



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

FILED

08/08/23

04:59 PM

R1807005

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

R.18-07-005

OPENING COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY
(U 338-E) ON PROPOSED DECISION APPROVING 24-MONTH PAYMENT PLANS,
ARREARAGE MANAGEMENT PAYMENT PLAN EXTENSION, AND MEDICAL BASELINE
STUDY

ANNA VALDBERG
JOSH D. BURK

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4801
E-mail: Joshua.Burk@sce.com

Dated: **August 8, 2023**

**OPENING COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON PROPOSED DECISION APPROVING 24-MONTH PAYMENT PLANS, ARREARAGE
MANAGEMENT PAYMENT PLAN EXTENSION, AND MEDICAL BASELINE STUDY**

TABLE OF CONTENTS

Section	Page
SUBJECT INDEX OF RECOMMENDED CHANGES	
I. INTRODUCTION	1
II. DISCUSSION	2
A. Long Term (24-Month) Residential Customer Payment Plans.....	2
1. Eligibility and Enrollment Rules for Temporary 24-Month Payment Plans Should Align with Other Available Payment Plans for Consistency and Ease of Administration	2
2. The Tier 1 Advice Letter to Implement the New Text and Email Notification Requirement for Missed Payments Should Be Modified to Provide Sufficient Time for SCE to Implement this New Requirement	5
3. The PD Should Clarify that Costs Associated with Implementing the Temporary Extension for the 24-Month Payment Plan Should be Tracked in Each IOU’s Residential Disconnections Implementation Cost Memorandum Account.....	6
B. Arrearage Management Plan (AMP)	6
1. SCE Clarifies the Timeline Necessary to Begin the AMP Evaluation and Estimated Budget.....	6
2. The PD Should Retain the IOUs Ability to File a Joint Tier 3 Advice Letter to Propose Implementation Parameters Based on the Results of the AMP Evaluation.....	7
C. Medical Baseline Population Study	7
1. The Medical Baseline Study Schedule Should be Extended by Three Months to Accommodate the PD’s Proposed Request for Proposals (RFP) Solicitation Process.....	8
2. The PD Should be Modified to Allow the Large Utilities to Request a Marketing and Outreach Budget to Achieve Their Proposed Medical Baseline Enrollment Goals	9
III. CONCLUSION.....	9

**OPENING COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON PROPOSED DECISION APPROVING 24-MONTH PAYMENT PLANS, ARREARAGE
MANAGEMENT PAYMENT PLAN EXTENSION, AND MEDICAL BASELINE STUDY**

Table Of Contents (Continued)

Section	Page
APPENDIX A SCE'S PROPOSED MODIFICATIONS TO THE PROPOSED DECISION	

**OPENING COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON PROPOSED DECISION APPROVING 24-MONTH PAYMENT PLANS, ARREARAGE
MANAGEMENT PAYMENT PLAN EXTENSION, AND MEDICAL BASELINE STUDY**

Table of Authorities

	Page
CPUC Decisions	
D.21-06-036	2, 3, 5
CPUC Resolutions	
Resolution M-4849	5
Resolutions M-4842	5
CPUC Rules of Practice and Procedure	
Rule 14.3	1

SUBJECT INDEX OF RECOMMENDED CHANGES

SCE recommends the following changes to certain Proposed Decision (PD) requirements:

- The California Public Utility Commission (CPUC or Commission) should modify the eligibility and enrollment rules for the temporarily extended long-term payment plans to align with other available payment plan options for consistency, ease of administration, and cost efficiency.
- The Commission should allow investor-owned utilities (IOUs) to include in the Tier 1 Advice Letter, due within 90 days of the effective date of the decision, to confirm implementation of the temporarily extended long-term payment plans a timeline (if applicable) for implementing the new requirement to notify customers by email and text message if they miss a payment plan payment.
- The Commission should modify the PD to allow the IOUs to track costs associated with implementing the temporarily extended long-term payment plans in each IOU's Residential Disconnections Implementation Cost Memorandum Account (RDICMA) so they can be recovered in an appropriate cost recovery proceeding.
- The Commission should retain the IOUs' ability to file a joint IOU Tier 3 Advice Letter as a mechanism to propose the implementation parameters of the Arrearage Management Plan (AMP) evaluation results, which may include program design changes and justification for offering AMP beyond the planned October 1, 2026, sunset date, or discontinuation of the AMP program.
- The Commission should extend the schedule for the Medical Baseline Study by three months to accommodate the PD's request for proposals solicitation process.
- The Commission should allow the Large Utilities to request a marketing and outreach budget to achieve their proposed Medical Baseline enrollment goals.

