

1
2 **Q. What is your rebuttal testimony as to the Response of Charter to Question 4**
3 **involving promises by Joint Applicants to have bill reductions for consumers by**
4 **“hundreds or thousands” of dollars?**

5 A. The CETF mission, as assigned by the Commission in 2006, is to close the Digital Divide
6 in California. A major concern that CETF raised in its Opening Testimony is the
7 affordability of broadband rates for low-income consumers. CETF presented data showing
8 that affordability is the largest barrier faced by low income households trying to get online.¹
9 36% of unconnected households state this is the top reason they don't have a Internet
10 connection. CETF appreciates that the ALJ is placing a spotlight on Joint Applicants'
11 promises to bring lower rate plans to broadband consumers. CETF provides this
12 supplemental testimony to focus attention on the critical need for affordable broadband plans
13 for those who are low income and lack access to viable affordable home Internet service
14 offers and are not aware of what may be available. CETF also wishes to educate the
15 Commission on barriers that Charter's call center practices may pose for low income
16 customers looking for a low cost plan but are diverted to higher plans or bundles by Charter's
17 agents.

18
19 CETF is pleased that Charter has chosen to participate in the California Home Lifeline Pilot
20 Program. However, this Pilot Program is only a three-year pilot program, and so this is only
21 a short term affordable plan for LifeLine eligible households. Notably, Charter has failed to

22
23 _____
24 ¹ Opening Testimony of Sunne Wright McPeak, at 11 (2023 Statewide Digital Equity Survey found
25 that affordability is the top reason for low-income households not being connected to the Internet,
35.6 % of Unconnected Households say this is the top reason.)

1 provide any voluntary commitments to provide LifeLine broadband offers after the Pilot
2 ends, which is a flaw of the Application and is a public detriment.

3
4 In this proceeding, CETF has requested that Charter provide “appropriate, fair and
5 comparable” public benefits as compared to past telecommunications mergers approved by
6 this Commission. In its Opening Testimony, CETF provided a chart of prior communications
7 corporation consolidation settlements as Exhibit 6B. In past Commission-approved
8 settlements, merging telecommunications companies have offered significant low income
9 broadband offers which were a major public benefit:

- 10 • In the recent Frontier-Verizon transfer of control, Verizon pledged a five year
11 Verizon Forward affordable offer for all customers in Frontier’s service area with
12 access to fiber Internet or Fixed Wireless Access, with no price increase for five
13 years; plus for four years, Verizon pledged to honor Frontier’s discounted pricing for
14 preexisting customers with legacy status on Frontier Fundamentals Internet plan; and
15 to commit \$300,000/year for five years to market these offers to eligible consumers.
- 16 • In its merger with Sprint, T-Mobile committed to enroll 332,500 new low income
17 households, and committed \$1 million per year in marketing for five years to
18 promote Lifeline adoption and enrollment until it achieves its 332,500 in new low
19 income households.
- 20 • Frontier in its Restructuring Application committed to extend affordable offers
21 through December 31, 2023 at equal or lower pricing.
- 22 • In the Frontier-Verizon transfer of assets, Frontier committed to an Interim Low
23 Income Broadband program for new or existing Lifeline customers at \$13.99/month.

- 1 • In the 2015 Charter-Time Warner-Brighthouse transfer of control proceeding,
2 Charter committed to a 5-year affordable broadband offer at \$14.99/month.

3 Thus, in the interests of “appropriate, fair and comparable” commitments to low income
4 consumers, CETF requests the Commission ensure a long term (e.g. 5-10 year) commitment
5 from Charter to offer affordable broadband plans in the \$10-\$30/month price range at
6 minimum broadband speeds (at least 100 Mbps. download and 20 Mbps. upload).²

7
8 Currently, Charter offers a sub-broadband speed offer (Spectrum Internet Assist) of 50 Mbps.
9 download and 10 Mbps. upload³ at \$25/month. A second “discounted Spectrum Internet
10 Assist” plan brings the cost down to \$15/month but with eligibility requirements of National
11 School Lunch Program (NSLP) or Supplemental Security Income (SSI) at the same sub-
12 broadband speed. Cal Advocates witness Christopher Bartulo observed that a negligible
13 amount of Charter customers is enrolled in the heavily discounted Spectrum Internet Assist
14 plan, which as Mr. Bartulo suggests may indicate a lack of transparency about the program’s
15 availability to eligible consumers.⁴ CETF adds it could also be the Company’s lack of
16 marketing that low cost plan to eligible consumers. CETF agrees with the Cal Advocates
17 position that Charter’s current low income plans are inadequate and are not well marketed to
18 eligible populations as evidenced in the results of the 2023 Statewide Digital Equity Survey
19 showing that among low-income Covered Households (HHs) (<150% Federal Poverty
20 Level): (a) 68% Connected HHs pay more than the Federal Communications Commission

21 _____
22 ² \$30/month is the range of affordability set by the expired federal Affordable Connectivity
23 Program, passed by Congress during the COVID-19 pandemic.

24 ³ The FCC’s broadband standard is 100 Mbps. download and 20 Mbps. upload, which
neither Spectrum Internet Assist or the discounted SIA plan meets.

25 ⁴ Bartulo Opening Testimony, Cal Advocates, at 12.

1 (FCC) yardstick for affordability (Page 35, Figure 29); (b) 61% Unconnected HHs cite
2 affordability as a reason for not being online (Page 36, Figure 30) and "affordability" is the
3 top reason cited for not being online (Page 37, Figure 31); and (c) only 23.7% HHs are aware
4 of Internet Service Provider (ISP) affordable offers (Page 42, Figure 38). And as both CETF
5 and Cal Advocates have pointed out in Opening Testimony, the Joint Applicants' Application
6 lacks commitments for long term low-income plans. This aspect is a critical flaw of the
7 Application.

8
9 Further, it is important that low income consumers be able to actually sign up and access
10 these affordable rate plans from Charter. CETF provided the Opening and Rebuttal
11 Testimony of Rigo Hernandez, Call Center Manager, who demonstrated with fourteen calls to
12 Spectrum that Charter's call center agents have a pattern and practice of not presenting
13 affordable plans promptly and directly to consumers, and instead offer higher rate plans for
14 gigabit speeds and bundles of Internet, video and voice to callers. This reveals a possible
15 reason why Charter's low income plans have low enrollment. An Internet service provider
16 should present affordable rate plans to potential customers in a direct and immediate manner.
17 Call Center representatives should be respectful to the needs of low-income consumers, and
18 should not engage in upselling customers to high cost packages or bundles if they do not meet
19 the consumer's needs.

20
21 Cal Advocates has submitted testimony expressing concern that Charter offers different rates
22 in different parts of the state, and thus, consumers receiving similar services pay varying rates
23
24
25

1 depending on whether they live in urban or rural locations.⁵ In its Response, Charter asserts
2 it does have consistent non-promotional rates for residential internet offerings across its
3 service footprint⁶ and would extend that to the Cox territory should the merger be approved.
4 However, Charter then proceeds to list numerous non-uniform promotions and bundles which
5 are not offered in all service areas.⁷ CETF is troubled by Charter's reference to promotional
6 rates for which only low-income consumers are eligible or are only eligible for new
7 customers.⁸ CETF has concerns about an affordable plan such as Charter's Spectrum Internet
8 Advantage which begins at \$30/month for 100 Mbps. speed, but increase to \$50/month after a
9 year. \$50 a month is not an affordable rate. Charter currently has a "new customer only"
10 requirement for its lowest affordable rate, and so customers who cannot afford Spectrum
11 Internet Advantage plan after the promotional period, would have to go entirely off Charter
12 service for 30 days in order to qualify for the affordable rate plan as a new customer. This is
13 not feasible if the customer requires the Internet for work, school or health reasons and
14 cannot afford an interruption in their Internet connection for needs of daily life.

15
16 CETF supports Cal Advocate's request to require Charter to offer the identical pricing,
17 including all promotional and special offers, to be equally available to all Californians
18 without exception,⁹ so that some consumers (e.g. rural consumers) do not pay more than
19 other consumers (e.g. urban consumers). This "postalization" of rates was typical for long
20

21
22 ⁵ Opening Testimony of Ernesto Falcon, Cal Advocates at 7-8.

23 ⁶ Response, at 13-14.

24 ⁷ Response, at 14.

25 ⁸ Response, at 14.

⁹ Opening Testimony of Ernesto Falcon, Cal Advocates, at 7-8.

1 distance telephone companies to ensure fair rates throughout the state, and should be the
2 preferred approach here.

3
4 **Q. Do you have supplemental testimony on the response of Charter to Question 4.3 on**
5 **Broadband Infrastructure Deployment, where Charter states it does not have any plans**
6 **to connect unserved or underserved California locations?**

7 A. Internet access is a 21st Century right. CETF finds it deeply disappointing that Charter
8 refuses to take any corporate responsibility for bring its broadband infrastructure to
9 approximately 5,000 unserved/underserved locations within the Charter service area. In high
10 cost areas, the Commission looks first to the incumbent telephone and cable companies to
11 build out first. The State and Federal agencies have provided multiple broadband grant
12 opportunities to such companies to receive generous subsidies up to 100% to build out to
13 each location. Throughout this proceeding, Charter has attempted to evade its responsibility
14 by citing the possible provisional grants of the federal Broadband Equity, Access and
15 Deployment (“BEAD”) Program for these locations. However, CETF emphasizes that the
16 \$1.86 billion in BEAD funding for the California has not been approved by NTIA, under the
17 new Administration. California, Illinois and Oklahoma are the last three states waiting to see
18 if they will receive BEAD infrastructure grants. A California BEAD infrastructure grant is
19 not guaranteed. For example, the District of Columbia BEAD infrastructure application was
20 denied by NTIA. Further, under the new Benefit of the Bargain NTIA rules, BEAD build out
21 may include satellite LEO technology and Fixed Wireless Access (FWA), which do not have
22 the long term sustainability, resiliency and robustness that a wireline network offers. Should
23 California fail to obtain a BEAD Infrastructure grant from NTIA that would cover the 5,000
24 unserved / underserved locations in the Charter Cox territory, the Commission should
25

1 consider a condition that Charter will be required to develop a three to five year plan to serve
2 those unserved locations at broadband speeds.

3
4 Deployment of modern broadband infrastructure is the first step to bringing Internet to all
5 California residents. As discussed in my Rebuttal Testimony, CETF finds the complete lack
6 of an infrastructure deployment plan by Charter to be a fatal flaw of the application. Again,
7 in past corporate consolidations, the Commission has looked favorably upon applicants who
8 made firm and specific commitments to upgrade their networks, particularly to serve rural,
9 disadvantaged urban, and Tribal communities. CETF listed these past infrastructure
10 commitments in the settlement matrix I provided in Exhibit 6B to my Opening Testimony.
11 Under the “appropriate, fair and comparable” standard, Charter’s current application
12 continues to be deficient due to a complete lack of infrastructure commitments.

13
14 **Q. Do you have any supplemental testimony relating to the response of Charter in**
15 **Question 4.5 regarding Low Income Plans?**

16 A. CETF is pleased to see an ALJ spotlight on the many comments by the public complaining
17 about the Charter’s program rules that require a customer to terminate their Internet access
18 plan for 30 days to be eligible as a “new customer” to apply for the following Charter low
19 income plans: (1) Spectrum Internet Advantage (100/20 speed, \$30/mo. for first year and
20 going up to \$50/mo. after year one), and (2) Spectrum Internet Assist (50/10 speed at
21 \$25/month). Charter admits on page 30 of its Response that these two programs require a
22 customer to be “new” residential customers to obtain it, and it does not propose to end this
23 practice post-merger.

1 Based on our years of experience working with low income households who are unconnected,
2 CETF characterizes this “new customer” restriction to be an unreasonable and arbitrary
3 barrier to the Charter low income plans. In practice, a parent cannot simply drop the Internet
4 plan for 30 days to get a lower cost one that is needed, because her child needs to the Internet
5 to do schoolwork in the evening, or her older child needs the Internet to research and apply
6 for colleges. A person who loses his job needs the Internet to look for and apply for a new
7 job, and cannot afford to go off the Internet entirely to get a lower cost plan. A smartphone
8 alone is not adequate for job search, telework or homework. In CETF’s view, the existence
9 of the “new customer” requirement is a major barrier to the underlying affordable plan.

10
11 CETF further observes that the Spectrum Internet Advantage Plan may start at an affordable
12 promotional rate of \$30/month but after a year, the permanent rate of \$50 a month is well
13 above the \$30/month range that Congress considered “affordable” for low-income
14 households in the prior Affordable Connectivity Program. CETF has concerns about a
15 Charter “affordable plan” that escalates to a rate that is not affordable. Surprisingly, Charter
16 is not proposing any changes to this plan.

17
18 Finally, CETF takes note that Charter’s Response to Question 4.5 asserts the following:
19 “Charter has no current plans to change the relevant service terms [of post-merger low-
20 income or low-income qualified plans, including how to secure it, its terms and conditions,
21 and how to cancel service] as a result of the Transaction.” This is very disappointing that the
22 corporation cannot consider improving its affordable offers to be more available to those who
23 are less fortunate and need Internet access to locate social services like housing and food
24 assistance, apply for jobs, and others urgent needs of the extremely low-income.

1
2 **Q. Do you have any responsive testimony as to the Charter’s response to the question on**
3 **Benefits to Local Communities, contained in Section 4.7 of the ALJ’s Ruling?**
4

5 A. Yes, I do. I want to commend the ALJ on her close attention to the issue of how the
6 proposed combined company expects to positively embed themselves into the local
7 communities and spend funds that directly benefit community members and community
8 organizations. In my Opening Testimony, CETF recommended that the Commission
9 consider “Do the Joint Applicants provide or fund digital inclusion, digital literacy, or low-
10 cost computing devices in their markets, in order to do their fair share to close the Digital
11 Divide?”¹⁰ CETF noted a complete lack of commitment to provide digital inclusion, digital
12 literacy or digital device programs by Joint Applicants to unconnected households or
13 disadvantaged and Tribal communities in the Charter and Cox Service Areas.¹¹ CETF
14 initially had calculated that a \$41 million commitment would be an “appropriate, fair and
15 comparable” commitment by Charter, looking at the cost of deployment to approximately
16 113,000 households who are digitally disadvantaged in the combined service areas of Charter
17 and Cox.¹²
18

19 In **Exhibit 1**, I have prepared an updated projection of Charter’s share of digital inclusion
20 public benefit obligation as to this proposed transaction. Under Methodologies, I used three
21 different methodologies for projecting low-income households in the Charter Cox service
22

23 ¹⁰ Opening Testimony of Sunne Wright McPeak, at 7.

24 ¹¹ Opening Testimony of Sunne Wright McPeak, at 10.

25 ¹² Opening Testimony of Sunne Wright McPeak, at 11.

1 areas. The first was the estimating methodology used by CETF originally in my Opening
2 Testimony, filed February 11, 2026. I also presented calculations for all ACP-eligible
3 households going back to 2022, which includes the eligibility categories of the CPUC Home
4 Broadband Pilot Project. I also presented data of the poorest segment of these ACP-eligible
5 households which are the “Covered Households” up to 150% Federal Poverty Level which is
6 47% of the total ACP-eligible households using the percentages from the 2023 Statewide
7 Survey (Exhibit 3B in my Opening Testimony). Using the most conservative number (my
8 original testimony), I calculated the cost of bringing these households online with CETF’s
9 current costs. Bear in mind that Charter and Cox would be a combination of the #1 and #4
10 size cable companies in the state.

11
12 Based on what has been included in past telecom consolidations, I included “fair share”
13 contributions for the CETF Digital Equity Ecosystem to fund the Green Technology Initiative
14 (\$2.5 million) to bring refurbished devices to low income households who have taken free
15 digital literacy training, support for the Regional Broadband Consortia and Metropolitan
16 Planning Organizations for digital inclusion work in the service areas for which they are
17 unfunded by the Commission (\$10 million), and \$3 million for marketing low income offers
18 in community and ethnic media.¹³ *I conclude that the total “appropriate, fair and*
19 *comparable” Charter Cox contribution for digital inclusion public benefits is \$44,298,864,*
20 *the lowest estimate.* This is higher than than my Opening Testimony where I estimated \$41
21 million.¹⁴ One can see that under other methodologies, the contribution could be as high as
22 \$76,774,180.

23
24 ¹³ This marketing is in language and in culture.

25 ¹⁴ Opening Testimony of Sunne Wright McPeak, at 11.

