



# Summary of MTSAG Meeting #1 “Preponderance of Evidence”

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## 1. Summary of ILTRM Attachment C:

1. The Standard of Proof for Market Transformation Program Impact is *different* than Resource Acquisition Programs.
2. Preponderance of Evidence means a less stringent burden of proof for Market Transformation Programs; closer to >50% threshold, but needs to be stronger
3. Evidence can be *qualitative*

# Summary of MTSAG Meeting #1

## 1. MTSAG #1 Speakers:

1. This is all consistent with Theory-Based Evaluation (& ILTRM)
2. Diversify MT Evaluation methods away from just experimental design to meet POE standard
  1. Small-Sample Verifications
  2. Expert Judgement Panels
  3. Other Methods



# Where do we go from here?

- 1. What are the research and evaluation actions that will meet a “Preponderance of Evidence” Standard of Proof?**
- 2. If the current research is “inconclusive”, what additional research should be undertaken to meet that standard?**
- 3. The MT Program Evaluation Plan should be presented to SAG to determine if proposed approach will meet “Preponderance of Evidence” standard.**
  - The MT Evaluation Plan may be custom and tailored to the market and data availability circumstances of each MT Program**



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# Additional Thoughts?



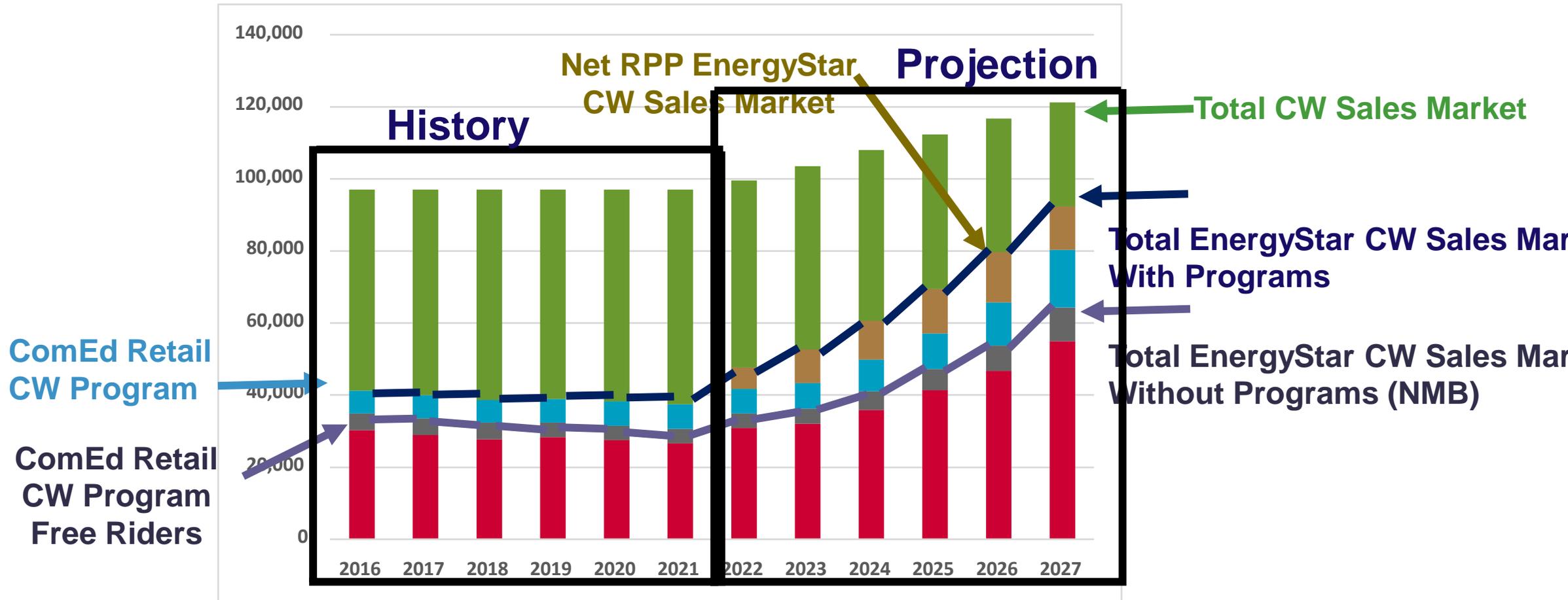
# The Energy Savings Framework - Clothes Washer Illustration

