



Evaluation Framework Response to Public Comment

This document provides a comprehensive list of comments received from the public on the draft Evaluation Framework and CalMTA's response to those comments. The draft Evaluation Framework was posted to the CPUC's PDA website for comment from Oct. 19-Nov. 3, 2023. [Visit calmta.org to access the final Evaluation Framework.](https://www.calmta.org) Note: All feedback that appears in this document is presented verbatim as submitted, with no edits made by CalMTA.

Source	Feedback #	Feedback Provided	CalMTA Response
Statewide Codes & Standards Program	Overarching	<p>Thank you for the work you've done in putting together this thoughtful MTI evaluation framework, and for the opportunity to comment.</p> <p>The evaluation of MTIs represents a new scenario for the existing CPUC practices in evaluating IOU energy efficiency programs. For example, although the Statewide IOU upstream programs are intended to have market transformational effects, they are still evaluated by tracking down contact information for individual end users. We welcome this opportunity to consider how the existing EE evaluation practices and the ideas presented in the MTI Evaluation Framework may be aligned for the improved evaluation of both types of programs. Ideally, all market transformation programs should be evaluated using the same framework.</p>	Noted. This policy question is outside the scope of the CalMTA Market Transformation Initiative (MTI) Evaluation Framework.
Statewide Codes & Standards Program	Evaluation Oversight Section 1.2	Can the CalMTA clarify what they mean when referring to having oversight of their own impact and cost-effectiveness evaluations, and explain how their roles and	CalMTA interpreted D.19-12-021 to mean that CalMTA would oversee the activities in the adopted Market Transformation (MT)

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		<p>responsibilities would differ from those of the CPUC regarding MTIs? The EE Policy Manual v6, Section VII states “The CPUC is responsible for evaluating energy efficiency programs and provides annual savings estimates to ensure that ratepayer dollars are spent cost-effectively and in accordance with the achievement of the state’s energy efficiency goals.”</p>	<p>Framework. MTAB concurred with this interpretation in the Jan. 8, 2024 webinar scheduled to discuss the topic (recording available online). However, the Decision did not specify how CalMTA would ensure appropriate independence and oversight of third-party evaluation activities. CalMTA evaluated options with MTAB, including its CPUC Energy Division representative, to determine the best approach. The final MTI Evaluation Framework describes the agreed-upon approach.</p>
Statewide Codes & Standards Program	Overarching	<p>Can more details about timing and topics of the fifth year Long Term Recommendations Review be added to this Evaluation Framework document? The MT Policy Manual says that the CalMTA will “hire an independent consultant to conduct a performance review”, but also says that “The Long-Term Recommendations Review report shall present the MTAB’s assessment of the performance of the CalMTA”. Will the MTAB oversee the Long Term Recommendations/performance review?</p>	<p>The Long-Term Recommendations Review is not within the scope of the MTI Evaluation Framework. This Framework is focused on describing the approaches CalMTA will use to evaluate MTI incremental impacts, the effectiveness of MTI strategies, and the accuracy of the initial program logic model. Evaluations of CalMTA's performance, including an organizational review and the Long-Term Recommendations Review will be addressed later in a separate document.</p>
Statewide Codes & Standards Program	Figure 2	<p>Figure 2 presents two offset S-curves to show the accelerated measure adoption. However, most EE resource and market support programs use the same type of figure to show their intended effect on the market. Would it be possible to create a figure for the Evaluation Framework that shows the distinctive characteristics of MTI effects on a market, over and above the accelerated adoption achieved by existing programs? For example,</p>	<p>Each question is addressed in turn below:</p> <p>Figure 2 is intended to be a conceptual representation of MTI incremental impacts, for the purpose of illustrating the widely accepted approach to evaluating MT programs. While distinctive MTI effects will result in differently shaped curves, this</p>