1
2 **Q. Do you have any supplemental testimony related to the Center for Accessible**
3 **Technology (CforAT) Rebuttal Testimony, dated March 11, 2026, where Witness Paul**
4 **Goodman at pages 23-25 references the Verizon – Frontier settlement in A.24-10-006 in**
5 **which Verizon and CETF reached a settlement agreement under which CETF received**
6 **\$35 million to perform various digital inclusion activities to close the digital divide by**
7 **connecting 100,000 unconnected households through affordable Internet subscriptions**
8 **and digital literacy training. Witness Goodman criticizes the settlement on two**
9 **grounds: (1) CETF is only required to use "best efforts," not to actually assist 100,000**
10 **households; and (2) while Verizon must report annually to the Commission on its own**
11 **compliance, the settlement contains no parallel reporting requirement for CETF's**
12 **progress — meaning the Commission and stakeholders will likely never know how**
13 **many households actually received assistance. Goodman requests transparent**
14 **reporting about implementation of settlement agreements, and asks the Commission**
15 **consider whether the settlement will result in verifiable, cognizable benefits to**
16 **consumers.**

17
18 A. I absolutely do wish to rebut Mr. Goodman’s testimony on behalf of CforAT in which he
19 attempts to denigrate the nearly 20 years of groundbreaking work CETF has done since it was
20 established by this Commission in 2005 to singularly focus on closing the Digital Divide.
21 First, to directly address the transparency issue, every year CETF reports to the State
22 Legislature through the Commission’s “Report on Trusts and Entities Established by the
23
24
25

1 California Public Utilities Commission” pursuant to Assembly Bill 1388 (codified in Public
2 Utilities Code Section 910.4) (“AB1388 Report”), In the AB1388 Report to the Legislature,
3 CETF reports extensively on its governance, proposed and actual expenditures, grants it has
4 given or received, funding sources it received, and provides a detailed update on all its
5 activities, programs, and grants. Despite the baseless assertions of Mr. Goodman, in the
6 AB1388 Report, CETF clearly reports how many enrollments it has achieved in any program
7 where it made a commitment to do so, including in relationship to its Get Connected Call
8 Center, and work relating to any Memorandum of Understanding or settlement agreement
9 commitments with Internet Service Providers or Investor-Owned Utilities (IOUs). CETF also
10 reports on achievements as a result of grants received from the Commission’s California
11 Advanced Services Fund Broadband Adoption fund (for example the Call Center and Digital
12 Literacy Training Grants), community activities, outreach, and more. As **Exhibit 2**, CETF
13 attaches the latest CPUC AB1388 2025 Report on Trusts and Entities (dated February 2,
14 2026) and refers the Commission to pages 3 (CETF proposed and actual expenditures), and
15 pages 15-29 (providing all the results of CETF’s work in detail, which includes MOUs and
16 settlement agreements such as the one reached in Verizon- Frontier).

17
18 In addition, CETF regularly publishes Progress Reports with quantified data about progress in
19 broadband Adoption, which is verified and tracked in the Statewide Survey on Broadband
20 Adoption and Digital Equity. As a recipient of grants from the California Advanced Services
21 Fund (“CASF”), CETF submits detailed reports and data analysis on verified quantified
22 outcomes in order to receive reimbursement from the Commission. Last year, CASF engaged
23 an independent auditor to examine CETF processes and procedures in managing grants. The
24 auditor informed CETF that there were no problems or adverse findings.

1 In addition, as was established as a "best practice" by CETF in 2007, CETF conducts
2 "Listening Sessions" to obtain broad stakeholder input on effective strategies to optimize
3 impact of the Verizon Digital Inclusion investment. Presently, CETF is conducting extensive
4 Listening Sessions in March-April 2026 each Thursday for two hours on how to budget and
5 leverage the \$40 million to achieve the CETF goal of bringing 100,000 HHs online and
6 digitally-proficient. All Commissioners and their advisors, CPUC Communications Division,
7 Cal Advocates, and the California Department of Technology (CDT) have been invited to
8 attend all Listening Sessions and have been participating so they can monitor the CETF
9 process. CDT has posted all the Listening Sessions on its website and circulated the
10 information to its contact list. CETF has widely circulated the invitation throughout the state
11 and continues to follow-up and urge all stakeholders to recruit participants.

12
13 The CETF Board of Directors approved a framework for the \$40 million Verizon grant to
14 inform the attendees of Listening Sessions that CETF proposes to dedicate \$18 million for
15 community-based organizations (CBOs) and schools, in comparison to the required \$5
16 million stated in the Verizon - CETF settlement agreement. The framework sets forth the
17 current benchmark for enrollments in affordable home Internet service and digital literacy
18 training. A Summary is prepared of each Listening Session and circulated to the participants
19 to review and edit. In addition, there is a "Simple Proposal Form" prepared by CETF for
20 interested CBOs who want to partner with CETF in reaching the 100,000 HH goal. The
21 Listening Session Summaries will be a part of an Action Plan adopted by the CETF Board of
22 Directors and part of the public record posted on the CETF website, distributed to
23 Commissioners, Communications Division, Cal Advocates, and CDT, and attached to the
24 AB1338 Annual Report for the Legislature. To date, 135 organizations have registered for a

1 Listening Session (including CforAT on April 9) and 74 have participated. Four more
2 Listening Sessions will be conducted. It is worth noting that CETF is conducting similar
3 Listening Sessions on Fridays for two hours in March-April regarding the Verizon
4 commitment on Small Business investments. As has been the practice for 18 years, CETF
5 pursues its mission in the public interest with substantial outreach, public engagement,
6 transparency, and public reporting.

7
8 Second, CETF takes strong issue with Mr. Goodman's suggestion that the language of "best
9 efforts" was used by CETF to excuse it from performance of work it agreed to under the
10 Verizon Frontier MOU. "Best efforts" is our preferred contractual language given that there
11 are potential circumstances that no one can foresee, such as the 2020-2021 stateside COVID
12 Public Health Emergency that required adjustments in timetables and transition of strategies
13 that impact deliverables. *However, in 18 years of operation, CETF always has met the*
14 *published outcome goals.* CETF's reputation is that we deliver, due to our focus and
15 discipline in working diligently in good faith to achieve commitments. Connecting
16 unconnected households is arduous work, requiring substantial education and multiple
17 "touches" by trusted messengers such as trusted CBOs. Successful enrollments have gotten
18 more difficult as we get down to the last of the unconnected population. These unconnected
19 persons are often in the extremely low-income category and focused on the critical aspects of
20 housing and food availability. This is why it is reasonable and prudent for CETF to use "best
21 efforts" language in our legal agreements.

22
23 In this and prior proceedings, CETF has provided significant detail in testimony and
24 transparency regarding the costs for achieving an Adoption (getting an Unconnected low-

1 income household online, trained to be digitally proficient, and provided an affordable
2 computing devices) plus managing the Digital Equity Ecosystem with a detailed explanation
3 of the Digital Equity Ecosystem and Digital Literacy Framework with Curricula for Digital
4 Navigator Training and Digital Literacy for low-income households aligned to the UNESCO
5 Framework. The value of the components of the cost for an Adoption are the standard
6 amounts currently being paid by the Commission in CASF Adoption Account grants. CETF
7 is more than available to share again with CforAT all of the data and documentation on the
8 actual costs of working with low-income households on projects. As noted above this data is
9 reported by CETF to the state Legislature through the CPUC AB1388 Report. CETF thus has
10 full public reporting obligation with accountability and transparency. Thus, it is absurd for
11 Mr. Goodman to charge there is a lack of transparency or commitment about any aspect of
12 CETF's broadband adoption work.

13
14 Finally, it is worth noting that CforAT has been a long time partner of CETF. CETF
15 provided a grant of \$455,000 to CforAT in the first rounds of our grants. Recently, during
16 the COVID-19 pandemic, CETF led statewide work with a federal grant *and succeeded in*
17 *signing up the most ACP households of any state in the nation.* This significant marker of
18 success is due to CETF's unique knowledge, hard work, integrity and its trusted network of
19 equally hardworking and dedicated CBOs, Counties and Cities and State Agencies. Again,
20 CforAT was a CBO partner in that grant and it received \$593,955 from CETF. Perhaps Mr.
21 Goodman is not aware of the long standing partnership of his organization with CETF.
22 CETF would welcome the opportunity to partner again with CforAT to reach the 100,000
23 Unconnected HHs that it committed to in the Verizon-Frontier agreement.

24 This concludes my testimony.

EXHIBIT 1

**UPDATED CALCULATION OF APPROPRIATE, FAIR AND COMPARABLE
SHARE OF DIGITAL INCLUSION, DIGITAL LITERACY
AND DIGITAL DEVICE PROGRAMS**

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California Emerging Technology Fund
Projection of Charter-Cox Digital Inclusion Public Benefits Obligation
to Close the Remaining Digital Divide

Overview of California Low-Income Households	All ACP-Eligible HHs (Per USC CDT Tracker 2022)	Covered HHs (<150% FPL) = 47% of ACP-Eligible HHs
Statewide ACP-Eligible HHs (58 Counties)	5,844,877	2,733,397
Charter-Cox ACP-Eligible HHs (18 Counties - 66% of Total HHs)	3,876,476	1,821,944
Methodologies for Share of Responsibility for Charter-Cox in Closing the Remaining Digital Divide		
Charter-Cox Responsibility (CETF Estimate 1/3 18 Counties)	1,292,159	607,315
Charter-Cox Responsibility Based on Market Share (27 Counties CPUC Data)	1,297,780	609,957
Charter-Cox Responsibility Based on Number of Competitors (27 Counties Charter Assertion)	3,592,573	1,688,509
Target Populations Using Most Conservative Estimate		
13% Unconnected HHs	167,981	78,951
6% Underconnected HHs	77,530	36,439
19% Digitally-Disadvantaged (DD) HHs	245,510	115,390
81% Connected HHs	1,046,649	491,925
68% Unsustainable Connected (of Connected HHs)	711,721	334,509
Charter-Cox "Appropriate, Fair, and Comparable" Share of Responsibility to Close the Remaining Digital Divide Based on Most Conservative Estimate of Eligible HHs		
Enroll Unconnected HHs @ \$75	\$12,598,550	\$5,921,319
Enroll Underconnected HHs @ \$50	\$3,876,477	\$1,821,944
Enroll 1/2 Unsustainably-Connected HHs @ \$50	\$17,793,029	\$8,362,724
Register 1/4 DD HHs in Digital Literacy Training @ \$25	\$1,534,439	\$721,186
Deliver Digital Literacy Training to 1/4 DD HHs @ \$415	\$25,471,684	\$11,971,692
TOTAL	\$61,274,180	\$28,798,864
Charter-Cox Contribution to Digital Equity Ecosystem		
Digital Equity Ecosystem: Green Technology Initiative	\$2,500,000	\$2,500,000
Support for RBC-MPOs (Deployment), Public Agencies (DN)	\$10,000,000	\$10,000,000
Public Awareness in Community and Ethnic Media	\$3,000,000	\$3,000,000
TOTAL APPROPRIATE, FAIR AND COMPARABLE CHARTER-COX CONTRIBUTION FOR DIGITAL INCLUSION PUBLIC BENEFITS	\$76,774,180	\$44,298,864
Note:		
Charter has <5M customers in California vs. Verizon with 4.5M accounts.		
Charter-Cox corporate consolidation is valued at \$32.5B vs. Verizon-Frontier at \$20B.		

EXHIBIT 2

2025 Report on Trusts and Entities

Established by the California Public Utilities Commission

(AB 1388 Report)

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CETF000419

2025 Report on Trusts and Entities Established by the California Public Utilities Commission

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

February 2, 2026



California Public
Utilities Commission

A digital copy of this report can be found at:

[2026 Reports to the Legislature](#)

Thanks to:



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Introduction

This 2025 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.

Public Utilities Code section 910.4, as amended requires the CPUC to report funding and expenditures of all entities or program established by the Commission. Public Utilities Code section 910.4 reads as follows:

Public Utilities Code section 910.4.

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

- (a) Entities or programs established by the Commission by order, decision, motion, settlement, or other action, including, but not limited to, the California Clean Energy Fund, the California Emerging Technology Fund, and the Pacific Forest and Watershed Lands Stewardship Council. The report shall contain descriptions of relevant issues, including, but not limited to, all the following:
 - (1) Any governance structure established for an entity or program.
 - (2) Any staff or employees hired by or for the entity or program and their salaries and expenses.
 - (3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.
 - (4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the Commission entered into the contract.
 - (5) The public process and oversight governing the entity or program's activities.
- (b) Entities or programs established by the Commission, other than those expressly authorized by statute, under the following sections:
 - (1) Section 379.6.
 - (2) Section 399.8.
 - (3) Section 739.1.
 - (4) Section 2790.
 - (5) Section 2851.
 - (6) Section 921.1.
 - (7) Section 922.
- (c) Upon an entity ceasing operations, or a program ending, because its activities, including receiving revenue or making expenditures, have concluded, commission reporting on the entity or program

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pursuant to this section shall continue for the subsequent two fiscal years following the entity ceasing operations or the program ending. Following those subsequent two fiscal years, the commission shall note in the report submitted pursuant to this section which entity ceased operations or program ended, and the commission shall not be subject to any other reporting obligations related to the entity or program pursuant to this section.

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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, 2023-2026

Entity	Expenditures ¹	2023-2024	2024-2025	2025-2026
The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council)	Proposed	\$6,559,927	\$1,287,222	N/A
	Actual	\$7,754,179	\$1,287,222	N/A
The California Clean Energy Fund (CalCEF)	Proposed	\$16,700,000	\$16,000,000	\$16,840,000
	Actual	\$11,260,000	\$11,616,000	TBD
The California Emerging Technology Fund (CETF)	Proposed	\$14,225,000	\$13,550,000 ²	\$9,823,000
	Actual	\$10,591,270	\$10,431,133	TBD
California Market Transformation Administrator (CalMTA)	Proposed	\$19,531,591	\$19,600,000	TBD ³
	Actual	\$17,629,119	\$14,448,054 ⁴	TBD
The California Hub for Energy Efficiency Financing (CHEEF)	Proposed	\$4,668,985	\$4,558,223	\$4,348,247
	Actual ⁵	\$3,544,133	4,167,026	TBD
The Diablo Canyon Independent Safety Committee (DCISC)	Proposed	\$1,331,014	\$1,607,316	\$1,067,000
	Actual	\$1,366,562	TBD	TBD

¹ Variability in spending across the years is due to multiyear budget allocation.

² The proposed FY24-25 budget was amended by the CETF Board during the FY.

³ CalMTA proposed 2026 budget is pending due to the ongoing Application proceeding A-24-12-009

⁴ CalMTA actual expenditures for calendar year 2025 through September 30, 2025; data for fourth quarter 2025 is not yet available

⁵ Expenditures include only Investor-Owned Utility (IOU) Public Purpose Program funds spent in support of CHEEF; they do not include funding from outside sources to serve non-IOU customers.

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Entity	Expenditures ¹	2023-2024	2024-2025	2025-2026
Nuclear Decommissioning Trusts	Proposed	\$384,700,000 ⁶	\$326,000,000 ⁷	\$219,200,000 ⁸
	Actual	\$291,000,000 ⁹	TBD	TBD
Electric Program Investment Charge (EPIC)	Proposed	\$185,000,000	\$185,000,000	\$185,000,000
	Actual	\$121,066,575	\$34,917,739 ¹⁰	\$40,838,384
TECH Initiative	Proposed	\$47,768,921	\$62,687,032	\$52,447,405
	Actual	\$47,224,057	\$44,055,142	\$7,497,715
BUILD Programs	Proposed	N/A	N/A	N/A
	Actual	\$1,224,114 ¹¹	\$5,600,680 ¹²	\$2,227,712

Additional details for each Trust and Entity are included in the chapters that follow. The fiscal year for the CalCEF, Stewardship Council, CalMTA, and EPIC is from January 1-December 31. The fiscal year for all other entities listed is from July 1-June 30.

⁶ Total forecast for calendar year 2024 for Diablo Canyon, Humboldt Bay, SONGS 2, and SONGS 3.

⁷ Total forecast for calendar year 2025 for Diablo Canyon, Humboldt Bay, SONGS 2, and SONGS 3.

⁸ Total forecast for calendar year 2026 for SONGS 2 and SONGS 3 (Diablo Canyon and Humboldt Bay forecasts not yet available).

⁹ Total for calendar year 2024 for Diablo Canyon, Humboldt Bay, SONGS 2, and SONGS 3.

¹⁰ The 2024-2025 EPIC value has been updated from the 2024 report to represent final actual expenditures.

¹¹ Actual expenditures for FY 2023-24 (July 1, 2023 to June 30, 2024).

¹² Actual expenditures through October 31, 2024.

Annual Report Updates from Trusts & Entities Created by the CPUC

The Pacific Forest and Watershed Lands Stewardship Council

Background

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) was formed as a result of CPUC Decision (D.) [03-12-035](#), and called for a total of \$100 million to be provided to the Stewardship Council for land conservation and providing opportunities for youth to learn about and explore the natural environment. D. 03-12-035 further stipulated that funding would be paid over 10 years and would be recovered in retail rates. The Stewardship Council did not receive any additional sources of funding.

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

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

2025 Updates & Accomplishments

- In 2012, in an effort to meet its goals, the Stewardship Council implemented an environmental enhancement program (“Enhancement Program”) that promotes partnerships and achieves tangible and sustainable enhancements that improve the character, quality, and public enjoyment and/or protection of the beneficial public values across the PG&E Watershed Lands. The Stewardship Council awarded grants to nonprofit organizations, public entities, and Native American tribes and entities to fund projects such as habitat restoration, creation and restoration of recreational trails and outdoor education facilities, cultural resource protection and interpretation, forest research, management plans, planning and feasibility studies, and biological surveys. Via the Enhancement Program, the Stewardship Council awarded approximately \$15 million in grants.

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- Some of the projects funded with Enhancement Program grants were not completed prior to the dissolution of the Stewardship Council. The Sierra Nevada Conservancy (SNC) agreed in the absence of the Stewardship Council to administer these grants projects. The SNC will conduct the surveys throughout 2026 and report on the status of all conservation easements as part of its final report on the Enhancement Program that will be provided to the CPUC by March 2027.

Table 2. List of Grants Assigned to SNC. All Projects will be Completed by September 2026.

Grantee	Planning Unit	Total Award Amount
Sierra Foothill Conservancy	Merced River	\$130,000
Fall River Resource Conservation District	McArthur Swamp	Three grants totaling \$903,366
Madera County	Manzanita Lake	\$502,882
Mountain Meadows Conservancy	Mountain Meadows Reservoir	\$130,000
Sierra Buttes Trail Stewardship	Bucks Lake	\$253,000
Student Conservation Association	Eel River	\$100,000
Spring Rivers Foundation	Fall River Mills	Two grants totaling \$102,000
Bear Yuba Land Trust	Lake Spaulding	\$275,000
CalTrout	Hat Creek	\$300,000
Fall River Valley Service District	Fall River Mills	\$550,000
San Joaquin County Office of Education	Lake Spaulding	\$470,000
University of California Berkeley Forests	Pit River Lake Spaulding	\$257,265

Annual Reporting Updates

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

Expenditures

Table 3 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. As the Stewardship Council no longer exists there are no proposed or actual expenditures for 2025 and 2026.

