

**Illinois EE Stakeholder Advisory Group  
Net-to-Gross Meeting #3**

**Wednesday, September 18, 2024  
10:00 am – 12:00 pm**

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**Meeting Materials**

Posted on the [2025 NTG page](#).

**Attendees**

<b>Name</b>	<b>Company or Organization</b>
Celia Johnson	SAG Facilitator (Celia Johnson Consulting)
Jorge Medina Zambrano	SAG Meeting Support (Inova Energy Group)
Abigail Miner	IL Attorney General's Office
AJ Young	U.S. Greenlink
Alan Elliott	Opinion Dynamics
Andrey Gribovich	DNV
Andy Vaughn	Leidos
Arvind Singh	DNV
Chad Balthazor	Cascade Energy
Cher Seruto	Eco Spark
Christopher Frye	Guidehouse
David Brightwell	ICC Staff
David Siddiqui	Power Takeoff
Denise Munoz	ComEd
Elder Calderon	ComEd
Elizabeth Horne	ICC Staff
Emily Pauli	ComEd
Erin Daughton	ComEd
Erin Stitz	Applied Energy Group
Evan Tincknell	Opinion Dynamics
Hannah Collins	Leidos

<b>Name</b>	<b>Company or Organization</b>
Hassan Khurshid	DNV
Hira Majeed	ComEd
Jake Millette	Michaels Energy
Jarred Nordhus	Peoples Gas & North Shore Gas
Jason Fegley	Ameren Illinois
Jeff Erickson	Guidehouse
Jeffrey Carroll	DNV
Jenna DeFrancisco	Opinion Dynamics
Jim Fay	ComEd
Jim O'Shaughnessy	Energy Infrastructure Partners
John Lavallee	Ameren Illinois
Josh Ramos	Nicor Gas
Josh Sharon	ComEd
Kanchan Swaroop	Resource Innovations
Katie Parkinson	Apex Analytics
Kim Brown	ComEd
Kumar Chittory	Verdant Associates
LaJuana Garrett	Nicor Gas
Laura Agapay-Read	Guidehouse
Laura Pettersen	Cascade Energy
Leyah Williams	ICC Staff
Lilieric Florez Monroy	Peoples Gas & North Shore Gas
Malena Hernandez	Opinion Dynamics
Mark Hamann	ComEd
Matt Armstrong	Ameren Illinois
Michael Collins	Franklin Energy
Murtaza, Danish	Peoples Gas & North Shore Gas
Nate Baer	i3 Energy
Neil Curtis	Guidehouse
Nick Warnecke	Ameren Illinois
Nicole Popejoy	IL Ass'n of Community Action Agencies
Oxana Petritchenko	Guidehouse
Paul Higgins	Abacus Energy Works
Peter Widmer	Power Takeoff
Randy Opdyke	Nicor Gas
Rashaan Keeton	Center for Energy & Environment
Sagar Phalke	Guidehouse
Salina Colon	CEDA
Samuel Morris	The Will Group
Sanjyot Varade	Resource Innovations
Seth Craigo-Snell	SCS Analytics
Sharon Mullen	Abacus Energy Works

Name	Company or Organization
Shawn Haas	Peoples Gas & North Shore Gas
Steven LaBarge	ComEd
Tamika J. Cole	Walker-Miller
Tara Cunningham	Rinnai
Tyler Sellner	Opinion Dynamics
Zach Ross	Opinion Dynamics

**Meeting Notes**

See red text for follow-up items.

**Opening and Introductions**

Purpose of September 18 meeting:

- ADD

As required by the Policy Manual, NTG ratios for the 2025 program year must be finalized by October 1.

- The final SAG meeting to discuss consensus on NTG ratios is on Wed. Sept. 25.
- If consensus cannot be reached by SAG, then the final evaluator recommendation is deemed for the 2025 program year.
- Additional background: ADD MY SLIDES

**Ameren Illinois NTG Values**

*Zach Ross, Opinion Dynamics*

- We have new NTG ratios that have not been presented in prior meetings that will be presented for discussion today.
- We are not ready to talk about the virtual retrocommissioning NTG ratio – we will discuss in NTG Meeting #4.

