CalMTA

June 30, 2023

Market Transformation Advisory Board (MTAB) Meeting

Agenda

Time	Agenda Item	Presenter
12:00 p.m.	1. Welcome & Introductions/Ice Breaker	
12:10 p.m.	2. Meeting Agenda	Margie Gardner
12:15 a.m.	3. Review Meeting Notes from 6/8	Margie Gardner
12:20 p.m.	4. 2024 Final Budget Review	Jim Giordano
1:40 p.m.	5. Next Steps & Next Meeting	Margie Gardner
1:50 p.m.	6. Public Comment	Margie Gardner
2:00 p.m.	Adjourn	

Phone participants can raise their hand during the public comment period and will be unmuted.

Icebreaker

What is one activity you like to do in your spare time?

Review May MTAB Meeting Notes

Draft June 8th Notes

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#4
2024 ABAL-Budget Review

CalMTA Leadership

Late Breaking Option (draft)

- Keep $19.6 M as maximum authorized budget available in 2024 to include:
  - $15.1 M fully authorized funds
  - $4.5 M gated subsequent release by the CPUC project manager for "Program Strategy Testing/Pilot"
    - follows MTAB review of budget and workplan for testing/pilots

$19.6M approval includes:

- 4 MTI Plans by 12/31/2023
- 8 Advancement Plans developed in 2024 (plus 3 in 2023)
- Implementation of 10 advancement plans in 2024 (at various stages of development
- Management of 6 working groups

Pausing to Consider

- Review budget and activities associated with the $19.6M today

- Discuss option to "gate" Testing/Pilot funding. If move to "gate" option, then:

  - Staff will update ABAL by July 10 date

  - Will have another round of written comment due COB July 14

  - Staff summarizes major comments, incorporates any changes and sends email to MTAB asking for "Recommendation" on July 21

  - Responses need to be received by July 26

NOTE: some slides in this deck are not updated for the "gate" option

Recap of 2024 ABAL Schedule

Target Date	Task or Deliverable
8-Jun	Present draft ABAL at MTAB meeting and take notes on feedback
13-Jun	Written feedback on ABAL due from MTAB members and CPUC Survey instrument will be sent at the end of this meeting
26-Jun	Send final ABAL with Recommendation section to MTAB
30-Jun	MTAB meeting to review final ABAL, including Recommendations
~7(?)-Jul	File final ABAL with CPUC

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CalMTA Activity since June 13th

- Reviewed MTAB written feedback

- Wrote responses

- Incorporated MTAB feedback and CalMTA responses into the ABAL

- Adjusted ABAL text, in many cases adding information, to clarify and address MTAB feedback
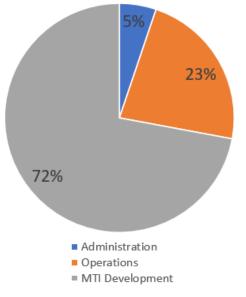
- Adjusted budget

Goals for Budget Review

1. Review the revised budget table

2. Review the major feedback items/themes and how CalMTA addressed and/or responded

3. Discuss 'MTAB Recommendations'

4. Discuss next steps

Cost Category	Major Activity	# FTEs			Labor Costs			Non-Labor Costs	Activity Totals	Cost Category 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
MTA Operations	Operations Subtotals	9.9		9.9		$ 3,929,588	$ 3,929,588	$ 514,603	$ 4,444,191	
	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	
	Concept Identification									
	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	
	Concept Assessment								$ -	
	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	
	Program Strategy Development									
	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	
	Program Strategy Testing/Pilots							$ 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

CalMTA 2024 Budget (revised)

- Administration — 5%
- Operations — 23%
- MTI Development — 72%

Budget General Comments

Jim Giordano

Principal, CalMTA Operations

Budget General

Key comments related to: Payment Structure and Cost Tracking

- *Recommend highlighting the move to T&M budgeting*

- *Emphasize that funds not needed will not be spent*

- *Discuss methods for tracking spending to ensure accuracy/accountability*

CalMTA response:

- Added details about payment structure and cost tracking with an emphasis that funds not needed will not be spent

- Plan to discuss 2024 invoice template at a future MTAB meeting

Budget General

Key comments related to: 2023 Budget

- *Recommend adding 2023 budget so that reviewers will be able to compare spending from this year*

CalMTA response:

- Added 2023 budget from Advice Letter **4674-G/6747-E**

Budget General

Key comments related to: Specificity of Goals/Deliverables

- *Provide more cut and dry goals; quantify deliverables*

CalMTA response:

- Added specific numbers where possible

Budget General

CalMTA

Key comments related to: Org Structure and the Cost of Labor

- *# of FTEs and the costs per FTE appear to be reasonable and within market rates for similar work*

- *Provide more info on CalMTA's organizational structure. Would help to justify the number and cost of FTE's*

- *Overarching concern about the labor costs for CalMTA staff on a $/FTE basis. Seems high relative to comparison EE PA's budgets.*

Budget General

CalMTA response: Org structure and cost of labor

- Added an organization chart in Appendix A and provided details on the assumptions that went into the FTE calculations

- Updated the FTE calcs on the assumption that fully-dedicated staff bill ~80% of time to the project

  - Average cost per FTE for CalMTA team is $388,593 (between Bay REN and SoCalREN)

Budget General

CalMTA response: Org structure and cost of labor (cont.)

- Labor costs are based on contracted bill rates

  - Accepted via competitive bid

  - In alignment with competitive market rates

- Comparisons with EE PA portfolios must be done with caution:

  - Large part of CalMTA work done by senior staff with 20-30 years specialized experience

  - Fewer jobs at lower levels in MT when compared to typical EE programs

Budget General

Key comments related to: The size of the budget.

Two views:

1) Increase the budget to use more of the funding allocation given the scale of California's clean energy needs and the CPUC's ESJ goals

2) Take a more conservative approach and delay requesting the full allocation until we have more details on specific MTIs

Budget General

Comments in support of using more of the available funding:

- *It is reasonable and appropriate to prepare for a challenging and ambitious initiative.*

- *Given the challenge of amending budget in timely manner and the inability to carry over funds, recommend to include the additional funds allocated for CalMTA*

Budget General

Comments in support of taking a more conservative approach:

- *It's prudent to be more cautious with the budget. It's improper to allocate the rest of the $19.6M in funding*

  - *Budget should be scaled back and designed around 7-10 initiatives*

  - *Better to start low and scale up if needed*

Budget General

CalMTA response:

- Budget provided is necessary for the scope of work described in the ABAL.

- We don't believe that starting low and requesting more funds through a supplemental advice letter is feasible
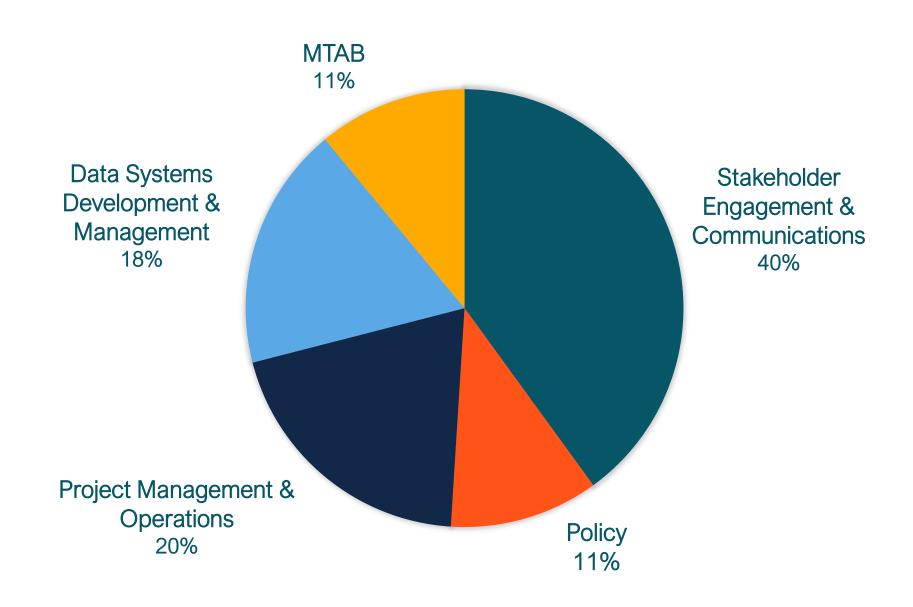
CalMTA Operations
(23% of Total Budget)

