



Memorandum

To: North Shore Gas (NSG)

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

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

Date: September 14, 2026

Re: North Shore Gas 2025 Energy Efficiency Portfolio Economic Impact Reporting

1. Introduction

This memo presents the results of the Guidehouse analysis of the 2025 economic and employment impacts produced by the 2025 North Shore Gas energy efficiency portfolio. This analysis was conducted in alignment with the Illinois Energy Efficiency Policy Manual (“the 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 methodology used in this analysis is consistent with the methodology developed by the Illinois Stakeholder Advisory Group Non-Energy Impacts Working Group¹ and used in the previously submitted 2022-2024 economic impact reports.

Overall, the 2025 North Shore Gas energy efficiency portfolio will produce 30 first year only jobs and 72 job-years² and \$21.5 million dollars of industry output³ across the state of Illinois.

¹https://www.ilsag.info/wp-content/uploads/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.

³ Industry output is the total annual production value of an industry; it can be described as business sales or revenues.

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 Guidehouse’s 2025 evaluation of the North Shore Gas energy efficiency portfolio.

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

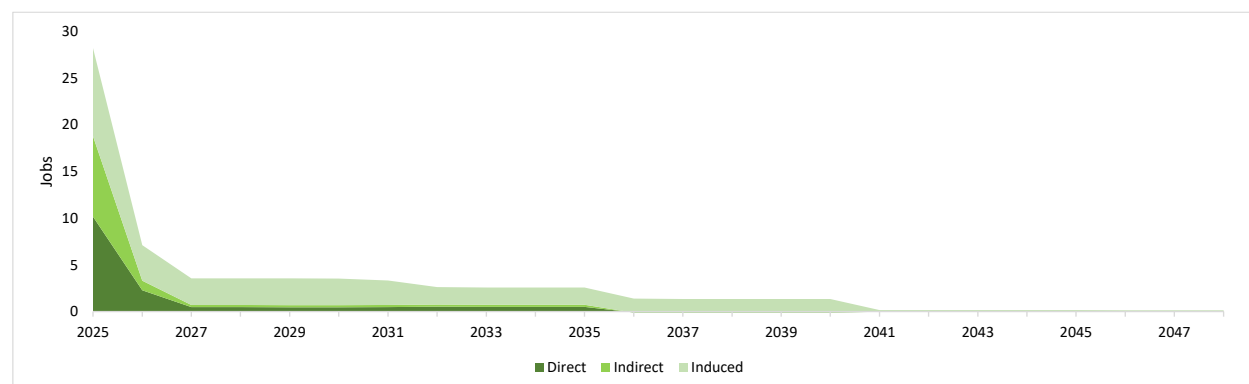
Impact Category	Amount (2025 \$ millions)	Description of Impact	Time Period
Gas Bill Savings	\$11.2	Positive economic effect on ratepayers	2025-2049
Program Funding	-\$3.7	Negative economic effect on ratepayers	Over WAML period (Gas: 2025)
Net Ratepayer Gas Bill Savings	\$7.5	Net economic effect on ratepayers	2025-2049
Lost Utility Fuel Expenditures	-\$0.8	Negative economic impact on fuel production and transportation	2025-2049
Incentives and Rebates	\$2.0	Positive economic effect on ratepayers	2025
Net Incremental Measure Costs	\$2.6	Negative economic effect on ratepayers; positive economic effect on retailers and suppliers	2025
Program Administration Costs	\$1.7	Positive economic effect on utilities	2025

Source: Guidehouse analysis of North Shore Gas 2025 impact reports and 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 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) – North Shore Gas



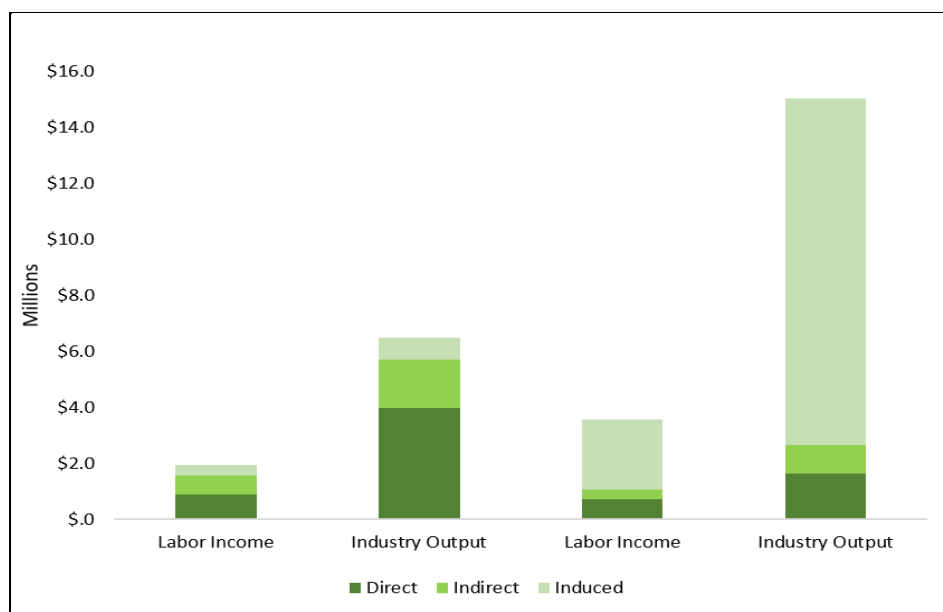
Source: Guidehouse analysis of North Shore Gas 2025 impact reports and tracking data

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



Source: Guidehouse analysis of North Shore Gas 2025 impact reports and tracking data.

