

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



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Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.	Application 11-05-017 (Filed May 16, 2011)
Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.	Application 11-05-018 (Filed May 16, 2011)
Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget (U39M).	Application 11-05-019 (Filed May 16, 2011)
Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.	Application 11-05-020 (Filed May 16, 2011)

**THE GREENLINING INSTITUTE'S OPENING COMMENTS**

**ON THE PROPOSED DECISION**

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## **THE GREENLINING INSTITUTE'S OPENING COMMENTS ON THE PROPOSED DECISION**

### **Introduction**

In accordance with Rule 14.3 of the California Public Utilities Commission's (CPUC or "the Commission") Rules of Practice and Procedure, the Greenlining Institute (Greenlining) submits these comments on the Proposed Decision (PD) regarding the applications for approval of the 2012-2014 Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets of Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) (collectively "IOUs").

Unfortunately, the PD proposes sweeping changes to the CARE program, effectively eliminating Categorical Eligibility, without providing any substantive evidence to support these changes. The PD's actions would eliminate hundreds of thousands of eligible CARE customers. The Commission should reject these changes.

However, we applaud the Commission's ongoing efforts to meet the Energy Efficiency Strategic Plan goal of connecting disadvantaged communities to job training and career pathways within the energy efficiency industry. The PD's focus on data collection and proactive planning is a meaningful step toward meeting California's workforce needs. The recommendations below will further strengthen the Commission's Workforce Education & Training (WE&T) guidance.

### **I. The PD Makes Sweeping, Unsupported Changes to the CARE Program.**

While long-standing Commission policy is to encourage high CARE penetration, the PD instead finds that high CARE penetration rates must be indicative of numerous CARE customers who are actually ineligible for the program.<sup>1</sup> The PD eliminates the current emphasis on a 90% CARE penetration target (and fails to establish another target), a change that was not sought by any of the IOUs.<sup>2</sup> The PD makes this significant and abrupt reversal of Commission policy in order to accommodate its other changes, which would result in the elimination of hundreds of thousands of customers from the CARE program and would greatly impede future CARE enrollment.

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<sup>1</sup> See PD, pp. 177-79

<sup>2</sup> See PD, p. 179.

The PD requires that *all* Categorically Enrolled customers are to undergo Post Enrollment Verification (requiring income documentation) within three months of enrollment; moreover 25% of all CARE customers (not just new enrollees) are to undergo Post Enrollment Verification annually; these two changes were not requested by any IOU.<sup>3</sup> A CARE customer that fails to respond to an income verification request would be barred from self-certified enrollment for 24 months; while this request was made by SCE, it is applied to all IOUs “[t]o ensure consistency statewide.”<sup>4</sup> Moreover, all CARE recertifications would require income documentation for renewal.<sup>5</sup> These changes will be deleterious to the CARE program and should be rejected.

Greenlining also supports and incorporates by reference those sections of the Center For Accessible Technology’s and the Division of Ratepayer Advocates’ Opening Comments on the PD which explain how the repeal of the 90% CARE enrollment goal and the sweeping changes to Categorical Eligibility are erroneous and contrary to CARE legal mandate.

**A. The PD Fails to Consider CARE’s Statutorily Assigned Role to Ensure Affordability of Energy.**

The PD’s changes undermine the role of the CARE program of ensuring energy affordability for low-income Californians. California law states:

In order to meet legitimate needs of electric and gas customers who are unable to pay their electric and gas bills and who satisfy eligibility criteria for assistance, recognizing that electricity is a basic necessity, and that *all residents of the state* should be able to afford essential electricity and gas supplies, the commission shall ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures.<sup>6</sup>

Thus, California law charges the Commission with ensuring affordability for *all residents*, including low-income customers if they satisfy eligibility criteria. In order to fulfill this mandate of affordability for *all* low-income customers, the Commission is charged with creation of the CARE program.<sup>7</sup>

In order for the CARE program to provide affordability for *all* residents, efforts must be made to achieve widespread enrollment. Indeed, the Commission must “examine methods to

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<sup>3</sup> See PD, p. 179. Several IOUs did request income documentation to be required at Post Enrollment Verification, but did not specify how many customers should undergo this process.

<sup>4</sup> See PD, p. 180.

<sup>5</sup> See PD, p. 179.

<sup>6</sup> Cal. Pub. Util. Code § 382(b) (emphasis added).

<sup>7</sup> See Cal. Pub. Util. Code § 739.1(b)

improve CARE enrollment and participation.”<sup>8</sup> One of these methods the State requires the Commission to examine and implement is Categorical Eligibility:

The commission shall improve the CARE application process by cooperating with other [government] entities ... to ensure that *all gas and electric customers eligible for public assistance programs* in California ... are enrolled in the CARE program.<sup>9</sup>

Thus, the Commission had developed Categorical Eligibility as a means of achieving affordability for all low-income customers enrolled in appropriate public assistance programs. However, the PD eliminates Categorical Eligibility as a means of achieving universal affordability, removing hundreds of thousands of eligible CARE customers from enrollment. Thus, the PD contravenes the statutory guidance provided to the Commission regarding CARE, Categorical Eligibility and enrollment processes.

**B. The PD Provides Minimal or Invalid Support for Its Finding that Categorical Eligibility Is Leading to a Sizable Number of Ineligible Customers.**

The PD compares penetration rates for the CARE and the ESA programs to arrive at an unsupported conclusion:

While we understand that the two programs are different in several ways which likely attributes to some of the differences in those penetration figures, we cannot ignore the reality that the current CARE penetration numbers and projections, all *confirm* that there is a sizable number of ineligible customers enrolled in the CARE program and receiving CARE subsidy rates to which they are not entitled.<sup>10</sup>

This weakly supported “confirmation” is the basis for the PD’s reversal of long-standing Commission views about the desirability of a high CARE penetration rate, finding instead that high penetration rates means something is wrong.<sup>11</sup> The PD cites only similarly anecdotal evidence as the only support for the above finding that “there is a sizable number of ineligible customers enrolled in the CARE program.”<sup>12</sup> The evidence is simply not sufficient to support this finding, or to support the effective elimination of the Categorical Eligibility program.

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<sup>8</sup> Cal. Pub. Util. Code § 739.1(d)

<sup>9</sup> Cal. Pub. Util. Code § 739.1(e)(1)

<sup>10</sup> PD, p. 177 (emphasis added).

