

BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA



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Order Instituting Investigation on the
Commission's Own Motion into Natural
Gas Prices During Winter 2022-2023 and
Resulting Impacts to Energy Markets.

Investigation 23-03-008
(Filed March 16, 2023)

**CENTER FOR ACCESSIBLE TECHNOLOGY'S COMMENTS ON
ATTACHMENT TO FIRST AMENDED SCOPING MEMO**

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exclusively serve the LNG export demand, as well as to SoCalGas's Southern System. Following the project's completion, increased competition for limited pipeline capacity may arise due to increase LNG exports from Mexico. Given the potential impact on gas and electric prices, what mitigation measures or tools should the Commission consider? 11

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I. INTRODUCTION

In accordance with the instructions provided in the Assigned Commissioner's Ruling Issuing First Amendment to Scoping Memo and Seeking Comments (First Amended Scoping Memo), issued on May 13, 2024, Center for Accessible Technology (CforAT) files these timely responses to the questions presented in Attachment A regarding potential relief measures for future gas commodity price spikes.

II. DISCUSSION

A. Overview

CforAT is participating in this proceeding on behalf of our constituency of utility customers with disabilities and medical needs; these customers are disproportionately low income and highly dependent on affordable and reliable access to energy in order to live independently. On behalf of this vulnerable customer group, CforAT has been focused on potential mitigation measures that can reduce harm to ratepayers who are at risk of facing unaffordable utility bills due to commodity price spikes for natural gas. Such price spikes directly impact customers' gas bills and indirectly impact electricity bills based on the use of natural gas to generate electricity.

In our initial comments on the OII in this docket, CforAT responded to a question about potential mitigation measures for recurring price spikes by recommending that the Commission look to other actions it has taken to respond to the ongoing energy affordability crisis.¹ This would include a potential moratorium on disconnections in the event of a price spike, automatic enrollment in extended payment plans for customers with arrearages, increased availability of

¹ CforAT Comments on OII, filed on April 19, 2023, at p. 4.

utility Arrearage Management Plans, and rapid mobilization of other protections. We note that these options are not included in the questions provided with the Amended Scoping Memo regarding potential mitigation options and urge the Commission to take a more expansive view of potential measures to protect vulnerable customers.

We also note that the questions regarding potential relief measures begin with an emphasis on customer communications and requirements to provide access to certain information.² As discussed more directly in our responses to Questions 1-5 below, CforAT supports improved communications while noting that communication alone cannot provide relief for many customers. This is consistent with our previous comments in this proceeding noting that “customers may appreciate more information and online bill management tools, [but] this alone will not provide much-needed relief from unprecedented price spikes.”³ In particular, CforAT noted that increased promotion of existing programs can be helpful to customers who are eligible but not enrolled (which makes the effort worthwhile), but it cannot provide any additional assistance for customers who are already enrolled.⁴ Similarly, energy-saving “tips” cannot provide any benefit to customers who already minimize their usage.⁵

In our initial comments on the OII regarding mitigation options, CforAT further noted that “these options may mitigate immediate harm to customers who receive unexpectedly high bills, but none of them address underlying concerns about energy affordability, nor do they respond in any way to concerns about the underlying natural gas market.”⁶ We reiterate these

² Amended Scoping Memo, Attachment A, Questions 1-5.

³ CforAT Reply Comments on ACR Directing and Authorizing Responses to Additional Questions Regarding Preparation for Winter 2023-2024 (CforAT Reply Comments on Winter ACR), filed on October 6, 2023, at p. 2. *See also id.* at p. 5 (“communications along, regardless of how ‘effective,’ will not ease the burden of these bills in the event of a natural gas price spike

⁴ CforAT Reply Comments on Winter ACR at p. 3.

⁵ CforAT Reply Comments on Winter ACR at p. 3.

⁶ CforAT Comments on OII at p. 4.

same cautions here. While we support efforts to provide short-term mitigation in the face of potential gas commodity price spikes, such measures alone cannot effectively ensure affordability for customers.

B. Responses to Questions Regarding Potential Relief Measures

1. Should the Commission require gas and electric utilities to notify customers if gas commodity costs reach a certain threshold. If so, what should the threshold be?

CforAT generally supports regular communication with utility customers; for this reason, we generally believe that notice regarding increases in gas commodity costs should be provided at a reasonable threshold. We look forward to reviewing input from other parties and participating in an effort to develop consensus regarding the appropriate threshold level.

While we support notice to customers about gas commodity price spikes, we note (as discussed above) that certain customer groups are unlikely to have meaningful elasticity in their level of usage, and that vulnerable customer groups are among those that may have the lowest level of elasticity. For example, low-income customers may already keep usage to the minimum possible out of concerns about energy bills, even at commodity costs below any approved threshold. Customers with medical needs who are obligated to maintain temperatures within certain boundaries for health reasons cannot cut usage without endangering their safety. And customers (particularly renters) who live in homes that are poorly insulated also face limits in usage adjustments that do not compromise health and safety. Because of this, CforAT cautions the Commission that “relief measures” that come purely in the form of increased customer awareness of high prices may do little for those customers at greatest risk during a price spike.

2. Should the Commission require gas utilities to communicate with customers regarding potential high gas bills and ways to conserve? Should these communications occur over a particular channel (i.e., text, voicemail, email, other)?

Consistent with our response to Question 1 above, CforAT supports increased communications with customers regarding potential high gas bills and ways to conserve, while warning that these measures are unlikely to provide meaningful benefit to vulnerable customers who have limited elasticity with regard to their level of gas usage.

As is the case with all customer communications, any information provided to customers about potential high gas bills and ways to conserve should be available in accessible formats and in-language, and should be provided through multiple channels. Customers who have authorized communications via email and/or text should receive information through those formats. Other customers should be provided information by mail, with all printed materials including key information in large print and options for how to obtain further information in accessible formats (large print, Braille, audio, or electronic format). Information should also be posted prominently on each gas utility's website, but all information should also be available through non-web channels to ensure that customers with limited or no internet access can obtain it.

In addition to direct customer communications, each gas utility should work with local community-based organizations (CBOs) to provide information and materials that can be distributed by these groups. This should be done through two-way communication channels, not simply by an email blast to general email addresses at CBOs. In particular, utilities should work with CBOs that are engaged in community support for de-energization events, CBOs that are participants in the new CBO pilot program for customers at risk of disconnection, and any CBOs that are capitation partners for low-income program enrollment. The IOUs should also be directed to expand their roster of CBO partnerships. CBOs should be provided with resources to

distribute information (including resources to convert general information into material that is linguistically and/or culturally relevant to their target communities) and support for engaging in outreach about a high-price event. CBOs should not be expected to conduct outreach work on behalf of the gas utilities using their own resources, and should instead receive the resources necessary to effectively support their community members. This may include funding for adding part time staff specifically to provide support during a price spike event.

3. Should the Commission require gas utilities to increase communications with customers regarding payment plan options, including plans that reduce variation in bills throughout the year?

As discussed above, CforAT supports increased communications with customers regarding payment plan options, but this alone is not likely to be sufficient. In CforAT's initial comments on the OII in this docket, CforAT made the following recommendations, which we continue to believe are appropriate:

[C]ommunications to customers [during times where gas prices have spiked] should include information about mitigation efforts, including the availability of existing programs such as level payment plans, extended payment plan options, and AMPs, as well as broad assistance programs such as CARE and FERA. The IOUs should also provide information about emergency resources, such as each natural gas IOU's charitable foundation. CforAT notes that the level of utility contribution to these foundations has historically been extremely modest; it would be valuable to customers and an indication of community support for contributions to be increased in moments of system crisis.⁷

These recommendations include, but are not limited to, support for increased communications regarding payment plan options, including level payment plans. CforAT notes, however that so-called level payment plans may provide limited relief in times of price spikes, as the "true-ups" to match estimated bills with actual bills may result in unanticipated demands for

⁷ CforAT Comments on OII at pp. 5-6 (internal citation providing more information and links regarding the IOUs' charitable foundations omitted).

payment of relatively large amounts. PG&E has provided information to the Commission and CforAT about customer dissatisfaction with the actual experience they face with so-called level-payment plans in a recent Advice Letter seeking to modify its level payment plan structure.⁸ The concerns articulated in that context are likely to be magnified in the context of an unanticipated price spike due to the likely need for major adjustments to the estimated payment amounts. For this reason, it may be more helpful to direct customers toward extended payment plans, including potentially extended amortization periods for high bills as addressed in response to Questions 7-8, below, rather than levelized payment plans.

4. Should the Commission require PG&E to provide more granular information on its Pipe Ranger website, including more information about how much inventory is allocated to base gas, working gas, park and loan, etc. Should the Commission require SoCalGas to provide similar information on its Envoy website. Why or why not?

Consistent with our responses above, CforAT generally believes that it is better to provide customers and members of the public with more information rather than less. This would include providing an ongoing, publicly available record of resources so that no surprises emerge over the course of a heating season or other relevant period.

