



PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED

10/17/25

03:01 PM

R1804018

October 17, 2025

Agenda ID #23820
Ratesetting

TO PARTIES OF RECORD IN RULEMAKING 18-04-018:

This is the proposed decision of Administrative Law Judge Hazlyn Fortune. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's November 20, 2025, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC:asf

Attachment

Decision **PROPOSED DECISION OF ALJ FORTUNE (Mailed 10/17/2025)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Evaluate the Mobilehome Park Pilot
Program and to Adopt Programmatic
Modifications.

Rulemaking 18-04-018

**DECISION ESTABLISHING AN ELECTRIFICATION PILOT INITIATIVE FOR
MOBILEHOME PARKS**

TABLE OF CONTENTS

Title	Page
DECISION ESTABLISHING AN ELECTRIFICATION INITIATIVE FOR MOBILEHOME PARKS.....	2
Summary	2
1. Background.....	2
2. Jurisdiction.....	3
3. Procedural Background	4
4. Issues Before the Commission	6
5. Mobilehome Park Electrification Pilot Initiative	6
5.1. Considering an Electrification Pilot.....	6
5.1.1. Staff Electrification Initiative Pilot Proposal.....	7
5.1.2. Party Comments	8
5.2. Considering an Electrification Pilot Discussion	9
5.2.1. Staff Proposal.....	12
5.2.2. Party Comments	14
5.2.3. Selection Criteria Discussion.....	16
5.3. Outreach and Education.....	18
5.3.1. Staff Proposal.....	18
5.3.2. Party Comments	19
5.3.3. Outreach and Education Discussion.....	20
5.4. Installation and Remediation	21
5.4.1. Staff Proposal.....	21
5.4.2. Party Comments	22
5.4.3. Installation and Remediation Discussion	25
5.5. Funding and Cost Recovery	27
5.5.1. Staff Proposal.....	27
5.5.2. Party Comments	29
5.5.3. Funding and Cost Recovery Discussion	30
5.6. Tenant Protections.....	31
5.6.1. Staff Proposal.....	31
5.6.2. Party Comments	32
5.6.3. Tenant Protections Discussion.....	33
5.7. Bill Protection.....	33
5.7.1. Staff Proposal.....	33
5.7.2. Party Comments	35
5.7.3. Bill Protection Discussion.....	36
5.8. Reporting and Evaluation	37

5.8.1. Staff Proposal.....	37
5.8.2. Party Comments	37
5.8.3. Comments on September 15, 2025 Amended Scoping Ruling	38
5.8.4. Reporting and Evaluation Discussion	39
6. Comments on Proposed Decision	42
7. Assignment of Proceeding.....	42
Findings of Fact.....	42
Conclusions of Law	44
O R D E R	44

DECISION ESTABLISHING AN ELECTRIFICATION INITIATIVE FOR MOBILEHOME PARKS

Summary

This decision directs Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric to work with the California Energy Commission's (CEC) Equitable Building Decarbonization program staff and administrators to fully electrify select mobilehome parks across the state, as part of a joint California Public Utilities Commission (Commission) and CEC mobilehome electrification pilot initiative. Through the pilot initiative, selected mobilehome parks (MHPs) will also be enrolled in the Commission's existing Mobilehome Park Utility Conversion Program (MHP UCP) to have their submetered electrical systems converted to direct-metered, utility-owned systems. The purpose of this joint electrification pilot initiative is to better understand technical, legal, and policy concerns related to full mobilehome park electrification and to inform potential changes to the MHP UCP in the future.

Rulemaking 18-04-018 is closed.

1. Background

The California Public Utilities Commission (Commission) opened Rulemaking (R.) 18-04-018 to evaluate the Mobilehome Park (MHP) Pilot Program (MHP Pilot Program), which was established in Decision (D.) 14-03-021 to incentivize MHPs with master-metered natural gas and electricity systems to convert to direct utility service. The Commission later adopted D.20-04-004 to establish a 10-year MHP Utility Conversion Program (UCP) to run from 2021 through 2030, with rules and targets based on evaluation results from the MHP Pilot Program. The investor-owned utilities or IOUs participating in this program are Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), Southern California Edison Company (SCE), Southwest

Gas Corporation (SWG), San Diego Gas & Electric Company (SDG&E), PacifiCorp, Bear Valley Electric Service Company, Inc. (BVES), and Liberty Utilities.

2. Jurisdiction

The Commission shares jurisdiction over MHPs with the California Department of Housing and Community Development (HCD). HCD oversees the permitting for most of the gas and electric infrastructure in existing MHPs. California Public Utilities Code (Pub. Util. Code) §§ 4351 through 4361 give the Commission jurisdiction over the safety of master-metered natural gas systems in MHPs. Assembly Bill (AB) 766 (Hauser, Chapter 388, Statutes of 1994) adopted Pub. Util. Code §§ 4451 through 4465, giving the Commission jurisdiction over the safety of propane master tank distribution systems serving two or more customers within a MHP, or 10 or more customers outside of a MHP.

The Gas Safety and Reliability Branch (GSRB) of the Commission enforces Federal Pipeline Safety Regulations through audits of jurisdictional MHP and propane master tank systems. Audits consist of reviewing operation and maintenance records, evaluating emergency procedures, and performing field inspections of the gas distribution facilities. If violations are found, GSRB suggests corrective measures to be taken within a specified time. If the operator fails to comply, a citation and fine may result.¹

The MHP UCP is a Commission-initiated program that applies to IOUs. Non-jurisdictional entities like publicly owned utilities (POUs) do not participate. However, there may be some MHPs that receive gas or electric service from a POU and receive master-metered electric or gas service from an

¹ See Pub. Util. Code § 4357(b)(1). All future section and code references are to the Public Utilities Code unless otherwise stated.

IOU (via the MHP owner). These parks, though served in part by a POU, are eligible to participate, as they have a master-metered gas or electric system that can be converted to direct IOU service. Although the Commission has the sole responsibility to inspect jurisdictional propane systems and the authority to issue citations, it does not have the same ratemaking jurisdiction over propane companies that it has with IOUs providing electric and/or gas service. Therefore, propane systems in MHPs are not eligible for replacement through the MHP UCP. However, MHPs with propane systems can still be eligible for electric system replacement through the MHP UCP so long as they are master-metered and served electricity by an IOU participating in the MHP UCP.

The California Energy Commission (CEC) oversees the Equitable Building Decarbonization (EBD) program, which was authorized by Assembly Bill 206 (Committee on Budget, Chapter 251, Statutes of 2022). The EBD program includes a direct install program for low-income households, which provides and installs energy efficiency measures, electric appliances, and associated upgrades to accommodate these measures at little or no cost to customers. The program currently is funded at \$567.2 million, comprising a mix of state and federal funds.

3. Procedural Background

Effective January 1, 1997, state law required the direct metering of electric and/or natural gas service in MHPs constructed within electric or gas corporation franchises.² Pursuant to Pub. Util. Code § 1708.5, on August 20, 2010, the Western Manufactured Housing Communities Association (WMA) filed a petition to adopt, amend, or repeal a regulation related to this state law. On

² See Pub. Util. Code § 2791(c).

February 24, 2011, the Commission initiated R.11-02-018 for the transfer of Master-Meter/Submeter Systems at MHPs and manufactured home communities to direct metering from electric and gas corporations. On March 13, 2014, the Commission adopted D.14-03-021 approving a three-year pilot program for master-meter conversion. On September 28, 2017, Resolution E-4878 extended the pilot program until December 31, 2019.

On April 26, 2018, the Commission initiated R.18-04-018 to evaluate the MHP Pilot Program. On March 14, 2019, Resolution E-4958 extended the MHP Pilot Program to December 31, 2021, in order to give the Commission time to adopt a decision in R.18-04-018 prior to formally closing the pilot program. On April 16, 2020, the Commission adopted D.20-04-004 establishing a permanent MHP Pilot Program.

On December 23, 2020, the Commission issued a Scoping Memo for Phase 2 of R.18-04-018 to (1) address consumer protections, (2) establish an electric service standard for electrification readiness, and (3) develop a pilot exploring the full electrification of selected MHPs. On February 12, 2021, the assigned Administrative Law Judge issued a ruling on consumer protections with an accompanying staff proposal. On August 19, 2021, the Commission approved D.21-08-025 adopting consumer protection measures for MHP residents. On July 31, 2023, the assigned Administrative Law Judge issued a ruling on all remaining Phase 2 issues along with another accompanying staff proposal (Phase 2B Staff Proposal or Staff Proposal), which explored an electrification-readiness electric service standard and potential MHP electrification pilot. Parties filed opening comments to the ruling and Staff Proposal on August 25, 2023 and reply comments on September 22, 2023.

