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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Evaluating the Commission's 2010
Water Action Plan Objective of
Achieving Consistency Between Class
A Water Utilities' Low-Income Rate
Assistance Programs, Providing Rate
Assistance to All Low-Income
Customers of Investor-Owned Water
Utilities, and Affordability.

Rulemaking 17-06-024

(NOT CONSOLIDATED)

Order Instituting Rulemaking to
Address Energy Utility Customer Bill
Debt Accumulated During the
COVID-19 Pandemic.

Rulemaking 21-02-014

**ASSIGNED COMMISSIONER'S AND
ADMINISTRATIVE LAW JUDGE'S RULING AMENDING SCOPE**

This ruling sets the scope and schedule for the next phase of Rulemaking (R.) 21-02-014 (Phase II of R.21-02-014), pursuant to Public Utilities Code Section 1701 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Background

On June 24, 2021, in Decision (D.) 21-06-036, the Commission ordered energy utilities to suspend disconnections until September 30, 2021, giving energy utilities enough time to enroll and notify residential and small business customers that, should they need it, they have two years over which to pay off energy bill debt. In D.21-06-036, the Commission determined the proceeding

should continue to track the implementation of state and federally funded programs to assist utility bill customers and understand by how much state funding for utility bill relief shrinks customer debt. We are also keen to observe how many customers take advantage of the various utility offers to manage debt in the meantime, and which customers are enrolled in the default payment plans required by D.21-06-036.

For Small Business customers with energy utility bill debt associated with the COVID-19 pandemic, D.21-06-036 found customized payment plans appropriate as an interim step to put Small Business customers on a path toward solvency. Because the “COVID-19 Relief Payment Plans” for Small Business customers would create extremely long amortization periods for a few Small Business customers, we resolved to continue examining this issue in the next phase of the proceeding. Additionally, D.21-06-036 resolved only temporarily the issue of how to allocate partial payments on debt between energy utilities and Consumer Choice Aggregators (CCA) and we prioritize this issue for resolution in the next phase.

Decision 21-06-036 ordered the utilities to engage with Community Based Organizations (CBOs) to better connect customers to new and existing assistance and relief. The utilities are required to jointly develop a template to display and describe their current CBO networks, and then, in coordination with the Commission’s Energy Division, finalize the template, populate the template with descriptive data and present it to the Low Income Oversight Board (LIOB) at a future LIOB meeting for additional refinement.¹ The CBO role in amplifying energy utility outreach was addressed in the ongoing disconnections proceeding

¹ D.21-07-029, OP 8.

R.18-07-005.² Because of the vast relief efforts that COVID-19 has necessitated and the identification by parties that CBOs are a key to reaching priority populations, we directed the template development to identify gaps to fill or barriers to overcome.

2. State and Federal Programs for COVID-19 Arrearage Relief

Several state and federal relief programs are available, or are under development, to help energy and water utility customers with utility bill arrearages, including:

- California (Water and Wastewater) Arrearage Payment Program (CWWAPP/CAPP)
- Emergency Rental Assistance Program (ERAP)
- Homeowner's Assistance Program (HAF)

2.1. California Arrearage Payment Program (CAPP)

On June 28, 2021, Governor Gavin Newsom signed the Budget Act of 2021, which includes \$993.5 million to help Californians pay their overdue energy bills. The \$993.5 million appropriation will be allocated by the California Department of Community Services and Development (CSD) through the California Arrearage Payment Program (CAPP).³ The source of the funding is the federal American Rescue Plan Act of 2021. On July 16, 2021, Governor Newsom signed Assembly Bill (AB) 135, the Human Services omnibus trailer bill (Trailer Bill). The Trailer Bill included additional direction to CSD on implementation of CAPP and specified that \$694,953,250 of the total appropriation is reserved for all

² D.20-06-003, OP's 47 and 48.

³ AB 128, Budget Act of 2021, Section 19.55 (Legislative Deferrals in General Sections Statewide), subsection 17 appropriates \$1 billion for the Coronavirus Fiscal Recovery Fund of 2021 for water arrearage debt relief.

distribution customers of investor-owned utilities, including customers served by a Community Choice Aggregator.

As described in the Budget Act and Trailer Bill, all residential and commercial energy utility customers are considered eligible for CAPP assistance. CSD shall survey prospective utility applicants to obtain data on arrearages in order to develop an allocation formula for each individual utility applicant's share of CAPP funds. After development of the allocation methodology, utilities shall submit applications to CSD for their customers' share of the total allocation. Once CSD has provided the funds to the utility, the utility shall issue CAPP assistance benefits to customers as bill credits and notify the customer that the credits are from CAPP funding.

