



Draft EEP 3.0 Design Update

Nicor Gas Portfolio for
Plan Years 7 - 9

SAG Planning Process: Key Steps

- **Key Deliverables**

- March Strawman presentation of Portfolio to SAG 3/28/16 (presented)
- *15 days review period for SAG*
- **May presentation of “almost final” portfolio May 16&17 SAG meeting**
- Negotiation in May-July leading towards settlement agreement
- Incorporate negotiated positions into plan filing
- Stipulated filing before October 1 (Targeting September 1 with Electric filings)

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

Nicor Gas portfolio structure

Proposed program structure PY7-PY9

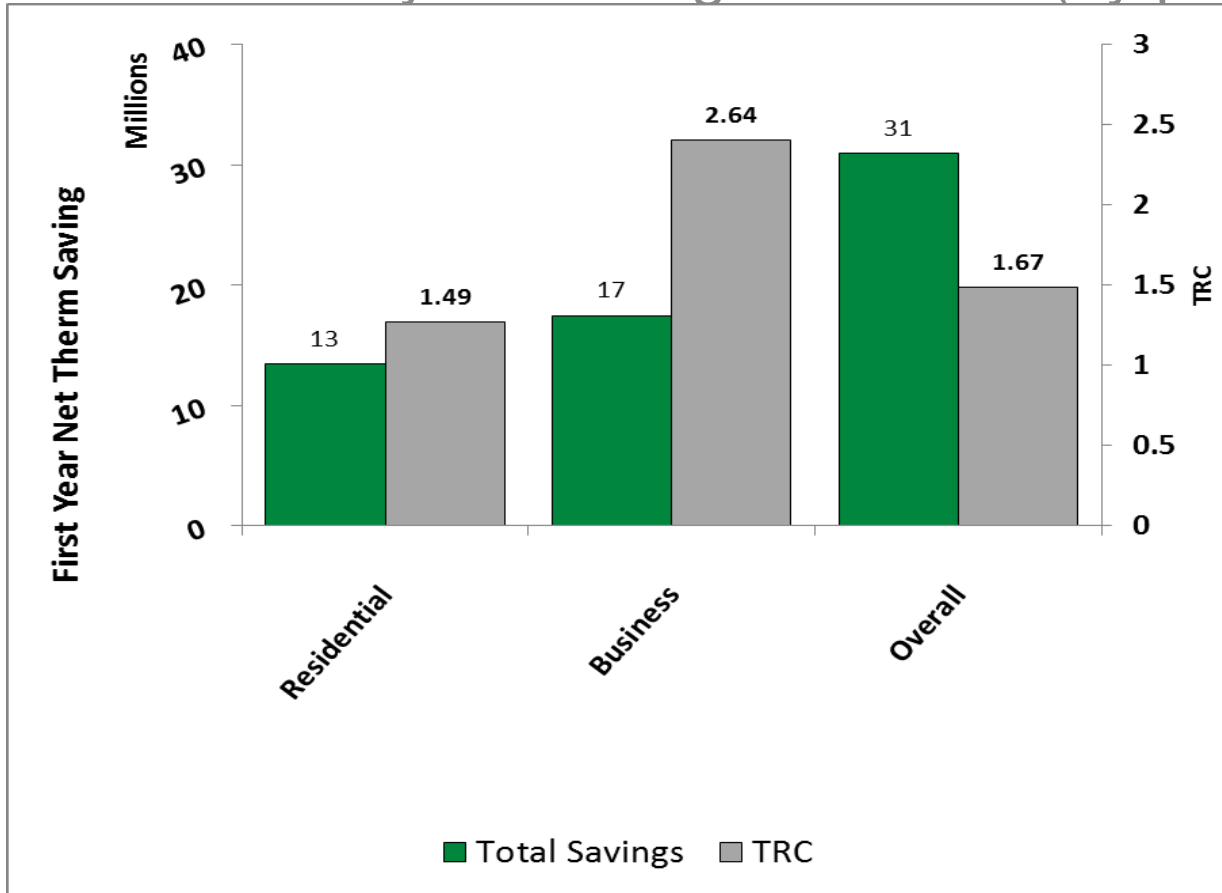
Residential Program				Business Program				
Residential Rebate Track	Residential Assessment & DI	Education & Outreach	Residential New Construction Track	Business Rebate Track	Custom Incentives Track	Business Assessment & DI Track	Education & Optimization Track	Business New Construction Track
Prescriptive 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)								