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		<p>code adoption can be depicted by a step function or discontinuity at the time the code goes into effect. There are also some confusing descriptions: Does the BMA include IOU interventions? The Framework describes “The area between these adoption curves represent MTI-induced market adoption—that is, the increase in market adoption above the baseline that results from the MTI, including other related utility-funded interventions.” Is it the baseline that includes “other related utility-funded interventions”, or is it the increase in market adoption that includes these? Figure 2 is also confusing in other ways: Will MTIs only target markets for which market share is at zero percent, as shown? Will MTIs increase market share even before there is any baseline activity, as the TMA curve currently suggests? In the spirit of Principle 5, We suggest revising Figure 2 to show the following: the market baseline trend absent all interventions, RA program effects, Market Support and Equity segment program effects, Codes & Standards effects, and MTI incremental effects. We suggest adding a caveat that no one is proposing that all these market effects be quantified, but that they are called out to show where MTI incremental effects would appear.</p>	<p>framework is intended to explain a generalized approach. Note that the individual MTI Evaluation Plans created as part of the complete MTI Plans required for an MTI to advance to Phase III. Market Deployment, will include greater detail about the specific MTI forecasts.</p> <p>The final MTI Evaluation Framework addresses the question of whether baseline market adoption (BMA) includes investor-owned utility (IOU) or other program interventions.</p> <p>Figure 2 is not meant to imply that MTIs will only target markets for which market share is zero percent or that market share will increase before there is any baseline activity. Rather, it is a purely conceptual diagram.</p> <p>CalMTA will use Figure 2 as a high-level conceptual illustration that introduces its approach to estimating incremental impact. Additional information explaining how we will treat resource acquisition (RA) program impacts and codes and standards impacts is included in Section 2.6.3 Attribution and Incremental Impact. MTI-specific considerations will be included in future individual MTI Evaluation Plans.</p>

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Statewide Codes & Standards Program	Attribution Table 3, Option 1	<p>There are pros and cons to each approach, but there are some benefits to the 3X Rule that the Evaluation Framework should recognize. Most importantly the 3X option reflects the intent to have post-adoption savings attribution correlated with the MTI's pre-adoption incremental impact on the market. This idea of motivating pre-code incremental impact is not captured in any other attribution approach. While the multiplier of three may be arbitrary, this attribution approach emphasizes the importance of achieving incremental impact, which is consistent with market transformation program's main objective. For forecasting purposes, the multiplier may be modified based on coordination with C&S program. Ex post evaluation true-up, as suggested in the third attribution approach in Table 3, can be performed after C&S adoption. We recommend that CalMTA coordinate with the CPUC to further consider this attribution approach.</p>	<p>After discussion with MTAB, CalMTA decided to move forward with the 3X Rule on a provisional basis, as described in the revised Framework.</p>
Statewide Codes & Standards Program	Attribution Table 3, Option 1	<p>As for not passing "oversight muster", we suggest that by including the 3X Rule in the Adopted Market Transformation Framework, the CPUC has signaled that the 3X Rule does have a role in their oversight responsibilities. We suggest removing "May not pass oversight muster" from the Disadvantages column of the table, and instead, engaging with the CPUC to better understand their reasoning.</p> <p>In summary, we suggest that the CalMTA team might reconsider the Advantages and Disadvantages listed in Table 3. We suggest that the 3X Rule not be dismissed, and be considered for every MTI.</p>	<p>CalMTA removed this language and revised the advantages and disadvantages table.</p>

