

**Illinois EE Stakeholder Advisory Group
Large Group Meeting**

**Thursday, October 24, 2024
10:00 am – 12:00 pm
Teleconference**

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Meeting Materials

- [Thursday, October 24 SAG Agenda](#)
- [SAG Facilitator Introduction to October 24 Meeting](#)
- [Nicor Gas Draft 2026-2029 EE Plan Presentation](#)

Attendees

Name	Company or Organization
Celia Johnson	SAG Facilitator (Celia Johnson Consulting)
Jane Anderson	SAG Meeting Support (Inova Energy Group)
Abigail Miner	IL Attorney General's Office
Allison Gregoire	Nicor Gas
Amir Reza	No Organization Identified
Andrew Braatz	Franklin Energy
Andrew Cottrell	ScottMadden
Andrey Gribovich	DNV
Ben Heymer	Slipstream
Brian Ahearn	CLEAResult
Bruce Liu	Nicor Gas
Cameron Seeley	Walker-Miller Energy Services
Cassidy Kraimer	Community Investment Corp.
Christina Frank	Peoples Gas & North Shore Gas
Chris Neme	Energy Futures Group, representing NRDC
Chris Vaughn	Nicor Gas
Corey Grace	Resource Innovations
Danish Murtaza	Peoples Gas & North Shore Gas
Darnell Johnson	Urban Efficiency Group
David Brightwell	ICC Staff

Name	Company or Organization
David Lemmon	Utility Energy Services
Elie Touma	Energy Sciences
Elizabeth Kennedy	Nicor Gas
Elizabeth Applegate	Applied Energy Group
Elizabeth Horne	ICC Staff
Eljona Fiorita	CLEAResult
Erika Dominick	Walker-Miller Energy Services
Erin LaVoie	Resource Innovations
Fernando Morales	Ameren Illinois
Hannah Zeeb	CLEAResult
Hilary Snover	CLEAResult
Ian VanArsdall	Nicor Gas
Jaleesa Scott	ComEd
JaMarcus Brewer	Walker-Miller Energy Services
Jarred Nordhus	Peoples Gas & North Shore Gas
Jean Gibson	Peoples Gas & North Shore Gas
Jeff Erickson	Guidehouse
Jill Rolstone	Franklin Energy
Jim Fay	ComEd
Jim O'Shaughnessy	Energy Infrastructure Partners
John Mansfield	Nicor Gas
John Pady	CEDA
John Yi	CEDA
Jonathan Skarzynski	Nicor Gas
Josh Ramos	Nicor Gas
Josh Schreck	The JPI Group
Josh Sharon	ComEd
Julia Friedman	Opower
Kelly Lena	Nicor Gas
Karen Lusson	National Consumer Law Center
Kari McCue	Nicor Gas
Kari Ross	NRDC
Kegan Daugherty	Resource Innovations
Kim Janas	IL Attorney General's Office
Kim Swan	ComEd
Kit White	MEEA
LaJuana Garrett	Nicor Gas
Laura Agapay-Read	Guidehouse
Lilieric FlorezMonroy	Peoples Gas & North Shore Gas
Linda Zabors	Energy Infrastructure Partners
Liz Cote	Utility Energy Services
Lloyd Kass	Franklin Energy

Name	Company or Organization
Louis	No Organization Identified
Maria Onesto Moran	Green Home Experts
Mark Handy	C+C
Mark Milby	Elevate
Mark Szczygiel	Nicor Gas
Matt Armstrong	Ameren Illinois
Melissa Helpingstine	Primera Engineering
Meredith Lamb	Enbridge
Mia Berrios, PCR	People for Community Recovery
Michael Collins	Redemption Solar and Roofing
Michele McSwain	SEEDS
Mike King	Nicor Gas
Nate Baer	i3 Energy
Nick Horras	CEDA
Nick Warnecke	Ameren Illinois
Omayra Garcia	Peoples Gas & North Shore Gas
Philip Mosenthal	Optimal Energy, representing NCLC
Randy Opdyke	Nicor Gas
Rashaan Keeton	Center for Energy & Environment
Reshunda Bates	Walker-Miller Energy Services
Rocco Guaragno	Resource Innovations
Ryan Robertson	Lueders, Robertson & Konzen
Salina Colon	CEDA
Samuel Morris	The Will Group
Sara Castleberry	Resource Innovations
Scott Yee	Resource Innovations
Shawn Haas	Peoples Gas & North Shore Gas
Stu Slote	Skytop Consulting
T. Walker	CLEAResult
Tamika J. Cole	Walker-Miller Energy Services
Ted Weaver	First Tracks Consulting, representing Nicor Gas
Thomas Ketchum	South Suburban Action Conference
Tina Grebner	Ameren Illinois
Tori Woolbright	Metropolitan Mayors Caucus
Victoria Nielsen	ScottMadden
Zach Ross	Opinion Dynamics
Zachary Froio	Applied Energy Group

Meeting Notes

See **red text** for follow-up items.

