

Decision 15-10-004 October 1, 2015

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.

Rulemaking 12-11-005  
(Filed November 8, 2012)

**DECISION MODIFYING AND EXPANDING THE LOW-INCOME ELIGIBILITY REQUIREMENTS OF THE CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM IN DECISION 11-10-015**

**Summary**

This decision modifies Decision (D.) 11-10-015<sup>1</sup> to expand the eligibility requirements for customers seeking to participate in the California Solar Initiative (CSI) Thermal Low-Income Program. The program is expanded to include customers participating in the Low-Income Weatherization Program (LIWP) and Low-Income Home Energy Assistance Program (LIHEAP).<sup>2</sup> Currently, under D.11-10-015 and Public Utilities Code Section 2866(c),<sup>3</sup> customers must participate in a California Public Utilities Commission-approved

<sup>1</sup> D.11-10-015, *Decision on Low-Income Solar Water Heating Component of the California Solar Initiative Thermal Program* (October 6, 2011).

<sup>2</sup> LIHEAP is a federal low-income energy efficiency program administered by the U.S. Department of Health and Human Services' Office of Community Services. LIWP is a state low-income energy efficiency program administered by the California Department of Community Services and Development.

<sup>3</sup> All code section references are to the Public Utilities Code unless otherwise indicated.

and supervised gas corporation low-income energy efficiency program to be eligible to participate in the CSI Thermal Program. This decision proposes to expand the eligibility requirement beyond Section 2866(c) and to modify Finding of Fact 5 and Conclusion of Law 4 of D.11-10-015 so that customers participating in the LIWP and LIHEAP, state and federally administered low-income energy efficiency programs, are eligible to participate in the CSI Thermal Program.

The Program Administrators, including Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and The Center for Sustainable Energy (CSE),<sup>4</sup> are directed to file a Tier 1 Advice Letter within seven days the effective date of this decision to incorporate today's modifications to D.11-10-015 into the CSI Thermal Handbook (Section 2.2.1.1).

This proceeding remains open.

## **1. Background**

On October 6, 2011, the California Public Utilities Commission (Commission) issued Decision (D.) 11-10-015, which established the California Solar Initiative (CSI) Thermal Low-Income Program. D.11-10-015 also implemented Section 2866(c),<sup>5</sup> which provided that the Commission may extend eligibility for the CSI Thermal Low-Income Program to include residential housing occupied by ratepayers participating in a Commission-approved and supervised gas corporation low-income energy efficiency program. The low-income energy efficiency program that customers are currently required to

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<sup>4</sup> CSE administers the program on behalf of San Diego Gas and Electric Company..

<sup>5</sup> Section 2866 directs the Commission to provide not less than 10 percent of the overall funds available for the CSI Thermal Program to the installation of solar water heating systems on low-income residential housing.

participate in to qualify for the CSI Thermal Low-Income Program is known as the Energy Savings Assistance Program (ESAP).<sup>6</sup> ESAP is a state-level low-income energy efficiency program, which is administered by Commission-regulated gas and electric corporations. The CSI Thermal Low-Income Program eligibility requirement of ESAP participation has been incorporated into the CSI Thermal Handbook (Section 2.2.1).

The California Department of Community Services and Development (CSD) has played an integral role in implementing the CSI Thermal Low-Income Program. The CSD provides no-cost energy efficiency weatherization upgrades and, importantly for purposes of today's decision, solar water heating system installations to low-income residents in California. CSD provides these services as part of its effort to meet California's low-income cap-and-trade goals.<sup>7</sup> The CSD low-income solar water heating program, known as the Solar Water Heating (SWH) Pilot Program, is part of its broader weatherization program, which receives state funding under the Low-Income Weatherization Program<sup>8</sup> (LIWP) and federal funding under the Low-Income Home Energy Assistance Program (LIHEAP).<sup>9</sup>

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<sup>6</sup> *Id.*; See D.11-10-015, Finding of Fact 5 and Conclusion of Law 4.

<sup>7</sup> See Senate Bill (SB) 862 (ch. 36, Stats. 2014). The low-income cap-and-trade goals are, generally, to reduce greenhouse gas emissions and reduce energy costs for qualified low-income households in designated disadvantaged communities, as identified by the Cal-EPA.

<sup>8</sup> LIWP is state funded through cap-and-trade auction proceeds authorized by SB 862 that are directed through the California State Budget. LIHEAP is federally funded by the United States Department of Health and Human Services.

<sup>9</sup> CSD has used a portion of its federal LIHEAP funding to install no-cost to the customer Solar Water Heating systems on qualified single-family low-income housing. Going forward, CSD will be using LIWP funds to support its SWH Pilot Program. By combining future LIWP and existing LIHEAP funding with the incentives available under the CSI Thermal Low-Income Program, CSD has access to a larger pool of funds to support more low-income SWH

*Footnote continued on next page*

The eligibility requirements in Section 2866(c) and in D.11-10-015 require that customers participate in ESAP to be eligible for CSI Low-Income Thermal Program funding. This requirement currently limits CSD's ability to implement its SWH Pilot Program, as explained more fully in the next section.

