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Attachment A

GUIDANCE DOCUMENT FOR THE ENERGY SAVINGS ASSISTANCE (ESA) AND CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAM BUDGET APPLICATIONS FOR PROGRAM YEARS 2021-2026

Introduction

This document serves as guidance for Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E) in preparation for the next Energy Savings Assistance (ESA) Program and California Alternative Rates for Energy (CARE) Budget Applications which are due for submission on September 3, 2019.

The weatherization services¹ delivered to low income households through the ESA Program are expected to meet existing homes treatment goals at the end of this current cycle, Program Years (PYs) 2017-2020.² Electric and gas corporation programs beyond 2020 are to perform home weatherization services for low-income customers if the Commission “determines that a significant need for those services exists taking into consideration both the cost-effectiveness of the services and the policy of reducing the hardships facing low income households.”³

The guidelines outlined below allow Investor Owned Utilities (IOUs) to first present an assessment of the remaining need in the sector and then propose goals, budgets, design, and delivery such that the Program aligns delivery of services with the anticipated remaining opportunity. The IOUs

¹ Public Utilities Code Section 2790 defines weatherization broadly to include building conservation measures, energy management technology, energy-efficient appliances, and energy education programs.

² Public Utilities Code Section 382 (e).

³ Public Utilities Code Section 2790(a).

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should also consider the relevant findings of the 2016 Low Income Needs Assessment (LINA)⁴ and the recommendations set forth in the Low Income Oversight Board (LIOB) ESA Post 2020 White Paper and Letter dated December 20, 2018.⁵

As the Commission expects the IOUs to meet the existing statutory target of providing the opportunity to participate in low-income energy efficiency programs to all eligible and willing customers by 2020⁶, we do not presume the ESA Program will look the same beyond 2020. The IOUs should propose alternative program designs, including third party administration of the ESA multifamily whole building program, in compliance with statutory budget requirements,⁷ and the Commission is specifically interested in a focus on deeper energy savings and innovative program designs for the multifamily sector. Proposed budgets associated with post 2020 Program design should reflect the goals proposed and the identified needs of targeted populations. Finally, the applications and requested funding levels may cover any proposed activity in the 2021-2026 time frame but could also cover a shorter period.

Follow the guidelines as closely as possible to allow for efficient application review and analysis.

The IOUs must also include the attached Excel templates with their applications. As proposed

⁴ Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs, Evergreen Economics, Final Report, December 15, 2016 (Prepared for the CPUC, SCE, PG&E, SDG&E and SoCal Gas Co.), available at: Low Income Needs Assessment Final Report - Volume 1.

⁵ Available at:

<http://liob.cpuc.ca.gov/Docs/LIOB%20Meeting%20120518/ESA%20Post%202020%20FinalWhite%20Paper%20Approved%20by%20LIOB%20120518.pdf>

⁶ P. U. Code § 382(e).

⁷ Public Utilities Code Section 382(a) states: “Programs provided to low-income electricity customers, including, but not limited to, targeted energy-efficiency services and the California Alternate Rates for Energy program shall be funded at not less than 1996 authorized levels based on an assessment of customer need.”

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programs for PY 2021 and beyond could differ from current program design significantly, the IOUs may note in their applications the sections of guidance not applicable given their proposed program design and structure. The IOUs may include further information as needed to describe innovative approaches proposed.

Application Outline

- I. ESA Program Plan and Budget
 - A. ESA Program Context
 - B. ESA Proposal Summary
 - C. ESA Program Goals and Budgets
 - D. ESA Program Design and Delivery
 - E. ESA Program Administration
 - F. Revenue Requirement and Rate Impacts
- II. CARE Program Plan and Budget
 - A. CARE Program Context
 - B. CARE Proposal Summary
 - C. CARE Program Goals and Budgets
 - D. CARE Program Delivery
 - E. CARE Program Administration
 - F. CHANGES
 - G. Cooling Centers
 - H. Senate Bill 1135 Family Electric Rate Assistance (FERA)
 - I. Revenue Requirement and Rate Impacts
- III. Conclusion

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IV. Excel Attachments

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I. ESA PROGRAM PLAN AND BUDGETS

A. ESA PROGRAM CONTEXT

In the ESA Program Context section of the application include:

1. **History:** Provide a brief history of the ESA Program and how it helps low-income households; how it is funded and how the Program has changed over the years, including any relevant prior guidance given by the Commission.
2. **Accomplishments and Challenges:** Provide a status update on the household treatment numbers and whether you are on track to meet the household treatment goal for the PY 2017-2020 cycle. Provide a status update on portfolio metrics such as percent of authorized budget spent, gross annual energy savings, etc. Clearly identify any unmet PY 2017-2020 annual targets and briefly explain the challenges or barriers. (More detail is required later in the guidance.)
3. **Looking forward:** Summarize a) the significant need⁸ (deeper energy savings, treatment goals, etc.) for low-income energy efficiency services beyond 2020 in your service territory, taking into consideration both the cost-effectiveness of the services and the policy of reducing the hardships facing low-income households, and b) your overarching proposed strategy given the historic and projected accomplishments, the remaining opportunity areas for addressing a significant need, and c) the appropriate Program design and structure to effectively provide services and comply with statute. (More detail is required later in the guidance.)

⁸ Public Utilities Code Section 2790(a) states that the Commission is to consider cost effectiveness of services and the policy of reducing the hardships facing low-income households when determining “significant need.”

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B. ESA PROGRAM PROPOSAL SUMMARY

In the ESA Proposal Summary section of the application include:

1. **Proposal Summary:** Provide a concise description of the proposed ESA Program, not to extend beyond 2026, including a brief description of:
 - a. (i) new program strategy (e.g. deeper energy savings and reduced hardships);
 - b. (ii) new program goals and metrics for evaluating success;
 - c. (iii) a description of the participants receiving services due to their significant need, and;
 - d. (iv) proposed changes to the ESA Program design and delivery.
2. Describe most recent available results from the 2015-17 Impact Evaluation; 2019 Potential and Goals Study; 2016 LINA; 2019 Non Energy Benefits Study; recommendations of the LIOB and the Cost Effectiveness, Mid-Cycle and Multifamily Working Groups; historical tracking efforts (such as the IOUs' monthly and annual reports); and general observations about challenges and successes in meeting ESA Program goals. Explain how these results and observations led to the changes proposed.

C. ESA PROGRAM GOALS AND BUDGETS

Goals are necessary to set expectations for the measurable and meaningful benefits to the customer and society obtained from the ratepayer funded ESA Program. In the ESA Program Goals section of the application, describe the goals including a brief description

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of how they are achievable and linked to the CPUC's 2019 Potential and Goals Study. At a minimum your goals should include the following:

1. **Depth of Energy Savings Goal:** Propose a quantitative goal for depth of average energy savings or percent improvement over an existing baseline for each household served in the ESA Program. Identify which, if any, measure(s) are likely to result in negative savings. Include quantitative analysis of the opportunity for savings to support the proposed goal and differentiate, as appropriate, the savings for the Multifamily Sector⁹, Disadvantaged Communities¹⁰, Tribal Communities, and Hard-to-Reach customers.¹¹
2. **Participation Goals:** Briefly summarize the proposed criteria and process to identify and prioritize households, such as by building type, with a significant need for energy efficiency services. Propose specific ESA Program participation goals for program years beginning in 2021 and continuing no longer than 2026. In what ways can new program design and approaches identify and serve households not yet served by the ESA Program and/or where a significant need for services exists?
3. **Portfolio Energy Savings Goal:** Propose annual energy savings goals based on impact evaluation results, the proposed measure portfolio, budget, and participation projections. Discuss alignment with California's Greenhouse Gas Emission Reduction targets. In ESA tables A-1 and A-1a provide estimated energy savings with avoided greenhouse gas emissions, kWh, therms, and combination of electric

⁹ For the purposes of this Application, consider a multifamily building has at a minimum five or more units.

¹⁰ As designated by CalEPA using their CalEnviroScreen Tool.

¹¹ For the application filing only use the definition of "Hard-to-Reach" found in Decision 18-05-041.

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and gas savings in equivalent BTUs for the applicable years (Attachment B). Summarize the connections between the energy savings from different Program elements with your Program goals, for example which activities result in the highest savings or where savings are less assured.

4. **Additional Metrics:** Discuss whether goals associated with additional metrics such as energy burden¹², public health indicators or climate change for the ESA Program are worthwhile. Why or Why not? If proposing an additional metric, what methodology identifies the baseline quantity for the targeted participant population, the opportunity for customer benefits, and goals that consider the cost to ratepayers and to the individual customer?

