



To: Peoples Gas and North Shore Gas, Elizabeth Horne, David Brightwell, ICC Staff
CC: Celina Aguilar, Laura Agapay-Read, Jeff Erickson, Guidehouse
From: Ensar Biscevic, Guidehouse
Date: August 26, 2025
Re: Net-to-Gross Recommendation for Epic Savers Kit Program of Peoples Gas and North Shore Gas

1. Executive Summary

This memo documents our rationale to recommend a 0.94 Net to Gross (NTG) ratio for Peoples Gas (PGL) and North Shore Gas (NSG) Epic Savers Kit Program. Our secondary research involved identifying potentially similar programs in comparable jurisdictions with recently researched NTG values. Guidehouse recommends using free ridership (FR) of 0.11 and participant spillover (SO) of 0.01 based on Wisconsin's Focus on Energy (FOE) Comfort and Water Savings Pack programs and previous Guidehouse NTG research on PGL and NSG's Online Marketplace Advanced Thermostat program. This is based on several criteria, which Guidehouse used to rate the applicability of NTG values of other programs to the measures in the PGL and NSG program. This methodology and the criteria used are described below.

2. Program Background

The Epic Savers Kit Program is a gas-only initiative designed to help high-energy-usage residential customers reduce their utility bills through self-installed energy efficiency measures. Running from January 1, 2026, to December 31, 2029, the program targets individually metered single-family homes and duplexes with natural gas heating, including both owner-occupied and rental properties. Each year, 2,500 kits will be distributed, containing items such as low-flow bathroom aerators, thermostatic restrictor shower valves, door sweeps, and advanced thermostats.

3. Research Methodology and Results

Guidehouse investigated NTG values for PGL and NSG Epic Savers Kit Program. We sought programs with features similar to this program, specifically targeting features that can affect a program measure's NTG including:

- Customer sector: Residential
- Measure technology: Low-flow bathroom aerators, Thermostatic restrictor shower valves, Door sweeps, and Advanced thermostats
- Space and water heating fuel: Natural Gas
- Delivery level channel: Opt-in Kit
- Climate/region: Cold Climate
- Installation: Resident
- Market maturity: High maturity

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Our research confirms that all values in the table are derived from primary research. This includes our own data collection as well as a review of utility evaluation reports and NTG memos from gas and electric utilities in 15 states with climate zones similar to Illinois. We also assessed whether each program's NTG ratio was supported by recent, measure-specific research.

Among the 15 states, Guidehouse identified 13 programs with potentially analogous values, shown in Table 1 below. Guidehouse reviewed the programs and NTG values and found one that fits all our comparison criteria.

Table 1. Net-to-Gross of Programs Comparable to Peoples Gas and North Shore Gas Epic Savers Program

ID	State	Utility	Region	Sector	Program Type	End Uses	Program Name	Delivery Channel	NTG	FR	PSO	Year of Primary Research	NTG Research at Measure or Program Level?
Assessment													
1	WI	Focus on Energy	MW	RES	Gas and Electric	Weatherization Only	Direct to Customer Comfort Packs	Opt-in Kit	*	*	*	2023	Measure ¹
Similar program with recently researched measure-level NTG values. Average of measure level values.													
2	WI	Focus on Energy	MW	RES	Gas and Electric	Water Only	Direct to Customer Packs	Opt-in Kit	0.96	0.15	0.11	2020	Measure
Average of measure level values. Measures similar to the Epic Savers Kit measures.													
3	MI	DTE	MW	RES	Gas and Electric	Weatherization, LEDs, & insulation	Schools Program	School Kit	1.99	0.20	1.19	2022	Program
Actual NTG used was agreed to be 0.92; delivery channel does not match the Epic Savers program.													
4	PA	PECO	NE	RES	Gas and Electric	Weatherization & Appliances	Rebates and Marketplace	Opt-in Kit	0.85	0.15	NA	2023	Program
Not applicable as there are no kit-specific values.													
5	NJ	ACE	NE	RES	Electric	Weatherization & Power Strips	Community Kits	Opt-in Kit	0.71	0.29	0.00	2024	Measure
Weighted average of measure level NTG. Electric only utility, so not applicable.													
6	IL	ComEd	MW	RES	Electric and Gas	LEDs & Water	Elementary Ed	School Kit	0.88	0.10	0.00	2021	Measure
Average measure level NTG but delivery channel does not match the Epic Savers kit.													
7	MI	Indiana Michigan Power	MW	RES	Gas and Electric	LEDs & Water	Online Energy Checkup	Opt-in Kit	1.06	NA	NA	2023	Program
Combination of Gas and Electric NTG values, LEDs make up <1% of total program but included a customized energy efficiency assessment which could greatly increase spillover.													

*The values for these Focus on Energy programs are straight averages of measure-level NTG values. Values are simply representative and not used in final NTG calculation.

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ID	State	Utility	Region	Sector	Program Type	End Uses	Program Name	Delivery Channel	NTG	FR	PSO	Year of Primary Research	NTG Research at Measure or Program Level?
Assessment													
8	PA	PPL	NE	RES	Electric	LEDs & Water	Energy Efficient Homes	Opt-in Kit	0.94	0.14	0.08	2022	Measure
Electric only utility so not applicable.													
9	PA	Met-Ed	NE	RES	Electric	LEDs & Water	Energy Efficiency Kits	Opt-in Kit	0.82	NA	NA	2022	Program
Electric only utility so not applicable.													
10	PA	Pen Elec	NE	RES	Electric	LEDs & Water	Energy Efficiency Kits	Opt-in Kit	1.06	NA	NA	2022	Program
Electric only utility so not applicable.													
11	IN	NIPSCO	MW	RES	Gas	Water	HomeLife Calculator	Opt-in Kit	0.99	0.10	0.10	2023	Program
Gas Only NTG value; measures similar to PGL and NSG kits but included a customized energy efficiency assessment which could greatly increase spillover.													
12	IN	NIPSCO	MW	RES	Electric	LEDs & Water	HomeLife Calculator	Opt-in Kit	0.96	0.14	0.10	2023	Program
Electric Only NTG value, similar to Gas Only program with the addition of LEDs.													
13	IL	Nicor Gas	MW	Res	Gas	Water	Water Savings kits	Opt-in Kit	1.10	0.00	0.10	2021	Program
Nicor Gas 2021 spillover research. Not all measures are applicable to the Epic Savers program.													

NA = Not Available. RES = Residential, COM = Commercial, FR = Free Ridership, PSO = Participant Spillover

Source: Guidehouse Evaluation Team

4. Final NTG Recommendations

Based on our secondary research, we recommend using the free ridership value of 0.11, spillover value of 0.01, and NTG value of 0.94 based on Wisconsin's FOE Pack programs and Guidehouse's primary research on PGL and NSG's advanced thermostat NTG.

The FOE Comfort and Water Savings Pack programs stand out as a valid comparison due to their service territory and program design. Like PGL and NSG's kit program, both are opt-in, and measures are self-install. The FOE Pack programs target residential customers and are implemented across Wisconsin, which is a cold climate state. The Pack programs focus on weatherization and water saving measures, including door sweeps, door weatherization, LED night light, outlet gaskets, switch gaskets, and window film insulation for weatherization and faucet aerators, pipe insulation, and showerhead upgrades for water savings. In contrast, other programs' NTG values are not relevant because the delivery method, measure mix, or water or space heating fuel were different from Epic Savers.

The FOE Pack programs included measures that extended beyond those offered in the Epic Savers Kit Program and did not feature advanced thermostats. For the advanced thermostat measure, Guidehouse recommends the value from our 2023 NTG research on PGL and NSG's Online Marketplace Advanced Thermostat program. This research serves as a suitable proxy due to the measure, and the opt-in delivery channels, including self-installation being the same across programs. Additionally, both programs were marketed direct to customer and did not include any Trade Allies, which could have influenced the NTG value. Climate, customer sector, and heating fuel are equivalent. The primary distinction is that the Epic Savers advanced thermostat is distributed within a kit, while the Online Marketplace Advanced Thermostat is provided separately and receives an individual incentive.

Guidehouse used a weighted average of measure level NTG values to calculate a custom NTG value for the Epic Savers Kit Program. Table 2 shows the final program NTG value calculations with important Illinois Technical Reference Manual (TRM) specifications. The columns labelled Source Data reflect the original values reported in the FOE and Guidehouse studies for each measure. The columns labelled PGL/NSG Final reflect the values used to calculate the final kit NTG for PGL/NSG's program. These values were adjusted to account for water measures having a deemed FR value of 0.00 and advanced thermostats having a different NTG formula: $NTG = 1 - FR/2 + NPSO$. The measure level NTG values are weighted using the share of savings to get the final kit NTG values.

Table 2. Mapping Measure Level Net-to-Gross from Focus on Energy Comfort Packs to Peoples Gas and North Shore Gas Epic Savers Kits

Epic Savers Kit Measures	Source	Source Data			PGL/NSG Final			Share of Savings
		FR	SO	NTG	FR	SO	NTG	
Low-flow bathroom aerators	Faucet Aerators (FOE)	0.13	0.11	0.98	0.00*	0.11	1.11	1%
Thermostatic restrictor shower valves	Showerhead, Upgraded (FOE)	0.14	0.11	0.97	0.00*	0.11	1.11	3%
Door sweep	Door Sweep (FOE)	0.26	0.02	0.76	0.26	0.02	0.76	8%
Advanced thermostats	Online Marketplace Advanced Thermostat (Guidehouse)	0.10		0.95	0.10**		0.95**	88%
Weighted Average Kit Values:					0.11 ¹	0.01 ¹	0.94 ¹	100%

*According to the Illinois v13 TRM, water kit measures should have a free ridership value of 0.00.

**Following TRM guidance, Guidehouse recommends the following formula for advanced thermostats: $NTG = 1 - FR/2 + NPSO$.

¹ Weighted average by share of savings of the NTG values.

Source: Guidehouse Evaluation Team