North Shore Gas Company and The Peoples Gas Light and Coke Company
2026-2029 Energy Efficiency Plan
Settlement Term Sheet
February 25, 2025

Table of Contents

I. Stipulation Agreement Introduction

This Stipulation Agreement ("Stipulation Agreement" or "Stipulation") is the result of negotiation at arms' length between and among North Shore Gas Company and The Peoples Gas Light and Coke Company ("The Companies"), and stakeholders including: the Natural Resources Defense Council ("NRDC"), Community Organizing and Family Issues ("COFI"), by its attorney, National Consumer Law Center ("NCLC"), Meadows Eastside Community Resource Organization, the People of the State of Illinois, represented by the office of the Illinois Attorney General ("AG"), and People for Community Recovery (collectively, the "Parties"). While Staff of the Illinois Commerce Commission ("Staff") participated in the negotiation meetings and contributed to discussions concerning various pertinent issues, Staff is not a signatory party to this Stipulation Agreement between North Shore Gas Company, The Peoples Gas Light and Coke Company, and the Parties. Neither this Stipulation Agreement nor the fact that Staff is not a signatory party to it shall be construed to be, or be indicative of, Staff's position on any or all of the matters addressed herein.

The Parties, all of whom have been represented by counsel or had the opportunity to consult with counsel, and memorializes the Parties' agreements. Thus, the Parties, intending to be legally bound and acknowledging the benefit to be derived from the mutual promises and commitments contained herein, agree as follows:

II. Portfolio Level Overview

The Parties agree that the compromise positions memorialized in this Agreement allow for North Shore Gas Company ("NSG" or "North Shore") and The Peoples Gas Light and Coke Company ("PGL" or "Peoples Gas"), herein referred to as to "Companies" or "NSG-PGL" to meet the modified statutory savings goals as described in 220 ILCS 5/8-104(c) ("Section 8- 104(c)") of the Illinois Public Utilities Act (the "Act") given the budgetary limitations on energy efficiency program recoveries under Section 8-104(d). The Parties agree that the energy efficiency plan for 2026-2029 ("Plan" or "Plan 5") for NSG and PGL shall achieve the modified savings goals as indicated herein and permitted under Section 8-104(d) of the Act, subject to the modifications pursuant to the Adjustable Savings Goal policy under the Illinois Energy Efficiency Policy Manual (the "Policy Manual") and pursuant to the limitations identified herein. The Parties further agree that the Plan, which expressly relies on and incorporates the Energy Efficiency Policy Manual Version 3.0 and the Illinois Technical Reference Manual Version 13 ("IL-TRM"), complies with the requirements and satisfies the obligations set forth in Section 8-104 of the Act. The Parties further agree to support or not oppose Commission adoption and approval of the provisions set forth in this Stipulation Agreement in their entirety, and as incorporated in this portfolio of energy efficiency programs to be implemented by NSG-PGL for the period from January 1, 2026 through December 31, 2029, in the Commission's Final Order approving the Plan. To the extent that any provision in this Stipulation is not specifically memorialized in the filed Plans, the

Companies agree that they will implement the Plans consistent with the terms of this Stipulation.

The Parties agree that the NSG-PGL Plans, inclusive of the compromise positions memorialized in this Stipulation, and subject to the Parties' final review of the Companies' filed Plans and accompanying exhibits, are consistent with and satisfy the statutory obligations listed in Sections 8-104(e-5) and (f).

III. Portfolio Level Stipulations

A. Savings

The Parties agree it is highly unlikely that the Companies could achieve the statutory savings requirements defined in Section 8-104(c) of the Act and also meet the requirement of Section 8-104(d) to limit the estimated average increase in the amounts paid by retail customers to no more than 2%.

To that end, the Commission can and should reduce energy savings requirements for North Shore and Peoples from the statutory requirements of Section 8-104(c) to the following amounts for Plan:

Peoples Gas

1) Annual average net savings of 7.7 million therms for each year of the Plan.
2) Savings of 30.7 million net therms for the four-year Plan period.

Peoples Gas	2026	2027	2028	2029	Total
Throughput (Therms)	1,747,477,191	1,747,477,191	1,747,477,191	1,747,477,191	6,989,908,766
Statutory Savings Goal (Percent)	1.50%	1.50%	1.50%	1.50%	n/a
Statutory Savings Goal (Therms)	26,212,158	26,212,158	26,212,158	26,212,158	104,848,631
Utility Proposed Modified Savings Goal (Therms)	7,797,334	7,697,991	7,612,613	7,549,213	30,657,151
Utility Proposed Modified Savings Goal (Percent)	0.45%	0.44%	0.44%	0.43%	n/a

North Shore

1) Annual average net savings of 1.6 million therms for each year of the Plan.
2) Savings of 6.2 million net therms for the four-year Plan period.

