

2025

Quarterly Report First Quarter

January 1, 2025 - March 31, 2025



Nicor Gas

Energy
Efficiency
Program

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Portfolio summary

Year-to-date results

January 1, 2025 – March 31, 2025

3.7M

Net savings
to date

26.2%

Percent of
planned savings

14.1M

Annual
savings goal

\$14.0M

Spend
to date

30.7%

Percent of
planned spend

\$45.7M

Annual
budget

Key portfolio highlights

- In the first quarter, the Air Sealing and Insulation offering of Home Energy Savings served 1,200 single-family homes with weatherization services. Due to cold weather in the beginning of the year, the offering for weatherization services saw increased customer demand.
- The Multi-Family Air Sealing and Insulation offering performed weatherization services for 293 units in the first quarter. With an annual goal of 500 units, the program is more than halfway to its unit goal.

Residential programs

5

Programs

1.45M

Net therm savings to date

\$4.66M

Spend to date

Key highlights

- The Home Energy Efficiency Rebate offering implemented a new measure at the beginning of the year. The new measure - pool covers offer incentives for both indoor and outdoor pools that are heated by natural gas and have an appropriately sized pool cover.
- In Q1 the Home Energy Efficiency Rebates Program incentivized 1,882 - 95% AFUE and 1,081 - 97% AFUE furnace replacements. Combined for a total of 2,963 furnace replacements or 160% of our original forecast for Q1. The increase in participation is attributed to the cold weather at the beginning of the year.

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.

Smart Neighborhood Builder (SNB)

The objective of the Smart Neighborhood Builder (SNB) program 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 exceed state and local building code requirements regarding duct and air sealing, along with the installation of specific high-efficiency equipment. The program also promotes net-zero building design.

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 – 577,633 Net Therms

- In the first quarter, the Program incentivized 3,156 high-efficiency furnaces, boilers, and tankless water heaters, as well as 864 smart thermostats to our customers.
- A key driver of the program's success in the first quarter was smart thermostats and furnace replacements. Support from marketing campaigns such as our Company newsletter led to 864 smart thermostat incentives paid to customers. The program incentivized 1,882 - 95% AFUE and 1,081 - 97% AFUE furnace replacements.
- The Home Energy Efficiency Rebate offering implemented a new measure at the beginning of the year. The new measure - pool covers offer incentives for both indoor and outdoor pools that are heated by natural gas and have an appropriately sized pool cover.

Home Energy Savings (HES)

Savings achieved to date – 305,764 Net Therms

- The Self-Assessment Portal (SAP) offering in the first quarter has proven to be a very cost-effective program with a dollar per therm of \$0.88 on average. The offering in the first quarter has served 438 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. New this year, Nicor Gas will be covering the cost of smart thermostat installation for market rate customers that opt in for this service. This is already free for our income-eligible customers.
- In the first quarter, the Air Sealing and Insulation offering of HES served 1,200 single-family homes with weatherization services. Due to cold weather at the beginning of the year the offering for weatherization services saw increased demand.

Residential programs

Multi-family (MF)

Savings achieved to date – 171,459 Net Therms

- The Central Plant Optimization Program has incentivized predominately pipe insulation projects in the first quarter of 2025. In the first quarter, we ran email campaigns to prospective customers which have built a pipeline of interested leads. Our implementing contractors have been utilizing this lead list to initiate new projects.
- The Multi-Family Air Sealing and Insulation offering performed weatherization services for 293 units in the first quarter. With a annual goal of 500 units, the program is more than halfway to its unit goal.
- The Multi-Family Direct Install offering expended its budget in the first quarter of 2025. A 790-unit campus style property completed a direct install project at 783 of their units, installing Honeywell smart thermostats.
- The Prescriptive and Custom portion of MF has seen several projects run through the program in the first quarter of 2025 consisting of boiler/ furnace replacements, pool covers, or pipe insulation. The largest project was a 16-unit boiler replacement.

Smart Neighborhood Builder (SNB)

Savings achieved to date – 254,538 Net Therms

- In the first quarter of 2025, 822 homes were completed and received incentives.
- There are four qualifying tiers with the Smart Neighborhood Builder offering and the highest tier was developed with inspiration from the net-zero design of the Nicor Gas Smart Neighborhood initiative.
- In the first quarter, the bronze tier was the most popular tier with 736 qualifying homes. This tier includes above code air and duct sealing requirements, 95%AFUE or greater natural gas furnace, energy efficient water heater and smart thermostat.

