2022 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, 2023

California Public
Utilities Commission

Cover photos:

Bottom left: The Golden Gate National Parks Conservancy provides paid internships for students and creative hands-on lessons that utilize a learning garden, a native plant nursery, and planting activities. *Source: Justice Outside*

Bottom right: The footbridge over Hat Creek measures 160' long x 8' wide and was installed at the historic Carbon Bridge site. Partners CalTrout and the Pit River Tribe engaged a contractor to grade and install fill material, build concrete bridge abutments, and install a single-span bridge to reduce future erosion as part of a Stewardship Council funded project to increase accessible trails by over 3 miles." *Source: Stewardship Council*

A digital copy of this report can be found at:

https://www.cpuc.ca.gov/2023reports

Thanks to:

CETF
California Emerging Technology Fund

California Hub for Energy Efficiency Financing

California Clean Energy Fund

DCISC
Diablo Canyon Independent Safety Committee

Stewardship Council

Contents

I. Introduction

This 2022 annual legislative report is submitted by the California Public Utilities Commission (CPUC) to the Legislature according to Assembly Bill (AB) 1338 (Committee on Budget, Chapter 760, Statutes of 2008). It summarizes annual updates to fiscal and governance information for entities and programs established by the CPUC.

Assembly Bill 1338 (Committee on Budget, 2008)

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

Public Utilities Code section 910.4.

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

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

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

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, 2020-2023

Entity	Expenditures	2020-2021	2021-2022	2022-2023
The Pacific Forest and Watershed Lands Stewardship Council	Proposed	$13,100,000	$10,741,471	$10,989,377
	Actual	$7,546,985	$7,630,753	$9,804,546[1]
The California Clean Energy Fund	Proposed	$6,300,000	$10,200,000	$13,700,000
	Actual	$7,847,694	$10,183,467	TBD
The California Emerging Technology Fund	Proposed	$10,580,000	$14,200,00	$14,060,000
	Actual	$7,892,342	$9,584,902	TBD
The California Hub for Energy Efficiency Financing	Proposed	$4,150,000	$4,150,000	$5,290,515
	Actual	$2,665,000	$3,405,000	TBD
21st Century Energy Systems – Research and Development Agreement	Proposed	N/A[2]	N/A	N/A
	Actual	N/A	N/A	N/A
The Diablo Canyon Independent Safety Committee	Proposed	$976,598	$991,247	$1,006,115
	Actual	$687,315	TBD	TBD
Nuclear Decommissioning Trusts	Proposed	N/A	N/A	N/A
	Actual	$11,369,780	$10,080,869	TBA

[1] Estimate of actual expenditures

[2] This program has ended and submitted its final report to the CPUC on December 6, 2019.

Electric Program Investment Charge (EPIC)	Proposed	$185,000,000	$185,000,000	$185,000,000
	Actual	$177,143,213	$230,373,640[3]	$256,522,579
TECH Initiative	Proposed	$17,569,826	$40,663,446[4]	$17,569,826
	Actual	$276,280	$29,525,804	$20,722,203[5]
BUILD Programs	Proposed	N/A	N/A	N/A
	Actual	$664,693[6]	$7,079,063[7]	$522,113[8]
Additional details for each Trust and Entity are included in the chapters that follow. The fiscal year for the California Clean Energy Fund, the Pacific Forest and Watershed Lands Stewardship Council, and EPIC is from January 1-December 31. The fiscal year for all other entities listed is from July 1-June 30. For the California Clean Energy Fund, EPIC and BUILD, the figures provided are for calendar years 2020, 2021, and 2022. For the Diablo Canyon Independent Safety Committee, the figures provided are for calendar years 2021, 2022, and 2023.				

[3] The 2021 EPIC value has been updated from the 2021 report to represent final actual expenditures.

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

[5] Estimate of actual expenditures are through November 2022.

[6] Expenditures as of FY 20/21 past year reconciliation

[7] Reconciliation in progress, figures include expenditures and encumbrances listed in the Financial Information System for California (FI$Cal)

[8] Estimate of actual expenses are through 10/31/22

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

The Pacific Forest and Watershed Lands Stewardship Council

Background

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) was formed as a result of CPUC Decision (D.) 03-12-035 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. At this time, 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.

2022 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 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.[9]

- As of October 21, 2022, 79 conservation easement and fee title donation transactions have closed escrow, out of a total of 96 transactions. Twelve transactions were closed in 2017, 10 in 2018, 11 in 2019, 12 in 2020, 8 in 2021 and 10 have closed escrow to date in 2022.
- As of October 21, 2022, following regulatory approvals, 42 conservation easements were recorded on more than 46,700 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, and North Fork Feather River.
- As of October 21, 2022, fee title has been conveyed for approximately 28,178 acres. Thirty-seven 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.

2022 Environmental Enhancement Program Accomplishments and Updates

Since launching the Environmental Enhancement Program in 2012, the Stewardship Council has awarded $12.3 million in grants. Overall, the Stewardship Council has budgeted approximately $13.7 million for projects that enhance the Beneficial Public Values of the Watershed Lands and promote productive partnerships involving landowners, conservation easement holders, local communities, youth, and other stakeholders.

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[9] 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."

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 is working 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 is making progress on the water delivery system to support grazing and wildlife uses while also treating noxious weeds and implementing their management plan.

In June, the Stewardship Council Board and staff toured the newly renovated Sky Mountain Outdoor Education Center, owned and operated by San Joaquin County Office of Education (SJCOE), and were able to see students enjoying the inaugural art camp. The SJCOE utilized a $5 million grant to complete necessary facility upgrades including safety and accessibility improvements.

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.

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. 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 support 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, 2021-2023

Fiscal Year	2021	2022	2023
Proposed expenditures (budget)	$10,741,471	$10,989,377	$6,303,111
Actual expenditures	$7,630,753	*$9,804,546	N/A

*proposed spend through 2022

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.

a. Articles of Incorporation
b. Bylaws
c. Settlement Agreement
d. Stipulation Agreement
e. Policies and Procedures: The board-adopted Policies and Procedures are available upon request.

