



Residential Pay For Performance (P4P) Pilot

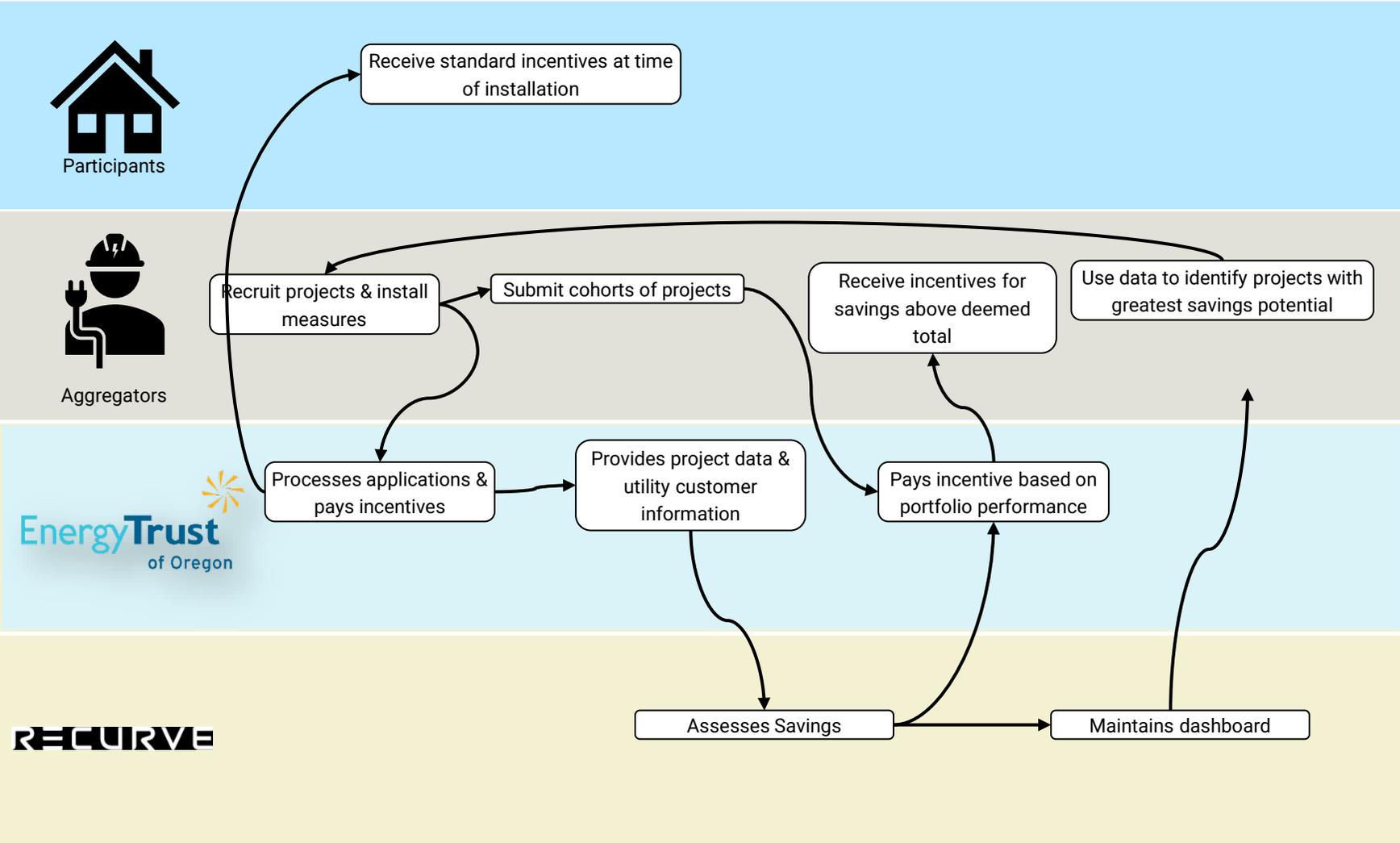
Discussion on “measured approach”

NASEO June 25, 2024

Background

- Objective: limited test of the “measured approach”
 - Savings calculational methods developed with Recurve/Open EE Meter
- 3 contractors chosen as “aggregators” for their specialty
 - HVAC, weatherization, whole home
- Began enrolling projects in April 2019
 - Portfolios ran for about 6 months
 - Aiming for at least 65 projects per portfolio, minimum needed to determine rate of exogenous change with comparison group analysis.
- Initial plan for 5 portfolio periods through 2021, pilot was discontinued in 2020 at the conclusion of the 3rd portfolio

Training Wheels Approach: Layering onto deemed measures





Exclusions from P4P

- Sites with Solar PV
- Missing meter data
- Fuel switching
- Account Changeovers
- “Synthetic baselining” or non-routine adjustments

