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09/22/21
04:59 PM

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs.	Rulemaking 18-07-005 (Filed July 12, 2018)

COMMENTS OF
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
ON THE PROPOSED DECISION AUTHORIZING PERCENTAGE OF INCOME PAYMENT PLAN PILOT PROGRAMS

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September 22, 2021

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- If the Proposed Decision's eligibility criteria are retained, clarify the time period and number of eligible "recurring disconnections;"

- Specify that the line-item bill credit should be applied to the entire bill by the IOU proportionally to the IOU and CCA charges;

- Revise the IOU and CCA reporting frequency to eight months after the pilot launch and every 12 months thereafter, to allow for more robust data to inform the reports; and

- Require the PIPP working group and evaluator to study and report on mechanisms to include low-income master-metered customers in the PIPP.

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The California Community Choice Association (CalCCA)[1] submit these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure on the proposed *Decision Authorizing Percentage of Income Payment Plan Pilot Programs* (Proposed Decision), issued on September 2, 2021.

I. INTRODUCTION

CalCCA represents the interests of operating community choice aggregators (CCAs) and additional affiliated cities and counties interested in exploring the opportunities of community choice energy. CalCCA's members strongly support this proceeding's aim to reduce the number of households at risk of disconnection for nonpayment of utility bills.[2] The Commission's

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1 California Community Choice Association represents the interests of 22 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, City of San José, Administrator of San José Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

2 While disconnections of electric utility service were suspended by the Commission due to the COVID-19 pandemic, and many customers with past due bills may receive arrearage relief through the California Arrearage Payment Program (CAPP) or through payment plans such as the Arrearage

recognition of "the relationship between energy burdens and disconnections" is crucial given the financial burdens inflicted by the COVID pandemic and the fact that disconnections of energy customers were already rising prior to the pandemic.[3] CalCCA supports the Commission's implementation of the Percentage of Income Payment Plan (PIPP) pilot program to test whether such a program can: (1) reduce the number of low-income households at risk of disconnection; (2) encourage participation in energy saving and energy management programs; (3) increase access to essential levels of energy service; and (4) control program costs.[4]

CalCCA supports many aspects of the Proposed Decision and appreciates the Commission's acknowledgment of the benefits of including in the 48-month pilot both investor-owned utilities (IOUs) <u>and</u> CCAs that choose to participate. Not only will qualifying CCA customers be able to obtain the benefits from the PIPP pilot, but the evaluation of the pilot will be considerably more accurate with data from both IOUs and CCAs. In addition, the recovery of electric costs of IOUs and participating CCAs through the Public Purpose Programs Charge (PPPC) is appropriate for this public benefit program.

Management Plan (AMP) program or a COVID Relief Payment Plan, customers unable to qualify (or stay qualified) for these programs could still be subject to disconnection for nonpayment at a future date when the moratorium is lifted. *See Phase I Decision Adopting Rules and Policy Changes to Reduce Residential Customer Disconnections for the Larger California-Jurisdictional Energy Utilities,* Decision (D.) 20-06-003 (June 11, 2020) (establishing the AMP); *see also Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans,* D.21-06-036 (June 24, 2021) (establishing COVID-19 Relief Payment Plans for residential and small business customers and extending the disconnection moratorium to September 30, 2021); *see also* Cal. Govt. Code §16429.5 (establishing the CAPP, and including a provision stating that utility customer service cannot be discontinued for customers with arrearages accrued during the COVID-19 pandemic while the California Department of Community Services and Development (CSD) reviews and approves utility applications for customer arrearage relief).

[3] Proposed Decision at 3 ("SB 598 [2017] acknowledged rising disconnections of gas and electric utility customers and the public health impacts of disconnections, especially among vulnerable populations").

[4] *Id*. at 2, 12; Conclusion of Law (CoL) 2, at 76.

As set forth below, to ensure the successful implementation and inclusion of CCA customers in the PIPP pilot, CalCCA recommends the following revisions to the Proposed Decision:

- Revise the customer eligibility criteria to include current arrearage/late payment information, rather than recurring disconnections prior to the COVID-19 pandemic, to better reflect changed circumstances as a result of the pandemic;
- If the Proposed Decision's eligibility criteria are retained, clarify the time period and number of eligible "recurring disconnections;"
- Specify that the line-item bill credit should be applied to the entire bill by the IOU proportionally to the IOU and CCA charges;
- Revise the IOU and CCA reporting frequency to eight months after the pilot launch and every 12 months thereafter, to allow for more robust data to inform the reports; and
- Require the PIPP working group and evaluator to study and report on mechanisms to include low-income master-metered customers in the PIPP.