# The RPP Energy Savings Framework & Status

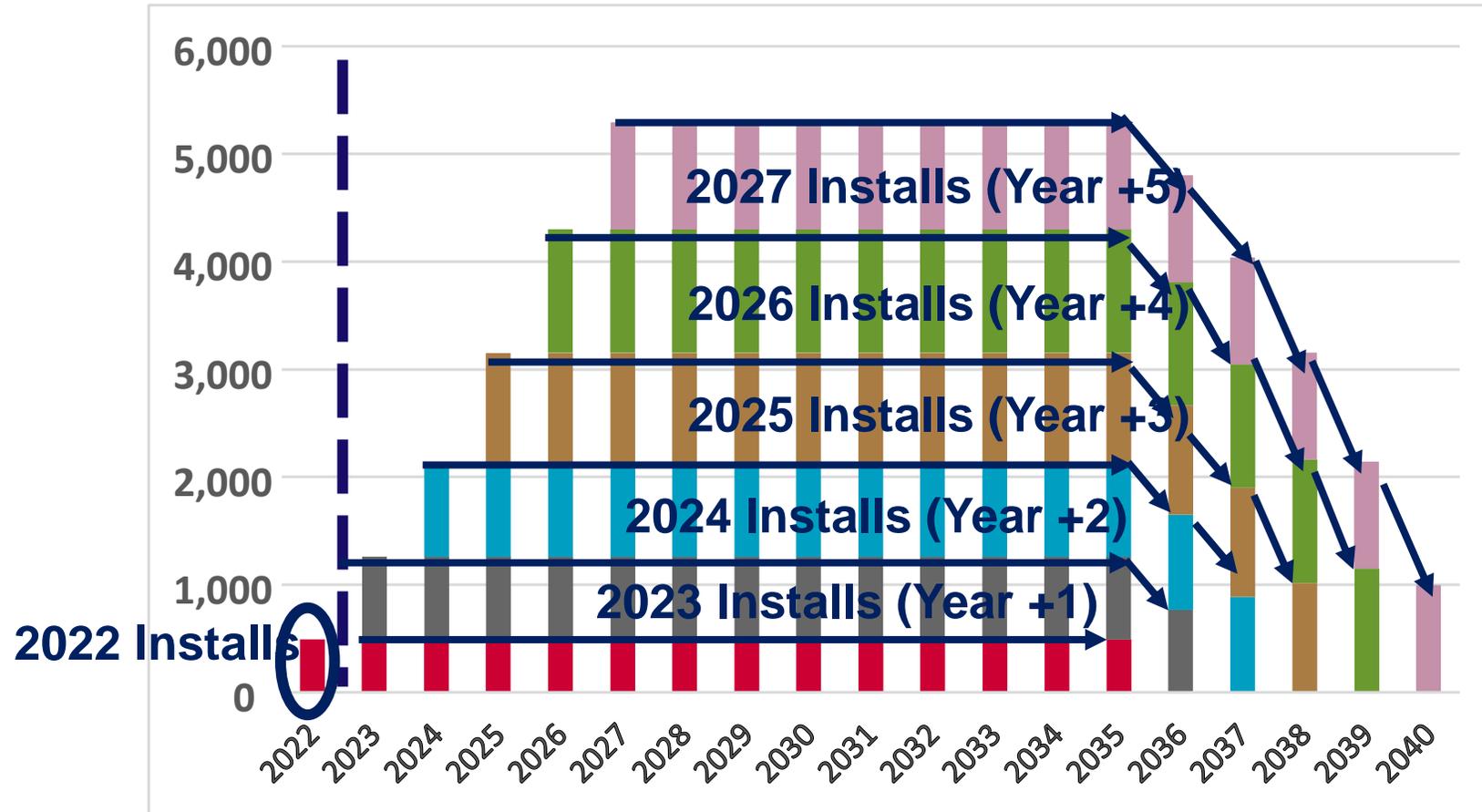
- **What is the RPP Energy Savings Framework (ESF)?**
  - **18-Page Market Characterization Memo from Apex Analytics 10/28/22**
    - **Combines CW & Frig market history and projection**
    - **Drills down deeper than appliance sales to model sales**
      - **Top load vs. front load**
      - **Top vs. side vs. bottom freezer**
    - **Accounts for the impact of ComEd CW & Frig downstream program**
- **What is the status of the RPP Energy Savings Framework (ESF)?**
  - **Incorporates earlier GH work**
  - **Guidehouse 11/16/22 Review Comments**
  - **Discussion/Resolution Call 12/7/22**
  - **SAG Review Expected in January**

