CAEECC-Hosted Market Support Metrics Working Group

Report and Recommendations to the California Public Utilities Commission and the Energy Efficiency Program Administrators

**DRAFT REPORT**

September 17, 2021

Note to WG: Please read this report in its entirety before the final scheduled WG mtg 9/21, paying particular attention to the blue highlights indicate significant new text since the last WG meeting. Note that yellow highlights indicate where the Facilitation Team needs to finalize text.

Table of Contents

[Section 1: Introduction and Overview 4](#_Toc82785252)

[1.1 Working Group Charge and Overview 4](#_Toc82785253)

[1.2 Background on Newly Created Market Support Segment 5](#_Toc82785254)

[1.3 Report Outline 5](#_Toc82785255)

[1.4 Structure of Primary Objective, Sub-Objectives, Metrics and Targets 6](#_Toc82785256)

[1.5 Approach to Seeking Consensus 6](#_Toc82785257)

[1.6 Working Group Members 7](#_Toc82785258)

[Section 2: Principles 9](#_Toc82785259)

[2.1 Background 9](#_Toc82785260)

[2.2 Consensus Principles Recommendations 9](#_Toc82785261)

[Principle #1: Segment vs. Program 9](#_Toc82785262)

[Principle #2: Guidelines to Setting Metrics 9](#_Toc82785263)

[Principle #3: Relationship between Programs and sub-Objectives 9](#_Toc82785264)

[Principle #4: Program Portfolios 9](#_Toc82785265)

[2.3 Non-Consensus Principles Recommendations 10](#_Toc82785266)

[Principle #5: Reporting 10](#_Toc82785267)

[Principle #6: Target-Setting 10](#_Toc82785268)

[Section 3: Primary Objective and Sub-Objectives 12](#_Toc82785269)

[3.1 Background 12](#_Toc82785270)

[3.2 Primary Objective Recommendations 12](#_Toc82785271)

[3.3 Sub-Objectives Recommendations 12](#_Toc82785272)

[Sub-Objective #1: Demand 12](#_Toc82785273)

[Sub-Objective #2: Supply 12](#_Toc82785274)

[Sub-Objective #3: Partnerships 13](#_Toc82785275)

[Sub-Objective #4: Innovation and Accessibility 13](#_Toc82785276)

[Sub-Objective #5: Access to Capital 13](#_Toc82785277)

[Section 4: Metrics 14](#_Toc82785278)

[4.1 Background 14](#_Toc82785279)

[4.2 Metrics Recommendations 14](#_Toc82785280)

[Metrics for Sub-Objective #1: Demand 14](#_Toc82785281)

[Metrics for Sub-objective #2: Supply 15](#_Toc82785282)

[Metrics for Sub-objective #3: Partnerships 16](#_Toc82785283)

[Metrics for Sub-objective #4: Innovation and Accessibility 16](#_Toc82785284)

[Metrics for Sub-Objective #5: Access to Capital 17](#_Toc82785285)

[Section 5: Other Key Scope Questions 19](#_Toc82785286)

[5.1 How to Address Non-Consensus Issues in February 2022 Filings 19](#_Toc82785287)

[5.2 Distinction between Market Transformation and Market Support Objectives 19](#_Toc82785288)

[Appendix A: Working Group Member Organizations and Representatives 22](#_Toc82785289)

Table of Figures

[Figure 1: Structure: Primary Objective, Sub-Objectives, Metrics, and Targets 6](#_Toc82785306)

[Figure 2: Conceptual Distinctions between MT and MS 21](#_Toc82785307)

Table of Tables

Table 1: Market Support Metrics Working Group Member Organizations………………………………….7

