

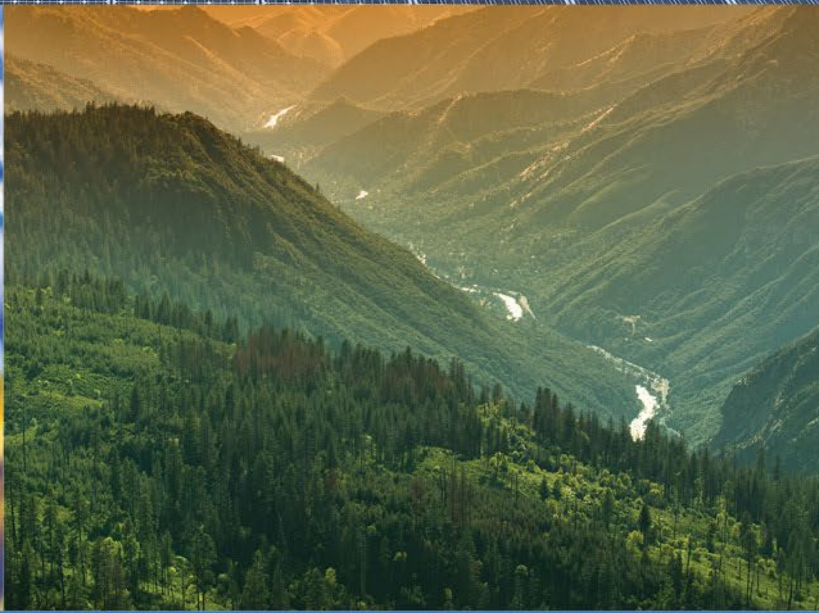

2024 Report on Trusts and Entities Established by the California Public Utilities Commission

Assembly Bill 1338 (Public Utilities Code Section 910.4)
Annual Report to the Legislature

Published February 1, 2025

California Public
Utilities Commission

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Thanks to:

CETF
CALIFORNIA EMERGING TECHNOLOGY FUND

CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING

California Clean Energy Fund

CalMTA

DCISC
DIABLO CANYON INDEPENDENT SAFETY COMMITTEE

Stewardship Council

Contents

Introduction

This 2024 annual legislative report is submitted by the California Public Utilities Commission (CPUC) to the Legislature according to Assembly Bill (AB) 1338 (Committee on Budget, Chapter 760, Statutes of 2008). It summarizes annual updates to fiscal and governance information for entities and programs established by the CPUC.

Assembly Bill 1338 (Committee on Budget, 2008)

AB 1338 required the CPUC to report to the Legislature certain information concerning entities or programs created by order of the CPUC. Section 326.5 of the Public Utilities Code which was added by AB 1338, was subsequently amended and renumbered to Public Utilities Code section 910.4, and is included in full below:

Public Utilities Code section 910.4.

By February 1 of each year, the Commission shall report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature on all sources and amounts of funding and actual and proposed expenditures, both in the two prior fiscal years and for the proposed fiscal year, including any costs to ratepayers, related to both of the following:

(a) Entities or programs established by the Commission by order, decision, motion, settlement, or other action, including, but not limited to, the California Clean Energy Fund, the California Emerging Technology Fund, and the Pacific Forest and Watershed Lands Stewardship Council. The report shall contain descriptions of relevant issues, including, but not limited to, all the following:
   (1) Any governance structure established for an entity or program.
   (2) Any staff or employees hired by or for the entity or program and their salaries and expenses.
   (3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.
   (4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the Commission entered into the contract.
   (5) The public process and oversight governing the entity or program's activities.

(b) Entities or programs established by the Commission, other than those expressly authorized by statute, under the following sections:
   (1) Section 379.6.
   (2) Section 399.8.
   (3) Section 739.1.
   (4) Section 2790.
   (5) Section 2851.
   (6) Section 921.1.

(7) Section 922.

(c) Upon an entity ceasing operations, or a program ending, because its activities, including receiving revenue or making expenditures, have concluded, commission reporting on the entity or program pursuant to this section shall continue for the subsequent two fiscal years following the entity ceasing operations or the program ending. Following those subsequent two fiscal years, the commission shall note in the report submitted pursuant to this section which entity ceased operations or program ended, and the commission shall not be subject to any other reporting obligations related to the entity or program pursuant to this section.

Entities or Programs Established by the California Public Utilities Commission

Table 1 shows the actual and proposed expenditures for the prior two fiscal years and current fiscal year for entities and programs established by order of the CPUC. The chapters for each entity and program that follow include further details and required reporting information.

Table 1. Entities' and Programs' Actual and Proposed Expenditures, 2022-2025

Entity	Expenditures	2022-2023	2023-2024	2024-2025
The Pacific Forest and Watershed Lands Stewardship Council	Proposed	$10,989,377	$6,559,927	$1,287,222
	Actual	$9,155,446	$7,754,179[1]	$1,287,222
The California Clean Energy Fund (CalCEF)	Proposed	$13,700,000	$16,700,000	$16,000,000
	Actual	$14,420,000[2]	$11,260,000[3]	TBD
The California Emerging Technology Fund (CETF)	Proposed	$14,060,000	$14,225,000	$13,325,000
	Actual	$9,491,888	$10,591,270	TBD
California Market Transformation Administrator (CalMTA)[4]	Proposed	$14,363,731[5]	$19,531,591[6]	19,600,000[7]
	Actual	$11,132,121	TBD	TBD

[1] Actual expenditures

[2] Actual expenditures, which also includes increased expenditures along with additional revenue and programmatic efforts.

[3] As of September 30th, 2024; data for fourth quarter 2024 is not complete

[4] 2022-2023 shows the CalMTA actual and proposed spend for its initial, extended, startup year — from November 23, 2022 through December 31, 2023.

[5] This is the budget for calendar year 2024

[6] This is the proposed budget for calendar year 2025

[7] Variability in spending across the years is due to multiyear budget allocation.

Table 1. Entities' and Programs' Actual and Proposed Expenditures, 2022-2025				
The California Hub for Energy Efficiency Financing (CHEEF)	Proposed	$5,290,515	$4,668,985	$4,558,223
	Actual	$3,265,202	$3,544,133	TBD
The Diablo Canyon Independent Safety Committee (DCISC)[8]	Proposed	$1,219,615	$1,331,014[9]	$1,115,000[10]
	Actual	1,302,850[11]	TBD	TBD
Nuclear Decommissioning Trusts	Proposed	N/A	N/A	N/A
	Actual	TBD	TBD	TBD
Electric Program Investment Charge (EPIC)	Proposed	$185,000,000	$185,000,000	185,000,000
	Actual	$117,796,109[12]	121,066,575[13]	184,185,911
TECH Initiative	Proposed	$40,663,446[14]	$47,768,921	$62,687,032
	Actual	$35,068,522	$47,224,057[15]	$19,048,815[16]
BUILD Programs	Proposed	N/A	N/A	N/A
	Actual	$2,131,451[17]	$1,224,114[18]	$952,529[19]

Additional details for each Trust and Entity are included in the chapters that follow. The fiscal year for the CalCEF, the The Pacific Forest and Watershed Lands Stewardship Council, CalMTA, and EPIC is from January 1-December 31. The fiscal year for all other entities listed is from July 1-June 30. For the CalCEF and EPIC, the figures provided are for calendar years 2022, 2023, 2024. For DCISC and CalMTA, the figures provided are for calendar years 2023,2024, and 2025.

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8 DCISC reports its finances on a calendar year basis.

9 Calendar year 2024

10 Calendar year 2025

11 Calendar year 2023

12 actual expenditures.

13 The 2023-2024 EPIC value has been updated from the 2023 report to represent final actual expenditures.

14 The CPUC approves CalMTA budgets based on the calendar year. Actual expenditures are not yet available for a full year of operation. Values for 2022 represent a partial year: November 23 to December 31.

15 Expenditures include only Investor-Owned Utility (IOU) Public Purpose Program funds spent in support of CHEEF; they do not include funding from outside sources to serve non-IOU customers.

16 The 2023-2024 EPIC value has been updated from the 2023 report to represent final actual expenditures.

17 Proposed expenditure does not include the additional $50 million from the state budget (AB/SB 179).

18 Actual expenditures for FY 2023-24 (July 1, 2023 to June 30, 2024).

19 Actual expenditures through October 31, 2024.

Annual Report Updates from Trusts & Entities Created by the CPUC

The Pacific Forest and Watershed Lands Stewardship Council

Background

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) was formed as a result of CPUC Decision (D.) 03-12-035 from dated December 18, which specified that a total of $100 million would be provided to the Stewardship Council for land conservation and providing opportunities for youth to learn about and explore the natural environment. the Land Conservation Commitment and the Environmental Opportunity for Urban Youth. D. 03-12-035 further stipulated that funding would be paid over 10 years, to be recovered in retail rates. The Stewardship Council did not receive any additional sources of funding.

The Stewardship Council's mission was to protect and enhance watershed lands and uses and invest in efforts to improve the lives of young Californians through connections with the outdoors. The Stewardship Council had two goals: (1) to ensure that over 140,000 acres of California's pristine watershed lands were conserved for the public good through the Land Conservation Program, and (2) to invest in outdoor programs that serve young people residing in the PG&E service area through the Youth Investment Program.

The Stewardship Council Board of Directors (Board) was comprised of appointees from State and federal agencies, including the CPUC, water districts, tribal and rural interests, forestry industry, conservation organizations, and PG&E. The Board's decisions were all made by consensus. As of April 2024, the Stewardship Council dissolved as a nonprofit organization.

2024 Updates & Accomplishments

- The Stewardship Council Board approved all 96 Land Conservation and Conveyance Plans (LCCPs) for fee donations and conservation easement or conservation covenant transactions on the Watershed Lands. These plans describe how the proposed transactions satisfy the requirements of the Decision. After the Board approved a LCCP, PG&E then seeks regulatory approval of the transaction from the CPUC and the Federal Energy Regulatory Commission (FERC), as applicable. The Board approved LCCPs for approximately 38,410 acres that were recommended for donation and for approximately 101,970 acres that are being retained by PG&E.
- As of November 1, 2024, all 96 conservation easement and fee title donation transactions have closed escrow.

- As of November 1, 2024, following regulatory approvals, 56 conservation easements were recorded on more than 101,590 acres being retained by PG&E at the following planning units: Doyle Springs, Kern River, Narrows, Middle Fork Stanislaus, Lower Bear, Iron Canyon Reservoir, Fordyce, Merced River, Lower Drum, Kilarc, Wishon Reservoir, Lake Spaulding, Blue Lakes, McArthur Swamp, Chili Bar, Mountain Meadows, Lake McCloud, Willow Creek, Kerckhoff Lake, Lyons Reservoir, Cow Creek, Battle Creek, Kings River, Manzanita Lake, Butte Creek, Philbrook Reservoir, Auberry, Butt Valley Reservoir, Fall River Valley, Bucks Lake, Bass Lake, Eel River, North Fork Mokelumne River, Hat Creek, Bear River, Tunnel Reservoir, Lake Britton and North Fork Feather River.

2024 Environmental Enhancement Program Accomplishments and Updates

Since launching the Environmental Enhancement Program in 2012, the Stewardship Council has awarded approximately $15 million in grants. In 2024, the Environmental Enhancement Program was turned over to the Sierra Nevada Conservancy to administer. The Sierra Nevada Conservancy will provide an updated report to the CPUC in 2026.

Enhancement projects continued to be active in Shasta, Lassen, Madera, and Plumas counties at Fall River Lake, Indian Ole Dam at Mountain Meadows Reservoir, Manzanita Lake, Bucks Lake, and McArthur Swamp.

The Student Conservation Association was granted $100,000 to restore the Benmore Trail in the Eel River planning unit that was damaged during salvage logging from the Ranch Fire. Additional grants were provided to the Sierra Nevada Conservancy at the beginning of 2024.

Annual Reporting Updates

The annual audit reporting information required by statute is provided below.

Expenditures

Table 2 shows the Stewardship Council's actual and proposed expenditures for the two prior fiscal years and the proposed fiscal year based on the most recent audit report and tax return.

Table 2. The Stewardship Council's Actual and Proposed Expenditures, 2023-2025

Fiscal Year	**2023**	**2024**	**2025**
Proposed expenditures (budget)	$6,559,927	$1,287,222	N/A
Actual expenditures	$7,754,179[20]	$1,287,222*	N/A

[20] Proposed spending through 2023.

The Stewardship Council has established an independent Audit Committee, which oversees a full financial audit of the organization's financial statements and internal controls processes. The annual audit and the organization's IRS form 990: Return of Private Foundation are available to the public on the Stewardship Council's website. These reports can be found here.

**This is the final expenditure for the Stewardship Council, as it wound down and officially dissolved as a nonprofit organization in April 2024.*

Governance Structure

This section provides links to relevant documents related to the Stewardship Council's governance structure.

1. Articles of Incorporation
2. Bylaws
3. Settlement Agreement
4. Stipulation Agreement
5. Policies and Procedures: The board-adopted Policies and Procedures are available upon request.

Schedule of Employees and Compensation

Table 3 provides a summary of staff salaries and benefits. A more detailed breakdown of salaries and benefits for the top five highest paid employees, and employee compensation is provided in Appendix A.1.

Table 3. General Breakdown of Stewardship Council's Active Staff Costs, December 31, 2022-October 31, 2024

Year	Gross Pay	Benefits	401K	Total
2022	$553,092	$54,164	$22,437	$629,694.04
2023	$258,316	$22,547	$10,333	$291,196
2024	$61,982			$61,982

The Stewardship Council completed the requirements of D.03-12-035 as of April 2024. The Stewardship Council dissolved consistent with the founding documents. The final active staff costs are a result of a final severance payment made to the remaining staff.

Staff Transferred or Loaned

No State staff are currently or has ever been loaned internally or interdepartmentally to the Stewardship Council.

Contracts, Funding Sources, and Legislative Authority

Pursuant to D.03-12-035, PG&E was obligated to fund the Stewardship Council annually over a 10-year period and was authorized by the Commission to recover these payments in rates. PG&E made its tenth and final installment payment to the Stewardship Council in January 2013. The Commission is not a party to any of the contracts entered into by the Stewardship Council, except that it is a third-party beneficiary to a grant that the Stewardship Council entered into with the Foundation for Youth Investment (now known as Justice Outside). When the Stewardship Council dissolved, the CPUC will have the right to succeed to the Stewardship Council's rights, but not its obligations, under the grant agreement.

A schedule of professional fees is provided in Appendix A.2.

Public Process and Oversight

The Stewardship Council's Stipulation Agreement, corporate bylaws, and board-adopted policies and procedures guide its public process and oversight.