A follow-up ruling was issued on September 10, 2024 directing parties to file comments on proposed MHP Pilot Program Evaluation Criteria. On December 19, 2024, the Commission approved D.24-12-037 adopting a 200-amp service standard for future MHP conversions and final MHP Pilot Program Evaluation Criteria. D.24-12-037 stated that “The Commission will consider establishing and Mobilehome Park electrification pilot in a future decision.”³

4. Issues Before the Commission

In accordance with the Phase 2 scoping ruling for this proceeding, the issues before the Commission are as follows;

- a. Whether to establish a statewide pilot initiative to explore the full electrification of selected MHPs; and,
- b. Whether to modify the direction set forth in D. 20-04-004 regarding the MHP UCP mid-cycle evaluation.

5. Mobilehome Park Electrification Pilot Initiative

5.1. Considering an Electrification Pilot

The Commission has a long-standing commitment to equitable decarbonization, which has been formalized in multiple proceedings, including but not limited to Building Decarbonization (R.19-01-011), Long-term Gas Planning (R.24-09-012), Energy Efficiency (R.25-04-010), and Transportation Electrification (R.23-12-008). Building electrification, in alignment with statewide policies, is considered a key strategy towards decarbonization because it reduces and/or eliminates reliance on fossil fuels like natural gas.⁴ A 2024 Joint Agency White Paper emphasized the need for thoughtful planning to transition away from fossil fuel based natural gas, especially in disadvantaged communities. The

³ D.24-12-037 at 2.

⁴ 2022 California Air Resources Board Scoping Plan. <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>

report also stressed the importance of minimizing new investments in gas infrastructure that would become stranded assets in the future and specifically pointed to the use of pilots as a strategy to assess investment needs.⁵

5.1.1. Staff Electrification Initiative Pilot Proposal

Commission Staff released a Staff Proposal on July 31, 2023 which cited various state legislations, climate goals and decarbonization program adopted to date,⁶ as the impetus for the proposed mobilehome electrification pilot initiative (“Electrification Initiative”) for MHPs participating within the existing MHP UCP. The Electrification Initiative would select a few MHPs and fully electrify all the manufactured homes in the park at no cost to residents and permanently retire existing natural gas infrastructure if present. Only MHPs served by PG&E, SDG&E, and SCE would be eligible for this pilot.

This Electrification Initiative would test expanding the scope of the existing behind-the-meter (BTM) work in the current MHP UCP to add replacement of existing gas appliances with new, efficient electric appliances and would include in-home remediation activities such as rewiring and updating the manufactured home’s in-home electric panel.

The Electrification Initiative would keep most of the elements of the current MHP UCP, but would not install new gas infrastructure. Instead, new electric appliances, including a heat pump space conditioning system, heat pump clothes dryer, heat pump water heater (HPWH), and induction cooking equipment, would be installed if not already present.⁷ All homes in the

⁵ R.20-01-007, 2024 Joint Agency Staff Paper: Progress Towards a Gas Transition. At 6, 34, 35. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M525/K660/525660391.PDF>

⁶ Staff Proposal at 18 and 19.

⁷ R.18-04-014 Phase 2B Staff Proposal, July 25, 2023 at 59.

Electrification Initiative would receive necessary in-home remediation measures, including any rewiring, electric panel reconfiguration or upgrades, and/or other general in-home repair necessary to accommodate the new appliances and comply with all applicable codes and permits related to the in-home electrification measures.

All participants in the Electrification Initiative would be placed on the all-electric baseline rate option offered by their respective utility service providers. Participating homes would also be evaluated to receive infrastructure necessary to accommodate Level 2 EV charging and solar PV system installation, if desired.⁸

5.1.2. Party Comments

Opening Comments (August 25, 2023) and Reply Comments (September 22, 2023) were submitted by parties in response to the July 31, 2023 Ruling and Staff Proposal. The following parties submitted Opening Comments: Sonoma Clean Power Authority (SCP) and Peninsula Clean Energy Authority (PCE) collective comments (Joint CCAs), Natural Resource Defense Council (NRDC), Pacific Gas and Electric Company (PG&E), Southern California Energy Company (SCE), Southern California Gas Company and Southwest Gas Corporation (Joint Gas IOUs), San Diego Gas & Electric Company (SDG&E), and Western Manufactured Housing Communities Association (WMA).

Reply Comments were submitted by the following parties: Joint CCAs, PG&E, SCE and SDG&E. Six parties, Joint CCAs, NRDC, PG&E, SCE, SDG&E and WMA, generally supported the Staff Proposal to implement a limited statewide full-mobilehome electrification initiative for a selected sample of

⁸ *Ibid.*

MHPs. The Joint Gas IOUs recommended that the Commission should wait for the Santa Nella pilot program to conclude before starting the Electrification Initiative. The concerns of other parties that did not support an electrification initiative are described in the sections below.

The following sections review components of the Electrification Initiative in the Staff Proposal covering selection criteria, outreach and education, installation and remediation, funding and cost recovery, tenant protection, bill protection, and reporting and evaluation.

5.2. Considering an Electrification Pilot Discussion

Based on parties' support for the Staff Proposal recommending an Electrification Initiative and the fact that the proposed Electrification Initiative aligns with both the Commission's and the State's decarbonization goals, we authorize the implementation of a joint Electrification Initiative pilot with the CEC.

The Electrification Initiative is an opportunity to help gather more information on the technical, legal, policy, and cost considerations of fully electrifying an MHP. The lessons learned from this Initiative will help inform the future direction for the MHP UCP, especially as the Commission continues to advance building electrification policies in lieu of investing in new natural gas infrastructure.

As identified in the Staff Proposal and emphasized in party comments, a full electrification initiative should aim to reduce ratepayer burden and leverage sources of non-ratepayer funding to cover the costs of BTM electrification, including the costs of new electric appliances and associated remediation costs. Parties did not identify additional sources of non-ratepayer funding outside of those listed in the staff proposal. Additionally, parties expressed hesitation at the

potential cost of ratepayer funded BTM electrification measures, given the potentially high costs of remediation to accommodate electrification measures in homes that are in severe states of disrepair. The Commission explored non-ratepayer funding for the Electrification Initiative.

As mentioned above, AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) directed the CEC to establish the EBD program, which comprises several types of programs, including a Direct Install Program for low-income households. This particular program “provides and installs energy-efficient electric appliances, energy efficiency measures, and related upgrades directly to consumers at minimal or no costs.”⁹ The Staff Proposal identified the CEC’s EBD Direct Install Program as a potential source of non-ratepayer funding as that program is required to spend five percent of its funding toward electrifying manufactured homes.

The EBD Direct Install program budget is currently \$567.2 million, consisting of \$412.95 million in state funds and \$154.3 million in federal funds through the Inflation Reduction Act’s Home Efficiency Rebates program. At least \$26.2 million of the total funding would be allocated for manufactured housing if the EBD Direct Install program receives its expected amount of funding. The EBD program guidelines specifies that the funding covers in-home BTM efficiency and electrification measures and does not cover any TTM electrical system work such as electric service line or distribution system upgrades,¹⁰. Because the Commission’s MHP UCP covers these types of TTM and limited BTM electrical system upgrades, an opportunity exists for leveraging

⁹ Maneta, Diana. 2023. Equitable Building Decarbonization Direct Install Program Guidelines. California Energy Commission. Publication Number: CEC-400-2023-003-CMF at iii.

¹⁰ *Ibid* at 16.

both the MHP UCP and EBD programs to implement full electrification of identified MHPs and gather information to inform any future electrification efforts that would be integrated into a future version of the Commission's MHP UCP or CEC building decarbonization efforts.

After reviewing the R.18-04-014 Phase 2B Staff Proposal, dated July 31, 2023, parties' comments above, and the EBD Direct Install Program Guidelines, the Commission directs PG&E, SCE, and SDG&E to work cooperatively with CEC's EBD Program staff and Administrators to implement an Electrification Initiative. This Electrification Initiative will be a joint effort between the large electric IOUs, who will install new electric TTM infrastructure per the current MHP UCP guidelines, and the CEC EBD Program, which will install BTM electrification measures, in select MHPs across the state.

