

Small Business Program GPY4-GPY6 Evaluation Plan

Introduction

The primary objectives of the evaluation of the Small Business (SB) Program are to: (1) quantify the gross and net savings impacts of the program; and (2) assess customer and trade ally satisfaction, assess program implementation effectiveness, and suggest possible improvements.

The SB Program is designed to assist qualified Peoples Gas (PG) and North Shore Gas (NSG) non-residential customers¹ to achieve natural gas energy savings by educating them about energy efficiency (EE) opportunities through on-site assessments conducted by specially-trained trade allies (TAs) and installation of no-cost direct-install (DI) measures.² Further savings are available to participating customers through incentives of 30 to 75 percent offered for select contractor-installed (CI) measures.

Notable program changes in gas program years 4 and 5 (GPY4 and GPY5) include:

- Additional measures: No new C&I measures are identified, however, Navigant expects to see more custom projects in GPY4 than in the previous three program years.
- While Franklin Energy (Franklin) remains the sole implementer for the SB Program throughout the PG and NSG service territories, as of the start of GPY4 the PG and NSG SB Programs, which address only gas-savings measures, are no longer jointly implemented with the ComEd Small Business Program.³

PG's and NSG's GPY4-GPY6 net planning targets (therms savings goals) are given in Table 1.

Table 1. Small Business Program PY4/6 Planning Targets

Gas Program Year	Energy Savings (therms)	
	Peoples Gas	North Shore Gas
4	448,599	28,684
5	448,599	28,684
6	448,599	28,684

Source: PG/NSG EE 2nd Triennial Plan (June 1, 2014 – May 31, 2017)

¹ To qualify, participants must be Peoples Gas or North Shore commercial or industrial customers that use less than 60,000 therms per year.

² No-cost direct-install measures include low-flow showerheads and faucet aerators, pre-rinse spray valves, programmable/reprogram thermostats, boiler cutout/reset controls and pipe insulations.

³ In GPY1 and GPY2 (EPY4 and EPY5) the SBES Program was jointly implemented between ComEd, Nicor Gas, Peoples Gas and North Shore Gas; in GPY3 Nicor Gas split off its small business EE program, but SBES continued to be joint between ComEd, Peoples Gas and North Shore Gas.

Evaluation Research Topics

The evaluation will seek to answer the following key researchable questions:

Impact Evaluation

1. What are the program's verified gross savings?
2. What are the program's verified net savings?
3. What is the researched value for Net-to-Gross (NTG) ratio?
4. What updates are recommended for the Illinois Technical Reference Manual (TRM)?

Process Evaluation and Other Research Topics

1. How satisfied are customers with the program and major program components?
2. How effectively is the SB Program being delivered to PG or NSG small business customers?
3. What are some opportunities for program improvements?
4. Effects of no longer having joint cooperation with ComEd and Nicor Gas?

Evaluation Approach

Multi-Year Overview

We have prepared a three-year evaluation plan summary to identify tasks by year on a preliminary basis (Table 2). Final activities will be determined annually as program circumstances are better known. Program Year (GPY) refers to the year of participation that will be researched, not the time that the research will occur.

Table 2. Three Year Evaluation Plan Summary for SB

Activity	GY4	GPY5	GPY6
Gross Impact Approach	Engineering File Review	Engineering File Review	Engineering File Review
Gross Sampling Frequency*	Initial, Final	Initial, Final	Initial, Final
Verified Net Impact Approach	Deemed NTGR	Deemed NTGR	Researched NTGR
Researched NTG Approach	Trade Ally Interviews	Participant Survey	None
Researched NTG Timing	One Time, Summer 2015	Rolling Sample, GPY5/6 Participants, Begin January 2016	N.A.
Program Manager and Implementer Interviews / Review Materials	Yes	Yes	Yes
Decision Maker Survey	No	FR, SO, Process	No
Trade Ally Survey	FR, SO, Process	No	No

* Navigant will coordinate with PG, NSG, and Franklin PMs to determine appropriate dates to pull the final tracking data extracts in each program year.

Data Collection, Methods, and Sample Sizes

Table 3 below summarizes data collection methods, data sources, timing, and targeted sample sizes that will be used to answer the evaluation research questions.

