

2026 to 2029 Proposed Energy Efficiency Plan

October 24, 2024



Energy
Efficiency
Program

Agenda

Safety Moment

Introductions

Portfolio impact

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Program overviews

Innovation and equity

Portfolio outcomes

Other Considerations And Next Steps

Q&A



Safety Moment – Ladder Safety



- Always face the ladder when ascending or descending
- Always maintain 3 points of contact (2 feet, 1 hand; 2 hands, 1 foot)
- The top of the ladder should never be used as a step
- Ladders shouldn't be moved, shifted or extended while occupied
- Never carry an object or load that could cause you to lose your balance

Introductions



Mike King
Director, EE Strategy & Solutions



Kelly Lena
Director, Energy Efficiency Services



Karianne McCue
Manager, EE Program Operations



Randy Opdyke
Manager, Planning Evaluations



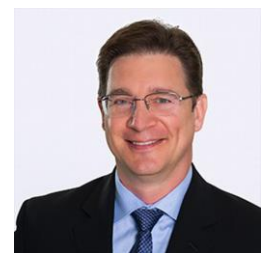
Jonathan Skarzynski
Manager, Energy Policy



Chris Vaughn
Manager, EEP Regulation



Allison Gregoire
Program Manager, MDI



John Mansfield
Manager, Customer & Partner Service

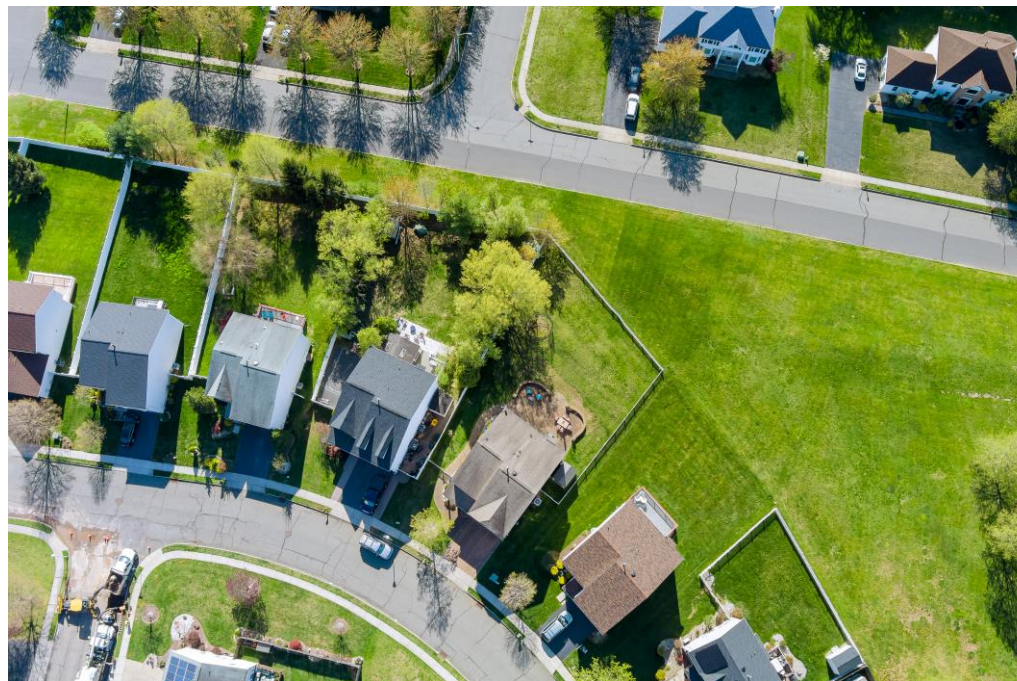
Portfolio Impact



2.7 billion pounds of CO2 emissions avoided

1.35 million customers have participated

\$270 million in incentives



235 million therms saved
2.5 billion lifecycle therms saved

10,600 jobs supported

\$2.3 billion in economic activity generated

\$131 million spent with diverse suppliers

Equivalent to:

- 300,000 cars off the road for a year
- 165,000 homes energy use for a year
- Carbon captured by 1.4 million acres of forest in a year

Proposed Plan Overview

Portfolio Objectives



Portfolio and Program Structure

Residential

- Home Energy Efficiency Rebates (HEER)*
- Home Energy Savings (HES)*
- Energy Education and Outreach*
- Multi-Family (MF)*
- Smart Neighborhood Builder Program (Formerly RNC)

Income Eligible

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

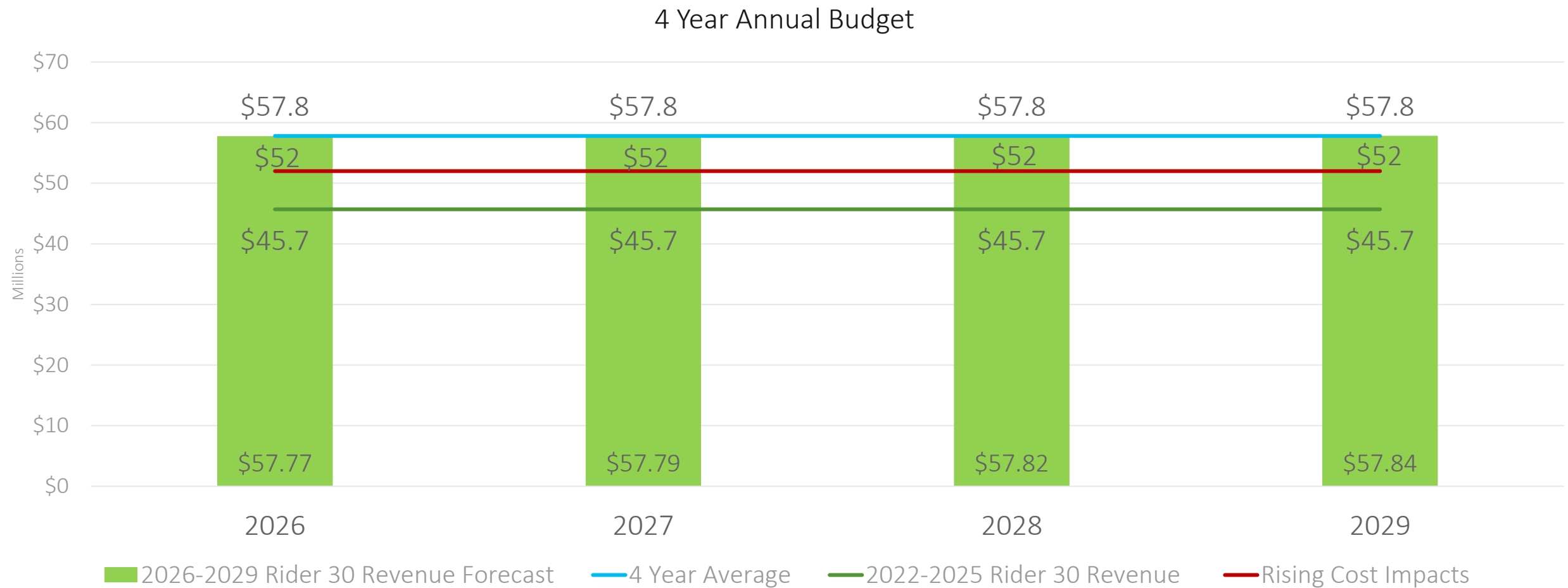
Business

- 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)

