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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

ADMINISTRATIVE LAW JUDGE'S RULING RELATING TO THE PHASE 2 WORKSHOP IN OCTOBER 2022

This ruling directs Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company (together, the Large Energy Utilities) to file responses to questions in this ruling by December 9, 2022 and to file a joint meet-and-confer report by February 3, 2023. Parties may file comments on the meet-and-confer report by February 24, 2023 and replies by March 13, 2023. This ruling also requests party comments on questions in this ruling by December 9, 2022 and replies by January 10, 2023.

1. Background

On July 15, 2022, the assigned Commissioner issued a Phase 2 scoping memo in this proceeding. On October 17, 2022, the Commission's Energy Division held a workshop to discuss Phase 2 issues, including the Arrearages Management Plan (AMP) program, COVID Long-Term Payment Plans, and the Community-Based Organization (CBO) Arrears Case Management Pilot Proposal (CBO Pilot Proposal) filed on August 29, 2022 in accordance with

Decision 22-04-037. The Large Energy Utilities’ presentation slides from the Phase 2 workshop are attached to this ruling.

2. Questions for Large Energy Utilities

Each of the Large Energy Utilities shall file comments that respond to each the following questions, and parties may file replies to these comments.

1. What happens when a customer breaks their AMP plan?
2. What happens when a customer breaks their COVID Long-Term Payment Plan?
3. What is considered successful completion of a COVID Long-Term Payment Plan?
4. How much of California Arrearage Payment Program (CAPP) funding was applied to California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance Program (FERA) customers, and how much CAPP funding was applied to non-CARE/FERA residential customers?
5. Provide the following data for AMP as of September 30, 2022 in the table below.

Table 1. AMP Data as of September 30, 2022

Total Customers Enrolled	
Customers Actively Enrolled	
Customers Successfully Completed AMP with CAPP funding	
Customers Successfully Completed AMP without CAPP funding	
Customers Removed Involuntarily	
Customers Removed Voluntarily (Customer Request/Move Out)	
Actual Debt Forgiven by AMP in Dollars (\$Million)	

6. Provide the following data for COVID Long-Term Payment Plans as of September 30, 2022 in the table below.

Table 2. COVID Long-Term Payment Plans Data as of September 30, 2022

Total number of COVID payment plans have been issued (since launched)	
Number of active payment plans	
Number of payment plans completed ahead of schedule (less than 24 months) with CAPP funding	
Number of payment plans completed ahead of schedule (less than 24 months) without CAPP funding	
Number of broken payment plans due to non-payment	
Number of payment plan opt-outs due to customer request or move out	
Number of broken payment plans due to other reasons (specify the reasons)	
Average monthly payment for payment plans completed ahead of schedule	
Average monthly payment for broken payment plans	
Average monthly payment for kept (active) payment plans	
Average monthly payment for payment plans opt-outs	

7. Confirm the following data comparing residential payment plans in the tables below and provide an explanation for the differences in successful completion rates.¹

Table 3. Sum of Residential Payment Plans (July 2021-September 2022)

	PG&E	SCE	SoCalGas	SDG&E
New Enrollments				
1-3 Months	146,271	759,460	133,555	17,031
4-6 Months	108,234	27,276	11,061	2,012
7-9 Months	38,680	4,798	977	799
10-12 Months	57,486	228,619	2,228	42,818
>12 Months	885,992	1,005,509	1,604,163	275,877
Total New Enrollments	1,766,480	2,025,662	1,751,984	338,537
Finished				
1-3 Months	97,570	260,261	47,137	2,792
4-6 Months	80,140	7,492	4,611	484
7-9 Months	22,194	1,893	162	42
10-12 Months	26,107	15,449	416	209
>12 Months	485,474	521,993	13,154	0
Total Finished	743,142	807,088	65,480	3,527
Broken				
1-3 Months	50,563	341,277	100,714	14,832
4-6 Months	45,751	20,100	6,382	1,612
7-9 Months	24,830	6,503	825	692
10-12 Months	37,535	108,604	1,687	43,038
>12 Months	570,043	276,136	630,713	200,417
Total Broken	728,722	752,620	740,321	260,591

