

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

The Peoples Gas Light and Coke Company)	
)	
Petition Pursuant to Rider EEP)	Docket No. 11-
of Schedule of Rates for Gas)	
Service to Initiate a Proceeding to)	
Determine the Accuracy of the)	
Rider EEP Reconciliation Statement)	

Table of Contents

I.	DESCRIPTIONS OF PROGRAMS IMPLEMENTED	3
A.	Rebate Programs (RSG)	3
i.	Residential Prescriptive Rebate Program.....	3
ii.	Commercial and Industrial (C&I) Prescriptive Rebate Program	8
iii.	Marketing Efforts for Rebate Programs	13
B.	Multi-Family Low-Income Program (CNT Energy Savers)	14
C.	Whole Home Scale-Up Pilot Project	15
D.	Custom Program for Large Commercial and Industrial Customers (with ComEd).....	15
E.	Retro-Commissioning Program for Commercial and Industrial Customers (with ComEd) .	17
F.	Chicagoland Small Business Direct Install Pilot Program (Franklin Energy)	21
G.	Chicagoland Single Family Direct Install Pilot Program (Franklin Energy)	21
H.	Chicagoland Multi-Family Direct Install Pilot Program (Honeywell)	22
I.	Energy Action Network (CNT Energy)	23
J.	Air Sealing Pilot Program (Thermo-Scan Inspections, CNT Energy, Delta Institute)	23
II.	PERFORMANCE MODELING AND COST-EFFECTIVENESS CALCULATOR	25
III.	CONTRACT ADMINISTRATION	25
IV.	PGL PROGRAM MEASURES. RESULTS AND EXPENSES FOR PY3	26
V.	PGL CHICAGOLAND PERFORMANCE METRICS.....	27

List of Tables

Table 1:	Residential Measures and Rebates (PY3).....	4
Table 2:	Contractor Trainings and Participation (PY3)	6
Table 3:	Summary of Industry Outreach (PY3).....	7
Table 4:	C&I Prescriptive Rebate Program Measures and Rebates (PY3)	9
Table 5:	Contractor Training for C&I Prescriptive Rebate Program (PY3)	12
Table 6:	PGL Program Results and Expenses for PY3	26
Table 7:	Program Cost Effectiveness Ratios	27

I. **DESCRIPTIONS OF PROGRAMS IMPLEMENTED**

For Program Year 3 (PY3), the Chicagoland Program (“Chicagoland” or “Chicagoland Program”) offered the following programs:

- Rebate Programs
 - Residential Rebate
 - Commercial and Industrial (“C&I”) Prescriptive Rebates
- Multi-Family Low-Income Program (CNT Energy Savers)
- Whole Home Scale-Up Pilot Project
- Custom Program for Commercial and Industrial Customers
- Retro-Commissioning Program for Commercial and Industrial Customers
- Small Business Direct Install
- Single Family Direct Install
- Multi-Family Direct Install
- Energy Action Network
- Air Sealing Pilot

Each program is described further below.

A. **Rebate Programs (RSG)**

For PY3, the Chicagoland Program offered The Peoples Gas Light and Coke Company (“Peoples Gas” or “PGL”) residential market heating and home efficiency measures with rebates ranging from \$50 to \$850.

The Chicagoland Program continued its C&I Prescriptive Rebate Program including both prescriptive and custom rebates ranging from \$50 per unit for smaller systems and equipment up to \$4/MBTUH for larger systems and equipment.

i. **Residential Prescriptive Rebate Program**

Program Description

The Residential Prescriptive Rebate Program was a component of the Chicagoland Program and was continued from its original market

introduction on January 1, 2009. The program provided residential customers in Service Classification (“S.C.”) No.1 with incentives for installing residential high efficiency heating equipment including furnaces, boilers, and water heaters, and incentives for installing attic insulation. The purpose of the program was to stimulate customer awareness and demand for higher efficiency equipment, as well as to build contractor capabilities for selling and properly installing high efficiency equipment. The program was designed to serve as a catalyst for growing the energy efficiency market in the Peoples Gas service territory. Program participation and results for PY 3 are reflected in Table 6.

The Residential Prescriptive Rebate Program provided the following customer rebates for the installation of high efficiency equipment:

Table 1: Residential Measures and Rebates (PY3)

Effective Dates		7/1/2010 - 9/30/2010		10/1/2010 - 2/28/2011		3/1/2011- 5/31/2011	
Measure	Tier	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive
Boiler	1	90%-94.9% AFUE	\$350		*	*	\$500
	2	95% AFUE+	\$400		*	*	\$600
Furnace	1	92%-94.9% AFUE	\$200		*	*	\$350
	2	95% AFUE +	\$250		*	*	\$400
Insulation	Attic	R-38	75% of cost, up to \$750	*	60% of cost, up to \$850	*	75% of cost, up to \$850
Water Heater	Storage	0.62 EF +, ENERGY STAR	\$50		*		*

*No changes made from previous period.

Contractor Training

In addition to customer incentives, the program provided sales and technical training to Chicago-based contractors to build a local infrastructure of installers capable and willing to promote high efficiency equipment. This training benefited contractors by familiarizing them with effective sales tactics and quality installation techniques for high-efficiency equipment installations. Contractor trainings also encouraged participation in the Participating Energy Efficiency Contractor Network (“PEEC”) managed by the Midwest Energy Efficiency Alliance (“MEEA”).