<sup>11</sup> See Finding of Fact 111:

After more than 20 years of outreach and enrollment efforts, the CARE Program is looking at extraordinarily high enrollment figures and penetration rates that should raise some eyebrows for the stewards of ratepayer funds

<sup>12</sup> The only other evidence cited in the PD include:

1) An unsupported statement that the IOUs have identified “a significant concern “ that Categorical Eligibility leads to “CARE subsidies being diverted from legitimate CARE eligible customers and ratepayers to ineligible

The PD makes the following statement in support of its finding of widespread ineligibility:

The IOUs, in their Applications, also propose to begin Post Enrollment Verification for all categorically enrolled customers because they have found in their experience a significant number of self-submitted income information from those customers who have enrolled via the Categorical Eligibility and Enrollment Program show actual incomes at a higher household income levels than currently permitted by CARE.<sup>13</sup>

The IOUs did not propose Post Enrollment Verification of all customers, but rather more limited measures. The PD also fails to analyze the majority of evidence provided by the IOUs, most of which was anecdotal. However, statistical evidence was presented within the proceeding that specifically describes the scope of the Categorical Eligibility customers who report incomes above CARE income guidelines. In testimony, SDG&E and SoCalGas provided data for customers who applied to CARE through Categorical Eligibility. Their data demonstrates that only 2.3% to 2.5% of those customers enrolled through the Categorical Eligibility program, who also reported their income, reported income that exceeded the CARE income guidelines.<sup>14</sup>

Even if we assume that 2.5% of all Categorical Eligibility CARE customers would report incomes that exceed the CARE income guidelines, this is simply not evidence of a “sizable number of ineligible customers.”<sup>15</sup> The above figures were cited by numerous parties in briefs as being the

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households.” PD, p. 172. Even if there was support for the IOUs “concern,” it would be inaccurate to say that ineligible CARE customers divert the CARE subsidy from eligible customers.

2) An unsupported statement that the IOUs propose changes to Categorical Eligibility because they have found “a significant number” of Categorical Eligibility enrollees that report incomes higher than CARE’s income guidelines. *See* PD, p. 173;

3) The PD states that there are “projections” that the CARE penetration rate may reach or exceed 100% of the CARE eligible population within many of the IOUs territories. *See* PD, pp. 176-77, Finding of Fact 113. The PD does not state where these projections are to be found.

4) The PD also cites an evaluation of the ESA program that found that “[ESA Program] contractors found that *some* CARE participants were not eligible for [ESA Program] because their income could not be verified or was too high.” PD, pp. 177-78 (emphasis added) (citing the Evaluation Final Report: Low Income Energy Efficiency Process Evaluation, dated June 10, 2011).

<sup>13</sup> PD, p. 173.

<sup>14</sup> SDG&E examined the 57% of Categorical Eligibility customers who also provided income information in 2009 and 2010 and found 2.3% (2009) and 2.5% (2010) of those customers reported income above CARE guidelines. *See* Prepared Direct Testimony of Ted Reguly on Behalf of SDG&E’s ESA Program and CARE Program Plans and Budgets for Program Years 2012, 2013 and 2104 (“Reguly Testimony”), pp. TMR-7 & TMR-8. SCG examined the 28% of CE applicants approved between June and December 2010 who also provided income information and found that 2.3% of those customers reported income above CARE guidelines. *See* Prepared Direct Testimony of Gillian Wright on Behalf of SoCalGas’ ESA Program and CARE Program Plans and Budgets for Program Years 2012, 2013 and 2104 (“Wright Testimony”), p. GAW-8.

<sup>15</sup> For SDG&E, the number of customers who reported income above CARE guidelines only represented 0.4% of the total SDG&E CARE population. *See* Amended Report of the Division of Ratepayer Advocates on the Consolidated Proceedings Regarding CARE and ESAP, pp. 1-8 & 1-9.

only statistical evidence concerning this issue.<sup>16</sup> Thus, the PD commits factual error in ignoring specific, statistical evidence and instead relying on minimal anecdotal evidence to reach the factual conclusion that Categorical Eligibility leads to “a sizable number of ineligible customers.”

**C. The PD’s Effective Elimination of Categorical Eligibility Will Result in Hundreds of Thousands of Eligible Customers Eliminated from the CARE Program.**

By requiring that all CARE customers enrolled through Categorical Eligibility must eventually provide income documentation (either through Post Enrollment Verification or in the recertification process), the PD eliminates a primary benefit that Categorical Eligibility provides in efficiently enrolling a large number of *eligible* customers – customers who otherwise might not enroll at all onto CARE.

This benefit of the of Categorical Eligibility was recognized by the Commission and favorably balanced against the small number of Categorical Eligibility customers who might have incomes above CARE’s income eligibility guidelines:

We recognize that automatic enrollment of Medi-Cal, WIC, Healthy Families, and LIHEAP clientele could result in CARE enrollment of customers whose incomes exceed the Commission’s income eligibility requirement. However, we believe this number is insignificant compared to the number of eligible customers with incomes within the CARE requirement.<sup>17</sup>

The Commission also found that automatic enrollment – the precursor to Categorical Eligibility – was necessary to achieve high CARE penetration.<sup>18</sup> As the Commission stated “the potential for automatic enrollment to dramatically increase CARE enrollments is evident.”<sup>19</sup>

The Commission found that many of these categorically enrolled customers would be lost to the CARE program if they were required to provide income documentation:

Random verification of customers whose eligibility has been established under the partner programs could result in qualified low-income customers dropping out of the CARE program unnecessarily, and would increase administrative costs needlessly.<sup>20</sup>

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<sup>16</sup> See e.g. Opening Brief of the Division of Ratepayer Advocates, pp. 4-5; Opening Brief of the Center for Accessible Technology (“CforAT Brief”), p. 16 & n.48; Opening Brief of the Greenlining Institute, p. 11.

<sup>17</sup> D.02-07-033, pp. 32-33, establishing the automatic enrollment process, the precursor to Categorical Eligibility. The Commission continued the automatic enrollment process, transforming it into Categorical Eligibility. See D.06-12-038 and D.08-11-031.

<sup>18</sup> See D.02-07-033, p. 30 & Finding of Fact #18 “Automatic enrollment of low-income customers into CARE is a necessary component of a strategy to achieve the program penetration goal described in this decision.”

<sup>19</sup> D.02-07-033, p.36 & Finding of Fact #24.

