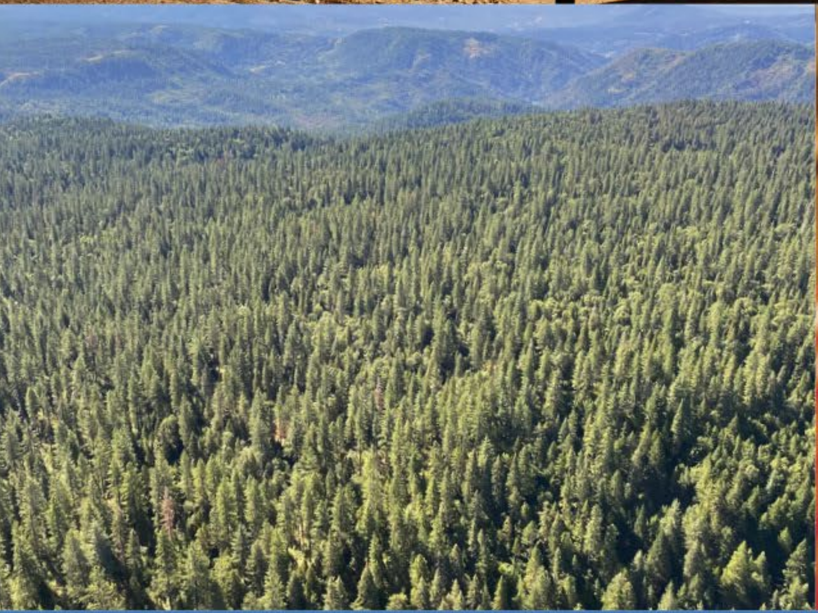

2023 Report on Trusts and Entities Established by the California Public Utilities Commission

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

PUBLISHED February 1, 2024

California Public
Utilities Commission

A digital copy of this report can be found at:

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I. Introduction

This 2023 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 CPUC Section 326.5 of the Public Utilities Code which was added by AB 1338, and 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.

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, 2021-2024

Entity	Expenditures[1]	2021-2022	2022-2023	2023-2024
The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council)	Proposed	$10,741,471	$10,989,377	$6,559,927
	Actual	$7,630,753	$9,155,446	$7,754,179[2]
The California Clean Energy Fund (CalCEF)	Proposed	$10,200,000	$13,700,000	$16,700,000
	Actual	$11,075,000	$15,500,000[3]	TBD
The California Emerging Technology Fund (CETF)	Proposed	$14,200,00	$14,060,000	$14,225,000
	Actual	$9,584,902	$9,491,888	TBD
California Market Transformation Administrator (CalMTA) [4]	Proposed	$840,228	$13,523,502	$19,531,591
	Actual	$730,666	TBD	TBD
The California Hub for Energy Efficiency Financing (CHEEF)	Proposed	$4,150,000	$5,290,515	$4,668,985
	Actual[5]	$3,405,000	$3,265,202	TBD
21st Century Energy Systems – Research and Development Agreement (CES-21)[6]	Proposed	N/A	N/A	N/A
	Actual	N/A	N/A	N/A
The Diablo Canyon Independent	Proposed	$991,247	$1,006,115	$1,021.207

[1] Variability in spending across the years is due to multiyear budget allocation.
[2] Estimate of actual expenditures.
[3] Estimate of actual expenditures, which also includes increased expenditures along with additional revenue and programmatic efforts.
[4] 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.
[5] 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.
[6] This program has ended and submitted its final report to the CPUC on December 6, 2019.

Entity	Expenditures[1]	2021-2022	2022-2023	2023-2024
Safety Committee (DCISC)	Actual	$904,811	TBD	TBD
Nuclear Decommissioning Trusts	Proposed	N/A	N/A	N/A
	Actual	$10,080,869	TBD	TBD
Electric Program Investment Charge (EPIC)	Proposed	$185,000,000	$185,000,000	$185,000,000
	Actual	$230,373,640	$117,796,109[7]	$220,407,131[8]
TECH Initiative	Proposed	$17,569,826	$40,663,446[9]	$47,768,921
	Actual	$29,525,804[10]	$35,068,522	$13,744,582[11]
BUILD Programs	Proposed	N/A	N/A	N/A
	Actual	$7.096,747[12]	$2,131,451[13]	$205,933[14]

Additional details for each Trust and Entity are included in the chapters that follow. The fiscal year for the CalCEF, the 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 2021, 2022, 2023. For DCISC and CalMTA, the figures provided are for calendar years 2022, 2023, and 2024.

[7] The 2022-2023 EPIC value has been updated from the 2022 report to represent final actual expenditures.
[8] Estimate of actual expenditures.
[9] Proposed expenditure does not include the additional $50 million from the state budget (AB/SB 179).
[10] Updated from previously reported amount to represent final actual expenditures that include an unexpected rapid increase in participation from January 2022-May 2022.
[11] Estimate of actual expenditures are through November 2023.
[12] Updated from previously reported amount of $7,097,063. Figures include expenditures and encumbrances listed in the Financial Information System for California (FI$Cal)
[13] Updated from previously reported amount of $2,522,113. Figures include expenditures and encumbrances listed in the Financial Information System for California (FI$Cal).
[14] Estimate of actual expenditures through October 2023.

II. Annual Report Updates from Trusts & Entities Created by the CPUC[15]

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 dated December 18, 2003: "Opinion Modifying the Proposed Settlement Agreement of Pacific Gas & Electric Company (PG&E), PG&E Corporation, and the Commission Staff, and Approving the Modified Settlement Agreement" (Settlement Agreement). The Settlement Agreement, Paragraph 6 of Section VI, Subsection C, specified that a total of $100 million would be provided to the Stewardship Council for the Land Conservation Commitment and the Environmental Opportunity for Urban Youth. Paragraph 6 further stipulated that funding would be paid over 10 years, to be recovered in retail rates. The Stewardship Council does not receive any additional sources of funding.

The Stewardship Council's mission is 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 has two goals: (1) to ensure that over 140,000 acres of California's pristine watershed lands are 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) is 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 are all made by consensus.

2023 Updates & Accomplishments

- The Stewardship Council Board has 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 Settlement Agreement and Stipulation. After the Board approves 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 has approved LCCPs for approximately 38,410 acres that have been recommended for

[15] When applicable, a description of relevant issues as outlined in Public Utilities Code section 910.4(a) will be provided for each Trust or Entity. When not applicable, a description of the relevant issue will not be itemized in the report.

donation and for approximately 101,970 acres that are being retained by PG&E. The Settlement Agreement included acknowledgment of a large amount of acreage that would likely be retained by PG&E, which bore out after the land conservation and conveyance process, including extensive land survey work.[16]

- As of November 1, 2023, 92 conservation easement and fee title donation transactions have closed escrow, out of a total of 96 transactions. Ten transactions were closed in 2018, 11 in 2019, 12 in 2020, 8 in 2021, 10 in 2022, and, as of November 1, 11 in 2023. The Stewardship Council anticipates remaining land transactions to close escrow no later than December 31, 2023
- As of November 1,2023, following regulatory approvals, 53 conservation easements were recorded on more than 69,350 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.
- As of November 1, 2023, fee title has been conveyed for approximately 38,405 acres. Forty land donations with conservation easements or conservation covenants have been completed. Escrow closed on fee title conveyance of lands to the California Department of Parks and Recreation, University of California, California Department of Forestry and Fire Protection (CAL FIRE), Madera County, Tuolumne County, Placer County, the Auburn Area Recreation and Park District, the Potter Valley Tribe, Maidu Summit Consortium (MSC), San Joaquin County Office of Education, Pit River Tribe, Fall River Resource Conservation District, and Fall River Community Services District with conservation easements recorded concurrently with the land transfer. Lands have also been conveyed to the U.S. Forest Service at the Battle Creek, Deer Creek, Wishon Reservoir, North Fork Mokelumne River, Lyons Reservoir, Lower Bear Area, Blue Lakes, Eel River, Lake Britton, and Fordyce (White Rock) Lake planning units with the conservation covenant recorded concurrently.

2023 Environmental Enhancement Program Accomplishments and Updates

Since launching the Environmental Enhancement Program in 2012, the Stewardship Council has awarded approximately $13 million in grants. Overall, the Stewardship Council has budgeted approximately $14.3 million for projects that enhance the Beneficial Public Values of the Watershed Lands and promote

[16] D.03-12-035, Appendix C (Settlement Agreement) states, "Of the Watershed Lands, approximately 95,000 acres are lands that are either included in the project boundaries, contain essential project elements related to the operations of the hydro facilities, or are part of legal parcels that contain major FERC project facilities. The remaining 44,000 acres are lands completely outside the FERC project boundaries and do not contain FERC project features."

productive partnerships involving landowners, conservation easement holders, local communities, youth, and other stakeholders.

Enhancement projects have been 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.

- Construction is complete on the Fall River Lake Trail project, which Fall River Valley Community Services District and Lomakatsi Restoration Project completed together. An opening celebration was held on July 13 and the trail is already being used by the community.
- Mountain Meadows Conservancy completed trail work in July and the vault toilet is ordered and arriving for installation this fall.
- At the Manzanita Planning Unit, Madera County continues to work out final designs before constructing trail and campground amenities for the Bass Lake North Fork Regional Trail.
- Sierra Buttes Trail Stewardship is working with PG&E at Bucks Lake Planning Unit to prepare project proposal documents for adding several miles of trail.
- At McArthur Swamp, the Fall River RCD has made progress on the water delivery system to support grazing and wildlife uses while also treating noxious weeds and implementing their management plan.

The Stewardship Council Board provided funding to renovate Sky Mountain Outdoor Education Center, owned and operated by San Joaquin County Office of Education (SJCOE). The SJCOE utilized a $5 million grant to complete necessary facility upgrades including safety and accessibility improvements. Additional improvements may be made with funding provided by the Stewardship Council.

The Stewardship Council launched a competitive solicitation for additional Enhancement Grants in January 2020. New enhancement project awards were granted to Student Conservation Association and Spring Rivers Conservancy in May 2022. 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. Spring Rivers Conservancy was granted $52,000 to work at Sucker Springs on vegetation management and restoration, planning for infrastructure, and a macroinvertebrate education station that supports field trips to the site with local schools for a total of $152,000 awarded in 2022. Spring Rivers Conservancy was the recipient of additional Stewardship Council funding to harden infrastructure in 2023. Additional grants to the Sierra Nevada Conservancy and SJCOE are budgeted and contemplated for late 2023.

Youth Investment Program Accomplishments

Justice Outside (formerly Youth Outside) continues to focus on developing sustainable funding beyond the life of the Stewardship Council. Justice Outside was awarded $10,725,000 in 2013 to connect underserved youth to the outdoors, and as of December 31, 2022, projects a successful expenditure of the funding in the creation of a permanent program to connect youth with the outdoors. Justice Outside successfully completed all grant making with Stewardship Council funding at the end of 2022.

Beginning in 2020, then Youth Outside, underwent a strategic refresh process culminating in the identification of the organization's new name, Justice Outside, and the following organizational priorities to steer their work into the future:

- Field Building: Strengthen the capacity of individuals and institutions to achieve a racially just and culturally representative outdoor and environmental field.
- Thought Leadership: Lead and influence the outdoor and environmental field to achieve racial justice through research, policy, and narrative change.
- Network Building and Mobilization: Mobilize existing organizations led by Black, Indigenous, and people of color as well as allies in the public, private, philanthropic, non-profit, and academic sectors around a racial justice agenda and leverage resources, relationships, programs, and strategies to maximize influence and impact.
- Financial Health and Resilience: Strengthen the financial health and resilience of Justice Outside to achieve its strategic goals and long-term sustainability.

