

2023

Quarterly Report First Quarter

January 1, 2023 - March 31, 2023



Table of Contents

Table of contents

Table of contents	2
Portfolio summary	3
Residential programs	5
Income-eligible programs	10
Business programs	14
Emerging technology and market transformation	19
Program operations	23
Stipulations	24
Impact	26
Awards and recognition	27



Portfolio summary

Year-to-date results

January 1, 2023-December 31, 2023

1.49M

Net savings
to date

10.6%

Percent of
planned savings

14.1M

Annual
savings goal

\$9.99M

Spend
to date

21.9%

Percent of
planned spend

\$45.7M

Annual
budget

Key portfolio highlights

- Within our **Residential New Construction** offering 628 homes were completed and provided incentives in Q1 of 2023.



Portfolio Summary

- **Income Eligible** – The SF Retrofits offering has served over 270 single family customers, within the first quarter, in partnership with our community-based organizations.
- Commercial Food Service (CFS) was successfully launched in 2023.



Residential programs

5

Programs

1.07M

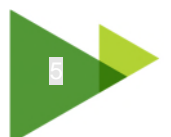
Net therm savings to date

\$3.38M

Spend to date

Key highlights

- The Home Energy Efficiency Rebate program has incentivized over 1,200 high efficiency furnaces, boilers, and tankless water heaters, as well as over 2,100 smart thermostats to our customers.
- Air handler filter replacement and shower flow reducer are two new gas measures, launched in Q1, within the Home Energy Assessments program.
- In 2023, Nicor Gas Energy Efficiency introduced a joint income eligible (IE) Elementary Education kit. In the First Quarter, 1,367 Joint IE kits were delivered to schools.



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.

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)

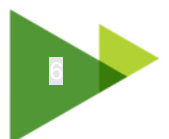
The Multi-Family (“MF”) program addresses residential (living units) and commercial (communal areas, central plants) energy efficiency opportunities available in multi-family buildings. The program aims to overcome market barriers to the installation of energy efficiency measures in multi-family buildings 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 – 214,950 Net Therms

- In the first quarter, the Program has incentivized over 1,200 high efficiency furnaces, boilers, and tankless water heaters as well as over 2,100 smart thermostats to our customers.
- In 2023, the Program began offering customers a bundled rebate, up to \$275, when the customer submits a smart thermostat and a high efficiency furnace on the same application. Over 150 customers have taken advantage of this new rebate. The intent of this bundled rebate is to increase smart thermostat participation since this measure offers a high level of savings while being of reasonable market price to our customers.
- The most popular measure this quarter was smart thermostats, with over 2,100 incentivized. The program success is a direct result of using bill inserts, newsletters and digital ads targeted to both our customers and Trade Allies.

Home Energy Savings (HES)

Savings achieved to date – 97,213 Net Therms

- In the first quarter, the Program has provided 2,199 customers with home energy assessments, with 113 being served virtually and 2,089 were served in-person. To increase participation within the virtual assessment offering we have cross-promoted the offering through the Home Energy Reports received by participating customers.
- The home energy assessment offering began installing two new gas measures in customer's homes, which are the air handler filter replacement and the shower flow reducer. Both measures provide flexibility and convenience to the customer during their assessment. The filter is mailed to the customer's home after the furnace dimensions have been captured, and the shower flow reducer can be installed in the customer's existing shower head.
- In the first quarter the Air Sealing and Insulation offering of HES has served 339 homes, which is 123 more homes than what the offering achieved this time last year.
- The Air Sealing and Insulation portion of HES has emphasized the duct sealing measure by engaging with Trade Allies and adding clarifying language to the eligibility requirements. In the first quarter, 22 duct sealing projects have been incentivized, which is close to last year's total of 33.



Residential programs

Multi-family (MF)

Savings achieved to date – 47,780 Net Therms

- In the first quarter the prescriptive portion of MF has been cost-effective by leveraging outdoor pool cover and pipe insulation projects. The offering achieved 17% of the annual savings goal this quarter, while only spending 13% of the annual incentive budget.
- The Central Plant Optimization Program of MF has been cost-effective by leveraging steam boiler averaging controls and pipe insulation projects. The offering achieved 14% of the annual savings goal this quarter, while only spending 10% of the annual incentive budget.
- The custom and assessment portion of MF has continued to see lower-than-expected participation, and the offering will be included in planned marketing and outreach campaigns to increase visibility to customers.
- The Air Sealing and Insulation Multi-Family (ASI MF) offering has seen lower-than-expected participation but analyzing last year's participation data has informed decisions concerning rebate levels, eligibility requirements, and how to increase TA recruitment and participation. Updates to incentives will be implemented in Q2 to drive participation in this offering.

