

Date: January 15, 2018

Quarterly Report of the Peoples Gas Light and Coke Company and the North Shore Gas Company

Program Year 6, 6th Quarter Qualitative Report, September 2017 – November 2017

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 6 (PY6), Sixth Quarter (6Q) qualitative report accompanying the PY6, Q6 quantitative report which details program results from a savings and cost perspective.

By utility and each of the five programs in the portfolio, as well as bridge period programs (Public Sector, Income Eligible, and Market Transformation) the following is summarized:

- a. Program activities
- b. Implementation modifications
- c. Additions or discontinuations of specific measures or services
- d. Changes due to EM&V Input, TRM changes, NTG changes, or market research findings, and
- e. TRC screening results for new measures added.

The Peoples Gas Light and Coke Company (PGL) program highlights begin on Page 2; North Shore Gas Company (NSG) program highlights begin on Page 7.

Peoples Gas

Portfolio Performance Overview

- At the end of the sixth quarter, the Peoples Gas Natural Gas Savings Programs have achieved 68% realized savings, utilizing 80% of the budget, per the updated PY6+ filed budget and savings in the Joint Verified Petition. All programs are proceeding as forecast, and per Joint Petition 17-0212 approved goals. Due to overperformance in PY4 and PY5, the Peoples Gas portfolio is on track to achieve the revised compliance filing triennial goals.
- The sixth quarter consisted of continued integration of the former DCEO programs into the portfolio, close monitoring of portfolio forecasts to achieve triennial goals, and planning for Phase III program design and launch.

1. Residential Programs

a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 70% of the savings goal through Q6 using 65% of the budget.
- Home Energy Rebate savings make up 57% of Residential Program realized savings.

b. Implementation Modifications

- None in Q6

c. Addition or Discontinuation of Specific Measures or Services

- None in Q6

d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None in Q6

e. For New Measures Added, TRC Screening Results

- None in Q6

2. Multi-Family Programs

a. Program Activities

- The PGL Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) delivered strong results through Q6, realizing 87% of the savings goal and utilizing 85% of the budget while focusing on closing the pipeline for the end of the program year
- 55% of realized savings have been generated through our Partner Trade Ally Program.

- Steam traps and Boiler Tune Ups are the top performing measures for Multi-Family customers.
- b. Implementation Modifications
 - None in Q6
- c. Addition or Discontinuation of Specific Measures or Services
 - None in Q6
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q6
- e. For New Measures Added, TRC Screening Results
 - None in Q6

3. Residential Outreach and Education Programs

- a. Program Activities
 - Residential outreach and education realized 17% of the savings goal while utilizing 73% of the budget. This is due to savings not being recognized for the Home Energy Report program until evaluation is completed.
 - Home Energy Reports were sent throughout the winter which resulted in an estimated 400,861 therms saved since June 1, 2016. The program reached 98,847 households.
 - The Elementary Education Program served 128 schools and 22,145 kits. 42.5% of student surveys have been received.
- b. Implementation Modifications
 - None in Q6
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q6
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q6
- e. For new measures added, TRC screening results
 - None in Q6

4. Business Programs

- a. Program Activities
 - The PGL Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, and Gas Optimization) achieved 78% realized savings through Q6 using 76% of the budget.
- b. Implementation Modifications
 - None in Q6
- c. Additions or Discontinuation of Specific Measures or Services
- d. None in Q6 Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings
 - None during Q6
- e. For New Measures Added, TRC Screening Results
 - None in Q6

5. Small Business Programs

- a. Program Activities
 - The PGL Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 96% realized savings in Q6 using 103% of the budget.
- b. Implementation Modifications
 - None during Q6
- c. Additions or Discontinuation of Specific Measures or Services
 - None during Q6
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
 - None during Q6
- e. For new measures added, TRC screening results
 - None during Q6

6. Public Sector

- a. Program Activities

- Public Sector programs achieved 6,067 realized therms and spent \$351,366
 - The bridge period PGL Public Sector Programs (Prescriptive and Custom) realized one project through Q6. The bridge period PGL Public Sector Assessment Program completed one assessment during Q6.
- b. Implementation Modifications
- None in Q6
- c. Additions or Discontinuation of Specific Measures or Services
- None in Q6
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
- NTG for public programs will be evaluated at the end of PY6
- e. For new measures added, TRC screening results
- None in Q6

7. Income Eligible

- a. Program Activities
- Income Eligible programs achieved 245,866 realized therms and spent \$2,719,472.
 - The Chicago Bungalow Association Program has maintained the forecasted production and will achieve unit goals in early December.
 - The Multi-Family income eligible program experienced an increase of DI production and completed 800 unit installs.
 - The Public Housing Authority program submitted 3 prescriptive rebate projects for completion in 2017.
 - The IHWAP program has had program activity during the bridge period, but no final data has been received to process payment and realize therms.
- b. Implementation Modifications
- Incorporated all DCEO vendors into portfolio program implementation.
- c. Additions or Discontinuation of Specific Measures or Services
- None in Q6
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
- None in Q6
- e. For new measures added, TRC screening results
- None in Q6

8. Market Transformation

- a. Program Activities
 - Implementation of all bridge period Market Transformation programs continued through Q6 according to plan. Programs included the Building Operator Certification (BOC), Illinois Home Performance (IHP), Savings Through Efficient Products (STEP), and the Building Industry Training and Education (BITE) Program.

