CAEECC Market Transformation Working Group

NRDC, 111 Sutter St # 20, San Francisco, CA 94104

Thursday, December 6th 1:30-5:30

Friday, December 7th 9:00-12:30

Facilitator: Dr. Jonathan Raab, Raab Associates LTD, Ellen Zuckerman (Independent), and Meredith Cowart (CONCUR Inc.)

Meeting Summary

On December 6, 2018, from 1:30 p.m. to 5:30 p.m. and December 7, 2018, from 9:00 a.m. to 12:30 p.m., the California Energy Efficiency Coordinating Committee (CAEECC) hosted a working group on Market Transformation at the Natural Resources Defense Council (NRDC) office in San Francisco. On December 6, 2018, 28 individuals participated in-person, and approximately 30 more participated via BlueJeans (webinar). On December 7, 2018, 25 individuals participated in-person, and approximately 20 more participated via BlueJeans (webinar). A full list of meeting registrants is provided in Appendix F: Participation below.

Meeting facilitation was provided by Dr. Jonathan Raab (Raab Associates LTD), Ellen Zuckerman (Independent) and Meredith Cowart (CONCUR Inc). Meeting materials, including presentations, are provided on the CAEECC website at <https://www.caeecc.org/12-6-2018-wg-mtg-market-transformat>.

During the meeting, the key themes and major discussion points were captured in documents that were edited by the facilitation team in real time. These documents can be found in Appendices A-F below. Next Steps, at the end of this document, list all next steps discussed at the meeting.

**Introductions and Meeting Objectives**

The CAEECC Facilitator J. Raab opened the meeting and introduced the facilitation team. Meeting participants then introduced themselves. J. Raab then reviewed the agenda, explaining that the primary focus of the meeting was to launch this CAEECC-hosted Market Transformation (MT) Working Group (WG) and to:

* Adopt the goals and end products of the MT WG;
* Adopt the Groundrules of the MT WG;
* Develop MT Principles and Characteristics;
* Develop a Stage Gate Approach to MT in California; and
* Develop other related pieces of the MT framework for California (e.g., cost-effectiveness).

He then reviewed the make-up and composition of the WG (including resources/observers) (See Appendix A: CAEECC-Hosted Market Transformation Working Group Composition).

**Goals & End Products of the CAEECC Market Transformation Working Group**

J. Raab presented the document developed by the facilitation team, which includes Goals and End Products; Ground Rules; and MT Principles/Characteristics. This document is available on the CAEECC meeting webpage (see link above). Members reviewed and discussed the goals and end products and adopted them without change (see Appendix B: Goals and End Products of the CAEECC Market Transformation Working Group). The WG also agreed that it would work with the California Public Utilities Commission (CPUC) to determine the best way to convey the WG’s Final Report to the CPUC.

**Groundrules of the CAEECC Market Transformation Working Group**

J. Raab then introduced the draft groundrules for the MT WG and requested feedback. The draft groundrules are identical to those adopted by the CAEECC, but also include language on the Final Report to be developed by the MT WG, filing of the Final Report, and the opportunity for other CAEECC members not participating in the WG to add their names to the document. Members adopted the draft groundrules as written, except they agreed that it was unnecessary to give non-participating CAEECC Members the opportunity to sign on to the Final Report as they ,along with other non-CAEECC stakeholders, have the opportunity to comment directly with the CPUC. Feedback was captured in redline in this document (See Appendix D: Groundrules of the CAEECC Market Transformation Working Group).

**Market Transformation Principles and Characteristics**

J. Raab then introduced the candidate Market Transformation Principles, which were developed by the facilitation team based primarily on presentations given by the Investor Owned Utilities (IOUs) and NRDC at the November 6, 2018, CPUC workshop. The WG tentatively agreed on numerous modifications to the draft principles. It also agreed to draft principles on four additional concepts: cost-effectiveness, equity, transparency, and data.

The WG then discussed nine areas of potential alignment that the Pacific Gas and Electric Company (PG&E) drafted based on all the comments that were filed in the CPUC proceeding. The WG agreed that the term “piloting “needs to be better defined or a better term needs to be selected, and that it should probably add another point of alignment on the need for off-ramps. The WG agreed to review the revised principles, new language on the four principles mentioned above, the list of areas of potential alignment, and a set of MT characteristics taken from the Northwest Energy Efficiency Alliance (NEEA) presentation at the CPUC workshop. Member feedback was captured in redline in this document (see Appendix D: Market Transformation Principles Characteristics).

