

Net-to-Gross: Comparison of Approaches

Presentation by:

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Comparison of ADM and Navigant Overall Approaches

- **ADM's approach**
 - Focuses on what would happen in absence of program
 - Allows for influence of program when other factors also influenced decision
- **Navigant's approach**
 - Focuses on specific program factors and overall program and non-program influence
 - Takes a relative approach to program influence (higher non-program influence implies lower program influence)
- **Mini-study to compare approaches**
 - Results indicate differences in methods account for difference in assessed levels of free ridership

<i>Mini-Study (n=20)</i>	<i>EPY3 Approach (Navigant)</i>	<i>EPY4 Approach (ADM)</i>
NTG	69%	93%

Comparison of ADM and Navigant Factors Assessed

- **ADM Factors**

- Financial ability
- Prior plans and intentions
- Previous experience with measure
- Influence of past experience with program or program staff recommendation

- **Navigant Factors**

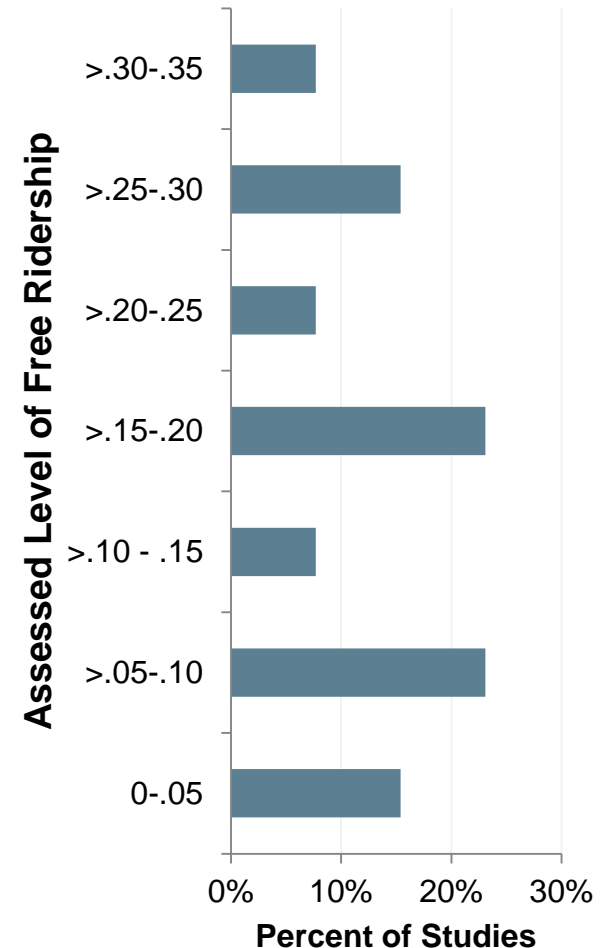
- Influence of five specific aspects of the program
- Apportionment of overall program and non-program influence
- Overall influence of non-program factors

Comparison of ADM and Navigant Survey Methodologies

		<i>EPY3 (Navigant)</i>	<i>EPY4 (ADM)</i>
Data Collection	Self-report	✓	✓
Response Scales	Numeric with verbal anchors (0-10, 0-100)	✓	
	Verbal descriptions		✓
Weighting	Variable weights tied to numerical ratings provided by respondents	✓	
	Fixed weights assigned to combinations of responses		✓
Checks on Inconsistent Responses	Follow up questions triggered by inconsistent responses	✓	
	Multi-stage screening process		✓
Multiple Questions to Assess Factors	One of three factors assessed with multiple questions	✓	
	Three of four factors assessed with multiple questions		✓

Perceived Pros with ADM Approach

- Used and accepted in multiple jurisdictions
- Results in a range of free ridership scores
- Focuses on practical issues that affect likelihood of project without program (e.g., financial ability, plans)
- Recognizes that program can be critical to a decision while external factors also very important
- Verbal descriptors used in response scales



Perceived Pros with Navigant Approach

- Asks about program and non-program influences
- Used and accepted in multiple jurisdictions
- Applies consistency checks and asks for clarification
 - However, question is leading:
 - » *You just gave <RESPONSE> points to the importance of the program. I would interpret that to mean that the program was not very important to your decision to install this equipment. Earlier, when I asked about the importance of individual elements of the program I recorded some answers that would imply that they were very important to you. Just to make sure I understand, **would you explain why the program was not very important in your decision to install this equipment?***
 - Would prefer more neutral wording:
 - » *ASK IF C4a < 8) You said that you would have installed the same quantity and efficiency of equipment at that same time, but you also just said that there was a (FILL WITH C4a SCORE) in 10 likelihood of you paying the additional incentive provided by the <PA> program. **Which of these is more accurate?***
 - *From: Massachusetts Program Administrators Cross-Cutting C&I Free-Ridership and Spillover Methodology Report. April 2011.*

Perceived Cons with ADM Approach

- **Financial Ability Screen (FAS) is based on a single question**
 - Financial ability is a key factor in assessing likelihood that a project would occur without a program incentive
 - Sensitivity analysis shows that if FAS was not included NTGR would only decrease 5.6%
- **Viewed by Navigant as an un-tested approach**
 - ADM approach has been used and accepted in multiple jurisdictions
 - » (e.g., Indiana, Missouri, Oklahoma, West Virginia)

Perceived Cons with Navigant Approach

- **Uses leading questions as consistency checks**
 - Reportedly some respondents felt badgered into indicating they were a free rider
- **Numerical response options less reliable¹**
- **Uses single question to assess complex judgments**
 - I.e., influence of program on decision, influence of other factors on decision
- **Assumes that the more influential other factors are, the less important the program was to the decision**
 - E.g., program influence question asks respondents to apportion points to influence of program and other factors

1. Krosnick, J. A., & Berent, M. K. (1993). Comparisons of party identification and policy preferences: The impact of survey question format. *American Journal of Political Science*, 3, 941-964.

Can approaches be harmonized?

- **Similar overall**
 - Use of multiple questions
 - Assessment of program influences
 - Assessment of non-program influences

- **But different in the specifics**
 - Response scales employed
 - Weighting/Scoring algorithm
 - Differences in consistency checks