Schedule of Employees and Compensation

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

Table 3. General Breakdown of Stewardship Council's Active Staff Costs, December 31, 2021-October 31, 2022

Year	Gross Pay	Benefits	401K	Total
2020	$469,688	$89,373	$16,150	$575,211
2021	$599,077	$107,283	$22,356	$728,716
2022	$467,983	$60,710	$19,270	$528,693

Once the requirements of the Settlement Agreement and associated Stipulation have been met, the Stewardship Council will dissolve consistent with the founding documents. The Stewardship Council is currently anticipating organizational dissolution no later than the end of 2023 and is addressing staffing and other needs during the process of dissolution with the development of a dissolution plan.

Staff Transferred or Loaned

No State staff is currently or has 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. 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 - 2022 Public Outreach Activities, Targeted Media Outreach and Noticing:

- 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).

- The Stewardship Council mails notifications to neighboring property owners, the Board of Supervisors of the affected county, each affected city, town and water supply entity, and each affected tribe regarding draft LCCPs for subject parcels of PG&E Watershed Lands. The notification explains how stakeholders can submit public comments on the draft LCCP. The Stewardship Council also disseminates e-mail notices to stakeholders in its database requesting public comment on the draft LCCPs.

- The Stewardship Council sends news releases announcing public board meetings to a media database, which includes over 1,200 media outlet representatives.
- 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 (a) near the place of each board meeting, and (b) 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.
- Logs are maintained for telephone inquiries regarding noticing. If a written correspondence is received, an electronic copy is made and saved. e-mail communication is also saved electronically.
- The Stewardship Council's 2021 annual report[10] is posted to the Council's website, and its availability announced via an e-mail to all stakeholders in its database.

[10] Historical annual reports are also available at 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.[11] 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.

2022 Updates & Accomplishments

The 2022 fiscal year's program accomplishments include:

- CalSEED announced two new cohorts of Concept and Prototype awards. For the Concept award, 23 companies out of 166 were selected to receive grants of $150,000 each. For the Prototype award, seven companies out of 22 from the prior cohort were selected to receive another $450,000 to continue to develop their breakthrough technologies. In total $6.6M of CEC EPIC funds will be invested in clean energy innovations throughout California. The awardees are listed here.

[11] 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.

- CalTestBed has awarded vouchers up to $300,000 to 40 competitively selected companies in two cohorts. A third cohort closed on August 19, 2022. As of November 2022, the awardees have not been publicly announced. Testing will take place in test beds across six University of California campuses, as well as the Lawrence Berkeley National Lab. An additional $11 million in EPIC funding was approved by the California Energy Commission to extend the term of the California Test Bed (CalTestBed) initiative into 2026.
- CalCEF Innovations wholly owned impact investment fund New Energy Nexus has provided funding to four early-stage clean energy startups through its Indonesia 1 Fund and its Smart Energy Grants. The initiative aims to bridge the funding gap for clean energy start-ups in Indonesia.
- New Energy Nexus formed a partnership in early 2022 with the Clean Tech Hub to accelerate diverse clean energy entrepreneurs and the development of local ecosystems to support climate solutions across Nigeria and West Africa. Located in Abuja, Nigeria, Clean Tech Hub is a pioneering hub for the research, development, and incubation of clean technologies, increasing energy access and improving climate resilience.
- The Clean Fight completed its second full cohort including successful matchmaking between start-ups, and customer and investor partners for all companies and has selected its third cohort of ten companies.
  - The Clean Fight was selected to administer NYSERDA's $10M Empire Technology Prize to scale hard tech solutions from around the world that can decarbonize tall buildings in New York.
  - It was also part of the New Energy New York coalition winning a $63.7M Build Back Better Regional Challenge grant to accelerate battery innovation and manufacturing in New York.
  - The Clean Fight and was awarded a $2M Build to Scale grant by the U.S. Economic Development Administration to scale our core accelerator there and speed the adoption of ready-to-install climate solutions (in partnership with SecondMuse).
- New Energy Nexus launched a new initiative called Supercharge Australia to develop an ecosystem in Australia to support lithium battery innovation and capture more of 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.
- The Third Derivative accelerator, a partnership between RMI and New Energy Nexus, delivered acceleration services to 29 startups in its general cohort, plus five additional startups in its inaugural carbon capture program.
- CalCEF Innovations staff and subcontracted experts advised EXCEL Accelerator, a clean energy startup accelerator program in China that connects growth stage companies with corporates as new customers and strategic partners as well as venture capital firms. The 2022 program included 15 start-ups in its third cohort.
- New Energy Nexus partnered with LG Energy Solution (LGES) to launch their first Battery Challenge to accelerate next generation battery technologies. Up to ten startups will have the opportunity to work

together with LG Energy Solutions research and innovation team to implement proof of concept projects or pilots.

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, 2021-2023

Year	2021	2022	2023
Proposed expenditures (budget)	$6,300,000	$10,200,000	$13,700,000
Actual expenditures[12]	$7,500,000	$10,183,467	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.

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.

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

[12] Estimate of actual expenditures.

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
2020	$1,694,379	$163,898	$1,858,227
2021	$1,586,001	$136,109	$1,722,110
2022 Year to Date*	$1,684,718	$138,613	$1,823,331

*As of October 2022

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 the 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-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.[13]

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

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

After the initial funding for CalCEF Ventures was spent, the organization transitioned to a 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[14] companies in its CalCharge program.

Public Process and Oversight

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

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

The California Emerging Technology Fund

Background

The California Emerging Technology Fund (CETF) was established as a non-profit corporation pursuant to orders from the CPUC approving the mergers of SBC/AT&T and Verizon/MCI in 2005 in CPUC D.05-11-028 and D.05-11-029, respectively. As a condition of approval of the mergers, AT&T and Verizon were required to contribute to the CETF a total of $60 million 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 Council of San José 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 for ten years, to support the SJDIP Manager and manage Digital Inclusion grant payments that will flow through the CETF. As of December 2019, all the CETF funds going forward are from these sources. 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.

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 CETF's work 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.

