



Equity and Market Support Working Group (EMSWG) Meeting #6

January 31, 2024 | 9:00 AM - 12:00 PM PT

Hosted by California Energy Efficiency Coordinating Committee (CAEECC)

Introductions



In the **chat**, please introduce yourself with your:

- Name and pronouns
- Organization

Meeting Goals

1

**Review results of
Equity Indicators
Survey**

2

**Finalize
recommendations on
Equity Indicators**

3

**Test for consensus
on Market Support
Indicator Definitions**

Agenda

Time	Topic
9:00	Welcome
9:05	Topic 1: Overview of Equity Indicators Survey Results
9:25	Topic 2: Equity Indicators related to Savings
10:00	Topic 3: Method to Account for Nonclaimable Savings
10:20	BREAK
10:30	Topic 4: Counting Multi-family Participants and Clarifying “by sector”
11:00	Topic 5: Discussion on Collaboration
11:20	Topic 6: Testing for Consensus on Market Support Definitions
11:55	Wrap Up, Next Steps, and Adjourn

Topic 1: Overview of Equity Indicators Survey Results

Near Consensus Items

- Uses for Indicator data
- Definition of "equity target participant"
- More guidance (or at least more agreement) on how to report on the Indicators is needed
- Avoid redundant reporting practices
- Do not use an average rate across PAs to calculate bill savings / use PA-specific rates to calculate bill savings
- Use total number of sector participants as the denominator for Equity Indicators #11 and 12

No Consensus Among the Working Group

- Whether more guidance is needed from the Commission on equity definitions (i.e., hard-to-reach, disadvantaged community, and underserved) - generally it seems there is enough guidance on what to collect, but there may be benefit in further discussing feasibility and cost to collect data. WG members identified privacy concerns and lack of trust and barriers to collecting data.
- How to report on statewide programs (this issue is not unique to Indicators)
- Which savings values to report and how to report (i.e., CEDARS, EM&V Annual Report), including whether and how to capture nonclaimable savings
- How to count multi-family participants

Topic 2: Equity Indicators related to Savings

Application of Equity Indicator Survey Results

Equity Indicator #2: *Sum of equity target participants' expected first-year bill savings in equity segment, by sector*

- Responses to Survey Question #19 (how to calculate bill savings for Equity Indicator #2) indicated near consensus to calculate bill savings using forecasted (i.e., ex ante) first-year gross energy savings
- Using ex ante first-year gross savings (presumably from CEDARS) would mean:
 - a. Equity Indicator #2 will not capture bill increases because it is not possible to capture bill increases on an ex ante basis through CEDARS
 - b. Equity Indicators #5-9 should also use ex ante gross first-year savings values so that the reported values relate and are consistent; nonclaimable savings would not be included because these are not captured in ex ante gross savings values in CEDARS

What are your reactions to the following statements:

1. Equity Indicator #2 (*Sum of equity target participants expected first-year bill savings in equity segment, by sector; Q, S*) should be calculated with ex ante, first-year gross savings values and a PA-specific electric or gas rate
2. For consistency with Equity Indicator #2, Equity Indicators #5-9 (covering GHG reductions, energy savings, and Total System Benefit) should be reported as ex ante, first-year gross values
3. It is acceptable not to capture energy use increases, bill increases, or nonclaimable savings in Equity Indicators #2 and 5-9

Live-edit Notes:

