**Business Plan Terms (for discussion)**

*The most recent guidance document requests that the Business Plans include "goals, strategies, and approaches for each sector, as well as near-, mid- and long-term strategic initiatives and sector-specific intervention strategies." (See p 4 of the May 2, 2016 guidance document.) In advance of the preparation of Business Plans, we seek to document a common use of terms to ensure that the Business Plans are clear and meet Commission expectations. The terms and definitions below are presented as "strawman definitions" for discussion at the May 19th meeting. These will be revised based on feedback received from stakeholders so that the program administrators can use them consistently in their final Business Plans. The current order for the terms is a logical presentation, rather than an alphabetical order.*

**Goals:** Overarching goals for the portfolio or sector. These are generally defined as energy savings goals but also include market transformation goals for the cross-cutting sectors. Goals are broad, brief statements of the intent that provide focus or vision for the plan.

**CEESP Strategies:** The term "Strategies" was officially used in the California Energy Efficiency Strategic Plan (CEESP). Within each chapter in the CEESP, there are three to six key strategies described by the CPUC. These are accepted as guidance towards the utilities (and other market actors). Due to this, the utilities will use the word Strategies to refer to the CEESP Strategies. Examples of CEESP Strategies for the Residential Sector include:

- Customer Demand
- Financing (and other incentives)
- Comprehensive Solutions
- Building Innovation
- Statewide Solutions
- Codes and Standards

**Intervention Strategies or Interventions:** Also referred to as "sector-specific strategies." Within the Business Plans, we will use the term Interventions to refer to the categories of tactics used within a sector or program (both will use multiple interventions). Note that within each Intervention are multiple Tactics that may be existing, modified, or new. (See also Tactics.)

Interventions are more flexible than Strategies and can adapt to specific market conditions. Examples of specific Interventions include:

- Engagement (e.g., social marketing, competitions, ties to CSE efforts),
- Facilitation of individualized customer understanding (help, assistance and project development)
    - For EE
    - For DR
    - For Rate Reform (reducing load during TOU, CARE, etc)
- Financial or other incentives,
- Upstream coordination and support (e.g., with manufacturers),
- Mid-stream coordination, training and support (e.g., with contractors or retailers)

- New program models
- LIST OTHERS HERE

**Sector-Specific Strategies:** See Intervention Strategies, above.

**Tactics:** This is the term used to describe the multiple types of approaches within an Intervention. For example, social marketing may be a specific tactic for an engagement intervention. These may be existing, modified, or new.

**Program Approach –** This is the combination of intervention strategies and tactics deployed within a program.

**Strategic Initiatives:** Within the Business Plan, this term will be used more generally, consistent with standard use of the term. This will not be used to point to one specific level. The CPUC or the program administrators may have strategic initiatives at several different levels.

**Sector:** There are six defined sectors within the CPUC directive, each with their own business plan. These include Residential, Commercial, Public, Industrial, Agricultural and Cross-Cutting. The Cross-cutting sector includes three specific areas; Workforce, Education & Training, Emerging Technologies Program, and utility-specific ME&O.

**Segment:** Segments may be defined within some sectors. This may include business type or size segments. For the Public Sector, the segments have been defined as the Government segment (federal, state, local, and regional governments) and the Education segment (Higher Education and K-12 schools).

**Sector Metrics:** The specific items that will be measured at the sector level. Note that these are items and do not have a directionality about them. Directionality and time frame of the metric is defined by the success criteria (See Success Criteria). The metrics will cover the intervention strategies, be unambiguous and be appropriate measures of the sector.

Per the May 2, 2016 guidance, example metrics might include:

- Type and number of customers who will be reached in the sector" (over timeframe)
- Number of customers in geographically targeted areas (i.e., "where these customers are located")

For purposes of this business plan, the guidance will be met by the combination of the metric and success criteria.

**Program Metrics:** The specific items that will be measured at the program level and are not included in the business plan. Note that these are items and do not have a directionality about them. The directionality is defined by the success criteria.

**Success Criteria:** May also be referred to as "Targets." Success criteria define (in specific terms) what successful attainment of the metrics looks like and the definition of "expected/good/bad". These may be expressed in terms of low, medium and high targets and or short and long-term criteria. The success criteria are ideally defined by a review of past performance among similar programs, or "benchmarks" established through the literature and past performance. (See also Benchmarks.) Additionally, these criteria will be realistic, achievable, and time bound. The success criteria will be measureable at a reasonable cost.

**Benchmarks:** Per the May 2, 2016 guidance, "Benchmarking is a logical component of a Business Plan; it allows measurement against industry standards and practices." These are used as a comparison to actual program performance. (See also Success Criteria)

**Targets**: These will be the specific numeric end points within the Success Criteria. These will most likely include either high, medium and low targets or short and long-term targets. You can have multiple targets within the Success Criteria.

**Indicators:** These are items that are monitored to help understand performance and achievement of metrics. Program Administrators are not judged on Indicators, but are expected to report any requested Indicators to help understand the full story behind the metrics.