

CAEECC-Hosted Market Support
Metrics Working Group

Report and Recommendations to the
California Public Utilities Commission
and the Energy Efficiency Program
Administrators

October 6, 2021

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Section 1: Introduction and Overview

1.1 Working Group Charge and Overview

The charge of the Market Support Metrics Working Group (MSMWG) was to identify and define the most important Objectives and associated key Metric(s) for the new Market Support portfolio segment established in California Public Utilities Commission (CPUC) Decision 21-05-031. The Objectives and associated key Metric(s) for each objective will be used to support and provide rationale for portfolio segmentation and program design, as well as used for program benefit/value forecasting, tracking, and evaluation. Although the Working Group (WG) was not tasked with setting the specific numeric Targets for the Metric(s) used in each Program Administrator's (PA's) filing, the MSMWG did discuss and recommend a Principle on target-setting.

The full MSMWG met four times between July and September 2021. A sub-working group (sub-WG) focused primarily on developing key associated Metrics met four times. The sub-WG was convened by Cody Coeckelenbergh representing SoCalREN, Sophie Babka from Cal Advocates, and Mary Sutter representing BayREN. The culmination of the MSMWG is this Report submitted directly to the Commission and the Program Administrators (PAs).

As outlined in the Prospectus¹, and at the direction of the CPUC, the MSMWG was charged with answering the following key questions:

- **Objective and Metric(s) - setting questions**
 - What are the specific Objectives for each segment?
 - What are the specific associated key Metric(s) for each Objective?
 - For each Objective and key Metric(s) describe whether it will be expressed quantitatively, qualitatively, or a mixture of both—and when each will be established and by whom.
 - For each Objective and associated key Metric(s) describe whether its primary application is to justify portfolio segmentation and program design; forecasting of benefits/values from the budgeted program; tracking and evaluation; or some combination?
 - What must all PAs include in their filings with respect to Objectives, associated key Metrics, and Targets for Metrics, and under what conditions can PAs propose additional Objectives, Metrics, and Targets?
 - What should be the basis (i.e., principles and guidance) for the PAs to set their own Targets for associated key Metric(s) in their filing?

¹ See MSMWG landing page: <https://www.caeccc.org/market-support-metrics-wg>

- **Procedural questions:**
 - How will any non-consensus Objectives and/or associated key Metric(s) be addressed in the PA filings?

The California Energy Efficiency Coordinating Committee (CAEECC) ran two distinct but related Working Groups, one on Market Support Metrics and another on Equity Metrics. The Equity Metrics report can be found on the CAEECC website: <https://www.caeec.org/equity-metrics-working-group-meeting>.

1.2 Background on Newly Created Market Support Segment

On May 20, 2021, the California Public Utilities Commission (CPUC) unanimously approved Proposed Decision 21-05-031 on the “Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process” (in Rulemaking 13-11-005). The Decision directs PAs to “further segment their portfolios based on the primary program purpose, into the following three segments”: *Resource Acquisition, Market Support, and Equity*. The decision then directs CAEECC to form a Working Group “to develop and vet new reporting metrics for the market support and equity program categories that will be considered alongside the portfolio filings due from all program administrators in February 2022”.²

The Decision defines **Market Support** as “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”.³

The Decision creates a combined budget cap of 30% for Market Support and Equity segments⁴ per Program Administrator (excluding the Regional Energy Networks (RENs)). PAs must use the new portfolio segmentation categorization scheme for the interim budget filings (for program years 2022 and 2023) due November 2021, and for the Strategic Business Plan and Four-Year Portfolio (for program years 2024 and beyond) due February 15, 2022.

1.3 Report Outline

This report outlines the outcomes and recommendations of the MSMWG and is organized as follows:

² Page 84. The Decision also rules, with respect to PA requirements, that “All energy efficiency program administrators should be required to develop metrics and criteria for evaluating progress of all programs, with particular focus on market support and equity programs that may not have measurable energy savings” (page 65)

³ D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeec.org/cpuc-documents>. Page 14

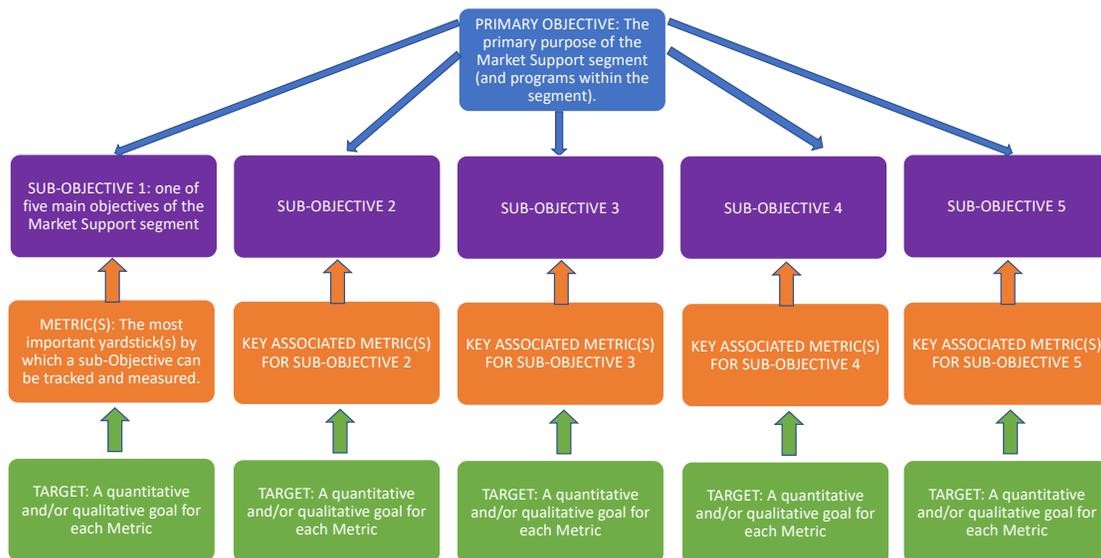
⁴ The Regional Energy Networks are exempt from the 30% portfolio cap. D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeec.org/cpuc-documents>. Page 2.

- Section 2: Principles
- Section 3: Primary Objective and Sub-Objectives
- Section 4: Metrics
- Section 5: Other Key Scope Questions
- Appendix A: MSMWG Member Organizations and Representatives
- Appendix B: Organization-Level Comments on Non-Consensus Option Choices

1.4 Structure of Primary Objective, Sub-Objectives, Metrics and Targets

Figure 1, below, illustrates the relationship between the primary Objective from the Commission Order, the five sub-Objectives proposed by the MSMWG that flow beneath the primary Objective, and the key Metric(s) associated with each sub-Objective that are also proposed herein by the MSMWG, and the targets tied to each of the Metrics that will eventually be proposed by Program Administrators.

Figure 1: Structure: Primary Objective, Sub-Objectives, Metrics, and Targets



The MSMWG chose this structure for the simultaneous flexibility and specificity it provides in ensuring that metrics are tied to the intent (sub-Objective) of a given program within the segment.

1.5 Approach to Seeking Consensus

The recommendations within this Report are made by consensus of the MSMWG Members (where consensus is defined as unanimity among the Member organizations), except for one instance noted in this document (a principal on target setting). Consistent with the MSMWG’s goals and Groundrules, we provide two or more options for that non-consensus recommendation and list the MSMWG Members that support each option. The non-consensus option descriptions and their rationales were drafted by the proponents of each option.

1.6 Working Group Members

The MSMWG’s nineteen voting member organizations and two Ex-Officio organizations shown in Table 1 are drawn largely but not exclusively from the CAEECC’s Membership. CAEECC also had an application process for interested non-CAEECC Member organizations to be part of the MSMWG, and those organizations have an * after their names. CAEECC Facilitators Dr. Jonathan Raab and Katie Abrams facilitated the MSMWG meetings. A list of the lead representatives and alternates for each MSMWG Member organization is provided in Appendix A.

