



MTAB Meeting Notes

February 19, 2025

Virtual Meeting

Welcome, Agenda, & Conflict of Interest Disclosure

Stacey Hobart opened the meeting by welcoming attendees, facilitating introductions, and sharing the meeting agenda. She reviewed CalMTA's conflict of interest policies and asked the Market Transformation Advisory Board (MTAB) members to disclose any conflicts. There were none.

Stacey asked MTAB members for any comments regarding draft notes from the previous meeting (11/20-21). There were none.

2024 Request for Ideas: Phase I Update

Jeff Mitchell presented CalMTA's multi-stage idea scoring process and Market Transformation Initiative (MTI) development process with specific information related to the request for ideas (RFI) issued in the summer of 2024. Rick Dunn then reviewed the ideas that were advanced to Stage 2 following that RFI accompanied by a discussion of CalMTA's Batch 3 priorities and considerations and a discussion of the ideas that CalMTA does not recommend advancing. MTAB comments and questions about these ideas included:

- While it is not the idea recommended to move forward, CalMTA should keep the "variable frequency drives (VFDs) on all pumps and fans >10 HP" idea under consideration for future development, as it has large and significant potential despite the complex, fragmented nature of the market. The barriers are challenging but seem well-suited to a market transformation approach.
- Northwest Energy Efficiency Alliance (NEEA) has worked in this market for a while (particularly with products <10 HP) and would welcome the influence on national market actors that California's involvement could provide.
- How did the Efficient Streetlighting idea, which was previously advanced to Phase II but paused, score in this round compared to future iterations?
 - Rick clarified that no new information was identified that would enable CalMTA to re-score the idea, so the score did not change and was not prioritized in comparison to the other ideas under consideration.
- The Multifunction Heat Pump idea seems very well-positioned for an MT approach based on the identified reasons for not advancing, barriers, and opportunities.
- What is CalMTA's process or threshold for reviewing archived submissions?

- Rick replied that there is no set threshold for reconsideration. CalMTA considers which ideas make the most sense at a given time based on market conditions, potential savings opportunities, and MTI portfolio needs.

Rick then shared CalMTA's recommendation to advance the Building Performance Standards (BPS) Accelerator idea into Phase II for strategy development and testing. MTAB feedback included:

- One of the barriers related to BPS policy implementation in the Northwest is the lack of simple pathways to collect data that demonstrates compliance (e.g., utility meter data for the whole building). In California, collecting data in investor-owned utility (IOU) territories may be straightforward, but 15% of the state is served by publicly owned utilities, where obtaining that data may be more difficult.
- In addition to data collection challenges, it is also challenging to ensure that entities upload this data to a system identified by the state. Looking at consistency and how other states have pursued BPS implementation will be important.
- Rent impacts and split incentives will be challenging to navigate for both multifamily properties and commercial real estate.
- While this is a nascent market, it's also very crowded with many active entities. Policy has been somewhat developed, implementation is in the early stages since no compliance dates have happened yet, and evaluation of savings is also going to be very challenging due to overlapping with MTIs and the numerous other market activities.
- CalMTA may want to focus specifically on market-related barriers, compliance, and education. Entities actively addressing BPS include:
 - IOU local reach codes and ongoing codes and standards engagement with the California Energy Commission (CEC) to provide support for SB48
 - IOU [Explorer "Building Estimates" tool](#) through the Local Energy Codes program to assist jurisdictions in understanding what existing building stock looks like to help shape policies
 - National BPS Coalition through the U.S. Department of Energy (DOE) and BPS Technical Assistance network through the U.S. DOE/Environmental Protection Agency (EPA)
 - CalBPS working group led by the U.S. Green Building Council California (USGBC California) and Noresco
 - USGBC California also has a robust BPS Hub providing resources to jurisdictions and stakeholders
 - American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) has a BPS guide and code-enforceable standard for BPS ("ANSI/ASHRAE/IES Standard 100, Energy and Emissions Building Performance Standard for Existing Buildings")

- Pacific Northwest National Laboratory (PNNL), Lawrence Berkeley National Laboratory (LBNL), and the National Renewable Energy Laboratory (NREL) are all working on various aspects of BPS, including support of the BPS Technical Assistance Network
- Having a workforce in place to support this will be critical and challenging, as for most building owners, future regulations are hypothetical and not a reality. What will motivate people to staff up to deal with this beyond the few innovators that already have adequate staffing? Strategic Energy Management (SEM) is the closest corollary with a successful value proposition, although it is based less on a hypothetical future standard than energy savings that can be accrued. Structuring this around a profit center may help motivate people, who don't really believe in the standard yet or think they can just pay the fine.
 - Rick agreed and stated that the need to develop a value proposition will be a focus of early research, as will an exploration of what aggregation looks like in the market.
- Work in the Northwest has taken almost the inverse approach to BPS than what CalMTA is considering: looking at BPS as leverage to advance deep energy retrofits. BPS will require all buildings in California to address their energy index and take action, even if that action is a decision not to comply. BPS can spark conversations about SEM, deep energy commissioning, or other advanced energy projects and ultimately encourage building owners to invest in significant upgrades beyond what BPS would require them to do. CalMTA should think of BPS as a leverage point to address barriers like lack of capital investment or split incentives.
- Much of the BPS-focused work in Washington State centers on workforce development. CalMTA should not underestimate workforce challenges from the perspective of the building owners but should also see this as an opportunity for MT - and the potential to increase the number of environmental and social justice (ESJ) community members moving into this high road career path.
- Issues vary widely between buildings that just meet the 50,000-square-foot threshold and very large buildings, as well as across different geographies/regions. Trying to educate a building owner whose portfolio spans different building sizes and locations will be challenging. BPS work in Washington, D.C., which is very advanced, might be helpful.
- With seven MTIs in various stages of development, are CalMTA resources best allocated to introducing a new MTI or to fully developing all existing ideas?
 - Jeff Mitchell explained that CalMTA balances all in-development MTIs from a labor and budget perspective. Not all ideas currently in Phase II of development will move into Phase III and CalMTA needs to consider the size of each MTI and how significant of a role in the market CalMTA will need to play.
- The BPS Accelerator idea illustrates the importance of dynamic management across an MT portfolio. BPS will have synergistic benefits for other MTIs and could introduce

concepts with the potential to become future MTIs, so moving this idea forward could be a pivotal move that positions CalMTA's portfolio as more than the sum of its parts.