**Stage Gate Approach**

WG Members next received two presentations on the stage gate approach to Market Transformation, as described below.

***Brief Background: Stage-Gate Approach in NW - Jeff Harris, NEEA***

J. Harris (NEEA) presented an overview of the Market Transformation approach employed by NEEA. This presentation is available on the CAEECC meeting webpage (see link above).

***Detailed CA Stage-Gate Proposal: Joint IOUs - Derek Okada, SCE***

D. Okada provided a presentation on the joint IOU proposal for a stage gate approach to Market Transformation in California. This presentation is available on the CAEECC meeting webpage (see link above).

In discussion following these presentations, members of the WG confirmed that they are on board with a stage gate approach generally, although they do not necessarily agree with all aspects of the IOU-proposed stage gate approach. Some of the key feedback from the WG Members (before detailed discussion of each stage gate ) included the following:

* Decision gates must be clear and identifiable.
* Additional milestones/metrics need to be incorporated throughout the stage gate process.
* Further discussion is needed on how the funneling process between stages occurs, who decides which Market Transformation Initiatives (MTIs) advance, and to establish the criteria to determine which MTIs move forward.
  + Different criteria to winnow down MTIs between stages are needed (i.e. criteria between Stage 0 & 1; 1 & 2, and 2 & 3).
  + Decisions made between Stages 0 to 2 will be based on existing data that may be limited or very limited.
* Selection criteria should be decided and publicized prior to proposals being submitted.
* The stage gate process may not always be linear: It can operate cyclically, and some stages may accelerate more quickly than others.
* Further discussion is needed on how the rolling portfolio integrates with the stage gate process.
* The term “pilot” is problematic. An alternative term needs to be identified and/or “pilot” needs to be clearly defined in a way that WG Members are comfortable.
* There may be some interventions that will not work for the stage gate process due to IOU legal constraints.

Using the IOU proposal as a template, members then reviewed each stage individually and provided suggested modifications and feedback. Member feedback was captured in this document in Appendix E: Stage Gate Slides Feedback.

After discussing each of the stages, the WG turned its attention to better determining what and where the key decision gates would be in the process and tentatively agreed to the following:

* Between Stage 2 & 3 — Decision (approval) to spend money on a handful of initiatives to fully develop them (ramp up exploration)
* Between Stage 4 & 5 — Decision (approval) to fully implement MTI/Accord (approve full scale implementation)
* Between Stage 6 & 7 — Adjust or exit, or continue as designed
* Other interim smaller but important internal gates throughout, e.g., off-ramps in Stage 4

The WG then discussed the role(s) of a potential standing Stakeholder Group in the MT Framework, and outlined the following for further consideration.

* At Gates:
  + Advisory Board advised by technical subcommittee(s) that could make decisions at gates
    - Note that there may be an issue with CPUC delegating authority — but perhaps the CPUC could delegate decision-making authority that is appealable. Could avoid disruption and delays of progress with MTIs.
* At Other Stages:
  + Smaller group of Board and/or technical subcommittee members at different interim stages — would be advisory at those stages
  + Have input on priorities and criteria, but use stakeholder involvement only where necessary so as not to slow down the process
* Need to still think through the role of independent evaluator(s) (IEs) in working with stakeholders and Program Administrators (PAs) within and throughout this structure

The WG then discussed the role of the IOUs/PAs regarding the **Administration of the MT Framework**.

The WG agreed that the fundamental role is to make sure that MTIs work with the rolling portfolio. But WG Members offered two different views on the role of the IOUs/PAs in administering the MT Framework process (including identifying, winnowing, selecting, and overseeing implementation):

* **Option A: IOUs/PAs are the Administrators** and take the lead throughout the process (with the possible exception of a Board deciding on which MTIs move through key stage gates).
* **Option B:** An organization other than the IOUs/PAs would be the **Independent Market Transformation Administrator (MTA)** throughout the process, but with a Board and technical subcommittees to guide their work. The IOUs/PAs would be Board Members and active participants in the technical subcommittees. There would need to be a RFP for a statewide MTA with direct or contractual authority, and the MTA would need to work closely with the PAs.

The WG agreed that sub-groups would flesh out these two options, including layering in the role of third parties (3Ps) and the IE in both options.