The program leveraged PEEC to promote contractor participation, and continued to build an extensive contact list of contractors operating in the Chicagoland Program territory (including email addresses for more than 260 HVAC contractor companies and mailing addresses for more than 1,850 HVAC contractor companies). The contact list served as a mechanism to communicate upcoming product updates as well as marketing and training opportunities. The establishment of this contractor network provided ongoing value to Peoples Gas because it served as a cost-effective and sustainable tool for influencing and leveraging key market stakeholders. Outreach efforts to build and maintain the contractor network were a long-term investment, and will benefit programs serving the Peoples Gas territory moving forward.

Multiple-day, full-day, and half-day trainings were offered by the program. The program also offered a series of 2-hour trainings, named “Chicagoland Natural Gas Savings Program Breakfast Series.” Each training session opened with an introduction to the Chicagoland Program and information about how to participate.

The following training sessions were offered by the program during PY3:

- **Advanced HVAC Trainings:**

Presented by industry training experts including Energy Stewards International and the Building Science Academy, these workshops focused on selling and maximizing the efficiency of the entire heating system - beyond just the unit - through proven sales techniques and technical elements of quality installation and maintenance practices. The National

Comfort Institute (“NCI”) class qualified participants to take the Residential Air Balancing Certification exam. Advanced HVAC Trainings included:

- NCI Air Balancing Certification
- Outside the Box: Quality Installation and Sales
- Home Energy Seminar
- **Breakfast Series Trainings:**

Presented by various industry experts, including Brian Maloney from Resource Solutions Group and Alec Rexroat from the National Insulation Center, Breakfast Series trainings provided attendees with a 2-hour intensive training on high efficiency topics. Breakfast Series trainings included:

- Reducing Callbacks with Quality Installations
- Selling High Efficiency Furnace Systems
- The Power of Insulation
- Thermal Imaging – Beyond the Visual

Table 2: Contractor Trainings and Participation (PY3)

Date	Training	# of Participants
July 8-9, 2010	Outside the Box: Quality Installation and Sales	17
September 9, 2010	Reducing Callbacks with Quality Installations	14
September 24, 2010	Selling High Efficiency Furnace Systems	17
September 24-25, 2010	NCI Air Balancing Certification	14
October 14, 2010	The Power of Insulation	8
February 21, 2011	Home Energy Seminar	25

Date	Training	# of Participants
February 24-25, 2011	NCI Air Balancing Certification	14
March 3, 2011	Thermal Imaging – Beyond the Visual	12
Total Participants		121

Industry Outreach

For this phase of the Chicagoland Program, industry outreach included aggressive outreach to the supply chain, including contractors, distributors, manufacturers, retailers, and trade associations. The following industry outreach activities occurred in PY3:

Table 3: Summary of Industry Outreach (PY3)

Industry Actor	Activities
Contractors	<ul style="list-style-type: none"> • Meetings, Presentations, Phone calls, Direct Mail, and Emails to 2,181 contractors • Monthly email communications to over 260 contractors
Distributors	<ul style="list-style-type: none"> • Direct engagement of 6 key distributors, including TEC, Illco, and GW Berkheimer • Presentations for Territory Managers and Dealer workshops
Manufacturers	<ul style="list-style-type: none"> • Engagement of insulation manufacturers including Certainteed and Owens-Corning • Engagement of furnace manufacturers, including Lennox, Carrier, and Goodman • Engagement of water heater manufacturers, including Bradford White, Kenmore, and A.O. Smith

Industry Actor	Activities
Retailers	<ul style="list-style-type: none"> • In-store promotions with Sears and Home Depot • Marketing through Lowes and Menards
Trade Associations	<ul style="list-style-type: none"> • Contractor training partnerships with Air Conditioning Contractors of America (ACCA) Illinois Chapter • Email blast through Heating, Air Conditioning and Refrigeration Distributors International (“HARDI”) • Presentations for Illinois Plumbing-Heating-Cooling Contractors (ILPHCC)

ii. **Commercial and Industrial (C&I) Prescriptive Rebate Program**

Program Description

A new C&I Prescriptive Rebate Program was a component of the Chicagoland Program

The C&I Prescriptive Rebate Program provided S.C. No. 2 customers with rebates for the installation of high efficiency furnaces and boilers, water heaters, commercial kitchen measures, pool and spa equipment, and insulation sold and installed through contractors in the Peoples Gas service territory. The program also offered custom rebates for special projects. The purpose of the program was to stimulate customer awareness and demand for higher efficiency equipment, as well as to build contractor capabilities for selling and properly installing high efficiency equipment. The program was also designed to serve as a catalyst for growing the energy efficiency market in the Peoples Gas service territory. Program participation and results for PY3 are reflected in Table 6.

