



# The Evaluation Challenge of Net-to-Gross

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# Agenda

- ▶ Introductions and meeting agenda
- ▶ Meeting structure
  - Brief overview of net savings & evaluation challenges
  - Panel discussion on net-to-gross assessment and Q&A
  - Small Group Work
- ▶ Full Circle: discussion, Q&A, and next steps

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# Net-to-gross: An Evaluation Challenge

## ▼ Gross Savings:

- Total energy savings due to programs and other influences including measure-based, market-based, education or other interventions. This includes gross energy savings and non-energy impacts

## ▼ Net Savings:

- Identifying the share of those effects – direct and indirect – that can be attributed to programs
- Counterfactual evaluation difficulty

## ▼ Common definitions – PLEASE USE HANDOUT!



# Key Challenges

1. Various key components considered
2. Various Methods of NTG assessment
  - Deemed
  - NTG adjusted by models with a dynamic baseline
  - Paired comparisons NTG
  - Survey-based NTG
2. Methods & Policy inconsistency and inaccuracy
3. “Environmental” noise makes it difficult to assess net savings
4. Fear of program cannibalism sacrifices impactful & innovative portfolios

# Five Key Components

▼ Identifying and accounting for:

1. Free Riders
2. Spill Over
3. Market Effects
4. Persistence
5. Behavior Based Effects

# Panel Discussion Focus

- ▶ Do Policies Work?
- ▶ Is Net To Gross Useful for Evaluation?
- ▶ Policy & Unintended Consequences?
- ▶ Can studying the counterfactual be done?
- ▶ Formula Breakdown:
  - Aggressive goals + implementation years + multiple programs + increase in information channels + market outreach/education + manufacturer and retail influence =

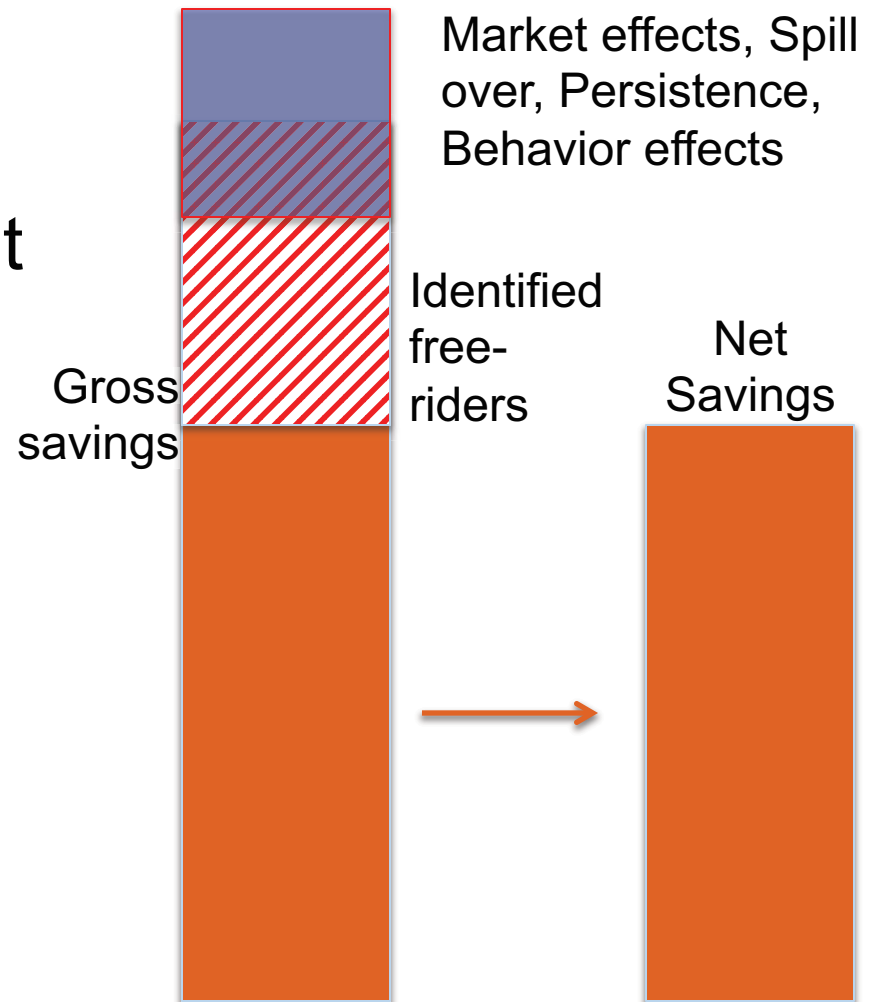
# Waldo Isn't Waldo?