Table 2: MSMWG Support of Reporting Options 1 and 2……………………………………….………………..10

Table 3: MSMWG Support of Target-Setting Options 1 and 2……………………………………….………….11

# Section 1: Introduction and Overview

## 1.1 Working Group Charge and Overview

The charge of the Market Support Metrics Working Group (MSMWG) was to identify and define the most important Objectives and associated key Metric(s) for the new Market Support portfolio segment established in California Public Utilities Commission (CPUC) Decision 21-05-031. The Objectives and associated key Metric(s) for each objective will be used to support and provide rationale for portfolio segmentation and program design, as well as used for program benefit/value forecasting, tracking, and evaluation. Although the Working Group (WG) was not tasked with setting the specific numeric Targets for the Metric(s) used in each Program Administrator’s (PA’s) filing, the WG did discuss and recommend a Principle on target-setting.

The full MSMWG met four times between July and September 2021. One sub-working group (sub-WG) focused on developing key associated Metrics met four times. The sub-WG was convened by Cody Coeckelenbergh representing SoCalREN, Sophie Babka from Cal Advocates, and Mary Sutter representing BayREN. The culmination of the WG is this Report submitted directly to the Commission and the Program Administrators (PAs) on X date.

As outlined in the Prospectus[[1]](#footnote-1), and at the direction of the CPUC, the WG was charged with answering the following key questions:

* **Objective and Metric(s) - setting questions**
  + What are the specific Objectives for each segment?
  + What are the specific associated key Metric(s) for each Objective?
  + For each Objective and key Metric(s) describe whether it will be expressed quantitatively, qualitatively, or a mixture of both—and when each will be established and by whom.
  + For each Objective and associated key Metric(s) describe whether its primary application is to justify portfolio segmentation and program design; forecasting of benefits/values from the budgeted program; tracking and evaluation; or some combination?
  + What must all PAs include in their filings with respect to Objectives, associated key Metrics, and Targets for Metrics, and under what conditions can PAs propose additional Objectives, Metrics, and Targets?
  + What should be the basis (i.e., principles and guidance) for the PAs to set their own Targets for associated key Metric(s) in their filing?
* **Procedural questions:**
  + How will any non-consensus Objectives and/or associated key Metric(s) be addressed in the PA filings?

The California Energy Efficiency Coordinating Committee (CAEECC) ran two distinct but related Working Groups, one on Market Support Metrics and another on Equity Metrics. The Equity Metrics report can be found on the CAEECC website: <https://www.caeecc.org/equity-metrics-working-group-meeting>.

## 1.2 Background on Newly Created Market Support Segment

On May 20, 2021, the California Public Utilities Commission (CPUC) unanimously approved Proposed Decision 21-05-031 on the “Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process” (in Rulemaking 13-11-005). The Decision directs PAs to “further segment their portfolios based on the primary program purpose, into the following three segments”: *Resource Acquisition, Market Support, and Equity*. The decision then directs CAEECC to form a Working Group “*to develop and vet new reporting metrics for the market support and equity program categories that will be considered alongside the portfolio filings due from all program administrators in February 2022”*.[[2]](#footnote-2)

The Decision defines **Market Support** as “*programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness*”.[[3]](#footnote-3)

The Decision creates a combined budget cap of 30% for Market Support and Equity segments[[4]](#footnote-4) per Program Administrator (excluding the Regional Energy Networks (RENs)). PAs must use the new portfolio segmentation categorization scheme for the interim budget filings (for program years 2022 and 2023) due November 2021, and for the Strategic Business Plan and Four-Year Portfolio (for program years 2024 and beyond) due February 15, 2022.

## 1.3 Report Outline

This report outlines the outcomes and recommendations of the MSMWG and is organized as follows:

* Section 2: Principles
* Section 3: Primary Objective and Sub-Objectives
* Section 4: Metrics
* Section 5: Other Key Scope Questions
* Appendix A: MSMWG Member Organizations and Representatives

## 

## 1.4 Structure of Primary Objective, Sub-Objectives, Metrics and Targets

Figure 1, below, illustrates the relationship between the primary Objective from the Commission Order, the five sub-Objectives proposed by the MSMWG that flow beneath the primary Objective, and the key Metric(s) associated with each sub-Objective that are also proposed herein by the MSMWG, and the targets that are tied to each of the Metrics that will eventually be proposed by Program Administrators.