**Business Standard**

- ODC completed updated free ridership research. We have updated recommendations for lighting, standard HVAC, specialty equipment, steam traps, variable frequency drives (motor controls).

*Abby Miner: Does the core program lighting include LED direct install when the legacy bulbs are incandescent?*

- *Zach Ross: The core standard lighting offers incentive for LED lighting products. Standard lighting is not direct install, it's a downstream program.*

*Seth Craigo-Snell: I think the free ridership value is 33.6 and got rounded up to 34. Can ODC double-check?*

**Consensus on Business Standard NTG Ratios:**

- Business standard ratios marked as consensus.

### **Small Business Direct Install**

- Free ridership was not updated this year. We conducted trade ally spillover research for small business direct install. That research found a spillover rate of 39% - this is very high, and fairly unusual for a program of this design in our experience. This result comes from one trade ally. We investigated this and found the results to be accurate. However, we have concern recommending a value that is this high being driven by one trade ally. We did sensitivity analysis and recommend a somewhat lower spillover number to be used of 25%. We think this strikes a balance.

*Abby Miner: Does the small business direct install lighting and lighting control measures include LEDs?*

- *Zach Ross: Yes.*
- *Abby Miner: How did this number end up being over 100%?*
- *Zach Ross: The pure math is 1.0 – 10.9%, plus 25%. This equals 114.1%. The 10.9% comes from research completed in 2020. This was a free ridership study. The 25% is an evaluator recommendation based on research completed in 2024, which found a high trade ally spillover rate of 39%. This was lowered to 25% based on evaluator judgment.*
- *Abby Miner: How many responses did ODC get overall? Was it a meaningful number?*
- *Tyler Sellner: 34 total responses, 3 that produced spillover, and 1 with significant spillover.*
- *Zach Ross: The 1 respondent that resulted in a high spillover rate is because that trade ally had been significantly participating in Ameren's EE program, however this year they did not submit any of their projects through the Ameren program this year. The 25% recommendation from ODC is a professional judgment number, lowered from the 39% spillover finding.*
- *Abby Miner: If the trade ally responded they had been doing a lot of efficiency work due to Ameren's program, is it anticipated they will continue to do that?*
- *Zach Ross: There were administrative issues, those were brought to Ameren's attention. This trade ally began doing EE work because of Ameren's program, and something changed [that meant they stopped submitting their EE projects to Ameren].*

*Matt Armstrong: Have we done the opposite? Where there is a low number that is not representative of the program as a whole?*

- *Zach Ross: We have, perhaps not in this exact way. One example is the midstream HVAC results from last year. We had pretty low NTG results. There were concerns expressed and we negotiated a different / higher number for 2024. Our preference generally is to let our research stand for itself, but the finding for small business direct install was pretty unusual.*
- *Abby Miner: What would the NTG ratio be without the recommended change from ODC?*
- *Zach Ross: 128%.*

*Seth Craigo-Snell: For context, this spillover research is often finding a needle in a haystack effort. You start with a significant sample of respondents, program participants, and ask questions about whether or not they did additional EE improvements because of the utility program, but without explicit support from the program. Typically you often end up with a very small number of observations that the recommendation is based on.*

### **Consensus on Small Business Direct Install:**

- **IL Attorney General's Office is reviewing the 114.1% NTG ratio; discuss in NTG meeting #4.**

### **Custom (Electric):**

- Custom has two channels – custom incentives and new construction lighting. There was a custom free ridership study.
  - Custom incentives recommendation for 2025 – 75.5%
  - New construction lighting recommendation for 2025 – 90.5%

### **Custom (Gas):**

- We did a NTG study but we did not get a sufficient number of respondents to support a new recommendation or 2025. Therefore, we recommend using the previous gas NTG for custom, 82.4%.

*Abby Miner: Is the legacy custom gas number based on previous research?*

- *Zach Ross: Yes, this is based on a study in 2020.*

### **Consensus on Custom NTG values:**

- Both electric and gas NTG ratios marked as consensus.

### **Combined Heat and Power (CHP):**

- We have not evaluated a CHP project in Ameren recently. There are a small number of projects. We have not completed NTG research for those. In 2023, SAG agreed to use the custom incentives NTG ratio for CHP projects, until the time we had sufficient research to deem a better value for CHP. The only reason this value is marked as an update is because it is updated to match the new custom NTG ratio.

