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Decision 20-04-006 April 16, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Identify Disadvantaged Communities in the San Joaquin Valley and Analyze Economically Feasible Options to Increase Access to Affordable Energy in those Disadvantaged Communities.	Rulemaking 15-03-010

DECISION MODIFYING DECISION 18-12-015 IN RESPONSE TO PETITION FOR MODIFICATION AND TO ADDRESS FUNDING REQUIREMENTS FOR BILL PROTECTION AND TRANSITIONAL COMMUNITY SOLAR DISCOUNT MECHANISMS

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DECISION MODIFYING DECISION 18-12-015 IN RESPONSE TO PETITION FOR MODIFICATION AND TO ADDRESS FUNDING REQUIREMENTS FOR BILL PROTECTION AND TRANSITIONAL COMMUNITY SOLAR DISCOUNT MECHANISMS

Summary

This decision modifies Decision (D.) 18-12-015 in response to a Petition for Modification (PFM) filed on December 13, 2019. D.18-12-015 is modified to remove income eligibility requirements for Allensworth, Alpaugh, Fairmead and Le Grand and to state that all residents of these four communities are eligible for full participation in the San Joaquin Valley disadvantaged communities pilot projects, including fully subsidized appliances. This modification is based on updated eligibility projections for the California Alternate Rates for Energy (CARE) program for residents of these communities that indicate that greater than 75 percent of the residents in each of these communities are likely to be eligible for CARE subsidies. In addition, this decision authorizes Pacific Gas and Electric Company and Southern California Edison Company to each implement a two-way balancing account to track incremental costs of implementing the bill protection and transitional community solar discount mechanisms adopted in Resolution E-5034. The PFM's request regarding the $5,000 per home remediation cap adopted in D.18-12-015 is without merit and is denied.

This proceeding is closed.

1. Procedural History and Background

On December 13, 2019, the Center for Race, Poverty & the Environment, Self-Help Enterprises and the Leadership Counsel for Justice and Accountability (collectively the Pilot Team) filed a *Petition to Modify Decision 18-12-015 Approving San Joaquin Valley Disadvantaged Communities Pilots Projects* (PFM). Decision (D.) 18-12-015 adopts pilot projects in 11 communities in the San Joaquin Valley

(SJV) to test technologies and approaches for possible scaling to all SJV disadvantaged communities (DACs), if economically feasible, and to implement energy options for these communities as required under Public Utilities Code Section 783.5.[1] Many homes in SJV DACs lack access to natural gas.

The Pilot Team's PFM requests two modifications to D.18-12-015. First, it recommends removing the income threshold eligibility criteria for pilot project participants in the communities of Allensworth, Alpaugh, Fairmead and Le Grand. Second, it recommends modifying the $5,000 per household cap on remediation costs for substandard housing and to make this a community-level rather than a per-household level cap.

On December 19, 2019 the Commission adopted Resolution E-5034 approving a bill protection mechanism and a transitional community solar discount (TCSD) for implementation as part of the electrification pilot projects adopted in D.18-12-015. The resolution suggested that Rulemaking (R.) 15-03-010 should consider the additional costs to implement the approved bill protection mechanism and the TCSD in the service territories of PG&E and SCE in a separate decision.

On January 13, 2020, the Center for Accessible Technology (CforAT), the Public Advocates Office (Cal Advocates), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and Pacific Gas and Electric Company (PG&E) filed responses to the PFM.

On February 3, 2020, the assigned Administrative Law Judge (ALJ) issued a ruling requesting additional information and party comments on questions

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[1] Unless otherwise indicated, all references to code hereafter are to the Public Utilities Code.

relating to the PFM and to implementation of Resolution E-5034 (ALJ Ruling).[2] On February 18, 2020, PG&E, SoCalGas, SCE, Cal Advocates, CforAT, and the Pilot Team filed comments in response to the ALJ Ruling. PG&E, SCE, Cal Advocates and the Pilot Team filed reply comments on February 24, 2020.

As indicated in the December 6, 2017 Assigned Commissioner's Scoping Memorandum and Ruling, Phase II of this proceeding is categorized as ratesetting and ex parte communications are only permitted as described in Section 1701.3(h) and Article 8 of the Commission's Rules of Practice and Procedure.

2. Jurisdiction

Section 783.5 requires the Commission to initiate a proceeding to identify SJV DACs and to analyze the economic feasibility of extending natural gas or increasing subsidies for electricity in these communities, and other alternatives to increase affordable energy that the Commission deems appropriate. Section 451 requires the Commission to ensure that utility electricity rates are just and reasonable. Rule 16.4 of the Commission Rules of Practice and Procedure (Rules) governs petitions for modification.

3. Issues Before the Commission

This decision addresses the following issues:

1. Should the Commission modify D.18-12-015 to remove income eligibility requirements for the communities of Allensworth, Alpaugh, Fairmead and Le Grand?
2. Should the Commission modify D.18-12-015 to make the $5,000 per-household remediation cap adopted in that decision apply at the community level, on average?

[2] "Administrative Law Judge's Ruling Requesting Additional Information and Party Comments," February 3, 2020.

3. Should the Commission approve a funding mechanism for the bill protection and the TCSD mechanisms adopted in Resolution E-5034 and if so, what mechanism?

4. Income Eligibility Requirements for Allensworth, Alpaugh, Fairmead and Le Grand

In their responses, comments and replies, SCE, Cal Advocates and CforAT largely oppose modifications to the income eligibility criteria adopted in D.18-12-015. These parties argue that the requirements adopted in D.18-12-015 were reasonable, that the petitioning parties had not provided new facts or a compelling rational to demonstrate a need to modify them, and that doing so would delay implementation of the pilot projects. SoCalGas argues that income eligibility guidelines should be removed for California City if they are removed for Alpaugh, Allensworth, Fairmead, and Le Grand. PG&E does not object to removing the income eligibility guidelines but recommends that removing them should not be used as a precedent for other income qualifying programs.

This decision modifies D.18-12-015 to remove income eligibility requirements for the communities of Allensworth, Alpaugh, Fairmead and Le Grand and to state that all households in these communities may participate fully in the pilots, including having access to fully subsidized appliances. This modification is based on updated projections of the percentage of households in these communities that are likely to be eligible for the California Alternate Rates for Energy (CARE) program, filed by PG&E on February 18, 2020.

