

Market Transformation Best Practices
ComEd's Market Transformation Summit & Upstream Program

Jim Fay, ComEd
Illinois SAG Meeting
11/8/2018

Market Transformation - What Does It Mean?

✓ ***“Market Transformation is the strategic process of intervening in a market to create **lasting change** in market behavior by removing identified barriers or exploiting opportunities to accelerate the adoption of all cost-effective energy efficiency as a matter of standard practice.”***

– Source: Northwest Energy Efficiency Alliance

✓ ***“Market Transformation is designed to induce **sustained** increases in the adoption and penetration of energy efficient technologies and practices through **structural changes** in the market and in behaviors of market actors.”***

– Source: Ken Keating, et. al.

What Is Market Transformation?

- ✓ **Market Transformation programs try to change markets to *enable* future energy savings**
 - **Increase decision-maker awareness of the value of energy saving measures and programs**
 - **Develop new program delivery channels**
 - **Changes customer or partner business processes or practices to facilitate the adoption of energy efficiency**
 - **Improve compliance with energy codes and standards**
 - **Accelerate market adoption of new measures**
- ✓ **Market Transformation is a 25 year old program concept**

The Market Transformation Budget for 2018-21?

	2018	2019	2020	2021
Total	\$1.6	\$1.6	\$1.6	\$1.6

Market Transformation Program Leverage

1. Illinois:

1. 30% of the MT Program is Statewide – Joint with Ameren, NiCor & Peoples
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2. Beyond: Discussing Midwest coordination & National programs

Market Transformation Programs - 2018

- ✓ **Building Operator Certification & Illinois Home Performance – Continue & Improve**
- ✓ **Codes Compliance Baseline**
- ✓ **2019 Upstream Pilots**
 - **Food Service Equipment & HPWH**
 - **HVAC & Lighting Channel Assessments**
 - **Benchmarking**

The Illinois Setting - FEJA Issues

- ✓ Rules apply in 2018
- ✓ Illinois utilities now manage Income Eligible, Public Sector & Market Transformation
- ✓ Lifetime energy savings goals (not first-year)
- ✓ Allows kWh conversion for saving other fuels
- ✓ Earn rate of return on portfolio costs

ComEd's Goal for the Summit

- ✓ How do the fundamental principals of market transformation apply to today's utility energy efficiency portfolio?
- ✓ What are the 'must-have' components of a best in class market transformation initiative? Why are those components important? What components should be avoided?
- ✓ What are the market transformation approaches with the greatest likelihood of success in the Midwest at this time?
- ✓ We want to capture both lessons learned from the past as well as new approaches
- ✓ Ultimate goal is guidance for ComEd, but also to generate a deliverable that is informative to all industry practitioners

