MEMORANDUM

To: Nick Warnecke, AIC; Nic Crowder, AIC; Nida Khan, CAMI Energy; Seth Craigo-Snell, SCS Analytics; and Elizabeth Horne, ICC Staff

From: Opinion Dynamics Evaluation Team

Date: September 25, 2024

Re: Ameren Illinois Small Business Direct Install Channel Trade Ally Spillover Results

INTRODUCTION

As part of the 2024 evaluation of the Ameren Illinois Company (AIC) Small Business Direct Install (SBDI) channel, Opinion Dynamics conducted research with participating trade allies to estimate spillover associated with the channel. Spillover calculations are based on the protocols prescribed in version 12.0 of the Illinois Technical Reference Manual (IL-TRM), Attachment A (Illinois Statewide Net-to-Gross Methodologies). Specifically, the evaluation team followed the methodology to estimate spillover from active trade allies.[1] This memo presents the research findings.

SUMMARY OF SPILLOVER RESULTS

The evaluation team found a spillover rate of 39% for electric energy savings, based on responses from 34 active trade allies who participated in AIC's SBDI channel between January 2023 and June 2024. The following sections of this memo provide the detailed methodology for data collection and analysis used to calculate the spillover rate.

DATA COLLECTION AND SAMPLING METHODOLOGY

The evaluation team conducted a web survey with trade allies who participated in AIC's SBDI channel between January 2023 and June 2024. The channel's tracking data corresponding to the periods previously mentioned included projects associated with 126 unique participating trade ally companies. Of them, 102 companies had one or more contacts associated with them. For the purposes of the survey, the evaluation team worked with a sample frame of 105 unique trade ally contacts with an email address available on file. Following a census sampling approach, the evaluation team created a sample composed of all 105 trade allies with an available email address.

As part of the outreach strategy, the evaluation team sent out an initial email invitation to trade allies in the sample, and two follow-up emails. The survey was fielded throughout July and August of 2024. We received 34 valid responses to the survey, for a 32% response rate.[2] Table 1 shows the percentage of electric energy savings captured in the sample and the survey responses.

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[1] IL-TRM V12.0 Attachment A: Illinois Statewide Net-to-Gross Methodologies, Section 5.2: Spillover Measured Through Trade Allies.

[2] We received 35 total responses to the survey; one respondent did not pass the screening criteria to complete the survey.

Table 1. Representation of Savings in the Sample and Survey Completes

Population		Sample		Survey Completed	
n	Total kWh Savings	n	% kWh Savings	n	% kWh Savings
129	84,436,616	105	86%	34	37%

Note: The population values are based on the total of projects with a trade ally company associated with them, regardless of whether an individual trade ally contact was available.

TRADE ALLY SPILLOVER

METHODOLOGY

Trade ally spillover occurs when a program (in this case, AIC's SBDI channel) influences a trade ally's business practices and, ultimately, their sales/installations of high efficiency equipment that do not receive a program incentive. The evaluation team focused its research on active trade allies[3] because of their more relevant engagement with the channel, including exposure to channel messaging, training, and/or education. This direct engagement with the channel is more likely to influence active trade allies' business practices and potential volume of sales/installations of energy-efficient equipment without receiving an incentive, compared to inactive trade allies.

The evaluation team estimated spillover using trade allies' responses to a web survey and following the protocols prescribed in the IL-TRM V12.0, Attachment A. First, the evaluation team determined whether each survey respondent produced spillover after their participation in AIC's SBDI channel. In order to qualify as a trade ally who contributed spillover, survey respondents had to meet each of the following criteria:

1. The total volume or percentage of eligible high efficiency projects sold/installed (during the evaluated period), both through and outside of AIC's SBDI channel, is higher since first participating in the SBDI channel.

2. The trade ally rated the SBDI channel as important[4] in generating that increase in sales/installations of eligible high efficiency projects, specifically with AIC business customers.

3. The trade ally sold/installed at least some eligible high efficiency projects in the AIC service territory that did not receive an incentive or rebate (during the evaluation period).

4. The trade ally rated the SBDI channel—including any related training, marketing, and/or technical assistance—as influential[5] in helping them persuade customers to implement eligible high efficiency projects without an incentive or rebate.

5. The open-ended response about why customers with eligible projects did not receive incentives or rebates supported that the non-incented eligible high efficiency sell/installation can be considered spillover.

For screening criteria 2 and 4, which are based on a 0-10 scale, trade allies required an average score greater than five between the two questions to qualify for spillover.