<sup>20</sup> D.02-07-033, Finding of Fact #29. See also D.02-07-033, pp. 39-40.

The Commission reasoned that two great benefits of automatic enrollment – efficient enrollment of large numbers of CARE customers and administrative savings – would be lost if these customers were required to provide income documentation. Thus, the Commission decided to exclude automatic enrollment customers from random Post Enrollment Verification.<sup>21</sup> Unfortunately, an increase in administrative costs and the loss of hundreds of thousands of CARE customers are both accepted by the PD.

The PD addresses the issue of administrative costs, stating that the increase in administrative costs (approximately \$7.6 million annually for SCE, \$6 million annually for PG&E, etc.<sup>22</sup>) from its proposed changes is acceptable because it should be balanced against the great reduction of the CARE subsidy of an estimated annual \$105 million for PG&E, \$35.3 million for SCE and \$30.1 million for SoCalGas.<sup>23</sup> Utility administrative costs should be *efficient*.<sup>24</sup> However, the PD’s changes would add millions to the administrative costs of for CARE enrollment, while greatly reducing the actual enrollment of CARE customers. Thus, the PD’s “balancing test” looks approvingly on a great loss of efficiency in administrative costs.

In any case, this “balancing test” is completely erroneous, comparing apples to oranges. The CARE subsidy is not even a utility cost. Moreover, the PD does not address the fact that the “subsidy savings” result from a widespread loss of *eligible* CARE customers. The estimate of a reduction of approximately \$200 million from the IOUs’ CARE subsidy translates to the elimination of *hundreds of thousands* of CARE customers. As discussed above, perhaps only 2.5% of these customers actually have incomes above the CARE income guidelines. This elimination of huge numbers of eligible CARE customers – only a small percentage of whom may actually be income ineligible – contravenes prior Commission policy recognizing the benefit of Categorical Enrollment in efficiently enrolling customers onto the CARE program. However, the PD views this “subsidy savings” approvingly, even though they represent scores of customers losing access to affordable energy. Thus, the PD’s changes mean that the CARE program would fail in its statutorily assigned duty to provide affordable energy for low-income customers; these changes should be rejected.

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<sup>21</sup> See D.02-07-033, Conclusion of Law #5.

<sup>22</sup> See PD, pp. 178-79.

<sup>23</sup> See PD, p. 178-79. SDG&E did not provide an estimate for CARE subsidy savings.

<sup>24</sup> See Cal. Public Util. Code § 451

**D. The PD Makes Its Changes without Proper Examination; Workshops and a Low-Income Needs Assessment Should Be Ordered.**

The PD makes all of the above changes based on scant anecdotal evidence and without reference to the vital role of the CARE program as a means of assuring affordable energy for low-income customers. Thus, the changes detailed above should be eliminated from the final decision. While the various IOUs made different requests regarding Categorical Eligibility, the one request common to all was to conduct workshops to examine if the various public benefits programs utilized to establish Categorical Eligibility had income guidelines aligned with CARE's income guidelines.<sup>25</sup> The parties representing consumer interests concurred in the need for workshops. All of the parties viewed workshops as an opportunity to soberly examine Categorical Eligibility, weigh evidence, and only then make proper changes. As stated by one IOU: "PG&E does not support eliminating any categorical programs without first thoroughly reviewing them in workshops."<sup>26</sup> However, the PD completely ignores the unanimous call for these workshops as a basis for changes to Categorical Eligibility and proceeds directly to order sweeping, largely unfounded changes.<sup>27</sup>

The record also contains multiple calls for the Commission to initiate a new Low-Income Needs assessment in order to refresh the data gathered in the previous assessment (which was issued in 2007 and relies on data collected earlier than that).<sup>28</sup> The PD errs in failing to acknowledge these calls for a new Low Income Needs Assessment and one should be initiated. Public Utilities Code Section 382(d) directs the Commission to conduct such reviews "periodically" and use them to "consider whether existing programs adequately address low-income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens." Both California's economic conditions and the energy market have changed substantially since 2007; a new assessment would assist the Commission in many proceedings concerning rates, rate design, and low income needs. The time is right for a new periodic review, and failure to consider calls for such a review constitutes error.

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<sup>25</sup> See PG&E Testimony in Support of Application for the 2012, 2013 and 2014 ESA Program and the CARE program ("PG&E Testimony"), p. 2-30; Testimony of SCE in Support of Its Application for Approval of Its CARE, ESA and Cool Center Program and Budgets for 2012-2014 ("SCE Testimony"), p. 110; Reguly Testimony, pp. 9-10; Wright Testimony, pp. 8-9.

<sup>26</sup> PG&E's Reply Brief, p. 24.

<sup>27</sup> The PD does not call for workshops at all. It does call for tracking and analysis of customers dropped during Post Enrollment Verification, but this analysis will not inform any changes, it will report on the changes after the fact. See PD, pp. 179-180.

<sup>28</sup> See CforAT Brief, pp. 27-28, Response of The Utility Reform Network to the December 28, 2011 Questions of Administrative Law Judge Kim (Set 1, Category 2), pp. 13-15; Reply Brief of Greenlining, p. 2.

## **II. The PD Removes Many Safeguards that All Parties Had Accepted Regarding the Elimination of CARE Customers with Very High and Possibly Illegitimate Usage.**

PG&E proposed a number of measures to address two small groups of CARE customers: 1) those with usage between 400% and 600%; 2) and those with usage above 600% of their baseline of electricity.<sup>29</sup> Greenlining recognizes that the impetus of PG&E's proposals is two-fold: 1) to remove customers from the CARE program who are ineligible for the program or who may utilize electricity for uses other than basic household needs; and to 2) to ensure that legitimate CARE customers with extremely high usage receive ESA program assistance to help lower their energy use. Greenlining is supportive of these efforts, recognizing that they can achieve significant reductions in the CARE subsidy and supports application to all the IOUs.

The CARE program is charged with ensuring affordability of "legitimate needs" of low-income customers for "essential electricity and gas supplies."<sup>30</sup> In order for the proposed removal of CARE customers to be harmonized with the statutory requirements for the CARE program, an IOU must determine with reasonable certainty that a customer's extremely high energy use is not "legitimate" or for "essential" needs. However, the PD removes many of the safeguards that PG&E had originally proposed – or had subsequently accepted – that were designed to ensure that legitimate CARE customers were not eliminated from the program.