Our decision to modify the income eligibility requirements adopted in D.18-12-015 for the communities of Allensworth, Alpaugh, Fairmead and Le Grand rests on the following factors. First, does the PFM comport with Rule 16.4 requirements? Second, has any new data been presented that demonstrates these communities meet the same threshold for CARE eligibility (above 75 percent) as the other pilot communities that are not required to meet income eligibility requirements? Third, is it reasonable to remove the income eligibility requirements adopted in D.18-12-015 for the communities of Allensworth, Alpaugh, Fairmead and Le Grand based on updated projections that 75 percent of households in these communities are CARE-eligible?

The PFM states that the adoption of income eligibility requirements in the communities of Allensworth, Alpaugh, Fairmead and Le Grand is based on "flawed data." The Pilot Team states that "the projection of CARE eligibility is based on information provided by the [investor-owned utilities] IOUs and included in D.18-12-015. However, Table 1 does not show the source of that data. The Pilot Team understands that such data was derived from a consultant group, Athens Research, but cannot locate that underlying data in the record."[3] The Pilot Team's PFM asserts that there is insufficient record to determine what went into the "black box" of the eligibility calculations, including whether these were based on census data, participation levels in the Family Electric Rate Assistance (FERA) program, or some other source of information.

As a first threshold, we find that the PFM meets the requirement of Rule 16.4(b) that, "factual allegations must be supported with specific citations to the record."[4] Some parties assert that the PFM did not comport with Rule 16.4 because it did not include a declaration or affidavit supporting allegations of new or changed facts. We disagree. The PFM points to statements of fact in D.18-12-015 and asserts that these facts are unsupported in the record. We

[3] Pilot Team, "Petition to Modify Decision 18-12-015 Approving San Joaquin Valley Disadvantaged Communities Pilot Projects," December 13, 2019 at 5.

[4] Rules (April 1, 2018 version), available here: https://www.cpuc.ca.gov/General.aspx?id=1620.

concur. There is little to no information in the record regarding the source data or methodology used by PG&E and the other IOUs to develop the estimates of CARE eligibility included in Table 1 of D.18-12-015. Therefore, we agree that these projected CARE levels could be inaccurate, and it is appropriate for the Commission to consider the PFM on this basis alone.

Indeed, PG&E essentially confirms that the CARE eligibility rates for the communities of Allensworth, Alpaugh, Fairmead and Le Grand included in Table 1 of D.18-12-015 are inaccurate in its February 18, 2020 comments on the ALJ Ruling. PG&E does not explain or defend the methodology behind the CARE eligibility estimates contained in Table 1 of D.18-12-015.[5] Rather, PG&E's February 18, 2020 comments assert that using its current CARE propensity model, PG&E now estimates that over 75 percent of households in Allensworth, Alpaugh, Fairmead and Le Grand are likely to be CARE-eligible, as summarized here:[6]

- Allensworth 93 percent
- Alpaugh 88 percent
- Fairmead 79 percent
- Le Grand 85 percent

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[5] PG&E, "Opening Comments to the ALJ Ruling Requesting Additional Information and Party Comments," February 18, 2020 at 10-11; PG&E, "Comments on Proposed Decision Approving Disadvantaged Communities Pilot Projects," November 29, 2018 at 13-14 and Appendix A at 1; D.18-12-015 at 64-65 indicates that the final decision updated Table 1 based on revised CARE eligibility information provided by PG&E in its October 8, 2018 Amended Updated Proposals. However, a review of PG&E's Amended Updated Proposals does not shed light on the data source or methods PG&E used to project pilot household CARE eligibility rates; PG&E, "Amended Updated Proposals for Pilot Projects in Designated Disadvantaged Communities in the San Joaquin Valley," October 8, 2018 at Attachment A-20.

[6] PG&E, "Opening Comments to the ALJ Ruling Requesting Additional Information and Party Comments," February 18, 2020 at 10-11.

PG&E explains that its CARE propensity model uses over 20 variables for which PG&E has data for most customers to score individual customers on the likelihood that they are CARE-eligible. PG&E used this method to identify likely CARE-eligible customers in hot climate zones to exclude them from the time-of-use transition pilot.[7] Using this same approach for the communities of Allensworth, Alpaugh, Fairmead and Le Grand, PG&E produces the scores summarized above. Based on this, PG&E recommends removing the pilot income qualification requirement for these communities without the need for further data or customer research.[8]

We believe that PG&E's provision of updated estimates that demonstrate the propensity for CARE-eligibility in the communities of Allensworth, Alpaugh, Fairmead and Le Grand warrants modifying D.18-12-015 to classify these four communities as likely having CARE-eligibility rates exceeding 75 percent and as therefore not subject to income eligibility requirements to determine household eligibility for fully-subsidized appliances. We cannot determine a data source or method for the CARE-eligibility figures provided by PG&E in their November 29, 2018 comments on the proposed decision for D.18-12-015.[9] However, it is reasonable to rely on PG&E's CARE propensity model to determine the likelihood of CARE-eligibility for households in the communities of Allensworth, Alpaugh, Fairmead and Le Grand. No party objected to PG&E's updated estimates that demonstrate the propensity for CARE-eligibility in the four communities in reply comments to the ALJ Ruling.

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[7] *Ibid. See also* D.17-09-036 at 22.

[8] *Id*. at 11.

[9] PG&E, "Opening Comments on Proposed Decision Approving Disadvantaged Community Pilot Projects," November 29, 2018 at 13-14 and Appendix A-1.

D.18-12-015 did not adopt income eligibility requirements for Cantua Creek, Ducor, Lanare, La Vina, Seville, and West Goshen, but rather states that all households in these communities may participate in the pilot and receive fully-subsidized appliance upgrades.[10] The best CARE eligibility estimates that we have on the record for Allensworth, Alpaugh, Fairmead, Le Grand, Cantua Creek, Ducor, Lanare, La Vina, Seville, and West Goshen indicate that all 10 of these communities exceed 75 percent of households as likely CARE-eligible. To treat these communities equally, it is reasonable that the communities of Allensworth, Alpaugh, Fairmead and Le Grand are also not subject to income eligibility requirements for purposes of the SJV DAC pilot projects.

We do not extend this revised CARE-eligibility status also to California City. California City has over 5,200 households, and the pilot project approved in D.18-12-015 for California City only provides funding for 100 households to electrify and 224 households to have natural gas feeder lines extended to them. D.18-12-015 appropriately applies income thresholds to determine household eligibility for full appliance subsidies in California City and this decision does not change this, as this remains a reasonable approach.

