Illinois Energy Efficiency Policy Manual Version 3.2 Update:
SAG Facilitator Summary of Proposed Redline Edits Due to CRGA
Updated Oct. 27, 2026

Statutory Sources:

- Clean and Reliable Grid Affordability (CRGA) Act (updated link): https://www.ilga.gov/Documents/Legislation/PublicActs/104/PDF/104-0458.pdf
- Trailer bill: https://www.ilga.gov/Documents/Legislation/PublicActs/104/PDF/104-0477.pdf

Color Coding:

- Green = no discussion needed
- Yellow = needs discussion

A. General Edits

1. Effective Date

a. Policy Manual Edits:
   i. Cover Page: Proposed effective date of June 1, 2026 (the date the CRGA Act went into effect). There are some provisions of CRGA that are not effective until January 1, 2027, which will be noted where applicable.
   ii. Section 2.3, Effective Date: Edited for clarity

2. Multi-Year Plans

a. All references to 4-year EE Plans were changed to "multi-year" throughout the manual, to avoid confusion due to 4-year EE Plans and the updates to 2027-2029 EE Plans due to CRGA.

B. Electric Edits

1. Definitions

a. Policy Manual Edits to the Glossary:
   i. Added definition of Average Savings Life
      - Section 8-103B(b-16)(3)
      - This definition was edited by the trailer bill.
   ii. Added definition of Incremental Annual Energy Savings
      - Section 8-103B(b-16)
   iii. Added definition of Incremental Annual Coincident Peak Demand Savings
      - Section 8-103B(b-16)
   iv. Added definition of Lifetime Coincident Peak Demand Savings
      - Section 8-103B(b-27)(f)(3)
   v. Added definition of Lifetime Energy Savings
      - Section 8-103B(b-27)(g)(8.5)(B)

vi. Added definition of Low Income Households

- Section 8-103B(b-27)(c)
- CRGA did not add a definition of "low income households" for electric utilities; this definition already existed in the statute and was not referenced in the Policy Manual glossary. Since a definition of "low income households" was added to 8-104 per CRGA, a footnote was added for electric with the statutory reference.

vii. Added definition of Moderate Income

- Section 8-103B(b-16)
- This definition was edited by the trailer bill.

viii. Edited footnote for definition of On Bill Financing, to reference the electric repeal that is effective on 1/1/2027

Statutory excerpt from CRGA on pages 530-531 – definition of Average Savings Life:

installation; "average savings life" means the lifetime savings that would be realized as a result of a utility's efficiency programs divided by the incremental annual savings such programs produce.

Statutory excerpt from trailer bill on pages 589 – definition of Average Savings Life:

each measure's installation; "average savings life" means the lifetime energy or coincident peak demand savings that would be realized as a result of a utility's efficiency programs divided by the incremental annual energy or coincident peak demand savings such programs produce.

Statutory excerpt from CRGA on pages 530-531 – definition of Incremental Annual Energy Savings:

For the purposes of this Section, "incremental annual energy savings" means the total electric energy savings from all measures installed in a calendar year that will be realized within 12 months of each measure's installation; "moderate-income" means income between 80% of area median income and 300% of the federal poverty limit; "incremental annual coincident peak demand savings" means the total coincident peak reduction from all energy efficiency measures installed in a calendar year that will be realized within 12 months of each measure's installation; "average savings life" means the lifetime

savings that would be realized as a result of a utility's efficiency programs divided by the incremental annual savings such programs produce.