North Shore Gas	2026	2027	2028	2029	Total
Throughput (Therms)	344,013,269	344,013,269	344,013,269	344,013,269	1,376,053,078
Statutory Savings Goal (Percent)	1.50%	1.50%	1.50%	1.50%	n/a
Statutory Savings Goal (Therms)	5,160,199	5,160,199	5,160,199	5,160,199	20,640,796
Utility Proposed Modified Savings Goal (Therms)	1,595,440	1,586,351	1,578,762	1,485,464	6,246,017
Utility Proposed Modified Savings Goal (Percent)	0.46%	0.46%	0.46%	0.43%	n/a

Savings indicated above are estimates and may change based on future updates to the Plan model. The official approved savings goals will be those set forth in the completed Adjustable

Savings Goal Spreadsheets, as those may be updated annually based on the Adjustable Savings Goals policy approved in Section 6.2 of the Policy Manual Version 3.0.

Additionally, the Parties shall agree to the following for the Plan:

1) The Companies may meet the total savings goal across the four years.
2) The Companies will operate and implement their energy efficiency programs in a manner that seeks to ensure that no disruption in the delivery of measures and programs will occur during the course of a program year.

The first-year annual net therm savings goals for 2026, 2027, 2028, and 2029, reflected in the completed Adjustable Savings Goal Spreadsheet filed with the Plan are each subject to change based upon the following adjustments, consistent with the Adjustable Savings Goals policy approved in Section 6.2 of the Policy Manual.

1) Changes to savings algorithms defined in annual updates to the IL-TRM

B. Budget

The Parties agree that Section 8-104(d) sets forth the planning budgets that may be used for the NSG and PGL Plan, and that the following figures accurately identifies the planning budgets to be used for Plan in a manner consistent with Section 8-104(d):

Peoples Gas

1) Annual Average Budget of $34,484,681 for each year of the Plan.
2) Budget of $137,938,724 for the four-year Plan period.

North Shore Gas

1) Annual Average Budget of $5,021,136 for each year of the Plan.
2) Budget of $20,084,544 for the four-year Plan period.

Utility	Annual Average Budget	Four-year Plan Budget
Peoples Gas	$ 34,484,681	$ 137,938,724
North Shore Gas	$ 5,021,136	$ 20,084,544

C. Cost Effectiveness

The Companies agree to present joint Total Resource Cost ("TRC") and Program Administrator Cost test ("PACT") results for each program and each portfolio as part of its 2026- 2029 Plan filing and any ex-post cost effectiveness reporting. Results will be combined gas/electric results for programs saving both fuels. Results will include benefit-cost ratios as well as the net present value ("NPV") of benefits, costs and net benefits for the following scenarios: with and without non-energy impacts ("NEIs") (if available at the time of evaluation), as well as, at the portfolio-level TRC, with and without income eligible programs. To the extent there are delays in receiving the joint program cost-effectiveness details from other utilities, the Companies may file the joint TRC and PACT test results after the initial Plan filing, but no later than April 15, 2025.

The Companies will include avoided cost and other key input assumptions for cost-effectiveness analysis, as well as the source of such assumptions, in its plan.

D. Work papers

Prior to the filing of the 2026-2029 Plans with the Commission, the Companies agree to provide the Parties with all work papers (in their native file format) that support each Company's 2026-2029 Plan, testimony, and exhibits.

E. Adjustable Savings Goals

The Companies will file the completed gas adjustable savings goal spreadsheets with their 2026-2029 Plan filings.

To enable efficient annual review by the evaluators of the adjustable savings goal spreadsheet in accordance with Section 6.2 of the Policy Manual, and to ensure accuracy in the IL-TRM calculations, the Companies will have the evaluators verify the accuracy in the IL-TRM calculations used to derive the measure savings that form the initial savings goals in an initial adjustable savings goal spreadsheet in advance of filing the completed adjustable savings goal spreadsheet in its 2026-2029 Plan docket.

In advance of filing its completed adjustable savings goal spreadsheet, the Companies will consult with Ameren Illinois and Nicor Gas on a consistent statewide adjustable savings goal template to use, and will leverage to the greatest extent possible the transparent structure of the statewide adjustable savings goal template used for the last Plan.

The Companies agree to file their completed adjustable savings goal spreadsheets in their 2026-2029 Plan docket by April 15, 2025.

F. Weighted Average Measure Life (WAML)

1) While NSG-PGL retains the flexibility, as documented in Section 6.1 of the Policy Manual to shift resources between programs and measures, NSG-PGL agree that they will not exercise this flexibility in a way that results in a portfolio WAML decrease greater than a 0.75 year lower than each of the filed Plans and subsequent annually adjusted targets as described below that are the subject of this Stipulation.