Opening and Introductions

Purpose of October 24 meeting:

- For Nicor Gas to present the preliminary draft 2026- 2029 EE Plan Portfolio.
- [SAG Facilitator Introduction to October 24 Meeting](#)

Nicor Gas 2026-2029 Draft EE Plan Portfolio

Presented by Nicor Gas Energy Efficiency Team

Agenda – *Mike King, Director of EE Strategy and Solutions*

- Safety moment
- Introductions
- Portfolio impact
- 2026 to 2029 proposed plan overview
- Program overviews
- Innovation and equity
- Portfolio outcomes
- Other considerations and next steps
- Q&A

Introductions

- Mike King – Director, EE Strategy and Solutions
- Karianne McCue – Manager, EE Program Operations
- Randy Opdke – Manager, Planning Evaluations
- Jonathan Skarzynski – Manager, Energy Policy
- Chris Vaughn – Manager, EEP Regulation
- Kelly Lena – Director, Energy Efficiency Services
- Allison Gregoire – Program Manager, MDI
- John Mansfield – Manager, Customer and Partners Services

Portfolio Impact

- Served over 1.35 million customers
- \$270 million in incentives
- 2.7 billion pounds of CO2 emissions avoided
- \$2.3 billion in economic activity generated
- \$131 million spent in diverse suppliers
- 235 million therms saved
- 2.5 billion lifecycle therms saved
- 10,600 jobs supported
- Equivalent to:
 - 300,000 cars off the road for a year
 - 165,000 homes energy use for a year
 - Carbon captured by 1.4 million acres of forest in a year

Proposed Plan Overview

Portfolio Objectives

- Customers are at center of everything we do. Core objectives:
 - Remain within budget constraints – set at 2% of total company revenue
 - Ensure Nicor is making cost effective investments

- Maximize savings – annual therms savings, lifecycle savings (better metric of portfolios outcome and translate into GHG savings)
- Ensure equity – help customers with high barriers to participation, ability of trade allies and other workers to deliver the program
- Invest in innovation technologies and program delivery approaches
- Ensure market consistency – making sure offerings are ongoing and stable programs
- Economic development

Portfolio and Program Structure

- Four sectors to Nicor Gas portfolio. Use this slide as reference to programs.
- *Joint or coordinated programs with ComEd and/or Ameren Illinois and/or Peoples Gas/North Shore Gas
- Residential
 - Home Energy Efficiency Rebates (HEER)*
 - Home Energy Savings (HES)*
 - Energy Education and Outreach*
 - Multi-Family (MF)*
 - Smart Neighborhood Builder Program (Formerly RNC)
- Income Eligible
 - Weatherization (Wx)*
 - Public Housing Authority (PHA)*
 - Affordable Housing New Construction (AHNC)*
 - Energy-Saving Kits (IE-ESK)*
- Business
 - Business Energy Efficiency Rebates (BEER)
 - Commercial Food Service (CFS)*
 - Business Optimization (BOP)
 - Custom
 - Small Business (SB)
 - Strategic Energy Management (SEM)*
 - Commercial/Industrial New
 - Construction (CINC)
- Portfolio
 - Management, Marketing, Evaluation, Emerging Technology (ET)*, Market Transformation (MT)*, Market Development Initiative (MDI)

Budget Increase and Existing Portfolio

- Budget is managed on 4-year basis
 - 4-year total = \$231.2M
 - 4-year average annual budget = \$57.8M
- Assumes all large customers will be exempt (3-year average revenue removed for each year)
- Significant increase in dollars, some of the increase will be eaten away by inflation.
 - Red line is after inflation and portfolio costs

Chris Neme (via chat): What are the "other statutory increases" that affect budget?

