



2024 Operations Plan

CalMTA is a program of the California Public Utilities Commission (CPUC)
and is administered by Resource Innovations

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1 Introduction

Now in its second year, California’s new Market Transformation Administrator, CalMTA, is building on the foundation of infrastructure and systems created in 2023 to further the development of a market transformation (MT) portfolio that will help the State realize its efficiency, decarbonization, and equity goals. For a summary of the key accomplishments of CalMTA’s first year of start-up funding, please review our [2023 Annual Report](#).

This 2024 Operations Plan describes the activities that we will complete this year to continue to build on this progress in all areas of our work. Ultimately, success will be marked by furthering an MT portfolio with two key outcomes to be achieved by the year’s end:

- Finalize at least one fully developed Market Transformation Initiative (MTI) Plan for submission with an Application to the California Public Utilities Commission (CPUC). This MTI Plan will serve as the basis for the State’s first initiative to be bid and implemented during Phase III: Market Deployment upon CPUC approval in 2025.¹ The Application will also describe the process for CPUC approval of future MTI Plans ready for deployment.
- Continue to develop a diversified and balanced pipeline of additional MT ideas that will advance to market deployment during CalMTA’s initial five-year implementation period of 2026-2030 and that aligns with current efficiency efforts in California.

The CalMTA team will achieve both aims by working collaboratively with CPUC staff, our Market Transformation Advisory Board (MTAB), and stakeholders to execute a thoughtful, theory-based market transformation approach fueled by a sense of urgency to deploy large-scale, transformational climate solutions that also advance equity and workforce development. A timeline of key milestones is shown below. A full list of milestones planned for 2024 can be found at the end of this document.

Table 1. 2024 Key accomplishments & timing

MTI idea development	Q1	Q2	Q3	Q4
Batch 1 Advancement Plan approval and kick off of Phase II work	●			
Finalize and obtain approval for Strategy Pilot work plans and budgets; kick off implementation	●			
Kick off Advancement Plan development for Batch 2 ideas in Phase I development	●			
Release final Phase I Disposition Report		○		
Hold second Request for Ideas (RFI)		◐	○	
Release draft Advancement Plans for ideas currently in Phase I, solicit public comment, and finalize		○	○	
Finalize MTI Plan template		●		

¹ Assuming a full year for review and approval of the application, CalMTA anticipates market deployment of our first MTI(s) in January 2026, or sooner if the application process requires less than a full year.



MTI idea development	Q1	Q2	Q3	Q4
Complete Stage 1 & 2 scoring for 2024 RFI ideas and 2023 RFI ideas that were flagged for additional research/refinement			○	○
Obtain MTAB feedback on prioritization of MT ideas for the next batch of MTIs				○
Publish Market Characterization Studies for Phase II MT ideas				○
File CPUC Application including two full MTI Plans				○
An equity lens				
Release ESJ Listening Session Report (for fall 2023 events)	●			
Hold second set of ESJ Listening Sessions		○		
Recruit and form an equity sounding board				○
Stakeholder engagement & communications				
Publish 2023 Annual Report		●		
Publish 2024 Operations Plan		●		
Release quarterly updates		○	○	○
Conduct a survey of CalMTA stakeholders				○
Measuring success - evaluation				
Finalize CalMTA program-level Key Performance Indicators & Scorecard			○	
Recruit and form an evaluation advisory group with charter			○	
Finalize the MTI Evaluation Framework	●			
Administration & operations				
Hold virtual and in-person MTAB meetings	●	◐	○	○
Recruit and seat MTAB members to fill four vacancies	●			
Finalize and file 2025 ABAL			○	
Finalize Solicitation Protocols			○	
Deliver a 2025 Operations Plan				○