2) The WAML will be adjusted on an annual basis to align with changes to measure lifetimes as defined in the annual update to the IL-TRM and as approved by the Commission. This adjustment will rely on applying the new measure lives to the original Plan quantities of measures to produce the new WAML that would have been set if all measure life changes had been known at the time of the 2026-2029 Plan development. This new adjusted WAML value will then set the baseline from which any deviations are measured. Specifically, NSG-PGL will each be

limited to no more than a 0.75 year drop from its new WAML baseline. The Companies will file updated WAMLs within the updated adjustable savings goal spreadsheet that is filed with the Commission annually.

3) WAML will be calculated as the sum of the net lifecycle savings for all measures delivered in the portfolio divided by the sum of net first-year savings for all measures delivered in the portfolio.

4) The WAML is subject to change for 2026, 2027, 2028, and 2029 based upon changes to effective useful lives defined in annual updates to the IL-TRM.

5) The four year portfolio WAML is 10.61 for PGL and 10.30 for NSG.

IV. Program Level Stipulations

The Parties agree and acknowledge that the following stipulations only address those issues raised during the negotiations of Plan 5. The programs, initiatives and related policies referenced herein may not reflect all of the initiatives or related policies included in Plan 5 and submitted for Commission approval. The Parties agree that the Companies have flexibility to implement their portfolio in accordance with Section 6.1 of the Policy Manual, subject to the commitments made in this Stipulation. The commitments below as to joint programs between the Companies and ComEd are contingent on ComEd making similar participation in the joint Companies-ComEd programs.

A. Residential Program Stipulations

1. Income Eligible (IE) Overall Spend (2026-2029 Plan)

At a minimum, the Companies will spend, on average, the following amounts for its IE programs:

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**

North Shore Gas

Market Offering	Annual Average Spend ($)
Single Family Comprehensive	$154,000
Single Family Community Kits	$87,000
Single Family Subtotal	**$240,000**
Multi-Family Subtotal	**$451,000**
Total	**$692,000**

2. Income Eligible Program Design

1) The Companies shall make best efforts to implement an approach to comprehensive energy efficiency. As defined in Policy Manual 3.0, *"comprehensive efficiency means a whole-building approach to saving energy that can result in the identification of the most cost-effective improvements and fewest missed energy saving opportunities, rather than a focus on single measures"*. Comprehensive retrofit projects focus on improving energy efficiency to result in lower whole-building energy use and lower customer bills. Comprehensive retrofit projects focus on improving energy efficiency to result in lower whole-building energy use. The Companies agree to deliver all IE whole-building programs jointly with ComEd, as referenced below in this Stipulation.

2) The Companies agree to fund jointly until ComEd funding runs out or gas funds are exhausted to implement comprehensive programs. If the ComEd budget is depleted prior to gas funding budget is depleted, the Companies will revert to gas-only program delivery.

3) The Companies agree to spend a minimum of 90% of its dedicated IE program budget on the *comprehensive* IE single and multifamily programs. These programs are:
   a) Income Eligible Home Energy Savings Program includes:
      i) Illinois Home Weatherization Assistance Program ("IHWAP")
      ii) Retrofits; and,
      iii) Home Energy Assessment

   (b) Income Eligible Multi-Family Energy Savings Program includes:
      (i) Retrofits
      (ii) Public Housing; and,
      (iii)IHWAP

4) The Companies agree to cover the gas utility portion of the full cost of air sealing and insulation upgrades, where applicable, in IE multi-family buildings that have a payback of 20 years or less. This would reflect the full cost less any contributions from an electric utility. In the case of a municipal electric utility territory, the Companies will cover the full costs.

5) The Companies will not fund replacements of gas furnaces, gas boilers or gas water heaters in its utility-only whole- building IE programs except in cases of
   (b) The unit is no longer functioning;
   (c) The unit is functioning, but is in poor condition which would be expensive to remediate;
   (d) A health and safety emergency exists (e.g. carbon monoxide leak from a cracked heat exchanger); or
   (e) The unit is greater than 18 years old.
   (f) It will, however, support those measures in the IHWAP braided program.

6) After Plan 5 begins and Programs are launched, the Companies commit to provide prior notice to signatory parties of major changes in program design, program delivery, and/or program contracting/subcontracting within the Income-Eligible (IE) Program. The Companies will provide advance notice of such changes at least 10 days prior to implementation, subject to the limitations described below. Stakeholders will have 10 days from said notification to provide feedback to the Companies on such proposed changes. Any meeting requested will have to be scheduled within this 10-day window and stakeholders will make best efforts to provide feedback as expeditiously as possible within the 10-day window. The inability of Parties to attend such meeting shall not preclude the Companies from proceeding with the changes. Changes that the Companies deems time-sensitive and urgent to operations, such as contractor fraud or performance issues, will be exempt from the advance notification requirement. In such cases, stakeholders will be notified within 10 days after the change is implemented. The Companies expect to be able to provide notification in most cases and will provide an explanation (after the fact) when it does not provide notification.

