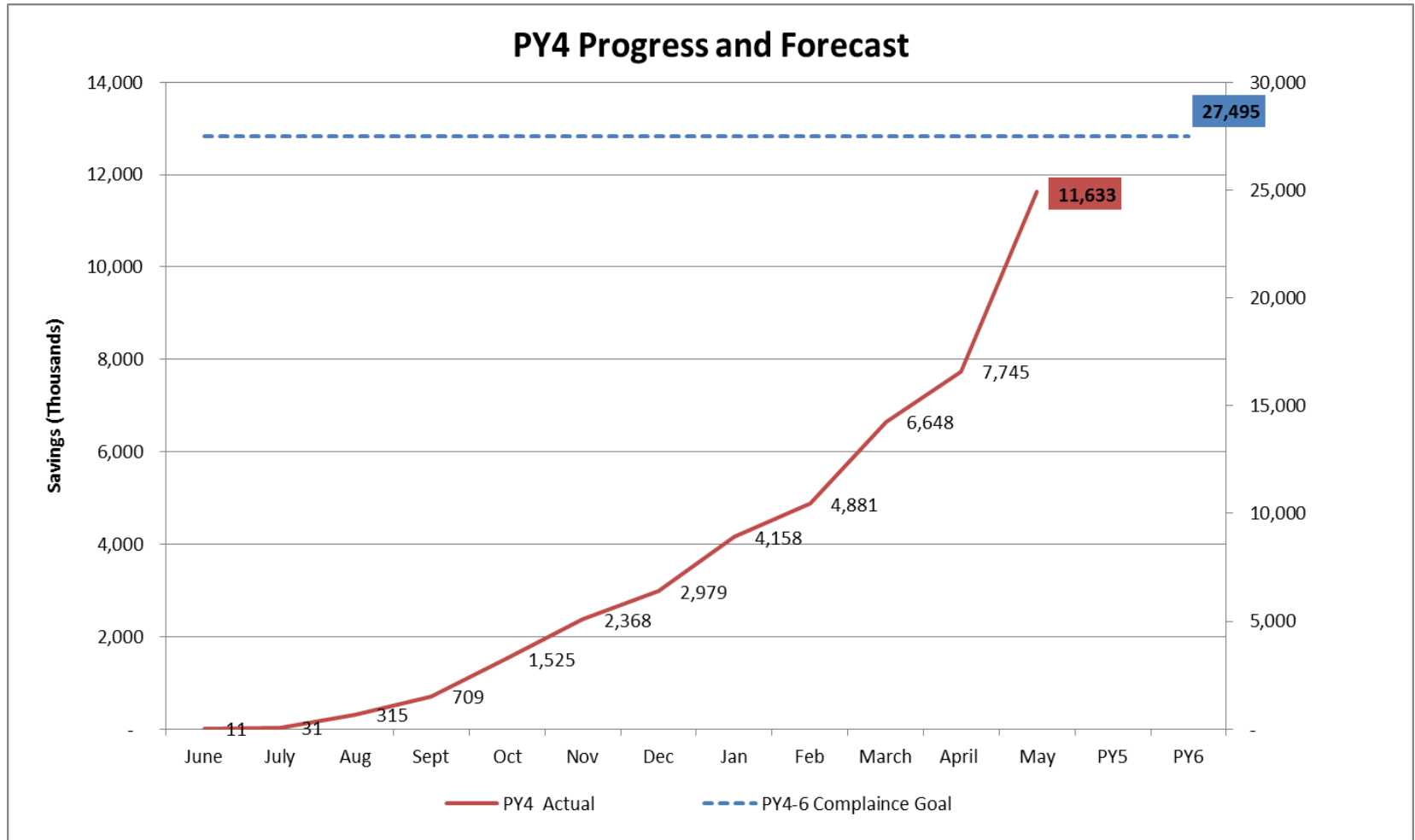


Welcome to
energySMART 
A **Nicor Gas**[™] program

PY5 Annual Plan and energySmart Update to SAG

5/11/2015

Gross Therms vs Goal To-Date



Residential Incentive Changes

Measure	PY4	PY5
High-Efficiency Furnace, \geq 92% AFUE	\$200	Discontinued
High-Efficiency Furnace, \geq 95% AFUE	\$250	\$200
High-Efficiency Furnace, \geq 97% AFUE	\$300	\$250
Wall insulation	<p>Exterior wall insulation:</p> <ul style="list-style-type: none"> \$0.50 per square foot Up to \$400 per home <p>Foundation sidewall insulation:</p> <ul style="list-style-type: none"> \$0.50 per square foot Up to \$150 per home 	<ul style="list-style-type: none"> Maintaining \$0.50 per square foot for each type Reduction of maximum incentive of \$550, to \$400 total incentive for both types of wall insulation (\$150 reduction)
High-Efficiency Boiler, \geq 95%	\$425	\$400
<i>Maximum Air sealing and Insulation rebate per home:</i>	\$1,350 per home	\$1,200 per home (\$150 reduction)
Duct sealing	\$350 per home	\$300 per home

Residential Incentive Changes cont.

Offering	PY4	PY5
Multi-Family	\$50 – Common area thermostat	Reduced to \$25 (Reduction in TRM Commercial T-Stat Savings)
Elementary Education	9,600 kits/191 Schools	8,600 kits/Recruiting about 171 Schools (planned reduction)
Hard-To-Reach Pilot (Behavior Change)	Conducted “wasted energy” study per Final Order	Launching pilot for apartment buildings in fall 2015

Business Incentive Changes

Offering	PY4	PY5
Business Incentives	<ul style="list-style-type: none"> Tracking to spend 100% of budget and achieve 100% of goal. 	<ul style="list-style-type: none"> Industrial incentive drop from \$500 to \$300 rebate. T-Stats drop to \$25. Adding an outdoor pipe insulation rebate from \$8 to \$10/ft.
Custom Business	64 Projects	84 Projects
