**California Energy Efficiency Coordinating Committee-Hosted Meeting for**

**Equity Metrics Working Group (EMWG)**

**1st Meeting of the WG**

**July 15, 2021 9:00-1:00**

*See Supporting Documents on* [*Meeting Page*](https://www.caeecc.org/7-15-21-equity-metrics-wg-mtg)

Facilitators: Dr. Scott McCreary & Katie Abrams, CONCUR

On July 15, 2021, the CAEECC hosted its first meeting of the Equity Metrics Working Group (EMWG) via WebEx. Fourty-two representatives from the twenty-seven WG Members (including Leads, Alternates and Ex Officio) and twenty-two members of the public participated. A full list of meeting attendees is provided in Appendix A.

For each sub-section below, key discussion points and agreements are summarized. The “Next Steps and Wrap Up” section below, captures next steps discussed throughout the meeting. Note that the organization listed next to the speakers’ name is the organization the speaker is representing, not necessarily the organization the speaker directly works for.

The presentation used throughout the meeting is available on the CAEECC website (see link above to Meeting Materials, *Equity Metrics WG Slides 7.13.21,* under “Documents Posted Before the Meeting”).

**Introductions**

At the beginning of the meeting, CAEECC facilitator Scott McCreary welcomed WG participants to the first meeting. He opened the meeting by reviewing the agenda and WebEx “housekeeping” protocols. The focus of the meeting is for Members to discuss EMWG final deliverables (including “must-haves” and any assumptions to make EMWG successful), review pre-existing related segment Objectives and associated Metric(s), identify gaps in Objectives and Metric(s), brainstorm alternatives, and discuss initial priorities. For introductions, in the interest of time, he presented a series of slides showing EMWG Members and disclosures of non-CAEECC Members regarding the entities with whom they are doing energy-related business with or for, both currently and within the past year.

**Working Group Charge & Process**

***Review EMWG Charge, Scope, Approach, Key Questions, Deliverables & Groundrules***

Scott McCreary presented a series of slides on the EMWG charge, scope, approach, key questions, deliverables, and groundrules (as noted above, the presentation is available on the meeting page on the CAEECC website).

A key clarification that S. McCreary made is that Objectives and the key associated metrics main application is at the *segment* level, rather than the sector or *program* level. He also said that we would be looking for the key associated Metrics for each Objective, rather than an exhaustive list of Metrics.

Clarifying Questions and Comments:

A participant asked about the distinction between the Energy Savings Assistance (ESA) program and Equity programs. Alison LaBonte, from the CPUC, responded via chat as follows: “Energy Savings Assistance program serves only customers that are income qualified (earn less than 200% of federal poverty guideline). These equity programs under the Energy Efficiency portfolio of programs are available to ‘Market Rate’ customers, or those customers that don't qualify for the income qualified ESA programs. income qualified customers could also sign up to participate in market rate programs, but should be referred from equity programs to the ESA program first.”

***Discuss “must-haves”, and any assumptions to make EMWG successful***

Scott McCreary then opened the meeting for discussion of “must-haves,” and any assumptions to make the WG successful. He noted that the Equity (and Market Support) WGs will not be tasked with setting the specific numeric Targets for the Metric(s) used in each Program Administrator’s (PA’s) filing, the WGs will discuss the basis (i.e., principles and guidelines) PAs should use in setting such targets in their filings.

Regarding current metrics and program justification, Alison LaBonte, CPUC, clarified that metrics already established (Appendix to Decision D.18-05-041) need to continue to be tracked at the sector level and portfolio levels. New Equity metrics recommended from this WG could be included in a PA’s justification of a program in the resource acquisition or market support bucket - as further justification for its resource acquisition or market support program proposal.

**Segment Objectives**

Scott McCreary shared a matrix showing two potential options for Objectives – one from the California Public Utilities Commission (CPUC) Equity Segment definition (constructed by the Facilitation Team) and one from California Public Advocates (CalPA). The matrix is available on the CAEECC website (see link above to Meeting Materials, *Equity Matrix – Objectives & Metrics,* under “Documents Posted Before the Meeting”).

