



Energy
Efficiency
Program

Nicor Gas Energy Efficiency Program PY1 Report-Out

Stakeholder Advisory Group

September 25, 2012

Jim Jerozal, Nicor Gas

Managing Director Energy Efficiency

Agenda

- Plan Year 1 –Results
- Plan Year 1 - Accomplishments
- Plan Year 1 - Challenges
- Plan Year 2 – QTR1 Results
- Lessons Learned for Plan Year 1
- Plan Year 3 – Observations

PY1 Results (June 1, 2011- May 31, 2012)*

Nicor Gas	Net Therms	Net Therm Goal	Results	TRM Impact (2)
All Programs				
Savings	5,665,730	6,836,159	83%	82%
Excluding programs that that didn't launch at the start of PY1 (1)				
Savings	5,665,730	6,288,471	90%	89%

(1) Residential New Construction, Behavioral Energy Savings, Economic Redevelopment and Building Performance with Energy Star.

(2) TRM impact value estimated. Full impact has not been completed.

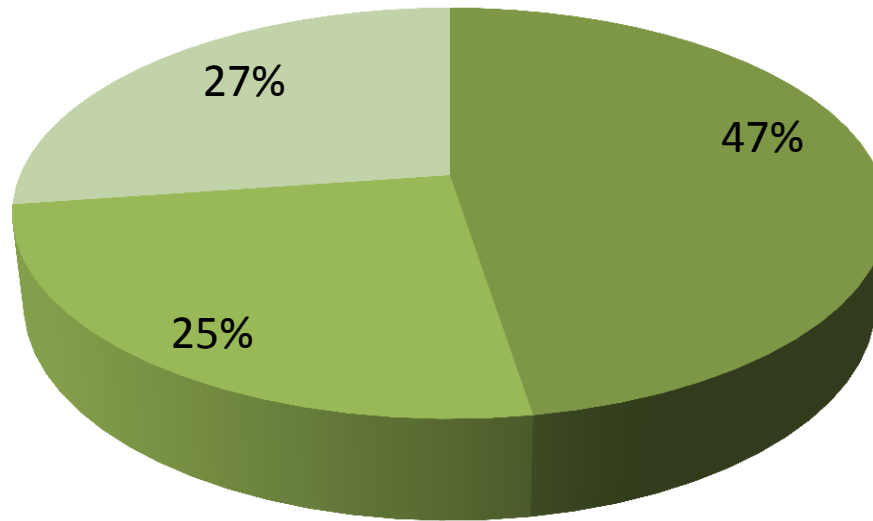
* Excludes DCEO therms.



Energy
Efficiency
Program

PY1 Savings by Class

Residential versus Business



■ Residential ■ C&I Large ■ Other C&I



An AGL Resources Company

Energy
Efficiency
Program

PY1 Accomplishments

- **Launching Portfolio**
 - 5 programs extended from Rider 29.
 - 8 new program contractors hired.
- **Collaborating with Partners**
 - Jointly delivered 8 programs with ComEd.
 - Coordinated with ComEd and Peoples Gas / North Shore Gas and Ameren on marketing and other portfolio functions.
 - Leveraging IMEA and EI2 funding.
- **Building Internal Capability**
 - Began hiring and training internal staff team.
 - Data Tracking system nearing completion.
- **Serving Customers**
 - Processed >45K residential and >2K business rebates
 - 9,730 (92% and 95% AFUE) furnace rebate processed in PY1.

