

Net-to-Gross Meeting #3

September 18, 2024 Large Group SAG Meeting

Celia Johnson, SAG Facilitator

NTG Update Process

- ▶ Annual SAG process required by the Policy Manual to discuss Net-to-Gross (NTG) ratios / values prepared by independent evaluators
 - ❖ Evaluators share initial recommended values by September 1
 - ❖ During the month of September, interested SAG participants review and discuss values over several meetings
 - ❖ Values must be finalized by October 1
 - ❖ NTG values finalized by October 1 will be effective for the program year beginning on January 1, 2025
 - ❖ All meeting materials posted on SAG website: <https://www.ilsag.info/evaluator-ntg-recommendations-for-2025/>
- ▶ **Definition from Policy Manual:** *Net-to-Gross (NTG) Ratio means a factor representing net savings divided by gross savings that is applied to gross impacts to convert them into net impacts. The factor itself may be made up of a variety of factors that create differences between gross and net savings, commonly including Free Riders and Spillover. The factor can be estimated and applied separately to either energy or demand savings.*

NTG Update Process

▶ Consensus

- ❖ The goal is to reach consensus on all NTG values for the 2025 program year
- ❖ If the SAG reaches consensus regarding an appropriate NTG value, that value will be used for 2025, even if it differs from the evaluators' initial recommendation

▶ Non-Consensus

- ❖ If consensus on a NTG value cannot be reached by SAG, then the evaluators' final recommended value will be deemed for the upcoming program year
- ❖ In developing the evaluators' final recommended deemed NTG ratios, evaluators review SAG feedback, take into account all comments and discussions, with the intent of making their best estimate of future actual NTG ratio values for the upcoming program year

Recap: NTG Meetings #1 and #2

- ▶ On **Wednesday, September 4**, evaluators presented initial NTG ratio recommendations for Ameren Illinois, ComEd, Nicor Gas, Peoples Gas and North Shore Gas
 - ❖ Evaluators shared which recommendations differ from last year and notable research findings
- ▶ On **Wednesday, September 11**, a follow-up discussion was held on NTG ratio recommendations
 - ❖ All NTG ratios that did not change from 2024 were marked as consensus

Purpose of NTG Meetings #3 and #4

- ▶ To follow-up on open issues, discuss additional questions, and discuss consensus on NTG ratios
 - ❖ **Meeting #3:** Wednesday, September 18 (10:00 - 12:00)
 - ❖ **Meeting #4:** Wednesday, September 25 (10:00 - 12:00)
 - Final consensus discussion
 - Evaluators will share final NTG spreadsheets by Tuesday, October 1

Questions?

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