BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA

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Pacific Gas and electric Company's (U39M) Application for Approval of its 2028-2033 Income-Qualified Programs.	Application 26-01-003 (Filing Date January 9, 2026)
CONSOLIDATED	
Application Of Southern California Edison Company (U338E) for Approval of its Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Family Electric Rate Assistance (FERA) And Budgets for Program Years 2028-2033.	Application 26-01-005 (Filing Date January 9, 2026)
Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Bridge Funding for Program Years 2028-2033.	Application 26-01-010 (Filing Date January 9, 2026)
Application of Southern California Gas Company (U904G) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2028-2033.	Application 26-01-011 (Filing Date January 9, 2026)

JOINT OPENING BRIEF ON DEFINITIONAL QUESTIONS BY CENTER FOR ACCESSIBLE TECHNOLOGY, THE UTILITY REFORM NETWORK, NATIONAL CONSUMER LAW CENTER AND SIERRA CLUB

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- The Commission should adopt a statutory interpretation consistent with the current eligibility standards now in use for IQP enrollment and with the state's overall policy of ensuring that essential supplies of utility service are affordable for all customers.

Legal Interpretation of "Substantially the Same"

- The Commission should conclude that "substantially the same" should be interpreted in a manner that allows for modest differences in eligibility requirements between public assistance programs and the income-qualified energy programs.
- The Commission should adopt Joint Advocates' framework for determining whether a public assistance program is appropriate for categorical eligibility. This framework includes the following two tests:
    - Income Eligibility Threshold Comparison Test
        - How does the program's income eligibility threshold quantitatively compare to the CARE threshold?
        - If the threshold exceeds 200% of Federal Poverty Level, do at least 90% of program participants have incomes at or below 200% of Federal Poverty Level?
        - Would the program offer unique administrative efficiencies for enrolling customers via categorical eligibility, even if it may include some households with incomes beyond 200% of Federal Poverty Level?
        - Does the program serve communities that have historically been hard to reach and enroll in CARE, even if it may include some households with incomes beyond 200% of Federal Poverty Level?
    - The Qualifying Unit Test
        - Does the public assistance program calculate income for purposes of determining eligibility using a "qualifying unit" that is substantially similar to the "household" income approach used by the CARE program?
        - Would it be reasonable to use the public assistance program for categorical eligibility for one-person households, even if the program should not confer CARE eligibility to larger households?

Definition of "Income"

- The Commission should reaffirm its determination in D.14-08-030 that housing subsidies are excluded from the definition of income for purposes of determining CARE and FERA eligibility.
- The Commission should adopt Joint Advocates' proposed Three-Prong Test for defining income. Under this test, an item shall only be included in the income calculation if it satisfies all three of the following criteria:
    - The Actualization Prong: Does the benefit consist of liquid cash or a cash equivalent that is actualized as household income and available to pay for the household's basic needs?

    - The Administrative Feasibility Prong: Is the value of the benefit readily quantifiable and verifiable through standard financial records available to the applicant?
    - The Lawfulness Prong: Is the benefit free from federal or state legal exclusions that prohibit its use in "public assistance" or "benefit eligibility calculations"?
- When a specific category of income is not easily analyzed under the Three-Prong Test, the Commission should be guided by legal mandates that prioritize affordability and require the Commission to ensure that low-income customers enroll in income-qualified energy programs.

Definition of "Household" Sizes

- The Commission should adopt its General Order 153-A definition of household sizes across all income-qualified programs with some modifications.
    - The Commission should clarify that a group of individuals "sharing income and expenses" functionally equates to an "economic unit" as it is used for the FCC LifeLine program.
- In the alternative, the Commission should continue to use the definition of "household" size from the current Statewide Energy Savings Assistance Program Policy and Procedures manual with modifications to exclude the requirement for dependents to be on tax forms and provide exceptions for certain household scenarios.
- The Commission should initiate a working group to develop a unified definition of "household" that would work across all income-qualified programs for applicants who are not applying through categorical eligibility and would ensure non-categorical applicants have at least the same or increased access to income-qualified programs compared to applicants enrolling through categorical eligibility pathways.

I. INTRODUCTION

In accordance with the instructions provided in the Assigned Commissioner's Scoping Memo and Ruling (the Scoping Memo) issued on April 7, 2026 and the deadline set in the Administrative Law Judge's Ruling Modifying Schedule, issued on April 23, 2026, Center for Accessible Technology (CforAT), The Utility Reform Network (TURN), National Consumer Law Center (NCLC) and Sierra Club (collectively Joint Advocates) provide this opening brief on definitional questions.

Joint Advocates specifically respond to Questions 7(a)-(c) in the Scoping Memo addressing the appropriate interpretation of the phrase "substantially the same" as used in Section 739.1(f)(1) of the California Public Utilities Code,[1] as well as the definition of "income" and of "household" as they pertain to eligibility for California's income-qualified programs (IQPs). As set forth in greater detail below, Joint Advocates look to California's broad statutory structure setting out eligibility standards for the various IQPs as well as the state's overall policy goals of ensuring that essential supplies of utility service are affordable for all customers as the basis to support adoption of interpretations and definitions consistent with the current eligibility standards now in use for IQP enrollment. Joint Advocates oppose adoption of any alternative interpretations that would make it substantially more difficult for low-income customers to demonstrate eligibility for programs intended to provide them with important affordability support.

[1] All statutory references are to the California Public Utilities Code unless otherwise indicated.

II. DISCUSSION

A. Overview

As noted above, the Scoping Memo, issued on April 7, 2026, directed parties to submit briefing on the legal interpretation of the phrase "substantially the same," as used in Section 739.1(f)(1) for purposes of determining which programs can be used to establish categorical eligibility for IQPs; this question includes consideration of whether the statute requires income thresholds of categorical eligibility programs to perfectly align with the income threshold of the IQP.[2] It also asked parties to address the definition of "income" as used in Sections 739.1(a) and 739.12(a) for purposes of determining eligibility for the CARE and FERA programs; and the definition of "household" sizes as used in Sections 739.1(a) and 739.12(a) for purposes of determining eligibility for IQPs.[3]

Joint Advocates interpret the statutes as consistent with current eligibility standards for the IQPs and urge the Commission not to further restrict eligibility through reinterpretation of the statutory language that would reduce the number of programs authorized as demonstrating categorical eligibility. The statutes expressly do not require exact alignment of income eligibility standards to support categorical eligibility. If the Legislature wanted exact eligibility alignments, it could have made that clear. It did not.

By stating that income qualification standards for programs supporting categorical eligiliby should be substantially the same as that for CARE, not exactly the same, the Legislature left a clear pathway to recognize that a household determined to be low-income by another program should be authorized to receive support through the Commission's IQPs. Particularly

[2] Scoping Memo at pp. 6-8.
[3] Scoping Memo at pp. 6-8.

during the ongoing affordability crisis,[4] the Commission should not narrow pathways to eligibility for IQPs that support the most vulnerable households in the state in accessing essential utility service. Recent federal legislation, H.R. 1, which imposed historic cuts to social safety net programs, has already narrowed eligibility for Medi-Cal and CalFresh via work requirements and disqualification of additional noncitizen groups, expected to result in estimated disenrollments of approximately 1 to 2 million Californians from Medi-Cal and over 600,000 from CalFresh when they take effect.[5] In addition to the resulting negative consequences for access to food and healthcare, these cuts will make it more more difficult for many Californians to qualify for IQPs through these programs, regardless of any changes that the Commission makes to categorical eligibility. The Commission should not exacerbate these challenges by further constricting categorical eligibility. Rather, the Commission should direct the utilities to prioritize efforts to reaching and enroll vulnerable households to provide necessary support to the Californians most at risk.

