

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298**FILED**

05/29/26

11:05 AM

A2506022

May 29, 2026

**Agenda ID #24255**  
**Ratesetting**

TO PARTIES OF RECORD IN APPLICATION 25-06-022, ET AL.,

This is the proposed decision of Administrative Law Judge Garrett Toy. 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 July 2, 2026, 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/smt

Attachment

Decision PROPOSED DECISION OF ALJ TOY (Mailed 5/29/2026)

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of SAN DIEGO GAS &  
ELECTRIC COMPANY (U 902-E) for  
Approval of Low-Income Assistance  
Programs and Budgets for Bridge  
Funding for Program Year 2027.

Application 25-06-022

And Related Matters.

Application 25-06-023  
Application 25-06-024  
Application 25-06-025

**DECISION AUTHORIZING 2027 BRIDGE FUNDING FOR  
INVESTOR-OWNED UTILITIES' INCOME-QUALIFIED  
ASSISTANCE PROGRAMS**

## TABLE OF CONTENTS

Title	Page
DECISION AUTHORIZING 2027 BRIDGE FUNDING FOR .....	1
INVESTOR-OWNED UTILITIES' INCOME-QUALIFIED.....	1
ASSISTANCE PROGRAMS .....	1
Summary .....	2
1. Background .....	2
1.1. Program Background.....	2
1.2. Procedural Background.....	3
2. Outstanding Motions.....	4
3. Submission Date.....	5
4. Issues Before the Commission .....	5
5. Application Overview .....	6
5.1. PG&E Application.....	6
5.2. SDG&E Application .....	8
5.3. SCE Application .....	9
5.4. SoCalGas Application.....	10
6. CARE.....	11
6.1. PG&E'S CARE Program .....	13
6.2. SDG&E'S CARE Program .....	14
6.3. SCE'S CARE Program.....	14
6.4. SoCalGas' CARE Program .....	14
6.5. Party Comments and Discussion .....	15
6.5.1. CARE Activities .....	15
6.5.2. CARE Budget .....	15
7. FERA .....	16
7.1. PG&E'S FERA Program.....	18
7.2. SDG&E'S FERA Program.....	18
7.3. SCE FERA Program .....	19
7.4. SoCalGas' FERA Program.....	19
7.5. Party Comments and Discussion .....	19
7.5.1. FERA Activities.....	19
7.5.2. FERA Budget.....	20
7.6. Staff Proposal Regarding Senate Bill 1130 Enrollment Efforts .....	22
8. ESA.....	23
8.1. PG&E'S ESA Program .....	24
8.1.1. ESA Main .....	25
8.1.2. ESA MFWB .....	25

8.1.3.	ESA Pilot Plus/Pilot Deep.....	26
8.1.4.	ESA ME&O .....	26
8.1.5.	Proposed Budget.....	26
8.2.	SDG&E'S ESA Program.....	28
8.2.1.	ESA MFWB and SPOC.....	28
8.2.2.	ESA Pilot Plus/Pilot Deep.....	29
8.2.3.	Proposed Budget.....	29
8.3.	SCE'S ESA Program .....	31
8.3.1.	ESA Main .....	32
8.3.2.	ESA Pilot Plus/Pilot Deep.....	32
8.3.3.	ESA MFWB .....	33
8.3.4.	Proposed Budget.....	33
8.4.	SoCalGas' ESA Program.....	34
8.5.	Party Comments and Discussion .....	36
8.5.1.	Pilot Programs.....	36
8.5.2.	Goals .....	38
8.5.3.	Budgets.....	39
8.5.4.	Unspent Funds, Fund Shifting and Mid-Cycle Changes.....	43
9.	Workforce Education and Training Activities.....	43
10.	Studies, Evaluations, Working Groups, and Reporting.....	44
10.1.	Studies.....	44
10.2.	Working Groups.....	45
10.3.	Reporting.....	46
11.	Miscellaneous Issues.....	48
11.1.	California Emerging Technology Fund .....	48
11.2.	CHANGES Program .....	49
11.3.	Escalation.....	50
11.4.	Unspent Funds.....	51
12.	Revenue Requirements and Cost Recovery .....	54
12.1.	PG&E.....	54
12.2.	SDG&E.....	57
12.3.	SCE.....	58
12.4.	SoCalGas.....	58
13.	Summary of Public Comment.....	58
14.	Conclusion .....	59
15.	Procedural Matters .....	59
16.	Comments on Proposed Decision .....	59
17.	Assignment of Proceeding.....	59
	Findings of Fact.....	59

Conclusions of Law ..... 62  
ORDER ..... 63

**Attachment 1** – Energy Savings Assistance, California Alternate Rates for Energy, and Family Electric Rate Assistance Programs and Budgets for Program Year 2027

**Attachment 2** – Amended Joint Stipulation Related To Broadband Outreach

**Attachment 3** – Modified Staff Proposal Regarding Implementation of Senate Bill 1130 (2024)

**DECISION AUTHORIZING 2027 BRIDGE FUNDING FOR  
INVESTOR-OWNED UTILITIES' INCOME-QUALIFIED  
ASSISTANCE PROGRAMS**

**Summary**

This decision approves activities and budgets for the 2027 Income-Qualified Programs for San Diego Gas & Electric Company, Southern California Gas Company, Southern California Edison Company, and Pacific Gas and Electric Company. Pacific Gas and Electric Company is authorized to collect \$66.3 million, Southern California Edison Company is authorized to collect \$38.3 million, San Diego Gas & Electric Company is authorized to collect \$21 million, and Southern California Gas Company is authorized to collect \$66.8 million for their respective 2027 Income-Qualified Programs activities (excluding subsidies).

**1. Background**

**1.1. Program Background**

Decision (D.) 21-06-015 authorized the budgets and activities for the 2021–2026 low-income assistance programs for Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), (collectively, the Investor-Owned Utilities (IOUs) or Utilities). These programs, collectively referred to as the Income-Qualified Programs (IQP), include the Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) programs.

The ESA program provides no-cost home weatherization services, energy efficiency measures, and energy education to help eligible income-qualified households conserve energy, reduce energy costs, and improve their health, comfort, and safety. The program also provides information on other available

assistance programs as well as education to promote energy-efficient practices in income-qualified communities. It is available to households with incomes at or below 250 percent of federal poverty guidelines.

The CARE program offers a monthly discount on energy bills, typically around 30 to 35 percent for electric and 20 percent for natural gas. It is available to households with incomes at or below 200 percent of the federal poverty guidelines.

The FERA program offers an 18 percent monthly discount on electricity bills for larger households that do not qualify for CARE. It is available to households with incomes between 200 to 250 percent of the federal poverty guidelines.

## **1.2. Procedural Background**

On June 27, 2025, SDG&E and SoCalGas filed their respective IQP applications for Bridge Year 2027. On June 30, 2025, SCE and PG&E filed their respective IQP applications for Bridge Year 2027.

An Administrative Law Judge (ALJ) ruling issued on July 25, 2025, consolidated the proceedings and set a Pre-hearing Conference (PHC) date for August 18, 2025.

Protests were filed on July 31, 2025, by the Commission's Public Advocates Office (Cal Advocates) and The Utility Reform Network (TURN). Responses were filed on the same date by the Energy Efficiency Council, Maravilla Foundation and The East Los Angeles Community Union (TELACU), and Center for Accessible Technology (CforAT).

An ALJ ruling was issued on August 14, 2025, presenting a draft scope and schedule for discussion at the PHC. The PHC was held on August 18, 2025. An

ALJ ruling was issued on August 29, 2025, directing the Utilities to submit additional supplemental information as testimony. The Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) was issued on September 17, 2025.

The California Emerging Technology Fund (CETF) was granted party status via ruling on September 24, 2025.

A Joint Motion to Admit Testimony was filed by CETF, SCE, TURN, PG&E, SoCalGas, CforAT, SDG&E, and Cal Advocates on January 14, 2026 (Joint Motion). In the Joint Motion, parties stated that evidentiary hearings were not necessary. PG&E subsequently submitted a correction to the Joint Motion on January 16, 2026, fixing a link. On January 16, 2026, PG&E also submitted a motion to file a confidential workpaper into evidence. An ALJ ruling issued on January 20, 2026, cancelled evidentiary hearings. On February 3, 2026, TURN submitted a motion to admit a corrected exhibit. On February 17, 2026, an ALJ ruling was issued granting both PG&E's and TURN's outstanding evidentiary motions.

Opening briefs were filed on February 20, 2026, by PG&E, SCE, SoCalGas, SDG&E, TURN, CforAT, TELACU, and Cal Advocates. Reply briefs were filed on March 27, 2026, by the same except TELACU. On March 26, 2026, a Joint Motion to Move an Amended Joint Stipulation Relating to Broadband Outreach into the evidentiary record (Broadband Motion) was submitted by CETF and the Utilities.

## **2. Outstanding Motions**

On March 26, 2026, CETF and the IOUs jointly submitted the Broadband Motion, to move the Amended Joint Stipulation between the parties into the

record. It contained two attachments, Attachment A, the Amended Joint Stipulation, and Attachment B, the prior Joint Stipulation. Pursuant to the 2020 Joint Stipulation approved in D.21-06-015, the IOUs agreed to collaborate with CETF to facilitate outreach and education regarding affordable broadband internet for Program Years 2021-2026 within the IOUs' IQP and on CETF's low-income website pages. In the Amended Joint Stipulation, the IOUs and CETF agreed to continue this collaboration through 2027, with some changes. The parties agreed that providing low-income households with information on affordable broadband and LifeLine telephone programs advances public safety, operational efficiency, and equitable access to vital public information, such as severe weather information and public safety power shutoffs.

No parties objected to the Broadband Motion. Therefore, Attachment 2, the Amended Joint Stipulation, is moved into the record as exhibit CETF-02. All other outstanding motions are denied.

### **3. Submission Date**

This matter is submitted with this decision, given the need to accept Exhibit CETF-02 into the record.

### **4. Issues Before the Commission**

These applications were filed to ensure the continued operation of the IQP through 2027, while deferring consideration of the 2028 and subsequent program year budgets to Application (A.) 26-01-003, et al., the consolidated applications for the Utilities' 2028-2033 IQP. Therefore, the issues to be addressed in this proceeding are:

1. Do the applications of SDG&E, PG&E, SCE, and SoCalGas requesting approval of the IQP and budgets for Bridge Year 2027 advance the ongoing goals, principles, and guidance

adopted in D.21-06-015, D.16-11-022, and other relevant directives listed in prior Commission decisions and rulings and applicable statutes?

2. Are the Utilities' proposed 2027 IQP activities reasonable, and should they be adopted? Similarly, are parties' proposed changes to the Utilities' programs reasonable?
  - a. How should the Commission address the reporting compliance requirements under Senate Bill (SB) 1130 (2024)?
3. Are the Utilities' requested budgets to implement the proposed programs (including studies, evaluations, and reporting activities), and cost and rate recovery requests, reasonable?
  - a. Should the Community Help and Awareness of Natural Gas and Electric Services program annual budget be increased for 2027?
  - b. How should the 2028 CARE-FERA Eligibility Study be funded and implemented?

## **5. Application Overview**

Below is an overview of the IOUs' IQP applications for Bridge Year 2027.

### **5.1. PG&E Application**

PG&E requests a total of \$171.7 million for 2027 IQP activities, which nets to \$131.6 million in incremental funding after carrying forward \$40.2 million in unspent funds.<sup>1</sup> This is a decrease from the \$188.8 million authorized for 2026. PG&E does not propose significant changes to its CARE, FERA, or ESA programs.<sup>2</sup> Administrative budgets are either kept the same as 2026 authorized budgets or have decreased (except for escalation), and programmatic goals

---

<sup>1</sup> PG&E Application, at 1.

<sup>2</sup> PGE-01, at 8:13-17.

remain the same. PG&E states that a bridge year is necessary to obtain operational data from new programs and pilots, such as the Multifamily Whole Building (MFWB) and ESA Pilot Plus and Pilot Deep programs, and to analyze completed studies and evaluations, such as the Low Income Needs Assessment (LINA) and the CHANGES Evaluation.

