

# Net Savings:

## Application of Results and New Methods

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# NYSERDA Background

- State authority/public benefit corporation founded in 1975
- ~\$365M annual EE program budget from ratepayer system benefits charge
- Major EE programs began in 1998
- Programs serve all sectors and are nearly statewide in coverage
- Energy savings count toward New York's "15-by-15" goal

# Project Recommendation

- Explore circumstances and situations suited to market-based as opposed to participant-based NTG ratios, and the associated methodological implications.
- Further explore methodologies and their implications to better understand the information value for prospective and retrospective use of NTG factors.
- Retrospectively measuring NTG informs prospective estimates and helps explain program performance.
- Prospective application of NTG is important to support energy efficiency policy as it reduces investment risk and uncertainty for program administrators.

# Summary of Key NTG Challenges

1. Long-standing, mature programs
2. Rapidly changing and widening markets
3. Growing number of programs and administrators within jurisdictions
4. Timeliness of NTG evaluation results

# Challenge #1

## Long-Standing/Mature Programs

- Long-standing or mature programs can produce large and increasing spillover and market effects
  - Especially if programs are market based
- May require more reliable and expensive methods to claim larger savings values
  - e.g., site visits, market effects studies
- Need to document and agree on key causal mechanisms early on in order to properly target the evaluation and gain support for the ultimate results
  - Importance of logic models

# Challenge #2

## Rapidly Changing and Widening Markets

- Rapidly changing and widening markets can be difficult to assess
  - e.g., market for CFLs changed rapidly in some program states and widening national market makes comparison difficult
- Retrospective assessments alone may become less timely and informative
- Prospective NTG estimates can inform program expectations and provide a benchmark for evaluation to test

# Challenge #3

## Growing Number of Programs and Administrators

- NY now has 100+ EE programs and 12 administrators
- Concern about overlapping spillover claims has never been more real
- Concern about survey fatigue
- Statewide, sector-based spillover studies
  - Successful NYSERDA model to be expanded
- Top-down econometric modeling
  - Limited experience to date but a promising addition to net savings evaluation approaches
- The next set of challenges will include:
  - How to adequately address spillover from so many programs?
  - How to divide the resulting savings among many PAs?

# Challenge #4

## Timeliness of NTG Results

- Traditional retrospective results lag significantly after the end of a program year/cycle
  - Limits usefulness for program planning and prospective application
- Reducing lag time and attempting more “real time” evaluation
  - Experience in NY and elsewhere



# Thank You

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