CAEECC EMSWG Meeting #3 Summary

Date: Wednesday, December 6, 2023
Time: 1:00 - 4:00 pm PT

On December 6, 2023, the Equity & Market Support Working Group (EMSWG) met for its third Meeting via Zoom. There were over 30 attendees, including representatives from 17 EMSWG Member organizations and 3 representatives from Ex-Officio agencies, as well as 13 Members of the Public *(see Appendix A for a full list of meeting attendees)*. This meeting was facilitated by Katie Wu (Wu) of Common Spark Consulting and supported by Sooji Yang (Yang) and Suhaila Sikand (Sikand) of Common Spark Consulting.

Supporting meeting materials are available at: https://www.caeecc.org/equity-market-support-wg-mtg-3. Relevant materials include:

- Agenda (*12-6-2023 EMSWG Meeting #3 - Agenda (posted 11-29-2023)*)
- Slide Deck (*12-6-2023 EMSWG Meeting #3 - Slide Deck (posted 11-29-2023)*)

Overview

Key Meeting Takeaways:

- For Equity Indicators #5-9, Members discussed which savings and benefits variables should be reported (e.g., gross, net, lifecycle, first-year, etc.) and uplifted the need to capture and report on non-claimable savings.
- For Equity Indicators #11-12, Members discussed what information the Indicators should provide and shared a few options for denominators to use in the calculation and/or percentages to portray different data, and raised concerns about the challenges of collecting data relating to the HTR qualifiers as it requires first-hand customer information that may not be readily available.
- Members shared a number of items to return to or prioritize for homework and upcoming meetings.

This meeting summary is intended to capture this meeting's discussion of ideas, concerns, alternative options for proposals and consensus; it is a high-level summary and not a transcript.

Key acronyms used in this document include California Energy Efficiency Coordinating Committee (CAEECC), California Public Utilities Commission (CPUC), Energy Division (ED), energy efficiency (EE), working group (WG), disadvantaged communities (DAC) and hard-to-reach (HTR) communities, CPUC's Environmental and Social Justice Action Plan (ESJ Action Plan), Program Administrator (PA), Investor-owned utilities (IOU), Regional

Energy Network (REN), community-based organization (CBO), Disadvantaged Communities Advisory Group (DACAG), and Total System Benefits (TSB).

Welcome & Introductions

Slides 1 - 4

Wu welcomed and introduced participants to the third meeting of the EMSWG, and asked participants to introduce themselves through the chat.

Wu noted that the Facilitation Team will create a document of emerging recommendations as homework for WG Members to consider ahead of the WG meetings starting mid-January. A Member raised concern about whether the WG is at the point of making recommendations, especially considering the need to establish a common understanding of terms and quantification methods before making recommendations.

Wu presented the meeting objectives, which included:

1. Clarify specific related to Equity Indicators #2, #5-9, and #11-12
2. Identify any remaining barriers to reporting on Equity Indicators

To achieve meeting objectives, the Facilitation Team developed the following agenda:

- Welcome
- Topic 1: Equity Indicator #2
- Topic 2: Equity Indicators #5-9
- Topic 3: Equity Indicators #11-12
- Bike Rack Items
- Wrap Up and Next Steps

Topic 1: Equity Indicator #2

Slides 5 - 7

Wu presented Equity Indicator #2 along with discussion questions to consider:

- *What inputs are needed to calculate this Indicator?*
- *Should an average electric rate be used across PAs to calculate this value? If so, what is the methodology for determining the average rate (presumably on a $/kWh) by which to calculate bill savings? How will non-IOU PA's determine/obtain "average rate" information?*
- *Is this expected bill savings (by segment) for ALL target participants in each sector equity segment programs? Or average bill savings for individual participants?*
- *Is there a data field within CEDARS to capture this "average rate"? If not, can a field be added?*

Summary of Discussion on Equity Indicator #2

- A Member suggested addressing Equity Indicators #5-9 (Topic 2) before addressing Equity Indicator #2 (Topic 1) as the values used to calculate energy savings are an input to calculate bill savings.
    - Wu and several Members agreed and moved to Topic 2.

Topic 2: Equity Indicators #5-9

Slides 8 - 10

Sum of all equity segment participants' _______________ in equity segment.

