

Illinois EE Stakeholder Advisory Group Large Group SAG: NTG Meeting #1

Friday, September 2, 2022
9:30 am – 12:00 pm

Attendee List and Notes

Meeting Materials

- Posted on the September 2 meeting page and [2023 NTG page](#):
 - [Friday, September 2 SAG Agenda \(NTG Meeting #1\)](#)
 - [SAG Facilitator Overview of Annual NTG Process](#)
 - [Ameren Illinois 2023 NTG Recommendations Spreadsheet \(9/1/2022\)](#)
 - [ComEd 2023 NTG Recommendations Spreadsheet \(8/31/2022\)](#)
 - [Nicor Gas 2023 NTG Recommendations Spreadsheet \(8/31/2022\)](#)
 - [Peoples Gas & North Shore Gas 2023 NTG Recommendations Spreadsheet \(8/31/2022\)](#)

Attendee List

Celia Johnson, SAG Facilitator
Greg Ehrendreich, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Amy Blume, ICF
Andrey Gribovich, DNV
Andy Vaughn, Leidos
Angela Stewart, CMC Energy
Arlinda Bajrami, MEEA
Arvind Singh, DNV
Billy Davis, Bronzeville Community Development Partnership
Bob Baumgartner, Leidos
Cher Seruto, Guidehouse
Chris Healey, Enervee
Chris Vaughn, Nicor Gas
Claire Flaherty, Cascade Energy
Clifford Haefke, Energy Resources Center, UIC
David Brightwell, ICC Staff
Deb Dynako, Slipstream
Dena Jefferson, Franklin Energy
Dylan Royalty, Applied Energy Group
Elizabeth Horne, ICC Staff
Emily Pauli, ComEd
Emily Startz, Power Takeoff
Erin Daughton, ComEd
Garcia, Omayra, Peoples Gas & North Shore Gas
Hannah Collins, Leidos
Jane Colby, Apex Analytics
Jason Fegley, Ameren Illinois
Jamiko Deleveaux, Guidehouse

Jeff Mitchell, Resource Innovations
Jennie Brooks, ICF
Jim Dillon, Ameren Illinois
Jim Fay, ComEd
Joe Colbert, ICF
John Lavallee, Leidos
Katie Parkinson, Apex Analytics
Kevin Grabner, Guidehouse
Kumar Chittory, Verdant Associates
Lance Escue, Ameren Illinois
Laura Agapay-Read, Guidehouse
Laura Pettersen, Resource Innovations
LaJuana Garret, Nicor Gas
Lorelei Obermeyer, CLEAResult
Lorraine Renta, Guidehouse
Mark Szczygiel, Nicor Gas
Mark Hamann, ComEd
Martha White, Nicor Gas
Mary Thony, Guidehouse
Matt Armstrong, Matt Armstrong
Max Michelotti, Power Takeoff
Melanie Munroe, Opinion Dynamics
Michael Brandt, Elevate
Michael Frischmann, Ecometric Consulting
Michael Pittman, Ameren Illinois
Mike King, Nicor Gas
Nishant Mehta, Guidehouse
Peter Widmer, Power Takeoff
Phil Mosenthal, Optimal Energy, on behalf of IL AG's Office and NCLC
Randy Gunn, Tierra
Randy Opdyke, Nicor Gas
Rohith Mannam, Nicor Gas
Ronna Abshure, ICC Staff
Sanjyot Varade, Resource Innovations
Seth Craigo-Snell, SCS Analytics
Sharie Greif, Michaels Energy
Sharon Mullen, Guidehouse
Shonda Biddle, Center for Energy & Environment
Tara Cunningham, Rinnai
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
Thomas Manjarres, Peoples Gas & North Shore Gas
Travis Hinck, GDS Associates
Tyler Sellner, Opinion Dynamics
Vincent Gutierrez, ComEd
Wade Morehead, Morehead Energy
Zach Ross, Opinion Dynamics

Meeting Notes

Follow-up items marked **in red**.

Purpose of Meeting: For independent evaluators to share initial Net-to-Gross (NTG) recommendations for the 2023 program year, including changes compared to 2022 and notable research results.

Process Reminder

Celia Johnson, SAG Facilitator

- Today is the kick-off meeting for the Annual SAG NTG Update Process. Values will be highlighted in spreadsheets and notes will be taken on updates/questions/etc. that need answering.
- Recommended NTG ratios are produced annually by evaluators, reviewed by stakeholders and finalized by Oct. 1 each year. Defined in Policy Manual.
- NTG values this year will be for PY that starts in Jan 1, 2023. If consensus is not reached, then the evaluator's final recommended values will be deemed for the upcoming year. All comments and discussion will be taken into account to estimate best future value for the upcoming year.
- Today's meeting is initial recommendations for each utility, which differ from last year, notable research findings, etc. Will identify any further discussion needs.
- Three additional meetings scheduled in September to discuss follow-up on open questions and reach consensus.

Ameren Illinois NTG Values

Zach Ross, Opinion Dynamics

- For Ameren Illinois, only a handful of new or updated as compared to the final 2022 NTG values. Only going to review what has changed.
- **LED Lighting – Retail Products Initiative**
 - No changes, highlighting separate stakeholder agreement on LED measures. Values are frozen through 2025, noted in spreadsheet. Different values for market rate, IQ big box, IQ non-big box. Same NTG value as applied in 2022, subject to a different stakeholder conversation [from IL-TRM process].
- **Residential Retail Products**
 - Items that will potentially be added to the platform
 - Weatherization
 - EV Chargers
 - HPWH
 - Televisions
 - Low-E/Triple Pane Windows
 - No comparable research for these – using NTG default of 0.80 for market rate and 1.0 for IQ.
- **Residential Market Rate Single Family**
 - New measures being added to the market rate whole home
 - Advanced Tstat – consistent with values for other programs – heating and cooling values for electric, heating for gas
 - Power strips
 - Door sweeps
 - Some LEDs

- Pipe insulation
- Showerheads
- Using default value. Will be conducting research in 2023/2024.