In 2022, Justice Outside awarded grants to 23 organizations (21 multi-year grants and 2 one-year grants) totaling $668,200. These grants supported youth in several regions of PG&E's service area, providing transformational outdoor education and open-space experiences to thousands of youth. A sample of those grantees are below:

- Justice Outside awarded Acta Non Verba $50,000 in 2022 for their Urban Youth Farm Project that connects youth of color from East Oakland to a nature-based farm program. Youth learn about healthy eating and sustainable farming and help youth build savings for their educational future.
- Justice Outside awarded Brothers on the Rise $50,000 in 2022 for their programs which provide access to nature to low-income urban youth of color, integrating outdoor-based life skills, leadership development, and environmental career opportunities.
- Justice Outside awarded Communities United for Restorative Youth Justice $19,000 in 2022 to support youth who have been impacted by multiple criminalizing youth-serving systems, including foster care, juvenile and adult criminal injustice system, and punitive school districts. Funds will assist in the development of a robust garden ecosystem where community needs intersect with programmatic needs while developing an edible garden, healing herbs garden, hosting and caring for land and soil via a worm composting system and a beehive.
- Justice Outside awarded Our Wilderness Now $19,000 in 2022 to support their community-based programming that empowers Native American youth through nature connection, many of whom are developing their first sensitivity to stewardship of the environment.
- Justice Outside awarded Weekend-Adventures $19,000 in 2022 to support programs that provide meaningful routine outdoor adventures that help to create connections within the participant groups and to the planet for youth living in marginalized neighborhoods in San Francisco.

Justice Outside has successfully completed the first round of applications and selected grantees for the Youth Access to Nature (YAN) fund since the adoption of the program from the San Francisco Foundation at the start of 2022. The YAN cohort focuses on granting to youth-focused organizations across the Bay Area and ensures an ongoing collaboration between Justice Outside and the many youth-oriented organizations they have supported with Stewardship Council grants over the years. In 2022, the YAN grantmaking program included funding 21 organizations a total of over $500,000 in their first grant-year.

Annual Reporting Updates

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

Expenditures

In addition to the information required by statute reported below, 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, 2022-2024

Fiscal Year	2022	2023	2024
Proposed expenditures (budget)	$10,989,377	$6,559,927	$75,000
Actual expenditures	$9,155,446	$7,754,179[17]	TBD

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.

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.

[17] Proposed spending through 2023.

Table 3. General Breakdown of Stewardship Council's Active Staff Costs, December 31, 2021-October 31, 2023

Year	Gross Pay	Benefits	401K	Total
2021	$599,077	$107,283	$22,356	$728,716
2022	$553,092	$54,164	$22,437	$629,694.04
2023	$258,316	$22,547	$10,333	$291,196

The Stewardship Council anticipates completion of the requirements of the Settlement Agreement and associated Stipulation no later than March 31, 2024. The Stewardship Council will dissolve consistent with the founding documents. The Stewardship Council is currently anticipating organizational dissolution on April 1, 2024 and is addressing staffing and other needs during the process of dissolution with the implementation of a dissolution plan.

Staff Transferred or Loaned

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

Contracts, Funding Sources, and Legislative Authority

Under the Settlement Agreement, Section 17(c), PG&E is obligated to fund the Stewardship Council annually over a 10-year period and is 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. However, 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 the Major Grant Agreement that the Stewardship Council entered into with the Foundation for Youth Investment (now known as Justice Outside) in August 2013, which has been closed. When the Stewardship Council dissolves, the CPUC will have the right to succeed to the Stewardship Council's rights, but not its obligations, under the Major 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[18] is posted to the Council's website, and its availability announced via an e-mail to all stakeholders in its database.

[18] 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.[19] 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 to emphasize the additional global elements and new funding sources it is incorporating into its programming to continue its mission to drive innovation and equity into the global clean energy economy.

Highlights of CalCEF's / New Energy Nexus' accomplishments since 2005 can be found in previous AB 1338 Annual Reports.

Since 2017, all funds provided from the 2003 settlement have been spent down and remaining investment returns are not expected to provide a reliable funding stream for the organization's future work or provide any significant windfalls. 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.

2023 Updates & Accomplishments

The 2023 fiscal year's program accomplishments include:

- The California Sustainable Energy Entrepreneur Development (CalSEED) program announced 27 companies out of 153 were selected to receive grants of $150,000 to develop their breakthrough technologies. In total $4 million of the California Energy Commission(CEC) EPIC funds will be invested in clean energy innovations throughout California (the CalSEED program distributes EPIC funding).

[19] 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.

- CalSEED also announced Planet A Energy and Sonocharge as the winners of the fifth annual Prototype Awards. The awardees were selected through a rigorous business plan competition where companies demonstrated the significant commercial promise of their energy innovations, each winner receiving US$450,000.
- CalTestBed awarded $4.7 million in vouchers to empower 18 cutting-edge growth stage clean energy startups in the third cohort to test their technology. Testing will take place in test beds across six University of California campuses, as well as the Lawrence Berkeley National Lab.
- The Clean Fight announced its fourth cohort in November 2023, seeking growth-stage solutions to decarbonize the warehousing, distribution and retail of food. Up to $125,000 will be awarded per company for demonstrations and capacity building in New York State.
- The Clean Fight also announced it is administering the $10 million Empire Technology Prize, a competitive opportunity for global solution providers focused on advancing building technologies for low carbon heating system retrofits in tall commercial and multifamily buildings in New York State. The prize supports the Climate Leadership and Community Protection Act Goal to reduce emissions 85 percent by 2050.
- New Energy Nexus in California partnered with the Center for Social Innovation at UC Riverside and other local organizations to launch the Youth Entrepreneurial Accelerator (YEA!) in Imperial County in Southern California – the first of its kind in California aiming to cultivate a new generation of innovators. On 29 September, over 300 students from across the County engaged with clean tech companies, entrepreneurs, labor partners, government officials and community organizations, and the CEC – aiming to connect young people to social and technology trailblazers in the community and engage them in hands-on experiences to spark their interest in areas of the advanced battery sector.
- As part of the Li-Bridge groups, released a major report - "Building a Robust and Resilient U.S. Lithium Battery Supply Chain" – with 26 recommended actions to bolster the domestic lithium battery industry. Announced in October 2021 by the Department of Energy and Argonne, Li-Bridge is spearheaded by three industry trade groups: NAATBatt International, the New York Battery and Energy Storage Technology Consortium, and New Energy Nexus.
- New Energy Nexus winners of the Supercharge Australia to accelerate startups working along the lithium value chain. It is the first initiative of the partnership between New Energy Nexus, Australia, and New Zealand's largest climate tech startup accelerator, EnergyLab.
- LG Energy Solution (LGES), in partnership with New Energy Nexus, successfully closed its "LGES Battery Challenge 2022," a battery startup competition geared toward open innovation. The startup competition demonstrates LGES' pursuit towards pioneering future battery technologies and is part of a suite of programs by New Energy Nexus to support battery innovation around the world.
- New Energy Nexus announced 11 startups at the Climate Fintech Accelerator Open Day in Shanghai – the first time fintech accelerator has been hosted in China. The 11 startups accepted into the first batch of the 2023 cohort come from six countries – China, United States, Singapore, the United Kingdom, India, and Nigeria – and are focusing on Web3 and sustainability, carbon accounts, payments, banking, lending, investment, trading, risk analysis, insurance technology, and regulatory technology.

- New Energy Nexus Indonesia in September 2023 held its fourth hackathon (an event where participants engage in rapid and collaborative problem solving, often in response to a clean energy or climate problem statement). The event took place with hundreds of participants across the clean energy, impact investment, and climate tech sectors.
- New Energy Nexus Indonesia announced 10 startups that will join the Bali Women Climate Entrepreneur Project. This acceleration and incubation program offers four months of tailored business support for women-led climate entrepreneurs in Bali to enhance their business, aiming to close the gender gap and increase women's participation in clean energy and climate solutions sectors.
- New Energy Nexus added three program partnerships. Two in the United Arab Emirates (UAE), with Abu Dhabi Investment Office (ADIO) and Hub71 to attract and grow growth-stage startups in the UAE. And one in Australia, to run the Supercharge Australia program with local partner EnergyLab, which focusses on growing energy storage solutions.

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, 2022-2024

Year	2022	2023	2024
Proposed expenditures (budget)	$10,200,000	$13,700,000	$16,700,000
Actual expenditures	$11,075,000	$15,500,000[20]	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-profit corporation. CalCEF Innovations currently has a board of 10 directors while CalCEF Catalyst has a board of four directors.

[20] Estimate of actual expenditures, which also includes increased expenditures along with additional revenue and programmatic efforts.

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.

1. Articles of Incorporation: Articles of Incorporation, 2004.
2. Bylaws: Restated Bylaws, 2013.
3. Settlement Agreement: D.03-12-035 Appendix B - Settlement Agreement.
4. Stipulation Agreement: No stipulation agreement found.
5. Policies and Procedures: Conflict of Interest Policy, 2009.
6. Current board members (as of 2022): Jon Foster (Since 2004) Julie Blunden (Since 2013) Janet Dalziell (Since 2020) Ian Rogoff (Since 2013).

Schedule of Employees and Compensation

As of November 2022, 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 the CalCEF family, now branded as New Energy Nexus. 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
2021	$1,586,001	$136,109	$1,722,110
2022	$1,684,718	$138,613	$1,823,331
2023 Year to Date[21]	$2,279,886	$595,875	$2,875,761

Staff Transferred or Loaned

Staff are shared across the CalCEF family of organizations but recorded (accrued) 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 CalCEF.

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. During this period, other entities also made minor donations of $110,000 (mostly in-

[21] Estimate of 2023 Expenses

kind). 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 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, including the final direct investment Thetus, a former portfolio company still owned by the venture capital fund when it was dissolved and ownership interests were transferred to fund investors, including CalCEF Ventures. (A detailed list of investments is provided in previous years' AB 1338 Annual Reports).

In 2006, CalCEF Ventures made a grant of $500,000 to University of California, Davis for the development of the Energy Efficiency Center, and in 2007 made a second grant of $500,000 per the terms of the grant agreement. In 2008, CalCEF Innovation was established as a sister organization with $500,000 to address important gaps in public policy regarding motivation promotion of clean energy technology and business solutions, and to pursue policy making needs and public benefit goals. In 2011 and 2012, CalCEF Ventures co-established two new investment vehicles with operating partners: in 2011, Clean Energy Advantage Partners and in 2012, Renewable Energy Trust.

CalCEF Ventures maintains ownership interest in Clean Energy Advantage Partners. The ownership interest in Renewable Energy Trust was first diluted in the years after the original investment, as expected, through follow-on funding rounds since the seeding stage and exited in late 2016. In 2012, CalCEF Ventures continued its support of the University of California Davis Energy Efficiency Center and provided an additional $200,000 grant over the subsequent three years. The investment distribution of the original funding among the partners and grantees can be found in previous AB 1338 Annual Reports.[22]

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 at the CEC Business Meeting on June 9, 2021 and will be extended and funded into 2027.

In January 2018, CalCEF Ventures was awarded a grant by the CEC to manage the CalTestBed program. This contract was finalized in June 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 sustainably 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[23] companies in its CalCharge program.

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[22] These investments are not listed in this report since the last investment from the original funding was made in 2013.
[23] Membership is non-voting.

