

# ICC Future of Gas Workshop Introduction to IQ North Committee

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# Disclaimer

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# Agenda & Goals

## Agenda

- Introduction to ICC Future of Gas Workshop Process
- Summary of Future of Gas Topics
- Q&A and Discussion

## Goals

1. To raise awareness about the ICC Future of Gas proceeding
2. To identify additional topics that may be further explored in Phase 2 ICC Workshops
3. To discuss ideas on how to engage with Community Organizations in Phase 2 ICC Workshops

# Background on ICC Future of Gas Workshops

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# Background

**September 2021:** Governor Pritzker signed the **Climate and Equitable Jobs Act (CEJA)** in **Illinois**

CEJA established a goal for the State of Illinois to achieve economy-wide 100% clean energy by 2050: *“To provide the highest quality of life for the residents of Illinois and to provide for a clean and healthy environment, it is the policy of this State to rapidly transition to 100% clean energy by 2050.”*

See Public Act 102-0662

**November 2023:** ICC issued **decisions on proposed rate increases** and other revisions from several Illinois gas utilities – Ameren Illinois, Nicor Gas, Peoples Gas and North Shore Gas

In its Final Orders, ICC directed its Staff to develop a plan for a “Future of Gas proceeding” in Illinois, including a timeline for Workshops and a formal proceeding

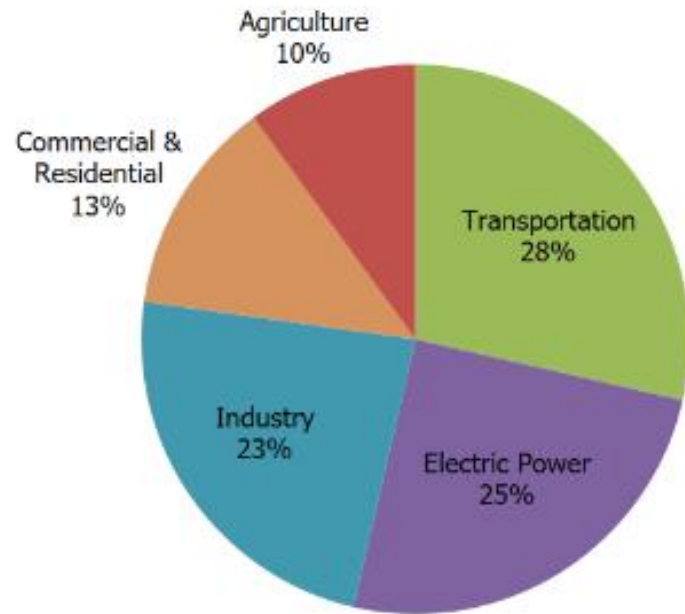
**March 7, 2024:** ICC adopted an “Initiating Order” to convene a **Future of Gas proceeding**, including specific timeframes for two series of Workshops

The ICC directed that a “Future of Gas proceeding should fully explore issues arising from decarbonization in the gas distribution system, develop recommendations for future Commission policies and action, and develop recommendations for any necessary legislative changes.”

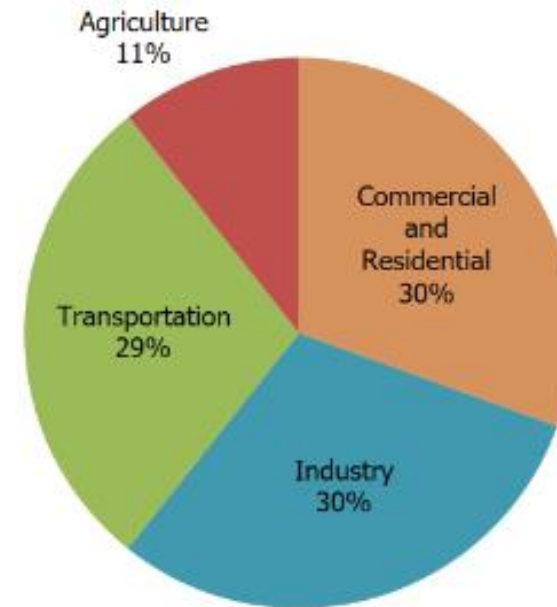
See ICC Initiating Order page 2 (ICC Docket No. 24-0158)

# Greenhouse Gas Emissions (2021)

## Total U.S. Greenhouse Gas Emissions by Economic Sector in 2021



**Total U.S. Greenhouse Gas Emissions by Economic Sector**



**Total U.S. Greenhouse Gas Emissions by Economic Sector and Electricity End-Use**

Source:  
<https://www.epa.gov/ghg-emissions/sources-greenhouse-gas-emissions>

# Definitions

**Decarbonization:** The process of reducing or eliminating carbon dioxide (CO<sub>2</sub>) and other greenhouse gas emissions released into the atmosphere – decarbonization includes a variety of different technologies