- *Equity Indicator #5: greenhouse gas reductions (in tons of carbon dioxide equivalent)*
- *Equity Indicator #6: kilowatt hour (kWh) savings*
- *Equity Indicator #7: kW savings*
- *Equity Indicator #8: Therm savings*
- *Equity Indicator #9: TSB*

Wu presented Equity Indicators #5-9 which address GHG reductions, energy savings, and TSB (total system benefits), with the following discussion questions:

1. *How should PAs reconcile significant differences across Equity Indicators #5-9 (e.g. first-year vs lifecycle, net vs gross, forecast vs evaluated)?*
2. *When Indicator results are compared across PAs, what will the reader be able to understand? What information is needed to ensure consistent interpretation by readers, if any?*

Summary of Discussion on Topic 2

- Wu asked if all the variables to calculate savings and TSB (first-year, lifecycle, net, and gross) are in CEDARS. A few Members noted that they are and are reported on a quarterly basis. Another Member noted that though all the information is in CEDARS, PAs will need to know which variables to select and provide in reports to the CPUC.
- A Member recommended using first-year gross values (i.e., expected savings or benefits in the first year that an energy efficiency measure is installed, unadjusted for program influence) as the variable to provide a starting point to determine bill savings, and noted that these Indicators are for "equity segment participants," which includes non-eligible participants in Equity programs. This Member noted that when calculating bill savings, using gross energy savings provides the perspective of the participant's experience, using net savings would account for programmatic impact, and using lifecycle savings would not be as helpful due to uncertainty about future electric and gas rates. Another Member supported this recommendation to use first-year gross values, noting that understanding the participant's experience helps meet the Equity segment sub-objective of

promoting energy savings. A few other Members questioned why gross savings are important to report on.

- A Member raised a question about prioritizing the values that stakeholders would want to use versus including all the variables that may not be useful for most, and suggested that net savings may be more useful for these Indicators to better understand program influence.
- A Member from Energy Division recommended reporting on all the variables (i.e., first-year and lifecycle gross and net values) because there are different use cases for different stakeholders. Another Member supported this idea, especially if the Indicators are reported at the portfolio level.
    - Wu asked for clarification on whether the reported savings values are forecasted pre-installation (also referred to as "ex ante" values) numbers since evaluated numbers (also referred to as "ex post" values) are not analyzed and reported until several years after program implementation. A Member clarified that ex ante values are used to estimate what is going to happen in the future while ex post values are confirmed through an evaluation, and the electronic Technical Reference Manual (E-TRM) database contains many ex ante values but it lacks program-specific data (e.g., participation rates) so using CEDARS would be the more appropriate reporting approach.
- A Member asked PAs if it's already known how bill savings will be calculated.
    - Wu replied that while this is being clarified in parallel to the energy savings Indicators, the calculation of the bill savings would be based on the energy savings value. She noted that Equity Indicators #2 and #10 is about "equity target participants." Another Member noted hoping that the "bill savings" data reported is granular enough to be meaningful and not mask reductions or increases in any category of the bill.
- A Member asked whether the intent is to collect these Indicators separately from CEDARS, and whether there is duplicative effort with reporting on the Common Metrics.
    - Wu replied that Common Metrics are not specific to Equity segment programs, as the Equity Indicators are; in CEDARS, values can be reported by program.
- A few Members in the chat discussed TSB, noting that 22 of the 48 Equity segment programs show TSB in the initial filings for the 2024-2027 programs, and that TSB includes expected savings (either electric and/or gas) and "systems benefits" from Avoided Gas Infrastructure Cost and Refrigerant Leakage.
- Several Members discussed a concern about non-claimable savings (often relating to late adopters) not being captured in CEDARS, despite being a focus of some Equity programs and part of the participant's experience. A Member noted that there may be alternative solutions to capture these savings, such as through Custom projects or normalized metered energy consumption (NMEC) approaches, but it may require more investment than desired to try to claim these

savings. This Member noted another alternative would be to continue reporting them (separate from CEDARS) without claiming the savings.