Public Process and Oversight

CalCEF Ventures is a non-profit 501(c)(4) corporation not funded through direct taxation or utility ratepayers. CalCEF Ventures, CalCEF Innovations, and CalCEF Catalyst each have a Board of Directors that provide oversight of program activities.

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 seed capital 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." The funds were transferred by both companies by 2010. The $60 million seed capital funds were fully spent as of June 2017, plus a portion of earned interest and other awarded grants. As of June 30, 2017, the CETF retained a little more than $2.3 million in earned interest from the original seed capital to support ongoing operations.

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 will 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, D.05-11-028 and D.05-11-029 directed it to pursue the goals that expanded the adoption and usage of broadband technology in addition to promoting ubiquitous access: "We 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 and/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.

2023 Updates & Accomplishments

- Developed 3-Year Strategic Plan and organized Board Workshop.
- Engaged Board of Expert Advisors (BEA) to support policy and adoption mobilization. Organized and convened BEA Public Forum on March 1, 2023.
- Explored partnerships with U.S. Departments of Education (ED), Health and Human Services (HHS), and California Department of Transportation (Caltrans). Provided requested input to ED on Engagement Framework. Attended ED Forum in Washington, DC. Convened Listening Session for EDon Engagement Framework.
- Presented to the National Telecommunications Information Administration (NTIA) State Broadband Coordinators Conference.
- Submitted Federal Communications Commission (FCC) application to promote Affordable Connectivity Program (ACP). Secured FCC ACP Outreach grant for $490,000 and completed grant

agreement that became effective on May 1, 2023. Obtained a contract for more than $1 million for the State Digital Equity Planning grant activity with the California Department of Technology (CDT), CPUC.

- Submitted Comments to FCC, NTIA, and Congress regarding Infrastructure Investment and Jobs Act (IIJA), ACP, Broadband Equity Access and Deployment (BEAD) maps.
- Participated in ACP Announcement Event with FCC Chair Rosenworcel, Mayor Karen Bass of Los Angeles, and EveryoneOn (with iFans).
- Met with FCC Commissioners staff and ACP Grants Team to establish working relationships. Followed up to provide requested data on ACP enrollment.
- Joined FCC Commissioner Starks in ACP media event with San Diego Housing Commission.
- Forged an alliance with Pew Charitable Trusts and National Urban League with key national consumer stakeholders to extend ACP. Positioned CETF as a national voice with FCC, Congress.
- Qualified CETF as Vendor-Partner for Public Agencies. Prepared application and qualified as a State California Multiple Award Schedule (CMAS) vendor. Replied to CDT request for offer Request for Offer (RFO) to submit proposal to assist with Statewide Survey and 20 regional engagement events for input to Digital Equity and BEAD Plans. Was selected by CDT for RFO for over one million dollars. Organized, recruited registration, and facilitated 20 workshops (17 regional workshops through June 8, 2023, plus three Tribal roundtables). Compiled and edited workshop summaries of recommended strategies within 48 hours and returned to CDT.
- Provided leadership for California Broadband Council (CBC) to prepare State Digital Equity Plan to submit to NTIA (adoption focus). Retrieved weekly FCC ACP enrollment data for California State University, Chico (CSUC) to update CDT ACP enrollment tracker. On October 24, 2023, joined Secretary of Government Operations Amy Tong, CDT, and the CPUC in kicking off the planning process for the "Digital Equity Summit" for Digital Equity and BEAD.
- Supported CPUC Commissioners and staff in California Advanced Services Fund (CASF) implementation (adoptions, public housing). Engaged affordable housing leader to conduct workshops and provide assistance in applying for CSAF public housing grants. Conducted three workshops and numerous individual coaching sessions.
- Engaged CPUC Commissioner Houck and the Communications Division to collaborate on briefing and training CASF Adoption grantees to assist with ACP enrollment. Prepared agenda and conducted briefing on April 13, 2023.
- Prepared updated proposal for Affordable Internet and Net Equality Act of 2023 and secured introduction of AB1588.
- Supported San Diego Association of Governments (SANDAG)-California Association of Governments (SCAG)-Request for Qualifications for Prospective Partnerships (RFQPP) processes to advance priority Last-Mile Projects (Tiger Teams).
- Completed San Joaquin Valley Network Request for Qualifications for Prospective Partnership (RFQPP) process for funding opportunity, scored and interviewed 18 responders. Selected and entered into agreements with three Internet Service Providers (ISPs).

- Provided grants to nine Regional Broadband Consortiums (RBCs) for deployment and adoption ($1.1M/released $650,000); convened monthly learning communities.
- Requested RBCs to identify three Last-Mile Projects to prepare and submit applications for CASF funding.
- Initiated joint planning with RBCs to engage 60 percent of Local Governments to use Best Practices Check List with incentives.
- Worked with SCAG and SANDAG to launch process to develop model for streamlining project approvals and permitting (funded by CETF with T-Mobile funds). Assisted SCAG to adopt Digital Equity Plan.
- Submitted letter to Assembly Committee on Communications urging "throw out maps" for infrastructure grants and adopt RFQPP process ("Step Up or Step Aside") for CASF Feder Funding Account (FFA) grants.
- Convened ISPs, stakeholders to address maps and acceleration of CASF FFA grants.
- Supported CDT-CBC in coordinating promotion of ACP in collaboration with State Agencies. In partnership with CDT, California Department of Education (CDE), California State Association of Counties (CSAC), and the State Library, established weekly meetings with State Agencies to coordinate ACP Mobilization *Get Connected! California*. Developed all collateral materials for ACP Mobilization *Get Connected! California* and provided Took Kit available on Internet for All Now (IFAN) website. Organized 54 ACP Enrollment Events to enroll 1,164 Households (HHs) (August, October, April). Engaged California Department of Health Care Services (CDHS) to distribute ACP-eligibility info to eight million Medi-Cal HHs.
- Monitored, gathered FCC-USAC data for CSUC-CETF ACP Dashboard on CDT website (California Broadband Council's Broadband for All portal).
- Pursued ISP promotion of ACP and contribution to coordinated public awareness advertising.
- Supported implementation of National Digital Inclusion Alliance (NDIA) Digital Navigator grants (Colleges Serving Minority Communities Pilot Project) for Merced College and California State University, Sacramento (providing Digital Navigator curricula content and developing framework for evaluation).
- Collaborated with Schools Health & Libraries Broadband (SHLB) Coalition, NDIA, and National Urban League (NUL) on federal policy. Secured commitment from NUL to convene briefing with Pew on ACP in April 2023. Prepared Overview and Working Agenda.
- Distributed 373 Chromebooks to ACP enrollees (drawings) who completed questionnaires and agreements to serve as expert advisors.
- Implemented contract with Riverside County for $1.14 million and engaged all relevant Departments. Recruited Community-Based Organizations (CBOs) for ACP enrollment.
- Qualified as a vendor for Los Angeles County and conducted seven ACP enrollment events on December 10, 2022, to enroll 242 HHs (plus 42 pending enrollments for a total of 342 enrollments). Compiled data and submitted final report. Provided $100,000 grant to Los Angeles County Office of Education (LACOE) for ACP.

- Completed parent training for distribution of 25,000 Chromebooks and collected 4,124 parent surveys for analysis by the University of Southern California (USC).
- Concluded all Frontier Grants for over 25,000 adoptions and ACP enrollments. Closed out all Access Broadband Connect (ABC) Grants (Charter Funds). Expended $500,000 for ACP promotion per adopted Budget.
- Achieved 14,665 ABC Adoptions (ACP Enrollments) per 3-Year Strategic Plan.
- Met with Charter California Executive to underscore serious issues with MOU compliance and requested written legal documentation. Replied to Charter letter that was inadequate, elevated issue to Senior Vice President. Obtained report from Charter on MOU compliance for deployment and 350,000 adoptions. Secured commitment from Charter CA to focus on 75 WiFi public locations.
- Oversaw T-Mobile MOU completion of deployment and service to three fairgrounds as well as significant progress toward deployment and service to all ten fairgrounds required in the MOU.
- Implemented negotiated Digital Literacy Plan with T-Mobile. Engaged DigitalLearn (Public Library Association) for online platform for digital literacy training and built out the content and launched the program.
- Negotiated with Los Angeles, Inglewood, and Long Beach Unified School Districts (LAUSD, IUSD, LBUSD) to renew School2Home Agreements with hotspot distribution. Secured signed School2Home Partnership Agreement with LAUSD (after 18+ months). Completed contract with LAUSD Alumni Partner School and launched services. Revised agreement with IUSD to include distribution of T-Mobile hotspots. Supported Riverside Unified School District to do outreach to parents regarding ACP. Recruited two new school districts and in the process of onboarding to School2Home.
- Supported public announcement of Silicon Valley Education Foundation (SVEF) partnership with CETF and T-Mobile.
- Prepared and submitted Annual Report Framework to T-Mobile. Prepared and submitted 2023 Annual Report (April 2023).
- Supported Silicon Valley Education Foundation in planning and launching School2Home initiative for 5,000 students. Prepared template for SVEF School2Home Partnership Agreements with Districts. Supported SVEF NC Leadership Academy in April 2023.
- Completed FY21-22 Evaluation Report for Leadership Academy. Convened Leadership Academy in November 2022 in Los Angeles. Conducted three Los Angeles Region Learning Academies for FY22-23.
- Followed up with LACOE to re-engage on School2Home for Community Schools with $150,000 reservation. Continued conversations to explore options (with continued reservation of $150,000).
- Implemented Neighborhood Transformation (NT) and Institutionalize Digital Inclusion. Facilitated purpose and importance of five Family Navigators funded by Contra Costa County (CCC) and encouraged promotion of the ACP. Gathered data and developed work plans for three Family Navigators in Contra Costa County. Supported CCC to hire Family Navigator for DeJean Middle School and re-engaged West Contra Costa Unified School District (WCCUSD) for School2Home. Established regular coordination meetings.

- Secured all signatures on renewed Long Beach NT Partnership Agreement, including Los Angeles County.
- Managed San José Digital Inclusion Partnership (SJDIP). Completed Round 2 Grants with 1,057 Adoptions, exceeding 962 obligations. Processed 13 Grant Agreements in Round 3 with 11 Grantees completing 1,664 Adoptions; conduced six Grantee Workshops. Transferred $607,625 of donations funds to support Round 3 Grants. Conducted workshops for SJDIP Grantees to apply for CASF Adoption Grants; seven grantees received over $1.3 million (more than all City funds).
- Exceeded $162,000 in revenue from Revivn. Made a second approval request that was denied by the City Manager's Office to use donations to develop Digital Inclusion Ecosystem and promote ACP. . Concluded Revivn Pilot Project. Entered into Statewide Partnership Agreement with Revivn.
- Managed implementation of FCC Telehealth Grant with ongoing engagement of partners. Worked with Partners to fully utilize the FCC Grant $862,906. Processed all invoices. Engaged policymakers to support Fact-Finding Actions, including non-profit to promote Telehealth. Completed Senior Nursing Facilities (SNF) Pilot and finalized and distributed Evaluation Report with USC Team. Continued support of FCC Grantee Partners and monthly meetings to develop capacity to institutionalize Telehealth.
- Reached agreement with Latinas Contra Cancer to implement Kaiser Permanente Grant ($25,000) to engage Promotoras as Digital Navigators to enroll patients in ACO and use Telehealth.
- Updated proposal for Telehealth for All bill and engaged with several stakeholders, Legislators, and Administration Officials to gather support, but could not secure an author. Refocused on securing quantified goals from Administration.
- Advanced partnership and positive collaboration with CDT and State Agencies on broadband adoption by promoting ACP. These efforts continued the progress to build capacity to institutionalize Digital Inclusion through ACP Mobilization.
- Led and facilitated Digital Equity Coalition in bi-weekly meetings.
- Convened and managed monthly meetings with RBC Digital Equity Grantees.
- Sustained support for SCAG and SANDAG through Southern California Transformation.
- Engaged AB617 Community Leaders to incorporate Digital Equity into plans and partner with RBCs. Continued outreach to AB617 Communities and prepared new California Air Resources Board (CARB) application.
- Supported California Reinvestment Coalition (CRC) Roundtable hosted by three regulators with over 30 financial institutions and state agencies to explore Community Reinvestment Act (CRA) credit for broadband and ACP Promotion. Presented report to National Community Reinvestment Coalition (NCRC) Conference in DC. Developed proposal for California CRA Digital Equity Fund to purchase devices.
- Completed and distributed template for Strategic Action Plan for Local Governments.
- Prepared and submitted three CPUC filings and two FCC filings.