Greenlining also supports and incorporates by reference those sections of The Utility Reform Network's Opening Comments on the PD concerning CARE customers with very high usage.

### **A. Effective Notice Must Be Part of the Process.**

Consumer groups urged that the IOU must provide proper notice to customers who face an income or energy audit or removal from CARE, available in all of the IOUs' supported languages, as well as in formats accessible to customers with disabilities.<sup>31</sup> PG&E did not dispute these notice requirements, noting that it would:

ensure that the forms notifying high usage CARE customers of the additional requirements to remain on the program include conspicuous information regarding the availability of the forms in large print and alternate languages and how to follow up directly with PG&E.<sup>32</sup>

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<sup>29</sup> See PG&E Testimony, pp. 2-19 to 2-25.

<sup>30</sup> See Cal. Pub. Util. Code § 382(b).

<sup>31</sup> See Opening Brief of The Utility Reform Network, pp. 25-26; CforAT Brief, pp. 10-11.

<sup>32</sup> PG&E Reply Testimony, p. 5

Without proper notice, a legitimate CARE customer may not know how to perform the necessary steps to stay on the program. The Commission should ensure that these notice provisions should be followed by all of the IOUs.

**B. Legitimate CARE Customers Should Be Given a Fair Opportunity to Demonstrate Income Eligibility.**

Greenlining accepts that the class of customers with usage above 400% of baseline may be subject to the “enhanced Post Enrollment Verification” proposed by PG&E, wherein the IOU may require more rigorous proof of income – such as a state or federally verifiable income statement.<sup>33</sup> Unlike the case of customers enrolled through Categorical Eligibility, the customers subject to this enhanced verification constitute a very small class of customers (approximately 1% ),<sup>34</sup> so that this requirement will not result in a widespread loss of enrollment of CARE customers. Moreover, the very high usage of these customers provides a suspicion of illegitimate usage or income ineligibility,<sup>35</sup> unlike Categorical Eligibility, for which there is minimal evidence of illegitimacy.

However, legitimate CARE customers who might have difficulty providing government-verified income documentation must be afforded an opportunity to prove their income eligibility. PG&E expressed willingness to work with CARE customers who would have difficulty providing government verified documents because they do not file taxes or only receive cash compensation.<sup>36</sup> All the IOUs should be directed establish processes to work with such customers who would have difficulty providing income documentation.

**C. The PD Arbitrarily Shortens the Period of Time After Which a Customer with Usage Above 600% of Baseline May Be Removed from the Program.**

PG&E sought authority to remove a customer from the CARE program if they demonstrated usage above 600% of baseline for 180 days.<sup>37</sup> PG&E subsequently agreed that CARE customers with usage above 600% of baseline, just like customers with between 400% and 600% of baseline, would be required to apply for the ESA program within 45 days.<sup>38</sup> In its original application, PG&E recognized that a customer should be given the opportunity to reduce their usage and thus selected the period of 180 days. However, even though no party called for it and no evidence was

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<sup>33</sup> See PG&E Testimony, pp. 2-18 to 2-2.

<sup>34</sup> See PG&E Testimony, pp. 2-24 to 2-25.

<sup>35</sup> See PG&E Testimony, pp. 2-19 to 2-20.

<sup>36</sup> See PG&E Reply Testimony, p. 6.

<sup>37</sup> See PG&E Testimony, p. 2-21.

<sup>38</sup> See PG&E Reply Testimony, p. 4

introduced to show that it was a more appropriate time period, the PD reduced the time that a customer had to reduce their usage to 60 days. The final decision should retain PG&E's original proposal of 180 and adopt the provisions PG&E accepted.

**D. Customers Should Only Be Removed from the CARE Program if They Do Not Comply with Requirements; An Opportunity to Appeal Should Be Provided.**

PG&E's initial proposal for customers with usage above 600% of baseline was to remove them if usage remained that high after 180 days. PG&E's final position was much different:

PG&E's present position is that it will no longer propose excluding any high usage customer from CARE that has enrolled in ESA, completed the energy audit requirement, and is income qualified, even if the customer does not reduce their usage within 180 days.<sup>39</sup>

Thus, PG&E's final position was to only remove CARE customers with usage above 600% of baseline if they failed one of the requirements – including a requirement to seek a final appeal.<sup>40</sup>

If a CARE customer completes the enhanced income verification, the energy audit and ESA participation, they have effectively demonstrated that they are a “legitimate” CARE customer. For such a customer who still has usage above 600% of baseline, a final protection before any removal is an appeals process. As PG&E stated:

DRA raised the issue of the legality of excluding customers from CARE based on high usage. By including an appeals process for customers over 600% of baseline, PG&E is ensuring that income-qualified customers would not be removed from CARE.<sup>41</sup>

The Commission should not take less care over the legality and certainty of these processes than PG&E is willing to take, and should retain PG&E's final position regarding these customers.

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<sup>39</sup> See PG&E Reply Brief, p. 23.

<sup>40</sup> A CARE customer consuming more than 600% of baseline would only be removed from CARE if:

- (a) The customer did not respond to PG&E's initial notification requiring enrollment in ESA, enhanced Post Enrollment Verification (PEV) and an energy audit;
- (b) The customer responds to the requirement notification but fails the PEV process, or,
- (c) The customer meets all the requirements for ESA Program participation, PEV and an energy audit, but then after 180 days, does not respond to the notification that he or she must file an appeal.

PG&E Reply Brief, p. 23

<sup>41</sup> PG&E Reply Brief, p. 23. The appeals process is detailed earlier in the Reply Brief:

PG&E also agrees to the parties' proposal to implement an appeals process that will ensure the customers have one final opportunity to remain on the program. The appeals process would include an appeals form (in-language and with key information in large print and available in alternative formats on request). The process will commence at the end of the 180 day period and will contain two elements:

- (1) A process for customers to demonstrate that their high usage is based on legitimate household needs; and
- (2) A process to demonstrate that their reported household income is consistent with the registered usage in the meter.

