

Current Portfolio Overview

Presented by Mike King

February 13, 2024



Safety Moment



American Heart Month

- Visit American Heart Association's [heart.org](https://www.heart.org) for resources
- 436,000 Americans die from cardiac arrest annually
- Get CPR certified
- Learn how to use an AED
- Have a Cardiac Emergency Response Plan (CERP)
- CPR training is critical at home

Values Moment – The Tuskegee Airmen

Background

- Systemic racism in the military leading up to WWII
- In 1941, black aviators allowed to train for the first time in racially segregated programs
- 99th Pursuit Squadron, training in Tuskegee, AL
- Accomplishments of Tuskegee Airmen in Europe
 - 1,578 missions flown
 - 850 service medals awarded

Fight for equality during service

- Many leaders in the military opposed integration
- Civil disobedience in response to segregated facilities
- Freeman Field Mutiny in 1945
- Full integration of the armed forces in 1948



Men of the all-African American 99th Pursuit Squadron, the first Tuskegee Airmen

Portfolio and Program Structure

Residential

- Home Energy Efficiency Rebates (HEER)*
- Home Energy Savings (HES)*
- Energy Education and Outreach*
- Multi-Family (MF)*
- Residential New Construction (RNC)

Income Eligible

- Weatherization (Wx)*
- Public Housing Authority (PHA)*
- Affordable Housing New Construction (AHNC)*
- Energy-Saving Kits (IE-ESK)*

Business

- Business Energy Efficiency Rebates (BEER)
- Commercial Food Service (CFS)*
- Business Optimization (BOP)
- Custom
- Small Business (SB)
- Strategic Energy Management (SEM)*
- Commercial/Industrial New Construction (CINC)*

Portfolio

Management, Marketing, Evaluation, Emerging Technology (ET)*, Market Transformation (MT)*, Market Development Initiative (MDI)

Key Portfolio Successes

Support for key customer groups

- Market Development Initiative (MDI)
- Community Connection Center (C3)
- Business Optimization Program (BOP)

Providing efficient delivery

- Joint and coordinated programs
- One-stop-shop
- Cost reduction efforts

Increased innovation

- Data driven implementation
- Emerging Technology
- Market Transformation

Portfolio Design Objectives

Budget

- Remain within the 2% statutory budget
- Meet other statutory constraints (e.g., Income Eligible, Public Sector)

Cost effectiveness

- Cost-effective portfolio

Therm savings

- Annual
- Lifecycle
- GHG

Fairness

- Provide diverse cross-section of opportunities

Diversity

- Increase opportunities for diverse vendors
- Increase opportunities in underserved communities

Market consistency

- Maintain stability for partners and customers

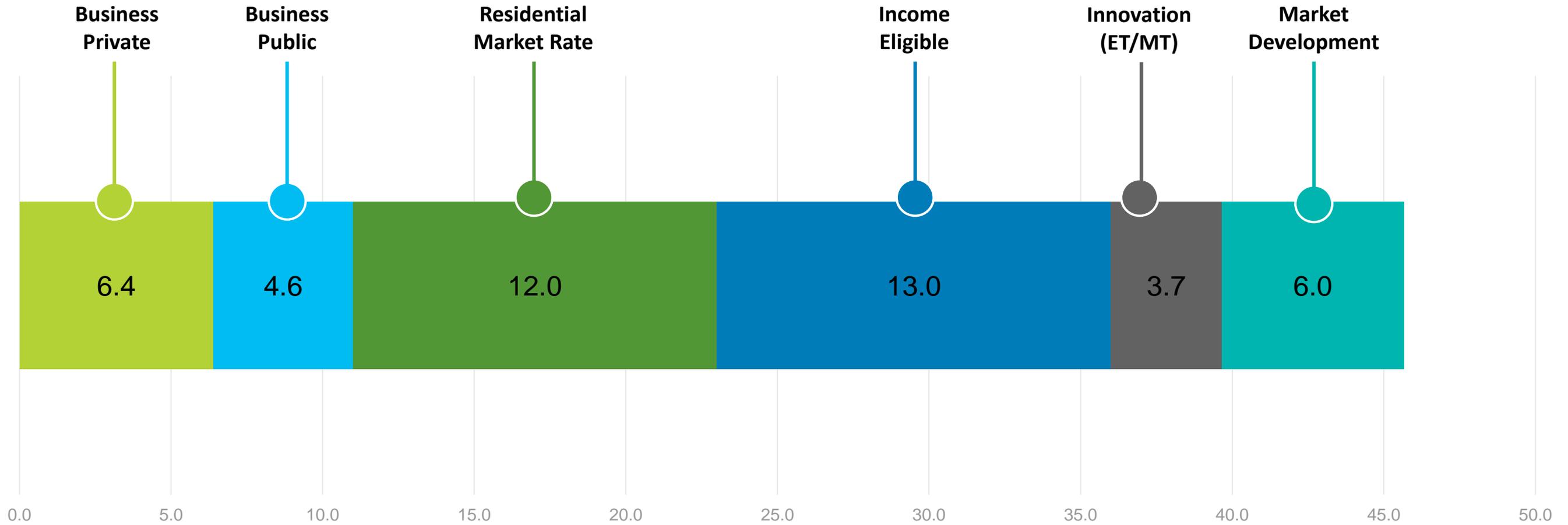
Economic development

- Provide jobs and economic benefits for Nicor Gas communities

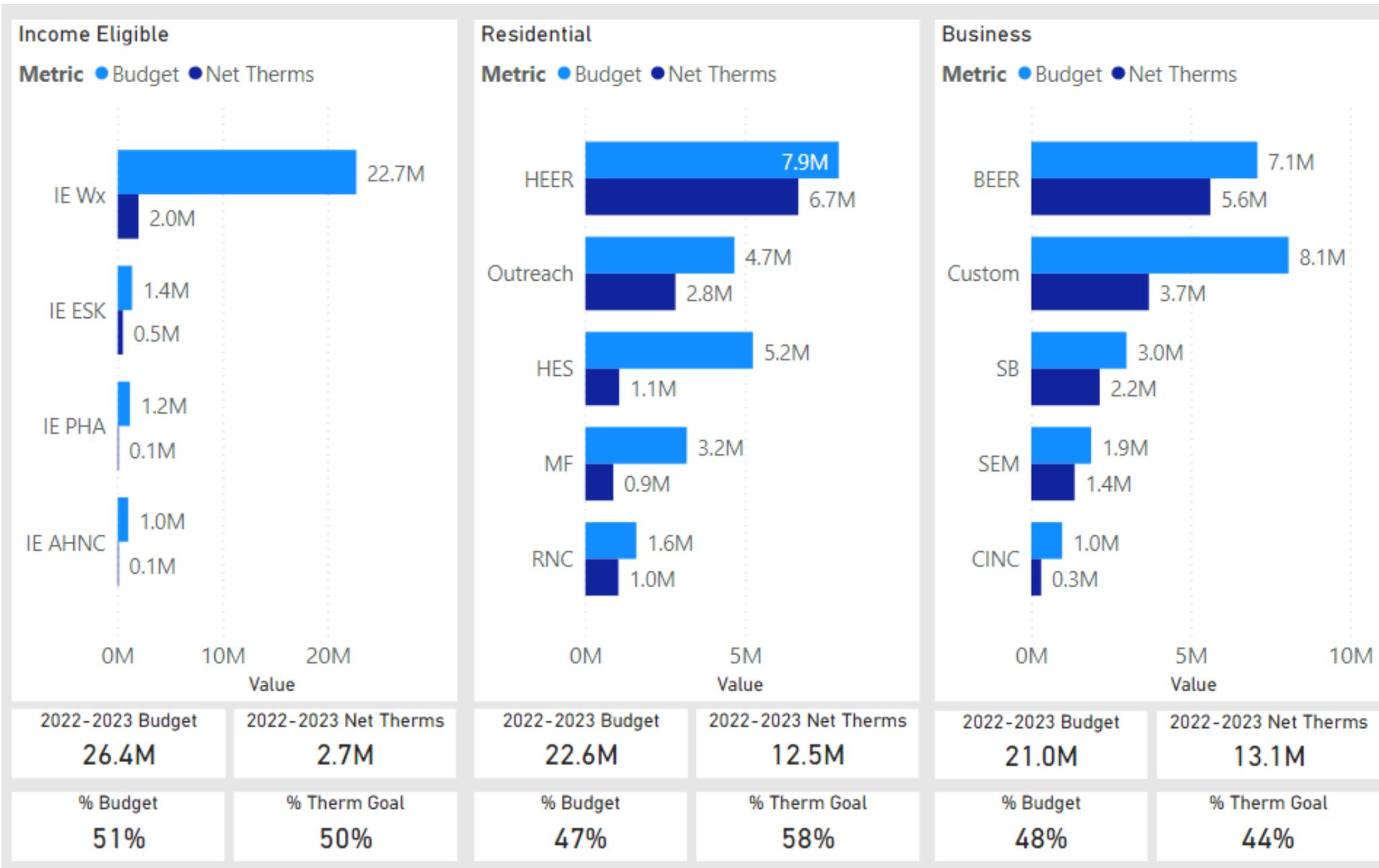
Current Portfolio Requirements

Portfolio	Section 8-104	Stipulations
Total Budget: 2% revenue cap	\$45.7M annual budget/\$182.8M 4-year budget	
Therm Goal		>14.13M Net Therms/56.5M Net Therms 4-year
Evaluation (3%)	<\$1.37M annual budget	
Emerging Technology (3%)	<\$1.37M annual budget	
Market Transformation (5%)	<\$2.26M annual budget	
Market Development Initiative		\$1.5M annual budget
Public Sector	>\$4.57 Annually/\$18.28M 4-year	
Air Sealing and Insulation (MR)		>1,850 Homes annually/7,400 4-year
Income Eligible: Minimum Budget	>\$5.2M Annually/\$20.8M 4-year	>\$13M Annually/\$52M 4-year
Income Eligible: MF Budget		(30% Minimum): >\$3.9M Annually/\$15.6M 4-year
Income Eligible: Health & Safety		<\$1.5M Annually/<\$6M 4-year
Weighted Average Measure Life		>10.85 years
Cost Effectiveness	Portfolio TRC ratio > 1.0	
Fairness	"...a diverse cross section of opportunities for customers of all rate classes to participate in the programs"	

Annual Portfolio Budget (\$45.7M)



Portfolio Budget and Savings Overview



Residential Programs

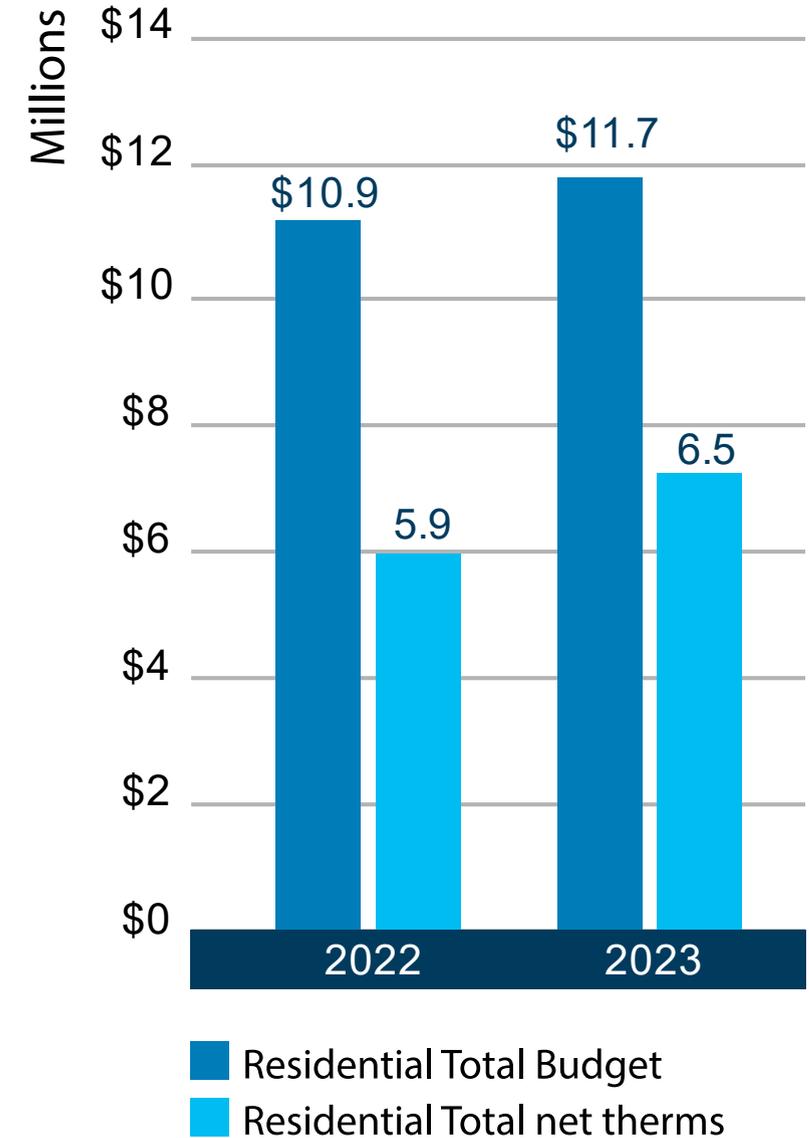
Overview of Residential Programs

Residential Programs

- Home Energy Efficiency Rebates (HEER)
- Home Energy Savings (HES)
 - Home Assessments*
 - Air Sealing and Insulation**
- Energy Education and Outreach
 - Energy-Saving Kits
 - Energy Education Kits*
 - Home Energy Reports
- Multi-Family*
- Residential New Construction