**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.

R.18-07-005

**OPENING COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY
(U 338-E) ON PROPOSED DECISION APPROVING 24-MONTH PAYMENT PLANS,
ARREARAGE MANAGEMENT PAYMENT PLAN EXTENSION, AND MEDICAL
BASELINE STUDY**

I.

INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utility Commission's (CPUC or Commission) Rules of Practice and Procedure, Southern California Edison Company (SCE) submits these opening comments to the Assigned Commissioner's Proposed Phase II Decision (PD) Approving 24-Month Payment Plans, Arrearage Management Payment Plan Extension, and Medical Baseline Study, dated July 19, 2023.

II.
DISCUSSION

A. Long Term (24-Month) Residential Customer Payment Plans

1. Eligibility and Enrollment Rules for Temporary 24-Month Payment Plans Should Align with Other Available Payment Plans for Consistency and Ease of Administration

SCE appreciates and agrees with the PD’s recognition that the automatic enrollment requirement initially included in the “COVID-19 Relief Payment Plans” for residential customers in Decision (D.) 21-06-036 was a necessary response to the COVID-19 state of emergency and that because Governor Newsom issued a proclamation to end the state of emergency on February 28, 2023, automatically enrolling customers with relatively high arrearages into 24-month payment plans is no longer needed.¹

Furthermore, SCE supports continuing to offer 24-month payment plans to eligible customers until the October 1, 2026, the deadline proposed in the PD. However, just as the PD has recognized that automatic enrollment into these 24-month payment plans is no longer necessary, SCE recommends modifying the following requirements outlined in Appendix A of D.21-06-036 to align the eligibility and enrollment criteria with the other payment plans that are available to customers, such as 12-month payment plans.

The table below contains the requirements that are included in Appendix A of D.21-06-036 that should be modified or eliminated for the sake of the proposed 24-month payment plans. *First*, the PD should be modified to exclude from eligibility the requirements in items 2.b and 2.c, that the customer has arrearages of 60 days or more and has never enrolled in a COVID-19 Relief Payment Plan, respectively. SCE currently offers payment plans regardless of

¹ See Proposed Decision Approving 24-Month Payment Plans, Arrearage Management Payment Plan Extension, and Medical Baseline Study, pp. 11-12.

the length of time when the arrears accrued and eliminating the 60-day requirement will allow SCE to offer the proposed 24-month payment plan to eligible customers with unpaid arrears that are less than 60-days past due (*i.e.*, eligibility requirement 2.b), which is consistent with policies for other payment arrangements. Similarly, eliminating the eligibility requirement 2.c will allow SCE to offer the 24-month payment plan to the same customers who are eligible for other payment plan terms, including the 12-month payment plan—regardless of prior participation in a COVID-19 Relief Payment Plan.

Second, the PD should be modified to exclude the requirements regarding missed payments, or items 5 and 7, copied and stricken through below. Excluding the requirements for missed payments will allow for ease of administration of this temporary payment plan option and will allow SCE to have consistency in its policies for missed payments with other payment arrangements, such as the 12-month payment plan. For example, SCE requires that customers pay both their payment plan amount and their current monthly charges to continue enrollment in payment plans. If the customer misses a payment or fails to pay the agreed amount in full, the payment plan will default. To reinstate a payment plan, SCE requires that the customer first pay 20 percent of their past-due balance prior to reinstating the payment plan. Striking the requirements in items 5 and 7 will allow SCE to have consistent administration between all payment plans, which will ease customer confusion and help ensure payment terms and conditions are applied consistently.

