Conceptual Discussion of Business Plan Metrics

July 13 Coordinating Committee Presentation

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GROUNDED
RESEARCH AND CONSULTING

Background

- Developed “strawman metrics document” to facilitate discussion around BP metrics
- Goal of document
  - Clarify what is expected by the CPUC
  - Align metrics with CPUC expectations
- Goal of today’s meeting
  - Provide overview of document
  - Help develop a common understanding among all stakeholders
  - Ask for comments

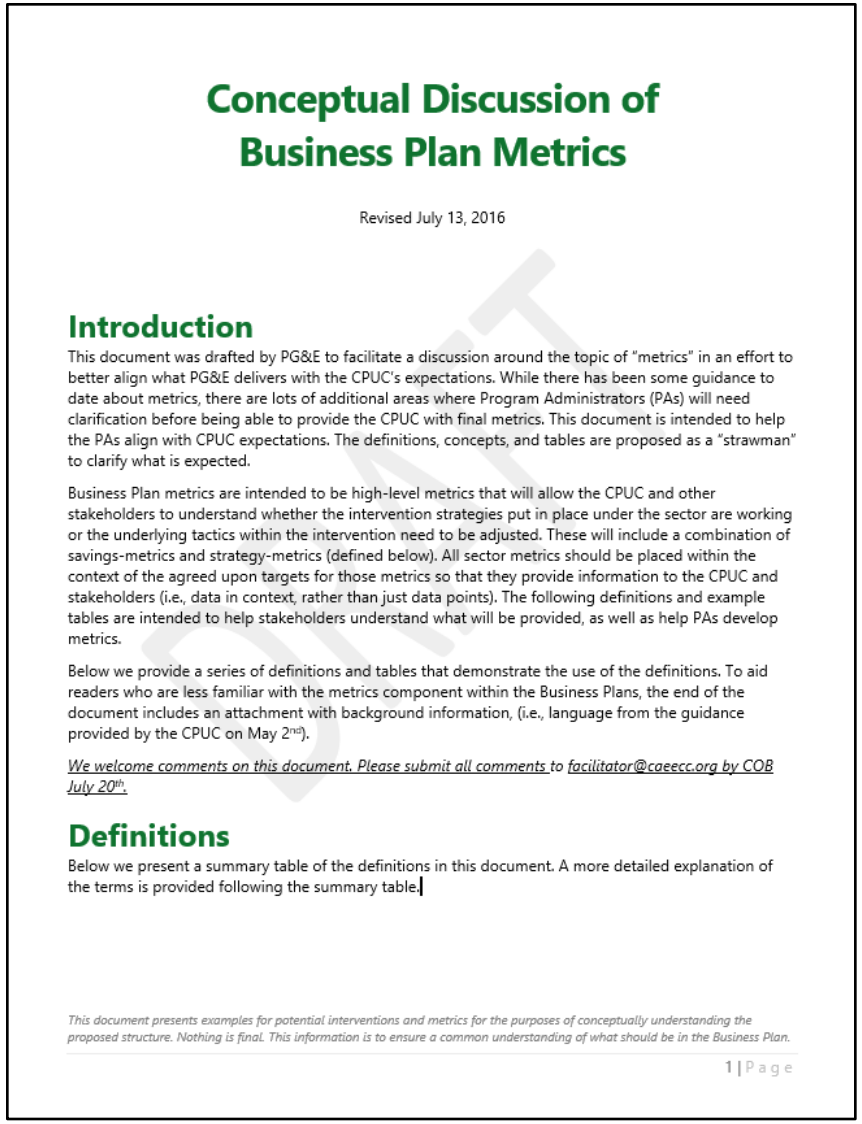
To provoke generation of ideas.