Figure 1: Structure: Primary Objective, Sub-Objectives, Metrics, and Targets



The WG chose this structure for the simultaneous flexibility and specificity it provides in ensuring that metrics are tied to the intent (sub-Objective) of a given program within the segment.

## 1.5 Approach to Seeking Consensus

The recommendations within this Report are made by consensus of the MSMWG Members (where consensus is defined as unanimity among the Member organizations), except for X instances noted in this document. Consistent with the MSMWG’s goals and Groundrules, we provide two or more options for any non-consensus recommendation and list the MSMWG Members that support each option. The non-consensus option descriptions were drafted by the proponents of each option.

## 1.6 Working Group Members

The MSMWG’s twenty-two voting member organizations and two Ex-Officio organizations shown in Table 1 are drawn largely but not exclusively from the CAEECC’s Membership. CAEECC Facilitators Dr. Jonathan Raab and Katie Abrams facilitated the MSMWG meetings. A list of the lead representatives and alternates for each MSMWG Member organization is provided in Appendix A.

Table 1: Market Support Metrics Working Group Member Organizations[[5]](#footnote-5)

|  |
| --- |
| **Organization** |
| Bay Area Regional Energy Network (BayREN) |
| California Efficiency + Demand Management Council (CEDMC) |
| California Hub for Energy Efficiency Financing (CHEEF) |
| Center for Sustainable Energy (CSE) |
| CodeCycle |
| EAJ Energy Advisors |
| Nexant |
| Pacific Gas and Electric (PG&E) |
| Public Advocates Office (Cal Advocates) |
| Redwood Coast Energy Authority (RCEA) |
| San Diego Gas & Electric (SDGE) |
| San Joaquin Valley Clean Energy Organization (SJVCEO) |
| Small Business Utility Advocates (SBUA) |
| Southern California Edison (SCE) |
| Southern California Gas (SCG) |
| Southern California Regional Energy Network (SoCalREN) |
| The Energy Coalition |
| The Mendota Group |
| TRC |
| Tri-County Regional Energy Network (3C-REN) |
| Viridis Consulting |
| Workforce Incubator |
| **Ex-Officio/Resource (non-voting):** |
| California Energy Commission (CEC) |
| California Public Utilities Commission (CPUC) |

# Section 2: Principles

## 2.1 Background

This section includes a series of recommended Principles related to how to operationalize the sub-Objectives and Metrics within the new Market Support segment. In addition, although the WG was not tasked with setting the specific numeric Targets for the Metric(s) used in each PA’s filing, the WG discussed and proposed a Principle related to Target-setting.

## 2.2 Consensus Principles Recommendations

### Principle #1: Segment vs. Program

1. New Market Support (MS) metrics proposed by the working group (WG) should focus on measuring performance of the overall segment, not of individual programs.
2. When developing metrics, the WG should take a top-down approach meant to assess whether the MS segment is performing against the five sub-objectives.

### Principle #2: Guidelines to Setting Metrics

1. The recommendations of the WG should not prevent program and portfolio design flexibilities as this is important in the MS segment.
2. Sub-objectives, metrics, and indicators can be revisited in the future to adjust as needed, in a TBD stakeholder process.

### Principle #3: Relationship between Programs and sub-Objectives

Note to WG: A was revised and B was added by the Facilitation Team based on feedback at the 9/9 meeting

1. MS programs must have a primary focus of “supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness"[[6]](#footnote-6) and serve at least one MS sub-objective.
2. PAs may submit additional or refine Market Support sub-Objectives and associated Metric(s) if and when they have a program that they believe fits into the overall Market Support segment, but does not clearly fit into one or more of the sub-Objectives

### Principle #4: Program Portfolios

1. PAs (especially the Investor-Owned Utility Program Administrators (IOU-PAs)) are encouraged, but not required, to offer a portfolio of programs that support all 5 of the MS segment sub-Objectives.
2. PAs and Program Implementers can develop their own MS metrics to track the performance of their programs.
3. Although MS segment programs can contribute to Resource Acquisition program participation in the short and long term, MS segment programs are not required to do so.
4. Non-Resource Codes and Standards (C&S) activities should be segmented within C&S and not MS.
5. The Market Support Segment should build and enable the foundation for future long-term energy savings that align with Commission and California climate policy.

## 2.3 Non-Consensus Principles Recommendations

There were two non-consensus Principles recommendations.

### Principle #5: Reporting

The MSMWG members are divided on the approach to target-setting. Two options are presented below for consideration.

Option 1: PAs should begin tracking and reporting on all applicable MS metrics during program years 2022-2023.

Option 1 description as to why they prefer this option [to be drafted by COB 9/24].

Option 2: The Commission should require all PAs to report on all metrics for all sub-objectives, regardless of whether they offer programs meeting those sub-objectives.

Option 2 description as to why they prefer this option [to be drafted by COB 9/24].

The MSMWG members who prefer each option and find each option acceptable are shown below in Table 2.

Table 2: MSMWG Support of Reporting Options 1 and 2

|  |  |  |
| --- | --- | --- |
| **Reporting Option** | **First Choice Option** | **Acceptable Option** |
| Option 1 | -to come | -to come |
| Option 2 | -to come | -to come |

### Principle #6: Target-Setting

The MSMWG members are divided on the approach to target-setting. Two options are presented below for consideration.

Option 1: PAs should not set targets for MS segment metrics until data has been collected during the first 2 program years (or a baseline has been set)—e.g., in 2023 advice letter for 2024-2027.  PAs could present targets for MSMWG proposed metrics during the 2023 true-ups for the 2024-2027 cycle.

Option 1 description as to why they prefer this option [to be drafted by COB 9/24].

Option 2: PAs should include targets with their MS segment metrics with the Business Plan/4 Year Application filings.

All metrics proposed must have targets. The appropriate venue to propose and litigate targets is the budget application proceeding, where the evidence underlying proposed targets can be considered and alternatives proposed and considered. Most PAs already have the data and experience to set targets based for existing programs. For any metrics that PAs think target setting isn't feasible without collecting baseline data, Cal Advocates proposes that the PAs include in their applications a proposal for a date certain by which the PAs will file a Petition for Modification (PFM) to the budget application decision. That PFM would include the proposed targets for each metric that had the targets deferred and include the evidentiary basis for the proposed target.

The MSMWG members who prefer each option and find each option acceptable are shown below in Table 3.

Table 3: MSMWG Support of Target-Setting Options 1 and 2

|  |  |  |
| --- | --- | --- |
| **Target-Setting Option** | **First Choice Option** | **Acceptable Option** |
| Option 1 | -to come | -to come |
| Option 2 | -to come | -to come |

# Section 3: Primary Objective and Sub-Objectives

## 3.1 Background

CPUC Decision 21-05-031 defines the Market Support segment as “programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness".[[7]](#footnote-7)

The WG used this language as a foundation for developing a high-level Primary Objective, as well as five sub-Objectives that capture the key activities the Market Support segment is intended to support.

## 3.2 Primary Objective Recommendations

The WG recommends the following primary Objective for the Market Support segment: “Supporting the long-term success of the energy efficiency (EE) market”.

The Working Group proposes defining “EE Market” as “individuals and organizations participating in transactions around energy efficiency products or services including customers and market actors” (which notably includes demand and supply side).”