To assist with reaching the state's electrification goals, and to reduce ratepayer burden, we direct PG&E, SCE, and SDG&E (i.e., the large electric IOUs) to partner with the CEC EBD program staff and Program Administrators to engage in a joint MHP Electrification Initiative. This Electrification Initiative would consist of the large electric IOUs continuing to conduct the TTM MHP UCP work for electrical systems only, with the EBD program conducting all in-home BTM electrification work at the same MHP location, as part of its ongoing EBD Direct Install program implementation. The MHPs participating in this joint Electrification Initiative would be selected by the CEC EBD staff and Program Administrators, and such MHPs must meet the criteria of both the MHP UCP program and the EBD Direct Install program Guidelines, including that the MHP is located in an under-resourced community. The large electric IOUs must not install any new natural gas infrastructure in these MHPs and these MHPs must cease using natural gas to qualify for this joint MHP Electrification Initiative.

This Electrification Initiative shall commence on the same day of the issuance of this decision and conclude when the EBD Direct Install program concludes.

If a situation arises in which the EBD program does not have sufficient funding to conduct electrification work on manufactured homes or MHPs, and alternative non-ratepayer sources of funding are not available, then the IOUs will not be obligated to participate in this Electrification Initiative until sufficient funding for BTM electrification measures becomes available. If such a situation emerges, the gas IOUs may submit a Tier 2 Advice Letter to the Commission to request approval to cease work on the Electrification Initiative due to lack of non-ratepayer funding.

5.2.1. Staff Proposal

The Staff Proposal¹¹ recommends that the following criteria be met to identify and select MHPs to be included in a list for the Electrification Initiative:

- **MHPs with sub-metered natural gas and electrical systems.** MHPs with propane systems should be avoided. These MHPs represent a minority of parks and are also usually located in high wildfire risk areas and may be subject to public safety power shutoff events and other reliability issues.
- **MHPs that result in a mix of large and small parks.** The average park has around 80 spaces. Staff recommend choosing a mix of parks with fewer than 80 spaces and more than 80 spaces.
- **MHPs with a mix of different home vintages.** Some of the parks should comprise a majority of homes built before 1976 and some should comprise homes with the majority of homes built after 1976, which is the year federal standards for manufactured home construction were first enforced.

¹¹ *Id.* at 56 to 58.

- **MHPs where the owner and all the resident mobile home resident agree to full electrification.** The Staff Proposal is agnostic to ownership structure, but Staff predict that parks where MHP owners own both the land and the manufactured home structures may more easily reach consensus for full-electrification, since this will require fewer parties to fully agree to electrification.

Staff recommend limiting the Electrification Initiative to only parks with existing access to natural gas and electricity and excluding MHPs that rely on propane, noting that electric-only or electric and propane-reliant parks tend to be situated in high-wildfire threat areas prone to public safety power shutoff events. These MHPs could face reliability concerns unless additional measures like on-site generation and/or storage are implemented, which would be outside the scope of this Initiative.

Staff recommend that all eligible MHPs, regardless of ownership structure, be allowed to participate in the Initiative, so long as there is 100% participation in the Electrification Initiative.

Given the low probability that all MHPs at the top of the prioritization list will all agree to participating in the Electrification Initiative, Staff advise that IOUs be allowed to choose MHPs across both the Category 1 and 2 lists¹² for participation in the Electrification Initiative. These chosen MHPs would be prioritized for conversion alongside the MHPs at the top of the Category 1 lists.

The Staff Proposal also suggests that PG&E, SDG&E, and SCE should each target, at minimum, four parks in their respective service areas, for a minimum of 12 parks across the largest three large electric IOUs. The three IOUs should be

¹² Category 1 and Category 2 lists were created by the Commission's Safety Enforcement Division (SED) to group and geographically designate areas with high wildfire risk.

allowed to choose parks across the Category 1 and Category 2 lists created by Safety and Enforcement Division (SED) staff for the MHP UCP.

Staff recommend that if there is ample interest in the program, MHPs with the following characteristics should be prioritized:

- MHPs located in under-resourced communities¹³, as listed in the EBD guidelines.
- MHPs that can demonstrate that the municipality in which it is located is willing and able to provide additional funding for BTM work.
- MHPs that are best able to advance the goals of the long-term natural gas planning process (R.20-01-007) and strategic decommissioning of natural gas distribution infrastructure.

5.2.2. Party Comments

NRDC agrees that the Commission should select MHPs that are “as diverse as possible to enable learning” from the Electrification Initiative.¹⁴ NRDC urges the Commission to expand the eligibility requirements to be as broad as possible, including allowing for MHPs that have already been converted, and informal or unpermitted MHPs to participate, such as “Polanco Mobilehome Parks.”¹⁵ NRDC recommends that participating MHPs not be limited to those

¹³ An under-resourced community is one that meets one or more of the following criteria: A disadvantaged community as designated by the Environmental Protection Agency for the purposes of SB 535 (De León, Chapter 830, Statutes of 2012); Census tracts with median household incomes at or below 80 percent of the statewide median income; Census tracts with median household incomes at or below the threshold designated as low-income by HCD.

¹⁴ NRDC Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 3.

¹⁵ *Id.* at 3 and 4. Polanco parks were authorized in 1992 under AB 3526. The bill was intended to support the development of farmworker housing, and allowed agricultural landowners to form mobilehome parks with up to 12 units, and made them exempt from certain taxes, registration fees, and permits. While many Polanco parks are permitted, there are many that are not, and therefore may not qualify for the program. More info can be found here:

Footnote continued on next page.

where the MHP owner owns the land and the coaches. NRDC further urges the Commission to “offer a pathway for residents who are interested in electrification even if the owner of the land is not interested in the program.”¹⁶

SDG&E agrees with the Staff Proposal that MHPs outside of Public Safety Power Shutoff (PSPS) areas be prioritized at this time to avoid concerns associated with electric power shutoffs.”¹⁷

PG&E and SCE request that SED, who maintains the current MHP UCP prioritization list, also lead the development of a prioritization list for MHPs interested in the Initiative.¹⁸ They argue that SED can leverage its current prioritization tools and inspection records, thus allowing the IOUs to continue focusing on the MHP UCP work.¹⁹ They also suggest that SED open a new application window and screen MHPs based on the selection and prioritization criteria chosen by the Commission.²⁰

PG&E, SDG&E, the Joint CCAs, and WMA express concerns about MHPs where there are manufactured homes in states of disrepair, which would require extensive resources to remediate and fully electrify.²¹ This concern is discussed in greater detail below in Section 5.4.2.

<https://pucdc.org/wp-content/uploads/2022/05/California-Endowment-Housing-Reports.pdf> at 3-4.

¹⁶ *Id.* at 4.

¹⁷ SDG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 11.

¹⁸ PG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 8 and SCE Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 5.

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ PG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 9, SDG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 9-10, Joint CCAs

Footnote continued on next page.

5.2.3. Selection Criteria Discussion

Using existing Commission criteria and guidelines, each of the large electric IOUs shall ensure that the MHPs selected for the Initiative are eligible for the MHP UCP. Likewise, the CEC will ensure that MHPs selected for the Electrification Initiative align with the EBD program requirements. We agree with the Staff Proposal recommendations that selected MHPs should not have existing propane systems, given that these MHPs represent a minority of parks and are often located in high wildfire risk areas, and may therefore experience more frequent electric reliability issues. The selected MHPs must have existing piped natural gas and grid-connected electrical systems and must receive electric service from either PG&E, SCE or SDG&E and gas service from one of the IOUs participating in the existing MHP UCP program: PG&E, SDG&E, SoCalGas, or SWG. However, only the electrical system of the MHP needs to be master-metered to qualify. This is because in this Electrification Initiative, only the electrical system would need to be converted through the MHP UCP. The existing gas system, regardless of whether it is master-metered or not, would be required to be abandoned in place, and the MHP owner or operator maintains responsibility for removal, permitting, decommissioning, and environmental remediation related to the legacy system.

It is reasonable to adopt the following selection criteria for the MHP Electrification Initiative:

- Eligible MHPs for the Initiative MHPs should have at a minimum, an existing master-metered/sub-metered electrical system and reside in one of the large electric IOU's service territory.

Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 4-5, and WMA Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 3.

