

2022

Quarterly Report Fourth Quarter

October 1, 2022 – December 31, 2022



Nicor Gas Company
Energy Efficiency Program – Plan Year 2022
Quarterly Report: Fourth Quarter



Energy
Efficiency
Program

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Portfolio summary

Year-to-date results

January 1, 2022-December 31, 2022

12.4M

Net savings
to date

87.9%

Percent of
planned savings

14.1M

Annual
savings goal

\$40.4M

Spend
to date

88.5%

Percent of
planned spend

\$45.7M

Annual
budget

Key portfolio highlights

- Within our Residential New Construction offering 600 homes were completed in Q4. In 2022 a total of 1,986 homes were incentivized through this offering.



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- **Income Eligible** - Public Housing Authority - Several large projects were completed in the fourth quarter which allowed the Public Housing Authority offering to achieve 56% of its planned savings goal
- **Business Energy Efficiency Rebates** - Year end close out of this program was massively successful, achieving 114% therm savings against goal Marketing campaign launched in Q3, targeting steam system improvements for large industrial customers, was instrumental in raising awareness of the program benefits and driving therm savings



Residential programs

5

Programs

5.82M

Net therm savings to date

\$10.9M

Spend to date

Key highlights

- In 2022 the Central Plant Optimization Program (CPOP) achieved 105% of its 2022 annual savings goal while remaining under budget.
- Within our Residential New Construction offering 600 homes were completed in Q4. In 2022 a total of 1,986 homes were incentivized through this offering.
- The HEER offering through December 31, 2022, has incentivized over 12,400 high efficiency furnaces, boilers, and tankless water heaters as well as over 17,800 smart thermostats to our customers.

Program overviews

Home Energy Efficiency Rebates (HEER)

The objective of the Home Energy Efficiency Rebate (“HEER”) Program is to obtain energy savings by overcoming market barriers to the purchase, installation and maintenance of high-efficiency natural gas space-heating equipment as well as other targeted measures in residential applications.

Nicor Gas Company
Energy Efficiency Program – Plan Year 2022
Quarterly Report: Fourth Quarter



Residential programs

Home Energy Savings (HES)

The Home Energy Savings (“HES”) program is a whole-house single-family weatherization program with the objective to obtain natural gas savings in existing single-family buildings by overcoming market barriers to the installation of energy efficiency measures. The HES program provides weatherization and shell improvement opportunities using standard, prescriptive and whole-house approaches. This offering consists of a home energy assessment (HEA) and air sealing and insulation (ASI) components.

Multi-family (MF)

The Multi-Family Program (“MF”) addresses residential (living units) and commercial (communal areas, central plants) energy efficiency opportunities available in multi-family buildings. The program aims to overcome market barriers to the installation of energy efficiency measures in multi-family buildings by offering comprehensive assessments, technical assistance and incentives. MF provides property owners with turnkey services to reduce energy and water use in residential living units, communal areas and in the building shell.

Residential New Construction (RNC)

The objective of the Residential New Construction Program (“RNC”) is to obtain energy savings by increasing the energy efficiency of single-family and duplex new construction homes. The program provides participating new home builders and their verifier companies a financial incentive to either a) exceed state and local building code requirements regarding duct and air sealing, along with the installation of specific high-efficiency equipment, or b) install prescriptive high-efficiency equipment only.

Energy Education and Outreach

The energy education and outreach program is intended to enhance residential customers’ understanding of energy usage in their homes and educate these customers



Residential programs

Home Energy Efficiency Rebates (HEER)

Savings achieved to date – 3,258,899 Net Therms

- Through December 30, 2022, the Program has incentivized over 12,400 high efficiency furnaces, boilers, and tankless water heaters as well as over 17,800 smart thermostats to our customers.
- In the fourth quarter, the most popular measure installed by customers was smart thermostats with over 11,200 incentivized. This was made possible by increasing awareness with both our customers and Trade Allies of the expansive list of smart thermostat models that qualify for a rebate. Over 100 smart thermostats models qualify for a rebate.
- The Program began offering rebates for tankless water heaters on January 1st, 2022, and participation has been higher than expected with 250 incentivized through the year. Our Outreach teams continue to work closely with plumbers to raise awareness on this new rebate offering.

