

BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to
Consider New Approaches to
Disconnections and Reconnections to
Improve Energy Access and Contain
Costs

Rulemaking 18-07-005
(Filed July 20, 2018)

**COMMENTS OF CENTER FOR ACCESSIBLE TECHNOLOGY AND NATIONAL
CONSUMER LAW CENTER ON THE SEPTEMBER 2, 2021 PROPOSED DECISION
AUTHORIZING PERCENTAGE OF INCOME PAYMENT PLAN PILOT PROGRAMS**

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I. INTRODUCTION

Pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure, the Center for Accessible Technology (“CforAT”) and the National Consumer Law Center (“NCLC”) jointly submit these Comments on the Proposed Decision (“PD”) issued September 2, 2021, requiring Pacific Gas and Electric Company (“PG&E”), San Diego Gas & Electric Company (“SDG&E”), Southern California Edison Company (“SCE”), and Southern California Gas Company (“SoCalGas”) to implement Percentage of Income Payment Plan (“PIPP”) pilot programs to reduce residential disconnections of electric and gas service.¹

NCLC and CforAT applaud a number of the conclusions in the PD detailing critical components of the proposed PIPP pilot program. In particular, NCLC/CforAT support the streamlined enrollment process that promises to encourage maximum participation in the PIPP pilot by leveraging the existing CARE income verification and reverification process, thereby reducing administrative costs and reducing enrollment complexity.² We support the PD’s determination that it will decline to set a usage limit or benefit cap on PIPP enrollees, thereby ensuring needed maximum benefit distribution, as well as the PD’s conclusions on best practices for customer outreach and evaluation.³ We support the ability of PIPP participants to concurrently enroll in AMP.⁴ We also support having an independent evaluator assess the pilots based on the first 18 months of pilot data and include recommendations for modification of the pilots or movement towards a permanent program.⁵

¹ A PIPP is a program that sets a participant’s utility bill payment amounts at an affordable percentage of the participant’s monthly income.

² PD at p. 44.

³ PD at p. 51.

⁴ PD at p. 54.

⁵ PD at pp. 26-27.

Certain other provisions of the PD, however, if implemented, would either inexplicably exclude certain customers or fail to follow the best rate-setting practices established in PIPP programs in other parts of the country. The PD's endorsement of a PIPP benefit calculation that provides a variable credit each month rather than a predictable, fixed billed amount calculated at the time of enrollment is more complex to administer. The PD's conclusion that certain customers who do not have a Smart Meter, or are enrolled in other pilots or billed through PG&E's Advanced Billing System should be excluded from the PIPP pilot would potentially exclude presumably thousands of Californians in need. The PD should be modified to reject these conclusions in any Final Decision.

II. DISCUSSION

A. The PD's proposed adoption of PG&E's recommended customer exclusions from PIPP pilot participation should be rejected.

The PD would adopt PG&E's recommendation to exclude customers that (i) do not have a Smart Meter, (ii) are currently billed through PG&E's Advanced Billing System, or (iii) are enrolled in any other pilot.⁶ In adopting these recommendations, the PD endorses PG&E's position that including these categories of customers would have a significant impact on the costs and timing of implementation, and would not have much impact on participation.⁷ This conclusion should be rejected in the final decision.

In fact, PG&E did not provide justification for these exclusions other than a vague claim that it would reduce administrative costs – an argument the PD accepts at face value, noting that “our goals for the pilot include managing program costs” and that “these exclusions are reasonable to reduce administrative costs without significant impact on pilot participation.”⁸

⁶ PD at pp. 25-26.

⁷ PD at p. 26.

⁸ PD at p. 26.

PG&E neither explained how many customers might be impacted by these exclusions nor specifically quantified the amount of administrative costs that would be saved by requiring these exclusions.⁹

Customers who do not have a Smart Meter, those who are billed through PG&E’s “advanced billing system,” and/or those who are enrolled in any other pilot may, in fact, fit the PIPP eligibility criteria adopted in the PD and benefit from the reduced energy burden that enrollment in a pilot PIPP would bring. These customers should not be excluded based on factors that are, for the most part, random and completely out of their control. Accordingly, the conclusion that adopts these exclusions should be rejected.

B. The PD should be revised to set a fixed, designated bill – not a monthly bill credit.

The PD adopts SoCalGas’s proposal to implement the PIPP bill cap as a line-item credit on customer bills, arguing that it will simplify administration while protecting participants from higher bills.¹⁰ Under this approach, rather than calculating a PIPP amount at the time of enrollment based on the customer’s monthly income and the associated benefit cap (established at 4% in the PD, in contrast to a two-tier proposal of 4% and 2.5% in the prior straw proposal), the PD proposes to calculate the PIPP credit each month as the lower of (a) the difference between the bill cap and the actual (volumetric) bill, or (b) zero if the actual volumetric bill is lower than the bill cap.¹¹

This conclusion should be rejected. Instead, NCLC/CforAT continue to endorse our proposal set out in comments on the 2021 Straw Proposal Ruling, which recommended that the

⁹ PG&E’s Opening Comments on the Percentage of Income Payment Straw Proposal, filed on July 9, 2021, at p. 19.

¹⁰ PD at p. 44.

¹¹ PD at pp. 37-41.

PIPP Pilots should be structured so that pilot participants will be charged a set monthly amount based on a calculation made at the time of enrollment, with a comparison run at that time to evaluate whether the customer would benefit from the PIPP in comparison to their CARE and/or Medical Baseline bill.¹²

We are concerned that the monthly bill comparison that includes a “reference income” proposed by SoCalGas and adopted in the PD is more like a tiered discount rate than a true PIPP, which sets a new, lower monthly rate based on the customer’s income and prior energy usage at enrollment. As such, the methodology for setting the new discounted rate will not benefit those customers with extremely low income to the extent that a true PIPP does – those households between 0% and 50% of FPL in the first PIPP tier. Similarly, those customers in the second PIPP tier whose incomes fall between 100% and 150% FPL will not benefit as much as they would under the NCLC/CforAT preferred model, which assigns a new monthly rate based on a customer’s true income, given the 150% “reference income.” In addition, the “monthly credit” proposal takes away a significant advantage of PIPP rate structures: predictability and simplicity in rates for the customer. NCLC/CforAT understand that this is something that PIPP participants in other states value highly. For these reasons, the Commission should reject the SoCalGas approach and adopt a program that sets a fixed monthly bill for PIPP participants, calculated at the time of enrollment as the lower of the PIPP bill cap or the CARE and/or Medical Baseline.

¹² See CforAT and NCLC’s Opening Comments on the Percentage of Income Payment Straw Proposal, filed on July 9, 2021, at p. 4 (“The PIPP bill for the calculation would be based on annual income, and derived as a levelized monthly bill using the two PIPP tiers in Table 1 of the Straw Proposal (2.5% of average monthly income if household income is between 0% to 100% of FPL; 4% of average monthly income if household income is between 101% - 200% of FPL”).

III. CONCLUSION

For all of the reasons discussed above and in our initial Comments and Reply Comments on the Straw Proposal, CforAT/NCLC urge the Commission to authorize PIPP pilots and Final Decision consistent with the recommendations made therein.

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Respectfully submitted,

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