

# Review of Final Attachment C Comments

MTSAG  
May 22, 2023

# Comment #1

- *How an NMB will be developed, and the timing and whether it will apply retroactively or prospectively*

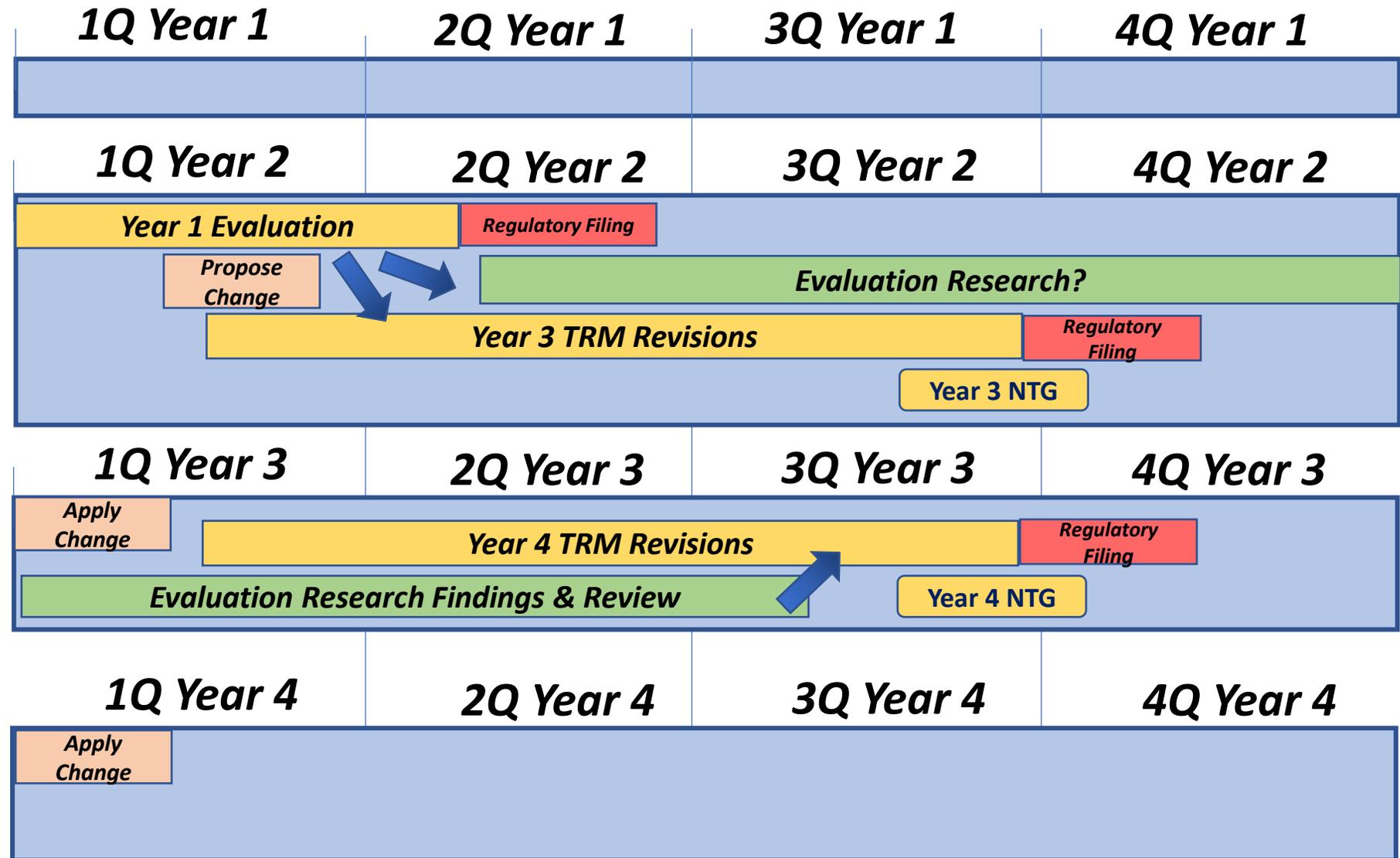
# What Does Prospective Mean?

