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DATE

Advice RI-CalMTA-2

(Resource Innovations, Inc. – California Market Transformation Administrator ID U-1399-E)

Public Utilities Commission of the State of California

Subject: RI-CalMTA's 2024 Energy Efficiency Annual Budget Advice Letter

Purpose

RI-CalMTA submits its 2024 energy efficiency (EE) annual budget advice letter (ABAL) by Tier 2 advice letter in compliance with directives in Decision (D.) 19-12-021, and D.15-10-028,¹ which directed all EE program administrators to file a Tier 2 advice letter containing the budget for the next calendar year's EE portfolio.

RI-CalMTA requests that the California Public Utilities Commission (CPUC) approve its 2024 ABAL budget request of \$19,488,328.

Background

Through D.19-12-021, the CPUC allocated CalMTA, as the market transformation administrator, an initial administrative budget of up to \$20 million per year for startup work for the CalMTA until the CPUC approves the initial tranche of Market Transformation Initiatives (MTIs) for deployment via an application.² Once this initial set of MTIs is approved by the CPUC, CalMTA will have a five-year budget for MTIs of \$250 million.

The CalMTA Contract with Pacific Gas and Electric Company (PG&E) (discussed below) reduced the annual start-up budget cap from \$20 million to \$19.6 million per year for the first three years and the five-year budget for MTIs from \$250 million to \$245 million to cover PG&E's possible administrative costs. The contract allows CalMTA to request any unspent administrative funds to be accessible to CalMTA after year six of the contract.

In D.19-12-021, the CPUC ordered PG&E to act as the statewide lead and contracting and fiscal agent responsible for the selection of an independent, statewide market transformation administrator (CalMTA).³ Pursuant to that authority, in March 2021 PG&E issued a competitive Request for Proposals (RFP) at the direction of the CPUC and in compliance with the requirements for third-party solicitations included in D.18-01-004. The RFP resulted in the

¹ D.19-12-021, at p. 59 and D.15-10-028, Ordering Paragraph 4.

² D.19-12-021, OP 7, at p. 90.

³ D.19-12-021, Ordering Paragraph 6, at p. 90.

selection and execution of a contract between PG&E and Resource Innovations, for Resource Innovations to administer CalMTA.

On October 26, 2022, as further required by D.19-12-021, PG&E filed a Tier 2 Advice Letter 4674-G/6747-E for CPUC approval of the Contract. The advice letter was approved by the CPUC with an effective date of November 23, 2022. Tier 2 Advice Letter 4674-G/6747-E approved the initial budget startup budget for CalMTA for 2022-2023 as detailed below.

On March 14, 2023, RI-CalMTA filed Advice Letter RI-CalMTA-1 for CPUC approval of the proposed membership and conflict of interest rules for the Market Transformation Advisory Board (“MTAB”) developed by CalMTA in consultation with CPUC staff as described therein. On April 7, 2023, RI-CalMTA filed Advice Letter RI-CalMTA-1-A, a supplemental advice letter, that provided revisions to the proposed conflict of interest rules in response to a protest to AL RI-CalMTA-1. Advice Letter RI-CalMTA-1-A was approved by the CPUC’s Energy Division Director with an effective date of April 13, 2023.

Pursuant to D.19-12-021, the CalMTA, once selected, was further required to file a Tier 2 advice letter with an annual budget each year for the upcoming budget year.⁴ The decision indicated that the annual budget process for CalMTA “is similar to the rolling portfolio ABAL.”⁵

By this Tier 2 Advice Letter, RI-CalMTA-2, CalMTA submits its 2024 ABAL for approval by the CPUC. CalMTA’s 2024 ABAL complies with all CPUC requirements for ABALs for EE program administrators set forth in D.15-10-028.⁶ Advice Letter RI-CalMTA-2 also complies with the requirements of General Order 96-B governing Tier 2 advice letter filings.⁷

Ordering Paragraph 4 of D.15-10-028 states that the EE PAs must file their ABALs for the next year’s EE portfolio by the first business day in September. CalMTA is filing early, because there is a lack of clarity on whether Ordering Paragraph 5 (OP-5) of 15-10-028 applies to CalMTA. OP-5 allows PAs to continue with their previous budget if their ABAL is not approved by January 1 of the year for which it was filed. To limit the risk of a funding cliff on 1/1/2024 and to ensure that CPUC has sufficient time to approve this ABAL before the start of 2024, CalMTA is filing early.

Contents of Filing

This ABAL provides the required information about CalMTA’s 2024 budget and activities, including:

- 1. CalMTA’s 2024 Budget, Savings and Cost-Effectiveness;**
- 2. CalMTA’s 2024 Activities and Deliverables; and**
- 3. MTAB Report and Recommendation on CalMTA’s Proposed 2024 Budget.**

Discussion

- 1. CalMTA’s 2024 Budget, Savings and Cost-Effectiveness**

⁴ D.19-12-021, at p. 59.