# Northern Illinois Energy Efficient Clothes Washer Market – Top Loaders at Participating Retailers

ILTRM Attachment C: Number of MT Units = Total Market Units minus Natural Market Baseline Units



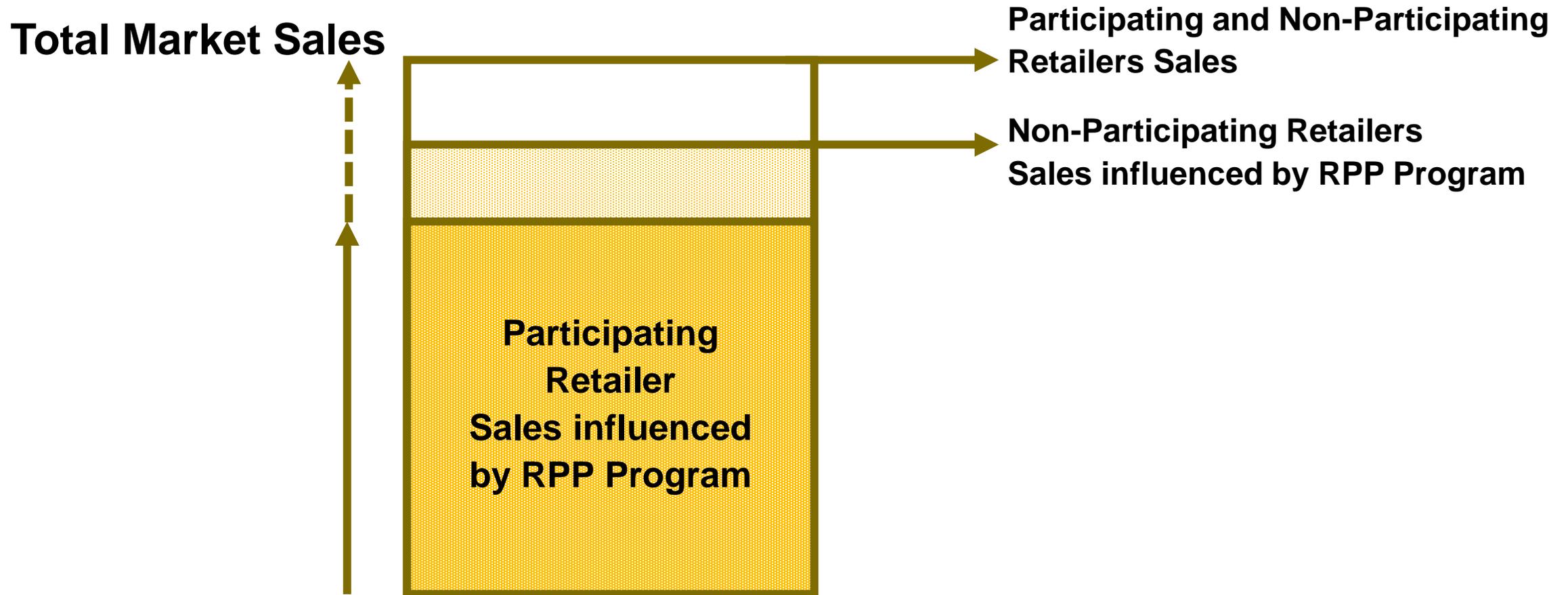
# Projected CPAS Savings (MWh) by Install Year – 2022 Energy Savings Framework