**Table 1: PG&E's 2027 IQP Budget Request**

Category	2026 Approved Budget	2027 Proposed Budget
CARE Program	\$14,787,700	\$10,295,100
Administrative		
FERA Program	\$3,055,800	\$3,055,800
Administrative		
ESA Program Total	\$170,915,152	\$158,380,427
<i>ESA Main</i>	\$100,305,712	\$106,977,960
<i>ESA MFWB</i>	\$47,222,869	\$35,787,565
<i>ESA Pilot Plus/Pilot Deep</i>	\$8,782,607	\$2,893,520
<i>ESA Program Administrative</i>	\$14,603,963	\$12,721,382
ESA Unspent Funds Carry Forward		(\$40,152,212)
<b>Total Administrative Request</b>	<b>\$188,758,652</b>	<b>\$131,579,115</b>
<i>CARE Discount</i>	\$705,667,000	\$1,481,000,000
<i>FERA Discount</i>	\$23,364,000	\$31,706,650

## 5.2. SDG&E Application

SDG&E requests a total of \$44.1 million for 2027 IQP activities, which nets to \$25.1 million in incremental funding, after carrying forward \$19 million in unspent funds. This is an increase from the \$41.7 million authorized for 2026. SDG&E proposes minimal changes to its IQP portfolio, and proposes to maintain the same enrollment goals, post enrollment verification (PEV) rates, and CARE administrative budget as 2026. SDG&E proposes slight increases for its FERA administrative budget and ESA budget.

**Table 2: SDG&E's 2027 IQP Budget Request**

Category	2026 Approved Budget	2027 Proposed Budget
CARE Program Administrative	\$7,401,649	\$7,398,686 <sup>3</sup>
FERA Program Administrative	\$640,368	\$979,185 <sup>4</sup>
ESA Program Total	\$33,660,548	\$35,740,863
<i>ESA Main</i>	\$22,011,376	\$22,011,189
<i>ESA MFWB</i>	\$9,470,876	\$11,476,405
<i>ESA Single Point Of Contact</i>	\$651,613	\$462,210
<i>ESA Pilot Plus/Pilot Deep</i>	\$1,526,683	\$1,791,059
<i>ESA Program Administrative</i>	\$5,710,815	\$5,546,239

<sup>3</sup> The original requested amount, \$7,401,649, is reduced as PG&E has assumed the cost of the 2027 CARE/FERA eligibility study.

<sup>4</sup> The original requested amount, \$984,185, is reduced as PG&E has assumed the cost of the 2027 CARE/FERA eligibility study.

ESA Unspent Funds Carry Forward		(\$19,039,137)
<b>Total Administrative Request</b>	<b>\$41,702,565</b>	<b>\$25,079,597</b>
<i>CARE Discount</i>	\$126,524,206	\$218,878,622
<i>FERA Discount</i>	\$5,388,762	\$5,449,903

### 5.3. SCE Application

SCE requests a total of \$111.5 million for 2027 IQP activities, which nets to \$71.4 million in incremental funding, after carrying forward \$40.1 million in unspent funds.<sup>5</sup> This is a significant increase from the \$85.6 million authorized for 2026. SCE does not propose significant changes to its CARE, FERA, or ESA programs.<sup>6</sup> CARE and FERA administrative budgets are either kept the same or have decreased (except for escalation), and programmatic goals are the same. SCE requests budget increases for ESA activities as well as labor and non-labor cost escalations.

**Table 3: SCE's 2027 IQP Budget Request<sup>7</sup>**

Category	2026 Authorized Budget	2027 Proposed Budget
CARE Program Administrative	\$9,275,620	\$9,500,438

<sup>5</sup> PG&E Application, at 1.

<sup>6</sup> PGE-01, at 8:13-17.

<sup>7</sup> SCE-01, Table B-1, D-1, D-3.

FERA Program Administrative	\$1,677,538	\$1,717,244
ESA Program Total	\$75,044,107	\$100,268,152
<i>ESA Main</i>	\$41,546,892	\$55,977,327
<i>ESA MFWB and SPOC</i>	\$12,750,957	\$17,927,606
<i>ESA Building Electrification Pilot</i>	\$6,350,843	\$17,222,849
<i>Clean Energy Home</i>	\$1,771,800	\$0
<i>ESA Administrative</i>	\$8,910,680	\$9,140,370
ESA Unspent Funds Carry Forward		(\$40,106,552)
<b>Total Administrative Request</b>	<b>\$85,997,265</b>	<b>\$71,379,282</b>
<i>CARE Discount</i>	\$427,678,676	\$1,018,548,247
<i>FERA Discount</i>	\$57,127,419	\$60,519,477

#### 5.4. SoCalGas Application

SoCalGas requests a total of \$134.8 million for 2027 IQP activities. This is in line with the \$133.6 million authorized for 2026. SoCalGas does not propose substantial changes to program delivery for 2027. Of note, SoCalGas does not have a FERA program.

**Table 4: SoCalGas' 2027 IQP Budget Request<sup>8</sup>**

Category	2026 Authorized Budget	2027 Proposed Budget
----------	---------------------------	----------------------

<sup>8</sup> SCE-01, Table B-1, D-1, D-3.

CARE Program Administrative	\$10,915,864	\$11,261,464 <sup>9</sup>
ESA Program Total	\$122,666,069	\$123,538,208
<i>ESA Main</i>	\$82,844,757	\$82,844,757
<i>ESA MFWB</i>	\$20,563,740	\$27,380,263
<i>SPOC</i>	\$308,278	\$317,526
<i>ESA Administrative</i>	\$12,747,027	\$13,313,188
<i>Staff Proposal Pilot</i>	\$6,510,524	
ESA Unspent Funds Carry Forward		
<b>Total Administrative Request</b>	<b>\$133,581,933</b>	<b>\$134,799,672</b>
<i>CARE Discount</i>	\$144,495,405	\$ 221,138,371

## 6. CARE

The CARE program is an energy rate assistance program established in 1989 to provide a discount on energy rates to households with incomes at or below 200 percent of the federal poverty guideline (FPG).<sup>10</sup> The program is authorized by Pub. Util. Code Section 739.1, which provides that:

[T]he commission shall ensure that the level of discount for low-income electric and gas customers correctly reflects the level of need... subject to both of the following: (1) that the commission ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures, pursuant to subdivision (b) of Section 382. (2) That the level of the discount for

<sup>9</sup> Modified in Supplemental Testimony to account for increased study budget.

<sup>10</sup> Pub. Util. Code § 739.1(a).

low-income electricity and gas ratepayers correctly reflects the level of need as determined by the needs assessment conducted pursuant to subdivision (d) of Section 382. ... The entire CARE program discount shall be provided in the form of a reduction in the overall bill for the eligible CARE program customer.<sup>11</sup>

The CARE program provides a 20 percent discount on natural gas charges and a 30 to 35 percent discount on electric rates to households with an annual income no greater than 200 percent of FPG. Participants may self-certify eligibility on the application by either attesting to an eligible categorical program with similar income limits, such as CalFresh (food stamps) or Medi-Cal for Families, or by attesting to household income eligibility.<sup>12</sup> To protect the integrity of the self-certification option, the IOUs use a random sampling income-verification process, also known as post-enrollment verification or PEV, that balances the desire for the maximum number of eligible customers to participate with the need to verify participant eligibility. Eligible customers consist of those living in residential single-family households, tenants of sub-metered residential facilities, non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers.<sup>13</sup> The CARE program is funded by non-participating ratepayers as part of a statutory public purpose program (PPP) surcharge that appears on their monthly utility bills.<sup>14</sup>

---

<sup>11</sup> Pub. Util. Code § 739.1(c)(3)

<sup>12</sup> The categorical eligibility process automatically considers low-income customers to be qualified for the CARE program if the customer is already enrolled in one of the Commission-approved means-tested low-income public assistance programs. Means-tested programs are low-income assistance programs in which the customer's income is verified by the appropriate state and federal agencies.

<sup>13</sup> Pub. Util. Code § 739.2(a)(1)-(3).

<sup>14</sup> Pub. Util. Code § 382.

### **6.1. PG&E'S CARE Program**

PG&E proposes to maintain the 93 percent CARE enrollment goal for 2027, the same rate approved in D.21-06-015.<sup>15</sup> PG&E has exceeded the 93 percent level every year from 2021–2024. PG&E does not propose any program operation or delivery changes in its application.<sup>16</sup>

PG&E's CARE activities include customer enrollment, verification, and PEV activities. PG&E plans to continue its PEV activities, with a focus on text reminders, system improvements, and calls to people who submitted incomplete PEV documents. PG&E's marketing, education, and outreach (ME&O) activities include customer enrollment and retention activities, community engagement, online marketing, and social media. PG&E's activities have and will continue to focus on hard-to-reach customers, by using targeted customer lists.<sup>17</sup> PG&E also plans to utilize multi-channel direct marketing and paid advertising. PG&E does not seek recovery of any budget for implementation of the CARE Base Services Charge in this application.

PG&E proposes a budget of \$10,295,100 for 2027 CARE administrative activities, a decrease from the \$14,787,700 budget in 2026. The decreased budget is attributable to reductions in outreach (\$4.4 million), study and pilots (\$37,500), and general administrative (\$500,000) budgets, with a slight counteracting increase due to application of a three percent escalation for labor and non-labor costs (\$420,000).<sup>18</sup> PG&E proposes the large decrease in the outreach budget as it

---

<sup>15</sup> D.21-06-015, Attachment 1, Table 1.

<sup>16</sup> PGE-01, at 9.

<sup>17</sup> PGE-01, at 23-24.

<sup>18</sup> PGE-01, at 15; 18-19.

has consistently met its enrollment targets without fully utilizing its outreach budget.<sup>19</sup>

PG&E projects \$1.5 billion in CARE subsidy spending for 2027. PG&E currently forecasts \$1.447 billion in CARE subsidy spending for 2026.

### **6.2. SDG&E'S CARE Program**

SDG&E proposes to maintain its 90 percent enrollment goal and a post enrollment verification rate of up to six percent in 2027.<sup>20</sup> SDG&E proposes the same CARE administration budget of \$7.4 million, with no changes to program delivery. SDG&E projects a CARE subsidy budget of \$218,878,622.

### **6.3. SCE'S CARE Program**

SCE proposes a budget of \$9.5 million for 2027 CARE administrative costs, a \$200,000 increase over 2026 to account for labor and non-labor expenses.<sup>21</sup> SCE proposes to continue its 92 percent CARE enrollment goal, which it met for 2025 and expects to meet for 2026.<sup>22</sup> SCE does not propose budget increases to support the Base Services Charge or Homekey program in 2027. SCE projects a CARE subsidy budget of \$1,018,548,247.

### **6.4. SoCalGas' CARE Program**

SoCalGas does not propose any changes to the CARE eligibility guidelines, goals, budget, and strategies approved through 2026. SoCalGas currently exceeds its 95 percent CARE enrollment goal. SoCalGas proposes the same administrative budget escalated for labor by 3 percent, to \$11,261,464. SoCalGas

---

<sup>19</sup> PGE-01, at 17.

<sup>20</sup> SDG&E-02, at RM-3.

<sup>21</sup> SCE-01, at 13.

<sup>22</sup> SCE-01, at 11-12.

proposes a subsidy budget of \$221.1 million.<sup>23</sup> SoCalGas expects enrollment to drop due to PEV activities.

SoCalGas plans to continue its CARE enrollment and certification activities, including post-enrollment verification through mail, fax, and third-party organizations. SoCalGas will continue to provide live CARE representatives for customers to contact. SoCalGas will also continue its ME&O efforts, including targeted efforts in disadvantaged communities and rural and tribal areas.

## **6.5. Party Comments and Discussion**

### **6.5.1. CARE Activities**

No parties commented on the IOUs' proposed CARE activities. We find PG&E's, SDG&E's, SoCalGas', and SCE's proposed CARE activities reasonable and approve them here as they mainly continue goals and activities authorized in D.21-06-015. Approval of the proposed CARE program goals and activities ensures program continuity during this 2027 Bridge Year.