1. Stipulation Agreement. The Stipulation Agreement provides:
   a) "The meetings of the Governing Board [of the Stewardship Council], including meeting minutes, will be public… The Stewardship Council will publish notice of its meetings in newspapers of general circulation in the counties where affected parcels are located and will maintain a public web site… Before making decisions regarding the disposition of any individual parcel, the Stewardship Council will provide notice to the Board of Supervisors of the affected county, each affected city, town, and water supply entity, each affected Tribe and/or co- licensee, and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner." (Section 11(c))
   b) "The Governing Board will make each decision by consensus" (Section 11(a) "Each member of the Governing Board will report to, and back from, the entity he or she represents before the Governing Board takes any programmatic action . . . in order to ensure that consensus represents the views of that entity." (Section 11(b))
   c) "The Stewardship Council will provide semi-annual progress reports to the Commission… Each such report will state (1) actual expenditures and progress achieved towards the stated purpose of the Land Conservation Commitment; (2) unresolved disputes within the Governing Board; and (3) anticipated expenditures and actions during the next reporting period." (Section 14)
2. Corporate bylaws. The Stewardship Council's corporate bylaws are as follows:
   Section 11. Public Notice of Meetings.
   a) All meetings of the Board, including meeting minutes, shall be public; provided, however, that the Board shall have the authority to undertake a closed meeting in appropriate circumstances. The Board shall publish notice of its meetings in newspapers of general circulation in the affected counties within a reasonable time prior to any meeting and shall maintain a public web site that provides notices of its meetings and copies of all meeting minutes. Upon request, all information available on the web site shall be made available in hard copy to members of the public at cost.

b) Before the Board makes any decision regarding any individual parcel of land, the Board shall provide notice to the Board of Supervisors of the affected county, each affected city, town and water supply entity, each affected tribe and/or co-licensee and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner within a reasonable time prior to the meeting at which the Board will make the decision regarding that land.

3. Board-adopted policies and procedures. The board-adopted Policies and Procedures include the following:
   a) Public Noticing - The Stewardship Council is required to "publish notice of its meetings in newspapers of general circulation in the counties where affected parcels are located..." It is also required by its Bylaws to "publish notice of its meetings in newspapers of general circulation in the affected counties within a reasonable time prior to any meeting…" Staff will be responsible for meeting the letter and spirit of these requirements through an inclusive and comprehensive public outreach effort.
   b) Stewardship Council 2021 - 2023 Public Outreach Activities, Targeted Media Outreach and Noticing:
      i) The Stewardship Council sends e-mails to interested stakeholders in its database regarding Land Conservation program updates and information, and announcements for public Stewardship Council board meetings. As of November 1, 2021, the Stewardship Council database included 13,417 individuals and 5,183 organizations (federal, State, local agencies, non-profits, schools, tribal entities, foundations, and for-profit businesses).
      ii) The Stewardship Council sends news releases announcing public board meetings to a media database, which includes over 1,200 media outlet representatives.
      iii) The Stewardship Council pays for legal notices to be printed in local papers, noticing all public board meetings. Notices are printed in newspapers serving populations that are located in the geographical areas corresponding to the Watershed Lands that are the subject of a recommendation for the selection of a fee donee or conservation easement holder or a proposed action approving a LCCP.
      iv) The Stewardship Council's 2022 annual report[21] is posted to the Council's website, and its availability announced via an e-mail to all stakeholders in its database.

[21] Historical annual reports are also available here

The California Clean Energy Fund

Background

The California Clean Energy Fund (CalCEF) is an independent 501(c)(4) non-profit corporation, doing business as New Energy Nexus. The CalCEF was established as a result of the 2003 bankruptcy settlement between PG&E and the CPUC by D.03-12-035, related to Investigation (I.) 02-04-026.[22] PG&E granted the CalCEF $30 million over a five-year distribution period that was derived from shareholders per the terms of the Settlement Agreement.

Over the years, CalCEF has expanded into a family of entrepreneurial non-profit organizations focused on the rapid commercialization, deployment, and scale up of low-carbon energy technologies. The CalCEF framework (comprised of three not-for-profit corporations: CalCEF Ventures, CalCEF Innovations, and CalCEF Catalyst) identifies market barriers, develops and launches innovative financing solutions to overcome those barriers, and invests in the deployment of those solutions. The CalCEF is forging a new model of market, policy, and financial innovation to bridge gaps in the development cycle of clean energy technologies.

In 2019, the CalCEF organizations rebranded as New Energy Nexus.

Since 2017, all funds provided from the 2003 Settlement Agreement have been spent down and remaining investment returns are not expected to provide a reliable funding stream for the organization's future work. The organization is now sustained through other sources of funding as described in more detail under the heading Contracts, Funding Sources, and Legislative Authority below.

2024 Updates & Accomplishments

The 2024 fiscal year's program accomplishments in California include[23]:

- The California Sustainable Energy Entrepreneur Development (CalSEED) Concept Awards, awarded 17 companies Concept Award grants to develop their breakthrough technologies. In total $3.4 million of the Electric Program Investment Charge (EPIC) funds will be invested in clean energy innovations throughout California.
- In 2024 CalSEED announced six winners of the the Prototype Awards, totaling $3 Million of the CEC EPIC funds invested in promising breakthrough clean energy technologies.
- CalTestBed awarded $3.4 million in vouchers to 12 clean energy startups to test and de-risk their technologies. CalTestBed is public- private partnership led by New Energy Nexus and implemented in partnership with UC Office of the President and Lawrence Berkely National Lab. CalTestBed is

[22] Order Instituting Investigation into the ratemaking implications for PG&E pursuant to the Commission's Alternative Plan of Reorganization under Chapter 11 of the Bankruptcy Code for PG&E, in the U.S. Bankruptcy Court, Northern District of California, San Francisco Division, In re PG&E, Case No. 01-30923 DM: D.03-12-035.

[23] CalCEF programs listed in report are only for projects in California.

supported by the California Energy Commission (CEC) with EPIC funds. The Initiative provides early to mid-stage clean energy innovators access to testing at nine University of California campuses and Lawrence Berkeley National Laboratories.

- New Energy Nexus expanded its annual CalTestBed Symposium into an in-person conference, NEX Level: The Convening for the California Clean Energy Entrepreneur, The event hosted 100 attendees and brought together innovators with funders, experts, and leaders from across California's clean energy ecosystem.
- New Energy Nexus, in partnership with the Institute for Social Transformation at UC Santa Cruz and the UC Berkeley Labor Center, released Powering Prosperity: Building an Inclusive Lithium Supply Chain in California's Salton Sea Region. The report features the Lithium Battery Supply Chains of North America platform, mapping jobs across the supply chain with insights into labor, climate, and economic justice indicators..
- New Energy Nexus launched ConNEX, a new bi-monthly virtual workshop series for clean energy entrepreneursConNEX has provided a useful platform, bringing together entrepreneurs, funders, and experts to support innovation and growth within California's clean energy ecosystem.

Annual Reporting Updates

The annual audit reporting information required by statute is provided below. This information represents reporting for CalCEF Ventures, CalCEF Innovations, and CalCEF Catalyst combined.

Expenditures

Table 4 shows the actual and proposed expenditures for the two prior fiscal years and the proposed fiscal year for CalCEF.

Table 4. CalCEF's Actual and Proposed Expenditures, 2023-2025

Year		**2023**	**2024**	**2025**
Proposed expenditures (budget)		$13,700,000	$16,700,000	$16,000,000
Actual expenditures		$14,420,000	$11,260,000[24]	TBD

CalCEF's fiscal year is from January 1-December 31.

Governance Structure

CalCEF Ventures is governed by a board of between 3-15 directors under its Incorporation Charter and Bylaws filed in 2004 and the 2013 amended and restated Bylaws. CalCEF Ventures appoints the Board of Directors of CalCEF Innovations, a 501(c)(3) non-profit corporation and CalCEF Catalyst, a 501(c)(6) non-

[24] As of September 30th, 2024; data for Q4 of 2024 is incomplete.

profit corporation. CalCEF Innovations currently has a board of 10 directors while CalCEF Catalyst has a board of four directors.

Governance Overview

CalCEF Ventures has been a limited partner in Clean Energy Advantage Partners since 2011 and is a general partner in Microgrid Catalytic Capital Partners.

- Articles of Incorporation: Articles of Incorporation, 2004.
- Bylaws: Restated Bylaws, 2013.
- Settlement Agreement: D.03-12-035 Appendix B - Settlement Agreement.
- Stipulation Agreement: No stipulation agreement found.
- Policies and Procedures: Conflict of Interest Policy, 2009.
- Current board members:Jon Foster, Julie Blunden, Janet Dalziell, Ian Rogoff .

Schedule of Employees and Compensation

CalCEF Ventures has 23 employees (22 full-time equivalent staff and one part-time staff), which includes staff charged out to CalCEF Innovations and CalCEF Catalyst. Table 5 includes staff salaries and benefits for all staff across t CalCEF. Settlement funds were fully spent down as of the end of 2017; hence no settlement funds have been spent on staff salaries or benefits since then.

Table 5. New Energy Nexus Staff Salaries

Year	Gross Pay	Benefits	Total
2022	$1,684,718	$138,613	$1,823,331
2023	$2,154,308	$632,166	$2,786,474
2024 Year to Date	$1,904,630	$498,385	$2,403,015[25]

Staff Transferred or Loaned

Staff are shared across the CalCEF organizations but recorded for each organization separately. No State staff is currently, or has ever, been loaned to this organization. No staff from other organizations is on loan to the CalCEF.

[25] As of October 31st, 2024; data for 4Q24 is not complete.

Contracts, Funding Sources, and Legislative Authority

PG&E shareholders provided CalCEF Ventures' initial funding of $30 million. The funding extended over a five-year period as follows: $2 million in 2004, $4 million in 2005, $6 million in 2006, $8 million in 2007, and $10 million in 2008. PG&E's role in CalCEF Ventures was limited to providing the $30 million in funding and in appointing three of the initial board members (none remain). Authority for this funding was granted in CPUC Decision (D).03-12-035, upon settlement of PG&E's bankruptcy.

CalCEF Ventures invested in new technologies by entering into partnering contracts with certain for-profit venture capital partners, all of which have been wound down,.

In 2011 CalCEF Ventures co-established a new investment vehicle with Clean Energy Advantage Partners CalCEF Ventures maintains ownership interest in Clean Energy Advantage Partners.

In September 2016, CalCEF Ventures entered into a contract with the CEC to administer and operate the CalSEED Initiative. The program is funded through the Electric Program Investment Charge (EPIC). The contract was approved and executed at the CEC Business Meeting on June 9, 2021 and will be extended and refunded into 2027.

In January 2018, CalCEF Ventures was awarded a grant by the CEC to manage the CalTestBed program. This contract was finalized in Jun 2019 and has since been extended into early 2026. The program is funded through EPIC.

After the initial funding for CalCEF Ventures was spent, the organization transitioned to a financed operating model through a combination of grants, including two grants totaling $750,000 from the Economic Development Agency to support regional innovation strategies in California and a private sector grant to support catalytic investments, and other mission-aligned earned income streams. As part of its catalytic investment activities, CalCEF Ventures is a general partner in Microgrid Catalytic Capital Partners.

CalCEF Innovations is predominantly funded by philanthropic grants. CalCEF Catalyst receives certain membership and fee-for-service income from the member[26] companies in its CalCharge program.

Public Process and Oversight

CalCEF Ventures is a non-profit 501(c)(4) corporation not funded through direct taxation or utility ratepayers, except for CalSEED as the one exception because of the award of the 3.4 Million of an EPIC grant in 2024. CalCEF Ventures, CalCEF Innovations, and CalCEF Catalyst each have a Board of Directors that provide an oversight of program activities.

[26] Membership is non-voting.

The California Emerging Technology Fund

Background

The California Emerging Technology Fund (CETF) was established as a non-profit corporation pursuant to orders from the CPUC approving the mergers of SBC/AT&T and Verizon/MCI in 2005 in CPUC D.05-11-028 and D.05-11-029, respectively. As a condition of approval of the mergers, AT&T and Verizon were required to contribute to the CETF a total of $60 million over five years "for the purpose of achieving ubiquitous access to broadband and advanced services in California, particularly in underserved communities, through the use of emerging technologies by 2010."

Pursuant to CPUC D.15-12-005, issued on December 9, 2015, additional funds were provided to the CETF through a Memorandum of Understanding (MOU) demonstrating public benefit from the mergers of Frontier Communications and Verizon Wireline. As a result of D.15-12-005, Frontier entered into an agreement with the CETF to implement several activities to close the Digital Divide, including a pass-through of $3,050,000 in funds to re-grant to non-profit community-based organizations (CBOs) throughout its territory in California. The CETF did not negotiate any funds from Frontier to support its operations.

Pursuant to CPUC D.16-05-007, issued on May 12, 2016, additional funds were provided to the CETF through an MOU demonstrating public benefit from the mergers Charter Communications, Inc., Time Warner Cable, Inc., and Bright House Networks. As a result of D.16-05-007, on July 1, 2016, Charter agreed in the MOU with the CETF to provide $6,500,000 each year for five years for a total of $32.5 million to support the CETF's core mission and program activities in Charter territories. Both companies agreed that the work of CETF would remain vendor neutral.

In addition, in February 2019, the City of San José City Council voted to engage the CETF to assist in the management of grants with local CBOs and public agencies from its Digital Inclusion Fund, which is referred to as the San José Digital Inclusion Partnership (SJDIP). Per the action of the City Council and signed agreement, CETF received $20,000 from the City in fiscal year 2018-2019, and was to receive $190,000 annually, to support the SJDIP Manager and manage Digital Inclusion grant payments that will flow through the CETF. In June 2022 the City amended the agreement with CETF to provide a total of $210,000 in FY21-22 and $215,000 in FY22-23 to manage the SJDIP. Per the requirement of CETF, the City is conducting an evaluation of SJDIP and all Digital Inclusion Programs to assess impact and reset the baseline of unserved households for the future. CETF received $47,500 in 1st Quarter FY23-24 to manage SJDIP. The City agreement with CETF to manage SJDIP ended on September 30, 2023.

Pursuant to CPUC D.20-04-008, issued on April 16, 2020, additional funds were provided to the CETF through an MOU demonstrating public benefit from the mergers T-Mobile USA, Inc. and Sprint Communications, L.P. As a result of D.20-04-008, T-Mobile agreed in the MOU with the CETF to provide $7 million each year for five years for a total of $35 million: $22 million to support the CETF's digital inclusion programs in T-Mobile territory and $13 million to support the CETF core mission to accelerate broadband deployment and adoption. Both companies agreed that the work of CETF would remain vendor neutral.

In the establishment of the CETF, the CPUC directed it to pursue the goals that expanded the adoption and usage of broadband technology in addition to promoting ubiquitous access: "[w]e understand that without computers and computer literacy neither availability nor access will ensure use. It is low use that is at the heart of the digital divide. The CETF should consider the possibility of public-private partnerships to develop community broadband access points that provide both."

When the CETF became operational in 2007, the Board of Directors developed a Strategic Action Plan with aggressive Overall Goals to achieve or cause the following to happen: 98 percent deployment and 80 percent adoption. Those Overall Goals were achieved in the first decade (per the Decade Report delivered to the CPUC and Legislature in November 2017). In 2017, the CETF approved a new 5-Year Strategic Plan to achieve new Overall Goals: 98 percent deployment by region (based on unserved households identified in 2017) and 90 percent adoption statewide. The CETF achieved these Overall Goals by June 2022. The 2022 Updates and Accomplishments reflect the conclusion of the 5-Year Strategic Plan as well as FY21-22. The CETF Board of Directors in June 2022 adopted a new 3-Year Strategic Plan to coincide with the arc of planning and implementation defined by the Governor and Legislature in allocating $6 billion in federal funds to be invested in broadband infrastructure.