Residential New Construction (RNC)

Savings achieved to date – 168,385 Net Therms

- In the First Quarter of 2023, 628 homes were completed and received incentives.
- Within the RNC program we offer three qualifying packages. Through the First Quarter the most popular package was our Prescriptive Package with 408 homes meeting the requirements and receiving incentives. The requirement for this package is to install at a minimum an advanced thermostat and a 95%+ AFUE furnace or boiler.
- During the First Quarter Nicor Gas held a webinar with homebuilders and developers 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 – 461,528 Net Therms

- Nicor Gas distributed 5,334 water-saving kits and 15,839 weatherization kits to customers for 21,173 kits, in the first quarter of 2023.
- The most popular kit requested by customers was the weatherization kit, making up 75% of all kits distributed.
- Nicor Gas utilized our Marketing and Outreach teams to drive the success of this program. The Outreach team has attended several events in the First Quarter of 2023. Additionally, Nicor Gas’ Marketing team delivered several marketing campaigns promoting Energy Savings Kits.

In the First Quarter of 2023, Nicor Gas distributed 5,334 water-saving kits and 15,839 weatherization kits were distributed to customers for a total of 21,173 kits.

Elementary Education Kits (“EEKs”)

Savings achieved to date – 76,954 Net Therms

- In the First Quarter of 2023, 5,581 Joint kits and 409 Nicor Gas only kits were delivered to schools. 5,990 kits were delivered to schools.
- In 2023, Nicor Gas introduced a joint Income Eligible (IE) Elementary Education kit. In the First Quarter, 1,367 Joint IE kits were delivered to schools.
- School selection is intentional and focuses on enrolling schools from various socioeconomic levels and racially diverse student populations. Also, the program focuses on including up to five schools that focus on students with special needs.

Home Energy Reports (“HER”)

Savings achieved to date – 0 Net Therms

- During the first quarter of 2023, Nicor Gas has continued delivering emailed and printed Home Energy Reports to customers. The approximate reach for the HERs in 2023 is 370,000 customers.
- The HER program is a behavior program designed to combine feedback on energy use with contextual information that helps educate and motivate customers to reduce their energy use and increase customer satisfaction and engagement.



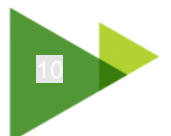
Income-eligible programs

Income-eligible programs

3 Programs	120K Net therm savings to date	\$2.63M Spend to date
\$(29.2K) Total Health and Safety spending	\$(30.3K) Single-family Health and Safety spending, non-IHWAP	\$(6.75K) Multi-family Health and Safety spending, non-IHWAP

Key highlights

- Partnering with Rebuilding Together in Blue Island and Chicago Heights
- Rockford Habitat for Humanity partnership in process to serve 100 homes
- Rockford Housing Authority project with 151-unit high rise (Olesen Plaza) in downtown Rockford for central boiler and DHW replacement, completed in February



Program overviews

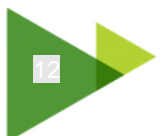
The objective of the Income-Eligible Energy Efficiency (“IE”) program is to provide broad and deep energy efficiency opportunities to income-eligible customers living in single-family homes and multi-family buildings, and for the construction of new energy-efficient affordable housing. This program includes:

- 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 – 96,374 Net Therms
- In partnership with CEDA, DuPage, McHenry, Tazwood, Tri-County, WIRC and Will County Community Action Agencies, we have been able to serve 55 single family homes with direct installs and weatherization, through our SF IHWAP offering within the first quarter. The SF IHWAP offering ended the quarter at 26% to our annual incentive goal and 23% to our annual savings goal.
- The SF Retrofits offering has served over 270 single family customers, within the first quarter, in partnership with our community-based organizations. In April, we partnered with Rebuilding Together in serving customers in Blue Island, for National Rebuilding Day. Rebuilding Together provided these customers with repairs and modifications to allow the residents to live safely within their homes. After these modifications were completed, the Nicor Gas Energy Efficiency Program provided energy efficiency upgrades to the customers' home. These upgrades included direct installation of low flow products, weatherization, and health and safety measures.
- We have had a steady flow of projects, within MF Retrofits, in the first quarter. Our program outreach team attended eight events and was able to connect with many customers, owners, and property managers. These outreach efforts have allowed us to serve 225 MF units within the first quarter, with a strong pipeline of projects for the remainder of the year.



