

2024

Quarterly Report Third Quarter

July 1, 2024 - September 30, 2024



Energy
Efficiency
Program

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Portfolio summary

Portfolio summary

Year-to-date results

January 1, 2024 – September 30, 2024

11.0M

Net savings
to date

78.0%

Percent of
planned savings

14.1M

Annual
savings goal

\$36.3M

Spend
to date

79.4%

Percent of
planned spend

\$45.7M

Annual
budget

Key portfolio highlights

- In May of 2024, Nicor Gas redesigned the residential new construction offering to promote a whole home energy efficient design that includes energy efficient natural gas equipment for space and water heating, above code air and duct sealing requirements, and smart thermostats. In addition to this, we engaged builders on innovative technologies like dual fuel heating systems, high performance windows, and insulated concrete forms.

Portfolio Summary

- We're on track to meet or exceed our Air Sealing and Insulation stipulated goal of an average of 1,850 units weatherized per year. We completed 1,497 single-family homes and 732 multi-family units for a total of 2,229 projects this year.
- Within the Business Energy Efficiency Rebate Program, the public sector accounts for 49% of incentives, and 45% of therms saved as of Q3. An increased focus on public sector customers allowed us to support school districts upgrading their HVAC equipment.

Commented [MK1]: Is the Business portfolio or BEER?

Commented [GD2R1]: BEER

Residential programs

Residential programs

5

Programs

3.86M

Net therm savings to date

\$8.15M

Spend to date

Key highlights

- Through the third quarter, the Air Sealing and Insulation offering of HES served 1,497 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.
- Through the third quarter the Multi-family ASI offering has served 732 units or 146% of the annual unit goal.
- The Home Energy Efficiency Rebates Program incentivized 4,557 - 95% AFUE and 1,960 - 97% AFUE furnace replacements. We are seeing more people replacing their furnace with the 97% AFUE furnaces.

Residential programs

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 – 1,718,826 Net Therms

- Through the third quarter, the Program incentivized 6,881 high-efficiency furnaces, boilers, and tankless water heaters, as well as 7,925 smart thermostats to our customers.
- A key driver of the program's success through the third quarter was furnace replacements. The program incentivized 4,557 - 95% AFUE and 1,960 - 97% AFUE furnace replacements. Bundled promotions within our Home Energy Reports and digital ads from earlier in the program year influenced the uptick in 97% AFUE furnace adoptions. In fact, through the third quarter, we have incentivized almost 1,500 more 97% AFUE furnaces than originally forecasted at the beginning of the year.
- Through the HEER program, the Company has utilized partnership with ComEd to promote smart thermostats providing limited time offers to customers that discount the products. The Company also plans to seek more opportunities to promote incentives via targeted outreach.

Home Energy Savings (HES)

Savings achieved to date – 395,052 Net Therms

- The Self-Assessment Portal (SAP) offering through the third quarter has proven to be a very cost-effective program with a dollar per therm of \$0.89 on average. The offering through the third quarter has served 1,300 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.
- Through the third quarter, the Air Sealing and Insulation offering of HES served 1,497 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.
 - The ASI offering has brought in several new TA's through the course of the year such as: Koala Insulation of North Chicagoland, Koala Insulation of Northern IL, and NM Enterprise. These new TA's along with existing TA's have driven the success of the program and will help the Company reach the stipulated unit goal for the program.

Commented [VC3]: @McCue, Karianne we should note why this trend is happening. We also need to be mindful of how this is worded so stakeholders don't try to utilize this report as leverage to only incentivize 97% furnaces going forward.

Commented [VC4]: @McCue, Karianne is there anything to note about these TAs? Are they DBEs or are they located in disadvantaged communities. Are they a partner in any way with MDI?