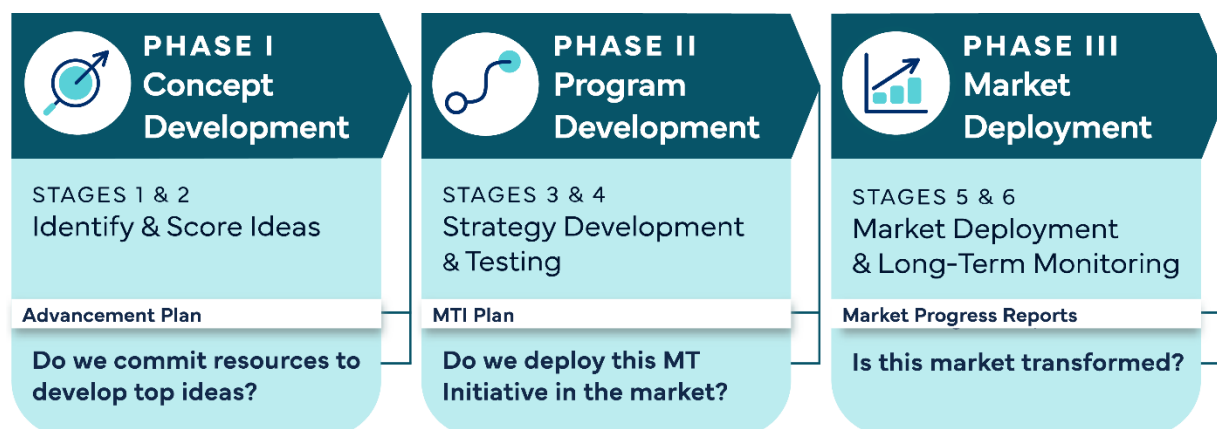
*updated to 6/1/24

2 MT idea development

To develop MTIs, CalMTA uses a three-phase process with “stage gates” or decision points at the end of each phase to confirm whether to proceed. As further detailed in the [Stage 1 Disposition Report](#), phases include a series of stages with **Phase I: Concept Development** covering two stages that relate to identifying and scoring potential market transformation ideas.



Figure 1. MTI development process



Phase I concludes with the development of an Advancement Plan for each market transformation idea recommended to move to **Phase II: Program Development**. Advancements Plans describe the research and other investigation needed to develop the ideas into a full MTI Plans.

In Phase II, CalMTA conducts market research and collects data to inform MTI strategy refinement and market barriers. This activity will help ensure potential MTIs have a viable market leverage point and sound program logic. In addition, we further refine our initial cost-effectiveness models, conduct a detailed market characterization, implement Strategy Pilot projects, and create a market development plan. Phase II concludes with the development of an MTI Plan for viable ideas recommended to move on to **Phase III: Market Deployment**.

After approval of MTI Plans by the CPUC, CalMTA will fully commit resources to intervene with market-level strategies and tactics to remove or reduce structural market barriers. This work will be carried out by contracted firms solicited and procured through a formal Request for Proposals (RFP) process. In addition, evaluation firms will be solicited and hired to evaluate the degree of market change and verify reported market adoption against pre-determined market progress indicators (MPIs).

2.1 Phase II activities & MTI Plan development

To jump start California's Market Transformation portfolio, the CalMTA team of Resource Innovations (RI) staff and subcontractors developed draft Advancement Plans in late 2023 for three "front runner" ideas to comprise our recommended first set of MT ideas: ²

- Portable/Window Heat Pumps
- Induction Cooktops & Ranges

² An Advancement Plan outlines the strategies, research, and activities that need to be conducted to determine the viability of a potential MTI. The activities indicated in the Advancement Plans are those that are needed to inform the development of the MTI Plans.

- Efficient Rooftop Units (ERTUs)

Figure 2. Phase II MTI idea photos



These Advancement Plans were reviewed and commented on by the MTAB members as well as posted for public comment in December 2023. In January 2024, the CalMTA team will respond to comments and incorporate when possible. Final Advancement Plans will be presented to the MTAB in January and once approved by the CPUC, the above MT ideas will advance to Phase II: Program Development.

Strategy Pilots

In addition to three Advancement Plans, CalMTA is developing detailed workplans and budgets for two Strategy Pilots, which are designed to test market strategies before finalizing MT theories for initiatives. Approval of each Strategy Pilot workplan and budget will include the following steps scheduled to be completed in the 1st quarter of 2024:³

- The MTAB reviews the budget and workplan
- Workplan and budget are posted to the CPUC Public Documents Area for 15 calendar days to solicit public comment
- CalMTA addresses comments and holds a public webinar to share the final budget and work plan and discuss comments and resulting changes
- Funding is released upon written approval by the CPUC contract manager

The scope and number of Strategy Pilots depends on MTI-specific market barriers identified in each Advancement Plan. Some plans may call for more than one Strategy Pilot to test different intervention tactics. The first two Strategy Pilots proposed for implementation in 2024, include:

Geographic targeting using ESRPP for Portable/Window Heat Pump and Induction Cooktops

This [Strategy Pilot](#) will gather retail sales data and test manufacturer, retailer, and customer engagement related to portable/window heat pumps and induction cooking technologies in stores that serve identified ESJ communities. The main goals include testing ease of ESRPP and retailer adaptation to target specific zip codes, understanding the efficacy of retailer incentives in

³ The approval process for Strategy Pilot scopes and budgets is prescribed in CalMTA's [2024 Annual Budget Advice Letter](#).

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ESJ communities for the two product types, identifying strategies for influencing the design of non-premium products, and gaining insight into current retail sales trends.