This is a high-level summary of the main points made by one or more Working Group Members during the discussion of metric-setting principles:

* Flexibility for programs to set their own metrics
* Metrics need to be measurable and easily reportable
* Need to avoid path-dependency and reward risk-takers

***Review CPUC segment definition as a potential starting point for Objectives***

This is a high-level summary of the main points made by one or more Working Group Members during the discussion of the CPUC segment definition as a starting point for Objectives:

* *Cross-cutting and definitional*
  + This effort is limited to R.13-11-005 (i.e., market rate energy efficiency)
  + Don’t focus solely on residential, but also on commercial and in particular small businesses
  + Flesh out the challenges that might occur with customers at, for example, 250% of the federal poverty guidelines who still can’t afford efficiency upgrades
  + Clarify what’s meant by underserved, hard to reach (HTR), and disadvantaged communities (DAC)
    - Proposal to use the ESJ Action Plan as a starting point, which broadly speaking notes CalEnviroscreen disadvantaged communities, low income customers, low income communities, and tribal communities – from there, the WG needs to include the distinction between ESA and Equity programs. Finally, determine if there are additional communities that fit within the definition we’re seeking here - and re-align with the ESJ Action Plan
  + Need for sustained EE Capital Investment in disadvantaged and hard-to-reach communities. This would align with the California state, and CPUC, policies supporting ESJ and DAC/HTR customers with persistent EE savings
  + Needs more specificity
  + Include Total System Benefits (TSB) objectives
  + Use Enviroscreen 4.0 (which establishes which census tracts are in disadvantaged communities; currently in draft form)
  + Add an Objective for achieving energy efficiency savings for customers in relative proportion to which they value those energy efficiency savings, with an associated metric of:
    - Achieve EE savings in a customer sub-sector in same proportion as the sub-sector Net to Gross (NTG) Ratio relative to average customer sector NTG ratio.  For example, for HTR/DAC customers in the commercial sector, the NTG is .85, and the average commercial sector customer NTG is .60. The relative value that HTR/DAC  commercial customers place on EE savings vis a vis the average commercial customers is 1.4 times greater (.85/.60 = 1.4). In this example, the metric would be to achieve EE savings  for HTR/DAC commercial customers at 140% of the objective for all commercial customers. CPUC currently calculates HTR/DAC NTG values for only residential and commercial customers, and consequently this objective and metric might only be applied for residential and commercial HTR/DAC customers. However, similar NTG metrics might be determined for other customer sectors.
* *Objective 1: Providing EE to hard-to-reach or underserved customers and Objective 2: Providing EE to disadvantaged communities*
  + Rather than “provide”, propose “achieving”, “actualizing”, “access to [i.e., professionals, capital]”, or something about leveling the playing field
* *Objective 3 (a-c) Providing corollary benefits*
  + ESJ Action Plan Goals 1, 2, and 5 are relevant – they relate to increased investments in clean energy resources to advance public health and air quality.

***Review Cal Public Advocates proposal as a potential starting point for Objectives***

Scott McCreary asked Dan Buch to present a few key points on the California Public Advocates tab. This is a high-level summary of the main points made by one or more Working Group Members during the discussion of the California Public Advocates proposal as starting points for Objectives:

* Appreciate the change in terminology to “support” and “prioritize serving” as opposed to “providing” terminology used in the CPUC tab
* Suggest adding DAC
* Appreciate the additional detail in providing by sector what we mean by HTR or underserved
* Include the corollary benefits listed on the CPUC tabs
* Consider looking at building and housing type to understand equity across the different types of stakeholders that we're trying to serve – addressing both investment and benefits

***Review California Energy Commission (CEC) proposal as a potential starting point for Objectives***

Scott McCreary asked Pam Dougherty, Principal Investigator for the CEC’s Energy Equity Indicators (EEI) report to present a few key points on the California Public Advocates tab. This is a high-level summary of the main points made by one or more Working Group Members during the discussion of the California Energy Commission proposal (constructed by the Facilitation Team, based on the CEC Energy Equity Indicators report) as starting points for Objectives:

* The EEI map is helpful; also, it includes some information from the DAC advisory group and mirrors what’s presented in the ESJ Action Plan
* These Objectives resemble principles more than objectives
* Align objectives with the TSB framework
* Leverage the insights in Enviroscreen 4.0
* Keep “local energy resilience”

**Associated Priority Metrics (for each Segment Objective)**

In transitioning from Objectives to Metrics, S. McCreary summarized that participants would need more time to reflect on and discuss Objectives before delineating their associated key metrics, but that we’ll take the opportunity as this meeting to present a few ideas on metrics. He then presented a slide on Metric-setting principles, from *2017 ALJ Ruling Seeking Comments on Business Plan Metrics, page 3, posted to CAEECC meeting page.*

Ely Jacobsohn, lead ex-officio member from the CPUC, clarified metrics would be used both in program screening, and for evaluating progress. He noted that it remains an open question whether all the metrics will be the same for the PA Applications and their reporting processes. Note that this question is relevant to both WGs.

Alison LaBonte and Ely Jacobsohn, from the CPUC, both emphasized that the EMWG is embarking on a totally new approach, and that the CPUC encourages the flexibility to brainstorm and propose metrics and solutions without constraints.

Scott McCreary shared the matrices again, and reminded participants to focus their comments on metrics that are *necessary and sufficient* – so that we end up with a list of the fewest key associated metrics to be effective; not *to be exhaustive*. The matrix is available on the CAEECC website (see link above to Meeting Materials, *Equity Matrix – Objectives & Metrics,* under “Documents Posted Before the Meeting”).

***Review associated potential Metrics for each Segment Objective – based on CPUC Decision on Addressing EE Business Plans (D.18-05-042)***

This is a high-level summary of the main points made by one or more Working Group Members during the discussion of the illustrative CPUC metrics:

* Add a metric for avoiding investments in combustion-based technologies
* There’s an implied conflict or tradeoff between prospective metrics 3C and 3A and 3B: that is, energy savings is a laudable goal but it should not be provided at the expense of increased health, comfort and safety
* Suggest focusing on what programs can be measured (without a full evaluation report)
* Preference for segregating metrics by sector
* For penetration and participation (% or #), HTR or underserved will probably be a broad category, and DAC is geographically diverse. So, in looking at penetration and participation, we need to look at “who” and “where” with granularity to ensure the equity programs as a whole are targeting as many priority communities as possible.
* Metrics 3A and 3B would be challenging to quantify at a site-specific level. Is there value in providing metrics at the community level (i.e., air quality)?
  + Note that Ely Jacobsohn, the CPUC representative expressed support for the EMWG to propose a metric for both indoor and outdoor air quality; acknowledging the potential tracking and reporting challenges
* PAs need flexibility considering the diversity across the state of California

***Review associated potential Metrics for each Segment Objective – based on Cal Public Advocates proposal***

Scott McCreary asked Dan Buch to present a few key points on the California Public Advocates tab. This is a high-level summary of the main points made by one or more Working Group Members during the discussion of the CalPA metrics:

* Appreciate segmentation by sector
* Appreciate the granularity of this proposal
* Appreciate use of “dollars spent”
* Suggest adding the Public sector
* Suggest broadening to reference/include CalEnviroscreen
* Need to be specific about “who” and “where” benefits are occurring (and ensure priority communities are focused on) considering the geographically diverse nature of California
* As public agencies, Community Choice Aggregators (CCA’s) may be challenged in prioritizing programs and outreach toward race-based indicators due to Proposition 209 – so suggest creating a proxy or another way to define socially disadvantaged farmers
* Consider refining metric 1A1 from “Gas & electric affordability ratios (AR)” to something like “range of customers served”. There is need to ensure PAs don’t inadvertently skew the affordability towards the top two thirds of the income brackets for Equity programs if we exclude the income-eligible population
* Suggest including non-energy benefits (such as jobs, air quality, health) – recognizing that these metrics can be hard to quantify
  + Suggest including NOx and possibly CO as more readily quantifiable air quality indicators
  + CARB’s representative offered to share a quantification methodology for certain air quality metrics
  + Co-benefits can be challenging to accurately measure, especially for PAs
  + Need to understand feasibility of arriving at specific scales of geographic resolution – household level or community level.
* Converting from energy savings into some other unit might not have useful explanatory power especially if derived from a statewide metric, (i.e., don’t convert energy savings to air quality to measure air quality).

