

# Initial Response to Nicor Gas Updated 2027-2029 EE Plan

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# National Consumer Law Center (NCLC)

- Since 1969, the nonprofit National Consumer Law Center® (NCLC) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S.
- NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

# Issue 1: Maximize Percentage of Income-Eligible Budget and Wx Allocation

Nicor Gas Total Portfolio Budget, Plan 5	Income Eligible Spend, Approved Plan 5	IE % of total budget	Nicor Gas Total Portfolio Budget, Post CRGA	Income Eligible Spend, Proposed Post CRGA budget	IE % of total post-CRGA budget
\$57.8 M	\$17.25 M	30%	\$154.5 M	\$47.4	30.4%

*Proposal: Increase IQ Spend amount to 35% of total budget*

Statute allows for decrease in annual target savings goal with higher low-income spend:

- >35% Low Income spend: 0.60% of sales
- 30% Low Income spend: 0.65% of sales
- 25% Low Income spend 0.70% of sales

# Why Increase IE Spend?

## Nicor's EE Program Should be Part of the Solution to Lowering Energy Burdens

- IQ Whole building weatherization spending should be maximized:
  - Why?
  - **Nicor: 57% increase in delivery service rates over 2021-2025 period**
  - Nicor Monthly reports note significant unaffordability data:
    - February credit & collections report notes \$ 44.2 million in arrearages;
    - 40.8% deferred payment arrangement (DPA) failure rate.
    - (Monthly C&C reports can help drive program targeted investment)
  - The need to reduce energy burdens and improve housing stock is (always) great!

# Nicor Income-Eligible Budget Changes Post CRGA

- CRGA Amended Plan: \$47.0 million IE budget (30.4% of \$154.5 M total)
- **Proposal: Increase IE Budget to \$54.075 million (35% of \$154.5 M total)**
- **Reduce target energy goal to .60% of sales**
- **Maximize investment in whole building weatherization programs**
- **More suggestions to come after review of batch files with measure details**

# Nicor Gas IE Plan 5 IE Program Budget Breakdowns

Program	2026 Budget (Millions)	2027-2029 Average Annual Budget (Millions)	Annual Net Therms (Millions)	Annual Net Lifecycle Therms (Millions)
IE Wx SF	\$7.9	\$22.9	0.5	11.8
IE Wx MF	\$5.2	\$16.0	1.5	19.6
IE HEA	\$0.9	\$2.3	0.1	2.5
IE PHA	\$0.8	\$1.5	0.2	0.9
IE AHNC	\$0.7	\$1.5	0.1	2.1
IE ESK	\$1.7	\$2.8	1.0	14.5
<b>Total</b>	<b>\$17.3</b>	<b>\$47.0</b>	<b>3.5</b>	<b>51.4</b>

Room for even larger increases in joint Wx spends given ComEd CRGA-augmented levels?

