

**Ameren Illinois Company d/b/a Ameren Illinois**  
**2022-2025 Energy Efficiency and Demand Response Plan**  
**Settlement Stipulation and Agreement**  
**Originally Executed: February 26, 2021**  
**Amended: April 5, 2022**

**I. Prefatory Statements and Agreements**

This Amended Settlement Stipulation and Agreement (“Stipulation”), when fully executed and accepted, will constitute a valid settlement agreement enforceable between Ameren Illinois Company d/b/a Ameren Illinois (“Ameren,” “Ameren Illinois,” “AIC” or the “Company”) and the undersigned stakeholder participants, including the Staff of the Illinois Commerce Commission, the Office of the Illinois Attorney General, the Natural Resources Defense Council, Community Organizing and Family Issues by its attorney the National Consumer Law Center, the Citizens Utility Board, the Environmental Law & Policy Center, and Aces for Youth (each a “Party” and, collectively, Ameren and the undersigned stakeholders are referred to herein as the “Parties”) who participated in the Illinois Energy Efficiency Stakeholder Advisory Group (“SAG”) plan development and settlement process and executed this Stipulation.

This Stipulation involves and applies to the Ameren Illinois Energy Efficiency and Demand Response Plan for the calendar years 2022 through 2025 (the “2022 Plan”). The 2022 Plan was filed with the Illinois Commerce Commission (the “Commission”) on March 1, 2021 pursuant to Sections 8-103B and 8-104 of the Public Utilities Act (the “Act”), 220 ILCS 5/8-103B; 8-104. The 2022 Plan has been the subject of significant analysis and lengthy discussions among the Parties, which has resulted in consensus on the provisions contained in this Stipulation as they relate to the portfolio of energy efficiency programs to be implemented by Ameren for the period from January 1, 2022 through December 31, 2025. The Commission approved the 2022 Plan, which incorporated the Originally Executed Stipulation executed February 26, 2021, on July 22, 2021 in Docket No. 21-0158. On September 15, 2021, Public Act 102-0662 was enacted, which, among other things, amended Section 8-103B of the Act.

This Stipulation memorializes the agreements of each and all of the Parties with respect to the 2022 Plan, as updated in light of Public Act 102-0662, and reflects the consensus of the Parties that the 2022 Plan satisfies the requirements of Sections 8-103B and 8-104 of the Act, respectively, and therefore should be approved by the Commission. In addition, this Stipulation memorializes the compromises made by and among the Parties regarding certain disputed issues raised during the course of settlement discussions, as further detailed below. To the extent that any provision in this Stipulation does not get expressly identified in the filed Plan, Ameren agrees that it will implement the 2022 Plan consistent with the terms of this Stipulation, subject to Commission approval. The Parties agree that compromise by any Party on any particular issue set forth in this Stipulation or in the 2022 Plan shall not constitute, and shall not be construed or interpreted to constitute, an endorsement of the resolution achieved by that compromise for any purpose other than as set forth in this Stipulation.

This Stipulation also reflects the agreed language and outcomes of the Parties’ arms’ length negotiations, during which each Party has been represented by counsel or has had the opportunity to consult with counsel, and the language of this Stipulation shall not be construed against any Party. The Parties further confirm their respective intent to be legally bound by this Stipulation, and each acknowledge the benefits to be derived from the mutual promises and commitments contained

herein, as well as the adequacy of consideration supporting those promises and commitments, and therefore agree as follows:

## II. Plan Stipulations

### A. Overview

The Parties agree that the compromise positions memorialized in this Stipulation allow for Ameren Illinois to achieve the modified statutory energy savings goals set out in Sections 8-103B and 8-104 of the Act, as applicable, which have been modified to reflect the limitations of the planning budgets established in Sections 8-103B(m) and 8-104(d), respectively. The Parties agree that the stipulations and agreements reflected herein, and as incorporated into the 2022 Plan, will result in a Plan that is consistent and in compliance with the statutory requirements set forth in Sections 8-103B and 8-104 of the Act. In particular, the Parties agree that the 2022 Plan—which expressly relies on and incorporates the Energy Efficiency Policy Manual Version 2.0 and the Illinois Technical Reference Manual Version 9—complies with the requirements and satisfies the obligations set forth in Section 8-103B (b-15), (b-20), (b-25), (b-27) (c)-(j), (l), (m) and (n), as well as Section 8-104 (b)-(d), (e-5), (e-10), (f), (g), (m), and (n). Consistent with the terms of this Stipulation, the Parties further agree to support or not oppose Commission adoption and approval of the provisions set forth in this Stipulation in their entirety, and as incorporated in the 2022 Plan, in the Commission’s Final Order approving the 2022 Plan and any subsequent appeal.

### B. Portfolio Level Stipulations

#### 1. Integrated Dual Fuel Portfolio:

The Parties agree that, pursuant to Section 8-104(f)(6), Ameren Illinois has filed an integrated gas and electric energy efficiency and demand response plan that demonstrates the 2022 Plan reduces program or participant costs and appropriately allocates costs to gas and electric customers.

#### 2. Electric and Gas Budgets:

The Parties agree that Section 8-103B(m) and Section 8-104(d) sets forth the planning budgets to be used for the 2022 Plan, and that Table 1 below and Appendices A and D, of the 2022 Plan accurately identifies the planning budgets to be used to develop and approve the 2022 Plan in a manner consistent with Section 8-104(d) and Section 8-103B(m), including adjustments made for the final list of customers who chose to opt out of subsections (a)-(j) of Section 8-103B (“Opt Out Customers”).

**Table 1: Budgets**

Budget	2022	2023	2024	2025	4 Year Total
Electric	\$ 119,489,180	\$ 118,701,009	\$ 118,701,009	\$ 118,701,009	\$ 475,592,208
Gas	\$ 16,295,291	\$ 16,433,133	\$ 16,624,870	\$ 16,701,258	\$ 66,054,552

The Parties agree that Ameren Illinois adjusted the electric budgets in Table 1 as a result of changes to Section 8-103B(m)(2)-(3) and 8-103B(l). Incremental increases to the planning budget are allocated as follows:

- \$6.9 million annual average electric IQ initiative planning budget to fund IQ whole building weatherization channels;

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- \$4.3 million annual average electric planning budget in order to plan to achieve the goal increase related to large public customers and large private customers who did not opt-out; and
- \$1.4 million annual average electric planning budget for use at Ameren Illinois' discretion. This additional funding may be used for below the line items such as evaluation, measurement, and verification activities; market development initiative activities; portfolio administration, marketing or to achieve additional savings.

The Parties agree that recovery of costs incurred by Ameren, if any, in excess of the Commission-approved annual 2022 Plan budget, will be subject to the law as modified by Public Act 102-0662, as well as Commission review during the applicable energy efficiency formula rate update proceeding, as well as to any Commission order addressing the issue of the recovery of costs that exceed the annual 2022 Plan budget, subject to the provisions of the Act.

3. Energy Savings Goals:

Ameren Illinois has made available the 2022 Plan, including the updates to the 2022 Plan, as well as the assumptions set forth in the supporting modeling batch files, to the other Parties, who acknowledge they have reviewed them and have had the opportunity to ask questions and provide feedback. The Parties agree that, based on review of the 2022 Plan, the updates and the supporting batch files, it appears highly unlikely that Ameren could achieve the unmodified savings goals defined in Section 8-104(c) of the Act or that Ameren could meet the unmodified savings goals defined in Section 8-103B(b-15), while also meeting other 2022 Plan objectives, such as ensuring equitable access by customers to efficiency opportunities and enhancing the diversity of providers of efficiency products and services in Ameren's service territory, as well as the requirements set forth in Section 8-104(d) or Section 8-103B(m), respectively. To that end, the Parties agree that there is sufficient evidence in the 2022 Plan and the supporting batch files upon which the Commission can and should modify and approve the electric and gas energy savings goals for Ameren Illinois, as reflected below in Tables 2, 3 and 4 and Appendices B and E of the 2022 Plan.

*Electric Cumulative Persisting Annual Savings Goals ("CPAS"):*

The Parties agree and acknowledge that the 2022 Plan reflects the steps taken by Ameren Illinois to comply with Section 8-103B and to get closer to meeting the 16.5% CPAS goal set forth in subsection 8-103B(b-15), as modified by subsection (b-20) of that Section, by the end of calendar year 2030. These steps include, but are not limited to:

- developing and implementing programs that are designed to achieve additional incremental annual savings that persist for time periods that align with Section 8-103B(b-15);
- identifying and meeting portfolio goals that align with the Act and the Energy Efficiency Policy Manual, Version 2.0 ("EE Policy Manual"), balancing the achievement of incremental persisting savings with responding to the evolving market and changing customer circumstances;
- developing markets and delivering programs that unlock previously unachieved savings from customers and communities that may have previously not participated or under-participated in energy efficiency; and
- maintaining flexibility to adjust for both seen and unforeseen market changes so that customers continue their journey towards reducing energy waste and achieving energy savings.

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In accordance with these steps, Ameren Illinois agrees that it will manage its 2022 Plan to achieve at least the CPAS goal set by the Commission for Plan Year 2021 (i.e., 2,542,522 MWh) plus the incremental increase in CPAS for Plan Years 2022-2025, as set forth in Section 8-103B(b-15), as modified by subsection (b-20) of that Section.<sup>1</sup> The resulting CPAS goals for Plan Years 2022-2025 are reflected in Table 2 and Appendix B.

The Parties agree that the 2022 Plan, as well as the assumptions set forth in the supporting modeling batch files, provide sufficient basis upon which the Commission can modify the CPAS goals pursuant to Section 8-103B(f)(2). Accordingly, the Parties agree that the CPAS goals for calendar years 2022-2025 should be approved as shown in Table 2 and Appendix B:

**Table 2: Electric CPAS**

Goal	2022	2023	2024	2025
CPAS Savings Goal (MWh)	2,806,315	3,045,376	3,310,600	3,572,881

The Parties also agree that the Applicable Annual Incremental Goal (“AAIG”), for purposes of Section 8-103B(g)(7.5), for each calendar year is calculated by taking the difference between the cumulative persisting annual savings goal for the calendar year that is the subject of the independent evaluator’s determination and the cumulative persisting annual savings goal for the immediately preceding calendar year, as such CPAS goals have been or will be modified and approved by the Commission under Section 8-103B.<sup>2</sup> The Parties agree that, as a result of these calculations, Ameren Illinois’ AAIG for each Plan year is as follows:

**Table 3: Electric AAIG**

Goal	2022	2023	2024	2025	4 Year Total
Annual Incremental Goal (MWh)	263,793	239,060	265,224	262,282	1,030,359

*Gas Savings Goals:*

The Parties agree the 2022 Plan and the assumptions set forth in the supporting modeling batch files constitute substantial evidence and demonstrate that it is highly unlikely that the savings goals set by Section 8-104(c) will be achieved without exceeding the spending limits set for the multi-year period that constitutes the 2022 Plan. Accordingly, the Parties agree that gas savings goals for calendar years 2022-2025 should be approved by the Commission as shown below:

**Table 4: Gas Savings Goals**

Goal	2022	2023	2024	2025	4 Year Total
Gas Goal (Therms)	3,369,258	3,465,035	3,536,925	3,601,435	13,972,653

<sup>1</sup> The Parties acknowledge that while Ameren will plan to meet these goals, unforeseen circumstances may prevent Ameren Illinois from actually achieving these levels of savings.

<sup>2</sup> The Parties agree that the AAIG for each calendar year set forth in Table 3 reflect the statutory incremental increases for the 2022-2025 CPAS goals set forth in Section 8-103B(b-15), as amended by Public Act 102-0662, and as modified by subsections (b-20), (f), (l) and (m).

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The Parties also agree that the gas savings goals set forth in the 2022 Plan will be subject to adjustment as set forth in Section 6.3 of EE Policy Manual. Further, for purposes of Section 6.3, Ameren Illinois will file a gas adjustable goals template with its Plan filing, and will endeavor to have it reviewed by its independent evaluator prior to filing.

The Parties agree that, for purposes of Section 6.3 of the EE Policy Manual, Ameren Illinois has identified 10% collars for the only two programs eligible, the Business Custom and Retail Products programs.

4. Demand Response Reduction Goal:

The Parties agree that Ameren Illinois' Demand Response Reduction Goals for the 2022 Plan are as shown in Appendix C.

The Parties further agree that, consistent with prior plans and Commission-approval, Ameren Illinois will continue to be allowed to meet the demand response goal reductions through the peak coincident demand savings from the energy efficiency measures implemented in the 2022 Plan.

5. Voltage Optimization:

The Parties agree that, consistent with the stipulation reached in ICC Docket No. 18-0211, Ameren Illinois will assess future investments in voltage optimization ("VO") using a total resource cost test that includes assessment of quantifiable peak demand savings and, when appropriate, updated cost estimates.

The Parties also agree that any VO investment considerations by Ameren Illinois will be subject to the information and analysis available at the time of the investment and no additional obligations or investment obligations are being undertaken pursuant to this Stipulation.

The Parties acknowledge that any VO investments to be considered or made in the next plan cycle (comprising calendar years 2026-2030) can be the subject of future discussions between the Parties relating to that plan cycle.

6. Total Resource Cost Test and Program Administrator Cost Test

The Parties agree that for portfolio and program level cost effectiveness reporting, the Company will use line loss factors based on marginal energy and peak line loss rates. Such marginal loss rates will be based on weighted average annual energy and weighted average system peak hour demand losses on Ameren's system multiplied by an assumed 1.5 to 1 marginal to average loss rate multiplier.

The Company will also report joint total resource cost test ("TRC") and Program Administrator Cost Test ("PACT") results (including both benefit-cost ratios and net present value of benefits, costs and net benefits) for each program and its portfolio as part of its Plan filing and any ex-post cost effectiveness reporting. TRC and PACT results will include electric and gas savings where applicable. The Company agrees to present TRC and PACT results both with and without non-energy impacts ("NEIs"), when available, and will include NEIs specified within the Illinois Technical Reference Manual ("IL-TRM") in both sets of calculations. Finally, the Company agrees to present portfolio TRC and PACT test results both with and without the Income Qualified initiative.

### III. Program Level Stipulations

The Parties agree and acknowledge that the following stipulations only address those issues raised during the negotiations of the 2022 Plan and the programs, initiatives and related policies referenced herein may not reflect all of the initiatives or related policies included in the 2022 Plan and submitted for Commission approval. The Parties agree that the program level stipulations reflected in this Stipulation are planning budgets and the Stipulation does not restrict Ameren Illinois from implementing its portfolio in accordance with the Illinois EE Policy Manual Version 2.0, including but not limited to Section 6.1.

#### A. Residential Program Stipulations

The Parties agree that they have reviewed or have been presented the opportunity to review the residential program and initiatives to be included in the 2022 Plan, including proposed budgets, assumptions and underlying data, and agree the proposed program should be approved.

##### 1. Income Qualified Initiative:

The Parties agree that the 2022 Plan will include an Income Qualified (“IQ”) Initiative that will reflect at least the following attributes:

- a. A combined gas and electric IQ Initiative planning budget of an annual average of \$36.9 million (excluding Research & Development (“R&D”) or any other portfolio-level costs).
  1. \$30.0 million annual average gas and electric IQ Initiative planning budget agreed to in the Stipulation approved by the Commission in a Final Order issued July 22, 2021;
  2. \$4.7 million annual average new electric planning budget to fund IQ whole building weatherization channels due to changes in 8-103B(m)(2)-(3) and Section 8-103B(l), a part of the \$19.1 million annual average total electric planning budget allocated to fund IQ whole building weatherization channels (outlined in the chart below);
  3. \$2.2 million annual average new electric planning budget for electrification as outlined in III.A.3.b due changes in Section 8-103B(m)(2)-(3).
- b. A combined gas and electric IQ multifamily (“MF”) channel planning budget of an average of \$6.8 million per year over the 2022-2025 period.
  1. \$5.5 million IQ MF channel planning budget agreed to in the Stipulation approved by the Commission in a Final Order issued July 22, 2021;
  2. \$1.3 million annual average new electric planning budget (includes electrification and non-electrification allocations) to IQ MF whole building weatherization measures due to changes in Section 8-103B(l) and 8-103B(m)(2)-(3), a part of the \$6.2 million annual average total electric planning budget allocated to fund IQ MF whole building weatherization work (outlined in the chart below).
- c. The table below identifies planning budgets associated with low-income whole-building weatherization program provisions contained in 8-103B(c).

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<b>Income Qualified Planning Budget</b>	<b>4 Yr Avg Total Electric IQ \$</b>	<b>4 Yr Avg Electric LI Dedicated \$ (a)</b>	<b>4 Yr Avg Electric LI Whole Building \$ (b)</b>
CAA	\$3,727,269	\$3,727,269	\$3,727,269
IQ Single Family*	\$14,736,509	\$8,140,970	\$8,140,970
IQ Multifamily	\$6,191,255	\$6,191,255	\$6,191,255
IQ Retail Products	\$2,650,952	N/A	N/A
Community Kits	\$657,505	\$657,505	N/A
Smart Savers	\$2,011,740	\$2,011,740	N/A
Manufactured Homes Weatherization and Air Sealing	\$1,089,673	\$1,089,673	\$1,089,673
<b>Total Budget**</b>	<b>\$31,064,904</b>	<b>\$21,818,413</b>	<b>\$19,149,168</b>
<b>Total LI Whole Building Requirement***</b>			<b>\$17,454,731</b>

\*The IQ Single Family Channel planning budget is split, 50% to Low-Income customers and 50% to Moderate-Income customers.

\*\* The difference between the Total Budget and total IQ budgets in the Stipulation are due to the inclusion of natural gas budgets in the Stipulation.

\*\*\*For compliance, only the portion of spending that is specifically associated with Low Income customers will count towards the Low Income spending requirements.

- d. Ameren Illinois will make best efforts to identify opportunities for retrofitting of heat pumps to displace inefficient electric resistance heat in IQ MF buildings and will budget at least \$1.5 million on such heat pump installations in IQ MF buildings in 2022, at least \$2.3 million in 2023, at least \$3.1 million in 2024 and at least \$4.0 million in 2025, as reflected in the AIC batch files.
- e. As reflected in the batch files, a combined gas and electric budget that reflects at least an annual average of 80% of the IQ planned budget to be allocated to the following IQ channels: CAA, Single Family, Multifamily, and manufactured homes weatherization and air sealing that could be implemented during comprehensive whole building projects. The channels, as more fully explained in Appendix H of the 2022 Plan.
- f. Measures offered through the IQ initiative, whether those measures will be offered as part of a weatherization project or otherwise, shall be provided without co-pays to low-income customers as the term "low-income customers" is defined as household income at or below 200% Federal Poverty Level ("FPL") or at or below 80% Area Median Income ("AMI"), whichever is least restrictive in terms of customer eligibility. Ameren

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commits to work with stakeholders to develop options for qualifying and marketing to single family households as eligible for no cost installation of all efficiency measures. Such options may be based on specific percentages of FPL or other metrics. Absent an agreement with stakeholders regarding appropriate single-family proxies for the low income threshold of 80% of AMI (existing proxies in the Policy Manual for multi-family buildings shall apply for multi-family eligibility), the Company shall base low income eligibility of all efficiency measures at no cost to the customer as defined here.

- g. Subject to applicable laws, Ameren will continue its practice of not requiring customers seeking to participate, or continuing to participate, in an Ameren-offered energy efficiency program to demonstrate, or otherwise provide evidence or documentation of, United States citizenship.
- h. Include the offering of incentives of up to the full cost for air sealing and insulation upgrades in IQ MF buildings that have a payback of 20 years or less.
- i. A continuation of data analysis to assist with identifying households with electric resistance heating that could be offered incentives for the installation of heat pumps (either ductless or ducted, as appropriate) to serve as the primary heating system.
- j. A commitment to streamline the customer experience in an effort to deliver comprehensive projects in an efficient manner while still allowing the process to include the engagement of our community partners, where practical.
- k. A commitment to implement a one-stop shop design for IQ MF, which includes treating MF buildings in a single, one-stop approach that endeavors to address the gas and electric needs of the entire building, including all residential units, common areas, and any commercial space that may exist, while minimizing burden on the customer, building owner or property manager. A one-stop shop should also provide building owners access to integrated program services through a single point of contact. The one-stop shop process should pair with deep whole building work and substantial incentives. Ameren will share progress on one-stop shop approach via SAG and IQ Committees, and relevant reporting, as appropriate. This one-stop design shall be ready for implementation on January 1, 2022.
- l. A commitment to design and host a separate page or website equivalent on the Ameren Illinois Savings website within 90 days of the start of the 2022 program year, which will address both single family and multi-family IQ EE opportunities.
- m. With respect to MF IQ data, Ameren Illinois agrees to make best efforts to provide the following data to the SAG, on a quarterly basis:
  - 1. Regarding program data: (1) participation - including (A) number of IQ MF buildings in which efficiency measures were installed and number of apartments in those treated buildings, by zip code; (B) number of IQ MF buildings in which major measures (building envelop and/or HVAC mechanicals) were installed and number of apartments in those treated buildings, by zip code; (2) IQ MF spending – including incentives, non-incentives, total; and (3) IQ MF savings.

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- n. Starting in 2022, Parties agree to host MF workshops, twice per year, to outline data gathering consistent with the topics below. AIC will work with stakeholders to establish an appropriate data sharing review and process. Parties agree to assess the schedule/frequency and need for continued MF workshops. Regarding comprehensiveness of treatment of efficiency opportunities within MF buildings:
1. % of buildings/projects (and number of apartments within those buildings) served YTD that received whole building assessments;
  2. % of buildings/projects and apartments served YTD that received only DI measures;
  3. % of buildings/projects and apartments YTD that only received in-unit measures;
  4. % of buildings/project and apartments YTD that received only common-area measures;
  5. % of buildings/projects and apartments served YTD that got recommendation to install at least one major measure;
  6. % of buildings/projects and apartments that got recommendation for major measures 12-24 months ago that followed through and installed at least one recommended major measure, if possible;
  7. % of buildings/projects and apartments that got recommendation for major measures 0-12 months ago that followed through and installed at least one recommended major measure, if possible.
- o. With respect to IQ MF data, Ameren also commits to discussions with interested Stakeholders and other utilities in the state through the SAG regarding additional performance and related metrics which would merit tracking and reporting, and to addressing such additional metrics in an update to the Policy Manual, with a goal that it be submitted to the Commission, by Commission Staff, by December 1, 2022.
- p. For non-IHWAP-braided IQ programs, the Company commits to fund health and safety improvements necessary to install insulation and other major measures, with a minimum total budget for health and safety improvements of 15% of the total income qualified weatherization budget, equal to an annual average H&S planning budget of \$3.9 million. The Company commits to meet with the Parties and the LIEEAC in the second quarter of 2022 to discuss H&S implementation practices for utility-only IQ single family and multifamily retrofit programs. Ameren will track and report to the SAG annually on:
1. the number of buildings it does not weatherize because of health and safety concerns that could not be addressed within its H&S spending caps;
  2. The number of SF homes and MF buildings and apartment units receiving H&S investment to allow weatherization;
  3. Type and frequency of H&S issues observed in the field; and
  4. Type and frequency of H&S investments made.
- q. Subject to the requirements of Section 8-103B(c), the Company also will communicate with IQ SF and MF program implementers to gain a better

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understanding of what air sealing and insulation materials are currently being used in IQ retrofits so that an informed discussion on any options for using healthier materials can be had by the LIEEAC and SAG, along with a report-out on the top 3 materials program allies report are being used in low-income retrofits for: insulation, caulks/sealants (all applications except HVAC/ ducts), and caulks/sealants (for HVAC/ ducts).

- r. A commitment to continue to use a workflow to determine when it is appropriate for utility-only weatherization contractors to install advanced thermostats and educate customers on the use of advanced thermostats.
- s. A commitment to continue its current process of reviewing applications and invoices from program allies in continued effort to prevent residents being charged for a weatherization quote.
- t. The Company will also analyze and, at its discretion, leverage external sources of funding health and safety improvements for program participants.

2. Illinois Home Weatherization Assistance Program (“IHWAP”)

The Parties agree that the 2022 Plan will include as part of the IQ Initiative an IHWAP component that will reflect at least the following attributes:

- a. A commitment to engage and work with Community Action Agencies (“CAA”) to foster a greater understanding of agency capacity and increased home weatherization capacity to be delivered through the CAA channel, including in the development and establishment of annual implementation budgets. This engagement will include a plan to increase treated homes served year over year over the course of the 2022 Plan through IHWAP braiding that reflects agency resources and capacity.
- b. A commitment to coordinate activities across the agencies operating within its service territory (estimated at over 20) when practicable. Ameren Illinois plans to deploy an implementation strategy that reflects a centralized approach, recognizing that each CAA potentially operates in a unique manner, including but not limited to their approaches to forecasting energy savings, planning for the program, staffing the program, managing operational budgets, and allocating state and federal funding for budgets.
- c. A commitment to the funding of CAAs in a manner consistent with the current IHWAP braiding agreement between Ameren Illinois and the Department of Commerce and Economic Opportunity (“DCEO”), except that for the 2022 Plan the IHWAP braiding agreement will include the funding of mechanicals other than central air conditioners. Specifically, the program will split costs for heat pumps to displace electric resistance heat, heat pump water heaters to displace electric resistance water heaters, furnace fans, furnaces, gas water heaters, boilers and window A/C units. Notwithstanding this commitment, Ameren will use best efforts to meet, confer and reach consensus agreement with DCEO and the CAAs (consistent with its centralized approach) as to which measures beyond the direct install and building envelope measures currently funded through a 50/50 allocation, shall be incorporated in the IHWAP braiding agreement.

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- d. A commitment to collaborate with CAAs to better understand the specific barriers for multifamily projects and to coordinate with the agency and DCEO, when practicable, a plan to provide braided funding if and when CAAs elect to pursue serving multifamily projects.
- e. A commitment to continue funding health and safety costs in accordance with the agreement between Ameren Illinois and DCEO, splitting health and safety costs 50/50 for services provided through the IHWAP braided-funding program.
- f. The Company may claim 100% of the savings achieved through all efficiency measure installations that it has split the costs 50/50.
- g. A commitment to consult and communicate with CAAs and other community partners regarding program changes, budget shifts and other changes that impact program delivery.

3. Efficient Electrification Initiatives:

- a. **Planning for Electrification Initiatives.** Ameren commits to working with Stakeholders to identify efficient electrification measures for IQ residential customers, non-IQ residential customers and business customers during the 2022-2025 plan period. The Company further commits to working with interested stakeholders in calendar year 2022 on (1) the identification of priority electrification measures and opportunities for each of those three customer groups; (2) the design of program strategies for IQ electrification and, to the extent Ameren elects to pursue non-IQ electrification opportunities, for strategies addressing non-IQ customers; and (3) rules to be included in the next iteration of the Policy Manual and/or the TRM, regarding the calculation of savings from efficient electrification consistent with the provisions of paragraph (b-27) of Section 8-103B. The parties agree that the Company has sufficient flexibility to incorporate electrification measures and initiatives for non-IQ customers into its various non-IQ residential and business programs, throughout the plan period, in order to address non-IQ electrification opportunities at its discretion.
- b. **IQ Propane Electrification Budget.** Ameren will plan to increase spending on IQ propane electrification to \$3.5 million in 2025, with an average spend of \$2.2 million per year (total of \$8.8 million) over the 2022-2025 plan period. Ameren will work with the SAG facilitator to schedule a meeting by the fourth quarter of 2023 with the Stipulating Parties and interested members of the LIEEAC to assess whether the \$3.5 million electrification spending target for 2025 should be revised. Such discussions will be informed, at least in part, by challenges and opportunities identified through both market analysis and Ameren's experience in increasing IQ propane electrification through 2023.
- c. **IQ Propane Electrification Program Design Parameters.** Ameren commits that its IQ propane electrification initiatives will reflect the following principles:
  - 1. IQ electrification will prioritize and target applications in IQ homes and buildings in which the biggest bang for the buck – in terms of customer bill reductions and the number of homes served – can be achieved.
  - 2. IQ electrification initiatives will address opportunities in both single family and multi-family applications (though the level of emphasis on

each building type will be consistent with the nature of opportunities in each building type).

3. IQ electrification will be pursued only when it is expected to reduce IQ customers' total energy bills (for all existing end uses) and the customer agrees to the electrification measure installations. Ameren commits to discussions with the Parties starting in the second quarter of 2022 on how such assessments of impacts on customers' bills will be performed.
4. IQ electrification measures will be installed at zero cost for single family low-income customers and tenants of low-income qualifying multi-family buildings. For low-income multi-family building owners, Ameren will provide sufficiently robust incentives (up to full installed cost) necessary to ensure that the building owner participation is substantial. To the extent that full electrification of all appliances is necessary to eliminate any fixed monthly charges (and therefore to maximize energy bill savings), Ameren will offer to replace all propane consuming appliances so long as that appliance can be replaced with electrification measures (including stoves and dryers), at zero cost, for low-income program participants subject to compliance with the Policy Manual.
5. To the extent that there is potential to leverage electrification investments required by other parts of CEJA, state or federal funds for electrification, and/or other funding sources, Ameren may endeavor, or may support other parties to leverage such additional funds so that a greater number of IQ customers can receive electrification measures through its planned Section 8-103B spending.

