

# Appendix A: Summary of 2024 Funding Allocation Changes

CalMTA's 2024 budget was authorized via Advice Letter (RI-CalMTA-2), submitted by CalMTA on July 31, 2023, and approved by the CPUC Energy Division on November 2, 2023.

The budget forecast in the 2024 annual budget advice letter (ABAL) (Table A1 below) was developed in June to July of 2023. Since then, CalMTA has coordinated with the CPUC Contract Manager on the following changes that are described in more detail in this appendix:

- 1) **Phase II cost tracking:** At the request of the CPUC Contract Manager, in 2024 CalMTA began tracking and invoicing Phase II program strategy development costs at the MTI level, rather than by the subtasks listed in the 2024 ABAL
- 2) **Fund shifting:** \$2.8 million in funds estimated for Phase II activities were shifted to Phase I and approximately \$883,500 in funds from Program Strategy Testing/Pilots were shifted to other Phase II Program Strategy Development activities
- 3) **Strategy pilot approvals:** The CPUC Contract Manager approved workplans and budgets to allocate \$3,116,000 to specific strategy pilots

These changes did not impact the overall CalMTA budget allocation, or the total funds allocated at the cost-category level.

This appendix describes the 2024 fund shifting and strategy-pilot authorizations made as of July 8, 2024. Going forward, CalMTA will provide periodic budget updates at MTAB meetings and will include financial updates in its quarterly reports, including information on any fund shifting or authorization of remaining strategy testing/pilot funds.

**Table A1. CalMTA Budget Forecast Table from 2024 ABAL**

Cost Category	Major Activity	Activity Detail							Cost Category Totals	
		# FTEs			Labor Costs		Non-Labor Costs	Activity Totals		
		RI	Subs	Total	Subs	Total				
MTA Administration	Routine Financial and Administrative Tasks	3.5		3.5		\$ 1,011,287	\$ 1,011,287	\$ -	\$ 1,011,287	\$ 1,011,287
	<b>Operations Subtotals</b>	<b>9.9</b>		<b>9.9</b>		<b>\$ 3,929,588</b>	<b>\$ 3,929,588</b>	<b>\$ 514,603</b>	<b>\$ 4,444,191</b>	
	Project Management and Operations	1.7		1.7		\$ 675,070	\$ 675,070	\$ 193,320	\$ 868,390	
	MTAB	1.1		1.1		\$ 421,259	\$ 421,259	\$ 89,000	\$ 510,259	
	Policy	1.1		1.1		\$ 482,810	\$ 482,810	\$ -	\$ 482,810	
MTA Operations	Stakeholder Engagement and Communications	4.1		4.1		\$ 1,578,233	\$ 1,578,233	\$ 181,283	\$ 1,759,516	
	Data Systems Development and Management	2.0		2.0		\$ 772,217	\$ 772,217	\$ 51,000	\$ 823,217	\$ 4,444,191
	<b>Concept Development Subtotals</b>	<b>1.1</b>	<b>1.6</b>	<b>2.7</b>		<b>\$ 655,906</b>	<b>\$ 470,070</b>	<b>\$ 1,125,976</b>	<b>\$ 75,000</b>	<b>\$ 1,200,976</b>
	<i>Concept Identification</i>									
	Technology Scanning and RFI Support	0.2	0.3	0.5		\$ 125,534	\$ 89,967	\$ 215,500	\$ 215,500	
	Outreach, reporting, research	0.1	0.2	0.3		\$ 74,142	\$ 53,136	\$ 127,278	\$ 75,000	\$ 202,278
	<i>Concept Assessment</i>									\$ -
	Preliminary benefit analysis and forecasting models	0.4	0.5	0.9		\$ 222,379	\$ 159,373	\$ 381,751		\$ 381,751
	Advancement plan development, reporting	0.4	0.6	1.0		\$ 233,851	\$ 167,595	\$ 401,446		\$ 401,446
	<b>Program Development Subtotals</b>	<b>10.4</b>	<b>10.4</b>	<b>20.8</b>		<b>\$ 4,139,205</b>	<b>\$ 4,137,442</b>	<b>\$ 8,276,647</b>	<b>\$ 4,598,490</b>	<b>\$ 12,875,137</b>
	<i>Program Strategy Development</i>									
	Detailed benefit analysis and forecasting models	1.7	1.7	3.5		\$ 687,329	\$ 687,036	\$ 1,374,365		\$ 1,374,365
	Market Research	2.9	2.9	5.8		\$ 1,162,489	\$ 1,161,994	\$ 2,324,483		\$ 2,324,483
	Strategy Development, MTI Plan Development, Pilot Oversight, Reporting	5.7	5.7	11.5		\$ 2,289,388	\$ 2,288,412	\$ 4,577,800	\$ 98,490	\$ 4,676,290
	<i>Program Strategy Testing/Pilots</i>							\$ 4,500,000	\$ 4,500,000	\$ 14,076,113
MTI Market Deployment						\$ -	\$ -	\$ -	\$ -	\$ -
Evaluation						\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Subtotals</b>	<b>25.0</b>	<b>12.0</b>	<b>36.9</b>		<b>\$ 4,795,111</b>	<b>\$ 9,548,387</b>	<b>\$ 14,343,498</b>	<b>\$ 5,188,093</b>	<b>\$ 19,531,591</b>
	<b>Grand Total</b>									<b>\$ 19,531,591</b>

