BEIS Approach to Energy Evaluation

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Drivers of evaluation

- **Accountability** - evidence of policy effectiveness and costs to:
  - the Accounting Officer and other stakeholders
  - the National Audit Office / Parliamentary Public Accounts Committee
  - Government Spending Review analysis

- **Learning**
  - Understanding how policies work
  - Improve current and future policies
  - Manage risk and uncertainty
Approach to Evaluation

• **Theory based**: a theory of change with specification of a theory of “how” and “why” an intervention might cause an effect.

• **Realist**: ‘what works in which circumstances and for whom?’, rather than merely ‘does it work? Context matters.

• **Design** of evaluation to test the theory.

• Theory based used where experimental methods are not viable and when we need to know ‘why’ and ‘how’ impact occurs.
Examples of BEIS Energy Evaluations

• **Contracts for Difference (CfD) for Renewable Electricity Generation**
  • **Policy**: to support low-carbon electricity generation. Developers of projects are paid a flat rate for the electricity they produce over a 15 year period. Price is determined through auction.

• **Transitional Arrangement for Demand Side Response (DSR)**
  • **Policy**: targeted support for DSR to increase participation in the Capacity Market.

• **Electricity Demand Reduction pilot**
  • **Policy**: organisations received financial support for implementing energy efficiency and delivering electricity savings at peak times.

• **Evaluation Methods**:
  • Developing a realist hypotheses, that is tested against research evidence collected through:
  • interviews and surveys with participants and non-participants and other stakeholders,
  • administrative data
  • other existing data sources.
  • CfD evaluation included modelled counterfactual of continuation of previous policy to determine value for money.
Further info

  HM Treasury guidance on what to consider when designing an evaluation.

• **BetterEvaluation.org**
  Information about methods, processes and approaches to improve evaluation practice and theory.

  Example of a BEIS commissioned theory-based realist evaluation