

SEC INTERROGATORY #44

INTERROGATORY

[B/6/3, p. 14] Please confirm that the deemed approach also means there is a lack of insight into program design elements that affect program effectiveness. Please describe the rationale of jurisdictions that use the deemed approach but still require NTG studies.

RESPONSE

Research Into Action (“RIA”) did not mean to suggest that the deemed approach means there is a lack of insight into program design elements that affect program effectiveness. (RIA could not find any passage stating that.) While applying the same deemed or negotiated value over multiple years will not identify changes over time in program effectiveness, should such changes occur, using deemed or negotiated NTG values does not preclude doing research that will speak to program effectiveness. Such research could include the type of assessments used to calculate NTG values. It may also include a wide range of process evaluation activities.

While NTG research may be done to provide insight into program design elements that may affect program effectiveness, such results should be understood to provide qualitative rather than quantitative information. For example, a NTG value of 0.6 for one program compared to 0.8 for another does not mean that one program can take credit for only 60% of the incented savings while the other program can take credit for 80% of the savings, but that there is evidence that the first program possibly may not be as effective as the second program at bringing about energy savings. The rationale for using a deemed approach while still requiring NTG studies is that the deemed approach provides a more stable basis to claim net savings, to assist in cost-effectiveness assessment and program planning, while NTG research provides qualitative information on program effectiveness. More detailed information yet can be obtained through a well-designed and -executed process evaluation.

Witnesses: R. Bliss
J. Peters