IL EE Stakeholder Advisory Group (SAG)
Request for Comments on Potential Compromise for NTG Ratio for Disadvantaged Areas Policy Interpretation Issue
July 29, 2026

Comment Instructions

- Using this template, send written comments to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com **by Wednesday, August 19, 2026**.
- Include "SAG Policy Feedback" in the subject line of the email.

Background Information

- **December 2025 Large Group SAG Meeting:** Questions were raised about how Illinois evaluators are interpreting the Net-to-Gross (NTG) for Disadvantaged Areas Policy (from Section 7.4 of the Illinois Energy Efficiency Policy Manual[1]).
- **Utility EE Plan Presentations in Early 2026:** Several stakeholders requested further discussion / understanding of how the policy is being applied.
- **Interpretation by Illinois Evaluators:** Guidehouse (current evaluator for ComEd, Nicor Gas, Peoples Gas & North Shore Gas) and E Source (current evaluator for Ameren Illinois) are interpreting the policy application differently. The two evaluators differ on whether the location of a Trade Ally should be considered when applying the policy.
- **ICC Staff Request:** ICC Staff requested the SAG discuss this policy issue, with an opportunity for stakeholder input.
- **Monday, June 8 Large Group SAG Meeting Presentations, posted on the June 8 meeting page:**
  - SAG Facilitator Presentation: Introduction to NTG for Disadvantaged Areas Policy Discussion
  - E Source Presentation: Consideration of Trade Ally Location in Application of the NTGR for Disadvantaged Areas Policy for Ameren Illinois
  - Guidehouse Presentation: Disadvantaged Areas Policy Approach (for ComEd, Nicor Gas, Peoples Gas and North Shore Gas)
- **Request for SAG Feedback:** A request for SAG feedback was circulated following the June 8 Large Group SAG meeting, asking interested SAG participants to answer the following question: *Should the location of a Trade Ally in a utility's service territory be considered when applying the NTG for Disadvantaged Areas policy?*
- **SAG Feedback Received:** The comment deadline was Friday, June 26, 2026. The following written comments are posted on the June 8 meeting page and the Policy page:
  - ICC Staff Comments
  - E Source Comments
  - Guidehouse Memo to SAG: Interpretation of NTG Application for Disadvantaged Communities (DAC Policy)
  - Midwest Energy Efficiency Alliance (MEEA) Comments
  - Natural Resources Defense Council (NRDC) Comments
- **Potential Compromise:** This comment template includes a request to provide feedback on a potential compromise to address the policy interpretation issue. All comments will be posted on the SAG website and circulated to SAG. If needed, a follow-up discussion with interested parties will be scheduled. The goal is to document the interpretation and post it on the Policy page of the SAG website. If policy clarification(s) are needed, those can be proposed during the 2027 comprehensive Policy Manual update process.

[1] Illinois Energy Efficiency Policy Manual Version 3.1 (effective January 1, 2026)

Comments Submitted By

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Request for Feedback on Potential Compromise:

In written comments submitted in June 2026, ICC Staff supported the location of a Trade Ally in applying the NTG for Disadvantaged Areas policy in the limited circumstance when the end-use measure location is unknown and cannot reasonably be determined from available tracking data. The location of a Trade Ally in a utility's service territory should not, by itself, determine application of the NTG Ratio for Disadvantaged Areas policy. The policy should be interpreted and applied primarily based on the location and eligibility of the end-use Customer or project location where the measure is installed and where the energy savings occur.

Trade Ally location should be considered only where all of the following conditions are met:

1. The end-use Customer or installed measure location is unknown or not sufficiently determinable from available data;
2. The Trade Ally is located in a disadvantaged area;
3. The Program Administrator and Evaluator document the data limitation and the method used to identify the Trade Ally's disadvantaged area status; and
4. The Program Administrator and Evaluator conduct periodic reasonableness reviews or audits, where practicable.

Does your company or organization support this policy clarification as a compromise to address situations where customer end-use data is unavailable? If not, what concerns or alternative suggestions would you like the Large Group SAG to consider?

Response:

NRDC supports ICC Staff's policy clarification in the near term but offers an additional recommendation for the long term.

If they are not already, starting January 1, 2028, utilities should design their Midstream programs to collect customer addresses/locations if they want to be able to take advantage of the NTG Ratio for Disadvantaged Areas policy. Under this shift, measure location must be known for the utility to claim a NTG of 1.0.

To ensure enough time for utilities and evaluators to facilitate this change, we support Staff's conditions #1-3 for the 2026 and 2027 program years. Condition #4 does not seem necessary if NRDC's recommendation is met that Midstream programs must collect customer addresses/locations in 2028 and beyond under the NTG Ratio for Disadvantaged Areas policy.