*Joint program with ComEd, Ameren Illinois and/or Peoples Gas/North Shore Gas

**Option for electric utility to purchase kwh



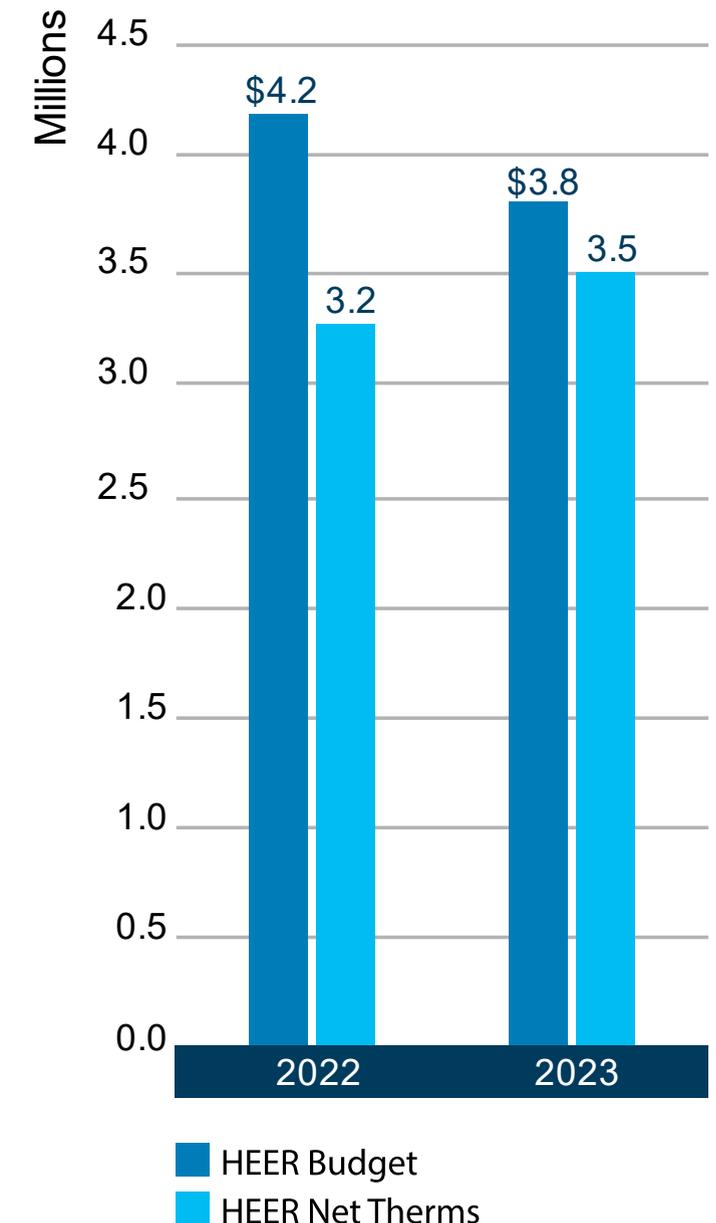
Home Energy Efficiency Rebates (HEER)

Available rebates

- High-efficiency furnaces and boilers
- Tankless water heaters
- Smart Thermostats

Customer participation

- Customers work directly with a trade ally to install equipment
 - Contractor Circle installing members (CCim)
 - Offer instant rebate to customer
 - 376 CCim's participated in 2023
 - Program is also open to any trade ally preferred by the customer
 - 1,055 non-CCim trade allies participated in 2023
- Three options for smart thermostat participation
 - Standard HEER process
 - Coordination with ComEd marketplace
 - Coordination with ComEd retail offering



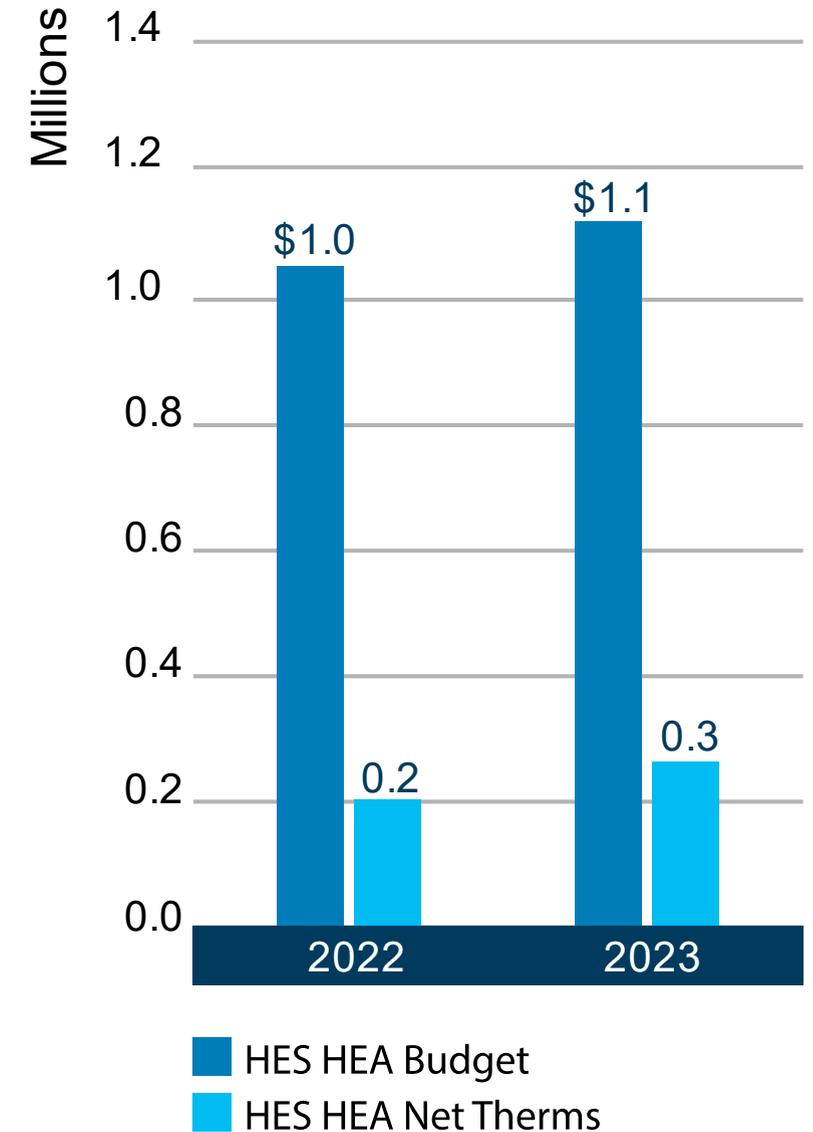
Home Energy Savings

Home Assessments

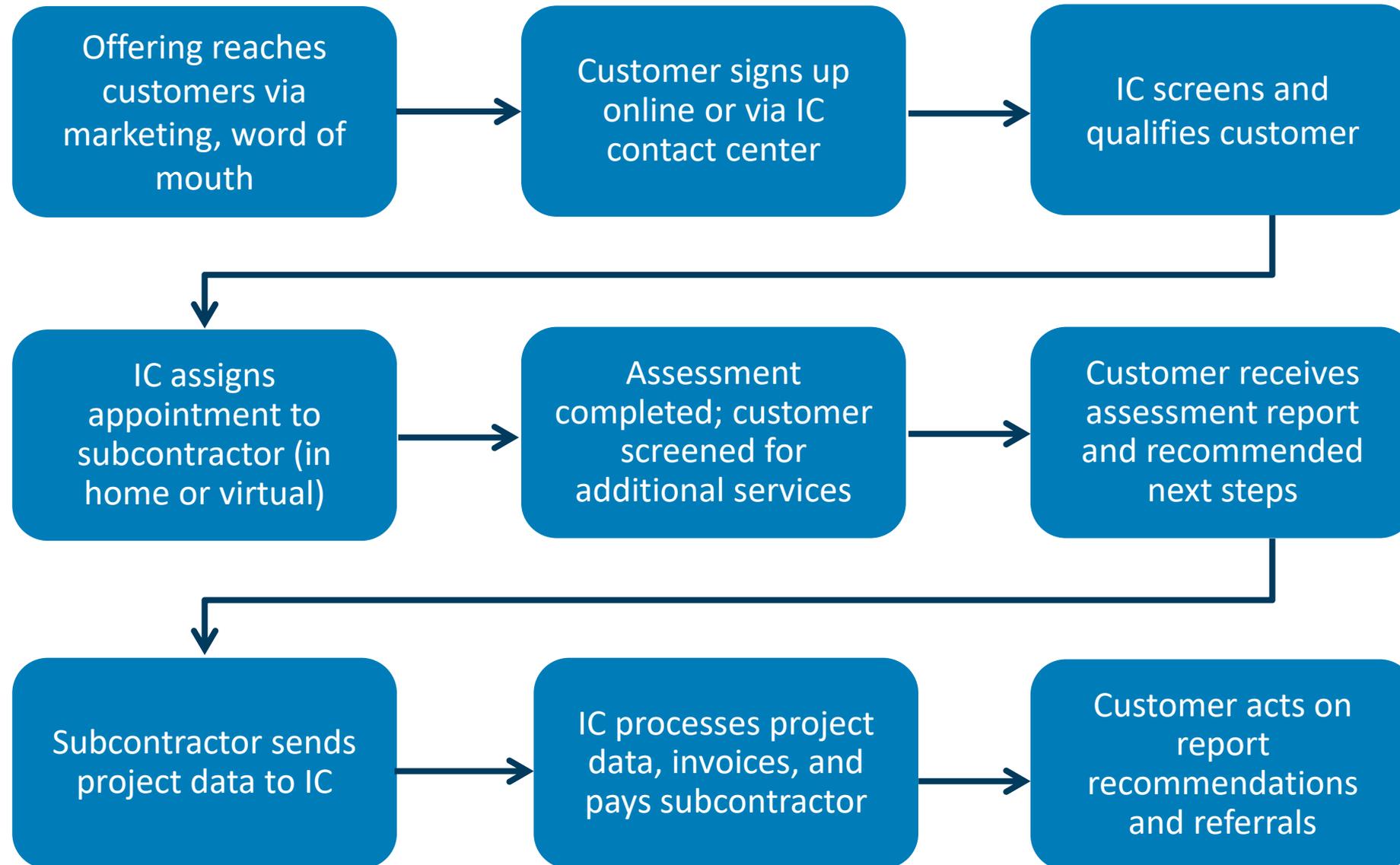
- Energy advisor installs energy-saving products in customer's home
- Provide customer education on products and additional ways to save
- In-person or virtual assessment
- Natural gas products installed:
 - Door sweeps
 - Pipe insulation
 - Showerheads
 - Faucet aerators
 - Shower flow reducer
 - Air handler replacement
 - Programmable and advanced thermostat

Delivery Changes

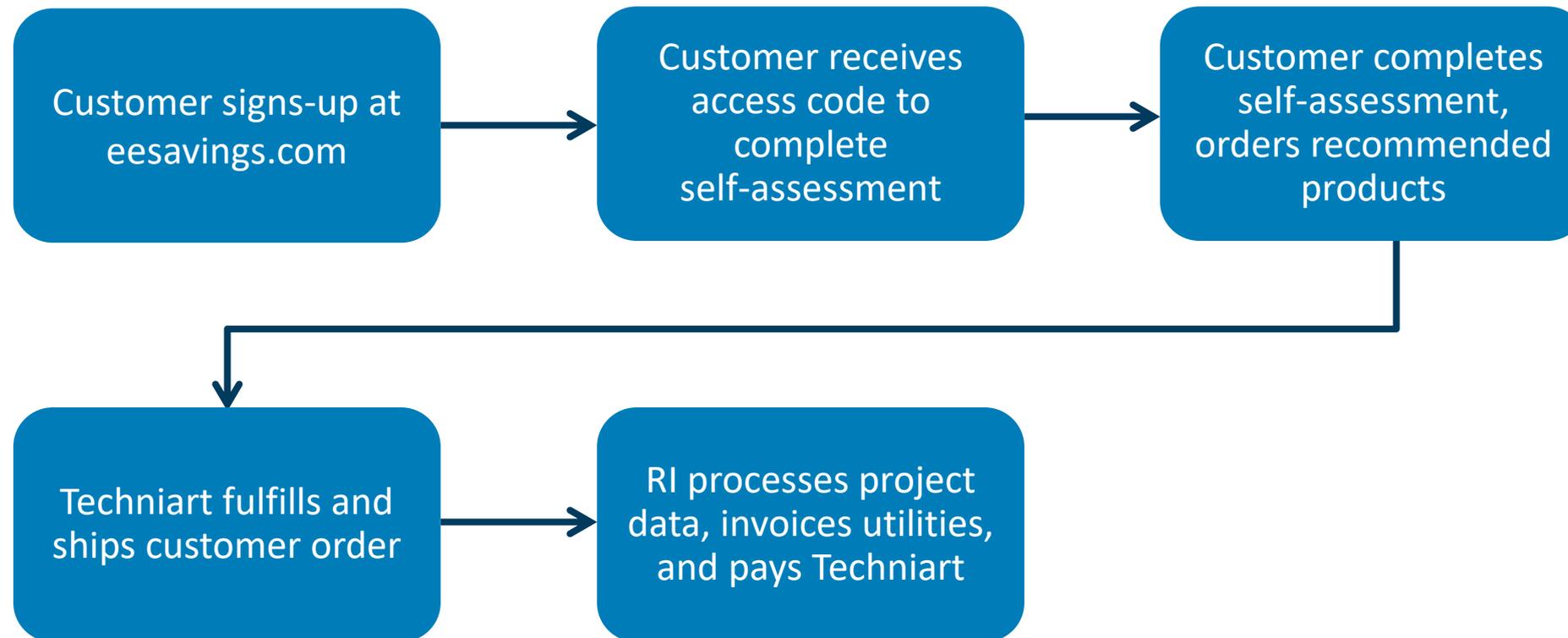
- Self assessments launched in Q4 of 2023
- Joint market rate home assessments not offered in 2024
- Nicor Gas market rate smart thermostat install program launching in 2024



