

Regional Evaluation of Market Transformation Programs: Issues from a Regulatory Perspective

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Primary Issues

- Statewide versus regional program evaluation
- Measuring program performance: kWh savings vs. other indicators
- Timeframe for completing evaluations
- Coordination of statewide and regional evaluation activities

Statewide vs. Regional Evaluation

(1) Who is DOER's audience?

- DOER required to report to MA legislature annually on electric ratepayer-funded energy efficiency activities
- Legislators care about MA ratepayers, not regional ratepayers
- Non-utility parties (NUPs) focus primarily on MA specific activity and results
- Statewide level data on MT program performance is thus critical

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Statewide vs. Regional Evaluation

(2) How can state level performance of regional programs be evaluated?

- Bottoms-up approach: utilities conduct statewide evaluation which feeds into regional evaluation
- Top-down approach: regional evaluation includes separate state level analyses/results
- Opportunities and challenges to each approach

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Measuring Program Performance (1) KWh Savings

- DOER's annual report to the legislature focuses on economic impact of programs - use kWh savings data to estimate customer bill savings, job impacts, etc.
- Programs must be cost-effective (i.e., value of kWh savings are greater/equal to program costs)
- DTE 98-100. Utilities now report post-program effects of MT programs in terms of kWh savings, but quality of data needs improvement

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Measuring Program Performance (2) Other Indicators

- Market share tracking is key
- Challenge of translating market share data into kWh savings
- Other measures of performance are useful (e.g., # of rebates, training seminars) but not ideal
- Utility performance metrics - nature and structure of metrics influence how evaluation priorities are defined

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Timeframe for Completing Evaluations

- Annual report to legislature must be timely (e.g., report on 2001 activities should be completed in 2002)
- DOER currently working with utilities to implement a consistent schedule for filing evaluations by July of each year.
- To what extent can evaluation of regional programs be aligned to this schedule?

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Next Steps: Coordination of Statewide and Regional Evaluation Activities

- Better align utility market transformation program evaluation with those of Northeast Energy Efficiency Partnership (NEEP)
- Improve communication between DOER, NUPs, utilities, and NEEP
- Opportunities include coordinating multi-year evaluation plans, development of MT evaluation performance metrics, and development of evaluation budgets.

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