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Exhibit No.:  
Date: November 4, 2019  
Witness(es): Paola Benassi  
Lori Leiva Jungbluth  
Hung (Eunice) Li  
Marlene Murphy-Roach  
Mary J. O'Drain  
Erik V. Olsen

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**PACIFIC GAS AND ELECTRIC COMPANY**

**ENERGY SAVINGS ASSISTANCE (ESA), CALIFORNIA ALTERNATE  
RATES FOR ENERGY (CARE), AND FAMILY ELECTRIC RATE  
ASSISTANCE (FERA) PROGRAMS AND BUDGETS APPLICATION FOR  
THE 2021-2026 PROGRAM YEARS (PYs)**

**PREPARED TESTIMONY**

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PACIFIC GAS AND ELECTRIC COMPANY  
ENERGY SAVINGS ASSISTANCE (ESA) AND CALIFORNIA ALTERNATE RATES  
FOR ENERGY (CARE) PROGRAMS AND FAMILY ELECTRIC RATE ASSISTANCE  
(FERA) PROGRAMS AND BUDGETS APPLICATION FOR THE 2021-2026  
PROGRAM YEARS  
PREPARED TESTIMONY

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PACIFIC GAS AND ELECTRIC COMPANY  
ENERGY SAVINGS ASSISTANCE (ESA) AND CALIFORNIA ALTERNATE RATES  
FOR ENERGY (CARE) PROGRAMS AND FAMILY ELECTRIC RATE ASSISTANCE  
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**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER 0**

**INTRODUCTION AND OVERVIEW**

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 0  
INTRODUCTION AND OVERVIEW

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**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 0**  
**INTRODUCTION AND OVERVIEW**

**A. Introduction**

Pacific Gas and Electric Company (PG&E) presents its application for approval of budgets and programs for the Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) Programs, collectively PG&E's primary Income Qualified Programs. These programs have been providing income qualified customers<sup>1</sup> assistance in lowering their energy consumption and costs while increasing their comfort, health, and safety since 1983 and has been providing rate assistance, through a monthly discount, to qualifying customers<sup>2</sup> since 1989.

Since the inception of these programs, PG&E customers have benefitted from the program achievements as outlined below:

- ESA – Since 1983, PG&E has treated approximately 2.14 million homes through the end of 2018. In aggregate since 1983, ESA participants have saved over \$902 million on their energy bills, reduced electric use by over 634,117,000 kilowatt-hours (kWh), and reduced natural gas use by over 28.8 million therms.<sup>3</sup>
- CARE – Since its inception in 1989, as authorized in Decision (D.) 89-07-062 and D.89-09-044 through 2018, customers have received nearly \$9.4 billion in cumulative subsidies, saving an average of 35 percent on their electric bill and 20 percent on the gas portion of their bill. As at the time of filing this application, PG&E has exceeded the California Public Utilities Commission's (Commission) aspirational goal to enroll 90 percent of eligible customers. PG&E's current penetration rate is 95 percent of the estimated eligible population.

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<sup>1</sup> Income Qualified also refers to low income.

<sup>2</sup> Qualifying customers for CARE include: residential single-family households, tenants of sub-metered residential facilities, non-profit group living facilities, agricultural employee housing facilities and migrant farm worker housing centers.

<sup>3</sup> PG&E ESA Program 1983-2018 Participation, Energy, Bill Savings Workpaper\_2019-06-10rev\_10-08.

- FERA – provides rate assistance to households of lower to middle-income customers. The FERA program was designed to assist families that are ineligible for the CARE rate because their income level falls slightly above the CARE program income eligibility limit.<sup>4</sup> Since its inception in 2004, nearly \$65.4 million in cumulative subsidies have been provided to PG&E FERA enrolled customers.

## **B. The Low-Income Qualified Customer**

The Low-Income qualified customer segment represents a large portion of PG&E's market with over 1.4 million customers.<sup>5</sup> There is a significant opportunity and responsibility for PG&E to continue to support these customers with financial assistance and energy efficiency programs. PG&E seeks to engage low income customers in opportunities to reduce their bills and provide possible improvements to their health, comfort, and safety, through CARE, FERA, and ESA.

PG&E wants to ensure all customers can engage in smart energy choices regardless of income, financial status, or geographical disadvantages. This goal is supported by PG&E's efforts in collaborating with an ecosystem of stakeholders, all working together on behalf of customers. This ecosystem includes consumer advocates, elected officials, government institutions, local contractors and community-based organizations (CBO).

Of approximately 5.5 million customers in PG&E territory, about 25 percent (over 1.4 million) are estimated as CARE-eligible (or low income) customers.<sup>6</sup> The percentage of CARE-enrolled customers has remained steady at approximately 25-26 percent of the total PG&E residential population since 2014. Income eligible customers live throughout PG&E territory, and in certain counties make up more than 40 percent of the households currently, including Glenn County (47 percent), Merced County (45 percent), Kings Count (42 percent), Kern County (42 percent), and Fresno County (40 percent).<sup>7</sup> Certain zip codes have as high as 77 percent of total households estimated eligible for CARE/ESA

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<sup>4</sup> The FERA program was authorized by D.04-02-057 as the Large Household Program.

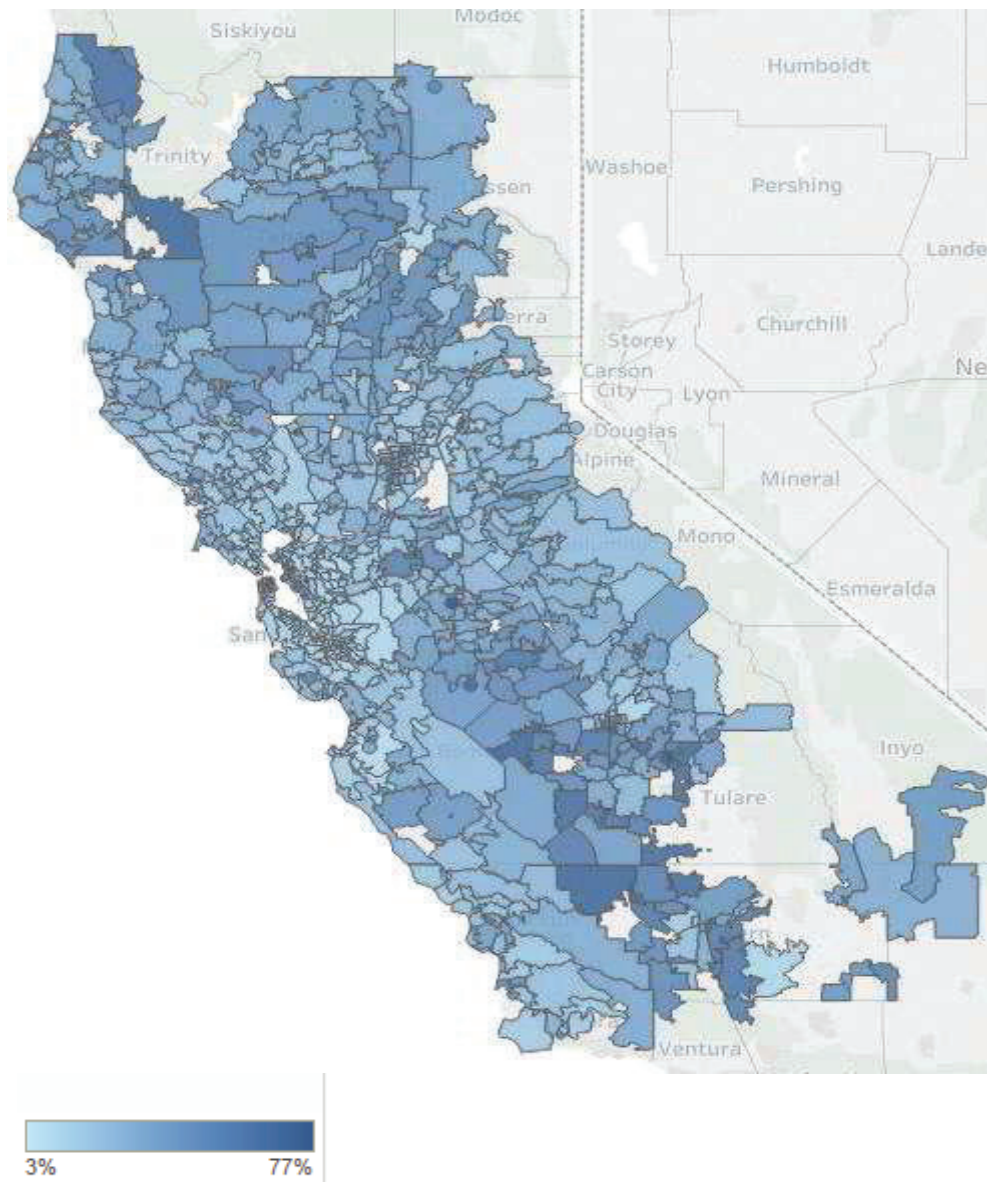
<sup>5</sup> PG&E Integrated Data Analytics as of September 26, 2019.

<sup>6</sup> PG&E Integrated Data Analytics as of September 26, 2019.

<sup>7</sup> See Chapter I of this filing: Energy Savings Assistance Program Plan and Budget.

1 as is shown in the map below. An estimated 78 percent of PG&E's low-income  
2 customers live in non-temperate climates, in extreme heat or cold.<sup>8</sup>

**FIGURE 0-1**  
**CONCENTRATIONS OF PG&E ESTIMATED ELIGIBLE CARE/ESA CUSTOMERS**  
**BY ZIP CODES**



*Legend Note: Percentage of PG&E Customers Estimated Eligible by Zip Codes.*

<sup>8</sup> PG&E Integrated Data Analytics as of September 26, 2019.



## **C. PG&E's Disadvantaged Communities (DACs) and Equity Programs**

### **Guiding Principles**

PG&E has developed guiding principles to support its work in disadvantaged communities and the income qualified programs customer segment and these have helped guide, in addition to the guidance provided in the Guidance Document,<sup>9</sup> the program design and implementation plan put forth in this application:

- PG&E is committed to pursuing access for income qualified programs and energy efficiency programs in Disadvantage Communities. PG&E will actively seek new partnerships and explore cost-effective strategies needed to penetrate hard to reach communities.
- PG&E is committed to strong local and regional partnerships to drive cost-effective implementation of programs and infrastructure projects through leveraging CBOs and local/regional partnerships to support current and emerging initiatives.
- PG&E is committed to providing safe, reliable, and affordable services to low income customers despite geographic challenges.

## **D. PG&E's Proposals**

In this application, PG&E presents several proposals to the previously authorized ESA and CARE Programs. PG&E developed its proposals considering the profiles of its target customer segment described above and the needs states that exist among this population as described in Chapter I, Section A.3.b, Table I-6. In addition, PG&E is including FERA program proposals to make significant efforts to increase program enrollment in pursuit of the aspirational goal of 50 percent by the end of 2023, pursuant to the Commission's order in D.18-08-013.<sup>10</sup> PG&E's proposals are designed to target the following goals:

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<sup>9</sup> D.19-06-022, Attachment A, *Decision Issuing Guidance to Investor-Owned Utilities For California Alternate Rates for Energy/Energy Savings Assistance Program Applications For 2021 – 2026 and Denying Petition for Modification.*

<sup>10</sup> D.18-08-013.

**TABLE 0-1**  
**PG&E'S PROGRAMS PROPOSED GOALS FOR PROGRAM YEARS (PY) 2021-2026**

Line No.	Goals/Programs	CARE	FERA	ESA
1	Penetration Level %	90%+	50%	N/A
2	Participation (Homes Treated)	N/A	N/A	400,726
3	Energy Savings:			
4	<i>kWh</i>	N/A	N/A	103,644,272
5	<i>Therms</i>	N/A	N/A	4,481,310
6	Hardship Reduction Indicator	N/A	N/A	TBD <sup>(a)</sup>

(a) Hardship Reduction Indicator to be determined upon approval of methodology and Final Decision of this application.

**1 E. Summary of Forecast**

- 2 Please see Tables 0-2, 0-3, and 0-4 for the proposed budgets of ESA,  
3 CARE, and FERA for program years (PYs) 2021-2026.

**TABLE 0-2  
PG&E'S ESA PROGRAM PROPOSED BUDGET FOR PY 2021-2026**

Line No.	ESA Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Energy Efficiency – ESA Plus	\$126,529,220	\$120,640,990	\$130,918,280	\$121,337,460	\$118,698,040	\$116,655,720	\$734,779,710
2	Energy Efficiency - MFWB	30,134,510	30,110,600	42,442,430	51,767,630	53,320,660	54,920,280	262,696,110
3	Program Administrative(a)	16,901,750	16,656,390	16,682,800	16,383,290	16,761,800	16,964,060	100,350,090
4	Total Proposed Budget	\$173,565,480	\$167,407,980	\$190,043,510	\$189,488,380	\$188,780,500	\$188,540,060	\$1,097,825,910

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

**TABLE 0-3  
PG&E'S CARE PROGRAM PROPOSED BUDGET FOR PY 2021-2026**

Line No.	CARE Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Program Administrative(a)	\$14,150,600	\$13,760,000	\$13,961,600	\$14,070,600	\$14,444,200	\$14,787,700	\$85,174,700
2	CARE Subsidy	683,539,000	687,689,000	691,973,000	696,394,000	700,957,000	705,667,000	4,166,219,000
3	Total Program and Subsidy Costs	\$697,689,600	\$701,449,000	\$705,934,600	\$710,464,600	\$715,401,200	\$720,454,700	\$4,251,393,700

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

**TABLE 0-4  
PG&E'S FERA PROGRAM PROPOSED BUDGET FOR PY 2021-2026**

Line No.	FERA Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Program Administrative(a)	\$2,503,700	\$2,802,400	\$2,867,400	\$2,937,000	\$3,005,900	\$3,076,800	\$17,193,200
2	FERA Subsidy	10,353,000	12,898,000	15,727,000	18,273,000	20,819,000	23,364,000	101,434,000
3	Total Program and Subsidy Costs	\$12,856,700	\$15,700,400	\$18,594,400	\$21,210,000	\$23,824,900	\$26,440,800	\$118,627,200

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

## **F. Summary of PG&E's Requested Proposals**

### **1. Chapter I – ESA Program Summary of Critical Program Elements and Requests**

- Approve new program design called ESA Plus with three levels: basic, comprehensive and comprehensive plus as well as the virtual energy coach pilot.
- Approve customer self-certification eligibility for ESA Basic which PG&E believes will help overcome one of the barriers of participation.
- Approve the prioritization of CARE enrolled customers who have not participated in ESA previously as well as customers in the five identified need states: high energy users; previously disconnected for non-payment of services; medical baseline; rural, tribal and disadvantaged communities; and wildfire threat zones.
- Approve the various modifications to the program rules designed to increase benefits to the customers for energy savings, health, comfort and safety, such as:
  - Changes in measure offerings based on new design, including additions, modifications and removal of certain measures. All measure changes are based on their contributions to energy savings, and non-energy benefits.
  - Solicitation of third-party administration for PG&E's Multi-family Whole Building Program modelled after PG&E's EE third-party solicitation process, as applicable and permission to request policy changes following solicitation.
- Approve key program policy changes including:
  - Establishing ESA Working Group and Studies Working Group; continuing Multi-family Working Group;
  - Modifying fund shifting rules;
  - Tracking gas and electric budget at the portfolio level rather than individual measure level;
  - Flexibility to file Advice Letters for program modifications as needed; and
  - Full listing of policy changes included in the Program Policy Changes contained in Appendix B.

- Approve the Virtual Energy Coach Pilot to evaluate the impact of personalized communications on customer behavior.
- Approve the Long-Term CARE Customer Pilot to encourage ESA participation for customers on CARE for 10 or more years.
- Approve Impact, Low-Income Needs Assessment (LINA), Process, Categorical Program and Non-Energy Benefits (NEBS) Studies recommendations.
- Approve PG&E's proposed Marketing, Education and Outreach plans and corresponding budget request for the new ESA Plus program.

## **2. Chapter II – CARE Program Summary of Critical Program Elements and Requests**

PG&E proposes the following CARE program recommendations for the 2021-2026 program cycle:

- Approve the increase of Capitation Fee from \$20 to \$30;
- Approve request to permanently revise the filing date of annual estimates to CARE eligible customers from December 31 to February 12 of each year for the current year;
- Approve change of the certification period for Non-Profit, Agriculture, Migrant Farm Worker Housing Facilities from 2 years to 4 years; and
- Approve continuation of successful marketing strategies and testing of new strategies to target CARE-eligible customers, including the holistic Community Engagement strategy to promote and educate customers in limited income and vulnerable populations about the various income qualified programs and rate options.

## **3. Chapter II – FERA Program Summary of Critical Program Elements and Requests**

PG&E proposes the following FERA program recommendations for the 2021-2026 program cycle:

- Approve CBO compensation for FERA enrollments;
- Approve the inclusion of the FERA Annual Report goals and budget expenditure with CARE and ESA annual report filed in May of each year for the preceding year commencing 2024 for 2023 progress;
- Approve request to include the FERA program aspirational goal into the Low Income Proceeding moving forward;

- Approve changes to the FERA Balancing Account;
- Approve marketing and outreach strategies and corresponding budget request to continue co-promotion of CARE and FERA via successful marketing channels; and
- Approve new FERA-specific Marketing, Education and Outreach and corresponding budget request for work to increase FERA program awareness and enrollment.

## **G. Conclusion**

The activities and program proposals in this application support PG&E's ability to continue addressing the needs that exist in PG&E's customer segment with income below 200 percent of the Federal Poverty Level. By providing ESA, CARE, and FERA program benefits to PG&E's customers for PY 2021-2026, PG&E expects to reach customers who have not been served in previous cycles or previously treated customers who will receive additional benefits now available through the ESA Plus program. PG&E believes the proposed program designs and outreach approach, including community partners complementing our direct marketing activities, will increase access to underserved populations. PG&E's programs assist in reducing the energy burden of this important customer segment. PG&E requests the Commission adopt the program budgets and proposals presented in this testimony because they are reasonable, support PG&E's goal of safely meeting customers' service needs, and effectively manage the organization's costs. To prevent any interruption in customer assistance, PG&E respectfully requests a final decision be issued on this application no later than December 31, 2020.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER I**  
**ENERGY SAVINGS ASSISTANCE PROGRAM PLAN**  
**AND BUDGET**

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER I  
ENERGY SAVINGS ASSISTANCE PROGRAM PLAN AND BUDGET

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**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER I**  
**ENERGY SAVINGS ASSISTANCE PROGRAM PLAN AND BUDGET**

**I. ESA Program Plan and Budgets**

**A. ESA Program Context [WITNESS: O'DRAIN]**

1. **History:** *Provide a brief history of the Energy Savings Assistance (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 California Public Utilities Commission (CPUC or Commission).*

Pacific Gas and Electric Company (PG&E, the Company, or the Utility) has offered free Energy Efficiency (EE) programs to qualified low-income customers in its territory since 1983 through the ESA Program. The ESA Program's objective is to help income-qualified customers reduce their energy consumption and costs while increasing their health, comfort, and safety (HCS). The ESA Program uses a prescriptive, direct install approach to provide free home weatherization, energy efficient appliances, and energy education services to income-qualified PG&E customers throughout PG&E's service area.

The ESA Program is ratepayer funded through the Public Purpose Program (PPP) fund. It is available to PG&E customers living in all housing types, regardless of whether they are homeowners or renters. To qualify for the ESA Program, the total customer household income must be equal to or less than 200 percent of the Federal Poverty Level (FPL) Guidelines, with income adjustments for family size.<sup>1</sup>

Since 1983, PG&E has treated approximately 2.14 million homes through the end of 2018. In aggregate, between 2001 and 2018, ESA participants have saved over \$902 million on their energy bills, reduced

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<sup>1</sup> 200 percent FPL income qualification for California Alternate Rates for Energy (CARE) is mandated by California Public Utilities Code (Pub. Util. Code) Sections 718, 739.1, and 2790. The ESA income guidelines at 200 percent FPL are linked to the CARE guidelines through Decision (D.) 05-10-044, Ordering Paragraph (OP) 7. All statutory references refer to the California Pub. Util. Code unless expressly stated otherwise.

1 electric use by over 634,117,000 kilowatt-hour (kWh), and reduced  
2 natural gas use by over 28.8 million therms.<sup>2</sup> Relevant guidance  
3 documents for PG&E's ESA Program, such as Commission Decisions,  
4 are included and briefly summarized in Table I-1.

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<sup>2</sup> PG&E ESA Program 1983-2018 Participation, Energy, Bill Savings  
Workpaper\_2019-06-10rev\_10-08.

**TABLE I-1  
PG&E'S ESA PROGRAM**

Line No.	Date	Key Decisions (D.) / Guidance	Summary
1	1983-2000	Various Decisions	Low-Income Energy Efficiency (LIEE) Program was marketed to customers as the Energy Partners program. It provided free home weatherization, energy efficient appliances, and energy education services to income-qualified PG&E customers throughout PG&E's service area.
2	2001-2003	D. 01-05-033	Instituted a "rapid deployment" strategy to mitigate the impacts of rate increases and energy burden on low-income customers during the energy crisis. Appliances were introduced into LIEE.
3	2004-2006:	D.03-11-020	LIEE Program coordination and standardization among the investor-owned utilities (IOU) <sup>(b)</sup> expanded.
4	2007-2014:	D.07-12-051	LIEE Program cost effectiveness tests that included non-energy benefits (NEB) were developed and authorized. Directed the development of a Strategic Plan for LIEE programs through 2020.
5	July 2008	California Long-Term EE Strategic Plan <sup>(a)</sup>	Established that the program goal (or "Strategic initiative") should be to provide all eligible customers the opportunity to participate in LIEE programs and to offer participants all cost-effective EE measures in their residences by 2020.
6	2015-2017	D.14-08-030	Commission's blueprint for achieving maximum energy ongoing, statewide strategic planning effort.
7	2017-2020:	D.16-11-022	Guidance for 2015-2017 ESA-CARE Applications PG&E's Low-Income/ESA Application filed in November 2014 for 2015-2017. Bridge funding extended the ESA and CARE programs in 2015 and 2016 as additional years in the 2012-2014 program cycle due to a delay of a final decision. Issued on November 21, 2016. Program cycle extended to include the entire final segment of the low-income Strategic Initiative—2017 through 2020. Included significant program changes e.g., removing restrictions on re-treating customer homes that had been treated since 2002, removing the 3-measure minimum requirement for participation in ESA, establishing the common area measure initiative for qualifying deed-restricted multi-family buildings, and leveraging data sharing goals with the California Department of Community Services and Development (CSD)'s low-income programs.
8	April 3, 2017 (and Suppl June 20, 2017)	PG&E Conforming Advice Letter (AL) 3830-G/J5043-E and 3830-G-A/5043-E-A	D.16-11-022 required filing a Conforming AL to submit budgets for all decision directives not included in IOU 2015-2017 proposals. New requirements were budgeted from 2009-2016 unspent ESA funds per D.16-11-022.
9	December 21, 2017	Conforming AL Resolution PG&E G-3531	Resolution authorized an additional \$155,248,408 in unspent funds in order to implement D.16-11-022 directives, including: additional measures, in-home energy education only, Multi-family (MF) Single Point of Contact (SPOC), EE Goals and Potential Study, MF Common Area Measures (CAM), leveraging activities (incl. Marin Clean Energy Low Income Families and Tenants pilot and CSD Low-Income Weatherization Program (LIWP)), general admin (My Account enrollment page, Multi-family Working Group (MFWG) facilitation, tribal outreach), Regulatory Compliance for 2017 Audit and Energy Division (ED) Data Transfer needs.
10	December 2017	D.17-12-009 (Petition For Modification (PFM) of D.16-11-022)	Addressed IOU's PFM D.16.11-022 regarding facilitating IOU-CSD customer data exchange, clarifying the requirement for an IOU CSD statewide database, removing the 8 percent unspent funds reporting trigger, clarity on additional data beyond SPOC reporting, clarifying that Tier 1 power strips are still allowed, approving High Efficiency Forced Air Unit on Burnout scenarios, modifying Southern California Edison Company's (SCE) Air Conditioning (A/C) replacement policy, evaporative cooler replacement policy, second refrigerator policy, correction to refrigerator policy date, correction to EE Potential Study budget, clarification of file date for coordination plans with water agencies and companies, clarification of timing of Programmable Communicating Thermostat (PCT) pilot, reporting of jointly treated households, correction to OP 79 (household treatment goals table), correction to reference of adoption of Energy Savings Assistance Cost Effectiveness Test (ESACET), Lifeline coordination efforts, clarification of CARE Information Technology (IT) budget, cooling center funding correction, removing CARE expansion eligibility to deed-restricted MF Properties, correction to CARE budget table, directive to create end-use customer profiles, Request for Proposal (RFP) for 2019 Low-Income Needs Assessment (LINA) Study, clarification of enabling mobile version vs requirement to develop applications, clarification of marketing and outreach deadline for filing plans, RFPs for remote load monitoring and end-use profile development/Demand Response Auction Mechanism (DRAM) integration, allowing Monthly and Annual reporting in lieu of creating new balancing accounts D.17-12-009 Attachment 1 modified D.16-11-022.
11	July 16, 2018 (and Supplemental September 14, 2018, and October 8, 2018)	PG&E Mid-Cycle AL 3990-G/5329-E, 3990-G-A/5329-E-A, and 3990-G-B/5329-E-B	D.17-12-009 required filing a Mid-Cycle AL to: adjust energy savings targets; propose, retire and refine new measures; update cost effectiveness test results; describe expanded water leveraging plans; describe tribal penetration and consultation plans; describe CSD coordination; propose edits to the Statewide ESA Policy and Procedures Manual; request budget for the Statewide End-Use Load Profile vendor and internal IT start-up costs; describe California Lifeline data sharing plans; discuss the merit of adding common area meters of deed-restricted multi-family properties to the CARE rate; address the necessity of changing the CARE Green Tariff Shared Renewables (GTSR) program; propose modifications to authorized budgets; and change the ESA electric/gas revenue allocation.
12	January 4, 2019	Non-Standard Disposition Letter (NSDL)	On July 16, 2018 PG&E filed AL 3990-G/5329-E pursuant to D.16-11-022 detailing out the Mid-Cycle update. The AL provided updated budgets, new measures, recalculations of cost-effectiveness and energy savings, leveraging plans and other program elements for the 2018-2020 ESA and CARE Program Years (PY). On September 14, 2018 PG&E filed supplemental AL 3990-G-A/5329-E-A to correct errors and submitted a second supplemental AL 3990-G-B/5329-E-B on October 8th, 2018 pursuant to D.18-08-013. The ED approved PG&E AL 3990-G/5329-E and supplemental ALs 3990-G-A/5329-E-A and AL 3990-G-B/5329-E-B filed pursuant to authority granted in D.16-11-022, in part, with the modifications to home treatment goals, program budgets, program measures, and energy savings targets, effective January 4, 2019.

(a) D.08-09-040.  
(b) Individually, the four California IOUs are: PG&E, SCE, Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E).

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).*

PG&E's ESA treatment goals for PY 2017-2020 are shown in Table I-2. These goals were based on the primary objective to achieve the Commission's Programmatic Initiative as adopted in D.07-12-051, D.08-11-031, and the Commission's Long-Term EE Strategic Plan.

**TABLE I-2  
PG&E'S ESA HOUSEHOLD TREATMENT GOAL**

Line No.		2017	2018	2019	2020	Total
1	Households	90,030	94,532	99,258	104,221	388,041

D.17-12-009, Attachment 1 (Modifying D.16-11-022), p.276 and Non-Standard Disposition partially approving PG&E AL 3990-G/5329-E, 3990-G-A/5329-E-A, and 3990-G-B/5329-E-B, January 4, 2019.

PG&E is on track to meet the PY 2017-2020 household treatment goal. See Table I-3 below.

In addition, PG&E is on track to meet the 2020 Programmatic Initiative (also called the Strategic Initiative). The 2020 Programmatic Initiative includes all low-income customers living in homes that have not been treated by ESA since 2002 as eligible to count towards the 2020 goal.<sup>3</sup> In addition to establishing the Programmatic Initiative baseline, D.08-11-031 also established that a percent of customers that were unwilling or infeasible to treat could be deducted from counting towards the total for the 2020 Programmatic Initiative, and also allowed the IOUs<sup>4</sup> to deduct the number of customers treated by the CSD's

<sup>3</sup> D.08-11-031 established 2002 as the baseline for the 2020 Programmatic Initiative.

<sup>4</sup> Individually, the four California IOUs are: PG&E, SCE, SoCalGas, and SDG&E.

1 weatherization programs since 2002.<sup>5</sup> PG&E has treated  
2 1,381,162 households from 2002 through the end of 2018, and is on  
3 track to meet the final 2020 Programmatic Initiative to provide ESA  
4 services to all eligible and willing customers for which treatment is  
5 feasible by the end of 2020.<sup>6</sup>

6 Table I-3 shows the status towards PG&E's 2017-2020  
7 portfolio metrics.

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<sup>5</sup> D.08-11-031, p. 111.

<sup>6</sup> In D.08-11-031, Section 12.3.2, the Commission established 2002 as the baseline for the 2020 Programmatic Initiative, thus including all low-income customers living in homes that have not been treated by ESA since 2002 as eligible to count towards the 2020 goal. D.08-11-031 also established that a percent of customers that were unwilling or infeasible to treat could be deducted from the total, and also allowed the IOUs to deduct the number of customers treated by CSD's weatherization programs since 2002. The percent of customers deemed unwilling to participate was updated to 40 percent in D.16-11-022 (as modified in D.17-12-009).

**TABLE I-3  
2017-2020 ESA EXPENDITURES, HOMES TREATED, AND ENERGY SAVINGS**

Line No.			2017 Actual <sup>(a)</sup>	2018 Actual <sup>(a)</sup>	2019 Forecasted <sup>(b)</sup>	2020 Forecasted <sup>(b)</sup>	Total
1	Budget	Authorized	\$154,671,971	\$142,898,913	\$205,483,865	\$185,123,470	\$688,178,219
		Expensed/Forecast	\$122,778,059	\$122,110,739	\$205,483,865	\$185,123,470	\$635,496,133
		% of Spend	79%	85%	100%	100%	92%
2	Homes Treated	Goal	90,030	94,532	99,258	111,822	388,042
		Actual/Forecast	87,052	85,168	104,000	114,801	388,042
		% of Target	97%	90%	105%	107%	100%
3	Gigawatt-Hour	Target	47	47	52	52	198
		Actual/Forecast	59	60	102	104	325
		% of Target	126%	128%	196%	200%	164%
4	MM Therms	Target	2.0	1.9	1.9	2.0	7.8
		Actual/Forecast	1.7	1.9	(0.4)	(0.4)	2.8
		% of Target	85%	100%	(21%)	(20%)	36%

- (a) 2017 and 2018 actuals are from 2017 and 2018 ESA Annual Reports (filed on May 21, 2018 and May 21, 2019); 2017 and 2018 authorized budgets, targets and goals are from D.17-12-009, Attachment 1 (Modifying D.16-11-022), pp. 49-50 and p. 276, and does not include 2009-2016 unspent funding authorized.
- (b) 2019 and 2020 authorized budgets, homes treated goals, and energy savings targets are from the Non-Standard Disposition partially approving PG&E AL 3990-G/5329-E, 3990-G-A/5329-E-A, and 3990-G-B/5329-E-B, January 4, 2019 and does not include 2009-2016 unspent funding authorized. 2019 authorized budget also includes carryover from 2017, and fund shifting per AL 3977-G/5298-E. The 2020 Authorized budget does not include benefits burden. 2019 and 2020 forecasts are from PG&E AL 3990-G-A/5329-E-A (Supplemental filing replacing AL 399-G/5329-E), filed September 14, 2018. PG&E's energy savings forecasts were based on the 2015-2017 ESA Impact Evaluation preliminary results, and PG&E proposed them even though it knew the differences were much greater than the maximum 5 percent plus/minus target adjustments Energy Division was authorized to approve in D.17-12-009.

As shown in Table I-3, there are several unmet annual targets relating to budgets, homes treated, and therms as discussed further below.

#### Budgets

As shown in Table I-3 above, PG&E's actual expense budget did not meet its authorized budget for 2017 and 2018.

The 2017 underspend was due to multiple factors. For instance, one factor was the delayed receipt of the final decision regarding PG&E's 2015-2017 Low-income Application as shown in Table I-1 above.<sup>7</sup> This decision was issued in November 2016, which provided

<sup>7</sup> D.16-11-022.

1 no transition time to begin the roll out of any new ESA Program  
2 measures and initiatives before 2017. Typical transition activities  
3 include, but are not limited to, updating databases, preparing installation  
4 specifications, and training contractors.

5 Second, D.16-11-022 included many new directives that were not  
6 contemplated in PG&E's 2015-2017 ESA Application. The decision also  
7 directed the IOUs to file a Conforming AL to propose budgets for the  
8 new directives in April 2017<sup>8</sup> and also directed PG&E to use the  
9 uncommitted unspent 2009-2016 funds to budget for all new ESA  
10 activities in its Conforming AL.<sup>9</sup> The updated ESA budgets proposed in  
11 PG&E's Conforming AL filings were not authorized until December 21,  
12 2017.<sup>10</sup> Not having all ESA funding authorized until the end of 2017  
13 contributed to PG&E's underspend for that year.

14 Additionally, PG&E and the other IOUs filed a Joint PFM of  
15 D.16-11-022 on March 24, 2017 to clarify, correct, and modify program  
16 components as described in Table I-1.<sup>11</sup> The PFM was not resolved  
17 until December 2017, in D.17-12-009.<sup>12</sup> PG&E was unable to begin  
18 work on various ESA Program initiatives (i.e., the multi-family common  
19 area initiative) while awaiting resolution of the PFM and Conforming AL.  
20 The assumptions used in determining the measure counts for the ESA  
21 EE budget over-forecasted for the year. Finally, PG&E's transition to a  
22 new program database, which moved spend from 2017-2018, began in  
23 2017 and was completed in 2018 also contributed to the lower spend in  
24 2017.

25 The 2018 underspend was primarily due to requirements for  
26 planning and contractor selection prior to implementation. These  
27 planning activities related to the initiation of multi-family common area

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<sup>8</sup> D.16-11-022, pp. 37-38.

<sup>9</sup> D.16-11-022, p. 39.

<sup>10</sup> PG&E G-3531 Final Resolution, dated December 21, 2017.

<sup>11</sup> PG&E's (U 39 M), SDG&E's (U902M), SCE's (U 338-E), and SoCalGas' (U 904G) Joint PFM of D.16-11-022, March 24, 2017. This was resolved in D.17-12-009, issued on December 20, 2017.

<sup>12</sup> D.17-12-009, issued on December 20, 2017.



1 initiatives, PCT/Smart Thermostat Time-of-Use (TOU) pilots, and remote  
2 disaggregation/non-obtrusive load monitoring.

3 As required in D.17-12-009, PG&E filed a Mid-Cycle AL in July 2018  
4 to assess and adjust energy savings targets, budgets, measures, and  
5 other program parameters.<sup>13</sup> The Commission's NSDL was not issued  
6 until January 2019, further delaying some program activities expected to  
7 begin in 2018.<sup>14</sup> Also, the assumptions used in determining the  
8 measure counts for the ESA EE budget over-forecasted the budget  
9 requirements.

#### 10 Homes Treated

11 As shown in Table I-2 above, PG&E's actual number of homes  
12 treated did not meet its goals for 2017 and 2018 ("shortfall"). PG&E is  
13 currently on track to meet its 2019 homes treated goal.

14 PG&E's 2017 shortfall is immaterial because PG&E achieved almost  
15 97 percent of its stated goal. Nevertheless, the variance was due to a  
16 slow ramp-up as contractors transitioned to implement the new ESA  
17 rules authorized in D.16-11-022.<sup>15</sup>

18 PG&E's 2018 shortfall was mainly due to the implementation of a  
19 new program database. There were several challenges to  
20 implementation which included: user set up, data capture, data  
21 migration, staff and contractor training, and modification of existing  
22 reporting processes.

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<sup>13</sup> PG&E Mid-Cycle AL 3990-G/5329-E (July 16, 2018), 3990-G-A/5329-E-A (September 14, 2018), and 3990-G-B/5329-E-B (October 8, 2018). D.17-12-009 required the IOUs to file these Mid-Cycle ALs to: adjust energy savings targets; propose, retire and refine new measures; update penetration goals; update cost effectiveness test results; describe expanded water leveraging plans; describe tribal penetration and consultation plans; describe CSD coordination; propose edits to the Statewide ESA Policy and Procedures Manual; request budget for the Statewide End-Use Load Profile vendor and internal IT start-up costs; describe California LifeLine data sharing plans; discuss the merit of adding common area meters of deed-restricted multi-family properties to the CARE rate; address the necessity of changing the CARE GTSR; propose modifications to authorized budgets; and change the ESA electric/gas revenue allocation.

<sup>14</sup> NSDL, partially approving PG&E Mid-Cycle AL 3990-G/5329-E, 3990-G-A/5329-E-A, and 3990-G-B/5329-E-B, January 4, 2019.

<sup>15</sup> D.16-11-022.



1 To address the cycle shortfall before the end of 2020, PG&E  
2 continues to address and make updates to the following:

- 3 • Identify and implement key improvements to the program database  
4 system to influence production and streamline processes;
- 5 • Expand the ESA workforce by increasing ESA contractor  
6 headcount;
- 7 • Offer additional training classes for new hires to perform work in the  
8 field in a safe and timely manner; and
- 9 • Update analysis tools and reporting to monitor production data more  
10 closely to track performance progress against forecasts.

### 11 Energy Savings

12 PG&E's therm savings realized in 2017 and 2018 did not meet the  
13 target set in D.16-11-022.<sup>16</sup> In its Mid-Cycle AL, PG&E filed new  
14 energy savings forecasts for 2019 and 2020 based on updated savings  
15 values from the preliminary results of the 2015-2017 ESA Impact  
16 Evaluation.<sup>17</sup> However, D.16-11-022 only authorized Energy Division to  
17 adjust the energy savings targets by 5 percent.<sup>18</sup> Accordingly, Energy  
18 Division increased PG&E's previously adopted annual electric energy  
19 savings targets by 5 percent and decreased gas savings by 5 percent.<sup>19</sup>  
20 PG&E does not anticipate making up this difference in 2019 or 2020, as  
21 the therm savings used to calculate and report current ESA impacts are  
22 much lower than previous savings, as described in Section B.2.a. The  
23 therm savings currently realized are lower than the savings from the  
24 previous 2011 ESA Impact Evaluation that were used to forecast  
25 savings for PG&E's 2015-2017 ESA Program Application, and are much  
26 lower than the 2015-2017 ESA Impact Evaluation savings, which were  
27 used to update the 2019-2020 ESA targets in its MCAL. These

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<sup>16</sup> D.16-11-022, OP 4.

<sup>17</sup> PG&E Mid-Cycle AL 3990-G-A/5329-E-A (Supplemental), filed September 14, 2018, p. 6.

<sup>18</sup> D.16-11-022, OP 5.

<sup>19</sup> NSDL, partially approving PG&E Mid-Cycle AL 3990-G/5329-E, 3990-G-A/5329-E-A, and 3990-G-B/5329-E-B, January 4, 2019, Table 1, p. 1.

markedly decreased energy savings are also seen in the energy savings projected for the portfolio proposed in this application.

3. **Looking Forward: [WITNESS: LEIVA JUNGBLUTH]** *Summarize:*
- (a) the significant need<sup>20</sup> (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.)*
  - a. *The significant need (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.*

PG&E's data analysis shows that there is a significant need for income-qualified EE services beyond 2020 for CARE customers who (1) have not been treated by ESA or (2) would miss out on getting treated if the program did not exist.<sup>21</sup> PG&E's newly-designed ESA Plus Program aims to more effectively impact household hardship by (1) identifying certain conditions of hardship, (2) better aligning measures to address those conditions, and (3) more precisely targeting the individual households that could benefit from ESA services.

As shown in Table I-4 below, at the end of June 2019, out of the approximate 1,311,000 individually-metered PG&E CARE customers, about 833,000 (64 percent) of CARE customers were not treated by ESA. Based on their CARE-enrolled status, PG&E

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<sup>20</sup> 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."

<sup>21</sup> Table I-4 below, and CARE Chapter II, Section B.3.

assumes this population is eligible for ESA. PG&E intends to primarily target this population to overcome any barriers to servicing these households. For example, under the new ESA Program design, PG&E would prioritize the longer tenured CARE customers for personalized, relevant outreach using custom energy reports created from their load disaggregated profile. (See Section B.2.L. Load Disaggregation Project).

**TABLE I-4**  
**CARE CUSTOMERS NOT TREATED BY ESA**  
**DATA AS OF JULY 1, 2018 – JUNE 30, 2019**

Years on CARE	Non-ESA Participants
< 1 Year	195,783
1	132,824
2	95,964
3	72,908
4	65,228
5	44,317
6	36,570
7	36,964
8	28,297
9	29,939
10	18,660
11	12,353
12	8,280
13	11,600
14	7,775
15	7,766
16	9,723
17	17,938
18	1,415
Total	833,604

As part of PG&E's new ESA Plus Program design, PG&E is also proposing a pilot for customers enrolled in CARE for 10 or more years must agree to receive ESA treatment or provide a valid reason for not participating.<sup>22</sup> PG&E plans to contact the customer multiple times. If the customer does not respond, the customer risks removal from the CARE Program. PG&E proposes to pilot this

<sup>22</sup> Similar to High-Use Post-Enrollment Verification requirements, valid reasons for not participating in ESA could include: landlord refusal, newly-constructed or renovated home, previously treated home under a different customer name.

1 proposal with a test group of customers not to exceed 10,000 to  
2 assess the impact on CARE attrition, as well as the cost associated  
3 with communications and outreach. The goal is to get long-term  
4 CARE discount recipients participating in ESA to maximize the EE  
5 of their homes. This pilot is discussed in Section D.10.c.

6 Looking at the forecast for new CARE customers in the CARE  
7 Chapter II, Section B.3., the expectation for newly-enrolled CARE  
8 customers on an annual basis is estimated at 255,000. These new  
9 CARE customers should be targeted for participation in ESA Plus  
10 services.

11 There is still significant need for low income energy efficiency  
12 services post-2020, and PG&E's new proposed program design will  
13 include new resource and non-resource measures. These new  
14 measures are expected to allow the program to treat households  
15 where specific hardship situations exist and provide further relief  
16 while keeping cost effectiveness in check. The new measures go  
17 through evaluation as part of the ESA Cost Effectiveness Test,  
18 which is performed on the entire portfolio to ensure overall costs  
19 remain reasonable. The proposed ESA design can help improve  
20 customers' EE and in-home environment, while working towards  
21 California's environmental goals.

22 *b. Your overarching proposed strategy given the historic and projected*  
23 *accomplishments, the remaining opportunity areas for addressing a*  
24 *significant need.*

25 PG&E's overarching proposed strategy for the next program  
26 cycle considers (1) the opportunity for first time treatments in  
27 relation to PG&E's progress in meeting the 2020 homes treated  
28 goal; and (2) the hardship or need states of PG&E's low-income  
29 customer population, who continues to struggle with affordability of  
30 energy bills. To that end, PG&E's ESA Plus Program proposes to  
31 (1) overcome barriers to treatment for those existing and  
32 newly-enrolled CARE customers, and (2) increase customers'  
33 energy affordability while reducing hardship with more customized

1 measures and complete solutions based on their need state and  
2 load profile.

3 The first part of PG&E's overarching proposed strategy is to  
4 target CARE customers who have not participated and attempt to  
5 overcome the barriers to their participation. The reasons for  
6 non-participation are summarized in Table I-5 below, which shows  
7 data from the 2018 ESA Annual Report. Most of the untreated  
8 households are classified as unwilling or unavailable. PG&E will  
9 propose new ways to address these barriers in the Program Design,  
10 Section D.

**TABLE I-5  
ESA HOMES UNWILLING/UNABLE TO PARTICIPATE  
PROGRAM YEAR 2018**

Line No.	County	ESA Program						
		Reason Provided						
		Customer Unwilling/ Declined Program Measures	Customer Unavailable -Scheduling Conflicts	Hazardous Environment (Unsafe/ Unclean)	Landlord Refused to Authorize Participation	Household Income Exceeds Allowable Limits	Unable to Provide Required Documentation	Other Infeasible/ Ineligible
1	ALAMEDA	897	3020	6	394	77	–	560
2	ALPINE	–	–	–	–	–	–	0
3	AMADOR	76	123	–	22	1	–	13
4	BUTTE	1109	1927	49	124	49	–	357
5	CALAVERAS	86	138	–	4	–	–	13
6	COLUSA	94	266	–	15	7	–	71
7	CONTRA COSTA	859	2211	2	350	84	–	1054
8	EL DORADO	217	297	–	7	2	–	97
9	FRESNO	505	4993	5	113	80	–	1568
10	GLENN	147	365	–	10	21	–	55
11	HUMBOLDT	104	563	–	60	21	–	110
12	KERN	1091	4245	21	240	48	–	1078
13	KINGS	62	341	–	6	1	–	44
14	LAKE	365	1101	–	9	9	–	56
15	LASSEN	7	18	–	–	–	–	3
16	MADERA	268	526	–	103	16	–	316
17	MARIN	89	506	–	88	8	–	58
18	MARIPOSA	21	26	–	–	1	–	15
19	MENDOCINO	322	617	–	6	7	–	43
20	MERCED	429	1058	1	84	21	–	476
21	MONTEREY	433	1344	–	145	13	–	434
22	NAPA	132	255	3	44	5	–	109
23	NEVADA	211	253	2	30	6	–	72
24	PLACER	369	512	–	115	21	–	188
25	PLUMAS	27	95	1	2	–	–	19
26	SACRAMENTO	1817	3337	26	614	73	–	786
27	SAN BENITO	111	177	–	8	4	–	73
28	SAN BERNARDINO	3	20	1	–	–	–	1
29	SAN FRANCISCO	271	1023	2	93	13	–	165
30	SAN JOAQUIN	1573	5208	46	264	130	–	916
31	SAN LUIS OBISPO	123	409	–	35	9	–	154
32	SAN MATEO	138	550	5	84	20	–	229
33	SANTA BARBARA	156	605	1	28	7	–	131
34	SANTA CLARA	580	1159	–	240	15	–	410
35	SANTA CRUZ	263	482	1	67	10	–	137
36	SHASTA	278	1009	1	10	36	–	178
37	SIERRA	–	4	–	–	–	–	–
38	SISKIYOU	–	–	–	–	–	–	–
39	SOLANO	448	899	1	303	43	–	566
40	SONOMA	823	1120	1	81	16	–	203
41	STANISLAUS	1127	2758	72	175	90	–	454
42	SUTTER	372	1070	2	27	14	–	110
43	TEHAMA	182	709	3	39	26	–	163
44	TRINITY	–	7	–	–	–	–	1
45	TULARE	51	275	–	12	2	–	70
46	TUOLUMNE	27	122	–	4	6	–	44
47	YOLO	257	658	2	137	65	–	271
48	YUBA	377	738	–	16	17	–	104
49	Total	16,897	47,139	254	4,208	1,094	–	11,975

Note: The data in this table shows the number of households that did not qualify or declined to participate at the referral pre-assessment stage.

Households that did not qualify or declined to participate at the time of the physical home assessment are not included.

The second part of PG&E's new program strategy identifies customers who have significant needs or hardships and provides them with both standard EE measures and more specific measures aimed at addressing their hardship or need state. It will not matter if these customers had been previously treated by ESA since there will be new measures available to them that provide additional benefits.

PG&E reviewed available data in customer records from July 1, 2018 through June 30, 2019 and determined there were five need states indicative of hardship. PG&E then identified where ESA measures or services could contribute to reducing hardship. See Table I-6.

**TABLE I-6  
PG&E NEED STATES**

Line No.		High Usage	Medical Baseline	Disconnections	Disadvantaged Communities (DAC)/ Tribal/ Rural	Wildfire Threat
1	Problem	Level of usage incurs surcharge	Device or condition requires extra energy	Payments are missed and power is turned off	Environmental conditions impact energy use	Power shut-off is likely
2	Possible Solution Measures	Additional enclosure measures to reduce use, referral to solar program	Additional Heating, Ventilation and Air Conditioning (HVAC) measures to reduce hardship, possible air purifier	Education on tools to help control use/cost and payment reminders	Increase in home repair to allow for more energy efficient measure installation	Cold Storage Unit for longer duration
3	Customer Counts <sup>(a)</sup>	48,000	88,000	55,000	697,000	67,000
(a) Approximate, as of June 30, 2019.						

For the identified need state of high usage, HVAC tends to be the primary driver of energy use and more intensive enclosure measures may help reduce HVAC needs. However, in some

1 circumstances, the best solution may be a referral to a solar  
2 program for low-income customers to reduce the utility bill and avoid  
3 the high usage surcharge on the bill.

4 There are two solar programs available. They are:  
5 Single-Family Affordable Single Homes (SASH) and Disadvantaged  
6 Communities Single-Family Affordable Single Homes (DAC-SASH).

7 A customer on the Medical Baseline Program may have a  
8 medical condition that requires equipment or needs device(s) that  
9 use extra energy. For certain cooling requirements, there may be  
10 HVAC options to assist in reducing energy use or providing health  
11 and comfort benefits. In other cases, in-home appliances like air  
12 purifiers could help improve air quality and provide NEBs.

13 A customer who has experienced energy utility disconnections  
14 may need education or access to tools to assist with energy  
15 management to lower their bill.

16 A customer residing in a geographic area designated as a DAC,  
17 Tribal, or Rural community may need more home repair services  
18 before EE products may be installed.

19 And lastly, a customer living in a high wildfire threat area,  
20 especially those with medical and/or functional needs may benefit  
21 from a cold storage unit to help keep food items or medication  
22 from spoiling.

23 c. *The appropriate program design and structure to effectively provide*  
24 *services and comply with statute.*

25 For PG&E, the appropriate design and structure to effectively  
26 provide services and comply with statute is one that builds on past  
27 successes and modifies the rules of operation to more effectively  
28 address the goals of decreasing energy consumption and reducing  
29 household hardship. Beginning in August 2018, PG&E dedicated  
30 resources to assessing opportunities for an appropriate program  
31 design by holding discussions with numerous stakeholders



(including contractors) and soliciting comments and feedback about PG&E's current ESA Program and changes for the future.<sup>23</sup>

In addition to stakeholder meetings, PG&E conducted ethnographic research with ESA customers in their homes, benchmarked with other utilities across the United States (U.S.), and collaborated with the other California IOUs.

Based on PG&E's analysis and discussions, the key themes influencing changes to the program design were:

- 1) Increasing the eligible customer base;
- 2) Targeting and treating customers with the greatest need;
- 3) Providing deeper measures for targeted households to realize greater savings; and
- 4) Testing the use of incentives or rewards for increased customer engagement.

PG&E used these four themes to help develop the new design for submission in this application. The changes proposed for the new design consist of:

- 1) Overcoming trust issues by partnering ESA more closely with the CARE Program in ways not done in previous efforts. This would make ESA the next step in the CARE customer's energy journey with PG&E;
- 2) Easing enrollment requirements by allowing self-certification as CARE for the basic ESA Program;
- 3) Removing the property owner approval requirement for installation of simple measures (e.g., LED A-lamps and power strips);
- 4) Focusing outreach on those who have not participated in ESA and newly-enrolled CARE customers;
- 5) Targeting low-income, high usage customers to help achieve greater savings potential;
- 6) Offering unique measures for customer groups that have the greatest need for hardship reduction; and

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<sup>23</sup> See Appendix A for list of stakeholders.

1 7) Producing load disaggregation profiles that include customized  
2 solutions around energy, such as rate plans, other savings  
3 programs, behavioral tips, and EE measures.

4 PG&E recognizes there is opportunity for energy and bill  
5 savings if customers more fully understand the tools and programs  
6 available to them to help make their home more energy efficient.  
7 Customers also need education and encouragement to adjust their  
8 usage behavior. Therefore, PG&E is proposing a “virtual energy  
9 coach” pilot to test customized energy management solutions  
10 delivered with consistent and frequent communications to help  
11 customers make the appropriate decisions about their own EE.<sup>24</sup>

## 12 **B. ESA Program Proposal Summary**

13 *In the ESA Proposal Summary section of the application include:*

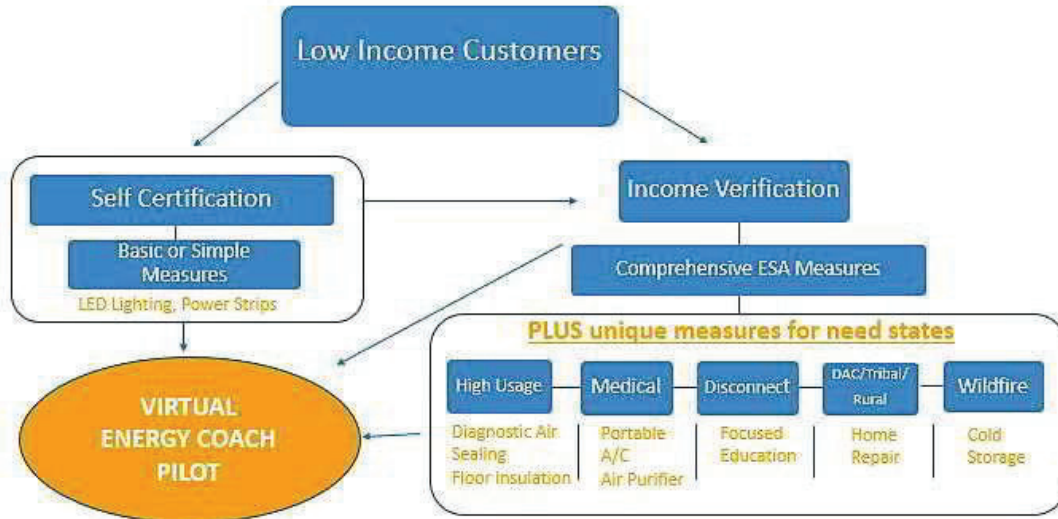
- 14 1. **Proposal Summary:** *Provide a concise description of the proposed*  
15 *ESA Program, not to extend beyond 2026, including a brief*  
16 *description of:*

17 A concise description of the proposed ESA Plus Program is shown  
18 in the Figure I-1.

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24 Attachment A, Virtual Energy Coach Pilot Implementation Plan.

**FIGURE I-1**  
**CONCISE DESCRIPTION OF PG&E'S PROPOSED ESA PLUS PROGRAM FOR PY 2021-2026**



**Brief Description:**

- a. *New program strategy (e.g., deeper energy savings and reduced hardships);*

The new program strategy proposes the following to deliver on both energy savings and reduced hardships in the most cost-effective ways:

- 1) Maximize participation for homes previously not treated. It is presumed a non-treated home is likely to be less efficient and poses greater energy savings opportunities;
- 2) A focused effort to reach and treat high energy usage households, assuming a high usage household has greater savings potential;
- 3) Needs-based approach to customer segmentation to identify those with the greatest hardship and offer an extended number of unique measures that address the specific needs states; and
- 4) Test a “virtual energy coach” where customized energy management solutions are delivered with consistent and frequent communications with the intent to help customers improve their household EE and ease their burden.

1           ***b. New program goals and metrics for evaluating success;***

2           Program goals and metrics for evaluating success should center  
3           around how well the ESA Program is delivering energy savings and  
4           reducing hardship for those with the greatest need in the most cost  
5           effective way. Details can be found in Chapter IV Table A-5  
6           Portfolio Goals and Target Populations. This table shows Savings,  
7           Hardship Reduction, Resource and Non-Resource Measures, and  
8           Participation Goals by Targeted Populations.

9           ***c. A description of the participants receiving services due to their***  
10          ***significant need, and;***

11          As listed in Table I-6 above, the participants receiving services  
12          due to their significant need are comprised of five groups:

- 13          1) High Usage: CARE customers whose electricity usage exceeds  
14             400 percent of baseline and have received a High Usage  
15             Surcharge on their bill, or a CARE customer who has gas usage  
16             exceeding 300 percent in any one month;
- 17          2) Medical Baseline: Customers with a medical condition that  
18             requires device(s) using extra energy. These devices are  
19             validated by a doctor and typically increase energy usage;
- 20          3) Disconnections: Customers who, despite receiving the CARE  
21             discount, continue to have difficulty paying their energy utility bill  
22             and have had their service turned off for non-payment within the  
23             past 12 months;
- 24          4) Geographic Areas: Customers who reside in areas such as  
25             Disadvantaged, Tribal, and Rural communities. It is anticipated  
26             these households may need more home repair before certain  
27             EE measures can be installed; and
- 28          5) High Wildfire Threat Zone: Customers residing in areas defined  
29             as extreme danger zones<sup>25</sup> and are most likely to be turned off  
30             in the event of high fire danger.

31          It is possible that a customer may fall into more than one of the  
32          five need states. PG&E would classify that customer as having the

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25 CPUC Fire Threat maps available at: <https://www.cpuc.ca.gov/FireThreatMaps/>.

1                   greatest need and PG&E would offer the customer the opportunity  
2                   to receive the greatest number of services.

3                   *d. Proposed changes to the ESA Program design and delivery.*

4                   PG&E's proposed changes to the ESA Program design and  
5                   delivery include:

- 6                   1) Self-certification of income to enroll in the ESA Program for  
7                   basic measures only, if the customer is already enrolled  
8                   in CARE;
- 9                   2) Simultaneous enrollment of a targeted, interested ESA  
10                  customer for ESA and CARE;
- 11                  3) Redefine "getting started" as a free home assessment, energy  
12                  education, and simple measure installation. This is the Basic  
13                  level of ESA;
- 14                  4) Remove Property Owner Authorization (POA) requirement for  
15                  "getting started" in the ESA Program;
- 16                  5) Revise the ESA home assessment form to a more whole home  
17                  approach that includes the additional measures and services  
18                  available for a customer who is within a particular need state.  
19                  This is the Comprehensive Plus level of ESA;
- 20                  6) Update the ESA Workforce Education & Training (WE&T)  
21                  program administered by PG&E's Technical Specialists for ESA  
22                  contractors with requirements for new measures, customer  
23                  need states and customer education;
- 24                  7) Update contractor job skills to complete the new assessment  
25                  form with need states and perform installation of simple  
26                  measures during the first visit;
- 27                  8) Improve contractor efficiency, such as bundling contractor visits  
28                  with crews who can perform as much of the work as possible in  
29                  one visit;
- 30                  9) Produce quarterly load disaggregation usage profiles with  
31                  customized energy savings solutions for every CARE customer.  
32                  The profile would be available for contractors and customers;
- 33                  10) Include the offer of a "virtual energy coach" during the Energy  
34                  Education session with the customer; and

11) Pilot the virtual energy coach for 24 months to  
determine impact.<sup>26</sup>

2. *Describe most recent available results from the 2015-17 Impact Evaluation; 2019 Potential and Goals Study; 2016 LINA; preliminary 2019 LINA results; 2019 Non Energy Benefits Study; recommendations of the LIOB and the Cost Effectiveness, Mid-Cycle and Multi-family 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. [WITNESS: O'DRAIN]*

PG&E is an active participant in ESA studies and ESA working groups. As part of the most recent ESA studies and working groups, PG&E highlights the available results below.

*a. 2015-17 Impact Evaluation: Results, Observations, and Changes Proposed*

In 2017, under the direction of the Energy Division, the IOUs began a statewide impact evaluation of the 2015-2017 ESA Program Years. Det Norske Veritas – Germanischer Lloyd (DNV-GL) conducted the Study, which was completed in 2019.<sup>27</sup>

This evaluation used a billing analysis approach to assess ESA Program impacts for the 2015-2017 PYs and followed standard evaluation protocols while maintaining the fundamental requirement of billing analysis: weather normalization and a comparison group to account for non-program related change over time. The evaluation was divided into two phases. Phase 1 used program data from 2014-2016. The Phase 1 results established the modeling framework and provided results for use in the IOU's ESA mid-cycle program update AL filings submitted in the summer of 2018 (and discussed in Section A.2). Phase 2 incorporated the first six months of 2017 program data into the model and refined the modeling

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<sup>26</sup> See Attachment A, Virtual Energy Coach Pilot Implementation Plan.

<sup>27</sup> DNV-GL. ESA Program Impact Evaluation PY 2015-2017 Phase 2, Final Results. April 26, 2019. See: <https://pda.energydataweb.com/#!/documents/2173/view>.

1 approach. Phase 2 results are used for determining energy savings  
2 in this application.

3 The Phase 2 evaluation produced results at the household level  
4 across the years evaluated but did not allocate savings at the  
5 measure level. The ex-ante savings estimates, based on prior 2011  
6 impact evaluation results from the 2009-2011 cycle, were higher  
7 than the evaluated (ex-post) savings for all four IOUs. PG&E's  
8 evaluated electric savings ranged from 90 kWh to 149 kWh per  
9 household (a 24-38 percent savings per household as a percentage  
10 of ex-ante estimates). PG&E's evaluated gas savings ranged from  
11 7 therms to 9 therms per household (a 28-39 percent savings per  
12 household as a percentage of ex-ante estimates).

13 The reported energy savings consisted of positive energy  
14 savings, as well as negative energy savings from program  
15 treatments. The impact evaluation did not attribute causes for the  
16 specific negative values realized, and some of the measure results  
17 were not clear or logical: for example, attributing negative savings  
18 values for duct repair measures that do not draw load. However,  
19 other negative energy savings may result from ESA equipment  
20 repairs leading participating households to use services that they  
21 were not using before, thus generating more energy usage.  
22 Negative savings resulting from equipment repairs may also  
23 promote and produce favorable HCS benefits for the program  
24 participants.

25 Key recommendations in this report were for the IOUs to refine  
26 program planning assumptions and improve program tracking data.  
27 The report recommended that ESA Program planners fully account  
28 for potential consumption-increase assumptions for measures that  
29 are installed for non-energy related benefits. For example, flagging  
30 fixes to heating or cooling units where the unit was not working or  
31 not used prior to the visit would segregate off installations that  
32 increased consumption and improve overall program savings  
33 projections. ESA Program administrators were encouraged to use  
34 standardized data fields such that information readily rolls up to



1 program totals and matches the values reported to the CPUC and to  
2 better align program data, definitions and requirements with billing  
3 information. Because the evaluation methodology did not produce  
4 consistent savings at the measure level, the evaluation  
5 recommended that program administrators explore other statistical  
6 methods to understand program savings in the next evaluation.

7 PG&E worked with the other IOUs to allocate savings at the  
8 measure level as required for program reporting and planning.  
9 The lower realized savings affects PG&E's ability to meet  
10 2017-2020 ESA Program savings targets (discussed previously in  
11 Section A.2). It also makes it more challenging to design and  
12 propose a cost-effective program (discussed in Section D.6). PG&E  
13 plans to explore other protocol-compliant evaluation methods that  
14 may provide more consistent results at the measure and household  
15 level to use for the next ESA Impact Evaluation.

16 Both the Impact Evaluation and the Potential and Goals (P&G)  
17 Study (discussed below) show decreasing opportunities for energy  
18 savings. PG&E's proposed ESA Program addresses this challenge  
19 by changing the balance of benefits between energy savings and  
20 hardship reduction (other than financial). The program proposed in  
21 this application explores new opportunities to achieve energy  
22 savings in addition to providing valuable NEBs for participating  
23 customers.

24 *b. 2019 Potential and Goals Study Results, Observations, and*  
25 *Changes Proposed*

26 For the first time, low-income energy potential was included in  
27 the 2019 P&G Study conducted by Navigant.<sup>28</sup> Aligning with the  
28 decreased ESA energy savings identified through the Impact  
29 Evaluation, the 2019 P&G study identified fairly low ESA savings  
30 potential. PG&E believes the estimates of energy savings potential  
31 identified for the low-income sector in the 2019 P&G Study may not

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<sup>28</sup> Navigant. 2019 Energy Efficiency P&G Study, Final Public Report. Prepared for CPUC. July 1, 2019. Adopted August 23, 2019.  
(See: <https://www.cpuc.ca.gov/General.aspx?id=6442461220>.)



1 accurately reflect the ESA Program’s potential given some of the  
2 inputs and calculations used do not apply to the low-income market  
3 or policies and methodologies required by the CPUC for  
4 delivering ESA.

5 However, since PG&E is proposing changes to ESA Program  
6 design, delivery and measures offered, savings potential forecasted  
7 in the 2019 Navigant P&G Study may not be relevant for 2021-2026  
8 ESA Plus planning. PG&E looks forward to working with Energy  
9 Division’s research Consultant further on low-income specific issues  
10 in the next P&G study.

11 c. *2016 and 2019 LINA Studies: Results, Observations, and Changes*  
12 *Proposed*

13 Assembly Bill (AB) 327 (incorporated into Section 382(d))  
14 mandated the completion of a LINA Study every three years.<sup>29</sup> The  
15 purpose of the study is to broadly assess: the effectiveness of ESA  
16 and CARE measures and services, the specific needs of low-income  
17 customers, and how CARE and ESA Programs can better meet  
18 customer needs.<sup>30</sup>

19 The LINA studies have been designed to accommodate  
20 changing markets and implementation strategies by allowing each  
21 study to examine low-income needs and key research questions  
22 aligned with Section 382 that are both timely and relevant to  
23 evolving program and policy needs.

24 d. *2016 LINA Study: Results, Observations, and Changes Proposed*

25 The 2016 LINA study was completed in December 2016. This  
26 Study, conducted by Evergreen Economics, included several key  
27 objectives associated with understanding customers’ energy burden  
28 and insecurity, identifying beneficial EE measures, and assessing  
29 potential participation barriers including the need to provide income  
30 documentation.

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<sup>29</sup> California (CA) Pub. Util. Code Section 382(d).

<sup>30</sup> CA Pub. Util. Code Section 382(d).

1           The 2016 Study assessed energy burden using the common  
2           metric which calculates burden as a ratio of household income to  
3           energy costs, as well as several additional metrics. These included:

- 4           1) Modified Energy Burden: Includes estimates of non-cash  
5           government assistance in conjunction with reported  
6           household income;  
7           2) Energy Insecurity: Reflecting customers' self-reported  
8           challenges paying energy bills; and  
9           3) Material Hardship: Which reflects overall household financial  
10          challenges (independent of the energy bill).

11          As measured by the ratio of reported household income to  
12          energy bill, the 2016 Study found that California's low-income  
13          customers' mean average burden (total energy bills/income) is  
14          5.6 percent, with a median burden of 3.9 percent. These results are  
15          low compared to energy burden across the U.S.<sup>31</sup>

16          The research also found different levels of burden across and  
17          between various subgroups of the low-income population depending  
18          on the metric and calculation used. For example, when several  
19          non-cash benefits (housing, medical and food subsidies) are  
20          considered with reported income, the energy burden for some  
21          groups of low-income households, such as the very poor and  
22          multi-family dwellers drops significantly, thus highlighting the role  
23          other subsidies play in reducing energy burden.

24          The 2016 Study also found that households that consistently  
25          engage in low cost energy saving practices are less likely to be  
26          delinquent in payments or to receive disconnection notices. This  
27          suggests there is opportunity for more educational and behavioral  
28          interventions to assist customers in reducing their energy burden,  
29          results PG&E considered in designing its 2021-2026  
30          program proposals.

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31   Ariel Dreobl and Lauren Ross. Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low-income and Underserved Communities. ACEEE and Energy Efficiency for All. April 2016. Figures 1, 4, 5, and E7 all show California cities have the lowest average median energy burden on average and by sectors.

1 The 2016 Study results broadened PG&E's understanding of  
2 hardship and burden among low-income households. PG&E's  
3 2021-2026 ESA Program proposes customized approaches to meet  
4 unique and unmet needs of the low-income customers, as described  
5 in this application.

6 e. *2019 LINA Study: Results, Observations, and Changes Proposed*

7 The 2019 LINA study will be the fourth study to be completed.  
8 Research Into Action (now merged with Opinion Dynamics) was  
9 selected and began to conduct research in January 2018. The draft  
10 report was completed in October 2019, and a public workshop has  
11 been scheduled for November 14, 2019 to review the results and  
12 solicit stakeholder input. The 2019 LINA study will be completed in  
13 December 2019. Given the potential value of the results for the  
14 design and planning of the new 2021-2026 CARE and ESA  
15 Programs, PG&E reviewed preliminary results to provide timely  
16 results-based suggestions regarding program design and strategy.

17 The preliminary 2019 Study offered some insights on conditions,  
18 processes, and measures that are relevant to ESA Program NEBs.  
19 For example, the preliminary 2019 Study found that households that  
20 received (or recall receiving) HCS advice from ESA contractors  
21 reported having received relatively more benefits with respect to  
22 HCS from ESA Programs.<sup>32</sup> This finding was consistent with the  
23 in-home customer interviews done by PG&E.<sup>33</sup> It also appears  
24 those who receive these targeted measures (e.g., heating and  
25 cooling measures) tend to have higher energy burden, greater  
26 health hardships, and lower incomes than those who do not  
27 participate in ESA.<sup>34</sup>

28 PG&E is using these preliminary results and insights on  
29 hardship, energy burden, and customer values to help design the

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<sup>32</sup> Opinion Dynamics. 2019 CA Low-income Needs Assessment, Draft Report, Vol. 1 (October 2019), Section 6.2.

<sup>33</sup> Travis Research. PG&E ESA Report of In-Home Customer Interviews, October 2018.

<sup>34</sup> Opinion Dynamics. 2019 CA Low-income Needs Assessment, Draft Report, Vol. 1 (October 2019), Section 6.2.

new customized program delivery strategies proposed in this application that better address customer need states and barriers to participation.

*f. ESA Non-Energy Benefits Study: Results, Observations, and Changes Proposed*

Negative energy/bill savings in the ESA Program are offset with an increase in savings from other areas of the customers' total household expense budget and by greater understanding of energy management or usage behaviors. This effect of the ESA Program has been recognized since 2002, when quantified NEBs were first included in ESA Program cost effectiveness testing.<sup>35</sup> The purpose of this statewide study was to: update the current NEB estimates used in ESA cost effectiveness tests; recommend new NEBs appropriate for ESA and missing from the current framework; and design workbook of spreadsheets to calculate NEBs.

The scope of work for the ESA 2019 NEBs Update Study (NEBs 2.0) was developed in consultation with the ESA Cost Effectiveness Working Group in 2017, as directed in D.16-11-022.<sup>36</sup> Skumatz Economic Research Associates, Inc. (SERA) was chosen as the study contractor. The draft report was posted on July 26, 2019 and a public webinar was held on August 2, 2019 to share the draft study findings, recommendations with stakeholders, and to gather feedback on the results. The Final NEBs 2.0 Study was completed on August 30, 2019.<sup>37</sup>

The study provided modifications to the calculations of the existing ESA NEBs. These modifications include input values taken from secondary research (e.g., an estimated percentage of a reduced hardship or cost which the program is expected to provide)

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<sup>35</sup> D.02-08-034 adopted cost effectiveness tests for LIEE programs that included non-energy benefits weighted from the participant and no-participant perspectives.

<sup>36</sup> D.16-11-022, Section 3.10.2.

<sup>37</sup> SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019.  
(See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

1 and, in some cases, modified calculation structure (e.g., the addition  
2 of new input values not previously used).<sup>38</sup> In doing this work, the  
3 study exposed the limitations of secondary research to provide  
4 updated values relevant to the ESA Program. In many cases, the  
5 most recent estimated values found were from studies over ten  
6 years old, and in some cases 15 years old.<sup>39</sup> Furthermore, many of  
7 these studies involved programs in states with different climates  
8 (e.g., Wisconsin, Connecticut) or different measure mixes that  
9 diminished their relevancy for the ESA Program.

10 The NEBs 2.0 Study added 24 new NEBs into an updated  
11 NEBs 2.0 model, and eliminated six NEBs from the 2001 NEBs 1.0  
12 model.<sup>40</sup> The updated NEB 2.0 model discussed in the NEBs  
13 Study consists of 46 NEBs for consideration for IOU calculations.  
14 The newly-created NEB concepts require additional research and  
15 verification to ensure accuracy, reliability, and confidence. After  
16 review, a total of 20 were accepted for inclusion in the NEB 2.0  
17 model, as shown in Table I-7.<sup>41</sup> The 20 accepted NEBs are  
18 described in Table I-8.<sup>42</sup> ESACET does not include Societal NEBs,  
19 thus the societal water savings values were not included in PG&E's  
20 2021-2026 ESACET.

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**38** SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, Section 2.4, pp. 27-28. (See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

**39** SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, Section 4.1, Figure 4.1, p. 62. (See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

**40** SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, p. 3. (See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

**41** SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, Figure 2.12, pp. 45. (See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

**42** SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, Figure 2.14, pp. 46-47. (See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

**TABLE I-7**  
**COUNT OF NEBS REVIEWED IN NEBS 2.0**

Line No.	NEB Type	Number of NEBs in Inventory	Included in ESA 2001 NEB 1.0 Model	Accepted for Inclusion in C/E 2001 NEB 1.0 Calculations	Included for Modeling in ESA NEB 2.0	Accepted for Inclusion in NEB 2.0
1	Utility NEBs	32	11	8	9	4
2	Societal NEBs	32	4	—	10	1
3	Participant NEBs	72	12	11	27	15
4	Total NEBs	136	27	19	46	20

**TABLE I-8**  
**NEBS 2.0 FOR INCLUSION IN ESACET**

Line No.	NEB	Description
1	<b>Utility NEBs</b>	
2	Reduced Carrying Cost on Arrearages (Interest)	The utility and its ratepayers have lower revenue requirements because the carrying cost on arrearages is lower when the program achieves (bill) savings and improves bill payment behavior by participants.
3	Fewer Shutoffs	The utility and its ratepayers have lower revenue requirements because the carrying cost on arrearages is lower when the program achieves (bill) savings and payment behavior by participants.
4	Fewer Reconnects	The utility and its ratepayers have lower revenue requirements because the reconnection costs are lower when the program achieves (bill) savings and improves bill payment behavior by participants.
5	Fewer Notices	The utility and its ratepayers have lower revenue requirements because the cost of issuing notices is lower when the program achieves (bill) savings and improves bill payment behavior by participants.
6	<b>Societal NEBs</b>	
7	Water/Sewer Savings	Measures that are installed under the program save water and energy use. Society receives benefits from deferral of investment in water infrastructure.
8	<b>Participant NEBs</b>	
9	Water/Sewer Savings	Measures that are installed under the program save water and energy use. Participants receive direct savings in water and wastewater bills from the lower water use.
10	Fewer Calls to the Utility	Lower energy bills and associated improvements in bill payments lead to fewer calls to and from the utility on billing issues and lower time spent by participants on these calls, valued at participant value of time.
11	Property Value Benefits	Repairs to the home improve the property value for the household.
12	Fewer Fires	The program's onsite activities and older equipment replacement reduces the risk of fires and associated costs to participants including property damage, injury, and deaths.
13	Indoor Air Quality (Carbon Monoxide (CO)-Related)	The installation of CO monitors reduces the potential for sicknesses or deaths from CO poisonings to household members.
14	Health and Safety (H&S) Asthma Symptoms	The ESA Program installs measures that can improve indoor air quality by controlling the flow of outdoor allergens and particulate matter into the home, resulting in reduced incidences and occurrences of asthma symptoms and resulting out-of-pocket costs for households.
15	H&S Allergy Symptoms	The ESA Program installs measures that can improve indoor air quality by controlling the flow of outdoor allergens and particulate matter into the home, resulting in reduced incidences and occurrences of allergy symptoms and resulting out-of-pocket costs for households.
16	H&S Cold Symptoms	The ESA Program puts measures in place that helps reduce temperature, irritant and low humidity conditions that can increase cold and virus symptoms. Households experience fewer out-of-pocket costs from over-the-counter cold medications, prescriptions, and doctor visits related to colds.
17	H&S Hot Water Scalding	The thermostatic shower valves and water heater temperature checks provided by the program can prevent hot water scalding and reduce out-of-pocket medical costs to households from accidental tap water scalding by children and elderly residents.
18	Thermal Comfort	Program measures improve the conditioning of households and reduce drafts, leaks and improve resident thermal comfort. Residents receive and value benefits from the improved indoor environment from these changes.
19	Noise Internal	New equipment installed by the program may operate more quietly, reducing inside-generated noise. Residents receive and value benefits from the improved indoor environment from these changes.
20	Noise External	Installation of shell / enclosure measures may reduce street noise experienced by residents. Residents receive and value benefits from the improved indoor environment from these changes.
21	Customer Operations and Maintenance	The program installs new measures that presumably have fewer repairs and residents have savings from lower out-of-pocket repair costs than they experienced with the replaced equipment.
22	Aesthetics/Appearance/Ability to Sell	The installation of new equipment provides benefits in equipment and the home looking cleaner, newer, and more fashionable. Residents receive and value benefits from the improved indoor environment from these changes.
23	Reduced Detergent Use	The program installs new high efficiency washers which, in addition to using less water (measured in another NEB), require less detergent per load. These are out-of-pocket savings for the household.



1 The study proposed a new method of allocating NEB results  
2 across program measures using a set of factors that relate to how  
3 the measures contribute to NEBs (e.g., energy savings,  
4 expenditures, etc.).<sup>43</sup> The new method improves the existing  
5 allocation method of using energy savings as a basis for allocation  
6 since the latter does not control for measures where the average  
7 energy savings is not correlated with NEBs.

8 The study highlighted the need for additional work to improve  
9 the reliability, validity, and relevance of the estimates and the  
10 usability of the model.<sup>44</sup> In particular, additional research was  
11 recommended for all NEBs to strengthen the calculations and to  
12 establish linkages to the ESA Program.<sup>45</sup>

13 IOUs used the current NEB model (NEB 1.0) with selected  
14 updates from this NEBs 2.0 Study and additional updates from  
15 utility-specific data in the ESACET in this application. Follow-up  
16 research to adapt the NEB 2.0 Study's model for use will occur in  
17 late 2019-2020.

18 A California specific NEBs study is proposed for the 2021-2026  
19 cycle. (See Section D.10.c.) In addition to conducting California  
20 specific primary research, this proposed NEBs 3.0 Study will  
21 consider and address 2019 NEBs 2.0 Study recommendations.

22 The updated values from the NEBs 2.0 Study have a major  
23 impact on the overall cost effectiveness of the ESA Program. With  
24 cost effectiveness tied to energy savings and energy savings  
25 decreasing, the expectation is that cost effectiveness of the ESA  
26 Program will also decrease to unacceptable levels without NEBs

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<sup>43</sup> SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, Figure ES.2, p. 2 and Section 3.2.

(See: <https://pda.energydataweb.com/#!/documents/2295/view>.)

<sup>44</sup> SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, pp. 4-5.

(See: <https://pda.energydataweb.com/#!/documents/2295/view> )

<sup>45</sup> SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019, pp. 4-5.

(See: <https://pda.energydataweb.com/#!/documents/2295/view> )



1 factored into the equation. This Study reexamines prior NEBs and  
2 attempts to better define and quantify them. NEBs are becoming  
3 more valuable to the ESA Program portfolio, and PG&E’s program  
4 portfolio balances energy savings measures with measures  
5 providing HCS benefits.

6 *g. Recommendations of the LIOB: Results, Observations, and*  
7 *Changes Proposed*

8 The Low-Income Oversight Board (LIOB) ESA subcommittee  
9 identified areas of primary focus to guide the drafting of ESA  
10 post-2020 goals; these were discussed and affirmed by the LIOB at  
11 the December 6, 2018 meeting and documented in an LIOB White  
12 Paper, sent to the Commission on December 20, 2018.<sup>46</sup> LIOB  
13 recommendations include: stepping away from a “template-oriented  
14 energy saving program effort” and developing a more flexible  
15 “need-based” formula to maximize low-income energy program  
16 efficiency opportunities that may also help customers with the  
17 highest need in reducing or better managing their energy bills;  
18 minimize disconnections and foster affordable energy rates enabled  
19 by increased energy education and demand side management  
20 technologies.<sup>47</sup>

21 PG&E’s 2021-2026 program proposed in this application  
22 addresses many of the LIOB’s key initiatives:<sup>48</sup>

- 23 1) *Identify and help low-income customers who are overburdened*  
24 *by high energy bill costs.*

25 PG&E identifies and targets customers with the greatest  
26 needs using hardship indicators discussed in Section B. This  
27 includes: customers that have never participated in ESA before,  
28 customers with high energy usage, and customers with specific

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<sup>46</sup> LIOB ESA Post-2020 Letter to Commissioner Rechtschaffen and Commission, with Draft White Paper Attachment. Sent December 20, 2018.

<sup>47</sup> LIOB ESA Post-2020 Letter to Commissioner Rechtschaffen and Commission, with Draft White Paper Attachment. Sent December 20, 2018.

<sup>48</sup> LIOB ESA Post-2020 Letter to Commissioner Rechtschaffen and Commission, with Draft White Paper Attachment. Sent December 20, 2018.

needs states. PG&E's proposed ESA Program design simplifies eligibility and enrollment requirements to make it easier for customers to participate, proposes new energy savings and HCS safety measures, and a virtual energy coach pilot delivering customized energy management solutions to help customers improve their household energy efficiency and ease their energy burden.

2) *Reduce Greenhouse Gas Emissions.*

The ESA Program mandate is to increase EE opportunities for low-income customers and provide HCS benefits. Although greenhouse gas (GHG) reduction is not a primary ESA directive, increased EE contributes to GHG reductions.

3) *Develop a "needs-based" approach to maximize low-income energy program efficiency opportunities with customers experiencing the greatest need.*

PG&E's proposed ESA Plus prioritizes five groups of customers based on their need states that may require additional assistance. PG&E is also proposing a "virtual energy coach" pilot to help customers reduce and better manage bills, minimize disconnections, improve energy affordability.

4) *Determine who has not been served by ESA and how new program designs and approaches could better reach them.*

PG&E plans to target new CARE customers and CARE customers that have not been previously treated by ESA.

5) *Identify more health, comfort, safety, and resilience objectives and guidelines.*

PG&E's proposals include both resource and non-resource measures. Non-resource measures provide HCS benefits. Updated NEBs from the 2019 NEBs Study increase the value of non-resource measure benefits in the ESA portfolio, increasing its overall cost-effectiveness.

6) *Introduce high-value energy saving measures.*

PG&E has explored the addition of potential measures, including changing criteria and climate zones on existing

measures. PG&E's proposed program portfolio adds measures that have more potential for energy savings and cost effectiveness. For example, PG&E is adding pool pumps and removing the household minimum occupancy for second refrigerators. In addition, PG&E is proposing floor insulation and diagnostic air sealing as a new measure provided to qualifying customers in the high usage needs state. (See Section C.3.).

7) *Low-income multi-family housing: innovation, holistic design.*

PG&E proposes to issue an RFP for the administration of ESA multi-family, and plans to solicit innovative proposals and new perspectives. (See Section D.9.)

8) *Educate communities and building owners about energy use and energy assistance programs available to them.*

PG&E proposes to request in its Multi-family Whole Building (MFWB) Program solicitation that bidders include in their proposals how they will integrate offering existing demand response tools, technology or education to help multi-family households shift load to off-peak times in their MFWB Program. (See Section D.9.c.i.)

9) *Encourage local workforce development opportunities that promote hiring from within local communities.*

ESA contracts encourage contractors to hire locally and require contractors to provide advance notice of job opportunities in local communities. Other workforce strategies are discussed in Section D.2.d.i.

10) *Streamline income eligibility and expand categorical enrollment through partnerships with other need-based state programs. Ensure income eligibility, especially for multi-family housing—which currently has separate regulations for common area and in-unit programs, is simplified and aligned with other assistance programs.*

IOUs are proposing a new study to update Categorical Eligible Programs. (See Section D.10.c.)

11) *Measures and policies that reduce utility costs.*

PG&E's proposals include the cost-effective measures providing energy savings and NEBs, and leveraging referrals to programs providing smart technologies and solar.

(See Sections D.5 and D.6.)

12) *Health, safety and comfort provisions (deliverables) within the statute must be made more effective and clearer. Ambiguity leaves unacceptable living and health conditions in place. Create clear goals here to address deferred maintenance issues through referrals, partnerships, cost-sharing, or other mechanisms.*

PG&E has included measures providing both resource and non-resource benefits in its ESA portfolio, and describes its household hardship indicator in Section C.1.

*h. Working Groups:*

D.16-11-022 re-convened the Cost Effectiveness and Mid-Cycle Working Groups (MCWG)<sup>49</sup> and convened a new Multi-family Working Group. Working Group activity is summarized below.

*i. Cost Effectiveness Working Group: Results, Observations, and Changes Proposed*

D.16-11-022 instructed the Cost Effectiveness Working Group (CEWG) to reconvene and provide recommendations on remaining ESA cost effectiveness issues required to inform the next program cycle.<sup>50</sup> The members participating in this Working Group included representatives from the following organizations: CPUC Energy Division, Public Advocates Office at the California Public Utilities Commission (Cal Advocates), Natural Resources Defense Council (NRDC), The Utility Reform Network, The East Los Angeles Community Union (TELACU)/Association of California Community

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<sup>49</sup> The Cost Effectiveness and MCWGs were originally authorized by D.12-08-044 to make recommendations for refinements to improve, wherever possible, the design, administration, delivery and ultimate success of the ESA and CARE Programs.

<sup>50</sup> D.16-11-022, OPs 54-57, and Section 3.10.

and Energy Services (ACCES)/Maravilla, Synergy Companies, SCE, PG&E, SoCalGas, and SDG&E.

Cost effectiveness issues remaining to be addressed by the CEWG included:

- 1) Identify measures to include/exclude in the adjusted ESACET;<sup>51</sup>
- 2) Determine how to exclude administrative costs and NEBs associated with excluded measures from the adjusted ESACET including program costs not tied to a specific measure;<sup>52</sup>
- 3) Determine how to allocate administrative costs and NEBs across program measures;<sup>53</sup>
- 4) Determine how to incorporate revised NEB values into the adjusted ESACET;<sup>54</sup>
- 5) Determine if and how to incorporate into the ESACET benefits and costs for ESA investment in other programs such as demand response;<sup>55</sup> and
- 6) Work with the IOUs who will be conducting a NEB study.<sup>56</sup>

The CEWG met regularly in June 2018. Final recommendations were submitted by e-mail to all parties on the Application 14-11-007, et al. service list on June 13, 2018. The CEWG's recommendations are summarized below:<sup>57</sup>

- Not to adopt the Adjusted ESACET, as it has minimal value beyond the already adopted ESACET;
- Change the name of the Resource TRC test to the Resource Test and excluding from it non-resource measures which include those having less than 1 kWh or 1 therm of annual energy savings;

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<sup>51</sup> D.16-11-022, OPs 54, 56, and 57, and p. 219.

<sup>52</sup> D.16-11-022, OPs 54, 56, and 57, and p. 219.

<sup>53</sup> D.16-11-022, OPs 54, 56, and 57, and p. 219.

<sup>54</sup> D.16-11-022, OP 54, 56, and 57, and p. 219.

<sup>55</sup> D.16-11-022, OP 54, 56, and 57, and p. 219.

<sup>56</sup> D.16-11-022, OP 55, and p. 221.

<sup>57</sup> Recommendations of the ESA Program CEWG, June 1, 2018, p. 9.

- Provide the results of the allocation exercise for NEBs and administrative costs to the 2018 NEB study and that the study is tasked with recommending an allocation method and the results of this exercise will inform that effort;
- Not to include any potential net benefit for providing enrollment leads to other programs in the cost effectiveness calculations at this time; and
- Continue the HCS Evaluation periodically as needed to inform program planning and NEB updates. (The HCS Evaluation is discussed in Section D.6.b.)

The CEWG also discussed and provided guidance for the NEB Study (described above). The 2018 NEB study included the following CEWG objectives:<sup>58</sup>

- Review and update the current set of NEBs;
- Evaluate which NEBs can be estimated directly and which can be a function of energy savings or an alternate adder;
- Review and assess the results of the HCS Evaluation;
- Recommend any missing NEBs or negative non-energy impacts (NEI);
- Provide a set of calculations in a workbook that can replace the current workbook used to calculate NEBs and be easily updated in future program cycles;
- Include sensitivity analysis around the calculations;
- Recommend an allocation method for NEBs and administrative costs to the measure level; and
- Recommend an approach for updating NEBs in the future.

Finally, the CEWG recommended that membership and participation protocols for the CEWG be reviewed and refined in the event that future work is assigned to this group.<sup>59</sup>

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<sup>58</sup> Recommendations of the ESA Program CEWG, June 1, 2018, p. 9.

<sup>59</sup> Recommendations of the ESA Program CEWG, June 1, 2018, p. 9.

j. *Mid-Cycle Working Group: Results, Observations, and Changes Proposed*

D.16-11-022 tasked the MCWG with four deliverables:<sup>60</sup>

- 1) Make recommendations for updates to the ESA Statewide Policy and Procedure Manual, California Installation Standards Manual, and monthly and annual reporting criteria to align it with D.16-11-022;
- 2) Provide recommendations on the adoption of online data reporting systems (ODRS) for the ESA Program to help the IOUs and Commission better understand how these systems collect and report workforce data. This assessment should help determine the value of adopting ODRS for the ESA Program into IOU operations, its cost benefits, and identify any administrative burdens to implement by either contractor or utility;
- 3) Make recommendations for the household retreatment prioritization models, implementation and outreach strategies, and other aspects of the ESA Program; and
- 4) Investigate and make recommendations on how the ESA Program may be used to deploy tools to enable greater EE and Demand Response participation by CARE and ESA participants in recognition of the increased state goals detailed in SB 350.

MCWG member organizations were: CPUC Energy Division, Cal Advocates, California Housing Partnership Corporation (CHPC), SCE, PG&E, SoCalGas, SDG&E, Energy Efficiency Council, TELACU, and Proteus.

The Working Group submitted initial recommendations on April 3, 2017. A public webinar on updating the ESA manuals and reporting criteria was held on January 31, 2018. The MCWG Interim Report was submitted on March 19, 2018, providing the MCWG's recommendations for updates to the ESA Statewide Policy and Procedure Manual, California Installation Standards Manual, and

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<sup>60</sup> D.16-11-022, OPs 67 and 137, and Section 3.13.2., p. 241.



1 monthly and annual reporting criteria to align it with Modified  
2 Decision (Task A). These changes were adopted in Administrative  
3 Law Judge Colbert's Ruling on May 8, 2018.

4 The MCWG filed its final recommendations on the remaining  
5 deliverables (Tasks B-D) on June 29, 2018. These  
6 recommendations are summarized below:

- 7 • Task B: Based on the research conducted and MCWG  
8 participant discussions, the MCWG does not recommend the  
9 implementation of ODRS for the ESA Program for the reasons  
10 identified above.
- 11 • Task C: MCWG participants updated their ESA household  
12 retreatment prioritization models presented to the MCWG in  
13 April 2017. Following presentation and review of these initial  
14 proposals, the MCWG found that significant variations in  
15 retreatment prioritization models relate to best practices within  
16 each service territory, and the specific measures offered by  
17 each utility. Rather than developing a new retreatment  
18 prioritization model, there was consensus within the MCWG for  
19 the utilities to continue to prioritize ESA retreatments following  
20 their current models, document best practices and challenges,  
21 and update their retreatment prioritization proposals as needed  
22 in their Mid-Cycle Update ALs, due in July 2018.
- 23 • Task D: MCWG participants reviewed current utility Demand  
24 Response offerings, and discussed how to integrate these  
25 offerings into the ESA Program. Parties were encouraged to  
26 provide additional recommendations for best practices to enable  
27 greater EE and Demand Response participation in response to  
28 the IOU's July 2018 Mid Cycle Update ALs.

29 PG&E proposes a working group similar to the MCWG as part  
30 of an ongoing process to address updates to the ESA Installation  
31 Standards and Policies and Procedures Manuals, revise Monthly  
32 and Annual ESA-CARE Reporting criteria, and discuss other  
33 program modifications, adjustments, and technical issues



throughout the program cycle. This new working group is discussed in Section E.4

*k. Multi-family Working Group: Results, Observations, and Changes Proposed*

The MFWG was established to support the integration of CAMs for deed-restricted MF properties into the ESA Program and other MF directives as specified in D.16-11-022, and modified by D.17-12-009.<sup>61</sup> PG&E participated in the MFWG throughout 2017 to date.

MFWG member organizations include: CPUC Energy Division, Cal Advocates, SCE, PG&E, SoCalGas, SDG&E, CHPC, NRDC, National Consumer Law Center, Community Housing Opportunities Corporation, TELACU, and Proteus.

The MFWG detailed its 2018 activities in the MFWG 2018 Annual Report.<sup>62</sup>

*l. Load Disaggregation Project: Results, Observations, and Changes Proposed*

Per D.17-12-009, OP 94-98, a statewide load disaggregation project began in 2019<sup>63</sup>. Phase one of the project included taking a sample of CARE customers from each electric IOU and producing a segmentation schema based on load profiles and Advanced Metering Infrastructure (AMI) usage data.<sup>64</sup> Each of the segments should have a specific set of recommendations unique to the disaggregated load profiles.

Recommendations will include EE measures, other program participation, rate plans, and behavioral changes.

PG&E anticipates the IOUs will need to validate the schema, solicit stakeholder comments, and provide feedback on the

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<sup>61</sup> D.16-11-022, OP 45 and Section 3.9.3. (p. 194), and D.17-12-009, OPs 41.a, 62, 63, 64, and (p. 187).

<sup>62</sup> MFWG – 2018 Multi-family Working Group Annual Report (January 2019). Available at: <https://pda.energydataweb.com/#!/documents/2120/view>.

<sup>63</sup> D.17-12-009, December 14, 2017, OP 94-98 (p. 488).

<sup>64</sup> D.17-12-009, December 14, 2017, OP 94-98 (p. 488).

1 recommendations before assessing whether to continue with Phase  
2 Two or to revise the Phase Two scope based on lessons learned  
3 and usability of results from phase one.

4 Phase Two will continue the project with the following tasks and  
5 is expected to be completed through 2020:

- 6 • Continue to produce load disaggregation profiles and  
7 segmentation reports for remaining eligible CARE and ESA  
8 eligible customers. The frequency will be determined at the  
9 beginning of phase two;
- 10 • Discuss how to best incorporate results into marketing and  
11 outreach plans;
- 12 • Integrate the results into online platform(s) accessible by  
13 customers and ESA contractors;
- 14 • Augment the results with additional educational  
15 recommendations for customers;
- 16 • Aggregate results into a format appropriate to provide to  
17 potential DRAM bidders in 2019. However, due to unanticipated  
18 delays with data processing requirements and data transfer, the  
19 IOUs have submitted a Request for Extension to provide  
20 aggregated results to DRAM bidders in 2020;<sup>65</sup> and
- 21 • Provide a final project report detailing overall results, lessons  
22 learned, and recommendations for continued work.

23 While the results of the statewide program are still outstanding,  
24 PG&E is proposing to extend and enhance the use of these load  
25 profiles in a Pilot called virtual energy coach during the 2021-2026  
26 program cycle with CARE and ESA customers. The Pilot will test  
27 the impact of the personal profile information on driving energy  
28 savings, residential rate selection, participation in other programs  
29 and changes in behavior.

30 *m. Programmable Communicating Thermostat (PCT)/Smart*  
31 *Thermostat Time-of-Use (TOU) Pilot: Results, Observations, and*  
32 *Changes Proposed*

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<sup>65</sup> Approval for Extension was granted October 29, 2019.

1 The PCT/Smart Thermostat TOU Pilot was required in  
2 D.16-11-022 as modified by D.17-12-009,<sup>66</sup> and will not be  
3 completed until 2020. This Pilot utilizes treatment and control  
4 groups to assess if PCTs are a valuable tool to help low-income  
5 customers adjust to TOU rates. Both groups were moved onto the  
6 TOU rate in the beginning of 2019, and the treatment group  
7 received a PCT and education on how to use it.

8 The first of three surveys was distributed in December 2018 and  
9 January 2019. This survey was intended to provide a baseline to  
10 assess whether having a PCT changes the way that low-income  
11 customers react to the TOU rates. Two additional surveys are  
12 anticipated.

13 Several issues created challenges for the Pilot: fewer customers  
14 than anticipated were recruited to participate despite incentive  
15 payments offered, and PCT equipment defects resulted in data  
16 collection issues.

17 Initial results of the Pilot highlighted a few issues associated  
18 with implementing smart technologies in the low-income customer  
19 segment, including:

- 20 • Customers were generally disinterested in the device  
21 contributing to lower participation than anticipated; acceptance  
22 and satisfaction were found to be lower than expected; and
- 23 • Low-income housing stock and equipment tend to be older than  
24 those found in the general population, making installation  
25 feasibility and device compatibility challenging.
- 26 • These factors need to be taken into careful consideration for  
27 future technology offerings.

28 In addition, smart technologies have yet to prove they deliver  
29 robust energy savings. As a result, PG&E is not proposing to add  
30 any additional smart technology devices other than Smart  
31 Thermostats to the ESA portfolio at this time. (See Section D.6.d.i.)

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<sup>66</sup> D.17-12-009 (Attachment 1 modifying D.16-11-022), OP 147.

1           n. *Historical tracking efforts (such as the IOUs' monthly and*  
2           *annual reports)*

3                 PG&E worked with Energy Division and the MCWG to revise  
4                 monthly and annual reporting templates to better represent new  
5                 decision goals and compliance reporting requirements.

6           o. *General observations about challenges and successes in meeting*  
7           *ESA Program goals*

8                 Successes and challenges meeting the 2020 and portfolio cycle  
9                 goals are described in Section A.2.

10          p. *CEC SB 350 Barriers Study*

11                 The California Energy Commission (CEC) completed the  
12                 Barriers Report required by SB 350 in 2016.<sup>67</sup> This study identified  
13                 and discussed barriers limiting access to clean energy for  
14                 low-income customers, including structural barriers inherent to the  
15                 conditions of poverty in California and barriers stemming from policy  
16                 and program decisions. Structural barriers discussed included:  
17                 low home ownership rates; complex needs, ownership, and financial  
18                 arrangements for low-income multi-family housing; insufficient  
19                 access to capital; building age; and remote or underserved  
20                 communities. Policy and program barriers include: market delivery  
21                 methods; program integration; data limitations; and  
22                 unrecognized NEBs.

23                 Many of the solutions identified in the study have already been  
24                 included in PG&E's ESA and CARE programs. For example, PG&E  
25                 currently coordinates with other programs providing services to  
26                 low-income customers to increase collaboration, standardization,  
27                 streamlining, integration, and co-funding opportunities with other  
28                 programs. PG&E works with the other IOUs to share best practices,  
29                 better align the ESA Program to make it easier for customers to  
30                 participate, and report metrics and goals in standardized,

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<sup>67</sup> CEC. Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities. Final Report. December 2016. CEC-300-2016-009-CMF.

comparable reports. Together with the other IOUs, PG&E has established common definitions of NEBs to include in ESA cost effectiveness testing and developed standards to measure them. PG&E has been working with CSD to leverage ESA with the Low Income Home Energy Assistance Program (LIHEAP) and LIWP programs throughout the current 2017-2020 cycle. PG&E continues to leverage with water agencies in its service area to provide water savings measures to income qualifying customers. These successful strategies were refined and included in this application. (See Sections B.2.a.; D.5.e.; D.5.f; E.4a.i.)

**C. ESA Program Goals and Budgets [WITNESS: LEIVA JUNGBLUTH]**

*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 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:*

**Depth of Energy Savings Goal:** *Propose two quantitative goals per household; 1) average annual Resource<sup>68</sup> measures energy savings per household; and 2) another quantitative goal to reflect benefit to customer's health, comfort, and safety resulting from Non-Resource measures. These two goals aim to encourage deep energy savings per household through Resource measures, while also encouraging the installation of Non-Resource measures that promote health, comfort and safety. IOUs will meet the two goals on average across the IOU's ESA portfolio of households treated. On an individual basis, households may fall above or below the Resources measure energy savings goals or the Non-Resource quantitative goal. IOUs may desire to subdivide the two goals by housing*

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<sup>68</sup> The terms "Resource" and "Non-Resource" have a different meaning under income qualified ESA Program vs. the general Energy Efficiency programs, where in ESA, Resource references measures that are offered for the purpose of saving the customer energy, and Non-Resource references measures that are offered for purpose of reducing customer hardship by improving HCS.

type or by customer segment, for example by the Multi-family Sector,<sup>69</sup> Disadvantaged Communities,<sup>70</sup> Tribal Communities, and Hard-to-Reach customers.<sup>71</sup>

Before proposing two quantitative goals per household based on a distinction of Resource Measures providing energy savings and Non-Resource Measures providing HCS benefits, PG&E clarifies that Resource Measures in some instances, can provide both energy savings and HCS benefits. See Table I-9 below.

**TABLE I-9  
RESOURCE/NON-RESOURCE MEASURE ALIGNMENT WITH HCS BENEFITS**

Line No.	Category	Energy Savings only	Energy and HCS Benefits	HCS Benefits only
1	Resource	Some Resource Measures such as LED lighting	Others, such as, water heater repair and replacement	N/A
2	Non-Resource	N/A	N/A	All Non-Resource measures fall here

Non-Resource Measures have clear HCS benefits. However, Resource Measures, while installed for the purposes of energy savings, may also have HCS benefits. This fact is taken into consideration with the NEBs Study, which applies a dollar value to all benefits, regardless of the Resource/Non-Resource designation for measures.

PG&E's proposal for goals consists of: (1) average annual energy savings per household from Resource measures displayed as bill savings in dollars, and (2) additional benefits to customers from the NEBs results, also displayed in dollars. The NEBs results in this case would be the sum of the current NEB values and would not include societal benefits.

These two monetary values work together to demonstrate how PG&E's ESA Program encourages energy savings through resource measures,

<sup>69</sup> For the purposes of this application, consider a multi-family building has at a minimum five or more attached units.

<sup>70</sup> As designated by California Environmental Protection Agency using their CalEnviroScreen Tool.

<sup>71</sup> For the application filing only use the definition of "Hard-to-Reach" found in D.18-05-041.

while also encouraging the installation of measures that promote HCS and other NEBs. These two values can quantify both energy and NEBs that help to reduce household hardship.

Based on the forecasted installation of measures submitted in this application, Table I-10 provides an example of possible goals for (1) average annual Resource Measures energy savings per household and (2) quantitative reflection of benefit to customer's HCS resulting from Non-Resource Measures:

**TABLE I-10**  
**EXAMPLE OF AVERAGE ANNUAL GOAL PER HOUSEHOLD**

Line No.	GOALS	PY 1 (2021)	PY 2 (2022)	PY 3 (2023)	PY 4 (2024)	PY 5 (2025)	PY 6 (2026)
1	Resource Measure: HH Savings	\$923.54	\$1019.30	\$1070.49	\$1069.38	\$1069.46	\$1073.44
2	Non-Resource Measure: Value from NEBs	\$95.13	\$89.78	\$91.36	\$93.80	\$96.02	\$98.15

More detailed information is available in Chapter IV Table A-4, Planning Assumptions and Table A-5, Portfolio Goals and Target Populations

1. **Household Hardship Reduction Indicator:**<sup>72</sup> *Propose a per household metric<sup>73</sup> that accounts for both Resource and Non-Resource measures installed in that it reflects overall net benefit or hardship reduction to the customer, for example average annual net energy savings and average annual bill savings.*  
*Provide as applicable:*
  - a. *The methodology that identified the metric's baseline quantity for the household metric*
  - b. *The potential for customer household hardship reduction (estimated opportunity improvement over baseline per this proposed metric.)*

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<sup>72</sup> The term "indicator" here is similar to general EE programs where it refers to a unit of measures that is tracked but does not have threshold goals or targets associated with the unit of measure, the indicator simply means the value is tracked and reported.

<sup>73</sup> The term "metric" here refers to the common definition as simply a unit of measure, and not the connotation of general Energy Efficiency programs, where metric implies a threshold target is set for the unit of measure.



PG&E’s proposal for a per household metric that accounts for both Resource and Non-Resource measures installed and reflects the overall net benefit or hardship reduction is reflected in the following table:

**TABLE I-11  
PER HOUSEHOLD METRIC FOR RESOURCE AND NON-RESOURCE  
MEASURE INSTALLATIONS**

Line No.	Area	Quantitative Indicator	Method for Determining Quantitative Indicator	Baseline
1	Depth of Energy Savings Goal	(1) Average annual energy savings per household treated	Reduced annual energy usage associated with ESA treatment during reporting year (and bill savings in \$) <sup>(a)</sup>	2021 values could be used as the baseline for the new program
		(2) HCS benefits per treated household	NEBs Option for consideration: isolate sub-set of participant NEBs that directly address HCS (in \$) <sup>(a)</sup>	2021 values could be used as the baseline for the new program

(a) The household hardship reduction indicator (HHRI) would be the average household value from the valuation of (1) and (2) above, i.e., the dollar (\$) value from the two indicators.

PG&E proposes use of the current total NEB value to quantify additional benefits received by customers (above and beyond reducing energy bills). This approach uses existing data that is available to the program team. PG&E will consider isolating the participant benefits (removing utility and societal benefits) to understand HCS benefits to ESA households.<sup>74</sup> The benefits captured within both NEB participant and utility values have the potential to reduce hardship for ESA customers.

NEBs are reported as a dollar value (similar to bill savings). As such, the monetary value of the NEBs can be combined with the bill savings to provide a total benefit value. This total benefit value can serve as an indicator for HHRI when measured on an average annual basis, year-over-year (YOY).

<sup>74</sup> PG&E plans to include participant and utility NEBs for both Non-Resource and Resource measures. Societal benefits are not included due to limitations of the existing model, but may be in the future.



PG&E notes that the IOUs are proposing to conduct additional NEB research that could be used to refine this indicator in the future, based on updated measures, benefit values and model construct.

*a) Addressing Baseline Quantity and Baseline Methodology*

PG&E proposes to calculate the value of the indicators as described above in 2021 to serve as a baseline quantity for the new ESA Plus Program. This timing allows for the NEBs model to be updated before being committed to use. As the NEBs values change and are updated, the baseline may need to be adjusted accordingly.

*b) Addressing Potential or Estimated Opportunity*

The potential for household hardship reduction (estimated opportunity improvement over baseline) will be the difference between the YOY forecasts for deployment of measures or installation rates of each, with the associated savings and benefits broken out by the number of participants from the targeted populations.

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?*

The proposed criteria and process to identify and prioritize households with a significant need for EE services is based on data available within the PG&E customer database and can be interpreted as indicators of hardship. PG&E recognizes low-income customers can experience hardship by virtue of their situation, but when combined with other indicators such as experiencing a high usage surcharge, having been disconnected, belonging to medical baseline program, residing in a disadvantaged, rural or tribal community, or a high wildfire threat zone, these customers become a priority due to their increased need state. See Table I-12 below for Participation Goals by PY and need state.

**TABLE I-12  
PROPOSED ESA PROGRAM PARTICIPATION GOALS FOR PROGRAM YEARS**

Line No.	Customer Type	PY 1 (2021) Continue Current Program	PY 2 (2022) New ESA Plus Program Begins	PY 3 (2023) ESA Plus Program Minus Multi-Family Units	PY 4 (2024) Established ESA Plus Program	PY 5 (2025) Established	PY 6 (2026) Established
1	DAC,Tribal, Rural (includes California Air Resources Board (CARB))	40,701	36,639	28,110	25,524	24,630	23,767
2	Need States	15,100	13,593	11,174	10,146	9,790	9,447
3	All Others	20,849	18,768	30,992	28,139	27,154	26,203
4	Total Participation (Homes Treated)	76,650	69,000	70,276	63,809	61,574	59,417

Additional detail can be found in Chapter IV Table A-5, Portfolio Goals and Target Populations.

*The new program design and approaches identify and serve households not yet served by ESA and/or where a significant need for services exist are as follows:*

- 1) For those not yet served by ESA, PG&E extracted the list of CARE customers who did not have an ESA participation flag on their record. Given the eligibility criteria is the same for both programs, this group is a primary target for participation.
- 2) For those not yet enrolled in ESA or CARE, PG&E proposes to continue to conduct outreach to the areas with the highest propensity for enrollment. The outreach effort should leverage both CARE and ESA offers together.
- 3) For those where a significant need exists, PG&E identified the indicators that represent a greater need and developed the list for targeting with messaging and outreach. The ESA Program has also added new measures specifically to address the need states.

For each of the three target segments above, PG&E proposes modifications to the outreach approach and enrollment processes that makes it easier for qualified customers to participate. Like CARE that allows for self-certification of income, PG&E proposes ESA follow the same self-certification for simple measures—which will not require a renter to get approval from the property owner either. These changes

are expected to make ESA enrollment faster, easier, and less intimidating. ESA customer outreach could partner with the CARE Program and enrollment would mirror the CARE approach to get the best results.

3. **Portfolio Energy Savings Goal:** *Propose annual energy savings goals based on impact evaluation results, the proposed measure portfolio, budget, and participation projections. Include quantitative analysis of the opportunity for savings to support the proposed goal and differentiate, as appropriate, the savings for the Multi-family Sector, Disadvantaged Communities, Tribal Communities, and Hard-to-Reach customers. 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 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.*

Annual energy savings goals can be found in Chapter IV, Table A-5, Portfolio Goals and Target Populations.

Quantitative analysis of the opportunity for savings to support the proposed goal starts with a review of the results of the most recent Impact Evaluation, EE Workpapers, and manufacturer estimates of savings to determine the best possible options for products or measures that can produce energy savings. Once potential products/measures are selected, the costs are taken into consideration along with installation requirements and the level of difficulty. Customer acceptance and satisfaction is also assessed.

After the measures savings and costs are finalized—including any values from NEBs—the ESACET score is calculated and the total annual savings goal can be determined.

The alignment with California’s GHG Emission Reduction targets is an important by-product of the ESA Program. Any EE Resource Measure will positively contribute to a reduction in GHG, but the

1 Non-Resource Measures may not. In the name of HCS, some  
2 Non-Resource measures may have negative savings which will reduce  
3 the extent of GHG reduction. However, the ESA Program's goal is to  
4 manage a portfolio of measures that when taken as a whole, will provide  
5 overall energy savings and therefore a reduction in GHG.

6 The connections between energy savings from ESA Program  
7 elements with ESA Program goals, and the activities for savings are  
8 explained further.

9 The sources for ESA energy savings are: (1) savings validated from  
10 ESA Impact Evaluations, (2) workpapers validating the opportunity for  
11 deemed savings, or (3) engineering or manufacturer savings estimates.  
12 Measures having any energy savings are marked as Resource  
13 Measures and PG&E considers these to be the priority for the ESA  
14 Program. However, installation rates for those measures impact the  
15 total savings opportunity due to feasibility requirements. The measures  
16 and savings values are listed in Chapter IV, Table A-4,  
17 Planning Assumptions.

18 In the new ESA Plus Program design, the expectation is energy  
19 savings will be realized for both the Basic and the Comprehensive level  
20 of services due to the degree of Resource Measures available.  
21 (See details in Section 6, ESA Measures and Portfolio Composition.)

22 For the Comprehensive Plus package, the savings may not be as  
23 great, depending on what is installed for the need state. For example,  
24 the high usage need state customers will have access to two new  
25 Resource Measures: Diagnostic Driven Air Sealing and Floor Insulation.  
26 These Resource Measures are being proposed based on the energy  
27 savings opportunity with this need state. It is anticipated this group has  
28 the greatest savings potential due to the level of usage. If EE measures  
29 cannot impact their savings based on lifestyle choices, the next step  
30 would be to leverage the income-qualified solar program.

31 There are new Non-Resource measures in the ESA Plus packages  
32 for which no savings or negative savings are associated, such as the  
33 cold storage units for customers in the high wildfire threat zones. This  
34 measure mitigates the hardship of loss of food and medication requiring

1 refrigeration for the customers most likely to have their power shut-off,  
2 but does not provide any energy savings.

3 With air purifiers for customers on the Medical Baseline Program or  
4 living in DAC/Rural/Tribal areas, there may be negative savings  
5 associated with the product since it is a new plug load item. However,  
6 the value the air purifier brings in the way of improved in-home air can  
7 help offset the use of other plug load items these customers may have  
8 been using, such as fans, humidifiers, etc. The next LINA study and  
9 Impact Evaluation can help validate this theory.

10 PG&E is proposing to offer a Portable A/C as a Non-Resource  
11 measure, as it has the potential to increase energy use. The Portable  
12 A/C will be available if the existing central A/C is inoperable or a central  
13 A/C is not installed to help address HCS issues with customers in the  
14 Medical, DAC, Rural or Tribal need states in climate zones with high  
15 cooling degree days; climate zones 11-14.

16 Minor Home Repair PLUS will allow for additional budget and repair  
17 work on a premise and is being proposed as a Non-Resource Measure  
18 only for DAC, Rural, and Tribal Communities based on the issues  
19 presumably facing these customers regarding premise feasibility.  
20 See Table I-4 in Section A.3.b., ESA Homes Unwilling or Unable  
21 to Participate.

22 A Non-Resource Measure being proposed and assumed to provide  
23 no savings is Furnace Repair/Replacement for renters. The assumption  
24 is once the equipment is repaired or replaced, energy usage will  
25 increase and no savings will be gained. PG&E considers these  
26 Non-Resource Measures: (1) as having a positive impact on HCS, and  
27 (2) supports their deployment in addressing a hardship situation.

28 With LED lightbulbs—which are a Resource Measure—PG&E is  
29 proposing a limit on the number offered to a household, due to a  
30 93 percent reduction of energy savings in moving the baseline for  
31 replacement from incandescent to Compact Fluorescent Lamps (CFL).  
32 This reduced savings amount negatively impacts the cost effectiveness  
33 of the portfolio and should be mitigated.

1 The other activity assumed to have a positive impact on savings and  
2 hardship is the energy education session utilizing the custom energy  
3 solutions reports generated from the Load Disaggregation Project. It is  
4 anticipated that customers will take action on the personalized  
5 recommendations for rate plans, demand response programs, other  
6 savings opportunities and behavioral tips.

- 7 4. **Additional Metrics:** Discuss whether goals associated with additional  
8 metrics such as energy burden,<sup>75</sup> public health indicators or climate  
9 change for the ESA Program are worthwhile. Why or Why not?  
10 For each proposed additional metric, *provide* as applicable:  
11 a. *the methodology that identifies the metric's baseline quantity for the*  
12 *targeted participant population,*  
13 b. *the potential for customer and/or societal benefit (estimated*  
14 *opportunity improvement over baseline per this proposed metric),*  
15 *and*  
16 c. *evaluation of tradeoffs, i.e., consideration of the cost to ratepayers*  
17 *to realize the potential benefits.*

18 PG&E does not believe goals associated with additional metrics  
19 such as energy burden, public health indicators, or climate change are  
20 worthwhile at this time for the reasons discussed below.

21 Regarding energy burden, which is defined as the percent of the  
22 household's income spent on energy bills, the ESA Program influences  
23 one part of the equation. ESA attempts to install efficient products and  
24 services designed to help reduce energy use which should lead to a  
25 reduction in bills. However, as mentioned in the Studies section and  
26 Lessons Learned, the savings from ESA measures is declining which  
27 means the positive financial impact is lessening. In addition, PG&E's  
28 new proposed ESA Plus Program includes more Non-Resource  
29 Measures that help with overall hardship, not necessarily with energy  
30 costs; therefore, in some cases, may increase use and drive negative

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75 For these purposes, we define "energy burden" as the percentage of household income spent on energy bills.

1 savings. This would conflict with reducing energy burden. A reduction  
2 in energy burden as a goal for ESA could be incomplete and misleading.

3 Public health indicators are beyond the scope of the ESA Program.  
4 At its core, ESA is focused on a mix of energy savings and HCS  
5 improvements of the customer's home. Some of the ESA measures  
6 may have incidental societal impacts for public health. PG&E's ESA  
7 Program should balance energy savings and cost effectiveness for all.

8 Climate change or reduction in carbon or GHG is a by-product of the  
9 ESA Program. EE products and services will positively contribute to  
10 reductions in GHG due to the reduced energy use but to make it a goal  
11 would mean changing the focus and implementation model of the  
12 ESA Program.

13 **In the ESA Program Budget section of the application:**

14 **[WITNESS: BENASSI]**

15 5. **Budget:** *Present and justify detailed budgets in ESA tables A-2, A-2a,*  
16 *A-3, and A-3a for years post-2020 but not beyond 2026 (Attachment B).*  
17 *Describe how the distribution or balance of funding achieves deeper*  
18 *energy savings and hardship reductions for prioritized low-income*  
19 *households.*

20 a. *The proposed budget must clearly outline the cost of each program*  
21 *and administrative category and break it into specific components.*  
22 *For example, for multi-family households, clearly show what portion*  
23 *will go to whole-building, in-unit, and/or communal areas/shared*  
24 *energy systems.*

25 PG&E's proposed budget for 2021-2026 clearly outlines the cost  
26 of each program and administrative category and is detailed in  
27 Table A-1 in Chapter IV.

28 b. *Identify which components of the budget are for services that*  
29 *increase health, comfort and safety (i.e., Non-Resource measures)*  
30 *vs. those that provide quantifiable energy savings*  
31 *(i.e., Resource measures).*

32 Components of the budget for measures that increase HCS  
33 (i.e., Non-Resource measures) versus those that provide



quantifiable energy savings (i.e., Resource measures) are provided in Tables A-8 and A-9 in Chapter IV.

- 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.*

The comparison of PG&E's 2017-2020 authorized budget with PG&E's proposed 2021-2016 budget is provided in Table A-10, Chapter IV, along with reasons for increases or decreases in the proposed for budget lines that are synonymous between the two cycles. As illustrated in Table A-10, PG&E's administrative cost remains under 10 percent for both program cycles.

6. ***Project Planning and Tracking Program Expenditures [WITNESS: BENASSI].***

*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).*

PG&E's Gantt chart illustrating annual performance milestones and quarterly budget is in Attachment D. The Gantt chart indicates contract budget in support of each activity. PG&E tracks labor spend by regulatory budget category, not by activity, and currently does not have systems to track at the activity level. As a result, the quarterly budget provided in the Gantt chart is for the entire General Administration category.

Budget flexibility and fund shifting is discussed in Section D.7.



1           7. **Unspent Funds [WITNESS: O'DRAIN]:** *Discuss unspent funds, and*  
2           *any failure to meet household treatment goals, for each completed year*  
3           *of the prior budget cycle. Explain (1) the reasons for these unspent*  
4           *funds and/or failure to meet goals and (2) how you will track progress in*  
5           *a timely manner to meet approved performance and spending*  
6           *milestones. Discuss how these unspent funds, accrued over*  
7           *2017-2020, should be handled. Discuss how you will more accurately*  
8           *budget upfront for activities through 2026 and take actions, where*  
9           *necessary, to mitigate performance shortfalls before the end of the*  
10          *annual period to avoid failing to meet annual performance targets.*

11                 PG&E allocated ESA 2009-2016 unspent funds to cover new ESA  
12                 2017-2020 activities as directed by D.16-11-022.<sup>76</sup> New program costs  
13                 included: new approved measures that were not in PG&E's application,  
14                 new penetration goals, and costs for other new directives. PG&E  
15                 committed \$123.9 million of its unspent funds from the ESA  
16                 PY2009-2016 to the ESA 2017-2020 program cycle through the  
17                 Conforming and Mid-Cycle AL authorizations.<sup>77</sup> By June 30, 2019,  
18                 \$5.96 million of \$123.9 million funding had been spent leaving  
19                 \$117.9 million for the remaining 2017-2020 ESA Program cycle as  
20                 shown in Table I-13. These remaining funds are planned to be used for  
21                 the following 2019-2020 efforts; MF CAM installations, CSD LIWP  
22                 leveraging, and the introduction of new measures from the  
23                 Mid-Cycle AL.

24                 As of June 30, 2019, PG&E has \$67.3 million remaining  
25                 uncommitted unspent 2009-2016 funding as shown in Table I-13.  
26                 PG&E's remaining uncommitted unspent 2009-2016 funding will be

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<sup>76</sup> D.16-11-022, pp. 41-42, p. 392.

<sup>77</sup> PG&E filed Conforming Advice Letter 3830-G/5043-E on April 3, 2017. PG&E filed a supplemental advice letter (Advice 3830-G-A/5043-E-A) on June 20, 2017 to address additional items requested by Energy Division. PG&E's ESA budgets were approved in Commission Resolution G-3531, issued on December 21, 2017.

PG&E's Mid-Cycle AL3990-G/5329-E (July 16, 2018), AL3990-G/5329-E-A (September 14, 2018), 3990-G/5329-E-B (October 8, 2018). NSDL on AL3990-G/5329-E-A, 3990-G/5329-E-B partially approving PG&E's Mid-cycle requests was issued on January 4, 2019.

1 used to offset collections that would otherwise have been required in the  
 2 2017-2020 program cycle, as directed by D.17-12-009, OP 137.<sup>78</sup>  
 3 PG&E plans to deplete these unspent funds by the end of 2020.

**TABLE I-13**  
**ESA PY2009-2016 UNSPENT FUNDING**

Line No.	PY 2009-2016 ESA Unspent Funding	Total
1	Authorized Unspent Funding (2017-2020) <sup>(a)</sup>	\$123,878,724
2	Year-to-Date (YTD) Authorized Unspent Funding Expenditures (2017-2019) <sup>(b)</sup>	\$5,957,871
3	Remaining Authorized Unspent Funding (2017-2020)	\$117,920,853
4	Remaining Uncommitted 2009-2016 Unspent Funding <sup>(c)</sup>	\$67,321,717

- (a) The amount of 2009-2016 unspent funds authorized in Conforming AL Resolution and Mid-Cycle AL Disposition.
- (b) 2017-2018 expenses from 2017-2018 ESA-CARE Annual Reports, filed May 1, 2018 and 2019. 2019 is YTD through June 30, from ESA-CARE Monthly Report for June 2019, filed July 21, 2019. These funds are shown in ESA Table 1A of PG&E's Monthly and Annual ESA-CARE Reports.
- (c) PG&E's remaining uncommitted unspent 2009-2016 funding will be used to offset collections that would otherwise have been required in this program cycle, as directed by D.17-12-009, OP 137. This funding is through June 30, 2019, and includes interest. The average interest rate from January 1-June 30, 2019 was 2.5 percent.

4 a. *Discuss unspent funds, and any failure to meet household treatment*  
 5 *goals, for each completed year of the prior budget cycle.*

6 Table I-14 shows ESA 2017-2019 expenditures, through  
 7 June 30, 2019. As discussed in Section A.2. above, for the period  
 8 of 2017 through 2019, PG&E's authorized ESA budget was  
 9 underspent primarily due to: (1) not meeting the total homes treated  
 10 goal in 2017 and 2018, and (2) measure installation rates were  
 11 lower than estimated. PG&E has updated its measure forecasts  
 12 based on more recent data. PG&E is working with its implementers  
 13 to make up the delta in homes to be treated in 2019 and 2020, and  
 14 is currently on target to meet the ESA Programmatic Initiative  
 15 household treatment goals by the end of 2020, as discussed in  
 16 Section A.2.

17 Two main delays contributed to PG&E underspending its  
 18 2009-2016 unspent funds committed and authorized through

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<sup>78</sup> D.17-12-009, OP 137.

Conforming and Mid-Cycle ALs. These delays involved the launch of new measures and installation of Multi-Family CAM. These delays were based on: (1) the timing of 2018 Mid-Cycle AL Filing Resolution on January 4, 2019; and (2) transitioning from PG&E's originally authorized modelled savings approach to a deemed measure savings program based on ESA CAM delivery options provided to PG&E by Energy Division. PG&E plans spending in these areas will be shifted across 2019 and 2020.

**TABLE I-14**  
**2017-2019 ESA BUDGETS AND EXPENDITURES**

Line No.	Year <sup>(c)</sup>	Authorized Budget (Table 1) <sup>(a)</sup>	Authorized Budget from Unspent 2009-2016 Funding (Table 1A) <sup>(b)</sup>	Expenditures			%
				Table 1	Table 1A	Total	
1	2017	\$154,671,971	\$30,416,596	\$122,778,059	\$2,377,763	\$125,155,822	68%
2	2018	\$142,898,913	\$18,570,833	\$122,110,739	\$2,477,114	\$124,587,853	77%
3	2019 YTD	\$205,483,865	\$47,084,384	\$76,125,243	\$1,102,994	\$77,228,237	31%

- (a) Authorized funding in Conforming AL Resolutions, and Mid-Cycle AL Dispositions, not including 2009-2016 unspent funding. This is the amount shown in IOU ESA Table 1 in Monthly and Annual ESA-CARE Reports.
- (b) 2009-2016 unspent funds authorized in Conforming AL Resolutions and Mid-Cycle AL Dispositions. This is the amount shown in IOU ESA Table 1A in Monthly and Annual ESA-CARE Reports.
- (c) 2017-2018 budgets from 2017-2018 ESA-CARE Annual Reports, filed May 1, 2018 and 2019. 2019 is YTD through June 30, from ESA-CARE Monthly Report for June 2019, filed July 21, 2019.

*b. 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 milestones.*

1) See discussion in Section A.2. above.

2) To track ongoing progress in a timely manner in the 2021-2026 program cycle, PG&E plans to develop a detailed project plan of all initiatives and actions approved in the next decision with assigned accountabilities and interdependencies. PG&E's proposed holistic project planning and monitoring will be performed by a project manager included in the budget proposal for the program cycle. The project manager's role will include managing progress on deliverables, critical path planning, interdependencies, proactive problem solving, including

1 recommendations to program leadership for work and resources  
2 reprioritization for any program milestones at risk with the  
3 objective of mitigating milestone delays.

4 c. *Discuss how these unspent funds, accrued over 2017-2020, should*  
5 *be handled.*

6 Unspent authorized 2017-2018 budget has been shifted forward  
7 to 2019 and 2020, according to D.17-12-009 fund shifting rules.<sup>79</sup>  
8 In its 2021 6-month bridge funding AL,<sup>80</sup> PG&E proposed that any  
9 unspent budget remaining at the end of 2020 be used to off-set  
10 bridge funding collections. If there is no bridge funding period  
11 required, or if any 2017-2020 funds remain after the bridge period,  
12 PG&E proposes to use these funds to offset 2021-2026 collections.

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

17 To more accurately budget upfront for activities through 2026  
18 and to take actions to mitigate program shortfalls, PG&E expects to  
19 rely more heavily on upfront holistic project planning, detailed  
20 accountability assignments, and proactive project monitoring as  
21 described above in Section C.7.b.2.

22 This project planning will support:

- 23 • A fundamental change in approach as budget is no longer  
24 driven by a homes treated goal;
- 25 • Planning of activities and interdependencies as new program  
26 partners are identified after solicitation;

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<sup>79</sup> Fund shifting is reported in ESA-CARE Program ARs (ESA Table 12), as allowed by ESA fund shifting rules (D.17-12-009, Section 5.1.3.) Carry-forward from 2018-2019 is reported on ESA Tables 1 and 1A of PG&E's ESA-CARE Monthly Report for August 2019 (September 23, 2019), and will be included in PG&E's 2019 Annual Report Table 12 on May 1, 2020. Also see: PG&E AL 3977-G/5298-E (May 21, 2018); Approved by Energy Division as of June 20, 2018. And: PG&E's Mid-Cycle AL 3990-G/5329-E (July 16, 2018), AL3990-G/5329-E-A (September 14, 2018), 3990-G/5329-E-B (October 8, 2018). Approved in Energy Division NSDL on AL3990-G/5329-E-A, 3990-G/5329-E-B, (January 4, 2019).

<sup>80</sup> PG&E AL 4131-G/5614-E, filed August 12, 2019.

- Resource planning and prioritization to understand where capacity constraints exist upfront;
- Align budget planning to timing of planned activities;
- As instituted in 2019 PY, more frequent forecasting and planning meetings with implementers and program partners as needed; and
- More precise forecasting based on measure trend data.

## **D. ESA Program Design and Delivery**

### **1. Proposed Program Design [WITNESS: LEIVA JUNGBLUTH]:**

*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.*

PG&E's approach to reaching the stated goals listed below requires a new program design that includes easier entry into the program, new energy savings measures, additional HCS measures, focused outreach efforts, identification of certain populations with hardship considerations, and an improved contractor/customer journey.

The changes for the contractor consist of the following during the first visit:

- Conducting a home assessment and documenting a detailed feasible measures list for all eligible Comprehensive and Comprehensive Plus measures;
- Discussing the eligible feasible measures with the customer to encourage participation in the Comprehensive/Comprehensive Plus levels of ESA; and
- Installing feasible simple measures (e.g., smart power strips, and LED lightbulbs).

For subsequent measure installation, the new design calls for a contractor crew to visit the customer in one outing to complete the comprehensive and comprehensive plus treatments, where possible. The goal of these changes is to: (1) educate the customer during the first visit on the measures they will receive if they decide to enroll for

the comprehensive measures, and (2) reduce the number of customer visits.

See Figure I-2 below for a summary of changes to design and delivery.

**FIGURE I-2  
SUMMARY OF CHANGES FOR PROPOSED ESA PROGRAM**

	<b>Proposed Program – ESA Plus Summary of Changes</b>			
	<b>Basic Simple Start</b>	<b>Comprehensive Standard Program</b>	<b>Comprehensive Plus Targeted Segments</b>	<b>Virtual Energy Coach Pilot</b>
<b>Objective</b>	Provide simple, easy way to get started with basic services; reduce barrier of unwillingness	Provide offers/services for low – moderate energy users to help reduce use and increase health, safety and comfort	Provide unique offers/services to target segments with greatest need	Test concept of “virtual coach” to drive savings via behavioral changes with education and incentives
<b>Customer Opportunity</b>	Current CARE customers, not ESA treated  New CARE enrollments annually	Current CARE Customers, not ESA treated  New CARE enrollments annually	NEED STATES --- High Usage Electric/Gas Medical Baseline Disconnections DAC/Tribal/Rural Wildfire	10,000 sample
<b>Income Verification</b>	Self-Certification of Income	Requires Income Verification	Requires Income Verification	No Income Verification Required
<b>PO Approval</b>	No Property Owner Approval	Needs Property Owner Approval	Needs Property Owner Approval	No Property Owner Approval Required
<b>Measures</b>	Simple Energy Savings Measures	Energy Savings Measures and Health/Comfort/Safety Measures	Comprehensive Measures PLUS unique measures for need states	ESA Measures, Rate Plans, Other Programs, Behavioral Tips, Feedback Loop
<b>Installation Effort</b>	Low - Medium	Medium - High	Medium – High	Low - High

#### Goals and Approach:

PG&E’s first goal of its 2021-2026 ESA Program is to achieve energy savings in the most cost effective way possible. PG&E’s proposed approach to meet this goal is to: (1) increase the participation of new CARE households that have not been previously ESA treated, (2) increase outreach efforts to enroll high usage customers, (3) simplify the enrollment process to get more customers into the program, and (4) pilot a virtual energy coach for continued engagement.



1 PG&E's second goal of its 2021-2026 ESA Program is to reduce  
2 hardship for customers with greatest need states while maintaining a  
3 reasonable budget spend. PG&E's proposed approach to meet this  
4 goal is to: (1) identify the customer groups with the greatest need,  
5 (2) target outreach to those groups, (3) simplify enrollment, (4) offer  
6 measures to address specific need states, and (5) test the impact of a  
7 virtual energy coach to assist with hardship reduction and energy  
8 management.

9 PG&E's third goal of its 2021-2026 ESA Program is to help improve  
10 the environmental factors and social justice inequities impacting the  
11 income-qualified customer population. PG&E's proposed approach to  
12 meet this goal is to partner with internal teams to leverage  
13 complimentary equity programs and the funding available. See details  
14 of possible leveraging opportunities in Section D.5.a.

15 a. *Discuss lessons learned from the current cycle program design.*

16 When evaluating the current cycle program design, the lessons  
17 learned are:

- 18 1) Energy savings are declining, as demonstrated in both the 2019  
19 Impact Evaluation results and 2019 Navigant P&G study.  
20 (See Section B.2.)<sup>81</sup>
- 21 2) In some cases, when repair or replacement work is done, the  
22 customer may experience an increase in energy usage since  
23 there is now a working gas furnace or water heater. However,  
24 the repair/replacement work can positively impact their HCS  
25 factors. (See LINA Study, Section B.2.)<sup>82</sup>

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<sup>81</sup> DNV-GL. ESA Program Impact Evaluation PY 2015-2017 Phase 2, Final Results. April 26, 2019; Navigant. 2019 Energy Efficiency P&G Study, Final Public Report. Prepared for CPUC. July 1, 2019.

<sup>82</sup> Opinion Dynamics 2019 CA Low-income Needs Assessment, Full Draft Report Version 1, Vol.1. See: Section 6.2. (p. 124) re. HCS: Surveyed ESA participants receiving these measures perceived that these measures significantly improved the HCS of their homes. They reported a significant reduction in the frequency of HCS-related issues—uncomfortably cool or warm temps, drafts, mold/mildew/fungus/moisture, and pests—occurring in their home, compared to before they participated in ESA, and compared to the non-participants.

- 1                   3) Negative energy/bill savings from measure installation could be  
2                   offset with an increase in savings from other areas of the  
3                   customers' total household expense budget, and by greater  
4                   understanding of energy management or usage behaviors.  
5                   (See NEBs Study, Section B.2.)<sup>83</sup>
- 6                   4) Customer scheduling and availability are one of the largest  
7                   barriers to participation. (See Table I-4, Section A.3.b., ESA  
8                   Homes Unwilling or Unable to Participate). To begin the ESA  
9                   process, customers must make a time commitment to verify  
10                  program qualification and be evaluated for potential measures.
- 11                  5) The majority of CARE high usage customers do not participate  
12                  in ESA and are removed from CARE due to lack of response to  
13                  the income verification request. (See Figure I-3.)

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<sup>83</sup> SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final, August 2019.



**FIGURE I-3**  
**PY 2018 CARE ANNUAL REPORT**  
**CARE TABLE 13**  
**CARE HIGH USAGE VERIFICATION RESULTS<sup>(e)</sup>**

Stage 1 – IRS Documentation				Stage 2 – ESA Participation <sup>(f)</sup>			Stage 3 – Usage Monitoring			
Line No.	Households to Verify	Removed	Income	Failed and Removed <sup>(b)</sup>	Ineligible <sup>(c)</sup>	Completed	Removed <sup>(d)</sup>	Appeals Denied	Appeals Approved	
		(No Response)	Verified and Referred to ESA							
1	56,943	46,097	2,264	8,582	613	4,464	1,853	234	1	113

(a) Includes customer who were verified as over income, requested to be removed, or did not agree to participate in ESA Program.

(b) Includes customer who declined to participate in EA Program, failed to respond to appointment requests, or missed multiple appointments or denied access to all rooms.

(c) Includes customers who previously participated in ESA Program, did not meet the three-measure minimum, landlord refused, etc. These customers moved directly to Stage 3.

(d) Customers removed for exceeding 600 percent of baseline in any monthly billing cycle, after the 90-day grace period following ESA.

(e) High usage is defined as a customer that exceeds 400 percent of baseline. Results as of March 31, 2019 (reflecting verification requests mailed in 2017 or 2018).

(f) Does not include 1,652 customers still pending ESA participation.

- 1                   6) Customer feedback from PG&E’s in-home customer  
2                   interviews,<sup>84</sup> as well as the LINA Study indicates the customers’  
3                   primary gratitude is in the HCS benefits that reduce overall  
4                   feelings of hardship. Energy savings or bill savings are  
5                   secondary and rarely mentioned. (See Section B.2.)<sup>85</sup>  
6                   7) Customers who participate in the ESA Program are moderately  
7                   high to highly satisfied with the program, according to LINA  
8                   Study results. (See Section B.2.)<sup>86</sup> Customers who received  
9                   products and services installed at no cost indicated they were  
10                  grateful.<sup>87</sup>

11                  b. *Note program design modifications to garner increased energy*  
12                  *savings and reduce hardships.*

13                       As discussed earlier, the ESA Program design modifications to  
14                       increase energy savings and reduce hardship include:

- 15                   1) Partnering ESA more closely with the CARE Program in ways  
16                   not done in previous efforts to make ESA the next step in the  
17                   CARE customer’s energy journey with PG&E;  
18                   2) Allowing self-certification of income and removing any  
19                   requirement for POA for installation of new simple measure  
20                   offering to establish some basic first-time savings;  
21                   3) Focusing outreach on those who have not participated in ESA  
22                   and newly-enrolled CARE customers;  
23                   4) Developing specific outreach and including measures for high  
24                   usage customers to help realize their deeper savings potential;

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<sup>84</sup> Travis Research. PG&E ESA Report of In-Home Customer Interviews, October 2018.

<sup>85</sup> Opinion Dynamics 2019 CA Low-income Needs Assessment, Full Draft Report Version 1, Vol.1. See: Section 6.2 (p. 124) re. HCS: Surveyed ESA participants receiving these measures perceived that these measures significantly improved the HCS of their homes. They reported a higher average level of comfort and safety, and that their home was a healthier place to live, compared to nonparticipants.

<sup>86</sup> Opinion Dynamics 2019 CA Low-income Needs Assessment, Full Draft Report Version 1, Vol.1. See: Section 6.2 (p. 124) re. HCS: Surveyed ESA participants receiving these measures perceived that these measures significantly improved the HCS of their homes. They reported moderately high to high satisfaction with the measures they received and their overall experience with the program.

<sup>87</sup> Travis Research. PG&E ESA Report of In-Home Customer Interviews, October 2018.

- 5) Developing specific outreach and including measures for customer groups with the greatest needs to help reduce hardship;
- 6) Continuing production of load disaggregation profiles that include customized solutions around energy, such as rate plans, programs, behavioral tips; and
- 7) Piloting a virtual energy coach for ongoing assistance with energy savings.

c. *Discuss expected accomplishments and potential obstacles to your proposed design. What are the recommendations to overcome any identified obstacles?*

As discussed in Section A.2., PG&E expects its proposed 2021-2026 Program Design to accomplish its ESA Program goals.

First, PG&E expects increased penetration with CARE households not previously treated by ESA due to targeted outreach and relevant offers (simple measures and unique measures based on need), overcoming the barriers of trust, and improved scheduling, and a simpler enrollment process. Similarly, PG&E expects an increase in energy savings for new CARE customers that have not been previously ESA treated and increased participation of high use customers. In addition, PG&E expects a reduction in overall household hardship for customers in greatest need due to installation of unique measures that target the hardship. With the Virtual Energy Coach, PG&E expects the greater engagement with customers will continue the energy savings process.

PG&E also expects an increase in customer satisfaction based on previous customer research with participants and feedback from stakeholders regarding suggestions for improvement.<sup>88</sup>

*Potential obstacles in PG&E's delivery of the program and recommendations for overcoming those obstacles.*

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<sup>88</sup> Travis Research. PG&E ESA Report of In-Home Customer Interviews, October 2018. Opinion Dynamics 2019 CA Low-income Needs Assessment, Full Draft Report Version 1, Vol.1.

PG&E discussed some potential obstacles and recommendations for overcoming those obstacles at numerous Stakeholder Meetings and Contractors' Feedback Sessions.

One potential obstacle is locating contractors who have the necessary skill levels and qualifications to conduct the whole home assessment and offer the virtual coach during the initial home visit. PG&E recommends revamping its Workforce Education & Training curriculum to coincide with the new requirements of the contractor journey and program elements.

The second potential obstacle is that installing simple measures during the initial visit may not be feasible for some smaller contractor organizations. PG&E recommends addressing these in the RFP process to ensure fair compensation for time and expenses incurred.

A third potential obstacle is that ESA Program implementers may have difficulty in coordinating schedules for a crew of contractors for a single customer visit. During the RFP process this should be addressed in the scope of work. During contract negotiation, PG&E would work with the winning bidder to develop appropriate workstream and compensation for single customer visits.

Lastly, the fourth potential obstacle is that due to travel time and costs associated with serving rural locations, PG&E recommends an incentive to be addressed in the RFP process.

**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 Multi-family Sector.*

PG&E's proposed delivery of its 2021-2026 ESA Plus Program per the design approaches discussed above, consists of three levels of ESA involvement and customer engagement: Basic, Comprehensive, Comprehensive Plus, and a proposed Pilot.

1           The Basic level of program delivery is expected to include a  
2           load disaggregation profile and customized energy solutions report  
3           for each CARE customer on a quarterly basis. These reports are  
4           expected to be accessible to both the contractor and the customer  
5           for review. The reports allow a contractor to know what may be  
6           relevant during the initial home assessment and what to discuss  
7           during the Energy Education session.

8           In addition, no income verification or POA would be required  
9           since the customer is already on CARE. The CARE enrollment  
10          status allows the contractor to offer automatic eligibility for simple  
11          measure installation when doing outreach and setting up  
12          appointments.

13          During the Basic initial visit, the ESA contractor would conduct  
14          the home assessment, explain all available and feasible  
15          Comprehensive and Comprehensive Plus measures, install the  
16          simple measures, and conduct the Energy Education session.  
17          The contractor would also offer the opportunity to participate in the  
18          Virtual Energy Coach Pilot for ongoing assistance.

19          The customer may elect, after the Basic consultation, to receive  
20          more measures at the Comprehensive and the Comprehensive Plus  
21          levels. The customer would need to produce income documentation  
22          or proof of categorical program participation and assist in obtaining  
23          the POA, if necessary. The contractor would inform the customer of  
24          the next steps. Once the contractor submits the information online,  
25          a work order will be generated for the Implementer to use for  
26          scheduling an installation crew to go out to the customer's home.

27          The contractor should be well versed in all measures that are  
28          applicable for a customer's premise and particular need state, in  
29          addition to the Pilot.

30          For income-eligible customers not on CARE, the proposed  
31          process will involve a simultaneous sign up for both ESA and CARE,  
32          since no income verification is required for both. The customer can  
33          self-certify for both programs. Due to the quarterly production cycle,  
34          it may take a few months for any new CARE customer to get access

1 to a load profile and custom energy solutions report. If the customer  
2 is brand new to PG&E, no custom energy solutions report is  
3 expected to be available and the contractor must use the home  
4 assessment form as the best reference for feasible measures,  
5 programs, rates plans and behavioral tips.

- 6 b. *For new delivery approaches, where prior experience is limited,*  
7 *detail thoroughly the delivery approach, associated risks, and risk*  
8 *mitigation strategy.*

9 With PG&E's new proposed ESA Plus Program delivery, there  
10 are four areas where prior experience is limited: (1) load  
11 disaggregation profile reports, (2) updated home assessment visits  
12 and forms, (3) customer need states and related measures, and  
13 (4) virtual energy coach.

14 To use the load disaggregation profile reports, PG&E  
15 anticipates training will be required for all parties involved (PG&E  
16 team, ESA contractors, IT specialists, Workforce Education &  
17 Training Instructors, etc.) There is a risk the reports may be too  
18 complicated and therefore not useful. PG&E intends to engage  
19 these parties to test the usefulness of the reports during current  
20 program cycle year 2020. PG&E also expects to update the  
21 Workforce Education and Training (WE&T) curriculum and delivery  
22 to accommodate the changes. PG&E proposes that ESA  
23 contractors will have specific training to familiarize themselves with  
24 the reports and the Pilot since they will be the primary channel for  
25 enrollment. PG&E anticipates the internal PG&E ESA team will also  
26 need to be informed and able to assist with questions. See  
27 Attachment A for the Virtual Coach Pilot Implementation Plan.

28 There is a potential risk that the new activities outlined for the  
29 first ESA contractor visit may pose a challenge. The contractors  
30 may need enhanced soft skills to meet the new objectives during the  
31 first visit. In addition, ESA contractors will need to be fully-versed in  
32 the feasibility criteria for each measure. Based on the new design,  
33 the ESA contractor should verify need states, complete the home  
34 assessment with the customer, and explain other feasible measures

1 and qualifying income requirements. If the customer does elect to  
2 have all feasible measures installed, the contractor would submit the  
3 information online and a work order would be generated for the  
4 Implementer to use for scheduling an installation crew to go out to  
5 the customer's home. There is the risk of it taking longer than  
6 expected to schedule the right resources for the work. PG&E plans  
7 to address this in the RFP process.

8 Another potential risk is contractor confusion about the  
9 customer need states. Because of PG&E's proposal for new  
10 measures to be available based on a customer's need state, the  
11 contractor will have to be well-trained in how to determine the  
12 validity of the need state, as well as the corresponding requirements  
13 and feasible conditions for measure installation. All of this is  
14 expected to be covered in the new curriculum for WE&T.

- 15 c. *Describe how the proposed program delivery approach will achieve*  
16 *energy savings and hardship reduction program goals for each*  
17 *prioritized population.*

18 PG&E's proposed ESA Program delivery approach is  
19 anticipated to achieve energy savings or hardship reduction  
20 program goals for each prioritized population since each population  
21 has specific measures assigned and matched to their need state.  
22 The various measure mix options were purposely designed to  
23 achieve savings or reduce hardship for the prioritized customer  
24 groups, while maintaining program cost effectiveness. The  
25 proposed utilization of a custom energy solutions report should also  
26 help increase productivity of the energy education session between  
27 the contractor and customer. The report is expected to contain  
28 personalized information about opportunities for savings and  
29 recommendations for actions that may positively impact hardship.



1 d. *As applicable, respond to the following questions as it relates to*  
2 *your specific program delivery approach:*

3 i. *What additional workforce development opportunities should be*  
4 *employed to ensure hiring within local communities, especially*  
5 *the disadvantaged communities and, where possible,*  
6 *career-ladder jobs? How can the IOUs partner with CBOs,*  
7 *community colleges and workforce investment boards?*

8 The workforce development opportunities that could be  
9 employed to increase the possibilities of hiring within local  
10 communities, especially DACs and possibly provide career  
11 ladder jobs include:

- 12 • Notifying local and regional workforce development  
13 organizations (WDO) about ESA employment opportunities  
14 in their areas. The WDOs would then communicate these  
15 opportunities to people who come to them looking for work.  
16 The notification would be handled by the ESA Implementers  
17 and Contractors who would report their efforts to PG&E; and
- 18 • Leveraging existing connections between PG&E EE teams  
19 and WDOs to help generate awareness and interest in  
20 opportunities with ESA Program contractors.

21 Other possible ways PG&E or IOUs can collaborate and  
22 support community-based organizations (CBO), community  
23 colleges and WDOs include:

- 24 • Providing information about ESA opportunities to  
25 participants in Energize Colleges Program: This program  
26 supports college students, teachers, and education  
27 departments at various campuses across PG&E's territory.  
28 Interns and fellows are trained on EE topics and  
29 technologies to prepare them to work on campus  
30 EE projects;
- 31 • Informing PG&E technical advisors and education  
32 collaborators about ESA: PG&E staff sometimes serve on  
33 technical advisory committees for Bay Area WDOs that



1 have job training programs and provide technical EE  
2 classes to their students; and

- 3 • Providing information to attendees at the Annual Solar Jobs  
4 Fair: This is an annual event focused on career  
5 opportunities in the solar industry. Through a contracted  
6 vendor, PG&E invites job seekers and employers to PG&E's  
7 Pacific Energy Center for networking, resume review  
8 workshops, interview skills workshops, and recruiting.

- 9 ii. *Discuss how your Marketing, Education and Outreach (ME&O)*  
10 *plans support the Program Goals, including plans for improving*  
11 *enrollment, meeting participation goals and targeting*  
12 *multi-family households. Include proposed ME&O cost per*  
13 *household for program years 2021-2026; how does this*  
14 *compare to the current cycle? Discuss the history of your*  
15 *ME&O methods' effectiveness and modifications or*  
16 *opportunities to further streamline existing ME&O initiatives.*

17 **[WITNESS: OLSEN]**

18 PG&E is committed to helping customers understand the  
19 benefits of and eligibility requirements to participate in the ESA  
20 Program. In its proposed approach to ME&O, PG&E builds  
21 upon proven strategies from the 2017-2019 ESA marketing  
22 campaign with plans to add insights and modify strategies to  
23 help customers understand the benefits of the newly-proposed  
24 redesign of the ESA Program offerings. These marketing  
25 activities support PG&E's drive to achieve program goals of  
26 participation, reducing hardship for need state customers,<sup>89</sup> and  
27 improving the environmental factors and social justice inequities  
28 impacting the income-qualified customer population.

29 The following testimony explains:

- 30 • The history of PG&E's ME&O effectiveness, including  
31 successful strategies and tactics to be carried forward;

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<sup>89</sup> Descriptions of "need state" offerings in the ESA Comprehensive Plus outlined in Section .A.3.b.

- Proposed modifications or opportunities to further streamline existing ME&O initiatives to support the Program Goals; and
- PG&E’s proposed ME&O cost per household for PYs 2021-2026, and how this compares to the current cost per household.

1) The history of PG&E’s ME&O effectiveness, including successful strategies and tactics to be carried forward:

Through many years of effort, PG&E has achieved high awareness and participation in the current ESA Program. As of December 2018, more than 2,137,739 homes have been treated.<sup>90</sup>

PG&E’s ME&O for ESA focuses on building awareness and delivering qualified leads in the form of application submissions. Recent campaign results show that customer targeting, effective messaging, and a “mix” of marketing, including direct mail, e-mail, and targeted digital media, all contribute to lead generation. The following section describes the successful strategies and tactics<sup>91</sup> that have increased response rates, delivered qualified leads, and driven customer participation in ESA. PG&E has incorporated these key learnings into its proposed 2021-2026 marketing approach.

PG&E’s recent work to refine messaging and targeting and optimize the marketing channel mix, contributed to increased lead generation (in the form of application submissions) and increased participation rates (homes assessed and treated) in recent years. These findings are documented in the 2018 ESA Marketing campaign analysis<sup>92</sup> report, which PG&E has incorporated into its

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<sup>90</sup> PG&E ESA Program and CARE Program Amended 2018 Annual Report. July 2, 2019, p. 5.

<sup>91</sup> 2018 ESA Campaign Analysis; May 15, 2019.

<sup>92</sup> 2018 ESA Campaign Analysis; May 15, 2019.

proposed 2021-2026 marketing approach. Successful strategies and tactics include:

a) Leverage the power of repetition: Results from the 2018 ESA marketing campaign show that exposing customers to ESA messages more than once through direct channels is more successful at motivating customers to act than a single communication. Within a multi-channel campaign including digital media, customer response rates to ESA direct marketing touches in the third and fourth quarters of 2018 were as follows:<sup>93</sup>

- 1) 54 percent responded after one mailer;
- 2) 82 percent responded after receiving two direct marketing communications; and
- 3) The remaining 18 percent of customers that responded to ESA marketing did so after receiving three or more communications.

Because repetition is a factor in higher response rates, PG&E plans to implement direct marketing campaigns that use multiple touches to target eligible customers each year during the 2021-2026 program cycle.

b) Use multiple communication channels and multi-touch campaigns to drive more qualified leads: While a single channel (direct mail) drove a higher response rate in terms of applications submitted, more customers who received direct mail and e-mail continued through the process from application to assessment to treatment at higher rates than customers who received only direct mail.<sup>94</sup> Because the increased rates of assessment

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<sup>93</sup> 2018 ESA Campaign Analysis; May 15, 2019. Slide 8; Two Touches generate 82 percent of the Responses.

<sup>94</sup> 2018 ESA Campaign Analysis; May 15, 2019. Slide 7; “DM + EM Recipients Led to a Higher Assessment & Treatment Rate”

1 and treatment were consistent across multiple waves of  
2 marketing, PG&E plans to continue to use a  
3 combination of targeted, direct to customer  
4 communications in coordination with  
5 awareness-building media placement in the ESA PYs of  
6 2021-2026.

7 c) Coordinate outreach and engagement with CARE  
8 marketing campaigns: To help more low-income  
9 customers on their path to better bill and energy  
10 management, PG&E added a partially pre-filled ESA  
11 application form and postage-paid reply envelope to the  
12 direct mail version of the CARE Program Welcome  
13 Kit.<sup>95</sup> In 2018, approximately 10,000 customers  
14 completed and submitted the ESA application they  
15 received with their CARE Welcome Kit.<sup>96</sup> These  
16 customer leads from the CARE Welcome Kit had higher  
17 assessment and treatment rates compared to other  
18 ESA Acquisition campaigns.<sup>97</sup> 24.5 percent of the  
19 customers that submitted the ESA application from their  
20 CARE Welcome Kit had their homes treated by the ESA  
21 Program.

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<sup>95</sup> Customers receive an ESA application form that has been prefilled with their information make it easier and faster for customers who are now enrolled in CARE to begin the next step and participate in ESA, if eligible. This pre-filled form only requires customers to provide a phone number and an e-mail (optional) prior to mailing it in via the pre-paid postage envelope.

<sup>96</sup> EDGEline data management system, 2018

<sup>97</sup> 2018 ESA Campaign Analysis; May 15, 2019.

**TABLE I-15**  
**CARE WELCOME KIT ESA ACQUISITIONS**

Line No.	Rates	Welcome Kit	ESA Acquisition Campaigns <sup>(a)</sup>
1	Response Rate	6.7%	16.7%
2	Assessment Rate of Responders	64.2%	12.1%
3	Treatment Rate of Responders	24.5%	9.0%

(a) Includes e-mail, direct mail and other ESA customer marketing campaigns.

PG&E plans to continue marketing ESA in the CARE Welcome Kit as an integration point for critical messages to low-income customers.

PG&E has seen success in personalized and highly targeted direct mail and e-mail to CARE-enrolled customers living in ESA-eligible homes. PG&E augmented this approach by using an ESA Propensity Model for customer targeting. This model builds upon the CARE propensity model and is used to identify customers within the CARE-eligible population that are most likely to participate in ESA.<sup>98</sup> The original ESA Propensity Model was developed in December 2014 with the goal of improving response to Marketing communications by identifying customers with the highest propensity to participate in the ESA Program. In July 2016, PG&E commissioned development of a new model that added third-party data. The current model includes 27 distinct model variables and includes the CARE Propensity Model scoring as one component. PG&E plans ongoing updates to the propensity model, adding data, and analysis.

d) Testing and optimization of the campaign: PG&E plans to test and optimize campaign creative on an ongoing basis to foster continuous improvement of messaging

<sup>98</sup> See Attachment B ESA Propensity Model.

1 and effectiveness of campaign strategies. As an  
2 example of how this approach has been successful, in  
3 2016, PG&E identified an opportunity to make the ESA  
4 direct mail package easier for customers to respond to.  
5 PG&E developed alternate versions of a personalized  
6 letter and application and began testing in late 2016  
7 testing a shorter, pre-populated form, and postage paid  
8 business reply envelope.

9 The response rate to PG&E's direct mail efforts  
10 increased from 6.2 percent in 2016 to a high of  
11 19 percent in Q1 of 2019. PG&E plans to continue  
12 optimizing ESA campaign messaging, strategies and  
13 tactics to promote the program in ways that are  
14 accessible, easy to understand, and offer a clear path to  
15 participation.

16 2) Proposed modifications or opportunities to further  
17 streamline existing initiatives to support the Program Goals:

18 PG&E's proposed approach to ESA ME&O will target  
19 eligible customers including CARE households not  
20 previously treated by ESA. In addition, PG&E proposes to  
21 target CARE-eligible customers with high usage and other  
22 significant need states that indicate hardship with ME&O to  
23 drive participation in the ESA Comprehensive Plus offering.  
24 PG&E plans to develop, test and refine new messaging to  
25 encourage customers to complete ESA  
26 Program applications.

27 a) Continue and expand cross marketing with other  
28 Income-qualified programs: PG&E's marketing and  
29 outreach for ESA will be coordinated with CARE  
30 marketing to build greater awareness with low-income  
31 customers about holistic energy management and  
32 cost-savings opportunities. As mentioned earlier in this  
33 section, PG&E plans to continue the successful  
34 cross-marketing between CARE and ESA because

1 customer leads for the ESA Program that originated  
2 from the CARE Welcome Kit had higher assessment  
3 and treatment rates compared to other ESA  
4 Acquisition campaigns.

- 5 b) Multi-family: PG&E plans to target property managers  
6 and building owners with ME&O to drive participation in  
7 the ESA Program In-Unit and CAMs that serve  
8 multi-family households and properties. PG&E's  
9 marketing to multi-family property managers and  
10 owners is expected to continue until 2023, at which  
11 point a third-party implementer is expected to launch a  
12 new ESA multi-family program. To facilitate this launch,  
13 PG&E marketing intends to work with the implementer  
14 and determine the desired level of support  
15 and coordination.
- 16 c) Launch new program model: As stated in Section D.1.,  
17 significant changes are being made to the ESA  
18 Program model in an effort to reduce household  
19 hardship.

20 PG&E expects the introduction of need-based  
21 targeting of specific customer groups will have a  
22 significant impact on PG&E's future messaging and  
23 approach to marketing the ESA Program. PG&E  
24 proposes using a combination of new strategies to drive  
25 customer engagement and to specifically address the  
26 proposed changes to program design. Table I-16 below  
27 shows how PG&E's marketing approach will adjust to  
28 the new program design and identify the marketing  
29 strategies to achieve ESA Program goals.

**TABLE I-16  
PG&E'S MARKETING APPROACH FOR ESA PLUS**

Line No.	ESA Changes Proposed for the New Design <sup>(a)</sup>	Proposed Marketing
1	Overcoming trust issues by partnering ESA more closely with the CARE Program. This would make ESA the next step in the CARE customer's energy journey with PG&E.	Continue to include ESA messaging and enrollment details in CARE Welcome Kit.
2	Easing enrollment requirements by allowing the same self-certification as CARE for the basic ESA Program.	Test and refine new messaging to clearly explain the ease of participation.
3	Removing the property owner approval requirement for installation of simple measures (e.g., light bulbs and power strips).	Test and refine messages to highlight ease of participation and "renter-friendly" rules.
4	Focusing outreach to those who have not participated in ESA and newly-enrolled CARE customers.	Cross-market to newly-enrolled CARE customers.
5	Targeting low-income, high usage customers to help achieve greater savings potential with specific measures.	Continue to use and refine propensity model to target customers that are more likely to participate in ESA.
6	Offering unique measures for customer groups that have the greatest need for hardship reduction.	Take a data-driven approach to customer segmentation to uncover insights related to need states that will enable PG&E to communicate in a relevant and compelling way.  Test and refine messaging and value propositions related to the Comprehensive Plus offerings.
7	Producing load disaggregation profiles that include customized solutions around energy, such as rate plans, programs, behavioral tips.	Test and refine communications and messaging to ensure benefits are highlighted in ways that are relevant and actionable.
(a) See Section D.		

1 PG&E lessons learned and strategies used in  
2 marketing the current ESA Program will be applied to  
3 the proposed "Comprehensive and Comprehensive –  
4 Plus" ESA offerings.  
5 Because of the new program design, the proposed  
6 messaging will focus on the package of simple  
7 measures that will be installed during the initial in-home  
8 assessment. PG&E plans to test messaging to  
9 determine the most compelling and impactful themes for  
10 customers. PG&E expects that several of the need



1 state groups may be targeted geographically. This  
2 opens the possibility of geographically-targeted media  
3 and direct marketing to build awareness of and drive  
4 participation in the new program offerings.

5 PG&E also plans to conduct research and test  
6 messaging and customer response to multiple or  
7 “bundled” program offerings for customers that may fit  
8 into multiple need state groups.

9 As part of the ESA Comprehensive and  
10 Comprehensive-Plus Program offerings, ESA  
11 Implementers are expected to contact customers to  
12 conduct follow-up installations once assessments are  
13 completed and as potential follow-up measures are  
14 identified. (See Section D.2.a.) In instances where  
15 assessments identify follow-up measures that do not  
16 lead to treatments, PG&E plans to re-engage with these  
17 customers to prompt participation or identify reasons for  
18 non-participation. PG&E plans to prioritize marketing to  
19 eligible customers that may benefit from having their  
20 homes treated with the new/proposed ESA  
21 Comprehensive and Comprehensive-Plus  
22 Program offerings.

23 In addition to cross-marketing CARE enrollees,  
24 PG&E plans to undertake expanded efforts to reach  
25 some of the most vulnerable customers that we serve.  
26 As identified in Table I-6, there are customers that fit  
27 into the following groups: High Usage, Medical  
28 Baseline, Disconnections, DAC/Tribal/Rural and  
29 Wildfire Threat.

30 3) PG&E’s proposed ME&O cost per household for PYs  
31 2021-2026, and how this compares to the current cost per  
32 household.

33 In the 2017-2020 program cycle, PG&E’s marketing  
34 costs were 1.3 percent of the overall ESA Program budget.

1 In the 2021 to 2026 program cycle, PG&E's marketing  
2 budget cost estimate is approximately 1.3 percent of the  
3 overall budget request.

4 PG&E's marketing cost per household treated in 2015  
5 through 2018 ranged from \$18 to \$24 and was calculated by  
6 dividing the annual ME&O costs recorded for ESA by the  
7 total homes treated in each corresponding year.

8 Based on the estimates for comparable marketing  
9 education and outreach costs proposed, PG&E's marketing  
10 cost per household treated in 2021 through 2026 ranges  
11 from \$21 to \$31 per customer based on the total  
12 homes treated.

13 Because the ESA Comprehensive Plus offering is  
14 completely new and anticipated to require significant  
15 start-up and development costs, those costs have been  
16 excluded from the cost per household calculation.

17 PG&E's 2021-2026 per household costs differ from the  
18 current cycle because of the differences between:  
19 (1) program design and delivery; (2) which customers are  
20 targeted (the prior cycle targets last remaining eligible and  
21 willing customers while the new cycle will focus on  
22 customers defined to have specific needs states); and  
23 (3) foundational activities required to implement the new  
24 program design, such as research, development of new  
25 materials, message development and testing, and  
26 adjustments based on learnings from the test and learn  
27 approach; (4) anticipated ramp-up of implementers and  
28 reduced annual enrollment/participation numbers mean that  
29 fixed and foundational costs are not able to be spread over  
30 as large of an audience. As a result, cost per household is  
31 estimated to increase.

32 a) Summary of ME&O Funding Request

33 PG&E anticipates its ESA-specific marketing will  
34 create awareness and drive eligible customers to

1 complete program applications. Once the application is  
2 completed, PG&E marketing passes these leads to  
3 program implementers (contractor outreach and  
4 implementer-related costs are explained in Section D.1.  
5 of this testimony). For program cycle 2021-2026, PG&E  
6 requests funding of \$12,410,807 to support the  
7 marketing efforts.<sup>99</sup>

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<sup>99</sup> Marketing budget line item in table A-1 of Appendix A includes ME&O, plus costs associated with the load disaggregation report.

**TABLE I-17**  
**ESA MARKETING BUDGET**

Line No.	ESA Marketing	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates
1	<u>ESA Outreach Estimate</u>						
2	Communications Development	\$350,000	\$200,000	\$100,000	\$50,000	\$100,000	\$50,000
3	Direct to customer (Direct mail, E-Mail, Bill Inserts)	\$441,200	\$415,000	\$407,410	\$380,110	\$388,110	\$395,610
4	Media	\$300,000	\$400,000	\$200,000	\$200,000	\$200,000	\$200,000
5	Forms/Collateral/Brochures	\$350,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
6	Data Management, Measurement & Analysis	\$315,000	\$324,000	\$333,000	\$289,000	\$297,000	\$306,000
7	Customer Research/Strategic Consulting/Other	\$100,000	\$100,000	\$50,000	—	\$50,000	—
8	Labor, Technology License Fees, etc.	\$581,760	\$598,703	\$617,854	\$540,215	\$555,860	\$571,975
9	Multi-family Property Owner and Manager Marketing	\$100,000	\$103,000	\$50,000	\$50,000	\$50,000	\$50,000
10	ESA Marketing Budget Estimate	\$2,537,960	\$2,390,703	\$2,008,264	\$1,759,325	\$1,890,970	\$1,823,585

1 PG&E's ESA Outreach Budget Estimate is  
2 composed of various budget categories:

- 3 • Communications Development includes advertising  
4 agency time of staff for creative development and  
5 production of marketing materials such as direct  
6 mail, e-mail, video, and radio scripts.
- 7 • Direct to Customer marketing includes costs such  
8 as postage and production of direct mail acquisition  
9 and retention campaigns, bill insert printing, text,  
10 and e-mail design/programming and deployment.
- 11 • Media costs include media agency planning,  
12 buying, analysis and reporting for tactics such as  
13 display advertising, search engine marketing, print,  
14 and radio.
- 15 • Forms/Collateral/Brochures includes costs for  
16 agency time of staff to design and write new forms  
17 or brochures, translation costs, and other work to  
18 update ESA forms and collateral annually. Also  
19 includes printing and distribution of these materials  
20 to the required locations (such as local offices and  
21 PG&E inventory).
- 22 • Data Management, Measurement and Analysis  
23 includes costs such as data vendor time of staff for  
24 programming and execution for customer list  
25 generation, strategic planning support, Propensity  
26 Model development, third-party data, and  
27 maintenance, and campaign reporting and analysis.
- 28 • Customer Research includes costs such as  
29 third-party vendor resources to conduct studies or  
30 surveys, location, travel and material costs for  
31 studies such as focus groups or in-person studies.
- 32 • Labor, technology license fees, etc. cost includes  
33 PG&E staff to support planning and execution of  
34 marketing activity, and licensing fees for technology

platform to conduct marketing campaigns such as e-mail and text.

- Multi-family property owner and manager marketing costs include a continuation of PG&E marketing to support the ESA Program in-unit and CAMs efforts that serve multi-family households and properties. PG&E's marketing to multi-family property managers and owners is expected to continue until 2023, at which point a third-party implementer is expected to launch a new ESA multi-family program. To facilitate this launch, PG&E marketing anticipates that co-branded marketing materials may be desired and if so, these materials will need to comply with PG&E brand and legal standards. To address this need, the Multi-family marketing budget includes costs to develop and maintain co-branded identity materials in PYs 2023-2026.

The marketing budget estimates assume a decision will be issued by the end of 2020, to allow PG&E to begin research, testing, and development in January 2021. Any delays in issuing the decision may require PG&E to shift the timing of the planned activities and associated budget expenditures. PG&E's budget remains flexible to allow for allocation adjustments and revised outreach activities based on the results of the continual test and learn approach presented. If program design or customer outreach requirements change through the implementer solicitation process, due to requirements of the final decision, or based on lessons learned from outreach efforts, PG&E reserves the right to adjust the marketing plans and cost estimates accordingly. If timing of the implementation changes, PG&E's expectation is that costs would shift to accommodate the new schedule.

1           3. **Prioritization of Target Participants**

2           **[WITNESS: LEIVA JUNGBLUTH]:** *Detail the proposed approach*  
3           *(criteria and process) to identify and prioritize your participant categories*  
4           *or housing types with significant need for energy efficiency services.*  
5           *Provide a detailed explanation to support your proposed approach.*

6           PG&E's proposed approach to identifying and prioritizing participant  
7           categories or housing types with significant need was based on  
8           availability of data from PG&E's own database where customer records  
9           are kept. Customer need states were derived from evaluating numerous  
10          indicators on a customer's record and the best determinants of hardship  
11          were deemed to be high usage, medical baseline participation,  
12          disconnections, geographical areas like DAC/Tribal/Rural and high  
13          wildfire threat zones. In addition, PG&E leverages the household  
14          income data provided by Athens Research to target areas where  
15          low-income households are prevalent.

16          a. *Are households prioritized for service based on housing type,*  
17             *energy usage, energy costs, energy burden, location, amount of*  
18             *potential energy savings, and/or health, comfort and safety criteria?*

19           PG&E proposes to prioritize households based on need states  
20           which are indicators of hardship such as high usage, medical  
21           baseline enrollment, disconnections history, geographic locations  
22           such as rural, tribal and DACs in both single family and multi-family  
23           dwellings. PG&E will also prioritize CARE customers who have not  
24           participated in ESA. The current program design targets high users,  
25           geographic locations such as tribal and housing types such as  
26           multi-family deed-restricted buildings, mobile homes and single  
27           family dwellings, and targets new CARE customers

28          b. *How will you address prioritized households not treated in the*  
29             *current cycle due to unwillingness to participate?*

30           PG&E proposes to address prioritized households not treated  
31           due to unwillingness by contacting those households with a new  
32           offer of automatic eligibility for free simple measure installation as  
33           part of their CARE enrollment. The offer becomes the next step in  
34           their energy journey with PG&E. The expectation is the closer tie to



1 the CARE Program will help address trust issues and the “no  
2 documentation required” should make it much easier to get started.  
3 PG&E is proposing specialized messaging and outreach that will be  
4 integrated into the holistic outreach plan proposed in CARE  
5 Chapter II Section D.

6 If the prioritized household is not already part of the CARE  
7 Program, the same offer of free simple measure installation with  
8 ESA can apply due to the self-certification of income option.  
9 However, PG&E will also offer to enroll the customer in CARE in  
10 this case.

- 11 c. *How will energy efficiency services offered to the households vary to*  
12 *maximize savings and assist households to reduce or better*  
13 *manage energy bills, minimize disconnections, and foster*  
14 *affordability of energy costs?*

15 PG&E anticipates the measures offered to the customer groups  
16 will vary based on the need states. PG&E’s objective is to provide  
17 specific measures that target those need states in addition to the list  
18 of feasible measures that apply to the household to achieve savings  
19 and reduce hardship. See final list of measures in Table I-23 below  
20 in Section D.6. In addition to the measures, the custom energy  
21 solutions report is expected to contain personalized usage  
22 information and recommendations for savings that are specific to the  
23 individual household. Recommendations may include rate plans,  
24 demand response programs, payment options and alerts, as well as  
25 behavioral tips, all with the goal of improved energy affordability and  
26 bill management.

- 27 d. *Will you prioritize providing services for households that previously*  
28 *participated in ESA?*

29 PG&E plans to prioritize households not previously treated.  
30 However, if a household falls within a particular need state, PG&E  
31 plans to offer the new targeted measures along with the customized  
32 energy solutions report from the load disaggregation project.

e. *What are the risks associated with your proposed prioritization, and how do you plan to mitigate risks?*

The potential risks and planned mitigations associated with PG&E's proposed customer grouping or prioritization are listed in Table I-18.

**TABLE I-18  
POTENTIAL RISKS AND MITIGATIONS WITH PRIORITIZED CUSTOMER GROUPS**

Line No.	Potential Risk	Potential Mitigation
1	Customer unresponsiveness or unwillingness.	Additional outreach and increased local involvement, close interaction with CBOs and local government assistance program offices.
2	Homes are in disrepair and cannot be treated, which means funds to upgrade must come from another source.	Clear understanding and agreement with other organizations or agencies for leveraging funds or program measures.
3	It may prove too complex for contractors during implementation, which would require additional training resources and time.	New training program with input from contractors, and a constant feedback loop for updates.
4	Data tracking may prove difficult and reporting is inaccurate, which would require additional resources, time, and money.	Propose a dedicated subject matter expert for new program tracking and reporting.
5	The timeline for completion of all measures may extend to the point of frustration for customers, which would require more resources to address.	Call this out in the RFP process as major point in service level.
6	The appropriate resources to install measures may not be available, which means paying a higher price to find/keep contractors.	Call this out in the RFP process as major point in service level.
7	The Virtual Energy Coach vendor cannot deliver as agreed, which would require a rework and reimbursement.	Build in a guarantee performance clause in contract with vendor, confirm operations prior to launch.
8	The Virtual Energy Coach idea does not appeal to enough customers.	Document and deploy lessons learned from pilot.

f. *Explain whether the program should transition to uniform criteria for all the IOUs to prioritize households for service.*

PG&E recommends the program should transition to uniform criteria for all IOUs because the IOUs have the same type of customer data and face similar issues and challenges. This is a statewide program and consistency can help with tracking and reporting out on the same data. Targeting, providing clear direction,

1 and focus at the beginning of the program may generate better  
2 results than general program outreach and tracking after  
3 the program.

- 4 g. *Detail any needed changes to ESA Program eligibility guidelines as*  
5 *a result of the proposed prioritization approach.*

6 PG&E is not proposing any changes to eligibility guidelines.  
7 The ESA Program expects to continue to use 200 percent of  
8 Federal Poverty Guidelines. While other income-qualified  
9 assistance programs may use some percentage of Area Median  
10 Income for eligibility, the Athens data shows a decrease in number  
11 of homes considered eligible in areas that are predominantly  
12 low-income and an increase in number of homes where income is  
13 predominantly higher because the median amount adjusts.<sup>100</sup>  
14 PG&E proposes to continue targeting the larger number of  
15 income-qualified households in the lower income counties as  
16 determined by the Federal Poverty Guidelines.

- 17 4. **Participation Barriers:** *Discuss current cycle attempts to address*  
18 *participation barriers, your lessons learned, and how your proposed*  
19 *approach is improved to ensure prioritized households participate.*  
20 *Include potential alternatives to mitigate challenges faced by single fuel*  
21 *utilities, SCE and SoCal Gas, or challenges for customers located where*  
22 *only one fuel is offered.*

23 During the current cycle, PG&E attempted to address participation  
24 barriers by seeking greater understanding of the barriers from  
25 stakeholders who work closely with the low-income customer base.  
26 PG&E heard anecdotally that marketing materials and customer  
27 brochures were too complex and difficult to translate. PG&E consulted  
28 with community advocates and CBOs and made modifications to the  
29 materials for clarity and understanding. PG&E also revised the  
30 educational materials for CBOs to deliver information about benefits  
31 more quickly and succinctly to customers.

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<sup>100</sup> Athens Research, AMI Eligibility Estimates November 2018.

1           ESA contractors updated their marketing collateral as well, and they  
2           continue to utilize both phone sales representatives and door-to-door  
3           canvassers for outreach. Contractors continue to provide feedback that  
4           the most effective customer response comes from face to face  
5           interaction at PG&E local offices and community events where PG&E  
6           employees are helping to promote the program. Having a visible PG&E  
7           connection helps establish credibility and assists in customer receptivity.

8           PG&E's proposed approach prioritizes household participation.

9           It targets customer groups based on their need states and offers  
10          customized solutions rather than a one size fits all approach.

11          As discussed, this approach helps the customer save and reduce  
12          hardship according to their personal situation. It also allows for easier  
13          qualification and participation by removing the income verification for  
14          simple measures. Promoting the simple ESA measures as an automatic  
15          offering with CARE enrollment should also increase trust and credibility.  
16          In addition, having simple measures installed for free along with a home  
17          assessment may help with scheduling issues since the customer will  
18          likely be getting something of value for their time. The Virtual Energy  
19          Coach (for those included in the pilot) provides ongoing support and  
20          should help the customer feel like they have someone on their side.

21          PG&E's potential alternatives to mitigate challenges faced by single  
22          fuel utilities or challenges for customers located where only one fuel is  
23          offered include installing measures in partnership with other IOUs or  
24          large Municipal Utility Districts, like Sacramento Municipal Utility District  
25          (SMUD).

26       **5. Referrals, Leveraging, and Coordination [WITNESS: O'DRAIN]:**

27       a. *Provide and review data about the ESA referral pipeline received*  
28       *from other programs and those made to other programs. Describe*  
29       *how this informed program design, delivery approach, and/or*  
30       *prioritization of targeted participants. Include completed referrals*  
31       *and those that did not choose to participate in ESA. These*  
32       *programs include, but are not limited to: CARE, Low-income*  
33       *Weatherization Program (LIWP), Solar on Multi-family Housing*  
34       *(SOMAH), Multi-family Single Point of Contact (SPOC), Multi-family*

1                    *Energy Efficiency Rebates, Multi-family Upgrade Program,*  
2                    *Multi-family Electric Vehicle Programs, etc.*

3                    There are many touch points with income-qualified customers  
4                    through PG&E and external programs. There may be opportunities  
5                    to leverage these touchpoints to expand customer's awareness of  
6                    the ESA Program, and vice versa. Some examples of these  
7                    leveraging programs are shown in Table I-19 below.

**TABLE I-19**  
**POTENTIAL LEVERAGING PROGRAMS**

Line No.	Regulatory Reference	Implementor	Program Name	Brief Description
1	AB 617	Local Air Districts	Community Action Plans	AB 617 directs air regulators to identify communities with a high cumulative pollution exposure burden and to work with communities to develop solutions. Action Plans have been developed to propose strategies to reduce harmful emissions and mitigate the effects of poor air quality through air filtration measures.
2	AB 2868	PG&E	Behind the Meter Thermal Storage Program	The approved program will install new heat-pump water heaters (HPWH) to replace propane, or retrofit existing electric resistance water heaters and HPWHs to load shift their use from the normal customer end use time to instead pre-heat the water during off peak periods. The load shifted water heaters are able to decrease GHG emissions, relieve congestion on the distribution grid during peak usage times, and help customers be successful on the new TOU rates.
3	AB 2672	PG&E	San Joaquin Valley DACs Pilot Projects	The pilot projects in PG&E's service territory will replace propane and wood burning appliances with all electric appliances to help mitigate high energy costs and reduce harmful emissions in customers' homes.
4	AB 2723 and AB 217	GRID Alternatives	SASH Program	The SASH incentive provides low-income families with free or low-cost solar photovoltaic systems that significantly reduce household energy expenses and allow families to direct those savings toward other basic needs.
5	AB 2723 and AB 218	PG&E	Multi-Family Affordable Solar Homes Program (MASH)	Provides business solutions to offset the costs of installing new solar energy systems on multi-family affordable housing in California. MASH aims to improve the quality of housing, decrease energy use and lower costs for tenants. It also urges tenants to use high-performance solar systems that help protect California's environment.
6	SB 1477	TBD	BUILD and TECH	The Building Initiative for Low-Emissions Development (BUILD) provides incentives to builders to find innovative and low-cost ways to build clean-energy homes. At least 30 percent of incentives go to low income housing. The Technology and Equipment for Clean Heating (TECH) Program incentivizes distributors and retailers to make more low-emissions space and water heating technologies available to improve health, safety, and energy affordability for low-income households.
7	AB 327	PG&E	DAC Green Tariff	This program will provide a 20 percent bill discount to customers in DACs who meet the income eligibility requirements for the CARE and FERA programs.
8	AB 1082 and AB 1083	PG&E	Empower EV	This program will provide an electric vehicle (EV) charger rebate and education pilot to provide EV chargers at little to no cost for PG&E residential customers with low to moderate incomes.
9	N/A	PG&E	Relief for Energy Assistance through Community Help (REACH)	The REACH Program provides financial assistance for qualifying households throughout PG&E's service area. To qualify for the REACH financial support, a residential customer's household income must be at or below 200 percent of Federal Poverty Guidelines, must demonstrate an uncontrollable or unplanned change in their ability to pay their utility bill, must not have received REACH assistance within the past 18 months, and must have received a 15-day or a 48-hour disconnection notice.
10	D.17-12-003	PG&E	Fresno Energy Community Pilot	Results from proposed demand response pilots should contribute to the creation of new demand response programs, or significant improvements to existing programs, that can be implemented widely to augment the economic and/or environmental benefits demand response yields for DACs. Demand response can provide tangible environmental benefits to DACs by reducing localized air pollution and other detrimental environmental impacts.

- 1           b. *Address how San Joaquin Valley Pilot Program efforts to leverage*  
2           *the ESA Program, per D.18-12-015, impact the utility's application.*

3           The San Joaquin Valley Pilot Program (D.18-12-015) approved  
4           pilot projects to replace propane and wood burning appliances in  
5           12 DACs in the San Joaquin Valley. PG&E plans to provide electric  
6           appliances to approximately 1,800 participants in the eight  
7           communities of Allensworth, Alpaugh, Cantua Creek, Fairmead,  
8           La Vina, Lanare, Le Grand, and Seville. Homes treated through this  
9           pilot program will also be eligible for weatherization and all qualifying  
10          measures through the ESA Program. The San Joaquin Valley Pilot  
11          Program is still in the early stages of the implementation phase and  
12          learnings have not been identified. As such, there are no impacts to  
13          the utility's application at this time.

- 14          c. *Consider how the ESA Program may partner or leverage new*  
15          *offerings for building electrification for low-income customers that*  
16          *are approved by the Commission in Rulemaking 19-01-011.*

17          On July 16, 2019, the Commission issued the Staff Proposal for  
18          Building Decarbonization Pilots (Staff Proposal) via the  
19          Administrative Law Judge's Ruling Seeking Comment on Staff  
20          Proposal for Building Decarbonization Pilots (the Ruling).  
21          Statutorily, the BUILD Program must reserve 30 percent of its  
22          funding for low-income specific programs. The Staff Proposal  
23          proposed that:

24                 [A] portion of this low-income funding be devoted to incentives  
25                 for new low-income residential housing and a portion to a  
26                 contractor with low-income project development expertise to  
27                 provide technical assistance to low-income residential project  
28                 developers.<sup>101</sup>

29          Further development of specifics on the implementation for the  
30          BUILD Program is expected to begin once the administrator and  
31          implementor for the BUILD and TECH programs have  
32          been determined.

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<sup>101</sup> CPUC and CEC Staff Proposal for Building Decarbonization Pilots – Draft, July 16, 2019, p. 32.



1 d. *Discuss lessons learned from leveraging efforts to date, including*  
2 *but not limited to Tribal Communities, Disadvantaged Communities,*  
3 *other organizations and communities, and propose improvements to*  
4 *current coordination efforts. [WITNESS: LEIVA JUNGBLUTH]*

5 Lessons learned from leveraging efforts with Tribal  
6 Communities and DAC

7 There is low awareness of the ESA Program within tribal  
8 communities in PG&E's territory. Increasing awareness requires  
9 developing relationships with local tribal government and  
10 administrative staff to help communicate with tribal members and  
11 promote the programs.

12 In late 2018 and the first half of 2019, PG&E visited and  
13 consulted with a number of tribes to promote the ESA Program.<sup>102</sup>  
14 Most recently, PG&E worked with the Yurok tribe to pilot and test  
15 some best practices for outreach. The efforts included integration of  
16 tribal support in multiple channels such as personalized letters to  
17 members signed by tribal leaders, social media posts, flyers in the  
18 tribal office and around buildings, and ESA representatives  
19 attending on-site tribal events.

20 Even with support and encouragement, some tribal members  
21 are reluctant to participate in the ESA Program due to the condition  
22 of the home. Working with local community action agencies or  
23 contractors who have connections to the tribe is the best way to  
24 overcome the reluctance. Having a local resource or someone  
25 known in the community be on-site to perform the in-home  
26 assessment, makes the visit less threatening or intimidating.

27 Due to conditions of homes on tribal lands, plus the  
28 predominant use of alternative fuel sources such as propane, wood,  
29 diesel, and solar, many of the ESA Program measures do not apply.  
30 In order to address this, PG&E is proposing to raise the cap on the  
31 minor home repair for these communities from \$1,000 to \$2,500 in

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<sup>102</sup> See Attachment C for a complete list of Outreach with Native American Tribes.

1 order to help with feasibility criteria for measure installation and  
2 positively impact household hardship.

3 Working with tribal communities also requires cultural sensitivity  
4 to the tribes' many other priorities and traditions that limit their time  
5 and availability. It would be helpful if outsiders acknowledge the fact  
6 that building productive relationships with tribal communities  
7 takes time.

8 Another hurdle for tribal communities to enroll in the ESA  
9 Program is proof of ownership for individual residences.<sup>103</sup> There  
10 are many instances of lost paperwork or no paperwork, and the  
11 occupant cannot provide acceptable proof of ownership.<sup>104</sup> When  
12 this occurs, the tribal council becomes involved which may cause a  
13 delay in services being provided to the customer.<sup>105</sup> It is better to  
14 engage tribal leadership and staff before targeting any community  
15 for services and outreach. It is also worthwhile to establish the list  
16 of residents ahead of time, have the tribal staff validate ownership  
17 status, and provide permission for the homes under their ownership.  
18 The tribal leaders may also indicate any other agencies or  
19 organizations that hold ownership. Doing these things first, before  
20 any marketing and outreach will most likely improve  
21 participation rates.

#### 22 Lessons Learned from Leveraging Efforts with DACs

23 Refer to Section D.5.b. above for lessons learned from  
24 leveraging efforts with DAC.

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<sup>103</sup> ESA Contractor Tribal Survey by Richard Heath Associates Inc., August, 2018.

<sup>104</sup> ESA Contractor Tribal Survey by Richard Heath Associates Inc., August, 2018.

<sup>105</sup> ESA Contractor Tribal Survey by Richard Heath Associates Inc., August, 2018.

1 e. *Describe the benefits, if any, of California Department Community*  
2 *Services and Development (CSD) co-funding for efficient delivery of*  
3 *energy efficiency services to low-income tenants in your territory in*  
4 *the current cycle. If there is potential for such benefits, explain how*  
5 *to include CSD co-funding. [WITNESS: O'DRAIN]*

6 CSD offers a similar menu of measures and services to  
7 low-income customers through its state- and federally-funded LIWP,  
8 LIHEAP, and WAP as PG&E's ESA Program. CSD's programs offer  
9 a broader variety of measures than are offered by ESA, but with a  
10 smaller program budget, and CSD provides services to fewer  
11 customers. Leveraging funds enables the reach of both programs to  
12 expand. Through co-funding EE services to shared low-income  
13 customers, PG&E contributes to more income-qualified customers  
14 receiving more measures and the health and savings benefits  
15 they provide.

#### 16 LIWP Leveraging

17 PG&E proposes to continue leveraging LIWP by co-funding  
18 ESA measures available in-unit to income-qualified PG&E MF  
19 tenants, as described in Section D.9. Co-funding ESA-eligible LIWP  
20 measures allows LIWP to expend more of its funding on measures  
21 and services that are not available through ESA, including CAMs,  
22 ultimately resulting in services being provided to more  
23 income-qualified California households.

24 Co-funding services is simpler than coordinating joint  
25 installations, which requires development of standardized policies  
26 and procedures, including installation and inspection criteria. Since  
27 LIWP is a MF building program, this process would be managed by  
28 the third-party MFWB administrator. During the transition, when  
29 PG&E is including MF unit treatments, PG&E plans to continue to  
30 manage LIWP leveraging.

#### 31 LIHEAP Leveraging

32 In parallel to the ESA Program, the federally-funded LIHEAP is  
33 administered by CSD and funded by the U.S. Department of Health  
34 and Human Services.

1 LIHEAP provides assistance at various levels that include utility  
2 bill assistance, assistance in times of state-identified crisis,  
3 measures to resolve health and safety issues, and weatherization  
4 for EE. An overview of the LIHEAP parameters is provided in  
5 Table I-20.

**TABLE I-20**  
**CSD LIHEAP PARAMETERS**

Line No.	Parameter	Description
1	Customer Eligibility	Any low-income (defined as 60 percent of state median income level) customer is eligible in California. Customers are prioritized to serve vulnerable populations and customers with high energy burden first.
2	Provider Eligibility	Federal regulations require that the program be implemented locally through non-profit organizations. These Provider organizations may hire for-profit subcontractors.
3	Allowable Measures	Program measures are selected to address health and safety and EE, to help keep families safe, comfortable, and reduce their energy burden. Measures may reduce usage of any fuel, such as electricity, natural gas, propane, fuel oil (kerosene), or wood.

6 When considering the income eligibility of a household for  
7 services, customers participating in LIHEAP bill payment assistance  
8 are categorically-eligible for the ESA Program; however, the reverse  
9 is not the case, and customers participating in the ESA Program are  
10 not categorically-eligible for LIHEAP services. The reason for this is  
11 that LIHEAP is bound by a federal regulation that requires income  
12 documentation be verified regardless of eligibility for state and other

1 programs; thus, ESA Program categorical qualifications would not  
2 be accepted.<sup>106</sup>

3 In previous co-funded LIHEAP projects, PG&E and CSD agreed  
4 which measures and services would be completed and charged to  
5 which program.<sup>107</sup> For ease of administration, PG&E focused on  
6 areas with shared contractors in past leveraging projects. During  
7 the 2021-2026 ESA cycle, PG&E proposes leveraging projects with  
8 CSD in focused areas, based on shared priorities, goals, and  
9 contractor availability.