Research Questions

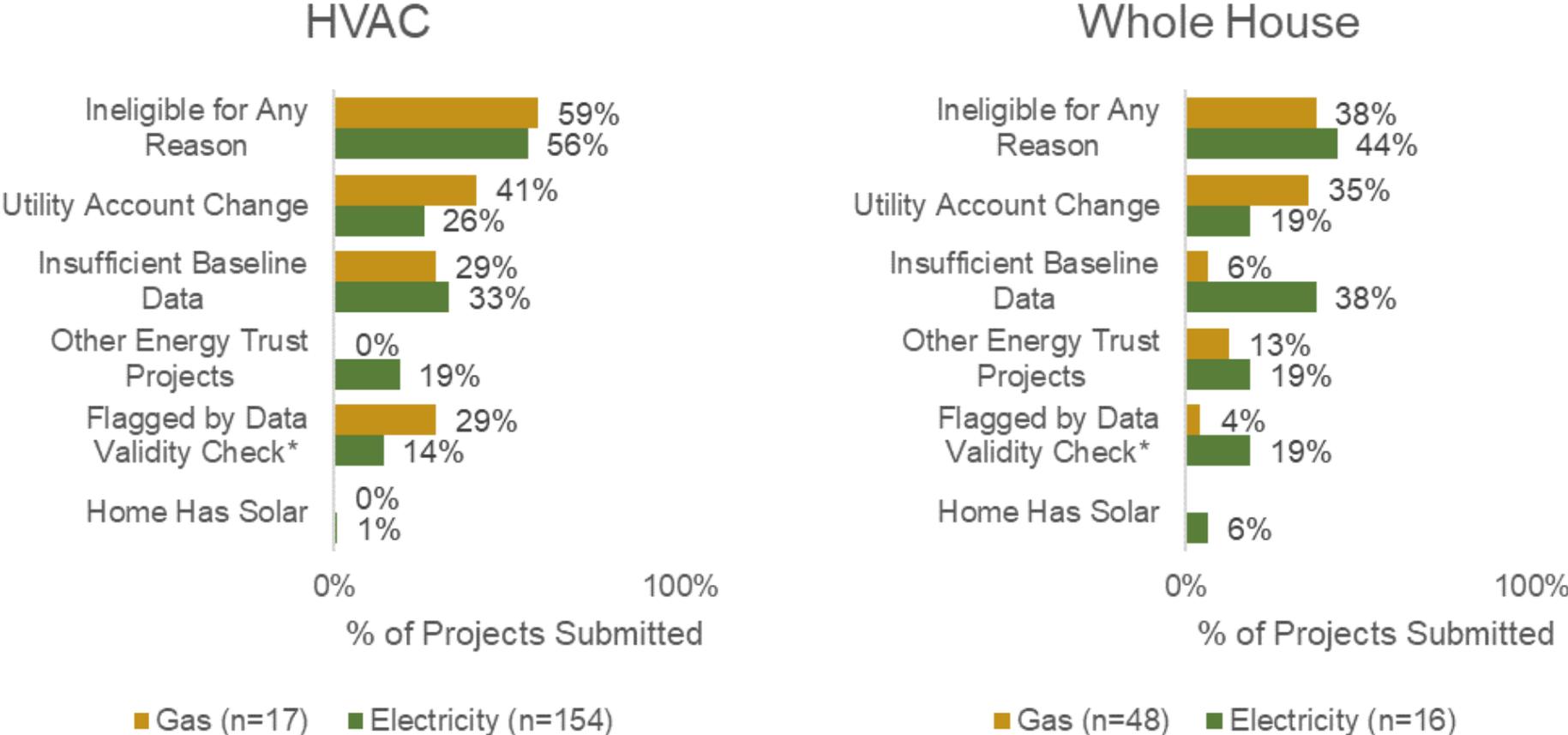
1. Do P4P designs enable better targeting of interventions with variable outcomes?
2. Do P4P designs improve measure cost effectiveness?
3. Do P4P designs create new participation opportunities for lagging markets?
4. Is the market ready for a “pure” P4P approach with no guaranteed (deemed) incentives?
5. How persistent are the energy savings from P4P?
6. What are the benefits and challenges in offering P4P as a track within the program?
7. Are participants satisfied with their experience (installation, performance of measures)?
8. Should the program continue to offer residential P4P?

Key Findings

- The feedback loop was too long
 - Aggregators had to wait more than a year to see the performance of projects, then additional time is needed to reap the benefits of that learning
 - Shorter portfolio enrollment periods or performance periods are problematic
- More granular data on usage would help
 - With monthly data, missing reads disqualified many projects
- Aggregators submitted all their eligible projects to the pilot, but sometimes still struggled to meet the target of 65 per portfolio
- Recurve dashboard was not used much in the pilot
 - Metrics not intuitive to contractor/aggregators
 - Aggregators appreciated guidance from staff in interpreting the dashboard

Data availability and sufficiency

- Many projects were disqualified from the pilot, mainly for account changes and insufficient baseline



Research Questions, revisited

Research Question	Findings
Do P4P designs enable better targeting of interventions with variable outcomes?	Not right away – perhaps with more time and results
Do P4P designs improve measure cost effectiveness?	Not as currently designed
Do P4P designs create new participation opportunities for lagging markets?	Not able to determine in this pilot
Is the market ready for a “pure” P4P approach with no guaranteed (deemed) incentives?	Not at this time
How persistent are the energy savings from P4P?	Did not evaluate
What are the benefits and challenges in offering P4P as a track within the program?	Benefits: there are some additional savings above deemed to be had for some projects/measures Challenges: many projects did not qualify; lots of effort to transfer and QC data
Are participants satisfied with their experience (installation, performance of measures)?	Yes
Should the program continue to offer residential P4P?	Did not evaluate



Takeaways for HOMEs

- Installing contractors need certainty on payment values
- Dashboards need to be simple and intuitive
- Working with monthly data significantly increases data quality risk
- Comparison group analysis increases complexity, may need a different method to control for exogenous change
- No evidence measured pathway improves outcomes for LI/DAC customers



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