## Illinois EE Program Planning Timeline

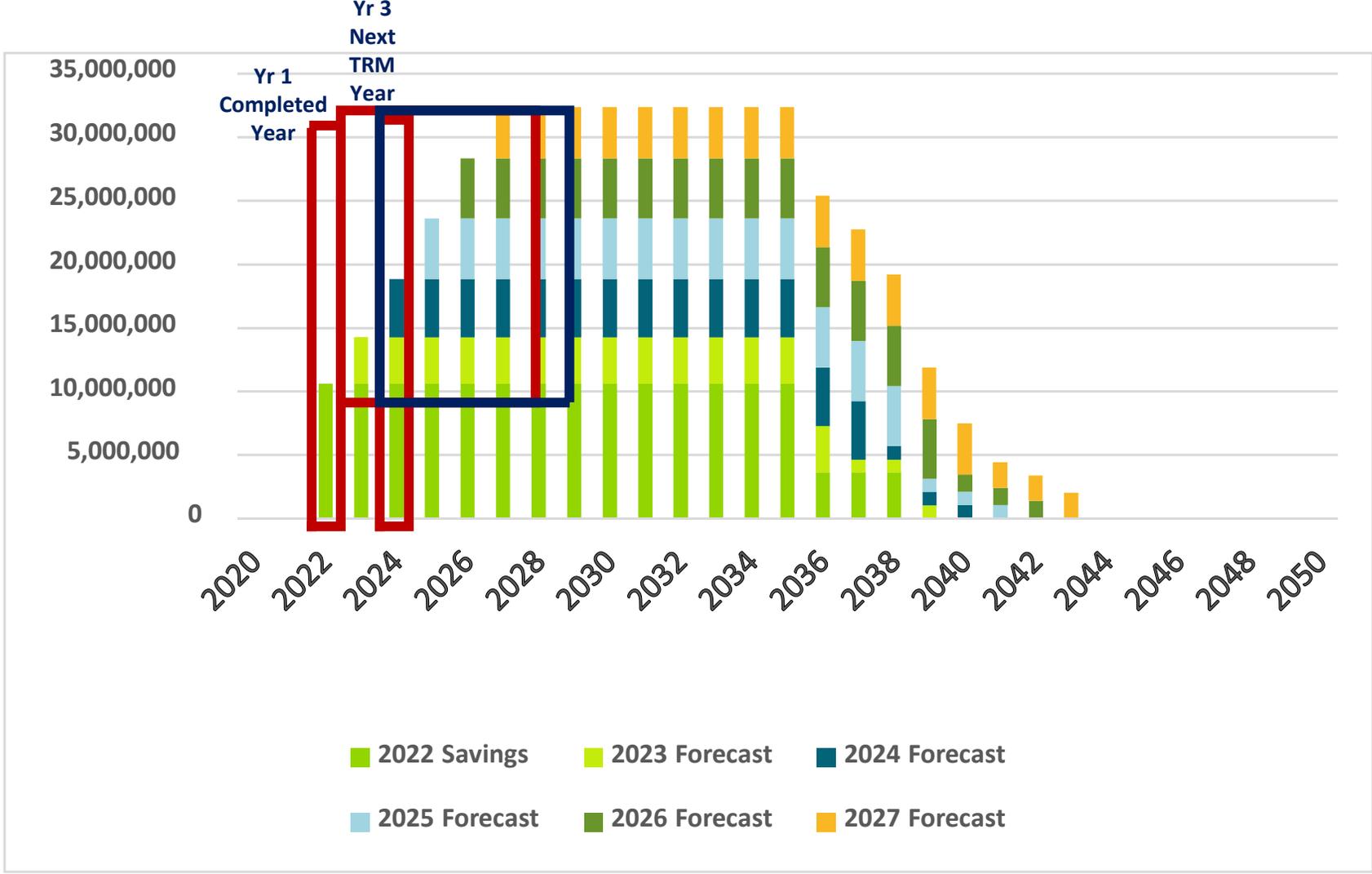
*For a Program Implemented in Year 1, the Evaluation may identify a needed change in year 2.*