Any analysis that would limit eligibility for IQPs that support access to essential services would also contravene the goals of the Commission's Environmental and Social Justice Action Plan Version 2.0 (ESJ Action Plan).[6] The ESJ Action Plan embodies the Commission's commitment to incorporating ESJ principles into its work and seriously considering the lived experiences of ESJ communities, including disadvantaged communities and low income communities, as well as "additional priority communities," such as communities with medical

[4] *See* D.24-12-074, issued December 23, 2024 in A.22-05-015 and A.22-05-016, at p. 2 ("California ratepayers are facing an affordability crisis with record-high arrearages and utility bills.").
[5] Legislative Analyst's Office: Key Impacts of H.R. 1 on Medi-Cal and CalFresh, published February 11, 2026, at pp 3-5, available at https://lao.ca.gov/handouts/health/2026/H.-R-1-Key-Impacts-021126.pdf.
[6] CPUC Environmental & Social Justice Action Plan Version 2.0 (ESJ Action Plan), published April 7, 2022, available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf.

vulnerabilities, communities with Access and Functional Needs (AFN), and communities that experience disproportionate challenges with affording utility service.[7] To accomplish this, the ESJ Action Plan articulates goals, including a directive to "[c]onsistently integrate equity and access considerations throughout CPUC regulatory activities" and "[b]etter leverage ongoing work by fostering cross-division, cross-Commission, and cross-agency dialogues to move towards mutual eligibility and maximizing impact."[8]

The ESJ Action Plan also states the Commission's intent to "proactively consider . . . how to ensure Californians disproportionately impacted [by events like the Covid-19 pandemic], such as those in ESJ communities, continue to safely receive reliable utility service"[9] and to mitigate the impacts of increased utility rates on the most burdened households.[10]

By recognizing the challenges associated with income documentation and facilitating access to IQP programs, the existing categorical eligibility pathways support these policies of considering the lived experiences of ESJ households and promoting access to essential energy services. As discussed in greater detail throughout this brief, the Commission should retain, and not restrict, these pathways.

[7] ESJ Action Plan at pp. 9, 13. The definition of ESJ communities specifically names (1) Disadvantaged Communities; (2) Low Income Census Tracts; (3) Low Income Households; and (4) Tribal Lands. However, the ESJ Action Plan 2.0 recognizes that additional priority communities are not explicitly mentioned and that there is no one-size-fits-all definition for ESJ community, "encourag[ing] CPUC initiatives to critically consider all the various kinds of populations that warrant prioritization in policies and programs." *Id* at pp. 21-22.
[8] ESJ Action Plan 2.0 at pp. 23-24.
[9] ESJ Action Plan 2.0 at p. 20.
[10] ESJ Action Plan 2.0 at p. 22.

B. The Commission's Past Consideration of Categorical Eligibility

1. Past review of the phrase "substantially the same"

As Commissioner Baker noted in his Scoping Memo, the Commission has previously considered and parties have addressed the question of whether the various public assistance programs used for establishing categorical eligibility for CARE have income eligibility requirements that are "substantially the same" as the income-based standard for CARE.[11] In a previous low-income program review cycle by the Commisison, A.11-05-017, the Assigned Commissioner specifically solicited comments from parties on how to determine which public assistance programs have income eligibility requirements that are "substantially the same" as the CARE income eligibility requirements for the purposes of categorical enrollment.[12]

In that proceeding, TURN, the Office of Ratepayer Advocates, CforAT, and the Greenlining Institute (filing collectively as the Consumer Groups) identified that the passage of Assembly Bill 327 (Perea) in 2013 clarified that the Legislature allows tolerance for modest differences in eligibility requirements between public assistance programs and the CARE program based on the statute's explicit use of the words "substantially the same" in §739.1(f)(1).[13] Based on this analysis, the Consumer Groups urged the Commission to implement the "substantially the same" standard expansively,[14] as the letter and spirit of the law mandate that the Commission "ensure that all gas and electric customers eligible for public

[11] *See* Scoping Memo at p. 7, citing Assigned Commissioner's Ruling Concerning Categorical Eligibility and Enrollment and Definition of Income (2014 ACR Concerning Categorical Elgibility), issued February 25, 2014 in A.11-05-017.
[12] 2014 ACR Concerning Categorical Eligibility at pp. 1-4.
[13] *See* Comments of The Utility Reform Network, Office of Ratepayer Advocates, the Center for Accessible Technology, and the Greenlining Institute in Response to Commissioner Sandoval's Ruling Concerning Categorical Eligibility and Enrollment and Definition of Income (Consumer Groups 2014 Comments), filed March 11, 2014 in A.11-05-017, at p. 2.
[14] Consumer Groups 2014 Comments at p. 2. The Consumer Groups also proposed a methodology for evaluating whether a program's eligibility requirements are "substantially the same" as CARE; this proposal is discussed further in Section C.1, below.

assistance programs in California that reside within the service territory of an electrical corporation or gas corporation, are enrolled in the CARE program."[15]

In this prior proceeding, the Commission declined to narrow the list of programs used to establish categorical eligibility. While the Commission largely directed review of definitional issues to a future docket, it acknowledged in D.14-08-030 that Section 739.1(f)(1) "provides the Commission with some discretion on [the] issue" of "which of the public assistance programs has/have income eligibility requirements that is/are 'substantially the same' as the CARE Program and therefore should be approved as qualifying public assistance program(s) in the CARE categorical eligibility program."[16]

In the subsequent 2021-2026 low-income program review cycle, A.19-11-003, the Commission revisited the question of appropriate categorical programs for enrollment in low-income programs (now referred to as "income-qualified programs") and approved a second statewide Categorical Eligibility study (CE Study) to be commissioned by the IOUs. The Commisison approved the IOUs' proposed CE Study Plan in D.21-06-015, and directed further requirements, including that the IOUs incorporate public input into the study and explore options for improving program enrollment accuracy and accessibility.[17]

While this study was intended to eligibility requirements of current programs used for categorical eligibility and to consider *adding more* qualifying programs, the CE Study that was subsequently issued by Evergreen Economics failed to provide meaningful analysis and to meet the requirements ordered in D.21-06-015.[18] Based on an overly stringent and simplistic analysis

[15] Cal. Pub. Util. Code § 739.1(f)(1).
[16] D.14-08-030, issued August 20, 2014 in A.11-05-017, at pp. 70-71.
[17] D.21-06-015, issued June 7, 2021 in A.19-11-003, at pp. 399-401.
[18] D.21-06-015 at pp. 396-397. *See* 2022 Categorical Eligibility Study: A Report to the California Investor-Owned Utilities (CE Study), submitted by Evergreen Economics on June 26, 2023, available at https://www.calmac.org/publications/Categorical_Eligibility_Report_-_Final.pdf.

of program alignment with CARE and ESA eligibility requirements, the CE Study recommended elimination of all but three programs from use to establish categorical eligibility and failed to explore the addition of any programs for categorical eligibility (including failing to investigate specific recommendations made by stakeholders).[19] Furthermore, the CE Study failed to meaningfully explore the use of categorical eligibility for improving FERA enrollment, nor did it comply with the D.21-06-015 requirement to explore options for automatic enrollment or data sharing between the IOUs and state and federal agencies.[20]

