

The Promise and Progress of Minnesota’s Statewide Market Transformation Program

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ABSTRACT

Minnesota’s Efficient Technology Accelerator (ETA) is a statewide market transformation program that accelerates deployment and reduces the cost of emerging and innovative efficient technologies, bringing lower energy bills and environmental benefits to all Minnesotans. ETA is working to accelerate adoption of a portfolio of select efficient technologies to bring them to market faster than they otherwise would. The current portfolio of initiatives includes:

- Residential dual fuel air source heat pumps (MN ASHP Collaborative)
- Residential high-performance windows (Wise Windows Hub)
- Commercial luminaire-level lighting controls (LLLC initiative)
- Commercial dual fuel heat pump rooftop units with energy recovery ventilators (NextGen RTUs)
- Codes and standards advancement

This program is unique in its legislative and regulatory framework. ETA was enabled by state legislation passed in 2021 and is approved through a regulatory process. ETA is approved for an initial five-year funding cycle from 2023–2027. The purpose of utility investment in the ETA framework is to seed markets with more efficiency opportunities to bolster utility DSM achievements. Ultimately, this program aims to achieve robust, cost-effective energy savings which are then allocated back to funding utilities.

ETA is halfway through the first five-year funding cycle, with 2025 being the first year of calculated and reported energy savings. This paper will cover an overview of the ETA framework, progress now that we are halfway through the first funding cycle, insights from our first year of claiming energy savings.

Background and Key Program Elements

Market Transformation Process

While most traditional utility programs focus on addressing barriers for end-use customers, Minnesota's Efficient Technology Accelerator (ETA) tackles upstream market barriers, typically at the contractor, distributor, or manufacturer level. This makes ETA a unique program in Minnesota's efficiency and decarbonization landscape, distinct from and complementary to Minnesota's traditional energy efficiency and efficient fuel-switching programs. The primary goals of ETA are to:

- Drive a strategic process to accelerate market deployment of key technologies.
- Employ effective strategies to leverage market forces.
- Become a hub for collaboration among stakeholders.
- Achieve cost-effective energy savings and other benefits for utilities and Minnesotans.

ETA consists of a portfolio of initiatives, each of which works to advance efficient technology. Throughout its lifetime, each initiative progresses through four basic stages of market transformation, summarized in Figure 1.



Figure 1. ETA initiative stages (CEE 2026)

This process of initiative staging carefully vets concepts before deployment and includes stakeholder input at each critical transition in the initiative's lifecycle. The ETA process and framework were patterned after those of the Northwest Efficiency Alliance (NEEA) and their successful multi-state market transformation framework. NEEA has been closely involved in the development of ETA and remains a key collaborator in current implementation.

Policy Framework

ETA is grounded in Minnesota's long-running energy conservation programs, which utilities are required to implement under state Statute. In 2021, the Minnesota Legislature modernized

Minnesota's energy conservation policy framework with the passage of the Energy Conservation and Optimization (ECO) Act. In addition to incorporating efficient fuel-switching and load management programs into the ECO framework and updating requirements for energy savings and low-income spending, the transformative legislation also authorized the Department of Commerce to approve a market transformation initiative, establishing statutory requirements for the creation and implementation of what is now ETA (Minnesota Legislature 2021). The expected benefits of ETA are cost-effective energy savings for utilities, bill savings for Minnesota utility customers, enhanced employment opportunities in Minnesota, and the avoidance of greenhouse gas emissions, all of which support the statewide policy goals of increased affordability, economic opportunity, and progress toward climate goals.

Funding Structure

Under the ECO statute, public utilities with 30,000 or more customers must contribute an annual amount proportional to their gross operating revenue (GOR), excluding revenue from customers who are exempt from ECO programs, to ETA (Minnesota Legislature 2021). The ETA statute sets a contribution cap equal to a percentage of each utility's total spending on ECO programs, with the percentage increasing as ETA progresses.