## Phase II Cost Tracking

When approving the 2024 invoice template in January of 2024, the CPUC Contract Manager, asked CalMTA to track and invoice Phase II program strategy development costs at the MTI level, rather than by the subtasks listed in the ABAL. Therefore, the following subtasks were removed from the template:

- Detailed benefit analysis and forecasting models
- Market research
- Strategy development, MTI Plan development, pilot oversight, reporting

The above subtasks were replaced with:

- Policy development & evaluation: costs to support development of programmatic aspects of the application and evaluation framework (as opposed to activities attributed to specific MTIs).
- Portable/window heat pumps: All Phase II research and strategy development activities, including development of the MTI Plan and its appendices

- Induction cooktops & ranges: All Phase II research and strategy development activities, including development of the MTI plan and its appendices
- Efficient rooftop units (ERTUs): 2024 research and strategy development activities

## 2024 Funding Reallocations

The 2024 ABAL budget forecast was developed and filed before the 2023 RFI had closed and well before any MTI ideas were advanced to Phase II. Therefore, in preparing the budget forecast for the 2024 ABAL, CalMTA made assumptions about the level of effort that would be required for Phase I activities, the number of MTIs that would advance to Phase II, and the timing for when the ideas would advance. After the first three MTI ideas advanced to Phase II in January of 2024, CalMTA gained a better understanding of the significantly higher level of effort required to complete Phase I activities, for example:

- The Market Transformation Framework in D.19-12-021 did not envision a public review process for the Advancement Plans prior to advancing MTI ideas from Phase I to Phase II. However, based on feedback from MTAB and the CPUC Contract Manager, CalMTA has since established a process in which Advancement Plans are posted for public comment for two weeks. CalMTA then prepares detailed response to comment tables. The first three Advancement Plans received over 175 comments from MTAB and the public.
- After the first batch of frontrunner MTI ideas, MTAB asked to have more involvement in prioritizing and selecting which MT ideas to advance to Phase II. As a result, CalMTA adjusted the schedule to allow for workshop-style MTAB meetings to review and prioritize MTIs that scored high in Phase I. This delayed advancement of Batch 2 ideas to Phase II.

Based on our experience, the CalMTA team worked with the CPUC Contract Manager to update the 2024 budget estimates (shifting funds between major activities) to better reflect the process and requirements developed during the second half of 2023. These budget reallocations became effective on February 14, 2024.

To accommodate an expected increase in time spent on Phase I activities (along with a relative reduction in Phase II effort because of the Batch 2 delay described above), \$2.8M was shifted from Phase II Program Strategy Development to the Phase I activities listed in Table A2.

In addition, after completing several months of Phase II research per the Advancement Plans for the first three MTI ideas, the CalMTA team identified additional knowledge gaps and program strategy questions that could be answered through lab testing, modeling, and

market research rather than in-market strategy pilots. Therefore CalMTA requested, and the CPUC Contract Manager approved, shifting \$883,500 from the \$4.5M Program Strategy Testing/Pilot budget to the Program Strategy Development budget (6/5/24 approval date). Additional details on this fund shift can be found in the [funds transfer request memo](#).