10 As discussed with CSD, both PG&E and CSD are interested in  
11 working together to help prevent customer disconnections. PG&E  
12 and CSD plan to focus first on leveraging services in low-income  
13 areas with the highest rates of disconnections, located in Kern,  
14 Fresno, Alameda, San Joaquin, and Humboldt Counties. PG&E  
15 proposes to target collaboration in these areas.

16 Other priority areas to develop could include tribal and rural  
17 areas with high reliance on propane or other non-PG&E  
18 commodities. Developing opportunities in these areas where PG&E  
19 is only able to address electric needs and CSD could serve

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<sup>106</sup> LIHEAP-treated homes must verify income eligibility. All income for everyone in the household 18 years of age and older must be provided. Required proof of income may include the following depending on source of income: Gross wages: copies of check stubs for each pay period within the last 30 days; Self-employment: copy of the most current 1040 tax form with Schedule C (for self-employment) or Schedule E (for rental income); Jobs Paid in Cash: form CSD43B; Temporary Assistance for Needy Families (Cash Aid): notice of action for the current month and year; Unemployment: copy of EDD unemployment documentation reflecting a full consecutive month within the last 30 days; Child Support: statement from Department of Child Support Services or court order; Social Security Administration/Social Security Disability Income and/or Social Security Income: current bank statement showing direct deposit, award letter for the current year or copy of check; Pension/Annuities: statement indicating gross income within the last 30 days (bank statements are not acceptable). Other documentations includes: Food Stamps notice of action and Section 8 – Department of Housing and Urban Development (HUD) low-income housing notice.

<sup>107</sup> For example, See: RHA. CSD/PG&E Weatherization Programs Geographic Coordination Pilot – Final Draft. October 1, 2014; and The Sacramento Avenues Weatherization Project: A Collaboration between PG&E, SMUD, CRP, and Naildown Construction Energy. Presentation to the LIOB, San Diego: June 2, 2010.  
<http://www.liob.org/>.

customer's propane and other non-electric driven needs would allow customers to receive more benefits.

- f. *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.*

California is a drought-prone state, and co-funding delivery, installation, and measure costs to shared water and energy customers is an effective way to provide water and energy savings benefits to low-income customers that might not otherwise receive them.

#### CPUC Requirement for Water Leveraging

D.17-12-009 specified that the IOUs develop collaboration programs with the largest water agencies—including both water retailers and water wholesalers—in their service territories.<sup>108</sup> In 2018, PG&E identified 30 water agencies as the largest water retailers and wholesalers in PG&E's territory. PG&E contacted each water agency regarding participation in a customized Water Coordination Program that leveraged ESA Program services in their individual service areas. PG&E also hosted two Water-Energy Forums (2018 and 2019) to discuss water-energy partnership opportunities and assess interest of water agencies to collaborate with PG&E to enhance water conservation efforts for low-income customers.

#### PG&E's Current Approach

PG&E developed a water conservation program with water agencies that leverages the existing ESA Program. By leveraging ESA's access to low-income customer homes, PG&E helps water agencies provide basic water conservation services and cold water conservation measures to shared income-qualified water and energy customers at relatively low cost to the utility. In 2019, PG&E has agreements with six water agencies.

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<sup>108</sup> D.17-12-009, Atch 1, OP 59 and OP 28.g.

1 PG&E currently provides a menu of five water conservation  
2 services and three cold water conservation measures. Partnering  
3 water agencies leverage PG&E's ESA presence in their customer  
4 homes to provide these minor water services and installations.  
5 Each partner agency pre-selects the specific ESA Water  
6 Coordination measures and service options they wish to fund from  
7 the menu. Maintaining a specific menu of services and measures  
8 offered through the water coordination partnerships provides  
9 multiple benefits for both PG&E and its partner water  
10 agencies, including:

- 11 • Streamlined water agency decision making;
- 12 • Limited standards development cost;
- 13 • Minimized training development and delivery costs; and
- 14 • Reduced program administration complexity and cost.

15 PG&E's menu includes services and measures that can be  
16 effectively funded by water agencies and performed by ESA  
17 contractors as part of PG&E's ESA Water Coordination  
18 partnership effort.

19 Listed in Table I-21 below are the current services and  
20 measures funded by water agencies and performed by ESA  
21 contractors as part of PG&E's ESA Water Coordination  
22 partnership effort.



**TABLE I-21**  
**PROPOSED ESA WATER COORDINATION MEASURES AND SERVICES**

Line No.	Service/Measure	Assessment	Education	Installation	Referral
1	Services				
2	Toilet Dye Tab Test	X			
3	Outdoor Assessment	X			
4	Meter Check and Leak Isolation	X			
5	Water Agency Supplied Education & Distribution of Agency Materials		X		
6	Referral to Water Agency for Rebate Program or Other Service				X
7	Measures				
8	High Efficiency Toilet			X	
9	Dual Flush Converter	X		X	
10	Shower Timer			X	
11	Faucet Aerators <sup>(a)</sup>	X		X	
12	Low Flow Showerhead <sup>(a)</sup>	X		X	
13	Thermostatic Shower or Tub Valve <sup>(a)</sup>	X		X	
(a) When water heating fuel is not provided by PG&E, making measure unavailable through ESA.					

By August of 2019, the Energy-Water Leveraging Partnership Program has served 2,443 income-qualified households. These measures are expected to result in an estimated savings of 11.8 million gallons of water and 13,700 kWh per year.

Water leveraging 2021-2026

PG&E proposes to continue its leveraging partnerships with identified water wholesalers and retailers in 2021-2026.<sup>109</sup> Key components of successful water/energy leveraging include: utilizing the existing contractor network already adept in leveraging services with other IOUs and programs; outreach to water agencies; contracts with water agencies; contracts with contractors capable of conducting the work; contractor management; water agency billing

<sup>109</sup> These were described in PG&E Advice Letter 3990-G-A/5329-E-A, approved in Energy Division NSDL dated January 4, 2019.

and reporting; tracking adherence to prevailing wage requirements of public water agencies; and cross-program compliance.

g. *[Intentionally left blank as in the guidance document]*

h. *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).<sup>110</sup> 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.*

*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.<sup>111</sup> If there is potential for such benefits, describe any policies or programs to achieve these benefits.*

**[WITNESS: LEIVA JUNGBLUTH]**

PG&E is actively engaged in CARB's implementation of the AB 617 Community Air Protection Program, which is focused on reducing criteria air pollutants and air toxics in selected communities. Five of the selected communities are in PG&E's service area and are detailed in Table I-22 below.

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<sup>110</sup> 'Community Air Protection Blueprint' available at <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program/community-air-protection-blueprint>.

<sup>111</sup> 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>.

**TABLE I-22**  
**COMMUNITIES IN PG&E'S TERRITORY SELECTED BY CARB FOR IMPLEMENTATION OF**  
**AB 617 COMMUNITY AIR PROTECTION PROGRAM**

Line No.	Community	Monitoring Plan	Action Plan
1	West Oakland		X
2	Richmond	X	
3	South Sacramento/Florin	X	
4	Shafter	X	X
5	South-east Fresno	X	X

Protection plans are expected to be developed for Richmond and South Sacramento once a monitoring plan is underway. In South Sacramento/Florin, PG&E provides gas service only. For all plans, whether monitoring or emissions reduction, the specific geographic areas of focus and the strategies to be utilized for achieving abatement of air pollution are expected to be identified via the community-focused, joint decision-making framework. That framework relies on decisions made by a steering committee comprised of the local air quality management district and community members. PG&E has a dedicated team that is currently engaged in the process. Their goal is to coordinate with steering committees to provide information on PG&E programs and services that can support the emissions reduction strategies and implementation plans. The five communities are also considered DACs and will most likely be a prioritized need state for outreach with the new ESA Plus Program.

- i. 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.*

There are state and local agencies and programs that could potentially provide opportunities to promote public health and EE in tandem. Some of these agencies include:

- CA Department of Public Health; and
- CA Department of Health Care Services (DHCS).

1           Some of the programs DHCS administers, mandated by the  
2 federal government or required by state law, include: CA Children's  
3 Services Child Health and Disability Prevention Program,  
4 Genetically Handicapped Persons Program, Family Planning,  
5 Access, Care, and Treatment Program, Program of All-Inclusive  
6 Care for the Elderly, Every Woman Counts, Coordinated Care  
7 Management. DHCS also administers programs for underserved  
8 Californians, including farm workers and American Indian  
9 communities.

- 10       • CA Department of Veteran Affairs
- 11       • CA Office of Environmental Health Hazard Assessment
- 12       • CA Department of Social Services
- 13       • DSS administers: Women, Infants and Children; In-Home
- 14       Supportive Services; CalWORKS
- 15       • CA Disability Services Association
- 16       • RAMP (Regional Asthma Management & Prevention)
- 17       • Mosquito Abatement Programs
- 18       • Public and Community Health Professionals (cities, counties,
- 19       public agencies)

20       a) *Identify any additional leveraging opportunities.*

21       **[WITNESS: O'DRAIN]**

22           PG&E has explored leveraging arrangements with several  
23 municipal utilities in its service area, including SMUD and  
24 Redding Energy Utility (REU), and plans to continue these  
25 leveraging these opportunities in 2021-2026 if feasible.

26       SMUD

27           PG&E plans to continue leveraging activities with the SMUD  
28 in 2021-2026. PG&E and SMUD overlap in the Sacramento  
29 area, with SMUD providing electric services and PG&E  
30 providing gas services. Both utilities provide EE services to  
31 income-qualified customers and are now leveraging the same  
32 contractor for our programs in 2019. The shared contractor  
33 assesses qualifying homes, and then bills each utility  
34 appropriately for the measures and services provided to support

1 its commodity, thus reducing the number of visits and customer  
2 touch points.

3 Redding Energy Utility (REU)

4 PG&E also plans to continue to coordinate with REU.  
5 In 2019, the PG&E ESA Program coordinated with REU's  
6 weatherization program for income-qualified customers. The  
7 program offers natural gas and electricity saving measures to  
8 customers served by both PG&E and REU. Income-qualified  
9 Redding natural gas customers that participate in PG&E's ESA  
10 Program were automatically enrolled in REU's program and  
11 receives all feasible electric measures in addition to the gas  
12 ESA measures. The joint program leveraged training,  
13 processes, and customer touches to minimize program  
14 implementer costs and resources, while providing maximum  
15 benefit to customers. In 2018, PG&E leveraged  
16 704 REU homes.

17 **6. ESA Measure and Portfolio Composition**

18 **[WITNESS: LEIVA JUNGBLUTH]:** *Discuss the proposed*  
19 *measure mix.*

20 The measures proposed for the 2021-2026 ESA Program Cycle are  
21 listed by category in Table I-23 below. This mix of measures has been  
22 determined to be optimal for deployment based on the program  
23 considerations of cost effectiveness, energy savings, hardship  
24 reduction, difficulty of installation, and customer acceptance  
25 and satisfaction.

**TABLE I-23  
PG&E'S PROPOSED ESA MEASURES**

Line No.	HVAC	Enclosure:	Domestic Hot Water:	Lighting:	Appliances:	Miscellaneous:
1	Blower Motor Retrofit*	Air Sealing/Envelope*	Faucet Aerators*	Vacancy Sensor*	Refrigerator*	Tier 2 Advanced Power Strip*
	Furnace Repair/Replacement*	Attic Insulation*	Low-Flow Showerhead*	LED A-Lamp*	Second Refrigerator*	<i>Pool Pump</i>
	High Efficiency Furnace*	Minor Home Repair*	Water Heater Repair/Replacement*	LED Reflector Bulb*	High Efficiency Clothes Washer*	<i>Air Purifier*</i>
	Room A/C Replacement	<i>Diagnostic Driven Air Sealing</i>	Heat Pump Water Heater	LED Exterior Hardwired Fixture*		<i>Cold Storage*</i>
	Central Heat Pump*	<i>Floor Insulation</i>	Water Heater Blanket*			
	Smart Thermostat*	<i>Minor Home Repair Plus*</i>	Water Heater Pipe Insulation*			
	Evaporative Cooler		Thermostatic Shower Valve*			
	Central A/C Replacement		Combined low-flow Showerhead and Thermostatic Shower Valve*			
	Central A/C Tune-up*		Thermostatic Tub Spout/ Tub Diverter*			
	<i>Prescriptive Duct Test and Seal</i>					
	<i>Portable A/C*</i>		<i>Water Heater Repair/ Replacement for Renters*</i>			
	<i>Furnace Repair/ Replacement for Renters*</i>					

Notes: All italicized measures are newly-proposed measures.

Measures marked with an asterisk are also offered as multi-family in-unit measures.

- 1 A subset of the new measures are proposed to target customers in
- 2 specific need states for hardship reductions and are listed in Table I-24.

**TABLE I-24**  
**PROPOSED ESA MEASURES FOR PG&E NEED STATES**

Line No.	Plus Measures	High Usage	Medical Baseline	DAC/ Tribes	Rural	Wildfire Threat
1	Diagnostic Driven Air Sealing	X				
2	Floor Insulation	X				
3	Air Purifier		X	X		
4	Portable A/C		X	X	X	
5	Minor Home Repairs Plus			X	X	
6	Cold Storage					X

- 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.*

Specific measures do not reduce PG&E's overall program costs in offering ESA services. It is PG&E's practice to negotiate a fair price on all materials and labor for every measure. Individual measures are evaluated on a cost/benefit ratio and aggregated to determine the total Cost Effectiveness score for the program. Refer to Section D.6.b.i. for detail on ESA Cost Effectiveness Test. All measures provide a level of benefits to customers either through energy savings and subsequent bill savings (Resource Measures), or through improvements in HCS (Non-Resource Measures). Some measures provide more benefits than others. Both costs and savings for measures can be reviewed in Chapter IV, Table A-4 Planning Assumptions.

With respect to new technologies as measure offerings, PG&E is not proposing any at this time. Based on the insights from the PCT TOU Pilot, (Sections B.2 and D.6.d.i.) where customers were generally disinterested in the device, along with comments made about customer reluctance with new technologies from LIOB members at the LIOB Workshop held on September 16, 2019 in San Diego, and comments from other stakeholders, specifically the community action agencies in Fresno during the ESA Open House on August 20 and 21, 2019, PG&E finds new technologies often score low on the customer acceptance and satisfaction criteria.

1 In addition, depending on the technology and device, there can be  
2 issues with installation and lack of proof of energy savings or  
3 HCS benefits.

4 *b. Cost Effectiveness and Other Criteria for Program Measures:*

5 **[WITNESS: O'DRAIN]**

6 *i. Describe the criteria used to compose the portfolio.*

7 The ESA Program Measures portfolio was initially  
8 developed using six criteria to guide measure selection.

9 The six criteria are:

10 1) Strategic Fit: How does the product align with Regulatory  
11 direction? How does the measure align with other IOUs?  
12 Are there leveraging opportunities?

13 2) Customer and Contractor Impacts: How likely is the  
14 customer to receive/use this measure? How difficult is the  
15 measure for the contractor to install?

16 3) Non-Energy Benefits: Does this measure reduce negative  
17 health impacts or improve customer comfort? Does  
18 this measure reduce GHG emissions and/or  
19 water consumption?

20 4) Energy Savings: How much energy does this  
21 measure save?

22 5) Implementation: What are the permitting, inspection, and  
23 ancillary repair requirements for this measure? How does  
24 the cost affect overall program budget?

25 6) Cost Effectiveness: Is this measure cost effective?

26 Once the preliminary portfolio composition was set, the  
27 measures were further refined using the ESACET. The  
28 ESACET is the primary cost effectiveness test for the ESA  
29 Program and includes all measures and all known benefits and  
30 costs, including NEBs and administrative costs.<sup>112</sup>

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<sup>112</sup> D.14-08-030, OP 43. D.19-06-022, Attachment A, pp. 16 and 24-25 requires ESA to use and discuss the methodology adopted in D.14-08-030 in this application, which includes consideration of non-energy benefits, including participant HCS.



1 The secondary ESA cost effectiveness test is the Resource  
2 Test (formerly known as the Resource TRC).<sup>113</sup> The Resource  
3 Test includes only the avoided cost benefits and the installation  
4 costs for the measures; NEBs and administrative costs are not  
5 included in the test. Therefore, it is not comparable to the  
6 ESACET but provides some information on the contribution of  
7 resource measures to the program.

#### 8 Health, Comfort and Safety Evaluation

9 D.14-08-030 directed the IOUs to conduct a preliminary,  
10 qualitative Equity Evaluation during the 2015-2017 cycle.<sup>114</sup>  
11 The CEWG worked with the IOUs in 2017 to perform this  
12 assessment, renamed the HCS Evaluation,<sup>115</sup> and reviewed  
13 the results.

14 The HCS Evaluation included a rating from 0 to 5 for each  
15 program measure that reflects the extent to which that measure  
16 mitigates one of four potential HCS issues.<sup>116</sup> The four HCS  
17 issues address the extent to which the measure:

- 18 1) Eliminates combustion-related safety threat;
- 19 2) Eliminates fire safety threat/improves home security  
20 (crime prevention) and building integrity;
- 21 3 Reduces or eliminates extreme temperatures and  
22 temperature variations inside the home/improves customer  
23 ability to manage in-home temperatures; and

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<sup>113</sup> The CEWG recommended that the Resource TRC test be renamed the “Resource Test” in their June 2018 report. This was to avoid confusion caused by including the acronym “TRC” in the test name and make it clearer that this test is different from the more widely used Total Resource Cost (TRC) test as described in the Standard Practice Manual.

<sup>114</sup> D.14-08-030, OP 43.d.

<sup>115</sup> ESA Health Comfort Safety Evaluation 2017 (December 2017).  
Available at: <https://pda.energydataweb.com/#!/documents/2120/view>.

<sup>116</sup> The Equity Evaluation (or ESA Health Comfort Safety Evaluation) rating indicates the extent to which every ESA measure achieves each particular health or safety improvement. A rating of “1” indicates that the measure results in that particular improvement for only a small number of homes which receive it, and “5” indicates that the measure almost always results in that particular improvement.

1 4) Improves air quality, ventilation, and/or air flow  
2 (e.g., reduces drafts and leakage).

3 The original HCS Evaluation results were posted on the  
4 Commission's public document website in December 2017.<sup>117</sup>  
5 The CEWG recommended the HCS evaluation continue to be  
6 conducted periodically as needed for program planning  
7 and NEB updates, and PG&E conducted an HCS  
8 (Resource/Non-Resource) evaluation of the measures included  
9 in its proposed 2021-2016 portfolio in order to score them as  
10 Resource or Non-Resource Measures for Chapter IV,  
11 Tables A-5, A-7, A-8, and A-9.

12 While PG&E used the same scoring criteria for the original  
13 2017 HCS Evaluation, most measures provide both resource  
14 and non-resource benefits. Measures are scored as being  
15 either resource or non-resource measures for purposes of  
16 analyzing cost-effectiveness. Assigning measures as Resource  
17 or Non-resource is predicated on energy savings, and a  
18 measure that provides even minimal energy savings will be  
19 rated as a Resource measure, even if it provides more HCS  
20 benefits. Measures and sub-measures with zero or less kWh or  
21 Therm annual savings are scored as non-resource  
22 measures.<sup>118</sup>

#### 23 Non-Energy Benefits

24 PG&E included NEBs from the 2019 NEBs 2.0 Study in  
25 ESACET. These updated NEBs are discussed in Section B.2.

26 Because of errors discovered in the new NEBs 2.0 model  
27 produced as part of the NEBs 2.0 Study, PG&E updated the  
28 NEBs inputs in the old NEBs 1.0 (Low income Public  
29 Participation Test (LIPPT)) model to use for the 2021-2026

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117 <https://pda.energydataweb.com/#!/documents/2120/view>.

118 PG&E modified the CEWG recommendation that measures having less than 1 kWh or 1 therm of annual energy savings be categorized as non-resource measures for the Resource Test from "less than 1" to "zero or less". See: Recommendations of the ESA Program CEWG, June 1, 2018, p. 9.

1 ESACET. NEBs were allocated across measures in the ESA  
2 portfolio manually using the general methodology described in  
3 the NEBs 2.0 Study.

- 4 1. PG&E categorized individual measures as Resource or  
5 Non-Resource, based on whether they provided energy  
6 savings (see Appendix A, Tables A-8 and A-9 for measure  
7 Resource/Non-Resource (R/NR) categorizations).
- 8 2. PG&E assigned NEB values into related categories, based  
9 on which specific measures and aggregated measure  
10 groups have likely contribution to each NEB effect.
- 11 3. PG&E allocated aggregated NEBs savings by total cost  
12 between Resource/Non Resource (ratio)
  - 13 a. PG&E allocated the share of the NEB's effect that is  
14 contributed by each causal measure based on a  
15 combination of measure cost, commodity, and other  
16 multiplicative importance factors tailored to  
17 specific NEBs.
    - 18 i. Resource portion assigned according to energy  
19 savings.
    - 20 ii. Non-Resource portion assigned according to the  
21 total aggregated cost for assigned NEBs category.

22 The result is that each NEBs value is shared in defensible  
23 ratios among contributing program measures so that  
24 100 percent of NEB value is accounted for in the ESA portfolio.

25 Previously, NEBs were allocated based on a measures'  
26 energy savings. A significant flaw with this allocation is that  
27 measures, such as furnace repair and replacement, which  
28 provide zero or negative savings, would be allocated no NEB  
29 value. However, this measure is performed solely for its  
30 non-energy (safety) benefits and should receive a high  
31 NEB score. The new allocation method addressed this flaw.

- 32 ii. *Describe how the portfolio composition results in deeper*  
33 *energy savings.*

1 PG&E prioritized measures providing higher energy savings  
2 in its 2021-2026 ESA portfolio. PG&E also reconsidered criteria  
3 that could help provide more high energy savings measures to  
4 qualifying customers. For example, in Table I-26 of  
5 Section D.6.c., and in Section D.7., PG&E discusses revised  
6 refrigerator criteria that would help more customers receive the  
7 energy saving benefits this measure delivers. Measures with  
8 low energy savings that provided minimal NEBs were assessed  
9 for potential retirement, as described in Table I-26 in  
10 Section D.6.c.

- 11 iii. *Describe how criteria used to compose the portfolio effectively*  
12 *selects measures to include that will have a positive impact on*  
13 *customer bills and hardship reduction.*

14 The measure portfolio is composed by evaluating how each  
15 measure contributes to energy savings for the customer, and  
16 which measures provide NEBs to help with hardship reduction.  
17 The measure portfolio selection process is described in further  
18 detail in Section D.6.b.i.

- 19 iv. *Discuss the cost-effectiveness results of proposed measures*  
20 *(consistent with methodology adopted in D.14-08-030.) Explain*  
21 *assumed values and variables and other model components.*  
22 *Identify specific source for each measure's anticipated energy*  
23 *savings (e.g., deemed workpaper ID), and whether a measure is*  
24 *a Non-Resource or "equity" measure (i.e., may result in negative*  
25 *savings but improves health, comfort, and safety).*

26 Cost effectiveness results of specific measures are shown  
27 in Tables A-8 and A-9 in Chapter IV. Resource/Non-Resource  
28 measures are also identified in Tables A-8 and A-9.  
29 Resource/Non-Resource scoring criteria are discussed in  
30 Section D.6.b.i. above. Individual measures need not be cost  
31 effective as it is the total portfolio that is assessed.<sup>119</sup>

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<sup>119</sup> D.14-08-030, OP 43(a), and reaffirmed in D.17-12-009, pp. 222 and 405.

- 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).*

ESA does not have mandated cost effectiveness criteria at the portfolio level or at the measure level. In developing the ESA portfolio, PG&E used an average ESACET score of 0.7 for the program cycle at the portfolio level as the cost effectiveness criteria for evaluating measures in the proposed programs. In order to maintain a portfolio ESACET of 0.7 or above, an ESACET minimum score at the measure level is necessary to evaluate which measures should compose the proposed portfolio. PG&E used a measure level ESACET score minimum of 0.3 and measure volume to consider measures for removal due to low cost effectiveness.

Table I-25 lists the measures that do not meet cost effectiveness criteria but are proposed to remain in the portfolio, since they provide HCS benefits to customers. Refer to Table I-27 in Section D.6.e. for PG&E's proposed modifications for existing measures. Refer to Table I-26 in Section D.6.c. for PG&E's proposed measures for retirement.

**TABLE I-25**  
**MEASURES ADVERSELY EFFECTING COST EFFECTIVENESS AND**  
**REMAINING IN THE PROGRAM**

Line No.	Category	Measure	Cost Effectiveness (CE)	Reason to Remain
1	Existing Measures	Air Sealing/Envelope	Resource measure with low cost effectiveness; ESACET <0.3	HCS to reduce hardship
		Blower Motor Retrofit	Resource measure with low cost effectiveness; ESACET <0.3	This measure provides electric savings, increases comfort, and reduces noise. The ESACET score to installation rate ratio for this measure has little impact on the portfolio level ESACET.
		Central A/C Tune-Up	Resource measure with low cost effectiveness; ESACET <0.3	HCS to reduce hardship
		Exterior LED Lighting	Resource measure with low cost effectiveness; ESACET <0.3	This measure provides electric savings and increases safety. The ESACET score to installation rate ratio for this measure has little impact on the portfolio level ESACET.
2	New Measures	Air Purifier & Portable A/C	Non-Resource measure with low cost effectiveness; ESACET <0.3	HCS to reduce hardship
		Cold Storage	Non-Resource measure with low cost effectiveness; ESACET <0.3	HCS to reduce hardship

vi. For all measures identify which are in-unit or common area.

MF in-unit treatments are included in the proposed ESA Plus Program, as defined in Section D.1. above. Table I-23 in Section D.6. identifies the measures that are available for MF in-unit customers. PG&E proposes moving MF in-unit and CAM into the MFWB Program as discussed in Section D.9, and as illustrated in Figure 1.4. The measures for both MF in-unit and CAM are expected to be defined as a result of the solicitation for the MFWB Program.

- c. *Identify measures from the prior portfolio for retirement along with the measure's values and explain the requested retirement*

PG&E requests the measures listed in Table I-26 be retired from the prior portfolio, because of low cost effectiveness as indicated by the ESACET scores or because of zero or negative energy savings per the 2015-17 Impact Evaluation. As discussed in Section D.6.c., measures with an ESACET of 0.3 or less were considered for retirement. The measures proposed for retirement are resource measures with low to no energy savings, rather than HCS benefits, being the primary consideration for evaluation. PG&E proposes to replace the Duct, Test, and Seal measure with Prescriptive Duct Sealing, which involves a different installation methodology, to improve the cost effectiveness of this measure. The proposed measure retirements result in a portfolio with an overall higher ESACET score.

**TABLE I-26  
PROPOSED ESA MEASURES FOR RETIREMENT**

Line No.	Category	Measure	Reason for Removal
1	HVAC	Smart Fan Delay/ Efficient Fan Controller	Negative energy savings per 2015-17 Impact Evaluation
		Duct, Test, and Seal	Negative energy savings per 2015-17 Impact Evaluation
2	Lighting	Torchiere	Resource measure with low cost effectiveness; ESACET = 0.17
		Interior Hardwired Fixture – Ceiling	Resource measure with low cost effectiveness; ESACET = 0.19
		Interior hardwired fixture – Sconce	Resource measure with low cost effectiveness; ESACET = 0.10
		Interior hardwired fixture – Vanity	Resource measure with low cost effectiveness; ESACET = 0.19
3	Miscellaneous	Tier 1 Power Strip	Zero energy savings per 2015-17 Impact Evaluation

- 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.*

- 1 i. *Discuss findings from programable communicating*  
2 *thermostats/smart thermostats through pilot studies*  
3 *and/or temporary allowance (mid-cycle advice letter*  
4 *non-standard dispositions).*

5 D.17-12-009, OP 147 directed the electric IOUs to conduct  
6 a smart thermostat TOU pilot to determine whether smart  
7 thermostats are a helpful energy management tool for  
8 low-income customers to support their transition to TOU rate  
9 plans. The pilot would also evaluate if connected technology  
10 can assist low-income customers in lowering high air  
11 conditioner-driven electric energy usage.

12 PG&E recruited customers to participate in the pilot and  
13 initiated pilot activities in early 2019. Installation of all feasible  
14 thermostats and the rate change to TOU were completed in the  
15 first quarter of 2019. Enrolled customers receive bill protection  
16 for the duration of the pilot; a bill credit would be provided if they  
17 end up paying more for their energy bills while being on the  
18 TOU rate. Pilot participants have completed the first of  
19 three surveys as part of the study design. The second of three  
20 surveys is planned for early November 2019, in order to capture  
21 customer feedback on summer bill impacts. Pilot findings,  
22 including survey results, a load impact analysis, gross energy  
23 and demand saving impacts, and installations lessons-learned  
24 will be included in the pilot final report, due to the CPUC in  
25 March 2020.

26 Results from the first survey provides information regarding  
27 how low-income customers currently view their energy usage  
28 and implications for scaling up smart thermostat installations  
29 and the devices' perceived benefits to the general low-income  
30 population. Survey findings are summarized as follows:

- 31 • Barriers to participation include general lack of interest in
- 32 smart thermostats;
- 33 • Elderly or health related reasons for disinterest in the smart
- 34 thermostat offering;



- Incompatible equipment in homes (e.g., existing wiring configuration requirement, inaccessibility, despair condition of existing HVAC equipment);
- Potential cooling savings may not be realized, given that 50 percent of survey respondents reported that they only use their A/C on very hot days; and
- Supplemental cooling is very popular, and survey respondents are very accustomed to turning on fans instead of using A/C.

PG&E will incorporate these findings as smart thermostats are introduced into the program in late 2019.

- 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.*

In PG&E's current program, the repair or replacement of an existing inoperable central A/C unit is not offered. PG&E does replace inoperable room A/Cs as part of the existing program and this measure is included in PG&E's proposed design.

PG&E proposes the existing policy of limiting central A/C repair/replacement to operable units remain in place. While repairing or replacing an inoperable A/C unit may provide HCS benefits to customers, it also has the potential to significantly increase customer bills, thus resulting in additional hardship. Due to this implication, PG&E proposes offering Portable A/Cs with the goal of increasing HCS benefits, while minimizing bill impacts for customers in the Medical Baseline and DAC/Tribal/Rural need states. Refer to Section B.1.c. for details on PG&E's needs states.

PG&E proposes to make Portal A/Cs available to Medical Baseline and DAC/Tribal/Rural customers without an existing central A/C or with an inoperable central A/C. The portable A/C would offer HCS benefits by providing cooling in the space where A/C is needed the most, rather than cooling the entire

1 home and potentially increasing energy bills. This measure is  
2 proposed to be available to both home owners and renters in  
3 these needs states. PG&E proposes offering this measure in  
4 Climate Zones 11, 12, 13, and 14, which is consistent with  
5 PG&E's approach on cooling measures, as discussed in  
6 Section 6.d.iii. below.

7 iii. *Discuss potentially offering heating and cooling measures to*  
8 *new climate zones to reduce hardships.*

9 PG&E's heating measures are currently available for all  
10 PG&E climate zones, and PG&E proposes to continue offering  
11 heating measures in these same climate zones.

12 PG&E expanded offering cooling measures to new climate  
13 zones in the 2017-2020 program cycle based on the approval of  
14 PG&E's Mid-Cycle AL.<sup>120</sup> Climate zones were expanded to  
15 offer cooling measures in climate zones 11, 12, 13, and 14, at a  
16 minimum. These climate zones are a focus for cooling  
17 measures due to the potential to reduce customer energy use  
18 and bills based on Cooling Degree Days from the Guide to  
19 California Climate Zones and Bioclimatic Design<sup>121</sup> for these  
20 climate zones. In addition, the 2016 LINA Study<sup>122</sup> identified  
21 the need for cooling measures to address customer health,  
22 comfort and safety in climate zones with high cooling degree  
23 days. Since PG&E's cooling measures are already offered in  
24 climate zones with high cooling degree days, PG&E is not  
25 proposing to expand cooling measures to new climate zones.

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<sup>120</sup> PG&E's Mid-Cycle AL3990-G/5329-E (July 16, 2018), AL3990-G/5329-E-A (September 14, 2018), 3990-G/5329-E-B (October 8, 2018). NSDL on AL3990-G/5329-E-A, 3990-G/5329-E-B partially approving PG&E's Mid-cycle requests was issued on January 4, 2019.

<sup>121</sup> The Pacific Energy Center's Guide to California Climate Zones (October 2006). [https://www.PG&E.com/includes/docs/pdfs/about/edusafety/training/pec/toolbox/arch/climate/california\\_climate\\_zones\\_01-16.pdf](https://www.PG&E.com/includes/docs/pdfs/about/edusafety/training/pec/toolbox/arch/climate/california_climate_zones_01-16.pdf).

<sup>122</sup> 2016 LINA Study, Volume 1, p. 58.

1           e. *Measure Modifications*

2           PG&E proposes to modify measures from the prior portfolio for  
3           the following three reasons: (1) increase potential energy savings  
4           for customers; (2) assist in reducing hardship for customers; and  
5           (3) minimize the negative impact to the portfolio's cost effectiveness  
6           for high volume measures with significantly reduced energy savings.  
7           Table I-27 summarizes PG&E's proposed measure modifications  
8           along with reasons for each modification requested.

9           In PG&E's current ESA Program, the repair and replacement of  
10          water heaters and furnaces are offered to all housing type owners in  
11          all climate zones—renters are excluded from the current measure.  
12          Due to the increasing equity gap between homeowners and  
13          renters,<sup>123</sup> PG&E proposes to extend these two measures to  
14          renters in all climate zones, offering HCS benefits to reduce  
15          hardship for rental customers. Because property owners bear some  
16          level of responsibilities to providing functioning equipment for  
17          renters, we are proposing a property owner co-pay of \$250 and  
18          \$500 for repairs and replacements, respectively. The co-pays are  
19          designed such that they do not entirely take away landlords'  
20          obligations to maintain equipment and provide a habitable  
21          environment, but provide incentives and reduce barriers in doing so.

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<sup>123</sup> Eggleston, Jonathan, and R. Munk, "Net Worth of Households: 2015," Current Population Reports, P70BR-164, U.S. Census Bureau, Washington, D.C., 2019.

**TABLE I-27  
PROPOSED MEASURE MODIFICATIONS**

Line No.	Category	Measure	Modification	Reason for Modification	Comments
1	Appliances	Second Refrigerator	Remove requirement of minimum household size	The eligibility change allow households with a second refrigerator to benefit from cost effective energy savings provided by this measure. In addition, it increases portfolio energy savings and NEBs as reflected in the ESACET score.	Refer to Section D.7.11 for Policy Change
		Refrigerator	Change age criteria to be based on Effective Useful Life (EUL)	Refrigerator efficiency is not dictated by the year of the last major refrigerator efficiency standards revision, as was in the 1990s. Changing the replacement criteria to match the EUL allows this measure to remain relevant throughout the program cycle and customers to benefit from the cost effective energy savings provided by this measure.	
2	Domestic Hot Water	Water Heater Repair and Replacement	Expand to Renters with Property Owner co-pay	Reduces hardship for renters by addressing unsafe and/or inoperable equipment.	Refer to Section D.7.14 for Policy Change
3	Enclosure	Minor Home Repairs Plus	Cap increased from \$1,000 to \$2500 for customers identified in the DAC, Tribal and Rural need states	Addresses disrepair of homes to meet feasibility criteria for measure installation to positively impact household hardship.	Refer to Section D.5.d for details
4	HVAC	Furnace Repair and Replacement	Expand to Renters with Property Owner co-pay	Reduces hardship for renters by addressing unsafe and/or inoperable equipment.	Refer to Section .D.7.14 for Policy Change
5	Lighting	LED A-Lamp	Introduce measure cap of 4 lamps per home	Energy savings for LEDs are reduced by 93 percent with the baseline change from incandescent to CFL, significantly reducing savings to customers. The ESACET score combined with the large volume of this measure adversely impacts the ESACET at the portfolio level. Introducing a measure cap minimizes the cost-effectiveness impact to the ESA portfolio.	Refer to Section D.7.13 for Policy Change

1           **7. Proposed Rule Modifications:**

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

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

12          PG&E proposes 17 ESA modifications. These are described below.  
13          PG&E's ESA and CARE policy modifications are also detailed in  
14          Appendix B.

- 15          1) Allow automatic enrollment of CARE self-certification customers to  
16          receive installation of simple measures only, provided in PG&E's  
17          proposed ESA Basic level of program delivery.

18                 PG&E requests that CARE customers not be required to provide  
19          income verification to participate in its proposed ESA Basic measure  
20          installation, described in Section D.2.a. Customers wanting to  
21          receive additional Comprehensive or Comprehensive Plus ESA  
22          measures would be required to provide income verification or  
23          categorical eligibility documentation, or they can self-certify as  
24          allowed, based on the premise location in an 80 percent eligible  
25          zip code.

26                 "Justification", "Analysis of Customer Benefit," and "Anticipated  
27          Impacts to ESA" are detailed in Section D.2.a.

- 28          2) In order to qualify for ESA simple measure installations, require  
29          low-income customers to be enrolled in CARE.

30                 An income-qualified customer that is not already enrolled in  
31          CARE, would be automatically enrolled in CARE to qualify for ESA  
32          simple measure installation.

33                 PG&E sees this as a way to help qualified low-income  
34          customers maximize the benefits available to them while helping the

CARE Program maximize penetration rates. The majority of eligible ESA customers are already enrolled in CARE, but if they are not, PG&E's ESA contractors will inform them of automatic enrollment before they participate in ESA.

#### Justification

Enrolling qualified customers in CARE rate assistance and EE programs helps them receive the maximum benefits available to them, in addition to helping PG&E to realize potential in the most cost-effective way possible.

#### Analysis of Customer Benefit

Qualified low-income customers will receive CARE benefits they are entitled to.

#### Anticipated Impacts to ESA

Impacts to ESA are minimal, as ESA Energy Specialists already inform customers that are not on CARE about automatic enrollment, as well as other ways to enroll in the rate.

- 3) Authorize the ESA Working Group (ESA WG) process described in Section E.4.

#### Justification

The ESA Working Group is expected to provide greater transparency of ESA technical issues, and potential efficiencies through greater standardization. This Working Group is based on the previous MCWG,<sup>124</sup> which was successful in bringing interested stakeholders together to update the ESA Policy and Procedures Manual and ESA Installation Standards Manual. PG&E believes that this new Working Group will provide increased transparency and increase program flexibility.

#### Analysis of Customer Benefit

More flexibility to update program will likely help the IOUs keep the programs updated with the most current measures providing customers with the best energy and NEBs.

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<sup>124</sup> Established in D.12-08-044, and re-convened in D.16-11-022, OPs 67 and 137, and Section 3.13.2, pp. 241.

1                   Anticipated Impacts to ESA

2                   Adding a standing Working Group would create additional  
3                   administrative costs for IOUs to manage the process.

- 4                   4) Modify process for measure changes and fund shifting, as described  
5                   in Section E.4.

6                   Because PG&E is proposing a new program, it requests  
7                   flexibility to adjust based on its experience as the program rolls out.  
8                   PG&E requests the ability to make measure modifications and fund  
9                   shifts through advice letters or ESA-CARE Monthly Reports. The  
10                  process for fund shifts aligns with fund shifting authority already  
11                  provided to the CARE Program in D.06-12-038, requested and  
12                  discussed in Item 10 in this section. PG&E requests the ability to  
13                  make measure modifications during the program cycle—including  
14                  adding or retiring measures—similar to the process used by the  
15                  IOUs' EE programs, described in Section E.4.

16                 PG&E anticipates that modifying the fund shifting and measure  
17                 modification process would accommodate many of the adjustments  
18                 that will be necessary to successfully run PG&E's new innovative  
19                 ESA Programs and to implement any program changes that may be  
20                 required based on experience and lessons learned over the course  
21                 of the program cycle.

22                   Justification

23                   The 2021-2026 program cycle will be the longest ESA Program  
24                   cycle to date. Flexibility to make adjustments to ESA will be critical  
25                   to the program's success.

26                   Analysis of Customer Benefit

27                   Having the ability to retire poorly performing measures and add  
28                   new measures that provide more energy savings or NEBs will likely  
29                   allow the program to benefit more customers.

30                   Anticipated Impacts to ESA

31                   More flexibility allows program managers to assess and  
32                   prioritize better performing measures to optimize the  
33                   program portfolio.



- 1 5) Replace the Annual Report Public Meeting with a public meeting  
2 convened by the ESA WG at a minimum of every two years to  
3 discuss lessons learned and potential program adjustments.

4 Justification

5 D.12-08-044, OP 5(b) directed the IOUs to convene a minimum  
6 of one public meeting per year, within 60 days of their ESA-CARE  
7 annual report filings, and other public meetings as deemed  
8 necessary by either the IOUs, the Energy Division, the ALJ, or the  
9 Commission.<sup>125</sup> ESA and CARE public meetings are currently held  
10 to discuss studies, and IOUs report and discuss program results and  
11 activities regularly to the LIOB at their quarterly public meetings and  
12 subcommittee meetings.

13 The Annual Report meetings have seen less active participation  
14 and discussion over the years, as it seems there has been more  
15 interest by the public in attending specifically focused program  
16 meetings. PG&E proposes that the obligatory Annual Report  
17 meetings be discontinued and replaced with a combination of  
18 biennial public working group meetings (as described in  
19 Section E.4.) and other focused meetings to discuss studies and  
20 other specific topics as needed.

21 Analysis of Customer Benefit

22 PG&E believes public meetings that engender increased  
23 stakeholder interest and engagement facilitate opportunities for  
24 more meaningful public discussion about the ESA Program,  
25 ultimately contributing to increased customer benefits.

26 Anticipated Impacts to ESA

27 Decreases program costs to plan and conduct public meetings  
28 that provide questionable benefits.

- 29 6) PG&E requests permission to propose policy changes based on the  
30 third-party administrator's design for PG&E's MFWB Program  
31 following the MFWB solicitation.

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<sup>125</sup> D.12-08-088, OP 5(b).



1 In support of the Commission's guidance, the MFWB Program is  
2 not limited to the previously approved measures or other  
3 requirements in prior Commission decisions or to the provisions of  
4 the ESA Policy and Procedures Manual.<sup>126</sup> PG&E requests  
5 permission to propose ESA policy changes after a program decision  
6 is issued, to align with the third-party administrator's design for  
7 PG&E's MFWB, as discussed in Section D.9.

#### 8 Justification

9 In D.19-06-022, the Commission is encouraging innovative  
10 multi-family sector designs.<sup>127</sup> PG&E cannot anticipate what the  
11 successful design will look like at this time. Therefore, PG&E  
12 requests to propose any potential multi-family policy changes that  
13 align with the selected multi-family design.

#### 14 Analysis of Customer Benefit

15 Encourages creative proposals to provide deeper MFWB  
16 energy savings.

#### 17 Impacts to ESA.

18 Unknown at this time.

- 19 7) Align ESA fund shifting rules with CARE fund shifting rules to allow  
20 shifting between categories that are reported in IOU Monthly reports  
21 rather than requested by AL.

22 Modify ESA fund shifting rules to allow shifting between  
23 categories to align with the CARE fund shifting rules authorized in  
24 D.06-12-038. In CARE, IOUs are allowed flexibility to shift funds  
25 between categories and those fund shifts are reported in the  
26 Low-income Monthly and Annual reports, providing greater program  
27 management flexibility while providing transparency.

28 PG&E seeks modifications to the fund shifting rules for the ESA  
29 Program to align with the fund shifting rules authorized for the CARE  
30 Program as discussed above. Specifically, under the CARE  
31 Program, the utilities are allowed flexibility to shift funds between

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<sup>126</sup> D.19-06-022, p. 21.

<sup>127</sup> D.19-06-022, Attachment A, Section I.D.9., p. 20.

1 categories and those fund shifts are reported in the Low-income  
2 Monthly and Annual reports. The Commission adopted the CARE  
3 fund shifting rules in D.06-12-038 and has reaffirmed the rules in the  
4 respective decisions for CARE Program plans and budgets each  
5 year through the 2020 program cycle. PG&E proposes that the  
6 Commission allow the ESA Program the same fund shifting rules  
7 afforded for the CARE Program to shift funds between categories to  
8 simplify the process and allow greater flexibility for management and  
9 oversight budget needs. PG&E proposes to continue to report the  
10 ESA Program fund shifts in the Low-Income Monthly and  
11 Annual reports.

#### 12 Fund Shifting Background

13 The Commission formalized its rules for shifting program funds  
14 between ESA and CARE Program cost categories, sub-categories,  
15 and across PYs and program budget cycles in D.08-11-031 and  
16 modified them in D.10-10-008.<sup>128</sup> The Commission's adopted fund  
17 shifting rules also established requirements for requesting and  
18 reporting any such fund shifting. OP 135 (b) of D.12-08-044  
19 reaffirmed and continued the Commission's adopted fund shifting  
20 rules in the 2012-2014 program cycle.

21 OP 135 of D.12-08-044 states:

22 Pacific Gas and Electric Company, Southern California Edison  
23 Company, Southern California Gas Company and San Diego  
24 Gas & Electric Company shall continue to follow the Fund  
25 Shifting Rules in the Energy Savings Assistance and California  
26 Alternate Rates for Energy Programs in the 2012-2014 program  
27 cycle, as follows:

- 28 (a) **COMMITMENT OF FUTURE FUNDING FOR**  
29 **LONG-TERM PROJECTS**: For those long-term projects  
30 that require funding beyond the current budget program  
31 cycle and that will not yield savings in the current cycle,  
32 if applicable, these Utilities may anticipatorily commit  
33 funds for such projects for expenditure during the next  
34 program cycle, under strict limitations as follows:  
35 (i) These Utilities shall seek authorization for such  
36 long-term projects and current and future cycle

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<sup>128</sup> D.08-11-031, OP 85.c; and D.10-10-008, OP 4.

funding commitment by itemization of each long-term project in the utility portfolio plan, including an estimate of the total costs broken down by year and an estimate of associated energy savings, if any;

(ii) These Utilities shall seek authorization and commitment of all funding for long-term projects in the current program cycle and actually encumber such funds in the current program cycle;

(iii) All contracts with any and all types of implementing agencies and businesses must explicitly allow completion of long-term project related work beyond the current budget program cycle;

(iv) The amount of next cycle funds encumbered for long-term projects may not exceed 20% of the current program cycle budget;

(v) These Utilities shall separately track and report all long-term projects and obligations, including all information regarding funds encumbered and estimated date of project completion until such project is completed; and

(vi) Energy savings for projects with long lead times shall be calculated by defining the baseline as the codes and standards applicable at the time the building permit for the project is issued.

(b) **ENERGY SAVINGS ASSISTANCE PROGRAMS FUND SHIFTING AND LIMITATIONS:** Utilities are permitted to shift funds under the following conditions in the Energy Savings Assistance Program are permitted to shift funds under the following conditions in the Energy Savings Assistance Program.

(i) Within 2012-2014 Budget Cycle: Except for the shifting of funds described in subsection b(3) below, the Utilities are permitted to shift funds from one year to another within the 2012-14 cycle without prior approval.

(ii) Fund Shifting Between 2012-2014 Budget Cycle and Future Budget Cycle:

a. "Carry back" Funding: Except for the shifting of funds described in subsection b(3) below, Utilities are permitted to shift and borrow from the next budget cycle, without prior approval of such fund shifting, if (a) the next cycle budget portfolio has been approved by the Commission; and (b)

such fund shifting is necessary to avoid interruptions of those programs continuing into the next cycle and for start-up costs of new programs; and

- b. "Carry forward" Funding: Utilities are permitted to carry over all remaining, unspent funds from program year to program year or budget cycle to budget cycle and shall include all anticipated carry over funds in the upcoming budget applications.

(iii) Administrative Law Judge's Prior Approval: For any shifting of funds, within or out of cycle, except for "carry forward" funding considered by the Commission through budget applications, the Administrative Law Judge's prior written approval is required if any of the following applies:

- a. Shifting of funds into or out of different program categories including, but not limited to: (a) administrative overhead costs, (b) regulatory compliance costs, (c) measurement and evaluation, and (d) the costs of pilots and studies;
- b. Shifting of funds into or out of Education subcategory;
- c. Shifting of funds between gas/electric programs; and/or
- d. Shifting of funds totaling 15% or more of the total current annual Energy Savings Assistance Program budget.

(iv) These Utilities shall secure prior written approval of the fund shift from the Administrative Law Judge when required by subsection b(3) above, of this ordering paragraph, by filing a motion pursuant to Article 11 of the Commission's Rules of Practice and Procedure. Upon showing of good cause, the Administrative Law Judge may issue a ruling approving the requested fund shift. Utilities, in the motion, must show good cause by setting forth the following:

- a. The reason(s) why such fund shifting is necessary;
- b. The reason(s) why such motion could not have been brought sooner; and

1 c. Justification supporting why the proposed  
2 shifting of funds would promote efficient,  
3 cost effective and effective implementation  
4 of the Energy Savings Assistance  
5 Programs.

6 (v) Utilities shall track and maintain a clear and  
7 concise record of all fund shifting transactions and  
8 submit a well-documented record of such  
9 transactions in their monthly and annual reports  
10 relevant to the period in which they took place.

11 The fund shifting rules in OP 135 of D.12-08-044 were also in  
12 effect over the 2015-2016 bridge period years for the ESA Program.

13 These fund shifting rules were revised in D.16-11-022, as  
14 modified by D.17-12-009, by permitting the utilities to use the AL  
15 process to request fund shifting.<sup>129</sup> D.17-12-009 delegates the  
16 Commission's Energy Division the discretion to approve fund shifts  
17 between gas and electric departments up to 25 percent of each  
18 budget category.<sup>130</sup>

19 Justification

20 The current fund shifting rules are unclear and can contribute to  
21 administrative delays. PG&E seeks modifications to the  
22 Commission's existing fund shifting rules in OP 135 of D.12-08-044  
23 to clarify rule contradictions and simplify the rules to allow greater  
24 flexibility for management and oversight budget needs. OP 130 of  
25 D.17-12-009, directs the utilities to use the existing rules pertaining  
26 to shifting funds between gas and electric budget categories, as set  
27 forth in OP 135 of D.12-08-044. However, this directive seems to be  
28 contrary to Section 5.1.3. of D.17-12-009 which delegates to Energy  
29 Division the discretion to approve fund shifts between gas and  
30 electric departments up to 25 percent of each budget category.  
31 PG&E recommends the Commission adopt a rule for fund shifting  
32 between gas and electric budgets as approved in Section 5.1.3. of  
33 D.17-12-009 which delegates the Energy Division the discretion to  
34 approve the request up to 25 percent of each budget category.

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<sup>129</sup> D.17-12-009, Section 5.1.3.

<sup>130</sup> D.17-12-009, Section 5.1.3.

1                   Analysis of Customer Benefit

2                   Increased flexibility to make program adjustments increases  
3                   program efficiencies allowing more customers the opportunity to  
4                   participate in the program.

5                   Anticipated Impacts to ESA

6                   Simplified processes allow greater flexibility for management  
7                   and oversight, more rapid response time, and increased  
8                   program efficiencies.

- 9                   8) Clarify ESA Program Uncommitted Unspent Funds Cap for  
10                  Carry-Over.

11                  PG&E recommends that the percent cap for uncommitted  
12                  carry-over unspent funds be 25 percent and that the funds serve  
13                  ESA Program participants. D.17-12-009 directs the utilities to use  
14                  uncommitted unspent funds that are not carried forward to be used  
15                  to offset future ESA Program Year collections.<sup>131</sup> OP 134 of  
16                  D.17-12-009 establishes a cap for the amount of carry-over unspent  
17                  funds from PY to PY and within a given cycle to either 25 percent or  
18                  15 percent.<sup>132</sup> PG&E seeks Commission clarification because it  
19                  unclear which percent cap the Commission intended to authorize.  
20                  However, PG&E recommends that the percent cap for uncommitted  
21                  carry-over unspent funds be 25 percent and that the funds serve  
22                  ESA Program participants.

23                  Justification

24                  The current fund shifting rules are unclear, contributing to  
25                  administrative delays.

26                  Analysis of Customer Benefit

27                  Greater administrative efficiencies allow more program dollars  
28                  to be spent directly on customer benefits.

29                  Anticipated Impacts to ESA

30                  Greater management and oversight flexibility, more rapid  
31                  response time, and increased program efficiencies.

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<sup>131</sup> OP 132 of D.17-12-009.

<sup>132</sup> D.17-12-009, OP 134 cites both 15 percent and 25 percent.

- 1 9) Allow electric/gas expenditure tracking at portfolio level, rather than  
2 individual measure level.

3 PG&E requests authority to manage and track electric and gas  
4 expenditures at the portfolio level rather than at the individual  
5 measure level in the same manner that the commodity split is  
6 managed for EE programs.

7 Justification

8 More flexibility to manage commodity expenditures at the  
9 portfolio level allows better real-time oversight, which may assist  
10 avoid unspent funds accumulation. PG&E anticipates that  
11 maintaining the split at the portfolio level will also reduce  
12 administrative and IT expenses required to track spending at a  
13 detailed level.

14 Analysis of Customer Benefit

15 Greater administrative efficiencies allow more program dollars  
16 to be spent directly on customer benefits.

17 Anticipated Impacts to ESA

18 Managing the gas and electric funding at the individual measure  
19 level is expensive and time consuming in terms of staff resources,  
20 IT, and other administrative costs.

- 21 10) PG&E proposes that the Resource Test be discontinued.

22 The Resource Test was adopted by the Commission along with  
23 the ESACET in D.14-08-030 per Cost-Effectiveness Working Group  
24 recommendations, as described in Section D.11.b. The Resource  
25 Test includes only the avoided cost benefits and the installation  
26 costs for the resource measures; NEBs and administrative costs are  
27 not included in the test. Therefore, the Resource Test is not  
28 comparable to the ESACET but provides some information on the  
29 contribution of resource measures to the ESA Program. The  
30 Resource Test is included for informational uses only.

31 Justification

32 ESA cost effectiveness without NEBs are already calculated for  
33 the TRC, RIM, and PAC tests, and ESACET includes both the  
34 energy and NEBs provided by the program. Unlike the ESACET,



TRC, RIM, and PAC tests which can all be calculated in the same model, the Resource Test must be calculated separately. PG&E believes the Resource Test provides little additional value for this extra effort, and proposes it be discontinued.

#### Analysis of Customer Benefit

PG&E does not believe performing the Resource Test provides any customer benefit in.

#### Anticipated Impacts to ESA

The Resource Test requires ESA staff time to perform, for no discernable customer benefit.

- 11) PG&E proposes to remove the requirement that a household have a minimum of six occupants in order to qualify for replacement of a Second Refrigerator.

See Section D.6.e.

#### Justification

Refrigerators provide good energy savings and high ESACET scores.

#### Analysis of Customer Benefit

More customers would qualify to receive second refrigerator replacements, thus realizing increased energy savings.

#### Anticipated Impacts to ESA

Provides more ESA energy savings. More second refrigerators would qualify to be replaced, increasing the budget.

- 12) PG&E proposes to change the age criteria for a refrigerator to qualify for replacement from pre-2001 manufacture to a rolling date of 14 years.

See Section D.6.e.

#### Justification

The refrigerator age criteria was last updated in D.12-08-044. A hard date rather than a rolling date based on refrigerator age was specified because refrigerators savings were increased substantially by refrigerator efficiency standards changes implemented in 1993, establishing a new EE baseline, such that replacing a refrigerator that was only a few years old with a newer refrigerator manufactures



1 after 1993 provided substantial savings. The IOUs completed a  
2 refrigerator degradation analysis in 2011 to determine what  
3 replacement criteria to use.<sup>133</sup> D.12-08-044 authorized refrigerator  
4 replacement criteria change from pre-1993 to pre-1999 units.<sup>134</sup>  
5 This was changed to pre-2001 units in D.16-11-022.<sup>135</sup>

6 Over time, refrigerators have become more efficient. It is  
7 reasonable for refrigerator energy savings to be determined the age  
8 of the refrigerator (degradation) than by the year of the last major  
9 refrigerator efficiency standards change, especially when it is so far  
10 past the current effective useful life of a refrigerator. Changing the  
11 replacement criteria to 14 years is based on its Effective Useful Life,  
12 as documented in PG&E Workpaper.<sup>136</sup>

### 13 Analysis of Customer Benefit

14 More customers would qualify to receive refrigerator  
15 replacements, thus realizing increased energy savings.

### 16 Anticipated Impacts to ESA

17 Provides more ESA energy savings. More refrigerators would  
18 qualify to be replaced, increasing the budget.

- 19 13) PG&E requests the Commission allow IOUs to establish an LED  
20 Lamp measure cap to limit the number of individual measures  
21 deployed at a location.

22 See Section D.6.e.

### 23 Justification

24 Measure caps that would limit the number of individual  
25 measures deployed at a location were removed in D.17-12-009  
26 (modifying D.16-12-022).<sup>137</sup> This was done in order to shift ESA  
27 away from limits designed to restrict program spending towards a

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<sup>133</sup> Updated ESA Program Refrigerator Replacement Eligibility Criteria Memo (Refrigerator Degradation Study), dated December 2, 2011.

<sup>134</sup> D.12-08-044, OP 67, and Section 3.8.

<sup>135</sup> D.16-11-022, Section 3.5.2.1., p. 103

<sup>136</sup> PG&E Work Paper PG&ECOAPP128: Retail Products Platform, Revision # 6. April 3, 2018. p. 6.

<sup>137</sup> D.17-12-009, Attachment 1 (modifying D.16-12-022) OP 26, COC 26, and pp. 120-122.

1 system that allows for more administrative flexibility to meet EE  
2 savings targets and ensure an opportunity for EE participation by  
3 2020.<sup>138</sup> D.17-12-009 specifically discussed the value of removing  
4 caps on the number of physically installed units for relatively  
5 low-cost measures that contribute significant energy savings, such  
6 as “lighting measures and water-saving measures.”<sup>139</sup> For the  
7 2021-2026 program cycle, PG&E will begin using CFLs as the  
8 baseline for LED energy savings rather than incandescent light  
9 bulbs.<sup>140</sup> Energy savings for lighting drops significantly (93 percent  
10 reduction), and PG&E requests the flexibility to use measure caps to  
11 help manage its ESA budget and cost effectiveness. Providing an  
12 unlimited number of LEDs to customers decreases the overall cost  
13 effectiveness of the ESA portfolio. (Chapter IV, ESA Table A-9  
14 shows the cost-effectiveness of lighting measures.)

#### 15 Analysis of Customer Benefit

16 Limiting the number of LED lamps per home would allow  
17 PG&E to continue to provide LED lighting to customers in the  
18 ESA Program.

#### 19 Anticipated Impacts to ESA

20 Limiting the number of LED lamps per home helps increase the  
21 overall cost effectiveness of the ESA portfolio, allowing PG&E to  
22 continue to include lighting measures in the program.

- 23 14) PG&E proposes to expand eligibility for Furnace and Water Heater  
24 Repair & Replacement to renters with a landlord co-pay.

25 See Section D.6.e.

#### 26 Justification

27 Property owners are required to provide heat and hot water to  
28 their rental units, however, we know that not all unsafe equipment is  
29 replaced. PG&E plans to require a landlord co-pay to help defray  
30 some of the cost to the ESA Program. At \$500 for replacements

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<sup>138</sup> D.17-12-009, Attachment 1 (modifying D.16-12-022), pp. 51-52.

<sup>139</sup> D.17-12-009, Attachment 1 (modifying D.16-12-022) Section 3.5.2.10, p. 120.

<sup>140</sup> PG&E Workpaper, ESA. LED Measures Revision #2, August 22, 2019.

1 and \$250 for repair, PG&E believes this will still be low enough to  
2 encourage them to participate on behalf of their renters.

### 3 Analysis of Customer Benefit

4 Income-qualified tenant customers with unsafe equipment would  
5 be eligible to receive furnace and water heater repair and  
6 replacement, providing them with increased HCS benefits.

### 7 Anticipated Impacts to ESA

8 More measures would be eligible for repair and replacement, at  
9 higher cost to the program. Requiring a landlord co-pay of \$500 for  
10 replacements and \$250 for repair will help defray some of the cost  
11 to the ESA Program.

- 12 15) Update Policies & Procedures Manual to allow PG&E to provide  
13 non-resource/HCS Measures based on five needs states: CARE  
14 High Users, Disconnected, Medical, DAC/Tribal/Rural,  
15 Wildfire zones.

16 PG&E's new ESA approach provides additional HCS measures  
17 to customers based on their needs states. (See Section D.1.  
18 regarding PG&E's proposed ESA Comprehensive Plus approach.)

### 19 Justification

20 This is an additional criteria that is different than the housing  
21 type, climate zone, feasibility-to-install, and cost criteria that are  
22 currently used to determine measure eligibility, and if approved, will  
23 require updates to the Statewide ESA Policies and Procedures  
24 Manual. PG&E's justification and analysis of the benefits and  
25 impacts is included in Section D.1. of this application.

### 26 Analysis of Customer Benefit

27 See Section D.6.e of this application.

### 28 Anticipated Impacts to ESA

29 See Section D.6.e of this application.

- 30 16) Authorize the ESA-CARE Study Working Group process described  
31 in Section D.10.

32 PG&E, in conjunction with the other IOUs, proposes the  
33 formation of an ESA/CARE Study Working Group to provide a  
34 transparent and robust study process. The ESA/CARE Study

Working Group will provide input on the scope, timeline, and budget of studies. The Study Working Group will take a consensus driven approach with the goal of maximizing timely results. The IOUs expect the Study Working Group to hold quarterly meetings, jointly review proposed study statements of work, and participate in project kick-offs. This approach is expected to facilitate more relevant and focused studies that include budgets that are commensurate with the specific objectives and methodology necessary to execute the work for each study.

#### Justification

This approach is expected to facilitate more relevant and focused studies that include budgets that are commensurate with the specific objectives and methodology necessary to execute the work for each study.

#### Analysis of Customer Benefit

ESA and CARE studies provide data regarding customer barriers to participation, assessment of needs, energy savings, NEBs, and other inputs that help the IOUs develop better, more targeted offerings to enhance the customer experience and provide tangible benefits.

#### Anticipated Impacts to ESA

Adding an additional working group increase cost and staff time, however, PG&E anticipates the opportunity to work through important studies through a more transparent process will increase the relevance and robustness of study findings while potentially decreasing controversy surrounding results.

- 17) PG&E requests to change the IOU member's LIOB term to two years.

The IOUs request to change the rotating term for the IOU LIOB position from one year to two years. The IOUs' assigned seat on the LIOB rotates among the four IOUs annually.

1                   Justification

2                   D.05-04-052 established the LIOB position terms and increased  
3                   them all from 1-year to 2-year staggered terms, except for the IOU  
4                   seat, which remained at one year.<sup>141</sup>

5                   D.05-04-052 provided that the LIOB terms granted in the  
6                   Decision were flexible and open to change as warranted.<sup>142</sup>  
7                   The IOUs have determined that a one-year term is not long enough  
8                   to be effective in this position. A new IOU representative rotates  
9                   onto the board, begins committee assignments, learns the position,  
10                  and then a new IOU member rotates onto the Board and the  
11                  process starts again. The IOUs believe a rotating 2-year position  
12                  would allow the representative to contribute more effectively to  
13                  provide IOU perspective and insight on issues facing low-income  
14                  customers.

15                  The IOUs consulted with ED regarding the appropriate process  
16                  to request that the IOU position term be extended from one year to  
17                  two years, and believe that a request to change terms can be made  
18                  through this Application.<sup>143</sup>

19                  The IOUs request the rotating term for the IOU LIOB position  
20                  increase to two years from one year.

21                  Analysis of Customer Benefit

22                  Increasing the LIOB term ultimately benefits customers by  
23                  providing IOUs the opportunity to be more effective ESA advocates  
24                  at the LIOB.

25                  Anticipated Impacts to ESA

26                  This change increases IOU effectiveness at the LIOB.

27                  8. **Multi-Family Sector Design [WITNESS: BENASSI]:**

28                  *The Multi-family Sector Design section here, and Section 9, uses*  
29                  *the following key terms and definitions. The IOUs are requested to use*  
30                  *these terms in their Applications. The terms are: “in-unit” is an attached*

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<sup>141</sup> D.05-04-052, OP 21, and pp. 71-74, p. 91.

<sup>142</sup> D.05-04-052, p. 74.

<sup>143</sup> A change through this Low-Income Application would be more efficient than through a PFM of D.05-04-052.

household dwelling unit; “common area” refers to communal spaces, such as community room or hallways, shared energy systems or the exterior envelope and excludes “in-units” spaces; and “whole building” refers to the entirety of a multi-family property, including both the common areas and in-unit spaces. In the following section (Section 9), the IOUs are directed to propose a third-party designed and implemented Multi-Family Whole Building Program. Section 9 does not limit the IOUs from additionally proposing to serve multi-family tenants and/or common areas by the ESA Program, but any such proposals shall not duplicate services provided through the third-party Multi-family Whole Building Program.

**a. History:**

- i. Describe how the ESA Program in-unit and Common Area Measures (CAM) efforts served multi-family households, buildings, and/or properties during the current program cycle. Summarize successes and challenges with current cycle multi-family efforts’ measures, targeted marketing tactics, eligibility rules, and alignment with other energy efficiency and financing programs.

PG&E’s ESA Program in-unit and CAM’s efforts serve multi-family households and properties during the current program cycle through two approaches.

PG&E serves ESA CAM by working directly with multi-family properties to implement EE measures while allowing property owners to select their own contractor. As part of PG&E’s CAM requirements, property owners need to make ESA in-unit services available to tenants and these efforts are coordinated by PG&E’s ESA implementers. PG&E’s CAM implementer coordinates ESA in-unit treatment directly with ESA MF in-unit implementers.

PG&E serves ESA MF in-unit by working directly with low-income tenants. In-unit treatment, including energy education, is overseen by PG&E’s ESA implementers and in-unit treatments are performed by ESA trained contractors.

1                   ESA CAM provides several project services to properties  
2 participating in CAM, including:

3                   Energy benchmarking support for Energy Star Portfolio  
4 Benchmarking Manager: PG&E ESA CAM projects receive free  
5 benchmarking treatment to maintain compliance with  
6 D.17-12-009 and AB 802. As of September 2019, 24 properties  
7 (consisting of 119 buildings and 2,146 units) have been  
8 benchmarked through ESA CAM. The ESA CAM benchmarking  
9 reports provide owners with insight on:

- 10 • Usage data over the past year, displayed per month for  
11 easy comparison for properties across a portfolio;
- 12 • Energy usage per square foot for portfolio comparison;
- 13 • Possible upgrades for properties beyond the ESA CAM  
14 scope and corresponding program referrals; and
- 15 • Energy Star Portfolio Benchmarking Manager “score”—  
16 comparing the property to other multi-family properties in  
17 California.

18                   Technical support throughout the program process (lead to  
19 completion): This includes conducting an energy audit,  
20 assistance with the development of a project’s scope of work,  
21 insight on other funding sources to cover measures outside of  
22 ESA CAM, guidance throughout the lifecycle of the project, and  
23 coordination with PG&E’s multi-family SPOC for referral to other  
24 programs if property is not eligible for CAM. Comprehensive  
25 support to projects, includes:

- 26 • Prequalification Call: Projects will have a prequalification  
27 call with the maintenance staff and property managers to  
28 review eligibility documents, confirm building characteristics  
29 and ESA CAM opportunity. This process provides insight  
30 on the project’s potential and assists in identifying other  
31 programs the property can layer if eligible for ESA CAM or  
32 provide referrals to a better-fit program if not eligible for  
33 ESA CAM;



- Energy Audit: Projects receive a free energy audit, which can be a costly investment for affordable housing developers and is an enrollment barrier in other programs; and
- Scope of Work Assistance: Assist property owners understand which measures their properties are eligible for, equipment specifications, program incentives, and other funding sources to cover measures outside of the ESA CAM eligible measure list. This level of no-cost support through energy programs is a direct response to an affordable housing market need. Owners are often resource-constrained and cannot afford to invest the time or hire personnel to navigate which program is best for their property or what upgrades are best suited for the property. Energy retrofits require energy and equipment experience, building knowledge, and funding source knowledge—all of which is available to owners by ESA CAM.

A) *Summarize successes and challenges with current cycle multi-family efforts' measures, targeted marketing tactics, eligibility rules, and alignment with other energy efficiency and financing programs.*

Successes with current cycle multi-family efforts' measures, targeted marketing tactics, eligibility rules, and alignment with other EE and financing programs, include:

- Measures:

ESA CAM has a robust set of no-cost deemed measures being requested by deed-restricted properties to assist in upgrading common areas that are utilized by tenants. By freeing up the costs associated with these upgrades to the buildings, property owners can then use that money to provide additional services to residents or to fund other major renovations outside of syndication. To date, the program has been successful in building a pipeline of interested low-income projects.



1 These customers are eager to make improvements in  
2 the common area and central systems of their buildings,  
3 that without ESA CAM would be challenging to fund.

- 4 • Targeted Marketing:

5 PG&E's ESA CAM implementer maintains active  
6 relationships with affordable housing organizations  
7 which has resulted in several CAM project leads.

8 The CAM implementer leverages its relations with  
9 PG&E Multi-family Upgrade Program (MUP) contractors  
10 which has resulted in the majority of CAM projects.

11 Outreach to Tax Credit Allocation Committee  
12 (TCAC) applications and the CPUC Broadband  
13 Program has resulted in the CAM pipeline having eight  
14 percent of projects listed on the Broadband Program list  
15 and 48 percent from TCAC.

16 Other efforts include an active ESA CAM online  
17 presence through social media (Facebook, Twitter,  
18 LinkedIn) accounts and a program website.

- 19 • Alignment With Other EE and Financing Programs:

20 There are three EE programs layered with ESA  
21 CAM, CSD LIWP, PG&E MUP, and Bay Area Regional  
22 Energy Network (BayREN) Multi-family Building  
23 Enhancements Program, and alignment with these  
24 programs have resulted in additional measures added  
25 to project scopes.

26 ESA CAM has experienced higher program uptake  
27 with projects nearing re-syndication or leveraging other  
28 financing mechanisms. Timing program intervention  
29 with property re-syndication is essential due to the  
30 owner planning for and having resources to complete  
31 large scale renovations. Alignment during this key time  
32 provides the management and logistical resources that  
33 may not be available during normal property  
34 operating conditions.

Challenges with current cycle multi-family efforts' measures, targeted marketing tactics, eligibility rules, and alignment with other EE and financing programs, include:

- Measures:

MFWB treatment of some measures is challenging for measures such as attic insulation, where in-unit is installed by ESA contractors and CAM is installed by the property's contractor and unqualified units are not covered by ESA, requiring proprietries to look for other options.

Some CAM measures are not provided by ESA in-unit, thus not providing "whole building" treatment. For example, wall insulation is provided by CAM and not by ESA in-unit, thus the property will likely need to cover the expense or utilize other programs if wanting wall insultation in buildings with units.

Multi-family buildings (regardless of metering configuration) are made up of multiple meters. The number of meters per site varies, and can be challenging to map individual meters to buildings if the site consists of more than one building.

- Targeted Marketing:

Reaching smaller portfolio owners or property owners (greater than 10 properties), who are not as engaged with housing events and housing advocate groups is a challenge. Direct outreach efforts (i.e., cold calling) using internet research (if information is available) to identify these property owners and make contact is time consuming with minimal project lead generation.

Property owners who are not engaged with housing events and housing advocate groups are challenging to engage via direct mail. ESA CAM mailed postcards to

properties (deed and non-deed-restricted) listed on the Broadband, Housing Authorities, TCAC recipients, HUD properties, and USDA properties lists. 7 percent of the postcards were returned to sender. In addition, no known leads have resulted from this effort to date.

- Eligibility Rules:

ESA in-unit requires tenant approval for ESA treatment which can add complexity in providing a coordinated customer in-take process as only the property owner's approval is required for common areas measures.

A majority of deed-restricted properties set affordability requirements using area median income, which is county specific and does not always align well with ESA's income requirements.

- Alignment With Other EE and Financing Programs:

The three EE programs best layered with ESA CAM are CSD LIWP, PG&E MUP, and BayREN Multi-family Building Enhancements Program. Each have different eligibility requirements and differing completion dates which make leveraging challenging.

- 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 multi-family units and properties, in ESA (in-unit) and ESA CAM, served each year for program years 2017-2020.*

PG&E's CAM efforts include the coordination with the ESA in-unit direct install program implementer(s) to offer ESA measures and services including enhanced energy education to all eligible tenants wanting to participate. CAM services, including measure installations, are provided through PG&E's CAM implementer and contractors selected by the customer. ESA in-unit services, including measure installations, utilize the

existing ESA model whereby treatment is exclusively provided by ESA-certified contractors. The CAM implementer and the ESA implementer coordinate to facilitate delivery of services and minimal tenant disruption. Currently, PG&E does not use a coordinated customer in-take process as ESA in-unit requires tenant approval for ESA treatment which complicates a coordinated customer in-take process as only the property owner's approval is required for common areas measures.

Table I-28 summarizes the number of actual and estimated treated multi-family units and properties, in ESA (in-unit) and ESA CAM, served each year for PYs 2017-2020 in PG&E's service territory.

**TABLE I-28**  
**2017-2020 ESA IN-UNIT AND ESA CAM TREATMENTS**

Line No.	Property Type	2017 Actual	2018 Actual	2019 Estimated	2020 Estimated	Total
1	ESA CAM Properties	N/A	–	3	151	154
2	ESA MF in-unit <sup>(a)</sup>	14,537	16,372	19,425	19,802	70,136

(a) PG&E's ESA in-unit treatment is provided by ESA-trained contractors and is not part of CAM.

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 (beyond 2020) and at what funding level?*

A) *What level of ESA funding, staff, time, and resources went to the SPOC directive for program years 2017-2020?*

For PYs 2017-2020, PG&E's funding level is \$471,018. PG&E's Multi-family SPOC, launched in 2017, to provide multi-family property owners, managers, and other industry professionals with a centralized resource for energy-related funding opportunities through analytics driven guidance by

phone, online, and e-mail. Stakeholders can access program resources by visiting [www.PGEmultifamily.com](http://www.PGEmultifamily.com).

Table I-29 summarizes PG&E's SPOC funding per year for programs years 2017-2020.

**TABLE I-29  
2017-2020 SPOC FUNDING**

Line No.	2017 Actual	2018 Actual	2019 Budgeted	2020 Budgeted	Total
1	\$31,600	\$121,167	\$156,772	\$161,480	\$471,018

This funding provides 2-3 vendor staff, depending on the activities being supported, in support of the SPOC directive for PYs 2017-2020. The funding amounts captured in Table I-29 do not include PG&E resources required to setup the SPOC directive, including defining SPOC directive, collaborating with other PG&E programs to support the directive, and contracting. PG&E resources are also required for ongoing SPOC oversight, facilitation with internal PG&E programs, and vendor management.

*B) What lessons learned or best practices resulted from this activity?*

Best Practices resulting from PG&E's SPOC activities include:

- Referral Support: SPOC provides program referral support to a broad set of multi-family programs, including programs available across PG&E territory, statewide programs, and regional programs. SPOC also refers customers to other utility SPOCs through a robust handoff process. Referral programs include, PG&E EE programs such as MUP, ESA, and Moderate Income Direct Install (MIDI); financing options such as On-Bill Financing (OBF) and On Bill Repayment (OBR); and EV programs. SPOC also provides referrals for other non-utility financing programs, such as the Fannie

Mae Green Rewards and EE programs offered by the CSD and Regional Energy Networks (REN).

- Decision Tree: SPOC maintains a decision tree to determine “best fit” characteristics per program, and a corresponding Referrals Table, to prioritize the programs for each customer.
- Benchmarking support: Through SPOC, customers can receive free benchmarking services to better inform program decision process and maintain compliance with AB 802.<sup>144</sup>
- Consolidation of Multi-family Program Materials: SPOC consolidated multi-family-specific marketing ‘fact sheets’ to provide customers with a consolidated view of programs that is available at:  
[www.PGEmultifamily.com](http://www.PGEmultifamily.com).
- Property Engagement: Proactive engagement with management companies to review their portfolios and guide them to available programs.
- Conferences: Active engagement at multi-family specific conferences.
- Single Vendor: SPOC services outsourced to same vendor administering Energy Efficiency’s Multi-Family Upgrade Program and ESA CAM providing by default, a common entry point for EE services for property owners. Vendor selected has deep multi-family knowledge and established relationships within the multi-family sector.

C) *How will you carry forward best practices (beyond 2020) and at what funding level?*

PG&E plans to carry forward best practices (beyond 2020) and proposes a funding level of \$2.2 million for PY

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<sup>144</sup> Building Energy Use Disclosure and Public Benchmarking Program Mandated under Assembly Bill (AB) 802 available at:  
[https://ww2.energy.ca.gov/benchmarking/documents/AB\\_802\\_chapter\\_590.pdf](https://ww2.energy.ca.gov/benchmarking/documents/AB_802_chapter_590.pdf).

2021-2026 as detailed in Table A-1 in Chapter IV. PG&E proposes to carry forward best practices by integrating SPOC with the MFWB Program.<sup>145</sup> PG&E proposes to use a third-party administrator for its MFWB Program (detailed below in Section D.9.), which SPOC will be included. PG&E's proposed funding level is based on the number of estimated properties that will be participating in PG&E's proposed MFWB Program. Best practices carrying forward beyond 2020, include:

- Referral Services: PG&E expects SPOC to continue to provide referral services and PG&E will request bidders to define their referral process, including maintaining updated referral list and defining referral criteria to ensure the right program is being referred, along with a robust handoff process to ensure customers are not lost in the process. Referral services should include all available program funding sources and include programs offered by PG&E, other IOUs, Regional Energy Networks, CSD, municipal utilities, low-income housing tax credits, federal investment tax credits, water utilities, and others as applicable. The list of programs needs to be regularly updated to reflect new programs and/or the closure of programs.

Ideally, the SPOC will be responsible for determining the referral criteria and warm handover process in collaboration with each program administrating entity. The following further describes PG&E's proposed duties for SPOC:

- Decision Tree: The SPOC will continue to maintain a 'decision tree' to determine 'best fit' characteristics per

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<sup>145</sup> MFWB Program refers to the treatment of the entirety of a multi-family property, including both the common areas and in-unit spaces.

- 1 program, and a corresponding 'referrals table,' to  
2 prioritize the programs for each customer to maintain.
- 3 • Benchmarking Support: SPOC will continue to provide  
4 MF customers with benchmarking support to better  
5 inform in the program decision process.
  - 6 • Consolidation of Multi-family Program Materials: SPOC  
7 will continue to provide SPOC for MF programs to  
8 provide customers with a consolidated view of available  
9 programs.
  - 10 • Property Renovation Journey: Bidders will also be  
11 requested to define how they will engage with  
12 multi-family properties to influence their property  
13 renovations to align with their low-income housing tax  
14 credits and federal investment tax credits timing.
  - 15 • Outsourcing to Vendor: With deep multi-family  
16 experience, including available MF programs and  
17 services, assists in reducing SPOC ramp-up time and  
18 reducing administrative costs related to knowledge  
19 development.

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

25 To assist property owners navigate the financing options  
26 available through PG&E's on-bill finance program or other finance  
27 programs, PG&E proposes to expand SPOC services to more  
28 formally include financing services and assistance. MF properties  
29 participating in PG&E's EE programs will be provided an option to  
30 consider financing as a tool to cover or expand their upgrade efforts.  
31 Since not all MF properties participating in PG&E's programs  
32 originate via SPOC, PG&E proposes routing properties interested in  
33 financing through SPOC. SPOC would provide a report listing the  
34 array of multi-family program funding options complete with eligibility



1 screening, estimated assistance (technical and financial) and  
2 estimated financing available for the scope through OBF.

3 To accomplish this SPOC's proposed scope would:

- 4 • Develop a Referral/Request Process: Allow multi-family  
5 building owners, consultants and contractors to submit the  
6 proposed scope of work;
- 7 • Formalize and Expand the Decision Tree: Review project data  
8 provided and determine the estimated incentive opportunity  
9 from each program source;
- 10 • Document Measure Opportunities and Excluded Measures:  
11 Report how each measure identified could be supported by a  
12 program or financing; and
- 13 • Estimate OBF Contribution: To offset the cost of all EE  
14 measures, SPOC will review project submittal to estimate the  
15 OBF loan size, and if necessary, support the customer through  
16 meter conversion, application and loan agreement.

17 This framework will likely allow SPOC to assist with project  
18 scope building on the initial success SPOC's customer engagement  
19 in programs. These activities are crucial to maximize the retrofit  
20 scope because multi-family buildings are upgraded typically once  
21 every 15 years.

- 22 c. ***Non-deed-restricted Multi-family Properties:*** *OP 41a of*  
23 *D.16-11-022, as modified by D.17-12-009, required an analysis of*  
24 *non-deed-restricted multi-family buildings with a high percentage of*  
25 *low-income tenants in your territory. Provide a brief statement of the*  
26 *EE potential in your territory for this sector. Do you recommend*  
27 *extending direct install services, for whole building or common areas*  
28 *only, to these properties? What requirements, such as rent increase*  
29 *restrictions, can maintain affordability in treated properties?*

30 PG&E's analysis of non-deed-restricted and deed-restricted  
31 multi-family buildings with a high percentage of low-income tenants  
32 (at least 65 percent of the households meet ESA income  
33 requirements) estimates 1,300 non-deed and 237 deed-restricted  
34 properties within PG&E's territory as illustrated in Table I-30.

**TABLE I-30  
DEED AND NON-DEED-RESTRICTED PROPERTIES WITHIN PG&E'S TERRITORY**

Line No.	% at or below 200% FPG	PG&E Multi-family Market (>5 units)					
		Deed			Non-Deed		
		Properties	Buildings	Units	Properties	Buildings	Units
1	≤ 50%	1,982	13,970	168,724	20,490	60,670	623,964
2	50% - 65%	252	2,424	18,722	1,747	5,974	43,224
3	≥ 65%	237	3,890	18,783	1,300	4,401	26,026
4	Total	2,471	20,284	206,229	23,537	71,045	693,214

Source: CoStar with HUD, USDA, TCAC lists layered for Deed-restricted buildings; includes MF properties with 5+ units of Class B & C (non-deed-restricted buildings with potentially income-eligible tenants).

- 1                                    i. *Provide a brief statement of the EE potential in your territory for*  
2                                    *this sector.*  
3                                    PG&E estimates the EE potential for these  
4                                    non-deed-restricted properties with at least 65 percent of  
5                                    households meeting ESA's income requirements to be  
6                                    184,419,790 kWh and 6,303,010 Therms, which is 10 percent of  
7                                    the estimated average consumption as detailed in Table I-31.

**TABLE I-31  
ESTIMATED ENERGY CONSUMPTION FOR NON-DEED-RESTRICTED PROPERTIES WITH AT LEAST 65 PERCENT OF HOUSEHOLDS MEETING ESA'S INCOME REQUIREMENTS**

% at or below 200% FPG	PG&E Multifamily Market (+5 units)				
	Non-deed				
	Properties	Buildings	Units	Estimated Electricity (kWh) Consumption	Estimated Natural Gas (therms) Consumption
≥ 65%	1,300	4,401	26,026	1,844,197,903	63,030,102

- 8                                    The EE potential for these non-deed-restricted properties is  
9                                    based on applying average of the energy consumption of  
10                                    241 properties from PG&E's non-deed-restricted analysis  
11                                    across the remaining non-deed properties.  
12                                    ii. *Do you recommend extending direct install services, for whole*  
13                                    *building or common areas only, to these properties?*

1 PG&E proposes to extend ESA funding to non-deed  
2 properties for CAMs provided at least 65 percent of the  
3 households meet ESA income requirements. PG&E requests  
4 the permission to determine the intervention strategy (upstream,  
5 downstream, midstream, direct install, non-resource, finance,  
6 etc.) based upon the MFWB Program solicitation process  
7 detailed in Sections D.9., E.1., and E.2. below.

8 PG&E proposes to extend ESA funding to  
9 non-deed-restricted properties in recognition that  
10 deed-restricted properties covers only a portion of the total  
11 population of buildings where income-qualified residents reside.  
12 Currently, the affordable housing demand outpaces the supply  
13 of deed-restricted housing,<sup>146</sup> many income-qualified residents  
14 are unable to find deed-restricted housing and are required to  
15 sign a lease with a non-subsidized market rate housing  
16 property. This population of properties is often referred to as  
17 Naturally Occurring Affordable Housing (NOAH), meaning these  
18 properties are not restricted to low-income residents, but  
19 naturally offer below, or at market rents.

20 PG&E proposes to include non-deed-restricted properties in  
21 its MFWB Program as detailed in Section D.9., provided:

- 22 • The tenant meets ESA eligibility requirements to qualify  
23 ESA in-unit treatment; and
- 24 • The property has at least 65 percent of the households  
25 meeting ESA's income requirements to qualify for ESA  
26 CAM.

27 iii. *What requirements, such as rent increase restrictions, can*  
28 *maintain affordability in treated properties?*

29 To maintain affordability of rents in treated properties,  
30 PG&E proposes to continue to include rent increase restrictions

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<sup>146</sup> Waitlists at deed-restricted properties (or properties that accept HUD Section 8 vouchers) often include thousands of prospective residents, as discussed in a recent article from the Sacramento Bee:  
<https://www.sacbee.com/news/local/article194674404.html>.

1 to ESA participation agreements stating that properties will not  
2 increase rents for the qualified income-qualified dwellings as a  
3 result of the work that is performed with ESA funding. In  
4 addition, PG&E proposes that the MFWB Program administrator  
5 provide a tenant complaint process, should rent increase  
6 restrictions not be followed, that will direct tenants to local  
7 support services when issues cannot be resolved between the  
8 property and the tenant.

- 9 **9. Multi-family Whole Building Program [Witness: Benassi]** *When*  
10 *looking to encourage innovation, the Commission recently directed the*  
11 *energy efficiency program administrators to transition the majority of*  
12 *their overall portfolios to programs designed and implemented by*  
13 *third parties.*<sup>147</sup> *Similarly, we direct the IOUs' 2021-2026 ESA*  
14 *Application to include a Multi-Family Whole Building energy efficiency*  
15 *program (MFWB Program) designed and implemented by one or more*  
16 *third parties who will, taken together, serve all qualified prioritized*  
17 *populations identified in the Application.*<sup>148</sup> *The application shall*  
18 *include specific information about the scoring criteria and process for the*  
19 *solicitation. The MFWB Program implementer(s) shall provide energy*  
20 *efficiency services for the whole building which includes common areas*  
21 *and tenant units, but may provide treatment of only common areas or*  
22 *only tenant units in a particular building if it is not feasible to undertake*  
23 *both. The IOUs are strongly advised to consider a statewide program*  
24 *with a single implementer. It seems particularly important that the*  
25 *MFWB Program for buildings with SCE electricity customers and*  
26 *SoCalGas gas customers shall have a single implementer. The MFWB*  
27 *Program is not limited to the previously approved measures or other*  
28 *requirements in prior Commission Decisions or to the provisions of the*  
29 *ESA Policy and Procedures Manual. The proposal shall include the*  
30 *following:*

---

<sup>147</sup> D.18-01-004; D.16-08-019.

<sup>148</sup> The definition of "third party" in D.16-08-019 shall also apply for purposes of ESA Programs.

1 As directed, PG&E proposes to use a third-party administrator for  
2 the design and implementation of its entire MFWB Program. PG&E's  
3 proposes to include the following in its MFWB Program for both  
4 deed-restricted and non-deed-restricted multi-family properties:

- 5 • Whole building<sup>149</sup> treatment for properties where at least 65 percent  
6 of households meet ESA income requirements and the dwellings  
7 meet ESA qualification requirements;
- 8 • CAM<sup>150</sup> measures for properties where at least 65 percent of  
9 households meet ESA income requirements;
- 10 • In-unit<sup>151</sup> measures for ESA eligible MF households;
- 11 • SPOC services; and
- 12 • CSD MF LIWP funding for ESA in-unit measures.

13 PG&E intends for its MFWB Program to serve both eligible MF  
14 tenants, regardless of the property's qualification to participate in the  
15 MFWB Program, and eligible properties (not to focus solely on property  
16 owners). PG&E proposes to include contract Key Performance  
17 Indicators (KPI) and goals to reflect this intent. Multi-family properties  
18 are defined as properties with buildings having five or more attached  
19 units. Properties with buildings with less than five attached units will be  
20 treated as single family. Properties with a mix of buildings having five or  
21 more attached units and less than five attached units will be treated as  
22 multi-family properties.

23 PG&E proposes to include all MF components into its MFWB  
24 Program to provide MF tenants and properties with the following  
25 benefits:

- 26 • Single entry point;
- 27 • Avoid customer and market place confusion;
- 28 • Simplify the enrollment process; and
- 29 • Streamline MF tenant and property treatment.

---

**149** "Whole building" refers to the entirety of a multi-family property including both the common areas and in-unit spaces.

**150** "Common area" refers to communal spaces, such as a community room or hallways, shared energy systems or the exterior envelope and excludes "in-units" spaces.

**151** "In-unit" is an attached household dwelling unit.

1 PG&E proposes to use a single administrator to facilitate leveraging  
2 and integration with other state or federally funded income-qualified  
3 programs. PG&E proposes the duties of its single MFWB Program  
4 administrator to include, but not be limited to:

- 5 • MFWB Program design for both deed and non-deed-restricted  
6 properties, including how to address the need states indicative of  
7 hardship identified in Section B.1.c.;
- 8 • Customer acquisition and outreach: income-qualified tenants and  
9 properties;
- 10 • Enrolling participants: income-qualified tenants and properties;
- 11 • Providing program and project technical assistance;
- 12 • Receiving, reviewing, and approving all program documentation;
- 13 • Conducting quality assurance pre-installation and post-installation  
14 site visits;
- 15 • Processing and sending incentive payments;
- 16 • Contractor recruitment and management;
- 17 • WE&T;
- 18 • SPOC services, including best practices detailed in Section D.8.a.iii,  
19 above;
- 20 • CSD MF LIWP funding for ESA in-unit measures; and
- 21 • Leveraging water agency efforts for both income-qualified tenants  
22 and properties; the top water agencies in PG&E's territory are listed  
23 above in Section D.5.f.

24 PG&E proposes local administration of its MFWB Program to be  
25 successful in providing income-qualified tenants and properties with a  
26 robust program and offer this program to customers on a timely basis.  
27 Moving to a third-party administration is new for ESA and will require  
28 each IOU to understand and address the implications and nuances of  
29 moving to this model; including:

- 30 • MF specific data challenges, including; identification of deed and  
31 non-deed-restricted properties meeting least 65 percent of  
32 households meet ESA income requirements, identifying the meters  
33 associated with each property, identifying the MF household  
34 associated with each property, and confirming previous participation

1 in ESA or other EE programs. PG&E's customer databases  
2 currently do not identify MF properties, the meters associated with  
3 each property, or customers living in MF properties with five or more  
4 dwelling units; and

- 5 • Meeting regulatory reporting expectations as ESA currently requires  
6 detailed reporting, including at the measure level. Moving to a  
7 third-party administrator for design and implementation makes it  
8 challenging to plan and implement database systems to support the  
9 new program design while providing the detailed reporting that the  
10 Commission is accustomed.

11 While PG&E proposes local administration of its MFWB Program, if  
12 directed to adopt a single administrator, PG&E plans to work with the  
13 other IOUs to implement a single administrator serving the entire state  
14 and looks forward to a collaborative discussion with all stakeholders to  
15 decide the best path forward to serve this customer segment.

16 PG&E proposes to evaluate proposed programs against the criteria  
17 outlined in Table I-32 to determine advancement to contract  
18 negotiations. These criteria are not necessarily listed in any order of  
19 importance. PG&E expects to revise RFP scoring criteria to reflect the  
20 actual RFP and to align with the directives in the final decision.

**TABLE I-32**  
**MFWB PROGRAM SOLITIATION PROPOSED SCORING CRITERIA**

Line No.	RFP Scoring Criteria	Sub-Criteria
1	Program Design	Program Design, Theory & Evaluability Customer Acquisition & Outreach Serve all qualified prioritized populations IDSM Program Features Program Innovation Customer Compliant Resolution, including rent control complaints
2	Program Benefits	Number of Properties Treated per year Number of Units Treated per year Energy Savings (kWh, therms, British Thermal Units (BTU)) per year Cost Effectiveness per year Distribution across prioritized populations
3	Program Feasibility; CAM, In-unit and SPOC	Program Management & Risk Compensation & Performance Savings Measurement Compliance Requirements Utilization of existing local ESA workforce
4	Needs States	How program design addresses the customer needs states as defined in Section B.1.c; High Usage Medical Baseline Disconnections DAC/Tribal/Rural Wildfire Risk Zones <i>The goal is to serve all qualified prioritized populations identified in the Application</i>
5	Leveraging Other Programs	How program design leverages other programs, such as; Solar On Multi-family Housing (SOMAH) CSD LIWP TCAC Water Agencies
6	WE&T	Job Training Job Creation Pathways to Employment Collaboration with Local Training Programs
7	Company Qualifications	Implementer Team Qualifications Prior Implementation Experience
8	Supply Chain Responsibility	Diverse Business Enterprise Sustainability
9	Cost	Performance Based Continuous Improvement
10	Safety	Safety Questionnaire



1 PG&E proposes to establish a MFWB Procurement Review Group  
2 (PRG), which will include low-income expertise, and Independent  
3 Evaluator (IE) similar to Energy Efficiency’s third-party solicitation  
4 process per D.18-01-004.<sup>152</sup> The goal of the PRG and IE will be to  
5 monitor, evaluate and provide oversight of all phases of the solicitation  
6 process for selecting the third-party administrator for PG&E’s MFWB  
7 Program.

8 a. *Provide an overview or brief description of the general program*  
9 *goals and budget and solicitation process and timeline. Additionally,*  
10 *use the budget template to provide annual budget levels.*

11 PG&E intends for its MFWB Program to serve both properties  
12 owners of both deed and non-deed-restricted building with at least  
13 65 percent of households meeting ESA income requirements and to  
14 serve qualified MF low-income tenants, regardless of the property’s  
15 qualification to participate in the MFWB Program. This is reflected  
16 in the program goals and budgets.