2022 Updates & Accomplishments

- Concluded the 5-Year Strategic Plan (2017-2022) by achieving more than 525,000 Adoptions in partnership with CBO Grantees, which was supported by $6.3 million in grants from CETF and $4.5 million in grant funds managed by CETF for Frontier Communications and the City of San José.
- Founded and convened bi-weekly meetings of the Digital Equity Coalition to advance consensus principles for state investments in broadband deployment and adoption, including the implementation of SB 156, SB 4 (Gonzalez, 2021), and-AB 14 (Aguiar-Curry, 2021) and allocations of revenues collected by the California Advanced Services Fund (CASF) Accounts.
- Participated as a legal party in CPUC Rulemaking (R.) 20-08-021 regarding CASF, including the Federal Funding, Regional Broadband Consortia, Public Housing, and Adoption Accounts.
- Convened four workshops for CBOs regarding applications to CASF and provided technical assistance for applications submitted in July 2022. Conducted three additional workshops (in October and November) for publicly subsidized housing complexes (government housing authorities, non-profit affordable housing organizations, and farmworker housing) to provide information and technical assistance to prepare applications for 2023.
- Engaged with the University of Southern California (USC) Annenberg School to follow up on the 2021 CETF Statewide Survey on Broadband Adoption with an online panel convened by USC of 2,143 households (Understanding America Panel). The panel had a four percent response rate that confirmed 91 percent statewide adoption rate (exceeding the five-year overall goal of 90 percent statewide

adoption) and similar patterns of use of technology, but the engagement revealed that the online panel does not capture as much input from under-connected households.:

- Recruited and staffed a national Expert Advisory Panel for a USC-Pew Charitable Trusts-CETF Research Partnership, which was supported by a Pew Grant of $250,000 to study affordability models, including the impacts of the Emergency Broadband Benefit (EBB) Program and Affordable Connectivity Program (ACP). Assisted in facilitating peer review and distribution of reports.
- Pursuant to the MOU with CETF, completed distribution of 25,000 Chromebooks provided by Frontier Communications to 41 School Districts and 43 Tribal Organizations. To date 6,913 parents of students receiving the Chromebooks have been trained.
- Assisted Frontier Communications in fulfilling the CETF MOU public benefit obligation to install 50 WiFi Public Locations.
- Supported Los Angeles County with a major mobilization in December 2021 to promote EBB, resulting in a 43 percent increase in enrollment.
- Entered into an agreement with Riverside County to help develop and implement strategies to increase ACP enrollments.
- Presented the "Call to Action" to the California Broadband Council in March 2022 to establish the State Goal of enrolling 90 percent of ACP-eligible households by the end of 2024, per the Governor's Executive Order N-73-20 and Action Plan assigning responsibility to CETF to work with State Agencies on promoting affordable home Internet offers (5.8 million households are estimated to be eligible for ACP in California so enrolling 90 percent means getting 5.2 million households enrolled in ACP by 2024).
- Presented quarterly updates to the California Broadband Council about ACP enrollment. Supported the California Department of Technology (CDT) to convene four Digital Equity Roundtables in April and May of 2022 with approximately 1,000 participants to address the challenges of adoption and spotlight related initiatives throughout California.
- Developed the ACP Enrollment Tracker on the CDT Broadband For All website in collaboration with CDT, USC, and CSU Chico. The website is continuously updated as data is released from the Federal Communications Commission (FCC) and Universal Services Administration Company (USAC).
- Established an expanded call center to support CETF Grantees, public agency partners, and *Get Connected! California*, which ensures that all eligible households requiring in-person assistance to enroll in ACP can be helped within no more than one workday.
- Coordinated a working group of state agencies (including CDT, California Department of Education, California State Library, and California State Association of Counties) on behalf of the California Broadband Council and CDT to develop and launch *Get Connected! California* to promote ACP enrollment, including preparing the Tool Kit, recruiting and training partners and volunteers, and coordinating 49 in-person ACP Enrollment Events in August and October 2022. Prepared summary

reports about the ACP Enrollment Events and results of participant surveys and questionnaires for CDT and California Broadband Council.

- Continued to support co-branded websites with the EveryoneOn locator tool.
- Pursuant to the CPUC-approved Investor-Owned Utilities (IOU) Settlement Agreement with the CETF, collaborated with four IOUs (Southern California Gas (SoCalGas), Southern California Edison (SCE), PG&E, and San Diego Gas & Electric (SDG&E)) to provide information on affordable broadband (including EBB and AP) to low-income CARE customers. Exceeded 1.9 million communications with customers of the four IOUs and trained more than 140 CBOs working with four IOUs (training is conducted periodically).
- Led implementation of School2Home in seven school districts and 27 schools comprising more than 17,000 students and 800 teachers. Completed the FY20-21 Evaluation Report.
- Hosted the virtual online 2021 School2Home Leadership Academy, an in-person 2022 Principals' Academy in June, and 2022 Leadership Academy in November. Partner Schools state that they were able to transition to distance learning during the pandemic with relative ease because their teachers, students, and parents had been so well prepared to use the technology. The School2Home Partner Schools also showed a lower learning loss than cohort schools in the state. CETF is renewing School2Home Partnership Agreements with all School Districts and has entered into a major partnership with Silicon Valley Education Foundation to serve 5,000 students in San José and Santa Clara County.
- Developed an initial overview and outline for forthcoming Digital Equity Strategic Plan along with the Local Government Best Practices Check List as a template for local governments to launch immediate implementation of actions without time delays or large expenditures for consultants.
- Funded Nevada County to conduct a countywide Programmatic Environmental Impact Report (EIR) to serve as a model for other local governments to use when seeking to expedite the CEQA process. Provided the framework for the Programmatic EIR and supported progress to completion.
- Supported the Southern California Association of Governments (SCAG) and San Diego Association of Governments (SANDAG), which represents 216 local governments and authorities, to develop the model within their regions for metropolitan planning organizations to use the Request for Qualifications for Prospective Partnerships (RFQPP) process for interested private and public Internet Service Providers (ISPs) to "Step Up or Step Aside" so that the path forward to ubiquitous deployment can be charted with greater clarity and transparency.
- Funded and supported the #SanJoaquinValleyNet joint venture with San Joaquin Valley Broadband Consortium to pursue a RFQPP process for their regions.
- Oversaw implementation of the California Department of Transportation (Caltrans) Sustainable Communities Grant to SCAG to assess the potential of ubiquitous broadband deployment and universal adoption to reduce vehicle trips and decrease associated greenhouse gas (GHG) emissions. Managed sub-awards to four Regional Broadband Consortia (RBCs), developed all the survey and interview tools,

compiled results and published results. Prepared and distributed the Final Report which documented the potential to reduce GHG by 1-15 percent (depending on public and private policy and leadership to reduce vehicle trips) by optimizing the use of broadband.

