

June 16, 2014

Craig Diamond
Executive Secretary, CT Energy Efficiency Board
10 Franklin Square
New Britain, CT 06051

RE: CL&P Review of the Year 2 Behavioral Pilot Impact Evaluation

Dear Mr. Diamond,

The Connecticut Light and Power Company (CL&P) is pleased to submit these written comments with regard to a draft evaluation report: *Evaluation of the Year 2 CL&P Pilot Customer Behavior Program (R2)*, (“Study”), May 16, 2014, NMR Group, Inc. and Tetra Tech (“evaluators”). The draft Study was submitted to CL&P on May 16, 2014 with a request for comments to be provided by June 16, 2014.

The primary purpose of the Study for Connecticut was to provide DEEP, the EEB, and CL&P with energy and demand estimates for the Year 2 Customer Behavior program and provide recommendations for program improvement.

Important findings from the Study included:

- Awareness of the program and readership of reports is high.
- Households maintain readership of reports over time.
- Energy-saving behavior patterns differ for high-use and average-use households.
- The Year 2 program obtained savings of 4,254 MWh (1.82% of usage).
- Households continued to obtain significant savings long after they stopped receiving reports.

Overall, CL&P is pleased with the Study, including its content, organization and level of detail. CL&P will review these findings and incorporate them into future planning efforts and the Connecticut Program Savings Document (PSD).

CL&P would like to offer its constructive comments and recommendations pertaining to the Study for consideration:

Differentiating Factors Between Expansion and Extension

The evaluation should be clearer about the nature of, and the differences between, the Expansion and Extension groups. A detailed description of these groups up front and less similar naming scheme would improve the readability of the Study. In many contexts, the differences between these groups are glossed over when presenting results; for example, the Study’s conclusion on savings is as follows:

- Savings: The program design achieves statistically significant savings (1.82%) for both high-use and average-use customers, but high-use households achieve statistically higher percent savings (2.31%) than average-use households (1.17%).

While CL&P agrees that high-use households achieve higher percent savings than average-use households, the Study compares two different treatment groups: high-use households entering their second year of treatment, and average-use households just beginning treatment. The Study did not have sufficient statistical power to reject the null hypothesis and confirm that savings increase during the second year of treatment, but a significant body of evaluation suggests an increase in savings over time.¹ A more appropriate comparison for the average-use households would be the monthly treatment group from the Year 1 Pilot.

Cost-Effectiveness Considerations

CL&P appreciates the effort of evaluators to take cost-effectiveness into consideration when making program recommendations. However, CL&P disagrees with elements of the cost-effectiveness calculation made by evaluators as presented.

Most importantly, the cost-effectiveness calculation extrapolates the budget for a pilot, one with significant fixed costs and limited flexibility in implementation, to the costs of an ongoing and full-scale program. CL&P notes that even as a pilot, the behavioral program has provided significant and cost-effective evaluated savings. Spreading the fixed costs of the program across a wider participant base will allow treatment of groups with lower potential savings at a low marginal and total cost. The full behavioral program, as detailed in the 2013-2015 Plan, will provide considerably greater savings while maintaining cost-effectiveness.

¹ See Navigant Consulting, "Program Year 2 (2012-2013) EM&V Report for the Residential Energy Efficiency Benchmarking Program", January 27, 2014 (<http://www2.opower.com/l/17572/2014-05-29/dwrwc/17572/77390/navigantduke.pdf>) as a representative example, and Hunt Allcott, "Social norms and energy conservation", Journal of Public Economics, October 2011 (<https://files.nyu.edu/ha32/public/research.html>) for a more comprehensive review of evaluations.