

**Illinois EE Stakeholder Advisory Group  
Large Group SAG: NTG Meeting #4**

**Wednesday, September 27, 2023**  
10:00 am – 12:00 pm (Teleconference)

**Attendees and Meeting Notes**

**Meeting Materials** .....1  
**Attendees** .....1  
**Meeting Notes** .....2  
**Opening & Introductions** .....2  
**Ameren Illinois NTG Values** .....2  
**ComEd NTG Values** .....5  
**Nicor Gas NTG Values** .....5  
**Peoples Gas & North Shore Gas NTG Values** .....5  
**Closing and Next Steps** .....5

**Meeting Materials**

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

**Attendees**

Celia Johnson, SAG Facilitator  
Abby Miner, IL Attorney General's Office  
Andrey Gribovich, DNV  
Andy Vaughn, Ameren Illinois  
Brent Nakayama, Leidos  
Chris Neme, Energy Futures Group, representing NRDC  
Chris Vaughn, Nicor Gas  
Christopher Frye, Guidehouse  
David Brightwell, ICC Staff  
Diana Fuller, Walker-Miller Energy Services  
Elizabeth Horne, ICC Staff  
Erin Daughton, ComEd  
Hannah Collins, Leidos  
Jake Millette, Michaels Energy  
Jayden Wilson, Opinion Dynamics  
Jeff Erickson, Guidehouse  
John Lavalley, Ameren Illinois  
Kathryn Brewer, CLEAResult  
Katie Parkinson, Apex Analytics  
Lance Escue, Ameren Illinois  
Laura Agapay-Read, Guidehouse  
Malena Hernandez, Opinion Dynamics  
Matt Armstrong, Ameren Illinois  
Michael Brandt, Elevate  
Monique Leonard, Ameren Illinois  
Neil Curtis, Guidehouse  
Nicholas Crowder, Ameren Illinois  
Nick Warnecke, Ameren Illinois

Nicole Popejoy, IL Ass'n of Community Action Agencies  
Philip Mosenthal, Optimal Energy, representing IL AG and NCLC  
Randy Opdyke, Nicor Gas  
Rohith Mannam, Nicor Gas  
Ronna Abshure, ICC  
Sagar Phalke, Guidehouse  
Sam Dent, VEIC (IL-TRM Administrator)  
Scott Eckel, ICC  
Seth Craigo-Snell, SCS Analytics  
Stu Slote, Guidehouse  
Ted Weaver, First Tracks Consulting, representing Nicor Gas  
Thomas Manjarres, Peoples Gas & North Shore Gas  
Tim Dickison, Ameren Illinois  
Travis Hinck, GDS Associates  
Tyler Sellner, Opinion Dynamics  
Victoria Nielsen, ScottMadden  
Will Wilson, Leidos  
Zach Ross, Opinion Dynamics

### **Meeting Notes**

See **red text** for follow-up items.

### **Opening & Introductions**

*Celia Johnson, SAG Facilitator*

- [SAG Facilitator Presentation from NTG Meeting #1: Annual Net-to-Gross Update Process](#)
- This is the fourth and final meeting of the annual net to gross (NTG) update process.
- NTG review process is required by Policy Manual and occurs every year in September in a series of meetings.
- Goal is to reach consensus for all NTG ratios. If consensus cannot be reached, then the evaluator decides the final value for 2024.
- Following today's meeting, evaluators will share final NTG spreadsheets on or before October 1.

### **Ameren Illinois NTG Values**

*Zach Ross, Opinion Dynamics*

Midstream HVAC Updates:

- Residential Market Rate Single Family Midstream HVAC
  - All Measures (except Advanced T-stats)
  - Advanced T-stats – Cooling
  - Advanced T-stats – Heating

*Seth Craigo-Snell: These are relatively large changes in magnitude. We were expecting these NTG values would be coming down, but we are concerned about how far they are going down. There were substantial changes made to the NTG algorithm approach for this year. What used to be two scores has become three scores. Ameren is seeing a lot more divergence between the program influence score and the counter-factual in this research than we expected or hoped. The aim is to try to use these two different approaches to measure the same thing. What would have happened without the program. We would have hoped those two approaches would*

be closer together than they are. This is the first time the algorithm approach was used. Ameren has some concerns about these recommendations.

Chris Neme: Does this exclude spillover?

