**California Energy Efficiency Coordinating Committee-Hosted Working Group on Underserved Customers**

**3rd Meeting of the Phase 1 WG**

**October 13, 2020, 1:30-3:30**

*See Meeting Supporting Documents on* [*Meeting Page*](https://www.caeecc.org/10-13-20-uwg-mtg)

Facilitators: Dr. Scott McCreary & Katie Abrams, CONCUR Inc.

On October 13th, 2020, the CAEECC hosted its third meeting of the phase 1 Underserved Working Group (UWG or WG) via WebEx. Nineteen WG Members (including Leads, Proxies and Ex Officio) participated in the meeting as panelists. Twelve additional members of the public also participated. A full list of meeting registrants is provided in Appendix A.

Meeting materials are provided on the CAEECC website at: <https://www.caeecc.org/10-13-20-uwg-mtg>

In this document, the majority of the discussion is captured without attribution. In some cases, the affiliation of the speaker is identified, because their affiliation is relevant to the comment.

For each sub-section below, key discussion points and agreements are summarized. Most conversation is captured without attribution, unless the affiliation of the speaker is relevant to the conversation.

The “Next Steps and Wrap Up” section below, captures next steps discussed throughout the meeting.

# AGENDA REVIEW AND CONTEXT FOR UWG

S. McCreary provided an overview of the agenda and goals for the meeting.

L. Ettenson explained the role of this WG is to analyze the hypothesis that certain sectors, including SMB, Public, and Residential are underserved. Three sub-WGs are conducting an analysis to determine if customers are being left behind, and if so, what next steps should be taken. J. Berg added that there are a number of different definitions of underserved and hard-to-reach, which is yet another purpose for this working group. L. Ettenson offered to provide additional context and background on this WG or CAEECC more broadly offline.

# REVIEW AND CONFIRM PARTICIPANT LIST

K. Abrams shared the latest version of the participant list and requested members and other interested stakeholders email [katie@concurinc.net](mailto:katie@concurinc.net) (facilitation team) any requested changes by COB Friday October 23, 2020. The spreadsheet is available on the meeting webpage (see link above, *CAEECC UWG Participant List\_10.9.2020,* under “Documents Posted Before the Meeting”).

# RESEARCH UPDATE OVERVIEW

S. McCreary briefly summarized research recruitment status, timing, and main points of contacts as follows:

* *SMB*: UC Irvine leading analysis (Ed Coulson, UC Irvine and Theo Love, Green Energy Economics Group), analysis expected late November/early December
* *Public Sector*: UCSB leading analysis (Chris Malotte, SCE), detailed work plan expected December 2020 and analysis early summer 2021
* *Residential*: UC Davis leading analysis (Lara Ettenson, NRDC), analysis expected December 2020

# SMB

K. Abrams shared a document showing outstanding questions for the SMB sector, including proposed or working definitions of SMB and underserved, and how to link data sets to those definitions. The Word document is available on the meeting page(see link above, *SMB Demarcation Proposal for 10.13.20 Meeting,* under “Documents Posted Before the Meeting”). She reiterated that the goal of the analysis is to inform data-driven policy recommendations, with an ultimate goal of better serving the underserved. N. Strindberg provided definitions of HTR used by the CPUC, which the CAEECC Facilitators used as the basis of a document available on the meeting page (see link above, *HTR Definitions,* under “Documents Posted After the Meeting”).

K. Abrams introduced the lead Underserved sub-WG on SMB researchers Ed Coulson, Professor at University of California, Irvine and Theo Love of Green Energy Economics. They provided a presentation updating the WG on the status of their research, outstanding questions, and proposed timeline. The presentation is available on the meeting page(see link above, *SMB Gap Analysis Update 2020-10-09v2,* under “Documents Posted Before the Meeting”).

