

2024

Quarterly Report First Quarter

January 1, 2024 - March 30, 2024



Energy
Efficiency
Program

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Portfolio summary

Year-to-date results

January 1, 2023-December 31, 2023

2.61M

Net savings
to date

18.5%

Percent of
planned savings

14.1M

Annual
savings goal

\$12.1M

Spend
to date

26.5%

Percent of
planned spend

\$45.7M

Annual
budget

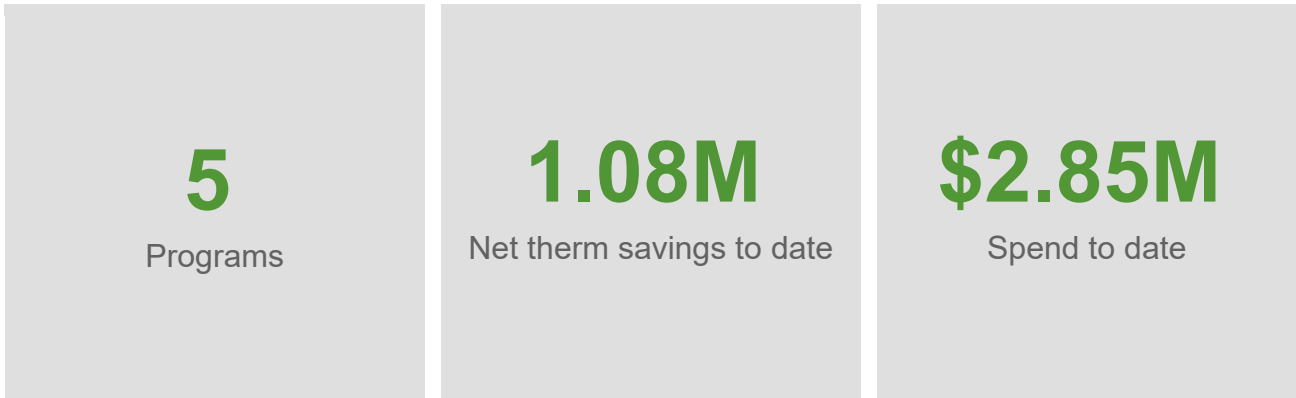
Key portfolio highlights

- Healthy Homes has closed the first quarter with 9 assessments completed and 15 more in the pipeline. Work in customers' homes will begin in the beginning of the second quarter.
- Starting in the first quarter, all IE customers are receiving an IE assessment and being properly routed to either IE HEA or Retrofits, depending on the needs of the customers. This new design allows the Program to serve the customers with the greatest need, through

Retrofits and maximize the number of customers the Program is able to serve.

- On track to meet or exceed our Air Sealing and Insulation stipulated goal of an average of 1850 homes weatherized, per year. The Program has reached 46% of that goal, to date.

Residential programs



Key highlights

- The new Self-Assessment Portal, that launched at the end of 2023, has proven to be a cost-effective way to reach market rate customers. So far in 2024, we have served over 450 customers with an average price per therm of \$0.98.
- At the close of the first quarter, we are on track to meet our Program goal for ASI of 2,500 homes weatherized. The Program has served 542 SF homes and 321 MF units, which equates to 34% of our annual goal.

Program overviews

Home Energy Efficiency Rebates (HEER)

The objective of the Home Energy Efficiency Rebate (“HEER”) Program is to obtain energy savings by overcoming market barriers to the purchase, installation, and maintenance of high-efficiency natural gas space-heating equipment as well as other targeted measures in residential applications.

Home Energy Savings (HES)

The Home Energy Savings (“HES”) program is a whole-house single-family weatherization program with the objective to obtain natural gas savings in existing single-family buildings by overcoming market barriers to the installation of energy efficiency measures. The HES program provides weatherization and shell improvement opportunities using standard, prescriptive, and whole-house approaches. This offering consists of a home energy assessment (HEA) and air sealing and insulation (ASI) components.

Multi-family (MF)

The Multi-Family (“MF”) program addresses residential (living units) and commercial (communal areas, central plants) energy efficiency opportunities available in multi-family buildings. The program aims to overcome market barriers to the installation of energy efficiency measures in multi-family buildings by offering comprehensive assessments, technical assistance and incentives. MF provides property owners with turnkey services to reduce energy and water use in residential living units, communal areas and in the building shell.

Residential New Construction (RNC)

The objective of the Residential New Construction Program (“RNC”) is to obtain energy savings by increasing the energy efficiency of single-family and duplex new construction homes. The program provides participating new home builders and their verifier companies a financial incentive to either a) exceed state and local building code requirements regarding duct and air sealing, along with the installation of specific high-efficiency equipment, or b) install prescriptive high-efficiency equipment only.

Energy Education and Outreach

The energy education and outreach program is intended to enhance residential customers’ understanding of energy usage in their homes and educate these customers.

Residential programs

Home Energy Efficiency Rebates (HEER)

Savings achieved to date – 630,373 Net Therms

- In the first quarter, the Program incentivized 2,818 high-efficiency furnaces, boilers, and tankless water heaters, as well as 2,232 smart thermostats to our customers.
- A key driver of the program's success in the first quarter was the furnace replacements. The program incentivized 2,015 - 95% AFUE and 655 - 97% AFUE furnace replacements.

