

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Energy Efficiency 2018-2025 Rolling Portfolio Business Plan**  
**Application 17-01-015**  
**Data Response**

PG&E Data Request No.:	ORA_01-Q01		
PG&E File Name:	EnergyEfficiency2018-2025-RollingPortfolioBusinessPlan_DR_ORA_01-Q01		
Request Date:	March 1, 2017	Requester DR No.:	PGE001
Date Sent:	March 15, 2017	Requesting Party:	ORA (Office of Ratepayer Advocates)
PG&E Witness:	Meghan Dewey	Requester:	Daniel Buch

**SUBJECT: DATA REQUEST NO. ORA BUSINESS PLAN A1701013-PGE001. (ORA\_01)**

**BUSINESS PLAN METRICS**

**QUESTION 1**

What analysis did you perform to determine that *metrics* provided for each sector of the business plan address problems and market barriers identified in those sectors? Please provide all documents and workpapers showing analysis performed in the development and selection of appropriate metrics for the following business plan chapters:

- a. Residential
- b. Commercial
- c. Public Sector
- d. Industrial
- e. Agricultural
- f. Cross-cutting

**ANSWER 1**

An early step in PG&E’s analysis was to review the guidance provided in D 15-10-028 to determine the appropriate level of metrics for the Business Plans. The Decision states (p 53),

*“PAs must establish up-front expectations for their activities. To that end, business plans shall contain sector-level metrics (not necessarily PPMs or MTIs). PAs will still need to set more granular metrics than just sector-level metrics, but they will do so in implementation plans, not business plans. It is in the implementation plans that we want to see at least one metric for each program/strategy/sub-sector/intervention strategy; more than one where appropriate. The business plan is not the place for that additional level of detail.”*

Based on this guidance, we understood that BP metrics were not intended to assess each problem/market barrier/program strategy; rather the metrics requested were to be high-level, sector metrics.

The next analysis PG&E conducted was to review and analyze the recent experience and lessons learned from the development of PPM/SPI/MTI metrics during 2009-2011. This included reviewing activities leading up to and including Resolution E-4385 (December 2, 2010) which included 86 draft metrics in three categories, reviewing the CPUC Market Transformation Workshop materials (Nov 7, 2011), and the final Commission adopted metrics. This review was expressly recommended in D 15-10-028 (p 54):

*“The past experience in developing the PPM and MTIs should not be lost. The principles and frameworks for considering and developing the metrics and discussed in Workshops and meetings are still relevant today, even if the metrics themselves may need to be updated.”*

Based on these reviews and analysis, PG&E developed a Conceptual Discussion of Business Plan metrics presented at the July 13th CAEECC meeting. Based on feedback at this meeting and written feedback posted to the CAEECC website by stakeholders, the Joint PAs collaborated to develop the Energy Efficiency Joint Program Administrators’ Proposed Business Plan Metric Framework (“Metrics Framework”, Aug 30, 2016, <https://www.caeec.org/metrics>) The Metrics Framework includes an Overview, Guiding Principles (for metrics), sample Industrial Sector metrics, a Glossary, and additional information. On October 18, 2016 PG&E provided draft metrics to CAEECC members and the public demonstrating how the Metric Framework would be implemented. From August 30, 2016 until the draft Business Plans were filed, PG&E received no objections or protests to the concepts contained in the Proposed Metric Framework.<sup>1</sup> As such, PG&E used the Metric Framework as a guide in developing metrics with additional analysis conducted at the sector level and portfolio level.

Additional sector-level and portfolio-level analysis included:

- In early 2016, PG&E created sector specific market assessment, market problem and solution statements (called the Phase 2 documents which are available on the CAEECC website under the subcommittee meetings <https://www.caeec.org/meetings-1> ). These problem statements were foundational for developing intervention strategies for inclusion in the Business Plan. Each strategy was specifically tied to the key barriers, as laid out in each of the strategy-specific tables.
- PG&E rationalized intervention strategies across the portfolio to ensure that strategy language was relevant and consistent where possible.
- PG&E then suggested sample tactics to understand how a proposed intervention strategy ties to a sector. While developing these tactics, PG&E considered the current sector barriers and problems for that sector and how they would be addressed to get to the overall energy savings goals.
- PG&E also viewed each strategy and tactic through a lens of achieving goals to first clarify sector-level goals and then understand how the strategies and tactics

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<sup>1</sup> Some stakeholders did submit questions or comments regarding specific metrics.

will support in achieving the stated goals.

- Only after creating the sector specific goals were sector metrics drafted. Sector metrics tie directly to the higher level goals.

As such, as described above, the metrics are not directly tied to strategies<sup>2</sup> or barriers, but rather to the overall goals for the sector.

**Relevant workpapers: None**

**Relevant documents (all publicly available thus not attached):**

1. D.15-10-028
2. D.09-09-047, Appendix 2
3. Resolution E-4385, December 2, 2010
4. Best, C. (2011) Framework of Indicators for Assessing Achievement of Long Term Energy Efficiency Objectives, presented at the Market Transformation Indicator Workshop on Nov 7, 2011
5. Prahl, R., and Keating, K. (2014). "Building a Policy Framework to Support Energy Efficiency Market Transformation in California", p. 29. Available at [energydataweb.com/cpuc](http://energydataweb.com/cpuc).
6. Joint Program Administrators' Proposed Business Plan Metric Framework, August 30, 2016; available at [www.caeecc.org/metrics](http://www.caeecc.org/metrics).
7. Energy Efficiency: Joint Program Administrators' Proposed Business Plan Metric Framework, August 30, 2016, [www.caeecc.org/metrics](http://www.caeecc.org/metrics)
8. Joint PAs Proposed Metric Tables 8-30-16 – Industrial.xlsx", August 30, 2016, [www.caeecc.org/metrics](http://www.caeecc.org/metrics)

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<sup>2</sup> The PA's have proposed to make those measurements at the implementation plan level, which will be updated and changed more frequently, rather than the business plan level.