



Memorandum

To: Nicor Gas

Cc: Elizabeth Horne, ICC Staff;
Celia Johnson, Illinois Stakeholder Advisory Group

From: Charles Ampong, Ensar Biscevic, Laura Agapay-Read, Guidehouse,
Mike Frischmann, George Frymire, EcoMetric

Date: August 20, 2026

Re: Nicor Gas 2025 Energy Efficiency Portfolio Economic Impact Reporting

1. Introduction

This memo presents results of the Guidehouse analysis of the 2025 economic and employment impacts produced by the 2025 Nicor Gas energy efficiency portfolio. This analysis was conducted in alignment with the Illinois Energy Efficiency Policy Manual Version 3.0 requirement that each program administrator in Illinois must annually report estimates of the economic development and employment impacts of its energy efficiency programs.

The economic impact assessment methodology used in this analysis is consistent with that developed by consensus with the Illinois Stakeholder Advisory Group Non-Energy Impacts Working Group¹ and used by Guidehouse in the previously submitted 2019-2024 economic impact reports.

Overall, the 2025 Nicor Gas energy efficiency portfolio will produce 311 first year only jobs, and 699 cumulative lifetime job-years² and \$214 million dollars of industry output across the state of Illinois.

2. Results

2.1 Summary of Input Data

Table 1 presents a summary of input data used for the 2025 economic and employment impact analysis. All data was sourced from the evaluation team's 2025 evaluation of the Nicor Gas energy efficiency portfolio.

¹ https://ilsag.s3.amazonaws.com/IL_SAG_NEI_Presentation_06-NOV-2019_Final.pdf

² First year impacts are the total direct, indirect, and induced jobs created from portfolio activity in 2025. Job-years are a cumulative measure of employment impact equal to one full-time equivalent job sustained for one year. Under CEJA economic impact analyses, job-years are used to quantify the statewide employment effects generated over time by utility energy efficiency investments and the resulting long-term energy bill savings.

Table 1. Summary of Economic and Employment Impact Analysis Input Data – Nicor Gas

Impact Category	Amount (2025 \$ Million)	Description of Impact	Time Period
Gas Bill Savings	\$114.0	Positive economic effect on ratepayers	2025-2049
Program Funding	-\$47.7	Negative economic effect on ratepayers	Over WAML period (Gas: 2025)
Net Ratepayer Gas Bill Savings	\$66.4	Net economic effect on ratepayers	2025-2049
Lost Utility Fuel Expenditures	-\$7.7	Negative economic impact on fuel production and transportation	2025-2049
Incentives and Rebates	\$20.2	Positive economic effect on ratepayers	2025
Net Incremental Measure Costs	\$43.7	Negative economic effect on ratepayers; positive economic effect on retailers and suppliers	2025
Program Administration Costs	\$27.5	Positive economic effect on utilities	2025