- Convened consultations between T-Mobile and Regional Broadband Consortia (RBCs) to identify and reach agreement on 10 Rural Fairgrounds for 5G deployment and service pursuant to the CETF-T-Mobile MOU.
- Funded SCAG, SANDAG, and 8 Regional Broadband Consortia (RBCs) that completed a Preferred Scenario to implement a Digital Equity Work Plan to accelerate broadband deployment (including project approval and permit streamlining) and adoption within their regions. This is funded pursuant to the CETF-T-Mobile MOU to dedicate $5 million to Regional Government Grants to work with local governments.
- Developed the Digital Literacy Implementation Plan pursuant to the CETF-T-Mobile MOU to provide digital literacy training up to 75,000 new low-income customers referred by T-Mobile.
- Managed and coached 30 grantees to achieve 4,272 adoptions. Prepared and released Impact Reports for SJDIP Rounds 1 and 2 Grants. Managing 13 grantees in Round 3 grants to achieve more than 2,090 adoptions for more than 6,000 households that are now connected and digitally proficient.
- Managed more than $1.9 million in San José Digital Inclusion Partnership donations, including $1.39 million granted through the Santa Clara County Office of Education to provide computing devices to 4,645 students in eight Districts and 62 Schools.
- Completed the Telehealth Skilled Nursing Facilities (SNF) Pilot Project with five partners and completed the Evaluation Report showing nearly 20 percent reduction in ambulance transports and transfers to hospitals, 94 percent comfort by patients and families, and 75 percent satisfaction by clinicians.
- Secured and managed FCC Telehealth Grant for $862,906 for 12 partenrs and trained staff at 25 facilities to incorporate telehealth into their services. The CETF Application was highly rated and the only award for California in the second round of FCC Telehealth Grants.
- Secured a $25,000 grant from the Kaiser Permanente Foundation to implement telehealth services to 100 families served by 10 promotoras with Latinas Contra Cancer.
- Prepared and distributed a Final Report on a San Joaquin Higher Education Roundtable convened by The Maddy Institute supported by a CETF Grant to identify strategies and opportunities to close the Digital Divide in the San Joaquin Valley.
- Engaged the Hawksbill Group to provide technical assistance to three higher education consortia to apply for NTIA Connecting Minority Communities Pilot Project Grants, resulting in an award to CSU Sacramento (in partnership with Valley Vision).

- Collaborated with California Forward to convene a series of public information forums, including a major briefing (in November 2021) sponsored by almost 30 stakeholders with U.S. Senator Alex Padilla on the Infrastructure Investment and Jobs Act.
- Wrote the Digital Equity Bill of Rights, secured more than 4,500 supporters as of June 2022, and sponsored AB 2753 to codify a Digital Equity Bill of Rights.
- Wrote and supported AB 2751, the Affordable Internet and Net Equality Act of 2022.
- Sponsored legislation (AB 2702) to allocate funding to CASF Public Housing Account, which encouraged widespread policy discussion and allocation of funds by CPUC.
- Established and funded with Lucas Public Affairs the Digital Equity Fellowship Program to engage higher education leaders throughout California in Digital Equity policy and strategies.

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, 2020-2023

Fiscal Year	2020-2021	2021-2022	2022-2023
Proposed expenditures (budget)	$10,580,000	$14,200,000	$14,060,000
Actual expenditures	$7,892,342	$9,584,902	N/A

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.

a. Articles of Incorporation.

b. Bylaws

c. 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:

- D.05-11-028, authorizing Verizon's acquisition of MCI, has the application number A. 05-04-020.
- D.05-12-011, authorizing SBC's acquisition of AT&T, has the application number A.05-02-027.
- D.15-12-005, authorizing Frontier's acquisition of Verizon California wireline services, has the application number A.15-03-005.
- D.16-05-007, authorizing Charter's acquisition of Time Warner Cable Inc.; Time Warner Cable Information Services (California), LLC; Advance/Newhouse Partnership; Bright House Networks, LLC; and Bright House Networks Information Services (California), LLC has the application number A.15-07-009.
- D.20-04-008, authorizing T-Mobile's acquisition of Sprint Communications, L.P. has the application number A.18-07-011.

d. Stipulation Agreement: No Stipulation Agreement is given for this entity.

e. Policies and Procedures: Available upon request.

f. 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[15]
July 2019-June 2020[16]	$1,450,600	$330,886	$1,781,486
July 2020-June 2021	$1,478,860	$347,137	$1,825,997
July 2022-June 2023	$1,721,443	$362,780	$2,084,223

[15] The total reflects audited financials.

[16] Fiscal year 2019-2020 reflects an increase of employees.

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	$98,800
IT Tech Support (Includes Website Support/ Online Grant Services)	$39,975
Legal Counsel	$102,100
Plan Administrators	$6,670
Printing	$3,086
Broadband and Adoption Programs	$2,459,295
School2Home	$2,144,849

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 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.

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 includes a draft implementation plan for the CHEEF with the following tasks:[17]

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,[18] 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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[17] D.13-09-044, Appendix F.

[18] 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 9[19] provides a summary of the actual and proposed expenditures, and further details may be found in Appendix C.1.[20]

Table 9. CHEEF's Actual and Proposed Expenditures, 20120-2023

Fiscal Year	2020-2021	2021-2022	2022-2023
Proposed expenditures (budget)	$4,150,000	$4,150,000	$5,290,515
Actual expenditures	$2,665,000	$3,405,000	N/A

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.[21]

The approval process of changing 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 Enhancements funds for maintenance and improvement of information technology and administrative needs of the CHEEF for fiscal years 2020-2021 and 2021-2022.

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[19] The data was provided by the CAEATFA's management per the CPUC's Energy Division staff's request in November 2022.

