# Market Support Metrics Proposal

**Working Group Members in this collaboration:** **Southern California Regional Energy Network (SoCalREN), Bay Area Regional Energy Network (BayREN), Pacific Gas and Electric (PG&E), Southern California Edison (SCE), California Hub for Energy Efficiency Financing (CHEEF)**

The group sought and received feedback from Ely Jacobsohn at the CPUC. Some of his input was incorporated and the group is open to further considerations on the working group’s input.

## Objectives

The group met and discussed objectives as requested by the facilitator. The group agreed to defining the primary objective as defined in D.21-05-031 and further segmenting that objective into segment outcomes to align with the activities listed in the CPUC definition of the market support segment.

### D.21-05-031 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.”

### Primary Objective: Supporting the long-term success of the energy efficiency market

The Market Support Segment is meant to support the long-term success of the EE market. The Decision further elaborates with a list of program activity types. The group discussed these activities and categorized them as segment outcomes.

### Outcomes:

1. **Build, enable, and maintain a demand for products and services in all industries that can deliver energy efficiency** – program activities such as “educating customers” and “building partnerships” support the product and services demand side of the EE market. Activities including, but not limited to, marketing education and outreach, EE financing, or EE labeling can contribute to increased market demand.
2. **Build, enable, and maintain an effective supply chain which both enables and grows the energy efficiency market** – program activities such as “training contractors” or “building partnerships” support the services supply part of the market. This can include, but are not limited to, activities such as workforce development, education, and training, as well as partnerships built with manufacturers, distributors, wholesalers, contractors, or other market players to streamline or enable the effective delivery of energy efficiency services.
3. **Build, enable, and maintain continued innovation and accessibility in technology, approaches, and services that advance more effective and/or efficient cost optimizations for the delivery of energy efficiency** – program activities such as “moving beneficial technologies towards greater cost-effectiveness” or “building partnerships” support the ability of the market to be profitable. Activities can include, but are not limited to, product/technology development and demonstration, new delivery channels, new data sources, optimizations in process, manufacturing or delivery channels, and other activities which either reduce cost, increase the efficiency, or increase the overall savings of EE solutions in the EE market.

## Metrics

The group met and discussed metrics on multiple occasions and could not agree on metrics. The group agreed that there remained unanswered questions which needed to be addressed by the full working group. The group also agreed that if metrics are to be developed, they should be focused on measuring the intended outcomes as listed above.

### Defining Market Support Metrics

The group is concerned about the limitations which may result from segment-level output-based metrics and puts forward the following recommendations for consideration:

* **New activities may be needed:** The previously mentioned outcome statements were developed based on our understanding that Market Support activities should be judged for their ability to influence the energy efficiency market in these three key manners. While there are a variety of approaches currently in use, including educating customers, training contractors, building partnerships, and supporting beneficial technologies, this dedicated Market Support segment invites the possibility of new and innovative future approaches which may leverage new market conditions to achieve the above outcomes. There should be a space which can serve to invite innovative approaches to achieving the segment’s outcomes and objectives, but which may not do so by the metrics developed in this Working Group.
* **Don’t set metrics that limit activities**: As such, developing and deploying prescribed segment or activity output-based metrics creates a risk of inadvertently limiting innovation within this segment and may result in excluding future activities from the segment. This exclusion would be due to misjudging activities based not for their ability to achieve progress towards the above outcomes, but instead for their ability (or lack thereof) to provide the specific outputs pre-determined as the only ones appropriate to measure such progress.
* **Evaluate market progress through research**: The group recommends that if metrics are to be developed at the segment-level, that these are designed to measure progress towards these outcomes and not towards specific activity outputs.
* **Let PAs set program metrics through application process**: Therefore, the group has prioritized defining the desired outcomes for the segment and recommends assigning the determination of appropriate output-based metrics to development within the specific activities proposed by program administrators in the upcoming applications. These program-level metrics should be evaluated for their ability to measure progress towards the outcomes identified, and this evaluation will continue to leverage a public review process via the existing procurement review and regulatory oversight mechanisms.

### Questions to be discussed in the Market Support Metrics Working Group

The group recommends that the following questions be discussed in the next working group meeting ahead of metrics development:

1. Should metrics focus on the overall EE market or just on the EE portfolio of activities?
2. Are metrics required to be used by all programs? Must they be applicable to all Market Support programs?
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?

# Preliminary List of Available Metrics

## Current ME&O, ETP, and WE&T Metrics

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| Source: *Marketing, Education & Outreach Consensus Project Report. June 4, 2020. CALMAC Study ID: CPU0214* |
| Four Core objectives of Statewide and PA ME&O programs | Associated Metrics |
| 1) increase brand awareness and program awareness | aided and unaided brand and program awareness, lead generation |
| 2) build awareness of ways to reduce electricity and natural gas use and shape perceptions of its importance. | attitudes and attitude strength, self-efficacy, intent, knowledge, importance, perceived norms |
| 3) increase adoption of behaviors | intent, behavior changes, persistence, social diffusion, program enrollment, program inquiries, engagement rates, energy savings |
| 4) increase program participation | campaign-targeted behavior changes, program enrollment |

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| Source: Common metrics in D.18-05-041 |
| ETP 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 |

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| Source: Common metrics in D.18-05-041 |  |
| WE&T Metrics |
| Expanding WE&T Reach via Collaborations | Number of partnerships by sector (complete “partnership” defined by curriculum developed jointly + agreement) |
| Penetration of training | Number of participants by sector |
| Percent of participation relative to eligible target population for curriculum |

## See Action efforts

Below are sector specific focus areas based on the multiple stakeholders involved in the See Action efforts (a state- and local-led effort facilitated by the DOE and EPA).

Source: <https://www7.eere.energy.gov/seeaction/>

Notable areas for the market support segment:

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| --- | --- | --- |
| Commercial & Public Building | Industrial | Residential |
| 1. supporting benchmarking (that is occurs and is used)2. creating public-private partnerships3. creating approaches that enables EE in leasing4. enabling use of financing5. helping to adjust procurement policies | 1. build the workforce (that work in the industrial sector)2. support continuous energy improvement (which could mean helping to get energy management tools in place)3. demonstrate emerging technologies | 1. Support workforce training (in areas where households interface with workers)2. enable use of financing3. help to show home values (through things like labeling) |