*Prospective means changes do not apply to 1) any completed year, and 2) can be included in the established process.*

*If no research is needed, the change can be applied in Year 3 (1-Year lag); but if research is needed, it may be year 4 (2-Year lag).*



# Attachment C: What Does Prospective Mean for Market Transformation Programs?



Source: ComEd RPP Energy Savings Framework (2/23)

# What's Different with MT?

- 1) The *process* for prospectively incorporating changes is exactly *the same* as all other programs.
  - 1) When a new initiative is launched, if sufficient data exists, the ESF is set ahead of time, and changes to it are prospective.
  - 2) When a new initiative is launched and data does not yet exist prior to launch, data is collected and the newly developed ESF would apply retrospectively to the first year, and prospectively to subsequent years.
  - 3) Research conducted to update ESFs applies prospectively, similar to NTG and TRM updates for resource acquisition programs currently.
- 2) MT Programs may be more likely to require market research to support changes to the Energy Savings Framework
- 3) Since MT programs make up-front investments to affect market changes to realize a future stream of (multi-year) savings, expected savings are *at risk* of being changed after budgets have been allocated.

# Comment #2

## Section 2.1 Theory-Based Evaluation

- *Evaluation plans for MT initiatives should propose evidence-gathering approaches which provide evidence that 1) change is occurring; and 2) the program is influential in causing that change.*
- *I have revised this again to be consistent with the striking of the term preponderance of evidence in the earlier edits. I think they need to either cut it everywhere or keep it everywhere - you cannot bounce between. I'd advocate for striking because it is such a nebulous terms.*

# The 1<sup>st</sup> MTSAG Working Group Meeting (10/26/22) topic dealt with “Preponderance of Evidence”

- The “Preponderance of Evidence” term has a specific meaning in the legal world:  
*Preponderance of the evidence is one type of evidentiary standard used in a burden of proof analysis. Under the preponderance standard, the burden of proof is met when the party with the burden convinces the fact finder that there is a greater than 50% chance that the claim is true. (Cornell Law School)*
- This meaning is relevant to Theory-Based Evaluation and Energy Efficiency Market Transformation Programs.
  - It contrasts with the statistical rigor of typical RA evaluations that are possible because there is a data set of n EE transactions. For MT Programs, we can measure markets and interim outcomes (MPI’s), but cause-and-effect is not conducive to such definitive proof.
  - A relevant question for MT Programs from Evaluation is: “At what point do we walk away from MT Programs because they’re not influencing change in the market?”
- A “Preponderance of Evidence” criteria should apply to MT Impact Evaluations.

# Attachment C

- **Refer to the legal definition because it helps us interpret the standard of proof the MT Program Evaluation Plan seeks to apply.**
- **It is not necessary to use the term “Preponderance of Evidence” after that. But, what is important is to:**
  - **Explain that the standard of proof is different for MT Programs, and**
  - **Agree on how the Evaluation Plan proposes to execute a research plan to unequivocally answer the question: “Is the MT Program influencing the market as intended?”**