## 3.3 Sub-Objectives Recommendations

The WG recommends the following five sub-Objectives:

### Sub-Objective #1: Demand

Build, enable, and maintain demand for energy efficient products, and services in all sectors and industries to ensure interest in, knowledge of benefits of, or awareness of how to obtain energy efficiency products and/or services. [Activity e.g., educating customers, building demand]

### Sub-Objective #2: Supply

Build, enable, and maintain supply chains to increase the capability and motivation of market actors to supply energy efficient products, and/or services and to increase the ability, capability, and motivation of market actors to perform/ensure quality installations that optimizes energy efficiency savings. [Activity e.g., training contractors]

### Sub-Objective #3: Partnerships

Build, enable, and maintain partnerships with consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations and/or other entities to obtain delivery and/or funding efficiencies for energy efficiency products, and/or services and added value for partners. [Activity e.g., building partnerships]

### Sub-Objective #4: Innovation and Accessibility

Build, enable, and maintain innovation and accessibility in technology, approaches, and services development to increase value of, decrease costs of, increase energy efficiency of, and/or increase scale of and/or access to emerging or existing energy efficient products, and/or services. [Activity e.g., moving beneficial technologies towards greater cost-effectiveness]

### Sub-Objective #5: Access to Capital

Build, enable, and maintain greater, broader, and/or more equitable access to capital and program coordination to increase affordability of and investment in energy efficient projects, products, or services. [Activity e.g., access to capital]

# Section 4: Metrics

## 4.1 Background

Metrics for the new Market Support segment will be used for justifying portfolio segmentation and program design, for the Market Support segment budget, and for program tracking and evaluation.

## 4.2 Metrics Recommendations

The WG recommends a series of key associated Metrics for each of the five sub-Objectives. Each recommendation includes the following:

* Existing Metrics that will continue to be collected
* Metrics with data that can be collected now (program outputs for relevant programs)
* Metrics with data that needs to be collected later

One Metric also includes recommended indicators.

### Metrics for Sub-Objective #1: Demand

#### Existing Metrics that will continue to be collected

Possible Marketing Education & Outreach (ME&O) metrics based on *ME&O Consensus Project Report,* CALMAC Study ID: CPU0214

* Aided and unaided brand and program awareness, lead generation
* Attitudes and attitude strength, self-efficacy, intent, knowledge, importance, perceived norms
* Intent, behavior changes, persistence, social diffusion, program enrollment, program inquiries, engagement rates, energy savings *(this may be the best of these four bullets for the MS segment programs)*
* Campaign-targeted behavior changes, program enrollment

#### Metrics with data that can be collected now (program outputs for relevant programs)

* Number and % increase/decrease of inquiries and/or requests for information on EE products and services through relevant MS programs
* Number and % increase/decrease of customers receiving information, education, or outreach on EE projects, products, and services through relevant MS programs

#### Metrics with data that needs to be collected later

(data collection method and who collects the data TBD)

* AKAB[[8]](#footnote-8) Survey to IOU Customers
  + % of customer sample aware of EE product/service (awareness)
  + % of customer sample that is knowledgeable of EE product/service's benefits (knowledge)
  + % of customer sample that is interested in obtaining an EE product/service (attitude)
  + % of customer sample that has taken action towards obtaining EE product/service (behavior a)
  + % of customers that have obtained EE products/services (behavior b)

### Metrics for Sub-objective #2: Supply

#### Existing Metrics that will continue to be collected

Workforce Education & Training (WE&T) Common Metrics

* Number of collaborations by Business Plan sector to jointly develop or share training materials or resources.
* Number of participants by sector
* Percent of participation relative to eligible target population for curriculum
* Percent of total WE&T training program participants that meet the definition of disadvantaged worker.
* Percent of incentive dollars spent on contracts with a demonstrated commitment to provide career pathways to disadvantaged workers
* Number Career & Workforce Readiness (CWR) participants who have been employed for 12 months after receiving the training

#### Metrics with data that can be collected now (program outputs for relevant programs)

* Number of Contractors (that serve in PA service territory) with knowledge and trained by relevant MS programs to provide quality installations that optimize EE- could also do % +/-

