



COM/MGA/smt 10/18/2021

FILED
10/18/21
03:53 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 21-02-014

**ASSIGNED COMMISSIONER'S RULING SEEKING COMMENTS
AND NOTICING WORKSHOP ON STRATEGIES TO ENHANCE
COMMUNITY BASED ORGANIZATION SUPPORT FOR
CUSTOMERS TO ACCESS COVID-19 RELIEF**

Summary

Coincident with the end of the disconnection moratorium, Decision (D.) 21-06-036 directed ongoing automatic enrollment of all customers with utility bill debt into "COVID-19 Relief Payment Plans." D.21-06-036 also determined Community Based Organizations (CBO) could play a key role in assisting customers access utility bill relief and manage any remaining debt. Without the type of direct support that CBOs may provide, we run the risk of vulnerable customers falling through administrative cracks.

This ruling sets a workshop and comment cycle in November 2021 to ensure CBOs are adequately equipped to carry out their critical role. On November 9, 2021, Commission staff will conduct a workshop to facilitate expanding and growing the CBO networks as outlined in Attachment A to this ruling. By November 18, 2021, parties should file and serve opening comments on a proposal and questions in Attachment B to this ruling. Parties may file reply comments by November 30, 2021. Parties may incorporate and reference workshop presentations and discussion in their comments. Comments filed in

response to this ruling must directly relate to the issue (s) identified in the scope of Phase 2 of this proceeding. If necessary, comments may identify alternate proceedings or procedural vehicles by which a recommendation might be pursued.

I remind any entity, not yet a party to this proceeding, wishing to file comments responsive to this ruling to concurrently file a motion for party status.

1. Background

Automatic enrollment was designed to overcome barriers to the initiation of payment plans. In (D.) 21-06-036, we acknowledged that enrollment was only the first step and making payments until the debt is resolved may be challenging without additional support. We identified ongoing customer contact provided by CBOs as a necessary ingredient to making payment plans manageable and successful. We also stated that with support from CBOs, customers should know how and when to make contact with their utility should they need additional help.

1.1. Procedural Background

The July 29, 2021 Ruling Amending the Scope added CBO engagement to the second phase of this proceeding. The Phase 2 scoped issue (e) is:

If any, what outstanding barriers, gaps, improvements in documentation and partnerships remain with Community Based Organizations in order to make sure that the hardest-to-reach customers navigate important relief programs.

At the prehearing conference on August 16, 2021, I invited parties to address improvements in CBO partnerships in their comments. The Energy Division and the Commission's Office of Business and Community Outreach asked the Association of California Community and Energy Services (ACCES) to provide input on the reporting template so the investor-owned utilities (IOUs)

map would be reflective of and incorporate community input. ACCES summarized this information in a document dated July 23, 2021.¹

Pursuant to Ordering Paragraph 8 of D.21-06-036, the IOUs, namely Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company, jointly filed Advice Letter (AL) 5857 on August 30, 2021.²

On September 13, 2021, the Leadership Counsel for Justice and Accountability, the Greenlining Institute, and the California Environmental Justice Alliance jointly filed comments on September 20, 2021, characterizing AL 5857 as inadequate while supporting the IOU plan for a stakeholder workshop. The Center for Accessible Technology (CforAT) protested AL 5857, asserting the generality of the categories and definitions proposed would yield no meaningful assessment of who, what, how and where CBOs serve vulnerable populations. CforAT also called for a stakeholder workshop. The IOUs responded to the protest on September 27, 2021, echoing calls for a stakeholder workshop and party comments, and stating their intent to explore more funding for CBOs.

As contemplated by D.21-06-036, the IOU template was presented to the Low-Income Oversight Board Meeting (LIOB) for feedback and refinement on September 29, 2021. In addition to the IOU presentation on their outreach plans, CBOs and CBO coalitions, empower, Liberty Hill Foundation and the Kings Community Action Network, shared examples of their work with specific communities and described funding for their work.

¹ The ACCES document of July 23, 2021, is included in Attachment C to this ruling.

² AL 5857 dated August 30, 2021 is included in Attachment C to this ruling. The IOUs replaced AL 5857 with AL 5857-A on October 6, 2021.