Home Energy Savings (HES)

Savings achieved to date – 425,283 Net Therms

- Through December 31, 2022, the Program has been able to provide 8,643 customers within home energy assessments.
- Through December 31, 2022, the Program has been able to provide over 686 customers with virtual home energy assessments.
- Through December 31, 2022, the Air Sealing and Insulation offering of HES has served 1,109 homes.
- The Air Sealing and Insulation portion of HES has been exceptionally cost-effective, achieving 86% of its annual savings goal while only using 64% of its annual budget. This was made possible by working closely and listening to our Trade Allies by hosting roundtables and offering continuous marketing support and an open line of communication.



Residential programs

Multi-family (MF)

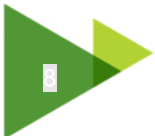
Savings achieved to date – 397,008 Net Therms

- In 2022 the Central Plant Optimization Program (CPOP) achieved 105% of its 2022 annual savings goal while remaining under budget. This achievement was made possible by shifting focus to direct Trade Ally and customer recruitment instead of relying solely on assessments to provide leads.
- The prescriptive portion of MF has been exceptionally cost-effective, achieving 126% of its annual savings goal while only using 80% of its annual budget.
- The custom portion of MF has continued to see lower-than-expected participation.
- In 2022 the Air Sealing and Insulation Multi-Family (ASI MF) Offering was launched and weatherized 4 buildings which had 137 units in total. This offering achieved 41% of its savings goal, while spending 68% of its incentive budget. Rebate levels are being reviewed to continue to serve this customer segment with weatherization services.

Residential New Construction (RNC)

Savings achieved to date – 533,334 Net Therms

- In the Fourth Quarter, 600 homes were completed. In 2022 a total of 1,986 homes were incentivized through this offering.
- Within the RNC program the most popular package during the Fourth Quarter was our High Efficiency Package with 307 homes meeting the requirements and receiving incentives.
- Throughout the year 2022 Nicor Gas met with homebuilders and developers at round tables and sponsored events to create awareness and educate them on the Residential New Construction offering and explain the benefits of participating.



Residential programs

Energy Education and Outreach

Energy Saving Kits (“ESKs”)

Savings achieved to date – 354,847 Net Therms

- In the Fourth Quarter, 2,094 water-saving kits and 5,285 weatherization kits were distributed to customers, a total of 7,379 kits.
- The most popular kit requested by customers in the Fourth Quarter was the weatherization kit. In the Fourth Quarter weatherization kits made up 72% of all kits distributed.
- In 2022 a total of 19,568 water and weatherization kits were distributed to customers.
- Nicor Gas utilized our Marketing and Outreach teams to drive the success of this program. The Outreach team attended multiple events throughout the year handing out kits. Additionally Nicor Gas’ Marketing team delivered several marketing campaigns promoting Energy Savings Kits.

In the Fourth Quarter, 2,094 water-saving kits and 5,285 weatherization kits were distributed to customers, a total of 7,379 kits.

Elementary Education Kits (“EEKs”)

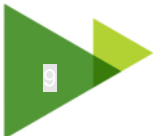
Savings achieved to date – 180,092 Net Therms

- In the Fourth Quarter, 10,904 Joint school kits were delivered to schools. In 2022 a total of 25,107 school kits were delivered to schools.
- School selection is intentional and focuses on enrolling schools from various socioeconomic levels and racially diverse student populations as well as include up to five schools, each year, specifically focused on students with special needs.

Home Energy Reports (“HER”)

Savings achieved to date – 671,521 Net Therms

- During the Fourth Quarter the Company distributed 358,473 emailed Home Energy Reports and 21,050 printed Home Energy Reports to customers.



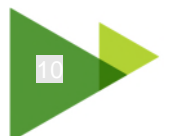
Income-eligible programs

Income-eligible programs



Key highlights

- Affordable Housing new construction has attained 82% of the planned therm savings and 97% of the planned incentive spend through 2022.
- Public Housing Authority - Several large projects were completed in the fourth quarter which allowed the Public Housing Authority offering to achieve 56% of its planned savings goal
- Single Family/Multi-family Weatherization and Retrofits - In 2022, we have served 301 single family homes and 37 multifamily units through the weatherization offering. Additionally, we served 1,070 homes through the SF Retrofits offering and 7,582 through the MF Retrofits.



