

CalMTA Organizational Review

Final Report

Submitted by Apex Analytics LLC

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In partnership with:

Kevin Bush Professional Coaching



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Executive Summary

Background

This report presents findings from an organizational review of the California Market Transformation Administrator (CalMTA). The California Public Utilities Commission (CPUC) directed CalMTA to conduct a review at the end of its three-year startup period. CalMTA and CPUC Energy Division selected Apex Analytics to conduct the review.

CalMTA was established by the CPUC in Decision (D.) 19-12-021 to act as a single, independent, statewide third-party administrator to develop and manage market transformation initiatives (MTIs). In D.19-12-021, the CPUC noted that non-profit organizations have successfully led market transformation efforts in other states.¹ Resource Innovations (RI), along with a team of subcontractors, was selected to administer the market transformation portfolio, and a subsequent CPUC decision, D. 25-11-023, ordered CalMTA to submit a Tier 2 advice letter, by no later than the end of 2028, with a Non-Profit Transition Plan proposing to convert the CalMTA organization to non-profit status.²

Launched in 2023, CalMTA spent its first three years identifying market transformation opportunities through RFI processes, prioritizing those ideas, and conducting market research and development activities to establish MTIs around the most promising opportunities. In December 2024, Pacific Gas & Electric Company (PG&E) submitted an application to the CPUC on behalf of CalMTA to launch the first two proposed MTIs, focused on room heat pumps and induction cooking. The Commission approved the room heat pumps MTI and directed CalMTA to revise and resubmit the induction cooking MTI through a Tier 2 advice letter. CalMTA has submitted the advice letter and it expects to submit an application in June 2026 with three more MTI proposals.

Organizational Review Objectives

This review sought to address two high-level evaluation questions:

1. Did CalMTA effectively deliver on its Commission-directed activities during the startup period?
2. What improvements to CalMTA's practices and systems would support effective MTI development and organizational performance going forward?

In addition to these high-level questions, CalMTA and CPUC Energy Division identified a variety of more specific research objectives focused on communication and management of the MTAB, performance against Operations Plan objectives,

¹ D.19-12-021, at p. 56.

² D. 25-11-023, Ordering Paragraph 6, at p. 87

financial administration, equity, and processes for concept and strategy development.

Review Methods

Apex conducted two key research activities to address these objectives:

- **Document review:** Apex reviewed a wide range of both public and internal documents related to CalMTA’s creation and activity. These included Operations Plans, progress reports, Policy Manuals, CPUC decisions, MTAB meeting recordings, and financial tracking systems.
- **Stakeholder interviews:** Apex conducted in-depth interviews with 23 stakeholders, including CPUC Energy Division staff, CalMTA team members (including both RI staff and subcontractors), Market Transformation Advisory Board (MTAB) members, Equity Sounding Board (ESB) members, and other key stakeholders.

Key Findings

This section summarizes Apex’s key findings from the organizational review. Please see Section 2 for a more detailed discussion of the findings summarized below. Table 1 provides a brief summary of findings related to each research objective. A narrative discussion of findings follows the table.

Table 1: Overall Assessment of Research Objectives

Research Objective	Overall Finding
How effective and transparent has CalMTA reporting and communication been from the perspective of stakeholders and MTAB?	CalMTA has provided abundant and clear documentation of its approaches, decisions, and work. Stakeholders and MTAB members were largely satisfied with their communication, although some opportunities for improvement arose in interviews.
How effectively has CalMTA managed the operations of the MTAB?	CalMTA has effectively managed the operations of the MTAB. Members felt the meetings were productive and their input was valued.
How has CalMTA performed against its annual Operations Plans in terms of meeting described objectives and quarterly milestones?	CalMTA has performed well against its annual Operations Plans.
How has CalMTA performed in terms of financial administration, including invoicing, accruals, and forecasting?	CalMTA’s financial administration has been clear and met its requirements.

Research Objective	Overall Finding
How is CalMTA performing with respect to its equity approach?	CalMTA has been effective at integrating equity into its processes so far, building tools and processes to do so, with ESB members expressing satisfaction with the process.
How effective are CalMTA’s processes for concept and strategy development of its MTIs?	CalMTA’s concept and strategy development practices are largely effective.

Overall, CalMTA has succeeded in effectively accomplishing its mandate during the startup period. It developed and carried out thoughtful, thorough, transparent and transferable processes to gather ideas, identify promising MTIs, and develop those MTIs for full-scale launch in the market. It has been transparent in its processes, providing public documentation of organizational policies and procedures (e.g. idea selection, MTI evaluation processes, etc.) as well as technical market research and program design, ultimately producing a large volume of high-quality deliverables.

CalMTA also successfully established advisory bodies to inform its work, including the MTAB, the ESB, and the Evaluation Advisory Group (EAG).³ MTAB members had positive feedback about their experience on the board, describing it as a collaborative body that brings together a range of distinct and valuable perspectives. MTAB members also reported that CalMTA had been effective in managing the board, providing background materials and effectively running meetings. ESB members similarly described a positive experience, reporting that CalMTA team members seemed genuinely interested in their feedback.

CalMTA’s greatest challenges have been the compressed timeframe under which the organization has worked to meet regulatory deadlines and the complex environment of ratepayer-funded energy efficiency programs in which it operates. CalMTA went through the process of identifying ideas and developing them into the organization’s first MTIs over the course of approximately two years, while at the same time defining organizational policies and procedures. Other market transformation organizations often take three-to-five years for similar efforts using established processes. CalMTA developed and launched MTIs quickly so that they could complete the application approval process by the end of the three-year startup period. Team members also wanted to achieve early success from those MTIs to demonstrate the value of the program and its market transformation approach in California.

In addition to working on a compressed timeframe, CalMTA has worked to establish itself among the multiple administrators delivering ratepayer-funded programs in California. With a range of program administrators working across the state, MTIs are likely to address technologies and customer segments in which there is already program activity. Further, some of those programs may consider their activities to

³ CPUC Decision D.19-12-021 ordered CalMTA to establish the MTAB. CalMTA identified the need for the ESB and EAG and created those bodies independently.

drive market transformation, even if they are not designed around the specific definition of, and approach to, market transformation that underlies CalMTA. As well as program administrators, CalMTA has also had to initiate and develop effective working relationships with other energy efficiency stakeholders in California.

CalMTA faced some communication challenges within its team and with external stakeholders as it sought to develop MTIs under a compressed timeline and in a crowded program environment. CalMTA team members reported that tasks that would ideally happen in sequence, with earlier tasks informing later ones, had to happen simultaneously. This could lead to changes in direction that put strain on team members, giving the sense, in some cases, that decision-making was not clear. Communication challenges also resulted from passing information through inexperienced CalMTA team members.

There may be opportunities for CalMTA to more effectively collaborate with external stakeholders. Some stakeholders expressed a desire for greater input on issues or initiatives as CalMTA was developing them, rather than reviewing finished products. While valuable, this type of review takes time and can add uncertainty to the process.

As CalMTA moves beyond the startup period, it will be important to invest the time necessary to address these communication and collaboration opportunities. However, it is also important to recognize that the CalMTA team succeeded in establishing the program, gathering ideas, and developing its first MTIs during its defined startup period.

Conclusions and Recommendations

This section summarizes the conclusions and recommendations Apex draws from this assessment. Please see Section 3 for a more robust discussion of the conclusions and recommendations summarized below.

CalMTA has largely been effective during the startup period, meeting its requirements on time, communicating transparently, and staying within its budget allocations. CalMTA established, documented, and carried out processes for identifying market transformation opportunities, and developing those opportunities into MTIs. It established advisory groups to inform that work, and members' positive feedback suggests it has effectively managed those groups.

CalMTA has effectively managed the MTAB. MTAB members were largely satisfied with the communication they received from CalMTA, reported that the discussion during meetings was productive, and felt their input was valued. While the volume of materials MTAB members were given to review could be large, the interviewed members were willing to devote the time and effort needed. Nonetheless, it will remain important to manage MTAB members' workloads as CalMTA's portfolio of MTIs grows and matures.

- **Recommendation: Consider ways to refine the structure of MTAB meetings to reduce burden and focus the MTAB's guidance and discussion on the most critical issues.** This could include defining more specific topics for MTAB

discussion and guidance, similar to the way CalMTA focuses the discussion during ESB meetings. It could also include holding optional, more detailed discussions with MTAB members that have expertise or interest in a specific topic while allowing others to review the topic at a higher level during general meetings. CalMTA should consult with MTAB members to develop processes for these changes and co-create additional ways to refine meeting structure that meet members' needs.

CalMTA has integrated a proactive focus on equity into its MTI identification and development process. CalMTA has sought out MTIs that provide immediate and direct benefits to Environmental and Social Justice (ESJ) communities, incorporating equity considerations into its idea scoring rubric and gathering feedback from community representatives through listening sessions and the ESB. The potential for non-energy benefits to ESJ community members and the resulting support from community organizations were important contributors to the approval of CalMTA's initial MTIs.

- **Recommendation: CalMTA should reassess and adapt its processes for incorporating ESJ community input into its work based on that reassessment as its portfolio of MTIs grows and moves into the implementation phase.** The ESB has been able to effectively provide input to inform idea selection and initiative design. However, MTI implementation may require more sustained and varied engagement with ESJ communities. It will be important to ensure that the ESB can support this engagement without overburdening members. CalMTA should also continue its efforts to gather input from CBOs and other relevant stakeholders.

The processes that CalMTA built during the startup period, both internally and externally facing, provide a strong foundation as CalMTA expands into implementation and looks to the future. CalMTA prioritized developing thoughtful, thorough, transparent, and transferable processes and documentation during the startup period. CalMTA also built a team of staff and subcontractors and developed internal organizational and communication structures. CalMTA did all of this while working to develop MTIs under a constrained timeline, and while some opportunities for improvement arose during interviews, most respondents were largely satisfied with their work and communication with CalMTA.

- **Recommendation: CalMTA, including both RI staff and subcontractors, should regularly and consciously review its internal communication practices, processes, and culture to ensure they continue to effectively serve the organization's goals.** Processes designed while under time pressure to develop MTIs may benefit from a review focused on longer-term, strategic needs. Regular future reviews will also help to ensure processes continue to work in the implementation phase and with a growing portfolio of MTIs. These reviews should include an assessment of templates and documentation, workloads and coordination of tasks, and professional development needs. CalMTA has worked to provide training opportunities for its existing staff, but a continued focus on professional development will be important as the portfolio of MTIs expands and the organization's market transformation approach becomes more established in California.

Building relationships with other program administrators and stakeholders and effectively coordinating with existing programs is important to CalMTA's success, and respondents acknowledged that CalMTA has done significant work in this area. Finding mutually beneficial ways in which MTIs can coordinate with programs operating in the same or related markets will help those programs achieve their goals most efficiently and effectively. The experience of these existing programs can also provide important background knowledge about the specific context of the California market and allow MTIs to leverage established relationships with market actors.

- **Recommendation: As it moves beyond the startup phase, CalMTA should develop processes that allow CPUC staff, MTAB, and other relevant stakeholders greater input before decisions are made.** This will involve developing mechanisms to allow for additional input at multiple MPI development stages. For example, stakeholder input could be valuable in key decisions like product definition. CalMTA will need to build on its current stakeholder processes to identify targeted areas for feedback at key decision-points, communicate the options and relevant information, and gather stakeholder input in a structured way. It will also be important for CalMTA to communicate to stakeholders how their input shapes initiative development and to provide rationale if CalMTA chooses not to adopt stakeholder suggestions. CalMTA's quarterly reporting provide a potential channel for this documentation.