Budget Increase from Existing Portfolio

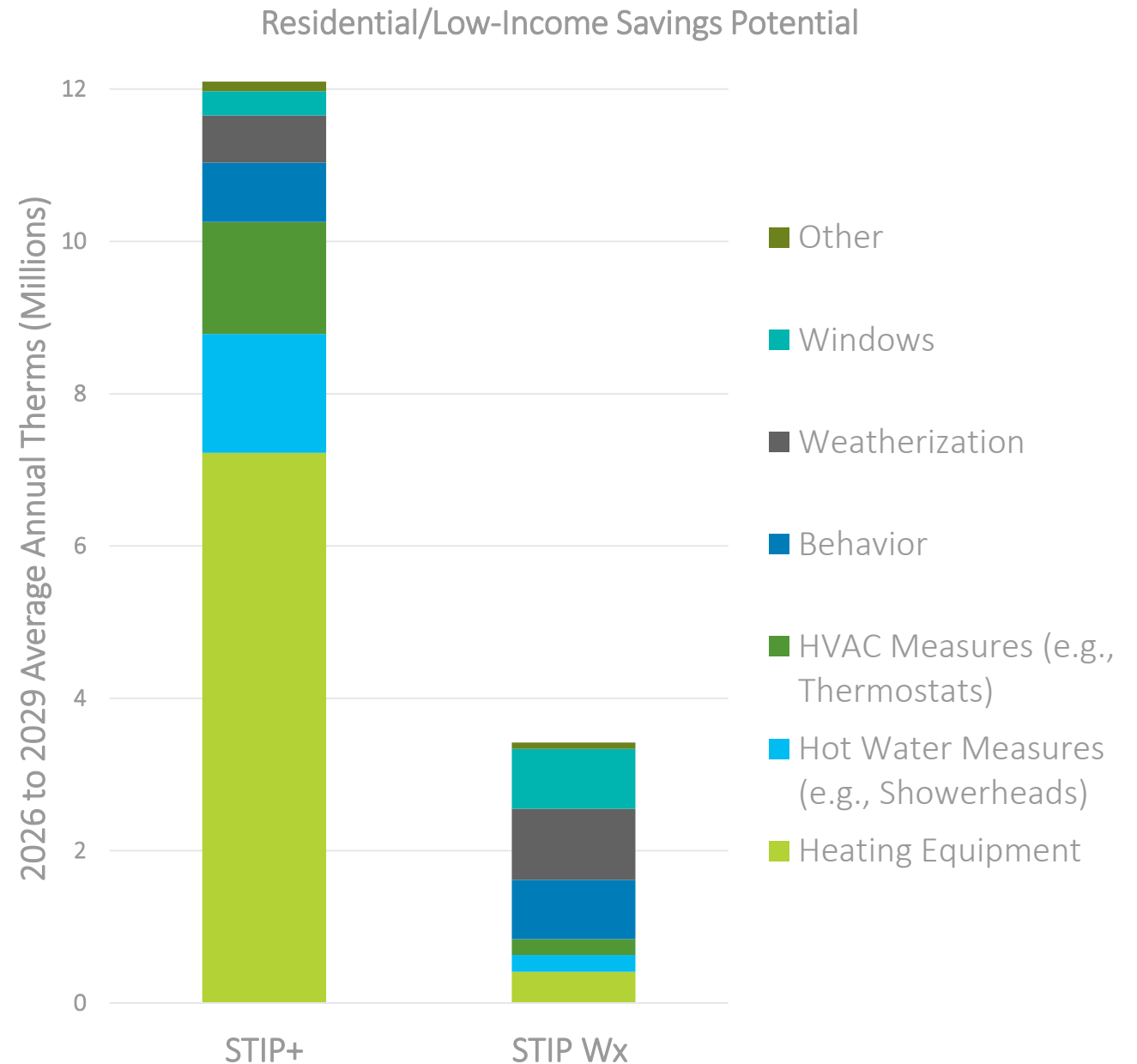


- Budget is managed on 4-year basis
 - 4-year total = **\$231.2M**
 - 4-year average annual budget = **\$57.8M**
- Assumes all large customers will be exempt (3-year average revenue removed for each year)

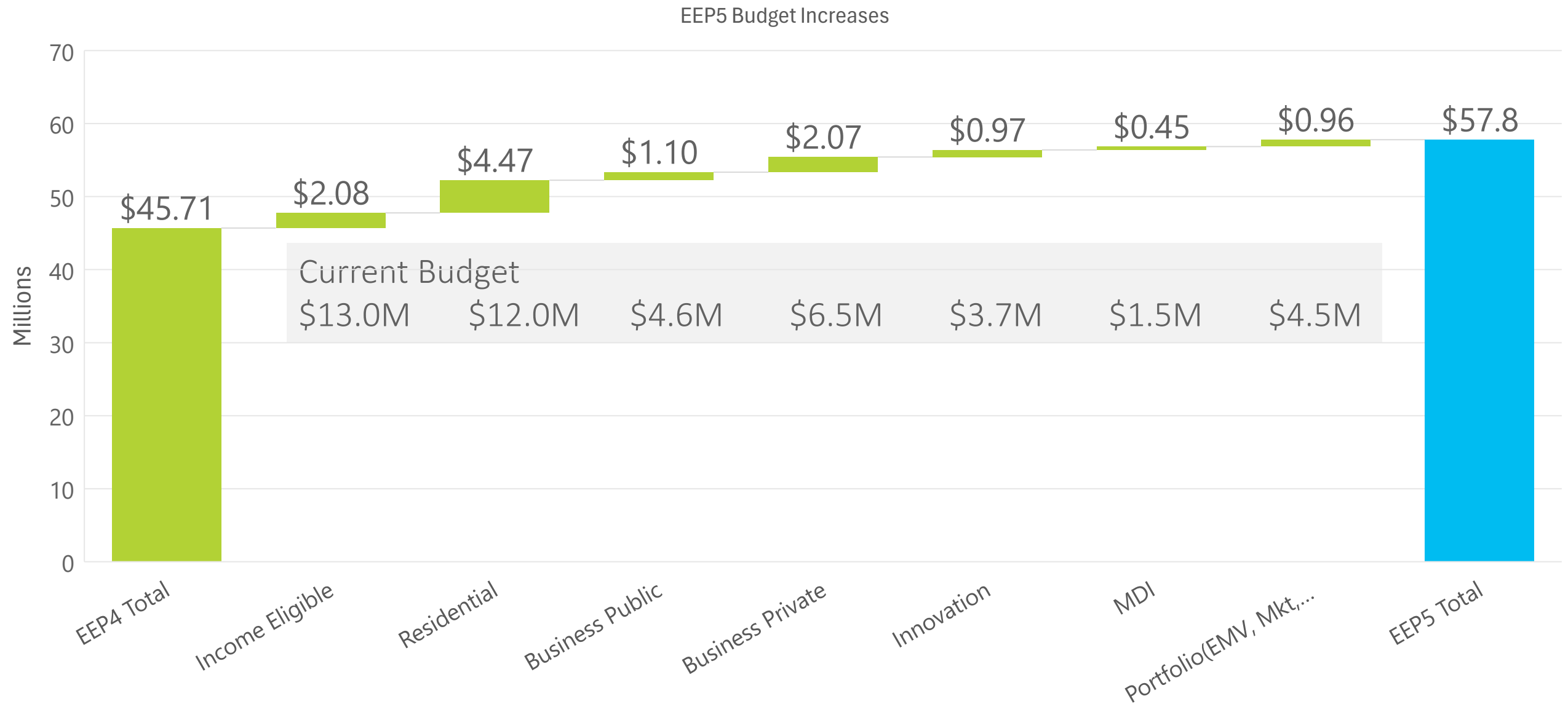
Key Results of the Statewide Potential Study

- The potential study looked at scenarios under the current stipulations and law.
- STIP+
 - Furnaces and other gas equipment make up majority of savings potential.
- STIP Wx
 - Shifting funding from gas equipment to weatherization dramatically lowers greenhouse gas savings.

