**Explanation for SBUA Recommended Market Support Objective and Metric**

Small Business Utility Advocates (SBUA) generally supports the CalPA proposed objectives and metrics, contingent upon modifications to those objectives and metrics as discussed in the first Market Support WG meeting.

SBUA recommends adding an additional objective and metric:

**Objective:** Achieving energy efficiency savings for customers in relative proportion to which they value those energy efficiency savings

**Metric:** Achieve EE savings in a customer sub-sector in same proportion as the sub-sector Net to Gross (NTG) Ratio relative to average customer sector NTG ratio. For example, for HTR/DAC customers in the commercial sector, the NTG is .85, and the average commercial sector customer NTG is .60. The relative value that HTR/DAC commercial customers place on EE savings vis a vis the average commercial customers is 1.4 times greater (.85/.60 = 1.4). In this example, the metric would be to achieve EE savings for HTR/DAC commercial customers

CPUC currently calculates HTR/DAC NTG values for only residential and commercial customers, and consequently this objective and metric might only be applied for residential and commercial HTR/DAC customers.

However, similar NTG metrics might be determined for other customer sectors, including:

Environmental Social Justice (ESJ) Communities

Industrial

Public

Agriculture

Schools

Transmission-, Distribution-, or Generation-Constrained Areas

Water-Energy Measures

Also, residential customers metrics could be further refined to single-family versus multi-family NTG ratios, and commercial metrics can be further refined to small, medium, and large NTG ratios.

Furthermore, residential sector could be refined into end use NTG ratios, such as:

\* Lighting

\* Appliances

\* Central AC

\* New Construction

Commercial sector could be refined into end use NTG ratios, such as:

\* Lighting

\* HVAC

\* Refrigeration

\* New Construction

However, to facilitate the implementation of this objective, it is recommended that the initial focus start with residential HTR/DAC customers and small commercial HTR/DAC customers, as well ESJ communities. Extending the objective and metrics to other customer segments could be subsequently evaluated and considered.

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