

# Draft Prospectus for CAEECC Equity & Market Support (E-MS) Working Groups (“Metrics Working Groups”)

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## CAEECC 9/20 Actions Requested

- Consider scope: Required Activities
- Consider Optional Activities to be included in work group scope with Required Activities
- Consider delegation such that the final report/recommendations go directly to PAs and ED

**Approval of Optional Activities:** For the sake of clarity and budgeting purposes, the Facilitation Team is seeking CAEECC approval for each of the Optional Activities.

**Delegation:** The Facilitation Team also proposes CAEECC delegate the recommendations from the Equity and Market Support Working Groups to go directly to the PAs and ED without coming back to CAEECC for review and approval.

## Working Group Background and Charge

The charge of this Working Group is to address certain outstanding topics within the Equity and Market Support segments. We will be referring to this Working Group as a single consolidated group, recognizing it will be made up of members drawn from both the past Equity and Market Support Metrics Working Groups who may elect to focus on Equity or Market Support metrics solely, as well as members that may contribute to both.

### **Background**

In 2021, CAEECC hosted an [Equity Metrics Working Group](#) and [Market Support Metrics Working Group](#).

In 2022, CAEECC briefly reconvened each Working Group for a series of “huddles” in preparation for an [Ad Hoc CPUC Workshop](#) (facilitated by CAEECC) on Indicators, Metrics and Targets.

### **Working Group Charge**

In June 2023, CPUC Decision ([D.23-06-055](#)) addressed and adopted a number of recommendations from the Working Groups. The Decision also flagged topics for CAEECC to reengage the Working Groups on, which we’ve sorted below by Required/ordered and Optional Activities.

Note: Per the language below, the Decision speaks only to Indicators. The Metrics Working Groups recommended Metrics *and* Indicators. The Commission language recognizes 70 Indicators (actually converting some recommended Metrics back to Indicators, consolidating, and adding some new ones). Inclusion of only Indicators in the Decision was based on the definition that Metrics require Baselines and Targets, and since none of the Indicators (or Metrics for that matter) have Baselines, Targets, or even Methodologies, the CPUC is treating all as Indicators. Metrics may arise from the pool of Indicators to the extent they demonstrate progress toward Market Support and Equity goals and are given Baselines and Targets in the future (which may be beyond the Working Group process).

The Decision adopted 13 Equity Indicators, and 25 Market Support Indicators, and an additional 17 Market Support Indicators structured around the Awareness, Knowledge, Attitude, and Behavior (AKAB) surveys. The Decision is asking CAEECC to convene the Metrics Working Groups for the 13 Equity Indicators and 25 Market Support Indicators. It explicitly marks the 17 AKAB Indicators as optional for CAEECC.

## Required Activities

Ordering paragraph 11: "Taking into account recommendations of the California Energy Efficiency Coordinating Committee working groups on equity and market support metrics, the portfolio administrators shall jointly submit a Tier 2 advice letter by no later than May 1, 2024 **clarifying all of the Indicators adopted in this decision, including any modifications from metrics and Indicators adopted in Decision 18-05-041, and identifying information that could be used as baselines for future targets or methodologies for how the indicator information can be used as baselines.**"

Furthermore, the Decision language provides additional details and context: "Many of the **adopted Indicators would benefit from clarification and further discussion about the valuation methodology**. Guidance may be needed for PAs to ensure that baselines for target-setting are clear and consistently applied, to the greatest extent possible. For these reasons, we will ask the CAEECC to re-engage and update, as necessary, the EMWG and MSMWG to discuss and develop recommendations" ([D.23-06-055](#) section 5.2, PDF page 29)

## Optional Activities

*Listed in order of timing.*

1. **Common Metrics Update**, particularly any recommended to be removed from tracking that have not been used and/or may no longer be relevant or useful. Recommendations for metric removal, suspension, or modification should be included in the same Indicators **Advice Letter due May 1, 2024**. ([D.23-06-055](#) section 5.2, PDF page 29)
2. **Awareness, Knowledge, Attitudes, and Behavior (AKAB) Indicators**. Clarification and specificity recommendations by the Metrics WGs, to be included in a Tier 2 **Advice Letter due August 1, 2024**. ([D.23-06-055](#) section 7.9, relevant text on PDF page 72)
3. **Community Engagement Indicators**. Recommendations by the Equity Metrics WG for inclusion in mid-cycle **Advice Letters due September 1, 2025**. ([D.23-06-055](#) section 7.8, PDF page 67)
  - a. Indicators designed by engaging ESJ communities and CBOs directly (whomever, CAEECC or PAs, when developing metrics)
  - b. Quantitative and qualitative indicators
4. **Reporting Demographic Participation Data**. Advise the PAs and Reporting Program Coordination Group in response to questions in section 7.7 ([D.23-06-055](#) Ordering Paragraph 23, PDF page 125. Questions are in Section 7.7, PDF page 65) in their **Report by September 1, 2025**.

