

May 10, 2017

Lisa A. Skumatz, Ph.D.
Skumatz Economic Research Associates (SERA)
762 Eldorado Drive
Superior, CO 80027

RE: Eversource Behavior Program Persistence Evaluation (R1606)

Dear Dr. Skumatz,

Eversource Energy (“Eversource”) is pleased to submit these written comments with regard to a draft evaluation report: *1606 Eversource Behavior Program Persistence Evaluation* (“Report”), April 9, 2017, NMR Group, Inc. (“Evaluator”). Eversource received the Report on April 26, 2017 with a request to provide comments by May 10, 2017. The purpose of the Report was to update findings from three prior evaluations of Eversource’s Home Energy Reports (HERs) Pilot Program. Report findings indicate that households continue to save energy years after the program stops sending them reports.

Eversource is pleased that the Report findings indicate that households continue to save energy years after the program stops sending them reports, and Eversource is generally satisfied with the quality and thoroughness of the Report. However, there are a few critical comments that Eversource is providing.

The Report suggests that program cycling (stopping and starting the program or delivering the program to different subgroups in turn) may offer a way to maximize savings, increase cost-effectiveness, and touch more customers all at the same time. Eversource disagrees with this finding for the following reasons.

- A significant portion of the costs to run the program is for analytics fee, not report generation. Therefore, the analytics cost would not be avoided. Eversource would still incur the cost for analytics including the cost of calculating persistence savings during the off cycle period.
- The current program targets average to high use customers since they have the greatest propensity to save. Touching more customers would require reaching out to lower users and would require more reports to produce a fraction of the behavioral savings from the average to high users. This which would actually decrease overall cost-effectiveness.

- Cycling reports would result in a disjointed customer experience, which could be perceived negatively and may have a detrimental effect.
- When reports are off cycle, Eversource loses the ability to market other energy efficiency programs. This is a key element of the program.

The persistence factors (or degradation rates) referenced in recommendation 2 and set forth in Table 1 appear to be conservative because zero savings are adopted as estimates of persistent savings for months which happened to fall below the conventional statistical significance threshold. For the purposes of developing a persistence factor, the best estimate of savings should be used rather than assuming zero savings for years with lower statistical threshold levels.

Recommendation 4 suggests that Eversource study the potential double-counting impact of enrolling HES and HES-IE participants in the Home Energy Report program. The Report should note that the program vendor enrolls HES and HES-IE participants into both the treatment and control groups in order to account for double-counted savings. This means that savings associated with the HES or HES-IE programs are already accounted for through the randomized design of the program and are not included in savings reported for the HER program.

The final bullet on page 11 and third bullet on page 15 highlight the savings per household for the High-use Discontinued Monthly group compared to the High-use Continued Monthly group. The Report should note that the higher savings rate for the high-use discontinued monthly group could be explained by noise in the data associated with the small size of the sample (1,507 households). With regard to randomization methodology, the randomization methodology used by the vendor has been tested and confirmed by over 80 independent evaluations of Home Energy Report programs.

To help ensure efficient and timely completion of a final Report, Eversource encourages clarifying questions from the Evaluator on these comments. Thank you for the opportunity to provide this feedback.

Sincerely,

Joseph Swift

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