



Combining Efficiencies to be Doubly Efficient

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NARUC Winter Committee Meetings

Benefits of collaboration

- Shared costs for cheaper program delivery
- One-energy solution for shared customers
- Not re-creating the wheel



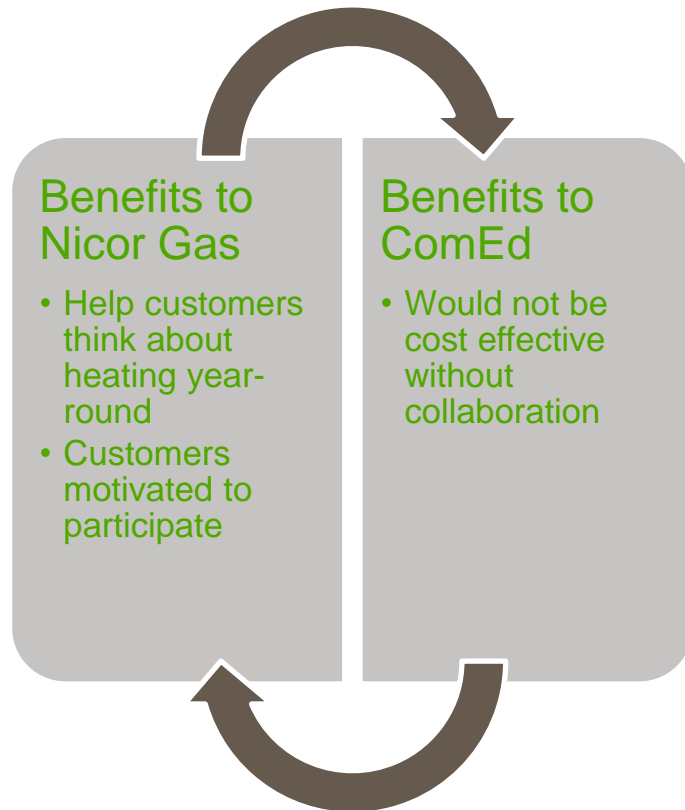
Benefits of collaboration

Example - Elementary Education Program

- Increased number of kits by sharing costs from 5,000 to 20,000
- Now delivered jointly with ComEd, Peoples Gas and North Shore Gas



Benefits of collaboration



Implement otherwise missed opportunities

Examples:

- Home energy assessments
- Complete system replacements

Hurdles and challenges

Lessons learned in 4 years

- Piggy-backing on pending projects doesn't work
 - EM&V results (Evaluation, Measurement & Verification)
- Partnerships can be outgrown
 - Example: Small Business Program more successful for Nicor Gas when delivered separately
- Utilities need quicker feedback

Fostering collaborative spirit

Unlikely partnerships with ComEd brought to fruition

- Strategic energy management implemented in 2014
 - Serves our largest customers
- CHP (Combined Heat and Power) offering expected summer 2015
 - First joint gas and electric offering of its kind in the nation

Emerging technology national collaborative

- National collaborative with 30+ utilities
- Success story: Rooftop Condensing Units



Download our emerging technology white papers:
<http://www.nicorgasrebates.com/emerging>

The future

What we may see in the coming years

- Fuel switching/CHP
- Collaborative support of energy codes
 - Example: CANDI codes program (ComEd, Ameren, Nicor Gas, DCEO, Integrys)
- Site vs. source
- Regulatory balance – incentives versus penalties

Lessons Learned

What could have gone differently

- Establishing net-to-gross
 - Initially retrospective net-to-gross
 - Resolved in PY3 with a prospective policy
 - Spend up to 3% of budget on EM&V as a net state
 - States getting started should consider gross vs. net
 - Net serves its place in planning, but creates challenges
- Developing the TRM (Technical Resource Manual)
 - Took 1.5 years to complete
 - Now prospective document and a positive for the program

Marketing and outreach center

Economic development with energy efficiency



- 12 local utility jobs created for professionals
- Partnership with schools in under-represented communities to recruit employees
- Marketing and outreach center better serves our customers
 - Roles previously filled by 7 companies across the country
- Outbound and inbound calls
- Represent Nicor Gas at more than 150 community events annually
- Model is working as career path in the industry
 - 3 employees already promoted into supervisor/manager positions within the company

Utilities implementing EEPs

Why utilities are best positioned to deliver EEPs

- Utilities are scalable to respond to changes in goals
- We know our customers best and have:
 - Established and trusted brands
 - Defined roles and relationships with customers
- Can collaborate or implement independently depending on what is best for the customer
- Regulators retain control with reconciliation process

Thank you

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