

PY2023 Q2 Energy Efficiency Review Illinois Stakeholder Advisory Group

Presented by: Mike King

April 25, 2023



Energy
Efficiency
Program

Portfolio Summary

2022 Portfolio Results

12.4M

Net savings to date

87.9%

Percent of planned savings

14.1M

Annual savings goal

\$40.4M

Spend to date

88.5%

Percent of planned spend

\$45.7M

Annual budget

Key portfolio highlights

- 368,607 customers participated in our programs
- Annual emission reductions: 65,905 metric tons CO₂
- Income-eligible was the largest sector with 31% of the total spend

Residential Programs

5

Programs

5.82M

Net therm savings to date

\$10.9M

Spend to date

Key highlights

- Multi-Family Central Plant Optimization Program was able to attain 107% of the program savings goal, while spending 97% of the incentive budget
- Multi-Family Prescriptive program achieved 127% of the savings goal with spending 80% of the program budget
- 8,600+ customers received Home Assessments and received over \$450K of energy efficient improvements made to their homes resulting in over 210,000 therms saved
- Installed 235 free thermostats to customers through our Smart Thermostat Initiative
- ASI MF program launched
- In 2022 a total of 19,568 water and weatherization kits were distributed to customers through customer orders and 14 in person events

Income-Eligible Programs

3

Programs

826K

Net therm savings to date

\$12.6M

Spend to date

Key highlights

- Served over 1,400 single family homes and 15,000 Multi-Family units across all Income Eligible offerings
- Single Family Retrofits reached 88% of the 2022 participation goal
- Joint offering with Ameren expanded outside of Bloomington-Normal to include Le Roy

Business Programs

5

Programs

5.76M

Net therm savings to date

\$10.1M

Spend to date

Key portfolio highlights

- Business Energy Efficiency Rebates closed the year at 137% to therm goal and 114% to spend goal
- The Small Business program helped identify almost 40,000 therms in energy savings and provided incentive of \$100,000 to restaurants
- Commercial Industrial New Construction completed 40 projects in 2022. Of which, 28 were private sector projects and 12 were public sector projects.