Table 1: Market Support Metrics Working Group Member Organizations⁵

Organization
Bay Area Regional Energy Network (BayREN)
California Efficiency + Demand Management Council (CEDMC)
California Hub for Energy Efficiency Financing (CHEEF)*
Center for Sustainable Energy (CSE)
CodeCycle
Nexant*
Pacific Gas and Electric (PG&E)
Public Advocates Office (Cal Advocates)
Redwood Coast Energy Authority (RCEA)
San Diego Gas & Electric (SDGE)
San Joaquin Valley Clean Energy Organization (SJVCEO)
Small Business Utility Advocates (SBUA)
Southern California Edison (SCE)
Southern California Gas (SCG)
Southern California Regional Energy Network (SoCalREN)
The Energy Coalition

⁵ See Appendix A for a detailed list of each Market Support Metrics Work Group Member lead representative and alternate

The Mendota Group*
Tri-County Regional Energy Network (3C-REN)
Viridis Consulting*
Ex-Officio/Resource (non-voting):
California Energy Commission (CEC)
California Public Utilities Commission (CPUC)

Section 2: Principles

2.1 Background

This section includes a series of recommended Principles related to how to formulate and operationalize the sub-Objectives and Metrics within the new Market Support segment. In addition, although the MSMWG was not tasked with setting the specific numeric targets for the Metric(s) used in each PA's filing, the MSMWG discussed and proposed a Principle related to target-setting.

2.2 Consensus Principles Recommendations

Principle #1: Segment vs. Program

- A) New Market Support (MS) metrics proposed by the working group (WG) should focus on measuring performance of the overall segment, not of individual programs.
- B) 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.

Principle #2: Guidelines to Setting Metrics

- A) The recommendations of the WG should not prevent program and portfolio design flexibilities as this is important in the MS segment.
- B) Sub-objectives, metrics, and indicators can be revisited in the future to adjust as needed, in a to-be-determined stakeholder process.
- C) The MSMWG did not address all definitions and methodologies for the metrics so PAs should pursue the most cost-efficient and feasible approaches to collecting data

Principle #3: Relationship between Programs and sub-Objectives

- A) MS programs must have a primary focus 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"⁶ and serve at least one MS sub-objective.
- B) PAs may file [in a formal proceeding] additional or refined Market Support sub-Objectives and associated Metric(s) if and when they have a program that they believe fits into the overall Market Support segment but does not clearly fit into one or more of the sub-Objectives, after vetting through CAEECC.

⁶ D.21-05-031 "EE Potential & Goals and Portfolio Approval & Oversight". May 20, 2021. <https://www.caeec.org/cpuc-documents>. Page 14

Principle #4: Program Portfolios

- A) PAs (especially the Investor-Owned Utility Program Administrators (IOU-PAs)) are encouraged, but not required, to offer a portfolio of programs that support all 5 of the MS segment sub-Objectives.
- B) PAs must propose MS program-level metrics with targets in their applications that demonstrate progress toward segment defined sub-objectives in accordance with MS principles.⁷ PAs may also propose MS program-level indicators as appropriate.
- C) 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.
- D) Non-Resource Codes and Standards (C&S) activities should be segmented within C&S and not MS.
- E) The Market Support Segment should build and enable the foundation for future long-term energy savings that align with Commission and California climate policy.

Principle #5: Reporting

- A) PAs should begin tracking all MS relevant metrics and reporting on all MS metrics during program years 2022-2023. Note if a particular metric is not being addressed by any PA program it wouldn't have a value in the reporting.

2.3 Non-Consensus Principles Recommendation

Principle #6: Target-Setting

The MSMWG members are divided on the approach to target-setting for MS segment metrics. Two options are presented below for consideration. Members first choice as well as acceptable options are shown in the table below the option descriptions and their rationales.