- Ex ante values in CEDARS may not accurately capture baselines and conditions for equity segment participants; could Home Energy Reports or Home Energy Score provide insight on equity segment savings?
- HER savings depend on a very large sample population; not clear that it could be applied to a smaller subpopulation; not sure if bill data can be captured
- Meter-based, quasi-experimental design may not apply to the equity segment; population NMEC approach might not apply well either
- Acknowledge that all ex ante values are imperfect so if the data are good enough for other reporting requirements, why wouldn't it apply for the equity segment?
- For savings claims, CEDARS is the best that we have
- By the nature of equity and market support programs, many may not result in energy savings for TSB → challenge is addressing what is the best way to report the benefits of equity and market support programs
- May want to distinguish electric and gas bill savings - but folks get one bill so may want to keep a single number (but recognize that both electric and gas savings are needed to calculate the total); keep things simple for reporting
- Calculation methods and inputs must be transparent
- Additional context around equity segment achievements can be captured outside of CEDARS
- For fuel substitution projects, might mask savings values; don't want individual values to be taken out of context

Topic 3: Method to Account for Nonclaimable savings

Discussion Questions:

1. What is the purpose of capturing nonclaimable savings in the Equity Indicators? Put another way, why is it important to capture and make available data about nonclaimable savings?
2. What methods are PAs already using to calculate and report nonclaimable savings? Should/could these be used by other PAs?

Live-edit Notes:

- SoCalREN reports claimed savings (via CEDARS), channeled savings (from MS programs to other RA programs), nonclaimable savings (developed and implemented but not claimed possibly due to policy or an expired workpaper) - mostly being done through Annual Reports
- Nonclaimable savings use same methods as claimed and channeled savings (e.g., old workpapers or models)
- Not all PAs report nonclaimable savings in Annual Report currently
- Would nonclaimable savings relate to program interventions that support savings to happen elsewhere? Indirect savings would be difficult to quantify
- For nonclaimable savings, consider it an intervention that directly results in savings but for some reason, those savings are not claimed (e.g., policy, lack of supporting data, retired measure) (PG&E and SDG&E) - uploading to CEDARS is not a viable option because of checks on reporting that data
- Could report incentives for nonclaimable savings via CEDARS; if not reporting savings, cannot report other benefits (in CEDARS)
- Other venues for reporting: presentation(s) at CAEECC, include another tab in a workbook uploaded to CEDARS that report program achievements not captured in CEDARS (this would be complicated)
- Lack of a shared definition of "nonclaimable savings" would make any reporting challenging - majority of PAs do not report now
- Some Indicators might be more "estimated" than others - want to tell a story across the Indicators, rather than consider them individually only; recognize that not all benefits are claimed
- When considering what to report, come back to the purpose of Indicators being to hold programs and PAs accountability → are rough estimates able to create accountability?
- Understanding the nonclaimable savings in the Equity segment helps to highlight a need to better serve the Equity segment (in the case that a lot of nonclaimable savings are happening)
- In a future conversation, talk about what types of savings that should be captured for the equity segment and how to get that data

Break
(10 min)

Next Topic: Counting
Multi-family Participants and
Clarifying "by sector"

Topic 4: Counting Multi-family Participants and Clarifying "by sector"

Approaches to Count Multi-family Participants

1. Count individual participating units
2. Count whole multi-family buildings
3. Count both individual units and whole buildings separately (i.e., do not report together)

Survey responses showed that a majority of respondents think that only individual units should be counted as multi-family participants; some respondents noted that whole buildings should also be counted, albeit separately from individual units

There is an analogous issue with counting participants in the Public Sector - i.e., what unit(s) to count and whether different units should be combined

Context on Sectors

- Equity Indicators #1-4, 10, and 13 specify "by sector;" these would be reported quarterly at the Segment level
- Equity Indicators #11 and 12 specify "by residential single-family / multi-family and commercial sector;" these would be reported annually at the portfolio level
- Sectors currently (as defined by the CPUC and available in CEDARS) include:
 - Residential - inclusive of single- and multi-family
 - Commercial - inclusive of small, medium, and large commercial
 - Public
 - Agricultural
 - Industrial
 - Cross-cutting (Finance, WE&T, IDSM, C&S)

Discussion Questions:

1. How are multi-family participants already counted and reported in the portfolio? Can that be applied to the Equity Indicators?
2. Should Public Sector participants be counted as projects, facilities, AND local government jurisdictions, and reported together under Equity Indicator 1?
3. Should multi-family participants be distinguished as a separate sector in the quarterly reporting for Equity Indicators #1-4, 10, and 13?

Live-edit Notes:

- Currently MF projects are counted as individual units; whole buildings are not counted; multiple participants within one building/project are reported individually (SCE)
- Counting any one variation doesn't tell the whole story of a program's interventions and impact
- How are interventions in common areas counted?
- In CEDARS, each claim as a building type; residential includes single-fam, multi-fam, and mobile home; (might also say "any"); building type can also include MF common area or generic res; don't need a new flag in CEDARS to capture MF
- CEDARS, however, isn't able to capture everything that wants to be reported in Indicators; CEDARS won't be able to capture participants without savings
- Counts meant to capture people touched, not necessarily widget installed; counts of participants won't align with savings → more discussion is needed to clarify who counts as a participant because the number of people impacted by an EE intervention may extend beyond the person on the application (for example, school children, other people in the household)
- Also more discussion needed on how to report Indicators - PAs need to configure their systems
- Any discussion to change CEDARS should involve people on that team (Amy Reardon)
- In theory, could put in a blank line with a dummy custom measure code to capture participants, would add a lot of lines with many zeros; done for non-resource projects
- Is it possible to report each unique unit? Perhaps in a spreadsheet/workbook rather than through CEDARS
- Could reporting start at a higher level and become more granular in the future
- In CEDARS, can use normalizing unit and number of units - might add some new options to capture count
- CEDARS has a document upload area that could accommodate a quarterly workbook upload
- No need for a separate sector for multifamily in CEDARS now; building type can be used to distinguish MF and other subsectors

Topic 5: Discussion on Collaboration

Recap on Defining "Collaboration"

- The Working Group did not reach consensus on whether "collaboration" and "partnership" should be defined in the same way. Multiple PAs look at the relationships the same way (i.e., as contractual and non-contractual agreements to work together); PG&E distinguishes collaborations as non-contractual relationships whereas partnerships are contracted agreements.
- If "collaboration" and "partnership" are defined in the same way, then there would be confusion between Market Support Indicator #13 and Market Support Indicator #1
- If "collaboration and "partnership" are distinguished as non-contractual vs contractual relationships, some working relationships/partnerships/collaborations may not be counted within the Market Support Indicators
- *A missing perspective within the Working Group is the entities with which these partnerships and collaborations are occurring. It may be appropriate to consult with these entities about how their relationships are counted/considered by the Commission, PAs, and other stakeholders.*

Clarifying Application of Market Support Indicator #13

Market Support Indicator #13 - Number of collaborations, with a contextual description, by business plan sector to jointly develop or share training materials or resources (A, P)

- This Indicator already exists as a Common Metric applied to Workforce Education and Training (WE&T) programs. It is not clear whether Market Support Indicator #13 should continue to apply only to WE&T programs, or if it should be expanded to also assess other program areas. Continuing to limit the Indicator to WE&T would allow for longitudinal study of the WE&T program data. Expanding the Indicator beyond WE&T would capture information from collaborations in other programs (e.g., New Construction, Quality Installation / Quality Management)
- *Per one Working Group member - there may be value in continuing to report this Indicator in both Common Metrics and Market Support Indicators (but applied to different program types); however, having a similar Indicator across two different reporting requirements could cause confusion in understanding the differences in the values reported*

Discussion Questions

1. Are Working Group members ready to make a decision about how to define "collaboration"? If not, what additional information or actions are needed to support decision-making?
2. Given the language included in Market Support Indicator #13, what is the scope of programs that should be captured?

