



SAG portfolio planning process presentation

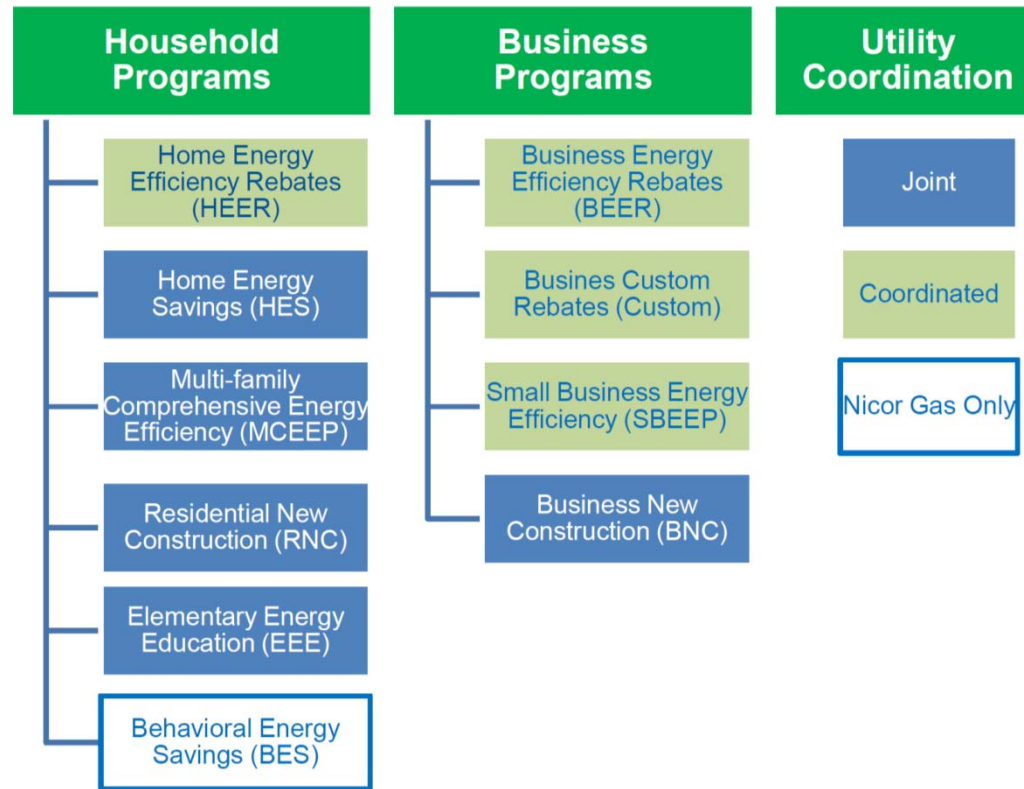
Nicor Gas preliminary
portfolio PY7-PY9

Agenda

- Nicor Gas portfolio structure
- Portfolio design objectives
- Preliminary
 - Portfolio results
 - Residential program
 - Business program
- IL SAG input in portfolio design

Nicor Gas portfolio structure

Current program structure



Nicor Gas portfolio structure

How customers see us



Nicor Gas portfolio structure

Proposed program structure PY7-PY9

Residential Program				Business Program				
Residential Rebate Track	Residential Assessment & DI	Education & Outreach	Residential New Construction Track	Business Rebate Track	Custom Incentives Track	Business Assessment & DI Track	Education & Optimization Track	Business New Construction Track
Prescriptive Rebates	SF Home (Audit/DI)	Education Kits	RNC	Prescriptive Rebates	Large Business Custom	Assessment	RCx	BNC
Retail Rebates	MF (Audit/DI)	Kits	Code Compliance	Upstream Rebates	Small Business Custom	MF (Audit/DI)	SEM	Code Compliance
Upstream Rebates		Behavior Energy			MF Custom	SB (Audit/DI)	RCx Express	
Wx Prescriptive					CHP			
Wx Projects (Deep Retrofit, Income)								

