

# Q2 High Level Program Results

## Peoples Gas / North Shore Gas - Natural Gas Savings Program

### Program Year 1

### Q2 Program Results, Q3 Outreach Plans

*Q2 Activity and Results to Date*

**Illinois Stakeholder Advisory Group**

**February 7, 2012**

Pat Michalkiewicz, Peoples Gas / North Shore Gas

Ed Carroll, Franklin Energy

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## Points to Address

- Realized savings through Q2, Pipeline estimate YTD
- PY1 Budget allocation, expenditures through Q2
- Accomplishments, What is Going Well, Challenges
- Discuss Budget Shifts – Small Business
- Your questions, suggestions?

## Snapshot of Q2 Results

<u>Peoples Gas</u>	<u>Net Therms</u>	<u>% of PY1 Goal</u>
PY1 Goal:	2,806,711	
Realized Savings through Q2	329,213	12%
<u>North Shore Gas</u>	<u>Net Therms</u>	<u>% of PY1 Goal</u>
PY1 Goal:	555,036	
Realized Savings through Q2	86,727	16%

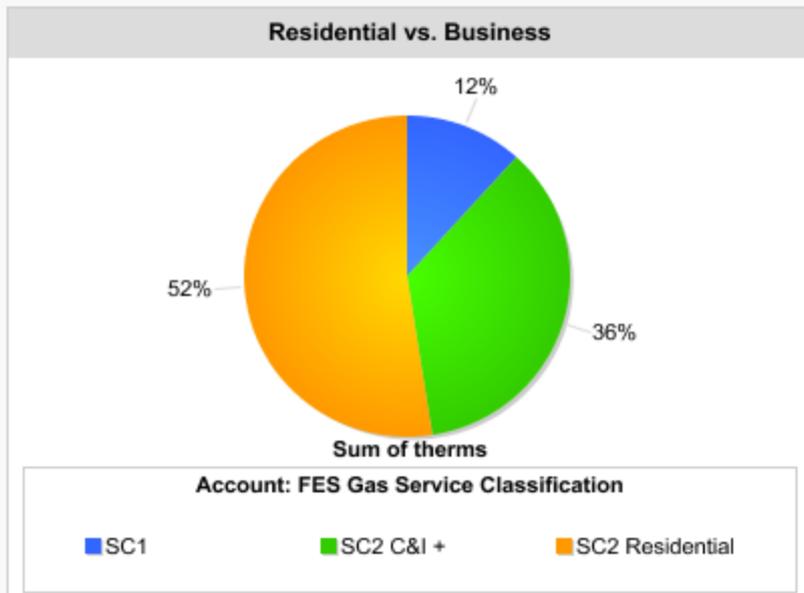
# Snapshot YTD – through February 3, 2012

<u>Peoples Gas</u>	<u>Net Therms</u>	<u>% of PY1 Goal</u>	<u>% through PY1</u>
PY1 Goal:	2,806,711		
Realized Savings through 2/3/12	684,968	24%	
Realized & Pipeline YTD	1,759,262	63%	67%
<u>North Shore Gas</u>	<u>Net Therms</u>	<u>% of PY1 Goal</u>	<u>% through PY1</u>
PY1 Goal:	555,036		
Realized Savings through 2/3/12	126,997	23%	
Realized & Pipeline YTD	272,733	49%	67%

