





NORTH SHORE GAS[®] ENERGY EFFICIENCY PROGRAM

4th Quarter Report

Program Year 2022 | 10.01.22 – 12.31.22

Table of Contents

<u>07</u>

<u>80</u>

<u>14</u>

15

18

Peoples Gas

Portfolio Summary
Business Program
Research and Development and Market Transformation
Residential Program
Income Eligible Program

North Shore Gas

Portfolio Summary	<u>25</u>
Business Program	<u>26</u>
Research and Development and Market Transformation	<u>32</u>
Residential Program	<u>33</u>
Income Eligible Program	36

Peoples Gas and North Shore Gas

Marketing & Outreach





The Peoples Gas Light and Coke Company and North Shore Gas Company provide these qualitative Quarterly Reports containing a program brief on Q4 and cumulative of Program Year 2022 activities. These reports are accompanied by the quantitative reports, which detail the program savings, costs, and results. These reports are provided pursuant to Section 6.6 of the Illinois Energy Efficiency Policy Manual Version 2.0 (effective January 1, 2020).

Data presented in this document is based on preliminary results and is subject to revision and evaluation adjustments.





Q4 Environmental and Community Impact

ENVIRONMENTAL IMPACT

67,126 Acres of trees planted

56,722 Carbon reduction (tons)

12,222 Cars removed from the road

7,145 Homes' energy use offset COMMUNITY IMPACT

16,584 Residential homes served

63,111 Income qualified homes served

435 Businesses served

77 Direct portfolio jobs

Diversity Initiatives

PORTFOLIO SUPPLIERMARKET DEVELOPMENTDIVERSITYINITIATIVE (MDI)

3 of 7 Certified Diverse Tier 1

24% Contracted Diversity Spend

22% Overall Current Diversity Spend Research reports complete

RFP Issued

PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM



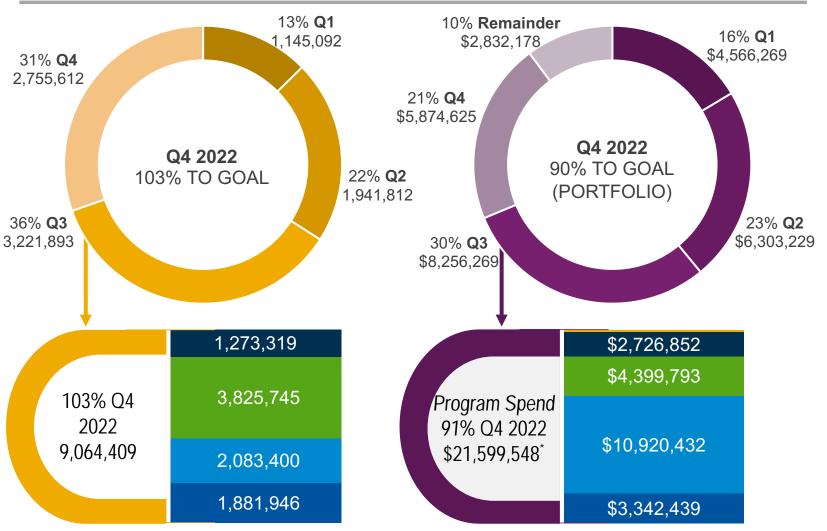
PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM

SAVINGS

SPEND

As of Q4 2022, the Peoples Gas portfolio achieved 103% of the savings goal of 8,840,915 therms, spent 91% of the \$23,725,279 program budget, and spent 90% of the \$27,832,571 portfolio budget.

- Public Sector Program achieved 245% of the savings goal, spending 111% of the budget.
- Business Program achieved 102% of the savings goal, spending 77% of the budget.
- Income Eligible Program achieved 93% of the savings goal, spending 94% of the budget.
- Residential Program achieved 80% of the savings goal, spending 90% of the budget.



*Includes \$210,032 in MDI Research *Program spend does not include portfolio costs

Commercial and Industrial

The Commercial and Industrial Program seeks to engage customers using 400,000 therms or more per year, within the utility's territory. The program offers several outreach strategies aimed at reaching top-down and bottom-up stakeholders in delivering program funds to assist in improving the customer's operations and system reliability.

Business Program

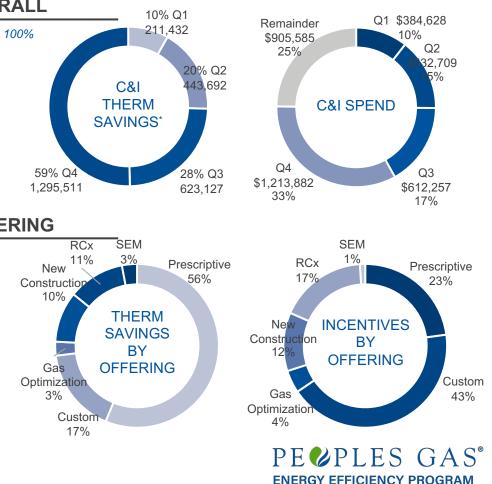
Prescriptive and Custom Rebates	Prescriptive rebates are standard incentive amounts for common energy efficiency measures, typically, with deemed energy savings in the Illinois Technical Resource Manual.
	Custom rebates are awarded for the non-standard applications of energy efficiency measures or for projects that do not follow a one-for-one replacement. The review of several operating parameters determines the energy savings.
New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements. This is a joint program implemented with partnering utility, ComEd.
Gas Optimization Studies	This comprehensive facility review focuses on gas systems and is like an ASHRAE Level 2 Audit. The study aims to identify custom and prescriptive opportunities. Customers may receive up to \$15,000 for onsite engineering assistance from a 3rd party engineering firm.
Retro-Commissioning	This comprehensive study provides insights into the performance of a facility's existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months. This is a joint program with ComEd, and an approved 3rd party engineering firm conducts the study.
Engineering Studies	These studies focus on large, custom, capital-intensive energy-saving projects. An in-depth implementation study, investment-grade audit or process evaluation is provided focused on one process or project. Customers may receive up to \$15,000 to offset the costs of a 3rd party engineering firm to conduct the study.
Staffing Grant	Customer grant recipients are provided up to \$50,000 to support a full- or part-time employee to oversee the implementation of natural gas efficiency projects that would otherwise not be implemented due to limited staffing.
Strategic Energy Management	Strategic Energy Management engages customers in long-term continuous energy efficiency improvements at their facilities by involving site management, leveraging data, and promoting best practices at the site.

Commercial and Industrial HIGHLIGHTS

RESULTS

OVERALL Performance *Total > 100% Achieved increased savings goal for 2022 \$/therm lower than expected C&I Q4 saw 2nd highest guarterly savings in history of C&I THERM Customer Engagement SAVINGS* ✓ A boiler project 3-years in the making was finalized after the 59% Q4 manufacturer provided group training alongside tight 1,295,511 collaboration with the customer, Trade Allies and our Energy Advisors **OFFERING** After advice from our Energy Advisor, recent participant Jackson \checkmark SEM RCx 3% Park Hospital will complete a steam trap project to help ensure 11% New their recently installed equipment stays in peak performance Constructio 10% Trade Ally Engagement THERM SAVINGS

- Continuing to engage Trade Allies as a group with webinars (October webinar on in-floor radiant heat and November webinar on commercial duct sealing)
- Engaging Trade Allies individually on their savings, projects in progress, pipeline, payments, etc.



Small and Midsize Business

The Small and Midsize Business Program seeks to engage businesses with an annual gas use below 400,000 therms.

