



Memorandum

To: Christina Pagnusat, Omayra Garcia, Peoples Gas & North Shore Gas; Michael Marks, Erin Stitz, Applied Energy Group; Paige Knutsen, Jim Heffron, Katie Baehring, Heidi Gorrill, Franklin Energy Services

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

From: Kevin Grabner, Rob Neumann, Randy Gunn, Navigant

Date: January 25, 2018

Re: Summary of Public-Sector and Income-Eligible 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-eligible 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 Peoples Gas (PGL) and North Shore Gas (NSG) programs in 2018.

Navigant recommends that public-sector programs and projects use PGL and NSG GPY7 NTG ratios for comparable Business Programs that have been deemed by the Illinois Energy Efficiency Stakeholder Advisory Group (SAG) for 2018¹. 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 PGL and NSG in 2018 for the programs and project types listed. This approach is consistent with our recommendation to ComEd and Nicor 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 PGL and NSG 2018 income-eligible programs, the NTG protocols in Attachment A of Volume 4 of the Illinois TRM, Version 6.0² assign a NTG of 1.00 for programs delivered to residential low-income (income-eligible) participants. The PHA Efficient Living program has historically seen a deemed NTG ratio of 1.00 because the program targeted the income-eligible sector. However, because income-eligible customers are not typically the decision makers for this

¹ Available at http://www.ilsag.info/ntg_2017.html

² Available at: http://www.ilsag.info/il_trm_version_6.html

program, Navigant recommends the TRM NTG Working Group should consider whether the PHA 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-Eligible Programs and Projects

Public-Sector and Income-Eligible Programs and Projects*	PGL and NSG Program for NTG Recommendation†	2018 (GPY7) Deemed NTG Ratio	Source
Standard Rebates	Business Programs Prescriptive Rebates	0.79	
Boiler System Efficiency: Measures Covered by the Prescriptive Rebates	Business Programs Prescriptive Rebates	0.79	
Custom Projects	Business Program Custom Rebates	0.69	PGL_and_NSG_GPY7_NTG_Values_2017-03-01_Final.xlsx
New Construction	Business Programs New Construction	0.77	
Retro-Commissioning	Business Programs Retro-Commissioning	1.02	
	Business Programs Gas Optimization	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-Eligible Single Family Direct Install and Retrofits	Low to Moderate Income Home Weatherization / Assessment	1.00	Illinois TRM v6.0, NTG Section 4

Source: Navigant Analysis of PGL and NSG 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 (PGL_and_NSG_GPY7_NTG_Values_2017-03-01_Final.xlsx)

‡ For PGL and NSG, this NTG value will apply to multi-family buildings with income-eligible tenants.