**Disadvantaged Areas NTG Policy Proposal**

**REVISED PROPOSED POLICY LANGUAGE – NRDC/NCLC edits to 6/1/23 Meeting Version**

Free ridership for certain types of customers in economically-disadvantaged areas is highly likely to be very low. That assumption is supported by data indicating that the participation rate for smaller customers in economically-disadvantaged areas has historically been much lower than for similar customers in communities that are not as economically challenged. To reflect that reality, the net to gross (NTG) ratio for such customers will be set to 100%. This will have the added advantage of creating greater incentives for utilities to target delivery of their efficiency programs to economically disadvantaged areas.”

The economically-disadvantaged areas designated by this policy[[1]](#footnote-2) are:

1. Areas identified as “income-eligible households” by Illinois Solar for All (“disadvantaged neighborhood”), and
2. the entire area of certain municipalities where at least 50% of the municipality is identified as income-eligible through ILSfA[[2]](#footnote-4) (“disadvantaged municipality”)

The policy will apply to all program activity involving the following customer segments within disadvantaged areas:

1. residential customers in disadvantaged neighborhoods,
2. business customers in disadvantaged neighborhoods with rate class designations and/or energy consumption levels below annual thresholds in the table below

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| **Utility** | **Criteria for Eligibility (either/or)** |
| **Rate Class** | **Annual Consumption Threshold** |
| Ameren Illinois | Electric: DS-2 (<150 kW)Gas: GDS-2 (<200 therms/day in any month) | Electric: <750,000 kWh/yearGas: <35,000 therms/year |
| ComEd | Small Load Delivery Class (<100 kW) | <750,000 kWh/year |
| Nicor Gas | N/A | <60,000 therms/year |
| Peoples Gas and North Shore Gas | N/A | <35,000 therms/year |

For projects jointly delivered by a gas and electric utility, eligibility for either the electric or gas thresholds in the table above would trigger the application of 100% percent NTG ratio for both fuel savings.

1. any general delivery service municipal customers in a disadvantaged municipality.

It is expected that, though customers in disadvantaged areas are currently underrepresented in evaluation research due to lower participation levels, going forward, this policy will require that research to establish NTGRs for program activity explicitly sample customers in non-disadvantaged areas. Any NTG research targeting customers in disadvantaged areas will fall under Section 7.3 of the policy manual.

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1. Program implementers and evaluators may convert from the two geographies listed (census tracts and municipal boundaries) to zip code tabulation areas for operational purposes (especially with program ally driven initiatives). The method for used for this conversion should comply with industry standards (see <https://www.huduser.gov/portal/periodicals/cityscpe/vol20num2/ch16.pdf> for more information on this type of conversion. [↑](#footnote-ref-2)
2. See <https://www.illinoissfa.com/programs/non-profit-and-public-facilities/> for more information and an interactive map identifying these communities. [↑](#footnote-ref-4)