Preliminary PY7-9 portfolio results

Estimates	
Spending	\$90 MM
First Year Therm Savings (Net)	31 MM
Lifecycle Therm Savings (Net)	400 MM
Net Benefits	\$89 MM
TRC	1.67
Economic Impacts	\$190 MM Output, \$108 MM Wages, 970 Jobs
Cost Per First Year Therm Saved	\$2.43
Cost Per Lifecycle Therm Saved	\$0.18

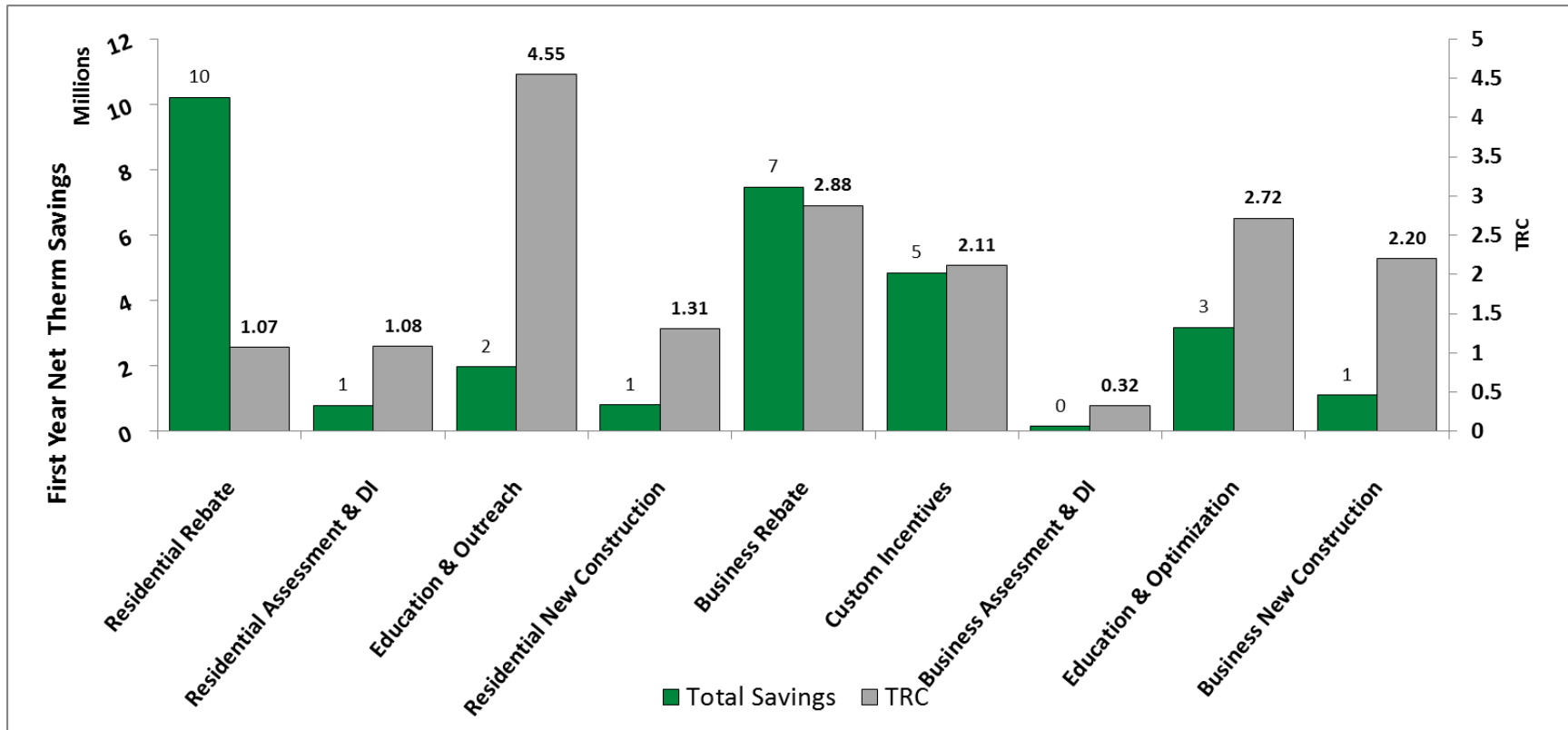
Preliminary PY7-9 portfolio results

Estimated three-year savings and TRC (by program)