Metrics Timeline and Process

- Completed:
  - Informal discussions with CPUC and development of draft document
  - Shared with PAs (within the last week)
- Today:
  - Present draft at July 13 meeting
- Next Steps:
  - Comments by July 20th
  - CPUC to review revised version of the metrics document with their review of the early drafts BPs (late July/early August) and provide further clarification, as necessary

What's in the Document

- Summary table of definitions-in-brief
- Discussion of:
  - Intervention strategies and tactics
  - Core metric-related terms
    - Sector metrics and success criteria
  - Additional language used by the CPUC and others
- Excerpt of Commission Guidance



Conceptual Discussion of Business Plan Metrics

Revised July 13, 2016

Introduction

This document was drafted by PG&E to facilitate a discussion around the topic of "metrics" in an effort to better align what PG&E delivers with the CPUC's expectations. While there has been some guidance to date about metrics, there are lots of additional areas where Program Administrators (PAs) will need clarification before being able to provide the CPUC with final metrics. This document is intended to help the PAs align with CPUC expectations. The definitions, concepts, and tables are proposed as a "strawman" to clarify what is expected.

Business Plan metrics are intended to be high-level metrics that will allow the CPUC and other stakeholders to understand whether the intervention strategies put in place under the sector are working or the underlying tactics within the intervention need to be adjusted. These will include a combination of savings-metrics and strategy-metrics (defined below). All sector metrics should be placed within the context of the agreed upon targets for those metrics so that they provide information to the CPUC and stakeholders (i.e., data in context, rather than just data points). The following definitions and example tables are intended to help stakeholders understand what will be provided, as well as help PAs develop metrics.

Below we provide a series of definitions and tables that demonstrate the use of the definitions. To aid readers who are less familiar with the metrics component within the Business Plans, the end of the document includes an attachment with background information, (i.e., language from the guidance provided by the CPUC on May 2nd).

We welcome comments on this document. Please submit all comments to facilitator@caeecc.org by COB July 20th.

Definitions

Below we present a summary table of the definitions in this document. A more detailed explanation of the terms is provided following the summary table.

This document presents examples for potential interventions and metrics for the purposes of conceptually understanding the proposed structure. Nothing is final. This information is to ensure a common understanding of what should be in the Business Plan.

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Terminology to Ensure a Common Understanding

Interventions Strategies

- Categories of activities used within a sector or program
- Can be at the:
  - Customer level
    - e.g., providing rebates or technical assistance, or
  - Market level
    - e.g., building partnerships or training market actors
- Also referred to as “sector-specific strategies”

	Non-technical Term	Intervention Strategy
Customer	Engage	Engagement
		Engagement through Education
	Help	Facilitation of Customer Understanding
		Staffing Support
		Data Services / Data Analytics
		Technical Assistance and Tools
		Training
	Incentivize ($ or not)	Incentives – Rebates ($)
		Incentives – Loans
		Incentives – Non-monetary (behavioral)
	Maintain	Savings Persistence
Market		New Program Models
		Develop Outreach Champions
		Upstream and Midstream Activities
		Coordination
		Partnerships
		Advocacy
		Codes & Standards

Sector Approach

A sector includes the combination of intervention strategies and tactics deployed within multiple programs.

Table 2. Example of potential different interventions by sector

	Non-technical Term	Intervention Strategy	Commercial	Residential	Agricultural	Industrial	Public	Cross-cutting		
								CC C&S	CC WE&T	CC ETP
Customer	Engage	Engagement		X	X	X	X			
		Engagement through Education	X						X	
	Help	Facilitation of Customer Understanding		X						
		Staffing Support					X			
		Data Services / Data Analytics		X						X
		Technical Assistance and Tools	X		X	X		X	X	
		Training					X		X	
	Incentivize ($ or not)	Incentives – Rebates ($)		X	X		X			
		Incentives – Loans		X						
		Incentives – Non-monetary (behavioral)	X	X		X				
	Maintain	Savings Persistence	X							
Market		New Program Models	X	X		X	X			
		Develop Outreach Champions	X							
		Upstream and Midstream Activities	X	X						X
		Coordination						X		
		Partnerships			X				X	X
		Advocacy						X		
		Codes & Standards	X	X				X		

