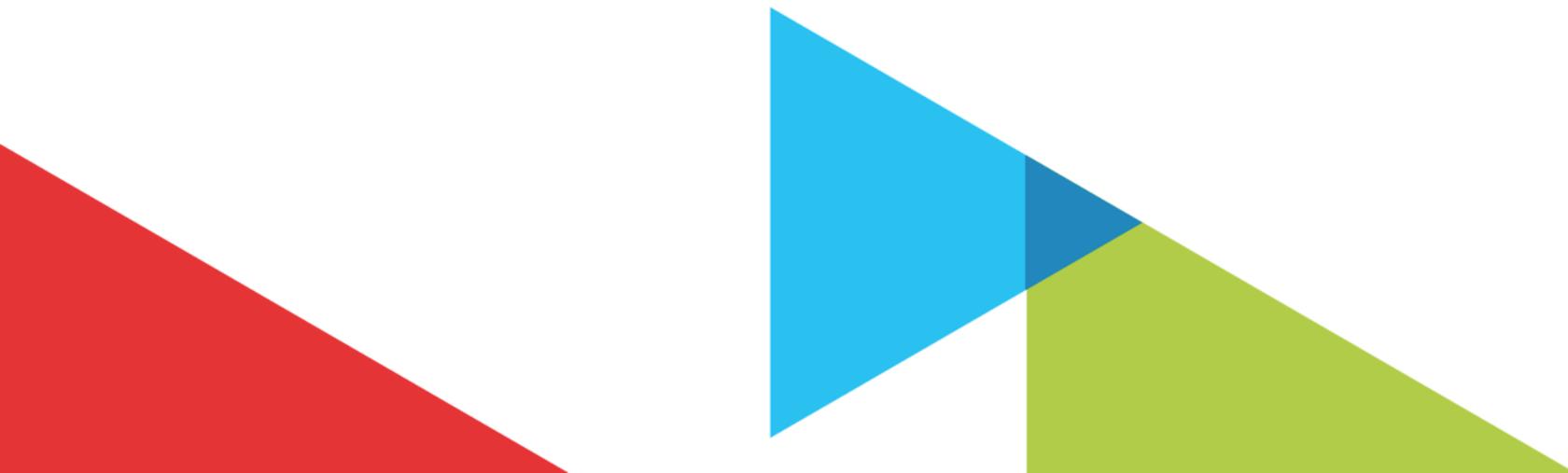


Nicor Gas 2022 Adjustable Savings Goals & Weighted Average Measure Life (WAML)

SAG Presentation

2/3/22



Overview



Adjustable Savings Goals - 2022 Updates

- IL TRM v10 – Algorithm updates and Errata review
- Net-to-Gross (NTG) 2022-2025 updates as per the Policy Manual
- Adjusted Weighted Average Measure Life (WAML) based on TRMv10 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).

IL TRM v10 updates



Key Updates:

- Updated In-Service Rates (ISR) for Kit measures
- Errata – EFLH update for Office - High Rise - CAV econ building type
- Updated inlet water temperature (Tin) value
- Updated algorithm and Thermal Regain Factors (TRF) for pipe insulation measures
- Baseline adjustment factor for Thermostats

List of measures impacted by TRM v10 updates:

Commercial Measures	Residential Measures
<ul style="list-style-type: none">• 4.2.7 Energy Star Fryer• 4.2.11 High Efficiency Pre-Rinse Spray Valve• 4.3.1 Water Heater• 4.3.2 Low Flow Faucet Aerators• 4.3.3 Low Flow Showerheads• 4.4.2 Space Heating Boiler Tune-up• 4.4.5 Condensing Unit Heaters• 4.4.10 High Efficiency Boiler• 4.4.11 High Efficiency Furnace• 4.4.14 Pipe Insulation• 4.4.48 Small Commercial Thermostats	<ul style="list-style-type: none">• 5.3.17 Gas High Efficiency Combination Boiler• 5.4.1 Domestic Hot Water Pipe Insulation• 5.4.2 Gas Water Heater• 5.4.4 Low Flow Faucet Aerators• 5.4.5 Low Flow Showerheads• 5.4.11 Drain Water Heat Recovery• 5.6.1 Air Sealing