## **B. Business Program**

The Parties agree that they have reviewed or have been presented the opportunity to review the business program and initiatives to be included in the 2022 Plan, including proposed budgets, assumptions and underlying data, and agree the proposed program should be approved.

### **1. Standard**

Among other offerings, the Company commits to include in the 2022 Plan an initial offering of small business weatherization through the small business energy performance channel. The initial targeted population will include customers located in Empower communities, as identified through zip codes identified in the Market Development Initiative.

The Company will also commit to assessing the feasibility of promoting the adoption of efficiency performance standards for existing buildings in one or more municipalities in its electric service territory through existing statewide efforts underway through the Midwest Energy Efficiency Alliance ("MEEA") and Slipstream. If the initiative aligns with Ameren Illinois' implementation priorities and the initiative moves forward, the Company agrees to coordinate with stakeholders through the statewide Market Transformation working group. Funding for all Market Transformation initiatives will come out of the existing Market Transformation Budget.

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The Parties agree to recommend to the SAG facilitator to establish a Technical Advisory Committee subcommittee to address the measures associated with network lighting controls (“NLC”). This subcommittee could include, at a minimum, representatives from Natural Resources Defense Council, Commonwealth Edison, and Ameren Illinois.

**C. Third Party Programs**

The Parties agree that Ameren Illinois' commitment to issue a Request for Proposal (“RFP”) for Third Party Programs as set forth in the 2022 Plan, and as required by Section 8-103B(g)(4) is reasonable. The Company commits to include in the third-party RFP, among other things, a specific request for innovative proposals for new programs and/or new approaches to markets currently being targeted by utility programs, subject to other parameters set forth in the RFP. The Company agrees to seek feedback from interested Stakeholders on the RFP, criteria for selection of winning bidders, summary information on bids received and on the Company's draft selections.

Pursuant to 8-103B(g)(4), through the RFP, Ameren Illinois will seek to identify programs that deliver innovative cost effective savings/measures, including to market rate, Income Qualified and to previously underserved sectors, markets, and/or geographic regions, and with new or emerging technologies in an amount that is no less than \$8.35 million. The RFP will also request a focus on delivering new program concepts for planned initiatives (but not the Market Development Initiative).

The RFP will further identify a required cost per kWh, vendor qualifications, performance measurement process, and contract structure, including a performance payment mechanism(s). The Parties agree that the Company's Third Party Program proposal satisfies the requirements of Section 8-103B(g)(4).

**D. Market Development Initiative**

1) Market Development Initiative Objective:

a) The Parties agree that Ameren's plan to continue and expand its Market Development Initiative (“MDI”) is reasonable. The Parties agree that the 2022 Plan will include a continued investment in and expansion of Ameren Illinois' MDI that will reflect at least the following attributes:

(a) A commitment to continue to strive to meet the following goals:

- (i) Deliver energy efficiency education and projects for communities with the most critical need to reduce energy consumption and costs, using data driven approach to target investment to such communities;
- (ii) Increase the number of local and diverse participants in the energy efficiency workforce throughout the Ameren Illinois service territory; and
- (iii) Strengthen the partnership and support for local and diverse business enterprises, to support contracting at all levels, building upon the proven strategies and with insights from external sources with proven track record of impact on communities in the Ameren Illinois service territory.

2) Implementation:

a) Portions of implementation of the MDI will, to the extent practicable, be contracted to a third-party implementation contractor through a competitive bidding process that has demonstrated

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experience in diverse market development efforts. This opportunity may be an independent Tier 1 contractor, who can recommend strategies to increase diverse and equitable hiring and contracting throughout the Ameren service territory. The MDI will also be supported by internal Ameren staff. The implementation contractor will work with Ameren Illinois to develop a Market Development Action Plan based on the elements in subsections b, d-g, and j of this Section III.D.2.

- b) Ameren commits to work with interested stakeholders to identify any data or information gaps related to identifying diverse potential bidders and achieving the goal of increasing diverse bidders and Ameren-contracted entities which additional research in its service territory could productively help fill, as well as on the design of research to address such data and/or information needs. Ameren further commits to discussing such work through a new SAG subcommittee.
- c) The cost associated with MDI implementation will be included in the utility's four-year budget and will be of a sufficient amount to achieve the goals and objectives of the MDI. The MDI shall have a planning budget of 3% of the total electric planning budget, on an average annual basis, during the four-year Plan.
- d) A commitment to continue the refinement and use of innovative, data-driven approaches to assess the effectiveness of both Ameren's efficiency programs and its MDI in achieving the MDI goals described in Section III.D.a of this Stipulation, as well as opportunities for improving the effectiveness of the MDI.
- e) An increased workforce development focus on education to K-12 school age children to provide energy efficiency career education and training, as well as practical energy efficiency knowledge.
- f) A commitment to continue providing energy efficiency opportunities to customers in an equitable manner, including identifying underserved customers and providing resources available to help lower utility bills, by collaborating with community partners throughout its service territory via the MDI, providing interested stakeholders, including the Parties, a demonstration of the Champaign County Regional Planning Commission ("CCRPC") tool and host twice a year workshops to review and discuss program activity data in the CCRPC tool, with room for feedback on how the tool is designed and used. Ameren also commits to using this tool and other methods, when possible, to report on EE participation data by zip code or census tract disaggregated by program and service territory, to help illustrate the demographics of program participants across the Company's service territory. Additional metrics around equitable participation will be discussed and considered via the SAG and with the goal of it being included in an update to the Policy Manual to be filed with the Commission, by Commission Staff, by December 1, 2022.
- g) A commitment to develop and implement a Market Development Action Plan ("MDAP") reporting process, as well as discussion of refinement of implementation details through a new MDI-SAG subcommittee. This should include the development of an MDAP reporting section in the Company's annual/fourth quarterly report filed each year in the 2022 Plan approval docket, where section will provide data on implementation contractor and trade ally diversity, achievement of goals, as well as data on contracting with CBOs, non-profits and serving Empower Communities with energy efficiency programs. This data should include details on what programs/parts of the portfolio are being supported by these diverse implementation contractors and trade allies and if the implementer is a primary, sub, or sub-sub-contractor.
- h) A commitment to discuss additional equity and affordability reporting metrics with interested stakeholders around energy burden, energy affordability, procedural equity, bill impacts, and

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other identified areas via the SAG, with the goal that it be included in an update to the Policy Manual to be submitted to the Commission by December 1, 2022.

- i) Ameren commits to work with other Illinois utilities to identify areas in which efficiencies and cooperation can be achieved to the benefit of customers and ensure best practices are followed in achieving the goals identified in Section III.D.1.a of this Stipulation.
  - j) A commitment to continue to implement efforts related to market development, bill assistance, procedural equity, and helping trade allies and other EE partners to identify additional sources of funding, when practicable.
  - k) A commitment to use a competitive procurement process to hire a contractor with experience and expertise with energy efficiency, and advancing social equity goals to assess the effectiveness of different elements of Ameren's MDI. The purpose of the assessment would be to: (A) identify ways in which the initiative is performing well and making progress towards achieving the MDI goals; (B) identify any areas in which there may be room for improvement; and (C) provide actionable recommendations for improvement. A report documenting the assessment will be shared with interested stakeholders and other utilities through a new SAG subcommittee. Such an assessment will take place twice during the next four-year plan cycle, once in late 2022 and again in Fall 2024.
- 3) Procurement Equality:  
Ameren will:
- a) Continue procurement efforts to identify ready, willing, and able diverse firms offering services in the Ameren Illinois service area as well as identify ongoing opportunities to contract with these firms. Ameren Illinois has increased its procurement with diverse vendors for its Demand Side Management ("DSM") program more than tenfold during the 2018-2021 portfolio cycle. Ameren Illinois will continue to build upon that progress to further increase the program spend with diverse vendors and report about progress quarterly to the SAG, and continue to identify qualified potential bidders, both from within and outside the energy efficiency industry. This will involve determining the types of businesses with the appropriate capabilities to deliver goods and services and matching them with contracting opportunities.
  - b) Continue conducting outreach to educate identified potential bidders about opportunities in the energy efficiency space, which may involve but is not limited to offering workshops, webinars, seminars, and/or other educational opportunities.
- 4) Procurement Support:
- a) Continue to provide and expand efforts, as practicable, with diverse-owned business enterprises,<sup>3</sup> community-based organizations, and not-for-profits, with financial and technical support, and expanded educational opportunities, to assist them in developing the capabilities necessary to compete. This may include the provision of training, training grants for wrap-around services such as transportation, stipends for childcare and lodging, software and equipment grant, and other tools as needed to develop the necessary skills and capabilities to compete effectively. Training programs will be designed to introduce underrepresented groups to the job market and when possible lead to gainful employment.
  - b) Provide a liaison support channel, independent of higher-tier implementers that a subcontracting business reports to, so that the business can express concerns or grievances related to the contractual work being performed.
  - c) Continue to periodically review and analyze utility requirements for goods and services with a view toward increasing the availability of work which falls within the performance capabilities

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<sup>3</sup> Diverse-owned business enterprises are those enterprises outlined in 220 ILCS 5/5-117(b).

of small minority business firms. If this work is contracted out then Ameren Illinois should make best efforts to contract directly with a diverse firm for this work.

- d) AIC will continue to review technical and performance requirements, as well as Requests for Proposals (“RFPs”) and Invitation for Bid (“IFB”) to enable non-traditional bidders, new and/or marginally capitalized businesses, not-for-profits and CBOs to compete effectively when practicable. Ameren shall consult with the Diverse Hiring and Transparent Procurement subcommittee on issues related to these efforts.
- 5) Program Reporting:
- a) AIC shall report to the ICC in the quarterly reports filed in the 2022 Plan approval docket on the progress of the MDI. This will include a summary of diverse spend, by diverse category, as well as planned and implemented outreach, education, and other market development activities for the remaining calendar year. The Company specifically agrees to track and report the use of diverse vendors and trade allies, broken down by diverse category, with this list to be refined as appropriate through discussions with stakeholders and other utilities as part of a new SAG subcommittee process and ultimately included in an update to the Policy Manual, if needed.
  - b) The Company will use best efforts to leverage the services and financial assistance of the United States Small Business Administration, the Illinois Office of Minority Economic Empowerment, the Department of Commerce and Economic Opportunity (“DCEO”) programs, community colleges and other resources identified as promoting the interest of small and minority businesses in order to maximize the resources available to participants in the MDI.
- 6) Policy
- a) The Parties agree that they will engage in good faith efforts to identify policy mechanisms that could support enhanced investment in both (1) targeting of efficiency programs and services to economically challenged, historically under-served and diverse communities; and (2) the diversification of contractors and trade allies delivering efficiency programs and services. Such policy mechanisms may include, but would not be limited to the potential to adopt higher net to gross (NTG) assumptions for, delivery of programs by community based organizations, community action agencies, or in targeted communities than currently used for programs as a whole (system-wide). Such efforts shall include other utilities and interested stakeholders through the new SAG subcommittee focused on equity and be documented in updates to the Policy Manual by December 1, 2022.
- 7) The Parties agree to work together through a SAG process to identify ways in which the effect of Ameren’s and other utilities’ efficiency programs on energy burdens and energy affordability can be enhanced while still meeting other statutory and policy objectives.

#### **E. Low Income Energy Efficiency Accountability Committee (LIEEAC) Facilitator Independence, Budget, and Process**

Pursuant to Section 8-103B(c) of the Act, the Commission shall oversee and have relevant Staff participate in the LIEEAC and is tasked with overseeing the LIEEAC budget. For purposes of this Stipulation, “Regional Subcommittee Leadership” is defined as the Community-Based Organizations on the LIEEAC Statewide Leadership Committee in a particular electric utility’s service territory. The Parties acknowledge, pursuant to Section 8-103B(c) of the Act, that the

LIEEAC Statewide Leadership Committee ultimately elects if they would like to work with an independent facilitator. The Parties support discussion at the LIEEAC on decisions and equitable processes around facilitator selection. The Parties agree that Ameren Illinois will hold the contract with the LIEEAC Facilitator for its respective region, which contract will contain reasonable contracting provisions mutually agreeable to Ameren Illinois and the LIEEAC Facilitator, for the duration of the 2022 Plan, as necessary. To the extent the LIEEAC Facilitator cannot or will not meet Ameren Illinois' contracting requirements after good faith negotiations on the terms, Ameren Illinois will inform the LIEEAC that it cannot hold the contract with the LIEEAC Facilitator and will work in good faith to facilitate an alternative contracting structure between the LIEEAC Facilitator and another party. In accordance with any contract with the LIEEAC Facilitator, Ameren Illinois will process invoices in accordance with the LIEEAC Facilitator's scope of work that has been approved by the Commission, and the Parties agree that such funding approach is reasonable and prudent and in accordance with the provisions of this Stipulation.

Ameren Illinois shall provide for the following LIEEAC Facilitator independence protocols:

1. Ameren Illinois shall submit the final but not yet executed contract and scope of work with the independent LIEEAC Facilitator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and scope of work and describing its recommendations to the Commission. In addition, Ameren Illinois will submit any fully executed contract and scope of work with the independent LIEEAC Facilitator as a compliance filing in ICC Docket No. 19-0983, the Policy Manual Version 2.0 approval proceeding, within fourteen (14) days of execution. Such compliance filing will be treated as public information, subject to redactions approved by the Commission of provisions deemed confidential.

2. Ameren Illinois will include language in the independent LIEEAC Facilitator contract that provides that the Commission has the right to direct Ameren Illinois to terminate the LIEEAC Facilitator contract if the Commission determines the LIEEAC Facilitator was not acting independently or was not being fair and responsive to the needs of all stakeholders involved in the LIEEAC, including Ameren Illinois.

3. If a party believes that the LIEEAC Facilitator is not acting independently, that party is encouraged to raise the concern with the LIEEAC Statewide Leadership Committee or Regional Subcommittee Leadership, as appropriate, and Staff. In the event that the concern cannot be resolved through such conversations, the party may file a petition with the Commission requesting that the Commission order Ameren Illinois to terminate the contract. The LIEEAC Facilitator contract with Ameren Illinois will automatically terminate upon a Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for Ameren Illinois, the LIEEAC Facilitator, and other interested parties to be heard, including through Commission resolution of any filed applications for rehearing. All due process rights guaranteed by the Public Utilities Act and the Commission's rules shall apply.

4. In the event that Ameren Illinois, the LIEEAC Statewide Leadership Committee, the LIEEAC Facilitator, or Regional Subcommittee Leadership issues a notice of termination or notice of default of the contract, the issuer of the notice shall contemporaneously provide a copy of such notice to the Commission.

Notwithstanding these provisions detailing the LIEEAC Facilitator Independence, Budget, and Process, and the LIEEAC's duty to "directly and equitably influence and inform utility low-income and public-housing energy efficiency programs and priorities," as provided under Section 8-103B(c) of the Act, Ameren Illinois agrees that nothing in these provisions shall negate Ameren Illinois' obligations under the income qualified budget and implementation commitments reflected in this

Stipulation nor otherwise impede or restrict any other rights afforded to them by the Act as it pertains to the LIEEAC.

The Parties agree that Ameren Illinois or the LIEEAC Facilitator, if under contract, shall submit quarterly budget reports to Staff and Ameren Illinois (where applicable) to facilitate the Commission's budget oversight role. The LIEEAC budget may also be used to pay for LIEEAC facilitator(s) (as desired by the LIEEAC Statewide Leadership Committee or Regional Subcommittee Leadership) and technical and legal expert(s) to support and advise the LIEEAC.

Ameren Illinois' responsibilities reflected in this subsection shall be implemented using best efforts to launch a LIEEAC meeting in the first quarter of 2022, with subsequent meetings subject to scheduling and meeting planning by the LIEEAC Statewide Leadership Committee and/or Regional Subcommittee Leadership, as appropriate.

Ameren Illinois commits to reporting on LIEEAC activity by including an update within the quarterly report provided to the SAG. At a minimum, Ameren Illinois will include in the narrative section of each quarterly report updates on all of the reporting requirements set forth in Section 8-103B(c) of the Act. An annual activity summary, reporting how input from the LIEEAC has led to new and proposed approaches and changes in their energy efficiency portfolios will be provided with the 4<sup>th</sup> quarter report to the SAG. These updates will also be shared and discussed with the LIEEAC directly. Ameren Illinois will attach the LIEEAC's quarterly budget report, as available, and in the format provided to Ameren Illinois, to Ameren Illinois' quarterly report filed with the Commission.

#### **IV. Additional Stipulations**

##### **A. Docket Support**

The Parties agree to work in good faith to facilitate and support Commission approval of Ameren's Plan. That commitment includes, at a minimum, Ameren's agreement to provide the workpapers (in native file format) associated with the filed Plan, testimony, and exhibits, and the agreement of each Party, other than ICC Staff, to (i) refrain from serving data requests on Ameren, and (ii) support the 2022 Plan through the filing of testimony (either jointly or individually sponsored) on behalf of the Party and/or in legal briefs in the event that any provisions of this Stipulation or Plan are challenged by another party. The Parties further commit to not challenge or attack Ameren's Plan in other dockets. Nothing in this Stipulation precludes a Party from challenging Ameren's performance under the 2022 Plan in an appropriate docket.

The Company will provide the Parties with all work papers (in their native file format) that support the Company's 2022 Plan, testimony, and exhibits prior to the filing of a revised 2022 Plan with the Commission.

##### **B. On-bill Financing**

The Parties agree that the 2022 Plan will include offering of On-bill Financing ("OBF") subject to and in accordance with the Act, which will also include at least the following attributes:

1. Ameren commits to not actively market OBF to IQ customers; and
2. Ameren supports discussions at SAG and LIEEAC about OBF.

##### **C. Customer Communication Coordination**

The Parties agree that the 2022 Plan will reflect a commitment to the following activities, which will be developed to coordinate customer communications and interactions, which are subject to the law and Commission's rules and directives, when practicable:

1. The Company will continue and expand coordination between EE, Customer Service and Credit/Collections so that customer interactions include information about Energy Efficiency, when practicable. These efforts may include, but not be limited to, targeted training for customer service representatives about energy efficiency resources for payment troubled customers, as well as training on how to connect interested customers and customers for whom participation in Energy Efficiency programs may prove beneficial to efficiency program offerings through, among other ways, connecting with a Home Efficiency Specialist, or other approaches, as appropriate.

2. The Company will also endeavor to enhance the efforts of the Ameren Illinois cross functional customer assistance team to continue the goal to find ways to address extreme financial hardship being experienced by customers. For example, without limitation, the cross functional customer assistance team could deploy a streamlined website for customers to find resources in one place, including financial assistance programs, payment options, contact information for customer service and a link to the EE resource page. Additionally, energy efficiency program partners (Community Action Agencies, Community relations team, and the EE outreach team) will be provided, as appropriate, with training and materials that provide energy burdened customers who participate in the IQ EE programs with resources for available payment assistance programs.

3. The Company will continue and expand its efforts to follow up with customers who have applied for energy assistance to connect them with the Income Qualified energy efficiency offerings.

4. The Company will agree to report in its quarterly report filed in the 2022 Plan approval docket about activity undertaken to facilitate this customer communication coordination and commit to further discussion of any reporting metrics/effectiveness of coordination efforts with parties and any interested stakeholders in a SAG subcommittee and, to the extent it is of interest, the LIEEAC.

5. The Company will designate an EE department contact for collaboration with the Illinois Solar for All program and to work to develop cross-referral programs and coordination between the EE program and the Illinois Solar for All program. Provided however, Ameren Illinois will not be required to provide customer data and such collaboration is consistent with Ameren's policy for data security and best practices for protecting customer data, should customers choose to provide data to the Illinois Solar for All program.

6. The Company will continue to coordinate delivery of its whole building retrofit IQ programs with Nicor Gas where they have overlapping service territories. AIC will provide status reports on joint delivery no less than twice a year, through a quarterly report filed in the 2022 Plan approval docket.

#### **D. Stakeholder Advisory Group Commitments**

In an effort to identify and enable more timely resolution of disputes and reduce potential litigation costs, the Parties agree to expeditiously and collaboratively undertake good faith discussions as part of the SAG process on: (1) assessment and quantification of the energy savings achieved through market effects; (2) the policy and definition of expired savings for purposes of savings goal evaluation and achievement (CPAS and AAIG); and (3) options for adjustments to the timing of market research for net to gross (NTG) values during the 2022 Plan cycle so that portfolio resources dedicated to NTG research may be directed to other activities.

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The Company will commit to assessing a statewide and/or regional market transformation initiative to promote triple-glazed windows through collaborative discussion through the Stakeholders Advisory Group Market Transformation Savings Working Group to review potential and merits of such an initiative in 2021, with the goal of reaching consensus on whether to proceed with the initiative in the next plan cycle. Funding for all Market Transformation initiatives would come out of the existing Market Transformation Budget.

As identified above in Section III.B.1., the Parties agree to recommend that the SAG facilitator establish a Technical Advisory Committee subcommittee to address the measures associated with NLC.

**E. Role and Related Duties of the Company's Independent Evaluator during Energy Efficiency Formula Rate Update ("EE FRU") Proceedings**

The Parties acknowledge and agree that Section 10 of the EE Policy Manual Version outlines the Evaluation Measurement & Verification ("EMV") Work Plans and Reports procedures. The Parties reaffirm their support for the procedures set forth in Section 10 of the Policy Manual. The Parties further agree to using best efforts to provide comments and/or questions regarding the EM&V report and evaluation methodologies during the review process outlined in Section 10 of the EE Policy Manual. The Parties recognize that the procedure set forth in Section 10 of the Policy Manual is designed to foster collaboration and understanding of the evaluation process to provide transparency during the evaluation process, which in turn, mitigates the need for prolonged discovery and litigation.

The Parties agree to use best efforts to participate in the EMV procedures in Section 10 of the Policy Manual in an effort to reach more timely resolution of disputes and reduce litigation costs, and the Parties agree to support requests to classify the Company's independent evaluator as a "non-party participant" as defined at 83 Ill. Admin. Code § 200.40, on the expressed condition that testimony and other information submitted by the independent evaluator will be subject to all due process procedure protections applicable to testimony filed by a witness offered by a party including, but not limited to, cross-examination and discovery under the Commission's Rules of Practice. The Company shall make a request that the Commission classify the independent evaluator as a "non-party participant" as defined at 83 Ill. Admin. Code § 200.40 in that EE FRU proceeding in its annual EE FRU petition.

Subject to any Commission rulings or orders, the Parties agree that in its capacity as a "non-party participant", the independent evaluator is expected to agree and adhere to provisions reflecting the independent evaluator's "non-party participant" role and related duties listed below into the independent evaluation contract. The Parties agree that in its capacity as a "non-party participant", the independent evaluator is expected to:

1. file concise direct testimony (A) providing a high-level summary of the portfolio and program evaluation reports; (B) providing a summary of the annual incremental savings achieved that can be counted toward the Company's applicable annual incremental goal, as well as an explanation of how that calculation was performed; (C) providing a summary of the CPAS achieved that can be counted toward the Company's CPAS goal, as well as an explanation of how that calculation was performed; and (D) describing any disputes that have been documented in any of the evaluation reports in accordance with the Section 7.5.v. of the EE Policy Manual Version 2.0.

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The independent evaluator will make best efforts to file its direct testimony within 14 days of the Company filing the annual EE FRU petition;

2. respond to any data requests served on it by the parties to the proceeding pursuant to 83 Ill. Admin. Code Part 200;

3. file testimony responding to an issue with the evaluation reports that is raised by a party in a given proceeding; be available to provide oral testimony at the evidentiary hearing and be represented by their own counsel (not the utility's attorneys), in a given proceeding regarding its evaluation reports submitted in the proceeding;

4. file any corrections or errata to the independent evaluator's reports and evaluations, regardless of whether the report or evaluation was filed by the independent evaluator or the Company; and

5. have its own legal counsel appear at the evidentiary hearing and move for admission into the evidentiary record of the independent evaluator's reports, evaluations, testimony, affidavits, verifications, and any other filed exhibits authored by the independent evaluator, regardless of whether the documents were originally filed by the independent evaluator or the Company.

The Parties further agree that the reasonable costs, including legal costs, incurred related to the independent evaluator's discharge of its duties as a "non-party participant" in EE FRU proceedings are evaluation costs in accordance with Section 8-103B(g)(6) and Section 8-104(f)(8).

#### **F. Statewide Potential Study Independence and Stakeholder Collaboration**

Ameren, which for purposes of this Section F shall be referred to as the "Program Administrator", shall collaborate with non-financially interested stakeholders (the "Stakeholders"), and the ICC Staff ("Staff") – collectively referred to in this Section F as "the Parties" – as well as the state's other large electric utility on the development of a statewide potential study ("Study") request for proposal ("RFP"), the selection of an independent Potential Study Contractor (the "Contractor"), and the scope of work ("SOW") for the Contractor. The Contractor shall be instructed to work collaboratively throughout the Study with the Program Administrators, Stakeholders, and Staff to develop and adopt the detailed Study scope, including but not limited to the approach, methods, and data used. Prior to execution of the SOW, all parties shall be afforded the opportunity to discuss and/or propose modifications to the scope, approach, methods, and data used throughout the duration of the Study. The SOW will provide that the Contractor shall provide all draft work products to the Program Administrators, Stakeholders, and Staff, simultaneously, as soon as practicable. The Parties agree, at appropriate junctures throughout the duration of the performance of the SOW, to discuss or revisit aspects of the study, design and data to be used, with an opportunity for input from all parties, with the goal of not delaying the progress of the Study. The Parties agree to using best efforts to provide comments and/or questions regarding draft work products, and on-going decisions and discussions related to methodological and data issues, in a timely manner in order to foster collaboration, provide transparency and enable more timely resolution of disputes and reduce litigation costs. The Parties agree that the Contractor shall be instructed to give equal consideration to the merits of any feedback on draft work products provided by the Parties in the development of final work products.

The Study shall address, at a minimum, electric customer-sited efficiency and electrification opportunities and Ameren Gas efficiency potential. Among other things, the study shall separately quantify efficiency and electrification opportunities in income qualified single family homes and

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income qualified multi-family buildings. In addition, the electric Program Administrator shall engage with the other Illinois investor-owned gas utilities to determine if they intend to pursue any gas potential studies in the near future, and if so, shall encourage them to join in this single statewide potential study. In the event the other gas utilities agree to participate, the Study will also consider customer-sited gas efficiency opportunities in their service territories.

The study shall be conducted and timed in a manner that will allow for the assessment of market potential for each service territory that can be used to support development of both the unmodified cumulative persisting annual savings (“CPAS”) goals identified in Section 8-103B(b-5) and (b-15) for the years 2031-2040, as well as the CPAS goals by service territory applicable for the next energy efficiency plan for the years 2026-2029. The study should take into account for each service territory the savings and objectives (and specifically related to Income Qualified customers) from the 2022-2025 Plan, expiring savings, statutory objectives, statutory budgets, and policy objectives and requirements. Ameren Illinois will agree to co-fund the Statewide potential study proportionally with the other participating Illinois utilities as applicable, with the Ameren Illinois' portion of the funding not to exceed \$750,000 for the study.

Section 8-103B of the Illinois Public Utilities Act (“Act”) directs that the Commission establish cumulative persisting savings (“CPAS”) goals based in part on an energy efficiency potential study; it is therefore critical that such potential study be developed in an independent manner. Ameren agrees to work with the SAG Policy Manual subcommittee to develop and implement protocols to ensure that Potential Study Contractor Independence is maintained as part of Policy Manual Version 3.0 discussions. To the extent no Party objects to new Potential Study Contractor Independence provisions that are added to a future Commission-approved Illinois Energy Efficiency Policy Manual, such provisions appearing in the Policy Manual will supersede the Potential Study Contractor Independence provisions in this Stipulation. Until such time that the Commission approves the Policy Manual Potential Study Contractor Independence provisions, the Program Administrator agrees to implement the following Potential Study Contractor Independence protocols:

- i. With the exception of communications related solely to contractual or other administrative issues, as well as communications conveying confidential or sensitive information, all written communications between the Contractor and the Program Administrator, Stakeholders and/or Staff shall be copied to the Program Administrator, Stakeholders and Staff.
- ii. With the exception of any phone, webinar, or in-person meetings related solely to contractual or other administrative issues, as well as communications conveying confidential or sensitive information, the Program Administrator, Stakeholders and Staff will be made aware of, and invited to, all meetings between the Contractor and the Program Administrators, Stakeholders and/or Staff.
- iii. Any contract between the Program Administrator and the Contractor shall provide that:
  - a. The Study is being conducted for, and on behalf of, the Program Administrators, interested Stakeholders, Staff, and, ultimately, all energy efficiency program ratepayers, and that all non-financially interested Stakeholders and Parties who take an interest in the Potential Study process shall be given equal consideration and standing in all Study discussions and decisions, with the exception of contractual or administrative issues.
  - b. The Contractor must act independently from the Program Administrator and be able to independently assess the amount of potential energy savings in the Program Administrator’s service territory.
  - c. The Commission has the right to direct the Program Administrator to terminate the contract if the Commission determines the Contractor was not acting independently.

