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

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

**1st Meeting of the WG**

**July 13, 2021, 9:00-1:00**

*See Supporting Documents on* [*Meeting Page*](https://www.caeecc.org/7-13-21-ms-metrics-wg-mtg)

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

On July 13, 2021, the CAEECC hosted its first meeting of the Market Support Metrics Working Group (MSMWG) via WebEx. 39 representatives from all 22 MSMWG Members (including leads and alternates) and 9 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 7.13.21,* 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, *Market Support Matrix – Objectives & Metrics,* under “Documents Posted Before the Meeting”). Where noted throughout this document, changes were made directly to the matrix in red and are available on the CAEECC website (see link above to Meeting Materials, *Market Support Matrix – Objectives & Metrics red-inked,* under “Documents Posted After the Meeting”).

**Introductions**

At the beginning of the meeting, CAEECC facilitator Jonathan Raab (J. Raab) welcomed MSMWG 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 MSMWG final deliverables (including “must-haves” and any assumptions to make MSMWG successful), review pre-existing related segment Objectives and associated Metric(s) as starting points, 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 MSMWG 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 MSMWG Charge, Scope, Approach, Key Questions, Deliverables & Groundrules***

Facilitator J. Raab presented a series of slides on the MSMWG charge, scope, approach, key questions, deliverables, and groundrules (as noted above, the presentation is available on the meeting page on the CAEECC website). He emphasized that the Public Advocates Office (Cal Advocates) option was submitted, unsolicited, before the meeting, so it’s included in the matrix as an option – and reiterated that the two options presented today are not likely to be the only options MSMWG considers. C. Coeckelenbergh said SoCalREN would be very interested in submitting an alternative proposal.

A key clarification that J. Raab 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 associate Metrics for each Objective, rather than an exhaustive list of Metrics.

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

J. Raab then opened the meeting for discussion of “must-haves,” and any assumptions to make the MSMWG successful. This is a high-level summary of the main points made by one or more Working Group Members:

* MSMWG members are looking for guidance on how to bucket programs into the new portfolio segments outlined in the May 2021 CPUC Decision. Related, members asked if it would be in scope to review the Market Support programs that are currently in the Program Administrators’ (PAs’) portfolio of programs
  + J. Raab: We were not planning on covering specific programs but when we start with the definition, that will provide an idea of some of the types of programs. Part of the value of this WG is to help the PAs figure out what should be in this segment, which they will be road testing through the two-year ABALs filed in early September.
* Need to better understand the context of Market Support within the broader context of Market Transformation – to ensure we’re not duplicating efforts since there are many parallels.

**Segment Objectives**

J. Raab shared a matrix showing two options – one based on the California Public Utilities Commission (CPUC) Market Support Segment definition (constructed by the Facilitation Team) and one from Cal Advocates (Cal Advocates). As outlined at the beginning of this meeting summary, a red-inked version of the Matrix of Objectives & Metrics used throughout this portion of the meeting can be found on the meeting page.

