

**CASE STUDY:**

# Evaluation of the Electricity Demand Reduction Pilot

**The challenge**

- A multi-stage, four year evaluation demonstrating our commitment and ability to deliver
- Utilisation of a range of unusual techniques, demonstrating both our willingness and flexibility to trial these, but also our skill in familiarising ourselves with these and building upon them
- Insightful conclusions and recommendations to inform central government thinking on a pressing policy area

The Department for Business, Energy and Industrial Strategy is conducting an evaluation of the Electricity Demand Reduction (EDR) Pilot scheme. <https://www.gov.uk/guidance/electricity-demand-reduction-pilot>. The purpose of the Pilot is to examine the viability of EDR in the Capacity Market and learn lessons for Government and wider stakeholders on the delivery of the EDR scheme. The scheme comprised organisations with potential to deliver substantial peak demand reduction putting forward projects through several process stages to qualify for a £/kW subsidy decided through auction.

The evaluation – being delivered concurrent to the scheme up to 2018 – is designed to address a series of high-level questions around how and to what extent the scheme has contributed to peak electricity demand reduction, both within participating organisation projects and more widely.

**The approach**

Drawing upon both conventional and realist evaluation techniques (supported by both conventional analysis and a range of innovative techniques), we are building a picture of scheme contribution, barriers to participation for both phases / auctions of the scheme, and so assisting the Department to understand what support for peak demand reduction might look like going forward.



**CASE STUDY:****Techniques we are deploying:****Realist evaluation**

Requires evaluators to ask not only “does x work”, but “how does x work, for whom, and in which circumstances”. This necessitates up front hypotheses on outcomes, and theorised reasoning and contexts underpinning these, which can then be tested.

**Process Tracing**

A case-based approach to causal inference that focuses on the use of clues (each carrying different strength of evidence) to adjudicate between alternative possible explanations.

**Qualitative Comparative Analysis**

A means of systematically considering the extent of association between different ‘conditions’ and an outcome of interest. Conditions can be refined to identify the simplest set of conditions that can account for an observed outcome.

**Participatory Analysis**

Involving the stakeholders of a programme or policy in the evaluation process. This involvement can occur at any stage of the evaluation process, and can be used to inform hypotheses, sense-check findings / conclusions, and generate recommendations.

Not only are each of these techniques relatively unusual in evaluations, it is extremely rare for them to be deployed simultaneously to complement each other and so contribute to a fuller and more robust response to the key evaluation objectives.

Findings to date are confidential, but a published interim output is anticipated for Autumn 2016.