Portable/Window Heat Pump Self-Installation Practices

This [Strategy Pilot](#) will research how consumers interact with and utilize portable heat pumps and investigate two primary assumed benefits that are part of the consumer value proposition of this technology: 1) its purported “self-installation” potential, and 2) relative portability of systems for tenants who own them. The Strategy Pilot findings will inform development of this MTI with the intent of addressing barriers to adoption for the target market of renters and ESJ communities.

Additional Strategy Pilot scopes and budgets will be developed and submitted for approval in 2024 as the MTI teams identify additional concepts that would benefit from further testing before being included in the MTI Plan.

MTI Plan development

After CPUC approval of the Advancement Plans, CalMTA will perform market research, laboratory and/or field testing, pilots, and other activities described in those plans to inform development of full MTI Plans with at least one plan to be completed by the end of the year. Full MTI Plans describe the implementation and evaluation needs for the initiatives and are developed by assigned MTI teams with input from the MTAB and CPUC staff.⁴ Each MTI team includes the following roles that lead research activities in their respective areas:

- Program Manager
- Strategy Manager
- Technology Lead
- Market Research and Evaluation Lead
- Equity Lead

A template for the MTI Plans will be reviewed by the MTAB members and finalized in 2nd quarter. The template, which will be the basis for the MTI plan development, describes the following components:

- Well-defined target market and product/service definition, including product improvements needed
- Clearly defined benefits for energy efficiency, greenhouse gas reduction, and grid flexibility, as well as non-energy benefits where applicable, such as benefits to ESJ communities, workforce development, and air quality
- Logic model with identified adoption barriers, opportunities, intervention strategies, short, medium, and long terms outcomes, and a clear exit strategy
- Stakeholder and market engagement strategies

⁴ An MTI Plan is a comprehensive document covering items such as market characteristics, MT theory, implementation plan, metrics, anticipated savings, initiative budget, and an MTI evaluation plan.

- Strategies for collecting, managing and reporting data to track program progress, including market progress indicators
- Detailed market characterization, including the baseline market adoption models
- Forecasts and targets for market adoption and incremental impacts, and cost-effectiveness forecast
- Evaluation plans to track the market progress and impact of the MTI over time, based on agreed upon market progress indicators, and to substantiate incremental savings claims and other benefits attributable to the MTI vs other programs
- Risks to the success of the MTI and monitoring and mitigation strategies
- Estimated market deployment budget and timeline

Advancement Plan research and investigation will be used to inform and create the components of full-scale MTI Plans. Findings from ongoing Phase II research will be shared at MTAB meetings and in the CalMTA quarterly reports. Key Phase II findings, such as the market characterization studies for each the MT idea to be completed in 4th quarter, will be shared publicly via calmta.org and webinar events.

As we gain information and understanding from the Advancement Plan research and investigation, the CalMTA team will continue to assess the viability of the MT idea to develop into a full initiative. If at any point during the process, an idea is deemed not viable for market transformation, CalMTA will consult with CPUC and the MTAB and recommend stopping or delaying further MTI Plan development. CalMTA may recommend monitoring conditions, as appropriate, to determine whether the idea may be viable under different circumstances in the future.

2.2 Phase I ideas prioritized for Advancement Plan development

In the last MTAB meeting of 2023, CalMTA reviewed high-scoring MT ideas from the initial Request for Ideas (RFI), held in the summer of 2023, and received input from members on which to prioritize for further development. At the January 2024 MTAB meeting, CalMTA will present its recommendation for an additional four ideas to advance to Phase II based on further research and analysis performed in relation to the MTAB feedback.

Upon CPUC approval, we will commence development of Advancement Plans in 2024 for the following additional MT ideas:

- Commercial Replacement and Attachment Window Solutions
- Residential Heat Pump Water Heating
- Foodservice Water Heating
- Efficient Streetlighting

Review and opportunities for public comment on these four Advancement Plans will happen in the 2nd and 3rd quarter of 2024 with CPUC approval expected in the 3rd quarter. The process is as



follows:

- Posting of draft Advancement Plans on calmta.org at least four days before the MTAB meeting with the packet materials
- The MTAB will discuss during public meetings scheduled in June and July 2024
- After the MTAB meeting, plans will be posted for public comments for a minimum of two weeks
- Staff will review and respond to comments, incorporating as much feedback into the Advancement Plans as possible
- Final plans will be approved by the CPUC and posted along with comment summaries

To make the reviews by MTAB members manageable, the four Advancement Plans will be split between the two MTAB meetings scheduled for June 14 and July 12, therefore the above process will be held twice.

Upon CPUC approval, these Advancement Plans and Strategy Pilots will proceed to Phase II: Program Development where the research and study described in the plans will be carried out. This work will continue under the timelines described in each plan, but likely through the balance of 2024 and into 2025.