The ETA funds are assessed on utilities by the Department of Commerce (Department) and allocated to the Department before reaching CEE.

Other utilities may opt to contribute to ETA even if not required to in statute. In 2025, CEE filed a proposed process to allow utilities with fewer than 30,000 customers to participate in ETA, which was approved by the Department in February 2026 (Department 2026). Under the new guidance, utilities with less than 30,000 customers can choose which initiatives they contribute to and begin contributing during either the Program Development stage or the first two years of the Market Deployment stage. After the first two years of Market Deployment, utilities must acquire approval from the ETA Coordinating Committee to join an initiative.

Current funders include Xcel Energy, CenterPoint Energy, Minnesota Power, Otter Tail Power Company, Minnesota Energy Resources, Great River Energy, Missouri River Energy Services and Southern Minnesota Municipal Power Agency. Table 1 summarizes 2025 utility contributions.

Table 1. 2025 ETA assessment by utility

ETA assessment allocated to ETA funders	Cost recovered in 2025
Gas	
CenterPoint Energy	\$2,084,884
Minnesota Energy Resources	\$550,617
Xcel Energy Gas	\$1,119,468
<i>Subtotal</i>	<i>\$3,754,969</i>
Electric	
Minnesota Power	\$509,013
Otter Tail Power	\$209,801
Xcel Electric	\$5,493,115
Great River Energy	\$121,500
Missouri River Energy Services	\$31,000
Southern Minnesota Municipal Power Agency	\$19,000
<i>Subtotal</i>	<i>\$6,383,429</i>
<i>Total</i>	<i>\$10,138,398</i>

Source: CEE 2026

Governance

Given the unique nature of a market transformation program relative to traditional ECO programs, ETA developed a comprehensive governance structure that positions the Minnesota Department of Commerce, Division of Energy Resources (Department) as the primary regulator and administrator but creates ample opportunities for funding utilities and other stakeholders to shape the trajectory of the program and provide oversight. In addition to participating in the governance committees, the Department approves, approves with modifications, or disapproves program implementation and renewal proposals and ongoing filings such as the annual status report filings. The Department also manages ETA funding and administration, coordinates ETA with Department-administered ECO technical assistance and research, and manages an independent review. ETA is guided by a Coordinating Committee and three Advisory Committees (the Market Strategy, Evaluation Advisory, and Emerging Technology Advisory Committees), each with a unique role in governing ETA. The roles of each committee are as follows.

- **Coordinating Committee.** The Coordinating Committee is composed of funding utilities and the Department and provides a forum for overall ETA oversight and ensures that new initiatives and ongoing activities have sustained buy-in and support from funders. The committee designates voting members, conducts straw polls in advance of major decisions, operates with the obligation to state what is needed for members to reach a consensus, and invites only the appropriate utilities to vote on fuel-specific decisions.
- **Evaluation Advisory Committee.** The Evaluation Advisory Committee consists mostly of Department and funding utility staff, as well as the third-party independent reviewer tasked with evaluating ETA. The committee supports the development of energy savings and net benefits frameworks for each ETA initiative and provides a forum for troubleshooting and fine-tuning these frameworks.
- **Emerging Technology Advisory Committee.** The Emerging Technology Advisory Committee is made up of technical staff at funding utilities. This committee provides input on the formation of new initiatives, convenes a forum to coordinate related efforts, and emphasizes discussion related to specific emerging technologies.
- **Market Strategy Committees.** The Market Strategy Committees are held for each initiative to align and collaborate around technology strategies. Members include funding utilities, market actors, local governments, and more. This committee is flexibly developed based on the needs of each initiative and technology.

Prior to the development and launch of ETA and the formation of this governance structure, there was robust utility collaboration and education on the Market Transformation framework and its benefits. The funding utilities played a role in designing the program, which increased buy-in and allowed for faster launch by selecting a starter portfolio of initiatives. Additionally, NEEA played a key role in early education and engagement; NEEA shared concrete examples and experience with market transformation implementation that were extremely valuable in advancing this framework in Minnesota.