In the ESA Program Budget section of the application:

5. **Budget:** Present and justify detailed budgets in ESA tables A-2, A-2a, A-3, and A-3a for years post-2020 but not beyond 2026 (Attachment B). Describe how the distribution or balance of funding achieves deeper energy savings and hardship reductions for prioritized low-income households.
 - a. The proposed budget must clearly outline the cost of each program and administrative category and break it into specific components. For example, for multifamily households, clearly show what portion will go to whole-building, in-unit, and/or communal areas/shared energy systems.

¹² For these purposes, we define “energy burden” as the percentage of household income spent on energy bills.

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- b. Identify which components of the budget are for services that increase health, comfort and safety but do not provide quantifiable energy savings.
 - c. Include a table on the 2017-2020 authorized budget, comparing the costs with the proposed 2021-2026 budget. List and indicate the reasons for any increase or decrease in proposed allocations for any budget lines that are synonymous between the two cycles.
6. **Spend Planning and Tracking Program Expenditures.** Provide a spend plan, with quarterly expenditure projections. Correlate projected expenditures with performance milestones by clearly stating the targeted date for each performance milestone in a Gantt chart, and the anticipated amount of expenditure required to achieve each performance milestone. Include at least one milestone per year. Include a description of each performance milestone. Include a discussion on requested budget flexibility, including potential fund shifting. The intent of this section is to allow the IOUs to propose enough Program Planning and Tracking practices to allow the Commission oversight beyond 2020 to occur at a higher level (closer to programmatic or portfolio level than at the measure and units treated level).
7. **Unspent Funds:** Discuss unspent funds, and any failure to meet household treatment goals, for each completed year of the prior budget cycle. Explain 1) the reasons for these unspent funds and/or failure to meet goals and 2) how you will track progress in a timely manner to meet approved performance and spending

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milestones. Discuss how you will more accurately budget upfront for activities through 2026 and take actions, where necessary, to mitigate performance shortfalls before the end of the annual period to avoid failing to meet annual performance targets.

D. ESA PROGRAM DESIGN AND DELIVERY

1. **Proposed Program Design:** Describe your approach to reach each of your stated Goals during the 2021-2026 program years. Responses to this Section D.1 Proposed Program Design, addressing the overall program structure, and Section D.2 Proposed Program Delivery, addressing the program’s execution, can be answered together in your application.
 - a. Discuss lessons learned from the current cycle program design.
 - b. Note program design modifications to garner increased energy savings and reduce hardships.
 - c. Discuss expected accomplishments and potential obstacles to your proposed design. What are the recommendations to overcome any identified obstacles?
2. **Proposed Program Delivery:** Complete the following:
 - a. Describe the proposed delivery of the program per the proposed design approaches above. Discuss lessons learned from the current program cycle; note that the lessons learned from delivering ESA Common Area Measures will be answered in the section on Multifamily Sector.

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- b. For new delivery approaches, where prior experience is limited, detail thoroughly the delivery approach, associated risks, and risk mitigation strategy.
 - c. Describe how the proposed program delivery approach will achieve energy savings and hardship reduction program goals for each prioritized population.
 - d. As applicable, respond to the following questions as it relates to your specific program delivery approach:
 - i. What additional workforce development opportunities should be employed to ensure hiring within local communities, especially the disadvantaged communities and, where possible, career-ladder jobs? How can the IOUs partner with CBOs, community colleges and workforce investment boards?
 - ii. Discuss how your Marketing, Education and Outreach (ME&O) plans support the Program Goals, including plans for improving enrollment, meeting participation goals and targeting multifamily households. Include proposed ME&O cost per household for program years 2021-2026; how does this compare to the current cycle? Discuss the history of your ME&O methods' effectiveness and modifications or opportunities to further streamline existing ME&O initiatives.
3. **Prioritization of Target Participants:** Detail the proposed approach (criteria and process) to identify and prioritize your participant categories or housing types with significant need for energy efficiency services.

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- a. Are households prioritized for service based on housing type, energy usage, energy costs, energy burden, location, amount of potential energy savings, and/or health, comfort and safety criteria?
 - b. How will you address prioritized households not treated in the current cycle due to unwillingness to participate?
 - c. How will energy efficiency services offered to the households vary to maximize savings and assist households to reduce or better manage energy bills, minimize disconnections, and foster affordability of energy costs?
 - d. How will you address providing services for households that previously participated in ESA?
 - e. What are the risks associated with your proposed prioritization, and how do you plan to mitigate risks?
 - f. Explain whether the program should transition to uniform criteria for all the IOUs to prioritize households for service;
 - g. Detail any needed changes to ESA Program eligibility guidelines as a result of the proposed prioritization approach.
4. **Participation Barriers:** Discuss current cycle attempts to address participation barriers, your lessons learned, and how your proposed approach is improved to ensure prioritized households participate. Include potential alternatives to mitigate challenges faced by single fuel utilities, SCE and SoCal Gas, or challenges for customers located where only one fuel is offered.
5. **Referrals, Leveraging, and Coordination:**

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- a. Provide and review data about the ESA referral pipeline received from other programs and those made to other programs. Describe how this informed program design, delivery approach, and/or prioritization of targeted participants. Include completed referrals and those that did not choose to participate in ESA. These programs include, but are not limited to: CARE, Low Income Weatherization Program (LIWP), Solar on Multifamily Housing (SOMAH), Multifamily Single Point of Contact (SPOC), Multifamily Energy Efficiency Rebates, Multifamily Upgrade Program, Multifamily Electric Vehicle Programs, etc.
- b. Discuss lessons learned from leveraging efforts to date, including but not limited to Tribal Communities, Disadvantaged Communities, other organizations and communities, and propose improvements to current coordination efforts.
- c. Describe the benefits, if any, of California Department Community Services and Development (CSD) co-funding for efficient delivery of energy efficiency services to low-income tenants in your territory in the current cycle. If there is potential for such benefits, explain how to include CSD co-funding.
- d. Describe the benefits, if any, of co-funding with water agencies for efficient delivery of energy efficiency services to low-income tenants in your territory. If there is potential for such benefits, explain how to include similar co-funding.

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- e. Discuss coordination with entities with existing affordable clean energy programs including agencies such as California Energy Commission, California Air Resources Board (CARB), which adopted a 2018 Community Air Protection Blueprint identifying communities most impacted by air pollution pursuant to Assembly Bill 617 (Garcia, 2017).¹³ Also identify any additional programs that provide opportunities to promote public health and energy efficiency in tandem. Examples may include, but are not limited to, lead and asbestos programs, asthma reduction programs, etc.
 - f. Describe the potential benefits to delivery of energy efficiency services to low income households with significant need, if any, through coordinating with CARB's Community Air Protection Program, and/or prioritizing the first ten communities identified by CARB.¹⁴ If there is potential for such benefits, describe any policies or programs to achieve these benefits.
6. **ESA Measure and Portfolio Composition:** Discuss the proposed measure mix. Include discussion of the below topics:
- a. Identify specific measures that reduce the utility's program costs in offering ESA services and/or increase the benefit to the customer. Include new technologies.
 - b. Cost Effectiveness and Other Criteria for Program Measures:

¹³ 'Community Air Protection Blueprint' available at <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program/community-air-protection-blueprint>

¹⁴ These are the communities with highest cumulative impacts from multiple pollution sources in CA. See: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program>

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- i Describe the criteria used to compose the portfolio.
 - ii Describe how the portfolio composition results in deeper energy savings.
 - iii Describe how criteria used to compose the portfolio effectively selects measures to include that will have a positive impact on customer bills and hardship reduction.
 - iv Discuss the cost-effectiveness results of proposed measures (consistent with methodology adopted in D. 14-08-030.) Explain assumed values and variables and other model components. Identify use of deemed workpapers, where applicable, and whether a measure is an “equity” measure (i.e. results in negative savings).
 - v Provide justification for measures included in the portfolio (if any) that do not meet the current cost effectiveness criteria but serve other important policy objectives (such as to reduce hardships).
 - vi For all measures identify which are in-unit or common area.
- c. Identify measures from the prior portfolio for retirement along with the measure’s values and explain the requested retirement.
 - d. For each of the following provide quantitative and/or qualitative analysis of benefit to customer in comfort and safety and impact to customer bill. If proposed in the Application, include the associated impacts to the ESA budget and energy savings as a result.

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- i Discuss findings from programmable communicating thermostats/smart thermostats through pilot studies and/or temporary allowance (mid-cycle advice letter non-standard dispositions).
- ii Discuss whether to expand the existing policy, that only operable air conditioning units are eligible for repair and replacement, to also authorize repair or replacement of inoperable units.
- iii Discuss potentially offering heating and cooling measures to new climate zones to reduce hardships.

7. Proposed Rule Modifications:

Applications for 2021-2026 may propose modifications to rules in the ESA Policy and Procedures Manual or prior Commission decisions. List here all proposed rule modifications necessary to implement your proposed design and delivery. For each rule modification:

- a. Provide justification for the rule modification if not already discussed in the design and delivery section(s).
- b. Provide quantitative and/or qualitative analysis of the benefit to customers in hardship reduction and impact to customer bills.
- c. Provide associated impact to the ESA portfolio budget and energy savings.

8. Multifamily Sector Design:

a. History:

- i Describe how the ESA Program in-unit and Common Area Measures (CAM) efforts served multifamily households, buildings, and/or

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properties during the current program cycle. Summarize successes and challenges with current cycle multifamily efforts' measures, targeted marketing tactics, eligibility rules, and alignment with other energy efficiency and financing programs.

ii Discuss how ESA Program in-unit and CAM efforts coordinated, or did not, services including the customer in-take process, auditing, measure installation, and post-installation quality assurance. Show the numbers of actual and estimated treated multifamily units and properties, in ESA (in-unit) and ESA CAM, served each year for program years 2017-2020.

iii **Single Point of Contact (SPOC):** What level of ESA funding, staff, time, and resources went to the SPOC directive for program years 2017-2020? What lessons learned or best practices resulted from this activity? How will you carry forward best practices?

b. **SPOC Finance Technical Assistance Proposal:** Per D.16-11-022 Ordering Paragraph 45, as modified by D.17-12-009, create a proposal for financial technical assistance, from the SPOC, to help building owners navigate the financing options available through your on-bill finance program or other finance programs.

c. **Non-deed Restricted Multifamily Properties:** Ordering Paragraph 41a of D.16-11-022, as modified by D.17-12-009, required an analysis of non-deed restricted multifamily buildings with a high percentage of low-income tenants in your territory. Provide a brief statement of the energy efficiency

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potential in your territory for this sector. Do you recommend extending direct install services, for whole building or common areas only, to these properties? What requirements can maintain affordability in treated properties?

9. **Multifamily Whole Building Program:** When looking to encourage innovation, the Commission recently directed the energy efficiency program administrators to transition the majority of their overall portfolios to programs designed and implemented by third parties.¹⁵ Similarly, we direct the IOUs' 2021-2026 ESA Application to include a Multifamily Whole Building energy efficiency program (MFWB program) designed and implemented by one or more third parties who will, taken together, serve all qualified prioritized populations identified in the Application.¹⁶ The Application shall include specific information about the scoring criteria and process for the solicitation. The MFWB program implementer(s) shall provide energy efficiency services for the whole building which includes common areas and tenant units; the IOUs are strongly advised to consider a statewide program with a single implementer. The MFWB program is not limited to the previously approved measures or other requirements in prior Commission Decisions or to the provisions of the ESA Policy and Procedures Manual. The proposal shall include the following:

¹⁵ D.18-01-004; D.16-08-019.

¹⁶ The definition of "third party" in D.16-16-08-019 shall also apply for purposes of ESA programs.

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- a. Provide an overview or brief description of the general program goals and budget and solicitation process and timeline. Additionally, use the budget template to provide annual budget levels.
 - i Describe the energy savings and treatment targets for multifamily properties in the MFWB program. What are the annual savings targets in kWh, therms, and equivalent BTUs? What are the annual goals for number of properties and number of units served? Is there a minimum efficiency target for each property? Will the goals adjust based on the solicitation process?
 - ii What are your proposed income guidelines for participation and processes to certify eligibility?
- b. The Massachusetts LEAN Multifamily Program has a single application portal for a multifamily retrofit program funded by different programs and agencies. Address how the MF solicitation will address the goal to, where feasible, create a seamless customer interface for delivering energy efficiency services for owners and tenants of multifamily buildings.
- c. Describe how the solicitation process will address the following:
 - i Offer existing demand response tools, technology or education to help multifamily households shift load to off-peak times.