Portfolio design objectives

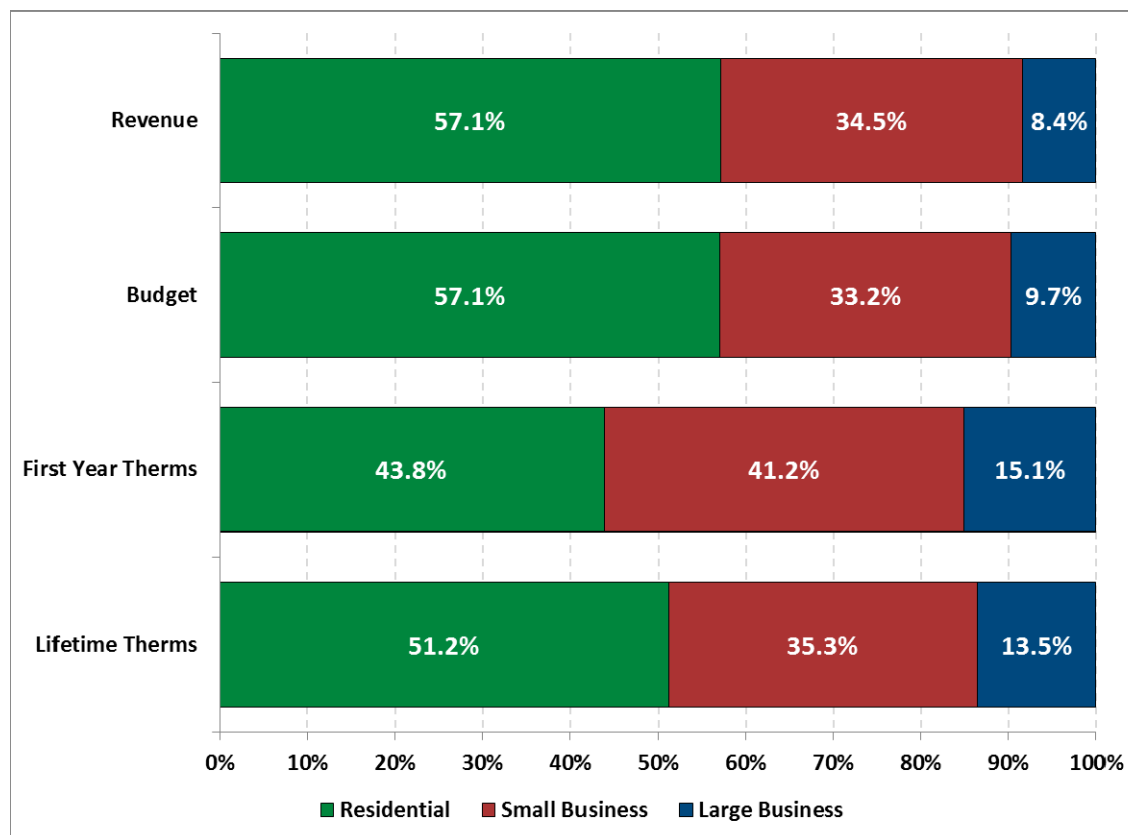
- Budget
 - Do not exceed statutory budget
 - Size tracks/Offerings according to rate class contribution
- Cost-effectiveness
 - Cost-effective portfolio
- Savings
 - Annual and lifecycle savings
- Fairness
 - Provide diverse cross section of opportunities
 - Moderate-income segment
- Market
 - Maintain stability for trade partners
- Economic development
 - Increase economic activity in Illinois

Preliminary PY7-9 portfolio results

Estimates	
Spending	\$90 MM
First Year Therm Savings (Net)	31 MM
Life Cycle Therm Savings (Net)	400 MM
Net Benefits	\$71 MM
TRC	1.36
Economic Impacts	\$190 MM Output, \$108 MM Wages, 970 Jobs
Cost Per First Year Therm Saved	\$2.45
Cost Per Life Cycle Therm Saved	\$0.19

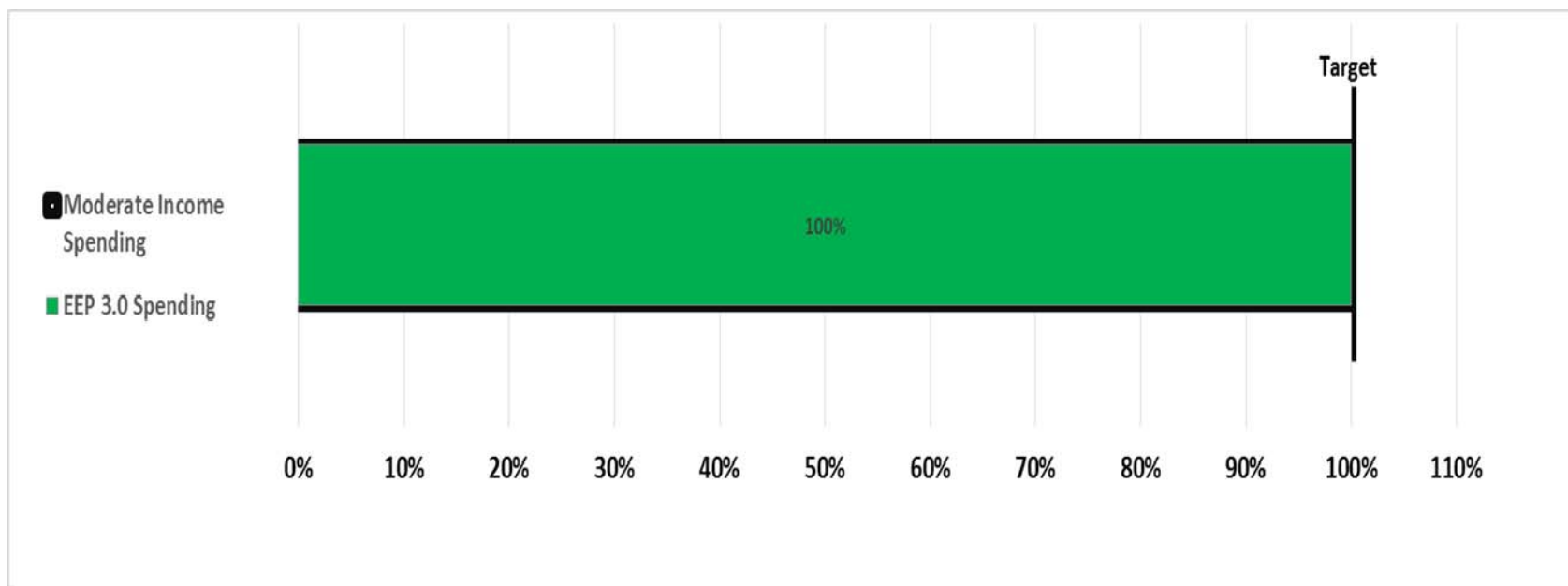
Preliminary PY7-9 portfolio results

Estimated revenue, budget and savings (by rate class)