The governance structure is serving its purpose well four years into the program. However, finding the right balance of engagement and time investment for stakeholders can be challenging given competing priorities. The meeting structures and committee communications have been evolving to efficiently meet the needs and optimize participation of members.

Evaluation

ETA is a unique ECO initiative that requires an approach based on market data to measure and evaluate success. Although ETA is expected to generate significant benefits, these benefits may take longer to materialize than those from traditional programs due to the nature of ETA's interventions and the earlier stage at which it intervenes in the market. ETA develops an Energy Savings and Market Progress Evaluation Plan for each initiative during the Program Development phase, which specifies an initiative-specific approach for evaluation. Status reports that convey the savings claimed by ETA for its funding utilities are filed annually, for Department regulatory review and approval.

The following paragraphs summarize the various mechanisms used to evaluate an initiative throughout its lifetime.

- **Market progress indicators (MPIs).** Given that energy savings typically take longer to materialize through a market transformation program than traditional rebate programs, ETA tracks and reports market progress indicators (MPIs), which serve as intermediate indicators that the initiatives are progressing toward their goals. During the Program Development phase, ETA develops a market theory and logic model that predicts how the market will transform as ETA intervenes and removes barriers over a long-term time horizon. Using this market theory, ETA outlines near- and mid- term metrics against which the success of the initiative can be measured, even if it has not yet generated concrete energy savings. Tracking MPIs provides ETA with indicators ahead of energy savings and market-share data to provide insight into the success of its strategies, allowing ETA to adapt to the market.
- **Energy savings and net benefits.** ETA also estimates energy savings and net benefits, which are claimed by ETA's funding utilities alongside those from their traditional ECO programs. The methodology and assumptions used to calculate these energy savings and net benefits are described in more detail in the Energy Savings and Net Benefits section.
- **Third-party evaluation.** As ETA represents uncharted territory for ECO, the statutory language requires a third-party evaluation of the program during the initial five-year program cycle.

Energy Savings and Net Benefits

Although market transformation is inherently a long-term program for which benefits take longer to materialize, ETA does track and calculate energy savings that are allocated to funding utilities and counted toward their total ECO savings goals. As ETA is distinct from other ECO programs, the development of a methodology to calculate energy savings and net benefits requires significant time and investment. The process requires the identification of appropriate data sources and extensive stakeholder discussions to ensure buy-in to the savings methodology. Additionally, developing a methodology within a framework focused on resource acquisition demands additional oversight, transparency, and attention to process.

ETA calculates savings at the statewide level and excludes those co-created with traditional ECO programs. The basic procedure for calculating ETA's savings is to multiply the statewide units of the efficient technology installed in a year by the per-unit savings for that technology. The per-unit savings represent a weighted average savings value across the state. Since ETA does not track where each unit of efficient technology is installed, ETA does not know all the precise inputs for each measure, such as the building's heating source or the climate zone where the measure is installed. To account for this uncertainty, the per-unit savings value is adjusted to reflect the statewide distribution of factors such as these.

ETA also adjusts the total statewide count of each efficient technology to account for units that theoretically would have been installed without ETA's intervention. Depending on the stage the ETA initiative is in, these naturally occurring units are calculated and represented differently. To estimate the number of units that would have naturally occurred without ETA intervention during the Market Development stage of an initiative, ETA uses either the total number of units rebated through traditional utility rebate programs or a frozen baseline based on the historical market share of the efficient technology before the launch of the ETA initiative. ETA subtracts the larger of these two values from the statewide total number of units when calculating annual ETA savings. This approach is represented in Figure 2.