- Any MHP can participate, regardless of their enrollment status in the current MHP UCP, so long as the MHP meets the minimum criteria for enrolling in the MHP UCP.
- The Electrification Initiative should be open to MHPs on both the Category 1 and Category 2 lists, and should not be limited to those that have already applied for the MHP UCP.
- Regardless of where these MHPs fall on the existing priority list for the MHP UCP, once identified for the Electrification Initiative, they should be brought to the top of the list alongside the MHPs that are at the top of the existing MHP UCP list to ensure timely conversion of the MHPs that want to participate.
- Participating MHPs need not be limited to those where the MHP owner owns the land and the coaches, however, MHPs participating in this Electrification Initiative must be fully electrified for 100 percent of mobilehomes within the park. This means agreeing to not have any new natural gas infrastructure installed, and not relying on piped natural gas for water heating, space heating, cooking, and clothes drying end uses.
- All residents living in manufactured home lots in a participating MHP must affirmatively agree to be fully electrified, and confirm their understanding that participating MHPs will not receive piped natural gas service in the future, so that no new natural gas infrastructure will be installed in the fully electrified MHPs.
- If a MHP has mobile or manufactured homes that decide to use unregulated fuels like propane or wood in lieu of receiving in-home electrification measures, this will not

preclude the MHP from participating in the Electrification Initiative.²²

While we agree with NRDC that the selected MHPs should be as diverse as possible to ensure broad learnings from the Electrification Initiative, we do not place any additional requirements on the selection criteria as suggested by the Staff Proposal and parties, as we do not want to further narrow the list of eligible MHPs that can participate. Ultimately, we direct the IOUs to defer to CEC and EBD Regional Administrators to make the final selection of parks, as long as they qualify for the MHP UCP, since the EBD Direct Install program has additional and more specific eligibility and targeting criteria for participation.

The large electric IOUs should work cooperatively with Energy Division Staff, CEC staff and EBD program administrators to identify MHPs that also fit the EBD guidelines and targeting criteria. Each of the large electric IOUs shall file a Tier 1 Advice Letter annually on January 15 of each year, indicating which MHPs they have identified in coordination with CEC that will participate in this joint MHP Electrification Initiative.

5.3. Outreach and Education

5.3.1. Staff Proposal

The Staff Proposal does not specify how IOUs should conduct outreach and education related to this Electrification Initiative beyond recommending that they partner with “other institutions, such as POUs, community choice aggregators, or local governments, who express interest in electrifying MHPs in their respective service areas.”²³

²² Because the Electrification Initiative does not allow MHPs with propane distribution systems to participate (i.e. where a central propane system, or systems, serves the entire MHP), presumably these manufactured homes would rely on propane tanks located on individual lots.

²³ Phase 2B Staff Proposal at 59.

5.3.2. Party Comments

NRDC in particular stressed the need to engage in thoughtful outreach efforts to MHPs that are identified and selected for the Electrification Initiative. NRDC highlighted community meetings and communicating an established timeline of events. According to NRDC, public meetings would allow MHP residents to get information about the program, encourage rapport among participants, and build trust and transparency with tenants.²⁴

Regarding education, NRDC's comments suggested that the Electrification Initiative must offer clear, concise, readily accessible, and digestible education to be successful. NRDC's comments mentioned that participants in the Electrification Initiative should receive written, virtual, and in-person education about the impacts of gas usage, the benefits of electrification, and a timeline for the conversion process. In addition, education should be provided in the languages of the participants commonly spoken within the identified MHP community. Education sessions should take place at different hours and days to allow for attendance flexibility.²⁵

NRDC's comments also emphasized the need for a community energy navigator (CEN) with expertise in mobilehomes.²⁶ According to NRDC, sufficient funding should be provided for a CEN to act as a trusted mediator for the MHP communities selected for the Initiative..

²⁴ NRDC Opening Comments to to ALJ's Ruling Distributing Phase 2B Staff Proposal at 4.

²⁵ *Ibid.*

²⁶ A community energy navigator is an individual that can help serve as a facilitator between the program implementer/IOU and the community. In the San Joaquin Valley pilot program, CENs were managed by a Community Energy Navigator Program Manager (CPM), which was a community-based organization (CBO) that served as an intermediary between the Program Administrators and the community.

SCE requests that the IOUs be “authorized to use Initiative funding to engage Community Based Organizations (CBOs) to develop marketing materials and conduct targeted outreach to interested MHP communities, including MHP owners/tenants on pilot designs, implementation, and after-conversion electrification education.”²⁷

5.3.3. Outreach and Education Discussion

The IOUs shall work with the CEC staff and EBD program administrators to coordinate outreach to potential candidate parks to inform them about participating in this pilot Electrification Initiative. NRDC suggests robust, concise, accessible, and digestible education for participants in response to the Staff Proposal’s initial proposal. We agree with NRDC and believe that the EBD program will provide appropriate outreach to MHPs. The EBD program has selected three regional program administrators, with a requirement that they partner with CBOs “to develop or customize outreach materials and conduct culturally appropriate outreach and engagement in participating communities.”²⁸ We believe this aligns with the Staff Proposal’s recommendation to partner with third-party institutions to ensure robust outreach. Ultimately, we defer to the CEC EBD program to lead and approve outreach and engagement related to the BTM electrification work. The large electric IOUs shall continue to maintain regular communication with the MHPs around MHP UCP conversion activities.

²⁷ SCE Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal [redline edits to Staff Proposal], Appendix A, at A-64.

²⁸ *Ibid* at 12.

5.4. Installation and Remediation

5.4.1. Staff Proposal

The Staff Proposal recommends that all MHP lots and common areas receive:

- Updated, 200-amp TTM and BTM electrical infrastructure, as part of the MHP UCP;
- No new natural gas infrastructure (all existing gas lines should be capped. For mobilehomes that use propane, all measures should be taken to remove the tanks and safely retire the old propane system);
- Installation of new, efficient electric appliances to replace existing gas and/or propane appliances (e.g., heat pump space conditioning system, heat pump water heater, heat pump clothes dryer, and induction ranges);
- In-home remediation measures to accommodate the electrification measures listed above, including rewiring and electrical work; and
- Technologies that allow customers to smartly manage their loads, such as smart circuit sharing devices.²⁹

The Staff Proposal recommends that the Initiative install 200-amp services to common areas, but not provide any BTM electrification measures for common area facilities that go beyond the external point of connection to the facility.³⁰

The Staff Proposal also recommended that participants be encouraged to use existing Commission programs, such as the Energy Savings Assistance (ESA) Program, the Disadvantaged Communities—Single Family Solar Homes (DAC-SASH) program, the Technology and Equipment for Clean Heating (TECH) Initiative, and the Self-Generation Incentive Program (SGIP) for both battery

²⁹ Phase 2B Staff Proposal at 59.

³⁰ *Ibid.*

storage systems and HPWHs. These programs complement the electrification efforts of the proposed MHP Electrification Initiative and some can help to potentially offset energy costs.³¹

The Staff Proposal advises that the IOUs maintain the responsibility for finding and managing the contractors necessary to complete the additional BTM full electrification work required in the proposed Electrification Initiative. The IOUs have existing knowledge about implementing electrification measures from the San Joaquin Valley (SVJ) pilots approved in R.15-03-010. The IOUs are encouraged to use their networks from the SVJ pilots to implement the Electrification Initiative. Staff recommend that contractor work conducted as part of the proposed MHP electrification Initiative must use a competitive bidding process for contractor selection. In addition, all workers performing BTM electrification installations should be paid the prevailing wage. As the Initiative develops, the Staff Proposal recommends that implementers refer to the final EBD guidelines developed by the CEC for wages and workforce practices.³²

Staff also recommend that IOUs partner with local entities, such as publicly owned utilities, community choice aggregators, and local governments, to coordinate on MHP electrification implementation.

5.4.2. Party Comments

Parties expressed concern that many manufactured homes may be past their useful life and in significant states of disrepair. This would either make the cost of remediation to accommodate electrification very high or potentially completely infeasible.

³¹ Phase 2B Staff Proposal at 64-65.

³² Phase 2B Staff Proposal at 59.

The Joint CCAs “have concerns about making large electrification investments in older MHs [manufactured homes] which have significantly depreciated in value and will likely need to be replaced in coming years. This concern is compounded by the significant additional cost of upgrading older MHs.”³³ PG&E expresses a similar concern and “asks the Commission to reconsider the Staff Proposal to invest heavily to electrify MHs past their useful life. This may lead to largely underutilized remediation and installation.”³⁴ PG&E further writes that “the Commission consider the useful life of existing MHs when determining the criteria for MHPs that qualify for full electrification.”³⁵ SDG&E’s comments echo PG&E’s concerns, and SoCalGas and SWG also recommend that the Commission “thoroughly assess the feasibility and safety implications of rewiring older homes before mandating such installations.”³⁶ WMA writes that “55% of mobilehomes were built prior to 1980...and are largely constructed in a manner that may make such upgrading infeasible without destroying the home.”³⁷ WMA also advises that the Commission ensure manufactured homes have the space to include new appliances.³⁸

As for remediation cost caps, NRDC recommends that there be no cost cap per home for remediation. The Joint CCAs recommend that if a “MH cannot be

³³ Joint CCAs Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 4.

³⁴ PG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 9.

³⁵ *Ibid.*

³⁶ Southern California Gas Company and Southwest Gas Corporation Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 4.

³⁷ WMA Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 3.

³⁸ *Ibid.*

rewired, the MH should be offered alternative forms of program participation, including, potentially, financial assistance to purchase a new all-electric MH.”³⁹

PG&E points out that the SJV pilots may not be an appropriate comparison for costs, since the homes remediated in the SJV pilots were not located in MHPs. They also note that requiring prevailing wage would drive up costs for the proposed MHP electrification initiative.

As for the implementation process, NRDC recommends that the program use materials that do not endanger the health and safety of residents, such as materials that pose fire or respiratory illness risks. NRDC also recommends that the in-home construction work happen in one instance, so as to avoid disruption to residents.⁴⁰ Joint CCAs request that IOUs coordinate closely with CCAs, which have already developed similar electrification programs; SCP has already offered to provide financial incentives for these measures, and PCE would like to also provide support for MHPs in its service area.⁴¹

PG&E and SDG&E recommend against IOU oversight of BTM contractors for in-home electrification work, citing the fact that in the current MHP UCP, the MHP owner oversees the BTM electrification contractor and work. PG&E expresses concern that their staff do not have the expertise to oversee this work,⁴² and SDG&E says that their current oversight of BTM work is not subject to a formal contract.⁴³

³⁹ Joint CCAs Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 5.

⁴⁰ NRDC Opening comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 4.

⁴¹ Joint CCAs Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 7.

⁴² PG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 7.

⁴³ SDG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 4.

As to the transition period, PG&E requested at least a year for finalizing implementation details.⁴⁴ SDG&E requested a year to prepare for implementing the Initiative given the number of details that would need to be ironed out in advance.⁴⁵

5.4.3. Installation and Remediation Discussion

We agree with the Staff Proposal and affirm that the large electric IOUs shall install new, direct-metered electric infrastructure capable of delivering 200-amp service to each home in the MHPs selected for the joint Electrification Initiative consistent with D.24-12-037. The selected MHPs shall be considered participants in the MHP UCP and all MHP UCP program guidelines shall apply to these parks, as it relates to electric infrastructure installations. However, these MHPs shall not receive any new natural gas infrastructure and shall cease to use natural gas in perpetuity. The treatment and responsibility for the legacy gas system in the Electrification Initiative shall adhere to what is outlined in the existing MHP UCP agreement: the legacy gas system shall be abandoned in place, and the MHP owner or operator retains responsibility for removal, permitting, decommissioning, and environmental remediation related to the legacy natural gas system.⁴⁶

For common areas, such as laundry facilities, the IOUs should work with the CEC EBD program to determine the appropriate electric infrastructure needs and install the appropriately sized electric service to meet the common area needs, even if this service size exceeds 200 amps.

⁴⁴ PG&E Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 12.

⁴⁵ SDG&E Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 11.

⁴⁶ See D.20-04-004, Appendix C, "Proposed Revised Mobilehome Park Utility Upgrade Program Agreement," Sections 5.6.1, 5.6.2, and 5.7.1, pgs. 7-8.

We depart from the Staff Proposal recommendation that the IOUs implement BTM electrification measures for the Electrification Initiative. Instead, we direct the IOUs to conduct only the existing work as required by the MHP UCP, and to work cooperatively with the EBD program, which will perform all in-home BTM electrification work for the manufactured/mobile homes and common areas outside of the existing BTM work that the MHP UCP already performs. The IOUs must also coordinate with the CEC about any in-home panel capacity upgrades the EBD program anticipates making to accommodate electrification measures, and the IOUs must ensure the BTM infrastructure installed by the IOUs is sufficient to meet the anticipated new panel capacity required for the converted MHPs or common areas. The prescribed measures of the EBD guidelines align with the Staff Proposal's recommended implementation measures: namely, that the Electrification Initiative install new, efficient electric appliances to replace existing natural gas or inefficient, electric resistance electric appliances; include remediation measures to accommodate electrification measures; and include load management technology. Additionally, the EBD guidelines align with Staff recommendations to leverage existing programs, such as the MHP UCP, that support electrification efforts, stating that "complementary funding sources should be applied to a project prior to Equitable Building Decarbonization Program funds wherever possible."⁴⁷

We acknowledge the concerns raised by parties about potentially high remediation costs for older manufactured homes that may need significant repairs and the feasibility of rewiring homes to accommodate electrification. However, the purpose of this Electrification Initiative is to better understand the

⁴⁷ See EBD Direct Install Program Final Guidelines at 22.

challenges and the barriers manufactured homes face when trying to fully electrify. Although NRDC's comments recommends there be no cost cap, we defer to the EBD program guidelines that specify a \$7,200 maximum average cost per manufactured or mobile home for electrical and remediation measures, which allows for flexibility to serve homes with diverse remediation needs.⁴⁸

The large electric IOUs shall commence working with CEC EBD program staff upon issuance of this decision and shall serve a joint compliance report to the service list of this proceeding and the Building Decarbonization proceeding within 180 days of the issuance of this decision detailing how all three IOUs plan to work with Energy Division staff, EBD program staff, and EBD administrators to ensure the MHP UCP work is done in a coordinated and efficient manner that will prepare interested MHPs for full electrification via the EBD program. The large electric IOUs shall also submit the joint compliance report to the CEC docket for the EBD program.

5.5. Funding and Cost Recovery

5.5.1. Staff Proposal

The Staff Proposal proposes a \$50 million budget for the Initiative from electric public purpose funds (PPP) supported by ratepayers. Staff recommend that funding for this program prioritize non-ratepayer funding first before drawing from ratepayer funds. Sources of non-ratepayer funding include:

- The CEC's EBD Program for both direct installation retrofits and incentives for electric appliances;
- The Commission's existing programs, such as the Self-Generation Incentive Program (SGIP) providing heat pump appliance incentives, the SGIP HPWH Program, the Disadvantaged Communities – Single-Family Solar Homes

⁴⁸ See EBD Direct Install Program Final Guidelines at 19-20.

(DAC-SASH) program, the Technology and Equipment for Clean Housing (TECH) Initiative, and energy efficiency fuel substitution programs that promote electrification technologies;

- State and federal weatherization programs, including California's Energy Savings Assistance (ESA) Program and the federal Weatherization Assistance Program and Low-Income Home Energy Assistance Program (LIHEAP), to make homes more energy efficient and reduce overall energy costs;
- Federal incentives, primarily Inflation Reduction Act (IRA) incentives outlined in the High Efficiency Electric Home Rebate Act (HEEHRA), which will provide up to \$14,000 for low-income households for rewiring, panel upgrades, weatherization, and appliances;⁴⁹ and
- HCD programs aimed at rehabilitating manufactured housing.

The Staff Proposal estimates that a \$50 million budget combined with other sources of funding has the potential to fully electrify appliances in 1,405 Mobilehomes.⁵⁰ The potential ratepayer impacts (using 2023 estimates) were predicted as listed below:⁵¹

<i>IOU</i>	<i>Annual Bill Increase for Electric Ratepayers⁵²</i>
PG&E	\$1.71
SDG&E	\$1.98
SCE	\$2.95

⁴⁹ See: <https://www.energy.gov/articles/biden-harris-administration-announces-state-and-tribe-allocations-home-energy-rebate>.

⁵⁰ Phase 2B Staff Proposal at 68 to 69.

⁵¹ Phase 2B Staff Proposal at 69.

⁵² Bundled, non-CARE customer.

The Staff Proposal recommends that any ratepayer funds used for the proposed Electrification Initiative that are not already covered by the MHP UCP be recorded in a one-way balancing account.

