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

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

**3rd Meeting of the WG**

**September 9, 2021, 9:00-1:00**

*See Supporting Documents on* [*Meeting Page*](https://www.caeecc.org/9-9-21-msmwg-mtg)

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

On September 9, 2021, the CAEECC hosted its third meeting of the Market Support Metrics Working Group (MSMWG) via WebEx. 29 representatives from 17 MSMWG Member organizations (including leads, alternates, and Ex-officio) attended, as well as 10 other participants. 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, *9.9.21* *MSMWG Combined Slide Deck,* under “Documents Posted Before the Meeting”). Where noted throughout this document, changes were made in redline to a Word document available on the CAEECC website (see link above to Meeting Materials, *MSMWG Documents Redlined during 9.9.21 mtg\_v2 (9.10.21),* under “Documents Posted After the Meeting”).

**Meeting Goals**

At the beginning of the meeting, CAEECC facilitator Dr. Jonathan Raab (J. Raab) welcomed MSMWG participants to the third meeting. He opened the meeting by reviewing the agenda and focus of the meeting—refine and seek consensus on sub-Objectives and key associated Metrics, and discuss principles for metric-setting, and discuss target-setting principles (time permitting).

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

As outlined at the beginning of this meeting summary, a red-inked version of the Word document used throughout this portion of the meeting can be found on the meeting page. J. Raab reminded participants that at the previous meeting, a few WG members offered to refine sub-Objective #5 language. He also noted there were a few word changes in #1-4 since the previous meeting.

The redline in the five sub-Objectives was made during the meeting, and agreed to by the WG. The “High-level summary of areas of agreement, concerns, or proposed changes” were made by one or more WG Member(s) during the WG meeting.

***Sub-Objectives***

**Sub-objective #1**

Demand: 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]

Final Note: There were no comments specific to sub-Objective 1, and the WG supported this sub-Objective as edited by consensus.

**Sub-objective #2**

Supply: 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 installations that optimizes energy efficiency savings. [Activity e.g., training contractors]

High-level summary of areas of agreement, concerns, or proposed changes

* SoCalGas asked for feedback on their proposal to move supply chain out of #2 and into #3.
	+ C. Coeckelenbergh: when #3 was originally drafted, the sub-WG used the language supply chain and supply in #2, but after much deliberation, the sub-WG agreed to the current language.
		- A sub-WG member disagreed with adding “throughout supply chain” because partnerships can be with CBOs, customers, and others who aren’t necessarily in the supply chain
	+ J. Raab summarized that SoCalGas can submit an alternative for #2 and/or #3 if they so desire.
* SBUA asked WG to consider changing “desire” to “motivation” because there can be a gap between a desire and a stronger sense of action/motivation
	+ C. Coeckelenbergh and M. Sutter: Word choice was chosen carefully to set a foundation for evaluation

Final Note: Unless SoCal Gas decides it can’t support 2 and 3 as written and proposes alternative language, the WG supported this sub-Objective as edited by consensus.

**Sub-objective #3**

Partnerships: Build, enable, and maintain partnerships ~~between~~ with consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations and/or other entities 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]

High-level summary of areas of agreement, concerns, or proposed changes

* Consider removing “or” before “others” so that it reads “and/or others”
	+ C. Coeckelenbergh: the “and/or” was intentional to ensure no one was left out. It refers to “and/or other entities”
	+ J. Raab added “entities” in redline
* Consider “between” vs. “with” to show that the partnership is between a program and an entity

Final Note: WG supported this sub-Objective by consensus, but asked the Facilitation Team to check/fix the grammar.

**Sub-objective #4**

Innovation and Accessibility: Build, enable, and maintain innovation and accessibility in technology, approaches, and services development to increase ~~cost-effectiveness~~ value 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]

Final Note: There were no comments specific to sub-Objective 4, and the WG supported this sub-Objective as edited by consensus.

**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]

Cody Coeckelenbergh and Dan Bush gave background on the process and intent for revising the sub-Objective.

Final Note: There were no additional comments or concerns specific to sub-Objective 5, and the WG supported this sub-Objective as edited by consensus.