Live-edit Notes:

- For PG&E, "contracted" means having a legal contract; MOU does not count as a contracted relationship
- Collaboration could include MOU or informal partnership; still need documentation; collaboration partners could have a different interest in work being done
- Partnership could be someone contracted; can use type of partner; partners are invested in shared outcomes
- Collaboration only appears in MS #13; limiting "partnerships" to contracted relationships mean that related Indicators only capture information about contracted partners and creates an information gap for more informal working relationships
- General support for defining partnership to include both informal and formal relationships
- When thinking about clarifications - Are the distinctions capturing value and not double counting

Topic 6: Testing for Consensus on Market Support Definitions

"Partnership" Definitions:

1. Agreement between at least two entities to engage in a mutually beneficial relationship within the context of EE products, services, education, and/or training
2. The partnership may or may not be legally contracted
3. In cases where a partnership is not contracted, PAs have other documents/materials demonstrating agreement to work together

MS #2	Dollar value of non-ratepayer in-kind funds/contributions utilized via partnerships (A, P)
MS #20	Assessed value of the partnership by partners (A, P)

Test for Consensus:

- Is there any disagreement with the way that "partnership" is defined?

"Partner" Definition:

1. Entity engaged in partnerships including and not limited to educational institutions/organizations, governments, community-based organizations, advocates, suppliers, manufacturers, contractors (see "Type")

MS #1	Number of partners by type and purposes (Q, P)
MS #18	Percentage of partners that have taken action supporting energy efficiency by type (Q, P)
MS #20	Assessed value of the partnership by partners (A, P)

Test for Consensus:

- Is there any disagreement with the way that "partner" is defined?

"Type" Definition

1. "Type" is used to describe the nature of a partner or partnership
2. In reference to type of partner, this includes and is not limited to:
 - a. Advocate
 - b. Community-based organization
 - c. Community choice aggregator
 - d. Contractor
 - e. Customer
 - f. Educational institution/organization
 - g. Government
 - h. Lending agency
 - i. Manufacturer
 - j. Supplier
3. In reference to the type of partnership, this includes and is not limited to:
 - a. Contracted
 - b. MOU
 - c. Informal

Test for Consensus:

- Is there any disagreement with the way that "type" is defined?

"Purpose" Definition

1. What the partnership seeks to achieve
2. Includes and is not limited to:
 - a. Deliver EE products
 - b. Outreach
 - c. Education
 - d. Job training
 - e. Diversify funding options
 - f. Program enrollment

Test for Consensus:

- Is there any disagreement with the way that "purpose" is defined?

"Non-ratepayer in-kind funds/contributions" Definitions

1. "Non-ratepayer in-kind contributions" refers to goods, services, and other tangible assets that are provided for free or at less than the usual charge (Source).
2. "Non-ratepayer in-kind funds" refers to monetary contributions offered for free (e.g., through a grant)

MS #2

Dollar value of non-ratepayer in-kind funds/contributions utilized via partnerships (A, P)

Test for Consensus:

- Is there any disagreement with the way that "non-ratepayer in-kind funds/contributions" is defined?

"Market-rate Capital" Definitions

1. Financing obtained from private investors, financial institutions, or capital markets at prevailing market interest rates that reflect the current economic conditions and risks associated with the investment.
2. The market rate, defined as the rate of interest, on a loan or investment which is commonly available on the market for that product. For a loan, the market rate is the average rate of interest that will be charged to the receiver from a variety of providers (Source).

MS #25

Comparisons between market-rate capital vs. capital accessed via energy efficiency programs (e.g., interest rate, monthly payment) (A, P)

Test for Consensus:

- Is there any disagreement with the way that "market-rate capital" is defined?

"Capital Accessed via EE Programs" Definitions

1. Financing acquired solely through EE initiatives and projects (e.g., energy performance contracts, utility programs and rebates, green bonds).

MS #25

Comparisons between market-rate capital vs. capital accessed via energy efficiency programs (e.g., interest rate, monthly payment) (A, P)

Test for Consensus:

- Is there any disagreement with the way that "capital accessed via EE programs" is defined?