5.5.2. Party Comments

NRDC supports the Staff Proposal's recommendation of leveraging non-ratepayer sources of funding, including Inflation Reduction Act incentives and EBD funding. They also suggest the Commission consider federal funding opportunities, such as grants and loan programs dedicated to weatherization and energy efficiency retrofits, manufactured housing preservation and revitalization, and affordable housing improvements.⁵³

Regarding capitalization of BTM costs related to the initiative, the Joint CCAs recommend not allowing any BTM assets to be capitalized.⁵⁴ On the other hand, PG&E requests that BTM costs related to the initiative also be capitalized, in the same manner as the limited BTM work for the MHP UCP.⁵⁵ SCE requests that non-ratepayer funding *not* be used to offset the costs already covered by the MHP UCP.⁵⁶

As to the balancing account for cost recovery, SCE and SDG&E both request that the balancing account be a two-way balancing account, as opposed to the one-way balancing account recommended by Staff. They argue that the costs of this Electrification Initiative are highly uncertain and place high risk on the utilities, since the IOUs would not be able to recover any under-collections in

⁵³ NRDC Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 6.

⁵⁴ Joint CCAs Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 6.

⁵⁵ PG&E Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 11.

⁵⁶ SCE Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 5.

a one-way balancing account.⁵⁷ SDG&E recommends that if the Commission does not authorize establishment of a two-way balancing account, that the Commission allow the IOUs to file an advice letter, application, or alternative regulatory filing to ensure full cost recovery of the relevant costs of this Electrification Initiative.⁵⁸

5.5.3. Funding and Cost Recovery Discussion

We agree with the Staff Proposal's recommendation to prioritize non-ratepayer funding for BTM electrification measures before drawing from ratepayer funds. We decline to adopt the Staff Proposal's recommendation to use \$50 million in PPP funds for this Electrification Initiative and instead seek to leverage existing EBD funds to cover the cost of pursuing electrification measures. The Electrification Initiative is not precluded from leveraging additional sources of funding, such as existing incentives and rebates, for in-home BTM electrification measures. However, this decision does not authorize any additional ratepayer funding for the Electrification Initiative.

This approach supports the importance of finding alternatives to ratepayer funding, to avoid adding additional upward pressure on electric rates, which can discourage customers from pursuing electrification. The EBD program presents a clear alternative source of funding for BTM electrification measures, as well as an opportunity for the MHP UCP and EBD programs to work synergistically. Partnering with the CEC EBD Direct Install program is the best path forward for exploring full electrification for MHPs and manufactured homes.

⁵⁷ SCE Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 7 and SDG&E Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 11.

⁵⁸ SDG&E Opening Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 11.

Since the selected MHPs are still participants in the MHP UCP, the large electric IOUs shall record and cover costs for TTM and BTM electrical system work, as they do for all other parks in the MHP UCP. The large electric IOUs are not responsible for any in-home or common area BTM electrification work beyond the existing limited BTM electric system work already conducted in the MHP UCP. Therefore, the large electric IOUs shall not recover any additional costs for BTM electrification work outside of the normal scope of the MHP UCP program. Any additional administrative costs for coordination with CEC and EBD program administrators on this joint Initiative shall be recorded and expensed to the MHP UCP as administrative costs. These costs shall be recorded and reported explicitly as costs associated with the Electrification Initiative.

The number of parks converted per large electric IOU through this Electrification Initiative will be added to the total conversions completed through the standard MHP UCP annually, and this combined total shall stay within the same annual soft targets established in D.20-04-004: SCE and SDG&E are allowed 3.33 percent each, and PG&E is allowed to convert 2.5% of its total spaces on an annual basis. The large electric IOUs shall count the spaces converted through this Electrification Initiative toward their total program conversion goals.

5.6. Tenant Protections

5.6.1. Staff Proposal

The Staff Proposal recommends that the Electrification Initiative require tenant protections, in line with final EBD guidelines.⁵⁹ Those guidelines stipulate that "property owners shall be subject to all applicable state and local laws

⁵⁹ Phase 2B Staff Proposal at 67 to 68.

regarding tenant displacement, eviction, and rent increases."⁶⁰ Additionally, tenants should be given clear and complete information in the predominant language spoken in the MHP regarding:

- Measures that will be installed;
- Estimated duration of construction and hours of construction;
- Whether the tenant will need to be temporarily displaced; and
- Tenant rights regarding displacement, rent increase, and eviction.

Projects for the Electrification Initiative should try to avoid temporary displacement of tenants. If tenants must temporarily move, they shall be given the right of return to the same unit after all construction is finished. Property owners should also commit in writing that tenants are protected from eviction “before, during, or after the project and all just cause protections, as defined in California Civil Code Section 1946.2, are in force” and that the measures installed should not be the reason for just cause eviction or rent increases.

5.6.2. Party Comments

SDG&E comments that tenants should be educated on the Electrification Initiative, and that tenant protection should be enforced for impacted residents. SDG&E also notes that “if work performed inside the home will require temporary displacement of the residents, it seems appropriate to provide temporary housing for residents.”⁶¹

⁶⁰ See EBD Direct Install Program Final Guidelines at 26.

⁶¹ SDG&E Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 6.

SCE requests that the IOUs coordinate with the Commission about tenant protections, as outlined in the EBD guidelines, prior to Electrification Initiative implementation.⁶²

5.6.3. Tenant Protections Discussion

As recommended by the Staff Proposal, we adopt the EBD program guidelines for implementing and enforcing tenant protection measures related to any BTM electrification work performed in the MHP as part of EBD Direct Install retrofits. The MHPs participating in this joint Initiative must still sign the existing MHP UCP agreement, which contains consumer protection provisions and binds the property owners/residents of the MHPs to certain conditions for raising rents; notably, the agreement states that rent cannot be raised “because of the increased value of the unit due solely to infrastructure improvements” provided by the MHP UCP.⁶³

5.7. Bill Protection

5.7.1. Staff Proposal

Staff recommend that customers who participate in the Electrification Initiative should enroll in programs that will ensure insulation from high utility bills. The Commission has several programs that customers can enroll in to maximize savings and reduce their utility bills, including the following:

- California Alternative Rates for Energy (CARE), which offers low-income customers a minimum 20 percent discount on their electric rates;

⁶² SCE Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 8.

⁶³ D.21-08-025 established these consumer protection provisions and requires the MHP UCP agreement to contain specific language around allowable rent increases. See OP 2 at 33 for more information.

- Family Electric Rate Assistance (FERA), which allows households with three more people, who also meet income guidelines, to receive an 18 percent discount on electric rates;
- HPWH demand response programs, including PG&E's WatterSaver program, any similar programs established in the future, which will allow customers to install "smart," grid-connected heat pump water heaters and optimize water heating during times when energy costs are lowest;
- Disadvantaged Communities Green Tariff (DAC-GT) program offers customers in disadvantaged communities the opportunity to use utility-scale clean energy and receive 20% off their electric bill; and
- Community Solar Green Tariff (CSGT) programs offer customers 20% off their electric bill if they live in a disadvantaged community and are located within five miles of a community solar project.

The Staff Proposal recommends that the full Electrification Initiative provide time-limited bill protection for participating manufactured home residents. Because cost impacts are uncertain, the Staff Proposal asserts that participants should be supported to successfully manage their post-electrification energy costs.

The Staff Proposal describes bill protection measures in the SJV pilots for program participants. These customers were offered a 20 percent bill discount over a 10-year period. This bill discount was layered with additional 20% bill discounts for participation in green tariff or community solar programs. The SJV pilots will undergo a bill impact evaluation in 2025; if most of the homes experienced cost savings, the 20 percent bill discount will be reduced to 10 percent for an additional five years. If, however, the evaluation finds that energy costs for the participants increased, the 20 percent bill discount will continue for

an additional five years after which those discounts would cease to be provided. Similar treatment for bill protection is recommended by Staff for participants in the proposed Electrification Initiative.

Staff recommended that bill protection measures should be based on analysis performed by the IOUs, which “should factor in a MH-specific fuel substitution bill analysis provided by the IOUs using the estimated average gas usage in the top 20th percentile of MHPs.”⁶⁴ Furthermore, this analysis should “model post-electrification electric loads and usage, and factor in current electric rates to derive the potential bill impacts that MH residents may experience after switching from gas to all-electric end uses.”⁶⁵

Finally, Staff recommend that expenses for bill protection measures be treated as expenses collected through electric PPP surcharges.⁶⁶

5.7.2. Party Comments

Two parties support offering bill protections as part of the Electrification Initiative. NRDC remarks that because “electric rates in California are high and rising, it is crucial that the program include bill protection measures to make sure residents experience economic benefits.”⁶⁷ WMA similarly agrees that the Initiative should target “under-resourced communities” and that such customers should be given bill protection given the uncertain costs of switching to full-home electrification.⁶⁸

⁶⁴ Phase 2B Staff Proposal at 67.

