



September 13, 2024

MEMORANDUM

TO: Market Transformation Advisory Board

FROM: Katie Teshima, Program Manager
Sepideh Rezania, Market Transformation Strategy Manager

SUBJECT: MTI Advancement Plan Feedback Memo: Foodservice Water Heating Systems

CalMTA would like to thank both the Market Transformation Advisory Board (MTAB) and the public for the feedback provided on the Foodservice Water Heating Systems market transformation initiative (MTI) Advancement Plan. The draft Advancement Plan was posted for comment on the California Public Utility Commission's (CPUC) [Public Document Area \(PDA\) website](#) from July 8 - 31, 2024. During the comment period we received 49 responses. This memo provides a high-level summary of the feedback and highlights themes from the Advancement Plan. The documents that summarize the specific feedback received and CalMTA's responses is attached.

Strategic Coordination with Existing Programs

CalMTA received several comments emphasizing the importance that CalMTA's work related to water heating guidelines are non-duplicative and complementary to existing programs and initiatives. Program coordination and alignment is a priority for this proposed initiative and CalMTA will be working collaboratively throughout its development and implementation (assuming approval). CalMTA will be leveraging existing and ongoing research to focus on areas where CalMTA can add value and address gaps not covered by other groups, while avoiding redundancy. Language has been added to the Executive Summary to emphasize these points. Existing language around coordination exists in Section 4.4 Possible points of leverage and strategy interventions.

Market Characterization and Targeting

Feedback and comments were received regarding the foodservice target market identified. We believe that cafes and quick service chains may have strong leverage points to better understand decision-making and scale efficient water heating technology in less complex systems and will be validating/updating this hypothesis in Phase II. CalMTA recognizes that this market faces many challenges due to its diversity in technology needs, ownership structures and economics and that strategies may need to be tailored on a more specific, sub-market level. Our target market will be further refined during the market research and characterization activities that occur during the next phase. CalMTA added more detailed information and reasoning to Section 4.2 Target market.

Regulatory Considerations

Advancement Plan feedback included a variety of comments around both barriers and leverage points that exist for this proposed initiative related to California codes and regulations, which has been incorporated into Section 4.4 Leverage points and Table 2 Risk review. CalMTA recognizes the need to align with air/water/appliance regulations, with the success of these regulations depending heavily on market readiness. This proposed initiative would help amplify existing efforts and ready the foodservice sector. CalMTA will continue to track the progression of state and national standards/mandates and adjust strategies accordingly.