Home Energy Savings (HES)

Savings achieved to date – 109,799 Net Therms

- The Self-Assessment Portal (SAP) offering in the first quarter has proven to be a very cost-effective program with a dollar per therm of \$0.98 on average. The offering in the first quarter has served a total of 460 customers. This new market-rate offering asks the customer a series of questions on how their home uses energy, to better understand savings potential through energy efficiency. All offered measures are standard in all other home assessment paths. These free measures are mailed directly to the customer's home for self-installation, except for smart thermostats which require a co-pay.
- In the first quarter, the Air Sealing and Insulation offering of HES served 542 single-family homes with weatherization services. The offering has leveraged marketing campaigns to create visibility in the program and will allow us to achieve our annual goal of 2,000 units served in 2024.

Residential programs

Multi-family (MF)

Savings achieved to date – 18,964 Net Therms

- The Central Plant Optimization Program has predominately incentivized boiler tune-up projects and steam boiler averaging control projects through the first quarter of 2024. We also developed a marketing leave behind card to promote the offering.
- To meet the stipulated unit count the Multi-Family Air Sealing and Insulation offering set a goal of 500 MF units to be served in 2024. Through the first quarter the Multi-family ASI offering has served 312 units or 62% of the annual unit goal.
- In the first quarter, the Multi-Family Prescriptive program has completed 2 boiler replacements and 6 boiler tune-ups.
- The Custom portions of MF have continued to see lower than expected participation, but ongoing marketing and outreach campaigns will raise visibility with customers.

Residential New Construction (RNC)

Savings achieved to date – 189,320 Net Therms

- In the first quarter of 2024, 829 homes were completed and received incentives.
- We offer three qualifying packages within the RNC program. In the first quarter, the Prescriptive Package was most popular, with 503 homes meeting the requirements and receiving incentives. The requirement for this package is to install, at a minimum, an advanced thermostat, and a 95%+ AFUE furnace or boiler

Residential programs

Energy Education and Outreach Energy Saving Kits (“ESKs”)

Savings achieved to date – 56,043 Net Therms

- In the first quarter of 2024, Nicor Gas distributed 2,650 ESKs to customers, of which 1,255 were water-saving kits and 1,395 were weatherization kits.
- Nicor Gas utilized our Marketing and Outreach teams to drive the success of this program. The Outreach team attended many community events during the first quarter, in which kits were presented and handed out to customers.

In the first quarter of 2024, Nicor Gas distributed a total of 2,650 ESKs to customers, of which 1,255 were water-saving kits and 1,395 were weatherization kits.

Elementary Energy Education Kits (“EEE kits”)

Savings achieved to date – 78,515 Net Therms

- In the first quarter, Nicor Gas partnered with ComEd to deliver 4,418 kits to schools. Out of which, 3,175 joint kits were delivered to schools located in non-IE territories and 1,243 joint kits were delivered to schools located in IE territories.
- School selection is intentional and focuses on enrolling schools from various socioeconomic levels and racially diverse student populations. The program also strives to include up to five schools that focus on students with special needs.
- Surveys from teachers are collected on a regular basis to ensure quality content is provided to students. Here is some feedback that was received: “I loved how engaging the video was. This is very easy for us teachers to squeeze it into our busy schedules.”

Home Energy Reports (“HER”)

Savings achieved to date – 150,096 Net Therms

- During the first quarter of 2024, Nicor Gas has continued delivering emailed and printed Home Energy Reports to customers. The approximate reach for the HERs in first quarter of 2024 is 550,000 customers.
- Nicor Gas launched a new cohort of 75,000 customers in February 2024, savings results will be reflected in 4th quarter.
- The HER program is a behavioral program designed to combine feedback on energy use with contextual information that helps educate and motivate customers to reduce their energy use while increasing customer satisfaction and engagement.

Income-eligible programs



Key highlights

- In partnership with the Community Action Agencies within our territory, we have served 85 single-family homes with direct installs and weatherization through our SF IHWAP offering within the 1st quarter. This quarter, the SF IHWAP offering provided \$564,878 in incentives that funded 85 projects.
- A program design change went into effect this quarter that serves all potential SF Retrofits customers with an Income Eligible Home Assessment (IE HA). This program design change allows the Program

Income-eligible programs

to better and more equitably assess homes for participation and serve customers with the most need through Retrofits.

- Through Healthy Homes, fifteen assessments have been scheduled, and nine assessments have been completed. Healthy Homes currently has 41 customer leads and work is expected to begin next quarter.

Program overviews

The objective of the Income-Eligible Energy Efficiency (“IE”) program is to provide broad and deep energy efficiency opportunities to income-eligible customers living in single-family homes and multi-family buildings, and for the construction of new energy-efficient affordable housing. This program includes:

- Single Family and Multi-Family Weatherization and Retrofits
- PHA/Multi-Family Buildings
- Healthy Homes
- Affordable Housing New Construction (AHNC)