¹ The data sources for residential payment plans are from monthly disconnection reports, Section 9, Transition Plan Reporting. The IOUs report residential payment plans (New Enrollments, Finished, Broken) each month by payment plan duration. Note that payment plans > 12 months relate to COVID Long-Term Payment Plans. To create the data tables in this question, Energy Division staff took the following steps: (1) Sum up the new, finished, and broken payment plans from July 2021 through September 2022 in Table 3. (2) Use numbers in Table 3 to calculate the following ratios in Table 4: Broken/Finished, Finished/New Enrollments, and Broken/New Enrollments. (3) Color scale Table 4 to create heat maps. In general, green cells mean higher finished rates and lower broken rates, and red cells mean the opposite.

Table 4. Comparison of Residential Payment Plans

Broken/Finished Ratio	PG&E	SCE	SoCalGas	SDG&E
1-3 Months	0.52	1.31	2.14	5.31
4-6 Months	0.57	2.68	1.38	3.33
7-9 Months	1.12	3.44	5.09	16.48
10-12 Months	1.44	7.03	4.06	205.92
>12 Months	1.17	0.53	47.95	#VALUE!

Finished/New Enrollment Ratio	PG&E	SCE	SoCalGas	SDG&E
1-3 Months	0.67	0.34	0.35	0.16
4-6 Months	0.74	0.27	0.42	0.24
7-9 Months	0.57	0.39	0.17	0.05
10-12 Months	0.45	0.07	0.19	0.00
>12 Months	0.55	0.52	0.01	#VALUE!

Broken/New Enrollment Ratio	PG&E	SCE	SoCalGas	SDG&E
1-3 Months	0.35	0.45	0.75	0.87
4-6 Months	0.42	0.74	0.58	0.80
7-9 Months	0.64	1.36	0.84	0.87
10-12 Months	0.65	0.48	0.76	1.01
>12 Months	0.64	0.27	0.39	0.73

8. Provide the following data for other types of residential payment plans (*i.e.* plans other than AMP or COVID Long-Term Payment Plans) between November 1 , 2021 and September 30, 2022 in the table below.

Total number of payment plans issued (specify the type of payment plan)	
Number of active payment plans	
Number of payment plans completed ahead of schedule with CAPP funding	
Number of payment plans completed ahead of schedule without CAPP funding	

Number of broken payment plans due to non-payment	
Number of payment plan opt-outs due to customer request or move out	
Number of broken payment plans due to other reasons (specify the reasons)	
Average monthly payment for payment plans completed ahead of schedule	
Average monthly payment for broken payment plans	
Average monthly payment for kept (active) payment plans	
Average monthly payment for payment plans opt-outs	

3. Direction to Large Energy Utilities to Meet and Confer and File Report

The Large Energy Utilities shall meet and confer about the differences between their implementation of AMP and COVID Long-Term Payment Plans. The Large Energy Utilities shall jointly file a meet-and-confer report that answers the following questions:

1. Why do the successful completion rates for COVID Long-Term Payment Plans differ between utilities?
2. Why do the successful completion rates for AMP differ between utilities?
3. What education or outreach did utilities conduct to reduce missed payments under AMP? During what months did the utilities conduct this education or outreach?
4. What education or outreach did utilities conduct to reduce missed payments under COVID Long-Term Payment Plans? During what months did the utilities conduct this education or outreach?
5. What education or outreach did utilities conduct to inform customers about automatic enrollment in COVID Long-

Term Payment Plans? During what months did the utilities conduct this education or outreach?

6. What best practices or lessons learned about AMP implementation did the utilities share at the meet-and-confer? How will each utility change its implementation of AMP going forward based on this information?
7. What best practices or lessons learned about COVID Long-Term Payment Plan implementation did the utilities share at the meet-and-confer? How will each utility change its implementation of COVID Long-Term Payment Plans going forward based on this information?

Parties may file comments on the meet-and-confer report and may file replies to these comments.

4. Questions for Party Comments about Payment Plans

Parties are invited to answer the following questions.

1. Some workshop participants raised concerns about automatic enrollment in long-term payment plans causing confusion for participants. Is automatic enrollment inherently problematic, or is it a matter of how much ME&O is paired with automatic enrollment?
2. A workshop participant asserted that AMP is best for customers who can afford to pay their bills, and the underlying problem is that many AMP-eligible customers can't afford to pay their bills. Could the design of AMP be modified to better serve customers who can't afford to pay their bills? Or should utilities not recommend AMP for certain types of customers?
3. In light of COVID and CAPP payment impacts on arrearages and disconnections, should the Commission wait before making changes to the AMP and/or COVID Long-Term Payment Plans? Or should the Commission modify these programs soon to ensure that these programs serve customers at risk of disconnection?

5. Questions for Party Comments about the CBO Pilot Proposal

1. Do the proposed zip codes for the proposed pilot include Community Choice Aggregation (CCA) customers?
2. What role should CCAs have in implementing the proposed pilot, if any?
3. The CBO Pilot Proposal recommends comparing pilot participants with a control group that receives standard utility support to reveal the impact of the pilot. Should the pilot evaluation also evaluate the impact of CBO interventions compared with a specific amount of utility engagement? For example, should the control group receive calls from their utility following missed payments to reduce involuntary removal from AMP and long-term payment plans?
4. The CBO Pilot Proposal recommends that the evaluation consider whether the benefits of the pilot program sufficiently outweigh the costs to warrant program expansion. Should the pilot evaluation determine whether specific pilot interventions are effective enough for the benefits to outweigh the costs? How should the pilot design, pilot reporting, or evaluation design provide insight into whether modifying the program eligibility requirements, services, or administration could result in a better ratio of benefits to costs per customer?
5. Tier 1 service in the CBO Pilot Proposal includes energy education. The Energy Savings Assistance program offers energy education to participants, and utilities also provide educational information about energy usage. How is the Tier 1 service different from these energy education offerings and how do all the different types of energy education interplay?
6. What data could the CBO pilot collect to help to identify the characteristics of customers who can benefit from an AMP vs. those who cannot afford to pay their bills and need a Percentage of Income Payment Plan?

7. The CBO Pilot Proposal targets customers in zip codes that meet the Commission's definition of "affordability area of concern" and who have arrears that are at least 90 days old and may be at risk of disconnection. The proposal does not require participants to meet income eligibility requirements to participate. Should the pilot include income eligibility requirements? Why or why not?
8. The pilot proposal recommends an independent evaluation by a third-party but does not specify how the third-party evaluator should be hired or supervised. Who should conduct the request for proposals, select the evaluator, and supervise the evaluator? What role should the CBO Working group have in these processes?
9. The pilot proposal includes a recommended preliminary scope for the evaluation. What other questions should the Commission require the evaluation to address?
10. The pilot proposal includes separate line-items for administrative costs and education and outreach costs. What is included in the administrative costs line-item, and how do these types of costs differ from education and outreach costs?
11. The pilot proposal notes that the utilities' administrative costs include Single Point of Contact costs to support CBOs with specific customer account resolution issues. How are these costs additional to costs that would otherwise be incurred by the utilities? What portion of the utilities' administrative costs for the pilot will serve this purpose?
12. The pilot proposal recommends that, on a monthly basis, CBOs will receive additional payments for each customer enrolled at the end of the preceding month in the case management pilot (enrolled is defined as a customer with a signed agreement to participate in case management). The pilot proposal also recommends tracking the number of customers who unenroll or withdraw from the pilot. How should the Commission define unenrollment or withdrawal from the pilot? Can participants be

involuntarily removed from the pilot, and if so, for what reasons?

13. How should the pilot address participating customers who move after enrollment in the pilot?

IT IS RULED that:

1. The Large Energy Utilities shall each file responses to questions in this ruling by December 9, 2022.

2. Parties may file comments on the questions in this ruling by December 9, 2022 and replies by January 10, 2023.

3. The Large Energy Utilities shall jointly file a meet-and-confer report by February 3, 2023.

4. Parties may file comments on the meet-and-confer report by February 24, 2023 and replies by March 13, 2023.

Dated November 10, 2022, at San Francisco, California.

/s/ STEPHANIE WANG

Stephanie Wang
Administrative Law Judge