

# Annual SAG Net-to-Gross Update Process

September 2, 2021 SAG Meeting

# Background - NTG Update Process

- ▶ Recommended Net-to-Gross ratios (also referred to as Net-to-Gross values) are produced annually by independent evaluators, reviewed by stakeholders, and finalized by October 1 of each year, as required by the Policy Manual.
  - ▶ **Definition from Policy Manual:** *Net-to-Gross (NTG) Ratio means a factor representing net savings divided by gross savings that is applied to gross impacts to convert them into net impacts. The factor itself may be made up of a variety of factors that create differences between gross and net savings, commonly including Free Riders and Spillover. The factor can be estimated and applied separately to either energy or demand savings.*

# NTG Update Process

- ▶ NTG values finalized this year will be effective for the program year **beginning on January 1, 2022**
  - ▶ If consensus on a NTG value cannot be reached by SAG, then the evaluators' final recommended value will be deemed for the upcoming program year
  - ▶ In developing the evaluators' final recommended deemed NTG ratios, evaluators review SAG feedback, take into account all comments and discussions, with the intent of making their best estimate of future actual NTG ratio values for the upcoming program year
  - ▶ NTG values must be finalized by October 1

# Purpose of Meeting #1

- ▶ Evaluators present initial NTG recommendations for **Ameren IL, ComEd, Nicor Gas, Peoples Gas and North Shore Gas** programs
  - ▶ Evaluators share which recommendations differ from last year and notable research findings
  - ▶ Identify NTG values that require further discussion; capture follow-up questions
  - ▶ Opportunity for any party to raise concerns or objections about recommended values

# Purpose of Meeting #2, #3, and #4

- ▶ To follow-up on open issues and discuss consensus on NTG ratios:
  - ▶ **Meeting #2:** Monday, September 13 (10:00 - 12:00)
  - ▶ **Meeting #3:** Friday, September 17 (10:00 - 12:00)
  - ▶ **Meeting #4:** Monday, September 27 (10:00 - 12:00)