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

[21] 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, extending the CHEEF for energy efficiency financing programs and 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 an additional $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 till July 31, 2022, with options to extend.
- *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.
- *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) programs and conducts quality control oversight of projects not participating in an IOU rebate/incentive program. On October 24, 2017, Frontier Energy began providing services under a contract for what was then known as the Residential Energy Efficiency Loan Assistance Program (REEL)[22] program. Upon the launch of what is now GoGreen Business,[23] the CAEATFA issued a solicitation for a contractor manager to serve both programs; Frontier was selected for a new contract that began June 4, 2019. This contract expired on 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, which provides technical assistance to continue research and development and provides

[22] In September 2021, the REEL changed its name to GoGreen Home Energy Financing Program.

[23] In September 2021, the Small Business Energy Efficiency Financing Program changed its name to GoGreen Business Energy Financing Program

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.

2022 Updates & Accomplishments

GoGreen Home Energy Financing Program

The CAEATFA launched the 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 September 30, 2022, GoGreen Home had enrolled 2,472 loans, with an average loan size of $17,382 and claim-eligible principal totaling near $43 million.[24] GoGreen Home also launched an online, point-of-sale financing option available to customers purchasing appliances through the IOUs' marketplaces. SoCalGas' marketplace was the first to offer this financing and as of September 30, 2022, 496 microloans for a total value of $725,579 have been enrolled.

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

On-Bill Repayment Programs

The CAEATFA staff has been working with the IOUs and the master servicer to establish the OBR infrastructure. In July 2021, the CAEATFA modified the GoGreen Business regulations to include on-bill repayment. The CAEATFA and Concord are in the final stages of implementing the on-bill infrastructure with on-bill repayment (OBR) planned to be offered in 2022, incorporating OBR functionality for GoGreen Business.

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 lease was enrolled in July 2019. GoGreenBusiness seeks to:

- Provide a State-backed financing program designed to address the energy efficiency challenges faced by small business owners and tenants.
- Provide an accessible—and attractive—financing option for small businesses.
- Provide a source of financing that allows deep energy retrofits in existing small business buildings.

Financing through the program is available to small businesses, non-profits, and market-rate multi-family properties (five or more units) that meet at least one of the following business size requirements:

- 100 or fewer employees,
- Annual revenue of less than $15 million, or
- Compliance with the Small Business Administration's small business size classifications (annual revenue limits range from $750,000 to $38.5 million, depending on the industry).

GoGreen Business is available to both small business property owners and tenants and the pilot program facilitates a variety of financing instruments for potential customers to consider, including loans, equipment leases, service agreements and savings-based payment agreements. Each participating finance company offers products from this menu of authorized instruments. Small business owners can take out financing agreements up to $5 million. Participating financial institutions are eligible to receive a credit enhancement for qualifying measures for up to $1 million of the financed amount.

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. COVID restrictions on small businesses and delays in the launch of IOU third-party implemented programs for small business affected program uptake. As of the end of September 2022, GoGreen Business offered financing from eight participating finance companies, had enrolled over 99 contractors and project developers, and facilitated $2.26 million in financing for 19 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 9 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 10 shows the CHEEF's employee compensation schedule for the two prior fiscal years and the proposed fiscal year.

Table 10. CHEEF Salaries and Expenses Authorized for Fiscal Year 2020-21 and 2021-22

	State Personnel Classification	Annual State Salary and Benefit (2020-2021)[25]	Annual State Salary and Benefit (2021-2022)[26]
	Staff Services Manager II (Supervisor)	$158,759	$143,024
Program Manager	Staff Services Manager I (Supervisor) - Direct and Implementation (D&I)	$144,240	$131,511
	Staff Services Manager I (Supervisor) – Compliance	$144,240	$131,511

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

[26] Per request of the CPUC's staff, the CAEATFA management provided the data in November 2022.

	Staff Services Manager I (Specialist) - D&I	$144,240	$131,511
	Staff Services Manager I (Specialist) - D&I	$144,240	$131,511
	Staff Services Manager I (Specialist) – Marketing	$144,240	$131,511
Support Staff	Associate Governmental Program Analyst - D&I	$124,284	$113,148
	Associate Governmental Program Analyst - D&I	$124,284	$113,148
	Associate Governmental Program Analyst – Marketing	$124,284	$113,148
	Associate Governmental Program Analyst - Marketing & Data	$124,284	$113,148
	Associate Governmental Program Analyst – Compliance	$124,284	$113,148
	Associate Governmental Program Analyst - Compliance & Data	$124,284	$113,148
	Office Technician	$81,170	$74,387
	Office Technician	$81,170	$74,387
	Office Technician	$81,170	$74,387

Table 11. CHEEF Contracts and Funding[27]

Contract	Current Contract Term	Amount	Amount Paid[28]	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, 234,807	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	$1,394,463	January 1, 2018 – October 21, 2020
	October 22, 2020 – July 31, 2022[29]	$5,500,000[30]	$708,805[31]	October 22, 2020 – July 31, 2022[32]
CAEATFA contract with Trustee Bank (US Bank)	January 24, 2015 – December 31, 2017	$180,000	$160,000	Ratepayer Funds
	January 08, 2018 – December 31, 2020	$285,000	$240,000	January 08, 2018 – December 31, 2020
CAEATFA contract with Trustee Bank (Zions)	January 1, 2021 – December 31, 2023	$360,000	$180,000[33]	Ratepayer Funds

[27] Per request of the CPUC's staff, the CAEATFA management provided the data in November 2022.

[28] For services through June 30, 2022.

[29] Two one-year extensions are available.

[30] This figure includes two available $1 million extensions.

[31] This figure represents the amount paid billed through June 2022.

[32] Two one-year extensions are available.

[33] This figure represents the amount paid billed through June 2022.

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[34]	$1,500,000	$1,378,906[35]	June 4, 2019 – May 28, 2022[36]
CAEATFA contract with contractor manager (Electric & Gas Industries Association)	May 29, 2022 – May 28, 2025	$1,800,000	$42,749	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[37]	$299,999	$251,078	Ratepayer Funds
	April 19, 2022 – April 18, 2025	$299,999	$9,513[38]	April 19, 2022 – April 18, 2025

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 11 shows the CHEEF contracts and funding.