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- iv. The Program Administrator shall submit the final but not yet executed contract and scope of work with the Contractor to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and scope of work and describing its recommendations to the Commission. In addition, a Program Administrator will submit any fully executed contract and scope of work with the independent Potential Study Contractor as a compliance filing in ICC Docket No. 19-0983, the Policy Manual Version 2.0 approval proceeding, within fourteen (14) days of execution. Such compliance filing will be treated as public information, subject to redactions approved by the Commission of provisions deemed confidential. The Program Administrator shall make any portions of such compliance filings that are designated confidential available to parties appearing in the docket who are entitled to receive confidential materials by operation of law or an appropriate protective order, and to other interested parties who do not have a competitive interest in the confidential material and who may not be parties appearing in the docket but who have signed a protective agreement with the Program Administrator to receive the confidential material.
- v. If a party has reason to believe that the Contractor is not acting independently, that party is encouraged to raise the concern with the Contractor, Program Administrator, Staff, and the SAG Steering Committee. In the event that the concern cannot be resolved through such conversations, the party may file a petition with the Commission requesting that the Commission order the Program Administrator to terminate the contract. The contract between the Contractor and the Program Administrator shall automatically terminate upon a Final Order of the Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for the Program Administrator, the Contractor, and other interested parties to be heard, including through Commission resolution of any filed applications for rehearing. All due process rights guaranteed by the Public Utilities Act and the Commission's rules shall apply.
- vi. In the event that the Program Administrator or the Contractor issues a notice of termination or notice of default of the contract, the issuer of the notice shall contemporaneously provide a copy of such notice to the Commission.
- vii. In the event that Stakeholders, Staff, or the Program Administrator, and the Contractor are not able to reach a resolution during the draft Potential Study Report review process concerning a disputed issue that is acceptable to the Parties, the Program Administrator will direct the Contractor to document the issue in dispute within the Potential Study Report along with the Contractor's position, the party's position, and to the extent practical and quantifiable, any associated alternative savings estimates resulting from the differences in positions. Nothing in this Paragraph precludes a Stipulating Party from developing or advocating a position on the Potential Study or any aspect of determining and setting savings values or resulting savings goals under the Act.
- viii. The Contractor shall ensure that the data used in the Potential Study is made available to the Program Administrator, Stakeholders and Staff upon request, subject to any appropriate protective agreements.
- ix. The Program Administrator's contract with the Contractor shall include a provision requiring the Contractor to provide or make available all working models and workpapers to the Program Administrator, Stakeholders upon request who agree to sign protective agreements, and to Staff and the Attorney General. The Staff and the Attorney General are not required to sign such protective agreements. See Sections 4-404 and 5-108 of the Illinois Public Utilities Act (220 ILCS 5/4-404 and 5-108) and Section 6.5(d) of the Attorney General Act. (15 ILCS 205/.)

**G. PAYS**

1. In an effort to identify and enable more timely resolution of disputes and reduce potential litigation costs, the Parties agree to come together with other interested entities, as appropriate, prior to Ameren Illinois submitting its informational filing pursuant to Section 16-111.10 (f) to discuss in good faith the Equitable Energy Upgrade Program (the Program) design and potential implementation approaches for low-income customers, as defined under Section 8-103B of the Act, to avoid unnecessarily financing EE measures for low-income customers pursuant to Section 16-111.10, in order to ensure that the commitments reached this Stipulation are fulfilled, to the extent consistent with the law and the Commission's Orders.

The discussion shall occur outside of the Commission's formal PAYS tariff proceeding. Topics to be addressed during the discussions shall include, but not be limited to:

- How the Program financing will be marketed and/or communicated to Ameren Illinois customers, including to low-income customers eligible for zero-cost weatherization programs under the 2022 Plan;
  - What consumer protections will be put in place for income qualified customers;
  - Whether and how the Program can potentially be used, in conjunction with efficiency programs, to support business customer efficiency investments; and
  - Additional issues of concern that are raised by the undersigned Parties, as appropriate.
2. With respect to the Program, consistent with the statute, Ameren Illinois "will ensure that customers who are interested in participating are notified if they are income qualified, that they may also be eligible for the Percentage of Income Payment Plan program and free energy efficiency improvements through other programs and provide contact information." Ameren Illinois agrees to share concepts and proposals with the Stipulating Parties in an effort to collaborate on the content of this communication and any referenced materials.

**H. Reservation of Issues not Included**

To the extent the Parties do not expressly identify or address an issue in this Stipulation, that shall not be construed against any Party, each of which reserve all rights with respect to matters not included or addressed.

## II. Terms and Conditions Governing the Stipulation

- A. Except as otherwise provided in the Stipulation, the Parties reserve (i) all rights to take any position concerning any issue addressed in this Stipulation in any proceeding other than the proceeding before the ICC to review and approve the 2022 Plan and any appeal therefrom, and (ii) the right to seek appeal of the ultimate decision rendered in such proceeding, provided such appeal does not violate the terms of this Stipulation. The Parties further agree that nothing herein is intended to limit the rights of any Party from advocating any position regarding the implementation details of the items contained in this Stipulation to the extent such details are not addressed herein and do not otherwise violate the terms of this Stipulation. In addition, the Parties agree that each Party may advocate or otherwise advance any other position in the proceeding before the ICC to review and approve the 2022 Plan or in any other proceeding that is not specifically delineated in the numbered paragraphs of the Stipulation. This Stipulation shall not apply to positions that Parties may take with respect to any utility other than Ameren.
- B. In the event that, subsequent to the execution of this Stipulation, any material provision of this Stipulation is found invalid or unenforceable or is overturned or modified or deleted by a court or the ICC or another tribunal, then this Stipulation (other than this paragraph and paragraphs (F) and (G) below), shall become void on a going-forward basis fifteen days after the order or decision is entered, unless amended by all the Parties in accordance with paragraph (D) below to address such provision or to confirm the continued effectiveness of the remaining provisions of the Stipulation.
- C. The Parties agree that the Stipulation, in its totality, is the result of compromise of the issues identified and negotiated by the Parties, as part of a full agreement. The Parties entered into this Stipulation to narrow the issues among the Parties so as to avoid the time, expense and uncertainty of litigation with respect to those issues. This Stipulation shall not constitute, and shall not be construed or interpreted to constitute, an admission of any kind by any Party with respect to any legal or factual issue in any proceedings, appeals or issues being addressed under this Stipulation or with respect to any other proceeding or dispute. This Stipulation shall not be offered or entered into evidence by any Party in any proceeding before the ICC or any other administrative agency or in any court, except in connection with proceedings related to the performance, implementation or enforcement of this Stipulation and the associated Plan. The matters memorialized in this Stipulation shall be construed as an indivisible whole. This paragraph (C) shall become effective upon the execution of this Stipulation by all of the Parties and shall remain effective notwithstanding any failure of the remaining provisions of this Stipulation to become effective.
- D. With the exception of a proceeding initiated to review and approve the 2022 Plan by the Commission and any appeal therefrom, this Stipulation should not be construed to have any precedential value in any other proceedings before the Commission, courts, other administrative bodies or any legislative bodies. This paragraph (D) shall become effective upon the execution of this Stipulation by all of the Parties and shall remain effective notwithstanding any failure of the remaining provisions of this Stipulation to become effective.
- E. If any future law or regulation is enacted that any Party believes, in good faith, has a

FINAL EXECUTION COPY

material impact on its rights and obligations arising under this Stipulation, the Parties shall meet to discuss what action, if any, should be taken.

- F. This Stipulation may be executed in any number of identical counterparts, each of which when executed and delivered shall be original, but all such counterparts shall constitute but one and the same instrument. The Parties agree that facsimile signatures (including by fax and e-mail) shall be as sufficient as original signatures to demonstrate execution of this Stipulation by one or more Parties hereto.
- G. Each of the signatories to this Stipulation represents and warrants that he or she has the right and authority to enter into this Stipulation and to bind the Party on whose behalf he or she has signed.
- H. This Stipulation contains the entire and complete Stipulation of the Parties as to the matters set forth herein and supersedes any and all prior Stipulations with respect to those matters.
- I. This Stipulation shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.
- J. Nothing in this Stipulation, either expressed or implied, is intended or shall be interpreted to give or confer any rights or remedies upon or to any person or entity other than the Parties.
- K. The commitments reflected in this Stipulation are subject to applicable State and federal law, including but not limited to, statutes, rules, regulations, and orders of State and federal courts and the Commission. To the extent that subsequent amendments or other changes to applicable law conflict with any provision or commitment contained in this Stipulation, the affected Party or Parties shall not be bound by the provision or commitment that conflicts with the law.

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**IN WITNESS WHEREOF**, the Parties hereto have executed the Amended Settlement Stipulation and Agreement as of the date last set forth below:

Ameren Illinois Company d/b/a Ameren Illinois

By:   
Name: James C. Blessing  
Position: Vice President  
Date: 04/12/2022

Aces 4 Youth

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Staff of the Illinois Commerce Commission

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Environmental Law and Policy Center

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

The Office of the Illinois Attorney General

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Community Organizing and Family issues

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Natural Resources Defense Council

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Citizens Utility Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Parties hereto have executed the Amended Settlement Stipulation and Agreement as of the date last set forth below:

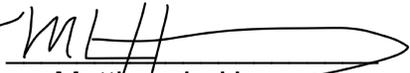
Ameren Illinois Company d/b/a Ameren  
Illinois

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Aces 4 Youth

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Staff of the Illinois Commerce Commission

By:   
Name: Matthew L. Harvey  
Position: Deputy General Counsel  
Date: April 5, 2022

Environmental Law and Policy Center

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

The Office of the Illinois Attorney General

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Community Organizing and Family issues

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Natural Resources Defense Council

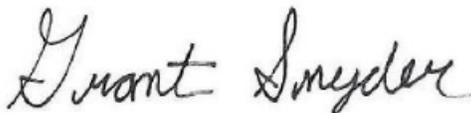
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Citizens Utility Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

**People of the State of Illinois**

**Kwame Raoul, Attorney General**

By: 

Name: Grant Snyder

Position: Assistant Attorney General

Date: April 5, 2022

Natural Resources Defense Council

By: 

Name: Laura Goldberg

Position: Midwest Director, Energy Equity & Affordability

Date: April 5, 2022

**IN WITNESS WHEREOF**, the Parties hereto have executed the Amended Settlement Stipulation and Agreement as of the date last set forth below:

Ameren Illinois Company d/b/a Ameren  
Illinois

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Aces 4 Youth

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Staff of the Illinois Commerce Commission

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Environmental Law and Policy Center

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

The Office of the Illinois Attorney General

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Community Organizing and Family issues

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Natural Resources Defense Council

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Citizens Utility Board

By: *Julie Soderna*  
Name: *Julie Soderna*  
Position: *General Counsel*  
Date: *7/4/22*

Aces 4 Youth

By: ACES 4 Youth

Name: GREGORY MORRIS

Position: EXECUTIVE DIRECTOR

Date: April 5, 2022

Environmental Law and Policy Center

By: *Tyler Barron*

Name: Tyler Barron

Position: Policy Advocate

Date: April 5<sup>th</sup>, 2022

**IN WITNESS WHEREOF**, the Parties hereto have executed the Amended Settlement Stipulation and Agreement as of the date last set forth below:

Ameren Illinois Company d/b/a Ameren Illinois

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Aces 4 Youth

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Staff of the Illinois Commerce Commission

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Environmental Law and Policy Center

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

The Office of the Illinois Attorney General

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Community Organizing and Family issues

By: Karen L. Lussan  
Name: Karen L. Lussan  
Position: Staff Attorney  
National Consumer Law Center  
Date: 4/5/22

Natural Resources Defense Council

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

Citizens Utility Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Date: \_\_\_\_\_

**COMMONWEALTH EDISON COMPANY  
REVISED 2022-2025 ENERGY EFFICIENCY & DEMAND RESPONSE PLAN  
(REVISED PLAN 6)**

**REVISED STIPULATION AGREEMENT  
FEBRUARY 28, 2022**

**I. INTRODUCTION**

On June 24, 2021, the Illinois Commerce Commission (“Commission” or “ICC”) approved Commonwealth Edison Company’s (“ComEd” or “Company”), 2022-2025 Energy Efficiency and Demand Response Plan (“Plan 6”) and companion Stipulation Agreement. On September 15, 2021, Public Act (“PA”) 102-0662 became law. Included in its amendments are material revisions to the State’s energy efficiency (“EE”) framework set forth in Section 8-103B of the Public Utilities Act (“PUA” or “Act”), which governs Plan 6.

To incorporate the applicable changes PA 102-0662 made to Section 8-103B, ComEd, the Staff of the Illinois Commerce Commission (“Staff”), the Citizens Utility Board (“CUB”), Environmental Law and Policy Center (“ELPC”), the Natural Resources Defense Council (“NRDC”), the People of the State of Illinois, by Kwame Raoul, Attorney General (“AG”), the City of Chicago (“City”), Community Organizing and Family Issues (“COFI”), by its attorney, National Consumer Law Center (“NCLC”), ACES 4 Youth (“ACES”), and People for Community Recovery (“PCR”) (each referred to herein as a “Party”, and collectively as the “Parties”) have entered into this revised stipulation agreement (“Revised Stipulation Agreement” or “Revised Stipulation”) in an effort to reach consensus on the substance and terms of ComEd’s Revised Energy Efficiency and Demand Response Plan for 2022-2025 (“Revised Plan” or “Revised Plan 6”), and in order to minimize the time, expense, and uncertainty of litigation in the forthcoming proceeding to be filed on or around March 1, 2022, to approve the Revised Plan.

Specifically, and without waiving any rights except as indicated in this Revised Stipulation, the Parties agree to the following terms.

**II. GENERAL TERMS AND DEFINITIONS**

- A) This Revised Stipulation Agreement, when fully executed and accepted, will constitute a valid settlement agreement enforceable among the Parties.
- B) The Company’s proposed Revised Plan has been the subject of lengthy negotiations among the Parties with the goal of reaching consensus on the changes required to implement applicable amendments to Section 8-103B of the PUA as set forth in PA 102-0662.
- C) This Revised Stipulation is intended to memorialize that each and all of the signatory Parties are in agreement that the Company’s Revised Plan satisfies, subject to the Parties’ final review of the Company’s filed Revised Plan and

accompanying exhibits, the applicable requirements of Sections 8-103B of the Act and, therefore, should be approved by the Commission. In addition, this Revised Stipulation memorializes the compromise between and among the Parties regarding certain disputed issues raised during the course of settlement discussions, as further detailed below. To the extent that any provision in this Revised Stipulation is not specifically memorialized in the filed Revised Plan, ComEd agrees that it will implement the Revised Plan consistent with the terms of this Revised Stipulation. Compromise by any Party on any particular issue set forth in this Revised Stipulation or in the Revised Plan shall not constitute, and shall not be construed or interpreted to constitute, an endorsement of the resolution achieved by that compromise for any purpose other than as set forth in this Revised Stipulation. Nothing in this Revised Stipulation is intended to establish, nor shall it establish, a binding legal interpretation of any statutory provision.

- D) This Revised Stipulation is the result of negotiation at arms' length between and among the Parties, all of whom have been represented by counsel or had the opportunity to consult with counsel, and memorializes the Parties' agreements. Thus, the Parties, intending to be legally bound and acknowledging the benefit to be derived from the mutual promises and commitments contained herein, agree to the provisions of this Revised Stipulation.
- E) It is the Parties' intent that, upon Commission approval, this Revised Stipulation and Revised Plan 6 shall supersede and replace the original Stipulation Agreement and Plan 6 previously approved by the Commission on June 24, 2021. On the date that the Commission approves this Revised Stipulation and Revised Plan 6, the previously approved Stipulation and Plan 6 shall terminate and cease to have force or effect.
- F) For purposes of this Revised Stipulation:
- 1) "A/C" means air conditioning.
  - 2) "AMI" means Area Median Income.
  - 3) "Certified" in the context of MWBE means that the business holds a certificate by a third party who determined on the basis of firm-provided information and the representations therein that the business is a bona fide MWBE.
  - 4) "CAA" means Community Action Agency.
  - 5) "CARE" means ComEd CARE programs.
  - 6) "CBO" means community-based organization.
  - 7) "Commission" means the Illinois Commerce Commission.
  - 8) "Committee" or "LIEEAC" means the Low-Income Energy Efficiency Accountability Committee, referred to in Section 8-103B(c) of the PUA.
  - 9) "CPAS" means cumulative persisting annual savings.
  - 10) "DCEO" means the Illinois Department of Commerce & Economic Opportunity.

- 11)“DI” means direct install.
- 12)“EE” means energy efficiency.
- 13)“EE FRU” means ComEd’s annual energy efficiency formula rate update proceeding.
- 14)“EM&V” means ComEd’s evaluation, measurement and verification program.
- 15)“FPL” means Federal Poverty Level.
- 16)“Gas utility” or “Gas utilities” means Peoples/North Shore and/or Nicor.
- 17)“H&S” means health and safety.
- 18)“ICC” means the Illinois Commerce Commission.
- 19)“IE” means Income Eligible, which shall have the same meaning as “low income”, as defined in Section 8-103B of the PUA.
- 20)“IHWAP” means the Illinois Home Weatherization Assistance Program.
- 21)“IHWAP braided program” refers to a IHWAP program where the utilities and DCEO share the program costs.
- 22)“IL-TRM” means the Illinois Statewide Technical Reference Manual for Energy Efficiency.
- 23) “Leadership Committee” refers to the statewide leadership committee of the LIEEAC composed of community-based organizations that are representative of BIPOC and environmental justice communities and that includes equitable representation from BIPOC communities. .
- 24)“LIHEAP” means the Low Income Home Energy Assistance Program.
- 25)“MBE” means a minority-owned business enterprise, regardless of size, physically located in the United States, which is 51% owned, operated, and controlled by one or more minority persons, which are defined as Asian-Indian, Asian-Pacific, African-American, Hispanic American, and Native American.
- 26)“MDI” means market development initiative.
- 27)“MWBE” means a minority-owned or women-owned business enterprise, as defined herein.
- 28)“NEIs” means non-energy impacts.
- 29)“Nicor” means Northern Illinois Gas Company d/b/a Nicor Gas Company (Nicor Gas).
- 30)“NTG” means Net-to-Gross.
- 31)“OBF” means On-Bill Financing.
- 32)“PACT” means Program Administrator Cost Test.
- 33)“Peoples/North Shore” means North Shore Gas Company (North Shore), and The Peoples Gas Light & Coke Company (Peoples Gas).
- 34)“PIPP” means the Percentage of Income Payment Plan.
- 35)“Plan” or “Plan 6” refers to the ComEd Energy Efficiency and Demand Response Plan for 2022-2025 approved by the Commission on June 24, 2021, in Docket No. 21-0155.
- 36)“Plan Period” or “Plan 6 Period” refers to January 1, 2022 through December 31, 2025.
- 37)“PUA” means the Public Utilities Act.
- 38)“R&D” means ComEd’s research and development program.

- 39)“Regional Subcommittee Leadership” is defined as the Community-Based Organizations on the LIEEAC Statewide Leadership Committee in a particular electric utility’s service territory.
- 40)“Revised Plan” or “Revised Plan 6” refers to the ComEd Revised Energy Efficiency and Demand Response Plan for 2022-2025.
- 41)“SAG” means the Illinois Energy Efficiency Stakeholder Advisory Group.
- 42)“TRC” means the Total Resource Cost test.
- 43)“Tier 1 vendor” means a vendor with a direct contractual relationship with ComEd, commonly referred to as a “prime contractor.”
- 44)“Tier 2 vendor” means a vendor that has a direct contractual relationship with a ComEd Tier 1 vendor, but not with ComEd, and is commonly referred to as a “subcontractor.”
- 45)“VBE” means a veteran-owned business enterprise that is at least 51% owned, operated and controlled by one or more veterans.
- 46)“WBE” means a woman-owned business enterprise that is at least 51% owned and controlled by one or more women who are U.S. citizens or Legal Resident Aliens; whose business formation and principal place of business are in the U.S. or its territories; and whose management and daily operation is controlled by one or more of the women owners.

### **III. PORTFOLIO-LEVEL TERMS**

- A) Revised Plan 6 is designed to achieve Section 8-103B of the PUA’s applicable statutory savings goals within the budgets established by Section 8-103B(m) for the applicable four-year period.
- B) The Parties agree that ComEd’s Revised Plan 6, inclusive of the compromise positions memorialized in this Revised Stipulation, meets the requirements of Section 8-103B, including but not limited to Section 8-103B(g), and should be approved by the Commission.

### **IV. PROGRAM-LEVEL TERMS**

#### **A) *Income Eligible (“IE”)***

- 1) Budget
  - a) ComEd will spend a minimum of \$100 million per year, on average over the four-year Plan Period, on IE customers, excluding allocated overhead but including IE R&D, public housing efforts, and health and

safety (“H&S”). See Table 1 below for programs and program elements that qualify toward this commitment.<sup>1</sup>

**Table 1: ComEd IE Program Element/Delivery Channel Categorization Table**

Program Element/Channel	IE	Dedicated IE	Whole Building Weatherization IE	Whole Building Weatherization IE – MF
Single-Family Upgrades – IE	X	X	X	
Multifamily Upgrades – IE	X	X	X	X
Multifamily Upgrades – Public Housing	X	X	X	X
Electrification – IE	X	X	X	X <sup>2</sup>
New Construction – IE	X	X	X	
Product Distribution – Food Bank Distribution	X	X		
Product Distribution – IE Kits	X	X		
Retail/Online – IE	X			
Single-Family Upgrades – IE Home Energy Assessment	X			
Product Distribution – IE Elementary Education Kits	X			
Sector General – IE	X			
IE R&D	X			
Budget Commitment (millions) <sup>3</sup>	\$100	\$81	\$69	\$32

1) *Whole Building*: ComEd’s annual IE whole building weatherization programs budget will constitute a minimum of 80% of the total budget specifically dedicated to serving IE customers. ComEd will spend a minimum of \$69 million per year, on average over the four-year Plan Period, on IE whole building weatherization programs (excluding allocated overhead). Parties agree that unused H&S funds can be

<sup>1</sup> For the Retail/Online – IE, Single-Family Upgrades – IE Home Energy Assessment, Product Distribution – IE Elementary Education Kits programs, and IE R&D only the portion of spending that is specifically associated with IE customers counts towards the \$100 million IE spending commitment.

<sup>2</sup> Only the multifamily portion of Electrification – IE counts toward the Whole Building Weatherization IE – MF commitment.

<sup>3</sup> ComEd also commits to a budget for H&S investments equal to 15% of the combined budget for Single Family Upgrades – IE, Multifamily Upgrades – IE, Multifamily Upgrades – Public Housing, and Electrification – IE.

reallocated within IE whole building weatherization programs. See Table 1 above for programs and program elements that qualify toward this commitment.

- 2) *Multi-Family*: ComEd's annual budget for IE multi-family vs. IE single-family buildings is designed to achieve savings from each building type approximately proportional to the cost-effective lifetime savings potential in each building type. ComEd will spend a minimum of \$32 million per year, on average over the four-year Plan Period, on IE multi-family whole building weatherization programs. See Table 1 above for programs and program elements that qualify toward this commitment.
- 3) ComEd may need to adjust its \$100 million total IE budget, \$69 million whole building budget, and/or \$32 million multi-family whole building budget, as a result of unanticipated changes in its coordination with the gas utilities, in an amount commensurate with those changes. ComEd agrees to consult with interested Parties and to use best efforts to reach consensus, with interested Parties on the magnitude of any proposed change in IE spending that ComEd believes its collaboration with the gas utilities necessitates, including sharing of workpapers or calculations supporting the level of reduction in IE spending ComEd intends to make. Parties agree that their consensus will not be unreasonably withheld. In no event shall the reduction be to an average annual IE spend of less than \$97 million, an average annual whole building spend of less than \$66 million, or an average annual multi-family whole building spend of less than \$30.5 million.

## 2) Measures

- a) ComEd will not provide incentives for early replacements of single-family central A/Cs, gas furnaces, gas boilers or gas water heaters in its utility-only IE programs (including utility-only CAA) except in cases of emergency, health and safety needs, and/or opportunities for heat pumps or electrification. ComEd will support the early replacements of those measures in the IHWAP braided program. In Q2 2022, ComEd and the Parties will meet to discuss the definition of "emergency" and "health and safety needs" in this instance.
- b) ComEd will design its multi-family heat pump retrofits efforts – for displacing electric resistance heat – to target at least \$1.1 million in 2022, \$2.1 million in 2023, and \$3.2 million in 2024, and in 2025, to target \$4.3 million and no less than 1000 units. This could be done through R&D if appropriate, for some or all of the four-year period. ComEd commits to work with NRDC and other interested stakeholders

to assess potential refinements to program design (technology options, ways to reduce cost, etc.).

- c) ComEd will prioritize its IE R&D spending during the Plan 6 Period for initiatives focused on assessment and/or delivery of comprehensive measures.

### 3) Joint IE Programs

ComEd will comprehensively serve (i.e., address electric and gas measures) customers through its IE whole building retrofit programs. ComEd currently has in place agreement(s) to jointly deliver or fund these programs with Peoples/North Shore and Nicor (at least until gas funding becomes constrained). ComEd will retain the flexibility it needs to meet its overarching IE spend commitments, as outlined in Section II.A.1. ComEd commits to:

- a) Ensuring eligible gas and electric efficiency measures are identified and installed in all homes/buildings treated; and
- b) Ensuring that contracting and/or other systems are in place to ensure individual multifamily building owners will not be recruited or marketed to by more than one of ComEd's implementation contractors.

As part of the joint commitment, ComEd agrees to the following:

- c) For non-IHWAP braided Utility Only and Utility-Only CAA IE single-family offerings, if ComEd and the applicable gas utility are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum ComEd will agree to:
  - 1) sell net lifecycle<sup>4</sup> therms to gas utilities at the average cost per net lifecycle therm<sup>5</sup> that ComEd is forecast to incur each year through its own non-CAA IE single family program; and
  - 2) purchase net lifecycle kWh from gas utilities at the average cost per net lifecycle kWh that ComEd is forecast to incur through its own non-CAA IE single family program. ComEd may, at its discretion, limit the amount of kWh savings it purchases within a given program year to no more than \$0.25 million, per gas utility, above levels forecast by each gas utility for its IE single family program, with such forecasts

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<sup>4</sup> Lifecycle savings equal the total amount of savings produced over the life of the measure, after accounting for any baseline shifts, savings degradation and/or other adjustments.

<sup>5</sup> Average cost per unit of lifecycle savings equals total cost associated with generating the savings (i.e., program costs, including implementation and incentive costs, but not portfolio level costs), divided by lifecycle savings.

to be provided to ComEd at least 90 days prior to the start of the program year.

- d) For non-IHWAP braided Utility Only and Utility-Only CAA IE multi-family programs, if ComEd and the applicable gas utility are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum ComEd will agree to:
  - 1) sell net lifecycle<sup>6</sup> therms to gas utilities at the average cost per net lifecycle therm<sup>7</sup> that ComEd is forecast to incur each year through its own non-CAA IE multi-family program; and
  - 2) purchase net lifecycle kWh from gas utilities at the average cost per net lifecycle kWh that ComEd is forecast to incur each year through its own non-CAA IE multi-family program. ComEd may, at its discretion, limit the amount of kWh savings it purchases within a given program year to no more than \$0.25 million, per gas utility, above levels forecast by each gas utility for its IE multi-family program, with such forecasts to be provided to ComEd at least 90 days prior to the start of the program year.

ComEd commits to work with the gas utilities to streamline customer experience and reduce possible customer confusion. ComEd shall make best efforts to:

- e) Reach agreement on joint processes, including exploring opportunities for joint enrollment forms; and
- f) Reach agreement on a common set of electric and gas measures offered and reporting to SAG.

ComEd will continue providing reporting details on joint delivery in its ICC-filed Quarterly Reports.

#### 4) Health & Safety

ComEd agrees to the following IE H&S provisions:

- a) Annually budgeting for a health and safety fund of at least 15% of the total IE whole building programs weatherization budget, as defined and described in footnote 3 above (\$8.6 million in 2022, \$10.0 million in 2023, \$11.0 million in 2024, and \$11.9 million in 2025).

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<sup>6</sup> See note 4 *supra*.

<sup>7</sup> See note 5 *supra*.

- b) Splitting H&S costs for services provided through the IHWAP braided program. H&S costs will be allocated as: IHWAP funding 50% of the H&S costs and the remaining 50% being split between the utilities funding the braided projects. Of that utility portion, ComEd will fund 50% of the utility portion for jointly funded projects and 100% of the utility portion when ComEd is the only funding utility.
  - c) For utility-only IE single-family and multifamily programs, investing in building improvements to the extent necessary to both address health and safety concerns and enable weatherization work. ComEd commits to meet with the Parties, the Committee, and other interested stakeholders in the second quarter of 2022 to discuss any possible changes to H&S implementation practices for utility-only IE single-family and multifamily retrofit programs, and implement recommendations from the Committee and non-financially interested stakeholders from these discussions whenever practicable.
  - d) A commitment to analyze and leverage external sources of funding H&S improvements (i.e., healthy homes initiative).
- 5) EE + Illinois Solar for All Program

The Company will designate an EE department contact for collaboration with the Illinois Solar for All program authorized and implemented under Section 1-56(b) of the Illinois Power Agency Act, who would be available to provide EE information and materials designed for customers to solar companies and customers that contact ComEd for such information. ComEd will also consider future areas of potential collaboration between ComEd's EE programs and the Illinois Solar for All program. Pursuant to Section 8-103B(c), ComEd shall market and implement low-income energy efficiency programs in coordination with low-income assistance programs, the Illinois Solar for All Program, and weatherization whenever practicable.