On the basis of this deficient study, the IOUs submitted a Joint Advice Letter proposing to substantially reduce the number of programs that can be used to establish categorical eligibility for IQPs.[21] SDG&E, SCE, and PG&E sought to eliminate six of the nine currently authorized programs for categorical eligibility, while SoCalGas proposed retaining an additional four programs with modifications.[22] Beyond gesturing at the rejected programs' lack of exact alignment and noting the high overall enrollment levels for CARE, the CE Study and the IOUs' subsequent Advice Letter failed to provide any justification for proposing these substantial changes or to show any evidence of significant enrollment by customers who would not be eligible for CARE through income-based enrollment.[23] Despite large numbers of customers relying on programs such as Medicaid/Medi-Cal that the IOUs sought to eliminate as a pathway,[24] the IOUs claimed that these substantial changes would not affect any income eligible household's access to CARE and ESA.[25]

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[19] *See* CE Study at pp. 13, 39.
[20] *See* CE Study at pp. 4-5, 36-37.
[21] Joint Advice Letter Pursuant to D.21-06-015, SDG&E 4304-E/3240-G, SCE 5122-E, SoCalGas 6206-G, PG&E 7045-E/4812-G (Joint Advice Letter), filed October 13, 2023, at pp. 5-7.
[22] Joint Advice Letter at pp. 7-11.
[23] CE Study at p. 37; Joint Advice Letter at pp. 5-11.
[24] TURN and CforAT Protest to Joint Advice Letter, submitted November 2, 2023, at pp. 4-5.
[25] Joint Advice Letter at p. 6.

Consumer advocates protested the Joint Advice Letter, requesting that the Commission reject the IOUs' drastic recommendations. Cal Advocates identified the Joint Advice Letter's failure to analyze the impacts and harms to eligible customers that would flow from the IOUs' recommendations, as well as its inconsistency with statutory language and Commission policy allowing for inexact matches in order to ease the participation of eligible households.[26] TURN and CforAT jointly focused on the lack of any evidence to show enrollment of customers who would not be otherwise eligible via categorical eligibility and argued that "[t]he Commission should not reduce enrollment options in response to a theoretical concern while exacerbating the existing problem of eligible customer under-enrollment and attrition in low-income assistance programs."[27] Moreover, TURN and CforAT raised concerns about the CE Study's failure to explore options to improve program enrollment accuracy or accessibility as directed by D.21-06-015.[28]

In a Disposition Letter issued on September 6, 2024, Energy Division rejected the Joint Advice Letter, finding that both the CE Study and Joint Advice Letter failed to comply with the requirements of D.21-06-015 and that they failed to provide sufficient information to justify removing programs from use to establish categorical eligibility.[29] The Disposition Letter not only emphasized the IOUs' failure to demonstrate significant enrollment by customers whose incomes exceed program thresholds as a basis to justify their proposed narrowing of the categorical eligibility pathways, but also noted the IOUs' failure to demonstrate that their proposals would not impose increased burdens on eligible low-income customers to enroll and maintain

[26] Cal Advocates Protest to Joint Advice Letter, submitted November 2, 2023, at pp. 3-5.
[27] TURN and CforAT Protest to Joint Advice Letter at pp. 1-3.
[28] TURN and CforAT Protest to Joint Advice Letter at pp. 7-9.
[29] Energy Division Disposition Letter Re: Joint SDG&E Advice Letter 4304-E/3204-G et. Al. (ED Disposition Letter), issued September 6, 2024, at pp. 1-7.

enrollment in IQPs.[30] As such, Energy Division found that the IOUs' "recommendations [did] not align with the intent of the statute to reduce barriers to enrollment" in addition to being inconsistent with the requirements of D.21-06-015.[31]

While the Commission has made clear that speculative concerns about enrollment by customers whose incomes exceed program thresholds are not sufficient to reduce categorical enrollment options, it has repeatedly deferred adjudication of definitional issues in categorical eligibility, even as stakeholders have provided recommendations and frameworks to support the expansive use of categorical eligibility. Joint Advocates respectfully request that the Commission decide these issues to provide certainty and consistency to this important enrollment pathway.

2. Past review of definition of "income"

The Commission has previously considered, and parties have previously addressed, how to determine the definition of "income" for the purpose of establishing CARE and ESA program eligibility, and in particular, how to treat non-cash income such as housing subsidies.[32] As explained in the Scoping Memo, parties were asked in A.11-05-017 to address "how the Commission should determine the definition of 'income' for purposes of determining CARE and ESA program eligibility, and to determine whether non-cash benefits such as housing subsidies should be included as part of income calculation in determining income eligibility. The Commission only reached an ultimate adjudication on the latter issue,"[33] finding that "housing

[30] ED Disposition Letter at p. 6.
[31] ED Disposition Letter at p. 6.
[32] *See* Scoping Memo at 7, citing 2014 ACR Concerning Categorical Eligibility. *See also* Consumer Groups 2014 Comments at Attachment A Q.1; Consumer Groups Reply Comments, filed March 17, 2014 in A.11-05-017; A.11-05-017, Multifamily Coalition Comments on 2014 ACR Concerning Categorical Eligibility, filed March 11, 2014 in A.11-05-017; Multifamily Reply Comments, filed March 17, 2024 in A.11-05-017.
[33] Scoping Memo at pp. 7-8.

subsidies will not be considered income."[34]

3. Past review of definition of "household"

In A.11-05-017,[35] the Commission directed parties to file comments on whether "the definition of the term 'household,' as currently used in the context of CARE/ESA eligibility," should "be revised."[36] The Commission also asked parties to explain their reasoning: "If so, how and why? If not, why?"[37] At the time, the Commission stated that "CARE/ESA currently define a 'household' as any individual or group of individuals who are living together as one economic unit in the same residence."[38]

Parties responded with a variety of suggestions, primarily underscoring the need for simplicity in administrability and promoting access to programs. For example, to include a wide range of household situations, the Energy Efficiency Council (EEC) commented that the Commission should define household size simply as "the current number of people living in the home for 50% or more of the time for 6 months or more."[39] To arrive at this proposed definition, EEC considered a more complex definition contained in Section 2.2.5 of the California Statewide Low Income Energy Efficiency Policy and Procedures Manual and identified implementation issues that arose from some of its requirements, such as a requirement that a dependent be named as such on an applicant's tax return.[40] EEC also highlighted ambiguities around who would be considered a "permanent resident" or "temporary visit[or]" as set forth in

[34] D.14-08-030 at pp. 69-71.
[35] 2014 ACR Concerning Categorical Eligibility, Attachment A at p. 2.
[36] 2014 ACR Concerning Categorical Eligibility, Attachment A at p. 2.
[37] 2014 ACR Concerning Categorical Eligibility, Attachment A at p. 2.
[38] 2014 ACR Concerning Categorical Eligibility, Attachment A at p. 2.
[39] EEC Comments on 2014 ACR Concerning Categorical Eligibility, filed March 11, 2014 in A.11-05-017, at p. 6.
[40] EEC Comments on 2014 ACR Concerning Categorical Eligibility at pp. 4–6.

that policy.[41]