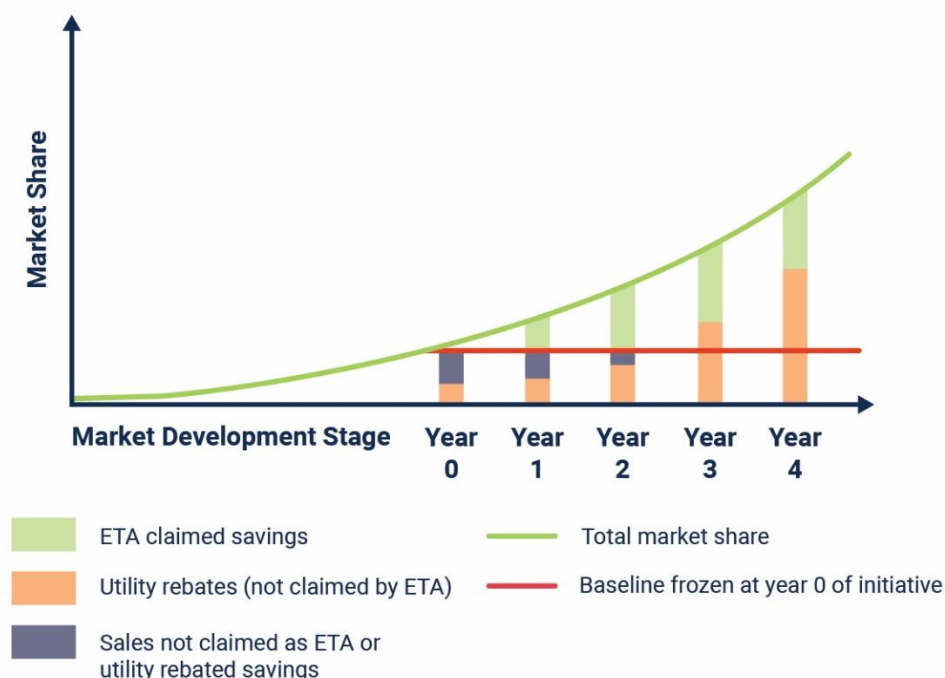


Figure 2. Simplified baseline approach for savings calculations in Market Deployment stage. *Source:* CEE 2022

Once an initiative reaches the Long-Term Monitoring and Tracking stage, the final stage of market transformation, ETA begins using a forecasted natural market baseline to estimate the count of naturally occurring units.

Finally, energy codes or appliance standards are often considered the endpoint of market transformation efforts. A given market transformation initiative accelerates the technology's adoption into the code or standard, and savings can continue to accrue from the ETA initiatives after they have been adopted into a code or standard. The method to calculate savings after code adoption is well established nationally and involves adjusting the savings by an initiative-specific attribution rate to account for the degree to which the transformation effort influenced the code or standard. Drawing from the approach used by NEEA, ETA plans to claim savings for 10 years after a code is adopted, and for varying lengths of time after a standard is adopted.

To complete the energy savings calculations outlined, ETA collects and or calculates the following inputs for each initiative:

- Statewide weighted average per-unit energy savings for each tier of the efficient technology
- Annual statewide sales of the efficient technology
- Annual statewide sales of the technology being replaced, to understand the efficient technology's share of the total market
- Number of units rebated by traditional utility programs
- Frozen baseline of sales, based on the historical market share of the efficient technology
- Forecasted natural market baseline (only included in the savings calculation for initiatives in the Long-Term Monitoring and Tracking phase)

ETA has reported its first energy savings for three initiatives in the 2025 Status Report to the Department using this methodology (CEE, 2026).

Energy Savings Allocation

As described, ETA calculates energy savings at the statewide level, rather than individually for each funding utility. Once energy savings are calculated statewide, they must be allocated to each funding utility so the utility can claim the savings in its ECO status report and count ETA achievements toward its annual goals. ETA bases the allocation of energy savings on the level of funding provided by each utility. For example, if a gas utility provides 30 percent of the gas funding for a given ETA initiative, that utility claims 30 percent of the gas savings generated by that initiative.

