The Net Savings Dilemma

William P. Saxonis

New York State Department of Public Service

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Free Rider/Spillover = Hot Topics

- **The increased interest correlates with the increasing investment in energy efficiency programs**

- **Energy efficiency is a growth industry**

PSC Instituted an Energy Efficiency Portfolio Proceeding in 2007

- In 2008 endorsed a goal to reduce statewide energy consumption by 24,927 GWh by 2015; roughly equal to the power consumed annually by 3.4 million New York households
- Established goal to save natural gas too
- Total energy efficiency spending is expected to exceed $600 million annually

Why is "Getting it Right" Important to Regulators?

- Protect ratepayer/taxpayer interests
- Monitor progress toward energy goals
- Document cost effectiveness of program & portfolio
- Improve programs (measures & operations)
- Up-date deemed savings and technical manuals

Why is “Getting it Right” Important to Regulators?

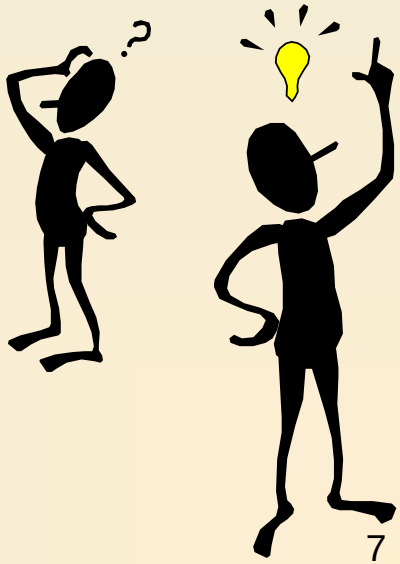
- **Facilitate planning/forecasting**
- **Document energy savings to help defer T&D upgrades**
- **Monitor environmental benefits**
- **Without credible evaluation, the future of energy efficiency will be in jeopardy !!!!!!!!**

Measuring Free Ridership and Spillover

- **There is notable variation in the approaches and methodologies used to identify and report free ridership and spillover**
- **We can sometimes see some unusual results**
- **Bottom line = free ridership and spillover measurement has improved, but it is still evolving**

The Regulatory Dilemma

- **Can we trust the results?**
- **What is a regulator to do?**
- **Here are some ideas for discussion! (Bill's ideas, not necessarily the Commission's ideas.)**



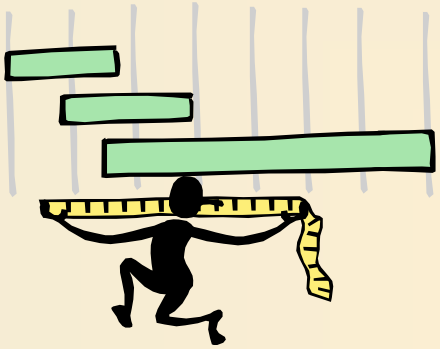
Improve Data Reliability

- Use additional methods to “triangulate” the data (e.g., comparison groups, statistical models and multiple survey strategies)
- Increase statistical precision of survey related work to determine if changes in free rider and spillover rates, especially among specific measures, reflect real change or statistical noise
- Develop more probing questions that go beyond questions related to specific energy actions

Link Free Rider/Spillover Data to Economic and Marketing Data

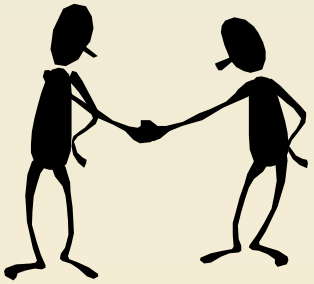
- Analyze free rider/spillover data with results from questions related to areas such as demographics, attitudes toward the environment and energy efficiency, reasons for program participation, shopping preferences and the status of the economy

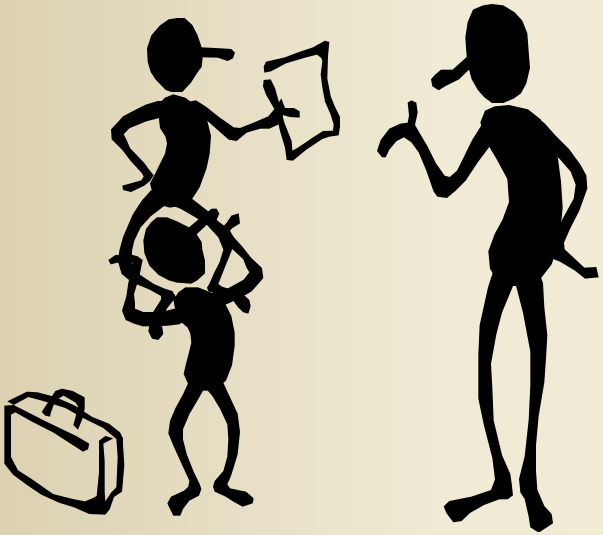
- Conduct longitudinal studies to see how free rider and spillover rates change over time and under what conditions

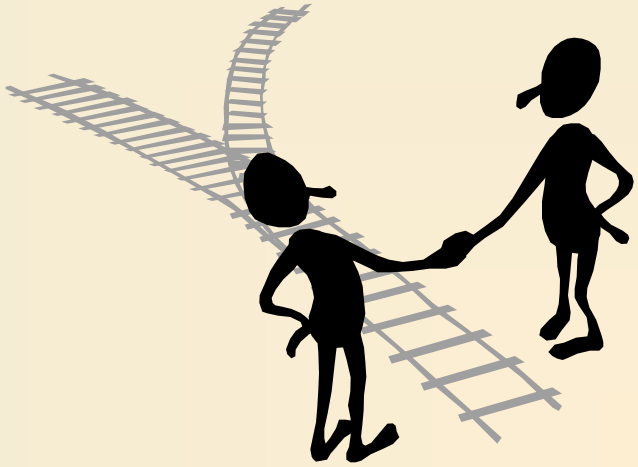


Increase Collaboration

- **Financial and time limitations often make it difficult to conduct ambitious research.**
- **Collaboration is the answer!**







One More Thing…

"A problem is a chance for you to do your best."

Duke Ellington

(1899-1974)

American genius

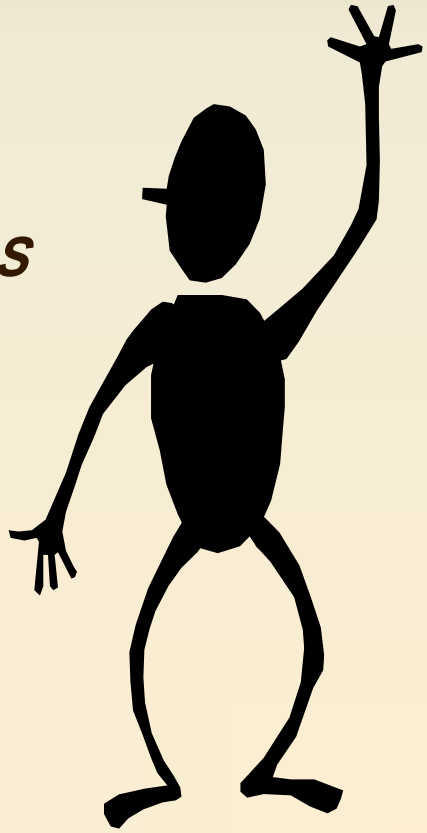
Contacts

Web site:

http://www.dps.state.ny.us/

E-mail:

William_saxonis@dps.state.ny.us



Thank You!