

2023

Quarterly Report Second Quarter

April 1, 2023 - June 31, 2023



Energy
Efficiency
Program

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Portfolio summary

Year-to-date results

January 1, 2023-June 30, 2023

4.17M

Net savings
to date

30.0%

Percent of
planned savings

14.1M

Annual
savings goal

\$20.9M

Spend
to date

45.8%

Percent of
planned spend

\$45.7M

Annual
budget

Key portfolio highlights

- New measures were introduced within Q2 in the Home Energy Assessments program and the Multi-Family Air Sealing and Insulation program. These measures include air handler filter replacement and a shower flow reducer, within HEA, and door sweeps and door weatherstripping, within MF.

- **Income-Eligible** – The SF Retrofits offering has served over 500 single-family customers, within the second quarter, in partnership with our community-based organizations.
- The Business Custom Program has added gas heat pump projects to our pipeline, representing an innovation milestone. This demonstrates commitment to integrating advanced energy efficiency solutions into the program offerings for our customers.

Residential programs

5

Programs

2.02M

Net therm savings to date

\$5.38M

Spend to date

Key highlights

- In the second quarter, the HEER program has incentivized over 3,100 high-efficiency furnaces, boilers and tankless water heaters as well as over 3,000 smart thermostats to our customers.
- The Multi-Family Air Sealing and Insulation (MF ASI) offering added two new measures within Q2: door sweeps and door weatherstripping for exterior doors.
- Residential New Construction completed and provided incentives for 489 homes within Q2.

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 – 795,311 Net Therms

- In the second quarter, the Program incentivized over 3,100 high-efficiency furnaces, boilers and tankless water heaters, as well as over 3,000 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. In the second quarter, 150 customers took advantage of this new bundled rebate. The intent of this bundled rebate is to increase smart thermostat participation and the Program has seen Trade Allies and contractors submitting more applications for smart thermostats compared to last year.
- The most popular measure this quarter was smart thermostats, with over 3,000 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 – 178,951 Net Therms

- In the second quarter, the Program provided 2,199 customers with home energy assessments, with 113 being served virtually and 2,089 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 . 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 second quarter, the Air Sealing and Insulation offering of HES 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 second quarter, 22 duct sealing projects were incentivized, which is close to last year's total of 33.

Residential programs

Multi-family (MF)

Savings achieved to date – 38,877 Net Therms

- In the second 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 Multi-Family Air Sealing and Insulation (MF ASI) 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 – 290,973 Net Therms

- In the second quarter of 2023, 489 homes were completed and received incentives.
- We offer three qualifying packages within the RNC program. In the second quarter the Prescriptive Package was most popular, with 246 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 second quarter, Nicor Gas held an online seminar 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 – 565,133 Net Therms

- In the second quarter of 2023, Nicor Gas distributed 3,582 ESKs to customers, of which 1,685 were water-saving kits and 1,897 were weatherization kits.
- The most popular kit requested by customers was the weatherization kit, making up 53% of all kits distributed in the second quarter.
- Nicor Gas utilized our Marketing and Outreach teams to drive the success of this program. The Outreach team attended several events during the second quarter of 2023.

In the second quarter of 2023, Nicor Gas distributed a total of 3,582 ESKs to customers, of which 1,685 were water-saving kits and 1,897 were weatherization kits.

Elementary Education Kits (“EEKs”)

Savings achieved to date – 151,447 Net Therms

- In the second quarter of 2023, 5,627 Joint Utility kits and 51 Nicor Gas-only kits were delivered to schools. 5,678 total kits were delivered to schools.
- In 2023, Nicor Gas introduced a Joint Utility Income Eligible (IE) Elementary Education kit. In the second quarter, 884 Joint Utility 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 second 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 behavioral program designed to combine feedback on energy use with contextual information that helps educate and motivate customers to reduce their energy use while increasing customer satisfaction and engagement.

Income-eligible programs

3

Programs

712K

Net therm savings to date

\$7.10M

Spend to date

\$174K

Total Health and Safety
spending

\$23.5K

Single-family Health and
Safety spending,
non-IHWAP

\$108K

Multi-family Health and
Safety spending,
non-IHWAP

Key highlights

- Housing Authority of DeKalb project is underway with 11 sites participating in weatherization services, AC replacement, AC covers, heat pumps and health and safety.
- The SF Retrofits offering, in the second quarter, served over 500 single-family customers through our outreach partnership with 21 community-based organizations.

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
- PHA/Multi-Family Buildings
- Affordable Housing New Construction (AHNC)

Single-family/Multi-family Weatherization and Retrofits Program overview

- Savings achieved to date – 556,194 Net Therms
- In partnership with the Community Action Agencies within our territory, we have been able to serve 162 single-family homes with direct installs and weatherization through our SF IHWAP offering within the first half of 2023. The SF IHWAP offering ended the second quarter at 75% to our annual incentive goal and 62% to our annual savings goal. There have been no MF IHWAP projects completed so far in 2023, and it is an area of focus for the remainder of 2023.
- The SF Retrofits offering has served over 787 single-family customers within the first half of 2023, 500 of which were served in Q2. The success of the SF Retrofits offering is attributed to the partnerships with 21 community-based organizations, which increase the reach of our programs into their communities.
- MF Retrofits continues to have a strong pipeline at the close of the second quarter. Through MF retrofits, we have served 407 MF units within the first half of the year. In Q2, we completed a MF Retrofit project at Meltzer Real Estate in Berwyn. The Program completed pipe insulation, air sealing and insulation at their 139-unit property.

Income-eligible programs

Public Housing Authority

- Savings achieved to date – 13,965 Net Therms
- Over 258 units have been served to date within PHA (Public Housing Authority), and the Program is currently trending at our planned \$/therm. Through Q2, we are at 38% of our annual savings goal and 38% of our annual spending goal.
- In Q2, we continued work with the Housing Authority of Dekalb. The Program has provided 11 sites with weatherization, AC replacement, AC covers and heat pumps. The Housing Authority of Dekalb first participated in 2018 and has continued to participate in programs with energy efficiency upgrades across its housing footprint.

Affordable Housing New Construction

- Savings achieved to date – 3,875 Net Therms
- In the second Quarter, one project was completed in Richton Park for a Senior Living Facility. The facility covers 45,809 sq.ft. and has a total of 55 units.
- There are six total projects expected to close in 2023, with the next project expected to be completed in September.

Business programs

5

Programs

1.43M

Net therm savings to date

\$4.66M

Spend to date

Key highlights

- Business New Construction completed 6 commercial/ industrial projects in the second quarter of 2023.
- Business Energy Efficiency Rebates has seen an increase in participation by enhancing rebate offerings, and a reduced payment time by streamlining rebate processing to improve operational efficiency and trade ally satisfaction.

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 – 1,053,480 Net Therms**
- In Q2, the Program has seen an increase in participation by enhancing rebate offerings, and a reduced payment time, by streamlining rebate processing to improve operational efficiency and trade ally satisfaction.
- The program saw a significant uptick in steam trap project participation which resulted in strong interest from hospitals and large industrial customers. This targeted interest led to impactful increase in therm savings.
- For the program, there are 27 active TAs (Trade Ally) which is a significant improvement from last year. The growth of the Trade Ally network 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.
- In Q2, A steam trap replacement project at Dadant produced 90k therms in savings. A similar project was completed at Mondelez that resulted in 280,000 therms saved from one project alone.

Business programs

Business New Construction

Savings achieved to date – 74,553 Net Therms

- In the second quarter of 2023, Nicor Gas completed 6 commercial/industrial projects. Of which, all 6 were private sector projects.

TYPE (*public sector)	SQ. FEET	ANNUAL GROSS THERM SAVINGS	MEASURES
Marklund Elgin Day School	15,605	293	<ul style="list-style-type: none"> • DHW System
Algonquin Corp Center Building 2	488,788	6,924	<ul style="list-style-type: none"> • Direct-fired Make-up-air Units
Seefried Touhy Ave.	65,008	2,291	<ul style="list-style-type: none"> • Make-up-air Units Efficiency
1425 Ellinwood	382,053	13,438	<ul style="list-style-type: none"> • Window Assembly U-value • Low Flow Fixtures • ENERGY STAR Clothes Washer • ENERGY STAR Dishwasher
Lilac Station	192,874	16,163	<ul style="list-style-type: none"> • Wood Framed Wall Insulation • Window Assembly U-value • Condensing Furnaces • Low Flow Fixtures • Condensing DHW Heaters • Smart Thermostats • Hot Gas Reheat • Condensing Snowmelt Boilers
3351 Brandon Road	990,325	92,189	<ul style="list-style-type: none"> • Direct-fired Make-up-air Units • Low Flow Fixtures • Mass Wall Insulation

Custom Incentives

- Savings achieved to date – 307,252 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 Program strategy is to leverage this momentum and target large industrial customers to achieve the annual goal in a cost-effective manner.
- The Program focus is also on improving assessments conversion through improved follow-up communication. The outreach process has been revamped to review past assessment reports, identify leads and drive the reach back campaign.

Business programs

- The addition of gas heat pump projects to our pipeline represents a significant innovation milestone, showcasing the program team's commitment to integrating advanced energy efficiency solutions into the program offerings.

Small Business Energy Savings

- Savings achieved to date – 305 Net Therms
- The program team is collaborating with outreach to expand Assessments and Direct Installs with the objective of converting recommendations to actual therms. In addition, this will contribute to strengthening the pipe of small business customers.
- The program, specifically the dry cleaner customer segment, witnessed significant energy savings due to an increase in incentives for steam traps, driving higher participation and cost effectiveness.

Strategic Energy Management

Savings achieved to date – 0 Net Therms

- Parallel path review was initiated for Diageo, analyzing savings of 126k therms, for Q2.
- In June, an in-person SEM (Strategic Energy Management) Educational Facilities roundtable was held in Elgin, IL, and 3 school districts attended. An additional SEM workshop was planned at Nicor Gas headquarters for July to increase engagement.
- 2 new customers joined SEM in Q2 - TH Foods, Rochelle Foods.

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 as follows:
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 HVAC system operation data and are interfacing with the end users to provide insight on their HVAC system operation.

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. PCM technology installed, and data collection is currently ongoing and is planned to continue till 2023-2024 heating season. Ongoing discussions with the manufacturer to determine a path forward for the technology in energy efficiency programs at the conclusion of the study.

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 Illinois based GHG emission and cost-based switching for cold climate operation.

Emerging Technology and Market Transformation

Air Deflectors on Unit Ventilators

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. Energy savings could not be validated from the study due to site specific challenges and results are shared with VEIC (Vermont Energy Investment Corp). Due to installation and energy validation challenges involved with the technology, a prescriptive TRM measure will not be pursued.

Low-Cost Low Carbon Public School

Mechanical retrofit of existing HVAC with existing boiler and GAHP (gas fired absorption heat pumps) pilot study. Schools not selected for first award round. Project team is considering proposal revisions to be submitted for future rounds.

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.

Commercial Secondary Windows

Envelope retrofit technology in commercial buildings that improves thermal performance of poorly performing existing windows. The technology involves one or more transparent panes in a frame that attaches to the interior or exterior of existing windows without replacing the original glass or frame. ETP is developing an action plan for development of a prescriptive TRM measure for this technology.

Venturi Steam Trap – Field Evaluation Study

Venturi steam traps are an energy efficient condensate removal technology for steam systems, and they have lower failure rates than traditional steam traps. ETP completed the field evaluation of the Venturi steam traps and collected in-depth end user feedback to validate the performance and effective useful life of the technology. The final project report is drafted and is currently under internal review.

Emerging Technology and Market Transformation

ETP submitted two workpapers for technologies described below to be included into the 2023 TRM and are currently under review with the Vermont Energy Investment Corp.

Insulating concrete forms – Insulated concrete forms (ICF) are an energy efficient wall construction assembly made of expanded polystyrene and concrete. They offer continuous insulation which improves the thermal performance of the building envelope. ETP drafted and submitted a workpaper on ICF to VEIC for review to be added in 2023 IL TRM.