In the same round of comments, the Consumer Groups addressed how the definition of household size should be used in alignment with categorical eligibility purposes for CARE and ESA.[42] They recommended that any definition of household or household size for CARE and ESA "should allow for some flexibility" so that the utilities could consider definitions of household in other public programs that have substantially the same income eligibility requirements.[43]

Many public assistance programs use their own definitions of "household" that vary somewhat from each other, and from the Commission's definitions for IQPs. For example, the California Work Opportunity and Responsibility to Kids (CalWORKs) agency and Temporary Assistance to Needy Families (TANF) program (collectively "CalWORKs/TANF) refers to an "assistance unit" rather than "household" to determine income eligibility. An "assistance unit" considers incomes from a broader range of people than the "traditional" household, such as natural and adoptive parents, legal guardians, and siblings, including certain people who may not live in the residence full time.[44] Where the Commission's definition of household did not specify the potential members of the group of individuals "living together in one economic unit" at the time, CalWORKs/TANF regulations are explicit about who should be considered as part of an "assistance unit."[45] Nonetheless, the effective operation of the "assistance unit" was very similar to that of CARE/ESA use of "household."[46] To avoid creating barriers to enrollment in CARE

[41] EEC Comments on 2014 ACR Concerning Categorical Eligibility at pp. 4–6.
[42] Consumer Groups 2014 Comments at p. 15.
[43] Consumer Groups 2014 Comments at p. 15.
[44] *See* Consumer Groups 2014 Comments at pp. 27–28.
[45] *See* Consumer Groups 2014 Comments at pp. 27–28.
[46] *See* Consumer Groups 2014 Comments at pp. 27–28.

and ESA due to minor variations in how "household" is defined, the Consumer Groups stressed the need for flexibility.[47]

A flexible definition would also be consistent with the recommendation of the California Department of Community Services and Development, which highlighted the importance of a definition of "household" that "facilitates coordination of energy assistance programs in the state."[48]

C. Argument

The Scoping Memo sets forth the following three definitional issues related to determining eligibility for IQPs for briefing:

> Issue 7(a): The "Legal Interpretation of 'substantially the same' as used in Public Utilities Code Section 739.1(f)(1), for purposes of determining which programs can be used for categorical eligibility, including whether statute requires the income thresholds of categorical eligibility programs to perfectly align with the income threshold of the income-qualified program."
>
> Issues 7(b): The "Definition of 'income' as used in Public Utilities Code Section 739.1(a) and 739.12(a) for purposes of determining eligibility for the CARE and FERA programs."
>
> Issue 7(c): The "Definition of 'household' as used in Public Utilities Code Section 739.1(a) and 739.12(a) for purposes of determining eligibility for IQPs."[49]

[47] The Consumer Groups supported the continued use of the GO 153 definition of "household" for purposes of categorical eligibility but provided caveats for more than one "economic unit" residing in one household. ORA stated that "where one residence appears to house two economic units, then each economic unit may be measured for eligibility and each must qualify for CARE independent of the other before the residence shall receive the CARE discount." The Consumer Groups stressed that multiple economic units residing in one household should not be penalized by not qualifying for CARE or ESA due to desperate financial situations. They further stated that residences that have multiple "households" are precisely the kinds of customers and accounts that the CARE and ESA programs should target. Reply Comments of the Office of Ratepayer Advocates, filed March 17, 2014 in A.11-05-017, at p. 5.
[48] Comments of the Department of Community Services and Development (CSD) on 2014 ACR Concerning Categorical Eligibility, filed March 11, 2014 in A.11-05-017, at p. 13.
[49] Scoping Memo at pp. 6-7.

As demonstrated below, the Commission should interpret the phrase "substantially the same" in a manner that allows for modest differences in income eligibility requirements between public assistance programs and the specific income-based standards for IQPs. Joint Advocates propose a framework for determining whether a public assistance program is appropriate for establishing categorical eligibility in a manner that strikes a reasonable balance between the policy goals of ensuring that low-income customers benefit from more affordable bills and protecting ratepayers from bearing the costs associated with enrolling an undue number of customers who would not be eligible based solely on income. In addition, the Commission should adopt Joint Advocates' Three-Prong Test for determining which types of income shuld be used in determing eligibility for the CARE and FERA programs.

Joint Advocates' proposal prioritizes the reduction of barriers to enrollment, factors in the administrative feasibility of quantifying benefits, and considers exclusions of resources from the definition of income determined by law. The balance struck by the proposed test will also be supported by the Commission adopting Joint Advocates' proposal to define "household" for IQP eligibility purposes using a modified version of the G.O. 153-A definition for the Lifeline Program on an interim basis, and convening a working group to establish a more permanent definition for the purposes of the Commission's energy-related IQPs. This is discussed further below.

1. The Commission Should Interpret "Substantially the Same" in a Manner that Reasonably Facilitates the Legislature's Intent to Use Categorical Eligiblity to Enroll Utility Customers Eligible for Other Public Assistance Programs into the CARE Program

On its face, Section 739.1(f)(1) of the Public Utilities Code does not require the income thresholds of categorical eligibility programs to perfectly align with the income threshold of the CARE program. The Legislature's choice of the phrase "substantially the same" is not to be

ignored. It refers to “essential” or “material” similarity, rather than a requirement for exactitude. If the Legislature had intended to require that categorical programs possess income thresholds that *perfectly align* with the CARE program, it could have utilized more exact terms, such as "identical" or "equivalent." Canons of statutory construction require the Commission to presume that the language used was selected carefully and intentionally.

In addition to considering general canons of statutory construction, the Commisison must interpret the meaning of the phrase “substantially the same” in a manner consistent with both the letter and spirit of the law, which are expansive, allowing for modest differences in eligibility requirements between public assistance programs and the income-qualified energy programs. Overall, the Commission is charged with ensuring that low-income customers are not overburdened by the costs of energy expenditures for essential supplies of electricity and gas.[50] The CARE, FERA, and ESA programs are fundamental building blocks in the Commission’s efforts to implement this mandate and ensure that low-income households have affordable energy bills.[51]

The statutory structure authorizing the Commission to establish categorical eligibility for CARE is well-established and serves as an effective approach to facilitating participation in CARE. Utility enrollment data demonstrates that many customers find it easier to show participation in a qualifying program than to gather income documentation, and the use of categorical eligibility can extend the reach of the CARE program to customers who are hard to

[50] Cal. Pub. Util. Code §382(b).
[51] Cal. Pub. Util. Code § 382(b): “In order to meet legitimate needs of electric and gas customers who are unable to pay their electric and gas bills and who satisfy eligibility criteria for assistance, recognizing that electricity is a basic necessity, and that all residents of the state should be able to afford essential electricity and gas supplies, the commission shall ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures. Energy expenditure may be reduced through the establishment of different rates for low-income ratepayers, different levels of rate assistance, and energy efficiency programs.”

reach in general, but who have been reached through the efforts of another program.[52] For example, categorical eligibility is an important mechanism to allow people with disabilities to enroll in the CARE program, despite the fact that this population can often be difficult to reach. In addition, categorical eligibility promotes administrative efficiencies as it leverages the efforts of government agencies that have already established income eligibility of utility customers for other public assistance programs.