As described in the Trailer Bill, utilities are required to prioritize assistance first to active residential customers who would be subject to disconnection absent CAPP assistance due to arrearages accrued during the COVID-19 pandemic, second to active residential customers with delinquent balances incurred during the COVID-19 pandemic, third to inactive residential accounts with delinquent balances incurred during the COVID-19 pandemic, and fourth to commercial customers with delinquent balances incurred during the COVID-19 pandemic. Utilities are prohibited from disconnecting a CAPP recipient's service regardless of balance owed for 90 days after the CAPP benefit is applied. Utilities must offer a payment plan to any customer with a remaining balance after the CAPP benefit is applied, must waive any late fees and/or penalties, and may not disconnect service while the customer remains current on the payment plan. Utilities are required to allocate payments to Load-Serving Entities, including CCAs, in proportion to their respective shares of the outstanding customer shares.

2.2. Small Business COVID-19 Relief Grant Program to \$4 billion

The Budget Act approved \$1.5 billion in additional funding for the California Small Business COVID-19 Relief Grant Program, bringing the total investment in the program to \$4 billion. Like the original round of funding, these funds will be administered by the California Office of the Small Business Advocate (CalOSBA), within the Governor's Office of Business and Economic Development (GO-Biz). Eligibility is limited to sole proprietors, independent contractors, 1099 employees, C-corporations, S-corporations, cooperatives, limited liability companies, partnerships, and limited partnerships with an annual gross revenue of less than \$2.5 million, but greater than \$1,000, in the 2019 taxable year. A registered 501(c)(3), 501(c)(6), or 501(c)(19) nonprofit entity with annual gross revenue of less than \$2.5 million but more than \$1,000 in the 2019 taxable year is also eligible. Eligible applicants must have begun operating prior to June 1, 2019, been impacted by COVID-19 and the related health and safety restrictions, and be currently active and operating or have a clear plan to reopen when the state permits reopening of the business, among other conditions. Grants awarded to eligible recipients may only be used for costs resulting from the COVID-19 pandemic and related health and safety restrictions, business interruptions, or closures, including utility payments.

2.3. Emergency Rental Assistance Program (ERAP)

California Senate Bill 91 (2021) established California's program for administering and distributing rental assistance funds, authorizing the California Department of Housing and Community Development (HCD) to administer the funds in accordance with state and federal law, and providing a framework for

cities, counties, and tribes that received a direct allocation of funds from the U.S. Treasury to implement ERAP funding in partnership with HCD.

California’ initial share of ERAP funding was \$2.6 billion, already received and being distributed. On June 28, 2021, Governor Newsom signed AB 832 doubling the amount of ERAP funding to \$5.2 billion. While the bulk of ERAP is likely to be applied toward rent, any qualifying renter may also apply to ERAP for utility bill relief.

The Commission directed most of the energy utilities⁴ designated as respondents to this proceeding to test the ERAP program by identifying and working with a small group of the customers most likely to qualify for ERAP. The energy utilities report weekly on how many customers among their small group have received relief through ERAP. The results as of July 26, 2021, are below:

ERAP SAMPLE APPLICANTS

Utility	Number of Customers Identified	Number Applied	Number Successful	Average \$ Amount of Relief Per Customer	% of Debt Relieved
PG&E	250	64	6	\$4,805	90%
SCE	2,730	101	7	\$956	7% ⁵
SDG&E	103	18	18	\$573	86%
SoCalGas	182	90	0	n/a	n/a

⁴ All energy utilities except West Coast Natural Gas and Alpine Natural Gas.

⁵ While SCE has reported 7%, their interpretation of this data point may require clarification. This data point should calculate, for only the 7 successful SCE ERAP sample applicants, the relief received divided by the debt owed. SCE’s reported 7 percent implies that the successful SCE ERAP sample applicants each had, on average, over \$10,000 in electric bill debt, of which ERAP only covered 7 percent.

Southwest Gas	110	43	0	n/a	n/a
PacifiCorp	31	1	0	n/a	n/a
Liberty/Calpeco	Liberty/Calpeco failed to comply with the Commission's directive to report				
Bear Valley Electric	32	6	0	n/a	n/a

2.4. Homeowner Assistance Fund, for Assistance With Housing Costs Including Utility Bills

A new federal program relief program was also created for homeowners, the Homeowner Assistance Fund. California was allocated \$1.055 billion through the American Rescue Plan Act for the Homeowner Assistance Fund to assist homeowners with housing as well as utility debt. States must notify the US Treasury or submit plans for their Homeowner Assistance Fund by July 31, 2021.

3. Issues

As stated in D.21-06-036, we revisit scoped issues five and six in light of the developing relief programs identified in Section 2 above, combined with the payment plans ordered in D.21-06-036. D.20-06-036 temporarily addressed scoped item seven, determining the allocation of payments between energy utilities and Community Choice Aggregators (CCAs) only until the end of the disconnection suspension on September 30, 2021.⁶ We also revisit this issue in order to make a permanent determination. Finally, as the parameters of state and federally funded utility bill arrearage relief are being established, we add new questions relating to how to leverage inter-agency relationships and support the distribution of relief.