5. **Objectives for the Equity & Market Support Segments.** Recommended Objectives adopted in the Decision, but changes, additions, modifications can be considered with the **next portfolio application in 2026 (for the 2028-2031 period) (Application date TBA).** ([D.23-06-055](#) section 7.5, PDF page 57)

## Approach: Required and Optional Activities

### Required Activities: Indicators Work

The indicator methodologies work outlined by the CPUC (as non-optional) , along with baseline guidance with an eye towards target-setting/establishing Metrics, requires a few steps of work.

1. Developing recommended methodologies for all Indicators, knowing that some might become metrics with targets
  - a. Standardize the framework for all indicators, such as method, data source, numerator, denominator. See 2022 Metrics WGs for suggestions.
2. For those Indicators that are deemed most important/candidates for future Metrics (with Targets conveying how PAs will meet goals) based on recommendations from the 2021 Equity and Market Support Working Groups and/or any additional new information
3. For those Indicators identified in step 2, consider identifying information that could be used as baselines for future targets or methodologies for how the indicator information can be used as baselines (if not already provided via step 1.)

### Optional Activities

To the extent Optional Activities are included in this WG's scope (per CAEECC approval), they will initially be addressed in a Huddle for pre-development work. Some may also be "punted" for a later Working Group process later in 2024.

Optional Activities with timelines aligned with the Required Activities include:

1. **Common Metrics** - Advice Letter due May 1, 2024 (same as Required Activities)
2. **Awareness, Knowledge, Attitudes, and Behavior (AKAB) Indicators** - Advice Letter due August 1, 2024

Optional Activities with timelines that could be "punted" for a later Working Group process later in 2024 include:

3. **Community Engagement Indicators** - Advice Letters due September 1, 2025

4. **Reporting Demographic Participation Data** - Reporting Policy Coordination Group submits Report by September 1, 2025
5. **Objectives for the Equity & Market Support Segments** - next portfolio application due sometime in 2026

## Working Group Strategies

### Equity vs. Market Support Working Groups

Orientation to this combined Working Group process will include Equity and Market Support Working Group members. Detailed work will be divided up by each segment, or cross-cutting.

### Pre-Development/Starting Point Drafts

Due to the detailed and technical nature of this work, pre-development or “Starting Point” drafts will be developed by volunteers from the Working Group, which we hope and expect will be folks most familiar with the technical aspects of the work.

## Timeline

### Timeline Considerations for Required Activities

PAs must file a Tier 2 Advice Letter by May 1<sup>st</sup>, 2024 “clarifying all of the Indicators adopted in this decision (including any proposed metrics converted to Indicators as adopted in Decision 18-05-041), and identifying information that could be used as baselines for future targets or methodologies for how the indicator information can be used as baselines” (see Ordering Paragraph 11).

Thus the WG needs to wrap up by March 31<sup>st</sup>, 2024 so that PAs have a month to incorporate the WG recommendations into their Advice Letter(s).

### Meeting Dates & Tasks

As illustrated in the table below, the WG process will run from October 2023 – March 2024 (including member recruitment and conveyance of Final Report). There will be 5 Working Group meetings plus 2-3 Huddles (1 Huddle is dedicated to any Optional Activities CAEECC elects for this Working Group). All WG meetings and huddles will be convened in a virtual format and will range from a couple hours in length to full-day work sessions.

Unless otherwise indicated, meetings will cover both Equity and Market Support topics. Work sessions will be delineated between the two, and agendas will clearly identify times for each Equity and Market Support work, as well as topics that are germane for both.

