



# 2022-2025 Plan Portfolio

Draft Presentation to the SAG

October 27, 2020

PEOPLES GAS®  
ENERGY EFFICIENCY PROGRAM

NORTH SHORE GAS®  
ENERGY EFFICIENCY PROGRAM

# Welcome

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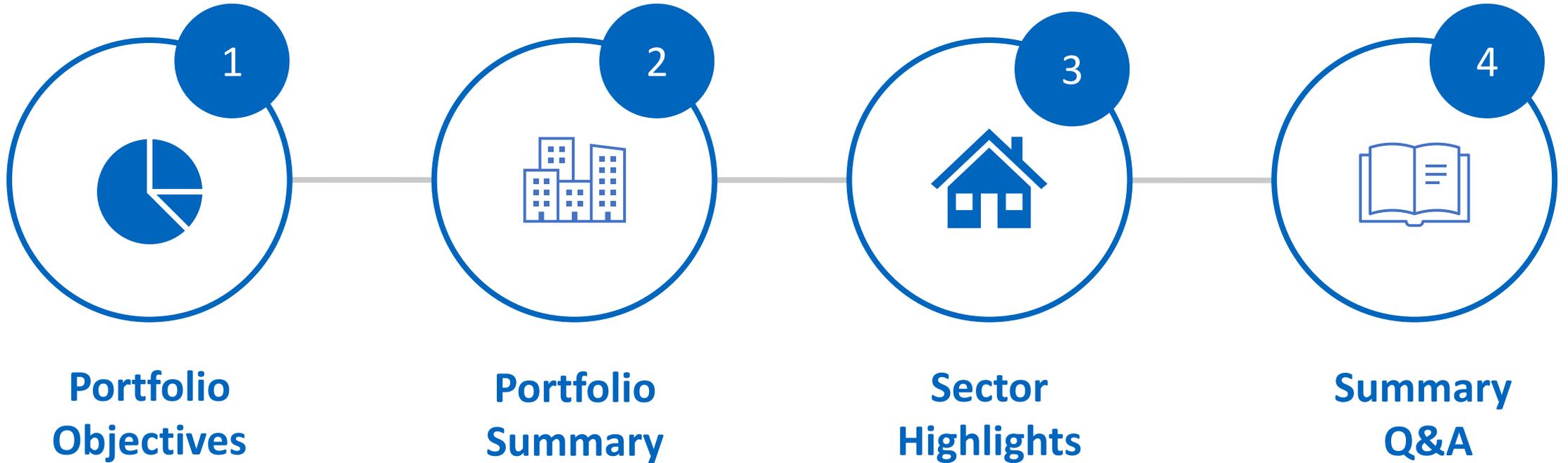


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# Agenda





# 2022-2025 Portfolio Objectives

Peoples Gas and North Shore Gas

# PGL and NSG Portfolio Objectives

## Serve our Customers

Provide energy efficiency programs that are accessible and available to all PGL and NSG customers and direct budget towards serving our communities in meaningful ways.



## Collaborate with Key Partners

Incorporate feedback and ideas from stakeholders and community-based organizations to enhance offerings and ensure we reach a broader customer base.



## Support Market Transformation

Expand previous budget for Market Transformation and Research & Development for PGL and NSG to support the development and integration of new technologies.



## Increase Diversity

Develop and deploy portfolio diversity plan to recruit more diverse vendors, ensure diverse customer participation in our programs and track progress.



## Achieve Energy Savings Goals

Balance portfolio objectives to achieve our overall savings goals.