Residential programs

Energy Education and Outreach

Energy Saving Kits (“ESKs”)

Savings achieved to date – 67,433 Net Therms

- In the first quarter of 2025, Nicor Gas distributed 3,637 ESKs to customers, of which 1,545 were water-saving kits and 2,092 were weatherization kits.
- Nicor Gas utilized our Marketing and Outreach team to drive the success of this program by attending events and tele-ordering kits for customers who seek assistance through our C3 intake process.

Elementary Energy Education Kits (“EEE kits”)

Savings achieved to date – 74,828 Net Therms

- In the first quarter of 2025, Nicor Gas partnered with ComEd to deliver 3,919 kits to schools. Out of which, 2,859 joint kits were delivered to schools in non-IE territories and 1,060 joint kits were delivered to schools in IE territories. In addition to joint kits, Nicor Gas delivered 123 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 it gives my students practical things they can use to lower their energy use. I like how it sparks discussions between students and their adults. I like how the

branding of the Team motivates my students and gets them excited about the topic of energy conservation.”

School Energy Education Kits (“SEEK”)

Savings achieved to date – 0 Net Therms

- In the first quarter of 2025, Nicor Gas partnered with Ameren Illinois to launch an energy education kit offering for high school students in combination with the existing energy education kit program being delivered to elementary students.
- The school selection is based on IE communities in the Ameren/ Nicor Gas shared territories, and the program has received strong interest from school districts.
- Here’s a response shared from a teacher: “I am teaching an Earth Science Class and our whole semester is based around the driving concept of recommending the best power plant for a small town. To do this they are studying hydroelectric, solar, wind, coal, biofuel and natural gas. Not only would I be more than happy to have someone come and talk to my students about energy saving, I would love to have someone come and talk about any of the above means of energy production.”

Home Energy Reports (“HER”)

Savings achieved to date – 0 Net Therms

- During the first quarter of 2025, Nicor Gas delivered emailed and printed Home Energy Reports to 71,486 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

314K

Net therm savings to date

\$4.43M

Spend to date

\$202K

Total Health and Safety
spending

\$86.2K

Single-family Health and
Safety spending,
non-IHWAP

\$102K

Multi-family Health and
Safety spending,
non-IHWAP

Key highlights

- In February, an MFES program approved contractor, Greenlink Energy Solutions completed a H&S (mold removal, correcting fan termination, and installing soffit vents), and air sealing and insulation project for a 2-story building that was built in 1965.
- 420 units were served in the first quarter within PHA (Public Housing Authority). This offering ended the first quarter 68% to the annual savings goal and 60% to the annual incentive goal.
- In the Income Eligible Home Energy Assessments offering, Domestic hot water temperature cards are a new measure now being offered to customers. The addition

Income-eligible programs

of this measure provides education to customers as to the suggested temperature settings to help save costs and energy.

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 – 123,228 Net Therms

- In partnership with the Community Action Agencies (CAAs) within our territory, we have served 19 single-family homes with direct installs and weatherization through our SF IHWAP offering within this program year. The offering ended the first quarter at 11% to our annual incentive goal and 10% to our annual savings goal. The launch of DCEO's new project entry platform, IWx, continues to pose challenges for agencies in the first quarter as they worked to build their pipelines and close out projects. DCEO is continuously deploying system improvements and providing ongoing support on system navigation. As a result, braided SF IHWAP production was lower than anticipated in Q1 but is expected to steadily increase as issues get resolved. The scope of one MF IHWAP project was approved this quarter in coordination with CEDA. This comprehensive project will take place at the Pheasant Ridge Apartments in Orland Hills that encompasses 8 buildings and 176 living units.
- The SF Retrofits ended the first quarter serving 248 single-family homes and is 69% to our annual incentive goal and 60% to our annual savings goal. 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. In response to increased customer demand for weatherization projects, joint utility approval was received to adjust the customer journey for IHWAP-eligible customers being sent directly to IHWAP.
- This quarter, income eligible home assessments served 1,288 single-family homes by installing \$120,263 in direct installs and saving customers a total of 73,914 therms. This cost-effective offering ended the first quarter with 57% to the original annual incentive goal and 70% to the original annual savings goal. Domestic hot water temperature cards are a new measure now being offered to customers to educate them if they should lower their water heat to save costs and energy.
- MF Retrofits closed out the first quarter with 12% to the savings goal and 17% the incentive budget. Through MF Retrofits, we have served 1,845 MF units this quarter. In February, an MFES program approved contractor, Greenlink Energy Solutions completed a H&S (mold removal, correcting fan termination, and installing soffit vents), and air sealing and insulation project for a 2-story building that was built in 1965. The property manager had heard about MFES from a fellow property manager that had participated in the program previously.

