# Memorandum

**To:** Illinois SAG

**From:** E Source, Evaluator for Ameren Illinois; and Guidehouse, Evaluator for ComEd, Nicor Gas, Peoples Gas, and North Shore Gas

**Date:** October 22, 2026

**Re:** Evaluator Determination on Consistent Interpretation of NTG for Disadvantaged Areas Policy

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During the Illinois Energy Efficiency Policy Manual Version 3.0 update process, a new policy was added that established a 100% (1.0) Net to Gross (NTG) ratio for certain types of customers in economically-disadvantaged areas of Illinois (Policy Manual Section 7.4: NTG Ratio for Disadvantaged Areas). In December 2025, questions were raised about how Illinois evaluators are interpreting the policy when evaluating Illinois energy efficiency programs. It was determined that the Illinois evaluation teams (E Source for Ameren Illinois and Guidehouse for ComEd, Nicor Gas, Peoples Gas, and North Shore Gas) were interpreting the policy differently.[1]

SAG met June 8, 2026, to discuss this difference in policy interpretation and solicited comments on how the policy should be interpreted. As part of the initial rounds of comments, ICC Staff suggested a potential policy interpretation, and SAG solicited follow-up comments on whether Staff's interpretation could be adopted as a consensus compromise agreement. Ultimately, SAG was unable to achieve consensus on how the policy should be interpreted, and so the issue remains unresolved from a policy perspective. However, it should be noted that all but one stakeholder supported adopting the ICC Staff-suggested interpretation as a compromise, albeit in many cases with other conditions (e.g. limited time the interpretation should be applied, edits to the language of the interpretation, etc.).

E Source and Guidehouse believe that given the lack of resolution on the issue, it is the responsibility of the evaluators to apply our best professional judgement until or unless another resolution is achieved. The evaluation teams also feel that it is in the best interest of all parties for the evaluators to interpret the policy consistently.

In service of the above, E Source and Guidehouse have jointly determined that until or unless another resolution is achieved, all evaluation teams will consistently apply the ICC Staff-suggested interpretation of the NTG for Disadvantaged Areas policy.[2] This memo documents the evaluators' shared understanding and intended application of the policy, and makes that understanding transparent to all members of SAG. This memo should not be understood to represent consensus or the participation of any other party.

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[1] See SAG Facilitator Presentation: Introduction to Net-to-Gross for Disadvantaged Areas Policy Discussion.

[2] See ICC Staff Comments on NTG Policy Issue, June 25, 2026.

Specifically, the interpretation the evaluation teams have agreed to apply is as follows:

1. When the installed measure location or end-use Customer location is known, the NTG for Disadvantaged Areas policy will be applied as follows:
    a. **Known end-use location within a disadvantaged area:** NTG = 1.0 should apply if the Customer also meets the applicable customer segment, rate class, or consumption eligibility criteria in Section 7.4.
    b. **Known end-use location outside a disadvantaged area:** NTG = 1.0 should not apply solely because the Trade Ally is located in a disadvantaged area. In that circumstance, the otherwise applicable SAG-approved deemed NTG ratio (under Section 7.2) should be used.
2. When the end-use Customer or installed measure location is unknown or not sufficiently determinable from available data, the NTG for Disadvantaged Areas policy will be applied as follows:
    a. **The Trade Ally is located in a disadvantaged area:** NTG = 1.0 will apply
    b. **The Trade Ally is not located within a disadvantaged area:** the otherwise applicable SAG-approved deemed NTG ratio (under Section 7.2) should be used.
3. When the location of the Trade Ally is used to determine the applicability of the policy, the following conditions will also apply:
    a. The Evaluator will document the data limitation and the method used to identify the Trade Ally's disadvantaged area status in publicly available EM&V reports; and
    b. The Evaluator will conduct periodic reasonableness reviews or audits, where practicable.