# Savings by Class – Snapshot % YTD

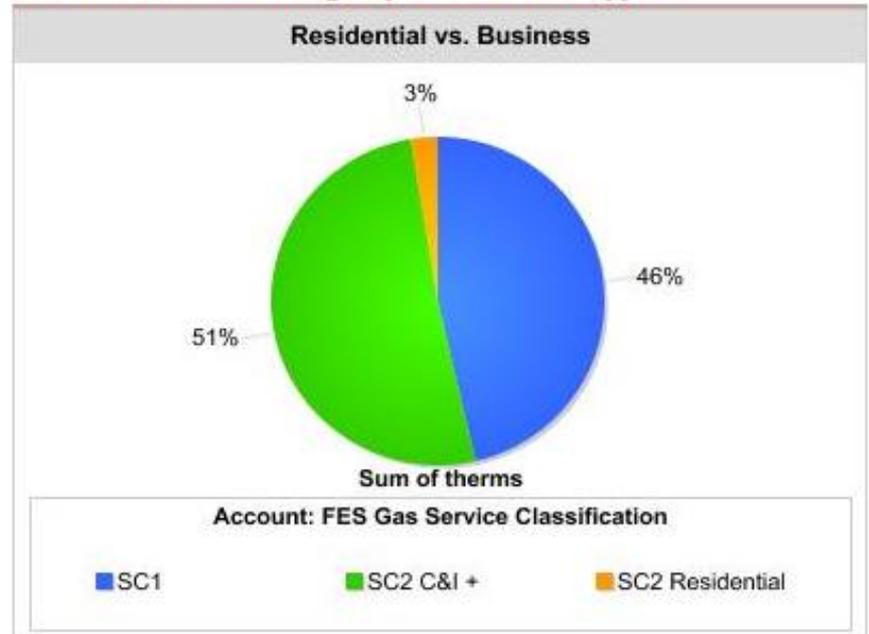
## Peoples Gas

Realized Therm Savings by Gas Service Type



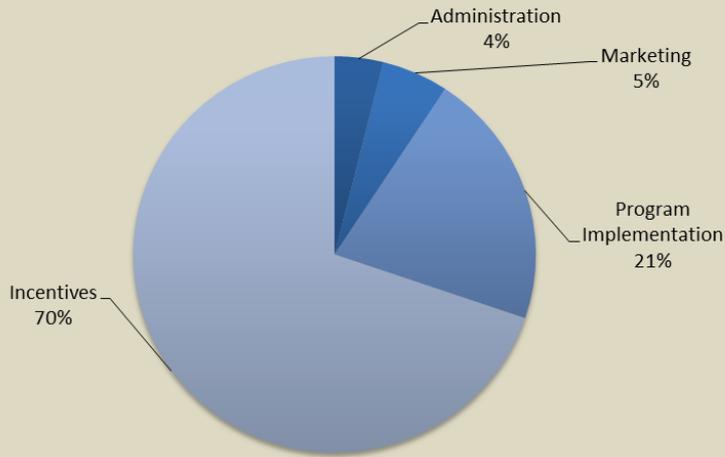
## North Shore Gas

Realized Therm Savings by Gas Service Type



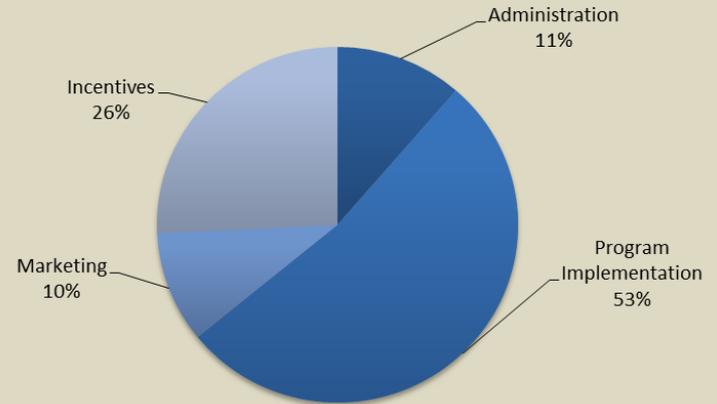
# PGL PY1 Budget, Expenditures through Q2

**PY1 Budget - Peoples Gas**



**PY1 Budget: \$6,793,766**

**PY1 Actual Expenditures - Peoples Gas  
June 1 - November 27, 2011**



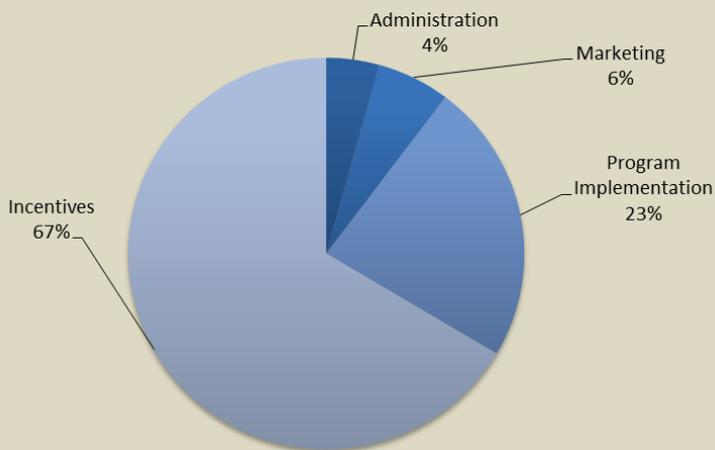
**PY1 Expenditure through Q2: \$1,340,588**

~20% of budget expended 50% of the way through the year

*Budget Shown Above Includes: Franklin Energy Admin, Implementation, Marketing, Incentives*

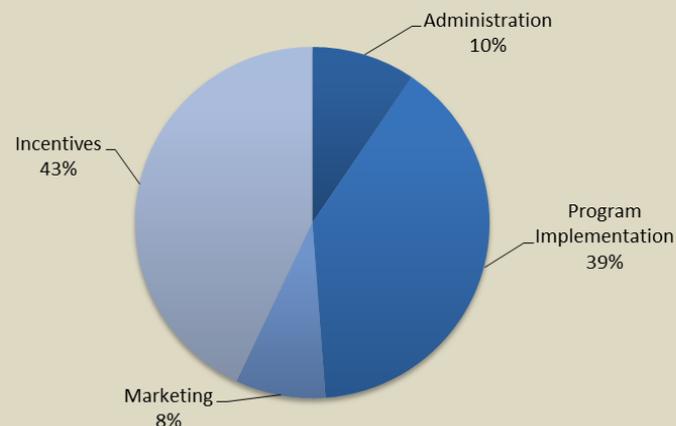
# NSG PY1 Budget, Expenditures through Q2

**PY1 Budget - North Shore Gas**



PY1 Budget: \$1,080,753

**PY1 Actual Expenditures - North Shore Gas  
June 1 - November 27, 2011**



PY1 Expenditure through Q2: \$346,935

~32% of budget expended 50% of the way through the year

*Budget Shown Above Includes: Franklin Energy Admin, Implementation, Marketing, Incentives*

## High Level Accomplishments

- Continued momentum with Residential Multi-Family Program. Pipeline strong, and continues to build...working on identifying and sheparding large retrofit projects that will fall into Residential or C&I Prescriptive / Custom
- Much better insight, understanding of customer classifications, allies / associations to market the PGL and NSG offerings through
- Continued great working relations with neighboring utilities and subcontractors
- Updating marketing, outreach by program
- Tracking, administration of program, reporting continue to get fine tuned

## Challenges

- Still a new program ... a natural gas savings program that started in the middle of the summer
- Good and Bad – relatively low price of gas
- Confusion with rules of other programs, ill will on part of some customers
- Residential , C&I Prescriptive Programs continue to lag
- Fully engaged group of trade allies?

## Residential Prescriptive Program: Some Insights Q2 2011

- Good progress in NSG, behind in PGL
- Number of applications continuing to increase
- HVAC Advisory Group for feedback and to challenge them
  - Tie in with On Bill Financing / Energy Impact Illinois Loan
  - ComEd CAC Joint Offer Tie In / form change
  - Allow contractor to deduct incentive off their invoice and pay contractor directly
  - Customer eligibility, reduce hassle with data permissions
- Continued targeted marketing – document ROI on 6,000 piece mailer

