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

**Market Support Metrics Working Group (MSMWG)**

**2nd Meeting of the WG**

**August 12, 2021, 9:00-1:00**

*See Supporting Documents on* [*Meeting Page*](https://www.caeecc.org/8-12-21-market-support-metrics-wg-mtg)

Facilitators: Dr. Jonathan Raab, Raab Associates & Katie Abrams, CONCUR

On August 12, 2021, the CAEECC hosted its second meeting of the Market Support Metrics Working Group (MSMWG) via WebEx. 35 representatives from 21 MSMWG Member organizations (including leads, alternates, and Ex-officio) and 4 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.

The presentation used throughout the meeting is available on the CAEECC website (see link above to Meeting Materials, *Market Support Metrics WG Slides 8.12.21,* under “Documents Posted Before the Meeting”). The matrix used throughout the meeting is also available on the CAEECC website (see link above to Meeting Materials, *MS Metrics Matrix – Homework Complications Matrices (7.29.21),* under “Documents Posted Before the Meeting”). Where noted throughout this document, changes were made in redline first to a Word version of the MarketSupport Sub-Objectives, then the matrix, and are available on the CAEECC website (see link above to Meeting Materials, *Market Support Sub-Objectives – redlined* and *WG Proposal 8-12-21,* under “Documents Posted After the Meeting”).

**Meeting Goals and Update Since First Meeting**

At the beginning of the meeting, CAEECC facilitator Dr. Jonathan Raab (J. Raab) welcomed MSMWG participants to the second meeting. He opened the meeting by reviewing the agenda and focus of the meeting-- to try and reach agreement on Segment Objectives/sub-Objectives and then discuss associated priority Metrics.

He provided the following summary of what has transpired since the first meeting. The homework focused on further defining Objectives/sub-Objectives. Proposals were received from the following Members: 1) joint proposal from SoCalREN, BayREN, SCE, PG&E, and CHEEF, 2) TEC, 3) SBUA (focused on sub-Objectives). The Facilitation Team asked the respective groups if 1) and 2) could merge – and the groups agreed to that approach. Cal Advocates offered to verbally present proposed updates to their original proposal at the meeting. Thus the *MS Metrics Matrix – Homework Complications Matrices (7.29.21)* posted to the meeting page in “Documents Posted Before the Meeting” shows the three new proposals in red tabs, as well as the Cal Advocates tab. On Aug 6th, SCE proposed an additional metrics framework based on readiness levels, which was added to the Metrics Matrix (8.11.21).

**Segment “Objectives/sub-Objectives”**

As outlined at the beginning of this meeting summary, a red-inked version of the Word document and Matrix of Objectives & Metrics used throughout this portion of the meeting can be found on the meeting page.

***High-Level Summary of Discussion and Preferences on Objectives***

* Use the five proposed sub-Objectives by SoCalREN, BayREN, SCE, PG&E, SCE CHEEF and TEC with some modifications proposed by other WG Members during today’s meeting (as described below)
* Continue to work on the language for sub-Objective #5 on access to capital
* Use the five sub-Objectives as basis for developing key associated Metrics.
* Consider whether want to tackle refining the language of the overall Objective language based on the Commission definition of the Market Segment including defining the term “Energy Efficiency Market.”

***Additional significant points made about individual sub-Objectives (organized by the three proposals):***

Merged proposal from SoCalREN, BayREN, SCE, PG&E, CHEEF AND TEC

* Strong support for this framework, which will be the foundation going forward (with other proposals layered on/integrated)
* Blue text (see below) indicates purpose; orange text indicates example activities
* Appreciate the context provided with the addition of “example activities” (new row 7)
* Refine phraseology and relationship to cost-effectiveness in proposed sub-Objective #4
* Explore integrating SBUA’s proposal to provide access to market support segment activities to all customer segments, including harder to reach residential and commercial customers
* Desire to crisp up the language to better differentiate Market Transformation (MT) and Market Support (MS) across the sub-objectives and/or in language in text

Update from Cal Advocates

D.Bush, Cal Advocates: Willing to explore merging with the SoCalREN et al. proposal. Main concern with SoCalREN et al. proposal was that it doesn’t include definition of success—which we would define as reducing cost of EE and decarbonization . Cal Advocates had thought about proposing a 6th Objective on decarbonization, but believe that can fit into preexisting categories or sub-Objectives.