30+ of the Industry's Leading MT Thinkers



Catalyst Ranch, Chicago, IL



Market Transformation Summit

Chicago, IL

September 12-13, 2018



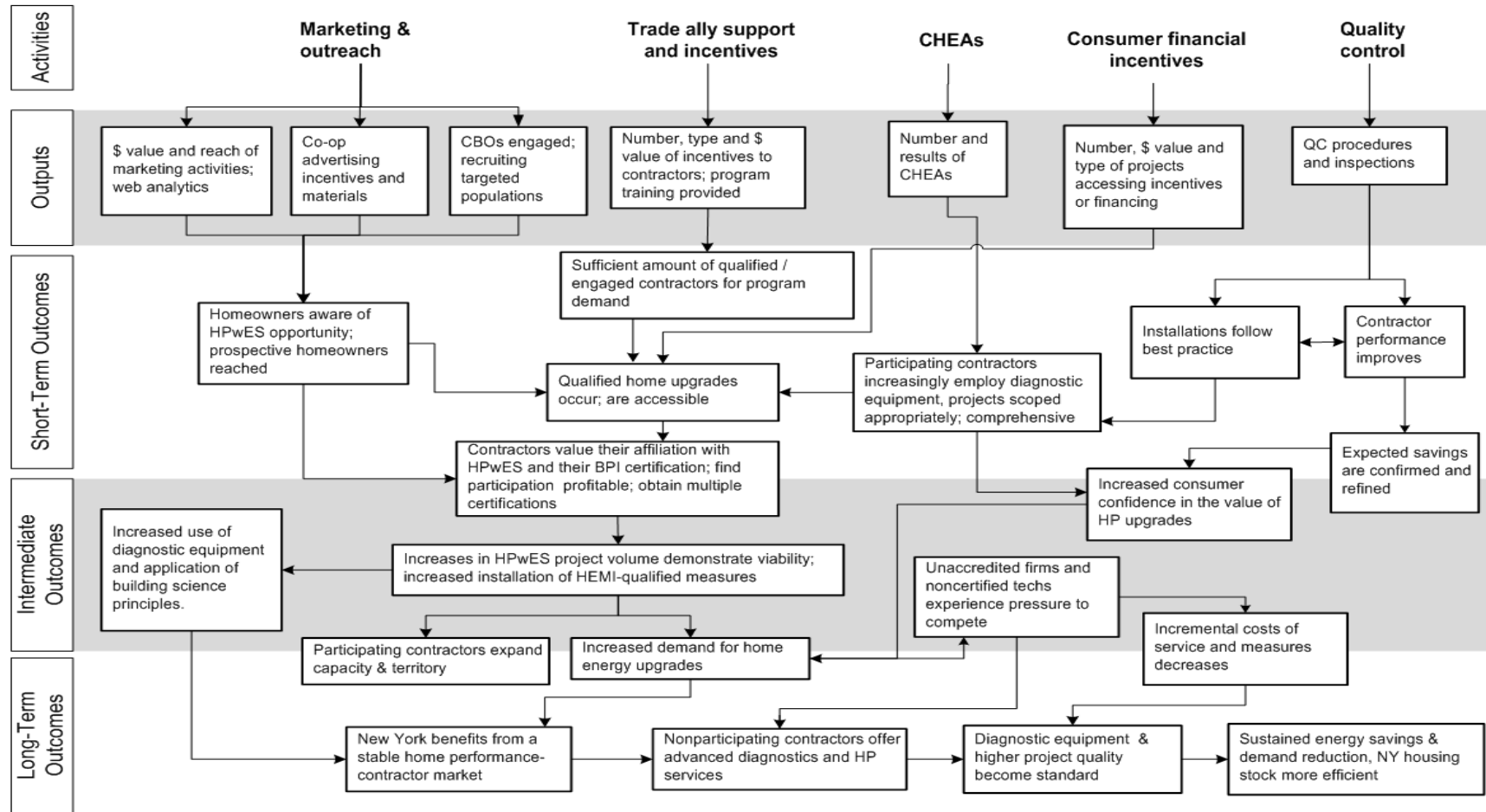
ComEd
Energy Efficiency Program

ComEd
An Exelon Company

Market Transformation Summit Takeaways

1. MT programs should be integrated into the EE portfolio
2. Pursue the opportunity to collaborate
3. Develop the core of the program plan - the logic model