Stipulations

Plan Year

2022

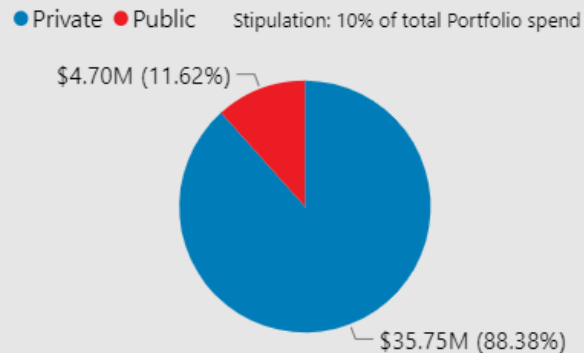
Budget Stipulations - PY2022-PY2023

Accounting actuals through:
December 2022

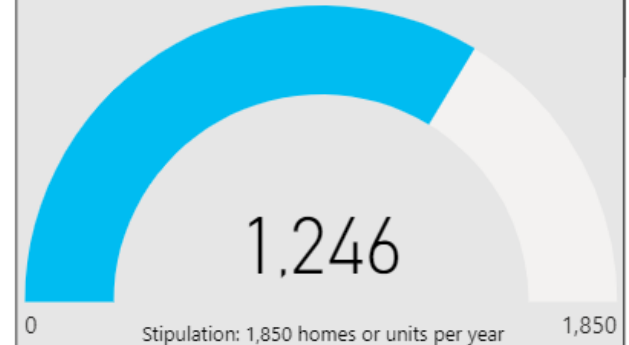
Total EEP Spend



Total EEP Spend - Public Sector



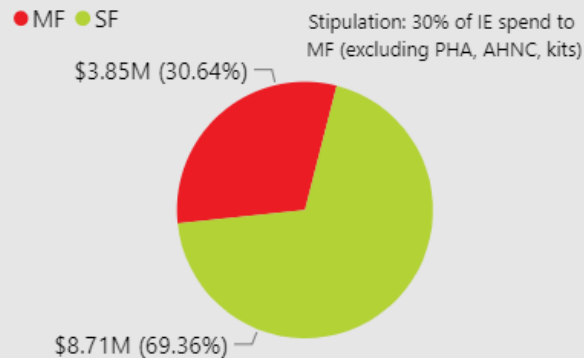
Number of ASI Homes/MF Units



Income Eligible Spend



Income Eligible Spend - Multi-Family



Income Eligible Spend - Retrofits Only



Weighted Average
Measure Life

13.32 yrs.

Stipulation: ≥11.91 years

Tier 1 Diverse Spend

\$14.38 M

Tier 2 Diverse Spend

\$3.04 M

% of Total Eligible Spend

66.6%

Impact

 **235M+**
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



210M+
first year therms
saved since 2011

- Avoids more than 1.11M metric tons of CO2 emissions
- Equivalent to the CO2 emissions generated by 239K passenger vehicles over the course of a year



1.20M+
customers in
643 communities
Have participated

- \$196 average incentive per customer
- Engaged 185K elementary school students in energy efficiency education



\$1.95B
Economic activity
spurred since 2011

- 10.0K jobs supported since 2011
- \$90.2M spent with diverse suppliers
- \$775M wages supported since 2011

2023 Production



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Portfolio Summary

Year to Date Results
January 1, 2023-March 31, 2023

1.32M

Net savings to date

9.36%

Percent of planned savings

14.1M

Annual savings goal

\$9.99M

Spend to date

21.9%

Percent of planned spend

\$45.7M

Annual budget

Key portfolio highlights

- 16,378 customers participated in our programs
- Annual mission reductions: 6,984 metric tons CO₂

Residential Programs

5

Programs

900K

Net therm savings to date

\$3.38M

Spend to date

Key highlights

- New ASI incentive levels and recruitment of Trade Allies to increase participation
- Home Assessments offering expanding measures available to customers
- Through the first quarter of 2023, Nicor Gas has delivered a combined 21,173 water and weatherization kits

Income-eligible Programs

4

Programs

126K

Net therm savings to date

\$2.63M

Spend to date

Key highlights

- Partnering with Rebuilding Together in Blue Island and Chicago Heights
- Rockford Habitat for Humanity partnership in process to serve 100 homes
- Over 250 units served to date within PHA and currently trending below our planned \$/therm

Business Programs

5

Programs

289K

Net therm savings to date

\$2.23M

Spend to date

Key portfolio highlights

- **SEM** – Re-engaging existing SEM Alumni, seeing increase in activity & energy models. Executing “continuous recruitment”.
- Business Optimization Plan has revised incentives for 2023.
- Custom-Ramping up outreach to C & I customers
- CINC-Expect to close 61 projects in 2023

