

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



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

Rulemaking 21-02-014
(Filed February 11, 2021)

**OPENING COMMENTS
OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) ON THE ASSIGNED
COMMISSIONER'S RULING SEEKING COMMENTS**

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Pursuant to Rule 13.11 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure and Assigned Commissioner Martha Guzman Aceves’ *Ruling Seeking Comments and Noticing Workshop on Strategies to Enhance Community Based Organization Support for Customers to Access COVID-19 Relief* (“Ruling”) dated October 18, 2021, Southern California Gas Company (“SoCalGas”) hereby submits these Opening Comments.¹

I. INTRODUCTION AND OVERVIEW

SoCalGas appreciates the Commission’s efforts and focus to seek additional support from Community-Based Organizations (CBO) in order to assist customers access to utility bill relief and to manage any remaining debt. SoCalGas agrees that ongoing customer contact provided by CBOs are a necessary component to support customers in making payment plans manageable and successful.² SoCalGas believes that its current partnerships with CBOs plays not only a complementary role to the IOU’s education and outreach efforts, but also is a necessary element

¹ Assigned Commissioner’s Ruling seeking comments and noticing workshop on strategies to enhance community-based organization support for customers to access COVID-19 Relief, dated October 18, 2021, Attachment B.

² Rulemaking (R.)21-02-014, at 1.

to deliver a strategic and holistic plan targeting the hard-to-reach and disadvantaged communities (DACs). SoCalGas' marketing, education, and outreach (ME&O) are proven to be effective in providing education and outreach to hard-to-reach and DACs. SoCalGas believes that IOU collaborative arrearage case management with CBOs should occur in parallel and can complement current SoCalGas' marketing, education, and outreach communications efforts. Arrearage case management facilitated by CBOs will help provide on-going coaching support to customers and will mitigate arrearages and service disconnections within the context of R. 21-02-014.³ Further review of the continued need for CBO capacity funding beyond the end of 2022 should be considered in R.18-07-005.⁴ Accordingly, SoCalGas offers the following opening comments and responses to the questions set forth in this ruling.

II. DISCUSSION

A. Marketing, Education, And Outreach (ME&O) Success in Customer Outreach Should Be Weighed When Considering Additional Outreach by CBOs

SoCalGas' ME&O communications are effective in providing education and outreach to hard-to-reach and DACs and SoCalGas believes that IOU collaborative arrearage case management should occur in parallel and can complement current SoCalGas' ME&O. SoCalGas' ME&O focuses communications on available customer assistance programs and financial assistance opportunities to motivate willing customers subject to disconnection to enroll and/or recertify as soon as possible. SoCalGas' goal is to provide meaningful, clear, and direct support to customers during what remains a very challenging time. SoCalGas provides multi-lingual and multi-channel communications to drive awareness of changes in customer

³ Order Instituting Rulemaking to Address Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic.

⁴ Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs.

protections and provide access to support programs and resources to help ease the lifting of customer protections. Marketing efforts including direct mail, email, bill communications, text, and targeted paid media, partnered with strong relationships with CBOs allow SoCalGas to share meaningful, clear, and direct messaging with the most vulnerable customers and communities. Additional information on SoCalGas' successful COVID-19 ME&O efforts in Attachment A as part of its response to the Ruling.

Further, SoCalGas's marketing and communications and outreach teams consistently work to provide CBOs with marketing collateral to effectively share all available assistance programs and plans in various languages such as English, Spanish, Chinese, Korean, and Vietnamese. A new effort spearheaded in 2021 was the creation of a social media toolkit, which includes approved captions and images for CBOs to post across social media platforms such as Twitter, Facebook, and Instagram. Captions and images support messaging for customer assistance programs, billing, and canvassing scam awareness. SoCalGas encourages CBO partners to follow SoCalGas social media accounts and actively retweet or share posts to drive customers directly to the SoCalGas website. SoCalGas continues to explore and test new ways to streamline SoCalGas program information to CBOs so they can build awareness quickly and provide support to vulnerable customers in need of assistance.