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Table 3. The Stewardship Council's Actual and Proposed Expenditures, 2024-2026¹³

Fiscal Year	2024	2025	2026
Proposed expenditures (budget)	\$1,287,222	N/A	N/A
Actual expenditures	\$1,287,222 ¹⁴	N/A	N/A

The Stewardship Council 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.

Governance Structure

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

- [Articles of Incorporation](#)
- [Bylaws](#)
- [Settlement Agreement](#)
- [Stipulation Agreement](#)

Table 4. General Breakdown of Stewardship Council's Active Staff Costs, December 31, 2023-October 31, 2025.¹⁵

Year	Gross Pay	Benefits	401K	Total
2023	\$258,316	\$22,547	\$10,333	\$291,196
2024	\$61,982	N/A	N/A	\$61,982
2025	N/A	N/A	N/A	N/A

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

¹³ The fiscal year for the Stewardship Council is from January 1 – December 31.

¹⁴ This is the final expenditure for the Stewardship Council, as it wound down and officially dissolved as a nonprofit organization in April 2024.

¹⁵ A more detailed breakdown of salaries and benefits for the top five highest paid employees, and employee compensation is provided in Appendix A.1.

Staff Transferred or Loaned

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

Contracts, Funding Sources, and Legislative Authority

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

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 during its existence.

- 1) Stipulation Agreement. The Stipulation Agreement provided:
 - 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:

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Section 11. Public Notice of Meetings.

- a) All meetings of the Board, including meeting minutes, shall be public; provided, however, that the Board shall have the authority to undertake a closed meeting in appropriate circumstances. The Board shall publish notice of its meetings in newspapers of general circulation in the affected counties within a reasonable time prior to any meeting and shall maintain a public web site that provides notices of its meetings and copies of all meeting minutes. Upon request, all information available on the web site shall be made available in hard copy to members of the public at cost.
 - b) Before the Board makes any decision regarding any individual parcel of land, the Board shall provide notice to the Board of Supervisors of the affected county, each affected city, town and water supply entity, each affected tribe and/or co-licensee and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner within a reasonable time prior to the meeting at which the Board will make the decision regarding that land.
- 3) Board-adopted policies and procedures. The board-adopted Policies and Procedures include the following:
- a) Public Noticing - The Stewardship Council is required to “publish notice of its meetings in newspapers of general circulation in the counties where affected parcels are located...” It is also required by its Bylaws to “publish notice of its meetings in newspapers of general circulation in the affected counties within a reasonable time prior to any meeting...” Staff will be responsible for meeting the letter and spirit of these requirements through an inclusive and comprehensive public outreach effort.
 - b) Stewardship Council 2021 - 2023 Public Outreach Activities, Targeted Media Outreach and Noticing:
 - i. The Stewardship Council sends e-mails to interested stakeholders in its database regarding Land Conservation program updates and information, and announcements for public Stewardship Council board meetings. As of November 1, 2021, the Stewardship Council database included 13,417 individuals and 5,183 organizations (federal, State, local agencies, non-profits, schools, tribal entities, foundations, and for-profit businesses).
 - ii. The Stewardship Council sends news releases announcing public board meetings to a media database, which includes over 1,200 media outlet representatives.
 - iii. The Stewardship Council pays for legal notices to be printed in local papers, noticing all public board meetings. Notices are printed in newspapers serving populations that are located in the geographical areas corresponding to the Watershed Lands that are the subject of a recommendation for the selection of a fee donee or conservation easement holder or a proposed action approving a LCCP.
 - iv. The Stewardship Council’s 2022 annual report¹⁶ is posted to the Council’s website, and its availability announced via an e-mail to all stakeholders in its database.

¹⁶ Historical annual reports are also available [here](#).

The California Clean Energy Fund

Background

The California Clean Energy Fund (CalCEF) is a 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.) 02-04-026.¹⁷ 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 (at this point is comprised of two not-for-profit corporations: CalCEF Ventures and CalCEF Innovations) 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 model of market, policy, and financial innovation to bridge gaps in the development cycle of clean energy technologies.

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

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

2025 Updates & Accomplishments

The 2025 Fiscal Year (January 1 – December 31) program accomplishments in California include¹⁸:

- The California Sustainable Energy Entrepreneur Development (CalSEED) initiative awarded eight winners of Prototype Awards, totaling \$4 million. CalSEED is funded by California Energy Commission Electric Program Investment Charge (EPIC) funds, with the purpose of investing in promising breakthrough clean energy technologies.
- The CalTestBed Initiative is a public-private partnership led by New Energy Nexus and implemented in partnership with UC Office of the President and Lawrence Berkeley National Lab. The Initiative provides early to mid-stage clean energy innovators access to testing at nine University of California campuses and Lawrence Berkeley National Laboratories. The Initiative progressed toward the

¹⁷ 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](#).

¹⁸ CalCEF programs listed in report are only for projects in California.

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finalization of all testing projects, with 48 completed projects, three cancelled projects, and 17 active projects expected to complete their testing by the end of the year. Once the remaining 17 projects complete testing, the project completion rate will be 96 percent. CalTestBed is supported by EPIC funds.

- New Energy Nexus partnered with the Center for Sustainable Energy (CSE) to launch a new quarterly webinar series empowering early-stage clean tech entrepreneurs. Designed to accelerate innovation, this series delivers expert-led insights, actionable tools, and best practices across critical areas, including energy resilience, permitting, policy, climate action planning, and community engagement.
- ConNEX, the bi-monthly virtual workshop series for clean energy entrepreneurs, successfully concluded its first season. ConNEX Energy Workshops are a series of training and networking events by New Energy Nexus, for clean energy innovators to discuss topics like securing funding, inclusive workforce development, financial planning, strategic partnerships, and navigating market changes, often featuring expert speakers and fostering community for equitable energy transition. The three sessions in 2025 focused on Women in Clean Energy, Alternative Venture Capital, and Clean Energy Matchmaking, providing a vital platform for connection and growth.

Annual Reporting Updates

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

Expenditures

Table 5 shows the actual and proposed expenditures for the two prior fiscal years and the proposed fiscal year for CalCEF.

Table 5. CalCEF's Actual and Proposed Expenditures, 2024-2026¹⁹

Year	2024	2025	2026
Proposed expenditures (budget)	\$16,700,000	\$16,000,000	\$16,840,000
Actual expenditures	\$11,260,000	\$11,616,000	TBD

¹⁹ The fiscal year for CalCEF 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, and the 2025 amended and restated Bylaws. CalCEF Ventures appoints the Board of Directors of CalCEF Innovations, a 501(c)(3) non-profit corporation. From 2013 to 2024, CalCEF Catalyst, a 501(c)(6) non-profit corporation, existed as a part of the CalCEF family of not-for-profit corporations; it has since been closed out. CalCEF Innovations currently has a board of six directors while CalCEF Ventures has a board of four directors.

Governance Overview

CalCEF Ventures was a limited partner in Clean Energy Advantage Partners from 2011 to 2023 and is a general partner in Microgrid Catalytic Capital Partners.

- Articles of Incorporation: Articles of Incorporation, 2004.
- Bylaws: Restated Bylaws, 2025.
- Settlement Agreement: [D.03-12-035 Appendix B - Settlement Agreement](#).
- Stipulation Agreement: No stipulation agreement found.
- Policies and Procedures: Conflict of Interest Policy, 2009.
- Current board members: Jon Foster, Peter Du Pont, Janet Dalziell, Ian Rogoff .

Schedule of Employees and Compensation

CalCEF Ventures has 16 full-time employees, which includes staff charged out to CalCEF Innovations. Table 6 includes staff salaries and benefits for all staff across the CalCEF enterprise. 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 6. New Energy Nexus Staff Salaries

Year	Gross Pay	Benefits	Total
2023	\$2,154,308	\$632,166	\$2,786,474
2024	\$2,073,469	\$544,490	\$2,617,959
2025 Year (as of Sep 30)	\$1,644,337	\$432,333	\$2,076,670

Staff Transferred or Loaned

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

Contracts, Funding Sources, and Legislative Authority

PG&E shareholders provided CalCEF Ventures' initial funding of \$30 million. The funding extended over a five-year period as follows: \$2 million in 2004, \$4 million in 2005, \$6 million in 2006, \$8 million in 2007, and \$10 million in 2008. 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.

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

In September 2016, CalCEF Ventures entered into a contract with the CEC to administer and operate the CalSEED Initiative. The program is funded through the Electric Program Investment Charge (EPIC). The contract was approved and executed at the CEC Business Meeting on June 9, 2021, and has been 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 June 2019 and has since been refunded and extended into 2028. The program is funded through EPIC.

After the initial funding for CalCEF Ventures was spent, the organization transitioned to a financed operating model through a combination of grants, including two grants totaling \$750,000 from the Economic Development Agency to support regional innovation strategies in California and a private sector grant to support catalytic investments, and other mission-aligned earned income streams.

During 2025, CalCEF Ventures secured multiple subcontract projects - funded through EPIC, the U.S. Department of Energy and the State of California's Regional Investment Initiative.

CalCEF Innovations is predominantly funded by philanthropic grants.

Public Process and Oversight

CalCEF Ventures is a non-profit 501(c)(4) corporation. Since 2016, it has received significant funding from EPIC through competitive solicitations:

- The CalSEED program is funded by EPIC through a contract with the CEC that commenced in September 2016 and is still active today. The maximum contract value is \$66 million of which \$49 million may solely be used as “concept” and “prototype” awards to entrepreneurs. The remaining \$17 million is being used for expenditures related to program implementation from September 2016 into 2027.
- CalTestBed is funded by EPIC through a grant with the CEC that commenced in June 2019 and is still active today. The maximum contract value is \$22 million of which \$17.2 million may solely be used to fund testing vouchers. The remaining \$5.8 million is being used for expenditures related to program implementation from June 2019 to 2028.
- CalCEF Ventures is a major subcontractor (\$650,000) to CalStart on the EPIC funded Zero Emissions Vehicle Battery Manufacturing Grant program Power Forward.
- CalCEF Ventures and CalCEF Innovations each have a Board of Directors that provides oversight of program activities.

The California Emerging Technology Fund

Background

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

Pursuant to CPUC [D.15-12-005](#), issued on December 9, 2015, additional funds were provided to the CETF through a Memorandum of Understanding (MOU) demonstrating public benefit from the mergers of Frontier Communications and Verizon Wireline. As a result of D.15-12-005, Frontier entered into an agreement with the CETF to implement several activities to close the Digital Divide, including a pass-through of \$3,050,000 to provide grants 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 of Charter Communications, Inc., Time Warner Cable, Inc., and Bright House Networks. As a result of D.16-05-007, on July 1, 2016, Charter Communications 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.

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, with \$22 million to support the CETF's digital inclusion programs in T-Mobile territory and \$13 million to support the CETF core mission to accelerate broadband deployment and adoption. Both companies agreed that the work of CETF would remain vendor neutral.

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

When the CETF became operational in 2007, the Board of Directors developed a Strategic Action Plan with aggressive Overall Goals to achieve or cause the following to happen: 98 percent deployment and 80

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

CETF awarded and managed nearly \$8.3 million in Grants to non-profit CBOs and public agencies during the 5-Year Strategic Action Plan. Below is the full accounting for all of those Grants. In addition, CETF managed \$3 million for Frontier Communications and the distribution of 50,000 computing devices (Chromebooks): (a) \$1.5 million and the distribution of 25,000 Chromebooks through CBO Grantees; and (b) \$1.5 million to distribute 25,000 Chromebooks to 41 School Districts and 43 Tribal Organizations, including training more than 7,000 parents in digital literacy. CETF also managed more than \$2.9 million in Grants for the San José Digital Inclusion Partnership and more than \$1 million for Riverside County.

CETF launched a new 5-Year Strategic Plan in 2023 to align with the federal Infrastructure Investment and Jobs Act (IIJA) release of funds for implementation of State Digital Equity Plans and Broadband Equity, Access, and Deployment (BEAD) Plans. CETF also began diversifying revenue streams by becoming a "preferred partner" to public agencies. CETF now is pursuing expanded partnerships with private-sector leaders, including seeking support from Donor-Advised Funds to institutionalize Digital Inclusion to complete the mission to close the Digital Divide and ensure ongoing Digital Equity. Annual independent audits (posted on the CETF website) show relative operational efficiency with a low overhead: FY24-25 audit documents expenditures at 95 percent Program and five percent Support; cumulative expenditures per independent audits since FY17-18 are 94 percent Program and 6 percent Support. CETF has attained Platinum Transparency status from GuideStar, a nonprofit that rates the transparency of other nonprofits.

2025 Updates & Accomplishment

Promoted Affordable Internet Services and Enrolled Households in Affordability Plans

- Improved and managed the Digital Equity Ecosystem to support CBOs and public agencies statewide to provide support at scale and cost-effectively with the following 12 Essential Components:
 - » Direct Notification (DN) to Drive Enrollment in Affordable Internet Service
 - » Get Connected Call Center to Enroll Households by CBOs In-Language and In-Culture
 - » Recruitment and Training of Digital Navigators
 - » Outreach In-Language and In-Culture by CBO Trusted Messengers

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- » Digital Literacy Training by CBO Digital Navigators (Synchronous) with Proficiency Assessment
- » Online Digital Literacy Resources (Asynchronous) with Proficiency Assessment
- » Affordable Computing Devices
- » In-Person Enrollment Events
- » Public Awareness Advertising
- » Tech Support
- » Grant Management
- » Evaluation
- Enrolled 32,684 low-income Households (HHs) through the CETF Get Connected Call Center in affordable Internet service from January 2024 through September 2025: 9,995 HHs in the federal Affordable Connectivity Program (ACP) (January-February 7, 2024); 18,910 Unconnected HHs supported by CPUC California Advanced Services Fund (CASF) Call Center Grant (94 percent toward 20,000 HHs goal); 3,004 HHs for the Riverside County Partnership; and 299 Unconnected HHs supported by CPUC CASF Grant for empowering residents with technology in West Oakland, East Oakland, Richmond, South Sacramento, and Stockton.
- CETF Call Center Grantees assisted 476 "Unsustainably Connected" low-income HHs paying market rates despite qualifying for affordable plans. Affordability remains the top barrier 35.6 percent cite cost as the reason they are offline and nearly 70 percent of connected low-income Connected HHs pay more than the Federal Communications Commission's (FCC) affordability benchmark. CASF Call Center Grants, however, only fund support for unconnected HHs
- Organized and managed outreach to more than 21.2 million HHs through DN and Direct Mail (DM) to California Medical Assistance Program (Medi-Cal) and CalFresh recipients, in collaboration with the California Departments of Health Care Services (DHCS) and Social Services (CDSS), as well as 12 Counties. DN is the process by which a credible source, such as a State Agency, County, School District, College, Tribal Organization, or Energy Utility, directly contacts a household participating in an existing public assistance program (such as Medi-Cal, CalFresh, California Tribal Temporary Assistance for Needy Families, California Alternate Rates for Energy (CARE)) will inform them that they are eligible for lower-cost Internet service. DM is the process of sending information residents within priority low-income zip codes or census blocks to that they may be eligible for lower-cost Internet services.
- Concluded a \$350,000 Grant to the California State Association of Counties (CSAC), \$100,000 of which was CETF cash match for the CASF Call Center Grant, to collaborate in reaching out to all 58 Counties regarding ACP and affordable Internet service offers. CETF and CSAC reached out to all 58 Counties, conducted eight statewide and regional briefings for Counties and worked with 25 Counties individually who were interested in partnering.
- Analyzed Call Center data from January 2024 through September 2025 and shared with partners and CPUC Communications Division (CD) CASF staff and DN Partners: 289,207 Calls of which 177,425

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Calls (61.3 percent) were completed by callers to determine effectiveness of each communication outreach by source and relative cost-effectiveness or return on investment (ROI) which showed that it takes outreach to approximately 1,120 HHs to achieve one enrollment of an eligible Unconnected HHs (.09 percent of HHs reached) and that DN is three times more effective than DM with the CDSS and DHCS being the most productive and generating the most Enrollments overall. However, Alameda and Santa Clara Counties have generated a number of Enrollments through DN reimbursed from the CASF Grant and Santa Barbara County is generating Enrollments through texting that has no cost to CETF associated with it.

