

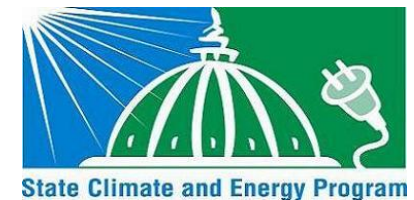


Energy Efficiency
Evaluation Measurement and
Verification

Evaluating Market Transformation Programs



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US EPA Webinar - Introduction to Market Transformation
Context for our next three speakers
June 10, 2010

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Speakers



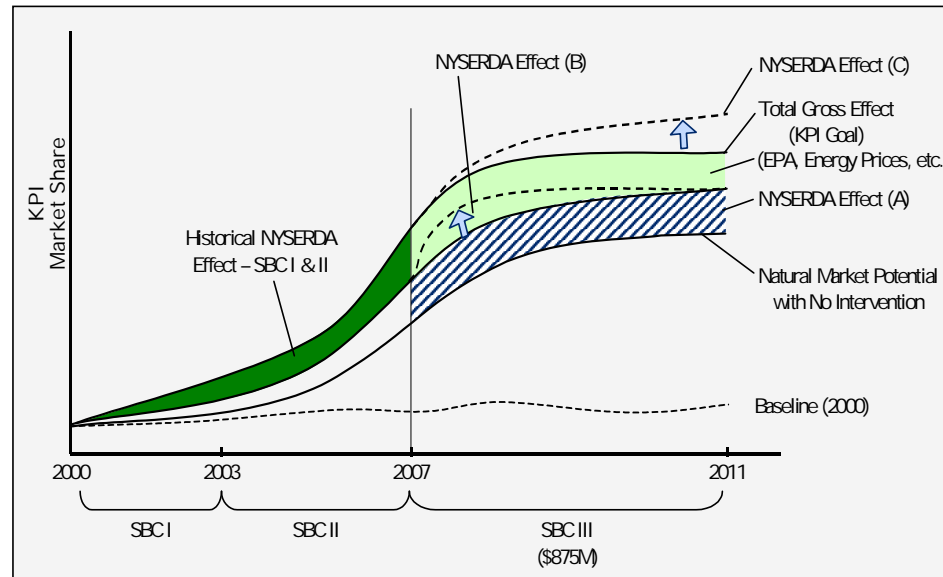
- Steve Schiller, Schiller Consulting
- Rob Russell, Northwest Energy Efficiency Alliance
- Mikhail Haramati, California Public Utilities Commission
- Mitch Rosenberg, KEMA

MT: Market Transformation Basics

- There are several definitions for market transformation, but what common definition is: *Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate.*
- Often involve working “upstream” with manufacturers, retailers, etc. – working to increase market penetration
- Can appear in conjunction with other strategies
- “Done” when the less efficient alternative is either unavailable, unprofitable, or ‘illegal’ (codes and standards).

Market Transformation Concepts

- The goal of market transformation programs is to move a product or technology market along the “S” curve of market adoption either at an accelerated pace and/or to a higher level of adoption along the curve.



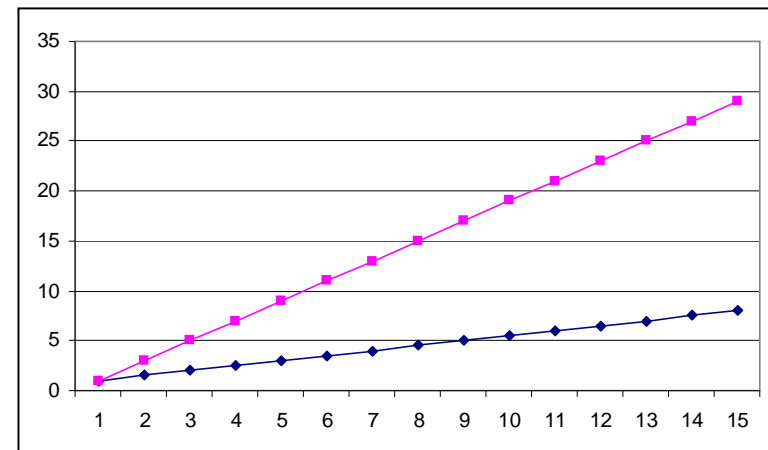
- In other words, market transformation programs seek to make products more accessible, through improved availability and lower pricing and/or better financing, so that more customers will buy and install them. They can also be used to “jump start” new technologies and/or accelerate the adoption of products.

Market Baseline, Potential, and Market Effects Studies

- Market baseline studies look at the broader market for EE products and services within which a program operates and establishes existing levels of efficiency – done before program
- Potential Studies – savings potential – done before programs and/or at regular intervals
 - Technical potential
 - Economic potential
 - Market potential
- Market Effects - looking at the broader market effects of EE programs (e.g., sometimes rebate programs may increase product availability and drive product prices down, resulting in...)

Market Baseline (Characterization) Studies

- Each program or portfolio can utilize baseline measurement to characterize what the market (or household or business) looked like before the program intervention.
- Part of formative evaluation—conduct before finalizing program design
- To measure change, must know the starting conditions.
- Unfortunately, people often don't think of this until the program has already been running a few years.



Market Indicator Examples

- Market audience awareness and knowledge of products/services/practices and benefits/values
- Market share/penetration
- Repeat purchase/persistence
- Product Availability
 - Can be purchased through existing market/distribution channels
 - Shelf space or other metric of inventory % increases
 - Units produced
- New market actors emerge/existing market actors begin to supply
- Market actors/partners promoting the product/service/technology, as evidenced by marketing communications, programs, and/or dollars spent
- Price of products
- More stringent standards/codes

(Source: Northwest Energy Efficiency Alliance)