The WG then discussed what **Cost-Effectiveness Framework** should be used for MT in California.

The facilitator said at the outset that he understood that the WG appeared to have some latitude in designing a cost-effectiveness framework for MT and asked the WG Members to brainstorm what the key components of the test might be (including benefits, costs, and timeframe )— putting aside for the time being whether the cost-effectiveness threshold should be 1.0, 1.25, 1.5 or something else. The following is the initial brain-stormed list.

* Long-term framework
  + NEEA uses a 20-year framework; but the appropriate time frame may vary by market transformation initiative in practice depending on their expected life cycle
* Ensuring all the benefits are included
  + Greenhouse gas (GHG) adder
  + Avoided capacity and transmission/distribution savings
  + Deferred capital investments
  + Codes & Standards
  + Hard to Quantify Benefits — e.g., workforce; productivity; health
  + Capture benefits outside of service territories
* Costs (and what alternatives are)
  + Related costs of all benefit categories

Several other points made during this initial discussion included:

* There should be metrics and annual reviews to check that selected MTIs are on a glide path to cost-effectiveness
* Market transformation initiatives should be evaluated on the basis of their comparative costs and benefits to achieving an equitable, least cost, least emissions and reasonably reliable energy system for California, relative to other alternatives. [Note from Arthur about this: SB 350 was adopted to further “a new set of objectives in clean energy, clean air, and pollution reduction for 2030 and beyond.”  SB 350 § 2(a).  The statute requires the California Public Utilities Commission to implement market transformation as one of the key means of achieving those objectives.   SB 350 §§ 2(b)  & 16 (promulgating PUC Code § 399.4(d)(1)). The above is drafted in that light, and considering the intent and framework of the statute as a whole.]
* The WG should be selective on changes from CA standard practices to those most relevant in the context of market transformation - so as not to get bogged down at the CPUC (and slow up implementation of a new MT Framework)
* The WG should review cost-effectiveness change suggestions for MT on page 45 of the 2014 Prahl/Keating paper available on the CAEECC website (see link above)
* The WG will eventually need to define a cost-effectiveness threshold (e.g., 1.0, 1.25, 1.5)

**Next Meetings**

The remaining two CAEECC MT WG meetings will be held on January 14, 2019, and February 27, 2019. Both meetings will be all-day meetings from 9 a.m. to 5 p.m. in San Francisco. The meeting locations are still to be determined.

**Homework Assignments**

At the close of the meeting and following the robust discussions on the MT Principles and Characteristics, the individual stage gates, and the appropriate stage gate approach, J. Raab identified areas that would benefit from further WG discussion and work product development. MT WG Members volunteered for the following work groups:

* ***Develop additional MT Principles on equity, data and transparency:*** S. Appel, L. Ettenson, M. Costa
* ***Update the Stages/Gates Chart and develop accompanying text:*** D. Okada, B. Barnacle, S. Cole, J. Harris, M. Gardner
* ***Criteria for winnowing MT Proposals and the In-Take Form:*** D. Okada, M. Gardner, B. Barnacle, J. Harris
* ***Develop Proposal outlining the Roles and Responsibilities for Stakeholder Advisory Board* & Administration**:
  + **Option A: IOU Administrator**: A. Scheer, A. Haubenstock
  + **Option B: Independent Administrator**: L. Ettenson, H. Goodson, D. Buch, R. Menten; A. Haubenstock

[Note: Both alternatives should include the roles for a Board, an IE, and 3Ps, both at gates and other key junctures throughout the process. ]

* ***Outline proposal for the cost-effectiveness: framework/test for MTIs:*** H. Goodson, L. Ettenson, A. Scheer, A. Haubenstock

Working products are due December 20, 2018, if possible, and January 4, 2019, at the latest.

**Next Steps:**

**WG Members:**

* Review meeting summary and comment by January 17, 2018 (send red line to J. Raab)
* Complete homework assignments (outlined directly above), by December 20, 2018, if possible, and January 4, 2019 at the latest.
* Review the work products from working groups and facilitator prior to the January 14, 2019, meeting.

