Upstream Commercial Food Service Pilot

SAG Update

February 25, 2019

ComEd Energy Efficiency Program | Nicor Gas | PEOPLES GAS ENERGY EFFICIENCY PROGRAM | NORTH SHORE GAS ENERGY EFFICIENCY PROGRAM

Agenda

- Overview
- Phase I Learnings
- Phase II – Pilot Plans and Beyond (Phase III)

Pilot Team – Food Service Experts

- **Gas Technology Institute (GTI)**
  - Extensive in-house laboratory and field R&D experience developing, testing, and demonstrating emerging food service technologies
  - Deep partnerships with equipment manufacturers and national accounts
- **Frontier Energy (formerly Fisher Nickel)**
  - Commercial food service energy efficiency focus, operator of the Food Service Technology Center (FSTC, founded by PG&E- 1st of its kind)
  - Nationally recognized for pioneering work supporting food service energy efficiency serving extensive network of equipment, supply chain, national account, and utility partners
- **Smith Energy Engineers**
  - Industry insider with 25 year history of hands-on food service experience
  - Invaluable connections to numerous market channel players

ISO Certified Appliance Testing Lab

Workforce Education & Training

ComEd Energy Efficiency Program | Nicor Gas | Peoples Gas Energy Efficiency Program | North Shore Gas Energy Efficiency Program

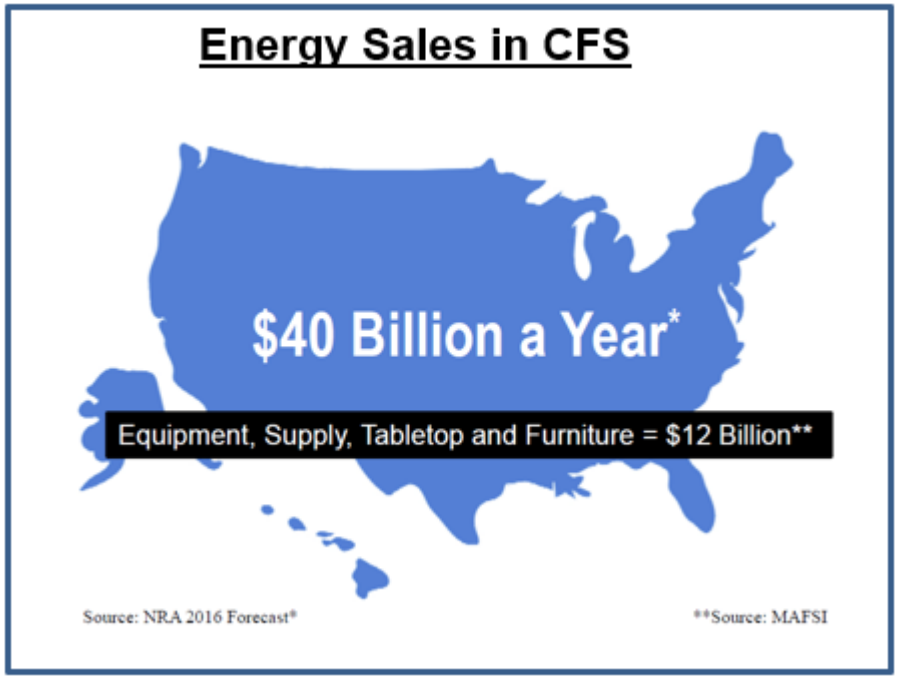
Foundation for Success

- Science: Based on un-biased, third-party, lab-derived data
- Accessibility: Easy to find and use. Food service operators at all levels are very busy and will NOT dig for information
- Incentives: Rebates are a good way to move the market provided they are:
  - Easy to find and use
  - Generous
  - Legitimate
- Persistence: Engage experienced food service champions for a longer amount of time and give them the tools for success (education, incentives, promotion)

ComEd Energy Efficiency Program | Nicor Gas | Peoples Gas Energy Efficiency Program | North Shore Gas Energy Efficiency Program