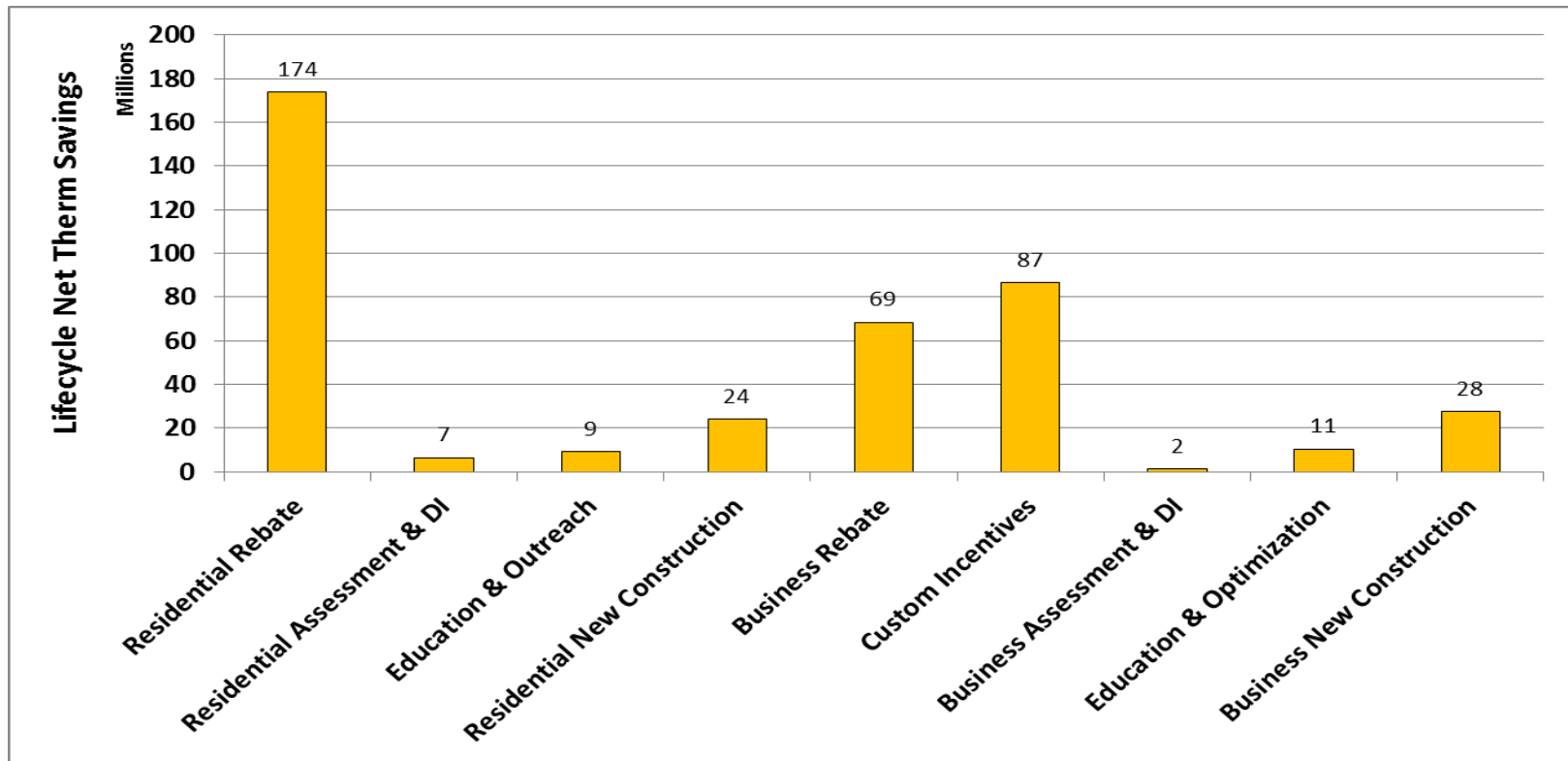
Preliminary PY7-9 portfolio results

Estimated three-year savings and TRC (by track)