***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.

* Agreement that the primary purpose of the Market Support Segment is “supporting the long-term success of the energy efficiency (EE) ***market***” , and not just EE generally.
* *Structural comments*
  + The “Objectives” listed in the matrix (e.g., educating customers, training contractors) are really “tactics” or “pathways” or “components” and not pure Objectives per se
  + Also, these tactics are overly narrow and should be written more broadly (e.g., educating customers is one of numerous activities that would energize customers to participate in the EE market)
  + It would be even more useful to first define what we would consider “success” for the entire Market Support Segment, and then delineate the metrics that would track and document those things (rather than measure how well we are doing on more narrow tactics)
  + Would be helpful to add a purpose statement to each Objective so that we know whether a program is meeting its Objective
  + Facilitator J. Raab noted that by including tactics in the definition (used as the basis for the Objectives), it may have “pushed us one level further down than we want to end up” for setting metrics at the segment level.
  + Consider using the “blueprint” the CPUC created for the first round of Business Plans as a framework to develop metrics: first take the CPUC objectives, then develop an associated problem statement, then metrics, then the direct output (or target).
* *Column A Segment Objective*:
* *Objective #2: Training Contractors*
  + Training contractors is overly narrow; Market Support may need to do various things to create a successful business eco-system that is incentivized to do EE (of which training is one of numerous activities)
* *Objective #3: Building Partnerships*
  + This may be the most critical of the four tactics listed as Objectives
* *Objective #4 Moving Beneficial Technologies To Greater C/E:* 
  + Divergent opinions on whether cost-effectiveness should be included in the Objectives language – some viewed it as confusing since the CPUC definition specifically excludes this segment from cost-effectiveness tests, while others thought it was ok because it will improve the EE market
  + If cost-effectiveness remains in the Objective language, consider broadening it
    - J. Raab: Edited cell E4 as follows: “4) Moving Beneficial Technologies To Greater C/E (**ADD? and/or move to market readiness**)”
* *Objective #5: Other Objective*
  + Makes sense to include the “other” Objective; for no other reason than additional Objectives may be valuable to add in the future to support the long-term success of the EE market.
  + Agreement to add an Objective related to financing best expressed as “access to affordable capital”, and interest in potentially also adding one on decarbonization
    - J. Raab: In cell F4, added “Other Objectives**--e.g., Access to Affordable Capital, Decarbonization,… ”**

***Cal Advocates proposal as starting points 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 Cal Advocates proposal as starting points for Objectives:

* *Cross-cutting*
  + Concerns that the proposal doesn’t acknowledge more comprehensive customer and contractor motivations (i.e., being based solely on cost savings).
  + Concerns that this approach is overly focused on delivering savings rather than the long-term success of the EE market,
* *Objective #1: Build the foundation for future cost-effective energy savings*
  + Divergent opinions on whether cost-effectiveness is relevant
  + Dan Buch, Cal Advocates, clarified that they are not proposing to apply a cost-effectiveness (c/e) test to a segment that the CPUC has excluded from c/e requirements; but rather, the proposal suggests building the foundation for c/e savings generally.
* *Objective #2: Facilitate the achievement of long-term, deep decarbonization, including through fuel substitution and advancement of innovative and emerging technologies*
  + Concern over the feasibility of implementing this objective

***Identify any gaps in Objectives, and brainstorm potential additional/alternative Objectives***

A few members expressed a preference for the CPUC segment definition approach either how it was shown in the matrix, or with the Objectives taken up a notch or two. Some stated that they consider the Cal Advocates option to largely roll up to similar Objectives as the definition approach, so structurally similar.

J. Raab asked if other organizations wanted to submit amendments or a new set today and no one else came prepared to do so. SoCalREN and possibly The Energy Coalition indicated that they wanted to submit alternative proposals ahead of the next MSMWG meeting.

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

In transitioning from Objectives to Metrics, J. Raab acknowledged 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. As outlined at the beginning of this meeting summary, a red-inked version of the Matrix of Objectives & Metrics used throughout this portion of the meeting can be found on the meeting page.

***Metric-Setting Principles***

J. Raab then presented a slide on Metric-setting principles from the CPUC’s 2017 decision, which is included on the first tab in the Matrix document referenced above and posted to the meeting page, linked above. The following summarizes Member feedback on the principles:

* Metrics may not always have to be quantitative but should be readily measurable (i.e., in a timely fashion and without significant burden) and this should be another key principle.
* Markets aren’t static so metrics should be high-level
* Divergent views on whether it’s important for metrics to be results-, outcome-, or output-based
  + A few members noted that metrics aren’t a replacement for EM&V (these members preferred the “output-based” approach-- output-based metrics are important, because that demonstrate program influence)