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Statewide Codes & Standards Program	Attribution Table 3, Option 2	<p>The second option in Table 3 provides a C&S attribute approach for a scenario of no “shared C&S program target” (please note that the word “no” is missing in Table 3). We have the following questions and comments on this attribution approach:</p> <ul style="list-style-type: none"> Option 2 may be based upon a misunderstanding that C&S program is driven by a list or portfolio of discrete measures. Rather, the C&S program is driven by a process: In alignment with policy goals such as zero-net energy, grid harmonization, decarbonization and electrification, the C&S program identifies and determines standard development opportunities through long-term planning, continuous technology and market assessment, and coordination with other programs, the California Energy Commission, and stakeholders. Unlike CalMTA, which selects MTI topics based on proposals submitted in response to CalMTA solicitations, C&S program intends to capture all standard improvement opportunities without using a fixed list of potential C&S measures. Specific C&S development targets may only be developed when the related C&S adoption opportunities become viable. From this perspective, all MTI topics have shared standard adoption targets with C&S program. The proposed attribution approach includes an option of “without application of an attribution factor”. Does this mean that an MTI may claim all related C&S savings without recognizing contributions from other entities and programs? 	CalMTA revised the language in the table and updated the language to accurately reflect the approach considered for Option 2.

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		<p>Please note that C&S adoption is achieved through working with other stakeholders and related standard adoption agencies. It is impossible to adopt a standard without efforts contributed by other stakeholders and related standard adoption agencies. Thus, we do not see a scenario in which MTI savings from a code or a standard would be attributed without applying an attribution factor.</p>	
Statewide Codes & Standards Program	2.6.2 Impact Evaluation	<p>Will the MTAB have an opportunity to provide feedback on whether a BMA revision is warranted?</p>	<p>CalMTA will discuss this question with MTAB at the time of the first MTI evaluations (likely 2026). Note that the future third-party evaluators and Evaluation Advisory Group will weigh in on this topic as part of their responsibilities.</p>
Statewide Codes & Standards Program	Overarching	<p>Can the CalMTA add a caveat that CPUC policy may supersede parts of this Evaluation Framework? For example, the question of whether “co-created” impacts are allowed is likely a regulatory question. Or, does the CalMTA intend for the final draft of the Evaluation Framework to only include approaches allowed by existing regulations?</p>	<p>The MTI Evaluation Framework is intended to be consistent with the CPUC's policy intent, as documented in D.19-12-021 and the MT Framework adopted by that Decision. Note that MTAB has concurred that the Decision supersedes CPUC's evaluation policy for the rolling portfolio in certain respects. Therefore, CalMTA believes the suggested caveat could potentially lead to confusion.</p>
Statewide Codes & Standards Program	Table 2	<p>In the revised version, the Disadvantages of the “co-created impacts” option seem to have been deleted. Can you please add them back? “Breaks with evaluation approaches accepted for RA programs and may therefore raise questions about adequacy of investment prudence assessment.”</p>	<p>CalMTA removed that text on Version 2 of the MTI Evaluation Framework after deciding to remove from consideration the option to use “co-created impacts” to assess incremental impact and cost-effectiveness. CalMTA and MTAB agreed that CalMTA should evaluate incremental impacts and cost-effectiveness by</p>

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			subtracting all utility-program-verified savings. CalMTA will need to calculate co-created impacts and will publicly share that value, but since it will not be used to claim savings, there is no longer any disadvantage or possibility of double-counting savings.
Statewide Codes & Standards Program	Overarching	It would be ideal for MTI evaluations to be carefully coordinated with RA program evaluations: For RA programs, each evaluation team usually calculates their own baseline, and the baselines for evaluating the Codes & Standards Program are different from the baselines used for evaluating RA programs. This can potentially lead to either the double-counting of savings or having actual savings not counted. If the MTIs are accompanied by annual Market Progress Evaluations, perhaps this is an opportunity to use these data collection efforts to develop the Industry Standard Practice baseline that can be built upon by RA, C&S, and CalMTA program evaluations. We hope there will be opportunity to have these discussions.	CalMTA welcomes all opportunities to coordinate and collaborate on evaluation practices. RA evaluation teams will have the opportunity to review individual MTI evaluation plans when they are publicly posted. Additionally, CalMTA envisions creating a forum for periodic review and coordination of evaluation activities once these plans have been created.
Statewide Codes & Standards Program	Figure 4	Figure 4 appears to have an incomplete statement on the last scenario. Recommend to update this table to include full context of what was intended to be written.	This error was corrected.
Statewide Codes & Standards Program	Note 20 & 21	Decision "19-12-02" is missing a number and is presumed to state Decision "19-12-021."	This error was corrected.
Cal Advocates	Attribution	CalMTA's decision to use Option 2 for Codes and Standards (C&S)/Market Transformation Initiative (MTI) savings attribution does not align with the Commission's direction from Decision (D.) 19-12-021. Instead, CalMTA should adopt Option 12 (i.e., the "3X Rule") since this is a direct implementation of the Commission's Adopted	After discussion with MTAB, CalMTA decided to move forward with the 3X Rule on a provisional basis, as described in the revised Framework.

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		<p>Market Transformation Framework.</p> <p>Option 2 proposes that in cases where an MTI anticipates developing a C&S that is expected to share a target with pre-existing C&S PAs, then the savings attribution of these MTIs would be based off a forecast projecting savings after the MTI's C&S is implemented. This forecast would then be adjusted in an unspecified ex post true-up schedule. In cases where there isn't an overlap, the savings attribution would be done with a standard market transformation incremental approach. This clearly contradicts the decision's usage of the 3X Rule for all C&S/MTI savings attribution calculations.</p>	
Cal Advocates	Attribution	<p>Furthermore, CalMTA should accurately quote and present decision language and intent while discussing C&S/MTI savings attribution.</p> <p>CalMTA misrepresents decision language and its subsequent, flawed interpretation concludes that the Commission allows for an unchecked usage of savings forecasts in where there is a C&S/MTI overlap and an entirely different calculation for otherwise. The decision clearly states that a savings forecast can only be used for savings attribution in the final year of an MTI's operations prior to C&S adoption, if at all. CalMTA further rationalizes its pivot from the Commission's framework by claiming that the California Energy Efficiency Coordinating Committee (CAECC) Market Transformation Working Group (MTWG) recommended developing a forecast in collaboration with C&S PAs. CalMTA also claims that the MTWG's decided to "ignore" deliberating on the 3x Rule. However, the MTWG did not "ignore" the 3x Rule but</p>	<p>CalMTA has done its best to accurately represent the Decision language and our interpretation of it. Based on MTAB discussions, we decided to move forward with the 3X Rule on a provisional basis, as described in the revised Framework. CalMTA also carefully reviewed the language in the Framework pertaining to the MTWG to ensure accuracy. After reviewing, we suspect there may have been some misunderstanding about the purpose of collaboratively developing a forecast and welcome the opportunity to clarify any questions that remain.</p>

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		<p>rather chose not to “take up” the issue because the attribution for these C&S MTIs had been clearly outlined by the decision. Furthermore, CalMTA again misconstrues the MTWG’s forecasting recommendation. The MTWG recommends developing an “initial forecast” with C&S PAs meant for “planning purposes” which is “separate from the savings achieved by the C&S Program Administrator”. CalMTA should not repurpose this savings forecast outside the Commission’s and MTWG’s intent, especially since the Commission already has specific guidance regarding calculation.</p>	
Cal Advocates	Attribution	<p>Additionally, CalMTA’s decision to use Approach 3 and its oversimplification of Resource Acquisition (RA)/MTI savings attribution would increase the risk of misrepresenting an MTI’s impact. Instead, CalMTA should instead adopt Approach 2, in which CalMTA would collaborate with Program Administrators (PAs) to develop approaches which would be reviewed by an Independent Review Committee (IRC).</p> <p>CalMTA’s Approach 3’s oversimplification of RA/MTI savings attribution increases the risk of misrepresenting an MTI’s actual impact on the market, and CalMTA should instead pursue Approach 2 which outlines a more customized approach for each MTI’s savings attribution. Simply subtracting verified RA savings from the amount total savings would allow MTIs to claim savings from all other market influences. Under this method, an MTI would be able to claim the market effects derived from other government initiatives and policies solutions, such as the Inflation Reduction Act or municipal gas appliance</p>	<p>CalMTA understands the arguments for Approach 2, which are well documented in the MTWG report (Option B). After discussion with MTAB, however, we reached consensus on the simpler approach (MTWG Option A). We agreed that “co-created savings” is an interim calculation that will be informative to share, though it will not be used to assess incremental impact or cost-effectiveness. Note that the future Evaluation Advisory Group will review each MTI evaluation plan.</p> <p>CalMTA's attribution approach will not "allow MTIs to claim savings from all other market influences". Influences such as those mentioned in the comment will be included in BMA, as introduced in Section 1.3 Incremental Impact ("the counterfactual market adoption likely to occur absent the MTI and related utility-funded interventions"), with the</p>