SBUA sub-Objectives proposal

T. Howard, SBUA: CPUC strongly supports serving DAC, HTR, and underserved customers. The intent of this Objective is to provide a framework for measuring benefits that are challenging to measure. This could be a sub-Objective added to the SoCalREN et al. proposal.

* This seems more focused on Resource Acquisition (net-to-gross ratios are measure specific and not applicable here) or the Equity segment – not clear how to apply this to MS activities
* WG agreed to try to incorporate the concern for each customer sector receiving a fair share of Market Support related programs into SoCalREN et al. proposal, for example in Objective #4 or possibly others, rather than adding a new sub-Objective

***Proposed word changes on merged proposal from SoCalREN, BayREN, SCE, PG&E, CHEEF AND TEC –*** see *Market Support Sub-Objectives – redlined,* posted to the Meeting Page in “Documents Posted After the Meeting”

The redline in the five sub-Objectives was made during the meeting, and agreed to by the WG for the time-being (i.e., fine for now and the purposes of drafting key Associated Metrics, but maybe further refined during the metrics development process). The “additional notes/comments/clarifying questions” were made by one or more WG Member(s) during the WG meeting.

Sub-Objectives:

1. **Build, enable, and maintain demand** for energy efficient projects, 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]**
   1. Additional Comments/Notes/Clarifying Questions

* Added “and industries” after “all sectors”—as this should apply to all customer sectors as well as all industries
* Added “building demand” as an activity to build metric(s) around – since that’s the primary intent of this sub-Objective

1. **Build, enable, and maintain supply chains to increase the capability and desire of market actors to supply energy efficient projects, products, and/or services and to increase the ability, capability, and desire of market actors to perform/ensure quality installation that optimizes energy efficiency savings. [Activity e.g., training contractors]**
   1. Additional Comments/Notes/Clarifying Questions

* No comments; WG support as written

1. **Build, enable, and maintain partnerships** between consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations, educators/apprenticeship organizations and/or others **to obtain delivery and/or funding efficiencies for energy efficiency projects, products, and/or services and added value for partners. [Activity e.g., building partnerships]**
   1. Additional Comments/Notes/Clarifying Questions

* Added “community-based organizations, and educators/apprenticeship organizations” – to be more inclusive
* Added “and/or” between “obtain delivery” and “funding efficiencies”– to clarify the delivery channel

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

* Changed “new” to “emerging…” in light of emerging technologies program
* Added “of and/or access to” between “increase scale” and “of new or existing energy efficient projects…” for clarity
* Added “and/” before “or increase scale…” to be more inclusive
* Discussion over “cost efficiency” vs. “cost effectiveness” – Proposers’ intent was to be explicit about cost-effectiveness and that term is more widely used; WG decided to keep “cost effectiveness” for now
* May want to further refine/clarify MT vs MS distinction

1. **Build, enable, and maintain** greater, broader, and/or more equitable **access to capital for programs,** projects, products, and/or services **to increase funding of, investment in, or financing of energy efficient projects, products, or services. [Activity e.g., access to capital].**

Note: after the meeting, the SoCalREN et al. AND TEC sub-WG and CalAdvocates agreed to revise the text as follows: **“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.”**

* 1. Additional Comments/Notes/Clarifying Questions
* Consider adding “and affordable”—though would need to be defined since subjective, and may be already covered through “equitable access to capital”; consider defining if helpful for designing Metrics
* General agreement to remove “program braiding opportunities” for a variety of reasons and simply say “… access to capital for programs…”

***Additional Related Discussion on Defining Objectives***

Ely Jacobsohn, CPUC, noted that while the Commission used “Energy Efficiency Market” in the Primary Objective Decision language to describe the Market Support Segment, it has never defined it. He said the WG could propose different language as the Primary Objective interpreting the intent of the Commission’s decision, or define EE Market. His suggestion is: “Support the rapid and long-term growth of supply chains, consumer demand, qualified workforce, and value realized for CPUC regulated energy efficiency in the California economy.”

