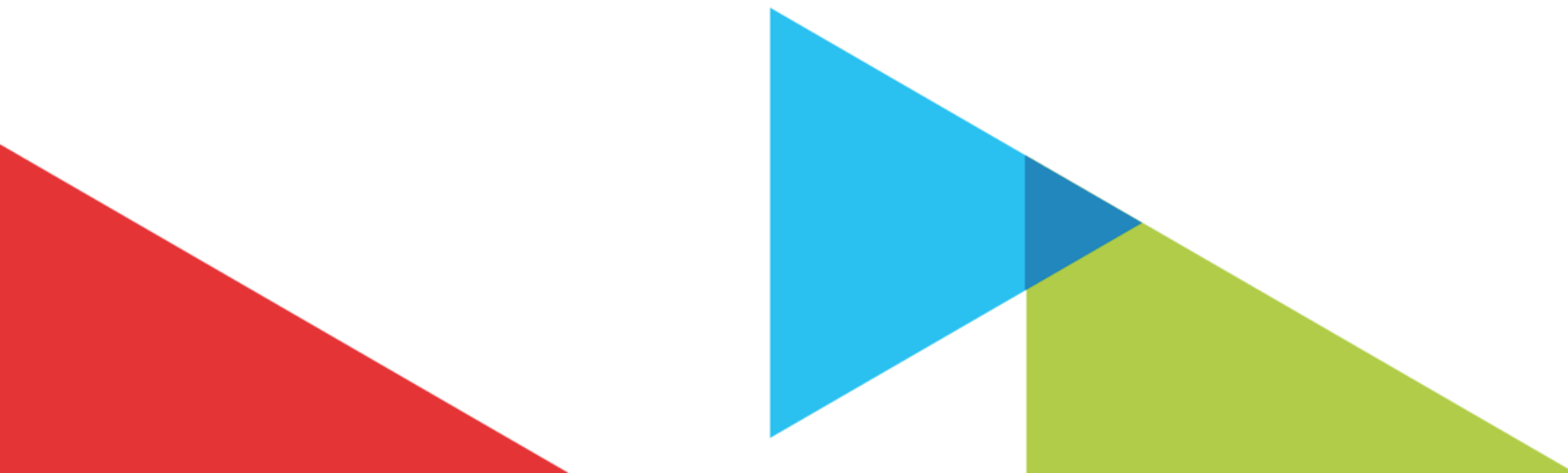


Market Transformation (MT) Panel Discussion: Update on Nicor Gas MT Activities

Randy Opdyke, Nicor Gas

November 7, 2018





Market Transformation at Nicor Gas

- 2018 is the ‘starting gate’ for Nicor Gas Market Transformation (MT) Efforts
- MT included in FEJA and in Nicor’s EE Filing
- MT will augment Nicor’s long history in ET
- MT Enhances energy savings by working with market leverage points, more than with one-on-one customers.
- Working Definition:
 - *MT is the process of strategically intervening in a market to create lasting change that accelerates the adoption of energy efficient products, services and practices.*



Using Experts

Seeking Partners



Developing
MT with:



Engaged Partners:



Interested Partners (so far):



Development Process for Building Collaborative MT



Overall MT Capability Building

Socialize & Recruit

- MT Summit
- MT Webinar
- Overlay Workshop
- Organizing meetings
- MEEA Conference
- Others TBD

Organize MT Collaborative

- Determine:
 - Goals
 - Processes
 - Decision-making
 - Who
 - Co-Funding method
 - Initiative possibilities
 - Tools
 - Method to have evaluation input
 - Etc.

Initiative Specific Activities

Develop Initiative Business Plans - (Logic model included)

- **BOC**
- Code compliance
- **Code adoption**
- **IHP**
- Upstream food service
- HPWH upstream
- Mix of:
 - Dual Fuel
 - Gas only
 - Electricity only
- Opportunities
 - Evaluation integration
 - Measurement
 - Etc.

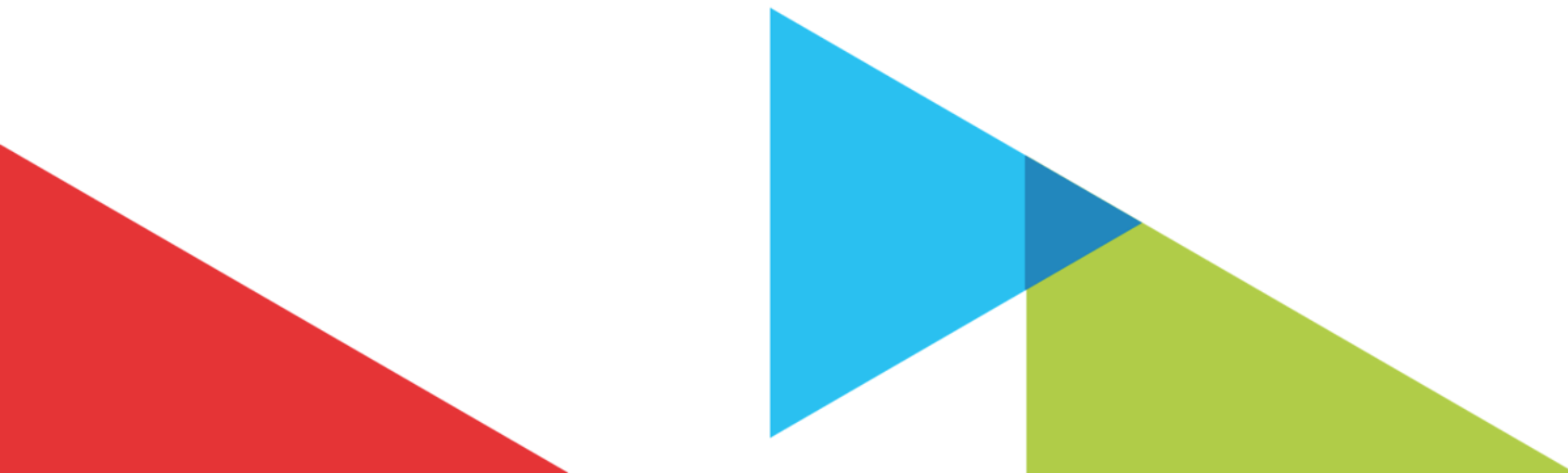
Utility Initiative Approval/Adoption

- For initiatives developed in the prior step:
 - Management approval
 - Budget timing

