

2024

Quarterly Report Fourth Quarter

October 1, 2024 - December 31, 2024



Nicor Gas

Energy
Efficiency
Program

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Portfolio summary

Year-to-date results

January 1, 2024 – December 31, 2024

17.4M

Net savings
to date

123%

Percent of
planned savings

14.1M

Annual
savings goal

\$48.2M

Spend
to date

106%

Percent of
planned spend

\$45.7M

Annual
budget

Key portfolio highlights

- In Q4, the Air Sealing and Insulation program served 489 single-family homes. Combined for the year, the Air Sealing and Insulation program served 1,986 single-family homes and 732 multi-family units for a total of 2,718 residences.
- In the fourth quarter, Nicor Gas partnered with Ameren Illinois to launch a school energy education kit offering targeting schools in IE territories located in the Nicor Gas/Ameren Illinois shared territory. A total of 1,500 kits were delivered to elementary school students.

Portfolio Summary

- In the fourth quarter, ComEd notified us that they would be shutting down their Marketplace, at the end of October. Joint thermostat rebate participation ended as of October 31, 2024. Thermostat rebates are still offered through Nicor Gas' website and we continue to partner with ComEd on their Retail Offering.

Residential programs

5

Programs

6.42M

Net therm savings to date

\$11.4M

Spend to date

Key highlights

- During the fourth quarter, the Air Sealing and Insulation offering of HES served 489 single-family homes with weatherization services. The offering has leveraged marketing campaigns to create visibility in the program that allowed us to achieve an annual number of single-family homes served of 1,986 in 2024.
- Multi-Family Air Sealing and Insulation offering set a goal of 500 MF units to be served in 2024. Over the course of the year the Multi-Family Air Sealing and Insulation offering served 732 units or 146% of the annual unit goal.
- In Q4 the Home Energy Efficiency Rebates Program incentivized 1,415 - 95% AFUE and 766 - 97% AFUE furnace replacements. Throughout the year we saw increased participation in 97% AFUE furnace replacements. This year we incentivized a total of 2,721 - 97% AFUE furnaces as compared to 1,200 in 2023. The increase can be attributed to the Company's incentive and the IRA tax credit for installing a 97% AFUE furnace.

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 – 2,879,136 Net Therms

- In the fourth quarter, the Program incentivized 2,296 high-efficiency furnaces, boilers, and tankless water heaters, as well as 7,305 smart thermostats to our customers.
- A key driver of the program's success in the fourth quarter was smart thermostats and furnace replacements. Joint participation with the utilities in a limited-time-offer for smart thermostats allowed the Company to incentivize 7,305 units. The program incentivized 1,415 - 95% AFUE and 766 - 97% AFUE furnace replacements. Throughout the year we saw increased participation in 97% furnace replacements. The increase can be attributed to the Company's incentive and the IRA tax credit for installing a 97% AFUE furnace.
- During the fourth quarter the HEER program utilized the partnership with ComEd to promote smart thermostats providing limited time offers to customers that discount the products. The Company also leveraged the HEER program's incentives and IRA tax credits to promote certain measures.

Home Energy Savings (HES)

Savings achieved to date – 555,379 Net Therms

- The Self-Assessment Portal (SAP) offering in the fourth quarter has proven to be a very cost-effective program with a dollar per therm of \$0.93 on average. The offering in the fourth quarter has served 663 customers. This market-rate offering asks the customer a series of questions on how their home uses energy, to better understand savings potential through energy efficiency. All offered measures are standard in all other home assessment paths. These free measures are mailed directly to the customer's home for self-installation, except for smart thermostats which require a co-pay.
- In the fourth quarter, the Air Sealing and Insulation offering of HES served 489 single-family homes with weatherization services. The offering has leveraged marketing campaigns to create visibility in the program that allowed us to achieve an annual number of single-family homes served of 1,986 in 2024.