"Private Capital" Definitions

1. Money owned or controlled by an individual person or a commercial company
2. Private capital does not include federal or state funding
3. For discussion: Does private capital include the customer's contributions from their own individual capital?

MS #17

Ratio of ratepayer funds expended to private capital leveraged by sector (Q, P)

Test for Consensus:

- Is there any disagreement with the way that "private" is defined?

Wrap Up & Next Steps

Recap of the day

Meeting Objectives:

1. Review results of Equity Indicator Survey
2. Finalize recommendations on Equity Indicators
3. Test for consensus on Market Support Indicator definitions

What to expect next

- We will be meeting on **February 21 from 9am - 12pm PT.**
 - *Please be on the lookout for any potential Homework between now and then.*
- Meeting #6 Summary will be posted by February 6.

If you have any questions, please contact sooji@common-spark.com.

THANK YOU.

Next Meeting: February 21 at 9am

Appendix: Near Consensus Items from the Equity Indicator Survey

Most respondents agreed that

Information in reporting Equity Indicators will support:

- Understanding the impact of Equity segment programs across PAs
- Ensuring accountability for dollars spent in the Equity segment
- Ensuring PAs make adjustments to Equity segment programs based on Indicator data
- Development of goals for the Equity segment

The definitions of the following terms are:

- Equity target participant: meets CPUC-adopted criteria for being HTR, located in a DAC, or underserved and is a participant in an Equity, Market Support, or RA segment program.
- Equity segment participant: does not have to be HTR, DAC, or underserved but must be a participant in an Equity segment program.
- Equity market participant: is HTR, DAC, or underserved and is a participant in an Equity segment program.

Most respondents agreed that

For Equity Indicator #2: Sum of equity target participants' expected first-year bill savings in equity segment, by sector

- Equity Indicator #2 should be calculated using forecasted (i.e., ex ante) first-year gross energy savings values.
- "Negative" bill savings (i.e., bill increases), if they occur, should be included in the calculation of Equity Indicator #2.
 - *Additional recommendation: Use EM&V study to evaluate bill impacts*
- This statement - "A sector-specific electric or gas rate averaged across PAs should be used to calculate customer bill savings. This means that all PAs would use the same sector-specific electric or gas rate to calculate Indicator #2" - is not accurate.
- A PA-specific, sector-specific electric or gas rate should be used to calculate customer bill savings
 - *Additional recommendation: Collect by IOU service territory*
- For any Equity segment programs that are not intended to directly result in energy savings, it is not necessary to calculate or report Equity Indicator #2.

Most respondents agreed that

For Equity Indicators #5 - 9: Sum of all equity segment participants' GHG reductions (in tons of CO2 equivalent) / kilowatt hour (kWh) savings / kW savings / therm savings / TSB in equity segment.

- For any Equity segment programs that are not intended to directly result in energy savings, it is not necessary to include those programs in the calculation of Equity Indicators #5-9.
 - *Additional recommendation: Only include claimable savings*
 - *Additional recommendation: PAs should develop standardized measures for nonclaimable savings to facilitate comparison.*

Most respondents agreed that

For Equity Indicator #11: Percent of hard-to-reach customer participants in portfolio, by residential single family / multi-family and commercial sector

- The denominator used to calculate Equity Indicator #11 should be: Total number of program participants at the sector level (i.e., single-family residential, multi-family residential, commercial).

Most respondents agreed that

For Equity Indicator #12: Percent of disadvantaged community customer participants in portfolio, by residential single-family / multifamily and commercial sector

- The denominator used to calculate Equity Indicator #12 should be: Total number of program participants at the sector level (i.e., single-family residential, multi-family residential, commercial).
- During Meeting #3, someone noted that 67% of DAC households are located in Southern California and 33% are in Northern California. Because Equity Indicator #12 is calculated as a percentage, this would not impact a reader's ability to interpret and understand the reported Indicator data.