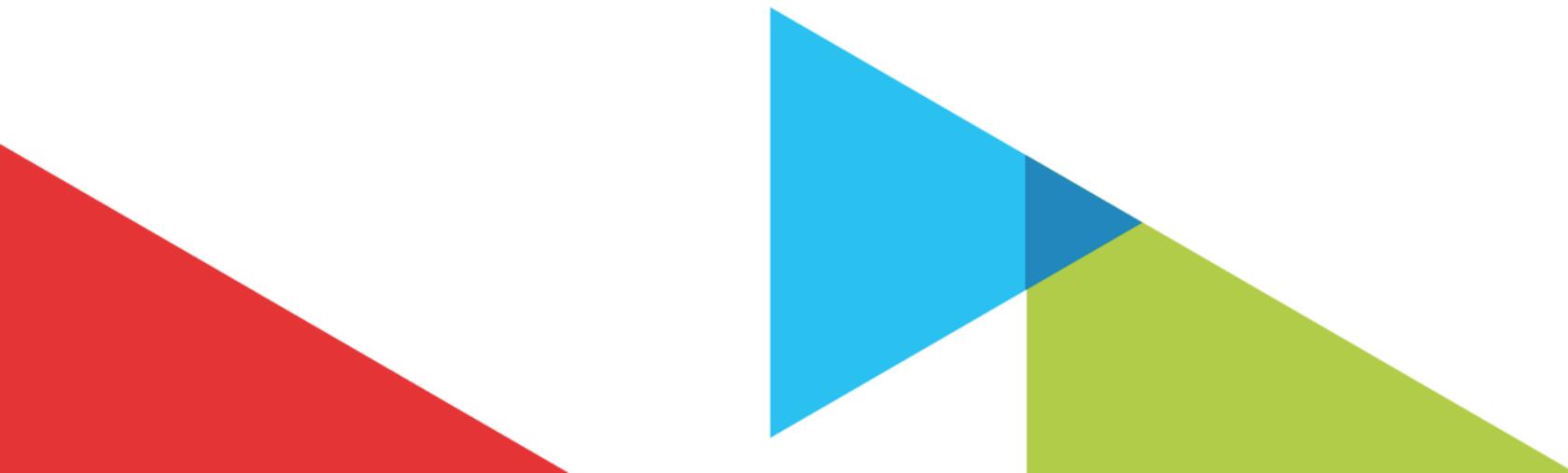


Nicor Gas Adjustable Savings Goals & Weighted Average Measure Life (WAML)

SAG Presentation

2/3/2021



Overview



Adjustable Savings Goals 2021 Updates

- Key Calculations Updates and Errata Review
- Adjusted Savings Goals

Adjustable Weighted Average Measure Life (WAML)

- Measure Life Assumptions based on TRMv9
- Adjusted WAML Based on TRMv9 Measure Life Updates

Note: All Adjustable Savings Goals and Weighted Average Measure Life updates presented have been reviewed and confirmed by Third Party Evaluator (Guidehouse).