**Summary of formatting changes and addition of opening phrases:**

J. Raab asked if anyone objects to adding a word or phrase before each sub-Objective to introduce the main subject of the sub-Objective. WG members liked this approach, and approved the new phrases at the beginning of #1-3 and 5, and then had some discussion around #4 before settling on “Innovation and accessibility”. Then J. Raab asked if there’s a reason to have black and blue text once it’s final. WG members approved revising formatting to black. This is reflected in the redlines of each of the sub-Objectives above.

***Primary Objective:*** “***Supporting the long-term success of the energy efficiency (EE) market”***

High-level summary of areas of agreement, concerns, and proposed changes

* J.Raab asked if the MSMWG whether it wanted to leave the primary Objective as written in Commission decision, define “EE market”, or make other changes
* Ely Jacobsohn commented that success is difficult to define, which we’ve tried to do through sub-Objectives, but the term “energy efficiency market” isn’t currently defined anywhere by the Commission but it should be defined by WG. If left to ED to define, the definition could change the meaning of the sub-Objectives
	+ Energy Division (ED) has never crisply defined “EE market” so the question is whose task is it, recognizing that the phrase is probably used in more places beyond the May 2021 Decision that created this WG
	+ The broadness of the definition allows for greater flexibility
	+ The CPUC EE Policy Manual and EM&V Frameworks includes a definition of “market participants” which could be adapted “*individuals and organizations participating in transactions with one another in an energy efficiency market including customers and market actors*”. Since that included the phrase “EE market” in the definition, the WG could revise to something like: “*individuals and organizations participating in transactions around energy efficiency products or services including customers and market actors*” (which notably includes demand and supply side)

J. Raab summarized that the sub-WG could use this adapted definition for now and WG Members were free to propose further refinements ahead of the final WG meeting

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

J. Raab thanked all the sub-WG members for advancing the sub-Objectives. He summarized that the group has agreement on all the sub-Objectives, that the facilitation team will fix the grammar issues in #3, and that the WG might still consider “motivations” vs “desire” in #2, if need be.

**Proposed Principles for Metric-Setting/Application**

C. Coeckelenbergh summarized that the sub-WG had 19 participants, and survey responses from 14 participants. He noted that these principles were discussed at one of the sub-WG meetings, though not refined in detail. J. Raab went through each Principle and asked for feedback.

**Principle #1: Segment vs. Program**

1. 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.

There was no feedback on Principle #1.

**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.

High-level summary of areas of agreement, concerns, or proposed changes

* #2B: could create a yearlong delay in PAs’ ability to adjust programs

**Principle #3: When to use them—CHANGE QUESTION LANGUAGE?**

1. MS programs should serve at least one MS sub-objective.

High-level summary of areas of agreement, concerns, or proposed changes

* May be too limiting
	+ C. Coeckelenbergh: It’s intentionally broad as written; only solution would be adding another sub-Objective or allowing Program Administrators (PAs) flexibility to propose their own metrics
		- J. Raab summarized that #3 may need to be revised to something like the following, worded at a high-level: “PAs may submit additional Market Support sub-Objective and associated Metric(s)”
* Consider revising as follows: “MS Programs *must* have a primary focus of [insert market support definition”] and serve at least one MS sub-Objective”
	+ C. Coeckelenbergh: The sub-WG was focused on sub-Objectives and Metrics, not on defining “EE market”

J.Raab summarized that this Principle will need to be refined.

**Principle #4: Program Portfolios**

1. PAs (especially the 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.

High-level summary of areas of agreement, concerns, or proposed changes

* #4A: Concerned that given combined budget cap for MS and Equity, and given RA requirements, the soft language of “encouraged” could be problematic
	+ WG members support new language: removed “MS” from phrase “portfolio of ~~MS~~ programs”

**Principle #5: Reporting**

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

High-level summary of areas of agreement, concerns, or proposed changes

* #5A: After much discussion, J. Raab flagged as a likely non-consensus item
	+ Some noted that there’s a feasibility issue. They support voluntary reporting in 2022, noting that the Commission suggested that PAs segment for the BBALs due this fall, and PAs don’t know if they will get approval before the end of 2021. The intent of this principle is to start gathering information and determine if some of the metrics would be better as indicators, then refine as needed. They suggest adding “all applicable” after “begin tracking and reporting”, and/or adding “to the extent feasible”
	+ Other WG members suggested adding the word “all” to “all MS metrics”

**Principle #6: Target-setting**

1. 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.
2. Option 2: PAs should include targets with their MS segment metrics with the Business Plan/4 Year Application filings.
3. Note to MSWG: The MSWG may want to recommend certain metrics be changed to indicators without targets, rather than metrics with targets. [Delete in final report.]

High-level summary of areas of agreement, concerns, or proposed changes

* Some noted it will be challenging to set targets without baseline data
* Others expressed concern that delaying target setting could mean that targets are set in a less rigorous regulatory forum then if submitted in February (e.g., w/o testimony)

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

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

***Proposed Metrics from sub-WG***

Cody Coeckelenbergh gave an overview of the sub-WG process to develop proposed metrics, which included sifting through over 10 proposals from 19 members and a survey on ranking. Mary Sutter gave an overview of AKAB survey history dating back to late 1990s, and how it has become used in California’s EE Evaluation framework. She noted it has been used primarily in the residential sector and with contractors, and would need to check on its use in other sectors.

**Key Associated Metric for Sub-objective #1**

* Total Market – AKAB 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 the product/service (attitude)
	+ % of customer sample that has taken action towards obtaining product/service (behavior a)
	+ % of customers that have obtained products/services (behavior b)

High-level summary of discussion, agreement and concerns:

* WG was leaning toward making sure the data collection allowed for fidelity at the PA level, and probably collecting information for both program participants and non-participants
* Concern that ABAB survey looks more like market studies and evaluation than metrics
* Consider pairing the AKAB survey with a more traditional program metric

**Key Associated Metric for Sub-objective #2**

* Total Market – AKAB Survey to California Market Actors
	1. 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)
	2. Increase 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)

High-level summary of discussion, agreement and concerns:

* Consider word choice of “interested in” (when using “desire” or “motivation” in sub-Objective definition)
* Consider pairing the AKAB survey with a more traditional program metric

**Key Associated Metric for Sub-objective #3**

* Survey to Program Partners identified by PAs
	+ Number of partners
	+ Assessed value of the partnership by partners
	+ % of partners that have taken action supporting energy efficiency or Total activity of all partners together

High-level summary of discussion, agreement and concerns:

* WG may need to define partnerships
	+ Option A: A relationship resembling a legal partnership and usually involving close cooperation between parties having specified and joint rights and responsibilities
	+ Option B: Agreement between organizations, people, etc to work together
* Can WG address data exchange gap? (in a metric or indicator)
	+ Consider data relationships—shared data systems in place; and working smoothly—indicators
* Which of these are true metrics (that can quantify and have targets) vs. indicators?
* Consider revising first bullet to “number, types, and purposes” of partnerships
* Address the issue of how liabilities and profits shared between parties

**Key Associated Metrics for Sub-objective #4**

* Performance verification
	+ Aggregated confidence level in performance verification by product, project, and service
	+ Types, precision and accuracy required by payors for verification of benefits
	+ No., types, and purposes of payors for performance verification
* % Increase in (in market penetration and awareness of) new products:
	+ Percent increase in market penetration of new EE products or services
	+ Percent increase in awareness of new EE products or services
* Validation and cost-effectiveness
	+ number of new, validated technologies recommended to CalTF
	+ number of projects that validate the technical performance, market and market barrier knowledge, and/or effective program interventions of a new 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)

	*Key Definitions: "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.
	Methodology: a) Count number of submissions to CalTF; b) Count number of projects completed per program tracking database; c) estimated cost effectiveness utilizing CPUC approved process (TBD).*

*These prioritized metrics were not discussed in the sub-group.*

High-level summary of discussion, agreement and concerns:

* The Commission is already measuring the Emerging Technologies Program; focus these metrics on MS activities
* The sub-WG needs to refine the metric language and narrow down the proposed list

**Key Associated Metric for Sub-objective #5**

* Total Market – AKAB Survey
	+ % 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)
	+ Add one or more additional output based metric (e.g., # of customer projects leveraged program dollars; capital investment program dollars leveraged)

High-level summary of discussion, agreement and concerns:

* Consider adding one or more output based metrics that could serve as proxies for changes in access and affordability—e.g., # of customer projects that leveraged financing programs dollars; amount of capital investment program dollars leveraged; median percent of upfront cost defrayed from customers
* Change “market actors” to “market participants” (including both individuals and organizations)
* Distinction between financing offerings and general access to capital
* Upfront capital defrayed lends itself to affordability
* Consistent on who to survey as in other sub-Objectives—e.g., program participants and non-participants/broader population

**Wrap-Up and Next Steps**

J.Raab noted that the final WG meeting is on 9/21, in less than two weeks.

