IL EE Stakeholder Advisory Group (SAG)
Request for Comments on NTG Ratio for Disadvantaged Areas Policy Interpretation Issue
June 9, 2026

Comment Instructions

- Using this template, send written comments to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com **by Friday, June 26, 2026**, answering 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?*
- 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)

Next Steps

- 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.

Comments Submitted By

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

Question: Should the location of a Trade Ally in a utility's service territory be considered when applying the NTG for Disadvantaged Areas policy?

Response:

*ICC Staff supports considering Trade Ally's location in a disadvantaged area only when the end-use measure location is unknown **and** cannot reasonably be determined.* 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.

Section 7.4 of the Illinois Energy Efficiency Policy Manual Version 3.1 establishes a 100% NTG ratio for specified "Customer segments within disadvantaged areas," including residential Customers in disadvantaged neighborhoods, **qualifying business Customers in disadvantaged neighborhoods**, and certain municipal, public school, and local government Customers in disadvantaged municipalities. The Policy Manual defines "Customer" as a residential or business ratepayer of a participating utility, while a "Trade Ally" is an independent entity that participates in an Energy Efficiency Program to enable delivery of the Program to end-use Customers. Accordingly, the plain language of Section 7.4 is customer- and location-focused, not Trade Ally-location focused.

Therefore, when the installed measure location or end-use Customer location is known, the DAC NTG policy should be applied as follows:

1. **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.

2. **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 should be used.

However, the location of a Trade Ally should be considered in limited circumstances where the end-use measure location is unknown or cannot be reasonably determined from available tracking data. For Trade Ally-driven delivery channels, if the Evaluator and Program Administrator do not have sufficient data to determine whether the end-use Customer or installed measure is located within a disadvantaged area, and the Trade Ally is located in a disadvantaged area, NTG = 1.0 should be applied.

Staff's interpretation should not be understood as an unconditional rule that Trade Ally location controls NTG treatment. Rather, Trade Ally location should be considered only where ***all of the following conditions are met***:

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

To sum up, **Trade Ally location within a utility service territory alone should not trigger the DAC NTG ratio.** A Trade Ally's location in a disadvantaged area should be considered only when the end-use measure location is unknown and cannot reasonably be determined.