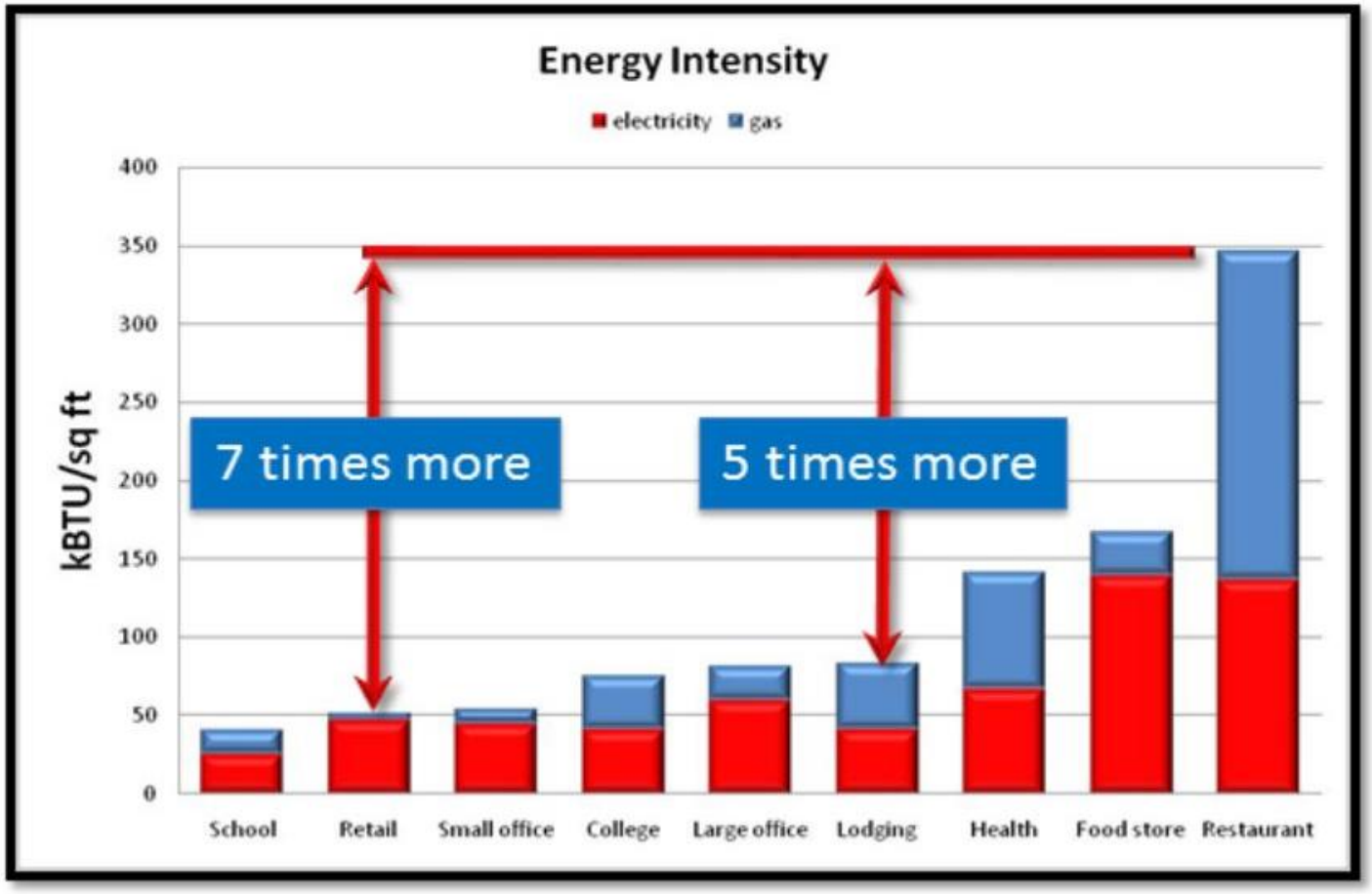
Understanding the Market and Trends

- Consistent growth market
  > $800 Billion in sales in 2017



ComEd Energy Efficiency Program
Nicor Gas
PEOPLES GAS® ENERGY EFFICIENCY PROGRAM
NORTH SHORE GAS® ENERGY EFFICIENCY PROGRAM