- *Randy Opdyke: Other Statutory increases relate to Evaluation at 3%, Public Sector 10%, Emerging Technology 3% and Market Transformation 5%*

- *Chris Neme: Other than public sector, those are not statutory increases required, those are statutory caps. It would be helpful to understand what the red line would be if it was just inflation.*
- *Ted Weaver: The \$52 million reflects inflationary impacts on lighting programs and measures and also reflects what the legislation allows – budgets up to 5% market transformation, 3% ET, 3% evaluation. They are running the portfolio with those allowed budgets are included in that \$52 mil*
- *Chris Neme: The red line represents \$45.7mil + inflation + additional increases in those categories of costs that were above inflation to equal \$52 million?*
- *Ted Weaver: Yes.*
- *Chris Neme: Nicor Gas has an extra \$5.8 million per year for spending on non-public sector programs? Is that the implication?*
- *Ted Weaver: They are available for spending on a variety of things.*
- *Randy Opdyke: The difference between red and blue is showing where extra dollars will go.*

Key Results of the Statewide Potential Study

- The potential study looked at scenarios under the current stipulations and law.
- STIP+
 - Furnaces and other gas equipment make up majority of savings potential.
- STIP Wx
 - Shifting funding from gas equipment to weatherization dramatically lowers greenhouse gas savings.
- Our portfolio is balanced between two scenarios, bringing affordability, customer choice and greater impact to greenhouse gas emissions.

Comprehensive and Balanced Plan

- Using the current portfolio as a foundation
- The column on left is the current portfolio of \$45.71 million, and as you move to the right you see the increase in each sector compared to the current budget.
 - It shows where we added the dollars and in which sector in our portfolio.
- Three key areas are driven by these items: Income Eligible (IE), residential air sealing, and MDI.
 - Other increases driven by statutory budget increases and minor program adjustments

Karen Lusson (via chat): How did you get to \$57.8 million? If the current annual budget is \$45.7M, what statutory provision gets you to \$57.8M? Is it subsection (d)?

- *Excerpt from statute: “Notwithstanding the requirements of subsection (c) of this Section, a natural gas utility shall limit the amount of energy efficiency implemented in any multi-year reporting period established by subsection (f) of Section 8-104 of this Act, by an amount necessary to limit the estimated average increase in the amounts paid by retail customers in connection with natural gas service to no more than 2% in the applicable multi-year reporting period.”*
- *Randy Opdyke: The 57.8 million is our 2% revenue budget cap that is written in 8-104 and then the additions are shown in the slide.*
- *Karen Lusson: The 57.8 million represents the 2% and this slide highlights where the increases are being focused.*

Larger Commitment to IE Customers and ASI

- 8-104(e) - The utilities shall also present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level
 - Income-eligible proportionate revenue from households <150% of poverty is approximately \$7.1M
- The plan is seeing rising cost impacts from inflation and increased cost allocations with electric utilities
- Nicor is committed to double spending for IE – \$15.08 million
 - Comes at a higher cost to deliver, so impacts our overall savings
- The ASI budget is also doubling

Savings Impacts

- Green bar—overall portfolio net lifecycle therms
- Blue bar—GHG emissions reduction

Expanded Economic Development

- Key outcome impact on Northern IL customers
- Supports 2,600 jobs throughout the four years
 - Some jobs come directly from hiring at Nicor Gas and Trade Ally programs
 - Other jobs less direct
- Overall bill savings, wages and profits create an economic impact of \$560 million dollars for the next four years

Extensive Customer Engagement

- Proposed plan serves:
 - ~492,000 customers per year
 - ~859,000 unique customers across the four-year plan or about 37% of our customers
 - more residential households with market rate air sealing and insulation
 - ~93,000 IE families
 - ~12,100 IE homes weatherized
 - ~6,500 Small, medium and large businesses

Program Overviews – *Kari McCue, Manager of EE Program Operations*

Overview of Residential Programs

- Residential Programs—Market Rate (MR)
 - Home Energy Savings (HES)
 - Self-Assessment Portal*
 - Air Sealing and Insulation (ASI)**
 - Home Energy Efficiency Rebates (HEER)
 - Energy Education and Outreach
 - Energy-Saving Kits, Energy Education Kits*
 - Home Energy Reports
 - Multi-Family*
 - Smart Neighborhood Builder Program (formerly RNC)
- Asterisk Indication
 - *Joint program with ComEd, Ameren Illinois and/or Peoples Gas/North Shore Gas
 - **Option for electric utility to purchase kwh

- Key Highlights and Changes
 - Increased investment in ASI (\$2.6M to \$5.2M total budget)
 - HEER includes gas heat pumps and hybrid systems
 - Allows to provide new innovative tech for customers
 - High performance windows
 - New measure we are adding to portfolio
 - Multi-Family (MF) customer journey
 - Plan to combine 5 separate MF offerings into one single offering to serve as a one-stop-shop. The customer journey will be simplified.

