FILED
09/27/21
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)

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

Evelyn Kahl
General Counsel and Director of Policy
Leanne Bober
Senior Policy Analyst
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
(415) 254-5454
regulatory@cal-cca.org

September 27, 2021

TABLE OF CONTENTS

SUMMARY OF RECOMMENDATIONS

- Adopt the PD's allowance of CCA participation in the PIPP Pilot;
- Delay the commencement of the PIPP pilot in SDG&E's territory to no sooner than July 1, 2022 due to the transfer of customers from SDG&E to SDCP through June 2022;
- Define the rules for a new or expanded CCA for which customers already enrolled in the PIPP pilot by the IOU are transferred to CCA service;
- Require PIPP pilot income verification for all customers, including those in the 101-200 percent Federal Poverty Level tier, prior to enrollment in the PIPP pilot;
- Require all administrative costs of the PIPP pilot be subject to reasonableness review; and
- Adopt the 48-month term for the PIPP pilot set forth in the PD.

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)

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

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

I. INTRODUCTION

CalCCA appreciates the opportunity to provide these reply comments, which address issues raised in opening comments that CalCCA did not previously discuss. CalCCA does not change its position on any of the topics that it raised in opening comments, but rather uses this opportunity to expand or address additional issues.

As set forth in more detail below, CalCCA recommends that the Commission:

- Adopt the PD's allowance of CCA participation in the PIPP Pilot;
- Delay the commencement of the PIPP pilot in SDG&E's territory to no sooner than July 1, 2022 due to the transfer of customers from SDG&E to SDCP through June 2022;
- Define the rules for a new or expanded CCA for which customers already enrolled in the PIPP pilot by the IOU are transferred to CCA service;
- Require PIPP pilot income verification for all customers, including those in the 101-200 percent Federal Poverty Level tier, prior to enrollment in the PIPP pilot;
- Require all administrative costs of the PIPP pilot be subject to reasonableness review; and
- Adopt the 48-month term for the PIPP pilot set forth in the PD.

---

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, San José Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

II. THE COMMISSION SHOULD ADOPT THE PD'S ALLOWANCE OF CCA PARTICIPATION IN THE PIPP PILOT

The PD allows CCAs to participate in a utility's PIPP pilot.[2] The Utility Consumers' Action Network (UCAN) argues in its opening comments that the CCAs should not be given an option to participate, but should rather either be excluded from the PIPP pilot altogether, or should be required to participate. UCAN bases its arguments on a concern that the exclusion of a portion of low-income customers from participating in the pilots (if a CCA chooses not to participate) could impact the evaluation and results of the pilots.

UCAN's proposal to exclude CCAs altogether is inherently flawed and would result in the exact result that UCAN fears. CCAs account for over 4 million customer accounts, or 32 percent of the load in the territories of Pacific Gas and Electric Company (PG&E), Southern California Edision Company (SCE) and SDG&E combined.[3] Excluding CCAs from the PIPP pilot would therefore prevent a substantial number of eligible customers from benefitting from the PIPP pilot. In addition, excluding CCA customers would result in incomplete PIPP pilot data, rendering any evaluation of the pilot less effective in determining whether and how to implement a long term PIPP. Finally, excluding CCA customers from eligibility for the PIPP pilot would unfairly require CCA unbundled customers to pay for the PIPP pilot (through the Public Purpose Programs Charge (PPPC)) without eligible CCA customers being able to benefit from it.

UCAN argues that providing CCAs the option to participate in the PIPP constitutes legal error based on Public Utilities Code sections 453(a) and (b), which prohibits utilities from providing service on a preferential or discriminatory basis.[4] Notwithstanding that CCAs are not "utilities" under the Public Utilities Code, the decision of a CCA over whether to participate in the PIPP pilot has nothing to do with preferential or discriminatory practices, but rather is related to the ability of CCA to participate, or whether its governing board has authorized participation.

In any event, many CCAs are eager to participate in the PIPP pilot to benefit their customers in need, and will be notifying all members of the service list of their participation within 30 days of the final decision as directed by the PD. Accordingly, the Commission should reject UCAN's arguments and adopt the PD which allows CCAs to participate in the PIPP pilot.