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- ii Provide multifamily building owners flexibility in choosing a contractor to implement ESA-funded energy efficiency measures, including processes with open or continuous enrollment and trainings, and coordinated statewide requirements.¹⁷
- iii Address the need to work with multifamily building owners/managers to plan ESA energy efficiency projects that coincide with other building upgrades or building refinancing.
- iv Address whether bidders may submit bids that propose serving the entire state, or specific geographic areas, or specific prioritized populations.

Other Elements in ESA Program Design and Delivery

10. Proposed Performance Assessments To Inform Future Cycle Decision Making:

If designed with meaningful purpose, conducted rigorously, and the results used effectively, assessing performance and benefit to the ESA Program participants allows for course correcting within the 2021-2026 timeframe.

a. Impact Evaluation

Propose a budget, scope, objectives, schedule, and methodology for the next impact evaluation. Present a detailed discussion of how 2015-2017 impact

¹⁷ Senate Bill 454 (2011) requires that recipients of utility incentive dollars to warrant they have complied with building permit requirements and used licensed contractors.

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evaluation results influenced current (PY 2018-2020) program goals and planning. How would the proposed next impact evaluation(s) have improved value and aid prompt improvements to program performance and benefit to participants?

b. Low Income Needs Assessments (LINA)¹⁸

Propose a budget and topics for the 2022 LINA and budget only for the 2025 LINA. Present a detailed discussion of why these areas warrant study for the 2022 LINA report and how you would incorporate future LINA information to establish program goals and/or facilitate accomplishing those goals.

c. Studies or Pilots: Discuss all other proposed studies/pilots or any alternative or additional proposed assessment of performance. All proposals must include budgets, a timeline, and detailed justification and implementation plans for the proposed study/pilot.

11. Cost-Effectiveness

a. Provide a summary of quantitative valuation of the benefit to cost ratio of ESA Program (using cost-effectiveness tests), demonstrating any notable trends in cost-effectiveness of the ESA Program (e.g. over time, over different populations) or other analytical results that informed proposed Program goals and approach. Include tables or graphs to illustrate cost-effectiveness trends discussed.

¹⁸ The Low Income Needs Assessment is required every third year pursuant for Public Utilities Code Section 382 (d).

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- i In presenting cost-effectiveness results and trends apply consistent and compliant methodology for calculating cost-effectiveness (see Decision 14-08-030 for adopted Cost-Effectiveness Working Group recommendations) and use the updated savings values from the 2015-2017 ESA Impact Evaluation.
- b. The Commission is to “take into consideration both the cost-effectiveness of the services and the policy of reducing the hardships facing low-income households”¹⁹ when setting policy governing energy efficiency services for low income households.
 - i What changes, if any, do you propose for the method of cost-effectiveness calculation adopted in D.14-08-030 per Cost-Effectiveness Working Group recommendations?
 - ii Explain how cost-effectiveness results have informed design and/or delivery and identify any proposed changes.

E. ESA Program Administration

1. Components of Program Administration

- a. Per the proposed design and delivery, list and define the necessary components of program administration (e.g. Contract solicitation, negotiation, and management; sharing data and information; reporting for compliance; audits; change management). Suggest any proposed changes to

¹⁹ Public Utilities Code Section 2790

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policies that would significantly reduce utilities' administrative costs in offering ESA services.

2. Program Implementers:

- a. List all solicitations the IOU would run to contract implementers to carry out programs described in the Design and Delivery sections above. Which Design and Delivery elements, if any, will not be solicited for implementation by third party entities, and why? Energy efficiency programs per Commission Decision 18-01-004 are third-party designed and delivered in part to keep administration costs low and optimize effectiveness of installed measures through innovation in a competitive marketplace. For Design and Delivery elements that are solicited, how will you ensure that there is a sufficient number of third party program implementers competing?
- b. Which Design and Delivery elements, if any, do the IOUs propose to administer as a statewide program, with a single third party program implementer for all IOU regions?
- c. Detail a proposed process for soliciting program implementers for your territory and statewide programs (if proposed above). Include discussion of solicitation and contracting processes from the current cycle, noting best practices, and lessons learned on each of the following elements:
 - i. Propose an outreach and communications strategy for the solicitation process that will garner a strong (in quantity and quality) response from third parties to the Request for Offer (RFO).

