



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

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Order Instituting Rulemaking to Identify
Disadvantaged Communities in the San Joaquin
Valley and Analyze Economically Feasible
Options to Increase Access to Affordable Energy
in those Disadvantaged Communities.

R.15-03-010

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U338-E) 2023 QUARTERLY
PROGRESS REPORT ON SAN JOAQUIN VALLEY PILOT PROJECTS**

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Dated: May 1, 2023

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In compliance with Ordering Paragraph (OP) 15g of D.18-12-015, Southern California Edison Company (SCE) hereby submits the attached 2023 Quarterly Progress Report on San Joaquin Valley Pilot Projects.

Respectfully submitted,

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May 1, 2023

Attachment A

SCE 2023 Quarterly Report on San Joaquin Valley Pilot Projects

Southern California Edison's
San Joaquin Valley Pilots
Quarterly Progress Report

May 1, 2023

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I. Overview

Southern California Edison (SCE) submits this quarterly report (Report) in compliance with the California Public Utilities Commission (CPUC or Commission) Decision (D.) 18-12-015 regarding San Joaquin Valley (SJV) Disadvantaged Communities Pilot Projects (Pilot).¹

This Report includes the remediation costs and needs of households (HH) in SCE's Pilot communities from the first home completed through the end of March 2023. In addition to this information, pre- and post- Pilot bill impact information is enclosed for those projects completed by December 31, 2022, that have a full 2023 first-quarter's worth of bill data available.

Despite the outreach efforts (e.g., phone calls, mailings, door-to-door) performed in California City by the Community Energy Navigator (CEN), there were only 21% (or 24 out of 114) of customers interested. As of March 31, 2023, the CEN is no longer accepting applications for any of the Pilot communities. As highlighted in Table 1 below, the CEN overall contacted approximately 90% of eligible households and completed applications for about 50% of the 404 households contacted.

During the first quarter of 2023, the SJV contractors' ability to perform installation work was limited due to weather (i.e., rain) conditions. The focus for the SJV contractors is to complete installation of all feasible measures for the remaining homes in the three communities of Ducor, West Goshen, and California City. The 114 projects completed include homes with at least one measure installed.

Table 1: Pilot Achievements through March 31, 2023

Pilot Community	# of Eligible HH	# of HH Contacted by CENs	# of Applications Completed	# of Assessments Completed	# of Projects Completed
Ducor	222	163	79	61	52
West Goshen	127	127	98	75	62
California City	100	114	24	6	0
Total	449	404	201	142	114

II. Remediation

D.18-12-015 authorized the installation of heat pump space conditioners, heat pump water heaters, induction cooktops, and high-efficiency electric clothes dryers. Installation of these measures has required repairs to replace propane appliances and approximately 78 percent of the 114 completed homes have required an electrical panel upgrade, along with new circuit runs to

¹ D.18-12-015, p. 4, "It directs quarterly reporting starting in 2020 on remediation costs and needs in the communities and on pre- and post- pilot implementation bill impacts..."

the new electric equipment. The electrical upgrade average costs of \$4,300 are not included in the remediation costs.

As shown in Table 2 below, about 76 percent (or 108 homes) of the assessments completed require less than the \$5,000 remediation cap per home, while 24 percent (or 34 homes) are estimated to exceed this amount. Non-pilot funding² will be needed to serve these homes. See Appendix A for a summary of identified non-pilot funding.

Table 2: Summary of Identified Remediation Costs³

Community	# of Assessments Completed	# of HH with Zero (\$0) Rem. Needs	# of HH with Rem. Needs < \$5,000	Avg. Rem. Costs Identified < \$5,000	# of HH with Rem. Needs > \$5,000	Avg. Rem. Costs Identified > \$5,000
Ducor	61	10	42	\$2,490	9	\$7,545
West Goshen	75	9	42	\$2,723	24	\$8,688
California City	6	0	5	\$1,204	1	\$7,094
Total	142	19	89	\$2,528	34	\$8,338

SCE completed 114 projects through March 31, 2023, and 99 of these projects required approximately \$338,000 in total remediation costs (See Table 3). There were 15 completed projects that required no remediation costs.

Table 3: Summary of Funded Remediation Costs

Community	# of Projects Completed	Remediation Funded by PILOT	Remediation Funded by NON-PILOT FUNDING	Total Remediation Funded
Ducor	52	\$123,486	\$9,217	\$132,703
West Goshen	62	\$180,724	\$24,753	\$205,477
California City	0	0	\$0	\$0
Total	114	\$304,210	\$33,970	\$338,180

² D.18-12-015, p. 84: “In addition, we direct the CPM to research additional grant and loan sources for households and communities to use towards remediation costs, as outlined in Section 11.8. The CPM and the CENs will provide this information to PAs, households, and communities; the information must also be included in a quarterly report on the topic of substandard housing directed in Section 11.8. The CPM should work to identify county, local government, federal, state, and private sources of additional housing remediation funds.”

³ Table 2 is inclusive of all homes *assessed* through the end of the reporting period. Subsequently, remediation costs in Table 2 are based on estimates derived from in-home assessments when actual costs are not yet available due to projects not yet complete.

The average remediation cost for the 99 projects requiring remediation was approximately \$3,416 per project (See Table 4), and 21 of these projects required non-pilot funding beyond the remediation cap.

