GMAC MEETING BACKGROUND:

METRICS

FEBRUARY 2025

METRICS AND OTHER TOOLS TO ENCOURAGE GOOD PERFORMANCE

Regulators use a variety of tools to monitor utility activities and encourage good performance.

- *Reported data*. Information included in reports periodically filed with regulators. Can be voluminous. Sometimes publicly available and sometimes confidential.
- *Metrics*. A narrower set of data to monitor activities and outcomes of specific interest to regulators and stakeholders. Sometimes referred to as Key Performance Indicators (KPIs).
- *Targets (aka Scorecards)*. A specific level of performance utilities are encouraged to achieve.
- *Performance Incentive Mechanisms (PIMs)*. Rewards or penalties for meeting or failing to meet targets.

Targets and PIMs can be set for performance areas that require additional monitoring and incentives. Metrics provide the foundation for targets and PIMs. The information provided by metrics can be used to set targets. Targets can then be used to establish PIMs.

PERFORMANCE AREAS

A key step in establishing metrics is identifying the performance areas that are of interest to regulators and stakeholders, such as customer service, reliability, grid modernization, equity, and decarbonization.

Another key step is identifying the purpose of the metric, such as encouraging specific utility actions, monitoring program performance, encouraging specific outcomes, tracking progress towards specific goals, and providing transparency to regulators and stakeholders.

DESIGNING METRICS

When designing a metric, it is important to consider several *Metric Design Principles.*

METRIC DESIGN PRINCIPLES

Metrics should:

- ❖ Have a clear definition
- ❖ Be quantifiable
- ❖ Use reasonably available data
- ❖ Be easily interpreted
- ❖ Be verifiable

It is also important to be clear about the specific performance to measure and to establish the process for collecting data, calculating the metric, and verifying and reporting the data.

Metrics should not be static. They can and should be modified over time as new data is reported, utility performance changes, and new priorities are established. A review and modification of metrics should be conducted on a periodic basis, e.g., once a year.

ADDITIONAL RESOURCES

- RMI Performance Incentive Mechanisms Database
- EDC existing metrics spreadsheet
- Mass Save EE Dashboard
- PIMs handbook for Regulators

CURRENT MASSACHUSETTS METRICS

The EDCs currently report on metrics in multiple proceedings, as summarized below.
The list of metrics below is not comprehensive; a few examples are provided in each category.
Some of these metrics are also used to support targets, and some are used to support targets and incentives.

SERVICE QUALITY (e.g., D.P.U. 24-SQ-10/24-SQ-11/24-SQ-13)

Summary: *EDCs file service quality reports annually. The Department of Public Utilities (DPU) has established filing requirements for the reports.*

Category	Metric Examples
Reliability	System Average Duration Index (SAIDI), System Average Frequency Index (SAIFI)
Safety	Lost Work Time Accident (LTA) and Restricted Work Day (RWD) Rates
Downed wires	Average Response Times
Customer satisfaction	Residential Customer Satisfaction Survey

ELECTRIC VEHICLES (D.P.U. 21-90/21-91/21-92)

Summary: *The EDCs submit performance metrics annually to help the DPU monitor the implementation, performance, and equity of the EDCs EV charging infrastructure programs. The EDCs submitted an original proposal and a revised proposal following stakeholder comment and directives from the Department.*

Category	Metric Examples
Performance	kW usage per port, total charging events per port, average plug-in time duration
Equity	Total EV program spending in EJ and non-EJ communities

ENERGY EFFICIENCY (EE) (D.P.U. 24-147/24-148/24-149)

Summary: *The program administrators (PAs) report on program performance metrics and key performance Indicators quarterly, annually, and/or on a three-year-term basis. Reports are available through the EEAC website. The PAs also report data monthly to the EEAC and provide a dashboard on the MassSave Data website.*

Category	Metric Examples
Costs	Total expenditures, cost to deliver, incentives
Benefits	Energy savings, capacity savings, total benefits ($), emissions reductions
Participation	Measure quantity, number of loans, number of homes with heat pumps installed

RATE CASE (D.P.U. 22-22, 23-150, 23-80)

Summary: *The EDCs report performance incentive mechanism and scorecard metrics in annual PBR rate adjustment filings.*

Category	Metric Examples
Customer Service	First call resolution; digital customer engagement, outage communication
GHGs	Fleet electrification, GHG emissions reductions
Renewable Energy	DER program participation, MW of DER interconnected to the grid , GHG reductions
Low-Income	Enrollment in low-income discount program, low-income service terminations

GRID MODERNIZATION (D.P.U. 21-80/21-82/21-81)

Summary: *EDCs report on metrics in annual Grid Mod reports. Additionally, the DPU directed the EDCs to report on customer-facing AMI metrics following the template established by the Department.*

Category	Metric Examples
Infrastructure	Number of devices or other technologies deployed
Performance	Volt VAR Optimization (VVO) Energy Savings
AMI	Total number and percentage of customers who opted-out of AMI