Single-family/Multi-family Weatherization and Retrofits Program overview

Savings achieved to date – 212,107 Net Therms

- In partnership with the Community Action Agencies within our territory, we have served 85 single-family homes with direct installs and weatherization through our SF IHWAP offering within the 1st quarter. This quarter, the SF IHWAP offering provided \$564,878 in incentives that funded 85 projects and saved customers a total of 43,853 therms. The offering ended the first quarter at 42% to our annual incentive goal and 35% to our annual savings goal. There were no MF IHWAP projects completed this quarter, but the scope of the 56-unit M.G. Senior Housing project in Morton Grove was approved by the utilities and CEDA this quarter and is estimated to save the customer over 3,600 net therms.
- The SF Retrofits offering has served over 124 single-family customers this year. The success of the SF Retrofits offering is attributed to the partnerships with 28 community-based organizations, which increase the reach of our programs into their communities. The SF Retrofits offering ended the first quarter at 21% to our annual incentive goal and 17% to our annual savings goal. Measure costs continue to increase but steps by the Program team to work more closely with Trade Allies has proven to be effective at maximizing project and measure-level savings. A program design change went into effect this quarter that serves all potential SF Retrofits customers with an Income Eligible Home Assessment (IE HA). This program design change allows the Program to better and more equitably assess homes for participation in SF Retrofits since all the direct install work and assessment reports are being completed by the same diverse vendor UES. This quarter IE HA has served 743 customers by installing \$74,246 in direct installs and saving customers a total of 40,743 net therms. This cost-effective new offering ended the first quarter 36% to the annual incentive goal and 42% to the annual savings goal.
- MF Retrofits closed out the first quarter 20% to the savings goal and 34% the incentive budget. The offering is operating at a less cost-effective rate than planned, due to many weatherization and health and safety projects being completed this quarter. However, the current pipeline of projects to be completed next quarter is forecasted to be much more cost-effective. Through MF Retrofits, we have served 3,760 MF this quarter and outreach was a primary focus for the program team. A Coffee and Donuts event was held MF Retrofits Trade Allies to speak to newer contractors, answer their questions and build closer partnerships between program staff and the Trade Allies. Three large customer outreach events were held with the Freeport Area Housing Providers, Rockford Apartment Association (RAA), the Southwest Housing Providers Group. In total those three outreach events had a total of 162 attendees that led to eight project leads. All these opportunities acted a way to network, forge partnerships with local property managers in areas throughout our service territory.

Public Housing Authority

Savings achieved to date – 5,291 Net Therms

- 24 units were served in Q1 within PHA (Public Housing Authority) in partnership with the Lee County Housing Authority and Dekalb County Housing Authority. These projects provided weatherization and health and safety building upgrades totaling \$68,706 in incentives and saved the customers 5,291 net therms. Through Q1, this offering is 7% to the annual savings goal and 11% to the annual incentive goal. These results were achieved by completing attic air sealing, attic insulation and health and safety projects.

Healthy Homes

Savings achieved to date – 0 Net Therms

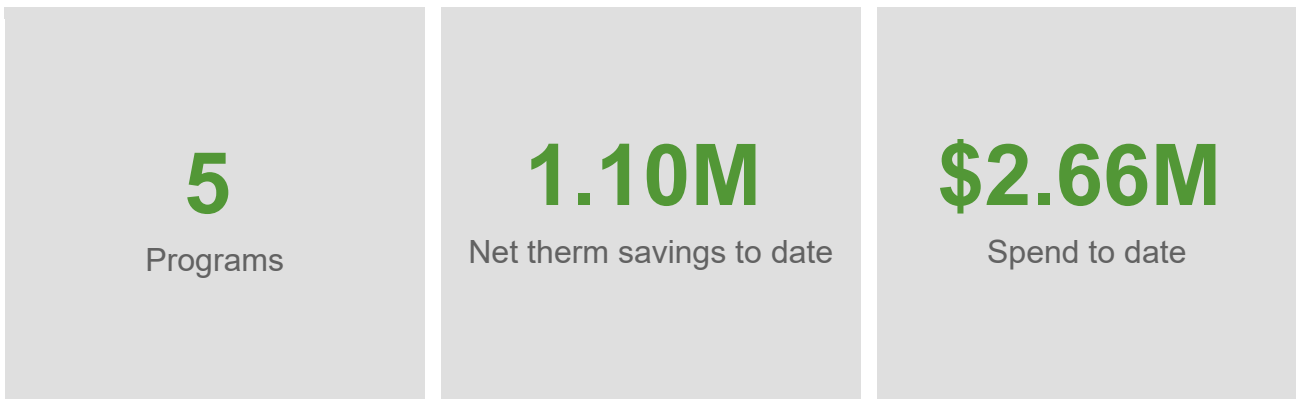
- The priority for Healthy Homes in Q1 was to reengage with the program partners Blue Cross Blue Shield of Illinois (BCBSIL) and American Lung Association (ALA) and set new geographic targets, which were specific income eligible zip codes in Joliet and Kankakee. Partner supported outreach efforts were successful, and we are off to a strong start in Q1. Fifteen assessments have been scheduled, and nine assessments have been completed. Healthy Homes currently has 41 customer leads and work is expected to begin next quarter. Healthy Homes has no savings or incentive spend to report, but the annual participation goal of serving twenty single-family and ten multi-family customers is more than achievable given the successful outreach efforts and growing project pipeline.

Affordable Housing New Construction

Savings achieved to date – 26,814 Net Therms

- In the first quarter, the program incentivized two projects with a total of 84 housing units. One of the projects is a 24-unit apartment building located in Villa Park, IL. The other project is a 40-unit townhome development in Cherry Valley, IL.