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- ii What controls ensure a fair, unbiased, transparent, and rigorous solicitation process, from RFO design, through bidder evaluation, to contract negotiation? Address whether there should be an independent evaluator, a procurement review group, and/or Commission review of contracts exceeding a certain amount, similar to requirements in Decision 18-01-004.
- iii What contract terms and conditions must the IOUs include in contracts to
 - allow the IOUs to ensure that third party program implementers comply with program rules and regulations
 - allow the IOUs to track implementer progress and ensure meeting performance milestones and goals
 - allow the IOUs to hold third party program implementers accountable if progress and performance milestones are not met
 - attract third party entities to submit bids in response to solicitations
 - allow third party entities the certainty and ability to propose bids to implement programs without high price risk premiums
- iv Please identify all contract terms and conditions that can feasibly be standard across all contracts and/or all the IOUs.
- v Include a schedule for issuing the necessary solicitations and executing contracts.

3. Process for Program Revisions in PY 2021-2026

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- a. Regardless the frequency and set of impact evaluations and other studies in the performance-assessments program elements above, propose a process/methodology for an IOU to correct its course to achieve established goals and targets within the program period. State specifically what course corrections would require Commission approval or not and why, and the proposed process for obtaining Commission approval.
 - i. Discuss the effectiveness of the mid-cycle working groups and advice letter process and indicate whether to consider similar or different approaches for PYs 2021-2026.
 - ii. New laws that become effective during PYs 2021-2026 could require revisions in PYs 2021-2026. What process do you suggest for incorporating changes?

F. Revenue Requirement and Rate Impacts

In the ESA Program Revenue Requirement and Impact section of the application:

1. Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the application period as well as the projected rate impacts (with quantitative information provided through B-2 and B-3 rate impacts tables).
2. Include detailed accounting of unused funds from prior budget cycles and show how these funds reduce the revenue requirement.
3. Include a brief discussion of the costs and the benefits of these programs and how they impact the rates.
4. Include a brief description of the balancing accounts for the ESA Program and explain any changes.

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II. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAM PLAN AND BUDGET

A. CARE PROGRAM CONTEXT

In the CARE Program Context and Summary section of the application:

1. **History:** Provide a brief history of the CARE Program and how it helps low-income customers, how it is funded and how the program has changed over the years, including any prior guidance given by the Commission;
2. **Summary:** Provide a CARE program summary, including descriptions of (i) the legal framework of the CARE Program, and (ii) eligible population;
3. **Program Eligibility Guidelines:** Provide a summary of the program eligibility guidelines, including income, categorical eligibility qualifications, self-certifications, and the enrollment process. Identify any proposed changes from the current framework.

B. Current Proposal Summary for Program Years (PYs) 2021-2026:

1. Explain your plans for the CARE program budget for 2021-2026;
2. Discuss how elements and strategies in the proposal are specifically designed to reach and maintain the 90% penetration goal that was established in D.08-11-031.
3. Provide an estimate of the number of households projected to be enrolled, along with the overall budget requested to meet this goal for each program year;
4. Explain any proposed changes from prior years;

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5. Based on your review of study findings and/or working group and LIOB recommendations, which new strategies or best practices do you propose for inclusion in this program to increase participation and retain eligible households?

C. CARE PROGRAM GOALS AND BUDGETS FOR PYs 2021-2026

In the CARE Program Goals and Budgets section of the application provide a description of the 2021-2026 program requests, including:

1. Provide proposed program activities and program participation goals for each year. Include the number of eligible households;
 - a. Provide actual participant data from 2018, including CARE participant counts and percentage rates for program enrollment. Also provide estimated participation data for 2019;
 - b. Discuss potential reasons for any significant variations in enrollment during the current program cycle.
 - c. Discuss issues, if any, that present challenges toward reaching and maintaining the enrollment goal established by the Commission;
 - d. Identify how the utility's CARE program goals for the 2021-2026 CARE program aligns with Commission directives of reaching a penetration goal of 90%;
 - e. Describe existing program elements and strategies that will continue;

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- f. Describe new program elements and strategies, if any, including budget estimates for new approaches;
- g. Describe in detail any proposed pilots and/or studies, including detailed budgets and timelines;
- h. Specify the total requested budget of the portfolios for each program year, and for the entire budget cycle; and
- i. Estimate the total number of households to be enrolled for each year, and for the entire budget program year cycle.