PG&E Reply Testimony, p. 22

### **III. ESAP Workforce Education & Training**

Greenlining is committed to ensuring that the California Long Term Energy Efficiency Strategic Plan (EESP) goals to include disadvantaged workers in training and job placement are met, and that the IOUs' progress in getting there is tracked and recorded.<sup>42</sup> Greenlining agrees that the IOUs should develop a more intentional strategy to create good jobs for underserved Californians. We concur with the PD's finding that the quality of ESA Program delivery (proper enrollments, assessments, installations, etc.) is directly related to the quality of the investments made in the ESA workforce.<sup>43</sup> We appreciate this opportunity to provide recommendations that will fortify the Commission's efforts to create meaningful career opportunities for disadvantaged workers.

#### **A. Greenlining Supports the PD's Strategy for Tracking Workforce, Education & Training Outcomes.**

Greenlining agrees that a robust data collection strategy focused on workforce outcomes is "just the beginning of effectively managing the program workforce, the needs of that workforce, and the quality of the products being produced by that workforce."<sup>44</sup> We also agree that only "limited information and data [is] being collected and reviewed and available to illustrate the reality of the current ESA Program workforce."<sup>45</sup> Thus, we support the Commission's findings that requiring the IOUs to collect, review and act on workforce data is key to meeting ESAP goals to invest in workforce training and diversifying the workforce.<sup>46</sup> We also ask that the Commission require that the data be used to inform the following ESAP cycle's efforts to increase hiring from under-served communities.

We must have comprehensive data to know whether IOUs and subcontractors are meeting the EESP's job quality and job access goals. As the ESAP strives to increase hiring workers from targeted populations, additional data is critical to measuring the Commission's progress in fulfilling its employment goals. Thus, the IOUs should be track demographic data that are indicative of workers' low-income and disadvantaged status. Potential indicators include race; gender; age; homelessness; parenting status; public assistance received; educational level attained; formerly

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<sup>42</sup> California Public Utilities Commission, *California Long Term Strategic Plan: Achieving Maximum Energy Savings in California for 2009 and Beyond* (2008) at 78.

<sup>43</sup> Finding of Fact 91.

<sup>44</sup> PD at 152.

<sup>45</sup> Finding of Fact 88.

<sup>46</sup> Finding of Fact 86.

incarcerated, adjudicated, and non-violent offenders; those suffering from chronic under/unemployment; disabled and returning veterans; limited English speakers or those that speak English as a second language.

The PD directs each IOU to submit a report showing *preliminary* findings for program year 2012 to *begin* assessing its workforce needs.<sup>47</sup> This implies that this initial data collection and reporting effort is intended to be a baseline assessment to be followed by ongoing efforts. The PD should clarify that data collection is to be a regular ongoing activity after the preliminary report. Annual reporting is reasonable. The annual reports should inform the Commission on the efforts made and needed next steps towards diversifying ESAP workforce in next program cycle.

The Commission should examine ways to structure this critical initiative to mitigate potential administrative burdens on contractors. The Commission can do this by requiring the IOUs and the WE&T workgroup to identify and propose solutions addressing potential process burdens placed upon participating contractors.

**B. Requiring the IOUs to Proactively Anticipate and Plan for Future Workforce Needs is an Appropriate Approach.**

We agree that planning and data collection “[i]s but a framework and a roadmap to enable the ESA Program to better understand and manage its current and anticipated workforce needs and effectuate added social benefits of creating and/or supporting employment for minority, low-income, and other disadvantaged communities with the skills necessary to meet the ESA Program needs.”<sup>48</sup> Proactive steps to remedy low-road conditions are essential to ensure that ratepayer investments in workforce education and training are not squandered as workers leave low-road jobs in search of better opportunities. As stated in Greenlining’s comments on the guidance PD in the mainstream EE program:

“[e]ncouraging employers to merely consider hiring graduates from training institutions that train disadvantaged workers misses the mark and is insufficient to induce contractors to provide quality jobs, training opportunities, and pathways out of poverty for all Californians. History has taught us that “good faith” efforts simply do not work and leave disadvantaged workers marginalized. Therefore, the PD must be specific in requiring thoughtful plans for realizing the outcomes envisioned by the EESP.”<sup>49</sup>

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<sup>47</sup> PD at 155.

<sup>48</sup> PD at 154.

<sup>49</sup> Opening Comments of The Greenlining Institute, The Ella Baker Center For Human Rights, and Green For All On Proposed Decision Providing Guidance On 2013-2014 Energy Efficiency portfolios and 2012 Marketing, Education, and Outreach at 15.

Detailed and thoughtful planning has unquestionably contributed to California utilities' emergence as national leaders in supplier diversity.<sup>50</sup> This decision presents an ideal opportunity for going a step further and ensuring that our workforce strategies are given the same level of thoughtfulness.

The Needs Assessment<sup>51</sup> and parties to this proceeding<sup>52</sup> have identified targeted hiring policies that are best practices for inclusion of disadvantaged workers. Green For All and Brightline Defense Project have provided concrete models for how these best practices can act in concert to create equitable access to high-road jobs.<sup>53</sup> Local and targeted hiring policies are “demand-pull” strategies that stimulate the recruitment and employment of workers from disadvantaged communities by contractors participating in the IOU’s energy efficiency portfolios. The training partners in the sector strategies will then “train them up,” thereby providing skills to enter and advance within the sector to achieve the rewarding careers in energy efficiency that the EESP envisions.

Greenlining supports the solicitation of recommendations from the WE&T working group. We recommend that the Commission clarify how it intends to see that recommendations emerging from this necessary effort are operationalized. The Commission should provide specific direction on the process for consideration and adoption of WE&T working group proposals. The data gathered, goals set, and recommendations provided by the WE&T working group should be bundled to inform near term implementation and future program cycles. This should include any recommendations related to the creation of good jobs and career pipelines for disadvantaged communities. Additionally, it is not clear how workgroup participants will be selected. We recommend that the Commission provide additional guidance on the selection of participating organizations. This Commission has already acknowledged that the high-road vision promoted in

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<sup>50</sup> GO 156, originally enacted in 1988, tracks utilities' performance in procuring goods and services from minority-owned, women-owned, and service disabled veteran-owned businesses. The four largest IOUs and two largest telecommunications companies reached over \$7 billion in diverse procurement in 2011.

<sup>51</sup> Needs Assessment at 276, advising that “[w]hen making investments in energy efficiency that are aimed at the inclusion of low-income, minority, and disadvantaged workers and job seekers, program administrators should use the best practices outlined in this document as a set of criteria to evaluate potential programs and applications for funding ... Program design can explicitly incorporate the demand-side elements listed above, such as high-road agreements that set labor and local hire standards in retrofit programs. Oregon’s Clean Energy Works program illustrates this approach.”