Strategy Pilots

Similar to the first set of Advancement Plans currently in Phase II, CalMTA will develop detailed workplans and budgets for Strategy Pilots, which are designed to test market strategies before finalizing MT theories for initiatives. Approval of those Strategy Pilot workplans and budgets will include the same steps as described in Section 2.1.

2.3 Finalization of Phase I Disposition Report

In 2023, CalMTA drafted a [Stage 1 Disposition Report](#) documenting the process of soliciting submissions through the RFI, as well as the scoring and prioritization of those submissions. This report was shared during a public meeting of the MTAB and members were given the opportunity to review and comment. Those comments were addressed and appended to the report. A final version of the Stage 1 Disposition Report will be shared at the January 2024 MTAB meeting.

Upcoming, a second half of the report will be completed to describe the Stage 2 scoring process and recommendation of four additional MT ideas to advance for Advancement Plan development. The draft Phase I Disposition Report will be provided to the MTAB in the 2nd quarter for review and comment. All comments will be consolidated and shared at the June MTAB meeting with a final report released by the end of the 2nd quarter of 2024.

2.4 Portfolio characteristics for future MT idea development

After advancing seven ideas from the first RFI to Phase I: Concept Development and Phase II: Program Development, CalMTA will consult with the MTAB to identify any remaining gaps as we



begin to visualize how the various ideas in development may take shape to inform a 2024 RFI scope and the greater future MTI portfolio. In 2023, we worked with the MTAB to define the following desired portfolio characteristics in Table 2.

Table 2. Portfolio characteristics and key questions

Portfolio Characteristic	Key Portfolio Question
Geographic, Sector & Technology Diversity	Is there sufficient balance and coverage across market sectors, end uses, and technologies? Do the initiatives' potential benefits sufficiently cover California?
Ramp Rate/Timing	How quickly will impacts accrue?
ESJ Relevance	Does the portfolio address equity sufficiently?
WE&T Support	Does the portfolio sufficiently address Workforce Education & Training?
Risk Profile	Is the risk profile of the portfolio acceptable?
Investment Required	What mix of MTIs optimizes the portfolio budget?
Policy Alignment	Does the portfolio align with California's clean energy and climate goals?

While it's not likely that all ideas that advance to Phase II: Program Development will ultimately be recommended for Phase III: Market Deployment, our intention is to create a diversified and balanced set of MTIs with the expectation that the future MTI portfolio as a whole will embody the characteristics listed above.

New RFI & ongoing market scans

In 2024, CalMTA will continue to fill the pipeline of MT ideas through a second RFI in the 2nd quarter. At the April MTAB meeting, we will continue the discussion of the portfolio view and will seek recommendations from the MTAB on whether and how to prioritize filling gaps with the next set of MT ideas. Based on this feedback, we may elect to focus the second CalMTA RFI on filling gaps on missing aspects of portfolio characteristics.

In addition, the CalMTA team will review the 14 ideas from the initial RFI that were classified as "Research & Refine" in the Stage 1 Disposition Report. These ideas successfully completed Stage 1 scoring but lacked sufficient data to complete Stage 2 scoring and will be scored together with the ideas generated in the 2024 RFI.

MT idea prioritization

At the September MTAB meeting, the CalMTA team will review Stage 1 scores of the 2024 RFI submissions received and those ideas that were held for further research and refinement. Stage 2 scoring will be shared at the November MTAB meeting and prioritized for a recommendation memo on the next batch of ideas to be provided in early 2025. During these discussions, we will work with MTAB members to consider budget forecasts across all MTI budgets and availability of funds for pursuing new MT ideas.

The recommendation memo is the step before approval of Advancement Plan development as part of Phase I activities. Depending on the results of the second RFI and availability of budget, we may conduct an additional RFI in 2025.

3 Applying an equity lens

CalMTA began building relationships with representatives of environmental and social justice (ESJ) communities in 2023. Strategies in 2024 will work to strengthen those connections and apply an equity lens as we develop ideas currently under consideration. The intent is to develop strong initiatives that incorporate components that also benefit ESJ communities whenever possible. CalMTA's equity work in 2024 will occur across all CalMTA departments and include the following elements:

- **ESJ stakeholder engagement.** CalMTA will thoughtfully engage and continue to build trust with community-based organizations (CBOs) and other key ESJ stakeholders. In addition, we will create a sounding board of ESJ experts whose knowledge and experience can help ensure our MTIs address community needs, mitigate barriers, and avoid unintended negative impacts.
- **Approach to ESJ integration in CalMTA MTI process.** An ESJ lead will be assigned to all phases of MTI development – from RFI scoring, to development of the Advancement Plans and MTI Plans – as ideas progress through the stage gate process. The ESJ lead will incorporate feedback received from the ESJ sounding board as well as continued engagement with CBOs and other ESJ stakeholders.
- **Equity metrics for MTIs.** As part of the MTI Plan development, CalMTA will develop performance indicators to measure and track performance on our commitment to equity. We will vet these metrics with the ESJ sounding board and the MTAB and then use them to report on performance.