Business programs



Key highlights

- The addition of Trade Ally roadshows, within 2024, has proven effective in increasing engagement with Trade Allies and educating them on the portfolio offerings. Additionally, we have been able to on board new Trade Allies to the programs.
- Public Sector projects, within the Business Energy Efficiency Rebates program, account for 60% of therms saved and 73% of program spend to date, primarily from HVAC installs and boiler tune-ups in Public Schools.

Program overviews

Business Energy Efficiency Rebates

The Business Energy Efficiency Rebates (“BEER”) program’s goal is to produce natural gas energy savings in the business and public sectors by promoting the purchase and installation of energy efficiency measures such as: high-efficiency space heating, water heating, food service technologies, tune-ups, and upgrades. This is accomplished by providing the direct installation of free energy-saving products, completing free energy assessments of customers’ facilities, and providing tailored energy efficiency project recommendations.

Business New Construction

The objective of the Business New Construction (“BNC”) Program is to obtain energy savings during the design and construction of new buildings, major renovations of existing buildings, and tenant buildouts in the commercial, public sector and industrial market. The Business New Construction offering provides education, financial incentives, and technical assistance to help building owners and design teams exceed current energy codes.

Custom Incentives

The purpose of the Custom Incentives (“Custom”) program is to assist medium-to-large commercial, multi-family, public sector, and industrial customers in identifying and implementing cost-effective natural gas energy efficiency measures that are not otherwise addressed in Nicor Gas’ BEER, MF or SB Programs. Participation is driven through the program’s free energy assessments, which inform the customer of ways to be more efficient. These assessment recommendations can spill over into other commercial and industrial program participation. Additionally, the Custom program offers a Retro-Commissioning (RCx) offering, assisting participants with low-cost and no-cost tune-ups and adjustments to their operating systems, building controls, energy management systems and HVAC (Heating, Ventilation, Air Conditioning) systems in existing buildings. The aim of the retro-commissioning offering is to optimize operation and improve facility efficiency by returning equipment to its intended operation or design specifications. The Custom program also includes a Combined Heat and Power (CHP) offering.

Small Business Energy Savings

The Small Business Program’s (“SB”) objective is to obtain long-term natural gas energy savings from small business gas customers, including public sector customers, with energy efficiency retrofits and financial incentives to influence the installation of highly efficient natural gas equipment.

Strategic Energy Management

The objective of the Strategic Energy Management (“SEM”) program is to obtain long-term energy savings by focusing on improving and optimizing commercial, industrial and public-sector operations, processes, and energy equipment through improved behavioral methods.

Business Energy Efficiency Rebates

Savings achieved to date – 517,333 Net Therms

- Public Sector projects, within the Business Energy Efficiency Rebates program, account for 60% of therms saved and 73% of program spend to date, primarily from HVAC installs and boiler tune-ups in Public Schools. This market segment has seen an increase in participation primarily due to outreach team's efforts to follow up with school districts on assessment recommendations, which will continue to be a focus the remainder of the year.
- Process boiler tune-up participation, within the first quarter, accounted for 31% of therm savings, a 75% year-over-year increase. The increase was mainly attributed to strategic trade ally recruiting and providing support to complete the tune-ups at no cost to customers.
- Industrial steam traps continue to be the highest Business Optimization Program therm savings measure and accounts for 69% therms savings of the total measure mix.

Business programs

Business New Construction

Savings achieved to date – 63,007 Net Therms

- In the first quarter of 2024, Nicor Gas incentivized 6 private commercial/industrial new construction projects and 3 public commercial/industrial new construction projects.

TYPE (*public sector)	SQ. FEET	ANNUAL GROSS THERM SAVINGS	MEASURES
The Algonquin	424,334	30,104	<ul style="list-style-type: none"> • Wall Insulation • Windows • Condensing Furnaces and water heaters • Low flow fixtures • Smart thermostats • ENERGY STAR ® Appliances
1555 Ridge Avenue	96,810	1,645	<ul style="list-style-type: none"> • Windows • Energy Recovery Ventilation • Condensing water heaters • Low flow fixtures • ENERGY STAR ® Appliances
HE90	202,605	14,555	<ul style="list-style-type: none"> • Direct-fired make-up-air units
Venture Park 47	729,682	14,163	<ul style="list-style-type: none"> • Direct-fired make-up-air units • Roof and Wall Insulation
Plymouth Place Senior Living	152,795	903	<ul style="list-style-type: none"> • Windows • Roof-top Units • High-Efficiency water heating equipment
Metlife Expansion	90,000	4,973	<ul style="list-style-type: none"> • Direct-fired make-up-air units • Demand Control Ventilation
Maine East High School*	532,600	28,608	<ul style="list-style-type: none"> • Wall Insulation • Energy Recovery Ventilation • Demand Control Ventilation
Maine South High School*	471,100	26,714	<ul style="list-style-type: none"> • Energy Recovery Ventilation • Demand Control Ventilation
Joseph Sears Elementary School*	123,010	4,463	<ul style="list-style-type: none"> • Wall Insulation • Windows • Codensing Water Heaters

Custom Incentives

Savings achieved to date – 84,898 Net Therms

- The program concluded the first quarter with 97 additional projects in the pipeline for the remainder of the year, positioning the program to achieve 100% of the annual goal.
- The Outreach team implemented a new engagement tactic with the Trade Allies; Roadshows have proven to be successful in educating Trade Allies on 2024 portfolio offerings, showing appreciation for top performers, targeting new contractors and bringing in Custom and prescriptive projects.
- The program team focused on delivering additional impact to Small and Medium-sized Manufacturing, including water and water treating facilities, by educating the customers and TAs on eligible DOE Industrial Assessment Centers (IAC) Implementation Grant Program.