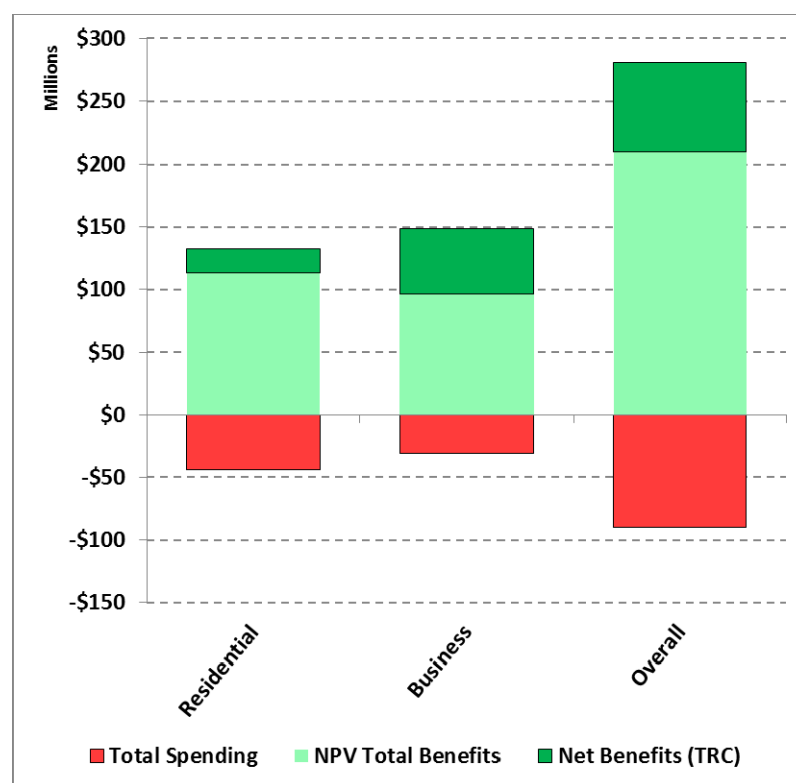
Preliminary PY7-9 portfolio results

Moderate income



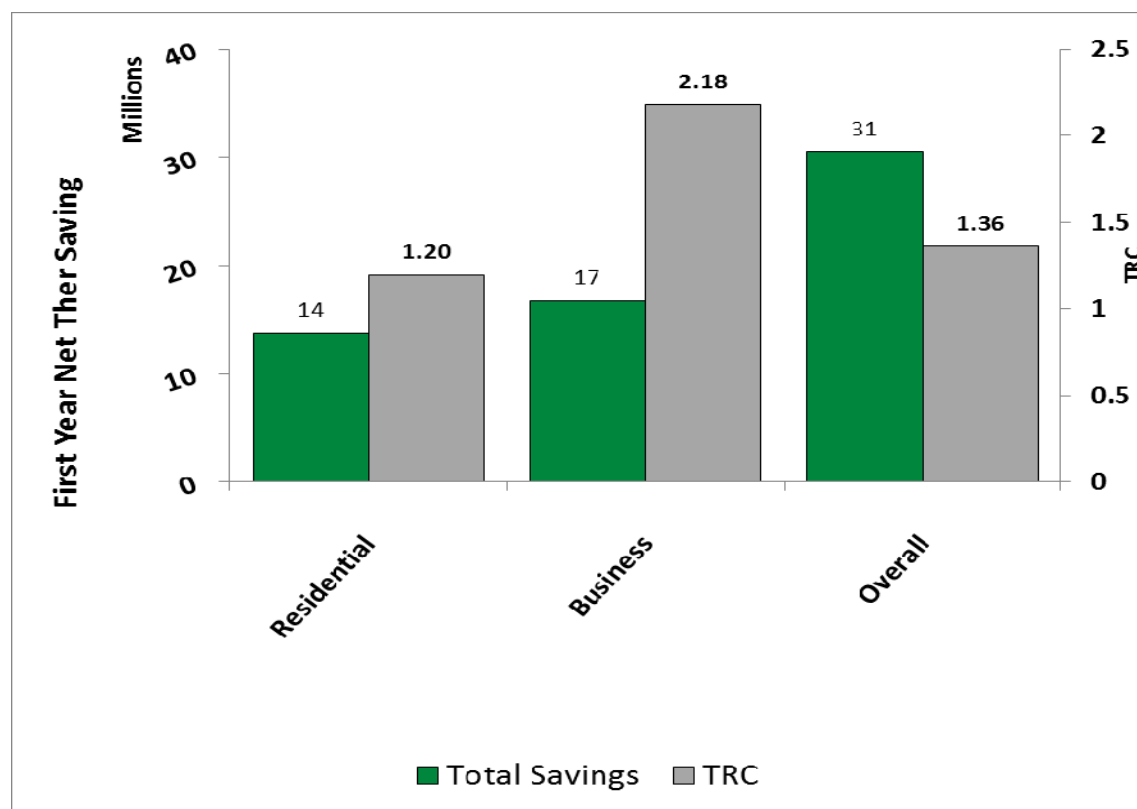
Preliminary PY7-9 portfolio results

Estimated spending and benefits by program



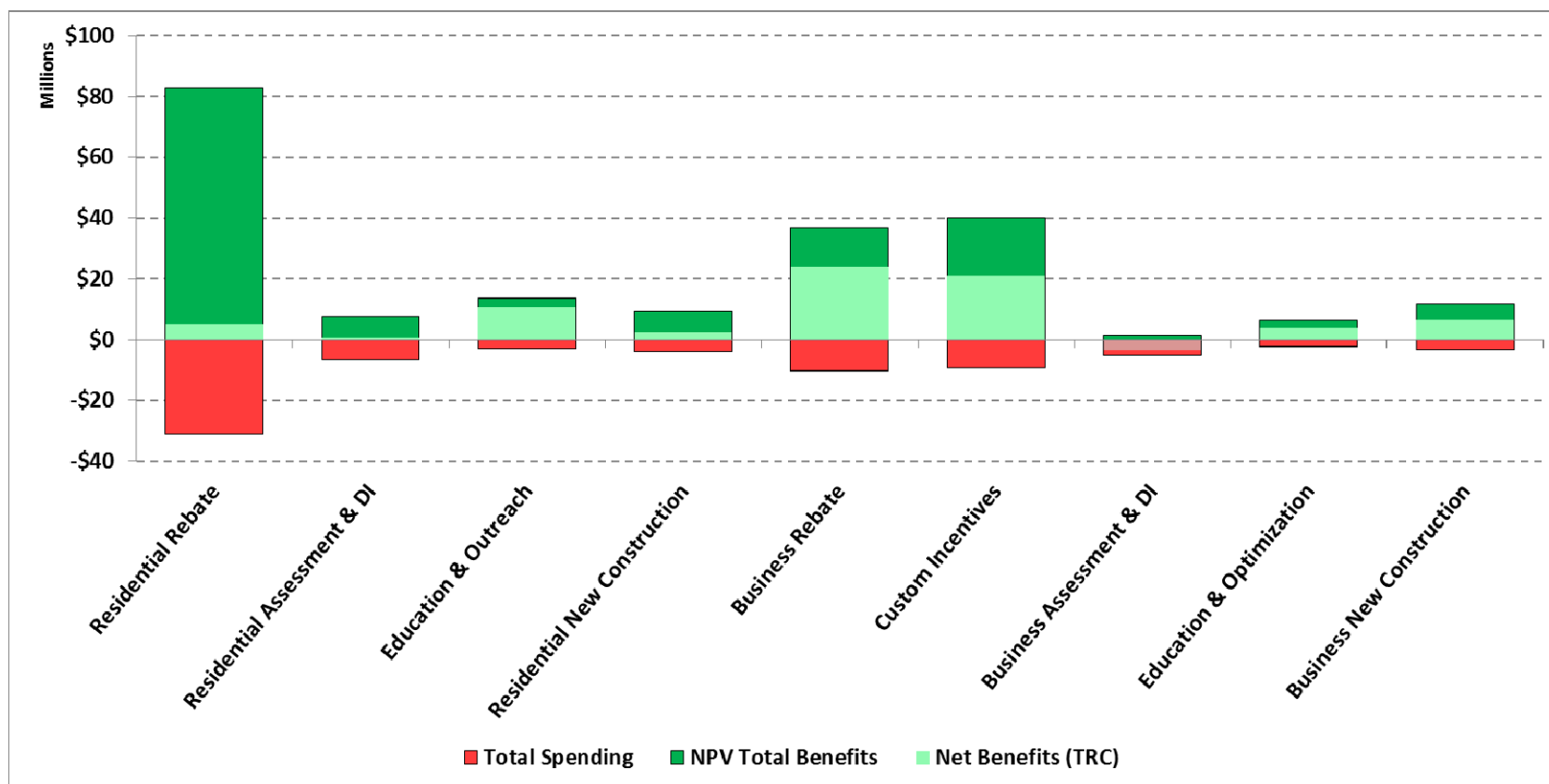
Preliminary PY7-9 portfolio results

Estimated first-year goals and TRC (by program)



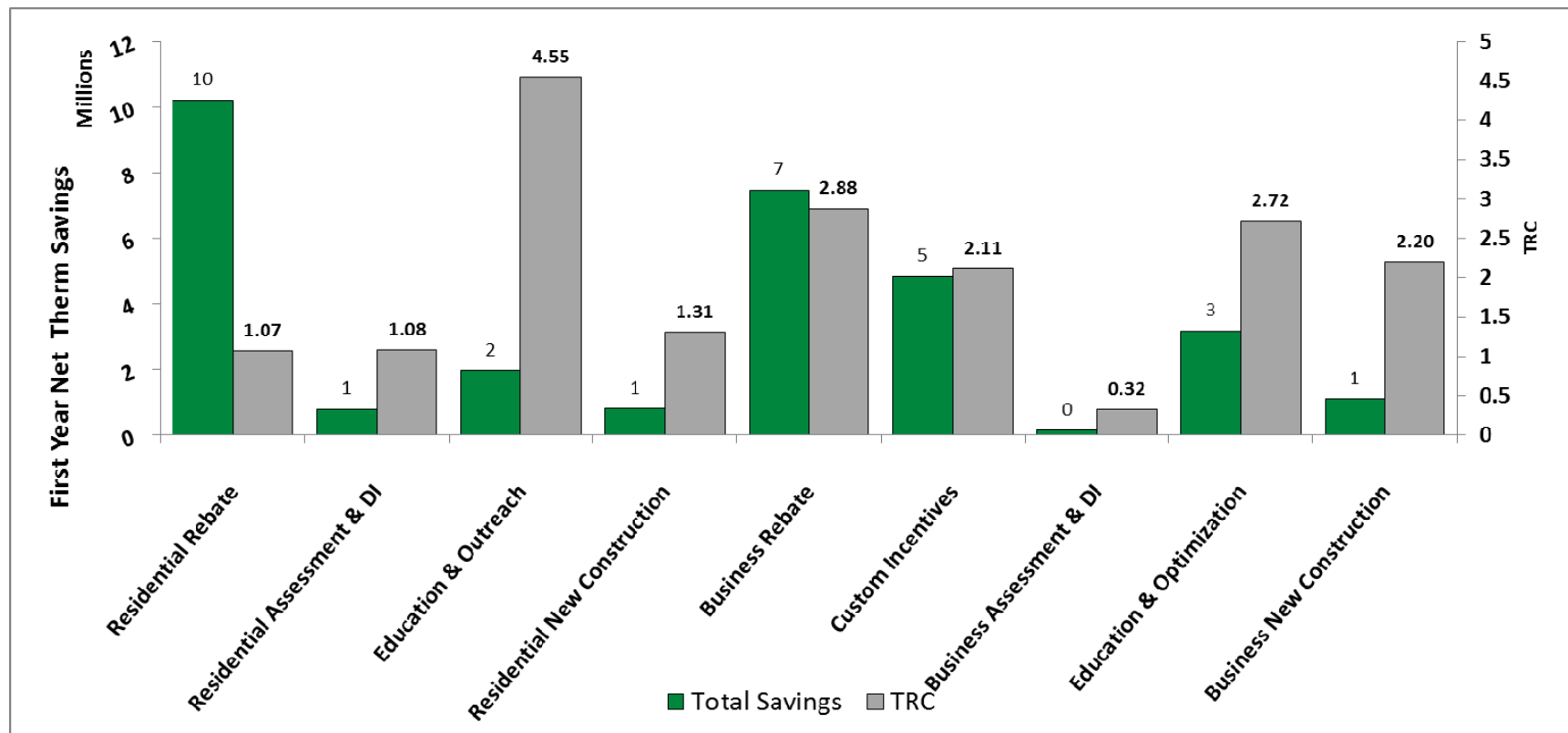
Preliminary PY7-9 portfolio results

Estimated spending and benefits (by track)



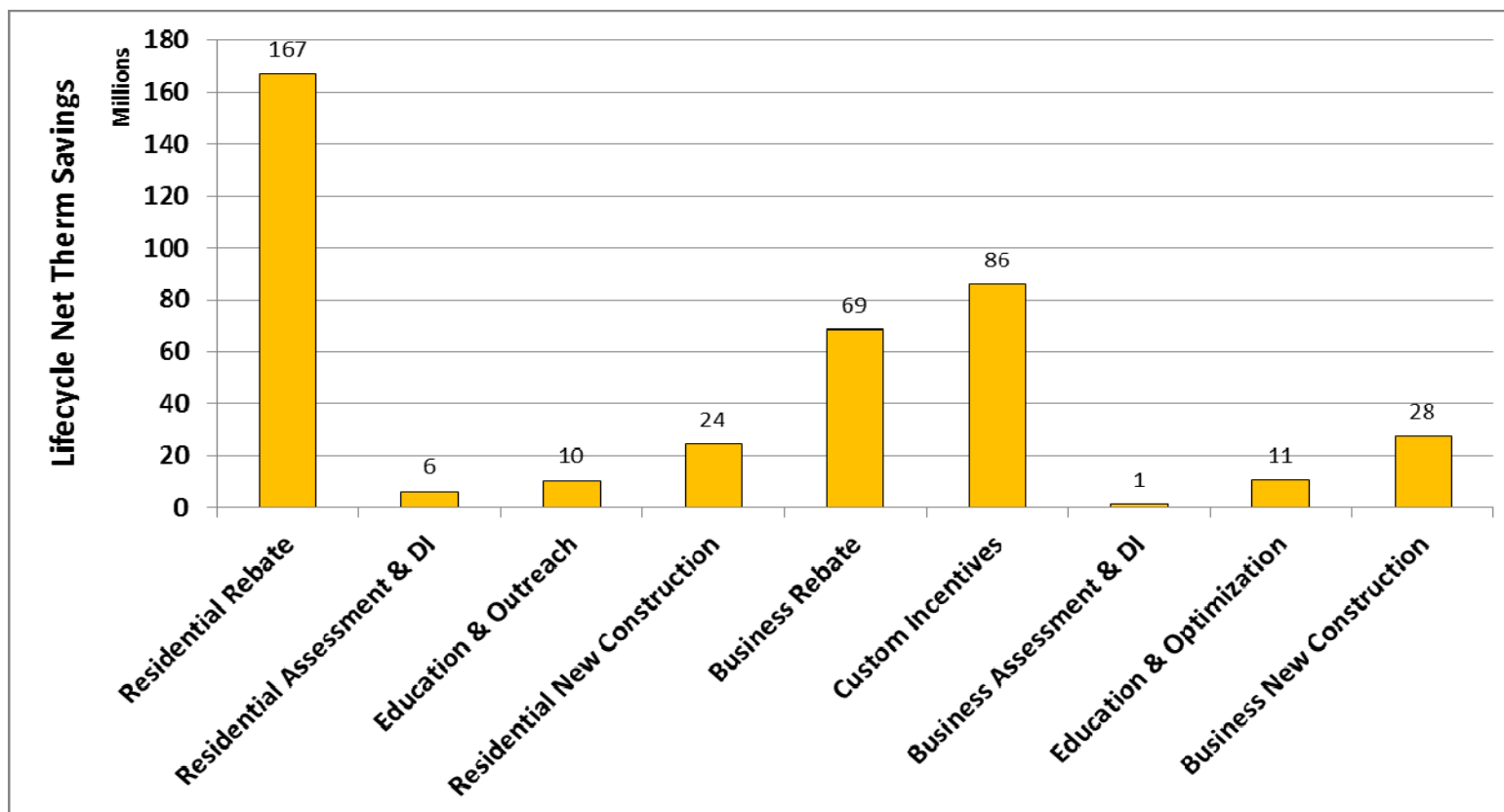
Preliminary PY7-9 portfolio results

Estimated first-year goals and TRC (by track)



