

# Market Transformation





# Current Market Transformation Programs

**Goal:** Provide statewide technical assistance and education to support achievement of long-term EE goals in all sectors



*Focus has been largely on educating energy professionals and strategic energy decision-makers, so that they have skills and information needed to implement effective EE strategies (versus other MT strategies such as technology development or supporting manufacturers, vendors, contractors, retailers, etc.)*

*Efforts to-date have been more geared towards achieving immediate (and to some degree, long-term) energy savings, but not interim market transformation metrics*

*Department's model has been somewhat ad-hoc/opportunistic (rather than systematic)*



## Market Transformation Plan 4



Review and recommendations from LBNL

Plan 4 proposed to not dramatically shift portfolio, but begin trend toward more systematic approach to make EE standard practice

Realignment of programs: training & education (supply), data & information (demand), emerging tech


No claimed savings but incorporate non-energy metrics

Proportion of budget lower than last plan – 6.5% vs. 10% – but some programs shifted out of MT, also varies by utility (particularly Peoples and ComEd)



## Market Transformation Plan 4 (cont.)

### Realignment of programs:

- 
- Training & Education (Supply): train and provide technical assistance to professionals and students of the building and energy industries in energy efficient practices and educate them about energy efficient products and equipment (e.g., Codes, BOC, ESPC & Finance, Design Assistance)
  - Data & Information (Demand): provide data and information necessary for customers to want to take action to save energy (e.g., Benchmarking Policy & Implementation Support, Home Performance with Energy Star, Low Income Customer Education & Data)
  - Emerging Technologies: identify and evaluate electric and gas emerging gas technologies for Public Sector & Low Income



**DCEO Market Transformation Budget (millions)**

	Year	Electric			Year	Natural Gas			Total Mkt. Trans
		Year	Year	Total		Year	Year 3	Total	
<b>Training &amp; Education</b>	\$1.75	\$1.75	\$1.75	\$5.26	\$0.45	\$0.45	\$0.45	\$1.35	\$6.61
<b>Data &amp; Information</b>	\$0.68	\$0.68	\$0.68	\$2.04	\$0.15	\$0.15	\$0.15	\$0.45	\$2.49
<b>Emerging Technologies</b>	\$1.49	\$1.49	\$1.49	\$4.46	\$0.37	\$0.37	\$0.37	\$1.12	\$5.58
<b>TOTAL</b>	\$3.92	\$3.92	\$3.92	\$11.76	\$0.97	\$0.97	\$0.97	\$2.92	\$14.68



# Market Transformation Feedback



To make a real market impact, programs should be statewide in scale – potentially with one implementer?

Consider supply and demand necessary to make EE standard practice

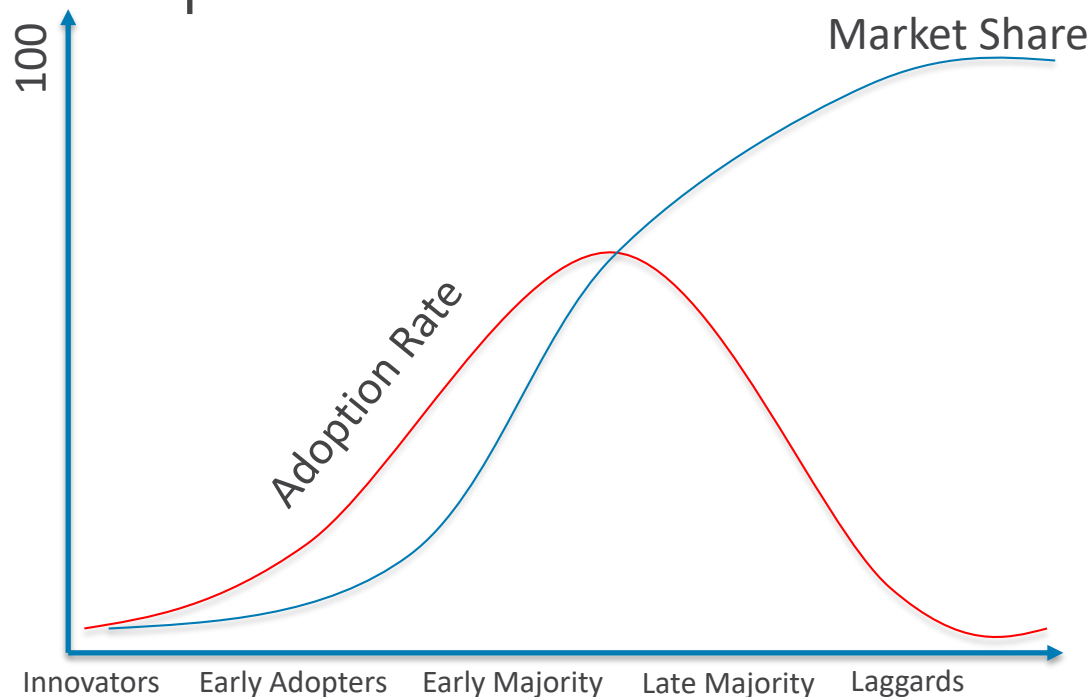
- Codes training and education is critical and high impact
- ESPC & finance are key to stretching dollars and reaching more customers
- Benchmarking is a new area, but has potential to be very effective
- We've received a lot of feedback from the field that more education is needed for low income residents so that savings are sustained