PY1 Challenges

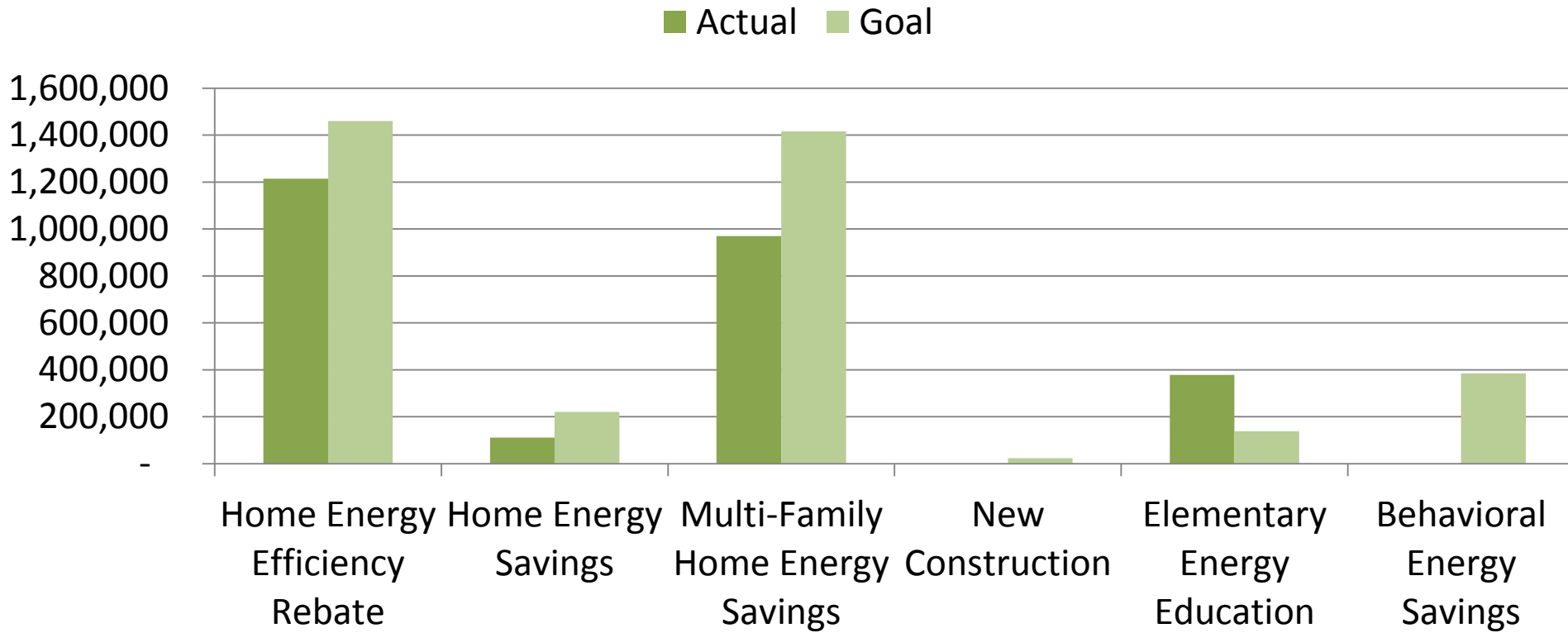
■ Slow Start

- Delayed program launch with new programs for Rider 30 (Residential New Construction, Behavior Energy Savings, Economic Redevelopment and Building Performance with ENERGY STAR).
- Warm winter coupled with slow economy.
- Other programs meeting EEP goals (in aggregate).
- HES, Small Biz, Business New Construction, Multi-Family and RCx programs longer lead time and continue to ramp slowly.

■ Customer Awareness

- General customer awareness of program major challenge.