Table 4: Summary of Remediation Recipients by Funding Source

Community	# of Projects Completed	# of HH Receiving PILOT FUNDING	# of HH Receiving NON-PILOT FUNDING	Average Remediation Funded per HH
Ducor	52	44	6	\$3,016
West Goshen	62	55	15	\$3,736
California City	0	0	0	\$0
Total	114	99	21	\$3,416

Projects with remediation costs exceeding \$20,000 are re-evaluated by SCE and the SJV Pilot contractor to identify alternate solutions. Alternative solutions are to safely install at least one measure at reduced remediation cost and without upgrading existing electrical infrastructure. The two homes in Table 5 were identified in Q3 of 2022 and there have been no additional applicants unable to participate due to excessive remediation costs. These homes had safety issues, one with exposed knob and tube wiring that would have required rewiring the entire home, while the other had black mold and asbestos issues.

Table 5: Summary of Potential Non-Participants Due to Excessive Remediation

Community	# of Non-Participants	Avg. Remediation Costs Identified
Ducor	2	\$48,022
West Goshen	0	0
California City	0	0
Total	2	\$48,022

Table 6 lists the number of households requiring specific remediation and the average remediation cost per household for the 99 out of 114 completed projects that required remediation. The most common repairs related to each category include, but are not limited to:

- HVAC Remediation – patch work required after removing propane furnaces and non-operating roof evaporative coolers
- Water Heater Remediation – relocate waterlines and/or unit; modify or replace enclosure
- Cooking Appliance Remediation – cabinet modification
- Clothes Dryer Remediation – install exhaust vent
- Electrical Remediation – trenching to run new conduit and electrical wiring for panel upgrades

Table 6: Common Remediation Needs and Rate of Occurrence

Remediation Category	# of HH Occurrences	% of HH Occurrences	Average Cost / HH
HVAC Remediation	75	76%	\$1,220
Water Heater Remediation	71	72%	\$1,362
Cooking Appliance Remediation	8	8%	\$493
Clothes Dryer Remediation	3	3%	\$265
Electrical Remediation	53	54%	\$2,648

III. Bill Impact Summary

The bill impact summary in Table 7 below is based on 57 homes completed by December 31, 2022, that have the 2023 first quarter's worth of bill data (i.e., January, February, March). The post-participation electric costs include the 20 percent SJV discount **and** 20 percent Transitional Community Solar discount. In addition, 41 out of the 57 homes are receiving the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) discount. The CARE/FERA discounts are reflected in both the pre- and post-participation costs.

The average monthly total fuel costs increased for some participants in Q1-2023 post-participation with the bill protection discounts. The increase will continue to be monitored throughout the winter months; however, no final conclusions on the overall bill impacts can be made because the data is still preliminary. In 2024, SCE will evaluate pilot participants' total energy cost savings.⁴

Table 7: Bill Impact Analysis – All SCE Pilot Communities⁵

Fuel Costs ⁶	Pre-Participation	Post-Participation	Change in Fuel Costs
Avg. Monthly Electric Costs	\$122.92	\$168.30	\$45.38
Avg. Monthly Gas Costs	n/a	n/a	n/a
Avg. Monthly Propane Costs	\$85.67	\$4.34	-\$81.33
Avg. Monthly Wood Costs	\$1.90	\$0	-\$1.90
Avg. Monthly Total Fuel Costs	\$210.49	\$172.64	-\$37.85

⁴ [Resolution E-5034](#) issued December 23, 2019 directed SCE (and PG&E) to host a workshop to collaborate on a methodology to model pre-pilot propane costs. This workshop will occur 120 days before commencing the bill protection evaluation, which should start three years and six months after the first household receives its first monthly bill discount.

⁵ The defining line between the pre- vs post-participation period is when the first appliance was installed. However, it is important to note that in many cases, project installations occurred over an extended period, which is expected to distort the bill impact outcomes during the period between the first and last appliance installations.

⁶ Propane and wood fuel costs are based primarily on self-certified information provided by pilot participants. Participants were encouraged but not required to provide copies of receipts to validate the costs provided.

APPENDIX A: Non-Pilot Funding Sources for Remediation

Summary of Non-Pilot Funding Sources for Remediation									
Funding Source	Funding Type ⁷	App Status	Funding Amount Available (\$)	Availability: Start Date	Availability: End Date	Eligible Pilot Communities	HH Eligibility Requirements	# of HH Receiving Funding	Party to Identify Funding
Self-Help Enterprises (SHE)	Grant	Open	\$100K (up to \$5K per home)	4/1/2021	Until funds are exhausted	All	SJV Pilot participant	0	SHE
Housing Preservation Grant (HPG)	Grant or low interest loan	Closed	\$15k per home	unknown	varies	Merced County Madera County Rural Areas	Owner-occupied; income eligibility requirements; Rural area with 20,000 or fewer people	0	SHE
Community Development Block Grant (CDBG)	0% interest loan/ 30 yr	Open	Up to \$100k	unknown	varies	Merced County Madera County Rural Areas	Owner-occupied; income eligibility requirements; Rural area with 20,000 or fewer people	0	SHE
US Dept. of Agriculture Rural Development Single Family Housing Program (Home Repair)	Grant or 1% interest loan	Open	Varies	unknown	varies	Rural Areas	Grants for age 62 or older with no loan payment ability; Loans for applicants with income limits determined by USDA	0	SHE
California Energy Commission (CEC) Funding	Cap & Trade	Open	\$600K (up to \$10K per home)	10/1/2021	6/30/2023	All	SJV Pilot participants installing at least one heat pump technology measure	21	Ortiz Group

⁷ Customers are not interested in home loans for repairs above the remediation \$5K cap. There are several SCE projects that will require additional remediation and the two funding sources that will be utilized are the CEC funding and Self-Help Enterprises grant. These two sources do not require repayment by the customer.