17 PG&E proposes its MFWB Program budget for measure  
18 installation, commonly referred to as “above the line” expenses, to  
19 be 30 percent of its entire measure installation budget. This aligns  
20 closely with the percentage split between multi-family and  
21 non-multi-family ESA eligible customers.

22 The proposed budget for PG&E MFWB Program is \$202 million  
23 based on the estimates included in Table I-33. This budget is based  
24 on PG&E’s current ESA CAM and in-unit treatments and CSD LIWP  
25 leveraging estimates. PG&E requests permission to adjust the  
26 estimated budgets below as a result of the final decision and the  
27 solicitation for the MFWB Program third-party administrator.

28 Table I-33 summarizes the estimated for the MFWB budget.

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<sup>152</sup> D.18-01-004, OPs 3 and 5.

**TABLE I-33  
PROPOSED MFWB PROGRAM BUDGET**

Line No.	MF Component	2021	2022	2023	2024	2025	2026	Total
1	SPOC	N/A	N/A	\$400,000	\$412,000	\$424,360	\$437,091	\$1,673,451
2	CAM	N/A	N/A	15,400,000	23,100,000	23,793,000	24,506,790	86,799,790
3	In-Unit	N/A	N/A	21,460,296	23,505,515	24,210,680	24,937,001	94,113,492
4	CSD LIWP	N/A	N/A	1,323,731	1,363,443	1,404,346	1,446,477	5,537,997
5	Administrator Fee	N/A	N/A	3,858,403	3,386,667	3,488,267	3,592,915	14,326,252
6	Total MFWB	N/A	N/A	\$42,442,430	\$51,767,625	\$53,320,654	\$54,920,273	\$202,450,982

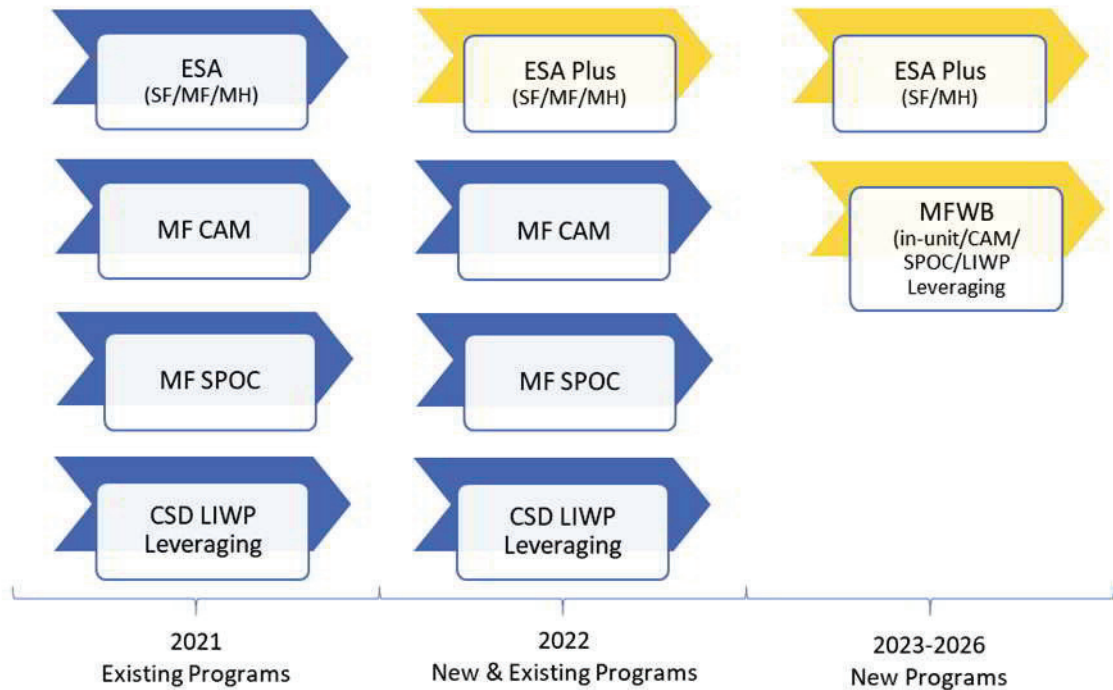
1                   Based on this budget, PG&E estimates its MFWB Program will  
2                   treat 845 properties, totaling an estimated 4560 buildings and over  
3                   83,000 in-units. Based on the estimated treatments, PG&E  
4                   estimates saving 89,488,524 kWh and 3,479,353 therms. PG&E  
5                   requests permission to adjust the goals as a result of the solicitation  
6                   for the MFWB Program third-party administrator.

7                   As stated above, for its MFWB third-party solicitation process,  
8                   PG&E proposes to use a PRG and IE leveraging Energy Efficiency's  
9                   third-party solicitation process. PG&E's MFWB solicitation timeline  
10                  will be approximately 14-17 months from PRG/IE setup through  
11                  contract award and is detailed in Section D.9.a.iii below.

12                  PG&E proposes to continue its current ESA MF in-unit, CAM,  
13                  SPOC, and CSD LIWP leveraging programs throughout 2021 and  
14                  will transition MF in-unit to the new ESA Plus Program upon launch  
15                  in 2022. All MF components (in-unit, CAM, SPOC, LIWP  
16                  Leveraging) are anticipated to transition to the MFWB Program upon  
17                  launch in 2023 as illustrated in Figure I-4.

**FIGURE I-4  
ESA PROGRAM TRANSITION**

## ESA Program Transition



PG&E estimates four to five months to transition to the MFWB Program and requests permission to adjust the timeline based on the MFWB Program solicitation. PG&E anticipates beginning this solicitation process 2021 and completing it in 2022, with the MFWB launching in the first quarter of 2023. The actual launch date of the MFWB Program will be dependent of the actual solicitation timeline and the time required to standup the new program.

- i. *Describe the energy savings and treatment targets for multi-family 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?*

PG&E's MFWB Program estimates treating 845 deed and non-deed-restricted properties, totaling an estimated 4,560 buildings. This equates to 130 deed-restricted properties and 715 non-deed-restricted properties. In addition, PG&E estimates treating over 83,000 MF in-units. Based on the MFWB Program estimated treatment targets, PG&E estimates 89,488,524 kWh and 3,479,353 in therm savings. PG&E's estimated energy savings are based on savings estimates from current ESA's MF in-unit treatments, CAM treatments, and EE MUP.

While energy savings is the primary goal, the MFWB Program is expected to also include in-unit HCS elements for in-unit treatment to address income-qualified tenant hardship needs. In addition to including HCS elements to address income-qualified tenant hardship needs, PG&E proposes that the in-unit treatment of the MFWB Program also address the specific needs states as defined in Section B.1.c. above; CARE customers identified as high energy users, having been disconnected, receiving the medical baseline rate, residing in a DAC, on tribal lands, or in a rural area, residing in a wildfire risk zone. Table I-34 summaries the number of potential multi-family CARE customers per need state.

**TABLE I-34  
PG&E'S PROPOSED NEED STATES FOR MULTI-FAMILY**

Line No.		High Usage	Medical Baseline	Disconnections	DAC <sup>(a)</sup> /Tribal/Rural	Wildfire Threat
1	Problem	Level of usage incurs surcharge	Device or condition requires extra energy	Payments are missed and power is turned off	Environmental conditions impact energy use	Power shut-off is likely
2	Approximate Customer Counts <sup>(b)</sup>	3,400	20,400	21,900	173,400	5,400
<p>(a) Disadvantaged Communities. (b) As of June 30, 2019.</p>						

1 PG&E requests permission to adjust the energy savings and  
2 treatment targets as a result of the solicitation for the MFWB  
3 Program third-party administrator.

4 A. What are the annual savings targets in kWh, therms, and  
5 equivalent BTUs?

6 PG&E's estimated annual energy savings targets for the  
7 MFWB Program are detailed in Table I-35. These targets  
8 are based on PG&E's current ESA MF in-unit, CAM  
9 projects, and Energy Efficiency's MUP historical  
10 performance and the estimated MFWB Program treatments.

11 Table I-35 summarizes the proposed MFWB Program  
12 energy savings and treatment targets starting in 2023 to  
13 align with the launch of the MFWB Program.

**TABLE I-35  
PROPOSED MFWB PROGRAM ENERGY SAVINGS AND TREATMENTS**

Line No.	2023				2024			
	Treated	kWh	Therm	BTU	Treated	kWh	Therm	BTU
1 CAM	154	12,635,681	593,146	102,427,583,172	231	18,953,521	889,720	153,641,374,758
2 In-Unit	19,509	4,670,116	50,701	21,004,580,446	21,369	5,115,367	55,535	23,007,170,001
3 MFWB		17,305,796	643,848	123,432,163,618		24,068,889	945,255	176,648,544,759

**TABLE I-35  
PROPOSED MFWB PROGRAM ENERGY SAVINGS AND TREATMENTS  
(CONTINUED)**

Line No.	2025				2026			
	Treated	kWh	Therm	BTU	Treated	kWh	Therm	BTU
1 CAM	231	18,953,521	889,720	153,641,374,758	231	18,953,521	889,720	153,641,374,758
2 In-Unit	21,369	5,115,367	55,535	23,007,170,001	21,369	5,115,367	55,535	511,536,728,945
3 MFWB		24,068,889	945,255	176,648,544,759		24,068,889	945,255	176,648,544,759

1 PG&E requests permission to adjust the annual savings  
2 targets based on the MFWB Program solicitation to ensure  
3 the solicitation process considers innovative and alternative  
4 program designs to best serve income-qualified tenants and  
5 property owners.

6 B. Is there a minimum efficiency target for each property?

7 PG&E proposes a minimum efficiency target of  
8 10 percent savings for each property participating in ESA  
9 MFWB Program that includes CAM, with or without in-unit  
10 treatments. The 10 percent savings per property is based  
11 on EE programs such as PG&E's MUP, CSD's LIWP and  
12 BayREN's Bay Area Multi-family Building Enhancements  
13 Program. PG&E requests permission to adjust the  
14 minimum efficiency target based on the solicitation process  
15 to ensure the solicitation process considers innovative and  
16 alternative program designs to best serve low-income  
17 tenants and property owners. PG&E proposes not requiring  
18 a minimum efficiency target for tenants and properties only  
19 participating in MF in-unit treatment.

20 C. Will the goals adjust based on the solicitation process?

21 PG&E requests permission to adjust the goals based on  
22 the solicitation process to ensure the solicitation process  
23 considers innovative and alternative program designs to  
24 best serve low-income tenants and property owners.

25 ii. *What are your proposed income guidelines for participation and*  
26 *processes to certify eligibility? How will affordability (for rents)*  
27 *be maintained?*

28 PG&E proposes an income guideline for property  
29 participation to require at least 65 percent of the units to be  
30 occupied by households that qualify under the ESA affordability  
31 definition. Under this proposal, this income guideline for  
32 participation in the MFWB Program is the same as the income  
33 guideline currently utilized for MF CAM. Deed-restricted  
34 properties will be required to provide: (1) regulatory agreements

1 with a government agency showing compliance with the income  
2 eligibility requirements; or (2) tenant income verification or  
3 enrollment in a qualified categorical program as approved by the  
4 CPUC. Non-deed-restricted properties will be required to  
5 provide tenant income verification or enrollment in a qualified  
6 categorical program, as approved by the CPUC.

7 PG&E proposes to allow property owners to enroll tenants  
8 in ESA in-unit and install measures without tenants enrolling  
9 separately in ESA provided the property owner provides income  
10 eligibility for the units. For properties not participating in the  
11 MFWB Program, individual MF households can continue to  
12 participate in ESA provided they are income-eligible.

13 *A. How will affordability (for rents) be maintained?*

14 To maintain affordability of rents in treated properties,  
15 PG&E proposes to continue to include rent increase  
16 restrictions to ESA participation agreements stating that  
17 property owners will not increase rents for the  
18 income-qualified dwellings as a result of the work that is  
19 performed with ESA funding. In addition, PG&E proposes  
20 that the MFWB Program administrator provide a tenant  
21 complaint process should rent increase restrictions not  
22 being followed that will direct tenants to local support  
23 services when issues cannot be resolved between the  
24 property and the tenant.

25 *iii. At a minimum, include in the timeline: (1) issuing necessary*  
26 *solicitations; (2) executing contracts; and (3) launching the*  
27 *MFWB Program.*

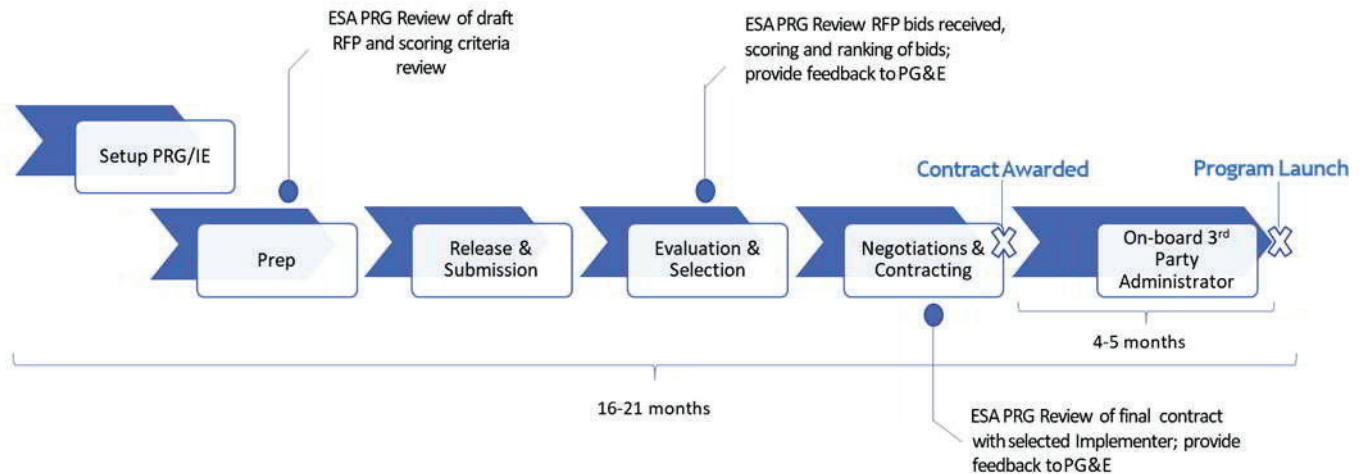
28 Based on the EE third-party solicitation process, PG&E  
29 estimates the timeline for the solicitation process from PRG  
30 and IE setup to through MFWB Program launch to take 16-21  
31 months as illustrated in Figure I-5 below.



**FIGURE I-5  
PROPOSED MFWB PROGRAM SOLICITATION AND LAUNCH TIMELINE**

### MFWB Program Solicitation & Launch

Third-Party Administrator Solicitation & Launch Timeline



This proposed timeline is based on the following:

- PRG/IE Setup Phase: Two to three months, which includes one to two months overlapping with RFP preparation.
- Solicitation Process: 11-14 months from RFP preparation through contract execution:
  - RFP preparation phase includes PRG/IE review of the RFP and scoring criteria.
  - RFP release and submission phase for bidders to prepare and submit their proposals.
  - RFP evaluation and selection phase includes PRG/IE review of RFP proposals, scoring and ranking.
  - Negotiations and contracting phase includes PRG/IE review of final contract.
- Program Launch: 4-5 months from contract execution to program launch.

Additional details regarding the solicitation process are in Section E.2., below.

Since EE has not yet completed a third-party solicitation through contract award as of the filing of this application, PG&E proposes to work with the PRG and IE to modify the timeline

1 based on the timing and directives of the final decision. PG&E  
2 also proposes to adjust the program launch based on the  
3 solicitation results.

- 4 iv. *Consider all feasible and appropriate opportunities for job*  
5 *training; job creation; or pathways to employment for members*  
6 *of low-income or disadvantaged who participate in local job*  
7 *training programs.*

8 As part of PG&E MFWB Program solicitation, PG&E  
9 proposes to request bidders to define any local hiring practices,  
10 including engagement with local job training programs for  
11 placement into job opportunities prior to listing with the general  
12 public. PG&E also places a high value on local community  
13 partnerships and values workforce development opportunities  
14 that ensure hiring within local communities. To that end, PG&E  
15 will encourage vendors to consider the benefits of working with  
16 all local trained and certified ESA contractors. The program has  
17 made a substantial investment in current programming cycle in  
18 training local workforce and PG&E would like to ensure that its  
19 customers get the maximum benefits from these past  
20 investments.

21 PG&E also proposes to request bidders to explore other  
22 opportunities to encourage workforce development, such as:

- 23 • Requiring building operator training for properties receiving  
24 ESA MFWB CAM funding for central systems;
- 25 • Encouraging hiring of staff residing in DACs to fill positions  
26 created as a result of ESA MFWB;
- 27 • Pathways to employment for members of low-income or  
28 disadvantaged who participate in local job training  
29 programs; and
- 30 • Coordinate and leverage relationships with workforce  
31 development and contractor associations such as California  
32 Workforce Development Boards, Center for Sustainable  
33 Energy, Brightline Defense Project, EE for All, and  
34 community colleges.

1           b. *The Massachusetts LEAN Multi-family Program has a single*  
2           *application portal for a multi-family retrofit program funded by*  
3           *different programs and agencies. Address how the MF solicitation*  
4           *will address the goal to, where feasible, create a seamless customer*  
5           *interface for delivering energy efficiency services for owners and*  
6           *tenants of multi-family buildings.*

7           As part of PG&E's MFWB Program solicitation, PG&E proposes  
8           to request bidders to identify how their MFWB Program will create a  
9           seamless customer interface for delivering EE services for owners  
10          and tenants of multi-family buildings by using the Massachusetts  
11          LEAN Multi-family Program as a best practice. PG&E also proposes  
12          to request bidders to identify specific requirements for PG&E and/or  
13          for other program and agencies to support the bidder's  
14          implementation of a seamless customer interface for owners and  
15          tenants of multi-family buildings.

16          c. *Describe how the solicitation process will address the following:*

17          i. *Offer existing demand response tools, technology or education*  
18          *to help multi-family households shift load to off-peak times.*

19                 PG&E proposes to include in its MFWB Program solicitation  
20                 that bidders include in their proposals how they will integrate  
21                 offering existing demand response tools, technology or  
22                 education to help multi-family households shift load to off-peak  
23                 times in their MFWB Program.

24          ii. *Provide multi-family building owners flexibility in choosing a*  
25          *contractor to implement ESA-funded energy efficiency*  
26          *measures, including processes with open or continuous*  
27          *enrollment and trainings, cost control measures (such as*  
28          *competitive bids), and coordinated statewide requirements.*<sup>153</sup>

29                 As part of PG&E's MFWB Program solicitation, PG&E  
30                 proposes to request bidders to define how they will provide  
31                 multi-family property owners flexibility in choosing a contractor

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<sup>153</sup> SB 454 (2011) requires that recipients of utility incentive dollars to warrant they have complied with building permit requirements and used licensed contractors.

1 to implement ESA-funded EE measures for common areas  
2 while utilizing the expertise of existing ESA-trained contractors  
3 as stated above in Section D.9.a.iv. PG&E is focused on  
4 ensuring a seamless transition of the program from one cycle to  
5 another and will encourage bidders to be mindful of the cost and  
6 the importance of local businesses in the communities we  
7 serve.

8 PG&E proposes to request bidders to detail their contractor  
9 processes, including the following:

- 10 • Contractor Strategy, including: Properties requesting full  
11 MFWB treatment, properties requesting CAM only  
12 measures, properties requesting in-unit only treatment only,  
13 or MF low-income households requesting in-unit treatment;
- 14 • Contractor Management Processes, including: Contractor  
15 recruitment, open or continuous contractor enrollment,  
16 contractor licensing verification, on-boarding, training,  
17 technical support, contractor performance, and how to  
18 utilize current local trained and certified ESA contractors;
- 19 • Cost Control Measures: Such as competitive bids and  
20 direct install components they plan to implement to ensure  
21 ratepayer funds are being utilized most effectively; and
- 22 • Coordinate Statewide Requirements: For properties  
23 receiving a fuel source from another IOU.

- 24 iii. *Address the need to work with multi-family building*  
25 *owners/managers to plan ESA energy efficiency projects that*  
26 *coincide with other building upgrades or building refinancing.*

27 PG&E proposes to include in its MFWB Program solicitation  
28 that bidders include how they will work with multi-family building  
29 owners/managers to plan ESA EE projects that coincide with  
30 other building upgrades or building refinancing in their  
31 proposals.

1                   iv. *Address whether bidders may submit bids that propose serving*  
2                   *the entire state, or specific geographic areas, or specific*  
3                   *prioritized populations.*

4                   PG&E proposes that bidders will submit proposals that  
5                   serve PG&E's entire geographical area. PG&E proposes to use  
6                   a single administrator to facilitate collaboration, leveraging and  
7                   integration with other state or federally funded income-qualified  
8                   programs to fully cover PG&E's territory. PG&E proposes that  
9                   the single third-party administrator subcontract with other  
10                  providers serving specific geographic areas or specific  
11                  prioritized populations as needed to deliver an innovated, robust  
12                  MFWB Program that drives deep energy savings. PG&E  
13                  anticipates that having a single MFWB Program administrator  
14                  for PG&E's territory will enable a smooth transition should the  
15                  Commission direct a single administrator to serve the  
16                  entire state.

17               v. *Address whether feasible and appropriate opportunities for job*  
18               *training, job creation, or pathways to employment for members*  
19               *of low-income or disadvantaged communities who participate in*  
20               *local job training programs are incorporated.*

21               As part of PG&E MFWB Program solicitation, PG&E  
22               expects to request bidders to use local hiring practices,  
23               including engagement with local job training programs for  
24               placement into job opportunities prior to listing with the general  
25               public. PG&E is focused on ensuring a seamless transition of  
26               the program from one cycle to another and will encourage  
27               bidders to be mindful of cost and the importance of local  
28               businesses in the communities we serve. As stated in  
29               Section D.9.c.ii., PG&E will encourage vendors to consider the  
30               benefits of working with all local-trained and certified ESA  
31               contractors.

32               In addition, the solicitation process will request bidders to  
33               explore feasible opportunities to encourage workforce  
34               development, such as:

- Encouraging hiring of staff residing in DACs to fill positions created as a result of ESA MFWB;
- Develop a workforce development network list; and
- Coordinate and leverage relationships with workforce development and contractor associations, such as California Workforce Development Boards, Center for Sustainable Energy, and community colleges.

## **Other Elements in ESA Program Design and Delivery**

### **10. Proposed Performance Assessments To Inform Future Cycle**

#### **Decision Making [WITNESS: O'DRAIN]:**

*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.*

To support the assessment of program performance and benefit to the ESA participants, PG&E is proposing two changes in the approach to define and budget of ESA studies:

- 1) Forming an ESA/CARE Study Working Group; and
- 2) Adopting Energy Efficiency's Measurement and Evaluation Studies funding approach.

#### **Formation of an ESA/CARE Study Working Group**

PG&E, in conjunction with the other IOUs, proposes the formation of an ESA/CARE Study Working Group to provide a transparent and robust study process. The ESA/CARE Study Working Group will provide input on the scope, timeline, and budget of studies. The Study Working Group could take a consensus driven approach with the goal of maximizing timely results. The IOUs expect the Study Working Group to hold quarterly meetings, jointly review proposed study statements of work, and participate in project kick-offs. This approach is expected to facilitate more relevant and focused studies that include budgets that are commensurate with the specific objectives and methodology necessary to execute the work for each study.

1 Adopting Energy Efficiency's Measurement and Evaluation Studies  
2 Funding Approach

3 PG&E proposes adopting Energy Efficiency's approach of defining  
4 an overall statewide study budget along with a study roadmap process  
5 that provides both transparency and flexibility to scope forthcoming  
6 study proposals and associated budgets. The IOUs propose to include  
7 their annual study roadmap in their Annual ESA-CARE Reports. With  
8 this approach, statewide budgets are proposed for study categories, not  
9 specific studies. Specific budgets for each specific study would be  
10 designated as they are scoped. The IOUs plan to work with the  
11 ESA/CARE Study Working Group to finalize the project scope and  
12 timing of each study.

13 Appendix C provides additional details regarding the proposed  
14 ESA/CARE Study Working Group process along with the studies  
15 roadmap process.

16 **a. Impact Evaluation**

17 *Propose a budget, scope, objectives, schedule, and*  
18 *methodology for the next impact evaluation. Present a detailed*  
19 *discussion of how 2015-2017 impact evaluation results influenced*  
20 *current (PY 2018-2020) program goals and planning. How would*  
21 *the proposed next impact evaluation(s) have improved value and aid*  
22 *prompt improvements to program performance and benefit*  
23 *to participants?*

24 As detailed in Appendix C, for the 2021 to 2026 ESA/CARE  
25 application, the IOUs propose two to four statewide impact  
26 evaluation studies with a total statewide budget of \$1,500,000.  
27 Each study will have a not-to-exceed budget of \$500,000.

28 PG&E anticipates at least two impact evaluations to occur;  
29 one of the ESA Plus Program for PYs 2022-2023 and one of the  
30 MFWB Program for PYs 2023-2024. This would allow evaluation of  
31 new program changes to potentially be completed in time to use  
32 results in next application planning. Other impact evaluation studies  
33 could be more focused on specific measures or other program areas  
34 of interest.



1           The IOUs are anticipating extensive program design and  
2           implementation changes during this program cycle. As discussed  
3           elsewhere in this application, PG&E is anticipating a 15-month  
4           transition to solicit and implement new proposed program designs  
5           for its ESA Plus Program, and a 22-month transition to solicit and  
6           implement its MFWB Program. As stated in the Application, these  
7           transition periods may be adjusted based on the solicitation of each  
8           program. The IOUs are proposing to use impact studies to focus  
9           on effectiveness of their new program design and measures.  
10          In addition to the impact evaluation, the IOUs are proposing some  
11          complementary process evaluation elements, discussed in  
12          Section D.10.c., to augment the program impact study, especially in  
13          light of the extensive program design and implementation changes.  
14          The specific scope and budget for each of the impact evaluations  
15          will be finalized in the ESA/CARE Study Working Group.

16          The specific impact evaluation studies, including the scope,  
17          timeline, and budget for each specific impact evaluation are  
18          undefined at this time. PG&E proposes the IOUs work with the  
19          ESA/CARE Study Working Group (proposed in Section D.10. above  
20          and in Appendix C) to finalize scope and timing of the evaluation  
21          studies.

22          PG&E continues to leverage findings and data from studies  
23          conducted during prior program cycles to inform its ESA portfolio  
24          proposals and ongoing program improvements. The 2015-2017  
25          Impact Evaluation Phase 2 results are used in this application to  
26          determine energy savings. PG&E's proposed ESA Program  
27          addresses the challenges of decreasing energy savings by changing  
28          the balance of benefits between energy savings and hardship  
29          reduction. PG&E presents a detailed discussion of how 2015-2017  
30          Impact Evaluation results influence both current and application  
31          program goals and planning in its discussion of Impact Evaluation  
32          results in Section B.2.a., and in its detailed discussions of the effect  
33          of lower ESA energy savings in Sections A.2., C.3, and D.6.



1           b) **Low-Income Needs Assessments (LINA)**<sup>154</sup>

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

7                 **LINA Studies:** Per Pub. Util. Code Section 382(d), the CPUC  
8                 is mandated to complete a LINA Study every three years with the  
9                 assistance of the LIOB.

10                Given the current study will is anticipated to be completed in  
11                December 2019, a forthcoming Needs Assessment is required to be  
12                conducted. The IOUs plan to start the 2022 LINA study in 2020 and  
13                will scope it in 2019 in order to solicit and onboard a consultant in  
14                2020. Since this study will begin in 2020, the IOUs will file an AL to  
15                request authorization and budget for the 2022 LINA Study. The  
16                requested funding for the 2022 LINA Study is proposed to fund 2020  
17                related expenditures and unspent authorized, committed 2022 LINA  
18                budget from the 2017-2020 cycle will carry over into the 2021-2026  
19                program cycle to complete the study by December 31, 2022.

20                As detailed in Appendix C, the IOUs propose two LINA Studies  
21                to begin during the 2021-2026 program cycle, with not-to-exceed  
22                statewide budgets of \$500,000 each (allocated evenly between the  
23                CARE and ESA Programs):

- 24                1) 2025 Statewide LINA (to be scoped and solicited in 2023); and  
25                2) 2028 Statewide LINA (to be scoped and solicited in 2026).

26                As with the 2022 LINA Study, the 2028 LINA Study will cross  
27                program cycles and required authorized committed funding to be  
28                carried forward into the next program cycle.

29                PG&E anticipates continuing to use the LINA studies to help  
30                improve CARE and ESA Programs ability to meet customer needs.  
31                The LINA studies accommodate changing markets and

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<sup>154</sup> The Low-income Needs Assessment is required every third year pursuant for Pub. Util. Code Section 382 (d).

implementation strategies through examination of low-income needs and research questions, as described in Section B.2.

c) **Studies and 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.*

Studies

In addition to the Impact Evaluations and LINA studies discussed above in Section D.10.a. and D.10.b., PG&E, in conjunction with the other IOUs, is proposing the following statewide studies for the 2021-2026 is program cycle:

- One to four ESA Process Evaluations as recommended in the 2017 Impact Evaluation;
- One CARE-ESA Categorical Eligible Program Update Study  
Funding for this Study will be split between the CARE and ESA Programs at 50 percent each; and
- One NEB Study.

As described in Section D.10. and Appendix C, statewide budgets are proposed for study categories, not specific studies. Budgets will be designated for each specific study as it is scoped. PG&E proposed the IOUs work with the ESA/CARE Study Working Group to finalize the project scope and timing. Table I-36, below, summarizes the study budget by study category.

In addition, PG&E is requesting additional EM&V Research funding of \$300,000 that will enable additional PG&E-specific research projects or data analyses during the 2021-2026 program cycle to assist in answering questions not included in a specific study but that may arise during the course of running the low-income programs. These are expected to be deployed following the Study Working Group process described in Section D.10. and Appendix C.

1 A summary of each of the proposed studies is included below.  
2 Additional details regarding the study description, rationale, budget,  
3 and timing for each of the evaluations is described in Appendix C.

4 Statewide Process Evaluations: IOUs are proposing one to four  
5 process evaluations to review new and specific ESA Program  
6 elements to be defined within the ESA/CARE Study Working Group.  
7 The total statewide proposed budget for these studies is \$500,000.  
8 This proposed process evaluation(s) will assess program progress  
9 once the program has operated for a minimum of 12 months, and is  
10 anticipated to begin in late 2023 or early 2024. It will assess  
11 whether and how the program is achieving desired outcomes  
12 according to original planning and design. Lessons learned and  
13 recommendations will inform if the program is operating as intended  
14 and what may be the elements should be adjusted to achieve  
15 optimal program impacts. The key objective of the study(s) is to  
16 ensure the program activities are consistent and producing intended  
17 outputs and outcome and to propose processes to help the program  
18 better achieve its goals and objectives.

19 NEBs Primary Research and NEBs Model Update: One of the  
20 recommendations from the 2019 NEBs study is for California to  
21 invest in primary data collection to form California specific values for  
22 a selected set of NEBs. Until now, IOUs have relied on literature  
23 research to gather best available and most recent NEBs  
24 documentations and NEB value data. This approach has not  
25 yielded the robust and reliable results that the IOUs and  
26 stakeholders desired. During 2021-2026, IOUs are proposing a  
27 focused primary market research effort to collect California specific  
28 NEBs values. This focused study will use outputs and  
29 recommendations from the 2020 NEBs Follow-Up Study and it is  
30 anticipated to begin in 2021. The results from this primary research  
31 will feed into the NEBs model for benefit calculation.  
32 The preliminary statewide budget for this study is \$500,000. PG&E  
33 proposes the IOUs work with the ESA/CARE Study Working Group  
34 to finalize the project scope, timing, and budget.

1                   Statewide CARE-ESA Categorical Program Study: The IOUs  
2 propose to conduct a study to update the list of categorically-eligible  
3 programs. ESA and CARE programs are allowed to  
4 categorically-enroll households that participate in other  
5 means-tested programs. The income requirement for enrolling in  
6 CARE and ESA Programs is less than or equal to 200 percent of  
7 FPL, as set forth in Pub. Util. Code Section 739.1(b)(1). The current  
8 list of categorically-eligible programs has not been reviewed or  
9 updated since 2013. This study will review eligibility requirements of  
10 currently authorized programs and seek other programs with similar  
11 eligibility criteria in order to update the list of means-tested programs  
12 that may be used to qualify customers to participate in CARE and  
13 ESA Programs. In addition, this study will review the income  
14 verification process of these programs to determine if their process  
15 can be leveraged by CARE in support of the CARE PEV process.  
16 This information can be used for program design and updates.  
17 The purpose of this study is to review the effectiveness of these  
18 categorical program design, participant eligibility requirements and  
19 other implementation concerns, relative to the targeted population  
20 for these services. The proposed budget for this statewide study  
21 is \$150,000. Funding for this study would be evenly allocated  
22 between the CARE and ESA budgets. This study is anticipated to  
23 begin in 2021.

24                   Summary of Study Budget: Table I-36 provides a summary of  
25 the proposed budget for each study category for 2021-2026.  
26 As discussed in Section D.10. and in Appendix C, the budget for  
27 each specific study will be determined once the study has  
28 been scoped.

**TABLE I-36  
2021-2026 STATEWIDE STUDIES AND BUDGETS**

Line No.	Statewide Study Categories	Statewide Budget			PG&E Study Budget		
		Statewide	ESA (50%)	CARE (50%)	Total	(CARE (50%))	ESA (50%)
1	Statewide Study Categories						
2	Impact Evaluations (2-4 studies)	\$1,500,000	\$1,500,000	-	\$450,000	\$450,000	-
3	Process Evaluations (1-4 studies)	500,000	500,000	-	150,000	150,000	-
4	LINA (2 studies) <sup>(a)</sup>	1,000,000	500,000	\$500,000	300,000	150,000	\$150,000
5	Non Energy Benefits Study (1 study)	500,000	500,000	-	150,000	150,000	-
6	Statewide CARE-ESA Categorical Study (1 study)	150,000	75,000	75,000	45,000	22,500	22,500
7	Statewide Subtotal	\$3,650,000	\$3,075,000	\$575,000	\$1,095,000	\$922,500	\$172,500
8	<u>IOU Discretionary Studies</u>						
9	PG&E	\$300,000	\$300,000	-	\$300,000	\$300,000	-
10	SCE	300,000	300,000	-	-	-	-
11	SoCalGas	300,000	300,000	-	-	-	-
12	SDG&E	300,000	300,000	-	-	-	-
13	Statewide Subtotal	\$4,850,000	\$4,275,000	\$575,000	\$1,395,000	\$1,222,500	\$172,500

(a) LINA 2022 Study will be requested from 2017-2020 budget in an AL to be filed in Q4 2019. The AL will request to carryover committed funding to the 2021-2026 cycle.

PG&E supports the continuation of the current Joint Utility Funding Split for joint projects funded between the four IOUs. The funding split is detailed in Table I-37.

**TABLE I-37**  
**JOINT UTILITY STUDY FUNDING SPLIT**

Line No.	Utility	Funding Split
1	PG&E	30%
2	SCE	30%
3	SoCalGas	25%
4	SDG&E	15%

**Pilots [WITNESS: LEIVA JUNGBLUTH]**

PG&E is proposing two pilots for the 2021-2026 program cycle as detailed below.

Virtual Energy Coach Pilot: The purpose of PG&E's proposed Virtual Energy Coach Pilot is to extend and enhance the results of the Low-Income Disaggregated Load Profiles Project, which was ordered by D.16-11-022 and modified by D.17-12-009. The plan is to use the disaggregated load profiles of CARE and ESA customers to test the impact of personal use information, communications and interactions on energy savings, residential rate selection, participation in other programs and changes in behavior.

The proposed pilot will provide ESA Program participants with a Virtual Energy Coach (VEC) to help them implement their personalized energy action plan. The results are anticipated to assist in determining if additional support, follow up, progress tracking, and recognition can cost-effectively make a positive difference in energy use, hardship reduction, customer engagement and satisfaction. See detailed VEC Pilot Implementation Plan in Attachment A.

Long-Term CARE Customer (LTC) Pilot: The LTC Pilot is proposed during the 2021-2026 program cycle to test the effectiveness of different outreach and communications to increase ESA participation with long-term CARE customers (defined as 10 or

more years continuously) that have not previously enrolled in ESA. Both groups will receive information that require their response or risk losing their CARE discount. However, one group of customers will receive communications focused on the benefits of ESA. The other group will receive communications focused on the economic impact of potentially losing their CARE discount. Data collection and analysis on the impacts of both positive benefits and negative economic impacts will be important in informing future ESA and CARE enrollment policies. See detailed LTC Pilot Implementation Plan in Appendix D.

**11. Cost-Effectiveness [WITNESS: O'DRAIN]**

- 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.*

PG&E used the two cost effectiveness tests authorized for the ESA Program: the ESACET and the Resource Test.<sup>155</sup> Table A-7 in Chapter IV illustrates cost effectiveness trends over time.

D.19-05-019 required all Distributed Energy Resources to perform the TRC, Ratepayer Program Administrator Cost, and Ratepayer Impact Measure (RIM) Tests when performing cost-effectiveness analyses.<sup>156</sup> While the TRC is not considered the primary test for ESA, in compliance with D.19-05-019, these three tests were run at the portfolio level and included for informational purposes in Table A-7 in Chapter IV.

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<sup>155</sup> These two tests were authorized by the Commission in D.14-08-030 and reiterated again for continued use in this application in D.19-06-022, D.14-08-030, OP 43.c, Conclusion of Law (COL) 45.c, p. 66; and D.19-06-022, Attachment A, Section I.D.11.a.i, p. 24 and Attachment B, Tables A-7, A-8, and A-9.

<sup>156</sup> D.19-05-019 *Decision Adopting Cost-Effectiveness Analysis Framework Policies For All Distributed Energy Resources*, OP 2 and p. 17.



1 The ESACET has been specifically developed and authorized  
2 as the primary test to assess cost-effectiveness, including  
3 consideration of NEBs for the ESA Program and includes: all  
4 measures, all known benefits (including energy savings and NEBs),  
5 and all costs (including administrative costs).<sup>157</sup> NEBs included in  
6 this test were updated in 2019.<sup>158</sup>

7 The Resource Test excludes measures designated as  
8 “non-resource” measures. Non-resource measures are measures  
9 with “little to no energy savings, but significant NEBs, such as  
10 health, comfort and/or safety.”<sup>159</sup> For example, the regular furnace  
11 repair and replacement measure (as opposed to the recently added  
12 High Efficiency Furnace measure) is driven by its Natural Gas  
13 Appliance Test (NGAT) failure, not by potential to save energy.  
14 In fact, repaired HVAC applications frequently lead participating  
15 households to use cooling and heating services that they were not  
16 using before, thus generating more energy usage. However, these  
17 negative savings may also promote and produce favorable HCS  
18 benefits for the program participants.

19 Non-resource measures excluded from the Resource Test  
20 include those sub-measures with zero or negative kWh or Therm  
21 annual savings. The Resource Test includes only the avoided cost  
22 benefits and the installation costs for the resource measures; NEBs

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<sup>157</sup> D.14-08-030, OP 43.c, COL 45.c, p. 66; adopted the Cost-Effectiveness Working Group's Final Report (July 15, 2013), describing the two new ESA cost effectiveness tests (available at the following link: <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=99753158>). Tests were refined in the CEWG's June 1, 2018 recommendations; available at: <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=99753158> In their June 2018 report, the CEWG recommended the IOUs continue to use ESACET as the primary cost effectiveness test for ESA, and continue to use the renamed Resource Test for informational purposes only (Table 1, p. 4), and to revisit the usefulness of the Resource Test in the future.

<sup>158</sup> SERA. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California ESA Program, Vols. 1 and 2, Final. August 2019.  
(See: <https://pda.energydataweb.com/#!/documents/2295/view>).

<sup>159</sup> Recommendations of the ESA Program CEWG, dated June 1, 2018. The CEWG's Reports can be seen at the following link:  
<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=99753158>.



1 and administrative costs are not included in the test. Therefore, the  
2 Resource Test is not comparable to the ESACET but provides some  
3 information on the contribution of resource measures to the ESA  
4 Program. The Resource Test is included for informational uses  
5 only.

6 The CE WG recommended that a team reconvene to discuss  
7 and determine what cost-effectiveness threshold to use for the ESA  
8 Program. In the meantime—absent a specified threshold—PG&E  
9 set a 0.7 average portfolio threshold for the cycle as its goal. PG&E  
10 determined that considering available data, the 2021-2026 ESA  
11 portfolio proposed in this application provides a balanced  
12 cost-effective ESA portfolio, balancing potential energy savings with  
13 increased HCS for its low-income customers.

14 Cost-effectiveness results for ESA are shown in Chapter IV,  
15 Table A-7.

16 i. *In presenting cost-effectiveness results and trends apply*  
17 *consistent and compliant methodology for calculating*  
18 *cost-effectiveness (see D.14-08-030 for adopted*  
19 *Cost-Effectiveness Working Group recommendations) and use*  
20 *the updated savings values from the 2015-2017 ESA*  
21 *Impact Evaluation.*

22 PG&E followed the cost effectiveness methodology adopted  
23 in D.14-08-030, as well as the directives of D.19-05-019  
24 regarding cost effectiveness.<sup>160</sup> PG&E used the updated ESA  
25 2015-2017 ESA Impact Evaluation Phase 2 results in the  
26 ESACET and Resource Tests, as well as in the TRC, PAC, and  
27 RIM tests. Updated NEBs from the 2019 NEBs Study were also  
28 used. Both Impact and NEBs Study results were described  
29 previously, in Section B.2.

30 b. *The Commission is to “take into consideration both the*  
31 *cost-effectiveness of the services and the policy of reducing the*

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<sup>160</sup> D.14-08-030, OP 43.c, COL.45.c, p. 66; and D.19-06-022, Attachment A, Section I.D.11.a.i, p. 24 and Attachment B, Tables A-7, A-8, and A-9.

1 *hardships facing low-income households”<sup>161</sup> when setting policy*  
2 *governing energy efficiency services for low-income households.*

3 i. *What changes, if any, do you propose for the method of*  
4 *cost-effectiveness calculation adopted in D.14-08-030 per*  
5 *Cost-Effectiveness Working Group recommendations?*

6 Consistent with the CEWG’s recommendations, PG&E is  
7 using the ESACET and Resource Tests with the aspirational  
8 goal of achieving a cost/benefit ratio as close to one as possible  
9 which is a significant challenge given PG&E’s approach with  
10 increasing comfort and health measures aimed at addressing  
11 the need states. As stated above, considering available data,  
12 PG&E’s average 2021-2026 ESACET ratio of 0.72 includes a  
13 balanced mix of measures providing both energy and NEBs to  
14 low-income customers. PG&E proposes no changes to the  
15 method of cost-effectiveness calculation for ESACET adopted in  
16 D.14-08-030 per CEWG recommendations.<sup>162</sup>

17 PG&E proposes that the Resource Test no longer be  
18 required because it provides little additional value. In their June  
19 2018 report, the CEWG recommended the IOUs continue to use  
20 ESACET as the primary cost effectiveness test for ESA, and to  
21 revisit the usefulness of the Resource Test in the future.<sup>163</sup>

22 The Resource Test includes only the avoided cost benefits and  
23 the installation costs for the measures; NEBs and administrative  
24 costs are not included in the test to understand the contribution  
25 of resource measures to the program. Cost effectiveness  
26 without NEBs are calculated for the TRC, RIM, and PAC tests,  
27 and ESACET includes both the energy and NEBs provided by  
28 the program. PG&E believes the Resource Test provides little  
29 additional value and proposes it be discontinued.

30 (See Section D.7.)

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<sup>161</sup> Pub. Util. Code Section 2790.

<sup>162</sup> D.14-08-030, OP 43.c, COL 45.c, p. 66.

<sup>163</sup> The CEWG’s June 1, 2018 recommendations (Table 1, p. 4); available at:  
<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=99753158>.

- 1                   ii. *Explain how cost-effectiveness results have informed design*  
2                   *and/or delivery and identify any proposed changes.*

3                   PG&E performed the ESACET on its proposed 2021-2026  
4                   ESA Program and adjusted the measure mix to help achieve an  
5                   ESA Program design that is cost effective at the portfolio level.  
6                   Refer to Section D.6. for proposed changes. ESACET results  
7                   are provided in Tables A-7, A-8, and A-9 in Chapter IV.

## 8       **E. ESA Program Administration**

### 9           1. **Components of Program Administration [WITNESS: BENASSI]**

- 10           a. *Per the proposed design and delivery, list and define the necessary*  
11           *components of program administration (e.g., Contract solicitation,*  
12           *negotiation, and management; sharing data and information;*  
13           *reporting for compliance; audits; change management). Suggest*  
14           *any proposed changes to policies that would significantly reduce*  
15           *utilities' administrative costs in offering ESA services.*

16                   Program administration components are identified in Table I-38  
17                   below and cover both the ESA Plus Program (introduced in  
18                   Section B.1.) and the third-party administrator for the MFWB  
19                   Program (Section D.9.). Table I-38 discusses responsibilities of  
20                   PG&E, third-party vendors, and program subcontractors.

**TABLE I-38  
PROGRAM ADMINISTRATION COMPONENTS**

Line No.	Program Administration Components	Program Element Definition	PG&E	Third-Party Vendors	Subcontractors
1	Contracts	Request for Proposal (RFP), including contract negotiation through contract execution	Manages solicitation process via PRG/IE; result is contract execution	Participates in solicitation process, including contract negotiations; result is executed contract	May provide input to third-party vendors in support of RFP
		Contract management	Contract(s) with third-party vendors	Contracts with subcontractors, if applicable	N/A
		Performance evaluation – development and ongoing assessment (KPIs)	Evaluation of third-party vendors and feedback as well as corrective action planning	Adherence to KPIs and evaluation of subcontractors, if applicable	Adherence to KPIs and improvement plan development and execution
		Payment structure and process for payments	Payments to third-party vendors for measure installation work and for program administration	Payment to subcontractors, if applicable	N/A
2	Change Management	Program transition plan	Development and management of program transition plan	Review and adherence to program transition plan	May contribute to program transition plan
		Program design plan of ESA Plus Program	Development and management of program design plan	May contribute to program design plan	May contribute to program design plan
		Program design plan of MFWB Program	Review and oversight adherence of program design plan	Development and management of program design plan	May contribute to program design plan
		Program implementation plan	Review, approval, and oversight adherence of program implementation plan	Development and management of program implementation plan	May contribute to program implementation plan
2	Change Management	Communications	Communication with internal and external stakeholders including customers, third-party vendors, and subcontractors	Communication with subcontractors and PG&E	Communication with third-party vendors and PG&E
		Data analysis, risks identification and mitigation strategies	Review and approval of risk and mitigation plan and oversight on adherence	Development and management of risk and mitigation plan	Ongoing program feedback, obstacles or challenges
		Program database	Development and implementation of database requirements Set up third-party vendors and subcontractors in program database, if applicable	Support requirements development. Manage subcontractors	Test and report data or system issues
		WE&T	Energy Training Center to train third-party vendors and subcontractors, if applicable	Supplemental training of subcontractors or full training of workforce, if applicable	Soft skills and database tools training
3	Customer Data Sharing	Maintain customer database	Develop customer data sharing guidelines and governance, share customer data with third-party vendors and subcontractors	Utilize and safeguard customer data appropriately	Utilize and safeguard customer data appropriately
		Capture program enrollments	N/A	Validate projects	Create projects in customer database
4	Program Delivery	Customer pipeline management	Oversee customer pipeline management	Development and management of customer pipeline	Support and maintain pipeline management
		Customer acquisition	PG&E marketing and outreach support	Support in outreach events and connecting with local organizations with relationships with low-income customers or properties	Leverage various acquisition channels including: outreach events, outbound calling, canvassing, etc.
5	Program Delivery	Customer enrollment	Provide program forms and channels for enrollment	Validate enrollments are complete	Enroll customers
		Materials management, if applicable	Specifications development, solicit and maintain bulk purchasing contract and negotiate pricing	Ensure bulk purchase materials are used	Order and install bulk purchase materials
		Measure installation	Post NGAT Gas Service Representatives (GSR) dispatch, if applicable	Oversee measure installation	Install measures
		Customer support	PG&E call center support and complaint resolution	Call center support and complaint resolution	Call center support
6	Reporting	Customer satisfaction	Customer survey to evaluate customer experience and program performance	Quality assurance of subcontractors	N/A
		Regulatory reporting	Reporting to CPUC and stakeholders	Data entry adherence to support reporting	Data entry adherence to support reporting
7	Audits	Internal reporting	Program metrics: third-party vendors goals and KPIs	Reporting to PG&E	Reporting to third-party vendors
		Income verification audits	Perform sample audit	Audit subcontractor enrollments	Audit enrollments
		Measure installation audits	Sample through Central Inspection Program	Inspect subcontractor work	Inspect work
		QA/QC of measure installation payments	QA/QC of invoice payments to third-party vendors	QA/QC of invoice payments to subcontractors	QA/QC of invoice payments
		QA/QC of program payments to third-party vendors	QA/QC of invoice payments to third-party vendors	QA/QC of invoice payments	N/A

1 PG&E proposes to continue to contract with third-party vendors  
2 to implement the ESA Plus Program. In addition, PG&E proposes to  
3 use a third-party vendor for the design and implementation of its  
4 entire MFWB Program, including all in-unit and common area  
5 treatments. PG&E expects to oversee the administrator contracts  
6 and the administrators will manage their own contracts with  
7 program subcontractors.

8 *i. Suggest any proposed changes to policies that would*  
9 *significantly reduce utilities' administrative costs in offering*  
10 *ESA services.*

11 While PG&E is proposing several changes to the program  
12 policies in Section D.7. above, none of these changes  
13 significantly reduce utilities' administrative costs in offering ESA  
14 services.

15 **2. Program Implementers [WITNESS: BENASSI]:**

16 *a. List all solicitations the IOU would run to contract implementers to*  
17 *carry out programs described in the Design and Delivery sections*  
18 *above. Which Design and Delivery elements, if any, will not be*  
19 *solicited for implementation by third-party entities, and why? Energy*  
20 *efficiency programs per Commission D.18-01-004 are third-party*  
21 *designed and delivered in part to keep administration costs low and*  
22 *optimize effectiveness of installed measures through innovation in a*  
23 *competitive marketplace. For Design and Delivery elements that*  
24 *are solicited, how will you ensure that there is a sufficient number of*  
25 *third-party program implementers competing?*

26 *i. List all solicitations the IOU would run to contract implementers*  
27 *to carry out programs described in the Design and Delivery*  
28 *sections above.*

29 PG&E proposes to hold two solicitations in support of the  
30 programs described in the Design and Delivery sections above:

31 1) Program administrator(s) to implement the ESA Plus  
32 Program. PG&E will maintain ownership of the program  
33 design. Refer to Section B.1. for ESA Plus Program

proposal summary and Section D.1. for details regarding the  
ESA Plus Program; and

2) Third-party administration of the MFWB Program to include  
program design and implementation. Refer to Section 9 for  
details regarding the MFWB Program.

ii) *Which Design and Delivery elements, if any, will not be solicited  
for implementation by third-party entities, and why?*

PG&E will not include program design elements in the ESA  
Plus Program solicitation as PG&E has extensive experience in  
running the ESA Program, and has detailed insights into  
low-income single family and mobile home customer segment to  
be able to address these customers' needs.

The RFPs for the ESA Plus and the MFWB Programs  
propose to solicit for the delivery of program elements identified  
in Table I-38 above. For both programs PG&E anticipates it will  
continue to:

- Utilize internal marketing resources for program awareness  
marketing campaigns and to cross-promote ESA with other  
programs administered by PG&E. Program administrators  
are expected to also employ their own marketing resources  
and strategies to promote the programs and drive program  
participation;
- Utilize PG&E call centers to provide customer support for  
customers interested in enrolling in the ESA Programs as  
some customers require a reassurance in program  
legitimacy by a PG&E representative. Program  
administrators are expected to also provide their own  
call center customer support as needed;
- Utilize PG&E Energy Training Center to continue to provide  
subcontractor onboarding and training to ensure adherence  
to the program and installation policies. Program  
administrators are also expected to provide supplemental  
workforce training as needed;

- Offer NGAT as a measure to eligible customers and performed by administrators' NGAT technicians; this measure will continue to be funded by PG&E's General Rate Case (GRC). PG&E GSR will be expected to continue assisting customers on NGAT related issues in support of ESA Program delivery; and
- Offer inspections through PG&E's Central Inspection Program (CIP) of work performed under the ESA Plus and the MFWB Programs. PG&E expects the administrators to perform their own Quality Assurance/Quality Control as well.

iii) *For Design and Delivery elements that are solicited, how will you ensure that there is a sufficient number of third-party program implementers competing?*

To ensure that there is a sufficient number of third-party program implementers competing in the solicitations, PG&E plans continue to leverage existing best practices of publicizing the ESA Plus and MFWB Programs RFPs across multiple platforms, including:

- PG&E website on the Bid Opportunities section;
- Proposal Evaluation & Proposal Management Application website;
- PG&E's e-mail distribution lists of known suppliers and past RFP participants;
- CPUC's e-mail distribution list of low-income suppliers; and
- ESA stakeholder working groups, such as the MFWG.

In addition, PG&E will host solicitation webinars to ensure vendors understand program requirements and solicitation process details. New to this program cycle, PG&E plans to publicize the RFPs on LinkedIn to test the effectiveness of that channel in attracting new bidders. PG&E will also explore the possibility of announcing the RFPs at forums attended by third parties such as industry association conferences, if deemed appropriate.



1           b. *Which Design and Delivery elements, if any, do the IOUs propose to*  
2           *administer as a statewide program, with a single third-party program*  
3           *implementer for all IOU regions?*

4           PG&E does not propose to administer any program design and  
5           delivery elements as a statewide program, with a single third-party  
6           program implementer for all IOU regions.

7           c. *Detail a proposed process for soliciting program implementers for*  
8           *your territory and statewide programs (if proposed above). Include*  
9           *discussion of solicitation and contracting processes from the current*  
10          *cycle, noting best practices, and lessons learned on each of the*  
11          *following elements:*

12          *Detail a proposed process for soliciting program implementers*  
13          *for your territory and statewide programs (if proposed above).*

14          To provide an additional level of transparency, PG&E proposes  
15          to establish a PRG, which will include low-income expertise, and an  
16          IE similar to EE's third-party solicitation process per D.18-01-004 for  
17          soliciting program implementers.<sup>164</sup> As described in Section D.9,  
18          the PRG and IE will monitor, evaluate and provide oversight of all  
19          phases of the solicitation process and this process will be used for  
20          selecting program administrators for PG&E's ESA Plus and MFWB  
21          Programs. PG&E will leverage EE expertise in setting up the PRG  
22          and IE and proposes to leverage and modify EE's PRG and IE  
23          Handbook to detail roles and expectations of the PRG and the IE,  
24          specific to ESA's solicitation process. The handbook will discuss  
25          eligibility requirements, guiding principles, roles and responsibilities  
26          of PRG, IE and PG&E, Non-Disclosure Agreements, and declaration  
27          of absence of conflict of interest.

28          The solicitation process includes the following steps as  
29          illustrated in Figure I-6 below:

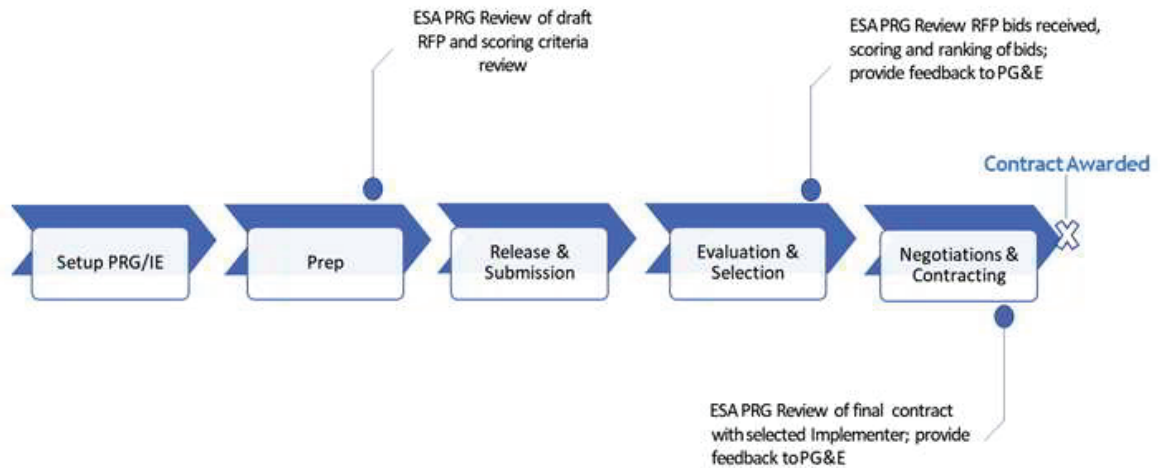
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<sup>164</sup> D.18-01-004.



**FIGURE I-6  
PROGRAM IMPLEMENTER SOLICITATION PROCESS**

**PRG/IE Solicitation Process**



PRG/IE setup: PG&E will announce the PRG membership and IE opportunities to relevant stakeholders who do not have a financial interest in the outcome of any solicitations. PG&E will review eligibility, select members of the PRG and the IE and inform them of what is expected of them during the RFP process to be outlined in the PG&E ESA PRG and IE Handbook. PG&E will leverage Energy Efficiency’s experience in setting up the PRG and the IE.

RFP preparation: PG&E will prepare the RFP which will include a reasonable RFP schedule, clear scoring criteria, and a detailed scope of work. The PRG and the IE will be given the opportunity to review the RFP package and provide feedback. During this stage, PG&E will host pre-bidder conferences as discussed in Section E.2.c.i. below.

RFP release and submission: PG&E will announce the RFP and post the RFP package in the Power Advocate platform allowing bidders to prepare and submit their proposals. Refer to Section E.2.c.i. below for additional insight on the use of Power Advocate in the solicitation process.

1 RFP evaluation and selection: PG&E will review the RFP  
2 proposals, score and rank them. Scoring and ranking will be shared  
3 with the PRG and IE for their review and feedback.

4 Negotiations and contracting: PG&E will enter contract  
5 negotiations with the selected RFP finalists. The PRG and the IE  
6 will review the final contract. PG&E will execute the contracts.

7 i. *Propose an outreach and communications strategy for the*  
8 *solicitation process that will garner a strong (in quantity and*  
9 *quality) response from third parties to the Request for*  
10 *Offer (RFO).*

11 PG&E proposes the following outreach and communication  
12 strategy for the solicitation process to garner a strong response  
13 from third parties:

- 14 • Announcing the RFPs via multiple communication channels;
- 15 • Hosting a pre-bidding conference;
- 16 • Posting the RFPs in Power Advocate; and
- 17 • Utilizing Power Advocate for communication with  
18 participating bidders.

19 Additional insight regarding PG&E's communication strategy  
20 is detailed in Section E.2.a.iii. above. PG&E plans to host  
21 solicitation conferences and webinars in support of each RFP  
22 which will provide information on the ESA Program and goals  
23 and will discuss the RFP process and timeline. The purpose of  
24 these conferences is to clarify the need for the RFP and to  
25 provide clear guidance on how to go through the bidding  
26 process. Interested parties who meet the bid pre-qualification  
27 requirements, will be invited to register on Power Advocate to  
28 participate in the RFP process. All communication between  
29 PG&E and bidders will be carried out via Power Advocate. All  
30 relevant RFP materials will be posted on Power Advocate and  
31 all proposals will be completed and submitted in Power  
32 Advocate. Utilization of Power Advocate will ensure that all  
33 bidders receive consistent information and that there is

1 transparency in the sharing of information and what documents  
2 must be submitted and the RFP timeline.

3 PG&E does not intend to use the two-stage RFP process  
4 utilized in EE's third-party solicitation process. PG&E will forgo  
5 the Request for Abstract (RFA) stage because the ESA  
6 solicitations are intended for: (1) the implementation portion of  
7 program delivery of the ESA Plus Program; and (2) the MFWB  
8 Program is for a single administrator. Removing the RFA stage  
9 is likely to compress the RFP schedule so PG&E can execute  
10 its program more expeditiously.

11 ii. *What controls ensure a fair, unbiased, transparent, and rigorous*  
12 *solicitation process, from RFO design, through bidder*  
13 *evaluation, to contract negotiation? Address whether there*  
14 *should be an independent evaluator, a procurement review*  
15 *group, and/or Commission review of contracts exceeding a*  
16 *certain amount, similar to requirements in D.18-01-004.*

17 A. *What controls ensure a fair, unbiased, transparent, and*  
18 *rigorous solicitation process, from RFO design, through*  
19 *bidder evaluation, to contract negotiation?*

20 To ensure a fair, unbiased, transparent, and rigorous  
21 solicitation process from RFP design, through bidder  
22 evaluation, to contract negotiation, PG&E plans to utilize  
23 the following:

- 24 • Review ESA RFP requirements defined by the  
25 Commission prior to RFP commencement;
- 26 • Two-part RFP process: (1) written proposal based on  
27 RFP package; and (2) interviews based on questions  
28 relating to submitted proposals;
- 29 • RFP scorecard is developed prior to the release of the  
30 RFP to identify subject areas for individual scoring and  
31 determine the appropriate weighting for each area;
- 32 • Once the RFP COA has been posted and through  
33 contract execution, all communications with potential

1 bidders and bidders is conducted through PG&E's  
2 sourcing team;

- 3 • Run the solicitations in Power Advocate, allowing all  
4 bidders to have access to the same information at the  
5 same time;
- 6 • All questions from bidders and PG&E responses are  
7 shared with all bidders; and
- 8 • Set up PRG and IE for solicitation for the program  
9 administration for the ESA Plus Program and for the  
10 third-party administration of the MFWB Program as  
11 discussed in Section E.2.c. above.

12 *B. Address whether there should be an independent evaluator,*  
13 *a procurement review group, and/or Commission review of*  
14 *contracts exceeding a certain amount, similar to*  
15 *requirements in D.18-01-004.*

16 PG&E proposes formation of the PRG and hiring an  
17 Independent Evaluator as described above in Section E.2.c.  
18 above since this ensures a high level of transparency in the  
19 procurement process. It is not proposed at this time to  
20 request Commission review of contracts.

21 *iii. What contract terms and conditions must the IOUs include in*  
22 *contracts to:*

- 23 • *Allow the IOUs to ensure that third-party program*  
24 *implementers comply with program rules and regulations;*

25 Several provisions can be included in PG&E's  
26 third-party implementer contracts to ensure they comply  
27 with program rules and regulations in accordance with  
28 the ESA Policies and Procedures Manual, Installation  
29 Standards Manual and the Income-Qualified Programs  
30 Decision requirements. These may include, but are not  
31 limited to:

- 32 – Flow through provisions in the contracts with the ESA  
33 Plus Program implementer(s) and MFWB administrator

1 to ensure they include program rules and regulations in  
2 contracts with their contractors;

- 3 – Provisions for audits of records related to  
4 subcontracting, including, but not limited to California  
5 Contractor B License and any other license or  
6 certificates required by the state of California, and  
7 training required by the program; and
- 8 – Provisions to audit program documents and inspect  
9 work performed to ensure compliance with program  
10 standards and quality of work performance.

- 11 • *Allow the IOUs to track implementer progress and ensure*  
12 *meeting performance milestones and goals;*

13 ESA Program will adhere to PG&E's best practices  
14 around tracking implementer progress and ensuring that  
15 program performance milestones and goals are met.  
16 Currently these include monthly reports and Quarterly  
17 Business Reviews with third-party vendors to review their  
18 performance on KPIs and Service Level Agreements (SLA).  
19 Performance reviews are anticipated to be conducted more  
20 frequently when warranted by deviation from the program  
21 plan. In the case of under-performance, timely corrective  
22 action plan will be developed as needed and PG&E will  
23 ensure that program implementers adhere to the plan.  
24 Weekly meetings with program implementers may be  
25 utilized to discuss day-to-day program operations and to  
26 identify and address any barriers to meeting program goals.  
27 Conducting program goal reporting monthly and invoicing  
28 work monthly has proven successful in providing timely  
29 insight into program's actual performance, as compared to  
30 forecasts and program goals.

- 31 • *Allow the IOUs to hold third-party program implementers*  
32 *accountable if progress and performance milestones are*  
33 *not met;*

1 PG&E proposes to include provisions in the third-party  
2 contracts that will hold program implementers accountable if  
3 progress and performance milestones are not met. The  
4 provisions under consideration may include, but are not  
5 limited to:

- 6 – Termination of contract for non-performance;
- 7 – Limiting work or access to customer data; reassigning  
8 work; and
- 9 – Contract provisions for liquidated damages if key  
10 requirements or program goals are not met:
  - 11 • Tying timing of implementer compensation to  
12 meeting program milestones; and
  - 13 • Building-in an amount of compensation at risk for  
14 under-performance on key quality components  
15 (such as home inspection pass rate) impacting  
16 overall program cost and customer experience.

17 In addition, PG&E can leverage any best practices  
18 and contract terms for under-performance not included  
19 above that will emerge from EE Third-Party contracts  
20 once third-party RFPs and contract negotiations are  
21 concluded.

- 22 • *Attract third-party entities to submit bids in response to*  
23 *solicitations; and*

24 PG&E will take several measures to attract third parties  
25 to submit bids in response to solicitations as defined in  
26 Section E.2.a.iii. above. In addition, PG&E will propose  
27 realistic and attainable RFP timelines which will be vetted by  
28 the PRG and the Independent Evaluator. This will ensure  
29 that bidders' resources are used effectively and that they  
30 receive consistent and timely feedback during the  
31 RFP process.

- *Allow third-party entities the certainty and ability to propose bids to implement programs without high price risk premiums.*

PG&E plans to allow third-party entities the ability to propose bids to implement programs without high price risk premiums. PG&E is aware that, at times, vendors propose bids with high price risk premiums when faced with uncertainty. To mitigate this PG&E plans to develop well-defined Scope of Work for the ESA Plus and the MFWB Program RFPs that will be reviewed by the PRG(s) and the IE(s) to ensure that vendors are provided clear program requirements. PG&E will continue to leverage existing Company practices of holding pre-bidding conferences to offer new bidders insight into the program and the RFP process. PG&E will continue to utilize its internal two-part RFP process in which bidders are requested to submit a written bid which is followed by bidder interviews giving them two opportunities to explain their proposals to PG&E.

- iv. *Please identify all contract terms and conditions that can feasibly be standard across all contracts and/or all the IOUs.*

Based on EE's efforts in support of D.18-01-004, PG&E believes that common contract terms and conditions can be feasibly made standard across ESA contracts and all IOUs. PG&E proposes to work with other IOUs to develop standard ESA contract terms and conditions that can be used for ESA administrator contracts. PG&E recommends that the IOUs leverage the Proposed Standard Third-Party Contract Terms and Modifiable Contract Terms developed by the IOUs for the administration of third-party EE programs<sup>165</sup> to develop Standard Contract Terms and Modifiable Contract Terms.

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<sup>165</sup> D.18-01-004, OPs 3 and 5.

1 These terms could be applicable to PG&E's ESA Plus and the  
2 MFWB Program administrator contracts.

3 Standard Contract Terms could include:

- 4 • Eligibility (type of business, license requirements, insurance  
5 and bonding requirements, etc.);
- 6 • Safety Requirements;
- 7 • Dispute Resolution Process; and
- 8 • Termination Process.

9 Contract provisions that are negotiable and subject to  
10 change based on third-parties' program design and  
11 implementation proposals can be captured in the Modifiable  
12 Contract Terms.

13 Modifiable Contract Terms could include:

- 14 • Workforce Standards and Quality Installation Procedures;
- 15 • Progress and Evaluation Metrics;
- 16 • Contract Term/Length;
- 17 • Payment Schedule and Terms;
- 18 • Data Collection and Ownership Requirements; and
- 19 • Coordination with other program administrators.

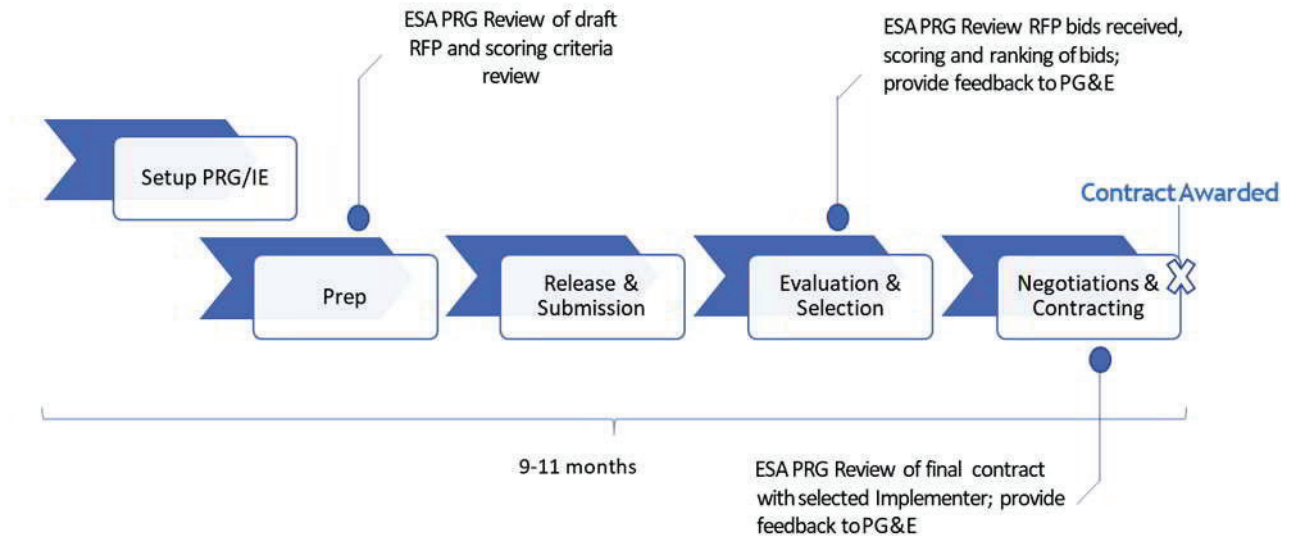
20 v. *Include a schedule for issuing the necessary solicitations and*  
21 *executing contracts.*

22 PG&E's schedule for issuing the ESA Plus Program  
23 solicitation and executing contracts is illustrated in Figure I-7.



**FIGURE I-7  
ESA PLUS SOLICITATION TIMELINE**

**ESA Plus Solicitation  
Implementer Solicitation Timeline**



Based on the EE third-party solicitation process, PG&E estimates the timeline for this solicitation process from PRG and IE setup through contract execution to take nine to eleven months as illustrated above. PG&E proposes to begin the solicitation process for the ESA Plus Program implementer within the first month following receipt of the Commission's final decision.

This timeline is based on the following:

- PRG/IE Setup Phase: 2-3 months, which includes one month overlapping with RFP preparation;
- Solicitation Process: 8-10 months from RFP preparation through contract execution.
- RFP Preparation Phase: Includes PRG/IE review of the RFP and scoring criteria.
  - RFP release and submission phase for bidders to prepare and submit their proposals;
  - RFP evaluation and selection phase includes PRG/IE review of RFP proposals, scoring and ranking; and

- Negotiations and contracting phase includes PRG/IE review of final contract.

PG&E’s schedule for issuing the ESA MFWB Program solicitation and executing a contract is detailed in Section D.9.a.iii., above. PG&E proposes to begin the solicitation process for the ESA MFWB Program third-party administrator within three months following of initiating the solicitation process for the ESA Program.

Since EE has not yet completed a third-party solicitation through contract award, PG&E proposes to work with the PRGs and IEs to modify the timelines for each solicitation based on the timing and directives of the final Decision. PG&E also proposes to adjust the program launch based on the solicitation process results.

**3. Audits [WITNESS: O’DRAIN]:**

a. *Changes and improvements should leverage learnings from both internal and external audits. Provide background via response to ‘I’ and ‘ii’ below and how audit results have influenced this application in response to ‘iii’.*

i. *Internal Audits: Describe internal audits of the utility’s ESA Program during the current program cycle and all utility-initiated audits of the ESA Program by a third-party consultant*

PG&E initiated an internal audit for the current program cycle in May 2019 that is targeted to be completed by the end of October 2019. The focus of this audit is to assess controls for managing the ESA Program, including: participant eligibility, service provider performance, inspection of installed EE measures, and IT security in compliance with CPUC requirements. The goal of the audit is to ensure: ineligible applicants are not participating in the ESA Program; implementers adhere to the contractual terms; inspections are properly performed to ensure customer’s safety, and unauthorized users are prevented from inappropriately modify unit cost in the system which may result in financial loss.

1 PG&E, for the 2012-2014 program cycle, conducted a  
2 two-part internal audit that began in 2014 and completed  
3 in 2015.

- 4 • Part 1: Evaluated PG&E's controls for managing the ESA  
5 Program and focused on ensuring that: (1) the ESA  
6 Program is in compliance with CPUC requirements,  
7 (2) participants meet the program's eligibility requirements,  
8 (3) payments for services provided by Richard Heath and  
9 Associates (RHA), PG&E's ESA implementer, and its  
10 subcontractors are valid, and (4) user access to the Energy  
11 Partners Online (EPO) system, ESA's program database  
12 from approximately 2004 – Q2 2018, is adequately  
13 monitored. Part 1 of internal audit concluded that PG&E's  
14 controls over the processes for managing the ESA Program  
15 need strengthening<sup>166</sup> in the following areas: (1) reviewing  
16 and approving measure price changes, (2) documenting  
17 CIP inspector performance, and (3) monitoring user access  
18 to EPO.
- 19 • Part 2: Evaluated PG&E's for complying with CPUC  
20 requirements for recording and reporting ESA Program  
21 costs. Part 2 of the internal audit concluded that PG&E's  
22 controls for recording and reporting ESA Program costs  
23 needed strengthening<sup>167</sup> in the following areas:  
24 (1) obtaining guidance from the CPUC on the reporting of  
25 fixed costs to the ESA Program, (2) establishing a  
26 procedure for recording the monthly and year-end accruals,  
27 (3) maintaining documentation to support the reports  
28 submitted to the CPUC, and (4) preventing and detecting  
29 duplicate payments.

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<sup>166</sup> To classify risks, PG&E's Internal Auditing uses the categories of low, medium, and high, based on the likelihood and significance of the risk resulting in harm to the Utility.

<sup>167</sup> To classify risks, PG&E's Internal Auditing uses the categories of low, medium, and high, based on the likelihood and significance of the risk resulting in harm to the Utility.

1 PG&E's response and corrective action for each conclusion  
2 of the two-part internal audit that began in 2014 and completed  
3 in 2015 for the 2012-2014 program cycle is provided below.

- 4 • Part 1: PG&E's response was a Management Action Plan  
5 that defined the corrective actions for each audit conclusion  
6 as follows:

7 Conclusion 1 found the ESA Program needs to  
8 strengthen reviewing and approving measure price  
9 changes, PG&E implemented the following corrective  
10 actions based on the Management Action Plan:

- 11 – Revised its measure price processes and created a  
12 Utility Procedure;
- 13 – Created an additional attachment to RHA Contract  
14 Work Authorization listing all measures and their prices  
15 by contractor and project area to serve as the single  
16 source from which measure prices will be entered  
17 into EPO;
- 18 – Created a procedure for the review and approval of  
19 measure price changes that requires coordination with  
20 the Sourcing Department to record any price changes in  
21 the contract; and
- 22 – Worked with External Verification to develop a process  
23 for receiving bill credits from RHA for any measures not  
24 installed or inappropriately installed, as identified during  
25 the CIP quality assurance review.

26 Conclusion 2 found the program needs to strengthen  
27 documenting CIP inspector performance, PG&E  
28 implemented the following corrective actions based on the  
29 Management Action Plan:

- 30 – PG&E revised its CIP process;
- 31 – Created a new CIP Field Observation Form to ensure  
32 that required supervisors ride-alongs are monitored,  
33 completed, and documented; and
- 34 – Internal Audit provided CIP with fraud training.

1                    Conclusion 3 found the program needs strengthen the  
2 monitoring user access to EPO, PG&E implemented the  
3 following corrective actions based on the Management  
4 Action Plan:

- 5                    – PG&E revised its EPO user access process and created
- 6                    two Utility Procedures;
- 7                    – Created a procedure to remove users who are inactive
- 8                    for 45 days;
- 9                    – Developed a policy and procedure for granting and
- 10                    managing user access to EPO; and
- 11                    – Assigned an owner to manage user access to EPO.
- 12                    • Part 2: PG&E's response was a Management Action Plan
- 13                    that defined the corrective actions for each audit conclusion
- 14                    as follows;

15                    Conclusion 1 found the program needs guidance from  
16 the CPUC on the reporting of fixed costs to the ESA  
17 Program, PG&E implemented the following corrective  
18 actions based on the Management Action Plan:

- 19                    – PG&E added on-going footnote to the 2014 CARE/ESA
- 20                    Annual Report ESA-Table 1 and CARE/ESA monthly
- 21                    report ESA-Table 1: "This measure category includes
- 22                    the primary contractor administration fees and
- 23                    subcontractor direct costs." PG&E's best recollection is
- 24                    that PG&E communicated with the Energy Division prior
- 25                    to inserting the footnote into tables;
- 26                    – PG&E completed a comprehensive pricing transparency
- 27                    review in 2015 that included analysis of material, labor,
- 28                    and administrative costs;
- 29                    – PG&E determined the dollar amount of CIP labor costs
- 30                    for performing NGAT testing from 2009-2015.
- 31                    • In June 2015, PG&E moved approximately
- 32                    \$10 million from the ESA Balancing Account to
- 33                    GRC funding for CIP NGAT testing labor costs from
- 34                    the 2010 to June 2015 period. Going forward,

1 PG&E allocated CIP labor costs for NGAT to a GRC  
2 balancing account.

3 PG&E's ESA Program team communicated with CIP  
4 that all NGAT inspections were to be charged to the GRC.

5 PG&E served supplemental testimony on June 17, 2015  
6 in the hearings on A.14-11-007, et al. That supplemental  
7 testimony disclosed changes to the tracking of funding for  
8 NGAT-related costs.

9 Conclusion 2 found the program needs to establish a  
10 procedure for recording the monthly and year-end accruals,  
11 PG&E implemented the following corrective actions based  
12 on the Management Action Plan:

- 13 – Revised its ESA accrual process and created a Utility  
14 Procedure; and
- 15 – Developed document, and implement process for the  
16 monthly and annual accrual.

17 Conclusion 3 found the program needs to maintain  
18 documentation to support the reports submitted to the  
19 CPUC, PG&E implemented the following corrective actions  
20 based on the Management Action Plan:

- 21 – Created a password protected Low-income Programs  
22 folder to store documentation in support of monthly and  
23 annual reports filed with the CPUC.

24 Conclusion 4 found the program needs to strengthen  
25 process to prevent and detect duplicate payments, PG&E  
26 implemented the following corrective actions based on the  
27 Management Action Plan:

- 28 – Implemented software changes to correct the root  
29 cause that permitted double payments in the program  
30 database (EPO);
- 31 – Revised its payment review process and incorporated  
32 changes into procedure document for Repair and  
33 Placement invoice processing; and

- Resolved double payments made by PG&E to Repair and Placement contractors.

ii. *External Audit Findings: Include your utility’s response to the audits conducted by the State Controller’s Office for PYs 2013-2015 along with a summary of all corrective measures implemented to ensure compliance. Specify where each corrective measure is also properly reflected and/or documented e.g. monthly and/or annual report, formal filings, etc.*

The State Controller’s Office (SCO) conducted an audit of PG&E’s ESA PY2013-2015 program. This audit was finalized in December 2018. A summary of all corrective measures implemented by PG&E to ensure compliance follows.<sup>168</sup>

a) Finding 1: PG&E did not consistently maintain validation checklists for ESA expenditures.”

- SCO Recommendation: “We recommend that PG&E ensure that all recorded ESA Program expenditures are fully supported by sufficient, appropriate documentation, and that all documentation is preserved in such a manner that it may be readily examined.”

PG&E implemented process improvements related to routing and storage of documents. To facilitate proper record keeping including the transaction validation checklists, PG&E implemented the following process improvements related to routing and storage of the documents since 2015:

- In January 2016, the ESA Program implemented Utility Standard 2015-118891 (“Energy Savings Assistance Program Contract Price”). This standard defines the steps the ESA Program uses for Quality

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<sup>168</sup> PG&E responded to the SCO October 2017 draft external audit findings and recommendations on December 1, 2017. In 2018, PG&E moved to a new ESA Program database (Energy Insights) and as result the procedures and documents described in PG&E’s response may have changed.



1 Assurance/Quality Control on a sample of weekly  
2 invoices over \$500,000 to ensure the contractually  
3 agreed upon measure amount was correctly captured in  
4 the invoice before final approval. This validation  
5 process compares the costs listed in the invoice to the  
6 costs identified in the contract to ensure they match.  
7 This is done in addition to the Validation Checklist and  
8 is also attached to the invoice as supporting  
9 documentation and proof of review.

- 10 • Beginning in March 2016, the review and approval of all  
11 invoices, including supporting Validation Checklist, for  
12 the ESA Program are conducted through PG&E's  
13 Electronic Document Routing System (EDRS).  
14 Implementing electronic routing for approval ensures all  
15 supporting documentation for expenditures are included  
16 in the approval request and mitigates the risk of  
17 documents being lost.

18 In August 2019, the EDRS was replaced with the  
19 Customer Energy Services (CES) Validation  
20 SharePoint. The new SharePoint will help serve  
21 three functions:

- 22 – Standardize the process for reviewing, approving,  
23 and storing invoices;
  - 24 – Ensure that CES is in compliance with the  
25 Enterprise Records Management Standard; and
  - 26 – Support audit and data requests for Invoices.
- 27 • In 2018, ESA launched Energy Insight—With this new  
28 ESA Program database, PG&E began an automated  
29 Quality Assurance/Quality Control process which  
30 validates payments made through Energy Insight.  
31 The process validates:
    - 32 – Measure quantities;
    - 33 – Total Approved cost;
    - 34 – Accuracy of data;



- 1                                   – Labor Rates; and
- 2                                   – Project stages are appropriate.
- 3       b) “Finding 2: PG&E lacked an appropriate method to capture
- 4                                   and account for administrative costs.”
- 5                                   • SCO Recommendation: “We recommend that PG&E
- 6                                   continue to work with the CPUC to devise an
- 7                                   accounting and reporting system to capture and
- 8                                   account for all ESA Program administrative costs in
- 9                                   one reporting area.”
- 10                                  PG&E implemented the following corrective actions
- 11                                  regarding the finding and recommendation:
- 12                                  • PG&E implemented a stand-alone Implementation line
- 13                                  item to account for ESA Program administrative costs
- 14                                  incurred by prime contractors in one reporting category
- 15                                  of the proposed budget tables. PG&E proposed this
- 16                                  change in an AL filed on June 20, 2017, and the
- 17                                  proposal was approved by the Commission on
- 18                                  December 14, 2017;<sup>169</sup>
- 19                                  • Beginning January 2018, PG&E’s monthly ESA
- 20                                  Program report to the Commission incorporated the
- 21                                  revised budget template that identifies the prime
- 22                                  contractors’ administrative costs on a monthly basis;<sup>170</sup>
- 23                                  and
- 24                                  • PG&E also tracks these payments internally on a
- 25                                  monthly basis and has developed a guidance document
- 26                                  to manage this process.
- 27       c) “Finding 3: PG&E did not provide adequate supporting
- 28                                  documentation for contract procurement.”
- 29                                  • SCO Recommendation: “To adhere to its procurement
- 30                                  policies and procedures, we recommend that PG&E

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<sup>169</sup> PG&E Conforming AL 3830-G/5043-E (June 20, 2017), approved in Conforming AL Resolution PG&E G-3531 (December 14, 2017).

<sup>170</sup> See ESA-CARE Monthly Report for January 2018 (February 21, 2018), ESA Table 1, fn 2, and ESA Table 1a, fn 3.

document in sufficient detail the rationale for its procurement methods, decision criteria, and award justification.”

PG&E implemented action plans to mitigate the risk of a similar finding in the future. To assure continuous improvement and consistency across work portfolios, PG&E formalized a revised strategic sourcing process and associated training that specifically covers document retention. This mandatory training was rolled out in December 2016 and requires annual renewal.

d) Compliance with Prior ESA Audit

The SCO was also tasked to review PG&E’s compliance with the recommendations of the Commission’s audit of the PY2009-2010 ESA Program. PG&E discusses corrective measures implemented to ensure compliance with the CPUC’s observations in Table I-39 below.<sup>171</sup>

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<sup>171</sup> SCO. PG&E Audit Report ESA Program: January 1, 2013, through December 31, 2015 (December 2018), Appendix 2—Summary Schedule of Prior CPUC Audit Findings.

**TABLE I-39**  
**CPUC ESA PY2009-2010 AUDIT FINDINGS REVIEW**

Line No.	CPUC Observations and Recommendations	Status	SCO Comments	PG&E Corrective Actions
1	CPUC OBSERVATION 2: PG&E failed to demonstrate compliance with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts (USOA), General Order (GO) 28 and its internal accounting controls. Invoices for six percent or \$2.98 million of the sampled contractor invoice transactions lacked sufficient documentation.			
2	RECOMMENDATION: PG&E should ensure that all recorded program expenditures are fully supported by sufficient appropriate documentation, including documents substantiating its performed procedures.	Not implemented	Our audit found similar issues related to program expenditures. See Finding 1.	PG&E implemented process improvements related to routing and storage of the documents since 2015. See PG&E's response to Finding 1.
3	CPUC OBSERVATION 6: PG&E failed to demonstrate compliance with general accounting best practices and § 581. PG&E reports its prime contractor costs to administer its ESAP within other cost areas such as within the measures.			
4	RECOMMENDATION: To accurately reflect the true extent of the ESAP general administrative costs, the Commission and all four large utilities providing ESAP should devise an accounting and reporting system to capture all costs to administer ESAP in the administrative cost category whether incurred internally or by the utility or externally by a utility contractor. Within 90 days of the date of this memo, ED should provide its guidance or decision to the utilities and UAF&CB on how it plans to resolve this matter.	Not implemented	Our audit found similar issues related to accounting for administrative costs. See Finding 2.	PG&E implemented process improvements to ensure prime contractor administrator costs are captured in a separate budget line item. See PG&E's response to Finding 2.
5	CPUC OBSERVATION 7: PG&E failed to demonstrate compliance with: the USOA, GO 28, D.05-04-052 and §§ 451, 581, and 584. Thirty-nine percent of the contracted hourly rates of PG&E's implementation contractors are unidentified general administrative costs and lack proper substantiation.			
6	RECOMMENDATION: PG&E should begin to require its contractors to provide a full breakdown and substantiation of their costs as required in D.05-04-052 and GO 28 and provide the results of such when requested to do so by the Commission.	Not implemented	PG&E stated that guidance regarding the level of detail that must be provided by its contractors is pending from the CPUC Energy Division.	PG&E agrees with the SCO's comments.
7	CPUC OBSERVATION 8: PG&E failed to demonstrate compliance with the FERC USOA, GO 28 and its own internal accounting controls. Two recorded entries from the sample reviewed were lacking supporting employee timecards.			
8	RECOMMENDATION: PG&E should ensure all recorded program expenditures are fully supported by sufficient appropriate documentation and maintain said documentation so that UAF&CB may readily examine them at its convenience.	PG&E provided SCO with documentation of its current time-entry processes.	PG&E provided the Time Administrator Training Guide, last updated July 16, 2015, and a copy of the New Time Entry Process for CES Business Operations. PG&E stated that it had implemented SAP ESS/MSS (Employee Self Service/Manager Self Service) in January 2013 to improve labor recording processes. SAP ESS/MSS provides the following functions: management employees can submit their time directly; supervisors and their delegates can approve time directly; timekeepers do not need to manually enter time or maintain timesheets in other systems; and the system validates leave balances in real time and implements general time-entry validation rules and controls.	SCO's comments accurately reflect PG&E's actions to address UAF&CB's Recommendation.
9			We did not test the effectiveness of PG&E's implementation of these processes. However, we did validate that PG&E implemented SAP ESS/MSS.	
10	CPUC OBSERVATION 9: PG&E failed to demonstrate compliance with §§ 451, 581, and 584. PG&E overpaid one of its contractors by \$8,272.			
11	RECOMMENDATION: PG&E should: (1) revise the terms of its existing contracts to include a provision requiring a detail-level hours worked schedule from its vendors; (2) refund ESAP funds with either (a) a charge against its investors' account or (b) a recovery from the contractor in question; and (3) ensure accurate and complete vendor billing support before making payments. Within 90 days after the UAF&CB provides its Energy Division Director memo and Appendix A and C to PG&E, it should provide the UAF&CB with a summary of the steps it has taken to resolve this matter.	PG&E provided a corrective action plan.	PG&E stated that: (1) It will include the detail level of hours worked requirement in all subsequent contracts with Direct Technologies. We did not verify this update to the contracts. (2) A recovery from the contractor was not warranted because the revised support for the invoice reconciled with the invoice total. We validated this assertion; however, our review of the revised invoice support differed from the invoice total by \$3. (3) It provided UAF&CB with evidence that all program managers in ESAP on June 27, 2013, completed an invoice review refresher training program to ensure accurate and complete vendor billing support before making payments.	PG&E respectively disagrees with the SCO's comment to the extent SCO found invoices did not support \$3 in contractor costs. PG&E's review of the revised invoices shows that the invoices accurately reflect all costs. PG&E will provide a second copy of this information to the SCO through a separate communication.

**TABLE I-39  
CPUC ESA PY2009-2010 AUDIT FINDINGS REVIEW  
(CONTINUED)**

Line No.	CPUC Observations and Recommendations	Status	SCO Comments	PG&E Corrective Actions
12	CPUC OBSERVATION 10: PG&E failed to demonstrate compliance with the USOA, GO 28 and §§ 451, 581, and 584. UAFCB was unable to determine the accuracy of invoices totaling \$266,036.			
13	RECOMMENDATION: PG&E should: (1) revise its existing contracts to include a provision requiring a detailed level, as opposed to the summary level, of hours worked from its vendors; (2) review the recorded expense entries discussed above against a to-be-recalculated amount that is to be based on a detailed level of hours worked and, if the entries do not reconcile, make restitution to the program balancing account with either (a) a charge against its investors' account or (b) a monetary recovery from the vendor; and (c) ensure accurate and complete vendors billing support before making payments. Within 90 days after the UAFCB provides its Energy Division Director memo and Appendix A and C to PG&E, it should provide UAFCB with: (1) copies of the detail-level schedules of hours worked for the invoices in question or evidence of making restitution to the program and (2) a copy of a revised contract requiring the contractor to provide a detail-level schedule of hours worked in addition to the summary.	PG&E provided a corrective action plan.	PG&E stated that: (1) It included the detail level of hours worked requirement in all subsequent contracts with Direct Technologies. We did not verify this update to contracts. (2) A recovery from the contractor was not warranted because the revised support for the invoices reconciled with the invoice totals. We validated this assertion; however, our review of the revised invoice support differed from the invoice total by \$88.	SCO's comments accurately reflect PG&E's actions to address UAFCB's Recommendation. PG&E implemented invoice validation process improvements since the 2009-10 audit report to address accuracy of invoicing: CES Invoice Validation Standard (Utility Standard: CUST-4015S).
14	CPUC OBSERVATION 11: PG&E did not demonstrate compliance with §§ 581 and 584. PG&E improperly accounted for or improperly accrued some of its employee's hours.			
15	RECOMMENDATION: PG&E should ensure proper accounting for its labor hours to ensure accurate data reporting and program labor costing.	PG&E provided SCO with documentation of its current time-entry process.	PG&E stated that it provided staff with a Time Administrator Training Guide, last updated July 16, 2015, and a copy of the New Time Entry Process for CES Business Operations. PG&E stated it implemented SAP ESSMSS in January 2013 to improve labor recording processes. SAP ESSMSS provides the following: management employees can submit their time directly; supervisors and their delegates can approve time directly; timekeepers do not need to manually enter time or maintain timesheets in other systems; and the system validates leave balances in real time and implements general time-entry validation rules and controls.	SCO's comments accurately reflect PG&E's actions to address UAFCB's Recommendation.
16	CPUC OBSERVATION 11: PG&E did not demonstrate compliance with §§ 581 and 584. PG&E improperly accounted for or improperly accrued some of its employee's hours.			
17			We did not test the effectiveness of PG&E's implementation of these processes. However, we did validate that PG&E implemented SAP ESSMSS.	
18	CPUC OBSERVATION 14: PG&E failed to demonstrate compliance with FERC USOA, GO 28 and its own internal controls and procurement policies and procedures. Over 34% of the payments to contractors that UAFCB sampled lacked proper supporting documentation.			
19	RECOMMENDATION: PG&E should (1) adhere to and enforce the terms of its existing contracts and (2) preserve all the required documentation supporting all of its recorded expenses in a manner such that UAFCB may readily examine the same at its convenience. (3) If PG&E changes the way it conducts business during an active contract period, PG&E should amend its contracts with its direct service providers and ensure that the terms of the executed contract are adhered to.	PG&E provided a corrective action plan.	For (1) and (3), PG&E stated that it will update Section 8 – Work Authorization Form of the Repair and Replacement contracts to clarify that the information is to be submitted electronically for any new contracts or existing contracts when they are renewed. We did not verify this update to the contracts. For (2), PG&E stated that it continues to require its contractors to electronically enter the Work Authorization Form details directly into the EPO database. We did not test the effectiveness of this process.	SCO's comments reflect PG&E's corrective actions. Since that time, PG&E continues to manage and implement regular contract updates to reflect updates to terms, pricing, rates, and measures.
20	CPUC OBSERVATION 15: PG&E failed to demonstrate compliance with §§ 451, 581 and 584. Five of the sampled transactions regarding payments to PG&E's direct service providers that UAFCB reviewed had inconsistent accounting for rendered services and allocations between its gas and electric programs.			
21	RECOMMENDATION: UAFCB should review PG&E's new controls and their implementation in this area in a future audit or examination.	PG&E did not provide a corrective action of their Energy Partner Online plan.	Based on interviews and flowcharts provided by PG&E of their Energy Partner Online process, any corrections necessary to invoices are sent back to contractors to revise and resubmit for payment. We did not test the effectiveness of PG&E's implementation of this process.	PG&E agrees with the SCO's comments
Note: SCO, PG&E Audit Report ESA Program: January 1, 2013, through December 31, 2015 (December 2018), Appendix 2--Summary Schedule of Prior CPUC Audit Findings.				

1                   iii. *Describe how internal and External Audits' findings influenced*  
2                   *this proposal for administration of the program.*

3                   Internal and external audit results influenced PG&E's  
4                   processes in the administration of the ESA Program and  
5                   corrective actions have been made to address the audit  
6                   findings. PG&E continually reviews its processes for  
7                   continuous improvement.

8                   **4. Process for Program Revisions in PY 2021-2026**

9                   a. *Regardless the frequency and set of impact evaluations and other*  
10                  *studies in the performance-assessments program elements above,*  
11                  *propose a process/methodology for an IOU to correct its course to*  
12                  *achieve established goals and targets within the program period.*  
13                  *State specifically what course corrections would require*  
14                  *Commission approval or not and why, and the proposed process for*  
15                  *obtaining Commission approval.*

16                  ESA Working Group

17                  PG&E proposes an ESA WG to help manage course corrections  
18                  during the 2021-2026 program cycle. PG&E proposes that this  
19                  Working Group have a similar structure to the previous MCWG.  
20                  This new Working Group would include members from each of the  
21                  IOUs, Energy Division, California Public Advisor's Office, LIOB, and  
22                  other interested stakeholders. Membership would be by  
23                  organization, with each member organization having one primary  
24                  representative (and one vote in any voting situation), although  
25                  additional member organization staff could be designated to work on  
26                  various task groups. General meetings would convene quarterly  
27                  with ad hoc task groups meeting as needed in between the general  
28                  quarterly meetings to accomplish specific tasks.

29                  PG&E proposes that the ESA WG's Tasks include:

- 30                  • Update the Policy and Procedures Manual to conform with the  
31                  decision;  
32                  • Update the ESA Installation Standards Manual;  
33                  • Monitor progress toward goals;  
34                  • Discuss and recommend changes to goals;

- Discuss a process for mid-cycle measure adjustments, retirements and additions;
- Discuss other mid-cycle course corrections necessary to achieve goals;
- Discuss and recommend program revisions required by new laws that become effective during PYs 2021-2026; and
- Convene a public meeting every two years to discuss lessons learned and potential program adjustments.

PG&E proposes that this public meeting replace the IOUs' annual report public meetings and create an opportunity for more meaningful public discussion of the Commission's Low-Income Program. The annual report meetings have become less well attended over time, except when they coincide with an application or other major filing.

PG&E proposes that the ESA Working Group would be a consensus-based decision making. The ESA WG would be managed by IOUs: either rotating chairmanship annually or hiring consultant to manage and facilitate, and produce annual report of activity including decisions made and recommendations.

Within six months of decision issuance: the IOUs would convene the working group, propose and define ESA WG rules and processes, establish ESA WG calendar, and prioritize tasks.

#### MFWB Program

In support of the Commission's guidance: *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*,<sup>172</sup> PG&E requests permission to propose policy changes post Decision to align with the selected third-party administrator's design for PG&E's MFWB Program. As discussed in Section D.9., PG&E cannot anticipate what the successful MFWB design will look like at this time. PG&E's

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<sup>172</sup> D.19-06-022, p. 21.



request to propose potential multi-family policy changes is discussed in Section D.7. and Appendix B.

#### Process to Make Program Modifications During the 2021-2026 Program Cycle

Because PG&E is proposing a new program, it requests flexibility to adjust based on its experience as the programs roll out. The 2021-2026 program cycle will be the longest ESA Program cycle to date. Flexibility to make adjustments within the cycle based on lessons learned will be critical to the program's success. In Section D.7, PG&E requested to modify ESA fund shifting rules to allow shifting between categories to align with CARE fund shifting rules authorized in D.06-12-038. In CARE, IOUs are allowed flexibility to shift funds between categories and those fund shifts are reported in the Low-income Monthly and Annual reports.

PG&E also requests more flexibility to make measure changes during the cycle. Currently, measures are modified, added or retired during program applications. D.17-12-009 authorized a Mid-Cycle Update AL filing to make program adjustments in the middle of the 2017-2020 program cycle. Rather than proposing one mid-cycle update in the middle, PG&E prefers a more flexible process that can be used to make adjustments throughout the cycle. PG&E's program proposals will be rolling out over time, as seen in the Gantt charts in Attachment D. PG&E believes the ability to make adjustments will be key to meeting program goals. The EE programs make measure adjustments noticed through their monthly reports. PG&E proposes to work with the ESA WG to develop criteria for reporting measure adjustments (including adding new measures, retiring measures and modifying measures) in the ESA-CARE Monthly Reports.

PG&E is hopeful that the ESA WG process along with the requested ability to make measure modifications and fund shifts through the ESA-CARE Monthly Reports can accommodate the adjustments that will need to be made to run the new innovative programs and implement any program changes that may be

1 required based on experience and lessons learned over the course  
2 of the program cycle. PG&E requests permission to submit ALs as  
3 required to request program and budget adjustments beyond the  
4 adjustment levels allowed in the new proposed fund shifting rules  
5 described in Section D.7.

- 6 i. *Discuss the effectiveness of the mid-cycle working groups and*  
7 *advice letter process and indicate whether to consider similar or*  
8 *different approaches for PYs 2021-2026.*

9 PG&E believes the working group format was beneficial for  
10 discussing and making recommendations on the Policies and  
11 Procedures Manual, and on technical issues, such updating the  
12 Installation Standards Manual, and proposes Working Groups  
13 for both ESA issues and ESA-CARE Studies during the  
14 2021-2026 program cycle. Refer to Sections B.2.h-B.2.k for  
15 details on the work groups for PY 2017-2020. Refer to  
16 Sections D.10.C and E.4.9 for proposed working groups for PY  
17 2021-2026.

- 18 ii. *New laws that become effective during PYs 2021-2026 could*  
19 *require revisions in PYs 2021-2026. What process do you*  
20 *suggest for incorporating changes?*

21 PG&E believes discussion of new laws requiring program  
22 revisions should part of the ESA WG's mandate.

23 **F. Revenue Requirement and Rate Impacts [WITNESS: LI]:**

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

- 26 1. *Discuss the revenue requirements necessary to achieve the program*  
27 *plans and objectives proposed for the application period, as well as the*  
28 *projected rate impacts (with quantitative information provided*  
29 *through B-2 and B-3 rate impacts tables).*

30 PG&E's proposed revenue requirements for PYs 2021-2026 to  
31 achieve the ESA Program Goals and Budgets of this testimony  
32 discussed in Section C are presented in Table I-40 below. PG&E  
33 proposes to recover in rates \$588 million in the electric PPP's Revenue  
34 Adjustment Mechanism and \$516 million in the gas Public Purpose



- 1 Program Surcharge – LIEE in 2021-2026 subject to change due to the
- 2 benefit burden and Revenue Franchise Fees & Uncollectibles (RF&U)
- 3 approved in future GRCs.

**TABLE I-40**  
**2021-2026 ESA PROGRAM ELECTRIC AND GAS REVENUE REQUIREMENTS**

Line No.		2021	2022	2023	2024	2025	2026	Total
1	<u>Electric:</u>							
2	Program Budget	\$91,009,095	\$87,745,620	\$99,742,451	\$99,448,232	\$99,073,056	\$98,945,623	\$575,964,077
3	Benefit Burden <sup>(a)</sup>	980,609	980,609	980,609	980,609	980,609	980,609	5,883,654
4	RF&U <sup>(a)</sup>	1,043,991	1,006,954	1,143,106	1,139,767	1,135,509	1,134,063	6,603,390
5	Total Electric Revenue Requirement:	\$93,033,695	\$89,733,183	\$101,866,166	\$101,568,608	\$101,189,174	\$101,060,295	\$588,451,121
6	<u>Gas:</u>							
7	Program Budget	\$80,706,179	\$77,812,154	\$88,450,853	\$88,189,942	\$87,857,238	\$87,744,231	\$510,760,597
8	Benefit Burden <sup>(a)</sup>	869,597	869,597	869,597	869,597	869,597	869,597	5,217,582
9	Total Gas Revenue Requirement:	\$81,575,776	\$78,681,751	\$89,320,450	\$89,059,539	\$88,726,835	\$88,613,828	\$515,978,179
10	Total ESA Revenue Requirement	\$174,609,471	\$168,414,934	\$191,186,616	\$190,628,147	\$189,916,009	\$189,674,123	\$1,104,429,300

(a) The benefit burden and RF&U are based on 2017 GRC for illustration purposes. The revenue requirement shall be adjusted accordingly when the benefit burden and RF&U are approved in future GRCs applicable to the year.

1           Benefit Burden

2           The benefit burden costs include medical, vision, dental, employee  
3           healthcare contributions, group life insurance, short-term incentive  
4           payments, 401k expenses, relocation expense, short-term disability, and  
5           tuition reimbursement. D.14-08-032 approving PG&E's 2014-2016 GRC  
6           Application directed PG&E to track and recover benefit burden through  
7           the Customer Programs, including the electric and gas Public Purpose  
8           Program Low-income Balancing Account (PPPLIBA), electric Public  
9           Purpose Program Revenue Adjustment Mechanism (PPPRAM) and gas  
10          Public Purpose Program Low-income Energy Efficiency Balancing  
11          Account. Since then, the benefit burden is determined in PG&E's GRC  
12          filed every three years.

13          The benefit burden shown on Table I-40 for 2021-2026 ESA  
14          Program Electric and Gas Revenue Requirements represents the  
15          benefit burden for 2019 determined in PG&E's 2017 GRC pursuant to  
16          D.17-05-013 allocated between electric and gas for illustration purposes.  
17          The revenue requirement shall be adjusted accordingly with the benefit  
18          burden approved in future GRCs applicable to the year.

19          Revenue Fees and Uncollectible Factor

20          The RF&U is determined through GRC and updated on an annual  
21          basis. The RF&U shown on Table I-40 for 2021-2026 ESA Program  
22          Electric<sup>173</sup> represents the RF&U using the 2019 factor, 0.011349,  
23          determined in D.17-05-013 for illustration purposes. The revenue  
24          requirement shall be adjusted accordingly with the RF&U approved in  
25          future GRCs applicable to the year.

26          Electric and Gas Split

27          The electric and gas split is based on the impacts of program  
28          expenses to electric and gas customers. For 2021-2026, PG&E  
29          proposes to assign 53 percent of the ESA Program expenses to electric  
30          customers and 47 percent to gas customers. The annual electric and  
31          gas split for PY 2021-2026 is detailed in Table I-41.

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<sup>173</sup> Per D.04-08-010 PPP surcharge rates (which ESA is a component of) do not include a factor for revenue fees and uncollectible expense.

**TABLE I-41**  
**PG&E ELECTRIC (53%) AND GAS (47%) SPLIT FOR 2021-2026**

Line No.		2021	2022	2023	2024	2025	2026
1	Electric <sup>(a)</sup>	\$91,989,704	\$88,726,229	\$100,723,060	\$100,428,841	\$100,053,665	\$99,926,232
2	Gas	\$81,575,776	\$78,681,751	\$89,320,450	\$89,059,539	\$88,726,835	\$88,613,828

(a) Does not include RF&U. See Table I-40, line 4.

1                    Rate Impacts

2                    PG&E's proposed ESA Program rate and bill impacts among

3                    PG&E's electric and gas customer classes are shown in Tables I-42 and

4                    I-43 for PG&E's electric and gas customers, respectively.

5                    Under PG&E's ESA Program expense forecast proposal, the bill

6                    impact for a typical bundled residential electric customer using 500 kWh

7                    per month in 2021 will decrease \$0.30 from \$121.17 to \$120.87. The

8                    bill for a typical bundled residential customer using approximately twice

9                    the average baseline allowance in 2021, or 700 kWh per month, will

10                  decrease \$0.42 from \$179.01 to \$178.59.

**TABLE I-42**  
**PG&E ESTIMATED ELECTRIC RATE IMPACTS FROM 2021 ESA PROGRAM REQUEST**

Line No.	Class/Schedule	October 1, 2019 Present Rates (cents/kWh)	Proposed 2021 ESA Expense (cents/kWh)	Rate Change	Percentage Change
1	<u>Bundled</u>				
2	Residential	22.05	22.00	(0.05)	(0.2)%
3	Small Commercial	25.47	25.42	(0.06)	(0.2)%
4	Medium Commercial	22.65	22.60	(0.05)	(0.2)%
5	Large Commercial	20.06	20.02	(0.04)	(0.2)%
6	Streetlights	26.14	26.08	(0.06)	(0.2)%
7	Standby	16.03	16.00	(0.04)	(0.2)%
8	Agriculture	21.62	21.58	(0.04)	(0.2)%
9	Industrial	15.98	15.95	(0.03)	(0.2)%
10	Total Bundled	21.09	21.05	(0.04)	(0.2)%
11	<u>Direct Access/CCA Service</u>				
12	Residential	16.55	16.50	(0.05)	(0.3)%
13	Small Commercial	16.40	16.35	(0.06)	(0.4)%
14	Medium Commercial	13.11	13.06	(0.05)	(0.4)%
15	Large Commercial	10.59	10.55	(0.04)	(0.4)%
16	Streetlights	16.95	16.90	(0.06)	(0.3)%
17	Standby	15.69	15.65	(0.04)	(0.3)%
18	Agriculture	15.51	15.46	(0.05)	(0.3)%
19	Industrial	6.93	6.90	(0.03)	(0.4)%
20	Total Direct Access/CCA	12.64	12.60	(0.04)	(0.4)%

1                    Under PG&E's ESA Program expense forecast proposal, the bill for  
2                    a typical bundled residential customer using 32 therms per month in  
3                    2021 will increase \$0.07 from \$52.32 to \$52.39.

**TABLE I-43**  
**PG&E ESTIMATED GAS RATES IMPACTS FROM 2021 ESA PROGRAM REQUEST**  
**(DOLLARS PER THERM)**

Line No.	Customer Class <sup>(b)</sup>	October 1, 2019 Gas Transmission and Storage Implementation	Proposed 2021 ESA Program	\$ Change	% Change
1	<u>Bundled—Retail Core<sup>(a)</sup></u>				
2	Residential Non-CARE	\$1.635	\$1.637	\$0.002	0.1%
3	Small Commercial Non-CARE	\$1.118	\$1.118	—	—
4	Large Commercial	\$0.809	\$0.809	—	—
5	Uncompressed Core NGV	\$0.688	\$0.688	—	—
6	Compressed Core NGV	\$2.189	\$2.189	—	—
7	<u>Transport Only—Retail Core</u>				
8	Residential Non-CARE	\$1.297	\$1.299	\$0.002	0.2%
9	Small Commercial Non-CARE	\$0.800	\$0.800	—	—
10	Large Commercial	\$0.524	\$0.524	—	—
11	Uncompressed Core NGV	\$0.406	\$0.406	—	—
12	Compressed Core NGV	\$1.907	\$1.907	—	—
13	<u>Transport Only—Retail Noncore – Non-Covered Entities<sup>(c)</sup></u>				
14	Industrial – Distribution	\$0.357	\$0.357	—	—
15	Industrial – Transmission	\$0.198	\$0.198	—	—
16	Industrial – Backbone	\$0.099	\$0.099	—	—
17	Uncompressed Noncore NGV – Distribution	\$0.350	\$0.350	—	—
18	Uncompressed Noncore NGV – Transmission	\$0.185	\$0.185	—	—
19	Electric Generation – Distribution/Transmission	\$0.156	\$0.156	—	—
20	Electric Generation – Backbone	\$0.066	\$0.066	—	—
21	<u>Transport Only—Retail Noncore - Covered Entities<sup>(c)</sup></u>				
22	Industrial – Distribution	\$0.309	\$0.309	—	—
23	Industrial – Transmission	\$0.150	\$0.150	—	—
24	Industrial – Backbone	\$0.051	\$0.051	—	—
25	Uncompressed Noncore NGV – Distribution	\$0.302	\$0.302	—	—
26	Uncompressed Noncore NGV – Transmission	\$0.137	\$0.137	—	—
27	Electric Generation – Distribution/Transmission	\$0.108	\$0.108	—	—
28	Electric Generation – Backbone	\$0.018	\$0.018	—	—
29	<u>Transport Only—Wholesale</u>				
30	Alpine Natural Gas (T)	\$0.105	\$0.105	—	—
31	Coalinga (T)	\$0.105	\$0.105	—	—
32	Island Energy (T)	\$0.114	\$0.114	—	—
33	Palo Alto (T)	\$0.102	\$0.102	—	—
34	West Coast Gas – Castle (D)	\$0.310	\$0.310	—	—
35	West Coast Gas – Mather (D)	\$0.372	\$0.372	—	—
36	West Coast Gas – Mather (T)	\$0.106	\$0.106	—	—

- (a) CARE Customers receive a 20 percent discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.
- (b) Transportation rates paid by all customers include an additional GHG Compliance Cost Recovery component of \$0.05049 per therm.
- (c) Covered Entities (i.e., customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will pay a GHG Obligation Cost component of \$0.00268 per therm to cover PG&E allowance costs associated with lost and unaccounted for gas and compression costs. Covered entities will see a line item credit on their bill equal to \$0.04781 (\$0.05049 minus \$0.00268) per therm times their monthly billed volumes.
- (d) ESA Programs are allocated based on the Direct Allocation Method adopted in D.95-12-053 and updated in PG&E's 2018 GCAP (D.19-10-036).

1 PG&E will incorporate the annual electric ESA Program revenue  
2 requirement authorized in this proceeding into electric rates in the  
3 Annual Electric True-Up (AET) with other rate changes effective  
4 January 1 of each year in the program forecast period, or as soon  
5 thereafter as possible. Any required ESA Program electric rate change  
6 resulting from this proceeding will be implemented in accordance with  
7 the then-current adopted revenue allocation and rate design methods  
8 adopted for the ESA Program revenue component of electric PPP rates.

9 PG&E will incorporate the gas funding requirement authorized in this  
10 proceeding into gas rates in its annual gas PPP surcharge AL and  
11 Annual Gas True-Up (AGT) filings with other rate changes effective  
12 January 1 of each year in the program forecast period, or as soon as  
13 thereafter as possible. Similarly, any gas ESA program revenue change  
14 will be allocated among customer classes consistent with then-current  
15 adopted practices.<sup>174</sup> If a decision is not issued in time to incorporate  
16 the proposed revenue requirement in PPP surcharge rates by  
17 January 1, 2021, PG&E will incorporate changes adopted in this  
18 proceeding in the following year's PPP surcharge advice letter.<sup>175</sup>

19 PG&E requests Commission authority to implement its PY  
20 2021-2026 funding request on January 1, 2021, should a final decision  
21 on PG&E's application not be issued on or before January 1, 2021.  
22 If this request is approved then, upon the issuance of a final decision,  
23 PG&E will true-up the difference between the final decision and its filed  
24 request through its annual AET and PPP surcharge AL process.

- 25 2. *Include detailed accounting of unused funds from prior budget cycles*  
26 *and show how these funds reduce the revenue requirement.*

27 Table I-44 illustrates PG&E's unspent, uncommitted funds for prior  
28 years' program cycles. Balances are through July 31, 2019.

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<sup>174</sup> ESA Programs are allocated based on the Direct Allocation Method adopted in D.95-12-053 and updated in PG&E's 2018 Gas Cost Allocation Proceeding (GCAP) (D.19-10-036, COL 15 and OP 10).

<sup>175</sup> D.04-08-010 adopted that utilities may request a change in gas PPP surcharge rates during the year only if failure to make the rate change would result in a forecasted total rate increase of 10 percent or more on January 1 of the next year.

PG&E intends to use these unspent, uncommitted funds of \$67.7 million to offset collections for PY 2020, as ordered by D.16-11-022, and modified by D.17-12-009, OP 132, and the Mid-Cycle AL Non-Standard Disposition Letter, approved on January 4, 2019. The 2009-2016 electric unspent, uncommitted funds of \$60 million were included in PG&E's AET AL 5661-E, which was filed on October 15, 2019. The gas unspent, uncommitted funds of \$7.7 million were included in PG&E's AGT AL 4173-G, which was filed on October 31, 2019.

**TABLE I-44**  
**PRIOR YEARS' UNSPENT, UNCOMMITTED FUNDS AS OF JULY 2019**

Line No.	Year	Electric	Gas	Total
1	2015	\$20,500,466	–	\$20,500,466
2	2016	37,335,084	\$1,298,449	38,633,533
3	2009-2016 Pool	2,174,096	6,369,816	8,543,912
4	Total Unspent, Uncommitted	\$60,009,646	\$7,668,265	\$67,677,911

3. *Include a brief discussion of the costs and the benefits of these programs and how they impact the rates.*

The mandate of the ESA Program is to assist low-income customers reduce energy expenditures by providing EE measures, and reducing hardship by providing measures that address HCS. These important and meaningful benefits of energy savings, reduced expenditures, and improved HCS, serve a valuable purpose for the most vulnerable population; and, based on the overall cost effectiveness test, the program is designed to deliver these benefits in the most reasonable and equitable way.

Details around the budget costs and goals are discussed Section C. The benefits are discussed in Section D and impact to rates is discussed in Section F.1.

4. *Include a brief description of the balancing accounts for the ESA Program and explain any changes.*

There are no changes to the balancing accounts that PG&E uses to track the program cost and revenue requirement for 2021-2026 ESA



1 Program. PG&E uses the following balancing accounts to track the  
2 program cost and revenue requirement:

3 Public Purpose Program Low-income Balancing Account (PPPLIBA)

4 PPPLIBA is split between Electric and Gas.

5 PPPLIBA – Electric is a subaccount of Electric Preliminary  
6 Statement Part P – the Customer EE Adjustment balancing account and  
7 tracks the electric portion of the ESA Program expense.

8 PPPLIBA – Gas tracks the gas portion of the ESA Program expense  
9 in accordance with Gas Preliminary Statement Part Y.

10 Public Purpose Program Revenue Adjustment Mechanism (PPPRAM)

11 PPPRAM, Electric Preliminary Statement Part DA, records the  
12 authorized electric revenue requirement for ESA Program and actual  
13 revenue collected through rates. Any over or under collection will be  
14 adjusted through the AET process or as otherwise determined by  
15 the Commission.

16 Public Purpose Program – Low-income Energy Efficiency (PPP-LIEE)

17 PPP-LIEE, Gas Preliminary Statement Part BH, records the  
18 authorized gas revenue requirement for ESA Program and actual  
19 surcharge collected. Any over or under collection will be adjusted  
20 through the AGT process or as otherwise determined by  
21 the Commission.

22 **II. Conclusion [WITNESS: LEIVA JUNGBLUTH]**

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

25 As described throughout this application, PG&E requests the Commission  
26 approve the following as just and reasonable:

- 27 1) PG&E's total ESA Budget request of approximately \$1.1 billion for  
28 2021-2026 program cycle and associated revenue requirements and  
29 rate impacts;
- 30 2) PG&E's energy savings and participation goals;
- 31 3) New ESA Plus Program design with Basic, Comprehensive, and  
32 Comprehensive Plus approach measure offerings;
- 33 4) Changes in measure offerings based on new approach, including additions,  
34 modifications and removal of certain measures;

- 1        5) Solicitation of Third-party administration of PG&E's MFWB Program
- 2                modelled after PG&E's EE third-party solicitation process, as applicable; and
- 3        6) Changes in policy as spelled out in the Policy Chart.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER I**  
**ATTACHMENT A**  
**VIRTUAL ENERGY COACH PILOT**  
**IMPLEMENTATION PLAN**

## Virtual Energy Coach (VEC) Pilot

CPUC Decision (D.) 16-11-022, as modified by D.17-12-009, directed the electric IOUs to jointly issue a statewide competitive bid process to solicit a vendor to produce electric (and gas, if available) end-use residential load profiles for the California Alternate Rates for Energy (CARE) and Energy Savings Assistance (ESA) Program eligible population, including customers currently enrolled in CARE and ESA programs totaling roughly 3.1 million households.

While the results of the statewide program are still outstanding, PG&E is proposing to extend and enhance the use of these load profiles with CARE and ESA customers to test the impact of the personal profile information on driving energy savings, residential rate selection, participation in other programs and changes in behavior.

Together with the current provider of the profiles (Uplight), PG&E will develop an innovative multi-channel engagement offering to help low-income residential customers more easily make decisions, take action, and track progress on their energy usage and bill savings after the ESA contractor has completed a home assessment.

This pilot will leverage the work that is being completed for the statewide Low-Income Disaggregated Load Profiles Project, such as the on-going access to disaggregated load profiles developed from AMI & CIS data for CARE customers that reside online. The scope of this pilot builds on the continuation of the Low-Income Disaggregated Load Profiles Project deliverables for PG&E through the 2021-2026 period<sup>1</sup>.

The Pilot design will need to identify any reductions in energy usage, any changes in program participation and usage behavior; and improvements in customer satisfaction, as well as improvements in operational efficiency flowing from customers' use of the 'Virtual Energy Coach' (VEC). The Pilot should provide valuable lessons learned for possible future expansion.

### 1. Overview of Budget

Estimated Total Project Costs are as follows (more details included below):

Pilot	Total Cost	PG&E Cost
Virtual Energy Coach Pilot	\$ 1,300,000	\$ 1,300,000

### 2. Brief Pilot Description

The purpose of the pilot program is to provide ESA program participants with a 'Virtual Energy Coach' to help encourage on-going energy savings, optimal residential rate selection and participation in a variety of programs, plus inspire changes in behavior. The VEC will be an innovative multi-channel engagement offering whereby each customer receives a dynamic, hyper-personalized action plan that identifies and tracks their next best actions to reduce their energy hardship. Ongoing communication and interactions, feedback and support through a variety of channels will help customers make progress. By ensuring that a personalized message is delivered to each customer through the channels and at the cadence of their choice, the VEC will maximize the impact of the messages being delivered while positioning PG&E as a trusted advisor to the ESA customer population.

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<sup>1</sup> Pilot budget does not include funding for the continuation of the Low-Income Disaggregated Load Profiles Project for PG&E through the 2021-2026 program period.

### 3. Projected Pilot Outcomes

- Validation of the hypothesis that providing additional support, follow-up and progress tracking across various channels will help participating customers cost-effectively implement personalized energy action plans.
- Confirmation of how customers prefer to interact with the VEC as well as gather customer insights and attitudes towards the use of technology for this purpose. The pilot will identify additional requirements for a successful rollout to the entire Low-Income customer base, and beyond.
- Establishment of protocols for tracking and measuring the following KPIs: energy savings, bill savings, hardship reductions, increased program enrollments, improved customer satisfaction, decreased disconnections, and call volume reductions or other operational efficiencies. This pilot will test the ability to measure these program benefits.

### 4. Pilot Rationale and Expected Outcome

- Customers going through the ESA program are provided with energy education, delivered once in-home by an ESA Contractor. Based on customer research, this one-time provision is not enough to motivate or encourage change.
- The VEC was conceived as a way of maintaining an ongoing conversation with customers, bringing their personalized information alive and encouraging continuous progress against a personalized plan.
- The coach will interact with customers through the digital and in-person channels of their choice. Using digital channels for customer engagement and scalable data analytics to generate customers' savings plans greatly increases the cost-effectiveness of this coaching approach as compared to a solution that is wholly reliant on personal interventions with ESA contractors and Customer Service Representatives, (CSRs).
- The expected outcome is greater customer engagement, better energy management, and increased satisfaction as compared to customers who do not participate in the pilot.
- If the pilot shows promising results, it could be leveraged to assist the broader CARE customer base, and potentially all residential customers.

### 5. Pilot Implementation

- Target Area: PG&E service territory
- Treatment Size: a minimum of 10% of ESA treated homes in one year or approximately 5,000 - 7,500 customers with a corresponding control group. In order to balance the design and test the value of the VEC with both CARE and ESA customers, there would be four groups for evaluation: 1) customer with ESA treatment and VEC, 2) customer with ESA and no VEC, 3) CARE customer with no ESA treatment but opts in to VEC, 4) CARE customer with no ESA and no VEC.

Line No	Group Composition	ESA Treatment	No ESA Treatment
1	VEC Treated	#1	#3
2	Not VEC Treated	#2	#4

- Customer Eligibility Requirements: all customers who are visited by an ESA contractor after the new program design is launched.
  - Customer segmentation and offerings by need states (i.e. high usage, Disadvantaged Community (DAC), disconnection, medical baseline, and wildfire threat zone) will be noted and flagged during the opt-in and assessment phases.

The following implementation steps will be conducted for this study:

- Develop a detailed research plan, which will define the following:
  - The breadth of actions and measures to be recommended for eligible customers through the VEC such as Rate plans, Demand Response programs, Demand Side Management programs, Bill Payment plans, Energy Efficiency and Load Shifting tips along with other relevant programs
  - Customer journeys for customers in each of the need states, mentioned above, and associated offers. Examples include: Solar (i.e. SASH) or High Usage Alerts for high use customers; Indoor air quality measures for customers in DACs; Bill alerts for customers who have previously received disconnection notices; Comfort measures for customers on medical baselines; cold storage devices for customers in wildfire threat zones
  - The data collection and analysis plan for KPIs:
    - Will include simple surveys to measure treatment versus control customer sentiment along with VEC impact and VEC engagement pre and post experience.
    - Will also highlight any anticipated limitations of the analysis if sample sizes cannot be reached and direct causal links are suspect.
- Recruitment: Primarily through ESA contractors for new ESA customers, and/or a telemarketing service if contractors cannot follow-through. Telemarketing would also be used to recruit CARE customers (non-ESA).
  - Depending on interest and opt-in levels, there may be a need to offer incentives for joining or staying in the program. For example, to appropriately recognize customers' time and efforts, the VEC could offer an incentive of a gift card upon completion of both pre- and post-program surveys.
- Implement pilot – 5,000+ homes
  - Allow participants to be engaged with the VEC in the channel of their choice. This may include personalized interstitials, calls, voice, text, etc. Smart technology (e.g. smart speakers) may also be used if preferred.
  - Provide continuous customer engagement through education and recommendations for saving energy in their homes.
  - Allow customers to track their progress over time.
  - As technology and operational requirement allow, strive to provide a “1-click” to enroll option for customers whereby they could seamlessly enroll in all savings opportunities at once.
- Pilot Evaluation and Report Development
  - Conduct pilot evaluation using a 3<sup>rd</sup> party evaluator.
  - Compile findings for a summary report.
  - Identify lessons learned and best practices for inclusion in pilot expansion and improvement.
  - Pilot KPIs will be measured through the following mechanisms: measurement of directional changes in energy savings; survey responses from customers pre/post; enrollment counts in other programs/service offers; customer interactions with VEC for engagement, satisfaction surveys; pre and post analysis of operations (e.g. calls to call center) and any differences in disconnection quantities.

## 6. Pilot Budget & Timing Table

The timeline for this proposed pilot program would be as follows:

Line No.		Months Post-CPUC Decision on the 2021-2026 ESA Program Plan	Sample Timeline - If CPUC Decision Received Q1 2021
1	Finalize Research Plan	1-6	Jan-Jun 2021
2	Train ESA Contractors (allow 12 months post-decision for contractor RFP)	10-12	Oct-Dec 2021
3	Recruit Participants	10-18	Oct 2021 – Jun 2022
4	Implement Pilot	13-36	Jan 2022-Dec 2023
5	Evaluate Pilot	37-42	Jan-Jun 2024
6	Seek Full Program Rollout Approval in an Advice Letter	43-48	Jul-Dec 2024
7	Full Program Launch	49 onward	Jan 2025

The following activities are expected to be cost drivers for this study:

Line No.	Activity	Estimated Cost <sup>2</sup>
1	Detailed Research Plan • Includes Development of Experimental Design	\$75,000
2	Customer Recruitment • Includes Marketing & Potential Incentives	\$350,000
3	Pilot Implementation • Product Development & Solution Delivery (Solution Vendor) including Smart Technology	\$800,000
4	Pilot Evaluation • Includes Report	\$75,000
5	Total	\$1,300,000

<sup>2</sup> It is important to note that these costs are the most current estimate and may subject to change due to technological developments during the two-year period before implementation begins.

**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER I**

**ATTACHMENT B**

**ESA PROPENSITY MODEL**



# ESA Propensity Model

## **Propensity Model Development**

The original ESA propensity model was developed in December 2014 with the goal of improving response to Marketing communications by identifying customers with the highest propensity to participate in the ESA program. In July 2016, PG&E began development of a new propensity model that added new data and other third-party variables.

## **Model Characteristics**

In general, the ESA Propensity Model targets customers with the following characteristics:

- Less affluent
- High propensity to be CARE eligible
- Recent movers with short tenure
- Has Spanish language preference
- High energy usage
- High energy savings opportunity (EEOS)
- Pay through Cash/Pay Station and not EFT
- More involved in PG&E programs
- Lower valued homes
- Live in a ZIP+4 that has high penetration of ESA/CARE and low penetration of Your Account enrollment

## Variables

PG&E's current ESA model considers a wider array of variables at both the customer and premise level, which make it more predictive and less susceptible to bias.

Priority	Model Variable	Link to Getting an ESA Treatment
1	Higher CARE Acquisition Model Score	More Likely
2	Participation in My Account	Less Likely
3	Common Area Dwelling Types	Less Likely
4	Higher PGE Program Participation	More Likely
5	Higher Zip+4 overall My Account penetration	Less Likely
6	Detached Dwelling Types	More Likely
7	Less Acculturated Spanish Speakers (4,5)	More Likely
8	Shared Wall Dwelling Type	More Likely
9	Pay Station Payments	More Likely
10	English Language Preference	Less Likely
11	Cash Payments	More Likely
12	Graduate School Education	Less Likely
13	Less information Known by Acxiom	More Likely
14	Higher Zip+4 Overall "ESA" Penetration	More Likely
15	Field Service Visits	More Likely
16	Multiple Payment Methods Used	More Likely
17	Higher Zip+4 Overall "CARE" Penetration	More Likely
18	EFT Payments	Less Likely
19	Higher Household Income	Less Likely
20	Higher Home Market Value	Less Likely
21	Longer Length of Residence	Less Likely
22	Higher Customer Age	More Likely
23	Higher Electric Average Usage	More Likely
24	Longer Tenure in Months	Less Likely
25	Higher Electric Bill Amount	Less Likely
26	Higher Electric Energy Opportunity Kwh	More Likely
27	Higher Home Square Footage	Less Likely

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER I**  
**ATTACHMENT C**  
**NATIVE AMERICAN TRIBAL OUTREACH**

## PG&E'S NATIVE AMERICAN TRIBAL OUTREACH

as of August 2019

On January 4, 2019, PG&E's Tribal Consultation Plan was approved as proposed in the July 16<sup>th</sup>, 2018 filing of the Mid-Cycle Advice Letter (AL) 3990-G/5329-E pursuant to Decision (D.) 16-11-022. The plan includes a prioritization and focus on 11 tribes based on highest poverty and lowest penetration levels. PG&E has made contact with all 11 tribes, held in-person meetings with seven, provided information to three, and has had no response from one. The table below is a summary of outreach as of August 2019.

TRIBAL OUTREACH STATUS	In Person	No Response or Materials Only	Non-FR
Berry Creek Rancheria of the Tyme-Maiou Tribe	X NC		
Big Sandy Rancheria of Western Mono Indians of California	X SF		
Cahto Indians of the Laytonville Rancheria	X		
Chicken Ranch Rancheria of Me-Wuk Indians of California		No Response	
Cold Spings Rancheria of Mono Indians	X SF		
Dunlap Band of Mono	X SF		X
Grindstone Rancheria of Wintun-Wailaki Indians		X	
Guidiville Rancheria of California	X NC		
Habematolel Pomo of Upper Lake	X		
Hoopa Valley Tribe	X		
Hopland Band of Pomo Indians	X		
Manchester Band of Pomo Indians	X NC		
Mooretown Rancheria of Maidu Indians	X NC		
North Fork Mono	X SF		X
North Fork Rancheria of Mono Indians	X SF		
Pinoleville Pomo Nation		X	
Redwood Valley Rancheria of Pomo Indians	X		
Robinson Rancheria of Pomo Indians		X	
Round Valley Indian Tribe	X		
Sherwood Valley Rancheria of Pomo Indians	X		
Tuolumne Me-Wuk Tribe	X		
United Auburn Indian Community/Auburn Rancheria	X		
Yurok Tribe	X		

The blue lines are the 11 priority tribes. NC represents the meeting held by Northern Circle Indian Housing Authority where tribal leaders were in attendance. SF represents the Sierra Tribal Forum held in Yosemite with tribal leaders. Non-FR is non-federally recognized tribes.

In total, 23 tribes have had interactions with PG&E representatives and been informed of the Low Income Programs, both CARE and ESA.

**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER I**

**ATTACHMENT D**

**GANTT CHART**

ESA 2021-2026 Milestone Gantt Chart		2021				2022				2023				2024				2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Proposed General Administration Budget (Table A1)		\$2,177,276	\$2,177,276	\$2,177,276	\$2,177,276	\$2,249,233	\$2,249,233	\$2,249,233	\$2,249,233	\$2,075,195	\$2,075,195	\$2,075,195	\$2,075,195	\$2,072,793	\$2,072,793	\$2,072,793	\$2,072,793	\$2,122,128	\$2,122,128	\$2,122,128	\$2,122,128	\$2,176,053	\$2,176,053	\$2,176,053	\$2,176,053
ESA Plus	Proposed Contract Budget																								
	ESA Plus Solicitation Initiated/ Completed				X																				
	ESA Plus Launch																								
	MPWB Solicitation Initiated																								
MPWB	MPWB Solicitation Completed		X																						
	MPWB Launch																								
	Virtual Energy Coach Pilot Initiation, Launch & Execution				X																				
	Virtual Energy Coach Pilot Final Report																								
Mid Cycle Advice Letter	Virtual Energy Coach Pilot Final Report																								
	Mid Cycle Advice Letter Submitted																								
	LTC Pilot Initiation, Launch & Execution																								
	LTC Pilot Final Report																								
UNA Study(s)	LTC Pilot Final Report																								
	UNA 2025 Study Initiated																								
	UNA 2025 Study Launch & Execution																								
	UNA 2025 Study Final Report																								
Impact Evaluation(s)	UNA 2025 Study Final Report																								
	UNA 2025 Study Initiated & Pre-Launch Work																								
	ESA Plus Impact Evaluation Initiated																								
	ESA Plus Impact Evaluation Launch & Execution																								
Impact Evaluation(s)	ESA Plus Impact Evaluation Launch & Execution																								
	ESA Plus Impact Evaluation Final Report																								
	MPWB Impact Evaluation Initiated																								
	MPWB Impact Evaluation Launch & Execution																								
CAB/ESA Application for Next Program Cycle	MPWB Impact Evaluation Final Report																								
	ESA Application Submission																								
	ESA Application Submission																								
	ESA Application Submission																								

Proposed milestones schedule based on decision release date of January 2, 2021.  
Milestones and timelines are subject to change based on the final decision as well as factors defined in P&S's application.

**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER II**

**CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM  
AND FAMILY ELECTRIC RATES ASSISTANCE PROGRAM**

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER II  
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM AND FAMILY  
ELECTRIC RATES ASSISTANCE PROGRAM

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1                                   **PACIFIC GAS AND ELECTRIC COMPANY**  
2   **CHAPTER II**  
3                   **CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM AND**  
4                   **FAMILY ELECTRIC RATES ASSISTANCE PROGRAM**

5   **II. California Alternate Rates for Energy (CARE) Program Plan and Budget**  
6   **[WITNESS: MURPHY-ROACH]**

7   **A. CARE Program Context**

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

9       **1. History**

10               *Provide a brief history of the CARE Program and how it helps*  
11               *low-income customers, how it is funded and how the program has*  
12               *changed over the years, including any prior guidance given by the*  
13               *Commission.*

14           Pacific Gas and Electric Company (PG&E, the Company, or the  
15           Utility) has administered the CARE Program since its inception in 1989,  
16           as authorized in the California Public Utilities Commission (CPUC or  
17           Commission) Decision (D.) 89-07-062 and D.89-09-044. Since the start  
18           of the CARE Program in 1989 through 2018, PG&E's CARE customers  
19           have received nearly \$9.4 billion in cumulative discounts.

20           Senator Share's Universal Lifeline Telephone Service bill (signed  
21           into law in the 1980s), Senate Bill (SB) 987 (Dills – Chapter 212)  
22           established an assistance program to provide rate relief to low-income  
23           households from increasing baseline differentials brought about by  
24           baseline rate reform in the mid-1980s. This bill also established that the  
25           cost of the program would not be borne solely by any single class of  
26           customer. This bill was codified in California Public Utilities Code  
27           (Pub. Util. Code) Section 739.1.<sup>1</sup>

28           The CARE Program is authorized by California Pub. Util. Code  
29           Section 739.1, which provides that:

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1   All statutory references contained herein are to the California Pub. Util. Code unless expressly stated otherwise.

1 *[T]he commission shall ensure that the level of CARE discount for*  
2 *low-income electric and gas customers correctly reflects the level of*  
3 *need...subject to both of the following: (1) that the commission*  
4 *ensure that low-income ratepayers are not jeopardized or*  
5 *overburdened by monthly energy expenditures, pursuant to*  
6 *subdivision (b) of Section 382; and (2) That the level of the discount*  
7 *for low-income electricity and gas ratepayers correctly reflects the*  
8 *level of need as determined by the needs assessment conducted*  
9 *pursuant to subdivision (d) of Section 382.<sup>2</sup> The entire discount*  
10 *shall be provided in the form of a reduction in the overall bill for the*  
11 *eligible CARE customer.<sup>3</sup>*

12 Benefits to the Customer: The CARE Program<sup>4</sup> provides a  
13 minimum of 20 percent on gas and electric bills to qualifying residential  
14 single-family households, tenants of sub-metered residential facilities,  
15 nonprofit group living facilities, agricultural employee housing facilities  
16 and migrant farm worker housing centers. The rate assistance helps to  
17 reduce the energy burden for limited income customers, who have  
18 saved cumulatively over \$9.4 billion since inception through the end  
19 of 2018.

20 Funding: The CARE Program is funded by the Public Purpose  
21 Program (PPP) surcharges collected from non-CARE ratepayers.  
22 For program years 2021-2026 PG&E estimates a total of  
23 1,446,000 customers will be eligible annually for the CARE discount and  
24 requests \$4.25 billion to continue the CARE Program as currently  
25 designed with the changes detailed in Section B.4.

26 Changes Since Inception: The CARE Program began by providing  
27 a 15 percent discount on energy rates to residential households with  
28 income at or below 150 percent of the federal poverty guidelines.  
29 Section 739.1(a) currently allows assistance to customers with annual  
30 household income no greater than 200 percent of the federal poverty  
31 guidelines levels. In 2013, the California state legislature revised  
32 Section 739.1(c) to require that the CARE electric discount be no less  
33 than 30 percent and no greater than 35 percent of the revenues that

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2 Section 739.1.

3 Section 739.1(c)(3).

4 The program was originally referred to as the “Low-income Rate Assistance Program-(LIRA).” The program name was changed to CARE in D.92-04-024.

1 would have been provided for the same billed usage by non-CARE  
2 customers.<sup>5</sup> CARE participants also receive a 20 percent discount on  
3 natural gas charges.

4 See Table II-1 for other Commission guidance related to CARE.

## 5 **2. Summary**

6 *Provide a CARE Program summary, including descriptions of (i) the*  
7 *legal framework of the CARE Program, and (ii) eligible population.*

### 8 **(i) Legal Framework**

9 Table II-1 describes mandated regulatory changes to the CARE  
10 Program given by the Commission since 2001.

---

5 California Assembly Bill (AB) 327 (Perea 2013).

**TABLE II-1**  
**COMMISSION DECISIONS FROM 2001 REGARDING CARE**

Line No.	Decision Number	CPUC Ruling
1	D.01-05-033 D.01-06-010 and D.02-01-040	Included a capitation fee of up to \$12 for new enrollment. Increased CARE income eligibility from 150 percent to 175 percent of Federal Poverty Guidelines. Increased the discount rate from 15 to 20 percent.
2	D.02-07-033	Adopted CARE Automatic Enrollment for participants of Low-income Home Energy Assistance Program (LIHEAP), Women, Infants, and Children (WIC) Program, Medical and Healthy Families.
3	D.05-10-044	Increased the CARE income thresholds from 175 percent to 200 percent of the Federal Poverty Guidelines.
4	D.06-12-038	Authorized the increase of Community Outreach Contractor (COC) Capitation fees from up to \$12 to up to \$15. Provided CARE discount to common areas of nonprofit group living facilities. Adopted Categorical Enrollment. Adopted four-year certification period for fixed income residential and sub-metered customers.
5	D.08-11-031	Approved the CARE Program for Program Year (PY) 2009-2011. Extended the certification period for sub-metered and expanded program customers from one year to two years. Made all categorical eligibility requirements that apply to Universal Lifeline the same as those for CARE. Adopted One-e-App pilot project in two counties in PG&E's service area. Adopted a requirement to report customer complaints about recertification in monthly and annual reports. Adopted the goal of 90 percent enrollment of eligible customers by the end of 2011.
6	D.12-08-044	Approved the CARE Program for PY 2012-2014. Required utilities to file the cooling center report by December 21st of each year. Retained all prior pre-approved categorical enrollment programs and directed utilities to jointly and annually review and submit an updated list of proposed categorical eligible program for the upcoming year via Tier 2 advice letter by January 31st of each year. Directed utilities to develop an interim targeted Post Enrollment and Post Recertification income Verification stratified probability model and design a long-term probability model based on lessons learned and data from implementation of the interim probability model. Adopted rule that barred customers who fail to respond to an income verification request from self-certified re-enrollment in CARE for 24 months. Increased capitation fee for new enrollment from "up to \$15" to "up to \$20" and adopted a new capitation fee of "up to \$18" for capitation contractors that aid in the Post Enrollment Verification (PEV) process. Adopted the high usage customer process. Authorized funding to continue the Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) pilot and evaluation through 2014. Directed the utilities to file annual estimates of eligible CARE customers by December 31 of each year. Adopted an aspirational goal of 90 percent enrollment of eligible CARE customers.
7	D.14-08-030	Approved a 12-month bridge for 2015 at the 2014 authorized budget level. Directed the utilities to incorporate into their respective strategies for the 2015-2017 program cycle the findings and recommendations from four studies, including the Low-income Needs Assessment (LINA) Study, and Multi-family Segment Study, and three working groups. Prepare the 2015-2017 application using the Guidance Document framework per Attachment Q to this Decision.
8	D.15-12-047	Authorized the on-going CHANGES Program.
9	D.16-11-022 and D.17-12-009	Approved the 4 years program cycle 2017-2020.

1                   **(ii) Eligible Population**

2                   Pursuant to California’s legal requirements, PG&E’s CARE  
3                   Program serves five eligible customer segments within its territory:

- 4                   • Single-family residential households with PG&E gas and/or  
5                   electric accounts;
- 6                   • Sub-metered tenants of master-metered facilities, such as  
7                   mobile home parks and sub-metered apartment complexes;
- 8                   • Nonprofit group living facilities such as half-way homes,  
9                   rehabilitation facilities, homeless shelters, women’s shelters,  
10                  and hospices;
- 11                  • Agricultural employee housing facilities such as privately-owned  
12                  employee housing as defined in Health and Safety Code  
13                  Section 17008, that is licensed and inspected by state or local  
14                  agencies, pursuant to Health and Safety Code, Division 13,  
15                  Part 1 (commencing with Section 17000), and housing for  
16                  agricultural employees that are non-migrant and operated by  
17                  non-profit entities as defined in Labor Code Section 1140.4(b),  
18                  that has received an exemption from local property taxes  
19                  pursuant to the Revenue and Taxation Code Section 214(g);  
20                  and
- 21                  • Migrant farm worker housing centers operated by the Office of  
22                  Migrant Services through the Department of Housing and  
23                  Community Development or by non-profit entities pursuant to  
24                  Health and Safety Code Section 50710.

25                  **3. Program Eligibility Guidelines**

26                   *(1) Provide a summary of the program eligibility guidelines;*  
27                   *(2) including income, (3) categorical eligibility qualifications,*  
28                   *(4) self-certifications, and (5) the enrollment process. (6) Identity any*  
29                   *proposed changes from the current framework.*

30                  **1. Summary of the Program Eligibility Guidelines**

31                   Section 739.1(a) establishes that customers are eligible for  
32                   CARE if the annual household incomes “are no greater than

1 200 percent of the federal poverty guidelines levels... .”<sup>6</sup> The  
2 Commission issued the notice to update the annual income  
3 guidelines for the CARE Program.<sup>7</sup>

4 Section 739.1(c)(1) also requires that the CARE electric  
5 discount be no less than 30 percent and no greater than 35 percent  
6 of revenue provided for same usage by non-CARE customers and a  
7 gas discount of 20 percent.<sup>8</sup>

8 PG&E uses the methodology defined in D.01-03-028 for  
9 developing annual estimates of the number of customers that will be  
10 eligible for the CARE Program for the upcoming year.

## 11 **2. Income**

12 The Household Income Eligibility process allows CARE  
13 applicants to enroll by self-certifying their income eligibility. The  
14 eligibility is determined based on the total household income, with  
15 income limits based on the number of occupants living in a  
16 household. The income eligibility guidelines are updated annually  
17 by the CPUC Energy Division (ED) and issued to utilities prior to  
18 becoming effective on June 1.

19 The customer is not required to submit written documentation to  
20 enroll in CARE and may qualify using any of the options described  
21 in Section 3.5. below. PG&E proposes to continue the same  
22 eligibility processes for program years 2021-2026.

## 23 **3. Categorical Eligibility Qualifications**

24 The Categorical Eligibility process automatically considers  
25 low-income customers to be qualified for the CARE Program, if the  
26 customer is already enrolled in one of the Commission-approved

---

6 Section 739.1(a).

7 D.12-08-044, Ordering Paragraph (OP) 119 states: The proposals of San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) to move the Commission’s CARE annual income letter release date from May 1 to April 1 each year is approved, and we also move up the Family Electric Rate Assistance (FERA) update date so that the CARE and FERA updates are simultaneously released.

8 Section 739.1(c)(1).

means-tested<sup>9</sup> low-income public assistance programs. The list of categorical eligibility programs is updated annually by the CPUC ED and issued to utilities prior to becoming effective on June 1 of each year. The approved eligible categorical programs as of the date of this filing are:

- Bureau of Indian Affairs General Assistance;
- CalFresh/SNAP (Food Stamps);
- CalWorks (TANF) or Tribal TANF;
- Head Start Income Eligible (Tribal Only);
- LIHEAP;
- Medicaid/Medi-Cal;
- Medi-Cal for Families (Healthy Families A&B);
- National School Lunch Programs;
- Supplemental Security Income; and
- WIC.

Qualified customers need only self-certify that they are enrolled in one or more of the above programs. Verification occurs only after enrollment through the PEV process described later in Section A.3.5-6 below.

#### **4. Self-Certification**

In accordance to CPUC guidance, customers can self-certify (and self-recertify) their eligibility for the CARE Program.<sup>10</sup>

Self-Certification requires the customer to complete and sign a declaration at the bottom of the CARE enrollment form, which certifies that their household meets the program guidelines. The customer also agrees to provide proof of qualification to PG&E, upon request. PG&E proposes to continue the same certification processes in 2021-2026 and budget for this activity is included in the processing, certification and recertification budget category. See Table II-7.

#### **5. Enrollment Process**

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<sup>9</sup> Means-tested programs are low-income assistance programs in which the customer's income is verified by the appropriate state and federal agencies.

<sup>10</sup> D.89-07-062.

1           The CARE Program provides easy enrollment for qualified  
2 customers through two self-certification options: (1) Categorical  
3 Eligibility (explained above); and (2) Household Income Eligibility.  
4 Customers may apply or recertify for the CARE Program through  
5 paper application, online application, over the phone with a  
6 representative, text or an Interactive Voice Response (IVR) system.

7           After PG&E reviews a CARE application for categorical program  
8 qualification or household income qualification, PG&E approves the  
9 CARE applicant to receive the CARE discount. Customers living in  
10 non-fixed income households are certified for two years. Customers  
11 with a fixed income, for example Social Security, are certified for  
12 four years. PG&E notifies customers by phone, e-mail (EM), and  
13 mail 90 days prior to the expiration of their current enrollment.  
14 PG&E also reminds the customers to recertify their eligibility for the  
15 program. PG&E does not require proof of income for re-certification.

16           All CARE customers are subject to recertification and  
17 post-enrollment verification, referred to as PEV.

18           Similar to the initial enrollment process, PG&E currently allows  
19 customers to recertify their household's eligibility for the CARE  
20 Program by paper application, online application, EM, over the  
21 phone with a representative, or IVR system. Regardless of which  
22 enrollment process chosen, each customer must declare that their  
23 household participates in approved categorical programs or meets  
24 the program guidelines, and agree to provide proof of income,  
25 if asked. Customers who do not recertify within 90 days of the  
26 original request are removed from the program and have the option  
27 to re-enroll through the original certification process.

28           As discussed in D.12-08-044, PG&E adopted a CARE  
29 Propensity Model to identify predictive variables that, if all else were  
30 equal, would identify someone more likely to be eligible.<sup>11</sup> The  
31 current CARE Propensity Model was originally adopted in 2013 and  
32 enhanced in 2016 to include additional data inputs. Both the

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<sup>11</sup> Advice Letter (AL) 3410-G-A/4279-E-A.



original model and the enhanced version was thoroughly vetted to confirm that customers selected from among high propensity model deciles are more likely to be eligible in CARE than randomly selected customers.

The Propensity Model determines which PG&E customers appear more likely to be eligible for CARE and assigns each customer a decile score (1-10), with Decile 1 being most likely to be eligible for CARE and 10 being least likely to be eligible. Customers who score in Deciles 1 or 2 of the model are automatically recertified given their “extremely high” likelihood of eligibility. Customers in Deciles 3 or higher follow the recertification process outlined above.

All CARE-enrolled households are eligible to be selected for the PEV process, which requires customers to provide documentation of their total annual household income or participation in an approved public assistance program.

## **6. Proposed Changes From Current Framework**

For program cycle 2021-2026, PG&E proposes to continue the current program eligibility and enrollment processes explained above.

For PEV in 2021-2026, PG&E requests \$9.2 million to support this process. PG&E proposes to verify approximately 8 percent (around 108,000 customers) of all CARE customers annually to maintain the integrity and quality of the CARE enrollment process. The overall rate is composed of customers who meet the following selection criteria:

- Model Score Selection: Customers selected for PEV based on being in Deciles 8-10, a low Propensity Model score are 73 percent more likely than those randomly selected to be verified as ineligible. Approximately 4.5 percent (60,750 customers) of the entire CARE population is scored in Deciles 8-10 of the Propensity Model and expected to be eligible for PEV selection annually.
- Random Selection: A random sample is selected for Propensity Model validation and tracking overall program health.

1 Approximately 1 percent (13,500 customers) of the entire CARE  
2 population is randomly selected for PEV annually.

- 3 • High Usage Selection: Customers with usage above  
4 400 percent of baseline in any monthly billing cycle  
5 must undergo the High Usage PEV process and agree to  
6 participate in the Energy Savings Assistance (ESA) Program.  
7 Approximately 2.5 percent (33,750 customers) of the entire  
8 CARE population is expected to be eligible for the High Usage  
9 PEV process annually.

10 PG&E may adjust the PEV rate over time based on verification  
11 results and lessons learned. PG&E does not anticipate the PEV  
12 rate to exceed 200 percent of the 2011 PEV rate of 11 percent,  
13 which would require a Tier 2 advice letter for approval as directed in  
14 D.12-08-044.<sup>12</sup>

## 15 **B. Current Proposal Summary for Program Years 2021-2026**

### 16 1) *Explain Your Plans for the CARE Program Budget for 2021-2026*

17 PG&E requests the Commission approve its CARE funding request  
18 of \$4.25 billion for PY 2021-2026 to continue operating PG&E's CARE  
19 Program for qualified customers.

#### 20 a) Overview of Budget Costs

21 For PY 2021-2026, PG&E proposes the following CARE  
22 discount and program administrative expense costs in Table II-2  
23 below.

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12 D.12-08-044, OP 92.

**TABLE II-2  
PG&E'S PROPOSED CARE PROGRAM BUDGET FOR PY 2021-2026**

Line No.	CARE Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Program Administrative <sup>(a)</sup>	\$14,150,600	\$13,760,000	\$13,961,600	\$14,070,600	\$14,444,200	\$14,787,700	\$85,174,700
2	CARE Discount	683,539,000	687,689,000	691,973,000	696,394,000	700,957,000	705,667,000	4,166,219,000
3	Total Program and Discount Costs	\$697,689,600	\$701,449,000	\$705,934,600	\$710,464,600	\$715,401,200	\$720,454,700	\$4,251,393,700

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

1           2) *Discuss How Elements and Strategies in the Proposal Are Specifically*  
2           *Designed to Reach and Maintain the 90 Percent Penetration Goal That*  
3           *Was Established in D.08-11-031*

4                     For 2021-2026, PG&E continues to support the Commission's  
5                     penetration goal of 90 percent that was established in D.08.11-031.  
6                     To maintain and exceed this goal, PG&E proposes to continue its  
7                     programmatic efforts of extensive targeted marketing and outreach  
8                     (M&O) to ensure that (1) qualified customer households remain  
9                     enrolled in CARE; and (2) eligible customer households can easily  
10                    enroll and recertify in CARE. These include continued proven  
11                    marketing strategies and enhancing partnerships with  
12                    Community-Based Organizations (CBO) to continue education of  
13                    eligible hard to reach populations in low penetration counties.  
14                    These are discussed in detail in Section D.1.e.

15                    In addition, we propose to continue proven strategies such as:

- 16                    • Post-enrollment verification and high usage verification to  
17                    ensure that we maintain the integrity of the program participants  
18                    enrolled;
- 19                    • Diverse enrollment channels such as paper, e-mail, phone, text  
20                    and IVR to support customer preferences; and
- 21                    • Effective community outreach with local and culturally  
22                    competent community partners.

23           3) *Provide an estimate of the number of households projected to be*  
24           *enrolled, along with the overall budget requested to meet this goal for*  
25           *each program year*

26                    PG&E's estimated number of households projected to be enrolled  
27                    each year for 2021-2026 is 255,000 and corresponding M&O budget  
28                    request is approximately \$8 million annually. To maintain the  
29                    90+ percent penetration goal in 2021-2026, PG&E projects to recertify  
30                    approximately 537,000 households and enroll approximately  
31                    255,000 new households annually. See Table II-3.

32                    PG&E estimates that 1,350,000 households out of  
33                    1,446,000 estimated eligible households will be enrolled in CARE by

1 the end of 2020, a penetration rate of approximately 93 percent. This  
2 rate will fluctuate based on annually updated CARE eligibility estimates.  
3 PG&E projects total attrition of 1,530,000 households over the  
4 6-year cycle. On average, 19 percent of enrolled households  
5 or 255,000 are expected to drop off the program annually due to:  
6 customers choosing to close their accounts, failing to recertify, informing  
7 PG&E of their ineligibility due to change in economic circumstances, or  
8 customers not responding to PG&E's PEV requests.

**TABLE II-3  
PG&E'S CARE ENROLLMENT ESTIMATES AND PROPOSED BUDGET FOR PY 2021-2026**

Line No.	Program Year	2021	2022	2023	2024	2025	2026	Total
1	PY 2019 Estimated Eligible	1,446,000	1,446,000	1,446,000	1,446,000	1,446,000	1,446,000	1,446,000
2	Recertifications	537,000	537,000	537,000	537,000	537,000	537,000	3,222,000
3	New Enrollments	255,000	255,000	255,000	255,000	255,000	255,000	1,530,000
4	Attrition	255,000	255,000	255,000	255,000	255,000	255,000	1,530,000
5	Net Increase	—	—	—	—	—	—	—
6	Year-End Enrollment	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
7	Year-End Penetration Rate <sup>(a)</sup>	93%	93%	93%	93%	93%	93%	93%
8	Proposed Budget <sup>(b)</sup>	\$697,689,600	\$701,449,000	\$705,934,600	\$710,464,600	\$715,401,200	\$720,454,700	\$4,251,393,700

(a) Rate will fluctuate based on annually updated CARE eligibility estimates which are impacted by economic factors, such as unemployment levels and economic growth/declines.

(b) See Table II-2, line 3.

PG&E uses the methodology adopted by the CPUC in D.01-03-028 for developing annual estimation of eligibility for the CARE Program.<sup>13</sup>

The enrollment forecast is based on a number of factors including: planned outreach initiatives, scheduled recertification dates, and historical trends related to enrollment, retention, and attrition.

4) *Explain any proposed changes from prior years*

As discussed below, PG&E's proposed changes to the CARE Program include:

- Increase of Capitation fee to \$30;
- Permanently revise the filing date of annual estimates to CARE eligible customers to February 12 annually; and
- Change the certification period for Non-Profit, Agriculture, Migrant Farm Worker Housing Facilities from two years to four years.
- These proposed changes are also described in Appendix B, items 16, 17, and 18.

a) PG&E requests an increase for Capitation fee from \$20 to \$30.

PG&E currently partners with 52 Community Outreach Contractors (COC) to assist low-income individuals and families enrolling into CARE. PG&E compensates COCs \$20 per new customer enrolled by the COC in the CARE Program. This payment amount has not been revised to account for cost of living increases since 2013. Given PG&E's high CARE penetration rate, converting customers who have chosen not to participate in the past has become increasingly difficult and will likely require additional outreach efforts to reach those not yet enrolled. Additionally, PG&E would like to encourage community partners to adopt a more holistic approach to educating customers on not only the CARE and FERA discounts, but also assist customers in enrolling in the ESA Plus Program, as well as educating them on better rate options and energy management tools, during CARE/FERA education and application process. In addition, CBO efforts to enroll those in hard to reach populations, require increased numbers of touches to

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<sup>13</sup> D.01-03-028, pp. 49-51.

identify those who have not yet been served. PG&E proposes to increase the CARE capitation fee for new enrollment from \$20 to \$30. To support this holistic approach targeting hard to reach populations and double the enrollments through this channel, the budget proposed for this request is \$360,000 for 2021-2026 or \$60,000 per year.

**TABLE II-4  
CARE COCS ACTIVITY 2015-2018**

Line No.	Year	# of COCs	Enrollments	Total Expenditures
1	2018	60	1,081	\$21,620
2	2017	60	952	\$19,040
3	2016	70	1,119	\$22,380
4	2015	69	1,035	\$20,700

b) PG&E proposes to permanently revise the filing date of annual estimates to CARE eligible customers to February 12 annually

PG&E proposes to permanently move the filing date of annual estimates to CARE eligible customers to February 12. PG&E and the other Investor-Owned Utilities (IOU) are required to estimate the number of customers potentially eligible for CARE annually on December 31.<sup>14</sup> The Commission determined that CARE eligibility should adhere to the federal poverty guidelines in compliance with Section 739.1(a), which states that CARE shall serve households with incomes no greater than 200 percent of the federal poverty guideline levels.<sup>15</sup> The federal Department of Health and Human Services (DHHS) typically updates these guidelines near the end of January each year. A Joint Utilities' consultant incorporates results of the current year Department of Health and Human Services poverty guidelines in the estimates of the eligible CARE population.

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<sup>14</sup> In D.12-08-044, the Commission granted the Joint Utilities' request to file the annual CARE eligibility estimates on December 31 of each year.

<sup>15</sup> Section 739.1(a), "The commission shall continue a program of assistance to low-income electric and gas customers with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels, the cost of which shall not be borne solely by any single class of customer."



1 Because the Joint Utilities' consultant usually cannot incorporate  
2 DHHS guidelines into its estimates until February, the Joint Utilities  
3 usually request an extension to file these estimates from December  
4 to February. To accommodate the DHHS timeline and to avoid  
5 requesting an extension to comply each year, PG&E proposes the  
6 date to submit the annual estimate of eligible customers be  
7 permanently revised from December 31 to February 12 of each year  
8 for the current year.

9 Extending this deadline to February 12 for the past five years  
10 has not had an adverse impact on the low-income programs nor  
11 delayed the filing of the program first monthly report for the current  
12 year.

13 c) Change the certification period for Non-Profit, Agriculture, Migrant  
14 Farm Worker Housing Facilities from two years to four years

15 To continue to receive a CARE discount, certain categories of  
16 customers are required to certify their eligibility every two years.  
17 These categories of customers include Non-profit, Agricultural, and  
18 Migrant Farm Worker housing facilities. The enrollment process  
19 requires these organizations/facilities provide documentation, such  
20 as a copy of 501(c)(3) tax exemption and license to provide social  
21 services. PG&E proposes to extend the eligibility period to  
22 four years from two years. Changing the certification period to  
23 four years from two years will reduce the administrative burden for  
24 these resource constrained benefitting organizations when it is time  
25 for them to recertify and whose status is unchanged. This proposal  
26 would also help to increase the program enrollment rate and  
27 mitigate the possibility of eligible organizations losing the valuable  
28 discount.

29 5) *Based on Your Review of Study Findings and/or Working Group and*  
30 *LIOB Recommendations, Which New Strategies or Best Practices Do*  
31 *You Propose for Inclusion in This Program to Increase Participation and*  
32 *Retain Eligible Households?*

33 As of the date of this application, the Low-income Oversight Board  
34 (LIOB) did not make recommendations applicable to CARE.

1           The Preliminary 2019 LINA Study results suggested that CARE  
2           post-enrollment process including recertification, verification, and High  
3           Usage verification have been successfully removing ineligible  
4           customers.<sup>16</sup> In addition, ineligibility is the primary reason most  
5           customers are removed.<sup>17</sup> Those removed tend to have lower  
6           economic hardship and higher incomes. However, the post enrollment  
7           processes can also remove some eligible customers.<sup>18</sup> Therefore, post  
8           enrollment processes can be improved to reduce barriers to the  
9           retention of eligible CARE customers. For example, while less common,  
10          lack of awareness or lack of understanding about the CARE application  
11          process or household eligibility requirements continue to be barriers.  
12          As has been found in past research, privacy concerns do not appear to  
13          be a barrier to participation.

14          In September 2019, PG&E modified the list of acceptable  
15          documents to verify income for the PEV process for high-usage  
16          customers from only the Internal Revenue Service (IRS) Tax Form to  
17          income documents accepted in the regular PEV process. This  
18          modification will reduce one barrier to proving income and if successful,  
19          will reduce the number of qualified customers being removed from the  
20          program. PG&E expects to continue this process in 2021-2026.  
21          PG&E also expects to use the results in the 2019 LINA Study Final  
22          Report which will be issued at end of 2019 as a source for continuous  
23          improvements to these processes.

## 24       **C. CARE Program Goals and Budgets for PYs 2021-2026**

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

- 27          1) *Provide proposed program activities and program participation goals for*  
28          *each year. Include the number of eligible households;*

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16   Opinion Dynamics. 2019 CA Low-income Needs Assessment, Draft Report, Vol. 1  
(October 2019), Section 4.2, pp. 44-47.

17   Opinion Dynamics. 2019 CA Low-income Needs Assessment, Draft Report, Vol. 1  
(October 2019), Section 4.2, pp. 44-47.

18   Opinion Dynamics. 2019 CA Low-income Needs Assessment, Draft Report, Vol. 1  
(October 2019), Section 4.2, pp. 44-47.

- 1 a) *Provide actual participant data from 2018, including CARE*  
2 *participant counts and percentage rates for program enrollment.*  
3 *Also provide estimated participation data for 2019;*

4 PG&E's actual participant data from 2018 and estimated  
5 participation data for 2019, with participant counts and percentage  
6 rates for program enrollment are outlined below.

**TABLE II-5**  
**CARE PARTICIPATION AMOUNTS AND PERCENTAGE RATES**

Line No.	Year	Participation	Penetration Rate
1	2018 <sup>(a)</sup>	1,376,003	89.6%
2	2019 <sup>(b)</sup>	1,368,000	95%

(a) Actual participation for 2018.

(b) Estimated participation for 2019 based on estimated  
attrition and new enrollments from planned M&O.

- 7 b) *Discuss potential reasons for any significant variations in enrollment*  
8 *during the current program cycle.*

9 PG&E has not experienced any significant variations in  
10 enrollment during the current program cycle. Penetration rates have  
11 gradually increased each year.

- 12 c) *Discuss issues, if any, that present challenges toward reaching and*  
13 *maintaining the enrollment goal established by the Commission;*

14 At the time of this application, PG&E does not anticipate any  
15 challenges to maintain the program aspirational goal of 90 percent.  
16 However, the above changes requested should assist in overcoming  
17 some of the challenges associated with retaining qualified  
18 customers participation through the verification process outlined in  
19 Section B.

- 20 d) *Identify how the Utility's CARE Program goals for the 2021-2026*  
21 *CARE Program aligns with Commission directives of reaching a*  
22 *penetration goal of 90%;*

- 23 • PG&E's program goals for a 2021-2026 CARE Program aligns  
24 with Commission goals for 90 percent penetration in three ways:

- 1                   – Continued successful outreach strategies  
2                   (See Section D.1.e.);
- 3                   – Exploring broader local partnerships to energize and  
4                   deepen community engagement (see Section D.1.e.); and
- 5                   – PEV enhancements as discussed above in Section B.5. that  
6                   were implemented in September 2019.

7                   The elements and strategies of the CARE Program discussed in  
8                   this section are designed to (1) drive enrollment among remaining  
9                   households estimated to be eligible for CARE by effectively breaking  
10                  down the barriers which led to inaction; and (2) retain households  
11                  who qualify for CARE to maintain or surpass the Commission’s  
12                  aspirational goal of 90 percent.

13                  e) *Describe existing program elements and strategies that will*  
14                  *continue;*

15                  As described below, PG&E’s existing program elements and  
16                  strategies that will continue include:

- 17                  • M&O;
- 18                  • Processing, Certification and Recertification;
- 19                  • PEV;
- 20                  • Information Technology (IT) Programming;
- 21                  • CHANGES Program;
- 22                  • Studies;
- 23                  • Measurement and Evaluation;
- 24                  • Regulatory Compliance;
- 25                  • General Administration; and
- 26                  • CPUC ED Staff.

27                  Marketing and Outreach: PG&E requests \$48 million to  
28                  continue its M&O efforts from 2021-2026, an average of \$8 million  
29                  annually. PG&E conducts extensive M&O efforts to retain existing  
30                  qualified customers as well as to attract the remaining unenrolled,  
31                  eligible customer population. This budget category includes costs  
32                  for acquisition and retention marketing and community engagement  
33                  strategies. These strategies and proposals are discussed in more  
34                  detail in Section D.1.e. of this testimony.

1                    Processing, Certification and Recertification: PG&E requests  
2 \$5.3 million to continue processing, certification, and recertification  
3 of CARE applications from 2021-2026, an average of  
4 \$883 thousand annually. This cost category encompasses  
5 day-to-day administrative tasks associated with processing CARE  
6 applications for enrollment and for recertification.

7                    Post-Enrollment Verification and High Usage Process:  
8 PG&E requests \$9.2 million to support its PEV and High Usage  
9 process from 2021-2026, an average of \$1.5 million annually.  
10 PG&E promotes program integrity by verifying customers' eligibility  
11 for CARE after high usage customers' eligibility is verified, and as  
12 appropriate, referring to ESA. This budget cost category  
13 encompasses day-to-day administrative tasks associated with  
14 completing PEV and High Usage verifications.

15                    IT Programming: PG&E requests \$7.4 million for IT  
16 programming related to CARE from 2021-2026, an average of  
17 \$1.2 million annually. This budget category includes costs for the  
18 CARE database, systems enhancements, and mobile access.

19                    CHANGES Program: PG&E requests \$3.2 million for PG&E's  
20 portion of the shared cost of ongoing CHANGES Program from  
21 2021-2026, an average of \$535 thousand annually. This budget  
22 category includes reimbursement cost for the ongoing CHANGES  
23 Program and PG&E staff labor to support the CHANGES Program.

24                    Studies: PG&E requests \$172,500 for PG&E's shared studies  
25 cost from 2021-2026. This represents PG&E's CARE share of the  
26 two LINA studies and the statewide categorical eligible program  
27 study proposed in ESA Chapter I, Section D.10.b-c.

28                    Measurement & Evaluation: PG&E requests \$1.2 million from  
29 2021-2026, an average of \$200 thousand annually. This budget  
30 category includes all measurement and evaluation related to the  
31 CARE Program, including contract expenses for the annual study of  
32 CARE customer eligibility estimates.

33                    Regulatory Compliance: PG&E requests \$2.3 million from  
34 2021-2026, an average of \$387 thousand annually. This budget

category includes costs for staff labor and travel expenses associated with preparing regulatory filings and regulatory-related activities.

General Administration: PG&E requests \$7.2 million for program administration and management from 2021-2026, an average of \$1.2 million annually.

CPUC Energy Division Staff: PG&E requests \$1 million from 2021-2026, an average of \$176 thousand annually. This budget category represents funding for ED staff.<sup>19</sup>

f) *Describe new program elements and strategies, if any, including budget estimates for new approaches;*

PG&E has no additional programs beyond those already discussed in Section C.1.e.

g) *Describe in detail any proposed pilots and/or studies, including detailed budgets and timelines;*

**Studies:**

The IOUs propose three CARE-ESA studies to begin during the 2021-2026 program cycle. Detail about these studies are available in Chapter I ESA Section D.10.b-c Program Studies and Pilots.

- 2025 Statewide LINA (to be scoped and solicited in 2023)
- 2028 Statewide LINA (to be scoped and solicited in 2026)
- Statewide CARE-ESA Categorical Program Study

The proposed budget for these studies is provided in Table II-6. The budget for each specific study will be determined once the study has been scoped.

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<sup>19</sup> Funding to ED per D.16-11-022, D.12-11-015, D.10-04-029, D.09-09-047, D.08-10-027, D.05-12-026, D.06-12-038, D.05-11-011 and ALs 2745-E, 2683-G, 1936-E, 1754-E, 1575-G, and per Budget Act Chapter 50, Statute 1999.

**TABLE II-6  
2021-2026 STATEWIDE CARE-ESA STUDIES AND BUDGETS**

Line No.	2021-2026 Study Summary Table				PG&E Study Budget		
	Summary	Statewide Budget	ESA (50%)	CARE (50%)	PG&E ESA Share (30%)	PG&E CARE Share (30%)	Total PG&E Budget
1	<u>Statewide Study Categories</u>						
2	LINA (2 studies) <sup>(a)</sup>	\$1,000,000	\$500,000	\$500,000	\$150,000	\$150,000	\$300,000
3	Statewide CARE-ESA Categorical Study (1 study)	150,000	75,000	75,000	22,500	22,500	45,000
4	Total	\$1,150,000	\$575,000	\$575,000	\$172,500	\$172,500	\$345,000

(a) LINA 2022 Study will be requested from 2017-2020 budget in an advice letter to be filed in Q4 2019. The AL will request to carryover committed funding to the 2021-2026 cycle.

### **Long-Term CARE Customer Pilot:**

As discussed in Chapter I ESA Section D.10.c., PG&E proposes the Long-Term CARE (LTC) Customer pilot during the 2021-2026 program cycle to test the effectiveness of outreach and communications with long-term CARE customers (defined as more than 10 years continuously) that have not previously enrolled in ESA. The LTC pilot will focus on M&O strategy, tactics and messaging to assist in enrolling long-term CARE customers into the ESA Program. The target customers will be selected from the population who: (1) have been receiving the CARE discount for more than 10 years continuously; (2) have occupied the same premise during this time; and (3) have not participated in ESA. The pilot will select two groups of 5,000 customers from the total population of approximately 95,000 as of June 30, 2019. See Table I-4, Chapter 1, Section 3.a. Both groups will receive information that they must respond or risk losing their CARE discount.

The LTC pilot planning is expected to begin in late 2023 and pilot implementation is expected to begin in 2024. The pilot cost is included in ESA Program budget. The pilot could result in the loss of CARE discount for those customers selected and who do not respond. Data collection and analysis on the impact of both positive benefits and negative economics will be important in

1 informing future ESA and CARE enrollment policies.

2 See detailed Pilot Implementation Plan in Appendix D.

3 h) *Specify the total requested budget of the portfolios for each program*  
4 *year, and for the entire budget cycle;*

5 The total requested budget of the portfolios for each program  
6 year and for the entire budget cycle are as follows/in  
7 Table II-7 below.

8 **(i) CARE Program Budget**

9 In this section, PG&E breaks down the CARE Program  
10 Budget for PY 2021-2026 by category in Table II-7 below.



**TABLE II-7  
CARE PROGRAM ADMINISTRATIVE BUDGET FOR PY 2021-2026**

Line No.	CARE Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Marketing and Outreach	\$7,866,600	\$7,780,300	\$7,987,200	\$7,947,200	\$8,167,300	\$8,302,600	\$48,051,200
2	Processing, Certification, Recertification	819,500	844,100	869,400	895,500	922,300	950,000	5,300,800
3	PEV	1,439,900	1,475,900	1,512,900	1,551,100	1,590,500	1,631,000	9,201,300
4	IT Programming	1,656,300	1,090,600	1,123,300	1,157,000	1,191,700	1,227,500	7,446,400
5	CHANGES Program	535,000	535,000	535,000	535,000	535,000	535,000	3,210,000
6	Studies	22,500	0	25,000	25,000	25,000	75,000	172,500
7	Measurement and Evaluation	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
8	Regulatory Compliance	358,600	369,400	380,500	391,900	403,600	415,700	2,319,700
9	General Administration	1,089,200	1,296,800	1,155,300	1,189,800	1,225,300	1,261,900	7,218,300
10	CPUC ED Staff	163,000	167,900	173,000	178,100	183,500	189,000	1,054,500
11	Total Program Administrative <sup>(a)</sup>	\$14,150,600	\$13,760,000	\$13,961,600	\$14,070,600	\$14,444,200	\$14,787,700	\$85,174,700

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

PG&E's budget for 2021-2026 was derived using a bottoms-up planning of administrative resources, planned M&O cost estimates (derived from historical averages and planned strategies), systems enhancements, as well as ongoing planned programming activity of recertifications and post-enrollment verification activity.

- i) Estimate the total number of households to be enrolled for each year, and for the entire budget program year cycle.

For 2021 through 2026, PG&E estimates that 255,000 households will be enrolled in CARE annually, and 1,530,000 households will be enrolled in CARE for the entire budget program year cycle. PG&E bases these estimates on historical program performance on attrition and newly eligible population estimates. These estimates will be impacted by changes in economic factors. This will balance estimated attrition of the same number of households, meaning total CARE enrollment is estimated to remain the same.

#### **D. CARE Program Delivery**

##### **1) CARE Enrollment, Recertification and Outreach:**

- a) *Discuss any warranted changes to enrollment, recertification, and/or post-enrollment verification processes.*

As described above in Section B, PG&E proposes a change in recertification and has made a change in PEV process.

PG&E proposes changing the recertification of non-profit, agriculture, migrant farm worker housing facilities from two years to four years to reduce administrative burden of the not for profits.

In September 2019, the Joint IOUs changed the PEV process for high-use customers. PG&E modified the acceptable income verification documents to add all household income documentation accepted in the standard PEV process in addition to the IRS Tax Form. This will reduce one barrier identified in LINA study and reported by CBOs. This change will continue through the next program cycle.

1           b) *Discuss any needed changes or updates to existing*  
2           *probability models.*

3           PG&E proposes to rebuild the Propensity Model every three to  
4           four years to avoid data decay that can degrade the accuracy of the  
5           model over time. A rebuild entails analysis of all available data  
6           fields using the most recent customer data to evaluate new  
7           variables for possible inclusion or exclusion from the model. During  
8           the process, previously included variables may still remain in the  
9           model, but could be reweighted, and new variables may be included  
10          in the rebuild, while others may be omitted. PG&E plans to rebuild  
11          the model in 2020 (last rebuild was in 2016), then starting in 2021,  
12          PG&E plans to conduct an annual refresh to incorporate new  
13          customer enrollment data from the prior year to capture changes.  
14          The cost to rebuild the model is estimated at \$13,000 (rebuild would  
15          occur in 2024) and the annual update to the CARE propensity model  
16          is estimated at \$8,000 per program cycle year. Costs involved  
17          cover the overhead for analyst and programming resource time.  
18          Total estimated costs for updating the model during the 2021-2026  
19          cycle is estimated at \$61,000. This cost is included in the M&O  
20          budget proposed in Section D.1.e. (within the Data Management,  
21          Measurement and Analysis budget category).

22          PG&E expects to continue using a CARE propensity model for  
23          acquisition, recertification and post-enrollment verification.

24          c) *Discuss any warranted changes to the high usage policy and/or*  
25          *appeal process.*

26          As discussed above, change to the list of acceptable income  
27          documents is warranted for the high usage policy. (Section B.5.).

28          d) *Discuss any warranted modifications to applying the CARE discount*  
29          *for Green Tariff Shared Renewables customers.*

30          In compliance with Resolution (Res.) E-4880, issued  
31          October 27, 2017,<sup>20</sup> PG&E proposes no modifications to the

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<sup>20</sup> Res.E-4880. Approval for Income-Qualified Customers Who Enroll in the Green Tariff Shared Renewables Program to Continue Receiving the Applicable CARE or FERA Discounts [PG&E AL 4976-E].

1 application of the CARE discount for Green Tariff Shared  
2 Renewables customers.

- 3 e) *Discuss the current and suggested Outreach strategies and*  
4 *methods to improve CARE enrollment and retention including the*  
5 *estimated costs.* **[WITNESS: OLSEN]**

6 In this section, PG&E presents its primary discussion of current  
7 and suggested M&O strategies to improve CARE enrollment and  
8 retention including the estimated costs. This section also presents  
9 PG&E's proposed strategy for Community Based Outreach during  
10 the 2021-2026 cycle, along with the proposed budget.

11 PG&E's budget for the overall M&O category which consists of  
12 marketing, community engagement, and other administrative  
13 expenses is \$48 million.

#### 14 **PG&E's Marketing Proposal Summary**

15 PG&E's strategic marketing focus and continuous improvement  
16 efforts over many years resulted in a participation rate for the CARE  
17 Program that is currently above 90 percent.<sup>21</sup> In 2018, CARE  
18 marketing helped drive a total of 239,000 new enrollments in the  
19 program. For 2019, PG&E marketing of the CARE Program is  
20 contributing towards forecast enrollment of 237,000. During  
21 program cycle 2017-2020, M&O evolved, placing greater emphasis  
22 on data-driven decision making, and using a test-and-learn  
23 approach to deliver more cost-effective acquisition strategies and  
24 tactics. PG&E plans to apply the same rigor during the final year of  
25 the current cycle (2020) and carry this approach forward into the  
26 new program cycle to achieve ongoing success.

27 The total estimated marketing budget for 2021 through 2026 to  
28 continue these marketing efforts and test new strategies is  
29 approximately \$35.4 million.<sup>22</sup> The proposed budget is reasonable  
30 because PG&E will need to continue significant marketing outreach  
31 for the CARE Program, and expects that some acquisition costs

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<sup>21</sup> PG&E CARE Enrollment Variance Report indicates penetration rate of 95 percent as of June 30, 2019.

<sup>22</sup> Does not include community engagement, and other outreach expenses.

1 may increase in relation to efforts to convert customers that have  
2 been unresponsive to past marketing. Marketing is critical to meet  
3 the obligations to achieve penetration rate goals and ensure that  
4 customers are well-informed about CARE, as well as other energy  
5 management tools, and remain enrolled in the program.

### 6 **CARE Marketing Goals**

7 PG&E's proposed marketing plans sustain levels of enrollment  
8 per the Commission's established aspirational penetration rate of  
9 90 percent.

10 Marketing also supports CARE retention to ensure eligible  
11 customers maintain the financial assistance they need to pay  
12 their bill.

13 Additionally, marketing aims to build greater awareness and  
14 engagement with income qualified customers about holistic energy  
15 management opportunities.

### 16 **PG&E's Suggested Marketing and Outreach Strategies and** 17 **Methods for Continuation**

18 PG&E proposes its M&O efforts continue focus on (1) enrolling  
19 customers in CARE and FERA; and (2) retaining qualified  
20 customers on the programs.

21 PG&E expects to use awareness, acquisition and retention  
22 strategies such as multi-channel direct marketing, paid digital and  
23 radio media, New Mover outreach, automated recertification  
24 reminder e-mails and Welcome Kit campaigns from the previous  
25 cycle to maintain CARE penetration rates. PG&E plans to use  
26 results from 2019 and 2020 marketing tests<sup>23</sup> to inform strategies  
27 for maintaining CARE penetration and increasing FERA penetration  
28 for the 2021-2026 program cycle. Marketing must continue to  
29 generate new enrollments to replace those customers lost to attrition  
30 (e.g., customers who leave the territory, fail-to-recertify or do not  
31 complete PEV), as well as look for ways to identify, contact, and

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23 Examples of marketing tests that may be conducted during the program cycle include communication message testing, targeting tests, tactics tests, digital version side-by-side tests, etc.

1 motivate those customers that have received outreach, but  
2 remain unenrolled.

3 PG&E's marketing approach is flexible to allow for adjustments  
4 based on: (1) ongoing testing and lessons learned from  
5 outreach in 2019, 2020, and 2021 through 2026; and (2) the  
6 Commission's approval of the combined CARE and FERA outreach  
7 forecast budget.

### 8 **Continue Multi-Channel, Multi-Touch Campaigns**

9 PG&E proposes continued use of multi-channel marketing (e-  
10 mail, direct mail (DM), digital video, IVR message, etc.) to reach  
11 customers. Multi-channel marketing benefits customers by making  
12 it easier for them to engage, such as signing up for CARE, in  
13 whatever channel they are using or comfortable with—it provides  
14 choice. Multi-channel marketing also allows for repetition, which is  
15 important because the more people hear/see a message, the more  
16 familiar it becomes. For some consumers, it takes hearing a  
17 message multiple times before they act. Repeating a message  
18 multiple times and in different channels generates familiarity and a  
19 higher likelihood that customers will respond to a message.

20 Repetition of messages is critical to engage customers and  
21 incite them to take action. Through testing, PG&E has found that it  
22 can take at least 3-5 messages for customers to engage.<sup>24</sup> PG&E  
23 plans to use a combination of DM and e-mail that co-promote CARE  
24 and FERA. "Always-on" digital advertising strategy will be layered in  
25 to complement direct marketing campaigns to increase awareness,  
26 provide reminder messaging, and support new customer  
27 enrollments. The use of broadcast and traffic radio campaigns  
28 provide an additional layer of media, again to drive awareness as  
29 well as enrollment. PG&E also plans to continue program promotion  
30 via other M&O channels such as the PG&E Residential Digital

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<sup>24</sup> Frequency and sequence testing results, 2015 CARE End of Season Analysis, Executive Summary, p. 4, prepared by Targetbase, November 16, 2015.

Newsletter, Home Energy Reports, local offices or payment centers and pge.com.

### **Target Qualified Customers Via the CARE Propensity Model**

PG&E plans to continue use of the CARE propensity model<sup>25</sup> to target eligible, non-enrolled, income-qualified customers. PG&E's residential customer records (CARE and non-CARE) are scored quarterly and grouped into ten deciles with the most likely eligible customers residing in the lower deciles. PG&E's CARE direct marketing campaigns leverage the deciles scores to create customer lists with the following criteria:

- Customers with Decile score of 1-3;
- Customers with Decile score of 4, with an income indicator below \$100,000 are included;
- Customers with Decile score of 5, with an income indicator below \$70,000 are included;

Customers with a Decile score of 4 and 5 that do not have an income flag available, or customers with a decile score 6 or higher, are not included on direct marketing lists.

The Propensity Model enables PG&E to target customers that are more likely eligible for CARE and the table below illustrates how most enrollments generated from DM and e-mail campaigns are from lower deciles.

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<sup>25</sup> An algorithm designed to assess likelihood for CARE based on select demographics and characteristics. See Section A.3.5. for a description of the CARE Propensity Model.



**TABLE II-8**  
**PG&E'S 2018 CARE DIRECT MAIL AND E-MAIL ENROLLMENTS BY DECILE**

Model Decile	No. of Customers Contacted	% of Total Enrollments	Enrollment Rate
1	85,891	20%	10%
2	150,898	24%	7%
3	193,383	24%	5%
4	167,458	15%	4%
5	124,634	10%	3%
6	28,937	4%	5%
7	14,694	2%	6%
8	7,645	1%	8%
9	2,099	0%	5%
10	528	0%	4%
Overall	776,167	100%	6%

The CARE Propensity Model is a tool used to identify which customers are most likely to be CARE-eligible based on variables that are predictive of the desired behavior (CARE enrollment). As noted in Section D.1.b., PG&E proposes a rebuild of the Propensity Model every three to four years, and an annual refresh of the Propensity Model to ensure the model retains statistical accuracy for use in targeting eligible customers.

PG&E has also reviewed penetration rates for subgroups within the CARE population including eligible customers who live in High Poverty<sup>26</sup> and Rural<sup>27</sup> areas. These groups are not mutually exclusive—a majority of rural and high poverty areas are located in the same counties indicating that there are eligible customers who classify as both rural and high poverty. PG&E plans to continue targeting the hard-to-reach populations, specifically within rural and high poverty groups where PG&E sees opportunity to increase penetration rates.

<sup>26</sup> A High Poverty household has income at or below 100 percent of the Federal Poverty Level Guidelines. PG&E has identified specific zip codes and counties within PG&E's territory that fall within this definition for targeting purposes. See Section D.3.a. for a list of identified High Poverty areas.

<sup>27</sup> Rural areas are generally defined as those isolated from larger metropolitan areas, by distance or other physical features. PG&E has identified specific zip codes and counties within PG&E's territory that fall within this definition for targeting purposes. See Section D.2.a. for a list of identified Rural areas.



## Engage Customers Through Relevancy

Key program messages are delivered to customers depending on where they are in their energy management journey. At the beginning of the journey program messaging focuses on CARE enrollment messages targeted to low-income customers. Once a customer enrolls in CARE, they receive messages about the requirements for ongoing participation in the program via the CARE Welcome Kit. At that time, the customer is also encouraged to apply for the ESA Program and sign up online for tools and alerts. PG&E's retention campaigns remind customers of the need to recertify before their CARE discount expiration date to maintain their CARE discount.

PG&E plans to continue engaging customers who are new to PG&E's territory via the year-round acquisition program executed through a partnership with a third-party vendor. The New Mover Program assists people who are moving by simplifying the process of establishing services with energy, cable, internet, and phone providers. A renter/owner questionnaire is used to target customers who may be CARE-eligible and offers CARE as an option to the customer. Customers who accept the offer are sent enrollment information.

According to Acxiom modeling,<sup>28</sup> the most common language preference among PG&E's CARE-enrolled customers is English (51 percent) followed by Spanish (35 percent).<sup>29</sup> Therefore, marketing campaigns will continue to be conducted in English and Spanish to address the primary language preferences. Bilingual English/Spanish bill inserts promoting CARE and FERA will continue

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<sup>28</sup> Acxiom is a third-party data collection agency which has a large repository of multi-sourced demographics. Both public and private sources are used to compile the data such as public records, data compilers and data co-ops. Residential marketing campaigns often use Acxiom data to develop relevant customer-based targeted marketing. Data sourced from Acxiom is currently stored in PG&E's Customer Analytics and Segmentation Database and is refreshed regularly.

<sup>29</sup> PG&E Residential Profiles for CARE and FERA Enrolled and Non-Enrolled Customers, Customer Analytics and Segmentation Database, May 31, 2018.

1 to be included in the residential customer bill package several times  
2 throughout the year. The insert includes the CARE and FERA  
3 application and targets customers who have a “CARE-eligible” flag  
4 based on having a CARE Propensity Model score of 1-3.  
5 Additionally, when the CARE annual income guidelines are updated  
6 in June per the release of the revised Federal Poverty Level  
7 information, the bill insert is distributed to all residential customers  
8 who are not currently enrolled in CARE.

9 PG&E will continue to support CARE customers with outreach  
10 materials in multiple languages and to serve those customers with  
11 accessibility needs. All forms and brochures that include the CARE  
12 and FERA income guidelines will continue to be updated annually in  
13 compliance with D.12-08-044.<sup>30</sup> Customers will find program  
14 applications in English, Spanish, Chinese, Vietnamese, and Large  
15 Print formats on pge.com and/or by calling PG&E’s Customer  
16 Contact Center. Materials are also available at PG&E local offices  
17 and via CBOs. Braille applications are available by request through  
18 the Customer Care Contact Center.

### 19 **Test, Learn, and Optimize**

20 PG&E plans to continue testing marketing strategies, tactics,  
21 and messages through a combination of research and in-market  
22 performance evaluation. Testing and evaluation are critical to  
23 improving marketing approaches and cost-effective outreach.  
24 Allowing for flexibility in the plan is important to make continual  
25 adjustments to the strategies proposed.

26 Tests will be designed to drive ongoing improvements to key  
27 marketing performance indicators, such as campaign response  
28 rates, penetration rate changes with hard-to-reach groups and  
29 overall marketing cost-per acquisition. These indicators are  
30 monitored on an ongoing basis so that changes can be made to  
31 PG&E’s campaign approaches. For example, in Q1 of 2017 PG&E  
32 added a text call-to-action (CTA) in e-mail to test the hypothesis that

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30 D.12-08-044, OP 119.

1 an additional response option for customers who rely heavily on  
2 their mobile phones would increase enrollment rates. The new  
3 text CTA was implemented in mobile versions of the e-mail for the  
4 newly-eligible segment of the campaign. Results showed a  
5 24 percent increase in e-mail enrollment rate for the Q1 2017  
6 newly-eligible segment versus Q4 2016. Based on these positive  
7 results, PG&E rolled out text CTAs to all CARE marketing segments  
8 in 2017 and creating a text option in Spanish.