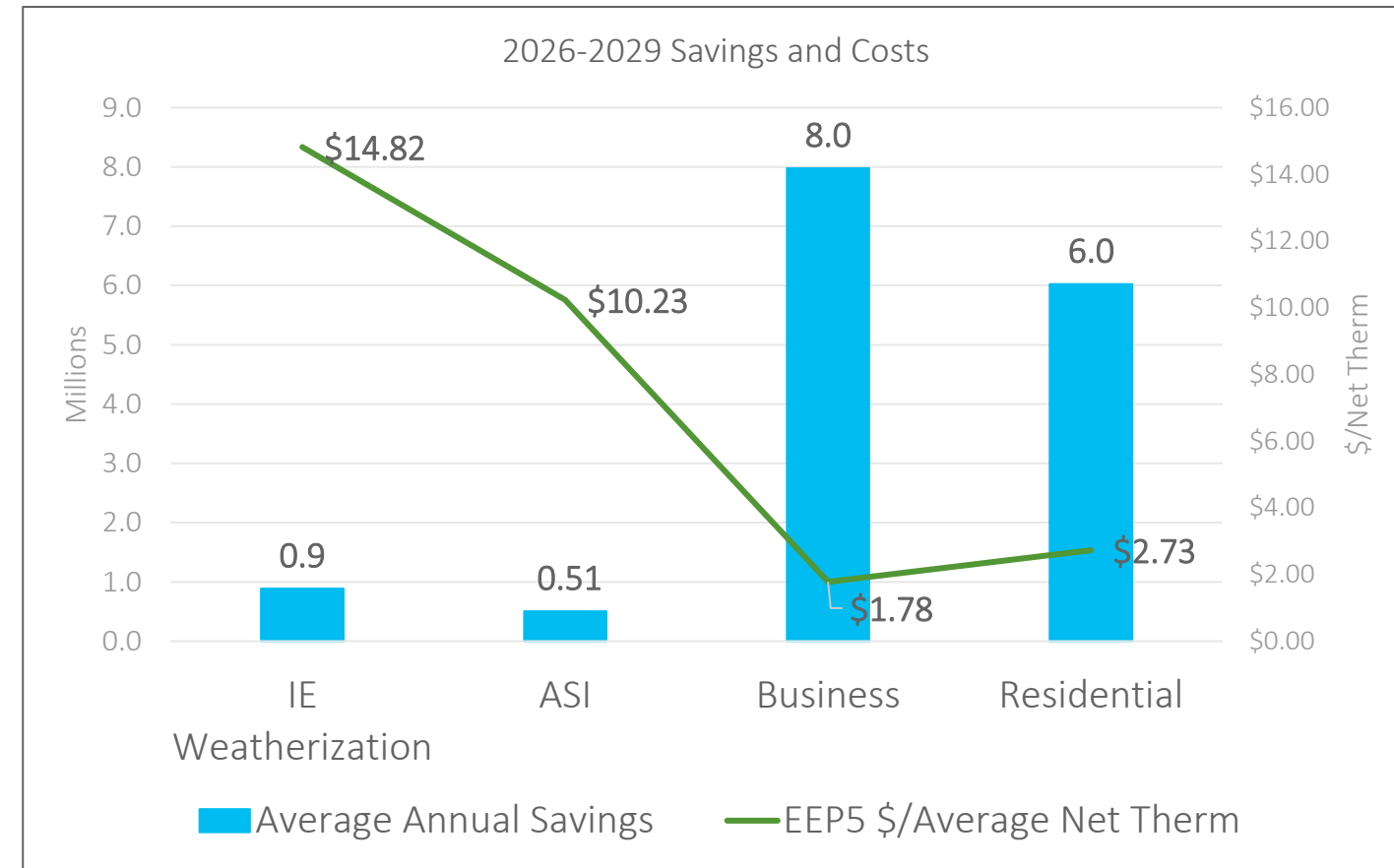
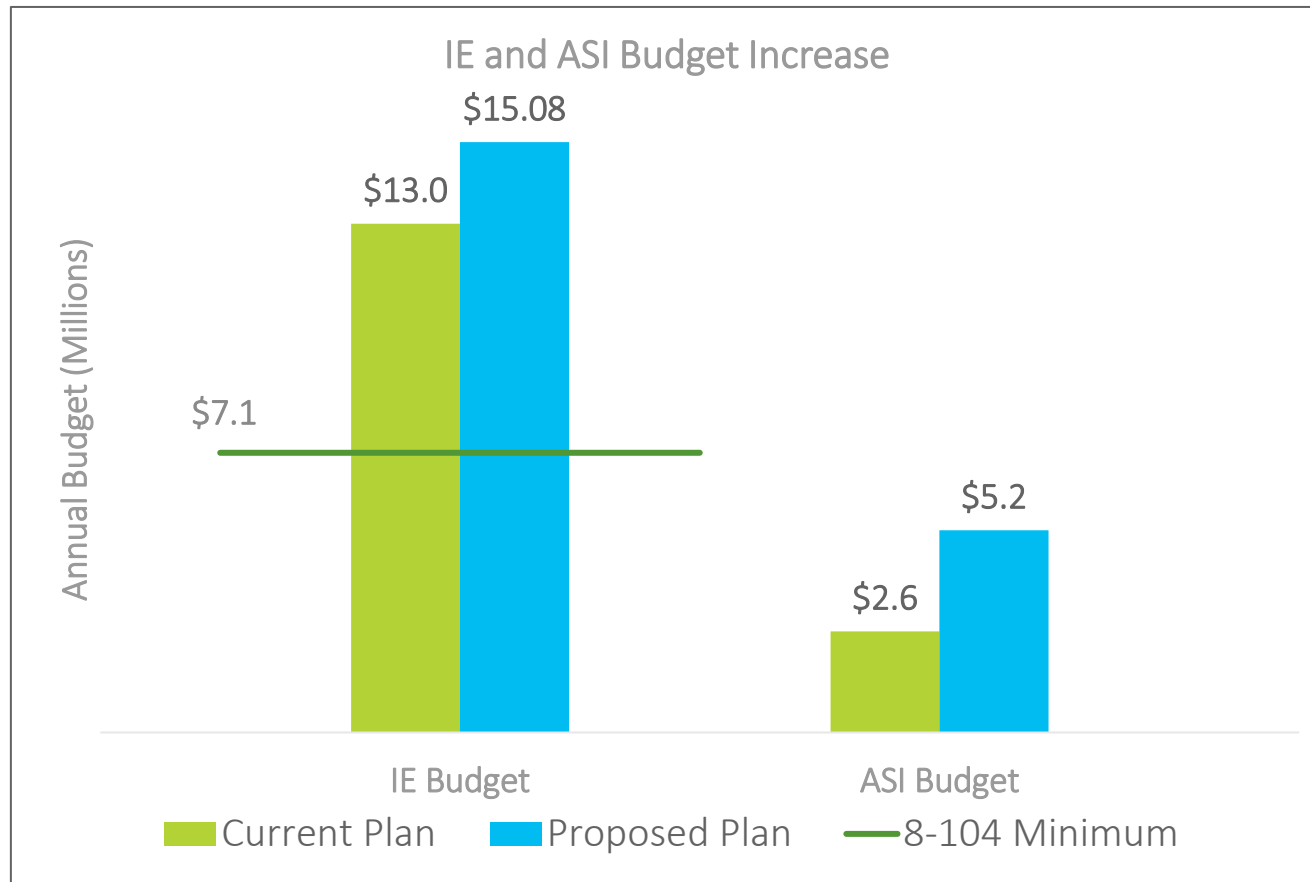
Our portfolio is balanced between two scenarios, bringing affordability, customer choice and greater impact to green house gas emissions.