- Forged new partnership with CSAC for ACP promotion and Digital Equity Plan. Briefed CSAC Board and Committees. Planned and conduced first webinar in May 2023.
- Obtained new Kaiser Permanente Grant to participate in Unite US platform to provide assistance with ACP enrollment.
- Sponsored reintroduction of Digital Equity Bill of Rights (AB 414 Reyes). Secured enactment by the Legislature and Governor.
- Published and distributed 2023 Progress Report.
- Increased media presence and validation by Thought Leaders. Sustained expanded social media presence to support policy and action; prepare analysis report. Updated Communications Plan and increased media presence and social media profile. Revised, migrated, relaunched IFAN website. Prepared and distributed 3 quarterly newsletters.
- Prepared and distributed Policy Briefing Book to all 120 Legislators. Conducted briefing for Latino Caucus. Hosted Reception.
- Reached agreement with CDT to partner for Statewide Survey; finalized questionnaire. Obtained quotes from four survey firms, conducted interviews, and selected Davis Research LLC as the firm.
- Obtained and analyzed data on ACP Enrollees receiving devices and agreeing to serve as "Expert Advisors" and participate in periodic surveys.
- Secured commitment from Pew Charitable Trusts to renew funding to USC and provide grant to CETF to study ACP enrollment.
- Revised board meeting agenda structure and expanded director involvement. Reorganized and restructured team, embedded vendors, and built capacity. Rebuilt the CETF Team to backfill for vacant positions. Recruited and onboarded three team members.
- Completed clean audit for FY21-22 with more field testing and examination of Grants. Completed team individual work plans. Organized and conducted two team advances. Prepared for FY22-23 annual audit.
- Secured Platinum Rating from GuideStar.

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, 2021-2024

Fiscal Year	2021-2022	2022-2023	2023-2024
Proposed expenditures (budget)	$14,200,000	$14,060,000	$14,225,000
Actual expenditures	$9,584,902	$9,491,888	TBD

Governance Structure

The CPUC Ordering Paragraphs 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. These Decisions can be found on the CPUC's website by entering the application number (without dashes) in the Proceeding document search function and choosing the tab for "Decisions." The application number for each decision is below:
   a) D.05-11-028, authorizing Verizon's acquisition of MCI, has the application number A. 05-04-020.
   b) D.05-12-011, authorizing SBC's acquisition of AT&T, has the application number A.05-02-027.
   c) D.15-12-005, authorizing Frontier's acquisition of Verizon California wireline services, has the application number A.15-03-005.
   d) 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 the application number A.15-07-009.
   e) D.20-04-008, authorizing T-Mobile's acquisition of Sprint Communications, L.P. has the application number A.18-07-011.
4. Stipulation Agreement: No Stipulation Agreement is given for this entity.
5. Policies and Procedures: Available upon request.
6. 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 incudes 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[24]
July 2020-June 2021	$1,478,860	$347,137	$1,825,997
July 2021-June 2022	$1,721,443	$362,780	$2,084,223
July 2022-June 2023	$1,898,875	$485,180	$2,384,055

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.

Contracts, Funding Sources, and Legislative Authority

Table 8 shows professional contracts for fiscal year 2020-2021. A list of completed and current grants is provided in Appendix B.1.

Table 8. List of CETF Contracts

Category	Total Amount
Accounting	$115,500
IT Tech Support (Includes Website Support/ Online Grant Services)	$43,618
Legal Counsel	$3,500
Plan Administrators	$5,325
Printing	$11,199
Broadband and Adoption Programs	$2,518,965
School2Home	$1,727,422

As previously mentioned, under the 2005 mergers of AT&T/SBC and Verizon/MCI approved by the CPUC, both companies are obligated to fund the CETF annually over a five-year period for a total of $60 million. This funding is from the shareholders of each company and not ratepayers. Both companies have

[24] The total reflects audited financials.

completed their payments. During fiscal year 2009-2010, the National Telecommunications and Information Administration (NTIA) awarded the CETF two federal grants totaling $14.2 million, which were completed in fiscal year 2012-2013. As of June 2017, the entire $60 million in seed capital had been spent.

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 (through 2025), 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.

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 Decade Report 2007-2017 was attached as Appendix E in the 2017 AB 1338 Annual Report and presented in a public meeting to the CPUC on November 30, 2017. Going forward, the CETF will produce reports every two years and continue sending reports to the CPUC.

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 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

SB 350 (De Leon, 2015) called for the CPUC to "review and update its policies governing energy efficiency programs funded by utility customers to…authorize market transformation programs with appropriate levels of funding to achieve deeper energy efficiency savings." Market transformation is the strategic process of intervening in a market to create lasting energy savings by removing market barriers or exploiting opportunities, thereby accelerating the adoption of identified technologies or practices.

The California Energy Efficiency Coordinating Committee developed and submitted to the CPUC a market transformation framework, which served as the basis for the framework adopted by the CPUC in D.19-12-021, issued on December 12, 2019. The decision called for the creation of a market transformation administrator (now known as CalMTA) for energy efficiency and an advisory board to the CalMTA (the Market Transformation Advisory Board or MTAB). The decision also directed CalMTA to develop market transformation initiatives that advance CPUC and state objectives by driving market adoption of selected technologies and practices that support energy efficiency, energy equity, workforce development, and reduce greenhouse gases (GHGs).

Because CalMTA's market transformation initiatives will include thoughtful intervention strategies, which work to change how markets operate and increase penetration of selected efficiency and low-carbon solutions, the benefits are expected to endure. In addition, market transformation approaches often result in establishment of a code or standard, which will impact more customers and result in larger and more lasting energy savings than traditional and more transactional approaches to energy efficiency.

The CPUC allocated approximately $320 million over eight years to support market transformation efforts. After a competitive solicitation process, Resource Innovations and a team of subcontractors was selected in November 2022 to administer CalMTA under an eight-year contract with PG&E functioning as the fiscal agent. The CPUC approved the contract through Advice Letters 4674-G/6747-E in late-November 2022.

2023 Updates & Accomplishments

CalMTA is completing its first year of start-up activities, including the following notable accomplishments since its inception in late November 2022:

Market Transformation Advisory Board

CalMTA used an open application process to recruit and seat nine members on the first-ever Market Transformation Advisory Board, which was approved by the CPUC through Advice Letter RI-CalMTA-1-A. The advisory board has held seven public meetings since its inception to provide guidance to CalMTA on policies and development of market transformation initiatives.

Stakeholder Engagement

A key aspect of CalMTA's work is stakeholder engagement and coordination. Staff developed a Stakeholder Engagement Plan and built a database of nearly 1,000 contacts who have signed up to receive newsletters and other regular updates from CalMTA. The team engaged stakeholders through one-on-one meetings and briefings, webinars, and listening sessions, including formal sessions with representatives from environmental and social justice communities and organizations. CalMTA also initiated coordination calls with utilities and other implementers, such as the CEC, to ensure market transformation initiatives align with the current energy efficiency portfolio.

During this first year, the program established CalMTA's brand, including a new logo and accessible website to make MTAB meeting information and other materials developed by CalMTA available to stakeholders.

Initiative Development

CalMTA launched a Request for Ideas (RFI) campaign and Idea Portal to receive market transformation ideas from stakeholders and market actors. The RFI generated 117 submissions from 63 organizations and individuals. The team completed an initial review and scoring of all 117 RFI submissions against predetermined weighted criteria that were vetted with the MTAB. CalMTA summarized initial scoring outcomes for all ideas submitted in a Stage 1 RFI Disposition Report. The team proposed three ideas to move forward for development and drafted Advancement Plans describing work to be done to prepare these ideas for a future application to the CPUC. These ideas were market transformation of window/portable heat pumps; induction ranges and cooktops; and efficiency commercial rooftop heating, ventilation, and air conditioning (HVAC).

In preparation for future implementation of market transformation initiatives, the team drafted an Evaluation Framework that would be used to evaluate the performance and measure progress of the market transformation portfolio.

Policies & Infrastructure

In this program start-up year, CalMTA developed infrastructure, policies, and administrative procedures for financial tracking and reporting, procurement, information technology, data management systems, conflict of interest, and file sharing. As a roadmap for the work ahead, the leadership team developed a 2023 Operations Plan and initiated long-term strategic planning for 2024 and beyond.

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 (the "Startup Period"), 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 unopposed and approved by the CPUC in early November.

Following the startup period, a total budget of $250M over an additional five years may be authorized, pursuant to CPUC's disposition of an application with proposals for market transformation initiatives. The application must be submitted by the "lead IOU (PG&E) on behalf of CalMTA"[25] before the end of the initial three-year funding phase.

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 2022-2024.

Table 9. The CalMTA's Actual and Proposed Expenditures, 2022-2024

Fiscal Year	2022	2023	2024
Proposed expenditures (budget)	$840,228	$13,523,502	$19,531,591
Actual expenditures	$730,666[26]	TBD[27]	TBD

[25] See D.19-12-021, page 125.
[26] 2022 was a partial year: November 23 to December 31.
[27] The CPUC approves budgets for CalMTA based on the calendar year. Actual expenditures are not yet available for a full year of operation.

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.

D.13-09-044 noted that the CPUC's oversight is "critical to protecting the integrity of ratepayer funds allocated to support [energy efficiency] financing programs." 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 a draft implementation plan for the CHEEF with the following tasks:[28]

1. 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,[29] CHEEF, and financial institutions.
2. 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.
3. 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.
4. Develop standards for evaluating financial institutions' qualifications and approving financial institutions for pilot participation.
5. Implement CPUC-approved protocols for collection of energy and financial data, data sharing, and third-party access to aggregated, anonymous data.
6. 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.
7. Coordinate with existing customer and contractor facing tools such as Energy Upgrade California.

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

8. 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[30] provides a summary of the actual and proposed expenditures, and further details may be found in Appendix C.1.[31]

Table 10. CHEEF's Actual and Proposed Expenditures, 2021-2024

Fiscal Year	2021-2022	2022-2023	2023-2024
Proposed expenditures (budget)	$4,150,000	$5,290,515	$4,668,985
Actual expenditures	$3,405,000	$3,265,202	TBD

D.13-09-044 also selects the CAEATFA to administer the CHEEF functions. D.13-09-044 recognizes that the CAEATFA is a state agency, and it would be necessary for it to obtain legislative budget authority to perform this role. On July 1, 2014, the CAEATFA was granted legislative budget authority to act as the administrator of the CHEEF through December 2015, and most recently that authority was extended to June 30, 2027.