Income-eligible programs

Health and Safety

Program overview

- Savings achieved to date – 0 Net Therms
- The Healthy Homes program will be launching in 2023. This program will be in partnership with BCBS IL and the American Lung Association. We will be serving customers referred by BCBS IL to receive indoor air quality improvements and health and safety measures.
- Healthy Homes will be focusing on customers referred in Harvey, IL.
- 2023 goals for Healthy Home is 20 SF homes and 10 MF units.

Public Housing Authority

- Savings achieved to date – 2,994 Net Therms
- Over 250 units served to date within PHA (Public Housing Authority) and currently trending below our planned \$/therm. Through Q1, we are at 12% of our annual savings goal and 11% of our annual spending goal.
- In February, a project was completed in partnership with the Rockford Housing Authority for a 151-unit high rise (Olesen Plaza) in downtown Rockford for central boiler and DHW replacement. This project was two phases and was comprised of approximately \$87,000 in incentives and approximately 7,000 therms saved.

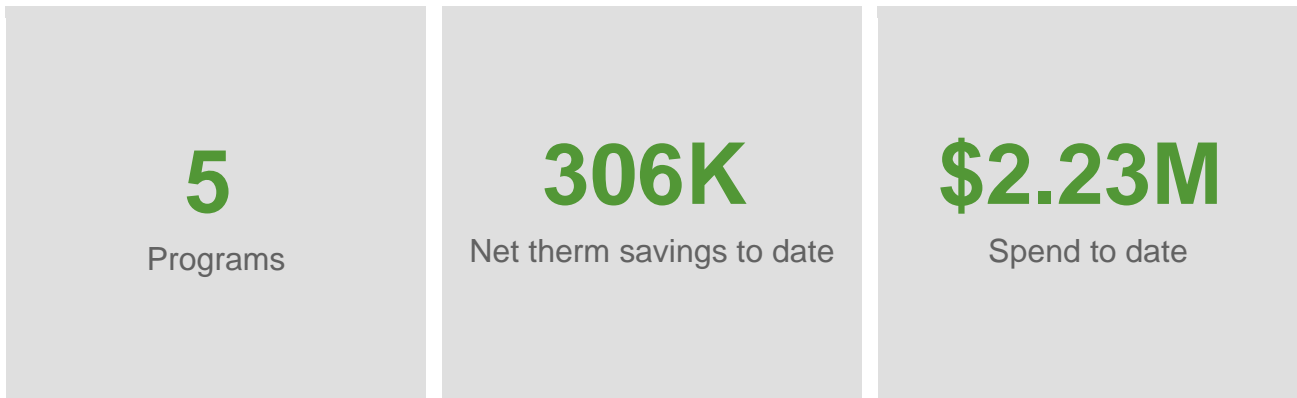
Affordable Housing New Construction

Public Housing Authority

- Savings achieved to date – 0 Net Therms
- No AHNC projects were complete in the First Quarter of 2023.
- The first AHNC project is expected to be completed in May with an estimated 7 projects complete in 2023.



Business programs



Key highlights

- Business New Construction, in the First Quarter of 2023, Nicor Gas completed 10 commercial/ industrial projects. Of which, 8 were private sector projects and 2 were public sector projects.
- Commercial Food Service (CFS) was successfully launched in 2023.

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 of 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 (Heating, Ventilation, Air Conditioning) 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 through improved behavioral methods.

Business Energy Efficiency Rebates

- **Savings achieved to date** – 237,840 Net Therms
- Incentive levels were revised to stimulate market demand, which has had a positive impact on customer participation. In addition, outreach efforts were ramped up towards engaging trade allies and customers.
- Several high-pressure application steam traps projects are underway indicating an extremely healthy pipeline of prescriptive projects.
- For the program, there are 25 active TAs (Trade Ally) which is a significant improvement from last year. This has contributed to program growth and participation. In addition, monthly meetings with Trade Allies are allowing us to focus on uncovering new opportunities for the program.
- Commercial Food Service (CFS) was successfully launched in 2023. Progress in terms of claiming therms has been good thus far and in the early days of this program, the team is focused on recruiting midstream partners (manufacturers, distributors) to drive organic growth for the rest of the year.



Business programs

Business New Construction

Savings achieved to date – 18,095 Net Therms

- In the First Quarter of 2023, Nicor Gas completed 10 commercial/ industrial projects. Of which, 8 were private sector projects and 2 were public sector projects.

TYPE (*public sector)	SQ. FEET	ANNUAL GROSS THERM SAVINGS	MEASURES
*Sunnyside Intermediate and Macarthur Middle School	156,166	12,875	<ul style="list-style-type: none"> • Mass Wall Insulation • Energy Recovery Ventilation • Condensing Boilers • Low Flow Fixtures • Condensing DHW Heaters
Marklund Geneva Additions	11,530	1,342	<ul style="list-style-type: none"> • Mass Wall Insulation • Condensing Furnaces • Condensing Unit Heaters
Lockport 6	205,954	4,379	<ul style="list-style-type: none"> • Direct-fired Make-up-air units
Lockport 7	319,949	5,432	<ul style="list-style-type: none"> • Direct-fired Make-up-air units
Airport Logistics II	350,000	4,074	<ul style="list-style-type: none"> • Direct-fired Make-up-air units
AMG Des Plaines Retail Imaging	5,479	216	<ul style="list-style-type: none"> • Windows • Efficient Cooling Equipment • Demand-controlled Ventilation • Low flow Plumbing Fixtures • Steel Framed Wall Insulation
Seefried Busse Road	77,110	934	<ul style="list-style-type: none"> • Direct-fired Make-up-air units • Advanced Wall Assembly
New Dhamma Hall	3,968	4	<ul style="list-style-type: none"> • Heat Pump Efficiency
*Riverview Ice House Renovation	46,600	7,771	<ul style="list-style-type: none"> • Dew Point-Based Humidity Control • Refrigeration DHW Heat Recovery • Condensing DHW Heaters • Subfloor Heating Heat Recovery
Algonquin Corp Center-Building 1	249,671	5,055	<ul style="list-style-type: none"> • Direct-fired Make-up-air units

Custom Incentives

- Savings achieved to date – 26,966 Net Therms
- Due to many projects rolling over from the previous program year, this program has started the year with 63% of therms goal in the pipeline. The strategy is to leverage this momentum and target large industrial customers to achieve the annual goal in a cost-effective manner.
- The focus is also on improving assessments conversion by improved follow-up communication. The outreach process has been revamped to review past assessment reports, identify leads, and drive the reach back campaign.
- To support small to mid-size commercial and industrial customers, the payback cap for projects has been reduced from 1.5 years to 1 year. This will drive participation from this specific cohort of customer increasing program awareness and improving customer service.

Small Business Energy Savings

- Savings achieved to date – 23,0407 net Therms
- The program team collaborated with external partners to increase participation with restaurant customers. A webinar was scheduled for restaurant owners to raise awareness of program offerings and the outreach team followed up with customers after the event. As a result, assessments and direct installation offerings have been out-performing expectations.
- Incentive levels were increased for dry cleaner steam traps after taking in feedback from trade allies active in this space. As a result, the program has already achieved 26% of its participation goal for the year along with a positive reaction from the trade allies.

Strategic Energy Management

Savings achieved to date – 0 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.
- 2 new customers signed in March, Trialco & Wheeling Schools, adding 3.2M and 0.4M therms of base usage to the SEM program.
- One planned cohort shifted up from 2024 to 2023 to increase Alumni participation & savings for cycle. We are allowing customers to sign up throughout the calendar year, versus previously just for cohort timing at mid & end of year. The intent is to allow more forecasting and savings to occur in Q1 & Q2, since historically 75-80% 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. Tile installed and data is being collected.

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. Site selection in process.

Air Deflectors on Unit Ventilators

Nicor Gas Company
Energy Efficiency Program – Plan Year 2023
Quarterly Report: First Quarter



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 being evaluated to submit to VEIC (Vermont Energy Investment Corp).

Low-Cost Low Carbon Public School

Mechanical retrofit of existing HVAC with existing boiler and GAHP (gas fired absorption heat pumps) pilot study. School not selected for first award round.

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. Pilot site selection in progress.

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/QC'd

#1166 Emerson Sensi Lab Study (Draft ready)

#1008 RE - Gradient Thermal (Draft ready)

ETP submitted workpapers to the following technologies into 2023 TRM -



Emerging Technology and Market Transformation

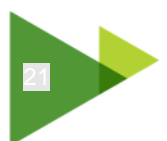
Insulating concrete forms- This submission will be based on R value calculations for savings

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

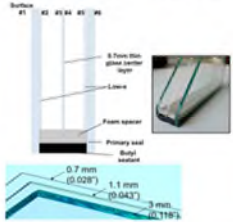


The MT program goal is to accelerate the adoption of energy efficient products and/or services to maximize energy savings for Nicor Gas' Energy Efficiency Program. The MT program focuses on specific MT initiatives targeting technologies and services. This includes recruiting partners to bring these technologies 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 first quarter of 2023 Nicor Gas continued participation in the 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. These recommended updates are shared at the April 13, 2023, SAG MT Working group meeting for comments.



Emerging technology and market transformation

Market transformation

Market Transformation Initiative	Initiative Details	Utility Participation
<p>High Performance Windows (HPW)</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 were fielded in Q1 2023.</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 opportunities and challenges to market adoption - Engagement with PAWS group to build coalition of market actors supporting high performance windows. 	<p>Ameren Illinois, ComEd, Nicor Gas</p>
<p>Code Advancement - Energy Stretch Codes and Building Performance Standards</p>	<p>Stretch Codes & Building Performance Standards</p> <p>Contracted 2023 activities to continue municipality engagement, stretch code and BPS program design considerations, finalizing the logic model and market progress indicators for each approach, and IL natural market baselines for stretch codes and BPS.</p>	<p>ComEd, Nicor Gas, Peoples Gas, Northshore Gas</p>
<p>Gas Heat Pumps</p> 	<p>Accelerate the adoption of next generation of gas heat pump technologies for water heating and space conditioning. Currently participating in the North American Gas Heat Pump Collaborative with 17 total Utilities in North America including Canada.</p> <p>Conducted manufacturer engagement with GHP manufacturers to coordinate on future activities. Developing collateral to build awareness and a residential TRM workpaper. Developing adoption rates for GHPs in Nicor's service territory.</p> <p>Developing logic model, market progress indicators - feedback with evaluators</p>	<p>Nicor Gas, Peoples Gas, Northshore Gas</p>
<p>Efficient Rooftop Units</p> 	<p>Researching efficiency of rooftop units through product differentiation and ultimately standards. Performing quantitative market research, develop IL natural market baseline and logic model development.</p>	<p>Nicor Gas, NEEA, GTI</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**

13.83yrs

Stipulation: ≥ 11.91 years

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

7.88%

Stipulation: Minimum of 10%

**Average Income-Qualified
Spend to Date**

\$ 2.63M

Stipulation: At least \$13M per year

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

18.4%

Stipulation: At least 30% of units treated

Supplier Diversity

The Nicor Gas Energy Efficiency Program 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

\$4.76M

Tier 2 Diverse Spend

\$716K

% of Total Eligible Spend

79.7%

Key highlights

- Total diverse spend has almost doubled in comparison from Q1 2022 to Q1 2023.
- Nicor Gas Energy Efficiency Program has implemented a smart thermostat initiative to install 1,400 free thermostats to customers in low-income areas, which has generated \$27K in Tier 2 WBE spend.
- Engaged 4 new Tier 2 diverse (MBE & WBE) subcontractors in Q1.
- Within our Residential New Construction offering, 628 homes were completed and provided incentives, which contributed to our VBE diverse spend.

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	10.2%	\$517,898	\$180,558	\$118,432
WBE certified	64.2%	\$3,876,923	\$535,739	\$466,950
VBE certified	4.5%	\$309,306	\$0	\$0
Non-profit vendors	0.8%	\$57,103	\$0	n/a



Impact

 **240M+**
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

 **211M+**
first year therms saved since 2011

- Avoids more than 1.12M metric tons of CO2 emissions
- Equivalent to the CO2 emissions generated by 249K passenger vehicles over the course of a year

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

- \$198 average incentive per customer
- Engaged 185K elementary school students in energy efficiency education

 **\$1.98B**
Economic activity spurred since 2011

- 10.2K jobs supported since 2011
- \$95.7M spent with diverse suppliers
- \$790M 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.