Public Housing Authority

Savings achieved to date – 26,106 Net Therms

- 420 units were served in the first quarter within PHA (Public Housing Authority). This offering ended the first quarter 68% to the annual savings goal and 60% to the annual incentive goal. The program worked in coordination with the Housing Authority of the County of DeKalb (HACD) to complete the University Village campus project in DeKalb. Initial construction began in June 2024 on the large campus, with the final three air sealing and insulation phases concluding in January 2025. University Village Apartments is a 534-unit affordable rental housing complex in DeKalb, Illinois that is affiliated with the Housing Authority for the County of DeKalb. The entire University Village campus was pre-approved for weatherization and health and safety upgrades in April 2024. Due to the large size of the campus, work

Income-eligible programs

was broken down into several phases, with most of the work completed in 2024. The final three phases of air sealing and insulation were completed early, rounding out the entire campus upgrades. University Village weatherization and health and safety upgrades totaled over \$565,000 in Nicor Gas incentives and saved over 52,000 therms. We continue to expand our relationships with public housing authorities across our service territory, including those in Jo Daviess, Lake, Lee, Livingston, Ogle and Winnebago counties.

Healthy Homes

Savings achieved to date – 0 Net Therms

- The program partners Blue Cross Blue Shield of Illinois (BCBSIL), American Lung Association (ALA) and Nicor Gas. Partner supported outreach efforts with BCBSIL are still being planned given competing priorities within their business, but discussions are ongoing to perform pediatric customers with diagnosed respiratory illnesses like asthma and have expanded outreach efforts for the remaining adult customers. Healthy Homes this quarter has not served any customers, but the program goals are still well within reach. The program successfully onboarded our first healthcare referral partner to recruit and provide leads. The partner focuses on asthma-related medical care, educational workshops, and home visits to patients located across Chicagoland. We organized in-person training for the organization's staff, designed systems for efficiently and safely passing leads, and gained buy-in by highlighting where our missions align. We expect to receive leads beginning in Q2.
- Healthy Homes highlight in Q1 was designing an Indoor Air Quality (IAQ) kit to be provided to all participating households, SF and MF. The kit contains items designed to reduce triggers of respiratory illnesses, like asthma and COPD, by cleaning the air and limiting the number of pollutants introduced into the indoor environment. Some of the items the kit includes are air cleaners (purifiers), greener cleaning supplies, dust mite proof mattress and pillow cover, and educational materials.

Affordable Housing New Construction

Savings achieved to date – 19,322 Net Therms

- In the first quarter of 2025, the program incentivized one project with 58 units. This is a multi-family building located in Palatine, IL.

Energy-Saving Kits

Savings achieved to date – 77,195 Net Therms

- In the first quarter of 2025, Nicor Gas distributed 2,080 ESKs to IE customers.
- Nicor Gas leveraged various channels to deliver kits to customers. Nicor Gas partnered with ComEd to deliver 1,132 kits through leads received from CAAs.
- Nicor Gas also utilized internal Marketing and Outreach teams to deliver 432 kits to customers at various events in several IE communities.

Income-eligible programs

- The kits continue to create a positive impact for customers, as one customer stated: “I have changed kitchen & bathroom faucets within 15 minutes of receiving the kit. I am about to use the plastic for my windows as soon as I’m done with this survey. This will help cut down on my gas bill a lot. Thank you for the kit.”

