

Fueling a Sustainable Future

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Eastern Region

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About Nicor Gas

Nicor Gas is the largest natural gas delivery company in Illinois

- We provide energy to **2.3 million** customers in **650+** communities
- We safely and reliably deliver **4.6 billion** therms annually in **34,000** miles of pipe that we build, maintain and modernize
- We are **2,000+** employees strong who live, work, and volunteer in the communities we serve.



Foundational energy for Illinois

75% *of Northern Illinois' energy needs are currently met by natural gas*

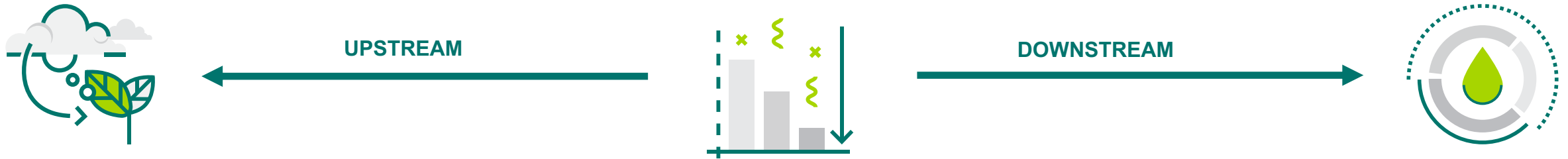
96% *of all households and businesses in Nicor Gas' service area depend on natural gas*

54% *Nicor Gas reduced operational emissions by 54% from 2009-2019 through infrastructure investment*

**Natural gas and the infrastructure that
transports it are foundational to
America's clean energy future.**



Implementation of Sustainability Pathways



Next Generation Natural Gas

- Industry engagement and coalitions
- ESG integrated into gas supply RFP process
- Next Generation Natural Gas supply for traditional natural gas
- GTI Veritas sponsorship
- Renewable gas

Net Zero Operational Emissions

- Pipeline modernization
- Advanced leak detection and repair
- Equipment mitigation efforts
- Damage prevention
- Fleet
- Renewable gas

Empowering Our Customers and Communities

- Energy efficiency
- Next generation natural gas technology
- Customer programs
- Natural gas vehicles
- Stewardship
- Renewable gas

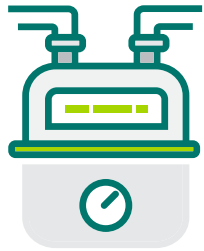
The solutions will be **customized for each Southern Company Gas subsidiary**, and the companies work with state regulators, key policy makers and stakeholder groups to design workable plans for each utility that meets the **best interest of customers**.

Fueling a Sustainable Future

Nicor Gas' Commitment to Sustainability

At Nicor Gas, we understand that the energy we deliver is foundational to achieve Illinois' clean energy goals and support a thriving economy.

Our commitment to sustainability includes:



Working toward net
zero methane and
other emissions from
operations



Delivering customer
solutions



Enriching communities



Investing in innovation

Working toward Net Zero Emissions from Operations

Pipeline Infrastructure Modernization

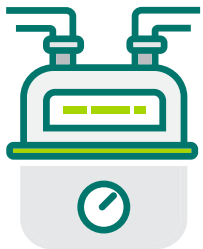
Through investments in pipeline and infrastructure modernization, we reduced our annual operational emissions by nearly 500,000 MtCO₂e over 2009 to 2019 - a 54% reduction over that 10-year period.

Other operational emission measurement & reductions

Our work to achieve net zero includes variety of strategies including emissions measurement, accelerated leak repair and blowdowns.

Renewable natural gas

Fleet fuel conversions, physical RNG and RNG offsets are all strategies to help us achieve net zero emissions.



Enriching Communities

David Surina
Regional Manager, Community Affairs



Conservation and Environmental Grants

- \$660K+ in environmental strategic partnerships announced in 2022
 - \$120,000 Field Museum – Science Action Programming
 - \$120,000 Morton Arboretum – Chicago Region Trees Initiative
 - \$120,000 Chicago Zoological Society – Conservation Leadership and Tree Planting Projects
- More than \$50,000 in Environmental Grants announced in August
 - Chicago Botanic Garden
 - Friends of the Forest Preserve District of DuPage County
 - Conservation Foundation and more
 - Up to \$5,000 per grant



Community Engagement

- Hanover Park Water-Saving Pilot
 - Nicor Gas designed a pilot to promote free energy- and water-saving kits in partnership with the City
 - 11,500 flyers distributed
 - Posters and digital ads
- Operation Warm 2021
 - Nicor Gas provided coats to children at Title 1 schools in Sauk Village, Harvey and Pembroke Township
 - 1,700 coats delivered to kids in need
 - 208,000 therms saved from energy-saving kits
- Goodr Mobile Food Pantries
 - Our partnership with Goodr provided one week's worth of groceries for close to 1,800 families
 - More than 350 energy-saving kits were ordered on site



Smart Neighborhoods™

Smart Neighborhood is a demonstration research project that uses a smart combination of renewables and energy efficiency to achieve **affordable and resilient carbon-neutral homes**.

- Nicor Gas is partnering with Habitat for Humanity on the development of sustainable and affordable housing communities in Illinois.
- The first Smart Neighborhoods™ community is being planned in collaboration with Fox Valley Habitat for Humanity in Aurora, Illinois for construction in starting in 2023.
- A pilot testing the Smart Neighborhoods™ tech package is being planned with the City of Harvey.



Empowering Consumers

Peace of mind that comes with energy efficient technology in their homes that leads to lower monthly energy bills.

Reducing our Carbon Footprint

Designed to be carbon neutral, which means that they do not produce more CO2 than they use.

Net-Zero Homes

Equipped with high efficiency building envelopes, solar panels and battery solutions for more resilient buildings

Smart Neighborhoods™



<https://www.youtube.com/watch?v=B0VAskpMjZw&t=1s>



Delivering Customer Solutions

Mike King
Director of Program Operations
Nicor Gas Energy Efficiency Program



Sustainability solutions for every customer



Energy Efficiency



Renewable Gas Interconnection
Pilot



TotalGreen



Transportation
Solutions



Turnkey Sustainability
Solutions



Hydrogen Exploration



Builder First Program

Energy Efficiency for Homes

Since 2011 GAS energy efficiency programs have saved our customers more than 200 million therms and 1.06 million metric tons of CO₂ emissions

Residential Programs

- ✓ Residential New Construction
- ✓ Rebates
- ✓ Assessments
- ✓ Energy Saving Kits (ESKs)
- ✓ Elementary Energy Education
- ✓ On-bill Financing (OBF)
- ✓ Air Sealing & Insulation
- ✓ Home Energy Reports