1. Introduction

Resource Innovations' contract with PG&E specified that an Organizational Review would be conducted following the conclusion of its three-year start-up period. The CPUC directed that the review be submitted via a Tier 2 advice letter alongside the non-profit Transition Plan in 2028. CalMTA and CPUC Energy Division conducted a competitive solicitation and selected Apex Analytics to conduct this review. The market transformation administrator, Resource Innovations (RI), has contracted with Apex Analytics for this work.

This study is an organizational effectiveness review of CalMTA assessing its practices and systems, including those related to communication, administration, market transformation initiative management, and overall organizational effectiveness, with a focus on practices and systems developed during CalMTA's start-up period. The study is grounded in two overarching objectives: assessing how effectively CalMTA delivered on its Commission-directed activities in the start-up period, and identifying what could be improved in its practices and systems to effectively implement MTIs.

1.1 Background

The CPUC created CalMTA to act as a single, independent, statewide third-party administrator to develop and manage market transformation initiatives (MTIs), with the goal of advancing the state's energy efficiency, decarbonization, and equity goals through the process of intervening in markets to create lasting, sustainable change. CalMTA's work differs from traditional utility incentive programs in that it is intended to intervene at the market level to remove structural barriers, accelerate adoption of energy-efficient technologies and practices, and produce lasting market change.

In Decision 19-12-021, the Commission ordered the creation of an independent, statewide Market Transformation Administrator (MTA) to lead California's market transformation efforts. The Commission determined that a single, independent, administrator would be best positioned to conduct statewide activities on behalf of the Commission, and in coordination with other energy efficiency entities including investor-owned utilities, Regional Energy Networks (RENs), Community Choice Aggregators (CCAs) and others, as well as facilitate coordination with similar, independent organizations in other states. The Commission directed the lead utility, Pacific Gas & Electric Company (PG&E), to solicit and contract with an organization to serve as an independent MTA, while maintaining direct Commission accountability, oversight, and alignment with broader energy efficiency policy objectives.

The CPUC Energy Division led the solicitation for a directed contract, with input from the Procurement Review Group, and Resource Innovations (RI) was selected as administrator of the CalMTA program in November 2022. PG&E serves as the program's fiscal agent. CPUC staff are also closely involved in an oversight role, providing input during meetings and written comments, approving key deliverables,

and reviewing monthly invoices. Key requirements established in Decision 19-12-021 included:

- Establishing an independent, mission-driven statewide administrator with appropriate staffing, internal governance, and administrative systems
- Establishing and managing a Market Transformation Advisory Board (MTAB) to advise on plans and activities
- Developing and managing MTIs in close coordination with all California program administrators, including establishing coordination protocols to avoid duplication and ensure alignment with the energy efficiency portfolio

Decision 19-12-021 funded CalMTA for \$310 million over eight years, with an initial startup budget of \$20 million per year for three years and an implementation funding of \$250 million for five years. In December 2024, PG&E submitted an application to the CPUC on behalf of CalMTA to launch the first two proposed MTIs and release funding for the next five-year implementation budget of \$250 million. In Decision 25-11-023, the Commission approved the Room Heat Pumps MTI for deployment and directed CalMTA to revise and resubmit the Induction Cooking MTI through a Tier 2 advice letter, conditionally approving this initiative. The Commission declined to release the full balance of funding based solely on the application and future advice letters. The Commission also directed CalMTA to file a Tier 2 advice letter by the end of 2028 proposing a plan to transition to nonprofit status.

Both Commission decisions describe a requirement for an organizational review. Decision 19-12-021 specified that the MTAB would be asked to provide input assessing the performance of the MTA at the end of its third year of operation, at which time the Commission may adjust course as warranted. Decision 25-11-023 states that Resource Innovations' contract with PG&E requires a formal third-party organizational review, which must be included in CalMTA's Non-Profit Transition Plan Tier 2 advice letter. In response, CalMTA and CPUC Energy Division conducted a competitive solicitation to select an evaluator for the organizational review. Apex Analytics was the selected contractor from this solicitation.

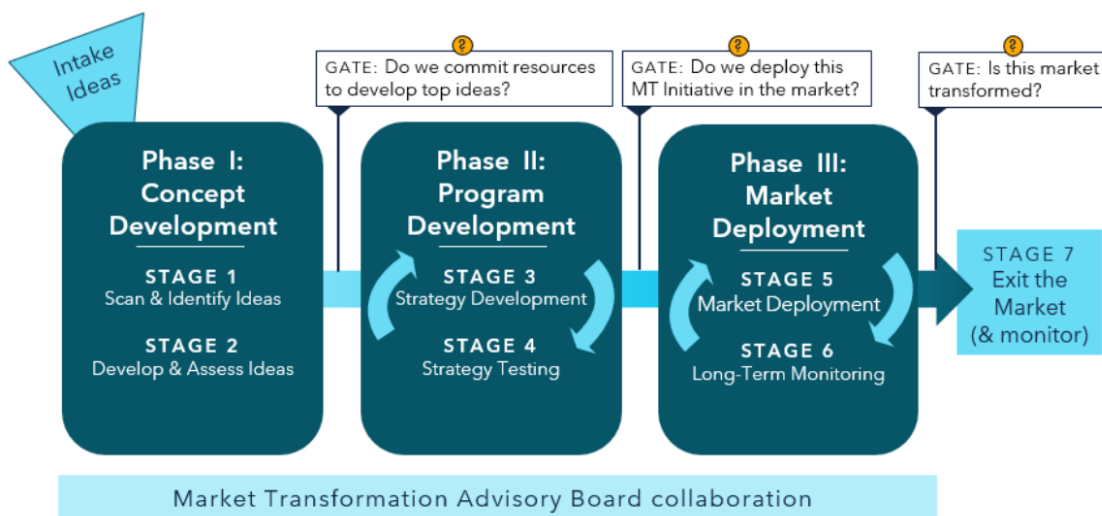
1.1.1 CalMTA's Landscape

CalMTA operates in a dense energy efficiency program and initiative landscape that includes many existing program administrators operating portfolios of programs in California: investor-owned utilities (IOUs), community choice aggregators (CCAs), regional energy networks (RENs), the California Energy Commission (CEC), and other regional programs run by municipalities and other publicly-owned utilities. These entities manage distinct but potentially overlapping portfolios across many of the same technology areas and sectors that market transformation efforts address.

CalMTA uses a "stage-gate" process to develop market transformation initiatives, illustrated in Figure 1 and specified in detail in the Market Transformation framework adopted by the Commission in D.19-12-021. In Phase I (Concept Development), CalMTA solicits and screens ideas from stakeholders and conducts high-level market research to identify promising ideas for further development. In

Phase II (Program Development), CalMTA develops those concepts into full MTI Plans, including refining logic models and intervention strategies, establishing market baselines, and conducting strategy testing (see Figure 1). CalMTA must then submit an application for Commission approval before moving an MTI from development into deployment (Phase III). In the future, the process for approving MTI deployment may become simpler and more streamlined, such as via advice letter approval.

Figure 1: CalMTA MTI Development Process⁴



Source: CalMTA, "MT Policy Manual" (Aug. 2023), 19, Fig. 1, <https://calmta.org/wp-content/uploads/2025/04/MT-Policy-Manual-Final-August-2023.pdf>.

To ensure coordination with external portfolios, CalMTA develops External Program Alignment and Coordination plans for each new initiative it launches. These plans describe how CalMTA’s initiatives work in relation to existing programs and how they can complement them. Additionally, stakeholders on the Market Transformation Advisory Board, which includes representatives from utilities and other program administrators, review CalMTA’s work and can identify potential issues of overlap.

Recognizing that RI, the Market Transformation Administrator, is a for-profit company, the CalMTA team also takes steps to protect and demonstrate its independence, including creating an Evaluation Advisory Group, developing a conflict-of-interest screening for subcontractors, and creating a process for internal staff firewalling at RI and its subcontractors.

⁴ CalMTA, "MT Policy Manual" (Aug. 2023), 19, Fig. 1, <https://calmta.org/wp-content/uploads/2025/04/MT-Policy-Manual-Final-August-2023.pdf>.

1.2 Primary Actors

Several actors are involved in the CalMTA's MTI development process and market transformation activities at various stages. The actors involved in each step of the MT idea development processes are described below, along with their primary and supporting roles at each stage.

CPUC (California Public Utilities Commission): The CPUC is the regulatory body that sets the regulatory and budget framework within which CalMTA operates, overseeing and allocating funding for CalMTA. It considers full MTI Plans and other funding and policy-related requests through Application processes. CPUC staff provide day to day program oversight and approval of key interim deliverables such as Advancement Plans for moving to Phase II.

CalMTA Team: RI draws on a combination of dedicated internal staff, internal subject matter experts who work on CalMTA as well as other projects, and subcontractors to carry out CalMTA work. Together, the CalMTA team is responsible for all aspects of the MTI development process. They identify and score proposed ideas in Phase I, oversee market research, technology assessments, and field studies in Phase II, and manage RFP processes for implementation and evaluation contractors in Phase III. Staff also manage stakeholder engagement, external communications, MTAB logistics, regulatory filings, and day-to-day operations. Specific staff members serve as leads for individual MTIs, business operations, communications, and project management. The subcontractors included in the CalMTA team are specialized consulting firms and independent consultants who support CalMTA staff in executing MTI development work. They lead or contribute to market research, evaluation, product development, strategy management for specific MTIs, and equity facilitation.

Market Transformation Advisory Board (MTAB): As defined in D.19-12-021, MTAB is an advisory board composed of seven experts representing market transformation, evaluation, ratepayer advocacy, environmental interests, workforce development, California Investor Owned Utilities (IOUs), and Regional Energy Networks and Community Choice Aggregators, as well as two non-voting seats for CPUC staff. MTAB members advise on idea prioritization, review and comment on Advancement Plans and MTI Plans at key stage gates and participate in regular in-person and virtual sessions as well as quarterly reporting webinars. Their input helps ensure MTIs are technically robust, cost-effective, and aligned with diverse stakeholder interests.

Equity Sounding Board: The Equity Sounding Board (ESB) is a group of eight community leaders, advocates, and practitioners engaged in environmental and social justice (ESJ) communities across California. The board was established in late 2024 and meets virtually throughout the year to review equity-focused components of MTIs, provide feedback on market research instruments targeting ESJ communities, and advise the MTI development team on strategies to ensure equity. Their guidance helps ensure that MTIs are designed to deliver benefits to underserved communities.

Other Stakeholders: As noted above, CalMTA collaborates with other external organizations that operate energy efficiency programs or administer regional energy initiatives in California. CalMTA coordinates with these organizations to ensure MTIs are aligned with existing programs, share research findings to avoid duplication of effort, and identify opportunities to connect complementary activities. Other stakeholders include California IOUs, RENS and CalNEXT.

Evaluation Advisory Group: The Evaluation Advisory Group (EAG) is comprised of CalMTA’s evaluation lead, a designated Energy Division representative, and three independent evaluation experts. The group was established prior to the first MTIs entering Phase III (market deployment), and is intended to oversee third-party MTI evaluations. The EAG reviews RFP solicitations before they are finalized, scores proposals according to agreed-upon criteria, and reviews all third-party evaluation deliverables including work plans, interim findings, and draft and final reports.