⁵ Ibid.

⁶ D.15-10-028, OP 4, at pp. 123-125.

⁷ General Order 96-B, General Rule 7 and Energy Industry Rule 5.2.

CalMTA is funded by the four investor-owned utilities (IOUs) based on the same allocation that is used to fund statewide EE programs as shown in Table 1.⁸

Table 1. IOU Funding Shares for Market Transformation

IOU	Electric Funding Split*	Gas Funding Split*	Market Transformation Funding Split**
PG&E	44.5%	50.4%	45.5%
SDG&E	15.5%	7.8%	14.0%
SCE	40.0%	0.0%	32.5%
SoCalGas	0.0%	41.8%	8.0%

*See Table 2 on page 5 of SDG&E Advice Letter 3268-E-A/2701-G-A.

**Consistent with a fuel type allocation of 80% electric, 20% gas. See Table 3 on page 7 of SDG&E Advice Letter 3268-E-A/2701-G-A.

In the EE Application Proceeding (A.22-02-005), the CPUC issued a proposed decision on May 26, 2023, which included an updated funding allocation among the IOUs for statewide programs.⁹ CalMTA will assume that the IOU funding shares approved for the market transformation framework in D.19-12-021 and reflected in the contract between PG&E and Resource Innovations still apply to CalMTA. We anticipate using these funding shares unless the CPUC clarifies in the upcoming decision in A.22-02-005 or through a future decision or Commission directive that a new funding arrangement applies.

In terms of savings and cost-effectiveness, CalMTA does not expect to have any approved MTIs in 2024. Therefore, we forecast no energy savings and a cost-effectiveness ratio of zero for all cost-effectiveness tests required to be filed with the ABAL.

CalMTA 2022/2023 Budget

Tier 2 Advice Letter 4674-G/6747-E authorized the initial startup budget for the period of November 23, 2002, through the end of 2023. The activities performed during this initial startup period were very different from those that will be accomplished in 2024. The 2022-2023 work encompassed many discrete startup tasks, such as establishing the CalMTA brand, website, initial IT and data management infrastructure, administrative and operational procedures, plans for future staffing and introductory stakeholder engagement, creation of the MTAB, and initial tools and protocols to solicit and evaluate ideas for MTIs. The payment structure used during this period was a combination of monthly fixed fees, fixed fees for the completion of specific startup deliverables, and time and materials payment. Table 2 shows the initial budget by cost category, payment type, and work task from 11/23/2022 through 12/31/2023.

⁸ D.19-12-021, at pp. 63-64.

⁹ The updated statewide funding allocation is was proposed in PG&E 2024-2031 Application, see PG&E Application, Exhibit 1, Chapter 3, at 3-27, located here: [EE-2024-Business-PortfolioPlan_Plea_PGE_20220215_701651.pdf](#).

Table 2. CalMTA Startup Budget for the period 11/23/2022–12/31/2023

Cost Category	Payment Type	Work Tasks	Annual Budget	Cost Cat. Totals
Administration	Fixed Fee Deliverable	Incremental IT Infrastructure	\$ 126,900	\$ 1,636,831
		Subcontract Startup and Execution	\$ 90,784	
	Monthly Fixed Fee	Invoice and administrative contract management	\$ 303,459	
	T&M	Administrative tasks not covered by Fixed Fees	\$ 1,115,688	
Operations	Fixed Fee Deliverable	CalMTA Brand and Associated Assets	\$ 99,852	\$ 8,179,935
		CalMTA Initial Website	\$ 89,270	
		MTAB Setup	\$ 170,430	
		CalMTA Operations Handbook	\$ 46,978	
		Stakeholder Engagement Plan	\$ 51,750	
	Monthly Fixed Fee	Facilitation of MTAB Meetings	\$ 2,762,801	
		CA Policy Engagement		
		Leadership & Tracking Meetings		
		Newsletters and Quarterly/Annual Reports to Stakeholders/MTAB/CPUC		
		Data Systems Management		
T&M	Operations tasks not covered by Fixed Fees	\$ 4,958,854		
Initiative/Concept Development	T&M	All tasks related to the identification and development of Market Transformation Initiatives	\$ 4,546,965	\$ 4,546,965
Grand Total			\$ 14,363,731	

2024 CalMTA Budget Forecast

CalMTA's budget request for 2024 is \$19,531,591.