These modifications are necessary because they will allow SCE to (1) have consistent policies and practices for payment plans, (2) implement this requirement without additional costs to modify the billing system, and (3) enroll additional customers to benefit from this temporary extended payment plan option.

Selected text of Appendix A of D.21-06-036 (with modifications)

2. *Customers are eligible for COVID-19 Residential Relief Payment Plans if they meet the following criteria:*

- a) *The customer is a residential customer of a large IOU or small electric utility.*
- ~~b) *The customer has unpaid bills at least 60 days past due.*~~
- ~~c) *The customer has never been enrolled in a COVID-19 Residential Relief Payment Plan before.*~~
- d) *The customer is not enrolled in an Arrearage Management Plan.*
- e) *The customer is not enrolled in a payment plan.*
- f) *The customer is not enrolled in or participating in a program known as levelized billing or budget billing or automatic billing.*
- g) *The customer is not on a Net Energy Metering tariff.*

~~5. *A customer who misses more than two payments required by a COVID-19 Residential Relief Payment Plan may be removed from the plan. The utility shall provide written notice to the customer of removal and of the outstanding amount past due. The utility's existing practice of defining a payment as missing may be applied to the COVID-19 Residential Relief Payment Plan.*~~

~~7. *When a customer misses a required payment under a COVID-19 Residential Relief Payment Plan, all payments are delayed an additional month, and the customer is not required to make up the*~~

missed payment in the subsequent month, unless the subsequent month is the final month of the plan.

2. The Tier 1 Advice Letter to Implement the New Text and Email Notification Requirement for Missed Payments Should Be Modified to Provide Sufficient Time for SCE to Implement this New Requirement

The PD requires that investor-owned utilities (IOUs) notify customers if they miss a payment plan payment by email and text message.² SCE does not currently have the capability to automatically notify customers via email or text message when a customer defaults on a payment plan. To implement this requirement, SCE will need to seek vendor support in this area. Therefore, SCE recommends the PD be modified to allow the IOUs to include in the Tier 1 Advice Letter that is due within 90 days of the effective date of the decision to confirm implementation of this requirement³, and to include a timeline of when this new requirement will be implemented.

Additionally, not all customers prefer notification via email or text, and existing privacy laws dictate if and how SCE is allowed to contact customers. Therefore, SCE recommends the PD be modified to require the IOUs to notify customers of their missed payment plan payments based on the customer's communication preference, which could include email and text message, and that notifications regarding missed payments be sent to the phone number and email address that SCE has on file for the customer of record.

² See PD, Ordering Paragraph (OP) 1, p. 30.

³ See PD, OP 1, p. 30.

3. The PD Should Clarify that Costs Associated with Implementing the Temporary Extension for the 24-Month Payment Plan Should be Tracked in Each IOU’s Residential Disconnections Implementation Cost Memorandum Account

D.21-06-036 references Resolutions M-4842 and M-4849, which direct the IOUs to track expenses associated with the COVID-19 pandemic, including the “COVID-19 Relief Payment Plans,” in memorandum accounts.⁴ The COVID-19 Pandemic Protections Memorandum Account (CPPMA) was established to “book only those costs associated with the protections ordered by this Resolution [M-4842].”⁵ Now that the COVID-19 state of emergency has ended, the PD should clarify that the IOUs should track the costs associated with temporarily extending the 24-month payment plans, including implementing the customer email and text message notification requirements for missed payments, in each IOU’s Residential Disconnections Cost Implementation Memorandum Account (RDICMA) for future recovery.

B. Arrearage Management Plan (AMP)

1. SCE Clarifies the Timeline Necessary to Begin the AMP Evaluation and Estimated Budget

SCE agrees with the PD that the results of an Arrearage Management Plan (AMP) evaluation should inform whether to continue to offer, modify, or discontinue the AMP program. The PD identifies October 1, 2024, as the commencement of the evaluation study. To meet the October 1 deadline, SCE anticipates work will begin in Q1 of 2024, including the solicitation process, developing the work scope, developing the request for proposals (RFP), selecting a

⁴ See D.21-06-036, p. 19.

