



**Rider 30 Nicor Gas Energy Efficiency Program
Summary Plan Year 1
(June 1, 2011 - May 31, 2012)**

August 20, 2012

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Program Summary ⁽¹⁾

Introduction

Nicor Gas managed 14 distinct and unique energy efficiency programs during Plan Year 1 (“PY1”); June 1, 2011 through May 31, 2012; as part of its Energy Efficiency Program (“EEP”). The table below provides a summary of the regulatory and marketing names for each of these programs categorized by those that address the residential, business and emerging technology customer markets. Contained within this report are more detailed descriptions of each of these programs along with a summary of activity for each program during PY1.

Programs offered jointly with Commonwealth Edison (“ComEd”) have joint program management and shared budgets. Programs offered cooperatively are managed solely by Nicor Gas, but coordinated, when appropriate, with program management staff for similar programs at ComEd.

Energy Efficiency Programs

Program	Regulatory Name	Marketing Name	Commonwealth Edison’s Role
Residential Programs			
1	Heating & Appliance Incentive	Home Energy Efficiency Rebates	Cooperative
2	Single Family Retrofit	Home Energy Savings	Joint
3	Multi-Family Retrofit	Multi-Family Home Energy Savings	Joint
4	New Construction	Residential New Construction	Joint
5	Elementary Energy Education	Think! Energy	Joint
6	Behavioral Energy Savings Pilot	Energy Buzz	Cooperative

(1) All discussion, descriptions, analyses and results presented in this document represents Nicor Gas’ energy efficiency program efforts and don’t reflect the efforts expended by the Department of Commerce and Economic Opportunity (“DCEO”).

Program Summary ⁽¹⁾

Business Programs			Commonwealth Edison's Role
7	Business Incentive	Business Energy Efficiency Rebates	Cooperative
8	Custom Business	Business Custom Incentives	Cooperative
9	Economic Redevelopment	Economic Redevelopment	Cooperative
10	Retro-Commissioning	Retro-Commissioning	Joint
11	Small Business Direct Install	Small Business Energy Services	Joint
12	Business New Construction	Business New Construction	Joint
13	Building Performance with ENERGY STAR	Building Performance with ENERGY STAR	Cooperative

Emerging Technology Program			Commonwealth Edison's Role
14	Emerging Technology	NA	Cooperative

Nicor Gas' EEP is actively pursuing opportunities to work together with other entities to further promote its programs and benefit its customers. In addition to our ongoing joint collaboration on eight energy efficiency programs with ComEd, Nicor Gas has also reached out to Energy Impact Illinois (EI2) and other utilities and municipalities to work together to best utilize available EI2 funds to help promote retrofits and other residential energy-saving measures for homeowners in northern Illinois.

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Program Summary ⁽¹⁾

The efforts with EI2 have helped develop new program delivery ideas that were implemented in July 2012 to provide a quick deployment of available dollars to the residential market by leveraging the existing utility delivery infrastructure, minimizing additional administrative overhead, and maximizing existing trade ally relationships to allow rapid uptake of the enhanced offerings. Nicor Gas is optimistic that these activities will incent and generate momentum in the home retrofit market to propel the utility programs forward beyond the EI2 grant period in May 2013.

Nicor Gas is also coordinating efforts with IMEA (Illinois Municipal Electric Agency) and DCEO (Department of Commerce & Economic Opportunity) to promote joint residential programs in non-ComEd service territories (i.e., Naperville, Batavia, Geneva, Rochelle, St. Charles). The DCEO Energy Efficiency Trust Fund has available monies for residential programs that can provide funding for electrical measures and costs. Proposed residential programs include the Home Energy Savings, Multi-Family Home Energy Savings, and Complete Systems Replacement. A complete system replacement consists of replacing the complete central heating and cooling system in the home with select high-efficiency equipment. The IMEA/DCEO funding will support all electric savings costs for these programs Nicor Gas otherwise offers with ComEd in the other portions of the service territory.

Net Therm Energy Savings

During PY1, Nicor Gas' EEP achieved approximately 83% of its program year net therm savings goal. Approximately 5,666,000 net therms were saved through residential and business programs compared to the goal filing of 6,836,000 therms; approximately 83% of planned goal. Performance fell short of expectations due to the late start-ups of programs resulting from the short-time period between Illinois Commerce Commission approval and the start of PY1. The following table illustrates therms saved by both the residential and business programs compared to goal.

- (1) All discussion, descriptions, analyses and results presented in this document represents Nicor Gas' energy efficiency program efforts and don't reflect the efforts expended by the Department of Commerce and Economic Opportunity ("DCEO").

Program Summary ⁽¹⁾

Energy Savings (Net Therms)			
Program	Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
Residential	2,671,977	3,642,608	73.4%
Business	2,993,753	3,193,551	93.7%
Total	5,665,730	6,836,159	82.9%

EEP Revenues and Expenses

During PY1, Nicor Gas' EEP collected from residential and business customers approximately \$31,767,641 and spent approximately \$25,883,143; resulting in an over-collect of \$5,883,498. The table below illustrates revenues, expenses and revenue to be recovered or refunded by residential and non-residential rate classes.

EEP Revenues and Expenses (\$) ⁽²⁾				
Description	Residential	Small Non-Residential ⁽³⁾	Large Non-Residential ⁽⁴⁾	Total
Revenue	\$17,538,645	\$10,530,814	\$3,697,182	\$31,766,641
Expenses ⁽⁵⁾	\$12,598,610	\$9,713,240	\$3,571,293	\$25,883,143
Revenue to be Recovered or (Refunded)	\$(4,940,035)	\$(817,574)	\$(125,889)	\$(5,883,498)

- (1) Energy Savings (Net Therms) represent Nicor Gas' energy efficiency program efforts and don't reflect the efforts expended by the Department of Commerce and Economic Opportunity ("DCEO").
- (2) EEP Revenues and Expenses include the efforts expended by the Department of Commerce and Economic Opportunity ("DCEO").
- (3) Small non-residential customers are defined as customers receiving utility service under Nicor Gas rates 4, 5, 74 and 75.
- (4) Large non-residential customers are defined as customers receiving utility service under Nicor Gas rates 6, 7, 17, 19, 76 and 77.
- (5) Includes on bill financing expenses.

Heating & Appliance Incentives (Home Energy Efficiency Rebates)

Objective

Produce long-term natural gas energy savings in the residential sector by promoting the purchase and installation of high-efficiency space and water-heating equipment and other targeted prescriptive cost-effective measures by customers who would not have done so in the absence of the program. The program's goal is to encourage customers who are planning to purchase the targeted equipment to upgrade to high-efficiency units or measures.

