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City Council Document Tracking Sheet

<b>Meeting Date:</b>	7/28/2011
<b>Sponsor(s):</b>	Mayor Emanuel
<b>Type:</b>	Ordinance
<b>Title:</b>	Authorization for funding and identification of projects pursuant to 2006 settlement with Peoples Gas
<b>Committee(s) Assignment:</b>	Committee on Health and Environmental Protection



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

July 28, 2011

TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of the Environment, I transmit herewith an ordinance authorizing funding and identification of projects pursuant to a 2006 settlement with Peoples Gas.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink that reads "Rahm Emanuel".

Mayor

ORDINANCE

WHEREAS, the City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution; and

WHEREAS, as a home rule unit of government, the City of Chicago may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the management of its finances is a matter pertaining to the government and affairs of the City of Chicago; and

WHEREAS, the City of Chicago (the "City"); the Illinois Attorney General (the "Attorney General"), and Peoples Energy Corporation and its affiliates ("Peoples Energy") have entered into a settlement agreement to settle the Reconciliation Cases (the "Settlement") whereby Peoples Energy has agreed to pay the City and the Attorney General, jointly, up to \$30,000,000, in installments of up to \$5,000,000 annually, for the six years beginning in July 2006 (the "Settlement Payments"); and

WHEREAS, the Settlement Payments are intended for, and conditioned upon, application toward the cost, as estimated in the discretion of the City, through the Commissioner of Environment (the "Commissioner"), and the Attorney General, for the design, implementation and administration of programs of conservation and weatherization for low and moderate-income residential dwellings with the goal of reducing energy usage costs (the "Programs"); and

WHEREAS, by an ordinance adopted by the City Council of the City on October 4, 2006, and published in the Journal of Proceedings of the City Council for said date at pages 86749 through 86779, inclusive (the "Ordinance"), the City Council appropriated the Settlement Payments and authorized the City to enter into an intergovernmental agreement (the "Agreement"), by and through the Department of the Environment ("DOE"), pursuant to which DOE and the Attorney General will coordinate the expenditure of Settlement Payments and the development of the Programs; and

WHEREAS, the City and the Attorney General propose to develop Programs with the Settlement Payment due July 2011 (the "Sixth Installment") pursuant to the Budget attached hereto as Exhibit A and Program Descriptions attached hereto as Exhibit B; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

SECTION 1. Peoples Energy shall pay on or after July 6, 2011, jointly, to the City and the Attorney General the Sixth Installment in the amount of \$5,000,000 of which \$4,800,000 shall be delivered to the City and deposited in the Conservation and Weatherization Initiatives Fund (the "Weatherization Fund"). Additionally, Peoples Energy, upon request from the City and Attorney General shall pay the remaining \$200,000, which shall be delivered to the entities to be designated later by the Attorney General and as agreed to by the City for the North Shore Programs (hereinafter defined).

SECTION 2. Pursuant to the Ordinance, any Settlement Payments paid by Peoples Energy pursuant to the Settlement and deposited into the Weatherization Fund shall be spent

