

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

**Wednesday, September 6, 2023**  
9:30 am – 12:30 pm  
**Webinar**

**Attendees and Meeting Notes**

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**Meeting Materials**

Posted on the [2024 NTG page](#):

- [September 6, 2023 SAG Agenda](#)
- [SAG Facilitator Presentation: Annual Net-to-Gross Update Process](#)
- [Ameren Illinois 2024 NTG Recommendations Spreadsheet \(updated 9/5/2023\)](#)
- [ComEd 2024 NTG Recommendations Spreadsheet \(9/1/2023\)](#)
- [Nicor Gas 2024 NTG Recommendations Spreadsheet \(9/1/2023\)](#)
- [Peoples Gas & North Shore Gas 2024 NTG Recommendations Spreadsheet \(9/1/2023\)](#)

**Attendees (by webinar)**

Celia Johnson, SAG Facilitator  
Caty Lamadrid, Inova Energy Group (SAG Meeting Support)  
Abigail Miner, IL Attorney General's Office  
Alan Elliott, Opinion Dynamics  
Amy Buege, Verdant Associates  
Andrey Gribovich, DNV  
Andy Vaughn, Leidos  
Barb Ryan, Applied Energy Group  
Carrie Malfeo, Village of Park Forest  
Charles Ampong, Guidehouse  
Christopher Frye, Guidehouse  
Danielle Kolp, Resource Innovations  
David Brightwell, ICC Staff  
Dena Jefferson, Franklin Energy  
Diana Fuller, Walker-Miller Energy Services  
Elizabeth Horne, ICC Staff  
Erin Stitz, Applied Energy Group  
Erin Daughton, ComEd  
Ethan Barquest, Verdant Associates  
Hannah Collins, Leidos  
Jake Millette, Michaels Energy

Jamey Neal, Ameren Illinois  
Jane Colby, Apex Analytics  
Jarred Nordhus, Peoples Gas & North Shore Gas  
Jason Fegley, Ameren Illinois  
Jayden Wilson, Opinion Dynamics  
Jeff Carroll, DNV  
Jeff Erickson, Guidehouse  
Jenna DeFrancisco, Opinion Dynamics  
Jim Fay, ComEd  
John Lavalley, Leidos  
Jonathan Skarzynski, Nicor Gas  
Katy Brewer, CLEAResult  
Kim Janas, IL Attorney General's Office  
Kumar Chittory, Verdant Associates  
LaJuana Garret, Nicor Gas  
Laura Agapay-Read, Guidehouse  
Malena Hernandez, Opinion Dynamics  
Matt Armstrong, Ameren Illinois  
Michael Brandt, Elevate  
Michael Frischmann, Ecometric Consulting  
Mike Chimack, Energy Sciences  
Molly Lunn, ComEd  
Neil Curtis, Guidehouse  
Nick Warnecke, Ameren Illinois  
Nicole Popejoy, IL Association of Community Action Agencies  
Nida Khan, CAMI Energy  
Nishant Mehta, Guidehouse  
Randy Opdyke, Nicor Gas  
Sagar Phalke, Guidehouse  
Sam Stahl, Ameren Illinois  
Seth Craigo-Snell, SCS Analytics  
Sharon Mullen, Abacus Energy Works  
Sophie Berne, Guidehouse  
Tamika Cole, Walker-Miller Energy Services  
Ted Weaver, First Tracks Consulting, representing Nicor Gas  
Tim Dickison, Ameren Illinois  
Tyler Sellner, Opinion Dynamics  
Victoria Nielsen, Scott Madden  
Will Wilson, Ameren Illinois  
Zach Ross, Opinion Dynamics  
Jason LaStella, Franklin Energy  
Nicholas Crowder, Ameren Illinois  
Tara Cunningham, Rinnai  
Travis Hinck, GDS Associates

### **Meeting Notes**

See red text for follow-up items.

