**CAEECC-Hosted Process on Underserved Customers**

**Draft Prospectus 4/30/20**

**Goals:**

To investigate what groups of customers are currently underserved by energy efficiency programs (i.e., because they face significant barriers to doing so), and to then devise (with CAEECC members and other stakeholders) the appropriate strategies and forums to address these problems.

**Brief Background/History:**

The CPUC has authorized programs to serve the general population as well as specific, vulnerable groups. These programs include: (1) EE main-general population; (2) hard-to-reach (HTR)/REN programs; and (3) ESA. See appendix for recent history of the HTR definition.

The goal of investigating underserved customers further seeks to 1) identify who is not benefiting from energy efficiency programs, 2) increase the accessibility and availability of energy-saving programs designed specifically to serve these customers, especially those experiencing high energy burden[[1]](#footnote-1) but are not eligible for the Energy Savings Assistance Program, and 3) scale up energy savings to help meet the state's aggressive energy-saving goals.

**Problem Statement:** Determine who is not benefiting from Energy Efficiency and propose solutions address this issue, including potentially a definition for “underserved,” reframing the current definition of HTR to include others that are underserved, or other means**.**

In D.19-12-021, the Commission declined to revise the REN criteria by adding “underserved” to the HTR criteria, but did offer parties an opportunity to provide a definition of “underserved”, as long as concrete data and analysis is presented. The proposed CAEECC process would be tasked with identifying who is not benefiting from EE programs and why and then figuring out the best strategies and forum to address these short-comings.

The overall impact of the restrictions from the HTR definition (along with others, such as raising program cost-effectiveness to 1.25 for the IOUs, reduction of eligible EE measures, diminished potential as noted in the Goals and Potentials study, delayed rollout of new third party programs, etc.) has, in reality, greatly hampered the state goals of the doubling of energy efficiency savings in order to attain more aggressive GHG reductions.[[2]](#footnote-2)

**Scope/Approach (Phase I):**

Identify the scope of the analysis including a) the metrics that will be used to evaluate whether certain groups of customers are being “adequately served” relative to other groups; b) the reasons/barriers those groups face to participate, be that economic, non-native English speakers, geographically isolated, etc.; and c) who and how the data will be acquired and analyzed, and the timeline

1. Acquire the necessary data and analyze to what extent certain customers segments are not being “adequately served.”
2. For each type of documented underserved customer, identify the likely causes for being underserved—whether it’s the HTR definition, or some other reason or reasons
3. Based on 1-3, develop (in consultation with CAEECC members, other stakeholders, and ED) next step recommenedations including the forums and processes to develop appropriate strategy or strategies for addressing each underserved customer segment and the metrics to set goals and measure progress.

[Note to CAEECC: If it turns out that revising the HTR definition, still makes sense as part of the solution, then CAEECC could pick up its original proposal of 1-2 CAEECC-hosted workshops or webinars, should public workshops not be an option followed by 2 Working Group meetings webinars.]

**Meetings and Timeline**

1. A sub-Working Group of CAEECC will develop the scope of the analysis, oversee the data acquisition and analysis itself, and then (in consultation with ED) develop a comprehensive strategy including the appropriate vehicles and forum to address any clearly underserved customers.
2. This work would take place June-September 2020, with a possible CAEECC Phase II to follow (if warranted).

**Deliverables:**

1. The Phase I deliverables include: A) underserved data acquisition and analysis strategy; B) results of the data acquisition and analysis; C) metrics and goals to define what “addressing” underserved customers looks like; D) a potentially multi-faceted Phase II strategy for addressing any clearly underserved customer segment.

**Facilitation Team:**

Scott McCreary (or Ellen Zuckerman) and Meredith Cowart

Appendix: Background on HTR Definition

 “[T]he Commission has grappled with defining hard-to-reach, or the closely related and often interchangeably used term “underserved”, since as early as the late 1990’s (). The Commission’s primary concern at that time was that the utility programs were not making progress in expanding program reach into the customer segments that had historically not participated in ratepayer-funded energy efficiency programs at the level of their representation as ratepayers. The Commission also recognized that “underserved” or “hard-to-reach” are not static terms, and that a particular customer or market-segment, once targeted for program participation, is no longer underserved relative to others that program administrators have yet to target.”[[3]](#footnote-3)

This Decision resolved conflicting definitions of HTR by rejecting the more expansive definition found in the EE Policy Manual v.5 and as relied on in D.12-11-015, and adopting a more restrictive definition (with slight modification) found in Resolution G-3497.

Thereafter in D.19-12-021, the Commission declined to broaden the definition of HTR to include underserved as suggested by several parties, noting:

 “while we appreciate the motivation behind the suggestion, which is to serve more customers, no party provided a definition of “underserved” that we can readily adopt here… If a consensus among parties is reached in the future about an appropriate definition of “underserved”, we would consider broadening [the REN] criterion in the future.”[[4]](#footnote-4)

While this Decision language was focused on RENs, the issue of reaching a subset of customers who do not have access to programs that suits their needs is an ongoing challenge across the entire state.

1. ACEEE. Growing the Energy Efficiency Pie. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)