The program offered the following C&I Rebates to S.C. No. 2 customers (see Table 4):

Table 4: C&I Prescriptive Rebate Program Measures and Rebates (PY3)

Effective Dates	7/1/2010-8/14/2010		8/15/2010-8/18/2010		8/19/2010-11/15/2010 (application post-marked by 12/15/10)		11/16/2010- 2/28/2011		3/1/2011-5/31/2011		
	Measure	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive
Small Water Heater	0.62 EF or greater	\$ 50	*		*		*		*		
Large Water Heater	88% TE +, 75 MBtuh + Input Capacity	\$ 150	88% TE +, 75 MBtuh + Input Capacity	\$ 200	*		88% TE +, 75 MBtuh + Input Capacity	\$ 150	*		
Furnace	92 - 94.9% AFUE, ENERGY STAR, 60-140 MBtuh	\$ 200	*		*		*		*		
Furnace	95% AFUE +, ENERGY STAR, 60-140 MBtuh	\$ 250	95% AFUE +, ENERGY STAR, 60-140 MBtuh	\$ 500	*		95% AFUE +, ENERGY STAR, 60-140 MBtuh	\$ 250	*		
Water Boiler	Thermal Efficiency > 84% and an Input Capacity between 75 - 2,500 MBtuh	\$2/MBtuh	*		*		*		*		
Water Boiler	85% TE +, 300-3,000 MBtuh Input Capacity	\$2/MBtuh	*		*		*		*		
Water Boiler	90% TE +, 300-3,000 MBtuh	\$4/MBtuh	*		*		*		*		
Boiler Controls – Auto-Reset Control	Automatic control, resulting in 10°F + Output Temperature Range, on boiler with 100 MBtuh + Input Capacity	\$ 250	Automatic control, resulting in 10°F + Output Temperature Range, on boiler with 100 MBtuh + Input Capacity	\$ 425	*		Automatic control, resulting in 10°F + Output Temperature Range, on boiler with 100 MBtuh + Input Capacity	\$ 250	*		
Steam Traps	Must replace existing, failed steam trap	\$ 50	Must replace existing, failed steam trap	\$ 55	*		Must replace existing, failed steam trap	\$ 50	*		
Boiler Tune-Up	Program Protocols in place	\$350/boiler	Program Protocols in place	\$455/boiler	*		Program Protocols in place	\$350/boiler	*		

Effective Dates	7/1/2010-8/14/2010		8/15/2010-8/18/2010		8/19/2010-11/15/2010 (application post-marked by 12/15/10)		11/16/2010- 2/28/2011		3/1/2011-5/31/2011	
Measure	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive
Steam Pipe Insulation – 1” Thickness	<15 psig, 200 - 250°F	\$3/lf	<15 psig, 200 - 250°F	\$12/lf	*		<15 psig, 200 - 250°F	\$3/lf	*	
Steam Pipe Insulation – 2” Thickness	<15 psig, 200 - 250°F	\$4/lf	<15 psig, 200 - 250°F	\$14/lf	*		<15 psig, 200 - 250°F	\$4/lf	*	
Hot Water Pipe Insulation – 1”Thickness	120 - 200°F	\$2/lf	*		*		*		*	
Hot Water Pipe Insulation – 2” Thickness	120 - 200°F	\$3/lf	*		*		*		*	
Roof/Ceiling Insulation	Pre-existing R-11 or less, upgraded to R-30+	\$0.15/sf	Pre-existing R-11 or less, upgraded to R-30+	\$1.20/sf	Pre-existing R-11 or less, upgraded to R-30+	\$0.50/sf	Pre-existing R-11 or less, upgraded to R-30+	\$0.15/sf	*	\$0.50/sf
Low-Flow Sprayer	Pre-Rinse Sprayer, Flowrate of 1.25 gpm or less at 60 psi	\$ 25	Pre-Rinse Sprayer, Flowrate of 1.25 gpm or less at 60 psi	\$ 40	*		Pre-Rinse Sprayer, Flowrate of 1.25 gpm or less at 60 psi	\$ 25	*	
Steamer	Cooking Efficiency, ENERGY STAR 38%	\$ 750	*		*		*		*	
Convection Oven	40% + Cooking Efficiency, ENERGY STAR	\$ 500	*		*		*		*	
Small Conveyor Oven (conveyor width 25” or less)	42% + Cooking Efficiency, 29,000 Btu/hr or less Idle Energy Consumption Rate	\$500/deck	*		*		*		*	
Large Conveyor Oven (conveyor width 25” +)	42% + Cooking Efficiency, 57,000 Btu/hr or less Idle Energy Consumption Rate	\$750/deck	42% + Cooking Efficiency, 57,000 Btu/hr or less Idle Energy Consumption Rate	\$ 1,500	*		42% + Cooking Efficiency, 57,000 Btu/hr or less Idle Energy Consumption Rate	\$750/deck	*	

Effective Dates	7/1/2010-8/14/2010		8/15/2010-8/18/2010		8/19/2010-11/15/2010 (application post-marked by 12/15/10)		11/16/2010- 2/28/2011		3/1/2011-5/31/2011	
Measure	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive	Efficiency Standard	Incentive
Vat Fryer	50% + Cooking Efficiency, ENERGY STAR	\$500/vat	50% + Cooking Efficiency, ENERGY STAR	\$750/vat	*		50% + Cooking Efficiency, ENERGY STAR	\$500/vat	*	
Commercial Pool and Spa Covers	2 + R-value, new material, commercial-use outdoor and heated pools or spas	\$0.75/sf	*		*		*		*	
Commercial Pool and Spa Heaters	84% + TE, 2,500 or less Input Capacity, new heater replacing existing gas-fired heater	\$2/MBtuh	*		*		*		*	

*Did not change from previous period

Program Participation

Program participation and results for PY3 are reflected in Table 6.

Contractor Training

The program provided an advanced HVAC Certification training for non-residential contractors, and a series of “Breakfast Series” 2-hour to 4-hour technical training sessions. Each training session opened with an overview of the Chicagoland Program.