Residential programs

Multi-family (MF)

Savings achieved to date – 283,330 Net Therms

- The Central Plant Optimization Program has predominately incentivized boiler tune-up projects and steam boiler averaging control projects through the third quarter of 2024. We have continued to utilize marketing tactics such as leave behind cards and email campaigns to promote the program to premises with a central meter system.
- 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 third quarter the Multi-family ASI offering has served 732 units or 146% of the annual unit goal.
- Through the third quarter, the Multi-Family Direct Install program has worked on 1,511 units, predominately completing thermostat installs and reprogramming.
- The Prescriptive and Custom portion of MF has 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 – 537,442 Net Therms

- In the third quarter of 2024, 545 homes were completed and received incentives.
- In May of 2024, Nicor Gas redesigned the residential new construction offering to promote whole home energy efficient design that includes energy efficient natural gas equipment for space and water heating, above code air and duct sealing requirements, and smart thermostats. In addition to this, engage builders on innovative technologies like dual fuel heating systems, high performance windows and insulated concrete forms.
- There are four qualifying tiers with the redesigned residential new construction offering and the highest tier was developed with inspiration from the net-zero design of the Nicor Gas Smart Neighborhood projects. In the third quarter, the bronze tier was the most popular tier with 213 qualifying homes. This tier includes above code air and duct sealing requirements, 95%AFUE or greater natural gas furnace, natural gas water heater and smart thermostat.

Residential programs

Energy Education and Outreach

Energy Saving Kits (“ESKs”)

Savings achieved to date – 227,868 Net Therms

- In the third quarter of 2024, Nicor Gas distributed 3,553 ESKs to customers, of which 1,640 were water-saving kits and 1,913 were weatherization kits.
- Nicor Gas utilized our Marketing and Outreach team to drive the success of this program. The Outreach team attended 71 community events during the third quarter to educate customers on the energy efficiency measures and distributed 1,501 kits.

In the third quarter of 2024, Nicor Gas distributed a total of 3,553 ESKs to customers, of which 1,640 were water-saving kits and 1913 were weatherization kits.

Elementary Energy Education Kits (“EEE kits”)

Savings achieved to date – 200,831 Net Therms

- In the third quarter, Nicor Gas partnered with ComEd to deliver 2,348 kits to schools. Out of which, 1,926 joint kits were delivered to schools in non-IE territories and 422 joint kits were delivered to schools in IE territories. In addition to joint kits, Nicor Gas delivered 224 kits to schools in Nicor Gas only 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 regularly to ensure quality content is provided to students. Here is some feedback that was received: “[Students] loved the simplicity in the lesson because it was interesting and funny. It taught them how to save energy in an easy way.”

Home Energy Reports (“HER”)

Savings achieved to date – 498,875 Net Therms

- During the third quarter of 2024, Nicor Gas has continued delivering emailed and printed Home Energy Reports to customers. The approximate reach for the HERs in the third quarter of 2024 is 550,000 customers.
- 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.

Commented [KM5]: @Mannam, Rohith This mentions the 2nd quarter. Can you update narratives to reflect 3rd quarter information?

Commented [KM6R5]: @Mannam, Rohith were you able to update this?

Income-eligible programs

Income-eligible programs



Key highlights

- This quarter income eligible home assessments served 336 single-family homes by installing \$37,323 in direct installs and saving customers a total of 17,822 therms.
- The MFES program partners presented an award to the Housing Authority of the County of DeKalb (HACD) in celebration of a major energy-saving milestone achieved. Since 2018, Nicor Gas Energy Efficiency Program contributed more than \$200,000 in incentives and helped save over 32,000

Income-eligible programs

therms through energy-saving improvements including air sealing, insulation, health and safety upgrades, boiler tune-ups and replacements and more.