The Logic Model is the Core Strategic Element

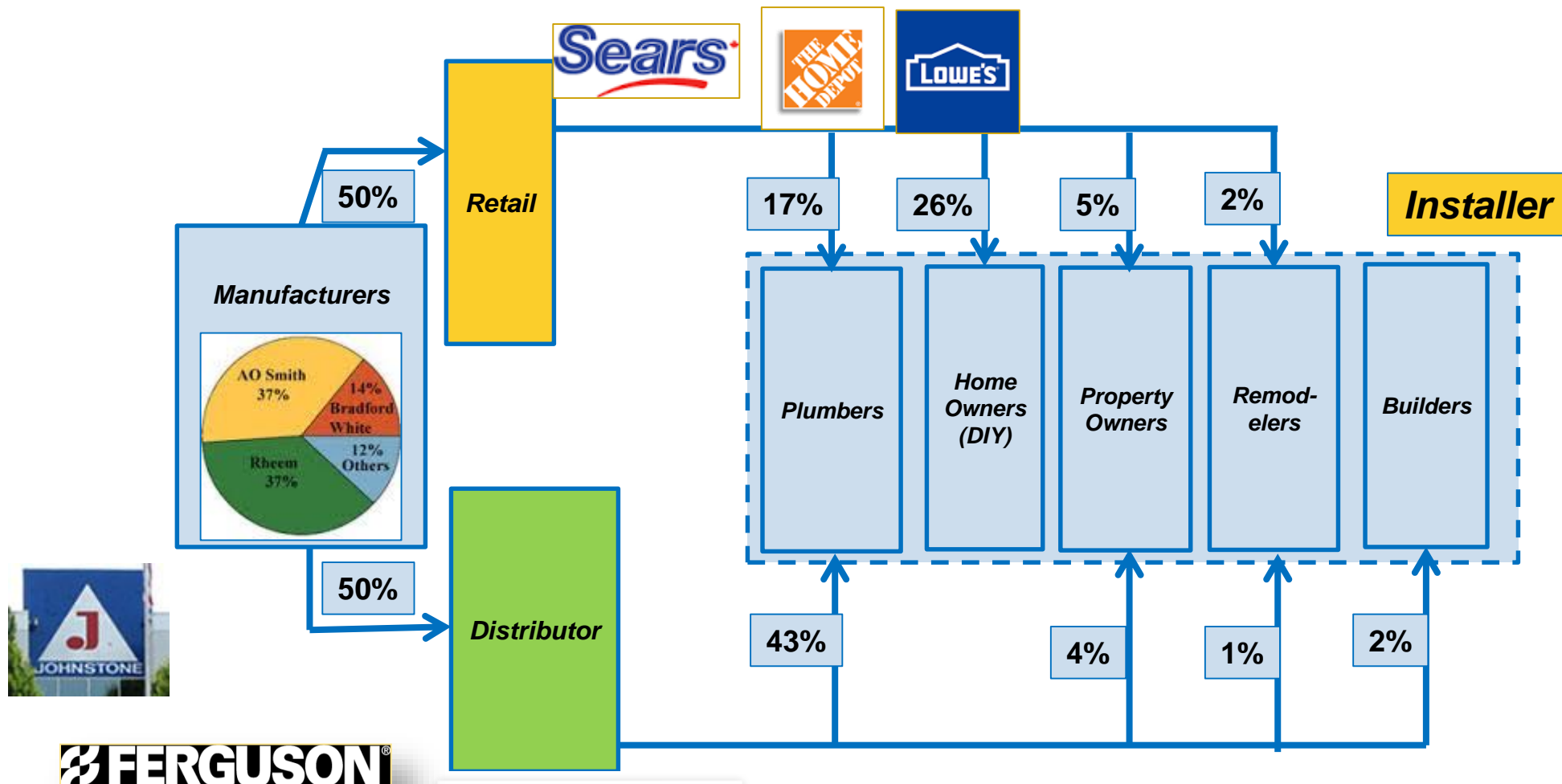


Source: Home Performance with ENERGY STAR® Logic Model, NYSERDA, March 2014

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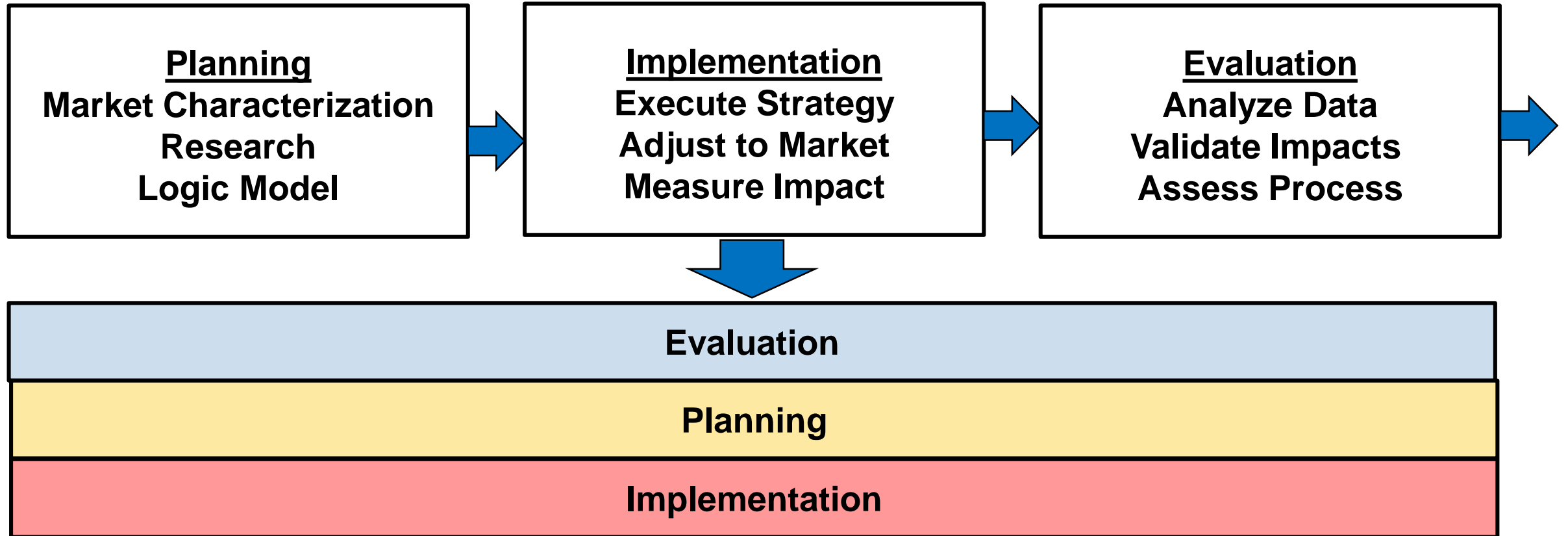
Water Heater Value Chain Schematic



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6. Get Evaluators in on the front end

End of Summit Questions



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5. Improve designs by iterating – Consumer NPD Model
6. Get Evaluators in on the front end
7. Use MT as a market catalyst for new EE products