III. THE COMMISSION SHOULD DELAY THE COMMENCEMENT OF THE PIPP PILOT IN SDG&E'S TERRITORY TO NO SOONER THAN JULY 1, 2022

As set forth in SDG&E's Opening Comments, SDG&E's service territory is in a unique situation, in that approximately 47 percent of SDG&E's residential customers will be transitioning to service with a CCA, SDCP,

---

[2] PD at 78, Conclusion of Law (CoL) 11.

[3] This number will rise by close to 1 million customers when SDG&E customers transition to SDCP in 2022.

[4] Cal. Pub. Util. Code §453.

between February and June of 2022.5 SDG&E raises the potential for conflicts between the PIPP pilot's current schedule and the transfer of customers from SDG&E to SDCP. In addition, SDG&E points out that new California Alternate Rates for Energy (CARE) income eligibility guidelines will be available as of June 1, 2022, creating the potential for even more customer confusion. As a result, CalCCA requests that the Commission adopt SDG&E's proposal for the PIPP pilot to begin in SDG&E's territory no sooner than July 1, 2022. In addition, CalCCA requests that the Commission allow SDCP to participate in the PIPP pilot if it is participating in AMP as of the time it begins residential service.

IV. THE COMMISSION SHOULD DEFINE THE RULES FOR A NEW OR EXPANDED CCA FOR WHICH CUSTOMERS ALREADY ENROLLED IN THE PIPP PILOT BY THE IOU ARE TRANSFERRED TO CCA SERVICE

SDG&E requests that the PD be clarified regarding how the proportional allocation of customers enrolled in the PIPP pilot in its territory will work during and after the transfer of customers to a CCA.[6] For CCAs who begin the PIPP pilot with their proportional share of customers, the PD requires that proportional share be a cap for that CCA's participation.[7] However, in the case of a transfer of customers from an IOU to a CCA after the initial enrollment for the PIPP, SDG&E proposes that the proportional share should be a target and not a cap (as long as the total customers enrolled in the IOU service territory is capped as set forth in the PD). CalCCA requests that the Commission adopt SDG&E's proposal not only for SDG&E's territory, but for any situation in which a CCA is newly established or has expanded its territory during the PIPP pilot. Allowing the flexibility of a target rather than a cap for the proportional share in this instance will ensure customers enrolled in PIPP get to stay enrolled even if they transfer from an IOU to a CCA.

For new CCAs to which PIPP enrolled customers are transferred, the Commission should also allow an exception to the requirement that a CCA be participating in AMP at the time of the issuance of the Decision, but should rather require a new CCA to be participating in the AMP when its begins residential service.

V. INCOME VERIFICATION SHOULD BE REQUIRED FOR ALL PIPP PILOT CUSTOMERS PRIOR TO ENROLLMENT

The PD requires participants in the 101-200 percent Federal Poverty Level (FPL) category to be subject to the CARE post-enrollment verification processes.[8] CalCCA supports SDG&E's proposal that instead of utilizing the CARE post-enrollment verification processes in which the utility verifies a minimal percentage of the self-verifying customers, that *all* PIPP pilot customers be required to verify their income prior to enrollment in the PIPP

---

[5] SDG&E Opening Comments at 7 (citing San Diego Community Power's Phase 3 Customer Enrollment Schedule, as adopted by the SDCP Board of Directors on Apr. 22, 2021)).

[6] SDG&E Opening Comments at 7.

[7] Proposed Decision, Conclusion of Law 11, at 78-79.

[8] Proposed Decision Conclusion of Law 6.d.. at 77.

pilot.[9] Verification of all customers, whether in the 0-100 percent FPL category or the 101-200 percent FPL category, will not only ensure accurate data for proper evaluation of the success of the PIPP in lowering disconnections, but will also ensure true eligibility for all customers needing the assistance. In addition, CalCCA supports SDG&E's proposal to clarify alignment of the PIPP verification and CARE certifications to allow a customer to get verified for PIPP, and then recertify when the CARE certification is due.[10]

VI. THE COMMISSION SHOULD REJECT PG&E'S REQUEST TO ONLY HAVE ADMINISTRATIVE COSTS IN EXCESS OF ITS BUDGET REVIEWED FOR REASONABLENESS

The PD orders utilities to record all administrative costs in a PIPP memorandum account, subject to reasonableness review.[11] PG&E requests the Commission approve a budget at the "low end of the forecast" for its administration of the PIPP pilot ($3.59 million for PG&E), and require any costs above the budget be subject to reasonableness review.[12] As demonstrated in the table below, the estimated costs for administration of the PIPP Pilot (based on the costs estimated by the utilities for the Straw Proposal) varies greatly among the utilities:

Utility	Straw Proposal # Customers	Estimate for Administrative Costs for PIPP Pilot as Described in Straw Proposal[13]
PG&E	5,000	Between $3.59 million – $13.69 million
SCE	4,000	Between $1.4 million – $4.3 million
SDG&E	1,000	$3.4 million – $6.9 million
SoCalGas	5,000	$1.658 million

CalCCA agrees with the Commission that given the wide variation in types and values of administrative costs, all such costs should remain subject to reasonableness review. Accordingly, CalCCA recommends adoption of the PD's requirement regarding review of all administrative costs, and not just those above a budgeted amount as requested by PG&E.

---

9 SDG&E Opening Comments at 3-4.

10 *Id.* at 5-6.

11 PD at 87-88, Ordering ¶11.

12 PG&E Opening Comments at 2-3.

13 *Pacific Gas and Electric Company's (U 39 M) Opening Comments on the Percentage of Income Payment Straw Proposal (July 9, 2021),* Rulemaking (R.) 18-07-005, at 26, Table 3; *Southern California Edison Company's (U 338-E) Comments on Percentage of Income Payment Straw Proposal* (July 9, 2021), R.18-07-005, at 12, Table 2; *Comments of San Diego Gas & Electric Company (U 902 M) to the PIPP Pilot Straw Proposal* (July 9, 2021), R.18-07-005, at 7; *Comments of Southern California Gas Company (U 904 G) to Administrative Law Judge's Ruling Regarding the Percentage of Income Payment Plan (PIPP) Straw Proposal* (July 9, 2021), R.18-07-005, at 7.

VII. UCAN'S REQUEST TO SHORTEN THE PILOT SHOULD BE REJECTED

UCAN requests that the PIPP pilot be shortened from 48 months to 24 months, based on the imminent need for a state-wide PIPP program to respond to the arrearage/disconnection crisis.[14] The substantial utility arrearages resulting from the impacts of the COVID pandemic are currently being addressed by multiple relief programs, including the California Arrearage Payment Plan (CAPP),[15] other federal and state covid relief, COVID-19 payment plans,[16] and the AMP.[17] The PIPP is being conducted as a pilot to analyze whether it prevents disconnections based on robust data from the pilot. The substantial cost of the program to all customers, who pay for the subsidy through the PPPC, demands the validation of the pilot to ensure the PIPP is effective. Given that the enrollment alone of PIPP pilot customers will take at least 6 months, data adequate for a determination of whether to roll out the PIPP to all eligible customers must be robust and be based on years, and not months, of data. In addition, given the substantial impact of the COVID pandemic, 48 months gives adequate time for a post-COVID "adjustment" for the economy which will allow for a better indication of the program's likely success.

VIII. CONCLUSION

CalCCA appreciates the opportunity to submit these reply comments and requests adoption of the recommendations proposed herein.

Respectfully submitted,

Evelyn Kahl

Evelyn Kahl
General Counsel and Directory of Policy
CALIFORNIA COMMUNITY CHOICE ASSOCIATION

September 27, 2021

---

[14] UCAN Opening Comments at 8.

[15] Cal. Govt. Code §16429.5 (establishing the CAPP).

[16] *See Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans,* Decision (D.) 21-06-035 (June 24, 2021) (establishing COVID-19 Relief Payment Plans).

[17] *See Phase 1 Decision Adopting Rules and Policy Changes to Reduce Residential Customer Disconnections for the Larger California-Jurisdictional Energy Utilities,* D.20-06-003 (June 11, 2020) (establishing the AMP).