Small Business Energy Savings

Savings achieved to date – 344,629 Net Therms

- Dry-cleaner steam traps, a key driver of savings for the Small Business Program, has seen a 55% increase in therms saved compared to the first quarter of 2023, with a strong pipeline for the remainder of 2024.
- The Program continued with momentum gained in the last quarter of 2023 and the strongest first quarter, this cycle. There were 63 projects completed in the first quarter of 2024, 2 of which were in the Public sector.
- The program has been successful in diversifying customer participation. Following an assessment recommendation made in 2023, a company self-installed spring-loaded garage door hinges in their facility, in the first quarter of 2024.

Strategic Energy Management

Savings achieved to date – 88,800 Net Therms

- In Q1, Trialco savings of 88.8k gross therms were submitted for review. This is the first significant therm savings in Q1 submitted since implementing continuous signups to bring more savings earlier in the year from Q4.
- Energy scans were completed at Rochelle Foods, ISU and an opportunity register was completed at Woodward.
- SEM models track SEM savings next quarter for Ferrara (2 facilities), IDOC centers (2 facilities), and 2 school districts of Algonquin & Wheeling.
- SEM 2024 joint program in-person kickoff was held at the Nicor Gas office in February.
- SEM program presented to potential customers: Barrington school district 220, Fermilab, Argonne Nat'l Lab, within the first quarter.

Emerging technology and market transformation

Program overviews

The primary mission of the Nicor Gas Emerging Technology Program (“ETP”) is to seek out new or unproven technologies that may be suitable for inclusion in the Nicor Gas Energy Efficiency Program and verify their natural gas savings through field tests and pilot demonstrations.

ETP continues work on ongoing field pilot projects. The continued active projects are as follows:

1184- DHW Electronic Master Mixing Valves

- DHW Electronic Master Mixing Valves (EMMV) incorporate electronic components including temperature sensors that can be programmed to control the inlet valves and accurately deliver tempered water temperature from a domestic water heater.
- ETP is finalizing the action plan for pilot project execution.
- ETP prepared site recruitment flyer to be shared with potential sites.

1175- Fume Hood Control Valves

- Add or retrofit airflow control valve in laboratories. Consists of fume hood valves, supply duct, exhaust duct valves and sensors, all integrated with digital controls.
- Precise control of fume hood air flow based upon open sash area thus minimizing ventilation heating load, saving energy.
- ETP finalized a university site and performed a detailed site assessment for the pilot study.
- ETP has the official field test agreement in place with Elmhurst University for pilot demonstration.
- ETP is finalizing the field test plan to commence baseline performance monitoring.

Commercial Hybrid RTUs

- Rooftop units with gas fired furnace and heat pump with packaged controls for switchover operation optimization. Hybrid RTUs are installed in pilot demonstration site.
- ETP plans to perform M&V installation and operation startup.
- ETP plans to perform switchover operation analysis and optimization.

1166- Emerson Sensi Field Study

- A sensor suite from Emerson to monitor existing furnace and air conditioner. If the system is newly installed, then it will verify proper/optimal installation while on an older system, it will monitor based on target performance.
- Lab study completed. Field study is ongoing at 30 test sites. We are currently monitoring HVAC system operation data and are interfacing with the end users to provide insight on their HVAC system operation.

Emerging technology and market transformation

- The manufacturer decided to terminate the product offering and support for this technology and opted not to share project specific datasets for final analysis.
- ETP is decommissioned Sensi devices from 7 test sites and decommissioning work is currently ongoing for 6 more test sites.
- ETP prepared and shared title transfer ownership documentation to the remaining 17 test site participants who have not opted to decommission the sensi equipment.
- ETP is preparing a Memo Report to detail project findings, challenges and recommendations.

1167- Phase Change Ceiling Tile

- New engineered dual-temperature phase change material (PCM) technology that positively impacts HVAC energy consumption, improves HVAC cycling profiles, and extends HVAC lifespan during both summer and winter seasons.
- PCM technology installed, and data collection is currently ongoing and is planned to continue till 2023-2024 heating season.
- Data collection started for the 2023-2024 heating season. PCM retrofit performance data is being collected and ongoing analysis is being performed.
- ETP concluded retrofit data monitoring for the pilot.
- ETP is performing final data analysis for reporting.
- ETP plans to decommission M&V equipment from the pilot test site.

1165- Smart Fuel Switching Control - Hybrid Residential HVAC

- Cloud-based technology is designed to reduce utility costs and GHG (Green House Gas) emissions in residential space heating by optimizing the operation of a hybrid heating system,

consisting of a natural-gas furnace (or mini boiler) and an electric air source heat pump (ASHP). Preliminary lab testing based GHG emission and cost-based switching for cold climate operation was completed.

- ETP worked with the manufacturer to fix the fuel-switching algorithm for both emissions and operating cost reduction operating modes.
- ETP concluded retrofit performance monitoring for the 2023-24 heating season with Improved fuel switching algorithm.
- ETP discovered further issues with the functional algorithm of the technology.
- ETP connected with the manufacturer to identify root cause behind the issues. ETP plans to suspend the pilot study as the manufacturer still needs to perform further development for full functional performance.