D. CARE PROGRAM DELIVERY

1. CARE Enrollment, Recertification and Outreach:

- a) Discuss any warranted changes to enrollment, recertification, and/or post-enrollment verification processes.
- b) Discuss any needed changes or updates to existing probability models.
- c) Discuss any warranted changes to the high usage policy and/or appeal process.
- d) Discuss any warranted modifications to applying the CARE discount for Green Tariff Shared Renewables customers.
- e) Discuss the current and suggested Outreach strategies and methods to improve CARE enrollment and retention including the estimated costs.
- f) Discuss how Outreach efforts will result in meeting program participation goals including any specific population sectors or segments.

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2. Targeting the Rural Population for CARE:

- a) Identify specific underserved rural areas in your territory and discuss what new strategies you will employ to target and enroll those households, and the strategies for each area, if different.

3. Targeting the High Poverty Areas for CARE:

- a) Identify the very high poverty areas (income less than 100% of Federal Poverty Guidelines) within your service territory that are underserved by county and discuss what new strategies you will employ to increase penetration in these areas.

4. Other New and Proposed Strategies:

- a) Provide a brief description of new strategies that will be employed, including a description of activities performed by third parties and other stakeholders.

5. Leveraging:

- a) Discuss progress, developments and additional enhancements to streamline coordination with California Lifeline.
- b) Discuss progress, developments and additional enhancements to streamline coordination with CSD to expedite applications and approval for Low-Income Home Energy Assistance Program (LIHEAP) crisis grants for CARE accounts at risk of disconnection.

E. CARE PROGRAM ADMINISTRATION

- 1. Describe the administration of the program, and any proposed changes or improvements.

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F. Community Help and Awareness with Natural Gas and Electricity Services (CHANGES)

1. Discuss whether you propose to continue the CHANGES program funding from the CARE budget. Why or Why not?
2. If CHANGES continues to be funded through CARE, what is the appropriate annual funding level?

G. COOLING CENTERS

1. Discuss whether your utility's cooling center budget is incorporated into your most recent General Rate Case (GRC) as directed in D.16-11-022, as modified by D.17-12-009, and discuss whether it has been updated to reflect possible de-energization events.
2. If not, propose annual cooling center budgets consistent with the requirements outlined in D.16-11-022, as modified by D.17-12-009, for the upcoming 2021-2026 application period and discuss the timeline for your next GRC and plans to incorporate cooling centers.

H. SENATE BILL 1135 FAMILY ELECTRIC RATE ASSISTANCE (FERA)

Describe how your plan and proposals comply with legislative changes addressing FERA enrollment in Senate Bill 1135 and goals outlined in Commission decisions D.18-08-013 and D.18-10-012. Include and discuss all related budget implications.

I. REVENUE REQUIREMENTS AND RATE IMPACTS

Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the application period as well as the projected rate impacts that would arise due to the increased revenue requirements.

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III. CONCLUSION

Summarize requests for which you are seeking the Commission’s approval as part of the ESA and CARE Program plans and budgets for PYs 2021-2026.

IV. EXCEL ATTACHMENTS

The IOUs must file and use the attached Excel templates, Attachment B, and may include further relevant information as appropriate.

A. ESA PROGRAM PROPOSALS TABLES

- A-1. ESA Program – Budget
 - A-1a. ESA Program – Budget (Multifamily only)
 - A-2a. ESA Program – Budget – Electric
- A-2. ESA Program – Budget – Electric (Multifamily only)
- A-3. ESA Program – Budget – Gas
 - A-3a. ESA Program – Budget – Gas (Multifamily only)
- A-4. ESA Program – Planning
 - A-4a. ESA Program – Planning (Multifamily only)
- A-5. ESA Program – Savings & Participation
- A-6. ESA Program – Detail by Housing Type
 - A-6a. ESA Program – Detail by Housing Type Multifamily
- A-7. ESA Program – Cost Effectiveness
- A-8. ESA Program – Cost Effectiveness – Weather Sensitive
- A-9. ESA Program – Cost Effectiveness Non-Weather Sensitive

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B. CARE PROGRAM PROPOSALS TABLES

- B-1. CARE Budget
- B-2. CARE Rate Impacts – Gas
- B-3. CARE Rate Impacts – Electric
- B-4. CARE Rate Impacts – CARE Penetration
- B-5. CARE Penetration – Usage Levels

C. STUDIES AND PILOTS PROPOSALS TABLES

- C-1. ESA-CARE Pilots and Studies