Program Description

The program is managed by Resource Solutions Group ("RSG") as the implementation contractor and operated independently (but cooperatively) with ComEd. The program evolved from a similar pilot program offered under Rider 29.

The program influences the purchase and installation of high-efficiency space heating and water-heating technologies through a combination of market push and pull strategies. These efforts stimulate demand, while simultaneously increasing market provider investment in stocking and promoting high-efficiency products.

The program promotes high-efficiency natural gas furnaces and boilers using a tiered approach (furnaces at 92%/95% AFUE and boilers at 90%/95% AFUE).

The program began offering a joint measure with ComEd, the Complete System Replacement rebate, on January 23, 2012. This effort offers additional rebates to residential, joint customers of Nicor Gas and ComEd who install a qualified furnace and air conditioner at the same time. The goal of this offering is to increase program participation for both utilities during the "off-seasons" when customers are installing the coordinating unit (i.e. increasing air conditioner sales in the winter when customers are installing furnaces).

The target market for this program is residential customers who are planning to install new natural gas furnaces, boilers, and/or water-heating equipment. Products installed in new and existing single-family homes and multi-family dwellings of three units or less will be eligible for incentives. Individually metered multi-family dwellings containing four units or more will also be considered.

Implementation Strategy

Overall Strategy

The driving force behind the program strategy is effective outreach to market actors (e.g., trade allies) and to communities to support and increase their engagement in the program. The Heating & Appliance Incentives program relies on these market actors to promote and deliver the program to Nicor Gas' end use customers. The program builds upon the strong

Heating & Appliance Incentives (Home Energy Efficiency Rebates)

relationships that were developed during the pilot year of the program (Rider 29) and there will be a strong focus on continuous monitoring of the market and market responses to our outreach efforts. Enhancements to the strategy are made as needed depending upon the responses received. Not only is this monitoring process critical to the success of the program, but it will augment quality assurance and ensure a clear, concise message to the market.

Incentives Offered		
Measure	Minimum Eligibility Requirements	Incentive
Storage Water Heater	.67 energy factor	\$200
Furnace, Tier 1	92% - 94.9% AFUE	\$200
Furnace, Tier II	95%+ AFUE	\$250
Boiler, Tier 1	90% - 94.9% AFUE	\$350
Boiler, Tier II	95%+ AFUE	\$450

Plan Year 1 Results

Heating and Appliance Incentives Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
1,213,672	1,459,670	83.2%

Single-Family Retrofit Program (Home Energy Savings)

Objective

Generate residential natural gas and electricity savings by offering homeowners instant savings measures installed at the time of a home energy audit, and incentivized weatherization measures completed by participating subcontractors, while preparing the market for a home performance contracting model in the future.

Program Description

The program is operated jointly with ComEd, and managed by Conservation Services Group (“CSG”) as the implementation contractor. The program evolved from a similar pilot program offered under Rider 29, although that program was managed by a different implementation contractor team.

CSG energy advisors conduct comprehensive audits that include the use of infrared cameras, boroscopes, and combustion safety testing to assess air sealing and insulation opportunities. The typical audit cost \$99; however, the price was reduced to \$49 for the months of April and May 2012 as a promotional incentive to customers. As a result of the discounted audit cost, higher volumes were achieved in May and June. This momentum, combined with supplemental weatherization rebates through the EI2 grant which began in July and extremely high levels of customer satisfaction, should help the future performance for this program.

Building Performance Institute (“BPI”) certified energy advisors will install compact fluorescent lamps (“CFLs”), high efficiency aerators and showerheads, hot water pipe wrap, and water heater temperature turn-down free of charge, and offer a reduced price programmable thermostat replacement during the audit. Customers are eligible for insulation, air sealing, and duct sealing incentives for 50% of the cost of the work up to a total of \$1,250. All work is installed by BPI certified CSG subcontractors, which allows CSG energy advisors to offer homeowners firm weatherization pricing at the time of the audit, and also allows CSG to charge participants prices net of utility incentive payments (rather than requiring full customer payment lowered by utility rebates after the fact).

All Nicor Gas and ComEd single-family space heat customers are eligible for audits and weatherization work, except Nicor Gas customers served by municipal electricity utilities at this time.

Implementation Strategy

Overall Strategy

The transition to CSG provided a seamless transition from the Rider 29 pilot to the Single-Family Retrofit Program. CSG maintained relationships developed with contractors under the Rider 29 program, as well as conducting outreach to attract additional contractors. BPI certification is required as a condition for contractor participation in the program. Marketing has

Single-Family Retrofit Program (Home Energy Savings)

targeted gas space heat and central air conditioning customers to optimize energy savings for both Nicor Gas and ComEd. Marketing efforts occur in intervals to create consistent, growing demand without causing customer backlogs. The audit generates instant energy savings through the installation of energy efficiency measures, and customers are incentivized to contract for weatherization measures for deeper savings. To ensure quality, roughly 15% of weatherization work is subject to field inspections.

Measures

Measure	Eligibility Requirements	Incentive
Programmable Thermostat	Non-programmable thermostat	50% of unit cost
Faucet Aerator (Kitchen)	Existing aerator > 1.5 gal/minute	Installed as part of the \$99 audit fee
Faucet Aerator (Bath)	Existing aerator > 1.0 gal/minute	
High Efficiency Showerhead	Existing showerhead > 1.5 gal/minute	
Hot Water Pipe Insulation	Pipe insulation not present	
Hot Water Temp Turndown	Set above 120 degrees	
9 watt CFL	40 w incandescent replacement	
14 watt CFL	60 w incandescent replacement	
19 watt CFL	75 w incandescent replacement	
23 watt CFL	100 w incandescent replacement	
Weatherization job*		
*Includes: Air Sealing, Duct Insulation and Sealing, Attic Insulation, Wall and Basement Insulation, and Floor Insulation installed to BPI standards		

Single-Family Retrofit Program (Home Energy Savings)

Plan Year 1 Results

Single-Family Retrofit Program Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
111,334	220,725	50.4%

Multi-Family Retrofit Program (Multi-Family Home Energy Savings)

Objective

The program seeks to reduce the consumption of natural gas through the direct installation of measures, adjustment of water heaters and education of residents in multi-family housing units.