### **6.5.2. CARE Budget**

Cal Advocates states that the IOUs' CARE administrative budgets should only be approved based on program year 2024 actual spend amounts, due to the IOUs' inability to fully utilize authorized program budgets from 2022–2024.<sup>24</sup> PG&E, SDG&E, SoCalGas, and SCE all failed to spend their total authorized CARE Administrative budget from 2022–2024, by more than ten percent each year.<sup>25</sup> The IOUs state that using only 2024 spend totals would not account for

---

<sup>23</sup> SoCalGas-01, at OV-7.

<sup>24</sup> Cal Advocates Opening Brief, at 25-26;.

<sup>25</sup> CA-01, at 5-4, Figure 5-1; 5-6, Figure 5-2; 5-8, Figure 5-3.

new funding needed to address new Information Technology (IT) costs, new applications and recertifications, program updates, and year-to-year spend fluctuations.<sup>26</sup>

Given that the IOUs consistently met or exceeded CARE program goals from 2022-2024 while underspending their authorized budgets, it is reasonable to utilize 2024 actual spend, plus application of three years of three percent escalation (an increase of 9.27 percent), to determine the 2027 budget. These budgets should provide a reasonable buffer by which the IOUs can absorb additional CARE administrative costs since 2024. These approved totals are below:

**Table 5: Authorized 2027 CARE Administrative Budgets<sup>27</sup>**

Utility	Authorized 2027 CARE Administrative Budget
PG&E	\$8,848,173
SCE	\$8,499,853
SDG&E	\$6,351,151
SoCalGas	\$9,904,747
Total	\$33,603,924

## 7. FERA

The FERA program is an income-qualified energy rate assistance program offered to households with incomes between 200 percent and 250 percent of FPG.

<sup>26</sup> SDG&E Opening Brief, at 5-6; SCE Opening Brief, at 7-9..

<sup>27</sup> Inclusive of additional funding granted for CHANGES program and 2028 CARE/FERA Eligibility Study.

FERA was designed to assist households that are ineligible for the CARE program because their income level falls slightly above the CARE income eligibility limits.<sup>28</sup> Income thresholds increase with each additional individual living in the household.<sup>29</sup> The program is authorized by Pub. Util. Code Section 739.12 which provides that:

- a. The commission shall continue a program of assistance to residential customers of the state's three largest electrical corporations consisting of households with total household annual gross income levels between 200 percent and 250 percent of the federal poverty guideline level. The program shall continue to be referred to as the Family Electric Rate Assistance or FERA program.
- b. The FERA program discount shall be an 18 percent line-item discount applied to an eligible customer's bill calculated at the applicable rate for the billing period.
- c. The commission shall authorize the state's three largest electrical corporations to increase or expand marketing and outreach efforts beyond those in effect as of December 31, 2018, to increase eligible customer participation in the FERA program.

The FERA program is funded by both participating and non-participating ratepayers through either customer distribution rates or statutory PPP surcharges.

SB 1130 (Stats. 2024, Ch. 457) implemented certain changes to the FERA program, including elimination of the requirement that a household consists of 3 or more persons, thus allowing households of one and two persons to qualify,

---

<sup>28</sup> FERA was authorized by D.04-02-057 as the Large Household Program.

<sup>29</sup> FERA income limits: <https://www.cpuc.ca.gov/lowincomerates/>

provided they meet the income criteria of 200% (plus \$1) up to 250% FPG and increased reporting of enrollment efforts.

### **7.1. PG&E'S FERA Program**

PG&E projects a 20 percent enrollment rate for 2027, below the 70 percent goal set in D.21-06-015.<sup>30</sup> Annual attrition has matched annual new enrollments from 2022 to 2024.<sup>31</sup> PG&E does not expect significant increases in enrollment due to expanded eligibility from SB 1130.

PG&E does not propose any major programmatic changes to its FERA program. PG&E's FERA ME&O activities will continue to include outreach via online enrollment and auto-enrollments, similar to CARE. PG&E will continue to conduct eligibility and enrollment processes mainly via self-certification of eligibility via the FERA enrollment form. PG&E will continue its current process of selecting 4.5 percent of FERA customers for PEV activities.<sup>32</sup>

PG&E requests \$3.05 million for 2027 FERA administrative activities, the same as the budget approved for 2026.<sup>33</sup> PG&E projects spending \$31.7 million to fund the FERA subsidy, an increase of \$8.3 million over 2026, mainly due to SB 1130 and higher electric rates.<sup>34</sup>

### **7.2. SDG&E'S FERA Program**

SDG&E notes that its FERA program has been modified to account for SB 1130 changes, including expanded eligibility and enhanced oversight. SDG&E

---

<sup>30</sup> D.21-06-015, Attachment 1, Table 3.

<sup>31</sup> *Id.*

<sup>32</sup> PGE-01, at 31.

<sup>33</sup> PGE-01, at 9, Table 1.

<sup>34</sup> PGE-01, at 27.

will maintain the FERA enrollment goal of 70 percent and the three percent PEV rate. SDG&E requests \$980,000 for 2027 FERA administrative activities, the same administration budget approved for 2026, except for incremental funds requested in AL 4646-E, which is inclusive of the CARE-FERA eligibility study.<sup>35</sup> SDG&E projects spending \$5.45 million to fund the FERA subsidy.

### **7.3. SCE FERA Program**

SCE proposes to retain all 2026 levels pertaining to goals, strategy, delivery, marketing, outreach, or education approaches for 2027. This includes a 70 percent participation/enrollment goal, which SCE has had difficulty meeting.<sup>36</sup> SCE presents an enrollment target of 166,494 for 2027, which amounts to a 46 percent penetration rate.<sup>37</sup> SCE requests \$1.7 million for FERA administration for 2027, a \$40,000 increase over 2026 to account for cost escalation. SCE projects spending \$60.5 million to fund the FERA subsidy.

### **7.4. SoCalGas' FERA Program**

SoCalGas does not offer a FERA program as the discount only applies to electric bills and not natural gas bills.

### **7.5. Party Comments and Discussion**

#### **7.5.1. FERA Activities**

No parties commented on the IOUs' proposed FERA activities. We find PG&E's, SDG&E's, SoCalGas', and SCE's proposed FERA activities reasonable and approve them here as they mainly continue goals and activities authorized in D.21-06-015. While we acknowledge that the 70 percent participation and

---

<sup>35</sup> SDG&E-02, at RM-5-6.

<sup>36</sup> SCE-01, at 17.

<sup>37</sup> SCE-04, at 8.

enrollment goal is challenging, we retain this target for the program. The previously approved administrative budgets were specifically established under the expectation that this level of funding is what is required to achieve that goal. Continuing program goals and activities ensures program continuity during this 2027 Bridge Year.

### **7.5.2. FERA Budget**

Cal Advocates states that any proposed increases for FERA subsidies should be denied, due to a history of underutilization, and that actual program year 2024 spending should be utilized.<sup>38</sup> Cal Advocates states that SCE has not provided sufficient basis to conclude that enrollment could increase by up to 45 percent,<sup>39</sup> that growth in FERA eligibility due to SB 1130 has so far been modest, and that the increase proposed by SCE is based on unrealistic expectations.<sup>40</sup> CforAT supports Cal Advocates' position.<sup>41</sup> SCE clarifies that its forecasted FERA subsidy is not a budget request, and that actual subsidy costs are reviewed and reconciled in a separate Commission proceeding which ensures any over or under collections are corrected.<sup>42</sup>

We confirm that the FERA subsidy projections are not a budget request, as these are based on actual customer enrollments and the customer bills. SCE's FERA subsidies are tracked to the FERA Balancing Account and resolved through the Energy Resource Recovery Account process. SCE's projection has no

---

<sup>38</sup> Cal Advocates Opening Brief, at 24-25.

<sup>39</sup> Cal Advocates Opening Brief, at 25.

<sup>40</sup> *Id.* at 27-28.

<sup>41</sup> CforAT Opening Brief, at 5-6.

<sup>42</sup> SCE Reply Brief, at 9.

effect on how much is actually collected from ratepayers to pay for the FERA subsidy. No changes are adopted here on this issue.

Cal Advocates also recommends denying SDG&E's, PG&E's, and SCE's FERA administrative budget increases.<sup>43</sup> SCE states that its 2024 budget is not representative of 2027 costs due to various factors, including expansion of eligibility due to SB 1130, implementation of the Base Services Charge, and reduced PEV activities in 2024.<sup>44</sup>

Given the expansion due to SB 1130, it is reasonable to grant the requested 2027 FERA administrative budgets for SDG&E, PG&E, and SCE. The program runs the risk of being under-resourced if budgets based on 2024 expenditures are granted. To the extent that the budget is over-projected, this may be addressed in the full-cycle proceeding. The authorized budgets are below.

**Table 6: Authorized 2027 FERA Administrative Budgets**

Utility	Authorized 2027 FERA Administrative Budget
PG&E	\$3,055,800
SCE	\$1,717,244
SDG&E	\$979,185
Total	\$5,752,229

<sup>43</sup> Cal Advocates Opening Brief, at 26; CA-01, at 5-14, Table 5-5.

<sup>44</sup> SCE Reply Brief, at 5.

### **7.6. Staff Proposal Regarding Senate Bill 1130 Enrollment Efforts**

The Scoping Memo included an Energy Division Staff Proposal on the Commission's Assessment of Electrical Corporations' Efforts to Enroll FERA-Eligible Customers (SB 1130 Proposal), as required by SB 1130. The SB 1130 Proposal recommends that for Bridge Year 2027, the large electric IOUs file their FERA Annual Reports by March 1 through a Tier 3 Advice Letter (AL) for Program Year 2026, as the AL process allows stakeholders and parties to protest the reports, and the Commission, in turn, can consider these protests in its review.<sup>45</sup> If the Commission determines the IOUs made reasonable efforts, the Commission will then approve the AL through a resolution. If the Commission determines that reasonable efforts were not made, the resolution would require the IOUs to develop a strategy and plan to improve enrollment within three years of the adopted resolution. The SB 1130 Proposal also included an Appendix listing the factors Energy Division staff would consider in determining whether reasonable efforts were made, which included enrollment rates, marketing and outreach efforts, enrollment processes, and enrollment strategies.<sup>46</sup>

Parties stated that the typical amount of time a Tier 3 AL takes to process is more than the SB 1130 compliance deadline would allow for. SCE noted that a Tier 3 AL would lead to protests for what SCE believes is a compliance and

---

<sup>45</sup> Scoping Memo, Attachment 1.

<sup>46</sup> Scoping Memo, Appendix A.

monitoring exercise.<sup>47</sup> PG&E proposes that the issue be resolved in the 2028-2033 IQP applications.<sup>48</sup>

This decision is the Commission's first opportunity to implement an SB 1130 compliance process via a formal decision. The SB 1130 Proposal proposes specific criteria for the Energy Division to analyze in determining whether an IOU has made reasonable efforts to enroll eligible households in FERA, as directed by SB 1130. Implementing this process may provide insights into future improvements to the process, such as potential streamlining or additional criteria. However, the IOUs point out potential implementation difficulties with the SB 1130 Proposal, mainly related to filing a Tier 3 AL. Given that the issue will be more fully addressed in the 2028-2033 IQP applications,<sup>49</sup> and these reports will only cover the one year before new program goals and requirements are adopted, it is reasonable for the IOUs to submit their 2026 FERA Annual Report as a Tier 2 AL. The process set out in the SB 1130 Proposal is therefore adopted, as modified (Attachment 3).

## **8. ESA**

The ESA program is an energy efficiency program that provides no-cost home weatherization services and energy efficiency measures to help low-income households conserve energy, reduce their energy costs or utility bills, and improve the health, comfort, and safety of the home. The program also provides information and education to promote energy efficient practices in low-income

---

<sup>47</sup> SCE-03, at 10.

<sup>48</sup> PG&E Opening Brief, at 32-33.

<sup>49</sup> See Assigned Commissioner's Scoping Memo and Ruling, April 10, 2026, Attachment 2, "Staff Proposal on the Commission's Assessment of Utilities' Efforts to Enroll FERA-Eligible Customers".

communities. Initially offered as an assistance program directly from a few IOUs in the 1980s, the ESA program was later adopted and codified into statute in 1990. Pub. Util. Code Section 2790(a) provides that:

The commission shall require an electrical or gas corporation to perform home weatherization services for low-income customers if the commission determines that a significant need for those services exists in the corporation's service territory, taking into consideration both the cost-effectiveness of the services and the policy of reducing the hardships facing low-income households.

Income limits for program participation are set at 250 percent at or below FPG. ESA consists of a number of sub-category programs that are available to different subsets of customers, including residential single-family households, multifamily households, mobile homes, renters, and owners. The ESA program is funded by both participating and non-participating ratepayers as part of a statutory public purpose program surcharge that appears on their monthly utility bills. D.21-06-015 approved the IOUs to shift the ESA program away from treating all eligible and willing households towards a customer-centered prioritization model based on household needs and customer profile,<sup>50</sup> and also established the MFWB program, and authorized the Pilot Plus/Pilot Deep (PP/PD) Pilots through 2026.

### **8.1. PG&E'S ESA Program**

PG&E's ESA portfolio includes the following programs available to those meeting the income limits:

- ESA Main - available for most customers;
- ESA MFWB - available for multifamily properties and residents; and

---

<sup>50</sup> D.21-06-015, at OP 57.

- ESA Pilot Plus/Pilot Deep – targets customers with greatest need and highest likelihood of achieving large energy savings (5 to 15 percent for Pilot Plus, and 15 to 50 percent for Pilot Deep).

#### **8.1.1. ESA Main**

PG&E proposes to maintain the same ESA Main program savings goals and treatment targets approved in D.21-06-015.<sup>51</sup> PG&E states that it exceeded or nearly achieved all savings goals from 2022–2024, and expects to continue doing so for 2027. PG&E notes that potential difficulties in meeting ESA Main goals could arise due to increased labor and materials cost.<sup>52</sup> PG&E proposes to maintain the ESA Cost-Effectiveness Test (ESACET) target score of 0.7, which was approved for 2021–2026. PG&E proposes to continue the ESA PP/PD pilot through 2027 to provide post-installation support to customers and continue gathering data.

Program delivery and measures offered will remain unchanged from 2026, with a focus on customer-centered delivery and measures that maximize reduction of energy burden and improve health, comfort, and safety.<sup>53</sup> PG&E proposes to continue to segment ESA Main customers into Basic, Plus, and special customer segments.

#### **8.1.2. ESA MFWB**

PG&E generally proposes the same MFWB program for 2027, with the same enrollment, eligibility requirements and measures offered in 2026. PG&E proposes to carry over the MFWB goals and targets from 2023-2026 into 2027, as

---

<sup>51</sup> PGE-01, at 35.

<sup>52</sup> PGE-01, at 36.

<sup>53</sup> PGE-01, at 47-48.

opposed to increasing the goal amount, as PG&E did not meet MFWB targets and does not expect to do so given competing programs and lack of potential targets.<sup>54</sup> PG&E asks for authority to submit a Tier 2 AL to modify program goals, targets, or budgets or pause the program prior to the end of 2027.<sup>55</sup>

### **8.1.3. ESA Pilot Plus/Pilot Deep**

PG&E proposes to roll over unspent PP/PD funds to continue only EM&V, post-installation customer support, and administrative activities for the PP/PD program, as sign-ups and installations will complete by the end of 2026.

### **8.1.4. ESA ME&O**

PG&E proposes to continue multi-channel marketing and targeting techniques, including email, direct mail, and paid media, focusing on customers with high likelihoods of being ESA-eligible and prioritization of disadvantaged communities.<sup>56</sup> These include media in multiple languages. PG&E proposes to also continue tribal outreach efforts.

### **8.1.5. Proposed Budget**

PG&E requests \$158,380,427 for 2027 ESA activities, a decrease from \$170,915,152 approved for 2026.<sup>57</sup>

**Table 7: PG&E's 2027 ESA Proposed Budget**

Category	2026 Authorized Budget	2027 Proposed Budget
EE (ESA Main)	\$100,305,712	\$102,460,793

<sup>54</sup> PGE-01, at 37.

<sup>55</sup> PGE-01, at 50.

<sup>56</sup> PGE-01, at 53.

<sup>57</sup> PGE-01, at 9, Table 1.

EE-MF (ESA MFWB)	\$47,222,869	\$35,787,565
SPOC	\$375,829	\$375,829
<b>EE Subtotal</b>	<b>\$147,528,581</b>	<b>\$138,248,358</b>
Training Center	\$426,698	\$426,698
Workforce Education and Training	\$0	\$0
Inspections	\$3,870,097	\$3,870,097
Marketing and Outreach	\$1,791,562	\$1,791,562
Studies	\$125,000	\$397,500
Regulatory Compliance	\$836,697	\$836,697
General Administration	\$7,484,262	\$5,329,181
CPUC Energy Division	\$69,647	\$69,647
<b>Admin Subtotal</b>	<b>\$14,603,963</b>	<b>\$12,721,382</b>
Escalation		\$4,517,167
<b>Program Total</b>	<b>\$162,132,544</b>	<b>\$155,486,907</b>
Staff Proposal Pilot (PP/PD)	\$8,782,607	\$2,893,520
<b>Portfolio Total</b>	<b>\$170,915,151</b>	<b>\$158,380,427</b>
Unspent Funds Carry Forward		(\$40,152,212)
<b>ESA Portfolio Funding Total</b>		<b>\$118,228,216</b>

Compared to the authorized 2026 budget, these changes are due to the following:<sup>58</sup>

---

<sup>58</sup> PGE-01, at 42-44.

- Increased ESA Main costs to comply with Bay Area Air Quality Management District rules related to heat pump water heaters;
- Decrease MFWB program budget to reflect less installations than were projected for 2026;
- Decreasing ESA Pilot Plus/Pilot Deep activities;
- Fund-shifting to cover ESA impact and process evaluations; and
- Increased costs to cover labor and non-labor costs.

PG&E proposes to utilize \$40.2 million in unspent funds to offset the total request for 2027, decreasing the amount of new funding needed. PG&E proposes to carry forward any remaining 2027 funds to 2028, consistent with fund shifting rules adopted in D.21-06-015. PG&E's funding request for 2027 Bridge Year funding is therefore \$118,228,216.

## **8.2. SDG&E'S ESA Program**

SDG&E is not proposing any major changes to program design or delivery in 2027. SDG&E proposes to continue utilizing the measure modification processes approved by the ESA Working Group and the same ESACET target approved for 2026. SDG&E's budget request includes escalation for labor. SDG&E does not propose any budget changes for ESA Main and will maintain the 2026 authorized budget.

### **8.2.1. ESA MFWB and SPOC**

SDG&E administers the Southern MFWB program on behalf of the three Southern IOUs (SDG&E, SCE, and SoCalGas). Similar to PG&E's program, the Southern MFWB program offers ESA services for in-unit, common area measures and whole building measures to deed restricted and non-deed restricted multifamily customers. The program is administered by Richard Heath and

Associates. For 2027, the Southern MFWB Program forecasts completion of 160 whole building projects and 38,000 units, with an ESACET of 0.655. A \$10.1 million budget increase is proposed to cover the more expensive projects that remain in the approval pipeline.<sup>59</sup> SDG&E states that the whole program budget is covered by rolled-over funds. SDG&E requests \$460,000 for the Single Point of Contact (SPOC) program, a decrease of \$190,000. The SPOC program serves to leverage leads and coordination efforts between multiple energy efficiency and income-assistance programs.

### **8.2.2. ESA Pilot Plus/Pilot Deep**

SDG&E was delayed in starting its PP/PD program, due to its inability to secure a bid for a program implementer. The program thus only began in early 2024. For 2027, SDG&E proposes to complete all remaining projects initiated in 2026, with 2027 operations only including final measure installations, contract administration, and continuation of EM&V activities. EM&V activities are expected to conclude in 2028, as the evaluation methodology requires 12-months post-installation consumption data. SDG&E forecasts that approximately 250 homes will be completed by the conclusion of the pilot. The PP/PD's proposed 2027 budget of approximately \$1.79 million is higher than the annual budget of \$1.53 million but the total spent on the program totals less than what was authorized for 2022–2026. The budget is inclusive of money to conduct an evaluation of the program.

### **8.2.3. Proposed Budget**

SDG&E requests \$35,740,863 for 2027 ESA activities, an increase from \$33,660,548 approved for 2026.

---

<sup>59</sup> SDG&E-02, at RM-12.

**Table 8: SDG&E'S ESA Proposed Budget<sup>60</sup>**

Category	2026 Authorized Budget	2027 Proposed Budget
EE (ESA Main)	\$17,214,498	\$17,214,377
EE-MF (ESA MFWB, including admin)	\$8,556,939	\$10,726,978
SPOC	\$651,613	\$462,210
<b>EE Subtotal</b>	<b>\$26,423,050</b>	<b>\$28,403,565</b>
Training Center	\$160,614	\$160,614
Workforce Education and Training	\$0	\$0
Inspections	\$110,062	\$ 226,892
Marketing and Outreach	\$1,674,124	\$1,630,135
Studies	\$50,000	\$50,000
Regulatory Compliance	\$308,400	\$213,045
General Administration	\$2,433,898	\$2,456,346
MFWB Administration	\$913,937	\$749,427
CPUC Energy Division	\$59,780	\$59,780
<b>Admin Subtotal</b>	<b>\$5,710,815</b>	<b>\$5,546,239</b>
<b>Program Total</b>	<b>\$32,133,865</b>	<b>\$33,949,804</b>
Staff Proposal Pilot (PP/PD)	\$1,526,683	\$1,791,059
<b>Portfolio Total</b>	<b>\$33,660,548</b>	<b>\$35,740,863</b>
<b>Unspent Funds</b>		<b>(\$19,039,137)</b>

---

<sup>60</sup> SDG&E-02, Attachment A, at 6.

<b>ESA Portfolio Funding Total</b>		<b>\$16,701,726</b>
------------------------------------	--	---------------------

### **8.3. SCE'S ESA Program**

SCE's ESA portfolio includes the following:

- ESA Main;
- ESA Building Electrification (BE) Pilot - an SCE-only pilot that offers income-qualified customers living in single family homes an opportunity to reduce overall energy costs and greenhouse gas emissions by replacing natural gas equipment and appliances with heat pump technologies, as well as energy-efficient electric appliances. The BE Pilot also provides electrical panel upgrades and other electrical and plumbing work as needed;
- ESA Clean Energy Home Pilot (CEH) - an SCE only pilot that offers incentives for low-income housing developers to incorporate innovative low-carbon technologies and building practices into residential new construction designs that provide housing with low utility cost to residents;
- ESA Pilot (Pilot Plus/Pilot Deep) - SCE's PP/PD program is a collaboration with SoCalGas to target high-usage CARE customers to yield deep energy savings.
- Southern ESA MFWB program.

As noted, SCE does not propose any programmatic changes to its ESA Main portfolio. Energy Savings and treatment targets remain the same.<sup>61</sup> Although much of the budget is offset by unspent funds carryover, the budget has increased by 33% to \$100,268,152, driven mainly by increased budgets for ESA Main as well as MFWB and the BE pilot.

---

<sup>61</sup> SCE-01, at 22.

### **8.3.1. ESA Main**

After D.21-06-015, SCE sought to implement a deeper energy savings model for ESA Main, which prioritizes high-energy usage customers and hard to reach customer segments. SCE only achieved 35 percent of the home treatment target for 2023 after these changes. In response, SCE made modifications, which included reinstating joint utility enrollments with SoCalGas, allowing contractor outreach, increasing measure eligibility, and changing baseline usage for measure offerings. This led to an increase in the number of homes treated in 2024 to 64 percent of target.<sup>62</sup> To continue upward growth, SCE proposes to increase the ESA Main budget for 2027 by \$13.3 million. SCE states that the increased budget is needed for budget continuity and contractor stabilization.

### **8.3.2. ESA Pilot Plus/Pilot Deep**

SCE proposes to close both the PP/PD program and the CEH Pilot due to low participation. For the PP/PD program, 28 homes have been treated through 2024, far below the 1,400 homes forecasted. For the CEH pilot, only eight project applications have been received as compared to the forecasted 80 over four years. This is despite attempts by SCE to address low participation for both programs.<sup>63</sup>

SCE proposes to maintain its BE Pilot to continue refinement and expansion of the program, with plans to retrofit over 1,000 homes by the end of 2026. SCE notes that the pilot has been successful in partnering with initiatives like the Technology and Equipment for Clean Heating Initiative's Customer Targeting Pilot for heat pump adoption. SCE states that an additional year of

---

<sup>62</sup> SCE-01, at 29-30.

<sup>63</sup> SCE-01, at 25-26.

pilot operations at a cost of \$17.2 million to retrofit 500 low-income homes would provide the opportunity to cleanly fold the pilot and its associated activities, such as adoption of electric heat pumps and reduction in reliance on gas, into ESA Main in the 2028-2033 IQP application.<sup>64</sup> SCE states that it expects a 200 percent increase in 2025 in participation and to sustain 25 percent growth in the near term, with a total of over 1,000 homes retrofitted by end of 2026.

### 8.3.3. ESA MFWB

The Southern MFWB program in general is discussed in SDG&E's ESA section. SCE proposes reducing its goals for the MFWB program for 2027. SCE seeks a budget increase of \$1.4 million to complete all enrolled projects.

### 8.3.4. Proposed Budget

SCE requests \$100,270,152 for 2027 ESA activities, a significant increase from \$62,465,080 approved for 2026. Although some of the budget is offset by \$40,152,212 in unspent funds, the total requested budget has increased by 33 percent, driven mainly by increased budgets for ESA Main as well as MFWB and the BE pilot.

**Table 9: SCE ESA Proposed Budget**

Category	2026 Authorized Budget	2027 Proposed Budget
EE (ESA Main)	\$41,546,892	\$55,977,327
BE Pilot	\$6,350,843	\$17,222,849
Clean Energy Home	\$1,771,800	\$0

<sup>64</sup> SCE-01, at 29.

EE-MF (ESA MFWB, including admin)	\$12,579,028	\$17,757,677
SPOC	\$171,929	\$171,929
<b>EE Subtotal</b>	<b>\$49,669,535</b>	<b>\$91,129,782</b>
Training Center	\$450,488	\$459,498
Workforce Education and Training	\$0	\$0
Inspections	\$949,618	\$968,610
Marketing and Outreach	\$2,186,506	\$2,230,233
Studies	\$125,000	\$127,500
Regulatory Compliance	\$751,251	\$773,789
General Administration	\$4,396,242	\$4,528,129
CPUC Energy Division	\$51,579	\$52,611
<b>Admin Subtotal</b>	<b>\$8,910,681</b>	<b>\$9,140,370</b>
Staff Proposal Pilot (PP/PD)	\$3,3884,864	\$0
<b>Program Total</b>	<b>\$62,465,080</b>	<b>\$100,270,152</b>
Unspent Funds Carry Forward		(\$40,152,212)
<b>ESA Portfolio Funding Total</b>	<b>\$62,465,080</b>	<b>\$60,117,940</b>

#### 8.4. SoCalGas' ESA Program

SoCalGas proposes no changes to its 2027 ESA Main program budget, annual energy savings goals, and ESA Program household treatment goals and

targets.<sup>65</sup> It requests \$123,538,208 for 2027, (\$82.8 million for ESA Main, \$27.4 million for MFWB, and \$317,526 for SPOC). Although SoCalGas proposes using unspent funds to cover the MFWB program, it proposes to retain \$29 million in unspent funds for the PP/PD program to cover cost increases for ESA activities due to tariffs.<sup>66</sup> SoCalGas proposes slight target/goal decreases for the MFWB program.

**Table 10: SoCalGas ESA Proposed Budget**

Category	2026 Authorized Budget	2027 Proposed Budget
EE (ESA Main)	\$82,844,757	\$82,844,757
EE-MF (ESA MFWB, including admin)	\$20,563,740	\$27,380,263
SPOC	\$308,278	\$317,526
<b>EE Subtotal</b>	<b>\$103,408,497</b>	<b>\$110,225,020</b>
Training Center	\$827,048	\$ 851,859
Workforce Education and Training		
Inspections	\$1,586,833	\$ 1,634,438
Marketing and Outreach	\$1,462,019	\$ 1,505,880
Studies	\$200,000	\$389,750
Regulatory Compliance	\$513,413	\$ 528,815
General Administration	\$8,050,562	\$ 8,292,079

<sup>65</sup> SCG-01, at 19.

<sup>66</sup> SCG-01, at 23.

CPUC Energy Division	\$107,152	\$ 110,367
<b>Admin Subtotal</b>	<b>\$12,747,027</b>	<b>\$ 13,313,188</b>
<b>Program Total</b>	<b>\$116,155,524</b>	<b>\$ 123,538,208</b>
Staff Proposal Pilot (PP/PD)	\$6,510,524	\$0
<b>Portfolio Total</b>	<b>\$122,666,069</b>	<b>\$123,538,208</b>

## 8.5. Party Comments and Discussion

### 8.5.1. Pilot Programs

Cal Advocates proposes that all pilot programs be sunsetted, and that none be approved for continuation in 2027. This includes PG&E's and SDG&E's PP/PD pilots, as well as SCE's BE pilot, for which the IOUs have proposed to continue funding into 2027.<sup>67</sup> Cal Advocates states extension would delay program evaluation results, limiting the ability to use results to inform the 2028-2033 application cycle. Cal Advocates also states that pilots are not subject to cost-effectiveness tests, and that continuing them in this manner erodes ratepayer protections.

PG&E and SDG&E note that 2027 PP/PD activities are for evaluation, EM&V, final closeout of ongoing installations, and other administrative activities, not for continued program signups.<sup>68</sup> PG&E and SDG&E assert that failure to extend and fund these activities would create inaccurate or insufficient evaluation data, as EM&V studies would be conducted with incomplete data. SCE states that its BE Pilot does not expand program scope or introduce new design elements, and that extension ensures program continuity for future

<sup>67</sup> Cal Advocates Opening Brief, at 22-24.

<sup>68</sup> PG&E Opening Brief, at 28; SDG&E Opening Brief, at 16-17.

program cycles.<sup>69</sup> SCE also notes the increasing program activity seen in its BE pilot over 2025.<sup>70</sup>

We find it reasonable to continue funding, into 2027, for PG&E's and SDG&E's PP/PD pilots, to ensure continuity for pilot participants who may require support as well as for EM&V activities. PG&E and SDG&E both state that no new installations will be conducted in 2027 and point to late starts to the program as justification for not ramping down until 2027. As noted in testimony, SCE and SoCalGas plan to end their PP/PD Pilots at the end of 2026.<sup>71</sup>

However, Cal Advocates' argument against continuing the pilots is persuasive when applied to SCE's BE pilot. Increased activity is not in and of itself a reason for extending the pilot. SCE has already stated plans to roll some BE pilot activities into ESA Main in 2028, and that it is already embedding lessons from the pilots into core ESA offerings,<sup>72</sup> which suggests that the pilot has served its purpose in informing SCE regarding the viability of the pilot's activities. We therefore find it reasonable to allow the BE pilot to sunset in 2026. To the extent that SCE requires additional administrative funding to close the pilot, it is reasonable to grant SCE additional budget up to \$1.79 million, or the amount that was authorized above for SDG&E to close out its PP/PD pilot. SCE shall submit a Tier 1 AL setting the actual budget amount, up to the maximum allowable, needed to close the pilot. SCE and SoCalGas' Whole Home

---

<sup>69</sup> SCE Reply Brief, at 7-8.

<sup>70</sup> SCE Opening Brief, at 22.

<sup>71</sup> SCG-01, at OV-23.

<sup>72</sup> SCE-05 at 5-6.

Pilot, as well as SCE's Clean Energy Home Pilot, are closed, as proposed in their applications.

### **8.5.2. Goals**

Cal Advocates opposes the IOUs' proposals to continue energy savings goals and treatment targets for the MFWB programs and SDG&E's ESA Main program. Cal Advocates states that either the MFWB programs should be sunsetted or new goals should be set for the bridge year, as opposed to continuing 2022<sup>73</sup> Cal Advocates further states that allowing additional funds in 2027 without proportionally requiring expanded energy savings would equate to a radical increase in the authorized budgets for achieving the same goals<sup>74</sup> Cal Advocates notes that the IOUs have been unable to meet target energy saving goals, including SCE's ESA Main and MFWB programs. Cal Advocates proposes that if the goals are allowed to be carried over, then all of the IOUs, particularly SDG&E, should be directed to spend the large outstanding unspent funds amounts for program year 2027 as opposed to requesting new budget.

PG&E states that as no changes are being made to its MFWB program operations or delivery, and that because PG&E is proposing to rollover unspent funds to cover 2027 operations, it makes sense to continue the relevant goals.<sup>75</sup> PG&E also states that it projected 2025 spend of \$27 million, and 2027 spend of \$36.9 million.<sup>76</sup>

---

<sup>73</sup> Cal Advocates Opening Brief, at 20-21.

<sup>74</sup> Cal Advocates Opening Brief, at 20-22.

<sup>75</sup> PG&E Opening Brief, at 23-24.

<sup>76</sup> PG&E Opening Brief, at 25.

While Cal Advocates' concerns regarding budget levels' relationship to goals are valid, they should be considered in the full cycle application proceeding. It is reasonable to continue current ESA and MFWB program goals into 2027, given that this is a bridge year and no new record has been received on setting new goals. The proposed goals are all representative of the fact that this is a bridge year application and as such it is not reasonable to set new goals. Additionally, as discussed later, the IOUs are also directed to expend their unspent funds, which will largely offset new collections in the spirit of Cal Advocates' request.

### **8.5.3. Budgets**

Cal Advocates proposes that the Commission adopt ESA budgets based on 2024 actual historical spending, or direct the Applicants to use previously authorized funds in lieu of granting additional funds.<sup>77</sup> In particular, Cal Advocates states that the IOUs' budget increases for their ESA Main and MFWB programs and administrative budgets should be aligned with program year 2024 actual spend.<sup>78</sup> Cal Advocates also states that requests by the IOUs to increase budgets are unreasonable in light of their requests to extend timelines to accomplish current program energy savings goals.<sup>79</sup> For example, Cal Advocates notes that the IOUs have been unable to meet target energy saving goals, including SCE's ESA Main and MFWB programs, and that despite requesting to increase its MFWB budget, PG&E proposes to deliver fewer savings and homes

---

<sup>77</sup> Cal Advocates Opening Brief, at 2.

<sup>78</sup> CA-01, at 2-21.

<sup>79</sup> Cal Advocates Opening Brief, at 20.

reached compared to 2024.<sup>80</sup> Cal Advocates notes that D.21-06-015 had previously cut budgets for SDG&E and SoCalGas from 2022 to 2026 due to consistent underspend from 2017 to 2019.<sup>81</sup>

The IOUs state that utilizing 2024 as a baseline for budgeting could lead to program underfunding that constrains program delivery.<sup>82</sup> SDG&E notes that the ESA Main program was not operating at full capacity in 2024, due to contractor solicitation issues related to the single implementer model.<sup>83</sup> SDG&E notes that from 2022 to 2024, spending grew from 61 percent to 87 percent of authorized budget for ESA Main. SoCalGas notes that inflation, supply chain disruptions, and tariffs have led to upward cost pressures for the ESA program.<sup>84</sup> SCE states that 2024 represented a transition period, still impacted by post-pandemic operational constraints, supply chain disruptions, and ramp-up of new program designs, and that the 2027 budget includes adjustments for inflation, workforce retention, and expanded outreach to hard-to-reach and high-usage customers, as well as expenditure trends in 2025, and expected trends in 2026 that surpass 2024 actual spend.<sup>85</sup>

SDG&E notes similar implementation issues related to the Southern MFWB program, and also expects that the Southern MFWB program will continue to see increased activity through 2027. SDG&E also notes that increased

---

<sup>80</sup> Cal Advocates Opening Brief, at 19.