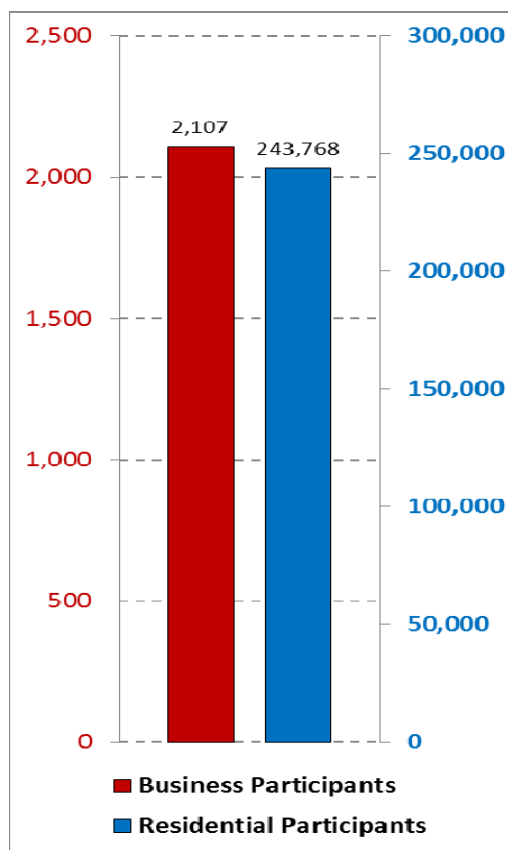
Preliminary PY7-9 portfolio results

Estimated life-cycle savings (by track)



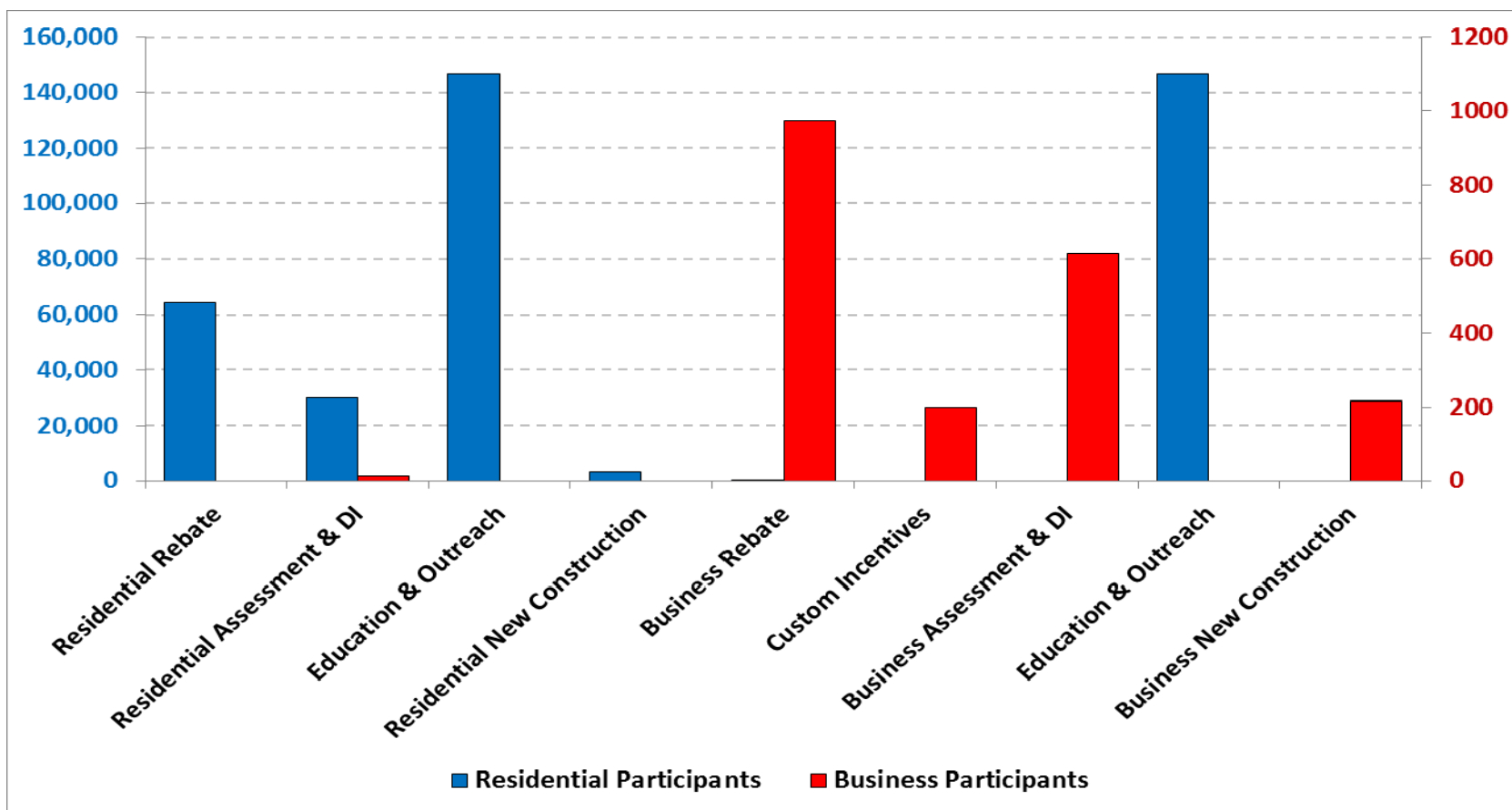
Preliminary PY7-9 portfolio results

Estimated residential and commercial penetration (by program)



