Memorandum

To:	Nicor Gas
Cc:	Elizabeth Horne, David Brightwell, ICC Staff; Celia Johnson, Illinois Stakeholder Advisory Group
From:	Charles Ampong, Ensar Biscevic, Laura Agapay-Read, Jeff Erickson, Guidehouse, Mike Frischmann, George Frymire, EcoMetric
Date:	September 7, 2025
Re:	Nicor Gas 2024 Energy Efficiency Portfolio Economic Impact Reporting - Final

1. Introduction

This memo presents results of the Guidehouse analysis of the 2024 economic and employment impacts produced by the 2024 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 Group[1] and used in the previously submitted 2019-2023 economic analyses
.
Overall, the 2024 Nicor Gas energy efficiency portfolio will produce 701 job-years 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 2024 economic and employment impact analysis. All data was sourced from the evaluation team's 2024 evaluation of the Nicor Gas energy efficiency portfolio.

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

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

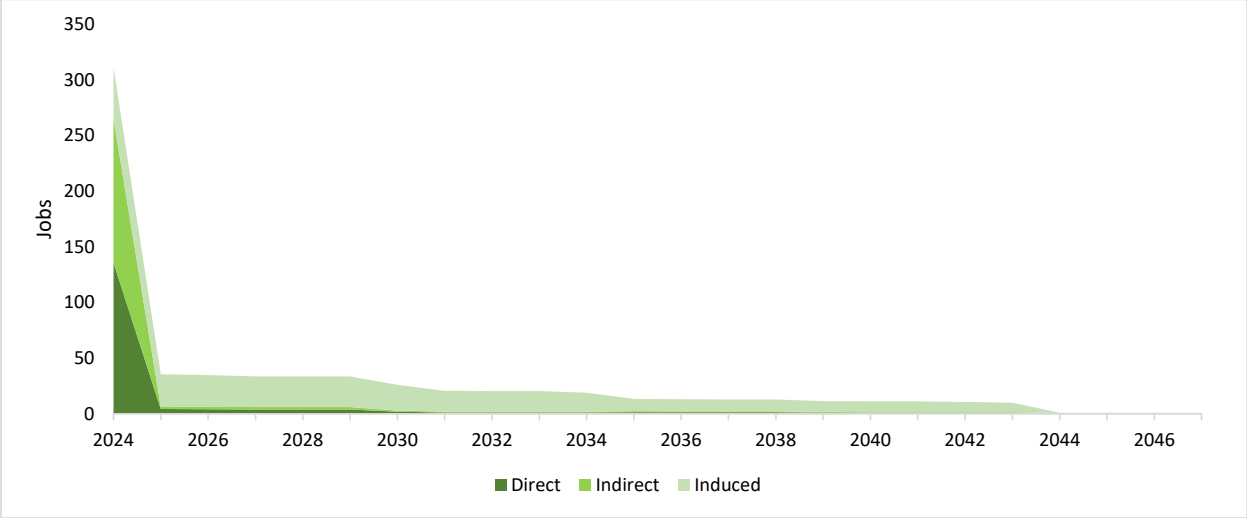
Impact Category	Amount (2024 $ Million)	Description of Impact	Time Period
Gas Bill Savings	$115.1	Positive economic effect on ratepayers	2024-2048
Program Funding	-$48.2	Negative economic effect on ratepayers	Over WAML period (Gas: 2024)
Net Ratepayer Gas Bill Savings	$66.8	Net economic effect on ratepayers	2024-2048
Lost Utility Fuel Expenditures	-$7.8	Negative economic impact on fuel production and transportation	2024-2048
Incentives and Rebates	$22.9	Positive economic effect on ratepayers	2024
Net Incremental Measure Costs	$55.5	Negative economic effect on ratepayers; positive economic effect on retailers and suppliers	2024
Program Administration Costs	$25.4	Positive economic effect on utilities	2024

Source: Guidehouse analysis of Nicor Gas Tracking data (2024).
WAML – Weighted Average Measure Life

2.2 Employment Impacts

Figure 1 presents a visual summary of the employment impacts of the 2024 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 2024-2048.

Figure 1. Energy Efficiency Portfolio Employment Impacts (2024-2048) – Nicor Gas



Source: Guidehouse analysis of Nicor Gas Tracking data (2024).

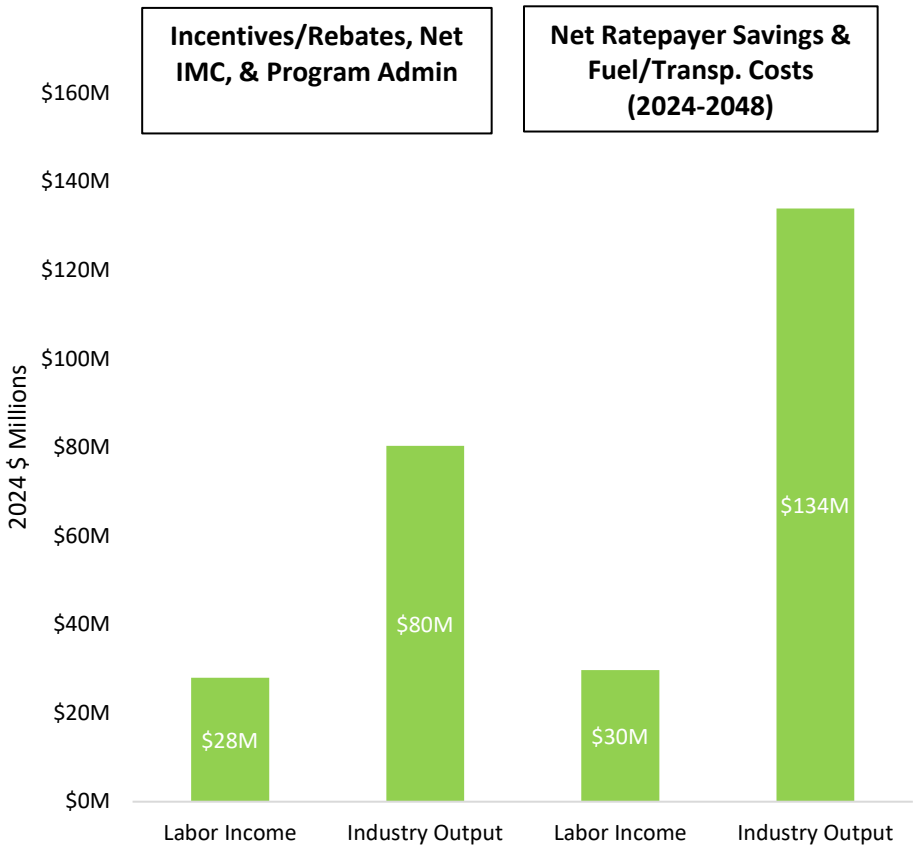
The large spike in impacts seen in 2024 results from initial spending triggered by the implementation and management of Nicor Gas's energy efficiency portfolio in calendar year 2024, including, but not limited to, program incentives and administrative spending, and incremental measure spending resulting from the effects of the portfolio. The impacts beyond 2024 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 2024 programs. The bill

savings are derived from the cumulative persisting annual savings (CPAS) and bill rates for 2024. 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 2024 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 (2024-2048) – Nicor Gas



Source: Guidehouse analysis of Nicor Gas Tracking data (2024).

Table 2 presents a summary of the cumulative industry labor income and industry output impacts ("economic impacts") of Nicor Gas's 2024 energy efficiency portfolio investments (2024-2048).