# **New Market Information Can Change Projected MT Program Savings in 2 Ways**

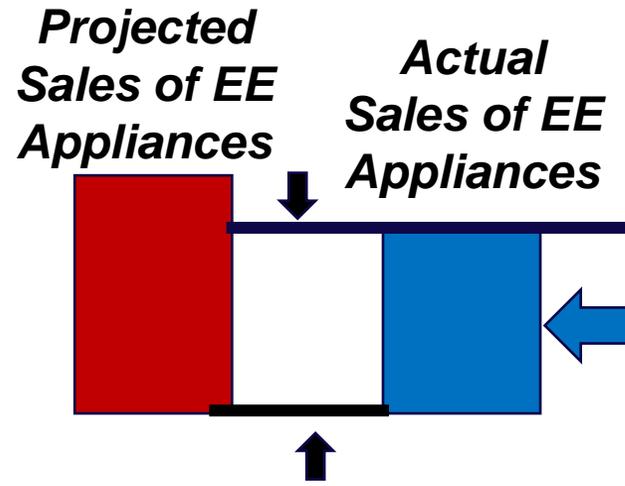
- 1. Adjust projected EE appliance sales to actual sales (analogous to a Realization Rate for RA Programs). The annual Program Evaluation will:**
  - 1. Adjust to total ComEd market by accounting for non-participating retailers**
  - 2. Revise projected sales data to reflect actual sales**

# RPP Program Evaluations Account for Impact on Sales of Non-Participating Retailers



# Post-Program Year Evaluation MT Savings True-Up

## Total Market Sales



*Evaluations will use this number to determine savings for the most recent year*

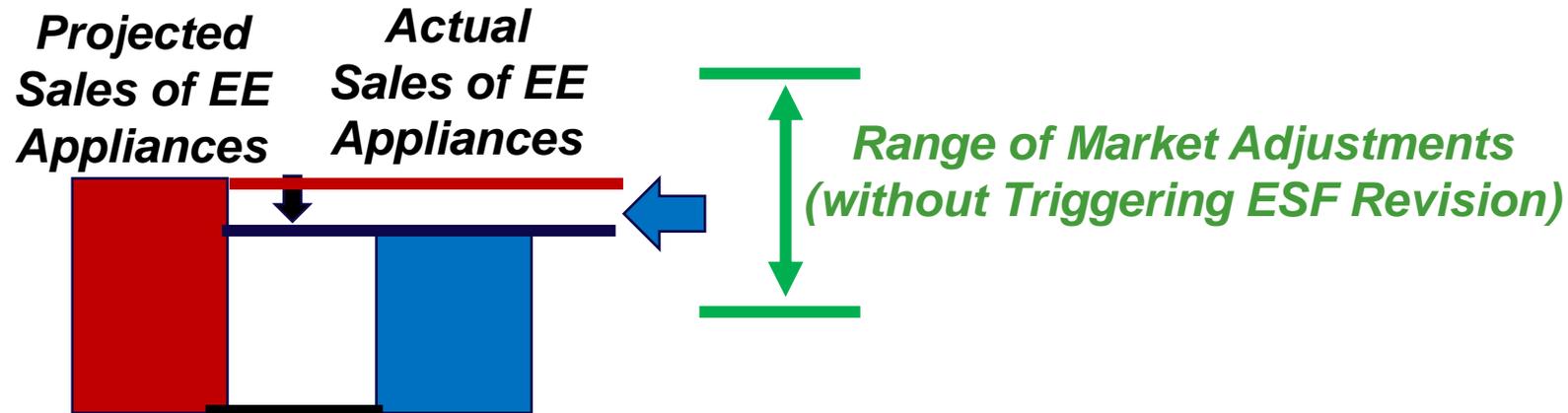
*Natural Market Baseline (NMB) is unchanged as long as the ESF is not changed*

**This post-year adjustment is analogous to going from ex-ante to ex-poste to determine Realization Rate for RA Programs**

# **New Market Information Can Change Projected MT Program Savings in 2 Ways**

- 1. Adjust projected EE appliance sales to actual sales (analogous to a Realization Rate for RA Programs). The annual Program Evaluation will:**
  - 1. Adjust to total ComEd market by accounting for non-participating retailers**
  - 2. Revise projected sales data to reflect actual sales**
- 2. Develop a new Energy Savings Framework when it is clear the entire EE appliance market has changed**

# Does New Market Information Tell Us Our Market Characterization (ESF) Needs To Be Updated?



**We propose a threshold criteria (+/-%) be used to trigger a process to determine if the Energy Savings Framework need to be updated. The MTSAG would recommend the criteria for inclusion in ILTRM Attachment C.**

# How Do We Determine If New Market Information Warrants a New Energy Savings Framework?

## Quantitative:

Do differences between MT Program projections and market observations suggest market projections need to be recalibrated?



