

2023-2025 Nicor Gas Evaluation Plan

Presentation to SAG

December 7, 2022

Agenda

- Introduction to 2023-2025 evaluation activities and timeline
 - Key evaluation activities in 2023
- Program-Level Research
 - Impact
 - Net-to-Gross (NTG)
 - Process
 - Income Eligible / Income Qualified
 - Market Transformation
- Portfolio-Level Research
- Budget Allocation
- Coordination
- Q&A + feedback

Introduction

2023 to 2025 Portfolio Evaluation

The Nicor Gas 2023 Portfolio

Sector / Category	2023	
	Program Budget	Net Therms
Income Eligible	28%	10%
Residential	26%	38%
Small Business	4%	8%
C&I and Public Sector	20%	44%
Portfolio Functions	21%	0%
Portfolio Total	\$45,705,000	14,127,406

Introduction to 2023-2025 Evaluation

Program-Level Research	Portfolio-Level Research and Activities	Key Activities for 2023
<p>Gross Impact Research</p> <ul style="list-style-type: none">• Conducted annually, all programs <p>Net-to-Gross (NTG) Research</p> <ul style="list-style-type: none">• Conducted once per cycle for most programs <p>Process Research</p> <ul style="list-style-type: none">• Conducted based on program need, cost, and joint opportunities <p>Market Transformation (MT)</p> <ul style="list-style-type: none">• Advise statewide efforts• Research and verification of implemented initiatives <p>Income Eligible</p> <ul style="list-style-type: none">• Explore joint research opportunities targeting program outreach and delivery• Conduct research	<p>TRM Update Support</p> <ul style="list-style-type: none">• TRM v12, Q1 through Q3• Prioritize support for future updates• Refine NTG and MT protocols <p>Non-Energy Impacts (NEIs)</p> <ul style="list-style-type: none">• Joint research on Societal, Utility, and Participant NEIs <p>Annual Reporting</p> <ul style="list-style-type: none">• Verified savings and TRC• Economic impacts <p>Collaboration</p> <ul style="list-style-type: none">• With ComEd on joint programs and research• Statewide	<p>Program-Level</p> <ul style="list-style-type: none">• Gross impact on all 2023 programs, starting mid-year, custom sampling Q3/Q4, End-of Year in 2024 Q1/Q2• NTG for selected programs starting Q4• Research projects for Non-Res New Construction NTG <p>Portfolio-Level/Statewide</p> <ul style="list-style-type: none">• Non-Residential Non-Participant Spillover• Finalize 2021 and 2018-21 reporting• 2023-25 Planning• TRM v12 update participation• Other research is under consideration and could begin 2023

Program-Level Research

**Summary of 2023-2025 evaluation activities
and timelines**

Overview of 2023-2025 Evaluation

Program-Level Research

Gross Impact Evaluation Research

Timing

- End-of-Year on all programs
- Larger programs and new measures receive mid-year review
- Parallel path / early review for large or complex custom projects

Methodology

- TRM-based measures verification
- Custom projects M&V protocols
- Consumption data regression

Approach

- TRM measures: Census review
- Custom Projects: File review on a sample, site M&V for a subset
- Consumption Data Regression: single project or population

NTG Research

Timing

- Once per cycle for most programs
- Change in program or market
- Prioritize need

Methodology

- Apply statewide protocol in TRM

Approach

- On-line survey and/or telephone
- Free-Ridership survey close to participation, rolling interviews
- Spillover survey 12+ months after participation to allow for actions

Target

- Participating Customers
- Trade Allies
- Non-Participants

Process and Other Research

Timing

- Conduct based on program need, cost, and joint opportunities
- Can combine with NTG surveys

Methodology

- Evaluation best practices

Approach

- Review program materials
- Often use survey research, on-line and/or telephone
- Interviews and focus groups
- Benchmarking
- Secondary research

Target

- Program managers, contractors
- Customers and Trade Allies
- Non-Participants

Impact Evaluation Timeline, 2023 Programs

Activity	Target	2023				2024			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Interim Impact Review and Reporting	TRM-Based Measures			Interim Data					
	Sampled Custom Projects			Wave 1	Wave 2				
Annual Impact Evaluation and Reporting	Program-Level Impacts					2023 End of Year			
	Verified Portfolio Cost and Savings Results							2023	
Parallel Path Review	Large or Complex Projects in Pre-App Stage	Reviews occur when program brings project to evaluators							