Table 2. Cumulative 2024-2048 Industry Labor Income and Industry Output Impacts of 2024 Energy Efficiency Portfolio Investments – Nicor Gas

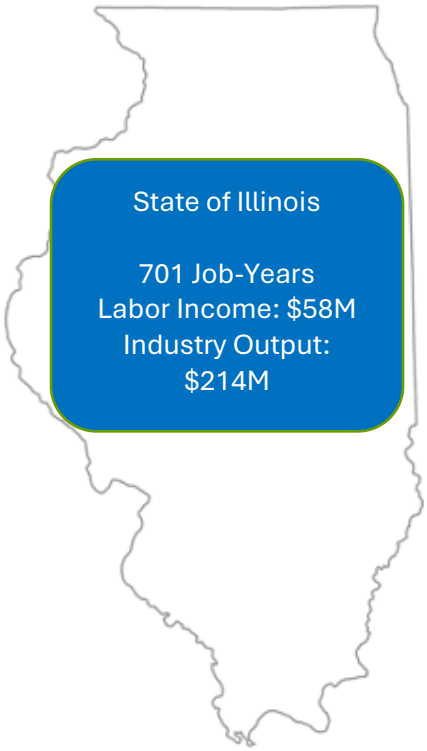
Impact Types	Labor Income (2024 $)	Industry Output (2024 $)
Direct	$19.3M	$73.2M
Indirect	$13.6M	$35.2M
Induced	$24.8M	$106.0M
Total	**$57.7M**	**$214.3M**

Source: Guidehouse analysis of Nicor Gas Tracking data (2024).
Note: Totals may not sum due to rounding.

Appendix

For comparison purposes[2], Figure 3, along with Table 3, provides the cumulative economic impacts and employment impacts in a format similar to that presented in the previous analyses.[3]

Figure 3. Cumulative Economic Impacts (2024-2048) – Nicor Gas



Source: Guidehouse analysis of Nicor Gas Tracking data (2024).

[2] 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.

[3] 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.

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Table 3. Economic Impacts by Period (2020, 2021, 2022, 2023, 2024) – Nicor Gas

Period	Impact Type	Job-Years	Labor Income (2024 $ Million)	Industry Output (2024 $ Million)
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 – 2048	**Cumulative Total**	**4,269**	**$307.2**	**$1,079.2**

Source: Guidehouse analysis of Nicor Gas Tracking data (2024).
Note: Totals may not sum due to rounding.

The direct, indirect, and induced job-years for program years 2020 through 2024 are presented in Table 4. The job-year impacts are further outlined for 2024 in Table 5. Cumulative first year only job impacts are detailed in Table 6.

Table 4. Job-Year Impacts by Period (2020, 2021, 2022, 2023, 2024) – Nicor Gas

Period	Direct	Indirect	Induced	Cumulative Total
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 – 2048	**1,376**	**822**	**2,070**	**4,274**

Source: Guidehouse analysis of Nicor Gas Tracking data (2024).
Note: Totals may not sum due to rounding.

Table 5. Job Impacts by Year from 2024 Programs (2024-2048) – Nicor Gas

Year	Direct	Indirect	Induced	Total
2024	136	129	46	311
2025	4	2	29	35

Year	Direct	Indirect	Induced	Total
2026	4	2	28	35
2027	4	2	28	34
2028	4	2	28	34
2029	4	2	28	34
2030	2	1	23	26
2031	1	1	19	21
2032	1	1	19	21
2033	1	1	19	20
2034	1	1	17	19
2035	2	1	11	13
2036	1	1	11	13
2037	1	1	11	13
2038	1	1	11	13
2039	1	1	10	12
2040	1	1	10	11
2041	1	1	10	11
2042	1	1	9	11
2043	1	1	8	10
2044	<1	<1	<1	1
2045	<1	<1	<1	1
2046	<1	<1	<1	1
2047	<1	<1	<1	1
2048	<1	<1	<1	1
Total	**176**	**150**	**375**	**701**

Source: Guidehouse analysis of Nicor Gas Tracking data (2024).
Note: This table includes job-year impacts only for the 2024 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.

Table 6: Cumulative First Year Job Impacts – Nicor Gas

Period	Direct	Indirect	Induced	Cumulative Total
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 – 2048	**1,066**	**670**	**228**	**1,963**

3.2 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 3.

Table 7. Program-level Economic Impacts, Net Incremental Measure Costs Only (2024-2048) – Nicor Gas

Sector	Program	Labor Income (2024 $ Million)	Industry Output (2024 $ Million)	# of Jobs
Business	Business Custom Rebates, Plus Nicor Gas only RCx	$10.8	$34.9	150
Business	Business Energy Efficiency Rebates	$0.5	$1.7	6
Business	Coordinated Non-Residential New Construction	$0.1	$0.1	1
Business	Coordinated Retro Commissioning	$0.5	$1.0	6
Business	Small Business Program	$0.6	$1.9	8
Business	Strategic Energy Management	$0.8	$1.5	9
Income Eligible	Affordable Housing New Construction (AHNC)	$0.5	$1.4	6
Income Eligible	Energy-Savings Kits (ESK IE)	$0.2	$0.8	3
Income Eligible	Multi-Family - IHWAP, Contractors Channel, BNP, Kits	$1.3	$4.1	17
Income Eligible	Public Housing Energy Savings	$0.3	$0.7	4
Income Eligible	Single Family - IHWAP, Contractors Channel, BNP, Kits	$1.6	$4.9	20
Residential	Elementary Education Kits (EEE)	$0.2	$0.9	4
Residential	Energy-Savings Kits (ESK)	$0.1	$0.5	2
Residential	Home Energy Efficiency Rebates (HEER)	$8.6	$28.8	101
Residential	Home Energy Reports	$0.0	$0.1	0
Residential	Home Energy Savings/HEA	$3.1	$9.4	43
Residential	Multi-Family Program	$0.5	$1.7	5
Residential	Residential New Construction	$2.1	$7.1	31
Market Transformation	Market Transformation	N/A	N/A	N/A
Total		**$32.0**	**$101.6**	**414**

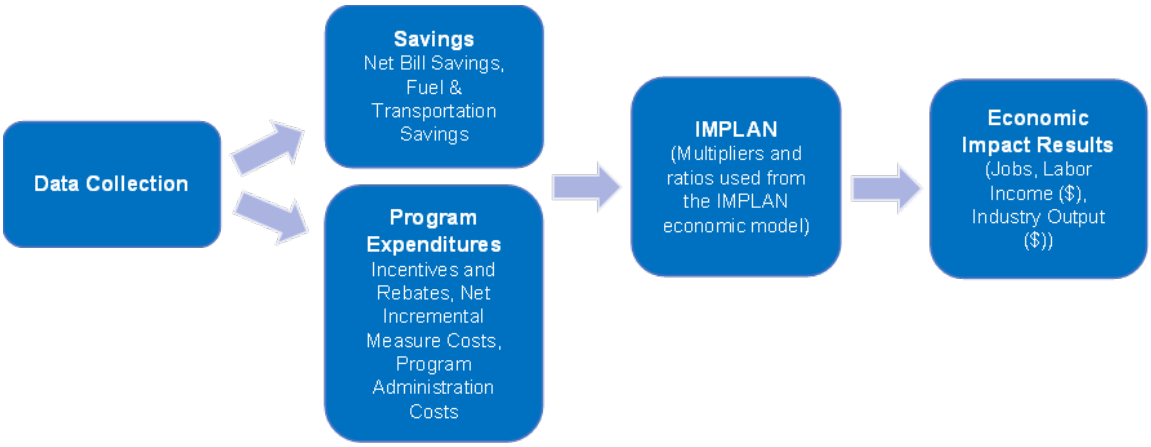
Source: Guidehouse analysis of Nicor Gas Tracking data (2024).
Note: Market Transformation programs do not have Net Incremental Measure Costs.
Totals may not sum due to rounding.

3.3 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 IMPLAN[4]
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

[4] 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/