The budget is comprised of three cost categories established in the MTA contract between PG&E and Resource Innovations, included in PG&E's Advice Letter 4674-G/6747-E¹⁰ – MTA Administration, MTA Operations, and Market Transformation Initiative/Concept Development. Table 3 shows the detailed budget by cost category and major activity, and provides anticipated "full time equivalent" (FTE) staffing levels¹¹. (See Appendix A for an organizational chart.) Figure 1 shows the relative percentages of the total CalMTA budget by cost category.

The activities and deliverables associated with each cost category work to deliver on California's energy and climate goals through market transformation, as well as advance efforts related to workforce development and equity. These activities are addressed further in section 2. As section 2 shows, the 2024 budget focuses a large majority of the funds on developing MTI plans in consultation with the MTAB and preparing an application to the CPUC for approval of the first tranche of MTIs.

Payment Structure

While the CPUC-approved Contract between PG&E and Resource Innovations to administer CalMTA in PG&E's Advice Letter 4674-G/6747-E allows several options for payment types, the 2024 budget will use Time and Materials as the payment type. Any funds not needed will not be spent and do not carry over to 2025.

¹⁰ PG&E's Advice Letter 4674-G/6747-E, Attachment A, pg 25 includes five cost categories for CalMTA, including: MTA Administration, MTA Operations, Initiative/Concept Development, and MTI Market Deployment and Evaluation. For 2024, CalMTA will only include funding for the first three because activities in the other categories haven't yet started.

¹¹ FTE calculations are based on the assumption that fully dedicated staff will bill approximately 80% of their time to the project, which allows for paid time off and other non-billable time.

Figure 1. Percentage Share of Total CalMTA Budget by Cost Category

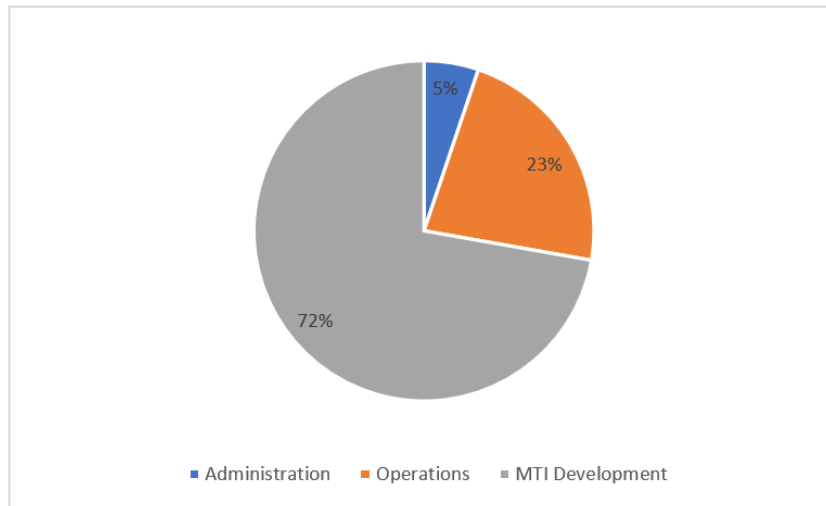


Table 3. 2024 CalMTA Budget Forecast by Cost Category and Activity

Cost Category	Major Activity	Activity Detail							Cost Category Totals	
		# FTEs			Labor Costs		Non-Labor Costs	Activity Totals		
		RI	Subs	Total	Subs	RI				Total
MTA Administration	Routine Financial and Administrative Tasks	3.5		3.5		\$ 1,011,287	\$ 1,011,287	\$ -	\$ 1,011,287	\$ 1,011,287
	Operations Subtotals	9.9		9.9		\$ 3,929,588	\$ 3,929,588	\$ 514,603	\$ 4,444,191	
MTA Operations	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	
	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
Initiative/Concept Development	Concept Development Subtotals	1.1	1.6	2.7		\$ 655,906	\$ 470,070	\$ 1,125,976	\$ 75,000	\$ 1,200,976
	<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	
	Program Development Subtotals	10.4	10.4	20.8		\$ 4,139,205	\$ 4,137,442	\$ 8,276,647	\$ 4,598,490	\$ 12,875,137
	<i>Program Strategy Development</i>									
	Detailed benefit analysis and forecasting models	1.7	1.7	3.5		\$ 687,329	\$ 687,036	\$ 1,374,365	\$ 2,748,729	
Market Research	2.9	2.9	5.8		\$ 1,162,489	\$ 1,161,994	\$ 2,324,483	\$ 4,648,965		
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	\$ 9,254,090	
<i>Program Strategy Testing/Pilots</i>								\$ 4,500,000	\$ 4,500,000	\$ 14,076,113
MTI Market Deployment					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Evaluation					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotals	25.0	12.0	36.9		\$ 4,795,111	\$ 9,548,387	\$ 14,343,498	\$ 5,188,093	\$ 19,531,591
	Grand Total									\$ 19,531,591

Tracking Spending

CalMTA uses an Oracle system to track all program costs. The system allows CalMTA to monitor spending against the approved budgets at both the Cost Category and Major Activity level. CalMTA will provide a summary of spending (monthly, annual, and remaining balance) as part of its monthly invoicing, which is reviewed and approved by the CPUC Contract Manager prior to payment by PG&E.

