

Nicor Gas Steam Trap Net to Gross Estimate

PY2018

NAVIGANT



Submitted to:
Nicor Gas

Submitted by:

Navigant:
Cherlyn Seruto
Laura Agapay-Read
Kevin Grabner
Bridget Williams

EcoMetric:
Michelle Bruchs
Mike Frischmann
Jake Fuller

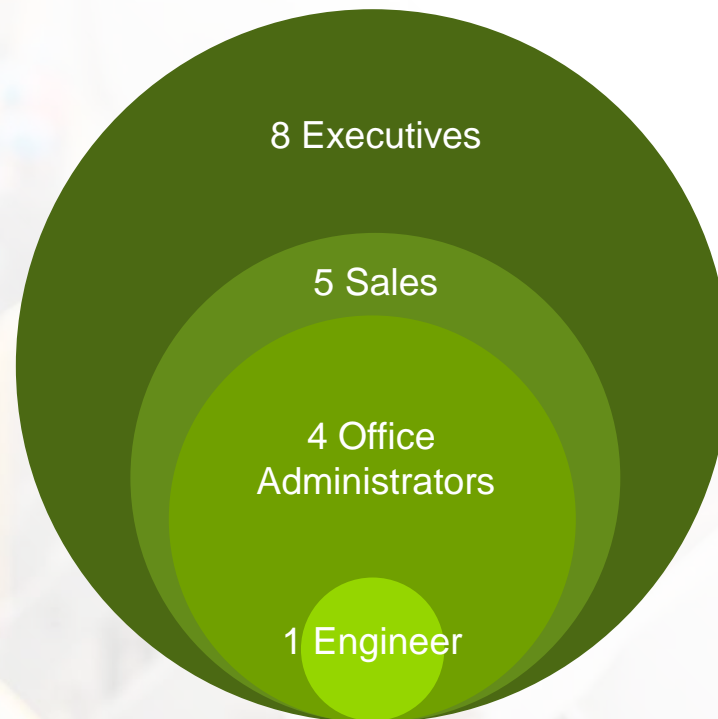
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Through steam trap process evaluation, we estimated a trade ally net to gross ratio to be incorporated into the overall BEER NTG value.

EcoMetric Consulting conducted in-depth interviews over the telephone with **18 trade allies** active in the steam trap rebate program offering from GPY4 through PY2018.

Executive-level respondents represented nearly half of the interview population.

We also interviewed several mid- and lower-level respondents to represent a range of perspectives within the trade ally market.



TA NTG Methods

We completed telephone interviews with (18) active trade allies, 7 of which had projects in 2018 and were included in NTG calculations.

38%

COMPLETION RATE

These **7 TA's** accounted for **17%** of PY2018 steam trap savings.

$$\text{Net-to-Gross} = 1 - \text{FR} + \text{SO}$$

TA NTG

BEER NTG
RESEARCH

Trade Ally Free Ridership Algorithm

**Program Influence TA
(PITA) Score (0-1)**

**No-Program (NP) TA
Score (0-1)**

Certainty Factor
(Used to adjust weight of
No-Program vs PITA TA Score)
DK=0, 100% certainty=1

Final TA Free Ridership Value (0-1) =
$$\frac{PI \text{ Score} + (NP \text{ score} \times \text{certainty factor})}{(1 + \text{certainty factor})}$$

Free ridership was determined for each trade ally

| PITA Scores | No Program Score | Certainty Factor | | Free Ridership |
|-------------|------------------|------------------|--|-------------------------|
| 0.9 | 1.00 | 0.25 | $\frac{PI\ Score + (NP\ score \times certainty\ factor)}{1 + certainty\ factor}$ | 0.92 |
| 0 | 0.53 | 0.13 | | 0.06 |
| 0.5 | N/A | 0.08 | | 0.50 |
| 0.2 | 1.00 | 0.15 | | 0.30 |
| 0.2 | 0.00 | 0.00 | | 0.20 |
| 0 | 1.00 | 0.02 | | 0.02 |
| | | | | <i>Weighted Average</i> |

Active trade ally spillover was small

Criteria for Claiming Spillover

1. Trade Ally indicated they experienced a sales increase after participating in the program.
2. Trade Ally responded that the influence of the program on their sales increase was greater than 5 out of 10.
3. The trade ally typically installed steam traps which were eligible for the program.

| Savings from Trade Ally | % Sales Not Incented | Program Influence | Spillover (therms) |
|-------------------------|----------------------|-------------------|--------------------|
| 354 | 0.00% | | |
| 2,654 | 40.00% | 80% | 1,415 |
| 25,422 | 0.00% | | |
| 21,896 | 88.89% | Don't Know | |
| 28,394 | N/A | 50% | |
| 4,932 | 99.86% | 0% | |
| 224,660 | 78.13% | 10% | |

1,415 therms = 0.46% of savings from interviewed Trade Allies. This value rounds to 0.00 for NTG calculations.

Inactive Trade Ally Spillover – Difficult to Estimate

Sample Description: We began with a list of 18 Inactive TA that we identified from PY1/2/3 database, plus two additional firms we found through a Google search. Sixteen of these had valid contact information, four refused, and two completed our interview. The remaining contacts were attempted 5 times unsuccessfully.

We asked each respondent if they had installed any program eligible steam traps in Nicor Gas territory in the past 12 months.

Neither did; one installs only Venturi steam traps, which are ineligible for rebates. The other did not think they had installed any program-eligible steam traps in the prior 12 months.

With these responses, the **contribution to program spillover is zero.**

Estimated Net-to-Gross Ratio

$$1 - 0.10 + 0.00 = 0.90$$

Estimated Net-to-Gross Ratio

FINDING 0.90



RECOMMENDATION – Incorporate the TA perspective on participant NTG into the total BEER Program NTG estimate