



Nicor Gas 2018-2021 IQ Plan

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Agenda

- Portfolio design objectives
- Nicor Gas portfolio structure
- Income Qualified program
- Desired outcome



Nicor Gas Portfolio Structure

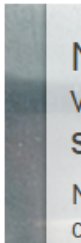


The proposed energy efficiency portfolio structure closely follow overall Marketing and Outreach strategy by grouping offerings into assessments, rebates and free products.



Home > Your home

- Assessments
- Rebates
- Free products
- Loans
- Free weatherization



Home > Your business

- Assessments
- Rebates
- Free products
- Loans
- Custom incentives



Portfolio Design Objective

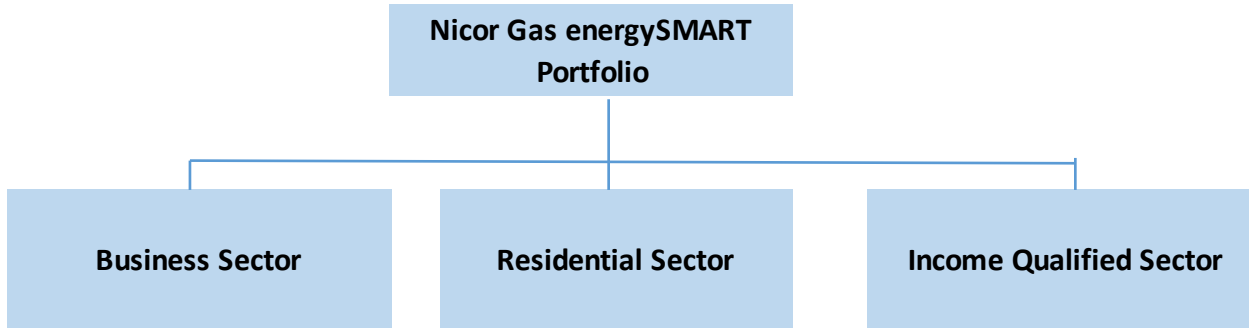


1. Budget
 - Do not exceed statutory budget
 - Size programs according to rate class contribution
2. Cost-effectiveness
 - Cost-effective portfolio
3. Savings
 - Annual and lifecycle savings
4. Fairness
 - Provide diverse cross section of opportunities
5. Market
 - Maintain stability for trade partners
6. Economic development
 - Increase economic activity in Illinois
7. Business Diversity

Nicor Gas Portfolio Structure Cont'd.



The offerings are further grouped to serve Business (commercial, industrial, public sector), Residential, and Income Qualified customers



Income Qualified Program and Offerings



Income Qualified Sector		
SF Weatherization & Retrofits	Public Housing Authority / Multifamily	Affordable New Construction
Air Sealing and Attic / Wall insulation	Living units assessments with DI (low flow, wraps, controls)	Rebates for developers of affordable housing
Smart T-stats	PHA building HVAC retrofit / maintenance rebates	
Assessments	Customized incentives - Building projects	
Space heating and water heating equipment installs		

Sector
Program
Key Measures

Income Qualified (IQ) Program



- The proposed Income Qualified program closely aligns with legacy DCEO offerings.
- The program includes energy efficiency opportunities for economically challenged customers through
 - Single family retrofits (Weatherization and mechanicals)
 - Public Housing Authority and Multi-Family (Living units DI and building retrofits)
 - Affordable New Housing development