Statutory excerpt from CRGA on page 585 – Lifetime Energy Savings:

paragraph (4) of subsection (f) of this Section. For the purposes of this paragraph (8.5), "lifetime savings" means the total incremental savings that installed efficiency measures are projected to produce, relative to what would have occurred absent to the utility's efficiency programs, over the useful lives of the measures. Performance on the energy

Statutory excerpt from trailer bill on page 633:

(f) of this Section. For the purposes of this paragraph (8.5), "lifetime energy savings" means the total incremental savings that installed efficiency measures are projected to produce, relative to what

Statutory excerpt from CRGA on page 562 – Lifetime Peak Demand Savings:

(b-16). The 3-year energy efficiency plan of a utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State must also be designed to achieve lifetime peak demand savings equal to the product of the incremental annual savings goals defined by paragraph (2) of subsection (b-16) and the minimum average savings life defined by paragraph (3) of subsection (b-16) through implementation of energy efficiency measures. The savings goals may be reduced if:

Statutory excerpt from trailer bill on page 620:

(b-16). The 3-year energy efficiency plan of a utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State must also be designed to achieve lifetime peak demand savings equal to the product of the incremental annual peak demand savings goals defined by paragraph (2) of subsection (b-16) and the minimum average savings life defined by paragraph (3) of subsection (b-16) through implementation of energy efficiency measures. The savings goals may be reduced if:

Statutory excerpt from CRGA on page 538 – definition of Low Income Households:

The utilities shall also implement energy efficiency measures targeted at low-income households, which, for purposes of this Section, shall be defined as households at or below 80% of area median income, and expenditures to implement the measures shall be no less than 25% of total energy

Statutory excerpt from CRGA on page 530 – Moderate Income:

installation; "moderate-income" means income between 80% of area median income and 300% of the federal poverty limit; "incremental annual coincident peak demand savings"

Statutory excerpt from trailer bill on page 589:

installation; "moderate-income" means: (i) for an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, income between 80% of area median income and 300% of the federal poverty limit; and (ii) for an electric utility that serves more than 3,000,000 retail customers in the State, income between 80% of area median income and 100% of area median income; "incremental annual coincident peak

Statutory excerpt from CRGA on page 846 – repeal of electric on-bill financing program:

utility's on-bill financing program. Customers of alternative retail electric suppliers may participate in the program under the same terms and conditions applicable to the utility's supply customers.

(j) This Section is repealed on January 1, 2027.

(Source: P.A. 98-586, eff. 8-27-13; 99-906, eff. 6-1-17.)

2. Retaining LIEEAC Facilitator

a. See Section 8-103B
b. Policy Manual Edits:
    i. Section 3.6, Low Income Energy Efficiency Accountability Committee Facilitator Independence: Edited to clarify that if a facilitator is used in ComEd's service territory, Commission Staff holds the contract. Ameren retains the ability to hold the facilitator contract in its service territory.

Statutory excerpt from CRGA (page 543):

recommendations and meeting participation from a wide variety of community-based stakeholders. If a facilitator is used, they shall be fair and responsive to the needs of all stakeholders involved in the committee. For a utility that serves more than 3,000,000 retail customers in the State, if a facilitator is used, they shall be retained by Commission staff.

3. Budget Allocation – Electric

a. See Section 8-103B
b. Policy Manual Edits:
    i. Section 4.2, updated the low income budget for Ameren and ComEd to a minimum of 25% of total EE program spending

Statutory excerpt from CRGA (pages 538-539):

The utilities shall also implement energy efficiency measures targeted at low-income households, which, for purposes of this Section, shall be defined as households at or below 80% of area median income, and expenditures to implement the measures shall be no less than 25% of total energy efficiency program spending approved by the Commission pursuant to review of plans filed under subsection (f) of this Section ~~$40,000,000 per year for electric utilities that serve more than 3,000,000 retail customers in the State and no less than $13,000,000 per year for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State.~~ The ratio of spending on efficiency programs targeted at low-income multifamily buildings to spending on efficiency programs targeted at low-income single-family buildings shall be designed to achieve levels of savings from each building type that are approximately proportional to the magnitude of cost-effective lifetime savings potential in each building type. Investment in low-income whole-building weatherization programs shall constitute a minimum of 80% of a utility's total budget specifically dedicated to serving low-income customers.