2025 Q1 Health and Safety Report

1. Health and safety spend by SF, MF, and mobile homes

Offering	SF	MF	Mobile	Total
Retrofits	\$89,026.43	\$104,542.00	\$0.00	\$193,568.43
IHWAP	\$8,055.32	\$0.00	\$2,551.89	\$10,607.21
Income Eligible Home Assessments	\$0.00	\$0.00	\$0.00	\$0.00
Healthy Homes	\$0.00	\$0.00	\$0.00	\$0.00
Public Housing Authority	\$0.00	\$0.00	\$0.00	\$0.00
Affordable Housing New Construction	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$97,081.75	\$104,545.00	\$2,551.89	\$204,175.64

2. Narrative describing trends, successes and challenges, including differences by building type

- **IHWAP SF**
 - H&S spend is trending highest for vapor barriers. Most common H&S measure types for SF IHWAP in Q1 2025 include:

Measure	Percentage
CO/Smoke Detector Combination - Battery	13%
Dryer vent	10%
Sump pump cover	7%
Vapor barrier	34%

Income-eligible programs

- **Retrofits SF**

- H&S spend is trending highest for CO/smoke detectors, exhaust fan ventilation, mold remediation, permit fees, and roof vent measures. Most common H&S measure types for SF Retrofits in Q1 2025 include:

Measure	Percentage
CO/Smoke Detector Combination - Battery	20%
Exhaust Fan ventilation	8%
Mold remediation	9%
Permit Fee	7%
Roof Vents	10%

- **Retrofits MF**

- H&S spend is trending highest for Asbestos remediation, Ceiling repairs, Exhaust Fan, and Exhaust Fan ventilation measures. Most common H&S measure types for MF Retrofits in Q1 2025 include:

Measure	Percentage
Asbestos remediation	6%
Ceiling repairs	48%
Exhaust Fan	41%
Exhaust Fan ventilation	2%

Business programs

5

Programs

1.93M

Net therm savings to date

\$2.53M

Spend to date

Key highlights

- Through the Business Energy Efficiency Rebate Program, Bay Valley Foods, a food manufacturing and distribution company, completed the replacement of eight steam traps in 1Q25, resulting in savings of 37,000 gross therms.
- Within the Business Custom program, a major engagement with Borg Warner was completed in March, resulting in 531,000 gross therms of savings. The scope of this project covered three main areas – speed doors, wet to dry fire system and window panel insulation. The project reached the maximum incentive level of \$117,000, significantly contributing to overall program cost-effectiveness.

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 programs

Business Energy Efficiency Rebates

Savings achieved to date – 718,639 Net Therms

- The program successfully completed 52 projects, involving the installation of 707 measures across 60 unique customers. These efforts resulted in the achievement of 25% of the program's annual therm savings goal within the first quarter.
- Public school boiler tune-ups remain the leading source of therm savings within the Public Sector. To date, 32 boilers have been tuned across school districts in the Nicor Gas service territory, contributing a total of 28,000 gross therms in savings.
- The Field Team completed 20 assessments at Private Sector facilities and conducted 10 direct-install (DI) follow-ups following Custom Assessments—three at Private Sector sites and seven at Public Schools
- Bay Valley Foods, a food manufacturing and distribution company, completed the replacement of eight steam traps in 1Q25, resulting in savings of 37,000 gross therms.

Business New Construction

Project (* Public Sector)	SQ. FEET	ANNUAL GROSS THERM SAVINGS	MEASURES
Marbella of Lemont	132,640	1,861	<ul style="list-style-type: none"> •Low Flow Fixtures •Condensing DHW Heaters •EnergySTAR Appliances
IDI Ecolab Joliet	670,039	43,212	<ul style="list-style-type: none"> •Direct-fired Make-up-air Units
Downers Grove Civic Center*	79,946	4,991	<ul style="list-style-type: none"> •Wall Insulation •Energy Recovery Ventilation •Condensing DHW Heaters •Low Flow Fixtures
North Aurora Fire Station 1*	29,689	27,047	<ul style="list-style-type: none"> •Window Assembly •High Efficiency Boilers •Low Flow Fixtures
Lansing School District: Lester Elementary School addition*	144,249	2,768	<ul style="list-style-type: none"> •Window Glazing •Domestic HW System
School District 217: Argo Community High School addition*	30,000	3,182	<ul style="list-style-type: none"> •Wall Insulation •Condensing Boilers •Low Flow Fixtures

Business programs

New Lions Community Center*	38,166	4,118	•Wall Insulation •Energy Recovery Ventilation •Low Flow Fixtures
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Savings achieved to date – 37,487 Net Therms

- In the first quarter of 2025, Nicor Gas incentivized 2 private and 5 public C&I new construction projects in the shared ComEd/Nicor Gas service territories.