6) EE and Financial Assistance

a) *Customer Engagement*: ComEd commits to:

- 1) Provide relevant IE EE program information to its customers at appropriate customer assistance "touch points", including follow up with customers who have received financial assistance<sup>8</sup> with information about relevant IE EE offerings.

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<sup>8</sup> For purposes of this Revised Stipulation Agreement, "financial assistance" is defined as LIHEAP, PIPP, ComEd CARE programs as well as other financial assistance programs available to ComEd low income customers, such as the ComEd Bill Payment Assistance Program and any successors.

- 2) Provide relevant financial assistance information, including information about ComEd assistance grant programs, to its customers at appropriate energy efficiency program, particularly at IE EE program, “touch points.”
  - 3) Develop and distribute literature for IE customers, which contains information about financial assistance and energy efficiency programs for which they may be eligible. The literature will be printed in both English and Spanish.
  - 4) Provide online resources that provide IE customers with comprehensive information about financial assistance and energy efficiency programs for which they may be eligible.
  - 5) Work with stakeholders to develop progress metrics for ICC-filed Quarterly Reports in the second quarter of 2022 and present progress on energy efficiency and financial assistance efforts described above at a joint Committee and SAG meeting.
- b) *Mapping of Assistance Needs and Targeting Delivery of Weatherization Services:* During the Plan 6 Period, ComEd will collect a variety of data for purposes of mapping areas of financial assistance needs and targeting energy efficiency and weatherization efforts. Data will be reported quarterly in the ICC-filed Quarterly Report and updates on targeting efforts will be provided in the ICC-filed Quarterly Report, and at least annually at joint SAG and Committee meetings, with commitment to seek input from interested stakeholders.
  - c) *Evaluation of Customer Engagement and Targeted Energy Efficiency Delivery Efforts:* ComEd will direct its independent evaluator to perform one or more process evaluations of the *Customer Engagement* and *Mapping of Assistance Needs and Targeting Delivery of Weatherization Services* efforts described above during the Plan 6 Period and will share results at a joint SAG and Committee meeting.
  - d) *Pilot Connecting Customers with Payment Trouble to Energy Efficiency:* ComEd Energy Efficiency will work directly with relevant ComEd business units to create a pilot or program that recruits customers who are payment troubled (e.g., customers at risk of being disconnected; with high arrears) into its IE energy efficiency programs, with commitment to incorporate ideas and input from interested stakeholders on pilot design and modifications, as practicable. ComEd will direct its independent evaluator to perform an impact and a process evaluation of the pilot. ComEd will provide updates to the SAG and Committee in joint meetings on pilot progress and the evaluation results, and include updates in ICC-filed Quarterly Reports, as appropriate.

7) Bill Impacts

- a) ComEd will track bill impacts and reduced energy burden based on deemed savings across all IE customers, for each IE offering.
- b) ComEd will also pilot ways to track actual bill impacts and reduced energy burden for a portion of IE Single-Family and Multi-Family customers, which will be for the purpose of facilitating follow up with customers to determine if actual savings were in line with projections. This pilot initiative and its associated data are for research and development purposes, and parties acknowledge that the pilot results are not intended or designed to inform changes to the IL-TRM. However, to the extent the pilot results are relevant and applicable, nothing in this Revised Stipulation would preclude consideration of the results in shaping future evaluation activities. ComEd will provide updates on this pilot in its ICC-filed Quarterly Reports, including, but not limited to, an overall comparison of deemed savings projections with actual bill impacts broken out between Single Family and Multi-Family. ComEd will work with interested stakeholders at the SAG to define energy burden and discuss ideas for piloting the tracking of EE bill impacts and related reduced energy burden. The funds spent on the pilot(s) will be considered IE R&D funds.

8) Low Income Energy Efficiency Accountability Committee (“LIEEAC” or “Committee”) Facilitator Independence, Budget, and Process

- a) Section 8-103B(c) provides in part that “(t)he Illinois Commerce Commission shall oversee and have relevant staff participate in the committee”, that the committee shall have a budget of 0.25% of each utility’s entire efficiency portfolio funding for a given year, and that “(t)he budget shall be overseen by the Commission.” ComEd acknowledges that it will be an active participant in the LIEEAC, as required under Section 8-103B(c).
- b) ComEd acknowledges that Section 8-103B(c) permits the LIEEAC Statewide Leadership Committee to elect to use an independent facilitator who must be fair and responsive to the needs of all stakeholders involved in the LIEEAC.
- c) For purposes of this Stipulation, “Regional Subcommittee Leadership” is defined as the Community-Based Organizations on the LIEEAC Statewide Leadership Committee in a particular electric utility’s service territory. ComEd shall hold the contract with the LIEEAC Facilitator for its respective region and will process invoices in accordance with the LIEEAC Facilitator’s scope of work. ComEd agrees to work with the SAG Policy Manual subcommittee and the LIEEAC to develop and implement protocols to ensure that LIEEAC Facilitator Independence is maintained

as part of Illinois Energy Efficiency Policy Manual (“Policy Manual”) Version 3.0 discussions. Until such time that the Commission approves the Policy Manual LIEEAC Facilitator Independence provisions, ComEd agrees to implement the following LIEEAC Facilitator Independence protocols, which supports the Commission’s oversight role:

- 1) ComEd shall submit the final but not yet executed contract and scope of work with the independent LIEEAC Facilitator to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and scope of work and describing its recommendations to the Commission. In addition, ComEd will submit any fully executed contract and scope of work with the independent LIEEAC Facilitator as a compliance filing in ICC Docket No. 19-0983, the Policy Manual Version 2.0 approval proceeding, within fourteen (14) days of execution. Such compliance filing will be treated as public information, subject to redactions by the Commission of provisions deemed confidential.
- 2) ComEd will include language in the independent LIEEAC Facilitator contract that provides that the Commission has the right to direct ComEd to terminate the LIEEAC Facilitator contract if the Commission determines the LIEEAC Facilitator was not abiding by the requirement in Section 8-103B(c) to be fair and responsive to the needs of all stakeholders involved in the Committee and/or was not acting independently.
- 3) If a party believes that the LIEEAC Facilitator is not acting independently and/or is not being fair and responsive to the needs of all stakeholders involved in the Committee, that party is encouraged to raise the concern with the LIEEAC Statewide Leadership Committee or Regional Subcommittee Leadership, as appropriate, and Staff. In the event that the concern cannot be resolved through such conversations, the party may file a petition with the Commission requesting that the Commission order ComEd to terminate the contract. The LIEEAC Facilitator contract with ComEd will automatically terminate upon a Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for ComEd, the LIEEAC Facilitator, and other interested parties to be heard, including through Commission resolution of any filed applications for rehearing. All due process rights guaranteed by the PUA and the Commission’s rules shall apply.
- 4) In the event that a notice of termination or notice of default of the contract is issued, the issuer of the notice shall contemporaneously

provide a copy of such notice to the Commission in ICC Docket No. 19-0983.

- d) ComEd or the LIEEAC Facilitator, if under a contract that requires it, shall submit quarterly budget reports to Staff and ComEd (where applicable) to facilitate the Commission's budget oversight role. ComEd agrees that the entity that processes stipends and grants for the LIEEAC shall submit quarterly budget reports to Staff to facilitate the Commission's budget oversight role. ComEd agrees to establish a formal LIEEAC budget payment structure that is transparent, auditable, and consistent with the direction of the LIEEAC Statewide Leadership Committee. In addition to covering the costs of an independent facilitator, the LIEEAC budget allocations described in Section 8-103B(c) may also be used at the discretion of the LIEEAC Statewide Leadership Committee to pay for technical and legal expert(s) to support and advise the LIEEAC.
  - e) ComEd acknowledges that Section 8-103B imposes certain quarterly reporting obligations on ComEd relative to the operation of the Committee. ComEd agrees to include in the narrative section of each such quarterly report updates on all of the reporting requirements set forth in Section 8-103B(c) of the PUA, and including new approaches or changes to program approaches adopted by ComEd pursuant to the recommendations of the LIEEAC. ComEd also agrees to attach the LIEEAC's quarterly budget report to ComEd's quarterly report filed with the Commission.
  - f) Within its Revised Plan 6 budget, ComEd will annually budget 0.25% of its entire efficiency portfolio funding for a given year for the Committee, from which Committee costs, such as ComEd's share of the facilitator contract and stipends, will be paid. This will be approximately \$1.06 million in 2022, \$1.04 million in 2023, \$1.06 million in 2024, and \$1.08 million in 2025.
  - g) The Parties agree that ComEd's efforts outlined in this Revised Stipulation satisfy ComEd's statutory requirements in Section 8-103B(c) to "participate in a low-income energy efficiency accountability committee to directly inform the design, implementation, and evaluation of the low-income and public-housing energy efficiency programs."
- 9) Weatherization Principles/Requirements
- a) IHWAP-Braided Programs
- ComEd will:
- 1) Take advantage of the efficiencies available through existing IHWAP infrastructure and services, such as enrollment and marketing, to the

extent that this can reduce the need for similar services at a lower cost than utility-only programs, subject to CAA or other capacity constraints for single-family and multifamily services to the extent IHWAP CAAs provide multifamily services.

- 2) Seek input and coordinate with CAAs on their agencies' capacity and annual growth in ComEd portfolio dollars budgeted to IHWAP braided efforts. Any planning for braiding programs, including annual budgeting, should be done in consultation and engagement with the CAAs. ComEd will report to the SAG on this commitment prior to the establishment of a new annual CAA budget.
- 3) Ensure that ComEd contributes its portion of the 50% funding allocated to utilities for each building served in the IHWAP braided program, including contributions to all efficiency measures installed, health and safety measures, and administrative costs (consistent with IHWAP health and safety and administrative cost guidelines). More specifically, IHWAP funding will constitute 50% and the remaining 50% will be split between the utilities funding the braided projects. Of that utility portion, ComEd will fund its allocated portion for jointly funded projects based on the cost allocations between the utilities and 100% of the utility portion when ComEd is the only funding utility. ComEd may claim 100% of the savings achieved through all efficiency measure installations, excluding those energy savings funded and allocated to the gas utilities.
- 4) Pursue opportunities to provide multifamily weatherization through the braided IHWAP structure. ComEd will work with the CAAs to encourage and support implementing a multifamily braided program, particularly in areas where there appears to be a need for such a program, and where there is interest from the CAAs. Such support from ComEd may include technical training and equipment.
- 5) ComEd commits to make an annual contribution to the Illinois Department of Commerce and Economic Opportunity ("DCEO") for IHWAP workforce training during the Plan 6 Period.

b) Utility-Only Programs: Comprehensiveness and Program Design

ComEd will:

- 1) Ensure IE programs and investments are in support of pursuing comprehensive, whole-building weatherization projects.
- 2) Ensure there are mechanisms in place to lead customers starting with Direct Install ("DI") measures to more comprehensive treatment of building envelope and other major measures (if customer agrees). ComEd will ensure there is an offer to customers and a specific

mechanism for ensuring delivery of major eligible measures. This includes follow up with DI customers to encourage participation with major eligible measures. No single-family IE customer, or single-family or multifamily IE renter shall be assessed a co-pay.

- 3) Create a single-point of contact (including, but not limited to, use of a common online portal) for multifamily building owners to access the multifamily weatherization program, working with other utilities, community action agencies or community-based organizations, to the extent those agencies engage in multifamily work.
- 4) Ensure that all services address both gas and electric whole-building opportunities and do so in an efficient manner. This includes treating all multifamily buildings in a single, one-stop-shopping fashion that addresses the entire building (both electric and gas), including all residential units and common areas.
- 5) Develop a process to best serve mixed use buildings, with the intent of minimizing transaction costs and barriers for the customer, encouraging substantial participation by such buildings, and comprehensively serving the whole building (where appropriate).
- 6) Create for its website a separate page describing all ComEd-funded IE EE opportunities.

c) Utility-Only Programs: Equity and Eligibility

- 1) The Parties agree that income eligible, single family customers and tenants who receive weatherization services through ComEd's utility-only program will not be required to make a co-pay on any weatherization measure offered. Consistent with this requirement, the Parties agree that On-Bill Financing and Equitable Energy Update Program ("EEUP" or "PAYS") financing should not be offered to single family customers and tenants for their participation in utility-only income-qualified weatherization programs. In the case of IE multifamily weatherization, ComEd will provide guidance to its contractor network that OBF or PAYS should only be offered to building owners (if measures aren't fully covered). ComEd will consult with the other utilities, interested stakeholders and CAAs with experience in offering income-qualified multifamily weatherization services in Illinois regarding building owner co-pays.
- 2) ComEd will work with CAAs and the relevant implementers to ensure that contractors working on behalf of ComEd IE EE programs are not assessing residents a charge for a weatherization quote in ComEd's utility-only weatherization programs.

- 3) ComEd may target households less than or equal to 200% of the Federal Poverty Level (“FPL”), but will not restrict eligibility of services to just that population. IE programs will still be available to all households at or below 80% Area Median Income (“AMI”) (recognizing that braided IHWAP programs would limit eligibility to no more than approximately 200% of FPL by law). Any targeting and establishment of eligibility for non-braided multifamily weatherization programs should be simple and not create barriers to participation, consistent with Section 4.3 of the Illinois Energy Efficiency Policy Manual version 2.0 and its successor(s).
- 4) All IE customers are eligible to participate in any Non- IE residential programs if they so choose. However, for those programs that first require engagement with ComEd or its website for enrollment, ComEd will first educate the customers about the full range of services available to them in the IE programs, to the extent those programs can provide more comprehensive service and/or eliminate or reduce any copays or financing, where appropriate.
- 5) Subject to applicable laws, ComEd will not require ComEd customers seeking to participate, or to continue to participate, in a ComEd-offered energy efficiency program, to demonstrate, or otherwise provide evidence or documentation of, United States citizenship.

d) Utility-Only Programs: Contracting

ComEd will:

- 1) Ensure that contracting mechanisms are cost efficient and avoid unnecessary layers of bureaucracy, management, oversight, and mark-up, or other barriers to cost-effective participation, for CAAs/CBOs and a diverse workforce. ComEd, however, will contribute an amount consistent with the DCEO’s contribution to IHWAP administrative costs for weatherization programs.
- 2) Rely on competitive bidding, maximize the use of CAAs/CBOs, and work to increase opportunities for expanded diversity in contractors and contractor employees.

e) Utility-Only Programs: Workforce

ComEd will work with DCEO to leverage State and federal workforce development program dollars, such as those offered through the Workforce Innovation and Opportunity Act, and efficiently and cost-effectively deliver a diverse workforce initiative.

f) Utility-Only Program: Measure Specific

ComEd will:

- 1) Target households with electric resistance heating and fund installations of heat pumps (either ductless or ducted, as appropriate) to serve as the primary heating system in all such homes, with the electric resistance equipment remaining and serving as back up heating as necessary, in conjunction with a focus on maximizing building shell measure adoption.
- 2) Consider the following criteria before installing smart thermostats:
  - a. The appropriate brand and type of thermostat based on the availability of broadband wi-fi in the home;
  - b. Customer interest after smart thermostat functionality has been explained;
  - c. Whether the customer is housebound; and
  - d. Technical issue that would significantly increase labor costs associated with thermostat installations.
- 3) Provide the following information to customers receiving smart thermostats:
  - a. Oral and written operating instructions; and
  - b. A phone number to call for assistance on the use of the product
- 4) For all IE customers, fully fund:
  - a. All Plan programs offering low cost direct install measures such as light bulbs and low flow devices;
  - b. All eligible insulation; air sealing; and duct sealing, insulation and measures; and
  - c. All of the following HVAC measures offered under the Plan (but not limited to these measures):
    - 1) Single-family heat pumps to displace existing electric resistance, natural gas, propane, and/or other heating fuel sources;
    - 2) Single-family heat pump water heaters to replace standard electric resistance, natural gas, propane, and/or other water heating fuel sources;
    - 3) Single-family and multi-family window A/C replacements;

- 4) Single-family furnace fans with ECM motors to replace inefficient fans (if full furnace not being replaced);
  - 5) Single-family and multi-family smart thermostats; and
  - 6) Single-family gas furnace, gas boiler, gas water heater and/or central air conditioner only when an emergency replacement (e.g., existing system no longer functioning) and/or to address a health/safety risk (e.g., cracked heat exchanger on gas furnace).
- d. Electric dryers and induction stoves, where appropriate, to replace fossil-fuel-fired equipment.

The Parties agree that IE Multifamily property managers/owners may have a co-pay for the following HVAC and electrification measures:

- 5) Heat pumps to displace existing electric resistance, natural gas, propane, and/or other heating fuel sources;
- 6) Heat pump water heaters to replace standard electric resistance, natural gas, propane, and/or other water heating fuel sources;
- 7) Furnace fans with ECM motors to replace inefficient fans (if full furnace not being replaced – see (8) immediately below);
- 8) Gas furnace, gas boiler, gas water heater and/or central air conditioner; and
- 9) Electric dryers and induction stoves, where appropriate, to replace fossil-fuel-fired equipment.

**B) Residential (Non-IE)**

- 1) Joint non- IE single family and multifamily weatherization– ComEd will make best efforts to reach agreement with Nicor, North Shore and Peoples to create, promote and support investment in building envelope improvements in non- IE homes. If ComEd and the applicable gas utility are unable to reach an agreement for joint or coordinated delivery, at a minimum ComEd will agree to:
  - a) purchase net lifecycle kWh from any applicable gas utility non- IE weatherization program (if the gas utility should introduce and manage its own program) at the average cost per net lifecycle kWh that ComEd is forecast to incur each year, for its entire efficiency program portfolio. ComEd may, at its discretion, limit the amount of kWh savings it purchases within a given program year to no more than \$250,000, per gas utility, above levels forecast by each gas utility for its non- IE

residential weatherization programs, with such forecasts to be provided to ComEd at least 90 days prior to the start of the program year.

- b) The above commitments are contingent on gas utilities making a similar commitment in their own plans or in a settlement agreement on their own plans.
- 2) Joint smart thermostat offering – ComEd has an agreement with Nicor, North Shore and Peoples to offer a single incentive for smart thermostats that is jointly funded by the electric and gas utilities for shared customers (at least until gas funding becomes constrained, at which time ComEd fund 100% of the incentive).
- 3) Demand Response – In light of ComEd’s experience in Plan 5 and to maximize available funding, ComEd will meet its demand response goals through its Residential and IE EE programs.

### **C) *Business Programs***

- 1) ComEd will meet periodically with the NRDC and any other interested SAG participants to provide updates on progress in and discuss refinements in strategy for accelerating adoption of networked lighting controls, luminaire level lighting controls and other related measures. Such meetings will be at least quarterly in 2022 and at least bi-annually from 2023 through 2025.
- 2) ComEd will pilot offering comprehensive studies (fully funded by ComEd) to large public sector customers (e.g., city, county, state and federal agencies, public universities, water reclamation districts) to inventory cost-effective opportunities for efficiency and electrification improvements across those customers’ portfolio of buildings/facilities, as well as related strategic plans for the customers to make identified improvements over a multi-year period. ComEd will develop a plan for implementing the pilot by April 1, 2022 and shall meet with any interested SAG participants to discuss and update those SAG participants on its pilot implementation plans.
- 3) ComEd commits to closely monitoring whether incentive levels for Public Sector measures and programs, which are defined in Section 8-103B(c) of the Act and in the Revised Plan, are sufficient, in order to determine whether incentives need to be increased to meet the Revised Plan’s savings goals. ComEd will track and report its incentive monitoring on a quarterly basis as a component of its ICC-filed Quarterly Reports. If ComEd is not on track to meet Public Sector spending requirements and savings goals as of June 30, 2022, then the Parties will discuss program adjustments, including incentive level increases, at that time. Beginning with the second calendar year of ComEd’s Revised Plan (i.e., 2023), ComEd will include in its ICC-filed Annual Reports, additional performance data, including but not limited to the geographic distribution of Public Sector customers participating in

incentive programs and the types of program measures utilized by Public Sector customers. This additional data will be reviewed and discussed at least once each calendar year in 2022 through 2025 with the City of Chicago and other interested stakeholders to inform consideration of possible future program adjustments.

- 4) ComEd will collaborate with Peoples Gas and North Shore Gas on utility sharing public sector project leads.

**D) *City/Municipality/County Collaboration***

ComEd agrees to work with the City of Chicago, other interested cities, municipalities, counties, and other public partners on their electrification and energy efficiency initiatives and how to coordinate and integrate those initiatives with ComEd's electrification and energy efficiency programs. ComEd shall meet with interested stakeholders and the aforementioned governmental entities as opportunities to collaborate and commits to work in good faith to reach consensus on how to leverage budgets.

**E) *Third-Party Programs***

The Parties acknowledge that the Third Party RFP process has been completed consistent with the previously approved Plan 6 and Stipulation, and the Parties further agree that ComEd's Revised Plan 6 and this Revised Stipulation satisfies the Third-Party Program RFP approval requirements in Section 8-103B(g)(4) of the PUA. Other new, innovative ideas can continue to be submitted for consideration through ComEd's existing R&D submission process during the Plan 6 period. ComEd commits to consult with non-financially interested SAG participants on solicitation and selections.

**F) *R&D Terms***

- 1) ComEd will collaborate with NRDC and other interested stakeholders, through the Stakeholders Advisory Group Market Transformation Savings Working Group, in reviewing the potential for and merits of a Statewide and/or multi-state regional triple-glazed window market transformation pilot during the Plan 6 period.
- 2) ComEd will launch a market transformation initiative to promote the adoption of efficiency performance standards for existing buildings in one or more municipalities in its service territory. ComEd will work with NRDC and other interested SAG participants in the design of the initiative.
- 3) Verified savings from R&D projects may count toward ComEd's savings goal, at the discretion of ComEd. Not all R&D projects have to be evaluated.

**G) On-Bill Financing & Equitable Energy Upgrade Program (EEUP)**

- 1) ComEd commits to not actively market OBF to IE customers.
- 2) ComEd supports discussions at SAG about OBF and EEUP, with updates on the number of customers enrolled in each program and whether any of the customers are income-eligible.
- 3) In the context of designing the EEUP described in Section 16-111.10 of the PUA, ComEd and all of its implementers and subcontractors interacting with a customer shall make IE customers aware of free EE programs and bill payment assistance programs.
- 4) ComEd commits to exploring how to leverage EEUP for eligible non-IE customers to reduce upfront project costs, under ComEd's EE programs.
- 5) In an effort to identify and enable more timely resolution of disputes and reduce potential litigation costs, the Stipulating Parties agree to come together with other interested entities, as appropriate, prior to ComEd submitting its informational filing pursuant to Section 16-111.10(f) to discuss in good faith the EEUP Program design and potential implementation approaches for low-income customers, as defined under Section 8-103B of the PUA, to avoid unnecessarily financing EE measures for low-income customers pursuant to Section 16-111.10, in order to ensure that the commitments reached in this Stipulation are fulfilled, to the extent consistent with the law and the Commission's Orders. The discussion shall occur outside of the Commission's formal PAYS tariff proceeding. Topics to be addressed during the discussions shall include, but not be limited to:
  - a) How the EEUP Program financing will be marketed and/or communicated to ComEd customers, including to low-income customers eligible for zero-cost weatherization programs under the 2022 Plan;
  - b) What consumer protections will be put in place for income qualified customers;
  - c) Whether and how the EEUP Program can potentially be used, in conjunction with efficiency programs, to support business customer efficiency investments; and
  - d) Additional issues of concern that are raised by the undersigned Parties, as appropriate.
- 6) With respect to the EEUP Program, consistent with the statute, ComEd "will ensure that customers who are interested in participating are notified if they are income qualified, that they may also be eligible for the Percentage of Income Payment Plan program and free energy efficiency improvements

through other programs and provide contact information.” ComEd agrees to share concepts and proposals with the Stipulating Parties in an effort to collaborate on the content of this communication and any referenced materials.

## **V. EVALUATION, MEASUREMENT, & VERIFICATION TERMS**

### **A) *Annualization***

The Parties agree that all measure savings for the year of implementation will be annualized, with the exception of Residential Behavior, which will continue as provided in the Illinois Technical Reference Manual.

### **B) *Net To Gross***

The Parties agree that they will engage in good faith efforts at SAG to identify policy mechanisms that could support enhanced investment in both (1) targeting of energy efficiency programs and services to economically challenged, historically under-served and diverse communities; and (2) the diversification of contractors and trade allies delivering energy efficiency programs and services. Such policy mechanisms may include, but would not be limited to, the potential to adopt higher net-to-gross (“NTG”) assumptions for targeted communities than currently used for programs as a whole (system-wide).

### **C) *Cost-Effectiveness Analysis***

- 1) ComEd will timely file joint TRC and PACT results for all joint programs in its Revised Plan 6 docket.
- 2) ComEd agrees to present both TRC and PACT test ratios and net benefit results – for each program, sector and its portfolio as a whole - as part of its Revised Plan 6 filing.
- 3) As part of ComEd’s Revised Plan 6 filing and any ex post cost-effectiveness results reported for 2022-2025, ComEd agrees to present the TRC test results both with and without non-energy impacts (“NEIs”). NEIs specified within the Illinois Statewide Technical Reference Manual for Energy Efficiency (“IL-TRM”) will be included in both sets of calculations.
- 4) ComEd agrees to present portfolio TRC and PACT test results both with and without income qualified programs as part of its Revised Plan 6 filing and in the annual energy efficiency formula rate update proceeding dockets.

## D) Reporting

Below is a list of reporting metrics for ComEd's Revised Plan 6 related to IE Multifamily and equity/affordability, that the Company agrees to begin reporting on in 2022. Separately, ComEd agrees to support for inclusion additional reporting metrics or topics in an updated version of the EE Policy Manual, and the Parties agree that negotiations regarding the final list of those additional reporting metrics or topics to be included in an updated Manual must be conducted through the SAG processes that address such updates.

### 1) IE Multi-Family Reporting Metrics

a) *Program Data* – ComEd commits to providing the following in its ICC-filed Quarterly Reports:

#### b) *Actuals (YTD)*

1) Participation – buildings by zip code and apartment units

2) Spending – incentives, non-incentives, total

3) Savings (1st year) – MWh, therms

c) *Measure Data/Comprehensiveness of Treatment* – ComEd commits to providing the following in its ICC-filed Annual Reports:

1) % of buildings that received different types of EE services:

a) Whole building assessments

b) Only DI measures

c) In-unit

d) One (1) or more major measures listed by type (e.g., building envelope measures – air sealing and insulation, HVAC equipment, and water heating equipment)

d) ComEd supports additional participation, measure, and comprehensive building treatment data to be discussed via SAG processes for inclusion in an updated EE Policy Manual, including a list of measures installed and the following totals provided for each measure, indicating which measures were installed in unit vs. common area.

1) Number installed (e.g., 535 of measure X, 1498 of measure Y, etc.)

2) Program savings – MWh and Therms (1<sup>st</sup> year)

3) Incentive \$ spent

## 2) Equity-Affordability Reporting Metrics

- a) ComEd commits to report on the following in its ICC-filed Annual Reports:
  - 1) Program participation, by zip code, with average income information
- b) ComEd supports the discussion of additional equity and affordability metrics at SAG for possible inclusion in an updated version of the EE Policy Manual.

## 3) EE Supplier Diversity

- a) ComEd commits to providing the following in its ICC-filed EE Quarterly Reports:
  - 1) Number or proportion of diverse vendors by category (i.e., MBE, WBE and VBE), as well as by primary contractors and subcontractors, and network service providers)
  - 2) Breakdown of diverse vendors by category (i.e., MBE, WBE and VBE)
  - 3) Percent of or amount of portfolio dollars (excluding pass-through incentives) for diverse spend, by category (i.e., MBE, WBE and VBE)
- b) ComEd supports the discussion of additional EE Supplier Diversity metrics at SAG for possible inclusion in an updated EE Policy Manual.

## 4) Health & Safety

- a) ComEd commits to annually providing the following Health & Safety-related metrics for IE Whole Building Retrofit Programs at joint SAG and Committee meetings, in 4th quarter quarterly SAG reports, and in ICC-filed Annual Reports.
  - 1) Number of properties assessed for the program (broken out by single-family and multifamily)
  - 2) Number of assessed properties that had identified H&S issues
  - 3) Break down of type of H&S issues identified and addressed
  - 4) Number of properties deferred because of health and safety issues and general trends in the type of related H&S issues (will also be provided in ICC-filed Quarterly Reports)

5) The percentage and/or dollar amount of the Health and Safety Fund that has been spent down (will also be provided in ICC-filed Quarterly Reports)

b) ComEd supports the discussion of additional health and safety metrics at SAG for possible inclusion in an updated EE Policy Manual

5) Other Reporting

ComEd will separate income eligible programs from market rate residential programs in reporting, and will ensure IE reporting includes a breakdown of IE single-family and IE multifamily.