Outcomes of this work include:

- Guidance for MTI Plan development with an equity lens (ongoing)
- Preliminary and updated MT equity metrics for Phase I and Phase II MT ideas under development in Advancement Plans and MTI Plans (2nd, 3rd and 4th quarter, respectively)
- 4-5 Listening Session events with ESJ representatives, workforce development and training organizations, and other audiences (2nd quarter)
- Formation of an ESJ sounding board to provide insight and feedback on strategies and approaches (4th quarter)

4 Stakeholder engagement & communications

In 2024, work related to stakeholder engagement and communications will include developing and maintaining platforms and systems to regularly communicate with CalMTA stakeholders. We will also develop and manage engagement opportunities both on behalf of CalMTA as an overarching program as well as supporting the MTI program development, including specific market relationships and engagement, research, and testing based on MTI priorities.

4.1 Market engagement

CalMTA will build on a good foundation of market and stakeholder engagement set in 2023. To ensure MTI alignment with current energy efficiency programs and other decarbonization efforts, we will continue to connect with program administrators and implementers through personal meetings and regular updates to make them aware of CalMTA's work and progress. Additionally, we will meet with subject matter experts from program staff to workshop details on MTI development that ensures alignment and eliminates duplication of effort. Finally, the CalMTA team will facilitate outreach to and engagement opportunities with other market actors and identified audiences in support of MTI development.

4.2 Strategy & testing

CalMTA's stakeholder engagement and communications staff will further support the MT idea development by crafting outreach and communications strategies for specific markets that will be integrated into each of the MTI Plans to be included in the Application to the CPUC. During the Advancement Plan and Strategy Pilot implementation, we will support message testing or research activities related to the marketing and outreach aspects of MTI planning.

4.3 Dissemination of updates

CalMTA will develop and release roughly 15 plans and reports in 2024. We will use multiple strategies and channels to share this information including:

- **Progress updates.** The CalMTA team will continue to develop and publish regular reports, including documenting CalMTA and MTI development progress. These include an annual report, quarterly reports, and an annual operations plan.
- **Electronic news.** Staff will develop and publish semi-monthly electronic updates with information on CalMTA, the MTAB meetings, and MTI development including research findings.
- **Report and plan releases.** We will package and disseminate plans and reports via calmta.org, including MTI Advancement Plans, market characterization studies, and full MTI Plans.



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- **Webinars & events.** The CalMTA team will host regular webinars and conference presentations to share MTI development updates.
- **CPUC Service List.** CalMTA will notice the service list (R.13-11-005) for MTAB meeting notices, when documents are posted for public review and comment, or when significant deliverables are posted to calmta.org.

To further support awareness building for CalMTA and our initiatives, the team will create materials that explain our work and outcomes. These materials will reflect the brand style and messaging to ensure an inventory of materials that is recognizable as “CalMTA.” This includes the development of factsheets and other collateral, slide decks, and maintenance of calmta.org. In 4th quarter, we will conduct a Stakeholder Survey to measure our reach.

In 2024, we will initiate a process to redevelop the CalMTA website. This will accommodate the growing number of reports and materials that are being developed to support information sharing on eventual Phase III: Market Deployment of approved MTIs. This effort will kick off in the second half of 2024 and conclude in the first half of 2025. Steps include website architecture design, graphic design, development, content population, and testing.

4.4 MTAB review & public comment

CalMTA will solicit review and comment from the MTAB and the public on key deliverables in 2024. Deliverables slated for MTAB review and comment will be posted to calmta.org and the public can provide comments during the MTAB meeting comment period, or by submitting comments via an electronic site. We have been using the CPUC’s Public Documents Area (PDA) site but will investigate other options this year. In all cases, when the MTAB and/or public comment is requested, CalMTA will provide comment summaries to detail how individual comments were addressed on both the PDA site and at www.calmta.org. Below is a summary of publications, commenting requirements, and timing.

