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

**Equity Metrics Working Group (EMWG)**

**3rd Meeting of the WG**

**September 14, 2021 9:00-1:00**

*See Supporting Documents on* [*Meeting Page*](https://www.caeecc.org/9-14-21-equity-metrics-wg-mtg)

Facilitators: Dr. Scott McCreary & Katie Abrams, CONCUR

On September 14, 2021, the CAEECC hosted its third meeting of the Equity Metrics Working Group (EMWG) via WebEx. Thirty-six representatives from twenty-five WG Member organizations (including Leads, Alternates and Ex Officio) and seven members of the public participated. A full list of meeting attendees is provided in Appendix A.

For each sub-section below, key discussion points, outcomes, and agreements are summarized – drawing largely from a Word document associate facilitator Katie Abrams redlined live during much of the meeting. The original version of the document to which she added notes is available on the CAEECC meeting page (see link above to Meeting Materials, *9.14.21 EMWG Meeting Prep Document,* under “Documents Posted Before the Meeting”). The “Next Steps and Wrap Up” section below, captures next steps discussed throughout the meeting.

**Meeting Goals**

At the beginning of the meeting, CAEECC facilitator Scott McCreary welcomed WG participants to the third meeting. He opened the meeting by reviewing the agenda and WebEx “housekeeping” protocols. The primary goals of the meeting are to review & discuss Principles, finalize the Objective, and discuss priority metrics.

**Equity Workshop Recap**

Scott McCreary gave a brief overview of the August 31st Equity metrics workshop goals, participation, format, and outcomes. Additional details can be found in the workshop summary posted to the [8/31 meeting page](https://www.caeecc.org/8-31-21-equity-metrics-workshop).

**Principles and How to Operationalize Equity Objectives & Metrics**

Associate facilitator Katie Abrams presented a set of five Principles adapted from the Market Support Metrics Working Group.

Principles 1-5: Proposed text (redlined and in blue) and high-level summary of discussion:

1. **Segment vs. Program**
   1. Equity 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 Equity segment is performing against the primary objective.

High-level summary of discussion:

* + 1. Segment level metrics don’t preclude program level tracking

1. **Guidelines to setting metrics**
   1. The recommendations of the WG should not hinder program and portfolio design flexibilities as this is important in the Equity segment.
   2. Equity metrics and indicators can be revisited in the future to adjust as needed, in a TBD stakeholder process.

There were no comments or concerns with Principle #2.

1. **Program Portfolios**
   1. PAs and Program Implementers can develop their own additional Equity metrics to track the performance of their programs.
   2. Although Equity segment programs can contribute to Resource Acquisition program participation in the short and long term, Equity segment programs are not required to do so.
   3. The Equity 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 discussion:

* + 1. #3a: crisp up the language; consider revising to “…develop their own *additional* Equity metrics…” ; could be misleading as-written since implementers are required to track KPIs, and could be interpreted that the intent for metrics to be discretionary
    2. #3b: “Equity segment programs are not required to do so” merits further discussion and may be non-consensus

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

High-level summary of discussion:

* + 1. Presumes data is available, reliable, doesn’t violate privacy rules, etc.
    2. Consider crisping up language to clarify that intent is for 2022-2023 as “road-testing” years
    3. Open question of whether Equity metrics apply to programs that aren’t classified under the Equity segment
    4. Regarding how this would impact existing programs: PAs will need to categorize existing programs in the BBALs, and implementers would need to start gathering data in 2022

1. **Target setting**
   1. Option 1: PAs should not set targets for Equity 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 EMWG proposed metrics during the 2023 true-ups for the 2024-2027 cycle.
   2. Option 2: PAs should include targets with their Equity segment metrics with the Business Plan/4 Year Application filings.

High-level summary of discussion:

* Targets may need to change as we learn from first few years
* Likely non-consensus

***Next Steps to Finalize Principles***

* Principle #3a: consider crisping up language to clarify that segment-level metrics are not discretionary and that implementers still need KPIs
* Principle #3b: merits further discussion, and may be non-consensus
* Principle #4: consider clarifying intent that 2022-2023 are “road-testing” years
* Principle #5: likely to be non-consensus, though did not conduct formal testing
* All Principles: the language will be crisped up first at the 9/21 MSMWG meeting and then through the 9/21 EM sub-WG, time permitting

**Fundamental Definitions – and Update on Underserved Definition**

Katie Abrams summarized that Disadvantaged Communities (DAC) and Hard-to-Reach (HTR) have already been defined, but that Underserved remains defined and the WG needs to decide what approach to take, if any, to defining it in the final WG report.