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

J. Raab shared the Objectives & Metrics Matrix 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*.

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

* *Metrics under Objective 2: Training Contractors*
  + Consider broadening the “what” beyond “training”, and/or broadening the “who” beyond contractors
  + Cal Advocates phrasing was slightly broader. Relatedly, add “incentivization” or some way to connect training with what motivates contractors
* *Cross-cutting*
  + The Metrics should all be at the higher Segment level, and not at the Sector or Program or even tactic level*.*
  + These are the metrics that PAs currently report, and per the Decision, isn’t this MSMWG’s scope to “develop and vet new metrics”? And relatedly can we recommend discontinuing other pre-existing metrics that we aren’t recommending using for this segment?
    - Facilitator J. Raab and E. Jacobsohn explained that our task is to recommend the best metrics for use in this segment regardless of whether they are new metrics, existing metrics, or modified existing metrics—not to simply develop new incremental metrics. They also reminded Members that at the 6/24 full CAEECC meeting, Alison LaBonte clarified that the primary scope of these WGs are not to review and assess the full existing list of pre-existing related market support (and equity) related metrics, but that the MSMWG report can secondarily flag metrics that the WG believes are no longer relevant

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

Jonathan Raab asked Dan Buch to present a few key points on the Cal Advocates tab, and for members to provide feedback on generally and specifically on the metric in cell B6, focused on contractors (to connect to the previous discussion on the “train contractors” Objective).

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

* *Objective 1, metric 2: Contractors are aware of, enthusiastic about, and have the necessary technical capabilities to install energy efficiency upgrades*
  + Consider rewriting contractor metric to something like “contractors are aware of, profit from, and have necessary technical capabilities”
  + Consider changing “enthusiastic about” to “profit from”
* *Metrics under Objective 2: Facilitate the achievement of long-term, deep decarbonization, including through fuel substitution and advancement of innovative and emerging technologies*
  + The descriptions appear to be in conflict with one another –be careful about mixing metrics that may not be compatible with one another
* *Cross-cutting*
  + Some members expressed a preference for the Cal Advocates metrics for “being a more meaningful gauge of success and good examples we can build on”
  + Others reiterated, that the Metrics should all be at the higher Segment level, and not at the Sector or Program or even tactic level*.*

**Wrap-Up and Next Steps**

Jonathan requested feedback on the meeting; a few members expressed general support for the meeting facilitation, process and approach. Jonathan than outlined the opportunity and approach for MSMWG Members to submit refined or alternative Objective/Metrics matrices by July 27th that the Facilitation Team will compile and circulate by August 5th for discussion at the August 12th MSMWG meeting. He mentioned that the Facilitation Team might do some indicative polling on the different options before, during, and/or after the next meeting. Some Members expressed the desire to be able to describe and answer questions on their proposals at the next meeting before any polling takes place. [Note: See Appendix B for July 14th email to MSMWG members about next steps and homework assignment.]

**Facilitation Team**

* Delineate homework assignment and distribute to MSMWG Members—including invitation to submit Objective/Metrics matrix by 7/27 (see Appendix B)
* Meeting Summary—draft, post, notice by 7/21
* Compile matrices (submitted by 7/27) and send to MSMWG Members by 8/5
* Consider doing non-binding indicative polling on Objective/Metrics matrix options ahead of 8/12 meeting
* Develop meeting structure, approach, and draft agenda and post by 8/5

**MSMWG Members**

* Review draft meeting summary, and provide redlines/comments by 7/27
* Provide refined/alternative Objectives/Metrics in Matrix form accompanied by a Word document by 7/27. [See Appendix B for full description. Also note that while this exercise is strongly encouraged and Members are further encouraged to work in groups with other Members, this is optional.]
* Review compiled Objective/Metrics matrices and accompanying Word documents, and come ready to discuss and provide initial preferences at 8/12 meeting.
* Fill out any indicative polling circulated by the Facilitation Team.