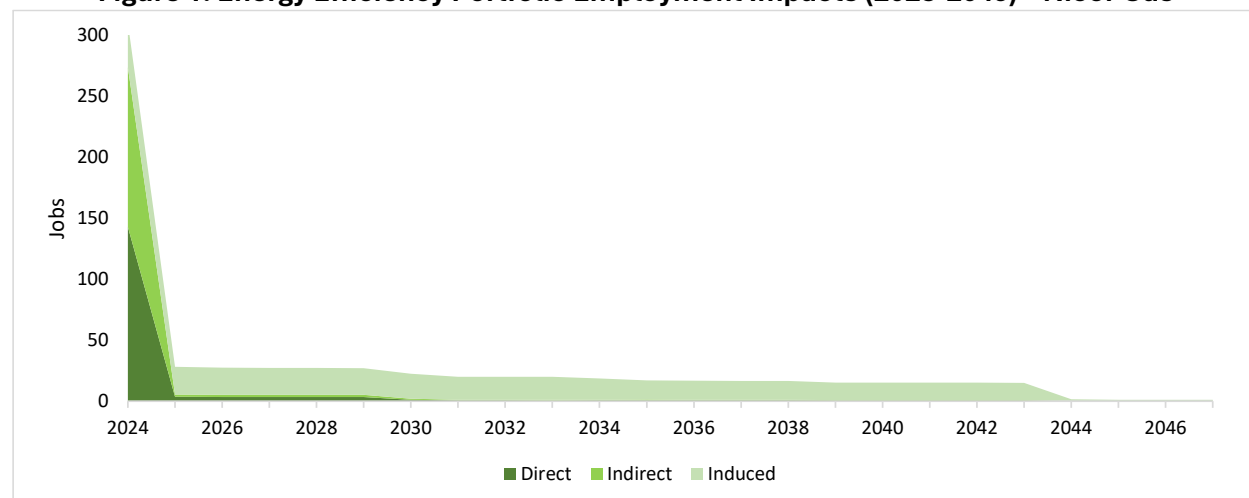
WAML – Weighted Average Measure Life

Source: Guidehouse analysis of Nicor Gas Tracking data.

2.2 Employment Impacts

Figure 1 presents a visual summary of the employment impacts of the 2025 energy efficiency portfolio investments over time, separated into direct, indirect, and induced impacts. Because the portfolio produces long-term economic effects because of persisting energy savings, employment impacts produced are not confined to a particular year but occur over 2025-2049.

Figure 1. Energy Efficiency Portfolio Employment Impacts (2025-2049) – Nicor Gas



Source: Guidehouse analysis of Nicor Gas Tracking data.

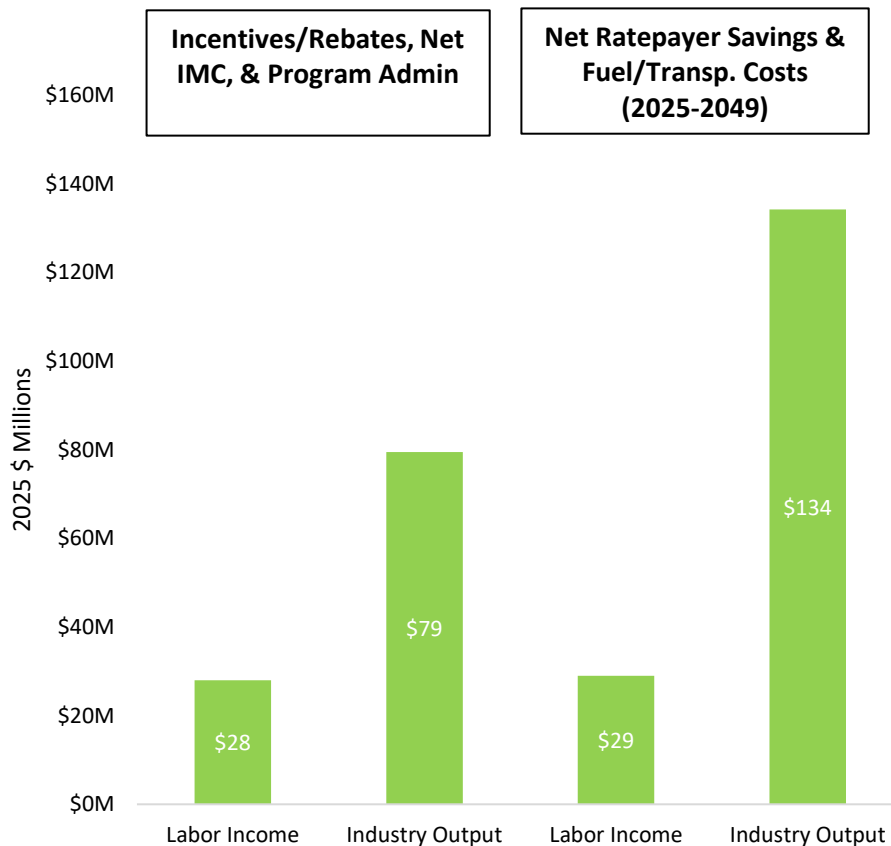
The large spike in impacts seen in 2025 results from initial spending triggered by the implementation and management of Nicor Gas’s energy efficiency portfolio in calendar year 2025, including, but not limited to, program incentives and administrative spending, and incremental measure spending resulting from the effects of the portfolio. The impacts beyond 2025 are derived almost entirely from the persisting effects of Nicor Gas’s energy efficiency portfolio in the form of net ratepayer bill savings realized by those who participated in Nicor Gas’s 2025 programs. The bill savings are derived from the cumulative persisting annual savings (CPAS) and bill rates for 2025.

