

# Metrics 101

## Energy Efficiency Business Plans Metrics Workshop

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# What is a Metric?

## Definitions abound

- Used to monitor progress/effectiveness
- A quantifiable measure used to track and assess the status of a specific business process
- Used to communicate the progress towards short- and long-term objectives
- Performance and efficiency indicators
- Used to monitor progress/effectiveness

Common wisdom dictates that effective metrics are:

**S**pecific

**M**easurable

**A**ttainable

**R**elevant

**T**ime-based

## A Good Metric is...



- ✓ A reflection of the key value drivers
  - ✓ Based on valid and existing data
  - ✓ Shared throughout the organization
  - ✓ Clear so an outsider can determine whether the metric has been met
  - ✓ Trackable over time
- What does success look like?
  - Relies on data used in program implementation
  - Drives appropriate action
  - Focuses the team on the goals
  
  - Jargon free
  - Every word needs to be clear and not open to interpretation
  
  - Not a snapshot
  - Able to demonstrate the trends over time

## A Great Metric will...

- Provide the CPUC with the information it needs to respond to inquiries from a variety of sources, such as legislature & media
- Be meaningful outside the EE industry context
- Highlight the strides we've made in the industry

"Homeowners have realized utility bill savings of 10% on average"

"Participating business customers have realized average energy savings of 25%"

*"Local Governments have doubled the number of building efficiency upgrades in the past two years"*

# Common Metric Pitfalls

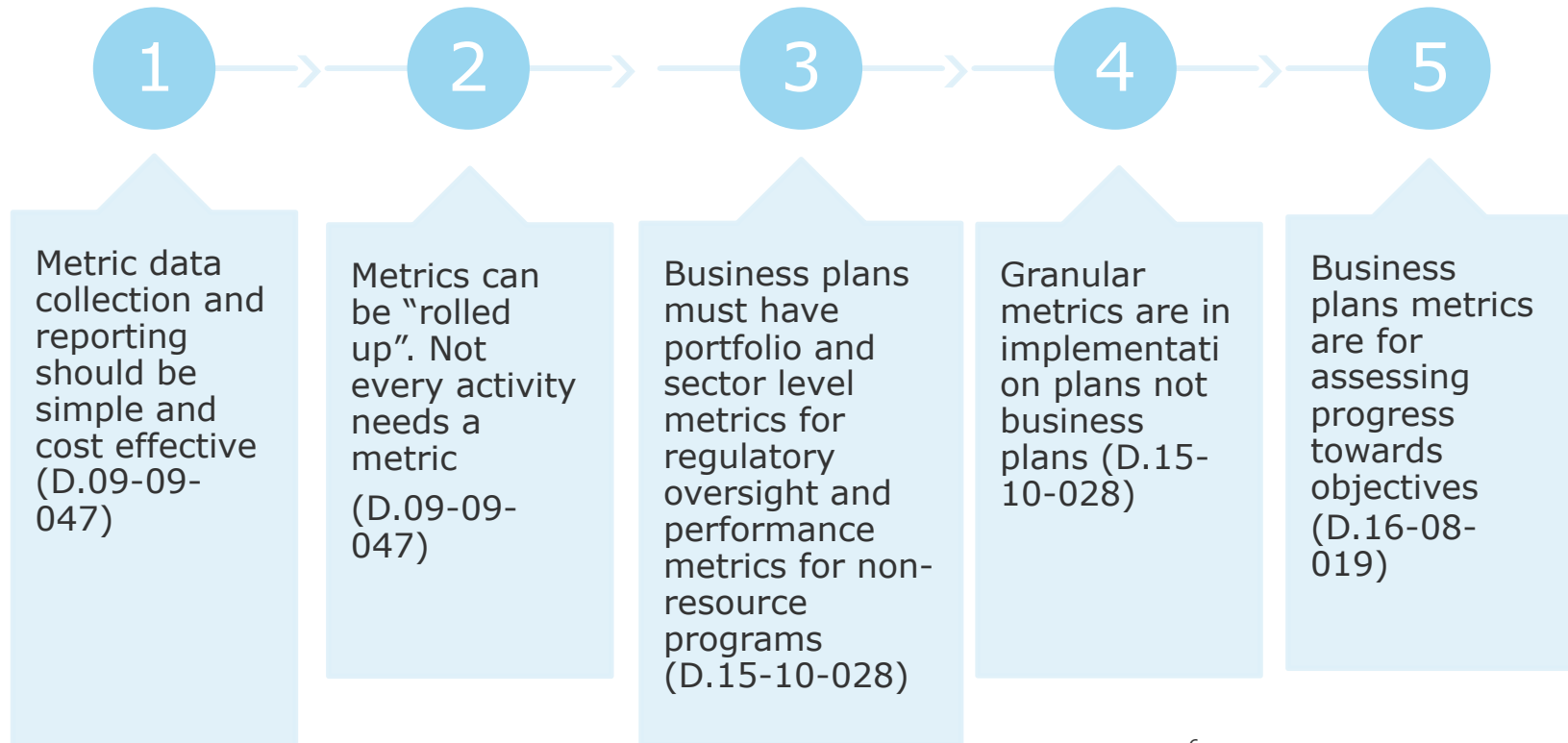


Avoid  
these

- Metrics for the sake of metrics
  - Not aligned with the drivers of success
- Metrics without a benchmark/baseline
- Metrics that are complex and difficult to explain
- Metrics that complicate operations and create excessive overhead
  - You shouldn't have to build a new system to measure it
- Metrics that cause employees to act counter to the best interest of the company
  - Focuses on throughput only and not quality

# Key Regulatory Direction on Metrics

*(these are the cliff notes, not the exact language)*



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## Metrics Guiding Principals for Business Plans