***Review associated potential Metrics for each Segment Objective – based on CEJA memo (proposal constructed by the Facilitation Team)***

Scott McCreary noted that since CEJA was not able to send a representative to attend and present at the meeting, so Julia De Lamare and co-chair Lara Ettenson, both from NRDC, provided the following useful background (via chat) on CEJA’s memo that is not included in the matrix, that NRDC and the Sierra Club want to ensure are considered as part of the discussion as we move forward. Note the full CEJA memo is available on the CAEECC website (see link above to Meeting Materials, *CEJA Memo on Energy Equity Objectives & Metrics,* under “Documents Posted Before the Meeting”).

* *CEJA memo on Energy Efficiency Equity Provisions:*
  + Baseline Provision – Equity money should not fund any projects that involve or legitimize/maintain the fossil fuel system, including gas, “renewable” natural gas, CCS or hydrogen that is extracted from or blended with fossil fuels
  + Community Input – Equity money should only be used for projects that are consistent with community input and priorities.
  + Equity Metrics – Equity money should be used for projects that provide the most value when analyzed under equity metrics.
  + Oversight – Information about what money is used for should be accessible and transparent, available to the community, and overseen by a body that represents DACs, such as the DACAG.

This is a high-level summary of the main points made by one or more Working Group Members during the discussion of the metrics based on the CEJA memo:

* Need community-input, not just from this WG, PAs, and regulators
* Threshold question of whether to recommend eligibility for any continued funding of combustion-based technologies. There is a preference to emphasize fuel-switching.

***Discuss most important Metric(s) for each potential Segment Objective***

Scott McCreary opened the discussion for EMWG members to highlight priority metrics, recognizing that members will need time to reflect on the candidate list. This is a high-level summary of the main points made by one or more Working Group Members:

* In addition to traditional energy savings and emissions metrics, include non-energy benefits such as health, safety and comfort (including indoor air quality) plus affordability (as related to energy burden). In CEC Objectives and CEJA metrics, grid reliability and climate resilience is important – this will be important for quality of life and TSB
* Devise a metric for % population served and savings that is eligible.
* Alison LaBonte, from the CPUC, emphasized her suggestion about adding an objective for community engagement (ESJ goal 1, 2 or 5)

***Brief discussion of ACEEE equity metrics advisory group***

Christine Gerbode, from ACEEE, gave a brief overview of the work that ACEEE’s Health and Environment team is doing to develop goals and ways to measure health outcomes, and exploring high-level program metrics that may be related to those goals. They’re engaging PAs and community members on best practices for engagement? and other insights. These findings will be incorporated into ACEEE utility, city, and state scorecards. She will provide resource docs to the facilitation team to post– both from ACEEE’s preliminary work and other relevant energy equity resources.

**Wrap-Up and Next Steps**

***Next steps including homework assignment***

A few EMWG members suggested creating a synthesized hybrid version for review that incorporates the revisions suggested at the meeting.

Alison LaBonte, from the CPUC, suggested that a potential next step, which she acknowledged may be out of scope, would be to gather input on how PAs are designing, optimizing, and building out a set of Equity programs – so that there’s greater alignment between the CPUC’s review of the PAs filings and expectations. In response, Chris Malotte, SCE, and Lucy Morris, PG&E, offered to present briefly on their respective approaches at the next EMWG meeting on August 18th.

**Facilitation Team**

* Meeting Summary—draft, post, notice by 7/21
* Circulate non-binding indicative polling on Objective/Metrics matrix options – circulate 7/27 and due 8/3
* Compile matrices (due by 7/27) and send to EMWG Members
* Develop meeting structure, approach, and draft agenda and post by 8/5 – key topics to consider including in the 8/18 meeting (based on today’s discussion):
  + Align on definitions (i.e., underserved, HTR, DAC) and confirm what and who (i.e., should specific communities or groups be called out?) is in scope for Equity segment (vs. out of scope for ESA)
  + Review ESJ Action Plan to align and revise Equity Objectives
  + Create, for discussion and clarification purposes, a systems diagram visualizing how the UWG, Market Support, and Equity WGs are connected – and also present key findings from UWG
  + Discuss the applicability of the metrics to both PA Applications and reporting processes [Note that this question is relevant to both WGs]
  + PAs (SCE and/or PG&E) prepare a brief presentation illustrating how PAs are designing, optimizing, and building out a set of Equity programs