1.3 Evaluation Objectives

CalMTA and the Energy Division identified seven broad research objectives for this organizational review. These objectives are grounded in two overarching evaluation questions:

1. Did CalMTA effectively deliver on its Commission-directed activities during the startup period?
2. What improvements to CalMTA's practices and systems would support effective MTI development and organizational performance going forward?

As summarized in Table 2, the team defined specific research questions within each objective and identified the research activities best suited to address each.

Table 2: Research Objectives and Evaluation Approach

Research Objective	Evaluation Approach	
	Document Review	In-Depth Interviews
How effective and transparent has CalMTA reporting and communication been from the perspective of stakeholders and MTAB?	MTAB Meeting materials and recordings	All
How effectively has CalMTA managed the operations of the MTAB?		CalMTA, Energy Division, MTAB
How has CalMTA performed against its annual Operations Plans in terms of meeting described objectives and quarterly milestones?	Annual Operations Plan, Quarterly progress updates	All
How has CalMTA performed in terms of financial administration, including invoicing, accruals, and forecasting?	Documentation and tracking of financial deliverables	CalMTA
How is CalMTA performing with respect to its equity approach?	CalMTA website and other documentation of equity	All

Research Objective	Evaluation Approach	
	Document Review	In-Depth Interviews
	strategy. Equity-related CPUC decisions and guidance	
How effective are CalMTA’s processes for concept and strategy development of its MTIs?	Documentation of MTI development process.	All
For each area of review, what has worked well? What opportunities for improvement exist?	All documentation	All respondents

To assess effectiveness, this study considers both what dimensions of effectiveness to evaluate and from whose perspective. Organizational effectiveness is characterized by consistency with Commission and contractual requirements, timeliness of deliverables, transparency of processes and communications, and efficient use of administrative and program resources. The study assesses organizational effectiveness from multiple perspectives, directly and indirectly considering the views and interests of key stakeholders including California ratepayers, the Commission, Energy Division, RI and subcontractor staff, the Market Transformation Advisory Board, and the Equity Sounding Board, as well as other engaged stakeholders such as IOUs, RENs, and equity-focused organizations.

The scope of this study was limited to assessing CalMTA’s effectiveness and opportunities for improvement within the mandate the CPUC established for CalMTA in D.19-12-021 and subsequent guidance. Questions about the effectiveness of that mandate itself are outside the scope of this study.

1.4 Evaluation Methodology

1.4.1 Document Review

The Apex team conducted a document review that encompassed the operations plan and portfolio development, MTAB meetings and materials, and other documents and work products. Apex also conducted a structured review of financial administrative metrics that included invoice accuracy, financial forecasting, subcontractor payment timeliness, and compliance with contract requirements, drawing on CalMTA’s tracking systems and a targeted review of a sample of documents to verify the accuracy of those systems. The evaluation team conducted a review of MTAB meeting materials and recordings, using both manual review and AI-assisted qualitative content analysis. Additional document review covered MTI-related work products, including RFI disposition reports, MTI Plans, CalMTA’s MTI Evaluation Framework, and the Equity Lens for Market Transformation paper (see Table 3).

Table 3: Document Review Sources

Category	Reviewed Materials
Operations plan & activity	<ul style="list-style-type: none"> • 2024, 2025 Operations Plans • Market Transformation Policy Manual • Quarterly Progress Updates from 2023-2025 • MTI Evaluation Framework • RFI 1 and 2 Disposition Reports • MTI Plans • Evaluation plans for the induction cooktop, commercial rooftop unit, and room heat pump MTIs • Advancement Plan Feedback Responses (5)
Other documents & work products	<ul style="list-style-type: none"> • Equity lens paper • Solicitation protocols • 2025 ESB Survey • Participatory engagement idea tracker for ESB • Asana/Salesforce systems walk-through • Decision 25-11-023, Decision 19-12-021
MTAB meetings & materials	<ul style="list-style-type: none"> • Meeting recordings
Financial administrative metrics	<ul style="list-style-type: none"> • Invoices • Accruals • Forecasts • NTE compliance • Subcontractor payments • ODC/SME COI approvals • Sample-based verification of CalMTA tracking systems

1.4.2 Stakeholder Interviews

Building on findings from the document review, Apex conducted in-depth interviews with 23 stakeholders, including Energy Division staff, CalMTA staff from RI and its subcontractors, Advisory Board members, and other engaged stakeholders including Equity Sounding Board members and IOUs (see Table 4). Interviews were structured using a modular interview guide covering key research topics including MTAB management, MTI development processes, equity integration, and financial administration. Interview findings were analyzed thematically, with key patterns synthesized across respondent groups.

Table 4: Stakeholder Interviews

Stakeholder Category		Respondent Count
MTAB members		7
CalMTA Team	RI Staff	3
	Subcontractors	4
CPUC Energy Division		3
Equity Sound Board members		3
Other Stakeholders (e.g., IOU representatives, CalNEXT)		3

The evaluation team made multiple attempts to interview a representative from the California Public Advocates Office (CalPA). Although the evaluation team contacted multiple individuals within the CalPA office, a CalPA contact was not available to complete an interview.

2. Findings

This chapter presents findings drawn from in-depth interviews conducted with a range of respondents including CalMTA staff, CPUC oversight staff, MTAB members, Equity Sounding Board members, subcontractors, and other stakeholders, as well as a review of program documentation.

Table 5 summarizes key findings related to each of the detailed research objectives for this assessment. A narrative discussion of the findings follows the table.

Table 5: High-Level Assessment of Research Objectives

Research Objective	Key Findings	
How effective and transparent has CalMTA reporting and communication been from the perspective of stakeholders and MTAB?	<i>Overall Finding</i>	CalMTA has provided abundant and clear documentation of its approaches, decisions, and work. Stakeholders and MTAB members were largely satisfied with their communication, although some opportunities for improvement arose in interviews.
	<i>Effective Practices</i>	Most stakeholders and MTAB members found CalMTA reporting to be transparent. CalMTA reports a large volume of material. The website is comprehensive and easily navigable. Interview findings suggest CalMTA has a culture of listening and trying to gain input from variety of sources.
	<i>Areas of Improvement</i>	Some stakeholders wanted a more collaborative process, in which they would provide input on issues as CalMTA was dealing with them, rather than reviewing final documents.
How effectively has CalMTA managed	<i>Overall Finding</i>	CalMTA has effectively managed the operations of the MTAB. Members felt the meetings were productive and their input was valued.

Research Objective	Key Findings	
the operations of the MTAB?	<i>Effective Practices</i>	MTAB members reported that meetings are well-run. MTAB members receive materials in advance as well as guidance on what to prioritize in their review.
	<i>Areas of Improvement</i>	The volume of material for MTAB members to review can be large. MTAB members would like more in-person meeting opportunities.
How has CalMTA performed against its annual Operations Plans in terms of meeting described objectives and quarterly milestones?	<i>Overall Finding</i>	CalMTA has performed well against its annual Operations Plans.
	<i>Effective Practices</i>	CalMTA has met the large majority of its Operations Plan objectives and quarterly milestones.
	<i>Areas of Improvement</i>	As the first MTIs mature, there may be an opportunity for objectives to reflect market transformation strategy to a greater extent than tactical goals.
How has CalMTA performed in terms of financial administration, including invoicing, accruals, and forecasting?	<i>Overall Finding</i>	CalMTA's financial administration has been clear and met its requirements.
	<i>Effective Practices</i>	CalMTA met its requirements around financial administration and provided clear tracking of its invoicing, accruals and forecasting.
	<i>Areas of Improvement</i>	Some stakeholders expressed a desire for increased transparency around fixed price portions that were included in the first-year contract and have not continued.
How is CalMTA performing with respect to its equity approach?	<i>Overall Finding</i>	CalMTA has been effective at integrating equity into its processes so far, building tools and processes to do so, with ESB members expressing satisfaction with the process.
	<i>Effective Practices</i>	CalMTA has prioritized equity in its MTI development work integrating ESJ considerations into scoring, MTI planning, and evaluation. ESB members are satisfied with their experience and feel the organization values their input.
	<i>Areas of Improvement</i>	There may be some communities that are underrepresented by ESB members. As MTIs move into implementation, the role of the ESB and engagement with ESJ communities more broadly may need to adapt.
How effective are CalMTA's processes for concept and strategy development of its MTIs?	<i>Overall Finding</i>	CalMTA's concept and strategy development practices are largely effective.
	<i>Effective Practices</i>	CalMTA has developed a systematic process to collect and evaluate ideas for MTIs. It has succeeded in conducting a great deal of strategy development work in a compressed timeframe.
	<i>Areas of Improvement</i>	The qualitative elements of idea selection can be obscure to some stakeholders. Working under a compressed timeframe has led to some communication and coordination challenges within the CalMTA team and with stakeholders.

The findings discussion below is organized around the six research objectives established for this study and is intended to support CalMTA's continued development as it moves from the startup and program development phase into full market implementation. For each topic area, findings reflect perspectives across multiple respondent groups and are contextualized with additional sources (e.g, program documents or history) when possible. The chapter is organized as follows:

- **Stakeholder Engagement and Reporting:** The section covers MTAB formation and operations, the Equity Sounding Board, and key external stakeholder relationships including CPUC, adjacent programs, and utilities
- **Development and Management of MTIs:** This section discusses the MTI concept and strategy development, equity integration, and evaluation design
- **Administration:** This section describes the program's operation plan milestones, financial administration, and other organizational systems and processes

Chapter 3 presents conclusions and recommendations drawing on findings across all three areas.

2.1 Stakeholder Engagement and Reporting

This section describes CalMTA's engagement with its key stakeholder groups and its approach to communications and reporting. The discussion includes CalMTA's formation, operations, and management of the MTAB, ESB, CalMTA's working relationship with CPUC, and coordination with adjacent programs, particularly CalNEXT.

2.1.1 Market Transformation Advisory Board

Decision 19-12-021 called for CalMTA to establish an advisory body, and it did so in 2023 with the launch of the Market Transformation Advisory Board (MTAB). The MTAB makes non-binding recommendations to both CalMTA and the CPUC. The board has up to nine members from relevant fields like ratepayer advocacy, workforce and labor, environmental advocacy, market research, energy efficiency policy, utility staff and CCA/REN representatives, as well as up to two non-voting CPUC staff seats. While the IOUs and RENs/CCAs select their own rotating representatives, CalMTA fills the remaining seats through an open application process with approval from the CPUC via a Tier 2 Advice Letter. The CPUC staff seats are appointed by the CPUC Energy Division Branch Manager. During the startup period, one of these seats was assigned to Energy Division staff and one was assigned to staff from the Public Advocates Office.

The MTAB meets regularly to review MTI Plans, Advancement Plans, budget advice letters, equity work, and new idea submissions. CalMTA is required to present findings to gather MTAB feedback before transitioning initiatives to a new phase. For example, CalMTA will solicit MTAB feedback and recommendations on proposed MTI Plans. MTAB's collected feedback, recommendations, and MTAB meeting notes are then included in the MTI Plan application given to the CPUC. During

implementation, if market deployment milestones are missed, the MTAB will weigh in on whether funding should continue, with such recommendations made public for CPUC consideration.

