**Illinois Energy Efficiency Stakeholder Advisory Group**

**Policy Manual Subcommittee**

**Heating Penalties Policy**

**FINAL**

**Policy:**

**Treatment of Gas Heating Penalties from Efficiency Measures Designed to Save Electricity**

Evaluation should account for gas heating penalties from efficiency measures primarily designed to save electricity where they occur, but the resulting values should only be applied as a TRC test input. The gas heating penalties will not factor into the conversion calculation of gas savings to electric savings, per the FEJA legislation. The gas heating penalties will not factor into an electric utility’s (ComEd) ability to sell gas savings to a gas utility, nor will the gas heating penalties factor into a dual-fuel utility’s (Ameren IL) ability to claim achieved portfolio gas savings against statutory gas savings goals under Section 8-104. The gas heating penalties will not factor into a gas utility’s ability to claim achieved portfolio gas savings against statutory gas savings goals under Section 8-104.

If a project results in both gas savings and a gas heating penalty from efficiency measures designed to save electricity (i.e., customer with gas heat installs a kitchen hood DCV control and upgrades lighting), the gas penalty is ignored when calculating the project’s verified savings.

Note: Evaluation should similarly account for electric heating penalties or negative electric savings from efficiency measures primarily designed to save gas, but the resulting values should similarly only be applied as a TRC test input and should similarly not factor into goal attainment in any manner.

**Treatment of** **Electric Heating Penalties from Efficiency Measures Designed to Save Electricity**

Evaluation should account for electric heating penalties from efficiency measures designed to save electricity where they occur, and the resulting values should be included when calculating verified savings (i.e., penalty + savings = verified savings).

Note: Evaluation should similarly account for gas heating penalties or negative gas savings from efficiency measures designed to save gas where they occur, and the resulting values should be included when calculating verified savings (i.e., penalty + savings = verified savings).

In no case should policy language provided above be interpreted to provide guidance on treatment of savings for electrification measures as defined in Section 8-103B (b-27), which should be evaluated pursuant to statutory language.

**Effective Date: This policy will be applicable beginning with the 2023 program year.**