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Opinion **Dynamics**

July 15, 2021

Re: Staff Change Request filed on July 1st, 2021 (File No. EO-2018-0211); Recommendation to remove the COVID-19 adjustment from the business program free ridership scores

To Whom It May Concern:

In developing the free ridership scores for the business programs (Standard, Custom, and Retro-Commissioning), Opinion Dynamics not only relied on the survey responses (as was done in PY2019) but also leveraged the Ameren Missouri-specific COVID-19 research conducted in the summer of 2020. This research included in-depth interviews and a panel survey with key trade allies as well as a survey with PY2019 participants. (For more information on the research design, please see the memorandum provided as part of the supporting materials for the PY2020 Draft EM&V Report.) Notably, the trade ally research included trade allies associated with over 25% of MWh savings realized by the Standard, Custom, and RCx programs in PY2020.

The research was designed to help Ameren Missouri and the BizSavers team understand the impact of the pandemic on their business customers and identify ways to maintain levels of program participation. While it was not specifically designed to assess the impact of COVID-19 on free ridership, it did provide valuable insights that Opinion Dynamics felt were important to consider in the ultimate free ridership determination. Importantly, the COVID-19 research explored a pathway of program influence that was NOT considered in the original free ridership algorithm: reducing the number of project delays and cancelations.

While Opinion Dynamics supports the concept of agreeing on an evaluation approach upfront, we feel that it is also important to remain flexible and to bring in new information and insights as circumstances change. We believe that COVID-19 significantly changed circumstances for Ameren Missouri's business customers (which is supported by our research) and that to blindly apply an approach that disregards important information would not adhere to best evaluation practices. In contrast, triangulation of results from various sources – as done in our evaluation – is a common evaluation practice that reflects best industry practices.

When contemplating how to incorporate the new information into the approved free-ridership algorithm, Opinion Dynamics weighed several options. We were aware that the application of an adjustment factor might appear arbitrary; yet, we still chose this approach to ensure the greatest degree of transparency. We considered other options, e.g., to adjust the algorithm itself or the scoring, but decided against it as we wanted to retain the integrity of the original (approved) algorithm and provide full disclosure of the magnitude of the adjustment. In addition, the value of 20% is not "completely arbitrary" (as stated in the Auditor's report) but is based on findings from the COVID-19 research (as summarized in our evaluation report).

The Auditor report argues that "the effect [of COVID-19] is on the level of participation observed for that year, not on the free ridership rate for the remaining participants." While we agree with that statement, we note that the program took a number of mitigation measures to prevent the anticipated drop in program participation, most notably increasing incentives. (Throughout the five waves of the trade ally panel survey,

interviewed trade allies consistently emphasized the importance of financial incentives and identified the 2020 increase in incentives offered by the BizSavers Program as the most significant change that will affect their company's overall volume of BizSavers projects in PY2020; see figure below). As such, the program took very active (and successful) steps to induce customers who would have otherwise canceled or delayed their energy efficiency projects to go ahead with project completion. These are, by definition, non-free riders; however, the PY2019 algorithm has no way of capturing that program influence.

Figure 5. Recent BizSavers Program Updates with Most Significant Impacts on PY2020 Volume