Custom Incentives

Savings achieved to date – 525,723 Net Therms

- The program achieved energy savings of 626,000 gross therms in 1Q25, with \$283,000 in incentives disbursed. A total of 14 projects were completed during the quarter, including three within the Public Sector. These Public Sector projects accounted for 7% of the total therms saved and 28% of the incentives paid
- A major engagement with Borg Warner was completed in March, resulting in 531,000 gross therms of savings. The scope of this project covered three main areas – speed doors, wet to dry fire system and window panel insulation. The project reached the maximum incentive level of \$117,000, significantly contributing to overall program cost-effectiveness.
- 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 – 492,777 Net Therms

- In 1Q25, 568 traps were replaced, resulting in approximately 454,000 gross therms saved – a 63% increase in participation compared to 1Q24, which saw 348 steam traps replaced.
- The field team conducted 100 assessments in 1Q25 and installed 54 gas and water-saving measures. The quarter’s assessment efforts were strategically focused on mid-sized manufacturing facilities, religious institutions, and office buildings to diversify the program’s measure mix beyond dry cleaner steam traps.
- IMTT Lemont completed a major project through this program savings 131,000 therms which is the largest the program has acheived through insulation projects.

Strategic Energy Management

Savings achieved to date – 159,906 Net Therms

- The first quarter submitted 159k therms from Public Sector towards the full year SEM savings goal of 829k therms, 19% YTD.
- A 2025 SEM kickoff workshop was held in February with all joint SEM participants. The workshop shared and celebrated successes from 2024 and helped kick off project goals for 2025.
- For recruitment in Q1, Ecolab Naperville and Avient Colorants signed SEM agreements.
- As part of SEM innovation, a residential tabling event was held at Perfetti Van Melle in February. Planning for Q2 Residential tabling events is in progress for multiple C&I SEM customers.
- Also, for SEM innovation, we're piloting a SEM Express version to smaller/medium size Customers to provide a lighter touch and lighter time commitment while expanding the program. 3 Nicor customers signed up so far.

Market Development Initiative

The Market Development Initiative (MDI) is committed to supporting communities across our service territory and fostering growth in the energy efficiency industry. There are two main paths to participate in MDI, including:

Workforce Training & Employment (WTE): Helping those new to the energy efficiency industry and those currently employed as energy efficiency contractors grow their skills by earning Building Performance Institute (BPI) certifications and receiving hands-on training.

Trade Ally Development (TAD): Helping diverse trade allies and contractors meet the demands of the rapidly changing energy efficiency industry. Our program is designed to provide growth opportunities for diverse contractors who are committed to serving customers in traditionally underserved areas.

Q1 2025 Achievements to Date:

- **UpSkilled WTE:** Hosted a three-week, part time UpSkilled Workforce Training & Employment Program for previous program graduates wanting to advance their skills and certifications.
 - Graduated five (5) students with their Duct and Envelope Tightness (DET) Verifier Certification and Building Analyst-Technician (BA-T) certification.
 - All graduates were previous graduates of the 2024 Nicor Gas Novice Workforce Training & Employment Program in partnership with College of DuPage.
 - Graduates had previously earned their OSHA-10, Healthy Housing Principles (HHP), Building Science Principles (BSP) and Air Leakage & Control Installer (ALCI) certifications.
 - Allocated \$6,000 in participation stipend for four weeks of class, as well as \$500 in gas/transportation stipends as part of program wraparound services in addition to daily hot meals.
- **TAD:** Completed recruitment for the 2025 Trade Ally Development (TAD) Program with 21 applicants that were referrals from the Nicor Gas Contractor Circle (CCim) Network.
- Accepted 16 applicants that are diverse business owners in the weatherization and energy efficiency space across the Nicor Gas service territory.
- Programming for the 2025 TAD cohort will begin on April 23, 2025.