   (a) Major changes constitute any of the following events:
      (i) The Companies intending to cancel and/or add a delivery channel within its IE Initiative
      (ii) The Companies intending to make a budget shift of twenty percent (20%) or more for its IE programs as a whole and/or any of the major channels/components of the Single Family Comprehensive or Multi-Family initiative.
      (iii) The Companies intending to make a budget shift of fifty percent (50%) or more for the Kits or Public Housing initiatives.
      (iv) The Companies intending to make significant changes to customer incentive eligibility for insulation or air sealing incentive structures/protocols for its Single Family or Multi Family channels.

(v) The Companies intending to stop offering incentives for any of the major measures (defined below) included in the IE programs within the plan approved by the ICC.

(b) Major Measures:
(i) All envelope insulation measures (attic/ceiling, wall, basement wall, rim/band joist, floor above crawl space)
(ii) Comprehensive air sealing (blower-door guided)
(iii) Duct sealing and/or insulation
(iv) Furnace, boiler, and water heater replacements
(v) Storm windows (and/or window replacements)
(vi) Health and safety measures

7) Weatherization Criteria: The Companies commit to discussing IE SF retrofit prioritization criteria in the SAG Equity Subcommittee.

8) The companies commit to continue to deploy a one-stop shop approach for IE Multifamily program delivery. The Companies will, to the best of their ability, work together with the other Illinois utilities, and subject to agreement with the other applicable utilities in their service territories, to develop a comprehensive strategy consistent with the key features of the Energy Efficiency for All best practice design recommendations.

9) The Companies commit that all measures offered through the IE single family programs, whether those measures will be offered as part of a weatherization project or otherwise, shall be provided without co-pays to income eligible customers as the term “income eligible” is defined in the EE Policy Manual.

10) The Companies shall not actively market on-bill financing (OBF) to IE customers subject to the Companies Tariffs and statute.

11) The Companies shall continue to provide a dedicated website or webpage describing all IE energy efficiency opportunities and linkages to relevant portals or information.

12) IE programs will be made available to all households at or below 80% Area Median Income (“AMI”) (recognizing that braided IHWAP programs would limit eligibility to no more than approximately 200% of FPL by law). Any targeting and establishment of eligibility for non-braided multifamily weatherization programs should be simple and not create barriers to participation, consistent with Section 4.3 of the Policy Manual and its successor(s).

13) For all IE program offerings including direct installation of smart thermostats, the Companies agree to consider the following criteria before installing smart thermostats:

(a) The appropriate brand and type of thermostat based on the availability of broadband wi-fi in the home;
(b) Customer interest after smart thermostat functionality has been explained;
(c) Whether the customer is housebound, which suggests a smart thermostat may not be appropriate; and
(d) Technical issues that would significantly increase labor costs associated with thermostat installations.

14) For all IE program offerings including direct installation of smart thermostats, the Companies agree to provide the following information to customers receiving smart thermostats:
(a) Verbal and written operating instructions in English and Spanish or in customer's preferred language when there is a demonstrated need (as per the Policy Manual); and
(b) A phone number to call for assistance on the use of the product.

3. Illinois Home Weatherization Assistance Program (IHWAP)

1) The Companies commit to facilitate regularly occurring communication with Community Action Agencies ("CAAs") to foster a greater understanding of agency capacity and increased home weatherization capacity to be delivered through the IHWAP braided channel. This engagement will include a plan wherein the Companies shall make best efforts to increase the "number of braided projects served year over year over the course of the Plan dependent on ComEd's joint funding and the CAA's capacity limitations. Any planning for braiding programs, including annual budgeting, should be done in consultation and engagement with the CAAs. The Companies agree to report to the SAG on this commitment prior to the establishment of a new annual CAA budget.

2) Consistent with current practice, and subject to agreement by the Illinois Department of Commerce and Economic Opportunity ("DCEO"), the Companies agree to contribute a 50/50 split for each building served in the IHWAP braided program, including contributions to all efficiency measures installed, health and safety measures, and administrative costs (consistent with IHWAP health and safety and administrative cost guidelines). The Companies may claim 100% of the savings achieved through all efficiency measure installations for which it contributes 50% funding through the braided IHWAP channel. The Companies will reach out to state IHWAP program officials to consult with them regarding any need to alter the annual budgeted amount dedicated to the braided IHWAP weatherization program.

3) The Companies agree to pursue opportunities to provide multifamily weatherization through the same braided IHWAP structure. The Companies will work with the CAAs to encourage and support implementing a multifamily

braided program, particularly in areas where there appears to be a need for such a program, and where there is interest from the CAAs. Such support from the Companies may include technical training and equipment.

4. IE Multifamily Delivery

1) In addition to the continuation of the one-stop-shop multifamily program design, the Companies agree to continue use of a single-point of contact (including, but not limited to, use of a common online portal) for multifamily building owners to access the multifamily weatherization program, working with Commonwealth Edison, community action agencies and community-based organizations, to the extent those agencies engage in multifamily work.