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)
- Energy Saving Kits

Income-eligible programs

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

Savings achieved to date – 776,031 Net Therms

- In partnership with the Community Action Agencies (CAAs) within our territory, we have served 2 single-family homes with direct installs and weatherization through our SF IHWAP offering within the 3rd quarter. This quarter, the SF IHWAP offering provided \$17,679 in incentives that funded 2 gas-only projects and saved customers a total of 1,209 therms. The offering ended the third quarter at 100% to our annual incentive goal and 81% to our annual savings goal. The launch of DCEO's new project entry platform, IWx occurred this quarter, with the start of the 2025 IHWAP program year on July 1st. CAAs had to transition all IHWAP program data into IWx and have all staff trained on the new platform functionality. By the end of the third quarter, the agencies were able to use the new platform successfully and begin building their pipelines. There were no MF IHWAP projects completed this quarter, but the project scope of the Senior Housing project in Morton Grove was prepared by CEDA, was submitted for utility review and was subsequently approved by the utilities.
- The SF Retrofits offering has served 6 single-family homes this quarter with direct installs and weatherization, and the offering has served 502 single-family customers year to date. 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 third quarter at 100% to our annual incentive goal and 77% to our annual savings goal.
- This quarter income eligible home assessments served 336 single-family homes by installing \$37,323 in direct installs and saving customers a total of 17,822 therms. This cost-effective offering ended the third quarter 115% to the original annual incentive goal and 125% to the original annual savings goal. Nicor Gas added \$107,000 to the program budget to continue to jointly fund income eligible home assessments.
- MF Retrofits closed out the third quarter 75% to the savings goal and 85% 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 2,498 MF units this quarter, with 11,163 MF units being served year to date. The Alexandra McKinney project was completed this quarter which is a 3-unit building in Melrose Park. The property was identified and assessed in Q3 2023. When the Program performed their initial scope of work for the weatherization, additional opportunities were also identified. Preapproval applications were submitted in Q1 of 2024 which included air sealing and attic insulation, AC covers, H&S (exhaust duct insulation), boiler tune-up and AC replacement. This work was completed in July of 2024. The Program staff reported the customer was very pleased with the work performed. In total, this building received \$6,501 in incentives which saved the property 1,079 therms.

Income-eligible programs

Public Housing Authority

Savings achieved to date – 20,299 Net Therms

- 402 units were served in Q3 within PHA (Public Housing Authority) in partnership with the Housing Authority of the County of DeKalb (HACD). The University Village project provided weatherization and health and safety building upgrades totaling \$185,928 in incentives and saved the customers over 16,000 therms. Through Q3, this offering is 29% to the annual savings goal and 48% to the annual incentive goal. The savings for the University Village project will be realized next quarter.
- On September 5th the MFES program partners presented an award to the Housing Authority of the County of DeKalb (HACD) in celebration of a major energy-saving milestone achieved through the Multi-Family Energy Savings (MFES) offering. The event included an award presentation and remarks from Nicor Gas, ComEd and HACD representatives. After the ceremony, a tour was held of their Taylor Street Plaza to highlight energy-saving improvements funded through the offering. Since 2018, the HACD has garnered more than \$800,000 in combined energy-saving incentives through twelve project types with MFES. Of that total, the Nicor Gas Energy Efficiency Program contributed more than \$200,000 in incentives and helped save over 32,000 therms through energy-saving improvements including air sealing, insulation, health and safety upgrades, boiler tune-ups and replacements and more. HACD has been a champion of our PHA offering, and they have undoubtedly increased participation by sharing the positive outcomes PHA has had on our customers' lives.

Healthy Homes

Savings achieved to date – 2,650 Net Therms

- The program partners Blue Cross Blue Shield of Illinois (BCBSIL), American Lung Association (ALA) and Nicor Gas agreed to expand the Healthy Homes offering to specific income eligible zip codes in Rockford and West Chicago. Partner supported outreach efforts were successful in these areas, and we contacted all pediatric customers with diagnosed respiratory illnesses like asthma or COPD and have expanded outreach efforts for the remaining adult customers. Healthy Homes this quarter has claimed 2,396 therms in savings and incentivized \$109,454 in comprehensive weatherization, health, safety, and indoor air quality improvements. The annual participation goal of serving 30 single-family homes customers is still achievable given the successful outreach efforts and growing project pipeline for single-family customers. Serving multi-family customers through Healthy Homes has posed its challenges, but adding additional enrollment partners may help with increasing access to these customers.

Affordable Housing New Construction

Savings achieved to date – 59,016 Net Therms

In the third quarter, the program incentivized two projects with a total 49 housing units. One of the projects is a 47-unit permanent multi-family housing development in Aurora, IL. The other project is a 2 1-story single family housing development by Habitat for Humanity in McHenry, IL.

Income-eligible programs

Energy-Saving Kits

Savings achieved to date – 438,562 Net Therms

- In the third quarter of 2024, Nicor Gas distributed 6,063 ESKs to IE customers.
- Nicor Gas leveraged various channels to deliver kits to customers. Nicor Gas partnered with ComEd to deliver 2,982 kits through leads received from CAAs.
- Nicor Gas also utilized internal Marketing and Outreach teams to deliver 3,081 kits to customers at various events in several IE communities.