## Qualitative:

What new unforeseen events affecting the MT Program projections have occurred?  
Are market experts saying the market has changed?

***After we know we need to revise the ESF, how do we update the ESF?***

# A New Energy Savings Framework Applies When It Is Complete

## *This May Take Up To Two-Years*

2022: Year Completed ( $Y_0$ )  
**2023**

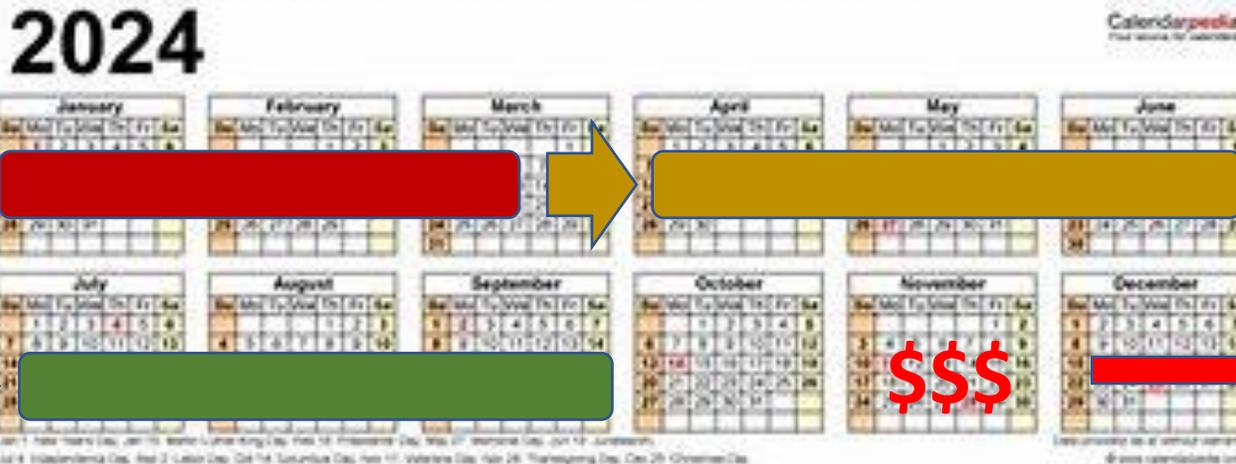
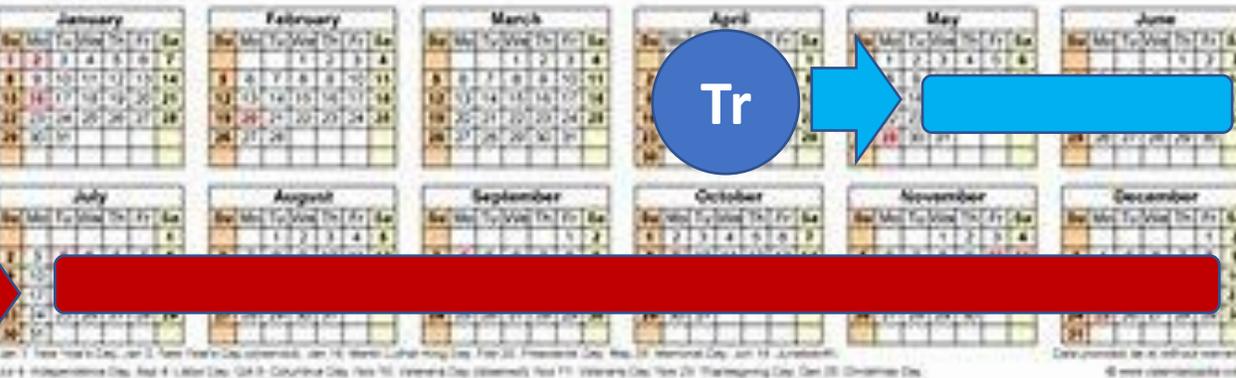
*New ESF Reopener Triggered*

*Evaluation Summary; ESF Research Design*

Year ( $Y_{+1}$ )