Based on this, we approve this portion of the PFM and direct the following:

a. Ordering Paragraph 14 is revised as follows: "We direct Southern California Edison Company and ~~Pacific Gas and Electric,~~ Southern California Gas Company ~~and the third-party pilot administrator/implementer~~ to use an income eligibility threshold of 400 percent of federal poverty guidelines to determine a household's eligibility to receive appliance retrofits in the community~~ies~~ of California City~~,~~

[10] D.18-12-015 at 73.

~~Allensworth, Alpaugh, Fairmead and Le Grand~~, as approved in this decision, and to prioritize appliance retrofits to households meeting California Alternate Rate for Energy income eligibility thresholds ~~in all communities~~."

b. Table 1 on page 14 of D.18-12-015 is revised as follows:

Table 1: Summary of Pilot Communities

Community	Average Annual Income	Percent CARE Eligible[11]	Total Households	Unserved Households
Allensworth	$29,091	~~68%~~ 93%	116	106
Alpaugh	$38,750	~~68%~~ 88%	225	46
California City	$48,776	90%	5,254	1,110
Cantua Creek	$32,368	75%	119	106
Ducor	$29,313	96%[12]	222	222
Fairmead	$31,773	~~60%~~ 79%	401	253
Lanare	$26,023	79%	150	17
Le Grand	$41,776	~~66%~~ 85%	502	502
La Vina	$23,000	95%	165	84
Monterey Park Tract (MPT)	$30,000	25%+[13]	53	53
Seville	$23,000	77%	122	104
West Goshen	$20,700	100%	127	127
Totals			**7,381**	**2,667**

*Note: MPT is included in this table for informational purposes only.

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11 Final estimates of unserved households have been updated to reflect the IOUs and the CEP Team's October, 2018 Revised Proposals, ~~and~~ the Pilot Team's November 29, 2018, "Comments on Proposed Decision," and likely CARE eligibility estimates provided by PG&E on February 18, 2020.

12 SCE, "Updated Pilot Proposal," September 10, 2018. The CEP Team's estimate for both West Goshen and Ducor was 84 percent.

13 D.18-08-019.

c. The following sentence on page 12 of D.18-12-015 is modified as follows "Approximately eighty-five percent or more of households across the communities qualify for the California Alternative Rates for Energy program (CARE).[14]

d. The following paragraph on pages 72-73 of D.18-12-015 is modified as follows: "Therefore, we ~~believe that a multi-pronged approach to the eligibility question is reasonable. We make several changes in response to party comments on the PD (see Section 19). First, we~~ decline to adopt any income eligibility requirements for all ~~but the four communities projected to have between 60% - 74% CARE-eligible households, and for~~ but the larger community of California City, where not all households lacking natural gas will be served. Access to fully-subsidized appliances in ~~the pilots in Allensworth, Alpaugh,~~ California City~~, Fairmead and Le Grand~~ will be limited to households with incomes of up to 400% of FPG. This approach matches that in place for PG&E's MIDI program, as set forth in the CEP Team's pilot proposal, and is reasonable. For all other communities, (Allensworth, Alpaugh, Fairmead, Le Grand, Cantua Creek, Ducor, Lanare, La Vina, Seville, and West Goshen), all households may participate in the pilot and receive fully-subsidized appliance upgrades."

e. The following paragraph on page 74 is modified as follows: "Fifth, for the community~~ies~~ of ~~Allensworth, Alpaugh,~~ California City, ~~Fairmead and Le Grand~~ it is appropriate that the pilot directs funds to the most vulnerable households ~~in these communities~~. Pilot participation in this~~ese~~ community~~ies~~ is limited to households with incomes of up to 400% of FPG, as mentioned. We direct pilot implementers in this~~ese five~~ community~~ies~~ to prioritize retrofitting households with income levels up to 250% FPG, should there be a larger number of households wishing to participate. The intent of these steps is to

[14] Weighted average based on PG&E's October 8, 2018 CARE eligibility projections. Unweighted average is approximately seventy-nine percent.

ensure that the pilots serve the most vulnerable households in all communities. As stated above, households in all communities may self-certify their incomes using standard ESA forms or similar."

f. The following paragraph on page 71 is modified as follows: "In comments on the November 9, 2018 proposed decision, PG&E noted that Table 1 included in the PD had incorrect CARE eligibility rates and that it had filed revised estimated CARE eligibility rates in its October 8, 2018 Revised Proposal. PG&E provided further updated information on likely CARE eligibility for the communities of Allensworth, Alpaugh, Fairmead and Le Grand in February 18, 2020 comments in reply to the ALJ Ruling."

g. The following sentence on pages 71-72 is modified as follows: "Projections contained in the revised version of Table 1 reflecting PG&E's February 18, 2020 and October 8, 2018 updates indicates that ~~four~~ five communities are projected to exceed 90% CARE eligibility and ~~three~~ six communities to likely to have between 75% - 89% CARE eligibility~~, and four to have between 60% and 74% CARE eligibility~~."

We also observe that the modifications approved in this decision will not increase the SJV DAC pilot project budget beyond that approved in D.18-12-015. This is due to an error in D.18-12-015 that we have discovered as a result of this PFM. When adopting income eligibility requirements for the communities of Allensworth, Alpaugh, Fairmead and Le Grand in the final decision, D.18-12-015 did not also correspondingly decrease the budgets approved in Table 25 of that decision to reflect the likely reduction in household participation in the pilot in these four communities. In other words, D.18-12-015 inadvertently adopted budgets sufficient to fund fully subsidized appliances in all households in Allensworth, Alpaugh, Fairmead and Le Grand. Therefore, this decision does not modify the budget adopted in D.18-12-015 to reflect removal of income eligibility requirements for the communities of Allensworth, Alpaugh, Fairmead and Le Grand.