#### Metrics with data that needs to be collected later

(data collection method and who collects the data TBD)

* AKAB survey to market actors around capability and desire to supply
* % of market actors aware of energy efficient products and/or services that can be supplied to customers (awareness)
* % of market actors knowledgeable of energy efficient products and/or services that can be supplied to customers (knowledge)
* % of market actors that are interested in supplying energy efficient products and/or services to customers (attitude)
* % of market actors that have supplied energy efficient products and/or services to customers (behavior)
* AKAB survey to market actors around increased ability, capability and desire to realize quality installations
* % of market actors aware of what is required to perform/ensure quality installation of energy efficient products and/or services that optimizes energy efficiency savings (awareness)
* % of market actors knowledgeable of how to perform to perform/ensure quality installation of energy efficient products and/or services that optimizes energy efficiency savings (knowledge)
* % of market actors that are interested in performing/ensuring quality installation of energy efficient products and/or services that optimizes energy efficiency savings (attitude)
* % of market actors that have performed/ensured quality installation of energy efficient products and/or services that optimizes energy efficiency savings (behavior)

### Metrics for Sub-objective #3: Partnerships

#### Existing Metrics that will continue to be collected

None that we are aware of

#### Metrics with data that can be collected now (program outputs for relevant programs)

* Number of EE customers/market actors reached through partner networks and partner communications channels
* Non-ratepayer funding dollars utilized via partnerships to increase the affordability of ratepayer dollars and services

#### Metrics with data that needs to be collected later

(data collection method and who collects the data TBD)

* Assessed value of the partnership by partners
* % of partners that have taken action supporting energy efficiency
* Total activity of all partners together

#### Indicators (for relevant programs)

* Number, type and purpose of partners
* Shared data systems in place (Y/N)
* Shared data systems working smoothly (Y/N)

### Metrics for Sub-objective #4: Innovation and Accessibility

#### Existing Metrics that will continue to be collected

ETP Common Metrics

* ETP-T1: Prior year: % of new measures added to the portfolio that were previously ETP technologies
* ETP-T2: Prior Year: # of new measures added to the portfolio that were previously ETP technologies
* ETP-T3: Prior year: % of new codes or standards that were previously ETP technologies
* ETP-T4: Prior Year: # of new codes and standards that were previously ETP technologies
* ETP-T5: Savings of measures currently in the portfolio that were supported by ETP, added since 2009. Ex-ante with gross and net for all measures, with ex-post where available

#### Metrics with data that can be collected now (program outputs for relevant programs)

* Number of new, validated technologies recommended to CalTF[[9]](#footnote-9)
* Number of projects that validate the technical performance, market and market barrier knowledge, and/or effective program interventions of an emerging or existing energy efficient technology
* Cost effectiveness of a technology prior to market support program relative to cost effectiveness of a technology after intervention by the market support program (% change in cost effectiveness)

#### Metrics with data that needs to be collected later

(data collection method and who collects the data TBD)

* Percent increase in market penetration of emerging or existing EE products or services
* Percent increase in awareness of emerging or existing EE products or services
* Aggregated confidence level in performance verification by product, project, and service (for relevant programs)

#### Indicators

For relevant programs:

* Types, precision and accuracy required by payors for verification of benefits
* No., types, and purposes of payors for performance verification

### Metrics for Sub-Objective #5: Access to Capital

#### Existing Metrics that will continue to be collected

* Total projects completed/measures installed and dollar value of individual and consolidated projects
* Ratio of ratepayer funds allocated to private capital leveraged
* Participant data, e.g. credit score, census tract income, CalEnviroScreen Scores of areas served, zip code
* Comparisons between market-rate capital vs. capital accessed via EE programs, e.g. interest rate, monthly payment

#### Metrics with data that can be collected now (program outputs for relevant programs)

* # of customer projects that leveraged program financing dollars
* Amount of capital investment program dollars leveraged
* Differential of upfront cost defrayed from customers, e.g. percent difference in monthly payment