Residential programs

Multi-family (MF)

Savings achieved to date – 570,350 Net Therms

- The Central Plant Optimization Program has incentivized predominately boiler tune-up projects and steam boiler averaging control projects in the fourth quarter of 2024. We have continued to utilize marketing tactics such as leave behind cards and email campaigns to promote the program to properties with a central meter system.
- To meet the stipulated unit count, the Multi-Family Air Sealing and Insulation offering set a goal of 500 MF units to be served in 2024. The program exceeded this goal and prolonged the Program budget until the end of the third quarter. Over the course of the year, the Multi-family Air Sealing and Insulation offering served 732 units or 146% of the annual unit goal.
- The Multi-Family Direct Install offering saw most of its participation in the second half of the year and utilized the budget until the end of the third quarter. The offering has served 1,511 units for the year installing or reprogramming smart-thermostats.
- The Prescriptive and Custom portion of MF continued to see lower than expected participation in the fourth quarter. The completed projects consisted of boiler tune ups or boiler replacements.

Residential New Construction (RNC)

Savings achieved to date – 585,407 Net Therms

- In the fourth quarter of 2024, 308 homes were completed and received incentives.
- In May of 2024, Nicor Gas redesigned the residential new construction offering to promote whole home energy efficient design that includes energy efficient natural gas equipment for space and water heating, above code air and duct sealing requirements, and smart thermostats. In addition to this, we engaged builders with innovative technologies like dual fuel heating systems, high performance windows and insulated concrete forms.
- There are four qualifying tiers with the redesigned residential new construction offering and the highest tier was developed with inspiration from the net-zero design of the Nicor Gas Smart Neighborhood projects. In the fourth quarter, the bronze tier was the most popular tier with 255 qualifying homes. This tier includes above code air and duct sealing requirements, 95%AFUE or greater natural gas furnace, efficient water heater and smart thermostat.

Residential programs

Energy Education and Outreach

Energy Saving Kits (“ESKs”)

Savings achieved to date – 365,877 Net Therms

- In the fourth quarter of 2024, Nicor Gas distributed 4,110 ESKs to customers, of which 1,642 were water-saving kits and 2,468 were weatherization kits.
- Nicor Gas utilized our Marketing and Outreach team to drive the success of this program. The Outreach team attended 49 community events during the fourth quarter to educate customers on energy efficiency measures and distributed 455 kits.

Elementary Energy Education Kits (“EEE kits”)

Savings achieved to date – 296,512 Net Therms

- In the fourth quarter, Nicor Gas partnered with ComEd to deliver 1,777 kits to schools. Out of which, 1,400 joint kits were delivered to schools in non-IE territories and 377 joint kits were delivered to schools in IE territories. In addition to joint kits, Nicor Gas delivered 89 kits to schools in Nicor Gas only territories.
- School selection is intentional and focuses on enrolling schools from various socioeconomic levels and racially diverse student populations. The program also strives to include up to five schools that focus on students with special needs.
- Surveys from teachers are collected regularly to ensure quality content is provided to students. Here is some feedback that was

received: “I like that they able to take something tangible home to share with their families”.

School Energy Education Kits (“SEEK”)

Savings achieved to date – 49,815 Net Therms

- In the fourth quarter, Nicor Gas partnered with Ameren Illinois to launch a school energy education kit offering targeting schools in IE territories in the Nicor Gas/Ameren Illinois shared territory. 1,500 kits were delivered to elementary school students.
- The offering received positive response from school districts and Potomac Grade School posted about the educational presentations.