Key Performance Indicators (KPI) Scorecard Review

Karen Horkitz shared CalMTA's identified program-level key performance indicators, and the metrics used to assess progress in those areas. MTAB feedback included:

- The dashboard is useful and aligns with what NEEA uses. Experience in the Northwest has found that some audiences want to drill down into specific elements, such as Total System Benefit (TSB), at a deeper level. It may be valuable for CalMTA to develop a view that provides that level of detail for key stakeholders.
 - Karen noted that there have been internal conversations about this and that CalMTA is exploring options to make it more dynamic and update some areas, like financials, quarterly. Others would follow the evaluation schedule.

Application Update

Lynette Curthoys provided an update on the current status of the application filed with the CPUC on CalMTA's behalf, which included a request for approval of the Room Heat Pumps and Induction Cooking MTI Plans. She also described the process proposed in the application for approval of future MTIs and the request to replace the filing of ABALs with a Trigger-Based Budget Advice Letter. MTAB members raised the following points:

- The IOUs' energy efficiency application follows a four-year cycle but with a true-up every two years. Experience with this process indicates that budget allocations do shift based on portfolio progress toward meeting targets set in the Potential and Goals Study.
- The 6-9 month application schedule included in the Decision was initially approved in 2019 and more time may be required than was initially estimated.

2025 Operations Plan Overview

Lynette then shared an overview of CalMTA's 2025 Operations Plan, including key priorities and milestones for MTI development, stakeholder engagement and communications, and administration and operations including financial reporting. MTAB questions and comments included:

- Will the draft Commercial Rooftop Unit (RTU) MTI Plan be released prior to the opening of the public comment?
 - Lynette replied that the public comment period will coincide with MTAB review of the MTI Plans. CalMTA will use the Idea to Initiative campaign and Phase II research findings to tee up key components of the plan in advance.
 - Jeff Mitchell added that the logic model, MT theory, and other components would be presented to MTAB via public meetings before the full plan is released.

- The review process would be easier if key documents were shared several days before CalMTA presents them.
 - Lynette noted this is our intent and said that MTAB meetings are scheduled to allow for a period to review and ensure alignment with target completion dates.

Stacey then described CalMTA's plan to use quarterly update webinars to share activities completed in the previous quarter in lieu of a written report and separate from MTAB meetings.

2024 Financial Update

Jim Giordano summarized 2024 budgets by cost category and final expenditures. MTAB feedback included:

- It's common for MT implementation budgets to be underspent because markets don't always move at the projected rate. Experience in the Northwest indicates that the total amount of money available matters less than the number of staff in place to help move the market.

MTAB Recruitment Plan & Timeline

Stacey reviewed the open MTAB seats and process/schedule for recruitment.

Public Comment

The following public comment was received from Dennis Roberts:

- To be truly market transformational, building standards should be linked to a comprehensive zero-emissions plan, recognizing the underperformance of these plans globally and in California. More attention needs to be paid to demand reduction. A program model exists that takes energy savings and allows people to recoup their investment based on those savings as a first step in zero-emission funding.

Next Meeting & Next Steps

Stacey presented CalMTA's plan for MTAB meetings in 2025, which will occur both virtually and in person.

The meeting was adjourned.

Attendees

MTAB Members

1. Cyane Dandridge, SEI
2. Hayley Goodson, The Utility Reform Network
3. Fred Gordon, Energy Trust of Oregon

4. Jeff Harris, Northwest Energy Efficiency Alliance
5. Chris Malotte, Southern California Edison (proxy for Randall Higa)
6. Peter Miller, Natural Resources Defense Council
7. Christie Torok, California Public Utilities Commission
8. Ky-An Tran, California Public Advocates

Participating Staff & Consultants

1. Taqua Ammar, CalMTA/Resource Innovations
2. Jennifer Barnes, 2050 Partners (on the CalMTA team)
3. Lynette Curthoys, CalMTA/Resource Innovations
4. Rick Dunn, CalMTA/Resource Innovations
5. Rachel Good, CalMTA/Resource Innovations
6. Stacey Hobart, CalMTA/Resource Innovations
7. Jeff Mitchell, CalMTA/Resource Innovations

Guests

1. Grant Alpert, 2050 Partners
2. Don Arambula, Don Arambula Consulting
3. Lauren Bates, Opinion Dynamics
4. Mogens Birkelund, S.C. Nordic A/S
5. Rob Bohn, PG&E
6. Alamelu Brooks, Energy Solutions
7. Richard Chien, Bay Area Air Quality Management District
8. Kelly Cunningham, PG&E
9. Jillian Du, BayREN/ABAG
10. Natalie Flores-Rios, SCE
11. Sue Hanson, EMC Insights
12. Anh Lay, ACCES
13. Cristina Marquez, IBEW 569
14. Savannah McLaughlin, CPUC
15. Emily Pelstring, CPUC
16. Dennis Roberts, Energy Efficiency Done Right
17. Frank Sandtner, Nationwide Marketing Group
18. Carol Yin, Yinsight, Inc.