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		bans, since they are outside any RA program. CalMTA has acknowledged that it has no current plans on how to consider these factors.	methodology further described in Section 2.5.1 BMA Forecasting Approach. CalMTA will conduct robust BMA forecasting for each MTI during Phase II, using the methods summarized in this section. Specific methods for each MTI will be described in detail and fully documented in each MTI Plan.
Cal Advocates	Overarching	CalMTA should also further standardize their market transformation terminology within their organization and their materials, especially regarding this topic.	Agreed. CalMTA endeavors to do exactly this as we fully operationalize the program.
Cal Advocates	Evaluation Oversight	<p>Energy Division should oversee the solicitation and hiring of CalMTA’s third-party independent evaluators to prevent any for conflict of interest that could occur if CalMTA were responsible for selecting its own independent evaluator</p> <p>CalMTA should ensure that its Independent Evaluators (IEs) are free from conflicts of interest by requesting that Energy Division oversee the IE solicitation and hiring process. CalMTA should request that Energy Division oversee the solicitation and hiring of its independent, third-party evaluators. An IE’s critical feedback ensures that CalMTA pursues best practices. However, the independent evaluators would face a conflict of interest if CalMTA has full authority over hiring and employing IEs. Thus, CalMTA should delegate these hiring responsibilities to Energy Division to ensure that CalMTA is receiving unbiased, effective evaluation</p>	<p>CalMTA interpreted D.19-12-021 to mean that CalMTA would oversee the activities in the adopted Market Transformation (MT) Framework. MTAB concurred with this interpretation in the Jan. 8, 2024 webinar scheduled to discuss the topic (recording available online). However, the Decision did not specify how CalMTA would ensure appropriate independence and oversight of third-party evaluation activities. CalMTA evaluated options with MTAB, including its CPUC Energy Division representative, to determine the best approach. The final MTI Evaluation Framework describes the agreed-upon approach.</p>
Southern California Gas Company (SoCalGas)	Overarching	SoCalGas agrees that the MTI framework should be viewed with an innovative lens, and supports a foundation firmly rooted in energy efficiency. Having energy	This comment is outside the scope of the MTI Evaluation Framework. However, since the time this comment was submitted, CalMTA

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		<p>efficiency as one of the foundations in MTIs enables a better collaboration between the two initiatives. This also enables the market transformation initiatives to be embedded into energy efficiency programs for greater market penetration. SoCalGas understands that initiatives will be strategically chosen, but SoCalGas recommends a greater degree of transparency with the initiative selection process.</p> <p>In addition, SoCalGas recommends inviting subject matter experts (SMEs) within different disciplines in the building industry to screen the MTIs before selection to support objectives of high initiative impact and cost-effectiveness. SoCalGas further recommends that CalMTA lean into the Market Transformation Advisory Board for their expertise and guidance before MTIs are selected.</p>	<p>has held public meetings with MTAB on selection of its first two batches of MTIs, and posted a Phase I Disposition Report that describes the details about all ideas received through the first RFI. We agree that SMEs are critical to the effective prioritization and design of MTIs. CalMTA will continue to make MTI selection as transparent as possible.</p>
Northwest Energy Efficiency Alliance (NEEA)	Overarching	Encourage market progress focus treated with same importance as energy savings; energy savings is a lagging indicator	CalMTA fully agrees on and supports this point.
Northwest Energy Efficiency Alliance (NEEA)	Attribution	NEEA supports attribution approach 3 in Table 2 of Section 2.63, which brings in the concept of co-created impacts. While NEEA does not seek to determine attribution between market transformation programs and resource acquisition programs, we do have an energy savings accounting system, to avoid double counting energy savings and to report out on co-created savings, which are all energy savings above the naturally occurring baseline. Regionally, we focus on maximizing cocreated savings through coordinated market transformation programs and resource acquisition programs.	Discussion with MTAB clarified that California will require attribution between MTIs and RA programs. We will share information about co-created savings though it will not be used to calculate incremental impacts or cost-effectiveness.