⁵ See Resolution M-4842, p. 6.

contractor, negotiating the contract, and receiving direction from the Commission's Energy Division as proposed in the PD.⁶

2. The PD Should Retain the IOUs Ability to File a Joint Tier 3 Advice Letter to Propose Implementation Parameters Based on the Results of the AMP Evaluation

SCE disagrees with the PD's proposal to eliminate the optional joint IOU Tier 3 Advice Letter.⁷ Because the PD has proposed to extend the AMP program to October 1, 2026, to provide sufficient time to complete a thorough evaluation, SCE recommends the Commission retain the option for the IOUs to submit a joint IOU Tier 3 Advice Letter as a mechanism to propose revisions based on the AMP evaluation results. This may include program design changes, implementation beyond the October 1, 2026, deadline, or potential discontinuation of the AMP program.

C. Medical Baseline Population Study

SCE supports the Commission's approval of an eligible population study for the Medical Baseline program with the following modifications.

⁶ See PD, Conclusion of Law (COL) 11.

⁷ D.20-06-003, OP 84 states, "After three years, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company may file a joint Tier 3 Advice Letter with recommendations for improving the arrearage management payment plan."

1. **The Medical Baseline Study Schedule Should be Extended by Three Months to Accommodate the PD’s Proposed Request for Proposals (RFP) Solicitation Process**

The Large Utilities’ original Medical Baseline Motion⁸ (Motion) requesting approval to conduct an eligible population study, dated December 22, 2021, requested permission to hire a third-party consultant as a *direct award contract*. The initial schedule proposed, now specified in the PD, was based on using a knowledgeable pre-identified contractor via a direct award. Given that the pre-identified contractor is no longer available, and the PD requires a *request for proposals* (RFP) process to select a third-party contractor,⁹ SCE recommends the PD be modified to extend the timeline by three months to allow time to conduct a competitive RFP solicitation. Most activities required for a competitive RFP occur prior to hiring a consultant and typically include collaborating on a detailed scope of work (SOW), preparing the RFP, preparing additional bidding related documents, releasing the RFP, receiving responses to the RFP, reviewing and scoring proposals, selecting a bidder, and developing and negotiating a contract with the winning bidder. The additional time needed to conduct the RFP will require extending the deadlines by three months for (A) the initial public workshop to be conducted by the contractor¹⁰ and (B) the initial Tier 3 Advice Letter containing the contractor’s final work scope and budget¹¹.

⁸ Joint Motion of San Diego Gas & Electric Company, Pacific Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company To Authorize Medical Baseline Estimated Eligible Population Study, December 22, 2021.

⁹ See PD, COL 13(a), p. 28.

¹⁰ See PD, COL 13(c), p.28.

¹¹ See PD, COL 13(d), p. 28; and OP 5, p. 31.

2. **The PD Should be Modified to Allow the Large Utilities to Request a Marketing and Outreach Budget to Achieve Their Proposed Medical Baseline Enrollment Goals**

Neither the original Motion nor the Disconnections Phase 2 Scoping Memo discussed future Medical Baseline program enrollment goals. SCE supports the Commission's proposal to have future goals be set in a Tier 3 Advice Letter following the completion of, and informed by, the Medical Baseline eligible population study. However, an appropriate marketing and outreach budget will be needed to achieve these goals. Therefore, SCE recommends the PD be modified to allow the Large Utilities to propose an appropriate implementation budget and cost recovery mechanism at the time the new goals are proposed.

III.

CONCLUSION

SCE appreciates the opportunity to submit these opening comments and respectfully requests the Commission adopt SCE's recommendations to the PD, with the proposed modifications and clarifications described above and as listed in Appendix A.