That said, the average residential customer is unlikely to consult PG&E's Pipe Ranger website or SoCalGas' Envoy website; even if they do consult such websites, very few are likely to obtain actionable information from the items identified in this question. CforAT looks forward to reviewing the feedback of other stakeholders whose constituencies may obtain greater benefit from this information.

⁸ PG&E AL 4890-G/7237-E, filed April 9, 2024, at pp. 1-4.

5. **Should the Commission require independent storage providers (ISPs) to publicly report daily inventory levels? Why or why not? If so, on what platforms should ISPs report daily inventory levels (e.g., respective gas utilities' websites, PG&E's website, the Commission's website, or a combination of these websites)?**

Consistent with our response to Question 4, above, CforAT generally believes that it is better to provide customers and members of the public with more information rather than less, while also believing that few residential customers would obtain actionable information from the items identified in this question. CforAT looks forward to reviewing the feedback of other stakeholders whose constituencies may obtain greater benefit from this information.

To the extent that ISPs are required to provide information, the information should be included on the website of the utility whose system is used by the ISP, as well as any other appropriate locations identified by other stakeholders.

6. **Should more PG&E storage capacity be allocated to core customers to reduce the amount of storage Core Gas Supply must purchase from ISPs? Should the rates charged by ISPs for storage procured by PG&E for core customers be set by the market or at cost-plus-rate-of-return?**

CforAT has no response to this question at this time. We reserve the right to provide a response in reply comments following our review of input from other stakeholders.

7. **Should the Commission require gas utilities to place a temporary cap on the core procurement charge during price spike events with subsequent recovery? Why or why not? If so, how should the Commission define a high price event? What should the cap be? Over what period should the additional costs be amortized? If there is a cap, how should utilities signal to customers the need to conserve? Should gas utilities more heavily promote payment plans over time for core customers in conjunction with such plans or instead of such plans?**

CforAT would support adoption of a temporary cap on core procurement charges during price spike events to limit the amount that a customer's bill can increase due to commodity prices alone (rather than due to changes in usage). CforAT recommends that a cap go into effect

if commodity price spikes would result in an increase of 10% or more on an average customer's bill, calculated separately for customers enrolled in CARE or FERA and for non-CARE/FERA customers. Each cap should remain in effect until the price spike subsides and the average bill amount, if the cap were not in effect, would be at or below a 10% increase from the average before the price spike.

As implied by the question, any such cap would result in an undercollection of revenue by the utility while the cap or caps were in effect. The Commission should consider options for recovery of the undercollected amount that exempt adding the amortized costs from the bills of customers enrolled in CARE or FERA. These customers would already be absorbing the cost increase of up to 10% of their prior bills, burdening low-income customers who are already facing an affordability crisis. Additionally, as discussed above, many vulnerable customers have limited options for reducing their usage. The burdens that a commodity price spike would place on these customers should not be extended by adding amortization costs after the direct price spike subsides.

Any price spike that results in a greater than 10% increase in average bills will create bill shock for many customers. CforAT believes that this level of bill increase will provide incentive for customers to conserve if they can. The adoption of a cap at the level proposed would not require further efforts to incent conservation, though (as noted above) CforAT generally supports increased education efforts regarding conservation opportunities.

In addition to capping charges during price spike events and excluding customers enrolled in low-income subsidy programs from subsequent collection of deferred revenue, CforAT would support a suspension of credit and collections activities for customers who go into arrears during the period that the cap is in place, as customers who fall into arrears at that time

would presumably be struggling with the increased costs from the event. Such customers should also be offered the various protections adopted in the Commission's proceeding to limit service disconnections (R.18-07-005), including offers of extended payment plans, enrollment of eligible customers in the AMP, and enrollment if available in the PIPP Pilot and the CBO Outreach Pilot.

8. Should the Commission require gas utilities to lengthen the core procurement charge amortization period during high gas price events? If so, how should a high price event be defined? Over what period should the additional costs be amortized?

See response to Question 7, above.

9. Should the Commission require utilities to provide community resource centers? If so, should these resource centers be provided by gas utilities or coordinated between gas-only utilities and electric utilities? When should utilities be required to make community resource centers available (i.e., during high gas price events, if a high number of gas disconnections occur, in the event of core gas or winter electric curtailment)? If communities [sic] resource centers should be available during high gas price events, how should the Commission define a high gas price event?