PY1 Results-Residential



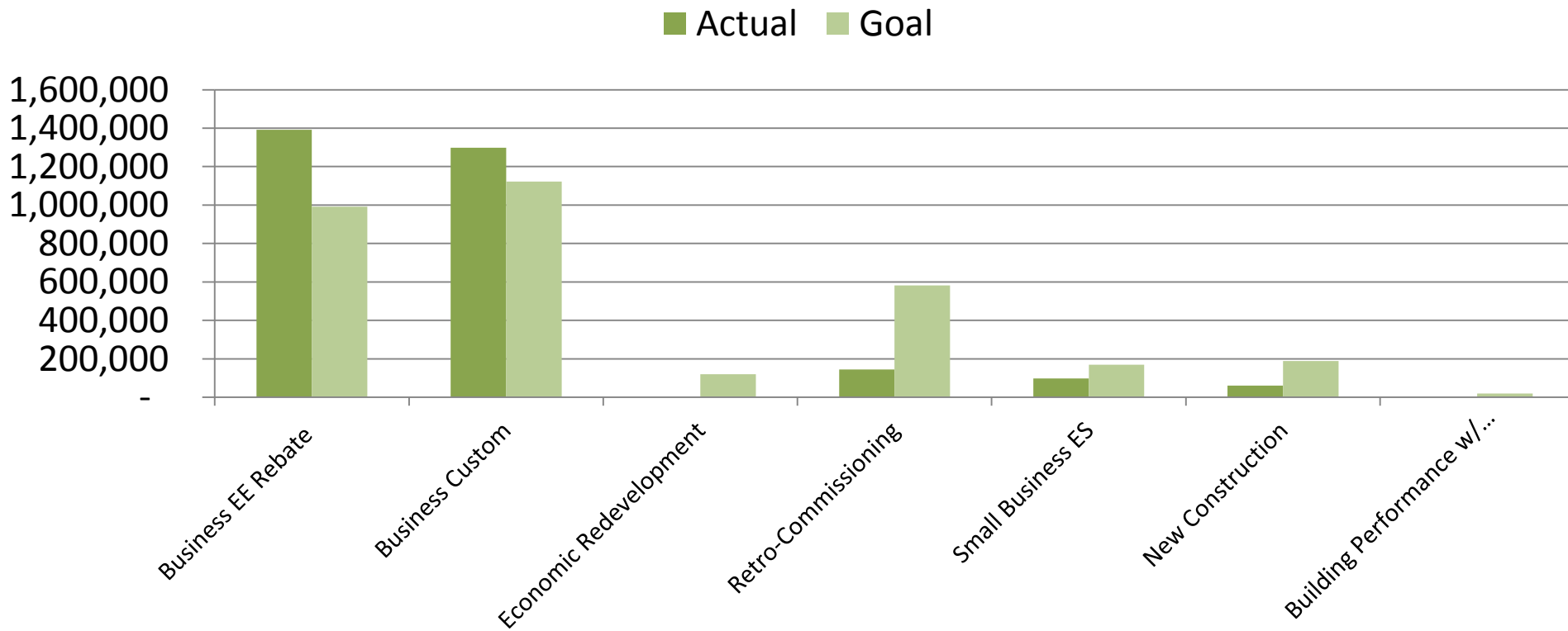
Residential achieved 73% of goal



An AGL Resources Company

Energy Efficiency Program

PY1 Results- Business



Business achieved 94% of goal

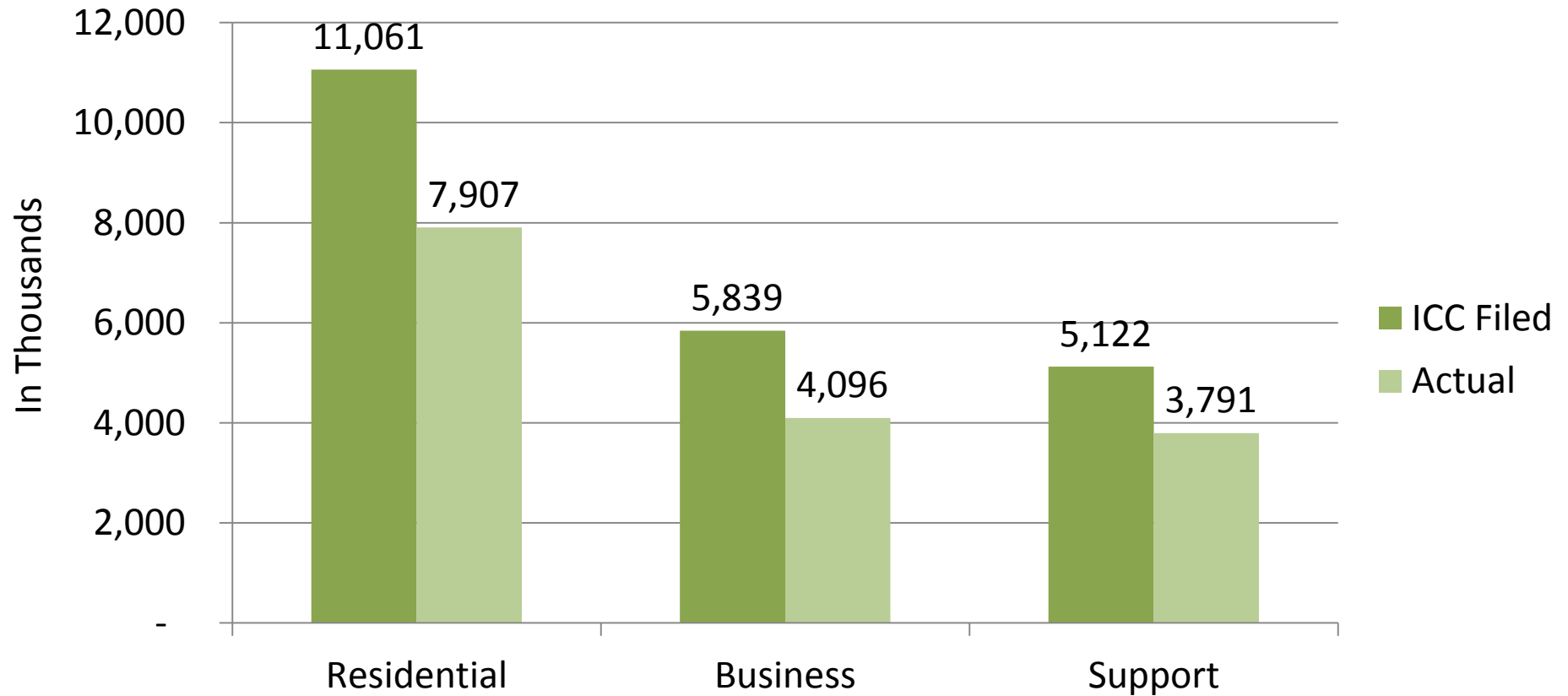


An AGL Resources Company

Energy Efficiency Program

PY1 Cost Analysis

Spent 72% of Total Budget



An AGL Resources Company

Energy
Efficiency
Program

PY2 Observations

- **Savings Projected above Goals**
 - Implementation contractors to make up PY1 shortfall.
 - Adjusted programs goals to market realities.