[Phil Mosenthal] What is the logic behind different value for heating and cooling?

[Zach Ross] There is a slideshow from a few years ago. Energy reduction factors in the TRM that are gross are developed through statistical studies. The value for cooling controls for free ridership so we are using the default. The heating value is a comparison group study that didn't control for free ridership, we believe. Somewhere between net and gross, so we have taken the midpoint to try to estimate the "some" free ridership already represented.

- **Midstream HVAC**

- Results are still in draft for comment. Will present but discuss in NTG meeting #2
- Advanced Tstat – we did research that got a number of 58.3%. Consistent with how we treated for other cases, for cooling we believe the gross in TRM is appropriate, for heating we believe the gross value is between net and gross, so you can see we took the midpoint between the research value and 100% to account for where we think the real value is. The heating value is just adjusted.
- Midstream research was distributor only so far. Will add participant perspective later this year. For the measures, we bundled for the research. Found that 58% value and adjusted for the heating as discussed.
- All other values recommended to date are the same as 2022.

[Phil Mosenthal] Concern I have is that the only research is the 58% - curious why you think that isn't relevant to the others?

[Zach Ross] It's not strictly the only research. We have some retail products research for advanced Tstats. It is out of date then and even more out of date now. Our best recommendation based on that was not different from the default rates – relatively low free ridership. We don't have research for the Home Efficiency in-home, whole home program. Midstream, distributor level incentives, would expect very different customer decision making. I don't think the midstream value can apply to other programs. If we had any other direct install Tstat research it might be a better proxy but we don't have it yet. The past research was from 2018.

ComEd NTG Recommendations

Cherlyn Seruto, Guidehouse

- All residential and IQ program NTG values have not changed.
- **Business and Multi Segment**
 - Three new values
 - Custom except streetlights and data centers
 - Data center new construction
 - Data center other

- All reflect in-depth phone interviews and web surveys – about 50 projects/69% of ex-ante savings
- SAG approved three-year rolling NTG value is what is represented in column N for these

[Phil Mosenthal] Is the difference between kWh and kW – is that related to controls? Why is it different, either you are a free rider or not and you are getting both kW and kWh savings.

A: If you look at the project values, they are the same, but we extrapolate back to the population

Nicor Gas NTG Values

Kevin Grabner, Guidehouse

- Similar to other utilities, limited new NTG research this year. A couple of unchanged values but have additional descriptive material added to the measure, new text in red font. No new research in IQ and residential.
- **Multifamily**
 - Note added to comprehensive to include air sealing and insulation
- **Residential, Sector wide non-IQ nonparticipant spillover study**
 - Should be considered each plan cycle per manual. Nicor has 10 years of programs and marketing and outreach. We concluded there was a good case for doing the non-participant spillover research. Undertook that study this summer. Draft memo available for review on SAG website. Quite a bit of info in the notes on the spreadsheet as well. Followed the TRM v10 protocol. Each survey recipient confirmed as a non-participant and aware of offerings, then influence score threshold is applied.
 - Identified 4 customers of Nicor who were nonparticipants who had implemented measures based on Nicor influence. Among those 4 there were 8 measures implemented. Math outlined in TRM gave result of spillover NP multiplier of 0.046 to be applied to the residential portfolio net savings. Similar to the value in the Ameren spreadsheet (which is 0.044). One additional check was to make sure there was no double counting. NP spillover in the Home Efficiency Rebate Program is based on high efficiency boilers but there were none of those in the NP Spillover, so we concluded no double counting.

[Phil Mosenthal] Impact is that the savings are increased?

[Kevin Grabner] Not much more complicated than that. Take the end of year net savings for residential and then multiply by 1.046 – to increase it by 4.6%.

[Phil Mosenthal] Is there for every residential non-IQ measure?

[Kevin Grabner] Yes.

[Phil Mosenthal] Based on only 4 customers isn't a lot of statistical significance.

[Kevin Grabner] Survey went to 40k customers, got 443 respondents, filtered to 277 non-IQ respondents. 4 had implemented measures that had spillover savings.

- Other updates to the spreadsheet are text edits, nothing new – documenting the procedure that the BEER program includes agricultural measures. Some of those were pulled out to a separate rebate form but they are included in the program sampling.
- Pilot and project specific values – text edits to explain the process we go through for the research – for these values we will determine early. If research/secondary research is inconclusive, then value of 0.80 will apply. The standard approach.

[Phil Mosenthal] It would be good to know the average for CHP for what has had research. Might be useful to use the average instead of the default, they are very different.

[Kevin Grabner] We have 1 CHP project that has gone through on the gas side at this point – CHP projects take a long time to go through the process.

Peoples Gas & North Shore Gas NTG Values

Kevin Grabner, Guidehouse

- Similar situation to Nicor Gas, though we didn't conduct new research this year. A handful of revisions to NTG values.
- **Business and Public – Non-Joint, Non-Residential New Construction Comprehensive Custom**
 - A NTG value was needed for the new program. Based on internal discussion, we concluded that the NTG value from the joint non-res new construction should apply until we conduct research on the utility-specific effort.
- Only other items are similar text edits to the pilot about inconclusive values as were done for Nicor.

Closing & Next Steps

- Follow-up on NTG items from meeting #1 will be discussed in meeting #2 (Tuesday, September 13). SAG will also discuss whether participants have any questions or comments on NTG values.