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*

⁶⁷ NRDC Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 6.

⁶⁸ WMA Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 4.

SDG&E opposes bill protection measures, stating that it is unknown if customers will actually experience bill increases due to electrification. They state that the SJV pilot data used to justify bill protections is outdated and may not be relevant to SDG&E customers, who have different usage profiles than SCE and PG&E customers. They also state that low-income customers enrolled in CARE could see a net savings due to higher discounts on electric bills than on gas bills. If the Commission approves bill protection measures, SDG&E requests that the bill credit be limited to one year, not 10 years.

PG&E agrees that bill protection should be time-limited and only used in certain cases.⁶⁹

5.7.3. Bill Protection Discussion

We do not adopt the Staff Proposal's recommendation that the Electrification Initiative establish time-limited bill protection for participants.

In May 2024, the Commission approved the Income Graduated Fixed Charges in D.24-05-028, as required by AB 205 (Committee on Budget, Chapter 61, Statutes of 2022). We agree with SDG&E's comment that these new rate structures may change the economics of electrification. As such, the new rate structures have lowered volumetric charges for electricity use to make electrification more favorable.

Instead, the EBD program will be responsible for strategically selecting MHPs to target. They will use modeling analysis to project bill impact outcomes across building types, rate structures, retrofit packages, and climate zones to predict which households will most benefit from electrification, including which households will have a high likelihood of seeing bill savings from

⁶⁹ PG&E Reply Comments to ALJ's Ruling Distributing Phase 2B Staff Proposal at 2.

decarbonization measures. While the program prioritizes candidates with high savings potential, bill savings are not necessarily guaranteed. Nonetheless, we believe that these evaluation tools, along with the EBD program requirement that estimated bill impacts be communicated to potential participants, will help residents understand bill impacts prior to participation and mitigate the need for bill protections at this time. The IOUs shall work with CEC EBD staff and program administrators, in their outreach efforts, to ensure that bill impacts are communicated to participating MHP owners and residents.

5.8. Reporting and Evaluation

5.8.1. Staff Proposal

The Staff Proposal recommends aligning data collection with EBD program metrics to explore if MHP electrification can be a feasible option for the permanent MHP UCP. The Electrification Initiative should, at minimum, collect information on energy costs, energy usage, remediation costs and barriers, demographic information, basic home information (such as vintage), and number of converted spaces.

5.8.2. Party Comments

Only SCE commented on this topic, recommending that “the Commission coordinate with SCE (and other IOUs) prior to implementing additional metrics established in the EBD program.”⁷⁰ SCE also notes that the Electrification Initiative should be evaluated to ensure that it meets the goals of benefiting MHPs “at a reasonable cost for all ratepayers” and should “further the overall objectives of this proceeding and California’s climate and air quality goals.”⁷¹

⁷⁰ SCE Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 8.

⁷¹ SCE Opening Comments to ALJ’s Ruling Distributing Phase 2B Staff Proposal at 9.

5.8.3. Comments on September 15, 2025 Amended Scoping Ruling

On September 15, 2025, the Commission issued an amended scoping memo asking parties to comment on the following questions; whether to modify the requirements in Ordering Paragraph 16 of D.20-04-004 to consider a single combined evaluation of the MHP UCP and any future full electrification effort? and, whether to change the timing for the MHP UCP mid-cycle evaluation from 2025 to a future date to align with evaluation any future MHP full electrification effort?

Three parties filed comments on the September 15, 2025 Amended Assigned Commissioner's Phase 2 Scoping Memo and Ruling: PG&E, Gas IOUs (SoCalGas, SWG and SDG&E), and SCE. PG&E commented that OP 16 of D.20-04-004 should be changed to consider a single combined evaluation of the MHP UCP and any future full electrification effort, but that the combined evaluation should ensure that three distinct cost categories are considered- TTM, BTM, and electrification - to allow for a clearer picture of BTM electrification costs going forward. PG&E did not recommend that the MHP UCP 2025 mid-cycle evaluation be changed, citing the uncertainty and timing of electrification efforts. PG&E comments also emphasized that issues such as service/ stub work for vacant MHP spaces, MHP ownership responsibilities and enforcement of MHP agreements, revaluating soft cap and annual space conversion goals, and examining additional requirements and scope of the electrification effort should be promptly addressed.

The gas IOUs were "not opposed to" conducting the mid program evaluation as originally required by OP 16 of D.20-04-004 for MHP UCP but recognized that there may be efficiencies in a joint evaluation of MHP UCP and

the Electrification Initiative. They also stated that postponing the second evaluation would further allow for additional data to be collected for consideration. They recommended that if the program evaluation is pushed back in connection with the full electrification effort, that the Commission schedule public participation hearings throughout the state to hear firsthand from MHP residents impacted by these programs, and considered this feedback before making future determination for the MHP UCP.

SCE deferred to the Commission's judgement on the first question but acknowledged that there may be efficiencies as well as helpful standardization in combining the evaluations. For the second question, SCE stated that if a combined evaluation is done, then a 2025 deadline would not be feasible and should be modified. Section 6.1.7 has been modified to reflect parties' comments.

5.8.4. Reporting and Evaluation Discussion

We agree with SCE's comment that the Electrification Initiative should be evaluated to ensure that it meets the goals of benefitting MHPs with an eye on costs to California's broader climate goals. It is reasonable to require an evaluation of the Electrification Initiative.

Over the two phases of this proceeding, the Commission has adopted various reporting requirements for the electric and gas IOUs. In this section, we review these previous requirements for their relevance and utility to the current circumstances of the programs and revise them as necessary.

Ordering Paragraph (OP) 10 of D.20-04-004 requires each electric and gas corporation to submit annual reports for the MHP UCP by February 1 of each year. For the Electrification Initiative, we add to this reporting requirement, for

the large IOUs, by including a separate section that documents the costs for the MHPs participating in the Electrification Initiative.

The large electric IOUs shall work with SED and Energy Division staff to develop a new, uniform template and will file this new template in a Tier 1 Advice Letter within 90 days of the issuance of this decision. Creating separate reporting of the TTM and BTM costs for MHPs participating in this joint Electrification Initiative will help with understanding the total costs of fully electrifying MHPs, since we expect that the electric utilities will bear the full cost of trenching, as part of their MHP UCP, and since no new natural gas infrastructure will be installed in these MHPs. We also direct that IOUs share these annual reports with the CEC staff within two business days of when the information is shared with the distribution service list for this proceeding.

We also require the IOUs to coordinate and cooperate with the CEC EBD program to support any data collection on these fully electrified MHPs. Energy Division staff will coordinate with the large electric IOUs and CEC staff to ensure that all relevant data and metrics, including cost, barriers, and cost impacts on residents, will be entered into the record of this proceeding or a successor proceeding, either in the form of a report or evaluation, to help inform future policy decisions about the direction of the MHP UCP. These lessons must also be shared with the CEC staff within two business days from when they are entered into the record of this proceeding or a successor proceeding.

OP 6 of D.24-012-037 requires electric and gas IOUs to develop a report at the conclusion of the MHP UCP in 2030 in consultation with the Commission's Energy Division staff. The report will assess the appropriateness of the 200-amp standard and any technological developments that may warrant a change to the electric service standard offered in any future iteration of the MHP UCP.

However, if the Commission considers extending the MHP UCP before it ends in 2030 and assesses the future of the Electrification Initiative, then the findings from this report will be needed before 2030. We also expect that the cost information from the Electrification Initiative in the IOU annual reports will have significant implications for determining whether to continue and/or how to modify the MHP UCP beyond 2030.

Because the MHP UCP and the Electrification Initiative operate in parallel, their interactions will impact the assessment of each program. Therefore, it is reasonable to consider a single independent, comprehensive evaluation of both programs. Moreover, a formal independent evaluation would allow for examining the qualitative and quantitative aspects of each program. Using a professional evaluator would be a reasonable approach for a joint evaluation. Therefore, we modify OP 16 of D.20-04-004 to require that the Commission hire an independent professional evaluator to conduct a joint evaluation of the MHP UCP and Electrification Initiative, which should be completed no later than December 31, 2029.