<sup>81</sup> D.21-06-015, at 314-315.

<sup>82</sup> PG&E Opening Brief, at 26; SDG&E Opening Brief, at 15; SCE Opening Brief, at 20-21.

<sup>83</sup> SDG&E Opening Brief, at 11-12.

<sup>84</sup> SoCalGas Reply Brief, at 5.

<sup>85</sup> SCE Reply Brief, at 6.

budget is needed to accurately reflect its position as lead-IOU implementer for the Southern MFWB program.<sup>86</sup> Lastly, SDG&E notes that 2027 funding is needed to wind-down the current program.

It is reasonable to set 2027 budget levels at 2026 projected spend, to ensure program continuity as we move into the 2028-2033 IQP applications. Although Cal Advocates points out that programs were unable to meet their projected spend from 2022 –2024, especially the MFWB program, inflation and upward cost pressures, as well as increased program activity and continued efforts to achieve program goals are likely to have caused program spend to increase since 2024. At the same time, the IOUs have not sufficiently justified the proposed 2027 budget increases, where the record shows that they have consistently underspent their ESA budgets from 2022 –2024. To the extent that there is risk that ESA program 2027 budgets remain higher than 2027 actual ESA spend, impacts to ratepayers will partially be mitigated by the fact that all outstanding uncommitted and uncommitted unspent funds at the end of 2026 will be applied to 2027 ESA collections. Any amounts remaining after 2027 are also to be rolled over to 2028 program spend (upon approval of the 2028 program budgets). Where the IOUs have proposed 2027 budgets at levels less than 2026 authorized levels, those budgets are instead adopted. The amounts adopted are therefore:

**Table 11: Approved 2027 ESA Budgets**

Category	PG&E	SCE	SDG&E	SoCalGas
ESA Main	\$106,977,960	\$55,977,327	\$17,214,377	\$82,844,757
ESA MFWB	\$35,787,565	\$10,142,429	\$8,954,054	\$15,743,419

<sup>86</sup> SDG&E Opening Brief, at 14-15.

SPOC	\$375,829	\$171,929	\$346,750	\$308,278
Pilots	\$2,893,450	\$1,790,000	\$1,791,059	\$0
<b>ESA Subtotal</b>	<b>\$145,659,045</b>	<b>\$67,909,756</b>	<b>\$27,959,490</b>	<b>\$98,588,176</b>
Training Center	\$426,698	\$459,498	\$160,614	\$851,859
WE&T	\$2,893,520			
Inspections	\$3,870,097	\$968,610	\$226,892	\$1,634,438
Marketing and Outreach	\$1,791,562	\$2,230,233	\$1,630,135	\$1,505,880
Studies <sup>87</sup>	\$397,500	\$127,850	\$50,000	\$389,750
Regulatory Compliance	\$836,697	\$773,789	\$213,045	\$528,815
General Administration	\$5,329,181	\$4,528,129	\$2,456,346	\$8,292,079
CPUC Energy Division	\$69,647	\$52,611	\$59,780	\$110,367
Admin Total	<b>\$12,721,382</b>	<b>\$9,140,370</b>	<b>\$4,796,812</b>	<b>\$13,300,688</b>
<b>Portfolio Total</b>	<b>\$158,380,427</b>	<b>\$77,050,126</b>	<b>\$32,756,302</b>	<b>\$111,901,364</b>
Unspent Funds Carry	(\$104,000,000)	(\$49,000,000)	(\$19,039,137)	(\$55,000,000)

<sup>87</sup> Study Budgets are discussed below. Study budgets have not been reduced, and have been revised up to account for funding for the 2028 CARE/FERA Eligibility Study.

Forward (estimated)				
<b>Additional Authorized ESA Portfolio Funding Total (estimated)</b>	<b>\$54,380,357</b>	<b>\$28,050,126</b>	<b>\$13,717,165</b>	<b>\$56,901,364</b>

#### **8.5.4. Unspent Funds, Fund Shifting and Mid-Cycle Changes**

PG&E seeks authority to apply MFWB and pilot unspent funds to other program categories, as proposed by TURN.<sup>88</sup> SCE requests authority to shift funds from its CEH Pilot to ESA Main.

It is reasonable to apply unspent funds within ESA, to reduce rate pressures for ratepayers. All IOUs are authorized to utilize unspent MFWB and pilot funds remaining at the end of program year 2026 to reduce ESA Main collections for program year 2027. SCE may also shift funds from its CEH Pilot to ESA Main.

PG&E's request to use a Tier 2 AL to request any changes to MFWB goals, budgets, or design, including pausing the program, prior to the end of 2027 is denied. PG&E shall use the processes approved in D.21-06-015 to propose any program changes.

### **9. Workforce Education and Training Activities**

PG&E plans to continue its Workforce Education and Training activities (WE&T) for 2027, which include operation and development of PG&E's Energy

---

<sup>88</sup> PG&E Opening Brief, at 29.

Training Center curriculum, initiatives taken to increase the hiring within local communities and disadvantaged communities, and partnerships with vocational training programs, community colleges, and community job training organizations.<sup>89</sup> No party disputed this proposal. PG&E's WE&T proposal is approved.

## **10. Studies, Evaluations, Working Groups, and Reporting**

### **10.1. Studies**

PG&E plans to continue activities related to the 2028 Low-Income Needs Assessment study, which are funded in the ESA and CARE budgets, and was authorized in D.21-06-015. Total cost is \$75,000. D.21-06-015 also adopted ESA program impact evaluations to be conducted by the IOUs, which PG&E proposes to continue at a cost of \$360,000. PG&E proposes to also maintain funding for the CARE and FERA Annual Eligibility Estimates Report at a cost of \$200,000.

SDG&E does not request any additional budget for ESA, CARE, or FERA studies. SDG&E plans to use rollover funds to pay for a studies budget of \$375,000 for its portion of the 2028 LINA study, and ESA Main and MFWB Impact and Process Evaluations.<sup>90</sup> SDG&E also proposes to use \$300,000 for evolving study and data needs. SDG&E proposes continuing the ESA/CARE Study Working Group.

SCE's study activities included statewide ESA study budgets, evaluation of the SCE ESA Whole Home Pilot and BE pilot, and budget for evolving study and data needs. Also included is budget to support the 2028 LINA study. SCE is

---

<sup>89</sup> PGE-01, at 56.

<sup>90</sup> SDG&E-02, Attachment A, at 8.

not seeking additional funds for study and evaluation beyond what was already authorized for 2026.

SoCalGas proposes to continue supporting process and impact evaluations for ESA Main and the MFWB programs, as well as the evolving study and data needs and 2028 LINA study, for a total of \$389,250. SoCalGas also proposes to take over administration for the 2028 CARE-FERA Eligibility Estimates Study, and conduct solicitations in 2027.<sup>91</sup>

Parties did not comment on the proposed study activities or associated budgets. We note that the 2028 LINA study has already been approved and funded via D.21-06-015. We authorize the proposed study activities and budgets. SoCalGas is authorized to begin solicitations for the 2028 CARE-FERA Eligibility Estimates Study, and is authorized a budget of \$200,000 to cover the study, to be proportionally divided amongst the IOUs in the same proportion as previously authorized in D.21-06-015. SoCalGas shall consult with the ESA/CARE Study Working Group to finalize the study scope and statement of work, including the research plan and methodology.

## **10.2. Working Groups**

D.21-06-015 adopted the ESA/CARE Study Working Group (WG) to gather stakeholder feedback on the IOUs' ESA and CARE studies during the 2021–2026 program cycle. The group provided input on the scope and timing for various ESA/CARE non-statutory studies, such as the Non-Energy Impacts Study and PG&E's ESA PP/PD Pilot Evaluation. The ESA/CARE WG activities also include reviewing and providing input on interim study findings and the

---

<sup>91</sup> SoCalGas-02, at OV-4.

final study deliverables needed for completion of the study. PG&E proposes to continue the activities for 2027.

D.21-06-015 authorized the ESA WG to facilitate a stakeholder consensus-based approach to manage the IOUs' ESA programs during the current program cycle. The ESA WG activities during the 2021–2026 program cycle include monitoring ESA Program goals achievement, improving coordination with other income-based programs, providing input to IOU ESA program administrators on various ESA program issues and serving as a forum to resolve ESA program issues and improve communication among parties and with the Commission.

PG&E proposes to continue the ESA WG to address the Program Policy and Procedures and Installation Standards Manuals, and will continue to fund the program in the ESA Program Administration funding category.

No parties commented on the Working Groups. PG&E is authorized to continue funding the ESA/CARE Study WG and ESA WG activities. As noted in the studies section above, the ESA/CARE Study WG shall consult with SoCalGas in development of the 2028 CARE-FERA Eligibility Study.

### **10.3. Reporting**

In D.21-06-015, the Commission continued and modified PG&E's monthly and annual reporting requirements on the results of PG&E's CARE, FERA, and ESA programs. In 2024, the Governor signed into law SB 1130 which, among other things, changed the due date of the FERA Annual Report to March 1 from May 1 of each year. On March 3, 2025, PG&E filed its first 2024 FERA Annual Report pursuant to this statute. For 2027, PG&E proposes to maintain the current IQP monthly and annual reporting requirements as adopted by D.21-06-015 or modified by statute.

TURN proposes that the IOUs be required to report additional information related to health, comfort and safety measures, separate accounting for gas and electric costs across the entire ESA budget, and energy savings measurements.<sup>92</sup>

In particular, TURN asks that the IOUs:

- Identify measures in monthly and annual reporting and providing the costs, savings, and benefits that are associated with health, comfort and safety measures starting in Program Year 2027;
- Separately account for gas and electric costs across the entire ESA budget starting with Program Year 2027 to permit a direct examination of the costs, savings, and benefits associated with gas ESA investments by dual fuel utilities; and
- Provide energy savings in annual and lifetime MMBtus to facilitate direct comparisons.

TURN states that these reporting requirements will allow for easier comparison of cost-effectiveness across IOUs and increase transparency.<sup>93</sup> TURN also notes that SCE and SDG&E both have shown a failure to meet any goals in terms of households treated and energy savings goals and well below expectations with regards to meeting ESACET cost-effectiveness.<sup>94</sup> TURN states that increased reporting will aid the 2028-2033 IQP applications.

The IOUs state that the consideration of any additional reporting requirements should be deferred to the 2028-2033 IQP applications, and that the current reporting requirements adequately address the health, comfort and safety measures. PG&E notes that the Energy Division identifies reporting

---

<sup>92</sup> TURN Opening Brief, at 13-23.

<sup>93</sup> TURN Opening Brief, at 13-14.

<sup>94</sup> *Id.*, at 23-24.

metrics and templates for monthly and annual reports according to an established framework.<sup>95</sup> PG&E states that it will explicitly denote health, comfort and safety measures in future monthly and annual program reports.<sup>96</sup> SCE and SoCalGas state that they already track health, comfort and safety measures, and that the 2028-2033 IQP applications would be the appropriate time to consider these changes.<sup>97</sup> SoCalGas is amenable to denoting health, comfort and safety measures in ESA Table 2, as proposed by PG&E.<sup>98</sup>

Given that 2028-2033 IQP applications have already been submitted in A.26-01-003, et al., we decline to make any changes to reporting at this time. Changes to reporting requirements should be proposed and considered in the 2028-2033 IQP applications.

## **11. Miscellaneous Issues**

### **11.1. California Emerging Technology Fund**

CETF and IOUs presented an Amended Joint Stipulation to continue the Joint Stipulation, which aims to promote affordable broadband access. The Joint Stipulation, Exhibit CETF-2, presents a pathway for the IOUs to continue collaborative efforts with CETF and community-based organizations.

Parties were all supportive of the Amended Joint Stipulation. TURN noted two issues: First, that the Commission should “direct all utilities to invite the CHANGES prime contractor and, by extension, community based organizations, to participate in the utility-hosted trainings by CETF pursuant to the Paragraph

---

<sup>95</sup> PG&E Opening Brief, at 33.

