ILLINOIS STAKEHOLDER ADVISORY GROUP

Discussion on Self-Report Methods

November 19, 2013

Opinion Dynamics

Overview

- Getting to Net Savings
- Self-report method
- Differences in self-report methods within IL
- Moving forward

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Getting to Net Savings

(the counterfactual is hard to measure)

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Net Savings

- Evaluators have specific design choices for getting to net savings
  - Designs with and without comparison groups
  - Self-report is a method that does not use a comparison group and typically is used 70-80% of the time within DSM program evaluation
- Today's discussion on self-report in the nonresidential sector only

Self-Report Approach

- Best for industrial, large commercial as no comparison group options really exist
- Protocols exist for this approach in several states:
  - California (algorithms and questions laid out)
  - New York (main principals to follow)
  - Massachusetts (algorithm and questions laid out)
  - Uniform Method Project (in progress)

Differences in the IL Methods

(and our thoughts)

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Differences in Self-Report Methods

ComEd/Ameren Nonresidential

- Counterfactual asked in three different dimensions and averaged
- Basic (most customers) / Advanced (large customers)
- Range of possible NTGR tends to be spread out

DCEO Nonresidential

- Financial ability sets the stage for application of other information from survey
- Possibility of different levels of questioning, but not clear
- Range of possible NTGR is “chunky”

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Our thoughts on the different methods (1)

- Always good to consider various ways to figure out the counterfactual
- Like some of the choices by ADM team around question design
- There is evidence of free ridership based on frequencies that our method handles directly. The ADM method for calculating NTG is unclear how this data in handled. We think that the way data is put together increases the potential for high NTG.
  - 40% state they definitely or probably would have installed the equipment anyway
  - 55% state that the information and incentive did not affect the quantity purchased and installed
  - 66% state that the information and incentive did not affect the level of efficiency chosen
  - 37% state that the information and incentive did not affect the timing of purchase and installation

Our thoughts on the different methods (2)

- Use of financial ability as the main theoretical underpinning for the counterfactual and the way the algorithm is applied is too simplistic for the nuanced analysis needed to estimate net savings
  - May be good to include financial ability within the method, but as a part of the overall battery and weighted accordingly
- Based on research with the public sector we have performed, as a sector, these customers are definitely cash strapped, but often have laws/energy efficiency mandates in place that must be followed when performing projects. There are other drivers for efficiency beyond financial ability, leading to NTGRs more aligned with the private sector.
  - Federal and township laws for new construction to go beyond code
  - Bonds for performing energy efficiency upgrades in schools

How can we move forward?

(as we need to make choices)

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Options for Moving Forward

- Do nothing – DCEO NTG values would continue to be higher than Ameren and ComEd values
- Synchronize analyses
  - ComEd / Ameren already synchronized
  - There are parts of our method that ADM has difficulty with and vice versa (as presented previously)
  - Example of possible changes
    - Our changes: adjust question response options (i.e., verbal cues increased for scales, remove 0-100 point option)
    - ADM changes: revise algorithm for a more nuanced determination of what would have occurred absent the program