savings) and CPOP (central plant optimization program).
- Income Eligible Programs
 - Even though we are below targets that's better than we were first year of the previous portfolio.
 - Health & safety (H&S) spending improvements – still gathering data – finding most homes have some improvement needed, usually minor. Experiencing some issues with stipulated agreement cost guideline, and some where we can't go forward due to the maximum budget we have to do the H&S line items. Still important to get the data and see how often it is impactful and how many we are and are not able to touch.
 - Affordable housing new construction is doing well.
 - Retrofits portion of the income eligible program is doing very well.
 - Public housing offering has been a little bit intermittent, because there are supply chain issues and a function of the things we have done where anything public sector, the project flow is a little different than the private sector. We do have some larger projects coming in the pipeline and we think we will meet goals for this year.
- Business Programs
 - Spend to date is actually less than what we had before. Our ultimate goal is to spend as close to the maximum allowable budget as possible and service as many customers as we can service while achieving as many therms as we can.

- Custom has had some good success. Some marketing and outreach ramp up now that COVID impacts are decreasing.
- More industry-specific messaging and some social media to try to proactively engage these large customers. There are some stalls from supply chains and customers trying to increase their staffing rather than focusing on capital improvement projects for their companies.
- Business New Construction side supply chain issues impact public sectors more than the private sector – private developers can do bigger bulk purchases.
- Business EE Rebate Program has had to adjust some outreach and recruit trade allies for steam traps and pipe insulation, to get the customer touch points and constant reminders to help leverage the human capital to deliver the portfolio. Working to ramp up those trade ally relationships.
- Strategic Energy Management Program, making changes in the structure – trying to do a rolling emission offering with multiple cohorts in a year, which will give us more transparent monthly forecasting and continuous program management capabilities. We think it might be more flexible and enticing for the customers as well.
- Stipulated Agreement Overview
 - We're at a WAML of 13.94 with a minimum of 11.91
 - IQ spend to date is \$7.8M and will eclipse the target
 - Public sector spend at 11% with a lot of delays in the pipeline so it will get stronger
 - A little below the target on IQ MF housing units, but we have some things in that pipeline as well
 - Diverse spend, we have overall \$10.99M on Tier 1 and \$440k on Tier 2 – that's 66.4% of eligible spend; big increase in Q3
 - Budget stipulation – this goes into some of the tracking internally. The H&S spend is at \$203k and we said not to spend more than \$1.5M. Still want to get closer to that cap and touch more customers. That's a conversation for another day as we develop the data on those H&S issues.
 - Retrofits is doing very well compared to the stipulation spend; a huge portion of that is MF retrofit
 - ASI homes stipulation of 1850 per year, we're at 896 homes
 - IE spend by residence, still under for MF and public sector
- Community Connection Center (C3)
 - New initiative for Nicor Gas. Purpose is to help bridge the gap between EE needs for vulnerable customers and overall life needs and concerns. This is designed to filter out information for the customer and find ways that we can be of assistance for them.
 - Slide shows the outreach efforts and the customer connection center advisor engagement. A customer calls into C3 and the rep asks scripted questions about customer needs – are they IE or not as the first step. Then we can put them in the right channel for their EE needs and not end up in market rate. If they really want to be in market rate program, we're not going to stop them, but the goal is that every IE customer that calls in made aware of resources that can assist them. We also ask about other financial needs beyond EE, put them in touch with Nicor's services like income-based repayment, energy aid program, new "Shield of Care" program with Salvation Army, etc. We also keep customers informed about external opportunities like LIHEAP and PIPP while we have their attention. Then we get into the IE EE programs and talk about what relief they can get from the EE perspective. If we find there are EE needs, then they get referred to

contractor or CAA through the appropriate channel for their needs. We also go through other life support needs, are they having issues with housing, food, mental, and put them in line with other partners that go beyond energy and financial relief.

Follow-up questions from Nicor Gas presentation:

1. Is it correct to assume the 5,736 number = apartments? Assuming yes, how many MF buildings? And how many were jointly done with ComEd? (Karen Lusson, from slide 2)
2. Is Nicor Gas having similar challenges with the IHWAP braided-CAA delivered single family IQ? (Phil Mosenthal, from slide 5)
3. Can Nicor Gas break down the diverse spend by category, i.e., minority, women-owned and veteran? (Karen Lusson, from slide 7)