NTG Evaluation Timeline – Wave 1

Activity	Timing	2022						2023												2024	
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	
Interview program staff, design survey instruments. Two months per program	September 1 to January 31																				
Prepare survey for fielding and launch. Field data collection lasts 4 weeks up to 5 to 6 months when rolling interviews are employed	January 1 to April 30																				
Evaluators analyze data and report NTG results	May 1 to July 15																				
Finalize all NTG research memos	July 15 to August 31																				
Evaluators present NTG recommendations to SAG and Utilities, best efforts to reach consensus	September 1 to September 30																				
Final consensus NTG ratios deemed	October 1																			★	
New consensus NTG ratios in effect	January 1																				★

NTG Evaluation Draft Timeline

Program (s)	Target/Measures	Research	2022				2023				2024				2025				2026	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Residential Sector	All Measures	NPSO		Blue	Orange		EFF													
Home Energy Savings	Direct Install	FR, PSO			Blue	Blue	Orange	Orange	Yellow		EFF									
Residential	Advanced Thermostats	FR, PSO			Blue	Blue	Orange	Orange	Yellow		EFF									
Coordinated NRNC	All C&I and Public Sector	FR, PSO			Blue	Blue	Orange	Orange	Yellow		EFF									
Non-Residential Sector	All Measures	NPSO					Blue	Orange	Yellow		EFF									
Res New Construction	All Measures	FR, PSO							Blue	Orange	Orange	Yellow	Yellow		EFF					
Comm. Food Service	Rebates	FR, PSO								Blue	Orange	Orange	Yellow	Yellow		EFF				
Home Energy Savings	Weatherization	FR, PSO								Blue	Orange	Orange	Yellow	Yellow		EFF				
Multi-Family	All Measures and Offerings	FR, PSO								Blue	Orange	Orange	Yellow	Yellow		EFF				
BEER	All Measures	FR, PSO								Blue	Orange	Orange	Yellow	Yellow		EFF				
Coordinated RCx	All C&I and Public Sector	FR, PSO								Blue	Orange	Orange	Yellow	Yellow		EFF				
Nicor Gas RCx	All C&I and Public Sector	FR, PSO								Blue	Orange	Orange	Yellow	Yellow		EFF				
Home Energy Rebates	HVAC, Water Htg	FR, PSO											Blue	Orange	Orange	Yellow	Yellow		EFF	
Energy Saving Kits	All Measures	FR, PSO												Blue	Orange	Orange	Yellow	Yellow		EFF
Small Business	Rebates	FR, PSO												Blue	Orange	Orange	Yellow	Yellow		EFF
Coordinated NRNC	All C&I and Public Sector	FR, PSO												Blue	Orange	Orange	Yellow	Yellow		EFF
Custom	All Measures	FR, PSO												Blue	Orange	Orange	Yellow	Yellow		EFF
Net-to-Gross Key		Survey Design/Sample Prep	Blue																	
FR= Free-rideship		Fielding	Orange																	
PSO = Participant Spillover		NTG Analysis and Reporting	Yellow																	
NPSO=Non-Participant Spillover		Year NTG Effective	EFF																	

Market Transformation

1. The Evaluator's role in MT depends on the maturity of the initiative and the Company's involvement

- **Company and stakeholders are engaged in MT concept and strategy development of an initiative**
 - Evaluators provide “as needed” support to the effort
 - Evaluators advise on key elements of the MT savings protocol of promising initiatives
 - Program Theory and Logic Model, Natural Market Baseline, Savings per Unit / Gross Market Potential, Market Progress Indicators, Data Collection, Attribution and Allocation
- **Company implements an initiative and expects to claim savings**
 - Evaluators conduct research and verification to estimate savings attributable to the Company following IL TRM Attachment C

2. Nicor Gas is engaged in

- Advanced (thin triple-pane) Windows
- Stretch Energy Codes
- Building Performance Standards
- High Efficiency Rooftop Units
- Secondary Glazing Systems
- Gas Heat Pump Water Heater
- Gas Heat Pump Combination Units

3. MT is coordinated with Peoples & North Shore Gas, ComEd, Ameren Illinois, Third-Parties, SAG

- Other initiatives are being developed, led by other parties
- Coordination is within Illinois and nationally
- Evaluation for Nicor Gas will be coordinated with other evaluation teams

