



TECHNICAL ADVISORY COMMITTEE (TAC) RECOMMENDATIONS

FILED

11/10/25

03:51 PM

Topic: Ensuring timely payment of ESA contractor service invoices

Issue: ESA is a pay for performance program and IOU delay with issuing reimbursement payment to ESA contractor service invoices places additional financial burden on ESA contractors and compromises the service delivery potential of the ESA contractor network. To mitigate negative impacts extending from such payment delay, the Board recommends the following:

1. IOUs establish a timeframe commitment for providing timely reimbursement payment to an approved ESA contractor invoice submission. As part of the established timeframe, IOUs must endeavor to define what constitutes an acceptable IOU invoice - eligible for reimbursement, and where the date of receipt will trigger the start of the IOU's timeframe commitment for issuing timely reimbursement payment to the ESA contractor. Additionally, IOUs shall ensure its ESA contractors are informed of the timeframe for issuing payment to an approved invoice and what constitutes an acceptable invoice eligible for reimbursement payment.
2. IOUs expand data collection to track the number and program cost investment of jobs completed by the ESA contractor and where residual work activity (i.e., utility quality assurance inspection, building permit sign-off, etc.) is needed to complete (the job) and allow invoicing to the IOU for payment. IOUs shall use the tracking of these pending jobs and associated cost investment as a consideration of any ESA contractor loan or working capital advance request. IOUs, if desired, may opt to stipulate as a condition of the loan, the immediate repayment of the loan portion attributed to pending jobs when reimbursement is made by the IOU and received by the ESA contractor.

Topic: Treatment of CPUC ordered Pilot Programs

Issue: Some IOUs proposed to sunset their pilots as part of the bridge application, bringing about a premature closure to pilot programs and undermining the original intent of the pilot programs and ability to use pilot results to inform policy decisions for the next ESA cycle. To mitigate negative impacts extending from the premature closure of pilot programs referenced in IOU bridge applications, the Board recommends the following:

1.

- Ensure consistent treatment of all CPUC - Pilot Programs by requiring IOUs to complete the administration of pilots in accordance with approved budgets, workplans, and established objectives.
- The CPUC shall prohibit an IOU from concluding or ending a pilot program. Exemptions to this can be made for pilot programs that complete workplans, work scopes, and objectives ahead of schedule and/or budget.

2. Understanding the intent of pilot programs is to inform future ESA policy and program design decisions and several pilots are still underway (in terms of administration), the CPUC shall create a policy path for how pilot evaluation results can be used in the next ESA cycle, after the ESA cycle has commenced and without requiring a petition for modification.

Topic: CHANGES

Issue: The CHANGES Program is requesting a total increase of \$855,400 to the CHANGES program budget as part of the bridge funding application. This amount addresses three urgent areas:

- Unmet program demand for Deliverables
- Inflation-related cost increases (budget remains unchanged since 2015), and
- Strategic Database Enhancements, Materials & CBO Expansion

Acknowledging the benefits of the program to the public and a potential increased need for trusted outreach partners in the current environment, the Board recommends the following:

1. Approve the funding request as presented
2. Ensure adequate evaluation measures are in place to measure the effectiveness of this investment to inform future budget discussions

Topic: ESA Funds Flexibility

Issue: While the ESA program as a whole is effective, there are pilots and specific categories of funding that are not fully utilized by the IOUs. The program's structure needlessly creates needless barriers to shift funds from unsuccessful aspects of the program to areas of the program that have an unmet need. To ensure the ESA program meets the needs of low-income ratepayers without delay or potentially forfeiting funds, the Board recommends:

1. The bridge period grants the Energy Division the flexibility to shift ESA program funds between program (pilots and ESA Main) categories.
2. That this flexibility shall apply to all unspent funds in the current cycle.

Topic: Public Purpose Program Surcharge

Issue: As noted, some IOUs proposed to sunset their pilots as part of the bridge application, noting they have not been successful. Rather than continue to modest sums through the Public Purpose Program Surcharge intended to fund these pilots, IOUs such as SCE, are proposing to collect less. The ESA program as a whole has unmet demand from low-income ratepayers. The inability to effectively administer pilot programs should not result in the overall contraction of the ESA program and a reduced benefit to low-income ratepayers (children and families). In this context, the Board recommends:

1. The bridge application requires the IOUs to maintain funding levels for the ESA program and not reduce the Public Purpose Program Surcharge due to an inability to effectively manage pilot programs.
2. Shift any funds collected for pilots that are discontinued or underutilized to ESA main or other program categories with unmet demand