- A Member noted that there will be “equity segment participants” in Equity programs that create claimable savings so it is important that PAs are tasked to aggregate claimable and non-claimable information and to see to what extent these participants are benefitting from energy savings.
- A Member noted that using Custom projects or NMEC approaches creates a significant administrative burden and cost but since Resource Innovations does not have cost-effectiveness requirements, it can offer a program (but within a reasonable budget). This Member added that non-claimable savings should be distinguished from gross savings.
    - To a question about whether non-claimable savings are included within gross savings estimates, a Member noted that to get to gross estimates, realization rates are applied to adjust forecasted energy savings so the gross savings values seen on CEDARS is an adjusted number. (facilitator’s note: *understanding is that gross savings estimates do not include non-claimable savings.*)
- A Member noted that it has taken almost 11 months to configure PG&E's systems to accept non-claimable savings data from their program. Another Member commented that SoCalREN uses an annual report to report non-claimable Equity and Market Support savings.
- A Member from Energy Division commented that the CPUC would probably have no objections to including non-claimable savings to calculate Equity Indicators #5-9 but will need to define what they are and how they can be consistently compared and understood across PAs. A Member added that it would be helpful to categorize and specify non-claimable savings in the Indicator reporting process.
- A Member suggested having a PA, e.g., SoCalREN or BayREN, walk the WG through an existing Equity program to help contextualize the program interventions and challenges relating to the Indicators.
- A Member noted that SoCalREN typically bases non-claimable savings on engineering numbers such as gross savings, especially on the unique value metrics to demonstrate how RENs are serving Equity customers.
- A Member asked what the value of non-claiming savings are if they have not been approved by the Commission and are self-reported without scrutiny. A few Members replied that the CPUC made it clear that interventions for Equity segment customers are important even if they don’t create directly measurable energy savings, and that non-claimable savings also result from actions taken by Equity segment customers who weren’t able to take advantage of programs, measures, or benefits because they sunset in the Resource Acquisition segment. Another Member noted that from an equity standpoint, there needs to be real-life benefits to Equity segment customers.

- A Member suggested reporting on one set of numbers that tie to CEDARS and another set of "reported" but not claimed savings. Another Member supported this idea, and questioned the importance of tracking savings and whether it is enough to track the number of dollars spent on Equity customers and the number of participants. A few Members replied that the main objective of the Indicators is to understand PA performance and encourage accountability for the dollars spent. A Member from Energy Division noted that the objective of the next Business Plan cycle would be to establish goals for the Equity and Market Support segments to help hold PAs accountable for those segment activities; there's uncertainty about whether the goals would include non-claimable savings, and whether the Indicators could change when goals are adopted. This Member noted that the CPUC would be interested in seeing how participants are engaged even if they are not participating in a program that will claim savings.

- A Member suggested as an option for claimable savings is to capture first-year gross and first-year net, to which another Member agreed.
- A Member asked in the chat what should be measured and whether actions to ensure real-world benefits (e.g., cost savings, GHG reductions) should be determined first before measuring them.

Wu provided a mid-discussion recap, hearing the need for further discussion about whether reporting on these Indicators should occur in a discrete report or through CEDARS and other existing reports; support for using first-year gross savings; support for reporting all of the related data points; noting that savings will be reported as forecasted ex ante values rather than ex post values; and the need for further discussion on capturing non-claimable savings though this would require more work and investment to do so.

- A Member noted that customer education is not captured in these Indicators, to which another Member added that there needs to be transparency on any increases in line items on bills, in terms of absolutes and rates.
- Wu asked whether the WG preferred the first option to collect on first-year gross savings or the second option to report on all of the data points.
  - A few Members noted that it is not too difficult to report on all the data points as only a pivot table needs to be created on CEDARS since all the information is already in there. One Member raised concern about whether more data points would support a better understanding of Equity and Market Segment programs, considering there are already more than 300 Common Metrics. A Member from Energy Division noted that the CPUC is working on procuring an energy efficiency technical consultant to help visualize information on and make improvements to CEDARS.
  - A few Members supported the idea to start with a smaller volume of data points and then increase over time, considering that many stakeholders (some of whom may be new to the energy efficiency space) may be

interested in seeing Equity Indicator data and prefer seeing the perspective of the participants. A Member from Energy Division disagreed with the idea.

- A Member asked whether there is an expectation for a separate report on these Indicators. A Member from Energy Division replied that further discussion about how to operationalize the Indicators and reporting is needed, potentially outside of the WG, such as through the Reporting Program Coordination Group. Wu asked if the Indicators relating to energy and GHG savings would still be reported through CEDARS as part of PAs' quarterly claims, even if they are also reported out separately, to which a Member confirmed that the data would be reported through quarterly claims.
- A Member suggested reporting actual anticipated bill savings, rather than gross and net (which are adjusted values), for Equity Indicators #5-9, elaborating that gross lifecycle calculations are discounted for reasons such as remaining useful life and should not apply to Equity segment participants, and that net-to-gross ratios can't be applied in the Equity segment the same way as in Resource Acquisition programs. Another Member commented that she'd be interested in better understanding the methods to calculate bill savings and how non-resource (i.e., non-energy) benefits are considered.