**EXHIBIT A**  
**2011 Peoples Gas Energy Efficiency Settlement Fund Programs**

<b>Weatherization Program -Itemized Costs</b>		
<b>Weatherization &amp; Residential Energy Assistance Department of Environment</b>		
	<i>Proposed 2011 Funding</i>	<i>Program</i>
Department of Environment Greencorps Chicago Program - Job Training Program	\$600,000	Technical assistance and educational programs for weatherization job training and installation of energy conservation measures.
Department of Environment 's Chicago Conservation Corps Program - Low Cost Weatherization and Education Program	\$500,000	Weatherization education and installation of low-cost energy efficiency measures.
<b>Program Subtotal (annual)</b>	<b>\$1,100,000.00</b>	
<b>Weatherization &amp; Residential Energy Assistance</b>		
	<i>Proposed 2011 Funding</i>	<i>Program</i>
Claretian Associates - South Chicago Retrofit Project	\$100,000	Educate and inform South Chicago Neighborhood housing residents about the importance of energy efficiency, conservation, climate change, and assist with applications for energy efficiency improvements programs.
Center for Neighborhood Technology - Energy Savers Program	\$2,150,000	Technical assistance to owners and leveraged subsidized financing for weatherization of 5+ unit buildings for low- and moderate income renters.
Historic Chicago Bungalow Association Energy Savers Grant Program	\$250,000	Technical assistance, grants and leveraging financing for weatherization of low and moderate income historic bungalow owners.
Delta Institute - Weatherization Program	\$1,000,000	Weatherization of low-income single and 2-3 unit multi-family rental and owner-occupied buildings.
Home Depot - Weatherization Vouchers Program	\$100,000	Provide \$40 value vouchers redeemable at participating Home Depot stores for weatherization materials.
<b>Program Subtotal (annual)</b>	<b>\$3,600,000</b>	
<b>Homeless Shelter Bill Payment Assistance Program</b>		
	<i>Proposed 2011 Funding</i>	<i>Program</i>
Department of Family and Support Services - Homeless Shelter Bill Payment Assistance Program	\$100,000	Bill Payment assistance for homeless shelter funded by the Department of Family and Support Services.
<b>Program Subtotal (annual)</b>	<b>\$100,000</b>	
<b>Total</b>	<b>\$4,800,000</b>	

## 2011 Peoples Settlement Funds

### Exhibit B

#### Chicago Energy Efficiency Residential Assistance Program Itemized Program Descriptions

##### *Chicago Department of Environment (CDOE) / Greencorps Chicago Job Training Weatherization Program*

###### **Program Description**

Greencorps Chicago's (GCC) mission is to improve the quality of life throughout Chicago by providing environmental and weatherization job training and post-program graduation job placement services. GCC is run by the Department of Environment and offers workshops, technical assistance and educational programs to organizations working in a public space. The GCC energy efficiency and weatherization program offers a six-month training program in landscaping and horticulture, as well as weatherization. Grant funds will provide for weatherization training where Trainees are instructed on the use of blower door tests and the installation of a variety of weatherization materials including insulation, caulking, weather stripping and programmable thermostats. Crews of trainees weatherize single and 2-4 unit low-income homes in areas of high energy use in Chicago. Since 2006, the program has weatherized approximately 1,454 units.

##### *Chicago Department of Environment (CDOE) / Low Cost Weatherization and Education Program*

###### **Program Description**

This program provides education curriculum for hands-on installation of low cost weatherization measures in Chicago homes. Utilizing the Department of Environment's Chicago Conservation Corps (C3) Program, through community leaders, school clubs and Community Based Organizations (CBOs), low cost weatherization measures are installed in low to moderate income housing units. Participating C3 school clubs, C3 leaders, and CBOs will be trained on how to install low-cost weatherization kits to ensure quality installations. Training includes tips on saving energy to share with homeowners. C3 and CBOs will hold events to train youth and adults to install the kits and to raise awareness of energy efficiency. Additionally, they will be a conduit for connecting homeowners and renters with weatherization funds available through state and other programs.

##### *Center for Neighborhood Technology (CNT) Energy Savers Program*

###### **Program Description**

The Center for Neighborhood Technology's (CNT) Energy Savers program provides marketing, education and training, energy audits and technical assistance to help owners of rental buildings serving low income households to assure proper installation of weatherization measures. Assistance includes loan and grant tools, contractor referrals and performance monitoring. Weatherization measures include air sealing to reduce heat loss, insulation and natural gas mechanical equipment like boilers and furnaces. CNT collaborates with another non-profit, the Community Investment Corporation, which provides subsidized loans to building owners. Since 2007, CNT has retrofitted 1,958 units and expects to complete an additional 691 by September 2010.

