

Nicor Gas Steam Trap Net to Gross Estimate

PY2018

NAVIGANT



Submitted to:
Nicor Gas

Submitted by:

Navigant:
Cherlyn Seruto
Laura Agapay-Read
Kevin Grabner
Bridget Williams

EcoMetric:
Michelle Bruchs
Mike Frischmann
Jake Fuller

August 2019

Through steam trap process evaluation, we estimated a trade ally net to gross ratio to be incorporated into the overall BEER NTG value.

EcoMetric Consulting conducted in-depth interviews over the telephone with **18 trade allies** active in the steam trap rebate program offering from GPY4 through PY2018.

Executive-level respondents represented nearly half of the interview population.

We also interviewed several mid- and lower-level respondents to represent a range of perspectives within the trade ally market.



TA NTG Methods

We completed telephone interviews with (18) active trade allies, 7 of which had projects in 2018 and were included in NTG calculations.

38%

COMPLETION RATE

These **7 TA's** accounted for **17%** of PY2018 steam trap savings.

$$\text{Net-to-Gross} = 1 - \text{FR} + \text{SO}$$

TA NTG

BEER NTG
RESEARCH

Trade Ally Free Ridership Algorithm

**Program Influence TA
(PITA) Score (0-1)**

**No-Program (NP) TA
Score (0-1)**

Certainty Factor
(Used to adjust weight of
No-Program vs PITA TA Score)
DK=0, 100% certainty=1

Final TA Free Ridership Value (0-1) =
$$\frac{PI \text{ Score} + (NP \text{ score} \times \text{certainty factor})}{(1 + \text{certainty factor})}$$

Free ridership was determined for each trade ally

PITA Scores	No Program Score	Certainty Factor		Free Ridership
0.9	1.00	0.25	$\frac{PI\ Score + (NP\ score \times certainty\ factor)}{1 + certainty\ factor}$	0.92
0	0.53	0.13		0.06
0.5	N/A	0.08		0.50
0.2	1.00	0.15		0.30
0.2	0.00	0.00		0.20
0	1.00	0.02		0.02
				Weighted Average

Active trade ally spillover was small

Criteria for Claiming Spillover

1. Trade Ally indicated they experienced a sales increase after participating in the program.
2. Trade Ally responded that the influence of the program on their sales increase was greater than 5 out of 10.
3. The trade ally typically installed steam traps which were eligible for the program.

Savings from Trade Ally	% Sales Not Incented	Program Influence	Spillover (therms)
354	0.00%		
2,654	40.00%	80%	1,415
25,422	0.00%		
21,896	88.89%	Don't Know	
28,394	N/A	50%	
4,932	99.86%	0%	
224,660	78.13%	10%	

1,415 therms = 0.46% of savings from interviewed Trade Allies. This value rounds to 0.00 for NTG calculations.

Inactive Trade Ally Spillover – Difficult to Estimate

Sample Description: We began with a list of 18 Inactive TA that we identified from PY1/2/3 database, plus two additional firms we found through a Google search. Sixteen of these had valid contact information, four refused, and two completed our interview. The remaining contacts were attempted 5 times unsuccessfully.

We asked each respondent if they had installed any program eligible steam traps in Nicor Gas territory in the past 12 months.

Neither did; one installs only Venturi steam traps, which are ineligible for rebates. The other did not think they had installed any program-eligible steam traps in the prior 12 months.

With these responses, the **contribution to program spillover is zero.**

Estimated Net-to-Gross Ratio

$$1 - 0.10 + 0.00 = 0.90$$

Estimated Net-to-Gross Ratio

FINDING 0.90



RECOMMENDATION – Incorporate the TA perspective on participant NTG into the total BEER Program NTG estimate