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:

1159 – mCHP

- Micro CHP (<25kW) engine-based system consuming gas to provide electricity and hot water.
- ETP plans to install 3 EC Power XRGI, 25kW engine-based combined heat and power systems.
- ETP conducted site assessment at a Naperville Park District recreation center and anticipates moving forward with installation.
- ETP is identifying potential sites for installation of systems within the summer 2025 timeframe.

1165 - Smart Fuel Switching Control - Hybrid Residential HVAC

- Cloud-based technology is designed to reduce utility costs and GHG 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).
- Lab testing of 3 hybrid systems with different controls (SDFS, Cost-driven SDFS, and OAT Reset) kicked off in November 2024. Testing will run through Q2 2025.
- Modeling completed for 10 cities.
- Interactive web tool beta version presented in Fall 2024 and final version expected Spring 2025.
- Phase 1 final report anticipated in Q3 2025.

1175- Fume Hood Control Valves

- Add or retrofit airflow control valves 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.
- Contractor installed and commissioned the retrofit system and new exhaust ductwork in Q2 2025.
- ETP is nearly finished collecting baseline data for the pilot.
- Once the final 2 M&V sensors are shipped and installed, post-retrofit monitoring will begin in Q2 2025 and run through Q4 2025.

1184- DHW Digital Master Mixing Valves

Emerging Technology and Market Transformation

- A Digital Meter Mixing Valve (DMMV) incorporates electronic components including temperature sensors that can be programmed to control the inlet valves and accurately deliver tempered domestic hot water to fixtures.
- ETP is working with Nicor and CLEAResult to begin outreach and secure 2 sites for the pilot demonstration.
- ETP will conduct site assessments and secure sites for the pilot demonstration in Q2 2025.
- ETP aims to install monitoring equipment in late Q2 or early Q3 2025. Baseline monitoring to be conducted for 6 months prior to retrofit installation.

1188- Commercial Dual-Fuel RTUs

- Packaged rooftop unit for commercial space conditioning consisting of a gas furnace with heat pump for dual-fuel heating applications. Used as a drop-in replacement for conventional RTU systems. Monitoring performance at different switchover temperatures.
- ETP performed modeling analysis to determine natural gas savings and impacts associated with the pilot project.
- Two 15-ton Dual-Fuel RTUs were monitored during the 2023-2024 winter seasons.
- ETP is collecting the data for the heating season and should be concluding the project in Q2 2025.

1190 – eRTU

- Efficient RTUs integrated with cabinet insulation, low leakage dampers and/or energy recovery ventilators to provide improved

seasonal delivered efficiencies compared to traditional RTUs which were rated only based on furnace thermal efficiencies.

- Perform a field demonstration of Efficient roof top units to validate energy savings established by prior modeling efforts and develop prescriptive energy efficiency measures for Illinois TRM.
- ETP is conducting site assessments to secure a demonstration site.
- Baseline monitoring is planned to occur from Q3 2025 through Q1 2026.

1194 - Residential Natural Gas Generator

- A gas-powered standby generator to provide resiliency and may mitigate high electricity rates for customers who are on Time of Use or Real Time Pricing.
- Target home with significant electricity usage – dual/all-electric heating system and EV.
- The host site is onboard; the Draft Plan is ready and under discussion.
- Two resolutions prior to installation: Find generator that can operate as a demand response (longer life) and smart panel configurations to dispatch generator during DR event.

2025 Workpapers

In Q1 2025, Two ETP workpapers were being drafted for inclusion in the Illinois Technical Reference Manual version 14 for the following

Emerging Technology and Market Transformation

emerging technologies. Two final workpapers are scheduled for submission to VEIC by the May 15th deadline.

1191- Commercial Waterless HVAC Condensate Traps

- Commercial Waterless HVAC Condensate Traps retrofit to prevent air leakage from existing roof top units with P-traps to provide energy savings. Workpaper for TRM inclusion in progress.

1179 – Residential Gas Heat Pump

- Absorption cycle-based Gas Heat Pumps which can provide space heating and domestic water heating in residential applications. Workpaper for TRM inclusion in progress.

Pilot Project Reports

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

Reports to be published on ETP website in Q2 2025 and their progress status are provided below.

#1008 RE - Gradient Thermal- Final report 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 legal review

New ETP Applications

Bloom Energy Fuel Cell

- New ETP application that was submitted on February 18, 2025.
- The system is commercially available and runs on natural gas.
- ETP does not see traditional ET opportunity here, as the system would qualify under measure ID #4.4.32.