# Issue 2: How can we maximize braided IHWAP Budgets

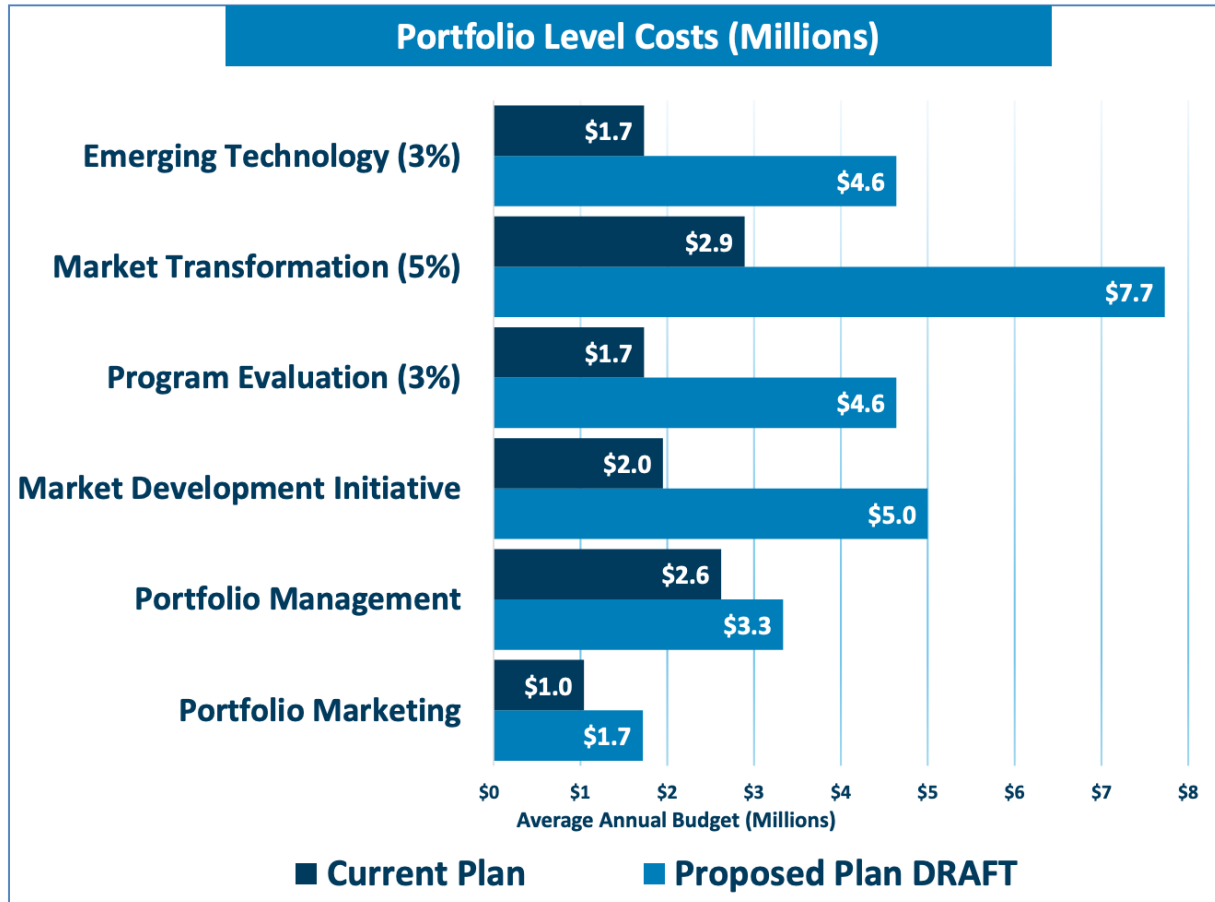
NEW DRAFT PLAN	2027	2028	2029	PRIOR PLAN	2027	2028	2029
ComEd	\$3.8M	\$3.7M	\$3.7M		\$3.3M	\$3.3M	\$3.3M
Nicor	?	?	?		\$	\$	\$

- What's happening with CAA Braided budgets?
- Need understanding of Nicor Gas braided IHWAP contribution amounts
- IEPA's federal HOMES program provides additional opportunities for braiding.

# Issue 3: IQ Customers Must Not Be Excluded from Participating in Nicor/ComEd Weatherization Program

- Currently, customers whose income falls between 0 and 200% of Federal Poverty Level (FPL) are directed to IHWAP, with no opportunity to participate in Nicor/ComEd program.
- Customers with household incomes between 0% and 200% FPL who are eligible for a retrofit (weatherization) can and should be given the option to participate in the utility only funded retrofit offering *or* be referred to a participating agency for service through IHWAP.
- These customers should be provided with information about the differences between the utility-only retrofit offering and the IHWAP program, including available appliance, weatherization, and health and safety measures in each program, as well as the status of IHWAP waiting lists and prioritization criteria, to assist them in choosing which programs works best for their needs.