Outreach and rebates are designed to support the unique needs of these businesses in improving their operations and reducing their energy costs.

Business Program

Prescriptive and Custom Rebates	Prescriptive rebates are standard incentive amounts for common energy efficiency measures, typically, with deemed energy savings in the Illinois Technical Resource Manual.
	Custom rebates are awarded for the non-standard applications of energy efficiency measures or for projects that do not follow a one-for-one replacement. The review of several operating parameters determines the energy savings.
New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements. This is a joint program implemented with partnering utility, ComEd.
Gas Optimization Studies	This comprehensive facility review focuses on gas systems and is like an ASHRAE Level 2 Audit. The study aims to identify custom and prescriptive opportunities. Customers may receive up to \$15,000 for onsite engineering assistance from a 3rd party engineering firm.
Retro-Commissioning	This comprehensive study provides insights into the performance of a facility's existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months. This is a joint program with ComEd, and an approved 3rd party engineering firm conducts the study.

Small and Midsize Business HIGHLIGHTS

RESULTS

Performance

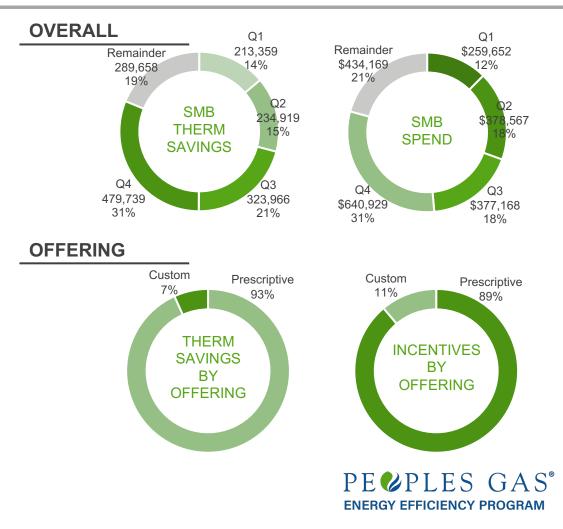
- ✓ \$/therm lower than expected
- ✓ Q4 saw highest quarterly savings in history of Small and Midsize Business (in total with PGL and NSG combined)

Customer Engagement

- ✓ Columbia College recently completed boiler tune-ups at 10 buildings; next up is a steam trap project
- New participant, Vitality Beverage, reached out to the us directly to get started
- ✓ 200 W Jackson is a new participant with an older building and is completing a variety of projects including a boiler tune-up and pipe insulation
- ✓ The team sponsored and attended an Illinois Hispanic Chamber of Commerce event in October

Trade Ally Engagement

- Continuing to engage Trade Allies as a group with webinars (October webinar on in-floor radiant heat and November webinar on commercial duct sealing)
- Engaging Trade Allies individually on their savings, projects in progress, pipeline, payments, etc.



Public Sector

The Public Sector Program seeks to engage Public Sector entities in the utility's territory.

The program offers several outreach initiatives aimed at reaching top-down and bottom-up stakeholders within the Public Sector to facilitate program participation and assist in improving the customer's operations and system reliability.

Business Program

Prescriptive rebates are standard incentive amounts for common energy efficiency measures, typically, with deemed energy savings in the Illinois Technical Resource Manual.
Custom rebates are awarded for the non-standard applications of energy efficiency measures or for projects that do not follow a one-for-one replacement. The review of several operating parameters determines the energy savings.
Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements. This is a joint program implemented with partnering utility, ComEd.
This comprehensive facility review focuses on gas systems and is like an ASHRAE Level 2 Audit. The study aims to identify custom and prescriptive opportunities. Customers may receive up to \$15,000 for onsite engineering assistance from a 3rd party engineering firm.
This comprehensive study provides insights into the performance of a facility's existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months. This is a joint program with ComEd, and an approved 3rd party engineering firm conducts the study.
These studies focus on large, custom, capital-intensive energy-saving projects. An in-depth implementation study, investment-grade audit or process evaluation is provided focused on one process or project. Customers may receive up to \$15,000 to offset the costs of a 3rd party engineering firm to conduct the study.
Customer grant recipients are provided up to \$50,000 to support a full- or part-time employee to oversee the implementation of natural gas efficiency projects that would otherwise not be implemented due to limited staffing.
Strategic Energy Management engages customers in long-term continuous energy efficiency improvements at their facilities by involving site management, leveraging data and promoting best practices at the site.

Public Sector HIGHLIGHTS

Performance

- ✓ Achieved public sector spend goal for 2022
- ✓ \$/therm less than expected

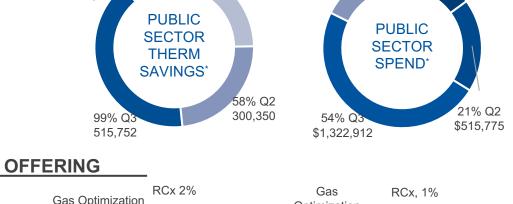
Customer Engagement

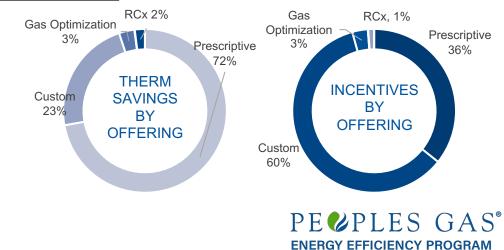
- ✓ 34 Chicago Public Schools assessments were completed (joint natural gas and electric) and more have been requested
- Navy Pier has completed a project that was identified in an ASHRAE audit

Trade Ally Engagement

- Continuing to engage Trade Allies as a group with webinars (October webinar on in-floor radiant heat and November webinar on commercial duct sealing)
- Engaging Trade Allies individually on their savings, projects in progress, pipeline, payments, etc.

OVERALL 61% Q1 20% Q4 *Total > 100% 27% Q4 61% Q1 20% Q4 141,829 PUBLIC 20% Q4





17% Q1

\$407,249

Research and Development and Market Transformation

Commercial Food Service Pilot Highlights

The Commercial Food Service Phase 4 pilot completed in 2022.

Promotion in Q4 for fryers, convection ovens, pre-rinse spray valves and demand-controlled kitchen ventilation.

Statewide RFP was issued in Q3 and will transition from pilot to full program.

Research and Development (R&D) evaluate innovative technologies and projects for possible future inclusion in programs to achieve additional therm savings. Projects are implemented in collaboration with research organizations, educational institutions, and non-profit organizations. This team is also engaged in Market Transformation (MT) activities to shift the market to greater adoption of energy-efficient technologies. Market Transformation initiatives are expanding new project launches and existing projects as joint IOU MT initiatives.

Single Family and Multi-Family

Residential single-family offerings provide residential customers access to energy efficiency via two paths—Home Energy Assessment and Home Energy Rebates. The programs are designed to help customers save energy immediately through the direct installation of measures while identifying major upgrades (i.e., furnace or boiler replacement, attic insulation) for future consideration.

Residential Multi-Family Program offers a comprehensive program of assessments, direct install, prescriptive and custom rebates, and partner trade ally projects.

PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM

Residential Program

Home Energy Assessment	Offers energy-saving products installed in homes at no-cost to the customer. The Home Energy Assessment program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. Homeowners can reduce their energy and water use with the installation of products available to owners of single-family homes, two-flats, and individually metered condos and townhomes. Renters are also eligible with permission from their landlords.
Smart Thermostats	A joint utility offering that provides residential customers discounted smart thermostats through the ComEd Marketplace.
Home Energy Rebate	This is a gas-only offering provided in collaboration with local Trade Allies. The program offers rebates on energy-efficient heating, ventilation, air conditioning and water heating equipment and qualifying weatherization projects for residential customers.
Elementary Education	The Elementary Education Program is a free energy efficiency educational program provided in partnership with Peoples Gas, North Shore Gas and ComEd. The program offers 5th grade energy efficiency lesson plans, equipping teachers with activity guides and take-home kits for students and their families to learn how to save energy by installing no-cost energy-saving products in their homes.
Multi-Family Energy Savings	The Multi-Family Energy Savings program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. The program offers free direct installation of energy-saving measures for multi-family buildings.
Prescriptive and Custom Rebates, and Partner Trade Ally (PTA)	A Peoples Gas and North Shore Gas-only offering provided in partnership with vetted Trade Allies. Prescriptive rebates are standard incentive amounts for common types of energy efficiency measures. Custom incentives are awarded for the non-standard technologies or for projects that do not include a one- for-one replacement. This is based on the review of several operating parameters that determine energy savings.

Residential Single Family HIGHLIGHTS

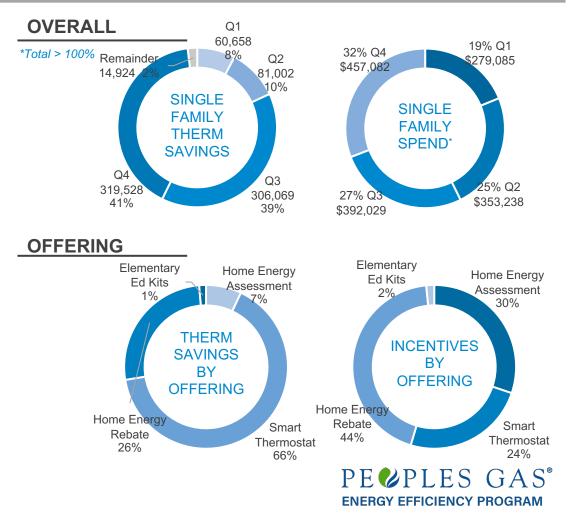
RESULTS

Performance

- Program participation was strong but offering mix varied from forecast impacting the overall cost-effectiveness
 - Assessment participation was stronger than anticipated and ran cost-effectively
 - Smart thermostat participation increased in the second half of 2022 with added promotions and sales
 - Home Energy Rebates participation in 2022 was on target and the \$/therm was less than expected
 - Elementary Education Kits interest and participation was
 higher than forecast

Offering Highlights

- ✓ Home Energy Rebate: 1,197 HVAC Rebate and 164 Weatherization building participants in 2022
 - ✓ The top measures based upon savings: high-efficiency furnaces, smart thermostats, and air sealing
- ✓ Elementary Education Kits: 1,298 Kits were distributed in 2022
- ✓ Smart Thermostats: 7,205 sold in 2022



Residential Multi-Family HIGHLIGHTS

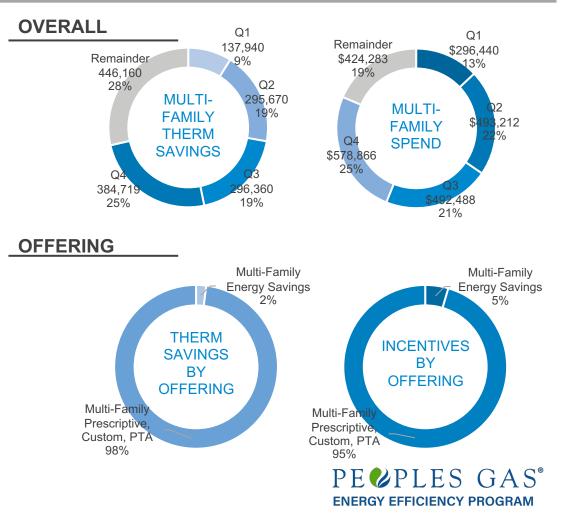
RESULTS

Performance

- Most of the savings is from the Multi-Family Prescriptive, Custom, and Partner Trade Ally (PTA) offering, PTAs are mostly companies that have existing relationships with customers
- ✓ Steam trap projects help to keep cost effectiveness in check

Offering Highlights

- ✓ Multi-Family Energy Savings: 70 building participants to date
- Prescriptive, Custom, Partner Trade Ally: 202 building participants to date. The Partner Trade Allies completed the majority of projects. Steam traps, pipe insulation, and boilers were the top three measure by savings



Income Eligible Single Family and Multi-Family

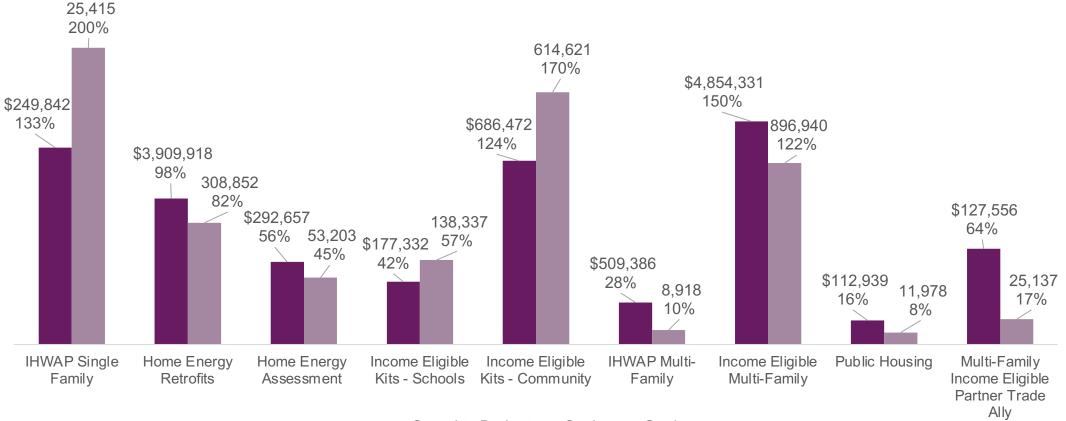
Income Eligible Programs target the underserved income eligible market, providing services designed to make it easy for single-family and multifamily income eligible customers to take advantage of cost-effective energy saving retrofits.



Income Eligible Program

Illinois Home Weatherization Assistance Program (IHWAP)	Leverage's state and federal funds to supplement incentives from utility programs. The program was designed to help low-income residents save energy and money while increasing the comfort of their homes. With a mission to insulate low-income customers, particularly the elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, to conserve needed energy and to aid those persons least able to afford higher utility costs. Weatherization services are provided to low-income residents through local community action agencies or not for profit agencies.
Home Energy Assessment	Offers energy-saving products installed in homes at no-cost to the customer. The Home Energy Assessment program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. Homeowners can reduce their energy and water use with the installation of products available to owners of single-family homes, two-flats, and individually metered condos and townhomes. Renters are also eligible with permission from their landlords.
Home Energy Savings Retrofits	Offers direct install products and no-cost weatherization services for Income-Eligible Single-Family home customers. It is delivered jointly with ComEd through approved agencies or partners, e.g. Chicago Bungalow Association.
Income Eligible Multi- Family Savings	Building owners receive free technical assistance to identify energy efficiency opportunities and install measures. Expenses are fully covered by the program, from the direct installation of energy efficiency products into tenants' units (light bulbs, aerators, showerheads, etc.), to common area measures, and more extensive measures requiring building owner co-pay. This program is a joint utility program offering.
Public Housing Energy Savings	Offers prescriptive and custom rebates for gas measures in housing owned by Public Housing Authorities. This program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd.
Multi-Family Income Eligible Partner Trade Ally	A Peoples Gas and North Shore Gas-only offering, delivered by vetted Partner Trade Allies. Trade Allies are given higher rebate amounts to serve geographically income-eligible customers with retrofit measures.
Income Eligible Gas Kits	Provides income-qualified customers with a kit of energy efficiency measures to self-install. The Income Eligible Gas Kits are distributed by ground mail to qualified customers vetted by the Low-Income Home Energy Assistance Program (LIHEAP). Provided in partnership with the Peoples Gas, North Shore Gas and ComEd.
	10