# Research & Development Market Transformation

- Increasing Peoples Gas R&D and Market Transformation from 3% to 5% in Plan 4

	2018-2021 Avg Annual	2022-2025 Avg Annual	% increase
Research & Development (Emerging Technologies)	\$524,777	\$863,414	65%
Market Transformation	\$174,926	\$345,365	97%



**Gas Heat Pump Pilot**  
New tech for residential market



**Venturi Steam Traps**  
Reliable and longer lasting



**Machine Learning**  
Dehumidification optimization technology



**Radiator Optimization**  
Reduce waste in old buildings and improve space comfort



# Portfolio Diversity

- Goal to drive more diverse participation
  - ✓ Customers
  - ✓ Community-based partners
  - ✓ Implementation contractors
  - ✓ Trade allies
- Proposed initiatives
  - ✓ Develop PGL & NSG Portfolio Diversity Plan
    - Enhance contractor diversity goals and require additional tracking and reporting
    - Develop strategy for recruitment, development and support of diverse and community-based partners
    - Collaborate with other Illinois utilities to support long-term diverse business growth and participation in region



# 2022-2025 Portfolio Summary

Peoples Gas and North Shore Gas

# PGL and NSG: Budget and Savings Summary

PGL	2022	2023	2024	2025
Budget	\$28,780,458	\$28,780,458	\$28,780,458	\$28,780,458
Savings	8,832,465	8,848,939	8,855,752	8,869,264
TRC	1.64	1.70	1.76	1.82

NSG	2022	2023	2024	2025
Budget	\$4,029,422	\$4,029,422	\$4,029,422	\$4,029,422
Savings	1,613,363	1,614,320	1,618,339	1,605,302
TRC	2.25	2.26	2.34	2.43

- Consistent budgets across all 4 years
  - ✓ Budget developed using forecast 2022 retail sales
- Savings targets build from the measure level up
  - ✓ Consideration of past performance, potential study, TRM changes, and new initiatives/priorities

# Key Portfolio Changes

- Shifting a portion of Home Energy Jumpstart and Elementary Education to income eligible
- Expanding income eligible kits
- Increasing budget for single family weatherization
  - Home Energy Jumpstart Pilot
  - Increasing funding for gas-only Home Energy Rebate Wx measures
- Redirecting budget from residential behavioral to more comprehensive/deeper retrofits
- Increased budget for R&D/MT in Peoples Gas
- New Midstream Commercial Food Service Program

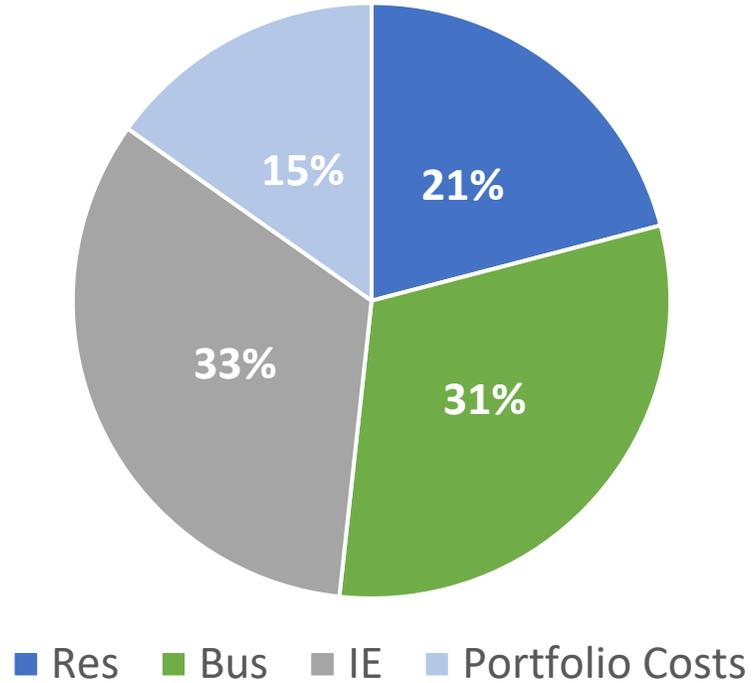
# Peoples Gas: Portfolio Summary

	4 YR AVG	%	4 YR AVG	%
	Budget (\$)		Savings (therms)	
Residential	\$6,022,784	21%	2,975,380	34%
Business	\$8,862,638	31%	4,301,055	48%
Income Eligible	\$9,523,923	33%	1,569,537	18%
Portfolio Costs	\$4,371,113	15%	5,633	0%
<b>Total</b>	<b>\$28,780,458</b>	<b>100%</b>	<b>8,848,435</b>	<b>100%</b>