**Delta Institute  
Energy Savers Program**

**Program Description**

The Delta Institute manages a community weatherization program in two target areas in Chicago-- the Grand Crossing neighborhood on Chicago's south side and the West Garfield Park neighborhood on Chicago's west side. They partner with the Revere Community Housing Development Corporation in the Grand Crossing neighborhood and with Bethel New Life in West Garfield Park. The program provides energy efficiency audits through HERS (Home Energy Rating System) raters designed to specify priority work to maximize energy savings. Grants will fund attic and sidewall insulation, air sealing, water heater blankets, thermostat upgrades, duct repair, furnace repair, and installation of radiant heat regulators for low to moderate rental and owner occupied units. The program has retrofitted approximately 33 units since 2007 and expects to retrofit 200 additional units by September 2010.

**Historic Chicago Bungalow Association (HCBA)  
Energy Savers Program**

**Program Description**

This program, funded by the City since 2001, is designed to preserve a historic housing stock unique to Chicago and to ensure the affordability of these homes for low and moderate income homeowners. The Historic Chicago Bungalow Association (HCBA) provides grants and financing to income-qualifying owners of certified bungalows. HCBA and its contractors conduct energy audits and assessments to determine the appropriate level of improvement for each home. HCBA ensures that insulation and air sealing have already been completed before other energy efficient equipment is installed. People's Settlement funds have funded retrofits for approximately 1,074 low and moderate income bungalow home owners since 2006.

**Department of Family and Support Services (DFSS) / Homeless Shelter Bill  
Payment Assistance Program**

**Program Description**

The City of Chicago, through the Department of Family and Support Services (DFSS), supports approximately 50 homeless shelters through delegate agency agreements. Increasing gas costs have threatened some shelters with closure at a time of increasing need. Funds will provide assistance assuring that no account remained in arrears. Though large amounts of Federal and other funds are available for homeless prevention, few other sources of funds are available to assist with heating bills for homeless shelters. The City will again support gas bill payment assistance for these City-supported homeless shelters.

**Claretian Associates /  
South Chicago Residential Energy Efficiency Retrofit Project**

**Program Description**

This program uses a block-by-block approach to educate residents in low and moderate income communities about the importance of energy efficiency and what they can do to lower their energy costs. Residents will be informed about available energy efficiency programs and be assisted with applications to increase participation in energy efficiency retrofits. The program builds off research by Northwestern University and the Field Museum that studied the informal networks that exist in communities by which residents and institutions gain information. Efforts from CEDA, Commonwealth Edison, Peoples Gas & the Illinois Department of Commerce and Economic Opportunity will be combined to determine the most cost effective ways to reach large number of residents with high energy uses.

by the City as approved by the Attorney General consistent with the terms of the Settlement and the Agreement. The Programs are to be funded with the Sixth Installment from the Weatherization Fund in the amounts set forth in Exhibit A hereto and made a part hereof for the energy conservation; energy efficiency; weatherization; insulation; conservation and weatherization education; or hardship disconnection assistance purposes set forth in Exhibit B hereto and made a part hereof. Monies in the Weatherization Fund, including interest and investment income, shall be used to finance the Programs or be disbursed in connection with the Programs in the form of grants, loans or equity investments.

SECTION 3. The City and the Attorney General agree that 4% of the Sixth Installment, in an amount not to exceed \$200,000, shall be used, pursuant to the Settlement, for residents of the North Shore (the "North Shore Programs"), to be administered by entities to be later agreed upon in writing by the City and the Attorney General. Peoples Energy shall deliver the payment for the North Shore Programs as directed by the City and the Attorney General.

SECTION 4. Subject to the approval of the Corporation Counsel as to form and legality, the Commissioner or his or her designee is hereby authorized to enter into and execute all such other agreements and instruments and to perform any and all acts as shall be necessary or advisable in connection with the implementation of the Settlement and the carrying out of the Programs, including entering into contracts and grant agreements as well as provide in-kind exchanges, tangible personal property and vouchers for energy efficient household products and materials to eligible homeowners, individuals, groups and organizations.

SECTION 5. To the extent that any current ordinance, resolution, rule, order or provisions of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this ordinance.

SECTION 6. This ordinance shall be in force and effect upon passage and approval.

APPROVED

*Stephen R. Patton*

CORPORATION COUNSEL

APPROVED

*Robert Emanuel SRP*

9/22/11 Mayor