1176- Cloud Based Building Optimization Platform

- Predictive, self-adapting Artificial Intelligence used to control and optimize Description building HVAC systems.
- ETP had discussion with manufacturer to onboard them onto pilot study. Ongoing discussion on Action Plan and site recruitment.
- ETP reviewed manufacturer provided potential customer list in Illinois and decided not to pursue a pilot project.
- ETP plan to review other vendors for pilot project consideration.

1157- Small Commercial Boiler Manufacturer Controller

- Remote monitoring of central boiler-based heating and domestic hot water systems to identify operational inefficiencies and proactively maintain systems in real-time.

Emerging technology and market transformation

- Pilot Project is suspended as there is an existing measure in the IL TRM.
- ETP plans to review further developments in this product category for EE program considerations.

1119- Venturi Steam Trap – Field Evaluation Study

- Venturi steam traps are an energy efficient condensate removal technology for steam systems, and they have lower failure rates than traditional steam traps.
- ETP completed the field evaluation of the Venturi steam traps and collected in-depth end user feedback to validate the performance and effective useful life of the technology. The final project report is drafted and is currently under internal review.

Residential Energy Modeling Decision Making Tool

- ETP discussed with a vendor their software tool that utilizes an energy modeling-based approach for making energy efficiency improvement decisions in homes.
- ETP reviewed the information provided by the vendor and decided not to pursue a pilot.
- ETP is looking to consider and pursue other vendors for a cost-effective pilot demonstration.

One ETP workpaper is proposed for inclusion in the Illinois Technical Reference Manual version 13 for the following emerging technologies.

Commercial Secondary Windows

- Envelope retrofit technology in commercial buildings that improves thermal performance of poorly performing existing windows.
- The technology involves one or more transparent panes in a frame that attaches to the interior or exterior of existing windows without replacing the original glass or frame.
- ETP developed final workpaper and a supplementary energy savings calculator tool and is currently under internal review.
- ETP to submit the workpaper to be included in Illinois TRM v13.

ETP Webpage Updates

ETP updated publicly available information like program webpages, application webpages and other program related flyers to reflect current branding information, new terms and conditions and to add clarity. All webpage updates are published and live for public access.

ETP is writing and completing final pilot project reports for the following completed pilot projects.

Reports to be published on ETP website in Q2 2024 and their progress status are provided below.

- #1123 Thermostatic Radiator Valves – Final report internal review.
- #1147 SmartDry – Final review completed, and report is ready to be published.
- #1115 On Demand Boiler Array – Final report development in progress.

Emerging technology and market transformation

- #1119 Venturi Steam Trap Field Evaluation Study – Final report internal review.
- #1166 Emerson Sensi Lab Study Memo Report - Final report internal review.
- #1008 RE - Gradient Thermal- Final report internal review.

New ETP Applications

#1183 AuditMaster Pro

- Technology claims to identify HVAC energy losses to identify potential energy conservation measures. ETP reached out to the applicant for more information to fully process their application for pilot considerations.

#1186 MyHeat Imagery

- Technology claims to map thermal heat losses from buildings to identify energy efficiency upgrades. ETP reached out to the applicant to fully process their application for pilot considerations.

#1187 Axiom Energy Group

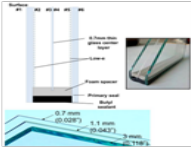


- The application is based on a Micro CHP based technology. ETP is currently reviewing the application to identify potential next steps.

Market Transformation

The MT program’s goal is to accelerate the adoption of energy efficient products and/or services to maximize energy savings for Nicor Gas’ Energy Efficiency Program. The MT program focuses on specific MT initiatives targeting technologies and services. This includes recruiting partners to bring these technologies forward, development of the MT logic and framework, and implementing activities to support the adoption of the targeted technologies and services. The MT program also focuses on expanding MT activities locally in Illinois including at the SAG, regionally, and internationally to leverage cross cutting opportunities with other utilities and organizations pursuing MT.

- In the 1st quarter of 2024, Nicor Gas continued to work on the market transformation initiatives listed below. This included continued the development of the TRM MT Savings Protocols for the initiatives, in collaboration with some of the other IL utilities and Guidehouse. Nicor Gas also presented at the February 28, 2024 to the MT SAG Working Group meeting the Residential HVAC Gas Heat Pump market transformation initiative Logic Model and Market Progress Indicators with the working group for comments and feedback. No comments or additional feedback was provided for finalizing.