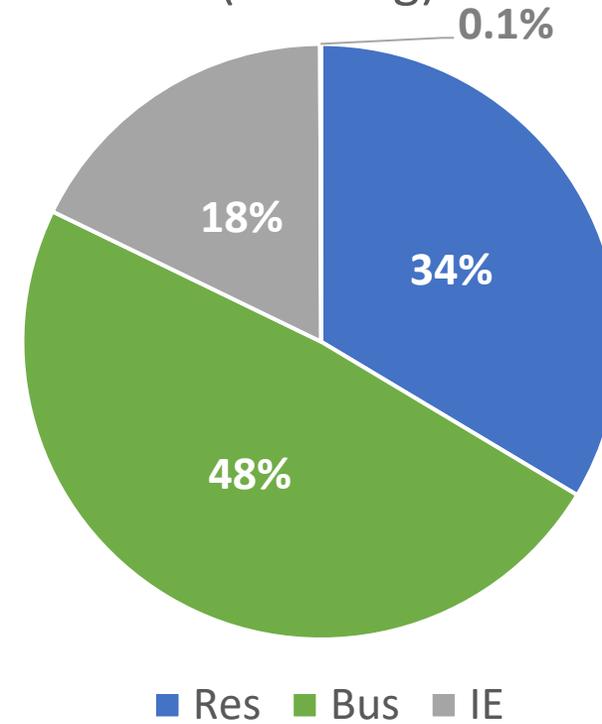
- Emphasis on income eligible initiatives – expansion of offerings to reach more customers and diversify energy efficiency opportunities
- Dedicated funding for innovative market development – commercial food service program and gas heat pump pilot
- Updates to market rate residential offerings

# Peoples Gas: Portfolio Breakdown

PGL Portfolio Budget Breakdown  
(4 Yr Avg)



PGL Portfolio Savings Breakdown  
(4 Yr Avg)



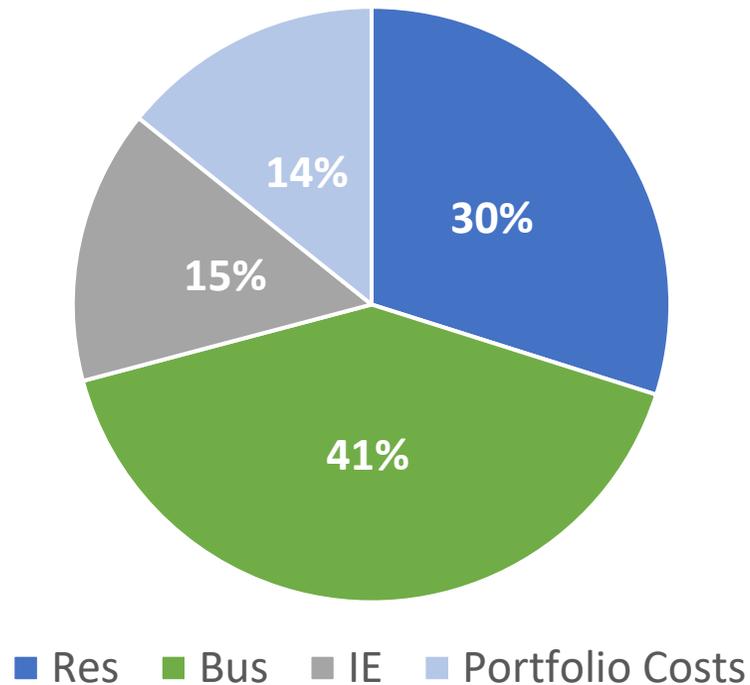
# North Shore Gas: Portfolio Summary

	4 YR AVG	%	4 YR AVG	%
	Budget (\$)		Savings (therms)	
Residential	\$1,204,710	30%	421,361	26%
Business	\$1,650,829	41%	1,068,071	67%
Income Eligible	\$600,726	15%	118,947	7%
Portfolio Costs	\$573,158	14%	4,451	0%
<b>Total</b>	<b>\$4,029,422</b>	<b>100%</b>	<b>1,612,831</b>	<b>100%</b>

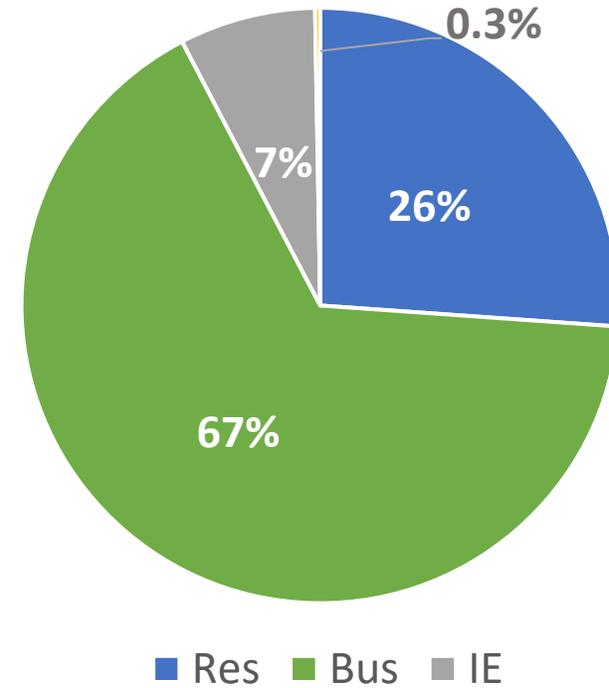
- Provide comprehensive offerings for market rate residential customers
- Expanded income eligible offerings – but comparatively still a smaller portion of NSG portfolio
- Increased budget for small and midsize business programs

# North Shore Gas: Portfolio Breakdown

NSG Portfolio Budget Breakdown  
(4 Yr Avg)



NSG Portfolio Savings Breakdown  
(4 Yr Avg)





# Sector Highlights

Peoples Gas and North Shore Gas

# Residential Sector: Highlights

Program	Highlights	Joint Indicator	Peoples Gas Applicable	North Shore Gas Applicable
<b>Elementary Energy Education</b>	Program split between income eligible and market rate.	Joint - ComEd, Nicor	Higher portion of schools in IE neighborhood	Larger proportion of market rate customers in service territory
<b>Home Energy Jumpstart</b>	New pilot carve-out with blower door test and air sealing at the time of assessment. Continuation of virtual assessment option. Leave behind measures for virtual options.	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Home Energy Rebate</b>	Increased furnace rebate, gas-only Wx, modeled gas-only smart t-stat rebate – in current conversations for joint rebate.	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Multi-Family</b>	Continuation of a well-established program.	Joint DI & Assessments Non-joint Prescriptive, Custom & GOS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# Residential Sector: Details

	Peoples Gas			North Shore Gas	
Program	Budget (4 yr avg)	Savings (4 yr avg)		Budget (4 yr avg)	Savings (4 yr avg)
<b>Elementary Energy Education</b>	\$17,518	13,254		\$27,153	22,394
<b>Home Energy Jumpstart</b>	\$958,365	253,524		\$291,418	71,504
<b>Home Energy Rebate</b>	\$1,359,580	504,743		\$750,062	251,785
<b>Multi-family</b>	\$3,687,322	2,203,859		\$151,484	81,719
<b>Total Sector</b>	<b>\$6,022,784</b>	<b>2,975,380</b>		<b>\$1,220,118</b>	<b>427,403</b>

