ALJ/DH7/jds 8/24/2023

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

ASSIGNED COMMISSIONER'S RULING ON THE COMMUNITY-BASED ORGANIZATION PILOT PAYMENT STRUCTURE AND DISCONNECTION RATE CAPS

This Assigned Commissioner's Ruling requests party comments on the payment structure for the proposed Community-Based Organization (CBO) Arrears Case Management Pilot (Pilot) and the large utilities' disconnection rate caps by September 11, 2023 and replies by September 25, 2023.

1. Background

On June 11, 2020, the Commission issued Decision (D.) 20-06-003, which included disconnection rate caps for the large utilities.

On April 18, 2022, the Commission issued D.22-04-037 in Rulemaking 21-02-014 to require the development of a CBO Pilot in this proceeding. Attachment B of D.22-04-037 provides, "The CBO Pilot Working Group should consider a grant model of payment for selected CBOs, where CBOs are paid in advance for their work. The CBO Pilot Working Group will identify initial and subsequent grant amounts that allow for training and capacity building of the CBOs, in addition to direct services to utility customer clients."

On August 29, 2022, PG&E filed a proposal for a CBO Pilot (CBO Pilot Proposal) on behalf of the CBO Pilot Working Group in this proceeding.

The CBO Pilot Proposal included the following budget and payment structure for participating CBOs:

- A maximum budget of $8.5 million for payments to CBOs, based on a pilot participation cap of 12,000 customers.

- An upfront grant to each CBO of up to 30% of the total contract amount.

- CBOs will receive monthly payments for each customer enrolled in case management services (i.e. signed an agreement to receive case management services).

2. Questions for Party Comments

The proposed structure for payments to CBOs in the CBO Pilot Proposal raises some concerns. The proposed structure for payments after the initial upfront grant (Subsequent Payments) is similar to existing capitation-based programs, such as the Energy Savings Assistance Program and the Community Help and Awareness of Natural Gas and Electric Services Program.

In D.22-04-037, the Commission directed the CBO Working Group to consider a grant-based model for payments to CBOs. However, the CBO Pilot Proposal recommended a performance-based structure for at least 70% of payments to CBOs.

Parties are invited to respond to the following questions about the CBO Pilot Proposal and the large utilities' disconnection rate caps:

1. What are the pros and cons of a program that provides CBOs monthly payments for each customer enrolled in case management services? What are the pros and cons of a 100% grant-based program?

2. Discuss whether a 100% grant-based program should provide CBOs Subsequent Payments based on the projected number of

customers the CBO will serve or based on the projected number of staff hours to serve customers. If Subsequent Payments are based on the projected number of CBO staff hours to serve customers, what hourly rate would be reasonable?

3. If the Commission approves a 100% grant-based program, when and how often should Subsequent Payments be distributed to CBOs?

4. If CBOs receive Subsequent Payments as grants, how should CBO reporting requirements in the CBO Pilot Proposal be modified to reflect this change?

5. Should the Commission establish a minimum dollar amount for initial grant payments or Subsequent Payments to CBOs?

6. As a result of the COVID-19 disconnections moratorium, the Commission lacks data on the impacts of the large utilities' disconnection rate caps. Should the Commission extend the disconnection rate caps to gather more data about the impacts of the caps? If so, how long should the large utilities' disconnection rate caps be extended?

IT IS SO RULED.

Dated August 24, 2023, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner