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# Feedback on Nicor's revised 2027-29 EE Plan presentation from 3/24/26



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3/31/2026

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# Overview

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- Overall, applauds the increase in program budgets and savings goals. To understand the impact of this proposed plan revision, we'll need to understand the key measures driving increased savings. As new statute requires prioritizing weatherization and heating load reducing measures, NRDC needs more detail on the proposed level of emphasis on growth in rebates for residential gas equipment vs. weatherization.
- Settlement discussions should focus on budgets/savings – must retain portfolio provisions in the 2026-2029 plan stipulation unless directly changed by statute.
  - weatherization protocols, MDI metrics, equipment replacement criteria, etc.
- Only providing high-level comments today as need to see more detail on sub-programs and measures before providing definitive feedback.

# Residential and Income Eligible

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- Appreciate the emphasis in IE Wx SF + MF channels and Home Energy Assessments!
- Proposed Kit program spending ~doubling in size! School kits remain problematic to NRDC.
- Would like to see new whole building weatherization initiative targeted to 80 AMI – 300% FPL (Moderate Income). Funds to come from proposed Market Rate Residential bucket.
- Request more detail on the Smart Neighborhood Builder program and Central Plant Optimization MF program.



# Changes to Portfolio-Level Costs

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- Largest budget increases from Approved Plan 6 within Portfolio Level Costs are in emerging technology, market transformation, program evaluation and MDI – all of which are increasing proportionally with budget.
  - NRDC doesn't see the need for proportional increases in emerging tech and program evaluation and would rather see more \$ diverted to comprehensive weatherization.
  - Glad to see portfolio admin grew only modestly.
- What MT and R&D programs/equipment does Nicor expect to fund?

# Incentive Mechanism

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- Under the Company's proposal, Shareholders get a return regardless of good or bad performance. NRDC feels the reward to shareholders should be tied to performance.
- ROE on amortized EE spend is very uncommon in the industry. It's true that rate impacts are lower in the early years, but they are much bigger in later years.
- NRDC would prefer a simpler annual incentive expressed as a % of spend and tied to actual performance relative to goals – as is the case in the vast majority of jurisdictions that have gas EE performance incentives.



# Large Customer Opt-Out

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- Law shifts from exemption to opt-out.
- Nicor estimates about ½ of large customer sales will stay in program, increasing the total annual sales eligible for EE programs by about 10%. NRDC is interested in understanding how that was estimated.
- NRDC would also like to see the calculations of how that affects available budget.

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# Thank you

