Batch 1 MTIs: Strategy Pilots

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Today's presenters





Elaine Miller
Sr. Manager, Market
Transformation Strategy



Stacey Hobart
Principal, Stakeholder
Engagement
& Communications

Strategy Pilot SOW Process



- Posted for feedback from 1/8-1/23
- Feedback has been incorporated into updated scopes
- Webinar is an opportunity to hear about the Strategy Pilots, a summary of comments received, and how CalMTA addressed that feedback in its planning
- Work can begin once CPUC approves



Goals of Batch 1 Strategy Pilots



- Test select interventions and gain insight into consumer and supply chain behaviors
- Provides one piece of the story. Complementary to market characterization and product assessment research
- Complete in 2024 to inform application for advancement to Phase III: Market Deployment
- To execute quickly, building upon existing channels in CA

Strategy Pilot 1: Geo Targeting Using ESRPP for Portable/Window Heat Pump and Induction Cooking



Intervention to Test: Leverage existing ESRPP to **test retailer engagement on lower MSRP induction ranges and portable/window heat pumps** in stores
that serve predominantly ESJ communities

Barriers and Possible Interventions to Investigate:

- Retailer stocking practices that target ESJ communities with more affordable products
- Availability of affordable product
- Awareness of value proposition

Conceptual Logic Model – Portable Window/Heat Pumps



Consumer

Higher costs than separate window

Product differentiation and

Need Federal voluntary and procedures for variable

Technical challenges: cold climate, adding air filtration, condensate management, noise abatement, and use of

> Inclusion in CA utility offerings

Opportunities

New market entrants generating manufacturer momentum in product category

Public health and climate resilience benefits (NEIs)

Retail product platforms, online EE marketplaces, and extra-regional partnerships

Existing ESJ and public health programs

Occupant self purchase, installation and ownership

Federal test procedure in development

Interventions Strategic

MANUFACTURER ENGAGEMENT

Engage leading and extra regional partners on technical improvements including capability of air filtration, cold climate, grid ability, and use of ultra-low GWP refrigerants

FEDERAL STANDARDS

With partners engage federal and state test procedure and standards process for portable/window heat pumps

RETAIL STOCKING AND PROMOTION TARGETING **ESJ COMMUNITIES**

Engage ESRPP platform and online EE marketplaces on product promotions, data and possible incentives targeting ESJ heavy zip codes

PRODUCT DIFFERENTIATION

Engage ENERGY STAR and CEE specification to enable leverage of tax credits

LEVERAGE CA CURRENT PROGRAMS

Engage programs / CBOs that target ESJ consumers to build product awareness and leverage incentives

BUILD AWARENESS

Build awareness among consumers including key influencers like owners of multifamily buildings, public housing authorities, and renter associations

Multiple products readily available which include air filtration, cold climate capability, and use of ultra-low refrigerants

Local EE and climate resilience programs move away from AC-only to require portable/ window heat pumps

Increased CBO, consumer and landlord awareness and promotion

Prices of portable/ window heat pump declines

ENERGY STAR label exists that differentiates product

Market share of portable/ window heat pump grows, AC and space heaters only sales decline

Impact

Norm is to purchase a portable/window heat pump instead of backup resistance heaters and AC window units

Federal and state procedure and standard in place for portable/window heat pumps

Strategic Interventions



Manufacturer engagement

Retail stocking and promotion targeting ESJ communities

Leverage current programs

Federal standards

Product differentiation

Build awareness

Strategy Pilot 1 Research Objectives



Can ESRPP be adapted to target identified zip codes that primarily serve ESJ communities?

Learn:

With more affordable products available, can we see an uptake of sales in stores that serve predominately ESJ communities?

Can we continue to gather full product category sales data for CA?

Can an coupled event that drives consumers to turn in their old AC drive awareness and sales of portable heat pumps?