Impacts persist over a similar period as the CPAS produced by the Nicor Gas energy efficiency portfolio.

3. Industry Labor Income and Business Sales

Figure 2 presents direct, indirect, and induced effects on labor income and industry output from the 2025 Nicor Gas energy efficiency portfolio. The figure also separates these effects into those resulting from 1) program spending and program-induced spending (incentives, rebates, net incremental costs, and program administration costs, and 2) net ratepayer bill savings and fuel/transportation expenditures.

Figure 2. Energy Efficiency Portfolio Labor Income and Industry Output Impacts (2025-2049) – Nicor Gas



Source: Guidehouse analysis of Nicor Gas Tracking data.

Table 2 presents a summary of the cumulative industry labor income and industry output impacts (“economic impacts”) of Nicor Gas’s 2025 energy efficiency portfolio investments (2025-2049).

Table 2. Cumulative 2025-2049 Industry Labor Income and Industry Output Impacts of 2025 Energy Efficiency Portfolio Investments – Nicor Gas

Impact Types	Labor Income (2025 \$ Millions)	Industry Output (2025 \$ Millions)
Direct	\$18.5	\$70.5
Indirect	\$13.3	\$34.4
Induced	\$25.2	\$108.9
Total	\$57.0	\$213.7

Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of Nicor Gas Tracking data.

Table 3 presents the cumulative first year only job impacts. First year impacts are the total direct, indirect, and induced jobs created from portfolio activity in 2025. Nicor Gas achieved 311 job impacts from Nicor Gas's 2025 energy efficiency portfolio.

Table 3: Cumulative First Year Job Impacts – Nicor Gas

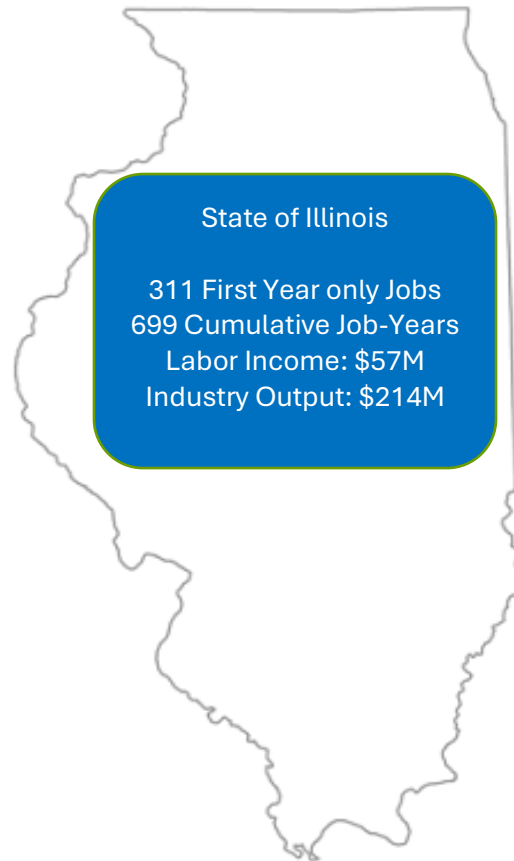
Period	Direct	Indirect	Induced	Cumulative Total
2025 – 2049	143	131	36	311
2024 – 2048	136	129	46	311
2023 – 2047	146	128	29	303
2022 – 2046	127	114	51	292
2021 – 2045	350	158	55	563
2020 – 2044	307	141	47	494
2020 – 2049	1,209	801	264	2,274

Source: Guidehouse analysis of Nicor Gas Tracking data.

Appendix

For comparison purposes³, Figure 3, along with Table 4, provides the cumulative economic impacts and employment impacts in a format similar to that presented in the previous analyses.⁴

Figure 3. Cumulative Economic Impacts (2025-2049) – Nicor Gas



Source: Guidehouse analysis of Nicor Gas Tracking data.

³ The evaluation team advises against use of employment impacts reported in job-years because as shown in Figure 1, employment impacts are long-term effects not confined to a particular year, using job-years can be misleading as to the effects produced.

⁴ Previous iterations of this analysis provided economic impacts separately for the utility territory versus the rest of Illinois. For consistency across utilities and in order to meet requirements in the Illinois Climate and Equitable Jobs Act, the results presented here focus on the full state of Illinois.