2) The Companies agree to ensure that all services address both gas and electric whole-building opportunities and do so in an efficient manner. This includes treating all multifamily buildings in a single, one-stop-shopping fashion that addresses the entire building (both electric and gas), including all residential units and common areas.

5. Health and Safety -- Weatherization

The Companies agree to the following IE health and safety ("H&S") provisions:

1) Split H&S costs 50/50 for services provided through the IHWAP braided program. This cost allocation reflects IHWAP funding 50% of the H&S costs and the remaining 50% being split between the utilities funding the braided projects. Of that, the Companies will fund 50% of the utilities' portion for jointly funded projects and 100% of the utilities' portion when NSG or PGL are the only funding utility.

2) For utility-only IE SF and MF programs, investing in building improvement to the extent necessary to both address health and safety concerns and enable weatherization work. That shall initially mean the continuing use of the Companies' current program guidelines of paying up to $3,500 per housing unit.

3) The Companies agree to discuss any possible changes to this guidance for utility-only IE SF and MF retrofit programs with the SAG and IE Committee stakeholders, if the IE North Committee reconvenes, in a joint meeting should either the Companies or stakeholders have reason to believe reductions or increases in H&S spending are necessary. The Companies shall provide H&S funding for non-IHWAP braided programs as follows:
   (a) IE Single Family Upgrades: H&S funding will include up to 15% of the total project costs per home with a not-to-exceed value of $1,000 per home, on average. This cost will be split 50/50 between the utilities for jointly funded

projects or 100% by the Companies for when NSG or PGL is the only funding utility.

(b) IE Multifamily Upgrades: H&S funding will include up to $2,000 per eligible measure, on average, or 50% of the total project, whichever is the greater. This cost will be split 50/50 between the utilities for jointly funded projects or 100% by the Companies when NSG or PGL is the only funding utility.

(c) For utility-only IE SF and MF programs delivered through the Community Action Agencies but not braided with IHWAP funding, the Companies will follow the IHWAP H&S guidelines and either fund 50% for jointly funded utility projects or 100% when NSG or PGL is the only funding utility.

4) A commitment to analyzing and assessing the potential for leveraging external sources of funding H&S improvements (i.e., healthy homes initiative, Blue Cross/Blue Shield).

6. Joint Programs & Utility Coordination

The below commitments are contingent on ComEd making a similar agreement in its own Plan or in a settlement agreement on its own Plan.

1) The Companies will coordinate with ComEd on each utility sharing public sector project leads to help ensure each Company meets its statutory public sector spending goals.

2) The Companies will work with ComEd to comprehensively serve customers (i.e., address both electric and gas measures) through their IE whole building retrofit programs, and to the extent that ComEd also has a Stipulation for the Plan Period with language comparable to what is in this Section, commits to have in place by January 1, 2026, agreement(s) to jointly deliver or fund these programs with ComEd (at least until gas or electric funding becomes constrained). To that end, the Companies commit to:

3) Ensuring eligible gas and electric efficiency measures are identified and (subject to customer agreement) installed in all homes/buildings treated and

4) Ensuring that contracting and/or other systems are in place to ensure individual multifamily building owners will not be recruited or marketed to by more than one of the Companies' implementation contractors; and

5) For non-IHWAP-braided Utility Only and IE Home Energy Savings offerings, if the Companies and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum the Companies will agree to:

(a) sell net lifecycle3 kWh savings to ComEd at the average cost per net lifecycle kWh4 that ComEd is forecast to incur each year through its own non-CAA IE single family program; and
(b) purchase net lifecycle therm savings from ComEd at the average cost per net lifecycle therm that ComEd is forecast to incur through its own non-CAA IE single family program, up to a maximum total cost consistent with the Companies' plan budget limitations.

6) For non-IHWAP-braided Utility Only and IE Multi-Family Energy Savings offerings, if there are not better options for joint or coordinated delivery that both ComEd and each of the Companies can support, at a minimum the Companies will agree to:
(a) sell net lifecycle kWh savings to ComEd at the average cost per net lifecycle kWh that ComEd is forecast to incur each year through its own non-CAA IE multi-family program; and
(b) purchase net lifecycle therm savings from ComEd at the average cost per net lifecycle therm that ComEd is forecast to incur each year through its own non-CAA IE multi-family program, up to a maximum total cost consistent with the Companies' plan budget limitations.

7) For any non-IE single-family and multifamily weatherization programs, the Companies will make best efforts to reach agreement with ComEd to create, promote and support investment in building envelope improvements in non-IE homes. If the Companies and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum the Companies will agree to:
(a) Sell net lifecycle kWh savings to ComEd from the Companies' non-IE weatherization program(s) at the average cost per net lifecycle kWh saved that ComEd is forecast to incur each year across its entire portfolio of energy efficiency programs.