<sup>52</sup> Written Testimony of Intervenors Green For All and Brightline Defense Project at 4.

<sup>53</sup> See Written Testimony of Intervenors Green For All and Brightline Defense Project Appendix 2: Clean Energy Works Oregon High Road Standards and Appendix 3: Community Power Works Seattle High Road Agreement.

the Needs Assessment requires coordinated efforts by multiple stakeholders.<sup>54</sup> By definition, employer collaboration and input is critical to developing sector strategies. To that end, the Commission should be clear that WE&T working groups are intended to be a collaborative effort leveraging the expertise and perspectives of a diverse group of stakeholders. The Commission should make sure that the working group includes stakeholders with expertise in workforce development and labor issues (such as Greenlining, Green For All, Brightline Defense Project, The Don Vial Labor Center, Los Angeles Technical Trade College, SFWorks, etc.) in addition to the IOUs and their nominated participants. These partners have invaluable experience in workforce issues that will enrich the group's work.

Greenlining is sensitive to the impact that IOU imposed cost per measure limitations may have upon contractors' ability to provide high-road jobs. We agree that the low-road bidding process and ESAP funding deflation demands more work for less funding and drives wages downward. The Commission should leverage its investments by supporting the growth of high-road jobs. The Needs Assessment and the record in this proceeding support the IOUs' incorporation of clear workforce goals into their contractor selection process. These goals should include the targeted hiring of disadvantaged workers into good high-road jobs. Greenlining recommends that, in addition to the six enumerated WE&T areas, the IOUs should report and WE&T working group should examine the impact current bidding processes have upon workforce outcomes and quality installation.

**C. Coordination Between the General Energy Efficiency Program and ESAP is Essential to Creating Meaningful Career Pathways for Disadvantaged Workers.**

The EESP directs the IOUs to hire trainees from ESAP communities and to coordinate training to expand employment options for those in disadvantaged communities beyond ESAP itself.<sup>55</sup> We agree that serious efforts should be made to link WE&T efforts between ESAP and the mainstream EE program. WE&T program alignment is key to ensuring that disadvantaged workers have the opportunity to progress into well-paying, career track jobs. This alignment ensures that CPUC is creating pathways out of poverty for disadvantaged workers. Greenlining urges that the Commission acknowledge this linkage as a conclusion of law. The Commission should make an explicit finding that in addition to being a readily identifiable pool of disadvantaged workers for

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<sup>54</sup> D12-05-015at 277.

<sup>55</sup> Written Testimony of Intervenors Green For All and Brightline Defense Project at 16-17, citing California Long Term Energy Efficiency Strategic Plan at 78.

ESAP,<sup>56</sup> these communities serve as sources of readily identifiable workers for inclusion in all EE programs. Additionally, the record in this proceeding supports a finding that building linkages between sector strategies for ESAP and for the mainstream EE portfolio creates long term career pathways for disadvantaged workers.

## **Conclusion**

Greenlining urges the Commission to reject the effective elimination of Categorical Eligibility, which would result in the elimination of hundreds of thousands of eligible CARE customers. Greenlining urges the Commission to instead order the workshops on Categorical Eligibility sought by every party that addressed this issue and also to order a low-income needs assessment. While Greenlining understands the proposal to address CARE customers with extreme energy usage and supports the removal of those customers who are ineligible for CARE, we urge the Commission to include safeguards to protect legitimate, eligible customers.

Greenlining supports the Commission's requirement of proactive planning towards fulfillment of the EESP's goal of connecting disadvantaged communities to job training and career pathways within the energy efficiency industry. This goal can only be met through a number of key steps, including: (a) tracking workers' demographic data and using that data to inform strategies to increase workforce diversity in following ESAP cycles; (b) supporting a diverse workforce through local and targeted hiring policies; (c) aligning ESAP workforce efforts with the larger EE program. Finally, the Commission should provide further detail on the composition of the WE&T Working Group and a process for operationalizing its recommendations in a manner that productively informs future ESAP programming.

Respectfully submitted,

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<sup>56</sup> PD at 157.

## Appendix

### **Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs to be applied to the Proposed Decision in A.11-05-017, *et al.***

#### **Findings of Fact**

[New] ESAP communities provide a readily identifiable pool of disadvantaged worker populations for inclusion in all energy efficiency programs.

~~108. The IOUs, in their Applications, have identified a significant concern that the current enrollment process that enables the low income customers to be eligible for the CARE program benefits through an expedited process commonly referred to as Categorical Eligibility or Enrollment Program leads to CARE subsidies being diverted from legitimate CARE eligible customers and ratepayers to ineligible households.~~

~~111. After more than 20 years of outreach and enrollment efforts, the CARE Program is looking at extraordinarily high enrollment figures and penetration rates that should raise some eyebrows for the stewards of ratepayer funds.~~

~~113. Under the current projections, CARE participation/penetration rate is reaching (and may exceed) 100% of the CARE eligible population within many of the IOUs' territories.~~

~~114. The IOUs correctly identify the loopholes potential problems in the CARE Program and to proactively devise and propose solutions to address these problem areas as they have done so in their Applications.~~

[New] All of the IOUs and many parties representing consumers requested workshops to examine Categorical Eligibility, specifically to ensure that the various public benefits programs utilized to establish Categorical Eligibility had income guidelines aligned with CARE's income guidelines.

[New] California Public Utilities Code Section 382(d) requires that an assessment of the needs of low-income electricity and gas ratepayers shall be conducted periodically by the Commission.

[New] The last low-income needs assessment was issued in 2007 and relies on data collected in earlier years.

[New] Both the economic conditions facing California and the energy market have changed substantially since 2007.

115. During the 2009-2011 program cycle and in this proceeding, the parties, members of the public, print media and even the legislature have brought forth the issue of CARE ~~egregious~~ very high usage customers issue as a significant concern.

116. ~~We~~ The Commission and its partners have been working toward ~~tightening~~ increasing the efficiency of the CARE Program and its administration and in doing so any misuse, abuse or potentially fraudulent allocation of CARE funds is carefully monitored and reconciled.

### **Conclusions of Law**

14. The Commission should ~~update~~ examine the CARE Program by ordering workshops to ensure that the CARE discount rate and subsidy are not being unlawfully diverted is not being given, on a significant or widespread basis, to ineligible customers, at the expense of the ratepayers.

