

Date: February 27, 2012
To: Stakeholder Advisory Group Members
From: Jay Boettcher, Ed Carroll
Cc: Pat Michalkiewicz
Subject: *Single Family Direct Install Program for Peoples Gas Customers*

Per the request of SAG members, we are providing a brief overview of the Single Family Direct Install Program planned for Peoples Gas territory starting in March 2012. We will be prepared to answer questions during the 2/28/12 SAG meeting.

Purpose

The purpose of this Single Family Direct Install program is to launch a cost effective program that will:

- Help balance the Peoples Gas (PGL) residential portfolio incentive budget (\$/therm saved)
- Increase therm savings from PGL Residential Service Code (SC1-Residential) customers
- Bring heightened awareness to the updated PGL and ComEd Residential Prescriptive program
- Be responsive to recent input from HVAC distributors about the need for more homeowner awareness within the PGL territory
- Build a base of eligible customers for future program participation in Residential Prescriptive, Whole House assuming that program launches PY2

Single Family Direct Install Program – High Level Overview

To address savings within the PGL SC1-Residential customer segment while building a pipeline of more major retrofit opportunities (e.g. furnace, central a/c retrofits) for PY2 and 3, Franklin Energy is proposing to resurrect the Single Family Direct Install effort piloted under the ComEd/Chicagoland program. Note: for the balance of PGL's PY1, this program would be offered as a standalone. Franklin Energy has discussed the possibility of a joint program with ComEd for PY2/5. ComEd staff has indicated interest in discussing this joint option for ComEd's PY5 during March and April when finalizing ComEd's plans for PY5.

Working through defined and trusted community groups, this program will serve single family communities in densely populated areas of PGL territory. The offer consists of free water and energy saving devices and a brief assessment of major retrofit opportunities (furnace, boiler, air conditioning, insulation, and air sealing). The installation would include showerheads, bath and kitchen aerators, and pipe insulation.

Franklin Energy field staff will review and document the age and type of existing heating and air conditioning equipment and leave a list of recommendations with the homeowner. These recommendations would promote the furnace, boiler and air conditioning prescriptive incentives through PGL and ComEd. Customer leads will be documented within our tracking system and serve as the basis for targeted marketing of programs in PY2/5 and PY3/6.

Marketing

Franklin proposes to build on the lessons learned from the ComEd/Chicagoland pilot, notably the success of marketing and building awareness through community groups and the power of referrals. An immediate tactic would be to follow up with the 700+ interested customers that we could not serve due to the end date of the pilot.

Additionally the use and promotion of the existing Residential Prescriptive program will offer low cost options for marketing. If needed we are prepared to use the following tactics:

- Direct Promotional Mailers
- Door Hangers and Yard Signs

Franklin Energy's current plan is to serve up to 4,750 single family homes with this service by the end of PGL's PY1 (May 31, 2012).