For initiatives that consumer-owned utilities (COUs) choose to opt in, ETA allocates the savings based on the cumulative level of funding provided by each utility. ETA's December 2025 filing clarified that COUs who opt into an ETA initiative have flexibility in the amount of funding they wish to contribute, meaning COUs may contribute much smaller amounts proportional to IOUs with more than 30,000 customers. A funding-based approach recognizes the wide range in contributions expected across participating utilities, making it a more accurate and equitable way to distribute energy savings. Additionally, ETA's methodology uses cumulative savings, meaning if a COU opts into an initiative a year or two after it launches, more weight would be given to utilities that contributed to the initiative throughout its lifecycle.

Net Benefits Methodology

In addition to generating energy savings for utilities, ETA also produces net benefits. The process for calculating net benefits for ETA differs from that for traditional ECO programs in the following ways:

- ETA calculates net benefits on a statewide basis, while other programs calculate net benefits by individual utility territory.
- ETA utility benefits are calculated using avoided cost multipliers representative of electric and natural gas utilities across the state versus the multipliers for one utility.
- ETA net benefits are allocated to utilities based on financial contributions to ETA (the same process used to allocate energy savings), while other programs calculate net benefits based on each individual utility's spending and savings.

ECO uses a jurisdictional cost-effective test, the Minnesota Test, as its primary measure of portfolio cost-effectiveness, and uses several secondary cost-effectiveness tests for additional context. ETA calculates Minnesota Test net benefits, as well as Societal, Utility, and Ratepayer Impact Measure (RIM) net benefits, to evaluate the benefits produced by ETA compared to its costs. The Minnesota Test net benefits contribute to each funding utility's total portfolio net benefits; thus can increase the performance-based financial incentive each utility earns for delivering meaningful ECO programs.

Once ETA calculates statewide net benefits for each initiative, it allocates the net benefits to funding utilities using the same funding-based approach it uses for energy savings. As such, the net benefits allocated to each utility are proportional to the energy savings. The below energy savings and net benefits for 2025 have been filed, however they are still undergoing the regulatory review process.

Table 2. 2025 ETA energy savings, avoided emissions, and net benefits (pending regulatory approval)

Category	Electric energy efficiency	Natural gas energy efficiency	Efficient fuel-switching
First-year energy savings	4,252 MWh at gen	229 Dth	58,109 MMBtu
Demand savings	752 kW at gen	N/A	N/A
Lifetime energy savings	47,330 MWh at gen	8,255 Dth	1,045,958 MMBtu
Lifetime avoided GHG emissions	549 tons CO ₂	7,027 tons CO ₂	78,262 tons CO ₂
Minnesota Test net benefits	-\$485,429	-\$2,315,698	\$4,179,016
Minnesota Test benefit/cost ratio	0.87	0.03	1.41

Source: CEE 2026

MT Portfolio Progress

ETA currently has five initiatives in Market Deployment. At the beginning of the ETA launch, each of these initiatives were selected as part of a starter portfolio and passed through the Program Development phase where Market Characterizations, logic models, and evaluation plans were completed. Two years into Market Deployment, significant activities and progress have been made. The ASHP initiative was deployed in the market prior to the ETA launch and has the most developed strategies, activities, and impacts. Each initiative is described briefly with more extensive description of the ASHP initiative, its activities, and impact since it shows a more complete picture of the impact of Market Transformation since it has had a longer duration in the market.

HPWs

Windows make up just 8% of a home's building envelope but drive up to 45% of its heat loss. The High-Performance Window (HPW) initiative addresses this gap by accelerating market adoption of windows with a U-factor of 0.22 or less, aligned with ENERGY STAR Version 7.0 Northern zone prescriptive specifications.

The initiative focuses on residential windows, entering the market through new construction to build demand signals for manufacturers that drive increased production, affordability, and availability to make HPWs competitive in the retrofit market.