### 9 **Retain and Engage Qualified Customers**

10 In addition to driving new customer enrollment, PG&E uses  
11 M&O to engage income eligible customers in other opportunities to  
12 manage energy costs and encourage retention of existing CARE  
13 customers. PG&E will continue to leverage existing retention  
14 campaigns to build stronger relationships with low-income  
15 customers.

16 PG&E plans to continue refining the CARE welcome  
17 experience and communication campaign through the 2021-2026  
18 program cycle.

19 In 2018, PG&E updated the Welcome Kit which is sent to new  
20 CARE customers shortly after enrollment by DM or e-mail. The  
21 Welcome Kit provides customers with the following:

- 22 • Information about the CARE discount program;
- 23 • Individual CARE discount expiration date;
- 24 • Instruction on where to find the CARE discount on the bill; and
- 25 • Explanation for why managing usage levels below 400 percent  
26 of baseline is a critical requirement to participate in CARE.

27 In 2019, PG&E analyzed the impact of the Welcome Kit on  
28 CARE customer retention. The analysis showed that the CARE  
29 Welcome Kit has had a positive impact on the overall retention of  
30 CARE customers: of those customers who received the Welcome  
31 Kit, 43.9 percent recertified for CARE versus a 37.2 percent  
32 recertification rate for customers who did not receive a Welcome

1 Kit.<sup>31</sup> Customers who received a Welcome Kit also had higher  
2 tenure on the CARE Program by three months compared to those  
3 that did not receive the communication.<sup>32</sup>

4 In addition to supporting CARE retention, the Welcome Kit has  
5 driven enrollment in other PG&E income qualified programs. For  
6 example, in 2018, PG&E added a pre-filled ESA lead form and  
7 postage-paid reply envelope to the DM version of the Welcome Kit  
8 to encourage new CARE customers to apply to participate in ESA.  
9 This communication drove more than 10,000 incremental leads for  
10 ESA.<sup>33</sup> In addition to generating a large number of ESA responses,  
11 customer leads from this CARE Welcome Kit had a higher  
12 assessment and treatment rate compared to other ESA outreach  
13 campaigns.<sup>34</sup> PG&E plans to continue to use the Welcome Kit to  
14 communicate critical messages to low-income customers.

15 As CARE customers approach the recertification period,  
16 there are two e-mail marketing campaigns in place to promote  
17 retention: (1) auto-recertify notification; and (2) recertification  
18 reminders. PG&E proposes to continue these campaigns in the  
19 2021-2026 cycle.

20 While the primary focus of the auto-recertify e-mail is to alert  
21 customers in Deciles 1 and 2 that they have been automatically  
22 re-enrolled in CARE, this touchpoint can also serve as an  
23 opportunity to provide secondary messages, such as  
24 encouraging customers to complete a Home Energy Checkup  
25 or rate comparison.

26 For customers required to recertify, PG&E sends an e-mail  
27 notification reminder to the customer that their recertification date is  
28 approaching and encourages them to act to recertify. The

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**31** Appendix E, CARE Welcome Kit Analysis, p. 4, prepared by Targetbase, August 19, 2019.

**32** Appendix E, CARE Welcome Kit Analysis, p. 5, prepared by Targetbase, August 19, 2019.

**33** ESA leads tracked via Edgeline and Webtrends, Q1-Q4, 2018.

**34** ESA 2018 Campaign Analysis, prepared by Targetbase, May 15, 2019.

1 recertification reminder e-mails are sent at 120-days, 90-days,  
2 60-days, and 30-days prior to the CARE expiration date and are  
3 complementary to the mailed recertification letter and application  
4 that is sent out by CARE Operations. In conducting the Welcome  
5 Kit analysis noted above, data showed that the recertification e-mail  
6 provided an increase in recertifications for audiences both receiving  
7 and not receiving a Welcome Kit, with a slightly higher increase  
8 in recertification occurring for Welcome Kit Non-Recipients  
9 (10.8 percent vs. 9.6 percent).<sup>35</sup> This would indicate that the  
10 additional touchpoint of a reminder e-mail provides a cost-effective  
11 approach to increasing overall recertification rates.

### 12 **Proposed New Strategies for Testing and Assessment**

13 The following section includes discussion of new strategies and  
14 tactics PG&E proposes during the 2021-2026 program cycle.

#### 15 **Enhance Recertification Campaign**

16 Although paper applications still account for a significant  
17 percentage of marketing applications, customers are demonstrating  
18 their desire to use quicker and more convenient channels to  
19 engage. In the first half of 2018, 50 percent of responders from  
20 the direct marketing campaign were online enrollments versus  
21 16 percent who submitted paper applications.<sup>36</sup> An option to text to  
22 enroll was added to acquisition e-mail campaigns during the first half  
23 of 2017, and then a Spanish language text option was added later  
24 that year. PG&E has observed a marked increase in text responses  
25 over time, from 3 percent in 2017 to 10 percent in 2018.<sup>37</sup>

26 Based on these results, PG&E proposes the addition of a text  
27 response option for the CARE and FERA recertification e-mail  
28 campaigns so that customers have the option to complete

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35 Appendix E, CARE Welcome Kit Analysis, p. 7, prepared by Targetbase, August 19, 2019.

36 CARE Q1 and Q2 2018 Acquisition Campaign Analysis, prepared by Targetbase, November 27, 2018 (revised December 17, 2018).

37 CARE Q1 and Q2 2018 Acquisition Campaign Analysis, prepared by Targetbase, November 27, 2018 (revised December 17, 2018).

1 recertification via text message. Customers who open the  
2 recertification e-mail notification on a mobile device will see a  
3 prompt that includes an option to recertify by text. The customer will  
4 then be able to answer the recertification questions via text in the  
5 same manner that is used for acquisition campaigns.

6 PG&E also plans to test an additional recertification reminder  
7 message deployed via outbound text message during 2021. An  
8 outbound text message can be sent to customers who have opted-in  
9 to receive information via text message and have provided a valid  
10 cell phone number. Recertification reminder messages would also  
11 offer a prompt for the customer to view the message in Spanish if  
12 preferred. These messages are intended to create a greater sense  
13 of urgency for the customer, reminding them of their upcoming  
14 recertification date and encouraging them to respond promptly  
15 to recertify.

#### 16 **Test New Tactics Targeting Hard-to-Reach Customers**

17 PG&E proposes targeted increases in paid media to specific  
18 zip codes to address those zip codes with penetration rates below  
19 60 percent.

20 In 2017, PG&E analyzed zip codes for hard-to-reach Rural and  
21 High Poverty areas. The analysis showed some Rural and High  
22 Poverty zip codes are within counties that have overall high  
23 penetration rates. This seems to indicate that current marketing  
24 strategies are successful with our targeted customer population and  
25 perhaps only require slight strategic modifications like specifically  
26 targeting lower penetration zip codes.

27 In late 2019, PG&E will test targeting media to identified Rural  
28 and High Poverty zip codes to evaluate the potential for new tactics  
29 to increase penetration within these hard-to-reach groups. PG&E  
30 plans to place additional media spend in targeted zip codes  
31 including digital, radio and new home-delivered tactics (i.e., shared

mail,<sup>38</sup> ValPak and doorhangers). If the results show positive impact to penetration rates, PG&E will look to continue these tactics during the 2021-2026 cycle.

### **Community Based Outreach**

PG&E partners with CBOs to enhance its outreach to income qualified and hard-to-reach<sup>39</sup> customers to complement traditional mass-marketing efforts.

PG&E's community outreach strategies support its CBO partners to provide face-to-face interaction and leverage the cultural competencies of CBO staff who have built trust within hard to reach communities. PG&E has gained insights and feedback from its long-standing investments in community-based partnerships. CBO partners bring knowledge about the nuances and intricacies of local communities and provide a perspective of the day-to-day experiences of this customer segment. PG&E has leveraged these insights in the past to reassess strategies, target outreach dollars more effectively, and redesign outreach material to reach more targeted audiences. PG&E remains invested in its approach to engage community-based partners and will continue to support this crucial aspect of its outreach strategy for 2021-2026 and request funding of \$7.9 million (see Table II-11) to support the following efforts:

1. **Advance a holistic approach to promote and educate customers in limited income and vulnerable populations about the various income qualified programs and rate options.** PG&E will work in a variety of ways to increase community engagement. PG&E currently works with CBOs to

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<sup>38</sup> Shared mail combines an advertiser's marketing piece with those of other individual advertisers into one open mail package. Each participating advertiser pays only a fraction of the total third class postage.

<sup>39</sup> PG&E defines hard-to-reach customers as groups who are inaccessible to most conventional M&O methods and is comprised of those who traditionally would not seek support or cannot access the usual PG&E avenues. These customers are generally characterized in the following groups: disabled, elderly, limited English proficiency, geographic isolation, racial/ethnic minorities, transient families, multi-family and mobile home, renters, low education and literacy levels, and refugee status.



1 promote assistance programs through multiple channels. These  
2 channels include COC program, and Health Outreach Workers.  
3 PG&E's outreach and engagement efforts will target  
4 underserved communities addressing populations with language  
5 barriers, and rural areas by utilizing CBO's and other resource  
6 organizations that have existing relationships and trust within  
7 these communities. These outreach channels focus on CARE,  
8 FERA, ESA, Medical Baseline, REACH, and energy  
9 management tools, such as Bill forecast and Budget Billing.  
10 PG&E will complement traditional marketing tactics with one on  
11 one direct interaction with rural customers by utilizing the  
12 following channels: CBOs, door-to-door campaigns, Health  
13 outreach workers, outreach through churches, faith-based  
14 groups and other emerging opportunities.

- 15 2. **Leverage results from its past CBO Pay for Performance**  
16 **pilot program, which contracted directly with**  
17 **high-performing community partners focused on a holistic**  
18 **approach to increasing education on PG&E's**  
19 **income-qualified programs and rate options to enroll new,**  
20 **eligible customers and educate them on energy usage and**  
21 **conservation using grass roots tactics in underserved**  
22 **communities.** The pilot reached 4,055 customers through  
23 618 door-knocks, 148 events and 59 workshops in 11 counties.  
24 While the reach was significant the number of new enrollments  
25 were low at only 200. The key learning from this pilot is that the  
26 grassroots (e.g., grocery store tabletops, door-to-door  
27 canvassing) approach helps us to connect with customers who  
28 have not yet enrolled in CARE or FERA but at a very high cost  
29 due to reaching many already enrolled customers to find the few  
30 who are not. In the next programming cycle, we will continue to  
31 learn with testing of different grassroots approaches to convert  
32 unenrolled eligible customers. All customers benefit from the  
33 education on the breath of programs and rate options available.



- 1                   3. **PG&E will continue to leverage and expand its current COC**  
2                   **program by increasing the number of new and successful**  
3                   **productive partnerships targeting Disadvantaged and hard**  
4                   **to reach populations.** PG&E will seek CBOs to deliver  
5                   culturally and linguistically specific outreach, to include, but not  
6                   limited to faith-based groups, student resources centers at  
7                   universities, organizations serving seniors, community  
8                   organizations serving customers in their language, veterans,  
9                   refugees, customers with disabilities and tribal organizations  
10                  (in coordination with the ESA team). PG&E will seek to expand  
11                  CBOs education across service territory with high eligible  
12                  numbers not yet enrolled. Once onboarded, COCs will receive  
13                  a Training Toolkit with targeted training modules integrating all  
14                  equity programs including CARE, FERA, ESA, Medical  
15                  Baseline, REACH, rate options (DAC Green Tariff), energy  
16                  management tools and other assistance programs enabling  
17                  COCs to have a knowledgeable conversation with their clients  
18                  regarding energy assistance. CARE capitation fees and  
19                  development of training and engagement toolkit throughout  
20                  program years.
- 21                  4. **Continue support of community events with PG&E's local**  
22                  **customer representatives who attend events and outreach**  
23                  **directly to customers.** Community partners will continue to be  
24                  invited to take part in strategic event days at PG&E's local  
25                  offices where customers are present to learn more about  
26                  qualified income programs and services available to them.  
27                  PG&E plans to complement its multi touch marketing approach  
28                  with CBO outreach events. PG&E will support traditional COC  
29                  and Community Ambassador Program outreach with face to  
30                  face awareness at community events. CBO partners may  
31                  leverage PG&E event participation assistance, when available,  
32                  to cover staffing, promotional items and set up at community  
33                  events they would otherwise be unable to attend. PG&E will  
34                  offer a promotion toolkit to CBOs and support event promotion

1 through in-language radio stations, online media (including  
2 social media or mail inserts in targeted zip codes to increase  
3 foot traffic to these events.

4 **Marketing and Outreach Budget Proposal Summary**

5 PG&E proposes a total CARE M&O budget of \$48 million for the  
6 2021-2026 Low-income program cycle. PG&E's budget remains  
7 flexible to allow for allocation adjustments and revised outreach  
8 activities based on the results of the continual test and learn  
9 approach presented.

10 The estimated budget is broken out by year in Table II-9 below.

**TABLE II-9**  
**2021-2026 ESTIMATED CARE MARKETING AND OUTREACH BUDGET**

Line No.	CARE Program M&O	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated	2025 Estimated	2026 Estimated	Total 2021-2026 Estimated
1	M&O	\$5,688,110	\$5,658,493	\$5,836,602	\$5,897,444	\$6,058,012	\$6,223,298	\$35,361,959
2	Community Engagement	1,394,515	1,334,251	1,359,278	1,254,607	1,310,245	1,276,202	7,929,099
3	Other Outreach Costs	783,975	787,556	791,320	795,149	799,043	803,100	4,760,142
4	Total M&O Expenses	\$7,866,600	\$7,780,300	\$7,987,200	\$7,947,200	\$8,167,300	\$8,302,600	\$48,051,200

PG&E is providing cost estimates for currently anticipated 2021-2026 M&O activities to enroll and retain eligible customers in the CARE Program. In the table below, PG&E has included estimates of PG&E's labor, third-party contracts and other costs relating to M&O activities that are to be recovered through the CARE Program balancing accounts. Given that many of the proposed marketing activities include co-promotion of CARE and FERA, where applicable, PG&E has allocated a portion of the associated cost to be funded within the CARE budget proposal. In these instances, the primary funding would be allocated to CARE since CARE has a significantly higher estimated-eligible population. The FERA estimated budget has allocated a portion of co-promotion activity based on the relative size of the FERA estimated eligible population.

Descriptions of each cost category are listed below Table II-10.

**TABLE II-10**  
**CARE MARKETING BUDGET ESTIMATES FOR 2021-2026**

Line No.	CARE Marketing and Outreach	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates	Total 2021-2026 Estimates
1	Communications Development <sup>(a)</sup>	\$403,040	\$345,333	\$379,490	\$272,354	\$280,393	\$288,672	\$1,969,282
2	Direct to customer (DM, EM, Bill Inserts) <sup>(b)</sup>	1,440,720	1,464,309	1,504,014	1,558,990	1,601,114	1,644,501	9,213,648
3	Media <sup>(c)</sup>	2,567,600	2,644,628	2,723,967	2,805,686	2,889,856	2,976,552	16,608,289
4	Other Outreach <sup>(d)</sup>	195,300	98,500	98,500	98,500	98,500	98,500	687,800
5	Forms/Collateral/ Brochures <sup>(e)</sup>	110,000	113,300	116,699	120,200	123,806	127,520	711,525
6	Data Management, Measurement & Analysis <sup>(f)</sup>	458,000	467,160	476,503	486,033	495,754	505,669	2,889,119
7	Customer Research <sup>(g)</sup>	62,500	62,500	62,500	62,500	62,500	62,500	375,000
8	Labor, Technology License Fees, etc. <sup>(h)</sup>	450,950	462,763	474,929	493,181	506,089	519,384	2,907,296
9	Total Marketing Estimate	\$5,688,110	\$5,658,493	\$5,836,602	\$5,897,444	\$6,058,012	\$6,223,298	\$35,361,959

(a) Communications Development includes advertising agency time of staff for creative development of marketing materials such as DM, EM, video and radio scripts.

(b) Direct to Customer marketing includes costs such as postage and production of DM acquisition and retention campaigns, bill insert printing, text and EM programming and deployment.

(c) Media costs include media agency planning and reporting services, and media buy negotiation and purchase for tactics such as display advertising, search engine marketing, print and radio.

(d) Other Outreach includes costs paid to third-party vendor for enrollments generated by the New Mover program, web optimization projects, and development and deployment of Income Qualified customer segment Newsletter articles.

(e) Forms/Collateral/Brochures includes costs for agency time of staff to design and write new forms or brochures, make updates to all forms and collateral annually that include the CARE and FERA income guidelines, as well as the printing and distribution of these materials to the required locations (such as local offices, CBOs or for PG&E inventory) and revisions to other existing forms such as standard PEV and High Usage PEV letters and forms.

(f) Data Management, Measurement and Analysis includes costs such as third-party data vendor time of staff for programming and execution for customer list generation, strategic planning support, Propensity Model development and maintenance, and campaign reporting and analysis.

(g) Customer Research includes costs such as PG&E staff labor, third-party vendor resources to conduct studies or surveys, location, travel and material costs for studies such as focus groups or in-person studies.

(h) Labor, technology license fees, etc. cost includes PG&E staff to support planning and execution of marketing activity, and licensing fees for technology platform to conduct marketing campaigns such as EM and text.

**TABLE II-11  
CARE COMMUNITY ENGAGEMENT BUDGET ESTIMATES FOR 2021-2026**

Line No.	CARE Community Engagement	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates	Total 2021-2026 Estimates
1	COC – Capitation Fee	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$360,000
2	COC – Community Ambassadors Program	150,000	150,000	150,000	150,000	150,000	150,000	900,000
3	Community Health Outreach	100,000	100,000	100,000	100,000	100,000	100,000	600,000
4	Brochures and Applications	15,000	15,000	15,000	15,000	15,000	15,000	90,000
5	Giveaways	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
6	Event Support: Booth fee	30,000	30,000	30,000	30,000	30,000	30,000	180,000
7	CSO Community Outreach Events	160,000	160,000	160,000	160,000	160,000	160,000	960,000
8	CBO Training and Engagement Toolkit, Development and Production	75,000	5,000	50,000	5,000	50,000	5,000	190,000
9	Community Outreach Event Promotion, Support Materials and Local Media	250,000	250,000	150,000	150,000	150,000	150,000	1,100,000
10	Misc. Expenses	30,000	30,000	100,000	30,000	30,000	30,000	250,000
11	Labor	324,515	334,251	344,278	354,607	365,245	376,202	2,099,099
12	CARE Community Engagement Budget Estimate	\$1,394,515	\$1,334,251	\$1,359,278	\$1,254,607	\$1,310,245	\$1,276,202	\$7,929,099

**TABLE II-12  
CARE OTHER OUTREACH BUDGET ESTIMATES FOR 2021-2026**

Line No.	Other Outreach	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates	Total 2021-2026 Estimates
1	CARE Toll Free Line, Calls Handling, Phone Enrollment	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$1,224,000
2	Postage Fees	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
3	End-Use Load Profile	260,000	260,000	260,000	260,000	260,000	260,000	1,560,000
4	Other Supporting Labor	119,975	123,556	127,320	131,149	135,043	139,100	776,142
5	CARE Other Outreach Budget Estimate	\$783,975	\$787,556	\$791,320	\$795,149	\$799,043	\$803,100	\$4,760,142

1 f) *Discuss how Outreach efforts will result in meeting program*  
2 *participation goals including any specific population sectors or*  
3 *segments.*

4 M&O for the previous cycle successfully supported the  
5 achievement of surpassing the 90 percent target penetration rate for  
6 CARE. To maintain a penetration level at or above 90 percent,  
7 M&O will need to be executed at a level consistent with what was  
8 done in the previous cycle. PG&E plans to continue its current  
9 strategies, as detailed in the prior section. Additionally, PG&E  
10 expects to continue to test and learn to make improvements to  
11 areas that require additional focus, such as hard-to-reach  
12 customers, including Rural and High Poverty groups and areas  
13 within PG&E's territory where penetration rates are below average  
14 to improve overall penetration rates.

15 **2) Targeting the Rural Population and Hard-to Reach for CARE:**

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

19 PG&E identified 104 zip codes in rural areas that have CARE  
20 penetration less than 60 percent. Table II-13 displays the top  
21 15 rural zip codes ranked in terms of the number of estimated  
22 CARE-eligible households (See Attachment B – Rural Zip  
23 Code List).

**TABLE II-13  
TARGETING RURAL ZIP CODES**

Line No.	Zip Code	CARE-Eligible Households	CARE Penetration Rate
1	95521	4,300	53.9%
2	95382	3,316	57.7%
3	95242	2,608	53.7%
4	95223	1,869	21.7%
5	93442	1,489	59.4%
6	93449	1,238	27.9%
7	95321	1,110	35.4%
8	95326	981	52.9%
9	93465	916	51.9%
10	95746	844	49.0%
11	95383	793	44.3%
12	95247	763	45.5%
13	93463	743	49.3%
14	93428	644	53.9%
15	95573	631	44.1%

To increase CARE penetration in these rural zip codes during the 2021-2026 cycle, PG&E proposes targeted strategies including: (1) direct marketing campaigns using DM and e-mail targeting rural customers with Decile scores that indicate likely CARE eligibility; (2) digital media buys with heavier spending in rural zip codes with CARE penetration rates below 60 percent; (3) digital and broadcast radio campaigns in Designated Market Areas that cover rural counties with CARE penetration rates below 60 percent; and (4) zip-targeted home-delivered outreach such as ValPak and shared mail inserts.

PG&E will work to expand CBOs programs in the identified Rural areas to promote assistance through multiple channels. These channels include COC program, Health Outreach Workers, door-to-door campaigns, outreach through churches, other faith-based groups and tribal organizations (in coordination with the ESA team).



1 b) *Identify Hard-to-Reach customers in your territory and discuss what*  
2 *new strategies you will employ to target and enroll those*  
3 *households, and the strategies for each area, if different.*<sup>40</sup>

4 In the 2021-2026 program cycle, PG&E plans to conduct  
5 analysis that will identify the Hard-to-Reach population that meet the  
6 criteria outlined in the definition provided by D.18-05-041, and are  
7 also identified by the propensity model as likely CARE-eligible.  
8 Based on the results of the analysis and population distribution,  
9 PG&E plans to incorporate the Hard-to-Reach population in the  
10 targeted marketing strategies as detailed above in Section D.2.a.

11 **3) Targeting the High Poverty Areas and Disadvantaged Communities**  
12 **for CARE:**

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

17 PG&E has identified 32 counties with residential households  
18 below 100 percent of the Federal Poverty Guidelines. Of those  
19 counties, 12 have a CARE penetration rate below 60 percent.

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<sup>40</sup> For the application filing only use the definition of “Hard-to-Reach” found in D.18-05-041.

**TABLE II-14  
TARGETING HIGH POVERTY COUNTIES**

Line No.	County	Households Below 100 Percent FPL	Estimated CARE-Eligible	CARE-Enrolled	CARE Penetration Rate
1	Placer	17	21	—	—
2	San Mateo	26	36	8	22.2%
3	San Luis Obispo	2,284	3,226	718	22.3%
4	Sierra	131	187	43	23.0%
5	Siskiyou	8	16	4	25.8%
6	Santa Cruz	91	124	39	31.5%
7	Trinity	437	803	308	38.3%
8	Shasta	432	685	295	43.1%
9	Colusa	130	207	91	44.0%
10	Humboldt	3,752	6,732	3,676	54.6%
11	Calaveras	217	263	150	57.0%
12	Plumas	64	135	79	58.6%
13	Alameda	5,773	10,630	6,356	59.8%
14	Mendocino	379	586	354	60.4%
15	Sonoma	161	223	139	62.4%
16	Tehama	443	1,023	650	63.6%
17	Yuba	119	203	131	64.6%
18	Mariposa	213	309	208	67.4%
19	Tulare	472	840	582	69.3%
20	Madera	912	1,708	1,224	71.7%
21	Stanislaus	3,646	7,570	5,522	72.9%
22	Nevada	80	142	110	77.4%
23	Sutter	33	68	53	78.2%
24	San Bernardino	162	301	244	81.1%
25	Glenn	2,557	4,792	4,047	84.4%
26	Lake	3,921	7,205	6,337	88.0%
27	Fresno	3,077	4,777	4,228	88.5%
28	Butte	3,226	6,349	5,676	89.4%
29	Kern	1,981	4,178	3,739	89.5%
30	Sacramento	10,258	20,547	18,551	90.3%
31	San Joaquin	5,934	11,510	10,593	92.0%
32	Merced	6,079	11,052	10,325	93.4%

- 1 PG&E plans to target the High Poverty areas in the same
- 2 manner as described for Rural areas in Section D.2.a. above.
- 3 b) *Identify Disadvantaged Communities (DAC) in your territory and*
- 4 *discuss what new strategies you will employ to target and enroll*
- 5 *those households, and the strategies for each area, if different.*<sup>41</sup>

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<sup>41</sup> As designated by California Environmental Protection Agency using their CalEnviroScreen Tool.

1 PG&E has identified 27 census tracts in DACs with CARE  
 2 penetration rate below 60 percent.

**TABLE II-15  
 TARGETING DISADVANTAGED COMMUNITIES**

Line No.	Census Tract	County	Zip	Estimated CARE-Eligible	CARE Penetration Rate
1	6067001101	Sacramento	95814	175	13.1%
2	6107004200	Tulare	93256	17	17.3%
3	6067005301	Sacramento	95811	87	19.4%
4	6019005408	Fresno	93710	216	19.9%
5	6067000500	Sacramento	95814	401	35.2%
6	6067005205	Sacramento	95826	77	36.4%
7	6067002000	Sacramento	95818	469	37.5%
8	6077003900	San Joaquin	95206	204	39.7%
9	6029003900	Kern	93263	241	42.0%
10	6019000100	Fresno	93721	229	44.1%
11	6099003603	Stanislaus	95380	80	45.1%
12	6085505202	Santa Clara	95050	356	46.6%
13	6001422000	Alameda	94710	418	47.4%
14	6029004604	Kern	93250	110	48.0%
15	6099002902	Stanislaus	95326	975	48.5%
16	6107003100	Tulare	93274	75	49.5%
17	6077004902	San Joaquin	95320	690	49.6%
18	6075017601	San Francisco	94103	2,043	51.4%
19	6099001300	Stanislaus	95350	850	51.5%
20	6001401700	Alameda	94607	408	53.5%
21	6001401000	Alameda	94608	986	54.0%
22	6001403300	Alameda	94607	802	57.2%
23	6099001200	Stanislaus	95354	610	57.9%
24	6031000500	Kings	93230	34	58.4%
25	6029006500	Kern	93505	174	58.5%
26	6067009201	Sacramento	95829	394	59.1%
27	6001401400	Alameda	94608	852	59.4%

3 PG&E plans to leverage existing CARE targeted marketing  
 4 strategies discussed in Section D.1.e. to identify eligible customers  
 5 within DACs. PG&E proposes that the strategies planned for direct  
 6 marketing and paid media are sufficient to target and deliver  
 7 program messages to encourage customers residing in DACs to  
 8 enroll in CARE.

9 The holistic local community-based outreach plans outlined  
 10 above will target all geographic areas including disadvantaged  
 11 communities where program penetration is lowest.

1           **4) Other New and Proposed Strategies:**

2           **[WITNESS: MURPHY-ROACH]**

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

6                         See Section D.1.e. for a description of new strategies.

7           **5) Leveraging:**

- 8           a) *Discuss progress, developments and additional enhancements to*  
9                 *streamline coordination with California Lifeline.*

10                       Starting in January 2019, PG&E has shared data with the  
11                       CPUC Communications Division twice a year on January 15 and  
12                       July 15 to generate leads for enrollment purposes between LifeLine  
13                       and the CARE and ESA Programs, in compliance with D.17-12-009.  
14                       This data exchange is facilitated via CPUC Secure File Transfer  
15                       Protocol (FTP). Two data exchanges have been completed prior to  
16                       this filing therefore it is too early at this point to propose additional  
17                       enhancements to this process. PG&E is open to discuss progress,  
18                       developments and additional enhancements to streamline the  
19                       data information sharing process in future meetings with  
20                       Commission Staff.

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

25                       Since 2016, PG&E has worked closely with the California  
26                       Department of Community Services and Development (CSD) staff to  
27                       streamline LIHEAP crisis grants for customers who are at risk of  
28                       disconnection. PG&E has implemented the following:

- 29                       • Conducted quarterly meetings to address and streamline the  
30                         pledging process;  
31                       • Explored avenues to increase PG&E's communication directly  
32                         with LIHEAP Service Providers, as requested at a workshop in

1 Salinas as part of the Disconnections Order Instituting  
2 Rulemaking (OIR);<sup>42</sup>

- 3 • Revised internal IVR system to improve CSD identified  
4 challenges. For example, the revisions include providing unique  
5 ‘Pledging Codes’ to agencies as well as providing a confirmation  
6 number when a pledge is made. The IVR system was also  
7 revised to eliminate multiple business rules which will increase  
8 the ability for callers to self-serve instead of being transferred to  
9 a Customer Service Representative;
- 10 • Increased the pledge payment window from 60 to 90 days;
- 11 • Provided training on how the pledge IVR system works, Solar  
12 Billing, Low-income Assistance Programs, Rate Reform, as well  
13 as how pledges are administered internally;
- 14 • Worked with PG&E’s Credit Department to provide information  
15 to customers that qualify for LIHEAP regarding where to call for  
16 LIHEAP assistance;
- 17 • Provided training to CSD regarding the use of the Subsidized  
18 Housing Assistance Relief Energy (SHARE) pilot program to fill  
19 in potential gaps where a LIHEAP grant may not be enough to  
20 prevent disconnection; and
- 21 • Provided opportunities for LIHEAP providers to become CARE  
22 COCs and REACH support agencies.

## 23 **E. CARE Program Administration**

- 24 1) *Describe the administration of the program, and any proposed changes*  
25 *or improvements.*

26 PG&E administers its CARE Program through use of dedicated  
27 program managers and analysts to provide oversight coordination with  
28 marketing, updating changes to new eligibility guidelines, reporting, data  
29 requests responses, ongoing communications with the Energy Division  
30 and coordination among IOUs. In addition, the programming team  
31 updates training and delivery to community partners while coordinating  
32 program changes with a centralized internal operations team supporting

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42 Rulemaking (R.) 18-07-005.

1 new applications, recertification processing and PEVs, leveraging  
2 economies of scale with the energy efficiency operations team. PG&E  
3 continues to minimize its administrative burden and proposes to  
4 continue this cost-effective approach. Refer to Section C.1.h., Table II-7  
5 for CARE Program administrative budget.

- 6 2) *Changes and improvements should leverage learnings from both*  
7 *internal and external audits. Provide background via response to 'a' and*  
8 *'b' below and how audit results have influenced this application in*  
9 *response to 'c':*

- 10 a) *Internal Audits: Describe internal audits of the utility's CARE*  
11 *Program during the current program cycle and all utility-initiated*  
12 *audits of the CARE Program by a 3<sup>rd</sup> party consultant. Include your*  
13 *utility's response and corrective measures.*

14 PG&E did not conduct an internal audit of the CARE Program  
15 during the current program cycle 2017-2020. In addition, PG&E did  
16 not initiate audits of the CARE Program by a third-party consultant.  
17 PG&E will conduct a review of CARE processes that will identify any  
18 gaps with recommendations after the new CARE database  
19 conversion. This is scheduled to be conducted at the end of the  
20 system conversion in 2021.

- 21 b) *External Audit Findings: Include your utility's response to the audits*  
22 *conducted by the State Controller's Office for PYs 2013-2015 along*  
23 *with a summary of all corrective measures implemented to ensure*  
24 *compliance. Specify where each corrective measure is also*  
25 *properly reflected and/or documented e.g., monthly and/or annual*  
26 *report, formal filings, etc.*

27 The State Controller's Office audited PG&E's CARE Program  
28 for the period of January 1, 2013 through December 31, 2015. The  
29 objectives of the audit were to:

- 30 (1) Determine whether PG&E manages the CARE Program in  
31 conformance with applicable laws, regulations, and agreement  
32 terms and conditions;

- (2) Assess whether PG&E's CARE Program is in compliance with applicable laws, regulations, and agreement terms and conditions;
- (3) Identify opportunities and priorities in which financial management governance may help to strengthen key controls; and
- (4) Follow up on prior audit findings and evaluate the effectiveness of remediation.

As stated above, the audit began in June 2016 for the program period January 1, 2013 through December 31, 2015 and concluded in January 2017. PG&E received a final audit report in December 2018. The audit report identified one instance of non-compliance with applicable laws, regulations, and agreement terms and conditions. The audit found that PG&E did not maintain validation checklists for 6 of 26 CARE Program expenditures to indicate that the expenditures were properly reviewed and authorized prior to payment. The absence of the checklists could result in payments being made without proper authorization. Although the validation checklists were missing, the audit determined that all expenditures were program related and supported by invoices and/or other documentation. All expenditures were properly recorded.

The audit recommended that PG&E ensure that all recorded CARE Program expenditures are fully supported by sufficient, appropriate documentation, and that all documentation is preserved in such a manner that it may be readily examined.

PG&E agreed with the finding and recommendation. To facilitate proper record keeping including the transaction validation checklists, PG&E implemented the following corrective measures related to routing and storage of the documents since 2015.

In January 2016, the CARE Program implemented the Utility Standard CUST-4015S (Invoice Validation Standard). This standard defines the steps the CARE Program uses to validate and approve invoices, completing the Invoice Validation Checklist



1 prior to payment. CARE Program employees responsible for  
2 validating and approving invoices are trained on this standard and  
3 refreshed annually.

4 Additionally, CARE expenditure transactions are reviewed  
5 quarterly through Quality Assurance (QA) reviews. These QA  
6 reviews select a random sample of invoices for auditing in order  
7 to monitor internal processes and adherence to the Invoice  
8 Validation Standard.

9 PG&E now uses the electronic routing throughout the Company  
10 to increase ease of document retrieval and storage, as a standard  
11 for approval of all invoices and supporting documentation for  
12 expenditure. This mitigates the risk of documents being lost.

13 In August 2019, PG&E implemented an online Customer Energy  
14 Services (CES) Validation Checklist that serves three functions:

- 15 • Standardize the process for reviewing, approving and storing  
16 invoices;
- 17 • Ensure that CES is in compliance with the Enterprise Records  
18 Management Standard; and
- 19 • Support audit and data request for Invoices.

20 c) Describe how Internal and External Audits' findings influenced this  
21 proposal for administration of the program.

22 External audits' findings influenced this proposal for  
23 administration of the program by the continuation of the standard  
24 that was developed for utilizing validation checklists in the approval  
25 of invoices for expenditures made in support of the CARE Program.  
26 This standard is still a part of the program managers responsibilities  
27 as a routine responsibility of managing this program.

28 No internal audits influenced this proposal for administration of  
29 the programs because no internal audits were performed relating to  
30 CARE as of the date of this filing.

## 31 **F. Community Help and Awareness With Natural Gas and Electricity** 32 **Services**

- 33 1) *Discuss whether you propose to continue the CHANGES Program*  
34 *funding from the CARE budget. Why or Why not?*



1 PG&E sees value in the services provided by the CHANGES  
2 Program to language isolated and vulnerable populations and includes  
3 the funding request in the program budget but would be supportive of  
4 the Commission authorizing alternative funding sources to continue the  
5 CHANGES Program funding as alluded to in D.15-12-047. D.15-12-047  
6 authorized the program funding not to exceed \$1.75 million annually  
7 from the CARE Program budget for the CHANGES Program.<sup>43</sup> The  
8 Decision also stated the Commission may reauthorize funding for the  
9 CHANGES Program through CARE's next budget cycle or from another  
10 funding source if long-term or on-budget financing for CHANGES  
11 Program is not authorized.<sup>44</sup>

12 D.16-11-022 authorized the funding for CHANGES Program through  
13 the CARE Program budget from 2017-2020. As no new funding source  
14 was authorized prior to the filing of this testimony, PG&E proposes that  
15 the budget for the CHANGES Program continue from the CARE  
16 balancing account at the same funding level authorized in D.15-12-047  
17 and D.16-11-022, of which PG&E is responsible for 30 percent of the  
18 total program cost (see Appendix B, Item 19). PG&E requests the  
19 Commission provide a clear funding directive for the CHANGES  
20 Program for 2021 and beyond whether from the CARE balancing  
21 account or from another funding source.

22 2) *If CHANGES continues to be funded through CARE, what is the*  
23 *appropriate annual funding level?*

24 If CHANGES continues to be funded through CARE, PG&E  
25 proposes the same funding level as authorized for 2017-2020, not to  
26 exceed \$1.75 million annually, to be split among the IOUs: 30 percent  
27 from PG&E; 30 percent from SCE; 25 percent from SoCalGas; and  
28 15 percent from SDG&E.

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<sup>43</sup> D.15-12-047, OP 4.

<sup>44</sup> *Id.*

## **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.*

As directed in D.16-11-022, as modified by D.17-12-009, PG&E incorporated the cooling center budget into the 2020 General Rate Case (GRC), Supplemental Testimony, Exhibit (PG&E-6). The forecast for PG&E's 2020 Cooling Center costs is \$150,000, which is necessary to provide grants to support 35 Cooling Centers operated by eight government entities. This forecast assumes the same 35 Cooling Centers will be needed during the 2020 GRC rate case cycle and does not include potential cost increases that may occur due to the effects of climate change, such as any need to expand coverage areas that may be subject to high temperatures or increase the number of high heat trigger days. The CPUC is currently conducting an Order Instituting Rulemaking (OIR) to Consider Strategies and Guidance for Climate Change Adaptation (R.18-04-019; Adaptation OIR) with an expected decision in winter 2019, at the earliest. That decision is expected to include CPUC guidelines for climate models, scenarios, and timeframes the IOUs should use to take climate adaptation into account in their operational planning. After the CPUC issues its guidance in the Climate Change Adaptation decision, PG&E will reassess Cooling Center plans in light of climate scenarios, datasets, and analytic approaches the CPUC recommends be used for the projected effects of global warming on temperatures across PG&E's service territory.

- 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.*

PG&E has included the Cooling Center funding request in its 2020 GRC, Supplemental Testimony, Exhibit (PG&E-6).

## **H. Senate Bill 1135 Family Electric Rate Assistance**

*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.18-11-027. Include and discuss recommendations to address mandates to increase FERA participation and all related budget implications.

PG&E's plan and proposal complies with legislative changes addressing FERA enrollment in SB 1135 and goals outlined in Commission decisions D.18-08-013<sup>45</sup> and D.18-11-027<sup>46</sup> by including in the M&O plan, strategies to increase new customer enrollment in the FERA Program through increased M&O of the program. See Section H.3.c. for more detail.

The FERA Program provides rate assistance households of lower to middle-income customers. The FERA Program was designed to assist families that are ineligible for the CARE rate because their income level falls slightly above the CARE Program income eligibility limit.<sup>47</sup>

FERA is available for households of three or more individuals that have a total household income over 200 percent and up to 250 percent of the federal poverty guideline level. The income threshold increases with each additional individual over three people.

FERA participants receive a program discount of 18 percent effective January 1, 2019.<sup>48</sup>

By year-end 2018, nearly \$65.4 million in cumulative subsidies have been provided to PG&E FERA customers since 2004.<sup>49</sup> PG&E's current penetration rate is 13 percent (approximately 21,493 customers) of the eligible population which is currently estimated to be 165,333 customers.<sup>50</sup>

## **1. FERA Proposal Summary**

For Program Cycle 2021-2026, PG&E makes the following FERA proposals:

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<sup>45</sup> D.18-08-013, *Decision on Pacific Gas and Electric Company's Proposed Rate Designs and Related Issues*, among other authorizations, directed PG&E to increase its FERA subscription level, with an aim of 50 percent over the next six years, and propose new FERA-specific outreach in this application (OPs 15 & 16).

<sup>46</sup> D.18-11-027, *Decision on Southern California Edison's Proposed Rate Designs and Related Issues*.

<sup>47</sup> The FERA Program was authorized by D.04-02-057 as the Large Household Program.

<sup>48</sup> Section 739.12.

<sup>49</sup> PG&E's 2018 FERA Annual Report.

<sup>50</sup> PG&E's Athens Research Data provided January 2019.

- CBO compensation for FERA enrollments;
- Request the FERA Program aspirational goal be included into the Low-income Proceeding moving forward;
- Combine the FERA Annual Report with the ESA and CARE Annual Report;
- Make changes to the FERA Balancing Account;
- Continue co-promotion of CARE and FERA via successful marketing channels;
- Refine the targeting approach for FERA qualified customers;
- Develop and test a FERA propensity model;
- Target key markets with broad-reaching M&O;
- Increase FERA Program customer retention efforts;
- Continue to place additional focus on driving awareness and enrollment in the Central Valley;
- Increase awareness and marketing through public relations;
- Streamline online qualification confirmation for CARE and FERA;
- Provide FERA-specific outreach; and,
- Provide Welcome Kit communications for new FERA customers.

## **2. PG&E's Recommendation to Increase FERA Participation and Related Budget**

PG&E uses the joint utility methodology adopted by the CPUC in D.01-03-028 for developing the annual estimate of the number of customers that will be eligible for the CARE Program for the upcoming year.<sup>51</sup> PG&E proposes to use this same method to estimate the number of customers potentially eligible for FERA discount.

PG&E describes the methods it uses to estimate the eligible CARE population in Section B.3. As of July 30, 2019 the current estimate of FERA eligible population is 165,333.<sup>52</sup>

PG&E estimates that 26,600 households out of 165,333 estimated eligible households will be enrolled in FERA by the end of 2020, which

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<sup>51</sup> D.01-03-028.

<sup>52</sup> PG&E's Athen's Research Data provided January 2019.

equals a penetration rate of 16 percent.<sup>53</sup> This rate will fluctuate based on annually updated FERA eligibility estimates.

To pursue the ambitious aspirational goal of 50 percent penetration by 2023 and beyond, PG&E will deploy its best efforts to recertify approximately 23,333 households and enroll 22,667 new households annually. This estimate is for planning purposes only because FERA has only been co-marketed with CARE so there is no history to forecast annual enrollment numbers with an aggressive dedicated budget.

The estimate of the number of households projected to be enrolled each year for 2021-2026 is shown in Table II-16.

**TABLE II-16  
FERA ENROLLMENT ESTIMATES 2021-2026**

Line No.	Program Year	2021	2022	2023	2024	2025	2026	Total
1	PY 2019 Estimated Eligible	165,333	165,333	165,333	165,333	165,333	165,333	165,333
2	Recertifications	15,000	20,000	25,000	25,000	25,000	30,000	140,000
3	New Enrollments	22,000	22,000	23,000	23,000	23,000	23,000	136,000
4	Attrition	12,000	13,000	13,000	14,000	14,000	14,000	80,000
5	Net Increase	10,000	9,000	10,000	9,000	9,000	9,000	56,000
6	Year-End Enrollment	36,600	45,600	55,600	64,600	73,600	82,600	82,600
7	Year-End Penetration Rate <sup>(a)</sup>	22%	28%	34%	39%	45%	50%	50%

(a) Rate will fluctuate based on annually updated FERA eligibility estimates which are impacted by economic factors, such as unemployment levels and economic growth/declines.

For PY 2021-2026, PG&E's total proposed FERA budget is forecasted at \$119 million to support program administration, increased M&O, enrollment, recertification operations activities, as well as the discount.

PG&E proposes the following FERA subsidy, marketing, and program administrative expense costs in Table II-17 below.

<sup>53</sup> PG&E's Athen's Research Data provided January 2019.

**TABLE II-17**  
**PROPOSED FERA PROGRAM BUDGET FOR THE 2021-2026 PROGRAM CYCLE**

Line No.	FERA Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Outreach	\$2,290,800	\$2,583,100	\$2,641,500	\$2,704,400	\$2,766,300	\$2,830,000	\$15,816,100
2	Processing, Certification, Recertification	53,800	55,400	57,100	58,800	60,600	62,400	348,100
3	PEV	79,200	81,500	84,000	86,500	89,100	91,800	512,100
4	IT Programming	—	—	—	—	—	—	—
5	Regulatory Compliance	27,800	28,700	29,500	30,400	31,300	32,200	179,900
6	General Administration	52,100	53,700	55,300	56,900	58,600	60,400	337,000
7	CPUC ED Staff	—	—	—	—	—	—	—
8	Subtotal Program Costs <sup>(a)</sup>	\$2,503,700	\$2,802,400	\$2,867,400	\$2,937,000	\$3,005,900	\$3,076,800	\$17,193,200
9	FERA Rate Discount	10,353,000	12,898,000	15,727,000	18,273,000	20,819,000	23,364,000	101,434,000
10	Total Program Cost and Customer Discounts	\$12,856,700	\$15,700,400	\$18,594,400	\$21,210,000	\$23,824,900	\$26,440,800	\$118,627,200

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes, and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

PG&E's proposed FERA Program budget categories for activities in the 2021-2026 program cycle shown above, are explained below:

Outreach: PG&E proposes \$15.82 million in 2021-2026 for the following strategies: Acquisition marketing, Retention marketing, and Community Engagement.

Processing, Certification, Recertification: PG&E proposes \$348,100 in 2021-2026 to process FERA applications. This cost category encompasses day-to-day administrative tasks associated with processing FERA applications for new enrollment and recertification.

Post Enrollment Verification: PG&E proposes \$512,100 in 2021-2026 to support FERA PEV process. This cost category encompasses day-to-day administrative tasks associated with completing PEV.

Regulatory Compliance: PG&E proposes \$179,900 in 2021-2026 for program regulatory activities. This category includes costs for staff labor and travel expenses associated with preparing data requests, regulatory filings and other regulatory-related activities.

General Administration: PG&E proposes \$337,000 in 2021-2026 for program administration activities.

FERA Discount: PG&E proposes \$101.4 million in 2021-2026 for the discount applied to eligible customers' bill.

### **3. FERA Program Delivery**

#### **a. Program Activities and Participation Goals**

##### **1) Eligible Population**

The FERA Program serves two eligible segments:

- Single-family residential households with their own PG&E electric accounts; and
- Sub-metered tenants of master-metered facilities, such as mobile home parks and sub-metered apartment complexes.

##### **2) Processing and Certification**

Customers self-certify their income eligibility to enroll in the program. The income eligibility guidelines are updated annually by the ED and issued to utilities prior to becoming effective on



June 1.<sup>54</sup> Self-Certification requires the customer to complete and sign a declaration at the bottom of the FERA enrollment form, which certifies that their household meets the program guidelines. The customer also agrees to provide proof of qualification to PG&E, upon request. PG&E proposes to continue the same certification processes in 2021-2026.

### **3) Recertification**

Enrolled customers are required to self-recertify their continued program eligibility every two years. Renewed enrollees may be subject to similar post re-certification income verification. Customers may apply or recertify for the FERA Program via paper application, online application, over the phone with a representative, or through IVR.

### **4) Post-Enrollment Verification**

Household Income Eligibility verification occurs after enrollment. PG&E proposes to verify 1 percent via random selection of all FERA customers annually. The proposed budget for this is \$512,100 in 2021-2026.

## **b. New Program Elements and Strategies**

### **1) PG&E Proposes Compensation for FERA Enrollment**

For each new FERA enrollment generated by a CBO, PG&E proposes to compensate the CBO \$30. This will allow PG&E to leverage new and existing network of CARE Outreach Contractors and CBOs incenting equal outreach education efforts on FERA Program.

### **2) PG&E Proposes to Include FERA Program in the Low-income Proceeding Moving Forward**

PG&E proposes to include the FERA Program in its Income Qualified programs cycle applications moving forward (see Appendix B, Item 20).

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<sup>54</sup> D.12-08-044, OP 119 states: The proposals of SDG&E and SoCalGas to move the Commission's CARE annual income letter release date from May 1 to April 1 each year is approved, and we also move up the FERA update date so that the CARE and FERA updates are simultaneously released.



1 PG&E's Mid-Cycle Advice Letter (MCAL) second  
2 supplemental requested CARE unspent marketing funds to be  
3 used between 2018 and 2020 to increase customer enrollment  
4 into the FERA Program, along with a FERA M&O plan.  
5 In pursuit of the Commission's aspirational goal of 50 percent  
6 FERA enrollment by 2023, PG&E must increase additional  
7 marketing efforts and request additional funding post 2020.  
8 While committed to compliance, PG&E recognizes that as a  
9 self-certification program where the enrollment application  
10 form is co-presented with CARE, the CARE/FERA shared  
11 enrollment form poses a significant barrier to increasing  
12 program enrollment.

13 In compliance with D.18-08-013, PG&E requests  
14 FERA-specific outreach as part of this application.<sup>55</sup> To create  
15 administrative efficiencies moving forward, prevent issues  
16 regarding one program being litigated in multiple proceedings,  
17 and for convenience, PG&E requests justification for FERA  
18 Program funding be included in the Low-income program cycle  
19 applications for 2021-2026 and beyond.

### 20 **3) PG&E Proposes to Combine FERA Annual Report With the** 21 **ESA and CARE Annual Report**

22 PG&E proposes to include the FERA Annual Report on  
23 penetration progress towards its aspirational goals and budget  
24 expenditure with CARE and ESA annual report filed in May of  
25 each year for the preceding year (see Appendix B, Item 21).  
26 PG&E has an existing directive to report on FERA progress at  
27 the end of each year annually until 2023.<sup>56</sup> Therefore, PG&E  
28 proposes to begin this combined ESA, CARE, and FERA  
29 Annual Report, beginning May of 2024 regarding 2023  
30 progress. By adopting this proposal, PG&E can create  
31 administrative efficiencies.

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<sup>55</sup> D.18-08-013, OP 16.

<sup>56</sup> D.18-08-013, OP 15.

1                   **4) PG&E Proposes Change to the FERA Balancing Account**  
2                   **[WITNESS: LI]**

3                   FERA, Electric Preliminary Statement Part DX, records the  
4                   revenue shortfalls and program administrative costs for the  
5                   large household program, also called the FERA Program.  
6                   PG&E proposes also recording the marketing costs associated  
7                   with the FERA Program into the FERA balancing account  
8                   instead of in the CARE balancing account where they are  
9                   currently being recorded. See Attachment C for a red line  
10                  version of FERA, Electric Preliminary Statement Part DX.  
11                  Disposition of the balance in this account for implementation  
12                  into rates is determined through the Annual Electric True-Up  
13                  (AET) Advice Letter process or as otherwise determined by the  
14                  Commission.

15                  **c. Marketing & Outreach [WITNESS: OLSEN]**

16                  D.18-08-013 ordered PG&E to make significant efforts to  
17                  achieve 50 percent FERA Program enrollment by year-end 2023  
18                  and directed PG&E to file an amendment to the July 16, 2018  
19                  ESA/CARE MCAL Update to inform the Commission of PG&E's plan  
20                  to use unspent CARE marketing funds from the 2017-2020 program  
21                  cycle to increase FERA enrollment.<sup>57</sup>

22                  PG&E developed a M&O Plan (Plan) for 2018-2023 which was  
23                  included as an attachment to the Mid-Cycle Update.<sup>58</sup> The Plan  
24                  outlined strategies and tactics designed to grow FERA awareness  
25                  and participation under the CPUC's direction to increase FERA  
26                  penetration to the aspirational goal of 50 percent penetration by  
27                  2023. The Plan addressed four key points set forth in the  
28                  Decision:<sup>59</sup>

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<sup>57</sup> D.18-08-013, pp. 74-76;p. 181, OP 15.

<sup>58</sup> M&O plan AL 3990-G-B/5329-E-B; Second Supplemental: ESA/CARE Mid-Cycle Update Advice Letter per D.17-12-009; Filed October 8, 2018.

<sup>59</sup> D.18-08-013, pp. 75-76; p. 181 OP 16.

1. Enhance the CARE propensity model<sup>60</sup> to more precisely identify FERA-eligible customers;
2. Use the new customer lists to enroll eligible customers using DM, telemarketing, and/or EM outreach, with the understanding that all such enrollment marketing must be co-marketing for both the CARE and FERA Programs to remain consistent with the Pub. Util. Code and D.16-11- 022;
3. Expand PG&E's existing CBO efforts to target and increase CARE and FERA outreach, including a special focus in the Central Valley; and
4. Include any other measures PG&E believes would be useful to increase FERA participation by using co-marketing for the CARE and FERA Program.

PG&E proposes a budget of \$15,816,100 for the 2021-2026 program cycle to deliver FERA M&O based on the significant challenge it faces to accurately target program marketing to the relatively small eligible population to pursue the aspirational goal of 50 percent by 2023 and continue penetration growth through 2026. This budget is reasonable because there are significant challenges to driving increased FERA participation. These challenges were outlined in the FERA M&O plan and are still applicable, including:

- With the minor difference in household income requirements between the CARE and FERA Programs, there is a risk that FERA-eligible customers who are on the cusp between the two income ranges may enroll in the CARE Program. PG&E expects that the CARE PEV process should help to identify customers that are not qualified and move them into FERA if they are eligible.
- The small estimated eligible population for FERA (approximately 3 percent of the total residential customer population) makes it

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<sup>60</sup> PG&E utilizes a 'propensity model' to determine customers with the highest probability for CARE-eligibility based on demographic factors. A description of the CARE propensity model can be found in Section A.3.5.

difficult to identify and accurately target these customers.<sup>61</sup> The limited accuracy of available household income and household size data makes it difficult to pinpoint the customers who are FERA-eligible for targeted marketing efforts. PG&E plans to cast a wider net to ensure that as many potentially FERA-eligible customers as possible are receiving program marketing. This requires a marketing budget beyond just the cost of targeting the estimated FERA-eligible population.

- Through 2020, the condition that CARE and FERA be co-promoted necessitates that program requirements be presented clearly so customers understand the difference in household income and household size requirements. PG&E's test and learn strategy includes message testing designed to identify effective positioning for these two different programs. Additionally, PG&E is proposing FERA-only message testing in the new program cycle to evaluate the impact of stand-alone marketing.
- Customers who look to be FERA-eligible may actually be CARE-eligible due to a categorical qualification for CARE. As an example, if a household of three people has total household income that falls outside the CARE limits (i.e., income would qualify the household for FERA), but also has one household member who participates in a qualified assistance program, that household is eligible to enroll in CARE through categorical qualification.

### **Marketing Proposal**

PG&E defines the following objectives for FERA M&O (for 2021-2026):

1. Increase awareness of the FERA Program, and the program eligibility requirements;

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<sup>61</sup> FERA estimated eligible population in PG&E's territory is 165,333 per the Athens Research estimate from January 2019. Per PG&E Residential Market Sizing estimates, there are 5,641,728 residential customers as of September 20, 2019.

2. Drive enrollment in the FERA Program to pursue the aspirational goal of 50 percent penetration in the program by the end of 2023, and;
3. Pursue year-over-year enrollment growth beyond 2023.

PG&E's approach to accomplishing these objectives is based on lessons learned and experience gained from years of CARE marketing efforts and the initial FERA marketing campaigns launched in 2019. The approach will be further refined as new learning is available from the 2019 and 2020 campaigns. PG&E plans to expand upon these efforts by refining the targeting methodology, exploring additional channels, and testing messaging to maximize impact and response. PG&E's marketing approach is intentionally flexible to allow adjustments based on: (1) lessons learned from the increased FERA outreach in 2019 and 2020; (2) lessons learned during the 2021-2026 cycle; and (3) budget approval of both combined CARE and FERA outreach and proposed stand-alone FERA outreach.

#### **Marketing Strategy & Tactics**

1. The following section includes discussion of the strategies and tactics PG&E proposes for the 2021-2026 program cycle.

**A. Continue co-promotion of CARE and FERA via successful marketing channels.** Review of the CARE and FERA customer profile shows that the audiences are similar in many ways, with the primary difference being a higher income and larger household size among FERA-qualified customers. For this reason, and to align with prior statutory mandates,<sup>62</sup> PG&E plans to continue co-marketing CARE and FERA using a shared application and drive customer enrollment using the following marketing tactics to target eligible, non-enrolled customers.

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<sup>62</sup> D.18-08-013, pp. 181-182, OP 16.

- 1 a. Multi-touch DM and EM campaigns: Given its success  
2 in driving CARE enrollments,<sup>63</sup> multi-touch direct  
3 marketing campaigns using DM and EM will continue to  
4 be a primary acquisition tactic for FERA.
- 5 b. Bill inserts: CARE and FERA have been co-promoted  
6 via bill inserts for many years, so PG&E plans to  
7 continue to leverage this tactic, testing and refining  
8 messaging to drive enrollments in FERA. Testing is  
9 planned in 2019 and 2020 to evaluate if placing greater  
10 emphasis on FERA's electricity discount leads to more  
11 FERA enrollments. The results from this test will be  
12 used to inform bill insert messaging for 2021-2026.
- 13 c. Paid media: Digital media and targeted radio buys that  
14 co-promote CARE and FERA are planned to  
15 complement direct marketing messages.
- 16 d. Home delivered print tactics: PG&E is planning to test  
17 zip-code targeted, home delivered communications  
18 (i.e., door hangers, Val Pak and Retail Me Not shared  
19 mail) in late 2019. Results will be analyzed to  
20 determine how effective these tactics are in reaching  
21 hard-to-reach customers with CARE and FERA  
22 messages. Outreach will be optimized for cost  
23 effectiveness based on results.
- 24 e. Online content: PG&E plans to continue to co-promote  
25 CARE and FERA via a landing page on pge.com. The  
26 landing page is the primary location for advertising  
27 campaigns that include a CTA to go online for more  
28 information and to apply.

29 **B. Refine the targeting approach for FERA qualified**  
30 **customers.**

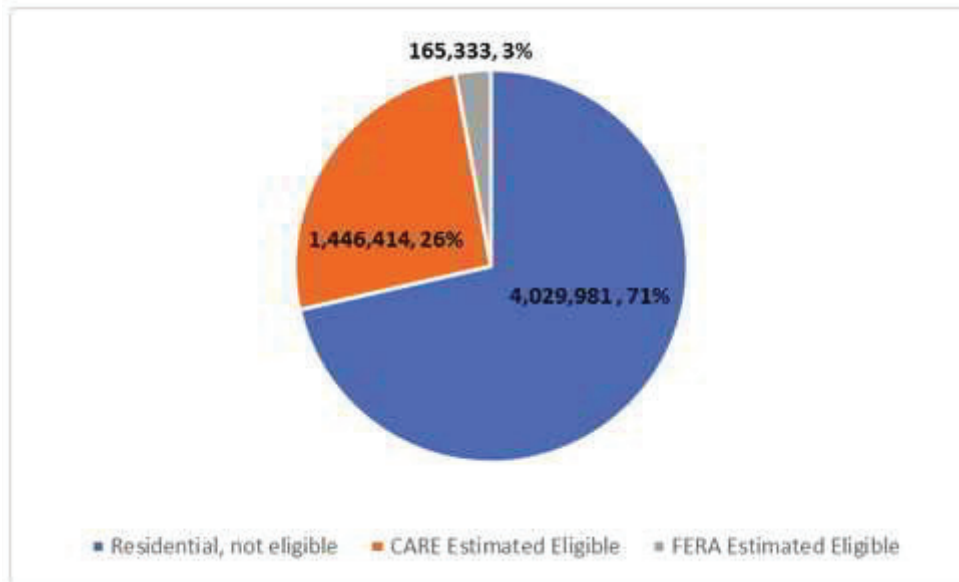
31 As of January 2019, the estimated number of  
32 FERA-eligible households in PG&E's territory is 165,333

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63 See Section D.1.e.

1 which is approximately 3 percent of PG&E’s total residential  
2 population and approximately 12 percent of the total  
3 estimated eligible CARE population in PG&E’s territory.<sup>64</sup>

**FIGURE II-1  
CARE AND FERA ESTIMATED ELIGIBLE POPULATION  
AS A PORTION OF TOTAL RESIDENTIAL**



4 Estimated income data is secured via third-party  
5 sources and does not have a high level of accuracy, nor is it  
6 available for all customers. Because of the small difference  
7 in household income requirements between CARE and  
8 FERA, not having reliable income data for all customers  
9 presents a significant challenge to correctly identify  
10 FERA-eligible versus CARE-eligible customers for targeted  
11 marketing efforts.

12 **C. PG&E proposes near-term continued use of the CARE**  
13 **Propensity Model** (see Section A.3.5. for a description of  
14 the CARE Propensity Model).

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<sup>64</sup> FERA estimated eligible population in PG&E’s territory is 165,333 per the Athens Research estimate from January 2019. CARE estimated eligible population is 1,446,414 as filed in Application 14-11-007, Attachment A, February 8, 2019.

1 This model is the foundation for targeting FERA-eligible,  
2 non-enrolled, income-qualified customers, adding an  
3 overlay for data attributes of household size and household  
4 income within the required income range for FERA eligibility  
5 to develop FERA eligible mailing lists.

6 To address the significant challenge of identifying  
7 households that are FERA-qualified, PG&E proposes the  
8 development of a FERA Propensity Model to identify  
9 potentially FERA-eligible customers. PG&E plans  
10 to evaluate enrollment results from 2019 and 2020  
11 co-marketing campaigns to look at the characteristics of  
12 CARE responders versus FERA responders. This will  
13 inform the data attributes that should be included in the  
14 model. The new FERA Propensity Model will be tested  
15 against the current targeting approach that uses data  
16 overlays of Household Size and Household Income to  
17 identify likely FERA-eligible customers.

18 The cost to build the new FERA Propensity Model  
19 is \$19,000. After the initial build of the FERA model, and  
20 testing through 2021, PG&E plans to rebuild the model  
21 every three years for a cost of approximately \$13,000.  
22 Additionally, PG&E plans to conduct annual updates  
23 estimated at \$8,000 per program cycle year, or  
24 \$40,000 total for 2022-2026. These costs are included in  
25 the proposed M&O budget outlined below.

26 **D. Target key markets with broad-reaching marketing and**  
27 **outreach.**

28 In addition to co-marketing efforts outlined above,  
29 PG&E proposes to allocate media spend for standalone  
30 FERA digital campaigns using zip code analysis to identify  
31 and target low-income customers in areas with likely eligible  
32 FERA population. As noted above, targeted radio buys will  
33 also co-promote CARE and FERA in priority areas such as



1 the Central Valley and areas with lower than average  
2 penetration.

3 **E. Increase FERA Program customer retention efforts.**

4 Similar to the CARE Program, FERA enrolled  
5 customers are required to recertify their eligibility every two  
6 years. FERA attrition rates were higher than CARE in  
7 2018,<sup>65</sup> so retention marketing efforts were put in place in  
8 2019 to improve the recertification rate.

9 PG&E plans to continue two EM marketing campaigns  
10 to encourage retention of FERA enrolled customers:

11 (1) auto-reenrollment; and (2) recertification reminders.

12 a. Customers with a CARE propensity model decile score  
13 of 1, 2 or 3 are selected for auto-reenrollment based on  
14 the likelihood that these customers meet the  
15 qualification requirements. PG&E plans to  
16 automatically reenroll the top three deciles.

17 Auto-reenrollment occurs approximately 180 days prior  
18 to the expiration date. PG&E sends these customers  
19 notification via EM to alert them that they have been  
20 automatically reenrolled in the FERA Program and no  
21 further action is required by the customer to continue  
22 receiving the FERA discount. The EM includes  
23 messaging that the customer should contact PG&E if  
24 they no longer qualify for FERA due to changes in  
25 income or other household needs.

26 b. PG&E plans to evaluate the new FERA Propensity  
27 Model for use to select customers for FERA  
28 auto-reenrollment for the 2021-2026 cycle to ensure  
29 that qualified customers remain on the program.

30 c. PG&E initiates a recertification reminder campaign at  
31 120 days from a customer's recertification date,

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<sup>65</sup> CARE recertification rate in 2018 was 63 percent (excluding auto-recertification) versus FERA 2018 recertification rate of 9 percent.

1 including an EM reminder for customers due to recertify.  
2 Then a recertification application is sent via DM at  
3 approximately 90-days prior to the recertification date,  
4 along with another EM reminder message. The EM  
5 reminders are sent again at 60-days and 30-days prior  
6 to the recertification deadline to prompt the customer to  
7 take action to recertify. This EM reminder approach has  
8 been in place for CARE since 2015 and was  
9 implemented for FERA in July 2019. PG&E plans to  
10 conduct analysis to evaluate the impact of this  
11 campaign on improving recertification rates for FERA  
12 once enough data is available.

13 **F. Continue to place additional focus on driving**  
14 **awareness and enrollment in the Central Valley.**

15 Targeting of media spend in the Central Valley will  
16 continue to be an important part of the FERA marketing plan  
17 to address the directives in D.18-08-013.

18 PG&E plans to complement targeted media efforts and  
19 the multi-touch marketing approach with FERA CBO  
20 outreach focused in the Central Valley. PG&E will focus on  
21 COC expansion and partnering with CBOs in high FERA  
22 enrollment opportunity areas to increase rates of FERA  
23 participation in the Central Valley. PG&E will support  
24 traditional Community Ambassador Program outreach with  
25 face-to-face awareness at community events and promotion  
26 support through in-language radio stations, online media  
27 and mail inserts in targeted zip codes to increase foot traffic  
28 to these events.

29 **G. Increase awareness and marketing reach through**  
30 **public relations tactics.**

31 Public relations (PR) tactics are a cost-effective way to  
32 drive additional reach and awareness of financial assistance  
33 programs and can be targeted to regions with low  
34 enrollment. PG&E proposes to continue leveraging PR,

1 incorporating the FERA Program and eligibility information  
2 in media outreach campaigns. PG&E is not requesting  
3 budget for PR activities via the CARE or FERA balancing  
4 account. These efforts are funded through the GRC.<sup>66</sup>

5 **H. Streamline online qualification confirmation for CARE**  
6 **and FERA.**

7 PG&E plans to develop an interactive web  
8 questionnaire that enables customers who arrive on the  
9 combined CARE/FERA landing page to more easily  
10 determine which program they qualify for. A module  
11 towards the top of the page will guide customers through  
12 answering the qualification questions and a result will  
13 display whether they qualify for either CARE or FERA.  
14 If they do not qualify for either program, the results will  
15 promote other energy saving tips and tools.

16 **I. Leverage vendor partnerships to drive enrollments for**  
17 **FERA.**

18 The New Mover program has been in place for CARE  
19 since 2018 (see Section D.1.e. for a description of the New  
20 Mover Program). PG&E plans to incorporate FERA  
21 messaging into the existing program to co-promote both  
22 CARE and FERA to new movers.

- 23 2. PG&E proposes the following FERA-specific outreach efforts to  
24 determine if stand-alone messaging is more effective than  
25 co-marketing in generating new FERA enrollments.

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<sup>66</sup> PG&E's 2020 GRC, Exhibit (PG&E-9), Ch. 8, p. 1. Although not specifically referred to as "public relations" in PG&E's GRC testimony, these are the costs associated with these tactics covered by Corporate Affairs who "supplies critical information to the public and employees during emergencies and communicates public safety information; raises customer awareness around utility programs, pricing, service options, and other customer programs... ."

1                   **A. Test a rate comparison message to FERA-eligible**  
2                   **customers.**

3                   PG&E launched a CARE Rate Plan Education Report  
4                   per the directive in D.17-12-009<sup>67</sup> via a DM acquisition  
5                   campaign sent to CARE-eligible customers in third quarter of  
6                   2018. The letter included personalized energy usage  
7                   information and compared the customer bill amount to what  
8                   their bill would have been if they were on CARE, and the  
9                   total annual savings amount with CARE. The test showed  
10                  positive results. The Rate Comparison test message  
11                  outperformed the CARE control message that has been  
12                  used for direct marketing campaigns since 2016. The test  
13                  version drove a higher enrollment rate for both the Newly  
14                  Eligible segment (enrollment rate of 6.11 percent versus  
15                  5.40 percent) and the Non-Responder segment (enrollment  
16                  rate of 6.18 percent versus 5.59 percent).<sup>68</sup> Based on  
17                  these results, PG&E proposes to test this tactic as a  
18                  FERA-specific direct marketing campaign.

19                  **B. Test direct mail, e-mail and telemarketing tactics to**  
20                  **FERA-eligible customers.**

21                  PG&E plans to develop campaigns to test  
22                  FERA-specific messaging. In addition to testing a FERA  
23                  Rate Comparison message as described above, PG&E  
24                  plans to test FERA-specific messaging in the multi-touch  
25                  DM and EM campaigns versus an existing CARE/FERA  
26                  combined message that launched in 2019. This type of A  
27                  versus B message test<sup>69</sup> will evaluate whether a  
28                  FERA-specific message helps increase FERA enrollments

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<sup>67</sup> D.17-12-009, OP 103-104.

<sup>68</sup> CARE Rate Comparison Analysis, pp. 3-4, prepared by Targetbase, August 6, 2019.

<sup>69</sup> AB testing is essentially an experiment where two or more variants are shown to the target at random, and statistical analysis is used to determine which variation performs better for a given conversion goal.

1 over a co-marketing CARE/FERA message or a  
2 CARE-specific message.

3 Furthermore, once the new FERA Propensity Model is  
4 complete, PG&E plans to test outbound telemarketing to  
5 select FERA-eligible customers in the top deciles. Because  
6 telemarketing tends to be a more costly tactic, PG&E  
7 expects that this tactic would only be used for those  
8 customers with the lowest Decile scores (i.e., the most-likely  
9 eligible customers). If these FERA-only communication  
10 tactics are deemed successful, they would continue as part  
11 of the overall CARE and FERA marketing plan.

#### 12 **C. Enhance retention efforts for FERA.**

13 PG&E proposes development and implementation of  
14 welcome communication tactics for new FERA customers  
15 similar to that described above for CARE. The CARE  
16 Welcome Kit, delivered via DM and EM, has been a  
17 successful engagement point with low-income customers  
18 (see Section D.1.e. “Retain and Engage Qualified  
19 Customers”).

20 PG&E also proposes additions to the existing  
21 recertification EM reminder campaign for both CARE and  
22 FERA. This strategy is outlined for CARE in Section D.1.e.  
23 “Enhance Recertification Campaign” and would follow the  
24 same approach for FERA.

#### 25 **Community Based Outreach**

26 As described above in CARE M&O Section D.1.e., the  
27 FERA Program will be a key part of the holistic outreach  
28 partnership with community-based partners described in the  
29 CARE M&O proposal. The FERA budget for compensation  
30 of the CBO partners at a fee of \$30 per new enrollment  
31 generated by the CBO is \$36,000.

#### 32 **4. FERA Marketing & Outreach Budget**

33 For this program cycle PG&E proposes a FERA M&O budget that  
34 uses the FERA balancing account. PG&E requests a budget of

1 \$15,816,100 for FERA M&O, community engagement, and other  
2 outreach/administrative activities for 2021-2026 to support the goal of  
3 increasing FERA participation and driving customer retention in the  
4 FERA Program. PG&E's budget remains flexible to allow for allocation  
5 adjustments and revised outreach activities based on the results of the  
6 ongoing test and learn approach.

7 PG&E provides a budget forecast in the table below for estimated  
8 expenditures through 2026 to market the FERA Program. PG&E has  
9 included estimates of PG&E's third-party contracts, and other costs  
10 relating to marketing activities that are to be recovered through the  
11 FERA Program balancing account.

**TABLE II-18**  
**2021-2026 ESTIMATED FERA MARKETING & OUTREACH BUDGET**

Line No.	FERA Program	2021 Estimated	2022 Estimated	2023 Estimated	2024 Estimated	2025 Estimated	2026 Estimated	Total 2021-2026 Estimated
1	Marketing & Outreach	\$2,208,412	\$2,498,473	\$2,554,530	\$2,614,930	\$2,674,323	\$2,735,455	\$15,286,123
2	Community Engagement	52,359	53,750	55,183	56,658	58,178	59,743	335,871
3	Other Outreach Costs	30,029	30,877	31,787	32,812	33,799	34,802	194,106
4	Total M&O Expenses	\$2,290,800	\$2,583,100	\$2,641,500	\$2,704,400	\$2,766,300	\$2,830,000	\$15,816,100

1                   A breakdown of the costs above are provided in the tables below.  
2                   In the M&O budget Table II-19 below, estimated costs include  
3 proposed marketing activity for 2021-2026. Given that many of the  
4 proposed marketing activities include co-promotion of CARE and FERA,  
5 where applicable, PG&E has allocated a portion of the associated cost  
6 to be funded within the CARE budget proposal. The FERA estimated  
7 budget has allocated a portion of co-promotion activity based on the  
8 relative size of the FERA estimated eligible population.



**TABLE II-19  
FERA MARKETING BUDGET ESTIMATE**

Line No.	FERA Marketing & Outreach	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates	Total 2021-2026 Estimates
1	Communications Development <sup>(a)</sup>	\$95,983	\$98,862	\$101,828	\$104,883	\$108,030	\$111,271	\$620,857
2	Direct to Customer: DM, EM, Bill Inserts <sup>(b)</sup>	624,430	883,851	894,790	907,978	919,584	931,538	5,162,171
3	Media <sup>(c)</sup>	829,949	854,847	880,493	906,907	934,115	962,138	5,368,449
4	Other Outreach <sup>(d)</sup>	21,500	8,300	8,300	8,300	8,300	8,300	63,000
5	Forms/Collateral/Brochures <sup>(e)</sup>	15,000	15,450	15,914	16,391	16,883	17,389	97,027
6	Data Management, Measurement & Analysis <sup>(f)</sup>	190,000	193,800	197,676	201,630	205,662	209,775	1,198,543
7	Customer Research <sup>(g)</sup>	30,000	30,000	30,000	30,000	30,000	30,000	180,000
8	Labor, Technology License Fees, etc. <sup>(h)</sup>	401,550	413,363	425,529	438,841	451,749	465,044	2,596,076
9	FERA Marketing Budget Estimate	\$2,208,412	\$2,498,473	\$2,554,530	\$2,614,930	\$2,674,323	\$2,735,455	\$15,286,123

(a) Examples: advertising agency time of staff for creative development of marketing materials such as DM, EM, video, and radio scripts.

(b) Such as postage and production of DM acquisition and retention campaigns, bill insert printing, text and EM programming and deployment.

(c) Includes media agency planning and reporting services, and media buy negotiation and purchase for tactics such as display advertising, search engine marketing, print and radio.

(d) Includes costs paid to third-party vendor for enrollments generated by the New Mover program, web optimization projects, and development and deployment of Low-income Newsletter articles.

(e) Includes costs for agency time of staff to design and write new forms or brochures, make updates to all forms and collateral annually that include the CARE and FERA income guidelines, as well as the printing and distribution of these materials to the required locations (such as local offices, CBOs or for PG&E inventory) and revisions to other existing forms such as standard PEV and High Usage PEV letters and forms.

(f) Includes costs such as third-party data vendor time of staff for programming and execution for customer list generation, strategic planning support, Propensity Model development and maintenance, and campaign reporting and analysis.

(g) Includes costs such as PG&E staff labor, third-party vendor resources to conduct studies or surveys, location, travel and material costs for studies such as focus groups or in-person studies.

(h) Includes PG&E staff to support planning and execution of marketing activity, and licensing fees for technology platform to conduct marketing campaigns such as EM and text.

1 Costs included in the Community Engagement estimated budget  
2 include:

**TABLE II-20  
FERA COMMUNITY ENGAGEMENT BUDGET ESTIMATE**

Line No.	FERA Community Engagement	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates	Total 2021-2026 Estimates
1	Labor	\$46,359	\$47,750	\$49,183	\$50,658	\$52,178	\$53,743	\$299,871
2	CBOs Partnership	6,000	6,000	6,000	6,000	6,000	6,000	36,000
3	FERA Community Engagement Budget Estimate	\$52,359	\$53,750	\$55,183	\$56,658	\$58,178	\$59,743	\$335,871

3 Costs included in the Other Outreach estimated budget include:

**TABLE II-21  
FERA OTHER OUTREACH BUDGET ESTIMATE**

Line No.	FERA Other Outreach	2021 Estimates	2022 Estimates	2023 Estimates	2024 Estimates	2025 Estimates	2026 Estimates	Total 2021-2026 Estimates
1	FERA Other Outreach Budget Estimate	\$30,029	\$30,877	\$31,787	\$32,812	\$33,799	\$34,802	\$194,106

4 **5. FERA Program Administration [WITNESS: MURPHY-ROACH]**

5 Similar to CARE, PG&E administers its FERA Program through use  
6 of program managers and analysts to provide oversight coordination  
7 with marketing updating changes to new eligibility guidelines, reporting,  
8 process data requests and ongoing communications with the energy  
9 division. In addition, the programming team updates training and  
10 delivery to community partners while coordinating program changes with  
11 a centralized internal operations team supporting new application,  
12 recertification processing and PEVs, leveraging economies of scale with  
13 the energy efficiency operations team. PG&E continues to minimize its  
14 administrative burden and proposes to continue this cost-effective  
15 approach. Funding request: \$337,000.

**6. FERA Revenue Requirements and Rate Impacts [WITNESS: LI]**

This section describes PG&E's 2021-2026 FERA Program electric revenue requirements and projected rate impacts that would arise due to requests in this application for the program cycle.

**a. Revenue Requirement**

Pursuant to D.18-08-013, the Commission ordered a 50 percent penetration goal for the FERA Program by 2023. To achieve this goal, PG&E has requested a modest increase in program administration and M&O budgets.

To achieve the FERA Program goals, administrative budgets, and M&O, PG&E's proposed revenue requirements for PY 2021-2026 are presented in Table II-22 below. PG&E proposes to recover in rates \$120 million in electric distribution rate components in 2021-2026 subject to change due to benefit burden and Revenue Fees and Uncollectibles (RF&U) Factor approved in future GRCs.

**TABLE II-22  
2021-2026 FERA PROGRAM ELECTRIC REVENUE REQUIREMENTS**

Line No.	Category	2021	2022	2023	2024	2025	2026	Total
1	Program Budget	\$12,850,068	\$15,693,768	\$18,587,768	\$21,203,368	\$23,818,268	\$26,434,168	\$118,587,408
2	Benefit Burden	6,632	6,632	6,632	6,632	6,632	6,632	39,792
3	RF&U	145,911	178,184	211,028	240,712	270,389	300,076	1,346,300
4	Total Revenue Requirement	\$13,002,611	\$15,878,584	\$18,805,428	\$21,450,712	\$24,095,289	\$26,740,876	\$119,973,500

Note The benefit burden and RF&U are based on 2017 GRC for illustration purposes. The revenue requirement shall be adjusted accordingly when the benefit burden and RF&U are approved in future GRCs applicable to the year.

**b. Benefit Burden**

The benefit burden costs include medical, vision, dental, employee healthcare contributions, group life insurance, short-term incentive payments, 401K expenses, relocation expense, short-term disability and tuition reimbursement. PG&E's 2014 GRC, D.14-08-032 approved on August 14, 2014 (for the period 2014-2016), directs PG&E to track and recover benefit burden through the customer programs, including the electric and gas Public Purpose Program Low-income Balancing Account

1 (PPPLIBA), electric Public Purpose Program Revenue Adjustment  
2 Mechanism (PPPRAM) and gas Public Purpose Program  
3 Low-income Energy Efficiency Balancing Account (PPP-LIEE)  
4 effective January 1, 2014. Since then, the benefit burden is  
5 determined in GRC which PG&E files every three years.

6 The benefit burden shown on Table II-22 for 2021-2026 FERA  
7 Program Electric Revenue Requirement represents the benefit  
8 burden for 2019 determined in 2017 GRC (for the period 2017-2019)  
9 pursuant to D.17-05-013. The revenue requirement shall be  
10 adjusted accordingly with the benefit burden approved in future  
11 GRCs applicable to the year.

12 **c. Revenue Fees and Uncollectible (RF&U) Factor**

13 The RF&U is determined through GRC and updated on annual  
14 basis. The RF&U shown on Table II-22 for 2021-2026 FERA  
15 Program Electric Revenue Requirement represents the RF&U for  
16 2019 determined in 2017 GRC (for the period 2017-2019) pursuant  
17 to D.17-05-013 for illustration purpose. The revenue requirement  
18 shall be adjusted accordingly with the RF&U factor approved in  
19 future GRCs applicable to the year.

20 **d. Subsidy**

21 With increasing marketing being proposed, PG&E anticipates  
22 that FERA applications will increase throughout the 2021-2026  
23 period. FERA discounts are available to PG&E's electric customers  
24 with income levels between 200 percent plus \$1 and 250 percent of  
25 the federal poverty guidelines. The total FERA subsidy for electric  
26 customers is approximately \$101 million, see Table II-23.

**TABLE II-23**  
**ESTIMATED 2021-2026 FERA SUBSIDY FORECAST<sup>(a)</sup>**

Line No.	Year	Electric
1	2021	\$10,353,000
2	2022	12,898,000
3	2023	15,727,000
4	2024	18,273,000
5	2025	20,819,000
6	2026	23,364,000
7	Total	\$101,434,000

(a) The FERA subsidy forecast maintains the current rate design established in D.14-06-029.

**e. Rate Impacts**

PG&E's proposed 2021-2026 FERA Program Administrative Expense rate and bill impacts among PG&E's electric customer classes are shown in Table II-24.

**TABLE II-24**  
**2021 ELECTRIC RATE IMPACT OF FERA PROGRAM ADMINISTRATIVE EXPENSES (\$000)**

Line No.	Class/Schedule	10/1/19 Present Rates (cents/kWh)	Proposed 2021 FERA Expense (cents/kWh)	Rate Change	Percentage Change
1	<u>Bundled</u>				
2	Residential	22.05	22.07	0.02	0.1%
3	Small Commercial	25.47	25.47	0.00	0.0%
4	Medium Commercial	22.65	22.65	0.00	0.0%
5	Large Commercial	20.06	20.06	0.00	0.0%
6	Streetlights	26.14	26.14	(0.00)	(0.0%)
7	Standby	16.03	16.03	0.00	0.0%
8	Agriculture	21.62	21.62	0.00	0.0%
9	Industrial	15.98	15.99	0.00	0.0%
10	Total Bundled	21.09	21.10	0.01	0.0%
11	<u>Direct Access/CCA Service</u>				
12	Residential	16.55	16.58	0.03	0.2%
13	Small Commercial	16.40	16.40	0.00	0.0%
14	Medium Commercial	13.11	13.11	0.00	0.0%
15	Large Commercial	10.59	10.59	0.00	0.0%
16	Streetlights	16.95	16.95	(0.00)	(0.0%)
17	Standby	15.69	15.69	0.00	0.0%
18	Agriculture	15.51	15.51	0.00	0.0%
19	Industrial	6.93	6.93	0.00	0.0%
20	Total Direct Access/CCA	12.64	12.65	0.01	0.1%

Under PG&E's FERA Program administrative expense forecast proposal, the bill impact for a typical bundled residential electric customer using 500 kilowatt-hours (kWh) per month in 2021 will increase \$0.08 from \$121.17 to \$121.25. The bill for a typical bundled residential customer using approximately twice the average baseline allowance in 2021, or 700 kWh per month, will increase \$0.14 from \$179.01 to \$179.15.

PG&E will incorporate the annual electric FERA Program revenue requirement authorized in this proceeding into electric rates in the Annual Electric True-Up (AET) with other rate changes effective January 1 of each year in the program forecast period, or as soon thereafter as possible. Any required FERA Program electric rate change resulting from this proceeding will be implemented in accordance with the then-current adopted revenue

allocation and rate design methods adopted for the ESA Program revenue component of electric PPP rates.

**f. Balancing Accounts**

**1) Family Electric Rates Assistance Balancing Account**

FERA, Electric Preliminary Statement Part DX, records the revenue shortfalls and program administrative costs for the large household program, also called the FERA Program. PG&E proposes also recording the marketing costs associated with the FERA Program into the FERA balancing account. See Attachment C for a redline version of FERA, Electric Preliminary Statement Part DX. Disposition of the balance in this account for implementation into rates is determined through the AET advice letter process or as otherwise determined by the Commission.

**I. CARE Revenue Requirements and Rate Impacts [WITNESS: LI]**

- 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 that would arise due to the increased revenue requirements.*

This section describes PG&E's 2021-2026 CARE Program electric and gas PPP revenue requirements and projected customer bill impact associated with this application.

**1. Revenue Requirement**

PG&E's proposed revenue requirement for program years 2021-2026 to achieve the CARE Program goals are presented in Table II-25 below. PG&E proposes to recover \$3,440 million in electric CARE rate components and \$850 million in the gas PPP-CARE surcharge rates in 2021-2026. These amounts will be slightly updated to reflect changes due to the employee benefit burden and RF&U approved in future GRCs.

The employee benefit burden and RF&U included in this application are taken from the 2019 approved benefit burden and RF&U amounts.

Pursuant to Section 739.1, PG&E is authorized to record all reasonable administrative costs associated with the implementation of

1 the CARE Program. The total amount collected through CARE rates is  
2 equal to the sum of forecasted CARE discounts, forecasted CARE  
3 administrative costs, and end-of-year forecasted balances in the CARE  
4 balancing accounts. CARE rates are equal to the CARE electric  
5 revenues and gas surcharges allocated to each applicable customer  
6 class divided by each customer class's adopted sales forecast.<sup>70</sup>

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<sup>70</sup> In addition to CARE sales, sales to Utility Electric Generation and Street lighting customers are exempt from the CARE surcharge.



**TABLE II-25**  
**2021-2026 CARE PROGRAM ELECTRIC AND GAS REVENUE REQUIREMENTS**

Line No.	Category	2021	2022	2023	2024	2025	2026	Total
1	<u>Electric:</u>							
2	Program Budget	\$557,426,629	\$560,434,149	\$564,022,629	\$567,646,629	\$571,595,909	\$575,638,709	\$3,396,764,654
3	Benefit Burden	725,051	725,051	725,051	725,051	725,051	725,051	4,350,306
4	RF&U	6,334,463	6,368,596	6,409,321	6,450,450	6,495,271	6,541,152	38,599,253
5	Total Electric:	\$564,486,143	\$567,527,796	\$571,157,001	\$574,822,130	\$578,816,231	\$582,904,912	\$3,439,714,213
6	<u>Gas:</u>							
7	Program Budget	\$139,356,657	\$140,108,537	\$141,005,657	\$141,911,657	\$142,898,977	\$143,909,677	\$849,191,162
8	Benefit Burden	181,263	181,263	181,263	181,263	181,263	181,263	1,087,578
9	Total Gas:	\$139,537,920	\$140,289,800	\$141,186,920	\$142,092,920	\$143,080,240	\$144,090,940	\$850,278,740
10	Total CARE Revenue Requirement	\$704,024,063	\$707,817,596	\$712,343,921	\$716,915,050	\$721,896,471	\$726,995,852	\$4,289,992,953

Note The benefit burden and RF&U are based on 2017 GRC for illustration purposes. The revenue requirement shall be adjusted accordingly when the benefit burden and RF&U are approved in future GRCs applicable to the year.

1 a) Benefit Burden

2 The benefit burden costs include medical, vision, dental,  
3 employee healthcare contributions, group life insurance, short-term  
4 incentive payments, 401K expenses, relocation expense, short-term  
5 disability and tuition reimbursement. PG&E's 2014 GRC,  
6 D.14-08-032 approved on August 14, 2014 (for the period  
7 2014-2016), directs PG&E to track and recover benefit burden  
8 through the Customer Programs, including the electric and gas  
9 PPPLIBA, electric PPPRAM and gas PPP-LIEE effective January 1,  
10 2014. Since then, the benefit burden is determined in the GRC  
11 which PG&E files every 3 years.

12 The benefit burden shown on Table II-25 for 2021-2026 CARE  
13 Program Electric and Gas Revenue Requirements represents the  
14 benefit burden for 2019 determined in 2017 GRC (for the period  
15 2017-2019) pursuant to D.17-05-013 allocated between electric and  
16 gas for illustration purpose. The revenue requirement shall be  
17 adjusted accordingly with the benefit burden approved in future  
18 GRCs applicable to the year.

19 b) Revenue Fees and Uncollectible Factor

20 The RF&U is determined through GRC. Per the 2017 GRC  
21 Decision, the RF&U factor is updated on annual basis. The RF&U  
22 shown on Table II-25 for 2021-2026 CARE Program Electric<sup>71</sup>  
23 represents the RF&U for 2019 determined in 2017 GRC (for the  
24 period 2017-2019) pursuant to D.17-05-013 for illustration purpose.  
25 The revenue requirement shall be adjusted accordingly with the  
26 RF&U factor approved in future GRCs applicable to the year.

27 c) Electric and Gas Split

28 PG&E proposes to continue the currently adopted method for  
29 allocating CARE Program administrative expenses between gas and  
30 electric customers. Consistent with D.89-07-062, PG&E currently  
31 allocates the CARE administrative costs between electric and gas in

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<sup>71</sup> Per D.04-08-010 PPP surcharge rates (which CARE A&G is a component of) do not include a factor for revenue fees and uncollectible expense.

1 proportion to the discounts received by CARE customers. For  
2 2021-2026, PG&E proposes to assign 80 percent of the CARE  
3 Program administrative expenses to electric customers and  
4 20 percent to gas customers.

5 **a. Balancing Accounts**

6 There are no changes to the balancing accounts that PG&E  
7 uses to track the program cost and revenue requirement for  
8 2021-2026 CARE Program. PG&E proposes to continue using the  
9 following balancing accounts to track the program cost and revenue  
10 requirement:

11 i. Public Purpose Program Surcharge – California Alternate Rates  
12 Energy Account (PPP-CARE)

13 PPP-CARE, Gas Preliminary Statement Part V, records the  
14 gas projected CARE shortfall and administrative expenses  
15 authorized by the Commission that are recovered through the  
16 billed surcharges and other amounts received from the State of  
17 California Gas Consumption Surcharge Fund. The annual gas  
18 PPP Surcharge advice letter updates the natural gas PPP  
19 surcharge rates to fund the CARE Program which are then  
20 included in the Annual Gas True-Up (AGT) for implementation  
21 into rates.

22 ii. California Alternate Rates for Energy Account

23 California Alternate Rates for Energy Account (CAREEA),  
24 Electric Preliminary Statement Part M, records the difference  
25 between the electric CARE Program revenue shortfall and  
26 CARE administrative expenses and the revenues collected  
27 through the CAREEA rate component. Disposition of the balance  
28 in this account for implementation into rates is determined  
29 through the AET advice letter process or as otherwise  
30 determined by the Commission.

31 **b. Discounts**

32 CARE discounts are available to PG&E's gas and electric  
33 customers with income levels not exceeding 200 percent of the  
34 federal poverty guidelines. Gas customers are eligible to receive a

1 20 percent discount on their monthly gas bills. Total electric CARE  
2 discounts average approximately 35 percent. Table II-26 below  
3 presents PG&E's current forecast of the 2021-2026 CARE subsidy.

**TABLE II-26**  
**ESTIMATED 2021-2026 CARE SUBSIDY FORECAST**

Line No.	Year	Electric	Gas	Total
1	2021	\$554,149,000	\$129,390,000	\$683,539,000
2	2022	554,149,000	133,540,000	687,689,000
3	2023	554,149,000	137,824,000	691,973,000
4	2024	554,149,000	142,245,000	696,349,000
5	2025	554,149,000	146,808,000	700,957,000
6	2026	554,149,000	151,518,000	705,667,000
7	Total	\$3,324,894,000	\$841,325,000	\$4,166,219,000

- 4 i. The CARE discount forecast maintains the current rate design  
5 established in D.14-06-029.
- 6 ii. CARE customers are also exempt from paying costs for  
7 Department of Water Resources Bonds, CARE PPPs, and the  
8 California Solar Initiative (CSI). These exemptions are not  
9 reflected in the subsidy forecast and will total an estimated  
10 \$590 million in program years 2021-2026.

11 **c. CARE Administrative Costs Over 2021-2026**

12 Pursuant to Section 739.1(d), PG&E is authorized to record all  
13 reasonable administrative costs associated with the implementation  
14 of the CARE Program. Rate and bill impact associated with PG&E's  
15 proposed 2021-2026 CARE Program administrative expense for  
16 electric and gas customer classes are shown in Tables II-27  
17 and II-28, respectively.

**TABLE II-27**  
**2021 ELECTRIC RATE IMPACT OF CARE PROGRAM ADMINISTRATIVE EXPENSE**

Line No.	Class/Schedule	10/1/19 Present Rates (cents/kWh)	Proposed 2021 CARE Admin Expense (cents/kWh)	Rate Change	Percentage Change
1	<u>Bundled</u>				
2	Residential	22.05	22.04	(0.00)	(0.0%)
3	Small Commercial	25.47	25.47	(0.00)	(0.0%)
4	Medium Commercial	22.65	22.65	(0.00)	(0.0%)
5	Large Commercial	20.06	20.06	(0.00)	(0.0%)
6	Streetlights	26.14	26.14	(0.00)	(0.0%)
7	Standby	16.03	16.03	(0.00)	(0.0%)
8	Agriculture	21.62	21.62	(0.00)	(0.0%)
9	Industrial	15.98	15.98	(0.00)	(0.0%)
10	Total Bundled	21.09	21.09	(0.00)	(0.0%)
11	<u>Direct Access/CCA Service</u>				
12	Residential	16.55	16.55	(0.00)	(0.0%)
13	Small Commercial	16.40	16.40	(0.00)	(0.0%)
14	Medium Commercial	13.11	13.11	(0.00)	(0.0%)
15	Large Commercial	10.59	10.59	(0.00)	(0.0%)
16	Streetlights	16.95	16.95	(0.00)	(0.0%)
17	Standby	15.69	15.69	(0.00)	(0.0%)
18	Agriculture	15.51	15.51	(0.00)	(0.0%)
19	Industrial	6.93	6.93	(0.00)	(0.0%)
20	Total Direct Access/CCA	12.64	12.64	(0.00)	(0.0%)

1                                      Under PG&E's CARE Program administrative expense forecast  
2                                      proposal, the bill impact for a typical bundled residential electric  
3                                      customer using 500 kWh per month in 2021 will decrease \$0.05  
4                                      from \$121.17 to \$121.12. The bill for a typical bundled residential  
5                                      customer using approximately twice the average baseline allowance  
6                                      in 2021, or 700 kWh per month, will decrease \$0.05 from \$179.01 to  
7                                      \$178.96.