The Commission has previously and appropriately determined that the statutory process authorizing categorical eligibility permits the inclusion of some customers whose household income may not strictly conform to the program's income-eligibility standards (but who have still been determined to be low-income and qualified for another program) in order to effectively serve the state's low-income population. In the context of poor program recertification and post-enrollment verification (PEV) customer response rates, D.21-06-015 required all IOUs to automatically recertify CARE customers identified through their respective probability models as having at least an 80% probability of being CARE-eligible.[53]

For all these reasons, the interpretation of the phrase "substantially the same" supports flexibility that allows categorical eligibility to remain an important vehicle for demonstrating eligibility for CARE. Below, Joint Advocates set forth a detailed proposal that allows such flexibility while striking a reasonable balance between the policy goals of ensuring that low-income customers who have demonstrated eligiliby for other programs benefit from more affordable bills while limiting costs associated with enrolling an undue number of customers who would not meet the strictly applied income standards. It is intended to provide a transparent and relatively straightforward path through complex and nuanced comparisons between income

[52] *See* TURN and CforAT Protest to Joint Advice Letter at pp. 3-6.
[53] D.21-06-015 at pp. 34-35.

eligibility requirements of various programs, while allowing the Commission to exercise its judgment where purely quantitative factors may not necessarily dictate the best outcome as a matter of public policy.

Joint Advocates propose two tests, the "Income Eligibility Threshold Comparison Test" and the the "Qualifying Unit Test." The elements of each test are first summarized and then explained in detail below.

The "Income Eligibility Threshold Comparison Test"

In considering whether a program's eligibility standards are substantially the same as CARE, the Commission should look at its stated income eligibility level, if any, including:

- The program's stated income eligibility threshold, as compared to the CARE threshold of 200% of Federal Poverty Level (FPL). This may require appropriate caluculations if the threshold is not expressed as a percentage of FPL;
- If the stated or calculated income standard for the program exceeds 200% of FPL, the Commission should address the following questions:
    - Whether at least 90% of program participants in actuality have incomes at or below 200% of FPL, indicating that the program serves substantially the same population as CARE is intended to serve;
    - Whether including the program as a basis for categorical eligibility for CARE would provide particular administrative efficiencies beyond the general benefits provided by categorical eligibility; or
    - Whether including the program as a basis for categorical eligibility for CARE would promote enrollment of hard-to-reach low-income customers.

The "Qualifying Unit Test"

- Which individuals are included as part of the "household" (or other relevant qualifying unit) for calculating income for the program.

a. The "Income Eligibility Threshold Comparison Test"

The first step in considering whether a program is suitable for use to establish categorical eligibility is to understand **how the program's income eligibility threshold quantitatively compares to the CARE threshold**. The income-based CARE eligibility threshold is set at 200% of the FPL, which is adjusted annually and varies based on household size.[54] Some public assistance programs also have income eligibility thresholds that are tied to the FPL, which permits a relatively straightforward comparison (ignoring, for now, certain definitional issues discussed below). For instance, the WIC program has an income eligibility threshold of 185% of FPL, which is lower than the CARE income-eligibility standard.[55] The Medi-Cal Access Program, for pregnant women, has an income eligibility threshold of 261% up to 317% of the FPL, which is higher than the CARE income limit.[56]

Other public assistance programs use different metrics to set income eligibility thresholds, without reference to FPL. For example, the income-eligibility standard for LIHEAP says that a household cannot exceed 150% of Federal Poverty Level or 60% of state median income (SMI).[57] California's FY 2026 LIHEAP state plan sets the eligibility threshold at 60% SMI.[58] Because any calculation of 60% of state median income varies independently of the FPL,

[54] Cal. Pub. Util. Code § 739.1(a).
[55] *See* California WIC Policy and Procedure Manual, revised April 1, 2025, at p. 1, available at https://communitybridges.org/wp-content/uploads/2025/04/980-1060WICIncomeGuidelinesTable.pdf.
[56] *See* Covered California Income Limits, available at https://www.healthforcalifornia.com/covered-california/income-limits.
[57] 42 U.S.C. § 8624(b)(2)(B).
[58] *See* California FY 2026 LIHEAP Plan at p. 8, available at https://liheapch.acf.gov/docs/2026/state-plans/CA_Plan_2026.pdf.

one must look to actual dollar amounts to quantitatively compare the LIHEAP threshold to the CARE threshold of 200% of FPL.

Further complicating comparison efforts, other public assistance programs, such as subsidized housing programs, have income requirements tied to "area" or county median income, rather than statewide median income. For instance, income eligibility for Section 202 and Section 8 is capped at 50% of Area Median Income (AMI), which is calculated at the county level.[59]

After conducting the appropriate quantitive comparison, the Commission can promptly authorize the program as appropriate for establishing categorical eligibility if it has the same or lower income threshold than CARE. If the stated or calculated standard for the program exceeds 200% of FPL, the Commission should consider the remaining prongs of the test, beginning with the question of **whether at least 90% of program participants have incomes at or below 200% of FPL**. If the answer is "yes," meaning that at least 90% of the households actually enrolled in the program have incomes that would separately meet the income-based eligibility standard for CARE, as determined based on the program's own guidelines or available data on program enrollment, the program should be assigned a rebuttable presumption that it should be included in the CARE categorical eligibility list of programs (subject to the "Qualifying Unit Test" below).

A 90% actual match with CARE's income-eligibility standard is a reasonable proxy for determining that eligibility criteria are "substantially the same" as those for CARE for several reasons. First, as explained above, the use of the word "substantially" rather than "exactly" to modify "the same" in the standard set forth in § 739.1(f)(1) clearly indicates the Legislature's

[59] *See* HUD Dataset/Income Limits, available at https://www.huduser.gov/portal/datasets/il.html#documents_2026.

tolerance for some degree of imperfect overlap in eligibility criteria. In addition, in other contexts, the Commission has found greater variations in eligibility standards than that proposed here by Joint Advocates to be reasonable. For example, the Commission has an "80/20" rule for income qualification of multifamily units for purposes of weatherization measures under the ESA program. "The "80/20 rule" means that to qualify an entire multifamily building for measures offered by the program, at least 80% of all units must be occupied by income-qualified households."[60] The 90% threshold proposed here by Joint Advocates is more exacting than the Commission's approach to these circumstances arising in ESA, and it reasonably balances the various policy objectives at issue with categorical eligibility.

The third factor that should be considered in determining whether to include a program as a basis for categorical eligibility, even if it may permit enrollment of some households with income in excess of 200% of FPL, is **whether that program would offer unique administrative efficiencies**. For instance, local LIHEAP administering agencies are uniquely well-placed to assist clients seeking utility assistance with CARE enrollment and re-certification issues. Many of them are, in fact, CARE capitation contractors who work in partnership with the utilities in support of the shared goal of increasing utility bill affordability for low-income Californians. For example, Central Coast Energy Services offers one-time energy bill help, emergency crisis intervention for utility shut-offs, and free weatherization. In 2025, it also

[60] Statewide Energy Savings Assistance Program 2021-2026 Cycle Policy and Procedures Manual (v1.4), updated April 18, 2025, at p. 16, citing to D.01-03-028 at OP.3, p.80, COL.7, p.72 and Section III.D at pp.18-20 re "Fractional Qualifications in Multifamily Complexes and Mobile Homes" and stating that "this was maintained in D.17-12-009, Attachment 1 (modifying D.16-11-022) at p.185 (non-redlined)," available at https://www.cpuc.ca.gov/-/media/cpuc-website/consumer-support/documents/20250418-statewide-esa-program-pp-manualv14.pdf.

enrolled 221 households in CARE as a capitation contractor.[61] Community Resource Project, Inc., another local LIHEAP administering agency, enrolled 332 households in CARE in 2025.[62] Because of the unique relationship between LIHEAP and CARE, the Commission's test for determining whether the "substantially the same" test is met should recognize the prudence of leveraging the income verification work done by the LIHEAP administrative agencies for CARE categorical eligibility, which would favor inclusion of LIHEAP as a program that can be used to establish categorical eligibility. Other public assistance programs may similarly provide specific administrative efficiencies that would support their use to establish categorical eligibility for CARE.