Table 5: Contractor Training for C&I Prescriptive Rebate Program (PY3)

Date	Training	# of Participants
September 9, 2010	Steam System Efficiency	7
September 30, 2010	Selling High Efficiency Furnace Systems	21
October 14, 2010	The Power of Insulation	8
October 28, 2010	Building a Sustainable Commercial Kitchen	11
November 11, 2010	Opportunities for Efficient Boiler Plant Design	14
February 26, 2011	NCI Light Commercial Air Balancing Certification	14
March 3, 2011	Boiler Tune-Up Refresher Course	32
March 10, 2011	Parallel Positioning Systems	20
Total Participants		127

Industry Outreach

The program conducted outreach to contractors, distributors, manufacturers, trade associations, and large commercial customers. Contacts included:

- Green Chicago Restaurant Coop
- American Society of Heating, Refrigeration and Air Conditioning Engineers (“ASHRAE”)
- HARDI
- American Institute of Architects
- Merchandise Mart
- Chicago Public Schools
- Hill Mechanical
- Murphy & Miller

iii. Marketing Efforts for Rebate Programs

In addition to periodic utility bill inserts, the program’s marketing strategy relied on the following elements:

- Utility Website: There was a very visible and direct link to the program website from the utility website (www.chicagolandrebates.com).
- Program Website: The program maintained a dedicated website, www.chicagolandrebates.com. The website provided program details and requirements, marketing materials, downloadable rebate applications and allowed customers to utilize an optional online application system. The website contained portals for residential customers and contractors, as well as non-residential customers and contractors.
- Trade Allies: The program engaged trade allies, including contractors, distributors, manufacturers, and retailers, on a regular basis through meetings, presentations, phone calls, and email communications. To deepen its relationship with trade allies, the program offered cooperative marketing opportunities to top-producing contractors – allowing them to leverage the program’s brand, messaging, and cost sharing. In addition, the program offered an “instant discount” option for heating measures, by which customers could select on their rebate application to sign over their rebate check directly to their contractor, in exchange for their contractor deducting the rebate amount from the total invoice amount.

- Industry Groups: The program built relationships with industry groups to gain access to additional trade allies and promote current offerings. Industry groups contacted included (but are not limited to) the following:
 - ASHRAE
 - American Society of Plumbing Engineers (Chicago & Central Illinois Chapters)
 - Building Green Chicago
 - American Society of Sanitary Engineers (Chicago & Central Illinois Chapters)
 - Chicagoland Better Heating-Cooling Council
 - Illinois Association of Plumbing, Heating & Cooling Contractors
 - Midwest Distributors Association
 - Plumbing & Mechanical Contractors Association of Northern Illinois
 - Sheet Metal & Air Conditioning Contractors National Association
 - North American Insulation Manufacturers Association
- Public Relations: For PY3, the program implemented a customer public relations campaign, including 4 press releases, engagement of Richard Dent as a celebrity spokesperson, and newspaper advertorials. The public relations campaign was largely successful and drove record numbers of website traffic.
- Program Collateral: The program created fact sheets, direct mail pieces, and collateral to inform customers and contractors about the program and direct traffic to the program website.

B. Multi-Family Low-Income Program (CNT Energy Savers)

The Multi-Family Low-Income Program leveraged the Center for Neighborhood Technology (“CNT”) Energy Savers Program as a one-stop energy efficiency shop that combines technical and financial assistance for residential buildings. Through the Chicagoland Program, CNT expanded its Energy Savers Program to provide additional energy efficiency retrofits in multi-family buildings of five units or more in PGL’s service territory. CNT received \$500 per customer for Audit Services and post-installation inspections. Retrofits included furnaces, boilers, heating system controls and air sealing and insulation as-needed. The goal of this program was an annual reduction in natural gas usage of 200 - 300 therms per housing unit.

Program participation and results for PY3 are reflected in Table 6.

C. Whole Home Scale-Up Pilot Project

The Whole Home Scale-up Pilot Project assessed the feasibility and scalability of whole home retrofits in PGL's territory. The pilot program was a collaborative effort with Commonwealth Edison Company ("ComEd"), the Department of Commerce and Economic Opportunity ("DCEO"), CNT, the Historic Chicago Bungalow Association ("HCBA"), Delta Institute, Community and Economic Development Association ("CEDA") and others. The objectives of the program included:

- Identifying the proper cost-effective energy savings target for PGL territory housing stock;
- Developing a model for co-funding and collaborating on efficiency using separate gas and electric funding sources;
- Identifying barriers to large-scale residential retrofits of PGL territory housing stock and propose solutions for overcoming those barriers.

The energy savings for the measures in these projects were modeled by energy analysts who audited the individual buildings. The actual energy savings will be calculated by comparing natural gas usage before and after the retrofits. Program participation is and results for PY3 are reflected in Table 6.

D. Custom Program for Large Commercial and Industrial Customers (with ComEd)

The Chicagoland Commercial and Industrial Customized Program provided incentives to participants who installed energy efficient equipment to replace old, inefficient equipment. A project may consist of the retrofit of existing equipment/systems associated with same or increased load. Facilities that installed energy-saving natural gas equipment were provided incentives of \$1.00/therm up to \$50,000 based on the projected and verified annual therm savings that were achieved. Additionally, incentives were only paid for energy savings above and beyond minimum federal- and state-mandated energy efficiency performance standards. In the absence of specific government standards for a particular measure, current industry practices or other engineering models were used to establish baseline performance.