We direct PG&E and the third-party Program Administrator/Program Implementer to ensure that their Implementation Plan advice letters (PG&E AL 5498-E-A and RHA AL 1-E-A) reflect the modifications adopted in this section no later than 30 days from Commission adoption of this decision.[15]

5. Household Remediation Cap

The Pilot Team's PFM states the following as justification for its proposal that the Commission modify the $5,000 per household cap on remediation costs adopted in D.18-12-015 and instead apply the cap as an average at the community level: "the $5,000 per household remediation cap is too rigid, could disadvantage the most vulnerable households, and could also decrease pilot project participation."[16]

Pilot Team's PFM does not provide new facts nor a compelling new justification for the Commission to reconsider the $5,000 per household cap adopted in D.18-12-015, which specifically considered and rejected a community-wide cap on remediation spending, as follows:

> In PD comments, PG&E and SoCalGas requested that the Commission adopt a community cap on remediation budgets as opposed to a household cap.[17] While we appreciate the desire to serve the most vulnerable households expressed in this request, we decline to make this change. An important learning of the pilot will

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[15] Richard Heath & Associates (RHA) is the third-party Program Administrator/Program Implementer for the SJV DAC pilots.

[16] Pilot Team, "Petition to Modify Decision 18-12-015 Approving San Joaquin Valley Disadvantaged Communities Pilot Projects," December 13, 2019 at 8.

[17] PG&E, "Comments on Proposed Decision," November 29, 2018 at 7; SoCalGas, "Comments on Proposed Decision," November 29, 2018 at 12.

> be if our reasonable, adopted household cap on remediation costs of $5,000 results in exclusion from the pilot of a significant number of homes. If found to be true, the Commission may need to step back and take a fuller account of additional options to fulfill the mandate of AB 2672 in Phase III. We also wish to accelerate and make continuous learning in this area as much as possible. Therefore, we adopt an additional reporting requirement for pilot PAs. We direct PAs to include in the quarterly data reports required in Section 11.2 information on remediation costs and needs in the pilot community households. PAs shall work with Commission staff to scope the appropriate information to include in these reports. Our aim with this requirement is to assist the Commission in better understanding the remediation needs in the pilot communities, and, by inference, in the SJV DACs as a whole, in a timely basis.
>
> We also direct the [Community Energy Navigator] (CEN) Program Manager and the PAs to thoroughly research and seek to coordinate household and pilot community application for grants and other non-ratepayer funding sources to support remediation of homes in the pilot communities. The CEN Program Manager and PAs will provide more detailed information on non-ratepayer funded remediation funding opportunities in the quarterly reports directed above.[18]

Therefore, the PFM's request regarding the $5,000 per home remediation cap adopted in D.18-12-015 is without merit and is denied.

6. Recovery of Bill Protection and TCSD Mechanism Costs

6.1. Background

D.18-12-015 directs PG&E, SCE and SoCalGas to file advice letters detailing their approach to ensuring energy cost savings for San Joaquin Valley pilot participants through a bill protection mechanism.[19] D.18-12-015 states that a budget of $500 for bill credits per household shall be used as a "starting point"

[18] D.18-12-015 at 99.

[19] D.18-12-015 Ordering Paragraph (OP) 15(d).

for the bill protection mechanism, with cost recovery authorized up to that amount.[20] Implementing this direction, on March 18, 2019 PG&E filed advice letter 5496-E, SCE filed advice letter 3970-E, and SoCalGas filed advice letter 5439-G 3.

Resolution E-5034 approves the bill protection mechanisms proposed in the three advice letters with modifications, including directing that PG&E and SCE establish a TCSD for an interim period. Resolution E-5034 intends for the TCSD to provide interim bill discounts to pilot participants if the 20 percent bill discounts authorized in D.18-12-015 to be delivered through the Community Solar Green Tariff (CSGT) or DAC Green Tariff (DAG-GT) are not available at the time the participant receives her first monthly bill protection discount or the household is not eligible.[21] Resolution E-5034 estimates the total costs of the approved bill protection mechanism as exceeding the $886,500 budget adopted in D.18-12-015, based on estimated costs of $500 per household, by between $3.7 million and $11.3 million.[22] Resolution E-5034 does not estimate the costs of the TCSD and instead recommends that the Commission seek party input in R.15-03-010 on TCSD costs.

Resolution E-5034 recommends that the Commission modify D.18-12-015 to allow PG&E and SCE to recover the costs associated with the adopted TCSD and bill protection mechanisms.[23] The resolution also directs PG&E and SCE to have in place a system to provide pilot participant bill protection discounts by no

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[20] D.18-12-015 at 79-80.

[21] Resolution E-5034, OP 7.

[22] Resolution E-5034 at 33, Table 5.

[23] Resolution E-5034, Findings of Fact (FOF) 57-58.

later than May 1, 2020.[24] Resolution E-5034 notes that the percentage-based bill discount mechanism and the TCSD it adopts does not set precedent for Phase III of R.15-03-010 or future electrification efforts in other proceedings.[25]

The ALJ Ruling asked parties if the Commission should direct PG&E and SCE to create memorandum accounts to separately track the incremental costs of implementing the bill protection mechanism and the TCSD approved in Resolution E-5034 for SJV pilot projects located in PG&E and SCE service territories.

6.2. Party Comments

In comments in response to the assigned ALJ Ruling, CforAT and Cal Advocates support cost recovery by PG&E and SCE for the incremental bill protection and TCSD mechanism costs via memorandum accounts. The Pilot Team advocates use of a two-way balancing account. The Pilot Team observes that a Public Purpose Program (PPP) surcharge via a two-way balancing account is a better way to track the additional bill protection and TCSD mechanism costs as this builds on the authorizations for a similar cost recovery approach already adopted in D.18-12-015.[26]

In their comments, PG&E and SCE do not support creation of a memorandum account to track the incremental expenses and instead recommend that the Commission take a two-pronged approach and authorize PG&E and SCE to: (1) use their existing one-way SJV DAC balancing accounts to track the

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[24] *Id*. at 29, 54.

[25] *Id* at Finding 69.

[26] D.18-12-015 authorized establishment of one-way SJV DAC balancing accounts. SCE submitted advice letter 3946-E-B on July 12, 2019 and the Commission approved this via disposition letter on July 22, 2019. PG&E submitted advice letter 4061-G-A/5471-E-A on April 19, 2019 and the Commission approved this via disposition letter on May 6, 2019.

immediate incremental administrative and information technology (IT) costs of the bill protection and TCSD mechanisms; and (2) establish new two-way balancing accounts to track the bulk of the incremental bill protection and TCSD costs.