Overall, interview findings and document review suggest that CalMTA has successfully managed the operations of the MTAB. Members praised the administrative support for MTAB meetings and materials and reported timely CalMTA follow-up when they had questions. One member shared that, "I have no complaints at all. Getting information, dates, meetings, locations, agendas, materials. I feel like they have been very responsive and supportive." Additionally, multiple members whose MTAB terms have expired have chosen to reapply, demonstrating their investment in the organization and work on the MTAB.

Formation and Recruitment

During its first application period, CalMTA received 25 applications for positions on the MTAB, and the organization's staff scored applicants on a 1–5 scale against criteria from D.19-12-021. The criteria included, but was not limited to, "the level of the nominee's understanding of MT principles, or willingness to learn," "the experience of the nominee to work constructively on advisory (or similar) committees," "[t]he knowledge of the nominee in EE and MT policies in California," and "[t]he knowledge of the nominee in market function and/or energy-efficient technologies or services." After scoring, CalMTA staff submitted final nominees for the first iteration of the MTAB board for CPUC approval in a Tier 2 advice letter, which CPUC approved in April 2023.

Interview respondents across a range of roles generally praised the technical expertise and experience of past and present MTAB members. Program staff and board members described the board as committed to the mission of CalMTA and composed of subject matter and market transformation experts; as one interview respondent described, "the cream of the crop." Though not all board members have direct market transformation backgrounds, one member noted that members brought other strengths and were "strategic and asked good questions." CalMTA staff specifically credited the board's perspectives and highlighted their ability to surface issues the program may not have considered. One external stakeholder described how CalMTA staff considered and "lean[ed] into the expertise of the MTAB." The board members and CalMTA staff also viewed the board size as appropriate for its functions.

MTAB Meetings

MTAB members serve the board for two-year terms. For their time, members receive a \$1,400 stipend for each six-hour meeting, with compensation prorated for meetings that are longer or shorter than six hours. Members also receive prorated stipends for their reviews of Advancement Plans (\$400 for two hours of effort) and MTI Plans (\$1,200 for 6 hours of effort). This stipend is not available for government employees, IOU representatives, and CPUC staff members. MTAB participation is a significant time commitment for board members, with between six and nine meetings held each year during the startup period, and each meeting ranging from two to eight hours long.

Material Review

MTAB members and other stakeholders reported that the amount of materials to review prior to board meetings (described online as the pre-meeting packet) was substantial. Though most members found the material important, several noted the review burden exceeded their expectations, requiring additional personal time beyond what the stipend was designed to compensate. As one member observed, the workload could be as many as five to ten hours to prepare for an MTAB meeting. Another member shared that, "I am compensated for a certain number of hours, and I put in some more, which is fine."

One respondent who described the challenges of the amount of materials noted that there had been some direction to focus on specific sections, limiting the scope of their review: "The stipend would not be enough if I had to review everything, they tell us what to review." One CalMTA staff member shared of the MTAB materials, "It's hard to go through all of it." MTAB members' accounts suggest that MTAB participation depends on members' willingness to contribute time beyond what the stipend covers. At \$200 per hour or less (assuming members spend at least an hour preparing for each six-hour meeting), compensation for MTAB participation is lower than what individuals with the level of experience board members bring would likely earn in other consulting roles. Interviewed MTAB members were committed to the board's work and accepted the compensation offered, but the current balance between compensated and uncompensated time may not be sustainable.

Additionally, some members suggested that CalMTA's materials could benefit from more clearly highlighting the areas where staff were seeking input or working through unresolved questions. While the materials are thorough and well-presented, some MTAB members found that some content appeared finalized rather than for discussion. For example, two IOU representatives on the MTAB observed that MTAB meetings are highly polished and expressed a preference for greater discussion and unresolved topics to be surfaced during meetings.

Meeting Format

Most MTAB meetings take place virtually, with less frequent in-person sessions. MTAB members and CalMTA staff discussed how the quality of conversation was lower in a remote setting. One MTAB member said, "When we're on Zoom, we're always in presentation mode. We never really have discussion." Another MTAB member shared how, "On Zoom you lose spontaneity, an organic groupthink that can happen." One staff member framed this as an ongoing tradeoff for CalMTA; the number of meetings, distance of staff and MTAB, and desire to use ratepayer funds appropriately makes virtual meetings necessary, but there are limitations to the quality of discussion.

One MTAB member found that board meetings were so presentation focused that they "don't know what [CalMTA] is looking for" in the feedback CalMTA was seeking from the board. Another MTAB member expressed a desire for CalMTA to provide greater transparency to the board around the ambiguity and uncertainty inherent to

the MTI development process. They would have liked to see CalMTA display more “vulnerability,” as the respondent described.

CalMTA staff acknowledged that MTAB meetings were presentation heavy, but staff felt that approach was necessary given the amount of content they needed to cover. As one CalMTA staff member shared, “I wish it wasn't so lecture-style, but it's just so much information.” Notably, MTAB members who described the board meetings positively tended to characterize the board as professional and felt part of a cohesive, collegial atmosphere. Three MTAB members raised the point that some friction is often a productive part of the process. A board member who praised the atmosphere of the board noted that the group’s dynamics had changed as its composition had shifted: “Now we're missing that predictably dissenting voice... It is useful to have some dissention. It can be awkward, but it's realistic.”

CalMTA’s Communication With the MTAB

Most interviewed MTAB members described CalMTA's communication with the board as transparent and reported that their advisory role to CalMTA was meaningful. Members shared their belief that their contributions shaped CalMTA's output, with one member stating that their work was not merely “window dressing” and another describing how the board served as “an additional level of peer review.” Members shared how CalMTA's staff walked the board through changes to initiative plans and explained the reasoning behind those changes. One member described how CalMTA returned to feedback they had offered at a prior meeting, telling them, “You said this, we thought about this.” Witnessing this feedback loop gave members the sense that their participation had real impact on the program, though one member expressed some uncertainty about how their feedback was ultimately used.

One member with decades of experience serving on advisory boards described the MTAB as one of the better boards they had worked with, citing the quality of meeting facilitation, the informal but productive dynamic between staff and board members, and the sense that staff were “helping us help them figure things out.” Another member noted that CalMTA's organizational culture was visible during meetings, with senior staff creating opportunities for junior staff to present their work.

2.1.2 Equity Sounding Board

CalMTA established the ESB in late 2024 to provide ongoing equity guidance. CalMTA held Environmental and Social Justice Listening Sessions in 2023 and 2024 to inform their work toward MTIs. However, the organization recognized the need for ongoing advice and guidance to ensure that equity is consistently considered and woven into their work. To create an equity sounding board, CalMTA held an open application process for potential board members in mid-to-late 2024.

The ESB seated eight members serving two-year terms. Like the MTAB, the ESB is an advisory body, but focused on equity outcomes as opposed to MT program design. Specifically, the 2024 Annual Report (p. 26) describes the board's role as “guiding CalMTA's outreach to ESJ communities, assisting in avoidance of actions that would cause unforeseen harm, and providing insights into strategic

interventions that will bring benefits to ESJ communities through CalMTA's MTIs." The board members meet formally three times a year supplemented by less formal meetings and consultations throughout the year and participants receive a stipend for their participation.

Beyond the ESB, CalMTA is supported by several equity-focused tools and processes, including a participatory engagement idea tracker that documents how ESB feedback is incorporated into CalMTA's work and an internal equity cross-functional staff group that integrates equity considerations into MTI development.

ESB Design and Member Experience

Respondents highlighted the design and makeup of the ESB as key to the board's operations. The eight-person board was big enough to represent numerous perspectives but small enough that all members could engage meaningfully and build relationships with one another. One respondent praised the diversity of member backgrounds on the board, noting representation from fields like community health and workforce development. Another respondent complimented the selection of members, sharing how, "Finding the right folks to be a part of the ESB. That's a hard process...." Multiple respondents noted how the experience of participating with different equity stakeholders was educational for the respondents as well.

All interviewed ESB members reported that the pre-reading and meeting requirements needed to participate in the ESB were reasonable, aided by easy-to-digest materials like videos. One respondent stated that the amount of materials was fine and another respondent felt the pre-meeting work involved was "fair" for the stipend. Another respondent shared how they anticipated the materials would be overwhelming as they lacked experience with market transformation and energy efficiency, but CalMTA "made it simple".

Members described meeting facilitation as structured with both set agendas and the space to introduce related discussions. One member described the atmosphere of ESB meetings: "I think it's well structured, both in terms of them preparing the agenda and staying focused on the topic, but at the same time, they are flexible enough to want to hear about other things that impact us." Another member praised the ground-setting note at the start of each meeting that reminded members that everyone's opinion matters and set expectations for a respectful conversation. Though the three ESB respondents praised the environment of meetings, another respondent involved with the ESB noted that the group discussion could be skewed or led by louder, more dominant voices. They suggested integrating written comments prior to the group discussion to encourage more independence and expression during meetings.

Two members suggested more in-person meetings to strengthen the board's relationships. One member felt the ESB was very productive virtually, but requested meeting more in person to "get to know each other personally." This suggestion was also reflected in the 2025 Equity Sounding Board (ESB) End-of-Year Retrospective and Survey that CalMTA conducted in December 2025, with seven of the eight ESB members responding.

While members described the board as diverse, two members highlighted the lack of an ESB member representing African American communities in California. One member also suggested that incorporating more commercial voices, such as small business owners and restaurant staff, could help the ESB provide better perspectives on commercial sector MTIs.

CalMTA's Management of the ESB

Overall, members described CalMTA's relationship with the ESB as communicative. ESB members shared that they felt up-to-date on program activities and MTI development and were given enough context to engage in the discussions about MTIs.

All interviewed members perceived that the CalMTA staff with whom they interfaced were genuinely interested in and engaged with their feedback on equity. One member described how CalMTA “show respect to the Equity Sounding Board team” and “do listen;” another shared that, “they’ve been very responsive” to ESB’s feedback. A third member described how the environment of meetings was welcoming, as “there, you feel safe to talk about your issues.” One interviewed member described seeing elements of a feedback loop: “You’ll hear it in the next meeting, like they give folks back the feedback and begin incorporating it. It shows they are hearing and listening and transforming.”

Despite their perception that CalMTA values their feedback, two ESB members found the way CalMTA integrates and uses their feedback to be somewhat ambiguous. These members expressed a desire to be more involved beyond providing recommendations, particularly in understanding what happens after their feedback is submitted. One member shared that, “We wanted to know, so what happened with our recommendations? Did they go into a black hole?” Another described the need for transparency around outcomes, explaining: “We hope it comes back to us: this is what happened, the RTU, 60% were used, and they’re very successful. Or it wasn’t cost effective in the long run. We want the 360 feedback loop.”

These requests were also captured in 2025 ESB End-of-Year Retrospective and Survey, where members expressed a desire for more visibility into how ESB input is used, such as through updates showing how their feedback informs CalMTA’s work. After receiving this feedback, in early 2026, CalMTA introduced a new tool and process to the ESB for documenting and sharing how feedback informs MTI development and soon, implementation.

