



May 10, 2023

**MEMORANDUM**

**TO:** CalMTA Advisory Board (MTAB)  
**FROM:** Jim Giordano, Resource Innovations  
**SUBJECT:** Memo on 2024 Budget Planning & the MTAB's Role

This memo describes the 2024 Budget Planning Process and the MTAB's role in the process.

**Introduction and Background**

Decision D.19-12-021 established two funding periods for the CalMTA:

- **Startup period**, not to exceed 3 years, during which the CalMTA would perform startup activities necessary to build the organization including hiring staff, performing market analysis, conducting RFI(s), and performing the other activities needed to develop an initial set of proposals for MTIs. We are currently in year 1 of this startup period.
  - The total not to exceed startup budget amount is \$60M and may not exceed \$20M in any startup program year.
- **Authorized Application Period.** A 5-year period during which approved MTIs would be executed.
  - The total not to exceed budget for the 5-year Authorized-Application period is \$250M.

While the decision established a budget ceiling for each of the three startup years, it did not serve as an authorization. The CalMTA is currently operating under an authorized first-year budget that expires at the end of 2023. The Decision specifies that:

- CalMTA startup budget beyond 2023 must be authorized through the submission of an Annual Budget Advice Letter (ABAL).
- The ABAL must include a recommendation and report from the MTAB.

## **Process for Developing the 2024 Budget**

To address the requirements of the decision, the CalMTA will develop a proposed 2024 budget that will allow the CalMTA to accomplish the planned Year-2 startup activities. Year-2 activities—which will be described in the ABAL as part of the budget narrative—will be largely focused on preparing for the delivery of one or more MTIs via an Application to the CPUC.

To reduce the risk that the CalMTA will not have a 2024 budget authorization by 12/31/2023, it is necessary to start the 2024 budgeting process early to allow time for input and review by the MTAB and then approval of an ABAL from the Energy Division. We plan to review the draft budget with MTAB at the meeting in early June.

Even though we are starting early, there is still a reasonable likelihood that the ABAL won't be approved by 1/1/2024, especially if there are protests. CalMTA is checking with the CPUC to see if a prior Decision's ruling on ABALs applies to CalMTA which would allow us to continue operating on the 2023 budget in 2024 if the 2024 ABAL is not yet approved. We need to create clarity on this point to prevent a shut-down of work.

The proposed schedule for processing the 2024 budget with MTAB will be presented at the MTAB meeting.