## On the Immediate Horizon

- Decision on Whole House, Home Energy Reports launch for PY2
- Continue to implement HVAC Distributor Advisory Team feedback
- Promote Joint Furnace / CAC w/ComEd, coordinate w/AFC First re: OBF
- Decision to field a Single Family Direct Install / Assessment Program?
- Blitz campaigns for Prescriptive and SBES programs by end of Q3
- Continue making adjustments, take advantage of opportunities in market

## PY2 Launch Planning

- Team discussions in February, recommendation on:
  - Home Energy Reports Program
  - Whole House Program
  - New Measures to Run Prescriptively vs. Custom
- Anticipate time in March / April for ComEd Joint Program Reviews
  - Cost Allocation
  - Budget impacts for PY2

## Budget Shift to Discuss – SAG Discussion

- Utilities allowed some flexibility to adjust portfolios, implementation plans
- Utilities should discuss with SAG prior to initiating change, any shift that results in a 20% or greater change to a program's budget, or that eliminates or adds a program
- Utilities shall not shift more than 10% between residential and C&I without ICC approval

## Budget Shifts Proposed - Overview

- Increase SBES budget (+40%)
- Increase RCx budget (+1%)
- Shift Residential Prescriptive Incentives to Single Family DI - transfer within the same category
- Total shift from Res to C&I is \$87,000 (2.1% of Res budget)

## Budget Shift to Discuss – Small Business

- Need to shift funds to joint Small Business Energy Savings (SBES) Program
- Planning assumed 77% electric / 23% gas split...planning assumptions
- As agreed in Cost Allocation Agreement PY1/4 will use a split based on PGL/NSG and ComEd's GOAL: Result is 41% electric / 59% gas goal
- Need to shift \$117,387 unutilized funds from various program to SBES to true up gas budgets for PY1/4
- Revisit the allocation based on actuals in March/April 2012 for PY2/5

## Possible New PY1/4 Program – Single Family

- Working through design / budgeting for possible joint PGL and ComEd Single Family program launching March 2012
- PGL Residential Prescriptive Program is behind, idea is to use this effort to immediately serve single family homeowners (SC1 – Residential) while cross marketing PGL and ComEd's prescriptive offers
- Build on pilot efforts, marketing methods via trusted community organizations, build a warm pipeline of projects for PY2/3
- Balance incentive budget while reaching important customer class

## Budget Shifts From the Following Programs

Program	Category	PGL	% of Total Budget	NSG	% of Total Budget	Total
Res Prescriptive	Incentives	\$282,709.00	13.80%	\$0.00	4.50%	\$282,709.00
Res Prescriptive	Marketing	\$46,500.00		\$10,000.00		\$56,500.00
Res Whole House	Implementation	\$35,000.00	15.40%	\$5,000.00	7.30%	\$40,000.00
Res Whole House	Marketing	\$5,500.00		\$0.00		\$5,500.00
C&I Custom	Marketing	\$28,000.00	3.40%	\$3,000.00	2.30%	\$31,000.00
C&I Custom	Implementation	\$7,000.00		\$2,000.00		\$9,000.00
				<b>Grand Total</b>		<b>\$424,709.00</b>

## Budget Shifts TO the Following Programs

Program	Category	PGL	% of Total Budget	NSG	% of Total Budget	Total
SBES	Implementation	\$98,067.60	35.90%	\$19,932.40	40.80%	<b>\$118,000.00</b>
RCx	Implementation	\$7,000.00	0.60%	\$2,000.00	1.00%	<b>\$9,000.00</b>
Single Family DI	Implementation	\$142,560.00	N/A	\$0.00	N/A	<b>\$142,560.00</b>
Single Family DI	Incentive Delivery	\$140,149.00	N/A	\$0.00	N/A	<b>\$140,149.00</b>
Single Family DI	Marketing	\$15,000.00	N/A	\$0.00	N/A	<b>\$15,000.00</b>
				<b>Grand Total</b>		<b>\$424,709.00</b>



## Questions, Additional Information

### Peoples Gas & North Shore Gas *Natural Gas Savings Program*

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