ComEd will provide reporting, tracking, and evaluation for IE single family versus IE multifamily programs.

**VI. THE ROLE AND RELATED DUTIES OF COMED'S INDEPENDENT EVALUATOR DURING ENERGY EFFICIENCY FORMULA RATE UPDATE PROCEEDINGS RELATED TO REVISED PLAN 6 (2022-2025)**

A) The Parties agree to support requests to classify ComEd's independent evaluator as a "non-party participant" as defined at 83 Ill. Admin. Code § 200.40, on the expressed condition that testimony and other information submitted by the independent evaluator will be subject to all due process procedure protections applicable to testimony filed by a witness offered by a party including, but not limited to, cross-examination and discovery under the Commission's Rules of Practice. No later than three (3) business days after ComEd files the annual energy efficiency formula rate update ("EE FRU") petition, ComEd will file a motion requesting that the Commission classify the Company's independent evaluator as a "non-party participant" as defined at 83 Ill. Admin. Code § 200.40 in that EE FRU proceeding.

B) Subject to any Commission rulings or orders, the Parties agree that in its capacity as a "non-party participant", the independent evaluator is expected to:

1) file concise direct testimony (A) providing a high-level summary of the portfolio and program evaluation reports; (B) providing a summary of the annual incremental savings achieved that can be counted toward ComEd's applicable annual incremental goal, as well as an explanation of how that calculation was performed; (C) providing a summary of the cumulative persisting annual savings ("CPAS") achieved that can be counted toward ComEd's CPAS goal, as well as an explanation of how that calculation was performed; and (D) describing any disputes that have been documented in any of the evaluation reports in accordance with the Section 7.5.v. of the IL EE Policy Manual Version 2.0. The independent evaluator will make best efforts to file its direct testimony within 14 days of ComEd filing the annual EE FRU petition;

- 2) respond to any data requests served on it by the parties to the proceeding pursuant to 83 Ill. Admin. Code Part 200;
  - 3) file any corrections or errata to the independent evaluator's reports and evaluations, regardless of whether the report or evaluation was filed by the independent evaluator or ComEd;
  - 4) file testimony responding to an issue with the evaluation reports that is raised by a party in a given proceeding;
  - 5) be available to provide oral testimony at the evidentiary hearing in a given proceeding regarding its evaluation reports submitted in the proceeding;
  - 6) be represented by their own counsel (not ComEd's attorneys) in a given proceeding regarding its evaluation reports submitted in the proceeding; and
  - 7) have its own legal counsel appear at the evidentiary hearing and move for admission into the evidentiary record the independent evaluator's reports, evaluations, testimony, affidavits, verifications and any other filed exhibits authored by the independent evaluator, regardless of whether the documents were originally filed by the independent evaluator or ComEd.
- C) ComEd will incorporate the provisions reflecting the independent evaluator's "non-party participant" role and related duties listed above into the independent evaluation contract governing Revised Plan 6 evaluation, measurement, and verification.
- D) Parties agree that costs, including legal costs, incurred related to the independent evaluator's discharge of its duties as a "non-party participant" in EE FRU proceedings are evaluation costs in accordance with 220 ILCS 5/8-103B(g)(6). Each Party agrees that it will not object to ComEd's recovery of reasonable and prudent costs incurred related to the independent evaluator's discharge of its duties as a "non-party participant" in Revised Plan 6 EE FRU proceedings.

## VII. SAVINGS GOALS

*Weighted Average Measure Life:* While ComEd retains the flexibility, as documented in Section 6.1 of the Illinois Energy Efficiency Policy Manual Version 2.0, to shift resources between programs and measures, ComEd agrees that it will not exercise this flexibility in a way that results in a portfolio weighted average measure life decrease greater than a 0.5 year lower than the filed Revised Plan that is the subject of this Revised Stipulation.

## VIII. OTHER TERMS

### A) *Marketing*

- 1) ComEd will continue its coordination of EE program marketing with other ComEd customer programs and tools (e.g., demand response, real-time pricing).

### B) *EE Procurement & Market Development*

- 1) *Purpose:* ComEd EE is committed to procuring goods and services for its ratepayer-funded energy efficiency portfolio in a competitive, fair, transparent and equitable manner. ComEd recognizes the value of competition in driving innovation, improving quality, and reducing cost. It also acknowledges the value of supplier diversity in equitably investing ratepayer funds in the communities from which they originated, by creating business and employment opportunities in the ratepayer-financed energy efficiency job market.
- 2) *Contracting Practices:* ComEd EE will continue and expand its practice of providing opportunities for non-profit organizations, Illinois-based business enterprises, and Certified MBE, WBE, VBE, service-disabled, and LGBTQ-owned business enterprises to compete on an equal basis for materials and services utilized by ComEd EE in connection with implementing its Revised Plan. This includes Tier 1 and Tier 2 vendors, as well as service providers not under contract with ComEd. ComEd EE will make best efforts to provide sufficient information on technical and performance requirements and sufficient time to enable non-traditional bidders to compete effectively. This practice does not diminish, in any way, the objective of ComEd EE to acquire materials and services on the most economic basis available, considering factors such as price, quality, service reliability, accountability, safety and timely delivery, and encouraging all qualified suppliers and contractors to compete for ComEd's business.
- 3) *Market Development Initiative*
  - a) *MDI Design:* ComEd EE Department's Market Development Initiative ("MDI") during the Plan 6 Period will be designed to:

- 1) increase contracting opportunities for diverse business enterprises and CBOs and assist them in developing the necessary capabilities to participate in the delivery of the EE Portfolio; and
  - 2) improve the diversity and inclusiveness of the ComEd EE Department's supplier and supplier workforce
- b) Research for MDI Development: The details of the MDI and implementation of related funding will be informed by research performed in 2021 by a Tier 1 contractor, with demonstrated experience in diverse market development efforts, to assess the number of ready, willing and able diverse firms within ComEd's service territory related to Revised Plan implementation and identify and assess options for addressing opportunities for ComEd to increase supplier and supplier workforce diversity in the implementation of its Revised Plan. ComEd will consult with the SAG or relevant SAG subcommittee, on this research, including the RFP<sup>9</sup>, vendor and scope, as well as the subsequent implementation plan.

Such research and assessment could include, but is not limited to:

- 1) Analyzing whether the ComEd EE Department's contracting with certified MWBEs, by diverse category, is proportional to number of identified ready, willing and able certified MWBEs within the ComEd service area.
- 2) Reviewing ComEd's energy efficiency portfolio implementation strategies and recommending procurement strategies that, when economically feasible and legally permissible, cost-effectively divide portfolio elements into smaller tasks or quantities to strive for maximum certified MWBE participation while also minimizing customer confusion and inconvenience.
- 3) Recommending supplier diversity goals for ComEd EE based on the results of the research.
- 4) Recommending strategies to support attainment of ComEd EE supplier diversity goals including, but not limited to, procurement strategies and other market development strategies.
- 5) Reviewing ComEd EE's general Requests for Proposals ("RFPs") and Invitation for Bid ("IFB") processes and evaluation guidelines to ensure that proposals from MWBEs are fairly considered.

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<sup>9</sup> ComEd will consult with non-financially interested parties at SAG on the development of this RFP.

- 6) Reviewing ComEd EE's vendor workforce diversity to assess alignment with goals and recommending modifications, as appropriate.
- 7) Reviewing any subsequent changes to the ComEd EE's existing MDI-related initiatives.

c) MDI Implementation

- 1) Implementation of the Market Development Initiative will be contracted to an implementation contractor(s) (i.e., the Implementer(s)) with demonstrated experience in diverse market development efforts.
- 2) Implementer(s) will be selected through a competitive bid process and contracted with ComEd. The MDI will also be supported by internal ComEd staff.
- 3) ComEd commits to work with other Illinois utilities to identify areas in which efficiencies and cooperation can be achieved to minimize costs to ratepayers and ensure best practices are followed in achieving the goals of the MDI.
- 4) ComEd, through the Implementer(s), commits to conducting outreach through MDI to educate identified potential bidders about opportunities in the energy efficiency space, which may involve but is not limited to offering workshops, webinars, seminars, and/or other educational opportunities.
- 5) MDI activities could include, but are not limited to:
  - a) *Contracting*: Expanding ComEd's existing EE Diverse Service Provider Incubator and initiating a parallel incubator-like effort for CBOs, diverse-owned businesses and/or an EE Tier 2 Institute. These efforts would be designed to provide outreach, technical support, and education, to ensure entities are aware of bidding opportunities, and to increase their capabilities necessary to compete.
  - b) *Workforce*: An EE internship and job placement program; continued support of IHWAP workforce training. Training programs will be designed to introduce underrepresented groups to the job market and lead to gainful employment.
  - c) *Barriers to Participation*: Identifying and addressing barriers to participating in the contracting and/or workforce initiatives described above, and analyzing ways to overcome identified barriers, such as wrap-around services (for example

transportation, stipends for childcare and lodging, software and equipment grants, and other tools as needed to develop the necessary skills and capabilities to compete effectively), project financing, and diversity certification. ComEd EE will leverage other resources, such as DCEO, in this effort.

d) **Leveraging Resources:** Leveraging, as practicable, ComEd's existing resources (such as its ComEd's Diverse Business Empowerment Department) and the services and financial assistance of the United States Small Business Administration, the Illinois Office of Minority Economic Empowerment, DCEO programs, community colleges, and all other resources identified as promoting the interest of small and minority business in order to minimize the cost of the MDI to utility ratepayers. In addition, ComEd may participate in local and regional small and minority purchasing and networking fairs.

d) *MDI Budget:* ComEd EE will spend, at a minimum, an annual average of \$4 million on MDI.

e) **MDI Evaluation and Reporting**

1) ComEd commits to execute a separate independent evaluation contract for evaluation of the MDI with an entity that has specific relevant experience, funded out of ComEd's EM&V EE budget, with said consultant subject to applicable Evaluator Independence protocols set forth in Section 7.5 of the IL EE Policy Manual, Version 2.0. Priority will be given to vendors with demonstrated experience in diverse market development efforts.

2) ComEd will report to the ICC in its ICC-filed Quarterly Reports on the progress of the MDI with the ICC-filed Annual Reports summarizing annual progress.

3) ComEd commits to use innovative, data-driven approaches to assess the effectiveness of its MDI initiative in achieving the MDI goals as well as opportunities for improving such effectiveness.

4) **EE Procurement**

a) ComEd EE Department commits to continue Plan procurement efforts throughout the four-year Plan Period to identify ready, willing, and able diverse firms offering relevant services in ComEd's service area as well as identify ongoing relevant opportunities to contract with these firms.

b) ComEd EE Department will competitively bid EE program implementation, MDI and EM&V initiatives for the Plan Period. Home Energy Reports are exempt from the competitive bid requirement.

### **C) Overhead Allocation**

- 1) For the purpose of determining whether ComEd has met its statutory requirements for minimum levels of spending on different customer groups, ComEd will allocate portfolio level costs across the following customer sectors – (1) residential customers, (2) commercial and industrial/business customers, (3) public sector customers, and (4) income eligible customers. Allocation to customer sectors will be based on their portion of program budgets.
- 2) ComEd will limit its portfolio-level costs, excluding IE R&D, to an annual average of no more than \$38.5 million each year of the Revised Plan.

### **D) Recovery of Prudent and Reasonable Costs**

Parties agree that recovery of costs incurred by ComEd, if any, in excess of the Commission-approved annual Revised Plan budget, will be subject to Commission review during the applicable energy efficiency formula rate update proceeding consistent with the provisions of Section 8-103B, including but not limited to Section 8-103B(m), as well as to any Commission order addressing the issue of the recovery of costs that exceed the annual Revised Plan budget, provided that such order does not conflict with, or is superseded by, PA 102-0662.

### **E) Therms**

For therms that are converted to kWh savings, ComEd will first prioritize therms associated with Income Eligible programs, as required by the Act. If the Income-Eligible programs do not provide the full 10% goal allocation, ComEd has the discretion to choose the therms for conversion that best serve the long-term impact of the portfolio (e.g., longer life measures); note that while therms are emphasized here, other non-electricity fuels (e.g., propane) may also be converted, as permitted by Section 8-103B.

### **F) Energy Efficiency Electrification under Section 8-103B**

- 1) Goals
  - a) ComEd will aim to spend a minimum of \$10 million per year, on average over the four-year Plan Period, on electrification of IE housing units. ComEd will design its IE electrification efforts to target at least \$1.6 million in 2022, \$8.5 million in 2023, \$12.7 million in 2024 and \$16.8 million in 2025. ComEd will aim to spend the majority of the funds on full electrification (space heating, water heating and other end uses).
  - b) These goals, which are based on forecasts and assumptions about the market for electrification, shall be revisited by Parties no later than January 2024 (see Section F.3).b below) and may be modified in light of

changed conditions or assumptions, including, but not limited to: (A) the number of IE customers for whom it would be possible to lower total annual energy bills is not large enough to enable goal achievement; (B) there is insufficient HVAC contractor capacity in its service territory to achieve the goals; and/or (C) supply chain or other market disruptions decrease the supply or increase the cost of HVAC or other equipment. Any such goal modifications should be made in consultation and consensus agreement with interested stakeholders.

## 2) Program Approaches

- a) ComEd will make best efforts for IE electrification savings to come from both multi-family and single-family homes.
- b) ComEd will only promote direct installation of IE electrification measures in applications for which all measure installations within each home are collectively expected to lower total energy bills. ComEd and the Parties agree to discuss, with the goal of reaching consensus, how assessments of the way electrification affects customers' total energy bills will be performed under Section 8-103B. Beginning March 1, 2022, all assessments of electrification impacts on customers' bills shall include:
  1. Current default retail prices for fossil gas and propane – including both volumetric charges and, whenever applicable, fixed monthly charges.
  2. Current default retail prices for electricity, using ComEd's (lower) electric heating rate, wherever applicable – including the cost savings of paying all current baseload (lighting, refrigeration, other miscellaneous appliances, etc.) electricity consumption with the lower electric heating rate.
  3. Efficiencies of existing (pre-treatment) fossil fuel heating, water heating and other appliances.
  4. Efficiencies of electrification measures.
  5. Forecasted impacts of weatherization measures also being installed.
- c) The Parties agree that one of the objectives of Section 8-103B's energy efficiency electrification initiatives is to reduce greenhouse gas emissions. The Parties further agree to work together, with the goal of achieving consensus, on how to assess and track greenhouse gas emissions impacts of ComEd's Section 8-103B energy efficiency electrification initiatives. Nothing in this subsection (c) is intended to limit the rights of any Party from advocating any position regarding the

assessment and tracking of greenhouse gas emissions in other proceedings before the ICC.

- d) ComEd will, to the extent practicable, integrate delivery of space heating electrification with weatherization measures designed to reduce heating loads (and/or into buildings which are already known to be efficient/weatherized).
- e) ComEd will, to the extent practicable, support complete electrification of all fossil fuel end uses, so that participating IE customers can realize benefits not only of reduced volumetric charges for such fuels, but also fixed monthly charges (for gas or propane).
- f) Upon completion of electrification, ComEd will assist customers in getting onto its (lower) electric heating rate.
- g) ComEd will endeavor to integrate installation of IE electrification measures into delivery of its existing IE whole building programs – single family retrofits, multi-family retrofits and new construction.
- h) ComEd will also explore additional, new delivery strategies for electrification measures, including but not limited to:
  - 1. A new community-based strategy to target communities with significant reliance on propane as a primary heating fuel.
  - 2. The target marketing of existing whole building retrofit programs to communities with significant reliance on propane.
  - 3. Co-funding – and therefore increasing the number of housing units to be treated through the City of Chicago’s newly budgeted initiatives to retrofit IE multi-family buildings with weatherization and electrification measures.
- i) When heat pumps, heat pump water heaters and/or electric stoves are installed to IE replace furnaces, fossil fuel water heaters and/or fossil fuel stoves that are creating health and safety concerns (e.g., cracked heat exchangers, back-drafting of exhaust), the costs of the electrification measures can be considered an IE “health and safety” expense, coming out of the fund set aside for such purposes.
- j) When heat pumps are installed in concert with weatherization measures, the weatherization measures should be treated as electric efficiency measures (i.e., as if the baseline was the heat pump) for the purpose of estimating savings and counting such savings towards ComEd’s savings goals, subject to any modifications approved in the Policy Manual and/or TRM.

k) For utility-only IE programs (with the possible exception of some multifamily building owners) ComEd will not require customers to make a co-pay on electrification measures, including any required electric service upgrades and new electric end-use appliances, and removal and proper disposal of retired equipment.

3) Collaboration with Stakeholders

a) ComEd will initiate a series of meetings with interested stakeholders to discuss program design options. Such meetings will take place in 2022, with the goal of achieving consensus on program approaches for the balance of the four-year plan cycle by September 2022.

b) ComEd will meet with interested stakeholders at least twice a year in 2023, 2024 and 2025 to provide updates on IE program progress, discuss challenges and opportunities that have arisen and – as needed and appropriate – to make modifications to IE electrification program designs and/or goals.

c) In addition, ComEd agrees to engage with the IL EE Policy Manual SAG subcommittee early in 2022 on policies related to electrification, with a goal to have such policies incorporated into the Policy Manual and submitted to the Commission by December 2022.

d) If building and industrial electrification programs are introduced in the future outside of the ComEd EE programs, and ComEd funds these programs in whole or in part from the Revised Plan 6 budget, the Parties agree to discuss a methodology for ComEd to claim some level of electrification savings achieved through such building and industrial electrification program(s).

**G) Potential Study**

1) ComEd shall collaborate with non-financially interested stakeholders (the “Stakeholders”), the ICC Staff (“Staff”), and the state’s other large electric utility on the development of a statewide potential study (“Study”) request for proposal (“RFP”), the selection of an independent Potential Study Contractor (the “Contractor”), and the scope of work (“SOW”) for the Contractor. The Parties agree to support the following principles with regard to the Contractor and the Study.

2) The Contractor shall work collaboratively throughout the Study with the Program Administrators, Stakeholders, and Staff (collectively, “the Potential Study Parties”) to develop and adopt the detailed Study scope, including but not limited to the approach, methods, and data used. All parties shall be afforded the opportunity to discuss and/or propose modifications to the scope, approach, methods, and data used throughout the duration of the Study. The SOW will provide that the Contractor shall

provide all draft work products to the Program Administrators, Stakeholders, and Staff, simultaneously, as soon as practicable. Further, the Potential Study Parties agree that the Contractor shall be instructed to give equal consideration to the merits of any feedback on draft work products provided by the Potential Study Parties in the development of final work products.

- 3) The Study shall address, at a minimum, electric customer-sited efficiency and electrification opportunities. In addition, ComEd shall engage with the Illinois investor-owned gas utilities to determine if they intend to pursue any gas potential studies in the near future, and if so, shall encourage them to join in this single statewide potential study. In the event the gas utilities agree to participate, the Study will also consider customer-sited gas efficiency opportunities.
- 4) Among other things, the Study shall separately quantify efficiency and electrification opportunities in Income Qualified (“IQ”) single-family homes and income qualified multi-family buildings. The Study shall be conducted and timed in a manner that would allow for the assessment of market potential for each service territory that could be used to support development of both the unmodified cumulative persisting annual savings (“CPAS”) goals identified in Section 8-103B(b-5) and (b-15) for the years 2031-2040, as well as the CPAS goals by service territory applicable for the next energy efficiency plan for the years 2026-2030. The Study should take into account for each service territory the savings and objectives (and specifically related to IQ customers) from the 2021-2025 plan, expiring savings, statutory objectives, statutory budgets, and policy objectives and requirements. ComEd agrees to co-fund the Statewide Potential Study proportionally with the other participating Illinois utilities, as applicable.
- 5) Section 8-103B of the PUA directs that the Commission establish CPAS goals based in part on an energy efficiency potential study; it is therefore critical that such potential study be developed in an independent manner. ComEd agrees to work with the SAG Policy Manual subcommittee to develop and implement protocols to ensure that Potential Study Contractor Independence is maintained as part of Illinois Energy Efficiency Policy Manual Version 3.0 discussions. To the extent no Party objects to new Potential Study Contractor independence provisions that are added to a future Commission-approved Policy Manual, such provisions appearing in the Policy Manual will supersede the Potential Study Contractor Independence provisions in this Revised Stipulation. Until such time that the Commission approves the Policy Manual Potential Study Contractor Independence provisions, ComEd agrees to implement the following Potential Study Contractor Independence protocols:
  - a) With the exception of communications related solely to contractual or other administrative issues, all written communications between the

Contractor and the Program Administrator, Stakeholders and/or Staff shall be copied to the Program Administrator, Stakeholders and Staff.

- b) With the exception of any phone, webinar, or in-person meetings related solely to contractual or other administrative issues, the Program Administrator, Stakeholders and Staff will be made aware of, and invited to, all meetings between the Contractor and the Program Administrators, Stakeholders and/or Staff.
- c) Any contract between the Program Administrator and the Contractor shall provide that:
  - 1) The Study is being conducted for, and on behalf of, the Program Administrators, interested Stakeholders, Staff, and, ultimately, all energy efficiency program ratepayers, and that all non-financially interested Stakeholders and parties who take an interest in the Potential Study process shall be given equal weight and standing in all Study discussions and decisions, with the exception of contractual or administrative issues.
  - 2) The Contractor must act independently from the Program Administrator and be able to independently assess the amount of potential energy savings in the Program Administrator's service territory.
  - 3) The Commission has the right to direct the Program Administrator to terminate the contract if the Commission determines the Contractor was not acting independently.
- d) The Program Administrator shall submit the final but not yet executed contract and SOW with the Contractor to the Commission by letter to the Executive Director. Staff will submit a report to the Commission containing its assessment of the contract and SOW and describing its recommendations to the Commission. In addition, a Program Administrator will submit any fully executed contract and SOW with the independent Potential Study Contractor as a compliance filing in ICC Docket No. 19-0983, the Policy Manual Version 2.0 approval proceeding, within fourteen (14) days of execution. Such compliance filing will be treated as public information, subject to redactions by the Commission of provisions deemed confidential. The Program Administrator shall make any portions of such compliance filings that are designated confidential available to parties appearing in the docket who are entitled to receive confidential materials by operation of law or an appropriate protective order, and to other interested parties who do not have a competitive interest in the confidential material and who may not be parties appearing in the docket but who have signed a protective

agreement with the Program Administrator to receive the confidential material.

- e) If a party has reason to believe that the Contractor is not acting independently, that party is encouraged to raise the concern with the Contractor, Program Administrator, Staff, and the SAG Steering Committee. In the event that the concern cannot be resolved through such conversations, the party may file a petition with the Commission requesting that the Commission order the Program Administrator to terminate the contract. The contract between the Contractor and the Program Administrator shall automatically terminate upon a Final Order of the Commission finding that the contract should be terminated, after issuance of notice and hearing and an opportunity for the Program Administrator, the Contractor, and other interested parties to be heard, including through Commission resolution of any filed applications for rehearing. All due process rights guaranteed by the PUA and the Commission's rules shall apply.
- f) In the event that the Program Administrator or the Contractor issues a notice of termination or notice of default of the contract, the issuer of the notice shall contemporaneously provide a copy of such notice to the Commission.
- g) In the event that Stakeholders, Staff, or the Program Administrator, and the Contractor are not able to reach a resolution during the draft Potential Study Report review process concerning a disputed issue that is acceptable to the Potential Study Parties, the Program Administrator will direct the Contractor to document the issue in dispute within the Potential Study Report along with the Contractor's position, the party's position, and to the extent practical and quantifiable, any associated alternative savings estimates resulting from the differences in positions. Nothing in this Paragraph precludes a Stipulating Party from developing or advocating a position on the Potential Study or any aspect of determining and setting savings values or resulting savings goals under the PUA.
- h) The Contractor shall ensure that the data used in the Potential Study is made available to the Program Administrator, Stakeholders and Staff upon request, subject to any appropriate protective agreements.
- i) The Program Administrator's contract with the Contractor shall include a provision requiring the Contractor to provide or make available all working models and workpapers to the Program Administrator, Stakeholders upon request who agree to sign protective agreements, and to Staff and the Attorney General. The Staff and the Attorney General are not required to sign such protective agreements. See Sections 4-404 and 5-108 of the Illinois Public Utilities Act (220 ILCS

5/4-404 and 5-108) and Section 6.5(d) of the Attorney General Act. (15 ILCS 205/.)

**H) *Changes in Law***

To the extent that there are changes in applicable law that materially impact the implementation of ComEd's Revised Plan 6 or provisions of this Revised Stipulation, the Parties agree to work collaboratively with ComEd with the goal of reaching consensus on the related impacts and the need - if any - for adjustments to the Revised Stipulation and the four-year Revised Plan.

**I) *Revised Plan 6 Workpapers***

ComEd agrees to timely provide the Parties with the workpapers (in their native file format) that support ComEd's Revised Plan, testimony, and exhibits.

**J) *Docket Support***

The Parties agree to work in good faith to facilitate and support Commission approval of ComEd's Revised Plan on an expedited timeline. That commitment includes, at a minimum, ComEd's Revised Plan 6 Workpapers agreement reflected in paragraph (G) above, and the agreement of each Party, other than ICC Staff, to (i) refrain from serving data requests on ComEd, and (ii) if the Revised Plan is challenged or attacked by intervenor(s), support the Plan through the filing of rebuttal or surrebuttal testimony (either jointly or individually sponsored) on behalf of the Party and/or legal briefs. The Parties further commit to not challenge or attack ComEd's Revised Plan in other dockets. Nothing in this Revised Stipulation precludes a Party from challenging ComEd performance under the Revised Plan in an appropriate docket.

**K) *Savings Attribution from Co-Funded EE & Electrification***

The Parties agree to discuss the framework for claiming savings from co-funded building and industrial electrification programs and from ComEd's role in helping state, municipal, and other public partners apply for and access federal and/or state funds for co-funded EE opportunities (e.g., Infrastructure Investment & Jobs Act) via the SAG Policy Manual subcommittee, to ensure this is addressed as part of Illinois Energy Efficiency Policy Manual Version 3.0.

**IX. APPLICABLE LAW**

The commitments reflected in this Revised Stipulation are subject to applicable State and federal law, including but not limited to statutes, rules, regulations, and orders of State and federal courts and the Commission. To the extent that subsequent amendments or other changes to applicable law conflict with any provision or commitment contained in this Revised Stipulation, the affected Party or Parties shall not be bound by the provision or commitment that conflicts with the law.

## **X. TERMS AND CONDITIONS**

The Parties further agree that the Revised Stipulation will be governed by the terms and conditions set forth in Exhibit A to this Revised Stipulation, which terms and conditions are incorporated by reference as though fully set forth herein.

**IN WITNESS WHEREOF**, the Parties have duly executed this Revised Stipulation as of the date last set forth below.

<p><b>PEOPLE OF THE STATE OF ILLINOIS</b> <b>Kwame Raoul, Attorney General</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>The Citizens Utility Board</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p><b>Environmental Law &amp; Policy Center</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>Natural Resources Defense Council</b></p> <p><i>Laura Goldberg</i></p> <p>By: _____</p> <p>Name: <u>Laura Goldberg</u></p> <p>Title: <u>Midwest Director, Energy Equity &amp; Affordability</u></p> <p>Date: <u>2/28/2022</u></p>

IN WITNESS WHEREOF, the Parties have duly executed this Revised Stipulation as of the date last set forth below.