Income Eligible Program 2022 Program Offerings Savings and Spend



Spend to Budget Savings to Goal

PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM

Income Eligible Program 2022 Program Offering Participants

Multi-Family Income Eligible Partner Trade Ally	Participants/Buildings, 11	
Public Housing	Participants/Buildings, 28 Units, 920	
Income Eligible Multi-Family	Participants/Buildings, 883 Units, 19456	
IHWAP Multi-Family	Participants/Buildings, 2	
Income Eligible Kits - Community		Kits, 38,493
Income Eligible Kits - Schools	Kits, 17,309	
Home Energy Assessment	Participants/Buildings, 1,510	
Home Energy Retrofits	Participants/Buildings, 1,316	
IHWAP Single Family	Participants/Buildings, 68	
	■ Participants/Buildings and Kits ■ Units	



Income Qualified Single Family

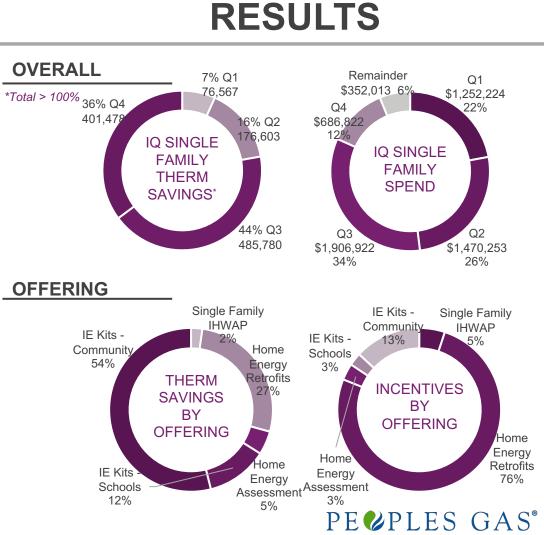
HIGHLIGHTS

Performance

- Program participation was very strong, with some offerings over-achieving their savings goals, but offering mix varied from forecast impacting the overall cost-effectiveness
 - CEDA helped IHWAP exceed anticipated participation
 - Weatherization participation was strong, but measure mix was different than anticipated and the program ran more expensive
 - Assessments and Elementary Education Kits saw less
 participation than forecast
 - Strong Community Kits participation supported achieving 2022 goal

Offering Highlights

- ✓ IHWAP Single Family completed 200% of the annual savings goal at 133% of the budget, showing continued strong interest and operating more cost effectively than forecast
- ✓ 17,309 Elementary Ed and 38,493 Community Kits were distributed in 2022



ENERGY EFFICIENCY PROGRAM

Income Qualified Multi-Family

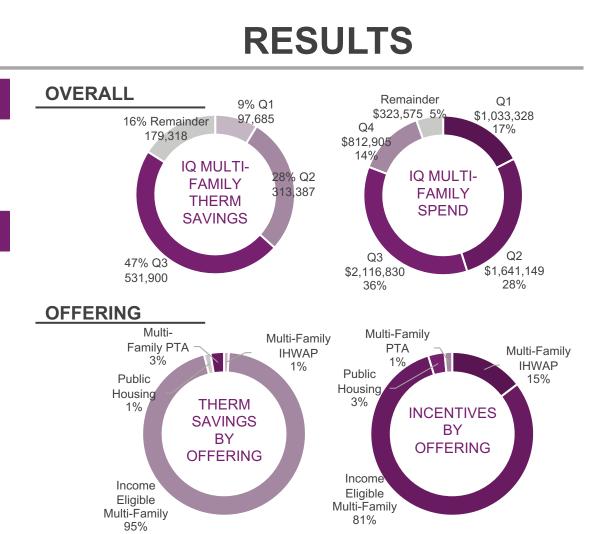
HIGHLIGHTS

Performance

- Program participation was strong, but offering mix varied from forecast impacting the overall cost-effectiveness
- ✓ In total, IQ Multi-Family achieved 84% of the savings goal at 95% of the budget in 2022

Offering Highlights

- Income Eligible Multi-Family Energy Savings: 688 Buildings and 19,456 units participated to date
- ✓ Multi-Family Partner Trade Ally: 11 projects completed to date
- ✓ Top prescriptive measures by savings: Pipe insulation, boiler tune-ups, and steam traps
- Top direct install measures by savings: Water-saving devices (shower-heads, aerators, etc.)
- Multi-Family program planned incentive budget distribution: 31% IWHAP, 54% Income Eligible, 12% Public Housing, 3% PTA. Actual spend to-date distribution: 15% IHWAP, 81% Income Eligible, 3% Public Housing, 1% PTA



PE PLES

ENERGY EFFICIENCY PROGRAM

GAS®



PE PLES GAS

PeoplesGasDelivery.com/Savings

Residential and IQ Spotlight: Community Events

Peoples Gas in the community

Event Name	Event Host	Date
Alderman Cardona's Second Annual Senior Health and Resource Fair	Alderman Cardona	10/14/2022
11th Ward Mobile City Hall	11th Ward	10/20/2022
Upside Down Halloween Parade	City of Chicago	10/22/2022
12th Ward Senior Health Fair	12th Ward	10/27/2022
9th Ward Annual Resource Fair	9th Ward	10/27/2022
HVAC Distributor Event	Able Distributors	11/29/2022
New Life Centers Winter Wonderland	New Life Centers	12/20/2022
10th Ward 2022 Senior Winter Wonderland Luncheon	10th Ward	12/21/2022

PE PLES GAS[®]

ENERGY EFFICIENCY PROGRAM

NORTH SHORE GAS® ENERGY EFFICIENCY PROGRAM

NORTH SHORE GAS® ENERGY EFFICIENCY PROGRAM

SAVINGS

SPEND

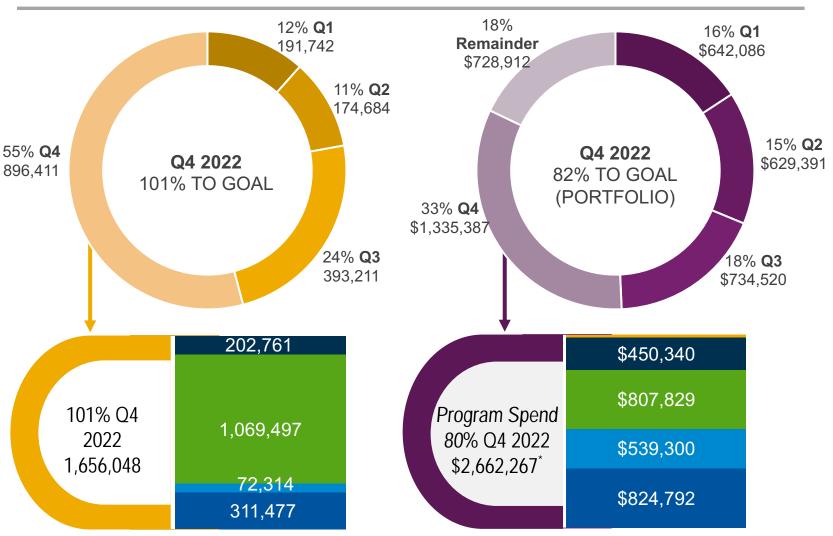
As of Q4 2022, the North Shore Gas portfolio achieved 101% of the savings goal of 1,636,436 therms, spent 80% of the \$3,327,561 program budget, and spent 82% of the \$4,070,296 portfolio budget.