Next, among those trade allies that qualified for spillover, the evaluation team collected information on the percentage of their total energy-related projects (in the evaluated period) that (1) were eligible high efficiency and received an incentive or rebate from AIC's SBDI channel and (2) were eligible high efficiency and did not receive an incentive or

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[3] Active trade allies are defined as those who were active in AIC's SBDI channel during the evaluation period, and thus, appeared in the channel's tracking data.
[4] Using a 0-10 scale, where 0 means "Not at all important" and 10 means "Extremely important."
[5] Using a 0-10 scale where 0 means "Not at all influential" and 10 means "Extremely influential."

rebate from AIC's SBDI channel. The evaluation team then calculated the percentage of high efficiency sales/installations that received an incentive for each individual trade ally following the equation below:

$$\text{\% of TA's High Efficiency Sales that Received Incentive} = \frac{\text{\% High efficiency that DID receive a program incentive}}{\text{\% High efficiency that DID receive a program incentive} + \text{\% High efficiency that did NOT receive a program incentive}}$$

The percentage of trade ally high efficiency sales that received an incentive and trade ally savings from the channel's tracking data are then used in the calculation of savings of non-incented high efficiency equipment for each trade ally, as shown in the equation below. These are considered spillover savings.

$$\text{Savings of Non-Incented High Efficiency Equipment} = \frac{\text{Savings from Program Database}}{\text{\% of TA's High Efficiency Equipment that Received Incentive}} - \text{Savings from Program Database} * \text{Size Adjustment}$$

The formula above also includes a size adjustment term, which accounts for possible differences in savings between incented and non-incented equipment. This information was collected in the survey, and equipment cost was used as a proxy for savings under the assumption that more expensive equipment usually translates into larger savings, and to appeal to a simpler concept among respondents.

Once the evaluation team estimated spillover savings for each individual (qualifying) trade ally, we calculated the SBDI channel's overall spillover ratio through the following steps:

- **Develop the spillover ratio for surveyed trade allies** by summing the spillover savings (of those who qualified for spillover) and dividing this total by the channel-tracked savings associated with all surveyed trade allies.

- **Develop spillover savings for the population of active trade allies** by applying the spillover ratio from the previous step to all channel savings associated with a trade ally (whether a survey respondent or not).

- **Develop the overall spillover ratio for active trade allies** by dividing the trade ally spillover estimate from the previous step by total channel savings (whether associated with a trade ally or not).

SPILLOVER RESULTS

Based on the 34 trade ally responses to the web survey, 14 indicated that they completed energy efficiency projects that did not receive an incentive, and three passed the screening criteria that qualified them for spillover.[6] These three allies contributed a total of 12,147,058 kWh in electric energy spillover savings. Table 2 below includes details about the spillover savings contributed by the qualifying trade allies.

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[6] A third trade ally completed the full battery of spillover questions but was dropped from the analysis due to providing inconsistent responses.

Table 2. Spillover Savings Contributed by Qualifying Active Trade Allies (TA)

Qualifying Trade Ally	kWh Savings
Respondent 1	995,256
Respondent 2	171,273
Respondent 3	10,980,529
Total	**12,147,058**

Following the steps described above, the evaluation team found an overall spillover ratio for active trade allies of 39% for electric energy savings. Table 3 below includes details on the results of each step in the calculation.

Table 3. Calculation of Channel-Level Active Trade Ally Spillover

	Total Spillover Savings for Qualifying Surveyed TA	Total Channel-Tracked Savings Associated with All Surveyed TA	Spillover Ratio for Surveyed TA	Total Channel-Tracked Savings Associated with a TA	Spillover Savings for Population of Active TA	Total Channel Savings (whether associated with a TA or not)	Overall Spillover Ratio
	(A)	(B)	(C) = (A/B)	(D)	(E) = (C x D)	(F)	(G) = (E/F)
kWh	12,147,058	31,095,458	39.1%	84,436,616	32,984,124	84,528,771	39.0%

This 39% spillover ratio is higher than what is typically observed for programs with similar designs. These results are almost entirely driven by the responses of one ally (respondent 3). If the responses for this ally were omitted, the overall spillover ratio would be significantly lower. As such, the evaluation team conducted structured follow-up research with this ally to verify the accuracy of their responses. We conducted a phone interview with the customer to confirm their responses and to probe on the context behind them. Through this interview, we learned that the ally has historically been very active in the SBDI channel but has found the incentive submission process to be overly cumbersome in recent experiences, leading them to no longer submit eligible projects for incentives. While this information credibly supports the spillover rate the ally reported, it presents challenges when considering how to extrapolate these results and apply them prospectively. The evaluation team will consider how to appropriately utilize these results to support updates to the SBDI NTGR recommendation for 2025.