



Maximizing Spillover

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October 17, 2012

Agenda

- Background & Point of View
- Defining Spillover
- Approach
- Results
- Possible Strategies

Background

- My job is to design & implement DSM programs for Nexant's clients
 - Electric & natural gas utilities
 - Mostly in Midwestern U.S.
 - Mostly commercial & industrial programs

My Experience with Spillover

- Savings = (Gross Savings)*(NTG)
- NTG: Net-To-Gross Ratio = $1 - FR + SP$
 - FR: Free-ridership rate
 - SP: Spillover rate

My Point of View

- You have no idea how many times I have seen:

Evaluation Report

$$\text{NTG} = 1 - 10-15\% + \underline{\mathbf{0\%}}^*$$

*There was evidence of spillover in our results, but it could not be quantified.

- So what's my point of view?
 - I want to capture my spillover!!!

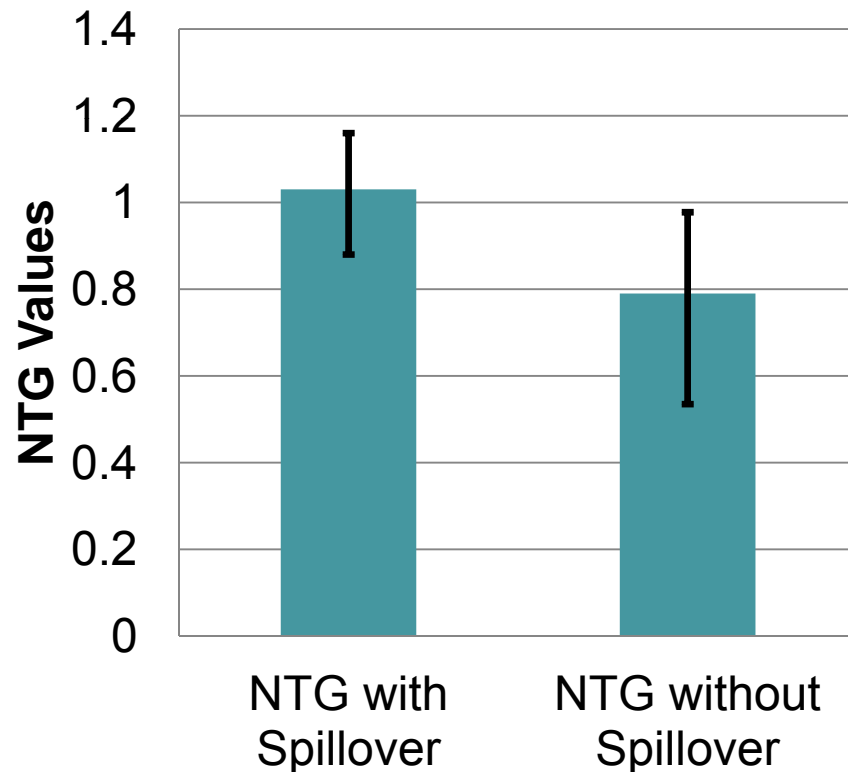
Approach: How did others do it?

- Reviewed 102 evaluation results
 - Allowed any definition of spillover
 - Looked for quantifiable patterns
 - Read through reports' comments surrounding spillover