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

[34] Includes 1 year extension.

[35] This represents payments as of the end of May 2022.

[36] Includes 1 year extension.

[37] Includes 1 year extension.

[38] This represents payments as of the end of June 2022.

establishing the appropriate channels for public input and access. In addition, all contracts are publicly noticed and competitively bid under the oversight of the DGS.

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

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

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

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. The 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.[39]

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.

2022 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.[40] 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 2022.

Annual Reporting Updates

The annual audit reporting information required by statute is below.

Expenditures

Table 12 lists CES-21's proposed and actual expenditures for the two prior fiscal years.

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[39] 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.
[40] California Energy Systems for the 21st Century (CES-21) Program Final Report.

Table 12. CES-21's Actual and Proposed Expenditures, 2020-2023[41]			
Fiscal Year	**2020-2021**	**2021-2022**	**2022-2023**
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 is 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.

[41] 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 California Energy Commission, 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.

2022 Updates & Accomplishments

On June 2, 2022, the CPUC approved Resolution E-5213, ratifying the President's selection of three candidates whose names were submitted to Rob Bonta, California Attorney General, for the term July 1, 2022 – June 30, 2025.[42] In 2021, the Chair of the CEC reappointed Dr. Peter Lam for the term July 1, 2021 – June 30, 2024. In 2020, the Governor reappointed Dr. Per Peterson for the term July 1, 2020 – June 30, 2023. The DCISC held three public meetings in 2022. The DCISC also recently approved its 32nd Annual Report for July 1, 2021 – June 30, 2022.

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.

Annual Reporting Updates

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

Expenditures

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

Table 13. DC'SC's Actual and Proposed Expenditures, 2021-2023

Fiscal Year	2020-2021	2021-2022	2022-2023
Proposed expenditures (budget)	$976,598	$991,247	$1,006,115
Actual expenditures	$687,315	$901,247[43]	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 Second Restated Charter for the DCISC was approved in PG&E's Advice Letter 6361-E.

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

[43] Estimate of actual expenditures for 2022, pending approval at the DCISC February 2023 meeting.

Schedule of Employees and Compensation

As approved in the PG&E Advice Letter 6144-E, compensation for members of the DCISC includes the following:

- Annual Retainer of $10,400;
- A fee of $260/hour to attend DCISC meetings;
- A fee of $260/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.20-12-005.[44] Proposed and actual expenditures are listed in Table 13.

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 2022 (online-only due to COVID-19).

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. 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.

[44] Continued funding is under review in the current General Rate Case, A.21-06-021, which should be approved in 2023.

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.[45]

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]

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

- Payden Rygel [Qualified Trust/Short Duration]

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

Table 14. All Trust Fund Balances are through December 31, 2021

Utility	Nuclear Plant	Fund Balance
PG&E	Humboldt Bay Power Plant (HBPP) 3	$164,000,000
PG&E	Diablo Canyon Power Plant (DCPP) 1	$1,922,000,000
PG&E	DCPP 2	$2,513,000,000
SCE	San Onofre Nuclear Generation Station (SONGS) 1	$335,000,000
SCE	SONGS 2	$1,125,000,000
SCE	SONGS 3	$1,362,000,000
SDG&E	SONGS 1	$149,000,000
SDG&E	SONGS 2	$362,000,000
SDG&E	SONGS 3	$426,000,000
SCE	Palo Verde 1	$497,000,000
SCE	Palo Verde 2	$509,000,000
SCE	Palo Verde 3	$525,000,000

Regulations

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

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

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

In 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[46] 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.

2022 Updates & Accomplishments

The 2021 NDCTP for DCPP and HBPP was filed as A.21-12-007 in December 2021 and is still under consideration by the CPUC. In the application, PG&E did not request new revenue requirements for customer contributions to the decommissioning trusts. PG&E did request the following:

- Revisions to the Diablo Canyon Decommissioning Cost Estimate;
- Review and approval of the Decommissioning Cost Estimate for remaining decommissioning activities at Humboldt Bay and costs incurred for decommissioning work completed since the 2018 NDCTP filing;

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;
- (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

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

- 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 15, 16, and 17 below show the actual administrative costs for the utilities' nuclear decommissioning trusts for the last two available calendar years. Costs for 2022 will not become available until mid-2023.

Table 15. PG&E's Actual Administrative Costs, 2020-2022

Fiscal Year	2020	2021	2022
Actual expenditures	$3,115,000	2,916,000	N/A

Table 16. SCE's Actual Administrative Costs, 2020-2022

Fiscal Year	2020	2021	2022
Actual expenditures	$5,448,618	$4,959,946	N/A

Table 17. SDG&E's Actual Administrative Costs, 2020-2022

Fiscal Year	2020	2021	2022
Actual expenditures	$2,806,162	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. 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.

2022 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 2022, 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 18. 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.

Table 18. Authorized Funding for EPIC 4 (2021-2025)				
CEC	**PG&E**	**SCE**	**SDG&E**	**Total**
$740,000,000	$92,685,000	$7,6035,000	$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. 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. 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, 2022, 324 EPIC projects have been completed since program inception at a cost of $1.378 billion as provided in Tables 19 and 20.

Table 19. EPIC Projects by Administrator and Status, 2012-2022

Administrator	Active Projects	On-hold Projects	Canceled Projects	Completed Projects
CEC	217	0	9	250
PG&E	14	34	29	36
SCE	16	0	8	24
SDG&E	1	0	3	14
Total	248	34	49	324

Table 20. EPIC Spending by Administrator and Program Area, 2012-2022

Administrator	Applied R&D	Technology Demonstration and Deployment	Market Facilitation	Total
CEC	$499,000,000	$456,000,000	$175,000,000	$1,130,000,000
PG&E	$0	$126,000,000	$0	$126,000,000
SCE	$0	$95,000,000	$0	$95,000,000
SDG&E	$0	$27,000,000	$0	$27,000,000
Total	$499,000,000	$704,000,000	$175,000,000	$1,378,000,000

Table 20 demonstrates spending for PG&E and SCE through September 2022, spending for SDG&E through October 2022, and estimated spending for the CEC through December 2022.

