

Market Potential 72% Consumer Confidence 81% Brand Recognition 82% Energy Savings 69%
3% Energy Efficiency 27% Product Awareness 57% Customer Satisfaction 74% Market Share

research/into/action^{inc}

Draft Final Report

PROCESS EVALUATION OF THE CONSERVATION AUGMENTATION (CONAUG) PROGRAM

Funded By:



Bonneville Power Administration

Submitted To:

Ken Keating, Ph.D.
Bonneville Power Administration

Prepared By:



Jane S. Peters, Ph.D.
Research Into Action, Inc.



Robert Bordner
Energy Market Innovations, Inc.

June 24, 2004

ACKNOWLEDGEMENTS

The research team would like to thank Bruce Cody and Ken Keating of the Bonneville Power Administration. Their support for this research enabled it to be completed in a timely manner.

We would also like to acknowledge the ConAug program staff, the customer utilities and the third party implementers who responded to the email survey and our interviews. The evaluation was primarily designed to facilitate the collection of their perspectives and opinions in order to inform the planning process for the post-2006 programs. We hope that they feel the evaluation adequately represents their perspectives.

Acknowledgements

TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
FINDINGS.....	II
Program Strengths	II
Program Barriers.....	II
RECOMMENDATIONS	IV
1. INTRODUCTION.....	1
PROGRAM DESCRIPTION.....	2
EVALUATION APPROACH.....	4
ORGANIZATION OF THE REPORT	5
2. PROGRAM HISTORY AND MAJOR FEATURES	7
THE EVOLUTION OF CONAUG.....	7
Program Initiation in 2000 and 2001.....	7
ConAug in 2002 and 2003	9
Activities in 2004 and 2005.....	9
FEATURES OF CONAUG	10
Staffing	11
Purchase of Conservation Agreements and Exhibits	11
Marketing of ConAug.....	13
The Decrement.....	14
Incremental Conservation	16
BPA Contract Pricing.....	16
Measurement and Verification.....	17
Oversight	17
STAFF FEEDBACK	17
Strengths	18
Weaknesses	18
Staff Perspectives on the Decrement.....	21
SUMMARY.....	21

Table of Contents

3. WEB-BASED SURVEY OF UTILITIES AND STAKEHOLDERS.....	24
DISPOSITION	24
SURVEY RESULTS	25
Attributes of Sampled Utilities.....	25
General Issues	28
The Decrement.....	38
Willingness to Pay	40
Tools	43
General Comments.....	46
SUMMARY.....	49
4. IN-DEPTH INTERVIEW RESULTS.....	51
DESCRIPTION OF CONTACTS	51
Participants.....	53
Nonparticipants	54
OVERARCHING ISSUES	55
Incentive Levels.....	55
The Decrement.....	56
Local Control and Flexibility.....	59
Measurement and Verification and Bonneville Oversight	60
Oversight	61
Communication and Working Relationship.....	62
Free-Ridership	63
Measures	64
Administrative Cost Recovery	65
SUMMARY.....	66
5. BENCHMARKING RESEARCH.....	69
OVERVIEW.....	70
BEST PRACTICES REVIEW	72
Protecting Program Funds	72
Managing the Costs of M&V	73
Keeping Participation Simple.....	74
COMPARISON OF KEY COMPONENTS	74
Program Theory and Design	75
Program Management	76
Verification, Measurement and Quality Control.....	77
Program Participation Process	79
Incentive Approaches	80

Table of Contents

Marketing and Outreach	81
Evaluation.....	83
ADMINISTRATIVE STRUCTURES	83
Conflicts of Interest	84
Authority.....	84
Legitimacy.....	85
SUMMARY.....	85
REFERENCES	86
6. CONCLUSIONS AND RECOMMENDATIONS.....	88
CONCLUSIONS.....	88
Program Strengths	88
Program Barriers.....	90
RECOMMENDATIONS	91
APPENDICES	
APPENDIX A: DATA COLLECTION INSTRUMENTS	A-1
ConAug Web-Survey Instrument	A-1
ConAug Utility In-Depth Interview Guide	A-11
Questions for BPA Con Aug Staff.....	A-15
Questions for BPA Con Aug Staff/EERs	A-18

Table of Contents