Finally, the Commission should consider **whether programs that may include some households with incomes beyond 200% of FPL are serving communities that have historically been hard to reach and enroll in CARE**. For instance, American Indian and Alaska Native (AIAN) Head Start programs no longer have income requirements for eligibility and may now enroll children regardless of family income.[63] As of 2024, a tribal program may, at its discretion, use selection criteria to give priority to children in families where a child, a family member, or a member of the same household is a member of an Indian tribe and would benefit from the Head Start program.[64] Before concluding that AIAN Head Start is unsuitable for CARE categorical eligibility, the Commission should consider whether ease of enrollment in CARE for families participating in AIAN Head Start is consistent with the policy goal of extending CARE

[61] Annual Report of Pacific Gas and Electric Company (U 39 M) on the Results of its Energy Savings Assistance, California Alternate Rates for Energy and Family Electric Rate Assistance Programs for Program Year 2025 (PG&E 2025 CARE/ESA Report), published May 1, 2026, at CARE Table 7.
[62] PG&E 2025 CARE/ESA Report at CARE Table 7.
[63] Further Consolidated Appropriations Act (2024) § 208; New Eligiblility Provisions for American Indian and Alaska Native Programs, available at https://headstart.gov/policy/pi/acf-ohs-pi-24-03.
[64] Further Consolidated Appropriations Act (2024) § 208; New Eligiblility Provisions for American Indian and Alaska Native Programs, available at https://headstart.gov/policy/pi/acf-ohs-pi-24-03.

benefits to hard-to-reach low-income communities, particularly since "all Tribal lands" are included in the Commission's definition of "ESJ Communities" in the ESJ Action Plan 2.0.[65]

b. The "Qualifying Unit Test"

After evaluating the eligibility standards based on income and the additional factors discussed above, the Commission should consider the results of that analysis in conjunction with a "Qualifying Unit Test.." This test may result in a particular public assistance program being included or excluded from use to establish categorical eligibility for CARE.

Income eligibility for the CARE program is determined at the household level. However, various public assistance programs use different units or definitions in establishing how many people are part of a "household." Joint Advocates recommend that the Commission adopt a flexible approach to reconciling the differences between the definitions of "household" or "family" used by various public assistance programs and the CARE program. As long as a public assistance program uses a qualifying unit that is substantially similar to that used by the CARE program, the Commission should not disqualify a program with substantially the same income eligibility standards.

Some programs do not use a qualifying unit that is substantially similar to the CARE "household" methodology. For instance, participants in the Supplemental Security Income (SSI) program can qualify as either an individual or a couple, even if they are part of a larger household with other members who receive additional income.[66] The "qualifying unit" for SSI is thus narrower than that of CARE and many other public assistance programs, which more

[65] In the example of Tribal Head Start, this inquiry should be considered, in addition to whether in actuality more than 10% of enrollees have incomes that exceed 200% of FPG, as recommended in part (ii) of the test. *See also* ESJ Action Plan at p. 2.

[66] *See* Supplemental Security Income (SSI) in California, available at https://www.ssa.gov/pubs/EN-05-11125.pdf.

broadly consider an economically interdependent group of people. This divergence from the CARE approach is material and may theoretically result in inappropriate eligibility determinations if used for categorical eligibility.

Even so, the Commission should consider whether it could alleviate concerns about material misalignment by limiting the use of SSI for categorical eligibility to only one and two-person households. Other programs may similarly be amenable to inclusion with some restrictions.

2. The Commission Should Adopt Joint Advocates' Three-Prong Test for Determining Which Types of "Income" Should Be Used in Determining Eligibility for the CARE and FERA Programs.

Public Utilities Code Sections 739.1(a) and 739.12(a) do not provide a definition of "income" for purposes of determining eligibility for CARE and FERA. While items such as wages and salaries of household members[67] are clearly "income," other sources of support remain ambiguous, including non-cash benefits. One example of a form of non-cash benefit that has created different interpretations is a housing subsidy. However, in D.14-08-030, the Commission expressly decided that "housing subsidies will not be considered income" toward CARE and FERA eligibility.[68] Joint Advocates appreciate this decision and urge the Commission to reaffirm the exclusion of housing subsidies from the definition of income for purposes of determining eligibility for the CARE and FERA programs, particularly because these subsidies do not flow directly to tenants and are hard to quantify.

Beyond housing subisidies, there are other categories of household support that remain ambiguous, and the IOUs are not currently consistent in their instructions to applicants. For example, PG&E's CARE application form states that "total gross annual household income

[67] The issue of who counts as a "household member" is discussed below.
[68] D.14-08-030 at p. 71.

includes (…) housing and military subsidies[69] (…) and all employment-related, non-cash income."[70] SCE's CARE application form lists "scholarships, grants, or other aid" and "cash or other income."[71] Both SDG&E and SoCalGas have similar language, listing as income "scholarships, grants or other aid for living expenses" and "cash or other income."[72] There is no clarity on what, if any, "employment-related, non-cash income" should be counted toward CARE and FERA eligibility. Nor is it clear what types of "other aid" are relevant. If a person in a household receives a scholarship to pay for college tuition, should that be considered income for purposes of CARE and FERA eligibility? Is "aid for living expenses" the same as housing subsidies as determined by D.14-08-030 to be excluded from income in the context of CARE and FERA programs?

The Commission must develop a framework to define income that answers these and any other practical questions about the definition of income as they may arise under the FERA and CARE eligibility requirements. The framework must also comply with legal mandates, including § 382(b) which requires the Commission to ensure that "low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures," and § 739.1(f)(1) which requires the Commission to ensure that "all gas and electric customers eligible for public assistance programs in California that reside within the service territory of an electrical corporation or gas

[69] This instruction on PG&E's application form appears to be in violation of the Commission's requirements set out in D.14-08-030.
[70] *See* PG&E CARE?FERA Program Application, available at https://www.pge.com/assets/pge/localized/en/docs/account/billing-and-assistance/care-fera-application.pdf.
[71] *See* SCE CARE/FERA Program Application, available at https://www.sce.com/sites/default/files/custom-files/PDF_Files/14-782-REV-122025.pdf.
[72] *See* SDG&E CARE/FERA Application Form, available at https://www.sdge.com/sites/default/files/documents/2025-05/FINAL_S2570027_CARE_EZ_App_ONLINE%20english.pdf?nid=22616; SoCalGas CARE Application Form, available at https://www.socalgas.com/sites/default/files/2025-05/CARE-Application.pdf.

corporation, are enrolled in the CARE program." This means that the Commission should not create new hurdles for low-income customers' enrollment in the CARE and FERA programs, and the definition of income must not lead to the improper exclusion of ratepayers who struggle with energy affordability.