Home Energy Reports (“HER”)

Savings achieved to date – 1,258,392 Net Therms

- During the fourth quarter of 2024, Nicor Gas has continued delivering emailed and printed Home Energy Reports to customers. The approximate reach for the HERs in the fourth quarter of 2024 is 550,000 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

5

Programs

2.04M

Net therm savings to date

\$14.8M

Spend to date

\$721K

Total Health and Safety
spending

\$126K

Single-family Health and
Safety spending,
non-IHWAP

\$362K

Multi-family Health and
Safety spending,
non-IHWAP

Key highlights

- In the fourth quarter, a MF- IHWAP project was completed in coordination with CEDA at the Morton Grove Senior Housing facility at 9016 Waukegan Rd. Nicor Gas provided \$124,451 in incentives which provided 3,768 in therm savings to the customer.
- This quarter income eligible home assessments served 657 single-family homes by installing \$72,008 in direct installs and saving customers a total of 36,181 therms. This cost-effective offering ended the fourth quarter 150% to the original annual incentive goal and 163% to the original annual savings goal.

Income-eligible programs

- Within the MF Retrofits program, the program approved Trade Ally, Retrofits Rebates, completed a project this quarter in Willowbrook. The scope of work included weatherization and health and safety work across the entire campus. In total, Nicor Gas provided this campus with \$54,450 in incentives which saved the property 18,810 therms.

Program overviews

The objective of the Income-Eligible (“IE”) Energy Efficiency 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
- Healthy Homes
- Affordable Housing New Construction (AHNC)
- Energy-Saving Kits

Income-eligible programs

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

Savings achieved to date – 934,611 Net Therms

- In partnership with the Community Action Agencies (CAAs) within our territory, we have served 201 single-family homes with direct installs and weatherization through our SF IHWAP offering within this program year. Nicor Gas SF IHWAP budget was fully exhausted in the third quarter of the year, so there is no production to report for the fourth quarter. The offering ended the fourth quarter at 100% to our annual incentive goal and 81% to our annual savings goal. One MF IHWAP project was completed this quarter in coordination with CEDA at the Morton Grove Senior Housing facility at 9016 Waukegan Rd. Nicor Gas provided \$124,451 in incentives which provided 3,768 in therm savings to the customer. Installed measures included replacing their domestic hot water plant, bathroom and kitchen faucet aerators, permit fees, and health and safety work including smoke/CO detectors and replacing exhaust fans.
- The SF Retrofits offering budget was fully exhausted in the third quarter, so there is no production to report in the fourth quarter. However, the offering has provided \$2,745,500 in incentives to 502 single-family customers year-to-date, which saved a collective 177,594 therms. The success of the SF Retrofits offering is attributed to the partnerships with 28 community-based organizations, which increase the reach of our programs into their communities. The SF Retrofits offering ended the fourth quarter 100% to our annual incentive goal and 80% to our annual savings goal.
- This quarter, income eligible home assessments served 657 single-family homes by installing \$72,008 in direct installs and saving customers a total of 36,181 therms. This cost-effective offering ended the fourth quarter 150% to the original annual incentive goal and 163% to the original annual savings goal. For context, in the third quarter Nicor Gas added \$107,000 to the program budget to continue to jointly fund income eligible home assessments. Throughout the program year, income eligible home assessments offering provided \$310,164 in direct installs in 2,886 income eligible customers homes and saved a collective 158,572 therms.
- MF Retrofits closed out the fourth quarter 95% to the savings goal and 104% the incentive budget. Through MF Retrofits, we have served 1,176 MF units this quarter, with 12,415 MF units being served year to date. The program's approved Trade Ally, Retrofits Rebates, successfully completed a project this quarter in Willowbrook.
- The scope of work included weatherization and health and safety work across the entire campus. In total, Nicor Gas provided this campus with \$54,450 in incentives which saved the property 18,810 therms.

Public Housing Authority

Savings achieved to date – 46,527 Net Therms

- 632 units were served in the fourth quarter within PHA (Public Housing Authority) with 1,302 units served YTD. This offering ended the fourth quarter 66% to the annual savings goal and 72% to the annual incentive goal. The program worked in coordination with the Housing Authority of the County of DeKalb (HACD) to provide the University Village campus in DeKalb with \$341,619 in weatherization and health and safety improvements including but not limited to attic air sealing and insulation, exhaust fan

Income-eligible programs

installations and ceiling mitigation and reinforcements. We continue to expand our relationships with public housing authorities across our service territory, including those in DeKalb, Lake, Lee, Livingston, and Winnebago counties.

Healthy Homes

Savings achieved to date – 24,567 Net Therms

- The program partners Blue Cross Blue Shield of Illinois (BCBSIL), American Lung Association (ALA) and Nicor Gas. Partner supported outreach efforts were successful, and we contacted all pediatric customers with diagnosed respiratory illnesses like asthma and have expanded outreach efforts for the remaining adult customers. Healthy Homes this quarter has claimed 20,052 therms in savings and incentivized \$210,597 in comprehensive weatherization, health, safety, and indoor air quality improvements. The program served families in 23 SF and 5 MF homes this quarter. In total, this year Healthy Homes has served families in 34 SF and 7 MF homes. Serving multi-family customers through Healthy Homes has posed its challenges, but adding additional enrollment partners may help with increasing access to these customers.
- A Healthy Homes highlight for this quarter was supporting a single mother living in a 100+ year-old house with significant air sealing, safety, and air quality issues, and unable to pay her utility bills. The TA installed insulation in the walls, attic, and floors. Windows were sealed and air purifiers were provided. The customer also received a \$500 grant from Nicor Gas's Shield of Caring program, and an additional \$250 from the Trade Ally, to turn her heat back on. The TA even rebuilt one of the ceiling support doorways in the shape of an arch, which the customer has used to decorate and make festive for the holidays. The customer was exceptionally grateful for the support, and ensuring her family was safe and comfortable this winter.

Affordable Housing New Construction

Savings achieved to date – 80,448 Net Therms

In the fourth quarter, the program incentivized two projects with 202 housing units. One of the projects is an 82-unit housing development for veterans by the Housing Authority of Cook County in Chicago Heights, IL. The other project is a 120-unit housing development by the Housing Authority of Joliet.

Energy-Saving Kits

Savings achieved to date – 629,447 Net Therms

- In the fourth quarter of 2024, Nicor Gas distributed 6,611 ESKs to IE customers.
- Nicor Gas leveraged various channels to deliver kits to customers. Nicor Gas partnered with ComEd to deliver 4,482 kits through leads received from CAAs.
- Nicor Gas also utilized internal Marketing and Outreach teams to deliver 2,219 kits to customers at various events in several IE communities.

Income-eligible programs

2024 Health and Safety Report

1. IE Weatherization Offerings – Number of Properties Assessed and Number of Properties with Identified Health and Safety Issues

Offering	Total assessed properties	Total properties with identified H&S	Percentage of properties with identified H&S
Joint Ameren-Nicor Gas SF	56	52	93%
Joint Ameren-Nicor Gas MF	41	41	100%
IHWAP SF	201	193	96%
IHWAP MF	1	1	100%
Retrofits SF	446	305	68%
Retrofits MF	415	61	15%
Public Housing Authority	14	8	57%
Healthy Homes SF	34	19	56%
Healthy Homes MF	7	2	29%

2. Properties Deferred for Health and Safety

Offering	Total Deferrals	Deferrals that were funded by electric utility
Joint Ameren-Nicor Gas SF	4	4
Joint Ameren-Nicor Gas MF	0	0
IHWAP SF	4	0
IHWAP MF	0	0
Retrofits SF	40	0
Retrofits MF	0	0
Public Housing Authority	0	0
Healthy Homes SF	0	0
Healthy Homes MF	0	0

Income-eligible programs

3. Most Prevalent Remediated Health and Safety Issues

H&S issues	Joint Ameren-Nicor SF	Joint Ameren-Nicor MF	IHWAP SF	IHWAP MF	Retrofits SF	Retrofits MF	Public Housing Authority	Healthy Homes SF	Healthy Homes MF
CO & Smoke Detectors	X	X	X	X	X		X		X
Vent Kits / Exhaust Fan Ventilation					X	X	X	X	
Ceiling Repairs					X	X	X		
Mold Remediation					X	X			
Improper Flue Venting						X	X		
Plumbing Repair			X						
Gas Leak Repair					X			X	
Electrical Repair					X				
Roof Repair	X							X	
Vapor Barrier	X	X	X						
Permit Fees			X		X				
Dryer Vent	X	X	X		X			X	