2.1.3 Other Key Stakeholders

CPUC

CPUC staff describe CalMTA's communications positively; staff characterized CalMTA's emails as “clear and consistent,” the volume of information shared as thorough, and noted that CalMTA makes dense technical material “as easily digestible as possible.” Weekly check-ins, monthly MTI conversations, and a shared SharePoint platform are set communication points between CPUC and the program. One CPUC staff described that the deliverables from the organization were “clean

and well documented" and their website and project management was well organized. When CalMTA tracks and responds to CPUC and other stakeholder feedback, it documents and publishes responses.

One CPUC respondent described how full agendas and carefully planned presentations could make it difficult to provide input in a more collaborative way. They stated a preference for lower fidelity materials with more questions for discussion and sharing of areas the team was working through. While the current communications are polished, they appear as finished products the organization presents versus depictions of rough draft thinking or unsolved problems. This respondent welcomed more open discussions about "the things we haven't figured out yet."

Coordination with Adjacent Programs

California IOU representatives described CalMTA as organized and proactive, coordinating well between different entities like energy efficiency programs and codes and standards. One IOU representative highlighted the value of CalMTA's work, which can follow a single technology through its full lifecycle, a difficult task for other existing EE programs to undertake. Another IOU representative noted that CalMTA has been effective at setting up meetings, communicating with the right contacts, and bringing in a variety of stakeholder perspectives. At the same time, IOU representatives noted some challenges in communication.

Some IOU representatives shared that when they raised comments or questions CalMTA was pleasant to interact with and open to receiving input, but they were unsure whether CalMTA incorporated their input. One CalMTA team member acknowledged an instance in which a California IOU stakeholder repeatedly raised a concern that "we weren't really hearing the right way." The CalMTA team member reported that, once they fully incorporated the stakeholder's feedback, the resulting correction "caused a bunch of rework and a bunch of stress" that could have been avoided through earlier and more attentive engagement.

CalMTA staff and CalNEXT both described their relationship as collaborative and professional. CalNEXT shared that staff at CalMTA were easy to work with and collaborative and had engaged with them on various coordination tasks like data transfers. A subcontractor described the coordination as difficult but saw improvements happening over time: "No easy feat, and they've made great progress in that."

One respondent involved with CalNEXT found the deliverables of CalMTA's work, like the quarterly webinars, annual reports, the Advancement Plans, and the primary research CalMTA conducts to be very valuable. However, the respondent involved with CalNEXT also described experiencing a gap in communication in which they were unaware that CalMTA was developing an MTI focused on similar technologies to ones that CalNEXT was focused on. The respondent expressed concern about missing opportunities to leverage existing market activities.

The California Emerging Technology Program (ETP) Pulse Check Study Evaluation Report summarizes coordination between CalMTA and CalNEXT.⁵ The report notes that the two teams meet regularly to identify opportunities to leverage one another's activities and research and that coordination has increased over time. The report also noted, however, that CalMTA had experienced challenges in seeking access to CalNEXT data. The November 2025 Decision (D. 25-11-023) further clarified expectations around program coordination, placing the onus on energy efficiency programs to initiate coordination with CalMTA where potential overlap exists.

2.2 Development and Management of MTIs

This section describes the development and management of Market Transformation Initiatives (MTIs), from initial ideation through program deployment. The discussion includes how CalMTA identifies, scores, and selects MTI concepts; how it develops those concepts into deployable programs; and how it navigates the technical, organizational, and regulatory pressures that shape that process. The section draws on interviews with CalMTA staff, MTAB members, subcontractors, CA IOU staff, and other stakeholders, as well as relevant program documentation.

2.2.1 MTI Concept and Strategy Development Process

The program uses a structured "stage-gate" process to identify, develop, and deploy Market Transformation Initiatives (MTIs). The process spans three phases and seven stages, with decision "gates" at the end of each phase with formal review points where the MTAB provides recommendations and CPUC Energy Division staff provides approval. The Commission conducts a formal review of MTI Plans to determine if an MTI advances to Phase III, determining whether CalMTA redesigns, discontinues, or advances an MTI.

Phase I: Concept Development

The Concept Development phase focuses on identifying promising opportunities for development into MTIs. It comprises two stages. In Stage 1, CalMTA gathers ideas through a Request for Ideas (RFI) process, in which any stakeholder, ranging from the public to market actors to program administrators, can submit an MTI idea through an intake portal. CalMTA then scores the ideas received according to a set of agreed upon criteria developed with guidance from the MTAB and ED and, in Stage 2, conducts preliminary research and assessment to further vet high priority ideas for further development.

⁵ Opinion Dynamics, *California Emerging Technology Program (ETP) Pulse Check Study Evaluation Report*, April 27, 2026, <https://pda.energydataweb.com/#!/documents/4306/view>.

Stage 1: Idea Generation

CalMTA has held two RFIs to date. For the first RFI in 2023, CalMTA created an accessible submission process and conducted broad outreach to generate as many ideas as possible, especially those that could be developed in time to meet the December 2024 CPUC application deadline. CalMTA conducted a communications campaign that included webinars and stakeholder conversations, as well as targeted direct outreach to utilities, industry associations, ESJ organizations, and research labs. CalMTA worked to design a relatively brief application to facilitate submittals.

The 2023 RFI process generated a high volume of submittals, far more, CalMTA staff noted, than the organization would have the capacity to develop. As one staff member described, "[there was] no shortage of ideas and innovation... You are trying to cast a wide net, but you know you are going to take less than 10%." Interview respondents also noted that some of the ideas generated were not fully developed, or were not a good fit for a market transformation approach. As one CalMTA team member said, "The ideas weren't as fully baked as an MTI, which I think makes sense."

CalMTA adapted its outreach approach for the second RFI in 2024, with the goal of enhancing its portfolio rather than generating a large number of ideas. As one CalMTA staff member described, "for the second one, we tried to make it more targeted." CalMTA drew more on their existing relationships with relevant entities for outreach, creating a narrower pool. CalMTA also contacted those who submitted potential MTIs in 2023 but were not selected and encouraged resubmittals. As Table 6 suggests, the second RFI round included notably fewer ideas than the first round.

Table 6: RFI Submissions

RFI Round	New Ideas Received	Resubmitted Ideas	Ideas Passing Threshold Review	Ideas Advanced for Further Review
Round 1: June-August 2023	117 ^a	N/A	92	19
Round 2: May-July 2024	13	20 ^b	26	5

^a Includes 22 ideas submitted by CalMTA and scored using the same process as external submissions.

^b Includes 5 ideas submitted by CalMTA in Round 1.⁶

CalMTA's initial scoring process provided a ranking of ideas based on the scoring team's judgment and expertise, allowing CalMTA to identify the most promising ideas for further analysis. CalMTA used a two-step review process to assess the ideas received. Ideas first underwent a threshold review, which assessed whether

⁶ 2024 Disposition Report Appendix B: Combined Heat Pump (0085), High Performance Windows (0010), Smart Home (0022), Smart Electric Panels (0080), and Industrial Process Heat Pump (0025)

the form provided enough information to be scored by reviewers and evaluated the idea on its energy savings and commercial availability. During the threshold review, CalMTA also identified ideas that overlapped with other submissions or MTIs already under development.

Ideas that passed the threshold review were scored according to a CalMTA-developed scoring framework of six weighted categories, shown in Table 7. Each category had set criteria in a scoring rubric that indicated how to assign scores.⁷ Scores were based on the scoring team's expertise and judgment, supplemented by limited research and information from the submissions.

Table 7: Stage 1 Scoring Framework

Category	Weighted Percentage
MT Alignment	30%
Total System Benefit* (TSB)	25%
Environmental and Social Justice (ESJ) Impacts/Equity	15%
Non-Energy Impacts	15%
Product Readiness	10%
Participant Cost/Cost-Effectiveness*	5%

*Directional estimate for TSB

*A proxy for calculated cost-effectiveness

CalMTA adjusted the roles of the scoring team in 2024, due to feedback from the MTAB that there were insufficient total scorers. In the 2023 scoring, two scorers (RI and one subcontractor) scored all criteria. Another expert subcontractor assessed only non-energy impacts and participant cost/cost-effectiveness, and a third expert subcontractor only assessed ESJ impacts/equity. In the 2024 RFI, a scorer from the subcontractor focused on non-energy impacts and participant cost/cost-effectiveness scored all criteria, which meant there was a third independent scorer across all categories. In both instances, the scoring team held alignment meetings after individual scores were assigned to find consensus on a sole score for each idea.

MTAB's involvement in scoring also increased between the 2023 and 2024 scoring cycles. In 2023, the MTAB was not formally consulted in determining which ideas to advance for further review. In 2024, CalMTA changed this approach, presenting the highest scoring ideas to the MTAB. Based on scores and MTAB discussion, CalMTA recommended 5 ideas for further review (including one idea reassessed from 2023). This addition of earlier MTAB involvement was a direct response to feedback from

⁷ Depending on the criteria, scorers used either a 1-5 scale for ESJ impacts, non-energy impacts, and MT alignment or a low/medium/high rating for TSB components and product readiness. Participant cost was scored on a simple yes/no basis, on whether the cost estimates were judged reasonable.

the first RFI cycle requesting greater MTAB input earlier in the process.⁸ In 2023, two MTAB members also requested published category-level scores for each idea in order to increase the transparency of the scoring process. CalMTA declined the requests, stating their desire to be considerate to parties that submitted ideas.⁹ In lieu of category-level scores, CalMTA provided ranking of ideas and score range bands in the Stage 1 Disposition Report.

Overall, those involved in screening and scoring in Stage 1 described the process as clear and organized. One staff member shared that overall, "The process went quite well." A subcontractor involved in the process reported that, "the scoring and selection team worked really well together." A CalMTA staff member cited the experience of staff who had experience developing MTIs in other regions as helpful in filtering ideas: "We were lucky to have people with experience from NEEA help us screen and prioritize the ideas." An external stakeholder also complimented the Stage 1 screening and scoring process and shared their interest in bringing the ranked submissions practice to vetting processes that they oversee in other areas.

Stage 2: Preliminary Assessment

The goal of the Stage 2 assessment is to develop more robust estimates of each idea's benefits and cost-effectiveness before deciding which to advance to Phase II: Program Development. This involves additional research, preliminary logic model and intervention theory development, and engagement with industry actors to identify points of intervention in the market. Stage 2 also introduces cost-effectiveness analysis with Total Resource Cost (TRC) and Program Administrator Cost (PAC) estimates from energy modeling, market adoption forecasts developed through mini-Delphi panels, and incremental measure cost estimates. Additionally, TSB is calculated and disaggregated into energy, grid benefits and GHG components. CalMTA adds these cost effectiveness scores into its existing scoring matrix, which it also updates to reflect any new information gathered since the initial review.¹⁰

Once the quantitative scoring process was complete, CalMTA conducted an internal, qualitative review of the highest-scoring ideas. This review considered whether the ideas have well-defined product and target markets, whether there is a clear MT theory and role for CalMTA, what leverage points are identifiable, and whether the potential MTI research needs are clear. The qualitative review was a team

⁸ ""For the next round of MTA Advancement Plans, the MTAB should have a role in reviewing 'the MTA recommendations and supporting data gathered in the Concept Development Phase and provide feedback to the MTA on which MTIs should proceed into Phase II: Program Development.' (D.19-12-021)" **Appendix F of the Stage 1 Disposition Report**

⁹ <https://calmta.org/wp-content/uploads/2025/04/Stage-1-Disposition-Report-Final-1-1.pdf>

¹⁰ TRC and PAC values were scored on a binary: ideas with values at or above 1.0 received a "yes," while those below 1.0 received a "no." For TSB, the team ranked the dollar values for each component (energy, grid, and GHG) across the scored ideas and assigned ratings of high, medium, or low based on relative placement to one another.

discussion rather than a formal scoring activity, and from the review, CalMTA staff selected the final MTIs for Advancement Plans.

Following the selection process, CalMTA publishes a Disposition Report documenting the process and rationale for each MTI moving into Phase II. While the public Disposition Reports document the scoring methodology and results for each stage, they provide limited rationale for why specific front-runner ideas were not advanced beyond the qualitative review. According to the Phase 1 Disposition Report, the Batch 1 MTIs were selected by CalMTA staff based on readiness criteria to meet CPUC Application timelines without MTAB input on prioritization.

In comparison, MTAB members discussed and ranked Batch 2 MTIs.¹¹ Multiple respondents described the transition from the Stage 2 scores to the final MTI selection as the least transparent part of the Phase I processes. One stakeholder described the overall selection as "a bit of a black box," and another stakeholder stated that "how we got from those ideas to the 5 [MTIs] feels less obvious to me." An MTAB member also addressed this issue (documented in the Disposition Report for the second RFI), asking why CalMTA did not advance a higher scoring idea, which this member perceived as having been endorsed by the MTAB.¹² CalMTA noted that individual MTAB members expressed both positive feedback and concerns about most of the ideas discussed, including the one on which the MTAB member's comment focused, and reported that it is addressing concerns related to individual MTI ideas and will share findings with MTAB throughout 2025 and 2026.

Some interview respondents noted that there may be promising opportunities the MTI selection process had not yet identified. Several external stakeholders observed that most of the final MTIs leaned heavily toward technology advancement rather than promoting more efficient practices or behaviors. One such stakeholder shared that, "I thought some of the ideas would be more innovative, or more practice oriented.... It was really technology focused."

At the conclusion of Phase I, CalMTA drafts Advancement Plans for each selected MTI and presents recommendations to the MTAB. Advancement Plans identify knowledge gaps and market barriers, outlining the research activities, budget requirements, and preliminary logic models needed to refine the MTI theory. This allows CalMTA to transition from the estimates in Phase I to the market characterization research in Phase II.

Phase II: Program Development

In the Program Development phase, CalMTA designs and develops each selected MTI into a deployable program. This involves detailed market characterization research, development of program logic and intervention strategies, and market testing.

¹¹ CalMTA. *Phase I Disposition Report*. California Public Utilities Commission, June 2024, calmta.org/wp-content/uploads/2025/04/Phase-1-Disposition-Report-V6-1.pdf.

¹² CalMTA. *Disposition Report for the 2024 RFI*. California Public Utilities Commission, May 2025, calmta.org/wp-content/uploads/2025/05/RFI-2-Phase-1-Disposition-Report_Final.pdf.

Research tasks that CalMTA carries out during the Program Development phase include supply chain analysis, identification of market barriers and leverage points, and a baseline market assessment. Drawing on this research, CalMTA refines MTI logic models and develops Market Progress Indicators (MPIs), technology assessment workpapers, and a preliminary Evaluation Plan. CalMTA also conducts market testing of proposed intervention strategies to assess their viability. CalMTA may discontinue MTIs for which strategy testing indicates the initiative is unlikely to succeed, although it has not yet done so for any MTIs that were advanced to Program Development. MTIs that appear viable through market testing proceed to the development of a full MTI Plan.

MTI development involves complex research and forecasting needs. One respondent gave an example of an MTI that required forecasting a total of 12 market adoption scenarios to cover 4 product configurations and 3 baseline conditions. Stakeholder engagement and market research was similarly rigorous; for example, one stakeholder described conducting extensive outreach with disadvantaged communities, establishing an ESJ panel, and holding dozens of meetings with different program administrators with similar initiatives. These research, stakeholder engagement, and forecasting activities are often iterative and connected. Updated market research and forecasting often lead to further refinement of market strategies and MTI planning.

At times, some staff and MTAB members questioned whether certain documentation or materials were entirely necessary. One CalMTA staff member considered whether the substantial MTI template was necessary for the process, but noted that MTI development timelines were too tight to allow for a thorough reconsideration of the template. An MTAB member suggested that pre-meeting materials could better articulate a story instead of getting into the weeds of technical documentation.

In order to meet the timelines laid out in CPUC decisions and guidance, CalMTA had to compress the program development process into a relatively short timeframe. Staff noted that CPUC application processes could take as long as a year, leaving CalMTA with roughly two years to identify ideas and develop MTIs to be approved by the end of the three-year startup period. Staff reported that the compressed timelines for MTI development meant that steps that would ideally be done sequentially, like market characterization research and developing the program theory, would instead have to be done in parallel. This created challenges, as a developing understanding of markets and program opportunities could lead to shifts in the product definition that an MTI would target. These shifts, particularly late in the program development process, could lead to rework and additional pressure on staff as program strategy and forecast models had to be adjusted.

Despite these external pressures, stakeholders across the board described the work CalMTA produced as rigorous and high-quality, and MTAB members reported it generally required no major corrections. Several MTAB members noted that CalMTA's commitment to following the full MT research process set it apart from other programs that did MT work. As one MTAB member put it, CalMTA has "been pretty diligent about the discipline of following those steps."

2.2.2 Coordination with Other Programs

One consideration in designing MTIs is how to leverage existing efforts in the same markets, rather than duplicating them, especially in California's crowded energy efficiency landscape. An MTAB member expressed this concern in their review of the Stage 1 Disposition report, requesting that CalMTA identify which of the submitted ideas were duplicative of existing activities. CalMTA staff clarified that this step of checking ideas against existing CA activities is not intended as a screening mechanism, but rather to "understand possible leverage points" for MTIs.¹³ In interviews, a CalMTA staff member described that the MTAB helped identify existing duplicate efforts among the MT ideas.

CalMTA's Market Transformation Policy Manual describes a multi-step process to address overlap between MTIs and existing programs.¹⁴ The framework directs CalMTA staff to:

- Identify overlaps with existing programs during MTI development
- Assess the significance of program overlap, including potential for lost benefits, customer confusion, reduced competition, or increased costs
- Work collaboratively with program administrators, third party implementers, and codes and standards teams to design MTIs that maximize leverage opportunities and minimize conflict.

This assessment seeks to identify leverage points and complementary approaches an MTI might take rather than simply eliminating any MTI that overlaps with another program. For example, MTI Plans note related programs for potential alignment. In practice, CalMTA staff described coordination with existing program administrators as an active and ongoing effort, especially as MTIs approach implementation. Staff reported maintaining regular meetings with IOU and other California program teams and adjusting MTI scope in response to overlap concerns.

2.2.3 Implementation Considerations

CalMTA team members and stakeholders were optimistic about the organization's readiness to move into the implementation phase. Team members expressed confidence in the team's readiness for implementation. For example, staff highlighted how the CalMTA staff who formerly worked at NEEA, have valuable market transformation program implementation experience. At the same time, staff acknowledged that implementation now means the need to demonstrate impact, and to do so quickly.

MTAB members were similarly positive but expressed more caution due to external factors that may impact implementation. For example, one MTAB member described the delay between application and implementation, which now means "markets will have changed and due diligence will need to be refreshed." Another

¹³ <https://staging.calmta.org/wp-content/uploads/2025/04/2023-Q2-Report-Final.pdf> p7

¹⁴ <https://calmta.org/wp-content/uploads/2025/04/MT-Policy-Manual-Final-August-2023.pdf>

MTAB member brought up how RI's experience as an implementor is a notable benefit for the next phase, though CalMTA will be contracting with third-party implementers for the deployment phase.

Several specific considerations emerged across the interviews as significant to the success of the implementation phase:

- **Finding and managing capable implementers.** Respondents brought up the challenge of finding implementers in California, especially implementers with market transformation experience. Respondents also raised the need to have clear systems and processes for implementers, as well as managing them supportively and realistically.
- **Ability to adapt to changing market conditions.** Respondents noted that, as MTIs enter the implementation phase, both the initiative strategies and CalMTA's baseline forecasts and assumptions will need to adapt to changing market conditions. Respondents stated that, if initiatives hold too rigidly to their initial assumptions about the market, they may not demonstrate success over the long-term.
- **Tracking equity metrics in program delivery.** In deployment, as equity-informed program designs are implemented in the field, CalMTA will need to assess whether its strategies will reach and benefit ESJ communities. CalMTA plans to do this by including formal assessments of equity outcomes in third-party evaluations. One respondent further suggested that implementation contractors should track and report on metrics related to equity among their progress indicators. This respondent suggested that building equity tracking into contractor management could help CalMTA maintain accountability to equity goals throughout implementation.
- **The role of the ESB.** One respondent involved in equity noted that the ESB's current advisory role may not provide sufficient participatory engagement when initiatives are in the field. The respondent questioned whether the ESB would provide active feedback during implementation, such as advising on contractor outreach. Recognizing that additional ESJ engagement activities may be necessary during the implementation phase, CalMTA has included activities like listening sessions with ESJ community representatives in MTI plans.

2.3 Incorporation of Equity Into MTI Process

CalMTA operates under what one MTAB member described as a triple mandate, where MTIs must consider energy savings, ESJ considerations, and cost to the customer simultaneously. Addressing the three is a challenge and an on-going discussion, and, as one staff member described, equity "is a big part of the discussion all the way through."

As a new organization, CalMTA had an opportunity to integrate a focus on equity from the ground up, without having to alter existing structures. CalMTA team members described the organization's approach to equity as different than the

typical approach market transformation programs have historically taken. These respondents explained that programs historically have begun by targeting early adopters and assuming that equity benefits will arrive by the time a technology diffuses throughout the market and becomes codified in a code or standard.

In addition to taking a more proactive approach to ensuring MTIs benefit ESJ communities, CalMTA has worked to integrate equity considerations more fully into the MTI development process. As discussed in Section 2.2, CalMTA's RFI scoring framework weights ESJ impacts at 15%, and MTI Plans include dedicated sections addressing equity. For example, the Room Heat Pumps MTI Plan has several strategic interventions that explicitly target ESJ communities, including bundling room heat pump projects with existing weatherization programs and directing midstream stocking incentives toward ESJ areas. Similarly, the Induction Cooking MTI evaluation plan includes equity-focused MPIs such as tracking product stock and prices in ESJ communities and assessing the saturation of induction cook tops in disadvantaged communities versus non-disadvantaged community areas.

To record feedback from ESJ stakeholders, CalMTA maintains a participatory engagement idea tracker to describe how ESB and ESJ listening session feedback is incorporated into its work, what action was taken, and its current status. CalMTA also established an internal equity cross-functional staff group to integrate equity considerations into initiative development and forthcoming implementation efforts.

A respondent involved in equity efforts described how historically, community and ESJ feedback focuses on delivery and implementation rather than on the strategy and design choices. CalMTA and the equity team have worked to shift that pattern. For example, the respondent described how CalMTA held six listening sessions (two for technology and workforce, four for individual MTI concepts) early in the process of developing its first MTIs, hearing from CBO staff prior to formalizing program strategies.