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

Net-to-Gross (NTG) 2022-2025 updates



Illinois Energy Efficiency Policy Manual Version 2.0

6.2 Adjustable Savings Goals Beginning in 2022:

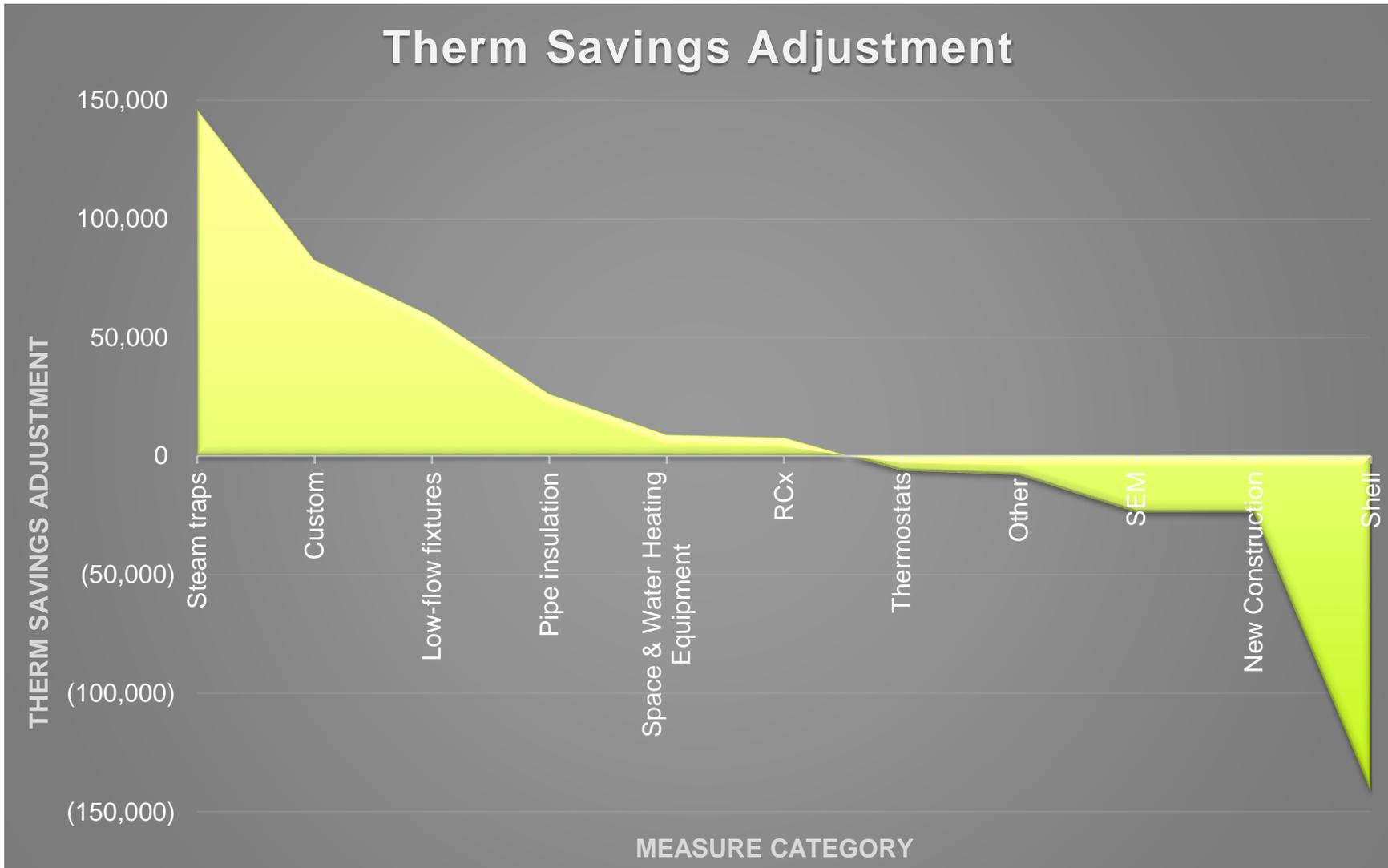
“In addition, gas utility annual energy savings goals will be adjusted for the entire Plan period, prior to the start of the first Plan Year of an approved Plan, so that they are aligned with changes to IL-TRM values and the most recent Evaluator’s recommended Net-to-Gross (NTG) Ratio values available.”