Inadequate initial staffing levels to address the complexity and scope of work, coupled with high turnover and frequent vacancies due to the limited-term nature of the existing positions, left insufficient resources to effectively meet the desired anticipated timelines for the pilots. Subsequently, the CAEATFA requested approval from the CPUC for an additional $8.36 million of the existing $9.3 million contingency fund for administrative support to address the delayed timetable and complexity of the work, and to right-size the number and level of staff resources, through fiscal year 2019-2020. The CPUC approved the CAEATFA's funding request and released $8.36 million of the CHEEF reserve funds.[32]

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.

30 The data was provided by the CAEATFA's management per the CPUC's Energy Division staff's request in November 2023.
31 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, 2023).
32 D.17-03-026 affirmed CPUC Rulemaking 13-11-005: Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing, Education, and Outreach Activities issued November 22, 2016.

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 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 expires July 31, 2024.
- *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. Beginning in January 2021, Zions Bank has assumed the role of the trustee bank. This contract will be in effect till December 31, 2023. CAEATFA is preparing to issue a solicitation in November 2023.
- *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. The initial contract term was from March 29, 2017 through February 14, 2019. CAEATFA contracted with the same technical advisor through two subsequent solicitations on March 13, 2019, and April 19, 2022. This contract is effective until April 18, 2025.

2023 Updates & Accomplishments

GoGreen Home Energy Financing Program

The CAEATFA launched the Residential Energy Efficiency Loan (REEL) as the first of the Energy Efficiency Financing Pilots in July 2016. In March 2017, the CPUC issued D.17-03-026 granting the CAEATFA the authority to make several requested modifications to the pilots to be more responsive to the evolving energy efficiency marketplace. The CAEATFA made several modifications to the REEL pilot, including:

- Simplifying measure eligibility for the program and moving toward a statewide list of eligible energy efficiency measures.
- Removing the need for a separate statewide Customer Information Service Release form.
- Consolidating lenders' separate loan loss reserve accounts by IOU into a single loan loss reserve account for lenders.

The REEL's initial two-year pilot term was completed on July 15, 2018. However, to continue the momentum of the pilot, there was not a hard stop of program operation after two years and the pilot continued issuing loans while the evaluation process took place.

In December 2019, Opinion Dynamics, Inc. completed the evaluation of the REEL pilot program. Following the evaluation, the CPUC issued Resolution E-5072 approving the REEL to continue operating as a full-scale program. Additionally, the CPUC authorized the CAEATFA to make enhancements to the REEL and the financing pilots for maintenance and improvement of information technology and administrative needs during the interim period before the next CPUC decision. However, this authorization does not include any expanded scope for the REEL program nor for any other financing pilots.

The website GoGreenFinancing.com launched in June 2018 and continues to serve consumers and stakeholders in need of energy efficiency project financing. The website launched in Spanish in December 2020.

In September 2021, the CAEATFA changed the REEL program's name to GoGreen Home Energy Financing Program (GoGreen Home). By June 30, 2023, GoGreen Home had enrolled 3,513 loans, with an average loan size of $18,213 and claim-eligible principal totaling near $64 million.[33]

In September 2021 GoGreen Home also launched an online point-of-sale microfinancing option available to customers purchasing appliances through the IOUs' marketplaces. SoCalGas' marketplace was the first to offer this financing. Marketplace microloan activity paused in Q2 2022 while a new lender was onboarded; it resumed in Q2 2023 on the SoCalGas marketplace and launched on the Southern California Edison marketplace. As of June 30, 2023, 567 microloans for a total value of $849,209 have been enrolled.

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

On-Bill Repayment Programs

In March 2016 CAEATFA staff began work with the IOUs and the master servicer to establish the on-bill repayment (OBR) infrastructure. In July 2021, the CAEATFA modified the GoGreen Business regulations to include OBR and in March 2022, OBR became available to GoGreen Business customers in SDG&E, SoCalGas and Southern California Edison service areas. As of September 30, 2023 CAEATFA staff was continuing to work with PG&E to establish OBR availability in that territory.

GoGreen Business Energy Financing Program

The GoGreen Business (formerly known as the Small Business Energy Efficiency Financing Program) pilot program regulations were approved by the Office of Administrative Law and went into effect on December 17, 2018. The first project was enrolled in July 2019.

In July 2021, regulations were modified to change the name of the program to the GoGreen Business Energy Financing Program. Additionally, the CAEATFA modified regulations to add a streamlined microloan pathway and an OBR mechanism. As of the end of June 2023, GoGreen Business offered financing from eight participating finance companies, had enrolled 116 contractors and project developers, and facilitated $2.91 million in financing for 24 projects. 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. The MOA between the CAEATFA and the CPUC was extended to June 30, 2027. On November 4, 2021, a new MOA between the CAEATFA and the CPUC was completed to reflect the implementation of D.21-08-006.

Staff and Employees and their Salaries and Expenses

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

Table 11. CHEEF Salaries and Expenses Authorized for Fiscal Year 2021-22 and 2022-23

	State Personnel Classification	Annual State Salary and Benefit (2021-2022)[34]	Annual State Salary and Benefit (2022-2023)[35]
	Staff Services Manager II (Supervisor)	$143,024	$153,010
Program Manager	Staff Services Manager I (Supervisor) - Direct and Implementation (D&I)	$131,511	$140,592
Program Manager	Staff Services Manager I (Supervisor) – Direct and Implementation (D&I)	N/A	$140,592
	Staff Services Manager I (Supervisor) – Compliance	$131,511	$140,592
	Staff Services Manager I (Specialist) - D&I	$131,511	$140,592
	Staff Services Manager I (Specialist) - D&I	$131,511	$140,592
	Staff Services Manager I (Specialist) – Marketing	$131,511	$140,592
Support Staff	Associate Governmental Program Analyst - D&I	$113,148	$120,818
	Associate Governmental Program Analyst - D&I	$113,148	$120,818
	Associate Governmental Program Analyst – Marketing	$113,148	$120,818
	Associate Governmental Program Analyst - Marketing & Data	$113,148	$120,818
	Associate Governmental Program Analyst – D&I	N/A	$120,818
	Associate Governmental Program Analyst – D&I	N/A	$120,818
	Associate Governmental Program Analyst – Compliance	$113,148	$120,818
	Associate Governmental Program Analyst - Compliance & Data	$113,148	$120,818

[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 2023.

	State Personnel Classification	Annual State Salary and Benefit (2021-2022)[34]	Annual State Salary and Benefit (2022-2023)[35]
	Office Technician	$74,387	$79,057
	Office Technician	$74,387	$79,057
	Office Technician	$74,387	$79,057

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)	$17,672,285	Ratepayer Funds
	July 1, 2022 – June 30, 2023	$23,255,041 (Reimbursement only)	$3,265,202	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[38]	$1,246,168[39]	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 data in October 2023.
[37] For services through June 30, 2023.
[38] This figure includes two available $1 million extensions.
[39] This figure represents the amount paid billed through June 2023.

Contract	Current Contract Term	Amount	Amount Paid[37]	Funding Source
	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	$300,000[40]	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[41]	$1,500,000	$1,378,906[42]	June 4, 2019 – May 28, 2022[43]
CAEATFA contract with contractor manager (Electric & Gas Industries Association)	May 29, 2022 – May 28, 2025	$1,800,000	$442,471	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	March 29, 2017 – February 14, 2019
CAEATFA contract with Technical Advisor (Energy Futures Group)	March 13, 2019 – March 13, 2022[44]	$299,999	$251,078	Ratepayer Funds
	April 19, 2022 – April 18, 2025	$299,999	$60,174[45]	April 19, 2022 – April 18, 2025

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.

[40] This figure represents the amount paid billed through June 2023.
[41] This figure includes two available $1 million extensions.
[42] This figure represents the amount paid billed through June 2023.
[43] Two one-year extensions are available.
[44] Includes 1 year extension.
[45] This represents payments as of the end of June 2023.

- 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).

21st Century Energy Systems – Research and Development Agreement

Background

On December 20, 2012, the CPUC authorized the 21st Century Energy Systems (CES-21) in D.12-12-031. D.12-12-031 authorized the development of a five-year Cooperative Research and Development Agreement between PG&E, SCE, and SDG&E (collectively known as the Joint Utilities), and the Lawrence Livermore National Laboratory (LLNL). The program was subsequently modified by 2013 Budget Trailer Bill, Senate Bill (SB) 96 (Committee on Budget and Fiscal Review, Chapter 356, Statutes of 2013).

In 2014, the CPUC approved D.14-03-029, which modified D.12-12-031 to comply with SB 96. Changes included reducing funding from $152.19 million to $35 million over the five-year research period, narrowing the scope of the program to focus only on cybersecurity and grid integration, minimizing the governance structure, and enhancing CPUC and Legislative oversight of the program.

On April 25, 2014, the Joint Utilities filed a joint Advice Letter containing their proposed cybersecurity and grid integration research and development projects, revised under the new program requirements. The CPUC conducted a thorough and collaborative review of the proposals and convened a consensus-building session among the parties to discuss the issues raised. Ultimately, Resolution E-4677 was approved, with modifications and additional oversight requirements, the Joint Utilities' proposed cybersecurity and grid integration projects.

On January 17, 2018, the Joint Utilities each filed an Advice Letter requesting the public release license rights to four cybersecurity software applications developed under the CES-21 program. The CPUC approved this request in Resolution E-4943 without modification. On September 26, 2019, the Joint Utilities each filed an Advice Letter requesting the public release license rights to three additional cybersecurity software applications; the CPUC approved this request in Resolution E-5057.

Program Overview

The Joint Utilities began implementation of the Cybersecurity Project and the Grid Integration Project in 2015, securing multiple subcontractors to conduct the work in addition to LLNL.

The Cybersecurity Project, which focused on next-generation industrial control systems in general and Machine-to-Machine Automated Threat Response (MMATR), had $33 million in funding and sought to develop automated response capabilities to protect critical California infrastructure against cyber-attacks. The project was successful in bringing about meaningful developments towards the first automated system for cyber-attack detection and response. This project achieved the development of a simulation and modeling engine for evaluating the impacts of cyber-attacks on the power grid; an operationally realistic physical test bed for understanding how the IOUs' industrial control systems interface, communication technology, and cybersecurity interfaces could be used at real substations; and an automated response research package. In line with the requirements of SB 96 and D.14-03-029, the project was completed in October 2019.

The Grid Integration Project focused on flexibility metrics and standards and studied planning metrics and standards that explicitly considered operational flexibility. The project had $2 million in funding and sought to improve flexibility metrics and thereby improve long term resource planning for California's grid. This research project targeted potential breakthroughs to assess the electric grid's operational flexibility requirements, operating limits of the existing or planned grid to integrate additional amounts of intermittent renewable generation, and additional resources and costs to integrate additional renewable generation. The Grid Integration Project was successful in all its requirements and officially completed in November 2017.[46]

CES-21 has created ground-breaking research in understanding the impacts of cyber-attacks on the power grid at scale and automated response to previously known cyber-attacks, as well as the variety of tools that can help characterize, describe, and prioritize threats to Industrial Control Systems. This research has been recognized by the Department of Energy, the National Security Agency, the Department of Homeland Security, numerous national laboratories (beyond LLNL), and the cybersecurity industry at large. The program has informed and contributed to standards and it has pushed the boundaries of research in the power grid cybersecurity domain. The program has identified the path forward for developing an integrated MMATR capability, as well as additional gaps in the grid cybersecurity domain that should be addressed in future research efforts. Finally, the program has identified a role that the State of California is uniquely positioned to play in securing our grid against cyber threats.