Public Sector Program achieved 161% of the savings goal, spending 132% of the budget.

Business Program achieved 127% of the savings goal, spending 66% of the budget.

Income Eligible Program achieved 60% of the savings goal, spending 73% of the budget.

Residential Program achieved 57% of the savings goal, spending 84% of the budget.



*Includes \$40,006 in MDI Research *Program spend does not include portfolio costs

Commercial and Industrial

The Commercial and Industrial Program seeks to engage customers using 400,000 therms or more per year, within the utility's territory. The program offers several outreach strategies aimed at reaching top-down and bottom-up stakeholders in delivering program funds to assist in improving the customer's operations and system reliability.

NORTH SHORE GAS[®]

ENERGY EFFICIENCY PROGRAM

Business Program

Prescriptive and Custom Rebates	Prescriptive rebates are standard incentive amounts for common energy efficiency measures, typically, with deemed energy savings in the Illinois Technical Resource Manual.
	Custom rebates are awarded for the non-standard applications of energy efficiency measures or for projects that do not follow a one-for-one replacement. The review of several operating parameters determines the energy savings.
New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements. This is a joint program implemented with partnering utility, ComEd.
Gas Optimization Studies	This comprehensive facility review focuses on gas systems and is like an ASHRAE Level 2 Audit. The study aims to identify custom and prescriptive opportunities. Customers may receive up to \$15,000 for onsite engineering assistance from a 3rd party engineering firm.
Retro-Commissioning	This comprehensive study provides insights into the performance of a facility's existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months. This is a joint program with ComEd, and an approved 3rd party engineering firm conducts the study.
Engineering Studies	These studies focus on large, custom, capital-intensive energy-saving projects. An in-depth implementation study, investment-grade audit or process evaluation is provided focused on one process or project. Customers may receive up to \$15,000 to offset the costs of a 3rd party engineering firm to conduct the study.
Staffing Grant	Customer grant recipients are provided up to \$50,000 to support a full- or part-time employee to oversee the implementation of natural gas efficiency projects that would otherwise not be implemented due to limited staffing.
Strategic Energy Management	Strategic Energy Management engages customers in long-term continuous energy efficiency improvements at their facilities by involving site management, leveraging data, and promoting best practices at the site.

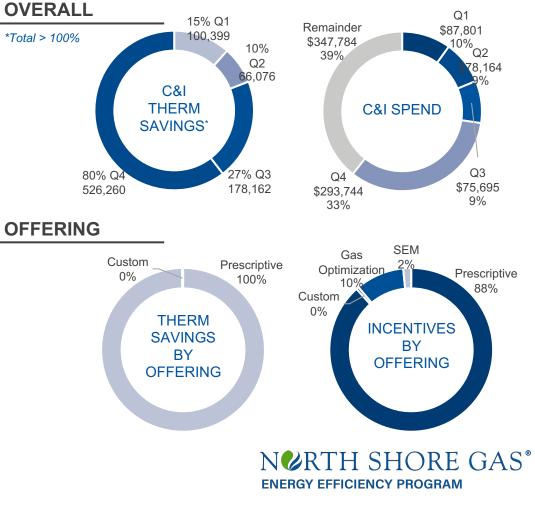
Commercial and Industrial HIGHLIGHTS

RESULTS

Performance ✓ Achieved increased savings goal for 2022 ✓ \$/therm lower than expected ✓ Q4 saw 2nd highest quarterly savings in history of C&I Customer Engagement ✓ Past participants continue to be engaged, working closely with our Energy Advisors, including Univ. St. Mary of the Lake and

Condell Medical Center Trade Ally Engagement

- Continuing to engage Trade Allies as a group with webinars (October webinar on in-floor radiant heat and November webinar on commercial duct sealing)
- Engaging Trade Allies individually on their savings, projects in progress, pipeline, payments, etc.



Small and Midsize Business

The Small and Midsize Business Program seeks to engage businesses with an annual gas use below 400,000 therms.

Outreach and rebates are designed to support the unique needs of these businesses in improving their operations and reducing their energy costs.

Business Program

Prescriptive and Custom Rebates	Prescriptive rebates are standard incentive amounts for common energy efficiency measures, typically, with deemed energy savings in the Illinois Technical Resource Manual.
	Custom rebates are awarded for the non-standard applications of energy efficiency measures or for projects that do not follow a one-for-one replacement. The review of several operating parameters determines the energy savings.
New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements. This is a joint program implemented with partnering utility, ComEd.
Gas Optimization Studies	This comprehensive facility review focuses on gas systems and is like an ASHRAE Level 2 Audit. The study aims to identify custom and prescriptive opportunities. Customers may receive up to \$15,000 for onsite engineering assistance from a 3rd party engineering firm.
Retro-Commissioning	This comprehensive study provides insights into the performance of a facility's existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months. This is a joint program with ComEd, and an approved 3rd party engineering firm conducts the study.

Small and Midsize Business HIGHLIGHTS

RESULTS

Performance

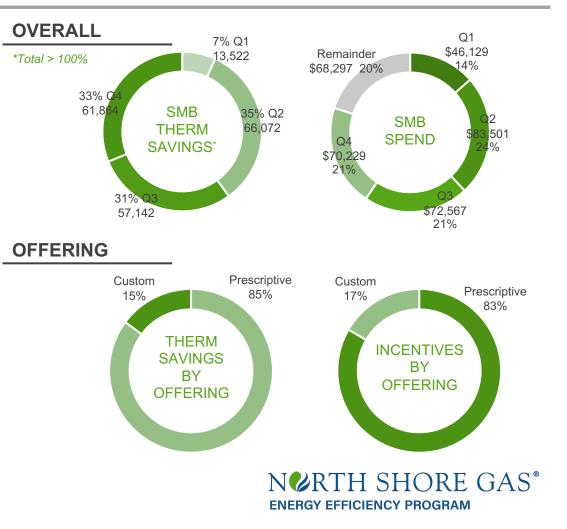
- ✓ \$/therm lower than expected with 2022 achieving 106% of the savings at 80% of the budget
- ✓ Q4 saw highest quarterly savings in history of Small and Midsize Business (in total with PGL and NSG combined)

Offering Highlights

 ✓ Steam traps provided the greatest amount of savings, over 17times the next highest savings measure (pipe insulation)

Trade Ally Engagement

- Continuing to engage Trade Allies as a group with webinars (October webinar on in-floor radiant heat and November webinar on commercial duct sealing)
- Engaging Trade Allies individually on their savings, projects in progress, pipeline, payments, etc.



Public Sector

The Public Sector Program seeks to engage Public Sector entities in the utility's territory.

The program offers several outreach initiatives aimed at reaching top-down and bottom-up stakeholders within the Public Sector to facilitate program participation and assist in improving the customer's operations and system reliability.