### **Consensus on CHP NTG value:**

- Marked as consensus.

### **Consensus on Business Midstream Lighting NTG values:**

- Marked as consensus.

### **Residential Retail Products:**

- A question was raised previously about heat pump clothes dryers. This measure does not include heat pump clothes dryers. These are electric resistance clothes dryers. We can clarify that in the spreadsheet.
- All of the residential retail product NTG ratios marked as consensus, except air purifiers.
- **Discuss air purifier NTG recommendation in meeting #4.**

*Seth Craigo-Snell: For air purifiers, the NTG values are very different between Ameren and ComEd. I'm not sure there are substantial differences in how that measure is being promoted.*

- *Zach Ross: ODC's previous Ameren recommendation was based on a ComEd value. My understanding is the ComEd program has scaled up that measure. ODC didn't find this result particularly surprising for Ameren.*

*Andy Vaughn: Has ODC seen any difference between online marketplace and point of purchase?*

- *Zach Ross: This is for air purifiers?*
- *Andy Vaughn: Yes. Also thermostats. There might be a different between these types of offers.*
- *Zach Ross: Our results for air purifiers are solely based on downstream rebates. There is a small comparative number of rebates for online marketplace.*

Seth Craigo-Snell: On the heating side, there is a correction on thermostats related to the TRM due to a baseline difference?

- Zach Ross: Typically, the IL-TRM defines savings based on engineering principles, estimating the savings at the meter for a product separate from attribution or NTG issues. The savings estimates for advanced thermostats were developed from a Guidehouse study, to develop savings factors for the IL-TRM. The TRM NTG attachment has a section that explains how to understand savings developed in this way, with respect to attribution effects. The methodology used in the cooling study for advanced thermostats yields savings that we can treat as gross, therefore we apply the NTG ratio to the cooling savings. However, the study for heating savings has unknown net effects. The TRM mentions treating the heating savings somewhere between net and gross. A number of years ago, the evaluators presented these issues and it was decided at that time the free ridership value would be zero. The deemed savings in the TRM are halfway between gross and net, and therefore we should use half of the free ridership value when developing a NTG ratio. Then the spillover number is added.

### **Residential Market Rate Single Family Midstream HVAC**

- We did program level NTG research; found a free ridership of 53%. We used that to update the NTG recommendations.
- Discuss residential market rate single family midstream HVAC NTG ratios in meeting #4.

Abby Miner: That was for free ridership only?

- Zach Ross: We are not considering spillover from this channel. We are in a separate research effort with Ameren to quantify market effects. We think that would result in double-counting. The spillover is zero.

Seth Craigo-Snell: We are concerned about the low NTG recommendation. This was a negotiated value last year, based on distributor research. This research was bolstered this year with additional survey work with contractors. We are investigating this on how to reconcile this value for Ameren compared to the value Guidehouse recommended for ComEd. The delivery of both programs is similar; however, the incentive levels are different and there may be other differences. Recognizing it's complicated to measure free ridership with midstream efforts. We are looking into how much these differences between ComEd and Ameren is due to incentive levels, and free ridership rates. If the difference is purely about incentives – which results in a lower NTG ratio – it becomes riskier to invest in the program.

- Zach Ross: Interested in discussing in meeting #4.

### **ComEd NTG Values**

Christopher Frye, Guidehouse

#### **Custom NTG Ratios:**

- Marked as consensus.

#### **Business Incentives NTG Ratios:**

- For LED street lighting, Guidehouse did not get enough responses to update the NTG ratio.
- Street lighting measures (both ComEd-owned and municipality-owned) marked as consensus.
- Guidance summarized responses to questions raised by Seth Craigo-Snell.
- ComEd requested to defer business incentives standard NTG ratios to meeting #4.

*Abby Miner: Does Ameren count trade ally (or Energy Efficiency Service Provider) spillover?*

- *Zach Ross: Yes, but we do that research program by program. The standard initiative has trade ally spillover, and we talked today about small business direct install spillover. We don't have spillover research for other programs. ODC thinks only one type of spillover should be applied.*

#### **Business Industrial Systems NTG Ratios:**

- Marked as consensus.