2. CalMTA’s 2024 Activities and Deliverables

This section describes planned 2024 activities and deliverables by cost category and activity.

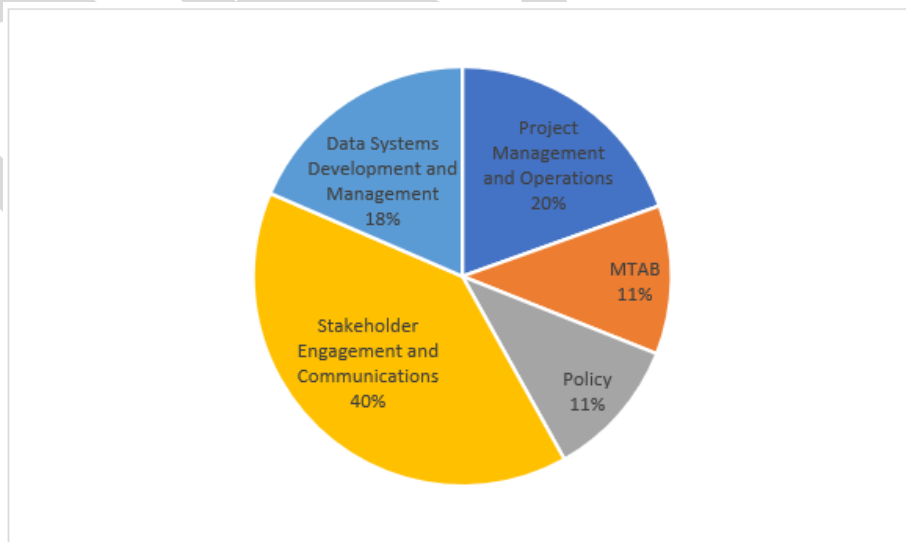
MTA Administration

The budget for the MTA Administration cost category is \$1,011,287, which represents 5% of the total CalMTA budget. The proposed administration budget accounts for routine financial and contract administration activities, including the processing of monthly program and subcontractor invoicing; monitoring and managing contract compliance; and budget management, accruals, and forecasting. Also included in the Administration budget are funds for non-routine administration requests that may arise (such as CalMTA responses to ad hoc financial reporting requests from the CPUC or PG&E, or financial audits), and administrative and contracting support for pilots.

MTA Operations

The budget for the MTA Operations cost category is \$4,444,191, which represents 23% of the Total CalMTA budget. The Operations budget addresses the costs associated with five major operational activities. Each of these is described below. Figure 2, shows the percentage share of the Operations budget by major activity.

Figure 2. Percentage Share of MTA Operations Budget by Major Activity



Project Management and Operations

The proposed operations budget includes project management and oversight of the entire CalMTA effort, as well as travel and other direct costs. Key activities include: implementing project management processes and tools; conducting regular leadership and tracking meetings; *2025 Annual Operations Plan*; *2025 Annual Budget Advice Letter*, and the first MTI Applications to the CPUC; compliance and tracking regarding conflict-of-interest requirements; and developing/maintaining internal operations processes and procedures.

Key Deliverables:

- *2025 Annual Operations Plan*
- 2025 ABAL
- MTI Application to the CPUC to request funding for the initial tranche of MTIs.

MTAB

The proposed budget covers virtual and in-person MTAB meetings. It includes developing agendas, communicating with individual MTAB members or the public as needed, preparing materials for MTAB meetings, attendance, facilitation and note-taking at the meetings, ensuring follow-up on recommendations, member renewals and replacements as terms expire, travel and other direct costs associated with convening the MTAB.

Key Deliverables:

- Up to four in-person and up to six virtual MTAB meetings.
- Renewals/replacement for members with 1-year inaugural terms.

Policy

The proposed policy budget supports a number of activities with the goal of ensuring CalMTA's efforts mesh well with current and evolving policy. The primary activities include tracking regulation and legislation of interest to CalMTA and summarizing the findings into memos and other materials; ensuring the evolving regulatory landscape in California is understood by CalMTA leadership and MTI program developers; performing regulatory research and summarizing the findings; and supporting regulatory filings to the CPUC. Specific activities are described below.