List of programs with updated NTG values:

Sector	Program/Path/Measures	2021 NTG Value	2022 NTG Value
Residential	Home Energy Savings - HEA Leave-Behind Kits	N/A	0.99
	Energy Savings Kits - Weatherization Measures	0.84	0.91
	Energy Savings Kits - Water Saving Measures	Aerators: 1.00; Showerheads: 0.84	1.10
Business & Public Sector	Small Business - Assessments/DI/Kits	0.92	0.96
	Small Business - Prescriptive	0.83	0.96
	Small Business - Thermostats	0.91	0.98
	Small Business - Custom	0.93	0.96
	Custom	0.79	0.84
	Retro-Commissioning Joint & Stand-alone	0.94	0.98
	Non-Res New Construction	0.54	0.43
	Strategic Energy Management	1.00	0.97
	Commercial Food Service (CFS) Midstream Pilot Program		0.80

Note: NTG values updates are based on Third Party Evaluator(Guidehouse) analysis.

Change in Savings Goal by Measure Group



Adjustable Savings Goals 2022- 2025



Nicor Gas Net Therm Savings Goals for 2022 -2025

	January 1, 2022 - December 31, 2022, Plan Year 2022			
	Plan Energy Savings Goal (Therms)	Adjusted Energy Savings Goal (Therms)	Energy Savings Adjustment to Plan Goal (Therms)	Brief Explanation of Significant Adjustments
	IL TRM v9	IL TRM v10	Plan Goal to IL TRM v10	
Program	2022	2022	2022	2022
(a)	(b)	(c)	(d)=(c-b)	(e)
BEER	3,676,465	3,670,615	-5,850	TRMv10 Update
BNC	116,365	92,661	-23,704	2022 NTG Update
Custom	1,559,490	1,649,901	90,411	2022 NTG Update
Outreach	1,198,600	1,157,222	-41,379	2022 NTG and TRM v10 Updates
HEER	3,147,816	3,148,038	222	TRMv10 Update
HES	377,295	382,736	5,441	2022 NTG and TRM v10 Updates
IQ Wx	799,306	810,587	11,281	TRMv10 Update
IQ PHA	37,612	37,706	94	TRMv10 Update
IQ AHNC	50,283	50,283	0	
IQ ESK	530,145	476,190	-53,956	2022 NTG and TRM v10 Updates
MF	398,310	403,677	5,367	TRMv10 Update
RNC	214,984	214,984	0	
SB	1,104,065	1,267,021	162,955	2022 NTG and TRM v10 Updates
SEM	789,470	765,786	-23,684	2022 NTG Update
Portfolio Total (Therms)	14,000,207	14,127,406	127,199	

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 for 2022 – 2025

Year	Filed Plan Goal Net Therms	Adjusted Goal Net Therms	Difference
2022	14,000,207	14,127,406	127,199
2023	14,000,207	14,127,406	127,199
2024	14,000,207	14,127,406	127,199
2025	14,000,207	14,127,406	127,199
4 Year Total	56,000,829	56,509,622	508,794