Stipulations

Plan Year

2023

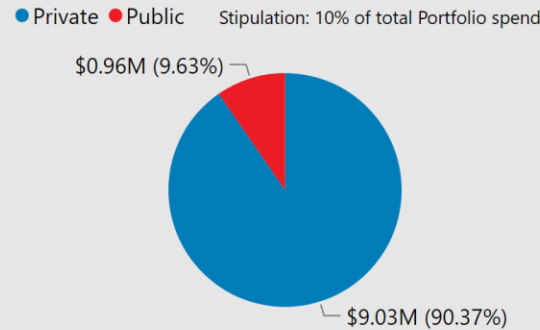
Budget Stipulations - PY2022-PY2023

Accounting actuals through:
March 2023

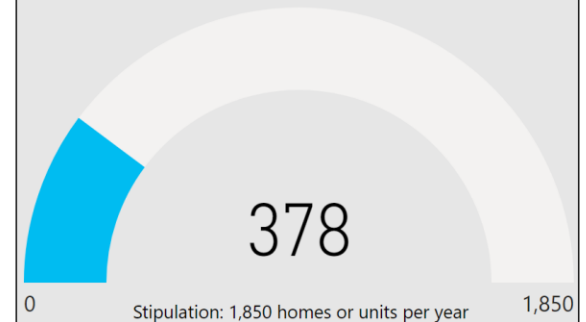
Total EEP Spend



Total EEP Spend - Public Sector



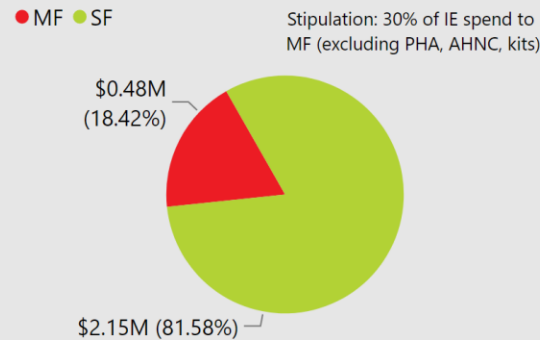
Number of ASI Homes/MF Units



Income Eligible Spend



Income Eligible Spend - Multi-Family



Income Eligible Spend - Retrofits Only



Weighted Average
Measure Life

13.63 yrs

Stipulation: ≥11.91 years

Tier 1 Diverse Spend

\$2.93 M

Tier 2 Diverse Spend

\$320 K

% of Total Eligible Spend

74.6%

Innovation and Engagement

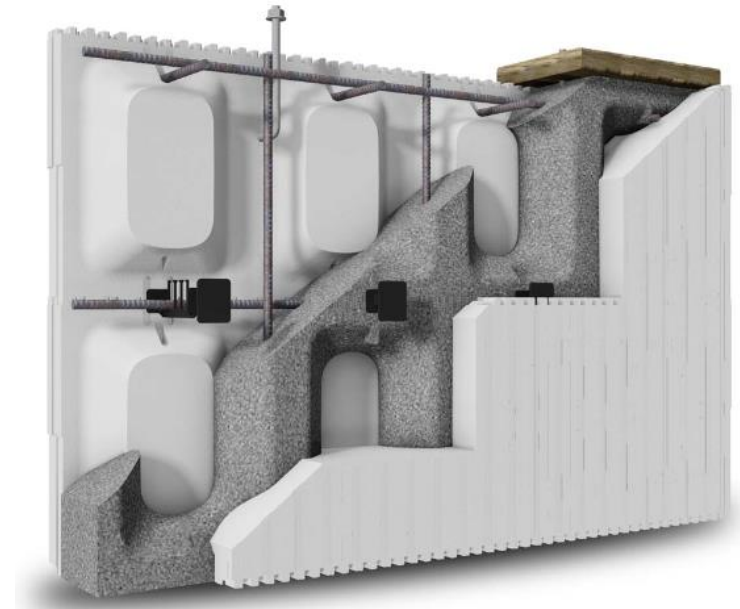


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Emerging Technology 2023 TRM Submissions

- **Insulated Concrete Forms (ICF)** are a type of energy efficient building wall assembly providing continuous insulation, high strength, and durability. Heating and cooling energy savings derived from higher and continuous thermal resistance provided by ICF walls are covered in this measure.

Sector: Residential new construction



- **Tankless Water heater Array** is a type of domestic hot water heating system formed by array of tankless water heating units to increase overall system capacity, turndown capability and to reduce standby losses. Hot water energy savings due to reduction in standby losses and improved system efficiency is detailed in this measure.

