

Evaluating the Promises of Market Transformation

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The Promises of MT

- Small changes in large markets are valuable
- MT initiatives can change markets in a sustainable way
- MT initiatives will work with business models
- MT savings can be dramatically less expensive than acquisition programs.

What We Didn't Always Add

- Codes and standards are a key part of the strategy
- Utility acquisition efforts can really help MT work
- Not all initiatives will succeed
- Cost-effectiveness often depends on the longer term measurement of market effects

Evaluations Need to be Designed to Match the Program Logic

- The timing of evaluations matters
- Regulators and policy makers can have too short a time horizon
- Some initiatives are broad and others are narrow – what constitutes success?
- Reality demands both market effects and short-term impacts be measured

Some Examples of Evaluated Market Changes

- Big Effects in Big Markets
 - Washing machines nationally
 - Refrigerators in CA and nationally
 - Energy Star Homes, CFLs, NEMA Premium Motors, exit signs
 - PNW residential Energy Star windows; Super Good Cents MH
 - Building code changes swamp, SWAMP simple program effects
- Entrepreneurial Programs work:
 - Verdiem succeeding in market
 - Bac Gen getting 40+ % of revenues from non-subsidized installations
 - Magna Drive growing at 100% a quarter

Miles to Go and Promises to Keep

- Evaluation challenges remain:
 - Need to measure the whole market – market tracking is essential
 - Need to measure whole portfolios, not individual programs
 - Need to establish defensible baselines
 - Need to establish program logic before evaluating
 - Need to make downstream Market effects more visible
 - Need to acknowledge failures; credibility comes with candor.