Comments on E. Jacobsohn’s proposed alternative language for the Market Support segment definition:

* SoCalREN et al. noted that their proposal is to develop Metrics that based on their sub-Objective proposed language, and therefore may not be worth spending time word-smithing the definition of the Market Support definition from the Commission order.
* There is confusion among Members about why the CPUC is proposing changed the definition now
* MS is part of a larger portfolio of objectives; these segments should align with the overall portfolio objectives
* There are broader benefits beyond CPUC-funded efficiency activities; support a broad definition

The WG tabled the discussion about whether or not to tackle changing the main Objective language or defining EE Market at least until the next meeting, so that it can focus on finalizing the sub-Objective language and developing key associated Metrics.

* ***Brief Discussion: Market Transformation vs. Market Support Segment Objectives***

Stephen Gunther, Center for Sustainable Energy, presented proposed distinctions between Market Transformation and Market Support Objectives. The document is available on the meeting webpage (see link above, *CSE Market Transformation & Market Support Objectives Distinction (8.10.21)* under “Documents Posted Before the Meeting”).

Summary of discussion:

* General agreement with this distinction
* Could note that collaboration will be critical as overlap will inevitably occur – possibly specified in Metrics or elsewhere in this WG’s recommendations
* The row comparing “initiative specific” to “broad EE support” is confusing because it compares MTI initiatives to the EE portfolio (as opposed to programs)
* Could note that MS is an enabler for RA and MT; meanwhile MT is an enabler for MS

WG agreed that CSE would consider feedback, and propose something to be included in the final WG Report.

***Next steps on Segment “Objectives/sub-Objectives***”

J. Raab noted that the WG still needs to figure out how to integrate the sub-Objectives in final WG report, and that the language could be further refined based on additional insights gained while crafting metrics. Several WG members agreed to work on resolving competing language on sub-Objective #5 – see updated language and note in redline of sub-Objective #5 above.

**Associated Priority Metrics (for each Segment Objective/sub-Objective) and Metrics Setting Principles**

J. Raab shared a tab he developed during the meeting break, labeled “WG Proposal” that takes the five sub-Objectives redlined during the first portion of the meeting, overlaid with several of Cal Advocates proposed Metrics as a starting point.

***High-Level Summary of Metrics Discussion and Preferences***

* WG agreed that key Associated Metrics should primarily focus at the Segment level, and that there might need to be a Metric for each phrase/portion of the sub-Objectives (see blue text, in Objectives section above)
* For each program, a PA could choose at least one Metric from at least one sub-Objective
* The WG discussed three potential Metrics suggested by Cal Advocates, and a technology-based framework proposed by SCE
* The WG agreed to form a sub-WG to develop a straw proposal of key associated Metrics for each sub-Objective for discussion at the 9/9 MSMWG meeting.

***Metrics framing discussion questions (adapted from SoCalREN et al. matrix)***

M. Sutter presented the following questions, with Member comments provided in the bullets below

1. *Should Metrics focus on the overall EE market or just on the EE portfolio of activities?*
   * As a Segment, focus on overall EE market – it’s about where data is collected – need to figure out who collects the data and how it’s reported to CPUC
   * Adding “CPUC regulated” to the Segment definition would add clarity on jurisdiction, although it wouldn’t account for the impact to other jurisdictions. However, effects can’t be measured at the market level.
2. *Are metrics required to be used by all programs? Must they be applicable to all Market Support programs?*
   * SoCalREN et al. proposed answer: Sub-WG members believe metrics identified through MSMWG should be focused on segment-level sub-objectives, but that PA proposals should include program level metrics that align with at least one of the metrics developed for a segment sub-objective. For example, a program could be designed with metrics that track performance towards achieving increased desire to supply EE services within a specific segment, which would align with a metric identified under sub-objective 2. Such a program would not be required to track other metrics in either that sub-objective or others. PA portfolios should be designed to include programs that address as much of the sub-objectives and MSMWG metrics as possible. This should be done at the portfolio level, and not at the program level.
   * WG agreed with this answer
3. *Should segment level metrics be based on output from Market Support programs rolled up to the segment? Or should these use market level data to measure the overall success of supporting the EE market? of supporting the EE market?*
   * Programs, Objectives and associated Metrics operate within the Segment level
   * Program metrics are separate, and each program should have measurable performance metrics as part of its Business Plan/Application
   * Task is to develop metrics for the segment, not the portfolio