Program Description

The Multi-Family Retrofit program approved by the Illinois Commerce Commission as part of Nicor Gas' EEP operates under the marketing name of Multi-Family Home Energy Savings Program. The program is jointly operated by Nicor Gas and ComEd. The program is designed to affect the installation of low-flow water fixtures (i.e., showerheads and faucet aerators) and adjust the temperature setting of hot water heaters in multi-family units to substantially reduce the consumption of hot water and thus reduce natural gas use for water heating. The program also calls for the installation of programmable setback thermostats to capture home heating savings.

The Program is intended to offer property owners FREE turnkey services for reducing energy and water use in natural gas master-metered living units (i.e., Rate 4 commercial), as well as to help residents reduce energy and water use in natural gas individually-metered units (i.e., Rate 1 residential).

Honeywell Smart Grid Solutions ("Honeywell") serves as the implementation contractor and is responsible for installing low-flow water-saving devices in individual living units at no cost to the property manager or tenant, including 1.5 GPM massage showerheads, 1.5 GPM kitchen faucet aerators, 1.0 GPM bathroom faucet aerators and programmable setback thermostats, as well as turning back DHW temperatures where applicable. Honeywell, under a separate contract with ComEd, will also install up to six CFLs in each unit.

Honeywell also identifies comprehensive savings opportunities for common areas and central plants, and transfers all applicable leads primarily to the small business implementation contractor – Nexant, or other implementation contractors as appropriate. These highly effective measures include boiler tune-ups, boiler controls, steam traps for centrally heated buildings, as well as lighting retrofits. Rebates and savings from the lighting and central plant opportunities will be delivered and tracked through other programs, including the Heating and Appliance Incentive, Business Incentives, Custom Business, and Small Business Direct Install programs.

Multi-Family Retrofit Program (Multi-Family Home Energy Savings)

Measures

Measure	Eligibility Requirements	Incentive
Low-Flow Shower Head	Must have existing higher GPM equipment to receive installation (i.e., 2.5 GPM)	Installed free of charge
Low-Flow Swivel Aerator	Must have existing higher GPM equipment to receive installation (i.e., 2.0 GPM)	Installed free of charge
Low-Flow Fixed Aerator	Must have existing higher GPM equipment to receive installation (i.e., 1.5 GPM)	Installed free of charge
DWH Temperature Setback	If current temperature is set higher than 130 degrees Fahrenheit and if customer approves setback	Setback free of charge
Programmable Thermostat	Must have existing non-programmable thermostat	Installed free of charge

Plan Year 1 Results

Multi-Family Retrofit Program Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
969,107	1,415,925	68.4%

Residential New Construction Program

Objective

To increase the energy efficiency of newly constructed single-family homes beyond current building codes.

Program Description

Homebuilders and qualified Home Energy Raters (“HERS”) work together to build homes in Illinois that are safer, more comfortable, more durable, and more energy efficient than homes built to the current state building code International Energy Conservation Code 2009 (“IECC 2009”).

The program provides Cash-Back Rewards for builders and incentives to Residential Energy Services Network (“RESNET”) accredited HERS Raters as a means to not only promote energy efficient new construction, but also accelerate the adoption of new technologies.

METHODOLOGY

- Use actual modeled savings, not deemed
- Calculations are confidential and proprietary and not to be shared
- Calculations are built into the database and occur live time

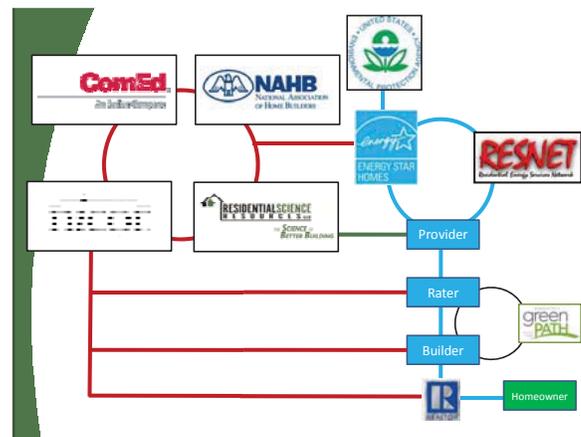




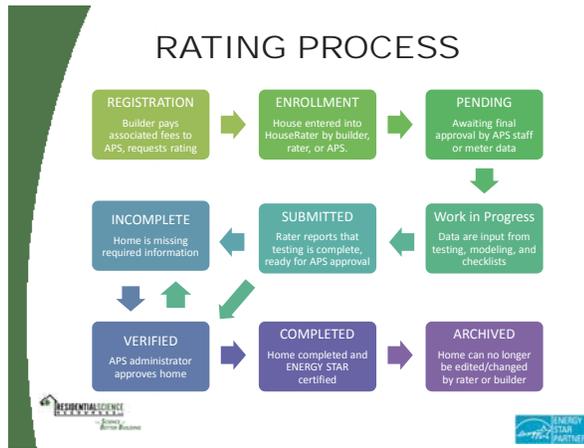

The Residential New Construction Program (“RNCP”) is jointly offered by Nicor Gas and ComEd as there is potential for this program to benefit both gas and electric customers. This program uses a whole house approach to capture both gas and electric savings.

Implementation Strategy

The implementation Contractor, Residential Science Resources, LLC (“RSR”) builds upon the existing framework of Nicor Gas and ComEd (“the utilities”) and the local market to successfully develop and implement RNCP, using strategies designed to increase the penetration of the initiative by focusing on the HERS Rater network, Home Builders, and other interested and necessary parties. Additionally, RSR will coordinate with the program administrator, utilities and other interested parties such as the Northern Illinois Home Builders Association (“NIHBA”). The implementation contractor performs the recruiting, training, and contracting of local HERS Raters by demonstrating the value of the program and the associated benefits, while showcasing the brand reputation that the utilities have to offer. This program is offered jointly with ComEd.



Residential New Construction Program



RSR uses its proprietary software, called HouseRater®, to efficiently and effectively track all data input by field Raters. HouseRater also generates status reports and provides up-to-date details on progress and completions.

The software is also used to schedule site visits, track participation, energy savings, and generate monthly reports. The Raters upload data directly into HouseRater via pdf reports created in the REM/Rate® energy modeling software. The information from the reports is read straight from the pdfs, thus greatly reducing the time to enter

the data and the process ensures 100% accuracy of reports.

All pertinent information is made accessible to the appropriate parties based on user permission and roles. Billing reports are generated and used to capture energy savings data to manage and determine rebate payments.

Incentives

Measure	Builder Incentive Nicor Gas	Rater Incentive Nicor Gas	Total Incentive
10% or more Efficient than Code	\$500	\$300	\$800

Plan Year 1 Results

The RNCP was under development during the majority of PY1 and launched in May of 2012. Therefore, no energy savings were captured during PY1.