- Zach Ross: It does not include spillover effects. We have decided to look at other impacts in the market using a “market effects” approach. We will have information to share with SAG at some point. Because of that, we did not research spillover at all, because it would be double-counting.
- Chris Neme: You don’t have any way to distinguish between the NTG for different measures row the “all measures” category?
- Zach Ross: This research was multi-perspective, both distributor and contractor research. At the distributor level we were able to provide more granular scores, we weren’t able to do that with contractor research.
- Chris Neme: These results seem counter-intuitive. It surprised me for heat pumps and heat pump water heaters, that they would have free ridership rates that high. Especially because the heat pump market is newer in Illinois. I also understand ComEd’s analysis found much higher NTG values.
- Zach Ross: At the distributor only level, we found even higher free ridership (60% compared to 52%). The HVAC measures had a slightly lower free ridership score, compared to distributors. Last year we did distributor research, using the previous version of the TRM NTG protocols. We found high free ridership last year too. Last year it was a negotiated average, between the distributor research and the default value. We have been talking with the Guidehouse team about the ComEd research. We were also surprised about the difference in results.
- Chris Neme: When you talk to distributors about HVAC, heat pumps and central A/C, did you ask them for different answers for heat pumps vs. central A/C?
- Zach Ross: We asked them about those two together, but we broke out heat pump water heaters and advanced thermostats.
- Chris Neme: Central A/C has been around for a long time. Heat pumps are newer. Not sure it makes sense to bundle all of those measures together. Perhaps it makes sense to adopt the 48% for central A/C, but use 70% for heat pumps? And the same for heat pump water heaters.
- Phil Mosenthal: I’m not sure I follow the distinction between central A/C and heat pumps. I assume these were all time of sale situations. I would think people would be more motivated to purchase a high efficiency heat pump.
- Chris Neme: Some of these are not time of sale. Ductless heat pumps are a retrofit measure, vs. an existing system. Adding a new heat pump system is different than replacing something already in the building.
- Zach Ross: Suggests Phil Mosenthal and Chris Neme join upcoming NTG Working Group meetings this fall to discuss the NTG methods being used. ODC followed the current IL research protocols.
- Chris Neme: I’m concerned about bundling all of these measures in situations where the market is different. Also concerned that the research differs for ComEd. I’m skeptical that the NTG research results applies to ductless heat pumps.
- Zach Ross: We can see if we can identify a different recommendation for heat pump water heaters. We can also look at our sample of distributors.
- Seth Craigo-Snell: Is there an opportunity to use the data that ODC collected for PI and CF scores, but rather the average the two, combine the two with a weighted average scheme that favors the program influence scoring?

- *Zach Ross: I am nervous about that as a blanket approach. We can look at the research again to look at the counter-factual score.*
- *Seth Craigo-Snell: Understood.*
- *Phil Mosenthal: I am concerned about selectively diverging from a protocol that everyone has agreed to.*
- *Jeff Erickson: Agrees on being nervous about diverging from the protocol.*
- *Chris Neme: Agree about selective divergence from an agreed-upon approach.*
- *Zach Ross: We had a conversation in the TRM TAC about early replacement. Starting next year, the Ameren program will be claiming some share of measures as early replacement. This research does not address early replacement. This will be discussed in the NTG Working Group.*
- *Chris Neme: For ductless mini splits, there may be a third category. Natural replacement, early replacement, or first-time installation to replace electric resistance heat.*
- *Zach Ross: Our protocols in IL make it difficult to decipher whether the program is what caused the early replacement.*
- *Phil Mosenthal: Have you looked at NTG values in other jurisdictions? These results don't surprise me that much.*
- *Zach Ross: On a limited basis. We have not done an exhausted secondary research study. We looked at the ComEd study. Part of the challenge is there are a lot of different methods used.*
- **Next Steps:**
  - ODC will review heat pump water heater research
  - ODC will review data results for the distributor research, regarding ductless mini splits
  - Chris Neme suggests considering 48% for centrally ducted HVAC, and 70% for ductless heat pump and 70% for heat pump water heaters
  - ODC will follow-up via email with Ameren Illinois, Chris Neme, Phil Mosenthal, and the Guidehouse evaluation team

#### Midstream HVAC Updates:

- Business Midstream HVAC
  - All Measures (except Advanced T-stats)
  - Advanced T-stats Cooling
  - Advanced T-stats Heating
- Similar results as discussed above for residential.

#### Residential Updates to the Efficient Choice Tool

- We also included a weighted average number, if any measures are added in the future
- No concerns; NTG ratios marked as consensus

#### Residential Non-Participant Spillover Research Study

- This was a statewide study. We found some non-participant spillover for Ameren – 0.45% electric, and 2.3% for gas.
- This is not applied in all cases, where it may result in double-counting.
- No concerns; marked as consensus.

All other NTG ratios previously marked as consensus.

### **ComEd NTG Values**

*Jeff Erickson, Guidehouse*

NTG ratio updates to two residential midstream research results:

- Midstream Central A/C – 0.86
- Midstream Heat Pump – 0.93
- No concerns; marked as consensus

Residential Non-Participant Spillover Research Study

- ComEd was included in this study in the beginning. However, the sample size for ComEd was not large enough, so there are no results for ComEd.

All other NTG ratios previously marked as consensus.

### **Nicor Gas NTG Values**

*Christopher Frye, Guidehouse*

Residential Non-Participant Spillover Research Study

- For Nicor Gas, zero spillover was found.
- No questions or concerns.

All other NTG ratios previously marked as consensus.

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

*Laura Agapay-Read, Guidehouse*

Residential Non-Participant Spillover Research Study

- For Peoples Gas & North Shore Gas, zero spillover was found.
- No questions or concerns.

All other NTG ratios previously marked as consensus.

### **Closing and Next Steps**

*Celia Johnson, SAG Facilitator*

- Sept. 27 was the fourth and final NTG meeting to discuss NTG ratios for the program year beginning January 1, 2024
- Evaluators for Illinois utilities will prepare final spreadsheets, on or before October 1
- Final spreadsheets will be posted on the [2024 NTG page of the SAG website](#), and circulated to SAG