Key HPW MT strategies include:

- Product demos with builders and affordable housing agencies
- Utility incentive alignment and adoption of TRM measure
- Market incentives to encourage affordable products
- Engagement with builders, manufacturers, architects, and contractors
- Needs assessment, training development, and delivery
- Collaboration with national partners to align offerings and demonstrate demand

LLLC

The LLLC initiative strives to advance the adoption of luminaire-level lighting control (LLLC) systems to bring lasting change to the Minnesota lighting market and make these systems standard practice for commercial buildings. LLLCs represent an advanced approach to lighting efficiency by integrating sensors and individual luminaire control capabilities. The key benefits of LLLC include significant energy savings through control strategies such as high-end trim, motion sensing, and daylight harvesting, which collectively can save on average 63% of the energy consumed by a traditional lighting system (CEE 2023b). While lighting has long been a key opportunity for electric energy savings, widespread market adoption of efficient solid-state lighting shifts the opportunities for savings from loads to controls. Even though LLLCs have

reached a level of maturity in the market, LLLCs still make up a very small proportion of lighting installations in Minnesota (1% of projects) (CEE 2023b).

Key LLLC MT strategies include:

- Demonstration projects and promoting results
- Providing resources and technical support to early adopters
- Delivering trainings to increase knowledge and experience
- Conducting outreach to market actors to build awareness
- Collaborating with utilities and national partners to align offerings
- Advancing codes and code compliance

NextGen RTUs

The Next Gen Rooftop Unit (RTU) initiative strives to advance the performance of next gen RTUs to meet the growing demand for energy efficient and sustainable building solutions and establish next gen RTUs as the preferred choice for commercial buildings in Minnesota. The Next Gen RTU initiative promotes dual fuel heat pump RTUs and energy recovery ventilators (ERVs). In the state of Minnesota, there are approximately 21,000 buildings that rely on RTUs for space conditioning, which represents 80% of the state's commercial buildings. The average age of these units is 13 years, which means they are approaching the end of their expected 15-year lifetime and are operating below federal minimum standards for efficiency. This presents a huge opportunity for energy savings because commercial HVAC accounts for more than 60% of the energy used in Minnesota's commercial buildings (CEE 2024b).

Key NextGen MT strategies include:

- Conducting research and demonstration projects
- Partnering with manufactures to increase product availability
- Developing and delivering education and training
- Conducting consumer outreach to build awareness
- Highlighting rate options, bill impacts, and incentives
- Collaborating with national partners to create a unified voice
- Advancing codes and code compliance

Codes and Standards Advancement

This initiative increases statewide energy efficiency by supporting the adoption of stronger energy codes and influencing federal appliance standards through stakeholder engagement, technical assistance, compliance support, and more. As part of the Codes and Standards Initiative, a collaborative called the MN Advanced Energy Code Partnership (the Partnership) was formed. The Partnership is led by ETA, made up of the Department of Labor and Industry

(DLI), the Department of Commerce, the University of Minnesota, and multiple nationwide consultants. The Partnership develops code advancements that are cost-sensitive, market ready, data supported, and collaboratively developed. By raising the baseline through codes and standards, long-term efficiency gains are locked in across future construction activities.

Minnesota has historically adopted national model energy codes with weakening amendments, limiting energy savings potential. Recent legislation has reset expectations by establishing aggressive mandates for advanced energy codes that significantly increase energy efficiency:

- Commercial code: 80% reduction in annual net energy use by 2036 (compared to ASHRAE 90.1-2004)
- Residential code: 70% reduction in annual net energy use by 2038 (compared to 2006 IECC)

However, no additional resources were allocated to DLI, the adopting agency, to pursue these efficiency levels, creating a gap in technical capacity and stakeholder coordination. The initiative directly addresses this gap. Key MT code strategies include:

- Effectively engaging stakeholders to increase buy-in
- Providing technical assistance and conducting research
- Developing Minnesota code amendments for each cycle
- Coordinating with compliance and other related efforts
- Supporting the development of a new cost-effectiveness framework
- Providing technical assistance to Tribal Nations
- Leveraging national funding and partnerships

ASHPs

ETA's residential air source heat pump (ASHP) initiative focuses on accelerating the adoption of dual fuel, centrally ducted ASHPs in existing buildings. This application can replace central air conditioners and displace a portion of heating from propane or natural gas furnaces (CEE 2023a). Currently, an estimated two-thirds of single-family Minnesotan households heat their homes with gas furnaces and cool with AC, an ideal replacement scenario for ASHPs. This initiative has the potential to reduce Minnesota's residential heating and cooling energy use by roughly 35%. This initiative strives to make ASHPs the standard choice for home heating and cooling by 2035. Full-scale market deployment began in 2024, building on five years of groundwork through the ASHP Collaborative, launched in 2020. As the most mature initiative in the ETA portfolio, it has made the most progress across all market support strategies. Annual activities are guided by a logic model identifying market barriers, strategies, and outcomes.

Key initiative strategies and progress include:

- Growing contractor adoption and skills through training
 - Delivered 9 trainings to 270 contractors in 2025

- After years of engagement, training, and support, 75% of MN contractors hold favorable opinions of heat pumps and contractors that have engaged in the program hold significantly more favorable opinions on dual fuel heat pump applications than those who haven't. (Hansen-Connell 2025)
- Growing and evolving preferred contractor network
 - Network of 73 educated and experienced contractors driving heat pump sales and installations
- Driving customer awareness through resources and campaigns
 - Customer awareness remains low with 78% of Minnesotans knowing little or nothing about heat pump technology; this remains a continued strategic focus. (Hansen-Connell 2025)
- Aligning rebates and programs through utility and state collaboration
 - Improved alignment occurred beginning in 2024
- Distributor and manufacturer engagement to encourage promotion and stocking
 - 4 highly engaged distributor companies promoting heat pumps in MN
- Encouraging new electric rates to improve value proposition and bill impacts
 - Provided support for increased beneficial electric space heating rates and optimized enrollment. Specifically, the adoption of Xcel Energy's Electric Space Heating Rate in the Xcel Energy Residential Time-of-Use Rate Design (Xcel Energy 2026). The revised electric space heating rate is discounted by 50% and improves operational costs for ASHP customers.

2025 marked the first development and release of an ASHP initiative State of the Market Report, a market research report detailing perceptions and progress at every level of the supply chain (Hansen-Connell 2025). These insights have informed market strategies to maximize impact.

In 2025, this initiative acquired market data that allowed for better understanding of market growth and impact in Minnesota because of this initiative. Minnesota's ducted heat pump market share grew from 4% in 2020 to 17% in 2025, and for the first time, ducted ASHP sales surpassed ductless sales statewide, directly reflecting the initiative's focus on centrally ducted

homes (CEE 2026). Figure 3 shows the full trendline.