Implementation Strategy and Timeline



	Timeline (Months)											
Activity	1	2	3				ì		Ĺ	10	11	12
Task 1. Engage ESRPP collaborative and program sponsors	*											
Task 2. Engage leading manufacturers and retailers												
Task 3. Engage local AC recycling partner or CBOs												
Task 4. Implement ESRPP Strategy Pilot												
Task 5. Conduct Strategy Pilot assessment												

Comment Theme 1: Coordination with other programs and leverage others' research



- Mitigate any potential overlap with other statewide programs
- Ensure continued coordination and maximum use of data from retailers
- Ensure results are shared broadly through a webinar and final report
- "AC Turn-in" event has been done before, be sure to review existing research

Response: CalMTA is committed to coordinating productively with statewide programs and will continue to gather full category sales data for the benefit of CA Codes and Standards Advocates.

We will review what others have already done, share our lessons learned and make the data accessible.

Comment Theme 2: Market Education



- Ensure inclusion of sales staff and customer demonstrations
- Ensure customers are aware of impacts to home electrical systems

Response: In our negotiations with retailers, we will propose sales staff training and customer education. This has been added to the pilot plans.

Comment Theme 3: Data Collection



 Determine what portion of products are purchased by ESJ communities **Response:** Data gathered by ESRPP does not include customer data. In most cases we will only get store location data. We will learn about sales in specific geographic locations but will also ensure that we learn about this via the market characterization.

Comment Theme 4: Supply Chain Partners



Other retail shops besides Lowes,
 Best Buy, etc., such as Pacific
 Sales should be included

Response: Through ESRPP (Home Depot, Lowes, Best Buy and Nationwide) we estimate that these 3 chains and the independents that source their products through the buying group, Nationwide, CalMTA will reach an estimated 60-80% share of the California market. We will learn about additional retailers via the market characterizations study.



Questions?

Strategy Pilot 2: Portable/Window Heat Pump Self-Installation Practices



Interventions to Test: Leverage current electrification efforts with local CBOs to test and verify customer installation and experience with portable/window heat pumps

Barriers to investigate:

- Possible technical barriers to self-installation primarily for ESJ communities
- Inclusion and leverage of current program efforts
- Awareness of portable/window heat pump benefits
- Tool to engage manufacturers on product improvements

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Strategic Interventions



Retail stocking and promotion targeting ESJ communities

Manufacturer engagement

Leverage current programs

Federal standards

Product differentiation

Build awareness





Window unit

Saddle-bag









Portable



Strategy Pilot 2 Research Objectives





Verify opportunity of portable/window heat pump self-installation

Verify consumer value of self-ownership

Understand the impact on consumer behavior with other equipment in home

Build manufacturer engagement and CalMTA's understanding of technical and supply chain barriers

Build CalMTA's understanding of ESJ multifamily market needs and CBO partnerships

Implementation Strategy and Timeline



	Timeline (Months)												
Activity	1	2	3	4	5	6	7	8	9	10	11	12	
Task 1. Identify CBO implementation partners													
Task 2. Engage manufacturers on targeted products													
Task 3. Finalize Strategy Pilot scope and plan													
Task 4. Create Strategy Pilot materials													
Task 5. Implement Strategy Pilot													
Task 6. Conduct Strategy Pilot assessment													

Comments around customer experience:



- Customers ability to identify a heat pump unit
- Assess entire customer journey, not just installation

Response: We will also do a full market characterization and product assessment research as detailed in the MTI Advancement Plan. The full customer journey will be assessed and documented via all three portions of the research.

Comment 2: Product Form Factors



• Include all possible product form factors in the self installation pilot

Response: The pilot will document self-install practices for 4 different form factors of portable window heat pumps:

- Traditional window AC form
- Saddle bag form
- On rollers / moveable form
- U shaped form (HP versions in development)

The Strategy Pilot document has been updated.

Comment 3: Clarify Baseline



CalMTA needs clarify the baseline

Response: The baseline for a portable heat pump MTI will be developed as part of the baseline market adoption estimation, which is included in the broader portable heat pump Advancement Plan.

Comment 4: Product inclusion in pilot



 The installation testing should include all major manufacturers and not restrict participation based on the signing of an NDA or bulk pricing. Response: This is CalMTA's plan – test as many types of manufacturer portable/window heat pumps. We will not make participation contingent on manufacturers signing an NDA or bulk purchasing.

The Strategy Pilot document has been updated.



Questions?



Next Steps



- Make final updates to Strategy Plans and post
- Final Strategy Pilot plans approved by CPUC PM
- Launch Strategy Pilot activities

Public comment



Thank you for attending!
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