**Electrification:** Replacing technologies or processes that use fossil fuels, with those powered by electricity – this is one example of a decarbonization option

**Energy Efficiency:** Upgrades to home or business systems to reduce wasted energy and lower energy costs, thereby reducing greenhouse gas emissions

**Line Extensions:** Expanding the existing pipeline network to bring natural gas services to new areas or customers

**Stranded Assets:** Those that lose value or turn into a liability before the end of their expected useful life (for example – gas pipelines that are stranded underground)

**Weatherization:** Protecting a building and its interior from the elements, (sunlight, precipitation, wind) and modifying a building to reduce energy consumption and optimize energy efficiency

# Future of Gas Issues

The following is an initial list of issues created by the ICC following the March 2024 Initiating Order:

1. Potential for **decarbonization of the existing gas system**, including identification of technical constraints, hard to decarbonize end-uses, and methodologies for achieving decarbonization;
2. If decarbonization requires a shift to electric distribution, the **timing of such a shift**;
3. The **role and scope of energy efficiency retrofits**, for both residential and Commercial and Industrial end-users, to facilitate decarbonization;
4. **Workforce considerations**, including sufficient skilled labor in each sector as markets transition, development, training and retraining programs, equity initiatives, and the overall impacts on the existing labor force;
5. **Cost considerations, including the protection of non-first movers** from bearing a disproportionate cost of the remaining gas system;
6. **Stranded assets** of the gas distribution system and planning methods to mitigate the issue, including non-pipeline alternatives;
7. Evaluation of strategies for identifying and **managing infrastructure that is nearing the end of its useful life** or is no longer used and useful;



# Future of Gas Issues (cont.)

The following is an initial list of issues that will be expanded upon in Phase 1 Workshops:

8. The need for future **integrated systems planning between gas and electric systems**;
9. The need for **line extensions (for both mains and services)** on the gas distribution system in the future and the need for a rulemaking to modify existing codified line extension allowances;
10. The ability, costs, and timing of ramping up the electric distribution system to **meet expanding load**;
11. Additional **electric distribution infrastructure** needed, and interaction with existing electric multi-year rate and spending plans;
12. Potential uses for any **existing gas infrastructure** which may not be needed after the transition;
13. The effects of **federal and state public policy** that supports electrification on the gas system;
14. **Legislative and regulatory changes** needed to effectuate any needed transition;
15. Issues unique to **propane and other liquid fuel** customers; and
16. **Other** issues determined by the Staff to be necessary for the most thorough discussion possible.

# Phase 1 Workshop Process

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# Phase 1

## Current Phase

April 1 – August 31,  
2024

**Purpose:** To identify all relevant topics relating to the future of natural gas in Illinois and decarbonizing the State's natural gas distribution systems

- Goal was to expand on the initial list of future of gas issues provided by the Commission in its Final Orders
- 7 Workshops were held in April and May

# Phase 2

September 1, 2024 –  
July 1, 2025

**Purpose:** Examine issues identified during Phase 1

- Stakeholder positions and perspectives on the issues identified, including assessment of identified issues based on short- (present through 2035), medium- (2035-2045), and long-term (beyond 2045) time horizons
- Areas of consensus and areas of disagreement
- Proposed legislative and/or regulatory solutions to individual topics
- Recommendations for Commission action where relevant

# Phase 1 Workshop Participation

## Categories of Participants:

- Federal and State Agencies
- Trade Groups
- Community Organizations
- Advocates
- Industry Groups
- Commercial, Industrial
- End use customers (bakeries, manufacturing)
- The public

## Illinois Utilities:

- **Ameren Illinois** – joint gas and electric utility serving central and southern Illinois
- **ComEd** – electric utility serving northern Illinois
- **MidAmerican Energy** – joint gas and electric utility serving far western Illinois
- **Nicor Gas** – gas utility serving north/central Illinois
- **Peoples Gas** – gas utility serving City of Chicago
- **North Shore Gas** – gas utility serving northern suburbs

# Phase 1 Workshop Topics

## **April 1 Workshop #1:**

- Overview of Phase 1 Workshop Plan

## **April 8 Workshop #2:**

- Introduction to Future of Gas Considerations (Regulatory Assistance Project)
- Energy Efficiency Electrification (ComEd and Ameren Illinois)
- Carbon Emission-Free Technology Considerations (heet and GTI Energy)

## **April 22 Workshop #3:**

- Introduction to Industrial Decarbonization (ACEEE)
- Introduction to Gas Utility Considerations (Ameren Illinois, MidAmerican Energy, Nicor Gas, Peoples Gas & North Shore Gas)

