

3rd Quarter 2023 REPORT

*CalMTA is a program of the California Public Utilities Commission (CPUC)
and is administered by Resource Innovations
calmta.org*

Overview

The 3rd quarter of 2023 marked a significant milestone in CalMTA's progress to form a market transformation portfolio for California. The first-ever request for market transformation ideas closed, collecting over 100 opportunities to advance the state's energy efficiency and decarbonization goals through market-level initiatives. CalMTA is a program of the [California Public Utilities Commission \(CPUC\)](#) and is administered by [Resource Innovations](#). This report, covering the 3rd quarter of 2023, summarizes our activities and achievements in the areas of market transformation initiative development, administration and operations, and stakeholder engagement.

Key accomplishments include:

1. Our Request for Ideas (RFI) closed August 18 with 117 submissions from 63 contributing organizations or individuals. The CalMTA team worked to review and score ideas against established criteria.
2. We worked closely with the Market Transformation Advisory Board (MTAB) to develop the program's 2024 budget requirements and file a [2024 Annual Budget Advice Letter \(ABAL\)](#) on July 31. This ABAL will serve as the foundation of the 2024 CalMTA Operations Plan.
3. We shared a [draft Evaluation Framework](#) with the Market Transformation Advisory Board (MTAB) on September 8 and will conduct
4. We released a [Market Transformation Policy Manual](#), an overview of the major policies that impact CalMTA, as determined by CPUC rules and decisions. This reference document helps facilitate understanding of the market transformation (MT) framework and approach to our work.

outreach in 4th quarter to gather feedback from key stakeholders on this proposed evaluation approach to measuring impacts of market transformation initiatives (MTIs).

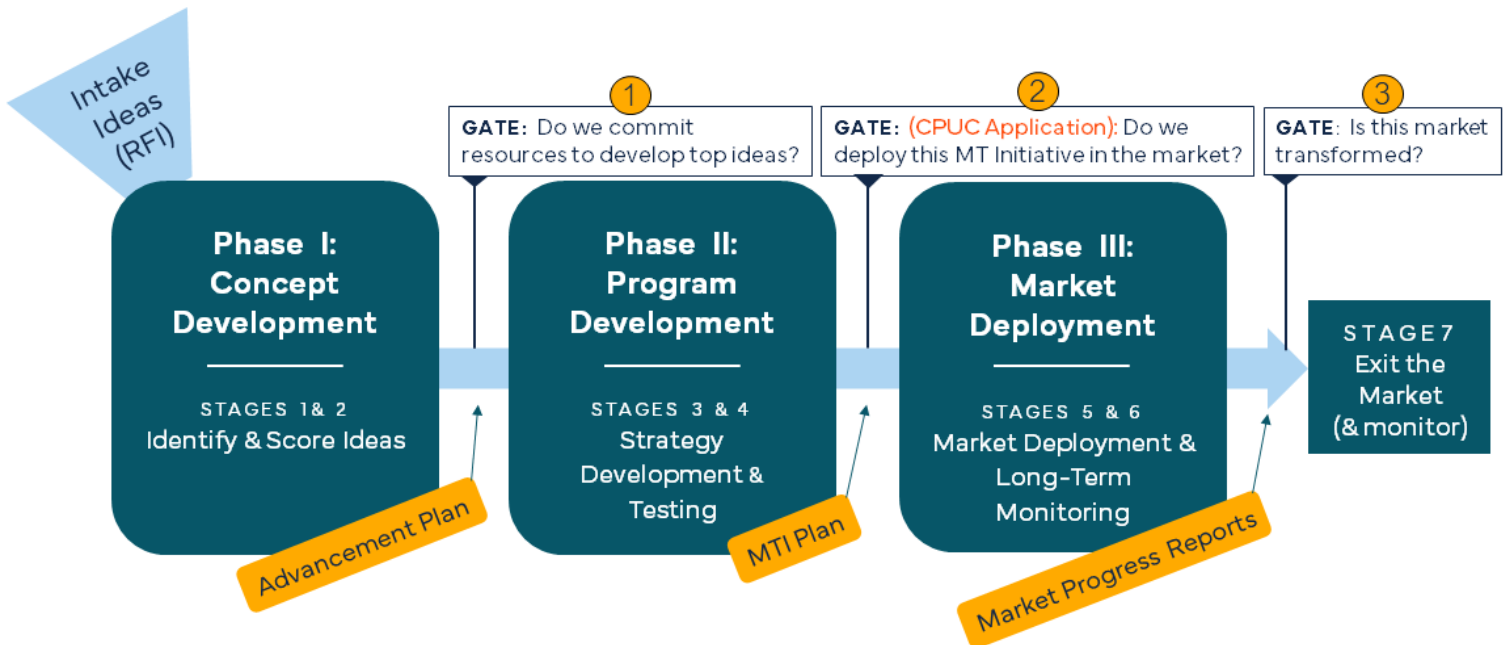
4. We released a [Market Transformation Policy Manual](#), an overview of the major policies that impact CalMTA, as determined by CPUC rules and decisions. This reference document helps facilitate understanding of the market transformation (MT) framework and approach to our work.