#### Metrics with data that needs to be collected later

(data collection method and who collects the data TBD)

* % of market participants aware of capital access opportunities for investments in energy efficient projects, products, and/or services (awareness)
* % of market participants knowledgeable about capital access opportunities for investments in energy efficient projects, products, and/or services (knowledge)
* % of market participants interested in leveraging capital access opportunities for investments in energy efficient projects, products, and/or services (attitude)
* % of market participants that were unable to take action due to access to capital or affordability of energy efficient projects, products, or services (behavior)

# Section 5: Other Key Scope Questions

As discussed in Section 1, the Prospectus outlined a series of key questions for the WG to address. Two key scope questions not specifically address elsewhere in this report include how Program Administrators and Energy Commission address non-consensus issues (including Principles and Metrics), and the distinction between Market Transformation and Market Support Objectives. The WG recommendations on these topics are below.

## 5.1 How to Address Non-Consensus Issues in February 2022 Filings

The PAs will follow any consensus recommendations in developing their Market Support programs, metrics, and targets for their Biz Plans/4 Year Applications to be filed in February 2022. The Commission, through the Energy Division, has implied that it is not planning to resolve any non-consensus issues prior to the February 2022 filings. If that is the case, on any non-consensus issues, the PAs will be free to use their best judgement but should either select one or the other option, or both, but should not propose a new and different option.

## 5.2 Distinction between Market Transformation and Market Support Objectives

The Center for Sustainable Energy initially developed the following distinction between Market Transformation (MT) and Market Support (MS) Objectives, which was reviewed, discussed, and is supported by the WG.

**Background**

The California energy efficiency (EE) market will benefit most from a collaborative approach between the Market Transformation Administrator (MTA) and EE Rolling Portfolio Program Administrators. The CPUC has indicated in several venues that it believes MT and the Market Support (MS) segment are separate and distinct efforts, however, further clarity on how stakeholders understand that distinction will help inform MS objectives and avoid duplication or a competitive environment.

**Objectives**

Develop a shared understanding on the general distinctions between Market Transformation Initiatives (MTI) and Market Support programs and determine whether objectives need to be clearly distinct.

**D.09-09-047 Market Transformation Definition**

D.09-09-047, p. 88- 89: “Market transformation is long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention is no longer appropriate in that specific market. Market transformation includes promoting one set of efficient technologies, processes or building design approaches until they are adopted into codes and standards (or otherwise substantially adopted by the market), while also moving forward to bring the next generation of even more efficient technologies, processes or design solutions to the market.”

**D.21-05-031 Market Support Definition**

D.21-05-031, p. 14: “Market Support: Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.”

**Working Group Recommendation on Distinction between Market Transformation vs Market Support Objectives**

The California energy efficiency (EE) market will benefit most from a collaborative approach between the Market Transformation Administrator (MTA) and EE Rolling Portfolio Program Administrators. The CAEECC Working Group understands MT and the Market Support (MS) segment to be distinct efforts and offers the following guidance:

* MT and MS efforts will require ongoing and significant collaboration among administrators and stakeholders to be successful.
* MTIs and MS programs will not operate in silos and activities within each effort are anticipated to influence the other; including providing additional support or changing the needs of the EE market.
* Administrators should not be inhibited by rigid distinctions but should consider conceptual differences when designing MS programs and identifying MTIs.