⁶ D.20-06-036, Ordering Paragraph 10.

Therefore, the issues to be determined in Phase II of R.21-02-014 are:

- a. How best to leverage the available relief funding;
- b. Whether supplemental relief for Small Business customers is needed, and if so, through which type of relief mechanism;
- c. Permanent determination of the allocations of partial payments on COVID-19 related arrearages to;
- d. Implementation issues, if any, relating to the new legislation affecting COVID-19 arrearage relief, including but not limited to the Budget Act, the Trailer Bill and AB 832 enacted since D.21-06-036 was issued in June; and
- e. If any, what outstanding barriers, gaps, improvements in documentation and partnerships remain with CBOs in order to make sure that the hardest-to-reach customers navigate important relief programs.

4. Need for Evidentiary Hearing

At this time, there are no material facts anticipated to be in dispute. Thus, no hearings are required. However, we remain open to changing that designation should disputes over material facts arise.

5. Schedule

In the schedule below, we outline the main procedural activities we anticipate and the months in which they will occur. The schedule prioritizes statewide coordination around COVID-19 relief. The initial status conference for Phase II will be held jointly with R.17-06-024 to enhance coordination among entities and industries administering relief for energy and water utility customers. The assigned Commissioner or assigned Administrative Law Judge (ALJ) may modify this schedule based on party comments and forthcoming implementation details and activities associated with COVID-19 relief. Additionally, party comments on the scoped issues may inform staff proposals on certain issues.

Exact dates and other relevant details, such as workshop agendas or staff analyses, will issue in forthcoming rulings. If we schedule workshops in this phase of the proceeding, notice of such workshops will be posted on the Commission’s Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily calendar regularly for such notices.

Event	Date
Joint Status Conference with R.17-06-024	August 16, 2021 at 9am
Joint Energy Utility Tier 2 Advice Letter filing proposing template by which to identify CBO networks, relationships and financial structures	August 24, 2021
Briefs on Scoped Issue 7, allocation of payments on arrearages of CCA customers	August 30, 2021
Comments on Ruling Setting Joint Status Conference and Ordering Comments	September 13, 2021
<i>If necessary</i> Joint Workshop with state agencies administering COVID-19 relief for utility bills	September 2021
Proposed Decision on Scoped Issue 7	October 2021
Ruling issued with post-workshop questions or staff workshop report	November 2021
Comments due on Ruling	December 2021
Status Conference	December 2021
Opening briefs	January 2021
Reply briefs <i>[matter submitted]</i>	January 2021

The proceeding will stand submitted upon the filing of reply briefs unless the ALJ requires further evidence or argument. Based on this schedule, the

proceeding will be resolved within 18 months as required by Public Utilities Code Section 1701.5.

5.1. Data Availability and Access to Documents in Related Proceedings

To expedite this proceeding, we maintain relevant data and updates in a central location. The Commission's webpage devoted to this proceeding will continue to serve this function. Interested parties should note the new proceeding webpage address:

<https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/energy-utility-arrearages>

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's existing determination⁷ that this is a ratesetting proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by September 15, 2021, 30 days after the status conference.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

⁷ Assigned Commissioner's Scoping Memo and Ruling dated March 15, 2021.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at

process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

12. Assignment of Proceeding

Martha Guzman-Aceves is the assigned Commissioner and Camille Watts-Zagha is the assigned ALJ and presiding officer for Phase II of the proceeding.

IT IS RULED that:

1. The scope of this proceeding is amended to include the additional Phase II issues described above in Section 3 of this ruling.
2. The schedule for Phase II of this proceeding is set forth above in Section 5 and is adopted.
3. Evidentiary hearings are not necessary at this time.

4. The joint status conference is set for August 16, 2021 at 9 a.m.
5. The presiding officer is Administrative Law Judge Camille Watts-Zagha.
6. The category of the proceeding is ratesetting.
7. The issues scoped in the March 15, 2021 Assigned Commissioner's Scoping Memo and Ruling remain in effect with the addition of the Phase II issues set forth in this ruling and the extension of schedule as set forth in this ruling.
8. The Process Office shall serve this Ruling Amending Scope on the service lists of Rulemaking (R.) 17-06-024 and R.21-02-014.

This order is effective today.

Dated July 29, 2021, at San Francisco, California.

/s/ CAMILLE WATTS-ZAGHA

Camille Watts-Zagha
Administrative Law Judge

/s/MARTHA GUZMAN-ACEVES

Martha Guzman-Aceves
Assigned Commissioner