The following sections provide detail of efforts during this period, including tables showing the activities completed during 3rd quarter, and those still to come through the end of 2023.





CalMTA MTI Development / Deployment Process



Development and deployment of MTIs will take place over a number of Phases and Stages. During Phase I: Concept Development, ideas are identified and through two stages of scoring. Those ideas that advance move into Phase II: Program Development for strategy development and testing, and results in full MTI Plans for implementation. During Phase III: Market Deployment, MTI Plans are put into action in the market to create lasting changes that deliver efficiency.

MTI Development

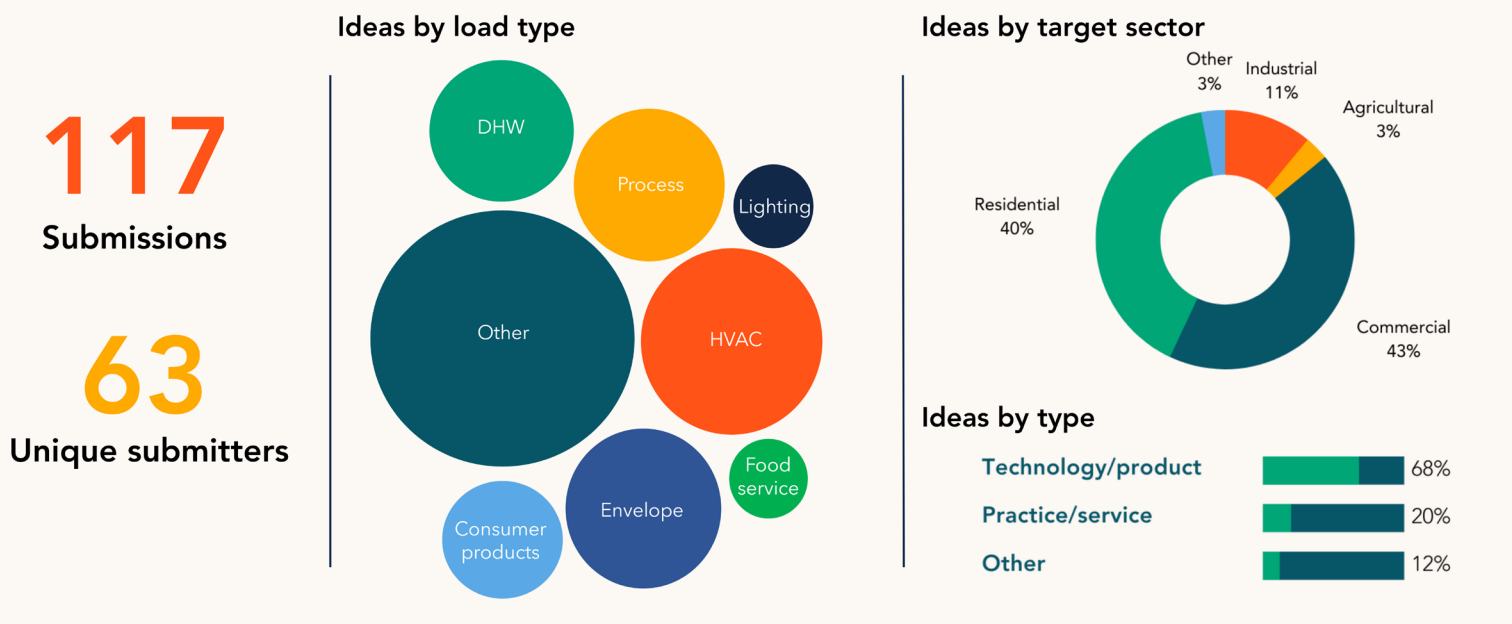


Efforts to form a market transformation portfolio for California took a big step this quarter with the close of the first-ever RFI from CalMTA. The eight-week campaign ended with 117 ideas spanning all energy sectors, although most were targeting residential and commercial end uses with a variety of load types. The figure below shows how these ideas were classified. The “other” category captures ideas that do not fit cleanly into either the technology/product or practice/service categories. Examples include an idea to support the enforcement of Title 24 and another to introduce legislation to support municipal streetlight ownership.

The MTI development team has been scoring and prioritizing the first batch of submitted ideas to advance for review by the MTAB in October. The RFI process included intensive support for submitters including public webinars, a Q&A board, and office hours with subject matter experts.

Under CalMTA’s process, the most promising ideas from Stage 1 and Stage 2 scoring will be developed into Advancement Plans, which are then implemented to define the potential market opportunity and lay out activities and information needed during Phase II: Program Development to confirm the ideas should advance to full MTI market development plans (called “MTI Plans”). Those MTI Plans will go to the CPUC for approval via an application process and activities contained in them will ultimately be bid out for implementation. We anticipate two to three batches of Advancement Plans may result from this initial RFI, with the first released in the 4th quarter 2023 and the second two batches released in 2024. Refer to the chart on page 8.

Request for Ideas Results



KEY 3rd QUARTER ACTIVITIES:

- CalMTA staff continued to support RFI submissions with a webinar, a Q&A board, and office hours with subject matter experts for submitters to ask questions about the process and their idea.
- The MTI Team completed review and Stage 1 scoring of all 117 RFI submissions. These were judged against predetermined criteria that were vetted with the MTAB. Scores were calibrated across the team to ensure the best ideas advance. Higher weighting was given to proposals with strong equity aspects.
- To ensure effective collaboration between MTIs and existing energy efficiency programs including codes and standards efforts, staff

developed and launched an external program review process to identify coordination needs. These will be followed by ongoing coordination meetings with existing energy efficiency program staff as needed.

- The RFI Disposition Report outline and MTI Advancement Plan templates were drafted and will be shared with MTAB in the 4th quarter. These will be used to develop the final versions of these documents.
- We released a draft Evaluation Framework and will conduct outreach to gather feedback from key stakeholders on the approach in the 4th quarter. Evaluation is essential to ensure that market transformation programs deliver reliable energy savings and incremental system benefits to California’s electrical grid.

<p>The activity tables below refer to those presented in the <u>CalMTA 2023 Annual Operations Plan</u>, and show activities completed in 3rd quarter, ongoing efforts, or activities still to be completed. For activities completed in 2nd quarter, please see the <u>2nd Quarter Report</u>. For more on upcoming activities, see the Looking Ahead summary on page 8.</p>	KEY	
	Completed	●
	Ongoing	◐
	To be completed	○

MTI DEVELOPMENT ACTIVITIES STATUS	Q3	Q4
Work with MTAB in public forums to create MTI criteria and scoring for the evaluation of ideas	●	
Launch an open Request for Ideas, kicking off in June and running for two months, to gather MTI ideas	●	
Use the MTI Development and Management Platform to catalog, manage and score RFI submissions	◐	○
Coordinate with the MTAB to review submissions and prioritize MTI ideas for further development	◐	○
Work with MTAB to develop overarching goals for the MT portfolio	◐	○
Summarize the outcomes of all ideas submitted and deliver to the CPUC and MTAB as an RFI Disposition Report		○
Develop draft MTI Advancement Plans for Batch 1 ideas that will move to Phase II: Program Development		○

Foundational activities

Business operations

CalMTA's Business Operations team completed several milestones in the 3rd quarter of 2023, including filing the 2024 ABAL, configuring and managing systems for MTI development, and continued planning and preparation of public MTAB meetings.

KEY 3rd QUARTER ACTIVITIES:

- On July 31, the 2024 CalMTA budget was filed as an ABAL with the CPUC with unanimous support from MTAB members. CPUC approval is pending.
- Foundational for this first year, critical business operations infrastructure for finance and IT, staffing, legal, and contracting continue to be monitored and optimized. We have configured our database, analytics, and IT security and will conduct ongoing tracking and improvements to meet CalMTA-specific requirements.
- We initiated enhancements to our customer relationship management (CRM) platform that will improve our custom reporting and tracking for events, stakeholder communications, and MTI scoring and outreach.
- Two new staff members joined our highly skilled team in the 3rd quarter, bringing additional resources to meet CalMTA's outreach and reporting needs.
- The [*Market Transformation Policy Manual*](#), which summarizes both the governing rules established by CPUC decisions and policies implementing those rules, was published in August.
- MTAB members met September 8 to discuss the high-level outcomes of the RFI, the scoring process, and the draft [*Evaluation Framework*](#). Materials and slides for these public meetings are posted on the CalMTA.org website.
- We developed and launched [an online form that allows stakeholders to comment](#) on CalMTA's work in supplement to the public comment time provided at live MTAB meetings.