II. THE COMMISSION SHOULD REVISE PIPP PILOT ELIGIBILITY CRITERIA TO REFLECT COVID PANDEMIC CUSTOMER DATA

The Proposed Decision orders that the PIPP pilot will include the following customer eligibility criteria: a customer must either (i) be located in one of the zip codes with the highest rates of recurring disconnections prior to the disconnections moratorium, <u>or</u> (ii) have been disconnected two or more times during the 12 months prior to the disconnections moratorium.[5] CalCCA appreciates the Commission's revision of the Straw Proposal in the Proposed Decision to allow CCAs to designate alternative eligible zip codes from the IOUs. This revision ensures that all CCAs have the ability to participate, given that an IOU's proposed zip codes may be outside of a CCA's territory. As described below, however, CalCCA recommends that the customer eligibility criteria be revised to: (1) include zip codes and customers with high arrearage/late payment statistics instead of high disconnections prior to the pandemic to better

[5] Proposed Decision at 24-25; CoL 7, at 77; Attachment A, §3.a., at 1.

reflect current COVID pandemic economic realities; or (2) in the alternative, clarify the term "recurring disconnections" to ensure standardized application of the criteria.

A. The Customer Eligibility Criteria Should Be Revised to Include Current High Arrearage/Late Payment Information Rather Than Recurring Disconnections Prior to the COVID-19 Pandemic

The Phase 1 Decision in this proceeding, which created the additional rate setting phase to address the PIPP, was issued on June 11, 2020, at a time when the COVID-19 pandemic had only recently begun and the extent of the economic impacts on utility customers was still unknown.[6] The Commission approved Resolution M-4842 on April 16, 2020, suspending disconnections by utilities, which was subsequently extended until June 30, 2021 in Resolution M-4849, and until September 30, 2021 in D.21-06-036. The development of ideas for the PIPP pilot occurred during this time, during which the ALJ requested comments on several sets of questions issued between November 2020 and June 2021. Now, nearly 17 months after the disconnection moratorium was ordered, the Proposed Decision has been issued but still relies on pre-pandemic customer eligibility criteria to determine PIPP pilot participation. The economic landscape of customers has changed dramatically during this time, and the repercussions of the financial challenges caused by the pandemic will be felt for years to come.

CalCCA recommends a revision to the customer eligibility criteria for the PIPP pilot to more accurately identify customers who would most benefit from PIPP enrollment. Rather than disconnections data prior to the pandemic, eligibility should be based on zip codes with the highest rates of, or specific customers with, high arrearages/late payments during the past 12

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6 *Phase I Decision Adopting Rules and Policy Changes to Reduce Residential Customer Disconnections for the Larger California-Jurisdictional Energy Utilities,* D.20-06-003 (June 16, 2020).

months.[7] Even when the disconnections moratorium is lifted, high customer arrearages/recurring late payments will continue to reflect customers struggling to retain their utility/CCA service and who are therefore likely in imminent danger of being disconnected by the IOU.

B. If the Commission Retains the Proposed Decision's Current Eligibility Criteria, it Should Clarify the Definition of "Recurring Disconnections"

If, however, the Commission decides to retain the disconnections pilot eligibility, CalCCA requests that it clarify the definition of "recurring disconnections prior to the disconnections moratorium" to ensure standardized application of the criteria. Specifically, the Commission should clarify the time period to measure "recurring disconnections" and how many disconnections during that time period a customer must have to be "recurring."

III. THE LINE-ITEM BILL CREDIT SHOULD BE APPLIED BY THE IOU TO THE ENTIRE BILL

The Proposed Decision requires the IOUs to "provide sufficient data to each participating CCA in weekly reports to facilitate CCA billing of pilot participants"[8] and specifies that "the PIPP bill caps should be implemented as a line-item bill credit."[9] CalCCA appreciates the Commission requiring the IOUs to provide the weekly reports and the proposal to implement the PIPP bill cap as a line-item bill credit. Implementing the bill cap as a bill credit will simplify the implementation of the PIPP. However, the Commission should further specify that the IOU will calculate the bill credit and apply it to the total bill in proportion to the IOU and CCA charges. The monthly bill cap should be allocated in proportion to the split between non-CCA charges and CCA charges because the PIPP bill cap is a cap on a customer's entire bill, not just one portion of it. For example, if a

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[7] For example, eligible PIPP customers could be defined as a customer with an arrearage more than 120 days past due, with the arrearage exceeding the product of four times the average IOU/CCA monthly charge.