Chris Neme: The market rate air sealing is in HES?

- *Kari McCue: Yes*
- *Chris Neme: HES is almost all air sealing?*
- *Kari McCue: ASI is in HES and MF. Increased investment is split between the two.*
- *Chris Neme: What is the breakdown between HES and SF?*
- *Kari McCue: The batch files will have the breakdown.*

Chris Neme: New construction smart neighborhood builder program– will you go into details on this? How is this different than the current program?

- *Kari McCue: It's a new program that launched this year. Will send the group information on differences between the two programs.*

Phil Mosenthal: The two footnotes refer to joint program. At this stage, have you coordinated with other utilities to align budgets and programs?

- *Randy Opdyke: We have had convos with different electric utilities on where we are coordinating, where roughly the budget levels are at, and have seen some changes from the current plan, but we have done some coordination related to budgets.*

Overview of Income-Eligible Programs

- Income-Eligible Programs
 - Weatherization (IE Wx)*
 - IHWAP, Retrofit, Healthy Homes
 - Public Housing Authority (IE PHA)*
 - Affordable Housing New Construction (IE AHNC)*
 - Energy-Saving Kits (IE ESK)*
 - Home Energy Assessments (IE HEA)*
 - \$15.1 million dollars for
- Asterisk Indication
 - *Joint program with ComEd, Ameren Illinois and/or Peoples Gas/North Shore Gas
 - **Option for electric utility to purchase kwh
- Key Highlights and Changes
 - Increased investment in comprehensive programs–IE Wx
 - Revised health and safety spending mechanism
 - Healthy Homes continues into next cycle
 - Additional collaboration with Ameren Illinois (SEEK)
 - SEEK – school energy education kits; elementary and high school kits
 - Multifamily investment >30%

Karen Lusson: It's good to see the company is continuing commitment to weatherization. In terms of the budget for IE PHA of .8 million—is that considered part of the whole building approach?

- *Kari McCue: Yes. The comprehensive IE program includes IE PHA, IE AHNC, IHWAP, Retrofit, and Healthy Homes.*

Karen Lusson: Is this slide saying that you are holding to the legislative numbers? There's not a % increase to the IE whole building approach consistent with the total portfolio increase.

- *Mike King: It's approximately the same as it is today—\$11.9 currently, going up to \$13.2 for the next cycle. That is the same as we're doing today—same ratio and same percentage, but more funding overall.*

Karen Lusson: I appreciate that both PGL and Nicor are continuing commitments to IQ whole building weatherization. How has ComEd coordinated with Nicor Gas on this program?

- *Mike King: We have ongoing conversations with ComEd and future meetings planned with them on how to move forward with this, together or separate.*
- *Karen Lusson: IQ weatherization should be a joint utility program (electric and gas).*

Darnell Johnson: As a contractor and practitioner, it's great to see gas utilities holding the line especially when it comes to IQ. We heard earlier that the price per therms are higher when it comes to delivering IQ measures compared to market rate, and this has been a long standing issue in IQ for a number of reasons; however, we understand those customers are also the most disparaged customers in the territories, so continued investment in that space is hugely important. Thank you for maintaining commitment to the IQ population.

Darnell Johnson: I have question on Healthy Homes—it's built into the comprehensive work, so is Nicor Gas suggesting that for the next 4-year cycle, there will also be Healthy Homes evaluations in included in assessments?

- *Kari McCue: Healthy Homes is a Nicor Gas only program, it's not incorporated into standard coordinated joint program.*
- *Darnell Johnson: It's a gas only program so it's a separate portfolio or included in EE portfolios?*
- *Kari McCue: Currently in the EE portfolio under IE program, it's a Nicor Gas only program that targets IE customers with respiratory problems.*

Cassidy Kraimer (via chat): For the IE AHNC - from my memory, ComEd is phasing out funding for affordable housing new construction - will this change the program implementation?

- *Kari Ross: For the new construction line item, I know from the ComEd presentation, ComEd planned on decreasing their spend over the 4 years to an eventual end of new construction program in 2029. I'm wondering if 1) you have been coordinating with ComEd around this or 2) do you intend for this IE AHNC to be your own program going forward?*
- *Kari McCue: We are going to continue conversations with ComEd on what coordination looks like on how we can support this AH New Construction program.*

Kari Ross: For the energy savings kit, do you have the top 3-5 measures that are disseminated in the kits?