Portfolio-Level Topics

Research, Budget, Coordination

Overview of 2023-2025 Evaluation

Portfolio-Level Topics

TRM Support and Research

TRM Update Support

- TRM v12, Q1 through Q3 2023
- Submit / review workpapers
- Participate in subcommittees
- Participate in late October “Evaluation Priorities” discussion led by TRM Administrator
- Refine NTG and MT protocols via Working Groups

TRM Research

- Energy Saving Kits In-Service Rate Follow Up Survey
- Air Source Heat Pumps
- Water Heater Temperature Setback
- Income Eligible Measure Update

Other Research Planned or Under Consideration

Opportunities to conduct joint research with ComEd, Ameren, Peoples & North Shore Gas

- Non-Res New Construction NTG Mock Interviews
- Non-Res Non-Participant Spillover Study
- NEIs: Research on Societal, Utility, and Participant NEIs
- Non-Participant Spillover: Residential, Non-Residential
- Commercial Food Service Process Research
- Stretch Energy Codes MT
- Building Performance Standards MT

If non-joint, ensure that natural gas related topics are considered if appropriate

Annual Reporting

Annual Reporting

- Verified savings and program costs
- Water savings, CO₂ reduction
- High Impact Measures for TRM
- Cost-effectiveness TRC / PACT
- Joint-program TRC
- Economic impacts

Timing

- Q3 each year, when final data is available
- Q2 / Q3 2026 four-year summary

Ad Hoc Reporting

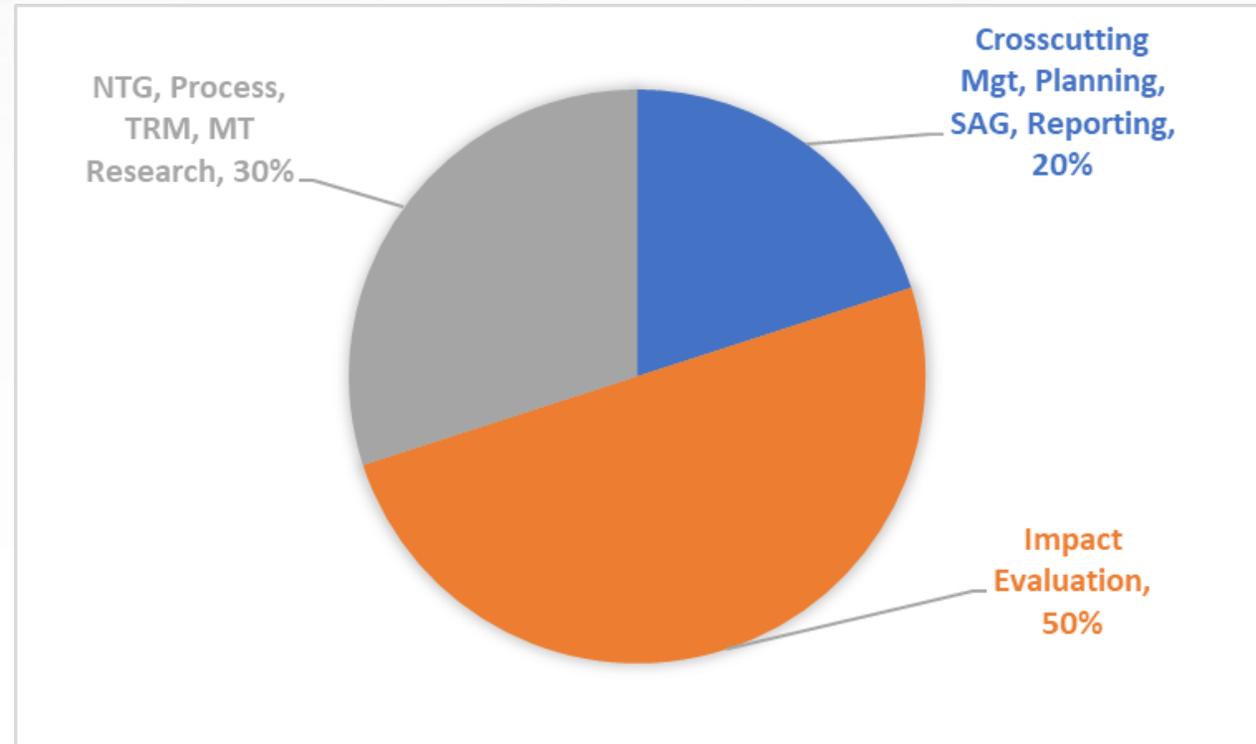
Evaluation Budget

1. Overall Budget is split between

- Impact Evaluation
- Crosscutting Activities (Management, Planning, and Reporting)
- Research (NTG, Process, MT, Other)