J. Raab summarized that initial WG feedback to these questions is that while MS programs roll up to the Segment level, and Metrics could apply to the broader energy efficiency market. A WG member suggested more time would be needed to flesh out the details, but that the SoCalREN et al. proposal intent is for Objectives at the segment level, Metrics measurable at the segment level, and Programs designed to include at least one Metric to show progress towards the segment-level Objectives. The portfolio would align with the Objectives.

Ely Jacobsohn, CPUC, made the following comment on the Metrics Setting Principles (slide 13): “The Principles that have been offered as the basis for setting metrics for this Working Group are from 2017.  The ruling was written before segmentation was considered and before the social uprising that inspired its establishment.  The information needed for demonstrating progress should be able to come from multiple sources, including program data, external sources, as well as outcomes. The WG has the flexibility to recommend amending the principles.”

***Significant points made about specific potential associated key Metrics (proposed by Cal Advocates)***

* *Objective 2, associated Metric “Number of contractors who are certified for HVAC and lighting standards that meet the CPUC’s requirements (e.g. CALTCP)”*
  + Narrowly focused on HVAC and lighting contractors, and requirement for certifications; should broaden to include certifications for all technologies
  + Non-certification contractor activities are also important and should be recognized
  + Redlined as follows: “Alternative--Number of contractors certified; change in organizations requesting/requiring certification for installation; how well enforced; non-certification training also critical”
* *Objective 4, associated Metric “Greater customer adoption of emerging technologies as measured by percentage of portfolio savings achieved by former ET measures”*
  + Emerging Technologies Program savings come from many activities and is hard to measure
  + Narrowly focuses on “former ET measures” and savings
  + Redlined as follows: “Alternative/comment--Shouldn't be limited to ET/technology; and should address c/e, cost…”
* *Objective 5 associated metric “Leveraging funding from multiple resources (not just EE $) as measured by percentage of total portfolio spend that is matched by non-EE, non-customer sources”*
  + CHEEF typically represents financing through dollars leveraged.
    - Does “measured by % of total portfolio spend” align with CHEEF’s approach, which is currently being used for tracking purposes?
  + Consider defining “noncustomer sources”
  + Source of capital should be distinct from obligation to pay
  + Metric should focus on “access” not “use” of capital
  + Redlined as follows: “Alternative/comments--Is "portfolio spend" best yardstick?; main metric should be about access to the primary capital; or focus on access to capital”

***Summary of SCE Brief Presentations on Metrics***

SCE (technology/market/program readiness level proposal)

P. Neri and C. Yin, SCE, noted that SCE continues to engage in the SoCalREN et al. proposal; but puts this readiness-level proposal forward as another alternative. There are actually multiple markets in EE, and the intention is to add a level of specificity to show progress within a technology-centered market, and help distinguish between market transformation and market support (i.e. different technologies or points in the technology adoption S-curve). C. Yin clarified that the intention is for this framework to be cross-cutting, and not just fit under Objective 4 in the SoCalREN et al. proposal.

* Where would workforce training fit?
  + Using the readiness-level framework would allow for this to fit in a number of places

J. Raab requested that SCE propose how to integrate this proposal into WG’s proposed sub-Objective framework, and to propose specific metrics..

***Next Steps***

J.Raab summarized that the WG can continue to refine sub-Objectives language, but needs to shift focus to developing the key associated Metrics for each sub-Objective.