4. Top Health and Safety Issues that Cause Deferrals

Retrofits SF

- Mold/Standing Water/Bulk Moisture (70%), Structural Issues (13%), Knob & Tube Wiring (8%), and Asbestos/Vermiculite (8%). The remaining reasons for deferrals included roof issues and pests.

Retrofits MF

- No MF projects were deferred for health and safety reasons in 2024. There were no health and safety project waitlisted during 2024.

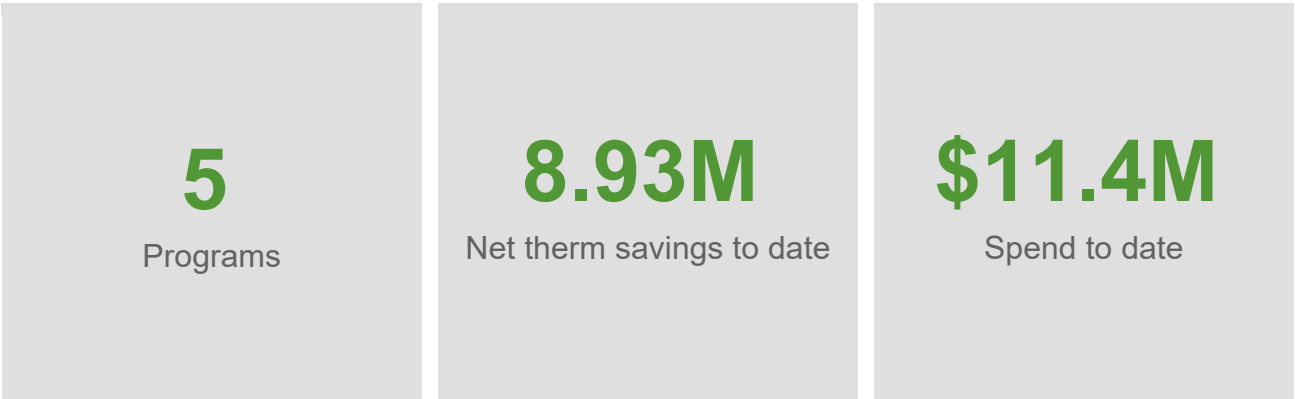
Income-eligible programs

Joint Ameren-Nicor Gas SF/MF

- Although the program initially deferred several properties for outstanding H&S issues beyond the scope of the program, the program team was able to, after the program had met other goals, leverage program dollars to serve several customers with one-off interventions.
- Those measures include a condenser replacement (\$8,461), two knob and tube replacement projects (\$39,750 total), mold and water leak repair (\$9,500). Total of \$57,711 in health and safety replacements

Income-eligible programs

Business programs



Key highlights

- Through the Business Energy Efficiency Rebate Program, the program implemented a new pilot, offering customers direct installation of spring-loaded garage door hinges. The Pilot targeted customers that had participated in assessments and received a recommendation to replace their hinges.
- Within the Small Business program, in Q4, the largest therm savings from a single customer was from Bales Metals, a small metals and machine shop in Downers Grove, who participated in the Program for the first time and replaced 1,250 linear feet of pipe insulation for a total savings of 21K gross therms; 14% of therms saved in Q4.

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 – 3,053,267 Net Therms

- The program completed 44 projects in Q4, installing 1,442 measures for 37 customers, resulting in 520K gross therms saved and \$248K incentives paid.
- The Public Sector accounted for 48% of incentives spent and 23% of therms saved in Q4. Steam trap replacements were the largest driver of therm savings, with 205 replaced in Q4 equating to 316K (61%) of therms.
- The program implemented a new pilot, offering customers direct installation of spring-loaded garage door hinges. The Pilot targeted customers that had participated in assessments and received a recommendation to replace their hinges
- Northwestern University had the highest customer participation in PY24. It submitted 77 steam trap replacements, for a savings of 262K therms which reflects 52% of total Prescriptive therm savings in Q4.