The planned term goal as filed was 22,938. Energy savings goals, participation goals and remaining budget from PY1 were transferred to PY2.

Residential New Construction Program Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
0	22,938	0.0%

Elementary Energy Education Program (Think! Energy)

Objective

Utilizing an interactive education program delivered through Illinois schools, the objective of the Elementary Energy Education Program is to promote the more efficient and wise use of natural gas in Nicor Gas-serviced households, and produce long-term natural gas energy savings, both through the direct installation of home water savings devices and through behavior modification of household occupants.

Program Description

The Elementary Energy Education Program trains and motivates students to take specific actions to make their homes more energy efficient in the use of natural gas. National Energy Foundation (“NEF”) serves as implementation contractor, responsible for all aspects of program design, marketing, and delivery.

The program’s pedagogical foundation is based on the following sequence: 1) teaching students to truly “think!” about energy - learning where it comes from, why we need it, and how we can use it more efficiently; 2) encouraging them to “talk!” about energy, with class members, teachers, their broader community, and ultimately members of their own families; and 3) motivating them to “take action!” about the energy use in their own lives, and in the lives of their family members. The program facilitates the most important “take action!” step by providing high quality energy efficiency hardware for installation in their homes.

The target market for the program includes Nicor Gas-territory schools, teachers, students, and families. Based on connections to the Illinois state learning standards, the specific grade level target for the program is 5th grade. In terms of generating natural gas energy savings from the program, the households of individual students are the key audience, in terms of both installations of devices and behavior modification.

Key features of the Elementary Energy Education Program include a school presentation delivery methodology, the provision of energy efficiency kits for participating students and teachers, and a rigorous data collection and tracking process used in compiling, analyzing, and reporting estimated natural gas energy savings that accrue due to program implementation.

Implementation Strategy

Process Flow

The primary delivery mechanism for the program is a series of approximately 100 to 120 school presentations - presented in elementary, intermediate, and/or middle schools located in the Nicor Gas service territory. Through these presentations, the program is intended to reach 10,000 total participants (including students and teachers), with an approximate distribution of 25 students per teacher. The program focuses on natural gas-related energy efficiency.

Elementary Energy Education Program (Think! Energy)

Measures

Measure	Eligibility Requirements	Incentive
Low-flow shower head ⁽¹⁾	2.0 gpm	Free
Kitchen faucet aerator	1.5 gpm	Free
Bathroom faucet aerator	1.0 gpm	Free
CFLs (for joint-branded kits)	14-watt	Free

The above measures are considered to be “eligible measures” because NEF attributes therm (and kWh) savings to these devices when they have been installed. Additional measures in the kit that can have an impact on behavior changes in the home (and potentially create additional energy savings) include a shower timer and a digital refrigerator thermometer.

Plan Year 1 Results

Elementary Energy Education Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
377,865	138,600	272.6%
Participants Reached		
Participants Reached	Planned Goals as Filed	Plan Year Percentage Achieved
9,972	10,000	99.7%

¹ The showerhead in the program is rated at 2.0 gpm, based on 80 psi water pressure. Lab tests conducted by Navigant Consulting, however, found that actual flows at 45 psi water pressure – the estimated pressure in the Nicor Gas service territory – are closer to 1.5 gpm. (See “Final Results of Faucet Aerator and Showerhead Tests, June 4, 2012).

Behavior Energy Savings Pilot Program - Energy Buzz

Nicor Gas will launch its Behavioral Energy Savings Pilot Program “Energy Buzz” in August of Plan Year 2 (“PY2”). The following sections represent the program to date. There were no therm savings planned for PY1 for the Behavior Energy Savings Pilot Program.

Objective

The objectives of the Behavioral Energy Savings Pilot Program are:

- To give Nicor Gas customers a fun, interactive and user-friendly experience by connecting or competing with friends and groups to start a conversation about energy and their home’s usage.
- To use the MyEnergy platform as a tool to track usage after an audit or implementing energy efficiency measures.
- To reward behavior changes with a simple point-redemption process.
- To encourage participation in other Nicor Gas energy efficiency programs.

Program Description

The Behavioral Energy Savings Pilot Program is designed to produce energy savings through customer engagement and behavioral change strategies. Nicor Gas customers will track their energy use by logging on to myenergy.com – a website that retrieves utility data and gives participants a unique opportunity to learn about their energy use by interacting in a fun, educational and rewarding platform. Once enrolled in the program, customers will be able to invite friends to participate or join “teams” to compare usage categorized by location or group participation. Tips and incentives will be listed on the site to encourage energy-saving activities. The system provides participants with monthly feedback relative to how their current consumption compares to prior year consumption. If participant energy use is lowered, customers will accumulate points that can later be redeemed for rewards provided by recruited businesses.

Implementation Strategy

Overall Strategy

CSG and its subcontractor, MyEnergy, will implement a customer engagement program (Pilot) for Nicor Gas customers designed to produce energy savings through behavioral change strategies outlined below. This approach involves various marketing strategies and techniques intended to enroll Nicor Gas customers in the MyEnergy platform. Once enrolled, customers are provided monthly feedback relative to how their current consumption compares to prior year consumption on both a raw and a weather-adjusted basis. A series of rewards will be available to participants based upon the amount of points they accrue due to lowering natural gas consumption on a year-over-year basis that result from energy efficiency actions taken.

Behavior Energy Savings Pilot Program – Energy Buzz

Participants will also receive monthly “tips” on how they can reduce their energy usage, including lifestyle changes and direct actions that may or may not include participation in other Behavior Energy Savings Pilot Program – Energy Nicor Gas energy efficiency programs and other available programs. Upon completion of specific tips or participation in other programs, MyEnergy will continue to engage customers in order to maximize short- and long-term operations and maintenance savings.

Plan Year 1 Results

Behavior Energy Savings Pilot Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
0	384,750	0.0%

Other Partnership Efforts

To develop interest and momentum for Nicor Gas’ EEP and the behavior program, partnerships with local sports teams were developed. In April of 2012, the *Take the Pledge* Challenge was launched with the Chicago Fire Soccer Club (“the Fire”). In addition, general awareness about Nicor Gas’ EEP was broadened with an alliance with the Kane County Cougars baseball team.

The Take the Pledge Challenge is a marketing campaign used to engage Chicago Fire soccer fans to encourage energy efficient behavior. Soccer fans, in the Nicor Gas territory, pledge to do three to five simple tasks to save energy. By signing up on the MyEnergy platform, these customers are eligible for a drawing to win Chicago Fire merchandise or tickets. The program hopes to determine if a sports team’s involvement with a program can influence the fan’s interest in the program.