Small Business	<ul style="list-style-type: none"> Programmable T-Stat \$50 Condensing boiler \$1,200 92% AFUE Furnace \$550 95% AFUE Furnace \$1,000 Infrared Heater \$1,200 	<ul style="list-style-type: none"> Programmable T-Stat \$25 Condensing boiler \$1,000 92% AFUE Furnace \$400 95% AFUE Furnace \$750 Infrared Heater \$800

PY4 Lessons Learned – Residential

- Residential Incentives:
 - Managing rebates to control over-subscriptions from PY3 → reach more customers

	Total Furnaces
PY3	24,494
PY4	17,145
PY5	16,781

- Elementary Education:
 - New vendor delivered program in PY4
 - Largest challenge was coordinating with other Utilities to implement a joint program

PY4 Lessons Learned – Residential

- Energy Savings Kits:
 - Kit orders showed a strong response to an email and bill insert campaign reaching 90% of our distribution goal as of April
- Residential New Construction:
 - Set to certify over 800 homes and therm savings goal already exceeded.
 - Tiered incentive structure works effectively to get more therms per home.

PY4 Lessons Learned – Business

- Trade Allies:
 - Offer new workSMART training sessions for TA's on various topics
- Business Incentives:
 - Adjusted the rebates to increase diversity of customer participation
 - Contractors are extremely responsive to incentive offerings – pipe insulation
- Custom Business:
 - Timing of long lead projects causing carryover from PY4 to PY5
 - It takes 6 months to 1 year to refill the pipeline
- Small Business:
 - Transitioned to new IC's/rebate system delayed program savings until late PY4
 - DI switched from trade ally installations to IC = more insight and control of the therm pipeline
- Business New Construction:
 - Switch to “therm purchasing” structure ensures results through PY6

Overview

....Not much has changed

- Questions???