

Joshua Rego, Navigant

Presentation Title: Swimming With The (Mid)Stream: Common Evaluation Challenges Facing Midstream Programs, and How To Address Them

Abstract: As the 2019 IEPEC Planning Committee notes, “[t]he energy industry is in the midst of a dramatic shift, which is affecting utility business models, grid resources, energy program technologies, program design and delivery, planning and forecasting.” Utility energy efficiency programs are increasingly exploring new, lighter-touch program delivery methods to reduce barriers to participation in energy efficiency programs for their customers. In particular, midstream programs have become increasingly popular in recent years, as they allow utilities to offer discounts on energy-efficient products to customers by working with a much smaller population of participating distributors. These programs pose unique challenges for evaluators, particularly as it relates to savings determination and measure verification. Many of the data streams evaluators typically rely upon for measurement and verification are either more difficult to parse, incomplete, or entirely absent in these programs. Despite these challenges, midstream programs continue to increase in popularity largely because they can capture participation from previously untouched markets while simultaneously streamlining the incentive distribution process and driving down program costs. Therefore, it is a valuable exercise to think through the common evaluation challenges these programs present, along with the potential solutions to these issues.

One utility is increasingly adopting the midstream delivery model. It launched its first fully-commercialized midstream offering – a commercial lighting discount program – in January 2017. Currently, the utility has two commercialized midstream programs, and plans to pilot new programs in the future. While these programs have been largely successful, they have experienced the same set of issues typically faced by midstream program evaluators. The utility has made a point of working closely with their evaluator XXXX to identify and address these issues as they arise, or before. This collaboration has led to creative solutions and valuable lessons learned, which this paper will explore.

This paper will lay out the list of common challenges facing midstream program evaluations across the country. The list of challenges discussed will include attribution, establishing baseline conditions, determining program eligibility, and measure verification, among others. The paper will go into detail on each individual issue, how and when it may arise, and why it poses a unique challenge for midstream programs. The bulk of the paper, however, will focus on strategies to address these issues and minimize their effect on successful program implementation and evaluation. Using the midstream lighting and midstream food service programs as case studies, the paper will walk through real-world examples of how these challenges have manifested themselves and how utilities, evaluators, and implementers have been able to work together to put in place proactive strategies to address them. The paper will be structured to make this information actionable for readers, ensuring anyone interested will be able to put similar solutions in place as a result. Finally, the paper will conclude with a standard set of recommended considerations for evaluating midstream programs.