**TABLE II-28**  
**2021 GAS RATE IMPACT OF CARE PROGRAM ADMINISTRATIVE EXPENSE<sup>72</sup>**

		Class Average Rates (\$/th)		
Line No.	Customer Class <sup>2</sup>	10/1/19 GT&S implementation	Proposed 2021 CARE Administrative Expense	\$ Change    % Change
1	<b>BUNDLED—RETAIL CORE <sup>1</sup></b>			
2	Residential Non-CARE	\$1.635	\$1.635	(\$0.000) 0.0%
3	Small Commercial Non-CARE	\$1.118	\$1.118	(\$0.000) 0.0%
4	Large Commercial	\$0.809	\$0.809	(\$0.000) 0.0%
5	Uncompressed Core NGV	\$0.688	\$0.688	(\$0.000) 0.0%
6	Compressed Core NGV	\$2.189	\$2.189	(\$0.000) 0.0%
7	<b>TRANSPORT ONLY—RETAIL CORE</b>			
8	Residential Non-CARE	\$1.297	\$1.297	(\$0.000) 0.0%
9	Small Commercial Non-CARE	\$0.800	\$0.799	(\$0.000) 0.0%
10	Large Commercial	\$0.524	\$0.524	(\$0.000) 0.0%
11	Uncompressed Core NGV	\$0.406	\$0.406	(\$0.000) 0.0%
12	Compressed Core NGV	\$1.907	\$1.907	(\$0.000) 0.0%
13	<b>TRANSPORT ONLY—RETAIL NONCORE - NONCOVERED ENTITIES <sup>3</sup></b>			
14	Industrial – Distribution	\$0.357	\$0.357	(\$0.000) -0.1%
15	Industrial – Transmission	\$0.198	\$0.198	(\$0.000) -0.1%
16	Industrial – Backbone	\$0.099	\$0.099	(\$0.000) -0.2%
17	Uncompressed Noncore NGV – Distribution	\$0.350	\$0.350	(\$0.000) -0.1%
18	Uncompressed Noncore NGV – Transmission	\$0.185	\$0.185	(\$0.000) -0.1%
19	Electric Generation – Distribution/Transmission	\$0.156	\$0.156	\$0.000 0.0%
20	Electric Generation – Backbone	\$0.066	\$0.066	\$0.000 0.0%
21	<b>TRANSPORT ONLY—RETAIL NONCORE - COVERED ENTITIES <sup>3</sup></b>			
22	Industrial – Distribution	\$0.309	\$0.309	(\$0.000) -0.1%
23	Industrial – Transmission	\$0.150	\$0.150	(\$0.000) -0.1%
24	Industrial – Backbone	\$0.051	\$0.051	(\$0.000) -0.4%
25	Uncompressed Noncore NGV – Distribution	\$0.302	\$0.302	(\$0.000) -0.1%
26	Uncompressed Noncore NGV – Transmission	\$0.137	\$0.137	(\$0.000) -0.1%
27	Electric Generation – Distribution/Transmission	\$0.108	\$0.108	\$0.000 0.0%
28	Electric Generation – Backbone	\$0.018	\$0.018	\$0.000 0.0%
29	<b>TRANSPORT ONLY—WHOLESALE</b>			
30	Alpine Natural Gas (T)	\$0.105	\$0.105	\$0.000 0.0%
31	Coalinga (T)	\$0.105	\$0.105	\$0.000 0.0%
32	Island Energy (T)	\$0.114	\$0.114	\$0.000 0.0%
33	Palo Alto (T)	\$0.102	\$0.102	\$0.000 0.0%
34	West Coast Gas – Castle (D)	\$0.310	\$0.310	\$0.000 0.0%
35	West Coast Gas – Mather (D)	\$0.372	\$0.372	\$0.000 0.0%
36	West Coast Gas – Mather (T)	\$0.106	\$0.106	\$0.000 0.0%
(1)	CARE Customers receive a 20% discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.			
(2)	Transportation rates paid by all customers include an additional GHG Compliance Cost Recovery component of \$0.05049 per therm.			
(3)	Covered Entities (i.e. customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will pay a GHG Obligation Cost component of \$0.00268 per therm to cover PG&E allowance costs associated with lost & unaccounted for (LUAF) gas and compression costs. Covered entities will see a line item credit on their bill equal to \$0.04781 (\$0.05049 minus \$0.00268) per therm times their monthly billed volumes.			

1                                      Under PG&E's CARE Program administrative expense forecast  
2                                      proposal, the bill for a typical bundled residential customer using  
3                                      32 therms per month in 2021 will decrease \$0.01 from \$52.32 to  
4                                      \$52.31.

<sup>72</sup> Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.

1 PG&E will incorporate the annual electric CARE Program  
2 revenue requirement authorized in this proceeding into electric rates  
3 in the AET with other rate changes effective January 1 of each year  
4 in the program forecast period, or as soon thereafter as possible.  
5 Any required CARE Program electric rate change resulting from this  
6 proceeding will be implemented in accordance with the then-current  
7 adopted revenue allocation and rate design methods adopted for the  
8 ESA Program revenue component of electric PPP rates.<sup>73</sup>

9 PG&E will incorporate the gas funding requirement authorized in  
10 this proceeding into gas rates in its annual gas PPP surcharge  
11 advice letter and AGT filings with other rate changes effective  
12 January 1 of each year in the program forecast period, or as soon  
13 as thereafter as possible. Similarly, any gas CARE Program  
14 revenue change will be allocated among customer classes  
15 consistent with then-current adopted practices. If a decision is not  
16 issued in time to incorporate the proposed revenue requirement in  
17 PPP surcharge rates by January 1, 2021, PG&E will incorporate  
18 changes adopted in this proceeding in the following year's PPP  
19 surcharge advice letter<sup>74</sup>.

20 **J. Preliminary Schedule [WITNESS: NONE]**

21 PG&E provides the following proposed preliminary schedule as required  
22 by the Guidance Document:

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<sup>73</sup> The current methods for setting electric PPP rates, including the CARE surcharge, were adopted in D.07-09-004.

<sup>74</sup> D.04-08-010 adopted that utilities may request a change in gas PPP surcharge rates during the year only if failure to make the rate change would result in a forecasted total rate increase of 10 percent or more on January 1 of the next year.

**TABLE II-29  
PRELIMINARY SCHEDULE**

Application Filed	November 4, 2019
Protests to Application <sup>(a)</sup>	December 6, 2019
Replies to Protests <sup>(b)</sup>	December 16, 2019
Prehearing Conference (PHC), PHC Statements, Scoping Memo	January 2020
Testimony of Interested Parties	March 6, 2020
Rebuttal Testimony/Replies to Comments	April 3, 2020
Evidentiary Hearings	April 27, 2020
Opening Briefs	May 22, 2020
Reply Briefs	June 15, 2020
Proposed Decision	July 27, 2020
Comments on Proposed Decision <sup>(c)</sup>	August 17, 2020
Reply Comments on Proposed Decision <sup>(d)</sup>	August 24, 2020
Final Decision	September 2020
<hr/> (a) CPUC Rule 2.6(a). (b) CPUC Rule 2.6(e). (c) CPUC Rule 14.3(a). (d) CPUC Rule 14.3(d).	

1       **K. Conclusion [WITNESS: MURPHY ROACH]**

2               PG&E's CARE and FERA proposals to continue administering the

3       program with enhancements should be adopted. The proposals discussed

4       above should be deemed just and reasonable, in the interest of ratepayers,

5       and adopted by the Commission.



**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER II**  
**ATTACHMENT A**  
**CARE AND FERA PROGRAM BUDGET DESCRIPTIONS**

CARE Program Regulatory Budget Category	Cost Category Description
OUTREACH	<p>This cost category includes:</p> <ul style="list-style-type: none"> <li>• Marketing and outreach campaigns, such as direct mail, e-mail, digital marketing channels, text, radio and video</li> <li>• Retention communications</li> <li>• Market Research</li> <li>• Printing, storage and fulfillment of bill inserts, applications, advertising and promotional materials, annual notifications to Sub-metered facilities (SB 920), and other CARE Program materials</li> <li>• Data management and data procurement</li> <li>• Postage and handling fees</li> <li>• CARE toll-free line operation and staffing</li> <li>• Grassroots outreach with community and faith-based organization (CBOs)</li> <li>• Capitation fees to Community Outreach Contractors for new CARE enrollments and assistance with the Post Enrollment Verification process, community event costs, community outreach activities and partnerships</li> <li>• Staff labor related to marketing and outreach</li> <li>• Other expenses include travel, fees, conferences, catering and other outreach-related costs</li> </ul>
PROCESSING, CERTIFICATION, AND RECERTIFICATION	<p>This cost category encompasses day-to-day administrative tasks associated with processing CARE applications, including:</p> <ul style="list-style-type: none"> <li>• Opening, sorting, scanning, processing, and data entry of CARE applications</li> <li>• Initiating and responding to customers' inquiries by mail, e-mail or phone regarding Program participation</li> <li>• Resolving billing issues related to Program enrollment</li> <li>• Tracking CARE enrollment and recertification statistics in support of operations, management and regulatory</li> <li>• Training and other related costs</li> </ul>
POST ENROLLMENT VERIFICATION (PEV)	<p>This cost category encompasses day-to-day administrative tasks associated with completing PEV and High Usage verifications, including the following:</p> <ul style="list-style-type: none"> <li>• Opening, sorting, scanning, data entry and processing of CARE PEV and High Usage correspondences</li> <li>• Printing and mailing of PEV and High Usage letters</li> <li>• Initiating and responding to customers' inquiries by mail, e-mail or phone regarding the PEV and High Usage process</li> <li>• Resolving billing issues</li> <li>• Tracking CARE PEV and High Usage statistics in support of operations, management and regulatory support</li> <li>• Training and other related costs</li> </ul>
IT PROGRAMMING	<p>This budget category includes costs for CARE database, systems enhancements and mobile access, including:</p> <ul style="list-style-type: none"> <li>• Replacement of CARE One database with new software platform Energy Insight</li> <li>• Ongoing software enhancements and licensing for PG&amp;E's current technology supporting CARE Program activities</li> <li>• Routine and non-routine system maintenance</li> <li>• Automated CARE enrollment internal data exchanges among CARE, ESA, REACH and LIHEAP Programs</li> <li>• External data exchanges with IOUs, municipalities and water utilities</li> <li>• Data reporting and analysis</li> <li>• CARE system enhancement and maintenance</li> <li>• Online applications enhancement and maintenance</li> <li>• Website and Interactive Voice Response (IVR) enhancement and maintenance</li> <li>• Other IT-related obligations</li> </ul>
CHANGES PROGRAM	This budget category includes reimbursement cost for the ongoing CHANGES program and PG&E staff labor to support the CHANGES program
STUDIES	This budget category includes cost to conduct studies
MEASUREMENT AND EVALUATION	This cost category includes all measurement and evaluation related to the CARE Program, including contract expenses for the annual study of CARE customer eligibility estimates.
REGULATORY COMPLIANCE	<p>This category includes costs for staff labor and travel expenses associated with regulatory activities, including:</p> <ul style="list-style-type: none"> <li>• Program applications</li> <li>• Advice letters</li> <li>• Tariff revisions, comments and reply comments</li> <li>• Hearings</li> <li>• Preparation of regulatory compliance reports</li> <li>• Preparation of data request responses</li> <li>• Attendance at working group sessions, public input meetings and public workshops</li> <li>• Travel expenses and other related costs</li> </ul>
GENERAL ADMINISTRATION	<p>This category includes costs for program administration and management, including:</p> <ul style="list-style-type: none"> <li>• Program management labor</li> <li>• Office supplies and equipment</li> <li>• Envelopes and printing of CARE letters</li> <li>• Customer research</li> <li>• Propensity model costs associated with eligibility criteria and data management</li> <li>• Other expenses include training, travel, fees, conferences, catering and other administrative-related costs</li> </ul>
CPUC ENERGY DIVISION STAFF	This cost category includes reimbursement to the CA Public Utilities Commission for services rendered by CPUC per D.16-11-022, D.12-11-015, D.10-04-029, D.09-09-047, D.08-10-027, D.05-12-026, D.06-12-038, D.05-11-011 and Advice Letters 2745-E, 2683-G, 1936E, 1754-E, 1575-G and per Budget Act Chapter 50, Statute 1999.

FERA Program Regulatory Budget Category	Cost Category Description
OUTREACH	<p>This cost category includes:</p> <ul style="list-style-type: none"> <li>• Marketing and outreach campaigns, such as direct mail, e-mail, digital marketing channels, text, radio and video</li> <li>• Retention communications</li> <li>• Market Research</li> <li>• Printing, storage and fulfillment of bill inserts, applications, advertising and promotional materials, annual notifications to Sub-metered facilities (SB 920), and other FERA Program materials</li> <li>• Data management and data procurement</li> <li>• Postage and handling fees</li> <li>• Grassroots outreach with community and faith-based organization (CBOs)</li> <li>• Capitation fees to Community Outreach Contractors for new FERA enrollments, community outreach activities and partnerships</li> <li>• Staff labor related to marketing and outreach</li> <li>• Other expenses include travel, fees, conferences, catering and other outreach-related costs</li> </ul>
PROCESSING, CERTIFICATION, AND RECERTIFICATION	<p>This cost category encompasses day-to-day administrative tasks associated with processing FERA applications, including:</p> <ul style="list-style-type: none"> <li>• Opening, sorting, scanning, processing, and data entry of FERA applications</li> <li>• Initiating and responding to customers' inquiries by mail, e-mail or phone regarding Program participation</li> <li>• Resolving billing issues related to Program enrollment</li> <li>• Tracking FERA enrollment and recertification statistics in support of operations, management and regulatory</li> <li>• Training and other related costs</li> </ul>
POST ENROLLMENT VERIFICATION (PEV)	<p>This cost category encompasses day-to-day administrative tasks associated with completing FERA Post Enrollment Verification process, including the following:</p> <ul style="list-style-type: none"> <li>• Opening, sorting, scanning, data entry and processing of FERA PEV correspondences</li> <li>• Printing and mailing of PEV letters</li> <li>• Initiating and responding to customers' inquiries by mail, e-mail or phone regarding the PEV process</li> <li>• Resolving billing issues</li> <li>• Tracking FERA PEV statistics in support of operations, management and regulatory support</li> <li>• Training and other related costs</li> </ul>
IT PROGRAMMING	<p>This budget category includes costs for FERA database, systems enhancements and mobile access, including:</p> <ul style="list-style-type: none"> <li>• Ongoing software enhancements and licensing for PG&amp;E's current technology supporting FERA Program activities</li> <li>• Routine and non-routine system maintenance</li> <li>• Automated FERA enrollment internal data exchanges among other assistance programs</li> <li>• External data exchanges</li> <li>• Data reporting and analysis</li> <li>• FERA system enhancement and maintenance</li> <li>• Online applications enhancement and maintenance</li> <li>• Website and Interactive Voice Response (IVR) enhancement and maintenance</li> <li>• Other IT-related obligations</li> </ul>
REGULATORY COMPLIANCE	<p>This category includes costs for staff labor and travel expenses associated with regulatory activities, including:</p> <ul style="list-style-type: none"> <li>• Program applications</li> <li>• Advice letters</li> <li>• Tariff revisions, comments and reply comments</li> <li>• Hearings</li> <li>• Preparation of regulatory compliance reports</li> <li>• Preparation of data request responses</li> <li>• Attendance at working group sessions, public input meetings and public workshops</li> <li>• Travel expenses and other related costs</li> </ul>
GENERAL ADMINISTRATION	<p>This category includes costs for program administration and management, including:</p> <ul style="list-style-type: none"> <li>• Program management labor</li> <li>• Office supplies and equipment</li> <li>• Envelopes and printing of FERA letters</li> <li>• Customer research</li> <li>• Propensity model costs associated with eligibility criteria and data management</li> <li>• Other expenses include training, travel, fees, conferences, catering and other administrative-related costs</li> </ul>
CPUC ENERGY DIVISION STAFF	<p>This cost category includes reimbursement to the CA Public Utilities Commission for services rendered by CPUC</p>

**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER II**

**ATTACHMENT B**

**CARE RURAL ZIP CODE LIST**

ZIP	Residential Households	CARE Eligible	CARE Enrolled	Penetration Rate	Eligibility Rate	Eligible Unenrolled
95521	8,755	4,300	2,319	53.9%	49.1%	1,981
95382	11,436	3,316	1,915	57.7%	29.0%	1,401
95242	10,230	2,608	1,401	53.7%	25.5%	1,207
95223	7,383	1,869	405	21.7%	25.3%	1,464
93442	6,427	1,489	884	59.4%	23.2%	605
93449	5,657	1,238	345	27.9%	21.9%	893
95321	3,686	1,110	393	35.4%	30.1%	717
95326	2,303	981	519	52.9%	42.6%	462
93465	3,932	916	475	51.9%	23.3%	441
95746	7,920	844	414	49.0%	10.7%	430
95383	2,957	793	351	44.3%	26.8%	442
95247	2,420	763	347	45.5%	31.5%	416
93463	3,482	743	366	49.3%	21.3%	377
93428	4,008	644	347	53.9%	16.1%	297
95573	1,109	631	278	44.1%	56.9%	353
93427	2,185	619	330	53.3%	28.3%	289
96137	2,869	560	132	23.6%	19.5%	428
95536	1,345	499	296	59.3%	37.1%	203
95542	970	492	152	30.9%	50.8%	340
95045	1,566	472	240	50.9%	30.1%	232
95570	1,451	464	244	52.5%	32.0%	220
93604	1,139	459	58	12.6%	40.3%	401
95728	1,562	458	29	6.3%	29.3%	429
95030	5,287	444	106	23.9%	8.4%	338
93453	1,323	439	219	49.9%	33.1%	220
95445	1,423	412	196	47.6%	28.9%	216
95460	1,535	375	178	47.5%	24.4%	197
95526	580	331	91	27.5%	57.1%	240
95248	617	270	158	58.5%	43.8%	112
95245	641	263	150	57.0%	41.0%	113
95560	726	254	144	56.7%	35.0%	110
95364	1,054	249	21	8.4%	23.6%	228
95246	806	246	135	55.0%	30.5%	111
95979	415	207	91	44.0%	49.8%	116
95524	726	206	69	33.5%	28.4%	137
95528	529	198	113	57.1%	37.4%	85
95306	479	188	108	57.5%	39.2%	80
95689	747	188	100	53.3%	25.1%	88
95527	416	186	94	50.7%	44.6%	92
95563	378	181	95	52.5%	47.8%	86
95556	333	176	69	39.2%	52.8%	107
95466	518	170	88	51.8%	32.8%	82
95553	370	167	66	39.5%	45.2%	101
96063	323	165	10	6.0%	51.2%	155
95943	363	160	46	28.7%	44.2%	114
96125	483	158	29	18.4%	32.7%	129
95663	1,143	155	79	51.1%	13.5%	76
95335	646	153	37	24.2%	23.6%	116
95456	506	130	75	57.8%	25.6%	55
95585	261	126	67	53.3%	48.1%	59
95554	266	124	48	38.8%	46.5%	76
96071	265	119	17	14.3%	45.0%	102
95389	520	117	10	8.6%	22.4%	107
96016	257	115	51	44.3%	44.8%	64
95552	152	106	28	26.4%	69.6%	78
95459	396	104	60	57.7%	26.3%	44
95549	333	101	33	32.6%	30.4%	68
95375	418	99	12	12.1%	23.6%	87
96065	230	90	53	58.9%	39.1%	37
96040	196	88	41	46.6%	44.9%	47
93920	354	88	18	20.5%	24.8%	70

Note: Sorted by Column CARE-Eligible

ZIP	Residential Households	CARE Eligible	CARE Enrolled	Penetration Rate	Eligibility Rate	Eligible Unenrolled
95589	174	87	22	25.2%	50.2%	65
95564	165	84	41	49.0%	50.7%	43
95558	217	79	27	34.2%	36.3%	52
96061	154	79	2	2.5%	51.2%	77
95043	330	78	14	17.8%	23.8%	64
95318	353	75	14	18.7%	21.2%	61
95511	133	74	19	25.7%	55.6%	55
93669	206	74	33	44.7%	35.8%	41
95432	238	61	33	54.5%	25.5%	28
95569	147	60	23	38.2%	40.9%	37
95721	269	60	1	1.7%	22.2%	59
96074	99	57	34	59.3%	57.9%	23
95559	134	57	31	54.1%	42.7%	26
95571	134	57	31	54.4%	42.5%	26
96076	98	56	20	35.6%	57.4%	36
95984	112	56	21	37.6%	49.8%	35
93623	206	53	8	15.0%	25.9%	45
95427	179	53	28	53.2%	29.4%	25
96029	90	53	19	36.1%	58.5%	34
95420	170	48	27	56.2%	28.3%	21
95494	167	45	17	37.5%	27.2%	28
95587	90	44	11	25.0%	48.9%	33
95613	212	44	19	43.6%	20.6%	25
95736	143	38	12	31.3%	26.8%	26
95514	63	34	8	23.7%	53.7%	26
95221	97	32	3	9.3%	33.4%	29
95910	76	29	14	48.8%	37.8%	15
95303	64	26	7	27.3%	40.0%	19
95545	59	26	3	11.8%	43.3%	23
95429	59	25	8	32.3%	41.9%	17
95595	63	24	11	45.8%	38.1%	13
95699	87	22	12	53.4%	25.8%	10
95724	77	21	-	0.0%	27.8%	21
95923	161	17	4	23.6%	10.5%	13
95568	38	16	4	25.8%	40.9%	12
95980	28	14	6	42.6%	50.3%	8
95381	43	12	-	0.0%	27.2%	12
95424	21	10	3	30.4%	47.0%	7
95550	29	10	5	51.3%	33.6%	5
93435	26	5	2	38.1%	20.2%	3
93246	12	4	2	45.7%	36.5%	2
95024	14	4	2	51.9%	27.5%	2
93928	13	4	1	27.4%	28.0%	3

Note: Sorted by Column CARE-Eligible

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER II**  
**ATTACHMENT C**  
**REDLINE CHANGES TO ELECTRIC PRELIMINARY**  
**STATEMENT DX**



**ELECTRIC PRELIMINARY STATEMENT PART DX**  
**FAMILY ELECTRIC RATE ASSISTANCE BALANCING ACCOUNT**

Sheet 1

**DX. FAMILY ELECTRIC RATE ASSISTANCE BALANCING ACCOUNT (FERABA)**

1. **PURPOSE:** The purpose of the electric FERABA is to record the revenue shortfalls, ~~and~~ program administrative costs, and marketing costs for the large household program (also called the Family Electric Rate Assistance (FERA) program) approved by Decisions 04-02-057 and 07-09-004. (T)
2. **APPLICABILITY:** The FERABA shall apply to all electric customers except for those specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined through the Annual Electric True-Up (AET) advice letter process.
4. **RATES:** This account does not currently have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall make entries to the following subaccounts at the end of each month as follows:
  - a) A debit entry equal to the FERA revenue shortfall in residential customer revenue resulting from the change in price from Tier 3 to Tier 2 for all enrolled FERA customers. The revenue shortfall is computed by subtracting the residential customers' monthly revenues from the revenues that would have been recovered from customers had the Tier 3 rate not been reduced.
  - b) A debit entry equal to the FERA discount for charges for the California Solar Initiative. (N)
  - c) A debit entry equal to the administrative costs and marketing costs associated with the FERA program. (T)
  - d) A credit entry to transfer the balance to other regulatory accounts as appropriate for rate recovery, upon approval by the CPUC. (T)
  - e) A debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entry, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

Advice 3115-E-A  
Decision 07-09-004

Issued by  
**Robert S. Kenney**  
Vice President, Regulatory Affairs  
II-AtchC-1

Date Filed	December 27, 2007
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Resolution	E-4121



**PACIFIC GAS AND ELECTRIC COMPANY**

**CHAPTER III**

**CONCLUSION**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER III**  
**CONCLUSION**

**Summarize requests for which you are seeking the California Public Utilities Commission's (Commission) approval as part of the ESA and CARE Program plans and budgets for PYs 2021-2026. [WITNESS: MURPHY-ROACH]**

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to present its proposed budget and program design for its 2021-2026 Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) programs.

As demonstrated throughout its testimony, by providing ESA, CARE, and FERA program benefits to PG&E's customers for program years 2021-2026, PG&E expects to: (1) continue providing eligible customers with ESA, CARE, and FERA benefits; (2) reach previously treated customers who will receive additional benefits now available through the ESA Plus program; and (3) reach customers not served in previous cycles. PG&E believes the ESA Plus program, as currently designed, provides a compelling proposition for promoting energy savings while delivering health, comfort, and safety benefits for the five need states identified to be prioritized in the 2021-2026 program cycle.

PG&E believes its proposed budget, program designs, marketing and outreach approach for ESA, CARE, and FERA will also increase access to underserved populations. Please see Tables III-1, III-2, and III-3 for the proposed budgets of ESA, CARE, and FERA for program years (PYs) 2021-2026.

**TABLE III-1  
PG&E'S ESA PROGRAM PROPOSED BUDGET FOR PY 2021-2026**

Line No.	ESA Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Energy Efficiency (EE) – ESA Plus	\$126,529,220	\$120,640,990	\$130,918,280	\$121,337,460	\$118,698,040	\$116,655,720	\$734,779,710
2	EE – MFWB	30,134,510	30,110,600	42,442,430	51,767,630	53,320,660	54,920,280	262,696,110
3	Program Administrative <sup>(a)</sup>	16,901,750	16,656,390	16,682,800	16,383,290	16,761,800	16,964,060	100,350,090
4	Total Proposed Budget	\$173,565,480	\$167,407,980	\$190,043,510	\$189,488,380	\$188,780,500	\$188,540,060	\$1,097,825,910

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

**TABLE III-2  
PG&E'S CARE PROGRAM PROPOSED BUDGET FOR PY 2021-2026**

Line No.	CARE Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Program Administrative <sup>(a)</sup>	\$14,150,600	\$13,760,000	\$13,961,600	\$14,070,600	\$14,444,200	\$14,787,700	\$85,174,700
2	CARE Subsidy	683,539,000	687,689,000	691,973,000	696,394,000	700,957,000	705,667,000	4,166,219,000
3	Total Program and Subsidy Costs	\$697,689,600	\$701,449,000	\$705,934,600	\$710,464,600	\$715,401,200	\$720,454,700	\$4,251,393,700

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

**TABLE III-3  
PG&E'S FERA PROGRAM PROPOSED BUDGET FOR PY 2021-2026**

Line No.	FERA Budget Categories	2021 Proposed Budget	2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget	2021-2026 Total Proposed Budget
1	Program Administrative <sup>(a)</sup>	\$2,503,700	\$2,802,400	\$2,867,400	\$2,937,000	\$3,005,900	\$3,076,800	\$17,193,200
2	FERA Subsidy	10,353,000	12,898,000	15,727,000	18,273,000	20,819,000	23,364,000	101,434,000
3	Total Program and Subsidy Costs	\$12,856,700	\$15,700,400	\$18,594,400	\$21,210,000	\$23,824,900	\$26,440,800	\$118,627,200

(a) Includes estimated benefit burden determined in 2017 GRC for illustration purposes and shall be adjusted accordingly when the benefit burden is approved in future GRCs applicable to the year.

## Summary of PG&E's Requested Proposals

### 1. Chapter I – ESA Program Summary of Critical Program Elements and Requests

- Approve ESA Plus program design with three levels: basic, comprehensive and comprehensive plus as well as the virtual energy coach pilot.
- Approve customer self-certification eligibility for ESA Basic which PG&E believes will help overcome one of the barriers of participation.
- Approve the prioritization of CARE enrolled customers who have not participated in ESA previously as well as customers in the five identified need states: high energy users; previously disconnected for non-payment of services; medical baseline; rural, tribal and disadvantaged communities; and wildfire threat zones.
- Approve the various modifications to the program rules designed to increase benefits to the customers for energy savings, health, comfort and safety; such as:
  - Changes in measure offerings based on new design, including additions, modifications and removal of certain measures. All measure changes are based on their contributions to energy savings, and non-energy benefits.
  - Solicitation of third-party administration for PG&E's Multi-family Whole Building Program modelled after PG&E's EE third-party solicitation process as applicable, and permission to request policy changes following solicitation.
- Approve key program policy changes including:
  - Establishing ESA Working Group and Studies Working Group; continuing Multi-family Working Group;
  - Modifying fund shifting rule;
  - Tracking gas and electric budget at the portfolio level rather than individual measure level;
  - Flexibility to file Advice Letters for program modifications as needed; and
  - Full listing of policy changes included in the Program Policy Changes contained in Appendix B.

- Approve the Virtual Energy Coach Pilot to evaluate the impact of personalized communications on customer behavior.
- Approve the Long-Term CARE Customer Pilot to encourage ESA participation for customers on CARE for 10 or more years continuously.
- Approve Impact, Low-Income Needs Assessment, Process, Categorical Program and Non-Energy Benefits Studies recommendations.
- Approve PG&E's proposed Marketing, Education and Outreach plans and corresponding budget request for the ESA Plus program.

## **2. Chapter II – CARE Program Summary of Critical Program Elements and Requests**

PG&E proposes the following CARE program recommendations for the 2021-2026 program cycle:

- Approve the increase of Capitation Fee from \$20 to \$30;
- Approve request to permanently revise the filing date of annual estimates to CARE eligible customers from December 31 to February 12 of each year for the current year;
- Approve change of the certification period for Non-Profit, Agriculture, Migrant Farm Worker Housing Facilities from 2 years to 4 years; and
- Approve continuation of successful marketing strategies and testing of new strategies to target CARE-eligible customers, including the holistic Community Engagement strategy to promote and educate customers in limited income and vulnerable populations about the various income qualified programs and rate options.

## **3. Chapter II – FERA Program Summary of Critical Program Elements and Requests**

PG&E proposes the following FERA program recommendations for the 2021-2026 program cycle:

- Approve CBO compensation for FERA enrollments;
- Approve the inclusion of the FERA Annual Report goals and budget expenditure with CARE and ESA annual report filed in May of each year for the preceding year commencing 2024 for 2023 progress;
- Approve request to include the FERA program aspirational goal into the Low Income Proceeding moving forward;
- Approve changes to the FERA Balancing Account;

- 1 • Approve marketing and outreach strategies and corresponding budget  
2 request to continue co-promotion of CARE and FERA via successful  
3 marketing channels; and
- 4 • Approve new FERA-specific Marketing, Education and Outreach and  
5 corresponding budget request for work to increase FERA program  
6 awareness and enrollment.

7       Therefore, for the reasons stated throughout PG&E's Prepared Testimony,  
8 PG&E requests the Commission adopt PG&E's proposed ESA, CARE, and  
9 FERA proposed budgets and program design as just and reasonable. To  
10 prevent any interruption in customer assistance, PG&E respectfully requests a  
11 final decision be issued on this application no later than December 31, 2020.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER IV**  
**EXCEL ATTACHMENTS**

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER IV  
EXCEL ATTACHMENTS

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Table	Title	Witness
A-1	ESA Program – Budget	Paola Benassi
A-1a	ESA Program – Budget (Multifamily only)	N/A
A-2	ESA Program – Budget – Electric	Paola Benassi
A-2a	ESA Program – Budget – Electric (Multifamily only)	N/A
A-3	ESA Program – Budget – Gas	Paola Benassi
A-3a	ESA Program – Budget – Gas (Multifamily only)	N/A
A-4	ESA Program – Planning	Lori Leiva Jungbluth Mary O'Drain
A-4a	ESA Program – Planning (Multifamily only)	N/A
A-5	ESA Program – Savings & Participation	Lori Leiva Jungbluth
A-6	ESA Program – Detail by Housing Type	Mary O'Drain
A-6a	ESA Program – Detail by Housing Type Multifamily	N/A
A-7	ESA Program – Cost Effectiveness	Mary O'Drain
A-8	ESA Program – Cost Effectiveness – Weather Sensitive	Mary O'Drain
A-9	ESA Program – Cost Effectiveness – Non-Weather Sensitive	Mary O'Drain
A-10	ESA Program – Budget Comparison	Paola Benassi
B-1	CARE Budget	Marlene Murphy-Roach



PACIFIC GAS AND ELECTRIC COMPANY  
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B-4	CARE - Penetration	Marlene Murphy-Roach
B-5	Low Income – Usage Levels	Marlene Murphy-Roach
C-1	ESA-CARE Pilots and Studies	Lori Leiva Jungbluth Mary O'Drain
D-1	FERA Program Budget	Marlene Murphy-Roach

	A	B	C	D	E	F	G	H
1	<b>PY 2021-2026 Energy Savings Assistance Program Table A-1, Proposed Electric &amp; Gas Budget<sup>1</sup></b>							
2	<b>Pacific Gas &amp; Electric</b>							
3								
4		<b>PY2020 Authorized</b>	<b>PY 2021 Proposed</b>	<b>PY 2022 Proposed</b>	<b>PY 2023 Proposed</b>	<b>PY 2024 Proposed</b>	<b>PY 2025 Proposed</b>	<b>PY 2026 Proposed</b>
5								
6	<b>Energy Savings Assistance Program</b>							
7	Energy Efficiency							
8	Appliances	\$10,075,310	\$12,345,870	\$11,868,970	\$12,848,940	\$11,780,250	\$11,465,640	\$11,157,320
9	Domestic Hot Water	\$8,727,343	\$8,600,720	\$8,035,740	\$9,159,530	\$8,473,600	\$8,322,210	\$8,172,900
10	Enclosure	\$37,599,321	\$26,491,870	\$27,475,740	\$30,354,230	\$28,307,740	\$27,922,710	\$27,555,110
11	HVAC	\$46,719,532	\$22,505,650	\$20,702,440	\$23,929,860	\$22,073,570	\$21,622,850	\$21,166,240
12	Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Lighting	\$34,380,071	\$24,304,110	\$6,448,700	\$6,687,540	\$6,212,650	\$6,124,750	\$6,040,310
14	Miscellaneous	\$2,362,009	\$855,110	\$14,526,890	\$15,036,190	\$13,814,330	\$13,465,950	\$13,131,220
15	Customer Enrollment	\$20,967,922	\$20,234,150	\$19,627,500	\$20,432,310	\$19,077,910	\$18,931,690	\$18,787,020
16	In Home Education	\$4,833,608	\$6,310,890	\$5,834,010	\$6,161,500	\$5,717,450	\$5,670,020	\$5,654,570
17	Pilot	\$100,000	\$325,000	\$325,000	\$405,000	\$520,000	\$0	\$0
18	Implementation	\$6,774,365	\$4,555,850	\$5,796,000	\$5,903,180	\$5,359,960	\$5,172,220	\$4,991,030
19	<b>Energy Efficiency Total</b>	<b>\$172,539,482</b>	<b>\$126,529,220</b>	<b>\$120,640,990</b>	<b>\$130,918,280</b>	<b>\$121,337,460</b>	<b>\$118,698,040</b>	<b>\$116,655,720</b>
20	Multifamily							
21	In-unit		N/A [1]		\$21,460,300	\$23,505,520	\$24,210,680	\$24,937,000
22	SPOC		\$306,770	\$245,420	\$400,000	\$412,000	\$424,360	\$437,090
23	CAM		\$24,350,000	\$24,350,000	\$15,400,000	\$23,100,000	\$23,793,000	\$24,506,790
24	CSD LIMP		\$1,247,740	\$1,285,180	\$1,323,730	\$1,363,440	\$1,404,350	\$1,446,480
25	Administrator fee		\$4,230,000	\$4,230,000	\$3,858,400	\$3,386,670	\$3,488,270	\$3,592,920
26	<b>Multifamily Total</b>	<b>\$0</b>	<b>\$30,134,510</b>	<b>\$30,110,600</b>	<b>\$42,442,430</b>	<b>\$51,767,630</b>	<b>\$53,320,660</b>	<b>\$54,920,280</b>
27	Training Center [2]							
28		\$1,105,878	\$881,250	\$661,250	\$496,250	\$496,250	\$496,250	\$496,250
29	Workforce Education and Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Inspections [2]	\$4,253,055	\$3,642,110	\$3,376,970	\$4,557,100	\$4,470,600	\$4,485,190	\$4,500,930
31	Marketing and Outreach [2] [3]	\$2,285,306	\$2,797,960	\$2,650,700	\$2,268,260	\$2,019,330	\$2,150,970	\$2,083,590
32	Statewide Marketing and Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Studies	\$95,000	\$147,500	\$225,000	\$292,500	\$315,000	\$117,500	\$125,000
34	Regulatory Compliance [2]	\$527,095	\$653,950	\$673,570	\$693,780	\$714,590	\$944,740	\$973,080
35	General Administration [2]	\$6,109,539	\$8,709,110	\$8,996,930	\$8,300,780	\$8,291,170	\$8,488,510	\$8,704,210
36	CPUC Energy Division	\$58,322	\$69,870	\$71,970	\$74,130	\$76,350	\$78,640	\$81,000
37	<b>Subtotal (row 21-29)</b>	<b>\$14,434,195</b>	<b>\$16,901,750</b>	<b>\$16,656,390</b>	<b>\$16,682,800</b>	<b>\$16,383,290</b>	<b>\$16,761,800</b>	<b>\$16,964,060</b>
38								
39	<b>TOTAL PROGRAM COSTS</b>	<b>\$186,973,677</b>	<b>\$173,565,480</b>	<b>\$167,407,980</b>	<b>\$190,043,510</b>	<b>\$189,488,380</b>	<b>\$188,780,500</b>	<b>\$188,540,060</b>
40	Funded Outside of ESA Program Budget							
41								
42	Indirect Costs							
43	NGAT Costs	\$7,520,661	\$5,779,599	\$5,403,686	\$7,198,393	\$7,065,966	\$7,088,304	\$7,112,399
44								
45								
46	Notes:							
47	[1] Multi-family in-unit measure counts are included in the energy efficiency measure counts for 2021 and 2022.							
48	[2] 2020 authorized and 2021-2026 proposed program administrative budget include estimated annual employee benefit burden of approximately \$1.85 million.							
49	[3] 2021-2026 proposed Marketing and Outreach budget includes \$1.56 million in costs associated with the load disaggregation report.							

A		B	C	D	E	F	G	H
1	PY 2021-2026 Energy Savings Assistance Program Table A-1a, Proposed Electric & Gas Budget (Multifamily only) [1]							
2	Pacific Gas & Electric							
3								
4	[1] Intentionally left blank - Multi-family budgets for PY 2021-26 provided in Table A-1							
5								
6								
7								
8	Energy Savings Assistance Program							
9	Energy Efficiency							
10	Appliances							
11	Domestic Hot Water							
12	Enclosure							
13	HVAC							
14	Maintenance							
15	Lighting							
16	Miscellaneous							
17	Customer Enrollment							
18	In Home Education							
19	Pilot							
20	Energy Efficiency Total							
21								
22	Training Center							
23	Workforce Education and Training							
24	Inspections							
25	Marketing and Outreach							
26	Statewide Marketing and Outreach							
27	Studies							
28	Regulatory Compliance							
29	General Administration							
30	CPUC Energy Division							
31								
32	TOTAL PROGRAM COSTS							
33	Common Area Cost Allocation							
34	In Unit Cost Allocation							
35	Communal Area/Shared System Cost Allocation							
36	Funded Outside of ESA Program Budget							
37	Indirect Costs							
38								
39	NGAT Costs							

		A	B	C	D	E	F	G	H
1	PY 2021-2026 Energy Savings Assistance Program Table A-2, Proposed Electric Budget								
2	Pacific Gas & Electric								
3									
4									
5									
6	Energy Savings Assistance Program								
7	Energy Efficiency								
8	Appliances	\$10,075,310	\$12,345,870	\$11,868,970	\$12,848,940	\$11,780,250	\$11,465,640	\$11,157,320	
9	Domestic Hot Water	\$571,650	\$1,445,650	\$1,293,450	\$1,539,000	\$1,420,330	\$1,391,290	\$1,361,580	
10	Enclosure	\$6,767,878	\$264,920	\$274,760	\$303,540	\$283,080	\$279,230	\$275,550	
11	HVAC	\$43,048,274	\$14,582,320	\$13,140,790	\$14,700,050	\$13,546,660	\$13,254,580	\$12,958,550	
12	Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13	Lighting	\$34,380,071	\$24,304,110	\$6,448,700	\$6,687,540	\$6,212,650	\$6,124,750	\$6,040,310	
14	Miscellaneous	\$2,362,009	\$855,110	\$14,526,890	\$15,036,190	\$13,814,330	\$13,465,950	\$13,131,220	
15	Customer Enrollment	\$14,572,706	\$10,724,100	\$10,402,580	\$10,829,120	\$10,111,290	\$10,033,790	\$9,957,120	
16	In Home Education	\$3,359,358	\$3,344,770	\$3,092,020	\$3,265,600	\$3,030,250	\$3,005,110	\$2,996,920	
17	Pilot	\$100,000	\$171,950	\$171,950	\$275,120	\$0	\$0	\$0	
18	Implementation	\$4,708,184	\$2,410,400	\$3,066,540	\$3,123,250	\$2,835,840	\$2,736,510	\$2,640,650	
19	Energy Efficiency Total	\$119,945,440	\$70,449,200	\$64,286,650	\$68,547,510	\$63,309,800	\$61,756,850	\$60,519,220	
20	Multifamily								
21	In-unit		N/A [1]	N/A [1]	\$11,373,959	\$12,457,926	\$12,831,660	\$13,216,610	
22	SPOC		\$162,588	\$130,073	\$212,000	\$218,360	\$224,911	\$231,658	
23	CAM		\$12,905,500	\$12,905,500	\$8,162,000	\$12,243,000	\$12,610,290	\$12,988,599	
24	CSD LIWP		\$661,302	\$681,145	\$701,577	\$722,623	\$744,306	\$766,634	
25	Administrator fee		\$2,241,900	\$2,241,900	\$2,044,952	\$1,794,935	\$1,848,783	\$1,904,248	
26	Multifamily Total	\$0	\$15,971,290	\$15,958,618	\$22,494,488	\$27,436,844	\$28,259,950	\$29,107,748	
27									
28	Training Center [2]	\$758,687	\$467,063	\$350,463	\$263,013	\$263,013	\$263,013	\$263,013	
29	Workforce Education and Training		\$0	\$0	\$0	\$0	\$0	\$0	
30	Inspections [2]	\$2,792,519	\$1,930,318	\$1,789,794	\$2,415,263	\$2,369,418	\$2,377,151	\$2,385,493	
31	Marketing and Outreach [2] [3]	\$1,570,119	\$1,482,919	\$1,404,871	\$1,202,178	\$1,070,245	\$1,140,014	\$1,104,303	
32	Statewide Marketing and Outreach		\$0	\$0	\$0	\$0	\$0	\$0	
33	Studies	\$66,025	\$78,175	\$119,250	\$155,025	\$166,950	\$62,275	\$66,250	
34	Regulatory Compliance [2]	\$349,423	\$346,594	\$356,992	\$367,703	\$378,733	\$500,712	\$515,732	
35	General Administration [2]	\$4,130,671	\$4,615,828	\$4,768,373	\$4,399,413	\$4,394,320	\$4,498,910	\$4,613,231	
36	CPUC Energy Division	\$40,534	\$37,031	\$38,144	\$39,289	\$40,466	\$41,679	\$42,930	
37	Subtotal	\$9,707,979	\$8,957,928	\$8,827,887	\$8,841,884	\$8,683,144	\$8,883,754	\$8,990,952	
38									
39	TOTAL PROGRAM COSTS	\$129,653,419	\$95,378,418	\$89,073,155	\$99,883,882	\$99,429,788	\$98,900,554	\$98,617,920	
40	Funded Outside of ESA Program Budget								
41	Indirect Costs								
42									
43	NGAT Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
44									
45	Notes:								
46	[1] Multi-family in-unit measure counts are included in the energy efficiency measure counts for 2021 and 2022								
47	[2] 2020 authorized and 2021-2026 proposed program administrative budget include estimated annual employee benefit burden of approximately \$1.85 millior								
48	[3] 2021-2026 proposed Marketing and Outreach budget includes \$1.56 million in costs associated with the load disaggregation report								

A		B	C	D	E	F	G	H
1	PY 2021-2026 Energy Savings Assistance Program Table A-2a, Proposed Electric Budget (Multifamily only) [1]							
2	Pacific Gas & Electric							
3								
4	[1] Intentionally left blank - Multi-family electric budget for PY 2021-26 provided in Table A-2							
5								
6								
7								
8	Energy Savings Assistance Program							
9	Energy Efficiency	PY2020 Authorized	PY 2021 Proposed	PY 2022 Proposed	PY 2023 Proposed	PY 2024 Proposed	PY 2025 Proposed	PY 2026 Proposed
10	Appliances							
11	Domestic Hot Water							
12	Enclosure							
13	HVAC							
14	Maintenance							
15	Lighting							
16	Miscellaneous							
17	Customer Enrollment							
18	In Home Education							
19	Pilot							
20	Energy Efficiency Total							
21								
22	Training Center							
23	Workforce Education and Training							
24	Inspections							
25	Marketing and Outreach							
26	Statewide Marketing Education and Outreach							
27	Studies							
28	Regulatory Compliance							
29	General Administration							
30	CPUC Energy Division							
31								
32	TOTAL PROGRAM COSTS							
33	Common Area Cost Allocation							
34	In Unit Cost Allocation							
35	Communal Area/Shared System Cost Allocation							
36								
37	Indirect Costs							
38								
39	NGAT Costs							

		A	B	C	D	E	F	G	H
1	<b>PY 2021-2026 Energy Savings Assistance Program Table A-3, Proposed Gas Budget</b>								
2	<b>Pacific Gas &amp; Electric</b>								
3									
4									
5									
6	<b>Energy Savings Assistance Program</b>								
7	Energy Efficiency								
8	Appliances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Domestic Hot Water	\$8,155,693	\$7,155,060	\$6,742,290	\$7,620,530	\$7,053,260	\$6,930,920	\$6,811,320	\$6,811,320
10	Enclosure	\$30,831,443	\$26,228,950	\$27,200,980	\$30,050,680	\$28,024,660	\$27,643,480	\$27,279,550	\$27,279,550
11	HVAC	\$3,671,259	\$7,923,320	\$7,561,650	\$9,229,810	\$8,526,910	\$8,368,270	\$8,207,690	\$8,207,690
12	Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Lighting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Enrollment	\$6,395,216	\$9,510,050	\$9,224,930	\$9,603,180	\$8,966,620	\$8,897,890	\$8,829,900	\$8,829,900
16	In Home Education	\$1,474,250	\$2,966,120	\$2,741,980	\$2,895,910	\$2,687,200	\$2,664,910	\$2,657,650	\$2,657,650
17	Pilot	\$0	\$153,050	\$153,050	\$190,720	\$244,880	\$0	\$0	\$0
18	Implementation	\$2,066,181	\$2,145,440	\$2,729,460	\$2,779,930	\$2,524,110	\$2,435,700	\$2,350,380	\$2,350,380
19	<b>Energy Efficiency Total</b>	<b>\$52,594,042</b>	<b>\$56,079,990</b>	<b>\$56,354,340</b>	<b>\$62,370,760</b>	<b>\$58,027,640</b>	<b>\$56,941,170</b>	<b>\$56,136,490</b>	<b>\$56,136,490</b>
20	Multifamily								
21	In-unit		N/A [1]	N/A [1]	\$10,086,341	\$11,047,594	\$11,379,020	\$11,720,390	\$11,720,390
22	SPOC		\$144,182	\$115,347	\$188,000	\$193,640	\$199,449	\$205,432	\$205,432
23	CAM		\$11,444,500	\$11,444,500	\$7,238,000	\$10,857,000	\$11,182,710	\$11,518,191	\$11,518,191
24	CSD LIWP		\$586,438	\$604,035	\$622,153	\$640,817	\$660,045	\$679,846	\$679,846
25	Administrator fee		\$1,988,100	\$1,988,100	\$1,813,448	\$1,591,735	\$1,639,487	\$1,688,672	\$1,688,672
26	<b>Multifamily Total</b>	<b>\$0</b>	<b>\$14,163,220</b>	<b>\$14,151,982</b>	<b>\$19,947,942</b>	<b>\$24,330,786</b>	<b>\$25,060,710</b>	<b>\$25,812,532</b>	<b>\$25,812,532</b>
27									
28	Training Center [2]	\$347,190	\$414,188	\$310,788	\$233,238	\$233,238	\$233,238	\$233,238	\$233,238
29	Workforce Education and Training		\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Inspections [2]	\$1,460,536	\$1,711,792	\$1,587,176	\$2,141,837	\$2,101,182	\$2,108,039	\$2,115,437	\$2,115,437
31	Marketing and Outreach [2] [3]	\$715,186	\$1,315,041	\$1,245,829	\$1,066,082	\$949,085	\$1,010,956	\$979,287	\$979,287
32	Statewide Marketing and Outreach		\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Studies	\$28,975	\$69,325	\$105,750	\$137,475	\$148,050	\$55,225	\$58,750	\$58,750
34	Regulatory Compliance [2]	\$177,671	\$307,357	\$316,578	\$326,077	\$335,857	\$444,028	\$457,348	\$457,348
35	General Administration [2]	\$1,978,868	\$4,093,282	\$4,228,557	\$3,901,367	\$3,896,850	\$3,989,600	\$4,090,979	\$4,090,979
36	CPUC Energy Division	\$17,788	\$32,839	\$33,826	\$34,841	\$35,885	\$36,961	\$38,070	\$38,070
37	<b>Subtotal</b>	<b>\$4,726,215</b>	<b>\$7,943,823</b>	<b>\$7,828,503</b>	<b>\$7,840,916</b>	<b>\$7,700,146</b>	<b>\$7,878,046</b>	<b>\$7,973,108</b>	<b>\$7,973,108</b>
38									
39	<b>TOTAL PROGRAM COSTS</b>	<b>\$57,320,257</b>	<b>\$78,187,032</b>	<b>\$78,334,825</b>	<b>\$90,159,618</b>	<b>\$90,058,572</b>	<b>\$89,879,926</b>	<b>\$89,922,130</b>	<b>\$89,922,130</b>
40									
41	Indirect Costs								
42									
43	NGAT Costs	\$7,520,661	\$5,779,599	\$5,403,686	\$7,198,393	\$7,065,966	\$7,088,304	\$7,112,399	\$7,112,399
44									
45									
46									
47	Notes:								
48	[1] Multi-family in-unit measure counts are included in the energy efficiency measure counts for 2021 and 2022.								
49	[2] 2020 authorized and 2021-2026 proposed program administrative budget include estimated annual employee benefit burden of approximately \$1.85 million.								
49	[3] 2021-2026 proposed Marketing and Outreach budget includes \$1.56 million in costs associated with the load disaggregation report.								

A		B	C	D	E	F	G	H
1	PY 2021-2026 Energy Savings Assistance Program Table A-3a, Proposed Gas Budget (Multifamily only) [1]							
2	Pacific Gas & Electric							
3								
4	[1] Intentionally left blank - Multi-family gas budget for PY 2021-26 provided in Table A-3							
5								
6								
7								
8	Energy Savings Assistance Program							
9	Energy Efficiency							
10	Appliances							
11	Domestic Hot Water							
12	Enclosure							
13	HVAC							
14	Maintenance							
15	Lighting							
16	Miscellaneous							
17	Customer Enrollment							
18	In Home Education							
19	Pilot							
20	Energy Efficiency Total							
21								
22	Training Center							
23	Workforce Education and Training							
24	Inspections							
25	Marketing and Outreach							
26	Statewide Marketing Education and Outreach							
27	Studies							
28	Regulatory Compliance							
29	General Administration							
30	CPUC Energy Division							
31								
32	TOTAL PROGRAM COSTS							
33	Common Area Cost Allocation							
34	In Unit Cost Allocation							
35	Communal Area/Shared System Cost Allocation							
36								
37	Indirect Costs							
38								
39	NGAT Costs							

57	
58	[1] Proposed new measures for Program Years (PY) 2021-26 are labeled "NEW" in the first part of measure name.
59	[2] PY 2020-22 incorporates all housing types - Single Family, Mobile Home, and Multi-Family. PY 2023-26 includes only Single Family and Mobile Home.
60	[3] "Minor Home Repair" is included as part of the "Air Sealing/Envelope" measure.
61	[4] See Tables A-8 and A-9 for measure Resource and Non-Resource designations.
62	[5] Refer to ESA Chapter I Section D.6 for detailed measures and portfolio composition; measure additions, retirements, and modifications.
63	[6] Per 2015-17 Impact Evaluation, bundle includes: Low Flow Shower Head; Faucet Aerators; Thermostatic Shower Valves.
64	[7] Per 2015-17 Impact Evaluation, bundle includes: Water Heater Blanket; Water Heater Pipe Insulation.
65	[8] Total 2020 Projected Expenses includes 2009-2016 unspent funds of \$34,777,935.





A			B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W			
1 Program Table A-4a, Planning																											
2 Pacific Gas & Electric																											
3																											
4 [1] Intentionally left blank - Multi-family (MF) in-unit for PY 2021-22 included in Table A-4. Details will be provided post Multi-family Whole Building Program solicitation.																											
5																											
6	Measures*	R-Resource NR=Non-Resource	Units	Quantity Installed	kWh (Annual)	kW (Annual)	Therms (Annual)	Projected Expenses	Quantity Installed	kWh (Annual)	kW (Annual)	Therms (Annual)	Proposed Expenses	Quantity Installed	kWh (Annual)	kW (Annual)	Therms (Annual)	Proposed Expenses	Quantity Installed	kWh (Annual)	kW (Annual)	Therms (Annual)	Proposed Expenses				
7	Appliances:		Each																								
8	High Efficiency Clothes Washers																										
9	Refrigerators																										
10	Domestic Hot Water:																										
11	Water Heater Blanket																										
12	Low Flow Shower Head																										
13	Water Heater Pipe Insulation																										
14	Faucet Aerator																										
15	Water Heater Repair/Replacement																										
16	Thermostat-controlled Shower Valve																										
17	Heat Pump Water Heater																										
18	Combined Showerhead/TSV																										
19	Tub Diverter/ Tub Spout																										
20	Thermostat-controlled Shower Valve																										
21	Enclosure:																										
22	Air Sealing/Envelope																										
23	Attic Insulation																										
24	HVAC:																										
25	FAU Standing Pilot Conversion																										
26	Furnace Repair/Replacement																										
27	Room A/C Replacement																										
28	Central A/C Replacement																										
29	Heat Pump Replacement																										
30	Evaporative Cooler (Replacement/Installation)																										
31	Duct Trailing and Sealing																										
32	Energy Efficient Fan Control																										
33	Prescriptive Duct Sealing																										
34	High Efficiency Forced Air Unit (HE FAU)																										
35	A/C Time Delay																										
36	Maintenance:																										
37	Furnace Clean and Tune																										
38	Central A/C Tune up																										
39	Lighting:																										
40	Interior Hard wired CFL fixtures																										
41	Interior Hard wired LED fixtures																										
42	Exterior Hard wired LED fixtures																										
43	Incandescent LED																										
44	LED Night Lights																										
45	LED Diffuse Bulb (60W Replacement)																										
46	LED Reflector Bulb																										
47	LED Reflector Downlight Retrofit Kits																										
48	LED A/Lamps																										
49	Miscellaneous:																										
50	Pool Pumps																										
51	Smart Power Strips - Tier 1																										
52	Smart Power Strips - Tier 2																										
53	Phos:																										
54	Customer Enrollment:																										
55	Outreach & Assessment																										
56	In-Home Education																										
57	Total																										
58	* Include all proposed new measures, where appropriate.																										
59																											

ESA Table A-4a  
(Continued)

		A	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AJ	AK	AL	AM
1	<b>Program Table A-4a, Planning</b>																
2	<b>Pacific Gas &amp; Electric</b>																
3																	
4	[1] Intentionally left blank - Multi-family (MF) in-unit fi																
5																	
6		<b>PY 2024 Planned</b>				<b>PY 2025 Planned</b>				<b>PY 2026 Planned</b>				<b>Energy Efficiency Savings Claim Source</b>			
7	<b>Measures*</b>	Quantity Installed	kWh (Annual)	Therms (Annual)	Proposed Expenses	Quantity Installed	kWh (Annual)	Therms (Annual)	Proposed Expenses	Quantity Installed	kWh (Annual)	Therms (Annual)	Proposed Expenses	<b>(Worksheet Number or Impact Evaluation Report)</b>			
8	<b>Appliances:</b>																
9	High Efficiency Clothes Washers																
10	Refrigerators																
11	<b>Domestic Hot Water:</b>																
12	Water Heater Blanket																
13	Low Flow Shower Head																
14	Water Heater Pipe Insulation																
15	Water Heater Tankless																
16	Water Heater Repair/Replacement																
17	Thermostat-controlled Shower Valve																
18	Combined Showerhead/TSV																
19	Heat Pump Water Heater																
20	Tub Diverter/ Tub Spout																
21	Thermostat-controlled Shower Valve																
22	<b>Enclosures:</b>																
23	Air Sealing / Envelope																
24	Attic Insulation																
25	<b>HVAC:</b>																
26	FAU Standing Pilot Conversion																
27	Furnace Repair/Replacement																
28	Room A/C Replacement																
29	Room A/C Replacement																
30	Heat Pump Replacement																
31	Evaporative Cooler (Replacement/Installation)																
32	Duct Leaking and Sealing																
33	Energy Efficient Fan Control																
34	Prescriptive Duct Sealing																
35	High Efficiency Forced Air Unit (HE FAU)																
36	A/C Time Delay																
37	<b>Maintenance:</b>																
38	Furnace Clean and Tune																
39	Central A/C Tune up																
40	<b>Lighting:</b>																
41	Hard wired CFL Bulbs																
42	Interior Hard wired LED Bulbs																
43	Exterior Hard wired LED fixtures																
44	Trackhead LED																
45	Vacancy Sensor																
46	LED Night Lights																
47	LED Diffuse Bulb (60W Replacement)																
48	LED Reflector Bulb																
49	LED Reflector Downlight Retrofit Kits																
50	LED A/Lamps																
51	<b>Miscellaneous:</b>																
52	Pool Pumps																
53	Smart Power Strips - Tier 1																
54	Smart Power Strips - Tier 2																
55	<b>PHOS:</b>																
56																	
57	<b>Customer Enrollment:</b>																
58	Outreach & Assessment																
59	In-Home Education																
60	<b>Total</b>																
61	* Include all proposed new measures, where appropriate																
62																	

A											K			
1 PY 2021-2026 Energy Savings Assistance Program Table A-5, Portfolio Goals and Target Populations														
2 Pacific Gas & Electric														

ESA Table A-5  
(Continued)

	A	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1	PY 2021-2026 Energy Savings Assistance Program Table A-5, Portfolio Goals and Target Populations														
2	Pacific Gas & Electric														
3															
4															
5															
6															
7	Target Populations														
8	Housing Type														
9	Single Family	UNK	3,950,127	353,593	11	0.23	TBD	UNK	97,595	353,593	0.28	UNK	721,150,301	353,593	2,039,000
10	MultiFamily [1] [7]	UNK	266,623	21,540	12	0.11	TBD	UNK	3,414	21,540	0.16	UNK	34,784,628	21,540	1,614,000
11	Mobile Homes	UNK	264,560	25,593	11	0.34	TBD	UNK	5,972	25,593	0.23	UNK	45,830,376	25,593	1,790,000
12	Housing Total		4,481,310	400,726					106,981	400,726			801,765,304	400,726	
13															
14	Customer Type (Need States)														
15	Disadvantaged Communities [2] (Includes CARB identified communities), Rural and Tribal	UNK	2,005,902	179,371	11	0.23	TBD	UNK	47,886	179,371	0.27	UNK	358,882,240	179,371	2,001
16	High Usage	UNK	157,255	14,062	11	0.23	TBD	UNK	3,754	14,062	0.27	UNK	28,134,994	14,062	2,001
17	Medical Baseline	UNK	257,466	23,023	11	0.23	TBD	UNK	6,147	23,023	0.27	UNK	46,064,000	23,023	2,001
18	Disconnections	UNK	142,572	12,749	11	0.23	TBD	UNK	3,403	12,749	0.27	UNK	25,507,968	12,749	2,001
19	Wildfire Threat Zone	UNK	217,140	19,417	11	0.23	TBD	UNK	5,184	19,417	0.27	UNK	38,849,181	19,417	2,001
20	All Others	UNK	1,700,976	152,104	11	0.23	TBD	UNK	40,607	152,104	0.27	UNK	304,326,921	152,104	2,001
21	Customer Total		4,481,310	400,726					106,981	400,726			801,765,304	400,726	
22															
23	Other Category*														
24	[Enter Category Name]														
25	[Enter Category Name]														
26	[Enter Category Name]														
27	[Enter Category Name]														
28	[Enter Category Name]														
29	Customer Total														
30															
31															
32															
33															
34															
35															
36															
37															
38															
39															
40															

\*Optional categories to fill-in. Housing Type and Customer Type are mandatory.

[1] For the purposes of this Application, consider a multifamily building has at a minimum five or more attached units.

[2] As designated by CalEPA using their CalEnviroScreen Tool.

[3] Includes both Resource and Non-Resource measures in calculation.

[4] Household Hardship Reduction Indicator to be determined based on approval of proposed methodology, per ESA Chapter 1 - Section C.

[5] GHG CALCULATOR <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

[6] Energy saving to BTU conversion: [ (kWh \* 3412) + (therms \* 100,000) ] / 1000 = kBtu

[7] Multi-family in-unit will transition to MFWB program starting in PY2023.

[8] Potential savings for low-income population is currently unknown (UNK).

[9] Averages were distributed across customer types/need states based on their respective proportion of the total population size.

\*Optional categories to fill-in. Housing Type and Customer Type are mandatory.

[1] For the purposes of this Application, consider a multifamily building has at a minimum five or more attached units.

[2] As designated by CalEPA using their CalEnviroScreen Tool.

[3] Includes both Resource and Non-Resource measures in calculation.

[4] Household Hardship Reduction indicator to be determined based on approval of proposed methodology, per ESA Chapter 1 - Section C.

[5] GHG CALCULATOR <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

[6] Energy saving to BTU conversion: [(kWh \* 3412) + (therms \* 100,000)] / 1000 = kBTU

[7] Multi-family in-unit will transition to MPWB program starting in PY2023.

[8] Potential savings for low-income population is currently unknown (UNK).

[9] Averages were distributed across customer types/need states based on their respective proportion of the total population size.

A	B	C	D	E	F	G	H
1	<b>Energy Savings Assistance Program Table A-6, Detail by Housing Type</b>						
2	<b>Pacific Gas &amp; Electric</b>						
3							
4		PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026
5		Projected Customers Treated	Projected Customers Treated	Projected Customers Treated	Projected Customers Treated	Projected Customers Treated	Projected Customers Treated
6							
7	<b>Gas and Electric Customers</b>						
8	<b>Owners - Total</b>	<b>24,048</b>	<b>21,647</b>	<b>21,797</b>	<b>19,791</b>	<b>19,098</b>	<b>18,429</b>
9	Single Family	20,587	18,532	18,875	17,138	16,538	15,958
10	Multifamily * [1]	274	246	-	-	-	-
11	Mobile Homes	3,187	2,869	2,922	2,653	2,560	2,471
12	<b>Renters - Total</b>	<b>37,650</b>	<b>33,895</b>	<b>37,133</b>	<b>33,717</b>	<b>32,535</b>	<b>31,396</b>
13	Single Family	28,873	25,994	36,867	33,476	32,302	31,171
14	Multifamily * [1]	8,487	7,640	-	-	-	-
15	Mobile Homes	290	261	266	241	233	225
16	<b>Electric Customers (only)</b>						
17	<b>Owners - Total</b>	<b>5,401</b>	<b>4,861</b>	<b>4,868</b>	<b>4,420</b>	<b>4,266</b>	<b>4,116</b>
18	Single Family	4,577	4,120	4,196	3,810	3,677	3,548
19	Multifamily * [1]	91	81	-	-	-	-
20	Mobile Homes	733	660	672	610	589	568
21	<b>Renters - Total</b>	<b>4,747</b>	<b>4,272</b>	<b>2,730</b>	<b>2,479</b>	<b>2,392</b>	<b>2,308</b>
22	Single Family	2,696	2,427	2,471	2,244	2,165	2,089
23	Multifamily * [1]	1,768	1,591	-	-	-	-
24	Mobile Homes	283	254	259	235	227	219
25	<b>Gas Customers (only)</b>						
26	<b>Owners - Total</b>	<b>2,919</b>	<b>2,628</b>	<b>2,669</b>	<b>2,423</b>	<b>2,338</b>	<b>2,256</b>
27	Single Family	2,539	2,286	2,328	2,114	2,040	1,968
28	Multifamily * [1]	9	8	-	-	-	-
29	Mobile Homes	371	334	341	309	298	288
30	<b>Renters - Total</b>	<b>1,885</b>	<b>1,697</b>	<b>1,079</b>	<b>979</b>	<b>945</b>	<b>912</b>
31	Single Family	1,145	1,031	1,050	953	920	888
32	Multifamily * [1]	708	637	-	-	-	-
33	Mobile Homes	32	29	29	26	25	24
34							
35							
36	* Multifamily buildings are defined as 5 or more attached units						
37	[1] Multi-family in-unit removed starting in PY2023.						

	A	B	C	D	E	F	G	H	I
1	<b>Energy Savings Assistance Program Table A-6a, Detail by Housing Type (Multifamily only) [5]</b>								
2	<b>Pacific Gas &amp; Electric</b>								
3									
4	[5] Intentionally left blank - Multi-family (MF) in-unit for PY 2021-22 included in Table A-6. Details will be provided post Multi-family Whole Building Program solicitation.								
5									
6			<b>PY 2021</b>	<b>PY 2022</b>	<b>PY 2023</b>	<b>PY 2024</b>	<b>PY 2025</b>	<b>PY 2026</b>	
7			<b>Projected Customers Treated</b>	<b>Projected Customers Treated</b>	<b>Projected Customers Treated</b>	<b>Projected Customers Treated</b>	<b>Projected Customers Treated</b>	<b>Projected Customers Treated</b>	
8									
9	<b>Gas and Electric Customers</b>								
10	<b>Owners - Total</b>								
11	<b>Properties</b>								
12	<b>Multifamily Tenant Units</b>								
13	<b>Units Treated</b>								
14	<b>Electric Customers (only)</b>								
15	<b>Owners - Total</b>								
16	<b>Properties</b>								
17	<b>Multifamily Tenant Units</b>								
18	<b>Units Treated</b>								
19	<b>Gas Customers (only)</b>								
20	<b>Owners - Total</b>								
21	<b>Properties</b>								
22	<b>Multifamily Tenant Units</b>								
23	<b>Units Treated</b>								
24									
25	<b>NOTES</b>								
26	[1] Multifamily buildings are defined as 5 or more attached units								
27	[2] Property is a collection of one or more buildings that constitute a multifamily property								
28	[3] Multifamily tenant units are provided here to give a sense of the number of low-income households impacted through treatment of a whole building treatment or common area measures								
29	[4] "Units Treated" should only be completed for units not captured in A-6 as part of a whole building treatment where measures are installed in common areas and in units								

	A	B	C	D	E	F	G
1	<b>Summary of Energy Savings Assistance Program Table A-7, Cost Effectiveness</b>						
2	<b>Pacific Gas &amp; Electric</b>						
3							
4							
5			<b>Ratio of Program Benefits over Program Costs</b>				
		<b>Energy Savings Assistance Cost Effectiveness Test (ESACET)</b>	<b>Resource Test [1]</b>	<b>TRC [2]</b>	<b>PAC [2]</b>	<b>RIM [2]</b>	
6		PY 2016	0.90	1.19	0.51	0.51	N/A
7		PY 2017	1.03	0.81	0.55	0.55	0.01
8		PY 2018	1.13	1.07	0.66	0.66	0.31
9		PY 2019 [3]	0.77	0.65	0.43	0.43	0.23
10		PY 2020 [3]	0.83	0.69	0.48	0.48	0.25
11		PY 2021	0.59	0.18	0.16	0.16	0.13
12		PY 2022	0.66	0.22	0.19	0.19	0.15
13		PY 2023	0.71	0.23	0.20	0.20	0.15
14		PY 2024	0.75	0.23	0.20	0.20	0.15
15		PY 2025	0.79	0.23	0.20	0.20	0.15
16		PY 2026	0.84	0.23	0.20	0.20	0.14
17		<b>Estimated</b>					
18	[1] Formerly known as the Resource Measure TRC, updated per June 2018 Recommendations of the Cost Effectiveness Working Group.						
19	[2] Included for information purposes only, per D.19-05-019.						
20	[3] PY 2019-20 are estimates.						



ESA Table A-8

D.19-06-022 Attachment B

Energy Savings Assistance Program Table A-8, Cost-Effectiveness - Weather Sensitive Measures																													
A			B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26				
	Measure*	R=Resource NR=Non-Resource	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E,G)	Climate Zone** (Number)	ESACET	Resource Test [1]	ESACET	Resource Test [1]	ESACET	Resource Test [1]	ESACET	Resource Test [1]	ESACET	Resource Test [1]	ESACET	Resource Test [1]	ESACET	Resource Test [1]									
7	Air Sealing / Envelope (Group Measure)-E-MF	R	Enclosure	MF	E	System	0.12	0.03	0	0	0	0.03	0	0	0	0	0	0	0	0									
8	Air Sealing / Envelope (Group Measure)-E-MH	NR	Enclosure	MH	E	System	0.10	-0.21	0.07	-0.19	0.10	-0.19	0.13	-0.19	0.16	0	0	0	0	0									
9	Air Sealing / Envelope (Group Measure)-E-SF	R	Enclosure	SF	E	System	0.26	0.27	0.26	0.07	0.27	0.06	0.28	0.06	0.30	0.06	0.30	0.06	0.30	0.06									
10	Air Sealing / Envelope (Group Measure)-G-MF	R	Enclosure	MF	G	System	0.06	0.02	0	0	0	0	0	0	0	0	0	0	0	0									
11	Air Sealing / Envelope (Group Measure)-G-MH	R	Enclosure	MH	G	System	0.06	0.02	0.05	0.02	0.06	0.02	0.06	0.02	0.06	0.02	0.06	0.02	0.06	0.02									
12	Air Sealing / Envelope (Group Measure)-G-SF	R	Enclosure	SF	G	System	0.07	0.02	0.06	0.02	0.07	0.02	0.07	0.02	0.08	0.02	0.08	0.02	0.08	0.02									
13	Attic Insulation - Electric (Group Measure)-MF	R	Enclosure	MF	E	System	0.51	0.15	0	0.53	0.16	0	0	0	0	0	0	0	0	0									
14	Attic Insulation - Electric (Group Measure)-SF	R	Enclosure	SF	E	System	0.48	0.14	0.50	0.15	0.52	0.15	0.54	0.15	0.58	0.15	0.62	0.15	0.62	0.15									
15	Attic Insulation - Gas (Group Measure)-MF	R	Enclosure	MF	E	System	0.48	0.24	0.49	0.26	0	0	0	0	0	0	0	0	0	0									
16	Attic Insulation - Gas (Group Measure)-SF	R	Enclosure	SF	E	System	0.69	0.44	0.71	0.46	0.75	0.47	0.78	0.48	0.82	0.49	0.87	0.49	0.87	0.49									
17	Floor Insulation - Electric-MF	NR	Enclosure	MF	E	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
18	Floor Insulation - Electric-SF	R	Enclosure	SF	E	System	0	1.07	0.46	1.16	0.49	1.22	0.50	1.27	0.49	1.35	0.49	1.35	0.49	1.35									
19	Floor Insulation - Gas-MF	R	Enclosure	MF	G	System	0	0	0.94	0.71	0	0	0	0	0	0	0	0	0	0									
20	Floor Insulation - Gas-SF	R	Enclosure	SF	G	System	0	1.16	1.28	1.37	1.32	1.42	1.42	1.37	1.41	1.44	1.43	1.43	1.43	1.43									
21	Minor Home Repairs Plus - Electric-MF	NR	Enclosure	MF	E	System	0	0	0.24	0	0	0	0	0	0	0	0	0	0	0									
22	Minor Home Repairs Plus - Electric-MH	NR	Enclosure	MH	E	System	0	0.24	0	0.11	0	0.12	0	0.13	0	0.14	0	0.14	0	0									
23	Minor Home Repairs Plus - Electric-SF	NR	Enclosure	SF	E	System	0	0.24	0	0.11	0	0.12	0	0.13	0	0.14	0	0.14	0	0									
24	Minor Home Repairs Plus - Gas-MF	NR	Enclosure	MF	G	System	0	0.24	0	0	0	0	0	0	0	0	0	0	0	0									
25	Minor Home Repairs Plus - Gas-MH	NR	Enclosure	MH	G	System	0	0.24	0	0.13	0	0.12	0	0.13	0	0.14	0	0.14	0	0									
26	Minor Home Repairs Plus - Gas-SF	NR	Enclosure	SF	G	System	0	0.24	0	0.11	0	0.12	0	0.13	0	0.15	0	0.15	0	0									
27	AC - Portable-MF	NR	HVAC	MF	E	System	0	0.24	0	0	0	0	0	0	0	0	0	0	0	0									
28	AC - Portable-MH	NR	HVAC	MH	E	System	0	0.24	0	0.26	0	0.29	0	0.31	0	0.34	0	0.34	0	0									
29	AC - Portable-SF	R	HVAC	SF	E	System	0	0.24	0	0.26	0	0.29	0	0.31	0	0.34	0	0.34	0	0									
30	Blower Motor Retrofit-MF	R	HVAC	MF	E	System	0.28	0.23	0.29	0.22	0	0	0	0	0	0	0	0	0	0									
31	Blower Motor Retrofit-MH	R	HVAC	MH	E	System	0.32	0.32	0.34	0.33	0.35	0.32	0.37	0.32	0.39	0.31	0.39	0.31	0.39	0.31									
32	Blower Motor Retrofit-SF	R	HVAC	SF	E	System	0.28	0.23	0.29	0.21	0.26	0.20	0.32	0.20	0.34	0.19	0.36	0.19	0.36	0.19									
33	Central AC - Smart Fan Delay / Efficient Fan Controller-MF	NR	HVAC	MF	E	System	-0.21	-0.46	0	0	0	0	0	0	0	0	0	0	0	0									
34	Central AC - Smart Fan Delay / Efficient Fan Controller-MH	NR	HVAC	MH	E	System	-0.21	-0.46	0	0	0	0	0	0	0	0	0	0	0	0									
35	Central AC - Smart Fan Delay / Efficient Fan Controller-SF	NR	HVAC	SF	E	System	-0.24	-0.49	0	0	0	0	0	0	0	0	0	0	0	0									
36	Central AC Replacement-MF	R	HVAC	MF	E	System	0.23	0.29	0.67	0.28	0	0	0	0	0	0	0	0	0	0									
37	Central AC Replacement-MH	R	HVAC	MH	E	System	0.24	0.31	0.70	0.30	0.82	0.30	0.93	0.30	1.02	0.30	1.12	0.30	1.12	0.30									
38	Central AC Replacement-SF	R	HVAC	SF	E	System	0.15	0.15	0.42	0.14	0.49	0.14	0.56	0.15	0.61	0.15	0.67	0.15	0.67	0.15									
39	Central AC Tune-Up (Group Measure)-MF	NR	HVAC	MF	E	System	0.25	0	0.24	0	0	0	0	0	0	0	0	0	0	0									
40	Central AC Tune-Up (Group Measure)-MH	NR	HVAC	MH	E	System	-0.82	-1.07	-0.86	-1.11	-0.84	-1.11	-0.81	-1.10	-0.77	-1.09	-0.75	-1.10	-0.75	-1.10									
41	Central AC Tune-Up (Group Measure)-SF	NR	HVAC	SF	E	System	0.25	0	0.24	0	0.27	0	0.29	0	0.32	0	0.35	0	0.35	0									
42	Central Heat Pump Replacement-MF	R	HVAC	MF	E	System	0.65	0.32	0.64	0.30	0	0	0	0	0	0	0	0	0	0									
43	Central Heat Pump Replacement-MH	R	HVAC	MH	E	System	0.59	0.70	0.60	0.66	0.64	0.67	0.66	0.69	0.68	0.69	0.72	0.71	0.71	0.71									
44	Central Heat Pump Replacement-SF	R	HVAC	SF	E	System	0.67	0.22	0.64	0.21	0.68	0.21	0.72	0.21	0.77	0.22	0.82	0.22	0.82	0.22									
45	DD Air Sealing, 15% Reduction - Electric-MF	NR	HVAC	MF	E	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
46	DD Air Sealing, 15% Reduction - Electric-MH	NR	HVAC	MH	E	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
47	DD Air Sealing, 15% Reduction - Electric-SF	R	HVAC	SF	E	System	0	0	0.04	0.01	0.04	0.01	0.04	0.01	0.04	0.01	0.04	0.01	0.04	0.01									
48	DD Air Sealing, 15% Reduction - Gas-MF	R	HVAC	MF	G	System	0	0	0.41	0.18	0	0	0	0	0	0	0	0	0	0									
49	DD Air Sealing, 15% Reduction - Gas-MH	R	HVAC	MH	G	System	0	0	0.41	0.18	0.43	0.18	0.46	0.19	0.49	0.19	0.52	0.20	0.52	0.20									
50	DD Air Sealing, 15% Reduction - Gas-SF	R	HVAC	SF	G	System	0	0	0.41	0.18	0.43	0.18	0.46	0.19	0.49	0.19	0.52	0.20	0.52	0.20									
51	DD Air Sealing, 30% Reduction - Electric-MF	NR	HVAC	MF	E	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
52	DD Air Sealing, 30% Reduction - Electric-MH	NR	HVAC	MH	E	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
53	DD Air Sealing, 30% Reduction - Electric-SF	NR	HVAC	SF	E	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
54	DD Air Sealing, 30% Reduction - Gas-MF	R	HVAC	MF	G	System	0	0	0.60	0.30	0	0	0	0	0	0	0	0	0	0									
55	DD Air Sealing, 30% Reduction - Gas-MH	R	HVAC	MH	G	System	0	0	0.60	0.30	0.64	0.31	0.67	0.32	0.71	0.33	0.76	0.34	0.76	0.34									
56	DD Air Sealing, 30% Reduction - Gas-SF	R	HVAC	SF	G	System	0	0.60	0.30	0.64	0.31	0.67	0.32	0.71	0.33	0.76	0.34	0.76	0.34	0.34									
57	Duct Testing and Sealing - Electric (Group Measure)-MH	NR	HVAC	MH	E	System	-47.86	-48.10	-0.57	-0.81	-1.80	-2.06	-1.78	-2.06	-1.54	-1.56	0.34	0	0	0									
58	Duct Testing and Sealing - Electric (Group Measure)-SF	E	HVAC	SF	E	System	-47.80	-48.04	-0.57	-0.81	-1.80	-2.06	-1.78	-2.06	-1.54	-1.56	0.34	0	0	0									
59	Duct Testing and Sealing - Gas (Group Measure)-MH	R	HVAC	MH	G	System	0.04	0.01	0.82	0.62	0.89	0.66	0.92	0.67	0.97	0.68	1.02	0.68	1.02	0.68									
60	Duct Testing and Sealing - Gas (Group Measure)-MH	R	HVAC	SF	G	System	0.04	0.01	0.79	0.57	0.86	0.61	0.89	0.61	0.93	0.62	0.96	0.62	0.96	0.62									
61	Evaporative Cooler-MF	R	HVAC	MF	E	System	2.03	1.07	2.24	1.00	2.35	0.95	2.47	0.85	2.62	0.86	2.81	0.87	2.81	0.87									
62	Evaporative Cooler-MH	R	HVAC	MH	E	System	1.99	1.01	2.19	0.94	2.29	0.80	2.41	0.81	2.56	0.81	2.74	0.82	2.74	0.82									
63	Furnace Repair or Rpl (Group Measure) -G-MF	NR	HVAC	MF	G	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
64	Furnace Repair or Rpl (Group Measure) -G-MH	NR	HVAC	MH	G	System	1.91	-0.07	1.34	-0.07	1.47	-0.08	1.62	-0.08	1.77	-0.08	1.94	-0.08	1.94	-0.08									
65	Furnace Repair or Rpl (Group Measure) -G-SF	NR	HVAC	SF	G	System	1.90	-0.07	1.34	-0.08	1.47	-0.08	1.62	-0.08	1.77	-0.08	1.93	-0.08	1.93	-0.08									
66	Furnace Repair(Rpl) - Renter-MF	NR	HVAC	MF	G	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
67	Furnace Repair(Rpl) - Renter-MH	NR	HVAC	MH	G	System	0	0	1.22	-0.19	1.35	-0.20	1.50	-0.20	1.65	-0.21	1.86	-0.21	1.86	-0.21									
68	Furnace Repair(Rpl) - Renter-SF	NR	HVAC	SF	G	System	0	0	1.22	-0.19	1.35	-0.20	1.49	-0.21	1.64	-0.21	1.80	-0.21	1.80	-0.21									
69	HE Furnace Replacement-MF	NR	HVAC	MF	G	System	0	0	0	0	0	0	0	0	0	0	0	0	0	0									

ESA Table A-8  
(Continued)

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Energy Savings Assistance Program Table A-8, Cost-Effectiveness - Weather Sensitive Measures																		
2	Pacific Gas & Electric																		
3	4																		
5	5	Measure*	R=Resource NR=Non-Resource [2]	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E,G)	Climate Zone** (Number)	2021 ESACET	2021 Resource Test [1]	2022 ESACET	2022 Resource Test [1]	2023 ESACET	2023 Resource Test [1]	2024 ESACET	2024 Resource Test [1]	2025 ESACET	2025 Resource Test [1]	2026 ESACET	2026 Resource Test [1]
6	6	HE Furnace Replacement-MH	R	HVAC	MH	G	System	0.50	0.08	0.51	0.08	0.54	0.08	0.58	0.08	0.63	0.08	0.68	0.08
70	71	HE Furnace Replacement-SF	R	HVAC	SF	G	System	0.97	0.18	1.00	0.18	1.07	0.18	1.14	0.19	1.22	0.19	1.32	0.20
71	72	Room AC Replacement- (Group Measure)-SF	NR	HVAC	SF	E	System	1.47	-0.45	0.93	-0.42	1.06	-0.42	1.20	-0.42	1.30	-0.26	1.49	-0.43
72	73	Smart Thermostat-MF	R	HVAC	MF	E	System	0.86	2.19	0.93	2.12	0	0	0	0	0	0	0	0
73	74	Smart Thermostat-MH	R	HVAC	MH	E	System	0.84	2.28	0.92	2.20	0.99	2.20	1.01	2.20	1.05	2.21	1.09	2.24
74	75	Smart Thermostat-SF	R	HVAC	SF	E	System	0.83	2.38	0.91	2.30	0.98	2.32	0.99	2.34	1.02	2.37	1.07	2.40
75	76																		
76	77																		
77	78																		
78	79	* Include chart pertaining to each proposed measure, with information included on type of home (i.e., Single Family, Multi Family, Mobile Home) and electric or gas (if applicable).																	
79	80	** Charts to include information on each climate zone in utility service area.																	
80	81	[1] Formerly known as the Resource Measure TRC, updated per June 2018 Recommendations of the Cost Effectiveness Working Group.																	
81	82	[2] Resource measures are defined as having energy savings greater than zero.																	
82	83	[3] Multi-family in-unit will transition to MFWB program starting in PY2023.																	

## A-9 Non Weather

(Continued)

A				C				D				E				F				G				H				I				J				K				L				M				N				O				P				Q																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
1 Energy Savings Assistance Program Table A-9, Cost-Effectiveness - Non Weather Sensitive Measures				B				Measure Group				Type of Home (SF,MH,MF)				Electric or Gas (E,G)				2021				2022				2023				2024				2025				2026																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
2 Pacific Gas & Electric				R=Resource NR=Non-Resource [2]				Measure Group				Type of Home (SF,MH,MF)				Electric or Gas (E,G)				ESACET				Resource Test [1]				ESACET				Resource Test [1]				ESACET				Resource Test [1]				ESACET				Resource Test [1]				ESACET				Resource Test [1]																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
3				4				Measure*				Type of Home (SF,MH,MF)				Electric or Gas (E,G)				ESACET				Resource Test [1]				ESACET				Resource Test [1]				ESACET				Resource Test [1]				ESACET				Resource Test [1]				ESACET				Resource Test [1]																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	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A	B	C	D	E	F	G	H	I
1	Energy Savings Assistance Program Table A-10, 2017-2020 Authorized Budget Compared to Proposed 2021-2026 Budget [3]							
2	Pacific Gas and Electric							
3								
4								
5								
6								
7	Energy Efficiency							
8	Appliances [1]	\$41,004,824	\$10,251,206	\$71,466,990	\$11,911,165	\$1,659,959	16%	Removal of minimum household occupants for 2nd Refrigerator.
9	Domestic Hot Water [1]	\$33,409,323	\$8,352,331	\$50,764,700	\$8,460,783	\$108,453	1%	Addition of Water Heater repair and replacement for renters.
10	Enclosure [1]	\$137,842,558	\$34,460,639	\$168,107,400	\$28,017,900	(\$6,442,739)	-19%	Budget adjusted by historical installation rates.
11	HVAC [1]	\$113,356,940	\$28,339,235	\$132,000,610	\$22,000,102	(\$6,339,133)	-22%	Budget adjusted by historical installation rates; Replace DTS with Prescriptive Duct Sealing; Retire Efficient Fan Controller.
12	Maintenance	\$0	\$0	\$0	\$0	\$0	0%	
13	Lighting [1]	\$125,195,583	\$31,298,956	\$55,818,060	\$9,303,010	(\$21,995,886)	-70%	Retire LED Interior Hardwired Fixtures and Torchlamps; Introduce measure cap for LED A-lamps.
14	Miscellaneous [1]	\$8,648,142	\$2,162,036	\$70,829,690	\$11,804,948	\$9,642,913	44%	Increased level of new measures: Pool Pumps, Air Purifiers, and Cold Storage.
15	Customer Enrollment [1]	\$73,516,542	\$18,379,135	\$117,090,580	\$19,515,097	\$1,135,961	6%	Increased level of effort and additional time required per enrollment.
16	In Home Education [1]	\$19,181,877	\$4,795,469	\$35,348,440	\$5,891,407	\$1,095,938	23%	Budget adjusted to meet historical spend; education fully transitioned to Enhanced Energy Education.
17	Pilot	\$730,000	\$182,500	\$1,575,000	\$262,500	\$80,000	44%	New Pilots.
18	Implementation	\$25,223,055	\$6,305,764	\$31,778,240	\$5,296,373	(\$1,009,390)	-16%	Reduction in homes treated.
19	Energy Efficiency Total (row 8-18)	\$578,108,844	\$144,527,211	\$734,779,710	\$122,463,285	(\$22,063,926)	-15%	
20	Multifamily							
21	In-unit			\$94,113,500	\$15,685,583	\$15,685,583		
22	SFOC			\$2,225,640	\$370,940	\$370,940		
23	CAM			\$135,499,790	\$22,583,298	\$22,583,298		
24	CSD LIMP			\$8,070,920	\$1,345,153	\$1,345,153		
25	Administrator fee			\$22,786,260	\$3,797,710	\$3,797,710		
26	Multifamily Total (row 21-25)	\$0	\$0	\$262,696,110	\$43,782,685	\$43,782,685		
27	ATL Subtotal (row 19 + 26)	\$578,108,844	\$144,527,211.01	\$997,475,820	\$166,245,970	\$21,718,759	15%	
28								
29	Training Center [2]	\$3,797,291	\$949,323	\$3,527,500	\$587,917	(\$361,406)	-38%	Budget adjusted to meet historical spend.
30	Workforce Education and Training	\$0	\$0	\$0	\$0	\$0	0%	
31	Inspections [2]	\$16,596,148	\$4,149,037	\$25,032,900	\$4,172,150	\$23,113	1%	Introduction of new programs.
32	Marketing and Outreach [2]	\$8,305,839	\$2,076,460	\$13,970,810	\$2,328,468	\$252,009	12%	
33	Statewide Marketing and Outreach	\$0	\$0	\$0	\$0	\$0	0%	
34	Studies	\$560,000	\$140,000	\$1,222,500	\$203,750	\$63,750	46%	Increased number of studies.
35	Regulatory Compliance [2]	\$2,574,351	\$643,588	\$4,653,710	\$775,618	\$132,031	21%	Increased headcount based on increase of regulatory related activities; additional working groups, updating regulatory reporting needs.
36	General Administration [2]	\$27,172,065	\$6,793,016	\$51,490,710	\$8,581,785	\$1,788,769	26%	Increased headcount and contract budget based on increase of program related activities; new programs, engineering support for workshops, solicitation PMO support, Independent Evaluator for solicitations, water agency leveraging expansion, increased E&M support for increased studies, IT updates and software licenses.
37	CPUC Energy Division	\$226,644	\$56,661	\$451,960	\$75,327	\$18,666	33%	
38	BTL Subtotal (row 29-37)	\$59,232,338	\$14,806,085	\$100,350,090	\$16,725,015.02	\$1,916,930	13%	Increase requested by CPUC Energy Division
39								
40	TOTAL PROGRAM COSTS (row 27 + 38)	\$637,341,182	\$159,335,295.60	\$1,097,825,910	\$182,970,985.02	\$23,635,689	15%	
41								
42	ATL%	91%	91%	91%	91%			
43	BTL%	9%	9%	9%	9%			
44	Total%	100%	100%	100%	100%			
45								
46								
47								
48								
49								

[1] Consumer Price Index (CPI) applied annually for ESA Contractor labor.

[2] 2020 authorized BTL budget and 2021-2026 proposed BTL budget include estimated employee benefit burden of approximately \$1.85 million.

[3] PG&amp;E created this table in support of ESA Chapter 1 - Section C.5.c.

	A	B	C	D	E	F	G	H	I
1	<b>PY 2021 - 2026 CARE Table B-1, Proposed Program Budget</b>								
2	<b>Pacific Gas and Electric</b>								
3									
4									
5	<b>CARE Budget Categories</b>	<b>2020 Authorized</b>	<b>2021 Proposed</b>	<b>2022 Proposed</b>	<b>2023 Proposed</b>	<b>2024 Proposed</b>	<b>2025 Proposed</b>	<b>2026 Proposed</b>	
6	Outreach	\$ 9,628,265	\$ 7,866,600	\$ 7,780,300	\$ 7,987,200	\$ 7,947,200	\$ 8,167,300	\$ 8,302,600	
7	Processing, Certification, Recertification	\$ 1,940,102	\$ 819,500	\$ 844,100	\$ 869,400	\$ 895,500	\$ 922,300	\$ 950,000	
8	Post Enrollment Verification	\$ 1,648,407	\$ 1,439,900	\$ 1,475,900	\$ 1,512,900	\$ 1,551,100	\$ 1,590,500	\$ 1,631,000	
9	IT Programming	\$ 1,837,500	\$ 1,656,300	\$ 1,090,600	\$ 1,123,300	\$ 1,157,000	\$ 1,191,700	\$ 1,227,500	
10	Cool Centers [2]	\$ -							
11	CHANGES Program	\$ 525,000	\$ 535,000	\$ 535,000	\$ 535,000	\$ 535,000	\$ 535,000	\$ 535,000	
12	Studies and Pilots	\$ -	\$ 22,500	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000	
13	Measurement and Evaluation	\$ 159,676	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
14	Regulatory Compliance	\$ 1,062,517	\$ 358,600	\$ 369,400	\$ 380,500	\$ 391,900	\$ 403,600	\$ 415,700	
15	General Administration	\$ 1,025,775	\$ 1,089,200	\$ 1,296,800	\$ 1,155,300	\$ 1,189,800	\$ 1,225,300	\$ 1,261,900	
16	CPUC Energy Division Staff	\$ 128,000	\$ 163,000	\$ 167,900	\$ 173,000	\$ 178,100	\$ 183,500	\$ 189,000	
17	<b>SUBTOTAL PROGRAM MANAGEMENT</b>								
18	<b>COSTS [1]</b>	<b>\$ 17,955,243</b>	<b>\$ 14,150,600</b>	<b>\$ 13,760,000</b>	<b>\$ 13,961,600</b>	<b>\$ 14,070,600</b>	<b>\$ 14,444,200</b>	<b>\$ 14,787,700</b>	
19	Subsidies and Benefits	\$ 599,117,991	\$ 683,539,000	\$ 687,689,000	\$ 691,973,000	\$ 696,394,000	\$ 700,957,000	\$ 705,667,000	
20									
21	<b>TOTAL PROGRAM COSTS &amp; CUSTOMER DISCOUNTS</b>	<b>\$ 617,073,234</b>	<b>\$ 697,689,600</b>	<b>\$ 701,449,000</b>	<b>\$ 705,934,600</b>	<b>\$ 710,464,600</b>	<b>\$ 715,401,200</b>	<b>\$ 720,454,700</b>	
22									
23	[1] 2021-2026 proposed program management budget include estimated annual employee benefit burden of approximately \$906,314.								
24	[2] Funding for Cooling Centers has been requested in PG&E's 2020 GRC.								