- Continued to implement the Memorandum of Understanding (MOU) with four investor-owned energy utilities (IOUs) to promote information about affordable Internet service offers to their CARE-Energy Savings Assistance (ESA) customers. CETF provided templates to the IOUs for posting on their websites and distributing by other means, annually provided orientation to their CBOs doing outreach about energy efficiency and weatherization, and met regularly with the IOU program representatives. Since January 2024, the IOU efforts have generated a total of 2,887 calls to the Call Center, of which 1,731 were completed by their customers: PG&E 696 Calls, 228 completed; Southern California Edison 365 Calls, 276 completed; Southern California Gas (SoCalGas) 1,617 Calls, 1,074 completed; San Diego Gas & Electric (SDG&E) 209 Calls, 153 completed. CETF continues to work with the IOUs in the current Proceeding A.25-06-022 (and related A.25-06-023, A.25-06-024, A.25-06-025) to support bridge funding and negotiate for inclusion of DN in future CARE-ESA budgets
- Organized and staffed the LifeLine Stakeholder Conversation process, sponsored by Senator María Elena_Durazo and supported by the Governor's Office, with participation by the CPUC Communications Division, advisors to President Reynolds and Commissioner Houck, Cal Advocates, all Internet Service Provider (ISP) associations, consumer advocate organizations including The Utility Reform Network (TURN), Center for Accessible Technology (CforAT), and Communications Workers of America (CWA). More than 50 representatives of Stakeholders participated in weekly Friday afternoon 2-hour meetings for seven weeks to discuss and produce a framework for a Home Internet LifeLine Program. CETF prepared a Summary Report documenting all Stakeholder Conversations and distributed it to participants, key policymakers and regulators, including the Governor's Office. The framework resulting from the LifeLine Stakeholder Conversation was the basis of legislation introduced by Senator Durazo as SB 716.
- Sponsored the Home Internet LifeLine Act of 2025 (SB 716 – Durazo) which made it through the Policy and Appropriations Committees in the Senate and Assembly, was passed by the Senate, and was pending action by the Assembly when the author moved it to the inactive file (made it a 2-year bill) because of an amendment in Assembly Communications and Conveyance Committee that became apparent was an unworkable and unacceptable constraint to achieving the purpose of the existing LifeLine program as well as an expansion to home Internet service.
- Participated as a party in [R.20-02-008](#) to update the California Universal Telephone Service and the California LifeLine Program on strategies to address the Home Broadband Adoption gap, provided detailed data and information about the LifeLine Stakeholder Conversation. This proceeding resulted in

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the CPUC Home Broadband LifeLine Pilot Project, which CETF commended and supported (D.25-08-050). CETF's support grew as SB 716 encountered significant policy challenges in the Legislature due to amendments required by Legislators. CETF continues to provide data analysis to the CPUC CD to inform on the development and design of the Pilot Project. CETF also has reached out to several ISPs to offer technical assistance.

- In January 2025 was awarded approximately \$12 million Competitive Grant by the U.S. Department of Commerce National Telecommunications and Information Administration (NTIA) on behalf of the Get Connected! California Partnership (GCCP) including 52 Partners (six Leadership Co-Sponsors, 41 CBOs, nine Rural and Urban Regional Broadband Consortia (RBCs) - Metropolitan Planning Organizations (MPOs); three Refurbishers; nine Call Center Grantees). The GCCP would have enrolled 25,000 Covered HHs in affordable Internet service and delivered Digital Literacy Training to 12,500 HHs with an award of a computer upon completion of the Training with verified digital skills proficiency. GCCP would have delivered Adoption services in-language and in-culture in 50 of the 58 Counties. The CETF GCCP application was highly rated and the only California-based award announced by NTIA in the first round of 24 Competitive Grants in the nation. The award was officially terminated in May 2025.
- Pivoted with Partners following the cancellation by NTIA of all Competitive Grants and State Digital Equity Capacity Grants, developed and submitted an application to CASF Adoption Account for July 1, 2025 cycle on behalf of GCCP with 46 Partners to deliver Digital Literacy Training to 15,000 low-income Unconnected HHs with enrollments supported by the existing CASF Adoption Account Call Center Grant. The GCCP application is pending a decision.
- Attended and prepared presentations for four California Broadband Council (CBC) meetings in 2025 (January, April, July, October) regarding: (a) evolving realities and challenges to reaching Unconnected Low-Income HHs and enrolling them in affordable Internet service; and (b) Digital Equity Ecosystem and its various Essential Components, including Digital Literacy Framework with Proficiency Standards.
- Completed Digital Literacy Training for 750 low-income HHs, supported by five grants. Training was delivered synchronously using curricula aligned with the first three elements of the UNESCO Framework—Access, Manage and Integrate. Participants' progress was measured using standardized assessments that quantified improvements across five skills per element, self-rated on a scale of one to five:
 - » Three CASF Adoptions Account Digital Literacy Training Grants to train 600 HHs in three regions: Pacific Coast; Southeast Cities in Los Angeles County; and Riverside County (eight hours per CASF requirements in partnership with American GI Forum Education Foundation, Southeast Community Development Corporation, and Sigma Beta Xi). Increases in proficiency for all three elements across the three regions ranged from 67.2 percent to 81.2 percent.
 - » AT&T Social Responsibility Grant to train 100 HHs in Santa Clara County and Central Coast (six hours in partnership with Catholic Charities of Santa Clara County, Latinas Contra Cancer, and Community Bridges.

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- » Kaiser Permanente Foundation Grant to train 50 HHs by Promotoras (six hours with a telehealth focus in partnership with Latinas Contra Cancer)
- Analyzed changes in proficiency for a total of five cohorts (6,786 low-income HHs) completing Digital Literacy Training which confirmed that six hours is the optimal required time, particularly for those who categorize themselves as "beginners," who showed an average of 88 percent improvement in digital proficiency; those who categorized themselves as "intermediate" or "advanced" showed an average of 13.5 percent increase in skills after completing the training.
- Secured certification by California State University, Chico (CSUC) for the CETF Digital Navigator Training (eight 20-hour modules) in the form of a California Digital Navigator Badge, which assists residents in or serving digitally-disadvantaged neighborhoods develop workforce skills.
- Trained 55 individuals as Digital Navigators (July-November 18, 2025) who have received their certification badges; nine additional individuals currently are participating in training; 47 Digital Navigators are serving in AB 617 Communities.
- Implemented two CASF Grants (Call Center and Digital Literacy Training) to empower five AB 617 Communities with affordable internet service and digital literacy: West Oakland, East Oakland, Richmond, South Sacramento, Stockton. AB 617 communities are designated by the California Air Resources Board (CARB) as environmentally-disadvantaged. The CASF Grants are conducting outreach to 170,000 HHs in 13 zip codes in the five communities to enroll 4,250 Unconnected HHs and deliver Digital Literacy Training to 1,000 HHs. The following progress has been accomplished to date:
 - » Conducted five Community Forums (one in each Community).
 - » Recruited and engaged seven CBOs to serve as 10 Digital Navigator Hubs (two per Community).
 - » Trained 47 people as Digital Navigators (certified by CSUC), of which 10 are residents in the AB 617 Communities; eight more individuals are currently in training.
 - » Completed DM to 170,914 HHs in five AB 617 Communities (13 zip codes).
 - » Purchased outdoor advertising to raise awareness (CETF cash matches to CASF Grant).
 - » Enrolled 327 HHs through October 2025.
 - » Delivered Digital Literacy Training to 98 HHs with verified digital proficiency.
 - » Launched fundraising to generate funds to purchase computers for 1,000 HHs completing Digital Literacy Training (goal is to raise \$300,000 as cash match to CASF Grant).
 - » Loaned 25 Chromebooks to CBO Digital Navigator Hubs to support Digital Literacy Training. Purchased 50 Chromebooks with a donation from Adobe and advanced \$68,500 to purchase 348 refurbished laptops from regional refurbishers (Tech Exchange and Computers4Kids).
 - » Developed a "shared narrative" with Environmental Justice experts in AB 617 Communities.
- Continued to manage DigitalLearn, an online asynchronous self-paced Digital Literacy resource as part of the Digital Equity Ecosystem.

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- Provided technical assistance to CBOs to prepare their own Applications for the CASF Adoption Account to deliver Digital Literacy Training using the CETF Curricula and Assessment with support from the Digital Equity Ecosystem.
- Launched the California Green Technology Initiative (GTI) on June 2, 2025 to (a) decrease the number of retired computing devices that are dismantled as e-waste or shipped offshore and (b) increase the number of devices donated to non-profit refurbishers and the CETF-Revivn Partnership to generate revenue to buy refurbished and new computers for low-income households completing Digital Literacy Training.
- Conducted an initial investigation of the status of refurbishing, recycling, and disposal of e-waste of retired computing devices in California (as background for GTI) and reached out to CalRecycle to establish a relationship for future consultation and collaboration.
- Established the California Digital Equity Community Reinvestment (CRA) Credit Fund for banks and other financial institutions to make donations to support GTI in return for receiving federal CRA credit.

Promoted Acceleration of Broadband Deployment

- Attended regularly the Middle-Mile Broadband Initiative (MMBI) Advisory Committee Meetings to monitor progress and report back to the CETF Board of Directors (CETF Treasurer-CFO represented CETF).
- Supported actively (pro bono) convening of the MMBI Strike Force, as approved by the Governor's Office (GO), including the California State Transportation Agency (CalSTA), Government Operations Agency (GovOps), California Department of Transportation (Caltrans) and its 12 Districts, California Department of Technology (CDT), and GO in Fact-Finding Discovery Workshops with CDT Joint Builders to identify problems and streamline procedures to accelerate construction of MMBI.
- Submitted comments to the Commission on Resolution T-17884 (June 2025) regarding proposed allocation for FY25-26 of CASF funds into the Accounts. The Commission acknowledged CETF input and declined to incorporate any recommendations or make any changes to the Resolution.
- In January 2025, filed input as a party in Proceeding R.20-08-021, as well as comments on the Proposed Decision (PD) issued in October 2025, regarding rulemaking on CASF Adoption and the RBCs Accounts and Line Extension Program. The filings included significant data analysis and urged reforms to the rules and regulations governing Adoption Account grants as well as expansion of the roles and increased funding for RBCs and approval to work on deployment projects related to the Broadband Equity Access Deployment (BEAD) Program.
- Obligated all \$5 million for Digital Equity Grants to local, regional and statewide organizations to accelerate broadband deployment and adoption pursuant to the CETF-T-Mobile Public Benefits MOU (2019) of which: \$4.632 million were for 119 Grants; \$4.622 million have been paid, including:
 - » \$75,000 to Nevada County to develop a Countywide Programmatic Environmental Impact Report (EIR) as a model for all other Local Governments.

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- » \$220,000 to the Los Angeles/Orange Counties Regional Broadband Collaborative to promote deployment and adoption.
- » \$700,000 for two MPOs: Southern California Association of Governments (SCAG) and San Diego Association of Governments (SANDAG).
- » \$1,155,000 for 13 RBCs to accelerate broadband deployment, permit streamlining, and adoption.
- » \$180,000 to support #SanJoaquinValleyNetwork.
- » \$350,000 to the California State Association of California (CSAC) California Counties Foundation to engage Counties for participation in State Digital Equity and BEAD Planning Workshops and promote ACP and affordable Internet service offers.
- » \$250,000 to NextGen Policy to engage CBOs for input to State Digital Equity and BEAD Plans and brief Legislators about ACP and the need for Internet affordability.
- » \$100,000 to WiConduit to develop broadband infrastructure in Sonoma County.
- » \$1,135,000 for the Local Government Best Practices Check List Project.
- » \$72,000 to Tech Exchange and Valley Vision to support implementation of CASF AB 617 Communities Grant (CETF cash match).
- » \$68,000 is dedicated as additional CETF cash match for the CASF AB 617 Communities Grants.
- » \$300,000 is reserved as cash match for the pending GCCP CASF Adoption Account Application.
- Completed the engagement of SCAG (\$400,000) and SANDAG (\$300,000)—two prominent MPOs representing 216 Local Governments or 60 percent of the state population—to: (a) implement a Request for Qualifications for Prospective Partners (RFQPP) process to inform focus for CASF Infrastructure Grants Account and Federal Funding Account (FFA) which generated several deployment applications to CASF; and (b) conduct a Broadband Project Approval and Permit Streamlining Study and develop a Model Ordinance with engagement of stakeholders in Southern California and throughout the state in a Task Force. Submitted the final report and model ordinance to CDT, the Governor's Office of Business and Economic Development (GOBiz), and other stakeholders.
- Concluded \$1,550,000 in grants to 13 RBCs over two years to accelerate broadband deployment and adoption using a common work plan template and monthly Learning Community Workshops that resulted in significant numbers of additional CASF deployment applications, regional forums on permit streamlining, and engagement of Local Governments, particularly counties, to assist with DN to get low-income households online. The RBCs report the following composite use of the CETF funds: 66 percent Personnel; 23 percent Contractors; 11 percent other (travel, supplies, equipment). Given that RBCs developed their own budgets to implement the common work plan scope, this pattern of grant allocation shows the need for more capacity within RBCs to fulfill their mission delineated in statute. CETF also provided \$180,000 to support the San Joaquin Valley Regional Broadband Consortium establish #SanJoaquinValleyConnect to implement a RFQPP process that resulted in multiple CASF deployment Applications.

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- Supported WiConduit with \$100,000 to augment the work of the North Bay North Coast Broadband Consortium (NBNCBC) in Sonoma County on deployment projects in Sonoma County including: \$17 million FFA Grant to GigabitNow to reach 803 unserved locations (2,138 residents and businesses); \$228,500 USDA Grant to WiConduit to develop rural telecommunications; and assistance for the North Bay Communication Cooperative to develop a community-governed communications system utilizing various technologies, including General Mobile Radio Service (GMRS), Long Range, and Amateur Radio Emergency Data Network Mesh.
- Invested \$1,135,000 to implement the Local Government Best Practices Check List Project Learning Community that began in May 2024 with a statewide call to all 55 Counties and 485 Cities to submit a completed Best Practices Check List, which covers five roles each with five best practices; 45 local governments submitted initial check lists and received \$1,000. The Learning Community involved 35 of the 45 Local Governments that applied to participate, each of which received \$20,000. The Learning Community was supported by 12 RBCs and two MPOs, each of which received \$10,000 per Local Government jurisdiction in their region. The Local Governments and RBCs were required to participate in three workshops (September 2024, February 2025, April 2025), prepare an action plan to promote adoption, and submit a final report with a follow-up check list to measure their impact of the Learning Community. Final reports highlighted the value of RBC involvement in the Learning Community in engaging Local Governments to develop leadership. Analysis of the follow-up check lists showed:
 - » Top five performers adopted three or more best practices in each of the five roles.
 - » Median average performers adopted up to eight Best Practices in three roles.
 - » Overall, Local Governments adopted increases of 3-7 best practices in 1-2 roles
- Organized and convened an Agricultural Technology (AgTech) Conference and Roundtable at the 2025 World Ag Expo in Tulare County in February that involved the California Department of Agriculture, University of California Agriculture and Natural Resources, 11 Legislators, major agriculture organizations, and leading practicing farmers. CETF videorecorded the entire Conference and Roundtable and produced two videos along with a highlights video, and published a Summary Report with an Action Plan Framework, all of which were distributed to key Administration Officials, Legislators, and stakeholders and posted online. The overarching conclusion from agricultural leaders during the Roundtable was that broadband deployment with high-speed Internet service to farmhouses and fields (to support AgTech) is the highest immediate need to ensure California remains a global leader in Agriculture. The AgTech Conference and Roundtable, along with the Summary Report and Action Plan Framework, conclude a 10-year investment by CETF in AgTech Pilot Projects with monitoring of subsequent impacts.
- Led and Managed School2Home and Neighborhood Transformation
- Completed and exceeded the obligation in the CETF-T-Mobile Public Benefits MOU to serve 25,000 Students cumulatively over five years through Partnership Agreements with Title I Districts and Schools

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that establish School Leadership Teams who implement School2Home and its 10 Core Components to close both the Digital Divide and Achievement Gap.

- Concluded FY24-25 serving 22,139 students (and their parents): 10,970 students in 16 schools in three districts in Southern California; 3,975 students in 11 schools in six districts in Northern California in collaboration with the Silicon Valley Education Foundation (SVEF)); 7,194 students in nine schools in four districts through the Education Technology Collaborative (Saturday workshops with School Leadership Teams vs. CETF personnel working on site with School Leadership Teams). In addition, CETF partnered with Tech Exchange to re-establish School2Home at DeJean Middle School (serving up to 380 Students) in West Contra Costa School District in Richmond.
- Launched FY25-26 serving 15,162 students (and their parents): 8,680 students in 14 schools in three districts in Southern California; 1,899 Students in three schools in three districts in Northern California in collaboration with SVEF; 4,203 Students in seven schools in three districts through the Education Technology Collaborative.
- Completed 2024-2025 Evaluation Report which showed the following results:
 - » English Language Learners (ELL): Gained 2.8 points (vs. 2.2 statewide and 2.6 for cohort).
 - » Math: Gained 4.2 points (vs. 2.3 statewide and 3.2 for cohort).
 - » ELL Reclassification: 17 percent (vs. 22.4 percent previous year).
- Organized and conducted School2Home 2025 Leadership Academy and Regional Learning Academies, providing support and coaching for School Leadership Teams.
- Published a policy paper titled "*Harnessing the Power of Technology to Accelerate Student Achievement: A Call to Action to Leverage Existing Policies and Programs – 10 Principles for the Institutionalization of Effective Education Technology*" endorsed by the California School Boards Association (CSBA), CUE (formerly Computer Using Educators), Common Sense, Families in Schools (FIS), and Silicon Valley Education Foundation (SVEF) and circulated the document to policymakers and stakeholders.
- Obtained answers to questions from Legislators (Senator Josh Newman and Assemblymember David Alvarez) about the use of technology in education from the California Department of Education (CDE), State Board of Education (SBE), and California Collaborative for Education Excellence (CCEE) with the leadership of Assemblymember Alvarez. Followed up to re-establish a working relationship with CCEE.
- Achieved consensus with key education leadership organizations, including CSBS, CUE, FIS, SVEF, CalPTA, Southeast Community Development Corporation, and #OaklandUndivided, to develop proposed language for the Education Technology Empowerment Act leadership organizations regarding harnessing the power of technology to drive student academic achievement. CETF also conferred with the California Teachers Association regarding the 10 Principles.
- Recruited authors and sponsored the Education Technology Empowerment Act (AB903 - Anamarie Ávila Farías and José Luis Solache Jr.) which was held in the Assembly Appropriations Committee.

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- Developed concept for collaboration between LA and Contra Costa Counties to institutionalize NT Partnerships.
- Submitted to the CPUC California Teleconnect Fund an application to implement School2Home in partnership with Planada Elementary School District in Merced County; was awarded a Grant of \$24,000.
- Developed a proposal for collaboration between Contra Costa County and Los Angeles County, both of whom have signed Neighborhood Transformation Partnership Agreements with CETF to integrate human services around School attendance areas to support families and residents to improve student academic achievement. Engaged with Families in Schools to encourage collaboration.