Overall, interviewed stakeholders confirmed that equity was well integrated into CalMTA's MTI concept and strategy development process and was a priority for CalMTA. As mentioned above, ESB members found that CalMTA truly welcomed their input and facilitated meaningful conversations. CPUC staff reported that CalMTA was cautious when considering equity impacts of potential MTIs. One MTAB member highlighted that talented subcontractors supported equity efforts; another MTAB member characterized CalMTA's approach as diverging from academic, trickle-down approach, instead producing work that's "on the ground." A third MTAB member highlighted how CalMTA had the support of several ESJ stakeholders due to their consistent engagement

Interview respondents credited CalMTA's equity focus with contributing to the approval of its first tranche of MTIs. A CalMTA staff member described an instance in the CPUC application process in which environmental justice organizations and health advocates served as witnesses in the proceeding in support of the room heat pump initiative. An MTAB member speculated that equity was such a large part of the MTI case that with just a market transformation focus, neither of the first two MTIs would have proceeded.

Equity feedback informed later MTIs as well. One example of ESB input shaping strategy came from the food service water heating MTI. One respondent described how the ESB advised CalMTA to focus the initiative from full kitchen decarbonization to water heating only, finding the original scope was too broad. In this case, ESB input significantly influenced MTI design before a plan was finalized. This has been an intentional direction for the equity team. On the food service water heating initiative, the team incorporated ESB-recommended restaurants into the Phase 2 market characterization research, including non-English-speaking business owners interviewed through live translators.

A respondent involved in equity raised a concern about pace, noting that effective equity integration at its best requires more time and reflexivity than the current schedule allows. This connects to the broader timeline pressures described in earlier sections.

2.4 Administration

This section summarizes CalMTA's progress against its Operations Plan goals and quarterly milestones as well as its financial tracking and administration.

2.4.1 Operations Plans

CalMTA publishes annual Operations Plans that describe a series of milestones that CalMTA seeks to meet during each quarter of the coming year. The Apex team reviewed Operations Plan milestones and CalMTA's Quarterly Progress Updates for the years 2024 and 2025. Over the two years, CalMTA's Operations Plan goals largely described key deliverables and steps necessary to launch the first group of MTIs. Interviewed CalMTA team members reported that the goals were integrated into CalMTA's project management systems and that CalMTA reviewed them during regular all-staff meetings. One CalMTA team member noted that, while the Operations Plan goals have been very tactical as CalMTA has been in its development period, the goals should become more focused on market transformation strategy as the organization matures.

The Operations Plan goals became more concrete and more ambitious from 2024 to 2025 as CalMTA moved further along the MTI development process. Across both years, CalMTA achieved the large majority of its quarterly milestones. The milestones that CalMTA did not achieve as planned were primarily a result of elements outside of CalMTA's direct control, like research efforts that were delayed, which can often occur due to unanticipated difficulty obtaining needed data.

2.4.2 Financial Administration

Apex reviewed a variety of metrics to assess the effectiveness of CalMTA's financial administration. The review encompassed metrics including:

- Compliance with the Not to Exceed (NTE) for the contract
- Sufficient documentation/explanation of fund shifting per the contract
- Invoices, accruals, and forecasts submitted on time, per the contract

- Accuracy of accruals and forecasts vs. actuals
- Subcontractors paid on time per the subcontract agreements
- Appropriate documentation provided for expenses
- Documentation of CPUC approval of Other Direct Costs (ODCs), subcontractors, and Subject Matter Expert (SME) Conflict of Interest (COI) requests

Apex drew on CalMTA’s tracking systems to assess these metrics, along with findings from the interviews. In addition, RI shared a large amount of information with Apex, including:

- Example invoices
- Budget advice (approval letters)
- Detailed communications regarding changes in budget by category
- Comparisons of accrual vs. actual invoices, along with documentations for variations (where required)
- Contract tracker, which includes detailed information on each subcontract
- Records of invoice status and payment dates (for both RI and subcontractors)
- Diverse spending reports
- Approval forms for non-travel Other Direct Costs (ODCs)
- Approval forms for Subject Matter Experts (SMEs)
- Approval forms for Conflict of Interest (COI) situations

Detailed findings are provided below.

Compliance with the Not to Exceed (NTE) for the contract

CalMTA launched in 2023 with an initial budget of \$20 million per year for three years and an implementation budget of \$250 million for five years. The first three-years were considered a start-up period, with an approved Year 1 budget of \$14.3 million. For Year 2 (2024) and Year 3 (2025), RI submitted an Annual Budget Advice Letter (ABAL), with MTAB’s input, for approval by the CPUC. The budgets were broken out into cost categories, including administration, operations, and initiative/concept development. Budgets were developed and submitted following an iterative process with input from stakeholders to finalize them.

The approved budgets, along with actual expenditures by year, are shown below in Table 8. As shown in the Table, total spending stayed within the not to exceed cap for each year, increasing from spending of 77.5% of the approved budget in Year 1 (when the organization was effectively “getting the plane launched”, 90.3% in Year 2, and 98.5% in Year 3.

According to one CalMTA team member, “All of our process, we’re trying to be public, we don’t just develop a budget and throw it in an advice letter and nobody sees it until we file. We get their input, make adjustments, and finalize what we submit...the number one responsibility is to manage within that approved budget.”

The monthly invoices submitted by RI tracks the budget spent vs. budget available, with public summaries available in both quarterly and annual reporting.

In addition, the invoices provide comprehensive documentation of hours by person and task. Prior to 2024 the invoices included a mix of time and materials (T&M) billing along with fixed monthly fees for certain administration and operations plus fixed fee milestone payments tied to certain deliverables. Beginning in 2024, at the request of the CPUC, all billings were based on T&M.

Table 8: Annual Budget vs. Actual Expenditures

Year	Approved Budget	Final Expenditures	Percent of Budget Spent
2023	\$14,363,731	\$11,132,121	77.5%
2024	\$19,531,591	\$17,629,119	90.3%
2025	\$19,600,000	\$19,309,093	98.5%

Source: December 2023, 2024, and 2025 invoices.

Sufficient documentation/explanation of fund shifting per the contract

While total budget amount was a Not to Exceed cap, RI had the latitude to revise the allocation by cost category throughout the year. Modifications were communicated in a worksheet which was embedded within the monthly invoice workbook and also communicated in the Invoice Delivery emails. These changes, referred to as program funding notes, documented the date of the budget allocation change, the new budget by category, and the actions taken, which included items such as:

- More rigorous research and planning needs for specific MTI efforts (e.g., Food Service Water Heater and Commercial Rooftop Units)
- Increases in costs for Application Proceeding
- Higher than anticipated input from stakeholders into the Website Redesign

Invoices, accruals, and forecasts submitted on time, per the contract

The invoicing process for CalMTA is complex and customized to meet the needs of the stakeholders. As noted above, invoices are itemized by cost category, plus show detailed information for each major activity, containing over 20 different worksheets within each invoice workbook.

Invoices from RI are due on the 10th business day of each month. In the first three years of implementation RI has met this deadline for all invoices except one (in June 2023), when there was a software outage with the Oracle billing system, and

in that case PG&E was notified and the invoice was sent approximately a week later.

Invoices are submitted to the CPUC and PG&E at the same time. The CPUC reviews and approves the invoice first, because they are overseeing the work. Once the invoice is approved by both the CPUC and PG&E the invoice is both emailed to PG&E and uploaded to the PG&E billing system. As shown below in Table 9, for work conducted in 2025 on average it took 20 days after an invoice was submitted for both CPUC and PG&E to approve the invoice, and then payment occurred within 32 days of invoice submission.

Table 9: Approval and Payment for January – December 2025 Invoices

Milestone	Overall 2025 Average	Minimum	Maximum*
Average Days After Submission for CPUC & PG&E Approval	20	7	45
Number of Days After Submission for Payment	32	29	48

Source: Resource Innovation Invoice Tracker.

*Note that the maximum occurred for the November 2025 invoice, and approval and payment were delayed due to updating a contract with PG&E.

In addition, the RI contract requires CalMTA to provide a 12-month spending forecast, updated each quarter. In early 2024 PG&E requested the forecast be updated monthly. Forecasted costs are provided at the Cost Category level (e.g., administration, operations, and initiative/concept development). When delivering the report RI updates the prior months with actual values, and updates the forecasts on future months. Originally these forecasts were due very close to the invoice deadline, which was challenging, so with PG&E and the CPUC’s approval, RI changed the due date to the last Friday of each month.

Accuracy of accruals and forecasts vs. actuals

RI provides accruals to PG&E and the CPUC by the 20th of each month, and the accruals tend to be within a few percent of actuals for most months. For example, in 2025, on average (across the 12 months) accruals were within 1% of actual invoicing. Beginning in 2025 PG&E gave RI a noncontractual verbal target to have actual invoices within 7% of the accrual amount, and to explain (via email) any variances that exceeded the 7% target. In 2025 RI stayed within this target for 10 out of 12 months and had one month where accruals exceeded the invoiced amount (11%) and one month where the accruals fell short of the invoiced amount (by 10%). Examples of explanations for the differences included:

- Unexpected costs that came in at the end of the month (e.g., an additional subcontractor site visit)
- Changes in work timelines (e.g., starting energy modeling earlier than anticipated)
- Higher than expected comments on deliverables (and thus more labor to prepare responses)

Regarding the accuracy of the forecasts, when examining the first 11 months of 2025 the forecasts accuracy by month ranged from less than 1% (i.e., the forecast was within one percent of the actual expenditures) up to 14% different, but across the 11 month period the forecast and actual expenditures were within approximately 1% of one another.

Subcontractors paid on time per the subcontract agreements

RI has entered into contracts with over 70 vendors and subcontractors. RI developed and maintains a contract and agreements tracker, an Excel spreadsheet to track all of the contracts and agreements. The tracker lists: when they were signed, the dollar amount, when they expire, and the payment terms.

Regarding the payment terms, the majority of the subcontracts had been “pay when paid” within 15 days (i.e., when RI is paid by PG&E they have 15 days to pay the subcontractor), but beginning in 2026 as contracts renewed RI changed some contracts from the pay-when-paid + 15 days terms to “the later of 45 days or within 7 days of receipt of client payment.”

Subcontractors are generally required to deliver accruals to RI by the 18th calendar day of each month, with invoices due to RI by the 5th business day of each month (and as noted above RI then sends invoices to PG&E and the CPUC by the 10th business day of the month). Subcontractor invoices are held in accounts payable, and then when payment is received from PG&E the payments are released to the subcontractors.

For 2025 subcontractors were paid, on average, 47 days after their invoice date, including months when the invoices were received after the 5th of the month. On average this was approximately 7 days after RI received payment.

Appropriate documentation provided for expenses

The RI contract requires that they get CPUC staff approval for any non-travel, non-labor related expense (regardless of the amount). Conferences are handled separately, requiring CPUC staff written approval for conference-related expenses (including conference travel).

RI developed an expense request form that includes information on the cost category (with a lookup list), purpose, vendor, quantity, cost, recurring flag (yes/no), payment agreements, and dates. Each form was then emailed to the CPUC for review and approval (which was also sent via email). Receipts are included with the monthly invoices, along with an expense approval tracker. Receipts for travel (including meals) are not required, but instead are reimbursed after submission of an expense report.

A review of the expense forms and approval emails found the process was followed as required. Because the requests and approvals were all sent via email we could not calculate the average days to approval, but in reviewing many of the emails the expense requests were generally approved by the CPUC within a few days.