Market Launch

- BOC
- Code compliance
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- Etc.

MT “Overlay” Workshop Recap



MT “Overlay” Workshop

October 11, 2018



Facilitated by RI, NEEA, & MEEA

Attendees – folks from Institutions on previous slides

- Plus Navigant

Looked at existing programs through a Market Transformation lens:

- Building Operator Certification (BOC)
- Illinois Home Performance (IHP)
- Code Compliance

Using a Market Transformation “Lens”



Understand the market and product

Select the specific Target Market you want to change

Analyze where the product/service is on the Adoption Curve

Identify barriers/opportunities

Document initiative specific business plan

- Business plan includes the above, plus:
 - Logic Model
 - Baseline and savings estimation
 - Market progress indicators

Launch! And Adaptively Manage

Market Transformation "Lens" Collaboration Process



Final Product Vision

VISION

- REQUIRED/ALL
- VALUED
- ENERGY SAVINGS
- LARGE % ACTUALLY HAS
- HIRING PROCESS
- ALL
- LARGE BUILDINGS

THE PRODUCT

- 90% COMPLETION CERT
- OR
- 10% ISO CERTIFICATE

Target Markets

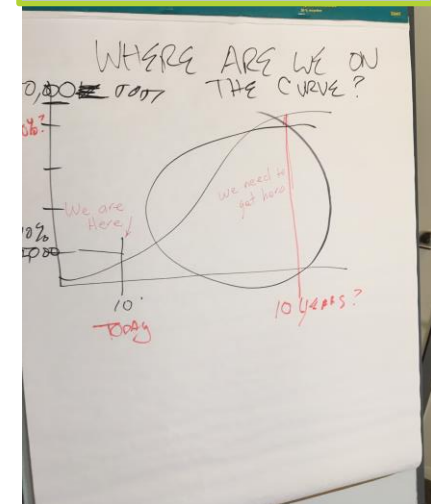
TARGET MKTS

TODAY

- HEALTH CARE
- HIGHER-ED
- SCHOOL DIST
- PROP MGMT COMP.
- LOCAL GOVTS
- PRIVATIZED BUSINESSES

PROP MGMT FIRMS

Adoption Curve



Barriers

BARRIERS

- 10 LACK OF AWARENESS & UNDERSTANDING OF BENEFITS / VALUE PROP
- 11 LACK OF A PEER-PEER NETWORKS (DEMAND SUPPLY)
- 12 LACK OF "PROOF" FOR VALUE STREAMS - CREDIBILITY OF CLAIMS
- 13 TIME AWAY FROM BUILDING
- 14 LACK OF EFFECTIVE GUARANTEES AROUND OUTCOMES FOR ANY GIVEN PARTICIPANT.
- 15 LACK OF CORP DECISION MAKING FOCUS ON ENERGY (DISCONNECT)

LACK OF AWARENESS

- MARKETING 3RD PARTY EVALS & CASE STUDIES
- CHAMPION INCENTIVES TO TALK - SHOWCASE P/R TOUR, SPEAKER TOUR
- CONFERENCES - CONVENING
- TRADE ASSOC. UNIONS
- NEWS LETTERS - ONLINE SOCIAL MEDIA
- PLANNING / MARKETING AUDIENCE TARGETING & PERSONALIZATION

Opportunities

OPPORTUNITIES

- ENERGY SAVINGS
- ALIGNING W/ OTHER UTILITY PROGRAM ODPs
- BUILDING "CHAMPIONS" (PEOPLE TALK) NON-ENERGY
- VALUE - MULTIPLE STREAMS - PE-SAVE COMFORT, OCCUP
- TRADE ASSOC.
- WORKFORCE DEVELOPMENT

Align w/ utility + other programs

Chicago (+other) benchmarking ordinances

Rx requires

Add to program sales message

Incorporate BOE Act. Exs

Utility execs and L.T. relationships w/ big customers. BOE is part of deal text.

Draft Outline of an Initiative Business Plan



Description of the specific market to be targeted

Description of the “leverage” point(s) that catalyze transformation

Logic Model & hypothesis of how the planned intervention will result in the desired market change

- Barriers that prevent market adoption
- Activities/interventions that will catalyze the change
- Outputs that result from the activities
- Market Outcomes (short-, medium- and/or long-term) that are measurable responses to the activities
- Ultimate desired impact – which is the final state of the market after it is transformed

Market Progress Indicators

- Data collection/management plan

Draft of Initiative Business Plan (continued)



Multi-year budget

Multi-year savings

Estimate of cost-effectiveness

Names of utilities implementing this initiative

Description of interaction with other programs (if any) by utility

Description of Jobs or Disadvantaged Community Impacts

Discussion of risks specific to this initiative

Next Steps



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Thank You!



Nicor Gas