

Massachusetts C&I Evaluation Contract Project Summary: PA Differences 2016

Project timeframe: March 2016 – Aug 2017

Program year(s) evaluated: 2011-2015

Research area: Process

High-level study objectives: Identify the factors that lead to differences among the Massachusetts Program Administrators (PAs) total and depth of savings.

Selected considerations and key supporting findings

Market Segments:

Consider leveraging segment-specific expertise to serve targeted market segments

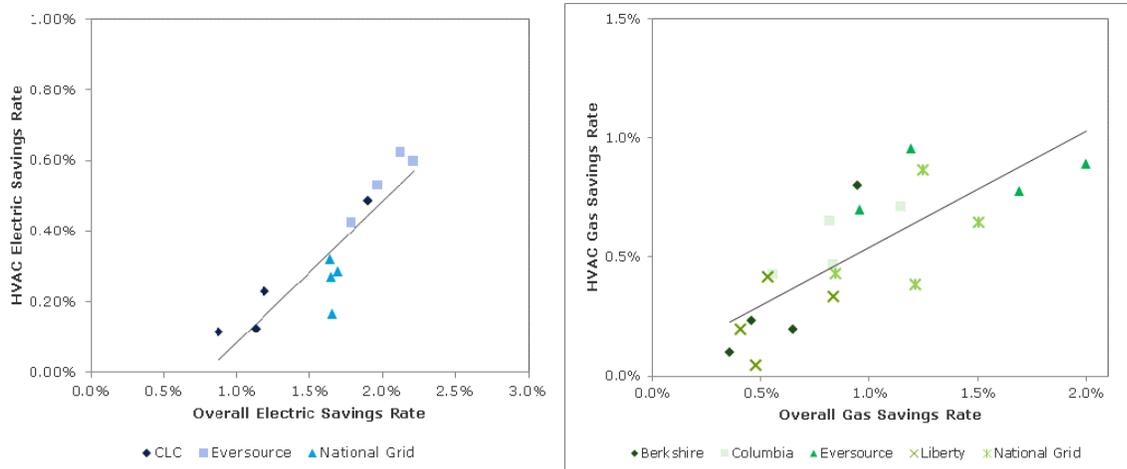
- In the grocery segment, the two electric PAs with the best performance (highest ratio of savings-to-consumption within the segment) used a third-party vendor implementing a specific grocery-oriented delivery strategy.
- In the hospitality segment, the best-performing gas PAs used a third-party vendor implementing a hospitality-specific strategy.
- In retail, the electric PA with the best performance targets chains and national accounts, and uses trade allies to help deliver program.
- Expertise could be through third party vendors or an internal group focused on the segment.

HVAC Savings:

Consider testing whether giving program managers and vendors flexibility to offer higher or lower incentives leads to higher savings following the changes National Grid is implementing.

- Overall savings correlated with the percent of savings that come from HVAC for both the electric and gas PAs. In general, Eversource had the highest overall savings rates (savings ÷ consumption) and the greatest percent of savings from HVAC.
- Using multiple regression models, DNV GL determined that the difference in savings-per-participant between Eversource and the other PAs was due to something other than firmographics. In-depth interviews revealed that Eversource had a more flexible incentive policy than National Grid. Other potentially contributing factors included more customers participating in both custom and prescriptive, more repeat customers during the two years analyzed in the regression models, and engineering or sales practices that identify or sell more energy savings. There could be additional contributing factors that the evaluation was unable to uncover.

Figure Error! No text of specified style in document. -1. Electric and gas HVAC and overall savings



Tracking Data:

Data mining efforts would benefit from additional PA efforts to increase the level of detail in their tracking databases.

- Tabulate measure level details for custom projects to make them more accessible than manually searching through project documents. Alternatively, pursue PA differences analyses in other evaluations that are already accessing project docs.
- DNV GL found that the specific project and measure information for custom projects was often missing and in some cases, inaccessible even to PA evaluation staff.

PA Differences 2016 Report Summary (cont.)

Comprehensive findings and considerations matrix

Considerationss		
Market Segments	Consideration 1	Consider leveraging segment-specific expertise to serve targeted market segments.
	Consideration 2	Small PAs could increase savings from the hospitality segment by implementing a dedicated vendor approach similar to Columbia's
HVAC Savings	Consideration 3	Consider testing whether giving program managers and vendors flexibility to offer higher or lower incentives leads to higher savings following the changes National Grid is implementing.
New Construction	Consideration 4	Data mining would benefit from additional efforts by the PAs to increase the level of detail stored in their tracking databases.
Other	Consideration 5	Greater collaboration and improved communication between gas and electric PAs can increase savings, particularly gas savings.
	Consideration 6	The PAs should consider facilitating partnering between vendors specializing in different measure types.
	Consideration 7	Future evaluations should consider using a new approach to program manager in-depth interviews similar to the one utilized in this evaluation. Our combination email and phone approach seemed to produce better results in less time and with less burden on PMs than the traditional cold or semi-cold phone call approaches.

Findings	Considerations						
	Consideration 1	Consideration 2	Consideration 3	Consideration 4	Consideration 5	Consideration 6	Consideration 7
Market Segments					X		
Strategies that leveraged strategic vendors increased savings in the segments examined.	X	X					
High performance in a market segment was more often related to relatively high consumption-weighted participation than high participant savings achieved.							
Electric vendors in the government and grocery segments that performed better than others tended to diversify their installed end use categories beyond lighting.						X	
HVAC Savings							
PAs that derive a greater percentage of their savings from HVAC also tend to get higher savings overall; this is a multi-year trend.							
For electric customers, Eversource's practices are resulting in greater depth of savings per participant than National Grid's or Cape Light Compact's.			X	X			
Eversource's and the small gas PAs' practices resulted in greater HVAC participation and greater savings per gas participant than either National Grid or Columbia.				X			
New Construction				X			X
ROF measures are a small but not insignificant part of each PA's overall energy efficiency program portfolio.				X			X
ROF savings are primarily due to a few end use categories and industry sectors across all PAs, likely related to the types of measures customers choose to replace when they fail versus those they are willing to upgrade before failure.				X			X
The average ROF measure is larger than the average retrofit measure.				X			
Contribution ratios for ROF measures were similar across the electric PAs				X			
Unweighted participation rates in electric ROF measures are correlated with customer size				X			
Similar to electric measures, participation rates in gas ROF measures are also correlated with customer size				X			
Small customers are where the greatest PA differences in electric and gas ROF performance exist.				X			
New construction activity shows a fairly steady, modest increase in construction starts from 2011 to 2015							
The volume of data and observable differences in participation between PAs suggest that an in-depth analysis of differences in true new construction performance between the PAs is unlikely to provide useful insights.							