Business Program

Prescriptive and Custom Rebates	Prescriptive rebates are standard incentive amounts for common energy efficiency measures, typically, with deemed energy savings in the Illinois Technical Resource Manual.
	Custom rebates are awarded for the non-standard applications of energy efficiency measures or for projects that do not follow a one-for-one replacement. The review of several operating parameters determines the energy savings.
New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements. This is a joint program implemented with partnering utility, ComEd.
Gas Optimization Studies	This comprehensive facility review focuses on gas systems and is like an ASHRAE Level 2 Audit. The study aims to identify custom and prescriptive opportunities. Customers may receive up to \$15,000 for onsite engineering assistance from a 3rd party engineering firm.
Retro-Commissioning	This comprehensive study provides insights into the performance of a facility's existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months. This is a joint program with ComEd, and an approved 3rd party engineering firm conducts the study.
Engineering Studies	These studies focus on large, custom, capital-intensive energy-saving projects. An in-depth implementation study, investment-grade audit or process evaluation is provided focused on one process or project. Customers may receive up to \$15,000 to offset the costs of a 3rd party engineering firm to conduct the study.
Staffing Grant	Customer grant recipients are provided up to \$50,000 to support a full- or part-time employee to oversee the implementation of natural gas efficiency projects that would otherwise not be implemented due to limited staffing.
Strategic Energy Management	Strategic Energy Management engages customers in long-term continuous energy efficiency improvements at their facilities by involving site management, leveraging data and promoting best practices at the site.

Public Sector HIGHLIGHTS

Performance

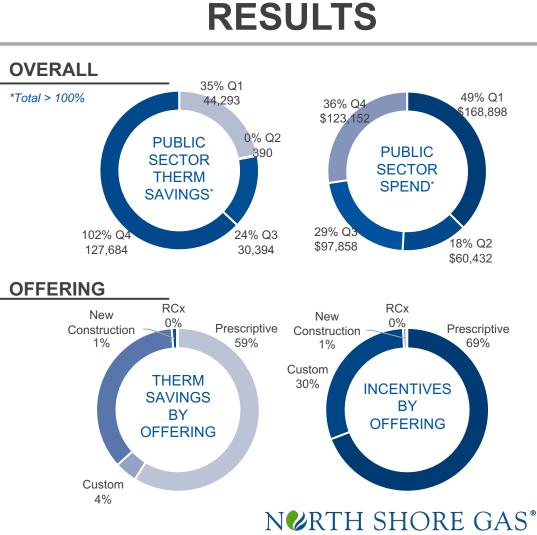
- ✓ Achieved public sector spend goal for 2022
- ✓ \$/therm less than expected

Customer Engagement

- New Trier High School completed a BAS modification that was identified during a gas optimization study
- Waukegan School District completed a steam trap project after working closely with one of our Energy Advisors

Trade Ally Engagement

- Continuing to engage Trade Allies as a group with webinars (October webinar on in-floor radiant heat and November webinar on commercial duct sealing)
- Engaging Trade Allies individually on their savings, projects in progress, pipeline, payments, etc.



ENERGY EFFICIENCY PROGRAM

Research and Development and Market Transformation

Commercial Food Service Pilot Highlights

The Commercial Food Service Phase 4 pilot completed in 2022.

Promotion in Q4 for fryers, convection ovens, pre-rinse spray valves and demand-controlled kitchen ventilation.

Statewide RFP was issued in Q3 and will transition from pilot to full program.

Research and Development (R&D) evaluate innovative technologies and projects for possible future inclusion in programs to achieve additional therm savings. Projects are implemented in collaboration with research organizations, educational institutions, and non-profit organizations. This team is also engaged in Market Transformation (MT) activities to shift the market to greater adoption of energy-efficient technologies. Market Transformation initiatives are expanding new project launches and existing projects as joint IOU MT initiatives.

NORTH SHORE GAS[®] ENERGY EFFICIENCY PROGRAM

Single Family and Multi-Family

Residential single-family offerings provide residential customers access to energy efficiency via two paths—Home Energy Assessment and Home Energy Rebates. The programs are designed to help customers save energy immediately through the direct installation of measures while identifying major upgrades (i.e., furnace or boiler replacement, attic insulation) for future consideration.

Residential Multi-Family Program offers a comprehensive program of assessments, direct install, prescriptive and custom rebates, and partner trade ally projects.

NORTH SHORE GAS[®]

ENERGY EFFICIENCY PROGRAM

Residential Program

Home Energy Assessment	Offers energy-saving products installed in homes at no-cost to the customer. The Home Energy Assessment program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. Homeowners can reduce their energy and water use with the installation of products available to owners of single-family homes, two-flats, and individually metered condos and townhomes. Renters are also eligible with permission from their landlords.	
Smart Thermostats	A joint utility offering that provides residential customers discounted smart thermostats through the ComEd Marketplace.	
Home Energy Rebate	This is a gas-only offering provided in collaboration with local Trade Allies. The program offers rebates on energy-efficient heating, ventilation, air conditioning and water heating equipment and qualifying weatherization projects for residential customers.	
Elementary Education	The Elementary Education Program is a free energy efficiency educational program provided in partnership with the Peoples Gas, North Shore Gas and ComEd. The program offers 5th grade energy efficiency lessor plans, equipping teachers with activity guides and take-home kits for students and their families to learn how to save energy by installing no-cost energy-saving products in their homes.	
Multi-Family Energy Savings	The Multi-Family Energy Savings program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. The program offers free direct installation of energy-saving measures for multi-family buildings.	
Prescriptive and Custom Rebates, and Partner Trade Ally (PTA)	A Peoples Gas and North Shore Gas-only offering provided in partnership with vetted Trade Allies. Prescriptive rebates are standard incentive amounts for common types of energy efficiency measures. Custom incentives are awarded for the non-standard technologies or for projects that do not include a one- for-one replacement. This is based on the review of several operating parameters that determine energy savings.	

Residential Single Family HIGHLIGHTS

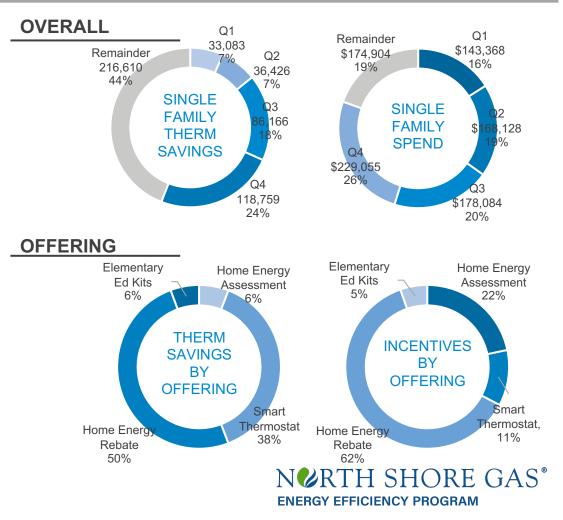
RESULTS

Performance

- Program participation was strong but offering mix varies from forecast impacting the overall cost-effectiveness and achievement of goal
 - Assessment participation was stronger than anticipated
 - Smart thermostat participation increased in the second half of 2022 with added promotions and sales, but remained less than forecast
 - Home Energy Rebates participation in 2022 was less than forecast
 - Elementary Education Kits interest and participation was in line with forecast

Offering Highlights

- ✓ Home Energy Rebate: 764 HVAC Rebate and 67 Weatherization building participants in 2022
 - ✓ The top measures based upon savings: high-efficiency furnaces, smart thermostats, and attic insulation
- ✓ Elementary Education Kits: 1,948 Kits were distributed in 2022
- ✓ Smart Thermostats: 1,430 sold in 2022