### **Opening & Introductions**

*Celia Johnson, SAG Facilitator*

- [SAG Facilitator Presentation: Annual Net-to-Gross Update Process](#)

- This is the first meeting of the annual net to gross (NTG) update process. The evaluators for each of the IL utilities will present their NTG ratio recommendations for 2024. The focus is on notable research results and significant changes between 2023 and 2024. Purpose is to gain initial understanding of changes and flag questions or concerns.
- NTG review process is required by Policy Manual and occurs every year in September in a series of four meetings.
- Evaluators shared NTG initial values with SAG group on September 1st. Values must be finalized by October 1st, to become effective the next program year (2024).
- A definition of NTG ratio is available in the Policy Manual.
- Goal is to reach consensus for all ratios. If consensus cannot be reached, then the evaluator decides the final value for 2024.
- Highlighted a few related policies:
  - For income eligible EE programs, the NTG ratio is always 1.0.
  - New policy that was finalized as part of this year's Policy Manual update process, and that is pending as part of upcoming submission to the Illinois Commerce Commission (ICC) for approval. This policy applies a 1.0 NTG ratio for smaller customers in economically-disadvantaged areas.

### **Ameren Illinois NTG Values**

*Zach Ross, Opinion Dynamics*

**Purpose:** To discuss evaluator NTG recommendations for Ameren Illinois; identify questions and follow-up items.

**Material:** [Ameren Illinois 2024 NTG Recommendations Spreadsheet \(updated 9/5/2023\)](#)

- There are a handful of research efforts are still in progress and will be shared before end of month.
- Ameren IL has a dual-fuel portfolio, so both electric and gas NTG values are being updated. The spreadsheet includes the source of the proposed new values and the rationale behind them. I will only cover NTG values that changed.
- The new NTG Policy for disadvantaged areas suggests that evaluators and program administrators can use NTG for 100% for any energy efficiency projects that meets a certain set of criteria.
- Business program: a couple of research efforts are in progress with memos to be shared shortly. First one is Standard Initiative Trade Ally spillover research. Recommendations will be available once a memo is released.
- Small Business Energy Performance Channel – comprehensive whole-building program developed only for customers in economically-disadvantaged areas. Previously we were using the existing Small Business Direct Install NTG ratio. Due to SAG conversations this year, we are revising our recommendation to 100% to align with the new policy.
- Business midstream HVAC Channel – research effort in progress and findings will be presented at future NTG meeting.
- Business virtual RCx channel – effort in progress and to be presented later.
- Virtual SEM under Retro commissioning Initiative. This is a new program for 2023 and we are recommending electric and gas NTG values of 97% to be in line with other IL utilities.
- Combined Heat and Power – for many years the recommendation has been to conduct project-specific research and deem that value for the life of the project. (There is no general value recommended in spreadsheets). Ameren has never implemented CHP

projects until now, as such we have been rethinking this recommendation and we have a proposal for feedback.

- The original recommendation on this approach was made many years ago under a different regulatory framework. We now feel this CHP recommendation is unique and there is no need to keep the NTG at a project-level and feel this is misaligned.
- Suggest continuing this process moving forward for informational purposes, but that we start using the NTG for large Commercial initiatives for 2024. This would be revisited in Fall of 2024 for the next NTG update process.
- No comments from group, we will move forward with this approach and present it again next week.

*Kim Janas – via chat: What is an "advanced power strip"?*

*Zach Ross: Measure is defined in IL Technical Reference Manual (TRM) but it is a power strip that has capabilities to automatically disconnect certain outlets in power strip under certain conditions.*

*Jeff Erickson – via chat: Easiest way I think about it: the power strip turns off your TV if no one is in the room. That saves the energy the TV would be using. That is one particular kind of power strip but the principal is still the same.*

*Celia Johnson – via chat: Here is an explanation from NREL about advanced power strips if it's helpful <https://www.nrel.gov/docs/fy14osti/60461.pdf>.*

*Kim Janas – via chat: Why is there a difference between municipal versus utility-owned streetlighting?*

*Zach Ross: This has to do with how programs are delivered. Municipal-owned is akin to any energy efficiency program where utility offers incentives to customers (municipalities) who owns street lighting and are wanting to make changes. The NTG shown for 69% comes from research. Utility-owned streetlighting the concept of NTG does not apply to this program because the utility itself is running a program to affect its owned street lighting.*