Chicagoland's Custom program was co-delivered with ComEd's Smart Ideas Custom Program. The goal of this co-delivery effort was to minimize program

administrative costs and streamline customer contacts by partnering with ComEd in the delivery of the program to customers who are shared by both the gas and electric utilities.

Under the program, customers signed a Customer Application that identified and described the eligible projects, associated annual therm savings and incentive amounts. Chicagoland program staff reviewed all proposed natural gas projects and associated savings before projects were undertaken. ComEd and its implementation contractor, KEMA, then managed the progress of the projects until they were completed and verified. Chicagoland paid incentives for the natural gas portions of the projects once they were installed and operating. The Custom Program process flow diagram is shown in Figure 1.

For ComEd's administration of the Custom Program, Peoples Gas was billed for time spent promoting, reviewing, and processing program applications. Additionally, any materials costs and other expenses incurred in processing Chicagoland Custom applications were also billed. Administration costs for ComEd's time and materials were capped at 35% of the amount of the co-funding agreement. Finally, ComEd was reimbursed for all natural gas related incentive payments to program participants.

The Custom program was designed to encourage customers to implement energy-efficiency measures for their unique operations where measure-level savings varied based on site-specific conditions. To qualify for custom incentives, a business must have been a valid Peoples Gas S.C. No. 2 customer, submitted an application for pre-approval, provided technical specifications, and provided a detailed project scope and forecasted energy savings estimates. Each application was thoroughly reviewed to validate the assumptions used to ensure that the savings estimates were accurate and reasonable based on sound engineering principles.

The program was offered through an existing network of trade allies knowledgeable about the program and familiar with customer processes and end-uses. To encourage additional participation, vendors were offered a "Trade Ally Bonus" for successful projects completed under the program during PY3.

Program participation and results for PY3 are reflected in Table 6**Error!**
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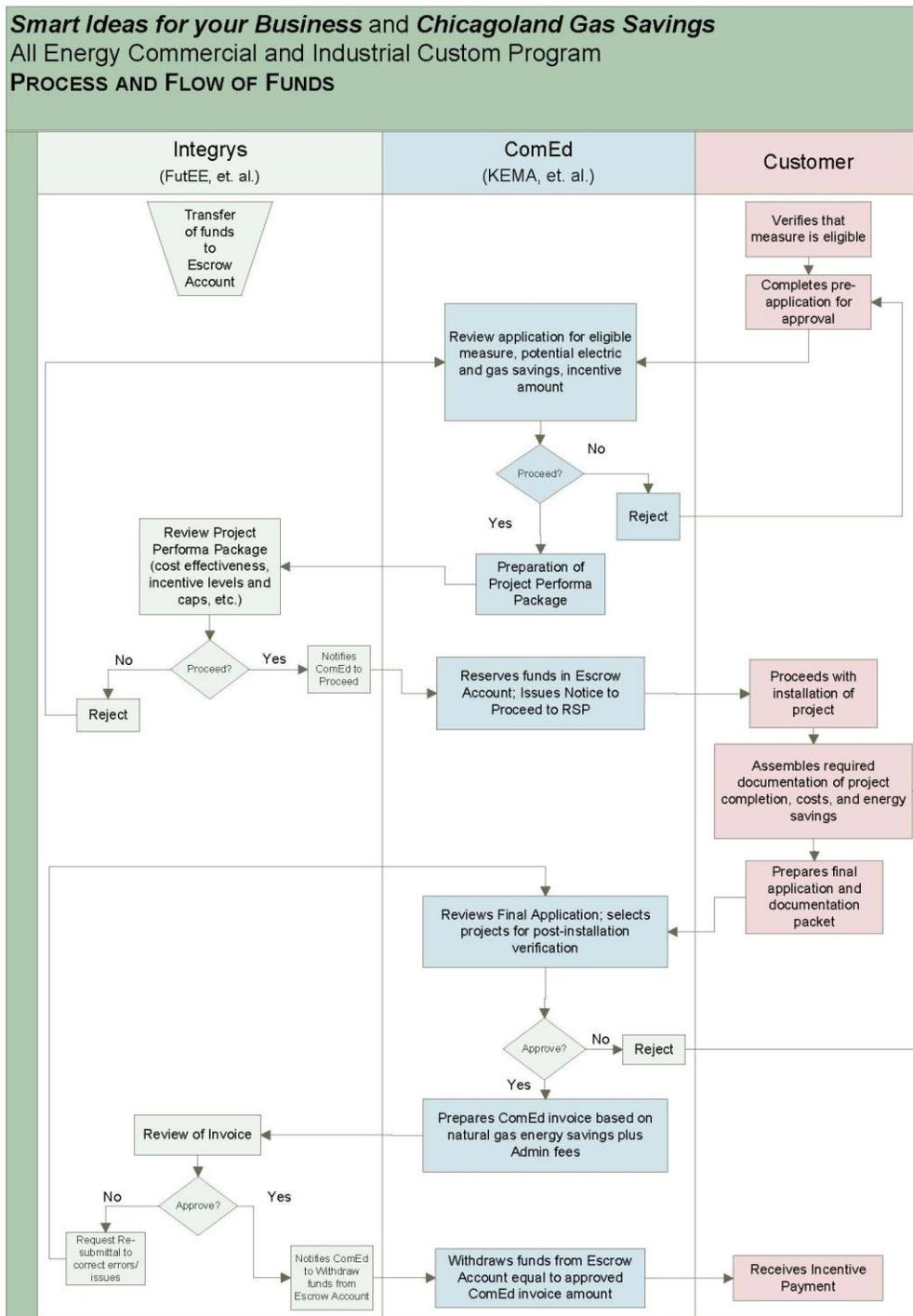