Sponsored Telehealth For All Policy and Initiative

- Sponsored the Telehealth for Policy Act (AB688 – Mark González) which was passed by the Legislature and signed into law by the Governor in October 2025 to establish that it is the official policy of the State of California to optimize the use of Telehealth to optimize patient outcomes and population health. AB903 was co-sponsored by the California Primary Care Association (CPCA) and co-authored by Senator Akilah Weber Pierson, who previously carried the bill for CETF. CETF and CPCA will co-convene stakeholders to work with the Department of Health Care Services and the California Health and Human Services Agency to implement AB903 within the existing State Budget. AB688 was widely supported throughout the state, including by the California Telehealth Policy Coalition (CTPA).
- Authored an article for publication regarding the CETF research findings with Telehealth in skilled nursing facilities (SNFs) to reduce the spread of COVID-19 and other diseases among works, protect residents' health, decrease costs for emergency transportation to hospitals, and increase patient and family satisfaction. CETF also documented the need for SNFs and other providers, especially in medically underserved areas, to have training, ongoing support and coaching, including a peer Learning Community, to optimize the use of Telehealth equipment and protocols.
- Prepared a Poster Presentation regarding the CETF research findings about Telehealth and presented at the California Association of Long Term Care Medicine (CALTCM) Annual Conference in October 2025.

Provided Public Information to Support Public Policy and Action

- Published research findings from a study of the 10 top-performing states in ACP enrollment commissioned by Pew Charitable Trusts and distributed the summary to federal agencies, policymakers, and regulators. California enrolled more than 1 million more HHs than any other state, primarily due to DN by two State Agencies (Departments of Health Care Services and Social Services).

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- Conducted a 2024 follow-up survey among the low-income households who participated in the 2023 Statewide Digital Equity Survey (co-sponsored by CETF and CDT for the Digital Equity and BEAD Plans) and presented the findings to the California Broadband Council:
 - » 544 Covered HHs participated in the 2023 Survey and agreed to be surveyed again in return for a \$25 gift card); 201 HHs were reached for 2024 Follow-Up Survey after 16 attempts to reach them phone and text.
 - » There is a continued increase in Connected HHs and decrease in Underconnected and Unconnected, which also requires more outreach effort to find Unconnected HHs to assist.
 - » Of Covered HHs who did not participate in ACP, 51.9 percent did not know how to apply (consistent with 64 percent in 2023 survey who were not aware of ACP) and 74 percent were not aware of affordable internet offers from ISPs.
 - » Majority enrolled in ACP said their ISP did provide adequate notice about the program ending.
 - » However, 69.3 percent said their ISP did not tell them about an affordable internet offer.
- Produced, distributed, and posted several videos to provide additional public information and awareness collateral regarding CETF initiatives and actions.
- Relunched monthly Newsletters to feature Digital Equity Champions around the state and to highlight key opportunities to close the Digital Divide, promote Digital Inclusion, and achieve Digital Equity.
- Convened and staffed monthly meetings of the Digital Equity Coalition to share information about major policy and regulatory matters related to broadband deployment and adoption. The Digital Equity Coalition was established in 2020 to secure additional funding for CASF and to ensure adequate funding for Regional Broadband Consortia, Public Housing, and Adoption Accounts given the need to complement the State's investments in broadband infrastructure with ensuring that technology empowers low-income households to improve their daily living by saving time and money.

Annual Reporting Updates

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

Expenditures

Table 7 lists the CETF's proposed and actual expenditures for the two prior fiscal years and the proposed fiscal year.

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Table 7. CETF's Actual and Proposed Expenditures, 2023-2026²⁰

Fiscal Year	2023-2024	2024-2025	2025-2026
Proposed expenditures (budget)	\$14,725,000	\$13,550,000	\$9,823,000
Actual expenditures	\$10,591,270	\$10,431,133	TBD

Governance Structure

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

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

- 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](#). Additional CPUC decisions providing funding to CETF are:
 - D.05-11-028, authorizing Verizon's acquisition of MCI (Application (A.) 05-04-020).
 - D.05-12-011, authorizing SBC's acquisition of AT&T, (A.05-02-027).
 - D.15-12-005, authorizing Frontier's acquisition of Verizon California wireline services, (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 (A.15-07-009).
 - D.20-04-008, authorizing T-Mobile's acquisition of Sprint Communications, L.P. (A.18-07-011).
- Policies and Procedures: Available upon request. Contact: Sunne.mcpeak@cetfund.org
- [Current board members.](#)

²⁰ The fiscal year for CETF is from July 1 – June 30.

Schedule of Employees and Compensation

Table 8 shows the CETF's employee compensation schedule for the two prior fiscal years and the proposed fiscal year. Gross pay includes base salary and performance incentive pay (but not travel reimbursements as included in the independent audit). Benefits include health insurance and employer retirement contributions (but not employer payroll taxes).

Table 8. CETF's Employee Compensation Schedule

Year	Gross Pay	Benefits	Total ²¹
July 2022-June 2023	\$1,898,875	\$485,180	\$2,384,055
July 2023-June 2024	\$2,007,332	\$487,469	\$2,494,801
July 2024-June 2025	\$1,955,717	\$503,781	\$2,459,498

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 9 shows professional contracts for fiscal year 2024-2025.

Table 9. List of CETF Contracts FY24-25

Category	Total Amount
Accounting	\$60,700
IT Tech Support (Includes Website Support/ Online Grant Services)	\$58,389
Legal Counsel	\$150,150
Plan Administrators	\$4,055
Printing	\$4,410
Broadband and Adoption Programs	\$6,256,643
School2Home	\$2,658,047

²¹ The total reflects audited financials.

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The CETF also entered into a voluntary Public Benefits 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 the remaining 25,000 devices from Frontier Communications and \$32.5 million from Charter through 2021 to continue organizational operations and support School2Home and other digital inclusion programs in their service areas.

In May 2020 the CETF began receiving annual payments for the Public Benefits MOU \$35 million from T-Mobile USA, Inc.: \$22 million to support the Digital Inclusion Programs (\$12.5 million for School2Home, \$4.5 million for Digital Literacy Training, and \$5 million for Local Government, Regional, and Statewide Digital Equity Grants) and \$13 million to support the CETF's core mission to accelerate broadband deployment and adoption. CETF received the last payment in May 2024.

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 that the CETF received.

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

The CETF hosts a wide range of public forums during the year, including meetings with its Board of Expert Advisors, Regional Consortia, and grantees all designed to provide and solicit information about the grants and future directions. 2019 public forums and workshops are identified in the Highlights and Accomplishments. In addition, the CETF is a legal party in the proceeding before the CPUC regarding Verizon acquisition of Frontier Communications (A.24-10-006) and has negotiated a voluntary Public Benefits MOU with Verizon which was filed with the CPUC on September 4, 2025 that ensures significant investments by Verizon in fiber and wireless deployment in Frontier service areas in consultation with RBCs and MPOs, affordable Internet service offers, and digital inclusion and adoption with strengthen commitments to Inclusion, Diversity, Equity (IDE) to achieve equal opportunity and non-discrimination. CETF also is a party in Proceeding 25-07-016 regarding the Charter-Cox merger.

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

California Market Transformation Administrator

Background

The California Market Transformation Administrator (CalMTA) is currently finishing its third start-up year of developing a market transformation (MT) portfolio that will help advance the CPUC's and State's goals by delivering energy efficiency, decarbonization, affordability, and energy equity. Market transformation is the strategic process of intervening in the supply chain of a market to create lasting energy savings by removing barriers or leveraging opportunities to accelerate the adoption of targeted technologies or practices. This strategy was added to California's energy efficiency investments as a parallel and coordinated effort with traditional energy efficiency programs. The intent is to complement the shorter-term transactional nature of incentives with longer-term investments in market-level changes that will deliver incremental value to the state's ratepayers.

CalMTA's market transformation initiatives (MTIs) include market interventions to increase consumer access to and reduce the cost of selected energy efficiency and low-carbon solutions. Because these changes are systemic, they result in lasting change and often result in the establishment of a code, standard, or changes to industry standard practice, which helps to lock in efficiency and reductions in greenhouse gas emissions.

Pursuant to [SB 350](#) (deLeon, Chapter 547, Statutes of 2015) the CPUC identified MT as a priority in the energy efficiency proceeding. The California Energy Efficiency Coordinating Committee (CAEECC) convened an MT working group to develop a framework and proposal that was adopted by the CPUC in [D.19-12-021](#) in December 2019. The Decision authorized the creation of what is now known as CalMTA and provisionally allocated up to \$310 million of funding over eight years.

After a competitive solicitation process, [Resource Innovations](#) and a team of subcontractors were selected to administer the Program through 2030. PG&E serves as CalMTA's fiscal agent for this contract, which was approved by the CPUC through [Advice Letters 4674-G/6747-E](#) in November 2022.

As directed by the CPUC decision, CalMTA spent the early years of the three-year startup period vetting and scoping its first tranche of MTIs, which include [Room Heat Pumps](#) and [Induction Cooking](#).

In 2025, CalMTA achieved several accomplishments and milestones toward establishing the portfolio of MTIs using [the program's three-phase process](#) and in consultation with the [Market Transformation Advisory Board](#) (MTAB).

At the end of 2025 CalMTA will conclude its foundational three-year start-up period, and begin a new chapter focused on launching the first tranche of MTIs in the market transformation portfolio (focused on room heat pumps and induction cooking) as authorized in [D.25-11-023](#). These initiatives are anticipated to enter [Phase III: Market Deployment](#) in 2026, beginning with the release of two corresponding Requests for

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Proposals (RFPs) for third-party implementers. In 2025 CalMTA focused on actively planning and laying the groundwork to ensure a successful transition into this next phase.

In the first quarter of 2025, CalMTA finalized a Solicitation Protocols document to guide fair and competitive RFP processes for selecting future implementation and evaluation contractors. Guided by these protocols, CalMTA subsequently developed and launched a Solicitations Portal to streamline intake and management of future RFPs and other solicitations.

The Solicitations Portal was first utilized in September 2025 with the release of CalMTA's inaugural RFP for an Organizational Review. The selected contractor will conduct a thorough review of CalMTA's operations and identify opportunities to improve practices and systems developed during CalMTA's three-year start-up period, including those related to communication, administration, MTI management, and overall organizational effectiveness. Once complete, the Organizational Review will serve as a tool to guide CalMTA's future organizational practices.

2025 Updates & Accomplishments

In 2025, CalMTA achieved several accomplishments and milestones toward establishing the portfolio of MTIs using the program's three-phase process and in consultation with the Market Transformation Advisory Board (MTAB).

At the end of 2025, CalMTA will conclude its foundational three-year start-up period, and begin a new chapter focused on launching the first tranche of MTIs in the market transformation portfolio (focused on room heat pumps and induction cooking) as authorized in D.25-11-023. These initiatives are anticipated to enter Phase III: Market Deployment in 2026, beginning with the release of two corresponding Requests for Proposals (RFPs) for third-party implementers. In 2025 CalMTA focused on actively planning and laying the groundwork to ensure a successful transition into this next phase.

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First Two Market Transformation Initiatives in Application for Approval

Following submission of CalMTA's Application to the CPUC in late 2024, CalMTA has continued to perform research, strategy development, and market engagement activities for both initiatives while the MTI Plans have been under consideration in the Application proceeding. Noteworthy progress for the Room Heat Pump initiative include completion of the Room Heat Pump Self-Installation Practices Strategy Pilot, which tested residents' ability to install the products without hiring a contractor, and launching the National Room Heat Pump Collaborative, a united effort to leverage the strengths of energy efficiency organizations across the nation to increase market adoption of room heat pumps. Additional research efforts continued with:

- A window stock assessment project to ensure that available products fit in California's building stock
- Lab testing of room heat pumps to better understand the market and product performance
- Completion of the Chefluencer Event Testing Strategy Pilot, which tested interventions and messaging that could be used to change public opinion and create awareness of induction cooking's benefits
- Two field studies aimed at gathering usage data on 120V battery-equipped induction ranges and at better understanding resident cooking behavior and experiences

Throughout 2025 CalMTA also participated in the CPUC Application proceeding to support approval of its first two MTI Plans, which focus on room heat pumps and induction cooking. This included filing all necessary testimony, comments, replies, and briefs to address issues raised by parties. The Application requested funding of \$250M over five years, which is the maximum amount provided for by D.19-12-021, specifying that over half of these funds (\$135M) be set aside for implementation of future MTIs that CalMTA proposed would be approved through an advice letter process. The CPUC voted to approve a decision disposing of the Application in November 2025 (D.25-11-023). The decision grants the Application's requested amount of funding for the two initial MTIs (\$77.6M) as well as development of new MTIs (\$12.7M) and the requested administration/operations funding (\$22.5M) for a total authorized budget of \$115M over six²² years. However, the decision directs that CalMTA refine its MTI Plan for induction cooking and resubmit a modified plan in a Tier 2 advice letter. CalMTA anticipates submitting the advice letter in early 2026. In addition, the decision stipulates that funding for new MTIs (beyond room heat pump and induction cooking) be submitted to CPUC for approval in an *application* and not advice letters as requested in the Application. CalMTA anticipates submitting an application for approval of an additional tranche of MTIs, which will include some of the technologies discussed below.

²² The term of the funding was extended by one year in order to align the timing of future application processes with those of energy efficiency.

Additional Market Transformation Ideas Under Development

In 2025, CalMTA continued to develop the MT portfolio with five additional ideas, which were vetted and prioritized for advancement after discussions with MTAB members to advance to Phase II: Program Development. This phase includes the research necessary to determine if each idea is viable for an MTI and to develop the market intervention strategies and implementation plan, termed “MTI Plans.”

Three MT ideas - Commercial Rooftop Units, Residential Heat Pump Water Heating, and Commercial Replacement and Attachment Window Solutions – were researched throughout 2025 in preparation for the development of detailed MTI Plans. If approved, these new initiatives will drive market changes and accelerate adoption of these products.

Key research and development activities supporting these MT ideas in 2025 include:

- Commercial Rooftop Units - A field study on UC Davis campus aimed at leveraging integrated sensors and controls to understand the performance of heat pump rooftop HVAC units, and demonstrate and validate the savings potential of remote-control systems as a product feature
- Residential Heat Pump Water Heating - The Residential Heat Pump Water Heating Market Acceleration Summit hosted by CalMTA brought industry leaders together in a collaborative frame to identify and develop pathways that could remove persistent barriers and accelerate and sustain market adoption of heat pump water heaters
- Commercial Replacement and Attachment Window Solutions (CRAWS) - A field study focused on energy impacts and non-energy benefits of CRAWS installation at a public elementary school in an ESJ community in Madera, California

Two additional MT ideas continued to make substantial progress through CalMTA’s stage-gate process, with input from MTAB members, Energy Division staff, and the public:

- Foodservice Water Heating Systems: CalMTA conducted in-depth product and market research including field testing of heat pump technology in California restaurants
- Commercial Building Efficiency Accelerator: CalMTA developed and began execution of product and market research plans for this MT initiative that seeks to embed energy and emissions planning as a standard practice in building management, enabling building owners to identify, prioritize, and invest in strategic building upgrades

CalMTA also permanently opened its Request for Ideas portal in 2025, enabling interested parties to share their recommendations year-round for energy-efficient products and practices to be considered for MT development. A comprehensive, publicly available online dashboard was developed to consolidate all 136 MT ideas submitted to date, including the first two time-bound Request For Ideas (RFIs) and a current open RFI.

Equity

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

In January 2025, CalMTA's newly formed eight-member Equity Sounding Board convened for its first of the year's four meetings to help guide MTI development work to include ESJ interests and confirm strategies that will deliver benefits to these consumers. In addition to the four formal meetings, the MTI development teams used the expertise of the group for ad-hoc consultations, to connect CalMTA with various stakeholders in ESJ communities, and to answer specific questions that arose throughout the year. This work provided expertise and input on equity considerations for developing MTI Plans including logic model development, research, strategic intervention approaches, and equity metrics. In addition, the Equity Sounding Board offered guidance to ensure an inclusive design for the upcoming Induction Cooking and Room Heat Pump Requests for Proposals (RFPs) to broaden participation among smaller and diverse firms.

Stakeholder Engagement and Communications

Throughout 2025, CalMTA has continued to deepen collaboration with existing energy efficiency program administrators (PAs) to enhance program outcomes, avoid duplication of effort, and limit consumer or market confusion. To achieve these outcomes, CalMTA hosted regular meetings with PAs, the Codes & Standards Working Group, CalNEXT program staff, and others to share plans and research outcomes, and to confirm opportunities to leverage each organization's work.

CalMTA continued to share with the MTAB and public published plans, reports, and progress updates including the 2024 Annual Report, 2025 Operations Plan, Quarterly Report Webinars, and Key Progress Indicator Scorecards. CalMTA deployed multiple strategies to share this information via email newsletter updates, the CPUC's energy efficiency proceeding service list, and www.calmta.org, which was redesigned and launched in the second quarter of 2025. CalMTA staff attended and presented at 25 industry meetings and conferences to connect with stakeholders and nurture opportunities for collaboration.

In late summer 2025, CalMTA launched a second iteration of the *Idea to Initiative* education series. This series was designed to enhance awareness and understanding of the MTI development process and the upcoming application filing expected early 2026. The series offered a preview and discussion of key portions of the Commercial Rooftop Units MTI Plan with CalMTA stakeholders prior to release of the draft plan in the fourth quarter of 2025. Subsequent *Idea to Initiative* series, for Residential Heat Pump Water Heating and Commercial Replacement Window Solutions, began in November and will extend into 2026 when those MTI Plans are scheduled for completion.

Market Transformation Advisory Board

CalMTA held five public MTAB meetings in 2025. During these events, MTAB members reviewed and discussed MTI development aspects, CalMTA budgets and other policies, advancement of our equity lens, and stakeholder outreach and engagement. To fill the four MTAB seats with terms expiring in 2025, CalMTA collaborated with the CPUC to recruit and seat members for new two-year terms in April. During the same month, all MTAB members updated their conflict-of-interest (COI) declarations.

Annual Reporting Updates

D.19-12-021 authorizes up to eight years of program funding for this market transformation program. The decision allows for up to \$20M per year for up to three years to fund the foundational work required to develop a portfolio of MTIs that can be implemented at scale. Funds were released through an annual budget advice letter for the past three years.

In lieu of an annual budget advice letter for 2025, CalMTA included a five-year budget request in the pending Application which would fund operations and MTI development and implementation costs from 2026-2030.

Each year, program funding is contributed by the four IOUs and held and distributed by PG&E. Each IOU contributes funds according to a set schedule articulated in D.19-12-021 and based on IOU load-share. The approved budget for each calendar year is used to set the IOU contributions, which are made monthly. Any unused budget is returned to contributing IOUs at the close of the calendar year. The pending Application decision may adopt a funding approach that relies only on electric IOUs to fund the first two initiatives (room heat pump and induction cooking) given that these are electric-only technologies.

Expenditures

Table 10 shows actual and proposed expenditures for calendar years 2024-2026.

Table 10. CalMTA's Actual and Proposed Expenditures, 2024-2026²³

Fiscal Year	2024	2025	2026
Proposed expenditures (budget)	\$19,531,591	19,600,000	TBD ²⁴
Actual expenditures	\$17,629,119	\$14,448,054 ²⁵	TBD

²³ The fiscal year for CalMTA is from January 1 – December 31.

²⁴ CalMTA 2026 proposed budget is pending due to the ongoing Application proceeding A-24-12-009.

²⁵ CalMTA partial year expenditures from January 1, 2025 through September 30, 2025; data for fourth quarter 2025 is not yet available.

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.

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. Additionally, D.13-09-044 and the MOA, require the CPUC to review the CAEATFA's funding and work.

D.13-09-044 included an implementation plan for the CHEEF with the following tasks:²⁶

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

²⁶ D.13-09-044, Appendix F; these tasks have all been addressed since the decision was issued in September 2013.

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- 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 Reserve²⁷) of ratepayer funding administered by the IOUs for the financing pilot programs. 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 11²⁸ provides a summary of the actual and proposed expenditures, and further details may be found in Appendix C.1.²⁹

Table 11. CHEEF's Actual and Proposed Expenditures, 2023-2026³⁰

Fiscal Year	2023-2024	2024-2025	2025-2026
Proposed expenditures (budget)	\$4,668,985	\$4,558,223	\$4,348,247
Actual expenditures	\$3,544,133	\$4,167,026	TBD

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

The approval process of changing the residential pilot to a full-scale program required a resolution. On April 17, 2020, the CPUC approved [Resolution E-5072](#), transitioning the CHEEF’s Residential “Pilot” to a full-scale program (later renamed GoGreen Home). The resolution also authorized the CAEATFA to spend up to \$9.5 million of previously allocated Credit Enhancement funds for maintenance and improvement of information technology and administrative needs of the CHEEF for fiscal years 2020-2021 and 2021-2022.

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

²⁷ The Pilot Reserve was established in D. 13-09-044 for expenses not yet allocated at that time.

²⁸ The data was provided by the CAEATFA’s management per the CPUC’s Energy Division staff’s request in November 2024.

²⁹ See Appendix C.1 for the Finance Pilot Budget with the CAEATFA Expenditures (September 2014 through June 30, 2022) and the Finance Program Budget with the CAEATFA Expenditures (July 1, 2022 through June 30, 2024).

³⁰ The fiscal year for CHEEF is from July 1 – June 30.

Roles

Key infrastructure elements needed to implement the CHEEF include a master servicer, trustee bank, contractor manager, technical advisors, and workflow and data collection software. Below are descriptions of each of these roles and information regarding their status as it relates to CAEATFA's procurement processes.

- **Master Servicer:** The master servicer has played 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 expired July 31, 2024, at which point responsibility for servicing loans was taken in-house by CAEATFA staff. Concord retained responsibility for servicing on-bill repayment (OBR) transactions under a separate contract (see below).
- **Trustee Bank:** The trustee holds the ratepayer funds provided by the IOUs to serve as credit enhancements under the various pilot programs. US Bank served as the trustee for the program from March 11, 2015 to December 31, 2020. Starting in January 2021, CAEATFA contracted with Zions Bancorporation, National Association through December 31, 2026.
- **Contractor Manager:** The contractor manager recruits, trains, enrolls, and supports contractors participating in the GoGreen Home Energy Financing Program (GoGreen Home) and GoGreen Business Energy Financing Program (GoGreen Business) and conducts quality control oversight of projects not participating in an IOU rebate/incentive program. Frontier Energy served as the contractor manager from October 24, 2017 until May 28, 2022. Beginning May 29, 2022, Electric & Gas Industries Associate (EGIA) assumed the role of the contractor manager for a three-year term with option for two one-year extensions. On May 28, 2025, CAEATFA exercised the right to extend the contract with EGIA until May 28, 2026.
- **Technical Advisor:** Technical advisors provide expertise to the CAEATFA in its development and implementation of the CHEEF pilot programs. The CAEATFA contracted with Energy Futures Group (EFG) April 19, 2022 through April 18, 2025. Viridis Consulting (Viridis) assumed the role of Technical Advisor on May 1, 2025, effective through April 30, 2028.
- **OBR Servicer:** The OBR Servicer provides assistance to CAEATFA with the administration of the On-Bill Repayment feature of the GoGreen Business Energy Financing program. CAEATFA entered into an 18-month contract with Concord Servicing LLC (Concord) on August 1, 2024; the contract will expire January 31, 2026, CAEATFA will have the option to extend for another 18 months.
- **Online Workflow and Data Collection Tool – Software as a Service (SaaS) Subscription:** Inclusive Property Capital's (IPC) NGEN platform allows GoGreen Home Program Lenders and Contractors to enter loan, project, and measure data into an online portal; automatically validates a certain degree of project compliance with Program rules; facilitates communication between users; and allows Program staff to review and pre-approve projects manually when needed and access project details for quality

assurance verification purposes. This subscription agreement began on February 1, 2024 for a term of one year and was renewed February 1, 2025 for a second one-year term.

2025 Updates & Accomplishments

GoGreen Home Energy Financing Program

Formerly known as the Residential Energy Efficiency Loan program, the GoGreen Home Energy Financing program (GoGreen Home) is designed to help Californians save energy at home by making attractive financing more widely available for home energy improvements. GoGreen Home offers a credit enhancement to mitigate the risk of default, which enables participating lenders to offer lower rates, longer payback terms and higher loan amounts, and to approve a broader base of borrowers for energy upgrade loans. Customers may upgrade a single-family home, townhome, condo, duplex, triplex, fourplex or manufactured home. In fiscal year 24-25, the GoGreen Home enrolled 5,196 standard loans³¹ and facilitated \$124.20 million in financing for residential energy upgrades. The number of loans enrolled and total dollars financed represent growth percentages of 99.62 percent and 130.76 percent, respectively, compared with the previous fiscal year. From the program's inception in 2016 through June 30, 2025, GoGreen Home has enrolled 11,312 loans, with an average loan size of \$21,394 and claim-eligible principal totaling \$241.92 million.³² over 8,215 tons of greenhouse gas (GHG) emissions averted.

In July 2024, following months of collaboration with software provider Inclusive Prosperity Capital, CAEATFA staff launched the GoGreen Home Portal. Powered by IPC's NGEN software and equipped with job tracking functionality, a centralized messaging system, and error entry safeguards, the portal is designed to streamline and expedite the project process for contractors and lenders while granting CAEATFA visibility into project activity.

Following the 2023 announcement that TECH Clean California funds would no longer be available to support GoGreen Financing credit enhancements in non-IOU jurisdictions, CAEATFA began seeking replacement sources of funding. In September 2024, CAEATFA entered into a Grant Agreement with the California Energy Commission (CEC) to receive \$30 million in California Climate Investment (CCI) funds via CEC's Equitable Building Decarbonization (EBD) program. The agreement ensures the continued availability of GoGreen Financing for decarbonization and other electric upgrades benefiting residential customers of electric publicly owned utilities (POUs) such as SMUD and LADWP. In addition to \$18 million for credit enhancements in POU areas, the agreement provides \$9 million to support interest rate

³¹ The program project data relies on the date of loan enrollment, which is not always coincidental with project completion. Due to a lender's delay in submitting several loans for enrollment, the reported year over year increase overstates the true growth of the program. Using the project loan origination date as a proxy for project completion, the program saw 46.33 percent growth in the number of loans and an increase of 72.29 percent in total dollars financed compared with the previous fiscal year.

³² Available at: [California Hub for Energy Efficiency Financing Programs](#)

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buy-downs for heat pumps and heat pump water heaters installed in low-income households located in Priority Population Areas statewide as identified by CCI.

In FY 24-25, marketplace platform provider Enervee, in coordination with participating GoGreen Home lender Lewis & Clark Bank, enrolled 1,027 Eco Financing microloans purchased through online appliance marketplaces. As of June 30, 2025, 2,448 microloans have been enrolled for a total value of \$3,942,324.

On-Bill Repayment Programs

As of Q2 2025, on-bill repayment (OBR) functionality through GoGreen Business Energy Financing is available to customers of all four IOUs (PG&E, SCE, SoCalGas, and SDG&E).

GoGreen Business Energy Financing Program

The GoGreen Business Energy Financing pilot (GoGreen Business) enrolled 51 financing agreements and facilitated \$4.84 million in financing for commercial energy upgrades in fiscal year 24-25, representing significant increases in activity over the previous fiscal year (35 financing agreements enrolled and \$2.38 million in dollars financed). Since program inception in 2019 and through the end of June 2025, GoGreen Business offered financing from nine participating finance companies, enrolled 283 contractors and 42 project developers, and facilitated \$10.13 million in financing for 110 projects.

The GoGreen Business interest rate buy-down promotion (IRBD), “Go Low,” went live in July 2023. Through Go Low, up to \$7,500 per eligible project is available to buy down interest rates; depending on project size, this can result in 0 percent interest. Staff launched the third round of Go Low in July 2025. The \$250,000 allocated for the promotion was fully reserved as of September 2025.

Per CPUC Decision 23-08-26, GoGreen Business staff and participating finance companies began preparing to facilitate financing for clean energy measures including solar photovoltaic, battery storage systems, electric vehicle chargers, anaerobic digesters, wind turbines, and more. This financing became available to borrowers in July 2024. GoGreen Business staff continue to see increased uptake of projects utilizing the newly added clean energy measures available under the program.

More recently, as of September 29, 2025, the OAL approved emergency regulations allowing eligible financing for the reconstruction of existing buildings destroyed, in whole or in part, by a natural disaster. These regulations were developed in response to the destructive fires in the Los Angeles area in January 2025. There was significant interest among various stakeholders in supporting rebuilding efforts through the GoGreen Business program.

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 11 above and Appendix C.1 show the CHEEF expenditures.

Governance Structure

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

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

Staff and Employees and their Salaries and Expenses

Table 12 shows the CHEEF's employee compensation schedule for the two prior fiscal years.

Table 12. CHEEF Salaries and Expenses Authorized for Fiscal Year 2023-24 and 2024-25

	State Personnel Classification	Annual State Salary and Benefit (2023-24) ³³	Annual State Salary and Benefit (2024-2025) ³⁴
	Staff Services Manager II (Supervisor)	\$151,356	\$160,900
Program Manager	Staff Services Manager I (Supervisor) – Direct and Implementation (D&I)	\$139,091	\$147,791

³³ State salary represents annual midrange assumption; includes average benefit.

³⁴ Per request of the CPUC's staff, the CAEATFA management provided the data in October 2025.

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	State Personnel Classification	Annual State Salary and Benefit (2023-24)³³	Annual State Salary and Benefit (2024-2025)³⁴
Program Manager	Staff Services Manager I (Supervisor) – Direct and Implementation (D&I)	\$139,091	\$147,791
	Staff Services Manager I (Supervisor) – Compliance	\$139,091	\$147,791
	Staff Services Manager I (Specialist) – D&I	\$139,091	\$147,791
	Staff Services Manager I (Specialist) – D&I	\$139,091	\$147,791
	Staff Services Manager I (Specialist) – Marketing	\$139,091	\$147,791
Support Staff	Associate Governmental Program Analyst – D&I	\$119,552	\$126,898
	Associate Governmental Program Analyst – D&I	\$119,552	\$126,898
	Associate Governmental Program Analyst – Marketing	\$119,552	\$126,898
	Associate Governmental Program Analyst – Marketing & Data	\$119,552	\$126,898
	Associate Governmental Program Analyst – D&I	\$119,552	\$126,898
	Associate Governmental Program Analyst – D&I	\$119,552	\$126,898
	Associate Governmental Program Analyst – Compliance	\$119,552	\$126,898
	Associate Governmental Program Analyst – Compliance & Data	\$119,552	\$126,898
	Office Technician	\$80,883	\$85,552
	Office Technician	\$80,883	\$85,552
Office Technician	\$80,883	\$85,552	

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 13 shows the CHEEF contracts and funding.

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Table 13. CHEEF Contracts and Funding³⁵

Contract	Current Contract Term	Amount	Amount Paid ³⁶	Funding Source
MOA between the CPUC and CAEATFA	Through June 30, 2027	\$0	N/A	None
Receivables contract between the four IOUs and CAEATFA	September 1, 2014 – June 30, 2022	\$23,060,000 (Reimbursement only)	\$17,674,005	Ratepayer Funds
	July 1, 2022 – June 30, 2027	\$23,255,041 (Reimbursement only)	\$10,976,360	Ratepayer Funds
CAEATFA contract with master servicer (Concord Servicing LLC)	April 23, 2015 – December 31, 2017	\$1,500,000	\$1,278,294	Ratepayer Funds
	January 1, 2018 – October 21, 2020	\$1,500,000	\$1,467,491	Ratepayer Funds
	October 22, 2020 – July 31, 2024	\$5,500,000	\$1,987,597 ³⁷	Ratepayer Funds
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	\$285,000	Ratepayer Funds
CAEATFA contract with Trustee Bank (Zions)	January 1, 2021 – December 31, 2023	\$360,000	\$360,000	Ratepayer Funds
	January 1, 2024 – December 31, 2026	\$495,000	\$247,500	Ratepayer Funds
CAEATFA contract with contractor manager (Frontier Energy Corporation)	October 24, 2017 – August 31, 2019	\$1,500,000	\$775,680	Ratepayer Funds
	June 4, 2019 – May 28, 2022	\$1,500,000	\$1,378,906	Ratepayer Funds
CAEATFA contract with contractor manager (Electric & Gas Industries Association)	May 31, 2022 – May 28, 2026	\$2,300,000	\$1,176,481	Ratepayer Funds
CAEATFA contract (CMAS)	May 25, 2016 –	\$49,963	\$49,904	Ratepayer

³⁵ Per request of the CPUC's staff, the CAEATFA management provided the date in November 2024

³⁶ For services through June 30, 2025

³⁷ Contract ended on July 31, 2024. Following the end of the term, CAEATFA brought master servicer duties in-house but engaged Concord Servicing LLC for a limited role as OBR Servicer from FY 24-25 through FY 25-26.

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Contract	Current Contract Term	Amount	Amount Paid ³⁶	Funding Source
Service Order) for Technical Assistance (Energy Futures Group)	December 15, 2016			Funds
	March 29, 2017 – February 14, 2019	\$249,995	\$224,193	Ratepayer Funds
CAEATFA contract with Technical Advisor (Energy Futures Group)	March 13, 2019 – March 13, 2022	\$299,999	\$251,078	Ratepayer Funds
	April 19, 2022 – April 18, 2025	\$299,999	\$155,719	Ratepayer Funds
CAEATFA Contract with SAAS provider (Inclusive Prosperity Capital, Inc.)	February 1, 2024 – January 31, 2025	\$100,000	\$82,850	Ratepayer Funds
CAEATFA Contract with SAAS provider (Inclusive Prosperity Capital, Inc.)	February 1, 2025 – January 31, 2026	\$100,000	\$28,817	Ratepayer Funds
CAEATFA contract with OBR servicer (Concord Servicing LLC)	August 1, 2024 – January 31, 2026	\$274,500	\$167,750	Ratepayer Funds
CAEATFA contract with Technical Advisor (Viridis Consulting LLC)	May 1, 2025 – April 30, 2028	\$299,999	\$13,294	Ratepayer Funds

Public Process and Oversight

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

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

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

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

The Diablo Canyon Independent Safety Committee

Background

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

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

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

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

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

On September 2, 2022, the Governor signed SB 846 (Dodd, Chapter 239, Statutes of 2022), which codified the existence of the DCISC (Public Utilities Code (PUC) Section 712.1(b)) and required that it submit an annual report with its safety assessments and recommendations for Diablo Canyon to the CPUC (Public Utilities Code Section 712.1(c)). The CPUC is required to use the DCISC's safety assessments and recommendations to determine whether the costs of seismic upgrades or deferred maintenance for Diablo

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Canyon or the conditions required in the Nuclear Regulatory Commission’s license renewal, are “too high to justify incurring” (Public Utilities Code Section 712.8(c)(2)(B)), in which case the CPUC may order retirement of the plant earlier than directed by SB 846.