As part of the presentation, S. McCreary facilitated a discussion with T. Love and the working group at large on data needs. The following key questions on data needs & definitions and scope of analysis were discussed:

**Data Needs & Definitions**

**How can the researchers tie the data set (which demarcates businesses by rate class) to the SMB definitions (which are based on energy usage)?**

* *T. Love explained that in CEDARS, there’s a rate schedule for electric (including small commercial, small industrial, agriculture, residential, and commercial), and another for gas (including residential, small commercial, and commercial). The file within containing customer accounts by zipcode uses cryptic codes and does not have a data dictionary. For example, in the “rate class” column does “C” refer to commercial? How does the CEDARS rate schedule translate to the SMB definition based on energy usage by zip code? The research team needs to answer this within a week or so to be able to continue the analysis.*
* *T. Love requested a more detailed data dictionary for both CEDARS and the zip code customer accounts excel file (i.e., definitions of codes and categories). Members and participants are requested to add information to the spreadsheet “Appendix A – Data Sources” at the* [*google drive link*](https://drive.google.com/drive/folders/1XDbIrv8RsrrN4vbYFqEGKQstXgqEpgQi) *provided on the 9/16/2020 UWG mini-sub-SMB Meeting Page*
* *For reference (for the SMB definition) a member noted that 20 kW is a reasonable benchmark for the energy usage of a typical small convenience store.*

**Has the research team been able to access all data needed at this stage?**

* *E Coulson noted he tried to access data but had difficulty accessing ID numbers and other organization registration website. C. Malotte offered to schedule a meeting with SCE’s program manager who oversees data request intakes, since data requests often require iterations. E. Coulson will seek to access the data because demographics is a critical element of this analysis.*

**Is the zip code customer accounts data sufficiently detailed to distinguish among? across small, medium, and large accounts? Or does it bundle all commercial customers?**

* *See T. Love’s question above about needing a data dictionary to understand which categories or classes of customers are included in the data.*

**How should “underserved” be defined? Which criteria from CEDARS should be included as underserved variables – landlord/tenant, participation in upstream/midstream programs, and other characteristics?**

* *L. Ettenson summarized the analysis should include the following parameters: economic data (i.e., income), racial data (i.e., disadvantaged as defined by CalEnviroScreen or Departments of Consumer Affairs), and rental vs ownership status (this may be challenging to find in available datasets).*
* *T. Love pointed to the workplan as a starting point for defining underserved characteristics, which includes participation, energy savings, and investments; demographic characteristics like low- vs. high-income, geographic characteristics like urban vs. rural, and business types and industries (refined using NAICS). T. Love invited members and participants to provide feedback on the work plan.*
* *A member requested the analysis include disadvantaged vs. non-disadvantaged communities, including racial and other characteristics. E. Coulson confirmed this will be included.*
* *A member advised that certified minority-owned businesses are included in state databases that can be cross-referenced with geographic information.*
* *A member requested the analysis include a geographic parameter of marginalized communities, as well as cross-referencing the minority-owned businesses dataset WMDVLGBTBE, which can be found on the CPUC website* [*here*](https://www.cpuc.ca.gov/supplierdiversity/)*. Another dataset is provided by county departments of consumer business affairs. In particular, the member suggested that the analysis look at characteristics like LGBQT, immigration status, and race.*
* *A member recommended using zip code data to connect CEDARS data to other datasets with underserved information; for example, ACS data could be used to define economic status with AB 1515 map to test whether low income communities are receiving equitable services.*
* *A member noted a distinction between equal vs. equitable, if the research shows equal participation across Hispanic and white businesses, that is not necessarily an equitable condition.*



[*https://www.rwjf.org/en/library/infographics/visualizing-health-equity.html*](https://www.rwjf.org/en/library/infographics/visualizing-health-equity.html)

* *T. Love noted (post-meeting, given a power interruption that impacted his participation), that race and immigration status will be included in the analysis, using data from CBP. He requested that members provide him (with a cc to the CAEECC Facilitators) data for the parameters/variables they’d like included in the analysis.*