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| **Appendix A: Attendance**  **Market Support Metrics Working Group Meeting #1** | |
| **Company/Organization** | **Name** |
| 3C-REN | Erica Helson |
| 3C-REN | Jordan Garbayo |
| BayREN | Jennifer Berg |
| BayREN | Karen Kristiansson |
| Dan Buch | Cal Advocates |
| 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 |
| Grounded Research | Mary Sutter |
| Mendota Group | Grey Staples |
| NEEA | Jonathan Belais |
| Nexant | Dan Sperber |
| Nexant | Kimberly Rodriguez |
| PG&E | Ben Brown |
| PG&E | Rob Bohn |
| RCEA | Marianne Bithell |
| RCEA | Stephen Kullmann |
| SBUA | Ted Howard |
| SCE | Christopher Malotte |
| SCE | Patricia Neri |
| SDG&E | Elaine Allyn |
| SJVCEO | Samantha Dodero |
| SoCalGas | Art Montoya |
| SoCalREN | Cody Coeckelenbergh |
| The Energy Coalition | Chris Ford |
| The Energy Coalition | Craig Perkins |
| TRC | Myron Graessle |
| Viridis | Mabell Garcia Paine |
| Viridis | Don Arambula |
| **Ex Officio** | |
| CPUC | Alexander Merigan |
| CPUC | Sasha Merigan |
| CPUC | Daniel Buch |
| CPUC | Ely Jacobsohn |
| CPUC | Peng Gong |
| CPUC | Sophie Babka |
| **Facilitation Team** | |
| Raab Associates | Jonathan Raab |
| Concur, Inc. | Katie Abrams |
| **Other Attendees** | |
| Energy Efficiency Council (EEC) | Ron Garcia |
| Tierra Resource Consulting | Matthew Joyce |
| Tierra Resource Consulting | Nicholas Snyder |
| Yinsight | Carol Yin |
| SoCalGas | Allison Dourigan |
| SCE | Sonita Tan |
| Mark Wallenrod Consulting | Mark Wallenrod |
| Frontier Energy | Nancy Barba |
| Pacific Corp | Nancy Goddard |

**APPENDIX B: Home Work Assigment**

***Next steps and homework assignment – as described in email sent to all WG member leads, alternates, and ex-officio on 7/14/2021***

Fill out a blank matrix of Objectives and Metrics. **Ideally, you should work in small groups with other Working Group Member organizations—but are also free to work on your own**.  If you want your proposal considered by the broader Working Group,**it must be submitted by COB July 27th**. We will then compile the submissions and share with everyone.  As we mentioned, we may choose to do some preliminary indicative polling on the options before, during, and/or after the next meeting.

Specifically, we want you to use the CPUC definition of the Market Support Segment on the “Definitions & Principles” tab as a springboard and do the following:

1. At the **top of each column** provide what you see as an **essential “Objective**” to meet the overall Market Support Segment’s “***primary objective of supporting the long-term success of the energy efficiency market***.”  Also, as noted in Tuesday’s call if it helps you to think of these as the most important “**Sub-Objectives”**or**“Indicators of Success”**or**“Components” or**even **“Problem Statements”**that’s fine, we’re just using the term “Objectives” for short-hand (and as long as it helps you to subsequently organize and define the most important Segment Metrics).  Two important things to keep in mind:
   1. As we discussed keep the “Objectives” at the Market Support **Segment level** to the greatest extent possible (and not at the Sector or Program levels).
   2. Try to use **as few “Objectives” as necessary**—focusing more on what’s essential and avoiding less important Objectives
2. Then under each “Objective” include the **associated key Metrics** that should be used for that Objective. Three important things to keep in mind:
   1. As we discussed keep the “Metrics” at the **Market Support** **Segment level** to the greatest extent possible (and not at the Sector or Program levels).
   2. Try to use **as few “Metrics” as necessary for each Objective**—focusing more on what’s essential and avoiding Metrics with diminishing value
   3. Refer back to the **principles for setting good metrics in the Commission’s 2017 Order (Table 2)** on the “Definitions & Principles” tab plus our discussions on this during our kick-off meeting.
3. **Accompanying Word Document—**If you feel that what you did in the matrix is not completely self-explanatory, feel free to also provide an accompanying Word Document that describes what you are proposing and why.  We will also post these for review.