As noted above, CforAT stresses that there are residential customers who cannot respond to gas commodity price spikes by decreasing their usage. For this reason, CforAT supports a requirement for utilities to provide community resource centers (CRCs) to give customers a safe and accessible way to maintain reasonable temperatures while reducing gas usage in their homes.

In order for CRCs to provide meaningful relief, a number of requirements must be met. The Commission should look at the requirements for CRCs provided during de-energization events,⁹ and improve upon those basics. High gas price events may be longer in duration and necessitate more support requirements for customers who cannot afford to control temperature,

⁹ D.21-06-034 at A1-A3. Requirements include filing an annual CRC plan, publishing CRC locations online in an accessible and searchable manner and providing notice of CRCs opened during events in compliance with all language and accessibility requirements. These general requirements should also apply to CRCs provided during high gas price events, with consideration of what constitutes a price spike "event."

use hot water, or cook at home during these events. CforAT suggests the following for CRCs during high gas price events:

- CRCs provided during de-energization events are required to be accessible via public transportation and ADA compliant. These minimum standards must be retained.
- CRCs provided during de-energization events are required to provide resources including device charging stations that are capable of powering medical devices, cellular network services, water, chairs, PSPS information representatives, and restrooms.¹⁰ Similar services must be provided at CRCs during high-cost gas events.
- Other items the IOUs provide at CRCs include: snacks, blankets, chairs and tables, air conditioning and/or heating, privacy screens, and to-go kits with solar-powered chargers, flashlights, snacks, water, and informational pamphlets. CRCs during high-cost gas events should provide these items, as well as other resources that would be appropriate for customers seeking out CRCs when activities such as cooking, using hot water, and controlling temperature are burdensome or untenable at home due to high gas prices. Such items may include: hot meals, sanitary facilities, comfortable seating for extended stays, and appropriate accommodations for children, service animals, and pets.
- During de-energization events, the IOUs have chosen to provide services in some locations through vehicle-based resources called community crew vehicles (CCVs), with no indoor space available. Because one of the key concerns during a high-cost gas event is the ability of customers to have access to temperature controls sufficient

¹⁰ D.21-06-034 at A3.

to avoid health and safety risks, outdoor locations would not be appropriate for high-cost gas events.

- Stakeholders including CforAT have expressed concern that CRCs provided during de-energization events are not available around the clock. Customers can be forced to leave support locations in the middle of the night, without clear options on where they can go if their homes are not safe. Because one of the key concerns during a high-cost gas event is the ability of customers to have access to temperature controls sufficient to avoid health and safety risks, it is imperative that resource centers be available at all hours to avoid placing customers at risk by forcing them back to inadequately heated homes overnight.
- For customers with specific medical needs, additional resources, such as hotel stays, meal vouchers, and batteries, are available through the DDAR program to ensure that their health and safety needs are met during de-energization events.¹¹ While CforAT has repeatedly expressed concern that this program is not available or promoted at the scale needed to provide adequate support, we also believe that it provides important protections for those customers who are able to obtain support through it. The Commission should require similar, but expanded, support for customers with medical needs during high-cost gas events.

10. The Energia Cost Azul Liquefied Natural Gas (LNG) export project in Baja California, owned and operated by SoCalGas affiliates Sempra Infrastructure, TotalEnergy, and IEnova, is currently anticipated to commence service in the third quarter of 2025 for an approximate maximum daily capacity of 500 Mcf/d. El Paso Natural Gas (EPNG) provides service at Ehrenburg to the expanded North Baja system, which is expected to primarily or exclusively serve the LNG export demand, as well as to SoCalGas's Southern System. Following the

¹¹ See, e.g., PG&E 2024 AFN Plan, filed January 31, 2024, at p. 20.

project's completion, increased competition for limited pipeline capacity may arise due to increase LNG exports from Mexico. Given the potential impact on gas and electric prices, what mitigation measures or tools should the Commission consider?

CforAT has no response to this question at this time, but we are concerned about the potential impact of increased LNG exports on bills of customers served by SoCalGas's Southern System. We reserve the right to provide an expanded response in reply comments following our review of input from other stakeholders.

III. CONCLUSION

CforAT appreciates the Commission's apparent intentions to adopt relief measures to protect customers from harm if there are further spikes in the price of commodity natural gas. While improved communication with customers is always helpful, information alone is not an effective relief measure, particularly for customers whose natural gas usage is inelastic as well as for customers who already participate in available support programs. For this reason, substantive relief options are needed in conjunction with any efforts to provide improved information.

CforAT looks forward to participating in ongoing work to develop and adopt effective relief measures.

Respectfully submitted,
June 10, 2024

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