Figure 1: Chicagoland/ComEd Custom Program - Application Process Flow

E. Retro-Commissioning Program for Commercial and Industrial Customers (with ComEd)

Retrocommissioning (“RCx”) is a systematic process for identifying less-than-optimal performance in an existing facility’s equipment and control systems and

making system changes or enhancements to save energy and cost. Whereas retrofitting involves replacing outdated equipment, RCx primarily focuses on improving the performance and efficiency of the equipment and/or control systems already in place.

Chicagoland's RCx program was co-delivered with the ComEd Smart Ideas RCx Program. Under the program, the RCx Service Providers ("RSPs") provided comprehensive services to customers who had eligible natural gas RCx projects. Participating customers signed a Customer Application that identified and described the eligible projects, associated savings and payment to the RSP for their analysis and implementation services. Chicagoland staff reviewed all proposed natural gas projects and associated annual therms savings forecasted before projects were undertaken. ComEd and its implementation contractor, Nexant, then managed the performance of the RSPs to complete the approved RCx projects. At the end of the Verification Phase of each project, the gas and electric energy savings were calculated using a common unit of energy such as kBtus. Chicagoland reimbursed Smart Ideas a portion of the RSP fees proportional to the natural gas savings.

The RCx Program was a "service-incentive" program. This meant the fully funded cost of the RCx analysis and implementation technical assistance was the "incentive" to the customer. For the program, the RCx services were conducted exclusively by pre-approved service providers.

The program covered RCx service costs at 100% for a program service provider to investigate and identify savings opportunities if the measures were implemented by the approved deadline for the completion of the project. For projects that were not completed within this timeline, the customer was expected to reimburse the program for the full cost of any completed RCx planning costs, program-funded investigation activities, and verification report costs. During the program, participants completed all required actions so that no reimbursements were required.

Program participants were expected to cover the costs associated with contracting or arranging for the implementation of recommended measures, attending meetings, and assisting RSPs in acquiring facility information. No additional incentives were available to participants through this program. However, if energy efficiency measures were identified that were beyond the scope of the RCx Program (i.e., retrofit projects), the customer were permitted to qualify those measures through Chicagoland's Prescriptive rebate or Custom programs. The RCx Program process flow diagram is shown in Figure 2.

Program participation and results for PY3 are reflected in Table 6.