*Conduct Research*

- 2022 Program Year Evaluation Triggers Need to Revise ESF



Year ( $Y_{+2}$ )  
*Revise ESF*

- New ESF will be complete to inform 2025 Program Investment – 2-Yr Lag

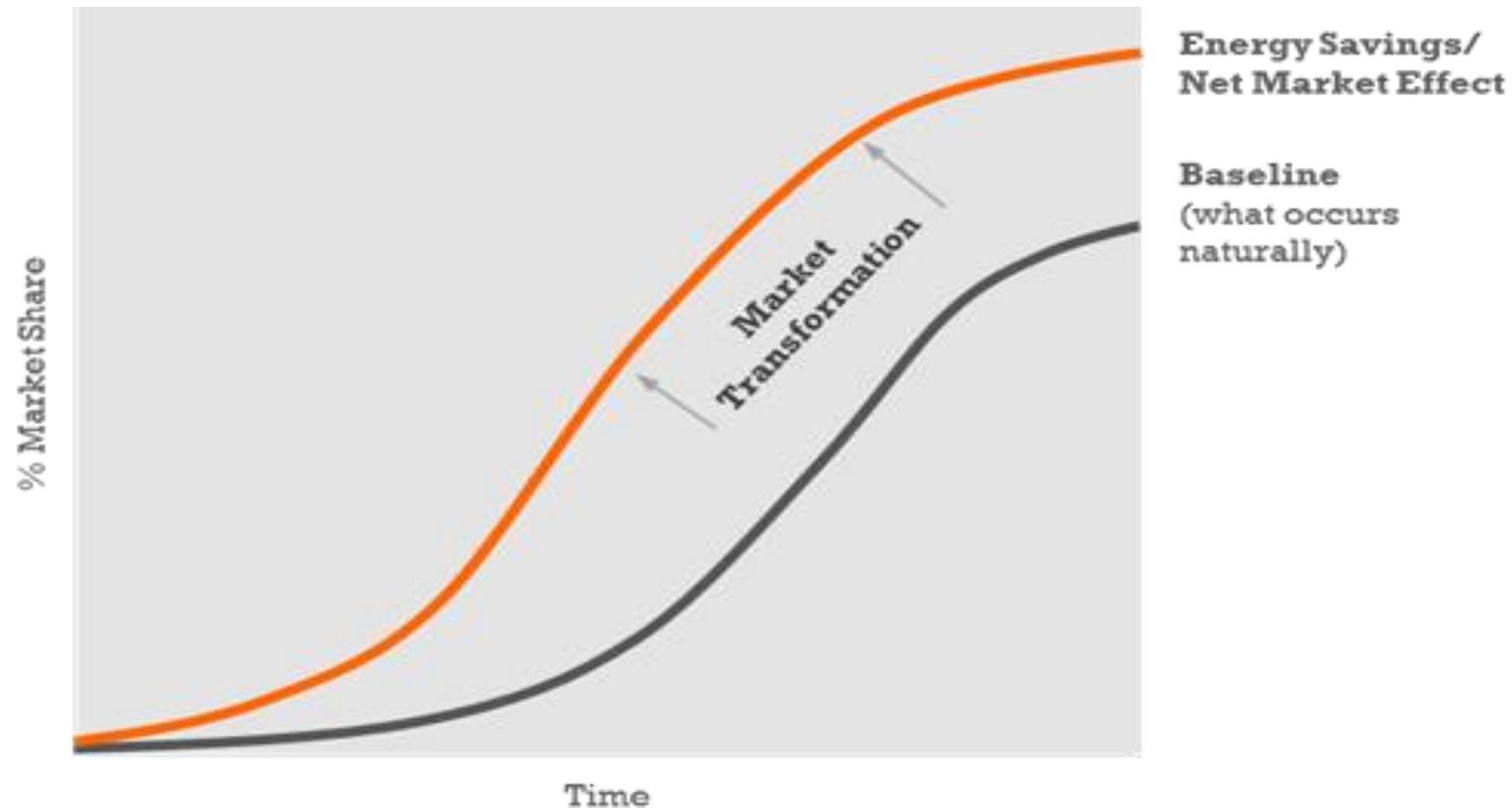
*Review & Consensus*

Year ( $Y_{+3}$ )