CETF awarded and managed almost $8.3 million in Grants to non-profit CBOs and public agencies during the 5-Year Strategic Action Plan. Below is the full accounting for all of those Grants. In addition, CETF managed $3 million for Frontier Communications and the distribution of 50,000 computing devices (Chromebooks): (a) $1.5 million and the distribution of 25,000 Chromebooks through CBO Grantees; and (b) $1.5 million to distribute 25,000 Chromebooks to 41 School Districts and 43 Tribal Organizations, including training more than 7,000 parents in digital literacy. CETF also managed more than $2.9 million in Grants for the San José Digital Inclusion Partnership.

CETF has launched a new 5-Year Strategic Plan to align with the federal Infrastructure Investment and Jobs Act (IIJA) release of funds for implementation of State Digital Equity Plans and Broadband Equity, Access, and Deployment (BEAD) Plans. CETF also began diversifying revenues streams by becoming a "preferred partner" to public agencies. CETF now is pursuing expanded partnerships with private-sector leaders, including seeking support from Donor-Advised Funds to institutionalize Digital Inclusion to complete the mission to close the Digital Divide and ensure ongoing Digital Equity. The track record of CETF ensures tangible and quantified results coupled with high returns on contributions. CETF has attained Platinum Transparency status from GuideStar.

2024 Updates & Accomplishment

Promoted Affordable Internet Services and Enrolled Households in Affordability Plans

- Organized a Policy Forum on March 6 that featured CPUC Commissioner Darcie Hauck, Communications Division Deputy Director Maria Ellis, and California Department of Technology Deputy Director Scott Adams with participation by several Regional Broadband Consortia (RBCs.
- Established relationships with Federal Communications Commission (FCC) while implementing a grant to promote Affordable Connectivity Program (ACP) and completing research for Pew Charitable Trusts analyzing the performance of all 50 states for ACP enrollment with lessons learned from 10 top performers.
- Mailed 95,000 fliers re ACP into targeted zip codes in the San Joaquin Valley.
- Sent letters to FCC requesting data sharing and urging Internet Service Providers (ISPs) to continue affordable plans.
- Completed data collection from 9 states for Pew Grant Project and submitted Working Report along with Progress Report in January. Initiated another round of peer review for the Working Report.
- Submitted detailed public comments in January on Draft Digital Equity Plan.
- Secured in Governor's Budget expenditure authority of $150M annually for California Advanced Services Fund (CASF0.
- Interacted with the Legislature on the Affordable Internet and Net Equality Act (AB1588 – Wilson).
- Worked the legislature on the Get Connected! California Act (Senate Bill 1179, Durazo) to institutionalize Internet affordability.
- Continued to lead GetConnected! California and report monthly to CDT and quarterly to California Broadband Council. Led GetConnected! California to achieve 50% ACP Enrollment at 2,945,281—1M more HHs than any other State; moving from 10th among high-performing States to 3rd.
- Conducted ACP Briefing for CASF Grantees.
- Completed 55,094 ACP Enrollments since December 2021 with CBOs support of through call center.
- Sent weekly ACP Enrollment Reports to CDT. Supported CDT to convene and facilitate monthly meetings with FCC Grantees.
- Distributed first follow-up survey to 412 ACP "Expert Advisors" (received a device), collected 141 surveys, analyzing data.
- Engaged CDT, CPUC, and CBC on affordability strategies in response to ACP freeze.
- Attended and prepared presented for 4 California Broadband Council (CBC) Meetings (October 2023, and January 2024, April 2024, July 2024)
- Accelerated FCC Grant to optimize impact before FCC ACP "freeze" to complete: Direct Notification to 2.8M HHs (500,000 goal); 41 ACP Enrollment Events (50 goal); 341 ACP Enrollments (5,000 goal); secured reimbursement for 57% implementation.

- Supported CDT to convene and facilitate monthly meetings with FCC Grantees.
- Mailed 95,000 fliers re ACP into targeted zip codes in the San Joaquin Valley.
- Sent letter to FCC requesting data sharing and urging ISPs to continue affordable offers.
- Secured 4 CASF Grants from CPUC for $4.7M: 1 Call Center and 3 Digital Literacy Grants.
- Secured commitments from Department of Health Care Services and California Department of Social Services to continue Direct Notifications to Medi-Cal and CalFresh recipients.
- Engaged 27 Counties to explore interest in Direct Notification: secured commitments from Alameda County (263,255 HHs) and Santa Clara County (260,697 HHs).
- Collaborated with California State University, Chico(CSUC)(Northeastern and Upstate RBCs) and CSAC to engage 10 Rural Counties for webinar on September 13.
- Concluded San Jose Digital Inclusion Partnership with submission of Round 3 Grants Impact Report and Final Financial Reports.
- Developed Concept Proposal for California Community Reinvestment Act(CRA)Digital Equity Fund; updated post-ACP. Submitted Letter of Interest to US Bank which was declined the initial proposal; debriefed with US Bank and are continuing discussions to explore future collaboration.
- Conducted research for Pew Charitable Trusts on ACP Enrollment in all 50 states, 3 meetings of the Panel of Expert Advisors, organized 3 briefings for federal officials, and prepared and submitted Final Report. Conducted 2 Pew Expert Advisory Panel Meetings and 4 Briefings for FCC and NTIA.
- Prepared a Summary of CETF Focus on AB617 Communities for CARB Chair to highlight the opportunity for collaboration.
- Worked closely with Revivn and Adobe to align allocation of Adobe revenues to support Adoption and Digital Literacy Training.
- Developed and promoted the Green Technology Initiative to be publicly launched for Earth Day 2025.
- Scheduled workshop on December 5 for CBO partners on CASF Applications (Adoptions and Public Housing Accounts) to encourage them to obtain direct CPUC funding.
- Gathered and updated information on ISP affordable offers posted on the IFAN website.
- Developed 10 Principles for LifeLine Reform and initiated discussions with ISPs.

Advanced Digital Literacy with Proficiency Standards

- Developed Digital Literacy Facilitators' Guides for second 3 Elements of UNESCO Framework.
- Updated Digital Navigator Training curricula and initiated process to obtain certification from CSUC: California Digital Navigator Badge.
- Worked with Public Library Association to complete programming for DigitalLearn online platform and assessment referrals (getconnected.digitallearn.org).
- Arranged for T-Mobile to notify 300,000 affordable customers about DigitalLearn. Engaged Davis Research to develop a website for assessment.

Promoted Acceleration of Broadband Deployment

- Convened monthly Learning Communities of 15 Regional Broadband Consortia(RBC)and Metropolitan Planning Organization (MPO) Digital Equity Leadership Grantees on Deployment and Adoption.
- Developed, implemented Local Government Best Practices Check List Project with RBCs-MPOs, engaging >100 Local Governments. Provided $1,000 Grants to 45 Local Governments.
- Attended CPUC BEAD Listening Session in Oakland with Commissioner Houck.
- Continued to support SCAG-SANDAG in completing work on permit streamlining. Engaged all RBC Grantees to participate for optimal impact, efficiency. Engaged all RBCs to participate for optimal impact, efficiency.
- Advised State to leverage BEAD funds to address concerns about MMBI.
- Obtained feedback from RBCs on Charter Communications MOU deployment commitments as due diligence for the public interest.
- Engaged Benton Institute to attend and study the Best Practices Check List Project and continued conversation on LifeLine Reform.
- Completed site visits to determine availability and service for Charter WiFi public locations.
- Secured in Governor's Budget expenditure authority of $150M annually for CASF.

Led and Managed School2Home and Neighborhood Transformation

- Conducted School2Home 2023 Leadership Academy. Launched implementation at 2 new Schools in Montebello District.
- Secured from SVEF District Agreements and School Work Plans to confirm compliance with Grant; negotiated Amendment based on clarified performance requirements.
- Conducted 3 Los Angeles Regional Learning Academies.
- Convened Frontier Device District Partners to recruit Schools to reach 25,000 students for compliance with T-Mobile MOU.
- Organized Education Technology Collaborative with new District and School Partners and conducted 2 Saturday Learning Academies. Facilitated letters from Legislators to CDE, SBE, CCEE seeking data on technology in education in Title I Schools to inform CETF bill.
- Prepared outline of proposed CETF-sponsored bill (Education Technology Empowerment Act) with approval from Policy, Legislation, and Regulations Committee.
- Testified at Assembly Education Committee Hearing on February 21, 2024 convened by Chair Al Muratsuchi.
- Continued support of Family Navigators in Contra Costa County; facilitated monthly meetings.

Sponsored Telehealth for For All Policy and Initiative

- Worked with Assemblymember Dr. Weber to Introduce Telehealth for All Policy (AB1943).

- Concluded Kaiser Permanente Gant, received Final Report from Latinas Contra Cancer to complete ACP enrollments and training by promotoras for 100 families. Following up for more data.
- Completed and released Final Report on FCC Telehealth Grant.
- Prepared and submitted article for publication of results of Telehealth Skilled Nursing Facilities Pilot Project and implementation of FCC Telehealth Grant.
- Charted path forward for FY24-25, including advancing collaboration with Telehealth Policy Committee. Briefed Governor's Office. Completed Telehealth article and submitted for publication.

Provided Public Information to Support Public Policy and Action

- Secured Digital Equity Bill of Rights passage.
- Released with USC 2023 Statewide Digital Equity Survey and conducted 2 Briefings.
- Secured renewed GuideStar Platinum status which provides more data on CETF program performance for public information.

Annual Reporting Updates

The annual audit reporting information required by statute is provided below.

Expenditures

Table 6 lists the CETF's proposed and actual expenditures for the two prior fiscal years and the proposed fiscal year.

Table 6. CETF's Actual and Proposed Expenditures, 2022-2025

Fiscal Year	2022-2023	2023-2024	2024-2025
Proposed expenditures (budget)	$14,060,000	$14,725,000	13,325,000
Actual expenditures	$9,491,888	$10,591,270	TBD

Governance Structure

The CPUC specified the initial composition and process for constituting the 12-person CETF Board of Directors: four were to be appointed by the CPUC; four were to be appointed by the companies (three by SBC, of which only one could be an employee, and one by Verizon); and the remaining four were to be appointed by the initial eight board members. Initial appointments were made in April 2006 and the Board of Directors was fully constituted by the end of June 2006.

Below are links relevant to documents related to the CETF's governance structure.

1. Articles of Incorporation.

2. Bylaws
3. Settlement Agreements: The CPUC Decisions authorizing the mergers and the establishment of the CETF are D.05-11-028 and D.05-12-011. The Decisions funding the work of the CETF since 2016-2017 are D.15-03-005 and D.15-07-009. Additional CPUC decisions providing funding to CETF are: :
    - D.05-11-028, authorizing Verizon's acquisition of MCI, has application number A. 05-04-020.
    - D.05-12-011, authorizing SBC's acquisition of AT&T, has application number A.05-02-027.
    - D.15-12-005, authorizing Frontier's acquisition of Verizon California wireline services, has application number A.15-03-005.
    - D.16-05-007, authorizing Charter's acquisition of Time Warner Cable Inc.; Time Warner Cable Information Services (California), LLC; Advance/Newhouse Partnership; Bright House Networks, LLC; and Bright House Networks Information Services (California), LLC has application number A.15-07-009.
    - D.20-04-008, authorizing T-Mobile's acquisition of Sprint Communications, L.P. has application number A.18-07-011.
4. Policies and Procedures: Available upon request. Contact:Sunne.mcpeak@cetfund.org
5. Current board members.

Schedule of Employees and Compensation

Table 7 shows the CETF's employee compensation schedule for the two prior fiscal years and the proposed fiscal year. Gross pay includes base salary and performance incentive pay (but not travel reimbursements as included in the independent audit). Benefits include health insurance and employer retirement contributions (but not employer payroll taxes).

Table 7. CETF's Employee Compensation Schedule

Year	Gross Pay	Benefits	Total[27]
July 2021-June 2022	$1,721,443	$362,780	$2,084,223
July 2022-June 2023	$1,898,875	$485,180	$2,384,055
July 2023-June 2024	$2,007,332	$487,469	$2,494,801

Staff Transferred or Loaned

There are no State employees at the CETF, nor have there ever been any State staff or employees transferred or loaned internally or interdepartmentally to the CETF.

[27] The total reflects audited financials.

Contracts, Funding Sources, and Legislative Authority

Table 8 shows professional contracts for fiscal year 2023-2024.

Table 8. List of CETF Contracts FY23-24

Category	Total Amount
Accounting	$95,820
IT Tech Support (Includes Website Support/ Online Grant Services)	$52,399
Legal Counsel	$8,504
Plan Administrators	$2,981
Printing	$5,492
Broadband and Adoption Programs	$3,841,740
School2Home	$2,464,113

The CETF also entered into an MOU with Frontier Communications, Inc. and Charter Communications, Inc. to implement public benefits as the result of corporate consolidations in 2017. The CETF received the final payments in 2020-2021 for a total of $3,050,000 and remaining 25,000 devices from Frontier Communications and $32.5 million from Charter through 2021 to continue organizational operations and support School2Home and other digital inclusion programs in their service areas.

In May 2020 the CETF began receiving annual payments for the $35 million from T-Mobile USA, Inc.: $22 million to support the Digital Inclusion Programs ($12.5 million to School2Home, $4.5 million to Digital Literacy Training, and $5 million to Local Government Grants) and $13 million to support the CETF's core mission to accelerate broadband deployment and adoption. This funding is expected through 2025.

Public Process and Oversight

The CETF is incorporated as a California 501(c)(3) non-profit corporation as a public benefit corporation. It has a Board of Directors that provides oversight. The CETF was established with shareholder funds from AT&T and Verizon. There were no ratepayer funds in the seed capital or subsequent funding the CETF received.

The California Broadband Council (CBC) was established to marshal the State's resources to increase broadband network deployment, and to eliminate the digital divide by expanding broadband accessibility, literacy, adoption, and usage. While the CETF's President and Chief Executive Officer is a statutory member of the CBC, the CETF makes presentations on policy issues and grant programs to this group.

The CETF published an annual report during the first decade and, going forward, will publish a bi-annual progress report describing the grants to date, the metrics and outcomes of the investments, and detailed financial information. In addition to mailing printed copies, the CETF distributes an electronic copy to everyone who signs up to receive one on the CETF website. All the annual reports are on the organization's website.

The CETF hosts a wide range of public forums during the year, including meetings with its Board of Expert Advisors, Regional Consortia, and grantees all designed to provide and solicit information about the grants and future directions. 2019 public forums and workshops are identified in the Highlights and Accomplishments. In addition, the CETF is a legal party to a proceeding considering the T-Mobile, Sprint, Dish acquisition application, A.18-07-011.