4. Average Savings Life

a. See Section 8-103B(b-16) and Section 8-104(e-20)(3)(C)
b. Policy Manual Edits:
    i. Added a new section (4.3) to describe electric and gas Average Savings Life

Statutory excerpt from CRGA on page 530 – electric average savings life requirement:

(3) Each utility's incremental annual energy savings, and coincident peak demand savings if a utility serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, must be achieved with an average savings life of at least 12 years. In no event can more than one-fifth of the incremental annual savings or the coincident peak demand savings counted toward a utility's annual savings goal in any given year be derived from efficiency measures with average savings lives of less than 5 years. Average savings lives may be shorter than the average operational lives of measures installed if the measures do not produce savings in every year in which the measures operate or if the savings that measures produce decline during the measures' operational lives.

Statutory excerpt from trailer bill on page 588:

(3) Each utility's incremental annual energy savings, and coincident peak demand savings if a utility serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, must be achieved with an average savings life of at least 12 years. In no event can more than one-fifth of the incremental annual energy savings or the coincident peak demand savings counted toward a utility's annual savings goal in any given year be derived from efficiency measures with average savings lives of less than 5 years. Average savings lives may be shorter than the average operational lives of measures installed if the measures do not produce savings in every year in which the measures operate or if the savings that measures produce decline during the measures' operational lives.

Statutory excerpt from CRGA on page 562 – calculating electric average savings life:

(3) No later than the effective date of this amendatory Act of the 104th General Assembly ~~March 1, 2025~~, each electric utility shall file a 3-year ~~4 year~~ energy efficiency plan commencing on January 1, 2027 ~~2026~~ that is designed to achieve, through implementation of energy efficiency measures, lifetime energy equal to the product of the incremental annual savings goals defined by paragraph (1) of subsection (b-16) and the minimum average savings life defined by paragraph (3) of subsection (b-16). The 3-year energy efficiency plan of a utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State must also be designed to achieve lifetime peak demand savings equal to the product of the incremental annual savings goals defined by paragraph (2) of subsection (b-16) and the minimum average savings life defined by paragraph (3) of subsection (b-16) through implementation of energy efficiency measures. The savings goals may be reduced if:

Statutory excerpt from trailer bill on pages 619-620:

(3) No later than the effective date of this amendatory Act of the 104th General Assembly, each electric utility shall file a 3-year energy efficiency plan commencing on January 1, 2027 that is designed to achieve, through implementation of energy efficiency measures, lifetime energy savings equal to the product of the incremental annual energy savings goals defined by paragraph (1) of subsection (b-16) and the minimum average savings life defined by paragraph (3) of subsection (b-16). The 3-year energy efficiency plan of a utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State must also be designed to achieve lifetime peak demand savings equal to the product of the incremental annual peak demand savings goals defined by paragraph (2) of subsection (b-16) and the minimum average savings life defined by paragraph (3) of subsection (b-16) through implementation of energy efficiency measures. The savings goals may be reduced if:

Statutory excerpts from CRGA on pages 613-615 – gas average savings life requirement:

As part of its order approving the plan or modified plan, the Commission is authorized to:

...

(3) adopt an incentive mechanism for the utility to meet or exceed the goals associated with its proposed multi-year plan if the utility meets or exceeds the following minimum requirements:

...

(C) the utility achieves an average savings life of at least 12 years. Average savings lives may be shorter than the average operational lives of measures if the measures do not produce savings in every year in which they operate or if the savings that measures produce decline during their operational lives; and

5. Applicable Annual Incremental Goal and Cumulative Persisting Annual Savings

a. See Section 8-103B(b)
b. Policy Manual Edits:
    i. Section 6.5, Program Administrator Quarterly Template Reports and Semi-Annual Narrative Reports:
        - Added reference to CPAS ending in 2026
        - Added reference to incremental annual and lifetime savings beginning in 2027 (ComEd and Ameren)
        - Added reference to incremental annual and lifetime peak demand savings goals beginning in 2027 (Ameren)
    ii. Section 11.1, Applicable Annual Incremental Goal:
        - Added sunset provision for end of 2026
    iii. Section 11.2, Cumulative Persisting Annual Savings:
        - Added sunset provision for end of 2026

