The Net Savings Great Debate

Why Focus on Making a Molehill Out of a Mountain?

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Why should we care about net savings?

- **Program design**
- **Regulatory responsibilities - customer/public funds support EE efforts**
- **Shareholder incentives**

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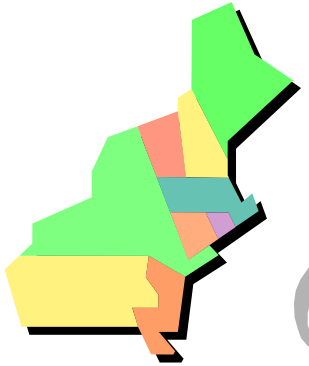
Limitations to Net Savings Assessments

- Attribution where there are many actors in the marketplace



- Boundaries

- Time

- Inconsistent definitions across states

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Danger of Undue Focus on Net Savings Assessments

- **Focus on net benefits by program within a utility or PA area leads to underestimating program effects.**
- **Focus on net benefits by program within a utility or PA area takes the focus away from other critical policy objectives and efforts.**

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EE - the most cost-effective climate change mitigation strategy in our toolboxes

Is the focus on attribution taking the focus away from achieving essential improvements in energy use?

Source of picture: http://askehbl.files.wordpress.com/2009/06/climate-change1.jpg?w=300&h=280

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Recommendations

- **Develop consistent definitions of net-to-gross.**
- **Focus on assessing changes in markets over time rather than PA-specific assessments of net-to-gross factors.**
- **Continue to periodically check directional and magnitude changes in PA-specific net-to-gross factors to inform program design.**
- **Redesign shareholder incentive mechanisms so that there is not an undue focus on net-to-gross factors.**

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