<p><b>PEOPLE OF THE STATE OF ILLINOIS</b> <b>Kwame Raoul, Attorney General</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>The Citizens Utility Board</b></p> <p>By: <u>Julie Soderna</u></p> <p>Name: <u>Julie Soderna</u></p> <p>Title: <u>General Counsel</u></p> <p>Date: <u>Feb. 28, 2022</u></p>
<p><b>Environmental Law &amp; Policy Center</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>Natural Resources Defense Council</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>

**IN WITNESS WHEREOF**, the Parties have duly executed this Revised Stipulation as of the date last set forth below.

<p><b>PEOPLE OF THE STATE OF ILLINOIS</b> <b>Kwame Raoul, Attorney General</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>The Citizens Utility Board</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p><b>Environmental Law &amp; Policy Center</b></p> <p>By: <u>Robert A. Kelter</u></p> <p>Name: <u>Robert Kelter</u></p> <p>Title: <u>Senior Attorney</u></p> <p>Date: <u>March 1, 2022</u></p>	<p><b>Natural Resources Defense Council</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>

**PEOPLE OF THE STATE OF ILLINOIS**

**Kwame Raoul, Attorney General**

By: *Grant Snyder*

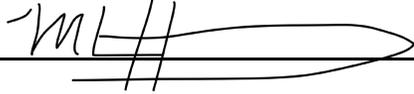
Name: Grant Snyder

Title: Assistant Attorney General

Date: February 28, 2022

<p><b>Staff of the Illinois Commerce Commission</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>Commonwealth Edison Company</b></p> <p>By: <u>Denise A. Munoz</u></p> <p>Name: <u>Denise A. Munoz</u></p> <p>Title: <u>Director, Strategic Planning &amp; Innovation</u></p> <p>Date: <u>February 28, 2022</u></p>
<p><b>National Consumer Law Center, on behalf of Community Organizing and Family Issues</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>ACES 4 Youth</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>

**Staff of the Illinois Commerce Commission**

By: 

Name: Matthew L. Harvey

Title: Deputy General Counsel

Date: February 28, 2022

**Commonwealth Edison Company**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**National Consumer Law Center, on behalf of Community Organizing and Family Issues**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ACES 4 Youth**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<p><b>Staff of the Illinois Commerce Commission</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>Commonwealth Edison Company</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p><b>National Consumer Law Center, on behalf of Community Organizing and Family Issues</b></p> <p>By: <u>Karen L. Lussion</u></p> <p>Name: <u>Karen L. Lussion</u></p> <p>Title: <u>Staff Attorney</u></p> <p>Date: <u>2/28/2022</u></p>	<p><b>ACES 4 Youth</b></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>

**Staff of the Illinois Commerce Commission**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Commonwealth Edison Company**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**National Consumer Law Center, on behalf of Community Organizing and Family Issues**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ACES 4 Youth**

By: Gregory Morris

Name: GREGORY MORRIS  
ACES 4 YOUTH

Title: EXECUTIVE DIRECTOR

Date: FEBRUARY 28, 2022

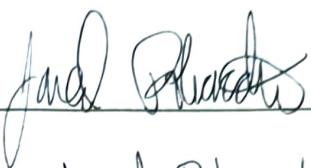
**People for Community Recovery**

By: Cheryl Johnson

Name: Cheryl Johnson

Title: Executive Director

Date: February 28, 2022

People for Community Recovery	City of Chicago
By: _____	By:  _____
Name: _____	Name: <u>Jared Pollicchio</u> _____
Title: _____	Title: <u>Deputy Director of Policy, City of Chicago</u> _____
Date: _____	Date: <u>February 28, 2022</u> _____

## EXHIBIT A

The Parties agree that the Commonwealth Edison Company 2022-2025 Revised Energy Efficiency and Demand Response Plan (“Plan”) Revised Stipulation Agreement (“Stipulation”) will be governed by the following terms and conditions set forth in paragraphs A through N:

- A. The Parties shall not challenge, oppose or raise claims inconsistent with this Stipulation in the proceeding before the Illinois Commerce Commission (“ICC” or “Commission”) to approve Commonwealth Edison Company’s Plan (the “Proceeding”) pursuant to subsections (f) and (g) of Section 8-103B of the Public Utilities Act (“PUA”) or in any collateral attack thereof or any appeal therefrom before any court, regulatory agency or other forum. The Parties shall mutually defend the Stipulation in its entirety from and after the Stipulation execution date.
- B. Except as otherwise provided in the Stipulation, the Parties reserve (i) all rights to take any position concerning any issue addressed in this Stipulation in any proceeding other than the Proceeding before the ICC to review and approve the Plan pursuant to subsections (f) and (g) of Section 8-103B of the PUA and any appeal therefrom, and (ii) the right to seek appeal of the ultimate decision rendered in such Proceeding, provided such appeal does not violate the terms of this Stipulation. The Parties further agree that nothing herein is intended to limit the rights of any Party from advocating any position regarding the implementation details of the items contained in this Stipulation to the extent such details are not addressed herein and do not otherwise violate the terms of this Stipulation. In addition, the Parties agree that each Party may advocate or otherwise advance any other position in the proceeding before the ICC to review and approve the Plan or in any other proceeding that is not specifically delineated in the numbered paragraphs of the Stipulation. This Stipulation shall not apply to positions that Parties may take with respect to any utility other than ComEd.
- C. In the event that, subsequent to the execution of this Stipulation, any material provision of this Stipulation is found invalid or unenforceable or is overturned or modified or deleted by a court or the ICC or another tribunal, then this Stipulation (other than paragraphs (G) and (H) below), shall become void on a going-forward basis fifteen days after the order or decision is entered, unless amended by all the Parties in accordance with paragraph (E) below to address such provision or to confirm the continued effectiveness of the remaining provisions of the Stipulation.
- D. The Parties agree that the Stipulation, in its totality, is the result of compromise.
- E. No amendment or waiver of any provision of this Stipulation, nor consent to any departure therefrom, shall be effective unless the same shall be in writing and signed by all of the Parties. Any such waiver shall be effective only in the specific instance and for the specific purpose for which given.

- F. This Stipulation shall be governed by and interpreted in accordance with the laws of the State of Illinois. Any disputes among the Parties regarding the enforcement of this Stipulation shall be resolved through the commencement of appropriate action before the Illinois Commerce Commission, and Illinois courts as provided under Article X of the Public Utilities Act.
- G. This Stipulation is entered to narrow certain issues among the Parties so as to avoid the time, expense and uncertainty of litigation with respect to those issues. This Stipulation shall not constitute, and shall not be construed or interpreted to constitute, an admission of any kind by any Party with respect to any legal or factual issue in any proceedings, appeals or issues being addressed under this Stipulation or with respect to any other proceeding or dispute. This Stipulation shall not be offered or entered into evidence by any Party in any proceeding before the ICC or any other administrative agency or in any court, except in connection with proceedings related to the performance, implementation or enforcement of this Stipulation and the associated Plan. The matters memorialized in this Stipulation shall be construed as an indivisible whole. This paragraph (G) shall become effective upon the execution of this Stipulation by all of the Parties and shall remain effective notwithstanding any failure of the remaining provisions of this Stipulation to become effective.
- H. With the exception of the Proceeding initiated to review and approve the Plan pursuant to subsections (f) and (g) of Section 8-103B of the PUA and any appeal therefrom, this Stipulation shall not have any precedential value in any other proceedings before the ICC, courts, other administrative bodies or any legislative bodies. This paragraph (H) shall become effective upon the execution of this Stipulation by all of the Parties and shall remain effective notwithstanding any failure of the remaining provisions of this Stipulation to become effective.
- I. If any future law or regulation is enacted that any Party believes, in good faith, has a material impact on its rights and obligations arising under this Stipulation, the Parties shall meet to discuss what action, if any, should be taken.
- J. This Stipulation may be executed in any number of identical counterparts, each of which when executed and delivered shall be original, but all such counterparts shall constitute but one and the same instrument. The Parties agree that facsimile signatures (including by fax and e-mail) shall be as sufficient as original signatures to demonstrate execution of this Stipulation by one or more parties hereto.
- K. Each of the signatories to this Stipulation represents and warrants that he or she has the right and authority to enter into this Stipulation and to bind the Party on whose behalf he or she has signed.
- L. This Stipulation contains the entire and complete Stipulation of the Parties as to the matters set forth herein and supersedes any and all prior Stipulations with respect to those matters.

- M. This Stipulation shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.
- N. Nothing in this Stipulation, either expressed or implied, is intended or shall be interpreted to give or confer any rights or remedies upon or to any person or entity other than the Parties.

**Northern Illinois Gas Company d/b/a Nicor Gas Company's  
2022-2025 Energy Efficiency Plan  
Settlement Stipulation**

**I. Introduction**

This Settlement Stipulation (“Stipulation”), when fully executed and accepted, will constitute a valid settlement agreement enforceable between Northern Illinois Gas Company d/b/a Nicor Gas Company, an Illinois corporation (“Nicor Gas” or the “Company”) and the undersigned stakeholder participants (“Stakeholder”) (each a “Party” and, collectively, the “Parties”) in the Illinois Energy Efficiency Stakeholder Advisory Group (“SAG”).

The Nicor Gas Energy Efficiency Plan (“EEP” or “Plan”) for 2022 through 2025 is required to be filed with the Illinois Commerce Commission (the “Commission”) on or before March 1, 2021 pursuant to Section 8-104 of the Public Utilities Act (the “Act”), 220 ILCS 5/8-104. The Company’s proposed EEP has been the subject of lengthy discussions among the Parties with the goal of reaching consensus on the portfolio of energy efficiency programs to be implemented by Nicor Gas for the period from January 1, 2022 through December 31, 2025.

This Stipulation is intended to memorialize that each and all of the signatory Parties are in agreement that the Company’s EEP satisfies, subject to the Parties’ final review of the Company’s filed Plan and accompanying exhibits, the requirements of Sections 8-104(e-5) and (f) of the Act and, therefore, should be approved by the Commission. In addition, this Stipulation memorializes the compromise between and among the Parties regarding certain disputed issues raised during the course of settlement discussions, as further detailed below. Compromise by any Party on any particular issue set forth in this Stipulation or in the EEP shall not constitute, and shall not be construed or interpreted to constitute, an endorsement of the resolution achieved by that compromise for any purpose other than as set forth in this Stipulation. To the extent that any provision in this Stipulation is not specifically memorialized in the filed Plan, Nicor Gas agrees that it will implement the Plan consistent with the terms of this Stipulation.

This Stipulation is the result of negotiation at arms’ length between and among the Parties, all of whom have been represented by counsel or had the opportunity to consult with counsel, and memorializes the Parties’ agreements. Thus, the Parties, intending to be legally bound and acknowledging the benefit to be derived from the mutual promises and commitments contained herein, agree as follows:

**II. Portfolio Stipulations**

**A. Overview**

The Parties agree that the compromise positions memorialized in this Stipulation allow for Nicor Gas to achieve modified energy efficiency savings goals set out in Section 8-104(c) of the Act, while ensuring that expenditures remain within the spending limit established by Section 8-104(d). The Parties agree that the Company’s proposed EEP, inclusive of the compromise positions memorialized in this Stipulation, is consistent with and satisfies the statutory

obligations listed in Sections 8-104(e-5) and (f) because it:

1. Will achieve the requirements that are identified in subsection (c) of Section 8-104, as modified by the spending limit identified in subsection (d);
2. Presents specific proposals to implement new building and appliance standards that have been placed into effect;
3. Presents estimates of the total amount paid for gas service expressed on a per therm basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsection (c) of Section 8-104, as modified by subsection (d);
4. Presents 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, including energy efficiency programs that are targeted to households with incomes at or below 80% of area median income, and procures a minimum of 10% of the energy efficiency measures in the portfolio from local government, municipal corporations, school districts, and community college districts;
5. Demonstrates that Nicor Gas' overall portfolio of energy efficiency measures, not including low-income programs described in Section 8-104(e-5), are cost effective using the total resource cost test and represent a diverse cross section of opportunities for customers of all rate classes to participate in the programs;
6. Includes a proposed cost recovery tariff mechanism to fund the proposed energy efficiency measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs; and
7. Provides for quarterly status reports tracking implementation of and expenditures for Nicor Gas' portfolio of measures, an annual independent review, and a full independent evaluation of the multi-year results of the performance and the cost effectiveness of Nicor Gas' portfolio of measures and broader net program impacts and, to the extent practical, for adjustment of the measures on a going forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given multi-year period.<sup>1</sup>

**B. Savings Goal**

1. The Parties agree that it is highly unlikely that Nicor Gas could achieve the statutory savings requirements defined in Section 8-104(c) of the Act and also meet the requirement of Section 8-104(d) to limit the estimated average increase in the amounts paid by retail customers to no more than 2%.

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<sup>1</sup> 220 ILCS 5/8-104(e-5), (f)(1-3), (5),(7-8).

2. To that end, the Commission should approve modified goals that reduce energy savings requirements for Nicor Gas from the statutory requirements of Section 8-104(c) to the following amounts:
  - a) Savings of 14,059,426 annual net therms for each year of the Plan; and
  - b) Savings of 56,237,705 annual net therms for the four-year Plan period.
3. Nicor Gas may comply with Section II.B.2.a of this Stipulation by meeting the total savings goal across the four years. The official approved savings goals will be those set forth in the completed Adjustable Savings Goal Spreadsheets, as those may be updated annually based on the Adjustable Savings Goals policy approved in Section 6.3 of the Illinois Energy Efficiency Policy Manual Version 2.0 (“Policy Manual”).
4. Nicor Gas shall operate and implement its energy efficiency programs in a manner that seeks to maintain fluidity in the delivery of measures and programs throughout the duration of the Plan and will not dismantle any program or measure due to simply reaching the approved savings goal.
5. The first-year annual net therm savings goals for 2022, 2023, 2024, and 2025, reflected in the completed Adjustable Savings Goal Spreadsheet filed with the EEP are each subject to change based upon the following adjustments, consistent with the Adjustable Savings Goals policy approved in Section 6.3 of the Policy Manual:
  - a) Changes to savings algorithms defined in annual updates to the Illinois Energy Efficiency Technical Reference Manual (“IL-TRM”)
  - b) Changes to net-to-gross (“NTG”) factors defined in annual updates to the Illinois NTG Policy. Adjustments for NTG changes will be limited by a NTG “collar”, as defined in Section 6.3 of the Policy Manual, for the following programs and offerings:
    - i. For the following programs and offerings, which account for 10 percent or more of Portfolio Plan annual savings, adjustments will only be made for NTG changes outside of a collar of ten percentage points:
      - (a) Home Rebates offering within the Home Energy Efficiency Rebates (“HEER”) program;
      - (b) Advanced Thermostats (“Tstats”) offering within the HEER program;
      - (c) Business Rebates offering within the Business Energy Efficiency Rebates (“BEER”) program; and

- (d) Business Optimization Program (“BOP”) offering within the BEER program.
  - ii. For the following offerings, which represent Income Qualified (“IQ”) offerings, adjustments will be made for NTG changes outside of a collar of zero percentage points:
    - (a) IQ Weatherization, including all offerings;
    - (b) Public Housing Authority (“PHA”);
    - (c) Affordable Housing New Construction (“AHNC”); and
    - (d) IQ Energy Saving Kits (“ESK”).
- 6. While Nicor Gas retains the flexibility, as documented in the Policy Manual, to shift resources between programs and measures, Nicor Gas agrees that it will not exercise this flexibility in a way that significantly lowers the portfolio weighted average measure life (“WAML”), consistent with the following provisions:
  - a) Nicor Gas will maintain a portfolio WAML that does not decline by more than 1.0 year from the portfolio WAML calculated in the filed Plan (“Target WAML”).
  - b) WAML will be calculated as the sum of the net lifecycle savings for all measures delivered in the portfolio divided by the sum of net first-year savings for all measures delivered in the portfolio.
  - c) The Target WAML is 11.85 years in the filed Plan.
  - d) The Target WAML is subject to change for 2022, 2023, 2024, and 2025 based upon changes to effective useful lives defined in annual updates to the IL-TRM.
  - e) The Target WAML will be adjusted on an annual basis to align with changes to measure lifetimes defined in the annual update to the IL-TRM and as approved by the Commission. This adjustment will rely on applying the new measure lives to the original Plan quantities of measures to produce the new WAML target that would have been set if all measure life changes had been known at the time of the 2022-2025 Plan development. This new adjusted WAML value will then set the baseline from which any deviations are measured. The Company will file an updated WAML target within the updated adjustable savings goal spreadsheet that is filed with the Commission.
- 7. Nicor Gas will file the completed gas adjustable savings goal spreadsheet with its 2022-2025 Plan filing.

8. To enable efficient annual review by the evaluators of the adjustable savings goal spreadsheet in accordance with Section 6.3 of the Policy Manual and to ensure accuracy in the IL-TRM calculations, Nicor Gas will have its Independent Evaluator verify the accuracy in the IL-TRM calculations used to derive the measure savings that form the initial savings goals in the initial adjustable savings goal spreadsheet in advance of filing the completed adjustable savings goal spreadsheet in its 2022-2025 Plan docket. Nicor Gas agrees to file its completed adjustable savings goal spreadsheet in its 2022-2025 Plan docket by April 15, 2021. In advance of filing its completed adjustable savings goal spreadsheet, Nicor Gas will consult with Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”), The Peoples Gas Light & Coke Company (“Peoples Gas”), and North Shore Gas Company (“North Shore”) on a consistent statewide adjustable savings goal template to use, and will leverage to the greatest extent possible the transparent structure of the statewide adjustable savings goal template used for the last Plan.
9. Nicor Gas will not use any efficiency dollars to pay for the cost of or marketing that references customer conversion from a fuel other than natural gas to natural gas. However, any conversion customer shall still be eligible for rebates for efficiency upgrades, just like existing gas customers.

**C. Cost Effectiveness**

1. The Company agrees to present joint Total Resource Cost (“TRC”) and Program Administrator Cost (“PAC”) test results for each program and its portfolio as part of its 2022-2025 Plan filing. Results will be combined gas/electric results for programs saving both fuels. Results will include benefit-cost ratios as well as the net present value (“NPV”) of benefits, costs and net benefits. To the extent there are delays in receiving the joint program cost-effectiveness details from other utilities, Nicor Gas may file the joint TRC and PAC test results after the initial Plan filing, but no later than April 15, 2021.
2. As part of the Company’s 2022-2025 Plan filing and any ex post cost-effectiveness results reported for 2022-2025, the Company agrees to present TRC and PAC results both with and without non-energy impacts (“NEIs”). Measure-specific NEIs defined in the IL-TRM will be included in both sets of calculations.
3. The Company agrees to present portfolio TRC and PAC test results both with and without income qualified programs as part of its 2022-2025 Plan filing.

**D. Work Papers:** Upon filing the 2022-2025 Plan with the Commission, the Company agrees to provide the Parties with all work papers (in their native file format) that support the Company’s 2022-2025 Plan, testimony, and exhibits.

### **III. Program Stipulations**

#### **A. Residential Programs**

1. Residential programs include:
  - a) Outreach, which includes the Home Energy Reports (“HER”), Energy Savings Kits (“ESK”), and Elementary Energy Education (“EEE”) offerings;
  - b) Home Energy Savings, which includes the Home Energy Assessments (“HEA”) and Air Sealing and Insulation (“ASI”) offerings;
  - c) Multifamily, which includes the Assessment/Direct Installation (“Assessment/DI”), Central Plant Optimization (“CPOP”), Prescriptive Rebates (“MF Prescriptive”), Custom Rebates (“MF Custom”), and Weatherization offerings;
  - d) Home Energy Efficiency Rebates (“HEER”), which includes the Home Rebates and Advanced Thermostats (“Tstats”) offerings; and
  - e) Residential New Construction (“RNC”).
2. The Parties agree that they have reviewed or have been presented the opportunity to review the Residential programs and initiatives to be included in the Plan, including proposed budgets, therm savings, assumptions and underlying data. The Parties agree the proposed programs should be approved with the following conditions:
  - a) Nicor Gas will design residential programs to achieve the goal of upgrading air sealing and insulation levels of at least 1,850 existing housing units (discrete housing units, including apartments, condominiums, and similar housing units in multifamily buildings, not number of measures) per year, on average across the four-year Plan period.
  - b) Nicor Gas will provide information about the full range of IQ services available to customers who engage with programs that enroll customers through direct engagement with Nicor Gas, implementation contractors, or the Nicor Gas website. This includes encouraging IQ customer participation in IQ Programs to the extent IQ Programs can provide comprehensive service and eliminate or reduce any copays or financing.
  - c) Nicor Gas will not require any utility customer seeking to participate, or to continue to participate, in a utility-offered energy efficiency program to demonstrate, or otherwise provide evidence or documentation of, United States citizenship.

**B. Income Qualified Programs**

1. IQ Programs include:
  - a) IQ Weatherization, which includes the Single Family (“SF”) Illinois Home Weatherization Assistance Program (“IHWAP”) offering, the Multifamily (“MF”) IHWAP offering, the Single Family Contractor Channel offering, the Multifamily Contractor Channel offering, Single Family Healthy Homes offering, and the Multifamily Healthy Homes offering;
  - b) Public Housing Authority (“PHA”);
  - c) Affordable Housing New Construction (“AHNC”); and
  - d) IQ Energy Savings Kits (“IQ ESK”).
2. The Parties agree that they have reviewed or have been presented the opportunity to review the Income Qualified programs and initiatives to be included in the Plan, including proposed budgets, therm savings, assumptions, and underlying data. The Parties agree the proposed IQ Programs should be approved, including the conditions and commitments outlined in Sections B.3 through B.8, below.
3. Conditions for All IQ Programs
  - a) Nicor Gas will spend an annual average of at least \$13.0 million per year in dedicated IQ Program spending (excluding IQ customer participation/rebates in non-IQ dedicated programs, IQ Research & Development (“R&D”) or any other portfolio level costs). MDI will not be counted as a subset of IQ dedicated programs and will be a stand-alone energy efficiency offering.
  - b) Nicor Gas will continue to provide all measures in the IQ Weatherization and IQ ESK programs free of charge, without co-pays.
    - i. Nicor Gas will continue to offer incentives in PHA and AHNC programs consistent with current program designs and consistent with Illinois Department of Commerce and Economic Opportunity (“DCEO”) programs operated through 2017.
    - ii. If Nicor Gas partners with an electric utility program that requires co-pays, Nicor Gas will offer incentives consistent with the electric program design.

- c) Nicor Gas will work with Community Action Agencies (“CAAs”) and other implementers to ensure that contractors do not assess charges for weatherization quotes.
  - d) Nicor Gas will spend at least \$11.9 million per year on programs and offerings providing whole-building retrofits for single family and multifamily customers. These programs include the IQ Weatherization program, the PHA program, and the AHNC program.
  - e) Nicor Gas will ensure IQ Programs and investments are in support of pursuing comprehensive, whole-building weatherization projects, including:
    - i. Ensuring there are mechanisms in place to lead customers starting with direct install (“DI”) measures to more comprehensive treatment of building envelope and other major measures (if customer agrees).
    - ii. Ensuring the customer is notified of an offer for more comprehensive measures, with a specific mechanism for ensuring delivery of major measures, including follow-up with DI customers to encourage participation with major measures.
    - iii. Including reporting on customers that receive only DI measures and why.
    - iv. No SF IQ customer or SF or MF IQ renter shall be assessed a co-pay (excluding PHA and AHNC or Commonwealth Edison Company (“ComEd”)-led offerings that are not free offerings).
    - v. Nicor Gas commits to not actively market On-Bill Financing (“OBF”) to IQ customers.
    - vi. Nicor Gas commits to an evaluation to assess the bill impact and customer energy burden of the energy efficiency program.
  - f) Nicor Gas will deliver energy efficiency education and projects for communities with the greatest need to reduce energy consumption and costs, particularly to diverse and historically underserved communities, using data driven approaches to target investment to such communities. Nicor Gas will collaborate with interested Stakeholders and other utilities on what data should be used.
4. Conditions for Multifamily IQ Programs
- a) Nicor Gas will ensure that its IQ multifamily spend (excluding PHA, AHNC or non-MF IQ Kits) is at least 30 percent of the total IQ

budget, accounting for historic underinvestment in the IQ multifamily sector.

- b) Nicor Gas will support the full cost of air sealing and insulation upgrades in non-IHWAP IQ multi-family buildings that have an estimated payback of 20 years or less, unless there are technical limitations or customer objections that impede measure installations. Nicor Gas and the other Parties agree to work in good faith to define the appropriate data and calculations to use in calculating payback estimates before the portfolio launches in 2022.
- c) Nicor Gas will deliver IQ multifamily services within a “one-stop shop” framework in a manner that makes it easy and streamlined for customers to navigate electric and natural gas offerings, IQ and non-IQ offerings, and EE and non-EE utility offerings. The approach for IQ multifamily (including mixed-use IQ MF buildings) services shall include:
  - i. Creating a single-point of contact (“SPOC”<sup>2</sup>), including, but not limited to, use of a common intake process in collaboration with ComEd, for multifamily building owners to access the multifamily weatherization program, working with other utilities, community action agencies or community-based organizations, to the extent those agencies engage in multifamily work. Once the appropriate program is identified for the customer, the SPOC will coordinate access to other programs on behalf of the customer.
  - ii. The SPOC will assign a pre-vetted and pre-negotiated qualified contractor to schedule and perform the work, thereby easing the administrative burden on the owner. The SPOC will be involved in communications with contractors and project managers, and will monitor progress. If quality issues arise, the SPOC will return to the site to resolve issues.
  - iii. Streamlined applications for one building. The SPOC will assist the customer with enrolling and applying.
  - iv. A comprehensive audit that addresses the entire building (both electric and gas), including all residential and common areas.

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<sup>2</sup> SPOC is defined here as a utility or implementer staffer or team, concierge, or an implementing organization / contractor team that will generally help an IQ MF building owner to navigate Nicor Gas’ program offerings and provide guidance on project development, offers technical assistance, and provides other needed support. The SPOC will help to ease the burden on building owners as they work to participate in Nicor Gas’ IQ MF program.

5. Health and Safety (“H&S”)

- a) Nicor Gas will support H&S improvements as follows:
  - i. Budgeting H&S improvements of at least 5% of the total budget for whole building retrofit programs.
    - (a) IQ Single Family Upgrades: H&S funding for non-IHWAP projects will include up to 15% of the total project costs per home with a not-to-exceed value of \$1,000 per home. This cost will be split 50/50 between the utilities for jointly funded projects or 100% by Nicor Gas for Nicor Gas-only projects.
    - (b) IQ Multifamily Upgrades: H&S funding for non-IHWAP IQ MF projects will include up to \$2,000 per eligible measure or 50% of the total project, whichever is the greater. This cost will be split 50/50 between the utilities for jointly funded projects or 100% by Nicor Gas for Nicor Gas-only projects.
    - (c) Notwithstanding (a) and (b), Nicor Gas has no obligation to spend more than \$1.5 million on H&S.
  - ii. Subject to reaching agreement with DCEO, splitting H&S funds with IHWAP using a 50%/50% split for customers served by CAAs through the IHWAP braided offerings.
  - iii. Committing to analyze and leverage external sources of funding for H&S improvements.
  - iv. Committing to better understand the air sealing and insulation materials currently being used in IQ retrofits and committing to limit or eliminate the worst, unhealthiest materials. Nicor Gas will discuss any options for using healthier materials with the IQ Committees and SAG.

6. Affordability:

- a) Nicor Gas will build upon the existing connections between its customer service call center, credit and collections department, and the energy efficiency department to provide customers experiencing energy unaffordability with information about energy efficiency and financial assistance programs. This will include the following features:
  - i. Nicor Gas EEP and Implementation Contractors (excluding trade allies or upstream allies) will provide customers

accessing energy efficiency programs with information, including written literature, about available energy payment assistance, including information on the Low Income Home Energy Assistance Program, Percentage of Income Payment Plans, and all other utility-specific assistance programs. Information will be provided in English, Spanish, and other languages.

- ii. Nicor Gas Credit and Collections/Contact Center will utilize the current online website/pages, interactive voice response (“IVR”) phone tree, and live telephonic transfers for IQ customers (with information about customer financial assistance and energy efficiency programs for which they may be eligible – provided in both English and Spanish) to connect customers experiencing energy unaffordability to energy efficiency programs.
- iii. Nicor Gas will continue to recruit customers who are payment troubled (customers at risk of being disconnected, with high arrears, on payment arrangements, or on energy assistance programs) into its IQ energy efficiency programs.

7. Conditions for SF IHWAP and MF IHWAP Offerings

- a) Nicor Gas will take advantage of the efficiencies available through existing IHWAP infrastructure and services, such as enrollment and marketing, to the extent that this can reduce the need for similar services at a lower cost than utility-only programs, subject to CAA or other capacity constraints for single-family and multifamily services.
- b) Nicor Gas will seek input from and coordinate with CAAs on agency capacity and annual growth in utility funding budgeted to IHWAP braided efforts.
- c) Nicor Gas commits to braid IHWAP funds for multifamily housing with any CAAs that develop the capacity, with DCEO approval, to deliver multifamily weatherization services. Nicor Gas will inform CAAs that braiding in multifamily buildings is allowed, work with CAAs to better understand specific barriers to serving multifamily buildings, and support or co-fund appropriate training and equipment.
- d) Consistent with current practice, and subject to agreement by DCEO, Nicor Gas will split funding 50%/50% for each building served, including funding for all efficiency measures, health and safety measures, and administrative costs, consistent with IHWAP health and safety and administrative cost guidelines. Nicor Gas will claim 100% of the savings achieved through all efficiency measure installations for

which it contributes 50% funding through the braided IHWAP channel. Nicor Gas will negotiate with DCEO with the goal of reaching consensus on a designated level of IHWAP training contribution.

8. Conditions for SF/MF Contractor Channel and SF/MF Healthy Home Offerings
  - a) Nicor Gas has not included in its Plan stand-alone offerings that provide direct installation of low-cost measures, although Nicor Gas does incorporate direct install measures as key elements in more comprehensive program offerings.
  - b) Nicor Gas will consult with organizations that perform weatherization services (CAAs, Community-Based Organizations (“CBOs”), and other participants in IQ Collaborative forums) about changes to measure installation guidelines.
  - c) Nicor Gas will consider the following criteria before installing advanced thermostats:
    - i. The appropriate brand and type of thermostat based on the availability of broadband wi-fi in the home;
    - ii. Client interest after advanced thermostat functionality has been explained;
    - iii. Whether the client is housebound; and
    - iv. Technical issue that would significantly increase labor costs associated with thermostat installation.
  - d) Nicor Gas will provide the following information to clients receiving advanced thermostats:
    - i. Verbal and written operating instructions; and
    - ii. A phone number to call for assistance on the use of the product.
  - e) Nicor Gas will install furnaces, boilers, or water heaters only in cases of an emergency replacement (e.g., existing system no longer functioning) or to address a health/safety risk (e.g., cracked heat exchanger on gas furnace).