Statutory excerpt from CRGA on page 516:

(b) For purposes of this Section, through calendar year 2026, electric utilities subject to this Section that serve more than 3,000,000 retail customers in the State shall be deemed to have achieved a cumulative persisting annual savings of 6.6% from energy efficiency measures and programs implemented during the period beginning January 1, 2012 and ending December 31, 2017, which percent is based on the deemed average weather normalized sales of electric power and energy during calendar years 2014, 2015, and 2016 of 88,000,000 MWhs.

6. Third Party Programs

a. See Section 8-103B(g)(4)
b. Policy Manual Edits:
    i. Section 6.5, Program Administrator Quarterly Template Reports and Semi-Annual Narrative Reports: Added "if applicable" to the reference to Third Party Programs

Statutory excerpt from CRGA on page 569:

(4) If the utility chooses, present ~~Present~~ a third-party energy efficiency implementation program subject to the following requirements:

(A) (blank); ~~beginning with the year commencing January 1, 2019, electric utilities that serve more than 3,000,000 retail customers in the State shall fund third-party energy efficiency programs in an~~

6. Total Resource Cost Test

a. Policy Manual Edits:
    i. Edited Section 8.1, for 8-103B statutory definition of TRC Test
        - 20 ILCS 3855/1-10 Definitions

Statutory excerpt from CRGA on pages 144-145 – TRC Test:

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures and including avoided costs associated with reduced use of natural gas or other fuels, avoided costs associated with reduced water consumption, ~~and~~ avoided costs associated with reduced operation and maintenance costs, and avoided societal costs associated with reductions in greenhouse gas emissions, as well as other quantifiable societal benefits, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. The societal costs associated with greenhouse gas emissions shall be $200 per short ton, expressed in 2025 dollars or the most recently approved estimate developed by the federal government using a real discount rate consistent with long-term Treasury bond yields, whichever is greater. Changes in greenhouse gas emissions due to changes in electricity consumption shall be estimated using long-run marginal emissions rates developed by the National Renewable Energy Laboratory's Cambium model or other Illinois-specific modeling of comparable analytical rigor. ~~In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases.~~ In discounting future ~~societal~~ costs and benefits for the purpose of calculating net present values, a societal discount rate based on actual, long-term Treasury bond yields should be used. Notwithstanding anything to the contrary, the TRC test shall not include or take into account a calculation of market price suppression effects or demand reduction induced price effects.

7. Electric Savings Goals and Performance Mechanism Beginning in 2027

a. See Section 8-103B(g)(8.5); Section 8-103B(b-16)(3)
b. Policy Manual Edits:
    I. Since the AAIG and CPAS sections of the Policy Manual sunset at the end of 2026 (see Sections 11.1 and 11.2), a new section 11.3 was added, Electric Savings Goals and Performance Mechanism Beginning in 2027,

that references the new incentive structure and several requirements related to electric savings goals, including lifetime energy savings.

Statutory excerpt from CRGA on pages 584-585 – return on equity:

(8.5) Beginning January 1, 2027, a utility that serves greater than 500,000 retail customers in the State shall have the utility's return on equity modified for performance on the utility's energy savings and peak demand savings goals as follows:

(A) The return on equity for a utility that serves more than 3,000,000 retail customers in the State may be adjusted up or down by a maximum of 200 basis points for its performance relative to its incremental annual energy savings goal. The return on equity for a utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State may be adjusted up or down by a maximum of 100 basis points for its performance relative to its incremental annual energy savings goal and a maximum of 100 basis points for its performance relative to its incremental annual coincident peak demand savings goal.