In order to execute a professional statewide evaluation of both programs, it is reasonable to approve a budget not to exceed \$250,000. The large IOUs (PG&E, SDG&E, SCE and SoCalGas) should proportionately reimburse the Commission for the total contract costs of the evaluation. For administrative simplicity and contracting flexibility, the total amount shall be reimbursed in a single year instead of being dispersed annually. Because Commission authorization for contracting practices are based on a fiscal year (FY) budget, we designate FY 2026-2027 as the year when the IOUs should reimburse the Commission for the evaluation. Any remaining funds from the evaluation should be returned to ratepayers. Evaluation expenses should be split equally between gas and electric

IOUs participating in the MHP UCP based on their proportional share of completed projects through the end of Calendar Year 2024. Summary of Public Comments

6. Public Comments

Rule 1.18 of the Commission's Rules of Practice and Procedure allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. There were no relevant public comments on the docket card for this proceeding.

7. Procedural Matters

All pending motions not affirmatively ruled on in this proceeding are denied.

8. Comments on Proposed Decision

The proposed decision of Commissioner Karen Douglas in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

9. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Hazlyn Fortune is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Commission opened R.19-01-011 to investigate alternatives that lead to the reduction of greenhouse gas emissions associated with energy use in buildings.

2. D.20-04-004 established a 10-year MHP Utility Conversion Program to run from 2021 through 2030.

3. R.18-04-010 included modifications to the existing programs like the MHP Utility Conversion Program.

4. D.21-08-025 established consumer protection measures for residents of Mobilehome Parks participating in the Mobilehome Park Utility Conversion Program.

5. Pub. Util. Code § 2791(c) implements state law requiring the direct metering of electric and/or natural gas service in MHPs constructed within electric or gas corporation franchises.

6. An Energy Division Staff Proposal released July 31, 2023 that included a recommendation to examine a limited full-home electrification initiative for MHPs within the existing MHP UCP.

7. AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) directed the CEC to establish the EBD program, a Direct Install Program for low-income households that “provides and installs energy-efficient electric appliances, energy efficiency measures, and related upgrades directly to consumers at minimal or no costs.

8. D.20-04-004 directs the current MHP UCP to sunset at the end of 2020, unless extended by the Commission.

9. OP 16 of D.20-04-004 required Commission staff to conduct a mid-cycle evaluation of the MHP UCP in 2025, after first four-year application cycle.

10. OP 6 of D.24-12-037 requires electric and gas IOUs to develop a report at the end of the MHP UCP in 2030 to evaluate the appropriateness of the 200-amp standard.

Conclusions of Law

1. It is reasonable to establish the Electrification Initiative to explore the full electrification of MHPs.
2. It is reasonable for the Electrification Initiative to leverage the funding and resources of the CEC's EBD program.
3. The Electrification Initiative should explore the feasibility, implementation and other costs impacts to ratepayers and electricity customers to support greenhouse gas reduction through electrification.
4. The Commission's MHP UCP should partner with the CEC's EBP Direct Install Program to explore and analyze electrification in MHPs.
5. Combining the evaluation of the MHP UCP program with the evaluation of the Electrification Initiative is efficient and reasonable.
6. Hiring an independent evaluator to conduct the evaluation of the MHP UCP and Electrification Initiative programs is reasonable.
7. It is reasonable to modify OP 6 of D.24-12-037 and accelerate the deadline for the electric and gas IOUs to report on the appropriateness of the 200-amp standard before the conclusion of the program in 2030.
8. Following customary practices for consultant services, it is reasonable for the large electric and gas IOUs to reimburse the Commission proportionately using the rate recovery mechanism.
9. It is reasonable to close this proceeding.
10. It is reasonable to deny all pending motions not previously ruled upon.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company, shall work cooperatively with California

Energy Commission's Equitable Building Decarbonization Program staff, Energy Division Staff, Safety Enforcement Division Staff, and EBD regional Administrators to implement a limited term Mobilehome Park Electrification Pilot Initiative.

2. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall coordinate with the California Energy Commission Equitable Building Decarbonization staff on outreach to potential candidate mobilehome parks to assess their eligibility for the Electrification Initiative.

3. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall file a Tier 1 Advice Letter annually on January 15th showing which mobilehome parks they have identified in coordination with the California Energy Commission Equitable Building Decarbonization staff that are participating in the Electrification Initiative.

4. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company, shall work cooperatively with California Energy Commission's Equitable Building Decarbonization Program staff and Administrators to suspend installation of all natural gas measures in mobile home parks participating in the Electrification Initiative.

5. Any mobilehome park that meets the minimum criteria for enrolling in the current investor-owned utility mobilehome park utility conversion program in Pacific Gas and Electric Company's, San Diego Gas & Electric Company's and Southern California Edison Company's service territory, is eligible to participate in the electrification Initiative. Parks that have previously been converted through the Mobilehome Park Utility Conversion Program are not eligible for the Electrification Initiative.

6. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall as part of the existing Mobile Home Park Utility Conversion Program continue to install new direct-metered electric infrastructure capable of delivering 200-amp service to mobile homes selected to participate in the Electrification Initiative.

7. Pacific Gas and Electric Company, San Diego Gas and Electric Company and Southern California Edison Company shall work with the California Energy Commission Equitable Building Decarbonization program to determine the appropriate electric infrastructure needs to meet common area needs in mobilehome parks selected to participate in the Electrification Initiative, even if this service size exceeds 200 amps.

8. The California Energy Commission Equitable Building Decarbonization Direct Install program will perform behind the meter electrification work for the manufactured and mobile homes and common areas not covered by the mobilehome park utility conversion program offered by Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company. Nothing shall preclude this Initiative from leveraging additional sources of funding in addition to the funds from the Equitable Building Decarbonization Program funds.

9. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall file a joint Tier 2 Advice Letter within 180 days of this decision detailing how coordination among all components for the Electrification Initiative will proceed.

10. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall record and cover costs for the To -

The-Meter (TTM) and Behind The Meter (BTM) electrical system work currently a part of the existing mobilehome park utility conversion program.

11. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall count all conversions completed through this Electrification Initiative toward their total annual conversions.

12. If non-ratepayer funding sources become unavailable to support the Electrification Initiative authorized by this decision, participating electric and gas investor-owned utilities may submit a Tier 2 Advice Letter to the Commission to request approval to cease work on the Electrification Initiative.

13. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall ensure that the total number of spaces converted through this Initiative and their standard Mobilehome Park Conversion Program activities do not exceed the annual soft target conversion targets established in Decision 20-04-004. For Pacific Gas & Electric Company, this annual target is 2.5%, and for Southern California Edison and San Diego Gas & Electric this target is 3.3% of each respective utilities' total mobilehome park spaces.

14. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall not recover any additional costs for behind the meter electrification work outside of the normal scope of the mobilehome park utility conversion program.

15. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall record and expense any additional administrative costs for coordination with the California Energy Commission's Equitable Building Decarbonization program, to the mobilehome park utility

conversion program as administrative costs and explicitly identify these costs as costs associated with the electrification Initiative.

16. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall, as part of joint outreach efforts, work with California Energy Commission's Equitable Building Decarbonization staff to ensure that electric bill impacts as a result of the electrification Initiative are understood by participating mobilehome park owners and residents.

17. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall add a separate section in their annual reports that denote the costs of mobilehome parks participating in the electrification Initiative.

18. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall Energy Division Staff and Safety Enforcement Division Staff to create a new uniform reporting template (for the annual report) and will file this new template in a Tier 1 Advice Letter within 90 days of the issuance of this decision.

19. Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall coordinate with the California Energy Commission's Equitable Building Decarbonization Staff to assist with data collection at fully electrified mobilehome park sites.

20. Ordering Paragraph 16 of D.20-04-004 is amended to read as follows: "The Commission shall hire an independent evaluator to conduct a joint evaluation of the Mobilehome Park Utility Conversion Program and the Electrification Initiative; the evaluation shall be completed no later than December 31, 2029. The final evaluation shall be published on the Commission website and noticed on the service list for this proceeding."

21. Ordering Paragraph 6 of D.24-12-037 is amended as follows: “No later than July 31, 2029, Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company, Southwest Gas Corporation, PacifiCorp, Bear Valley Electric Service Company, Inc., and Liberty Utilities, shall develop a report in coordination with the Commission’s Energy Division Staff to assess the appropriateness of the 200-amp standard and any technological developments that may warrant a change to the electric service standard offered in any future iteration of the Mobilehome Park Utility Conversion Program.”

22. No later than June 30, 2027, Pacific Gas and Electric Company, Southern California Gas Company, Southern California Edison Company, and San Diego Gas & Electric Company shall proportionally reimburse the Commission as described in Section 5.8.3 of this decision.

23. Rulemaking 18-04-018 is closed.

This order is effective today.

Dated November ___, 2025, at San Francisco, California