**Table A2: 2024 Budget Fund Shifting Summary**

Major Activities	Budget Increase or (Decrease)
Concept Development (Phase I)	
<i>Concept Identification</i>	
Technology Scanning and RFI Support	\$840,000
Outreach, Reporting, and Research	\$280,000
<i>Concept Assessment</i>	
Preliminary Benefit Analysis & Forecasting Models	\$280,000
Advancement Plan Development & Reporting	\$1,400,000
Program Development (Phase II)	
<i>Program Strategy Development</i>	
Funds shifted to Phase I tasks (listed above)	(\$2,800,000)
New strategy development activities	\$883,500
<i>Program Strategy Testing/Pilots</i>	(\$883,500)

These fund shifts did not impact the overall CalMTA budget allocation, or the total funds allocated at the cost-category level. Table A3 provides a comparison of the budget forecasts in the 2024 ABAL with the current budget forecast, after the fund shifts described in this appendix.

**Table A3: Budget Allocations Comparison Table**

Major Activity	Budget Allocations		
	2024 ABAL Estimates	2024 Reallocated	2025 ABAL Estimates
1. Routine Financial & Administrative Tasks	\$ 1,011,287	\$ 1,011,287	\$ 967,000
<b>Administration Cost Category Subtotal</b>	<b>\$ 1,011,287</b>	<b>\$ 1,011,287</b>	<b>\$ 967,000</b>
2. Project Management	\$ 868,390	\$ 868,390	\$ 683,000
3. MTAB Operations	\$ 510,259	\$ 510,259	\$ 351,000
4. Policy	\$ 482,810	\$ 482,810	\$ 649,000
5. Stakeholder Engagement and Communications	\$ 1,759,515	\$ 1,759,515	\$ 2,404,000
6. Data Systems Development and Management	\$ 823,217	\$ 823,217	\$ 560,000

<b>Operations Cost Category Subtotal</b>	<b>\$ 4,444,191</b>	<b>\$ 4,444,191</b>	<b>\$ 4,647,000</b>
<b><i>Concept Development (Phase I Activities)</i></b>	<b>\$ 1,200,976</b>	<b>\$ 4,000,975</b>	<b>\$ 2,060,000</b>
7. Technology Scanning and RFI Support	\$ 215,500	\$ 1,055,500	\$ 658,000
8. Outreach, Reporting, Research <sup>3</sup>	\$ 202,278	\$ 482,278	
9. Preliminary Benefit Analysis & Forecasting	\$ 381,751	\$ 661,751	\$ 306,000
10. Advancement Plan Development & Reporting	\$ 401,446	\$ 1,801,446	\$ 1,096,000
<b><i>Program Development (Phase II Activities)</i></b>	<b>\$ 12,875,137</b>	<b>\$ 10,075,138</b>	<b>\$ 11,926,000</b>
11. Program Strategy Development	\$ 8,375,137	\$ 6,458,638	\$ 11,926,000
12. Program Strategy Testing/Pilots <sup>1,2</sup>	\$ 4,500,000	\$ 3,616,500	
<b>Initiative/Concept Development Cost Category Subtotal</b>	<b>\$ 14,076,113</b>	<b>\$ 14,076,113</b>	<b>\$ 13,986,000</b>
<b>Grand Totals</b>	<b>\$ 19,531,591</b>	<b>\$ 19,531,591</b>	<b>\$ 19,600,000</b>

<sup>1</sup> \$554,000 of the adjusted 2024 Program Strategy Testing/Pilots budget remains to be authorized.

<sup>2</sup> 2025 strategy testing and pilot estimates, where applicable, are included in the MTI-specific budgets.

<sup>3</sup> In the 2025 budget estimate, Technology Scanning, Outreach, Reporting, and Research are combined into a single task.