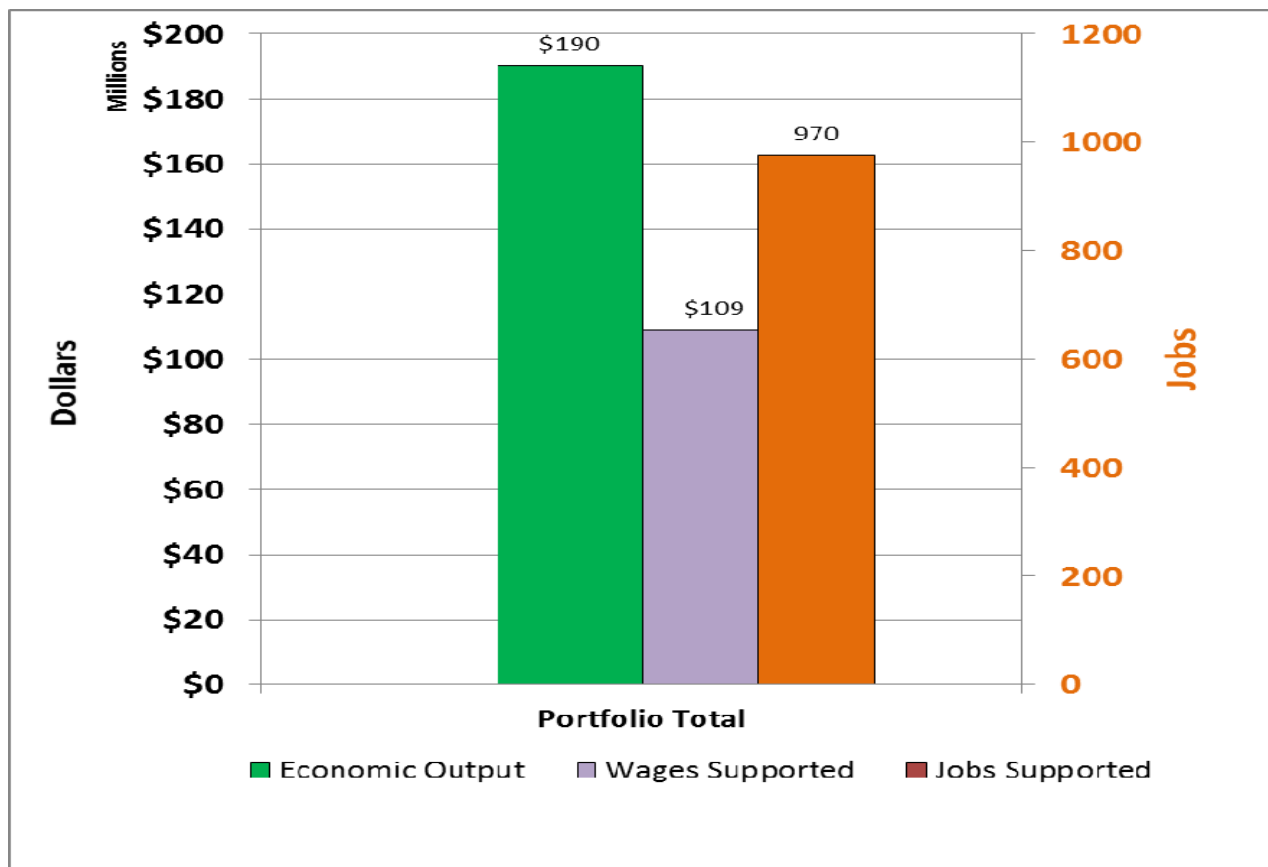
Preliminary PY7-9 portfolio results

Estimated residential and commercial penetration (by track)