B. A Flexible Scope for CBOs To Continue Promote and Build Awareness Is Needed

CBOs are the trusted sources in the communities they serve, and these organizations are essential in building awareness on SoCalGas' programs. Pursuant to Decision (D.)21-06-015, CBOs build awareness in the communities they serve on SoCalGas' Low-Income Programs (e.g., California Alternative Rates for Energy (CARE), Energy Savings Assistance Program (ESA),

and Medical Baseline (MBL)).⁵ SoCalGas works with 40 community and faith-based organizations that vary in size and services. CBO relationships include those with CARE capitation agencies and partnerships with healthcare organizations who work with low-income government programs. The majority of CBOs SoCalGas works with are local family owned and operated type organizations that cater to specific areas of SoCalGas' service territory that have low enrollment levels or that work specifically with hard-to-reach communities such as customers with disabilities, tribal, customers with limited English proficiency (LEP), Access and Functional Needs (AFN), and DACs. Additional CBOs are larger organizations that may cover entire counties or several counties and provide a variety of services to larger populations of customers, including food distributions. Currently the CBOs that SoCalGas work with are structured under a memorandum of understanding (MOU) funded through the Low-Income Decision, D.21-06-015.⁶ The scope of work for these organizations currently do not include arrearage case management work. SoCalGas understands the importance of case management in regard to debt relief. SoCalGas believes it will take time to expand the existing CBO networks to include arrearage case management services to assist clients in arrearage situations.

⁵ D.21-06-015, Decision on Large Investor-Owned Utilities' and Marin Clean Energy's California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric Rate Assistance (FERA) Program Applications for Program Years 2021-2026. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K107/387107687.PDF>

⁶ Additional information about SoCalGas' CBO relationships can be found in SoCalGas' Advice Letter 5857-A, et al. – Supplement – Joint Community Based Organization (CBO) Reporting Template of SoCalGas, SDG&E, SCE, and PG&E Pursuant to Decision (D.) 21-06-036 Ordering Paragraph (OP) 8, See Appendix D. https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5857-A_et_al_.pdf

SoCalGas supports an approach to include all three proposed funding models as stated in the ruling: Community Help and Awareness of Natural Gas and Electric (CHANGES), Association of California Community & Energy Services (ACCES) and small grants through existing MOU structures pursuant to D.21-06-015.^{7,8}

For the small grants approach, SoCalGas recommends current CBOs have the option to continue to promote and build awareness on SoCalGas' customer assistance programs, and those CBOs that opt to provide arrearage case management support and services can submit proposals through a request for proposal (RFP).

The ACCES proposal recommends that they establish contractual agreements with CBOs to provide arrearage related case management services. SoCalGas recommends that rather than going through ACCES as a sole-source pilot contract, that the IOU administer an RFP for competitive bidding of CBOs that can provide arrearage related case management services. SoCalGas believes that the small grant programs funding model is the most expedient path for implementing a network of CBOs for case management. Leveraging a competitive bidding process and small grant programs give accessibility for CBOs that show interest, to participate in arrearage case management support and services.

⁷ Assigned Commissioner's Ruling seeking comments and noticing workshop on strategies to enhance community-based organization support for customers to access COVID-19 Relief, dated October 18, 2021, Attachment B.

⁸ D.21-06-015, Decision on Large Investor-Owned Utilities' and Marin Clean Energy's California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric Rate Assistance (FERA) Program Applications for Program Years 2021-2026.
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K107/387107687.PDF>

C. Questions Raised in the Ruling

IOU Budgets

1. *What is the most appropriate funding model given resource, cost, timing, efficiency and effectiveness concerns?*

SoCalGas supports a holistic approach for case management that includes all three proposed funding models: CHANGES, ACCES, and small grants through existing MOU structures pursuant to D.21-06-015.⁹ SoCalGas' CBO Community Partnership has proven its success in building awareness of Customer Assistance Programs. While SoCalGas supports a holistic approach, SoCalGas believes that the small grant programs funding model is the most expedient path for implementing a network of CBOs for case management. SoCalGas also believes that both CHANGES and ACCES tiered pay for performance funding model proposals will require additional time and training of staff to handle arrearage case management. The CHANGES program is a model that has proven to be a successful model and should be utilized for the specialized communities they serve. During the Energy Utility Debt Relief Workshop, the ACCES non-profit organization mentioned their proven track record in delivering low-income program services through Low-Income Home Energy Assistance Program (LIHEAP) Service Providers (LSPs).¹⁰

SoCalGas recommends a flexible approach where current CBOs have the option to continue to promote and build awareness on SoCalGas' customer assistance programs and those CBOs that can provide arrearage case management support can submit proposals through an RFP.

⁹ *Id.*

¹⁰ R.21-02-014 Energy Utility Debt Workshop, <https://www.cpuc.ca.gov/events-and-meetings/energy-utility-debt-workshop>.

During the Energy Utility Debt Relief Workshop, Self Help for the Elderly and ACCES raised concern on the potential that CBOs may financially double dip if they have concurrent contracts with IOUs and ACCES or CHANGES.¹¹ To avoid this situation Self Help for the Elderly proposed a project design that clearly outlines scope of work so there is no conflict of interest. SoCalGas agrees with the concerns of double dipping as was raised by ACCES and Self Help for the Elderly. Akin to the proposal made by Self Help for the Elderly to address the possible issue, SoCalGas will address directly in its RFP a process to mitigate this matter of obtaining an income from two different sources.

2. *What are reasonable budget levels for alternative funding models and program evaluation contracts?*

SoCalGas suggests that budget levels should be determined upon the completion of a RFP and at the time when the winning bids are identified.

3. *What is the appropriate duration over which these programs should be funded?*

SoCalGas recommends a pilot program with a minimum pilot duration of 2 years.

4. *How should these budgets be tracked and reconciled?*

SoCalGas believes budgets for any pilots, additional case management work performed by current or new CBOs, as well as additional work by CHANGES, should be tracked in the COVID-19 Pandemic Protections Memorandum Account (CPPMA).

Program Administration

5. *Who should be responsible for administering the following?*
 - a. *Selection of contracted CBOs for each IOU*

Respective IOUs should facilitate their own RFPs due to the uniqueness of each utility's

¹¹ *Id.*

geographic territories. An RFP solicited by each IOU allows for fair bids and business practice for all parties. Moreover, an open bidding process creates a better chance for the selection of grassroots nonprofit CBOs to be selected. A single appointed agency without the same oversight has a much greater likelihood for displacing grassroots, nonprofit CBOs. In addition, it allows for the more efficient allocation of resources where parties who best understand the uniqueness of its respective service territories are conducting the open bid process as opposed to an entity who does not know the area and needs as well.

b. *Evaluation of CBO and IOU activities*

SoCalGas recommends that Energy Division (ED) be responsible to complete the evaluation of CBOs and IOU activities. IOUs will be responsible to provide ED monthly reporting updates via Low Income Monthly Reports. The scope of evaluation of CBO and IOU activities should be limited to the requirements outlined in Attachment B of in the Ruling as it relates to CBOs seeking to offer customers ongoing arrearage case management support.¹²

c. *Transmission of payments to contracted CBOs*

SoCalGas recommends that the IOUs continue to administer small grant funding to CBOs similar to existing CBO partnerships through (D).21-06-015.¹³ SoCalGas recommends that ED be responsible for administering the tiered pay-for-performance funding models, similar to how the CHANGES program is managed.

¹² Assigned Commissioner's Ruling seeking comments and noticing workshop on strategies to enhance community-based organization support for customers to access COVID-19 Relief, dated October 18, 2021, Attachment B.

¹³ D.21-06-015, Decision on Large Investor-Owned Utilities' and Marin Clean Energy's California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric Rate Assistance (FERA) Program Applications for Program Years 2021-2026.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K107/387107687.PDF>

d. *Ongoing troubleshooting and program oversight*

SoCalGas recommends IOUs address troubleshooting and program oversight in their respective low-income monthly reporting or as mentioned in section *b. Evaluation of CBO and IOU Activities*.

6. *What should program management plans include to ensure the coordinated development of outreach materials and consistent messaging?*

SoCalGas recommends that each, respective IOUs will provide the CBOs with printed marketing, education, and outreach materials (ME&O). SoCalGas supports the use of existing ME&O strategy and communications plans to ensure the coordinated development of outreach materials and consistent messaging. Pursuant to D.21-06-015, each IOU currently manages its own ME&O efforts to meet the goals set out by the Commission.¹⁴ These efforts include, but are not limited to, direct mail, door-to-door canvassing, social media, targeted efforts in DACs/Rural/Tribal areas, and partnerships with community and faith-based organizations, as well as other state, federal and local agencies. Since every utility service territory is unique, each IOU has been allowed to seek out efforts that work best for its own service areas. The scope of evaluation of CBO and IOU activities should be limited to the requirements outlined in Attachment B of the Ruling as it relates to CBOs seeking to offer customers ongoing arrearage case management support.¹⁵

7. *What systems should be developed and implemented to ensure program efficiencies such as training and an exchange of best practices between CBOs?*

SoCalGas proposes that IOUs should facilitate CBO meetings at a minimum of once a

¹⁴ *Id.*

¹⁵ Assigned Commissioner's Ruling seeking comments and noticing workshop on strategies to enhance community-based organization support for customers to access COVID-19 Relief, dated October 18, 2021, Attachment B.

year. The scope of meetings should be limited to CBOs seeking to offer customers ongoing arrearage case management support. There should be no impact on current CBO partnerships operating under existing MOUs pursuant to D.21-06-015.

Program Evaluation

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

SoCalGas believes that ED is responsible for the evaluation of program effectiveness and compliance of program rules for tiered pay for performance models. SoCalGas believes that for grant programs IOUs are responsible for evaluating and compliance with program rules. During the grant-funding RFP contracting stage, funding bidders will be asked to develop key performance indicators (KPIs) to assess pilot program effectiveness. Winning bidders will meet regularly with IOUs to evaluate KPIs and see where and why metrics fall short and how IOUs can better support CBOs when possible.

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.?*

SoCalGas proposes that evaluations take place on a quarterly basis based on the duration of the pilot. The scope of evaluation of CBO and IOU activities should be limited to the requirements outlined in Attachment B of the Ruling as it relates to CBOs seeking to offer customers ongoing arrearage case management support.¹⁶

III. CONCLUSION

SoCalGas appreciates the Commission's consideration for providing interested parties and stakeholders this opportunity to submit comments. SoCalGas is acutely aware of, and sensitive to, the reality that the economic recovery for those who were disproportionately

¹⁶ *Id.*

ATTACHMENT A

SoCalGas Marketing, Education, and Outreach (ME&O) Activities

ME&O - Arrearage Management Plan (AMP)

In February 2021, SoCalGas began actively communicating to customers deemed likely to qualify for the Arrearage Management Plan (AMP). Letters and emails were sent to approximately 78,000 customers, encouraging them to apply for the program and take advantage of potential debt forgiveness. By February 19, because of these efforts after the first month there were a total of 7,585 AMP customer inquiries and 1,352 AMP customer enrollments. A qualification of AMP is that customers must be residential and enrolled in the California Alternate Rates for Energy Program (CARE). To widely promote the opportunity of debt forgiveness to residential customers, SoCalGas began to strategically cross-promote AMP on CARE communications, including materials shared directly with CBOs to distribute in their communities. AMP continues to be strategically cross promoted with CARE across different channels and marketing and outreach efforts, including direct mail, email, various web pages (socialgas.com/CARE and socialgas.com/Coronavirus), brochures and flyers that CBOs share with their communities, CBO training materials and presentations, outreach events, bill communications, SoCalGas My Account, and SoCalGas's call center talking points.

