**Illinois Energy Efficiency Stakeholder Advisory Group**

**Policy Manual Subcommittee Version 3.0: Proposed Policy Template**

**Proposed Policy for Version 3.0: Negative Savings Policy**

**Submitted By: Guidehouse**

**May 3, 2023 Redline Meeting Edits**

**Question 1: Proposed Policy and Rationale**

Proposed Policy:

**Add Header:** **Treatment of Custom Projects for which Evaluation Estimates Negative Savings (note – will remove the questions when added to the Policy Manual)**

1. **How should evaluation treat projects that result in negative savings due to custom analysis?**

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. confirm appropriate baseline conditions and

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.

1. **How should evaluation treat custom projects that result in negative savings due to actions taken to meet code?**

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.

**Question 2: Utility Impact**

The proposed policy affects electric, gas, and dual-fuel utilities in Illinois.

**Question 3: Background Research**

Primary background research in preparing this template was a review of the draft 2021 SAG policy resolution on this matter [SAG Edits and Comments updated on 3/24/2021 and attached].

**Optional Question 4: Commission Decision**

We are not aware of the Illinois Commerce Commission ever having directly addressed this issue in a docketed proceeding. However, the ICC has approved evaluation reports for many years that specifically describe and use the general approach described above.

**Optional Question 5: Statutory Consistency**

*Have you reviewed your proposed policy against applicable Illinois law? Are there any possible conflicts? If so, please explain and provide statutory citation(s).*

**Not sure if this conflicts with Illinois law.**

**Optional Question 6: Additional Information**

*Provide additional information, as needed, to assist with understanding the proposed policy issue and your request to include it in the Policy Manual Version 3.0. For example, have any memos been drafted to the SAG related to this policy proposal?*

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**Evaluation Treatment of Heating Penalties and Negative Savings**

**SAG Edits and Comments Received (updated 3/24/2021)**

 