- **Plan Year 1 Program Budget Savings Reinvested**
 - Additional measures and rebates.
 - Education and outreach.
 - New customer acquisition channels.



Energy
Efficiency
Program

PY2 Enhancements- New Rebates and Measures

Residential

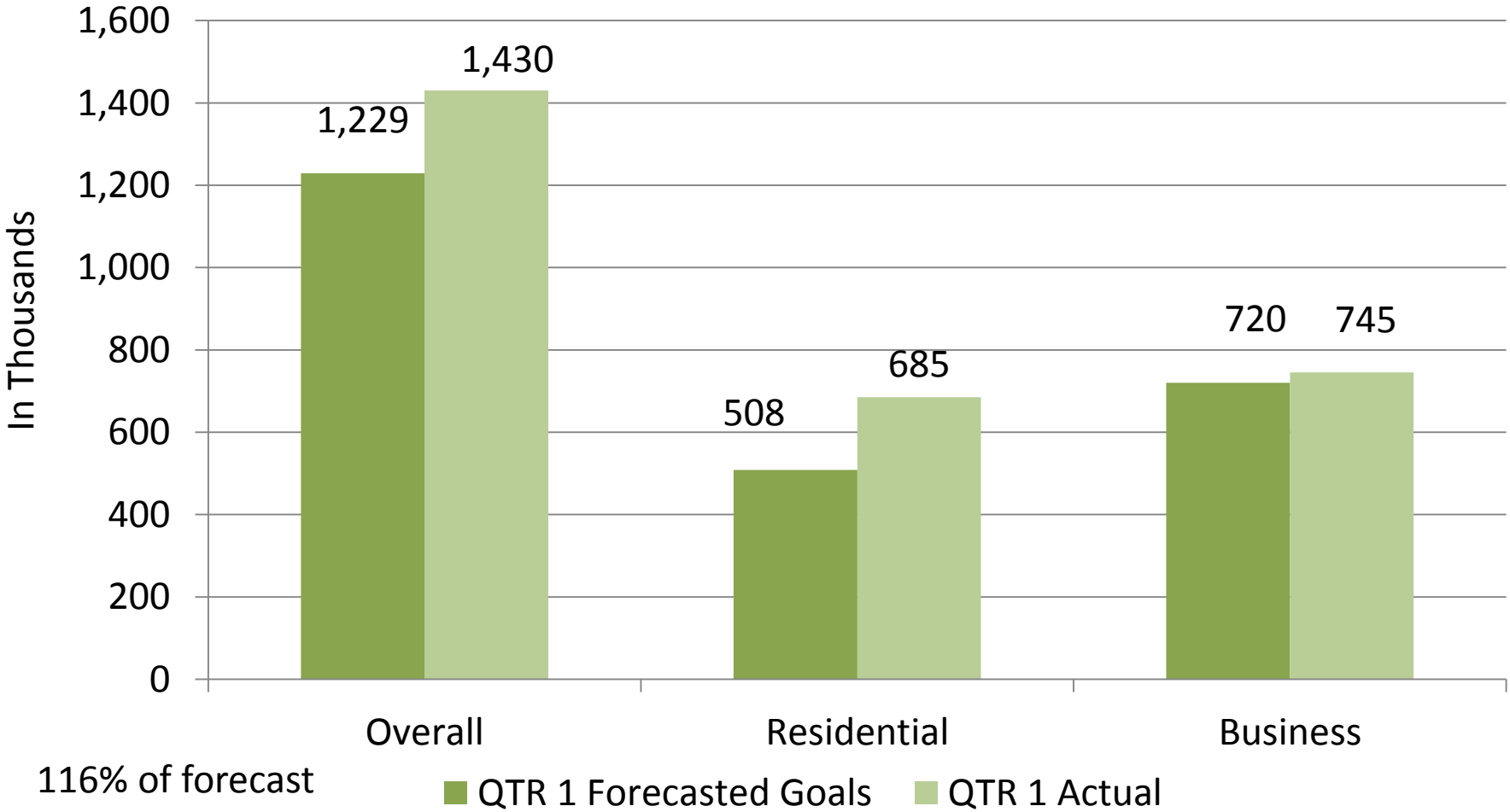
Home Rebates	Top-tier furnaces, thermostats, windows, pipe insulation, bundled rebates, frequent flyer bonuses
Home Energy Savings	Illinois Home Performance with ENERGY STAR
Multifamily	Comprehensive Track

Business

Business Rebates	Stream trap surveys
Custom	Higher rebate caps (\$500,000)
Retro-commissioning	Industrial RCx, Monitoring-based Commissioning and mid-sized customers.