8) The Companies commit to work with ComEd to streamline the customer experience and reduce possible customer confusion. The Companies shall make best efforts to reach agreement on joint processes, including exploring opportunities for joint enrollment forms, customer intake portals, and program marketing materials.

7. Utility-Only Programs: Equity and Eligibility

1) Customers who receive weatherization services through a utility-only IE program will not be required to make a co-pay on any weatherization measure offered. Consistent with this requirement, on-bill financing shall not be offered to single family customers for their participation in utility-only income-eligible weatherization programs. Subject to the limitation of the Companies' applicable Tariffs and statute, in the case of IE MF weatherization, the Companies will

provide guidance to their contractor networks that OBF should only be offered to building owners (if measures aren't fully covered).

2) The Companies will consult with the other utilities, interested stakeholders and CAAs with experience in offering income-eligible multifamily weatherization services in Illinois before establishing building owner co-pays or OBF terms for such services subject to the Companies Tariffs and statute.

3) The Companies will work with CAAs and the relevant implementers to ensure that contractors are not assessing residents a charge for a weatherization quote, either for IHWAP or for utility-only weatherization programs.

4) All IE customers are eligible to participate in any Non-IE residential programs if they so choose. However, for those programs that first require engagement with the Companies or their website for enrollment, the Companies will first educate the customers about the full range of services available to them in the IE programs, to the extent it can provide more comprehensive service and/or eliminate or reduce any copays or financing, where appropriate.
5) A customer seeking to participate, or to continue to participate, in an energy efficiency program offered by said utility will not be required to demonstrate, or otherwise provide evidence or documentation of, United States citizenship.

8. Utility-Only Programs: Contracting

The Companies shall promote cost-effective participation opportunities for CAAs/CBOs (Community-Based Organizations), including education about the Companies' energy efficiency program opportunities, and continue efforts at building a more diverse workforce.

9. Inflation Reduction Act (IRA)

The Companies shall incorporate and leverage Inflation Reduction Act (IRA) funding to the extent funds become available for all applicable 2026 – 2029 Energy Efficiency Programs, with priority given to IE program braiding, provided leveraging such funds does not disadvantage the Companies' ability to meet energy saving goals. The Companies shall not reduce or shift IE budget dollars to other programs as a result of incorporation of IRA rebates in IE programs.

PGL/NS shall provide biannual updates to the Parties and the ICC regarding updates on agreements with DCEO and the Illinois Environmental Protection Agency (IL EPA) and the impact of braided IRA funding on its energy efficiency programs, including any proposed adjustments to energy savings goals or attribution methodologies.

B. Research & Development / Market Transformation

1. Energy Efficiency Building Performance Standards

The Companies commit to consider joining existing efforts underway with ComEd, the Midwest Energy Efficiency Alliance ("MEEA") and Slipstream to assess the feasibility of promoting adoption of energy efficiency building performance standards for existing buildings. To the extent ComEd agrees to a stipulation to an initiative to promote the adoption of efficiency performance standards for existing buildings in one or more municipalities in the Companies' service territories, and is in alignment with the Companies' implementation plan and budget, the Companies commit to evaluating supporting the initiative at a proportional budget level and to working with stakeholders to develop the initiative further.

2. Triple Glazed Windows

The Companies will consider supporting a statewide market transformation initiative to promote triple-glazed windows at time of sale.

C. Market Development Initiative (MDI)

1. MDI Budget

1) The Companies in-total will spend an annual average of $800,000 per year on MDI.
2) The cost associated with MDI will be included as a stand-alone energy efficiency offering.

2. MDI Objective

North Shore and Peoples Gas shall continue to implement a MDI that leverages research, and a market development action plan, and contractor and workforce support, to achieve the following goals:

1) Increase contracting opportunities for diverse business enterprises and CBOs in all contractual levels of the energy efficiency workforce and assist them in developing the necessary capabilities to participate in the delivery of the EE Portfolio;

2) Improve the diversity and inclusiveness of the Companies' supplier and supplier workforce;

3) Strengthen the partnership and support for local and diverse business enterprises; and

4) Increase the transparency of and equity in the Energy Efficiency Procurement process.

3. MDI Activities

1) Providing minority-owned, women-owned, and veteran-owned business enterprises, community-based organizations, and not- for-profits with financial and technical support, and expanded educational opportunities, to assist them in developing the capabilities necessary to compete. This may include the provision of training, training grants, grants for wrap-around services such as transportation, childcare, and lodging, software and equipment grants, and other tools as needed to develop the necessary skills and capabilities to compete effectively. Training programs shall be designed to lead to tangible jobs in the energy efficiency industry.

2) Periodically review and analyze utility requirements for energy efficiency goods and services with a view toward increasing the availability of work which fall within the performance capabilities of minority- owned, women-owned, and veteran-owned business enterprises, community-based organizations, and not-for-profits.