Business programs

Business programs

5

Programs

5.80M

Net therm savings to date

\$8.24M

Spend to date

Key highlights

- Through the Business Energy Efficiency Rebate Program, Kensing LLC, a company that specializes in chemical manufacturing for various industries, has been working with the energy efficiency program to repair and replace steam traps throughout their facility, savings over 200k therms in phase one, completed in Q3.
- As of Q3, within the Small Business Program, the field team has completed 396 assessments and installed 579 gas and water saving measures for a cumulative therm savings of 6,695. The team has been focusing on Hotels and Motels to maximize DI opportunities, and small manufacturing facilities to increase participation in the Small Business Custom program, where 8 projects have been completed saving 26k therms.

Commented [MK7]: Business Energy Efficiency Rebate Program

Commented [KM8R7]: updated

Business programs

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.

Business programs

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 programs

Business Energy Efficiency Rebates

Savings achieved to date – 2,164,892 Net Therms

- The program achieved 450k therms, ending Q3 with 50% of therms goal and 83% of spend goal. Thus far, this program has realized 1.25 million therms primarily from HVAC replacements (44%), Boiler Tune-ups (32%) and Steam Trap replacements (15%).
- The Public Sector accounts for 49% of incentives, and 45% of therms saved as of Q3, with boiler replacements accounting for 48% of total spend as School Districts throughout the Nicor Gas territory are upgrading their HVAC systems.
- Kensing LLC, a company that specializes in chemical manufacturing for various industries, has been working with the energy efficiency program to repair and replace steam traps throughout their facility, savings over 200k therms in phase one, completed in Q3.

Commented [MK9]: This seems like we are spending more than we should be - are we good with the SEM budget and them goal?

Commented [KM10R9]: @Davenport, Darin can you clarify?

Commented [DD11R9]: This comment is referring to BEER. Aadil is reviewing now. Mike is ok with SEM comments.

Commented [AA12R9]: The spend is a bit higher than anticipated due to large volume of public sector applications. This also helps us achieve the Public Sector stipulation.

Business programs

Business New Construction

Savings achieved to date – 129,956 Net Therms

- In the third quarter of 2024, Nicor Gas incentivized 5 private commercial/industrial new construction projects and 1 public sector new construction project.

TYPE (*public sector)	SQ. FEET	ANNUAL GROSS THERM SAVINGS	MEASURES
Third Coat Hub 1, Joliet	1,055,316	22,784	<ul style="list-style-type: none"> Direct-fired make-up-air units Wall Insulation
Third Coat Hub 2, Joliet	1,422,120	38,547	<ul style="list-style-type: none"> Direct-fired make-up-air units Wall Insulation
Bridge Point Bldg 1, McCook	992,000	17,758	<ul style="list-style-type: none"> Direct-fired make-up-air units Advanced wall assembly
Bridge Point Bldg 2, McCook	189,000	4,057	<ul style="list-style-type: none"> Direct-fired make-up-air units
IDI Spec, Joliet	219,014	7,868	<ul style="list-style-type: none"> Direct-fired make-up-air units Wall Insulation
Rockford Public Library*	93,918	15,157	<ul style="list-style-type: none"> Glazing Wall Insulation Window Assembly DOAS Energy Recovery Ventilation Demand Control Ventilation Condensing Boilers Condensing DHW heaters

Custom Incentives

Savings achieved to date – 609,840 Net Therms

- The Program ended the 3rd quarter 2% over the forecasted therms goal and at the forecasted spend. This was mainly due to a large-scale retro commissioning project at an industrial facility.
- Ended Q3 with forecasted therms to Goal at 109% above Goal and forecasted Incentive to Goal at 100%. Large projects actualized in Q3 include Brewster Cheese Dryer projects with over 359K Therms and Toyal America with almost 92K therms. We have started to build our project pipeline for 2025 with 6 large projects

Business programs

- The team continues to focus on assessments to engage with customers and add projects to the pipeline. Outreach team continues to focus on past assessments along with educating customers on IAC grant opportunities. Focus is on small and mid-size customers that have projects in the pipeline to assess their eligibility for grants.

Small Business Energy Savings

Savings achieved to date – 1,326,940 Net Therms

- Ended Q3 with 1.38 million therms saved, primarily from boiler tune-ups and steam trap replacements with 1,507 dry cleaner steam traps, and 40 boilers tuned-up at 204 dry cleaner locations.
- As of Q3, the field team has completed 396 assessments and installed 579 gas and water saving measures for a cumulative therm savings of 6.695. The team has been focusing on Hotels and Motels to maximize DI opportunities, and small manufacturing facilities to increase participation in the Small Business Custom program, where 8 projects have been completed saving 26k therms.
- Lake City Cleaners in Evanston has been a regular participant in the program since 2019, replacing a total of 138 steam traps for 83k therms in cumulative savings.