Wu then launched a Zoom poll to gauge, as a starting point, the meeting participants' preferences for which variables to collect on Equity Indicators #5-9 (e.g., net, gross, first-year, lifecycle). The figures below show the Zoom poll results for the five questions. As a starting point, meeting participants find that for Equity Indicators #5-9, first-year gross and lifecycle gross values should be reported and first-year net and lifecycle net values should not be reported. There was not a strong preference for whether or not the Equity and Market Support Indicators should be reported in a separate report. A Member suggested working through these questions and responses in a huddle and then presenting it to the full WG for an asynchronous poll, and/or creating packages of reporting pathways for the WG to consider, and adding a question about reporting separately claimable and non-claimable savings. A Member from Energy Division agreed.

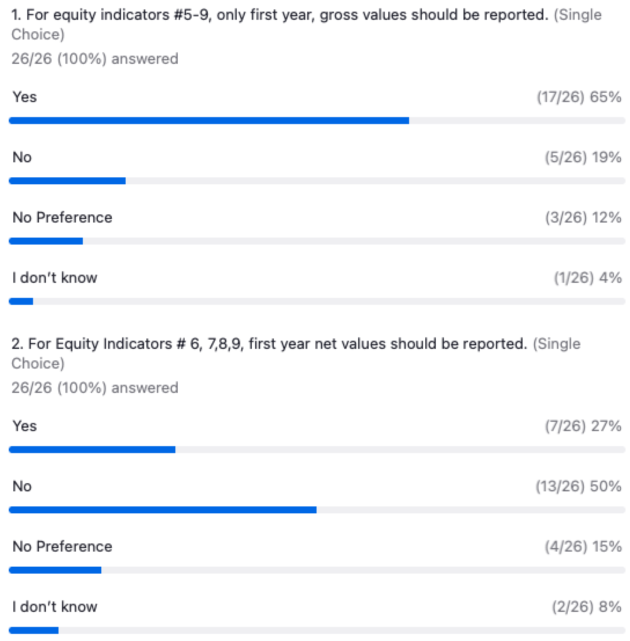

Figure 1. Questions 1-2

Figure 2. Questions 3-5

Topic 3: Equity Indicators #11-12

Slides 12 - 14

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

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

Wu presented Equity Indicators #11-12, along with the discussion questions:

1. How do the overlapping definitions between "hard-to-reach" and "disadvantaged community" affect reporting on these Indicators?
2. In the PAs' starting proposals, the numerator is consistent for the Indicators but the denominator is split between “Count of all customers” and “Count of all participants” – how should this be reconciled?
3. What new data needs to be collected to report on these Indicators, if any?

Summary of Discussion on Equity Indicators #11-12

- A Member commented that the definitions of HTR and DAC are separate definitions that do not warrant too much concern about overlap.
- A Member raised an issue of how data will be used and what data is intended to be captured, noting that a customer can be double-counted as both DAC and HTR. This same Member also noted that calculating a population of HTR customers to use as a denominator to calculate a percentage is a challenge, and results can be uncertain as there are multiple geographic and non-geographic criteria that may be met for a customer to be considered HTR (e.g., address located in a DAC, and/or primary language used other than English and located in a multifamily building). A few Members agreed with these statements.
    - A Member questioned whether DAC and HTR can be combined as DAC is just one criteria in determining whether someone is HTR, to which another Member replied that DAC and HTR represent more of a Venn diagram as DAC can be a subset of HTR. A Member from Energy Division questioned what the concern about double counting is as data would show a count of customers in each of the categories.
    - A Member suggested tracking customers by individual identifiers and checking if they meet DAC, HTR, and/or underserved.
- Several Members made suggestions on what the denominator used to calculate the percentage in Equity Indicators #11 and #12 could be: the total number of participants in a program (to show the change in participation of HTR and DAC customers over time as a percentage of the total number of program participants); the total number of all customers in a service territory (to track HTR and DAC participants relative to overall customer population); and the total number of HTR or DAC customers in a service territory (to derive how well HTR and DAC are targeted, but there's concern of whether PAs have information on all of the HTR criteria).
- A Member noted that the definitions of underserved shared in Grounded Research's memo do not include criteria for determining who is considered underserved in the large commercial, industrial, and agricultural sectors, which is important as women-, minority-, and veteran-owned businesses and businesses in low-wealth, rural, and disaster-impacted communities included in a state or federal emergency declaration or proclamation may also be considered undeserved. Including these qualifiers opens up a broader group of people to understand who the underserved population is. This Member noted that it is a non-geographic based requirement, which is distinct from DAC and HTR criteria.
- Several Members raised the question about defining participants within a multifamily program for segment Indicators, especially as some Equity criteria apply to an entire property (geographic) versus individual units (language, renter, income, etc.) A Member suggested differentiating customers by single-family homeowners, commercial building owners, renters, and landlords. Another Member added that the previous WGs differentiated the Indicators for tenants