Table 4. Economic Impacts by Period (2020, 2021, 2022, 2023, 2024, 2025) – Nicor Gas

Period	Impact Type	Job-Years	Labor Income (2025 \$ Million)	Industry Output (2025 \$ Million)
2025 – 2049	Direct	171	\$18.5	\$70.5
	Indirect	147	\$13.3	\$34.4
	Induced	381	\$25.2	\$108.9
	Total	699	\$57.0	\$213.7
2024 – 2048	Direct	176	\$19.3	\$73.2
	Indirect	150	\$13.6	\$35.2
	Induced	375	\$24.8	\$106.0
	Total	701	\$57.7	\$214.3
2023 – 2047	Direct	175	\$18.8	\$69.8
	Indirect	144	\$13.0	\$33.8
	Induced	396	\$26.1	\$114.3
	Total	715	\$57.9	\$217.8
2022 – 2046	Direct	227	\$22.4	\$77.2
	Indirect	161	\$14.4	\$38.1
	Induced	555	\$36.6	\$166.3
	Total	943	\$73.4	\$281.5
2021 – 2045	Direct	415	\$28.6	\$77.5
	Indirect	191	\$13.2	\$35.4
	Induced	541	\$29.4	\$118.5
	Total	1,148	\$71.2	\$231.4
2020 – 2044	Direct	383	\$24.0	\$71.9
	Indirect	176	\$12.1	\$32.4
	Induced	203	\$10.9	\$29.9
	Total	762	\$47.0	\$134.2
2020 – 2049	Cumulative Total	4,968	\$364.2	\$1,292.7

Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of Nicor Gas Tracking data.

The direct, indirect, and induced job-years for program years 2020 through 2025 are presented in Table 5. The job-year impacts are further outlined for 2025 in Table 6.

Table 5. Job-Year Impacts by Period (2020 - 2025) – Nicor Gas

Period	Direct	Indirect	Induced	Cumulative Total
2025 – 2049	171	147	381	699
2024 – 2048	176	150	375	701
2023 – 2047	175	144	396	715
2022 – 2046	227	161	555	943
2021 – 2045	415	191	541	1,148
2020 – 2044	383	176	203	762
2020 – 2049	1,547	969	2,451	4,968

Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of Nicor Gas Tracking data.

Table 6. Job Impacts by Year from 2025 Programs (2025-2049) – Nicor Gas

Year	Direct	Indirect	Induced	Total
2025	143	131	36	311
2026	4	2	23	28
2027	4	2	22	28
2028	4	2	22	27
2029	4	2	22	27
2030	4	2	22	27
2031	1	1	20	23
2032	1	<1	19	20
2033	1	<1	19	20
2034	1	<1	19	20
2035	1	<1	17	19
2036	1	<1	16	17
2037	1	<1	16	17
2038	1	<1	15	17
2039	1	<1	15	17
2040	1	<1	14	15
2041	1	<1	14	15
2042	1	<1	14	15
2043	1	<1	14	15
2044	1	<1	14	15
2045	<1	<1	1	2
2046	<1	<1	1	1
2047	<1	<1	1	1
2048	<1	<1	1	1
2049	<1	<1	1	1
Total	171	147	381	699

Note: This table includes job-year impacts only for the 2025 programs and does not include cumulative impacts from previous program years. In certain instances, the values reported as less than one are negative. Typically, these negative job impacts arise when the expenditures related to Lost Gas Utility Fuel Expenditures and Business Program Funding (Bill Surcharges) surpass the positive impacts. Both factors detract from the overall total and are not limited to the first year. The negative values observed range from -0.1 to -0.2.

Source: Guidehouse analysis of Nicor Gas Tracking data.

Program-Level Economic Impacts Among Retailers and Suppliers (Net Incremental Measure Costs Only)

Table 7 presents program-level economic impacts from the net incremental measure costs associated with each program. Note that these values are specific to the direct, indirect, and induced economic impacts among retailers and suppliers from the net incremental measure costs, and do not include economic impacts from other program spending or customer bill savings, or economic costs for households and businesses from the net incremental measure costs, which are included in Table 4.