Statutory excerpt from trailer bill on pages 632-633:

(A) The return on equity for a utility that serves more than 3,000,000 retail customers in the State may be adjusted up or down by a maximum of 200 basis points for its performance relative to the product of its incremental annual energy savings goal and average energy savings life. The return on equity for a utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State may be adjusted up or down by a maximum of 100 basis points for its performance relative to the product of its incremental annual energy savings goal and average energy savings life and a maximum of 100 basis points for its performance relative to the product of its incremental annual coincident peak demand savings goal and average peak demand savings life.

(B) A utility's performance on its savings goals shall be established by comparing the actual lifetime energy savings, and the actual lifetime coincident peak demand savings if a utility serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, achieved from efficiency measures installed in a given year to the product of the incremental annual goals established in

8. Counting Fossil Fuel Savings Towards Electric Savings Goals

a. See Section 8-103B(b-25)
b. Policy Manual Edits:
    i. Section 11.4, Counting Fossil Fuel Savings Towards Electric Savings Goals

Statutory excerpts from CRGA (pages 532-534):

For an electric utility that serves more than 3,000,000 retail customers in the State, on and after January 1, 2027, the electric utility may only count savings of other fuels under this subsection (b-25) toward the achievement of its annual electric energy savings goal when such other fuel savings are from weatherization measures that reduce heat loss through the building envelope, insulating mechanical systems, or the heating distribution system, including, but not limited to, air sealing and building shell measures. This limitation on counting other fuel savings from efficiency measures toward a utility's energy savings goal shall not affect the utility's ability to claim savings from electrification measures installed pursuant to the requirements in subsection (b-27).

In no event shall more than 10% of each year's applicable annual total savings requirement, as defined in paragraph (7.5) of subsection (g) of this Section be met through savings of fuels other than electricity. For an electric utility that serves more than 3,000,000 retail customers in the State, in no event shall more than 30% of each year's incremental annual energy savings requirement, as defined in subsection (b-16) of this Section, be met through savings of fuels other than electricity. For an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, in no event shall more than 20% of each year's incremental annual energy savings requirement, as defined in subsection (b-16) of this Section, be met through savings of fuels other than electricity.

9. Calculation of Annual Electric Planning Spending Limits

a. See Section 8-103B(m)
b. Policy Manual Edits:
    i. Section 11.6, Calculation of Annual Electric Planning Spending Limits:
        - Edited the fixed percentages for each plan cycle and added a reference to the transition period
        - Edited the reference to calculating annual electric utility spending, which was changed per the trailer bill

Statutory excerpt from CRGA on page 598:

(1) 3.5% for each of the 4 years beginning January 1, 2018,

(2) (blank),

(3) 4% for each of the 4 years beginning January 1, 2022,

(3.5) 4.25% for 2026,

(4) 4.25% for electric utilities that serve more than 3,000,000 retail customers in the State, and 4.21% for 2027, 5.25% for 2028, and 6.06% for 2029 for electric utilities with less than 3,000,000 retail customers but more than 500,000 retail customers in the State, for the 3 ~~4~~ years beginning January 1, 2027 ~~2026~~, and

(5) the percentage specified in paragraph (4) applicable to 2029 ~~4.25%~~ plus an increase sufficient to account for the rate of inflation between January 1, 2027 ~~2026~~ and January 1 of the first year of each subsequent 4-year plan cycle,

Statutory excerpt from CRGA on page 599:

eligible retail customers during calendar year 2015 for plans in effect through 2026 and during calendar year 2023 for plans commencing in 2027 and thereafter. An electric utility may plan to spend up to 10% more in any year during an applicable multi-year plan period, including any transition period authorized under paragraph (2.5) of subsection (f), to cost-effectively achieve additional savings so long as the average over the applicable multi-year plan period, which shall include any transition period, does not exceed the percentages defined in items (1) through (5). To determine the