2023 Updates & Accomplishments

The Joint Utilities completed the Cybersecurity Project in October 2019 and submitted the final CES-21 program report to the CPUC on December 6, 2019. The CPUC submitted the final report to the Legislature on January 6, 2020.[47] The utilities provided final program financial information to the CPUC in August 2020. The program and all associated reporting are now complete—there are no additional updates for 2023.

Annual Reporting Updates

The annual audit reporting information required by statute is below.

Expenditures

Table 13 lists CES-21's proposed and actual expenditures for the two prior fiscal years.

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[46] Lawrence Livermore National Laboratory published the final report on the Flexibility Metrics project titled, *Role of Operating Flexibility in Planning Studies*, on April 26, 2018.
[47] California Energy Systems for the 21st Century (CES-21) Program Final Report.

Table 13. CES-21's Actual and Proposed Expenditures, 2021-2024[48]

Fiscal Year	2021-2022	2022-2023	2023-2024
Proposed expenditures (budget)	N/A	N/A	N/A
Actual expenditures	N/A	N/A	N/A

Governance Structure

SB 96 and D.14-03-029 determined that the CES-21 program would be administered by one representative, a Project Manager, from each PG&E, SCE, and SDG&E. These project managers coordinated with LLNL, administered the CES-21 program and the Cooperative Research and Development Agreement (CRADA) with LLNL, and ensured that CES-21 stayed within the authorized budget.

Schedule of Employees and Compensation

It is not feasible to provide a full schedule of employees and compensation because of the CES-21 program's structure. Many, if not all, staff working on CES-21 are funded through multiple sources as they perform work for multiple programs, each with their own funding stream, within their respective organizations.

Staff Transferred or Loaned

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

Contracts, Funding Sources, and Legislative Authority

Contracts entered into by the CES-21 Program are authorized by D.14-03-029 and funded by CES-21 Program funds. This program was funded through the ratepayers of PG&E, SCE, and SDG&E on a proportional basis, as authorized in D.12-12-031.

Public Process and Oversight

The CPUC's staff oversaw the CES-21 Program. The program administrators were required to submit monthly and annual reports outlining key developments. These were reviewed by staff in the CPUC's Energy Division and Safety and Enforcement Division. Annual and Final reports are posted on the CPUC's Energy Research, Development, and Deployment webpage.

[48] Utilities report expenditures by calendar year. This table provides an estimate of funding by fiscal year by averaging across the two calendar years.

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. Additionally, the DCISC approved a second amended charter, and in accordance with D.21-09-003, that charter was approved in Advice Letter 6361-E on December 9, 2021, by CPUC's Energy Division.

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 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 NRC'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.

2023 Updates & Accomplishments

On June 29, 2023, the CPUC approved Resolution E-5272, ratifying the President's selection of three candidates whose names were submitted to Governor Newsom, for the term July 1, 2023 – June 30, 2026.[49] In 2022, the California Attorney General reappointed Dr. Robert Budnitz for the term July 1, 2022 – June 20, 2025. In 2021, the Chair of the CEC reappointed Dr. Peter Lam for the term July 1, 2021 – June 30, 2024. The DCISC held three public meetings in 2023. The DCISC also recently approved its 33rd Annual Report for July 1, 2022 – June 30, 2023.

On January 12, 2023, the CPUC initiated Rulemaking (R.) 23-01-007 to consider the extension of Diablo Canyon as ordered by SB 846. As part of R.23-01-007, Phase 1 Track 1, the CPUC also considered funding issues for the DCISC. Accordingly, in D.23-08-004, the CPUC authorized an increase in compensation for DCISC members and approved 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 updated its charter which became effective on October 25, 2023, through PG&E Advice Letter 7034-E.

On December 14, 2023, the CPUC voted to approve D.23-12-036 for Phase 1 Track 2 of R.23-01-007. The decision, among other things, authorized extended operations at Diablo Canyon through October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2) subject to certain conditions; requires PG&E to file its first annual Extended Operations Cost Forecast application with the CPUC by no later than March 29, 2024; created a new non-bypassable charge to collect Diablo Canyon extended operations costs from customers of all load-serving entities subject to the CPUC's jurisdiction; and allocates the costs and benefits of Diablo Canyon extended operations among all load-serving entities subject to CPUC jurisdiction.

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.

[49] At the time of this report's publishing a candidate had not yet been selected.

Table 14. DCISC's Actual and Proposed Expenditures, 2021-2024

Fiscal Year	2021-2022	2022-2023	2023-2024
Proposed expenditures (budget)	$991,247	$1,006,115	$1,021,207
Actual expenditures	$901,247	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 receives 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 is 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, once the Diablo Canyon extension period begins in 2025, 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 new, annual PG&E Diablo Canyon Extended Operations Forecast proceeding.

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 2023.

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, CPUC D.87-05-062 adopted externally managed trusts as the vehicles for accruing decommissioning funds. Two types of funds were established:

1. Qualified trust funds are contributions that qualify for an income tax deduction under Section 468A of the Internal Revenue Service (IRS) Code.
2. 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.[50]

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]

[50] Decisions, Resolutions, and Rulings issued before July 2000, can be requested from Central Files by filling this online form.

PG&E:

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

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, 2022

Utility	Nuclear Plant	Fund Balance
PG&E	Humboldt Bay Power Plant (HBPP) 3	$133,000,000
PG&E	Diablo Canyon Power Plant (DCPP) 1	$1,583,000,000
PG&E	DCPP 2	$2,075,000,000
PG&E	DCPP Non-Qualified Trust	$81,000,000[51]
SCE	San Onofre Nuclear Generation Station (SONGS) 1	$294,000,000
SCE	SONGS 2	$887,000,000
SCE	SONGS 3	$1,098,000,000
SDG&E	SONGS 1	$139,000,000
SDG&E	SONGS 2	$301,000,000
SDG&E	SONGS 3	$360,000,000
SCE	Palo Verde 1	$438,000,000
SCE	Palo Verde 2	$448,000,000
SCE	Palo Verde 3	$462,000,000

Regulations

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

1. 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.
2. After a permanent plant shutdown, certain activities may not be performed that would prevent the completion of decommissioning [10 CFR 50.82(6)].

[51] PG&E was ordered to refund the full amount of the DCPP Non-Qualified Trust in D.23-09-004, issued September 26, 2023. As per PG&E Advice letter 7056-E, filed October 27, 2023, the $81 million in this trust fund will be fully refunded to PG&E ratepayers by no later than January 1, 2024.

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 January 2013, the CPUC issued D.13-01-039 which allows for greater flexibility in trust fund management by allowing for increases in the amount of equity investments and lower-rated higher-yield domestic and foreign bonds to increase the overall yield of the decommissioning trust funds. 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. On December 18, 2014, CPUC D.14-12-082 approved the 2012 NDCTP for all California nuclear power plants. The 2015 NDCTP for DCPP 1 and 2 and HBPP 3 was approved in D.17-05-020 on May 25, 2017. The 2015 NDCTP for SONGS 1, 2, and 3 and Palo Verde was separated into three phases: Phase 1 was decided in D.18-10-010[52] on October 11, 2018; Phases 2 and 3 were decided in D.18-11-034 on December 7, 2018. The 2018 NDCTP for SONGS and Palo Verde were filed in March 2018 and separated into three phases: Phase 1 was decided in D.19-09-003 on September 12, 2019; Phases 2 and 3 were decided in D.21-12-026 on December 16, 2021.

2023 Updates & Accomplishments

The 2021 NDCTP for DCPP and HBPP was filed as A.21-12-007 in December 2021. The CPUC adopted the settlement agreement submitted by the parties in D.23-09-004 on September 26, 2023. As a result of the settlement and decision:

- PG&E stopped collecting the $112.5 million nuclear decommissioning non-bypassable charge (NBC) from all customers through 2026 and will refund all amounts collected through the NBC since January 1, 2023.
- The CPUC ordered PG&E to refund the $81 million in the DCPP Non-Qualified Trust in accordance with Public Utilities Code Section 712.8(n).
- PG&E subsequently filed Advice Letter 7056-E in October 2023 detailing how the refund to ratepayers will take place by no later than January 1, 2024.

The 2021 NDCTP for SONGS and Palo Verde was filed as A.22-02-016 in February 2022 and is still under consideration by the CPUC. In that application, SCE and SDG&E did not request new revenue requirements for customer contributions to the decommissioning trusts. SCE and SDG&E did request the following:

- Approval of costs incurred for decommissioning projects completed at SONGS 1, 2, and 3 between January 1, 2018, and December 31, 2020;
- Approval of the SONGS Decommissioning Cost Estimates for Units 1, 2, and 3;
- (SCE only) Approval of the Palo Verde Decommissioning Cost Estimates for Units 1, 2, and 3;

[52] D. 18-10-010 in response to a joint application filed by SCE and SDG&E; Applications 16-03-004.

- (SDG&E only) Approval of SDG&E's 20 percent share of the Decommissioning Cost Estimate for SONGS Units 1, 2, and 3;
- (SDG&E only) Approval 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; and
- Approval to deposit Department of Energy litigation proceeds into the non-qualified nuclear decommissioning trusts.

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 2023 will not become available until mid-2024.

Table 16. PG&E's Actual Administrative Costs, 2021-2023

Fiscal Year	2021	2022	2023
Actual expenditures	$2,916,000	$2,930,000	N/A

Table 17. SCE's Actual Administrative Costs, 2021-2023

Fiscal Year	2021	2022	2023
Actual expenditures	$4,959,946	$4,235,493	N/A

Table 18. SDG&E's Actual Administrative Costs, 2021-2023

Fiscal Year	2021	2022	2023
Actual expenditures	$2,204,923	$2,204,923	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 utility ratepayers under the supervision 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.

2023 Updates & Accomplishments

2012-2014 (EPIC 1), 2015-2017 (EPIC 2), 2018-2020 (EPIC 3), and 2021-2025 (EPIC 4) Investment Plans

All EPIC 1 (2012-2014) projects are complete. In 2023, all four administrators continued implementing the wide range of research, development, demonstration, deployment, and market facilitation activities from their EPIC 2 (2015-2017) and EPIC 3 (2018-2020) portfolios. 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. The IOUs are instructed to file Tier 2 Advice Letters within 45 days after December 4, 2023 to comply with the Decision. 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, 2023, 350 EPIC projects have been completed since program inception at a cost of $1.467 billion as provided in Tables 20 and 21.

Table 20. EPIC Projects by Administrator and Status, 2012-2023

Administrator	Active Projects	On-hold Projects	Canceled Projects	Completed Projects
CEC	218	0	11	271
PG&E	11	34	32	39
SCE	14	0	8	26
SDG&E	1	0	3	14
Total	244	34	54	350

Table 21. EPIC Spending by Administrator and Program Area, 2012-2023

Administrator	Applied R&D	Technology Demonstration and Deployment	Market Facilitation	Total
CEC	$522,000,000	$495,000,000	$189,000,000	$1,206,000,000
PG&E	$0	$132,000,000	$0	$132,000,000
SCE	$0	$101,000,000	$0	$101,000,000
SDG&E	$0	$28,000,000	$0	$28,000,000
Total	$522,000,000	$756,000,000	$189,000,000	$1,467,000,000

Table 21 demonstrates spending for PG&E, SCE, and SDG&E through September 2023, and estimated spending for the CEC through December 2023.