Comprehensive and Balanced Plan

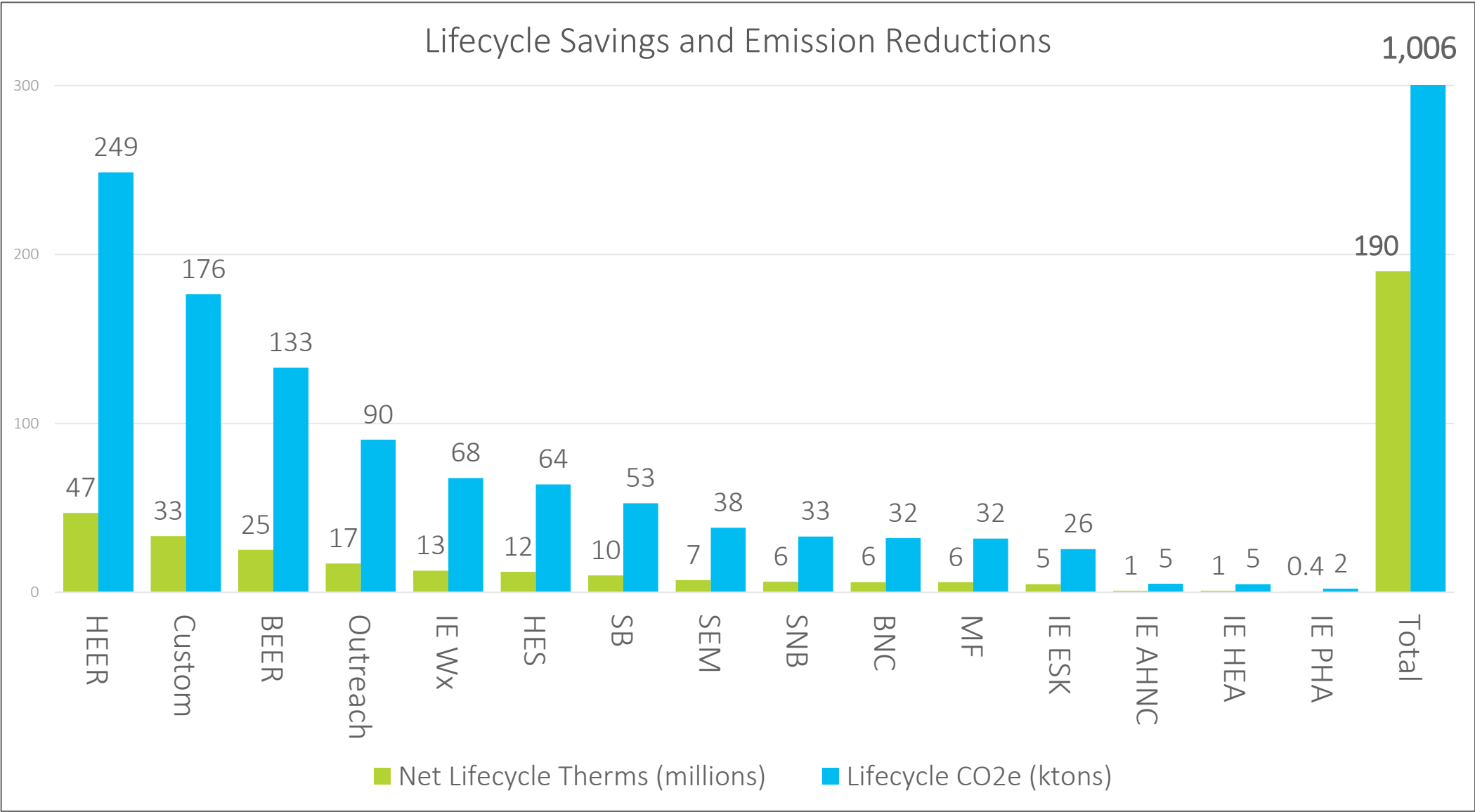


Larger Commitment to IE Customers and ASI



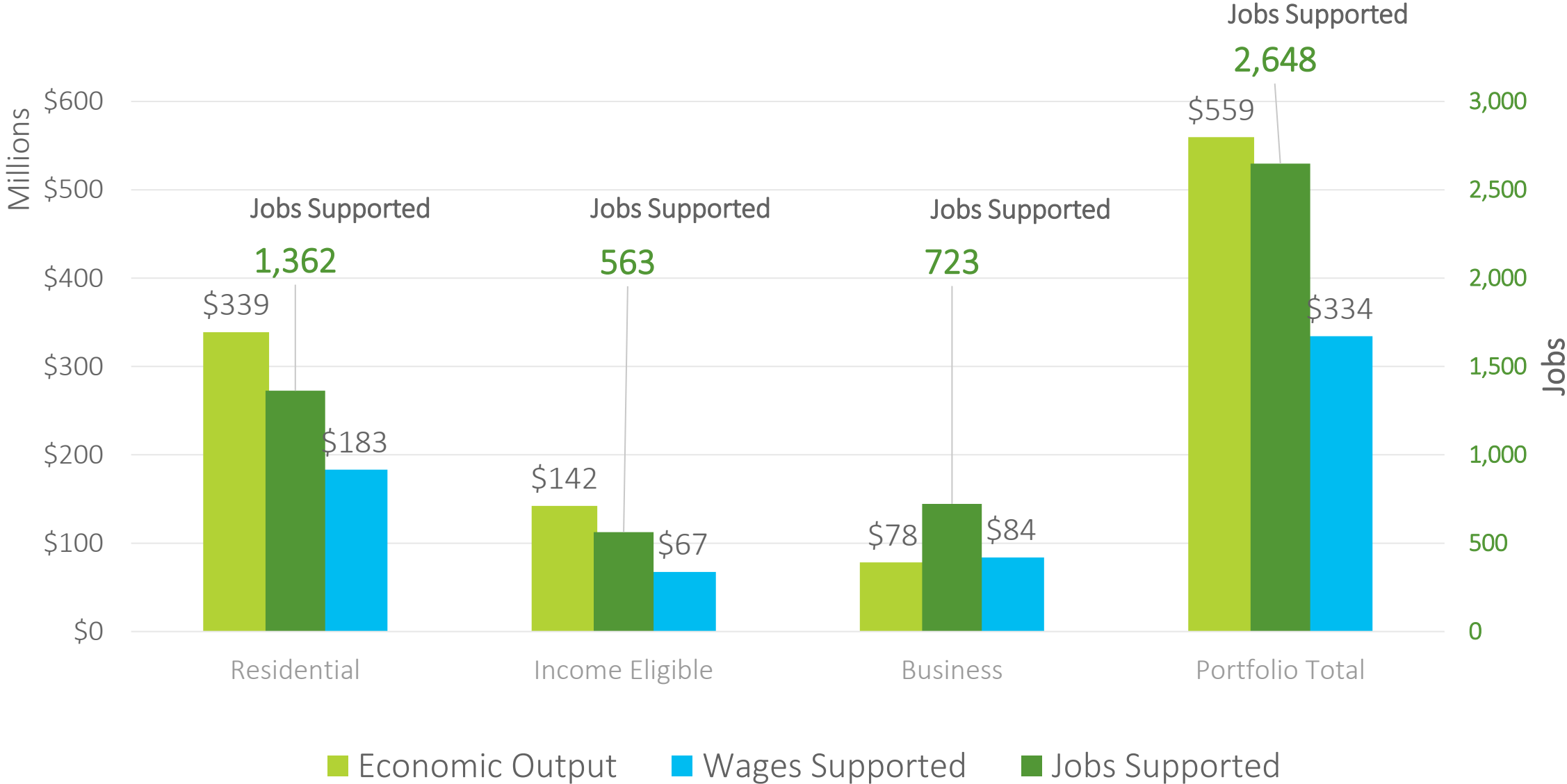
- 8-104(e) - The utilities shall also present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level.
 - Income-eligible proportionate revenue from households <150% of poverty is approximately \$7.1M
- Plan is seeing rising cost impacts from inflation and increased cost allocations with electric utilities.

Savings Impacts



Expanded Economic Development

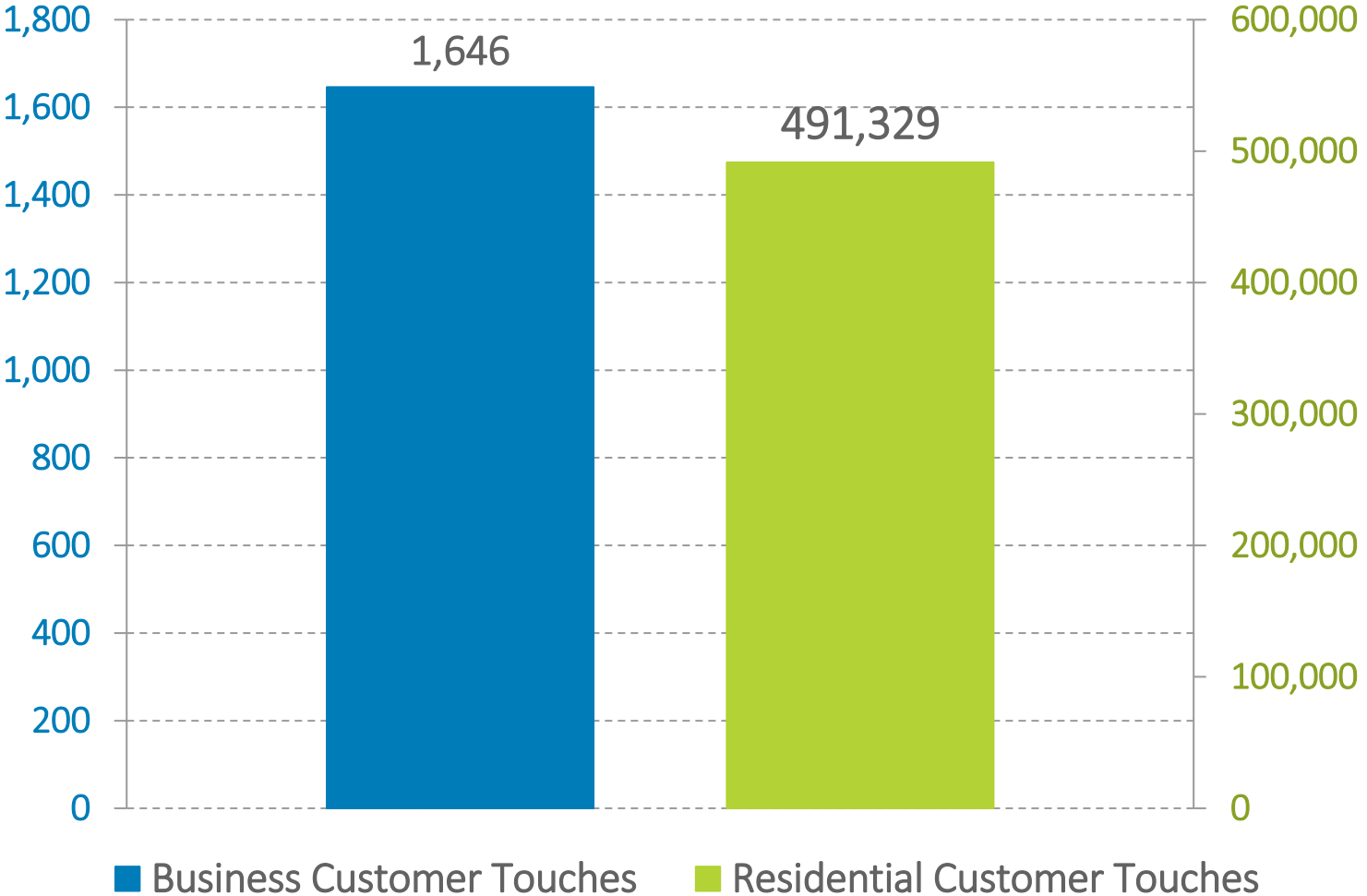
Four-Year Estimated Economic Impacts & Jobs



Extensive Customer Engagement

Proposed plan serves:

- ~492,000 customers per year
- ~859,000 unique customers across the four-year plan or about 37% of our customers
 - more residential households with market rate air sealing and insulation
 - ~93,000 IE families
 - ~12,100 IE homes weatherized
 - ~6,500 Small, medium and large businesses



Program Overviews

Overview of Residential Programs

Residential Programs

- Home Energy Savings (HES)
 - Self-Assessment Portal*
 - Air Sealing and Insulation (ASI)**
- Home Energy Efficiency Rebates (HEER)
- Energy Education and Outreach
 - Energy-Saving Kits, Energy Education Kits*
 - Home Energy Reports
- Multi-Family*
- Smart Neighborhood Builder Program (formerly RNC)

Key Highlights and Changes

- Increased investment in ASI (\$2.6M to \$5.2M total budget)
- HEER includes gas heat pumps and hybrid systems
- High performance windows
- Multi-Family customer journey

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

**Option for electric utility to purchase kwh

Program	Average Annual Budget (Millions)	Annual Net Therms (Millions)	Annual Net Lifecycle Therms (Millions)
HES	\$5.3	0.6	12.1
HEER	\$4.8	2.8	46.7
Outreach	\$2.8	1.8	17.1
MF	\$2.4	0.5	6.0
SNB	\$1.1	0.4	6.3
Total	\$16.4	6.0	88.1

Overview of Income-Eligible Programs

Income-Eligible Programs

- Weatherization (IE Wx)*
 - IHWAP, Retrofit, Healthy Homes
- Public Housing Authority (IE PHA)*
- Affordable Housing New Construction (IE AHNC)*
- Energy-Saving Kits (IE ESK)*
- Home Energy Assessments (IE HEA)*

Key Highlights and Changes

- Increased investment in comprehensive programs
- Revised health and safety spending mechanism
- Healthy Homes
- Additional collaboration with Ameren Illinois (SEEK)
- Multi-Family investment >30%

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

**Option for electric utility to purchase kwh

Program	Average Annual Budget (Millions)	Annual Net Therms (Millions)	Annual Net Lifecycle Therms (Millions)
IE Wx	\$11.8	0.81	12.7
IE ESK	\$1.1	0.43	4.8
IE HEA	\$0.8	0.09	0.9
IE PHA	\$0.8	0.03	0.4
IE AHNC	\$0.7	0.05	1.0
Total	\$15.1	1.41	19.9

Overview of Business Programs

Business Programs

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

Key Highlights and Changes

- Public Sector growth to meet 10% minimum \$5.8M
- Disadvantaged communities
- BOP