PG&E states that it estimates its incremental costs to implement the bill protection mechanism as between $5.5 million and $7.0 million, and the TCSD as between $975,000 to $3.4 million, resulting in between $6.4 million and $10.4 million in incremental costs to implement both mechanisms.[27] PG&E reports that its estimated bill protection mechanism incremental costs include approximately $2.3 million in administrative and IT costs and approximately $3.1 million to $4.7 million in bill credit costs.[28] PG&E asserts that it must quickly implement these mechanisms if it is to meet the May 1, 2020 deadline for them adopted in Resolution E-5034. For these reasons, PG&E proposes that the Commission:

a. Adopt separate incremental cost estimates for PG&E and SCE to implement the bill protection and TCSD mechanisms adopted in Resolution E-5034;

b. Approve a new two-way balancing account to allow PG&E to track and recover the incremental cost of the bill protection and the TCSD mechanisms;

[27] PG&E, "Opening Comments to ALJ Ruling Requesting Additional Information and Party Comments," February 18, 2020, Table 1 at 4, 9, 16, and Table 2 at 17; PG&E at 16 estimates the number of SJV DAC pilot households that cannot be covered by DAC-GT due to income ineligibility is between 200 to 500.

[28] PG&E, "Opening Comments to ALJ Ruling Requesting Additional Information and Party Comments," February 18, 2020, Table 1 at 4, and at 9; PG&E Opening Comments at 3 states that the $2.3 million in incremental administrative and IT costs result from implementation of a temporary manual percentage discount for two years and an automated percentage discount for 11 years, in addition to the cost of a three-year pre-calculated credit consistent with the budgets adopted in D.18-12- 015.

c. Allow administrative and IT costs associated with implementing Resolution E-5034 to be recovered under PG&E's current SJV DAC one-way balancing account until the new two-balancing account is established; and

d. Modify D.18-12-015 to designate bill protection and TCSD administrative and IT costs as separate from costs subject to the 20 percent cap on administrative, Marketing Education and Outreach (ME&O) and Evaluation Measurement & Verification (EM&V) adopted in that decision.[29]

In making its request to establish a new two-way balancing account, PG&E discusses the uncertainties inherent in its incremental cost estimates, including the amount of customer's energy bills, the bill protection mechanism duration, the timing and likelihood of a step-down from 20 percent to 10 percent, and the costs related to the TCSD. For this reason, and consistent with how other percentage-based discounts are treated, PG&E recommends that the Commission adopt a two-way rather than a one-way balancing account to limit potential interruptions to the SJV DAC pilots caused by reaching a cost cap.

SCE supports PG&E's proposal in reply comments. SCE estimates that it will incur $1,545,000 in incremental costs to implement the bill protection mechanism and an additional $1,365,000 to implement the TCSD.[30] SCE states that some of these costs relate to its plans to automate implementation of the bill protection and TCSD mechanisms but does not provide specific cost estimates.[31]

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[29] D.18-12-015 at Ordering Paragraph 15(a).

[30] SCE, "Comments on ALJ Ruling Requesting Additional Information and Party Comments," February 18, 2020 at 10.

[31] *Id*. at 5.

6.3. Discussion

We adopt PG&E's suggested method to account for incremental costs stemming from implementation of the bill protection and TCSD mechanisms adopted in Resolution E-5034. The two-pronged method of authorizing PG&E and SCE to track immediate costs to implement the mechanisms in their existing SJV DAC one-way balancing accounts and then transitioning the cost accounting to a two-way balancing account as soon as this is in place allows the utilities to meet the May 1, 2020 timeline adopted in Resolution E-5034 and accommodates uncertainties in the actual costs over time. As directed in D.18-12-015, PG&E and SCE shall continue to strive to minimize bill protection costs as feasible.[32]

PG&E's other suggestions are reasonable and are adopted as well. Specifically, we:

a. Adopt separate incremental cost estimates for PG&E and SCE to implement the bill protection mechanism and the TCSD adopted in Resolution E-5034 as summarized below:

Table A: PG&E and SCE Estimated Incremental Costs for Bill Protection and TCSD Mechanisms

<table>
<tr><th rowspan="2"></th><th colspan="2">PG&E</th><th rowspan="2">SCE</th></tr>
<tr><th>Low</th><th>High</th></tr>
<tr><td>Incremental Bill Protection Discount Costs</td><td>$3,129,000</td><td>$4,690,000</td><td rowspan="4">$1,545,000</td></tr>
<tr><td>Incremental Bill Protection IT Costs</td><td>$1,700,000</td><td>$1,700,000</td></tr>
<tr><td>Incremental Bill Protection Administration Costs</td><td>$629,000</td><td>$629,000</td></tr>
<tr><td>Total Incremental Bill Protection Costs</td><td>$5,458,000</td><td>$7,019,000</td></tr>
<tr><td>Incremental TCSD Discount Costs</td><td>$600,000</td><td>$3,000,000</td><td rowspan="3">$1,365,000</td></tr>
<tr><td>Incremental TCSD IT Costs</td><td>$375,000</td><td>$375,000</td></tr>
<tr><td>Total Incremental TCSD Costs</td><td>$975,000</td><td>$3,375,000</td></tr>
<tr><td>Total Incremental Costs: Bill Protection and TCSD</td><td>$6,433,000</td><td>$10,394,000</td><td>$2,910,000</td></tr>
</table>

[32] D.18-12-015 at 80.

b. Authorize PG&E and SCE to recover administrative and IT costs associated with implementing Resolution E-5034 in each utility's current SJV DAC one-way balancing account until the two-way balancing accounts authorized in this decision are established;

c. Approve a new two-way balancing account for PG&E and SCE to track and recover the remaining incremental costs of the bill discount and TCSD mechanisms adopted in Resolution E-5034; and,

d. Modify D.18-12-015 to designate bill protection and TCSD administrative and IT costs as separate from costs subject to the 20 percent cap on administrative, ME&O and EM&V adopted in that decision.[33]

We do not adopt a strict end-date for the two-way balancing accounts as the specific time period over which the bill mechanism will provide bill discounts is linked to the timing of appliance installations as part of the pilot, which is somewhat uncertain. However, we require PG&E and SCE to close entries into the approved two-way balancing accounts when they conclude providing bill credits for the last customer served via appliance installation as part of the pilots.

Authorizing establishment of two-way balancing accounts for these incremental pilot costs is superior to establishing a memorandum account for the purpose of tracking and recovering these incremental costs because the costs will be directly incurred as a result of Commission requirements for the SJV DAC pilots. Use of a two-way balancing account builds on the one-way balancing account previously approved in D.18-12-015, for which the Commission has already authorized recovery via PPP charges. Nonetheless, PG&E and SCE must justify and document the incremental costs incurred to implement the bill

[33] D.18-12-015 at 80.

protection and TCSD mechanisms and these costs shall undergo review for reasonableness as part of each utility's Energy Resource Recovery Account (ERRA) review.