Documentation of CPUC approval of Conflict of Interest (COI) requests and Subject Matter Expert (SME) requests

The RI contract has very strict COI requirements, which state that:

- RI and its qualifying subcontractors agree to institute a firewall between the RI Team's decision-making personnel working on this Agreement and any ongoing work for Covered Entities.
- If RI desires decision-making personnel working on this agreement to perform services on other agreements, their participation is limited to contracts on behalf of non-Covered Entities.

There are very strict requirements regarding managing the COI, including organization separation, physical separation, separation of decisions, and separation and protection of data. When RI or a subcontractor also works for a covered entity (including when winning new work) RI submits an email asking for approval. RI has carefully tracked COI requests and email approvals from the CPUC.

In addition, when adding a new staff member that also works on covered entity projects (i.e., triggering a potential COI) RI must submit a SME Approval Request form. In addition to the SME name and company the form lists all covered entity projects that the SME supports, along with their role in supporting the project, describes how the CalMTA will leverage the SMEs expertise, plus includes a series of questions about the SMEs detailed involvement (e.g., if the SME will be involved in scoring MTIs, whether or not the SME will make decisions that influence design or evaluation of the MTI, etc.) that address potential conflict of interest issues.

RI has developed processes by which the internal team completes the form, reviews and submits to the CPUC (via email), and then gets and tracks approval from the CPUC (also via email). RI also maintains a SME approval log. In total there were over 25 SME approvals for RI, plus many more for the subcontractors. In at least one case a SME approval request email was used to bring in a subcontractor (Cadeo), followed by SME Approval Request Forms for staff members.

2.5 Opportunities for Organizational Growth

Interviews and document review identified three opportunities for improvement in CalMTA's organizational management.

2.5.1 Understanding the California Context

Multiple stakeholders commented on the composition of the CalMTA team. Many CalMTA staff formerly worked at NEEA and are based in the Pacific Northwest. Interview respondents noted that these team members bring significant market transformation experience that has proven to be critical in supporting CalMTA. In decision D.19-12-021, the CPUC named NEEA as an example of the type of organization California sought to create. Several CalMTA staff described their northwest background as foundational to their work, with one noting that the startup felt "familiar to the early days of NEEA" and another describing how the

team's shared NEEA experience allowed them to build a credible MT framework quickly. A third staff member noted that NEEA experience was valuable in mentoring new program managers who lacked MT backgrounds.

At the same time, several respondents raised concerns that the concentration of staff in leadership positions with backgrounds in the Northwest created gaps in California-specific knowledge. One California IOU stakeholder described how CalMTA staff had difficulty identifying situations in which experience from the Northwest would not apply in California. Another California stakeholder suggested that some CalMTA team members seemed to have limited understanding about the politics or issues in California, noting, for example, that technologies successful in a heating-dominated climate may not transfer directly to California's cooling-dominated markets. CalMTA team members acknowledged the importance of building California-specific knowledge. One team member described the work as "applying MT to a completely different market and a completely different group of stakeholders" and framed the task as requiring constant adaptation. CalMTA staff also noted that, while team members brought experience from the Northwest, many also had significant prior experience working in California. CalMTA's leadership team includes several senior staff with decades of experience working with California utilities, the CPUC, and state energy agencies.

2.5.2 Technical Communication Gaps

CalMTA staff, external stakeholders, and subcontractors reported that some program managers had limited exposure to MT and the specific technologies MTIs targeted. The issue was exacerbated with some CalMTA staffing changes, as new hires would need to come up to speed. Some interview respondents described instances in which program managers' lack of experience led to communication challenges. In some cases, respondents reported inaccurate information had been passed along to CalMTA staff and stakeholders. Respondents also described instances in which their program managers did not effectively communicate key details about the tasks they were assigned, resulting in CalMTA leadership identifying issues in their reviews that required significant, last-minute effort to resolve.

These instances of communication challenges both reflected and exacerbated the time pressure CalMTA team members felt. One CalMTA staff member discussed how the pressures of the timeline limited their ability to invest time in the professional development needed for more junior staff and/or new hires. Respondents reported that subcontractors had to instruct or explain concepts to new and junior staff, which they saw as outside the scope of their roles. However, CalMTA staff noted that the organization had dedicated some additional learning and development resources to junior staff, and that the situation has improved in the last year.

2.5.3 Organizational Integration

Interviewed CalMTA team members highlighted that their working relationships within the team were professional and cordial. CalMTA team members acknowledged that MTI development is, by nature, iterative and thus may occasionally require rework. One team member in a leadership role reported

seeking to limit this type of rework to items that they saw as critical to MTI approval. Nonetheless, some team members reported experiencing a lack of clear coordination in leadership of their tasks.

These CalMTA team members reported that decisions rarely felt final; instead, these team members perceived that anything could be revisited at any point, which could have repercussions across other aspects of their work. One team member described reaching alignment with a manager on a decision, only to have it reopened by another leader, noting that it was unclear who the key decision maker was. Several CalMTA team members described how, more than once, MTI concepts and strategy direction changed abruptly after time and effort were heavily invested.

CalMTA team members also reported some challenges in coordination between team members who are dedicated to specific initiatives on a full-time basis, and team members who work across the portfolio or split their time between CalMTA and other tasks. Initiative-focused team members may have limited visibility into the full range of demands faced by those with competing responsibilities and thus unreasonable expectations. One respondent described, "If you're a person looking across the portfolio your potential for congestion on deliverables is going to look different than if you are more focused on a single initiative in the portfolio." Still, team members believed that there could be a way for MTI leadership to cultivate the ability to understand obstacles and priorities happening outside their purview.

Finally, interview respondents reported challenges in integrating a team that includes both RI staff and subcontractors. A few subcontractors suggested that increased cross-initiative visibility may strengthen their work, especially as the performance of goals in one initiative could affect strategy in another. Some of these respondents suggested that initial crosscutting meetings that had been discontinued would now be helpful in their work. Some subcontractors also noted some uncertainty about the longevity of their role as CalMTA built out its staff, concerned that their roles would be reduced as RI's internal CalMTA capacity increased.

3. Conclusions and Recommendations

CalMTA has largely been effective during the startup period, meeting its requirements on time, communicating transparently, and staying within its budget allocations. The organization established, documented, and carried out processes for identifying market transformation opportunities and developing those opportunities into MTIs. It established advisory groups in the MTAB and ESB to inform and support that work, and interview respondents' positive feedback suggests it has effectively managed those groups. CalMTA has completed the program development phase and received CPUC approval for two MTIs (conditionally, in the case of induction cooking). While some stakeholders noted opportunities for a broader and more diverse range of MPIs, CalMTA has a variety of MTIs in development and will continue accepting ideas for new initiatives.

CalMTA has effectively managed the MTAB. MTAB members were largely satisfied with the communication they received from CalMTA. They reported that they

received the information they needed to effectively participate in meetings, that the discussion during those meetings was productive, and that they felt their input was valued. MTAB members noted that the volume of materials they were given to review could be large. The interviewed MTAB members were committed to supporting CalMTA's work and were willing to devote the time and effort needed to review these materials and actively participate in meetings. Nonetheless, it will remain important to manage MTAB members' workloads as CalMTA grows and matures as an organization.

- **Recommendation: Consider ways to refine the structure of MTAB meetings to reduce review burden and focus the MTAB's guidance and discussion on the most critical issues.** This could include defining more specific topics for MTAB discussion and guidance, similar to the way CalMTA focuses its discussion during ESB meetings. It could also include holding optional, more detailed discussions with MTAB members that have expertise or interest in a specific topic while allowing others to review the topic at a higher level during general meetings. CalMTA should consult with MTAB members to develop processes for these changes and co-create additional ways to refine meeting structure that meet members' needs.

CalMTA has integrated a proactive focus on equity into its MTI identification and development processes. Market transformation programs historically have not taken a proactive equity focus, instead assuming that underserved groups, which may include few early adopters, will benefit once a code or standard lifts the efficiency level of the full market. CalMTA has sought out MTIs that provide more immediate and direct benefits to ESJ communities. It has incorporated equity considerations into its idea scoring rubric and gathered feedback from community representatives through listening sessions and the ESB. The potential for non-energy benefits to community members and resulting support from community organizations were important contributors to the approval of CalMTA's initial MTIs.

- **Recommendation: CalMTA should reassess and adapt its processes for incorporating ESJ community input into its work based on that reassessment as its portfolio of MTIs grows and moves into the implementation phase.** The ESB has been able to effectively provide input to inform idea selection and initiative design. MTI implementation may present different needs and challenges and require more sustained and varied engagement with ESJ communities. It will be important to ensure that the ESB can support this engagement without overburdening members. CalMTA should also continue its efforts to gather input from CBOs and other relevant stakeholders.

The processes that CalMTA built during the startup period, both internally and externally facing, provide a strong foundation as CalMTA expands into implementation and looks to the future. CalMTA prioritized developing thoughtful, thorough, transparent, and transferable processes and documentation during the startup period. CalMTA developed a wide range of documents describing its approaches and applying those approaches to individual MTIs and provided a range of opportunities for public and stakeholder input. At the same time, CalMTA built a team of staff and subcontractors and developed internal organizational and communication structures. CalMTA did all of this while working to develop MTIs

under a constrained timeline, and, while some opportunities for improvement arose during interviews, most respondents were largely satisfied with their work and communication with CalMTA.

- **Recommendation: CalMTA, including both RI staff and subcontractors, should regularly and consciously review its internal communication practices, processes, and culture to ensure they continue to effectively serve the organization's goals.** CalMTA designed its internal processes while under time pressure to develop MTIs; as a result, those processes may benefit from a review focused on longer-term, strategic needs. These reviews should include assessing templates and documentation to ensure they effectively serve their purpose while avoiding unnecessary burden, tracking workloads and coordinating tasks to avoid overburdening staff (including improving visibility between initiative-dedicated and cross-cutting team members), and identifying needs for professional development and offering training opportunities to meet them. CalMTA has worked to provide training opportunities for its existing staff, but a continued focus on professional development will be important as the portfolio of MTIs expands and the organization's market transformation approach becomes more established in California.

Building relationships with other program administrators and stakeholders and effectively coordinating with existing programs is important to CalMTA's success and respondents acknowledged that CalMTA has done significant work in this area. California has a dense energy efficiency landscape, and most MTIs will likely have at least some overlap with existing programs. Finding mutually beneficial ways in which MTIs can coordinate with these programs will be important to the initiatives' success. For example, existing programs may have established relationships with market actors that an MTI could leverage. The experience of these programs can also provide important background knowledge about the specific context of the California market, which encompasses a diverse range of climates, end uses, and populations.

- **Recommendation: As it moves beyond the startup phase, CalMTA should develop processes that allow CPUC staff, MTAB, and other relevant stakeholders greater input before decisions are made.** This will involve developing mechanisms to allow for additional input at multiple MPI development stages. For example, stakeholder input could be valuable in key decisions like product definition. CalMTA will need to build on its current stakeholder processes to identify targeted areas for feedback at key decision-points, communicate the options and relevant information, and gather stakeholder input in a structured way. It will also be important for CalMTA to communicate to stakeholders how their input shapes initiative development and to provide rationale if CalMTA chooses not to adopt stakeholder suggestions. CalMTA's quarterly reporting provide a potential channel for this documentation.