Statutory excerpt from trailer bill on pages 647-648:

percentages defined in items (1) through (5). To determine the total amount that may be spent by an electric utility in any single year, the applicable percentage of the average amount paid per kilowatthour shall be multiplied by (i) the total amount of energy delivered by such electric utility in the calendar year 2015 for plans in effect through 2026, (ii) for an electric utility that serves more than 3,000,000 retail customers in the State, the average amount of energy delivered by such electric utility in calendar years 2021 through 2023

for plans commencing in 2027 and thereafter, and (iii) for an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, the total amount of energy delivered by such electric utility in the calendar year 2023 ~~and during calendar year 2023~~ for plans commencing in 2027 and thereafter, adjusted to reflect the proportion of the utility's load attributable to customers that have opted out of subsections (a) through (j) of this Section under subsection (l) of this Section. For purposes of this subsection (m), the amount paid per kilowatthour includes, without limitation, estimated amounts paid for supply, transmission, distribution, surcharges, and add-on taxes. For purposes of this Section, "eligible retail

10. Electrification

c. See Section 8-103B(b-27)
d. Policy Manual Edits:
    i. Section 12.1, Electrification Energy Consumption Reduction

Statutory excerpt from CRGA on pages 535-537:

At least 33% of all costs of offering and promoting electrification measures under this subsection (b-27) must be for supporting installation of electrification measures through programs exclusively targeted to low-income households. The percentage requirement may be reduced if the utility can demonstrate that it is not possible to achieve the level of low-income electrification spending, while supporting programs for non-low-income residential and business electrification, because of limitations regarding the number of low-income households in its service territory that would

be able to meet program eligibility requirements set forth in the multi-year energy efficiency plan. If the 33% low-income electrification spending requirement is reduced, the utility must prioritize support of low-income electrification in housing that meets program eligibility requirements over electrification spending on non-low-income residential or business customers.

The ratio of spending on electrification measures targeted to low-income, multifamily buildings to spending on electrification measures targeted to low-income, single-family buildings shall be designed to achieve levels of electrification savings from each building type that are approximately proportional to the magnitude of cost-effective electrification savings potential in each building type.

In no event shall electrification savings counted toward each year's applicable annual total savings requirement, as defined in paragraph (7.5) of subsection (g) of this Section, or counted toward each year's incremental annual savings, as defined in paragraph (b-16) of this Section, be greater than:

(1) 5% per year for each year from 2022 through 2025;

(2) 20% ~~10%~~ per year for ~~each year from~~ 2026 and all subsequent years ~~through 2029~~; and

(3) (blank). ~~15% per year for 2030 and all subsequent years.~~

11. Electrification Bill Impacts

a. See Section 8-103B(b-27)
b. Policy Manual Edits:
    i. Section 12.2, Electrification Bill Impacts

Statutory excerpt from CRGA on pages 537-538:

counted toward the utility's applicable annual total savings requirement or counted toward each year's incremental annual savings, as defined in paragraph (b-16) of this Section. Prior to installing or promoting ~~an~~ electrification measures ~~measure~~, the utility shall provide customers ~~a customer~~ with estimates ~~an estimate~~ of the impact of the new measures ~~measure~~ on the customer's average monthly electric bill and total annual energy expenses.

C. Gas Edits

1. Definitions

a. Policy Manual Edits to the Glossary:
    1. Added definition of Average Savings Life
        - Section 8-104(e-20)
    2. Edited definition of Eligible Customer
        - Section 8-104(m-1)
    3. Edited definition of Low Income Customer

- Section 8-104(e-5)

4. Added definition of Low Income Households
    - Section 8-104(e-7)
5. Added definition of Moderate Income
    - Section 8-104(e-20)
    - This definition was edited by the trailer bill.

Statutory excerpt from CRGA on page 616 – definition of Average Savings Life:

For the purposes of this subsection (e-20):

"Average savings life" means (i) the savings that will be realized as a result of a utility's efficiency programs over the lives of all efficiency measures divided by (ii) the savings that will be produced in the first year after such measures are installed.