[8] *Id*. at 30; CoL 11.b, at 78.

[9] *Id.*, CoL 17, at 81.

customer's bill without the bill cap was $100, $70 for non-CCA charges (e.g., transmission and distribution) and $30 for CCA charges, then the monthly line-item bill credit should be split proportionally to the charges in the bill before the credit is applied (a 70 percent/30 percent split). Furthermore, if the Commission does not specify that the IOU is to calculate and apply the bill credit to the total bill, CCAs will need information about an unbundled customer's complete bill and income level to calculate the portion of the PIPP bill credit that should be applied to CCA charges. A CCA currently has no visibility into the transmission and distribution billing determinants or applicable tariffs. Thus, they cannot calculate an unbundled customer's applicable bill credit.

Additionally, the Commission should require that data to be provided to CCAs should be in the same form as the AMP weekly reports. The specific minimum information in the weekly reports, should include the following:

- enrollment status;
- account identifiers (service agreement, account numbers);
- enrollment start date;
- last bill and payment dates;
- amount to be recovered by the CCA (i.e., the monthly usage times otherwise applicable rate minus the monthly bill cap); and
- the count of missed payments.

IV. THE COMMISSION SHOULD REVISE THE FREQUENCY OF REPORTING REQUIREMENTS TO EIGHT MONTHS AFTER THE START OF THE PILOT AND EVERY TWELVE MONTHS THEREAFTER TO OBTAIN A MORE COMPLETE AND ACCURATE DATA SET

The Proposed Decision requires "[e]ach utility and participating CCA [to] file and serve a report with evaluation metrics covering the previous 6 months of pilot data within 7 months after the launch of the pilot and every 6 months thereafter."[10] CalCCA agrees that filing a report soon

10 Proposed Decision at 36; Ordering Paragraph 5 at 86.

after the launch of the pilot is appropriate, given that the IOUs are required to enroll its target number of participants during the first six months of the pilot. However, CalCCA is concerned that one month between the close of the reporting period and when the report is due will not allow enough time for compiling the report data because of variations in billing windows and possible data transfer lags to CCAs. For example, if the pilot starts on January 1, and each utility and CCA is to report on data through June 30, by July 30 CCAs would likely barely be receiving billing data for some of the participants on the later end of the meter read schedule. CalCCA therefore requests that the first report be due eight months after the launch of the pilot, rather than seven months.

Additionally, CalCCA requests that instead of requiring reports every six months thereafter, that the Commission require reports every 12 months thereafter. Reducing the number of reports will not only allow for more meaningful reports with the benefit of 12 full months of data but will also reduce administrative costs for the IOUs and CCAs.

V. THE WORKING GROUP SHOULD STUDY, AND THE EVALUATOR SHOULD REPORT ON, HOW TO INCLUDE MASTER-METERED CUSTOMERS IN THE PIPP

The PIPP working group will evaluate the pilot and provide input on long-term planning design.[11] The evaluator will also review the data provided by the working group and the PIPP pilot participants to provide an evaluation report.[12] Along with the many issues listed in the Proposed Decision, CalCCA requests that both the working group and evaluator consider how to include tenants of master-metered buildings in the PIPP.[13] Section 8 housing benefit recipients,

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11 *Id*. at 65; CoL 29, at 83.

12 *Id*. at 68-70; CoL 30, at 84-85.

13 The Proposed Decision excludes master-metered operators and their sub-metered tenants from the PIPP pilot, due to the IOUs only being able to provide a PIPP to individuals who are directly billed by the utility. Proposed Decision at 25.

who are low-income and potential PIPP eligible customers, are often in master-metered buildings. Excluding these customers from eligibility is not consistent with the goals of the PIPP program, and mechanisms to allow their participation should be studied and reported on.

VI. CONCLUSION

CalCCA appreciates the opportunity to submit these comments and requests adoption of the recommendations proposed herein. For all the foregoing reasons, the Commission should modify the Proposed Decision as provided in Exhibit A.

Respectfully submitted,

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CALIFORNIA COMMUNITY CHOICE ASSOCIATION

September 22, 2021

EXHIBIT A

Proposed Changes to Findings of Fact, Conclusions of Law and Ordering Paragraphs

FINDINGS OF FACT

13. The following eligibility criteria may be good indicators that a customer is likely to be at risk of recurring disconnections: (1) residing in one of the zip codes with the highest rate of ~~recurring disconnections~~ customers with high arrearages/late payments during the past 12 months in a utility's or participating CCA's service territory, or (b) having ~~experienced two or more disconnections~~ high arrearages/late payments during the last 12 months~~ prior to the disconnections moratorium~~. High arrearages/late payments include those arrearages that are more than 120 days past due, with the arrearage exceeding the product of four times the average IOU/CCA monthly charge.