*Table 1: Meeting Dates and Tasks*

<b>Activity/ Meeting # (max hours)</b>	<b>Proposed/ Approx. Date</b>	<b>Tasks</b>
Draft Prospectus	September 20, 2023	CAEECC Members review Draft Prospectus for approval, including decisions on or delegation of Optional tasks.
Recruitment	September 21 - October 10, 2023	<ul style="list-style-type: none"> <li>- Invite past WG members</li> <li>- Invitation via CAEECC Listserve for additional members</li> </ul>
Huddle (3 hours)	October - November 2023	<ul style="list-style-type: none"> <li>- Invite past WG members/subject matter experts to contribute to developing “starting point” proposals               <ul style="list-style-type: none"> <li>- Framework for what needs to be delineated for all Indicators</li> <li>- Methodologies</li> </ul> </li> <li>- Facilitation team draws from PA Applications and Past WG work</li> </ul>
Meeting #1 (3 hours)	Early November	<ul style="list-style-type: none"> <li>- Confirm and finalize Prospectus</li> <li>- Review pre-existing materials</li> <li>- Working Group process and timeline</li> <li>- Initial Discussion on Huddle Proposals</li> </ul>
Meeting #2 Market Support Focus (6 hours)	Early December	<ul style="list-style-type: none"> <li>- Market Support-focused Work Session</li> <li>- Working from Starting Point drafts, work through Starting Point proposal               <ul style="list-style-type: none"> <li>- Where substantially more work is required, Flag for huddle</li> </ul> </li> </ul>
Meeting #3 Equity Focus (4 hours)	Early December	<ul style="list-style-type: none"> <li>- Equity-focused Work Session</li> <li>- Working from Starting Point drafts, work through Starting Point proposal               <ul style="list-style-type: none"> <li>- Where substantially more work is required, Flag for huddle</li> </ul> </li> </ul>

Huddle (3 hours)	Mid-December	<ul style="list-style-type: none"> <li>- Pre-homework may solicit input on flagged items so Huddle time can focus on priority items</li> <li>- Convene volunteers to work through any flagged items from Meetings #2 and #3 that require substantially more work</li> </ul>
Huddle (3 hours)	Early January	<ul style="list-style-type: none"> <li>- Optional Activities (e.g., AKAB recommendations, Common Metrics updates)</li> <li>- Develop set of recommendations to bring to Working Group</li> </ul>
Meeting #4 (4 hours)	Late January	<ul style="list-style-type: none"> <li>- Facilitation Team presents back full set of Indicators work for review, discussion, refinement</li> <li>- Review of Proposal for Optional Activities + Discussion and Refinement</li> </ul>
Report Draft	Mid-February	<ul style="list-style-type: none"> <li>- Facilitation Team consolidates Indicators work and any Optional Activities into a report</li> <li>- Send to WG to review</li> </ul>
Meeting #5 (4 hours)	Early March	<ul style="list-style-type: none"> <li>- Report review, discussion, and seek approval</li> </ul>
Final Report	March 31, 2024	<ul style="list-style-type: none"> <li>- Convey final report to PAs and ED</li> </ul>

## Deliverables and Recommendation Delivery

A Report from the consolidated Working Group delineating recommendations to PAs regarding:

1. Any clarifications of Indicators adopted in [D.23-06-055](#), including any modifications from Metrics and Indicators adopted in D.18-05-041. (OP11)
  - a. Highlight any indicators
2. Recommendations on methodologies for all Indicators adopted in [D.23-06-055](#).
3. Information that could be used as baselines for future targets or methodologies for how Indicator information could be used as baselines. (OP11)

- a. This could/would include identification of any Indicators that are deemed best candidates for future Metrics (with Targets)--based on recommendations from the 2021 Equity and Market Support Working Groups and/or any additional new information
4. Any guidance to ensure baselines for target-setting are clear and consistently applied. (Section 5.2, PDF page 29)
5. Other related questions and recommendations the Working Group agrees are necessary to resolve
6. Recommendations/Guidance/Advice pertaining to any Optional Activities

**Working Group Adoption Process:** Any such recommendations would be made by consensus of the Working Group where possible. Where consensus is not reached, the Report would delineate two or more alternatives including their supporting rationales and list which WG Members support each alternative.

Pending CAEECC delegation on September 20, 2023, the final recommendations will go directly to the Program Administrators and Energy Division without needing to go back to the Full CAEECC for formal review and approval (which is allowable under the CAEECC delegation Ground Rules if approved by the Full CAEECC).

## Expected Use Of Recommendations

The report from the Metrics WGs are expected to be integrated as much as feasible into the PA advice letter to be submitted May 1, 2024 and be reflected in PA proposals regarding indicators, methodology, and any discussion regarding target setting for metrics.

The report may be included in the record to the CPUC to support CPUC disposition on the May 1, 2024 advice letter(s) and any future rulings or decisions regarding or related to Equity and Market Support segment indicators and future metrics.

## Working Group Membership

**Membership Eligibility:** The Working Group will be open to representatives from any CAEECC Member organizations, plus other qualified organizations interested in fully participating. The WG will also be open to the public to observe (and provide limited input, time allowing).

**Recruitment:** Notice of the formation of the WG will be emailed to Members of the 2021 and 2022 Metrics Working Groups and huddle participants. In addition, specific groups may be directly recruited by CAEECC for their expertise and experience in the subject matter of the WG.

The WG application process will be held from September 21 (the date following approval of this Draft Prospectus at the Quarter 3 CAEECC Meeting). CAEECC Co-Chairs and Facilitators will review applications and choose members in consultation with ED, making a final determination and notification of membership by October 10<sup>th</sup>.

**Requirements/Commitment:** Member organizations will need to commit to attending all meetings (either by their lead representative or a designated alternate), and to agree to abide by the CAEECC WG Ground Rules (Appendix A). They will also need to commit to pre-and post-meeting work to ensure productive meetings and that a complete deliverable is finalized in this compressed WG timeline. Volunteer huddles will not be required but members are encouraged to contribute to Huddle work.

**Energy Division Staff Role:** ED will be an Ex Officio member of the WG.

**Compensation:** Compensation through CAEECC will not be available to participants.

## **Facilitation Team**

- Katie Wu (Common Spark Consulting) as lead facilitator and Michelle Vigen Ralston (Common Spark Consulting) as supporting co-facilitator.
- Dr Jonathan Raab (Raab Associates) and Katie Abrams (Birch Road Consulting) as facilitation advisors.
- Sooji Yang (Common Spark Consulting) and Susan Rivo (Raab Associates) for facilitation support.

## Appendix

### **Appendix A: CAEECC WG Ground Rules**

[CAEECC Goals, Roles, Responsibilities, and Ground Rules](#)

### **Appendix B: Links to 2021 CAEECC Metrics WG Materials**

#### **Equity Metrics Working Group**

- [Working Group Landing Page - All Materials](#)
- [Roster](#)
- [Final Report](#)

#### **Market Support Metrics Working Group**

- [Working Group Landing Page - All Materials](#)
- [Roster](#)
- [Final Report](#)

### **Appendix C: Links to 2022 CPUC Metrics Workshop Materials**

- [Ad Hoc Workshop Landing Page - All Materials](#)
- [Meeting Summary](#)
- [Metrics Meeting Mark-up of ED Categorization](#)
- Huddles
  - [Equity Metrics Working Group Huddle](#)
  - [Market Support Metrics Working Group Huddle](#)

### **Appendix D: Indicators Adopted in CPUC Decision 23-06-055**

List of Indicators adopted in [D.23-06-055](#) is included here because the required scope of WG is to add clarity to these Indicators.

Rubric from Decision: Indicators marked with “Q” should be reported quarterly. Those marked with “A” should be reported annually. An “S” means reporting for just the segment, whereas a “P” means reporting for the whole portfolio.

These Indicators can be viewed in Spreadsheet format at: [2023-2024 Equity and Market Support Indicators](#)

#### **Equity Segment Indicators**

1. Count of equity target participants in equity segment, by sector (Q, S);
2. Sum of equity target participants' expected first-year bill savings in equity segment, by sector (Q, S);
3. Count of equity target participants in market support segment, by sector (Q, S);
4. Count of equity target participants in resource acquisition segment, by sector (Q, S);
5. Sum of all equity segment participants' greenhouse gas reductions (in tons of carbon dioxide equivalent) in equity segment (Q, S);
6. Sum of all equity segment participants' kilowatt hour (kWh) savings in equity segment (Q, S);
7. Sum of all equity segment participants' kW savings in equity segment (Q, S);
8. Sum of all equity segment participants' therm savings in equity segment (Q, S);
9. Sum of all equity segment participants' TSB in equity segment (Q, S);
10. Median of equity target participants' expected first-year bill savings in equity segment, by sector (Q, S);
11. Percent of hard-to-reach customer participants in portfolio, by residential single family / multi-family and commercial sector (A, P);
12. Percent of disadvantaged community customer participants in portfolio, by residential single-family / multi-family and commercial sector (A, P);
13. Percent of equity target participants in equity segment, by sector (Q, S);