- *Kari McCue: Those are the IE joint kits, closet aerator, showerheads, then some weatherization measure like weather stripping. The measures will be in the batch files.*

Cassidy Kraimer (via chat): Related to the shift for market rate MF customer journey to a one-stop-shop model, will this be incorporated to the broader one-stop-shop program established for multifamily?

- Kari McCue: The one-stop-shop for MF is for market rate customers to simplify the journey, we have already been doing it on the IE side for this cycle.
- Cassidy Kraimer: Can you talk more about the market rate experience?
- Kari McCue: The customers are identified as either market rate or IE. If IE, they go to IE path, if market rate then there are a number of ways they can participate, so the new approach for market rate side will help identify the best improvements for the property to determine which path they should go down and how their journey should flow.

Karen Lusson: You separated air sealing and insulation – was there a specific rationale for that?

- Mike King: Referencing Chris's comment, we mentioned it was split between the HES program and MF program to reach the new budget of \$5.2 million. This will show up in the batch files.
- Ted Weaver: When talking about air sealing and insulation, it's a specific market rate program. There are some within IE, but when talking about ASI, we are talking about MR.
- Chris Neme: Where would it show up?
- Ted Weaver: IE Wx, IE PHA and IE AHNC are all comprehensive whole building, and the other two are energy savings kits and HEA, which are direct install and these are more low-cost measures.
- Chris Neme: Is the HEA program the direct install, and are there customers that get only that or is that the gateway to get to IE Wx?
- Ted Weaver: Answer is both. The kits are a gateway but also not all customers/households make it up to the comprehensive program.
- Kari McCue: Now all IE customer get an IE HEA which helps determine if customers need retrofits, and if the need is not there just get IE HEA.

Phil Mosenthal: For the bullet that MF investment is greater than 30%, is that 30% more of IE budget? There's no line item for MF on the table.

- Kari McCue: The 30% investment is 30% of total IE spend.
- Phil Mosenthal: The bulk of it is in IE Wx, since program is both SF and MF?
- Kari McCue: Yes, IE Wx budget will make up greater than 30%.

Karen Lusson: In the weatherization line item, you have IHWAP and retrofit, in terms of the retrofit (which I take to be the utility only joint weatherization program with ComEd), will the entryway be that home energy savings portal?

- Kari McCue: Yes, all IE customer get the IE HEA, then if more needed it's funneled into retrofit under IE Wx.
- Karen Lusson: Are the home energy assessors who are going into homes BPI certified so they can confidently recommend weatherization?
- Kari McCue: I'm almost certain that they are, but let me confirm and get back to you on that.

Chris Neme: Looking at weatherization row, I would have thought the weatherization package would have a higher average measure life.

- Phil Mosenthal: I think insulation is only 20 years in the TRM.
- Mike King: We have a slide later on weighted average measure. It is a mix of measures; the batch files will bare those details.

Chris Neme: Do you have furnace replacements in the program, and if you do are they only for emergency replacement or H&S issue?

- *Randy Opdke: Yes, they are part of the program and only for emergency replacement.*

Overview of Business Programs

- Business Programs
 - Custom*
 - Business Energy Efficiency Rebates (BEER)
 - Commercial Food Service (CFS)*
 - Business Optimization Program (BOP)
 - Building Operator Certification (BOC)*
 - Small Business
 - Strategic Energy Management (SEM)*
 - Commercial Industrial New Construction (CINC)*
- Key Highlights and Changes
 - Public Sector growth to meet 10% minimum \$5.8M
 - Disadvantaged communities
 - BOP – expand this, since scaled to include all commercial customers.
- Asterisk Indication
 - *Joint or coordinated programs with ComEd, Ameren Illinois and/or Peoples Gas/North Shore Gas

Innovation and Equity – Jonathan Skarzynski—Manager, Energy Policy

Innovation: Emerging Technology

- Overview
 - Identify innovative technologies
 - Evaluate for reliability and cost effectiveness
 - Uses ready set go model to evaluate technologies
 - End goal is to add evaluated technologies to IL TRM and our portfolio
 - Continues to be funded as 3% of portfolio - \$1.73M annually

Chris Neme: Can you talk about what your current thinking is about the three technologies you're addressing in the next portfolio?