- Residential programs have fewer updates. We do have some forthcoming recommendations for later meetings.
- Market Rate Single Family Home Efficiency Channel:
  - New HVAC measures were added to the program. Because there is no research for the program available at this time, we are using SAG default ratio of 80%.
  - Concept of early replacement, there has been a lengthy conversation with the group that updates TRM about early replacement and how it is evaluated and there is an interaction on NTG that I will present on later.
- Market Rate Multifamily Direct Install – completed research and a memo is available on SAG website. We recommend two updates for 2024 for advanced thermostats and air sealing. Our research found no free-ridership so values are updated to 100% for both gas and electric.

*Opinion Dynamics will update CHP NTG recommendation for review in NTG Meeting #2.*

## **ComEd NTG Values**

Christopher Frye, Guidehouse

**Purpose:** To discuss evaluator NTG recommendations for ComEd; identify questions and follow-up items.

**Materials:** [ComEd 2024 NTG Recommendations Spreadsheet \(9/1/2023\)](#)

- Focus of discussion is on NTG values that are changing from 2023.
- Spreadsheet does not have a line item for the NTG for disadvantaged areas policy. We plan to follow the Policy Manual but it is not reflected in the spreadsheet.
- Income Eligible Sector – all values except one are 100%, as per the Policy Manual. There is one measure where the value is 0.62 but this was based on previous research conducted.
- Business Custom program incentives – new research conducted in 2021 and 2022 and new NTG values for three measures are proposed.
- Business Midstream/Upstream Instant Discounts – calculated new NTG values based on research conducted during this cycle.
- Business New Construction – revised NTG values based on self-reported interviews for last 4-year values. NTG is a little bit lower than last year for this program.

*Seth Craigo-Snell – via chat: Are the 2023 (Current) NTG values in your spreadsheet somewhere?*

*Nishant Mehta – via chat: “Here is the link to CY2023 NTG values.*

*<https://www.ilsag.info/wp-content/uploads/ComEd-NTG-CY2023-Recommendations-Final-2022-09-30.xlsx>”*

*Guidehouse will update the ComEd spreadsheet to include 2023 NTG values in the same document.*

- Small Business – kits is the same as last year but thermostats are changed based on surveys.
- Residential Income Eligible Midstream – based on participating contractor and distributor research for this cycle we are revising NTG values.
- Residential Income Eligible Multi Family – Market Rate Multifamily there are various measures where we propose NTG changes.
- Retail/Online – measures that are provided through the Appliance Rebate Program. Based on research conducted in this cycle we have free-rider estimates and spillover estimates that affect NTG.

*Zach Ross – via chat: Jeff, Erin, etc.: Would love to hear more about the Multifamily SEM program at some point. Not NTG related, would love to just understand what that program is doing. Sounds like an interesting concept.*

*Seth Craigo-Snell – via chat: “There is also a Guidehouse memo from 8.18.23 referenced in the ComEd spreadsheet that I would like the opportunity to review. It appears to be Contractor and Distributor survey findings.”*

*Celia Johnson – via chat: Link: <https://www.ilsag.info/wp-content/uploads/ComEd-Contractor-Midstream-Program-NTG-Memo-2023-09-01-Final.pdf>*

## **Nicor Gas NTG Values**

*Christopher Frye, Guidehouse*

**Purpose:** To discuss evaluator NTG recommendations for Nicor Gas, Peoples Gas & North Shore Gas; identify questions and follow-up items.

**Material:** [Nicor Gas 2024 NTG Recommendations Spreadsheet \(9/1/2023\)](#)

- Focus is on areas with research conducted this summer that informs NTG values for 2024. Around 10 NTG ratios changed. Context on the recommendations is provided on the spreadsheet.
- Income eligible programs use stipulated values from TRM. Same comment as ComEd, we will follow the new NTG Policy for disadvantaged areas, but it is not shown on spreadsheet.