Income Eligible Residential Programs

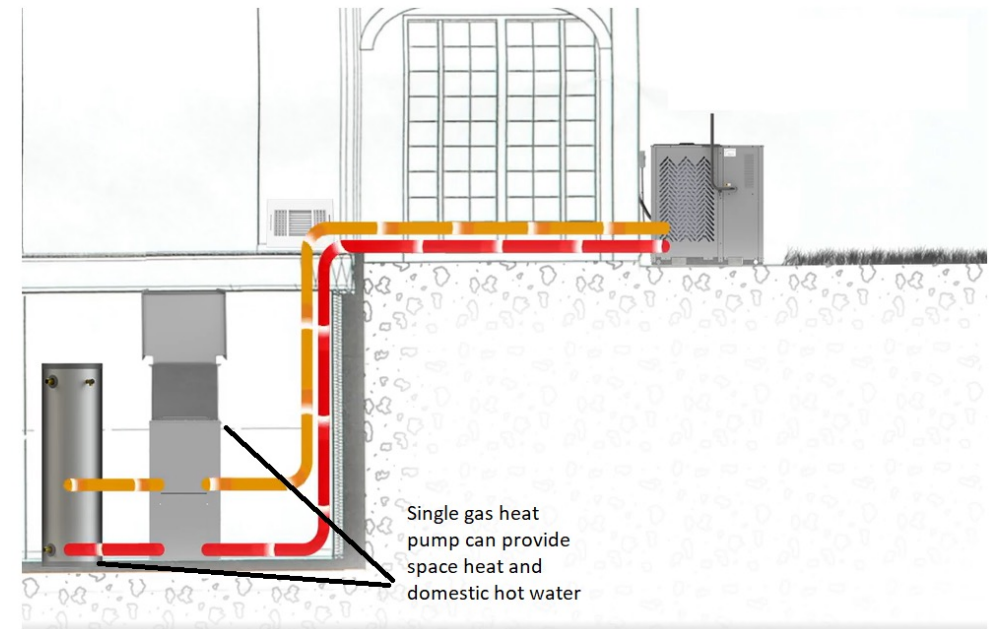
- ✓ Single & Multi Family Weatherization
- ✓ Income Qualified Kits (IQ)
- ✓ Public Housing Authority (PHA)
- ✓ Affordable Housing New Construction



Gas Heat Pumps - Next Generation Energy Efficiency

Nicor Gas is a leader in the North American Gas Heat Pump Collaborative, working together to advance next generation heat pump technology.

- Ultra-efficient gas heat pumps have an efficiency greater than 100%, dramatically reducing emissions from space and water heating
- Reduces customer heating bills by up to 50% compared to standard efficiency furnaces
- Installation does not require electrical panel upgrades
- Technology avoids grid constraints and infrastructure upgrades required for electrification



Benefits of Renewable Natural Gas

- Can be used the same way as geologic natural gas
- Provides a clean energy option
- Benefits customers, communities and environment
- Contributes to emissions reduction
- Promotes energy resilience and fuel diversity
- Locally sourced
- Local economic investment and jobs
- Increases flexibility and utilization of existing natural gas system
- End-use customers do not need to make changes to their equipment with RNG



Renewable Gas Interconnection Pilot (RGIP)

Renewable Gas Interconnection Pilot

In 2021, Nicor Gas received regulatory approval for the Renewable Gas Interconnection Pilot Program. Through this program, Nicor Gas works with RNG producers to integrate this safe, reliable and clean energy source onto its pipeline system.

The tariffed interconnection service allows RNG producers in Nicor Gas' service territory to interconnect with Nicor Gas facilities in order to sell safe, pipeline-quality gas from an RNG facility to third parties and with the physical gas delivered to and sold for resale to customers within Nicor Gas' service territory.

Nicor Gas will receive environmental attributes from the RNG producer which will contribute to Nicor Gas' net zero operational emissions target.



Interconnection incentives available

Nicor Gas will facilitate the interconnection of new RNG facilities with an investment capped at \$16 million, with each qualifying RNG facility receiving a capital interconnection allowance of up to \$3.2 million.

TotalGreen

TotalGreen is a pilot subscription program for residential, commercial and industrial customers who purchase natural gas from Nicor Gas and want to eliminate, offset or reduce up to 100% of their CO2 emissions associated with their natural gas usage. TotalGreen also makes it easy for commercial and industrial customers to make a 100% RNG purchase.

How it works:

- Customers who choose to enroll will pay a per-therm premium on their bill each month.
- Nicor Gas will procure carbon offsets and the environmental attributes from RNG projects on the participating customer's behalf.

TotalGreen Basic

Carbon offsets with low blends of RNG environmental attributes

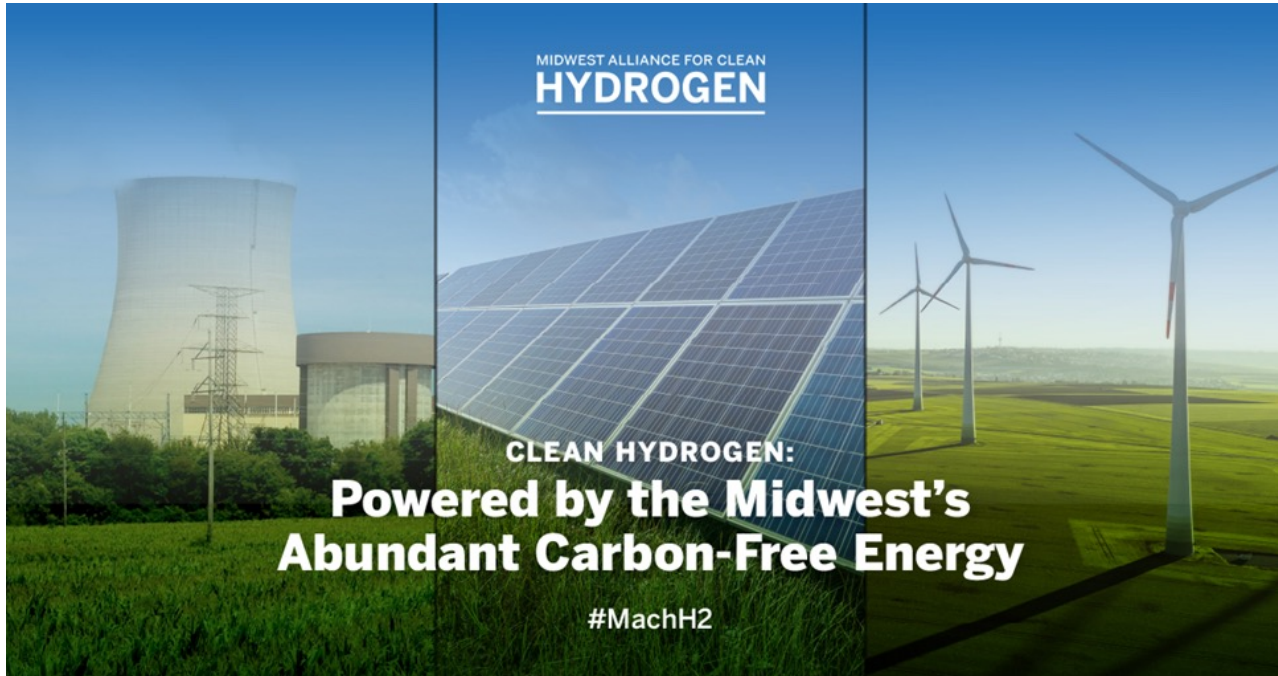
TotalGreen Premium

Higher blends of RNG environmental attributes and supplements or offsets the remaining carbon emissions with carbon offsets

TotalGreen subscription offers:

- Month-to-month automatic renewals
- No long-term commitments
- The ability to change subscription options on a month-to-month basis
- Learn more at nicorgas.com/TotalGreen

Hydrogen Exploration



Nicor Gas is a part of the Midwest Alliance for Clean Hydrogen (MachH2), a coalition of organizations and businesses working to advance the region's hydrogen economy. Hydrogen delivered via pipeline can be a valuable, low carbon energy source that has the potential to support sustainability goals of our customers and the state of Illinois.

Hydrogen Hub Opportunities with Nicor Gas

Nicor Gas is working collaboratively with other stakeholders on the potential for hydrogen in our territory. To date, the opportunities that we are evaluating include:

- Customer end use of hydrogen
- Distribution and storage of hydrogen
- Environmental, technical and operational impacts of hydrogen integration





*Forward means taking bold steps
toward a clean energy future.*

Nicor Gas provides the foundation for communities of the future,
with the infrastructure and strategies to empower communities and
businesses to thrive and grow.

For more information visit [NicorGas.com](https://www.nicorgas.com)