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

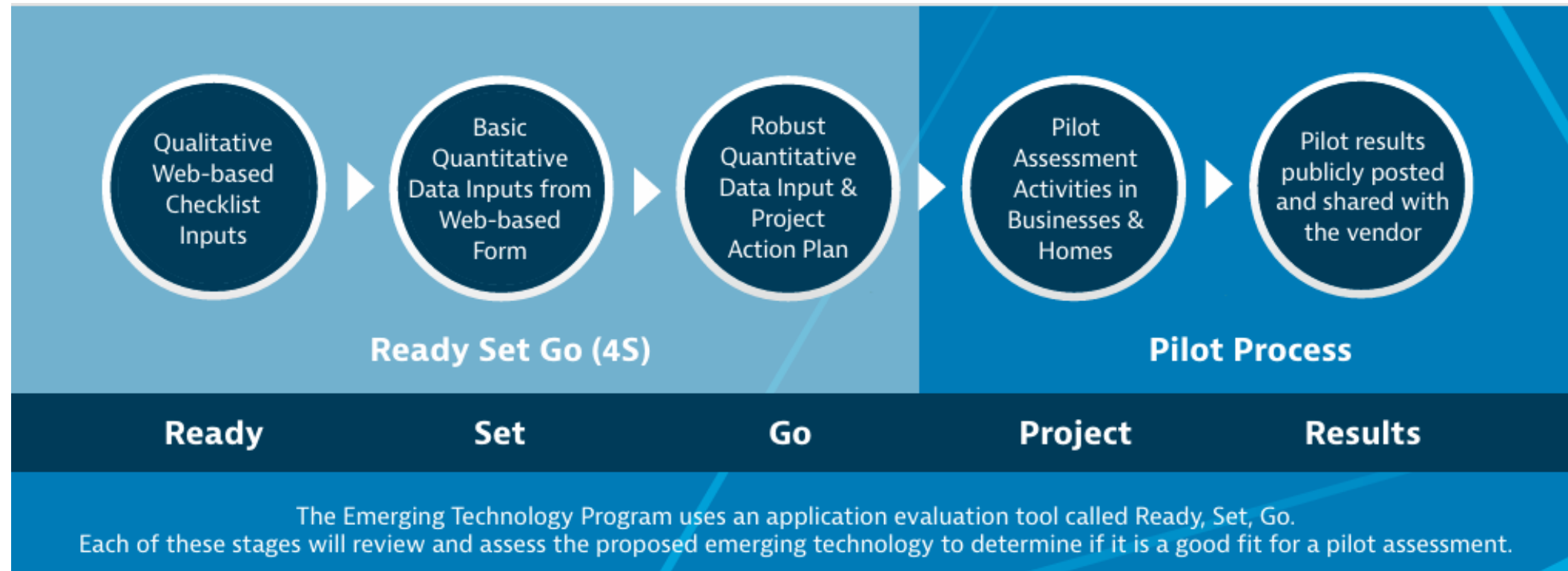
Program	Average Annual Budget (Millions)	Annual Net Therms (Millions)	Annual Net Lifecycle Therms (Millions)
Custom	\$5.6	2.0	33.3
BEER	\$4.5	3.5	25.2
SB	\$2.3	1.3	10.0
SEM	\$1.3	1.0	7.2
BNC	\$0.6	0.1	6.1
Total	\$14.2	8.0	81.8

Innovation and Equity

Innovation: Emerging Technology

Overview

- Identify innovative technologies
- Evaluate for reliability and cost effectiveness
- Add evaluated technologies to IL TRM and our portfolio
- Continues to be funded as 3% of portfolio - \$1.73M annually



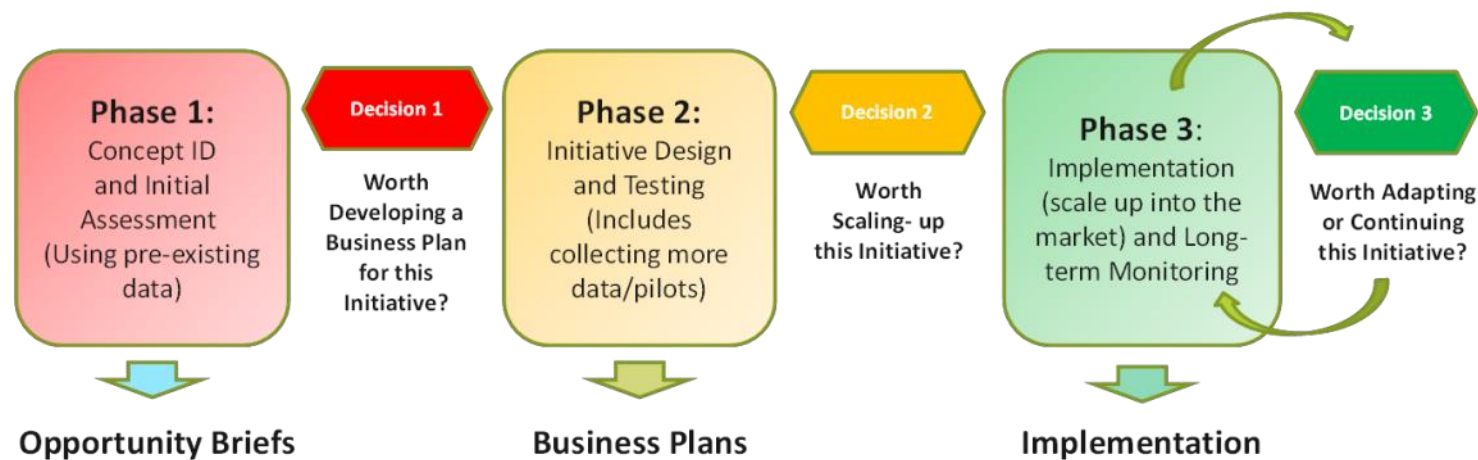
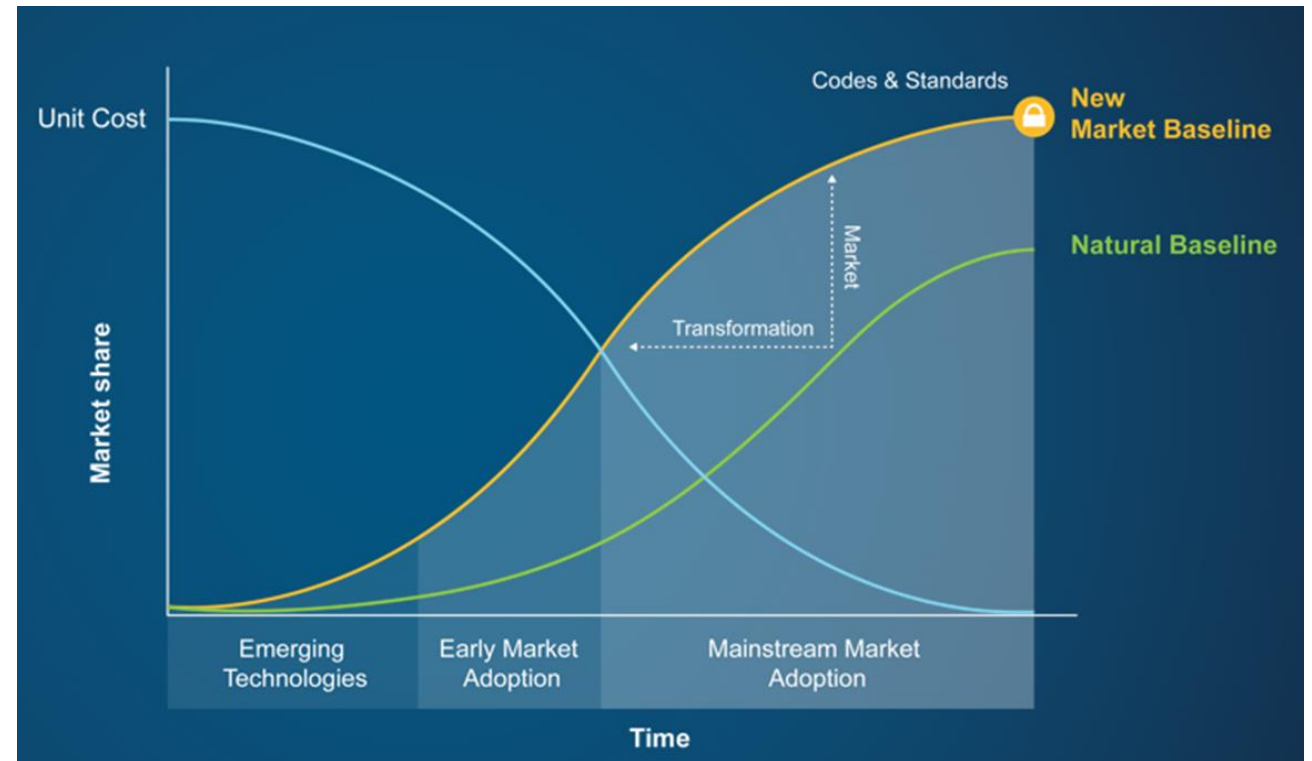
Innovation: Market Transformation

Our MT Initiatives (MTI)

- High Performance Windows (HPW)
- Gas Heat Pumps (GHP)
- High Efficiency Roof Top Units
- Other MT Ideas

Budget and Savings

- Residential GHP and HPW
- \$2.89M annual budget; 5% portfolio
- Market effect savings - 70K over four years



Market Development Initiative (MDI)

Partnerships + Mentorship = Expanded Workforce

- Increase from \$1.5M to \$1.95M annually
- Expand our existing MDI program via partnerships
- Train 60 diverse contractors and 100 workers over four years
- Expand wraparound service opportunities including wage replacement, childcare stipends, gas cards, financial literacy/education/mental health resources
- Provide on-the-job training internship opportunities, apprenticeships, tool rentals and cover certification booklet and exam costs
- Increase diverse vendor certifications in the state
- Increase BPI certified contractors in the energy efficiency field
- Integrate returning citizens

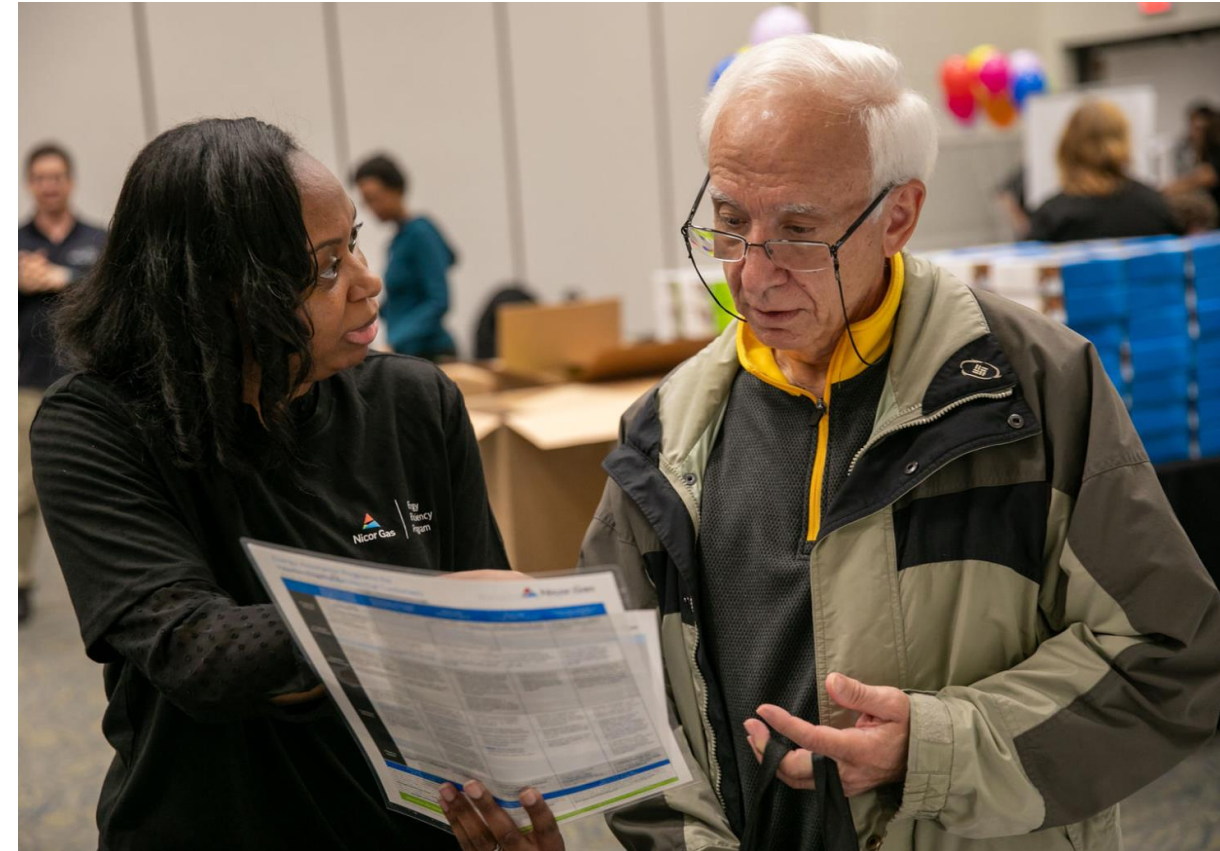


Community Connection Center (C3)

A team dedicated to helping customers meet their basic needs

Established in 2022, C3 determines customer needs and makes referrals to resources that help with energy efficiency, bill payments, food, clothing, rental/housing assistance, etc.

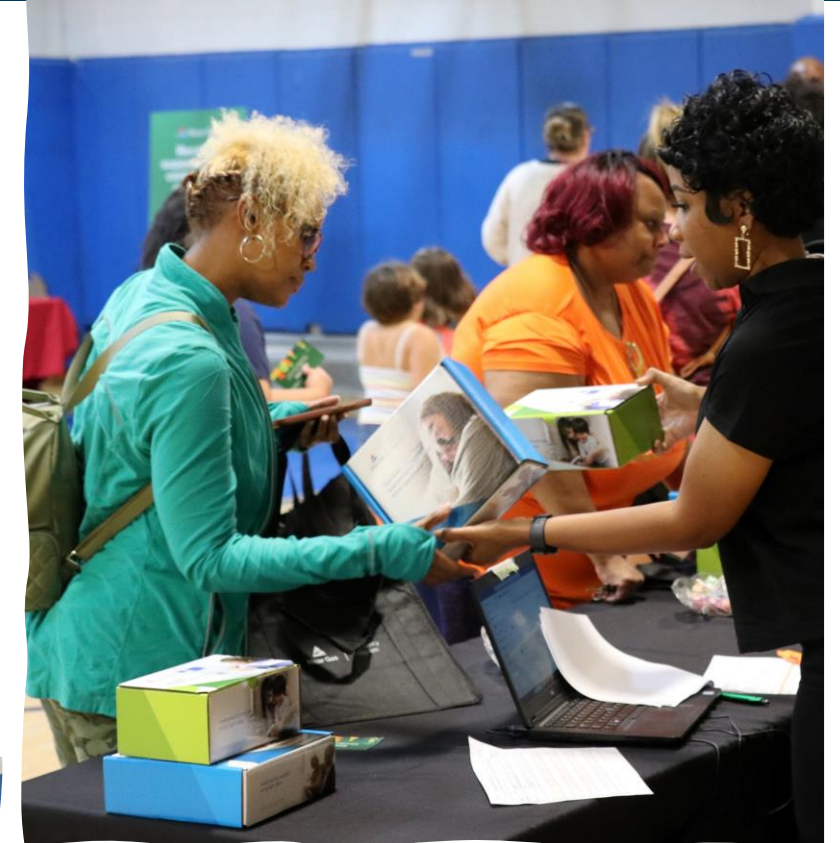
- 7,400+ customers have been referred to services
- \$18M in energy grants received by connected customers
- 226,000+ therms saved through Energy Efficiency
- 9,000 energy savings kits distributed
- 200 community events attended in 2023, and 200+ expected in 2024
- 260,000 pounds of free food distributed
- Online Community Assistance Navigator (CAN) tool works 24/7/365 in English and Spanish



Grocery and Energy Resource Fairs

2024 Grocery Event Campaign

- Largest 2024 outreach effort
 - \$200,000 foundation grant
 - 21 events – 14 grocery and resource fairs, 7 produce stands
 - ~150 – 250 families per event, >60k pounds of food
 - Events from June to December
 - Holiday oriented events in November/December providing turkeys and holiday sides
-
- Income-eligible customers are invited
 - Educational resources, kits, assessments, etc. offered
 - Free groceries provided include protein, dry goods and produce
 - Volunteers greet, assist and carry food to customer cars