Arrearage Management Plan (AMP) customer communications highlights

The Arrearage Management Plan (AMP) customer communications highlight a successful communications plan by SoCalGas. SoCalGas performed a proactive AMP customer communication in September 2021 to test the impact of targeted communications to customer enrollment rates into AMP. The initiative was a targeted email campaign that included both email notices and text messages to pre-qualified customers who were eligible for AMP.

SoCalGas discovered an increase in overall customer enrollment in AMP because of the targeted AMP customer communication. SoCalGas is continuing to monitor changes in AMP enrollment to understand the impact and effectiveness of various marketing and outreach campaign efforts to customers. SoCalGas has enrolled to date 60,122 customers into AMP with \$6,205,683 total forgiven amount.

ME&O – Emergency Rental Assistance Program (ERAP)

The Investor-Owned Utilities (IOUs) were directed to leverage federal funding available through the Emergency Rental Assistance Program (ERAP).¹ Within the first month of this directive, SoCalGas identified 9,540 eligible customers through water utility data exchange and an additional 62 non-AMP eligible customers that directly inquired about arrearage assistance.² SoCalGas contacted these customers by phone to guide them through the ERAP application process and this endeavor led to 156 applicants. SoCalGas also worked with the California Department of Housing and Community Development (HCD) to facilitate customers' receipt of ERAP by validating customers' arrearage amounts and remittance of payment to customer accounts. According to HCD, SoCalGas customers claimed \$1,943,500 in SoCalGas arrearages.³ SoCalGas took immediate steps to promote ERAP on the customer assistance programs web page and Coronavirus web page to support customers in need of ERAP federal funding. ERAP continues to be promoted across various SoCalGas communications. This includes SoCalGas's

¹ April 5, 2021, Administrative Law Judge's Ruling Directing Utility Action to Leverage Federal Funding Available for Utility Arrearages, R. 21-02-014, at OP 2.

docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M376/K088/376088479.PDF

² Opening Brief of Southern California Gas Company on The Bill Debt Accumulated During The COVID-19 Pandemic, R. 21-02-014, at 13.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M380/K021/380021310.PDF>

³ California Department of Housing and Community Development, Utility Debt (2021), on file with author. SoCalGas' service territory includes Los Angeles, San Bernardino, Riverside, Orange, Kings, San Luis Obispo, Kern, Santa Barbara, Ventura, Fresno, Imperial and Tulare counties.

customer assistance program infographic promoting CARE, AMP, the Energy Savings Assistance Program, and Medical Baseline (shared with SoCalGas's Regional Public Affairs team and CBO partners and included in the Outreach Team's training presentations and materials), social media posts, marketing collateral supporting community events (virtual and in-person), and an email to all residential customers with arrears promoting assistance programs and plans (approximately 455,557 customers as of July 22, 2021) supporting SoCalGas's COVID-19 Emergency Customer Protections Transition Plan.

ME&O – COVID-19 Relief Payment Plans (COVID RPP)

Pursuant to D.21-06-036 effective September 30, 2021, the IOUs were directed to automatically enroll eligible residential and small business customers into a payment plan known as the COVID-19 Relief Payment Plan (COVID RPP).⁴ On September 13, SoCalGas sent a total of 425,500 targeted pre-enrollment communications through letters and emails notifying eligible customers of auto enrollment into COVID RPP, payment plan details, and available opt-out participation options. SoCalGas's pre-enrollment communications and promotion of the COVID-19 Relief Payment Plan web pages were extremely intentional to minimize customer confusion and a decrease likelihood of a negative customer experience. Pre-enrollment communications provided a tailored message to customers who would be directly impacted by automatic enrollment. While these pre-enrollment messages focused on payment plan details, the residential web page mentions that customers may also qualify for additional customer assistance programs and links to the main customer assistance web page. SoCalGas takes every opportunity to be strategic in promoting all available assistance offerings.

⁴ D.21-06-036 Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans, at OP 2.