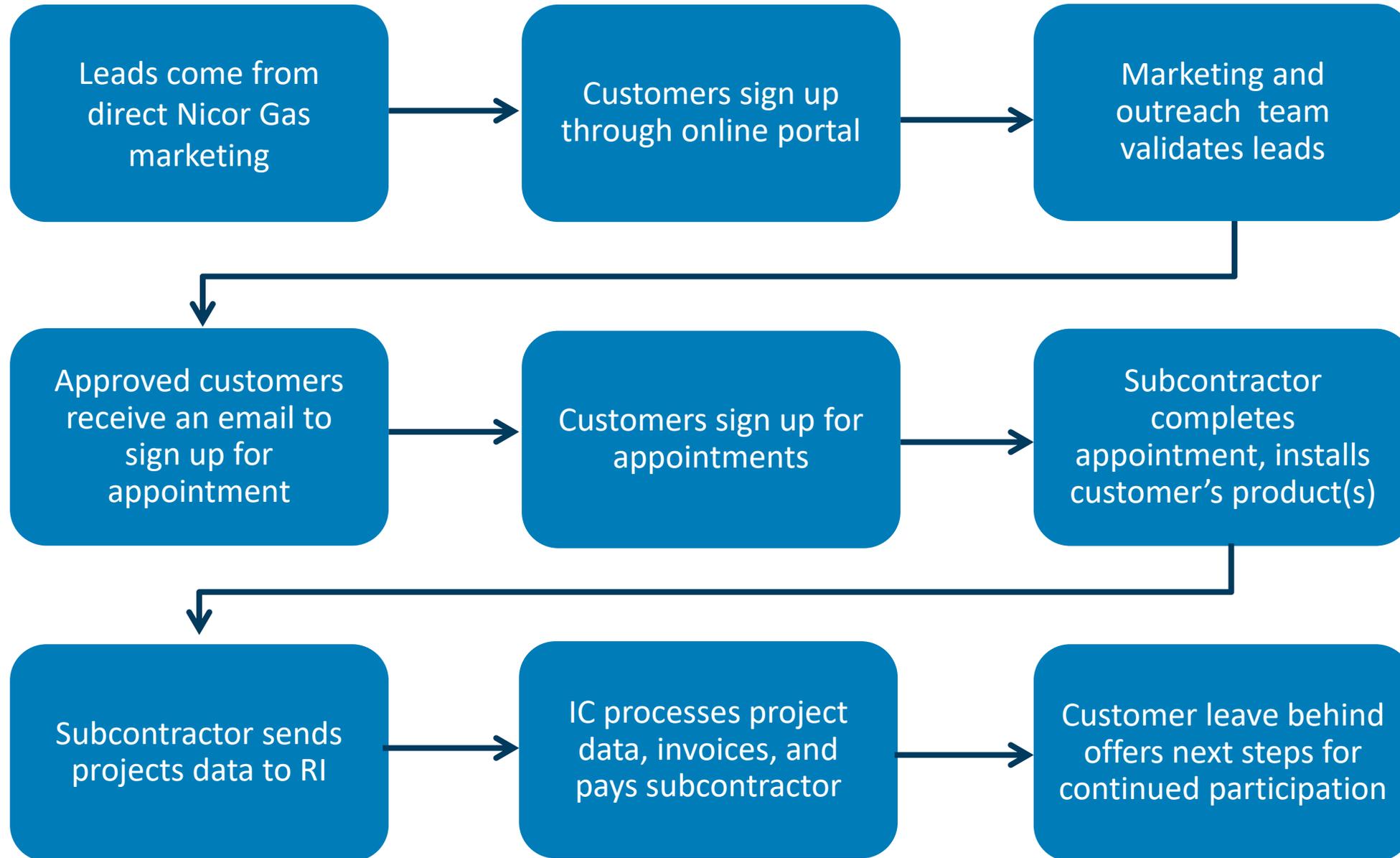
Home Assessment Customer Journey



Self Assessment Customer Journey



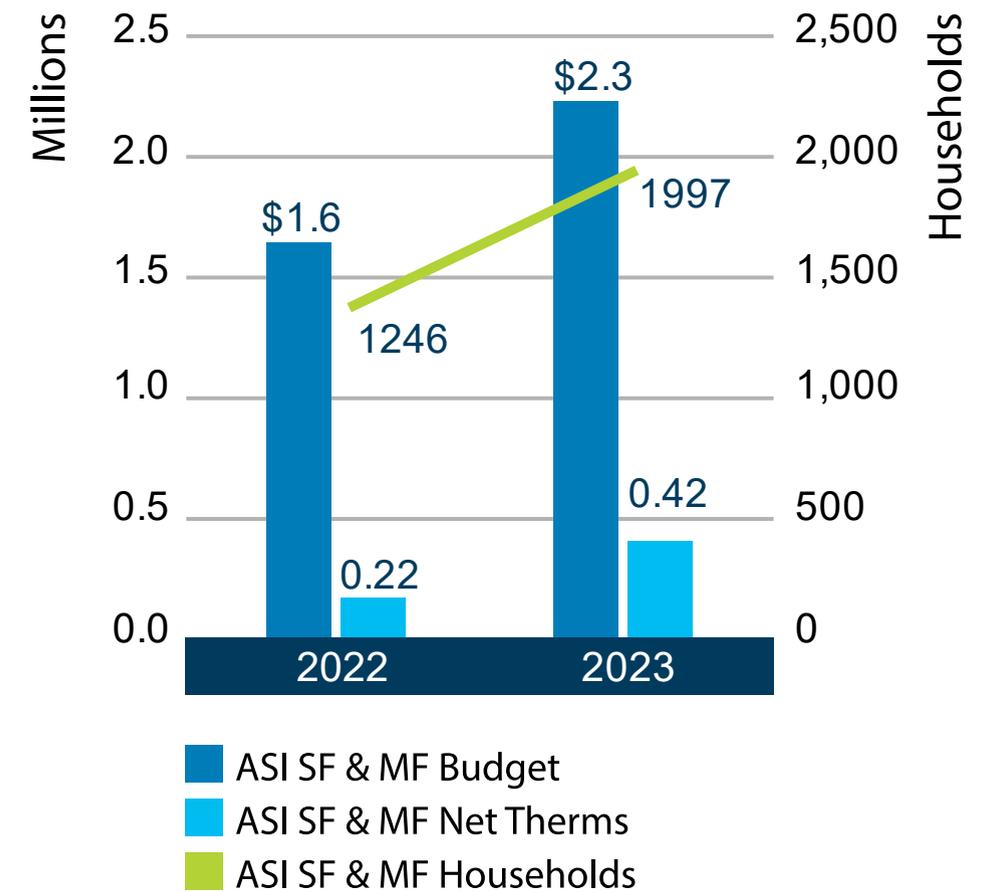
Smart Thermostat Install Journey



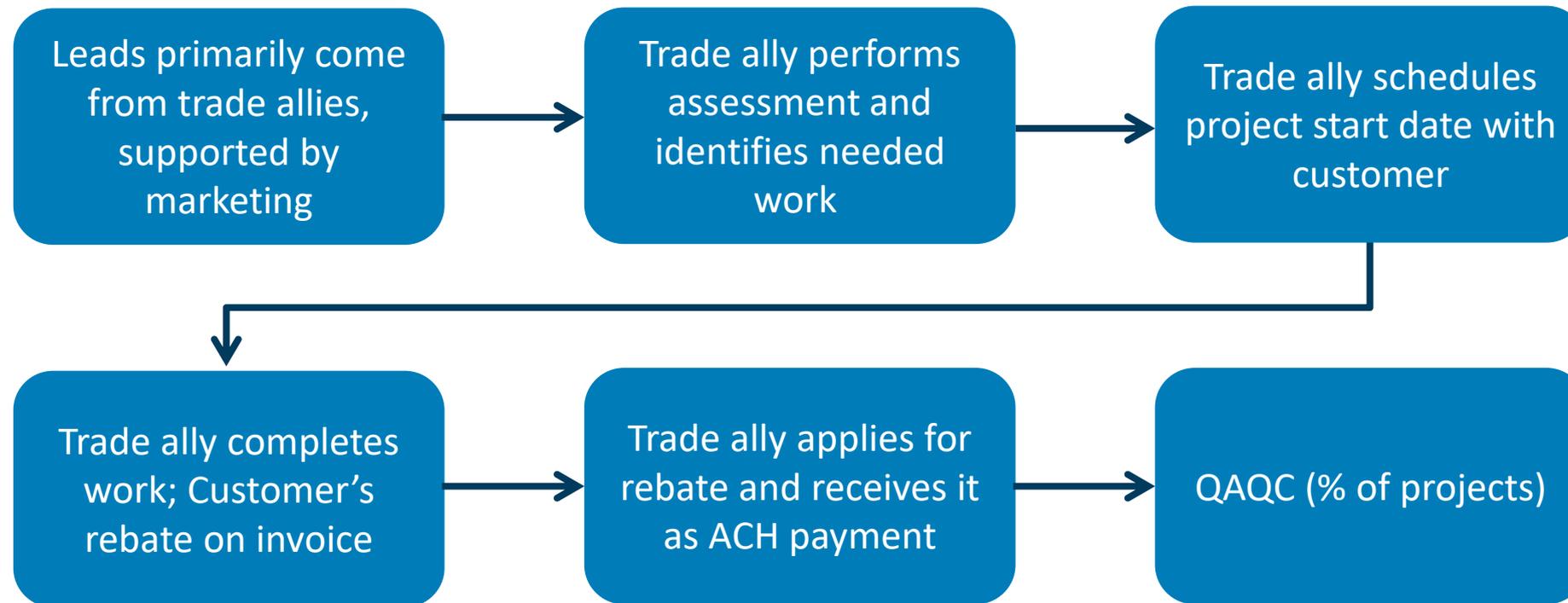
Home Energy Savings

Air Sealing and Insulation

- Single-family and multi-family market rate weatherization rebates
 - Basement sidewall and wall insulation
 - Duct sealing
 - Door sweeps and door weatherstripping
 - Low-E storm windows
- Contractor must be industry certified and program approved
- No assessment required



Air Sealing and Insulation



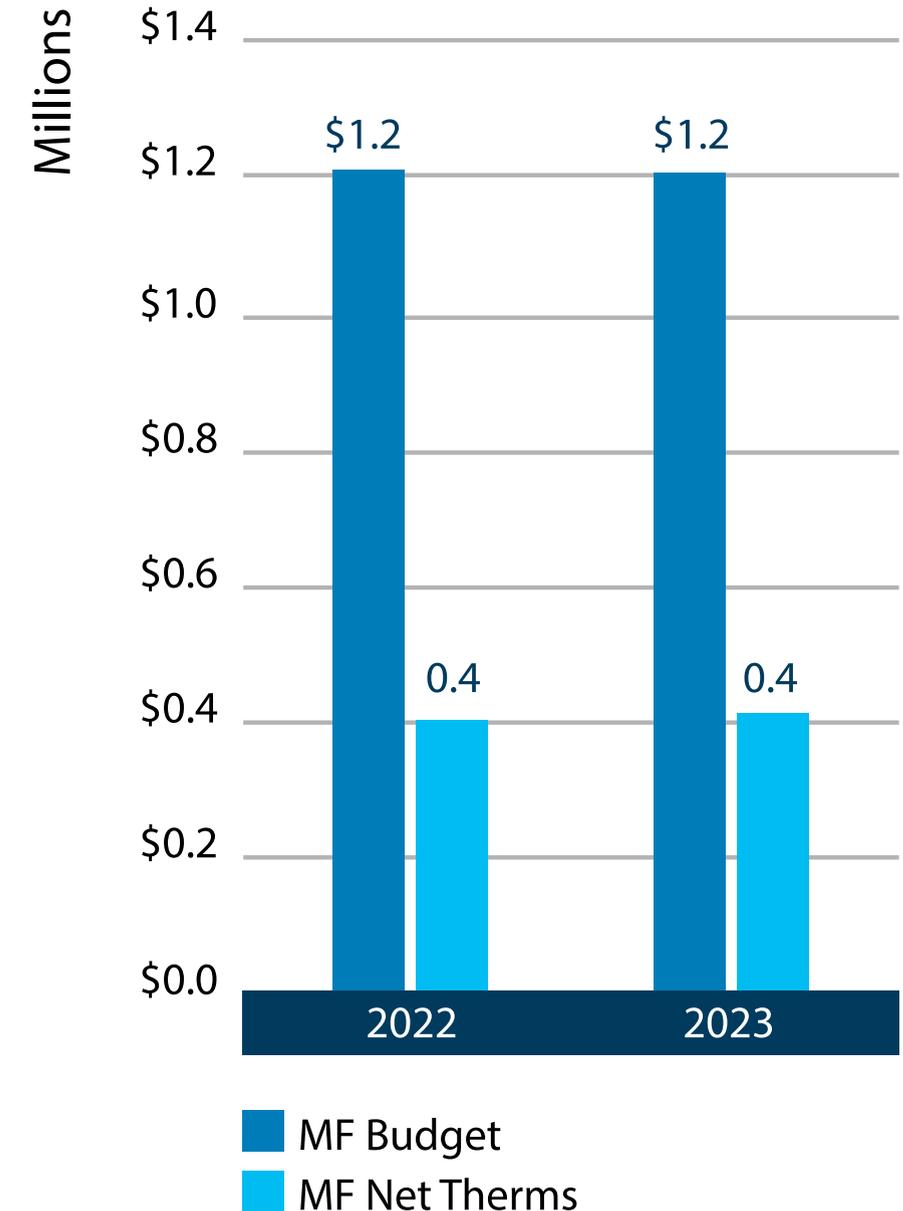
Multi-Family

Multi-Family Assessments

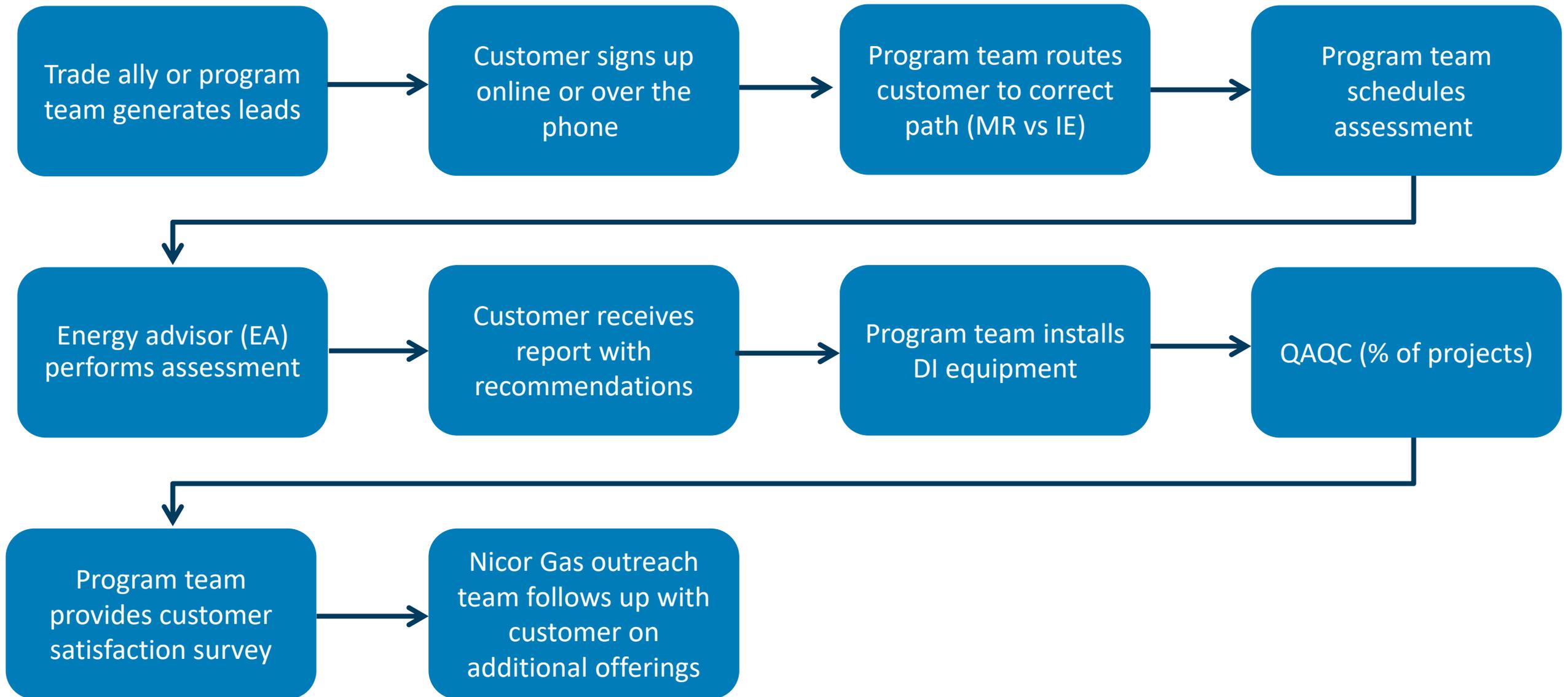
- Buildings with three or more units
- Energy advisor completes a free building assessment
- Free energy-saving products installed
 - Showerheads
 - Kitchen and bath faucet aerators
 - Shower timers
 - Programmable thermostat
- Customized building report with energy-saving opportunities

Rebates and incentives

- Prescriptive rebates
- Custom incentives
- Central Plant Optimization (CPOP)



Multi-Family Direct Install (MFDI)



Energy Education and Outreach

Energy-Saving Kits (ESKs)

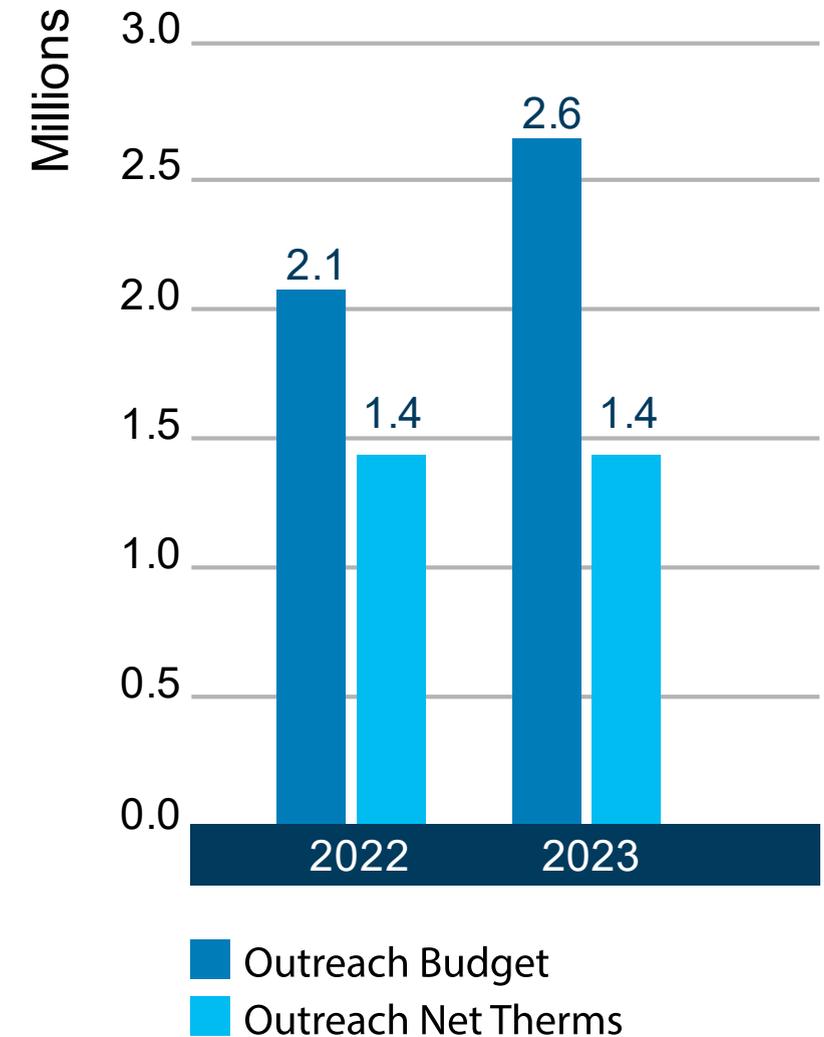
- Online order through our website
- Calling our outreach center
- Via community partners, like community action agencies
- Signing up at community events

Energy Education Kits (EEKs)

- Teachers enroll and receive educational materials on efficiency
- Focus placed on income-eligible communities
- Data-driven approach to identifying schools

Home Energy Reports (HER)

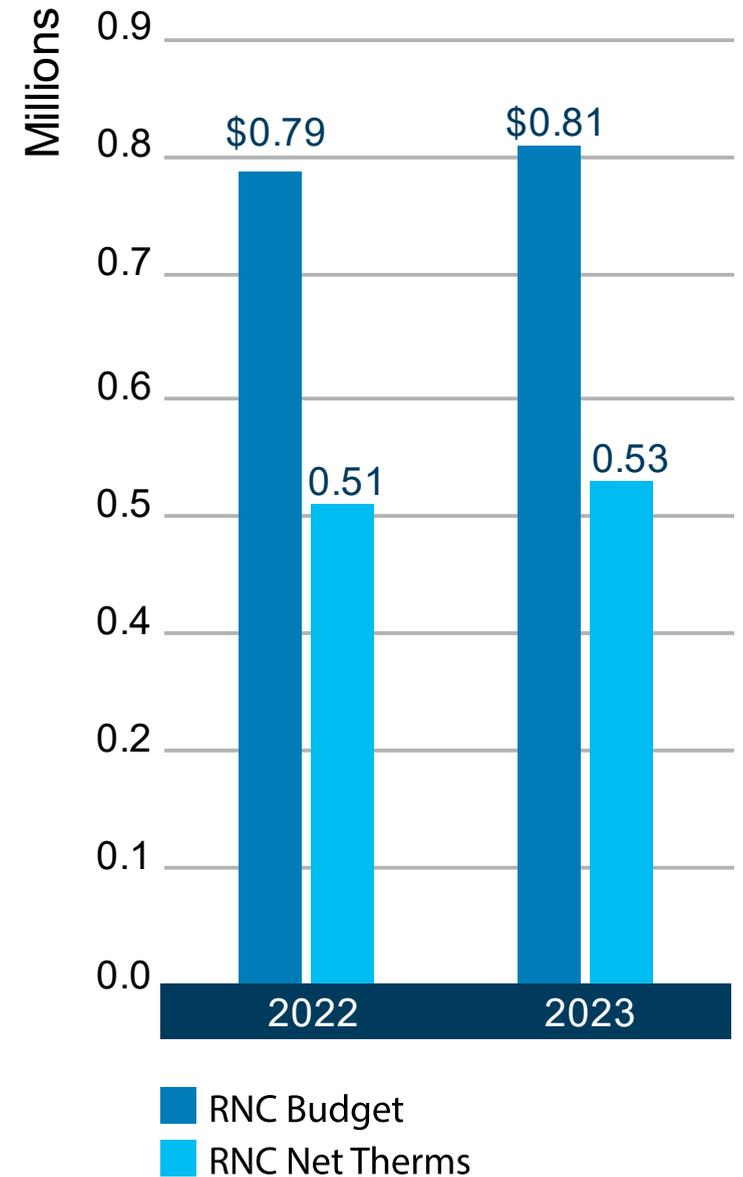
- Customers receive customized reports on a regular basis
- Share natural gas usage compared to similar homes
- Includes seasonal energy-saving tips and information on offerings



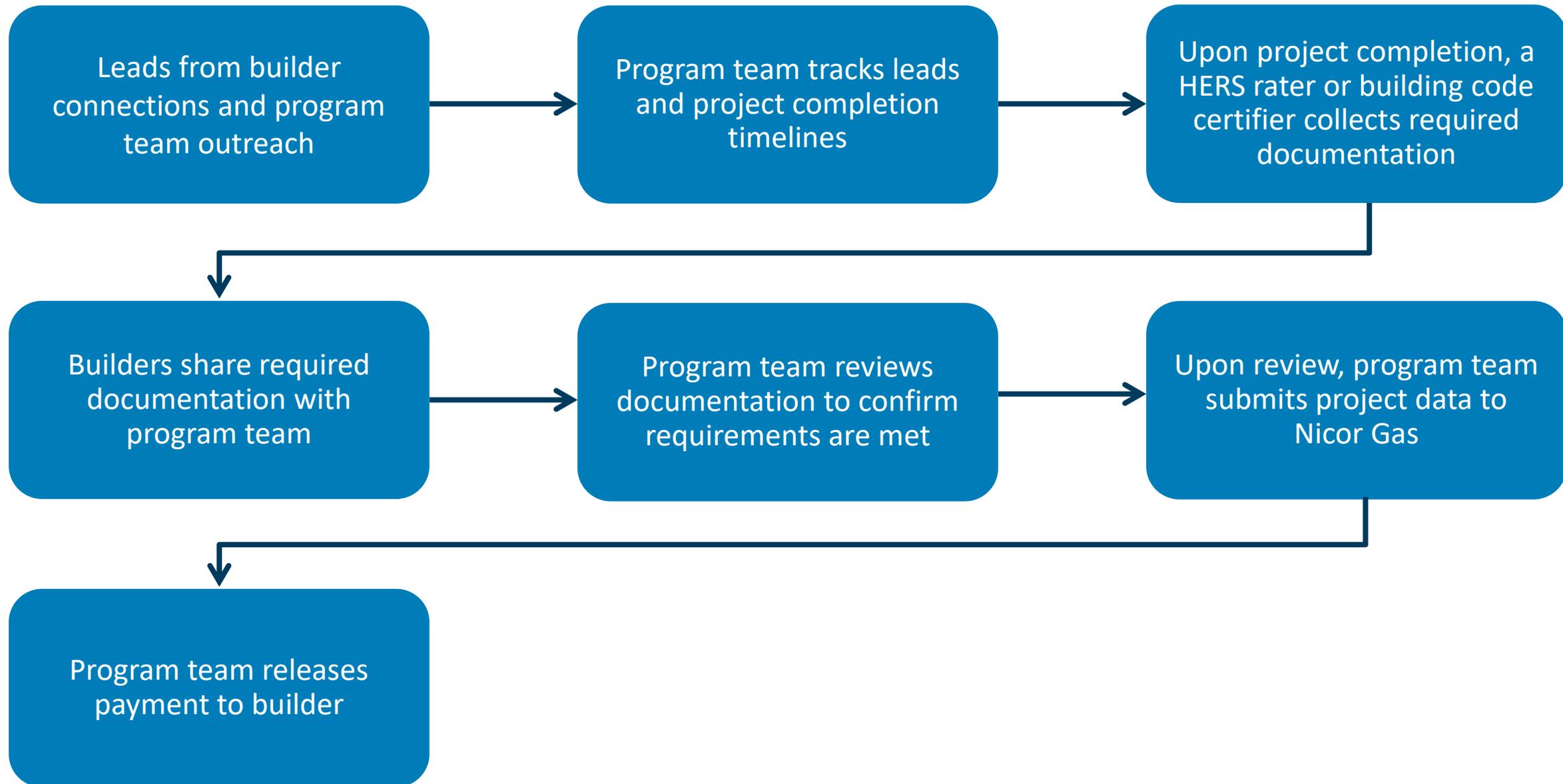
Residential New Construction

Overview

- Newly constructed single-family detached homes and townhomes are eligible
- Recruit homebuilders and verifiers to participate
- Provide builders with technical assistance, training, and support
- Projects are verified through independent companies



RNC Customer Journey



Customer and Community Engagement

Marketing and Outreach

Key focus areas

- Educating customers and trade allies across our footprint
- Exposure to income eligible offerings for communities most in-need
- Increasing small business and public sector knowledge and participation in rebate and incentive offerings

Key customer segments

- Residential
 - Income eligible communities
 - Seniors
 - General non-participants
- Business
 - Small businesses
 - Public sector



Marketing and Outreach

Opportunities

- Internal cross-promotional marketing opportunities
 - Nicor Gas field operations
 - Nicor Gas customer care team
- Collaborative marketing initiatives with local community groups
- Grassroots efforts partnering with community groups and institutions



Market Development Initiative

Workforce Training and Employment (WTE) Program

- Industry training for novice and skilled workers
- Emphasis on wraparound services, employment in industry
- 12 graduates in 2023; Goal of 40 graduates total

Trade Ally Development (TAD) Program

- Business coaching and resources to diverse contractors
- Focus on barrier reduction
- 10 graduates in 2023; Goal of 37 graduates total

Support for Existing Trade Allies

- Diverse trade allies already working in our programs
- Diverse supplier 101 information sessions
- Connection to supportive organizations



Community Engagement

Over 300 Community Events Since 2022

- Focus on Income Eligible customers
- Serving senior citizens and veterans
- Informed, intentional outreach

Grocery and Resource Fairs

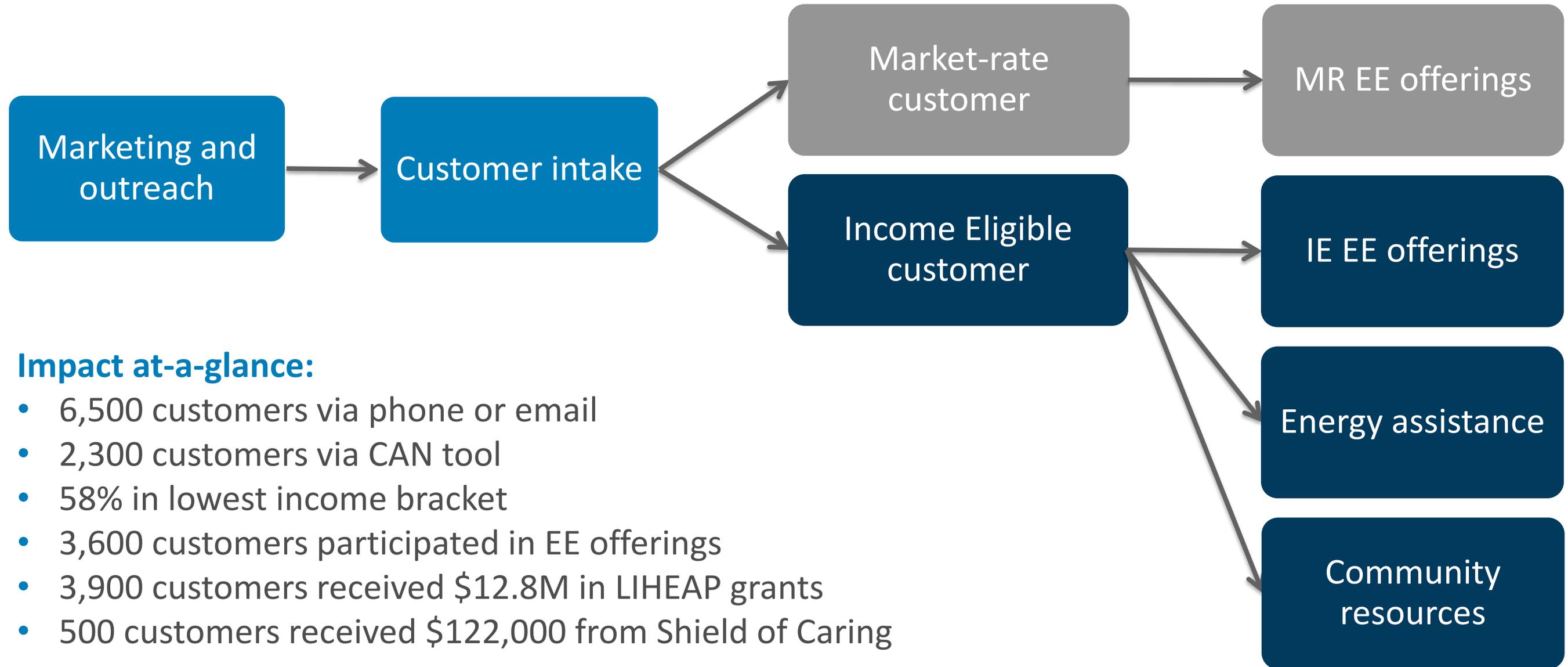
- Hosted by Nicor Gas in income eligible areas
- Addressing basic needs first, then EE
- Over 100,000 pounds of food at 27 events
- Customer resources on-site

Community Connection Center (C3)

- Launched in 2022
- Connects customers to EE and additional resources
- Launch of Community Assistance Navigator (CAN) tool



Community Connection Center (C3)



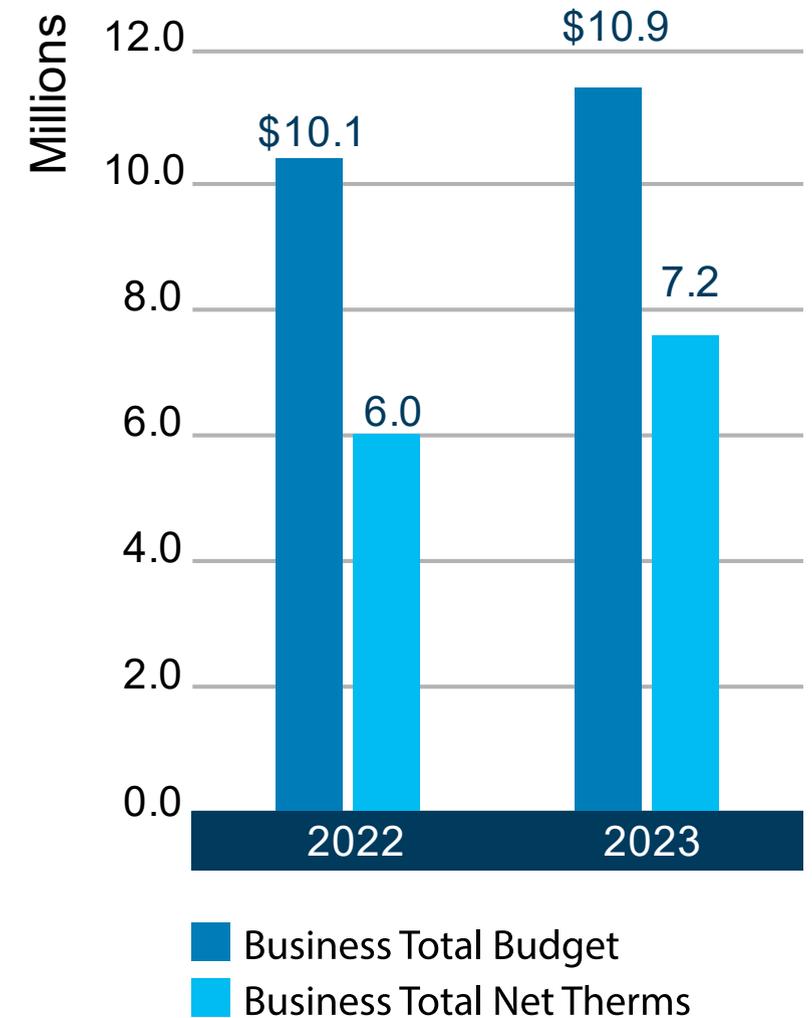
Business Programs

Overview of Business Programs

Business Programs

- Business Energy Efficiency Rebates (BEER)
- Commercial Food Service (CFS)*
- Business Optimization (BOP)
- Small Business
- Custom*
- Strategic Energy Management (SEM)*
- Commercial Industrial New Construction (CINC)*

**Joint or coordinated programs with ComEd, Ameren Illinois and/or Peoples Gas/North Shore Gas*



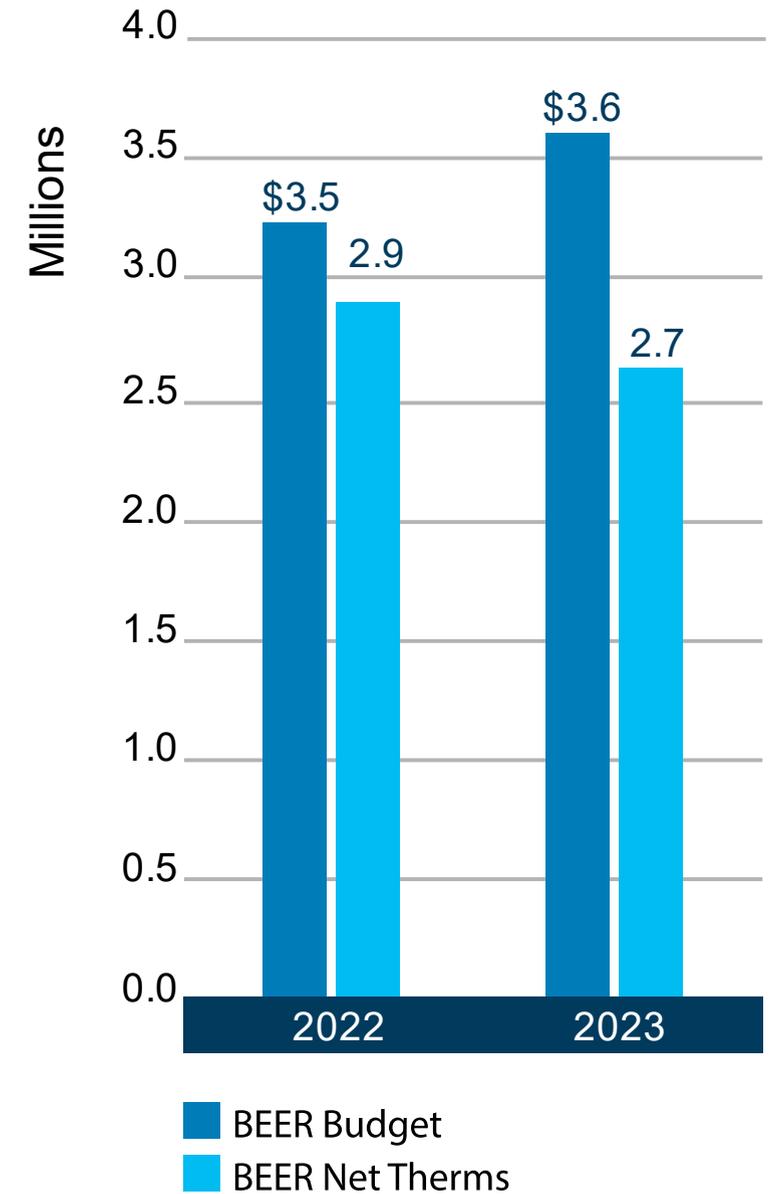
Business Energy Efficiency Rebates (BEER)

Business assessment

- Free energy assessment to identify opportunities
- Installation of free energy-saving products
- Customized report of efficiency recommendations

Available rebates

- Space and water heating
- Steam traps
- Key efficiency improvements
- Boiler tune-ups