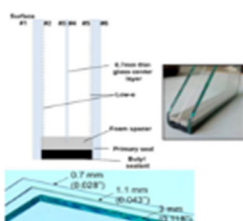



Commercial tankless water heater array – A Central Condensing Tankless Water Heater (CCTWH) array is a type of domestic hot water heating system formed by integrating multiple condensing tankless water heating units in a modular style to increase overall system capacity, turndown capability and to reduce standby energy losses. ETP drafted and submitted a workpaper on this technology to VEIC for review to be added in 2023 IL TRM.

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 second quarter of 2023 Nicor Gas continued participation in the IL SAG MT Small Working Group with ComEd, Guidehouse to provide edits and a reorganization to IL TRM Attachment C. The group also provided final recommendations to open policy questions. The group presented these recommendations that provided additional clarity and guidance, and a formal definition of the Energy Savings Framework, to the SAG on April 13. The recommendations were open for feedback and comments, and a subsequent SAG MT Working Group meeting on May 22 addressed the final comments and edits.

Emerging technology and market transformation

Market Transformation Initiative	Initiative Details	Utility Participation
High Performance Windows (HPW) 	<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. - Updating the high performance window measure in the IL TRMv12 based on ENERGY Star updates. - Developing MT initiative components for presentation to SAG (logic model, market progress indicators, natural market baseline) 	<p>Ameren Illinois, ComEd, Nicor Gas</p>
Code Advancement - Energy Stretch Codes and Building Performance Standards	<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>
Gas Heat Pumps 	<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>Developing natural market baseline.</p>	<p>Nicor Gas, Peoples Gas, Northshore Gas</p>
Efficient Rooftop Units 	<p>Researching efficiency of rooftop units through product differentiation and ultimately standards. Performing quantitative market research for developing IL natural market baseline and logic model development.</p> <p>Partnering with GTI and NEEA to further document understanding of market dynamics and align on market approach and strategy.</p>	<p>Nicor Gas, NEEA, GTI</p>
Secondary Glazing System 	<p>Secondary glazing systems (SGS) are an envelope retrofit technology in commercial buildings that improves thermal performance of poorly performing existing windows.</p>	<p>Nicor Gas & ComEd</p>

Administrative Flexibility

Administrative Flexibility

- **Administrative 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 Appendix 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.** There are no new measures included in programs shown in Appendix A.

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

- **Actions.** There are no new measures included in programs shown in Appendix A.

Stipulations

**Weighted Average
Measure Life**

13.73yrs

Stipulation: ≥ 11.91 years

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

7.93%

Stipulation: Minimum of 10%

**Average Income-Qualified
Spend to Date**

\$ 7.10M

Stipulation: At least \$13M per year

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

22.51%

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

\$9.61M

Tier 2 Diverse Spend

\$3.52M

% of Total Eligible Spend

90.0%

Key highlights


- Q2 2023 total diverse spend % has increased over 20% YOY.
- Total diverse spend has doubled from Q1 to Q2.
- Nicor Gas Energy Efficiency Program has engaged a total of 26 (25 prime and 1 sub) Non-profit organizations YTD.
- In Q2, the Residential New Construction program completed and provided incentives for 489 homes, and the Business New Construction program completed 6 commercial/ industrial projects, which increased VBE diverse spend to \$309K.
- Engaged a new WBE subcontractor and a new WBE Trade Ally in Q2.

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	6.8%	\$189,344	\$801,682	\$286,279
WBE certified	75.9%	\$8,446,856	\$2,629,825	\$2,250,007
VBE certified	3.2%	\$471,928	\$0	\$0
Non-profit vendors	4.1%	\$502,377	\$93,417	N/A

Impact

 **246M+**
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

 **215M+**
first year therms saved since 2011

- Avoids more than 1.13M metric tons of CO2 emissions
- Equivalent to the CO2 emissions generated by 253K passenger vehicles over the course of a year

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

- \$186 average incentive per customer
- Engaged 195K elementary school students in energy efficiency education

 **\$2.00B**
Economic activity spurred since 2011

- 10.3K jobs supported since 2011
- \$103M spent with diverse suppliers
- \$806M 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

- 2022 Inspiring Efficiency Marketing Award
Awarded for the Care Package effort
- 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.