Business New Construction

Savings achieved to date – 129,956 Net Therms

- In the fourth quarter of 2024, Nicor Gas did not incentivize any Business New Construction projects.

Custom Incentives

Savings achieved to date – 2,830,737 Net Therms

- The program completed 98 projects across 70 customers equating to 1.82 million gross therms saved; 52% of year total saved in Q4. The Program completed 48 projects in Public Sector, equating to 265K therms which represents 58% of therms saved and 55% of incentives paid within the Public Sector in 2024
- The team was able to complete 30 assessments in Q4, representing 38% of total 2024 assessments completed. This will help drive the projects in the pipeline in the next Plan Year.
- The team continues to focus on assessments to engage with customers and add projects to the pipeline. The Outreach team continues to focus on past assessments along with educating customers on IAC grant opportunities. The focus is on small and mid-size customers that have projects in the pipeline to assess their eligibility for grants.

Small Business Energy Savings

Savings achieved to date – 1,486,475 Net Therms

- 165 Dry Cleaner Steam Traps were replaced, and one boiler tune-up was performed across 22 locations, for a total savings of 116K gross therms, which equated to 80% of therms saved in Q4.
- The program installed 2,041 measures across 37 projects with 34 customers, which equated to a total of 147K gross therms; 11% of 2024 total therm saved. Moreover, the Field and Outreach teams have been targeting small manufacturing facilities to diversify the Program's measure mix and reach a more diversified customer base.
- In Q4, the largest therm savings from a single customer was from Bales Metals, a small metals and machine shop in Downers Grove, who participated in the Program for the first time and replaced 1,250 linear feet of pipe insulation for a total savings of 21K gross therms; 14% of therms saved in Q4.

Strategic Energy Management

Savings achieved to date – 1,426,539 Net Therms

- The fourth quarter added 665k therms to the full year SEM savings of 1.42M therms.
- Hines VA Hospital, ISU, Concordia University submitted savings of 200k, 84k and 63k therms, respectively. Q4 Public savings were 404k and Q4 Private savings were 261k therms.
- Two Roundtable workshops for Education facilities (K-12, higher-Ed) were held in October. The workshops aimed to help educational facilities share best practices within their districts and campuses.
- For recruitment in Q4, Ecolab, Aurora University, Berkot's Super Foods, and School District 214 signed SEM agreements.

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:

1175 - 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 flow based upon open sash area thus minimizing ventilation heating load, saving energy.
- ETP Procured and installed Data acquisition systems at the field site
- ETP is collecting baseline data for the pilot.
- ETP is working with the contractor for the retrofit.

1184 - DHW Electronic Master Mixing Valves

- DHW Electronic Master Mixing Valves (EMMV) incorporate electronic components including temperature sensors that can be programmed to control the inlet valves and accurately deliver tempered water temperature from a domestic water heater.
- ETP has reached out to 4 potential field sites (3 hotels and one gym facility) for pilot participation.
- ETP is recruiting additional sites for the pilot.

1188 - Commercial Hybrid RTUs

- Rooftop units with gas fired furnace and heat pump with packaged controls for switchover operation optimization. Hybrid RTUs are installed in pilot demonstration site.
- ETP performed modeling analysis to determine natural gas savings and impacts associated with the pilot project.
- ETP is collecting the data for the heating season and should be concluding the project in Q2 2025.

1191 - HVAC Air Traps

- HVAC air traps retrofit or maintenance to prevent air leakage from existing roof top units to provide energy savings.
- Action plan development in progress for IL TRM version 14 direct workpaper.
- No change. Hold until 2025 workpaper process.