Statutory excerpt from CRGA on pages 623-632 – new (m-1) related to Eligible Customers:

(m-1) For utilities that file an amended plan for the period covering calendar years 2027 through 2029, and for all utilities for all calendar years covered by a multi-year plan commencing on or after January 1, 2030, subsections (a) through (k) of this Section do not apply to eligible customers of a natural gas utility that have chosen to opt out of multi-year plans.

(1) For purposes of this subsection (m-1), "eligible customer" means any retail customer of a natural gas utility, except for federal, State, municipal and other public customers, with a North American Industry Classification System code number that is 22111 or any such code number beginning with the digits 31, 32, or 33 and (i) annual usage in the aggregate of 4,000,000 therms or more within the service territory of the affected gas utility or with aggregate usage of 8,000,000 therms or more in this State; or (ii) using natural gas as feedstock and meeting the usage requirements described in item (i) of this paragraph (1), to the extent such annual feedstock usage is greater than 60% of the customer's total annual usage of natural gas. A determination of whether this subsection is applicable to a customer shall be made for each multi-year plan beginning after January 1, 2026. The criteria for determining whether this subsection is applicable shall be the 12 consecutive billing periods prior to the start of the first year of each such multi-year plan.

Statutory excerpt from CRGA on pages 606-607 – definition of Low Income Customer:

(e-5) The provisions of this subsection (e-5) shall be applicable to those multi-year plans that commence after December 31, 2017. Natural gas utilities shall be responsible for overseeing the design, development, and filing of their efficiency plans with the Commission and may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from local government, municipal corporations, school districts, public institutions of higher education, and community college districts; unless a utility files a plan or amended plan under the provisions of subsection (e-20), in which case the minimum spend for measures from such public customers shall be equal to at least 30% of non-residential spending. Five percent of the entire portfolio of cost-effective energy efficiency measures may be granted to local government and municipal corporations for market transformation initiatives.

Through calendar year 2026, the ~~The~~ utilities shall also present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level. Such programs shall be targeted to households with incomes at or below 80% of area median income.

Statutory excerpt from CRGA on page 607 – definition of Low Income Households:

(e-7) Beginning January 1, 2027, the following requirements shall be in effect for efficiency programs targeted to low-income households. For the purposes of this Section, "low-income households" means households with incomes at or below 80% of the area median income. Utilities shall leverage existing State and federal low-income weatherization programs and delivery capacity to the extent practicable. Utilities shall also prioritize contracting with organizations, government agencies, and businesses with a track record of delivering weatherization services in low-income communities in this State to deliver any low-income programs that are not integrated with State and federal low-income weatherization programs.

Statutory excerpt from CRGA on page 616 – Moderate Income:

"Moderate-income" means income between 80% of area median income and 300% of the federal poverty limit.

Statutory excerpt from trailer bill on page 589 – definition of Moderate Income:

installation; "moderate-income" means: (i) for an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State, income between 80% of area median income and 300% of the federal poverty limit; and (ii) for an electric utility that serves more than 3,000,000 retail customers in the State, income between 80% of area median income and 100% of area median income; "incremental annual coincident peak

2. **Gas Utility Budget Allocation**
    a. Policy Manual Edits:
        i. Section 4.2, Budget Allocation
            - Section 8-104(e-5) applies if a multi-year plan is filed by Nicor Gas and/or Peoples Gas-North Shore Gas.
        ii. Section 4.3, Average Savings Life (new) – referenced above in electric section

Statutory excerpt from CRGA (e-5), page 606:

(e-5) The provisions of this subsection (e-5) shall be applicable to those multi-year plans that commence after December 31, 2017. Natural gas utilities shall be responsible for overseeing the design, development, and filing of their efficiency plans with the Commission and may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from local government, municipal corporations, school districts, public institutions of higher education, and community college districts; unless a utility files a plan or amended plan under the provisions of subsection (e-20), in which case the minimum spend for measures from such public customers shall be equal to at least 30% of non-residential spending. Five percent of the entire portfolio of cost-effective energy efficiency measures may be granted to local government and municipal corporations for market transformation initiatives.