The IOUs began the refinement process by replacing AL 5857 with AL 5857-A on October 6.³ This supplemental filing included a timeline for populating the template with who, what, how and where CBOs serve vulnerable populations, in a narrative, rather than systematic, format. The IOUs partially provided who, what, how and where CBOs serve vulnerable populations to the Commission's Energy Division on October 15, 2021. While partial, such information will enhance the quality of party input at the workshop and in comments. Therefore, we direct IOUs to serve their partial CBO information to the service list by November 1, 2021. If the IOUs consider confidential any of the CBO information populating the template, they should utilize the processes defined by CPUC Rule 11.1 and General Order (GO) 66D Section 3.2 to request confidential treatment. The IOUs also state their intention to completely populate the template by January 31, 2021, and state that transforming their proposed template into a format with adequate specificity to assess who, what, how and where vulnerable populations are served, and how much is paid to CBOs to provide such services, requires a database format.

Advice Letter filings are governed by the Commission's GO 96-B. As required by GO 96-B, the Commission's industry division may either dispose of the AL through a disposition letter, which is not considered by the Commissioners, or by a resolution, which is considered by the Commissioners at their voting meeting.

2. Systematically Documenting the Reach and Impact of Community Based Organizations

D. 21-06-036 directed the utilities to develop a presentation of IOU and CBO relationships "so that the Commission will be able to systematically assess

³ AL 5857-A dated October 6, 2021 is included in Attachment C to this ruling.

the constellation of CBO relationships. Working together with IOUs, Energy Division staff will create a map of CBOs in each energy utility service area. The map will display the geographic reach of each CBO, and identify the functions that each CBO currently performs, and the communities to whom they offer service. This map will provide a structure to identify gaps to fill or barriers to overcome.”⁴

Development of a meaningful presentation of IOU and CBO partnerships, networks and funding structures with the required geographic display remains underway as described in section 1.1 above. Parties may incorporate information submitted through the ongoing AL process in their comments on this ruling. Attachment C to this Ruling contains to the AL filings, ACCES proposal, and LIOB presentations to-date.

3. Stakeholder Workshop

Energy Division Staff will host a virtual workshop on November 9, 2021 to discuss ideas for how IOUs can work with CBOs to connect customers to relief programs and identify ways IOUs can support hard-to-reach communities to manage and pay their bills.

With the September 30, 2021 end of the COVID-19 disconnections moratorium and the introduction of debt relief programs such as the COVID-19 Relief Payment Plans, Arrearage Management Program and Percentage of Income-based Payment Plans, there is an urgency to ensure awareness, understanding and enrollment for eligible customers and a way for them to reach out when they need assistance.

⁴ D.21-06-036 at 42.

Interested stakeholders are invited and encouraged to engage on these topics and provide constructive feedback. A number of Commissioners and/or their advisors are expected to attend.

IT IS RULED that:

1. A workshop is set for November 9, 2021 and a preliminary workshop agenda is included as Attachment A of this ruling.
2. Parties shall file and serve opening comments and respond to questions posed in Attachment B of this ruling, by November 18, 2021.
3. Parties shall file and serve reply comments, by November 30, 2021.
4. By November 1, 2021, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall serve the service list of R.21-02-014 the partial CBO information submitted to Commission staff on October 15, 2021.

Dated October 18, 2021, at San Francisco, California.

/s/ MARTHA GUZMAN ACEVES
Martha Guzman Aceves
Assigned Commissioner

**ATTACHMENT A:
DEBT RELIEF WORKSHOP**

Preliminary Agenda:

1:00-1:15pm

1: Introduction – 15 minutes

- Agenda/Workshop overview
- Commissioner remarks

1:15-2:05pm

2: IOU Best Practices for Working with CBOs – 50 minutes including questions

- Current programs
 - Challenges and opportunities
- Panelists:

A moderator led panel with TBD.

2:05-2:10pm

Break 5 minutes

2:10-3:00pm

3: Non-IOU Best Practices for Working with CBOs - 50 minutes including questions

- Current programs
 - Challenges and opportunities - what does the IOU template and report on CBO networks tell us?
- Panelists:

A moderator led panel with TBD.

3:00-3:50pm

4: Improving Collaboration, Coordination and Resources – 50 minutes including questions

- What is working well
 - Challenges and opportunities
 - Examples of successful partnerships
- Panelists:

A moderator led panel with TBD CBOs.

3:50-3:55pm

Break 5 minutes

3:55-4:45pm

5: Compensation Models – 50 minutes including questions

- Existing models

- New ideas
Panelists:
A moderator led panel with TBD.