The WG agreed that it would form a sub-WG to develop a straw proposal of key associated Metrics for each sub-Objective to be posted by 9/2 with an opportunity for feedback ahead of the 9/9 meeting. Cody representing SoCalREN and Sophie to Co-Chair the sub-WG. Facilitation team will initiate a sign up and scheduling process.

The WG also agreed to hold off on any further refinements to sub-Objectives 1-4 is but that the original SoCalREN/TEC et al group and the Cal Advocates would try to resolve differences on sub-Objective #5 and come back to WG hopefully w/refined wording.

*Final Report*: J. Raab suggested the Facilitation Team will begin drafting an outline and some text for the report that will be delivered to the PAs and CPUC – the outline will be posted on 9/2 and discussed at the 9/9 WG meeting. He noted that the table CSE developed to clarify the distinction between MT and MS can be included in the outline, although it may need to be presented as a set of principles and proposed next steps and not a clear-cut distinction acknowledging that it may need to evolve once the MTA is on board. CSE offered to give more thought to that component of the report.

**Wrap-Up and Next Steps**

**Facilitation Team**

* Circulate a sign-up sheet, and resend contact info, for members to join the SoCalREN et al. sub-WG focused on building out a Metrics proposal – by 8/16
* Meeting Summary—draft, post, notice by 8/19
* Develop meeting structure, approach, and draft agenda and post by 9/2
* Draft report outline to share at next meeting – post by 9/2

**MSMWG Members**

* Establishing sub-WG focused developing a straw Metrics proposal (sign-up by by 8/17; two or more sub-WG meetings; straw proposal posted by 9/2)
* Review draft meeting summary, and provide redlines/comments – by 8/26
* SoCalREN/TEC et al group and the Cal Advocates try to resolve differences on sub-Objective #5 for WG’s consideration
* CSE to consider refining their proposal on MT vs MS for inclusion in the MSMWG report
* SCE to propose how to integrate their technology-readiness proposal into the Metrics via the sub-WG on Metrics

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| **Appendix A: Attendance**  **Market Support Metrics Working Group Meeting #2** |

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| **Company/Organization** | **Name** |
| 3C-REN | Jordan Garbayo |
| 3C-REN | Erica Helson |
| BayREN | Karen Kristiansson |
| BayREN | Mary Sutter |
| Cal Advocates | Dan Buch |
| CEDMC | Greg Wikler |
| CHEEF | Kaylee D'Amico |
| CHEEF | Bill Heberger |
| Code Cycle | Dan Suyeyasu |
| CSE | Stephen Gunther |
| CSE | Raghav Murali |
| EAJ Energy Advisors, LLV | Steve McCarty |
| Mendota Group | Grey Staples |
| Nexant | Kimberly Rodriguez |
| Nexant | Dan Sperber |
| PG&E | Rob Bohn |
| PG&E | Ben Brown |
| RCEA | Marianne Bithell |
| RCEA | Stephen Kullmann |
| SBUA | Ted Howard |
| SBUA | Theo Love |
| SCE | Patricia Neri |
| SDG&E | Elaine Allyn |
| SoCalGas | Kevin Ehsani |
| SoCalREN | Cody Coeckelenbergh |
| The Energy Coalition | Chris Ford |
| The Energy Coalition | Craig Perkins |
| TRC | Myron Graessle |
| Viridis | Mabell Garcia Paine |
| Viridis | Don Arambula |
| Workforce Incubator | Jim Caldwell |
| **Ex Officio** | |
| CEC | Brian Samuelson |
| CPUC | Sophie Babka |
| CPUC | Peng Gong |
| CPUC | Ely Jacobsohn |
| **Facilitation Team** | |
| Raab Associates | Jonathan Raab |
| Concur, Inc. | Katie Abrams |
| **Other Attendees** | |
| PG&E | Robert Marcial |
| SCE | Sonita Tan |
| Willdan | Jason Steinbock |
| Yinsight | Carol Yin |