- Split of EEE and HEJ into complementary IE offerings
- HEJ pilot with blower door test and air sealing at assessment
- Redirecting Home Energy Report program budget

# Business Sector: Highlights

Program	Highlights	Joint Indicator	Peoples Gas Applicable	North Shore Gas Applicable
<b>Commercial &amp; Industrial</b>	Continuation of comprehensive offerings - prescriptive, custom, RCx, GOS, SEM, BNC.	Partial Joint - ComEd (Joint = RCx, BNC, SEM)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Public Sector</b>	Increased prescriptive rebates by 30%.	Partial Joint - ComEd (Joint = RCx, BNC)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Small &amp; Midsize Business</b>	Continuation of DI, prescriptive and custom measures. Addition of gas-only kits.	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Commercial Food Service Program ** NEW **</b>	An expansion of pilot to a full midstream program.	Joint - ComEd, Nicor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# Business Sector: Details

	Peoples Gas			North Shore Gas	
Program	Budget (4 yr avg)	Savings (4 yr avg)		Budget (4 yr avg)	Savings (4 yr avg)
<b>Commercial &amp; Industrial</b>	\$3,257,818	2,166,365		\$764,444	739,441
<b>Public Sector</b>	\$2,878,046	668,893		\$402,942	95,955
<b>Small &amp; Midsize Business</b>	\$2,493,120	1,369,506		\$365,433	193,501
<b>Commercial Food Service Program</b>	\$233,655	96,291		\$118,010	39,175
<b>Total Sector</b>	<b>\$8,862,638</b>	<b>4,301,055</b>		<b>\$1,650,829</b>	<b>1,068,071</b>

- Continuation of effective and comprehensive business programs
- Increased public sector rebates to drive participation
- Emphasis on small & midsize program, continuation of kit offerings that began in 2020

# Income Eligible Sector: Highlights

Program	Highlights	Joint Indicator	Peoples Gas Applicable	North Shore Gas Applicable
<b>Elementary Energy Education</b>	Program split between income eligible and market rate neighborhoods.	Joint - ComEd, Nicor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Home Energy Jumpstart</b>	Shift budget to target IE customers through Jumpstart. Continuation of virtual assessment option. Leave behind measures for virtual options.	Joint - ComEd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Single Family</b>	Continuation of utility-only (non-IHWAP) and IHWAP paths, with the expansion of IE kits (currently gas only, potential joint).	Joint – utility-only (non-IHWAP), IHWAP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Multi-family</b>	Continuation of all current paths – utility-only (non-IHWAP), IHWAP, PHES, AHNC.	Joint – utility-only (non-IHWAP), IHWAP, PHES, AHNC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# Income Eligible Sector: Details

	Peoples Gas			North Shore Gas	
Program	Budget (4 yr avg)	Savings (4 yr avg)		Budget (4 yr avg)	Savings (4 yr avg)
Elementary Energy Education	\$420,428	318,097		\$16,023	13,726
Home Energy Jumpstart	\$147,671	65,230		\$43,873	16,906
Single Family	\$5,976,767	616,590		\$224,574	52,841
Multi-Family	\$2,979,057	569,620		\$316,255	35,474
<b>Total Sector</b>	<b>\$9,523,923</b>	<b>1,569,537</b>		<b>\$600,726</b>	<b>118,947</b>

- Expansion of CAA relationships through wider IE kit delivery
- Addition of HEJ offering to provide another avenue to engage IE customers

# Balancing Portfolio Priorities

Working to achieve balance  
of priorities



Integrate ideas from  
stakeholders



Drive participation and  
benefit for all customers



Increase portfolio diversity  
goals



Directly support more R&D  
and market transformation  
initiatives



Offer joint programs where  
possible to maximize  
customer experience





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Thank You

Questions & Answers