# Forget Waldo – Where's The Credit?

## The PA's Dilemma

- ▶ Current programs must work innovatively to meet aggressive goals
- ▶ Should we avoid WALDO's when designing programs?
- ▶ Should innovation and market transformation sacrifice for avoiding Free Riders???



# Panelist discussion

Today joining us for a panel discussion regarding net-to-gross and its impact on evaluation is:

1. Shahana Samiullah, Southern California Edison
2. Rafael Friedmann, Pacific Gas & Electric
3. Edward Vine, Lawrence Berkeley National Laboratory
4. Steven Mysholowsky, Con Edison Co. of NY

### **Rafael Friedmann (PGE)**

Graduate from the University of California, Berkeley and currently a Senior Policy Analyst at Pacific Gas & Electric Co. Rafael is considered an expert in energy efficiency evaluation, policy, and technologies. He has published many papers regarding net-to-gross assessment and is one of the evaluation committee Co-Chairs.

### **Shahana Samiullah (SCE)**

Holds a PhD in Economics from the University of California at Riverside and is a senior staff member of the Measurement and Evaluation group at Southern California Edison. Shahana has managed numerous evaluation studies both for SCE and the three IOU's for the past 15 plus years. She has published many measurement and evaluation(M&E) papers in various conference proceedings. She is currently a manager responsible for planning and directing study design and resources for various M& E projects for SCE's Residential portfolio, New construction, Workforce Education & Training, and Low Income Programs.

### **Edward Vine (Lawrence Berkley National Laboratory)**

Edward Vine is a Staff Scientist at the Lawrence Berkeley National Laboratory, where he has been involved in the evaluation of energy efficiency programs for over 33 years. He leads the Environmental Program at the California Institute for Energy and Environment. Dr. Vine has a Bachelor's degree in Environmental Studies from Middlebury College, and a MS and Ph.D. in Ecology from UC Davis. He is currently on the Board and the Planning Committee of the International Energy Program Evaluation Conference (IEPEC). Dr. Vine received the Nobel Peace Prize in 2007 as a member of the Intergovernmental Panel on Climate Change.

### **Steven Mysholowsky (Con Edison Co. of NY)**

Joined Con Edison in 1981 & in 2005 began managing the Company's Targeted DSM Program. In February 2009, Steven assumed his current position as Section Manager of the newly created MV&E Group which is responsible for managing all Demand Management program evaluation activity (Process and Impact). Steven sits on the NYS Evaluation Advisory Group (EAG) Committee and several Sub-Committees, and most notably the Statewide Coordination sub-committee which oversees statewide evaluation activity. Steve graduated from the Bernard M. Baruch College with a BBA (Bachelor of Business Administration) in Finance.

# Small Group Work

## Mission:

Identify opportunities for improvement

## Small Group Agenda (20 minutes)

1. Introduce yourselves (name and organization)
2. Break into groups of 4
3. Write down one collective opportunity you see as program administrators or evaluators for improving NTG assessment along with it's corresponding challenge
4. Pick one speaker to share your idea for improvement along with the identified challenge



## Breakout Discussion & Conclusion (10 to 15 minutes)

# CEE Mission Is To Help Members Work Together To Achieve Progress

- ▶ Use the last five minutes to fill out the portion of your handout with suggestions about how you see CEE evaluation and behavior committee facilitating work to improve net assessment
- ▶ Please turn in your handout before leaving – we want to hear from you!
- ▶ Please make sure you signed-in before leaving

# Next Steps

- ▼ If you haven't already, consider joining the Evaluation Committee (email us at [hforster@cee1.org](mailto:hforster@cee1.org) to join)
- ▼ Join us for the Evaluation Retreat (**“Framing the Needed Action for Net-to-Gross”**) tomorrow from 8:30am-10:30am
- ▼ Stay tuned for the next Evaluation meeting agenda tentatively scheduled in late February or early March