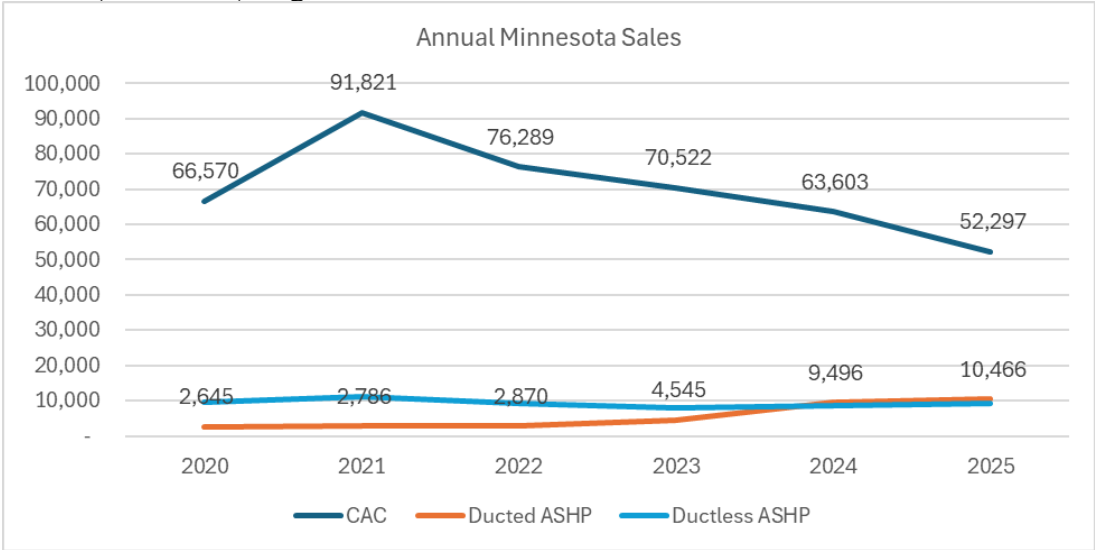


Figure 3. Annual Minnesota Residential Heat Pump and Central AC Sales. *Source:* HARDI Unitary Market Intelligence powered by CoMetrics.

Table 3. Minnesota ASHP Market Share

Year	Central AC	Ducted ASHP	Ducted ASHP Market Share
2020	66,570	2,645	4%
2021	91,821	2,786	3%
2022	76,289	2,870	4%
2023	70,522	4,545	6%
2024	63,603	9,496	13%
2025	52,297	10,466	17%

Source: HARDI Unitary Market Intelligence powered by CoMetrics.

This market trajectory demonstrates how coordinated market strategies produce quantifiable energy and emissions results: the core purpose of ETA initiatives.

Lessons Learned

After three years of launching and deploying the starter portfolio, ETA has made significant progress toward impacting the market and began to claim energy savings and net benefits. The first funding cycle will be completed at the end of calendar year 2027 and the next five-year

funding cycle will begin if approved. ETA has a goal of achieving cost-effective energy savings by year eight and will continue to evolve the portfolio over this and the next funding cycle. Some key learnings from ETA's experience so far include:

- Collaboration is key – the launch of ETA included robust engagement, foundational market transformation education, and input from all stakeholders. As initiatives are scaled in Market Deployment, ongoing collaboration with utility programs continues. This has facilitated an aligned approach and stakeholder input has strengthened outcomes.
- Prior to the development and launch of ETA, there was robust utility collaboration and education on the Market Transformation framework and its benefits. The funding utilities played a role in designing the program, which increased buy-in and allowed for faster launch by selecting a starter portfolio of initiatives. Additionally, NEEA played a key role in early education and engagement. The concrete examples and outcomes NEEA shared helped advance this framework in the state of Minnesota.
- Testing out market strategies and activities quickly yields faster program progress and benefits rather than spending years analyzing and waiting for complete market characterization and strategy. A balanced approach to strategy development, market characterization, and testing of activities has helped ETA achieve results faster.
- Governance is functioning well, but it is challenging to find the right balance of stakeholder engagement and messaging to a broad range of stakeholders to maximize efficiency from time-constrained participants while gaining sufficient input and buy-in.
- Navigating the energy savings process within an environment built for resource acquisition requires additional time and attention to process, oversight, and transparency.
- Identifying data sources for energy savings, how the data will be used, and obtaining stakeholder buy-in requires a significant time investment and a thoughtful approach.
- It takes at least a five-year implementation period to effectively build a market transformation program that can claim energy savings toward an energy efficiency resource standard policy.
- The ASHP collaborative was launched a few years before the enabling legislation was passed for ETA, setting the groundwork for a market transformation initiative with clear beneficial outcomes during the initial five-year period and a framework that has enhanced all initiative deployment under ETA.

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