Figure 2: Conceptual Distinctions between MT and MS

|  |  |  |
| --- | --- | --- |
|  | | |
| **Market Transformation**  **Market Support** | | |
| Initiative specific: MTIs target reducing barriers to a specific technology and/or behavior solution. |  | **Broad EE support**: MS often provides cross-cutting support of the EE market through workforce development, capacity building, and education intended to support multiple EE resources. |
| Disruptive: MTIs are characterized by change and disrupt existing markets. |  | **Supportive:** MS programsseek to support existing or anticipated market needs. |
| Finite: MTIs are intended to transform a specific market and phase out upon achieving a sustainable market for a particular technology, process, or design solution. |  | **Ongoing:** Some market needs require ongoing support (e.g., maintaining a skilled workforce; continuing to education customers on the benefits of EE). |

# Appendix A: Working Group Member Organizations and Representatives

|  |  |  |
| --- | --- | --- |
| **Organization** | **Lead** | **Alternate** |
| Bay Area Regional Energy Network (BayREN) | Mary Sutter | Jenny Berg |
| California Efficiency + Demand Management Council (CEDMC) | Greg Wikler | Serj Berelson |
| California Hub for Energy Efficiency Financing (CHEEF) | Kaylee D'Amico | Bill Heberger |
| Center for Sustainable Energy (CSE) | Stephen Gunther |  |
| CodeCycle | Dan Suyeyasu |  |
| EAJ Energy Advisors | Steve McCarty |  |
| Nexant | Dan Sperber | Kimberly Rodriguez |
| Pacific Gas and Electric (PG&E) | Ben Brown | Rob Bohn |
| Public Advocates Office (Cal Advocates) | Dan Buch | Sophie Babka |
| Redwood Coast Energy Authority (RCEA) | Stephen Kullman | Marianne Bithell |
| San Diego Gas & Electric (SDGE) | Elaine Allyn | DeDe Henry |
| San Joaquin Valley Clean Energy Organization (SJVCEO) | Samantha Dodero | Courtney Kalashian |
| Small Business Utility Advocates (SBUA) | Ted Howard | Theo Love |
| Southern California Edison (SCE) | Ted Howard | Theo Love |
| Southern California Gas (SCG) | Kevin Ehsani | Art Montoya/Halley Fitzpatrick |
| Southern California Regional Energy Network (SoCalREN) | Cody Coeckelenbergh | Patrick Ngo |
| The Energy Coalition | Craig Perkins | Chris Ford |
| The Mendota Group | Grey Staples |  |
| TRC | Myron Graessle |  |
| Tri-County Regional Energy Network (3C-REN) | Erica Helson | Jordan Garbayo |
| Viridis Consulting | Mabell Garcia Paine | Don Arambula |
| Workforce Incubator | Jim Caldwell |  |
| **Ex-Officio/Resource (non-voting):** |  |  |
| California Energy Commission (CEC) | Brian Samuelson |  |
| California Public Utilities Commission (CPUC) | Ely Jacobsohn | Alexander Merigan/Peng Gong |

1. See MSMWG landing page: <https://www.caeecc.org/market-support-metrics-wg> [↑](#footnote-ref-1)
2. Page 84. The Decision also rules, with respect to PA requirements, that “All energy efficiency program administrators should be required to develop metrics and criteria for evaluating progress of all programs, with particular focus on market support and equity programs that may not have measurable energy savings” (page 65) [↑](#footnote-ref-2)
3. D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeecc.org/cpuc-documents>. Page 14 [↑](#footnote-ref-3)
4. The Regional Energy Networks are exempt from the 30% portfolio cap. D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeecc.org/cpuc-documents>. Page 2. [↑](#footnote-ref-4)
5. See Appendix A for a detailed list of each Market Support Metrics Work Group Member lead representative and alternate [↑](#footnote-ref-5)
6. D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeecc.org/cpuc-documents>. Page 14 [↑](#footnote-ref-6)
7. D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeecc.org/cpuc-documents>. Page 14 [↑](#footnote-ref-7)
8. AKAB (Awareness, Knowledge, Attitudes, and Behavior) is a framework for understanding theory of behavior change [↑](#footnote-ref-8)
9. “New" refers to technology that has not previously been assigned a measure code by any CA ratepayer funded PA. "Validated" refers to assessment of technology/market/program characteristics by a PA or entity that is financially independent of the manufacturer. [↑](#footnote-ref-9)