Joint Advocates propose a **Three-Prong Test** for defining income that addresses both practical and legal concerns. This test prioritizes the reduction of barriers to enrollment, factors in the administrative feasibility of quantifying benefits, and considers exclusion of resources from the definition of income determined by law. Joint Advocates propose that a form of support shall only be included in the income calculation if it satisfies all three of the following criteria:

a. The Actualization Prong (Cash Equivalence)

The benefit must consist of liquid cash or a cash equivalent received directly by the household that is available to pay for the household's basic needs, such as groceries, healthcare and utility bills. This prong excludes in-kind benefits or non-cash subsidies where no currency is provided directly to the household, and the benefit is not "actualized" as household income. This would continue to exclude housing subsidies such as the support provided by the Section 8 Housing Choice Voucher Program. Under Section 8, the support funds flow from the Public Housing Authority (PHA) directly to the landlord,[73] so the tenant never receives the subsidy as disposable income. Similarly, scholarships that pay for tuition should be excluded because the support from a scholarship is not actualized by the beneficiary who cannot instead use it to meet their household's basic needs.

b. The Administrative Feasibility Prong

In addition to the requirement that a benefit flow directly to a household, the form of

[73] *See* HCV Applicant and Tenant Resources, available at https://www.hud.gov/helping-americans/housing-choice-vouchers-tenants.

support must have a value that is readily quantifiable and verifiable through standard financial records available to the applicant. If a household cannot produce standard third-party documentation (e.g., W-2, 1099, or pay stub) explicitly listing a dollar amount, the item must be excluded because any calculation of its value would be burdensome to the customer and it would not be administratively feasible for the utility or the Commission to calculate it without excessive program costs. Again using Section 8 as an example, a tenant typically pays 30% of their monthly income toward rent, while the PHA pays the remaining balance directly to the owner.[74] Because the support funds flow directly to the landlord, tenants are generally unaware of the specific amount attributed to their unit and the subsidy's dollar value cannot be easily determined. Tenants never receive dollar-value documentation of their benefit, and in some instances, even building owners may lack a clear breakdown on a per-unit basis.

c. The Lawfulness Prong

Finally, the benefit must not be subject to federal or state legal exclusions that prohibit its use in "public assistance" or "benefit eligibility" calculations. Even if a benefit is cash-based and quantifiable, it must be excluded if statutory law mandates its exclusion. For instance, under 42 U.S.C. § 8624(f), LIHEAP "shall not be considered income or resources for any purpose under any Federal or State law, including any law relating to taxation, food stamps, public assistance, or welfare programs." As CARE and FERA are state-mandated assistance programs, including LIHEAP would violate this federal statute. Similarly, 7 U.S.C. § 2017(b) provides that the value of SNAP (CalFresh) benefits "shall not be considered income or resources for any purpose under any Federal, State, or local laws." Consequently, these benefits shall not be included under "other aid" or "other income" and must be excluded from the definition of income for purposes

[74] *See* HCV Applicant and Tenant Resources, available at https://www.hud.gov/helping-americans/housing-choice-vouchers-tenants.

of the CARE and FERA programs.

If a specific form of support is not easily analyzed under this Three-Prong Test, Joint Advocates argue that the Commission must be guided by state policy and legal mandates that prioritize affordability and require the Commission to ensure that low-income customers are enrolled in income-qualified energy programs.[75] These principles support adoption of a definition of income for purposes of CARE and FERA eligibility that is easy for customers to understand and apply and that does not create a barrier to enrolling.

3. The Commission Should Adopt a Modified Version of the G.O. 153-A "Household" Definition on an Interim Basis for IQP Eligibility and Initiate a Working Group Process to Adopt a Permanent Definition.

Joint Advocates recommend adopting the definition of "household" sizes used by the Commission in General Order 153-A[76] for use across all IQPs, with some modifications as discussed below. In the alternative, if this definition presents challenges specifically for ESA, Joint Advocates suggest continued use of the definition of "household" size from the current Statewide Energy Savings Assistance Program Policy and Procedures manual with modifications to exclude the requirement for dependents to be on tax forms and provide exceptions for certain household scenarios.

Joint Advocates also recommend that the Commission initiate a working group to develop a unified definition of "household" that would work across all IQPs for applicants who are not applying through categorical eligibility, and would ensure non-categorical applicants have at least the same or increased access to IQPs compared to applicants enrolling through categorical eligibility pathways. The Commission can do this by ensuring that all definitions for

[75] *E.g.*, Cal. Pub. Util. Code § 382(b) and Cal. Pub. Util. Code § 739.1(f)(1).
[76] General Order 153-A – Public Utilities Commission of the State of California Procedures for Administration of the Moore Universal Telephone Service Act (California LifeLine Program) General Order (GO 153-A), effective November 20, 2025 pursuant to D.25-11-008.

household size align with California policy that recognizes energy services as a basic need and mandates that low-income programs should aim to reduce financial hardships and undue burdens on vulnerable customers.

a. The Commission should use General Order 153-A's definition of "household" size for non-categorically eligible applicants of the CARE, FERA, and ESA programs.

The California Public Utilities Code does not explicitly define household size for CARE and FERA;[77] however, the Commission and utilities have previously relied on the definition set forth in General Order 153 which governs the California Lifeline Program, the State's low-income subsidy program for communications services.[78] General Order 153 defined a household as "[a]ny individual or group of individuals who are living together as one economic unit in the same residence."[79] The Commission then clarified its understanding of what constitutes an "economic unit" to mirror the definition used by the Federal Communications Commission (FCC) LifeLine Program:

> A "household" is any individual or group of individuals who are living together at the same address as one "economic unit." A household may include related and unrelated persons. An "economic unit" consists of all adult individuals contributing to and sharing the income and expenses of a household. An adult is any person eighteen years or older. If an adult has no or minimal income, and lives with someone who provides financial support to him/her, both people shall be considered as part of the same household. Children under the age of eighteen living with their parents or guardians are part of the same households as their parents or guardians.[80]

This definition clarifies what comprises an economic unit, defines adults and children, allows for

[77] *See* Cal. Pub. Util. Code § 739.1(a), 739.12(a).
[78] As discussed further below, GO 153 was recently superceded by GO 153-A.
[79] General Order 153 – Public Utilities Commission of the State of California Procedures for Administration of The Moore Universal Telephone Service Act (California LifeLine Program) General Order (GO 153), effective December 1, 2011 pursuant to Commission Decision 10-11-033, Resolution T-17321.
[80] Resolution T-17366, issued July 13, 2012, at p. 8, quoting Section 54.400(h) of the FCC's amended rules.

parents and guardians, and clarifies that adults who are financially supported by other adults in a residence are part of that economic unit. In 2025, the Commission released its Decision Adopting General Order 153-A and Resolving Proceeding Issues; GO-153-A supersedes General Order 153, but the revised GO does not integrate the above FCC definition of household or economic unit.[81] General Order 153-A defines "household" size as "any individual or group of individuals who live together at the same address and share income and expenses."[82] While the most recent version of General Order 153-A is a good working definition across all energy-related IQPs for non-categorically eligible applicants, Joint Advocates propose that the Commission clarify that a group of individuals "sharing income and expenses" functionally equates to an "economic unit" as it is used for the FCC LifeLine program.

b. Suggested Alternative ESA definition for "household"

Joint Advocates recommend using the definition of "household" from General Order 153-A (with the modifications stated above) for income-based applicants to all IQPs, including the ESA program. In the alternative, given that the Commission has a specific definition of what constitutes a "household" for the implementation of the ESA program, Joint Advocates recommend that the Commission modify that definition to remove the requirement that dependents be defined as those claimed on federal income tax forms and that the Commission make exceptions for military families and other sensitive situations in order to support the health, safety and comfort of the household.