15. ~~The Commission should remove the past emphasis on a 90% CARE penetration target outlined in D.08-11-031 and redirect the IOUs' focus to delivering the CARE Program to only those customers for whom it was designed.~~

16. Categorical Eligibility and Enrollment Program should not be eliminated but it should be ~~updated~~ examined in workshops to ensure that CARE discount rate ~~and subsidy are not being unlawfully diverted~~ is not being given, on a significant or widespread basis, to ineligible customers, at the expense of the ratepayers.

~~17. The IOUs should income verify all Categorically Enrolled customers through Post Enrollment Verification within three months of enrollment.~~

~~18. The IOUs should raise their number of Post Enrollment Verifications of the CARE customers to 25% of the total enrolled customers per year.~~

~~21. Categorical Eligibility and Enrollment process should be made available only to new CARE customer enrollments.~~

~~22. The IOUs should not allow any CARE customers to self-recertify without providing income documentation.~~

~~23. SCE's proposal that CARE customers who fail to respond to a utility's request for income verification should be barred from self-certified re-enrollment in the CARE Program for 24 months is reasonable.~~

~~24. The CARE customers who fail to respond to a utility's request for income verification and therefore are removed from the CARE enrollment should be reinstated in the CARE Program and discount rate once the customer provides income verification to confirm CARE eligibility.~~

~~25. To ensure consistency statewide, all of the IOUs should implement the CARE Program rule changes to bar those CARE customers who fail to respond to a utility's request for income verification for 24 months.~~

[New] The Commission should conduct a low-income needs assessment, as ordered by California Public Utilities Code Section 382(d), as soon as practicable.

27. PG&E's proposed CARE Program changes to address the egregious electric users on the CARE rate are reasonable customers with very high electric usage that is not consistent with CARE usage are reasonable, as PG&E has developed safeguards to ensure that legitimate CARE customers are not removed.

28. PG&E's ~~proposed final proposals, as detailed in Reply Testimony and Reply Briefs,~~ for CARE Program changes to address the ~~egregious~~ very high electric users on the CARE rate, ~~as modified in this decision,~~ should be adopted and the resulting CARE Program rules changes should apply to all of the electric utilities to implement the statewide program changes.

[New] Effective notice in all of an IOUs supported languages must be provided to CARE customers with very high usage, informing them of the requirements they must fulfill to remain on the CARE program.

[New] As electric usage above 400% of baseline raises the heightened suspicion that a CARE customer may be ineligible for the program, and as the class of customers with this usage is very small, requiring this class of customers to provide enhanced Post Enrollment Verification as proposed by PG&E is reasonable.

[New] IOUs requiring enhanced Post Enrollment Verification should establish processes to work with those customers who may have difficulty producing government-verified income documentation because they do not file taxes or only receive cash compensation.

[New] ESA program auditors who visit a high usage household should be trained to make referrals to the Medical Baseline program.

[New] A CARE customer consuming more than 600% of baseline would only be removed from CARE if:

- (a) The customer did not respond to an IOUs initial notification requiring enrollment in ESA, enhanced Post Enrollment Verification (PEV) and an energy audit;
- (b) The customer responds to the requirement notification but fails the PEV process, or,
- (c) The customer meets all the requirements for ESA Program participation, PEV and an energy audit, but then after 180 days, does not respond to the notification that he or she must file an appeal.

[New] IOUs would have an appeals process for customers who have usage above 600% of baseline. The appeals process would include an appeals form (in-language and with key information in large print and available in alternative formats on request). The process will commence at the end of the 180 day period and will contain two elements:

- (1) A process for customers to demonstrate that their high usage is based on legitimate household needs; and
- (2) A process to demonstrate that their reported household income is consistent with the registered usage in the meter.

81. The IOUs should explore all opportunities and thoughtfully plan for and take full advantage of any such opportunity, wherever it makes sense, and do so consistent with the broad WE&T goals of the Strategic Plan and the WE&T Needs Assessment.

[New] Local and targeted hiring are best practice “demand-pull” strategies that stimulate the recruitment and employment of workers from disadvantaged communities.

[New] Local and targeted hiring strategies and “supply-push” sector strategies act in concert to provide rewarding long-term careers in the energy efficiency sector.

83. The Commission and the IOUs should therefore view this WE&T issue with a broader perspective of successfully meeting the ESA Program needs for the next three cycles but with the focus towards:

1. Assessing the education and training needs, if any, of the existing ESA Program workforce in yielding effective and quality program outcomes;
2. Providing the support and framework for the necessary training and education for the existing ESA Program workforce to yield effective and quality program outcomes;
3. Determine what ESA Program workforce needs will be for the remaining three cycles, until 2020;
4. Anticipate and plan for in the workforce needs to support the ESA Program in the remaining three cycles, until 2020;

5. In workforce planning, explore ways to leverage (with green jobs programs, community-based and nonprofit organizations, educational institutions, the business community, and labor organizations, etc.) wherever possible and incorporate teaching minority, low income, and other disadvantaged communities the skills needed to meet the ESA Program needs, where feasible;
6. Consider possible pilot programs (as recommended in the Needs Assessment) to test new quality standards for ESA Program weatherization projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing the training then initiate the evaluation below; and
7. Participate and maintain alignment to the extent possible with the IOUs' statewide WE&T efforts to create career pathways for disadvantaged workers.

[New] The WE&T Working Group shall be comprised of a diverse group of stakeholders with expertise in workforce development issues.

86. With the IOUs' reports containing the above 2012 WE&T information, the WE&T Working Group should evaluate the data submitted and develop and present recommendations addressing the aforementioned ~~six~~ eight areas.

[New] Each IOU's report and the WE&T Working Group are directed to examine solutions for mitigating potential burdens caused by the collection of workforce data collection.

[New] Integration of WE&T efforts creates career pathways out of poverty for disadvantaged workers.

[New] Building linkages between sector strategies for the ESA Program and the IOU's mainstream energy efficiency portfolio creates long-term career pathways for disadvantaged workers.