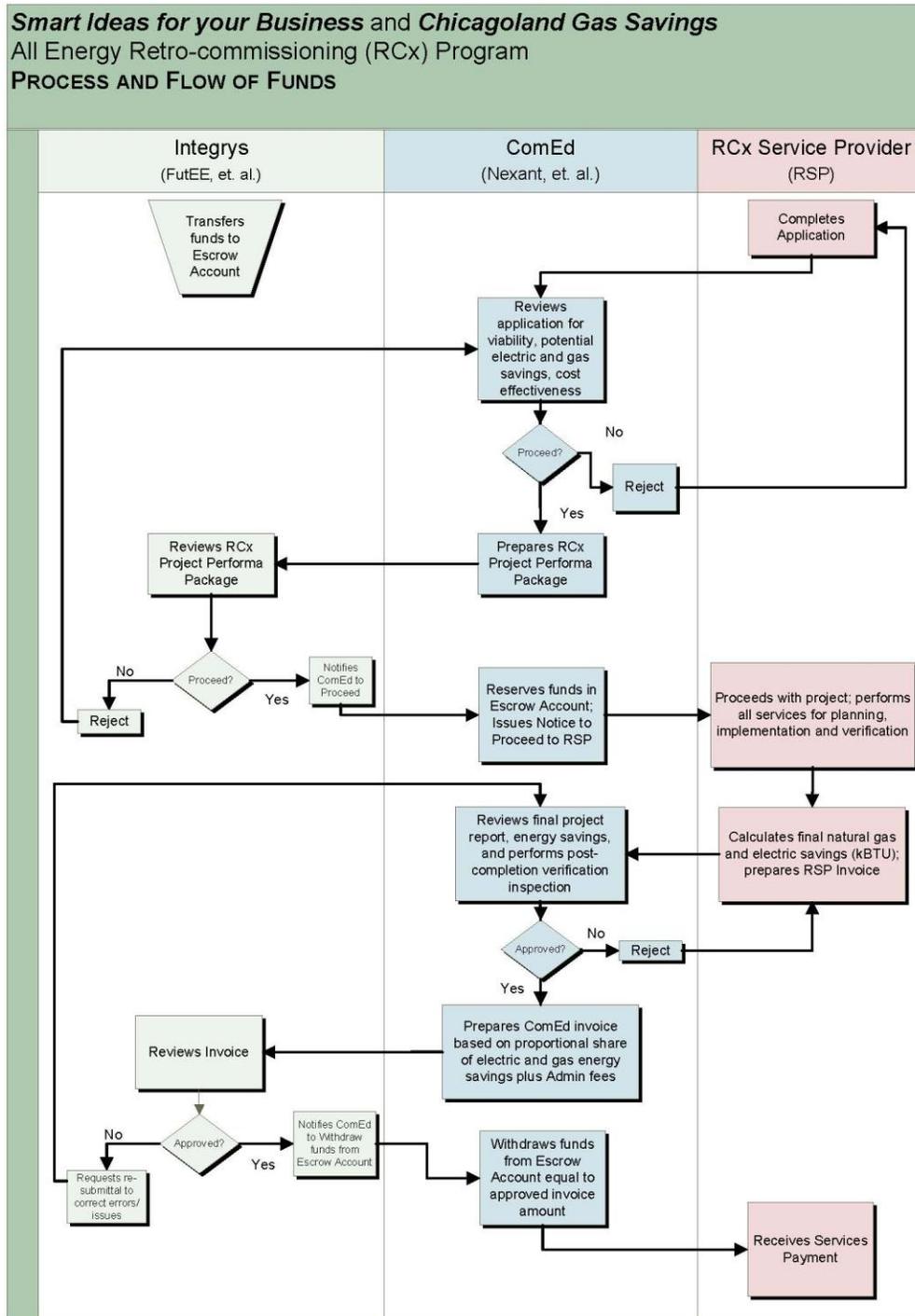


Figure 2: Chicagoland/ComEd RCx Program - Application Process Flow

F. Chicagoland Small Business Direct Install Pilot Program (Franklin Energy)

The Small Business Energy Efficiency Services (SBEES) Pilot was a trial program to gather information on customer, trade ally and upstream actor behaviors in this hard-to-reach market. The primary objective of the pilot was to discover market and behavioral information which would help shape the scope and parameters of a full scale small business program to be launched for compliance with Section 8-104 of the Public Utilities Act. ComEd and Peoples Gas co-funded a small business pilot in Chicago. The outcome served as the basis for a joint full scale program to begin on June, 2011, serving small businesses in the combined service territories.

The SBEES Pilot included the following measures:

- Furnace and Boiler Tune-ups
- Boiler Reset Controls
- Faucet aerators
- Low-flow showerheads
- Pre-rinse spray nozzles
- Programmable thermostats
- Steam trap repairs

Program participation and results for PY3 are reflected in Table 6.

G. Chicagoland Single Family Direct Install Pilot Program (Franklin Energy)

The Single-Family Direct Install Program was delivered to qualifying Peoples Gas and ComEd customers. This pilot program sought to achieve efficiency while piloting co-delivery of gas and electric measures, testing different marketing and outreach approaches, and compiling data on Chicago housing stock. The measures included compact fluorescent lights, low-flow showerheads and faucet aerators.

The major achievement of the pilot was the success of community outreach efforts. Program participation grew sharply through March, April, and May, which resulted in a sharp increase in incoming calls to Franklin Energy's call center (totaling 11,884 calls over the duration of the pilot), installation scheduling and

forecasting challenges, and a short-term requirement for increased field technicians. However, in spite of these challenges, a favorable average customer service rating of 4.86 out of 5 was achieved, indicating high levels of customer satisfaction.

Program participation and results for PY3 are reflected in Table 6.

H. Chicagoland Multi-Family Direct Install Pilot Program (Honeywell)

The Chicagoland Gas/ComEd Multi-Family Direct Install program sought to offer free installation of energy efficient measures for reducing energy and water use. The original unit goal for November 2010 through April 2011 was 6,500 units. The goal was increased and time frame extended to 7,080 units and May 2011 respectively, based on additional funds available.

Honeywell Utility Solutions (Honeywell) served as the implementation contractor and was responsible for completing direct installations at properties and buildings enrolled. In addition, common area lighting audits and building information surveys were completed as lead generating activities for other Chicagoland Gas and ComEd commercial rebate/retrofit programs.

Enrollment efforts first targeted property management companies in an effort to secure agreement to treat multiple properties through a single point of contact before targeting owners and managers of individual properties.

Each participant that received direct installation measures were Peoples Gas S.C. No. 2 customers. Additionally, each building purchased electricity from ComEd. Buildings with 8 or more units were targeted, with a heavy emphasis on larger buildings (50 units or more). This targeted strategy provided the higher availability of units towards the overall program goal.

Direct installation of energy efficient measures that reduced natural gas consumption included:

- Low-flow Shower Heads, 1.5 GPM
- Low-flow Swivel Kitchen Aerators, 1.5 GPM
- Low-flow Bathroom Aerators, 1.0 GPM

All low-flow water measures were provided by Honeywell for installation. All CFLs were supplied by ComEd and shipped to Honeywell's warehousing facility.

Program participation and results for PY3 are reflected in Table 6.

I. Energy Action Network (CNT Energy)

The objective of this program was to retrofit Energy Action Network (EAN) sites with specific measure approved by the Chicagoland Governance Board. The program had three major goals:

1. The complete list of measures to be installed had a per site cap of \$22,000;
2. The total program retrofits costs were not-to-exceed \$180,000; and
3. Achieve annual savings across all EAN sites of 51,000 therms based on analysis of each site's pre- and post-installation natural gas usage.

The EAN Program targeted commercial buildings that house the administration staffs of the Federal Low Income Home Energy Assistance Program (LIHEAP). The program was intended to retrofit EAN sites with cost-effective measures approved by the Chicagoland Governance Board. An additional outcome was the education of EAN workers and LIHEAP participants about the benefits of energy efficiency, thus increasing uptake in the Weatherization Assistance Program and other Chicagoland residential and small business programs.