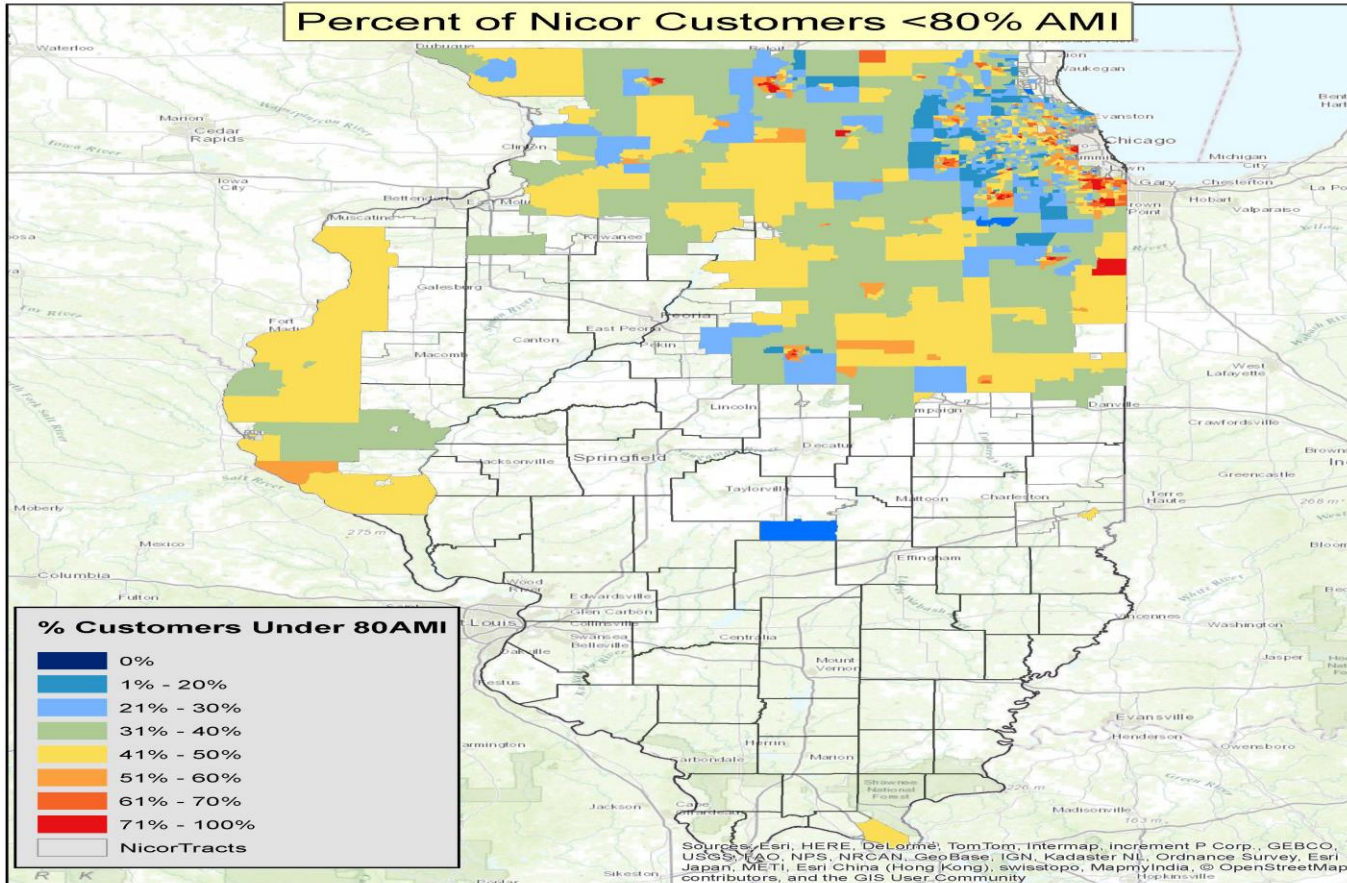
Income Qualified Market

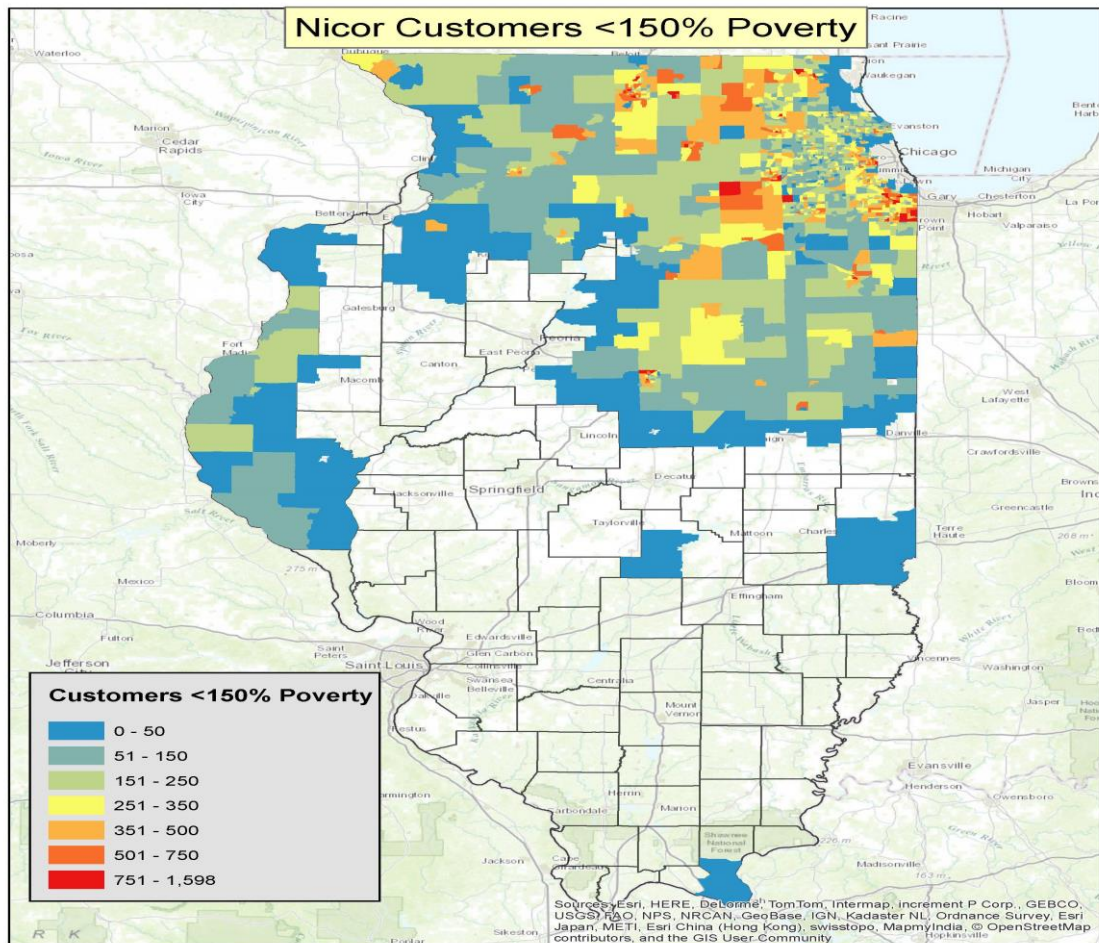


- Census analysis and energyENGINE data analysis show following customer distribution

Nicor Gas Residential Market	
Total Households/Accounts	~ 2 million accounts
Income Qualified Accounts <= 150% of poverty	~ 330 thousand accounts
% of Total Accounts	16%
Income Qualified Accounts <= 80 AMI of poverty	~ 800 thousand accounts
% of Total Accounts	39%

- Previous DCEO analysis showed ~42% households in Illinois at 80% AMI or below.





Income Qualified Program



- Program offers energy efficiency opportunities through following three offerings
 - Single Family Residential Retrofits
 - Offered jointly with Illinois Home Weatherization Assistance Program (IHWAP), in partnership with the local community action agencies
 - Providing comprehensive home retrofit services to income qualified customers up to 80% of AMI, including those customers above IHWAP eligibility limits
 - Public Housing Authority / Multifamily
 - Living units DI including pipe wraps, T-stats, low flow devices
 - Building HVAC, Envelope, Central plants and Control retrofits
 - Technical assistance to identify efficiency opportunities
 - New Construction
 - Incentives for developers of affordable new living spaces.
- Program will be delivered jointly with electric utilities and other relevant parties.

Desired Outcome

- Partnerships
- Feedback and information to better serve the IQ community
- Listen, learn and deliver services to all of our customers





QUESTIONS