Jim Giordano

Principal, CalMTA Operations

MTA Operations — 5 Major Activities

MTAB
**(11% of Operations Budget,
2.6% of Total)**

Jim Giordano

Principal, CalMTA Operations

MTAB

- Budget for virtual and in-person MTAB meetings

- Meeting prep & follow up

- Meeting execution

- Direct costs including:

  - Facility, meals

  - Member stipends

  - Travel costs (for both CalMTA team and MTAB members)

MTAB

Key Comment*: I am surprised to see a >$500K line item for MTAB operations, especially since meetings and related activities will be "lumpy" in 2024.*

CalMTA Response:

- 82% of the MTAB budget is labor

  - Meeting prep is labor intensive; involves all of the CalMTA leadership team.

  - Budget assumes four in-person MTAB meetings and six virtual meetings (fewer meetings will result in lower cost)

- 18% of the budget is for non-labor costs (travel, stipends, other direct costs)

Stakeholder Engagement & Communication

(40% of Operations Budget, 9% of Total)

Stacey Hobart

Principal, Stakeholder Engagement & Communications

Key Deliverables

- Annual and quarterly reports

- Semi-monthly (24) stakeholder communications via newsletter/notices

- Live webinars on CalMTA activities

- Regularly updated calmta.org website with analytics reporting

- Collateral in support of CalMTA or MTI audience outreach

- Stakeholder contact lists and meeting tracking/reporting

- 10-12 listening session/focus group engagements

- Communications support for 6 working groups for MTIs moving into Phase II

- Marketing and communications scopes in full MTI plans

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Stakeholder Engagement & Communication: Comment

Engagement and coordination are essential to be additive and garner long-term support

CalMTA Response:

- Agree that stakeholder engagement is a key element of our work

- Will collaborate with existing PAs to ensure that CalMTA's work is additive and supportive of current implementation of RA programs

- Working with emerging technology and codes and standards groups to help move new technologies into the market and eventually, if appropriate, make them part of the code or other standard.

- Listening sessions and opportunities for feedback will allow us to hear from groups, particularly ESJ and WE&T organizations.

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Stakeholder Engagement & Communication: Comment

Concern that the price tag does not match the scope of work specifically related to webinars

CalMTA Response:

- To improve understanding, we added more detail to activities and deliverables shared in the ABAL
- Stakeholder Engagement activities include a range of work (not just webinars) including:
    - developing and maintaining platforms and systems to manage and regularly communicate with CalMTA stakeholders.
    - managing opportunities for specific market relationships and engagement, research, and testing based on MTI priorities.

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Market Transformation Initiative/Concept Development
(72% of Total Budget)

Jeff Mitchell

Principal, MTI Deployment & Development

Key Deliverables

Phase I: Concept Development

- Reviews of ideas submitted each quarter, including scoring and discussion with MTAB.

- 3 summary reports of quarterly RFI submissions.

- 5 new MTI Advancement Plans for MTI ideas received in 2023 plus 3 MTI Advancement Plans for prioritized MTI ideas received and identified in 2024 (eight MTI Advancement Plans total).

Key Deliverables

Phase II: Program Development

- 10 market characterizations and other completed market research as identified per MTI Advancement Plans.