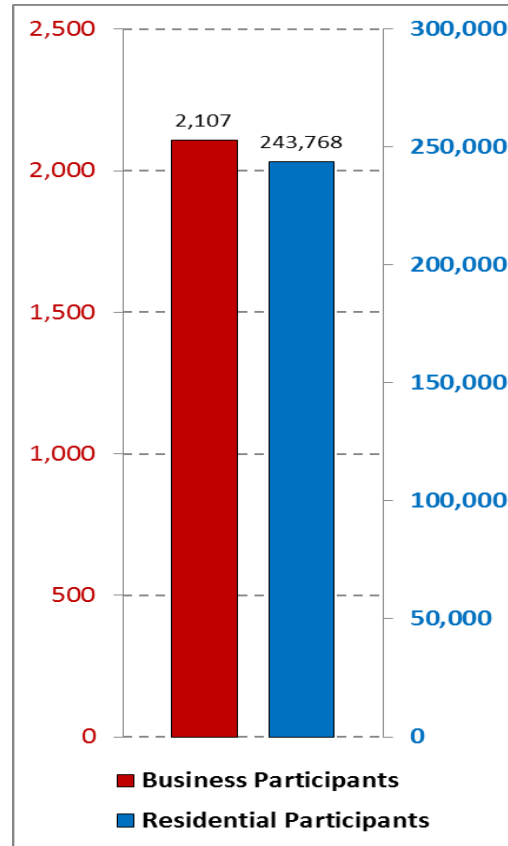
Preliminary PY 7-9 Portfolio Results

Estimated lifecycle savings (by Track)