We note that the combined estimated incremental costs for PG&E and SCE to implement the bill protection and the TCSD mechanisms approved in Resolution E-5034 are between $9.3 million to $13.3 million. This results in an increase in the total estimated costs of the pilot to between $65.8 million and $69.7 million, or between $34,773 and $36,868 per household, on average.

We direct PG&E and SCE to each submit a Tier 2 advice letter establishing an SJV DAC Bill Protection and TCSD Mechanism two-way balancing account no later than 30 days from adoption of this decision.

7. Comments on Proposed Decision

The proposed decision of Administrative Law Judge Fogel 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 March 30, 2020 by PG&E and the Pilot Team. No reply comments were filed.

PG&E's comments clarify that its CARE propensity model predicts the likelihood of household CARE eligibility not actual eligibility. PG&E confirms that its CARE propensity data is nonetheless the best model to use because it aggregates more accurate data at a more granular level than similar models. We modify the final decision to reflect these points.

PG&E also requests that the final decision require the third-party Program Administrator/Program Implementer to submit a Tier 1 advice letter to update pilot community implementation plans, in addition to PG&E, as a third-party entity administers the pilot in the communities of Alpaugh, Fairmead, and Le

Grand. However, Commission staff have informed us that implementation plan updates can occur via substitution sheets to previously submitted Implementation Plan advice letters (PG&E AL 5498-E-A and RHA AL 1-E-A). The final decision has been modified to reflect this circumstance and PG&E's recommendation.

The Pilot Team's comments request additional time to investigate actual remediation costs in the pilot communities. The Pilot Team requests that the final decision modify D.18-12-015 to indicate that the Commission may consider "course correction" to the $5,000 per household cap on remediation costs during the course of the pilot, not only during Phase III, if actual remediation costs warrant this. The Pilot Team cites D.14-03-021 as a precedent and model for its preferred approach. D.14-03-021 adopts a pilot project to encourage mobile home parks and manufactured housing communities (collectively MHPs) to transfer from master-meter/submeter systems to direct utility service. The Pilot Team observes that D.14-03-021 did not cap "behind-the-meter" costs and that the same approach is warranted with the SJV DAC pilots.

We do not see D.14-03-021 as a model for our approach to the SJV DAC pilots for several reasons. First, the Commission initiated R.11-02-018 and developed D.14-03-021 in response to state policy disfavoring master-meter/submeter systems and documented gas leaks and other safety concerns.[34] Although CalEnviroScreen identifies disadvantaged communities in the SJV in part in relation to the pollution burden they experience and Section 783.5 acknowledges that improving access to affordable energy within SJV DAC communities can improve the health and safety of residents, no immediate safety

[34] D.14-02-013 at Finding of Fact 6, Conclusion of Law 1, Ordering Paragraph 1 and page 34.

or fire hazards from propane or wood use have been documented in R.15-03-010, to our knowledge. Second, "behind the meter" costs as defined in D.14-03-021 refer to the installation of infrastructure and wiring necessary to connect from an individual customer electric meter pedestal or gas riser "to the *point of connection on the mobile home*," not to internal wiring or structural reinforcements within a mobile or manufactured home.[35] Thus, the circumstances surrounding the pilots differ substantially.

Additionally, we concur with the spirit of former Commission President Michael Picker's dissent to D.18-12-015, which emphasizes the risks of the Commission delving into "housing policy" through the design of the SVC DAC pilots.[36] We have been careful in D.18-12-015 to limit this risk as much as possible while still providing for sufficient budgets in necessary cost categories. D.18-12-015 stresses, for instance, that the $5,000 per household remediation cost cap excludes costs addressing household electrical-system readiness for the installation of electric appliances or gas appliance safety concerns. D.18-12-015 states that the Commission directs PAs to "limit remediation activities or structural repairs to minor or moderately impaired homes and to cap remediation spending for structural repairs at $5,000 per home (*excluding funds used for electric panel upgrades, rewiring or to address combustion appliance safety requirements*)."[37]

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[35] D.14-03-021 at 21, emphasis added.

[36] *See* "Dissent of President Michael Picker on Item 28 on the Commission Voting Meeting Agenda on December 13, 2018, Decision Approving San Joaquin Valley Disadvantaged Communities Pilot Projects," attached to D.18-12-015.

[37] D.18-12-015 at 98-99, emphasis added.

Finally, D.18-12-015 recognizes that the Commission lacks good information on the issue of substandard housing and remediation costs for pilot homes and that additional information is needed. D.18-12-015 requires quarterly filings by the pilot PAs on this topic and observes that a workshop to further explore the issue may be helpful. Additionally, as discussed in section 5, the quarterly PA filings documenting remediation costs and challenges can include the results of the CEN Program Manager and PA research on non-ratepayer funding sources for remediation costs.

These steps are sufficient in our view to appropriately cap remediation costs, provide for necessary upgrades to address electric systems within pilot homes and to consider actual remediation cost information in this proceeding as it becomes available. We make no modifications to the final decision based on the Pilot Team's comments.

8. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Cathleen A. Fogel is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. D.18-12-015 authorized 11 pilot projects in the SJV DAC communities of Allensworth, Alpaugh, Cantua Creek, Ducor, Fairmead, Lanare, Le Grand, La Vina, Seville, California City, and West Goshen.

2. D.18-12-015 adopted income eligibility requirements for households to participate in the pilot in the communities of Allensworth, Alpaugh, Fairmead and Le Grand based on information estimating that less than 75 percent of households in those communities were CARE-eligible.

3. The data source and methods used to develop the estimates in D.18-12-015 that less than 75 percent of households in the communities Allensworth, Alpaugh, Fairmead and Le Grand are CARE-eligible are unclear.

4. The Pilot Team filed a PFM on December 13, 2019 requesting that the Commission remove income eligibility requirements for the communities of Allensworth, Alpaugh, Fairmead and Le Grand and requesting that the Commission modify the $5,000 per household cap on remediation expenses adopted in D.18-12-015 to make it a community-wide cap that applies on average to each pilot community.

5. Regarding income eligibility requirements, the PFM conforms with the requirement of Rule 16.4(b) that factual allegations must be supported with specific citations to the record or to matters officially noticed.