<sup>96</sup> TURN-04, PG&E Response to TURN-PG&E-004, Q1e.

<sup>97</sup> SCE Opening Brief, at 25-26; SoCalGas Opening Brief, at 9.

<sup>98</sup> SoCalGas Reply Brief, at 10.

1.d of the draft Joint Stipulation,”<sup>99</sup> as omitting CHANGES providers from these trainings is a missed opportunity to reach consumers who may not respond to other education and outreach channels. TURN also requested that CETF should be directed to submit the annual compliance filing (with associated IOU performance data) in the amended Joint Stipulation to the relevant income-qualified energy programs docket, to ensure there are no issues with filing.<sup>100</sup> TURN also recommended that the reported performance data include (1) calls generated to the “Get Connected California” Call Center by each IOU, and (2) percentage of CARE and customers with email addresses on file with the utility, for each program year covered by the Joint Stipulation as extended, 2021–2027.<sup>101</sup> CforAT supported these modifications.<sup>102</sup> These changes were incorporated into the final version submitted for review. The Amended Joint Stipulation, attached as Attachment 2, is approved.

### **11.2. CHANGES Program**

The Community Help and Awareness with Natural Gas and Electric Services (CHANGES) program is currently funded by all IOUs. SCE, SDG&E, and SoCalGas initially proposed to keep funding the same as 2026. A staff proposal attached to the Scoping Memo proposed increasing the CHANGES budget by \$855,000 to \$2.6 million in 2027. The Staff Proposal stated that an increase to the budget was needed to address program growth and inflation.

---

<sup>99</sup> TURN-03, at 5.

<sup>100</sup> TURN Reply Brief, at 7.

<sup>101</sup> TURN Opening Brief, at 32-33.

<sup>102</sup> CforAT Opening Brief, at 4-5.

SCE, SDG&E, CforAT,<sup>103</sup> and TURN<sup>104</sup> all support the proposed increase. SDG&E states that it will fund-shift from other CARE administrative budget categories to cover the increase.<sup>105</sup> PG&E asks that the IOUs be allowed to recover the increased CHANGES budget via the CARE budget, as was authorized in D.21-06-015.

It is reasonable to increase the CHANGES budget to address increased costs and promote continued program growth. A budget of \$2,605,300 is approved for 2027, to be funded through the CARE program and paid by the IOUs in the same proportion as was authorized in D.21-06-015.<sup>106</sup>

### **11.3. Escalation**

TURN proposes that the IOUs be required to provide more information related to their application of “escalation” for budgeting purposes, to provide transparency across IOU applications. TURN notes that the IOUs applied escalation differently in the 2027 budgets with regards to labor/non-labor and differently amongst the same budget categories, and do not satisfactorily explain how or why such escalation applications were made.<sup>107</sup> These proposed changes include:<sup>108</sup>

- Requiring the utilities to clarify that the term ‘escalation’ refers to the increase in the costs of goods and services due

---

<sup>103</sup> CforAT Opening Brief, at 1-4.

<sup>104</sup> TURN Opening Brief, at 26-28.

<sup>105</sup> SDG&E Opening Brief, at 5.

<sup>106</sup> D.21-06-015, at 75, table 3.

<sup>107</sup> TURN Opening Brief, at 11-13.

<sup>108</sup> TURN-01A, at 4, 7-8.

- to inflation and does not include other changes to the budget;
- Directing the utilities to provide budgets without escalation, budgets with escalation, and isolate for any proposed escalation by program and cost category for transparency for 2027 and moving forward; and
  - Directing the utilities to provide the methodology used to calculate escalation by program and cost category and the justification for the applied methodology.

SoCalGas and SCE are supportive of TURN's proposal to clarify escalation, but disagree that budgets should be provided with and without escalation and that the IOUs be directed to provide the methodology to calculate escalation.<sup>109</sup> PG&E and SDG&E state that consideration should be deferred to the 2028-2033 IQP applications.<sup>110</sup>

We decline to issue any direction regarding escalation in this proceeding, but to the extent that it remains an issue, intervenors are encouraged to raise the issue in the 2028-2033 IQP applications.

#### **11.4. Unspent Funds**

D.21-06-015 directed the IOUs to use any remaining uncommitted and unspent funds at the end of 2026 to offset 2027 collection. The IOUs variously proposed to use differing amounts of unspent funds, but not the full amounts outstanding, to reduce 2027 collections. PG&E initially proposed to use \$40 million, out of a forecasted \$104 million.<sup>111</sup> SCE forecasts \$49.0 million of unspent and uncommitted funds as of year-end 2026 in the MFWB and PP/PD

---

<sup>109</sup> SoCalGas Reply Brief, at 9-10.

<sup>110</sup> SDG&E Reply Brief, at 7; PG&E Reply Brief, at 6-7.

<sup>111</sup> PG&E Opening Brief, at 29.

programs, and proposes to invest \$40.1 million of that to support the ESA program, including ESA Main. SoCalGas proposes to apply \$26 million in unspent funds to the MFWB program, while retaining \$29 million in unspent funds from the PP/PD program to offset potential unknown cost increases due to tariffs.<sup>112</sup> SDG&E proposes to utilize all of its \$19 million in estimated unspent funds.

TURN proposes using the full amount to reduce collections, in recognition of affordability concerns for ratepayers.<sup>113</sup> Specifically with regards to SoCalGas, TURN notes that any potential impacts due to tariffs should already be known to SoCalGas and may be managed within existing ESA budgets, as the other IOUs plan to do.<sup>114</sup> TURN also notes that SCE and SoCalGas have recently underspent their authorized ESA budgets, which should allow them to absorb any unforeseen costs, such as any tariff-related cost increases.<sup>115</sup> TURN notes that fund-shifting can also be used to absorb any cost overruns.

PG&E did not have any concerns with applying the full unspent funds amount to 2027 funds. SCE stated no general opposition to the idea, except that funds should be used to support the BE pilot.<sup>116</sup> SoCalGas maintained its position. TELACU and Maravilla support SoCalGas' proposal to withhold unspent funds, noting unknowns related to material and goods costs for ESA.<sup>117</sup>

---

<sup>112</sup> SoCalGas-01, at OV-23-24.

<sup>113</sup> TURN Opening Brief, at 4.

<sup>114</sup> TURN Opening Brief, at 6-7.

<sup>115</sup> TURN Reply Brief, at 2-3.

<sup>116</sup> SCE Opening Brief, at 19-20.

<sup>117</sup> TELACU and Maravilla Opening Brief, at 2.

Due to increasing affordability concerns, and as dictated in D.21-06-015,<sup>118</sup> all unspent funds should be expended to offset 2027 collections and to address immediate affordability concerns. SoCalGas has not presented a persuasive argument as to why the ESA program in particular should be excluded from the general Commission practice of IOUs forecasting costs in their applications and receiving authority to recover up to that amount. Additionally, it is not clear why the IOUs should be granted increased 2027 budgets while also retaining unspent funds. The IOUs should accurately forecast costs in this proceeding, as they are required to do in other Commission proceedings.

Therefore, the IOUs shall utilize all unspent funds (committed and uncommitted) in each program category at the end of 2026 to reduce the 2027 budget authorized for those categories, except where fund-shifting has been approved either through the processes laid out in D.21-06-015 or in this decision (i.e., application of other ESA programs funds to ESA Main activities). The amounts forecasted for unspent funds are as follows:

**Table 12: Projected Remaining Unspent Funds to be Applied in 2027 to  
ESA Programs**

Utility	Projected Outstanding Unspent Funds After 2026 Program Year
PG&E	\$104 Million
SCE	\$49 Million
SDG&E	\$19 Million
SoCalGas	\$55 Million

---

<sup>118</sup> D.21-06-015, OP 114.

Total	\$227 Million
-------	---------------

The IOUs shall submit a Tier 1 AL by February 28, 2027, with the exact amount of unspent funds, both committed and uncommitted, remaining at the end of 2026 and updated 2027 program budgets balances. All final unspent funds shall be applied to reduce ESA collections for 2027. If, before February 28, 2027, the amount of unspent funds exceeds the budgets authorized for collection for 2027 ESA activities, the IOUs may instead submit a Tier 1 AL adjusting budgets to reflect that no additional collections are needed for 2027 ESA activities, in lieu of submitting an AL that reflects the amount outstanding after the end of program year 2026.

## **12. Revenue Requirements and Cost Recovery**

### **12.1. PG&E**

For 2027, PG&E proposes to recover its CARE costs through the electric CARE rate components and the Gas Public Purpose Program Surcharge (G-PPPS) CARE surcharge rates, subject to changes due to revenue fees and uncollectible factor approved in a future general rate case.<sup>119</sup> PG&E's CARE charges are split among customer classes and between gas and electric customers. PG&E does not propose any changes to the balancing accounts used to track CARE program costs and revenue requirements, which include the PPP-CARE account and California Alternate Rates for Energy Account (CAREA). PG&E forecasts a total of \$1,184,800,000 for 2027 CARE electric discounts and \$296,200,000 for 2027 CARE gas discounts, which more than doubles the

---

<sup>119</sup> PGE-01, at 62.

\$705,667,000 authorized for 2026 in D.21-06-015 for both electric and gas discounts.

PG&E will incorporate the annual electric CARE program revenue requirements authorized in this proceeding into electric rates in the annual electric true-up with other rate changes effective January 1, 2027, or as soon thereafter as possible. Any required CARE program electric rate change resulting from this proceeding will be implemented in accordance with the current adopted revenue allocation and rate design methods adopted for the CARE Program revenue component of electric PPP rates. PG&E will incorporate the gas funding requirement authorized in this proceeding into gas rates in its annual gas PPP surcharge AL and annual gas true-up filings with other rate changes effective January 1, 2027, or as soon as thereafter as possible. Similarly, any gas CARE program revenue change will be allocated among customer classes consistent with then current-adopted practices.

For FERA, PG&E will incorporate the annual electric FERA program revenue requirement authorized in this proceeding into electric rates in the annual electric true-up with other rate changes effective January 1, 2027, or as soon thereafter as possible. Any required FERA program electric rate change resulting from this proceeding will be implemented in accordance with the then-current adopted revenue allocation and rate design methods adopted for the ESA Program revenue component of electric PPP rates. PG&E proposes to continue utilizing the Family Electric Rates Assistance Balancing Account (FERABA) to record FERA program costs for eventual recovery in the annual electric true-up AL process.

For ESA, program costs are tracked in the Public Purpose Program Low-Income Balancing Account, Public Purpose Program Revenue Adjustment Mechanism, and Public Purpose Program Low-Income Energy Efficiency balancing accounts. PG&E proposes no changes to its balancing account tracking for ESA. PG&E proposes to recover ESA costs through the electronic PPP's Revenue Adjustment Mechanism and GPPPS Low-Income Energy Efficiency, subject to RF&U, with 53 percent of costs allocated to electric and 47 percent to gas customers.

PG&E will incorporate the annual electric ESA Program revenue requirement authorized in this proceeding into electric rates in the annual electric true-up with other rate changes effective January 1, 2027, in the bridge funding program forecast period, or as soon thereafter as possible. Any required ESA Program electric rate change resulting from this proceeding will be implemented in accordance with the then-current adopted revenue allocation and rate design methods adopted for the ESA Program revenue component of electric PPP rates. PG&E will incorporate the gas funding requirement authorized in this proceeding into gas rates in its annual gas PPP surcharge AL and annual gas true-up filings with other rate changes effective January 1 of each year in the program forecast period, or as soon as thereafter as possible. Similarly, any gas ESA Program revenue change will be allocated among customer classes consistent with the current adopted practices.

For Program Year 2027, PG&E is authorized to utilize the above cost recovery mechanisms, and recover \$8,848,173 for its CARE Administrative Budget, \$3,055,800 for its FERA Administrative Budget, and \$54,380,427 for its ESA Budget, in addition to application of \$104 million in unspent funds leftover

after the 2021–2026 program cycle for ESA activities, totaling \$170,284,400 utilizing the cost recovery mechanisms discussed above.

