California Energy Efficiency Coordinating Committee-Hosted Underserved Working Group

July 30, 2020 9am – 12pm

WebEx-Based Meeting

Draft Meeting Summary

Facilitators: Dr. Scott McCreary & Meredith Cowart, CONCUR

On July 30, 2020, the CAEECC hosted the second meeting of the Underserved Working Group (UWG or WG) via WebEx. Twenty-seven WG Members (including Leads, Proxies and Ex Officio) participated in the meeting as panelists. Approximately 26 additional members of the public participated as attendees. A full list of meeting registrants is provided in Appendix A.

Meeting materials are provided on the CAEECC website at: <https://www.caeecc.org/7-30-20-underserved-wg>.

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.

Next Steps, at the end of this document, captures next steps discussed throughout the meeting.

**Introductions, Background, Goals and Approach**

S. McCreary welcomed participants, provided an overview of WebEx “housekeeping logistics” for the meeting and reviewed the goals and approach of this Underserved Working Group. M. Cowart reviewed goals for today’s meeting:

* Review the initial results from the USC/NRDC analysis of who is underserved in the residential sector
* Develop a strategy for exploration into likely causes for being underserved in the residential sector and identify WG members to contribute to this exploration
* Review and revise the proposed workplan to identify who is underserved in the SMB sector and identify WG members to contribute to this analysis
* Review and revise a new proposed workplan to identify who is underserved in the public sector, and identify WG members to contribute to this analysis

M. Cowart then provided a brief overview of the multi-meeting strategy. She noted that the multi-meeting strategy was reviewed at the launch WG meeting on July 1, 2020, and one addition was made – to include the public sector in the exploration of why some SMB (and public sector) groups are underserved – which is now reflected in this updated document. Since that meeting, there has been an additional request by some WG members to initiate and conduct an analysis of who is underserved in the Public Sector, which will be discussed at the end of this meeting. If needed further updates to the multi-meeting strategy will then be made.

**Review Initial Results of NRDC/USC Analysis of Who is Underserved in the Residential Sector**

The team of Dairou Wang, Eunice Zordilla, Monina Letargo, Tianfang Guo and Elizabeth Pereda (USC) presented the initial findings from the USC/NRDC analysis of who is underserved in the residential sector. The analysis focused on geographic and socio-economic (income, age, ethnicity, primary language spoken) indicators. The work team analyzed all residential program categories. This presentation is available on the meeting webpage (see link above, *USC/NRDC Who is Underserved in the Residential Sector – Initial Results (7.27.20)*, under “documents Posted Before the Meeting”).

Following the presentation, Members posed clarifying questions and made suggestions to hone and refine the analysis. Several Members echoed the sentiment that while these initial results may potentially indicate trends at the state level, they are likely not sufficient to indicate causation. To achieve that level of certainly, a more in-depth analysis (e.g., combined spatial/statistical analysis, applying regression analysis) would be needed, as they likely vary by geography (e.g., climate zones, cost of living/housing) and are interrelated.

Importantly, the T-test compares only 2 groups at a time and is not robust enough to tease out the significant variables amongst a host of variables. Members suggested that a combined spatial/statistical analysis applying regression statistics can help better determine whether what appear to be counter-intuitive trends (e.g., higher participation among those whose primary language is not English) are in fact representative of a causal relationship. NRDC responded that a follow-on analysis by a different team (to be identified) will conduct a multi-variate analysis.

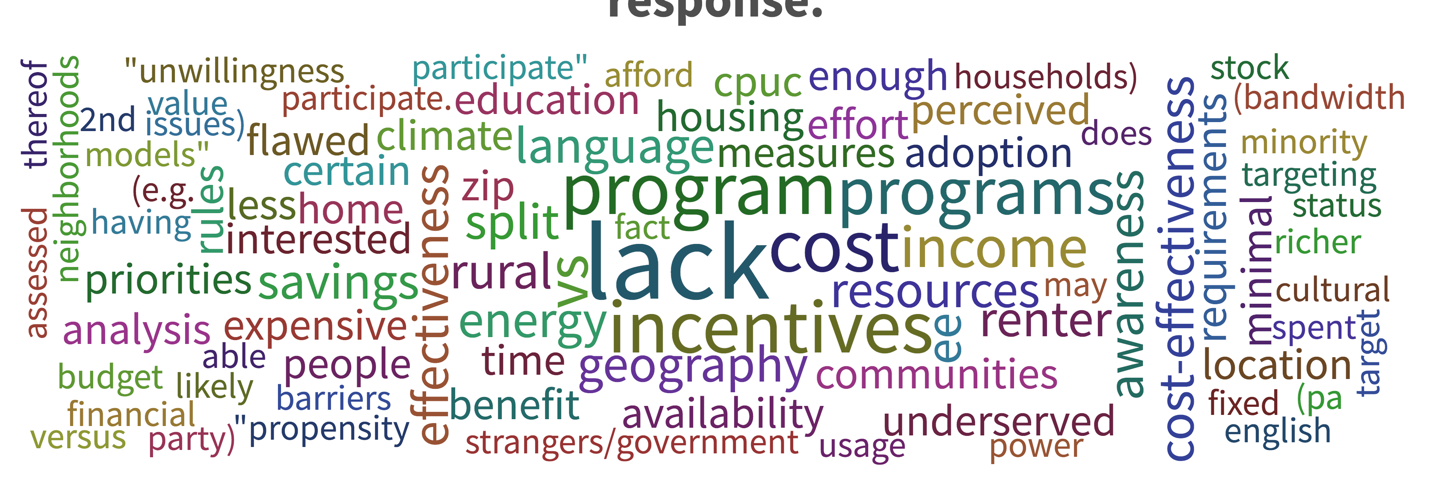
One Member noted that applying a ratio of claimed energy savings: total energy savings could help to compare results across regions. NRDC noted that this could also be done in a follow up analysis by looking at the percentage of energy use rather than overall energy use in order to normalize the data. A Member asked whether the level of offerings within the programs was examined, and NRDC responded that the students were not able to get to this fine-grained a level of analysis. Another Member asked whether all categories of residential programs were examined, and NRDC responded that all were included, and that we can look to remove midstream and upstream programs in the next iteration of analysis.

Other Members asked that the study look at the difference between single family and multi-family residences, and consider whether program participants (e.g., owners) in fact are representative of the demographics of the zip code. NRDC responded that the finest location granularity available in CEDARS is zip code, though ideally it would be finer-grained. But we could conduct more granular analysis on the programs by dividing them up into single family vs. multifamily offerings. Later in the meeting, another Member noted that the analysis differentiates between EE participation in urban v. rural areas, but does not also capture potential differences in EE participation in suburban areas.

One Member stated that the WG needs to establish a threshold of program activity that is deemed acceptable (i.e., not underserved) and unacceptable (i.e., underserved).

**Develop Strategy for Exploration into Likely Causes for Being Underserved**

M. Cowart explained that the next step in the multi-meeting strategy is to now explore the reasons that certain residential categories are underserved. This exploration will draw on existing literature on this subject. M. Cowart asked one WG Member for each organization to fill out a word cloud: *What are the key reasons for being Underserved (across all categories - by geography, income, ethnicity, primary language spoken, or age)?*The word cloud of Members answer is shown below:

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Members were then invited to explain the rationale behind the reasons that they entered in more detail. Some noted that, once the results from the analysis of who is underserved in the residential sector are more stable, we can more readily investigate why these groups are underserved. However, hypotheses and explanations members of the group provided included:

* **Racism:** For example, installers perceive majority Black neighborhoods as unsafe as well as broader systemic racist systems that contributed to Black customers participating less (e.g., lack of inter-generational wealth, being renters, potentially living in buildings that are in disrepair, etc.)
* **Incongruency:** The perception that energy efficiency is “white” or otherwise incongruent with my culture. This phenomenon is described in a recent study by UCLA researchers (this study is posted on the UWG launch meeting webpage - see <https://www.caeecc.org/underserved-wg-phase-i-tbd>, *EE Policies to Combat Inequity in Residential Sector – UCLA (7.6.2020)* under “Documents Posted After the Meeting”). The member noted that incongruency seems to occur in contrast to consistent findings over the past decade that non-whites are more concerned about climate change.
* **Rational inattention:** The time and effort required to participate in complex programs is not worth the benefit yielded in potential financial and energy savings.
* **Income:** Household is above threshold requirements to qualify for ESA yet not sufficient to allow significant EE investment
* **Cost Effectiveness:**
  + Is overly restrictive and values only energy savings, not other benefits
  + Leads to distortions in programs, which are then difficult to explain to customers
  + Leads to a lack of incentive for PAs to fully understand who is underserved and reach out to these individuals or communities
  + Leads to a lack of incentive for implementers to align offerings with customer needs and priorities
  + High expense of serving rural areas
* **Marketing/outreach:** There is a lack of investment in marketing for downstream programs, which need to better target specific customer groups to overcome barriers to participation

M. Cowart then asked Members to volunteer to contribute to the exploration of Why Residential Groups are underserved, to be undertaken once the Residential analysis is considered stable. Several Members as well as non-Members stated that they would like to participate. The Facilitation team and Co-Chairs agreed that it is appropriate for non-WG Members to participate in sub-working groups of the UWG. The Sub-Working Group is as follows:

* A. Neiderberger, Enervee
* E. Novy, USGBC-LA
* C. Grace, Resource Innovations
* A. Kinslow, Gemini Solutions
* S. Hartkopf, TRC Advanced Energy
* C. Edwards, SCE
* J. Plaggmier, Sierra Business Council
* Hal Nelson, Res-Intel (non-WG Member)
* Anthony Segura, WRCOG (non-WG Member)

**Review and Revise Proposed Workplan to Identify Who is Underserved in the SMB Sector and Identify WG Members to Contribute to this Analysis**

M. Cowart reviewed the proposed workplan to identify who is underserved in the SMB sector. She reminded WG members that this workplan was reviewed and approved at the last meeting, but asked WG members for any final comments or revisions to the workplan.

Members asked some clarifying questions. A. Kinslow (Gemini Solutions) asked whether IOUs track whether businesses are minority-owned. C. Malotte (SCE) responded that IOUs do track the ethnicity of business owners, but that those data may not be made available in CEDARS due to privacy concerns. He agreed to find out and follow up with A. Kinslow. Another member asked whether it would be useful to include GHG as an additional indicator. L. Ettenson responded that GHG can be readily calculated based on energy savings, and the group can determine which indicator(s) they prefer to present.

Another Member asked whether the indicator “Investment” includes participant cost as well as total program spend. J. Christenson (CPUC) stated that CEDARS includes a line item for the incentive amount but not for the customer cost. Another member responded that we could get that information if we wanted because the PAs need to input such data to calculate the cost-effectiveness of the program. E. Novy (USGBC-LA) asked whether this analysis could split out electric (kWh) v. gas (Therm) use, in rural v. urban areas. L. Ettenson agreed to investigate and follow up with E. Novy. One Member noted that implementers collect data which could allow for a finer-grained analysis than aggregating incentives at the zip code level.

M. Cowart then asked members to volunteer to participate in a sub-Working Group to manage and/or run components of this analysis. She noted that C. Malotte and the Co-Chairs have connections to the UCs, and are hopeful that a UC work team may be able to take on the analysis. However, at least one member of the WG is needed to manage a UC analysis. The sub-working group to manage and frame the analysis is as follows:

* + - L. Ettenson, NRDC
    - M. Paine, Viridis Consulting
    - C. Malotte, SCE
    - J. Christenson, Energy Division
    - A. Kinslow, Gemini
    - Hal Nelson, Res-Intel (non-WG Member)
    - James Dodenhoff, Silent Running (non-WG Member)

**Review and Revise Proposed Workplan to Identify Who is Underserved in the Public Sector and (If Applicable) Identify WG Members to Contribute to this Analysis**

M. Cowart noted that prior to this meeting, several members of this Working Group met to discuss their proposal that this WG also undertake an analysis to identify who is underserved in the public sector, and to develop a proposed work plan. L. Rothschild (The Energy Coalition) presented the proposed workplan (see *Workplan to Identify Who is Underserved in the Public Sector (7.29.30)*).

M. Cowart then asked the WG to consider how this analysis could be undertaken, and for members to discuss their ability to contribute to managing or conducting this analysis. Several Members volunteered to support this analysis, including:

* L. Jacobsen, LGSEC
* C. Grace, Resource Innovations
* L. Rothschild, The Energy Coalition
* C. Malotte, SCE
* C. Kalashian, SJCVEO
* N. Strindberg, Energy Division
* D. Suyeyasu, CodeCycle

**Wrap Up and Next Steps**

The following next steps were identified over the course of the meeting:

***Analysis of Who is Underserved:***

* Residential:
  + Finalize current scoped analysis of who is underserved in the residential sector by August 11, 2020 (USC)
  + Circulate results of analysis of who is underserved in the residential sector to UWG (Facilitation Team)
  + Conduct follow up regression analysis of who is underserved in the residential sector (TBD UC student team)
  + Circulate results of follow up regression analysis of who is underserved in the residential sector to UWG (Facilitation Team)
* Public Sector:
  + Identify UC work team to conduct analysis (C. Malotte, L. Ettenson, J. Berg)
  + Public Sector Sub-WG: Contribute to framing research design and managing data analysis:
    - L. Jacobsen, LGSEC
    - C. Grace, Resource Innovations
    - L. Rothschild, The Energy Coalition
    - C. Malotte, SCE
    - C. Kalashian, SJCVEO
    - N. Strindberg, Energy Division
    - D. Suyeyasu, CodeCycle
  + Coordinate introductory meeting between the above sub-working group and UC work team (Facilitation team)
* SMB:
  + Identify work team to conduct analysis (C. Malotte, L. Ettenson, J. Berg)
  + SMB Sub-WG: Contribute to framing research design and managing data analysis
    - L. Ettenson, NRDC
    - M. Paine, Viridis Consulting
    - C. Malotte, SCE
    - J. Christenson, Energy Division
    - A. Kinslow, Gemini
    - Hal Nelson, Res-Intel (non-WG Member)
    - James Dodenhoff, Silent Running (non-WG Member)
  + Coordinate introductory meeting between the above sub-working group and UC work team (Facilitation team)
  + Investigate whether this analysis can split out electric (kWh) v. gas (Therm) use in rural v. urban areas and follow up with E. Novy (L. Ettenson)
  + Investigate availability of data on ethnicity of business owners and follow up with A. Kinslow (C. Malotte).
  + Update workplan as needed based on answers to the 2 bullets immediately above.

***Exploration of Why Underserved:***

* Residential:
  + Once follow up analysis is complete and has been reviewed by the UWG, compile reasons for being underserved and follow up with UWG to rank order these reasons (Facilitation Team)
  + When results of analysis of who is underserved in the residential sector are stable, begin exploration of why those groups are underserved:
    - A. Neiderberger, Enervee
    - E. Novy, USGBC-LA
    - C. Grace, Resource Innovations
    - A. Kinslow, Gemini Solutions
    - S. Hartkopf, TRC Advanced Energy
    - C. Edwards, SCE
    - J. Plaggmier, Sierra Business Council
    - Hal Nelson, Res-Intel (non-WG Member)
    - Anthony Segura, WRCOG (non-WG member)

***Other:***

* Update multi-meeting strategy to include analysis of who is underserved in the Public Sector (Facilitation Team)
* Circulate doodle poll to UWG Members to schedule the next meeting, likely in mid-September (Facilitation Team)
* Develop meeting summary (this document) and circulate to Working Group for review within 5 business days of the meeting (Facilitation Team)

**Appendix A: Meeting Registrants**

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| **Appendix A: 7.30.20** **Meeting Participants** | |
| **CAEECC Member Organizations and Ex Officio:** | |
| **Affiliation** | **Member (Lead/Proxy)** |
| 3C-REN/ Santa Barbara | Ashley Watkins |
| 3C-REN/ Ventura | Alejandra Tellez |
| BayREN | Jenny Berg |
| California Energy Commission | Brian Samuelson |
| Code Cycle | Dan Suyeyasu |
| CPUC (Ex Officio) | Nils Strindberg |
| CPUC (Ex Officio) | Jordan Christenson |
| LGSEC | Lou Jacobson |
| MCE | Alice Havenar-Daughton |
| NRDC | Lara Ettenson |
| NRDC | Mohit Chhabra |
| SBUA | Ted Howard |
| SCE | Chris Malotte |
| SCE | Brandon Sanders |
| SDG&E | Doug White |
| SJCVEO | Courtney Kalashian |
| SoCalGas | Benjamin Piiru |
| SoCalGas | Erin Brooks |
| SoCalREN | Julie Tan |
| The Energy Coalition | Laurel Rothschild |
| **Non-CAEECC Member Organizations:** | |
| **Affiliation** | **Lead** |
| Enervee | Anne Niederberger |
| Gemini Solutions | Anthony Kinslow |
| Resource Innovations | Corey Grace |
| Sierra Business Council | John Plaggmier |
| TRC Advanced Energy | Sophia Hartkopf |
| USGBC-LA | Edmund Novy |
| Viridis Consulting/DAC | Don Arambula |
| **Other Participants/Stakeholders** | |
| Jon Griesser | 3C-REN |
| Meredith Cowart | CONCUR Inc |
| Scott McCreary | CONCUR Inc |
| Chris Moore | CPUC |
| Nancy Barba | Frontier Energy |
| Elsia Galawish | Galawish Consulting & Associates |
| Alice Sung | Greenbank Associates |
| Brynn Holbrook | ICF |
| Renee Rainey | ICF |
| Cody Coeckelenbergh | Lincus, Inc. |
| Ashlyn Kong | Public Advocates Office |
| Susan Rivo | Raab Associates |
| Stephen Kullmann | Redwood Coast Energy Authority |
| Hal Nelson | Res-Intel |
| Carol Edwards | SCE |
| Debbie Schechter | Schechter Consulting |
| James Dodenhoff | Silent Running LLC |
| Kaylee D’Amico | State Treasurer's Office |
| Monina Letargo | USC |
| Tianfang Guo | USC |
| Nicholas Cain | USC |
| Elizabeth Pereda | USC |
| Dairou Wang | USC |
| Eunice Zordilla | USC Price School of Public Policy |
| Anthony Segura | Western Riverside COG |
| Rosie Kang | Willdan |