Emerging technology and market transformation

Market Transformation Initiative	Initiative Details	Utility Participation	2023 Brief Status Update
<p>High Performance Windows (HPW)</p> 	<p>Accelerate the adoption of next generation of high performance window products, to improve building envelope thermal performance. A new version of high performance windows provides a U-factor of 0.22 or better roughly the same insulation value (~R-5) of conventional triple pane windows without the added frame thickness and weight; uses the same glazing unit dimensions as double-pane windows; 40% more efficient than typical double-pane windows.</p>	<p>Ameren Illinois, ComEd, Nicor Gas</p>	<p>Engagement with NEEA and PAWS group to build coalition of market actors supporting advanced windows.</p> <p>Presented the logic model and associated market progress indicators to the SAG MT Working Group on October 25, 2023. No Comments or additional feedback was provide for finalizing.</p> <p>High performance window measure updated in the IL TRM for v12 for 2024.</p> <p>Drafting Natural Market Baseline for independent evaluators for review.</p> <p>Coordinating with operations team to review program design strategies and pilot designs.</p>
<p>Code Advancement - Energy Stretch Codes and Building Performance Standards</p>	<p>Stretch Codes & Building Performance Standards</p> <p>Contracted 2023 activities to continue municipality engagement, stretch code and BPS program design considerations, finalizing the logic model and market progress indicators for each approach, and IL natural market baselines for stretch codes and BPS.</p>	<p>ComEd, Nicor Gas, Peoples Gas, Northshore Gas</p>	<p>Ongoing municipality engagement through Advanced Building Energy Efficiency Policy Task force, partnering with Municipal Mayors Caucus. 13+ communities engaged, several with 1 on 1 meetings. In-depth interviews and surveys to gather feedback, quarterly ABEEP meetings.</p> <p>Developed support strategy recommendations based off municipality feedback.</p> <p>Drafted logic model, market progress indicators, natural market baseline and savings estimation methodology for stretch codes.</p> <p>Drafted logic model and market progress indicators for building performance standards.</p>
<p>Gas Heat Pumps</p> 	<p>Next generation of highly efficiency gas technology achieving great than 100% efficiency levels. Nicor Gas efforts are to help Accelerate the market adoption of the next generation gas heat pump technologies for water heating and space conditioning. Currently participating in the North American Gas Heat Pump Collaborative with 17 total Utilities in North America including Canada.</p> <p>Conducted manufacturer engagement with GHP manufacturers to coordinate on future activities. Developing collateral to build awareness and a residential TRM workpaper. Developing adoption rates for GHPs in Nicor's service territory.</p>	<p>Nicor Gas, Peoples Gas, Northshore Gas</p>	<p>Participation in the North American Gas Heat Pump Collaborative (NAGHPC) as a board member.</p> <p>Continued conducting manufacturer engagement with GHP manufacturers to coordinate on future activities. Developing collateral to build awareness and a residential TRM workpaper. Developing adoption rates for GHPs in Nicor Gas' service territory.</p> <p>Drafted logic model, market progress indicators, read for MT Working Group review.</p> <p>Drafting natural market baseline for review with independent evaluators.</p> <p>Coordinated effort with Nicor Gas, Peoples and Northshore Gas, the NAGHPC, GHP manufacturers, and IL distributors to present to the IL Capital Development Board to include the GHP technology in the IL Stretch Codes for municipalities if they choose to adopt.</p> <p>Approved launch to explore commercial gas heat pumps as a MT Initiative.</p> <p>Pilot for small scale installations planned with a first to market manufacturer for residential sized GHPs.</p> <p>Collaboration with operations teams on developing program design recommendations for residential GHPs in EEP.</p>
<p>Efficient Rooftop Units</p> 	<p>Researching efficiency of rooftop units through product differentiation and ultimately standards. Performing quantitative market research for developing IL natural market baseline and logic model development.</p> <p>Partnering with GTI and NEEA to further document understanding of market dynamics and align on market approach and strategy.</p>	<p>Nicor Gas, NEEA, GTI</p>	<p>Partnering with NEEA and GTI on: quantitative market research, developing IL natural market baseline, and logic model development.</p> <p>Drafted logic model and market progress indicators. Circulating with independent evaluators for review.</p>

Administrative Flexibility

Administrative Flexibility

- **Administrative Flexibility.** Any Program Administrator-initiated proposed budget shift of fifty percent (50%) for Programs with budgets under \$5 million or twenty percent (20%) for Programs with budgets over \$5 million shall be brought to the SAG when practicable, but no later than the next quarterly SAG meeting. It shall also be reported to the Commission in the quarterly reports.
- **Actions.** Nicor Gas has not exceeded the flexibility provisions authorized by the Commission in its Final Order.

Responses to evaluator recommendations (Refer to Appendix B)

Program Activities: Nicor Gas shall summarize the following:

Program activities
Implementation modifications
Additions or discontinuations of specific measures or programs.
Spending and savings amounts compared to the Plan filing
How the Company responds to past evaluators' recommendations and changes in the IL-TRM, NTG ratios, market research findings, and other relevant information the Company relies upon in making its decisions
Pilots completed and the results

Actions:

Please see the above section on the Second Quarter's highlights.
Please see the above section on the Second Quarter's highlights.
Please see Section C below and Appendix A for a discussion and list of new measures added to Nicor Gas' programs.
Spending and savings by program are shown in the attached Statewide Quarterly Report Template.
Please see Appendix B for actions taken in response to evaluators' recommendations.
Please see the above section on the Second Quarter's highlights.

New measure cost-effectiveness

Cost Effectiveness of New Measures (table by measure) Cost-effectiveness screening results for new measures.

- **Actions.** There are no new measures included in programs shown in Appendix A.

Cost-Ineffective Measures (explanation of why they were included) Explain reasons for including new cost-ineffective measures in programs.

- **Actions.** There are no new measures included in programs shown in Appendix A.