- *Jonathan Skarzynski: A couple going through our emerging tech program right now are the high efficiency roof top units for commercial sectors and gas heat pumps. We don't know which technologies will be coming into the pipeline in advance, but we do provide visibility into technologies in the quarterly report.*
- *Chris Neme: Haven't gas heat pumps been part of this for a while?*
- *Jonathan Skarzynski: For gas heat pumps specifically, you're right you'll see that gas HP won't be an initiative in the emerging tech program, and gas heat pumps will continue on as a MT initiative, potentially rooftop units will be in at the same time but they are earlier on in the process.*
- *Chris Neme: Are you looking at gas electric hybrid heat pumps?*
- *Jonathan Skarzynski: Yes, we are looking at hybrid systems for emerging tech. We need to have these programs in place so we can be ready for these technologies and prepare for our customers.*
- *Chris Neme: I don't know if you've ever spent all of your R&D budget, and this raises questions on if it should be actually budgeted in the statutory maximum, since you've never come close to spending \$1.7 million.*

- *Randy Opdyke: Overall emerging tech is a long process. Over the past several plan cycles we have been pretty close to the 3% cap. We don't want to go over the max. We have over 24 measures that we have submitted in to the TRM from our emerging tech program.*
- *Ted Weaver: I don't think it's true to say Nicor hasn't come close to meeting it. And I caution you to not just look at one year.*
- *Mike King: As we look at new technologies, it's not useful to look at just one year because it doesn't give the full picture of true emerging tech and impact on portfolio.*
- *Chris Neme: For the budget file in next plan, you have to get to the 4-year budget cap but you have the flexibility to overspend in some and underspend in others, correct?*
- *Mike King: Yes, some years we can underspend and some we can overspend. We love the flexibility. We look at it over the 4 years, and a lot of time bigger pilots come up, so a larger hit of emerging tech dollars go in the middle to late end of the cycle. We want to find something that really moves the needle, so we hold back \$ for the later plan period.*

Abigail Miner: For the third bullet "add evaluated techs to IL TRM and portfolio", can you explain what that means and how a company sees a measure that you're able to add to TRM?

- *Jonathan Skarzynski: We work with our emerging tech implementor and we look at newer tech with little adoption, we look at different states, and we see how we can bring the tech into IL and offer it to program. Then we do research on what's going on based on measure details, then submit through the TRM. One example is second glazing systems for commercial—that came through our program related to high performance windows.*
- *Abigail Miner: This is research coming from other states rather than IL?*
- *Mike King: We look at both others states and then the impact on savings here in IL. Then we create a white paper for the savings and submit to Guidehouse to get into the TRM.*
- *Jonathan Skarzynski: We have the "ready set go" process, so that's why we have implementation contractor to support us in the lab and field testing.*

Darnell Johnson: It's important to look at the emerging tech and R&D process. When things are added to the TRM and then market adoption, additional education and awareness needs to happen with end of life cycle with technology in the home. At what point do we begin to work with local stakeholders and partners to begin adoption of new tech, especially for LMI customers? Where does that happen within entire process of adopting new technologies? Actual adoption and equitable distribution are a part of emerging technology—so are all of those things included in whole journey, starting with RD and ending with adoption of all folks within the service territory?

- *Mike King: We have to educate the markets and trade allies, whether in IE or MR. We are doing exactly this for gas heat pumps (HP). We are going to have three testing facilities for gas HP—train new workforce, IE workers and assessors. We want to further and educate the customers too for true optimal operation and savings.*
- *Darnell Johnson: It's important for the service territory more broadly, being able to offer tech and educate customers is a huge upside for customers in the service territory who do not want to go to electrification route.*
- *Jonathan Skarzynski: Here is a link to find more information on our Emerging Technology Program and we are open to new ideas to apply [Emerging Technology Program | Nicor Gas](#). It includes the white papers to the 24 measures. We are always open to collaboration for ET and RD.*

- *Mike King: Technologies currently in the ET program are not available to the public. What we can share publicly is disclosed in the quarterly reports.*

Innovation: Market Transformation

- Our MT Initiatives (MTI)
 - High Performance Windows (HPW)
 - Gas Heat Pumps (GHP)
 - High Efficiency Roof Top Units
 - Other MT Ideas
 - Commercial gas heat pumps, HE rooftop units will be in phase 2 of MT process heading into next cycle
- Budget and Savings
 - Residential GHP and HPW
 - \$2.89M annual budget; 5% of overall portfolio
 - Will begin to claim Market effect savings - 70K over four years
 - Savings come from early adoption above market adoption baseline. Anticipate larger savings and higher uplift from natural market baseline

Abigail Miner: Rooftop units—are these hot water heaters or HVAC units?

