



March 27, 2025

MEMORANDUM

TO: Market Transformation Advisory Board (MTAB)

FROM: Katie Teshima, Foodservice Water Heating Systems Program Manager
Sepideh Rezania, Foodservice Water Heating Systems Strategy Manager
Jeff Mitchell, Principal of Market Transformation

SUBJECT: Foodservice Water Heating Systems Advancement Plan Update

This memo summarizes changes made to the Foodservice Water Heating Systems Advancement Plan since initial approval in October 2024.

CalMTA received feedback from the CPUC regarding uncertainty about the size and opportunity in café-style foodservice, as well as broader challenges within the foodservice sector. In response, CalMTA assessed the café market size and presented findings to the CPUC in November 2024. Building on this, we updated the Advancement Plan to clarify our approach to addressing these concerns, incorporating interim CPUC checkpoints to create more opportunities for collaboration and informed decision-making throughout the process.

Changes to the Advancement Plan are summarized as follows:

- Section 1 Purpose, page 5: additional context provided related to agreed-upon research check-in points to reinforce alignment with the CPUC throughout Phase 2.
- Section 4.2 Target market, page 10: removed initial target market language around the café market and added clarity that entry points for this MTI will be guided by research outcomes.
- Section 4.5 Environmental & social justice, page 15-16: added language to acknowledge the financial challenges of restaurants and potential negative impacts of cost increases as well as our plan to investigate strategies to reduce cost impacts.
- Section 6 Table 4. Summary of technology assessment needs, cost, and estimated timeline, page 30: updated assessment task schedule to account for timeline delays, updated site survey and lab testing cost estimates.
- Section 6 Table 6. Market research task, estimated cost, and estimated timeline, page 33: updated assessment task schedule to account for timeline delays.
- Section 9 Table 10. MTI Advancement Plan estimated cost summary, page 40: updated estimate cost of site survey visits to account for recruitment and incentives,

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719 Main Street, Suite A | Half Moon Bay, CA 94019

reduced cost of lab testing to reflect PG&E lab testing leverage opportunity; reduced overall estimated MTI cost from \$1,038,000 to \$978,000.

- Figure 2. Overall timeline/schedule of activities, page 41: updated timeline to reflect delays.

About CalMTA

CalMTA is a program of the California Public Utilities Commission and is administered by Resource Innovations. We work to deliver cost-effective energy efficiency and decarbonization benefits to Californians through a unique approach called market transformation. Market transformation is the strategic process of intervening in a market to create lasting change by removing market barriers or exploiting opportunities, accelerating the adoption of identified technologies or practices. CalMTA-developed market transformation initiatives also aim to advance state goals on demand flexibility, workforce development and equity. Learn more at www.calmta.org.