Quantitative Results - NTG

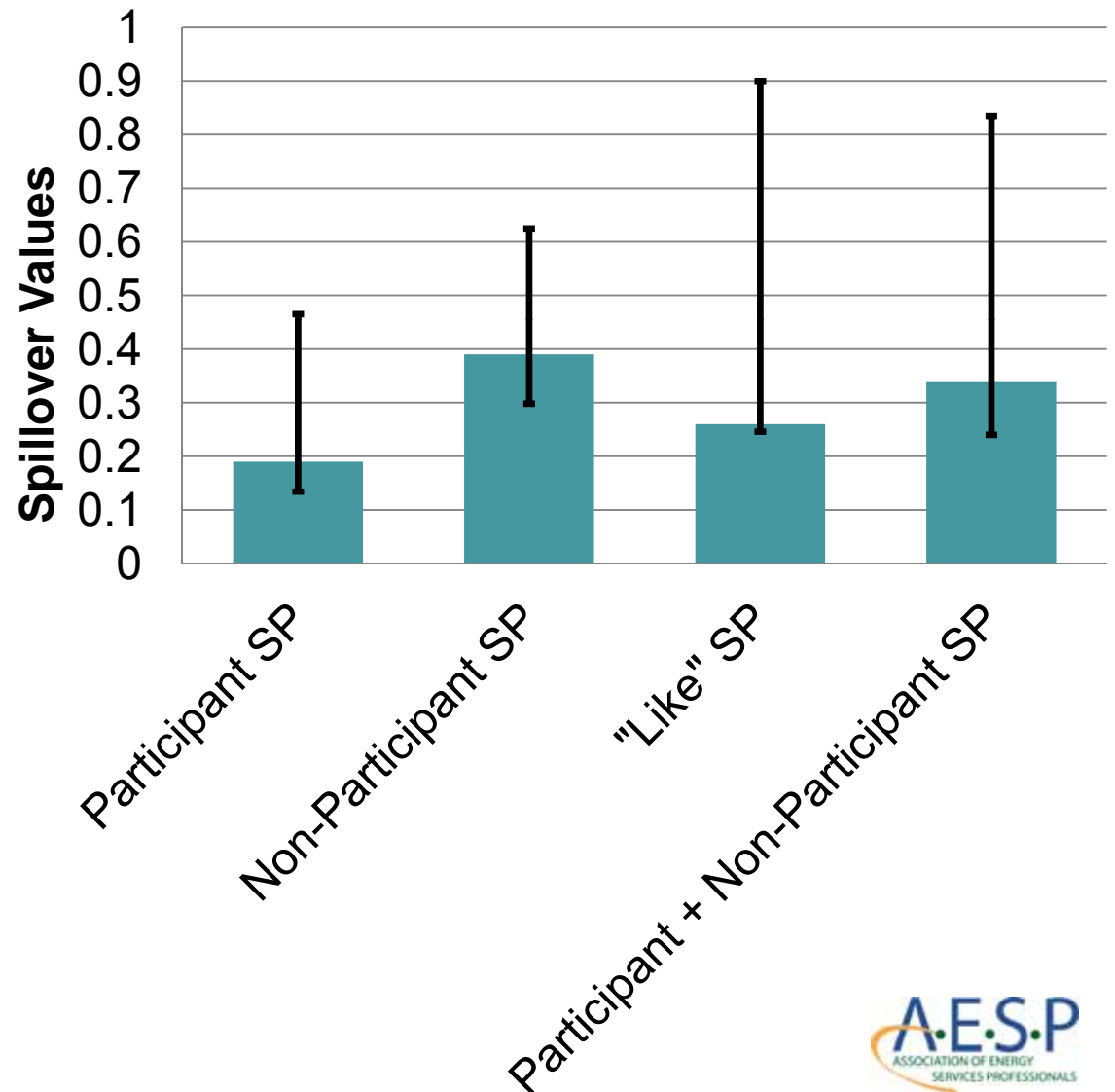
- 31 NTG values with spillover
- 30 NTG values without spillover
- Most of the evaluations without NTG values were process or spillover-only evaluations

Net-To-Gross Averages with Quartiles



Quantitative Results - Spillover

- 23 participant values
- 19 non-participant values
- 3 “like” spillover values
- 30 participant + non-participant
- Highest value was non-participant spillover: 3.14



Qualitative Results

- A few evaluators are experimenting with spillover
 - Definitions vary
 - Actual results vary even more
 - Mature DSM markets seem to experiment the most
- There are no clear-cut answers
 - ...but there may be hints that could help

Possible Strategies*

*No guarantee of success, but it never hurts to try

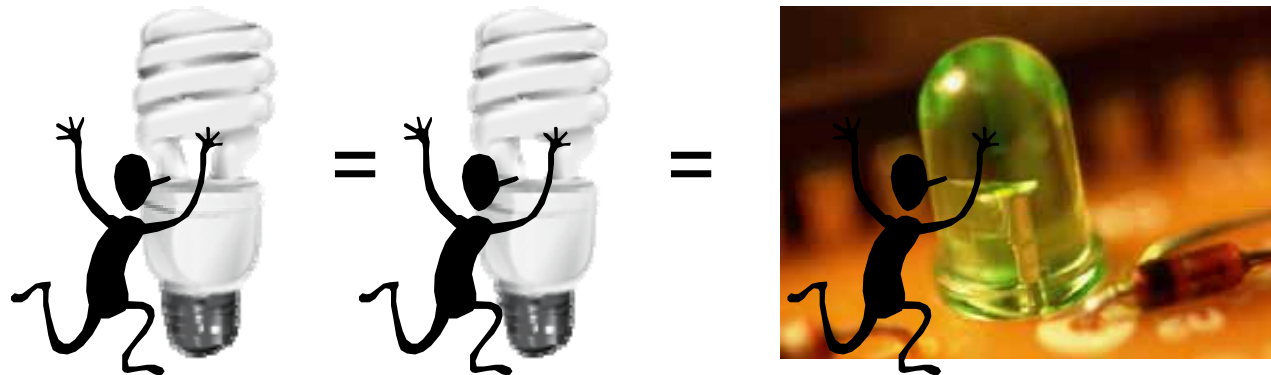
Pick a Narrow Definition

- “Like” Spillover: spillover from program participants who installed the exact same measure
 - Leaves a lot of spillover on the table
 - Easiest to define and quantify