Option 1: Targets will be set by the PAs for MS segment metrics following the collection of the first two program years of data (or a baseline has been set using reasonable proxy data).

All MS segment metrics should have meaningful targets based on available data. Since little or no data exists for new programs, pilots and/or programs still being designed, targets cannot be reasonably established. Similarly, existing programs that are moved into the MS segment may not necessarily have relevant data to be able to report on the newly determined MS segment metrics. PAs should have the time to collect baseline data so that targets are both appropriate and reportable. Additionally, D.18-05-041 OP9 allows for new or modified metrics or indicators to be proposed in annual budget advice letter filings. Therefore, tier 2 advice letters (such as the True Up Advice Letter) may be an appropriate avenue for also providing targets.

⁷ These could be drawn from Segment metrics, and/or additional metrics, as appropriate.

Option 2: In their Budget Applications, PAs will propose targets and/or set a date certain by which they will propose targets for all MS segment metrics.

All metrics proposed must have targets. The appropriate venue to propose and litigate targets is the budget application proceeding, where the evidence underlying proposed targets can be considered and alternatives proposed and considered. Most PAs already have the data and/or experience to set targets based on existing programs.

For any metrics that PAs think target setting isn't feasible without collecting baseline data, the proponents of Option 2 propose that the PAs include in their applications a proposal for a date certain by which the PAs will file a Petition for Modification (PFM) to the budget application decision. That PFM would include the proposed targets for each metric that had the targets deferred and include the evidentiary basis for the proposed target.

In addition, for those metrics that currently have uncertain baseline data, more significant adjustments to targets may be needed in the future after initial targets are set in applications or PFMs. The PAs should propose a process for making such adjustments (e.g., rely on the reporting requirements through CAEECC, use the annual reporting process to seek adjustment as needed, etc.) in their budget applications.

The MSMWG members who prefer each option and find each option acceptable are shown below in Table 2. In addition, some Working Group Members (indicated by a *) have provided comments on their option choices in Appendix B.

Table 2: MSMWG Support of Target-Setting Options 1 and 2

Target-Setting Option	First Choice Option	Acceptable Option
<p>Option 1: Targets will be set by the PAs for MS segment metrics following the collection of the first two program years of data (or a baseline has been set using reasonable proxy data). (15 first choice, 18 acceptable)</p>	<p>3C-REN BayREN CEDMC CHEEF Nexant PG&E* RCEA SCE SCG* SDGE* SJVCEO SoCalREN The Energy Coalition The Mendota Group* Viridis Consulting*</p>	<p>3C-REN BayREN CEDMC CHEEF CodeCycle CSE Nexant PG&E RCEA SBUA SCE SCG SDGE SJVCEO SoCalREN The Energy Coalition The Mendota Group Viridis Consulting</p>
<p>Option 2: In their Budget Applications, PAs will propose targets and/or set a date certain by which they will propose targets for all MS segment metrics. (4 first choice, 13 acceptable)</p>	<p>Cal Advocates CodeCycle CSE SBUA*</p>	<p>Cal Advocates CEDMC CHEEF CodeCycle CSE Nexant SBUA SJVCEO SoCalREN The Energy Coalition The Mendota Group Viridis Consulting SBUA</p>

Section 3: Primary Objective and Sub-Objectives

3.1 Background

CPUC Decision 21-05-031 defines the Market Support segment as “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”.⁸

The MSMWG used this language as a foundation for developing a high-level Primary Objective, as well as five sub-Objectives that capture the key activities the Market Support segment is intended to support.

3.2 Primary Objective Recommendations

The MSMWG recommends the following primary Objective for the Market Support segment: “Supporting the long-term success of the energy efficiency (EE) market”.

The Working Group proposes defining “EE Market” as “individuals and organizations participating in transactions around energy efficiency products or services including customers and market actors (which notably includes demand and supply side).”