Program overviews

The objective of the Income-Eligible Energy Efficiency (“IE”) program is to provide broad and deep energy efficiency opportunities to income-eligible customers living in single-family homes and multi-family buildings, and for the construction of new energy-efficient affordable housing. This program includes:

- Single Family and Multi-Family Weatherization and Retrofits
- Health and Safety
- PHA/Multi-Family Buildings
- Affordable Housing New Construction (AHNC)

Single Family/Multi-family Weatherization and Retrofits Program overview

- Savings achieved to date – 627,140 Net Therms
- In 2022, we have served 301 single family homes and 37 multifamily units through the weatherization offering. Additionally, we served 1,070 homes through the SF Retrofits offering and 7,582 through the MF Retrofits.
- Within our MF Retrofits program, 89 contractors were registered in the network and found a strong demand for weatherization programs that dominated the pipeline. This did however lead to an unbalanced measure mix and a higher dollar per therm for projects than we modeled.
- Supply chain issues and lead times to obtain permits took months rather than weeks causing delays, which was a challenge in 2022 within both the weatherization and retrofits programs.

Health and Safety

Program overview

- Savings achieved to date – 0 Net Therms
- The Health and Safety Program did not launch in 2022 as planned. We are currently approving materials and focused on setting up program processes and recruiting Trade Allies.
- The offering is currently seeking partnerships and has met with Blue Cross Blue Shield and the Ingalls Foundation
- We are anticipated to serve our first home in Q1 of 2023
-



Income-eligible programs

Public Housing Authority

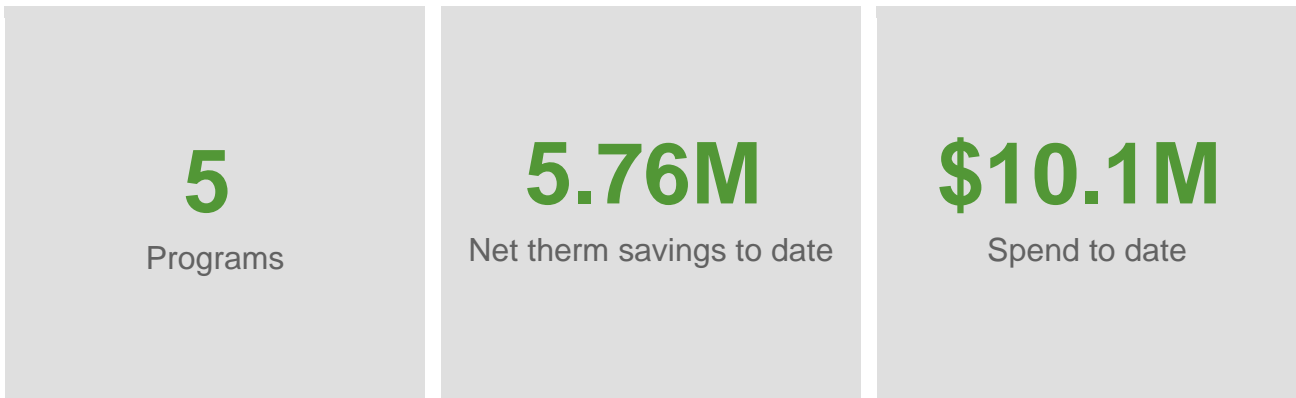
- Savings achieved to date – 34,997 Net Therms
- In 2022, we served 995 PHA homes/units.
- New approach to outreach was implemented in the second half of the program year that included aligning outreach to customers with PHA capital planning cycles
- Several large projects were completed in the fourth quarter which allowed the Public Housing Authority offering to achieve 56% of its planned savings goal (227% of the adjusted annual savings goal)
- Finding available opportunities for fully incentivized projects with active customers was a challenge because most of these customers have been participating for several years and have exhausted all no-cost measures

Affordable Housing New Construction

- Savings achieved to date – 52,401 Net Therms
- Affordable Housing new construction program attained 82% of planned therm savings and 97% of the planned incentive spend through 2022.
- A Strong partnership with Rockford Habitat for Humanity continued in 2022 with 7 homes added
- 7 projects and 273 housing units were completed in 2022.



Business programs



Key highlights

- Business New Construction, in the Fourth Quarter, completed a total of 16 commercial/ industrial projects were completed. Of which, 8 were private sector projects and 8 were public sector projects.
- Business Energy Efficiency Rebates - Year end close out of this program was massively successful, achieving 114% therm savings against goal Marketing campaign launched in Q3, targeting steam system improvements for large industrial customers, was instrumental in raising awareness of the program benefits and driving therm savings

Program overviews

Business Energy Efficiency Rebates

The Business Energy Efficiency Rebates (“BEER”) program’s goal is to produce natural gas energy savings in the business and public sectors by promoting the purchase and installation of energy efficiency measures such as: high-efficiency space heating, water heating, food service technologies, tune-ups and upgrades. This is accomplished by providing the direct installation of free energy-saving products, completing free energy assessments of customers’ facilities and providing tailored energy efficiency project recommendations.