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New Buildings Institute (NBI)	Overarching	<p>The draft framework as presented includes a fair amount of jargon (i.e. TBE, TMA-BMA, MTIs, TRC, PAC, ex ante, etc.) and will certainly keep the evaluators busy trying to determine attribution. The concern is that these traditional approaches will lead to the same results, which ignore a comprehensive view of California’s policy objectives. Importantly, this framework may inadvertently create systematically inequities that exclude those who may benefit most from program outcomes.</p> <p>NBI’s reflection of our own work has made clear how programs can easily ignore certain market segments (schools, multifamily, low income) which are “hard to reach.” In these building types, stacked investments are often needed to pay for the extensive upgrades that may be necessary to address health and safety, even before efficiency. This may create even further complications when it comes to “cost effective savings” or “attribution.” Every option is needed to support these facilities, but it is hard to see how they could become a priority given the current framework evaluation as presented. We suggest that market transformation programs consider how to incorporate outcomes like ventilation systems that protect kids from covid or wildfire smoke, or classrooms that can continue to operate in extreme heat because they have air conditioning. In the schools sector, we need to move beyond traditional metrics and focus more on how students’ lives are improved because of the programs like CalMTA.</p>	<p>The Framework includes a list of acronyms and spells out each acronym when it first appears, to minimize confusion.</p> <p>CalMTA is committed to applying an equity lens that cuts across all program operations and fulfills the Decision's direction to (1) drive incremental savings that achieve the state's energy efficiency, equity, and GHG reduction goals; and (2) integrate strategies to maximize MTI equity. To this end, CalMTA includes equity as a key MTI scoring criterion, integrates equity strategies into program design processes, and develops and reports on equity metrics. The final draft of the Evaluation Framework adds text regarding our commitment to equity metrics as part of evaluation.</p>
New Buildings Institute (NBI)	Overarching	The framework ignores mention of equity, environmental justice, or energy burden reduction. The evaluation	CalMTA agrees with this comment and has edited the Framework to address equity

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		<p>framework, and the activities of CalMTA, would benefit from input from those who have NOT participated but have lived experience that can inform how market transformation programs might be designed, promoted, and evaluated. In addition, while our industry is sorely lacking in trained individuals who can install and maintain advanced technologies, this framework seems to ignore this broader market barrier of workforce and the role that CalMTA could have there if it were not limited to this type of evaluation framework. We encourage CalMTA to allow for evolution of traditional market transformation evaluation approaches and metrics which demonstrate value to the citizens of the state. The concern under this framework is that prioritizing environmental justice communities will be seen as expensive, not cost effective and therefore systematically excluded. California has an opportunity to lead the industry with a set of new market transformation metrics, and we encourage CalMTA to consider more flexibility in its evaluation framework to allow for more broad interpretation of market transformation that helps everyone, not just those who can afford to participate.</p>	<p>metrics at a high level. Please note that details regarding workforce development and other environmental and social justice considerations will be included in the specific MTI Plans that are required for MTIs to advance from Phase II. Program Development to Phase III. Market Deployment.</p>