**Facilitation Team:**

* Draft meeting summary (this document) for red-flag review by stakeholders and publication on the CAEECC meeting webpage five business days after the meeting (by December 14 ,2018).
* Draft agenda for January 14, 2019, CAEECC MT WG meeting
* Find locations for the CAEECC MT WG meetings on January 14, 2019, and February 27, 2019
* Check in with sub-working groups and facilitate phone calls as needed

**Appendix A: CAEECC-Hosted Market Transformation Working Group Composition (Note an “A” designation is lead and “B” is alternate)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Members:** |  |  |
|  | **Organization:** | **First name** | **Last name** |
| 1 | **CEDMC** | Arthur | Haubenstock |
| 2A | **CEE** | Bernie | Kotlier |
| 2B | **Bluegreen alliance** | Sam | Appel |
| 3 | **Center for Sustainable Energy** | Rebecca | Menten |
| 4 | **ClearResult** | Chad | Ihrig |
| 5 | **CodeCycle** | Dan | Suyeyasu |
| 6 | **Energy Solutions** | Brian | Barnacle |
| 7A | **NRDC** | Lara | Ettenson |
| 7B | **NRDC** | Merrian | Borgeson |
| 8A | **Public Advocates Office** | Dan | Buch |
| 8B | **Public Advocates Office** | Sasha | Cole |
| 9 | **PG&E** | Adam | Scheer |
| 10A | **SCE** | Derek | Okada |
| 10B | **SCE** | Jesse | Feinberg |
| 10C | **SCE** | Kevin | Thompson |
| 11A | **SDG&E** | Raghav | Murali |
| 11B | **SDG&E** | Jesse | Emge |
| 12 | **Sheet Metal Workers Local 104** | Dave | Dias |
| 13 | **Small Business Utility Advocates** | Ivan | Jimenez |
| 14A | **SoCalGas** | Erin | Brooks |
| 14B | **SoCalGas** | Elizabeth | Baires |
| 15A | **SoCalRen** | Lujuanna | Medina |
| 15B | **SoCalRen** | Matt | Skolnik |
| 16 | **The Energy Coalition** | Marc | Costa |
| 17 | **TURN** | Hayley | Goodson |
| 18 | **Yinsight, Inc** | Carol | Yin |
|  | **Resources/Observers:** |  |  |
|  | **NW Energy Efficiency Alliance** | Jeff | Harris |
|  | **NW Energy Efficiency Alliance** | Dulane | Moran |
|  | **CPUC** | Christina | Torok |
|  | **CPUC** | Hal | Kane |
|  | **California Energy Commission** | Brian | Samuelson |
|  | **California Energy Commission** | Nicholas | Janusch |
|  |  |  |  |
|  | **Facilitation Team:** |  |  |
|  | Raab Associates | Jonathan | Raab |
|  | CONCUR | Meredith | Cowart |
|  | Independent | Ellen | Zuckerman |

**Appendix B: Goals and End Products of the CAEECC Market Transformation Working Group**

**Market Transformation Definition** "*Market transformation is long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention is no longer appropriate in that specific market. Market transformation includes promoting one set of efficient technologies, processes or building design approaches until they are adopted into codes and standards (or otherwise substantially adopted by the market), while also moving forward to bring the next generation of even more efficient technologies, processes or design solutions to the market”*D.[09-09-047](tel:09-09-047) **(see page 88-89)**

**Proposed Goals/End Products of CAEECC-Hosted Market Transformation Working Group:**

1. To develop a proposed market transformation framework (including the necessary processes and procedures) for developing, deploying, and monitoring market transformation initiatives in California.
2. To seek consensus (defined as unanimity) where feasible among Working Group Members
3. To document the proposed market transformation framework in a Final Report to the CPUC. The Final Report would include descriptions of all consensus recommendations, as well as descriptions of any alternative options on issues and elements where consensus was not reached as well as who supports each option.   
   * *Note as described below the supporters of any non-consensus options will have the lead responsibility in drafting the descriptions and rationale for those options.*

**Appendix C: Groundrules of the CAEECC MT WG**

**CAEECC Working Group Meetings** — These are dedicated meetings of CAEECC Members or their proxy/designees whose organizations are interested in specific topics of importance identified by the CAEECC (or the CPUC) for which CAEECC advice or recommendations are sought. The public will be given an opportunity to provide input periodically as time allows and at the discretion of the facilitator.