Tactics vs. Interventions

- Tactics:
  - A tactic is an action carefully planned to achieve the intervention strategy
  - There are multiple tactics within an intervention
- Many of the Stage 2 solutions were tactics
- Tactics are provided as examples
  - Details of tactics would be described further in the IP
- Tactics should be marked as existing, modified, or new
- Tactics should also indicate timeframe

Figure 1. Example of two potential customer interventions with tactics

Intervention	Potential Tactics	Existing, New or Modified	Short, Mid, Long-term
Benchmarking to understand efficiency of homes or buildings	Identify ways to integrate ratings such as the Home Energy Score into existing PG&E offerings. For example, this could be an output from online Home Energy Check-ups. (SF)	[M]	[S]
	Improve existing multifamily property owners (2+ units) tools to support benchmarking, audits, and other assessments in compliance with AB 802. (MF)	[E]	[S]
	Develop new tools	[N]	[M/L]
Data access to provide customers with insights on their energy usage	Continue existing online energy management tools to provide customers with information about their energy usage. Provide energy rate education and options focusing on ways to save on customer bills.	[E]	[S]
	Promote existing third party vendors access to Stream my Data/Green Button Connect as a way to encourage innovation in customer tools and offerings. (SF).	[E]	[M]
	Develop new tools.	[N]	[M/L]
	Provide incentives to customers for software or devices to manage their energy usage.	[E]	[M]

Sector vs. Program Metrics

- Sector Metrics
  - High-level
  - For intervention strategy
    - Not specific tactics
  - Used to monitor whether sector intervention strategie (and the tactics within the strategies) should be revisite

Intervention	
Benchmarking to understand efficiency of homes or buildings	
Data access to provide customers with insights on their energy usage	

- Program Metrics

Potential Tactics	Existing, New or Modified	Short, Mid, Long-term
Identify ways to integrate ratings such as the Home Energy Score into existing PG&E offerings. For example, this could be an output from online Home Energy Check-ups. (SF)	[M]	[S]
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Continue existing online energy management tools to provide customers with information about their energy usage. Provide energy rate education and options focusing on ways to save on customer bills.	[E]	[S]
Promote existing third party vendors access to Stream my Data/Green Button Connect as a way to encourage innovation in customer tools and offerings. (SF).	[E]	[M]
Develop new tools.	[N]	[M/L]
Provide incentives to customers for software or devices to manage their energy usage.	[E]	[M]

These are examples of potential interventions and tactics for the purposes of conceptually understanding the proposed structure. These are not necessarily ones that will be in the Business Plans.

Metrics and Success Criteria

Table 4. Example of Strategy-related "Metrics" and "Success Criteria" (examples only)

Intervention		Assessment		Baseline and Success Criteria				
Strategy	Metric	Metric Source	Time Frame	Baseline	Baseline Reference	Conservative	Mid	High
Tools that provide information or ratings to help customers understand the energy efficiency of various products	Percentage of customers using tool	PA Tool and Customer Databases	Year 2‡	2.4%	2015 Databases	4%	6%	10%
			Year 4	TBD(a)	Based on Year 2 data	Baseline + 2%	Baseline + 7%	Baseline + 10%
			Year 6	TBD(a)	Based on Year 4 data	Baseline + 2%	Baseline + 7%	Baseline + 10%
	Percentage of customers who know they have information available (from PA) about energy efficient products (or home ratings)	General population survey	Year 3	6%	Current EM&V Report (with appropriate reference to list below, e.g., CPUC p12)	8%	12%	16%
			Year 6	TBD(c)	Based on 3-year survey	Baseline + 2%	Baseline + 4%	Baseline + 8%
Strategic partnerships with agricultural service providers to increase awareness of available energy efficiency programs and offerings	Number and type of partnerships	PA annual report	Year 2	1, University	Program data	1	2	3
			Year 4	TBD	PA Annual Report for Year 3	3	4	4
	Awareness of EE programs among agricultural customers	General agricultural population survey	Year 1	TBD (c), but low	Navigant 2013. Exec Summary specifies "low". Expect to perform additional survey to determine specific percent.	Baseline + 2%	Baseline + 7%	Baseline + 10%
			Year 4	TBD (c)	Based on survey	Baseline + 2%	Baseline + 7%	Baseline + 10%

(a) Baseline is from PA data and would be able to be determined before finalization of the Business Plan
(b) Baseline is from a study that is currently in progress
(c) Baseline would need to come from a study that would need to occur/be funded in the near future
‡The PA will track this and review more frequently, but the success criteria targets are for the time frame shown above.

Metric Terms

- Strategy-related Metrics
  - Allow the CPUC and stakeholders to monitor the sector at the strategy level (beyond just looking at savings).
- Savings-related Metrics
  - GWh Savings, MW Savings, Therm Savings at the sector

Table 3. Example of Savings-related "Metrics" and "Success Criteria" (examples only)

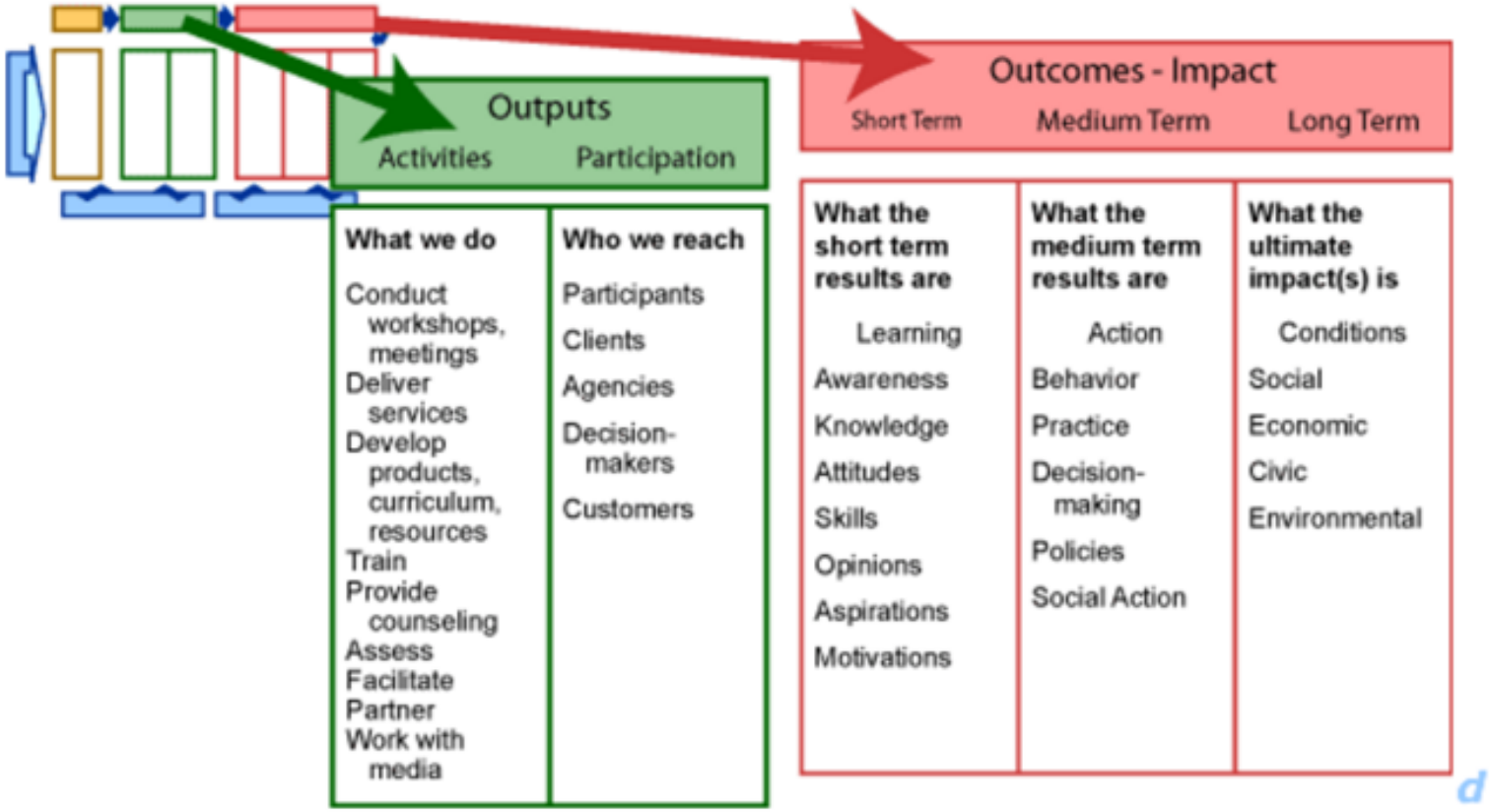
Intervention		Assessment		Baseline and Success Criteria				
Strategy	Metric	Metric Source	Time Frame	Baseline	Baseline Reference	Conservative	Mid	High
All Interventions	GWh	Ex Ante Gross Impacts	Annually	Annual Gross Market Potential [a] (new each year)	2013 Potential and Goals Study (need correct reference)	Market Potential Value	Low + 2%	Low + 7%
	MW	Ex Ante Gross Impacts	Annually	Annual Gross Market Potential (new each year)	2013 Potential and Goals Study (need correct reference)	Market Potential Value	Low + 2%	Low + 7%
	Million Therms	Ex Ante Gross Impacts	Annually	Annual Gross Market Potential (new each year)	2013 Potential and Goals Study (need correct reference)	Market Potential Value	Low + 2%	Low + 7%

