

Initial Response to Peoples Gas/North Shore 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.

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

- IQ Whole building weatherization spending should be maximized:
 - Why?
 - PGL: 44% increase in rates over 2023-2025 period
 - PGL Monthly reports note significant unaffordability data:
 - February credit & collections report notes \$88 million in arrearages;
 - 28% deferred payment arrangement (DPA) failure rate.
 - (Monthly C&C reports can help drive program targeted investment)
 - The need is great!

Lack of affordable housing puts additional affordability strains on Chicago LI households

- “Since 2012, the share of rental units considered affordable declined by 8.6 percentage points from 45.3 percent in 2012 to 36.7 percent in 2023.
- At the same time, the share of renters considered lower-income declined by 7.5 percentage points from 53.2 to 45.7 percent by 2023. This trend means that a growing share of lower-income renters are living in higher-cost housing, which is an indication of growing affordability pressures and the challenges lower-income renters face in finding affordable units.”
- Source: Understanding Chicago’s Rental Affordability Challenges: A Review of Data, Trends, and Solutions, October 24, 2025, Institute for Housing Studies, DePaul University; available at: <https://www.housingstudies.org/blog/rental-affordability-challenges/>

New Statutory Minimum Spends on IE Programs

- 8-104(e-8)(1): (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.
- **Question: Please explain how PGL/NS calculates the proportion of annual gas sales to non-opt-out retail customers consumed by low-income customers**

PGL Budget Changes Post CRGA



CRGA Revision Increase by Program

Peoples Gas Energy Efficiency Program	2027–2029 Average (\$)		
	Approved Plan 5	CRGA Plan Revision	Total Change
Income Eligible (IE)	\$14,446,343	\$17,474,743	\$3,028,400
Market Rate Residential	\$4,089,892	\$6,094,636	\$2,004,744
Business	\$5,365,776	\$11,392,757	\$6,026,981
Public Sector	\$2,873,956	\$6,142,585	\$3,268,630
Market Development Initiative	\$700,000	\$870,000	\$170,000

Key Increases

- IE remains largest portion of budget
- Health & Safety (H&S)
- Market Rate weatherization
- Business & Public Sector to drive cost-effective savings

Income Eligible (IE) is a program supporting Income Qualified (IQ) customers as defined in policy manual and legislation.

Issue 1: The Percentage of Income-Eligible Spend to Total Portfolio Budget Has Decreased

Peoples Gas Total Portfolio Budget, Plan 5	Income Eligible Spend, Approved Plan 5	IE % of total budget	Peoples Gas Total Portfolio Budget, Post CRGA	Income Eligible Spend, Proposed Post CRGA budget	IE % of total post-CRGA budget
\$34.4 M	\$14.4 M	41%	\$49.9 M	\$17.4	34%

WHY THE DECREASE IN THE PERCENTAGE OF BUDGET DEDICATED TO LOW-INCOME CUSTOMERS?

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
PGL	?	?	?		\$	\$	\$
NS	?	?	?		\$	\$	\$



- Need understanding of Peoples/North Shore Gas braided IHWAP contribution amounts
- IEPA's federal HOMES program provides additional opportunities for braiding.

Issue 3: Peoples Gas IE Plan 5 IE Program Budget Breakdowns

Peoples Gas

Market Offering	Annual Average Spend (\$)
Single Family Comprehensive	\$4,337,000
Single Family Community Kits	\$955,000
Single Family Subtotal	\$5,292,000
Multi-Family Subtotal	\$9,110,000
Total	\$14,400,000

Peoples Gas Energy Efficiency Program	2027–2029 Average (\$)		
	Approved Plan 5	CRGA Plan Revision	Total Change
 Home Energy Savings	\$4,353,142	\$6,367,498	\$2,014,356
 Multi-Family Energy Savings	\$9,137,400	\$9,807,813	\$670,413
<i>Comprehensive subtotal</i>	<i>\$13,490,542</i>	<i>\$16,175,311</i>	<i>\$2,684,769</i>
Kits	\$955,801	\$1,299,432	\$343,632
Total	\$14,446,343	\$17,474,743	\$3,028,400

North Shore Gas Energy Efficiency Program	2027–2029 Average (\$)		
	Approved Plan 5	CRGA Plan Revision	Total Change
 Home Energy Savings	\$154,240	\$400,444	\$246,204
 Multi-Family Energy Savings	\$454,661	\$455,593	\$932
<i>Comprehensive subtotal</i>	<i>\$608,902</i>	<i>\$856,038</i>	<i>\$247,136</i>
Kits	\$87,211	\$130,294	\$43,083
Total	\$696,112	\$986,332	\$290,219