Respectfully submitted,

ANNA VALDBERG
JOSHUA D. BURK

/s/ Joshua D. Burk

By: Joshua D. Burk

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4801
E-mail: Joshua.Burk@sce.com

August 8, 2023

Appendix A

SCE's Proposed Modifications to the Proposed Decision

SCE’s Proposed Modifications to the Proposed Decision

Proposed text deletions are in bold and strikethrough (~~abcd~~)

Proposed text additions are in bold and underlined (abcd)

<u>Reference</u>	<u>Proposed Modification</u>
Dicta, pp. 23-24	The Large Utilities shall file a joint Tier 3 advice letter to seek approval of the study design and budget within six <u>nine</u> months of the effective date of this decision.
Dicta, p. 24	The Large Utilities should file a joint Tier 3 advice letter within 90 days of serving the final Medical Baseline study report to propose: (a) new enrollment goals for the next five years for the Medical Baseline program and medical discounts on non-tiered rates; and (b) how often to update the Medical Baseline study, the process for developing these updates, and the process for setting future enrollment goals; <u>and (c) a marketing and outreach budget sufficient to achieve the proposed goals along with an appropriate cost recovery mechanism.</u>
CoL 2	It is reasonable for eligible residential customers for 24-month payment plans to be defined as customers with unpaid bills at least 60 days past due and who are not enrolled in a payment plan, <u>not enrolled in an Arrearage Management Plan, not on</u> a Net Energy Metering tariff, levelized billing, budget billing, or automatic billing.
CoL 3	It is reasonable for the Large Utilities to allow customers to pay off payment plans early and notify customers if they miss a payment <u>based on the customer’s communication preference, which could include</u> by -email and text message. <u>Notifications regarding missed payments will be sent to the phone number and email address on file for the customer of record.</u>

CoL 5	<p>The Commission should not modify the <u>exclude eligibility</u> requirements <u>2.b, 2.c and missed payment requirements 5 and 7</u> and of <u>COVID-19 Residential Relief Payment Plans outlined in D.21-06-036, Appendix A, to allow IOUs to align their policies with other available payment plans for consistency and ease of administration of this temporary payment plan option at this time.</u></p>
CoL 8	<p>The Large Utilities should not <u>retain the option to</u> file a <u>joint</u> Tier 3 advice letter to recommend <u>propose implementation parameters based on the results of the AMP program evaluation improvements.</u></p>
CoL 13(c)	<p>The third-party consultant will conduct a public workshop on the proposed study design within five <u>eight</u> months of the effective date of this decision.</p>
CoL 13(d)	<p>The Large Utilities will file a joint Tier 3 advice letter to seek approval of the study design and budget within six <u>nine</u> months of the effective date of this decision.</p>
OP 1	<p>Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file a Tier 1 advice letter within 90 days of the effective date of this decision to confirm implementation of the following requirements: (a) offer 24-month payment plans to eligible residential customers until October 1, 2026; (b) allow customers to pay off payment plans early; and (c) notify customers if they miss a payment plan payment <u>based on the customer’s communication preference, which could include</u> by email and text message. <u>If applicable, the Tier 1 advice letter shall include a timeline for implementing the customer email and text message requirement.</u></p>

OP 5	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file a joint Tier 3 advice letter to seek approval of the Medical Baseline eligible population study design and budget within six <u>nine</u> months of the effective date of this decision.
OP 6	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file a joint Tier 3 advice letter within 90 days of serving the final Medical Baseline study report to propose: (a) new enrollment goals for the next five years for the Medical Baseline program and medical discounts on non-tiered rates; and (b) how often to update the Medical Baseline study, the process for developing these updates and the process for setting future enrollment goals; <u>and (c) a marketing and outreach budget sufficient to achieve the proposed goals along with an appropriate cost recovery mechanism.</u>
New OP	<u>The IOUs are authorized to track costs reasonably incurred to implement the policies for the temporary 24-month payment plans in each IOUs Residential Disconnections Cost Implementation Memorandum Account (RDICMA). The IOUs may seek recovery of these costs in an appropriate cost recovery proceeding.</u>

