

SoCalGas and SCE Metric Framework - Update

Energy Efficiency Business Planning – EE Coordinating Committee
August 9, 2016

Overview



Identify guiding principles to develop business plan metrics



Design metrics to link to sector vision and market effects



Seek input on proposed metric framework approach and metric hypotheticals

Metrics: Guiding Principles

Compliance with regulatory directives

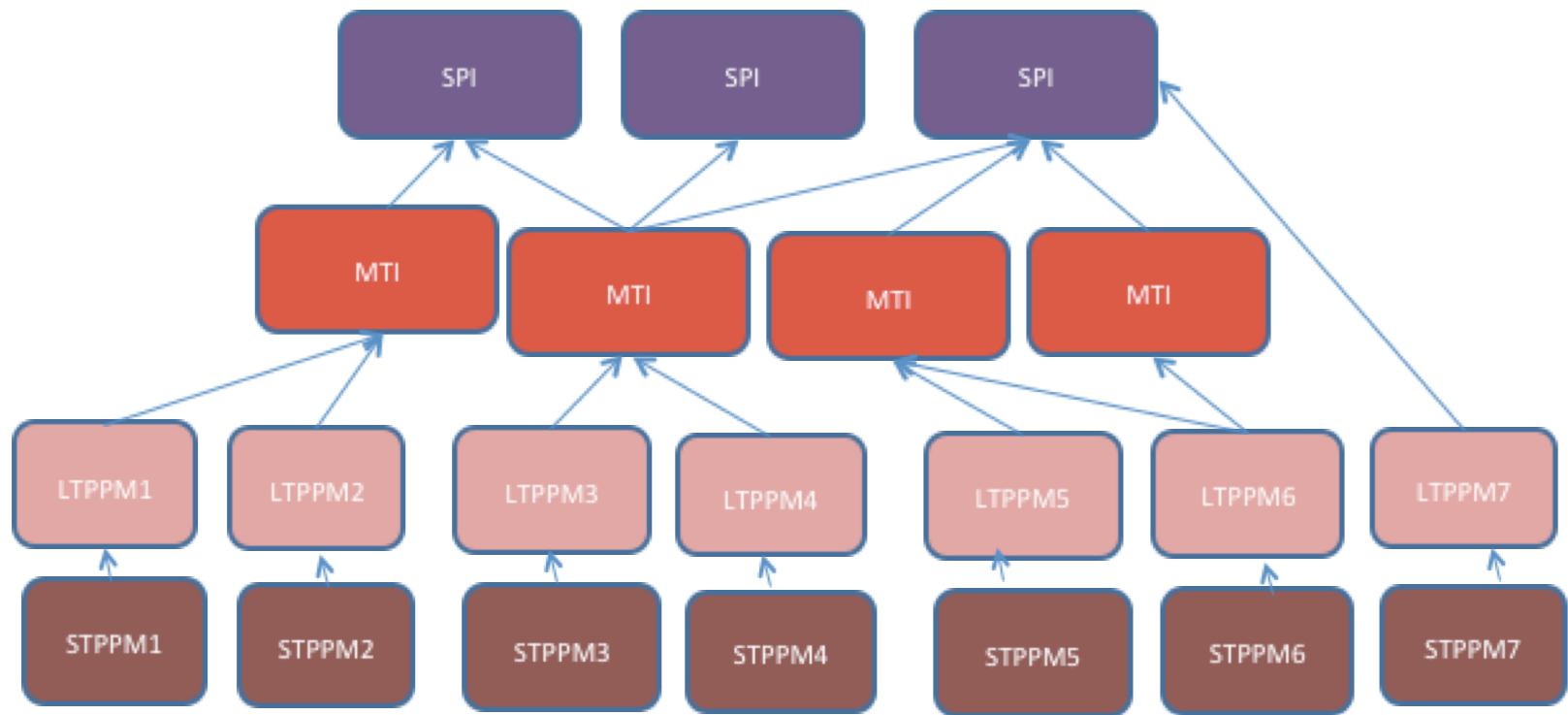
- Portfolio and sector-level metrics
- Leverage prior principles and frameworks from prior metric approaches
- Obtain input from stakeholders and EM&V experts
- No minimum (above zero) or maximum required number of metrics
- Support the CA Long-Term Energy Efficiency Strategic Plan

Lessons learned from past metrics

- Allow for continuous monitoring of metric
- Used and useful by the PA to manage portfolio
- Inform on the progress to achieving desired market effect(s)
- Rely on data currently collected as part of daily program management
- Simple to understand and clear of any subjectivity
- Outcome metrics preferred, but output metrics have high benefit to cost ratio
- Not all metrics have a readily interpretable meaning, context is needed
- Not a replacement for EM&V

Applying the Framework of Indicators

(CPUC, 2011)



Metrics: Commercial Sector (Hypothetical)

Vision	Goals	Objectives
<p>Commercial buildings will be put on a path to zero net energy by 2030 for all new and a substantial proportion of existing buildings. Innovative technologies and enhanced building design and operation practices (HVAC, lighting) will dramatically grow in use in the coming years through a combination of comprehensive whole building programs, technology development, market pull, professional education, and targeted financing and incentives.</p>	<p>1. New construction will increasingly embrace zero net energy performance (including clean, distributed generation), reaching 100% penetration of new construction starts in 2030.</p>	<p>Increase EE adoption levels for commercial customers with high EE potential through efficient outreach and effective offerings.</p>
	<p>2. 50% of existing buildings will be equivalent to zero net energy buildings by 2030 through achievement of deep levels of energy efficiency and clean distributed generation.</p>	<p>Support standardization of ZNE definition & eligibility for new construction and retrofitted buildings and increase the levels of ZNE commercial facilities.</p>

Metrics: Desired Market Effect

(Hypothetical)

Problem Statement	Market Barriers	Interventions/Strategies	Desired Market Effect (ME)	ME Targets
Customers of varied sizes and segments within the commercial sector have different business demands that affect their prioritization of energy efficiency.	<ul style="list-style-type: none"> • High first cost • Split or displaced incentive • Organizational practices • Diffused market • Information or search costs • Asymmetric information and opportunism • Performance uncertainties 	<ul style="list-style-type: none"> • Partnering • Intelligent Outreach • Small Business Outreach • Strategic Energy Management • Customer Incentives • Direct Install • Midstream EE Equipment • Commercial Financing 	ME 1: Adoption of EE solutions by participants in commercial segments with untapped EE potential identified by AMI data analytics.	Increase EE savings in commercial sector participants at 10% over baseline.
			ME 2: (AB 793) Small and Medium-sized Business customers (SMB) increase use of EMTs in their businesses.	20% increase in number of SMBs that use Business Energy Advisor, using a 2015 baseline
There is builder confusion on how to achieve ZNE in new construction and retrofitting of commercial buildings.	<ul style="list-style-type: none"> • High first cost • Organizational practices • Information or search costs • Performance uncertainties 	<ul style="list-style-type: none"> • Partnering • Intelligent Outreach • Small Commercial Outreach • Strategic Energy Management • Customer Incentives • Direct Install • Midstream EE Equipment • Commercial Financing 	ME 3: Realize a significant increase in ZNE buildings across most commercial segments facilitated, in part, by the creation of clear and consistent ZNE definitions and requirements.	20% increase in participating commercial building stock attain ZNE level status by 2028.

Metrics: Commercial (Hypothetical Example)

Desired Market Effect Metric		Baseline	ME Target		Tracking	
Desired Market Effect (ME)	ME Metric	Source	Short-term	Long-term	Short-term Program Metric	Long-term Market Effect or Market Indicator
ME 1: Adoption of EE solutions by participants in commercial segments with untapped EE potential identified by AMI data analytics.	EE savings in commercial sector participants	2015 EE Potential Study, 2015 EE Results	5% increase	10% increase	Monthly EE Reporting and EESats Dashboard	EM&V Study or Annual Report
ME 2: (AB 793) Small and Medium-sized Business customers (SMB) increase use of EMTs in their businesses.	Number of SMBs that use Business Energy Advisor, using a 2015 baseline	2015 EE Program Tracking Data	10% increase	20% increase	Monthly EE Reporting and EESats Dashboard	EM&V Study or Annual Report
ME 3: Realize a significant increase in ZNE buildings across most commercial segments facilitated, in part, by the creation of clear and consistent ZNE definitions and requirements.	Number participating commercial building stock attaining ZNE level status	2015 EE Results	10% increase	20% increase	Monthly EE Reporting and EESats Dashboard	EM&V Study or Annual Report

Metric Framework Overview

- PAs continue to work on achieving common framework and format
- Resolution of remaining differences expected
- Engagement of PA and ED EM&V throughout process

Sector-Level Metrics (Not bound to Programs, Interventions, or Strategies)

- Offers portfolio and sector metrics based on desired market effects
- Relies on current market transformation terms and definitions
- Creates direct linkage between sector vision and metrics
- Relies on current program data collected as part of program delivery
- Defines short-term (progress achieved by 2023) and long-term (by 2028)
- Relies on market surveys to monitor metric progress
- Assigns number of years to short and long term time periods

- Provides metrics at program intervention strategy
- Proposes new terms and definitions (e.g., common vs. statewide metrics)

Market Effects Metrics: Program, Intervention and Strategies

Questions?