### **Market Support Segment Indicators**

1. Number of partners by type and purposes (Q, P);
2. Dollar value of non-ratepayer in-kind funds/contributions utilized via partnerships (A, P);
3. Percent of participation relative to eligible target population for curriculum (Q, S);
4. Percent of total WE&T program participants that meet the definition of disadvantaged worker (Q, S);
5. Number of career and workforce readiness participants who have been employed for 12 months after receiving the training (A, S);

6. Prior year percentage of new measures added to the portfolio that were previously emerging technology program (ETP) technologies (A, P);
7. Prior year number of new measures added to the portfolio that were previously ETP technologies (A, P);
8. Prior year percentage of new codes or standards that were previously ETP technologies (A, P);
9. Prior year number of new codes and standards that were previously ETP technologies (A, P);
10. Savings (lifecycle net kWh, kWh, and therms) 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 (A, P);
11. Number of new, validated technologies recommended to the California Technical Forum (A, P);
12. Cost-effectiveness of a technology prior to market support program relative to cost-effectiveness of a technology after intervention by the market support programs (percentage change in cost-effectiveness) (A, S);
13. Number of collaborations, with a contextual descriptions, by business plan sector to jointly develop or share training materials or resources (A, P);
14. Number of unique participants by sector that complete training (Q, S);
15. Number of projects (outside of ETP) that validate the technical performance, market and market barrier knowledge, and/or effective program interventions of an emerging/under-utilized or existing energy efficient technology (A, P);
16. Total projects completed/measures installed and dollar value of consolidated programs by sector (Q, P);
17. Ratio of ratepayer funds expended to private capital leveraged by sector (Q, P);
18. Percentage of partners that have taken action supporting energy efficiency by type (Q, P);
19. Number of contractors (that serve in the portfolio administrator service areas) with knowledge and trained by relevant market support programs to provide quality installations that optimize energy efficiency (Q, S);
20. Assessed value of the partnership by partners (A, P);

21. Percent of market penetration of emerging/under-utilized or existing energy efficiency products or services (A, P);
22. Percent of market participant awareness of emerging/under-utilized or existing energy efficiency products or services (A, P);
23. Aggregated confidence level in performance verification by production, project, and service (for relevant programs) (A, P);
24. Differential of cost defrayed from customers (e.g., difference between comparable market rate products and program products) (A, P);
25. Comparisons between market-rate capital vs. capital accessed via energy efficiency programs (e.g., interest rate, monthly payment) (A, P);

In addition, as discussed further below in Section 7.9, we will direct the PAs to track **additional market support segment Indicators structured around annual surveys focused on awareness, knowledge, attitude, and behavior (AKAB)**, after the survey process is further developed. Those Indicators are as follows:

1. Percent of customer sample aware of energy efficiency product/service (awareness) (A, P);
2. Percent of customer sample that is knowledgeable of energy efficiency product/service benefits (Knowledge) (A, P);
3. Percent of customer sample that is interested in obtaining an energy efficiency product/service (attitude) (A, P);
4. Percent of customer sample that has taken action towards obtaining energy efficiency product/service (behavior A) (A, P);
5. Percent of customer sample that has obtained energy efficiency products/services (behavior B) (A, P);
6. Percent of market actors aware of energy efficiency products and/or services that can be supplied to customers (awareness) (A, P);
7. Percent of market actors knowledgeable of energy efficient products and/or services that can be supplied to customers (knowledge) (A, P);
8. Percent of market actors that are interested in supplying energy efficient products and/or services to customers (attitude) (A, P);
9. Percent of market actors that have supplied energy efficiency products and/or services to customers (behavior) (A, P);

10. Percent 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) (A, P);
11. Percent of market actors knowledgeable of how to perform/ensure quality installation of energy efficiency products and/or services that optimize energy efficiency savings (knowledge) (A, P);
12. Percent of market actors that are interested in performing/ensuring quality installation of energy efficiency products and/or services that optimize energy efficiency savings (attitude) (A, P);
13. Percent of market actors that have performed/ensured quality installation of energy efficiency products and/or services that optimize energy efficiency savings (behavior) (A, P);
14. Percent of market participants aware of capital access opportunities for investments in energy efficient projects, products, and/or services (awareness) (A, P);
15. Percent of market participants knowledgeable about capital access opportunities for investments in energy efficient projects, products, and/or services (knowledge) (A, P);
16. Percent of market participants interested in leveraging capital access opportunities for investments in energy efficient projects, products, and/or services (attitude) (A, P); and
17. Percent of market participants that were unable to take action due to access to capital or affordability of energy efficient projects, products, or services (behavior) (A, P).