**At Meetings:**

1. Come prepared to discuss agenda items (by reviewing all documents disseminated prior to the meeting, conferring with your organization and other colleagues, etc.)
2. Be forthright and communicative about the interests and preferences of your organization and actively seek agreement if CAEECC recommendations/advice are being sought
3. Be clear so that everyone understands your interests and proposals
4. Be concise so that everyone who wants to provide input has an opportunity to do so
5. Minimize electronic distractions during meetings

**Between Meetings:**

1. Keep your organizations informed of developments in the CAEECC process
2. Confer with other Members during meeting breaks and in between meetings, as needed
3. Notify the Facilitator Team prior to the meeting (by telephone or e-mail) if you or your proxy cannot attend a meeting
4. Be responsible for actively tracking Facilitator Team and Co-Chair communications as well as relevant proceedings and policies
5. Provide input, feedback, and written material when requested by the Facilitation Team or Co-Chairs in a timely manner
6. Any presenter (Member or their proxy or designee) should have their presentation ready for posting at least five (5) business days prior to the meeting; and presenters should work with the Facilitator Team prior to the posting deadline to help ensure that materials are clear, concise, and on topic
7. Discuss pertinent matters with the Facilitator Team and Co-Chairs when and if the need arises

**Substantive Issues (Discussing Issues, Developing Options, and Exploring Agreement)**

1. The goal of the process is to fully explore substantive issues before the CAEECC, define options, elicit constructive feedback, clarify and narrow points of divergence, seek consensus where feasible, and document points of convergence and any remaining divergence.
2. During the substantive discussions, if a Member cannot agree with a substantive option under consideration that member should explain why and propose a specific alternative that he or she can support.
3. Documentation of consensus and multiple options on any particular issue in the Working Group’s Final Report would include a clear description of each option and supporting rationale, and include the Members supporting each option. The Working Group Members will review and approve the wording in the Final Report, and those supporting each option on a non-consensus issue will be responsible for drafting the final description and rationale for the option.
4. The Working Group in consultation with the CPUC will determine the most appropriate way to file the Final Report at the CPUC.

**Process Issues**

1. For **process related issues** (including setting meeting dates, finalizing agenda designs, etc.) the Facilitator Team in consultation with the Co-Chairs, and after seeking input and feedback from Working Group Members, will have the responsibility to make these decisions.
2. All the other pre-existing CAEECC Facilitator roles and responsibilities will apply. See: <https://docs.wixstatic.com/ugd/849f65_68e76679fd054bd6ad34e1c2ba0a4168.pdf>

**Appendix D: Market Transformation Principles Characteristics**

**Note: Some or all of this could be used at the front end of the Final Report; principles highlighted in yellow below indicate an area flagged for further discussion by the WG**

**Potential Market Transformation Principles:**

**Market transformation initiatives should:**

1. Help drive incremental savings to achieve the state’s energy efficiency and GHG reduction goals
2. Ensure that costs to ratepayers are just and reasonable
3. Support and do not stifle innovation
4. Complement and coordinate with rolling portfolio programs
5. Use a stage-gate process for development and deployment
6. Leverage existing processes and forums where appropriate
7. Be cost effective
8. Equity (e.g., equally be available to all ratepayers over time)
9. Data (e.g., be informed by the best data)
10. Transparency?

**Potential Market Transformation Characteristics:**

1. Whole market perspective – aligned with resource planning
2. Focus on long-term outcomes
3. Design grounded in barriers and opportunities
4. Sustained market change
5. Leverage points and natural market forces
6. Measured by market progress
7. Adaptively managed as markets change

**MT Stakeholder Comments: Areas of Potential Alignment**

1. The ultimate goal of MT is cost effective energy savings.
2. Savings and cost effectiveness are likely to be low in the early stages of an MTI. Early-stage MT spending should not have a negative impact on resource portfolio cost effectiveness.
3. The CPUC’s proposed “Accord” framework has value, but development of an Accord should not be overly expensive or prevent timely action and important learnings.
4. A Stage Gate process specific to California’s goals and needs could best facilitate successful MTIs in a transparent way.
5. California’s stage gate process should utilize existing resources, filings, stakeholder groups, and processes where possible.
6. Where possible, MTIs should support C&S advancements. Savings and cost effectiveness should reflect C&S advancements enabled by the MTI.
7. Before launching a full MTI, piloting approaches may often provide key learnings at less budget.
8. MTIs should not be limited to “widgets.”
9. To effectively address market barriers and facilitate functional industry partnerships, MTIs must make long-term commitments.
10. Need off-ramps