**Is there a consideration for number of employees in the definition of SMB?**

* *E. Coulson reported using number of employees rather than energy usage to define SMB would make the analysis easier since many other datasets have number of employees but not energy usage. L. Ettenson noted her proposal to use the CPUC definition of “small” business, and the IOU Business Plans’ definitions of “medium” businesses, since these definitions are already vetted and most likely to align with policy/implementation recommendations.*
* *After the meeting, N. Strindberg provided definitions of HTR used by the CPUC, which includes definitions based on energy usage and business size. The CAEECC Facilitators used his email as the basis of a document available on the meeting page (see link above, HTR Definitions, under “Documents Posted After the Meeting”).*

**What is the connection between the definition of hard-to-reach (HTR) and underserved?**

* *See CPUC definition for HTR – a document provided by the CPUC to the Facilitation team post-meeting will be posted to the Meeting Page*

**Scope of Analysis**

**Should Codes & Standards (C&S) be included in the analysis?**

* *Members discussed and concluded that removing C&S from the analysis aligns with the WG’s purpose of providing data to inform policy recommendations to resource programs; adding C&S would require a larger scope.*

**Which resource programs should be included in the analysis?**

* *L. Ettenson explained that the data request responses by the IOUs provided programs that SMB would be eligible for (e.g., general commercial programs regardless of size). In addition, there were also programs identified that JUST focused on SMB. She proposed that all programs for which SMB customers are eligible should be included in the analysis to get a complete picture of SMB engagement followed by looking at the impact of the SMB specific programs. L. Rothchild offered to meet with researchers, L. Ettenson, and anyone else interested in diving deeper into which programs to include.* *This* [*link*](https://www.caeecc.org/underserved-working-group-2020) *provides easy access to the program IDs.*
* *Post-meeting (given aforementioned technical difficulties), T. Love noted “We are planning at looking at all programs for which we can attribute participation in a reasonable way. We are still working through the methodology for participation attribution as there are gaps in data that we have not fully understood yet, and there are some program-related nuances, such as mid-stream programs, that may make attribution less straightforward.”*

**Should upstream and midstream programs be included?**

* *C. Malotte reported that the datasets provided to the UCI research team should include sufficiently detailed claims data for upstream and midstream programs (including geographic and service address).*
* *L.Ettenson relayed a similar conversation when discussing the residential focus. She noted that upstream/midstream would be very hard to link to customers.*
* *In regards to whether the SMB research team has the data and direction they need to include midstream and upstream programs, post-meeting (given aforementioned technical difficulties), T. Love noted that “We may have follow-up questions. For example, the participant may be a store, do we include that as the store or as the azrea it serves? How do we determine the area it serves?”*

**Is there value in doing different types of analyses for different subsets of programs? A member recommended conducting standalone analysis of the IOU-led SMB direct install program**

* *E. Coulson replied that getting the data is 90% of the battle, and then we can reconvene*

**Can the analysis include a focus on tribal areas, considering tribal lands are underrepresented cultural groups that constitute a minority group located within a discrete zip code/census track?**

*The facilitation team will follow up with the research team for a response given connectivity issues.*

Members and participants posed a number of questions via chat to E. Coulson. E. Coulson emphasized that the research team is limited by ACS and County Business Patterns on questions such as firm ownership. This will limit the ability of the research team to correlate participation and engagement with marginalized groups and immigrant clusters in particular.

**Research Timeline**

T. Love confirmed that the intention is to provide a draft of initial research by late November/early December, for members and stakeholders to provide input, then to deliver a final report in mid-December. T. Love asked to manage expectations that there may need to be additional research done in January with new students.

# RESIDENTIAL

S. McCreary provided background on the initial underserved analysis conducted on the residential sector, which USC completed in the summer of 2020. He noted that upon review of the USC report, UWG members recommended a more robust multivariate analysis be conducted.

L. Ettenson provided an update on the residential sector underserved analysis. H. Nelson offered to be the data liaison to this Working Group, working with a [Professor Alissa Kendall](https://faculty.engineering.ucdavis.edu/kendall/). Most, members of the student research team are graduate students studying energy efficiency and equity. L. Ettenson provided the research leads with data from CEDARS that was used by the USC team. There are a few additional layers of analysis that the residential sub-WG would like to analyze. The UC Davis research team has committed to a similar timeline as SMB, with a final report by mid-December. L. Ettenson suggested the Residential sub-WG meeting in a couple weeks to review a detailed work plan and any outstanding data needs.