The CETF is required by California law to comply with the Non-Profit Integrity Act of 2004. The CETF Board of Directors appoints an independent Audit Committee, which oversees a full audit of the financial statements. The audits are on the CETF website. The IRS Forms 990 for the past three years are available upon request.

California Market Transformation Administrator

Background

The California Market Transformation Administrator (CalMTA), is currently in its second start-up year of developing a market transformation portfolio that will help advance the CPUC's goal to decarbonize our energy efficiently. Market transformation removes market barriers, opens new opportunities and accelerates the adoption of targeted technologies or practices.

CalMTA's market transformation initiatives (MTIs) includes market interventions, which transform how customers and markets operate. These interventions will increase market penetration of selected efficiency and low-carbon solutions, resulting in lasting benefits. Market transformation approaches often result in the establishment of a code or standard or changes to industry standard practice, which helps lock in efficiency and reductions in greenhouse gas emissions.

Pursuant to SB 350 (deLeon, Chapter XXX, Statutes of 2015) the CPUC identified market transformation as a priority in the energy efficiency proceeding. The California Energy Efficiency Coordinating Committee (CAEECC) convened a market transformation working group to refine a market transformation framework and proposal that was adopted by the CPUC in D.19-12-021 in December 2019. The Decision called for the creation of what is now known as CalMTA.

The CPUC allocated $310 million over eight years to support CalMTA's market transformation work. After a competitive solicitation process, Resource Innovations and a team of subcontractors were selected in to administer the Program through 2030. PG&E serves as CalMTA's fiscal agent for this contract, which was approved by the CPUC through Advice Letters 4674-G/6747-E in November 2022.

2024 Updates & Accomplishments

In 2024, CalMTA achieved notable accomplishments and milestones toward establishing a portfolio of market transformation initiatives using the program's three-phase process.

First Two Market Transformation Initiatives Proposed

At the end of 2024, CalMTA proposed the first two market transformation initiatives for California in an application filed by PG&E to the CPUC in accordance with Decision 19-12-021. The application included detailed plans that when implemented would accelerate adoption of Induction Cooking and Room Heat Pump technology. Together, these two initiatives are estimated to deliver roughly $900 million of cost-effective Total System Benefit (TSB) to Californians over their 20-year lifecycle. Induction Cooking provides[28] the quality electric cooking experience needed to achieve California's decarbonization goals in the

[28] See administrative Law Judge ruling on market transformation. Located here:https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M225/K059/225059924.PDF

residential sector, but absent market interventions will likely remain a premium product, out of reach to many Californians. Room Heat Pumps provide access to efficient heating and cooling for apartments and small residences and can be installed without a contractor in a standard 120V outlet.

Both Market Transformation Initiative (MTI) Plans are underpinned by extensive research and analysis to confirm the barriers and determine effective intervention strategies that will overcome those barriers to accelerate market adoption for these technologies. In November 2024, CalMTA released Market Characterization Studies for these MTIs, which describe the current state of these technologies in the California market, discuss key barriers, and detailed market opportunities for accelerating adoption. The MTI plans were also informed by three pilot projects that CalMTA conducted in 2024 including:

- Geographic Targeting Using Energy Star Retail Products Platform (ESRPP) for Room Heat Pumps and Induction Cooking to determine whether zip codes of environmental and social justice (ESJ) communities could be targeted to promote sales of qualified products through the ESRPP platform.
- Induction Cooking Chefluencer Event Testing to test whether public cooking events in ESJ communities could effectively build awareness of the performance, health, and safety benefits of induction cooking to grow demand for induction cooktops and ranges.
- Room Heat Pumps Self-Installation Practices to test the ease of self-installation and the relative portability of products for renters who own them.

Additional Market Transformation Ideas Under Development

Four additional market transformation ideas continued to take shape in 2024 as they advanced through CalMTA's development process into Phase II: Program Development. Detailed product and market research is underway for Efficient Rooftop Units Advancement Plan, Residential Heat Pump Water Heaters, Commercial Replacement and Attachment Window Solutions, and Foodservice Water Heating Systems. These ideas were prioritized for continued development in consultation with CalMTA's Market Transformation Advisory Board (MTAB). Assuming these ideas pass the research and vetting process, CalMTA forecasts detailed plans will be ready for CPUC approval on these initiatives on a rolling basis from late 2025 through the first half of 2026.

CalMTA continued to develop a pipeline of new market ideas by launching a second Request for Ideas in May 2024 to allow interested parties to share their recommendations for energy-efficient products and practices to be considered for development. With input from the MTAB, CalMTA scored and prioritized which ideas merit advancing to program development.

Equity

Historically, market transformation programs focused first on risk-tolerant early adopters to grow market share, with access to new technology or practice reaching environmental and social justice (ESJ) communities much later, if at all. To ensure ESJ communities receive the benefits of California's market transformation efforts, CalMTA applies an equity lens in our MTI development and looks specifically at barriers to ESJ community adoption of targeted products and practices.

In 2024, we continued to strengthen our equity relationships with a second set of Listening Sessions with 28 equity representatives. We also recruited and established an eight-member Equity Sounding Board to help guide CalMTA's connection to ESJ interests and confirm strategies that will deliver benefits to these consumers. To document this work, CalMTA in August 2024 authored and presented a white paper on equity in market transformation that details activities used to maximize benefits to communities that have historically faced a disproportionate energy burden and limited energy efficiency investment.

Stakeholder Engagement and Communications

As the MTI plans have developed in 2024, CalMTA has initiated deeper collaboration with exiting energy efficiency program administrators (PAs) to enhance program outcomes, avoid duplication of effort, and limit consumer or market confusion. To achieve these outcomes, CalMTA hosts regular meetings with PAs, the Codes & Standards Working Group, and CalNEXT program staff to share our plans and research outcomes, and to confirm opportunities to leverage each other's work.

Throughout the year, CalMTA continued to share with the MTAB and public published plans, reports and progress updates including the 2023 Annual Report, 2024 Operations Plan and Quarterly Reports. We deployed multiple strategies and channels to share this information including email newsletter updates, releases via calmta.org, and the CPUC's energy efficiency service list. CalMTA staff attended and presented at 15 industry meetings and conferences to connect with stakeholders and initiate opportunities for collaboration.

To support awareness about MTI development and the upcoming application filing, CalMTA launched in late summer 2024 an education campaign, called Idea to Initiative. This four-part series sought to preview and discuss key portions of both the Induction Cooking and Room Heat Pumps MTI Plans with CalMTA stakeholders prior to release of the draft plans in November.

Market Transformation Advisory Board

CalMTA held eight public MTAB public meetings in 2024. During these events, MTAB members reviewed and discussed MTI development aspects, CalMTA budgets and other policies, advancement of our equity lens, and stakeholder outreach and engagement. To fill MTAB vacancies resulting from one-year term expirations, CalMTA collaborated with the CPUC to recruit and seat four MTAB members for new two-year terms in April 2024. Members updated their conflict-of-interest (COI) declarations and CalMTA, in consultation with the CPUC, also reviewed and updated the compensation and COI policies in the MTAB Charter in November 2024.

Planning for Rigorous Evaluation to Verify Forecasted Benefits

In April 2024, CalMTA finalized the MTI Evaluation Framework that describes the policies, principles, and high-level approaches that CalMTA will use to assess its portfolio of MTIs. Based on this framework, CalMTA developed Evaluation Plans for the Room Heat Pumps and Induction Cooking MTIs. They include specific market progress indicators and milestones that will be used to track market progress during implementation. CalMTA also recruited and formed a five-member Evaluation Advisory Group to provide expertise and unbiased recommendations on the Evaluation Plans as well as planning, selection, and review of third-party MTI evaluation activities. Through its work, the Evaluation Advisory Group helps to ensure high quality, credible, and appropriately independent evaluations.

Annual Reporting Updates

D.19-12-021 authorizes up to eight years of program funding for this market transformation program. The decision allows for up to $20M per year for up to three years to fund the foundational work required to develop a portfolio of market transformation initiatives that can be implemented at scale. Funds for each year of the startup period are released through an annual budget advice letter. CalMTA staff worked closely with the MTAB to craft a 2024 budget advice letter, which was approved by the CPUC in November. Following the startup period, a total budget of $250 million over an additional five years may be authorized, pursuant to CPUC's disposition of the application that was filed in December 2024.

Each year, program funding is contributed by the four IOUs and held and distributed by PG&E. Each IOU contributes funds according to a set schedule articulated in D.19-12-021 and based on IOU load-share. The approved budget for each calendar year is used to set the IOU contributions, which are made monthly. Any unused budget is returned to contributing IOUs at the close of the calendar year.

Expenditures

Table 9 shows actual and proposed expenditures for calendar years 2024-2025.

Table 9. CalMTA's Actual and Proposed Expenditures, 2023-2025

Fiscal Year	**2023**	**2024**	**2025**
Proposed expenditures (budget)	$13,523,502	$19,531,591	19,600,000
Actual expenditures	10,401,454	TBD	TBD

The California Hub for Energy Efficiency Financing

Background

The California Hub for Energy Efficiency Financing (CHEEF) was established through CPUC D.13-09-044 issued on September 20, 2013. D.13-09-044 authorizes energy efficiency financing pilots that leverage ratepayer funds to attract a greater amount of private capital to the energy efficiency retrofit market by reducing risk to lenders.

On June 18, 2014, the CPUC entered into a Memorandum of Agreement (MOA) with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), a state agency associated with the California State Treasurer's Office. The MOA to administer the CHEEF financing activities has been extended to June 30, 2027. As set out in D.13-09-044 and the MOA, the CPUC reviews the CAEATFA's funding and work.

Both D.13-09-044 and the MOA direct the CPUC and the CAEATFA to coordinate and execute education and outreach for energy efficiency financing pilot programs.

D.13-09-044 included an implementation plan for the CHEEF with the following tasks:[29]

- Issue competitive solicitations for a master servicer, and other technical assistance as needed such as for information technology, data management, etc. The master servicer manages the flow of ratepayer funds and data between the IOUs,[30] CHEEF, and financial institutions.
- Create an Information Technology (IT)-driven platform to support the core processes and functions that make utility on-bill repayment (OBR) possible and facilitate data collection.
- Develop procedures for various CHEEF responsibilities such as: approval of forms and protocols for data-transfer between the IOUs and financial institutions and the development of lender service agreements.
- Develop standards for evaluating financial institutions' qualifications and approving financial institutions for pilot participation.
- Implement CPUC-approved protocols for collection of energy and financial data, data sharing, and third-party access to aggregated, anonymous data.
- Develop a framework for type and frequency of reporting to the CHEEF by the IOUs and financial institutions and ensure quarterly information reports on pilots' progress are provided by the CHEEF to the CPUC as requested by the Energy Division.
- Coordinate with existing customer and contractor facing tools such as Energy Upgrade California.

[29] D.13-09-044, Appendix F; these tasks have all been addressed since the decision was issued in September 2013.

[30] The IOUs are San Diego Gas and Electric (SDG&E), Southern California Gas (SoCalGas), Southern California Edison (SCE), and Pacific Gas and Electric (PG&E).

- Provide a mechanism to make minor, mid-course modifications to the pilot programs as needed to better meet the individual objectives of a particular program.

D.13-09-044 authorizes a total of up to $75,244,931 (including $9,344,931 for the CHEEF Pilot Reserve) of ratepayer funding administered by the IOUs for the pilots. Acknowledging that the CHEEF may need to be supported by a master servicer, a trustee bank, a contractor manager, a data manager, and a technical advisor, D.13-09-044 allocates $5 million of the budget to cover the CHEEF's administrative costs and $2 million for the CHEEF training and outreach for contractors and financial institutions. Table 10[31] provides a summary of the actual and proposed expenditures, and further details may be found in Appendix C.1.[32]

Table 10. CHEEF's Actual and Proposed Expenditures, 2022-2025

Fiscal Year	2022-2023	2023-2024	2024-2025
Proposed expenditures (budget)	$5,290,515	$4,668,985	$4,558,223
Actual expenditures	$3,265,202	$3,544,133	TBD

D.13-09-044 also selects the CAEATFA to administer the CHEEF functions. CAEATFA was granted legislative budget authority to act as the administrator of the CHEEF through June 30, 2027.

The approval process of changing the residential pilot to a full-scale program required a resolution. On April 17, 2020, the CPUC approved Resolution E-5072, transitioning the CHEEF's Residential "Pilot" to a full-scale program. The resolution also authorized the CAEATFA to spend up to $9.5 million of previously allocated Credit Enhancement funds for maintenance and improvement of information technology and administrative needs of the CHEEF for fiscal years 2020-2021 and 2021-2022.

On August 9, 2021 the CPUC approved D. 21-08-006. The decision extended the CHEEF for energy efficiency financing programs, conditionally approved use of the CHEEF's platforms for non-IOU ratepayers, allowed for the incorporation of non-ratepayer funds to expand the reach of the programs, and extended IOU support for the programs. This Decision authorized up to $75.2 million in ratepayers' energy efficiency funding to the CAEATFA for implementation of the existing CHEEF programs through June 30, 2027.

Roles

Key infrastructure elements needed to implement the CHEEF include a master servicer, trustee bank, secure flow of funds functionality, contractor manager, and technical advisors. Below are descriptions of

[31] The data was provided by the CAEATFA's management per the CPUC's Energy Division staff's request in November 2024.

[32] See Appendix C.1 for the Finance Pilot Budget with the CAEATFA Expenditures (September 2014 through June 30, 2022) and the Finance Program Budget with the CAEATFA Expenditures (July 1, 2022 through June 30, 2024).

each of these roles and information regarding their status as it relates to the CAEATFA's procurement processes.

- **Master Servicer:** The master servicer plays a key role in daily administration of the pilots, accepting loan enrollment applications and processing bill repayment transactions. The CAEATFA selected Concord Servicing Corporation (Concord) as the master servicer, through a competitive solicitation, and entered into a contract on April 23, 2015. The CAEATFA contracted with Concord through two subsequent solicitations on January 1, 2018, and October 22, 2020. This contract was effective until July 31, 2022, with options for two one-year extensions. CAEATFA exercised these options in Q2 2022 and Q2 2023; the second extension expired July 31, 2024. As of August 1, 2024, responsibility of servicing loans was taken in-house by CAEATFA staff using a contractor portal provided by Inclusive Prosperity Capital (IPC)".
- **Trustee Bank:** The trustee holds the ratepayer funds provided by the IOUs to serve as credit enhancements under the various pilot programs. US Bank served as the trustee for the program from March 11, 2015 to December 31, 2020. Starting in January 2021, CAEATFA contracted with Zions Bancorporation, National Association through December 31, 2026.
- **Contractor Manager:** The contractor manager recruits, trains, enrolls, and supports contractors participating in the GoGreen Home Energy Financing Program (GoGreen Home) and GoGreen Business Energy Financing Program (GoGreen Business) and conducts quality control oversight of projects not participating in an IOU rebate/incentive program. Frontier Energy served as the contractor manager from October 24, 2017 until May 28, 2022. Beginning May 29, 2022, Electric & Gas Industries Associate (EGIA) assumed the role of the contractor manager. This contract will be in effect until May 28, 2025, with options to extend.
- **Technical Advisor:** Technical advisors provide expertise to the CAEATFA in its development and implementation of the CHEEF pilot programs. The CAEATFA contracted with Energy Futures Group (EFG), which provides technical assistance to continue research and development and provides implementation assistance for the commercial programs. This contract is effective until April 18, 2025.
- **Online Workflow and Data Collection Tool – Software as a Service (SaaS) Subscription:** Inclusive Property Capital's (IPC) NGEN platform allows GoGreen Home Program Lenders and Contractors to enter loan, project, and measure data into an online portal, automatically validate a certain degree of project compliance with Program rules, facilitate communication between users, and allows Program staff to review and pre-approve projects manually when needed, and access project details for quality assurance verification purposes. This subscription agreement is for a term of one year, effective until January 31, 2025.

2023-24 Updates & Accomplishments

GoGreen Home Energy Financing Program

In fiscal year 23-24, the GoGreen Home Energy Financing program (GoGreen Home) enrolled 2,603 standard loans and facilitated $53.82 million in financing for residential energy upgrades. Projects financed via GoGreen Home standard loans resulted in a cumulative 1,116 tons of greenhouse gas (GHG) emissions averted. The number of loans enrolled and total dollars financed represent growth percentages of 86% and 95%, respectively, compared with the previous fiscal year. Since program inception in 2016 through June 30, 2024, GoGreen Home has enrolled 6,116 loans, with an average loan size of $19,262 and claim-eligible principal totaling over $118 million.[33]

On January 1, 2024, in response to the need to extend availability of allocated credit enhancement funds, and in light of low default rates, the loan loss reserve (LLR) contribution methodology and the annual rebalance methodology were both modified. The new LLR methodology sets the default contribution rate at 5% (rather than 11%) for standard borrowers and maintains the 20% contribution for credit-challenged borrowers with a credit score of 700 or lower (rather than 640 or lower). These updates lower the average contribution rate from 15.8% to 7.8% and are designed to deploy credit enhancement funds more efficiently while still mitigating lender risk. The modified rebalance methodology recaptures funds sooner from in-process and paid-off loans to make them available for redeployment more quickly.

In Q2 2024, the CPUC-authorized Impact Evaluation Report for GoGreen Home was released. Evaluators concluded that the program "experienced significant growth" since the last evaluation, "influences consumer decision-making," and "achieve environmental impacts beyond energy savings." Recommendations included "identify(ing) opportunities to increase program activity among less active contractors," "develop(ing) marketing collateral that emphasizes the benefits of fuel substitution," and for the CPUC to "establish targets for the Resolution E-4900 metrics based on baseline evaluation results (during the current evaluation period) or benchmarked data," noting that these metrics will allow future evaluators to "adequately measure if the GGH Program is operating as intended."

Also in Q2, the CAEATFA partnered with nonprofit Inclusive Prosperity Capital and used their single-family project management tool NGEN to begin development of the GoGreen Home Portal. The Portal, which comes equipped with job tracking functionality, a centralized messaging system, and error entry safeguards, will streamline and expedite the project process. It is scheduled to launch July 2024.

After years of operating as an energy efficiency program only, the CPUC issued D.23-08-026 authorizing the CAEATFA to use credit enhancement funds to support financing for clean energy technologies including solar photovoltaic, battery storage systems, and electric vehicle chargers. Financing for clean energy upgrades became available to GoGreen Home borrowers in June 2024, with several participating lenders expanding their current loan products to offer terms out to 20 years and capital up to $75,000 for projects that bundle solar with battery storage.

Marketplace microloan activity resumed in Q2 2023 when Enervee partnered with Lewis & Clark Bank. Together, they began offering the Eco Financing product with a 60-month term, single interest rate of 9.99%, and expanded availability to include both the SoCalGas and SCE utility marketplaces. In Q1 2024, borrower eligibility was again expanded to include Californians receiving electricity from PG&E and SDG&E. As of June 30, 2024, 1,421 microloans have been enrolled for a total value of $2,188,788.

[33] Available at: California Hub for Energy Efficiency Financing Programs

On-Bill Repayment Programs

As of Q2 2024, on-bill repayment (OBR) functionality through GoGreen Business Energy Financing is currently available to customers of SCE, SoCalGas, and SDG&E. Staff continue to work with PG&E on finalizing the tariff governing OBR availability in the utility's service area.

GoGreen Business Energy Financing Program

The GoGreen Business Energy Financing pilot (GoGreen Business) enrolled 35 financing agreements and facilitated $2.38 million in financing for commercial energy upgrades in fiscal year 23-24, representing significant increases in activity over the previous fiscal year (6 financing agreements enrolled and $734,256 in dollars financed). Since program inception in 2019 and through the end of June 2024, GoGreen Business offered financing from nine participating finance companies, enrolled 181 contractors and project developers, and facilitated $5.3 million in financing for 59 projects.

The GoGreen Business interest rate buy-down promotion (IRBD), "Go Low," went live in July 2023. Through Go Low, up to $10,000 per eligible project is available to buy down interest rates; depending on project size, this can result in 0% interest. Three lenders participated in Go Low. The $300,000 allocated for the promotion was depleted in March 2024. Staff launched the second round of Go Low in July 2024.

Per CPUC Decision 23-08-26, GoGreen Business staff and participating finance companies began preparing to facilitate financing for clean energy measures including solar photovoltaic, battery storage systems, electric vehicle chargers, anaerobic digesters, wind turbines, and more. This financing became available to borrowers in July 2024.

More information on the CHEEF programs is available on the CAEATFA's website at: CHEEF Programs and GoGreen Financing.

Annual Reporting Updates

The annual audit reporting information required by statute is below.

Expenditures

Table 10 above and Appendix C.1 show the CHEEF expenditures.

Governance Structure

A specific governance structure was not created for the CHEEF. However, D.13-09-044 clarifies that the CAEATFA is required to follow public procurement and rulemaking procedures when contracting for the CHEEF-managed services and finalizing rules for programs identified in this Decision. Specifically, the CAEATFA is bound by Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contracts Code, and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

The CAEATFA must submit a budget revision request to the Department of Finance and Joint Legislative Budget Committee to approve staff positions to administer the pilots as well as for the ability to utilize ratepayer funds to cover administrative costs to secure their approval for staff positions to administer the pilots and to be authorized to expend ratepayer funds to cover administrative costs. The CAEATFA received budgetary authority to implement the pilots through fiscal year 2026-2027 to implement the pilots through their estimated timetable and evaluation period.

Staff and Employees and their Salaries and Expenses

Table 11 shows the CHEEF's employee compensation schedule for the two prior fiscal years.

Table 11. CHEEF Salaries and Expenses Authorized for Fiscal Year 2022-23 and 2023-24

	State Personnel Classification	Annual State Salary and Benefit (2022-2023)[34]	Annual State Salary and Benefit (2023-2024)[35]
	Staff Services Manager II (Supervisor)	$153,010	$151,356
Program Manager	Staff Services Manager I (Supervisor) – Direct and Implementation (D&I)	$140,592	$139,091
Program Manager	Staff Services Manager I (Supervisor) – Direct and Implementation (D&I)	$140,592	$139,091
	Staff Services Manager I (Supervisor) – Compliance	$140,592	$139,091
	Staff Services Manager I (Specialist) – D&I	$140,592	$139,091
	Staff Services Manager I (Specialist) – D&I	$140,592	$139,091
	Staff Services Manager I (Specialist) – Marketing	$140,592	$139,091
Support Staff	Associate Governmental Program Analyst – D&I	$120,818	$119,552
	Associate Governmental Program Analyst – D&I	$120,818	$119,552
	Associate Governmental Program Analyst – Marketing	$120,818	$119,552
	Associate Governmental Program Analyst – Marketing & Data	$120,818	$119,552
	Associate Governmental Program Analyst – D&I	$120,818	$119,552
	Associate Governmental Program Analyst – D&I	$120,818	$119,552
	Associate Governmental Program Analyst – Compliance	$120,818	$119,552

[34] State salary represents annual midrange assumption; includes average benefit.

[35] Per request of the CPUC's staff, the CAEATFA management provided the data in November 2024.

Table 11. CHEEF Salaries and Expenses Authorized for Fiscal Year 2022-23 and 2023-24			
	Associate Governmental Program Analyst – Compliance & Data	$120,818	$119,552
	Office Technician	$79,057	$80,883
	Office Technician	$79,057	$80,883
	Office Technician	$79,057	$80,883

Staff Transferred or Loaned

Other CAEATFA staff may assist with the intermittent workload. This assistance is not significant and is not currently quantifiable.

Contracts, Funding Sources, and Legislative Authority

Table 12 shows the CHEEF contracts and funding.

Table 12. CHEEF Contracts and Funding[36]

Contract	Current Contract Term	Amount	Amount Paid[37]	Funding Source
MOA between the CPUC and CAEATFA	Through June 30, 2027	$0	N/A	None
Receivables contract between the four IOUs and CAEATFA	September 1, 2014 – June 30, 2022	$23,060,000 (Reimbursement only)	$17,674,005	Ratepayer Funds
	July 1, 2022 – June 30, 2027	$23,255,041 (Reimbursement only)	$6,809,335	Ratepayer Funds
CAEATFA contract with master servicer (Concord Servicing Corporation)	April 23, 2015 – December 31, 2017	$1,500,000	$1,278,294	Ratepayer Funds
	January 1, 2018 – October 21, 2020	$1,500,000	$1,467,491	Ratepayer Funds
	October 22, 2020 – July 31, 2024	$5,500,000	$1,860,573[38]	Ratepayer Funds
CAEATFA contract with Trustee Bank (US Bank)	January 24, 2015 – December 31, 2017	$180,000	$160,000	Ratepayer Funds

[36] Per request of the CPUC's staff, The CAEATFA management provided the date in November 2024

[37] For services through June 30, 2024

[38] Contract ended on July 31, 2024. Total amount paid was $1,987,597. Following the end of the term, CAEATFA brought master servicer duties in-house but engaged Concord Servicing Corporation for a limited role as OBR Servicer from FY 24-25 through FY 25-26.

Table 12. CHEEF Contracts and Funding[36]

	January 08, 2018 – December 31, 2020	$285,000	$285,000	Ratepayer Funds
CAEATFA contract with Trustee Bank (Zions)	January 1, 2021 – December 31, 2023	$360,000	$360,000	Ratepayer Funds
	January 1, 2024 – December 31, 2026	$495,000	$82,500	Ratepayer Funds
CAEATFA contract with contractor manager (Frontier Energy Corporation)	October 24, 2017 – August 31, 2019	$1,500,000	$775,680	Ratepayer Funds
	June 4, 2019 – May 28, 2022	$1,500,000	$1,378,906	Ratepayer Funds
CAEATFA contract with contractor manager (Electric & Gas Industries Association)	May 31, 2022 – May 28, 2025	$1,800,000	$862,829	Ratepayer Funds
CAEATFA contract (CMAS Service Order) for Technical Assistance (Energy Futures Group)	May 25, 2016 – December 15, 2016	$49,963	$49,904	Ratepayer Funds
	March 29, 2017 – February 14, 2019	$249,995	$224,193	Ratepayer Funds
CAEATFA contract with Technical Advisor (Energy Futures Group)	March 13, 2019 – March 13, 2022	$299,999	$251,078	Ratepayer Funds
	April 19, 2022 – April 18, 2025	$299,999	$109,668	Ratepayer Funds
CAEATFA Contract with SAAS provider (Inclusive Prosperity Capital, Inc.)	February 1, 2024 – January 31, 2025	$100,000	$22,800	Ratepayer Funds

Public Process and Oversight

The CAEATFA developed its pilots under State laws regarding public processes and procurement. Regulations are established under the oversight of the Office of Administrative Law, which include establishing the appropriate channels for public input and access. In addition, all contracts are publicly noticed and competitively bid under the oversight of the DGS.

- Regulations for each pilot program are established under California's Administrative Procedures Act.
- GoGreen Home (formerly REEL) program regulations can be found in Title 4, Division 13, Article 5, Section 10091.1 through Section 10091.16 of the California Code of Regulations.
- GoGreen Business (formerly SBF) regulations can be found at Title 4, Division 13, Article 6, Section 10092.1 through Section 10092.15 of the California Code of Regulations.
- GoGreen Multifamily (formerly AMF) regulations can be found at Title 4, Division 13, Article 7, Section 10093.1 through Section 10093.11 of the California Code of Regulations.

The CAEATFA's budget and position authority is overseen by the Department of Finance and the Legislature on an annual basis. The CAEATFA provides the following reports:

- Quarterly Reports to the CPUC (as required under the Decision and Contract).
- Annual Reports to the State Legislature (submitted no later than March 31 pursuant to Public Resources Code Section 26017).

The Diablo Canyon Independent Safety Committee

Background

The Diablo Canyon Independent Safety Committee (DCISC) was established as a part of a Settlement Agreement entered into in June 1988 between the Division of Ratepayer Advocates (renamed Public Advocate's Office) of the CPUC, the Attorney General for the State of California, and PG&E concerning the operation of the two units of PG&E's Diablo Canyon Nuclear Power Plant (Diablo Canyon). The agreement provided:

> An Independent Safety Committee shall be established consisting of three members, one each appointed by the Governor of the State of California, the Attorney General, and the Chairperson of the CEC, respectively, serving staggered three-year terms. The Committee shall review Diablo Canyon operations for the purpose of assessing the safety of operations and suggesting any recommendations for safe operations. Neither the Committee nor its members shall have any responsibility or authority for plant operations, and they shall have no authority to direct PG&E personnel. The Committee shall conform in all respects to applicable federal laws, regulations and Nuclear Regulatory Commission (NRC) policies.

The committee acts as an advisory body and has no independent budget.

On January 25, 2007, the CPUC approved a modified charter for the DCISC in D.07-01-028. Section 1.B of the new charter concerns appointments of Committee members. It states that candidates for the Committee membership shall be selected from those applicants responding to an open request for application and requires the CPUC to provide for public comment on the applicants' qualifications and potential conflicts of interest. Under the modified charter, the President of the CPUC is required to review the applicants' qualifications, experience, and background, including any conflicts of interest, together with any public comments, and propose candidates with knowledge, background, and experience in the field of nuclear power plants and nuclear safety issues to that year's appointing authority. The CPUC's Energy Division is required to prepare and circulate for public comment, and place on the CPUC public agenda a resolution ratifying the CPUC's President's selection of candidates.

On September 9, 2021, the CPUC issued D.21-09-003 approving the Settlement Agreement in PG&E's 2018 Nuclear Decommissioning Cost Triennial Proceeding, which among other things, allows the DCISC to continue in its safety oversight role after Diablo Canyon closes and until all of its spent nuclear fuel has been moved from wet storage to dry storage.

On September 2, 2022, the Governor signed SB 846 (Dodd, Chapter 239, Statutes of 2022), which codified the existence of the DCISC (Public Utilities Code (PUC) Section 712.1(b)) and required that it submit an annual report with its safety assessments and recommendations for Diablo Canyon to the CPUC (Public Utilities Code Section 712.1(c)). The CPUC is required to use the DCISC's safety assessments and recommendations to determine whether the costs of seismic upgrades or deferred maintenance for Diablo Canyon or the conditions required in the Nuclear Regulatory Commission's license renewal, are "too high to justify incurring" (Public Utilities Code Section 712.8(c)(2)(B)), in which case the CPUC may order retirement of the plant earlier than directed by SB 846.

On August 14, 2023, the CPUC issued D.23-08-004, authorizing an increase in compensation for DCISC members and approving the tracking of DCISC costs related to the assessment of the Diablo Canyon extension in PG&E's Diablo Canyon Transition and Relicensing Memorandum Account. As a result of orders in D.23-08-004, the DCISC again updated its charter which became effective as the Third Restated Charter on October 25, 2023, through PG&E Advice Letter 7034-E.

2024 Updates & Accomplishments

On June 20, 2024, the CPUC approved Resolution E-5329, ratifying the President's selection of three candidates whose names were submitted to the Chair of the California Energy Commission, David Hochschild, for the term July 1, 2024 – June 30, 2027. In 2023, the Governor reappointed Dr. Per Peterson for the term July 1, 2023 – June 30,2026. In 2022, the California Attorney General reappointed Dr. Robert Budnitz for the term July 1, 2022 – June 20, 2025. The DCISC held three public meetings in 2024. The DCISC also recently approved its 34th Annual Report for July 1, 2023 – June 30, 2024.

On February 7, 2024, the CPUC initiated Phase 2 of Rulemaking (R.) 23-01-007 to consider unresolved issues regarding Diablo Canyon Volumetric Performance Fees (see PUC Sections 712.8(f)(5) and 712.8(s)) and the funding methodology for the DCISC during extended operations. The DCISC funding proposal set forth by PG&E would (1) continue baseline funding at the greater of the existing funding methodology or the average of annual recorded expenditures from 2023 through 2025, (2) increase baseline funding each subsequent year by the amount of the annual increase in the California Consumer Price Index, but no less than three percent, and (3) require the DCISC to submit an invoice to PG&E in the first quarter of the current year for the amount of any shortfall from the prior year plus a ten percent contingency. A decision to resolve these issues is expected during the first half of 2025.

On March 29, 2024, PG&E filed Application (A.) 24-03-018 to recover in rates the costs for Diablo Canyon Extended Operations from September 1, 2023, through December 31, 2025 and for the approval of 2025 Volumetric Performance Fees. On December 19, 2024, the CPUC approved D.24-12-033, which included the authorization of approximately $633,000in 2025 funding for DCISC (the remaining $482,000 for 2025 was previously authorized in PG&E's most recent General Rate Case).

Annual Reporting Updates

The annual audit reporting information required by statute is provided below.

Expenditures

Table 14 lists DCISC's proposed and actual expenditures for the two prior fiscal years.

Table 14. DCISC's Actual and Proposed Expenditures, 2022-2025

Fiscal Year	2022-2023	2023-2024	2024-2025
Proposed expenditures (budget)	$1,219,615	$1,331,014	$1,036,525
Actual expenditures	$1,302,850	TBD	TBD

Governance Structure

The Committee consists of three members, one each appointed by the Governor of the State of California, the Attorney General, and the Chair of the CEC, respectively, serving staggered three-year terms. Further information is available: here.

The Third Restated Charter for the DCISC was approved in PG&E's Advice Letter 7034-E.

Schedule of Employees and Compensation

As approved in D.23-08-004 and PG&E Advice Letter 7034-E, compensation for members of the DCISC includes the following:

- Annual Retainer of $10,800;
- A fee of $270/hour to attend DCISC meetings;
- A fee of $270/hour for DCISC work performed outside of committee meetings in excess of 40 hours per year; and
- Reimbursement of expenses incurred in the performance of DCISC work.

Staff Transferred or Loaned

There are no CPUC or other State staff hired to work for the DCISC. No State staff is currently or ever has been loaned internally or interdepartmentally to the DCISC.

Contracts, Funding Sources, and Legislative Authority

While the DCISC does not have an independent budget, it has historically received funding through PG&E's cost-of-service rates at funding levels established in D.97-05-088, based on funding for calendar year 1996 with a 1.5 percent annual increase thereafter. Per D.97-05-088, DCISC's continued funding has been approved through PG&E's General Rate Case proceedings, most recently in D.23-11-069. Proposed and actual expenditures are listed in Table 14. Per SB 846 (Dodd, Chapter 239, Statues of 2022), as the Diablo Canyon extension period begins funding of the DCISC through the General Rate Case will no longer be permitted. During the extension, DCISC funding will instead be approved and recovered through the PG&E Diablo Canyon Extended Operations Forecast proceeding (A.24-03-018). The methodology for determining DCISC funding is presently under consideration in R.23-01-007.

Public Process and Oversight

Agendas, meeting videos, and minutes are available for each DCISC public meeting. Notices for the DCISC's public meetings are posted here. The DCISC held public meetings in February, June, and September 2024.

The DCISC provides extensive information to the public concerning Diablo Canyon. Transcripts and minutes of each public meeting and reports of each fact-finding meeting, and an extensive annual report on the safety of Diablo Canyon's operations are available by contacting the committee or at the R. E. Kennedy Library, located on the campus of California Polytechnic State University in San Luis Obispo. The DCISC welcomes comment and communication from members of the public and provides an opportunity for such dialogue during every public meeting. In addition, the DCISC's administrative office maintains a toll-free 800 telephone line and an e-mail address to respond to questions or requests for information from the public. Written comments or questions may also be directed to the DCISC's members by contacting the office of the DCISC Legal Counsel.

The DCISC's contact information is available here.

Nuclear Decommissioning Trusts

Background

Pursuant to Order Instituting Investigation (OII) 86, the CPUC conducted an investigation into managing the decommissioning trust funds for California's nuclear power plants. As a result, the CPUC adopted D.87-05-062 for accruing decommissioning funds. Two types of funds were established:

- Qualified trust funds are contributions that qualify for an income tax deduction under Section 468A of the Internal Revenue Service (IRS) Code.
- Non-qualified trust funds are contributions that do not qualify for an income tax deduction.

Each utility has a committee made up of five members who are responsible for directing and managing their nuclear decommissioning trusts. Two of the committee members are utility affiliated. The three that are not affiliated with the utility are CPUC-approved members who serve five-year terms. The committees appoint trustees and investment managers. On November 25, 1987, Resolutions E-3060, E-3048, and E-3057 approved, respectively, SDG&E's, PG&E's, and SCE's Master Trust Agreements. [39]

Investment Managers

The utilities employ a stable of investment managers and advisors for their decommissioning trusts:

SDG&E:

- Bank of New York – Mellon [Trustee]
- State Street Global Advisors [Qualified Trust/U.S. Equity]
- Acadian [Qualified Trust/U.S. Equity]
- Earnest Partners [Qualified Trust/International Equity]
- Lazard [Qualified Trust/International Equity]
- PIMCO [Qualified Trust/Intermediate Credit]
- Loomis Sayles [Qualified Trust/Intermediate Credit]
- TCW MetWest [Qualified Trust/Intermediate Credit]
- Northern Trust [Qualified Trust/Municipal Bonds; Non-qualified Trust/Municipal Bonds]
- Western Asset [Qualified Trust/Municipal Bonds]
- BlackRock [Qualified Trust/Municipal Bonds]
- Payden & Rygel [Qualified Trust/Short Duration]

[39] Decisions, Resolutions and Rulings issue before July 2000 can be requested by Central files by filling this online form.

PG&E:

- BlackRock Financial Management [Qualified Trust Fixed Income]
- NISA Investment Advisors [Qualified Trust Fixed Income]
- RhumbLine Advisers [Qualified Trust U.S. equity]
- Earnest Partners [Qualified Trust Fixed Income]
- Bank of New York – Mellon [Trustee/Qualified Trust Non-U.S. Equities]

SCE:

- Schroders Investment Management [Qualified Trust Fixed Income]
- BlackRock Financial Management [Qualified Trust Fixed Income]
- AB (formerly Alliance Bernstein) [Qualified Trust Fixed Income]
- PanAgora Asset Management [Qualified Trust International Equity Assets]
- Rhumbline Advisors [Qualified Trust U.S. Equity Assets]
- State Street Global Advisors [Qualified Trust U.S. Equity Assets]
- Pacific Investment Management Company (PIMCO) [Qualified/Non-Qualified Trust Fixed Income]
- NISA Investment Advisors [Qualified Trust Fixed Income]
- Bank of New York – Mellon [Trustee]

Trustee

Mellon Bank, N.A., acts as the trustee for the PG&E, SDG&E, and SCE Decommissioning Trusts by providing custody, record keeping, accounting, taxation, and reporting services on behalf of the trusts.

Fund Balances

Table 15 shows the balances for the PG&E, SCE, and SDG&E trust funds.

Table 15. All Trust Fund Balances are through December 31, 2023

Utility	Nuclear Plant	Fund Balance
PG&E	Humboldt Bay Power Plant (HBPP) 3	$139,000,000
PG&E	Diablo Canyon Power Plant (DCPP) 1	$1,791,000,000
PG&E	DCPP 2	$2,356,000,000

Table 15. All Trust Fund Balances are through December 31, 2023		
PG&E	DCPP Non-Qualified Trust	$0[40]
SCE	San Onofre Nuclear Generation Station (SONGS) 1	$323,000,000
SCE	SONGS 2	$871,000,000
SCE	SONGS 3	$1,109,000,000
SDG&E	SONGS 1	$145,000,000
SDG&E	SONGS 2	$303,000,000
SDG&E	SONGS 3	$367,000,000
SCE	Palo Verde 1	$484,000,000
SCE	Palo Verde 2	$496,000,000
SCE	Palo Verde 3	$511,000,000

Regulations

The Nuclear Regulatory Commission (NRC) has some basic regulations that must be followed regarding decommissioning. These are:

- Licensees are required to have sufficient funds to decommission the plant [10 CFR 50.75]. Utilities that operate nuclear plants file a report every two years with the NRC showing estimated decommissioning costs according to the NRC methodology, and how much money has been set aside for that purpose. The NRC definition of decommissioning is related only to the "nuclear" portion of the plant. In California, decommissioning also includes restoring the site to its original condition, which includes additional activities and requires the accumulation of more funds.
- After a permanent plant shutdown, certain activities may not be performed that would prevent the completion of decommissioning [10 CFR 50.82(6)].

In the 2009 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP), the Commission undertook a comprehensive review of the management and administration of these externally managed nuclear decommissioning trust funds for each of the three major IOUs.

In the course of the NDCTP, the CPUC reviews the trust fund levels and any potential adjustments to amounts paid by ratepayers into the trust funds..

[40] PG&E was ordered to refund the full amount of the CDPP Non -Qualified Trust in D-23-09-004 issued September 26,2023. As per the PG&E advice letter 7056-E, filed October 27, 2023. The $81 Million in this trust fund was fully refunded to PG& E ratepayers as of January 1, 2024.

2024 Updates & Accomplishments

The 2021 NDCTP for SONGS and Palo Verde was filed as A.22-02-016 in February 2022. On August 1, 2024, the CPUC adopted the settlement agreement submitted by the parties in D.24-08-001. As a result of the settlement and decision, the CPUC:

- Approved most costs incurred for decommissioning projects completed at SONGS 1, 2, and 3 between January 1, 2018, and December 31, 2020;
- Disallowed $30 million in costs which will instead be paid for by shareholders into the nuclear decommissioning trusts;
- Approved of the SONGS Decommissioning Cost Estimates for Units 1, 2, and 3;
- (SCE only) Approved of the Palo Verde Decommissioning Cost Estimates for Units 1, 2, and 3;
- (SDG&E only) Approved of SDG&E's 20 percent share of the Decommissioning Cost Estimate for SONGS Units 1, 2, and 3;
- (SDG&E only) Approved of decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs completed at SONGS Units 1, 2, and 3 between January 1, 2018, and December 31, 2020;
- Required that SCE/SDG&E file their next NDCTP by no later than December 31, 2024;
- Approved the request to deposit Department of Energy litigation proceeds into the non-qualified nuclear decommissioning trusts; and
- Maintained $0 annual ratepayer contributions to all of the SONGS decommissioning trusts.

On July 1, 2024, PG&E filed a Petition for Modification seeking to defer the filing of its next NDCTP from December 2024 to December 2027 due to the conditional five-year extension of operations through 2030 at Diablo Canyon under SB 846 and D.23-12-036 and the resulting uncertainty in timing and costs for decommissioning. On September 26, 2024, the Commission issued D.24-09-033 authorizing the deferral of PG&E's next NDCTP filing until no later than July 1, 2027.

Annual Reporting Updates

The annual audit reporting information required by statute is provided below. The sections on "Schedule of Employees and Compensation" and "Contracts, Funding Sources, and Legislative Authority" are not applicable to the Nuclear Decommissioning Trusts.

Expenditures

Tables 16, 17, and 18 below show the actual administrative costs for the utilities' nuclear decommissioning trusts for the last two available calendar years. Costs for 2024 will not become available until mid-2025.

Table 16. PG&E's Actual Administrative Costs, 2022-2024

Fiscal Year	2022	2023	2024
Actual expenditures	$2,930,000	$2,725,000	N/A

Table 17. SCE's Actual Administrative Costs, 2022-2024

Fiscal Year	2022	2023	2024
Actual expenditures	$4,235,493	$4,094,032	N/A

Table 18. SDG&E's Actual Administrative Costs, 2022-2024

Fiscal Year	2022	2023	2024
Actual expenditures	$2,748,482	$2,913,022	N/A

Governance Structure

As described above, each utility has a committee made up of five members who are responsible for directing and managing their nuclear decommissioning trusts. Two of the committee members are utility affiliated. The three that are not affiliated with the utility are CPUC-approved members who serve five-year terms. The committees appoint trustees and investment managers.

Staff Transferred or Loaned

No State staff is currently or ever has been loaned internally or interdepartmentally to manage nuclear decommissioning trusts.

Public Process and Oversight

As required by their Master Trust Agreements, PG&E, SCE, and SDG&E filed Decommissioning Master Trust reports with the CPUC, which included:

- Findings as to whether current trustees and investment managers should be retained or replaced;
- If necessary, the justification for using more than one investment manager;
- Voting records of committee members and the minutes of committee meetings; and
- Itemized accounting of master trust administration expenses and their basis

Electric Program Investment Charge

Background

The Electric Program Investment Charge (EPIC) is a clean energy innovation funding program the CPUC established for the benefit of electricity ratepayers. The EPIC program is funded by California electric utility ratepayers under the jurisdiction of the CPUC. Organized around three program areas - Applied Research and Development (R&D), Technology Demonstration and Deployment (TD&D), and Market Facilitation - EPIC seeks to drive efficient, coordinated investment in new and emerging energy solutions.

Applied R&D and TD&D projects are meant to bring clean energy technologies from earlier stages of development towards commercialization. These project areas are highly diverse, ranging from the development of novel microgrids to improve grid reliability and resiliency to the development, patenting, and demonstration of algorithms to help identify and de-energize downed electricity wires to reduce wildfire threats. There is also a wide variety of market facilitation projects, which aim to remove non-technical barriers to the adoption of these new technologies. These projects have included programs to understand energy use patterns in multifamily homes before and after energy upgrades as well as projects to establish regional innovation clusters to spur technology development and job creation.

Originally authorized for 2012-2020, D.20-08-042 renewed the program for 2021-2030 and directed five-year investment cycles for EPIC 4 (2021-2025) and EPIC 5 (2026-2030) to continue the previous three-year investment cycles of EPIC 1 (2012-2014), EPIC 2 (2015-2017), and EPIC 3 (2018-2020). The CPUC allocates 80 percent of the EPIC program budget to the CEC to conduct Applied R&D, TD&D, and market facilitation. The IOU administrators (PG&E, SCE, and SDG&E) administer the remaining 20 percent of the EPIC program budget for TD&D projects.

2024 Updates & Accomplishments

Investment Plans

In 2024, all four administrators continued implementing the wide range of research, development, demonstration, deployment, and market facilitation activities from their EPIC 2 (2015-2017), EPIC 3 (2018-2020), and EPIC 4 (2021-2025) portfolios. All EPIC 1 projects are complete. On November 18, 2021, D.21-11-028 approved a total program budget of $925 million for the EPIC 4 (2021-2025) investment cycle, with the allocation shown in Table 19. On June 2, 2022, D.22-06-004 approved with modifications the CEC's EPIC 4 Investment Plan. On October 26, 2022, the CPUC approved in part the CEC's Advice Letter 3-E which provided additional details on its proposed strategic objectives as required by D.22-06-004. On July 19, 2023, the CPUC approved the CEC's Advice Letter 4-E completing compliance with CPUC direction.

Table 19. Authorized Funding for EPIC 4 (2021-2025)				
CEC	**PG&E**	**SCE**	**SDG&E**	**Total**
$740,000,000	$92,685,000	$76,035,000	$16,280,000	$925,000,000

The CEC's 2021-2025 EPIC Investment Plan contains six strategic objectives supported by twelve strategic initiatives. The strategic initiatives are:

1. Non-variable renewable energy;
2. Variable renewable energy;
3. Clean, dispatchable resources;
4. Grid modernization;
5. Distributed energy resource integration and load flexibility;
6. Transportation electrification;
7. Industrial decarbonization;
8. Building decarbonization;
9. Entrepreneurial support;
10. Scaling clean energy technology;
11. Climate resiliency; and
12. Environmental sustainability.

Additionally, the plan seeks to integrate equity throughout implementation of the strategic initiatives, using a four-pronged strategy to:

a) Increase awareness of EPIC and the opportunities it provides under-resourced communities;
b) Encourage technology/project developers to seek out projects in under-resourced communities;
c) Scope many solicitations around specific issues facing ratepayers in under-resourced communities; and
d) Embed equity in clean energy entrepreneurship.

The IOUs also administer a range of projects in TD&D. Per D.21-11-028, IOU EPIC 4 (2021-2025) investment plan applications were submitted on October 1, 2022 as Applications (A.)22-10-001, A.22-20-002, and A.22-10-003. On November 30, 2023, D.23-11-086 approved the IOU investment plans with modification. On June 3, 2024, the CPUC approved in part PG&E's Advice Letter 7145-E which provided additional details on its EPIC plan as required by D.23-11-086. On June 28, 2024, the CPUC received PG&E's Advice Letter 7306-E in compliance with CPUC direction. On June 13, 2024, the CPUC approved in part SCE's Advice Letter 5195-E which provided additional details on its EPIC plan as required by D.23-11-086. On August 9, 2024, the CPUC received SCE's Advice Letter 5357-E in compliance with CPUC direction. On July 30, 2024, the CPUC approved in part SDG&E's Advice Letter 4362-E which provided additional details on its EPIC plan as required by D.23-11-086. On September 13, 2024, the CPUC received SDG&E's Advice Letter 4512-E in compliance with CPUC direction. The IOU's EPIC 4 Investment Plans contain three strategic objectives supported by a combined eleven strategic initiatives. The strategic initiatives are:

1. Clean, dispatchable resources;

2. Climate and environment;
3. Digital transformation;
4. Distributed Energy Resource (DER) integration and load flexibility;
5. Energy management: foundational technologies;
6. Energy management: situational capabilities;
7. Grid modernization;
8. Transmission and distribution: foundational technologies;
9. Transmission and distribution: situational capabilities;
10. Transportation electrification; and
11. Vulnerabilities, threats, and hazard reduction.

As of December 31, 2024, 400 EPIC projects have been completed since program inception at a cost of $1.633 billion as provided in Tables 20 and 21.

Table 20. EPIC Projects by Administrator and Status, 2012-2024

Administrator	Active Projects	On-hold Projects	Canceled Projects	Completed Projects
CEC	215	0	11	317
PG&E	29	37	29	40
SCE	16	0	8	29
SDG&E	6	0	3	14
Total	266	37	51	400

Table 21. EPIC Spending by Administrator and Program Area, 2012-2024

Administrator	Applied R&D	Technology Demonstration and Deployment	Market Facilitation	Total
CEC	$543,000,000	$591,000,000	$222,000,000	$1,356,000,000
PG&E	$0	$141,000,000	$0	$141,000,000
SCE	$0	$107,000,000	$0	$107,000,000
SDG&E	$0	$29,000,000	$0	$29,000,000
Total	$543,000,000	$868,000,000	$222,000,000	$1,633,000,000

Table 21 demonstrates spending for PG&E, SCE, and SDG&E through October 2024, and estimated spending for the CEC through December 2024.

Program Coordination

The administrators coordinate closely with one another and other stakeholders, under the oversight of the CPUC. Administrators have continued to participate in regular review meetings, conduct joint webinars and workshops, and regularly collaborate on EPIC-related matters through bi-weekly phone calls.

In 2024, EPIC administrators held 5 EPIC-related public workshops, covering a variety of topics, ranging from vehicle grid integration, inclusive solutions for disadvantaged communities, and affordability to public input on specific projects. The workshops focused on promoting awareness and visibility into the EPIC program, facilitating stakeholder engagement, improving coordination among EPIC administrators, and providing transparency regarding emerging technology progress and results. Additionally, in October 2024, the CEC held an in-person and virtual annual EPIC Symposium highlighting progress in the EPIC Program for stakeholders. The Symposium focused on innovation in microgrids, battery manufacturing, medium- and heavy-duty zero-carbon vehicle fleets, building electrification, load flexibility, and industrial decarbonization. The CPUC continues to require administrators to work with the CPUC to identify areas for knowledge transfer between EPIC research projects and current CPUC energy policy proceedings.

CPUC D.23-04-042 directed that program-wide goals are needed to establish measurable targets and to evaluate the progress of EPIC innovation investments. The establishment of such metrics are necessary to determine ratepayer benefits and impacts are realized in achieving California's clean energy and climate goals. The Decision directed the CPUC to hold a public stakeholder process to inform CPUC guidance in developing measurable program Strategic Goals and Objectives. On March 7, 2024, D.24-03-007 adopted five Strategic Goals to guide EPIC program investment. The Strategic Goals are:

1. Transportation Electrification
2. Distributed Energy Resource Integration
3. Building Decarbonization
4. Achieving 100 Percent Net-Zero Carbon and the Coordinated Role of Gas
5. Climate Adaptation

From March 19, 2024 to July 9, 2024, the CPUC held seven hybrid public stakeholder workshops and five in-person technical working group public meetings to inform the development of more granular EPIC Strategic Objectives that support EPIC's Strategic Goals and the state's 2045 zero carbon goals. The workshops took place over 12 days, with over 30 presentations and approximately 530 participants, and participation by all EPIC administrators. A staff proposal derived from workshop input is currently being drafted to inform the CPUC in its next guidance Decision for the EPIC 5 funding cycle (2026-2030). The CPUC is expected to issue one or more decisions in 2025 providing further direction on program improvements in compliance with D.23-04-042.

EPIC Database and Program Improvements

In 2024, the EPIC Policy + Innovation Coordination Group (PICG) coordinator continued to maintain and update a comprehensive EPIC project database providing publicly searchable information and data for all EPIC projects from the inception of the program in one place, for the first time. The database can be accessed through the EPIC Database website and the CPUC RD&D website.

In 2024, an independent program-wide evaluation of the EPIC program was conducted to gauge overall program performance. Program evaluations allow Administrators to demonstrate, independently and collectively, verified successes, and lessons learned, which underscore the value of ratepayer benefits. These in turn will provide productive feedback to make improvements and course corrections to EPIC portfolio planning and implementation.

On November 20, 2023, the Commission issued a Ruling in proceeding R.19-10-005 seeking input from parties to improve the EPIC program in the following areas:

1. Establishing Strategic Goals that should be used by the CPUC to guide development of EPIC Administrator Investment Plans that, when executed, will produce outcomes materially advancing achievement towards California's 2045 climate, clean energy, and equity goals
2. Adopting principles for equity in RD&D and other cross-cutting strategies to guide EPIC program strategy development.

These were adopted by D.24-03-007. In 2023, the Commission approved additional guidance to update and manage the EPIC database in D.23-04-042. The proposal to expand the EPIC's project database to include gas R&D projects was not adopted to avoid potential cross-subsidy issues, but the Decision noted there may be other procedural vehicles to achieve a goal of coordination across electric RD&D and gas R&D administrators, including a cohesive database.

Annual Reporting Updates

The annual audit reporting information required by statute is below.

Expenditures

EPIC has been funded through triennial (three-year) investment cycles from 2012-2020, with years demarcated by calendar year. For 2021-2030, EPIC will be funded through five-year investment cycles, again with years demarcated by calendar year. Due to the variability in spending across the years in the investment period, fiscal year expenditures may not be indicative of actual expenditures. Listed below are the approved funding amounts over the last three investment cycles and the current investment cycle.

Table 22. EPIC Funding, 2012 – 2025

Investment Cycle (calendar year)	2012-2014	2015-2017	2018-2020	2021-2025
Allowed Funding	$467,000,000	$510,000,000	$555,000,000	$925,000,000

Governance Structure

EPIC investments are funded under the authorization of the CPUC as established by D.11-12-035. Per D.12-05-037, the CEC, SDG&E, PG&E, and SCE, as administrators of the program, are required to present their investment plans for the triennial program periods for consideration by the Commission.

D.20-08-042 requires the CPUC to conduct a public proceeding every five years for the period 2021-2030 to consider the five-year EPIC investment plans for coordinated public interest investment in clean energy technologies and approaches. D.21-11-028 renewed SDG&E, PG&E, and SCE as EPIC administrators through 2030.

Schedule of Employees and Compensation

Table 23 shows EPIC Administrator dollars spent on labor for the prior two and current calendar years.

Table 23. EPIC Administrator Schedule of Employee Compensation

Year	Gross Compensation
2022	$14,201,021
2023	$18,485,677
2024 Year to Date	$20,204,919

The reporting year for EPIC is January 1 - December 31. Table 23 describes compensation for PG&E, SCE, and SDG&E through October 2024, and estimated compensation for the CEC through December 2024. The 2023 EPIC value has been updated from the 2023 report to represent final actual expenditures. Gross compensation includes benefits.

Staff Transferred or Loaned

No CPUC staff have been transferred or loaned internally or interdepartmentally for this program.

Contracts, Funding Sources, and Legislative Authority

Contracts entered into by the EPIC program administrators are authorized by D.12-05-037 and are funded by EPIC program funds. Per D.18-10-052, PG&E holds the contract with the Accelerate Group, the Project Coordinator for the EPIC Policy + Innovation Coordination Group. The contract is managed by CPUC's Energy Division and will continue through December 2025. Per D.23-04-042, SCE holds the contract with Evergreen Economics, who is conducting the 2024 Second Independent Evaluation of the EPIC program. The contract is managed by CPUC's Energy Division and will continue through March 2025. EPIC is funded by the ratepayers of PG&E, SCE, and SDG&E on a proportional basis. Responsibility for collection of the funding for the EPIC funds is allocated to the utilities in the following percentages: PG&E - 50.1 percent; SDG&E - 8.8 percent; and SCE - 41.1 percent.

Public Process and Oversight

The EPIC program is overseen by the CPUC. Additionally, each EPIC administrator submits an annual report to the CPUC in April via Tier 2 Advice Letter. D.23-04-042 directed that the EPIC Database must be regularly updated with accurate information so that it may serve as a supplement to the annual reports, thus streamlining the reporting process. The EPIC annual reports provide updates on the status of the investment plans, projects, funding levels, results, intellectual property development, and technological breakthroughs. The EPIC program administrators also hold public workshops to gain stakeholder input throughout the EPIC funding process. Additional information on public process and oversight is provided in the section on "Program Coordination" above. The EPIC database provides information on all EPIC projects in one place, furthering program transparency.

The Building Initiative for Low-Emissions Development Program and the Technology and Equipment for Clean Heating Initiative

Background

Senate Bill (SB) 1477 (Stern, Chapter 378, Statutes of 2018) required the CPUC to develop two pilot programs to promote building decarbonization using $200 million collected in $50 million installments over four years. The Building Initiative for Low-Emissions Development (BUILD) Program provides incentives for the deployment of near-zero-emission building technologies in residential housing to reduce building-sector greenhouse gas (GHG) emissions. The Technology and Equipment for Clean Heating (TECH) Initiative provides incentives to advance the State's market for low-emission space and water heating equipment for new and existing residential buildings. Both pilot programs are funded by GHG allowance proceeds from the four gas corporations that participate in California's Cap-and-Trade program (i.e., PG&E, SDG&E, SoCalGas, and SWG). Statute further directs the CPUC to provide annual updates regarding both the BUILD Program and the TECH Initiative to the Legislature as part of the Assembly Bill 1338 Annual Report.

The CPUC appropriated 40 percent of the $200 million budget for the BUILD Program and 60 percent for the TECH Initiative.

the TECH Initiative has been granted additional funding to maintain and expand program offerings. AB 179 (Ting, Chapter 249, Statutes of 2022) provided an additional $50 million from California's General Fund, AB 102 (Ting, Chapter 38, Statutes of 2023) provided an additional $95 million from the Greenhouse Gas Reduction Fund, and AB 157 (Gabriel, Chapter 994, Statutes of 2024) provided an additional $40 million from the Aliso Canyon Recovery Account.

To comply with California Air Resources Board (CARB) rules governing the use of gas Investor-Owned Utility (IOU) Cap-and-Trade allowance proceeds, spending for these programs was proportionally directed to the gas IOU service territories where the funds are derived. However, any spending for the BUILD Program and the TECH Initiative with statewide or cross-territory benefits, including but not limited to administrative and evaluation spending, shall be attributed to the gas IOU service territories in proportion to their original funding contribution.[41]

[41] Title 17 of the California Code of Regulations Section 95893(d)(3): "Allowance value, including any allocated allowance auction proceeds, obtained by a natural gas supplier must be used for the primary benefit of retail natural gas ratepayers of each natural gas supplier, consistent with the goals of Assembly Bill 32, and may not be used for the benefit of entities or persons other than such ratepayers.