2. Prioritizing Resources

- Meet requirements for savings verification and reporting
- ICC Orders and SAG Input
- Program contribution to portfolio net savings
- Program / Implementer needs and effectiveness
- Opportunities to leverage joint research with other utilities

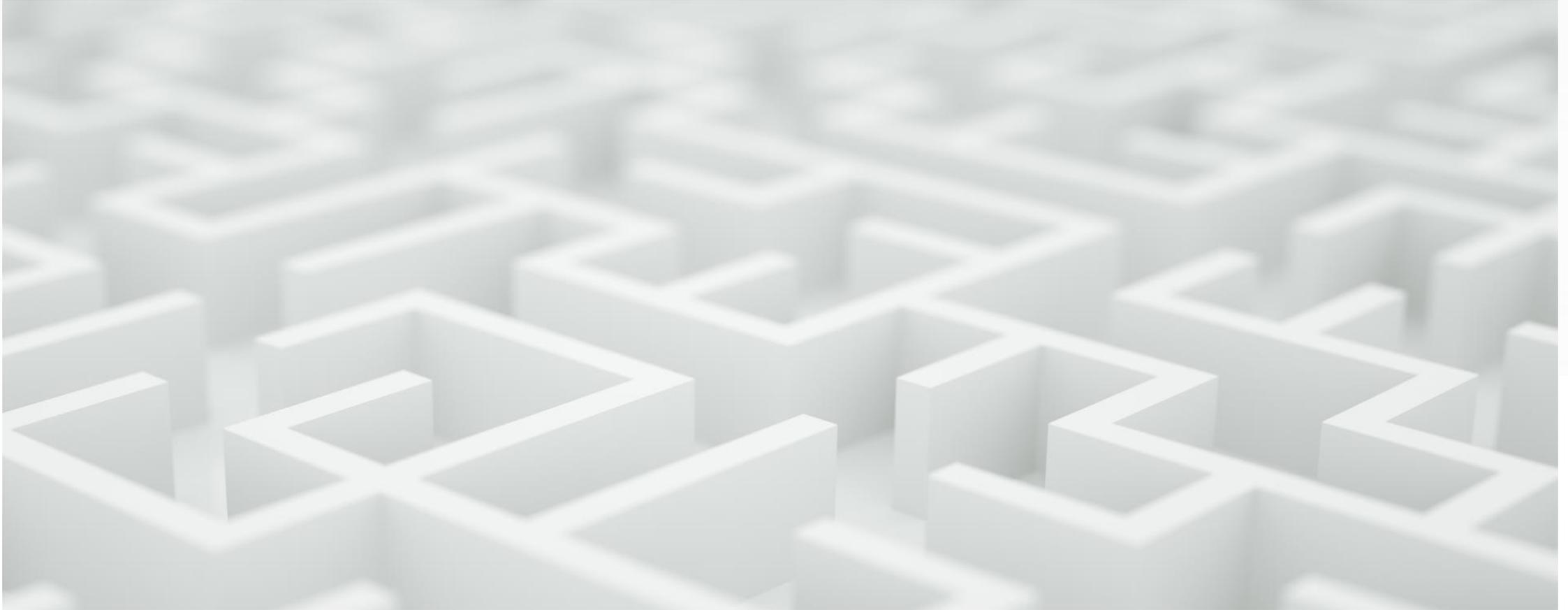


Evaluation Budget – 4 Year: \$5,483,359
Per Program Year: \$1,370,840

Evaluation Coordination

1. **Guidehouse coordinates with the other utilities and their evaluation teams on an ongoing basis - this includes Ameren, ComEd, and Peoples & North Shore Gas**
2. **Gas / Electric Joint Program Evaluations**
 - Most jointly delivered programs are evaluated by a single team
 - Joint or coordinated programs and measures are evaluated separately in some cases
 - Evaluators calculate and report joint TRCs
3. **Coordination on Process and TRM Research Studies**
 - TRM measure research considered on a case-by-case basis
 - Process research is done jointly when it is beneficial to do so
 - Statewide research
4. **Coordination beyond specific programs occurs as follows**
 - SAG meetings, Illinois-wide issues
 - Illinois NTG Framework and Protocol Working Group
 - Illinois TRM Technical Advisory Committee
 - Evaluator coordination calls (monthly)

Questions, Feedback



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