

IF YOU WANT TO SEE MARKET EFFECTS, YOU HAVE TO TAKE A BREATH AND LOOK FOR THEM

Moderator: Kenneth M. Keating, PhD

PAPERS:

Effective Practices for the Evaluation of Market Transformation Efforts

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Evaluating the Market Effects of the Better Buildings Neighborhood Program

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Over the Hill? A Look at a Mature Mid-Stream Residential Appliance Program

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SESSION SUMMARY:

With every advance in the field of evaluation, evaluators have been met with the problem that it cost real money to get at the answers that would make the evaluation better. It cost too much to do billing analysis. It cost too much to get a handle on free-ridership. It cost too much to get sample sizes large enough for significant results. Most recently we have heard that it costs too much and it is too hard to get reliable spillover savings estimates, and, more to the point of this session, it cost too much to get reliable estimates of market effects and sustainable market effects – market transformation. Yet portfolio managers and program implementers want to show the full program impacts, count them, and have the market effects recognized. This session illustrates the importance and defensibility of actually stopping to try to estimate the market effects. They are there, but they take effort and ingenuity to measure.

The first paper, by Nevius et al., reports on a study that looked at established and successful Market Transformation (MT) administrators across the country and identified 10 evaluation practices that the entities used to produce defensible results that were useful to implementers and regulators. Not all MT administrators used all the practices, but several found most of them to be useful. These are organizations that needed to establish the market effects of their efforts, and the paper lays out a set of best practices.

The second paper focuses on using best practice methods to examine one very large, national program. (This paper built on the first formative efforts described in a paper in the 2013 IEPEC written by Clendenning and Hoefgen.) As part of the comprehensive evaluation of the Better Buildings

Neighborhood Program (BBNP), Clendenning et al., describe the results of examining potential early-stage market effects among 41 ARRA grantees spread across most of the nation. Although a goal of MT for a three year stimulus was never achievable, this paper illustrates that with the use of multiple research tracks, evaluators can document that substantial market effects can be identified even if they can't be readily quantified on a first pass. This effort was substantial, and the pay-off in terms of longer term effects can be large, but they can't be assumed. They must be evaluated. This is a good example of good research and what can be accomplished.

Dimetrosky et al., illustrate, not only useful methods to estimate market effects, but also how the effort can produce important, actionable policy recommendations for program implementers even if the results were not going to add savings to the portfolio. A common theme came out of multiple research tracks – the market may be too mature to continue business-as-usual, and the program needs to adapt to the changed market environment. Because NYSERDA stopped and took the effort to look at the evidence of current market effects, and the potential left for pushing the market further, they obtained valuable information. The program certainly contributed to the current market status in New York, and it may have even helped Energy Star make the inroads it did in non-program areas. However, they were interested in what they could do going forward, and evaluators provided key information.