Business New Construction

The objective of the Business New Construction (“BNC”) Program is to obtain energy savings during the design and construction of new buildings, major renovations of existing buildings, and tenant buildouts in the commercial, public sector and industrial market. The Business New Construction offering provides education, financial incentives and technical assistance to help building owners and design teams exceed current energy codes.

Custom Incentives

The purpose of the Custom Incentives (“Custom”) program is to assist medium-to-large commercial, multi-family, public sector and industrial customers in identifying and implementing cost-effective natural gas energy efficiency measures that are not otherwise addressed in Nicor Gas’ BEER, MF or SB Programs. Participation is driven through the program’s free energy assessments, which inform the customer on ways to be more efficient. These assessment recommendations can spill over into other commercial and industrial program participation. Additionally, the Custom program offers a Retro-Commissioning (RCx) offering, assisting participants with low-cost and no-cost tune-ups and adjustments to their operating systems, building controls, energy management systems and HVAC systems in existing buildings. The aim of the retro-commissioning offering is to optimize operation and improve facility efficiency by returning equipment to its intended operation or design specifications. The Custom program also includes a Combined Heat and Power (CHP) offering.

Small Business Energy Savings

The Small Business Program’s (“SB”) objective is to obtain long-term natural gas energy savings from small business gas customers, including public sector customers, with energy efficiency retrofits and financial incentives to influence the installation of highly efficient natural gas equipment.

Strategic Energy Management

The objective of the Strategic Energy Management (“SEM”) program is to obtain long-term energy savings by focusing on improving and optimizing commercial, industrial and public-sector operations, processes and energy equipment.

Business programs

Business Energy Efficiency Rebates

- **Savings achieved to date** – 2,733,361 Net Therms
- Year end close out of this program was massively successful, achieving 114% therm savings against goal
- Marketing campaign launched in Q3, targeting steam system improvements for large industrial customers, was instrumental in raising awareness of the program benefits and driving therm savings
- Several large steam traps projects were completed that enabled capturing nearly triple the therm savings than the original forecast

Business New Construction

Savings achieved to date – 189,096 Net Therms

- In the Fourth Quarter, a total of 16 commercial/ industrial projects were completed. Of which, 8 were private sector projects and 8 were public sector projects.

TYPE (*public sector)	SQ. FEET	ANNUAL GROSS THERM SAVINGS	MEASURES
*SD 300 Elementary School	101,511	19,020	<ul style="list-style-type: none"> • Mass Wall Insulation • Window Assembly • Demand Control Ventilation • MAU Energy Recovery Ventilation • Low Flow Fixtures • Condensing Boilers
Monarch O'Hare Industrial Buildings	431,020	11,253	<ul style="list-style-type: none"> • Direct-fired Make-up-air Units
*SD 69 Lincoln Jr. High School	134,500	9,436	<ul style="list-style-type: none"> • Roof Insulation



Business programs

			<ul style="list-style-type: none"> • Window Assembly • Condensing Boilers • Energy Recovery Ventilation • Destratification Fans • Low Flow Fixtures • Condensing DHW Heaters
Bloomhaven	277,879	16,522	<ul style="list-style-type: none"> • Window Assembly • Low Flow Plumbing Fixtures • Heating and Cooling System Efficiency • Energy STAR Appliances
Clarius Park Joliet	906,000	13,821	<ul style="list-style-type: none"> • Direct-fired Make-up-air Units • Mass Wall Insulation
*Shorewood Public Works	65,229	14,787	<ul style="list-style-type: none"> • Mass Wall Insulation

			<ul style="list-style-type: none"> • Overhead Door Insulation • Destratification Fans • Parking Garage Ventilation Controls • Garage Infrared Heaters
*Crest Hill City Hall and Police Station	58,600	5,020	<ul style="list-style-type: none"> • Mass and Steel Framed Wall Insulation • Opaque Door Insulation • Condensing Furnaces • Radiant Heating Panel • Sally Port Ventilation Control • Condensing DHW Heaters
Rod Baker Ford Plainfield	67,087	8,410	<ul style="list-style-type: none"> • Mass and Steel Framed Wall Insulation • Opaque Door Insulation • MAU Energy Recovery Ventilation