- *Jonathan Skarzynski: There are a couple different definitions of high efficiency rooftop units, but it's a solution for commercial customers for space water heating.*

Darnell Johnson: For gas heat pumps—value of presenting them with equity of choice. Speaking from feedback directly from customers, this is a step in the right direction.

Market Development Initiative (MDI) – Allison Gregory, Program Manager MDI

- Nicor Gas is currently ending the second year of the program.
- Partnerships + Mentorship = Expanded Workforce
 - Increase from \$1.5M to \$1.95M annually
 - Expand our existing MDI program via partnerships
 - Train 60 diverse contractors and 100 workers over four years
 - Expand wraparound service opportunities including wage replacement, childcare stipends, gas cards, financial literacy/education/mental health resources
 - Provide on-the-job training internship opportunities, apprenticeships, tool rentals and cover certification booklet and exam costs
 - Increase diverse vendor certifications in the state
 - Increase BPI certified contractors in the energy efficiency field
 - Integrate returning citizens

Chris Neme (via chat): for MDI (slide 23) what do you mean by "training contractors"? I what training individuals would be (e.g., auditing skills, BPI certification, etc.), just not clear what training a business means. is it training, or alternatively is it about helping them get insurance or bid on projects or something else?

- *Allison Gregory: They come to us and have the skills to work in EE, but not the business skills they need (website, social media, tax accounting, etc.) and we provide them with resources they need and help provide a business plan to be successful. They receive a stipend, and receive mentorship opportunities.*

Karen Lusson: We are interested in getting the northern Illinois utilities to work together on the MDI program, along with CEDA and other workforce training programs, such as DCEO's to the

extent those get up and running. It just makes sense given the overlapping electric/gas service territories among the big 3 northern utilities. We also want to work with the utilities to establish metrics for the MDI so we have a better sense of success of the important diverse training and job placement programs. I hope Nicor will be open to that conversation.

- *Allison Gregory: We are starting convos with utilities.*

Community Connection Center (C3) – *John Mansfield, Manager of Customer and Partners Services*

- A team dedicated to helping customers meet their basic needs
- Established in 2022, C3 determines customer needs and makes referrals to resources that help with energy efficiency, bill payments, food, clothing, rental/housing assistance, etc.
 - 7,400+ customers have been referred to services
 - \$18M in energy grants received by connected customers
 - 226,000+ therms saved through Energy Efficiency
 - 9,000 energy savings kits distributed
 - 200 community events attended in 2023, and 200+ expected in 2024
 - 260,000 pounds of free food distributed
 - Online Community Assistance Navigator (CAN) tool works 24/7/365 in English and Spanish

Grocery and Energy Resource Fairs

- 2024 Grocery Event Campaign
 - Largest 2024 outreach effort
 - \$200,000 foundation grant
 - 21 events – 14 grocery and resource fairs, 7 produce stands
 - ~150 – 250 families per event, >60k pounds of food
 - Events from June to December
 - Holiday oriented events in November/December providing turkeys and holiday sides
 - Income-eligible customers are invited
 - Educational resources, kits, assessments, etc. offered
 - Free groceries provided include protein, dry goods and produce
 - Volunteers greet, assist and carry food to customer cars

Abigail Miner (via chat): Are the resource fairs funded by EE funds or foundation funds exclusively?

- *John Mansfield: Event costs are handled by EE funds and the foundation grants allowed us to layer on groceries on top of that.*

Community Connection Center Referrals

- Demonstrates how we interact with customers
 - Energy Efficiency Inquiry
 - Energy Assistance
 - Community Resources
- Goal is to connect customers with the resources they need
- Nicor can step in when customers not reaching service providers

Portfolio Outcomes – *Randy Opdyke, Nicor Gas* Current vs. Proposed Plan (Budget & Savings)

- Slide shows:
 - Annual budget (left column), annual net savings (middle), Lifecycle savings (right)
- Annual budget
 - Going up to \$57.8 million
 - For IE program, have a higher budget from 13 mil to 15.1 million – programs
- Net savings increasing to 15.4 million therms
- This translates to 190 million lifecycle firms
- Residential and business sectors plan to deliver largest amount of savings
- In next plan cycle, seeing much larger joint program cuts