#### **Retrocommissioning NTG Ratio:**

- This is joint for northern Illinois utilities. The recommended NTG value is 0.92, down from the previous estimate of 0.94.
- **ComEd requested to defer the retrocommissioning NTG value to meeting #4.**

#### **Single Family Upgrades NTG Ratio:**

- Faucet aerators (bathroom, kitchen, showerhead) have a default free ridership of 0. Our research estimated participant spillover of 0.09. This led to an updated NTG ratio recommendation.
- **ComEd requested to defer the single family updates NTG values to meeting #4.**

#### **Retail / Online Appliance Rebates and Marketplace 2.0:**

- Seth Craigo-Snell previously raised questions about these recommendations.

*Seth Craigo-Snell: This includes electrification as a separate NTG ratio that is notably different than the default value. What is the rationale?*

- *Neil Curtis: Our view is that electrification is a different measure; it's a different implementation methodology. Someone is making a decision about installing equipment as an electrification measure. We believe that deserves a standalone research effort.*

#### **Contractor / Midstream Heat Pump:**

*Seth Craigo-Snell: Midstream heat pump is longstanding research. I asked this be held due to research for Ameren. Ameren is investigating program dynamics. Given the changes in ComEd's annual EM&V reports to be much higher level, I was not able to find any measure-level breakouts in the program performance. To do more detailed analysis for this issue, it would be helpful to have at least participation levels for this kind of program. For example, the participation number for different types of air source heat pumps that were promoted through the ComEd program in 2023.*

- *Jeff Erickson: You are correct that information is not provided in the documents. Whether it can be shared is a question for ComEd.*
- **Seth Craigo-Snell will follow-up with ComEd on the request for this participation data.**

*Andrey Gribovich: How would this electrification breakout be applied? For the fuel switching portion of the savings?*

- *Neil Curtis: Correct.*
- *Andrey Gribovich: Additional discussion is needed on how this will work, especially if this is extended for other measures. I could see a scenario where there is a very low NTG for electrification and very high in the non-electrification scenario.*

*Seth Craigo-Snell: It looks like there are only income qualified values for heat pump water heaters. Is ComEd offering heat pump water heaters in market rate (non-income qualified)?*

- *Jim Fay: There may be a few heat pump water heaters in the all-electric new construction program.*
- **Follow-up discussion in meeting #4.**

### **Retail / Online Appliance Rebates and Marketplace 2.0, and Contractor Midstream Heat Pump:**

- **Follow-up discussion in meeting #4.**

### **Nicor Gas NTG Values**

*Christopher Frye, Guidehouse*

#### **Residential Home Energy Savings (HES)**

- Spillover research was completed which led to updated NTG values.
- Marked as consensus.

#### **Residential Multi-Family**

- This includes both free ridership and spillover.
- Marked as consensus.

#### **Retrocommissioning**

- Gas value is different than what was presented for ComEd; this is joint research for northern Illinois utilities. Gas NTG ratio recommendation is 0.86.
- Marked as consensus.

*Abby Miner: The retrocommissioning recommended ratio is also still in draft for Ameren. Is there a reason why this is still in draft?*

- *Christopher Frye: This is separate research from Ameren. I consider everything draft up until the point we reach consensus.*
- *Tyler Sellner: The virtual commissioning memo is still in draft form due to comments we are working to respond to. This is independent from the Guidehouse results.*

There are no follow-up items for Nicor Gas; all NTG ratios for 2025 are consensus.

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

*Christopher Frye, Guidehouse*

#### **Business Custom Rebates**

- Marked as consensus.

#### **Retrocommissioning**

- Gas value is different than what was presented for ComEd; this is joint research for northern Illinois utilities. Gas NTG ratio recommendation is 0.86.
- Marked as consensus.

There are no follow-up items for Peoples Gas & North Shore Gas; all NTG ratios for 2025 are consensus.



### **Closing and Next Steps**

One additional NTG SAG meeting is scheduled in September, to follow-up on open issues and discuss final consensus on NTG ratios:

- **Meeting #4:** Wednesday, September 25 (10:00 – 12:00)

As required by the Policy Manual, NTG values must be finalized by October 1.