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 2022, EPIC administrators held 18 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. In August 2022, the administrators held a virtual annual EPIC workshop to gather feedback on the IOUs' proposed EPIC 4 project portfolio. The workshop focused on promoting awareness and visibility of the EPIC program, facilitating stakeholder engagement, improving coordination among EPIC administrators, and providing transparency regarding emerging technology progress and results. Additionally, in October 2022, the CEC held a virtual annual EPIC Symposium highlighting progress in the EPIC Program for stakeholders. The Symposium focused on expanding the use of renewable energy; building a safe and resilient electricity system; advancing electric technologies for buildings, businesses, and transportation; enabling a more reliable and decentralized electric grid; improving the affordability and health of California's communities; and supporting California's local economies and businesses. 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.

EPIC Database and Program Improvements

In 2022, the EPIC Policy + Innovation Coordination Group (PICG) coordinator completed 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 launch of the database was announced in the first quarter of 2022 and 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.

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 to continue 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 June 28, 2022, the CPUC extended the statutory deadline for the EPIC proceeding to April 28, 2023. A CPUC decision that is anticipated in early 2023, will address the proceeding issues outlined in the October 2, 2022 Ruling, as described above.

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 allowed funding amounts over the last three investment cycles and the current investment cycle.

Table 21. 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 22 shows EPIC Administrator dollars spent on labor for the prior two and current calendar years.

Table 22. EPIC Administrator Schedule of Employee Compensation

Year	Gross Compensation	Total
2020	$13,743,776	$13,743,776
2021	$16,086,385	$16,086,385
2022 Year to Date	$18,836,601	$18,836,601

The reporting year for EPIC is January 1 - December 31. Table 22 describes compensation for PG&E and SCE through September 2022, compensation for SDG&E through October 2022, and estimated compensation for the CEC through December 2022. The 2021 EPIC value has been updated from the 2021 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 April 2023. EPIC is funded by the ratepayers of PG&E, SCE, and SDG&E on a proportional basis.

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 February. 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

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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) requires 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 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.[47]

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.

[47] 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.

2022 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.[48] In its first year of implementation (from March – October 2022), the program received 133 technical assistance applications and 30 incentive applications from low-income housing developers across the eligible jurisdictions. Over $12.5 million in incentive applications were requested during this time to support the construction of affordable all-electric single and multi-family housing.

TECH Initiative

Energy Solutions, as well as a team of nine 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 TECH's launch, the TECH implementation team has been building a network of alliance organizations and partners and has been offering incentives for contractors to install heat pump appliances. There was greater interest from contractors than originally anticipated and, as of August 2022, over 20,000 units have been submitted through the TECH Incentive Clearinghouse. Based on rapid participation growth, it is clear that contractors are ready to support the installation of heat pumps HVAC statewide. TECH is also well-positioned to provide support to existing project financing programs by filling gaps in funding and collaborating to create a more comprehensive offering. Pilots, although still early in the deployment phase, have represented effective efforts for understanding and mitigating market barriers. The

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

first round of Quick Start Grants sponsored by TECH were completed and both the future program design and the second round of solicitation was decided in November 2022. In August 2022, TECH launched its Public Reporting site and received considerable interest from organizations that are looking to the TECH data to inform and understand future program developments. Along with the launch of the website, quarterly stakeholder meetings have been held to inform participants of program successes and future updates. 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, was the embedded evaluator of both BUILD and TECH in 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 implementation of BUILD and TECH and assess short-term and long-term market and program impacts. To date, the following goals have been completed:

- Submitted the first Technology and Policy Brief for both BUILD and TECH in March of 2022. This was the first in a series of briefs designed to enable evaluators, CPUC staff, program managers, implementers, and stakeholders to stay informed of the evolution of decarbonization technologies and their related markets throughout the evaluation period, including a focus on evolving policies at the federal and state level.
- In collaboration with program implementers, developed a program theory logic model and key performance indicators (KPIs) for both BUILD and TECH to guide the evaluations and identify key inflection points in the program implementation process.
- 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:
    - A baseline assessment of the residential new construction market in California, focusing on market actors' opinions and uptake of all-electric and high efficiency electric technologies and building practices to support the BUILD evaluation.

- A baseline market assessment for TECH that measured many of the TECH KPIs, including 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.
- Research into the TECH process that specifically investigated the contractor enrollment process, the single-family incentive application process, characteristics of single-family water-heating and space-conditioning projects, and contractor impressions of the workforce education and training offerings.
- A web usability study of the BUILD and TECH websites to assess user experience and identify recommendations for improving the usability and effectiveness of the websites.
- 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 develop and implement a methodology for estimating greenhouse gas impacts of BUILD and TECH in 2021 that is both internally consistent and matches CARB regulations and direction. This approach will be built on when supporting IOU reporting in future years.

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 23. 2022 Year to Date (YTD) Schedule of Employee Compensation through October 31, 2022

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director 1[49]	$115,025	$11,910	$4,346	$131,281
Executive Director 2	$26,037		$1,268	$27,305
Director of Programs	$59,104	$16,906	$2,482	$78,492
Finance & Compliance Administrator	$99,431	$5,254	$4,114	$108,799
Other Staff (3)	$168,387	$8,270	$7,060	$183,717
Grand Total (7 positions)	$467,983	$41,440	$19,270	$528,693

Table 24. 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

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

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

Table 25. 2020 Year to Date (YTD) Schedule of Employee Compensation through October 31, 2020

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	$107,947	$9,629	$3,998	$121,574
Deputy Director of Land Conservation	$78,200	$22,150	$3,129	$103,479
Director of Programs & Administration	$98,079	$18,307	$3,923	$120,309
Finance & Compliance Administrator	$67,310	$19,759	$1,224	$88,292
Other Staff (3)	$118,152	$19,528	$3,876	$141,556
Grand Total (7 positions)	$469,688	$89,373	$16,150	$575,211

Table 26. 2019 Schedule of Employee Compensation through December 31, 2019

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	$126,099	$15,758	$5,038	$146,895
Director of Land Conservation	$111,925	$21,596	$4,094	$137,615
Director of Finance	$118,372	$41,163	$0	$159,535
Senior Project Manager	$87,299	$30,302	$3,474	$121,075
Other Staff (4)	$199,131	$49,638	$2,201	$250,970
Grand Total (8 positions)	$642,827	$158,458	$14,806	$816,092