Food Service Energy Intensity



Source: www.energy.ca.gov/2006publications/CEC-400-2006-005/CEC-400-2006-005.PDF

ComEd Energy Efficiency Program

Nicor Gas

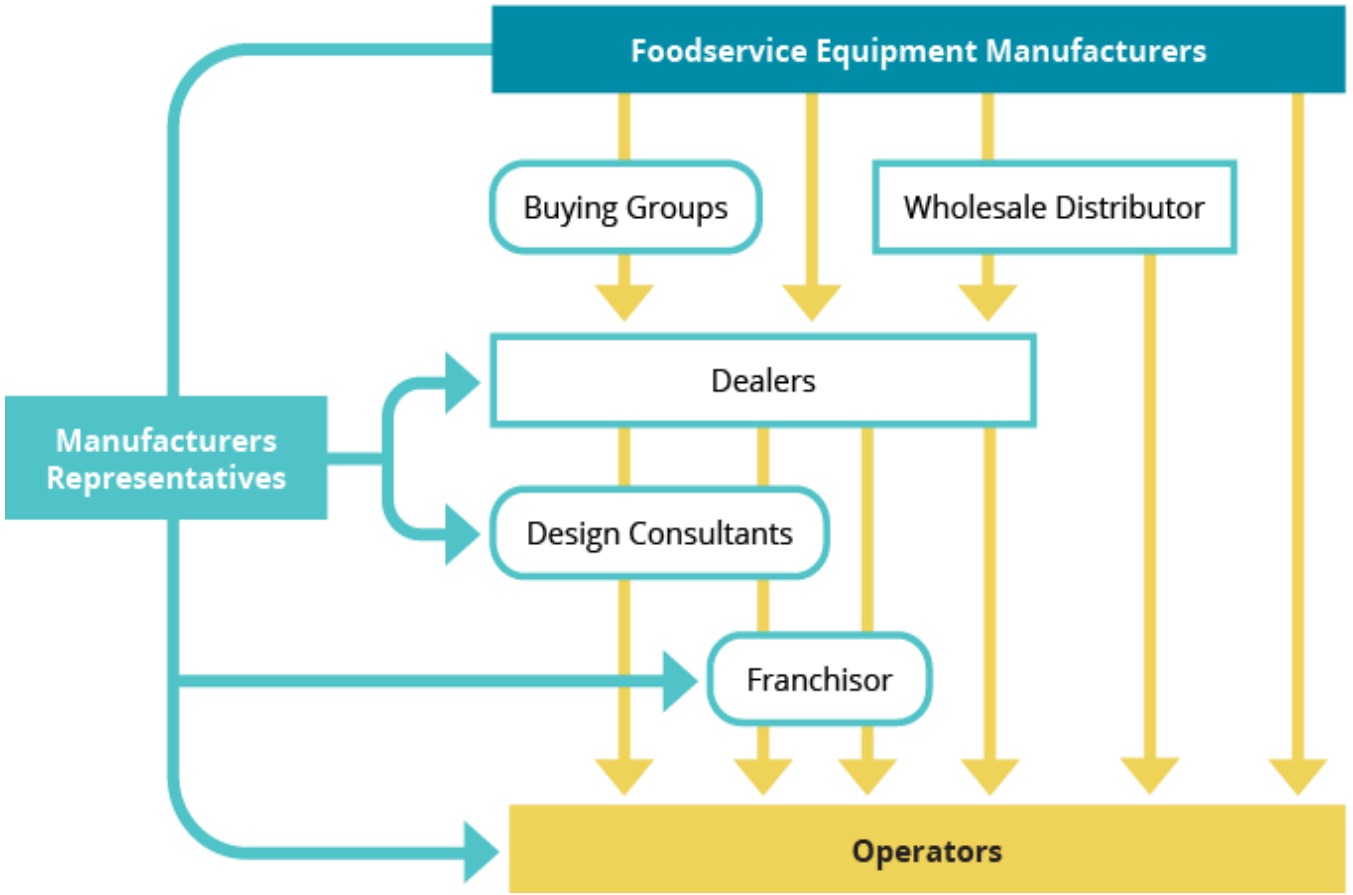
PEOPLES GAS® ENERGY EFFICIENCY PROGRAM

NORTH SHORE GAS® ENERGY EFFICIENCY PROGRAM

Phase I Questions

- How is the CFS equipment supply channel organized?
- What equipment moves through the channel?
- How much equipment moves through the channel?
- What is the market share of high efficiency equipment?
- What is the energy savings potential (therms and kWh)?