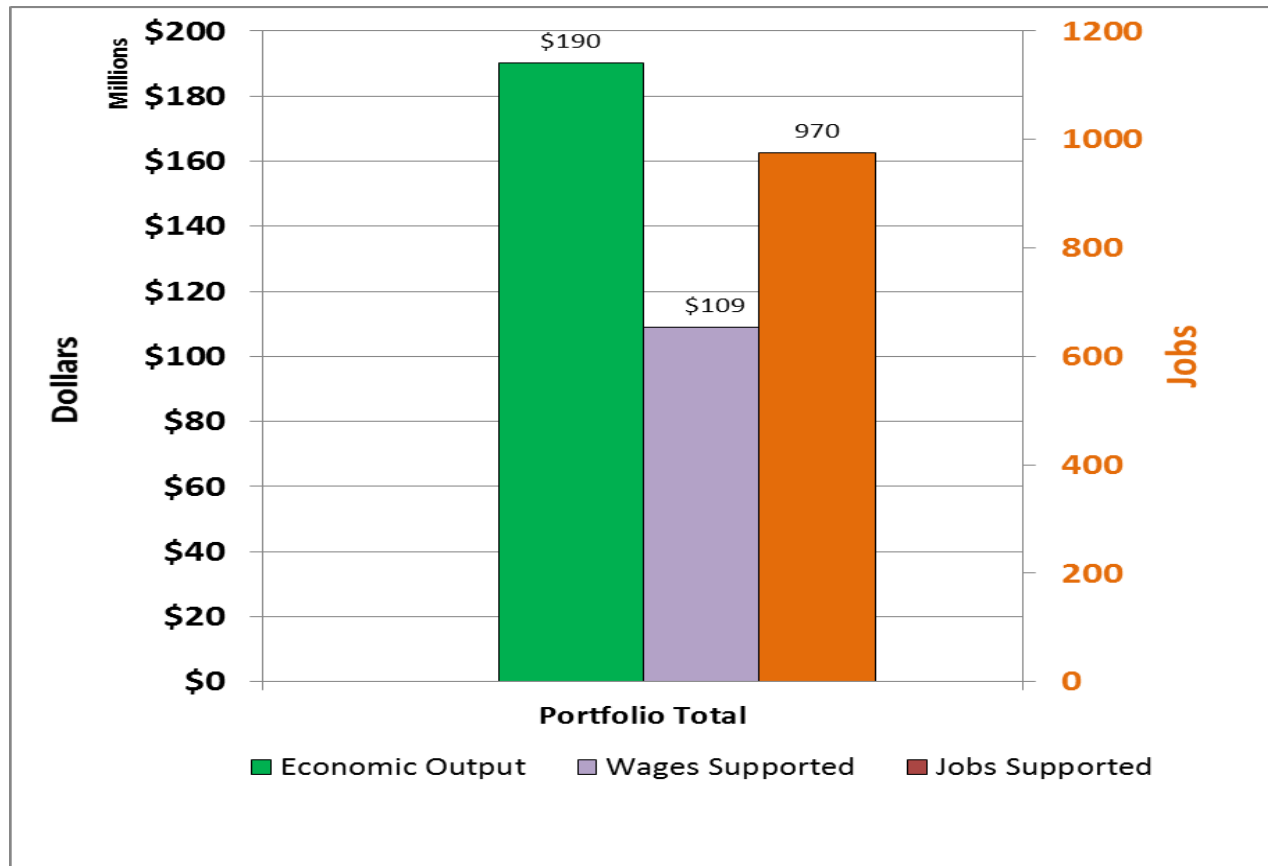
Preliminary PY7-9 portfolio results

Estimated three-year residential and business engagement (by program)