Eighteen (18) sites were identified for the program. Seventeen (17) out of eighteen (18) sites completed the paperwork needed to participate in the program. Sixteen (16) sites had pre-radon testing done. Four (4) of these had radon levels above 2.5 picocuries per liter (pCi/L) so did not qualify for the program. Thirteen (13) sites qualified for work to be done based on submitting the required paperwork and also meeting pre-radon requirements of the program. Energy assessments for all 13 sites that qualified were completed, scopes of work were developed and bids for this work were obtained.

Program participation and expenditures for PY3 are reflected in Table 6.

J. Air Sealing Pilot Program (Thermo-Scan Inspections, CNT Energy, Delta Institute)

To increase the energy efficiency of residential homes through the promotion of proper air-sealing, the Air Sealing Pilot Program sought to increase the practice of home air-sealing as a strategy to improve the overall energy efficiency of single family homes (S.C. No.1 customers) and multi-family (MF) dwellings up to 2 units (S.C. No. 1 customers) built prior to 1980. In addition to properly sealing

these units against infiltration losses, the program also sought to increase awareness of improved comfort, and cross-promote other energy efficiency measures. To participate, customers were required to use program-approved contractor to perform air sealing measures.

Additional program requirements for customers included:

1. A working carbon monoxide detectors; and
2. Pre-existing radon levels that does not exceed 2.5 pCi/l (determined by a certified radon inspector).

Post-installation inspections were also completed to make sure that radon levels did not exceed the established level following air-sealing of the unit. To date, three dwellings have post-installation levels greater than 4 pCi/L. These customers are being offered radon mitigation services.

To promote the program, contractors that perform quality air-sealing as a stand-alone measure or as part of a suite of measures designed to improve the integrity of the building envelope were recruited. These air-sealing contractors were trained on the merits of the program.

All participating homeowners received the radon test and blower door results.

Customers who decided to implement air sealing measures were eligible for program incentives of 85% of the measure cost up to \$1,000 towards the total cost of air sealing, and were also eligible for Chicagoland's attic insulation rebate. Homeowners were required to use an installation contractor participating in PEEC.

Program participation for PY3 and is reflected in Table 6 End-use billing analysis is being used to determine actual therm savings.

II. PERFORMANCE MODELING AND COST-EFFECTIVENESS CALCULATOR

The “DSM Cost-Effectiveness Calculator” was developed by Green Energy Economics Group to screen the individual energy efficiency measures. The cost effectiveness calculator used local avoided cost data and produced both the Total Resource Cost (“TRC”) test and Program Administrator Cost (“PAC”) test results.

III. CONTRACT ADMINISTRATION

The Chicagoland Program was administered by an independent third-party contract administrator, Future Energy Enterprises, LLC. Responsibilities of that role included:

- Technical support regarding performance of natural gas energy efficiency programs
- Assist the Governance Board in setting program goals, performance criteria and budgets
- Help draft requests for proposals and contracts
- Approve program spending and invoices

Contract Administration costs were limited to no more than 5% of the annual program budget.

V. PGL CHICAGOLAND PERFORMANCE METRICS

The Chicagoland Governance Board established goals and performance metrics for the Chicagoland portfolio. The goals and performance metrics were as follows:

Goals: The portfolio shall be designed to accomplish the following objectives:

- i. Cost-effectiveness for mainstream programs not targeting low-and moderate income, pilot/innovative programs, education/marketing/outreach programs, start-up costs
- ii. Program best practices
- iii. Develop local jobs and infrastructure
- iv. Encourage Woman-Minority Business Enterprise (WMBE) participation

Performance Criteria: The following criteria shall be used to measure the portfolio performance after the first year and each year thereafter:

- i. Cost-Effectiveness – not including programs targeting low and moderate income customers, planning/start-up costs, pilot/innovative programs, education/marketing/outreach programs
- ii. Number of customers served
- iii. Savings achieved
- iv. Number of local vendors trained and participating

The performance of the portfolio relative to goals is described further below:

1. Cost-effectiveness

Based on deemed savings and costs, the program cost-effectiveness of the rebate programs (including both the high-efficiency furnace/boiler and retailer programs) is:

Table 7: Program Cost Effectiveness Ratios

Program	TRC	PAC
Residential Rebate Program	1.80	3.21
C&I Prescriptive Rebate Program	5.05	6.82
Custom Rebate Program	1.40	2.33
RCx Program	1.40	2.33

Program	TRC	PAC
SF Direct Install Program	4.04	4.04
MF Direct Install Program	4.02	4.02
Small Business Direct Install Program	1.45	1.50
Air Sealing Pilot	2.05	2.44

2. Program Best Practices

In developing the rebate programs designs for the Residential Rebate Program, the team reviewed and considered programs from over half a dozen Midwestern jurisdictions as it finalized measures and incentive levels for its rebate programs.

3. Local Jobs and Infrastructure

Chicagoland was implemented by local vendors and national vendors that have established local offices, including Resource Solutions Group, CNT Energy, HCBA, Delta Institute, MEEA, Franklin Energy and Honeywell.

4. Customers Served

Portfolio participation continued to increase over the two previous years. See Table 6 for individual program participation rates.