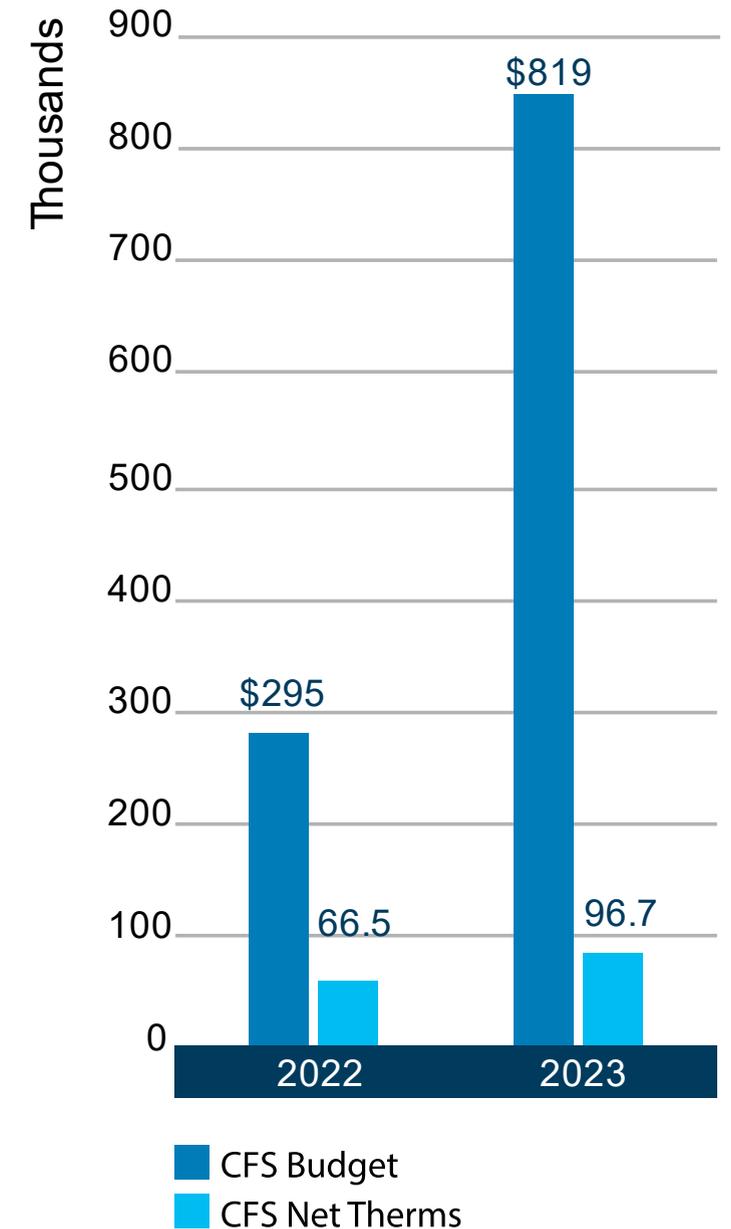
Commercial Food Service

Overview

- Midstream delivery
 - Rebates delivered directly to equipment distributors
 - Distributors promote efficient equipment to customers
- Joint offering with all utilities

Equipment

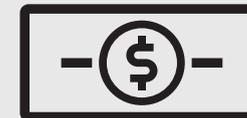
- Conveyor ovens, infrared rotisserie ovens, rack ovens
- Infrared char broilers, salamander broilers, upright broilers
- Bottom-finned stock pots, pasta cookers and pre-rinse spray valves
- Rebates for ENERGY STAR® certified equipment
 - Combination ovens
 - Convection ovens
 - Commercial steamers, fryers, and griddles



Commercial Food Service

Process for foodservice equipment suppliers

Stage	Engage	Onboard	Participate
Supplier activity	Become aware of program Receive information Decide to participate	Sign participation agreement Receive training Learn program processes	List rebate on customer invoice Submit rebate application Receive payment
Program support	Utility mailer In-person/remote outreach Program website & flyer	Welcome email & training Point-of-sale marketing materials Program process guides	Rebate application portal Remote assistance & training Program mailings & updates



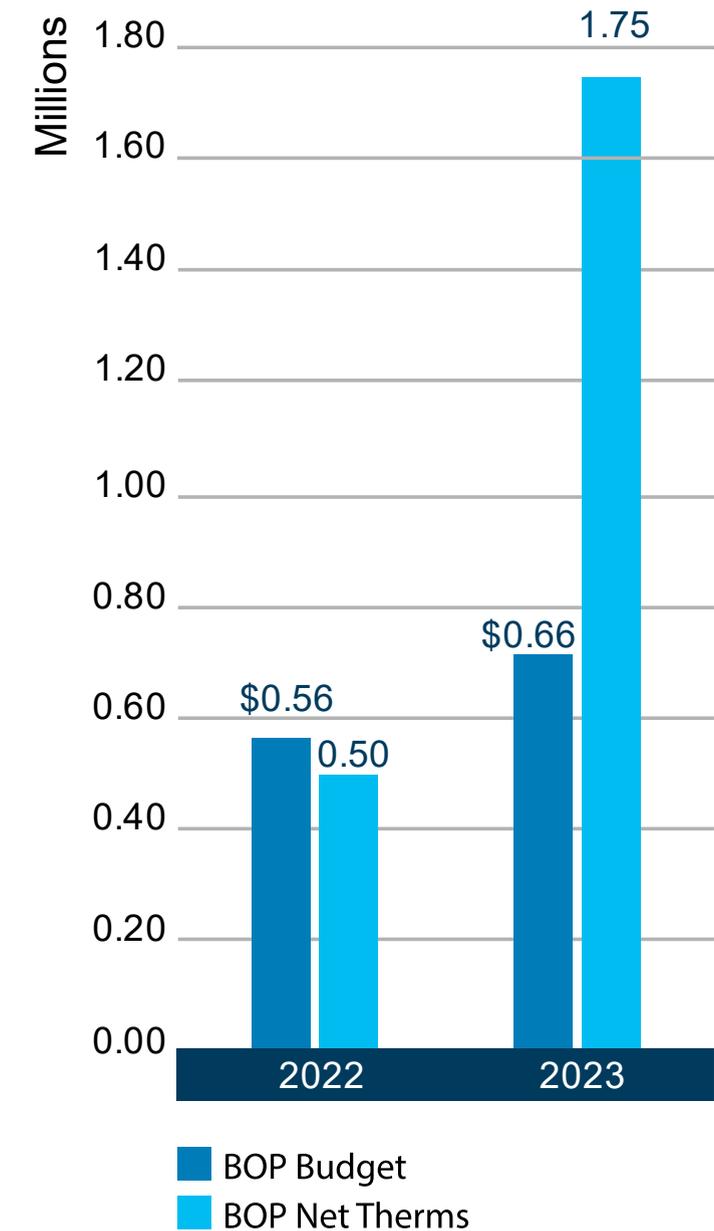
Business Optimization (BOP)

Overview

- Free offering that optimizes existing system
- Focus on Income-Eligible communities
- Addresses financial barrier to energy efficiency

Measures

- Pipe insulation
- Steam traps
- Steam trap surveys
- Boiler tune-ups



The BOP Process

Customer Engagement

- Trade ally and/or outreach team engages with customer
- Quote provided to customer reflecting instant discount applied for BOP rebate(s)
- Customer approves project and signs BOP pre-approval application

Pre-application Process

- Trade ally submits pre-approval application
- Program team reviews application
- Pre-approval letter is provided to trade ally
- Trade ally works with customer to schedule and perform work

Final Application Process

- Customer signs final invoice reflecting instant discount
- Trade ally submits final application
- Program team approves final application
- Final application is submitted for processing
- Program pays trade ally

QAQC Process

- 5% of trade ally installed projects are subject to virtual QAQC including before and after photos of the work completed
- Customer self-installed projects require trade ally visual confirmation of work performed including before and after photos

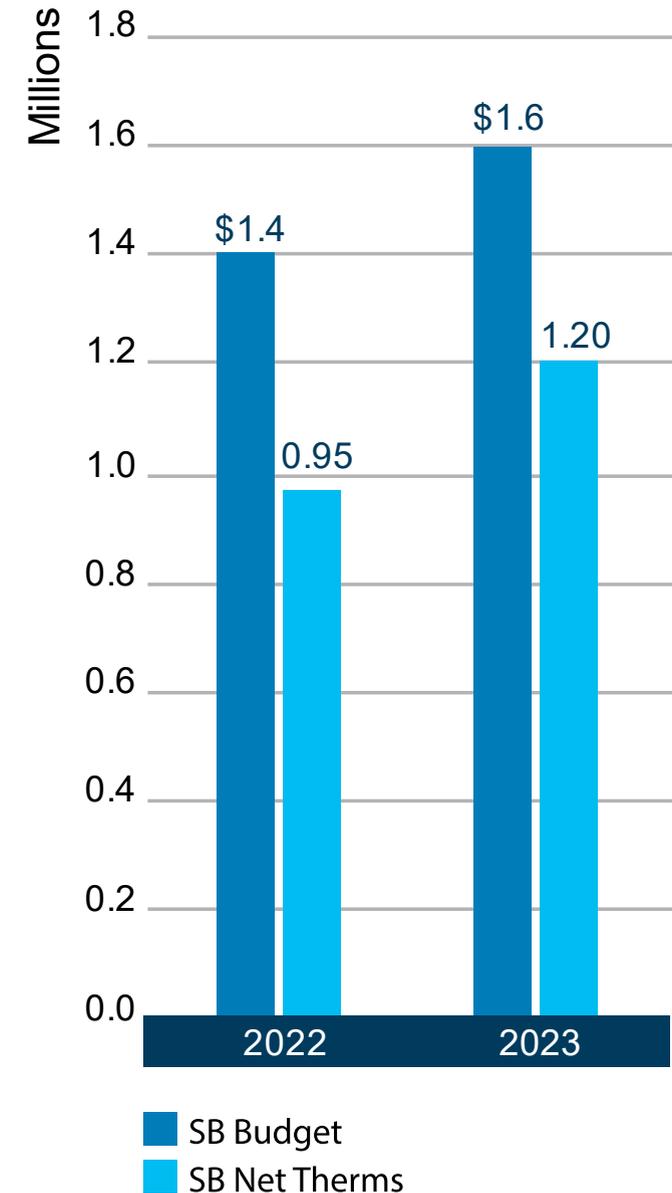
Small Business

Overview

- Serves small commercial and small public sector customers
- Business assessment
- Rebates for energy efficient improvements

Measures

- Steam traps
- Commercial water heating equipment
- Customized projects
- High efficiency HVAC equipment and tune ups
- Pipe and tank insulation
- Controls such as DCV, hot water circulation, thermostats
- Commercial dryer controls and ozone laundry
- Air compressor heat recovery



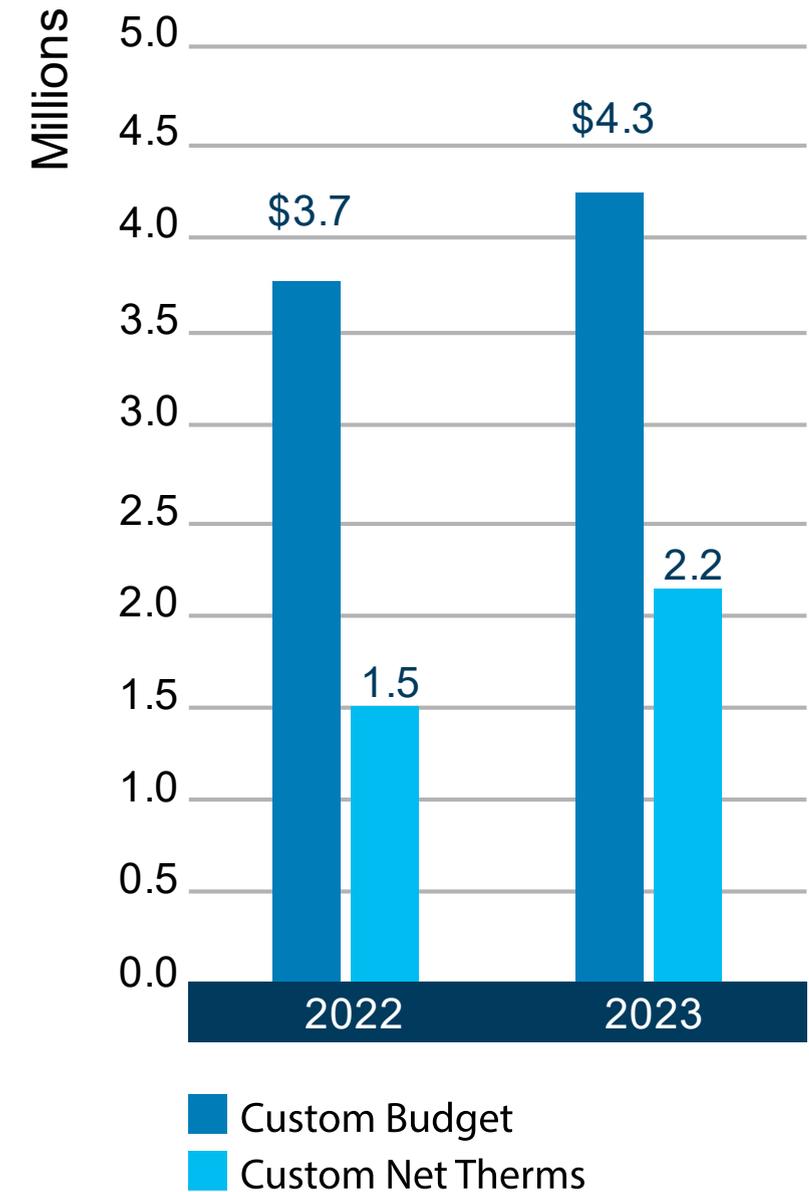
Custom

Overview

- Medium to large customers
- Identify and implement additional improvements
- Project requirements and process

Services

- Customized projects
- Combined heat and power (CHP)
- Retro-commissioning
- Process heat recovery
- Gas heat pumps



The Custom Process

Pre-project Engagement

- Outreach team engages with customer or trade ally to educate on offering and identify potential projects
- Outreach team may schedule a free energy assessment
- Engineering performs assessment and shares customer report with identified opportunities

Pre-application Process

- Customer or trade ally submits pre-approval application
- Program team reviews application
- Engineering reviews project, may perform site visit, and finalizes estimated savings
- Pre-approval given to customer to start project

Final Application Process

- Customer or trade ally submit final application
- Application processed, engineering performs final analysis
 - Site visit & production data may be required
- Program team approval
- Application submitted for rebate processing
- Program pays customer or trade ally

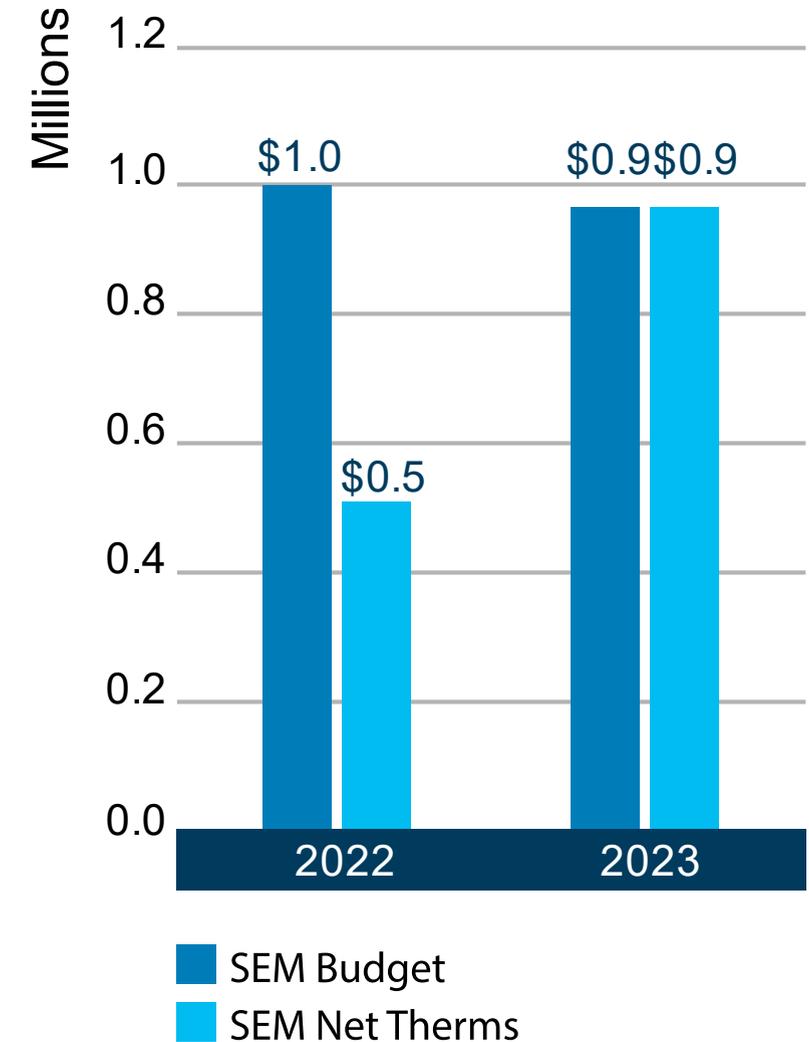
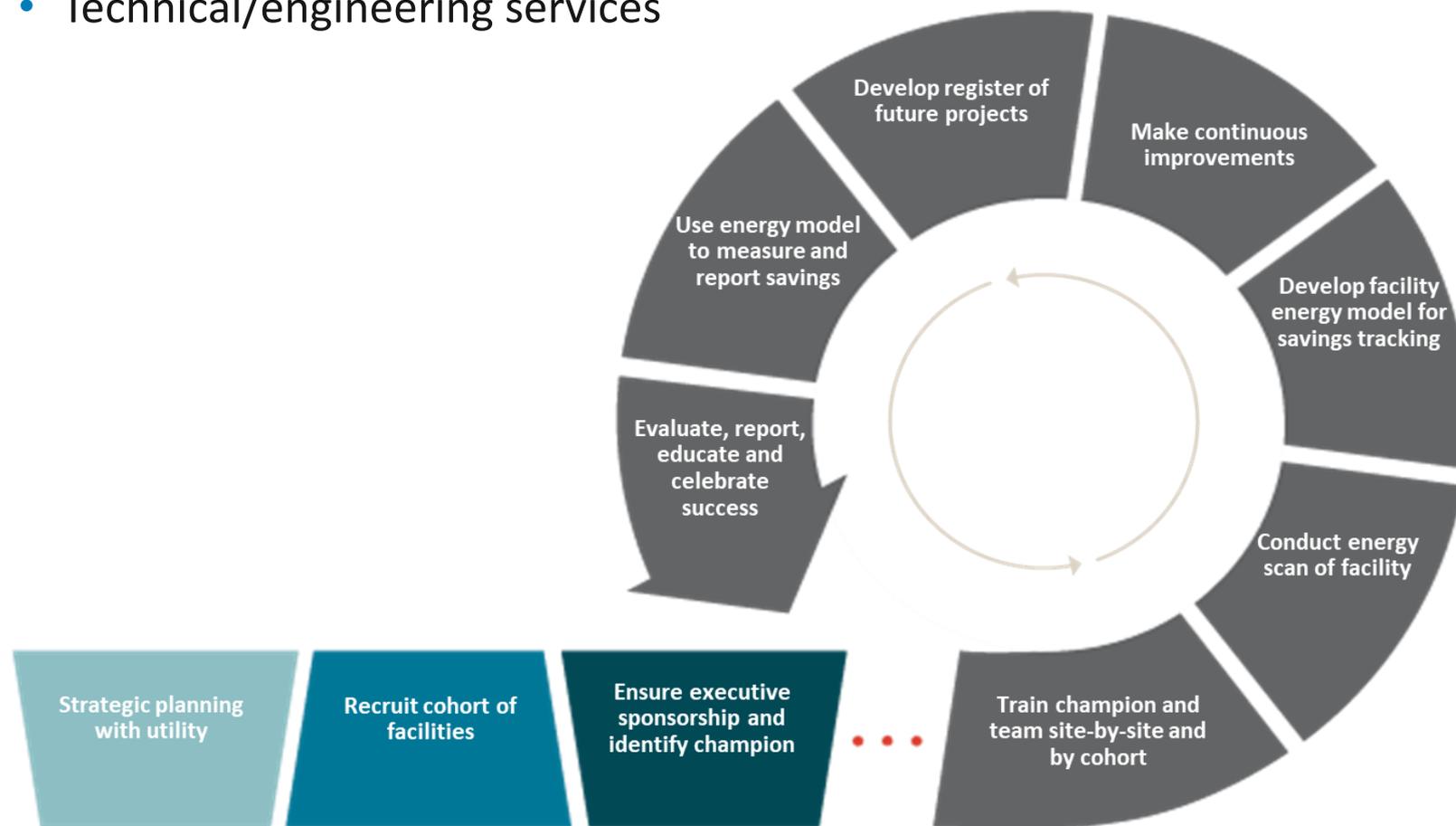
Evaluation

- Independent 3rd party evaluator reviews and validates project savings
- Customer may be contacted by evaluator to verify energy savings
 - Post-install inspection may be required

Strategic Energy Management (SEM)

A continuous cycle of success

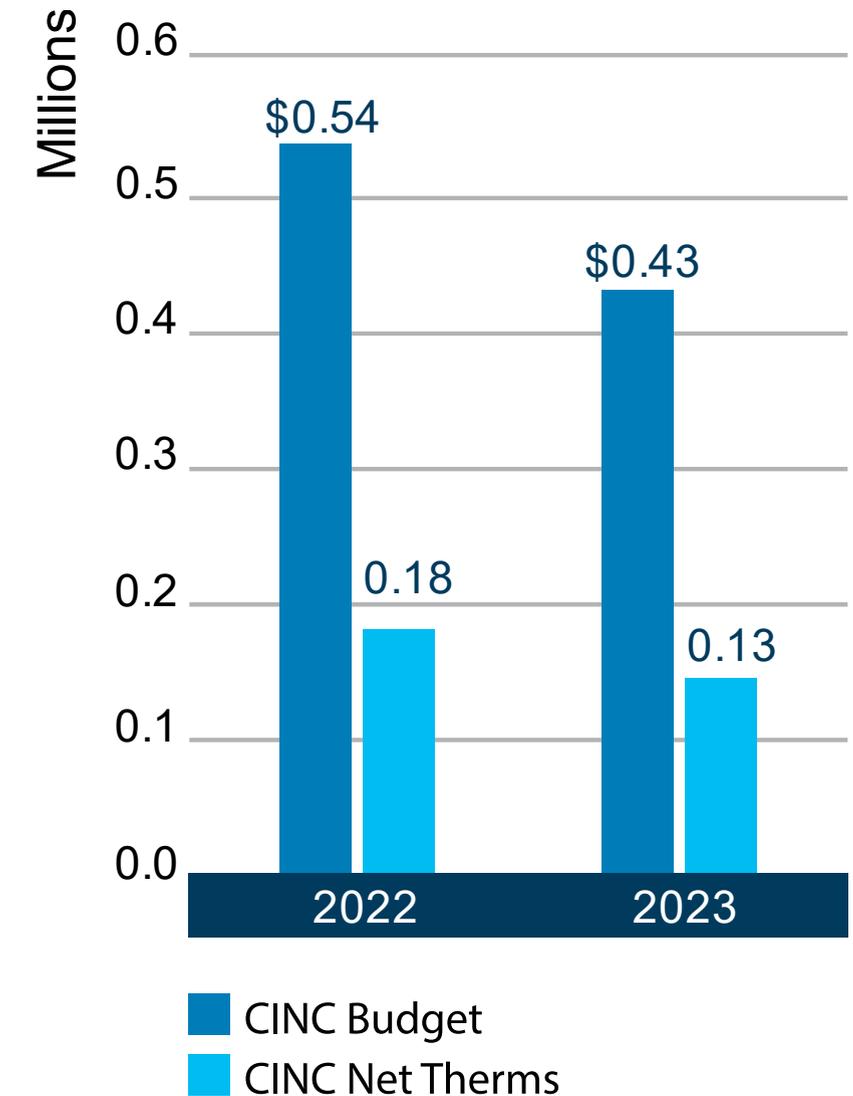
- Collaborative group workshops
- One-on-one coaching
- Technical/engineering services



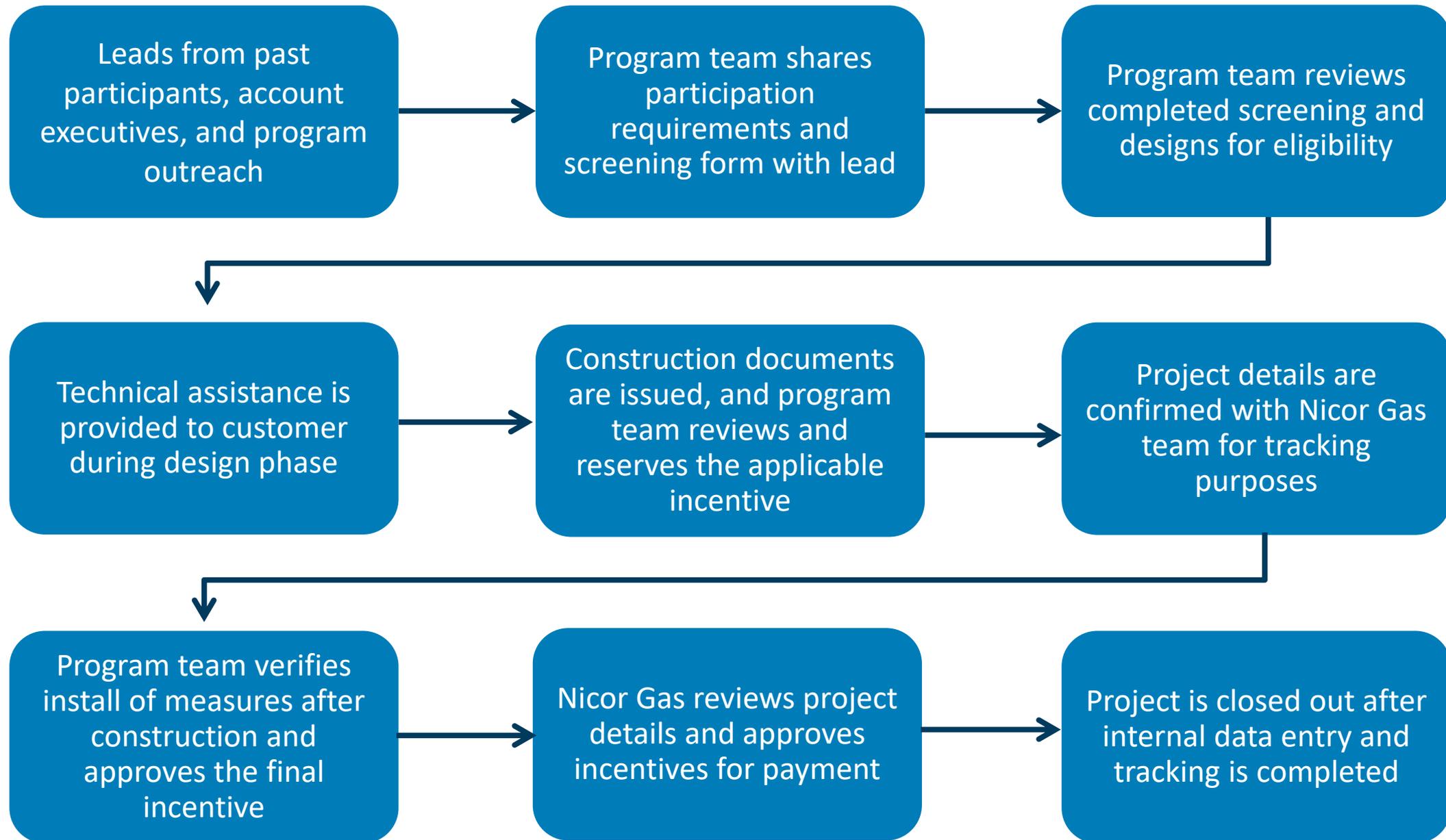
Commercial Industrial New Construction

Overview

- Commercial, industrial, large multi-family, public sector
- Financial incentives and technical assistance
- New buildings and major renovations
- Requires improvement of two major systems
 - HVAC equipment
 - Envelope
 - Lighting
 - Refrigeration