Table 3. Core Data Collection Activities and Samples

GPY	What	Who	Target Completes GPY4	Target Completes GPY5	Target Completes GPY6	2015 Target Schedule
4,5,6	Engineering File Review	Participating Customers	Census	Census	Census	June – September 2015
4	NTG Telephone Survey	Participating Customers	0	70	0	January – June 2016
4	Telephone Interviews	Trade Allies	6-12	0	0	July – August 2015
5	Telephone Process Survey	Participating Customers	0	70	0	January – June 2016
4,5,6	In Depth Interviews	Program Management	1	1	1	April 2015

Navigant plans to perform engineering file reviews and interviews with program managers in each of the program years. We plan to conduct NTG and process research with GPY4/5 trade allies with the aim of producing an updated NTG ratio for GPY6. We also plan to pursue participant NTG and process research in GPY5/6 with the aim of producing an updated NTG ratio for GPY7.

Gross Impact Evaluation

The gross impact evaluation’s foundation in each year will be a review of program tracking data that substantiates the type and quantity of measures installed. Navigant will perform independent verification of the program tracking database and determine level of input completeness, outliers, missing values, and potentially missing variables. If necessary, the Navigant team will include recommendations for additional fields to be added to the tracking system for use in the impact evaluation effort as well as program process monitoring.

For measures covered by the TRM, verified gross savings are calculated for each participant using appropriate TRM algorithms and customer-specific data collected in the tracking system, or, for custom input variables or measures not yet in the TRM, supplemented by additional research), and then summed across participants to calculate program totals. To be eligible, a TRM measure must meet the physical, operational, and baseline characteristics as defined in the applicable version of the Illinois TRM. Verification that measures were installed and that savings calculations applied the TRM appropriately may involve participant telephone interviews or engineering review of project files for a sample of participants. Depending on their number and share of total program savings, we may supplement this approach with engineering desk file reviews of a random sample of custom projects.⁴

⁴ Navigant’s review of an early tracking system data extract indicates a higher share of custom projects in GPY4 than was true of GPY3.

Net Impact Evaluation

The GPY4 net impact evaluation will apply the Net-to-Gross (NTG) ratio accepted by Illinois Stakeholders Advisory Group (SAG) consensus to estimate the verified net savings for the PG/NSG GPY4 Small Business Program.

Table 4. PG/NSG Deemed NTG Values for GPY4

Program Path/Measure	Utility	GPY4 Deemed NTG Value	GPY5 Deemed NTG Value
SB (all measures)	PG & NSG	0.99	0.93

NTG Research Approach

Navigant proposes to conduct further NTG research through a combination of participant customer surveys in GPY5 and in-depth trade ally interviews in GPY4. The sample size for the former will be chosen with the aim of obtaining an overall confidence/precision of 90/10.

Process Evaluation

The GPY4/5 process evaluation activities will provide information on the effectiveness of the current program design, administration, delivery, implementation processes, customer and program partner experience and satisfaction, and opportunities for program improvement. The process analysis will include a synthesis of both qualitative and quantitative data collected during the program implementer and program coordinator interviews, the end-user customer surveys and the trade ally surveys or in-depth interviews. The major process issues are outlined below.

Major Process Issues:

1. Effectiveness of program implementation, administration and delivery
2. Effectiveness of program design, processes, and program changes
3. Customer and program partner experience and satisfaction with the program
4. Opportunities for program improvement

Evaluation Schedule

Table 5 below provides the schedule for the GPY4 evaluation of the SB Program. (See Table 2 and Table 3 for additional schedule details.) Adjustments will be made as needed as program year evaluation activities begin.

Table 5. GPY4 Evaluation Schedule – Key Deadlines

Activity/Deliverables	Responsible Party	Delivery Date
Sampling Data Available	Franklin	On Demand through Bensight
Final Program Year Data Delivery	Franklin	July 1, 2015
Draft Report to PG/NSG and SAG	Navigant	11/13/15
Draft Comments in 10 Business Days	PG/NSG and SAG	12/2/15
Final Report to PG/NSG and SAG	Navigant	12/15/15