and buildings. A Member noted that there is a similar issue with the Public Sector where the previous Indicator language said building/project but now says "participant."
- A Member asked what use cases there are to use HTR and DAC data separately.

Wu provided a mid-discussion recap, hearing that it may make more sense to report Equity Indicators #11-12 by program as opposed to at the portfolio level; that some starting options for the denominator include: the total population of HTR or DAC customers, total number of program participants, number of customers within a PA service territory, and number of participants within a PA service territory; and that defining HTR is not as straightforward as DAC because non-geographic requirement data needs to be collected.

- A Member noted that percentages do not tell a full story as the state would not have the ability to look at individual performance within any program nor program effectiveness in terms of Justice40 goals. This Member suggested that hard numbers need to be "both/and" so that there are absolute values of all customers in a PA service territory and relative values comparing participants to other customers that qualify as HTR, DAC, and/or underserved.
- A Member in the chat asked about how the 2023 claimed data in CEDARS features more variables than was previously available, where the actual values for the new variables (e.g., Bill Reduction Electric and Bill Reduction Gas) come from, and whether these new variables can be used to calculate Indicators addressing the bill savings. Another Member replied that the bill reductions are calculated by the Cost-effectiveness Tool (CET) based on the reported energy savings and are used as cost inputs to the Ratepayer Impact Measure (RIM) test; however, the electric and gas rates tables used in the CET may not have been updated in many years so the results (bill reduction and RIM ratio) may not be currently usable for the Indicators.
- A Member noted that the total population of HTR customers in a service territory is unknown and difficult to calculate because first-hand customer information (e.g., primary language spoken, renter, business size) isn't known for non-participants and may be difficult to collect for programs that provide education and information.
- A Member suggested seeing the percentage as the number of HTR customers served in a portfolio divided by the total number of customers served in the portfolio for the given segment (e.g., single-family residential, multi-family residential, and commercial) and doesn't consider the percent of HTR customers served over the total number of HTR customers as an Indicator of Equity.
    - A Member agreed with this comment as it reinforces the idea that equity is always in relationship and targeted universalism is the goal (to serve and benefit those who have been historically underserved).
    - A Member added that 67% of DAC households are in SoCal and 33% are in NorCal, so it is important to consider how readers will perceive this and compare the PAs.

Wu then launched a Zoom poll to gauge, as a starting point, the meeting participants' preference for what denominator should be used for Equity Indicators #11-12. The figures below show the Zoom poll results for the two questions. The majority of meeting participants noted that the total number of program participants at the sector level should be used. A few Members raised concern about whether PAs are able to produce a number of HTR customers for a given Equity program.