3) Enable non-traditional bidders to compete effectively for Tier 1 prime contracts and to form effective teams with other firms who sub- contract.

4) The Companies will make best efforts to provide sufficient information on technical and performance requirements and sufficient time to enable non-traditional bidders to compete effectively. The Companies will continue to review technical and performance requirements, as well as RFPs and Invitations to Bid, to enable non-traditional bidders, new and/or marginally capitalized businesses, not-for-profits and CBOs to compete effectively when practicable. This practice does not diminish, in any way, the objective of the Companies to acquire materials and services on the most economic basis available, considering factors such as price, quality, service reliability, accountability, safety and timely delivery, and encouraging all qualified suppliers and contractors to compete for the Company’s business.

5) The Companies further commit to discussing the content, development and results of the MDI work through the SAG Equity Subcommittee, and commit to consider input on achieving the aforementioned diversity goals.

6) The Companies commit to use innovative, data-driven approaches to assess the effectiveness of the MDI initiative in achieving the MDI goals described herein, as well as opportunities for improving such effectiveness.

7) The Companies commit to work with other Illinois utilities and the SAG Equity Subcommittee to identify areas in which efficiencies and cooperation can be achieved to minimize costs to ratepayers and ensure best practices are followed in achieving the goals identified herein.

8) The Companies agrees to have the MDI evaluated by December 31, 2026, and one other time during the 2026 through 2029 plan cycle, by an entity that has specific relevant experience in assessing diverse hiring practices. The Companies commit to execute a separate independent evaluation contract for evaluation of the MDI with an entity that has specific relevant experience, funded out of the Companies' EM&V EE budget, with said consultant subject to applicable Evaluator Independence protocols set forth in Section 7.5 of the IL EE Policy Manual, Version 3.0.

4. Additional MDI Trade Ally, Workforce, and Program Support Commitments

The Companies will, to the greatest extent possible, leverage existing resources and the services and financial assistance of the United States Small Business Administration, the Illinois Office of Minority Economic Empowerment, the Department of Commerce and Economic Opportunity ("DCEO") programs, community colleges and all other resources identified as promoting the interest of small and minority business in order to maximize the benefits of MDI. The Companies and their MDI implementation contractor will participate in local and regional purchasing and networking fairs that support minority-owned, women-owned, and veteran-owned businesses.

5. MDI Reporting

The Companies will report on the following quantitative and qualitative MDI metrics:

#	Category	Metric	Tracking Approach	PGL-NSG Response
1	Participant Engagement	Number of MDI participants; job fairs/networking events held;	Maintain attendance records, registration logs, and training hours through a centralized database.	Yes, collecting and will report at least bi-annually.

2	Training and Outcomes	Hours of EE job training offered per year; Number of job training graduates; certifications earned; continuing education hours awarded	Verify certifications via training providers and track graduation rates through program completion reports.	*Yes,* collecting and will report at least bi-annually.
3	Workforce Placement	Number of participants placed in jobs, apprenticeships, or internships; contractor growth (are we moving contractors to higher tier-level employment?),	Cross-check placement records with employer data and conduct follow-up surveys with participants; assessment of contractor skill-level to potential advancement in tier hierarchy.	*Yes,* collecting and will report at least bi-annually.
4	Economic Impact	Estimated training costs per participant; compensation under apprenticeships; contracts to diverse businesses	Use financial records, program budgets, and contracts with minority-owned businesses.	*Yes, collecting and open to best ways to report in discussions with SAG Equity Subcommittee.*
5	Equity and Inclusion	Number of participants from disadvantaged populations, returning citizens, minority-owned, and veteran owned businesses recruited	Conduct demographic analysis using intake forms and partnership records; Track each population type listed in the metric column to track nature of diversity	*Yes,* collecting and will report at least bi-annually.
6	Participant Satisfaction	Feedback on training quality and career preparedness	Distribute pre- and post-training surveys to assess satisfaction and effectiveness.	*Agree to discuss post-training surveys in the SAG Equity Subcommittee.*

7	Employer Feedback	Employer assessments of participant readiness and workplace performance, 30-45 day salary coverage for the employer following hiring.	Conduct structured interviews with hiring organizations.	*Agree to conduct follow-up with employers on participant readiness and workplace performance.*
8	Partnership Impact	Success stories from partnerships with community organizations and businesses	Document case studies and testimonials through interviews and event summaries.	Yes and will report at least bi-annually.
9	Equity Advancements	Perceptions of equity improvements in disadvantaged communities, increase in diverse clean energy professionals, increase in diverse owned clean energy firms, support for clean energy professionals	Conduct focus groups with community stakeholders and participants.	*Agree to consider within evaluation and discuss in SAG Equity Subcommittee.*
10	Retention and Career Progression	Retention rates (6 months, 1 year, 2 years); promotion to leadership roles	Use follow-up surveys and employer reports.	*Yes,* collecting at 90-days and will report at least bi-annually. Open to discussing future check-ins as described.
11	Innovation and Technology Adoption	Number of participants trained in emerging clean energy technologies	Collect training module data and participant completion records.	*Yes,* collecting and will report at least bi-annually.