This decision seeks to broaden the program eligibility rules so that the Commission, together with the CSD, can work towards achieving the goals of Section 2866 to promote low-income solar water heating systems by supporting CSD's SWH Pilot Program.

**2. Modification of the Eligibility Requirements in Decision 11-10-015 to Include the Low-Income Weatherization Program and Low-Income Home Energy Assistance Program**

The CSD, through its SWH Pilot Program, has supported the majority of the single-family solar heating system installations achieved in the CSI Thermal Low-Income Program. However, the ESAP requirement in D.11-10-015 limits the ability of the CSD to implement its SWH Pilot Program.

Specifically, the ESAP participation requirement from Section 2866(c) that was adopted in D.11-10-015 adds undue complexity to the CSI Thermal Low-Income Program participation process. CSD has had difficulty in targeting low-income SWH Pilot Program participants because: (1) CSD cannot readily access customer information related to ESAP participation from the investor-owned utilities (IOUs) because this data is confidential; (2) many households that are eligible for the CSI Thermal Low-Income Program have already received energy efficiency weatherization upgrades through ESAP and,

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installations in California. CSD's SWH Pilot Program was established in 2013 to address a critical issue: no single-family applications had been received by the CSI Thermal Program Administrators one year into the CSI Thermal Low-Income Program.

as a result, CSD cannot offer concurrent energy efficiency weatherization upgrades and a solar water heating system installation; and (3) CSD cannot efficiently coordinate its weatherization and solar water heating programs on a single property to assess for, install, and inspect weatherization retrofits and SWH systems at the same time.

To support CSD's implementation of its SWH Pilot Program and to maximize participation in the CSI Thermal Low-Income Program, we modify D.11-10-015 to also include, as an additional eligibility options, customer participation in LIWP or LIHEAP. This modification will enable CSD to more readily identify eligible households through LIWP or LIHEAP, since CSD has access to a database of LIWP and LIHEAP-eligible housing in California. We envision that by expanding the eligibility requirements to include LIWP and LIHEAP as options for meeting the low-income energy efficiency eligibility requirement established in D.11-10-015, CSD will be able to increase customer participation in the CSI Thermal Low-Income Program.

Increased participation supports the Commission's goals for the CSI Thermal Program.<sup>10</sup> In addition, by including LIWP and LIHEAP as eligible low-income energy efficiency programs, CSD will be able to better coordinate its LIWP and LIHEAP energy efficiency weatherization efforts with its SWH Pilot Program so that CSD can offer full housing retrofits and systematically assess for, install, and inspect energy efficiency upgrades and solar water heating systems on eligible low-income housing.

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<sup>10</sup> The CSI Thermal Program's goal is to displace 585 million therms of natural gas usage (which is approximately the equivalent of the output of 200,000 solar water heating systems).

LIHEAP and LIWP are not Commission-approved or supervised low-income energy efficiency programs. Therefore, they do not fall within the requirements of Section 2866(c). However, the Commission may rely on its general authority under Section 701<sup>11</sup> to expand eligibility requirements, consistent with the goals of the CSI Thermal Program, to achieve the best results.

Given that CSD has been responsible for supporting the majority of CSI Thermal single-family low-income applications to date, the Commission finds that it is reasonable to expand upon Section 2866(c) to additionally include LIWP and LIHEAP as eligibility options.

**3. LIWP and LIHEAP Income Eligibility Requirements are Lower than the Income Eligibility Requirements under CARE**

The LIWP and LIHEAP income eligibility requirements are lower than those of ESAP, and therefore, no additional customers would be eligible for CSI Thermal low-income incentives under LIWP and LIHEAP that would not already be eligible under ESAP.<sup>12</sup>

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<sup>11</sup> Section 701 provides that “The Commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient to the exercise of such power and jurisdiction.”

<sup>12</sup> The LIWP and LIHEAP income eligibility requirements are the same.

**Table 1: Comparison of ESAP and LIHEAP Income Eligibility Requirements**

Persons in Household	2015-16 ESAP Annual Income Eligibility Requirement (\$) <sup>13</sup>	2015 LIWP/LIHEAP Annual Income Eligibility Requirement (\$) <sup>14</sup>
1	\$31,860	\$23,963
2	\$31,860	\$31,336
3	\$40,180	\$38,709
4	\$48,500	\$46,082
5	\$56,820	\$53,455
6	\$65,140	\$60,828
7	73,460	\$62,211
8	\$81,780	\$64,593
9	\$8,320 (each additional person beyond 8)	\$65,976
10		\$66,358

As such, we find that LIWP and LIHEAP, which provide more stringent requirements than existing state-approved LIEE programs, are reasonable additional options for establishing eligibility for low-income residents to participate in the CSI Thermal Low-Income Program. D.11-10-015 is modified to include LIWP and LIHEAP as eligible low-income energy efficiency programs.