- Track and inform key CalMTA departments of CPUC rulemakings, proceedings, decisions, evaluations, workshops, etc. of relevance to CalMTA.
- Track and inform key CalMTA departments on California Air Resources Board and California Energy Commission rulemakings, workshops, and programs of relevance to CalMTA.
- Track and inform key CalMTA Departments on State and Federal legislation and Federal rulemakings of relevance to CalMTA.
- Perform research and draft background memos/reports on key policy issues of importance to CalMTA.
- Support regulatory filings to the CPUC, such as the ABAL.
- Support CalMTA's application to the CPUC for Market Transformation Initiative (MTI) approval.

Stakeholder Engagement and Communications

In 2024, work related to stakeholder engagement and communications includes developing and maintaining platforms and systems to manage and regularly communicate with CalMTA stakeholders. It also includes developing and managing engagement opportunities both on behalf of CalMTA as an overarching program as well as supporting the MTI program development work, including specific market relationships and engagement, research, and testing based on MTI priorities. Specific activities are described below.

CalMTA-focused activities

- Develop and publish quarterly and annual reports, including documenting CalMTA and MTI development progress.
- Package and disseminate information on market research, laboratory and/or field testing, pilots, and other activities as developed under the program development.
- Publish and disseminate CalMTA Advancement Plans.
- Develop and publish semi-monthly stakeholder communications via newsletter or notices with updates on CalMTA, MTAB work, and MTI development including research outputs.
- Host regular webinars and conference presentations to share CalMTA and MTI development updates.
- Perform ongoing development and updates of materials and platforms including calmta.org website content, communications collateral, contact management database, emailing platform, and other tools.
- Develop strategy and conduct stakeholder outreach and coordination in all areas of the California efficiency market with personal meetings and direct electronic communications with updates and opportunities to engage.
- Maintain regular collaboration with mission-aligned organizations and other allies to disseminate information on the California market transformation portfolio development to stakeholders.

MTI-focused activities

The following activities are included in the MTI budget, but performed by the stakeholder engagement team:

- Facilitate outreach to and engagement opportunities with targeted market actors and audiences in support of MTI development. These include 10-12 workshop-style meetings and interviews with Environmental Social Justice (ESJ) Community representatives, workforce development and training organizations, and other audiences.
- Manage formation and coordination of up to six working groups to support MTI Plan development.
- Craft outreach and communications strategies for specific markets that will be integrated into each of the MTI Plans to be included in the Application to the CPUC.
- Support the program development team on message testing and other pilot, testing, or research activities related to the marketing and outreach aspects of MTI planning.

Key deliverables:

- Annual and quarterly reports made public via calmta.org.
- Semi-monthly (24) stakeholder communications via newsletter or notices.

- Live webinars on CalMTA activities, with on-demand recordings available at calmta.org.
- Analytics reporting with website visits, social reach, list growth, etc.
- Regularly updated calmta.org website with analytics reporting.
- Collateral developed in support of CalMTA or MTI audience outreach explaining the process and progress on work.
- Stakeholder contact lists and meeting tracking/reporting.
- 10-12 listening session/focus-group style engagement summaries with key stakeholders.
- Communications for six working groups for MTIs moving into Phase II: Program Development.
- Marketing and communications scopes in full MTI plans.

Data Systems Development and Management

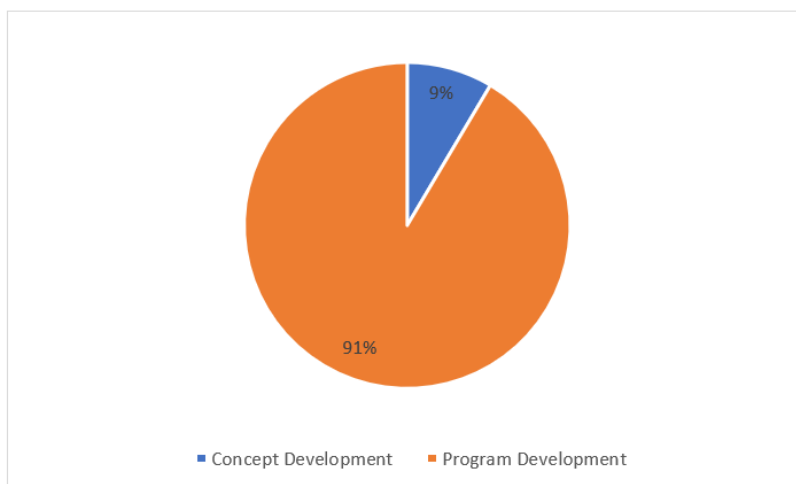
In 2024 CalMTA will develop new and improve existing data systems to support CalMTA operational and data management needs. Specific activities are described below.