# Issue 4: Proposed budget allocations to Emerging Tech, Market Transformation and Evaluation



Why propose maximum spend amounts? (These can be reduced.)

# Issue 5: Joint SF Weatherization Criteria is Unacceptable and Inconsistent with Best Practices

- From Plan 5 Stipulation:
- *Weatherization Criteria: The Companies commit to discussing IE SF retrofit prioritization criteria in the SAG Equity Subcommittee (Nicor Stipulation, p. 10.)*
- Reality check: Discussions ensued in the SAG Equity Subcommittee in 2025. Few if any changes were made.
- Current ComEd/PGL/Nicor Home Energy Savings protocols are inequitable, and inconsistent with best practices.
- Fixing this is a principal issue for NCLC.

# Joint program must not walk away from building envelope opportunities, as is the case now.

## Chicago codes / Illinois codes

In rafter cavities where an insulation baffle is not installed or soffit venting is not present, ensure that cavity is blocked with a rigid barrier as described above to prevent over-spill into the soffit area.

Insulation baffles are to be installed only where soffit vents are present. When vented eaves or soffits exist, mechanically fasten insulation baffles in every roof bay that extend above the final insulation level by at least 6 inches. (Figure 21324-2).

2133 Unfinished Attics

21331 Blowing Attic Insulation<sup>15</sup>

Efforts shall be made to achieve R49 when attic insulation is installed (Figure 21331-1).

<sup>15</sup> SWS 4.0103.2d, "Installation"