## **April 29 Workshop #4:**

- Evening meeting focused on introducing the process and discussion on topics related to the future of gas that should be addressed in Phase 2

## **May 6 Workshop #5:**

- RMI Research: Non-Pipeline Alternatives, Emerging Opportunities in Planning for U.S. Gas System Decarbonization (joint study with National Grid)
- Groundwork Data Research: Future of Gas Illinois Study
- Nicor Gas Net Zero Pathways and Key Learnings from ICF Decarbonization Study
- Introduction to Agriculture Considerations (IL Farm Bureau, Grain & Feed Association of IL)

# Phase 1 Workshop Topics

## **May 20 Workshop #6:**

- Introduction to Equity and Environmental Justice Considerations (National Renewable Energy Laboratory)
- Introduction to Regional Transmission Organizations (MISO and PJM Interconnection)
- Introduction to Electric Utility Considerations (ComEd, Ameren Illinois, and MidAmerican Energy)

## **May 29 Workshop #7:**

- Introduction to IL Manufacturing Considerations (IL Manufacturers' Association, Chemical Industry Council of Illinois, American Chemistry Council, ADM, FTI Consulting)
- Introduction to IL Workforce and Labor Considerations (presentations from 5 union representatives)
- Introduction to Wastewater Agency Considerations (Fox Metro Water Reclamation District)
- ICC Staff and Facilitation Team Conclude Phase 1

Materials and meeting recordings available: <https://icc.illinois.gov/programs/Future-of-Gas-Workshop-Presentations>

# Outreach to Community Organizations

## **Facilitation team conducted outreach to community-based organizations and Community Action Agencies that have participated in other Illinois processes**

- IL Energy Efficiency Stakeholder Advisory Group
- Income Qualified North Energy Efficiency Committee distribution list
- Income Qualified South Energy Efficiency Committee distribution list
- Metropolitan Mayors Caucus distribution list
- DuPage Mayors and Managers Conference Regulatory Issues Committee

## **Facilitation Team requested community organization contacts from Workshop participants**

- Direct outreach to over 70 organizations; 15% responded
- Shared Facilitation Team contact info and offered to meet one on one, if desired

## **Purpose of outreach**

- To introduce the Workshop process to community organizations that may not have the bandwidth to participate in Phase 1 Workshops

# Small Group Listening Sessions

**Facilitation Team and ICC Staff held two virtual “Lunch Listening Sessions”, with the following organizations participating:**

- Aces 4 Youth
- Equitable Resilience & Sustainability, LLC
- Faith In Place
- Growth Dimensions Economic Development
- Hire 360
- Hispanic American Construction Industry Association
- Illinois Association of Community Action Agencies
- Quad Cities Chamber
- Sustainable Environmental and Economic Development Solutions

**Goals for Listening Sessions:**

- To raise awareness about the ICC Future of Gas proceeding
- To hear directly from representatives of community organizations
- To identify issues and topics related to the future of gas that may be further explored in Phase 2 ICC Workshops



# Phase 1 Report

**A draft Phase 1 Report was circulated to the ICC Future of Gas distribution list on Wed. June 26**

- The draft report is posted on the ICC Future of Gas Proceedings website, [Reports page](#)
  - ✓ [First Draft Phase 1 Report](#)
  - ✓ [Appendices](#) (Zip File)

## **Phase 1 Report includes:**

- Summary of Phase 1 Workshop process, brief overview of topics addressed at each Workshop, and summary of Future of Gas topics identified during Phase 1

**Comments on the draft report are due by Friday, July 12**

- The report will be finalized by Thursday, August 1
- Topics identified in the Phase 1 Report will be used to plan for Phase 2

# Topics Identified During Phase 1 Workshops

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# Future of Gas Topics

**Twelve topic categories were identified during Phase 1, including:**

1. Decarbonization Targets, Timelines, and Milestones
2. Foundational Data and Methodologies
3. Decarbonization Pathways
4. Decarbonization Impacts on the Natural Gas System and Responses
5. Customer Choice and Protections
6. Cost and Affordability Considerations
7. Equity, Environmental Justice and Community Issues
8. Electric Utility Considerations
9. Economic Development and Businesses
10. Workforce Considerations
11. Utility Structure/Market Structure Issues
12. Regulatory Changes and Strategies

# Topics Identified by Community Organizations in Listening Sessions

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# Topics Identified in Listening Sessions

## Education

- Education is needed on complex technologies
- How can individuals weigh carbon-free options
- How can impacts be communicated to residents or businesses
- Differentiate awareness for different types of users (residents, businesses, developers, municipal leaders) to understand carbon-free technology options and what implementation looks like for them

## Equity

- How will a transition impact Illinois residents and communities
- How can individual communities explore carbon-free solutions
- Understand and address the impacts of an energy transition on BIPOC communities
- How can BIPOC communities be included in the conversation every step of the way
- How to provide small businesses and manufacturers equal access to capital and opportunities

# Topics Identified in Listening Sessions

## Workforce Development + Training

- What will be needed in terms of identifying new skills, training and certification needs
- Rollout and timing of training programs; training needs to happen first
- Workforce opportunities for individuals from the communities being served

## Transition Costs

- Who will pay for a clean energy transition; cost is a barrier
- How will aging housing stock be addressed when considering implementation
- How will funding be distributed in an equitable way
- How to address potential rise in cost of goods and services as businesses invest in carbon-free equipment and infrastructure

# Topics Identified in Listening Sessions

## Data + Accountability

- Who will track funding distribution (if any)
- What tools will be used to align needs with resources, especially as it relates to Environmental Justice and BIPOC communities (for example – census data vs. R3 maps)

## Health and Safety

- What consumer protections will be in place to support residents and small businesses
- How will new infrastructure impact natural resource, air quality, land use and water
- How can we use social determinates of health to track impacts

# Topics Identified in Listening Sessions

## **Economic Development**

- What is the impact of a clean energy transition on Illinois' economy

## **Policy**

- What policies need to be put in place to protect consumers
- What policies need to be put in place to ensure an equitable transition
- What policies need to be put in place to track efforts



# Equity, Environmental Justice and Community Issues Identified in Phase 1

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# Equity, Environmental Justice, and Community Issues

- A. Impacts to Communities: Explore the impacts of the natural gas decarbonization transition to communities, including BIPOC, equity investment eligible communities (EIECs), disadvantaged, regenerative living, and rural communities as well as to multi-family, renter, and commercial customers in such communities, including:
- a. Strategies to ensure that transitions do not disproportionately impact low-income or marginalized communities;
  - b. Protection of non-first movers from bearing a disproportionate cost of the remaining gas systems;
  - c. Creating a standard approach for calculating the impact on customer bills as a result of changing fuel sources, including access to a customer's gas bills to obtain accurate forecasts of impacts on monthly bills for low income customers;
  - d. Protecting multi-family customers from bill increases when heat is included in rent and the building is electrified;
  - e. How to include communities in each step to a transition process;
  - f. Land management impacts and strategies from new technologies or increased electrification;
  - g. The impact of the transition on wildlands and wildlife and natural resources: and
  - h. The impact of the transition on air quality.

# Equity, Environmental Justice, and Community Issues

- B. Low-Income Inclusion and Participation: Explore prioritizing low-income areas for electrification where it is affordable and where it makes technical sense, or where doing so creates synergies with other types of building upgrades designed to improve health, comfort, safety, and affordability, including identifying the numbers and locations of low-income customers in Illinois.
- C. Energy Assistance: Explore how the natural gas decarbonization transition changes may impact households' eligibility for energy assistance and consider perspectives from LIHEAP and IHWAP administrators and recipients.
- D. Wealth Creation: Explore how communities can benefit from this transition, including through community wealth creation.

# Equity, Environmental Justice, and Community Issues

- E. Tools: Explore what tools will be used to align resources with needs, such as tools to identify environmental justice and BIPOC communities
- F. Consistency with Local, State, and Federal Equity Policies: Explore how the decarbonization transition can be done consistent with local, state, and federal equity policies (e.g., Federal Justice 40 Initiative).

# ICC Future of Gas Phase 2 Workshops

## **Phase 2 Kick-off Meeting – Wed. August 28 (10:00 – 11:00 am)**

- Early planning
- Meeting with several other states to understand lessons learned from their “future of gas” processes
- Reviewing how much education is needed
- Reviewing how to engage Community Organizations in Phase 2
- ICC directed the Phase 2 process to conclude by July 1, 2025

## **March 2024 Initiating Order from ICC identified the following priorities for Phase 2:**

- Examine issues identified during Phase 1
- Stakeholder positions and perspectives on the issues identified, including assessment of identified issues based on short- (present through 2035), medium- (2035-2045), and long-term (beyond 2045) time horizons
- Areas of consensus and areas of disagreement
- Proposed legislative and/or regulatory solutions to individual topics
- Recommendations for Commission action where relevant

# Q&A and Discussion

1. Are there any questions about the Phase 1 Workshop process or next steps for Phase 2?
2. What additional topics or issues should be considered in planning for the “Future of Gas” in Illinois?
3. How can the ICC and the Facilitation Team best engage with Community Organizations during Phase 2 ICC Workshops?

# Contact Information

## Facilitation Team: Celia Johnson Consulting

- *Celia Johnson, Lead Facilitator*
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Sign up for the ICC Future of Gas distribution list: <https://icc.illinois.gov/programs/Future-of-Gas-Workshop-Distribution-List>

# Thank you!

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