

Via Electronic Mail

October 24, 2025

President Alice Busching Reynolds
Commissioner Matthew Baker
Commissioner Karen Douglas
Commissioner Darcie Houck
Commissioner John Reynolds

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: A.24-12-009, Support for California Market Transformation Initiatives

Dear Commissioners:

As members of the Market Transformation Advisory Board (MTAB) formed to provide advice and guidance to the CalMTA program staff and consultants, we urge you to approve the Proposed Decision, issued September 23, 2025, for the Application of California Market Transformation Administrator (“CalMTA”) in A.24-12-009 and reject the Alternate Proposed Decision of Assigned Commissioner Baker, which could potentially end the program.

In the Application, CalMTA lays out plans, as directed by D.19-12-021, for market transformation initiatives (MTIs) that would accelerate adoption of technologies to further California’s efficiency and decarbonization goals. The technologies featured in the first tranche of CalMTA’s forming portfolio are: 1) induction cooking products with attention to 24” 120V models that fit in smaller kitchens; and 2) 120V room heat pumps tailored for California’s climate and buildings. These both represent missing pieces that are vital to electrification of Californian’s single- and multi-family homes.

The MTAB, on which we serve, is a body of experts (currently, seven) from various backgrounds who were appointed via an open recruitment process and approved by the Commission through an Advice Letter in 2023. The Advisory Board also includes a representative from the California Public Utilities Commission’s Energy Division. Together, the MTAB members are responsible for monitoring CalMTA’s progress, reviewing financial expenditures and recommending budgets, and working collaboratively with staff to determine the criteria and priorities for choosing which ideas to pursue for MTIs.

The role of MTAB is described in the Market Transformation Working Group’s Framework which was adopted in D.19-12-021. The work we have collectively undertaken since 2023 to form these MTIs is documented via [public meetings](#) and is based on a thorough evaluation of market barriers, intervention strategies, savings potential, and alignment with the Commission’s adopted criteria. The MTAB has fulfilled its established function by providing

expert review and technical and policy guidance to CalMTA throughout the development of both MTIs.

Taken together, these two initiatives are:

- cost-effective over their lifetimes passing the TRC, PAC, and SCT thresholds for cost effectiveness as proposed and analyzed
- projected to deliver over \$1B in total system benefit (TSB) to the state’s ratepayers
- being leveraged with other programs and private investment
- bringing affordable and viable products to ESJ communities and supported by CEJA and other equity advocates

On this last point, the MTAB worked with CalMTA staff to ensure that these first MTIs (and all initiatives under development) include specific strategies to provide Environmental and Social Justice (ESJ) communities, which are often left out of energy efficiency investments, with opportunities to access these products at an affordable cost. The value that these MTIs could deliver to ESJ customers is acknowledged in the [ex parte letter](#) sent to Commissioners Baker and Reynolds from a coalition of efficiency and equity advocates on behalf of the CalMTA Application. In fact, these MTIs will help advance California’s electrification goals, improve affordability of energy for ratepayers by providing an alternative to costly panel upgrades through 120V technologies, help to avoid costly grid upgrades, and provide an electrification pathway to those who would otherwise be stranded with the cost of maintaining gas distribution infrastructure.

Market transformation delivers lasting energy efficiency at scale, but unlike the more transactional approaches of traditional efficiency programs, market transformation takes time. CalMTA’s approach is based on the Northwest Energy Efficiency Alliance’s work over the last two decades—a proven track record of working higher in the supply chain with manufacturers, distributors, and retailers to change the way markets work thus creating lasting change that provides high-value benefits over decades.

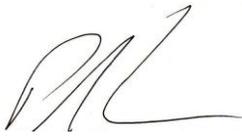
We were disappointed to see introduced in the Alternate Proposed Decision a new “key metric” to determine that the Induction Cooking MTI is not worth funding. A “TRC break-even period” is antithetical to market transformation strategy as market transformation requires higher investment in the early years to bring about structural market changes that pay out in the later years with high rates of market adoption. Adopting such an untested metric after the extensive work to develop these MTIs would not only deviate from the intent of D.19-12-021 but also create regulatory uncertainty, discourage innovation, and impede California’s ability to scale emerging clean-energy technologies that lower long-term costs for all customers.

The Proposed Decision gets it right by emphasizing that these MTIs are even “more important at a time when customers are facing rising energy costs, because these initiatives have a long-term focus on reducing upfront costs and developing mature markets for the delivery of energy efficiency options to customers.” Additionally, the Proposed Decision recognizes the years of work by the MTAB members and the CalMTA team related to analysis, data acquisition, methodology development, and documentation used to evaluate and support the MTIs as “reasonable” and “rigorous,” based on “best practices.” Finally, the Proposed Decision finds that CalMTA “appropriately selected and targeted” technologies that would deliver

incremental savings “beyond that currently being achieved in the larger energy efficiency resource acquisition portfolio and account for and prioritize deployment to ESJ and disadvantaged communities . . .” making these MTIs “worthwhile investments of ratepayer funds to pursue the benefits projected by CalMTA.” We agree!

We are proud of the work the Market Transformation Administrator has done, with our support, to bring these two MTIs to the Commission for approval and we urge you to support California’s ratepayers’ interests by voting for the Proposed Decision and rejecting the Alternate Proposed Decision. We look forward to the forthcoming voting meeting to hear the outcome.

Sincerely,



Peter Miller
Formerly of the Natural Resources Defense
Council



Jeff Harris
Northwest Energy Efficiency Alliance



Hayley Goodson
TURN



Cyane Dandridge
SEI



Fred Gordon
Formerly of the Energy Trust of Oregon

/
Jennifer Green
MCE

cc: Manisha Lakhanpal, Policy Advisor to Commissioner Baker
Justin Galle, Energy Advisor to President Alice Busching Reynolds
Nick Dahlberg, Energy Advisor to President Alice Busching Reynolds
Audrey Neuman, Interim Deputy Chief of Staff and Energy Advisor to
Commissioner Houck
Julian Buchwalter, Advisor to Commissioner Douglas
Caryn Mandelbaum, Advisor to Commissioner Douglas
Adam Buchholz, Advisor to Commissioner John Reynolds
Service List of A.24-12-009