Business programs

			<ul style="list-style-type: none"> • Condensing Boilers • Low Flow Fixtures
Loyola Academy Performing Art Center	29,300	807	<ul style="list-style-type: none"> • Exterior Wall Insulation • Condensing Boilers • Demand Control Ventilation
*Maine Township West High School	540,700	25,563	<ul style="list-style-type: none"> • Energy Recovery Ventilation Building Wide • Demand Control Ventilation • Low Flow Fixtures
*Hinsdale South High School	210,000	23,385	<ul style="list-style-type: none"> • Condensing Boilers • DHW System
*Lincoln Elementary School	79,540	1,279	<ul style="list-style-type: none"> • Mass Wall Insulation • Gym Occupancy Controls

			<ul style="list-style-type: none"> • MAU Energy Recovery Ventilation
*Early Childhood Center	32,145	3,502	<ul style="list-style-type: none"> • Steel Framed Wall Insulation • Condensing Boilers
N3 Properties Industrial Building	104,628	2,749	<ul style="list-style-type: none"> • Direct-fired Make-up-air Units
4300 N Brandon RD	1,035,034	26,595	<ul style="list-style-type: none"> • Interior Lighting Power • Condensing MAUs
Woodridge Logistics	368,964	3,489	<ul style="list-style-type: none"> • Interior Lighting Power • Direct-fired Make-up-air Units



Business programs

Custom Incentives

- Savings achieved to date – 1,606,070 Net Therms
- Economic headwinds continue to affect the day-to-day operations of this program. Supply chain issues are delaying the installation of equipment. With the ongoing shortage in the labor market, companies are focusing their efforts on staffing, taking their time away from prioritizing capital projects.
- Several assessments were completed in the 2022 program year, so the focus will now be on doing a reach back campaign to engage customer on the identified projects and improve overall conversion rates from assessments
- Since the impacts of Covid-19 is decreasing and to drive participation further, the team is ramping up marketing and outreach efforts to further solidify the pipeline and drive participation among the large industrial and commercial customers.

Small Business Energy Savings

- Savings achieved to date – 753,764 Net Therms
- Outreach efforts for targeting restaurants through assessments enabled the team to capture several DI opportunities
- 1000+ assessments have been delivered to the customers in this segment as well. This will result in further solidifying the pipeline with continued interest
- Increase in SB custom projects made up a decent portion of savings for this program
- Ended the year below goal because of economic headwinds mostly impacting the dry cleaner market as they couldn't prioritize energy efficiency projects considering the uncertainty



Strategic Energy Management

- Savings achieved to date – 474,298 Net Therms
- The Alumni cohort includes 21 joint Nicor Gas/ComEd customers, 7 Nicor Gas-only customers continuing up to their fifth year of their energy-saving journey. 13 Customers recorded savings in 2022, the largest savings coming from Atkore and Ferrero in December.
- As for the new recruitment of the 2022 Community cohort, 8 new Nicor Gas customers anticipated to provide models in 2023 SEM reporting. Ferrara will consist of 3 separate large facilities and models to give a total of 11 models.

Key Program Changes. We shifted one planned cohort from 2024 to 2023 and are changing the process of historically 2 fixed cohorts per year (July and December) to rolling admissions throughout the 4 -year cycle. The intent is to allow more forecasting and savings to occur in Q1 & Q2, since historically 80% of the therms are captured in December.



Emerging technology and market transformation

Program overviews

The primary mission of the Nicor Gas Emerging Technology Program (“ETP”) is to seek out new or unproven technologies that may be suitable for inclusion in the Nicor Gas Energy Efficiency Program and verify their natural gas savings through field tests and pilot demonstrations.

ETP continues work on ongoing field pilot projects. The continued active projects are following:

Small Commercial Boiler Manufacturer Controller

Remote monitoring of central boiler-based heating and domestic hot water systems to identify operational inefficiencies and proactively maintain systems in real-time. Potential sites identified for field demonstration. Developing action plan and ongoing discussion with manufacturer.

Emerson Sensi

A sensor suite from Emerson to monitor existing furnace and air conditioner. If the system is newly installed, then it will verify proper/optimal installation while on an older system, it will monitor based on target performance. Lab study completed. Field study is ongoing at 30 test sites. We are Currently collecting furnace operation data.

