

0 TO 1 IN TEN STEPS: REVVING UP IMPACTS AND PROGRAM PERFORMANCE BY ANALYZING PROJECTS WITH ZERO GROSS REALIZATION RATES

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Introduction

Impact evaluations for custom industrial, agricultural, and large commercial (IALC) projects are important due to the variability in projects and relatively large energy-savings potential. With custom projects, it becomes challenging to develop claimed savings that later yield the same evaluated savings values. Ideally, evaluation results should align closely with claimed savings; however, this goal is seldom realized. Recent energy impact evaluations conducted on behalf of the California Public Utilities Commission (CPUC) show project-level gross realization rates (GRRs) that are not only low, but even zero. So, what can Program Administrators (PAs) do to improve program performance and increase GRRs for such projects? While projects with zero GRRs are numerous in some programs, they are easily preventable with a few simple steps during the project development stages.

This poster presents the most common reasons for discrepancy between claimed and evaluated savings, with a focus on projects with zero GRRs. Illustrative examples of fairly typical projects over the past few years that have resulted in zero GRRs are also presented, including measure scope, incentive levels, reasons for zero GRRs, and ways in which they could have been prevented. These are followed by actionable recommendations, both near-term and long-term, on how to overcome the discrepancies and to ensure that evaluated savings closely match claimed savings. PAs can apply these recommendations to current and future program cycles to make certain that projects with zero GRRs are minimized and that the claimed savings accurately align with evaluated project performance.

Background

PA-led custom programs are evaluated on an annual basis in California. In 2016, 29% of utility-claimed electricity savings and 44% of gas savings were comprised of third-party, calculated incentives, savings by design, and government partnership programs in the IALC sector¹. These programs are all included in the yearly custom IALC energy efficiency evaluation efforts.

The evaluation effort consists of site-specific M&V activity to determine evaluated gross savings. The **evaluated gross savings are divided by the reported gross savings to determine the gross realization rate**. Recent evaluation activities have shown numerous projects with GRRs equal to zero. Some common reasons for discrepancy include: inappropriate baselines, ineligible measures, and operating conditions.

Conclusion

By implementing the recommendations presented in the poster, PAs can ensure that program-level GRRs move away from 0 and move closer to 1. The overarching reasons for discrepancies have been relatively consistent over the previous evaluation cycles and by focusing on only a few key issues, PAs can drastically improve GRRs.

¹ <http://eestats.cpuc.ca.gov/Views/EEDataPortal.aspx>