The Kane County Cougars baseball team (“Cougars”) is another way of interacting with sports fans in the surrounding Nicor Gas service territory. Besides providing an opportunity to promote Nicor Gas EEP, the team will also help launch the EnergyBuzz behavior program.

Behavior Energy Savings Pilot Program – Energy Buzz

Both the Fire and Cougars provide different demographics of residential customers (their fans) and are both targeting residential customers in the Nicor Gas territory. The Fire fan base includes 1.2 million self-proclaimed soccer fans with over 600,000 soccer participants (age 6+), with a diverse fan base 46% Hispanic and 42% non-Hispanic origin. The Fire also includes engagement with youth soccer programs that engage over 15,000 youth soccer players. The Cougars have attracted an average annual attendance of 500,000 fans for the past 10 years, and provide a significantly different demographic from the Fire fans. Responses from fans to both pilots will be important to help develop and guide the program outreach in PY2 And beyond.

In addition to these direct customer facing outreach efforts through the Fire and Cougars, the EEP Implementation Contractors were engaged to create a business-facing relationship with companies who are partners or support the Fire and Cougars. This business facing effort includes building awareness with companies about the EEP Business Programs, how they can participate, and where they can further promote the EEP among their employees.

In these efforts through the Fire and Cougars, the EEP provides both a residential customer and business customer facing opportunity to participate in the behavior change programs, as well as create leads and projects in the business programs serving as an acquisition channel for all customer target audiences.

Business Incentives (Business Energy Efficiency Rebate); Business Custom (Business Custom Incentives)

Objective

Produce long-term natural gas energy savings in the business sector by promoting the purchase and installation of targeted prescriptive cost-effective and custom measures by customers who are planning to purchase equipment, but would not have upgraded to high-efficiency equipment in the absence of the program.

Program Description

These programs are managed by RSG as the implementation contractor and operate independently from (but cooperatively with) ComEd.

The energy efficiency rebate component influences the purchase and installation of high-efficiency space heating and water heating technologies, food service technologies, as well as other prescriptive cost-effective measures through a combination of market push and pull strategies. These efforts stimulate demand, while simultaneously increasing market provider investment in stocking and promoting high efficiency products. The Business Custom program influences the purchase and installation of ad hoc, non-prescriptive high-efficiency measures through a similar strategy.

When appropriate, the Business Incentives program promotes equipment, such as high-efficiency natural gas furnaces and boilers, using a tiered approach (90 – 92 – 95% AFUE). Boiler measures are divided into hydronic, condensing, and steam boilers of varying size categories. Also included as prescriptive measures are boiler tune-ups, boiler reset controls, steam traps, programmable thermostats, high-efficiency spray valves, infrared heaters, water heaters, unit heaters, pool covers, pipe insulation and an assortment of food service equipment. Custom incentives round out the program measure portfolio.

The target market for this program is business customers who are planning to replace equipment in their existing business, and customers doing major renovations or new construction. Products installed in businesses, other than those public customers served by DCEO, are eligible for incentives.

Implementation Strategy

Overall Strategy

The driving force behind the execution strategy is effective outreach to market actors (e.g., trade allies and business trade associations) and to communities that support and increase their engagement in these programs. These business programs rely on market actors to promote and deliver the program to Nicor Gas' end-use customers.

**Business Incentives (Business Energy Efficiency Rebate);
 Business Custom (Business Custom Incentives)**

These programs build upon the strong relationships that have developed during the pilot year (Rider 29) and there is continued focus on monitoring of the market and market responses to outreach efforts. Enhancements to the strategy are made as needed depending upon the responses received. Not only is this monitoring process critical to the success of the program but it also augments quality assurance and ensures a clear, concise message to the market. A trade ally outreach plan was developed around this strategy as well as a trade ally management plan that outlines program participation requirements and procedures.

Incentives

Measure	Minimum Eligibility Requirements	Unit of Measure	Incentive
Boiler Reset Control (retrofit)		Unit	\$50
Boiler Tune-up		Unit	\$350
Boiler, Condensing -<300	90% AFUE	Unit	\$500
Boiler, Condensing -<500	90% AFUE	Unit	\$1,500
Boiler, Condensing -<1000	90% AFUE	Unit	\$2,500
Boiler, Condensing -<1700	90% AFUE	Unit	\$5,000
Boiler, Condensing -<2000	90% AFUE	Unit	\$7,500
Boiler, Hydronic -<300	85% AFUE	Unit	\$400
Boiler, Hydronic -<500	85% AFUE	Unit	\$1,000
Boiler, Hydronic -<1000	85% AFUE	Unit	\$1,250
Boiler, Hydronic -<1700	85% AFUE	Unit	\$1,750
Boiler, Hydronic -<2000	85% AFUE	Unit	\$2,500
Boiler, Steam -<300	85% AFUE	Unit	\$75
Boiler, Steam -<500	80% AFUE	Unit	\$100
Boiler, Steam -<1000	80% AFUE	Unit	\$175

Measure	Minimum Eligibility Requirements	Unit of Measure	Incentive
Boiler, Steam <1700	80% AFUE	Unit	\$325
Boiler, Steam <2000	80% AFUE	Unit	\$450
Boiler combined with DWH	90% Boiler	Unit	\$1,600
Combined Oven, HE		Unit	\$500
Steamer – Commercial	E>38%	Unit	\$1,000
Condensing Unit Heaters		Unit	\$200
Oven - Convection	E>40%, Energy Star	Unit	\$500
Fryer	E>50%, Energy Star	Unit	\$500
Furnaces – Tier 1	92% AFUE	Unit	\$200
Furnaces Tier 2	95% AFUE	Unit	\$250
Griddle	Energy Star	Unit	\$250
Infrared Charbroiler		Unit	\$500
Infrared Heaters		Unit	\$700
Infrared Rotisserie		Unit	\$500
Infrared Salamander Broiler		Unit	\$500
Infrared Upright Broiler		Unit	\$500
Large Conveyor Oven >=25", HE		Unit	\$500
Pasta Cooker		Unit	\$200
Pipe Insulation – Indoor HPS 1"		Linear Foot	\$4
Pipe Insulation – Outdoor HPS 2"		Linear Foot	\$8
Programmable Thermostat		Unit	\$50

Measure	Minimum Eligibility Requirements	Unit of Measure	Incentive
Rack Oven/Double Oven, HE		Unit	\$1,400
Spray Valves, HE		Unit	\$25
Steam Trap – Industrial, HP		Unit	\$200
Steam Trap – Industrial, LP		Unit	\$150
Steam Trap, Commercial		Unit	\$50
Swimming Pool/Spa Covers - Indoor		Square Foot	\$1
Swimming Pool/Spa Covers - Outdoor		Square Foot	\$1
Water Heater, Storage	0.67 EF	Unit	\$200
Water Heaters, Condensing	88% TE	Unit	\$150

Plan Year 1 Results

Business Energy Efficiency Rebate Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
1,391,566	991,607	140.3%

Business Custom Incentive Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
1,297,904	1,122,250	115.7%

Economic Redevelopment

Objective

The primary objective of the Economic Redevelopment Program is to target existing facilities and properties undergoing major renovation in established “redevelopment areas” and ensure that they incorporate energy efficiency measures into the renovation process. The program provides enhanced incentives to render energy efficiency projects more affordable within economically challenged communities.