Table 2 presents a summary of the cumulative industry labor income and industry output impacts (“economic impacts”) of North Shore 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 – North Shore Gas

Impact Types	Labor Income (2025-\$millions)	Industry Output (2025 \$millions)
Direct	\$1.6	\$5.6
Indirect	\$1.0	\$2.7
Induced	\$2.9	\$13.2
Total	\$5.5	\$21.5

Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of North Shore Gas 2025 impact reports and 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. North Shore Gas achieved 30 job impacts from the 2025 energy efficiency portfolio.

Table 3: Cumulative First Year Job Impacts – North Shore Gas

Period	Direct	Indirect	Induced	Cumulative Total
2025 – 2049	11	8	11	30
2024 – 2048	11	8	7	26
2023 – 2047	10	9	3	22
2022 – 2046	11	8	3	21
2021 – 2045	30	13	9	53
2020 – 2044	24	12	6	41
2020 – 2049				
Cumulative Total	97	58	38	193

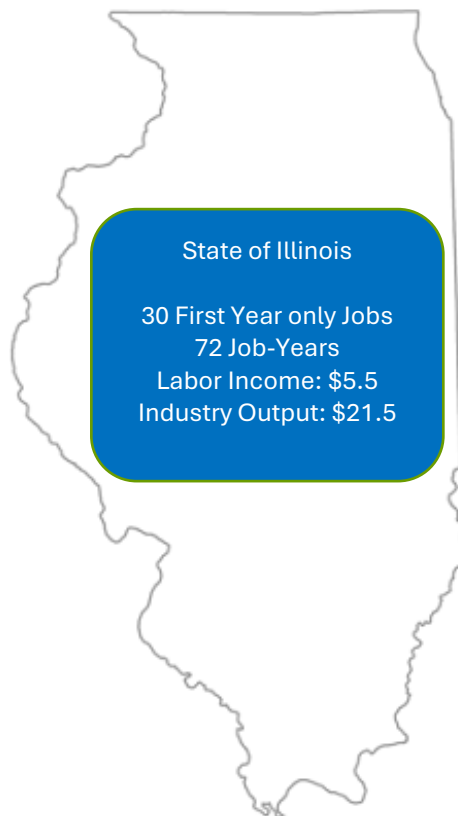
Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of North Shore Gas 2025 impact reports and tracking data.

Appendix

For comparison purposes⁴, Figure 3 and Table 4 provide the cumulative economic and employment impacts for the full state of Illinois.⁵

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



Source: Guidehouse analysis of North Shore Gas 2025 impact reports and tracking data.

⁴ 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.

⁵ Previous iterations of this analysis in 2022 provided economic impacts separately for the utility territory versus the rest of Illinois. For consistency across utilities and to meet requirements in the Illinois Climate and Equitable Jobs Act, the results presented here and since 2023 focus on the full state of Illinois.

Table 4. Economic Impacts by Period (2020 - 2025) – North Shore Gas

Period	Impact Type	Job-Years	Labor Income (2025 \$millions)	Industry Output (2025 \$millions)
2025 – 2049	Direct	16	\$1.6	\$5.6
	Indirect	12	\$1.0	\$2.7
	Induced	44	\$2.9	\$13.2
	Total	72	\$5.5	\$21.5
2024 – 2048	Direct	16	\$1.5	\$5.1
	Indirect	11	\$0.9	\$2.5
	Induced	40	\$2.6	\$11.9
	Total	66	\$5.0	\$19.5
2023 – 2047	Direct	9	\$1.1	\$4.3
	Indirect	9	\$0.8	\$2.1
	Induced	56	\$3.7	\$17.8
	Total	74	\$5.6	\$24.2
2022 – 2046	Direct	25	\$2.2	\$7.2
	Indirect	14	\$1.3	\$3.3
	Induced	22	\$1.5	\$5.2
	Total	62	\$5.0	\$15.8
2021 – 2045	Direct	77	\$7.2	\$14.4
	Indirect	33	\$2.4	\$6.5
	Induced	71	\$4.0	\$14.0
	Total	181	\$13.6	\$34.9
2020 – 2044	Direct	34	\$2.7	\$6.9
	Indirect	16	\$1.2	\$3.1
	Induced	29	\$1.6	\$5.8
	Total	80	\$5.6	\$15.8
2020 – 2049	Cumulative Total	535	\$40.3	\$131.7

Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of North Shore Gas 2025 impact reports and 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) – North Shore Gas

Time Period	Direct	Indirect	Induced	Cumulative Total
2025 – 2049	16	12	44	72
2024 – 2048	16	11	40	66
2023 – 2047	9	9	56	74
2022 – 2046	25	14	22	62
2021 – 2045	77	33	71	181
2020 – 2044	34	16	29	80
2020 – 2049 Cumulative Total	177	95	262	535

Note: Totals may not sum due to rounding.

Source: Guidehouse analysis of North Shore Gas 2025 impact reports and tracking data.

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

Year	Direct	Indirect	Induced	Total
2025	10	9	9	28
2026	2	1	4	7
2027	<1	<1	3	4
2028	<1	<1	3	4
2029	<1	<1	3	4
2030	<1	<1	3	4
2031	<1	<1	3	3
2032	<1	<1	2	3
2033	<1	<1	2	3
2034	<1	<1	2	3
2035	<1	<1	2	3
2036	<1	<1	2	1
2037	<1	<1	1	1
2038	<1	<1	1	1
2039	<1	<1	1	1
2040	<1	<1	1	1
2041	<1	<1	<1	<1
2042	<1	<1	<1	<1
2043	<1	<1	<1	<1
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
2049	<1	<1	<1	<1
Total	16	12	44	72

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 North Shore Gas 2025 impact reports and 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) – North Shore Gas

Sector	Program	Labor Income (2025 \$Million)	Industry Output (2025 \$Million)	# of Jobs
Business	C&I and PS Joint New Construction	\$0.0	\$0.0	0.0
Business	C&I and PS Retro-Commissioning	\$0.0	\$0.0	0.1
Business	C&I & PS Custom	\$0.7	\$1.5	7.6
Business	C&I & PS Prescriptive	\$0.1	\$0.5	1.7
Business	C&I & PS Gas Optimization	\$0.0	\$0.0	0.0
Business	Small and Midsize Business	\$0.0	\$0.2	0.6
Business	Commercial Food Service (CFS)	\$0.0	\$0.0	0.0
Business	Strategic Energy Management	\$0.0	\$0.0	0.0
Income Qualified	Community Joint Kits	\$0.0	\$0.1	0.4
Income Qualified	Elementary Education Kits (IQ EEE)	\$0.0	\$0.0	0.1
Income Qualified	Income Qualified Multi-Family	\$0.1	\$0.5	1.3
Income Qualified	Public Housing Authority (PHES)	\$0.0	\$0.0	0.0
Income Qualified	Income Qualified Single Family	\$0.1	\$0.4	1.4
Residential	Elementary Education Kits (EEE)	\$0.0	\$0.1	0.2
Residential	Epic Savers Kit (ESK)	\$0.1	\$0.3	1.0
Residential	Home Energy Jumpstart/Assessment	\$0.0	\$0.0	0.0
Residential	Home Energy Rebates	\$0.3	\$0.9	3.5
Residential	Multi-Family Energy Savings	\$0.1	\$0.2	0.9
Total		\$1.6	\$4.7	18.8

Totals may not sum due to rounding.

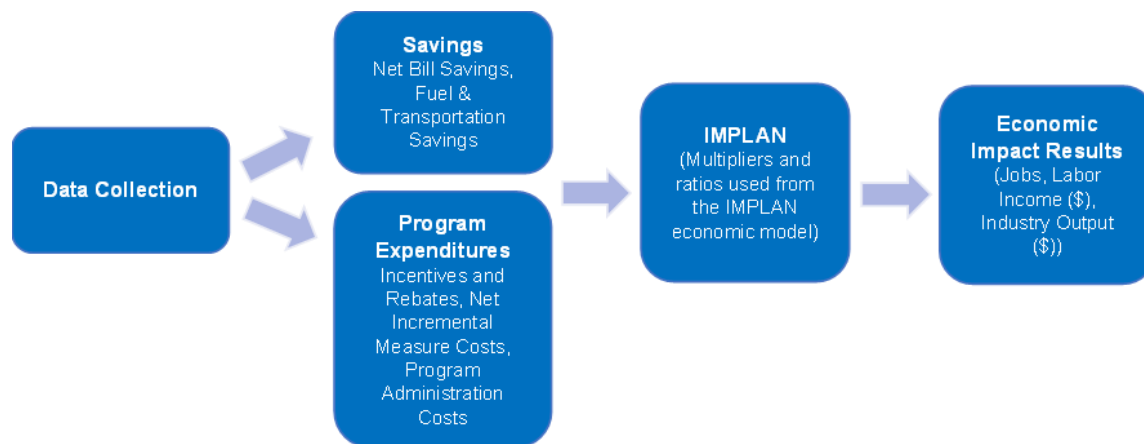
Source: Guidehouse analysis of North Shore Gas 2025 impact reports and tracking data.

Economic Impact Assessment Methodology

The economic impact assessment for energy efficiency programs follows a three-step process (depicted in **Error! Reference source not found. 4**):

- 1) Data collection of the economic activities of the energy efficiency programs
- 2) Economic modeling of these activities using IMPLAN⁶
- 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

⁶ 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/>