**SAG Policy Manual Subcommittee**

**Electrification Energy Consumption Reduction Policy**

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

**Policy:**

1. Section 8-103B(b-27) requires electric utilities to:
   1. Limit electrification to those installations that reduce total energy consumption at the premises.
   2. Limit electrification savings counted towards each year’s applicable annual total savings goal to no more than:
      1. 5% per year for each year from 2022 through 2025;
      2. 10% per year for each year from 2026 through 2029; and
      3. 15% per year for 2030 and all subsequent years.
   3. Ensure that electrification savings counted towards each year’s applicable annual total savings goal include a minimum of 25% from customers in low-income housing.
2. For the purpose of determining whether an electrification measure reduces total energy consumption at the premises, electric utilities shall estimate the total change in energy consumption for the measure across all end uses affected by the measure.
3. For the purpose of determining whether the amount of electrification savings achieved is within the statutory limits for a given year, electric utilities shall calculate total savings specific to the electrified end use(s) affected.
4. In their annual evaluations, the independent Evaluators shall verify that electric utility savings are consistent with the requirements of Section 8-103B(b-27).
5. Electric utilities shall provide transparent and accurate information that allows the Commission to ensure compliance with these requirements.

**Effective Date:** January 1, 2024