Consider exploring emerging technologies specifically for public sector and low income applications

# Market Transformation

## *Definition*

- The use of strategic interventions to speed the adoption of energy efficient technologies, products, or services in a particular time and place



# Market Transformation

## *Benefits*

- Allows for:
  - Statewide coordination
  - Leveraging existing market
  - Reduction of per measure transaction and administration costs
  - Reaching economies of scale
  - Long term intervention



# Market Transformation

## *Approaches*

- People focused
  - Training the supply side
  - Educating the demand side
- Product focused
  - Distribution channels
  - Attribution- joint programs as a model

# Current MT Programs

## *People Focused*

- BITE
- Design Assistance
- Trade Ally
- Codes
- BOC
- L4L
- Illinois Home Performance

# Market Transformation

## *People Focused Accomplishments*



672 Contractors in Building Science



7,251 IHP Silver Certificates

# Market Transformation

## *People Focused Accomplishments*



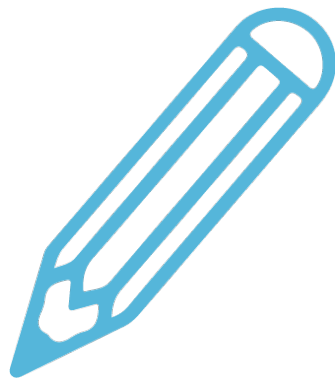
478 Real Estate  
Professionals



953 BPI Certified  
Contractors

# Market Transformation

## *People Focused Accomplishments*



Educated 150,000+  
K-12 Students



2,000+ Presentations

# Market Transformation

*People Focused Accomplishments*



674 DCEO Supported  
BOC Graduates in Illinois



20 Veterans  
Supported

# Market Transformation

## *People Focused Recommendations*

- Continue training & education
- LBNL-
  - Deliberately characterize markets, barriers, strategies, and expected outcomes
- Conduct market baseline studies
- Develop performance indicators
- Determine market effects
- Discontinue Lights for Learning

# Market Transformation

## *Product Focused*

- Products
  - NEEA and NEEP
    - Encouraged by a regulatory structure that allows for market change attribution as opposed to measure by measure attribution
  - Similar to existing joint programs, but a more systemic approach
  - MT as a logical extension of Emerging Technology programs
  - Delivery channels
  - Baseline studies
    - D&R International
    - Cogged v-belts



# Market Transformation

## *Product Focused Recommendations*

- Identify markets for strategic intervention
- Determine how best you can catalyze that transformation
- Figure out the attribution issues
- Provide the strategic interventions
- Monitor progress indicators against initial benchmarks

# Market Transformation

## *Discussion Questions*

- How does MT fit in the four year plans?
- How will MT be different than the DCEO MT programs?
- What products, technologies and services are primed for MT?
- What are the unique Illinois barriers to MT?

# Market Transformation

## *Discussion Questions*

- What are the short and long term goals of MT?
- How are energy savings attributed to the utilities' efforts in a fair, straightforward, and logical way, given the current and emerging evaluation and regulatory framework?
- How do we know that we've done an effective job?

Thank you!

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