- b. Implementation Modifications
 - None in Q6.

- c. Additions or Discontinuation of Specific Measures or Services
 - N/A

- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - N/A

- e. For new measures added, TRC screening results
 - N/A

North Shore Gas

Portfolio Overview

- At the end of the sixth quarter, the North Shore Gas (NSG) Natural Gas Savings Programs have achieved 45% realized savings, utilizing 90% of the budget, per the updated PY6+ filed budget and savings in the Joint Verified Petition. All programs are proceeding as forecast, and per Joint Petition 17-0212 approved goals. Due to overperformance in PY4 and PY5, the North Shore Gas portfolio is on track to achieve the revised compliance filing triennial goals.
- The sixth quarter consisted of continued integration of the former DCEO programs into the portfolio, close monitoring of portfolio forecasts to achieve triennial goals, and planning for Phase III program design and launch.

1. Residential Programs

a. Program Activities

- The NSG Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 240% of the Q6 savings goal using 137% of the budget.
- Strong performance continued in the weatherization portion of the Home Energy Rebate program, achieving 85% of Residential Program savings.

b. Implementation Modifications

- None in Q6

c. Addition or Discontinuation of Specific Measures or Services

- None in Q6

d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None in Q6

e. For New Measures Added, TRC Screening Results

- None in Q6

2. Multi-Family Programs

a. Program Activities

- The NSG Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) achieved 13% of the savings goal through Q6 and utilized 58% of the budget.

- The majority of the realized savings (82%) achieved in this path were delivered through the Jumpstart (DI) program.
- b. Implementation Modifications
 - None in Q6
 - c. Addition or Discontinuation of Specific Measures or Services
 - None in Q6
 - d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research findings
 - None in Q6
 - e. For New Measures Added, TRC Screening Results
 - None in Q6

3. Residential Outreach and Education Programs

- a. Program Activities
 - Residential outreach and education realized 9% of the savings goal while utilizing 78% of the budget. This is due to savings not being recognized for the Home Energy Report program until evaluation is completed.
 - Home Energy Reports were sent throughout the winter which resulted in an estimated 293,981 therms saved since June 1, 2016. The program reached 78,893 households.
 - The Elementary Education Program served more than 34 schools and 5,879 households. 39.6% of student surveys have been received.
- b. Implementation Modifications
 - None in Q6
- c. Additions or Discontinuation of Specific Measures or Services

None in Q6
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q6
- e. For New Measures Added, TRC Screening Results
 - None in Q6

4. Business Programs

- a. Program Activities
 - The NSG Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, and Gas Optimization) achieved 22% realized savings through Q6 using 59% of the budget.
- b. Implementation Modifications
 - None in Q6
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q6.
- d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings
 - None during Q6
- e. For New Measures Added, TRC Screening Results
 - None during Q6

5. Small Business Program

- a. Program Activities
 - The NSG Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 149% realized savings in Q6 using 118% of the budget.
- b. Implementation Modifications
 - None during Q6
- c. Additions or Discontinuation of Specific Measures or Services
 - None during Q6
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
 - None during Q6
- e. For new measures added, TRC screening results
 - None during Q6

6. Public Sector

- a. Program Activities
 - Public Sector programs achieved 6,676 realized therms and spent \$61,575.

- The bridge period NSG Public Sector Programs (Prescriptive and Custom) realized one project through Q6. The bridge period NSG Public Sector Assessment Program completed five assessments during Q6.
- b. Implementation Modifications
 - None in Q6.
 - c. Additions or Discontinuation of Specific Measures or Services
 - None in Q6.
 - d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - NTG for public programs will be evaluated at the end of PY6
 - e. For new measures added, TRC screening results
 - None in Q6

7. Income Eligible

- a. Program Activities
 - Income Eligible programs achieved 0 therms and spent \$62,140.
 - The Public Housing Authority program received a prescriptive rebate application for space heating boilers and domestic hot water system replacement expected to close in December
 - The IHWAP program has had program activity during the bridge period, but no final data has been received to process payment and realize therms.
- b. Implementation Modifications
 - Incorporated all DCEO vendors into portfolio program implementation.
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q6
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - None in Q6
- e. For new measures added, TRC screening results
 - None in Q6

9. Market Transformation

- a. Program Activities

- Implementation of all bridge period Market Transformation programs continued through Q6 according to plan. Programs included the Building Operator Certification (BOC), Illinois Home Performance (IHP), Savings Through Efficient Products (STEP), and the Building Industry Training and Education (BITE) Program.
- b. Implementation Modifications
- None in Q6
- c. Additions or Discontinuation of Specific Measures or Services
- N/A
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
- N/A
- e. For new measures added, TRC screening results
- N/A