State law does not explicitly define the term "household" for ESA.[83] However, Section 2.2.4 of the California Statewide Energy Savings Assistance Program Policy and Procedures

[81] D.25-11-008, issued November 20, 2025 in R.20-02-008.
[82] General Order 153-A.
[83] Cal. Pub. Util. Code §2790(f)(1) ("For purposes of this section, 'low income customers' means persons and families whose household income is at or below 250 percent of the federal poverty level").

manual (ESA Manual) for the 2021-26 cycle does define household size and provides some specifications on who would be included:

> Household size is the current number of people living in the home as permanent residents. Friends or family on a temporary visit (less than 6 months) are not considered household members, nor are their earnings part of household income.
>
> Children and/or other dependents continually residing in the household only on weekends, holidays, or vacations may be counted as part of the household only if the family claims them as dependents on their federal income tax filing. Children by previous marriages who do not reside in the home or children away at school are not considered household members, even if they are receiving child support, unless they are claimed as dependents on the applicants federal income tax filing.[84]

Here, the reliance on federal income tax returns to determine dependent status can create an enrollment barrier for account holders who do not file tax returns. For example, despite having income taxes deducted from their paycheck, some people may not file a tax return due to their immigration status and fear of retaliation. Additionally, some people are not required to file a tax return due to low earnings beneath the IRS threshold or earnings that only include social security.

Even for people who do file tax returns, personal circumstances can result in household makeups that do not fit cleanly into the framework of dependent claims for tax purposes. Some scenarios that energy efficiency service providers have previously documented include grandparents who provide childcare for more than 50% of the time but cannot claim the children as dependents and are not compensated, residence time calculations affected by a household member's military deployment, divorced parents with 50/50 custody where only one parent can

[84] Statewide Energy Savings Assistance Program 2021–2026 Cycle Policy and Procedures Manual (v1.4) at p. 15.

claim the children as dependents on their tax returns, and adult children of heads of household/account holders who have moved back into the household and may or may not pay rent.[85]

Further, the definition of "household" in the ESA Manual contrasts significantly with the household definition for the federal Lifeline Program, which the Commission has previously considered for the CARE program. The federal definition for "household" and "economic unit" considers an adult who is financially supported by another adult in the residence to be part of the economic unit, regardless of whether they are claimed as a dependent on the applicant's tax return.[86] Similarly, the federal definition states across the board that children living with parents or guardians are part of the household, without reference to the parent or guardian's tax return. These broadly-stated provisions promote program access by capturing a wider range of housing situations and reducing complexity for applicants, particularly those who are caregivers to children or other dependents. Finally, the ESA Manual definition does not clarify whether active military members of household or military families who reside at the home for less than six months in a year are considered temporary visitors. Joint Advocates recommend that the Commission make exceptions for active military and remove the requirement that applicants only name dependents that they claim on federal income tax filings to better align with General Order 153-A and the FCC definition of "household" size.

However, even with these modifications, Joint Advocates do not prefer the ESA Manual definition and recommend that the Commission revisit the ESA Manual to better align its definition of "household" with the ESJ Action plan and the State's broad policy goals. In doing so, the Commission should consider the following issues.

[85] EEC Comments on 2014 ACR Concerning Categorical Eligibility at pp. 3-5.
[86] *See* 47 CFR 54.400(h).

First, the definition of "household" contained in the ESA Manual could disadvantage applicants who would otherwise be eligible for ESA but would not qualify because more than one "economic unit" shares a primary residence (often due to unaffordable housing prices). PG&E's application for ESA, for example, asks applicants to provide the "number of people who use your home as a primary residence."[87] Such combined households might each be eligible for ESA, but if they are not treated as separate "economic units," they may become ineligible.[88]

Second, a broader definition for ESA than the one in the manual can lead to healthier home environments and more energy efficient homes. Indeed, for income-qualified customers, affordable housing in the State tends to be closer to fire-prone areas and areas severely impacted by climate change and wildfire exposure, so residents of affordable housing in California have higher risks of premature death, respiratory disease, and cancer.[89] Participation in ESA is one way for residents of affordable housing to make their homes safer and promote healthier environments. The Commission should consider and account for these issues, in alignment with the ESJ Action Plan and with the state's housing justice and public health policies as well as its energy affordability mandates.[90]

c. Joint Advocates recommend that the Commission initiate a working group to define **"household" size for non-categorical IQP applicants**

While Joint Advocates' recommendations would be appropriate for the Commission to adopt at this time, we further recommend that the Commission initiate a working group to further

[87] PG&E ESA Application, available at https://energyinsight.pge.com/esaApplication?lang=en.
[88] "Housing cost burden is linked to poor health outcomes, preventable deaths, and housing instability or homelessness," Letsgethealthy.ca.gov, published Dec. 4, 2025, available at https://letsgethealthy.ca.gov/goals/creating-healthy-communities/reducing-housing-cost-burden/.
[89] "Housing cost burden is linked to poor health outcomes, preventable deaths, and housing instability or homelessness," Letsgethealthy.ca.gov, published Dec. 4, 2025, available at https://letsgethealthy.ca.gov/goals/creating-healthy-communities/reducing-housing-cost-burden/.
[90] ESJ Action Plan at 23–24, Goals 1, 2, and 4; California Air Resources Board, *Existing Buildings*, available at https://ww2.arb.ca.gov/our-work/programs/building-decarbonization/existing-buildings.

consider and make recommendations for how to define household size for non-categorical IQP applicants in a way that considers broad state policy goals as well as the program goals of CARE, FERA, and ESA to reduce energy and cost burdens for customers. The working group should also consider how to best avoid creating administrative barriers to program participation based on overly complicated definitions. In particular, the working group should explicitly consider different living scenarios or family situations. At this time, existing definitions may create barriers to participation, in contradiction to state policy goals, resulting in rate and cost burdens for low-income and vulnerable communities by failing to address complex living situations.

As noted above, Section 382 of the Public Utilities Code states that the Commission must ensure that "low-income ratepayers are not jeopardized or overburdened by monthly expenditures."[91] In its ESJ Action Plan, the Commission states that it will prioritize mitigating rate impacts on "the most burdened households," recognizing that as the state moves to a newer and cleaner grid, lower income households may not be able to take on the financial burden of making their homes energy efficient and thus may participate in clean energy programs at a lower rate.[92] Further, an overly-prescriptive and inflexible definition of "household" for IQP eligibility risks making program implementation needlessly more complex and creating barriers to program access for vulnerable Californians.[93] A working group that will make recommendations to address these concerns would help program implementation better align with state policy goals.

[91] Cal. Pub. Util. Code § 382(b).
[92] ESJ Action Plan at p. 22.
[93] *See also* the LIHEAP definition of "household" that refers to an economic unit: "the term 'household' means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common..." 42 U.S.C. § 8622(5).

III. CONCLUSION

Joint Advocates appreciate this opportunity to address appropriate statutory interpretation and key policy analysis on how to best evaluate eligibility for California's IQPs. We respectfully request that the Commission adopt interpretations consistent with its past determinations that broadly support customer eligibility as well as our recommendations set forth above.

Respectfully submitted,
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