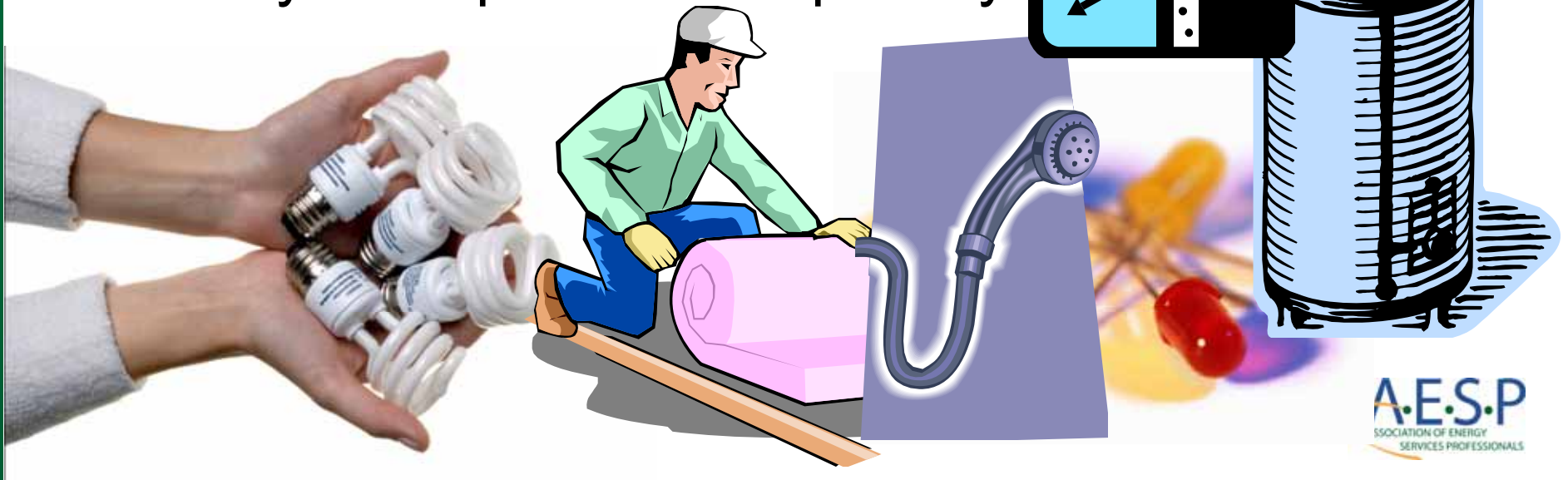
Pick a Less-Narrow Definition

- Participant Spillover: spillover from program participants who install any kind of energy-saving measure
 - Leaves some spillover on the table
 - Somewhat easy to quantify



Risky: A Wide Definition

- Non-Participant Spillover: spillover from anyone who was influenced by the program to save energy.
 - Leaves nothing on the table
 - May be impossible to quantify



Other Spillover Research

- Some of the evaluators used spillover findings from other evaluations
 - Spillover results from Xenergy and PG&E cited
 - Easy to quantify
 - Hard to assume that your location is just like CA

Spillover-Only Evaluation

- One evaluation report's entire purpose was to study spillover – no FR, no NTG
 - Potential to be most accurate spillover finding
 - Probably also the most expensive
 - Could be the last study of a multi-year evaluation

But...

- These suggestions are only for evaluators!
- So what can implementers do?

What Implementers Can Do

- Talk to your stakeholders
 - Tell them about cheaper types of spillover or other sources of information
 - Ask for a multi-year evaluation plan
- Record all the spillover that you find
 - Evaluators will thank you for it

Most Importantly...

- Keep talking!



Thanks for attending!

Q&A will be at the end of the session.

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AESP's 23rd National
Conference & Expo
Orlando, FL

Apr. 29-May 1, 2013

AESP's Spring Conference
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