Table 3. MTAB and public review periods for CalMTA documents

Document	Review	Timing of comment
Strategy Pilot workplans & budgets	MTAB & public comment	Early January 2024 with webinar in early February; as needed for additional Strategy Pilots identified in 2024
Phase I Disposition Report	MTAB comments appended	Early June 2024
Advancement Plans <ul style="list-style-type: none"> • Commercial Replacement & Attachment Window Solutions • Residential Heat Pump Water Heating 	MTAB & public comment	Late June through early July
Advancement Plans <ul style="list-style-type: none"> • Efficient Streetlighting • Foodservice Water Heating 	MTAB & public comment	Late July

Document	Review	Timing of comment
Draft MTI Plans <ul style="list-style-type: none"> Portable/Window Heat Pumps Induction Cooktops & Ranges 	MTAB comments appended	November
Final MTI Plans	Public comment	During CPUC application process in 2025

5 Measuring success

The MTI Evaluation Framework that was developed and shared with the MTAB and the public in 2023 will be finalized at the end of the 1st quarter of 2024. This framework outlines the principles and processes by which MTIs will be evaluated. Evaluation Plans for each MTI will be developed during Phase II: Program Development and included in each MTI Plan. Each MTI's Evaluation Plan will include market progress indicators that will be used to measure and track changes in the market during Phase III: Market Deployment.

During 2024, CalMTA will begin to operationalize the agreed upon approach to management and oversight of third-party evaluation of MTIs by recruiting members for an Evaluation Advisory Group. Recruiting for this group will be completed by the end of the 3rd quarter of 2024, so that members can review the MTI Evaluation Plans that will be included in the MTI Plans to be filed with the Application in December.

In addition to preparing to measure success for individual MTIs, we will also develop program-wide key performance indicators (KPIs) for CalMTA overall in consultation with the CPUC and the MTAB. These KPIs and the summary "scorecard" will be finalized in 3rd quarter.

6 Administration & operations

Overall, operations during 2024 is described in this operations plan which covers the work to be conducted during the year. Additionally, a 2025 Operations Plan will be developed in 3rd quarter to express work to be conducted during that year.

To ensure ongoing efficiency in specific operational and administrative infrastructure, CalMTA will continue to update and implement streamlined processes including:

- Project financial support – such as invoicing, budget management, accruals, forecasting, and financial reporting
- Contract management with subcontractors and vendors
- Ongoing management and compliance monitoring of conflict-of-interest practices
- Maintenance and management of IT and data systems
- Procurement, contracting, and incentive processing for Strategy Pilots

In 2024, the CalMTA team will undertake the following work scopes.



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6.1 Systems & infrastructure

In 2024 CalMTA will maintain and improve existing data systems, and assess and implement new systems as needed, to support operational and data management needs. These will include:

- Assessment of current IT systems and scoping needed improvements
- Ensuring secure data systems
- Maintaining the calmta.org domain and website infrastructure
- Providing technical support for contact management systems
- Developing and managing RFI and commenting intake platforms

6.2 Staffing & project management

Since launching RI has hired 17 staff members to execute the work of the CalMTA program. In 2024, we are planning to hire an additional seven to eight employees to further support operations, MTI development, and stakeholder engagement. The hiring process leverages RI's talent acquisition infrastructure, which has enabled our rapid growth and onboarding of staff.

The work of the CalMTA team is grounded in project management best practices and uses common tools and file infrastructure to optimize productivity and collaboration across teams. In 2024, we will continue to further develop our tools and processes to ensure we are able to meet delivery milestones.

6.3 Solicitations & financial administration

Once the first MTIs are approved, likely in late 2025, CalMTA will begin requesting proposals from firms to implement and evaluate these initiatives. In 3rd quarter of 2024, we will finalize the solicitation protocols that CalMTA drafted and submitted to the CPUC Energy Division in 2023. The protocols guide the RFP process, prescribing how proposals will be solicited, scored, awarded, and contracted in a fair and consistent manner that is free of conflicts of interest.

6.4 MTAB

In 2024, CalMTA is planning at least six virtual and in-person meetings of its nine-member advisory board. Staff will manage logistics and prepare for these meetings by creating packets including agendas, memos, reports, and other materials to support discussions about CalMTA business and MTI development.

In addition, in the 1st quarter of 2024 we will solicit candidates for the four seats with terms expiring in April 2024. This process will include an open application opportunity, review of submissions, and recommendations to the CPUC for seating new members. Current members of the MTAB may also reapply.



6.5 Policy alignment

CalMTA will continue to work to ensure our efforts mesh well with current and evolving policies. This is an ongoing effort that includes tracking regulation and legislation of interest to CalMTA and summarizing the findings into memos and other materials, ensuring the evolving regulatory landscape in California is understood by CalMTA leadership and MTI program developers, and performing regulatory research.

6.6 CPUC filings

CalMTA will develop two CPUC filings in 2024 including the 2025 Annual Budget Advice Letter (ABAL) in the 3rd quarter and an Application with at least one MTI Plan for CPUC approval by the end of 2024.