3.3 Sub-Objectives Recommendations

The MSMWG recommends the following five sub-Objectives:

Sub-Objective #1: Demand

Build, enable, and maintain demand for energy efficient 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]

Sub-Objective #2: Supply

Build, enable, and maintain supply chains to increase the capability and motivation of market actors to supply energy efficient products, and/or services and to increase the ability, capability, and motivation of market actors to perform/ensure quality installations that optimizes energy efficiency savings. [Activity e.g., training contractors]

⁸ D.21-05-031 “EE Potential & Goals and Portfolio Approval & Oversight”. May 20, 2021. <https://www.caeec.org/cpuc-documents>. Page 14

Sub-Objective #3: Partnerships

Build, enable, and maintain partnerships with consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations and/or other entities to obtain delivery and/or funding efficiencies for energy efficiency products, and/or services and added value for partners. [Activity e.g., building partnerships]

Sub-Objective #4: Innovation and Accessibility

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

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]

Section 4: Metrics

4.1 Background

Metrics for the new Market Support segment will be used for justifying portfolio segmentation and program design, for the Market Support segment budget, and for program tracking and evaluation.

4.2 Metrics Recommendations

The MSMWG recommends a series of key associated Metrics for each of the five sub-Objectives. Each recommendation includes the following:

- Applicable existing Metrics that will continue to be tracked and data collected
- New Metrics with data that can be collected now (program outputs for relevant programs)
- New Metrics with data that needs to be collected later

Note: In developing the metrics, the MSMWG noted that there can be useful data in Marketing Education & Outreach (ME&O) and other evaluations.

Two sub-Objectives also include recommended indicators.

Metrics for Sub-Objective #1: Demand

Applicable Existing Metrics that will continue to be collected

There are not currently applicable existing metrics in this category.

New Metrics with data that can be collected now (program outputs for relevant programs)

- Number and % increase/decrease of inquiries and/or requests for information on EE products and services through relevant MS programs
- Number and % increase/decrease of customers receiving information, education, or outreach on EE projects, products, and services through relevant MS programs

New Metrics with data that needs to be collected later

- AKAB⁹ Survey to IOU Customers¹⁰
 - % 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 an EE product/service (attitude)

⁹ AKAB (Awareness, Knowledge, Attitudes, and Behavior) is a framework for understanding theory of behavior change

¹⁰ Any AKAB surveys for the MS segment should be led by single entity in a timely fashion with fidelity down to applicable PAs. It could be done by a contractor to Energy Division or by a lead PA.

- % of customer sample that has taken action towards obtaining EE product/service (behavior a)
- % of customers that have obtained EE products/services (behavior b)

Metrics for Sub-objective #2: Supply

Applicable Existing Metrics that will continue to be collected

Workforce Education & Training (WE&T) Common Metrics

- Number of collaborations by Business Plan sector to jointly develop or share training materials or resources.
- Number of participants by sector
- Percent of participation relative to eligible target population for curriculum
- Percent of total WE&T training program participants that meet the definition of disadvantaged worker.
- Percent of incentive dollars spent on contracts with a demonstrated commitment to provide career pathways to disadvantaged workers
- Number Career & Workforce Readiness (CWR) participants who have been employed for 12 months after receiving the training

New Metrics with data that can be collected now (program outputs for relevant programs)

- Number of Contractors (that serve in PA service territory) with knowledge and trained by relevant MS programs to provide quality installations that optimize EE

New Metrics with data that needs to be collected later

- AKAB survey to market actors around 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)
- AKAB survey to market actors around increased 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)

Metrics for Sub-objective #3: Partnerships

Applicable Existing Metrics that will continue to be collected

There are not currently applicable existing metrics in this category.