BUSINESS OPERATIONS ACTIVITIES STATUS	Q3	Q4
Develop an MTI development and management platform including documentation of process and reporting requirements	●	
Create 2024 budget and file with CPUC in an advice letter (ABAL)	●	
Develop Draft Solicitation Protocols that will ensure fair and competitive RFP processes		○
Develop job descriptions for each role and work with Resource Innovations talent acquisition team to fill positions as scheduled and meeting diversity goals	◐	○
Ensure new staff receive IT, safety, and workplace harassment training	◐	○
Hold public MTAB meetings in-person and virtually through 2023 to develop a set of MTI concepts for advancement	◐	○
Share notices of the MTAB meeting schedule including agenda and packet materials on calmta.org and via email announcements	◐	○



Stakeholder engagement & communications

The 3rd quarter saw the successful completion of the RFI campaign, with the Stakeholder Engagement & Communications team focused on raising awareness about CalMTA's work and the opportunity to submit ideas. In addition, we developed 4th quarter outreach plans for listening sessions to environmental and social justice (ESJ) stakeholders. With these sessions, we aim to establish relationships and build common understanding of how CalMTA's work can best benefit ESJ communities. CalMTA continues to share information through briefings and presentations, regular news updates, and [social media](#).



KEY 3rd QUARTER ACTIVITIES:

- In July and the first weeks of August, the multi-channel RFI campaign generated over 2,000 website visits and 300,000 social media impressions. Outreach included briefings with 32 organizations, including 11 ESJ stakeholder groups, to introduce CalMTA and the RFI opportunity.
- In September, we released [information on our approach to using an equity lens](#) in development of market transformation initiatives, including engagement with ESJ communities.
- CalMTA staff conducted research on existing efficiency programs and met with utility energy efficiency program representatives several times this quarter to initiate coordination processes and discuss the draft [Evaluation Framework](#).
- We continued to participate in events including hosting a virtual booth at the Emerging Technologies Coordinating Council's [ET Summit 2023](#), and will be presenting at the [Behavior, Energy & Climate Change Conference](#) in November.

STAKEHOLDER ENGAGEMENT ACTIVITIES STATUS	Q3	Q4
Create and send regular email or newsletter updates to share progress on CalMTA activities with stakeholders	●	○
Publicize public MTAB meetings and create opportunities for public comment either during the meetings and afterward	●	○
Conduct personal meetings with key stakeholders including program implementers and administrators to share information and collaborate	●	○
Launch and execute a campaign promoting CalMTA's Request for Ideas that allows audiences to submit ideas for realizing market transformation	●	
Tap efficiency industry companies and organizations to help share information about the RFI and other CalMTA efforts	●	○
Gather input on the prioritized Request for Ideas from targeted audience segments, such as ESJ communities	●	○
Release a Q2 report on CalMTA activities to date and quarterly thereafter	●	○

Looking ahead

By the end of 2023, we'll see major milestones and deliverables concluding CalMTA's first year in operation. CalMTA staff and MTAB members will focus on review and prioritization of MTI ideas for development, arriving at several "front runner" concepts for Batch 1. These will be shared in draft Advancement Plans to be released for public review and comment in December.

CalMTA will also release a draft Stage 1 RFI Disposition Report, which describes how the concepts submitted through the Idea Portal were scored and either archived or advanced through Stage 1: Scan and Identifying Ideas. Work on Stage 2: Develop and Assess Ideas will be shared in a subsequent report due out in the first half of 2024.

Our upcoming efforts will focus on development of full MTI plans by the end of 2024 for Batch 1 MTIs and continued creation of Advancement Plans for batches 2 and 3 (see schedule below). As the market transformation portfolio begins to form, CalMTA, in consultation with the MTAB, will consider characteristics that should be represented in the portfolio and need to balance or fill gaps to ensure those characteristics are realized.