Note: Savings will be garnered through a portfolio that has a cost effectiveness value greater than 1.0. See Section X for this sector's budget information.

More Terms: Output vs. Outcome

Figure 2. Example of Outputs versus Outcomes

Understanding the difference between outputs and outcomes is important. **Outputs** relate to "what we do." **Outcomes** refer to "what difference is there."



Source: http://www.uwex.edu

Example: Outputs (in bold) and Outcomes

Table 4. Example of Strategy-related "Metrics" and "Success Criteria" (examples only)

Intervention		Assessment		Baseline and Success Criteria				
Strategy	Metric	Metric Source	Time Frame	Baseline	Baseline Reference	Conservative	Mid	High
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			Year 4	**TBD(a)**	**Based on Year 2 data**	**Baseline + 2%**	**Baseline + 7%**	**Baseline + 10%**
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Strategic partnerships with agricultural service providers to increase awareness of available energy efficiency programs and offerings	**Number and type of partnerships‡**	**PA annual report**	**Year 2**	**1, University**	**Program data**	**1**	**2**	**3**
			Year 4	**TBD**	**PA Annual Report for Year 3**	**3**	**4**	**4**
	Awareness of EE programs among agricultural customers	General agricultural population survey	Year 1	TBD (c), but low	Navigant 2013. Exec Summary specifies "low". Expect to perform additional survey to determine specific percent.	Baseline + 2%	Baseline + 7%	Baseline + 10%
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‡ The PA will track this and review more frequently, but the success criteria targets are for the time frame shown above.

Questions?

Next Steps

- Comments by July 20th
  - Submit comments to facilitator@caeecc.org
- Revised version by July 26th
- CPUC to review revised version of the metrics document with their review of the early drafts BPs (late July/early August) and provide further clarification, as necessary

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