Residential Multi-Family HIGHLIGHTS

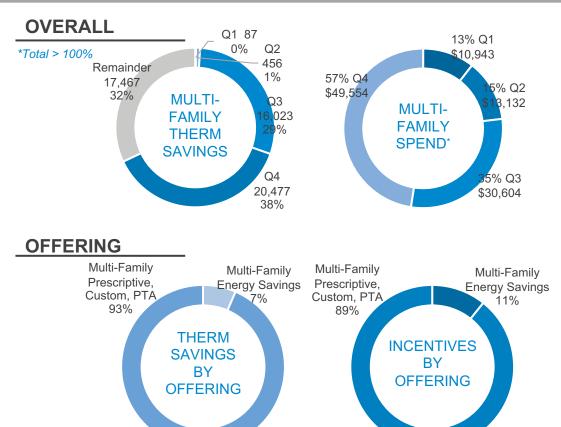
RESULTS

Performance

- ✓ The North Shore Gas Residential Multi-Family offering is very small, with room for a handful of large projects
- ✓ The team focused efforts on outreach to achieve goal and adjusted project mix to adjust cost effectiveness
- ✓ Most of the savings was from the Multi-Family Prescriptive, Custom, and PTA offering

Offering Highlights

- ✓ Prescriptive, Custom, Partner Trade Ally: 11 building participants
- ✓ Multi-Family Energy Savings: 2 buildings participated
- Pipe insulation, hot water circulation pump, and boiler tune-up were the top three measure by savings



35

N&RTH SHORE GAS[®]

ENERGY EFFICIENCY PROGRAM

Income Eligible Single Family and Multi-Family

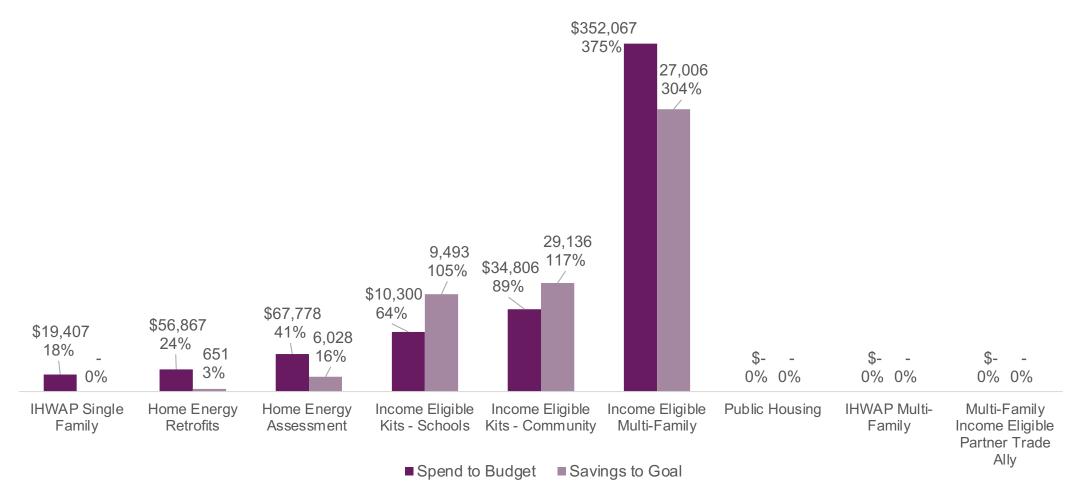
Income Eligible Programs target the underserved income eligible market, providing services designed to make it easy for single-family and multifamily income eligible customers to take advantage of cost-effective energy saving retrofits.



Income Eligible Program

Illinois Home Weatherization Assistance Program (IHWAP)	Leverage's state and federal funds to supplement incentives from utility programs. The program was designed to help low-income residents save energy and money while increasing the comfort of their homes. With a mission to insulate low-income customers, particularly the elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, to conserve needed energy and to aid those persons least able to afford higher utility costs. Weatherization services are provided to low-income residents through local community action agencies or not for profit agencies.	
Home Energy Assessment	Offers energy-saving products installed in homes at no-cost to the customer. The Home Energy Assessment program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. Homeowners can reduce their energy and water use with the installation of products available to owners of single-family homes, two-flats, and individually metered condos and townhomes. Renters are also eligible with permission from their landlords.	
Home Energy Savings Retrofits	Offers direct install products and no-cost weatherization services for Income-Eligible Single-Family home customers. It is delivered jointly with ComEd through approved agencies or partners.	
Income Eligible Multi- Family Savings	Building owners receive free technical assistance to identify energy efficiency opportunities and install measures. Expenses are fully covered by the program, from the direct installation of energy efficiency products into tenants' units (light bulbs, aerators, showerheads, etc.), to common area measures, and more extensive measures requiring building owner co-pay. This program is a joint utility program offering.	
Public Housing Energy Savings	 Offers prescriptive and custom rebates for gas measures in housing owned by Public Housing Authorities. This program is a joint program offering provided in partnership with Peoples Gas, North Shore Gas and ComEd. 	
Multi-Family Income Eligible Partner Trade Ally	A Peoples Gas and North Shore Gas-only offering, delivered by vetted Partner Trade Allies. Trade Allies are given higher rebate amounts to serve geographically income-eligible customers with retrofit measures.	
Income Eligible Gas Kits	Provides income-qualified customers with a kit of energy efficiency measures to self-install. The Income Eligible Gas Kits are distributed by ground mail to qualified customers vetted by the Low-Income Home Energy Assistance Program (LIHEAP). Provided in partnership with the Peoples Gas, North Shore Gas and ComEd.	

Income Eligible Program 2022 Program Offerings Savings and Spend



NORTH SHORE GAS®

Income Eligible Program 2022 Program Offering Participants



■ Participants/Buildings and Kits ■ Units



Income Qualified Single Family

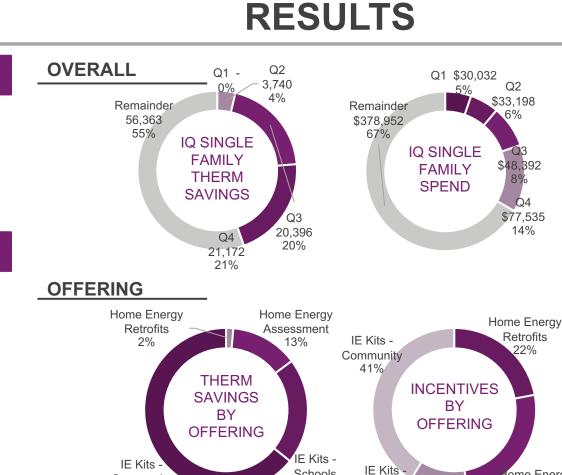
HIGHLIGHTS

Performance

- Program ramped up throughout 2022, with most of the savings achieved in Q3 and Q4
- Completed 45% of the 2022 savings goal with 33% of the \checkmark budget
- Community Kits participation was realized in Q3, first \checkmark participation in 2022

Offering Highlights

- ✓ New in 2022: Home Energy Savings Retrofits was offered in North Shore Gas
 - 2022 focus was on identifying and helping partners • achieve participation, will continue to fine tune in 2023 to achieve results
- For the Income Qualified Program, the North Shore Gas budget \checkmark is much smaller than the Peoples Gas budget, coming in at 6% comparatively. This results in less interest from agencies and Trade Allies and a barrier the team continues to work to resolve
- 1,825 Community Kits and 1,194 Elementary Ed Kits were \checkmark distributed in 2022