PY2 QTR1 (June 1, 2012- August 31, 2012 Results

Strong Start



Energy Efficiency Program

Lessons Learned from PY1 Observations from the Field



An AGL Resources Company

Energy
Efficiency
Program

Home Energy Efficiency Rebate

■ Complete system replacement

- Lesson: Bundling of various measures (i.e. furnaces and air conditioners) have proven to be successful in driving furnace replacements in summer months.

■ Retail Channel

- Lesson: Retail channel is a very important channel.

■ Web site improvement

- Lesson: More value to customers and allies by additional materials and better navigation across programs.

■ Awareness

- Lesson: Expand ally awareness and engagement within retail market and target allies providing services for new measures through trade ally focus groups.

Multi-Family

- **Offering Hand-held showerheads**
 - Lesson: New measure opened up additional properties to program.
- **Awareness**
 - Lesson: Targeted education and outreach is more effective.
- **Comprehensive Enhancement**
 - Lesson: Program needs to expand beyond direct installs, deploying dollars into deeper retrofit multifamily program



An AGL Resources Company

Energy
Efficiency
Program

Home Energy Savings

■ Awareness

- Lesson: Try alternative education and outreach (house party model).

■ Increased incentive

- Lesson: Larger incentives needed to overcome first-cost barrier.

■ Partnerships

- Lesson: Collaboration with other entities to drive participation (IMEA, EI2, Illinois HPwES).



An AGL Resources Company

Energy
Efficiency
Program

Business Energy Efficiency Rebates

■ Steam Traps

- Lesson: Significant of savings in PY1 and will continue to target in PY2/PY3.

■ Participation

- Lesson: Continued to build participation through tiered rebates on equipment size and collaboration with Trade Ally focus groups.

■ Commercial Food Service

- Lesson: Alignment of measures and rebates though CFS Trade Ally focus groups.

Business Custom

■ Portfolio Coordination

- Lesson: Continued coordination between programs for lead hand off and Emerging Tech.

■ Targeted Market Segments

- Lesson: Focus on vertical markets such as Chemical, Hospital, Food Processing and Forging/Foundry.

■ Incentive Cap and Eligibility

- Lesson: Increased cap (\$500k) and percentage (up to 50%) of project, minimal (2,500) therm savings eligibility.

Retro-Commissioning

- **Lead Times**

- Lesson: Projects have long lead times.

- **Project Makeup**

- Lesson: More opportunities with electric savings. Additional effort to go after gas projects.

- **Additional Tracks (Monitoring and Industrial RCx)**

- Lesson: Tracks being added to capture more projects and to also target smaller facilities.

Small Business Energy Savings

■ Electric versus Gas Savings

- Lesson: Customers show propensity to favor electric measures versus gas due to faster payback and non-owner occupied space.

■ Trade Ally

- Lesson: Expansion of trade ally network with emphasis gas trade ally.



An AGL Resources Company

Energy
Efficiency
Program

Business New Construction

■ Lead Times

- Lesson: Projects have long lead times (18-36 months) which were an issue after launch. Focus on creating pipeline of projects under 18 months.

■ Project Makeup

- Lesson: Continued focus on comprehensive projects which yield higher therm savings than systems projects.



Energy
Efficiency
Program

PY3 Observations



An AGL Resources Company

Energy
Efficiency
Program

PY3

■ Codes and Standards

- 2012 DOE furnace standards will result in significant therm losses in residential.

■ Market Forces

- Program will continue nimbleness in responding to market conditions.
- Efforts under way to bring more cost-effective measures in programs.
- Program will continue to develop new customer acquisition channels and bundling strategies to increase customer participation.

■ Best Practices

- Learn from other programs and apply best practices.
- Continuous review of new technologies to deploy in PY3 and beyond
- Efforts under way to bring more cost-effective measures in programs.



An AGL Resources Company

Energy
Efficiency
Program

Contact Information

James Jerozal
Managing Director Energy Efficiency
James.jerozal@aglresources.com

NicorGasRebates.com
info@NicorGasRebates.com
877.886.4239



Energy
Efficiency
Program