CINC Process



Innovation

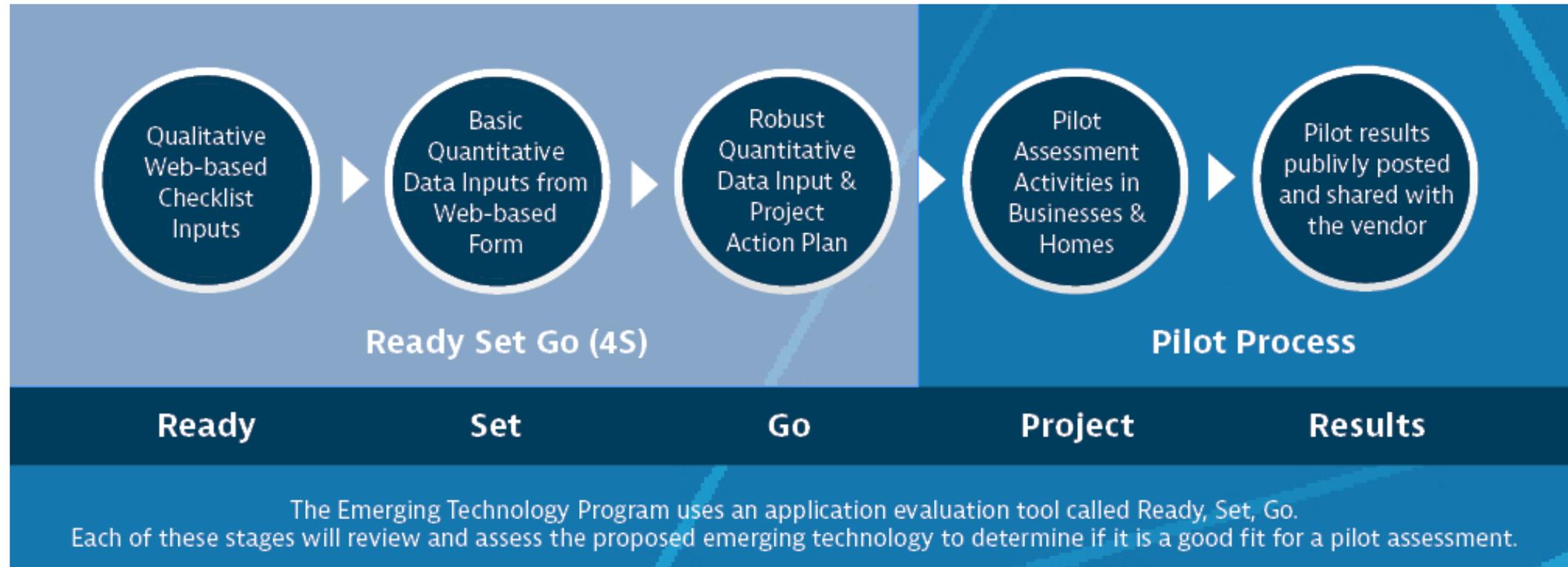
Emerging Technology Program

Overview

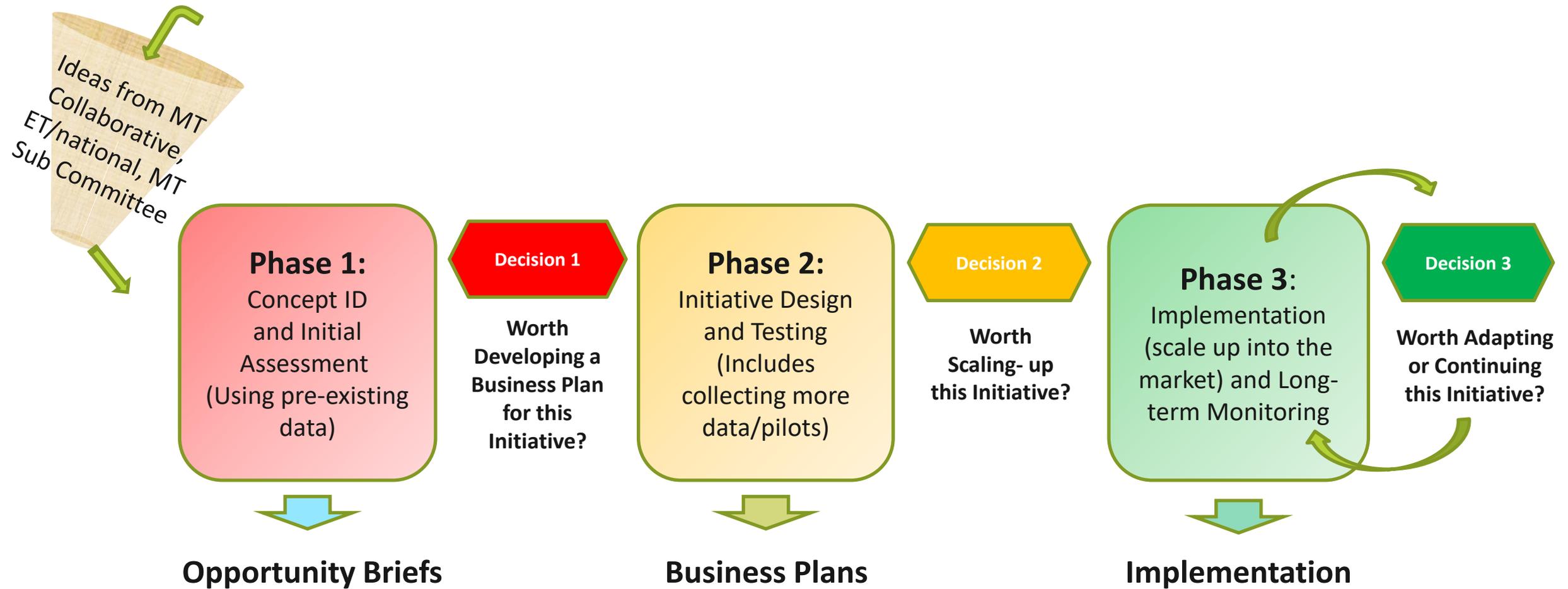
- Identify innovative technologies
- Evaluate for reliability and cost-effectiveness
- Accelerate customer adoption and add to our portfolio

Key Technologies

- Insulated concrete forms (ICF) TRM 5.6.1
- Low E storm windows
- Residential gas heat pump combination unit



Market Transformation Program



Thank You!



Appendix

Residential Implementation Contractors

Residential				
Outreach	Energy Education and Outreach	Energy-Savings Kits (ESK)	Group O	
		Elementary Education Kits (EEK)	Walker-Miller (W-M)	
		Home Energy Reports (Behavior)	Oracle	
HEER	Home Energy Efficiency Rebates	Prescriptive	No IC - Delivered by Nicor Gas EEP	
		Smart Thermostats (Marketplace/Retail)	CLEAResult (CR)	
HES	Home Energy Savings	Self Assessment Portal (SAP)	Resource Innovations (RI)	
		Air Sealing and Insulation (SF ASI)		
MF	Multi-Family Program	Air Sealing and Insulation (MF ASI)		
		Central Plant Optimization Program (CPOP)		
		Assessment and Direct Install (DI)		
		Assessment and Self Install (SI)		
		Custom		
		Prescriptive		
RNC	Residential New Construction	Builder incentives for exceeding duct and air sealing code requirements along with the installation of energy-efficient equipment.		Residential Science Resources (RSR)

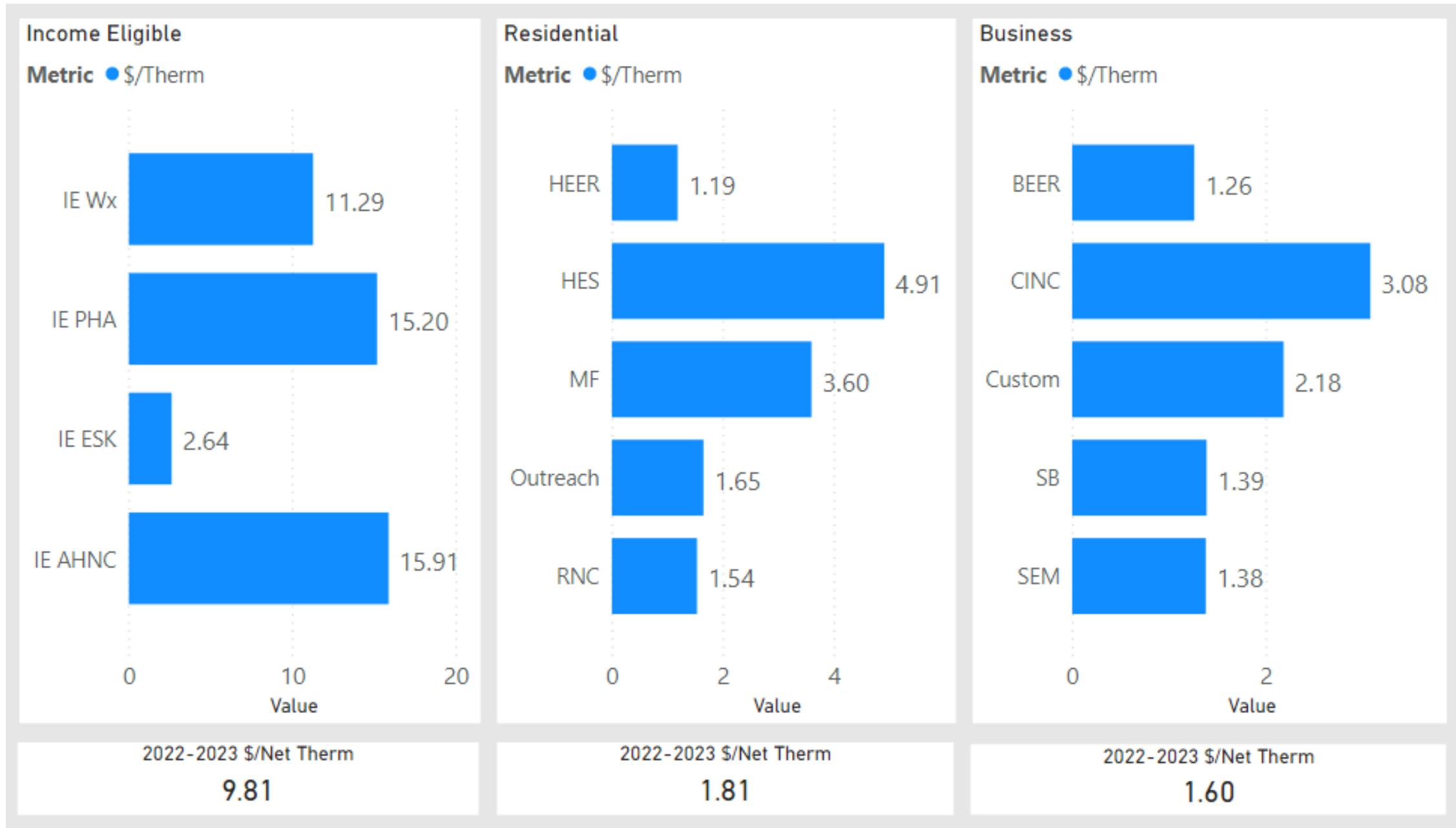
Income Eligible Implementation Contractors

Income Eligible		
Income Eligible Program	IHWAP SF	Resource Innovations (RI)
	IHWAP MF	Administered by RI but Implemented by Franklin
	SF Energy Efficiency Offerings (SF EEO)	Resource Innovations (RI)
	MF Energy Efficiency Offerings (MF EEO)	
	SF Retrofits	Resource Innovations (RI)
	MF Retrofits	Administered by RI but Implemented by Franklin
	Public Housing Authority (PHA)	
	SF Healthy Homes (SF HH)	Resource Innovations (RI)
	MF Healthy Homes (MF HH)	
	Affordable Housing New Construction (AHNC)	Administered by RI but Implemented by Slipstream
	Income Eligible Energy Saving Kits (IE ESK)	Walker-Miller (W-M)
	Student Elementary Education Kits (SEEK)	Administered by RI but Implemented by National Energy Foundation (NEF)

Business Implementation Contractors

Business			
SEM	Strategic Energy Management	(Private & Public)	CLEARResult (CR)
SB	Small Business Program	Prescriptive Assessment/Direct Installation/SB Custom (Private & Public)	
BEER	Business Energy Efficiency Rebates	Prescriptive Assessment/Direct Installation (Private & Public)	
		Business Optimization Program (BOP) (Private & Public)	
		Commercial Food Service (CFS) (Private & Public)	Administered by CR but implemented by Frontier
Custom	Business Custom Rebates	Assessments and Project Rebates (Private & Public) - including RCx & PSAs	CLEARResult (CR)
CINC	Commercial and Industrial New Construction	(Private & Public)	Residential Science Resources (RSR)
CHP (FS)	Combined Heat and Power	(Private & Public)	CLEARResult (CR)
RCx	Retro Commissioning	(Private & Public)	

Portfolio Overview – Dollar per Net Therm



Portfolio Overview – Dollar per Lifecycle Therm