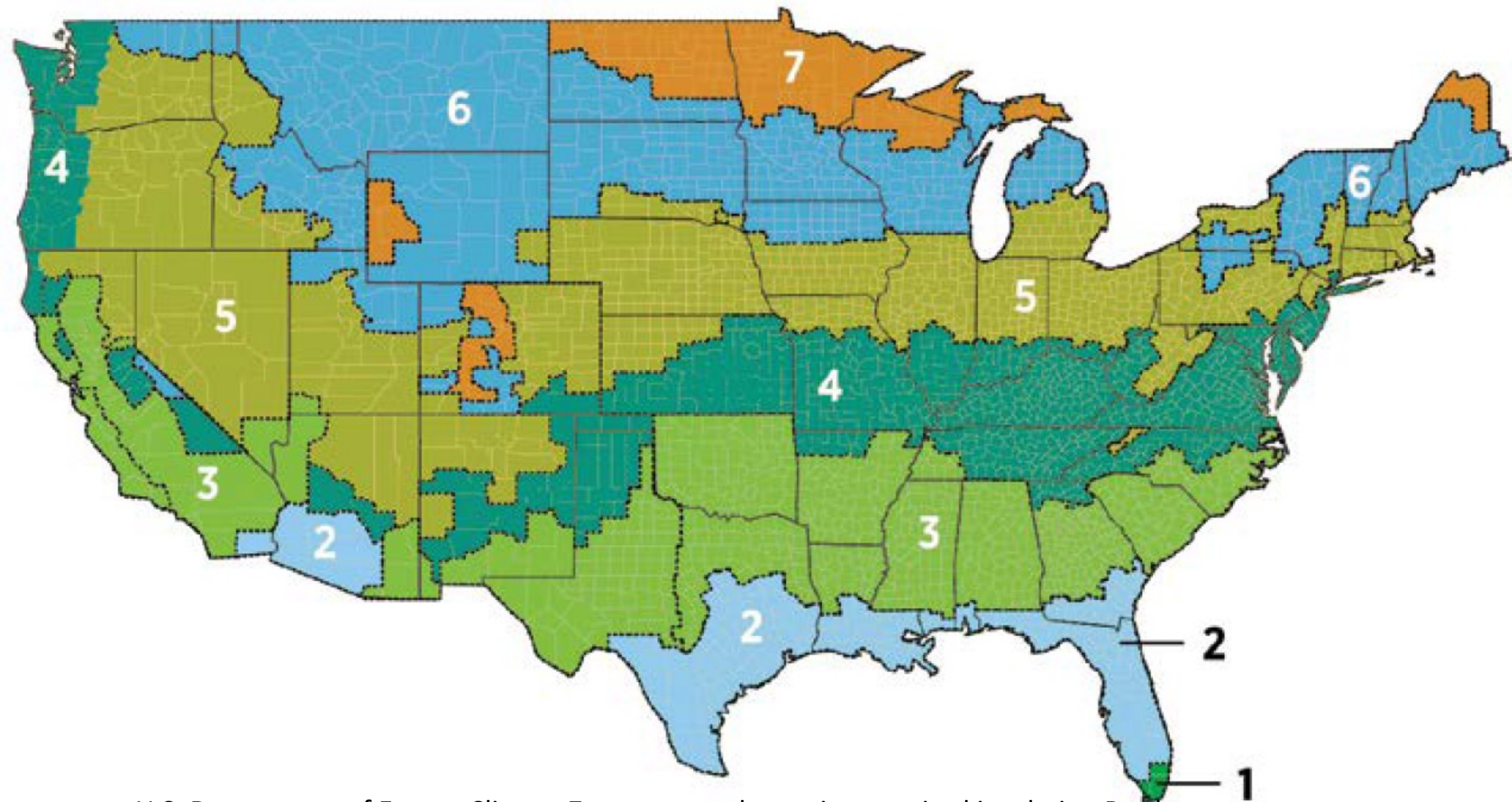


Figure 21331-1: Required attic insulation R-value is a minimum of 49 or the maximum amount with an SIR greater than 1.0



Figure 21331-2: Attic insulation marker

Current Home Energy Savings (joint ComEd/PGL/Nicor program) practice: Unless home has insulation levels below R-19, the utilities walk away from improving building envelope.



U.S. Department of Energy Climate Zone map to determine required insulation R values

# Insulation R-value table by climate zone

Climate Zone	Uninsulated Attic	3-4 inches of Existing Attic Insulation	Uninsulated Floor	Uninsulated Wood-Frame Wall	Insulated Wood Frame Wall
1	R30–R49	R19–R38	R13	R13 or R0 + R10 CI*	N/A
2	R49–R60	R38–R49	R13	R13 or R0 + R10 CI	N/A
3	R49–R60	R38–R49	R19	R20 or R13 + R5 CI or R0 + R15 CI	Add R5 CI
4 except Marine	R60	R49	R19	R20 + R5 CI or R13 + R10 CI or R0 + R15 CI	Add R10 CI
4 Marine and 5	R60	R49	R30	R20 + R5 CI or R13 + R10 CI or R0 + R15 CI	Add R10 CI
6	R60	R49	R30	R20 + R5 CI or R13 + R10 CI or R0 + R20 CI	Add R10 CI
7 and 8	R60	R49	R38	R20 + R5 CI or R13 + R10 CI or R0 + R20 CI	Add R10 CI

Northern Illinois 



# Other Questions...

- **Do we agree we are not starting negotiations “from scratch?”**
  - Much time spent in 2024-2025 negotiating program protocols and other details that remain relevant;
  - Stakeholders’ goal in negotiating those provisions has been about achieving best practices in the delivery of EE programs;
  - In particular, negotiations relative to IQ whole building program comprehensiveness is critical to NCLC/COFI;
  - Stakeholders can identify provisions that need to remain in 2026-2029 Stipulation for the Company’s review...

# Bottom Line Takeaways/Questions

- Increase in overall IE spending appreciated, and can go higher
- Need to increase IE whole building MF weatherization, in particular.
- Incorporate zip code level credit & collections data to target Wx investment
- How do all parties work together with the state and CEDA to increase budget allocated to the braided weatherization program? (If you build it, will they come in terms of capacity?)
- Implement best practices weatherization policies that don't allow for exclusion of 0% to 200% of FPL customers or unnecessary walkaways based on constraining insulation protocols.

# Questions?



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