Program Coordination

The administrators coordinate closely with one another and other stakeholders, under the close 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 2023, EPIC administrators held 10 EPIC-related public workshops, many with input and coordination from the CPUC's Energy Division staff. These workshops covered a variety of topics, ranging from scoping for the IOU's EPIC 4 investment plan to public input on specific projects. The workshop 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 2023, the CEC held a virtual annual EPIC Symposium highlighting progress in the EPIC Program for stakeholders. The Symposium focused on how recent state and federal investments are more rapidly and equitably advancing California's transition to a clean energy economy; how innovation supports deployment of new long-duration energy storage, improves energy efficiency in buildings, accelerates the rollout of electric vehicle infrastructure, and improves grid resiliency and flexibility; and discussed strategies to overcome commercialization challenges. 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. From August 16, 2023 to September 20, 2023, the CPUC held five hybrid public stakeholder workshops to inform the development of EPIC Strategic Goals that support the state's 2045 zero carbon goals. The workshops took place over six days, with 88 panelists, more than 700 participants, and participation by all EPIC administrators. A staff proposal derived from workshop input was mailed for comment on November 20, 2023 to inform the CPUC in its next guidance Decision for the EPIC 5 funding cycle (2026-2030). The CPUC will hold additional public workshops in 2024 to inform development of more granular Strategic Objective targets, guided by the CPUC-approved Strategic Goals. The CPUC is expected to issue one or more decisions in 2024 providing further direction on program improvements in compliance with D.23-04-042.

EPIC Database and Program Improvements

In 2023, 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.

On October 2, 2022, 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. Establish measurable Strategic Goals and Objectives for the EPIC 5 (2026-2030) investment cycle;

2. Extend the PICG scope of work to establish a public process to identify Strategic Goals and Objectives for EPIC 5;
3. Expand the EPIC's project database to include gas R&D projects;
4. Increase the cap on the PICG Coordinator budget to fund the public strategic planning process and modify the database;
5. Conduct a formal program evaluation at the midpoint of every EPIC investment cycle;
6. Adopt guidance for a single, uniform EPIC benefits analysis framework;
7. Address equity guidelines consistent with the CPUC's Environmental and Social Justice (ESJ) Action Plan and the federal Justice40 initiative;
8. Consider the CPUC's Distributed Energy Resource (DER) Action Plan in EPIC Strategic Initiative development; and
9. Improve transparency and oversight by establishing CPUC review of EPIC administrator annual reports.

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.

Open Proceedings

On October 10, 2019, the CPUC opened R.19-10-005 to consider renewal of the EPIC Program and any appropriate administrative and programmatic changes necessary to improve the program. D.20-08-042 approved reauthorization of EPIC for 2021-2030 and approved the CEC to continue EPIC administration through 2030. D.21-07-006 approved the CEC's interim investment plan for 2021. D.21-11-028 approved the IOUs continued EPIC administration through 2030, subject to several requirements and safeguards to ensure correction of remaining administrative deficiencies found in the 2017 EPIC Final Evaluation Report. On April 27, 2023, D.23-04-042 extended the statutory deadline for the EPIC proceeding to July 31, 2024..

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
2021	$16,086,385
2022	$14,201,021
2023 Year to Date	$18,055,153

The reporting year for EPIC is January 1 - December 31. Table 23 describes compensation for PG&E, SCE, and SDG&E through September 2023, and estimated compensation for the CEC through December 2023. The 2022 EPIC value has been updated from the 2022 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. 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's Energy Division staff. 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. On March 1, 2022, the CPUC launched its new EPIC database providing 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

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 Southwest Gas). SB 1477 further directs the CPUC to provide annual updates regarding both BUILD and TECH to the Legislature as part of the AB 1338 Annual Report.

On March 26, 2020, the CPUC adopted a Phase I decision in the proceeding on Building Decarbonization (D.20-03-027). D.20-03-027 establishes a framework for both BUILD and TECH and makes the funding available for the programs as directed in SB 1477. D.20-03-027 appropriates 40 percent of the $200 million budget for the BUILD Program and 60 percent for the TECH Initiative.

To comply with the California Air Resources Board's (CARB) rules governing the use of Cap-and-Trade allowance proceeds, spending for these programs shall be proportionally directed to the gas corporation 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 corporation service territories in proportion to their original funding contribution.[53]

BUILD Program

The BUILD Program is focused on new construction, and at least $60 million of BUILD's $80 million dollar budget must be dedicated to low-income housing. The CEC will administer BUILD with oversight from the CPUC. The CEC will ensure program outreach and that technical assistance is available to all prospective applicants prior to the start of implementation.

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[53] See 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."

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. TECH will also focus on consumer education, contractor training, vendor training, as well as strategies to reduce the barriers to participation by low-income, disadvantaged, and hard-to-reach customers. According to D.20-03-027, the TECH Initiative is to be effectuated by a third-party implementer under a contract held by SCE with oversight by the CPUC.

Evaluation

D.20-03-027 outlined a series of evaluation criteria based on metrics such as GHG emissions reductions and market penetration of clean heating technologies. The Decision also directs SCE, with CPUC oversight, to run a solicitation for a single evaluator for both BUILD and TECH. D.20-03-027 sets the budget for the evaluator at 2.5 percent of the overall programs' budget, or $5 million. Program implementers are directed to embed evaluation needs into program design.

2023 Updates & Accomplishments

BUILD Program

In March 2022, the CEC and the CPUC formally adopted the BUILD guidelines after 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.[54] In its second year of implementation (the program received 107 technical assistance applications and 71 incentive applications from low-income housing developers across the eligible jurisdictions. Over $10 million in incentive applications were approved and over $10.5 million in incentive applications were requested 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 two years ago.

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

Table 24. BUILD Program Incentive Funds Status, as of October 2023

	SoCal Gas	PG&E	San Diego Gas & Electric	Southwest Gas
Incentives Reserved	$6,570,000	$5,950,000	$305,900	$0
Incentives Requested	$6,540,000	$17,290,000	$2,050,000	$0
Incentives Not Reserved or Requested	$16,446,000	$2,164,000	$1,706,100	$978,000
Program Total Incentive Funding	**$29,556,000**	**$25,404,000**	**$4,062,000**	**$978,000**

TECH Initiative

Energy Solutions, as well as a team of eleven sub-contractors, won the solicitation to serve as the TECH implementation team. TECH has been branded as "TECH Clean California" and formally launched in August 2021.

Since 2022, the TECH Initiative has revised the single-family HVAC incentive structure that garnered strong approval for its simplified design and consistent statewide eligibility. While participants expressed a preference for higher incentives, the prevailing sentiment prioritizes a longer-running program, recognizing program stability as crucial for effective market transformation. Notably, the reduced incentive amounts have not hindered overall participation. Looking forward, meter data is a critical factor in shaping the next heat pump HVAC incentive design, emphasizing the importance of correct installations for sustained consumer satisfaction. TECH plans to assess the refined design's regional impact through an analysis of participation data. In the multifamily sector, 83 percent of incentives supported affordable housing projects, underlining the ongoing need for financial support for both affordable and market-rate projects to ensure lasting heat pump adoption. In the past year, Workforce Education and Training (WE&T) focused on expanding support for the incoming workforce, with a significant finding highlighting the pivotal role of incentives in driving training attendance, evident in a drop in attendance and class cancellations during the program relaunch waiting period.

Noteworthy improvements have been made to the Public Reporting Website, offering detailed project-level data on over 12,000 heat pump (HP) HVAC and heat pump water heaters (HPWH) retrofits in single-family and multifamily homes. Meanwhile, meter-based impacts analysis reveals significant energy and gas savings for HP HVAC and HPWH retrofits, with 54% of HP HVAC installations and 45 percent of HPWH installations resulting in a net decrease or no significant change in annual utility bills for customers. Other analyses include panel upgrades, HP HVAC cost drivers, HPWH retailer stocking and pricing, and a shift in policy advisement focus from tracking opportunities to providing data, analysis, and insights to policy decision-makers and stakeholders.

Further information is available at:

- TECH Clean California Public Reporting Site
- Switch is On website

Evaluation

The Opinion Dynamics Corporation (Opinion Dynamics), with the assistance of subcontractors, has been the developmental evaluator of both BUILD and TECH since 2021. The evaluations of both BUILD and TECH 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 adoption patterns, effectiveness of program strategies, and opportunities for course correction. To effectuate this feedback structure, Opinion Dynamics has been in close communication with the CPUC Energy Division, SCE, program implementation teams, and other BUILD and TECH stakeholders, including regular presentations at TECH quarterly stakeholder meetings and providing evaluation results for the TECH's public reporting website.

Opinion Dynamics's primary goals are to evaluate the implementation of BUILD and TECH and assess short-term and long-term market and program impacts. In 2023, the following goals have or are in the process of being completed:

- Held a public webinar in conjunction with the CEC which provided a general update on the BUILD Program and disseminated findings from the recently completed BUILD baseline market assessment.
- Prepared a Draft BUILD Interim Process Evaluation report summarizing findings and recommendations based on staff interviews, program materials review, periodic status calls, participant interviews (conducted through June 30, 2023), and a tracking data analysis. This report is currently under review and is expected to be published for public comment in Q1 2024.
- Supported each of the natural gas IOUs with California Air Resource Board (CARB) reporting for BUILD and TECH. Opinion Dynamics worked with program implementers, CARB representatives, and the gas utilities to implement a methodology for estimating greenhouse gas impacts of BUILD and TECH in 2022 that is both internally consistent and matches CARB regulations and direction. This approach was initially developed to support 2021 CARB reporting requirements.
- Drafted an Electrification Value Stream Analysis memo with a proposed approach for estimating site-level savings calculations, bill impacts, and the cost of avoided GHG emissions.
- Embarked on a three-phase cost study to understand the incremental costs of heat pump equipment.
- Monitored the warehouse of AMI data. Created analysis code to conduct consumption analysis of pre/post impacts for TECH customers for impact evaluation.
- Designed and conducted numerous unique data collection exercises across participants, implementers, contractors, and other relevant market actors. Results are provided and discussed continuously with program implementation staff through periodic check-ins to facilitate real-time course correction in program implementation. Specifically, Opinion Dynamics conducted:

- Interviews with BUILD Program participants at the time of incentive reservation. These interviews allowed the evaluation team to collect information on the impact of the BUILD Program of building design.
- Research to support a Time 1 market assessment for TECH 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.
- An analysis of TECH project database to update statistics on project characteristics such as disadvantaged communities (DAC) vs non-DAC, efficiency levels, HPWH tank sizes, etc.
- Interviews with TECH contractors who were high-volume in year 1 and less active in year 2 to understand why they are selling fewer heat pumps in 2023 compared to 2022.
- A Survey with TECH customers who had a heat pump at least six months to understand their experience living with the equipment. Investigated how well the heat pump met their households' needs, any issues they may have experienced, perceived changes in energy bills, and overall satisfaction. Published the results in a report.
- Desk reviews of 80 TECH sites to support a memo with results of a deemed savings review.
- A survey with TECH customers to recruit for the End-Use-Metering (EUM) study. Tested and validated EUM devices for TECH impact evaluation. Coordinated with CPUC on data reporting terms and conditions for TECH EUM participants and drafted a sticker for electrical panels for EUM participants. Obtained and set up a data aggregation platform to manage and store data from EUM devices.
- A Survey with contractors who attended TECH-sponsored trainings to assess how they applied learnings on the job; wrote findings, and published the report. Interviewed TECH contractors who attended Electrify My Home's Cohort Training Program, analyzed the data, and published the results. Discussed with TECH stakeholders how best to evaluate the Energy Star Manufacturer Action Council (ESMAC) trainings and observed one of these trainings.