2025 Annual Budget Advice Letter (ABAL)

RI will file a 2025 ABAL in 3rd quarter on behalf of the CalMTA program to provide a detailed work plan and budget estimate for the up to \$20 million in annual start-up funds that were authorized in D.19-12-021 for each year of the three-year CalMTA startup period. We will deliver a draft 2025 ABAL to the MTAB prior to its meeting in June. Members will have the opportunity to comment, and resolution of the comments will be brought back to the July MTAB meeting. The final ABAL will include the MTAB's recommendation to the CPUC as detailed in the Adopted MT Framework attached to D.19-12-021.

First Application for MTIs

The Application requesting approval of at least one MTI Plan is a major deliverable for 2024 and represents the culmination of two years of work to initiate a portfolio of MTIs in California. Approval of this Application is the stage gate that authorizes the first MTIs to move from Phase II: Program Development to Phase III: Market Deployment.

Approval or modification of this Application, estimated in late 2025, will also mark the beginning of the five-year implementation period, along with its allocated \$250 million budget as detailed in Ordering Paragraph 9 of D.19-12-021. In addition to the attached MTI Plans, the Application will include policy requests, such as the recommended process for obtaining CPUC approval of future MTIs during the implementation period. This Application is scheduled to be filed by the end of December 2024. MTAB members will have the opportunity to formally comment on the MTI Plans during 4th quarter. Public review and comment on the Application and proposed MTI Plans will occur during the Application review and approval process as established in the CPUC Rules of Practice and Procedure.

7 Balancing speed & process

This 2024 Operations Plan updates activities proposed in CalMTA's [2024 ABAL](#) filed in July 2023 and approved in a disposition letter dated November 2, 2023. In some cases, the activities and outcomes described in this Operations Plan differ from what was envisioned in the 2024 ABAL.



The variances are largely the result of the need to balance the speed of development with a process that allows key stakeholders, including our MTAB, to be involved in vetting and prioritizing MT ideas to advance through CalMTA's stage gate process.

7.1 Requests for ideas in 2024

As detailed in the [Stage 1 Disposition Report](#), our 2023 RFI held that summer received a tremendous response, with 117 submittals of possible MT ideas – substantially more than anticipated. Because of this, we have reduced the number of RFIs planned for 2024 to a single RFI in the second quarter rather than quarterly RFIs as prescribed in the 2024 ABAL. Phase I activities planned in early 2024 will also include additional research and analysis of 14 MT ideas held over from the first RFI.

While the response to the RFI was strong, idea scoring resulted in only three ideas that met the criteria for frontrunners, whereas the 2024 ABAL assumed there could be as many as five frontrunner ideas advancing to Phase II in the first batch. Following rapid selection and advancement of the first three front-runner ideas, we received feedback that the MTAB members would like CalMTA to allow more time for member input and prioritization of subsequent MT ideas prior to advancing them to Phase II.

7.2 MT idea advancement in 2024

In response to the MTAB feedback, we delayed advancement of additional ideas and held a two-day, workshop-style MTAB meeting in November to have time for more discussion and input prior to selecting the next set of MT ideas from the 2023 RFI that would advance to Phase II. CalMTA processed the MTAB feedback from the November 2023 workshop and delivered a summary memo in January 2024 recommending advancement of four additional MT ideas to Phase II (rather than the five assumed in the ABAL).

Being mindful of the size of the program implementation budget of \$250 million and with input from the MTAB, we are taking more time to develop the next batch of MTIs that will round out the initial portfolio that will be recommended for the first five years of implementation. This will allow more time for input from the MTAB and other stakeholders but will delay development of the corresponding Advancement Plans to 2025.

In addition, CalMTA initiatives must be aligned with current programs operating in California, and the adjustments made in this Operations Plan offer time to meet and collaborate with program administrators and implementers to ensure that MTIs will be complementary and not duplicative.

7.3 Direct outreach on MT idea development in 2024

The 2024 ABAL described working group formation and meetings to support development of MT ideas. In the fall of 2023, CalMTA program staff and the CPUC spent time working through conflict-of-interest policies for the working groups. In developing scenarios of likely members, it became clear that the subject matter experts we would recruit for the working groups would likely



also be intent on bidding to implement the ultimate MTIs. However, this involvement would create a conflict that would preclude them from implementing the eventual MTI. Rather than creating formalized working groups, CalMTA will pursue direct engagements with critical market actors and industry experts to gather market intelligence and feedback on the forming MT ideas. These engagements are documented in a robust contact management system and coordinated across the CalMTA team and subcontracting firms.