Schools

21%

Schools

12%

NCRTH SHORE

ENERGY EFFICIENCY PROGRAM

Community

64%

lome Energy

Assessment

25%

Income Qualified Multi-Family

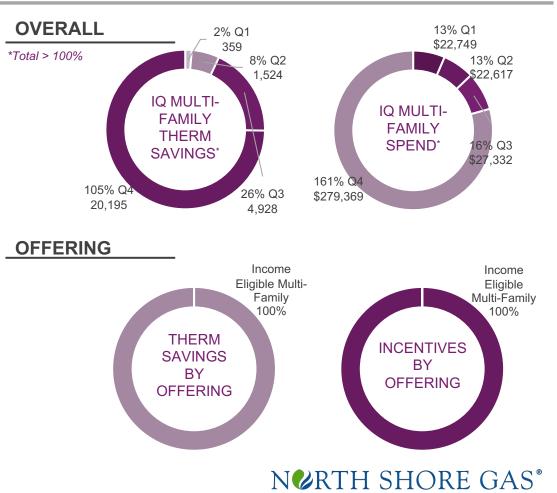
HIGHLIGHTS

Performance

- Program ramped up throughout 2022, with most of the savings achieved in Q3 and Q4
- ✓ Completed 141% of the 2022 savings goal with 203% of the budget
- ✓ The North Shore Gas Income Qualified Multi-Family offering is very small, with room for a handful of large projects

Offering Highlights

- ✓ Income Eligible Multi-Family Energy Savings
 - 307 Buildings and 2,207 units participated
 - The top DI measures by savings: pipe insulation, how water circulation pump, and water measures
- Multi-Family program planned incentive budget distribution: 54% Income Eligible and 49% Public Housing. Actual spend to-date distribution: 100% Income Eligible



RESULTS

ENERGY EFFICIENCY PROGRAM



Residential and IQ Spotlight: Community Events

North Shore Gas in the community

Event Name	Event Host	Date
Village of Vernon Hills Fire District Open House	Village of Vernon Hills	10/9/2022
Halloween Trick or Treat Trail	Waukegan Park District	10/29/2022
Lake Bluff Pumpkin Chase - Post Race Pumpkin Fest	Lake Bluff PTO	10/29/2022
HVAC Distributor Event	Able Distributors	11/29/2022
Lake County Energy Fair	Community Action Partnership of Lake County	12/17/2022

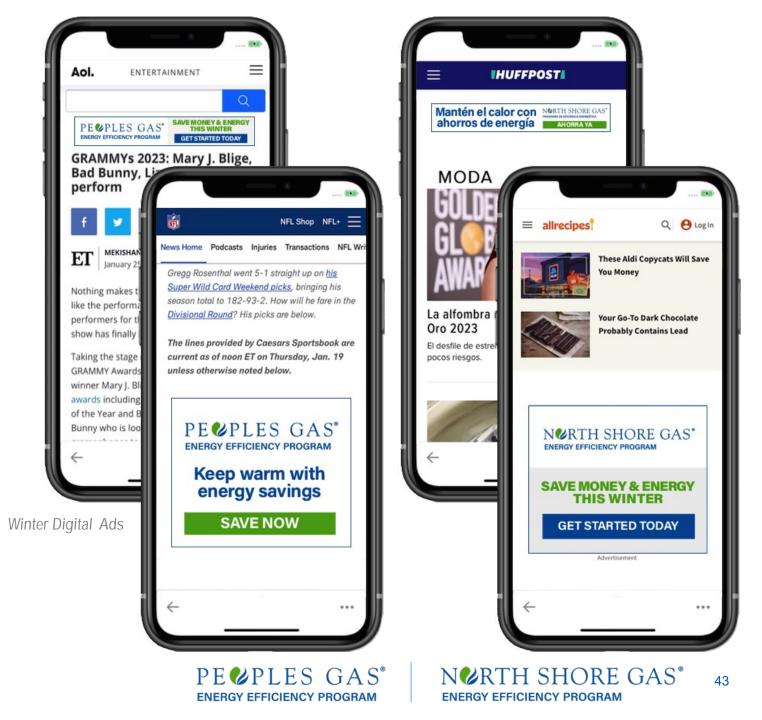


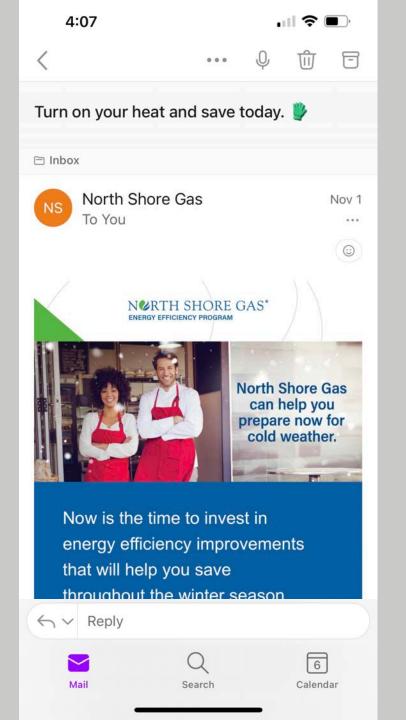
Marketing and Outreach

PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM NORTH SHORE GAS®

Q4 Marketing Update

- ✓ Winter digital ad campaign in progress
 - ✓ Territories: Peoples Gas and North Shore Gas
 - ✓ Audiences: Residential and Small Business
 - ✓ Languages: English and Spanish
 - ✓ All ads direct customers to program landing pages in either English or Spanish based on the ad language
- ✓ Attended 13 community events





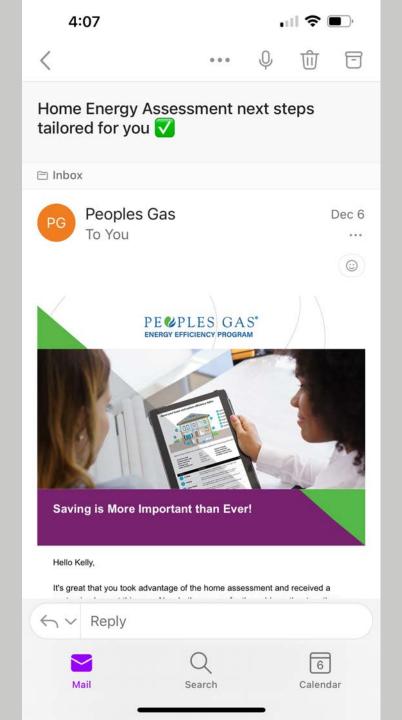
Small and Midsize Business Spotlight: Prepping for Winter

Email to small and midsize businesses suggests energy efficiency to help with winter energy costs

- ✓ Sent to small and midsize businesses on Nov 1
- Promoted online and in-person assessments, studies, staffing grants, and technical support, along with rebates for steam traps, pipe insulation, boiler tune-ups, thermostats, and other improvements

PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM





Residential Spotlight: Assessment Follow-ups

Launched monthly emails to residential customers who have completed an assessment to highlight rebates available for recommended improvements

- ✓ Sent to 650 PGL and 119 NSG residential customers who completed an assessment in 2022
- Promoted rebates for furnace replacements, boiler replacements, water heater replacements, smart thermostats, and weatherization
- ✓ Included tips to save during the winter

PE PLES GAS[®] ENERGY EFFICIENCY PROGRAM

