**SAG Policy Manual Subcommittee**

**Interactive Effects Policy**

**FINAL (8/28/23)**

**Policy:** When a project includes both electrification and energy efficiency upgrades for the same end use, savings for the energy efficiency upgrade(s) shall be counted first.  However, because the ultimate system will be electric, the efficiency savings shall be treated as standard electricity kWh savings (and not as fossil fuel conversion that needs to be counted towards section (b-25) conversion limits). Electrification savings shall then be computed relative to the more efficient energy load (and counted towards section (b-27) limits).

**Effective Date:** This policy is applicable beginning with the 2023 program year