Sector: commercial

Innovation: Market Transformation Initiatives

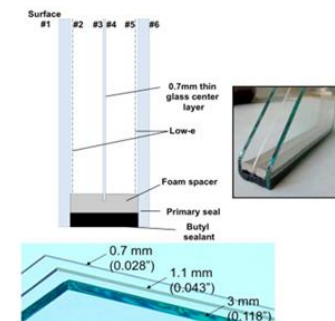
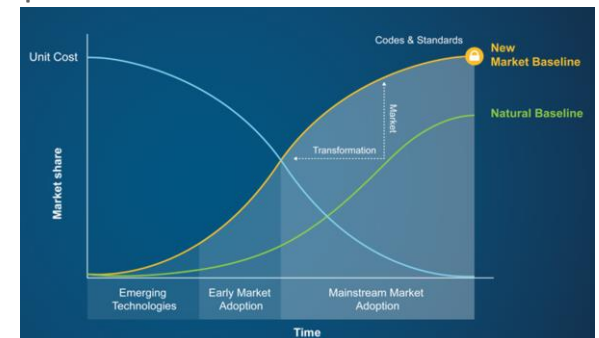
Market Transformation (MT) is the strategic process of intervening in a market to create lasting change that results in the accelerated adoption of energy efficient products, services and practices.

Nicor Gas efforts include:

- Development of Market Transformation best practices and methods
- Collaborative engagement, recruitment, and education with other utilities and stakeholders
- Utilize Market Transformation Savings Framework through SAG MT Working Group
- Leverage investment through North American MT Collaborative

MT Initiative Efforts

- SAG MT Working Group
- High Performance Windows (Joint with Ameren, ComEd and Nicor Gas)
- Code Advancement (Joint ComEd, PG/NSG. And Nicor Gas)
- NAGHP Collaborative (17 Utilities in North America)
- Other MT Initiative efforts considering with NEEA or other utilities
 - Efficient Rooftop Units, Secondary Glazing systems, GHP Water Heaters



MDI Research

12

CBO interviews

10

IC interviews

30

Trade ally interviews

28

CBOs surveyed

74

Subcontractors surveyed

417

Trade allies surveyed

Key highlights from research recommendations

- Provide educational and technical assistance
- Utilize CBO partners to enhance recruitment and support
- Assist in addressing financing barriers for diverse contractors
- Evaluate penal limitations to workforce participation
- Create actionable pathways to job placement
- Establish KPIs to track trade ally development

Implementation Update

53

Bidders invited

5

Total responses

4

MWDBE responses

SOW and program implementation

- SOW process November to February, Walker-Miller selected
- Program designs informed by the MDI research
- Diverse Trade Ally Development program (TAD)
- Workforce Training and Employment program (WTE)
- CBO outreach and partner recruitment
- Q3 training
- Q4 graduation

Ongoing Efforts



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Community Engagement

- Hanover Park Water-Saving Pilot
 - Nicor Gas designed a pilot to promote free energy- and water-saving kits in partnership with the City
 - 11,500 flyers distributed
 - Posters and digital ads



- Operation Warm 2022
 - Nicor Gas provided coats to children at Title 1 schools in Harvey and West Aurora
 - 1,600 coats delivered to kids in need



- Goodr Mobile Food Pantries
 - Our partnership with Goodr provided one week's worth of groceries for close to 1,800 families
 - More than 350 energy-saving kits were ordered on site



Community Connection Center

Community Connection Center (C3) Reaches One Year Milestone

After a full year of connecting with customers, the Nicor Gas Community Connection Center expanded its reach by launching the Community Assistance Navigator (CAN). This anonymous self-service portal allows customers to enter their information and receive tailored recommendations for assistance resources. English and Spanish versions are available.

Customers can still request concierge assistance from the C3 team directly, allowing us to provide the support they need.

The screenshot shows the Nicor Gas website header with navigation links for Residential, Business, Safety, Community, Company, and Sustainability. Below the header is a hero image of a smiling couple. The main content area is titled 'Community Assistance Navigator' and includes a sub-header 'Find Assistance For Your Needs'. There are three input fields: 'Number of people in household' (set to 1), 'Gross monthly income' (set to Select), and 'County' (set to Select). Below these fields are four program cards: 'Low Income Home Energy Assistance Program (LIHEAP)', 'Percentage of Income Payment Plan (PIPP)', 'Shield of Caring Program', and 'Energy Assistance Program'. Each card has an 'Apply Now' button and a 'Learn More' link.