New Metrics with data that can be collected now (program outputs for relevant programs)

- Number of EE customers/market actors reached through partner networks and partner communications channels

New Metrics with data that needs to be collected later

- Assessed value of the partnership by partners
- % of partners that have taken action supporting energy efficiency

Indicators (for relevant programs)

- Number of partners by type and purpose
- Dollar value of non-ratepayer in kind funds/contributions utilized via partnerships

Metrics for Sub-objective #4: Innovation and Accessibility

Applicable Existing Metrics that will continue to be collected

ETP Common 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
- Et al

New Metrics with data that can be collected now (program outputs for relevant programs)

- Number of new, validated technologies recommended to CalTF¹¹
- Number of market support 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
- Cost effectiveness of a technology prior to market support programs relative to cost effectiveness of a technology after intervention by the market support programs (% change in cost effectiveness)

New Metrics with data that needs to be collected later¹²

- Percent market penetration of emerging/under-utilized or existing EE products or services
- Percent market participant aware of emerging/under-utilized or existing EE products or services
- Aggregated confidence level in performance verification by product, project, and service (for relevant programs)

Indicators (for relevant programs):

- Number of providers for performance verification services

Metrics for Sub-Objective #5: Access to Capital

Applicable Existing Indicators that will continue to be collected¹³

- Participant data, e.g. credit score, census tract income, CalEnviroScreen Scores of areas served, zip code
- Comparisons between market-rate capital vs. capital accessed via EE programs, e.g. interest rate, monthly payment

New Metrics with data that can be collected now (program outputs for relevant programs)

- Total projects completed/measures installed and dollar value of consolidated projects¹⁴
- Ratio of ratepayer funds allocated to private capital leveraged¹⁵
- Differential of cost defrayed from customers (e.g., difference between comparable market rate products and program products).

¹¹ "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.

¹² The MSMWG is recommending not setting targets for individual products and services, but for products and services collectively.

¹³ These indicators are currently collected only by CHEEF programs as required by the Commission and reported publicly. There may be additional pre-existing indicators/metrics (e.g., On-Bill Financing programs).

¹⁴ This indicator is currently collected only by CHEEF programs as required by the Commission and reported publicly. The MSMWG is recommending it become a formal Market Sector indicator.

¹⁵ Ibid

New Metrics with data that needs to be collected later

- % 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)

Section 5: Other Key Scope Questions

As discussed in Section 1, the Prospectus outlined a series of key questions for the MSMWG to address. Two key scope questions not specifically addressed elsewhere in this report include how Program Administrators and the Commission address non-consensus issues (including Principles and Metrics), and the distinction between Market Transformation and Market Support Objectives. The MSMWG recommendations on these topics are below.

5.1 How to Address Non-Consensus Issues in February 2022 Filings

The PAs will follow any consensus recommendations in developing their Market Support programs, metrics, and targets for their Business Plans/4 Year Applications to be filed in February 2022. The Commission, through the Energy Division, has implied that it is not planning to resolve any non-consensus issues prior to the February 2022 filings. If that is the case, on any non-consensus issues, the PAs will be free to use their best judgement but should either select one or the other option, or both, but should not propose a new and different option.

5.2 Distinction between Market Transformation and Market Support Objectives

The Center for Sustainable Energy initially developed the following distinction between Market Transformation (MT) and Market Support (MS) Objectives, which was reviewed, discussed, and is supported by the WG.

Background

The California energy efficiency (EE) market will benefit most from a collaborative approach between the Market Transformation Administrator (MTA) and EE Rolling Portfolio Program Administrators. The CPUC has indicated in several venues that it believes MT and the Market Support (MS) segment are separate and distinct efforts, however, further clarity on how stakeholders understand that distinction will help inform MS objectives and avoid duplication or a competitive environment.

Objectives

Develop a shared understanding on the general distinctions between Market Transformation Initiatives (MTI) and Market Support programs and determine whether objectives need to be clearly distinct.

D.09-09-047 Market Transformation Definition

D.09-09-047, p. 88- 89: “Market transformation is long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention

is no longer appropriate in that specific market. Market transformation includes promoting one set of efficient technologies, processes or building design approaches until they are adopted into codes and standards (or otherwise substantially adopted by the market), while also moving forward to bring the next generation of even more efficient technologies, processes or design solutions to the market.”