Comprehensive Programs

**Question: Why the minimal change (7% increase) to IE MF Wx investment?
Why a 36% increase in kits?**

Issue 3: IQ Customers Must Not Be Excluded from Participating in PGL/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 PGL/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: 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.*
- 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 the opposite of 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 Insulation¹⁵

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

¹⁵ SWS 4.0103.2d, "Installation"

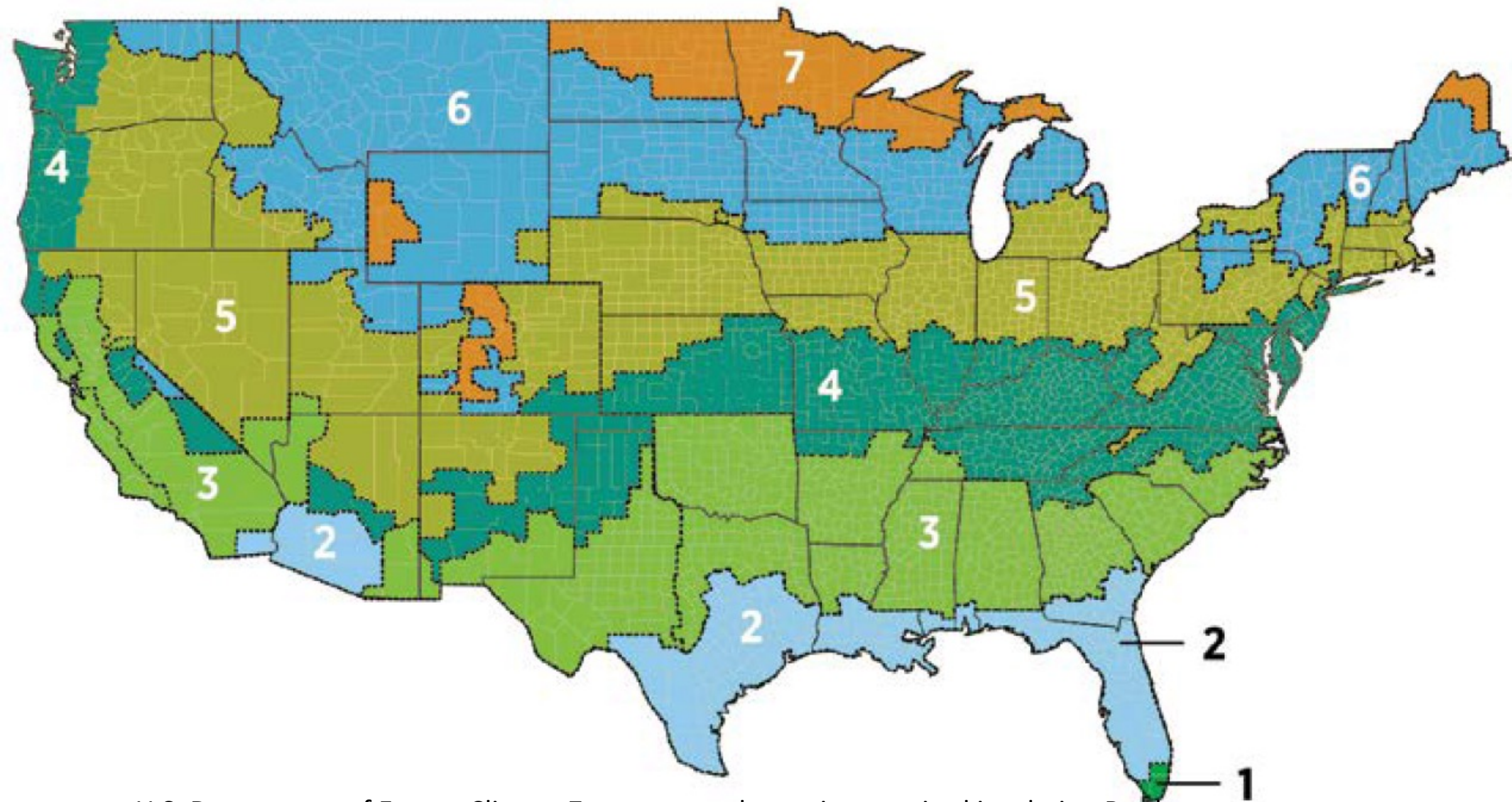


Figure 21331-1: Required attic insulation R-value is a minimum of 49 or the maximum amount with an SIR greater than 1.0



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..
- **What is the portfolio spend amount/percentage of total budget?**

Bottom Line Takeaways/Questions

- Increase in overall IE spending to mirror approved Plan 5's 41% of budget percentage, at a minimum.
- 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, they will 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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