L. Ettenson requested that the final USC report be posted on the CAEECC website.

# PUBLIC SECTOR

S. McCreary explained that the public sector is the third sector identified as part of this WG, and that this sector was added after the WG’s scope was developed. He noted the research timeline for the public sector will be longer than the residential and SMB sectors. He then invited C. Malotte and J. Berg to provide an update on the public sector.

C. Malotte and S. McCreary recapped a meeting with University of California Santa Barbara Environmental Studies Department professorsRanjit Deshmukh and Simone Pulver a couple weeks ago. The professors are confident they will be able to recruit a student team within about a week. Their proposed timeline is to develop a robust research plan by the end of the Fall quarter (ending in December 2020), then two quarters of research, with analysis completed in early summer 2021.

L. Rothchild asked what risks, if any, an extended timeline would pose. S. McCreary noted two key challenges are meshing with the CPUC timing and staffing the work with replied that professional facilitation for the WG beyond 2020. L. Ettenson noted that the WG can still convene outside of formal CAEECC facilitation.

A member recommended that the analysis include a focus on tribal areas, considering tribal lands are underrepresented cultural groups that constitute a minority group located within a discrete zip code/census track. Many casinos are considered part of the Public sector because they are located on federal land**.**

# WRAP UP & NEXT STEPS

S. McCreary suggested the possibility of staggered recommendations – first SMB and Residential, followed by the Public Sector. Phase 1 steps include framing the problem, gathering data, conducting analysis, generating a report, reviewing and finalizing the report. Phase 2 involves crafting the process or approach for developing policy remedies.

L. Ettenson noted that a key step for the WG after collecting the analyses will be to determine how to present its findings and recommendations to the CPUC.

N. Strindberg suggested the appropriate regulatory approach after the Working Group has come up with a new definition would be to submit a motion to the proceeding to change the definition of HTR as adopted in Decision 18-05-041 or a motion with a definition for underserved. He suggested that the motion including all three sectors would be preferable. He suggested that the most appropriate decision to address the motion would likely be on the Business Plans, which will be filed in September 2021 and did not think that there would be enough time to include in the P&G Policy Track or the CAEECC Filing Process decision. He reported that the CPUC could consider and issue a decision on a standalone motion, but reiterated that the most streamlined approach for the CPUC would be to address any motion through the Business Plan filings.

C. Malotte pointed out the continuity logic in including a motion of redefining underserved in the Business Plan Decision, considering the Hard-to-Reach definition originated in the Decision that authorized the Business Plans (D.18-05-041, issued on May 31, 2018).

L. Ettenson noted that the definition needs to be identified before the planning of the business plans.

**Proposed Research & Review Timeline**

To meet the December deadlines proposed and agreed up during the meeting, the facilitation team proposes the following timeline going forward:

* SMB and Residential
  + Research team submits *draft* analysis around 11/20
  + Research team presents analysis to sub-WGs 11/30 or 12/1 and sub-WGs provide guidance to inform research team’s report revisions (target 12/10)
* Public
  + Research team submits *draft* workplan around 11/20
  + Research team presents workplan to sub-WGs 11/30 or 12/1 and sub-WGs provide guidance to inform research team’s next steps
  + Research team submits *final* workplan to CAEECC by 12/10
  + Research team submits *draft* analysis around 5/1, perhaps without formal CAEECC support (revisit in Q1 2021)
  + WG (or stakeholders, depending on CAEECC budget) reviews and sends research team comments by 5/10
  + Research team submits *final* analysis report to WG/stakeholders by 5/20
* Full Underserved WG meet week of 12/14 to review SMB and Residential final reports and Public sector workplan, and propose process for policy recommendations