D.21-05-031 Market Support Definition

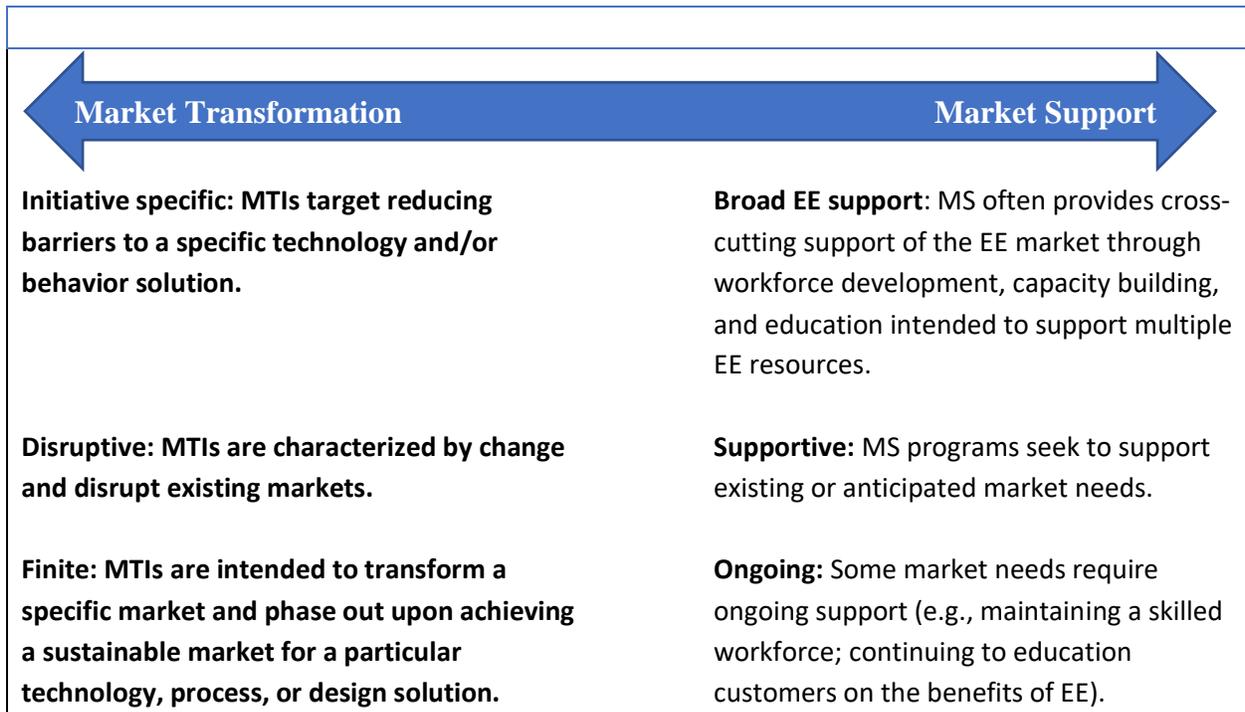
D.21-05-031, p. 14: “Market Support: Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.”

Working Group Recommendation on Distinction between Market Transformation vs Market Support Objectives

The California energy efficiency (EE) market will benefit most from a collaborative approach between the Market Transformation Administrator (MTA) and EE Rolling Portfolio Program Administrators. The CAEECC Working Group understands MT and the Market Support (MS) segment to be distinct efforts and offers the following guidance:

- MT and MS efforts will require ongoing and significant collaboration among administrators and stakeholders to be successful.
- MTIs and MS programs will not operate in silos and activities within each effort are anticipated to influence the other; including providing additional support or changing the needs of the EE market.
- Administrators should not be inhibited by rigid distinctions but should consider conceptual differences when designing MS programs and identifying MTIs.

