**Electrification Energy Consumption Reduction – Nicor Gas Policy Proposal**

**May 31 Update**

1. Section 8-103B(b-27) requires electric utilities to:
   1. Limit electrification to those installations that reduce total energy consumption at the premises.
   2. Limit electrification savings counted towards each year’s applicable annual total savings goal to no more than:
      1. 5% per year for each year from 2022 through 2025;
      2. 10% per year for each year from 2026 through 2029; and
      3. 15% per year for 2030 and all subsequent years.
   3. Ensure that electrification savings counted towards each year’s applicable annual total savings goal include a minimum of 25% from customers in low-income housing.
2. Electric utilities shall provide transparent and accurate information that allows the independent Evaluator and, ultimately, the Commission to ensure compliance with these requirements.
3. Electric utilities shall calculate total energy consumption savings specific to the electrified end use and specific to the electrification measure installed.
   1. Total energy consumption savings shall be limited to the electrified end use, and not include auxiliary savings from other end uses affected by the measure. For example, for heat pump measures, total energy consumption savings shall be calculated only for the heating end use (i.e., the electrified end use), and shall not include any additional savings for the cooling end use.
   2. For broader projects involving multiple measures, total energy consumption savings shall be limited to savings from the electrification measure. For example, for a project involving a heat pump and additional weatherization measures, savings shall be calculated only for heating (i.e., the electrified end use), and only from the heat pump measure (i.e., the electrification measure), and not be combined with additional savings from other measures installed in the broader project. However, when an electrification measure is installed in a broader project where savings from the measures interact, savings shall be allocated to the electrification measure using calculations and protocols specified in Policy Manual x.x.
4. In their annual evaluations, the independent Evaluators shall verify that electric utility savings are consistent with the requirements of Section 8-103B(b-27).