Current vs. Proposed Plan (\$/Therm and WAML)

- Cost per annual therm
 - IE has highest dollar cost per therm - \$10; key thing here is it's high due to in IE programs, covering full cost of programs including health and safety; only covering portion of costs for customers in residential and business
- Residential and business deliver lower dollar per therm - \$ per net therm is a little higher than in current plan,
- Weighted average measure -with larger investment in ASI, overall weighted avg measure life improving

Current vs. Proposed Plan (Portfolio Budgets)

- Breaks down components of portfolio level costs – about transparency. Going to a \$12.08 million budget
- First three programs under 8-104 are things we are allowed to budget for
- Portfolio management (only increases due to inflation and additional costs of annual TRM update process, SAG work, additional reporting, studies from SAG) and portfolio marketing - very little increase, this proposed plan is focused on what programs we offer our customers, so believe dollars better spent within the program

Karen Lusson: These budget comparison slides to the current plan are helpful and appreciated.

Karen Lusson: The TRM has a measure life of 30 years for insulation measures and 20 years for air sealing. The forecasted program average savings life for IE is 15 years. Are you assuming a certain percentage of weatherization clients will not get the whole building treatment? If so, what are those assumptions?

- *Randy Opdyke: Through Wx, the primary purpose to is do insulation as the main focus. Through implementation, we have the flexibility to do additional measures like pipe insulation, additional faucets, aerators—we want to make sure it's comprehensive and all things are touched. What we find in implementing is that it goes beyond ASI.*

Cost Effectiveness by Program

- Where are we—looking at if they are cost effective programs
- Cost effectiveness is based on the Total Resource Cost (TRC) Test where the benefits outweigh overall costs. Need a total resource cost to be greater than 1
- Avoided Cost Includes:
 - Natural Gas Costs with T&D
 - GHG Adder
 - Non-Energy Impacts (NEI)
- Using 2% discount rate, using annual energy outlook inflation
- Our portfolio is very cost effective, translating to TRC test of 7.4

- Most cost effective: Outreach programs, IE kit, strategic energy management
- More comprehensive Wx programs have lower TRC values, but all are above 1 where benefits exceed overall costs.

Abigail Miner (via chat): Is Nicor using the DOE GHG adder?

- *Chris Neme (via chat): Abby, if you are asking about what they assume for the value of GHG emission reductions in the benefit-cost analysis, they should be using the same values per ton of GHG as all the other utilities which is based on the U.S. EPA's latest estimate (I think from 2022) of the social damage costs of GHG emissions.*
- *Randy Opdyke: GHG adder related to the EPA Report on the Social Cost of Greenhouse Gases [EPA Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances](#)*

Other Considerations and Next Steps – Chris Vaughn, Manager of EEP Regulation

- Adjustments to health and safety (H&S) funding stipulations
 - Annual cap on H&S—\$1.5M
 - There are a couple instances on where we can't service the project, but even with the per project cap, can still be under overall annual budget cap. We are proposing to have a flat annual cap to ensure that every customer is serviced and that no home is left aside.
 - Pretty positive that what we are proposing can be achieved with exact budget we have today.
- Inflation Reduction Act rebate program
 - Have heard stakeholder desire to leverage funding. However, we are not equipped at the time to outline mechanisms to leverage IRA funding. We are committed to continuing conversation and developing contingent mechanisms to utilize to see how overall goals can be impacted and reach agreement in leveraging IRA funding

Karen Lusson: I appreciate the commitment to work on leveraging IRA rebates. Mick Prince, IL WAP manager, has specific ideas on that related to braiding utility funding to make the IRA rebate programs work as envisioned.

Closing and Next Steps

- Interested SAG participants to notify SAG Facilitator by Thursday, October 31 if you plan to present feedback on Nicor Gas' Draft EE Plan.
- The Large Group SAG meeting for interested stakeholders to present feedback to Nicor Gas is Wednesday, November 6, by teleconference.

Summary of Follow-up Items:

1. Chris Neme requested air sealing and insulation breakdown between SF and MF.
2. Chris Neme requested an explanation of the Smart Neighborhood Builder Program. Nicor Gas will send additional information on the Smart Neighborhood Builder Program, and how it differs from the previous Residential new Construction Program.
3. Karen Lusson asked whether home assessors are BPI certified – Nicor Gas to follow-up.