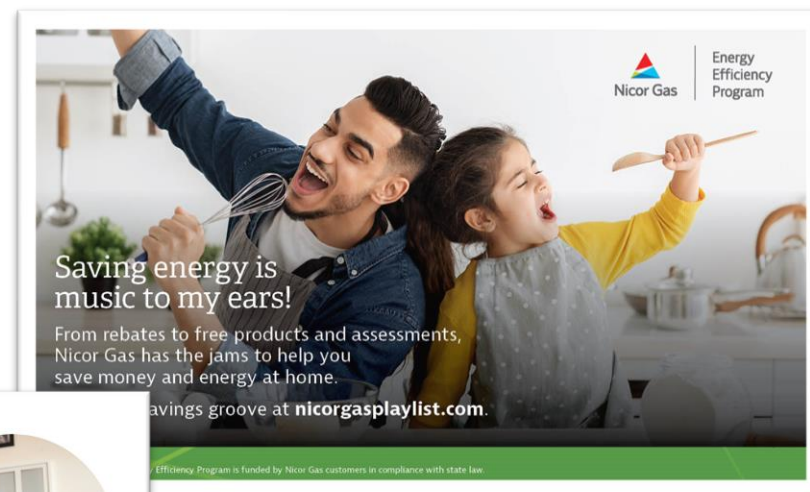
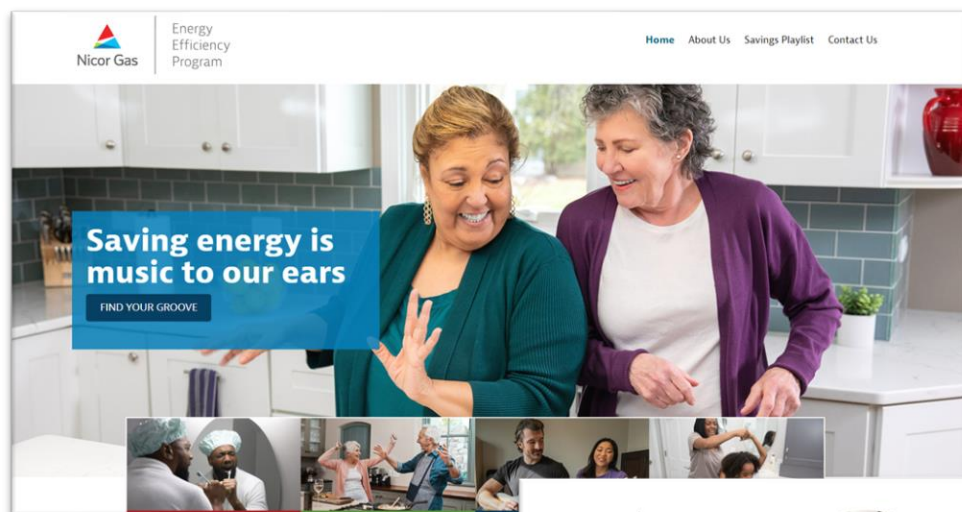
C3 year at-a-glance stats:

- Connected with **more than 5,000** Nicor Gas customers
- **60%** of customers contacted were in the lowest income bracket
- Over **335** participated in energy efficiency offerings
- **More than 2,800** customers received **\$1.8M** in LIHEAP grants
- **Over 5,000** customers received **\$1.2M** in Shield of Caring grants
- Attended more than **60** events; distributed **more than 6,000** IE/C3 flyers
- **2** virtual resource fairs – **more than 500** customers attended
- Since its launch, **more than 400** customers have used the CAN tool

EEP Advertising Campaign

New EEP Campaign - Saving energy is music to our ears!

- In March of 2023 the Energy Efficiency Program launched its first campaign in over a year including TV, radio, print and digital advertising
- We want all of our customers to see that the Energy Efficiency Program supports their individual natural gas-saving needs
- The campaign focuses on connecting energy efficiency solutions with music in a way that is unique and meaningful to all customers





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