Program Description

The program provides financial incentives to customers who implement energy efficiency measures in renovation projects conducted in economically challenged regions. Incentives are more generous than those established in Nicor Gas’ other programs for similar efficiency improvements. By providing increased resources to facilitate energy efficiency improvements in those projects that may be marginal financially, Nicor Gas can realize gas energy efficiency opportunities that otherwise would be lost for decades, while creating a positive impact in the community. By working with Chambers of Commerce, economic redevelopment organizations, non-profit organizations, private development corporations, and other businesses, the program leverages energy efficiency funds with other investments that are being made for community improvement purposes. The program also works with community based and not-for-profit organizations to increase the energy efficiency of their facilities and reduce their energy cost burden, allowing the organizations to devote more of their resources to providing essential community services.

Funding focuses on projects that demonstrate a strong positive community impact, including:

- Brown-field site rehabilitation;
- Job creation;
- Provide housing solutions;
- Other projects integral to providing community based programs

Implementation Strategy

Overall Strategy

The implementation contractor for the program is Energy Center of Wisconsin (“ECW”). Program participants are required to complete an application, which includes the following:

- Description of the redevelopment project;
- Names and background of the sponsoring organizations;
- List of other funding sources;
- Estimated cost of project
- Estimate of project schedule, and how the project will provide a strong positive community impact.

Economic Redevelopment

Applications for program funding are individually validated and assessed. Once the application is reviewed and the organization is considered a viable candidate, a more detailed energy analysis is conducted of the proposed project and the entire building to identify other energy savings opportunities that might exist. The results of this assessment is documented in a report that includes a list of energy efficiency measures, total installation costs, annual energy costs, annual energy savings and simple payback.

Nicor Gas coordinates with ComEd and, if appropriate, municipal electric utilities serving joint customers to ensure that a comprehensive review of buildings occur and that energy efficiency opportunities across all fuels are identified.

Plan Year 1 Results

This program was a new program that was not an extension from the previous Rider 29 program. The program was sent out for competitive bids, and ECW was selected as the best vendor to perform the work bringing synergies through their work with the Business New Construction program. ECW was also a new contractor to EEP. Because of the late approval received by the ICC and uncertainty of the term and spending cap, the launch of this program was delayed until mid way through PY1 in order to allow time for final development of the program, and completion of contractual agreements with the implementation contractor. In addition, these projects also have an inherent long lead startup time (9-12 months). This delay resulted in a program launch after January 2012 and consequently, little to no therm savings were expected to be generated in PY1.

Economic Redevelopment Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
714	120,000	0.6%

Retro-Commissioning

Objective

The objective of the Retro-Commissioning Program is to identify and implement low-cost tune-ups and adjustments to the operating systems, especially the building controls and HVAC systems, of existing buildings in order to improve their efficiency by returning them to their intended operation or design specifications.

Program Description

The program is operated jointly with ComEd and managed by Nexant as the implementation contractor. The program helps commercial and industrial customers to identify and implement low and no-cost measures to improve the efficiency of existing buildings. Services are delivered through a network of commissioning providers that have been trained in program protocols and processes. For smaller facilities, commissioning providers conduct a targeted assessment of areas with substantial energy savings opportunities such as packaged HVAC units. Larger facilities are eligible to receive a more comprehensive assessment of building systems and controls.

This program includes a strong customer education component to promote the value of retro-commissioning services, targeting senior management decision-makers as well as facility operations and maintenance staff. Such education is provided through program marketing activities, and is also supported through market conditioning efforts such as Building Operator Certification (BOC) training. Nicor Gas collaborates with other regional utilities to provide a comprehensive program that covers both gas and electric building systems.

Implementation Strategy

Overall Strategy

Nexant oversees activities conducted by participating commissioning providers, review studies and provide independent evaluation of savings estimates, and provides post-installation verification. Nexant's responsibilities includes: working with the utilities on final program element design, developing marketing materials, marketing the program and performing outreach activities, managing the project; and administering quality assurance / quality control activities, fraud detection and prevention, customer and contractor dispute resolution, tracking and reporting, and program goal achievement. Other key elements of program implementation include:

- Customer recruitment and application pre-screening to determine if the project qualifies under the program criteria;
- Initial project assessment: Nexant staff meets with the customer to determine if sufficient potential savings exist to merit participation;

Retro-Commissioning

- **Formal agreement:** In this agreement, the customer commits to spend a certain amount to implement a bundle of measures such that the complete project has a payback of 1.5 years or less. The customer must complete the project within 120 days after the agreement is signed.
- **Retro-commissioning study:** The commissioning provider conducts an in-depth analysis of the measures selected by the customer to generate the Diagnostic and Calculation Report.
- **Implementation:** the customer implements the measures according to the report. Nicor Gas doesn't provide an incentive to assist with implementation costs.
- **M&V:** the commissioning service provider or Nextant returns to the project site to verify savings. If measures are not implemented in accordance with the agreement, then the customer is responsible for repayment of all study costs and incentives received.

Plan Year 1 Results

This program was designed to leverage efforts made by the implementation contractor, Nexant, in their electric-only program that had been launched by ComEd previously. Because retro-commissioning projects have an inherent long lead startup time (often projects require 9 – 12 months before they deliver therm savings), much of the trade ally network (retro commissioning service providers – “RSPs”) had already been established, thus allowing the Nicor Gas EEP and customers to benefit from an infrastructure already in place. Although the RSP's were in place, many of those RSPs were focused on electric savings and additional RSPs were needed to provide better gas saving opportunities. The lead time to establish new RSPs and initiate projects resulted in a slower start to the program than anticipated for PY1.