The following technologies were evaluated for potential ETP projects but were not submitted as formal applications.

WATT Solid Oxide Fuel Cell (SOFC)

- Fuel and oxygen are combined in the SOFC to generate electricity, heat, and water (steam). SOFCs mark a dramatic clean energy technology breakthrough, providing clean electrical energy directly from stored chemical energy found in fuels.
- WATT SOFCs are capable of operating on various fuels such as natural gas, propane, renewable natural gas, and natural gas blended with hydrogen. WATT fuel cells support hydrogen blended fuels now and will support pure hydrogen in the future.

Emerging Technology and Market Transformation

- WATT fuel cells configured for uninterrupted power supply will generate electricity even when the grid goes down providing reliability when and where it's needed most.
- Potential for an ETP lab characterization study in the next 2+ years.

AprilAire Humidifier Systems

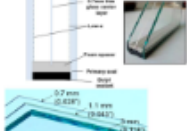


- AprilAire approached Nicor to suggest that adding humidity using their systems allows homeowners to lower their thermostat temperature in the winter while feeling just as warm, leading to energy savings (16% savings claim).
- There is a sound technical basis for this, but it requires that the building owner decreases their thermostat setpoint with better controlled humidity.
- Humidification requires energy, which isn't factored into their savings formula and can be significant. Any heating savings from lowering the thermostat could be offset by the energy used for humidification.
- Increasing indoor humidity does not reliably reduce heating costs; energy savings are only achieved by lowering the thermostat. As such, ETP has determined that this measure is not a viable candidate for program inclusion.

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>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> <p>Trade ally recruitment planning underway.</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>Residential member report, residential manufacturer report, commercial member report, and CGHP market transformation roadmap completed.</p> <p>GTI drafted a residential TRM workpaper for GHPs for inclusion into IL TRM v14.</p> <p>Synthesizing interview feedback from contractors/customers of 15 GHP pilot sites to better understand installation differences, customer perspectives, and contractor perspectives of the new technology.</p> <p>Workplan development with Nicor Gas operations teams on additional market research, education and outreach activities and program design recommendations for residential GHPs in future years.</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>Participating in national sub-committee hosted by CEE (AC and HP) on revised product definition, path to program for next generation RTUs.</p> <p>Regional coordination with CEE (MN), CalMTA, and NEEA.</p> <p>Participating in energy modeling to better understand savings potential across various building types.</p> <p>Pilot approved, site selection underway.</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 First Quarter's highlights.
- Please see the above section on the First 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 First 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 new residential indoor and outdoor pool cover measures included in programs shown in Appendix A with a TRC greater than 1.

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

12.81yrs

Stipulation: ≥11.91 years

Public Sector Spend as a % of
Overall Portfolio Spend

8.33%

Stipulation: Minimum of 10%

Average Income-Eligible
Spend to Date

\$ 11.41M

Stipulation: At least \$13M per year

% of IE Spending in
Multi-Family Housing Units

23.03%

Stipulation: At least 30% of units treated

Stipulations

Supplier Diversity

Tier 1 Diverse Spend

\$8.45M

Tier 2 Diverse Spend

\$175K


% of Total Eligible Spend

87.7%

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	12.0%	\$1,027,875	\$129,414	\$84,446
WBE certified	66.9%	\$6,421,308	\$24,761	\$2,352,419
VBE certified	4.1 %	\$394,898*	\$0	\$446,322
Non-profit vendors	4.7%	\$438,852	\$17,855	N/A

* The figure is inclusive of sub and prime spend.

Impact


 **288M+**
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

 **251M+**
first year therms saved since
2011

Avoids more than 1.32M metric tons of
CO2 emissions

Equivalent to the CO2 emissions
generated by 309K passenger vehicles
over the course of a year

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

\$207 average incentive per customer

Engaged 221K elementary school
students in energy efficiency education

 **\$2.53B**
Economic activity spurred
since 2011

10.9K jobs supported since 2011

\$152M spent with diverse suppliers

\$946M wages supported since 2011

Awards and recognition

Since launching in 2011, the Nicor Gas Energy Efficiency Program has received 24 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.