Supply Channel Market Structure



- *Independent Restaurants (43%)*
- *Restaurant Chains (35%)*
- *Non-Commercial (22%)*

Total Number

<u>of CFS Facilities</u>

20,463

ComEd Energy Efficiency Program

Nicor Gas

PEOPLES GAS ENERGY EFFICIENCY PROGRAM

NORTH SHORE GAS ENERGY EFFICIENCY PROGRAM

Eligible CFS Equipment Stock and Potential Savings

Category	Eligible Appliances or Systems	Potential Electric Savings (kWh/yr)	Potential Gas Savings (Therms/yr)
Electric Cooking Appliances	45,748	193,498,037	
Gas Cooking Appliances	96,676		21,562,162
Reach-in Refrigeration	76,972	76,085,112	
Ice Machines	27,169	62,108,334	
Handwrap Machines	4,200	6,489,000	
Dishwashers	9,837	33,182,613	4,062,183
Pre-Rinse Spray Valves	27,775	7,852,993	1,299,911
Kitchen Ventilation	10,804	126,603,999	31,533,729
Total Potential Savings	299,181	505,820,088	58,457,985

ComEd Energy Efficiency Program | Nicor Gas | Peoples Gas Energy Efficiency Program | North Shore Gas Energy Efficiency Program

Phase I – Market Barriers

- Role of Used Equipment
- Higher First Cost Perception
- Independent Restaurant Owner Attention Span
- High Efficiency Equipment Performance Concerns
- Customers with a Primary Language other than English
- Split Incentive for Larger Enterprises
- Higher Overhead to Reaching Restaurants in Low Population Areas

Phase II – Upstream Food Service

- The Upstream Food Service Pilot Program is designed to increase the sale of energy efficient food service equipment by targeting upstream market actors with direct-to-customer sales channels:
  - Equipment dealers
  - Equipment manufacturers with direct-to-customer sales channels
  - Kitchen Equipment Suppliers (KES) that manage direct-to-franchise sales on behalf of large chains

- Short-term outcomes will include:
  - Increased availability of energy efficient models stocked by participants
  - Streamlined process reducing barriers to utility customers for submitting rebate applications
  - Increased end user participation in food service energy efficiency programs
  - Greater overall program impact and quantifiable energy savings

- Long term outcomes will include:
  - Increased market adoption and availability of energy efficient food service measures
  - Increased the use of energy efficiency in the food service sector
  - Lead to a successful Upstream Joint Utility CFS Program in the next plan cycle

ComEd Energy Efficiency Program | Nicor Gas | Peoples Gas Energy Efficiency Program | North Shore Gas Energy Efficiency Program

Phase II – Pilot Development

- Phase II:
  - Launch Spring 2019
  - Outreach booth at National Restaurant Association show in May 2019
  - Designing & Demoing P3 Dealer Interface Portal
  - Currently working with Navigant on an evaluation approach

ComEd Energy Efficiency Program
Nicor Gas
PEOPLES GAS ENERGY EFFICIENCY PROGRAM
NORTH SHORE GAS ENERGY EFFICIENCY PROGRAM

Phase II – Pilot Measures and KPIs

- Expected high volume measures include:
  - Combination ovens
  - Convection ovens
  - Fryers
  - Griddles
  - Steam cookers
  - Holding cabinets
  - Ice machines
  - Self-contained reach-in refrigerators freezers

KPIs:

- Working with GTI and Frontier on measuring success
  - Midpoint and end targets
- Evaluator input related to tracking data and additional KPIs