12	Digital Accessibility	Number of participants completing online or hybrid training programs	Monitor virtual attendance and completion rates.	*Yes*, collecting and will report at least bi-annually.
13	Wraparound Support Services	Types and dollar amounts of services (e.g., childcare, transportation)	Maintain service logs and participant usage records.	*Yes*, collecting and will report at least bi-annually.
14	Long-Term Outcomes	Alumni career advancement; Transition from employee to small business owner	Conduct alumni surveys and review tax or income statements (if permitted).	*Agree to collecting alumni surveys and to discussions with the SAG Equity Subcommittee.*

D. Reporting

Companies will report to SAG as described in Policy Manual 3.0 and related Final Reporting Metrics established in June 2024. The Companies support the enactment of an interim policy that reduces current reporting schedule in section 6.5 iv-vii of the IL EE policy manual from a quarterly basis to a semi-annual basis. The Companies, however, will continue to provide quarterly spreadsheets detailing program budget spent and savings achieved.

E. Customer Care Coordination

The Companies commit to including the following activities in the Plan to coordinate customer communications and interaction, and are subject to the Commission's rules and orders as applicable and practicable:

1) The Companies commit to continue to coordinate between the Companies' Energy Efficiency, Customer Service and Credit/Collections groups so that the customer interactions include Energy Efficiency education and referral, when practicable. These efforts would continue the current process of training customer service representatives about energy efficiency resources for customers indicating hardships, enrolled in low-income discount rates or otherwise entering into Deferred Payment programs or potential disconnection, as well as training on how to connect interested customer and customers for whom participation in Energy Efficiency Programs may prove beneficial to program offerings.

2) The Companies will cross-promote information on financial assistance programs for which Energy Efficiency Program participants may be eligible, including low-income discount rates with specific direction as to how to establish eligibility and enroll in discount rates, as well as how to receive protections from late fees and customer deposits under Section 8-201.7 and 8-201.8 of the Public Utilities Act. The Companies shall also discuss the potential for coordination of energy efficiency messaging with local administering agencies such as the Community and Economic Development Association of Cook County ("CEDA") and other CAAs.

3) Specific customer engagement shall include a commitment to:
   (a) Provide relevant customer financial assistance information, including information about all available energy (financial) assistance programs, including low-income discount rates as well as how to receive protections from late fees and customer deposits under Section 8-201.7 and 8-201.8 of the Public Utilities Act to its customers receiving outreach and/or information by the Companies or their contractors on, or participating in, any dedicated IE program.
   (b) Develop and distribute literature for IE customers, which contains information about customer financial assistance and energy efficiency programs for which they may be eligible, including low-income discount rates as well as how to receive protections from late fees and customer deposits under Section 8-201.7 and 8-201.8 of the Public Utilities Act. The literature will be printed in both English and Spanish, and per the Policy Manual, will provide content in additional languages when a demonstrated need is shown.
   (c) Provide online resources that provide IE customers with comprehensive descriptions of all available customer financial assistance and energy efficiency programs for which they may be eligible.
   (d) Ensure the Companies' dedicated IE program implementation contractors, including all CAAs, are educated on the Companies' available energy (financial) assistance programs, including low-income discount rates as well as how to receive protections from late fees and customer deposits under Section 8-201.7 and 8-201.8 of the Public Utilities Act, and directed to routinely share this information with customers, when appropriate.
   (e) Share information on, resources, and procedures developed to educate IE customers about available customer financial assistance, including low-income discount rates as well as how to receive protections from late fees and customer deposits under Section 8-201.7 and 8-201.8 of the Public Utilities Act and energy efficiency programs with the SAG and IE Committees for discussion.

IN WITNESS WHEREOF, the Parties hereto have executed this Stipulation Agreement as of the date set forth below.

North Shore Gas Company	The Peoples Gas Light and Coke Company
By: Christina Frank	By: Christina Frank
Title: Director Energy Efficiency	By: Director Energy Efficiency
Date: 02/28/2025	Date: 02/28/2025

Natural Resources Defense Council

By: Karoline J Ross

Title: Midwest Energy Affordability Advocate

Date: February 27, 2025

Community Organizing and Family Issues,
represented by the National Consumer Law Center

By: Karen L Juran

Title: Senior Attorney, National Consumer Law Center

Date: February 27, 2025

Meadows Eastside Community Resource Organization

By:_____________________

Title:____________________

Date:____________________

People for Community Recovery

By: Courtney Hanson

Title: Deputy Director

Date: February 27, 2025

People of the State of Illinois

Kwame Raoul, Attorney General

By: ____________________

Title: Counsel to the Attorney General

Date: 2/27/25