Adjustable Savings Goal - Calculations Updates



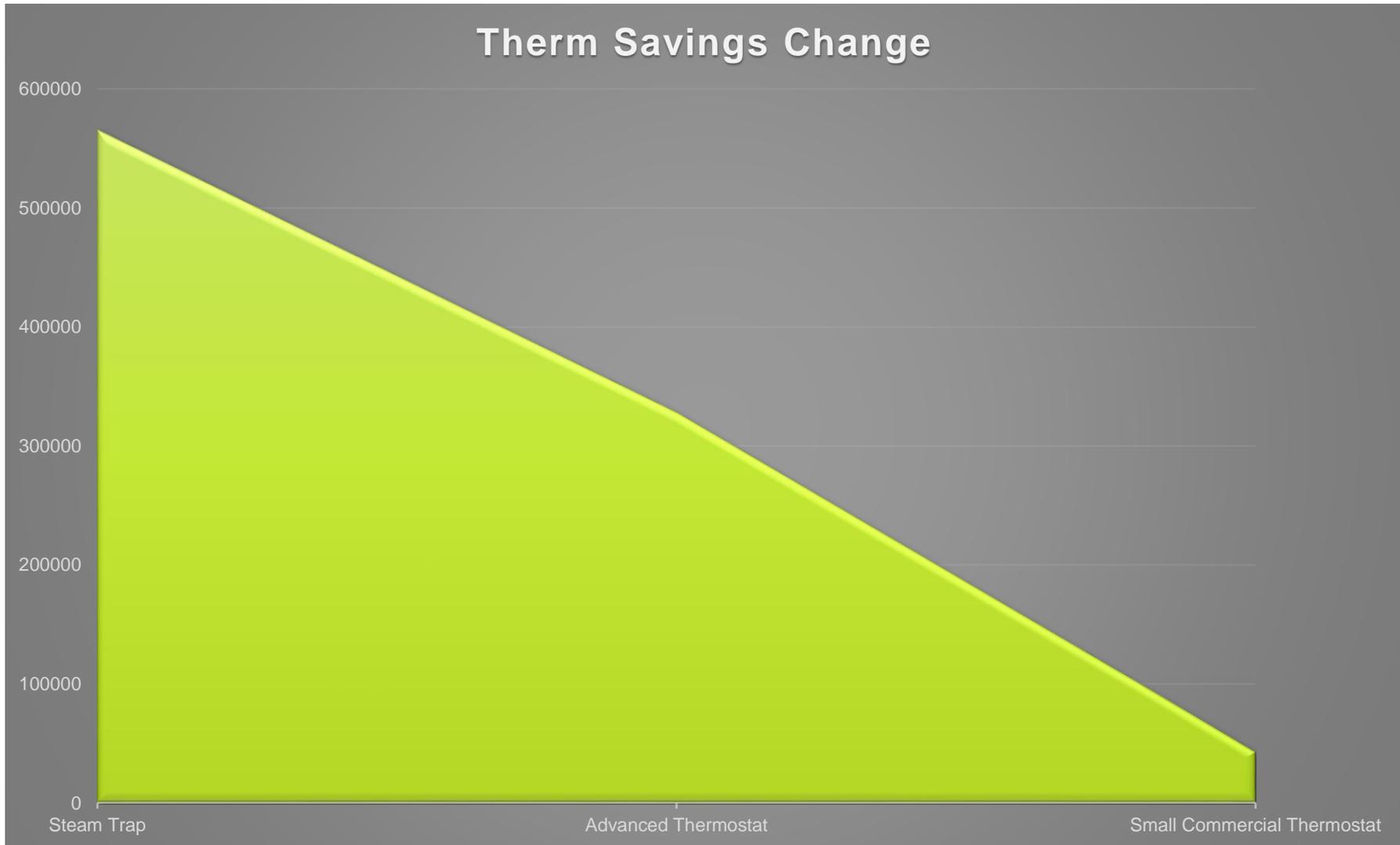
Measure Updates based on TRMv9

- 4.4.16 Steam Traps (C&I)
- 4.4.48 Small Commercial Thermostat (C&I)
- 5.3.16 Advanced Thermostat (Res)

V9.0 Errata Reviewed – which impact 5.3.16 Advanced Thermostat measure in the Adjustable Savings Goals

- The draft errata memo (October 23, 2020, from VEIC) kept the heating ISR in the algorithm but set it to 100% for all scenarios. The Blended heating reduction was 8.5%

Change In Savings Goal By Measure Group



Adjustable Savings Goals - 2021



Nicor Gas Net Therm Savings Goals based on TRMv9 Update

	January 1, 2021 - December 31, 2021, Plan Year 2021			
	Plan Energy Savings Goal (Therms)	Adjusted Energy Savings Goal (Therms)	Energy Savings Adjustment to Plan Goal (Therms)	Brief Explanation of Significant Adjustments
Program	2021	2021	2021	2021
(a)	(n)	(o)	(p)=(o-n)	(q)
			=O9-N9	
BEER	2,859,285	3,390,453	531,168	2019 Changes, 2020 Changes, Small Commercial Thermostat, Steam Trap
BNC	314,272	314,272	0	
Custom	3,517,892	3,517,892	0	
Outreach	1,569,325	1,609,226	39,901	2019 Changes
HEER	3,706,226	3,868,774	162,547	2019 Changes, Advanced Thermostat
HES	537,661	519,035	-18,625	2019 Changes, Advanced Thermostat
IQ	1,816,459	1,869,194	52,735	2019 Changes, 2020 Changes, Advanced Thermostat
MF	573,562	584,786	11,224	2019 Changes, 2020 Changes, Small Commercial Thermostat, Steam Trap
RNC	162,338	162,338	0	
SB	486,827	571,712	84,885	2019 Changes, 2020 Changes, Small Commercial Thermostat, Steam Trap
SEM	965,804	965,804	0	
Portfolio Total (Therms)	16,509,650	17,373,486	863,836	

Note: All Adjustable Savings Goals presented has been reviewed and confirmed by Third Party Evaluator (Guidehouse).