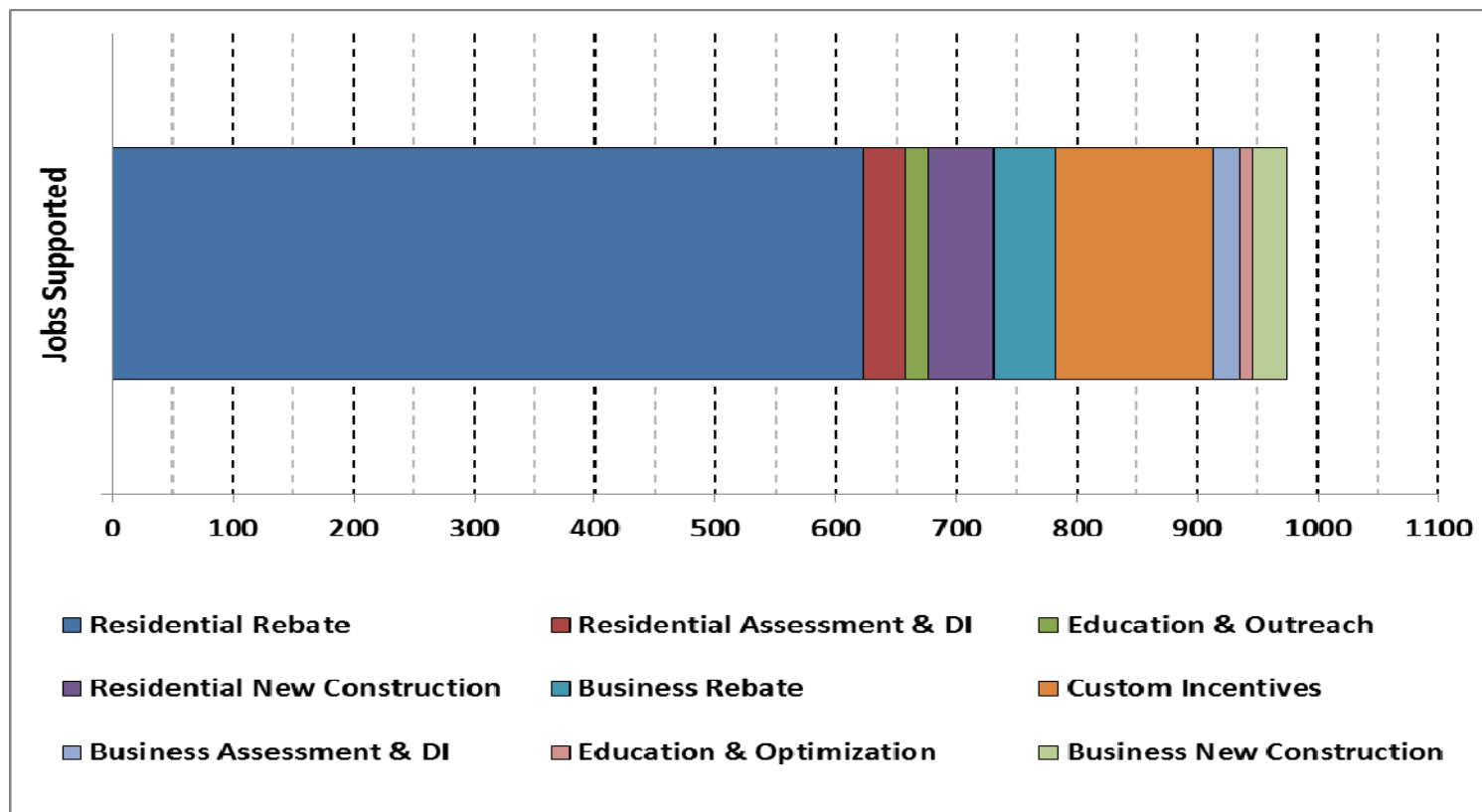
Preliminary PY7-9 portfolio results

Estimated economic impacts of preliminary portfolio



Preliminary PY7-9 portfolio results

Estimated jobs supported (by track)



Nicor Gas portfolio structure

Proposed program structure PY7-PY9

Residential Program				Business Program				
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Wx Prescriptive					CHP			
Wx Projects (Deep Retrofit, Income)								

Residential program

Proposed tracks

- Residential Rebate
- Residential Assessment & DI
- Education & Outreach
- Residential New Construction

Residential program

Residential Rebate Track

- Prescriptive rebates (mod-income opportunity)
 - Furnaces and boilers
 - Bundles
 - Thermostats
- Retail rebates
 - Advanced thermostats
- Upstream rebates
 - Water heaters (very low TRC)
- Weatherization rebates
 - Approved program contractors install
- Weatherization projects
 - Deep retrofit
 - Income qualified

Residential program

Residential Assessment & DI track

- Primarily driving participation in rebate track with:
 - Home assessments and DI
 - Home walkthroughs
 - Comprehensive assessments
 - Multi-family assessment and DI (mod-income opportunity)
 - MF units assessments

Residential program

Education and outreach track

- Primarily driving participation in rebate track with:
 - Education (mod-income opportunity)
 - Elementary education
 - Exploring other options
 - Free customer-requested kits (mod-income opportunity)
 - Online Customized
 - Outreach events
 - Behavioral energy savings (mod-income opportunity)
 - Home energy reports
 - Tenant behavior modification and outreach
 - Exploring more options

Residential program

Residential New construction

- Addressing new construction market
 - New home construction
 - Builder and rater rebates for above-code (20%) construction
 - Builder education
 - Code compliance
 - Intend to continue code compliance pilot with partner utilities and The Department

Business program

Proposed tracks

- Business Rebate
- Custom Incentives
- Business Assessment & DI
- Education & Optimization
- Business New Construction

Business program

Business Rebate Track

- Prescriptive rebates
 - Furnaces, boilers, pipe insulation
 - Steam traps
 - Thermostats
- Upstream rebates
 - Commercial kitchen and water heating

Business program

Custom Incentives Track

- Focus on custom energy efficiency solutions
 - Large business projects
 - Small and medium business projects
 - MF comprehensive projects
 - CHP

Business program

Business Assessments & DI track

- Primarily driving participation in rebate track and custom track with:
 - Large business assessment
 - Facility Audits and Opportunity Assessments
 - Small and medium business assessment
 - Facility walkthroughs with DI
 - MF building assessments

Business program

Education & optimization track

- Focus on facility and process optimization
 - Strategic Energy Management
 - Industrial cohort
 - Healthcare cohort
 - Exploring more cohorts (e.g. private education)
 - Facility optimization
 - Express tune-ups
 - RCx and MBCx

Business program

Business New construction

- Addressing new construction market
 - New commercial construction
 - Code compliance
 - Intend to continue code compliance pilot with partner utilities and The Department

IL SAG input in portfolio design

Questions