**Appendix E: Stage Gate Slides Feedback**

**Summary of Initial Feedback on the IOUs’ Stage-Gate Proposal**

[Note: See below for summary of initial feedback on each Stage]

**Phase: Concept Development**

**Stage 0: Pre-Development Activities**

**Key Activities:** Concepts for MTI Development Plans suggested/submitted via variety of channels including:

* Stakeholders
* 3Ps
* IOU Programs
* ETP

**Outputs:** Ideas submitted via MT Intake form via ideation portal (ETCC, IOUs, etc.)

**Questions:** What are good candidates for MT Development Plan?

**Process:** MT Intake Form 🡪 0. MT Ideas Submitted via ideation

**Suggested Changes/Alternatives (Stage 0):**

* Need to define what’s a “good” MTI proposal
* Need to make the process transparent
* Need to define the overall scope of the MTIs that should apply (e.g., just energy efficiency focused MTIs or MTIs focused on broader decarbonization)
* Should there be some pre-specifying before the open funnel or is the ideation process open to any and all proposals; e.g., should there be an identification and publication of barriers that need tackling, and/or criteria that needs to be met
* Need to define the criteria (should be published ahead of Stage 0) — could include co-benefits; likely need different winnowing criteria for each stage-gate
* [NEEA has an open solicitation process (and has a transparent evaluation process), but most MTIs are generated by its staff.]
* Likely need a more active role to look for opportunities, and the current proposed process seems too passive
  + Should it be a different organization than IOUs that might be better suited for the active role?
* Need to develop an in-take form (review the IOUs’ draft in-take form)

**Phase: Concept Development**

**Stage 1: Concept Scanning & Identification**

**Key Activities:**

* Identification, collection and scanning of MT Concept Development Plan candidates
* Initial assessment of market dynamics, available data and intervention strategies
* PAs coordinate with ETP, 3Ps, Codes & Standards (C&S), & Resource Acquisition (RA) programs to prioritize market opportunities

**Outputs:**

* Roadmap of identified Market Transformation opportunities
* MT opportunities may be prioritized/ grouped by intervention type, sector

**Questions:** Why are they good candidates for further MT Development & Research? How good?

**Process:** 1. MT Ideas Shared at CAEECC/IRC

**Suggested Changes/Alternatives (Stage 1):**

* Need to define how to group MTIs for review
* Do the IOUs do an initial prioritization before bringing MTIs to the stakeholder group?

**Phase: Concept Development**

**Stage 2: Concept Development and Assessment**

**Key Activities:**

* PAs characterize the target market
  + Identify market barriers/failures for MT to address
  + Identify market opportunities
  + Based on market characterizations, prioritize concepts for further assessment

**Outputs:**

* + Narrowed list of MTIs
  + Initial identification of MT intervention strategy/approach
  + Initial logic models and intervention theory

**Questions:** What do the Development Plan results tell us about these MTI candidates?

**Process:**

* 2a. IOUs Develop 3-5 MT Initiatives (MTIs)
* 2b. MTI Reviewed by IRC then CPUC

**Suggested Changes/Alternatives (Stage 2):**

* Stage gate at end of this stage to winnow; should have agreement on target number of MTIs that will make it through this stage gate
* Need to use existing data to make decisions at this stage gate

**Phase: Program Development**

**Stage 3: Market Baselines & Forecasting**

**Key Activities:**

* + Identify data needs and sources of data
  + Identify ways to embed evaluation, measurement, and verification (EM&V) into pilot
  + Develop initial baseline strategy

**Outputs:**

* + Data Collection and Analysis Plan

**Questions:** Why are they good candidates for further MT Development and Research?

**Process:** 3. IOUs file Tier I/II Advice Letters (ALs) for MT Pilots

**Suggested Changes/Alternatives:**

* Make the assumptions and findings transparent; however, some data may be proprietary and only shared with Non-Disclosure Agreements (NDAs)
* What will be the roll of stakeholders during this stage?
* Consider incorporating CPUC indicators of “potentially promising” programs; look at early indicators and later indicators
* Use publicly available data first, and then proprietary data under NDA
* Include all PAs in the Administration role or another independent entity
* Continuous evaluation needed
* What’s the role of the IE?
* Going from 100 MTI proposals to handful; and then end up with just a couple

**Phase: Program Development**

**Stage 4: Strategy Testing & Finalization (Piloting)**

**Key Activities:**

* + PAs coordinate with/solicit input from 3Ps to design market intervention strategies. Where needed coordinate with RA programs.
  + PAs develop budget, initial logic models, pilot milestones, and file to launch pilot(s)

**Outputs:**

* + Clearly defined market, barriers to address, intervention strategy, baseline and milestones, and EM&V plan
  + Pilot testing: PAs establish criteria for judging whether a pilot is successful and worthy of scaling up.