4:45-4:55pm

Closing Comments & Next Steps

(END OF ATTACHMENT A)

ATTACHMENT B:

**STAFF PROPOSAL FOR IOU COLLABORATIVE ARREARAGE CASE
MANAGEMENT AND QUESTIONS FOR PARTIES ON STAFF PROPOSAL**

1. **Background**

The CPUC, IOUs, Legislature and the Governor’s Office have worked in concert to respond swiftly and effectively to implement broad customer protections as the COVID-19 pandemic has evolved. In April and-May 2020, California’s unemployment rate increased substantially 16.4 percent due to pandemic-related job losses. By January 2021, the statewide unemployment rate dropped to 8.8 percent, never fully recovering to the pre-pandemic March 2020 level of 5.5 percent. Furthermore, these increases in unemployment have been concentrated among low-income households. Over the last three quarters of 2020, the unemployment rate for households with less than \$30,000 annual income increased from an average of 12.2 percent to a high of 30.3 percent, before falling slightly to 25.8 percent by the end of 2020. Comparatively, over the same period in 2020 households exceeding \$150,000 annual income experienced a less severe unemployment increase from 2.8 percent to 9.4 percent before falling to 5.1 percent.

Despite the efforts to moderate customer energy use and bills during the pandemic, arrearages for residential customers have increased substantially. As economic hardships for California residents have increased, the CPUC has relied upon existing customer assistance programs and related mechanisms. Enrollment in both CARE and FERA has increased significantly over the course of the pandemic, with over one million new customer accounts enrolled. Pre-pandemic customer enrollment in either CARE or FERA was approximately 27 percent of PG&E, SDG&E, SCE, and SoCalGas customers. Current customer enrollment in either CARE or FERA has increased to approximately 30 percent of PG&E, SDG&E, SCE, and SoCalGas customers.

As the moratorium on disconnections has expired as of September 30, 2021, we are now in a critical period of transition that requires all hands on deck and a portfolio of solutions to make sure the most vulnerable customers are protected from increasing bill impacts. Unfortunately, the COVID-19 pandemic is not over, and many customers have still not recovered financially. This proposal aims to broaden and strengthen the ability of the IOUs to assist their customers with navigating a variety of overlapping arrearage management programs and to help with enrollment in other available customer programs to avoid disconnections by leveraging networks of CBOs who are considered the “trusted messengers” in their communities.

The ultimate objective of this proposal is to maximize customer support and minimize confusion about customer options for mitigating arrearages and service disconnections during this post-moratoria period of economic recovery.

Establishing contractual agreements with the CBOs will allow them to provide credit and collections related case management services to assist clients in arrearage situations as suggested in CPUC Decision (D.)21-06-036, dated June 24, 2021.

2. Proposed Funding Models

CBO engagement can take several forms with varying attributes across a broad spectrum of program complexity, funding levels, and timelines for program implementation and evaluation. Existing CBO funding models typically include competitive and non-competitive grants, capitation and fee/case management. Grants are set amounts for agreed upon services and can be awarded competitively via RFP process or non-competitively through memoranda of understanding (MOUs). With the capitation model CBOs are paid per successful enrollment in a program (e.g. CARE/FERA). Fee/Case management model CBOs are paid per client, and work one on one with clients to address a suite of needs and enrollment in services.

In evaluating this spectrum of CBO engagement models, the CPUC seeks to balance the need for expediency and efficiency of implementation with cost-effectiveness. With these goals in mind, below are recommended options for establishing and/or enhancing funding models for case management contractual agreements between IOUs and CBOs for the purpose of assisting customers during the COVID recovery period and evaluating the potential continued need.

A. Funding Models for Case Management Contractual Agreements with the CBOs

▪ *Fee Model Structure (ACCES and CHANGES)*

1. ACCES Proposal:

- Direct contracts with CBOs on a fee for service based on degree of customer crisis
- Tier 1 = \$50 / customer
 - (CARE currently pays \$30 / enrollment)
- Tier 2 = set at loaded hourly rate including overhead

2. CHANGES model:

- Statewide Third Party Administrator selected by CPUC in competitive bidding process

- Network of CBO's with varying geographic, language and demographic target audiences for vulnerable populations that are funded
- CBO's reimbursed by case codes:
 - Needs assistance = \$75/customer
 - Dispute resolution = \$150/customer
- ***Small Grants (emPOWER and PSPS agreements)***
 1. emPOWER Regional Hub Model
 - Coalition of CBOs
 - Liberty Hill: Centralized Administrator and Technical Assistance
 2. PSPS outreach contracts

B. IOU funding for case management during covid recovery period 2021-2022

- a. Existing budgets for ME&O
- b. Existing memo account under COVID
- c. Recommended budgets for case management

C. Timeline

These arrangements should have been made before October 1, 2021, and therefore new arrangements should be made by December 1, 2021 at the latest.

D. Evaluation

Future review of the continued need for CBO capacity funding beyond the end of 2022. IOUs issue tier 3 advice letters by the end of October 2022 with recommendations, which will ~~to~~ be considered in the Disconnections rulemaking (R.18-07-005).

Summary of ACCES proposal: The Collaborative Case Management Models:

Recommends establishing contractual agreements with the CBOs that will allow CBOs to provide credit and collections-related case management services to assist clients in arrearage situations as suggested in CPUC Decision D.21-06-036 dated June 24, 2021.

Two-Tiered Case Management

Collaborative case management agreements provide a two-tiered model to address the most difficult cases which require more intensive case management services over a specified period of time and others with less demanding needs. ACCES recommends that both tiers provide a

fee for services rendered provision designed to assist clients in clearing up arrearages to the extent possible and promote awareness of the IOUs' programs and other assistance offerings that can help the repayment of utility arrearages and manage future energy bills.

Access further recommends that the Low Income Home Energy Assistance Program (LIHEAP) Service Providers (LSPs) be contracted to sign customers up for all applicable assistance programs with a focus on the arrearages payment programs such as AMP if they are not already enrolled. To further incentivize the enrollment and retention of AMP program participants, Access recommends that the IOUs provide a performance bonus for LSPs that help their clients achieve success under the AMP program for the 12 months period. ACCES~~eeess~~ finds that ongoing "coaching" may be especially important for those customers with large arrearages and difficult payment histories.

- **Tier I activities would be designed to address clients with less demanding needs and would include:** a simple needs assessment; referrals to other programs for human services' needs; education and enrollment in the IOUs' various program services; and basic pledge services.
- **Tier II activities would be designed to address the most difficult cases which require more intensive case management services over a specified period of time. These services could include:** a more tailored needs assessment; referrals to other programs to help stabilize the household; more in-depth credit and collection analysis to pinpoint the optimum utility assistance services; education and enrollment in the IOUs' various program services; tailored cash management education; working with the utility to coordinate payment services among the various available utility assistance payment programs and IOU offered payment plan programs; making payment pledges; ongoing "customer coaching" for up to 12 months, communicating with them on a quarterly basis, for those customers with large arrearages and difficult payment histories. Agencies may also opt to check, on a monthly basis, the customer's account status to troubleshoot any potential problems if they have access to credit and collection data for the customers.

3. **Evaluation of Adopted Funding Proposal**

Contracts should include metrics to track and evaluate program effectiveness, which may include: the effectiveness of the program design; program costs; reductions in arrearages directly attributable to the case management program participation; evaluation of the two-tiered case management methodology to assess costs and each tier's cost-effectiveness; customer satisfaction with the various arrearages payment programs; and the ability of customers to maintain their AMP program participation for the full 12 months or until the arrearage is paid off.

4. **Questions for Parties**

In comments on this ruling, parties should address the following questions:

IOU Budgets

1. What is the most appropriate funding model given resource, cost, timing, efficiency and effectiveness concerns?
2. What are reasonable budget levels for alternative funding models and program evaluation contracts?
3. What is the appropriate duration over which these programs should be funded?
4. How should these budgets be tracked and reconciled?

Program Administration

5. Who should be responsible for administering the following?
 - Selection of contracted CBOs for each IOU
 - Evaluation of CBO and IOU activities
 - Transmission of payments to contracted CBOs
 - Ongoing troubleshooting and program oversight
6. What should program management plans include to ensure the coordinated development of outreach materials and consistent messaging?
7. What systems should be developed and implemented to ensure program efficiencies such as training and an exchange of best practices between CBOs?

Program Evaluation

8. How should IOUs and CBOs be evaluated to assess the effectiveness of the program and compliance with program rules?

9. When should the evaluations take place? Should there be an interim evaluation and a final evaluation? Should evaluations occur at fixed time periods e.g., 6 months, 12 months, etc.?

(END OF ATTACHMENT B)

**ATTACHMENT C:
DOCUMENTS ASSOCIATED WITH ADVICE LETTER FILING DIRECTED
BY ORDERING PARAGRAPH 8 of D.21-06-036**

(END OF ATTACHMENT C)