## **Ordering Paragraphs**

8. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall immediately begin collecting the following data in these ~~six~~ eight Workforce Education and Training areas: (a) contractor and subcontractor contract terms (competitive bid, direct award, etc.); (b) contractor and subcontractor compensation schemes (hourly, piecemeal, salaried, etc.); (c) demographic indicators of disadvantages status; (d) number of inspection failures and the types of failures, (including the number of enrolled customers later deemed ineligible, number of incorrectly assessed households and instances of measure installation inspection failures); (e) level and type of utility training participation these specific contractors have completed; (f) customer feedback for these contractors, positive and negative; (g) the impact current bidding processes have upon workforce outcomes; and (h) the utility's assessment of any other needs of the existing workforce to meet the current and future Energy Savings Assistance Program demands.
  
9. Within next 180 days after this decision is issued, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work together to develop a single, uniform reporting template and shall submit a report showing each utility's preliminary findings and summary of Workforce Education and Training data collected in the ~~six~~ eight Workforce Education and Training areas for program year 2012 to begin assessing its workforce and the education and training needs, if any, of the existing Energy Savings Assistance Program workforce in yielding effective and quality program outcomes. Thereafter, each utility shall submit annual reports showing ongoing findings and summaries of Workforce Education and Training data collected in the eight Workforce Education and Training areas and an assessment of its workforce education and training needs of the Energy Savings Assistance Program workforce.
  
87. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company shall retain and follow our current Categorical Eligibility and Enrollment Program to continue to allow continued ease of access for enrolling into the California Alternate Rates for Energy (CARE) Program. Commission staff will

order a workshop or workshops to examine Categorical Eligibility and ensure that the CARE discount is not being given, on a significant or widespread basis, to ineligible customers, with the following new modification:

- ~~(a) We remove our past emphasis on a 90% CARE penetration target outlined in Decision 08-11-031 and we redirect the Utilities' focus to delivering the program to only those customers for whom it was designed.~~
- ~~(b) All prior pre-approved categorical enrollment programs are to be retained; however, the Utilities are directed to verify all Categorically Enrolled customers to undergo Post Enrollment Verification within three months of enrollment. Additionally, Categorical Eligibility is to be retained for the enrollment of new CARE customer enrollments only and that all CARE recertifications shall require income documentation verification for renewal. No customers shall be allowed to self-recertify without providing income documentation.~~
- ~~(c) The Utilities are directed to raise their number of Post Enrollment Verifications of the CARE customers to 25% of enrolled customers per year.~~
- ~~(d) In addition to tracking the number and reason for each CARE customer dropped during the Post Enrollment Verification process (either through customer non-response or deemed ineligible for the program), these utilities are directed to begin tracking information concerning those dropped and ineligible customers and how they were initially enrolled in the CARE Program (e.g. capitation agency, self-certification, categorical enrollment, etc.).~~

~~88. Southern California Edison Company's request to bar California Alternate Rates for Energy (CARE) customers who fail to respond to an income verification request from self-certified re-enrollment in the CARE Program for 24 months is approved with following additional requirements:~~

- ~~(a) If at any time during the 24 months a removed customer verifies eligibility, they must be placed back on the CARE rate. After 24 months, those removed customers may be able to enroll in CARE by again self-certifying their household and income eligibility; and~~
- ~~(b) To ensure consistency statewide, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company shall also implement the CARE program rule change.~~

~~89. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company shall implement the California Alternate Rates for Energy (CARE) Program rule changes below:~~

~~(a) We remove our past emphasis on a 90% CARE penetration target outlined in Decision 08-11-031 and we redirect these utilities' focus to delivering the program to only those customers for whom it was designed.~~

~~(b) All prior pre-approved categorical enrollment programs are to be retained; however, these utilities are directed to verify all Categorically Enrolled customers to undergo Post Enrollment Verification within three months of enrollment. Additionally, Categorical Eligibility is to be retained for the enrollment of new CARE customer enrollments only and that all CARE recertifications shall require income documentation verification for renewal. No customers shall be allowed to self-recertify without providing income documentation.~~

~~(c) These Utilities are directed to raise their number of Post Enrollment Verifications of the CARE customers to 25% of enrolled customers per year.~~

~~(d) In addition to tracking the number and reason for each CARE customer dropped during the Post Enrollment Verification process (either through customer nonresponse or deemed ineligible for the program), these utilities are directed to begin tracking information concerning those dropped and ineligible customers and how they were initially enrolled in the CARE Program (e.g. capitation agency, self-certification, categorical enrollment, etc.).~~

[New] The Commission should conduct a low-income needs assessment, as ordered by California Public Utilities Code Section 382(d), as soon as practicable.

95. Pacific Gas and Electric Company's ~~proposed~~ final proposal for California Alternate Rates for Energy (CARE) Program changes, as modified below as contained in PG&E's Reply Testimony and Reply Brief, is approved, and to ensure consistency statewide, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (electric utilities) shall implement the statewide program changes, as follows:

~~(a) CARE electric customers with usage above 600% of baseline have 60 days to drop usage substantially or be removed and barred from the program for 24 months; and~~

(b) CARE electric customers with usage ~~between 400%-600%~~ above 400% of baseline must undergo Post Enrollment Verification and apply for Energy Savings Assistance Program within 45 days of notice. The electric Utilities should develop and field a standard income verification document for these instances which may require customers to provide a state or federally verified form of

income proof, such as the household's annual tax returns.

(c) IOUs requiring enhanced Post Enrollment Verification should establish processes to work with those customers who may have difficulty producing government-verified income documentation because they do not file taxes or only receive cash compensation.

(d) ESA program auditors who visit a high usage household should be trained to make referrals to the Medical Baseline program.

(e) Effective notice in all of an IOUs supported languages must be provided to CARE customers with very high usage, informing them of the requirements they must fulfill to remain on the CARE program.

[New] A CARE customer consuming more than 600% of baseline would be removed from CARE if:

- (a) The customer did not respond to an IOUs initial notification requiring enrollment in ESA, enhanced Post Enrollment Verification (PEV) and an energy audit;
- (b) The customer responds to the requirement notification but fails the PEV process, or,
- (c) The customer meets all the requirements for ESA Program participation, PEV and an energy audit, but then after 180 days, does not respond to the notification that he or she must file an appeal.

[New] IOUs would have an appeals process for customers who have usage above 600% of baseline. The appeals process would include an appeals form (in-language and with key information in large print and available in alternative formats on request). The process will commence at the end of the 180 day period and will contain two elements:

- (a) A process for customers to demonstrate that their high usage is based on legitimate household needs; and

(b) A process to demonstrate that their reported household income is consistent with the registered usage in the meter.