

# Annual SAG Net-to-Gross Update Process

September 25, 2020

# Background - NTG Update Process

- ▶ Recommended Net-to-Gross ratios (or NTG values) are produced annually by independent evaluators, reviewed by stakeholders, and **finalized by October 1** of each year, as required by the Policy Manual
- ▶ NTG values finalized this year will be effective for the program year **beginning on January 1, 2021**
- ▶ Prior to the final NTG meeting today, three meetings were held to discuss NTG values recommended by the evaluation teams (Sept. 3, Sept. 11 and Sept. 18)

# Purpose of Meeting #4

- ▶ To follow-up on remaining open issues and finalize consensus on NTG ratios for 2021 utility programs

## Excerpted NTG policy language (Policy Manual Section 7.2):

*SAG participants, including Evaluators, shall make best efforts to reach consensus regarding NTG Ratios appropriate for deeming for the upcoming Program Year that are representative of the best estimates of future actual NTG Ratio values likely to occur for the upcoming Program Year. If the SAG reaches consensus regarding an appropriate NTG Ratio to deem prior to October 1, then SAG's consensus NTG Ratio shall be deemed for the upcoming Program Year, even if it is different from the Evaluators' initial recommended deemed NTG Ratio. **If the SAG cannot reach consensus on an appropriate NTG Ratio value to deem for the upcoming Program Year prior to October 1, then the Evaluators' final recommended deemed NTG Ratio shall be deemed, which may be different from the Evaluators' initial recommended deemed NTG Ratio.** In developing the Evaluators' final recommended deemed NTG Ratio, Evaluators shall review SAG feedback, take into account all comments and discussions, with the intent of making their best estimate of future actual NTG Ratio values for the upcoming Program Year. Evaluators shall report final deemed NTG values on or before October 1.*

# Next Steps

- ▶ If consensus is *not reached* on any NTG values, the evaluators final recommended NTG value will be deemed for the 2021 program year.
- ▶ The non-consensus value(s) will be noted in the final evaluator NTG spreadsheet, with a brief rationale.
- ▶ Final NTG spreadsheets will be posted on the website and circulated to SAG.