All items below due by noon 9/17 unless otherwise noted:

* **Objectives/Sub-Objectives**
* Fix grammar on Objective #3 (Facilitation Team)
* Consider definition for “energy efficiency markets” on overall segment objective (e.g., “Individuals and organizations participating in transactions with one another for energy efficiency products and services including customers and market actors.”) (WG)
* **Principles**
	+ Propose new question for #3 (“when to use them”), or remove questions altogether from principles (Facilitation team/WG)
	+ Revise principals 2b/3a or add new principle to allow for PAs to propose programs that don’t sync with sub-objectives/metrics but would need to propose new sub-objective/metric(s) (Facilitation Team)
	+ Target-setting non-consensus principle
		- Draft language supporting each option (Option 1 supporters?; Option 2 CalPA—by 9/17)
		- Orchestrate sign up process for non-consensus options (Facilitation Team post 8.21 mtg.)
* **Metrics**
	+ Content changes
		- For metrics with AKAB survey-based approach (#1, 2, 5), propose output-based metric(s) to complement the survey approach (Cal Advocates and sub-WG)
		- #3 needs to be fleshed out (sub-WG)
		- #4 needs to be refined (sub-WG)
	+ Process
		- Sub-WG to meet ideally twice before next Thurs

* **Report**:
	+ Draft report (intro, move Objective, sub-Objectives, principles, and metrics into report,) (Facilitation Team)
	+ Review and come ready to discuss at 9/21 mtg. (WG)
* **Mtg Summary**
	+ Draft and Post by COB 9/14 (Facilitation Team)
* **Timeline**
	+ Fri 9/10 3pm – complete doodle poll/sub-WG signup
	+ Mon-Weds 9/13-16 – sub-WG meets twice to flesh out issues above
	+ Fri 9/17 noon (or before) – provide updated metrics from sub-WG and additional material
	+ Fri 9/17 COB—Post draft report, 9/21 agenda; and any additional material
	+ Mon 9/20 – work with your organization to determine if you can support each of the recommendations, and if not, come prepared with an alternative
	+ After 9/21 meeting – final signups of any non-consensus items

**Appendix A: Attendance**

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| **Working Group Members** |
| **Organization** | **Name** |
| 3C-REN | Jordan Garbayo |
| 3C-REN | Erica Helson |
| BayREN | Jenny Berg |
| BayREN | Mary Sutter |
| Cal Advocates | Dan Buch |
| CEDMC | Greg Wikler |
| CHEEF | Bill Heberger |
| Code Cycle | Dan Suyeyasu |
| CSE | Stephen Gunther |
| Mendota Group | Grey Staples |
| Nexant | Dan Sperber |
| PGE | Ben Brown |
| PGE | Rob Bohn |
| RCEA | Stephen Kullmann |
| SBUA | Ted Howard |
| SCE | Christopher Malotte |
| SJVCEO | Samantha Dodero |
| SoCalGas | Halley Fitzpatrick |
| SoCalGas | Kevin Ehsani |
| SoCalREN | Cody Coeckelenbergh |
| The Energy Coalition | Craig Perkins |
| The Energy Coalition | Chris Ford  |
| **Ex-Officio** |
| CEC | Brian Samuelson |
| CPUC | Alison LaBonte  |
| CPUC | Christie Torok |
| CPUC | Ely Jacobsohn  |
| CPUC | Peng Gong |
| CPUC | Sophie Babka |
| CPUC | Sasha Merigan |
| **Facilitators** |
| Raab Associates | Jonathan Raab |
| Concur, Inc | Katie Abrams |
| **Other Participants** |
| Grounded Research | Jenn Mitchell-Jackson |
| PGE | Lindsey Tillisch |
| PGE | Robert Marcial  |
| PGE | Lindsey Tillisch |
| SoCalGas | Allison Dourigan |
| Tierra Resources | Gabriela Limon |
| Tre'laine Associates | Pepper Hunziker |
| Willdan | Jonathon Stage |
| Willdan | Jason Steinbock |
| Yinsight | Carol Yin |