#### **4. Comments on Proposed Decision**

The proposed decision of assigned Commissioner Picker in this matter was mailed to the parties in accordance with Section 311. Comments were filed on September 21, 2015. In response to comments, minor substantive changes have been made.

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<sup>13</sup> ESAP income limits are effective through May 31, 2016.  
See <http://www.cpuc.ca.gov/PUC/energy/Low+Income/liee.htm>.

<sup>14</sup> See <http://www.csd.ca.gov/Services/HelpPayingUtilityBills/EnergyIncomeGuidelines.aspx>

## **5. Assignment of Proceeding**

Michael Picker is the assigned Commissioner and Regina M. DeAngelis is the assigned Administrative Law Judge for this proceeding.

### **Findings of Fact**

1. D.11-10-015 implemented Section 2866(c) and extended low-income incentives to residential housing occupied by ratepayers participating in a Commission-approved and supervised gas corporation low-income energy efficiency program.
2. ESAP, a Commission-approved and supervised gas corporation low-income energy efficiency program, was adopted as the low-income energy efficiency program to meet the requirement in Section 2866(c).
3. CSD, through its SWH Pilot Program, supports the majority of single-family solar heating system installations under the CSI Thermal Low-Income Program.
4. The ESAP requirement in D.11-10-015 currently hinders the ability of the CSD to implement its SWH Pilot Program.
5. CSD cannot access customer information related to ESAP participation from the IOUs because this data is confidential.
6. Many households that are eligible for the CSI Thermal Low-Income Program have already received energy efficiency weatherization upgrades through the ESAP and, as a result, CSD cannot offer both energy efficiency weatherization upgrades and a SWH system installation to these residences.
7. CSD cannot efficiently coordinate its weatherization and SWH programs on a single property to assess for, install, and inspect weatherization retrofits and SWH systems at the same time.



8. The LIWP and LIHEAP income eligibility requirements are lower than those of ESAP.

**Conclusions of Law**

1. Under Section 701 of the Pub. Util. Code, the Commission may expand the CSI Thermal Low-Income Program eligibility requirements.

2. By expanding the low-income eligibility requirements to include the LIWP and the LIHEAP as options for meeting the LIEE program participation eligibility requirement, CSD will be able to increase customer participation in the CSI Thermal Low-Income Program. Increased participation should, in turn, support the Commission's goals for the CSI Thermal Program.

3. Modifying D.11-10-015 to include, as an additional eligibility option, *customer participation in the Low-Income Weatherization Program or the Low-Income Home Energy Assistance Program* will support CSD's implementation of its SWH Pilot Program and will maximize participation in the Commission's CSI Thermal Low-Income Program by enabling CSD to more readily identify eligible residences participating in LIWP and LIHEAP.

4. While adding LIWP and LIHEAP as eligibility requirements is an expansion of the program, no additional customers would be eligible for CSI Thermal Low-Income incentives under LIWP and LIHEAP than are already eligible under ESAP because the LIWP's and the LIHEAP's income requirements are more stringent than those of the ESAP.

**O R D E R**

**IT IS ORDERED** that:

1. Finding of Fact 5 in Decision 11-10-015 is modified to include the Low-Income Weatherization and the Low-Income Home Energy Assistance Programs as eligible low-income energy efficiency programs. Finding of Fact 5 is modified as follows: “Section 2866(c) allows the California Public Utilities Commission (Commission) to extend eligibility for low-income Solar Water Heating incentives to residential housing occupied by ratepayers participating in a qualifying gas corporation low-income energy efficiency program, Energy Savings Assistance Program. Additionally, under Section 701, the Commission expands the CSI Thermal low-income program to include households participations in the Low Income Weatherization Program and the Low-Income Home Energy Assistance Program.”

2. Conclusion of Law 4 of Decision 11-10-015 is modified as follows: “The California Public Utilities Commission should extend low-income solar water heating incentives to residential housing occupied by ratepayers participating in state or federal low-income energy efficiency programs (Energy Savings Assistance Program, Low-Income Weatherization Program and Low-Income Home Energy Assistance Program).”

3. Within seven-days of the effective date of this decision, the California Solar Initiative Thermal Program Administrators, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and the Center for Sustainable Energy, shall jointly file a Tier 1 Advice Letter (AL) to revise the California Solar Initiative Thermal Handbook, consistent with today’s decision. The Tier 1 AL shall include amendments to Section 2.2.1.1 and any

other relevant sections of the Handbook to incorporate changes to the program needed to align with this decision.

4. Rulemaking 12-11-005 remains opens.

This order is effective today.

Dated October 1, 2015, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners