

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

09/22/21  
04:59 PM

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 SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)  
TO THE PROPOSED DECISION AUTHORIZING PERCENTAGE OF INCOME  
PAYMENT PLAN PILOT PROGRAMS**

Rebecca Hansson

*Attorney for:*

SAN DIEGO GAS & ELECTRIC COMPANY  
8330 Century Park Court, CP32D  
San Diego, CA 92123  
Telephone: (858) 654-8278  
Email: RHansson@sdge.com

September 22, 2021

## SUBJECT INDEX

SDG&E seeks the following modifications to the PD:

- (1) Modification of the bill cap from 4% to 6% of a customer's gross monthly income;
- (2) Modification to require that all PIPP Pilot participants be income verified prior to enrollment;
- (3) Clarification that prior CARE income verification is sufficient if such verification is within the last two years;
- (4) Clarification that CARE categorical eligibility is inapplicable to the PIPP Pilot;
- (5) Clarification Regarding Alignment of PIPP and CARE certifications;
- (6) Modification to require commencement of ME&O within 45 days of approval of its pilot implementation advice letter, but no sooner than July 1;
- (7) Clarification on allocation of Pilot participants between CCAs and utilities; and
- (8) Modification to allow, but not require, contracts with CBOs for purposes of marketing the Pilot.

**TABLE OF CONTENTS**

I. INTRODUCTION ..... 1

II. DISCUSSION..... 2

    A. The PIPP Pilot Bill Cap Should Be No Lower Than 6%..... 2

    B. All Pilot Participants Should Be Income Verified Prior To Enrollment ..... 3

    C. Clarification Regarding Prior CARE Income Verification..... 4

    D. Clarification That CARE Categorical Eligibility Is Inapplicable to the PIPP Pilot..... 5

    E. Clarification Regarding the Alignment of PIPP and CARE Recertifications..... 5

    F. Commencement of the PIPP Program, Including ME&O, Should Be No Sooner Than July 2022. .... 6

    G. The Proportional Share of CCA PIPP Pilot Participants Should Be Agreed Upon As Between the CCA and Utility ..... 7

    H. The Proposed Decision Should Allow, But Not Require, Contracts with CBOs for Purposes Specific to the PIPP Pilot ..... 8

III. CONCLUSION..... 9

APPENDIX A: PROPOSED MODIFICATIONS TO FINDING OF FACT AND CONCLUSIONS OF LAW

**TABLE OF AUTHORITIES**

CALIFORNIA PUBLIC UTILITIES COMMISSION DECISIONS

D.12-08-044, Not Available on Lexis.....4, 5

CALIFORNIA PUBLIC UTILITIES COMMISSION RESOLUTIONS

Commission Resolution E-3524 .....6

OTHER AUTHORITIES

Commission Rules of Practice and Procedure, Rule 14.3 .....1

**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 SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)  
TO THE PROPOSED DECISION AUTHORIZING PERCENTAGE OF INCOME  
PAYMENT PLAN PILOT PROGRAMS**

**I. INTRODUCTION**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), San Diego Gas & Electric Company (SDG&E) respectfully submits its Comments to the Proposed Decision Authorizing Percentage of Income Payment Plan Pilot Programs (PD) issued on September 2, 2021.

SDG&E supports the concept of the Percentage of Income Payment Plan (PIPP) pilot (PIPP Pilot or Pilot) and appreciates the Commission incorporating important comments from stakeholders in the Pilot design as illustrated in Attachment A of the PD. SDG&E, however, seeks the following modifications to the PD:

- (1) Modification of the bill cap from 4% to 6% of a customer's gross monthly income;
- (2) Modification to require that all PIPP Pilot participants be income verified prior to enrollment;
- (3) Clarification that prior CARE income verification is sufficient if such verification is within the last two years;
- (4) Clarification that CARE categorical eligibility is inapplicable to the PIPP Pilot;
- (5) Clarification Regarding Alignment of PIPP and CARE certifications;
- (6) Modification to require commencement of ME&O within 45 days of approval of its pilot implementation advice letter, but no sooner than July 1;

- (7) Clarification on allocation of Pilot participants between CCAs and utilities; and
- (8) Modification to allow, but not require, contracts with CBOs for purposes of marketing the Pilot.

## II. DISCUSSION

### A. The PIPP Pilot Bill Cap Should Be No Lower Than 6%

Throughout this proceeding, SDG&E has provided ample support for a bill cap ranging from 6-10% of a customer's gross monthly income. This proposal aligns with various out-of-state PIPP programs referred to in this proceeding, with gross income requirements for previously established Commission programs like CARE and ESA, and other reliable reports and articles that cite to numbers in the 6-10% ranges in similar policy discussions.<sup>1</sup> Notably, none of this support is included nor referenced in the PD. Instead, the PD points to PG&E's proposal of 4% and comments from TURN "asserting that many factors support a different bill cap in California, including far higher housing costs."<sup>2</sup> PG&E provides information on amounts that may be saved by customers over their CARE discount pursuant to different bill caps, but it's unclear why savings under a cap of 4% would better promote the goals of a PIPP than savings under any other percentage.<sup>3</sup> Further, TURN's assertion fails to reconcile that New York, which also has similarly high housing costs, established a 6% energy burden for low-income households, as noted by SDG&E in comments on the Straw Proposal.<sup>4</sup> A bill cap of 6% for

---

<sup>1</sup> See Reply Comments of Southern California Gas Company and SDG&E to Administrative Law Judge's Ruling Requesting Replies to Seven Questions Regarding the Percentage of Income Payment Plan (filed January 22, 2021) (SCG and SDG&E's January 22 Comments) at 2-3 (citing to bill caps of 6% for both Ohio and Illinois PIPP programs, an Energy Efficient for All Report citing to research suggesting 6% of gross annual income is affordable for home energy bills, and a 2018 Manuel Teodoro article on household utility affordability.)

<sup>2</sup> PD at 39.

<sup>3</sup> PG&E Opening Comments on the Percentage of Income Payment Straw Proposal (filed July 9, 2021) at 7.

<sup>4</sup> See Comments of San Diego Gas & Electric Company (U 902 M) to the PIPP Pilot Straw Proposal (filed July 9, 2021) (SDG&E July 9 Comments) at 3.

purposes of the Pilot is supported by the record and best balances the need to test the Pilot's goals while also controlling program costs. The evaluation report is the appropriate place for analysis of whether a lower bill cap is appropriate.

In addition, the PD raises the 5% energy burden guideline for assessing reasonableness of residential rate reforms and states that PG&E's proposal of 4% is consistent with this guideline because it is within a percentage point of the guideline, while SDG&E's proposal of 6-10% cap is inconsistent.<sup>5</sup> The lower end of SDG&E's range (a 6% cap) is also within 1% of the 5% energy burden guideline and therefore should also be considered consistent with the guideline. Accordingly, SDG&E proposes the PD be modified to include a standardized bill cap at 6% of a customer's income.

**B. All Pilot Participants Should Be Income Verified Prior To Enrollment**

The PD requires that all PIPP Pilot applicants in the 0-100% Federal Poverty Guideline (FPG) benefit tier be income verified upon enrollment, but establishes the CARE post-enrollment verification process for the 101-200% FPG.<sup>6</sup> For purposes of the Pilot, SDG&E believes the CARE post-enrollment process to be insufficient. SDG&E is concerned with the quality of the information obtained from the PIPP Pilot, and the CARE Program heavily relies on self-certification (honor system) for program enrollment and recertification wherein a customer states they meet program qualifications with no requirement to provide income documentation. Thus, the only time a customer demonstrates proof of income is during the post-enrollment verification process or if a customer triggers high usage verification. For post-enrollment verification efforts, SDG&E verifies only 3-6% of CARE customers annually. While this 3-6% requirement may be appropriate for the CARE Program, the PIPP Pilot has limited enrollment,

---

<sup>5</sup> PD at 39-40.

<sup>6</sup> PD at 21.

and enrollment of participants that do not qualify as low-income for purposes of CARE will skew the Pilot results that are meant to produce information on a potential long-term PIPP Program.

Assuming the PIPP Pilot adopts the CARE self-certification process, approximately 30-60 PIPP Pilot participants, at most, will provide income documentation for verification. This assumes a 1,000-participant pool (SDG&E's target) in which every applicant is in this benefit tier. Thus, in reality, the number of participants in this tier that are income verified will almost certainly be a much smaller number of participants. SDG&E finds this insufficient for purposes of this Pilot. To ensure qualified participants, good Pilot data, and prudent ratepayer funding for this study, the Commission should establish rules requiring income verification for all PIPP Pilot participants. Due to the limited number of Pilot participants, SDG&E does not believe this will add significant administrative burdens.

### **C. Clarification Regarding Prior CARE Income Verification**

As stated above, SDG&E contends that for sufficient and appropriate data to be obtained from the PIPP Pilot, that all Pilot participants should be income verified prior to enrollment. To that end, the PD states that “participants will not be required to verify their income if they have previously verified their income for CARE.”<sup>7</sup> SDG&E proposes a slight modification to the PD to clarify that participants will not be required to verify their income if a CARE income verification has been completed within the last 2 years. Any prior care income verification—for example one that was completed 5 years ago—should not be sufficient income verification for participation in the Pilot. As previously explained, the CARE Program has limited income verification (3-6% of CARE customers annually and for customers who trigger high usage

---

<sup>7</sup> PD at 21.

thresholds)<sup>8</sup> and there is the potential that many CARE participants may not have provided income documentation for an extended period of time. While limited verification has been deemed appropriate for the CARE Program, SDG&E contends that the limited participation in the Pilot requires stricter verification requirements such that only truly eligible customers are participants in the Pilot.

**D. Clarification That CARE Categorical Eligibility Is Inapplicable to the PIPP Pilot**

The PD notes concerns by PG&E and SCE that they were “not aware of any state program that allows participation only if the application is in the 0-100% FPG tier,”<sup>9</sup> which is also known as categorical eligibility in the low income proceeding.<sup>10</sup> The PD later states that “PIPP pilot participants must comply with CARE income verification and reverification rules,”<sup>11</sup> but fails to clarify that CARE categorical eligibility for the 0-100% FPG tier does not apply. Therefore, SDG&E proposes that the PD be modified to clarify that categorical eligibility does not satisfy the income verification requirements for the 0-100% FPG tier.

Furthermore, since CARE income verification rules do not verify income for the 0-100% FPG level, the PD should clarify that this rule only applies to those customers requesting to participate at the 101-200% FPG PIPP tier.

**E. Clarification Regarding the Alignment of PIPP and CARE Recertifications**

The PD notes that “SDG&E raised concerns about PG&E’s recommendation to push all PIPP participant CARE anniversary dates out to align with a two-year PIPP recertification” but did not provide guidance on the appropriate solution.<sup>12</sup> In Reply Comments to the Straw

---

<sup>8</sup> See D.12-08-044 at 17.

<sup>9</sup> PD at 20.

<sup>10</sup> See D.12-08-044 at 15.

<sup>11</sup> PD at 21.

<sup>12</sup> PD at 20.

Proposal, SDG&E opposed PG&E's approach because extending out CARE recertification dates would result in violation of CARE Program rules.<sup>13</sup> Accordingly, SDG&E requests that the PD be modified to state that after initial enrollment in the PIPP Pilot, the PIPP recertification date should be the same as the CARE recertification date – even if it results in PIPP recertification sooner than expected. The requested modification will comply with CARE Program rules and align CARE and PIPP recertification, thus achieving the goal of reducing the administrative burden for the customer and the utility.

**F. Commencement of the PIPP Program, Including ME&O, Should Be No Sooner Than July 2022.**

SDG&E is concerned that specific timelines in the PD conflict with other utility obligations and activities in ways that may negatively affect the PIPP Pilot. In order to prevent any negative impacts, SDG&E has requested modification of the PD to require commencement of PIPP Pilot ME&O no sooner than July 2022.

For instance, under the current procedural timeline, the PIPP Pilot Implementation Plan Advice Letters are likely to be filed around February 2022 and approved around April 2022. Assuming this timeline, the new CARE income eligibility guidelines would not be available at the commencement of the Pilot, but would be updated soon thereafter, on June 1, 2022.<sup>14</sup> A potential change in eligibility so soon after the Pilot is launched has the potential to lead to customer confusion. The utilities would also be required to disseminate new income eligibility information to supporting CBOs or other partners and update ME&O materials in a short timeframe, potentially resulting in further confusion.

---

<sup>13</sup> Reply Comments of San Diego Gas & Electric Company to the PIPP Pilot Straw Proposal (filed July 16, 2021) at 4.

<sup>14</sup> Pursuant to Commission Resolution E-3524 (February 19, 1998), the CARE Annual Income Eligibility Advice Letter update (CARE Annual Eligibility Update) must be filed by May 1 of each year to modify the income requirements in the associated CARE tariffs, and effective June 1 of each year.

Another factor that may create customer confusion surrounding the implementation deadlines included in the PD is the CCA transition plans in SDG&E's service territory. SDG&E's service territory is in a unique situation, with approximately 47% of its residential customers transitioning to San Diego Community Power service between February and June of 2022.<sup>15</sup> The bulk of those customers (over 90%) will not transition until May. If the PIPP Pilot commences at any time before July 2022, there is a significant concern that the overlap between the transition and the start of the Pilot will cause customer confusion.

Accordingly, SDG&E requests that the PD be modified to require Pilot commencement no sooner than July 2022.

**G. The Proportional Share of CCA PIPP Pilot Participants Should Be Agreed Upon As Between the CCA and Utility**

The PD's timing also calls into question how best to calculate the proportional share of Pilot participants noted above. Customers could potentially be moving from bundled SDG&E service to CCA service at the same time that the PIPP pilot program enrollment is ramping up. With a total program cap of 1,000 between SDG&E and its two CCAs, it is not clear how to handle a scenario where SDG&E enrolls eligible customers as part of bundled service and then transfers a larger number of enrolled customers than allowed by the CCA's cap (it's proportional share) because of their subsequent transition to CCA service as part of the San Diego Community Power launch.

Accordingly, SDG&E requests that the Commission modify the PD to clarify how the allocation mechanism should work if utility customers transfer during the PIPP pilot enrollment period. SDG&E suggests that as long as a total of 1,000 customers are enrolled, the proportional

---

<sup>15</sup> San Diego Community Power's Phase 3 Customer Enrollment Schedule, as adopted by the SDCP Board of Directors on April 22, 2021 can be found at <https://sdcommunitypower.org/resources/meeting-notes/>.

share within the service territory should be a target and not a cap, and worked out in consultation with the CCA during the planning for the joint implementation plan.

**H. The Proposed Decision Should Allow, But Not Require, Contracts with CBOs for Purposes Specific to the PIPP Pilot**

SDG&E believes that the current requirement to “contract with community-based organizations that serve eligible high recurring disconnection rate zip codes and currently conduct outreach for ESAP and/or LIHEAP to conduct outreach, intake and enrollment for the pilots” is overly prescriptive and may not allow the utilities enough flexibility to leverage current existing, and successful, partner networks.<sup>16</sup> SDG&E has strong relationships with its Energy Solutions Partner Network, which consists of roughly 200 Community-based Organizations (CBOs), who educate and support their constituents in the education and enrollment of various SDG&E programs, including but not limited to, the Arrearage Management Plan (AMP), CARE Program, Family Electric Rate Assistance (FERA) Program, the Energy Savings Assistance (ESA) Program, and the Medical Baseline Program. SDG&E has witnessed great success in utilizing trusted CBOs for reaching and enrolling customers in customer assistance programs and believes additional contracting opportunities (such as capitation contracts) should be considered for the potential long-term PIPP Program, but that SDG&E should be permitted to leverage its existing Energy Solutions Partner Network, without the requirement for new contracts with CBOs, for purposes of the Pilot.

A similar requirement to engage with CBOs to perform outreach is included under “Energy Usage” in Attachment A, but it is unclear how this outreach requirement specifically ties to energy usage. SDG&E recommends the discussion regarding CBO outreach is best suited for the “Marketing, education and outreach” section and proposes that the “Energy Usage”

---

<sup>16</sup> See PD, Attachment A at 5-6.

section be modified to state that “The PIPP Pilot will not include an energy usage cap. The high usage rules for the CARE program will apply to PIPP participants.” Accordingly, SDG&E requests the Commission modify the “Energy Usage” section of Attachment A to remove outreach requirements and clarify the utilities have an opportunity to contract with new CBOs and/or leverage existing CBO networks.

### **III. CONCLUSION**

SDG&E appreciates the opportunity to provide these Comments and respectfully requests that the Commission revise the PD as described herein. SDG&E appreciates the Commission’s consideration of these issues.

Respectfully submitted,

By: /s/ Rebecca Hansson  
Rebecca Hansson

Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY  
8330 Century Park Court, CP32D  
San Diego, California 92123  
Telephone: (858) 654-8278  
E-mail: RHansson@sdge.com

September 22, 2021

**APPENDIX A**  
**PROPOSED MODIFICATIONS TO**  
**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

<b>FINDINGS OF FACT</b>	
<b>Location</b>	<b>Proposed Language</b>
FOF 11	Leveraging the existing CARE income verification and reverification process for PIPP pilots, <b>with the exception of CARE categorical eligibility</b> , will reduce administrative costs and avoid customer confusion.
FOF 30 (new)	<b>A 6% bill cap aligns with similar PIPP programs in other states as well as with gross income requirements for previously established programs such as CARE and ESA.</b>

## CONCLUSIONS OF LAW

Location	Proposed Language
COL 6	<p><del>e. Participants who request a bill cap for 0-100% of Federal Poverty Guidelines must prove their income within 90 days or they will be moved to a bill cap for participants at 101-200% of Federal Poverty Guidelines;</del></p> <p><del>d. Participants who request a bill cap for 101-200% of Federal Poverty Guidelines will be subject to the CARE post-enrollment verification processes.</del></p> <p>e. Participants will <del>not</del> be required to verify their income <b>prior to enrollment; participants will not be required to reverify if they have verified their income for CARE within the last two years; if they have previously verified their income for CARE;</b></p> <p>f. <b>It is reasonable to allow but not require</b> Utilities <del>to</del> will contract with community-based organizations to provide upfront income verification services for PIPP pilots during pilot intake and enrollment if such community-based organizations currently provide upfront income verification services for CARE and/or ESAP; and</p> <p>g. <b>After initial PIPP pilot verification,</b> The PIPP pilots will rely on the CARE income reverification processes and will not have separate income reverification requirements.</p>
COL 11	<p>d. The CCA pilot participation <del>cap</del> <b>target</b> shall be <b>roughly</b> proportional to the utility's participation cap (based on the CCA's share of customers in the utility's service territory), <b>determined by consultation between the utility and the CCA,</b> and shall count towards the utility's participation cap.</p>
COL 13	<p>d. Each utility will commence PIPP pilot marketing, education, outreach and enrollment within 45 days of the approval of its PIPP implementation advice letter, <b>but no sooner than July 1, 2022.</b></p>
COL 14	<p>It is reasonable to adopt monthly bill caps set at <del>four</del> <b>six</b> percent of household income with the following standard assumptions: (i) household size of 3 people; (ii) reference income of 50% of Federal Poverty Guidelines for households with incomes between 0-100% of Federal Poverty Guidelines; and (iii) reference income of 150% of Federal Poverty Guidelines for households with incomes between 101-200% of Federal Poverty Guidelines.</p>