**Questions:** Which MT approaches can gain traction with customers and industry partners, and can impact markets?

**Process:** 4. IOUs implement MT pilots

**Suggested Changes/Alternatives:**

* Is “pilot” the best term? Another term (strategy testing), or define “pilot” better
* Test part of solution, or whole solution in limited geographic area
* At some point need to be able to make deals with critical actors (e.g., major retailers)
* Who would implement? 3Ps, PAs, and how to coordinate.
* Want to design “pilot” with an eye to scalability

**Phase: Market Deployment**

**Stage 5: Market Development**

**Key Activities:**

* + PAs refine initiative plans from pilot insights for full-scale MT Accords
  + Full scale MTI: PAs establish baselines, refined logic models, and milestones
  + CalTF baseline review
  + PAs present promising MT Accords via CAEECC
  + PAs file Tier II AL. or include MT Accord in Annual Budget Advice Letter (ABAL)

**Outputs:**

* + Early EM&V plan and key MT metrics for pilots and full-scale MTIs
  + MT Accord(s)

**Questions:** How do we scale successful MT initiatives into working MT program approaches?

**Process:** 5. IOUs develop MT Accords and file with CPUC

**Suggested Changes/Alternatives:**

* Baseline may already be influenced by your early interventions — so need to revisit; make sure do initial baseline
* Leverage CalTF but maybe too narrow — if so might want a new advisory board for this task among others or CalTF forms a subcommittee with expertise.
* Purpose is to vet/review baseline and not develop
* Line item in ABAL but with different source of funding; or Tier 2 advice letter with robust stakeholder process leading up to it. Circle back to this after more clarity on roles and responsibilities — reasonable approval process.
  + Careful about suspending MT initiative for too long for regulatory review — may lose market actor interest
* NEEA Advisory Committee — make go/no go decisions that are appealable

**Phase: Market Deployment**

**Stage 6: Long Term Monitoring**

**Key Activities:**

* + PAs and Advisory Board monitor interim and long-term indicators of market effects

**Outputs:**

* + Measurable market-effects and performance indicators
  + Deemable elements of MTIs sent to RA programs?

**Questions:** Are the MT initiatives achieving planned goals? When should MTIs be included in Rolling Portfolio?

**Process:** Ongoing monitoring of MTIs via IOUs and IRC

**Suggested Changes/Alternatives:**

* CAEECC and Advisory Board placeholder might be interchangeable in IOUs proposal
* Maybe issue with CPUC delegating authority—but could potentially have technical subcommittee with board. Perhaps CPUC could delegate decision-making authority that was appealable. Could avoid disruption of MTI.

**Phase: Market Deployment**

**Stage 7: Transition or Sunset MTI**

**Key Activities:**

* + PAs implement exit strategy or transition strategy
  + MTI transitioned to Codes & Standards

**Outputs:**

* + Market readiness for code adoption

**Questions:** Has the MTI succeeded or failed? Are market dynamics self-sustainable? Has the MTI created opportunities better served through C&S or RA programs?

**Process:** 7. Transition or Cancelation of MTI

**Suggested Changes/Alternatives:**

* Some MTIs may not be Codes & Standards eligible and need other transition strategies
* Even if C&S is important transition strategy, may need additional strategies
* Still may need interventions to assist with C&S adoption, deployment, and enforcement
* Can be multiple code iterations
* Add “other regulatory policies” to C&S and RA programs