- Conduct assessment and solutions of IT system's needs (tools selection, architecture, and system design).
- Maintain and support CalMTA domain and infrastructure.
- Manage data systems security using industry best practice. Adhere to California requirements related to data systems security and the protection of personally identifiable information.
- Provide technical support and expansion of CalMTA website.
- Provide technical support and management of contact management systems.
- Update, manage, and expand the administrative "back-end" data side of the ongoing RFI portal.
- Assess and develop solutions for future RFP/procurement activities and MTI data needs.
- Develop program/portfolio tracking and monitoring solutions, including data analytics and dashboarding.
- Oversee data integration with partner systems.

Market Transformation Initiative/Concept Development

The budget for the Market Transformation Initiative/Concept Development cost category is \$14,076,113, which represents 72% of the total CalMTA budget. The Market Transformation Initiative/Concept Development budget addresses the costs associated with two major activities—Concept Development and Program Development. Each of these is described below. Figure 3, shows the percentage of the Market Transformation Initiative/Concept Development budget by major activity.

Figure 3. Percentage share of MTA Initiative/Concept Development budget by Major Activity



The portfolio approach administered by CalMTA encompasses a continuous process of scanning the market for MTI opportunities, assessing and advancing MTIs, while also implementing initiatives in the market to remove barriers. This process will be used to ensure there is a continuous flow of new opportunities identified to refill the portfolio as more mature MTI's transition out of direct market activities.

CalMTA activities in 2023 included opening the first Request for Ideas (RFI) for MTIs, scoring and evaluating the ideas, and developing MTI Advancement Plans¹² for five MTIs that were most ready for near-term advancement (named MTI "front runners"). Efforts in 2024 will continue to advance front runners and also focus on further advancing additional promising ideas identified in 2023 by finalizing their Advancement Plans in 2024 and starting into program development activities. In addition, in 2024, new submissions to the RFI will be reviewed quarterly and assessed for future promising new opportunities.

Phase I Concept Development

Phase I Concept Development includes scoring, ranking, and evaluating MTI ideas coming through the RFI portal in 2024 and developing MTI Advancement Plans for ideas that appear to be viable enough to warrant additional resources. In 2024, CalMTA will continue and expand upon the concept development work initiated in 2023, monitoring the market for new technology or practice opportunities and for competing products that may alter initiative strategies. Specific activities are described below.

Concept Identification

- Open the RFI portal in January and review submissions quarterly to gather additional MTI ideas from California and national audiences.

¹² Advancement Plans are developed for each idea that is moved from Phase I Concept Development to Phase II Program Development. Each Advancement Plan identifies the gaps in knowledge that are needed to write a full MTI Plan, and identifies the activities needed to fill those gaps.

- Use the MTI identification process to collect, catalog, research and score RFI submissions on a quarterly basis.
- Work collaboratively with stakeholders on MTI Advancement Plan development for new MTI opportunities. Stakeholders may include manufacturers, emerging tech programs, community-based organizations (CBOs), regional energy efficiency organizations, MTAB, existing EE implementers, and utilities.

Concept Assessment

- Coordinate with MTAB to review submissions and prioritize new MTI ideas (in addition to those from the 2023 RFI) for further development.
- Conduct cost/benefit analysis and create models that forecast market adoption to assess opportunities.
- Develop eight MTI Advancement Plans for those ideas that will move to Phase II: Program Development and review with MTAB.

Key deliverables from Phase I:

- Reviews of ideas submitted each quarter, including scoring and discussion with MTAB.
- Three summary reports of quarterly RFI submissions.
- Five new MTI Advancement Plans for MTI ideas received in 2023 plus three MTI Advancement Plans for prioritized MTI ideas identified in 2024.

Phase II Program Development

The program development phase of MTI management is when CalMTA staff develop MTI Plans for the most promising ideas. The tasks in Phase II: Program Development build confidence that the target market is understood, the barriers to adoption are identified, there is a reasonable market transformation theory, and there is high confidence in the effectiveness of the program strategy.

Activities for Program Development in 2024 will primarily focus on developing detailed MTI Plans for MTI ideas that were selected in 2023 and early 2024. During 2024, we anticipate program development activities will be ongoing for 10¹³ MTIs.

By the end of 2024, four MTI Plans will be completed, and CalMTA will file an application with the CPUC for approval of these MTIs to start deploying them into the market. The other six MTIs in program development during 2024 are anticipated to need more time and will not have have MTI Plans fully reviewed by MTAB and finalized until 2025, and so are not included in this budget. Specific program development activities are described below.