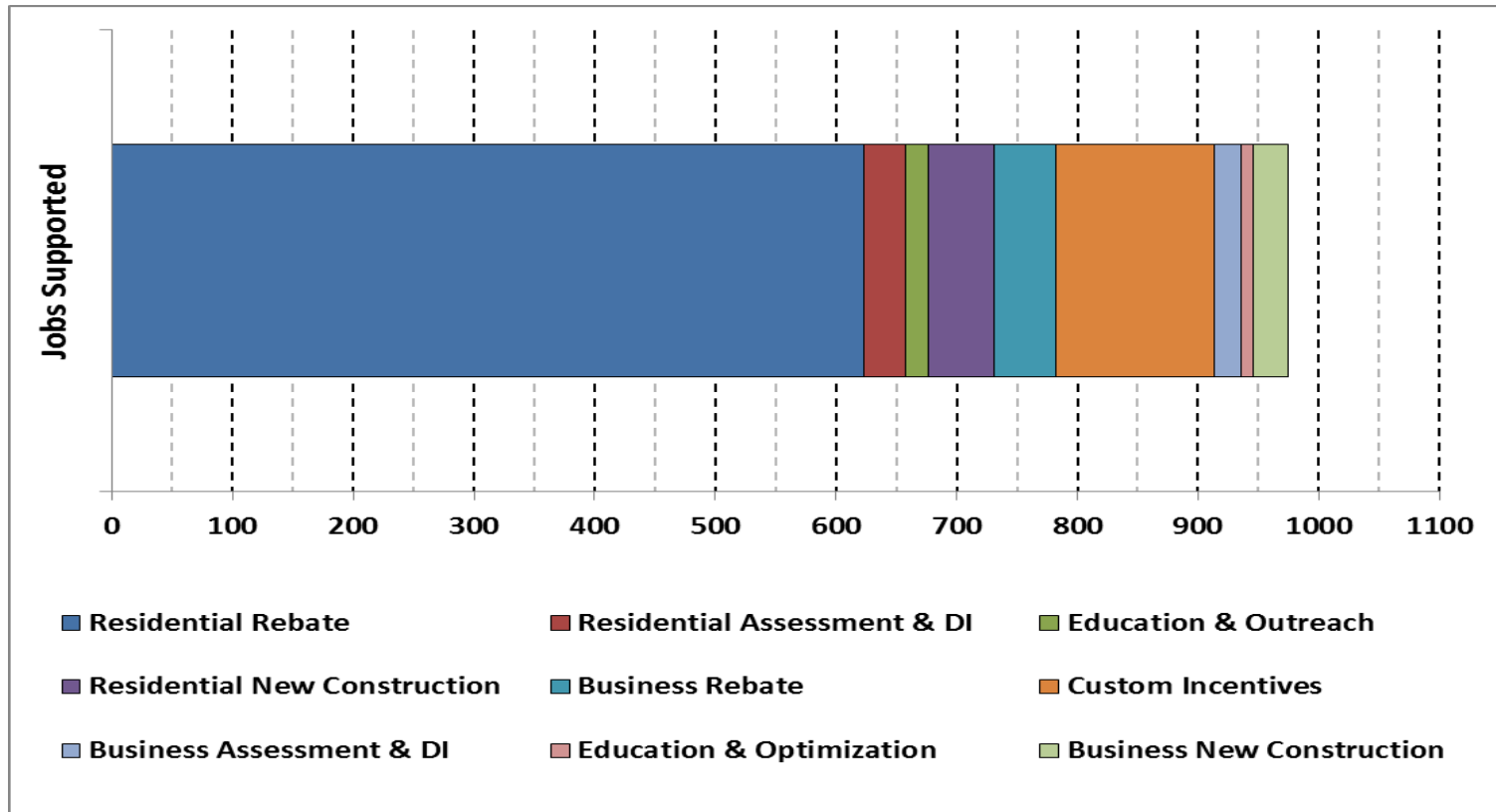
Preliminary PY7-9 portfolio results

Estimated economic impacts



Preliminary PY7-9 portfolio results

Estimated jobs supported (by track)



Planned high-impact measures PY7

Program	Track	Key Measures	PY 7 Participation	Suggested Input	Average Incentive
Residential					
	Rebates	Rebates	22,478		526
		Retail Channel Thermostats	10,000		50
		Upstream Water Heaters	150		167
		Moderate Income Retrofits	250		3861
		Deep Retrofits	60		1985
	Assessments	SF Homes	3,353		130
		MF Units	4,405		5
	Education/Outreach	Home Report Households	30,000		6
		Kits	10,250		15
		Education Kits	8,606		25
	New Construction	Houses	1,000		507
Business					
	Rebates	Steam Traps	1,717		335
		Upstream Rebates	34		871
	Custom	Projects	67		24703
	Assessments	Large Customers	543		10062
	Education/Optimization	RCx Projects	13		6632
		SEM Customers	30		13410
	New Construction	Million Square Feet	14		0.03

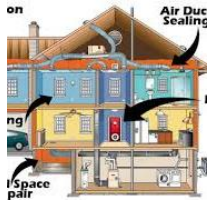
The Department of Commerce Collaboration

Nicor Gas moderate income offerings ⁽¹⁾

Coordinated with the Department of Commerce



- Kits
 - EEKs (targeting low-income schools)
 - ESKs (targeting intake centers)



- Single Family Weatherization
 - Targeting 150% -300% income Level
 - Pilot Utilivate
 - Open to other vendors
 - Financing Component - \$500 upfront/on-bill payment
 - Approximate cost around \$6,000/home



- Multifamily Audit/Direct Install
 - Leverage On-Bill Financing
 - Target > 3k units for the next plan
 - Exploring possible pilot with Department vendors

(1) Moderate income is defined as 150% to 300% of the federal poverty line

Deep Retrofit Definition

Nicor Gas' Deep Retrofit Measures Provided

- Attic and Knee Wall Insulation
- Basement air Seal
- Window Caulk
- Band Joist (Air Seal)
- Basement Sidewall Insulation
- Programmable Thermostat
- Kitchen Faucet Low-Flow Aerator
- Low-Flow Showerhead (Handheld)
- Bathroom Faucet Low-Flow Aerator
- Air Sealing Measures
- Attic Hatch
- Door Sweep
- Door Weather Stripping
- Seal Ductwork
- Wall Insulation
- Low-Flow Showerhead
- Water Heater Pipe Insulation

On-Bill Financing EEP Leverage

Single Family Weatherization & Multi-Family Audit/Direct Install

- OBF is Available to All Residential and Small Commercial Customers

Moderate Income Proposal

- Single Family Weatherization
 - \$500 upfront co-pay
 - Payment made upfront by customer
 - Customer can finance through On-Bill Financing Program
- Multi-Family Audit/Direct Install
 - Offer On-Bill Financing to Building Owners
 - Reduction of Interest Rate by 1% (100 basis points)

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Questions ?