

The Advantages and Disadvantages of Developing Standardized Evaluation Methods

January 29, 2013



Why Standardized Methods?

- Previous presentations have made the case for it
 - Strengthen credibility of savings through greater consistency and transparency
 - Simplify comparison of savings across programs and jurisdictions
 - Increase the acceptance of reporting energy savings by the financial and regulatory community
- This presentation discusses some of the real-world issues involved with standardizing methods

A Note about this Presentation

- More than one effort is underway regarding developing standard methods for evaluation
- This paper and presentation is not in response to any current effort, rather it is intended as a thought piece for all approaches being considered



Standardized Evaluation Techniques—What is indisputable

- Nomenclature
 - Must be align our language
 - Terminology such as “post hoc” and “level of rigor” must mean the same thing to everyone
- Methods should be transparent
 - Explain not only method, but also other methods available and why that method was chosen
- Evaluators must be perceived as independent
 - Having an agenda leads to mistrust
 - In the long term, the best answer is the right answer, even if it is not the most flattering



Presentation Agenda

- Pitfalls of standardizing methods
 - Technical
 - Overarching from an industry standpoint
- Is the status quo for evaluation acceptable?
If not, what can we do?

Pitfalls of Standardizing Evaluation Methods

1. Different program implementation strategies lead to different evaluation needs
2. Are we conducting “program evaluation” or “measure-based evaluation”?
3. Missed opportunities to gather additional relevant data to help with process and market data
4. Great potential for apples-to-apples not really being accurate, and poor decisions made because of it
5. New implementation approaches stifled because no way to measure success

Implementation Strategies

- Classic Residential Lighting Program
 - Buy-down
 - In-store coupons
 - Direct install
- Comparison across programs is important—which is the best strategy?
- Evaluation approaches must be different
 - Some have customer information, some don't
 - Breakdown of retail stores may be different
 - Baseline conditions are different
 - Costs for evaluation are different
- Standard methods do not allow for more accurate cross-program comparison
- Transparency of methods still a question



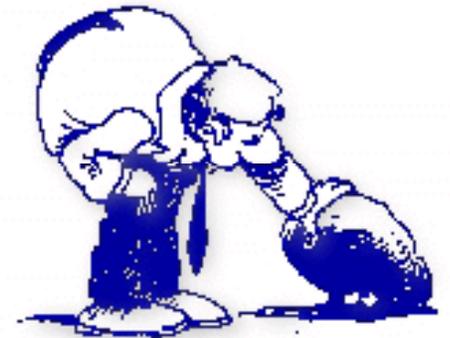
Program versus Measure-based Evaluation

- Do we care more about the measure savings or the overall program savings?
 - It depends on the jurisdiction and the purpose
 - Evaluation techniques can vary greatly depending on the answer to this question
 - It is a policy decision, not an evaluator question
- Protocols tend to focus on measure evaluation
- Measure-based evaluation is easier to prescribe
- Program evaluation creates more issues



Missed Opportunities

- Choosing an off-the-shelf evaluation method may not allow for other areas of research to be explored
- Focusing strictly on on-site metering, for example, reduces the evaluation function to “bean counter” status
- Evaluation methods don’t often serve to answer the question “Why?”



False Accuracy

- Comparing one jurisdiction to another is tricky
- Standard methods, in theory, make it easier to do so
 - Eliminates evaluation method from being the reason why the numbers are different
- All protocols developed will be adapted, as acknowledged by authors and other stakeholders
- Policy makers who assume the evaluation methods are the same when determining program success may not make informed decisions
 - Error exists not only in method, but also in sampling approach, survey design and implementation approach—many times, far exceeding evaluation method error

Hypothesis: Standardizing methods makes evaluation results comparable across regions

- Not really
 - Each jurisdiction has different regulations
 - Net to gross
 - How to calculate TRM values
 - What is the baseline?
 - Each jurisdiction has a different customer base
 - Behavioral aspects may outweigh traditional widget-based program strategies
 - Each jurisdiction has different weather patterns and climates

New Implementation Strategies Stifled

- Widespread adoption of standardized methods can lead to unintended consequences
 - New implementation strategies will not have accepted evaluation approaches
 - Utilities, already risk averse, will not push the envelope to develop new implementation approaches, for fear of not being allowed to claim savings
 - The industry will not be as adaptable



Key Issues Involved in Standardizing Evaluation

- Sampling
- Survey Design
- Implementation approaches

Key Issues Involved in Standardizing Evaluation-Sampling

Sampling is a complex issue, and sampling mistakes are common in our industry.

- Evaluation and the sampling function around evaluation require a review of cost versus benefit of collecting the information.
- Sampling rules set the parameters for actual sample sizes required
- Sample sizes are a major contributor to overall budgets
- The more stringent the sampling requirements, the more budget required

Key Issues Involved in Standardizing Evaluation-Survey Design

Survey research plays an important role in both process and impact evaluations.

- In addition to choosing the fielding method (e.g., telephone, internet, mail) evaluators also face a number of decisions when designing a survey for an evaluation including:
 - Field period length
 - Minimum number of respondent contact attempts
 - Wording and order of the survey



Moving Forward as an Industry

- Too many times, evaluators rush to judgment on a methodology, simply utilizing the same data collection instruments in different regions, only to later find that the information they obtained is not pertinent to the evaluation at hand.
- In short, standardized methods:
 - May not be aligned with state regulatory policies
 - Do not necessarily equate to uniformity
 - Are not always best for a particular program
 - May sacrifice a true program evaluation for the sake of comparison amongst programs
 - Limit innovation in program design
 - Provide false information to regulators by oversimplifying what is a complex issue

Moving Forward as an Industry

- Moving forward:
 - We must work to ensure the highest standards of evaluation professionals
 - Evaluators must serve as truth seekers—explaining methodologies to key stakeholders upfront, and spending the time upfront to design the most appropriate and useful evaluations.

What Else Can We Do?

- Consider
 - Evaluator certification process
 - Evaluator code of ethics
 - Transparency
 - Independence
 - Unbiased



Save the Dates

Apr. 29-May 1, 2013

AESP's Spring Conference
Dallas, TX

Sept. 30-Oct. 2, 2013

AESP's Fall Conference
Seattle, WA

Jan. 27-30, 2014

AESP's National Conference
San Diego, CA

 For more information - www.aesp.org
Opinion Dynamics