While these changes will allow more time MTI prioritization and advancement, we anticipate that the approval process for future MTIs will be faster than a full Application process that can require a year or more. Therefore, by 2026, we anticipate having several more MTIs approved and able to advance to Phase III: Market Deployment so that CalMTA can begin the process of delivering the substantial benefits and impacts that are achievable through market transformation.

8 Milestones by quarter

CalMTA will initiate, continue, and complete several projects over the course of 2024. The following provides a quarterly breakdown of when key milestones will take place. Status is marked as of April 22, 2024. Color coding per key below indicates the section, marked in parenthesis, where the work is further described. Completion is as of June 1, 2024.

○	◐	●
To be started	In process	Completed

MT idea development (2)	An equity lens (3)	Stakeholder engagement & communications (4)	Measuring success - evaluation (5)	Administration & operations (6)
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1 st quarter activity	Q1	Q2	Q3	Q4
Hold an in-person MTAB meeting (January)	●			
Recruit and seat MTAB members to fill four vacancies	●			
Finalize the MTI Evaluation Framework	●			
Release ESJ Listening Session Report (for fall 2023 events)	●			
Batch 1 Advancement Plan approval and implementation kick off of Phase II work	●			
Finalize and obtain approval for Strategy Pilot work plans and budgets for: <ul style="list-style-type: none"> Geographic Targeting Using ESRPP for Portable/Window Heat Pump and Induction Cooking Portable/Window Heat Pump Self-Installation Practices 	●			
Kick off implementation of Strategy Pilots	●			
Kick off Advancement Plan development for Batch 2 ideas in Phase I development	●			
2 nd quarter activity				



Hold a virtual MTAB meeting (April)		●		
Hold an in-person MTAB meeting (June)		○		
Release a draft 2025 ABAL for MTAB review		○		
Publish 2023 Annual Report		●		
Publish 2024 Operations Plan		●		
Release a Q1 2024 Update		○		
Draft CalMTA program-level Key Performance Indicators & Scorecard for discussion with MTAB		●		
Hold second ESJ Listening Sessions		○		
Release final Phase I Disposition Report		○		
Obtain MTAB feedback on sectors to target with 2024 RFI		●		
Launch and publicize second Request for Ideas (RFI)		◐	○	
Release two draft Advancement Plans and solicit public comment for: <ul style="list-style-type: none"> Commercial Replacement and Attachment Window Solutions Residential Heat Pump Water Heating 		○		
Finalize MTI Plan template		●		
3rd quarter activity				
Hold an in-person MTAB meeting (July)			○	
Hold a virtual MTAB meeting (September)			○	
Finalize and file 2025 ABAL			○	
Finalize Solicitation Protocols			○	
Release a Q2 2024 Update			○	
Finalize CalMTA program-level Key Performance Indicators & Scorecard			○	
Recruit and form an evaluation advisory group with charter			○	
Release second ESJ Listening Session summary			○	
Release two draft Advancement Plans and solicit public comment for: <ul style="list-style-type: none"> Foodservice Water Heating Efficient Streetlighting 			○	
Finalize four Advancement Plans for approval and kick off of Phase II activities			○	
Finalize and launch new Strategy Pilots with public comments and webinar			○	
Complete Stage 1 scoring on the 2024 RFI submissions and 2023 RFI submissions that were flagged for additional research/refinement			○	
4th quarter activity				
Hold in-person MTAB Meeting (November)				○
Deliver a 2025 Operations Plan				○
Conduct a survey of CalMTA stakeholders				○
Release a Q3 2024 Update				○
Recruit and form an equity sounding board				○
Complete Stage 2 scoring for 2024 RFI ideas and 2023 RFI ideas that were flagged for additional research/refinement				○
Obtain MTAB feedback on prioritization of MT ideas for the next batch of MTIs				○



Publish Market Characterization Studies for: <ul style="list-style-type: none"> • Induction Cooktops & Ranges • Portable/Window Heat Pumps • Efficient Rooftop Units 				○
Post draft MTI Plans for MTAB review and develop comment memo for: <ul style="list-style-type: none"> • Induction Cooktops & Ranges • Portable/Window Heat Pumps 				○
File CPUC Application for Phase III: Market Deployment including MTI Plans for: <ul style="list-style-type: none"> • Induction Cooktops & Ranges • Portable/Window Heat Pumps 				○

About CalMTA

CalMTA is a program of the California Public Utilities Commission and is administered by Resource Innovations. We work to deliver cost-effective energy efficiency and decarbonization benefits to Californians through a unique approach called market transformation. Market transformation is the strategic process of intervening in a market to create lasting change by removing market barriers or exploiting opportunities, accelerating the adoption of identified technologies or practices. CalMTA-developed market transformation initiatives also aim to advance state goals on demand flexibility, workforce development and equity. Learn more at www.calmta.org.



2024 Operations Plan

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