**Appendix F: Participation**

**December 6, 2018:**

***CAEECC Market Transformation Working Group members (both primaries and alternates) joining in person:***

|  |  |  |
| --- | --- | --- |
| Sam | Appel | BlueGreen Alliance |
| Brian | Barnacle | Energy Solutions |
| Merrian | Borgeson | Natural Resources Defense Council |
| Erin | Brooks | SoCalGas |
| Dan | Buch | Public Advocates Office |
| Sasha | Cole | Public Advocates Office |
| Marc | Costa | The Energy Coalition |
| Dave | Dias | Sheet Metal Workers Local 104 |
| Lara | Ettenson | Natural Resources Defense Council |
| Hayley | Goodson | The Utility Reform Network |
| Arthur | Haubenstock | California Efficiency + Demand Management Council |
| Chad | Ihrig | CLEAResult |
| Ivan | Jimenez | Small Business Utility Advocates |
| Bernie | Kotlier | Coalition for Energy Efficiency |
| Rebecca | Menten | Center for Sustainable Energy |
| Raghav | Murali | San Diego Gas and Electric |
| Derek | Okada | Southern California Edison |
| Adam | Scheer | Pacific Gas and Electric |
| Matt | Skolnik | SoCalRen |
| Dan | Suyeyasu | CodeCycle |

***Participants/observers joining in person:***

|  |  |  |
| --- | --- | --- |
| Chris | Baker | The Weidt Group |
| Margie | Gardner | RI/CEDMC/Independent |
| Nicholas | Janusch | California Energy Commission |
| Hal | Kane | California Public Utilities Commission |
| Michael | Rufo | Itron Inc. |
| Brian | Samuelson | California Energy Commission |
| Brad | Simcox | Nexant |
| Christina | Torok | California Public Utilities Commission |

***CAEECC Market Transformation Working Group members (both primaries and alternates) joining remotely:***

|  |  |  |
| --- | --- | --- |
| Hayley | Goodson | TURN |
| Lujuana | Medina | SoCalRen |

***Participants/observers joining remotely:***

|  |  |  |
| --- | --- | --- |
| Jeff | Harris | NW Energy Efficiency Alliance |
| Dulane | Moran | NW Energy Efficiency Alliance |

\*Another approximately 30 people joined remotely but their names were not captured as they were not presenting or actively participating.

***Members of the facilitation team joining in person:***

|  |  |  |
| --- | --- | --- |
| Jonathan | Raab | Raab Associates LTD |
| Ellen | Zuckerman | Independent |

**December 7, 2018:**

***CAEECC Market Transformation Working Group members (both primaries and alternates) joining in person:***

|  |  |  |
| --- | --- | --- |
| Sam | Appel | BlueGreen Alliance |
| Elizabeth | Baires | SoCalGas |
| Brian | Barnacle | Energy Solutions |
| Dan | Buch | Public Advocates Office |
| Sasha | Cole | Public Advocates Office |
| Marc | Costa | The Energy Coalition |
| Dave | Dias | Sheet Metal Workers Local 104 |
| Lara | Ettenson | Natural Resources Defense Council |
| Arthur | Haubenstock | California Efficiency Demand Management Council |
| Chad | Ihrig | ClearResult |
| Bernie | Kotlier | Coalition for Energy Efficiency |
| Rebecca | Menten | Center for Sustainable Energy |
| Raghav | Murali | San Diego Gas and Electric |
| Derek | Okada | Southern California Edison |
| Adam | Scheer | Pacific Gas and Electric |
| Matt | Skolnik | SoCalRen |
| Dan | Suyeyasu | CodeCycle |

***Participants/observers joining in person:***

|  |  |  |
| --- | --- | --- |
| Chris | Baker | The Weidt Group |
| Maya | Biery | PG&E |
| Margie | Gardner | RI/CEDMC/Independent |
| Nicholas | Janusch | California Energy Commission |
| Anthony | Kinslow II | Gemini Energy Solutions |
| Brian | Samuelson | California Energy Commission |
| Christina | Torok | California Public Utilities Commission |
| Carol | Yin | Yinsight |

***CAEECC Market Transformation Working Group members (both primaries and alternates) joining remotely:***

|  |  |  |
| --- | --- | --- |
| Hayley | Goodson | TURN |
| Ivan | Jimenez | Small Business Utility Advocates |
| Lujuana | Medina | SoCalRen |

***Participants/observers joining remotely:***

|  |  |  |
| --- | --- | --- |
| Jeff | Harris | NW Energy Efficiency Alliance |
| Dulane | Moran | NW Energy Efficiency Alliance |

\*Another approximately 20 people joined remotely but their names were not captured as they were not presenting or actively participating.

***Members of the facilitation team joining in person:***

|  |  |  |
| --- | --- | --- |
| Jonathan | Raab | Raab Associates LTD |
| Meredith | Cowart | CONCUR Inc |