**C. Market Development Initiative (“MDI”)**

1. MDI Objective: Nicor Gas shall initiate a Market Development Initiative that combines research, development of a market development action plan, and contractor and workforce support, to achieve the following goals:
  - a) Increase the number of local and diverse participants in all contractual levels of the energy efficiency workforce throughout the Nicor Gas service territory;
  - b) Strengthen the partnership and support for local and diverse business enterprises; and
  - c) Increase the transparency of and equity in the Energy Efficiency Procurement process.
  
2. Research for MDI Development
  - a) The details of the MDI and Market Development Action Plan (“MDAP”) will be informed by research performed by a contractor, with demonstrated experience in diverse market development efforts, to assess the number of ready, willing, and able diverse firms within Nicor Gas’ territory and identify and assess options for addressing opportunities for Nicor Gas to increase implementation contractor and supplier workforce diversity. The contract for this research will be competitively bid in 2021.
  - b) This research will include (but not be limited to) components that support research into the barriers faced by underserved communities from fully participating in the Nicor Gas Energy Efficiency Program.
  - c) Nicor Gas will consult with a new SAG Subcommittee specifically dedicated to achieving the goals of MDI research, including vendor, RFP, and MDI scope, as well as the subsequent implementation of the MDI plan.
  
3. MDAP and Implementation Contractor Support: Nicor Gas commits to develop and implement a MDAP informed by the research for MDI development described in Section III.C.2 above, as well as a reporting process, and refinement of implementation details through the previously referenced new SAG Subcommittee.
  - a) Implementation of the MDI will be contracted to a third-party implementation contractor (“Implementation Contractor”) with demonstrated experience in diverse market development efforts. This opportunity will be an independent contract to an entity that can implement MDI.

- b) Implementation Contractor(s) for the MDI shall be selected through a separate competitive bid process and will be contracted with the utility based on feedback on the draft RFP from non-financially interested members of the new SAG Subcommittee.
- c) The MDI also will be supported by internal Nicor Gas staff, to the extent practicable.
- d) The Implementation Contractor will develop a MDAP informed by the MDI research referenced in Section III.C.2 above. The MDAP will include, but not be limited to, the following components that support the creation and development of enterprises working with Nicor Gas as implementation contractors, sub-contractors, or other support roles, specifically minority-owned, women-owned, and veteran-owned business enterprises, community-based organizations, not-for-profits, and enterprises serving low-income communities:
  - i. Conducting outreach to educate all potential bidders on implementation contracts about opportunities in the energy efficiency space, which may involve but is not limited to offering workshops, webinars, seminars, and other educational opportunities.
  - ii. Providing minority-owned, women-owned, and veteran-owned business enterprises, community-based organizations, and not-for-profits with financial and technical support, and expanded educational opportunities, to assist them in developing the capabilities necessary to compete. This may include the provision of training, training grants, grants for wrap-around services such as transportation, childcare, and lodging, software and equipment grants, and other tools as needed to develop the necessary skills and capabilities to compete effectively. Training programs shall be designed to lead to tangible jobs in the energy efficiency industry.
  - iii. Working with Nicor Gas to periodically review and analyze utility requirements for goods and services with a view toward increasing the availability of work which fall within the performance capabilities of minority-owned, women-owned, and veteran-owned business enterprises.
  - iv. Providing input to Nicor Gas in structuring procurements that provide sufficient information on technical and performance requirements and time to enable non-traditional bidders to compete effectively for Tier 1 prime contracts and to form effective teams with other firms who sub-contract.

- v. Ensuring that the terms and conditions of procurement processes such as Requests for Proposals and Invitation for Bid are stringent enough to protect the utility's interests, but not so stringent as to disqualify new and/or marginally capitalized businesses, not-for-profits and CBOs from bidding on contracts within their capabilities, thus unnecessarily limiting competition.
  - e) Nicor Gas further commits to discussing the details of the MDI work through the new SAG Subcommittee referenced in Section III.C.2 above.
  - f) Nicor Gas commits to use innovative, data-driven approaches to assess the effectiveness of both Nicor Gas' MDI in achieving the MDI goals described in Section III.C.1 of this Stipulation (above), as well as opportunities for improving such effectiveness.
  - g) Nicor Gas commits to work with other Illinois utilities and the new SAG Subcommittee to identify areas in which efficiencies and cooperation can be achieved to minimize costs to ratepayers and ensure best practices are followed in achieving the goals identified in Section III.C.1 of this Stipulation.
  - h) Nicor Gas agrees to have the MDI evaluated by December 31, 2023. In addition, Nicor Gas will have this evaluation conducted by an entity that has specific relevant experience in assessing diverse hiring practices.
4. Additional MDI Trade Ally, Workforce, and Program Support Commitments:
- a) MDI will include, but not be limited to, components that:
    - i. Support the creation and development of enterprises working with Nicor Gas as trade allies, specifically minority-owned, women-owned, and veteran-owned business enterprises and enterprises serving low-income communities;
    - ii. Support the development of the energy efficiency workforce, helping minorities, women, veterans, and people from low-income households and communities;
    - iii. Will include new program strategies in underserved communities that assist small businesses with weatherization and/or recovery from the COVID-19 pandemic and eliminate barriers for residential customers; and
    - iv. Will leverage resources available from the United States Small Business Administration, the Illinois Office of Minority

Economic Empowerment, DCEO, community colleges, and other resources identified as promoting the interest of minority-owned, women-owned, and veteran-owned business enterprises in order to minimize the cost of MDI to utility ratepayers.

- b) Nicor Gas and its MDI Implementation Contractor will participate in local and regional purchasing and networking fairs that support minority-owned, women-owned, and veteran-owned business enterprises.

5. MDI Budget

- a) Nicor Gas will spend \$1.5 million per year on MDI on average over the four year Plan period.
- b) The cost associated with MDI will be included as a stand-alone energy efficiency offering.

6. Procurement Equality

- a) Nicor Gas will engage in efforts to identify ready, willing, and able diverse firms offering services in the Nicor Gas service territory as well as identify ongoing opportunities to contract with these firms. Nicor Gas will continue to build upon that progress to further increase the program spend with diverse vendors and report about progress in its quarterly reports, and continue to identify qualified potential bidders, both from within and outside the energy efficiency industry. This will involve determining the types of businesses with the appropriate capabilities to deliver goods and services and matching them with contracting opportunities.
- b) Nicor Gas will conduct outreach to educate identified potential bidders about opportunities in the energy efficiency space, which may involve, but is not limited to, offering workshops, webinars, seminars, and/or other educational opportunities.
- c) Nicor Gas will competitively bid MDI for the Plan period.

**D. Business Programs**

1. Business programs include:

- a) Business Energy Efficiency Rebates (“BEER”), which includes the Business Rebates, Business Central Plan Optimization (“BOP”), and Commercial Food Service (“CFS”) offerings;
- b) Custom Efficiency (“Custom”), which includes the Custom Rebates (“Custom Rebates”) and Retrocommissioning (“RCx”) offerings;

- c) Small Business (“SB”);
  - d) Strategic Energy Management (“SEM”); and
  - e) Commercial and Industrial New Construction (“CINC”).
2. The Parties agree that they have reviewed or have been presented the opportunity to review the Business programs and initiatives to be included in the Plan, including proposed budgets, therm savings, assumptions and underlying data. The Parties agree the proposed programs should be approved.

**E. Innovation Programs**

1. Innovation programs include:
- a) Emerging Technology (“ET”); and
  - b) Market Transformation (“MT”).
2. With respect to the ET and MT initiative, the Parties agree to the following:
- a) The Company will continue its ongoing collaborative market transformation initiative to promote thin triple windows. Nicor Gas will track spending for developing and delivering the program to the MT program, but will also track a portion of incentive spending and all savings for measures installed through this program within appropriate programs. Nicor Gas agrees to collaborate with the Natural Resources Defense Council (“NRDC”) and other interested stakeholders on this initiative through the Stakeholders Advisory Group MT Savings Working Group.
  - b) The Company will continue investigating and developing a MT initiative to promote the adoption of efficiency performance standards for existing buildings in one or more municipalities in its service territory. The Company will work with NRDC and other interested parties in the design of the initiative.

**F. Joint Offerings with Electric Utilities**

1. In areas where the Company’s service territory overlaps with ComEd, the Company has designed the following programs and offerings to be delivered in a joint or coordinated manner:
- a) Residential Programs
    - i. Outreach program: ESK and EEE offerings;

- ii. HES program: HEA and ASI offerings;
  - iii. MF program: Assessments/DI and Weatherization offerings;  
and
  - iv. HEER program: Tstat offering.
- b) Income Qualified Programs
- i. IQ Weatherization program: entire program;
  - ii. PHA program: entire program;
  - iii. AHNC program: entire program; and
  - iv. IQ ESK program: entire program.
- c) Business Programs
- i. Custom program: RCx offering;
  - ii. SEM program: entire program; and
  - iii. CINC program: entire program.
2. Nicor Gas will work with ComEd to ensure that these programs operate in a joint or coordinated manner through the 2022-2025 Plan period. Nicor Gas will comprehensively serve (i.e., address electric and gas measures) customers through its IQ whole building retrofit programs. To the extent that ComEd also has a Stipulation for the Plan period with language comparable to what is in this Section, Nicor Gas commits to have in place by January 1, 2022 agreement(s) to jointly deliver or fund these programs with ComEd, with the date contingent on the absence of significant procurement delays. Nicor Gas will retain the flexibility it needs to meet its overarching IQ spend commitments, as outlined in this Stipulation.
- a) Nicor Gas commits to work with ComEd to streamline customer experience and reduce possible customer confusion. Such efforts shall include:
- i. Where the customer agrees to proceed, ensuring eligible gas and electric efficiency measures are identified and installed in all homes/buildings treated regardless of the contractor delivering the program;
  - ii. Reaching alignment on joint processes, including exploring opportunities for joint enrollment forms; and

- iii. Reaching agreement on a common set of electric and gas measures offered and reporting to SAG.
- b) As part of the joint commitment Nicor Gas agrees to the following:
  - i. For non-IHWAP-braided Utility Only and Utility-Only CAA IQ single family offerings, if Nicor Gas and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum Nicor Gas will agree to:
    - (a) sell net lifecycle<sup>3</sup> kWh to ComEd at the average cost per net lifecycle kWh<sup>4</sup> that ComEd is forecast to incur each year through its own non-CAA IQ single family program; and
    - (b) purchase net lifecycle therms from ComEd at the average cost per net lifecycle therm that ComEd is forecast to incur through its own non-CAA IQ single family program, up to a maximum total cost consistent with Nicor Gas' Plan budget limitations.
  - ii. For non-IHWAP-braided Utility Only and Utility-Only CAA IQ multi-family programs, if there are not better options for joint or coordinated delivery that both utilities can support, at a minimum Nicor Gas will agree to:
    - (a) sell net lifecycle kWh to ComEd at the average cost per net lifecycle kWh that ComEd is forecast to incur each year through its own non-CAA IQ multi-family program; and
    - (b) purchase net lifecycle therms from ComEd at the average cost per net lifecycle therm that ComEd is forecast to incur each year through its own non-CAA IQ multi-family program, up to a maximum total cost consistent with Nicor Gas' Plan budget limitations.
  - iii. For non-IQ single-family and multifamily weatherization programs, Nicor Gas will make best efforts to reach agreement with ComEd to create, promote and support investment in building envelope improvements in non-IQ homes. If Nicor Gas and ComEd are unable to otherwise reach an agreement

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<sup>3</sup> Lifecycle savings equal the total amount of savings produced over the life of the measure, after accounting for any baseline shifts, savings degradation and/or other adjustments.

<sup>4</sup> Average cost per unit of lifecycle savings equals total cost associated with generating the savings (i.e., program costs, including implementation and incentive costs, but not portfolio level costs), divided by lifecycle savings.

for joint or coordinated delivery, at a minimum Nicor Gas will agree to:

- (a) Sell net lifecycle kWh savings to ComEd from Nicor Gas' non-IQ weatherization program at the average cost per net lifecycle kWh saved that ComEd is forecast to incur each year across its entire portfolio of energy efficiency programs.
  - iv. The above commitments are contingent on ComEd making a similar commitment in its own Plan or in a settlement agreement on its own Plan.
3. Nicor Gas will adjust its savings goals to reflect any reduced contribution to program costs provided by ComEd. The savings adjustment will be calculated as follows:
- a) The planning assumptions originally used to construct the offering will be recalculated to remove assumptions for ComEd budget and savings contributions. This adjustment will be reflected in the adjustable savings goal spreadsheet and Independent Evaluator review process outlined in Section II.B.8 of this Stipulation, and will apply from the date ComEd exited the joint program.
4. Nicor Gas will continue to coordinate delivery of its whole building retrofit IQ Programs with Ameren Illinois where they have overlapping service territories.

**G. Reporting**

- 1. Nicor Gas will separate IQ from market rate residential programs in reporting, and will ensure IQ reporting includes a breakdown of IQ SF and IQ MF.
- 2. Nicor Gas agrees to report on the following metrics in its quarterly reports filed with the Commission, starting January 2022, outside of the Policy Manual update process:
  - a) IQ Multifamily Actuals (YTD)
    - i. Participation – buildings by zip code and apartment units;
    - ii. Spending – incentives, non-incentives, total; and
    - iii. Savings (1<sup>st</sup> year) – therms.

- b) EE Supplier Diversity
  - i. Number and proportion of diverse vendors by category (i.e., MBE-certified, WBE-certified and VBE-certified), as well as by primary contractors and subcontractors, and trade allies;
  - ii. Percent of and amount of portfolio dollars (excluding incentives) for diverse spend, by category (i.e., MBE-certified, WBE-certified and VBE-certified);
  - iii. Number and proportion of CBOs and non-profits, as well as by primary contractors and subcontractors, and trade allies; and
  - iv. Percent of and amount of portfolio dollars (excluding incentives) for CBO and non-profit spend, by category.
- 3. Nicor Gas will provide status reports on joint delivery of whole-building retrofit IQ Programs with Ameren Illinois no less than twice a year, through its quarterly reporting process.
- 4. Nicor Gas agrees to report on the following metrics in its annual reports filed with the Commission, starting January 2022, outside of the Policy Manual update process:
  - a) Program participation, by zip code
  - b) Nicor Gas commits to annually providing the following Health & Safety-related metrics for IQ Whole Building Retrofit Programs at joint SAG and IQ meetings and in its Commission-filed annual reports:
    - i. Number of properties assessed for the program (broken out by SF and MF);
    - ii. Number of assessed properties that had identified H&S issues;
    - iii. Breakdown of type of identified H&S issues; and
    - iv. Number of properties deferred because of H&S issues.
  - c) IQ MF Measure Data/Comprehensiveness of treatment – Nicor Gas commits to providing the following in its Commission-filed annual reports:
    - i. % of buildings that got different types of EE services:
      - (a) Whole building assessments
      - (b) Only DI measures

- (c) In-unit
  - (d) One (1) or more major measures (e.g., building envelope measures – air sealing and insulation, HVAC, etc.)
- d) Nicor Gas will report-out to the SAG on the top three materials being used in low-income retrofits for: insulation, caulks/sealants (all applications except HVAC/ ducts), and caulks/sealants (for HVAC/ ducts).
5. Nicor Gas agrees to discuss in the Policy Manual Subcommittee or in a similar forum that involves other utilities and interested stakeholders the adoption of the referenced reporting requirements and additional metrics with a goal for the updated Policy Manual to be submitted to the Commission by Commission Staff on December 1, 2022.
- a) Nicor Gas supports the discussion of additional health and safety metrics at SAG for possible inclusion in the Policy Manual.
  - b) Nicor Gas commits to define additional equity and affordability reporting metrics with interested stakeholders around energy burden, energy affordability, procedural equity, bill impacts, and other identified areas.
  - c) Nicor Gas supports additional participation, measure, and comprehensive building treatment data, including a list of measures installed and the following totals provided for each measure, indicating which measures were installed in unit vs. common area:
    - i. Number installed (e.g., 535 of measure X, 1498 of measure Y, etc.);
    - ii. Program savings – Therms (1<sup>st</sup> year); and
    - iii. Incentive \$ spent.

#### **IV. Additional Agreements**

**A. In addition to matters addressed elsewhere in this Stipulation, the Parties agree that the following matters will be addressed in future discussion and resolution with additional stakeholders:**

- 1. Nicor Gas supports discussions at SAG about On-Bill Financing.

2. Nicor Gas will discuss barriers, solutions, and best practices with stakeholders regarding recruiting customers who are payment troubled (customers at risk of being disconnected, with high arrears, on payment arrangements, or on energy assistance programs) into its IQ energy efficiency programs.
3. Low-Income Advisory Committees: Nicor Gas will continue to participate in the IQ North and IQ South Committees convened pursuant to Section 8-103B(c) of the Act. Nicor Gas and the other Parties agree to support and advocate with utilities and stakeholders to improve the low-income energy efficiency advisory committees, including, but not limited to incorporating some successful learnings from the IQ South Committee into the IQ North Committee, as well as a discussion of best practices of IQ Program implementation strategies.
4. The Parties agree that they will engage in good faith efforts to identify policy mechanisms that could support enhanced investment in both (1) targeting of efficiency programs and services to economically challenged, historically under-served and diverse communities; and (2) the diversification of contractors and trade allies delivering efficiency programs and services. Such policy mechanisms may include, but would not be limited to, the potential to adopt higher net to gross (NTG) assumptions in targeted communities than currently used for programs as a whole (system-wide). Such efforts shall include other utilities and interested stakeholders through the new SAG Subcommittee focused on equity and will be included in updates to the Policy Manual.

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**IN WITNESS WHEREOF**, the Parties hereto have executed this Settlement Stipulation as of the date last set forth below.

People of the State of Illinois  
Kwame Raoul, Attorney General

Staff of the Illinois Commerce Commission

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: \_\_\_\_\_

Name: Matthew L. Harvey \_\_\_\_\_

Title: \_\_\_\_\_

Title: Trial Supervisor, Office of General Counsel \_\_\_\_\_

Date: \_\_\_\_\_

Date: February 23, 2021 \_\_\_\_\_

Natural Resources Defense Council

The Citizens Utility Board

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Environmental Law & Policy Center

Community Organizing and Family Issues

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Parties hereto have executed this Settlement Stipulation as of the date last set forth below.

People of the State of Illinois  
Kwame Raoul, Attorney General

Staff of the Illinois Commerce Commission

By: /s/

By: \_\_\_\_\_

Name: Grant Snyder

Name: \_\_\_\_\_

Title: Assistant Attorney General

Title: \_\_\_\_\_

Date: 2/23/2021

Date: \_\_\_\_\_

Natural Resources Defense Council

The Citizens Utility Board

By: Laura Goldberg

By: Julie Soderna

Name: Laura Goldberg

Name: Julie Soderna

Title: Midwest Regional Director,  
Energy Efficiency for All

Title: General Counsel

Date: 2/23/2021

Date: 2/24/21

Environmental Law & Policy Center

Community Organizing and Family Issues

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Environmental Law & Policy Center

By: *Tyler Barron*

Name: Tyler Barron

Title: Policy Advocate

Date: 2/25/21

Community Organizing and Family Issues (COFI)

By:   
Karen L. Lusson  
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02110  
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ACES 4 Youth

By: *Gregory Norris*  
Name: GREGORY NORRIS  
Title: EXECUTIVE  
Date: 2/24/2021

Green Power Alliance

By:  
Name:  
Title:  
Date:

Northern Illinois Gas Company d/b/a  
Nicor Gas Company

By:  
Name:  
Title:  
Date:

**Green Power Alliance**

By: *Naomi Davis*

Name: Naomi Davis

Title: Founder & Lead Steward

Date: 2/25/2021

ACES 4 Youth

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Green Power Alliance

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Northern Illinois Gas Company d/b/a  
Nicor Gas Company

By: Meena Beyers

Name: Meena Beyers

Title: VP Business & Community Dev.

Date: 2-23-2021

**North Shore Gas Company and The Peoples Gas Light and Coke Company  
2022-2025 Energy Efficiency Plan  
Settlement Term Sheet  
February 26, 2021**

This Stipulation Agreement (“Stipulation Agreement” or “Stipulation”) is the result of negotiation at arms’ length between and among North Shore Gas Company and The Peoples Gas Light and Coke Company, and stakeholders including: the Staff of the Illinois Commerce Commission (“Staff”), the Citizens Utility Board (“CUB”), the Natural Resources Defense Council (“NRDC”), the People of the State of Illinois, by Kwame Raoul, Attorney General (“AG”), the City of Chicago (“City”)<sup>1</sup>, Community Organizing and Family Issues (“COFI”), by its attorney, National Consumer Law Center (“NCLC”), ACES 4 Youth (“ACES”), the Environmental Law and Policy Center (“ELPC”)\*, and the Green Power Alliance (“GPA”) (collectively, the “Parties”). The Parties, all of whom have been represented by counsel or had the opportunity to consult with counsel, and memorializes the Parties’ agreements. Thus, the Parties, intending to be legally bound and acknowledging the benefit to be derived from the mutual promises and commitments contained herein, agree as follows:

**I. Plan Stipulations**

**A. Overview**

The Parties agree that the compromise positions memorialized in this Agreement allow for North Shore Gas Company (“NSG” or “North Shore”) and The Peoples Gas Light and Coke Company (“PGL” or “Peoples Gas”), herein referred to as to “Companies” or “NSG-PGL” to meet the modified statutory savings goals as described in 220 ILCS 5/8-104(c) (“Section 8-104(c)”) of the Illinois Public Utilities Act (the “Act”) given the budgetary limitations on energy efficiency program recoveries under Section 8-104(d). The Parties agree that the energy efficiency plan for 2022-2025 (“Plan”) for NSG and PGL shall achieve the modified savings goals as indicated herein and permitted under Section 8-104(d) of the Act, subject to the modifications pursuant to the Adjustable Savings Goal policy under the Illinois Energy Efficiency Policy Manual (the “Policy Manual”) and pursuant to the limitations identified herein. The Parties further agree that the Plan, which expressly relies on and incorporates the Energy Efficiency Policy Manual Version 2.0 and the Illinois Technical Reference Manual Version 9, complies with the requirements and satisfies the obligations set forth in Section 8-104 of the Act. The Parties further agree to support or not oppose Commission adoption and approval of the provisions set forth in this Stipulation Agreement in their entirety, and as incorporated in this portfolio of energy efficiency programs to be implemented by North Shore and Peoples Gas for the period from January 1, 2022 through December 31, 2025, in the Commission’s Final Order approving the Plan. To the extent that any provision in this Stipulation is not specifically memorialized in the filed Plans, the Companies agree that they will implement the Plans consistent with the terms of this Stipulation.

The Parties agree that the North Shore and Peoples Gas Plans, inclusive of the

<sup>1</sup> Note the City is executing this Stipulation Agreement only as to Peoples Gas.

\*Please note at the time of this filing, ELPC’s signature is forthcoming. An updated NS-PGL Ex. 1.8 will be filed when received.

compromise positions memorialized in this Stipulation, and subject to the Parties' final review of the Companies' filed Plans and accompanying exhibits, are consistent with and satisfy the statutory obligations listed in Sections 8-104(e-5) and (f).

## **B. Portfolio Level Stipulations**

### **1. Savings**

The Parties agree it is highly unlikely that the Companies could achieve the statutory savings requirements defined in Section 8-104(c) of the Act and also meet the requirement of Section 8-104(d) to limit the estimated average increase in the amounts paid by retail customers to no more than 2%.

To that end, the Commission can and should reduce energy savings requirements for North Shore and Peoples from the statutory requirements of Section 8-104(c) to the following amounts for Plan:

#### **Peoples Gas**

- a. Annual average net savings of 8.0 million therms for each year of the Plan.
- b. Savings of 31.8 million net therms for the four-year Plan period.

#### **North Shore**

- c. Annual average net savings of 1.5 million therms for each year of the Plan.
- d. Savings of 6.2 million net therms for the four-year Plan period.

Savings indicated above are estimates and may change based on future updates to the Plan model. The official approved savings goals will be those set forth in the completed Adjustable Savings Goal Spreadsheets, as those may be updated annually based on the Adjustable Savings Goals policy approved in Section 6.3. of the Illinois Energy Efficiency Policy Manual Version 2.0.

Additionally, the Parties shall agree to the following for the Plan:

- e. The Companies may meet the total savings goal across the four years.
- f. The Companies will operate and implement their energy efficiency programs in a manner that seeks to ensure that no disruption in the delivery of measures and programs will occur during the course of a program year.

The first-year annual net therm savings goals for 2022, 2023, 2024, and 2025, reflected in the completed Adjustable Savings Goal Spreadsheet filed with the Plan are each subject to change based upon the following adjustments, consistent with the

Adjustable Savings Goals policy approved in Section 6.3. of the Illinois Energy Efficiency Policy Manual Version 2.0 (“Policy Manual”).

- g. Changes to savings algorithms defined in annual updates to the Illinois Energy Efficiency Technical Reference Manual (“IL-TRM”)
- h. Changes to net-to-gross (“NTG”) factors defined in annual updates to the Illinois NTG Policy. Adjustments for NTG changes will be limited by a NTG “collar”, as defined in Section 6.3 of the Policy Manual, for the following programs and pathways:
  - i. For any offerings or groups of offerings within programs or program pathways that have individual NTG values, and which account for 10 percent or more of Portfolio Plan annual savings, adjustments will only be made for NTG changes outside of a collar of ten percentage points , subject to review of plan and related batch files:
    - a. North Shore
      - (1) Standard Rebate Path in C&I program
    - b. Peoples Gas
      - (1) Standard Rebate Path in C&I program
      - (2) Partner Trade Ally Rebate Path in Multi-Family program
      - (3) Standard Rebate Path and Partner Trade Ally Rebate Path in Small/Midsized Business program

## **2. Budget**

The Parties agree that Section 8-104(d) sets forth the planning budgets that may be used for the NSG and PGL Plan, and that Table 2 below accurately identifies the planning budgets to be used for Plan in a manner consistent with Section 8-104(d).

### **Peoples Gas**

- a. Annual Average Budget of \$29,049,031 for each year of the Plan.
- b. Budget of \$116,196,124 for the four-year Plan period.

### **North Shore**

- c. Annual Average Budget of \$4,098,600 for each year of the Plan.

- d. Budget of \$16,394,404 for the four-year Plan period.

### **3. Cost Effectiveness**

The Companies agree to present joint Total Resource Cost (“TRC”) and Program Administrator Cost test (“PACT”) results for each program and each portfolio as part of its 2022-2025 Plan filing and any ex-post cost effectiveness reporting. Results will be combined gas/electric results for programs saving both fuels. Results will include benefit-cost ratios as well as the net present value (“NPV”) of benefits, costs and net benefits for the following scenarios: with and without non-energy impacts (“NEIs”) (if available at the time of evaluation), as well as, at the portfolio-level TRC, with and without income qualified programs. To the extent there are delays in receiving the joint program cost-effectiveness details from other utilities, The Companies may file the joint TRC and PACT test results after the initial Plan filing, but no later than April 15, 2021. To the extent there are delays in receiving the joint program cost-effectiveness details from other utilities, the Companies may file the joint TRC and PAC test results after the initial Plan filing, but no later than April 15, 2021.

### **4. Work papers**

Upon the filing of the 2022-2025 Plans with the Commission, the Companies agree to provide the Parties with all work papers (in their native file format) that support each Company’s 2022-2025 Plan, testimony, and exhibits.

### **5. Adjustable Savings Goals**

The Companies will file the completed gas adjustable savings goal spreadsheets with their 2022-2025 Plan filings.

To enable efficient annual review by the evaluators of the adjustable savings goal spreadsheet in accordance with Section 6.3 of the Illinois Energy Efficiency Policy Manual Version 2.0 (“Policy Manual”) and to ensure accuracy in the Illinois Statewide Technical Reference Manual for Energy Efficiency (“IL-TRM”) calculations, the Companies will have the evaluators verify the accuracy in the IL-TRM calculations used to derive the measure savings that form the initial savings goals in an adjustable savings goal spreadsheet and will provide in the record the completed adjustable savings goal spreadsheets in the 2022-2025 Plan filing(s) as described below. The Companies agree to file their completed adjustable savings goal spreadsheets in their 2022-2025 Plan docket by April 15, 2021. In advance of filing their completed adjustable savings goal spreadsheet, the Companies will consult with Ameren Illinois and Nicor Gas on a consistent statewide adjustable savings goal template to use, and will leverage to the greatest extent possible the transparent structure of the statewide adjustable savings goal template used for the last Plan.