Adjustable Savings Goal – 2021 TRM Measure Life Updates



Measure Life Updates based on TRMv10

- Strategic Energy Management: ML increase from 5 to 7 years
- Retro-Commissioning: ML increase from 7.5 to 8.6 years
- Mid-life Adjustment impacts multiple measures life cycle savings
 - 5.6.1 Air Sealing
 - 5.6.2 Basement Sidewall Insulation
 - 5.6.3 Floor Insulation Above Crawlspace
 - 5.6.4 Wall Insulation
 - 5.6.5 Ceiling/Attic Insulation
 - 5.6.6 Rim/Band Joist Insulation

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						
Program	2022	2023	2024	2025	Plan Period	2022	2023	2024	2025	Plan Period
(a)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(aq)	(ar)	(as)
BEER	30,739,087	30,739,087	30,739,087	30,739,087	122,956,346	30,635,397	30,635,397	30,635,397	30,635,397	122,541,589
BNC	2,397,121	2,397,121	2,397,121	2,397,121	9,588,485	1,908,819	1,908,819	1,908,819	1,908,819	7,635,275
Custom	25,712,061	25,712,061	25,712,061	25,712,061	102,848,242	27,406,040	27,406,040	27,406,040	27,406,040	109,624,161
Outreach	9,482,556	9,482,556	9,482,556	9,482,556	37,930,224	8,222,319	8,222,319	8,222,319	8,222,319	32,889,277
HEER	48,151,884	48,151,884	48,151,884	48,151,884	192,607,537	48,154,768	48,154,768	48,154,768	48,154,768	192,619,073
HES	5,971,717	5,971,717	5,971,717	5,971,717	23,886,867	6,232,620	6,232,620	6,232,620	6,232,620	24,930,479
IQ Wx	12,628,055	12,628,055	12,628,055	12,628,055	50,512,220	12,964,786	12,964,786	12,964,786	12,964,786	51,859,142
IQ PHA	593,621	593,621	593,621	593,621	2,374,483	605,942	605,942	605,942	605,942	2,423,767
IQ AHNC	1,035,823	1,035,823	1,035,823	1,035,823	4,143,294	1,035,823	1,035,823	1,035,823	1,035,823	4,143,294
IQ ESK	6,800,877	6,800,877	6,800,877	6,800,877	27,203,506	5,661,659	5,661,659	5,661,659	5,661,659	22,646,635
MF	5,343,055	5,343,055	5,343,055	5,343,055	21,372,218	5,427,688	5,427,688	5,427,688	5,427,688	21,710,753
RNC	4,061,967	4,061,967	4,061,967	4,061,967	16,247,867	4,061,967	4,061,967	4,061,967	4,061,967	16,247,867
SB	8,225,257	8,225,257	8,225,257	8,225,257	32,901,029	9,381,403	9,381,403	9,381,403	9,381,403	37,525,613
SEM	3,947,350	3,947,350	3,947,350	3,947,350	15,789,399	5,360,501	5,360,501	5,360,501	5,360,501	21,442,004
Portfolio Total	165,090,429	165,090,429	165,090,429	165,090,429	660,361,718	167,059,732	167,059,732	167,059,732	167,059,732	668,238,929
				Plan WAML	11.79				Adjusted WAML	11.83

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

Adjusted Weighted Average Measure Life Updates



Year	Filed Plan Annual Net Therms	Filed Plan Life Cycle Therms	Adjusted Annual Net Therms	Adjusted Life Cycle Therms	Life Cycle Therm Change
2022	14,000,207	165,090,429	14,127,406	167,059,732	1,969,303
2023	14,000,207	165,090,429	14,127,406	167,059,732	1,969,303
2024	14,000,207	165,090,429	14,127,406	167,059,732	1,969,303
2025	14,000,207	165,090,429	14,127,406	167,059,732	1,969,303
Total	56,000,829	660,361,718	56,509,622	668,238,929	7,877,211
Difference to Plan	-	-	508,794	7,877,211	
WAML	11.79		11.83		-
Stipulated WAML Target	10.79		10.83		-

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



Nicor Gas

Energy
Efficiency
Program