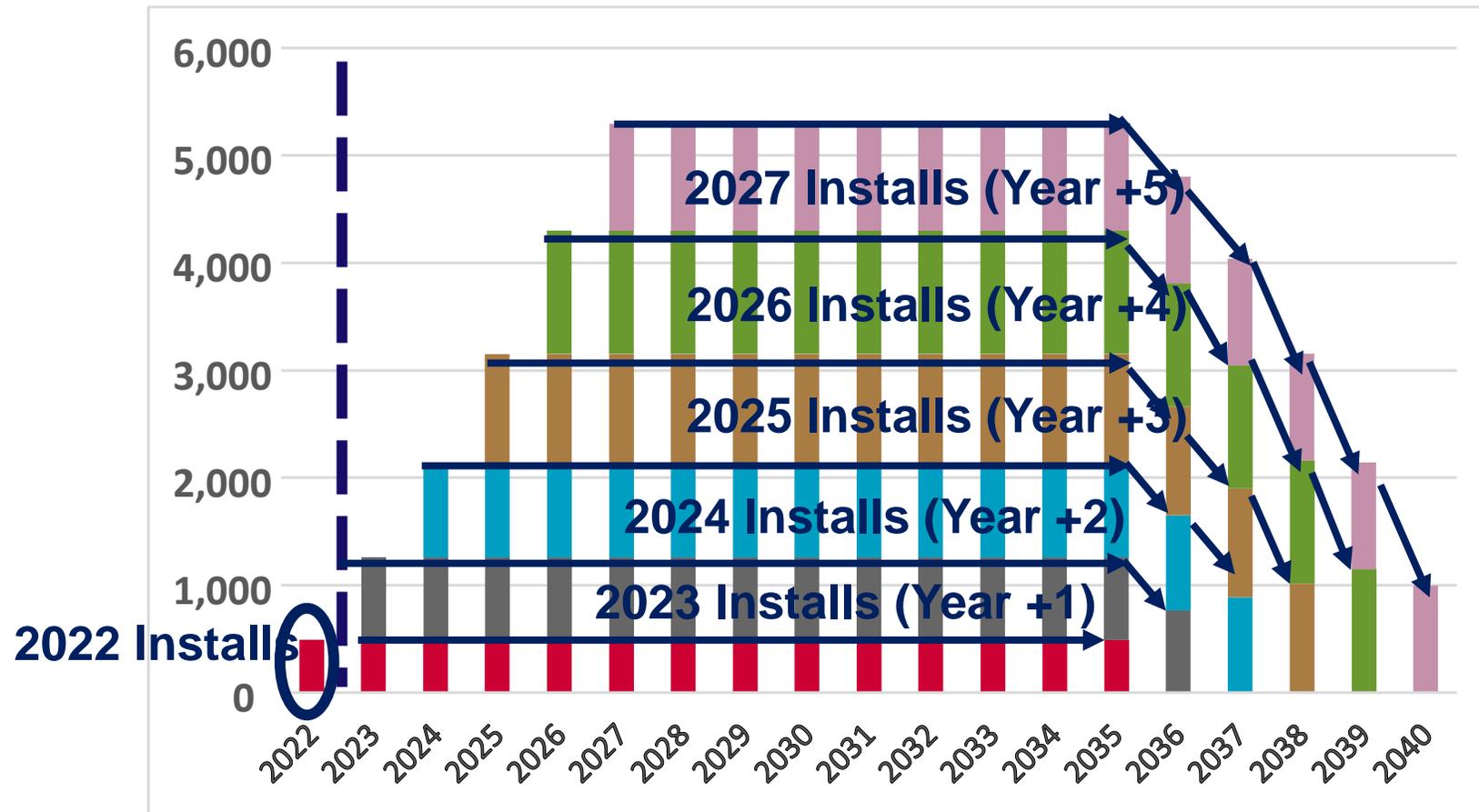
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# Figure 2-1 (Page 136, V.4), Attachment C

**MT Program investments are pursuing this future market impact  
- the accelerated adoption of EE**



# RPP CW Projected CPAS Savings (MWh) by Install Year – 2022 Energy Savings Framework



# Recommendations for ILTRM Attachment C

- 1. MT Program Evaluations should incorporate the *projected* savings from the MT Energy Savings Framework.**
- 2. MT Program Evaluations should apply a Realization Rate**
- 3. MT Program Evaluations should determine if the threshold criteria to reopen the ESF (TBD) has been exceeded.**
- 4. The SAG should determine if a new Energy Savings Framework should be developed.**
- 5. The existing ESF should apply until a new ESF is completed (up to 2 years). Savings will be revised prospectively.**
- 6. Evaluation Plans should propose evidence-gathering to meet the “Preponderance of Evidence” standard**



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# Questions?