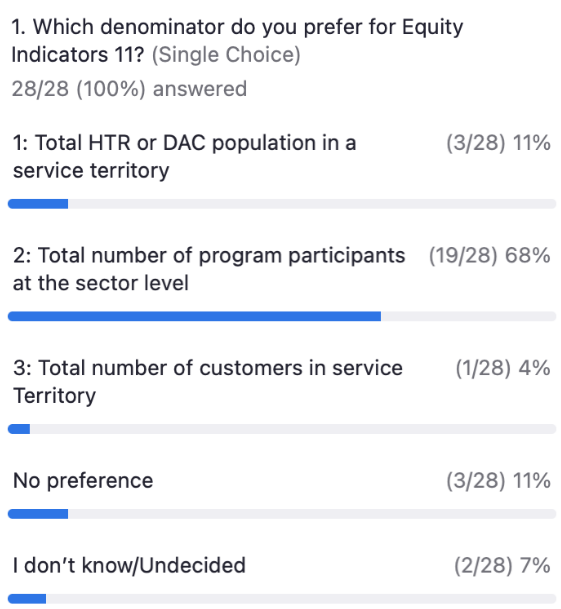

Figure 3. Question about Equity Indicator #11

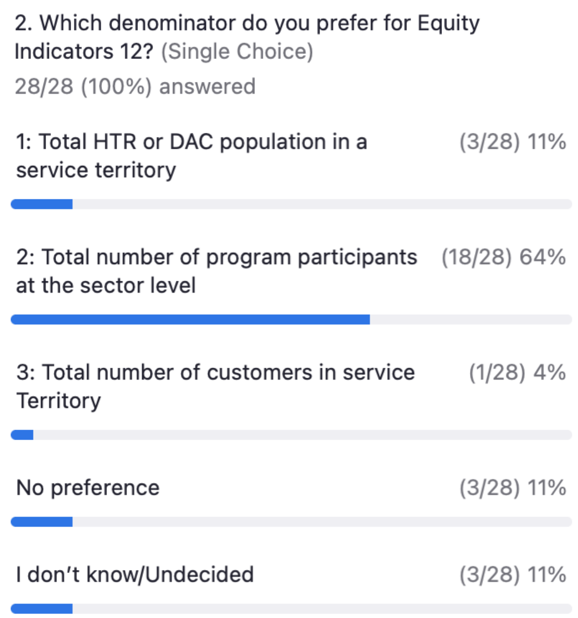

Figure 4. Question about Equity Indicator #12

Bike Rack Items

Slides 15 - 16

Wu asked participants to share any items to prioritize or return to in the follow-up homework and/or future meetings. Responses included:

- Methodology to account for non-claimable savings
- Treatment of statewide programs in reporting
- How to count multifamily sector participants
- Labeling issues with Indicators that are calculated by "sector" (e.g., sector is shown as single-family residential, multifamily residential in Equity Indicators #11-12 but these are subsegments of the residential sector)
- How to calculate annual bill savings and determine who is benefiting
- Measuring the benefits of decarbonization, fuel-substitution, and renewable energy installations
- Considering connections or application backlog as an Equity Indicator

Wrap Up and Next Steps

Slides 17 - 20

Wu provided a recap of the day, reminded participants of the meeting objectives, and shared next steps, including:

- Meeting #2 and Meeting #3 Summaries will be posted on December 12 and 13, respectively.
- Homework that includes emerging recommendations will be issued before the next meeting.
- Meeting #4 will be held on January 17, 2024 from 9am-12pm PT.

Appendix A: Attendees

Organization	Name
CAEECC Members	
3C-REN	Erica Helson
AMBAG	Amaury Berteaud
BayREN	Mary Sutter
Mendota Group	Grey Staples
Oracle	David Siddiqui
PG&E	Moses Gastelum
RCEA/RuralREN	Stephen Kullmann
Resource Innovations	Chrissy Crowell
SBUA	Ted Howard
SCE	Gary Golden
SDG&E	Stephanie Guiterrez
Silent Running LLC	James Dodenhoff
SoCalGas	Halley Fitzpatrick
SoCalREN	Patrick Ngo
The Energy Coalition	Rebecca Hausheer
The Energy Coalition	Natalie Espinoza
William Worthen Foundation	Alice Sung
Ex-Officio	
CPUC	Pam Rittelmeyer
CPUC, Energy Division	Ely Jacobsohn
Cal Advocates	James Ahlstedt

Other Interested Stakeholders	
SDCP	Aisha Cissna
ICF	Cody Coeckelenbergh
Frontier Energy	Conor Moar
SDG&E	Jen Palombo
BayREN	Jenn Mitchell-Jackson
Frontier Energy	Jesse Farber-Eger
ICF	Jesse Feinberg
Frontier Energy	Margaret Marchant
SDG&E	Matt Saintarbor
Frontier Energy	Nancy Barba
PG&E	Rob Bohn
SoCalGas	Sandra Gonzalez
SoCalRen	Tessa Charnofsky
Facilitators	
Katie Wu	Common Spark Consulting
Sooji Yang	Common Spark Consulting
Suhaila Sikand	Common Spark Consulting