Adjusted Savings Goals



Nicor Gas's Net Therm Savings Goals based on TRMv9 Update

Year	2018 Plan Goal Net Therms	Adjusted Goal Net Therms	Difference
2018	16,509,650	16,509,650	0
2019	16,509,650	16,406,931	(102,719)
2020	16,509,650	16,468,775	(40,875)
2021	16,509,650	17,373,486	863,836
4 Year Total	66,038,600	66,758,842	720,242

Adjustable Savings Goal – 2021 TRM Measure Life Updates



- Measure Life Updates based on TRMv9
 - 4.4.4 Boiler Reset Controls: ML decreases from 20 to 16 years
 - 4.4.12 Infrared Heaters: ML increases from 12 to 15 years
 - 5.3.13 Residential Furnace Tune-Up: Remove verified quality maintenance option which decreases ML from 10 to 3 years
- Mid-life Adjustment impacts multiple measures life cycle savings.
 - 5.3.4 Duct Insulation and Sealing
 - 5.6.1 Air Sealing
 - 5.6.2 Basement Sidewall Insulation
 - 5.6.3 Floor Insulation Above Crawlspace
 - 5.6.4 Wall/Ceiling/Attic Insulation
 - This mid-life adjustment also impacted the 2019 & 2020 life cycle therms, which was missed in previous year updates. The 2019 and 2020 updates were made under this current version.

Adjusted Weighted Average Measure Life Updates



	Plan Life Cycle Savings					Adjusted Life Cycle Savings				
	Plan Life Cycle Savings (Therms)	Total Plan Life Cycle Savings (Therms)	Adjusted Life Cycle Savings (Therms)	Total Adjusted Life Cycle Savings (Therms)						
Program	2018	2019	2020	2021	Plan Period	2018	2019	2020	2021	Plan Period
(a)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)	(ad)
BEER	28,313,928	28,313,928	28,313,928	28,313,928	113,255,711	28,313,928	28,397,308	29,209,255	32,214,724	118,135,215
BNC	7,856,808	7,856,808	7,856,808	7,856,808	31,427,232	7,856,808	6,474,010	6,474,010	6,474,010	27,278,838
Custom	57,132,950	57,132,950	57,132,950	57,132,950	228,531,798	57,132,950	57,132,950	52,341,940	52,341,940	218,949,779
Outreach	6,076,011	6,076,011	6,076,011	6,076,011	24,304,043	6,076,011	6,709,273	6,709,273	6,709,273	26,203,831
HEER	54,892,272	54,892,272	54,892,272	54,892,272	219,569,089	54,892,272	54,349,363	54,349,363	57,456,973	221,047,972
HES	8,244,396	8,244,396	8,244,396	8,244,396	32,977,583	8,244,396	7,831,069*	7,831,069*	7,837,278	31,743,811
IQ	31,539,683	31,539,683	31,539,683	31,539,683	126,158,734	31,539,683	31,117,055*	31,798,252*	32,025,541	126,480,532
MF	6,352,344	6,352,344	6,352,344	6,352,344	25,409,378	6,352,344	6,452,351	6,763,079	6,801,564	26,369,338
RNC	4,870,125	4,870,125	4,870,125	4,870,125	19,480,500	4,870,125	4,870,125	4,870,125	4,870,125	19,480,500
SB	4,908,099	4,908,099	4,908,099	4,908,099	19,632,396	4,908,099	4,964,865	5,421,137	5,817,529	21,111,630
SEM	2,897,412	2,897,412	2,897,412	2,897,412	11,589,648	2,897,412	4,829,020	4,829,020	4,829,020	17,384,472
Portfolio Total (Therms)	213,084,028	213,084,028	213,084,028	213,084,028	852,336,113	213,084,028	213,127,389*	210,596,523*	217,377,979	854,185,919
				Plan WAML	12.91				Adjusted WAML	12.80

Note: All weighted average measure life updates presented have been reviewed and confirmed by Third Party Evaluator (Guidehouse).

* 2019 & 2020 adjustable life cycle therms have been updated due to mid-life adjustment impacts

Adjusted Weighted Average Measure Life Updates



Year	Plan Net Therms	Plan Life Cycle Therms	Adjusted Net Therms	Adjusted Life Cycle Therms	Life Cycle Therm Change
2018	16,509,650	213,084,028	16,509,650	213,084,028	
2019	16,509,650	213,084,028	16,406,931	213,127,389*	43,361
2020	16,509,650	213,084,028	16,468,775	210,596,523*	(2,487,505)
2021	16,509,650	213,084,028	17,373,486	217,377,979	4,293,951
Total	66,038,600	852,336,113	66,758,842	854,185,919	
Difference to Plan	-	-	720,242	1,849,806	-
WAML	12.91		12.80		-
Stipulated WAML Minimum	11.91		11.80		-

* 2019 & 2020 adjustable life cycle therms have been updated due to mid-life adjustment impacts

Adjustable Savings Goals with WAML

Questions & Next Steps



Nicor Gas

Energy
Efficiency
Program