Phase Change Ceiling Tile

New engineered dual-temperature phase change material (PCM) technology that positively impacts HVAC energy consumption, improves HVAC cycling profiles, and extends HVAC lifespan during both summer and winter seasons. M&V system installed, and data collection is ongoing for winter.

Smart Fuel Switching Control - Hybrid Residential HVAC

Cloud-based technology is designed to reduce utility costs and GHG (Green House Gas) emissions in residential space heating by optimizing the operation of a hybrid heating system, consisting of a natural-gas furnace (or mini boiler) and an electric air source heat pump (ASHP). Ongoing lab testing on IL based GHG emission and cost-based switching for cold climate operation.

Air Deflectors on Unit Ventilators

Emerging technology and market transformation

Provisional measure in existing TRM (Technical Reference Manual). Proof of concept study underway in Downers Grove schools. M&V base data collected, and air deflectors installed. Baseline data collection ongoing.

Low-Cost Low Carbon Public School

Mechanical retrofit of existing HVAC with existing boiler and GAHP (gas fired absorption heat pumps) pilot study. ETP completed site visits to Cicero school districts to prep for the federal grant submission in Q1 2023.

Fume Hood Control Valves

Add or retrofit airflow control valve in laboratories. Consists of fume hood valves, supply duct, exhaust duct valves and sensors, all integrated with digital controls. Precise control of fume hood air velocity based upon open sash area. ETP had discussion with manufacturer to onboard them onto pilot study. Manufacturers are keen to collaborate in study. Ongoing discussion on Action Plan.

Cloud Based Building Optimization Platform

Predictive, self-adapting Artificial Intelligence used to control and optimize Description building HVAC systems. ETP had discussion with manufacturer to onboard them onto pilot study. Manufacturer is keen to collaborate in study. Ongoing discussion on Action Plan and site recruitment.

ETP is writing and completing final pilot project reports for the following completed pilot projects.

Draft report finalized and QA/QC done by both GTI and Nicor Gas. Reports to be published on ETP website in Q1 2023.

#1137 Hydronic Heating Plumbing System Flushing

#1123 Thermostatic Radiator Valves

#1139 Pipe Insulation

#1085 Boiler Chemical Descaling

#1118 Low-E Interior Windows

Draft report version in development

#1147 SmartDry

#1115 On Demand Boiler Array

Draft report to be QA/QCed

#1166 Emerson Sensi Lab Study (Draft ready)

#1008 RE - Gradient Thermal (Draft ready)



Emerging technology and market transformation

ETP is working on workpapers to the following technologies to submit into 2023 TRM -
Insulating concrete forms- This submission will be based on R value calculations for savings
Commercial tankless water heater array – Savings bases on switching existing gas or electric tank-based water heaters to modular tankless water heater array system. Pseudo prescriptive tool development in progress.

Market transformation

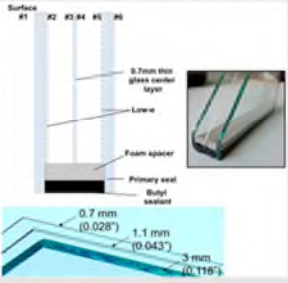
The MT program goal is to accelerate the adoption of energy efficient products and/or services to maximize energy savings for Nicor Gas' Energy Efficiency Program. The MT program focuses on specific MT initiatives targeting technologies and services. This includes recruiting partners to bring these technologies forward, development of the MT logic and framework, and implementing activities to support the adoption of the targeted technologies and services. The MT program also focuses on expanding MT activities locally in Illinois including at the SAG, regionally, and internationally to leverage cross cutting opportunities with other utilities and organizations pursuing MT.

- In the fourth quarter of 2022 Nicor Gas participated in a IL SAG MT Small Working Group with ComEd, Guidehouse on providing edits and a reorganization to IL TRM Attachment C to provide additional clarity/guidance and definition on Energy Savings Framework, and other components necessary to assess MT savings to a utility portfolio.