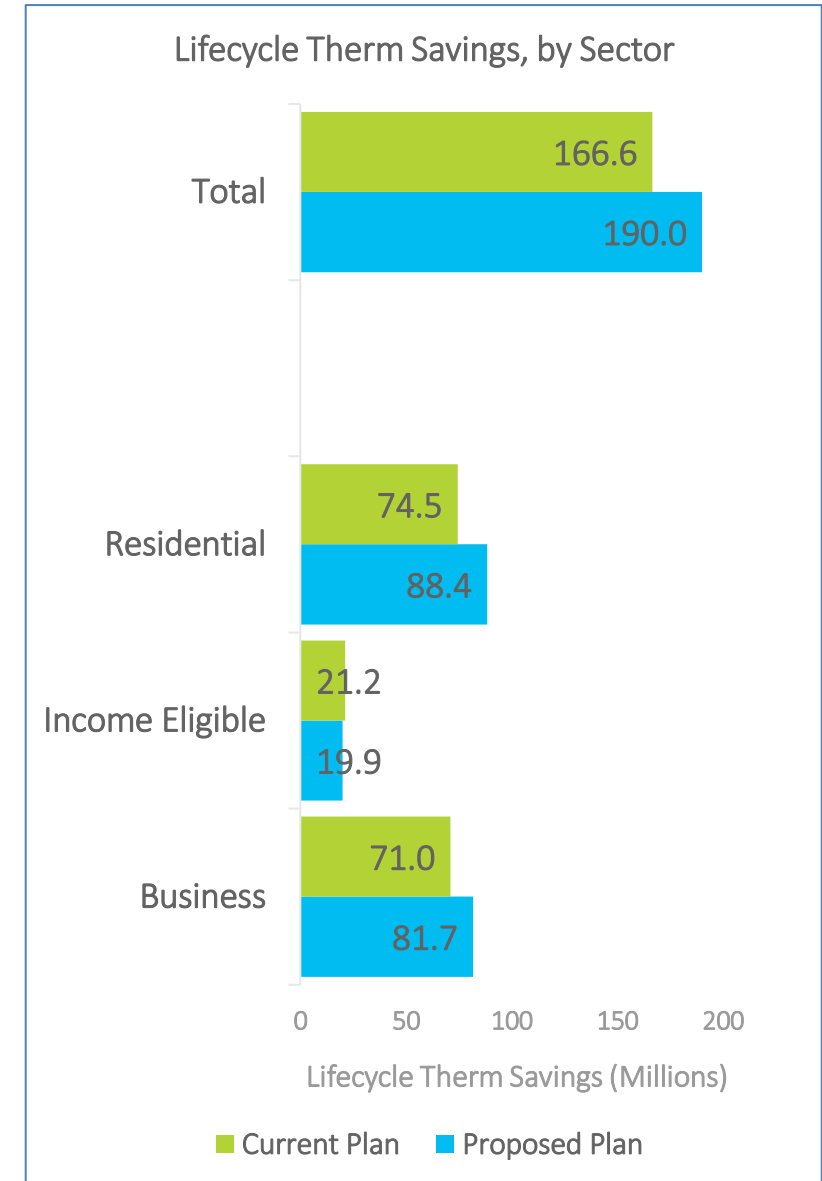
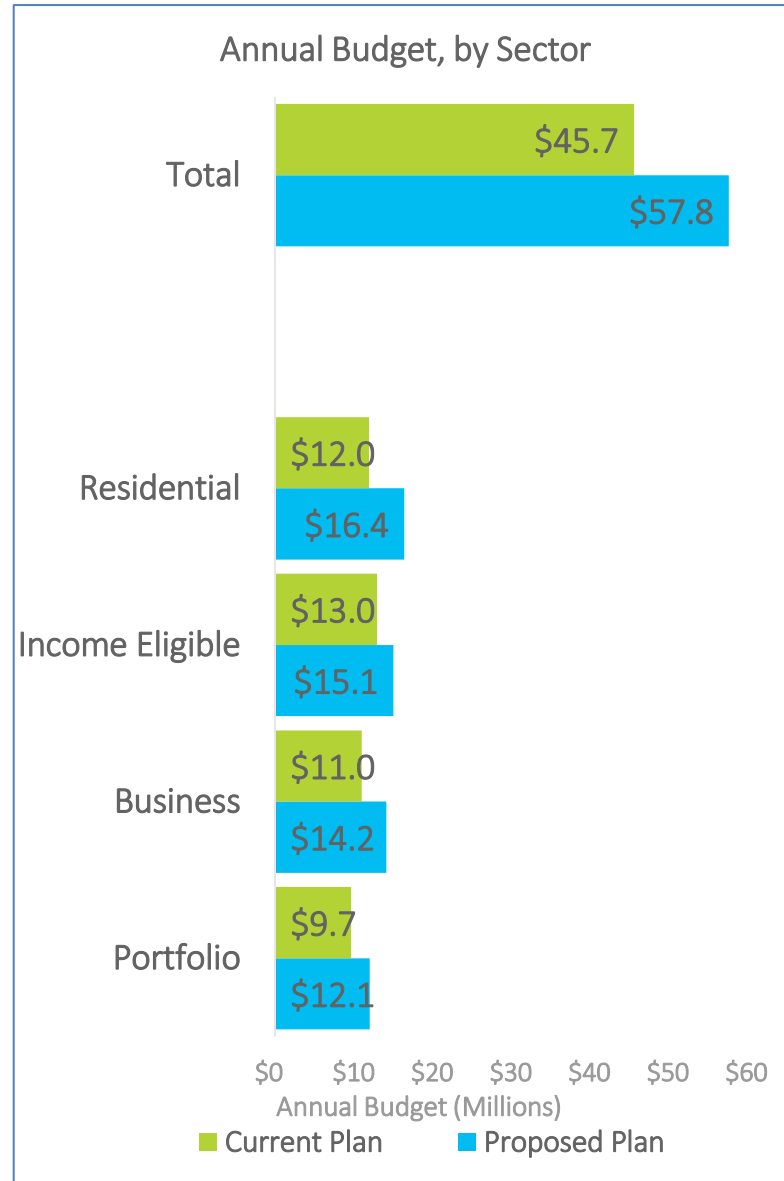


Community Connection Center Referrals

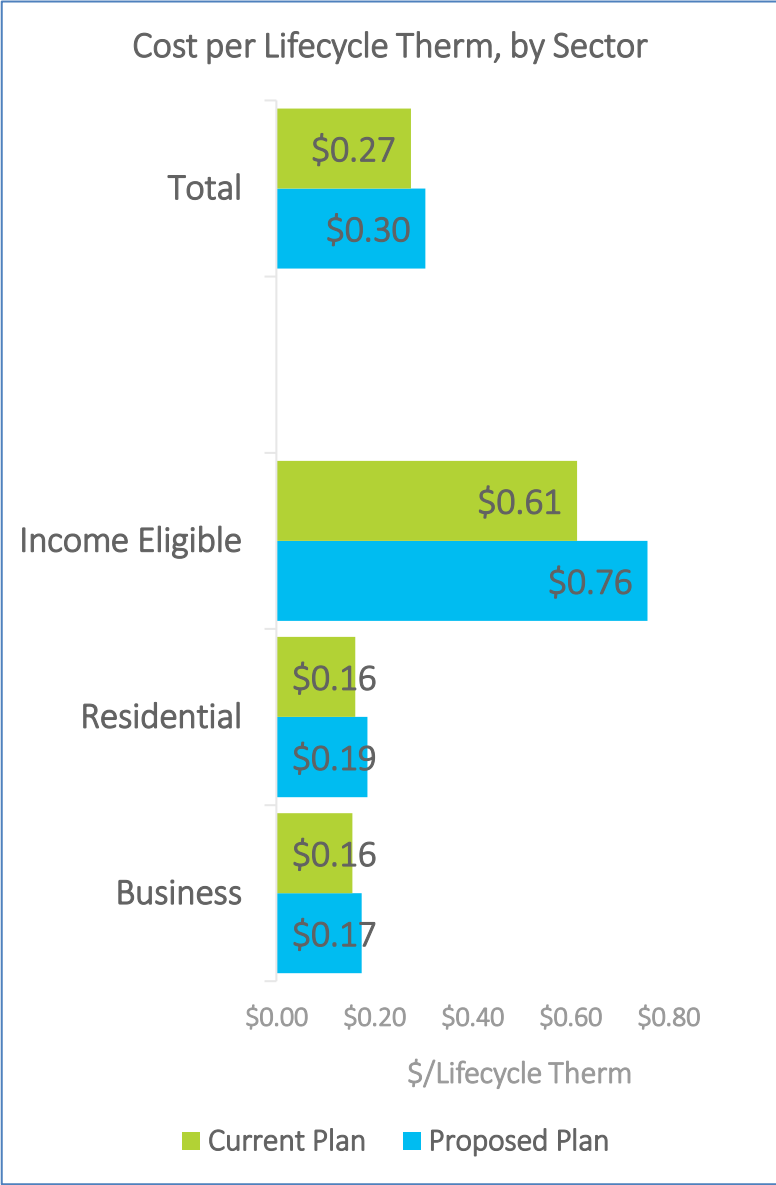
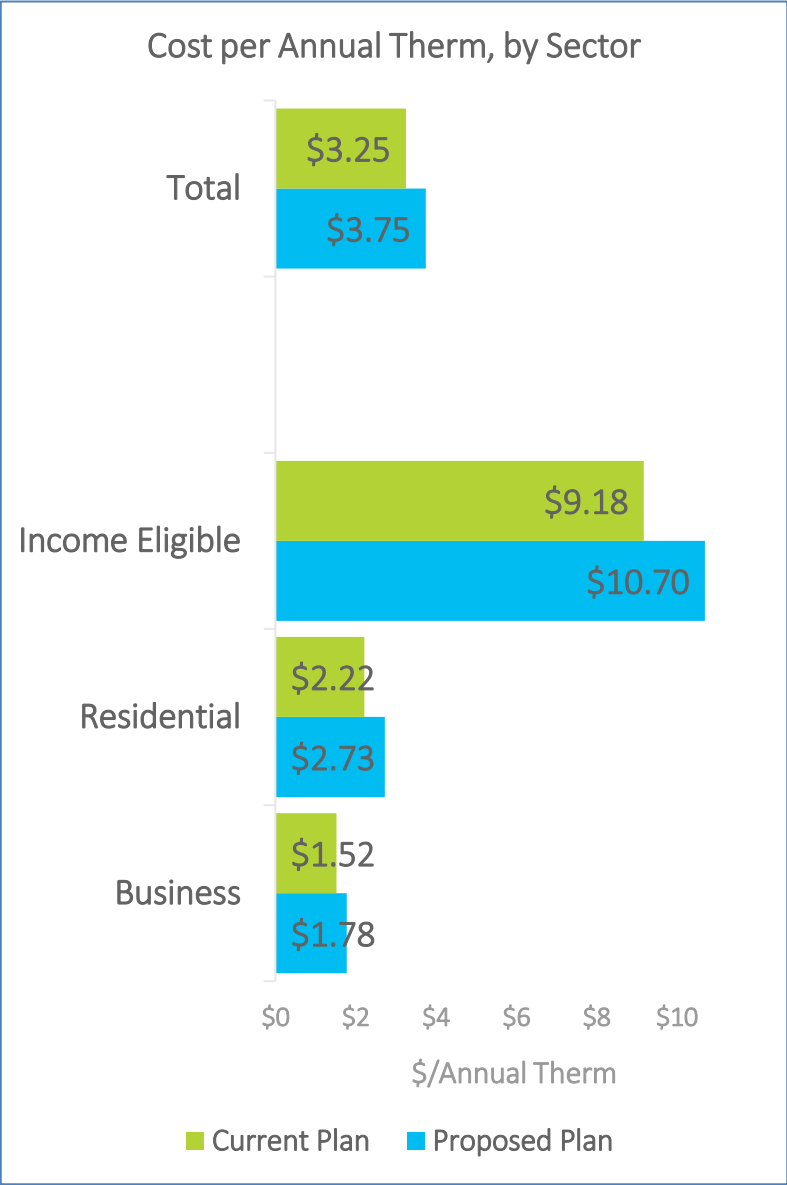