Batch Approach to MTI Plan Development

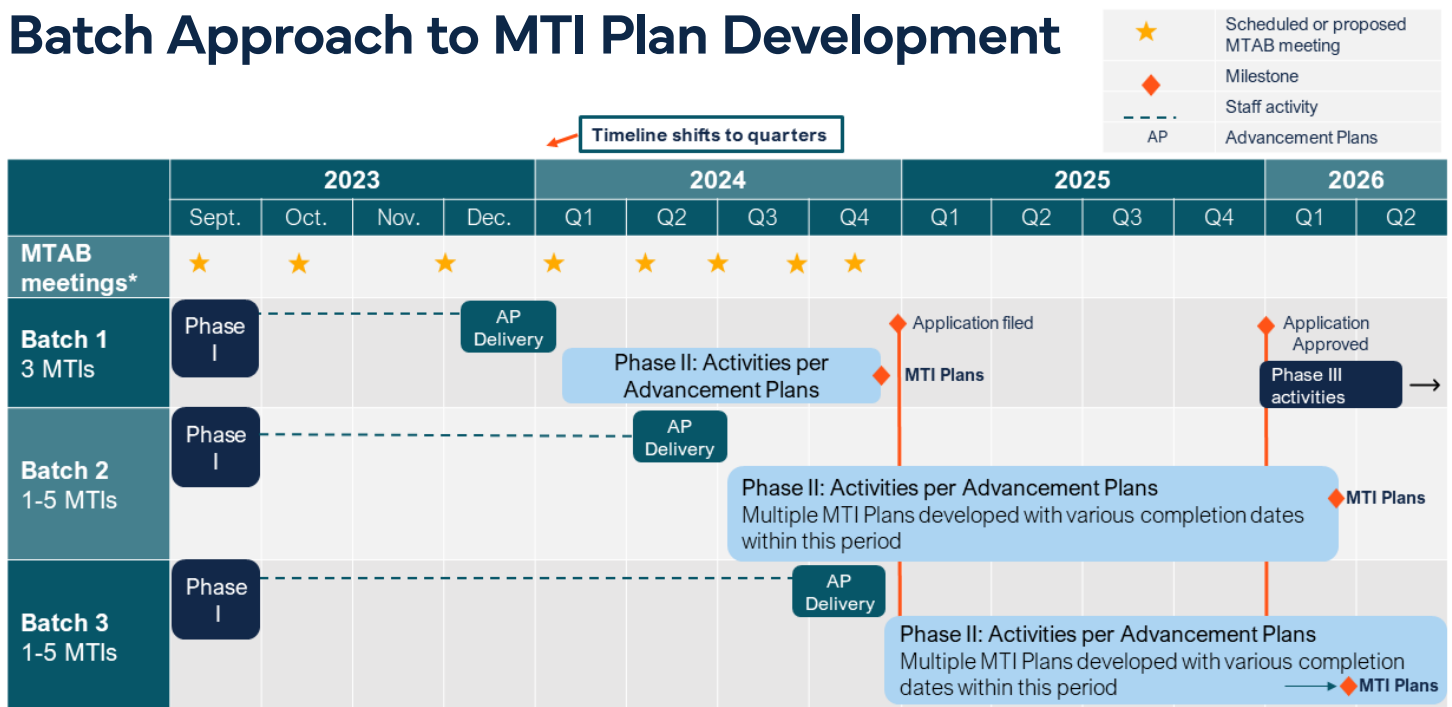


Chart is intended to be illustrative. Dates may change slightly.

Prioritized MTIs are developed through a set process, but they progress on different timelines in "batches." Batch 1 MTIs are currently being reviewed with MTAB and include leading MTIs that are the most market ready for implementation. Batches 2 and 3 will be delivered later in 2024. This development culminates in full MTI plans to be approved for implementation.

CalMTA staff and contractors will support this work with communications and education to build market engagement and awareness of our activities and the eventual MTIs. Development of systems to optimize our process and workflows continue on an ongoing basis.

We are currently preparing a 2024 Operations Plan to be shared early next year, which will describe the work ahead. Next year, stakeholders can expect a second, more targeted Request for Ideas to round out the market transformation portfolio, the release of additional Advancement Plans, scopes for pilots and market testing, as well as recruitment of MTAB members to fill open seats.

In all things, CalMTA's dedicated team strives to be collaborative and transparent. Please [let us know how we are doing](#) and stay updated by [joining our mailing list](#).





RESOURCES

[MTAB Meetings](#)

[Webinars](#)

[2023 Annual Operations Plan](#)

[MTI Development Process video](#)

Published December 2023

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