Table 27. 2018 Schedule of Employee Compensation through December 31, 2018

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	$122,100	$15,326	$4,884	$142,310
Director of Land Conservation	$119,343	$29,797	$4,504	$153,644
Deputy Director of Land Conservation	$92,275	$19,209	$3,691	$115,175
Director of Finance	$114,663	$38,598	$0	$153,268
Senior Project Manager	$92,031	$21,258	$3,681	$116,970
Other Staff (5)	$281,515	$80,483	$7,650	$369,648
Grand Total (10 positions)	$821,928	$204,672	$24,410	$1,051,010

Appendix A.2 Professional Fees

Table 28. Schedule of Professional Fees YTD as of October 31, 2022 by General Ledger Category

General Ledger Category	Total Paid
Legal Fees	**$16,590**
Accounting Fees	**$42,433**
Graphics & Media Fees	**$8,065**
Investment Management Fees	**$15,750**
Professional Services Fees	**$188,501**
Boundary Surveys	**$91,904**
Baseline Documentation	**$0**
Land Planning Fees $42,433	**$4,340**
Land Transfer Costs	**$133,747**
Total Consultant Expense	**$501,330**

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, 2022

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	
AGIF Education Foundation (Santa Maria)	$252,000
Asian Youth Center	$48,000
California Family Resource Center	$25,000
California Foundation for Independent Living Centers	$60,000
California State University, Fresno Foundation	$282,000
Delhi Center	$20,000
EveryoneOn	$75,000
human I-T	$258,000
Independent Living Center of Kern County	$5,000
Mothers Helping Others	$9,000
National Council of Negro Women Inland Empire	$12,000
Priscilla's Helping Hands	$6,750
Sigma Beta Xi	$120,000
Southeast Community Development Corporation	$170,000
Southland Integrated Systems	$30,000
Thai Community Development Center	$20,000
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	*$2,029,910*
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 SJVRBC	$86,000
Catholic Charities of Santa Clara County	$25,000
East Los Angeles College Foundation	$10,000
Equalitech	$20,590
Families in Schools	$25,000
Foundation for Los Angeles Community Colleges	$70,000
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	$10,000

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)	$257,000
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	*$1,742,840*
Regional Digital Equity Grants	
Broadband Consortium of the Pacific Coast	$150,000
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

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	*$1,770,000*
Digital Literacy Grants	
Equalitech	$20,590
California State University, Fresno Foundation	$51,000
Digital Literacy Grants Total	*$71,590*
CETF TOTAL GRANTS	**$6,879,340**
5-Year Strategic Plan Through December 2022	
Grants Managed by CETF	
Frontier Partnership Grants	
AGIF Education Foundation (Santa Maria)	$330,000
California Community Action Partnership Association	$240
California Foundation for Independent Living Centers	$92,250

California State University, Fresno	$167,040
Great Harvest Community Center	$17,220
Happy Village	$4,080
human-I-T	$510,000
McFarland School District	$30,240
Mothers Helping Others	$12,120
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	$84,300
Southeast Community Development Corportion	$180,000
United Ways of California	$37,320
Frontier Partnership Grants Total	*$1,500,000*
San José Digital Inclusion Partnership	
ACE Charter Schools	$43,250
Alum Rock Union School District	$361,750
Catholic Charities of Santa Clara County	$184,000
ClosingTheDivide	$17,500

Cristo Rey San José High School	$68,300
Evergreen Valley College	$52,500
First Community Housing	$42,500
Goodwill of Silicon Valley	$72,000
International Children Assistance Network, Inc.	$80,200
Indian Health Center of Santa Clara County	$6,000
International Rescue Committee, Inc.	$38,000
LitLab	$3,250
Latinos United for a New America (LUNA)	$44,500
NPower, Inc.	$1,500
Prosperity Lab	$17,500
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	$35,000
Sourcewise	$35,000
Step Up and Do Something! Inc.	$77,800

Tech Exchange (Oakland Public Education Fund)	$209,900
Third Street Community Center	$10,000
Vietnamese Voluntary Foundation, Inc. (VIVO)	$53,450
San José Digital Inclusion Partnership Total	*$1,925,150*
SJDIP Donations Disbursed in Grants	**$1,775,473**

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[50]			
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[51]	$23,060,000[52]	$17,234,807	$5,825,193
Subtotal Hub Administration Costs[53]	$23,060,000	$17,234,807	$5,825,193
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan[54]	$8,000,000	$7,954,727	$45,273
Subtotal Marketing, Education, and Outreach[55]	$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[56]	($9,863,976)		

[50] Includes start-up costs, Hub administration, direct implementation, outreach, and training.

[51] 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.

[52] Include credit enhancement funds allocated to the CAEATFA for FYs 20-22, if needed per Resolution E.5072.

[53] Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.

[54] The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.

[55] The initial allocation for ME&O also included $2 million to the CAEATFA for outreach to finance companies and contractors.

[56] The IOUs and CHEEF filed Program Implementation Plans (PIPs) in 2014 and 2015.

Subtotal Credit Enhancement Funds Allocated after IOU Administrative Costs net of $7,7,00,000 of credit enhancement funds for reallocation to administrative expenses if needed	$25,336,024	$252,467[57]	$25,083,557
Funds currently encumbered[58]	$5,070,010		$20,013,547
IOU Administration[59]			
Administration, General Overhead, and Direct Implementation per PIPs.	$9,863,976		
IT Costs	$8,000,000	TBD	TBD
Subtotal IOU Administration[60]	$17,863,976		
Hub Pilot Reserve			
Subtotal Remaining Reserve[61]	$984,931		$984,931
Grand Total	$75,244,931	$43,305,978	$31,938,953

[57] Credit enhancement expenses consist of $252,467 paid out in net claims to the GGH lenders.

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

[59] Includes start-up costs, On Bill Repayment build-out, and direct implementation.

[60] 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.

[61] This amount reflects the remaining balance after the release of reserve funds to the CAEATFA.