CONCLUSIONS OF LAW

7. It is reasonable to limit PIPP pilot eligibility to customers who either (i) are located in one of the zip codes with the highest rates of ~~recurring disconnections prior to the disconnections moratorium~~ customers with high arrearages/late payments during the past 12 months, or (ii) have ~~been disconnected 2 or more times during the~~ high arrearages/late payments during the last 12 months~~prior to the disconnections moratorium~~. High arrearages/late payments include those arrearages that are more than 120 days past due, with the arrearage exceeding the product of four times the average IOU/CCA monthly charge.

11.

b. If a CCA in its service territory opts to participate, the utility will administer pilot enrollment, income verification, and billing, including the application of the bill credit to the total bill in proportion to the IOU and CCA charges. The utility will provide sufficient data to each participating CCA in weekly reports to communicate customer enrollment status ~~facilitate CCA billing of pilot participants~~.

c. CCAs who opt to participate in a utility's PIPP pilot must (i) notify the utility (with a copy to the service list of this proceeding) within 30 days of the effective date of this decision, (ii) participate in the PIPP working group, and (iii) jointly file with the applicable utility a Tier 3 advice letter within 120 days of the final decision to propose a target enrollment level, eligible ~~high disconnection~~zip codes, a marketing, education and outreach plan, and a proposed budget.

e. CCAs may propose eligible ~~high recurring disconnection rate~~ zip codes within the CCA's service territory regardless of whether the utility proposes the same ~~high disconnection rate~~zip codes.

13.

f. Each utility and participating CCA will file and serve a report with evaluation metrics covering the previous 6 months of pilot data within ~~7~~8 months after the launch of the pilot and every ~~6~~ 12 months thereafter. If there is any significant shortfall in enrollments below target enrollment levels, the utility or CCA will explain the shortfall and the plan to remedy the shortfall.

17. The PIPP bill caps should be implemented as a line-item bill credit, and the bill credits should be either (a) the difference between the bill cap and the actual bill, or (b) zero if the actual bill is lower than the bill cap. With respect to CCA charges, the IOU will calculate the bill credit and apply it to the total bill in proportion to the IOU and CCA charges.

26.

a. Contract with community-based organizations that serve eligible ~~high disconnection rate~~zip codes and currently conduct outreach for ESAP and/or LIHEAP to conduct outreach, intake and enrollment for the pilots (and, if they currently conduct income verification for ESAP, to also conduct income verification at enrollment for the pilots);

h. Offer all eligible customers the opportunity to enroll in the pilot program, including by an informational communication that directs customers to the designated community-based organization to receive more information. The communication should be available in languages appropriate for eligible ~~high disconnection rate~~zip codes, as identified by the utility or participating CCA, the contractor community-based organizations, or the PIPP working group.

28.

a. Utilities and participating CCAs may recover electric costs through the Public Purpose Programs Charge, without setting a precedent for potential program expansion.

29.

a. The PIPP working group will advise on CCA implementation, identification of eligible ~~high recurring disconnection rate~~zip codes, outreach, pilot implementation, the evaluation plan, and the long-term program design, including funding sources for the program. The PIPP working group will also study whether the long-term program design can incorporate tenants of master-metered buildings in the PIPP.

30.

o. Is it possible to include tenants of master-metered buildings in the PIPP?

p. If so, how should the PIPP be modified to include tenants of master-metered buildings.

ORDERING PARAGRAPHS

5. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and each participating Community Choice Aggregator shall file and serve to the service list of this proceeding a report with evaluation metrics covering the previous six months of pilot data within eight ~~seven~~ months after the launch of the pilot and every twelve ~~six~~ months thereafter. If there is any significant shortfall in enrollments below target enrollment levels, the utility or Community Choice Aggregator shall explain the shortfall and the plan to remedy the shortfall.

9. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall each recover electric pilot costs through the Public Purpose Programs Charge and shall recover gas pilot costs from all gas customers in transportation rates on an equal-cents-per-therm basis. If a Community Choice Aggregator in a utility's service territory opts to participate in the PIPP, the utility shall propose a Community Choice Aggregator cost recovery proposal consistent with the Arrearage Management Plan Resolution E-5114 in its PIPP Advice Letter.