BUILD Program

The BUILD Program is focused on new construction, and at least $60 million of the program's $80 million dollar budget must be dedicated to low-income housing. The California Energy Commission (CEC) administers the BUILD Program with oversight from the CPUC. The CEC ensures program outreach and that technical assistance is available to all prospective applicants.

TECH Initiative

The TECH Initiative is focused primarily on the upstream market (i.e., manufacturers) and midstream market (i.e., distributors and contractors) as catalysts for market development for clean heating equipment. The TECH Initiative also focuses on consumer education, contractor training, and vendor training, as well as strategies to reduce the barriers to participation by low-income, disadvantaged, and hard-to-reach customers. TheTECH Initiative is administered by a third-party implementer (Energy Solutions) under a contract held by SCE with oversight by the CPUC.

Evaluation

Evaluation criteria for TECH and BUILD is based on metrics such as GHG emissions reductions and market penetration of clean heating technologies. SCE, with CPUC oversight, runs a solicitation for a single evaluator for both the BUILD Program and the TECH Initiative The budget for the evaluator at 2.5 percent of the overall programs' budgets, or $5 million. Program implementers are directed to embed evaluation needs into program design.

2024 Updates & Accomplishments

BUILD Program

In March of 2022, the CEC and the CPUC formally adopted BUILD Program guidelines after concluding a public engagement process that began in 2021. Technical assistance under the program was made available in December 2021, before the official launch of the program to ensure greater awareness and support for the upcoming program.[42] In its third year of implementation the program has cumulatively received 332 technical assistance applications and 129 incentive applications from low-income housing developers across the eligible jurisdictions. Over $44 million in incentive applications have been requested and over $38 million in incentive applications were approved during this time to support the construction of affordable all-electric single-family and multifamily housing. The table below summarizes the status of the BUILD Program incentive funds since its implementation three years ago.

[42] Further information is available at: Building Initiative for Low-Emissions Development Program.

Table 24. BUILD Program Incentive Funds Status, as of October 2024

BUILD Program	SoCalGas	PG&E	SDG&E	SWG	Total
Program Incentive Funding	$29,556,000	$25,404,000	$4,062,000	$978,000	$60,000,000
Incentives Reserved	$14,301,885	$21,182,423	$2,717,255	$0	$38,201,563
Incentives Requested	$858,774	$5,547,513	$0	$0	$6,406,287
Balance (Incentives Not Reserved or Requested)	$14,395,341	($1,325,936)[43]	$1,344,745	$978,000	$16,718,086

TECH Initiative

Since launching in 2021, the TECH Initiative has provided incentives for 32,807 single-family HVAC projects and 9,408 single-family water heating projects, as well as incentives for about 16,153 multi-family HPWH units and about 3,990 multifamily HVAC units. The TECH Initiative has enrolled 896 contractors across the state. Contractors continue to communicate the value and importance of program consistency and stable incentives. Additionally, the TECH Initiative continues to offer workforce education and training to contractors. To date, an estimated total of 2,866 contractors have attended TECH Initiative-sponsored trainings. Currently, the TECH Initiative sponsors six pilot projects and 17 Quick Start Grant projects which have either completed or are in progress. The TECH Initiative implementation team hosts public webinars and publishes final reports as projects complete so as to inform the broader industry about program progress.

Furthermore, the TECH Initiative implementation team receives meter data from the CEC for most projects completed through the first quarter of 2023. The TECH Initiative implementation team has conducted additional data cleaning steps preparing the meter data for analysis, and has begun a detailed, meter-based analysis of over 8,000 projects with one year of post-installation meter data to understand how heat pump installations impact GHG emissions reductions, customer bills, and electricity demand, as well as the specific drivers that influence these outcomes.

The TECH Initiative won the Advanced Water Heating Initiative's Residential Heat Pump Market Transformer Award in 2024. The TECH Initiative is continuing implementation and will soon be launching new activities funded by the Greenhouse Gas Reduction Fund.

Further information is available at:

- TECH Clean California Public Reporting Website: https://techcleanca.com/
- Switch is On Website: https://www.switchison.org/

[43] The BUILD Program's PG&E territory has an oversubscription of $1.3 million incentives requested. Applications are no longer being accepted for the territory. The existing requested applications in the program queue are waitlisted and will be funded should additional funds become available.

Evaluation

Opinion Dynamics Corporation (ODC) has been the evaluator of both the BUILD Program and the TECH Initiative since 2021. The evaluation of both the BUILD Program and the TECH Initiative are ongoing and conducted in parallel with program implementation to develop innovative ways to collect data, customer feedback, and market perspectives. This approach creates an effective feedback structure to help all parties better understand complex market patterns, effectiveness of program strategies, and opportunities for course correction.

In 2024, the following goals have been, or are in the process of being, completed:

1. Published a BUILD Program Interim Process Evaluation report summarizing findings and recommendations on the program implementation since its beginning. Supported each of the natural gas IOUs with CARB reporting for both the BUILD Program and the TECH Initiative.
2. Completed Phase 1 and Phase 2 of a three-phase cost study to understand the incremental costs of heat pump equipment.
3. Monitored the warehouse of advanced metering infrastructure (AMI) data. Created and deployed analysis code to conduct consumption analysis of pre/post impacts for TECH customers for impact evaluation, including developing a matched comparison group. Calculated ex post GHG impacts, bill impacts, and cost per metric ton of GHG emissions saved. ODC is currently developing a report summarizing the methods, findings, and recommendations of this task.
4. Completed a draft and final report of the TECH Initiative's Key Performance Indicator (KPI) Assessment. Measured quarterly and annual KPIs that touched on all of the TECH Initiative's activities for the program's first two years (2022 and 2023).
5. Completed a Time 1 market assessment for the BUILD Program that updated the established baseline for the BUILD Program. This included updates on stakeholders' experience working in all-electric new construction and perceptions of technology choices, costs and incentives, and technical assistance and training.
6. Completed a Time 2 market assessment for the TECH Initiative that updated KPIs on customer awareness and familiarity with heat pump technologies, contractor confidence and experience working with heat pumps, and the installed base of heat pumps in single-family and multifamily buildings.
7. Conducted interviews and surveys with homeowners whose contractor submitted a TECH Initiative incentive application on their behalf, but for whom the application was rejected after review by the implementation team. The goal was to understand if these customers ultimately completed a heat pump project or received an incentive from another program.
8. Installed energy logging equipment on electric panels in participating Californians' homes under the TECH Initiative's End Use Metering (EUM) study, validated and verified data streams on an ongoing basis, and began conversations with the CPUC to transfer data and data collection at the conclusion of the study in summer 2025. We will record electricity usage data every second for key end uses such as electric vehicle charging, solar PV production, HVAC heat pumps, and heat pump water heaters for a full year.
9. Began a review of existing cost-effectiveness evaluation framework of California's ratepayer-funded program to propose a cost-effectiveness evaluation approach that is appropriate for the program goals set by SB 1477.

Annual Reporting Updates

Program funding is to be held and distributed by SCE. First year funding was deposited by all relevant gas corporations with SCE on June 1, 2020, in one lump sum of $50 million. Funding for the second, third, and fourth years is to be collected in quarterly installments of $12.5 million occurring March 1, June 1, September 1, and December 1 of each year, with the final quarterly installment deposited in June of 2023. Every quarterly installment was deposited timely.

Appendices

Appendix A. Pacific Forest and Watershed Lands Stewardship Council

Appendix A.1 Employee Compensation

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	$80,588	$6,791	$744	$88,123

Please note that the Executive Director was separated from employment on December 31, 2023 due to the dissolution of the Stewardship Council and received a severance payment in 2024.

Table 23. 2023 Year to Date (YTD) Schedule of Employee Compensation through October 31, 2023				
Title	**Gross Pay**	**Medical & Fringe**	**401k**	**Total**
Executive Director	$93,029	$12,791	$3,721	$109,541
Director of Programs	$75,417	$9,422	$3,017	$87,856
Administrative Manager	$54,904	$333	$2,196	$57,433
Other Staff (1)	$34,965	0	$1,399	$36,364[44]
Grand Total (4 positions)	$258,315	$22,546	$10,333	$291,194

Table 24. 2022 Year to Date (YTD) Schedule of Employee Compensation through December 31, 2022				
Title	**Gross Pay**	**Medical & Fringe**	**401k**	**Total**
Executive Director 1[45]	$137,853	$11,910	$4,346	$154,139
Executive Director 2	$31,696	$0	$1,268	$32,964
Director of Programs	$70,582	$16,906	$2,482	$89,970
Finance & Compliance Administrator	$102,846	$5,254	$4,114	$112,214
Other Staff (3)	$200,637	$8,270	$8,025	$216,932

[44] This amount reflects a January 2023 severance payment made to a separated employee.

[45] Severance payment made to former ED January 2022.

Table 24. 2022 Year to Date (YTD) Schedule of Employee Compensation through December 31, 2022				
Grand Total (7 positions)	$543,613	$41,440	$20,577	$606,219

Appendix A.2 Professional Fees

Table 26. Schedule of Professional Fees YTD as of November 1, 2024 by General Ledger Category

General Ledger Category	Total Paid
Legal Fees	$100,000
Accounting Fees	$20,500
Graphics & Media Fees	$0
Investment Management Fees	$2,400
Professional Services Fees	$40,287
Boundary Surveys	$213,343
Baseline Documentation	$0
Land Planning Fees	$0
Land Transfer Costs	$22,807
Total Consultant Expense	$399,337

Appendix B: California Emerging Technology Fund Grantee Partners Conclusion of 3-Year Strategic Plan and Launch of New 5-Year Strategic Plan CPUC AB1338 Report Through FY23-24 Ending June 30, 2024

Grantee Partner	Grant
GRANTS FROM CETF FUNDS	
Adoption Legacy Fund	**$1,053,000**
California State University, Fresno SJV Consortium	$20,000
Catholic Charities of Santa Clara County	$10,000
Chicana Latina Foundation	$10,000
El Concilio of San Mateo County	$90,000
Goowill of Silicon Valley	$10,000
OCCUR	$5,000
Pivotal	$10,000
San José Digital Inclusion Partnership	$10,000
Sacred Heart Community Service	$10,000
Silicon Valley Education Foundation (+$50,000 from S2H)	$50,000
Tech Exchange (+ $80,000 from S2H)	$525,000
Valley Vision	$25,000
Vietnamese Voluntary Foundation, Inc.	$3,000
WiConduit	$25,000
#Oakland Undivided	$250,000
Access Broadband Connect (ABC) Grants	**$2,252,230**
AGIF Education Foundation	$617,880
Asian Youth Center	$56,040
California Family Resource Center	$25,000
California Foundation for Independent Living Centers	$23,640
California State University, Fresno Foundation	$193,680
Delhi Center	$20,000

Grantee Partner	Grant
EveryoneOn	$75,000
human I-T	$171,000
Independent Living Center of Kern County	$5,000
Los Angeles County Office of Education	$100,000
Mothers Helping Others	$9,000
National Council of Negro Women Inland Empire	$12,000
Priscilla's Helping Hands	$6,750

Appendix C. The California Hub for Energy Efficiency Financing

Appendix C.1 Finance Pilots' Budget

Table 30: Finance Pilots Budget with CAEATFA Expenditures, September 2014-June 2022

Item	Allocated	Expended	Balance
CAEATFA Hub Administration[46]			
Initial allocation per D.13.09.044 for implementation including outreach and training to finance companies and contractors and reserve fund allocation to the CAEATFA in November 2016[47]	$23,060,000[48]	$17,672,285	$5,387,715
Subtotal Hub Administration Costs[49]	$23,060,000	$17,672,285	$5,387,715
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan[50]	$8,000,000	$7,954,727	$45,273
Subtotal Marketing, Education, and Outreach[51]	$8,000,000	$7,954,727	$45,273
Credit Enhancement			
Initial Allocation per D.13.09.044	$42,900,000		
Earmarked by IOUs for Administration and Direct Implementation per PIPs[52]	($9,863,976)		
Subtotal Credit Enhancement Funds Allocated after IOU Administrative Costs net of $7,700,000 of credit enhancement funds for reallocation to administrative expenses if needed	$25,336,024	$252,467[53]	$25,083,557

[46] Includes start-up costs, Hub administration, direct implementation, outreach, and training.
[47] Funds were authorized per Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing Education and Outreach in November 2016.
[48] Include credit enhancement funds allocated to the CAEATFA for FYs 20-22, if needed per Resolution E.5072.
[49] Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
[50] The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.
[51] The initial allocation for ME&O also included $2 million to the CAEATFA for outreach to finance companies and contractors.
[52] The IOUs and CHEEF filed Program Implementation Plans (PIPs) in 2014 and 2015.
[53] Credit enhancement expenses consist of $252,467 paid out in net claims to the GGH lenders.

Table 30: Finance Pilots Budget with CAEATFA Expenditures, September 2014-June 2022			
Funds currently encumbered[54]	$5,070,010		$20,013,547
IOU Administration[55]			
Administration, General Overhead, and Direct Implementation per PIPs.	$9,863,976		
IT Costs	$8,000,000	TBD	TBD
Subtotal IOU Administration[56]	$17,863,976		
Hub Pilot Reserve			
Subtotal Remaining Reserve[57]	$984,931		$984,931
Grand Total	$75,244,931	$43,743,455	$31,501,476

Table 31: Finance Program Budget with CAEATFA Expenditures, July 2022-June 2024			
Item	Allocated	Expended	Balance
CAEATFA Hub Administration[58]			
Authorized through Decision 21-08-006	$23,255,041	$6,809,335	$16,445,706
Subtotal Hub Administration Costs[59]	$23,255,041	$6,809,335	$16,445,706
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan[60]	$8,000,000	$3,236,099	$4,763,901
Subtotal Marketing, Education, and Outreach	$8,000,000	$3,236,099	$4,763,901
Credit Enhancement			
Initial Allocation per D.13.09.044	$43,919,485		
Subtotal Credit Enhancement Funds	$43,919,485	$989,672[61]	$42,929,813

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[54] Includes contributions to Finance Company loss reserve accounts net of claims paid and net of funds recaptured through annual rebalances.
[55] Includes start-up costs, On Bill Repayment build-out, and direct implementation.
[56] IOU Administration costs reflects initial funding. D.17.03.026 approved additional expenditures of up to $500,000 per year per IOU (and $800,000 for SoCalGas) from 2017 through 2020 with funding from energy efficiency funding already approved or for incremental funding, subject to the Advice Letter process.
[57] This amount reflects the remaining balance after the release of reserve funds to the CAEATFA.
[58] Includes start-up costs, Hub administration, direct implementation, outreach, and training.
[59] Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
[60] The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.
[61] Credit enhancement expenses consist of $989,672 paid out in net claims to the GGF lenders.

Table 31: Finance Program Budget with CAEATFA Expenditures, July 2022-June 2024

Funds currently encumbered[62]	$8,540,981		$34,388,832
Grand Total	$75,174,526	$11,035,106	$64,139,420

[62] Includes contributions to Finance Company loss reserve accounts plus recoveries net of claims paid and net of funds recaptured through annual rebalances.