Strategic Energy Management

Savings achieved to date – 761,210 Net Therms

- Q3 added 653k therms to the SEM savings. Q3 is now at 63% of full year SEM savings estimate of 1.2M.
- Harper College and Ferrara Candy Bellwood submitted the majority of savings with 272k and 261k therms, respectively.
- As for recruitment, we received signed participation agreements for an additional Diageo site, EJ Basler and SD214. Also interest from Endeavor Health to add Elmhurst and Edwards Hospitals. SEM presentations given to Dart Container and Ecolab / Nalco, strong interest in SEM, they are reviewing SEM application.
- Energy scans were completed at Rochelle Foods, ISU and an opportunity register was completed at Woodward.
- A Modeling Workshop was held on 9/18, with 18 participants from 10 sites in attendance. The workshop aimed to help participants understand their Energy Models so they can utilize them within their organization and Energy Team.

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:

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 Procured and installed Data acquisition systems at the field site
- ETP has started baseline data collection for the pilot.

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 has reached out 4 potential field sites (3 hotels and one gym facility) for pilot participation
- ETP has presented the pilot opportunity to one hotel site in Illinois and is preparing for a site assessment field visit.

1188- 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 performed modeling analysis to determine natural gas savings and impacts associated with the pilot project.
- ETP is performing data collection and analysis through the upcoming heating season.

1191- HVAC Air Traps

- HVAC air traps retrofit or maintenance to prevent air leakage from existing roof top units to provide energy savings.
- Action plan development in progress for IL TRM version 14 direct workpaper.

1167- Phase Change Ceiling Tile

Emerging technology and market transformation

- 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.
- ETP concluded data monitoring for the pilot and completed final data analysis for reporting.
- ETP is developing draft pilot project report.

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.
- The final project report is completed, and it is under legal review for publishing.

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.
- 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.

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.

ETP workpaper published in the Illinois Technical Reference Manual version 13 for the following emerging technologies.

1185- Commercial Secondary Windows

- Envelope retrofit technology in commercial buildings that improves thermal performance of poorly performing existing windows.

Emerging technology and market transformation

- 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 submitted the workpaper to be included in Illinois TRM v13.
- Illinois TRM v13 is currently published with the commercial secondary windows measure included in it.

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

Reports to be published on ETP website in Q3 2024 and their progress status are provided below.

#1119 Venturi Steam Trap Field Evaluation Study – Final report

ETP review is completed and is currently under legal review

#1123 Thermostatic Radiator Valves – Final report ETP review is completed and is currently under legal review

#1115 On Demand Boiler Array – Final report development in progress.

#1119 Venturi Steam Trap Field Evaluation Study – Final report ETP review is completed and is currently under legal review

#1166 Emerson Sensi Lab Study Memo Report - Final report internal review.

#1008 RE - Gradient Thermal- Final report internal review.

#1167 PCM ceiling Tile study – Draft report development in progress.

New ETP Applications

#1190 Efficient RTUs

RTUs integrated with cabinet insulation, low leakage dampers and energy recovery ventilators focused on commercial building applications to provide energy savings. ETP is currently reviewing the application for a pilot.

Market Transformation

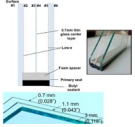


The MT program's goal is to accelerate the adoption of energy efficient products and/or services to maximize energy savings for Nicor Gas' Energy Efficiency Program. The MT program focuses on specific MT initiatives targeting technologies and services. This includes recruiting partners to bring these 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 3rd 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 presented on August 29, 2024, to the MT SAG Working Group related to the Residential Gas Heat Pump and Efficient Rooftop Units Natural Market

Emerging technology and market transformation

baselines for feedback. Guidehouse then presented the High-Performance Windows and Residential Gas Heat Pump Initiative theory based evaluation plans and methodologies for review as well. Guidehouse and Nicor Gas asked for comments and feedback from the MT Working Group to move forward to finalize these initiative documents. No external working group comments or additional feedback was provided for finalizing.