3. **Low Income Requirements for 8-104 Gas Programs**
    a. See Section 8-104(e-7), (e-8), and (e-20)
        i. Subsection e-7 applies to Ameren, Nicor Gas, and Peoples Gas-North Shore Gas
        ii. Subsection e-8 applies to Ameren and Nicor Gas
        iii. Subsection e-20 applies to multi-year plans that may be filed by Nicor Gas and/or Peoples Gas-North Shore Gas and includes requirements for low income EE programs for Peoples Gas and North Shore Gas

b. Policy Manual Edits:
    i. Section 4.2, Budget Allocation
    ii. If additional context is needed regarding gas utility low income requirements, that can be proposed during the 2027 Policy Manual update process.

Statutory excerpt from CRGA (e-5), page 606:

(e-5) The provisions of this subsection (e-5) shall be applicable to those multi-year plans that commence after December 31, 2017. Natural gas utilities shall be responsible for overseeing the design, development, and filing of their efficiency plans with the Commission and may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from local government, municipal corporations, school districts, public institutions of higher education, and community college districts; unless a utility files a plan or amended plan under the provisions of subsection (e-20), in which case the minimum spend for measures from such public customers shall be equal to at least 30% of non-residential spending. Five percent of the entire portfolio of cost-effective energy efficiency measures may be granted to local government and municipal corporations for market transformation initiatives.

Statutory excerpt from CRGA (e-7) on page 607:

(e-7) Beginning January 1, 2027, the following requirements shall be in effect for efficiency programs targeted to low-income households. For the purposes of this Section, "low-income households" means households with incomes at or below 80% of the area median income. Utilities shall leverage existing State and federal low-income weatherization programs and delivery capacity to the extent practicable. Utilities shall also prioritize contracting with organizations, government agencies, and businesses with a track record of delivering weatherization services in low-income communities in this State to deliver any low-income programs that are not integrated with State and federal low-income weatherization programs.

Statutory excerpt from CRGA (e-8) on pages 607-608:

(e-8) Beginning January 1, 2027, the following requirements shall be in effect for efficiency programs targeted to low-income households, except for single-fuel gas utilities with less than 1,000,000 customers:

(1) The portion of the entire budget for efficiency programs that is spent on efficiency programs for low-income households shall be no less than the greater of: (A) 25% or (B) five percentage points more than the proportion of total annual gas sales to non-opt-out retail customers that are consumed by low-income households.

(2) The portion of spending on efficiency measures that are targeted to low-income households that is delivered through whole building weatherization programs that comprehensively address building envelope efficiency upgrade opportunities as well as other efficiency measures shall be at least 80%.

(3) Utilities shall invest in health and safety measures that are appropriate and necessary for comprehensively weatherizing the single-family and multi-family buildings of low-income households, with up to 15% of income-qualified program spending made available for such purposes.

Statutory excerpt from CRGA (e-20) on pages 612-613:

For single-fuel gas utilities with less than 1,000,000 customers, the following requirements shall be in effect for efficiency programs targeted to low-income households:

(1) For gas utilities with greater than 300,000 customers, the portion of the entire budget for efficiency programs that is spent on efficiency programs for low-income households shall be no less than the greater of (A) 25% or (B) five percentage points more than the proportion of total annual gas sales to non-opt-out retail customers that are consumed by low-income households. For gas utilities with 300,000 or fewer customers, the portion of the entire budget for efficiency programs that is spent on efficiency programs for low-income households shall be no less than the greater of (A) 15% or (B) five percentage points more than the proportion of total annual gas sales to non-opt-out retail customers that are consumed by low-income households.

(2) The portion of spending on efficiency measures

targeted to low-income households that shall be delivered through whole building weatherization programs that comprehensively address building envelope efficiency upgrade opportunities as well as other efficiency measures shall be at least 80%.