Peoples Gas & North Shore Gas 2022 EE Portfolio Update

Jean Gibson and Omayra Garcia, Peoples Gas & North Shore Gas

- Presentation includes cumulation of what we have done through Q3 – preliminary results.
- Highlighting environmental and community impacts. For ex, the EE savings through Q3 is equivalent over 44,000 acres of trees.
- Diversity Initiatives
 - 3 of 7 suppliers are Tier 1; aim for 24% of spend on diverse spend. To date it is 19%.
 - Market Development Initiative: We're well underway with research and expect the final reports soon. Our RFP is under development and timing and process updates will be shared soon. RFP will be issued in January, we expect.
- Peoples Gas Portfolio
 - 71% of goal and 69% of budget. On track to continue the rest of the year and achieve 2022 savings goals. Our savings are spread across program offerings pretty evenly.
- North Shore Gas Portfolio
 - Similarly on track to achieve our goals. 46% of goal, and 49% of budget. Business program is heavily achieving savings for that portfolio. The IE program has been slower than forecast but has a pipeline for Q3-Q4.
- Business Programs
 - Both PG and NSG seeing strong performance, pipeline and cost-effectiveness.
 - PG has booked 104% of savings and achieved 188% of goal. NSG has booked 87% of savings goal and is looking ahead to 169% of goal.
 - Spotlight of Success stories – in NSG territory. Great Lakes Naval Base and Lovell VA Hospital. Both resulting from 2021 program outreach paying off in 2022.
 - SMB Program – storyline is similar for both PG and NSG. Strong pipelines and cost-effectiveness. PG Columbia College boiler tune-ups at 10 locations. Steam trap testing in Marc Realty projects. NSG similar.
 - Public Sector – PG continued strong performance and will exceed spend and savings goals. Strong pipeline. Anticipate 243% savings at 117% of budget. NSG forecast 166% of goal at 178% of budget. Proud of the school impacts – North Shore, Waukegan, Vernon Hills.
 - Customer highlight: Cook County. Very focused on sustainability achievements. Saved over 900,000 therms. Presented a plaque to Board Pres. Preckwinkle. Cook County Jail, very unique environment to work in. Very synchronized effort and got in and out in only 24-hour period. High savings.

- 2022 Energy Forum event for C&I and Public customers.
- Success at Art Institute – moving from R&D to a customer solution. Worked with them on a unique project. Need to maintain humidity. Previously it was very manual and high maintenance. We used a new AI technology with a machine learning system. Was very successful. Transitioned into the Custom offering and working to put it in more galleries.
- Residential and Income Qualified (IQ) Programs
 - PG Assessment participation has been strong and cost-effective. Weatherization (Wx) is running high but has a higher cost per therm.
 - Education kits is also higher than forecast- kids and teachers are eager right now. The majority is from the MF Prescriptive, Custom and Partner Trade Ally program.
 - NSG similar to PG side with assessment and Wx offerings. Elementary kits are also higher than forecast. Most savings are from the same programs as PG.
 - IQ Single Family (SF) Program. Participation is strong. Some have already achieved forecast. CEDA is helping with IHWAP and exceeding participation. Wx participation is strong, but the measure mix is different and running expensive. Lower participation in education kits. Community kits are strong.
 - IQ Multifamily (MF)
 - PG participation is strong but offering mix is varying from forecast. Top prescriptive steam traps and pipe insulation. Top direct install are water savings devices.
 - NSG program is slower than forecast but improving. Participation in some programs picking up in Q3, focusing on bringing in Q4 projects. Some staffing changes at the Agencies. New Home Energy Savings Retrofits in 2022 for NSG. NSG has a much smaller budget than PG for IQ, so less interest from Agencies and trade allies.
 - Customer spotlight – IE MF Customer with multiple buildings. Steam trap project, 142 units, 22,506 therms saved.
 - Income Eligible Spotlight – James Ward Elementary – connected with teacher and provided 65 kits to help their families.
 - Residential and IQ community events
- Marketing and Outreach
 - Updated the marketing collateral. Refreshed colors and spotlighting new projects.
 - Q3 marketing update – refreshed materials, residential customer ads in Waukegan, some email campaigns, updating all web pages, surveys have gone out, digital campaign in process. Presented at BECC conference on gas decarbonization.

Follow-up questions from Peoples Gas & North Shore Gas presentation:

1. Of the 32k IQ homes served, does PG/NSG have a breakdown of that number by program? (Chris Neme, from slide 4)
2. Can PG/NSG share diverse spend by category (i.e., minority, women- and veteran-owned)? (Karne Lusson, from slide 5)
3. Can PG/NSG elaborate on the change in the measure mix? (Karen Lusson, from slide 23)

Closing and Next Steps

Celia Johnson, SAG Facilitator

- Follow-up questions for each utility summarized above in presentation sections.