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- Used and useful to the program administrators
  - Don't require maintaining two sets of books
- Be timely
  - Support decision-making frequency
- Rely on data used in program implementation
  - Readily available without added costs
- Be output based
- Be simple to understand and free of subjectivity
- Have a readily interpretable meaning with context, where needed
  - Metrics will not necessarily provide a complete story
- Have longevity
  - Show trends across time
  - Won't need baseline adjustments

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**Don't forget:**

**Metrics are at the sector level and not tied to specific programs**

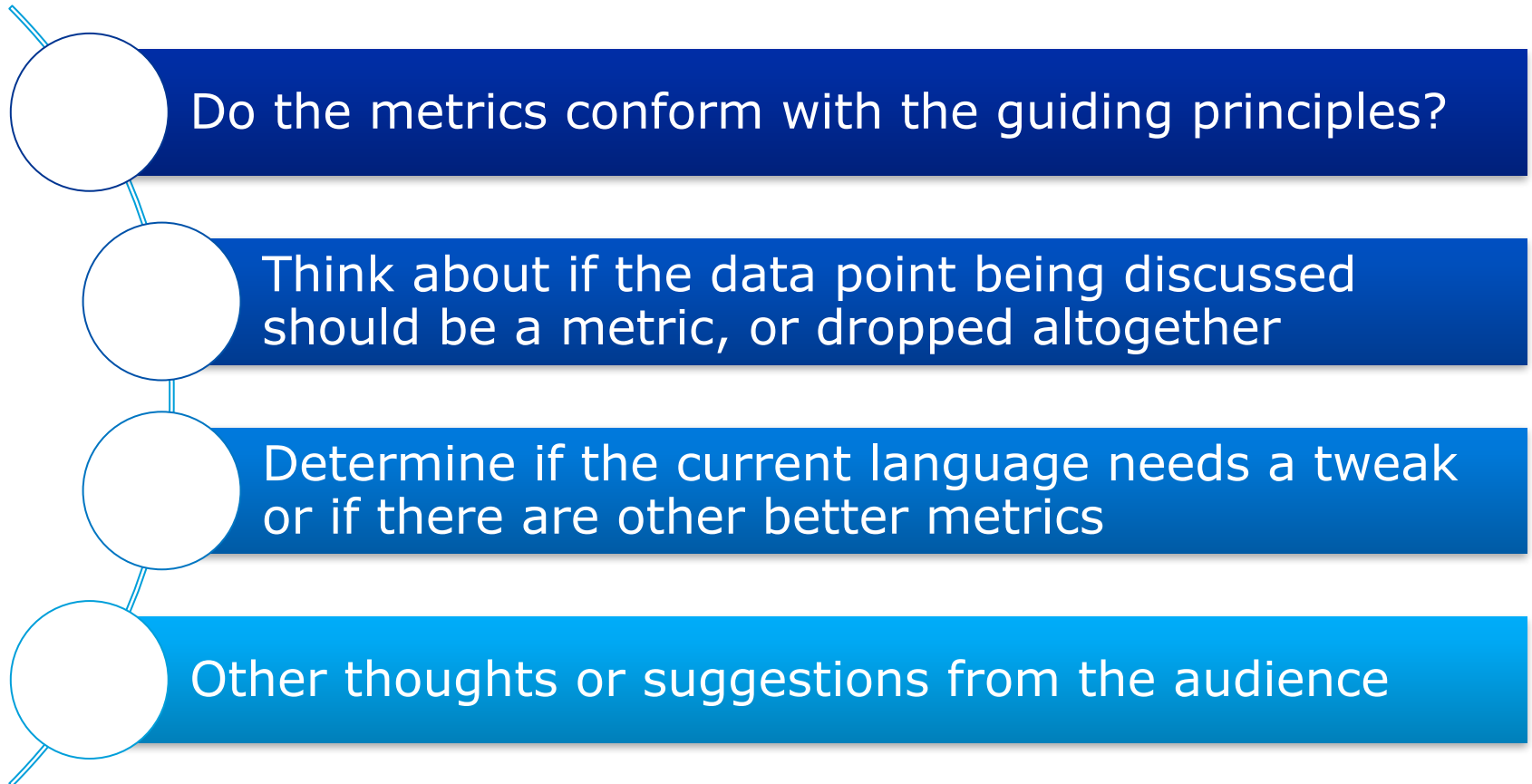
**There isn't a required # of metrics per sector just a non-zero number**



# Afternoon Discussion on Metrics

## Focusing Today's Discussion

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## General Metrics Discussion

Discussion Item	Duration
Recap/Capture Parking Lot Items the need to be addressed through CAEECC	30 minutes
Identify and discuss:	
• Ideas for improving metrics	45 minutes
• Barriers to revising metrics	45 minutes

# Thank you!

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# Common Themes in the Staff Feedback

Issue	Example
Metric is a count	Proportion of eligible population more meaningful
Metric has a verb	<ul style="list-style-type: none"><li>• Increase investment in energy efficiency vs. investment in energy efficiency</li><li>• Increased number of public entities with an established EE goal (i.e., CAP or kWh savings goal)</li></ul>
Terms are open to interpretation	<ul style="list-style-type: none"><li>• High potential end user</li><li>• Fully qualified work force</li><li>• Initiated</li><li>• Reached</li></ul>
Baselines	Missing or incorrect
Need more specificity	<ul style="list-style-type: none"><li>• Saturation into underserved areas</li><li>• ME&amp;O metrics, e.g., market impressions</li></ul>
Generally unclear	Training impact, based on number of projects and contract value
Seems like a program metric	<ul style="list-style-type: none"><li>• Number of customers who receive technical assistance</li><li>• Number of customers with long term action plan under SPOC approach</li><li>• Number of repeat referrals through SPOC</li></ul>