



## Memorandum

**To:** John Madziarczyk, James Jerozal, Nicor Gas; Scott Dimetrosky, Katie Parkinson, Apex Analytics; Ted Weaver, First Tracks Consulting

**CC:** Jennifer Morris, David Brightwell, ICC Staff; Celia Johnson, Future Energy Enterprises/SAG

**From:** Kevin Grabner, Jennifer Ma, Laura Agapay-Read, Randy Gunn, Navigant

**Date:** January 26, 2018

**Re:** Summary of Public-Sector and Income-Qualified Net-to-Gross Recommendations for 2018 Net Impact Evaluation

This memo summarizes Navigant's net-to-gross (NTG) recommendations for 2018 net impact evaluation of public-sector and income-qualified programs and projects. These programs and projects were previously administered by the Illinois Department of Commerce and Economic Opportunity (DCEO) and will be incorporated into Nicor Gas programs in 2018.

Navigant recommends that public-sector programs and projects use Nicor Gas GPY7 NTG ratios for comparable Business Programs that have been deemed by the Illinois Energy Efficiency Stakeholder Advisory Group (SAG) for 2018<sup>1</sup>. These values are shown in Table 1. Navigant developed a set of recommended NTGs for public-sector programs for the GPY6 bridge period using past DCEO reports, but we do not recommend those for 2018 because they are not deemed, consensus values for use in 2018. The values shown in Table 1 are the only NTG values deemed for use by Nicor Gas in 2018 for the programs and project types listed. This approach is consistent with our recommendation to ComEd and Peoples Gas and North Shore Gas. Although Navigant will not use separate NTG ratios when estimating net impacts for public-sector and private-sector projects in 2018, we plan to conduct NTG research during the 2018 to 2021 period to calculate separate NTG ratios and may differentiate public-sector and private-sector in future NTG recommendations.

For evaluating the net impacts of Nicor Gas 2018 income-qualified programs, the NTG protocols in Attachment A of Volume 4 of the Illinois TRM, Version 6.0<sup>2</sup> assign a NTG of 1.00 for programs delivered to residential low-income (income-qualified) participants. The PHA Efficient Living program has historically seen a deemed NTG ratio of 1.00 because the program targeted the income-qualified sector. However, because income-qualified customers are not typically the decision makers for this program, Navigant recommends the TRM NTG Working Group should consider whether the PHA

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<sup>1</sup> Available at [http://www.ilsag.info/ntg\\_2017.html](http://www.ilsag.info/ntg_2017.html)

<sup>2</sup> Available at: [http://www.ilsag.info/il\\_trm\\_version\\_6.html](http://www.ilsag.info/il_trm_version_6.html)

Program should be included with other programs targeted at the residential low-income sector that are assigned a NTG ratio of 1.00 in the TRM.

**Table 1. NTG Recommendations for 2018 Public-Sector and Income-Qualified Programs and Projects**

Public-Sector and Income-Qualified Programs and Projects*	Nicor Gas Program for NTG Recommendation†	2018 (GPY7) Deemed NTG Ratio	Source
Standard Rebates	Business Energy Efficiency Rebates (BEER)	0.68	
Boiler System Efficiency: Measures Covered by the BEER Program	BEER	0.68	Nicor Gas GPY7 NTG Values 2017-03-01 Final.xlsx.
Custom Projects	Business Custom	0.79	
New Construction	Business New Construction	0.77	
Retro-Commissioning	Retro-Commissioning	1.02	
Public Housing Authority (PHA) Efficient Living Program	NA	1.00‡	Illinois TRM v6.0, NTG Section 4
Affordable Housing New Construction	NA	1.00	Illinois TRM v6.0, NTG Section 4
Income-Qualified Single Family Direct Install and Retrofits	Low to Moderate Income Home Weatherization Energy Savings / Assessment	1.00	Illinois TRM v6.0, NTG Section 4

Source: Navigant Analysis of Nicor Gas NTG Ratios

\* These are the programs and projects formerly offered by DCEO.

† These are the programs referenced in the SAG documentation of deemed NTG values (Nicor Gas GPY7 NTG Values 2017-03-01 Final.xlsx)

‡ For Nicor Gas, this NTG value will apply to multi-family buildings with income-qualified tenants.