Stipulations

**Weighted Average
Measure Life**

12.98yrs

Stipulation: ≥ 11.91 years

**Public Sector Spend as a % of
Overall Portfolio Spend**

7.25%

Stipulation: Minimum of 10%

**Average Income-Eligible
Spend to Date**

\$ 10.23M

Stipulation: At least \$13M per year

**% of IE Spending in
Multi-Family Housing Units**

39.1%

Stipulation: At least 30% of units treated

Supplier Diversity

The Nicor Gas Energy Efficiency Program will continue to align ourselves with professional organizations and industry groups that support business diversity and inclusion amongst underutilized areas of our business. We will partner with various advocacy organizations, our peer utilities that make up the Illinois Utility Business Development Council (IUBDC), and our diverse partners to host and/or attend diversity-related summits and events that are geared toward the advancement of diverse business enterprises. Furthermore, we will continue to leverage our diverse partners to support the development and increased utilization of diverse businesses.

Tier 1 Diverse Spend

\$6.1M

Tier 2 Diverse Spend

\$712K

% of Total Eligible Spend

80.1%

Key highlights


- Total diverse spend increased \$1.4M in Q1 2024 over Q1 2023.
- Engaged a new VBE sub-contractor resulting in \$48K in Tier 2 spend.
- Non-profit spend increased from \$57K in Q1 2023 to \$184K in Q1 2024.

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	8.3%	\$498,836	\$215,269	\$39,040
WBE certified	65.4%	\$5,165,942	\$435,273	\$616,013
VBE certified	4.1%	\$305,084	\$48,093	\$0
Non-profit vendors	2.2%	\$172,598	\$11,888	N/A

Impact

 **264M+**
in incentives since 2011

- Residential and multi-family customers: energy-saving kits and home assessments
- Commercial and public sector customers: building system optimization, energy-saving projects
- Income-qualified customers: comprehensive energy upgrades at no cost
- Rebates for energy-efficient products and improvements

 **230M+**
first year therms saved since 2011

- Avoids more than 1.22M metric tons of CO2 emissions
- Equivalent to the CO2 emissions generated by 289K passenger vehicles over the course of a year

 **1.35M+**
customers in 643 communities have participated

- \$194 average incentive per customer
- Engaged 212K elementary school students in energy efficiency education

 **\$2.27B**
Economic activity spurred since 2011

- 10.5K jobs supported since 2011
- \$118M spent with diverse suppliers
- \$874M wages supported since 2011

Awards and recognition

Since launching in 2011, the Nicor Gas Energy Efficiency Program has received 21 awards from local, regional, national, and international organizations. The program has been recognized for excellence in evaluation, innovation, marketing, program design and research.

Marketing awards

- 2022 Inspiring Efficiency Marketing Award
Awarded for the Care Package effort
- 2020 Gold Stevie Award
Awarded for the Unexpected Love Story campaign from the American Business Awards
- 2020 Inspiring Efficiency Marketing Award
Awarded for the Unexpected Love Story campaign
- 2019 Gold Stevie Award for Women in Business
Awarded for the Unexpected Love Story campaign in its marketing for women, created by a woman-led team.
- 2017 Inspiring Efficiency Marketing Award for Multicultural Marketing Strategy
Awarded for multicultural marketing strategy including demographic research, event outreach, hyper-local print publication placements and digital ads.
- 2015 Inspiring Efficiency Marketing Award for Customer Journey Strategy
Awarded for marketing & communications strategy including customer journey-mapping, overhauling communications with energySMART rebranding, and Customer Stories campaign
- 2015 Inspiring Efficiency Education Award
Awarded for "What's in the Box" campaign focused on understanding how a furnace works
- 2014 Bronze Stevie Women in Business Award for Consumer Marketing Campaign of the Year
Received bronze placement for energySMART "Customer Stories" campaign
- 2014 AESP Energy Award for Outstanding Achievement in Non-Residential Marketing
Presented for "6 million therms" steam trap infographic campaign
- 2013 E Source Ad Awards Crowd Pleaser Award
Presented for peer recognition for "6 million therms" steam trap infographic campaign
- 2013 Inspiring Efficiency Marketing Award
Presented for Nicor Gas Energy Efficiency Program's "Summer Staycation" campaign
- 2013 Gold Stevie Award for Utility Marketing Campaign of the Year
Presented for Nicor Gas Energy Efficiency Program's "Liberate" campaign

Awards and recognition

Other awards

- 2019 AESP Energy Award for Outstanding Achievement in Market Research and Evaluation
Awarded for Nicor Gas's Market Research and Evaluation Initiatives through the Market Transformation program.
- 2018 ISTC Sustainability Award
Awarded to the Emerging Technology Program for its efforts to reduce environmental impact and contribute to the growth of a more sustainable economy.

Program awards

- 2014 Inspiring Efficiency Impact Award for Business New Construction Program
Presented jointly to Nicor Gas and ComEd for providing technical assistance on more than 200 business new construction and renovation projects
- 2013 ENERGY STAR Awards Special Recognition
Received special recognition for active collaboration with other Illinois utilities to provide customer-centered energy efficiency solutions
- 2013 ACEEE Honorable Mention for the Economic Redevelopment Program
Received Honorable Mention for leading program designs and practices
- 2013 ACEEE Exemplary Programs Award for the Home Energy Efficiency Rebate Program
Received Exemplary status based on program performance during Summer Staycation marketing campaign
- 2013 ENERGY STAR Homes in Leadership Award
Presented to outstanding partners who have made important contributions to energy-efficient construction and environmental protection
- 2013 ENERGY STAR Special Recognition Energy Efficiency Program Delivery
Received special recognition for energy efficiency program delivery at the ENERGY STAR awards.