### **6. Weighted Average Measure Life (WAML)**

- a. While NSG/PGL retains the flexibility, as documented in Section 6.1 of the Illinois Energy Efficiency Policy Manual Version 2.0 (“Policy Manual”), to shift resources between programs and measures, NSG-PGL agree that they will not exercise this flexibility in a way that results in a portfolio weighted average

measure life (“WAML”) decrease greater than 1 (one) year lower than each of the filed Plans that are the subject of this Stipulation.

b. The WAML targets will be adjusted on an annual basis to align with changes to measure lifetimes as defined in the annual update to the IL-TRM and as approved by the Commission. This adjustment will rely on applying the new measure lives to the original Plan quantities of measures to produce the new WAML target that would have been set if all measure life changes had been known at the time of the 2022-2025 Plan development. This new adjusted WAML value will then set the baseline from which any deviations are measured. Specifically, North Shore and Peoples Gas will each be limited to no more than a 1 (one) year drop from its new WAML baseline. NSG-PGL will file updated WAML targets within the updated adjustable savings goal spreadsheet that is filed with the Commission.

c. WAML will be calculated as the sum of the net lifecycle savings for all measures delivered in the portfolio divided by the sum of net first-year savings for all measures delivered in the portfolio.

d. The four year portfolio WAML is 10.81 for Peoples Gas and 11.05 for North Shore Gas.

## **II. Program Level Stipulations**

The Parties agree and acknowledge that the following stipulations only address those issues raised during the negotiations of Plan 4. The programs, initiatives and related policies referenced herein may not reflect all of the initiatives or related policies included in Plan 4 and submitted for Commission approval. The Parties agree that the Companies have flexibility to implement their portfolio in accordance with Section 6.1 of the Illinois Energy Efficiency Policy Manual Version 2.0.

### **A. Residential Program Stipulations**

#### **1. Income Eligible (IQ) Overall Spend**

- a. Peoples Gas IQ<sup>2</sup> Spend
  - i. Peoples Gas commits to a dedicated IQ annual average spend of \$11.9 million during the 2022-2025 Plan.
  - ii. Peoples Gas commits to an IQ multifamily (IQ MF) average annual spend of \$6.65 million.
- b. North Shore Gas IQ Spend
  - i. North Shore commits to a dedicated IQ annual average spend of \$681,000 during the 2022-2025 Plan.

<sup>2</sup> Note “IQ” – Income Qualified and “IE” – Income Eligible are to be treated as synonymous herein and within the associated exhibits filed in the North Shore and Peoples Gas plan dockets.

## 2. Income Eligible Program Design

a. The Companies shall implement an approach to energy efficiency projects that incorporates comprehensive retrofit activity. A comprehensive retrofit is defined as an energy efficiency project that applies a whole building approach that touches multiple systems and components of an eligible utility customer's residence or business facility, which may include incentives for heating, cooling, and/or the building envelope. Comprehensive retrofit projects focus on improving energy efficiency to result in lower whole-building energy use. The Companies agree to deliver all IQ whole-building programs jointly with ComEd, as referenced below in this Stipulation.

b. The Companies agree to allocate approximately 90% of their dedicated IQ program budget to the whole building IQ single and multifamily programs.

c. The Companies agree to support the full cost of air sealing and insulation upgrades, where applicable, in IQ multi-family buildings that have a payback of 20 years or less.

d. The Companies will not fund early replacements, as defined in the TRM, of gas furnaces, gas boilers or gas water heaters in its utility-only whole-building IQ programs except in cases of emergency, health and safety needs, and/or are necessary to fully install building shell measures. It will, however, support those measures in the IHWAP braided program.

e. The companies commit to develop and deploy a one-stop shop approach for IQ Multifamily program delivery. The Companies will, to the best of their ability, work together with the other Illinois utilities, and subject to agreement with the other applicable utilities in their service territories, to develop a comprehensive strategy consistent with the key features of the Energy Efficiency for All best practice design recommendations.

f. The Companies commit that all measures offered through the IQ programs, whether those measures will be offered as part of a weatherization project or otherwise, shall be provided without co-pays to income eligible customers as the term "income eligible" is defined in the EE Policy Manual.

g. The Companies commit to not actively market On-Bill Financing (OBF) to IQ customers, subject to any limitations of existing tariffs of the Companies.

h. The Companies will support discussions at SAG about OBF.

i. The Companies commit to providing a dedicated website or webpage describing all IQ EE opportunities and linkages to relevant portals or information, to be in place no later than 120 days after January 1, 2022.

j. The Companies agree that they may target households less than or equal to 200% of the Federal Poverty Level (“FPL”), but shall not restrict eligibility of services to just that population. IQ programs will be made available to all households at or below 80% Area Median Income (“AMI”) (recognizing that braided IHWAP programs would limit eligibility to no more than approximately 200% of FPL by law). Any targeting and establishment of eligibility for non-braided multifamily weatherization programs should be simple and not create barriers to participation, consistent with Section 4.3 of the Illinois Energy Efficiency Policy Manual Version 2.0 and its successor(s).

k. For all IQ program offerings including direct installation of smart thermostats, the Companies agree to consider the following criteria before installing smart thermostats:

- i. The appropriate brand and type of thermostat based on the availability of broadband wi-fi in the home;
- ii. Customer interest after smart thermostat functionality has been explained;
- iii. Whether the customer is housebound; and
- iv. Technical issues that would significantly increase labor costs associated with thermostat installations.

l. For all IQ program offerings including direct installation of smart thermostats, the Companies agree to provide the following information to customers receiving smart thermostats:

- i. Verbal and written operating instructions in English and Spanish; and
- ii. A phone number to call for assistance on the use of the product.

### **3. IHWAP**

a. The Companies commit to facilitate regularly occurring communication with Community Action Agencies (“CAAs”) to foster a greater understanding of agency capacity and increased home weatherization capacity to be delivered through the IHWAP braided channel. This engagement will include a plan to endeavor to increase the “number of braided projects served year over year over the course of the Plan. Any planning for braiding programs, including annual budgeting, should be done in consultation and engagement with the CAAs. The Companies agree to report to the SAG on this commitment prior to the establishment of a new annual CAA budget.

b. Consistent with current practice, and subject to agreement by the Illinois Department of Commerce and Economic Opportunity (“DCEO”), the Companies agree to contribute a 50/50 split for each building served in the IHWAP braided program, including contributions to all efficiency measures installed, health and safety measures, and administrative costs (consistent with IHWAP health and safety and administrative cost guidelines). The Companies may claim 100% of the savings achieved through all efficiency measure installations for which it contributes 50% funding through the braided IHWAP channel.

c. The Companies agree to pursue opportunities to provide multifamily weatherization through the same braided IHWAP structure. The Companies will work with the CAAs to encourage and support implementing a multifamily braided program, particularly in areas where there appears to be a need for such a program, and where there is interest from the CAAs. Such support from the Companies may include technical training and equipment.

#### **4. IQ Multifamily Delivery**

a. In addition to the development of the one-stop-shop multifamily program design, the Companies agree to create a single-point of contact (including, but not limited to, use of a common online portal) for multifamily building owners to access the multifamily weatherization program, working with Commonwealth Edison, community action agencies and community-based organizations, to the extent those agencies engage in multifamily work.

The Companies agree to ensure that all services address both gas and electric whole-building opportunities and do so in an efficient manner. This includes treating all multifamily buildings in a single, one-stop-shopping fashion that addresses the entire building (both electric and gas), including all residential units and common areas.

b. Notwithstanding the Companies’ commitment to deliver comprehensive, whole building multifamily programs, the Companies may have limited gas-only programs through designated trade allies that have existing relationships with IQ multifamily building owners that would:

i. ensure the MF customer is provided an entry point into the IHWAP braided MF program, the utility-only CAA program, and the utility-only comprehensive (joint) program so that IQ MF building owners are provided access to all comprehensive EE offerings; and

ii. The Companies shall consult with the CAAs and any utility-only joint, comprehensive program implementer in developing the details of such program.

c. The Companies commit to develop a process to best serve mixed use buildings, such as minimizing transaction costs and barriers for the customer and ensuring the design encourages substantial participation, with the intent of comprehensively serving the whole building, where appropriate.

## **5. Health and Safety -- Weatherization**

The Companies agree to the following IQ health and safety (“H&S”) provisions:

a. Split H&S costs 50/50 for services provided through the IHWAP braided program. This cost allocation reflects IHWAP funding 50% of the H&S costs and the remaining 50% being split between the utilities funding the braided projects. Of that, the Companies will fund 50% of the utilities’ portion for jointly funded projects and 100% of the utilities’ portion when Peoples Gas or North Shore are the only funding utility.

b. For utility-only IQ SF and MF programs, investing in building improvement to the extent necessary to both address health and safety concerns and enable weatherization work. That shall initially mean the continuing use of North Shore and Peoples Gas current program guidelines of paying up to \$3,500 per housing unit.

c. Notwithstanding subparagraph b), at a minimum, the Companies commit, for utility-only IQ SF and MF programs, to invest in building improvements to the extent necessary to both address health and safety concerns and enable weatherization work. The Companies agree to discuss any possible changes to this guidance for utility-only IQ SF and MF retrofit programs with SAG and IQ Committee stakeholders in a joint meeting should either the Companies or stakeholders have reason to believe reductions or increases in H&S spending are necessary. The Companies will provide H&S funding for non-IHWAP braided programs as follows:

i. IQ Single Family Upgrades: H&S funding will include up to 15% of the total project costs per home with a not-to-exceed value of \$1,000 per home. This cost will be split 50/50 between the utilities for jointly funded projects or 100% by the Companies for when Peoples or North Shore Gas is the only funding utility.

ii. IQ Multifamily Upgrades: H&S funding will include up to \$2,000 per eligible measure or 50% of the total project, whichever is the greater. This cost will be split 50/50 between the utilities for jointly funded projects or 100% by the Companies when Peoples or North Shore Gas is the only funding utility.

iii. For utility-only IQ SF and MF programs delivered through the Community Action Agencies but not braided with IHWAP funding, the Companies will follow the IHWAP H&S guidelines and either fund

50% for jointly funded utility projects or 100% when Peoples or North Shore Gas is the only funding utility.

d. A commitment to analyzing and assessing the potential for leveraging external sources of funding H&S improvements (i.e., healthy homes initiative).

## **6. Joint Programs & Utility Coordination**

The below commitments are contingent on ComEd making a similar agreement in its own Plan or in a settlement agreement on its own Plan.

a. The Companies will coordinate with ComEd on each utility sharing public sector project leads to help ensure each Company meets its statutory public sector spending goals.

b. The Companies will make all reasonable attempts to reach agreement with ComEd to jointly fund a single rebate for smart thermostats.

c. The Companies will comprehensively serve customers (i.e., address both electric and gas measures) through their IQ whole building retrofit programs, and to the extent that Commonwealth Edison also has a Stipulation for the Plan Period with language comparable to what is in this Section, commits to have in place by January 1, 2022 agreement(s) to jointly deliver or fund these programs with Commonwealth Edison (at least until gas funding becomes constrained). To that end, the Companies commit to:

- i. Ensuring eligible gas and electric efficiency measures are identified and (subject to customer agreement) installed in all homes/buildings treated and
- ii. Ensuring that contracting and/or other systems are in place to ensure individual multifamily building owners will not be recruited or marketed to by more than one of the Companies' implementation contractors; and
- iii. For non-IHWAP-braided Utility Only and Utility-Only CAA IQ single family offerings, if the North Shore and ComEd and Peoples Gas and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum the Companies will agree to:

(a) sell net lifecycle<sup>3</sup> kWh savings to ComEd at the average cost per net lifecycle kWh<sup>4</sup> that ComEd is forecast to incur each year through its own non-CAA IQ single family program; and

(b) purchase net lifecycle therm savings from ComEd at the average cost per net lifecycle therm that ComEd is forecast to incur through its own non-CAA IQ single family program, up to a maximum total cost consistent with the Companies' plan budget limitations.

d. For non-IHWAP-braided Utility Only and Utility-Only CAA IQ multifamily programs, if there are not better options for joint or coordinated delivery that both ComEd and each of the Companies can support, at a minimum the Companies will agree to:

i. sell net lifecycle kWh savings to ComEd at the average cost per net lifecycle kWh that ComEd is forecast to incur each year through its own non-CAA IQ multi-family program; and

ii. purchase net lifecycle therm savings from ComEd at the average cost per net lifecycle therm that ComEd is forecast to incur each year through its own non-CAA IQ multi-family program, up to a maximum total cost consistent with the Companies' plan budget limitations.

e. For any non-IQ single-family and multifamily weatherization programs, the Companies will make best efforts to reach agreement with ComEd to create, promote and support investment in building envelope improvements in non-IQ homes. If the Companies and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum the Companies will agree to:

i. Sell net lifecycle kWh savings to ComEd from the Companies' non-IQ weatherization program(s) at the average cost per net lifecycle kWh saved that ComEd is forecast to incur each year across its entire portfolio of energy efficiency programs.

f. The Companies commit to work with ComEd to streamline the customer experience and reduce possible customer confusion. The Companies shall make best efforts to:

<sup>3</sup> Lifecycle savings equal the total amount of savings produced over the life of the measure, after accounting for any baseline shifts, savings degradation and/or other adjustments.

<sup>4</sup> Average cost per unit of lifecycle savings equals total cost associated with generating the savings (i.e., program costs, including implementation and incentive costs, but not portfolio level costs), divided by lifecycle savings.

i. Reach agreement on joint processes, including exploring opportunities for joint enrollment forms, customer intake portals, and program marketing materials; and

ii. Reach agreement on a common set of electric and gas measures offered and reporting to SAG on the measures included in the jointly delivered programs.

g. The Companies will continue providing reporting details on joint delivery in its ICC-filed quarterly reports.

## **B. Utility-Only Programs: Equity and Eligibility**

1. The Companies will provide reporting, tracking, and evaluation for IQ single family versus IQ multifamily programs.

2. Customers who receive weatherization services through a utility-only IQ program will not be required to make a co-pay on any weatherization measure offered. Consistent with this requirement, on-bill financing should not be offered to single family customers for their participation in utility-only income-qualified weatherization programs. Subject to the limitation of the Companies' applicable tariffs, in the case of IQ MF weatherization, the Companies will provide guidance to their contractor networks that OBF should only be offered to building owners (if measures aren't fully covered). The utilities will consult with the other utilities, interested stakeholders and CAAs with experience in offering income-qualified multifamily weatherization services in Illinois before establishing building owner co-pays or OBF terms for such services.

3. The utility will work with CAAs and the relevant implementers to ensure that contractors are not assessing residents a charge for a weatherization quote, either for IHWAP or utility-only weatherization programs.

4. All IQ customers are eligible to participate in any Non-IQ residential programs if they so choose. However, for those programs that first require engagement with the Companies or their website for enrollment, NSG-PGL will first educate the customers about the full range of services available to them in the IQ programs, to the extent it can provide more comprehensive service and/or eliminate or reduce any copays or financing, where appropriate.

5. A North Shore or Peoples Gas customer seeking to participate, or to continue to participate, in an energy efficiency program offered by said utility will not be required to demonstrate, or otherwise provide evidence or documentation of, United States citizenship.

6. Bill Impacts

The Companies will continue to work with interested stakeholders through SAG, and in coordination with IQ Committees, to define the term Energy Burden and discuss energy efficiency-related ideas for assessing the bill impacts of said programs and reductions of IQ Energy Burdens.

**7. Utility-Only Programs: Contracting**

- a. The Companies will engage in prudent contracting mechanisms and shall promote cost-effective participation for CAAs/CBOs (Community-Based Organizations) and a diverse workforce.
- b. The Companies commit to provide a liaison support channel, independent of higher-tier implementers that a subcontracting business reports to, so that the business can express concerns or grievances related to the contractual work being performed.

**C. Research & Development / Market Transformation**

**1. Energy Efficiency Performance Standards**

The Companies commit to continuing existing efforts underway with ComEd, the Midwest Energy Efficiency Alliance (“MEEA”) and Slipstream to assess the feasibility of promoting adoption of energy efficiency performance standards for existing buildings. To the extent ComEd agrees to a stipulation to an initiative to promote the adoption of efficiency performance standards for existing buildings in one or more municipalities in the Companies’ service territories, and is in alignment with North Shore and Peoples implementation plan and budget, the Companies commit to jointly sponsoring the initiative at a proportional budget level and to working with stakeholders to develop the initiative further.

**2. Triple Glazed Windows**

The Companies commit to considering a statewide market transformation initiative to promote tripe-glazed windows and to collaborate with stakeholders through the SAG MT Working Group. If the initiative is feasible and aligns with the Companies’ implementation plan, funding for the initiative will come from the existing Market Transformation budget.

**D. Market Development Initiative**

## 1. MDI Budget

- a. The Companies will spend an annual average of \$800,000 per year on MDI.
- b. The cost associated with MDI will be included as a stand-alone energy efficiency offering.

## 2. MDI Objective: North Shore and Peoples Gas shall initiate a Market Development Initiative that combines research, development of a market development action plan, and contractor and workforce support, to achieve the following goals:

- a. Increase contracting opportunities for diverse business enterprises and CBOs in all contractual levels of the energy efficiency workforce and assist them in developing the necessary capabilities to participate in the delivery of the EE Portfolio;
- b. Improve the diversity and inclusiveness of the Companies' supplier and supplier workforce;
- c. Strengthen the partnership and support for local and diverse business enterprises; and
- d. Increase the transparency of and equity in the Energy Efficiency Procurement process.

## 3. Research for MDI Development

- a. The details of the MDI and Market Development Action Plan ("MDAP") will be informed by research performed by a contractor, with demonstrated experience in diverse market development efforts, to assess the number of ready, willing, and able diverse firms within the Companies' territory and identify and assess options for addressing opportunities to increase implementer and supplier workforce diversity. The contract for this research will be competitively bid in 2021.
- b. This research may include (but is not be limited to):
  - i. Recommending supplier diversity goals for the Companies based on the results of the research.
  - ii. Recommending strategies to support attainment of supplier diversity goals, including identifying barriers faced by diverse

businesses and trade allies from fully participating in energy efficiency contractual implementation and workforce opportunities.

iii. Identifying qualified potential bidders, both from within and outside the energy efficiency industry to aid in determining the types of businesses with the appropriate capabilities to deliver goods and services and matching those bidders with contracting opportunities, and analyzing Request for Proposal (“RFP”) scoring and other content that impacts diverse vendors’ ability to successfully compete; and

iv. The Companies will consult with a new SAG Subcommittee specifically dedicated to achieving the goals of MDI research, including vendor, RFP, and plan scope, as well as the subsequent implementation plan.

4. MDI Action Plan and Implementation Contractor Support: the Companies commit to develop and implement a MDAP informed by the research for MDI development described in herein, as well as a reporting process, and refinement of implementation details through the previously referenced new SAG Subcommittee.

a. Implementation of the MDI will be contracted to an independent third-party implementation contractor (i.e., the Implementer) with demonstrated experience in diverse market development efforts.

b. The Companies shall select Implementer(s) for the MDI through a competitive bid process using the Companies’ procurement policies and procedures. Companies may consult with non-financially interested parties for opinions on potential Implementers.

c. The initiative will also be supported by internal NSG-PGL staff, to the extent practicable.

d. The Implementation contractor will develop a MDAP informed by the MDI research referenced herein. The MDAP may include, but not be limited to, the following components that support the creation and development of enterprises working with the Companies as implementation contractors, sub-contractors, or other support roles, specifically minority-owned, women-owned, and veteran-owned business enterprises, community-based organizations, not-for-profits, and enterprises serving low-income communities:

i. Conducting outreach to educate all potential bidders on implementation contracts for opportunities in the energy efficiency space, which may involve but is not limited to

offering workshops, webinars, seminars, and other educational opportunities.

- ii. Providing minority-owned, women-owned, and veteran-owned business enterprises, community-based organizations, and not-for-profits with financial and technical support, and expanded educational opportunities, to assist them in developing the capabilities necessary to compete. This may include the provision of training, training grants, grants for wrap-around services such as transportation, childcare, and lodging, software and equipment grants, and other tools as needed to develop the necessary skills and capabilities to compete effectively. Training programs shall be designed to lead to tangible jobs in the energy efficiency industry.
  - iii. Working with the Companies to periodically review and analyze utility requirements for energy efficiency goods and services with a view toward increasing the availability of work which fall within the performance capabilities of minority-owned, women-owned, and veteran-owned business enterprises, community-based organizations, and not-for-profits.
  - iv. Providing input to the Companies in structuring energy efficiency procurements that provide sufficient information on technical and performance requirements and time to enable non-traditional bidders to compete effectively for Tier 1 prime contracts and to form effective teams with other firms who sub-contract.
  - v. The Companies will make best efforts to provide sufficient information on technical and performance requirements and sufficient time to enable non-traditional bidders to compete effectively. The Companies will continue to review technical and performance requirements, as well as RFPs and Invitations to Bid, to enable non-traditional bidders, new and/or marginally capitalized businesses, not-for-profits and CBOs to compete effectively when practicable. This practice does not diminish, in any way, the objective of the Companies to acquire materials and services on the most economic basis available, considering factors such as price, quality, service reliability, accountability, safety and timely delivery, and encouraging all qualified suppliers and contractors to compete for the Company's business.
- e. The Companies further commit to discussing the content, development and results of the MDI work through the new SAG

Subcommittee referenced in herein, and commit to consider input on achieving the aforementioned diversity goals.

f. The Companies commit to use innovative, data-driven approaches to assess the effectiveness of the MDI initiative in achieving the MDI goals described herein, as well as opportunities for improving such effectiveness.

g. The Companies commit to work with other Illinois utilities and the new SAG Subcommittee to identify areas in which efficiencies and cooperation can be achieved to minimize costs to ratepayers and ensure best practices are followed in achieving the goals identified herein.

h. The Companies agrees to have the MDI evaluated by December 31, 2023, by an entity that has specific relevant experience in assessing diverse hiring practices. The Companies commit to execute a separate independent evaluation contract for evaluation of the MDI with an entity that has specific relevant experience, funded out of the Companies' EM&V EE budget, with said consultant subject to applicable Evaluator Independence protocols set forth in Section 7.5 of the IL EE Policy Manual, Version 2.0.

5. Additional MDI Trade Ally, Workforce, and Program Support Commitments

The Companies will, to the greatest extent possible, leverage existing resources and the services and financial assistance of the United States Small Business Administration, the Illinois Office of Minority Economic Empowerment, the Department of Commerce and Economic Opportunity ("DCEO") programs, community colleges and all other resources identified as promoting the interest of small and minority business in order to maximize the benefits of MDI. The Companies and their MDI implementation contractor will participate in local and regional purchasing and networking fairs that support minority-owned, women-owned, and veteran-owned businesses.

6. MDI Reporting

The Companies commit to providing updates on MDI efforts in quarterly reports and to provide an annual summary. Reports will include, at a minimum, information such as numbers of diverse implementers, by diversity category as possible and applicable.

**E. IQ North Advisory Committee**

Low-Income Advisory Committees: The Companies will continue to participate in the IQ North Committee convened pursuant to Section 8-103B(c) of the Act. The Companies and the other Parties agree to support and advocate with utilities and

stakeholders to improve the low-income energy efficiency advisory committees, including, but not limited to incorporating some successful learnings from the IQ South Committee into the IQ North Committee, as well as a discussion of best practices of IQ program implementation strategies.

## **F. Reporting**

1. Companies will report to SAG on predominant materials being used for low-income building retrofits related to insulation, sealants/caulks generally and sealants/caulks for HVAC duct work. The Companies agree to support further discussion at SAG to determine what, if any, actions should be taken to address safety issues as a statewide initiative.

2. Companies will continue to separate IQ residential reporting from market-rate residential reporting in its quarterly reports. Companies will continue to breakout IQ SF and IQ MF reporting. For the IQ SF and IQ MF reporting, the Companies will separately report these data by the following program categories: IHWAP-braided, utility-only, and utility-only-CAA.

3. To the extent the Companies continue to offer a separate gas-only, trade-ally-driven multifamily program, as referenced in Section II.A.4.b. (regarding IQ Multifamily Delivery), the Companies will report quarterly the following related to program participation:

- i. Total building and unit participants
- ii. Total building and unit participants that also participated in a dedicated IQ Multifamily program and received a whole building assessment
- iii. Total building and unit participants that also participated in a dedicated IQ Multifamily program and received both direct install services and installed major measures
- iv. Total building and unit participants that also participated in a dedicated IQ Multifamily program and received only direct install services

4. Companies will report the following metrics in its reports, beginning January 2022 for the 2022-2025 Plan:

- a. Quarterly IQ Multi-Family Reporting Metrics Participation–
  - buildings by zip code and number of apartment units
  - Spending – incentives, non-incentives, total
  - Savings – 1<sup>st</sup> year gas therms
- b. Program participation by zip code annually

- c. IQ Measure Data/Comprehensiveness of treatment – The Companies commit to support providing the following annually, by zip code:
- Whole building assessment
  - DI measure only
  - In-unit service
  - Major measure installation
- d. Health & Safety-related metrics for IQ Whole Building Retrofit Programs at joint SAG and IQ meetings and in its ICC-filed annual reports.
- i. Number of properties assessed for the program (broken out by SF and MF)
  - ii. Number of assessed properties that had identified H&S issues
  - iii. Breakdown of type of identified H&S issues
  - iv. Number of properties deferred because of H&S issues
- e. The Companies support the discussion of additional equity and affordability metrics, including metrics around the proportion of eligible population participating in programs, energy burden, demographic data, procedural equity, and more via SAG processes for possible inclusion in the Policy Manual. The Parties agree that negotiations regarding the final list of those additional reporting metrics or topics to be included in an updated Manual must be conducted through the SAG processes that address such updates.

## **G. Customer Care Coordination**

North Shore and Peoples Gas commit to including the following activities in the Plan which will be developed to coordinate customer communications and interaction, and are subject to the Commission's rules and orders as applicable and practicable:

1. North Shore and Peoples Gas will commit to coordinate between the Companies' Energy Efficiency, Customer Service and Credit/Collections groups so that the customer interactions include Energy Efficiency education and referral, when practicable. These efforts would continue the current process of training customer service representatives about energy efficiency resources for customers indicating hardships or otherwise entering into Deferred Payment programs or potential disconnection, as well as training on how to connect interested customer and customers for whom participation in Energy Efficiency Programs may prove beneficial to program offerings.
2. North Shore and Peoples Gas will cross-promote information on financial assistance programs for which Energy Efficiency Program participants may be eligible. North Shore and Peoples Gas shall also discuss the potential for coordination of energy

efficiency messaging with local administering agencies such as the Community and Economic Development Association of Cook County (“CEDA”) and other CAAs.

3. Specific customer engagement shall include a commitment to:
  - a. provide relevant customer financial assistance information, including information about all available energy (financial) assistance programs, to its customers receiving outreach and/or information by the Companies or their contractors on, or participating in, any dedicated IQ program.
  - b. develop and distribute literature for IQ customers, which contains information about customer financial assistance and energy efficiency programs for which they may be eligible. The literature will be printed in both English and Spanish.
  - c. Provide online resources that provide IQ customers with comprehensive descriptions of all available customer financial assistance and energy efficiency programs for which they may be eligible.
  - d. Ensure the Companies’ dedicated IQ program implementation contractors, including all CAAs, are educated on the Companies’ available energy (financial) assistance programs, and directed to routinely share this information with customers, when appropriate.
  - e. Share information on, resources, and procedures developed to educate IQ customers about available customer financial assistance and energy efficient programs with the SAG and IQ Committees for discussion.

IN WITNESS WHEREOF, the Parties hereto have executed this Stipulation Agreement as of the date set forth below.

North Shore Gas Company

The Peoples Gas Light and Coke Company

By: Christina Pagnusat \_\_\_\_\_

By: Christina Pagnusat \_\_\_\_\_

Title: Director Energy Efficiency

By: Director Energy Efficiency

Date: 3/1/2021

Date: 3/1/2021

IN WITNESS WHEREOF, the Parties hereto have executed this Stipulation Agreement as of the date set forth below.

North Shore Gas Company

The Peoples Gas Light and Coke Company

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

City of Chicago



By: \_\_\_\_\_

Name: Jared Policicchio

Title: Deputy Director for Policy and Senior Policy Counsel

Date: February 28, 2021

Aces 4 Youth

By: Gregory Norris  
Name: GREGORY NORRIS  
Position: EXECUTIVE DIRECTOR  
Date: FEB 26, 2021

**Green Power Alliance**

By: *Naomi Davis*

Name: Naomi Davis

Title: Founder & Lead Steward

Date: 2/26/2021

Community Organizing and Family Issues (COFI)

By:   
Karen L. Lusson

Attorney  
National Consumer Law Center  
7 Winthrop Square  
Boston, MA  
02110  
(708) 341-3990  
klusson@nclc.org

**PEOPLE OF THE STATE OF ILLINOIS**  
**Kwame Raoul, Attorney General**

By: *Grant Snyder*

Name: Grant Snyder

Title: Assistant Attorney General

Date: March 1, 2021

**Natural Resources Defense Council**

By: *Laura Goldberg*

Name: Laura Goldberg

Title: Midwest Regional Director, Energy Efficiency for All

Date: 2/26/2021

IN WITNESS WHEREOF, the Parties hereto have executed this Stipulation Agreement as of the date set forth below.

North Shore Gas Company

The Peoples Gas Light and Coke Company

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

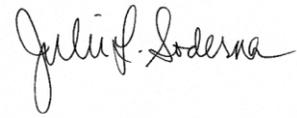
Staff of the Illinois Commerce Commission

By:  \_\_\_\_\_

Title: Supervisor, ~~Trials~~ Section  
Office of General Counsel

Date: March 1, 2021

Citizens Utility Board



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Julie L. Soderna  
General Counsel  
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Chicago, IL 60606  
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