Emerging Technology and Market Transformation

1167- 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.
- ETP concluded data monitoring for the pilot and completed final data analysis for reporting.
- ETP is developing a draft pilot project report.
- ETP has prepared the final report and is going through the internal reviews.

1119 - 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.
- The final project report is completed and submitted to Nicor Gas, and it is under legal review for publishing.

1176 - 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. Ongoing discussion on Action Plan and site recruitment.
- ETP reviewed manufacturer provided potential customer list in Illinois and decided not to pursue a pilot project.
- ETP plan to review other vendors for pilot project consideration.
- No activities in Q4 2024.

1157 - 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.
- Pilot Project is suspended as there is an existing measure in the IL TRM.
- ETP plans to review further developments in this product category for EE program considerations.
- The project was suspended.

Residential Energy Modeling Decision Making Tool

- ETP discussed with a vendor their software tool that utilizes an energy modeling-based approach for making energy efficiency improvement decisions in homes.
- ETP reviewed the information provided by the vendor and decided not to pursue a pilot.
- ETP is looking to consider and pursue other vendors for a cost-effective pilot demonstration.

Emerging Technology and Market Transformation

- The project was suspended.

One ETP workpaper

Published in the Illinois Technical Reference Manual version 13 for the following emerging technologies.

1185 - 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 developed final workpaper and a supplementary energy savings calculator tool and submitted the workpaper to be included in Illinois TRM v13.
- Illinois TRM v13 is currently published with the commercial secondary windows measure included in it.

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

Reports to be published on ETP website in Q3 2024 and their progress status are provided below.

#1119 Venturi Steam Trap Field Evaluation Study – Final report ETP review is completed and is currently under legal review

#1123 Thermostatic Radiator Valves – Final report ETP review is completed and is currently under legal review

#1115 On Demand Boiler Array – Final report development in progress.

#1119 Venturi Steam Trap Field Evaluation Study – Final report ETP review is completed and is currently under legal review

#1166 Emerson Sensi Lab Study Memo Report - Final report is completed and is currently under Nicor's review

#1008 RE - Gradient Thermal- Final report is completed and is currently under Nicor's review

#1167 PCM ceiling Tile study – Final report is completed and is currently under GTI's Energy Peer review

New ETP Applications

#1190 Efficient RTUs

RTUs integrated with cabinet insulation, low leakage dampers and energy recovery ventilators focused on commercial building applications to provide energy savings. ETP is currently reviewing the application for a pilot.

- This new application has turned into a new project to be kicked off in 2025.

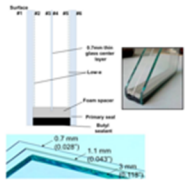


Emerging Technology and Market Transformation

Market Transformation

The MT program's 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 2024, Nicor Gas continued to work on the market transformation initiatives listed in the table below. This included strategic engagement with industry partners, interviews with supply chain actors, and the launch of pilots for both High Performance Windows and Efficient Roof Top Units. We also continued to develop the TRM MT Savings Protocols for our initiatives in collaboration with other Illinois utilities and Guidehouse.

Emerging Technology and Market Transformation

Market Transformation Initiative	Initiative Details	Utility Participation	2024 Brief Status Update
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 a U-factor of 0.22 or better 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.</p>	<p>Ameren Illinois, Nicor Gas</p>	<p>Continued engagement with NEEA and PAWS group to build coalition of market actors supporting advanced windows. Nicor Gas on leadership committee and chairing the Utility Working Group, and participating in the Equity/NEBs Working Group.</p> <p>High performance window measure incorporated into IL TRM for v13. Revised savings based off updated weather data provided by TAC.</p> <p>Natural market baseline and theory based evaluation plan presented and finalized with SAG MT Working Group.</p> <p>New construction windows pilot launched, layered into existing new construction program. Recruitment of builders underway.</p> <p>Scoping integration of a retrofit windows offering into Nicor Gas EE programs, including identification of promising trade allies and manufacturers to support HPWs in Illinois.</p>
Gas Heat Pumps 	<p>Next generation of highly efficient gas technology achieving greater than 100% efficiency levels. Nicor Gas efforts are to help accelerate the market adoption of the next generation 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>Nicor Gas, Peoples Gas, Northshore Gas</p>	<p>Participation in the North American Gas Heat Pump Collaborative (NAGHPC) as a board member.</p> <p>Continued conducting manufacturer engagement with GHP manufacturers to coordinate on future activities. Developing collateral to support awareness building for GHPs.</p> <p>GTI drafting a residential TRM workpaper for GHPs.</p> <p>Finalized logic model, market progress indicators, and natural market baseline with independent evaluators.</p> <p>Conducting interviews with contractors of GHP pilot sites to better understand installation differences, customer perspectives, and contractor perspectives of the new technology.</p> <p>Collaboration with operations teams on integrating program design recommendations for residential GHPs into EEP.</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>	<p>Participation in national committee hosted by CEE on revised product definition, path to program for next generation RTUs.</p> <p>Regional coordination with CEE (MN), CalMTA, and NEEA.</p> <p>Finalized logic model and market progress indicators with SAG MT Working Group. Reviewed with independent evaluators.</p> <p>Finalized natural market baseline with SAG MT Working Group and evaluators.</p> <p>Expanded energy modeling to better understand savings potential across various building types.</p> <p>Pilot scoping to validate, confirm modeled savings in IL.</p>

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 amount 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 Third Quarter's highlights.
- Please see the above section on the Third 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 Third 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

Stipulations

**Weighted Average
Measure Life**

12.81yrs

Stipulation: ≥ 11.91 years

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

9.37%

Stipulation: Minimum of 10%

**Average Income-Eligible
Spend to Date**

\$ 13.73M

Stipulation: At least \$13M per year

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

37.66%

Stipulation: At least 30% of units treated

Stipulations

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

\$23.17M

Tier 2 Diverse Spend

\$3.86M

% of Total Eligible Spend

85.8%

Key highlights

- The Energy Efficiency Program (EEP) achieved a 35% year-over-year increase in total diverse MBE spend.
- Engaged 1 new MBE (prime) and 2 new VBE (sub and TA) diverse vendors this year attributing to \$1.29M increase in diverse spend.
- Emphasized the use of Non-profit vendors utilizing 21 prime and 6 sub, Non-profit vendors this year.

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	14.7%	\$3,218,368	\$1,402,298	\$209,941
WBE certified	65.0%	\$18,254,719	\$2,237,465	\$4,275,438
VBE certified	3.5 %	\$1,114,335*	\$0	\$1,027,347
Non-profit vendors	2.5%	\$713,988	\$73,733	N/A

* The figure is inclusive of sub and prime spend.

Impact

 **280M+**
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

 **247M+**
first year therms saved since
2011

Avoids more than 1.31M metric tons of
CO2 emissions

Equivalent to the CO2 emissions
generated by 304K passenger vehicles
over the course of a year

 **1.38M+**
customers in 643 communities
have participated

\$203 average incentive per customer

Engaged 221K elementary school
students in energy efficiency education

 **\$2.50B**
Economic activity spurred
since 2011

10.7K jobs supported since 2011

\$144M spent with diverse suppliers

\$927M wages supported since 2011

Awards and recognition

Since launching in 2011, the Nicor Gas Energy Efficiency Program has received 21 awards from local, regional, national, and international organizations for excellence in evaluation, innovation, marketing, program design and research.

Marketing awards

2024 ESource Achievements in Customer and Employee Experience – Silver Prize
Awarded for the Community Connection Center

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

Awards and recognition

2013 Gold Stevie Award for Utility Marketing Campaign of the Year
Presented for Nicor Gas Energy Efficiency Program's "Liberate" campaign

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

2024 ACEEE Leaders of the Pack – Low-income Households
Awarded for Illinois Home Energy Savings Solutions

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.