## **12.2. SDG&E**

SDG&E proposes to continue recovering its CARE, FERA, and ESA program costs through revenues collected in electric and gas PPP funds. SDG&E tracks in the following balance accounts:

- Low-Income Energy Efficiency Balancing Account – tracks electric PPP revenues collected and allocable to ESA;
- Post-2005 Gas Low-Income Energy Efficiency Balancing Account – tracks gas PPP revenues collected and allocable to ESA;
- CARE Balancing Account – Electric – tracks electric PPP revenues collected and allocable to the CARE program and CARE program electric expenses;
- CARE Gas Balancing Account – tracks gas PPP revenues collected and allocable to the CARE program and CARE program gas expenses; and
- Family Electric Rate Assistance Balancing Account – tracks PPP revenues collected and allocable to the FERA program and FERA program costs.

SDG&E proposes to continue tracking money to these accounts and seeking revenue requirements through annual PPP advice letters.

For Program Year 2027, SDG&E is authorized to recover \$6,351,151 for its CARE Administrative Budget, \$979,185 for its FERA Administrative Budget, and \$13,717,165 for its ESA Budget, in addition to application of \$19 million in unspent funds leftover after the 2021–2026 program cycle for ESA activities, totaling \$40,086,638 utilizing the cost recovery mechanisms discussed above.

### **12.3. SCE**

SCE proposes no changes to the current ESA ratemaking treatment, which includes use of the PPPAM, Energy Savings Assistance Program Adjustment mechanism, CARE Balancing Account, and FERA Balancing Account.

For Program Year 2027, SCE is authorized to recover \$8,499,853 for its CARE Administrative Budget, \$1,717,244 for its FERA Administrative Budget, and \$28,050,126 for its ESA Budget, in addition to application of an estimated \$49 million in unspent funds leftover after the 2021–2026 program cycle for ESA activities, totaling \$87,267,223, utilizing the cost recovery mechanisms discussed above.

### **12.4. SoCalGas**

SoCalGas does not propose any changes to its cost recovery process. CARE costs are recovered using an Equal Cents Per Therm Approach, through PPP surcharges. SoCalGas maintains a two-way balancing account for CARE costs to track CARE program expenses incurred against gas surcharge funds. ESA costs are recovered through PPP surcharges via the Direct Assistance Program Balancing Account.

For Program Year 2027, SoCalGas is authorized to recover \$9,904,747 for its CARE administrative budget, and \$56,901,364 for its ESA Budget, in addition to application of an estimated \$55 million in unspent funds leftover after the 2021–2026 program cycle, totaling \$111,901,364, utilizing the cost recovery mechanisms discussed above.

## **13. Summary of Public Comment**

Rule 1.18 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. As of May 20, 2026, 23 public comments have been submitted, requesting that the applications be denied due to affordability concerns.

#### **14. Conclusion**

For 2027 IQP Activities (excluding subsidies), PG&E is authorized to collect \$66.3 million, SCE is authorized to collect \$38.3 million, SDG&E is authorized to collect \$21.0 million, and SoCalGas is authorized to collect \$66.8 million.

#### **15. Procedural Matters**

This decision affirms all rulings made by the Administrative Law Judge and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

#### **16. Comments on Proposed Decision**

The proposed decision of ALJ Garrett Toy 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 \_\_\_\_\_.

#### **17. Assignment of Proceeding**

Matthew Baker is the assigned Commissioner and Garrett Toy is the assigned Administrative Law Judge in this proceeding.

#### **Findings of Fact**

1. The Joint Stipulated Agreement between the IOUs and CETF was uncontested.

2. PG&E's, SDG&E's, SoCalGas', and SCE's 2027 CARE activities and goals are substantially the same as what was approved in D.21-06-015.

3. The IOUs' proposed 2027 CARE Administrative budgets are higher than 2024 actual spend mainly due to inflation, upward cost pressures, and increased program activity.

4. Application of three years of escalation to 2024 actual spend is a reasonable estimate of the IOUs' 2027 CARE Administrative Budgets.

5. PG&E's, SDG&E's, and SCE's 2027 FERA activities and goals are substantially the same as what was approved in D.21-06-015.

6. SB 1130 has increased the pool of eligible FERA customers, likely leading to higher program costs in 2027 as compared to 2024.

7. Since the Commission will consider further modifications to the SB 1130 implementation process in A.26-01-003, et al., it is sufficient to require the IOUs to submit a Tier 2 Advice Letter to comply with the requirements of SB 1130 at this time.

8. The IOUs do not propose substantial changes to ESA Main program operations or delivery.

9. The IOUs do not propose substantial changes to their MFWB or SPOC program operations or delivery.

10. PG&E's and SDG&E's PP/PD Pilots require budget in 2027 to fund customer support and administrative activities that support pilot close-out.

11. SCE proposes to roll its BE Pilot activities into ESA Main in 2028.

12. SCE's BE Pilot activities have provided sufficient information to close the program.

13. SCE's CEH Pilot and PP/PD Pilot (in conjunction with SoCalGas) have shown low participation totals.

14. Proposed IOU budgets include increases for escalation.

15. SCE and SoCalGas propose decreased targets and goals for the MFWB Program.

16. IOU 2027 ESA budgets exceed 2024 actual spending, mainly due to inflation and upward cost pressures.

17. The IOUs were unable to fully spend their ESA portfolio budgets from 2022-2024.

18. Utilizing 2024 ESA budgets to determine 2027 budgets would not address potential increases in ESA delivery costs.

19. Utilizing 2026 ESA budgets to determine 2027 ESA budgets balances inflationary pressures since 2024 with potential over-budgeting of the programs.

20. Allowing IOUs to apply all ESA Portfolio Unspent funds to reduce 2027 collections reduces ratepayer burdens.

21. The proposed ESA studies and Working Groups help provide data and information on ESA Portfolio performance and potential modifications.

22. The 2027 CARE-FERA Eligibility Estimates Study had a \$200,000 budget.

23. It is reasonable to provide a budget of \$200,000 for SoCalGas to conduct 2028 CARE-FERA Eligibility Study Estimates.

24. The CHANGES program has seen increased costs and activities since its last budget increase.

25. The staff proposal increases the CHANGES budget to \$2.6 million.

26. The proposed IOU Studies budgets, as modified, are reasonable.

27. The reporting requirements currently in use are sufficient and any changes to reporting requirements are better considered in the full-cycle proceeding.

28. IOUs have accumulated unspent funds over the 2021–2026 IQP cycle.

29. Utilization of all of the IOUs' unspent funds after the end of 2026, as was contemplated in D.21-06-015, will reduce needed 2027 collections.

30. The IOUs propose to utilize the same cost recovery methods as were approved in D.21-06-015.

### **Conclusions of Law**

1. Exhibit CETF-02 should be received into the record.

2. It is reasonable to approve the CARE activities and goals that were approved in D.21-06-015, to ensure program continuity.

3. It is reasonable to grant 2027 CARE Administrative budgets that reflect three years of escalation applied to 2024 actual spend.

4. The 2027 CARE Administrative budgets are reasonable and should be adopted.

5. It is reasonable to approve FERA activities and goals that were approved in D.21-06-015, to ensure program continuity.

6. The IOUs' 2027 FERA budgets are reasonable and should be adopted.

7. The SB 1130 Staff Proposal, as modified, is reasonable.

8. It is reasonable to approve ESA Main activities and goals that were approved in D.21-06-015, to ensure program continuity.

9. It is reasonable to provide PG&E and SDG&E budget to complete PP/PD pilot activities in 2027.

10. It is reasonable to grant SCE a budget to conduct possible administrative activities related to closing its BE Pilot in 2028.

11. It is reasonable to end SCE's CEH Pilot and the joint SCE/SoCalGas PP/PD Pilot.
12. The 2027 ESA Portfolio Budgets are reasonable and should be adopted.
13. It is reasonable to allow the IOUs to apply collected unspent funds to offset 2027 collections.
14. The IOUs should be granted their proposed pilot and Working Group budgets.
15. It is reasonable to grant the CHANGES program a \$2.6 million budget.
16. It is reasonable to direct the IOUs to apply all unspent funds to reduce 2027 collections.
17. The proposed cost recovery methods are reasonable.
18. PG&E should be authorized to collect \$66.3 million for IQP programs.
19. SCE should be authorized to collect \$38.3 million for IQP programs.
20. SDG&E should be authorized to collect \$21.0 million for IQP programs.
21. SoCalGas should be authorized to collect \$66.8 million for IQP programs.

**O R D E R**

**IT IS ORDERED** that:

1. Exhibit CETF-02 is entered into the record.
2. Pacific Gas and Electric Company's, Southern California Edison Company's, San Diego Gas & Electric Company's, and Southern California Gas Company's 2027 California Alternate Rates for Energy program goals, activities, and reporting requirements are approved as set forth in section 6.5.
3. Pacific Gas and Electric Company's, Southern California Edison Company's, San Diego Gas & Electric Company's, and Southern California Gas

Company's 2027 California Alternate Rates for Energy program budgets are approved collectively at \$33 million, as set forth in Attachment 1.

4. Pacific Gas and Electric Company's, Southern California Edison Company's, San Diego Gas & Electric Company's, and Southern California Gas Company's 2027 Family Electric Rate Assistance program goals, activities, and reporting requirements are approved as set forth in section 7.5.

5. Pacific Gas and Electric Company's, Southern California Edison Company's, San Diego Gas & Electric Company's, and Southern California Gas Company's 2027 Family Electric Rate Assistance program budgets are approved collectively at \$5.8 million, as set forth in Attachment 1.

6. Southern California Edison Company is authorized to close its Clean Energy Homes Pilot.

7. Southern California Edison Company and Southern California Gas Company are authorized to close their Joint Whole Home Pilot.

8. Southern California Edison Company (SCE) shall submit a Tier 1 Advice Letter with activities and needed budgets to close its Building Electrification Pilot within 90 days after issuance of this decision. SCE is authorized to utilize up to \$1.79 million for close out activities.

9. Pacific Gas and Electric Company's, Southern California Edison Company's, San Diego Gas & Electric Company's and Southern California Gas Company's 2028 California Alternate Rates for Energy and Family Electric Rate Assistance Eligibility Study is approved with a statewide budget not to exceed \$200,000 utilizing the traditional utility funding split.

10. Pacific Gas and Electric Company's, Southern California Edison Company's, San Diego Gas & Electric Company's, and Southern California Gas

Company's 2027 Energy Savings Assistance program budgets are approved at \$380 million, or a net of \$153 million after offsetting \$227 million in unspent funds, as set forth in Attachment 1.

11. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall submit a Tier 1 Advice Letter by February 28, 2027 updating budgets to reflect the amount of collections needed following determination of the amount of unspent funds that will remain related to Energy Savings Assistance (ESA) program budgets on December 31, 2026. All remaining unspent funds shall be applied to reduce ESA portfolio budget collections for 2027.

12. The Joint Stipulation between the Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, San Diego Gas & Electric Company and the California Emerging Technology Fund is approved, as set forth in Attachment 2.

13. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall use the balancing accounts and cost recovery mechanisms approved as set forth in section 12.

14. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall submit a Tier 2 Advice Letter by March 1 of each year with their Family Electric Rate Assistance Annual Reports, in compliance with Senate Bill 1130 (2024), as set forth in Attachment 3.

15. All other requests not specifically approved in this decision are hereby denied.

16. All outstanding motions are hereby denied.

17. Applications (A.) 25-06-022, A.25-06-023, A.25-06-024, and A.25-06-025 are closed.

This order is effective today.

Dated \_\_\_\_\_, at Fort Bragg, California

# ATTACHMENT 1

(Energy Savings Assistance and California Alternate Rates for Energy  
Programs and  
Budgets for 2027 Program Years)

**(END OF ATTACHMENT 1)**

# **ATTACHMENT 2**

(Amended Joint Stipulation Related to Broadband Outreach)

**(END OF ATTACHMENT 2)**

# ATTACHMENT 3

(Modified Staff Proposal Regarding Implementation of Senate Bill 1130  
(2024))

(END OF ATTACHMENT 3)