Emerging technology and market transformation

Market Transformation Initiative	Initiative Details	Utility Participation	2024 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, Nicor Gas</p>	<p>Engagement with NEEA and PAWS group to build coalition of market actors supporting advanced windows. Nicor Gas on leadership committee and chairing the Utility Working Group.</p> <p>High performance window measure incorporated into IL TRM for v13. Revised savings based off updated weather data provided by TAC.</p> <p>Natural market baseline and theory based evaluation plan presented and finalized with SAG MT Working Group.</p> <p>New construction windows pilot launched, layered into existing new construction program. Recruitment of builders underway.</p> <p>Scoping integration of a retrofit windows offering into Nicor Gas EE programs.</p>
<p>Codes Engagement Pilot</p>	<p>Codes Engagement Pilot is a small scale outreach and engagement pilot to partner with interested municipalities in communicating the value of codes and other Nicor Gas program offerings to meet municipality sustainability goals or policies.</p>	<p>Nicor Gas</p>	<p>Engagement plan underway, drafting collateral and talking points for Nicor Gas Community Affairs team.</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.</p> <p>Finalized logic model, market progress indicators.</p> <p>Finalized of natural market baseline with independent evaluators.</p> <p>Coordinating with GTI to interview contractors of pilot sites to leverage installs in IL.</p> <p>Pilot for small scale installations planned with a first to market manufacturer for residential sized GHPs. Participant interviews planned.</p> <p>Collaboration with operations teams on integrating program design recommendations for residential GHPs into 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. Participation in national committee hosted by CEE on revised product definition.</p> <p>IL market characterization research complete, defining existing and new replacement RTU market in Nicor Gas service territory.</p> <p>Regional coordination with CEE (MN), CalMTA, and NEEA.</p> <p>Finalized logic model and market progress indicators with SAG MT Working Group. Reviewed with independent evaluators.</p> <p>Finalized natural market baseline with SAG MT Working Group and evaluators.</p>

Administrative Flexibility

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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 Third Quarter's highlights.
- Please see the above section on the Third 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 Third 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

Stipulations

**Weighted Average
Measure Life**

13.17yrs

Stipulation: ≥ 11.91 years

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

9.06%

Stipulation: Minimum of 10%

**Average Income-Eligible
Spend to Date**

\$ 12.77M

Stipulation: At least \$13M per year

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

36.27%

Stipulation: At least 30% of units treated

Stipulations

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

\$18.19M

Tier 2 Diverse Spend

\$3.19M

% of Total Eligible Spend

87.5%

Key highlights

Total Diverse spend increased by \$5.43M in Q3 compared to Q2, reflecting a significant growth over the previous quarter.

Engaged 7 new non-profit vendors year-to-date, consisting of 6 primary vendors and 1 subsidiary vendor, contributing a \$124k increase in non-profit spend in Q3 over Q2.

Engaged 1 new prime MBE diverse vendor.

VENDOR TYPE	% SPEND	PRIME	SUB	TRADE ALLIES
MBE certified	12.6%	\$2,160,434	\$926,992	\$195,151
WBE certified	68.2%	\$14,585,015	\$2,080,195	\$3,176,654
VBE certified	3.9 %	\$965,467*	\$0	\$398,078
Non-profit vendors	2.7%	\$613,809	\$45,263	N/A

* The figure is inclusive of sub and prime spend.

Impact

Impact


\$ 276M+
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

 **240M+**
first year therms saved since
2011

Avoids more than 1.27M metric tons of
CO2 emissions

Equivalent to the CO2 emissions
generated by 302K passenger vehicles
over the course of a year

 **1.37M+**
customers in 643 communities
have participated

\$201 average incentive per customer

Engaged 219K elementary school
students in energy efficiency education

 **\$2.48B**
Economic activity spurred
since 2011

10.5K jobs supported since 2011

\$139M spent with diverse suppliers

\$910M wages supported since 2011

Awards and recognition

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

2024 ESource Achievements in Customer and Employee Experience – Silver Prize
Awarded for the Community Connection Center

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

Nicor Gas Company
Energy Efficiency Program – Plan Year 2024
Quarterly Report: Third Quarter

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

2024 ACEEE Leaders of the Pack – Low-income Households
Awarded for Illinois Home Energy Savings Solutions

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.