Retro-Commissioning Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
144,276	581,364	24.8%

Small Business Direct Install (Small Business Energy Savings)

Objective

Produce long-term natural gas energy savings in the small commercial/industrial sector by ensuring that customers receive the education and assistance they require to make cost-effective decisions in their installation of high-efficiency gas saving equipment and other targeted prescriptive cost-effective measures.

Program Description

The Small Business Direct Install Program is operated jointly with ComEd and managed by Nexant as the implementation contractor. The program is designed to achieve energy savings goals by educating ComEd and Nicor Gas non-residential customers about natural gas savings opportunities through on-site surveys and providing immediate savings through direct installation of specific products and offering incentives for select natural gas and electric energy efficiency measures.

The program promotes direct installation of low-flow faucets and showerheads, pre-rinse spray valves and hot water reset measures.

Additionally, the Direct Install Program offers incentives for several low-cost energy efficiency measures including: programmable thermostats, steam traps, boiler tune-up, boiler-reset controls, furnaces of at least 92% AFUE, water heaters of at least 88% TE, and furnace tune-ups. Customer education is used as a primary tool to stimulate action of following-through on installation of recommended measures.

The target market for this program is those Nicor Gas commercial/industrial customers using under 60,000 therms of gas, annually. Those customers most likely to be approved to participate in the program and realize the biggest savings include those with:

- Long building operational hours (e.g. 10 hours or more (Monday through Friday) and/or operation on weekends)
- Facilities built prior to 2007
- Facilities that were originally built for a different end-use

Implementation Strategy

Overall Strategy

The implementation of energy efficiency measures by small businesses is challenging. A primary objective of the programs is to develop processes and capabilities that ensure that small business customers receive the education and assistance they require to make cost-effective decisions in their installation of energy efficiency measures. The Small Business Direct Install Program will focus on the following components:

Small Business Direct Install (Small Business Energy Savings)

- Marketing plan and implementation tactics focused on reaching and educating the small business customer.
- A simple-to-follow and streamlined process to performing energy assessments and equipment upgrades, retrofits and tune-ups designed to target known small business market barriers
- Project facilitation supported by an experienced, well-educated, and motivated team of trade allies and engineers to ensure recommended energy efficiency projects are completed and installed correctly.
- Knowledgeable and accessible customer support/call center staff capable of directly addressing customer and trade ally inquiries, and escalating and directing other inquiries as necessary.
- Transparent tracking and reporting system that allows the customer (and ComEd and Nicor Gas) to track their project progress and view next steps from the initial energy assessment through delivery of incentives.
- Cost effective quality assurance and verification activities to ensure installed savings are realized and defensible.

Measures

The following table contains the list of natural gas measures included in the program.

Measure	Eligibility Requirements	Incentive	Incentive Strategy
Showerhead (labor and materials)	n/a	\$34.00	Direct Installation - 100% of cost
Aerator-Bath (labor and materials)	n/a	\$21.00	Direct Installation - 100% of cost
Aerator-Kitchen (labor and materials)	n/a	\$25.00	Direct Installation - 100% of cost
Pre-Rinse Sprayer (labor and materials)	n/a	\$63.00	Direct Installation - 100% of cost
Hot Water Reset	n/a	\$17.00	Direct Installation - 100% of cost
Steam Trap	n/a	\$120.00	40% of cost
Boiler Tune-up	n/a	\$150.00	50% of cost
Boiler Reset Control	See Prescriptive application	\$550.00	50% of cost

Measure	Eligibility Requirements	Incentive	Incentive Strategy
Condensing Furnace	92% AFUE	\$200.00	n/a
Water Heater (Large)	88% TE	\$300.00	n/a
Programmable Thermostat	See Prescriptive application	\$140.00	70% of cost
Furnace Tune-Up, 110-250 MBtu	See Prescriptive application	\$73.00	26% of cost

Plan Year 1 Results

Small Business Direct Install Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
97,850	169,329	57.8%

Business New Construction

Objective

The objective of the Business New Construction program is to capture efficiency opportunities during the design and construction of new buildings, major renovations of existing buildings, and tenant build-outs in the commercial and industrial market.

Program Description

The program promotes energy efficiency through a comprehensive effort to influence building design practices. By securing energy efficiency opportunities in new construction projects, it is necessary to overcome barriers such as designer community resistance to adopting new ideas, increased first cost for efficient options, and the common practice of designing for worst-case conditions rather than efficiency over the range of expected operating conditions.

The program includes multiple tracks for participation, including a systems track for smaller and late-in-design projects and a comprehensive track for whole-building improvements. The program will provide participants with design assistance, including: energy modeling of potential efficiency upgrades, financial incentives to cover a portion of the incremental costs premium for efficient design practices, and a quality assurance process to certify that buildings are completed according to the efficient design specifications.

The program is delivered by the Energy Center of Wisconsin (“ECW”). The program is delivered in collaboration with ComEd to capture both gas and electric savings. The program is new to Nicor Gas in Rider 30, but leverages a similar program already implemented by ComEd.

Implementation Strategy

Overall Strategy

The program will work to promote energy efficiency and implement measures through education and outreach to building owners, design professionals, building contractors and other trade allies, as well as providing design and technical assistance. The program will have two participation tracks: Systems Track and Comprehensive Track:

Systems Track: This track serves smaller projects and projects in the later stages of the design process, and targets energy efficiency opportunities in key building system components. It provides technical assistance and incentives for construction that incorporates energy efficient systems (e.g., HVAC, water heating and building envelope). Incentives for this track is based and calculated on a technology basis developed by ECW.

Business New Construction

- **Comprehensive Track:** This track is for large projects early in the design process, and it offers a higher level of technical assistance and consultation on building design. Program services assess comprehensive efficiency opportunities and system interaction and provide incentives based on whole-building energy simulation and achievement of whole-building performance. Incentives for this track are based on energy savings and paid by ComEd and Nicor Gas.

A key element for program success is securing the involvement of the professional design community. To encourage participation within the designer community and to offset the costs of considering multiple design options, a multi-tier incentive is offered to the project's design team(s).

Plan Year 1 Results

This program was a new program that was not an extension from the previous Rider 29 program. ECW was chosen to manage this program as it had performed similar work with ComEd. ECW's work with ComEd resulted in synergies. ECW was a new contractor to the Nicor EEP. Business New Construction projects have an especially long lead startup time (often projects require 12 – 24 months before they deliver therm savings), consequently little therm savings were expected to be generated in PY1.

