

SEC INTERROGATORY #63

INTERROGATORY

[B/6/4, p. 62] Please advise whether the expert agrees with the Delaware and Indiana views that standard market practice baselines capture all free riders. Please explain why this would not result in utilities focusing on early adopter customers who have already decided to proceed with a measure, and are thus free riders, rather than focusing on more conservative customers who would otherwise be below the standard market practice. Please advise of any self-report NTG studies of which the expert is aware in jurisdictions that use a standard market practice baseline, and the results of any such studies.

RESPONSE

The use of standard market practice baselines is not generally viewed as capturing all free-ridership in specific evaluations when evaluations are focused on estimating savings from a specific program year. The assumptions underlying the view that standard market practice baselines capture appropriate levels of free-ridership are viewed as more appropriate when providing estimates of energy savings over a period of time (e.g., five year program accomplishments) under the assumption that the sustained implementation of program(s) over this period influenced the broader market such that the overall efficiency of the market has been improved.

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