Emerging technology and market transformation

Market transformation

Market Transformation Initiative	Gas is leading	Utility Participation
<p>High Performance Windows</p> 	<p>Accelerate the adoption of next generation of high performance window products, to improve building envelope thermal performance. A new version of high performance windows provides roughly the same insulation value (~R-5) of conventional triple pane windows without the added frame thickness and weight; uses the same glazing unit dimensions as double-pane windows; 40% more efficient than typical double-pane windows. Nicor Gas is leading IL window market research – co-funded quantitative research with the objectives below. Survey scoped and launched in Q4.</p> <ul style="list-style-type: none"> - Exploring awareness, penetration, and future adoption of high-performance windows - Understand building stock and consumer characteristics such as types of windows in a home, when were they last replaced, motivations for replacement, and demographics of likely purchasers - Identify and explore relationships between consumers and various market actors - Identify opportunities and challenges to market adoption 	<p>Ameren Illinois, Com Ed, Nicor Gas</p>
<p>Code Advancement - Energy Stretch Codes and Building Performance Standards</p>	<ul style="list-style-type: none"> - Develop savings and attribution models; develop natural market baselines - Support stretch code development with continued stakeholder engagement with Advanced Building Energy Efficiency Policy and flow charts on stretch codes and building performance standards. 	<p>ComEd, Nicor Gas, Peoples Gas, Northshore Gas</p>

Program operations

Budget Flexibility

- **Budget Flexibility.** Any Program Administrator-initiated proposed budget shift of fifty percent (50%) for Programs with budgets under \$5 million or twenty percent (20%) for Programs with budgets over \$5 million shall be brought to the SAG when practicable, but no later than the next quarterly SAG meeting. It shall also be reported to the Commission in the quarterly reports.
- **Actions.** Nicor Gas has not exceeded the flexibility provisions authorized by the Commission in its Final Order.

Responses to evaluator recommendations (Refer to Index B)

Program Activities: Nicor Gas shall summarize the following:

Program activities

Implementation modifications

Additions or discontinuations of specific measures or programs.

Spending and savings amounts compared to the Plan filing

How the Company responds to past evaluators' recommendations and changes in the IL-TRM, NTG ratios, market research findings, and other relevant information the Company relies upon in making its decisions

Pilots completed and the results

Actions:

Please see the above section on the Second Quarter's highlights.

Please see the above section on the Second Quarter's highlights.

Please see Section C below and Appendix A for a discussion and list of new measures added to Nicor Gas' programs.

Spending and savings by program are shown in the attached Statewide Quarterly Report Template.

Please see Appendix B for actions taken in response to evaluators' recommendations.

Please see the above section on the Second Quarter's highlights.

New measure cost-effectiveness

Cost Effectiveness of New Measures (table by measure) Cost-effectiveness screening results for new measures.

- **Actions.** Actions taken in PY2020 in response to past evaluators' recommendations are shown in Appendix B.

Cost-Ineffective Measures (explanation of why they were included) Explain reasons for including new cost-ineffective measures in programs.

- **Actions.** There are no new cost-ineffective measures included in programs.



Stipulations

**Weighted Average
Measure Life**

13.32 yrs

Stipulation: ≥ 11.91 years

**Public Sector Spend as a % of
Overall Portfolio Spend**

9.92%

Stipulation: Minimum of 10%

**Average Income-Qualified
Spend to Date**

\$ 12.6M

Stipulation: At least \$13M per year

**% of IQ Spending in
Multi-Family Housing Units**

30.64%

Stipulation: At least 30% of units treated



Supplier Diversity

In 2022, Nicor Gas and Energy Efficiency will continue to align ourselves with professional organizations and industry groups that support business diversity and inclusion amongst underutilized areas of our business. We will partner with various advocacy organizations, our peer utilities that make up the Illinois Utility Business Development Council (IUBDC), and our diverse partners to host and/or attend diversity-related summits and events that are geared toward the advancement of diverse business enterprises. Furthermore, we will continue to leverage our diverse partners to support the development and increased utilization of diverse businesses.

Tier 1 Diverse Spend

\$15.32M

Tier 2 Diverse Spend

\$3.06M

% of Total Eligible Spend

70.2%

Key highlights

- Total diverse spend increased from \$10.9M in Q3 to \$15.32M in Q4.
- Engaged 14 new subcontractors in 2022 generating \$1.16M in total diverse spend.
- In 2022, EEP elected a new diverse contractor, Walker-Miller Energy Services (MBE) to implement the Elementary Education Kits (EEKs) program. The program delivered a total of 25,107 school kits generating \$283k in diverse spend.
- Walker-Miller Energy Services was also a new diverse subcontractor for the Income Eligible Energy-Saving Kits (IE ESKs) offering, which generated an additional \$166,341 in Tier 2 MBE spend.