	A	B	C	D	E	F
1	<b>PY 2021 - 2026 CARE and ESA Table B-2, Rate Impacts - Gas</b>					
2	<b>Pacific Gas &amp; Electric</b>					
3						
4	<b>PY 2021</b>	<b>Average Rate (dollar/Therms)</b>	<b>Portion for CARE surcharge and administration (dollar/Therms)</b>	<b>Portion for CARE rate exemptions (dollar/Therms)*</b>	<b>Portion for ESA (dollar/Therms)**</b>	<b>Average Rate (dollar/Therms) including surcharge</b>
5						
6						
7	<b>Customer Type</b>					
8	Residential - CARE	1.2578	0.0000	0.0000	0.0451	1.3030
9	Residential -Non CARE	1.5592	0.0308	0.0018	0.0451	1.6370
10	Small Commercial	1.0853	0.0308	0.0018	0.0000	1.1179
11	Large Commercial	0.7761	0.0308	0.0018	0.0000	0.8087
12	NGV	0.6554	0.0308	0.0018	0.0000	0.6880
13	Industrial - Distribution	0.3244	0.0308	0.0018	0.0000	0.3570
14	Industrial - Backbone/Transmission	0.1652	0.0308	0.0018	0.0000	0.1978
15						
16	<b>PY 2022</b>	<b>Average Rate (dollar/Therms)</b>	<b>Portion for CARE surcharge and administration (dollar/Therms)</b>	<b>Portion for CARE rate exemptions (dollar/Therms)*</b>	<b>Portion for ESA (dollar/Therms)**</b>	<b>Average Rate (dollar/Therms) including surcharge</b>
17						
18						
19	<b>Customer Type</b>					
20	Residential - CARE	1.2578	0.00000	0.00000	0.04353	1.3014
21	Residential -Non CARE	1.5592	0.03079	0.00178	0.04353	1.6353
22	Small Commercial	1.0853	0.03079	0.00178	0.00000	1.1179
23	Large Commercial	0.7761	0.03079	0.00178	0.00000	0.8087
24	NGV	0.6554	0.03079	0.00178	0.00000	0.6880
25	Industrial - Distribution	0.3244	0.03079	0.00178	0.00000	0.3570
26	Industrial - Backbone/Transmission	0.1652	0.03079	0.00178	0.00000	0.1978
27						
28	<b>PY 2023</b>	<b>Average Rate (dollar/Therms)</b>	<b>Portion for CARE surcharge and administration (dollar/Therms)</b>	<b>Portion for CARE rate exemptions (dollar/Therms)*</b>	<b>Portion for ESA (dollar/Therms)**</b>	<b>Average Rate (dollar/Therms) including surcharge</b>
29						
30						
31	<b>Customer Type</b>					
32	Residential - CARE	1.2578	0.00000	0.00000	0.04942	1.3073
33	Residential -Non CARE	1.5592	0.03080	0.00178	0.04942	1.6412
34	Small Commercial	1.0853	0.03080	0.00178	0.00000	1.1179
35	Large Commercial	0.7761	0.03080	0.00178	0.00000	0.8087
36	NGV	0.6554	0.03080	0.00178	0.00000	0.6880
37	Industrial - Distribution	0.3244	0.03080	0.00178	0.00000	0.3570
38	Industrial - Backbone/Transmission	0.1652	0.03080	0.00178	0.00000	0.1978
39						
40	<b>PY 2024</b>	<b>Average Rate (dollar/Therms)</b>	<b>Portion for CARE surcharge and administration (dollar/Therms)</b>	<b>Portion for CARE rate exemptions (dollar/Therms)*</b>	<b>Portion for ESA (dollar/Therms)**</b>	<b>Average Rate (dollar/Therms) including surcharge</b>
41						
42						
43	<b>Customer Type</b>					
44	Residential - CARE	1.2578	0.00000	0.00000	0.04927	1.3071
45	Residential -Non CARE	1.5592	0.03080	0.00178	0.04927	1.6411
46	Small Commercial	1.0853	0.03080	0.00178	0.00000	1.1179
47	Large Commercial	0.7761	0.03080	0.00178	0.00000	0.8087
48	NGV	0.6554	0.03080	0.00178	0.00000	0.6880
49	Industrial - Distribution	0.3244	0.03080	0.00178	0.00000	0.3570
50	Industrial - Backbone/Transmission	0.1652	0.03080	0.00178	0.00000	0.1978
51						
52	<b>PY 2025</b>	<b>Average Rate (dollar/Therms)</b>	<b>Portion for CARE surcharge and administration (dollar/Therms)</b>	<b>Portion for CARE rate exemptions (dollar/Therms)*</b>	<b>Portion for ESA (dollar/Therms)**</b>	<b>Average Rate (dollar/Therms) including surcharge</b>
53						
54						
55	<b>Customer Type</b>					
56	Residential - CARE	1.2578	0.00000	0.00000	0.04909	1.3069
57	Residential -Non CARE	1.5592	0.03082	0.00178	0.04909	1.6409
58	Small Commercial	1.0853	0.03082	0.00178	0.00000	1.1179
59	Large Commercial	0.7761	0.03082	0.00178	0.00000	0.8087
60	NGV	0.6554	0.03082	0.00178	0.00000	0.6881
61	Industrial - Distribution	0.3244	0.03082	0.00178	0.00000	0.3570
62	Industrial - Backbone/Transmission	0.1652	0.03082	0.00178	0.00000	0.1978
63						
64						

	A	B	C	D	E	F
65	<b>PY 2026</b>	<b>Average Rate (dollar/Therms)</b>	<b>Portion for CARE surcharge and administration (dollar/Therms)</b>	<b>Portion for CARE rate exemptions (dollar/Therms)*</b>	<b>Portion for ESA (dollar/Therms)**</b>	<b>Average Rate (dollar/Therms) including surcharge</b>
66						
67						
68	<b>Customer Type</b>					
69	<b>Residential - CARE</b>	1.2578	0.00000	0.00000	0.04902	1.3069
70	<b>Residential -Non CARE</b>	1.5592	0.03084	0.00178	0.04902	1.6409
71	<b>Small Commercial</b>	1.0853	0.03084	0.00178	0.00000	1.1179
72	<b>Large Commercial</b>	0.7761	0.03084	0.00178	0.00000	0.8087
73	<b>NGV</b>	0.6554	0.03084	0.00178	0.00000	0.6881
74	<b>Industrial - Distribution</b>	0.3244	0.03084	0.00178	0.00000	0.3570
75	<b>Industrial - Backbone/Transmission</b>	0.1652	0.03084	0.00178	0.00000	0.1978
76						
77	<b>*CARE customers are exempt from paying CSI Thermal</b>					
78	<b>**ESA Programs are allocated based on the Direct Allocation Method adopted in D.95-12-053 and updated in PG&amp;E's 2018 GCAP (D.19-10-036).</b>					



	A	B	C	D	E	F
1	<b>PY 2021 - 2026 CARE and ESA Table B-3, Rate Impacts - Electric</b>					
2	<b>Pacific Gas &amp; Electric</b>					
3						
4	<b>PY 2021</b>	<b>Average Rate (cents/kWh)</b>	<b>Portion for CARE surcharge and administration (cents/kWh)</b>	<b>Portion for CARE rate exemptions (cents/kWh)</b>	<b>Portion for ESA (cents/kWh)</b>	<b>Average Rate (cents/kWh) including surcharge</b>
5						
6						
7	<b>Customer Type</b>					
8	<b>Residential - CARE</b>	14.05	0.00	0.50	0.13	14.68
9	<b>Residential -Non CARE</b>	24.20	0.64	0.02	0.13	24.99
10	<b>Commercial</b>	21.73	0.64	0.00	0.14	22.51
11	<b>Industrial</b>	15.22	0.65	0.00	0.09	15.96
12	<b>Agricultural</b>	20.83	0.64	0.00	0.10	21.58
13	<b>Lighting</b>	25.30	0.64	0.00	0.14	26.08
14	<b>System</b>	20.30	0.57	0.06	0.11	21.05
15						
16	<b>PY 2022</b>	<b>Average Rate (cents/kWh)</b>	<b>Portion for CARE surcharge and administration (cents/kWh)</b>	<b>Portion for CARE rate exemptions (cents/kWh)</b>	<b>Portion for ESA (cents/kWh)</b>	<b>Average Rate (cents/kWh) including surcharge</b>
17						
18						
19	<b>Customer Type</b>					
20	<b>Residential - CARE</b>	14.05	0.00	0.50	0.13	14.68
21	<b>Residential -Non CARE</b>	24.20	0.64	0.02	0.13	24.99
22	<b>Commercial</b>	21.73	0.64	0.00	0.14	22.51
23	<b>Industrial</b>	15.22	0.65	0.00	0.09	15.95
24	<b>Agricultural</b>	20.83	0.64	0.00	0.10	21.57
25	<b>Lighting</b>	25.30	0.64	0.00	0.13	26.08
26	<b>System</b>	20.30	0.57	0.06	0.11	21.04
27						
28	<b>PY 2023</b>	<b>Average Rate (cents/kWh)</b>	<b>Portion for CARE surcharge and administration (cents/kWh)</b>	<b>Portion for CARE rate exemptions (cents/kWh)</b>	<b>Portion for ESA (cents/kWh)</b>	<b>Average Rate (cents/kWh) including surcharge</b>
29						
30						
31	<b>Customer Type</b>					
32	<b>Residential - CARE</b>	14.05	0.00	0.50	0.14	14.69
33	<b>Residential -Non CARE</b>	24.20	0.64	0.02	0.14	25.01
34	<b>Commercial</b>	21.73	0.64	0.00	0.16	22.53
35	<b>Industrial</b>	15.22	0.65	0.00	0.10	15.97
36	<b>Agricultural</b>	20.83	0.64	0.00	0.11	21.59
37	<b>Lighting</b>	25.30	0.64	0.00	0.15	26.10
38	<b>System</b>	20.30	0.57	0.06	0.12	21.06
39						
40	<b>PY 2024</b>	<b>Average Rate (cents/kWh)</b>	<b>Portion for CARE surcharge and administration (cents/kWh)</b>	<b>Portion for CARE rate exemptions (cents/kWh)</b>	<b>Portion for ESA (cents/kWh)</b>	<b>Average Rate (cents/kWh) including surcharge</b>
41						
42						
43	<b>Customer Type</b>					
44	<b>Residential - CARE</b>	14.05	0.00	0.50	0.14	14.69
45	<b>Residential -Non CARE</b>	24.20	0.64	0.02	0.14	25.01
46	<b>Commercial</b>	21.73	0.64	0.00	0.16	22.53
47	<b>Industrial</b>	15.22	0.65	0.00	0.10	15.97
48	<b>Agricultural</b>	20.83	0.64	0.00	0.11	21.59
49	<b>Lighting</b>	25.30	0.64	0.00	0.15	26.10
50	<b>System</b>	20.30	0.57	0.06	0.12	21.06
51						

	A	B	C	D	E	F
52	<b>PY 2025</b>	<b>Average Rate (cents/kWh)</b>	<b>Portion for CARE surcharge and administration (cents/kWh)</b>	<b>Portion for CARE rate exemptions (cents/kWh)</b>	<b>Portion for ESA (cents/kWh)</b>	<b>Average Rate (cents/kWh) including surcharge</b>
53						
54						
55	<b>Customer Type</b>					
56	<b>Residential - CARE</b>	14.05	0.00	0.50	0.14	14.69
57	<b>Residential -Non CARE</b>	24.20	0.64	0.02	0.14	25.01
58	<b>Commercial</b>	21.73	0.64	0.00	0.16	22.53
59	<b>Industrial</b>	15.22	0.65	0.00	0.10	15.97
60	<b>Agricultural</b>	20.83	0.64	0.00	0.11	21.59
61	<b>Lighting</b>	25.30	0.64	0.00	0.15	26.10
62	<b>System</b>	20.30	0.57	0.06	0.12	21.06
63						
64						
65	<b>PY 2026</b>	<b>Average Rate (cents/kWh)</b>	<b>Portion for CARE surcharge and administration (cents/kWh)</b>	<b>Portion for CARE rate exemptions (cents/kWh)</b>	<b>Portion for ESA (cents/kWh)</b>	<b>Average Rate (cents/kWh) including surcharge</b>
66						
67						
68	<b>Customer Type</b>					
69	<b>Residential - CARE</b>	14.05	0.00	0.50	0.14	14.69
70	<b>Residential -Non CARE</b>	24.20	0.64	0.02	0.14	25.01
71	<b>Commercial</b>	21.73	0.64	0.00	0.16	22.53
72	<b>Industrial</b>	15.22	0.65	0.00	0.10	15.97
73	<b>Agricultural</b>	20.83	0.64	0.00	0.11	21.59
74	<b>Lighting</b>	25.30	0.64	0.00	0.15	26.10
75	<b>System</b>	20.30	0.57	0.06	0.12	21.06



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	PY 2021 - 2026 CARE Table B-5, Low Income Customer Usage Levels																	
2	Pacific Gas & Electric																	
3																		
4																		
5																		
6																		
7	Electric	Total	1,149,000	94,721	1,134,000	101,844	1,134,000	69,811	1,134,000	62,844	1,134,000	64,006	1,134,000	58,116	1,134,000	56,080	1,134,000	54,116
8		Minimum Bill	618	24	610	26	610	18	610	16	610	16	610	15	610	14	610	14
9		Tier 1*	214,358	17,435	211,560	18,746	211,560	12,850	211,560	11,568	211,560	11,782	211,560	10,697	211,560	10,323	211,560	9,961
10		Tier 2*	846,048	68,886	835,002	74,067	835,002	50,771	835,002	45,704	835,002	46,549	835,002	42,265	835,002	40,785	835,002	39,356
11		High Usage Surcharge	40,968	4,424	40,434	4,756	40,434	3,260	40,434	2,935	40,434	2,989	40,434	2,714	40,434	2,619	40,434	2,527
12		TOU	47,008	3,951	46,394	4,248	46,394	2,912	46,394	2,622	46,394	2,670	46,394	2,424	46,394	2,339	46,394	2,257
13		Total	1,040,000	78,390	1,026,000	84,285	1,026,000	57,775	1,026,000	52,008	1,026,000	52,970	1,026,000	48,096	1,026,000	46,411	1,026,000	44,785
14	Gas	Minimum Bill	18,189	1,301	17,944	1,398	17,944	959	17,944	863	17,944	879	17,944	798	17,944	770	17,944	743
15		Below Baseline*	181,655	12,437	179,210	13,372	179,210	9,166	179,210	8,251	179,210	8,404	179,210	7,631	179,210	7,363	179,210	7,105
16		Above Baseline*	840,156	64,652	828,846	69,514	828,846	47,650	828,846	42,894	828,846	43,687	828,846	39,667	828,846	38,278	828,846	36,937
17																		
18																		
19	* Utility may include a more detailed breakdown of gas customers' usage level and an explanation of measurement breakdown employed.																	
20	The usage tier should be reported as the tier the customer was on, the maximum number of months, in the reported year.																	
21	[1] Projected usage data based on recorded 2018 usage levels.																	

	A	B	C	D	E	F	G	H	I	J
1	<b>PY 2021 - 2026 ESA &amp; CARE Table C-1, Pilots and Studies</b>									
2	<b>Pacific Gas &amp; Electric</b>									
3										
4										
<b>Studies</b>										
5	<b>Line No.</b>	<b>Study</b>	<b>Statewide</b>	<b>Total Cost</b>	<b>Percent paid by PG&amp;E</b>	<b>Total Cost paid by PG&amp;E</b>	<b>ESA Cost [3]</b>	<b>CARE Cost [3]</b>	<b>Start Date [4]</b>	<b>End Date</b>
6	1	Impact Evaluations (2-4 Studies)	Yes	\$ 1,500,000	30%	\$ 450,000	\$ 450,000		2022	2025
7	2	Process Evaluations (1-4 Studies)	Yes	\$ 500,000	30%	\$ 150,000	\$ 150,000		2023	2025
8	3	LINA 2022 [1]	Yes						2020	2022
9	4	LINA 2025	Yes	\$ 500,000	30%	\$ 150,000	\$ 75,000	\$ 75,000	2023	2025
10	5	LINA 2028 [2]	Yes	\$ 500,000	30%	\$ 150,000	\$ 75,000	\$ 75,000	2026	2028
11	6	Non Energy Benefits Study	Yes	\$ 500,000	30%	\$ 150,000	\$ 150,000		2021	2022
12	7	Statewide CARE-ESA Categorical Study	Yes	\$ 150,000	30%	\$ 45,000	\$ 22,500	\$ 22,500	2021	2021
13	8	IOU Discretionary	Yes	\$ 1,200,000	25%	\$ 300,000	\$ 300,000			
14	<b>Total</b>			<b>\$ 4,850,000</b>		<b>\$ 1,395,000</b>	<b>\$ 1,222,500</b>	<b>\$ 172,500</b>		
15	[1] LINA 2022 Study will be scoped and bid in 2020 in order to begin in 2021. Budget will be requested from 2017-2020 ESA budgets in an AL (Q3/4 2019). AL will request to carryover this committed funding to the next cycle. The Study will be completed in 2022.									
16	[2] LINA 2028 Study will be scoped and bid in 2026. Budget is requested in 2021-2026 cycle in order to bid the Study out in 2026. PG&E requests to carryover this committed funding into the succeeding cycle. The Study will be completed in 2028.									
17	[3] Budgets for jointly funded ESA-CARE Studies are split 50-50.									
18	[4] Start date indicates beginning of vendor contract spend and are estimates.									
19	<b>Pilots</b>									
20	<b>Line No.</b>	<b>Pilot</b>	<b>Statewide</b>	<b>Total Cost</b>	<b>Percent paid by PG&amp;E</b>	<b>Total Cost paid by PG&amp;E</b>	<b>ESA Cost</b>	<b>CARE Cost</b>	<b>Start Date [4]</b>	<b>End Date</b>
21	1	Virtual Energy Coach	No	\$1,300,000	100%	\$1,300,000	\$1,300,000		2021	2024
22	2	Long Term CARE Customer Pilot	No	\$275,000	100%	\$275,000	\$275,000		2023	2025
23	<b>Total</b>			<b>\$1,575,000</b>		<b>\$ 1,575,000</b>	<b>\$ 1,575,000</b>			

	A	B	C	D	E	F	G	H
1	<b>PY 2021 - 2026 FERA Table D-1, Proposed Program Budget [1]</b>							
2	<b>Pacific Gas and Electric</b>							
3								
4								
5	<b>FERA Budget Categories</b>	<b>2021 Proposed Budget</b>	<b>2022 Proposed Budget</b>	<b>2023 Proposed Budget</b>	<b>2024 Proposed Budget</b>	<b>2025 Proposed Budget</b>	<b>2026 Proposed Budget</b>	<b>2021-2026 Total Proposed Budget</b>
6	Outreach	\$ 2,290,800	\$ 2,583,100	\$ 2,641,500	\$ 2,704,400	\$ 2,766,300	\$ 2,830,000	\$ 15,816,100
7	Processing, Certification, Recertification	\$ 53,800	\$ 55,400	\$ 57,100	\$ 58,800	\$ 60,600	\$ 62,400	\$ 348,100
8	Verification	\$ 79,200	\$ 81,500	\$ 84,000	\$ 86,500	\$ 89,100	\$ 91,800	\$ 512,100
9	IT Programming	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Regulatory Compliance	\$ 27,800	\$ 28,700	\$ 29,500	\$ 30,400	\$ 31,300	\$ 32,200	\$ 179,900
11	General Administration	\$ 52,100	\$ 53,700	\$ 55,300	\$ 56,900	\$ 58,600	\$ 60,400	\$ 337,000
12	CPUC Energy Division Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	<b>SUBTOTAL PROGRAM COSTS [2]</b>	<b>\$ 2,503,700</b>	<b>\$ 2,802,400</b>	<b>\$ 2,867,400</b>	<b>\$ 2,937,000</b>	<b>\$ 3,005,900</b>	<b>\$ 3,076,800</b>	<b>\$ 17,193,200</b>
14	FERA Rate Discount	\$ 10,353,000	\$ 12,898,000	\$ 15,727,000	\$ 18,273,000	\$ 20,819,000	\$ 23,364,000	\$ 101,434,000
15	<b>TOTAL PROGRAM COST &amp; CUSTOMER DISCOUNTS</b>	<b>\$ 12,856,700</b>	<b>\$ 15,700,400</b>	<b>\$ 18,594,400</b>	<b>\$ 21,210,000</b>	<b>\$ 23,824,900</b>	<b>\$ 26,440,800</b>	<b>\$ 118,627,200</b>
16								
17	[1] PG&E created this table in support of FERA program testimony for PY 2021-26.							
18	[2] 2021-2026 proposed program management budget include estimated annual employee benefit burden of approximately \$6,632.							

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDICES A-G**

PACIFIC GAS AND ELECTRIC COMPANY  
APPENDICES A-G

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Appendix E	Welcome Kit Analysis	Erik V. Olsen
Appendix F	Statements of Qualifications	Paola Benassi Lori Leiva Jungbluth Hung Eunice Li Marlene Murphy – Roach Mary O'Drain Erik V. Olsen
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**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX A**  
**STAKEHOLDER MEETINGS**

<b>Stakeholder Organization</b>	<b>Meeting Dates – Prior to Guidance Document</b>	<b>Meeting Dates – Post Guidance Document Decision</b>
NRDC/Greenlining/CHPC/NCLC	8/23/18	
EEC Leadership and Members	8/28/18	
SMUD (Energy Burden)	9/13/18	
ESA Contractors	9/19/18	6/28/19
Greenlining – Carmelita Miller	9/25/18	
Greenlining – Carmelita Miller, Stephanie Chen		8/6/19
Center for Accessible Technologies – Melissa Kasnitz	9/25/18	
Low Income Oversight Board Member - Charlie Toledo	10/2/18	
Low Income Oversight Board Member - Maria Stamas	10/3/18	9/16/19
ESA Implementers – RHA/Nexant	10/04/18	
Low Income Oversight Board Member - Robert Castaneda	10/5/18	9/16/19
Low Income Oversight Board Member - Benito Delgado-Olson	10/5/18	9/16/19
Grid Alternatives - Stan Greschner	10/9/18	
Disadvantaged Communities Advisory Council Member - Andres Ramirez (Pacoima Beautiful)	10/10/18	
Disadvantaged Communities Advisory Council Member - Roger Lin	10/19/28	
Disadvantaged Communities Advisory Council Member - Jodi Pincus (Rising Sun Energy)	11/8/18	
Brightline Defense - Eddie Anh	11/27/18	
Office of Ratepayer Advocates – Karl Stellrecht, Dan Buch	12/12/18	8/15/19
The Utility Reform Network – Hayley Goodson	12/12/18	
Quality Conservation Services CA – Allan Rago	2/7/19	
LIOB ESA Subcommittee Meeting	5/7/19	
CPUC Energy Division	5/22/19	8/15/19
Center for Sustainable Development (CSD) – Jason Wimbley and Team		8/13/19
Proteus		8/19 – 8/20/19
Fresno EOC Energy Services		8/19/19
Kings Community Action Agency		8/19/19
Central Valley Opportunity Center		8/20/19
Owens Valley Career Development Center		8/20/19
Community Action Partnership of Madera County		8/20/19
Catholic Charities Diocese of Fresno		8/20/19
LIHEAP		8/20/19
NRDC/SAFE/RAMP/EEFA		8/21/19
Public Workshop		8/27/19
LIOB Public Meeting		9/16/19

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX B**  
**POLICY CHART**

**APPENDIX B**  
**2021-2026 Application Policy Changes for ESA, CARE, and FERA**

Line No.	Subject	Proposed Request Detail	Current Practice	Source	Testimony
<b>ESA</b>					
1	Expand Self-Certification	Allow automatic enrollment of CARE self-certification customers to receive installation of simple measures only, through PG&E's proposed Basic level of program delivery.	ESA self-certification allowed in defined areas (such as ZIP codes) with 80% or above income qualified.	<b>P&amp;P 2019, Sec.2.2.3.1:</b> "CARE self-certification does not automatically qualify a household for ESA Program, except in the case of group homes or targeted self-certification areas, where it is specifically allowed. In the case where the utility has verified that the customer is CARE-eligible within the past year, such income verification may be used for ESA Program participation."	Section I.D.7.a-c, and Section I.D.2.a
2	ESA Participation Requirements	Require low income customers be enrolled in CARE in order to qualify for ESA simple measure installation.	No requirement.	<b>P&amp;P 2019, Section 4.2:</b> In the course of ESA enrollment, Outreach worker informs income qualified ESA participant about CARE Program. "Outreach workers will also provide assistance in enrolling the customer in CARE if the customer chooses to participate in it."	Section I.D.7.a-c
3	Process: Working Group	Authorize ESA Working Group (ESA WG) process to update Statewide ESA P&P Manual and Installations Standards Manual, discuss and recommend changes to goals, discuss a process for mid-cycle measure adjustments, retirements and additions, discuss other mid-cycle course corrections necessary to achieve goals' discuss and recommend program revisions required by new laws that become effective during PYs 2021-2026, convene a biennial public meeting.	None.	<b>D.12-08-044</b> established the MCWG; D.16-11-022 re-convened it ( <b>D.16-11-022, OP.67 and 137, and Section 3.13.2, pp.241</b> ).	Section I.D.7.a-c, and Section I.E.4
4	Process for measure changes	Request new ESA WG define and simplify a process for IOUs to add/retire measures during the program cycle. This would help increase IOUs' responsiveness to program trends.	Measures are proposed and changed through Application process. There was no mid-cycle process prior to last cycle; previous program cycles were 2-3 years. D.17-12-009 required Mid-Cycle AL process to make adjustments during the longer 4-year 2017-2020 program cycle, including adding/retiring measures and shifting budgets.	<b>D.17-12-009</b> established Mid-Cycle AL process for program adjustments (D.17-12-009, Attachment 1: OP.6, 16, 21, 57-59, 79, 90, 99, 144, FOF.22, and pp.323-324, 348); and <b>D.16-11-022</b> , p.245. <b>P&amp;P 2019, Section 5.3:</b> Utilities jointly evaluate existing program measures in the course of developing recommendations for programs in subsequent years. Measures are evaluated using all available information on both costs and benefits (including energy benefits as well as non-energy benefits), and from that information the Utilities develop a set of recommendations for CPUC approval.	Section I.D.7.a-c, and Section I.E.4
5	AR Public Meeting	Replace the Annual Report Public Meeting with a public meeting convened by the ESA WG every two years to discuss lessons learned and potential program adjustments.	An Annual Report Public Meeting is held within 60 days of May 1 AR filing.	<b>D.12-08-044, OP.5(b).</b>	Section I.D.7.a-c, and Section I.E.4
6	MF	Allow PG&E to propose ESA program MF policy changes after the Multifamily Whole Building solicitation based on the third party administrator's design for PG&E's MultiFamily Whole Building Program. Innovative designs may require changes to existing MF policies and procedures.	None for MFWB. MF CAM policies are defined in D.17-12-009. MF in-unit policies are listed with SF and MH policies in the Statewide ESA P&P Manual.	<b>D.19-06-022, Section 9:</b> guidance document requests IOUs propose solicitation process for third-party design and implementation for a MFWB program.	Section I.D.7.a-c
7	Fund Shifting	Modify ESA fund shifting rules to allow shifting between categories to be reported in Monthly Reports, to align with CARE fund shifting rules authorized in D.06-12-038. In CARE, IOUs are allowed flexibility to shift funds between categories and those fund shifts are reported in the Low Income Monthly and Annual reports.	Fund shifting allowed via AL, as revised in D.16-11-022 and modified in D.17-12-009. D.17-12-009 Sec.5.1.3 delegates to ED the discretion to approve fund shifts between gas and electric departments up to 25% of each budget category.	<b>D.16-11-022 and modified in D.17-12-009</b>	Section I.D.7.a-c
8	Unspent Funding Caps	Clarify ESA Program Uncommitted Unspent Funds Cap for Carry-Over. The percent cap for uncommitted carry-over unspent funds is listed as both 15% and 25% in D.17-12-009. PG&E believes this cap was meant to be 25% and seeks clarification.	D.17-12-009, OP.134 establishes a cap for the amount of carry-over unspent funds from program year to program year and within a given cycle to either 25% or 15% (both are stated in OP 134)	<b>D.17-12-009, OP.134</b>	Section I.D.7.a-c
9	Commodity Budgets	Allow electric/gas expenditure tracking at portfolio level rather than individual measure level.	E/G expenditures are tracked at the measure level.		Section I.D.7.a-c
10	Cost Effectiveness	Discontinue use of the Resource Test.	The Energy Savings Assistance Cost-Effectiveness Test (ESACET) and the Resource Test were authorized by the Commission in D.14-08-030 and reiterated again for continued use in this Application in D.19-06-022	<b>D.14-08-030</b> , and Recommendations of the Energy Savings Assistance Program Cost Effectiveness Working Group dated June 1, 2018. <a href="http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&amp;docid=99753158">http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&amp;docid=99753158</a>	Section I.D.7.a-c, and Section I.D.11.b
11	Measures: 2nd Refrigerator Criteria	Remove the requirement that a household have six occupants in order to qualify for a Second Refrigerator.	Homes must have 6 or more persons to qualify for replacement of a second refrigerator.	<b>D.16-11-022, OP.13</b> authorizes second refrigerators; six-person HH on p.103; <b>P&amp;P 2019, Section 2.6.2</b>	Section I.D.7.a-c, and Section I.D.6

**APPENDIX B**  
**2021-2026 Application Policy Changes for ESA, CARE, and FERA**

Line No.	Subject	Proposed Request Detail	Current Practice	Source	Testimony
<b>ESA</b>					
12	Measures: Refrigerator Criteria	Change age criteria for a refrigerator to qualify for replacement from pre-2001 to a rolling date of 14 years (based on refrigerator EUL).	A refrigerator must be manufactured before 2001 to be eligible for replacement.	<u>pre-1998 (revised from pre-1993): D.12-08-044</u> , based on KEMA Refrigerator Degradation Study; <u>pre-2001: D.16-11-022, Section 3.5.2.1., p.103</u>	Section I.D.7.a-c, and Section I.D.6
13	Measures: Allow Measure Caps	Allow IOUs to establish measure caps to limit the number of individual measures deployed at a location.	D.17-11-009 removed all measure caps that would limit the number of individual measures deployed at a location.	<b>D.17-11-009, Attachment 1 (modifying D.16-12-022) OP.26, COC.26, and pp.125-127.</b>	Section I.D.7.a-c, and Section I.D.6
14	Measures: Furnace and Water Heater R&R to renters	Expand eligibility for Furnace and Water Heater R&R to renters. Require landlord co-pay of \$500 for replacements and \$250 for repair.	Furnace and Water Heater R&R is only available to home owners in all CZs. Reason: By CA law, heating & cooling is a condition of rent and is therefore the responsibility of landlords. Furnaces and hot water heaters are repaired/replaced for safety (failing NGAT).	<b>P&amp;P 2019, Section 2.6.2</b>	Section I.D.7.a-c, and Section I.D.6
15	Providing Additional NR Measures based on customer Needs States	Update ESA P&P to provide Non-Resource/Health Comfort Safety Measures based on 5 Needs States: CARE Electric and Gas High Users, Disconnections, Medical, DAC/Tribal/Rural, Wildfire zones.	No current policy or requirement or criteria for providing HCS measures based on needs states	na	Section I.D.7.a-c, and Section I.D.1
<b>CARE</b>					
16	CARE Capitation Fee	Increase CARE capitation fee to \$30.	Current capitation fee is \$20.	<b>D.12-08-044, OP 105</b> adopted an increase capitation fee from "up to \$15.00" to "up to \$20.00" for each new CARE enrollment. (D.01-06-010 initiated capitation fees, which were increased in D.02-01-040.)	Section II.B.4.a
17	Annual CARE Eligibility Filing	Change annual CARE eligibility filing date from December 31 to February 12 each year.	Filing date established in D.12-08-044. Date guidelines released by the federal Dept of Health and Human Services changed from Q4 to the end of January each year, necessitating IOUs to file a Motion each year to request an extension to file.	<b>D.12-08-044</b> established filing date.	Section II.B.4.b
18	CARE Expansion Program	Extend Expansion Program certification period to 4 years.	Current certification period is 2 years.	<b>D.92-04-024</b> and <b>D.92-06-060</b>	Section II.B.4.c
19	CHANGES Funding	Continue CHANGES funding from CARE balancing account at same funding level of \$1.75 million annually or from another funding source as alluded to in D.15-12-047.	In the CARE Balancing Account	<b>D.15-12-047, OP 4</b> approved funding for CHANGES program from CARE balancing account through end of the program cycle that ends in 2017, and the Commission may consider funding CHANGES through CARE for future CARE cycles if CHANGES is not funded by another source such as the Commission's reimbursable budget. <b>D.16-11-022, OP 128</b> approved funding for CHANGES program from CARE balancing account during 2017-2020 program cycle.	Section II.F.1-2
20	Move FERA into LI Proceeding	Move FERA into LI Proceeding.	FERA is included in the GRC proceeding.	<b>D.18-08-013</b> Decision on Pacific Gas and Electric Company's Proposed Rate Designs and Related Issues	Section II.H.3.b.2
21	Combine FERA annual report with the ESA and CARE annual report	Combine FERA annual report with the ESA and CARE annual report, beginning May of 2024 regarding 2023 progress.	FERA annual report is a stand-alone report that filed in May of each year for the preceding year.	<b>D.04-02-057, OP 5</b> , PG&E filed Advice Letter 2498-E-A which became effective June 17, 2004, that set forth the FERA reporting requirements developed jointly by the utilities, DRA, Energy Division, Latino Issues Forum, and TURN.	Section II.H.3.b.3
<b>Both</b>					
22	Process: Working Group	Authorize the ESA-CARE Study Working Group process to scope and approve specific ESA and CARE studies.	Studies for entire program cycle proposed in Program Budget Application and authorized in Program Decision.	<b>D.19-06-022</b> Guidance Document.	Section I.D.7.a-c, Section I.D.10, and Appendix C
23	LIOB Term	Change IOU LIOB member term from one-year to two-years.	IOU term on LIOB is one year. Other LIOB member terms were changed from one-year to staggered two-year terms in 2005.	<b>D.05-04-052, OP.21, and p.74, p.91:</b> established the LIOB position terms and increased them all from one-year to two-year staggered terms, except for the IOU seat, which remained at one year.	Section I.D.7.a-c

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX C**  
**STUDIES WORKING GROUP PROPOSAL**

**Appendix C: ESA/CARE Study Working Group Process and Proposed Studies for 2021-2026**

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## 1 PROCESS FOR PROPOSED STUDIES FOR 2021-2026 LOW INCOME APPLICATION

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Given a longer program cycle, and prior experience demonstrating how study needs can change after initial studies are proposed by the investor-owned utilities<sup>1</sup> (IOUs) and when the final decision is issued, the IOUs are proposing a different approach to define and budget ESA/CARE studies. Specifically, the IOUs propose two changes in the process taken to define and budget specific ESA/CARE studies;

- Adopting Energy Efficiency's Measurement and Evaluation Studies Funding Approach
- Forming an ESA/CARE Study Working Group.

### Adopting Energy Efficiency's Measurement and Evaluation Studies Funding Approach

The IOUs propose an overall Statewide ESA/CARE study budget along with processes that provide both transparency and flexibility to scope forthcoming study proposals and associated budgets. In a process similar to the one used for Energy Efficiency Measurement and Evaluation Studies, an annual study roadmap will be prepared and updated in the IOUs' Annual ESA-CARE Reports.

### Forming an ESA/CARE Study Working Group

The IOUs propose the formation of an ESA/CARE Study Working Group to provide a transparent and robust study process. The Study Working Group will take a consensus driven approach with the goal to maximize timely results. The IOUs expect the Study Working Group to hold quarterly meetings, jointly review proposed study statements of work, and participate in project kick-offs and other project meetings as outlined below.

This approach is expected to facilitate more relevant and focused studies that include budgets commensurate with the specific objectives and methodology necessary to execute the work.

In summary, the IOUs propose the following:

- Manage the ESA/CARE studies using a flexible studies roadmap approach, to be updated on an annual basis.
- Manage specific studies via the following steps:
  - Step-1: Project concept
  - Step-2: Statement of work
  - Step-3: Project plan and public engagement
  - Step-4: Draft report and public engagement
  - Step-5: Final report and public engagement.

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<sup>1</sup> Individually, the four California Investor Owned Utilities (IOUs) are: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas and Electric Company (SDG&E).



## Appendix C: ESA/CARE Study Working Group Process and Proposed Studies for 2021-2026

- Manage the ongoing study process using an ESA/CARE Study Working Group composed of Energy Division staff, stakeholders, and IOUs, using a consensus approach, with a quarterly meeting format. IOUs will rotate annually to facilitate the ESA/CARE Study Working Group, or potentially co-fund a working Group Facilitator.
- All study proposals in this 2021-2026 applications are considered to be project concepts, to be followed with detailed Statements of Work, and project plans during the program cycle.
- The IOUs will continue to project manage statewide ESA/CARE studies using the existing statewide Study allocations and co-funding agreement structure, with a clearly assigned lead-utility for each project where the lead utility holds the Study contract.

## 2 PROPOSED STUDIES FOR 2021 - 2026 ESA AND CARE APPLICATION

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The IOUs expect several required studies to be conducted during the 2021-2026 cycle, including:

- Two Low Income Needs Assessment Studies (mandated by state legislature to occur every three years)
- At least two ESA Impact Evaluations (these have typically occurred every two-three years)
- Several additional studies to be defined during the program cycle, which may include: ESA process evaluations, ESA Non-Energy Benefits (NEBs), and ESA/CARE categorical program studies.

These studies are detailed below.

### 2.1 IMPACT EVALUATION STUDIES

**ESA Impact Evaluation Studies:** For the 2021 to 2026 ESA/CARE application, the IOUs propose two to four statewide ESA impact evaluation studies with a total statewide budget of \$1,500,000. Individual study budgets will not exceed \$500,000, allocated 100% to ESA.

PG&E anticipates at least two impact evaluations to occur, one evaluating the ESA Plus program for PYs 2022-2023 and one evaluating the MFWB program for PYs 2023-2024. This would allow evaluation of new program changes to potentially be completed in time to use results in next Application planning. Other evaluations could be more focused on specific measures or other program areas of interest.

The IOUs anticipate extensive program design and implementation changes during this program cycle. As discussed elsewhere in PG&E's Low Income Opening Testimony (Opening Testimony), PG&E is anticipating a 15-month transition to solicit and implement new proposed program designs for its ESA Plus program, and a 22-month transition to solicit and implement its MFWB

program.<sup>2</sup> As stated in Opening Testimony, these transition periods may be adjusted based on the solicitation of each program.<sup>3</sup> The IOUs propose to use a 2022 to 2023 impact study to focus on effectiveness of their new ESA program design and measures. In addition to the impact evaluation, the IOUs propose some complementary process evaluation elements, discussed in Opening Testimony, Chapter 2, Section D.10.c, to augment the program impact study, especially considering the extensive ESA program design and implementation changes proposed. The specific scope and budget for each of the impact evaluations will be finalized in the ESA/CARE Study Working Group.

## **2.2 PROCESS EVALUATION STUDIES**

**Statewide Evaluation:** The IOUs propose one to four ESA process evaluations to review new and specific ESA program elements to be defined within the ESA Study Working Group. The proposed statewide budget for these ESA studies is \$500,000, allocated 100% to ESA. Process evaluation(s) will assess ESA program progress once the program is in operation for a minimum of 12 months. It is anticipated to begin in 2023 or 2024 and will assess whether and how the program is achieving desired outcomes according to original planning and design. Lessons learned and recommendations will inform if the ESA program is operating as intended and what elements, if any, should be adjusted to achieve optimal program impacts. The key objective of the study/studies is to (1) ensure the program activities (a) are consistent with required policies and procedures, (b) produce intended outputs and outcomes; and (2) propose processes to help the program better achieve its goals and objectives.

## **2.3 MARKET STUDIES**

**Low income Needs Assessment Studies:** Per Cal. Pub. Util. Cod. Sect. 382(d), the CPUC is mandated to complete a Low-Income Needs Assessment (LINA) Study every three years with the assistance of the Low Income Oversight Board.<sup>4</sup> The LINA Study explores the current needs of the low income customers in the context of ESA program designs and examines low income implementation and the effectiveness of the services and measures in addressing the low income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens.

The IOUs propose two LINA Studies to begin during the 2021-2026 program cycle, with not-to-exceed statewide budgets of \$500,000 each (allocated evenly between the CARE and ESA programs):

- 2025 Statewide LINA (to be scoped and solicited in 2023 and completed by December 31, 2025).

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<sup>2</sup> Opening Testimony, Chapter 2, Section D.9.a, and D.10.a.

<sup>3</sup> Opening Testimony, Chapter 2, Section D.9.a.

<sup>4</sup> Cal. Pub. Util. Cod. Sect. 382(d). All statutory references are to the California Public Utilities Code unless expressly stated otherwise.

## Appendix C: ESA/CARE Study Working Group Process and Proposed Studies for 2021-2026

- 2028 Statewide LINA (to be scoped and solicited in 2026 and completed by December 31, 2028). As with the 2022 LINA Study, the 2028 LINA Study will cross program cycles and required authorized committed funding to be carried forward into the next program cycle.

In addition to the 2025 and 2028 LINA Studies described above, the IOUS will initiate planning for the 2022 LINA Study in 2019 and complete the Study in 2022 during the 2021-2026 program cycle. To secure funding to commence this study, the IOUs will file an Advice Letter to request authorization and budget for the 2022 LINA Study prior to the beginning of next cycle. The requested funding for the 2022 LINA Study will fund the entire study costs, including the related expenditures in 2019 and 2020. The IOUs plan to scope the Study in 2019-2020 in order to solicit and onboard a consultant in 2020. The IOUs propose to request unspent authorized, committed 2022 LINA budget from the 2017-2020 cycle, and request it be carried over into the next 2021-2026 program cycle to complete the Study by December 31, 2022.

**Statewide ESA-CARE Categorical Program Study:** The IOUs propose to conduct a study to update the list of categorically-eligible programs for ESA and CARE. The purpose of this study is to review the compatibility of these categorical program participant eligibility requirements with ESA and CARE eligibility requirements.

ESA and CARE programs are currently allowed to categorically enroll households that participate in other means-tested programs. The income requirement for enrolling in CARE and ESA programs is less than or equal to 200% of Federal Poverty Level, as set forth in Section 739.1(b)(1).<sup>5</sup> The current list of categorically-eligible programs has not been reviewed or updated since 2013. This study will review eligibility requirements of currently authorized programs and seek other programs with similar eligibility criteria in order to update the list of means-tested programs that may be used to qualify customers to participate in CARE and ESA programs. This information can be used for program design and updates.

The proposed budget for this statewide study is \$150,000. Funding for this study would be evenly allocated between the CARE and ESA budgets. This study is anticipated to begin in 2021.

### 2.4 NON-ENERGY BENEFITS (NEBs) PRIMARY RESEARCH AND NEBS MODEL UPDATE

One of the recommendations from the 2019 NEBs study is for California to invest in primary data collection and research to form California-specific values for a selected set of NEBs. The California IOUs have not conducted any California-based primary research on NEBs since the first study establishing NEBs for the low income cost effectiveness tests in 2001.<sup>6</sup> Until now,

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<sup>5</sup> Section 739.1(b)(1).

<sup>6</sup> TecMarket Works, Skumatz Economic Research, Inc. and Megdal and Associates. The Low-income Public Purpose Test (LIPPT) Updated for Version 2.0, Final Report (May 25, 2001), Prepared for Reporting Requirements Manual Working Group and the Cost Effectiveness Committee

## Appendix C: ESA/CARE Study Working Group Process and Proposed Studies for 2021-2026

the IOUs have relied on secondary data and literature review to gather best available and most recent NEBs documentations and NEBs value data to update NEBs used in ESA cost effectiveness tests. This approach has not yielded the robust and reliable results that the IOUs and stakeholders desired.

During 2021-2026, the IOUs propose a focused primary market research effort to collect California-specific NEBs values. This focused study will use outputs and recommendations from the 2020 NEBs Follow-up Study. The results from the primary research will feed into the NEBs model for benefit calculation.

The preliminary budget for this ESA statewide study is \$500,000, allocated 100% to ESA. The IOUs will work with the ESA/CARE Study Working Group to finalize the project scope and timing.

### 2.5 OTHER EVOLVING STUDY AND DATA NEEDS

The IOUs propose an additional statewide ESA study budget of \$1,200,000 (allocated at \$300,000 for each IOU)<sup>7</sup> for studies to be defined during 2021-2026 to support various IOU program data needs. These study needs may include ESA program pilot evaluation and assessment as well as other miscellaneous ESA data needs. IOUs recommend using the ESA/CARE Study Working Group to provide oversight for this expenditure

## 3 BUDGET SUMMARY AND ALLOCATION BY IOU

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For the 2021-2026 ESA/CARE application, the IOUs propose to include an overall statewide evaluation budget of **\$4,850,000**. Table 1, below, is a statewide summary of proposed ESA/CARE study concepts and preliminary budget (including budget allocations to ESA and/or CARE), study scope and timing for 2021-2026. These details are subject to change and may evolve overtime. These changes will be managed as a part of the proposed ESA/CARE Study Working Group.

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<sup>7</sup> Each IOU is including \$300,000 of the total discretionary budget in their ESA study budgets, as shown in Table 2.

**Table 1: 2021-2026 Statewide Study Summary Table**

Statewide Study Summary	Study Budgets	CARE Allocation	ESA Allocation
Impact Evaluation Studies (2-4 ESA Studies)	\$1,500,000	-	\$1,500,000
Process Evaluation Studies (1-4 ESA Studies)	\$500,000	-	\$500,000
Market Studies:			
<ul style="list-style-type: none"> <li>2025 Statewide LINA (1 ESA/CARE Study)</li> </ul>	\$500,000	\$250,000	\$250,000
<ul style="list-style-type: none"> <li>2028 Statewide LINA (It is anticipated that work on this Study will begin in 2026 and carry over into the next program cycle.) 1 ESA/CARE Study)</li> </ul>	\$500,000	\$250,000	\$250,000
<ul style="list-style-type: none"> <li>CARE-ESA Categorical Eligible Program Study (1 ESA/CARE Study)</li> </ul>	\$150,000	\$75,000	\$75,000
Non-Energy Benefit Primary Research and Model Update (1 ESA Study)	\$500,000	-	\$500,000
Additional M&E budget to be allocated to ESA studies:			
<ul style="list-style-type: none"> <li>PG&amp;E</li> </ul>	\$300,000	-	\$300,000
<ul style="list-style-type: none"> <li>SCE</li> </ul>	\$300,000	-	\$300,000
<ul style="list-style-type: none"> <li>SoCalGas</li> </ul>	\$300,000	-	\$300,000
<ul style="list-style-type: none"> <li>SDG&amp;E</li> </ul>	\$300,000	-	\$300,000
<b>Statewide Total</b>	<b>\$4,850,000</b>	<b>\$575,000</b>	<b>\$4,275,000</b>

The IOUs propose to retain the existing Statewide study allocation:

- PG&E: 30%
- SCE: 30%
- SCG: 25%
- SDG&E: 15%

## Appendix C: ESA/CARE Study Working Group Process and Proposed Studies for 2021-2026

Table 2 summarizes the Statewide study allocation by IOU.

**Table 2: 2021-2026 Statewide ESA-CARE Study Budget Allocation by IOUs**

<b>Budget Allocation</b>	<b>PG&amp;E</b>	<b>SCE</b>	<b>SoCalGas</b>	<b>SDG&amp;E</b>	<b>Total</b>
Allocation % by IOU	30%	30%	25%	15%	100%
Allocated Statewide Study Budget	\$1,095,000	\$1,095,000	\$912,500	\$547,500	\$3,650,000
Discretionary Study Budget	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
<b>Total</b>	<b>\$1,395,000</b>	<b>\$1,395,000</b>	<b>\$1,212,500</b>	<b>\$847,500</b>	<b>\$4,850,000</b>
<b>Average Budget Per Year</b>	<b>\$232,500</b>	<b>\$232,500</b>	<b>\$202,083</b>	<b>\$141,250</b>	<b>\$808,333</b>

## Appendix C: ESA/CARE Study Working Group Process and Proposed Studies for 2021-2026

Table 3 summarizes the study allocation for PG&E ESA and CARE Studies.

**Table 3: 2021-2026 PG&E ESA and CARE Study Summary Table**

Statewide Study Summary Table				PG&E Study Budget		
Summary	Statewide Budget	ESA (50%)	CARE (50%)	PG&E ESA Share (30%)	PG&E CARE Share (30%)	Total PG&E Budget
<b>Statewide Study Categories</b>						
Impact Evaluations (2-4 studies)	\$1,500,000	\$1,500,000		\$450,000		\$450,000
Process Evaluations (1-4 studies)	\$500,000	\$500,000		\$150,000		\$150,000
LINA (2 studies) <sup>a</sup>	\$1,000,000	\$500,000	\$500,000	\$150,000	\$150,000	\$300,000
Non-Energy Benefits Study (1 study)	\$500,000	\$500,000		\$150,000		\$150,000
Statewide CARE-ESA Categorical Study (1 study)	\$150,000	\$75,000	\$75,000	\$22,500	\$22,500	\$45,000
<b>Statewide Subtotal</b>	<b>\$3,650,000</b>	<b>\$3,075,000</b>	<b>\$575,000</b>	<b>\$922,500</b>	<b>\$172,500</b>	<b>\$1,095,000</b>
<b>IOU Discretionary</b>						
PG&E	\$300,000	\$300,000		\$300,000		\$300,000
SCE	\$300,000					
SoCalGas	\$300,000					
SDG&E	\$300,000					
<b>Total</b>	<b>\$4,850,000</b>	<b>\$3,375,000</b>	<b>\$575,000</b>	<b>\$1,222,500</b>	<b>\$172,500</b>	<b>\$1,395,000</b>

<sup>a</sup> LINA 2022 Study will be requested from 2017-2020 budget in an Advice Letter expected to be filed in Q4 2019. The AL will request to carryover committed LINA funding to the 2021-2026 cycle.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX D**  
**LONG TERM CARE PILOT**



## Long-Term CARE Customer Pilot

PG&E proposes the Long-Term CARE Customer (LTC) pilot during the 2021 – 2026 program cycle to test the effectiveness of outreach and communications with long-term CARE customers (defined as more than 10 years continuously) to increase their participation in ESA.

### 1. Overview of Budget

The proposed budget for the pilot is \$275,000.

Study	PG&E Cost
Long-Term CARE Customer Pilot	\$275,000

### 2. Projected Pilot Outcomes

- Increased ESA Program participation
- Insight into barriers around ESA participation
- Energy savings for ESA participants
- Reduced hardship for ESA participants
- Reduced CARE subsidy for non-CARE ratepayers as ESA participants decrease their energy usage

### 3. Brief Pilot Description

The Long-Term CARE Customer (LTC) pilot will focus on marketing and outreach strategy, tactics and messaging to assist in enrolling long-term CARE customers into the ESA program. The target customers will be selected from the population who 1) have been receiving the CARE discount for more than 10 years continuously, 2) have occupied the same premise during this time, and 3) have not participated in ESA. The total population as of June 30, 2019 was approximately 95,000.

Marketing and outreach materials will be developed specifically for the targeted groups. PG&E is proposing to leverage existing touchpoints and established relationships with the targeted population to promote the ESA program. There will be a customer participation survey after the marketing and outreach efforts to provide feedback on the customer experience.

The pilot population will be segmented in two groups. Both groups will receive information that they must respond or risk losing their CARE discount. However, the first group will receive outreach communications that focus on the customer's opportunity to enjoy the benefits of receiving no-cost energy saving products and services with free installation as part of the PG&E CARE program. The second group will receive outreach communications that focus on the economic impact of potentially losing their CARE discount if they fail to respond. Under which group would the targeted

population be more likely to respond? Data collection and analysis on the impact of both positive benefits and negative economics will be important in informing future ESA and CARE enrollment policies.

#### **4. Pilot Rationale and Expected Outcome**

PG&E is proposing the Long-Term CARE Customer pilot for the following reasons:

- To test how positive benefits and negative economic incentives work in persuading long-term CARE customers to sign up for the ESA program.
- To gather more information on barriers to ESA participation.
- To propose any future policy changes for long-term CARE customers.

PG&E expects to uncover the best effective messaging for this population to take action since behavioral science indicates the fear of loss can be more motivating than the opportunity for benefits.

#### **5. Pilot Implementation**

The following implementation steps will be conducted for this study:

- Select two groups of 5,000 customers that have been receiving the CARE discount at the same premise for more than 10 years continuously and have not previously participated in ESA.
- Develop and implement targeted marketing and outreach plans to the selected groups. One will be focusing on the opportunity for free energy efficiency items and the other will be focusing on the possibility of losing the discount.
  - Each marketing and outreach plan should have multiple components, including mailed materials, phone calls, and in person conversations. Marketing and outreach plan should also include multiple languages to best reach the target population. The pilot should have a data gathering component to determine which efforts are effective, the associated costs and impact over time on the CARE discount 13 months post treatment.
- Track the customer interactions and responses.
- Conduct survey to gather customer feedback regarding outreach and messaging.
- Analyze all pilot results.
- Analyze the impact on CARE discount 13 months post treatment.
- Prepare report with recommendations for outreach and messaging best practices and any policy changes.

## 6. Pilot Budget & Timing Table

The pilot planning is expected to begin in late 2023 and pilot implementation is expected to begin in 2024. The following table provides estimates of time and cost based on initial planning assumptions.

Activity	Estimated Cost	Approximate Timing
Develop detailed pilot plan	\$30,000	1 month
Develop marketing materials	\$50,000	3 months
Implement pilot – 10,000 customers* <i>NOTE: cost for ESA measures are included in ESA budget request</i>	\$125,000	8-12 months
Customer Experience Survey	\$25,000	1 month
Analyze data	\$15,000	2 months
Prepare Report	\$30,000	3 months
<b>Total</b>	<b>\$275,000</b>	<b>18 – 20 months</b>

\*Much of the forecasted pilot cost is anticipated to be outreach and follow up with the pilot participants.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX E**  
**WELCOME KIT ANALYSIS**



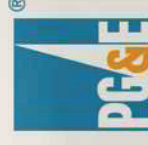
# ESA 2018 Campaign Analysis

May 15, 2019

Presented by: Targetbase



# ESA 2018 Analysis – Background & Objective

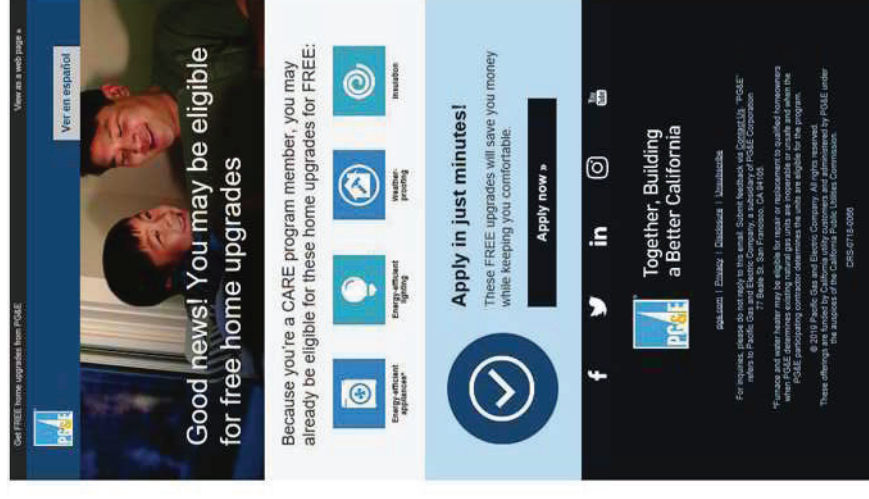


## Through Q1-Q3 of 2018, ESA Acquisition was testing the following creative:

- New letter copy
- New Application (hand-raiser form)
- Outer Envelope

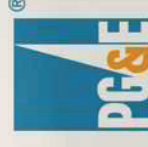
### Primary Objectives:









- Evaluate the results of creative tests conducted in 2018 Acquisition campaigns.
- Understand the contribution the CARE Welcome Kit is providing to ESA applications, assessments and treatments.
- Examine the digital activity for customers receiving ESA Acquisition emails.
- Determine how many communications a customer received prior to applying for ESA. (in order to inform future Non-Responder efforts)





## Executive Summary

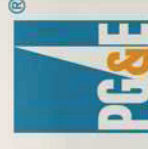


-  • Test Application leads to more completions (Assessment & Treatment) than the Control Application, even though the Control Application generates a higher Response Rate.
-  • DM Test Letter outperforms the Control Letter in terms of Response Rate.
-  • In Q1, the Non C-6 audience (Propensity Model) outperformed the C-6 audience (17.3% vs 13.8%).
-  • DM + EM Recipients lead to more completions than the DM Only Recipients, even though the DM Only recipients generate a higher Response Rate.
-  • Out of all campaign responses for Q3, Q3B and Q4, customers receiving two touches generated more than 80% of the response.
-  • Open and Click Rates increased as the year progressed.
-  • Significant drop-off of customers not completing the online application.
-  • CARE Welcome Kit continues to generate high quality ESA leads, leading to higher Assessment and Treatment Rates of Responders.

AppE-3

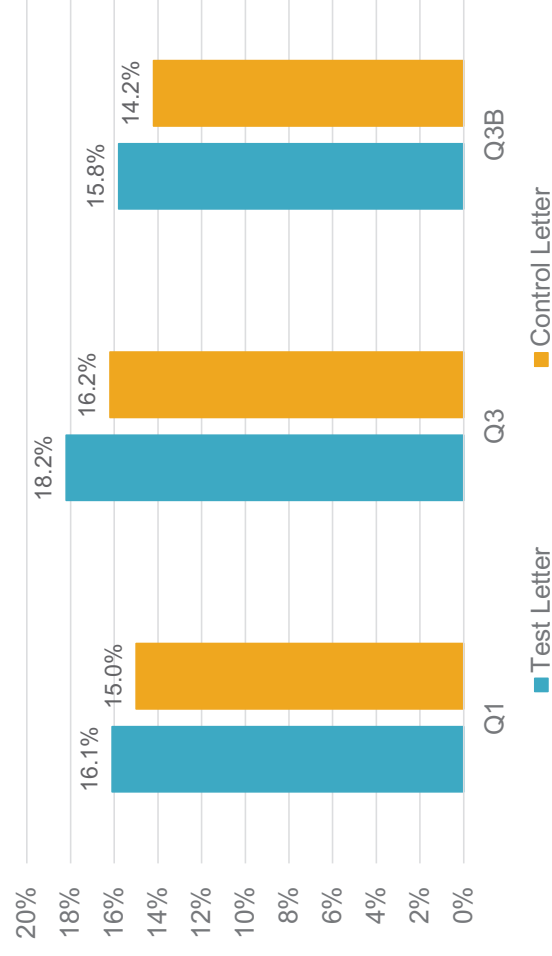


## Direct Mail Test Letter outperformed the Control Letter in terms of Response Rate



- Throughout the course of the year, while the DM Test Letter outperformed the Control Letter in Response Rate, the Assessment and Treatment Rate for the Responders remained relatively flat across both versions.

DM Letter Response Rate\*



\*Response Rate = Number of Customers who responded / Number of Customers who received a communication  
AppE-4





## Test Application Leads to a Higher Assessment & Treatment Rate

- More Assessments and Treatments were generated from the Test Application compared to the Control Application, however the Control Applications generated a higher Response Rate.

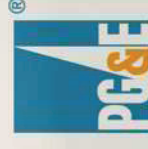
	Q1 Campaign		Q3 Campaign		Q3B Campaign	
	Control Application	Test Application	Control Application	Test Application	Control Application	Test Application
Response Rate **	17.9%	13.1%	20.2%	14.2%	17.7%	12.4%
Assessment Rate of Responders**	14.3%	16.4%	12.7%	15.4%	10.5%	15.1%
Treatment Rate of Responders**	9.6%	10.8%	11.3%	13.8%	8.2%	11.7%

\*Response Rate = Number of Customers who responded / Number of Customers who received a communication

\*\*Assessments and Treatments are as of 04/01/2019

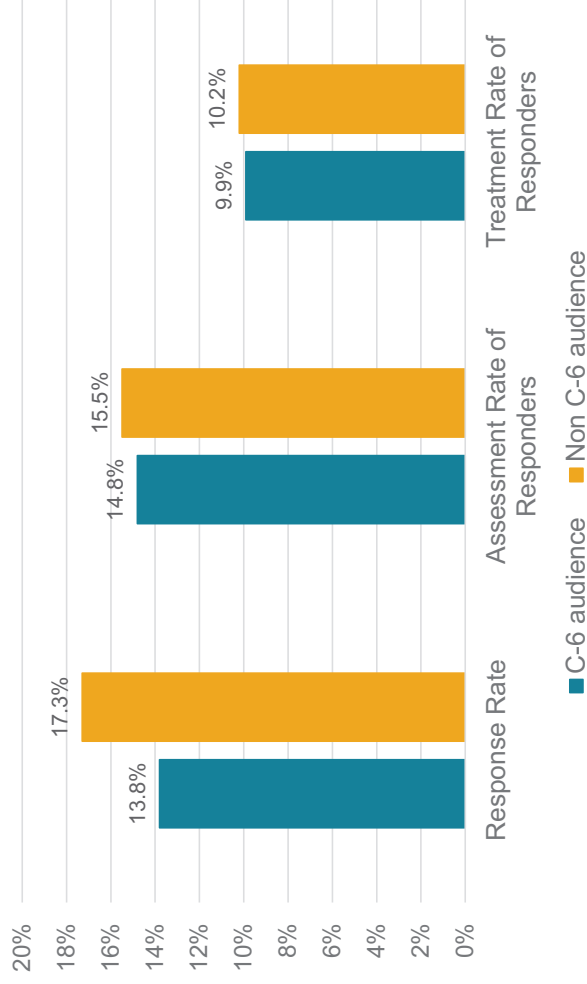


## Non C-6 Audience Segment Outperformed C-6 Audience in Q1



- In terms of Response Rate, the Non C-6 audience segment outperformed the C-6 audience segment in the Q1 campaign. Assessments and Treatments were flat amongst the two groups.
- The Non C-6 audience is based on selecting customers using the ESA Propensity Model.

Q1 2018 Campaign



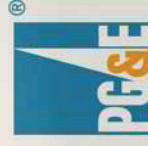
\*Response Rate = Number of Customers who responded / Number of Customers who received a communication

\*\*Assessments and Treatments are as of 04/01/2019

AppE-6



## DM + EM Recipients Led to a Higher Assessment & Treatment Rate



- In terms of Response Rate, the DM Only Recipients outperformed those that received both DM and EM.
- However, of those that Responded, DM + EM Recipients have a higher conversion rate to Assessments and Treatments.

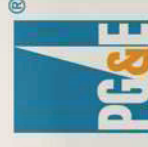
	Q1		Q3		Q3B	
	DM Only	DM & EM	DM Only	DM & EM	DM Only	DM & EM
Response Rate*	16.8%	12.8%	19.8%	13.5%	16.7%	11.6%
Assessment Rate of Responders**	14.5%	17.3%	12.0%	17.4%	11.2%	15.9%
Treatment Rate of Responders**	9.5%	11.6%	10.8%	15.6%	8.8%	12.2%

\*Response Rate = Number of Customers who responded / Number of Customers who received a communication

\*\*Assessments and Treatments are as of 04/01/2019

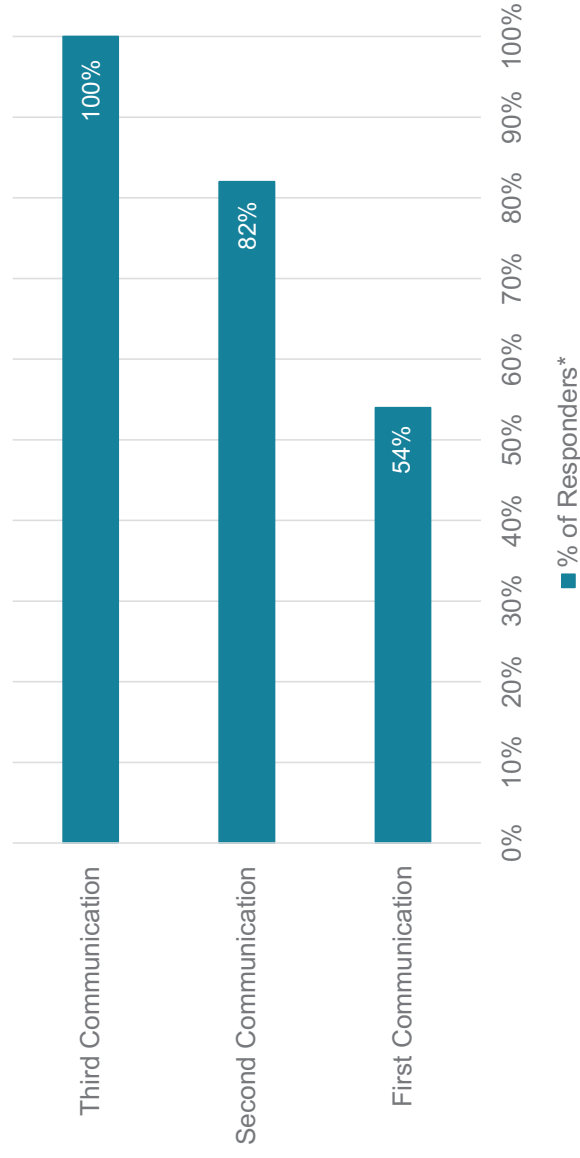


## Two Touches generate 82% of the Responses



- Out of all Campaign Responses for Q3, Q3B and Q4, 54% responded after receiving the first communication, 82% responded after receiving the second communication, and the remaining after receiving the third communication.

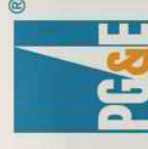
Response by # of Touches



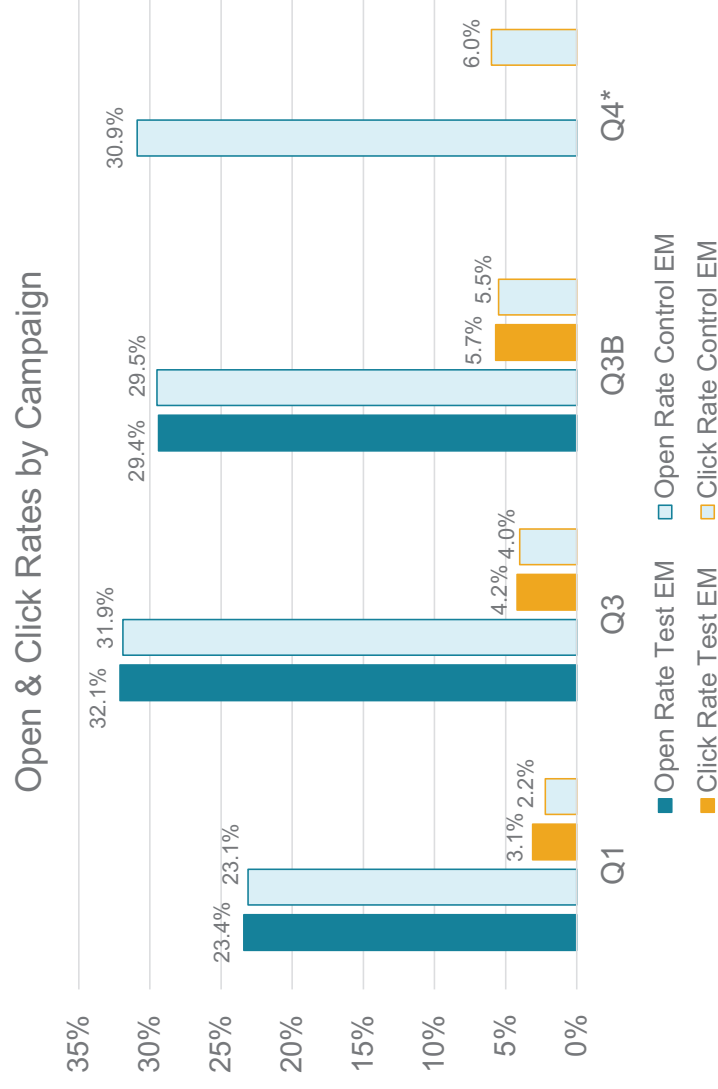
\*Results do not include those that responded to multiple communications and Q1 2018 to keep the audience selection consistent across the campaigns. (Q1 2018 had C6 and Non C-6 customers)



## Open and Click Rates Increased Throughout 2018



- Test Email and Control Email had very similar results, Response Rate was almost flat across the email versions.

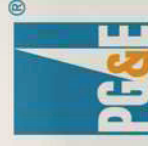


\* Q4 sent the Control EM creative only.

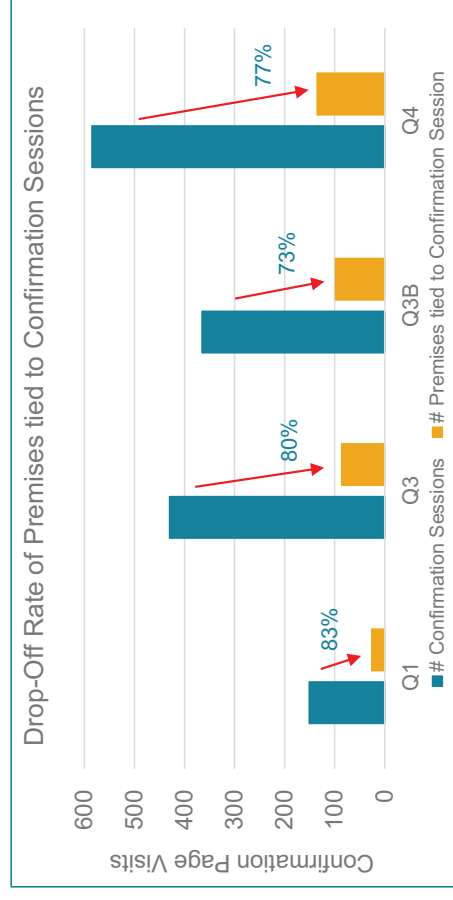
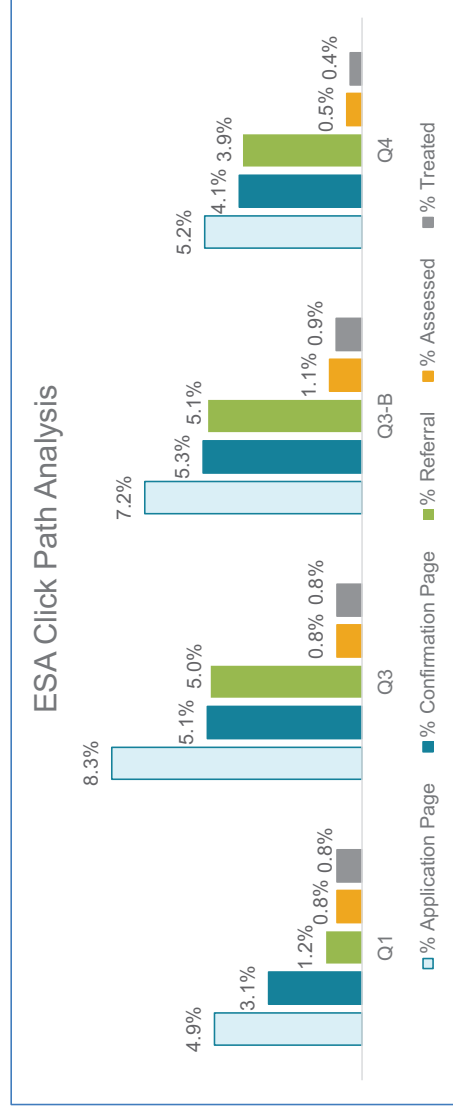
AppE-9



## Significant Drop-Off of Customers Not Completing the Online Application

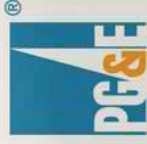


- Due to a customer not having to log in to their account to apply for ESA, leads to the inability to identify the customers that begin the application process but do not reach the Confirmation Page.
- In addition, there is a large drop-off in being able to tie back Premise ID to the Session ID for customers that reached the Confirmation Page. PG&E could track customers through the ESA online application process if a customer could be identified.
  - Adding a tag to the Account Number field on the Application Page could lead to the identification of customers.





## High Quality ESA Leads are Generated by the CARE Welcome Kit



- CARE Welcome Kit generates a large number of Responses, but more significantly these customers have a much higher Assessment and Treatment Rate of Responders, compared to Acquisition campaigns.

	Welcome Kit	ESA Acquisition Campaigns*
Response Rate	6.7%	16.7%
Assessment Rate of Responders	64.2%	12.1%
Treatment Rate of Responders	24.5%	9.0%

**Energy Savings Assistance program Application**

Please complete the information below. Although no proof of income is necessary to apply for the program, you will be asked to provide proof of income at the time of enrollment. If you qualify, please be sure your answers will be kept confidential. If you qualify, an energy specialist will contact you to set up a home assessment appointment.

ACCT000005  
Erica Rivera  
7850 N. Belt Line Road  
Irving, TX 75063

Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**Please return using the postage-paid envelope (included)**

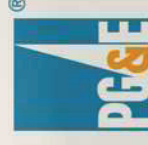
By entering your email address, you are authorizing PG&E to email you information pertaining to time regarding your PG&E utility service and PG&E programs and services that may be available to you.






Thank you and return

1705



## Recommendations



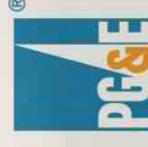
-  • Continue to further refine DM through testing of two different combinations (Test Letter and Control App vs. Test Letter and Test App) as the first yields a higher Response Rate but the latter yields a higher Assessment and Treatment Rate.
-  • Recommend sending two Acquisition communications to customers as it generates the highest volume of responses. Only recommend sending three communications as the budget allows.
-  • With Email DNOs included, ESA Open Rates are the same compared to the PG&E 2018 Residential average (29%)\*. To optimize the Open Rate without DNOs and subsequently lead to more Responses, recommend testing various subject lines and email templates.
-  • Place a tag on the Account Number field (to the online ESA Application Page) to generate the ability to tie a customer to a specific action. By doing so will improve drop-off tracking, retargeting, application page refinements and identify conversion opportunities.
-  • Continue to include the ESA Application in the CARE Welcome Kit as it generates an increased rate of Responders, as well as a higher rate of Assessments and Treatments, compared to ESA Acquisition campaigns.

\*Source: Res Averages for EMs 2017 and 2018.xls. Metrics include Residential Newsletter.





## Glossary



**Assessment:** indicates a premise has had an ESA assessment completed.

**C6:** Target Audience comprised of six (6) CARE customer groups identified by PG&E in 2017 (they are not mutually exclusive across groups). In a CPUC Decision it was identified that these people were required to receive ESA Acquisition communication:

- Newly Enrolled CARE Customers
- CARE Customers with High Energy Usage: >400% for electric
- CARE Customers with High Energy Usage: >200% for gas
- CARE Customers who Recently Moved
- CARE PEV (Post Enrollment Verification) Responders
- CARE customers who have been enrolled for 6+ years

**Conversion Rate:** indicates the percentage of premises that completed an action in the ESA process.

**DM:** Direct Mail communication

**DNO:** Did Not Open; follow up email communication deployed to customers who did not open the original email.

**Drop Off Rate:** indicates the percentage of premises who completed a step in the ESA process but did not complete the subsequent step.

**EM:** Email communication

**Propensity Model:** Model designed to identify customers with the highest propensity to participate in the ESA program.

**Tag:** an inline HTML element that defines a hyperlink. Enables the ability to track engagement with the link.

**Touches:** indicates the number of communications a customer received; could be a combination of Direct Mail and Email.

**Treatment:** indicates a premise has had an ESA treatment completed.



**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX F**  
**STATEMENTS OF QUALIFICATIONS**

1                   **PACIFIC GAS AND ELECTRIC COMPANY**  
2                   **STATEMENT OF QUALIFICATIONS OF PAOLA BENASSI**

3    Q 1    Please state your name and business address.

4    A 1    My name is Paola Benassi, and my business address is Pacific Gas and  
5           Electric Company, 245 Market Street, San Francisco, California.

6    Q 2    Briefly describe your responsibilities at Pacific Gas and Electric Company  
7           (PG&E).

8    A 2    I am currently a Principle Program Manager on PG&E's Energy Efficiency  
9           team. Previously, I was the Manager on PG&E's Income Qualified  
10          Programs and Disadvantaged Communities team. My responsibilities at  
11          PG&E have included managing teams in the design, implementation, and  
12          management of energy efficiency (EE) programs and low income programs.

13   Q 3    Please summarize your educational and professional background.

14   A 3    I received a Bachelor of Science degree in Engineering and a Master of  
15          Science degree in Engineering, both from San Jose State University in  
16          San Jose, California. I joined PG&E's EE team in 2010 and have managed  
17          various teams in the design, implementation, and running of EE programs.  
18          In 2016, I began managing the Energy Savings Assistance Program team in  
19          overseeing the strategy and operations of the program. I have of 20 plus  
20          years of program/product management experience from a variety of  
21          industries including start-ups and large international companies.

22   Q 4    What is the purpose of your testimony?

23   A 4    I am sponsoring the following testimony of Energy Savings Assistance and  
24          California Alternate Rates for Energy (CARE) Programs and Family Electric  
25          Rate Assistance (FERA) Programs and Budgets Application for the  
26          2021 – 2026 Program Years:

- 27          • Chapter I, "Energy Savings and Assistance Program Plan and Budget":
  - 28                  – Section C, "ESA Program Goals and Budgets":
    - 29                          • Subsection 5;
  - 30                  – Section D, "ESA Program Design and Delivery":
    - 31                          • Subsection 8, 9;
  - 32                  – Section E, "ESA Program Administration":
    - 33                          • Subsection 1, 2;

- 1           • Attachment D, "GANTT CHART"; and
- 2           • Chapter IV, "Excel Attachments":
- 3           – ESA Budget Tables A-1, A-2, A-3, A-10.
- 4   Q 5   Does this conclude your statement of qualifications?
- 5   A 5   Yes, it does.

1                   **PACIFIC GAS AND ELECTRIC COMPANY**  
2           **STATEMENT OF QUALIFICATIONS OF LORI LEIVA JUNGBLUTH**

3    Q 1    Please state your name and business address.

4    A 1    My name is Lori Leiva Jungbluth, and my business address is Pacific Gas  
5           and Electric Company, 245 Market Street, San Francisco

6    Q 2    Briefly describe your responsibilities at Pacific Gas and Electric Company  
7           (PG&E).

8    A 2    I am a Principal Program Manager on the Income Qualified Programs and  
9           Disadvantaged Communities team where I lead strategy for the Energy  
10          Savings Assistance (ESA) Program and serve as the liaison to the Native  
11          American Tribal Communities.

12   Q 3    Please summarize your educational and professional background.

13   A 3    I received a Master's degree in Business Administration from Notre Dame  
14          de Namur University and a Bachelor's degree in Business from University of  
15          San Francisco. I joined PG&E in 2013 to lead the Customer Strategy and  
16          Research team where my role was to uncover insights to help improve  
17          customer experience, engagement, and satisfaction; in addition to  
18          influencing changes in communications, program/product development and  
19          operations. In 2016, I moved to the Pricing Products team and led product  
20          management work on the statewide initiative for Residential Rate Reform. I  
21          joined the Income Qualified Programs team in 2018 to lead strategy for the  
22          new ESA Program design and serve as liaison for Tribal Communities.  
23          Before PG&E, I had a successful career as a supplier of services, and held  
24          Senior Vice President level positions at global services firms where I  
25          provided strategy consulting, program management, customer research and  
26          insights, marketing and communications to many Fortune 500 companies in  
27          the financial services, technology and consumer packaged goods industries.

1 Q 4 What is the purpose of your testimony?

2 A 4 I am sponsoring the following testimony of Energy Savings Assistance and  
3 California Alternate Rates for Energy (CARE) Programs and Family Electric  
4 Rate Assistance (FERA) Programs and Budgets Application for the  
5 2021 – 2026 Program Years:

- 6 • Chapter I, “Energy Savings and Assistance Program Plan and Budget”:
  - 7 – Section A, “ESA Program Context”:
    - 8 • Subsection 3;
  - 9 – Section B, “ESA Program Proposal Summary”:
    - 10 • Subsection 1;
  - 11 – Section C, “ESA Program Goals and Budgets”:
    - 12 • Subsection 1, 2, 3, and 4;
  - 13 – Section D, “ESA Program Design and Delivery”:
    - 14 • Subsection 1, 2.a – d.i, 3, 4, 5.d, 6.a and 10.c;
  - 15 – Section G, “Conclusion”;
- 16 • Chapter I, Attachment A, “Virtual Energy Coach Pilot Implementation
- 17 Plan”;
- 18 • Chapter I, Attachment C, “Native American Tribal Outreach”;
- 19 • Chapter IV, “Excel Attachments”: ESA Tables A-4, A-5.”
- 20 • Appendix A, “Stakeholder Meetings”; and
- 21 • Appendix D, “Long Term CARE Pilot.”

22 Q 5 Does this conclude your statement of qualifications?

23 A 5 Yes, it does.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**STATEMENT OF QUALIFICATIONS OF HUNG (EUNICE) LI**

Q 1 Please state your name and business address.

A 1 My name is Hung (Eunice) Li, and my business address is Pacific Gas and Electric Company, 77 Beale Street, San Francisco, California.

Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).

A 2 I am currently a Supervisor in Energy Accounting which oversees accounting and cost recovery for electric transmission business and public purpose programs including but not limited to low income programs, energy efficiency and demand response. I also oversee several other reporting functions for Energy Accounting which include reporting with California Public Utilities Commission on balancing accounts and reporting with Department of Water Resource (DWR) for DWR bonds remittances.

Q 3 Please summarize your educational and professional background.

A 3 I graduated with a Bachelor's Degree with a concentration in Accounting in 2001 from the Chinese University of Hong Kong. After college, I joined Deloitte Hong Kong as auditor for 4 years. While I was an auditor in Deloitte Hong Kong, I completed and certified as public accountant with Association of Chartered Certified Accountants in United Kingdom and the certification is currently inactive. I joined PG&E in 2006 as an Accounting Analyst in the Financial Accounting team. Since then I have been taking on increasing responsibilities and different accounting areas in various accounting teams. I was promoted to Supervisor, overseeing accounting area for debt, intercompany transactions, various subsidiaries and consolidation in 2010. In 2012, I moved on to Revenue Accounting. Since 2016, I moved to Energy Accounting and is responsible for responsibilities stated in Answer A2 above.



1 Q 4 What is the purpose of your testimony?

2 A 4 I am sponsoring the following testimony of Energy Savings Assistance and  
3 California Alternate Rates for Energy (CARE) Programs and Family Electric  
4 Rate Assistance (FERA) Programs and Budgets Application for the  
5 2021 – 2026 Program Years:

- 6 • Chapter I, “Energy Savings Assistance Program Plan and Budget”:
  - 7 – Section F;
- 8 • Chapter II, “California Alternate Rates for Energy Program and Family  
9 Electric Rates Assistance Program”:
  - 10 – Section H:
    - 11 • Subsection 3.b.4, and 6;
  - 12 – Section I;
  - 13 – Attachment C, “FERA Preliminary Statement Redline Changes”; and
- 14 • Chapter IV, “Excel Attachments.”

15 Q 5 Does this conclude your statement of qualifications?

16 A 5 Yes, it does.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**STATEMENT OF QUALIFICATIONS OF MARLENE MURPHY-ROACH**

Q 1 Please state your name and business address.

A 1 My name is Marlene Murphy-Roach, and my business address is Pacific Gas and Electric Company, 245 Market Street, San Francisco, California.

Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).

A 2 I am the Director for PG&E's Income Qualified Programs and Disadvantaged Communities (DAC). As the Director for Income Qualified Programs and DACs my role is to lead the program management, development and regulatory reporting and guide holistic planning and engagement for new programs serving DACs.

Q 3 Please summarize your educational and professional background.

A 3 I received a Bachelor of Science degree in Management Studies from the University of the West Indies. Over the past 21 years, I have directed several aspects of utility operations including meter to cash, emergency outage restoration, energy efficiency and customer care contact management and six years in the gas utility industry in energy efficiency and customer care management. I joined PG&E in 2013 where I led the energy efficiency sales and service for large and mid-size industrial and commercial accounts for two years before being appointed to the position of the Division Leader Senior Manager for the Fresno, Kings, and Tulare counties. In 2018, I was promoted to lead the position I hold today, to develop and implement a holistic strategy to serve disadvantaged communities and the limited income segment for all income-qualified programs leveraging synergies to promote other equity programs increasing access for all.

Q 4 What is the purpose of your testimony?

A 4 I am sponsoring the following testimony of Energy Savings Assistance and California Alternate Rates for Energy (CARE) Programs and Family Electric Rate Assistance (FERA) Programs and Budgets Application for the 2021 – 2026 Program Years:

- Chapter 0, "Introduction";

- 1           • Chapter II, “California Alternate Rates for Energy Program & Family  
2           Electric Rates Assistance Program”:  
3           – Section A, “CARE Program Context”;  
4           – Section D, “CARE Program Delivery”:  
5                 • Subsection 4;  
6           – Section H, “Senate Bill 1135 Family Electric Rate Assistance”:  
7                 • Subsection 5;  
8           – Section K, “Conclusion”;  
9           • Chapter III, “Conclusion”; and  
10          • Chapter IV, “Excel Tables.”  
11   Q 5   Does this conclude your statement of qualifications?  
12   A 5   Yes, it does.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**STATEMENT OF QUALIFICATIONS OF MARY J. O'DRAIN**

Q 1 Please state your name and business address.

A 1 My name is Mary J. O'Drain, and my business address is Pacific Gas and Electric Company, 245 Market Street, San Francisco, California.

Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).

A 2 I am an Expert Policy Analyst on the Income Qualified Programs and Disadvantaged Communities team, where I work on income qualified policy, reporting, and evaluation.

Q 3 Please summarize your educational and professional background.

A 3 I received a Bachelor of Arts degree in anthropology from the University of California in Berkeley and a Master's degree in Anthropology from the University of Texas in Austin. Over the past 25 years, I have designed and evaluated Energy Efficiency (EE) programs for clients throughout the United States and Canada, starting as a consultant with Barakat & Chamberlin. I began work at PG&E in 1996 conducting Measurement and Evaluation of EE programs. I have worked with PG&E's low income programs since 2000, and am currently on the joint utility teams coordinating with Energy Division on statewide low income studies, evaluations, cost effectiveness analysis, leveraging, policy, reporting, and multifamily program design.

Q 4 What is the purpose of your testimony?

A 4 I am sponsoring the following testimony of Energy Savings Assistance and California Alternate Rates for Energy (CARE) Programs and Family Electric Rate Assistance (FERA) Programs and Budgets Application for the 2021 – 2026 Program Years:

- Chapter I, "Energy Savings Assistance Program Plan and Budget":
  - Sections A.1, A.2, B.2, C.7, D.5.a-c,e-f,i .a, D.6.b-e, D.7, D.10, D.11, E.3 and E.4; and
- Chapter IV, "Excel Attachments":
  - Tables A-, A-7, A-8, and A-9; and
- Appendices B (Policy Chart) and C (ESA-CARE Studies Working Group Proposal).

- 1 Q 5 Does this conclude your statement of qualifications?
- 2 A 5 Yes, it does.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**STATEMENT OF QUALIFICATIONS OF ERIK V. OLSEN**

Q 1 Please state your name and business address.

A 1 My name is Erik V. Olsen, and my business address is Pacific Gas and Electric Company, 245 Market Street, San Francisco, California.

Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).

A 2 I am the Product Marketing Manager for PG&E's Energy Efficiency and Low Income Programs. I lead a team that is responsible for the strategic planning, development, and implementation of customer marketing, education and outreach plans for CARE, FERA, Energy Savings Assistance, and Residential and Non-Residential Energy Efficiency products and services.

Q 3 Please summarize your educational and professional background.

A 3 I received a Bachelor of Arts degree in Business Administration, with concentration in Marketing from the University of Washington.

Prior to working for PG&E, I spent more than 10 years in brand management and marketing for leading consumer brands as well as business to business companies. During this time, I developed and implemented integrated marketing plans and managed marketing return on investment operations.

In 2008, I accepted the contract position of Program Marketing Manager with PG&E. I was in charge in developing strategy for customer outreach and education related to Peak Day Pricing and assisted with the 2009 Rate Design Window outreach testimony. In September 2009, my responsibilities evolved to include management of Peak Time Rebate and Real Time Pricing, and project planning and early implementation of PG&E's Peak Day Pricing outreach plans. In 2011, I worked on the redesign of PG&E's customer energy statement and later that year, sponsored testimony and workpapers as a witness in the 2010 Rate Design Window Application. Between 2012 and 2018, I have supported Demand Response, Smart Grid and General Rate Case proceedings; and held roles of increasing responsibility in Energy Efficiency Strategy, Retail and Channel Marketing

1 Strategy and Small and Medium-Sized Business Marketing Strategy.  
2 In November 2018, I accepted the position that I now hold.

3 Q 4 What is the purpose of your testimony?

4 A 4 I am sponsoring the following testimony of Energy Savings Assistance  
5 and California Alternate Rates for Energy (CARE) Programs and Family  
6 Electric Rate Assistance (FERA) Programs and Budgets Application for the  
7 2021 – 2026 Program Years:

- 8 • Chapter I, “Energy Savings Assistance Program Plan and Budget”:
  - 9 – Section D, “ESA Program Design and Delivery”:
    - 10 • Subsection d.ii.;
- 11 • Chapter I, Attachment B, “ESA Propensity Model”;
- 12 • Chapter II, “California Alternate Rates for Energy Program & Family  
13 Electric Rates Assistance Program”:
  - 14 – Section D, “Care Program Delivery”:
    - 15 • Subsection 1b., 1e, and 1f;
    - 16 • Subsections 2, and 3;
  - 17 – Section H, “Senate Bill 1135 Family Electric Assistance”:
    - 18 • Subsection c; and
- 19 • Chapter IV, “Excel Tables.”

20 Q 5 Does this conclude your statement of qualifications?

21 A 5 Yes, it does.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX G**  
**LIST OF ACRONYMS**



<b>Acronym</b>	<b>Definition</b>
A/C	Air Conditioning
AB	Assembly Bill
ACCES	Association of California Community and Energy Services
AET	Annual Electric True-Up
AGT	Annual Gas True-Up
AL	Advice Letter
AMI	Advanced Metering Infrastructure
Cal Advocates	Public Advocates Office at the California Public Utilities Commission
CAM	Common Area Measures
CARE	California Alternate Rates for Energy
CAREA	California Alternate Rates for Energy Account
CBO	Community-Based Organizations
CEC	California Energy Commission
CES	Customer Energy Services
CEWG	Cost-Effectiveness Working Group
CFL	Compact Fluorescent Lamps
CHPC	California Housing Partnership Corporation
CO	Carbon Monoxide
COC	Community Outreach Contractor
COL	Conclusion of Law
CPUC or Commission	California Public Utilities Commission
CSD	California State Department of Community Services and Development
CSI	California Solar Initiative
CTA	Call-to-Action
D.	Decision
DACs	Disadvantaged Communities
DAC-SASH	Disadvantaged Communities Single-Family Affordable Single Homes
DHHS	Department of Health and Human Services
DM	Direct Mail
DNV-GL	Det Norske Veritas – Germanischer Lloyd
DRAM	Demand Response Auction Mechanism
ED	Energy Division
EE	Energy Efficiency
EM	E-mail

<b>Acronym</b>	<b>Definition</b>
ESA	Energy Savings Assistance
ESACET	Energy Savings Assistance Cost Effectiveness Test
FERA	Family Electric Rate Assistance
FPL	Federal Poverty Level
FTP	File Transfer Protocol
GHG	Greenhouse Gas
GRC	General Rate Case
GTSR	Green Tariff Shared Renewables
H&S	Health & Safety
HCS	Health, Comfort, and Safety
HUD	Housing and Urban Development
HVAC	Heating, Ventilation and Air Conditioning
IOU	Investor-Owned Utilities
IRS	Internal Revenue Service
IT	Information Technology
IVR	Interactive Voice Response
kWh	kilowatt-hours
LIEE	Low-Income Energy Efficiency
LIHEAP	Low Income Home Energy Assistance Program
LINA	Low-Income Needs Assessment
LIOB	Low-Income Oversight Board
LIWP	Low Income Weatherization Program
LTC	Long-Term CARE
M&O Plan	Marketing & Outreach Plan
MCAL	Mid-Cycle Advice Letter
MCWG	Mid-Cycle Working Group
ME&O	Marketing, Education and Outreach
MF	Multi-Family
MFWB	Multi-Family Whole Building
MFWG	Multi-Family Working Group
NEB/NEI	Non-Energy Benefits and Non-Energy Impact
NEBs	Non-Energy Benefits
NEBS 2.0	NEBS Update Study
NRDC	Natural Resources Defense Council
NSDL	Non-Standard Disposition Letter
ODRS	online data reporting systems

<b>Acronym</b>	<b>Definition</b>
OIR	Order Instituting Rulemaking
OP	Ordering Paragraph
PAC	Participant Cost Test
PCT	Programmable Communicating Thermostat
PEV	Post Enrollment Verification
PFM	Petition for Modification
PG&E, the Company, or the Utility	Pacific Gas and Electric Company
PHC	Prehearing Conference
POA	Property Owner Authorization
PPP	Public Purpose Program
PPP-CARE	Public Purpose Program Surcharge – California Alternate Rates Energy Account
PPP-LIBA	Public Purpose Program Low-income Balancing Account
PPP-LIEE	Public Purpose Program Low-income Energy Efficiency Balancing Account
PPP-RAM	Public Purpose Program Revenue Adjustment Mechanism
PR	Public Relations
PSPS	Public Safety Power Shutoff
PYs	Program Years
QA	Quality Assurance
R.	Rulemaking
Res.	Resolution
RF&U	Revenue Fees and Uncollectibles
RFP	Request for Proposal
RIM	Ratepayer Impact Measure Test
SASH	Single-Family Affordable Solar Homes
SB	Senate Bill
SCE	Southern California Edison Company
SDG&E	San Diego Gas & Electric Company
SERA	Skumatz Economic Research Associates, Inc.
SMUD	Sacramento Municipal Utilities District
SoCal Gas	Southern California Gas Company
SOMAH	Solar on Multi-family Affordable Housing
SPOC	Single Point of Contact
TANF	Temporary Assistance for Needy Families
TELACU	The East Los Angeles Community Union

<b>Acronym</b>	<b>Definition</b>
TOU	Time-of-Use
TRC	Total Resource Cost
U.S.	United States
WDO	Workforce Development Organization
WE&T	Workforce Education & Training
WIC	Women, Infants, and Children
YOY	year-over-year