**Equity Metrics Working Group Members**

* Send [katie@concurinc.net](mailto:katie@concurinc.net) any resources or materials you’d like to share with the group, related to the WG’s charge and scope – ongoing
  + Emma Tomme, from CARB, offered to share a quantification methodology for certain air quality metrics
  + Allan Rago, from the Energy Efficiency Council, offered to share ESA metrics/indicators
  + Christine Gerbode, from the ACEEE, offered to share resources related to ACEEE’s energy equity advisory group
* Review draft meeting summary, and provide redlines/comments - by 8/3
* Fill out non-binding indicative polling on Objective/Metrics matrix options – by 8/3
* Review compiled Objective/Metrics matrices and supplemental resource documents, and come ready to discuss and provide initial preferences at 8/18 meeting

**Appendix A: Meeting Attendants**

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| **Equity Metrics Working Group Members** | |
| **Company/Organization** | **Name** |
| 3C-REN | Alejandra Tellez |
| BayREN | Jenn Mitchell-Jackson |
| BayREN | Jenny Berg |
| CEDMC | Serj Berelson |
| Code Cycle | Dan Suyeyasu |
| Center for Sustainable Energy | Fabiola Lao |
| Center for Sustainable Energy | Stephen Gunther |
| EAJ Energy Advisors | Steve McCarty |
| Energy Efficiency Council | Allan Rago |
| Energy Efficiency Council | Ron Garcia |
| High Sierra Energy | Pam Bold |
| MCE | Stephanie Chen |
| NRDC | Julia de Lamare |
| NRDC | Lara Ettenson |
| PG&E | Lucy Morris |
| RCEA | Aisha Cissna |
| Resource Innovations | Corey Grace |
| Rising Sun Ctr for Opportunity | Alejandro Castelan |
| SBUA | Ted Howard |
| SCE | Christopher Malotte |
| SCE | Patricia Neri |
| SDG&E | Elaine Allyn |
| Sierra Club | Matt Vespa |
| Silent Running | James Dodenhoff |
| SJVCEO | Courtney Kalashian |
| SoCalREN | Lujuana Medina |
| SoCalGas | Art Montoya |
| The Energy Coalition | Laurel Rothschild |
| The Energy Coalition | Melanie Peck |
| TRC | Marissa Van Sant |
| TRC | Sophia Hartkopf |
| Viridis | Mabell Paine |
| **Ex-Officio** | |
| CARB | Emma Tome |
| CEC | Brian Samuelson |
| CEC | Pamela Doughman |
| CPUC | Alison LaBonte |
| CPUC | Augustus Clements |
| CPUC | Brendan Burns |
| CPUC | Daniel Buch |
| CPUC | Ely Jacobsohn |
| CPUC | Jason Symonds |
| CPUC | Nils Strindberg |
| **Attendees** | |
| ACEEE | Christine Gerbode |
| Frontier Energy | Nancy Barba |
| Greenbank | Alice Sung |
| Lincus | Cody Coeckelenbergh |
| Mark Wallenrod Consulting | Mark W |
| Pacific Corp | Nancy Goddard |
| Pacific Corp | Tina Brooks |
| PG&E | Robert Marcial |
| PG&E | Olya Singer |
| PG&E | Angela McDonald |
| PG&E | Kate Schulenberg |
| PG&E | Lindsey Tillisch |
| Recurve | Claire Hu |
| Res-Intel | Hal Nelson |
| SCE | Sonita Tan |
| SCE | Carol Edwards |
| SoCalGas | Allison Dourigan |
| Tierra Resource Consultants | Gabriela Keneipp |
| Tierra Resource Consultants | Matthew Joyce |
| Tierra Resource Consultants | Steven Nguyen |
| Trin, LLC | P Hunziker |
| Yinsight | Carol Yin |