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BARRISTERS

January 30, 2012

VIA EMAIL

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Tanya Bolivar
Administrative Assistant to
Chuck Faulkner
Director, Efficiency Programs
Efficiency Nova Scotia

Dear Ms. Bolivar:

Re: Comments on Econoler Report

The Consumer Advocate makes two suggestions in response to the Econoler report on Net-to-Gross Evaluation Methodology.

(a) ENSC should consider more frequent updates of the surveys, and occasional calibration of survey results against estimates based on more reliable social service studies.

All DSM programs using the SRA method have the problem that such a survey is unreliable because it asks respondents to state what they would have done in a counter-factual situation, and the question deals with behavior subject to social norms, such that respondents may say what they think the questioner wants to say. Econoler is correct that the other possible methods are costly (and not necessarily thereby more reliable). It would be possible to supplement the standard use of SRAs, however, with more valid approaches. The gold standard of social science research is the double-blind before/after comparison of treatment and control group behaviors. This is expensive and the Consumer Advocate does not recommend it as an annual or a standard method. But the CA does propose as a check on the usefulness of the SRA in one or more programs. If the SRA results are very far off the results of the social science method, that should prompt a revisiting of the NTGR in that case, and perhaps in all cases.

(b) Where a program is given 100% NTGR treatment because it is new and there is little data, the NTGR should be estimated at the first occasion when data would be available.

Econoler writes at page. 4, that NTGRs could be left in place for several years. But Econoler also notes that it would be inexpensive to update the ratios if a participant survey is being done anyway.

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> According to the 2010 workshop, participants suggested that NTGRs need not be calculated every year; rather, once an acceptable NTGR for a program was calculated, it could be applied for several years before being recalculated. However, it should be noted that using the SRA to calculate free-ridership means that as long as a participant survey is used during a program evaluation, questions on free-ridership can easily be included. Once the algorithm is developed, it is a low-cost approach and it can provide ENSC with feedback relevant to the design of a program and its necessity in the market.

NTGRs should be updated frequently. This is especially the case with new programs and with new technologies, as the programs have impacts on the market and on customer awareness, which in turn are reflected in the incentive needed to spur uptake of the technology.

For example, whereas in 2011 Econoler assumes 100% NTGR for Appliance Replacement (Appendix A, slide 8), this is only because there were so few participants expected that a survey would have been unreliable. On its own terms, then, this program deserves revaluation in 2012.

The Consumer Advocate appreciates the opportunity to comment on the Econoler Report.

Yours truly,

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JM:dlb

c All Interested Parties

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