Phase II – Pilot Savings and Budget

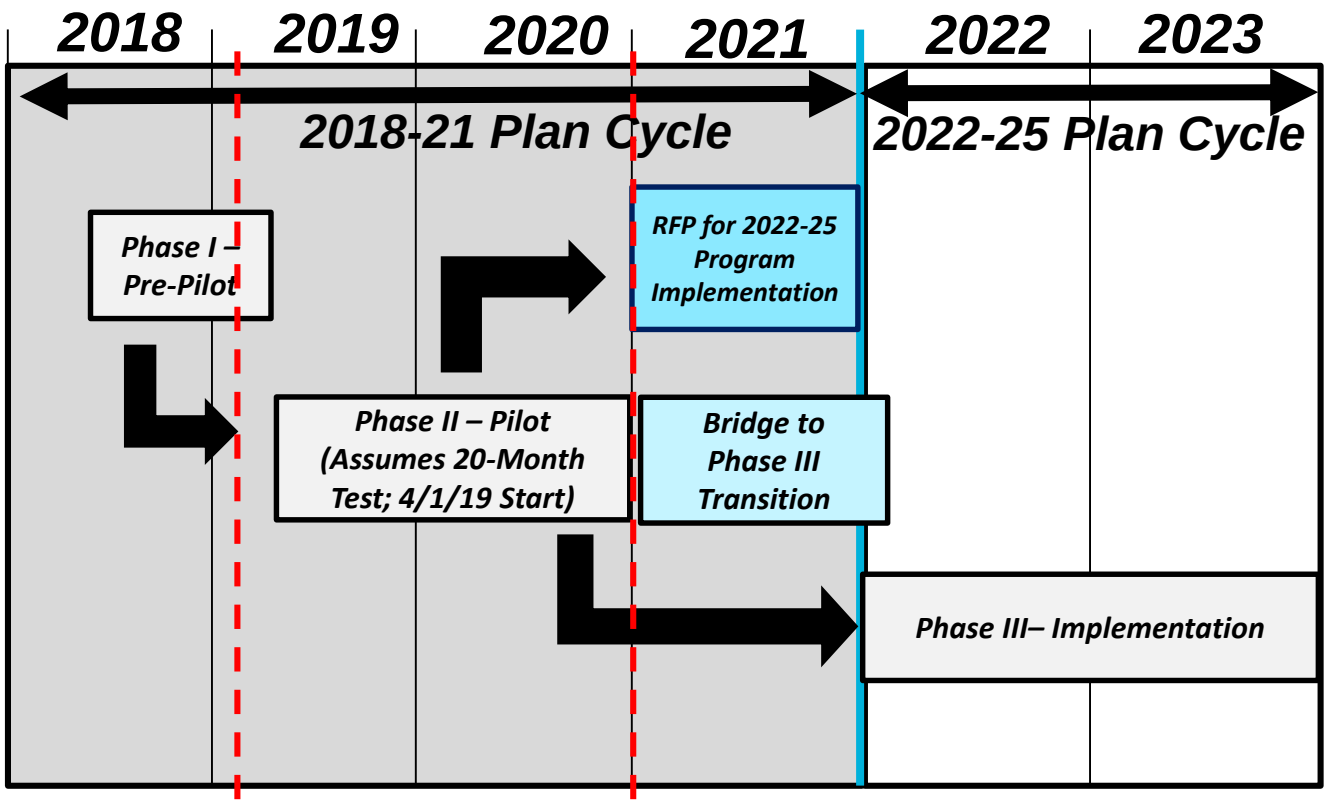
Estimated Purchases, Resulting Energy Savings & Pilot Budget

Utility	Number of Rebates	Savings	Incentives $	Non Incentive $
Nicor Gas	149	53,548 Therms	$101,340	$648,612
PGL/NSG	76	27,932 Therms	$54,420	
ComEd	260	632,761 kWh	$101,980	

Joint Utility Cost Allocation Methodology is applied to the Non-Incentive $

ComEd Energy Efficiency Program | Nicor Gas | PEOPLES GAS ENERGY EFFICIENCY PROGRAM | NORTH SHORE GAS ENERGY EFFICIENCY PROGRAM

Long-Term CFS Joint Program Planning Timeline



Thank You

Any Questions?