*Katy Brewer – via chat: Curious if there been any additional inquiry/research into the Strategic Energy Management (SEM) NTG value. I understand that that value originally came about as an estimate and was more of a "happy medium" due to extensive debate. This value deviates from what is widely accepted across the country.*

*Zach Ross – via chat: Are you referring to the 0.97 NTG value for SEM?*

*Katy Brewer: Has there been additional research that came from this conversation? The 0.97 value differs from what is used elsewhere (1.0).*

*Nishant Mehta: We discussed with ComEd doing some secondary research about differences across jurisdictions. We haven't done this yet.*

*Erin Daughton: This research may not be necessary. Using 0.97 for SEM instead of 1.0 was reached as consensus due to a stakeholders' concern about using 1.0.*

*Zach Ross: I think the proposed value is the same for all utilities. I'm trying to recall but there was a year where we did several updates across NTG recommendations for programs that use consumption analysis to estimate savings.*

*Zach Ross – via chat: The TRM section I am referencing is Attachment A, Section 5.3.1 (Consumption Data Analysis and NTG). Worth a read when talking about NTG for any program using consumption data analysis for impact evaluation.*

- Recommended values for advanced thermostats are the same regardless of the channel.
- Water saving measures, free-ridership values are stipulated in the TRM.
- Direct install and virtual Self-Install items NTG values were updated based on free-ridership and spillover research.
- There is research underway for non-participant spillover in the commercial sector.
- New construction we are recommending new NTG value based on secondary research.

*Jane Colby: Joint non-residential New Construction is still being finalized in terms of research, and that is not identified in the spreadsheet.*

Seth Craigo-Snell – via chat: I'd like to see the research memo with the Participant spillover results as soon as possible.

*Follow-up:*

1. Guidehouse will update the Nicor Gas spreadsheet to include 2023 NTG values in the same document.
2. Discuss the Strategic Energy Management NTG ratio in NTG Meeting #2: Should this ratio be changed to 1.0, instead of 0.97?
3. Erin Daughton suggested Guidehouse look into previously shared research, to review what the underlying NTG recommendation was before it changed.

**Peoples Gas & North Shore Gas NTG Values**

*Christopher Frye, Guidehouse*

**Purpose:** To discuss evaluator NTG recommendations for Nicor Gas, Peoples Gas & North Shore Gas; identify questions and follow-up items.

**Materials:** [Peoples Gas & North Shore Gas 2024 NTG Recommendations Spreadsheet \(9/1/2023\)](#)

- Focus on areas with research conducted this summer that informs values for 2024. Several residential values were updated.
- Income eligible programs use stipulated values from TRM. Same comment as ComEd, we will follow Policy for disadvantaged areas, but it is not shown on spreadsheet.
- Advanced thermostats from Online Marketplace – Free-ridership and Spillover research conducted this summer and updated values.
- Partner trade allies will also be updated.
- Residential non-Income eligible customers, sector wide. There was research conducted on non-participant spillover results and we are recommending updating the NTG. Explanation included in spreadsheet.

*Guidehouse will update the Peoples Gas & North Shore Gas spreadsheet to include 2023 NTG values in the same document.*

**Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

**Follow-up for All Utilities:**

- Discuss the Strategic Energy Management (SEM) NTG ratio in NTG Meeting #2: Should this ratio be changed to 1.0, instead of 0.97? Erin Daughton suggested Guidehouse look into previously shared research, to review what the underlying SEM NTG recommendation was before it changed.

**Ameren Illinois:**

- Opinion Dynamics will update CHP NTG recommendation for review in NTG Meeting #2.

**ComEd:**

- Guidehouse will update the ComEd spreadsheet to include 2023 NTG values in the same document.

**Nicor Gas:**

- Guidehouse will update the Nicor Gas Gas spreadsheet to include 2023 NTG values in the same document.

**Peoples Gas & North Shore Gas:**

- Guidehouse will update the Peoples Gas & North Shore Gas spreadsheet to include 2023 NTG values in the same document.

**Next Steps:**

- SAG NTG Meeting #2: Wednesday, September 13 (10:00 am – 12:00 pm)
- Additional NTG research memos will be posted on [this year's NTG page](#) when available for review.
- Updated evaluator NTG recommendation spreadsheets will be posted on [this year's NTG page](#) and circulated to SAG when available.