# Comment #3a & 3b

## At the end of Part 1 & 2.11 MT Program Documentation

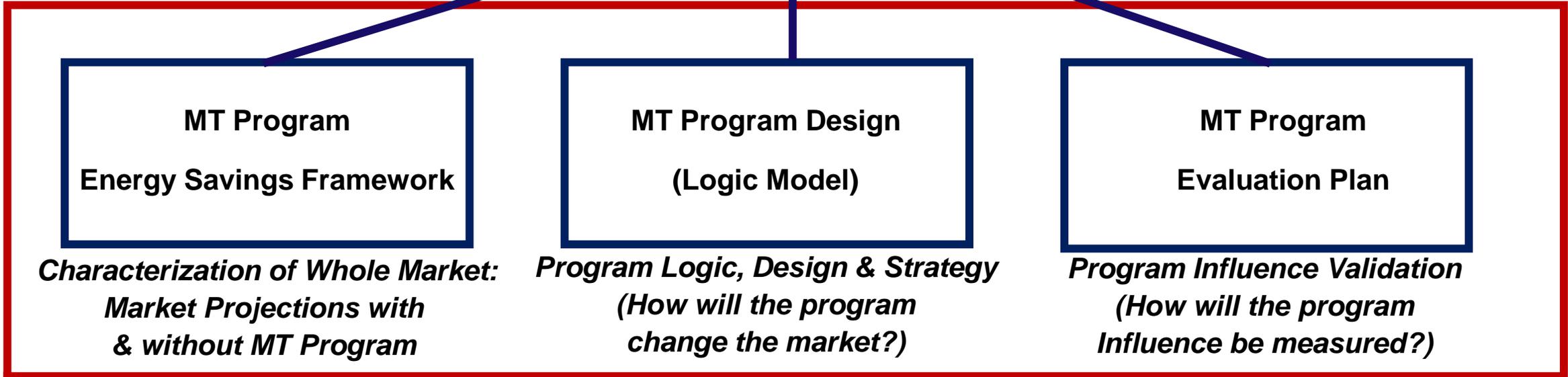
- *All of the market transformation documents – the program plan and logic model, the Energy Savings Framework (described below)--or at least a SAG-reviewed natural market baseline (NMB, described below) along with a defined utility attribution methodology--and the MT program evaluation plan should be presented and discussed with Illinois stakeholders as early as possible.*
- *This is an important list of what will need to be presented to the SAG as part of the approval process for MT. I would argue that this be moved to a table format (either here or elsewhere) that lays out what - of all the documents and needs described throughout this document - needs to be presented to the SAG, by when, who presents it, who agrees upon it and what purpose it serves. Much of this is described in later text so I'd advocate for **a final summary table that lays all this out.***
- *I would advocate for dropping in a table in this section (2.11 Program Documentation) - as I noted above - where a summary of the different documents, who is responsible for creating them, who will review/approve and how often they might be updated - be added here. These pieces are so critical to have clarity around that taking the time to call this out is valuable. I would then cut the reference to these items in the section where I made my earlier note.*

# Market Transformation 3 Principal Program Documents

*3 Documents Embody MT Program Savings Information, Program Strategy and Evaluation Approach*



**MT Program-Specific  
Appended to Attachment C\***



**\* Including these documents by reference in Attachment C removes the need to describe program-specific detail in Addendum 3 (pp. 150-158).**

# Summary Table of 3 MT Program Supporting Documents

<b>Document</b>	<b>Energy Savings Framework</b>	<b>Program Plan/Logic Model</b>	<b>Evaluation Plan</b>
<b>Summary of Document</b>	<i>Market Characterization (Historical trends; market projection with NMB; unit sales &amp; energy savings)</i>	<i>Program actions &amp; intent; expected short-term and long-term outcomes; MPI's &amp; measurement</i>	<i>Proposed evaluation research methods and plan – MPI's &amp; ESF</i>
<b>Document Developer</b>	<i>Program Administrator (utility) with Implementation Contractor</i>	<i>Program Administrator (utility) with Implementation Contractor</i>	<i>Program Evaluator</i>
<b>Review</b>	<i>Program Evaluator (especially NMB); SAG</i>	<i>Program Evaluator; SAG</i>	<i>Program Administrator (utility) with Implementation Contractor; SAG</i>
<b>Updating Process</b>	<i>Evaluator assesses on-going adequacy of ESF; Change Recommendation reviewed by Program Administrator (utility) with Implementation Contractor and SAG</i>	<i>As needed by Program Administrator (utility) with Implementation Contractor with Recommendations by Evaluator</i>	<i>Updated annually by Evaluator; reviewed by Program Administrator (utility) and SAG</i>

# Questions