**Next Steps**

*Facilitation team:*

* Develop meeting summary (this document) and circulate to UWG for review
* Email UWG members with update on process going forward, feedback on meeting summary, and request to assist with urgent SMB data needs
* Send doodle polls to schedule remaining 2020 meetings
  + Residential – 90 min sub-WG meeting in ~2 weeks
  + SMB – 90 min in late Nov/early Dec
  + Public – 90 min in late Nov/early Dec
  + Full UWG –3 hours in mid-Dec
* Facilitation and project guidance to University research teams
  + Coordinate to ensure that the student/faculty team receive all the data and framing support they need
  + Confirm proposed timeline is feasible:
    - SMB and Residential: draft reports before Thanksgiving, and final reports in mid-December
    - Public: workplan in mid-December, draft and final reports in summer 2021
* Post CPUC definitions of HTR to CAEECC UWG website
* Post final USC report to CAEECC Residential website

*Working group members*

* Assist with high-priority SMB data needs
  + Provide research team with much-needed “data dictionary” (i.e. definitions of codes and categories) by adding information to the spreadsheet “Appendix A – Data Sources” at the [google drive link](https://drive.google.com/drive/folders/1XDbIrv8RsrrN4vbYFqEGKQstXgqEpgQi)
  + Followup with Facilitation team and UCI research team with suggestions on how to translate the CEDARS rate schedule to a SMB definition based on energy usage. The research team needs the WG to propose a methodology by 10/21 (or asap) so the research team can continue the analysis.
* Review UWG participation list (posted to Meeting Page) and email Katie Abrams (facilitation team) any requested changes by COB Friday October 23, 2020.
* C. Malotte to schedule a meeting between UCI research team and SCE’s program manager who oversees data request intakes, since data requests often require iterations
* L. Ettenson to facilitate an introduction between UC Davis lead researchers, CAEECC facilitation team, and H. Nelson

*SMB research leads*

* Consider the many recommendations from this meeting on variables and data sets, and follow up with CAEECC facilitators for any questions or outstanding needs
* Submit a revised workplan by 10/31/2020 detailing which variables will be included in the analysis, and explain why any variables suggested by the WG at this meeting were excluded from the revised workplan (i.e. lack of data availability)
* Refine framing and analytic questions
* Confirm access to demographics data

**Appendix A: Meeting Registrants**

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| CAEECC Member Organizations and Ex Officio: | |
| Affiliation | Lead |
| 3C-REN | Alejandra Tellez |
| Association of Bay Area Governments (BayREN) | Jenny Berg |
| San Francisco Department of Environment consultant | Ann Kelly |
| CodeCycle | Dan Suyeyasu |
| CONCUR Inc | Scott McCreary |
| County of LA/SoCalREN | Lujuana Medina |
| CPUC | Nils Strindberg |
| NRDC | Lara Ettenson |
| Public Advocates Office | Ashlyn Kong |
| SCE | Christopher Malotte |
| SDG&E | Doug White |
| Small Business Utility Advocates | Ted Howard |
| SoCalGas | Erin Brooks |
| SoCalREN | Julie Tan |
| Southern California Edison | Brandon Sanders |
| State Treasurer's Office | Kaylee D'Amico |
| The Energy Coalition | Laurel Rothschild |
| Viridis Consulting | Mabell Paine |
| Western Riverside Council of Governments | Anthony Segura |
| CAEECC Member Organizations and Ex Officio: | |
| Affiliation | Lead |
| County of Santa Barbara | Ashley Watkins |
| DAC | Don Arambula |
| Ecology Action | Lore James |
| Enervee | Anne Arquit Niederberger |
| Eureka City Schools | Lou Jacobson |
| Gemini Energy Solutions | Anthony Kinslow II |
| SBUA | Theodore Love |
| MCE | Lois Smith |
| RCEA | Aisha Cissna |
| Redwood Coast Energy Authority | Stephen Kullmann |
| Silent Running LLC | James Dodenhoff |
| TRC | Sophia Hartkopf |
| USGBC-LA | Edmund Novy |