Table 7. Program-level Economic Impacts, Net Incremental Measure Costs Only (2025-2049) – Nicor Gas

Sector	Program	Labor Income (2025 \$ Million)	Industry Output (2025 \$ Million)	# of Jobs
Business	Business Custom Rebates, Plus Nicor Gas only RCx	\$4.9	\$15.2	58
Business	Business Energy Efficiency Rebates	\$0.8	\$2.4	9
Business	Coordinated Non-Residential New Construction	\$0.1	\$0.3	1
Business	Coordinated Retro Commissioning	\$0.3	\$0.5	3
Business	Small Business Program	\$0.4	\$1.1	4
Business	Strategic Energy Management	\$0.6	\$1.1	6
Income Qualified	Affordable Housing New Construction (AHNC)	\$0.1	\$0.2	1
Income Qualified	Elementary Education Kits (EEE IE)	\$0.1	\$0.3	1
Income Qualified	Energy-Savings Kits (ESK IE)	\$0.5	\$1.4	6
Income Qualified	Income Qualified Multi-Family	\$2.7	\$8.2	32
Income Qualified	Public Housing Energy Savings	\$0.3	\$0.8	3
Income Qualified	Income Qualified Single Family	\$1.6	\$5.8	20
Residential	Elementary Education Kits (EEE)	\$0.1	\$0.5	2
Residential	Energy-Savings Kits (ESK)	\$0.3	\$1.0	4
Residential	Home Energy Efficiency Rebates (HEER)	\$6.7	\$22.7	79
Residential	Home Energy Reports	\$0.1	\$0.1	1
Residential	Home Energy Savings/HEA	\$2.3	\$7.3	28
Residential	Multi-Family Program	\$1.8	\$5.4	19
Residential	Residential New Construction (Smart Neighborhood Builder)	\$1.6	\$4.9	19
Market Transformation	Market Transformation	N/A	N/A	N/A
Total		\$25.1	\$79.3	296

Note: Market Transformation programs do not have Net Incremental Measure Costs.

Totals may not sum due to rounding.

Source: Guidehouse analysis of Nicor Gas Tracking data.

Economic Impact Assessment Methodology

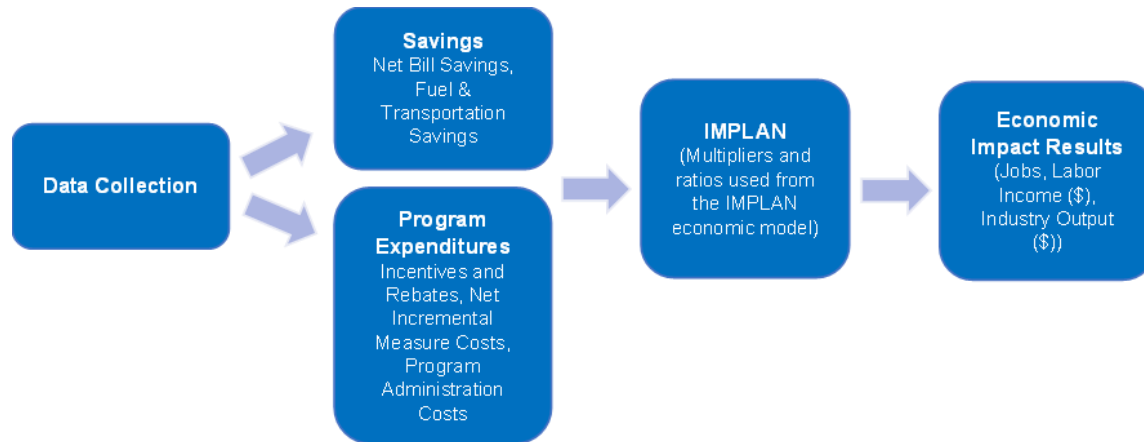
The economic impact assessment for energy efficiency programs follows a three-step process (depicted in Figure 4):

- 1) Data collection of the economic activities of the energy efficiency programs
- 2) Economic modeling of these activities using IMPLAN⁵

⁵ IMPLAN is an economic analysis software used to estimate the impact of an economic activity on a specific geographic area. The analysis uses IMPLAN 2021 data for Illinois to capture the effect of program spending on the Illinois economy. For more information, see <https://implan.com/>

- 3) Analysis of the results – summarizing and assessing the economic measures (e.g. industry output, labor income, and jobs)

Figure 4. Economic Impact Assessment Methodology



Source: Guidehouse