**Illinois Energy Efficiency Stakeholder Advisory Group**

**Policy Manual Subcommittee**

**Negative Savings Policy (FINAL 8/28/23)**

**Policy:**

**Treatment of Custom Projects for which Evaluation Estimates Negative Savings**

If evaluation is not confident in the precision of a custom analysis and the result is negative, it is at the evaluator’s discretion:

1. to verify a negative result, or in the event the negative result cannot be verified, to cap the savings at a value of zero.
2. to delay assigning savings values for projects that are identified as having negative savings based on initial analysis until it accumulates at least 12 months of usage data to increase post-installation data quantity. This will also allow the program to confirm appropriate baseline conditions and help the customer achieve the expected savings, through follow-up communication and remedial actions. This practice may result in project savings being claimed in years that are different from their installation year.

However, if evaluation has sufficient confidence in a custom analysis and the result is a negative savings value, the verified savings should be the negative savings value. An exception to this approach depends on whether the negative savings is a result of code compliance. This exception is described in response to question 5.

If evaluation determines that the cause of the negative savings is due to the customer achieving code compliance (i.e., repairing outside air dampers that were stuck closed, increasing minimum outside air requirements), then evaluation should attempt to use code compliant conditions as the baseline. If that approach is prohibitively difficult to apply, evaluation should cap the savings at a value of zero.

**Effective Date:** This policy is applicable beginning with the 2023 Program Year.