Lara Ettenson, NRDC, reminded WG members that NRDC proposes aligning with the California Public Utilities Commission (CPUC) Environmental Social Justice (ESJ) Action Plan Definition, and noted that Program Administrators (PAs) can submit additional target customers that are not captured by the ESJ definition. A WG member proposed a possible reporting requirement for PAs to explicitly state what underserved groups each program targets.

Lara Ettenson summarized the following process choices for the EMWG final report:

* Option 1: Submit a summary of discussion points including definition proposal(s) – but don’t include specific options or a list of which organizations support which options
* Option 2: Create two or three options and let people sign up in support of their position

***Next Steps to Finalize the Underserved Definition***

The initial feedback by those who voiced their preference in the meeting was for option 2: create positions for defining underserved and have WG members state their preference.

**Segment Objective**

Lara Ettenson provided background on the sub-WG proposal, including survey questions regarding key verb choice, inclusion of economic growth opportunities, and community engagement. She explained the logic of one integrated objective: to avoid conflicting objectives and allow PAs to select whichever metric(s) best apply. WG members debated the merits of both sides and agreed with the approach of one integrated objective.

Emma Tome, California Air Resources Board (CARB) proposed an alternative. After discussing the tradeoffs of specificity vs broad language and where and how to specify target communities, the WG agreed to the following revised text: “For hard-to-reach, disadvantaged, and/or underserved individuals, households, businesses, and communities: address disparities in access to energy efficiency programs and workforce opportunities\*; promote resilience, health, comfort, safety, and/or energy savings; and reduce energy-related greenhouse gas and criteria pollutant emissions.”

High-level summary of discussion:

* There is broad support for “workforce opportunities” (more so than “economic growth opportunities”). One WG member suggested the clarification of adding beneficiaries of end-use services
  + \*Consider adding a footnote to define “workforce opportunities” to the effect of “workforce opportunities include opportunities for workers as well as for companies/non-profit for those eligible in this segment”
* The WG agreed that we while didn’t need to include community engagement in the Objective (the language around addressing disparities covers that portion) but still have not settled on whether there should be a Metric with a target, or whether “community engagement” should instead be an indicator or best practice

***Next Steps to Finalize the Objective***

The sub-WG will consider defining workforce opportunities, appropriate inclusion of community engagement, and/or refining the Objective language more broadly.

**Priority Metrics**

***Sub-WG Proposal on Metrics***

Lara Ettenson presented seven metrics, two indicators, and handful of best practices that could be adapted to serve as indicators. She explained that the sub-WG did not have time to fully discuss the metrics on health-safety-comfort, economic opportunities, and how to capture important aspects of equity (e.g., community engagement). Sub-WG members determined they could support two indicators (benefits per $, and climate benefits).

High-level summary of comments made by one or more WG members:

* Some of the proposed metrics are more like interventions
* WG needs to ensure metrics don’t have the unintended consequence of competing against each other
* Concern about GHG benefits potentially coming at the cost of directly serving target populations
* Consider adding metric for % (not just #) of target population, i.e. # HH, that receives benefits
* Indicators
  + Additional proposed indicator: leveraged program funds (as a way to show linkages to existing programs) - this aligns with MSMWG sub-objectives 3 and 5, so data from that segment could be applied to the Equity segment
  + Need to flesh out NEBs and community engagement

***BayREN Proposal on Metrics***

Scott McCreary invited Jenn Mitchell-Jackson, BayREN, to provide an overview of the late-breaking proposal she shared with the facilitation team the day before the meeting. Un particular he asked her to focus on similarities and differences with the sub-WG proposal. Jenn emphasized that BayREN’s proposal features nearly identical metrics, but is presented in a structurally different way, as it is structured around three key organizing questions.

The text below includes an excerpt from BayREN’s proposal (in blue), with inline notes from the WG discussion. It is organized into the three questions corresponding with their proposal’s structural approach.

Cross-cutting high-level summary of discussion

* Propose metric source (e.g. output based or survey based)
* Would M&V be built into program design, thus built into program costs? EM&V creates long time lags

***Q1: Who (which groups) are we serving with the equity programs and how are these groups being “served”?***

1. **Total # residential (SF or MF unit) equity-priority HHs served**

This should be recorded as either SF or MF, and also in one of three discrete categories that make up “equity-priority communities” **(*DAC, non-DAC HTR or other underserved).*** Record each HH only once at the highest level of engagement given the categories below. Categories TBD.

[ADD CATEGORIES/ how this will be tracked]

1. **Total # MF equity-priority buildings served**

This should be recorded in one of three discrete categories **(*DAC, non-DAC HTR or other underserved).*** Record each property only once at the highest level of engagement. Categories TBD.

[ADD CATEGORIES]

1. **Total # small business equity-priority buildings served**

This should be recorded in one of three discrete categories **(*DAC, non-DAC HTR or other underserved).*** Record each property only once at the highest level of engagement. Categories TBD.

[ADD CATEGORIES]

High-level summary of discussion:

* + Consider broadening to small-medium business (SMB) (or any business in DAC?) - if broadened, need to consider how to avoid serving, for example, a Lowe’s in a DAC (could serve thru resource adequacy (RA) programs to mitigate for negative impacts like air pollution)
  + Consider also calling out businesses in tribal communities

1. **Total # Ag or Ind. equity-priority customers served**

This should be recorded as Ag or Ind. in one of three discrete categories **(*DAC, non-DAC HTR or other underserved).*** Record each property only once at the highest level of engagement. Categories TBD.

[ADD CATEGORIES]

1. **Total # disadvantaged contractors or workers served**

This should be recorded by type of worker (contractor, student) in one of three discrete categories **(*DAC, non-DAC HTR or other underserved).*** Record each property only once at the highest level of engagement. Categories TBD.

[ADD CATEGORIES: trained, mentored or supported (not trained), resulted in contract or project]

High-level summary of discussion:

* + Add clarity/definition to disadvantaged contractors (what aspect of disadvantaged we’re trying to serve – the location or another dimension)[[1]](#footnote-1)
  + Diverse business enterprise (DBE) is a high bar but PAs can indirectly target by serving DACs
  + Consider adding Black Indigenous People of Color (BIPOC) (though that triggers Prop 209 for CCAs/public agencies)
  + Consider language “including but not limited to”
  + Focus on workforce pipeline and not just job placement
  + It will be difficult to capture this info because it relies on things like employee demographic surveys
  + Consider alternative to “served” such as “engaged”
  + Think through Market Support vs Equity programs, i.e., where does training programs for equity eligible workers belong?

1. **Total # disadvantaged communities (or community buildings or community groups) where the community is the targeted**

This should be recorded in one of three discrete categories **(*DAC, non-DAC HTR or other underserved).*** Record each property only once at the highest level of engagement. Categories TBD.

***Q2: Are equity programs leading to energy savings in the targeted equity populations (in the short-term)? Specifically…***

* 1. *What are the direct energy savings (GHG reductions) through CPUC funded programs?*
  2. *What are the expected bill savings from the participant perspective (claimed or unclaimed through the CPUC programs that track savings)?*

1. **GHG reductions (tons) [direct savings]**
2. Total kWh savings
3. Total therm savings

Total kW savings

High-level summary of discussion

* Should this be a metric or an indicator? If it’s a metric, then it will have a target, and should the target go up or down (i.e., is reducing energy the right goal, or would expected bill savings be more appropriate for this community?)
  + - Alternatively consider TSB as metric or indicator
  + Refocus as benefit to the customer, not higher/aggregate level

1. **Expected first-year bill savings in total $ for equity-priority communities**

*[Note: intent is to ensure relevant programs are designed to help the participant directly save money even if not through a CPUC program. Calcs would be prospective and compared to baseline conditions to focus upgrades on the most impactful measures/strategies. This is a broader or “more loose” calculation of energy savings that would include kits, etc.] [participant perspective/all savings]*

High-level summary of discussion

* + Need to determine a methodology to arrive at expected savings
  + Fuel substitution could have the unintended consequence of increasing usage if not tracked and reported carefully – would also need to think through propane
  + Consider moving this to a best practice or indicator and keep a metric for energy burden

***Q3: What are the “holistic” benefits from the equity programs (looking at them in more of a benefit/cost assessment where ideally, they would all be combined although we may not be able to monetize all benefits at this stage)?***

1. **Benefits to participants and to society as a whole (all A-F below in $ and units until units can be monetized) per dollars ($) spent**
2. Energy savings in dollars [*Note: intent is to ensure the best use of customer funds to yield the most benefit to the participant and/or community]* - “energy benefits”\*
3. GHG emission reductions in dollars – “climate benefits”\*
4. Health – “non-energy benefits” in “counts of customers reporting this benefit” until we can monetize. Reporting at least one of:
   1. Indoor air quality
   2. Outdoor air quality (e.g., reduction in emissions from gas combustion appliances that vent to nearby outdoor air)
   3. Reduction in mold
   4. Other
5. Comfort - “non-energy benefits” in “counts of customers reporting this benefit” until we can monetize. Reporting at least one of:
   1. Reduced drafts
   2. Quieter interior
   3. Managed interior temperature (e.g., cool during heatwave, warm during cold spell)
   4. Other
6. Safety -“non-energy benefits” in “counts of customers reporting this benefit” until we can monetize
7. Economic or other “non-energy benefits” (as proposed by the PAs or program) in dollars or “counts of customers reporting this benefit” until we can monetize

\*These should essentially agree with TSB and may really be one item.

High-level summary of discussion:

* Should “society as a whole” be included in the metric language?
* Consider fleshing out C-F
  + Focus on things that are readily measurable and tied to an industry standard. ESA has been working on HSC – leverage their work
  + Identify metric tracking source (e.g., partnerships)
* Concern about PAs proposing non-energy benefits (NEBs), since historically were previously considered “too squishy”
  + Not all NEBs should be customer-reported success (e.g. drafts)
  + Concern that PAs must report cost (effectiveness?) of Equity segment
    - Suggestion to discuss offline on how to approach using templates

***Next Steps to Finalize Metrics***

The sub-WG will discuss and refine the metrics in the BayREN proposal for the full WG’s consideration at the final meeting.

**Wrap-Up and Next Steps**

* **Final report**
  1. WG members to email Katie <katie@concurinc.net> suggested edits, in redline, on the annotated draft outline by noon 9/17
  2. Facilitation team to post draft report by COB 9/27
  3. WG members to review and come ready to discuss and finalize at 9/29 mtg
* **Sub-WG**
  1. **Proposed meeting topics** 
     1. *Health, Comfort, Safety* (further develop metrics and refine language into crisp proposal)
     2. *Economic opportunities* (refine language in objective – and determine if consensus or two options, and develop proposal for incorporation into metrics)
     3. *Best practices vs. principles vs. indicators vs. metrics* (how best to capture important aspects of equity if not ripe for metrics, e.g., community engagement, prioritizing customers and communities in greatest need, climate resiliency, grid reliability, and SDOH; and what are implications for tracking vs reporting)
     4. *Principles* (refine #3 and 4), identify any additional if needed
  2. **Schedule** 
     1. Sub-WG meeting scheduled for Tues 9/21 2-4pm
     2. WG members who are not currently part of the sub-WG but would like to join should email Lara <lettenson@nrdc.org> and Katie <katie@concurinc.net> by COB Monday 9/20
     3. Sub-WG to send proposed text by noon Thursday 9/23
     4. Facilitation team will review, compile, and post updated mtg materials before final mtg 9/29
* **Meeting Summary** – facilitation team to post by COB 9/20; WG members to provide edits by COB 9/24

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| **Appendix A: Attendance**   |  |  | | --- | --- | | **9.14.21 Equity Metrics WG Mtg #3** | | | **Working Group Members & Alternates** | | | **Organization** | **Name** | | 3C-REN | Alejandra Tellez | | BayREN | Jenn Mitchell-Jackson | | CalPA | Daniel Buch | | CalPA | Augustus Clements | | CEDMC | Serj Berelson | | Code Cycle | Dan Suyeyasu | | CSE | Fabi Lao | | CSE | Stephen Gunther | | Energy Efficiency Council | Allan Rago | | Energy Efficiency Council | Ron Garcia | | High Sierra Energy Foundation | Pam Bold | | MCE | Stephanie Chen | | NRDC | Julia de Lamare | | NRDC | Lara Ettenson | | PGE | Lucy Morris | | RCEA | Aisha Cissna | | Resource Innovations | Corey Grace | | SBUA | Ted Howard | | SCE | Christopher Malotte | | SCE | Patricia Neri | | Silent Running | James Dodenhoff | | SJVCEO | Courtney Kalashian | | SoCalGas | Halley Fitzpatrick | | SoCalGas | Kevin Ehsani | | SoCalREN | Lujuana Medina | | SoCalREN | Sheena Tran | | The Energy Coalition | Melanie Peck | | TRC | Sophia Hartkopf, TRC | | Viridis | Mabell Paine | | **Ex-Officio** | | | CARB | Emma Tome | | CEC | Aparna Menon | | CEC | Brian Samuelson | | CPUC | Nils Strindberg | | CPUC | Jason Symonds | | CPUC | Peter Franzese | | CPUC | Ely Jacobsohn | | **Facilitators** | | | Concur, Inc. | Scott McCreary | | Concur, Inc. | Katie Abrams | | **Other Stakeholders** | | | Lincus | Cody Coeckelenbergh | | PGE | Lindsey Tillisch | | PGE | Robert Marcial | | SCE | Carol Edwards | | Tierra Resource Consulting | Gabriela Limon | | Tierra Resource Consulting | Steven Nguyen | | Yinsight | Carol Yin | |

1. Disadvantaged worker definition from D.19-08-006, Attachment B, p.6: “Disadvantaged Worker” means a worker that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool. [↑](#footnote-ref-1)