- Conduct market research, laboratory and/or field testing, pilots, and other activities on 10 MTI Advancement Plans to test market strategies and develop program design (some MTI Advancement Plan activities will carry into 2025).
- The scope and number of pilot projects will depend on MTI-specific market barriers identified in each MTI Advancement Plan. Some MTI Advancement Plans may call for more than one pilot to test different aspects of the market strategy. Proposed pilot

¹³ The 10 are comprised of five Advancement Plans from 2023 and five more in 2025. Ideas submitted during 2024 are assumed to not pass into program development activities until 2025 (although some may start late in 2024).

activities will be reviewed with the MTAB as part of their review of each Advancement Plan and may include:

- Demonstration projects
- Research and information exchange of market data, economic analysis, efficiency plans, product plans, program results, and sales data with market actors such as manufacturers, wholesalers, retailers, trade allies, utilities, or trade organizations,
- Partnering with Community Based Organizations (CBO) or other organizations to identify and test specific ESJ- and workforce development-focused strategies
- Tailored offerings such as training, incentives, or sales materials to determine which tactics are most effective in helping midstream partners (e.g., wholesale distributors) overcome barriers, accelerate adoption, and promote MTIs
- Collaboration with market actors to develop and deliver training and technical information to build installation/product delivery capacity
- Limited-time promotions to support installation and product delivery channels in adopting and promoting efficient technologies/practices.
- Message testing to identify text that resonates with target audiences
- Conduct outreach to stakeholders, such as CBOs and other regional organizations to develop relationships, learn from their experiences, and identify opportunities to forge partnerships.
- Launch and manage up to six working groups as needed by MTI, sector, or end use. These working groups are intended to ensure that MTIs fit well into existing California energy efficiency activity.
- Further prioritize potential MTIs based on desired MTI portfolio characteristics and highest-value impacts.
- Finalize MTI Plans for four initiatives that are recommended to move into full-scale market deployment in Phase III. MTI Plans will include:
 - Well-defined target market and product/service definition
 - Draft logic model with identified leverage points, intervention strategies, and a clear exit strategy
 - Baseline market adoption models, market adoption forecasts, and cost-effectiveness metrics
 - Draft evaluation plans market progress indicators (MPIs), etc. based on collected baseline data
 - Estimated market deployment budget and timeline
- Submit four MTI Plan(s) to the CPUC via an application for approval.
- Continue developing MTI Plans for additional viable MTIs as learnings from research and testing conclude.

Key deliverables from Phase II:

- Market characterizations and other completed market research as identified per MTI Advancement Plans for 10 MTIs.
- Active involvement of six MTI Working Groups collaborating on MTI development.
- Four MTI Plans submitted to the CPUC via an application.

3. MTAB Report and Recommendations

By D.19-12-021, the CPUC directed CalIMTA to include in its ABAL a report and recommendations on the ABAL by the MTAB.¹⁴ In compliance with this direction, this section represents the report from MTAB, including their feedback and recommendation.

¹⁴ D.19-12-021, at p. 125.

Process for Soliciting MTAB Feedback

This ABAL has been substantially shaped by input from the MTAB. CalMTA solicited input from the MTAB on the ABAL via the following process:

1. Draft ABAL sent to the MTAB June 2, 2023 for preliminary review.
2. A meeting of the MTAB was convened June 8 during which the CalMTA presented the draft budget, and MTAB feedback/comments were gathered.
3. MTAB members were given until June 13 to submit written feedback on the budget to the CalMTA.
4. CalMTA reviewed and incorporated feedback from the MTAB.
5. CalMTA sent the final ABAL to the MTAB (which included the MTAB's Report and Recommendation) based on their feedback (June 26). This was also posted on the CalMTA website the same day.
6. MTAB meeting was convened on June 30 for final review.
7. The final budget and MTAB recommendation report are incorporated into this ABAL filing.

Meeting notes and recordings of the June 8 and June 30 MTAB meetings can be found on the CalMTA website [[INSERT LINK \(they aren't up yet\)](#)]. Detailed responses to written comments submitted by seven of the nine MTAB members are posted on the CalMTA website [[INSERT LINK \(they aren't up yet\)](#)].

Summary of MTAB Feedback

Comments received from MTAB members ranged from minor suggestions related to language or ABAL format, to more significant comments on the budget. Given that MTAB feedback was received via a combination of verbal input during multiple public meetings as well as written survey responses, key feedback that helped shaped the ABAL is summarized below. A more complete write-up of comments and responses can be found in this document [LINK](#).

In response to feedback from the MTAB, the ABAL includes more details about payment structure and cost tracking with an emphasis that funds not needed will not be spent. We have also included the 2022-2023 authorized budget and a narrative to explain how the 2024 activities and corresponding budget will differ. To help visualize the staffing plan for 2024, we have added an organization chart in Appendix A and have provided more details on the assumptions that went into the FTE calculations to address comments regarding the cost per FTE.