Figure 2: Conceptual Distinctions between MT and MS



Appendix A: Working Group Member Organizations and Representatives

Organization	Lead	Alternate
Bay Area Regional Energy Network (BayREN)	Mary Sutter	Jenny Berg
California Efficiency + Demand Management Council (CEDMC)	Greg Wikler	Serj Berelson
California Hub for Energy Efficiency Financing (CHEEF)	Kaylee D'Amico	Bill Heberger
Center for Sustainable Energy (CSE)	Stephen Gunther	
CodeCycle	Dan Suyeyasu	
Nexant	Dan Sperber	Kimberly Rodriguez
Pacific Gas and Electric (PG&E)	Ben Brown	Rob Bohn
Public Advocates Office (Cal Advocates)	Dan Buch	Sophie Babka
Redwood Coast Energy Authority (RCEA)	Stephen Kullman	Marianne Bithell
San Diego Gas & Electric (SDGE)	Elaine Allyn	DeDe Henry
San Joaquin Valley Clean Energy Organization (SJVCEO)	Samantha Doderio	Courtney Kalashian
Small Business Utility Advocates (SBUA)	Ted Howard	Theo Love
Southern California Edison (SCE)	Christopher Malotte	Patty Neri
Southern California Gas (SCG)	Kevin Ehsani	Art Montoya/Halley Fitzpatrick
Southern California Regional Energy Network (SoCalREN)	Cody Coeckelenbergh	Patrick Ngo
The Energy Coalition	Craig Perkins	Chris Ford
The Mendota Group	Grey Staples	
Tri-County Regional Energy Network (3C-REN)	Erica Helson	Jordan Garbayo
Viridis Consulting	Mabell Garcia Paine	Don Arambula
Ex-Officio/Resource (non-voting):		
California Energy Commission (CEC)	Brian Samuelson	
California Public Utilities Commission (CPUC)	Ely Jacobsohn	Alexander Merigan/Peng Gong

Appendix B: Organization-Level Comments on Non-Consensus Option Choices

The comments below are intended as a supplement to the option descriptions in the body of the report; these comments represent individual Working Group Members' additional perspectives and commentary.

PG&E: PG&E strongly supports Option 1 for Principle 6 on target setting and recommends that the PAs submit targets in their 2023 true-up advice letter. This approach gives PAs a clear timeline for gathering the necessary information to provide targets and eliminates the need for additional regulatory filings. Both target-setting options require additional logistical details to be confirmed before baselines and targets for the survey-based (AKAB) metrics can reasonably be established. PG&E recommends having a stakeholder engagement process to work through the logistical details, including survey cadence, funding source(s), roles, and responsibilities.

SCG: Option 1 may read more accurately if the word "set" is replaced with "proposed," however the intent of this Option and its differentiation from Option 2 is clear with either word.

SDGE: MS segment metrics have been outlined. Without a baseline, we would not have a reasonableness of the targets. Setting them prior to baseline information would not lend itself to meaningful targets. The targets should be reported out through the annual report process.

The Mendota Group: Although we agree with Cal Advocates that proposed metrics should have targets, we are concerned that the metrics as written will be difficult for PA's to estimate and track. Therefore, we prefer deferring the requirement to provide targets to a later date. This is also why we are comfortable with the second part of the Cal Advocates proposal, namely for PA's to identify a date certain for filing PFMs, because this alternative could provide sufficient time to devise targets. In either case, the additional time will enable PAs to determine if the information is, indeed, available and trackable, and to devise appropriate targets.

SBUA: We prefer Option 2, while noting a potential concern that a Petition for Modification (PfM) could cause significant delay, and may dissuade certain potential bidders from participating in related solicitations. We recommend accelerating the PfM process when feasible.

Viridis Consulting: If we want to ensure success of the new portfolio and these new non-resource programs, we need to prioritize data over timing. In other words, the PAs will be able to set effective metrics (and implementers can come up with subsequent

effective KPIs) with real-world data. Slowing things down, allowing time to see how these programs run and then identifying metrics a couple of years out, will result in the most optimal portfolio results. On the other hand, setting metrics along at the same time as the program budgets, is not unreasonable. I just think it will create unnecessary issues that would not exist if we went with option 1.