6. In February 2020, PG&E filed updated estimates of the percent of households likely to be CARE-eligible in the communities of Allensworth, Alpaugh, Fairmead and Le Grand based on PG&E's CARE propensity model.

7. Using its CARE propensity model, PG&E provided updated estimates in February 2020 that over 75 percent of households in each of the communities of Allensworth, Alpaugh, Fairmead and Le Grand are likely to be CARE-eligible.

8. It is reasonable to rely on PG&E's CARE propensity model to determine possible CARE-eligibility rates for households in the communities of Allensworth, Alpaugh, Fairmead and Le Grand because this model relies on over 20 data points and data that PG&E has for most of its customers.

9. Because the best CARE eligibility estimates on the record for Allensworth, Alpaugh, Fairmead, Le Grand, Cantua Creek, Ducor, Lanare, La Vina, Seville, and West Goshen indicate that all 10 of these communities exceed the threshold of 75 percent of households as CARE-eligible, these communities should be

treated equally by not excluding households with annual incomes exceeding 400 percent of Federal Poverty Guidelines (FPG) from receiving fully-subsidized appliances as part of the pilot.

10. Modifying D.18-12-015 as indicated in section 3 of this decision removes the income eligibility requirement for the communities of Allensworth, Alpaugh, Fairmead and Le Grand.

11. Removing the income eligibility requirement for the communities of Allensworth, Alpaugh, Fairmead and Le Grand does not increase the SJV DAC pilot project budget beyond that approved in D.18-12-015 due to an inadvertent error in D.18-12-015.

12. The Pilot Team's PFM does not provide new facts nor a compelling new justification for the Commission to modify the $5,000 per household cap adopted in D.18-12-015 to make it a community-wide cap.

13. Resolution E-5034 approves the bill protection mechanism proposed in PG&E advice letter 5496-E, SCE advice letter 3970-E, and SoCalGas advice letter 5439-G 3 and directs PG&E and SCE to establish a TCSD.

14. Resolution E-5034 estimates the total costs of the approved bill protection mechanism to exceed the $886,500 budget adopted in D.18-12-015 for bill protection by between $3.7 million to $11.3 million.

15. Resolution E-5034 does not estimate the cost of the TCSD and instead recommends that the Commission seek party input in R.15-03-010 on this topic.

16. Resolution E-5034 recommends that the Commission modify D.18-12-015 to allow PG&E and SCE to recover the costs associated with the adopted TCSD and bill protection mechanism.

17. Resolution E-5034 directs PG&E and SCE to have in place a system to provide pilot participant bill protection discounts by no later than May 1, 2020.

18. PG&E estimates the incremental costs it will incur to implement the bill protection mechanism as between $5.5 million and $7.0 million and to implement the TCSD as between $975,000 to $3.4 million, for a total of between $6.4 million to $10.4 million in incremental costs to implement both mechanisms.

19. SCE estimates that it will incur $1.5 million in incremental costs to implement the bill protection mechanism and an additional $1.4 million in incremental costs to implement the TCSD for a total of $2.9 million in incremental costs to implement both mechanisms.

20. The combined estimated incremental costs for PG&E and SCE to implement the bill protection and the TCSD mechanisms approved in Resolution E-5034 are between $9.3 million and $13.3 million. This results in an increase in the total estimated costs of the pilot to between $65.8 million and $69.7 million, or between $34,773 and $36,868 per household, on average.

21. A two-pronged approach that authorizes PG&E and SCE to immediately track costs to implement the bill protection and TCSD mechanism approved in Resolution E-5034 in their existing SJV DAC one-way balancing accounts and to then transition to a two-way balancing account allows the utilities to have in place a system to provide bill protection credits by May 1, 2020 as required in Resolution E-5034 and accommodates uncertainties in the actual mechanism costs over time.

22. Requiring PG&E and SCE to close entries in the two-way balancing accounts authorized in this decision when they conclude providing bill credits for the last customer for whom an appliance was installed as part of the pilot is necessary due to the uncertainty of the last appliance installation date and the corresponding end to bill protection credits.

23. It is reasonable for PG&E and SCE to each track and recover the incremental costs of the bill protection and TCSD mechanisms authorized in Resolution E-5034 in a two-way balancing account and via PPP surcharges because these costs will be directly incurred as a result of Commission requirements for the SJV DAC pilots and this approach mirrors the one-way balancing account and PPP surcharge approach already authorized in D.18-12-015.

Conclusions of Law

1. The Commission should use PG&E's CARE propensity model to determine the likelihood of CARE-eligibility for households in the communities of Allensworth, Alpaugh, Fairmead and Le Grand.

2. The Commission should treat the communities of Allensworth, Alpaugh, Fairmead, Le Grand, Cantua Creek, Ducor, Lanare, La Vina, Seville, and West Goshen equally by not excluding households with annual incomes exceeding 400 percent of FPG from receiving fully-subsidized appliances as part of the pilot.

3. The Commission should modify D.18-12-015 as indicated in section 3 of this decision to remove the income eligibility requirement for the communities of Allensworth, Alpaugh, Fairmead and Le Grand.

4. The PFM's request to modify the $5,000 per home remediation cap adopted in D.18-12-015 is without merit.

5. The Commission should deny the PFM's request to modify the $5,000 per home remediation cap adopted in D.18-12-015.

6. The Commission should:

    a. Approve a new two-way balancing account for each of PG&E and SCE to track and recover the bulk of the incremental costs incurred from implementing the bill discount and TCSD mechanisms adopted in Resolution E-5034;

b. Authorize PG&E and SCE to recover administrative and IT costs associated with implementing Resolution E-5034 in each utility's current SJV DAC one-way balancing account until the two-way balancing accounts authorized in this decision are established;

c. Require PG&E and SCE to close entries to the two-way balancing accounts authorized in this decision when they conclude providing bill credits for their last customer served via appliance installation as part of the pilots;

d. Authorize PG&E and SCE to recover actual incremental bill protection and TCSD mechanism costs in an ERRA application as long as the utility justifies and documents the costs and they undergo a reasonableness review as part of ERRA review; and,

e. Modify D.18-12-015 to designate bill protection and TCSD administrative and IT costs as separate from costs subject to the 20 percent administrative, ME&O and EM&V cap in that decision.

7. The Commission should direct PG&E and SCE to each submit a Tier 2 advice letter establishing an SJV DAC Bill Protection and TCSD Mechanism two-way balancing account no later than 30 days from adoption of this decision.

8. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. Decision 18-12-015 is modified to remove the income eligibility requirement for the communities of Allensworth, Alpaugh, Fairmead and Le Grand as part of the San Joaquin Valley disadvantaged communities pilot project in the following manner:

a. Ordering Paragraph 14 is revised as follows: "We direct Southern California Edison Company and ~~Pacific Gas and Electric,~~ Southern

California Gas Company ~~and the third-party pilot administrator/implementer~~ to use an income eligibility threshold of 400 percent of federal poverty guidelines to determine a household's eligibility to receive appliance retrofits in the communityy~~ies~~ of California City~~, Allensworth, Alpaugh, Fairmead and Le Grand~~, as approved in this decision, and to prioritize appliance retrofits to households meeting California Alternate Rate for Energy income eligibility thresholds ~~in all communities~~."

b. Table 1 on page 14 of D.18-12-015 is modified:

Table 1: Summary of Pilot Communities

Community	**Average Annual Income**	**Percent CARE Eligible**	**Total Households**	**Unserved Households**
Allensworth	$29,091	~~68%~~ 93%	116	106
Alpaugh	$38,750	~~68%~~ 88%	225	46
California City	$48,776	90%	5,254	1,110
Cantua Creek	$32,368	75%	119	106
Ducor	$29,313	96%	222	222
Fairmead	$31,773	~~60%~~ 79%	401	253
Lanare	$26,023	79%	150	17
Le Grand	$41,776	~~66%~~ 85%	502	502
La Vina	$23,000	95%	165	84
Monterey Park Tract (MPT)	$30,000	25%+	53	53
Seville	$23,000	77%	122	104
West Goshen	$20,700	100%	127	127
Totals			**7,381**	**2,667**

*Note: MPT is included in this table for informational purposes only.

c. The sentence on page 12 of D.18-12-015 is modified:
"Approximately eighty-five percent or more of households

across the communities qualify for the California Alternative Rates for Energy program (CARE).[38]

d. The paragraph on pages 72-73 of D.18-12-015 is modified: "Therefore, we ~~believe that a multi-pronged approach to the eligibility question is reasonable. We make several changes in response to party comments on the PD (see Section 19). First, we~~ decline to adopt any income eligibility requirements for all ~~but the four communities projected to have between 60% - 74% CARE-eligible households, and for~~ but the larger community of California City, where not all households lacking natural gas will be served. Access to fully subsidized appliances in ~~the pilots in Allensworth, Alpaugh,~~ California City~~, Fairmead and Le Grand will be~~ is limited to households with incomes of up to 400% of FPG. This approach matches that in place for PG&E's MIDI program, as set forth in the CEP Team's pilot proposal, and is reasonable. For all other communities, (Allensworth, Alpaugh, Fairmead, Le Grand, Cantua Creek, Ducor, Lanare, La Vina, Seville, and West Goshen), all households may participate in the pilot and receive fully-subsidized appliance upgrades."

e. The paragraph on page 74 is modified: "Fifth, for the community~~ies~~ of ~~Allensworth, Alpaugh,~~ California City, ~~Fairmead and Le Grand~~ it is appropriate that the pilot directs funds to the most vulnerable households ~~in these communities~~. Pilot participation in this~~ese~~ community~~ies~~ is limited to households with incomes of up to 400% of FPG, as mentioned. We direct pilot implementers in this~~ese five~~ community~~ies~~ to prioritize retrofitting households with income levels up to 250% FPG, should there be a larger number of households wishing to participate. The intent of these steps is to ensure that the pilots serve the most vulnerable households in all communities. As stated above, households in all

[38] Weighted average based on PG&E's October 8, 2018 CARE eligibility projections. Unweighted average is approximately seventy-nine percent.

communities may self-certify their incomes using standard ESA forms or similar."

f. The paragraph on page 71 is modified: "In comments on the November 9, 2018 proposed decision, PG&E noted that Table 1 included in the PD had incorrect CARE eligibility rates and that it had filed revised estimated CARE eligibility rates in its October 8, 2018 Revised Proposal. PG&E provided further updated information regarding likely CARE eligibility rates for the communities of Allensworth, Alpaugh, Fairmead and Le Grand in February 18, 2020 comments in reply to the ALJ Ruling."

g. The following sentence on pages 71-72 is modified as follows: "Projections contained in the revised version of Table 1 reflecting PG&E's February 18, 2020 and October 8, 2018 updates indicates that ~~four~~ five communities are projected to exceed 90% CARE eligibility and ~~three~~ six communities are likely to have between 75% - 89% CARE eligibility.~~ and four to have between 60% and 74% CARE eligibility."~~

2. Pacific Gas and Electric Company and the third-party Program Administrator/Program Implementer shall each ensure that their Implementation Plan advice letters reflect the modifications adopted in this decision no later than 30 days from Commission adoption of this decision.

3. Pacific Gas and Electric Company and Southern California Edison Company shall each submit a Tier 2 advice letter no later than 30 days from Commission adoption of this decision establishing a two-way balancing account to track costs of the bill protection and transitional community solar discount mechanisms adopted in Resolution E-5034 and shall close entries to these accounts when they conclude providing bill credits for their last customer served via appliance installation as part of the San Joaquin Valley disadvantaged community pilots adopted in Decision 18-12-015.

4. Until the two-way balancing accounts directed in Ordering Paragraph Three have been established, Pacific Gas and Electric Company and Southern California Edison Company are authorized to recover administrative and information technology costs associated with implementing Resolution E-5034 in the one-way balancing accounts approved in Decision 18-12-015.

5. Ordering Paragraph 15(a) of Decision D.18-12-015 is modified as follows:

   "We direct Pacific Gas and Electric Company, Southern California Edison Company, and Southern California Gas Company to:

   a. Cap all administrative costs (including general administration and direct implementation costs), evaluation, measurement and verification and marketing, education and outreach budgets at twenty percent of their approved pilot projects' non-contingency programmatic costs, using discretion to allocate between these cost categories as needed. <u>Administrative and information technology costs associated with implementing the bill protection and transitional community solar discount mechanisms adopted in Resolution E-5034 are excluded from this cap.</u>"

6. Rulemaking 15-03-010 is closed.

This order is effective today.

Dated April 16, 2020, at San Francisco, California.

MARYBEL BATJER
President
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
Commissioners