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

2025 Updates & Accomplishments

On June 12, 2025, the CPUC approved [Resolution 5399-E](#), ratifying the CPUC President’s selection of three candidates whose names were submitted to the California Attorney General, Rob Bonta, for the term July 1, 2025 – June 30, 2028. The Attorney General announced his selection of Dr. Raluca Scarlat to serve on the DCISC in September 2025 (the incumbent, Dr. Robert Budnitz, served during the intervening months). In 2024, the Chair of the California Energy Commission appointed Dr. Najmedin Meshkati for the term July 1, 2024 – June 30, 2027. In 2023, the Governor reappointed Dr. Per Peterson for the term July 1, 2023 – June 30, 2026. The DCISC held three public meetings in 2025. The DCISC also recently approved its 35th Annual Report for July 1, 2024 – June 30, 2025.

Also on June 12, 2025, the CPUC approved D.25-06-002 in [Phase 2 of Rulemaking \(R.\) 23-01-007](#). Among other things, that decision resolved questions about the funding methodology for the DCISC during extended operations. The approved DCISC funding methodology (1) continues baseline funding at the greater of the existing funding methodology or the average of annual recorded expenditures from 2023 through 2025, (2) increases baseline funding each subsequent year by the amount of the annual increase in the California Consumer Price Index, but no less than three percent, and (3) requires the DCISC to submit an invoice to PG&E in the first quarter of the current year for the amount of any shortfall from the prior year plus a ten percent contingency. In order to effectuate these changes, the DCISC issued a Fourth Restated Charter which was implemented through the approval of [PG&E Advice Letter 7698-E](#) on October 5, 2025.

On March 28, 2025, PG&E filed [A.25-03-015](#) to recover in rates the costs for 2026 Diablo Canyon Extended Operations and for the approval of 2026 Volumetric Performance Fees. On December 4, 2025, the CPUC approved [D.25-12-007](#), which included the authorization of \$1.067 million in 2026 funding for DCISC.

Annual Reporting Updates

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

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Expenditures

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

Table 14. DCISC's Actual and Proposed Expenditures, 2023-2026

Fiscal Year³⁸	2023-2024	2024-2025	2025-2026
Proposed expenditures (budget)	\$1,331,014	\$1,607,316	\$1,067,000
Actual expenditures	\$1,366,562	TBD	TBD

Governance Structure

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

The Fourth Restated Charter for the DCISC was approved in PG&E’s Advice Letter 7698-E.

Schedule of Employees and Compensation

As approved in D.23-08-004 and [PG&E Advice Letter 7553-E](#), compensation for members of the DCISC includes the following:

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

Staff Transferred or Loaned

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

Contracts, Funding Sources, and Legislative Authority

While the DCISC does not have an independent budget, it has historically received funding through PG&E’s cost-of-service rates at funding levels established in D.97-05-088, based on funding for calendar

³⁸ DCISC reports its finances on a calendar year basis (2024, 2025, 2026).

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year 1996 with a 1.5 percent annual increase thereafter. Per D.97-05-088, DCISC's continued funding was approved through PG&E's General Rate Case proceedings, most recently in [D.23-11-069](#). Proposed and actual expenditures are listed in Table 14. Per SB 846 (Dodd, Chapter 239, Statutes of 2022), as the Diablo Canyon extension period begins, funding of the DCISC through the General Rate Case will no longer be permitted. During the extension period, DCISC funding will instead be approved and recovered through the annual PG&E Diablo Canyon Extended Operations Forecast proceedings (in 2025, D.24-12-033; in 2026, D.25-12-007). The methodology for determining DCISC funding was approved in D.25-06-002 and is discussed in the 2025 Updates & Accomplishments section above.

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 October 2025.

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

The DCISC's contact information is available [here](#).

Nuclear Decommissioning Trusts

Background

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

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

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

Investment Managers

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

SDG&E:

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

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

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- BlackRock [Qualified Trust/Municipal Bonds]
- Payden & Rygel [Qualified Trust/Short Duration]

PG&E:

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

SCE:

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

Trustee

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

Fund Balances

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

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Table 15. All Trust Fund Balances are through December 31, 2024⁴⁰

Utility	Nuclear Plant	Fund Balance
PG&E	Humboldt Bay Power Plant (HBPP) 3	\$126,000,000
PG&E	Diablo Canyon Power Plant (DCPP) 1	\$1,920,000,000
PG&E	DCPP 2	\$2,523,000,000
PG&E	DCPP Non-Qualified Trust	\$0 ⁴¹
SCE	San Onofre Nuclear Generation Station (SONGS) 1	\$344,000,000
SCE	SONGS 2	\$860,000,000
SCE	SONGS 3	\$1,110,000,000
SDG&E	SONGS 1	\$146,000,000
SDG&E	SONGS 2	\$303,000,000
SDG&E	SONGS 3	\$371,000,000
SCE	Palo Verde 1	\$520,000,000
SCE	Palo Verde 2	\$532,000,000
SCE	Palo Verde 3	\$548,000,000

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.

⁴⁰ The year-end trust fund balances will be updated in February/March 2026

⁴¹ PG&E was ordered to refund the full amount of the CDPP Non -Qualified Trust in D-23-09-004 issued September 26, 2023. As per the PG&E advice letter 7056-E, filed October 27, 2023. The \$81 Million in this trust fund was fully refunded to PG& E ratepayers as of January 1, 2024.

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

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

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

2025 Updates & Accomplishments

The 2024 NDCTP for SONGS and Palo Verde was filed as [A.24-12-003](#) in December 2024. The joint application filed by SCE and SDG&E requested the following:

- Approve costs incurred for decommissioning projects completed at SONGS 1, 2, and 3 between January 1, 2021, and December 31, 2023;
- Approve the SONGS Decommissioning Cost Estimates for Units 1, 2, and 3;
- (SCE only) Approve of the Palo Verde Decommissioning Cost Estimates for Units 1, 2, and 3;
- (SCE only) Find that SCE has provided information about the proceeds from litigation with the Department of Energy as required by D.24-08-001;
- (SDG&E only) Approve of SDG&E's 20 percent share of the Decommissioning Cost Estimate for SONGS Units 1, 2, and 3;
- (SDG&E only) Approve 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, 2021, and December 31, 2023;
- Approve the request to deposit Department of Energy litigation proceeds into the non-qualified nuclear decommissioning trusts; and
- Maintain \$0 annual ratepayer contributions to all of the SONGS decommissioning trusts.

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

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Annual Reporting Updates

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

Expenditures

Tables 16, 17, and 18 below show the actual administrative costs for the utilities’ nuclear decommissioning trusts for the last two available calendar years. Costs for 2025 will not become available until mid-2026.

Table 16. PG&E's Actual Administrative Costs, 2023-2025

Fiscal Year ⁴²	2023	2024	2025
Actual expenditures	\$2,725,000	\$3,020,000	N/A

Table 17. SCE's Actual Administrative Costs, 2023-2025

Fiscal Year	2023	2024	2025
Actual expenditures	\$4,094,032	\$4,752,366	N/A

Table 18. SDG&E's Actual Administrative Costs, 2023-2025

Fiscal Year	2023	2024	2025
Actual expenditures	\$2,913,022	\$2,662,720	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.

⁴² The fiscal year for the Nuclear Decommissioning Trusts is from July 1 – June 30.

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 their annual Decommissioning Master Trust reports with the CPUC, which included:

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

Electric Program Investment Charge

Background

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

Applied R&D and TD&D projects are meant to bring clean energy technologies from earlier stages of development towards commercialization. These project areas are highly diverse, ranging from the development of novel microgrids to improve grid reliability and resiliency in specific locations 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.

2025 Updates & Accomplishments

Investment Plans

In 2025, all four administrators continued implementing the wide range of research, development, demonstration, deployment, and market facilitation activities from their EPIC 2 (2015-2017), EPIC 3 (2018-2020), and EPIC 4 (2021-2025) portfolios. All EPIC 1 projects are complete. One IOU-administered EPIC 2 project and several long-duration CEC-administered EPIC 2 projects remained active as of the end of 2024. Several IOU- and CEC-administered EPIC 3 projects remained active as of the end of 2024. Investment plans for the EPIC 5 (2026-2030) program cycle will be due at a date in 2026, which will be determined in the pending EPIC Proposal Decision slated for publishing in early 2026.

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Table 19. Authorized Funding for EPIC 4 (2021-2025)

CEC	PG&E	SCE	SDG&E	Total
\$740,000,000	\$92,685,000	\$76,035,000	\$16,280,000	\$925,000,000

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

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

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

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

The IOU's also administer a range of projects in TD&D. The IOU's EPIC 4 Investment Plans contain three strategic objectives supported by a combined eleven strategic initiatives. The strategic initiatives are:

- 1) Clean, dispatchable resources;
- 2) Climate and environment;
- 3) Digital transformation;
- 4) Distributed Energy Resource (DER) integration and load flexibility;
- 5) Energy management: foundational technologies;
- 6) Energy management: situational capabilities;
- 7) Grid modernization;
- 8) Transmission and distribution: foundational technologies;
- 9) Transmission and distribution: situational capabilities;

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- 10) Transportation electrification; and
11) Vulnerabilities, threats, and hazard reduction.

As of December 31, 2025, 443 EPIC projects have been completed since program inception at a cost of \$1.849 billion as provided in Tables 20 and 21.

Table 20. EPIC Projects by Administrator and Status, 2012-2025

Administrator	Active Projects	Completed Projects
CEC	235	356
PG&E	27	44
SCE	6	29
SDG&E	6	14
Total	274	443

Table 21. EPIC Spending by Administrator and Program Area, 2012-2025

Administrator	Applied R&D	Technology Demonstration and Deployment	Market Facilitation	Total
CEC	\$593,000,000	\$686,000,000	\$269,000,000	\$1,548,000,000
PG&E	\$0	\$158,000,000	\$0	\$158,000,000
SCE	\$0	\$112,000,000	\$0	\$112,000,000
SDG&E	\$0	\$31,000,000	\$0	\$31,000,000
Total	\$593,000,000	\$987,000,000	\$269,000,000	\$1,849,000,000

Table 21 demonstrates spending for PG&E, SCE, and SDG&E through September 2025, and estimated spending for the CEC through December 2025.

Program Coordination

EPIC administrators are expected to coordinate closely with one another as well as with CPUC proceedings to promote ratepayer benefit, under the oversight of the CPUC. Administrators have continued to participate in regular review meetings, conduct joint webinars and workshops, and regularly collaborate on EPIC-related matters through regular meetings.

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In 2025, EPIC administrators held four EPIC-related public workshops, covering a variety of topics, ranging from transportation electrification, innovative microgrid testing, industrial demand flexibility, grid edge management, cost savings through capital maintenance deferral, inclusive solutions for disadvantaged communities, and affordability. Three of these workshops took public input on specific projects. The workshops focused on promoting awareness and visibility into the EPIC program, facilitating stakeholder engagement, improving coordination among EPIC administrators, and providing transparency regarding emerging technology progress and results. Additionally, in October 2025, the CEC held an in-person and virtual annual EPIC Symposium highlighting key issues for EPIC Program for stakeholders. The Symposium focused on affordability, next-generation vehicle charging, battery safety, large building energy performance, and integration of climate data for grid planning. The CPUC continues to require administrators to work with the CPUC to identify areas for knowledge transfer between EPIC research projects and current CPUC energy policy proceedings.

CPUC [D.23-04-042](#) directed the CPUC to hold a public stakeholder process to inform CPUC guidance in developing measurable program Strategic Goals and Strategic Objectives. On March 7, 2024, [D.24-03-007](#) adopted five Strategic Goals to guide EPIC program investment. The Strategic Goals are:

- Transportation Electrification
- Distributed Energy Resource Integration
- Building Decarbonization
- Achieving 100 Percent Net-Zero Carbon and the Coordinated Role of Gas
- Climate Adaptation

On March 7, 2025 the Commission issued a [Staff proposal](#) identifying Strategic Objectives and criteria to guide EPIC 5 cycle (2026-2030) development. These proposed Strategic Objectives were informed by public stakeholder workshops and technical working groups held in 2024. The Commission also issued the results of an independent EPIC program evaluation with staff findings on April 25, 2025. These reports, along with stakeholder feedback, are expected to inform a Commission Proposed Decision on EPIC 5, anticipated to be issued in early 2026. EPIC administrators will use this guidance to develop electric RD&D Investment Plans, expected to be submitted to the Commission by the end of 2026.

EPIC Database and Program Improvements

In 2025, the EPIC Policy + Innovation Coordination Group (PICG) coordinator continued to maintain and update a comprehensive EPIC project database providing publicly searchable information and data accessible in one place for all EPIC projects, from the inception of the program. The database can be accessed through the [EPIC Database website](#) and the [CPUC RD&D website](#).

Annual Reporting Updates

The annual audit reporting information required by statute is below.

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Expenditures

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

Table 22. EPIC Funding, 2012 – 2025

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

Governance Structure

EPIC investments are funded under the authorization of the CPUC as established by [D.11-12-035](#). Per [D.12-05-037](#), the CEC, SDG&E, PG&E, and SCE, as administrators of the program, are required to present their investment plans for the triennial program periods for consideration by the Commission. [D.20-08-042](#) requires the CPUC to conduct a public proceeding every five years for the period 2021-2030 to consider the five-year EPIC investment plans for coordinated public interest investment in clean energy technologies and approaches. [D.21-11-028](#) renewed SDG&E, PG&E, and SCE as EPIC administrators through 2030.

Schedule of Employees and Compensation

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

Table 23. EPIC Administrator Schedule of Employee Compensation

Year	Gross Compensation
2023	\$18,485,677
2024	\$19,907,258
2025 Year to Date	\$19,802,953

The reporting year for EPIC is January 1 - December 31. Table 23 describes compensation for PG&E, SCE, and SDG&E through September 2025, and estimated compensation for the CEC through December

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2025. The 2024 EPIC value has been updated from the 2024 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 acts as the fiscal manager of the contract with the Accelerate Group, the Project Coordinator for the EPIC Policy + Innovation Coordination Group, without exercising control over the design or scope of the Coordinator's activities as originally directed by the Commission in Proceeding (R) 19-10-005 and per Decisions (D.)18-10-052 and D.23-04-042.. The contract is managed by CPUC's Energy Division and will continue through June 2026. EPIC is funded by the ratepayers of PG&E, SCE, and SDG&E on a proportional basis. Responsibility for collection of the funding for the EPIC funds is allocated to the utilities in the following percentages: PG&E - 50.1 percent; SDG&E - 8.8 percent; and SCE - 41.1 percent.

Public Process and Oversight

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

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

Background

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

The CPUC, through [D.20-03-027](#), appropriated 40 percent of the \$200 million budget for the BUILD Program and 60 percent for the TECH Initiative.

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

To comply with CARB rules governing the use of gas IOU Cap-and-Trade allowance proceeds, initial spending for these programs was proportionally directed to the gas IOU service territories where the funds are derived. All subsequent spending for the BUILD Program and the TECH Initiative with statewide or cross-territory benefits, including but not limited to administrative and evaluation spending, is attributed to the gas IOU service territories in proportion to their original funding contribution.⁴³

⁴³ [Title 17 of the California Code of Regulations Section 95893\(d\)\(3\)](#): "Allowance value, including any allocated allowance auction proceeds, obtained by a natural gas supplier must be used for the primary benefit of retail natural gas ratepayers of each natural gas supplier, consistent with the goals of Assembly Bill 32, and may not be used for the benefit of entities or persons other than such ratepayers."

BUILD Program

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

TECH Initiative

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

Evaluation

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

2025 Updates & Accomplishments

BUILD Program

In March of 2022, the CEC and the CPUC formally adopted BUILD Program guidelines after concluding a public engagement process that began in 2021. Technical assistance under the program was made available in December 2021, before the official launch of the program to ensure greater awareness and support for the upcoming program.⁴⁴ In February of 2025, the BUILD Program Guidelines (Second Edition) were updated with both substantive and non-substantive changes primarily impacting eligibility experience, BUILD calculator use, rental/lease credits to ensure tenant bill savings for non-Virtual Net Energy Metering

⁴⁴ Further information is available at: [Building Initiative for Low-Emissions Development Program](#).

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(VNEM) applicants,⁴⁵ and other updates to minimum equipment requirements. In its fourth year of implementation the program cumulatively received 374 technical assistance applications and 143 incentive applications from low-income housing developers across eligible jurisdictions. Over \$44.54 million in incentive applications have been requested and over \$40 million in incentive applications were approved during this time to support the construction of affordable all-electric single-family and multifamily housing. The table below summarizes the status of the BUILD Program incentive funds since its implementation four years ago.

Table 24. BUILD Program Incentive Funds Status, as of October 2025

BUILD Program	SoCalGas	PG&E	SDG&E	SWG	Total
Program Incentive Funding	\$29,556,000	\$25,404,000	\$4,062,000	\$978,000	\$60,000,000
Incentives Reserved	\$13,826,003	\$25,404,000	\$1,130,635	\$0	\$40,360,638
Balance	\$15,729,997	\$0	\$2,931,365	\$978,0000	\$19,639,362

Further BUILD Program information is available at:

- [BUILD Program Incentives and Technical Assistance Information Website](#)
- [BUILD Program Geographical Information System Website](#)

TECH Initiative

Since launching in 2021, the TECH Initiative has provided incentives for 44,476 single-family HVAC projects and 4,895 single-family water heating projects, as well as incentives for about 16,393 multi-family HPWH units and about 4,409 multifamily HVAC units. The TECH Initiative has enrolled 1,046 contractors across the state. Contractors continue to communicate the value and importance of program consistency and stable incentives. Additionally, the TECH Initiative continues to offer workforce education and training to contractors. To date, an estimated total of 3,584 contractors have attended TECH Initiative-sponsored trainings. Since 2021, the TECH Initiative has sponsored [six pilot projects](#) and [19 Quick Start Grant projects](#) which have either completed or are in progress. The TECH Initiative implementation team hosts public webinars and publishes final reports as projects complete to inform the broader industry about program progress.

⁴⁵ Further explanation of the BUILD Program Guideline February 2025 edits include: (i) BUILD eligible applicants must *collectively* demonstrate at least five (5) years of developer experience. (ii) The BUILD Calculator estimates incentives based on the performance of predetermined building prototypes. Since the BUILD calculator is a less precise tool than the Custom Path Tool it is disallowed except for New Adopter applicants. (iii) Projects located in a service territory without a VNEM program must meet the modeled resident utility cost savings requirements using either individual meters or a measure installation and a rental/lease agreement provision/addendum template.

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In July of 2025, the TECH Initiative launched new activities and incentives funded by the CARB's Greenhouse Gas Reduction Fund (GGRF) for single-family households. Then in November of 2025, the TECH Initiative launched activities and incentives for multi-family households. This was a result of AB 102 (Ting, 2023), Budget Act of 2023, which appropriated \$95 million from the GGRF to augment the TECH Initiative.⁴⁶ As required by the GGRF's Funding Guidelines, 35 percent is directed toward priority populations, specifically Disadvantaged Communities and Low-Income Communities/Households, in alignment with CARB's priority populations equity goals.⁴⁷ Additionally, ongoing implementation will be supported by the Aliso Canyon Disaster Recovery Account, with targeted efforts to assist residents impacted by the Aliso Canyon disaster scheduled to launch in 2026.

Further TECH Initiative information is available at:

- [TECH Clean California Public Reporting Website](#)
- [Switch is On Website](#)

Evaluation

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

In 2025, the following goals have been, or are in the process of being, completed:

- Published a [BUILD Program Process Evaluation Report](#) summarizing findings and recommendations on the program implementation since February 2024.
- Supported each of the natural gas IOUs with CARB reporting for both the BUILD Program and the TECH Initiative.
- Completed Phase 3 of a three-phase cost study to understand the incremental costs of heat pump equipment. Executed analysis and reporting of Phases 2 and 3. Submitted for stakeholder review in September 2025.
- Published and presented findings from the [TECH Population-based Pathway Impact report](#). The study included conducting consumption analysis of pre/post impacts for TECH customers for impact evaluation, including developing a matched comparison group, calculating ex post GHG impacts, bill impacts, and cost per metric ton of GHG emissions saved.
- Published a [Time 1 market assessment](#) for the BUILD Program that updated the established baseline for the BUILD Program. This included updates on stakeholders' experience working in all-electric new

⁴⁶ [CARB GGRF Attestation Memo and Expenditure Record from the CPUC to CARB for the TECH Initiative.](#)

⁴⁷ [Funding Guidelines for Agencies that Administer California Climate Investments.](#)

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construction and perceptions of technology choices, costs and incentives, and technical assistance and training.

- Completed an Impact Evaluation of the BUILD Program. The evaluation included desk reviews and on-site verification of all three BUILD projects completed at the time of the evaluation (Q4 2024). The primary objectives of the study were to estimate ex post greenhouse gas (GHG) reductions in BUILD Program projects compared to a mixed fuel baseline, recommend how ex ante GHG and bill impact estimation protocols, processes, and tools could be improved to increase accuracy, and calculate cost per metric ton of avoided GHG.
- Published a Time 2 market assessment for the TECH Initiative that updated KPIs on customer awareness and familiarity with heat pump technologies, contractor confidence and experience working with heat pumps, and the installed base of heat pumps in single-family and multifamily buildings.
- Completed an updated TECH Process Evaluation Report: analyzed data from the TECH-enrolled contractor survey and included findings from a TECH Multifamily Customer Survey. Published on the California Measurement Advisory Council (Calmac) site in August 2025.
- Completed a TECH Pilots and Quick Start Grants Report. The report included secondary data, dissemination data, and findings from interviews with VEIC staff and pilot teams and survey for QSG teams. Published on Calmac in June 2025.
- Completed a Technology & Policy Brief – Researched technologies, policies; conducted interviews with cutting-edge technology providers, and formatted final product. Published on Calmac in October 2025.
- Analyzed data from an updated Customer Experience and Satisfaction survey; wrote report; went through stakeholder review and published on Calmac in May 2025.
- Created TECH heat pump reference lookup webpage with an alphabetical topics list and related report sections. Available here.
- Began an evaluation of the TECH and ENERGY STAR Manufacturer Action Council (ESMAC) heat pump water heater training, including a review of the protest letters, interviews with key stakeholders, and observations of the training. Compiled findings into a draft report that was submitted for stakeholder review in November 2025.
- Continued collecting data from energy logging equipment on electric panels in participating Californians' homes under the TECH Initiative's End Use Metering (EUM) study and validated and verified data streams on an ongoing basis. Transferred historical data and future data collection responsibilities to the CPUC at the conclusion of the study in fall 2025. Began analyzing the data, including load shape calculations for each participant and an exit survey to collect detailed information on home and equipment characteristics and usage patterns, which will help inform the load shape analysis.
- Submitted a memo to the CPUC on benefit-cost analysis (BCA) practices and precedent in California, and what it means for BCA best practices for the SB 1477 decarbonization programs.

Annual Reporting Updates

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

Appendices

Appendix A. Pacific Forest and Watershed Lands Stewardship Council

Appendix A.1 Employee Compensation

Table 25. 2025 Year to Date (YTD) Schedule of Employee Compensation through December 31, 2025⁴⁸

Title	Gross Pay	Medical & Fringe	401k	Total
Grand Total (0 positions)	N/A	N/A	N/A	N/A

Table 26. 2024 Year to Date (YTD) Schedule of Employee Compensation through December 31, 2024⁴⁹

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	\$80,588	\$6,791	\$744	\$88,123
Grand Total (1 position)	\$80,588	\$6,791	\$744	\$88,123

⁴⁸ The Stewardship Council dissolved as a nonprofit organization in April 2024.

⁴⁹ The Executive Director was separated from employment on December 31, 2023 due to the dissolution of the Stewardship Council and received a severance payment in 2024.

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Table 27. 2023 Year to Date (YTD) Schedule of Employee Compensation through October 31, 2023

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	\$93,029	\$12,791	\$3,721	\$109,541
Director of Programs	\$75,417	\$9,422	\$3,017	\$87,856
Administrative Manager	\$54,904	\$333	\$2,196	\$57,433
Other Staff (1)	\$34,965	0	\$1,399	\$36,364 ⁵⁰
Grand Total (4 positions)	\$258,315	\$22,546	\$10,333	\$291,194

Appendix A.2 Professional Fees

Table 28. Schedule of Professional Fees YTD as of October 31, 2025 by General Ledger Category

General Ledger Category	Total Paid
Legal Fees	N/A
Accounting Fees	N/A
Graphics & Media Fees	N/A
Investment Management Fees	N/A
Professional Services Fees	N/A
Boundary Surveys	N/A
Baseline Documentation	N/A
Land Planning Fees	N/A
Land Transfer Costs	N/A
Legal Fees	N/A

⁵⁰ This amount reflects a January 2023 severance payment made to a separated employee.

Appendix B: California Emerging Technology Fund Grantee Partners Launch of New 5-Year Strategic Plan

Appendix B.1 List of Grantees

Table 29: California Emerging Technology Fund Grantees as of June 30, 2025

Grantee Partner	Grant
GRANTS FROM CETF FUNDS	
<i>Enrollments of Low-Income HHs for Affordability*</i>	\$28,180
American GI Forum Education Foundation	\$16,255
Binational of Central California	\$495
California State University, Fresno Foundation	\$2,835
Sigma Beta Xi	\$4,815
Southeast Community Development Corporation	\$765
Southland Integrated Systems	\$3,015
<i>Digital Equity Leadership Grants*</i>	\$3,425,000
BizFed Institute Los Angeles /Orange County Regional Broadband Collaborative)	\$125,000
California Counties Foundation (California State Association of Counties)	\$350,000
California State University, Chico (NCCC-UCCC RBCs)	\$175,000
California State University, Fresno Foundation (San Joaquin Valley RBC)	\$175,000
CalPoly Humboldt State University (Redwood Coast Action RBC)	\$100,000
Economic Development Collaborative (BCPC RBC)	\$175,000
Imperial Valley Economic Development Corporation (SBBC)	\$125,000
Inland Empire Regional Broadband Consortium	\$175,000
Los Angeles Economic Development Corporation (LA DEAL RBC)	\$100,000
MADIA Tech Launch	\$10,000
Manchester Community Technologies	\$30,000
Monterey Bay Economic Partnership (CCBC RBC)	\$100,000
Nevada County	\$75,000

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Grantee Partner	Grant
NextGen Policy	\$250,000
Orange County Education and Research Institute	\$10,000
San Diego Association of Governments	\$300,000
San Joaquin Valley Network (SJVRBC)	\$180,000
Sierra Business Council (Gold Country RBC)	\$125,000
Sonoma County (North Bay North Coast Broadband Consortium–NBNCBC)	\$125,000
Southeast Community Development Corporation	\$45,000
Southern California Association of Governments	\$400,000
Valley Vision (Connected Capital Area Broadband Consortium)	\$175,000
WiConduit	\$100,000
<i>Local Government Best Practices Check List Project*</i>	<i>\$1,135,000</i>
45 Local Governments Submitted Check Lists @ \$1,000	\$45,000
35 Local Governments in Learning Community (see below) @ \$20,000	\$700,000
Broadband Consortium of the Pacific Coast (BCPC-EDC)	\$30,000
Central Coast Broadband Consortium (CCBC-MBEP)	\$20,000
Connected Capital Area Broadband Consortium (CCABC-Valley Vision)	\$40,000
Eastern Sierra Broadband Consortium (Inyo County)	\$10,000
Gold Country Broadband Consortium (Sierra Business Council)	\$30,000
Los Angeles Digital Equity Action League (LA DEAL-LAEDC-UNITE-LA)	\$100,000
North Bay North Coast Broadband Consortium (NBNCBC-Sonoma County)	\$50,000
Northeastern and Upstate California Connect Consortia (NCCC-UCCC-CSUC)	\$10,000
Redwood Coast Action Broadband Consortium (CalPoly Humboldt)	\$10,000
San Diego Association of Governments	\$10,000
San Joaquin Valley Regional Broadband Consortium (CSUF Foundation)	\$10,000
Southern Border Broadband Consortium (IVEDC)	\$20,000
Southern California Association of Governments	\$50,000
<i>Match for CASF AB617 Communities Grant</i>	<i>\$52,000</i>
Tech Exchange (Total Grant \$36,000)	\$26,000

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Grantee Partner	Grant
Valley Vision (Total Grant \$36,000)	\$26,000
CETF TOTAL GRANTS	\$4,640,180
GRANTS MANAGED BY CETF	
<i>Riverside County Partnership*</i>	<i>\$644,738</i>
American GI Forum Education Foundation	\$491,900
Asian Youth Center	\$130
Binational of Central California	\$65
California Foundation for Independent Living Centers	\$120
California State University, Fresno Foundation	\$10,585
Human-I-T	\$1,865
Signa Beta Xi	\$138,228
Southeast Community Development Corporation	\$1,325
Southland Integrated Systems	\$195
Thai Community Development Center	\$325
<i>CASF 3 Digital Literacy Grants*</i>	<i>\$225,000</i>
American GI Forum Education Foundation	\$153,000
Sigma Beta Xi	\$45,750
Southeast Community Development Corporation	\$26,250
<i>CASF Call Center Grant</i>	<i>\$752,765</i>
American GI Forum Education Foundation	\$752,765
Asian Youth Center	\$390
Binational of Central California	\$6,175
California State University, Fresno Foundation	\$4,810
Sigma Beta Xi	\$27,105
Southeast Community Development Corporation	\$3,315
Southland Integrated Systems	\$975
<i>CASF AB617 Call Center Grant</i>	<i>\$51,800</i>
American GI Forum Education Foundation	\$12,285

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Grantee Partner	Grant
Binational of Central California	\$325
California State University, Fresno Foundation	\$390
Sigma Beta Xi	\$1,235
Southeast Community Development Corporation	\$65
<i>Kaiser Permanente Foundation Grant*</i>	<i>\$18,750</i>
Latinas Contra Cancer	\$18,750
<i>AT&T Foundation Corporate Responsibility Grant*</i>	<i>\$35,000</i>
Catholic Charities of Santa Clara County	\$18,550
Community Bridges	\$6,300
Latinas Contra Cancer	\$10,150
TOTAL GRANTS MANAGED BY CETF	\$1,770,823
<i>*Grants Concluded in FY24-25 (Regional Broadband Consortium "RBC")</i>	
35 Local Governments in Best Practices Check List Project Learning Community	
<i>Counties</i>	
Del Norte	\$20,000
Inyo	\$20,000
Marin	\$20,000
Mono	\$20,000
Napa	\$20,000
Nevada	\$20,000
Plumas	\$20,000
San Benito	\$20,000
San Francisco	\$20,000
Sonoma	\$20,000
Sierra	\$20,000
Yuba	\$20,000
<i>Cities</i>	
American Canyon	\$20,000

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Grantee Partner	Grant
Artesia	\$20,000
Bell Gardens	\$20,000
Bellflower	\$20,000
Brawley	\$20,000
Cathedral City	\$20,000
Ingelwood	\$20,000
Isleton	\$20,000
Long Beach	\$20,000
Los Angeles	\$20,000
Maywood	\$20,000
Moorpark	\$20,000
Ontario	\$20,000
Palmdale	\$20,000
Placerville	\$20,000
Rosemead	\$20,000
San Anselmo	\$20,000
San Diego	\$20,000
San Luis Obispo	\$20,000
Sand City	\$20,000
Santa Paula	\$20,000
South El Monte	\$20,000
West Sacramento	\$20,000

Appendix C. The California Hub for Energy Efficiency Financing

Appendix C.1 Finance Pilots' Budget

Table 30: CHEEF Pilot Phase Budget (historical), September 2014-June 2022

Item	Allocated	Expended	Balance
CAEATFA Hub Administration ⁵¹			
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 ⁵²	\$23,060,000 ⁵³	\$17,674,005	\$5,385,995
Subtotal Hub Administration Costs ⁵⁴	\$23,060,000	\$17,674,005	\$5,385,995
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan ⁵⁵	\$8,000,000	\$7,954,727	\$45,273
Subtotal Marketing, Education, and Outreach ⁵⁶	\$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 ⁵⁷	(\$9,863,976)		
Subtotal Credit Enhancement Funds Allocated after IOU Administrative Costs net of \$7,700,000 of credit enhancement funds for reallocation to administrative expenses if needed	\$25,336,024	\$252,467 ⁵⁸	\$25,083,557

⁵¹ Includes start-up costs, Hub administration, direct implementation, outreach, and training.

⁵² 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.

⁵³ Include credit enhancement funds allocated to the CAEATFA for FYs 20-22, if needed per Resolution E.5072.

⁵⁴ Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.

⁵⁵ The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.

⁵⁶ The initial allocation for ME&O also included \$2 million to the CAEATFA for outreach to finance companies and contractors.

⁵⁷ The IOUs and CHEEF filed Program Implementation Plans (PIPs) in 2014 and 2015.

⁵⁸ Credit enhancement expenses consist of \$252,467 paid out in net claims to the GGH lenders.

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Item	Allocated	Expended	Balance
Funds currently encumbered ⁵⁹	\$5,070,010		\$20,013,547
IOU Administration ⁶⁰			
Administration, General Overhead, and Direct Implementation per PIPs.	\$9,863,976		
IT Costs	\$8,000,000	TBD	TBD
Subtotal IOU Administration ⁶¹	\$17,863,976		
Hub Pilot Reserve			
Subtotal Remaining Reserve ⁶²	\$984,931		\$984,931
Grand Total	\$75,244,931	\$43,745,175	\$31,499,756

Table 31: CHEEF Current Budget, July 2022-June 2025

Item	Allocated	Expended	Balance
CAEATFA Hub Administration⁶³			
Authorized through Decision 21-08-006	\$23,255,041	\$10,976,360	\$12,278,681
Subtotal Hub Administration Costs ⁶⁴	\$23,255,041	\$10,976,360	\$12,278,681
Marketing, Education, and Outreach (MEO)			
Statewide MEO plan ⁶⁵	\$8,000,000	\$4,841,651	\$3,158,349

⁵⁹ Includes contributions to Finance Company loss reserve accounts net of claims paid and net of funds recaptured through annual rebalances.

⁶⁰ Includes start-up costs, On Bill Repayment build-out, and direct implementation.

⁶¹ 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.

⁶² This amount reflects the remaining balance after the release of reserve funds to the CAEATFA.

⁶³ Includes start-up costs, Hub administration, direct implementation, outreach, and training.

⁶⁴ Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.

⁶⁵ The contract for the statewide marketing implementer is administered by SoCalGas. The numbers reflect data reported to the CAEATFA.

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Item	Allocated	Expended	Balance
Subtotal Marketing, Education, and Outreach	\$8,000,000	\$4,841,651	\$3,158,349
Credit Enhancement			
Initial Allocation per D.13.09.044	\$43,919,485		
Subtotal Credit Enhancement Funds	\$43,919,485	\$2,413,124 ⁶⁶	\$41,506,361
Funds currently encumbered ⁶⁷	\$16,625,851		\$24,880,510
Grand Total	\$75,174,526	\$18,231,135	\$56,943,391

⁶⁶ Credit enhancement expenses consist of \$2,413,124 paid out in net claims to the GGF lenders.

⁶⁷ Includes contributions to Finance Company loss reserve accounts plus recoveries net of claims paid and net of funds recaptured through annual rebalances.