Business New Construction Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
61,442	189,000	32.5%

Building Performance with ENERGY STAR®

Objective

The objective of the Building Performance with ENERGY STAR pilot program is to help customers take holistic, planned approach to increasing the energy efficiency of their existing commercial buildings.

Program Description

In May 2010, the U.S. Environmental Protection Agency (“EPA”) launched a pilot effort called Building Performance with ENERGY STAR. The pilot was designed to improve commercial building energy efficiency by strategically pursuing whole-building energy improvements with business customers, modeled after the residential Home Performance with ENERGY STAR program. The commercial program offers a framework for regional efficiency programs to align their financial incentives and technical assistance with a comprehensive approach to building upgrades.

The EPA pilot program was launched with a small group of state and utility ENERGY STAR partners including: ComEd, Mass Save, MidAmerican, National Grid, New Jersey's Clean Energy Program, Pacific Gas & Electric, Southern California Edison, and Focus on Energy.

The program is delivered by Ecova for both Nicor Gas and ComEd to provide comprehensive, whole-building energy assessments across all fuels and help business customers strategically plan and implement energy efficiency improvements over time. A key element of the assessment is to benchmark building energy performance against other similar properties. The first two years of the effort will be a pilot; if the pilot proves to be cost-effective and successful in motivating customers to undertake energy efficiency projects, it will then be rolled out as a program.

Building owners have difficulty determining how efficiently their facilities perform and how they rank against others in terms of energy use. The program will rely on the ENERGY STAR Portfolio Manager model to benchmark performance and strategically plan efficiency improvements. Improvements can be implemented over time, starting with low or no-cost measures that can create savings to fund more expensive capital upgrades. Customers are encouraged to achieve deeper and longer-term savings, while fostering ongoing relationships with Nicor Gas as an advisor and resource for continuous improvements.

This program targets medium to large commercial buildings, with an initial target market focused on hospitality and assisted living customers.

Building Performance with ENERGY STAR®

Implementation Strategy

The key elements of the pilot program include:

- **Customer Recruitment:** The implementation contractor targets clients and facilities with the highest potential energy savings relative to their peers. They generate and utilize an energy intensity plot of our clients' facilities in Nicor Gas' territory and prioritize customer targets for gas savings based on the results along with insight from their sales and client management teams.
- **Pre-Screening & Customer Commitment:** Customers are pre-screened to determine whether they are appropriate candidates for the pilot. If appropriate, a Program agreement will be signed that outlines the process and the commitments of all parties.
- **Whole Building Energy Assessment Report:** Comprehensive assessments across all fuels are completed, with reports provided to customers describing all efficiency opportunities identified in the building, including detailed measure costs, savings, and incentives.
- **Action Plan Meeting:** Meetings are held to discuss the financial and engineering results of the report, and how the program can assist with the implementation of recommended measures. Customers are strongly encouraged to implement all low and no-cost measures.
- **Project Implementation:** The implementation contractor provides technical assistance - helping customers with the program application process, and working to move projects forward.
- **Education & Training:** The pilot assists customers in identifying building occupant education and facility staff training opportunities.
- **Benchmarking:** During the selection process, two client portfolios and two or more facilities are targeted for participation in the benchmarking services and case studies. Buildings are benchmarked using ENERGY STAR's Portfolio Manager and the score is used as screening criteria for program inclusion.

Plan Year 1 Results

This program was a new pilot program that was not an extension from the previous Rider 29 program. Ecova was selected as the best vendor to manage this pilot program as Ecova had managed similar programs for ComEd. Ecova was a new contractor to Nicor EEP. Because of the late approval received from the ICC and uncertainty of the therm and spending cap, the launch of this program was delayed until mid way through PY1 in order to allow time for final development of the program and completion of contractual agreements with the implementation contractor. This delay resulted in a program launch after January 2012 and consequently, no therm savings were expected to be generated in PY1.

Building Performance with ENERGY STAR[®]

Building Performance with ENERGY STAR[®]		
Energy Savings (Net Therms)		
Net Therms Saved	Planned Goals as Filed	Plan Year Percentage Achieved
0	20,000	0%

Emerging Technology

Overall Strategy

The Emerging Technology program works to accelerate the rate of adoption of new gas efficiency technologies into the marketplace by providing incentives, demonstration sites and promotion of lessons learned. This program is intended to support technologies that are commercially viable or available. PY1 focused on the program design. PY2 and PY3 will focus on implementation to provide quantifiable results. While there are no savings goals for the program, the program is expected to generate energy savings, and installations will be evaluated and tracked.

The program will include both “Internal” and “External” tracks. The internal track will include offerings that test improved program designs, new delivery strategies, and new methods to market. These offerings primarily use established technologies, but combine multiple requirements into one offer (like a residential deep retrofit) or improve delivery over traditional program designs (like heating system tune-ups). The external track will focus on identifying new or under-utilized technologies and increase their adoption rate by providing financial incentives to demonstration projects resulting in energy savings. The Emerging Technology program allows Nicor Gas to identify new prescriptive and custom technologies to promote through existing energy efficiency programs, and also identify new programs required to deliver promising technologies and delivery approaches.

In order to provide a streamline and fair evaluation process for ideas, GTI has developed an on-line application process that provides the idea generator the ability to submit ideas and receive immediate feedback on the concept through the system. The “Ready”, “Set”, “Go” three step process provides an immediate screen at the “Ready” stage. If the idea meets the base standards, it proceeds to the “Set” stage where a deeper evaluation is performed by GTI. The last stage “Go” will result in a fully developed concept with implementation plan for consideration by the EEP to deploy as a pilot.

In addition to providing incentives, key components of the program will be to develop case studies based on actual results, highlight demonstration sites, provide tours, and pursue related promotion to gain wider acceptance for customers, trade allies, and Nicor Gas. These efforts will be essential to help grow the market for the emerging technologies identified by the program.

Nicor Gas selected the Gas Technology Institute (“GTI”) through a competitive sourcing process to administer this function throughout the first plan cycle. No therm savings were expected during PY1.

Emerging Technology

Plan Year 1 Results

A total of 21 projects were under consideration by GTI during PY1. Four of these projects have moved to the “Go Stage” and have developed action plans (see following table). These projects will be piloted in the field during the latter half of 2012. Depending on results, these projects would then move to completion with recommendations for EEP measures. The remaining projects will continue through the development process and new projects will be added once identified.

Emerging Technologies Projects at the “Go Stage” with Action Plans
<ul style="list-style-type: none">• Commercial Ozone Laundry• Residential Combined Space & Water Heating System• Multi-family Demand Controls for Central Domestic HW Systems• High Efficiency Commercial Rooftop Units (RTUs)