Annual Reporting Updates

Pursuant to D.20-03-027, 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. Every quarterly installment has been deposited timely thus far. Expenditures to date are denoted in the summary table of this report.

Appendices

Appendix A. Pacific Forest and Watershed Lands Stewardship Council

Appendix A.1 Employee Compensation

Table 25. 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[55]
Grand Total (4 positions)	$258,315	$22,546	$10,333	$291,194

Table 26. 2022 Year to Date (YTD) Schedule of Employee Compensation through December 31, 2022

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director 1[56]	$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
Grand Total (7 positions)	$543,613	$41,440	$20,577	$606,219

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

[56] Executive Director 1 left the Stewardship Council in late February 2022, and Executive Director 2 was hired in March 2022.

Table 27. 2021 Year to Date (YTD) Schedule of Employee Compensation through December 31, 2021

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	$133,553	$11,283	$5,346	$150,182
Deputy Director of Land Conservation	$82,524	$23,795	$3,316	$109,636
Director of Programs & Administration	$130,711	$23,317	$4,017	$158,045
Finance & Compliance Administrator	$88,474	$24,802	$3,095	$116,371
Other Staff (3)	$163,815	$24,086	$6,582	$194,482
Grand Total (7 positions)	$599,077	$107,283	$22,356	$728,716

Appendix A.2 Professional Fees

Table 28. Schedule of Professional Fees YTD as of October 31, 2023 by General Ledger Category

General Ledger Category	Total Paid
Legal Fees	**$126,416**
Accounting Fees	**$40,875**
Graphics & Media Fees	**$0**
Investment Management Fees	**$7,200**
Professional Services Fees	**$39,350**
Boundary Surveys	**$120,972**
Baseline Documentation	**$0**
Land Planning Fees $42,433	**$476**
Land Transfer Costs	**$62,105**
Total Consultant Expense	**$397,394**

Appendix B. California Emerging Technology Fund

Appendix B.1 List of Grantees (see attached)

Table 29: California Emerging Technology Fund Grantees as of June 30, 2023

Name of Grant	Grant Agreement Amount
Adoption Legacy Fund	
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
Adoption Legacy Fund Total	*$1,053,000*
Access Broadband Connect (ABC) Grants	
American GI Forum Education Foundation (Santa Maria)	$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
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
Sigma Beta Xi	$105,840
Southeast Community Development Corporation	$152,600
Southland Integrated Systems	$33,600
Thai Community Development Center	$8,040
United Ways of California	$2,160
United Way of Greater Los Angeles	$100,000
World Institute on Disability	$535,000
Access Broadband Connect (ABC) Grants Total	*$2,252,230*
Neighborhood Transformation	
CFEE Smart Housing Forum	$5,000
City of Long Beach Digital Inclusion Initiative	$10,000
Families in Schools	$25,000
Southeast Community Development Center	$35,000
UCLA Center for Transformation of Schools	$10,000
YMCA of Greater Long Beach	$122,000
Youth Policy Institute	$5,000
Neighborhood Transformation Total	*$212,000*
Institutionalization of Digital Inclusion	
BizFed Institute	$95,000
California Association of Councils of Governments	$25,000
California Forward	$75,000
California Foundation for Independent Living Centers	$50,000
California Reinvestment Coalition	$100,000

California State PTA	$90,000
California State Univerity, Fresno Foundation	$86,000
Catholic Charities of Santa Clara County	$25,000
BizFed Institute	$95,000
California Association of Councils of Governments	$25,000
California Forward	$75,000
California Foundation for Independent Living Centers	$50,000
California Reinvestment Coalition	$100,000
California State PTA	$90,000
California State University, Fresno Foundation	$86,000
Catholic Charities of Santa Clara County	$25,000
East Los Angeles College Foundation	$3,000
Families in Schools	$25,000
Foundation for Los Angeles Community Colleges	$27,580
Inland Empire Economic Partnership	$10,000
Inland Empire Regional Consortium (SmartRiverside)	$50,000
Insure the Uninsured Project	$40,000
LitLab	$16,750
Los Angeles City College Foundation	$3,000
Los Angeles Community Foundation (Mayor's Fund)	$50,000
Catholic Charities of Santa Clara County	$25,000
East Los Angeles College Foundation	$3,000
Families in Schools	$25,000
Foundation for Los Angeles Community Colleges	$27,580
Inland Empire Economic Partnership	$10,000
Inland Empire Regional Consortium (SmartRiverside)	$50,000
Insure the Uninsured Project	$40,000
LitLab	$16,750
Los Angeles City College Foundation	$3,000
Los Angeles Community Foundation (Mayor's Fund)	$50,000
National Community Renaissance	$25,000

National Digital Inclusion Alliance	$25,000
Newstart Housing Corporation	$25,000
Partners in Care Foundation	$25,000
SCAG Caltrans Sustainable Communities Project	$30,000
School Health and Libraries Broadband Coalition	$50,000
Southern Border Regional Consortia (IVEDC)	$50,000
The Maddy Institute	$50,000
USC Sponsored Programs (Surveys, Telehealth)	$507,000
United Way of Greater Los Angeles	$200,000
United Ways of California	$50,000
Valley Vision	$82,500
WiConduit	$25,000
Institutionalization of Digital Inclusion Total	*$1,915,830*
ACP Enrollment Grants	
American GI Forum Education Foundation (Santa Maria)	$321,960
Asian Youth Center	$10,560
California State University, Fresno Foundation	$19,260
human-I-T	$3,060
Sigma Beta Xi	$18,360
Southeast Community Development Corporation	$10,320
Southland Integrated Systems	$5,040
ACP Enrollment Grants Total	*$388,560*
Regional Digital Equity Grants	
Broadband Consortium of the Pacific Coast	$150,000
California State Association of Counties	$250,000
Connected Capital Area Broadband Consortium	$150,000
Gold Country Broadband Consortium	$100,000
Inland Empire Broadband Consortium	$150,000
Los Angeles/Orange Counties Broadband Collaborative	$125,000
MADIA Tech Launch	$10,000
Manchester Community Technologies	$30,000
Nevada County	$50,000
NextGen Policy	$250,000

North Bay North Coast Broadband Consortium	$100,000
Northeastern California Connect Consortium	$75,000
Orange County Education and Research Institute	$10,000
San Diego Association of Governments	$200,000
San Joaquin Valley Regional Broadband Consortium	$200,000
Southeast Community Development Center	$45,000
Southern Border Broadband Consortium	$100,000
Southern California Association of Governments	$300,000
Upstate California Connect Consortium	$75,000
Regional Digital Equity Grants Total	*$2,370,000*
Digital Literacy Grants	
Equalitech	$20,590
California State University, Fresno Foundation	$40,740
Digital Literacy Grants Total	$61,330
CETF TOTAL GRANTS	**$8,252,950**
5-Year Strategic Plan Through December 2023	
Grants Managed by CETF	
Frontier Partnership Grants	
AGIF Education Foundation	$501,720
California Community Action Partnership Association	$240
California Foundation for Independent Living Centers	$68,100
California State University, Fresno Foundation	$143,820
Great Harvest Community Center	$17,220
Happy Village	$4,080
human-I-T	$502,500
McFarland School District	$30,240
Mothers Helping Others	$11,640
National Asian American Coalition	$9,000
National Council of Negro Women Inland Empire	$1,260

Partners In Education	$18,180
Priscilla's Helping Hands	$6,750
Sigma Beta Xi	$66,080
Southeast Community Development Corporation	$80,460
United Ways of California	$37,320
Frontier Partnership Grants Total	*$1,498,610*
San José Digital Inclusion Partnership	
ACE Charter Schools	$43,250
Alum Rock Union School District	$277,050
Catholic Charities of Santa Clara County	$193,450
ClosingTheDivide	$4,550
Cristo Rey San José High School	$68,300
First Community Housing	$42,500
Goodwill of Silicon Valley	$72,000
International Children Assistance Network, Inc.	$84,400
Indian Health Center of Santa Clara County	$6,000
International Rescue Committee, Inc.	$38,350
LitLab	$3,250
Latinos United for a New America (LUNA)	$44,500
NPower, Inc.	$1,500
Rocketship Public Schools	$25,000
Sacred Heart Community Service	$169,000
San José Public Library Foundation	$256,650
San José Media Access Corp. (CreaTV)	$7,100
San José Parks, Recreation and Neighborhood Services	$13,500
Silicon Valley Education Foundation	$40,250
Sourcewise	$36,400
Step Up and Do Something! Inc.	$78,850
Tech Exchange (Oakland Public Education Fund)	$209,900

Third Street Community Center	$10,000
Vietnamese Voluntary Foundation, Inc. (VIVO)	$50,300
San José Digital Inclusion Partnership Total	*$1,776,050*
SJDIP Donations Disbursed in Grants	**$1,998,348**

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[57]			
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[58]	$23,060,000[59]	$17,672,285	$5,387,715
Subtotal Hub Administration Costs[60]	$23,060,000	$17,672,285	$5,387,715
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan[61]	$8,000,000	$7,954,727	$45,273
Subtotal Marketing, Education, and Outreach[62]	$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[63]	($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[64]	$25,083,557

[57] Includes start-up costs, Hub administration, direct implementation, outreach, and training.
[58] 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.
[59] Include credit enhancement funds allocated to the CAEATFA for FYs 20-22, if needed per Resolution E.5072.
[60] Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
[61] The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.
[62] The initial allocation for ME&O also included $2 million to the CAEATFA for outreach to finance companies and contractors.
[63] The IOUs and CHEEF filed Program Implementation Plans (PIPs) in 2014 and 2015.
[64] Credit enhancement expenses consist of $252,467 paid out in net claims to the GGH lenders.

Item	Allocated	Expended	Balance
Funds currently encumbered[65]	$5,070,010		$20,013,547
IOU Administration[66]			
Administration, General Overhead, and Direct Implementation per PIPs.	$9,863,976		
IT Costs	$8,000,000	TBD	TBD
Subtotal IOU Administration[67]	$17,863,976		
Hub Pilot Reserve			
Subtotal Remaining Reserve[68]	$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 2023

Item	Allocated	Expended	Balance
CAEATFA Hub Administration[69]			
Authorized through Decision 21-08-006	$23,255,041	$3,265,202	$19,989,839
Subtotal Hub Administration Costs[70]	$23,255,041	$3,265,202	$19,989,839
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan[71]	$8,000,000	$1,692,376	$6,307,624
Subtotal Marketing, Education, and Outreach	$8,000,000	$1,692,376	$6,307,624
Credit Enhancement			
Initial Allocation per D.13.09.044	$43,919,485		
Subtotal Credit Enhancement Funds	$43,919,485	$257,867[72]	$43,661,618

[65] Includes contributions to Finance Company loss reserve accounts net of claims paid and net of funds recaptured through annual rebalances.
[66] Includes start-up costs, On Bill Repayment build-out, and direct implementation.
[67] 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.
[68] This amount reflects the remaining balance after the release of reserve funds to the CAEATFA.
[69] Includes start-up costs, Hub administration, direct implementation, outreach, and training.
[70] Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
[71] The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.
[72] Credit enhancement expenses consist of $257,867 paid out in net claims to the GGH lenders.

Item	Allocated	Expended	Balance
Funds currently encumbered[73]	$3,429,384		$40,232,234
Grand Total	$75,174,526	$8,386,962	$66,787,564

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