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	11.2%	\$948,705	\$1,991,165	\$1,239,291
WBE certified	52.3%	\$12,629,387	\$1,053,347	\$205,593
VBE certified	3.1%	\$801,954	\$0	\$0
Non-profit vendors	3.6%	\$938,264	\$12,808	n/a

Impact

 **235M+**
in incentives since 2011

- Residential and multi-family customers: energy-saving kits and home assessments
- Commercial and public sector customers: building system optimization, energy-saving projects
- Income-qualified customers: comprehensive energy upgrades at no cost
- Rebates for energy-efficient products and improvements

 **210M+**
first year therms saved since 2011

- Avoids more than 1.11M metric tons of CO2 emissions
- Equivalent to the CO2 emissions generated by 239K passenger vehicles over the course of a year

 **1.20M+**
customers in 643 communities have participated

- \$196 average incentive per customer
- Engaged 185K elementary school students in energy efficiency education

 **\$1.95B**
Economic activity spurred since 2011

- 10.0K jobs supported since 2011
- \$90.2M spent with diverse suppliers
- \$775M wages supported since 2011

Awards and recognition

Since launching in 2011, the Nicor Gas Energy Efficiency Program has received 19 awards from local, regional, national and international organizations. The program has been recognized for excellence in evaluation, innovation, marketing, program design and research.

Marketing awards

- 2020 Gold Stevie Award
Awarded for the Unexpected Love Story campaign from the American Business Awards
- 2020 Inspiring Efficiency Marketing Award
Awarded for the Unexpected Love Story campaign
- 2019 Gold Stevie Award for Women in Business
Awarded for the Unexpected Love Story campaign in its marketing for women, created by a woman-led team.
- 2017 Inspiring Efficiency Marketing Award for Multicultural Marketing Strategy
Awarded for multicultural marketing strategy including demographic research, event outreach, hyper-local print publication placements and digital ads.
- 2015 Inspiring Efficiency Marketing Award for Customer Journey Strategy
Awarded for marketing & communications strategy including customer journey-mapping, overhauling communications with energySMART rebranding, and Customer Stories campaign
- 2015 Inspiring Efficiency Education Award
Awarded for "What's in the Box" campaign focused on understanding how a furnace works
- 2014 Bronze Stevie Women in Business Award for Consumer Marketing Campaign of the Year
Received bronze placement for energySMART "Customer Stories" campaign
- 2014 AESP Energy Award for Outstanding Achievement in Non-Residential Marketing
Presented for "6 million therms" steam trap infographic campaign
- 2013 E Source Ad Awards Crowd Pleaser Award
Presented for peer recognition for "6 million therms" steam trap infographic campaign
- 2013 Inspiring Efficiency Marketing Award
Presented for Nicor Gas Energy Efficiency Program's "Summer Staycation" campaign
- 2013 Gold Stevie Award for Utility Marketing Campaign of the Year
Presented for Nicor Gas Energy Efficiency Program's "Liberate" campaign



Awards and recognition

Other awards

- 2019 AESP Energy Award for Outstanding Achievement in Market Research and Evaluation
Awarded for Nicor Gas's Market Research and Evaluation Initiatives through the Market Transformation program.
- 2018 ISTC Sustainability Award
Awarded to the Emerging Technology Program for its efforts to reduce environmental impact and contribute to the growth of a more sustainable economy.

Program awards

- 2014 Inspiring Efficiency Impact Award for Business New Construction Program
Presented jointly to Nicor Gas and ComEd for providing technical assistance on more than 200 business new construction and renovation projects
- 2013 ENERGY STAR Awards Special Recognition
Received special recognition for active collaboration with other Illinois utilities to provide customer-centered energy efficiency solutions
- 2013 ACEEE Honorable Mention for the Economic Redevelopment Program
Received Honorable Mention for leading program designs and practices
- 2013 ACEEE Exemplary Programs Award for the Home Energy Efficiency Rebate Program
Received Exemplary status based on program performance during Summer Staycation marketing campaign
- 2013 ENERGY STAR Homes in Leadership Award
Presented to outstanding partners who have made important contributions to energy-efficient construction and environmental protection
- 2013 ENERGY STAR Special Recognition Energy Efficiency Program Delivery
Received special recognition for energy efficiency program delivery at the ENERGY STAR awards.