Portfolio Outcomes

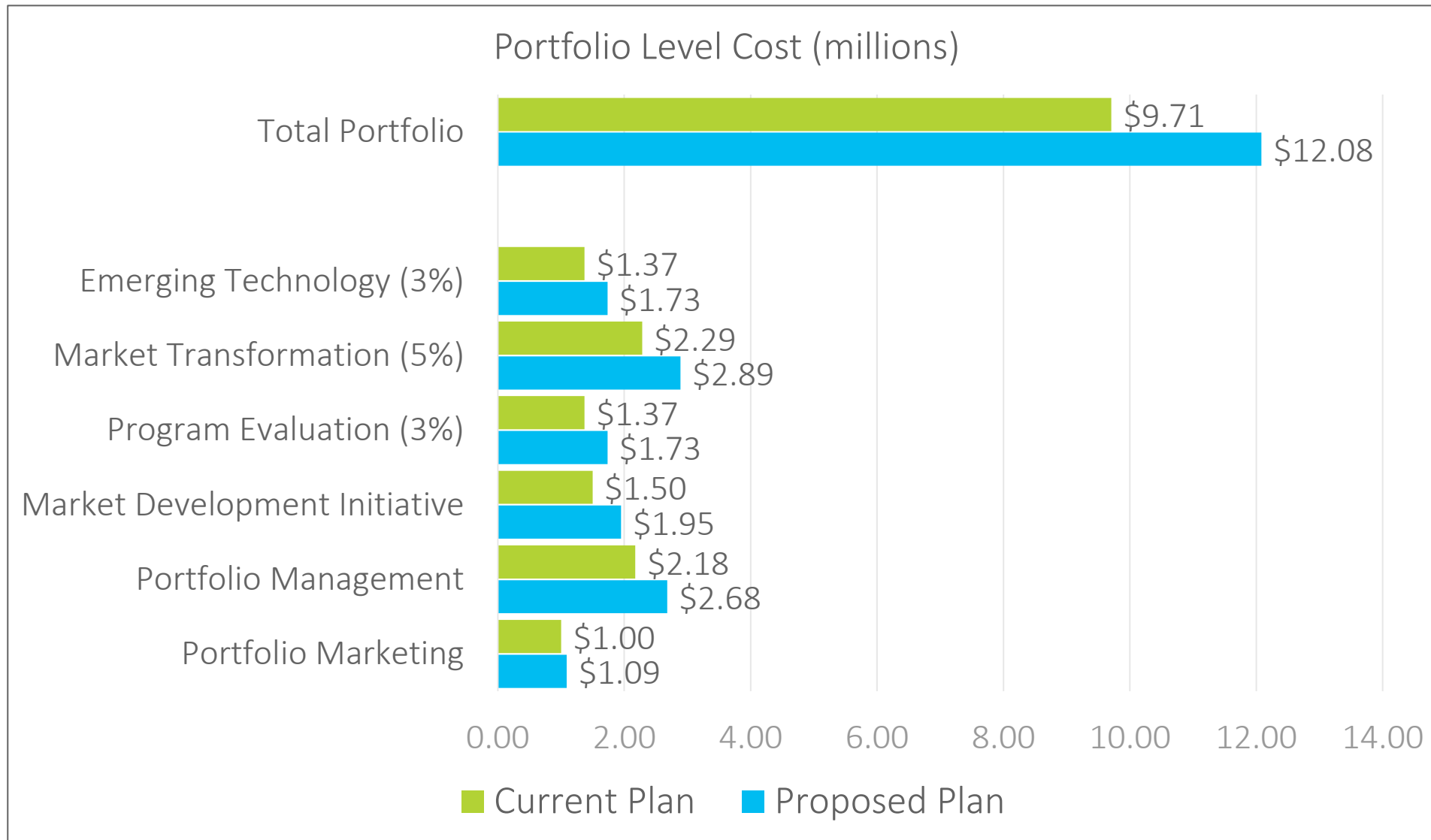
Current vs. Proposed Plan (Budget & Savings)



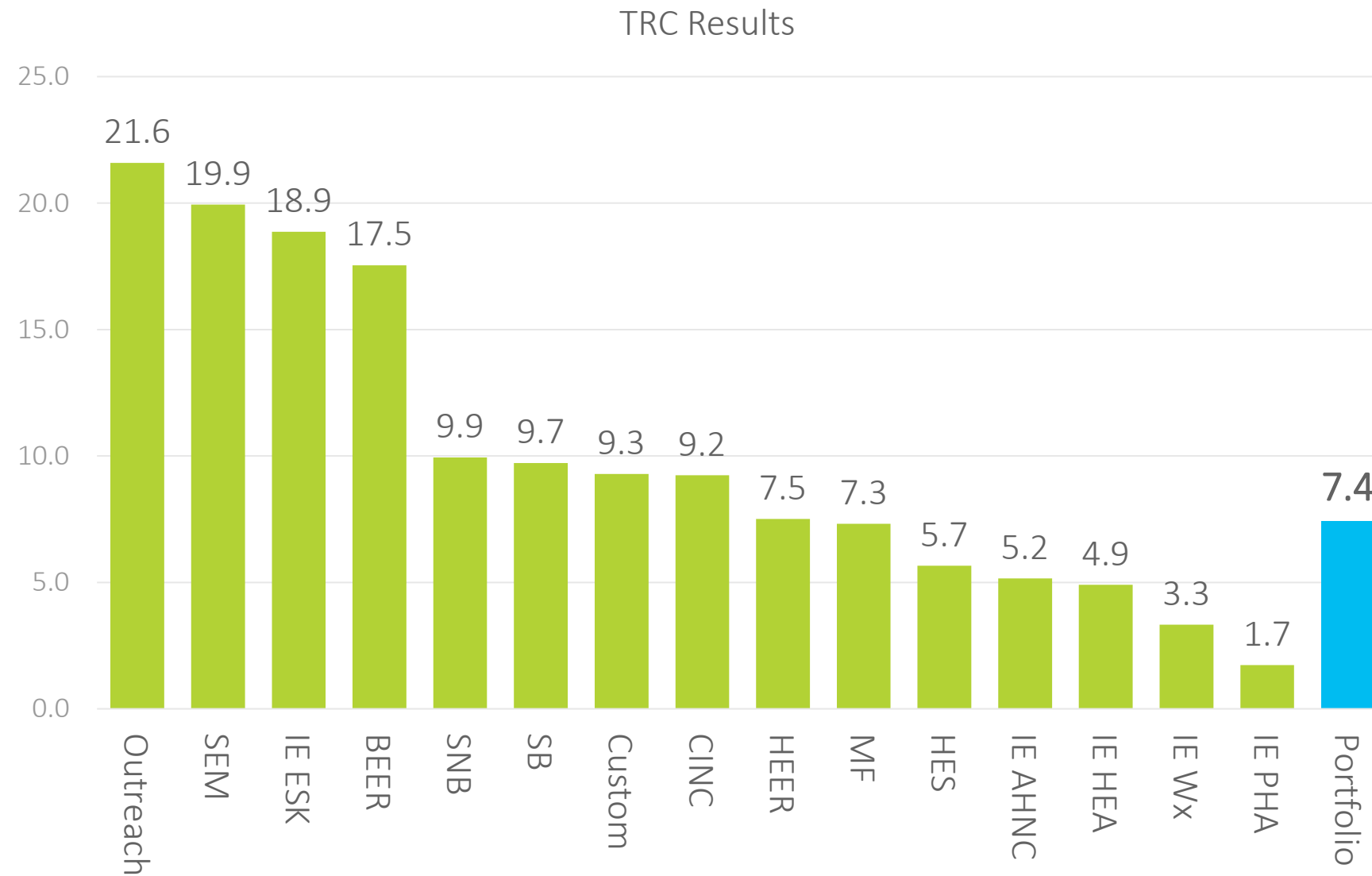
Current vs. Proposed Plan (\$/Therm and WAML)



Current vs. Proposed Plan (Portfolio Budgets)



Cost Effectiveness by Program



Total Resource Cost (TRC) Test

Avoided Cost Includes:

- Natural Gas Costs with T&D
- GHG Adder
- Non-Energy Impacts (NEI)

Real Discount Rate: 2%

Inflation: Annual Energy Outlook

Other Considerations and Next Steps

- Adjustments to health and safety (H&S) funding stipulations
 - Annual cap on H&S—\$1.5M
- Inflation Reduction Act rebate program

Conclusion



THANK YOU!



Nicor Gas