



**Date:** April 14, 2014

**Quarterly Report of the North Shore Gas Company and The Peoples Gas Light and Coke Company**

***Program Year 4, 3<sup>rd</sup> Quarter Qualitative Report, December 2014-February 2015***

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 4 (PY4), Third Quarter (3Q) qualitative report accompanying the PY4, 3Q quantitative report detailing program results from a savings and cost perspective. By utility and each of the 5 Programs, the Program Team highlights:

- a. Program activities
- b. Implementation modifications
- c. Additions or discontinuation of specific measures or services
- d. Changes due to EM&V Input, IL TRM changes, NTG changes, or market research findings, and
- e. TRC screening results for new measures added

Peoples Gas (PGL) program highlights begins on Page 2, and North Shore Gas (NSG) program highlights begins on Page 6.

# Peoples Gas

## Portfolio Overview

- Strong Q3 performance: 63% realized to PY4 goal 75% through the program year.
- Good progress in savings within the portfolio to timeline. Work continued in the 3<sup>rd</sup> Quarter to launch and implement the new air sealing and weatherization programs for residential and multi-family customers, as well as the new construction program for multi-family and business customers.
- Program staff continue to closely monitor individual measure and overall program and portfolio performance to ensure that all programs remain open through the end of the Program Year.

### 1. Residential Programs

#### a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart and Home Energy Rebates) have achieved 57.3% realized savings through Q3.
- Home Energy Jumpstart experiencing a Q3 slowdown over the holiday season, showing a reduction of activity compared to Q2. A ramp up in Q4, particularly between April and May, is expected.
- Rebate submissions are closely following the planned forecast for PGL.

#### b. Implementation Modifications

- Weatherization measures - air sealing, attic insulation, and duct sealing - were included as measures that qualify for on-bill financing as of 3/1/2015.

#### c. Addition or Discontinuation of Specific Measures or Services

- The Air Sealing prescriptive rebate officially launched on 1/1/2015. Contractor education and quality assurance continues to ensure the success of the measure in the marketplace.
- Weatherization incentives were updated as of 1/1/2015, reducing the insulation incentive from a cap of \$500 (\$0.50/SF) to a cap of \$300 (\$0.30/SF) in place of more cost-effective air sealing. Also, the requirement for attic insulation was increased from R38 to R49 to qualify for the rebate.

#### d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q3

e. For new measures added, TRC screening results

- None during Q3

## **2. Multi-Family Programs**

a. Program Activities

- The PGL Multi-Family Programs have achieved 130% realized savings through Q3.
- Throttling rebate program to ensure continuity in offerings through the triennial.
- Launched Weatherization on 3/1/15.

b. Implementation Modifications

- None during Q3

c. Addition or Discontinuation of Specific Measures or Services

- To manage the overall PY4 portfolio budget while allowing the program to remain open throughout the full program year, MF Partner Trade Ally, pipe insulation, boiler averaging controls and venting rebates were suspended in Q3 and will be reintroduced at the start of PY5.
- Weatherization application was introduced on 3/1/15. Attic insulation, air sealing and duct sealing measures now qualify for On-Bill Financing. Full rebates will be available in PY5.

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q3

e. For new measures added, TRC screening results

- None during Q3

## **3. Residential Outreach and Education Programs**

a. Program Activities

- Savings and spend for these programs will lag as planned, with results finalized at the end of program year.
- Delivery of Home Energy Reports continued in Q3 to 144,000 PGL customers and is currently forecasted at 219% of goal. This strong performance is driven by higher than expected baseline energy consumption among Peoples Gas customers when compared to the historical averages used for

forecasting. That, coupled with the treatment customers saving energy at a higher rate than anticipated, is driving very high savings for this program.

- Elementary Education program (joint with ComEd) completed enrollment in January 2015, exceeding goal by 500 students.

b. Implementation Modifications

- None during Q3

c. Additions or Discontinuation of Specific Measures or Services

- None during Q3

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q3

e. For new measures added, TRC screening results

- None during Q3

#### **4. Business Programs**

a. Program Activities

- The PGL Business Programs have achieved 49.6% realized savings through Q3.

b. Implementation Modifications

- None during Q3

c. Additions or Discontinuation of Specific Measures or Services

- None during Q3

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q3

e. For new measures added, TRC screening results

- None during Q3

#### **5. Small Business Program**

a. Program Activities

- The PGL Small Business Programs have achieved 68.9% realized savings through Q3.



b. Implementation Modifications

- None during Q3

c. Additions or Discontinuation of Specific Measures or Services

- None during Q3

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q3

e. For new measures added, TRC screening results

- None during Q3

## North Shore Gas

### Portfolio Overview

- Strong Q3 performance: 55% realized to PY4 goal 75% through the program year.
- Good progress in savings within the portfolio to timeline. Work continued in the 3<sup>rd</sup> Quarter to launch and implement the new air sealing and weatherization programs for residential and multi-family customers as well as the new construction program for multi-family and business customers.
- Program staff continue to closely monitor individual measure and overall program and portfolio performance to ensure that all programs remain open through the end of the Program Year.

### 1. Residential Programs

#### a. Program Activities

- The NSG Residential Programs (HE Jumpstart and HE Rebates) have achieved 156.4% realized savings through Q3.
- Home Energy Jumpstart experiencing a Q3 slowdown over the holiday season, showing a reduction of activity compared to Q2. A ramp up in Q4, particularly between April and May, is expected.
- Rebate submissions and incentive spend are ahead of the planned forecast for NSG, resulting measure suspensions for the remainder of PY4.

#### b. Implementation Modifications

- Suspended furnace incentives for North Shore Gas as of 1/1/2015 in order to manage participation and incentive budget.
- Weatherization measures - air sealing, attic insulation, and duct sealing - were included as measures that qualify for on-bill financing as of 3/1/2015.

#### f. Addition or Discontinuation of Specific Measures or Services

- The Air Sealing prescriptive rebate officially launched on 1/1/2015. Contractor education and quality assurance continues to ensure the success of the measure in the marketplace.
- Weatherization incentives were updated as of 1/1/2015, reducing the insulation incentive from a cap of \$500 (\$0.50/SF) to a cap of \$300 (\$0.30/SF) in place of more cost-effective air sealing. Also, the requirement for attic insulation was increased from R38 to R49 to qualify for the rebate.

#### c. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q3

## **2. Multi-Family Programs**

### **b. Program Activities**

- The NSG Multi-Family Programs have achieved 48% realized savings through Q3.
- Launched Weatherization application 3/1/15.
- Reached out to most active Trade Allies to drive additional program participation in the territory.

### **c. Implementation Modifications**

- None during Q3

### **d. Addition or Discontinuation of Specific Measures or Services**

- Weatherization application was launched 3/1/15. Attic insulation, air sealing and duct sealing measures now qualify for On-Bill Financing. Full rebates will be available in PY5.

### **e. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings**

- None during Q3

### **f. For new measures added, TRC screening results**

- None during Q3

## **3. Residential Outreach and Education Programs**

### **a. Program Activities**

- Savings and spend for these programs will lag as planned until the end of program year due to program design.
- Delivery of Home Energy Reports continued in Q3 to 87,000 NSG customers. Current NSG savings projections are forecasted at 109% of goal.
- Elementary Education program (joint with ComEd) completed enrollment in January 2015, exceeding goal by 70 students.

### **b. Implementation Modifications**

- None during Q3

### **c. Additions or Discontinuation of Specific Measures or Services**

- None during Q3



- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
  - None during Q3
- e. For new measures added, TRC screening results
  - None during Q3

#### **4. Business Programs**

- a. Program Activities
  - The NSG Business Programs have achieved 93.6% of realized savings through Q3
- b. Implementation Modifications
  - None during Q3
- c. Additions or Discontinuation of Specific Measures or Services
  - None during Q3
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
  - None during Q3
- e. For new measures added, TRC screening results
  - None during Q3

#### **5. Small Business Program**

- a. Program Activities
  - The NSG Small Business Programs have achieved 108% of realized savings through Q3
  - Limiting program outreach in NSG territory to stay within remaining incentive budget
- b. Implementation Modifications
  - None during Q3
- c. Additions or Discontinuation of Specific Measures or Services
  - None during Q3
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
  - None during Q3

- e. For new measures added, TRC screening results
  - None during Q3