Several MTAB members requested more details about specific deliverables and level of effort assumed under each cost category and major activity to support the proposed level of funding. The ABAL now includes specific numbers of MTI Advancement Plans, MTI Plans, working groups, RFIs, MTAB meetings, etc. The ABAL also now includes an expanded discussion of planned stakeholder engagement activities, as well research, testing, and pilots that will be identified in the MTI Advancement Plans.

Several members advised CalMTA to scale the program's activities to utilize the full funding authorized in D.19-12-021 in order to meet the scale of California's clean energy needs and realize the CPUC's directive to incorporate environmental and social justice goals in the MTI portfolio. This feedback was addressed by increasing the number of MTI Plans, investing more in pilots, testing, and other MTI development activities, as well as the administrative and

stakeholder-outreach work to support them. One member commented that CalMTA should not request the full startup funding authorized in D.19-12-021, should tighten the budget as presented in its draft form, and should rather request a second authorization mid-year after we have more information about which specific MTI development activities are needed. The ABAL process and timeline make this approach infeasible, and funds allocated for 2024 cannot be used in 2025 per D.19-12-021. However, the 2024 work of CalMTA will proceed under MTI Advancement Plans, which will be reviewed with the MTAB.

MTAB Recommendation

As previously noted, D.19-12-021 required CalMTA to include in its ABAL a report and recommendations on the ABAL by the MTAB members. The recommendations shown below from the June 30 MTAB meeting do not preclude members or the organizations they represent from taking a different position during the CPUC's public process to approve the ABAL.

After full review of the budget and accompanying advice letter language, MTAB members recommended at the June 30 MTAB meeting that the CPUC approve this ABAL on a vote of ## (yes)-## (no). # members abstained.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via e-mail, no later than **DATE**, which is the first business day 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to CalMTA (Resource Innovations) at the addresses shown below on the same date it is electronically delivered to the Commission:

Jim Giordano
Resource Innovations
E-mail: info@calmta.org

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility (in this case to Resource Innovations) no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.2, and Ordering Paragraph 8 of D.19-12-021, this advice letter is submitted with a Tier 2 designation. CalMTA requests that this Tier 2 advice submittal become effective on regular notice, **DATE**, which is 30 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being served electronically on the service list for R.13-11-005. All electronic approvals should be sent to info@calmta.org.

/S/ Margie Gardner

Margie Gardner
Vice President of Market Transformation
Resource Innovations, Inc.

cc: R.13-11-005 Service List

Include Advice Letter Summary Form

DRAFT

Appendix A: CalMTA Organizational Structure

Resource Innovations Inc. was selected to administer the CalMTA following a competitive bid process.

The CalMTA team is comprised of Resource Innovations and five primary subcontractors and several independent strategic advisors who each bring specific areas of expertise to the project, and who work under the direction of Resource Innovations staff. At present, and in 2024, subcontractor support is focused on MTI Development activity.

Resource Innovations' team encompasses a core set of RI employees who are fully dedicated to the CalMTA project (CalMTA staff). Much of the team is composed of specialized senior-level staff with deep experience in market transformation or their respective areas of expertise. In addition to the core team of fully dedicated staff, CalMTA leverages shared resources from the broader RI organization on a range of activities including research and engineering support, marketing and communications support, and support related to administrative and operational activities such as IT/security, HR, legal, contracting and accounting.

The CalMTA project is led by a Vice President of Market Transformation, and receives executive oversight and support from RI's CEO, Chief of Staff, and COO/CFO.

The figure below shows the planned 2024 Organizational Structure for the CalMTA team. The CalMTA team from Resource Innovations will include 25 FTEs in 2024, which is the number reflected in the budget in Table 3 of this ABAL.

The MTI team includes 10 Resource Innovations staff, approximately 12 FTE from our subcontractors and strategic advisors, and approximately 1.5 FTE from the stakeholder engagement and communications team who will directly support the MTI team with working groups and pilots. The remaining 4.5 FTE on the stakeholder engagement and communications team will support broader CalMTA communications, as well as other operational tasks, such as the MTAB meetings. The policy function includes 1 FTE, plus a portion of the VP Market Transformation. The 6 FTE on the business operations team supports MTA administration (approximately 3.5 FTE), project management and operations (approximately 0.5 FTE), data systems development and management (approximately 2 FTE). The VP Market Transformation and Project Manager also support project management and operations, MTAB, MTIs, and other tasks. The FTEs listed in Table 3 are in fact "equivalents" and will not map precisely to specific individuals but are included to give an indication of the anticipated level of effort.



2024 ORGANIZATIONAL CHART

Executive Support & Oversight