- Active involvement of 6 MTI Working Groups collaborating on MTI development.

- 4 MTI Plans submitted to the CPUC via an application.

MTI Development: Comment

…Include the additional funds allocated for CalMTA development as a contingency. Given the challenges of amending this budget in a timely manner and the inability to carry over funds, this would enable the CalMTA to access these funds if needed.

…I recommend that the Pilot project budget be doubled to $5M in order to accommodate a single large project or multiple smaller projects that will enable acceleration of MTIs once the application process is completed.

…It may be worthwhile to provide some explanation for the Testing/Pilots; perhaps estimates for each pilot, field test, lab test, etc., so that if the total budget is closer to $2M, there can be greater justification for expenditures when the MTIs are known.

MTI Development:

CalMTA Response:

Strategy Testing Activities:

- Added detail describing potential pilot activities

  Pilot activities will be detailed in the MTI Advancement Plans and socialized with MTAB prior to the launch of any pilot activities.

- Increased pilot budget and associated staff labor hours

Other MTI Development Activities

- Increased market research activities to highest end of potential ranges i.e. market characterizations, workgroups,

MTI Development: Comment

…This seems astronomically costly with no indication of how many initiatives will come of it. In the section above you aim to deliver 4 RFIs for ~$1.2 million. For $9 million you are proposing 3 MTI plans in one application.

CalMTA Response:

- Activities include the implementation of all activities identified in MTI Advancement Plans, which include:

  - Developing UES estimates, baseline market adoption forecasts, market characterization studies, market adoption forecasts, market characterization research, grid impact models, GHG reduction models, ESJ market strategies, etc.
  - CalMTA will be implementing activities for up to 10 total MTI Advancement Plans in 2024

- Increased number of MTI Plans delivered to 4

Any questions on the $19.6M budget overall?

CalMTA

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#5
Next Steps & Meetings

Margie Gardner

Vice President, Market
Transformation

Upcoming MTAB Meetings

Meeting Date	Format	Key Topics
Fri. August 18		*RFI Closes ------------------------*
Fri. Sept. 8	4-hour virtual	Initial summary of RFI ideas (no scores) Weighting of criteria
TBD	Virtual or in-person	Discussion on Front Runners and other top scoring MTIs
Thurs. Nov 30 & Fri. Dec. 1	In-person	Draft Disposition Report (includes scoring & recommendations) Draft Advancement Plans for front runners
Thurs. Jan 25	In-person	Draft V2 Disposition Report Additional Advancement Plans

*Join us for CalMTA Request for Ideas (RFI) Briefing
Tuesday, July 18th, noon – 1 pm PST
Register at: https://calmta.org/meetings-events/
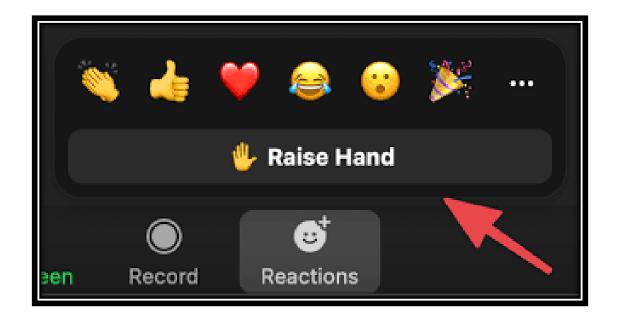
Additional likely MTAB Agenda Items
(through Jan. 2024)

- Evaluation Framework and process

    - Focus on metrics

- Deep dive into Advancement Plans as they are ready

- Stakeholder engagement activities, including

    - Working Groups for MTIs

    - C&S/ Resource acquisition coordination

    - Statewide ET groups

- MTAB seat openings for 1-year inaugural seats

- Invoice template

Public Comment

Raise your hand using the "Reactions" feature and we will allow you to unmute yourself.

CalMTA

Thank you for attending!
See our upcoming meetings & events at
calmta.org