Major Activity	Budget Allocations		
	2024 ABAL Estimates	2024 Reallocated	2025 ABAL Estimates
1. Routine Financial & Administrative Tasks	\$ 1,011,287	\$ 1,011,287	\$ 967,000
<b>Administration Cost Category Subtotal</b>	<b>\$ 1,011,287</b>	<b>\$ 1,011,287</b>	<b>\$ 967,000</b>
2. Project Management	\$ 868,390	\$ 868,390	\$ 683,000
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6. Data Systems Development and Management	\$ 823,217	\$ 823,217	\$ 560,000
<b>Operations Cost Category Subtotal</b>	<b>\$ 4,444,191</b>	<b>\$ 4,444,191</b>	<b>\$ 4,647,000</b>
<b>Concept Development (Phase I Activities)</b>	<b>\$ 1,200,976</b>	<b>\$ 4,000,975</b>	<b>\$ 2,060,000</b>
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12. Program Strategy Testing/Pilots <sup>1,2</sup>	\$ 4,500,000	\$ 3,616,500	
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<b>Grand Totals</b>	<b>\$ 19,531,591</b>	<b>\$ 19,531,591</b>	<b>\$ 19,600,000</b>

<sup>1</sup> \$554,000 of the adjusted 2024 Program Strategy Testing/Pilots budget remains to be authorized.

<sup>2</sup> 2025 strategy testing and pilot estimates, where applicable, are included in the MTI-specific budgets.

<sup>3</sup> In the 2025 budget estimate, Technology Scanning, Outreach, Reporting, and Research are combined into a single task.

## Strategy Testing Pilots Funding Authorizations

CalMTA's 2024 budget requested \$19,531,591 (see Table A1) of which \$15,031,591 was authorized for use upon disposition of the ABAL by CPUC Energy Division. The 2024 ABAL established a process by which the remaining \$4.5M, designated for Program Strategy Testing/Pilots, would be authorized by written approval of the CPUC Contract Manager after:

1. MTAB review of the pilot budget and workplan.
2. Posting of pilot budget and workplan to the CPUC Public Documents Area for 15 calendar days to solicit public comment.
3. CalMTA addresses public comments and holds a public webinar to share final budget and workplan and to discuss comments and resulting changes.

Table A4 summarizes a total of \$3,116,000 approved to fund three Program Strategy/Testing Pilots (including a supplemental request of \$75,000 for the Portable/Window Heat Pump strategy pilot), as well as the \$883,500 in funds shifted from the Program Strategy Testing/Pilots budget to the Program Strategy Development budget as described above.

**Table A4: Program Strategy Testing/Pilots Funding Authorization Summary**

Pilot Name (Link to Workplan or Memo)	Public Comment Period (Link to Comments)	Webinar Date	CPUC Approval Requested	CPUC Approval Received	Authorized Spend Amount
<a href="#">Geographic Targeting Using ESRPP for Portable/Window Heat Pump and Induction Cooking</a>	<a href="#">Jan 8-23, 2024</a>	8-Feb-24	13-Feb-24	14-Feb-24	\$ 1,525,000
<a href="#">Portable/Window Heat Pump Self-Installation Practices</a>	<a href="#">Jan 8-23, 2024</a>	8-Feb-24	13-Feb-24	14-Feb-24	\$ 650,000
<a href="#">Portable/Window Heat Pump Self-Installation Practices - Supplemental Budget Request</a>	<a href="#">Apr 11-26, 2024<sup>1</sup></a>	N/A <sup>2</sup>	29-Apr-24	30-Apr-24	\$ 75,000
<a href="#">Induction Cooking Chefluencer Event Testing</a>	<a href="#">May 22-Jun 5, 2024</a>	7-Jun-24	13-Jun-24	21-Jun-24	\$ 866,000
<a href="#">Funding Shift to move funds from Strategy Testing/Pilot Budget to Phase II Program Strategy Development</a>	<a href="#">May 17-Jun 3, 2024<sup>1</sup></a>	N/A <sup>2</sup>	17-May-24	5-Jun-24	\$ 883,500
				<b>Total</b>	<b>\$ 3,999,500</b>

<sup>1</sup>No comments were received

<sup>2</sup>Per agreement with the CPUC Contract Manager, a webinar was not required.

Program Strategy/Testing Pilots: Funding Authorization Summary	
2024 Funding Reserved for Program Strategy Testing/Pilots	\$ 4,500,000
Total Authorized as of July 12, 2024	\$ 3,999,500
Available funds	\$ 500,500