

Decision 20-07-008 July 16, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering.

Rulemaking 14-07-002

And Related Matter.

Application 16-07-015

DECISION IMPLEMENTING AUTOMATIC ENROLLMENT OF DISADVANTAGED COMMUNITIES GREEN TARIFF

Summary

This decision provides further instruction for implementation of Commission Decision 18-06-027 with respect to automatic enrollment of eligible customers in the Disadvantaged Communities Green Tariff program. This decision directs Pacific Gas and Electric Company to automatically enroll customers from a targeted population, based on prioritization of customers at high risk of disconnection within the existing parameters of program eligibility, in the Disadvantages Communities Green Tariff program. This direction is in addition to and complements the direction provided in Commission Decision 18-06-027.

This consolidated proceeding remains open.

1. Background

Commission Decision (D.) 18-06-027 created the Disadvantaged Communities Green Tariff (DAC-GT) program. This program provides a 20 percent discount from a participant's otherwise applicable rate. A customer of an investor-owned utility (IOU) is eligible to participate in DAC-GT if the customer is otherwise eligible for the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) program, and the customer resides in one of the top 25 percent of disadvantaged communities (DACs) as defined by the CalEnviroScreen tool developed by California's Office of Environmental Health Hazard Assessment (OEHHA), on behalf of the California Environmental Protection Agency (CalEPA).¹

Beyond these eligibility requirements, D.18-06-027 did not discuss how customers should be enrolled or prioritized for enrollment. On January 28, 2020, the assigned Commissioner in this proceeding issued a ruling (ACR) seeking party feedback on a proposal to automatically enroll certain customers of Pacific Gas and Electric Company (PG&E) in DAC-GT that were otherwise eligible for DAC-GT. The ACR proposed to automatically enroll customers eligible for the DAC-GT program that met the following criteria:

- Located in one of the statewide CalEnviroScreen top 15 percent census tracts located in PG&E's service territory;

¹ Also includes the 22 communities in the highest 5 percent of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.

- Eight or more late payment notices triggering three to six collection processes per year;
- Two or fewer “Return to Maker” payments (*i.e.*, returned checks);
- Two or fewer disconnections within 12 months;
- Six or more payments within the last 12 months (indicating a customer’s effort to pay); and
- “Total Balance Owing” is greater than \$0 (with no credit balance on account).

The ACR noted that this target population was estimated to be roughly 18,500 customers, but the actual number of customers enrolled would be determined by PG&E using the most recent customer list that met the above-listed criteria, up to the point where PG&E’s existing capacity under the DAC-GT program is exhausted. PG&E’s total DAC-GT capacity currently stands at 70 megawatts (MW) when participating community choice aggregators (CCAs) are included. The ACR estimated that the 18,500 customers would qualify for automatic enrollment out of the 282,859 customers in PG&E territory estimated to be otherwise eligible for the DAC-GT program.

The ACR proposed that customers who are automatically enrolled in the DAC-GT program but who wished to (and were eligible to) instead participate in one of PG&E’s other renewable programs would have the option to switch out of the DAC-GT program. The ACR also proposed that after the available program capacity is met, the remainder of eligible customers would be added to the waitlist to be enrolled as available.

Comments were filed on the ACR by San Diego Gas & Electric Company (SDG&E), and the Joint CCAs² on February 10, 2020, and reply comments were filed by GRID Alternatives on February 17, 2020.

2. Discussion

There are two distinct rationales for pursuing and accelerating automatic enrollment of certain customer groups eligible for DAC-GT enrollment at this time. These are discussed in turn below.

2.1. Fulfilling the Objectives of the Commission's Environmental and Social Justice Action Plan

On February 21, 2019, the Commission endorsed the first Environmental and Social Justice (ESJ) Action Plan. The ESJ Action Plan had several goals, including to increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.

This decision seeks to meet the objective of the ESJ Action Plan to “improve and increase access to existing clean energy programs in ESJ communities,” by automating the process for accessing DAC-GT for eligible customers living in communities with the highest CalEnviroScreen scores.

2.2. Mitigating the Economic Effects of the COVID-19 Pandemic and the Statewide Stay-At-Home Order

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California as a result of the threat of COVID-19 (emergency order). COVID-19 has continued to spread throughout California, prompting Governor

² Consisting of Peninsula Clean Energy, Marin Clean Energy, California Choice Energy Authority, and East Bay Community Energy.

Newsom to issue Executive Order N-33-20 on March 19, 2020 directing Californians follow state health directives to stay home (stay-at-home order). The stay-at-home order is unprecedented and severely restricts the movement of Californians beyond their homes for anything other than essential purposes. The effect of the stay-at-home order is to keep people at home much more than usual in an attempt to slow the spread of the virus that causes COVID-19.

Data collected by the Commission's Energy Division suggests that residential energy usage is increasing during the early phase of the stay-at-home order, presumably because Californians are staying at home and using energy more than usual given the prescriptions of the order.³ Therefore, this decision presumes that many residential customer bills are increasing due to increased usage at a time when economic activity is suppressed due to the COVID-19 pandemic.

Automating the process for accessing DAC-GT for eligible customers may therefore help reduce the financial impact of increasing bills and decreasing economic opportunity that results from the COVID-19 pandemic.

3. Automating the DAC-GT Enrollment Process for Certain PG&E Customers

Two parties filed opening comments on the ACR's automatic enrollment process for certain eligible DAC-GT customers: the Joint CCAs and SDG&E. Only GRID Alternatives filed reply comments.

³ D.20-04-027 at 6-7.

The Joint CCAs supported the ACR's proposal to automatically enroll certain customers otherwise eligible for DAC-GT that were at high risk of disconnection. The Joint CCAs did argue that excluding customers with fewer than eight annual notices or those with more than two "Return to Maker" payments may prevent automatic enrollment for some customers that attempt to pay their bills but may otherwise be in need of assistance. The Joint CCAs stated that they wish to learn from PG&E's experiences, given PG&E's experience in dealing with customers in financial need.⁴

The Joint CCAs also claimed that they are working on their own programs for prioritizing DAC-GT enrollment for some of their customers that may need greater financial assistance.⁵ While not explicit, this claim by the Joint CCAs implies that they do not wish to see the amount of DAC-GT cap reserved for their unbundled customers in PG&E territory (approximately 15 MW) utilized in the automatic enrollment program proposed by the ACR.⁶

While not objecting to the substance of the ACR's proposal, SDG&E criticized the process utilized to propose automatic enrollment for certain eligible DAC-GT customers in PG&E's territory. SDG&E expressed concern that implementation details were being proposed at the same time the large electrical corporations were otherwise working to implement the mandates of the original

⁴ Joint CCAs comments at 2.

⁵ Joint CCAs comments at 3.

⁶ See, e.g. Joint CCAs comments at 3 ("[t]he Joint CCAs are also evaluating methods of prioritizing customers facing financial hardships **in our own DAC-GT programs** within the wider context of our community and customer programs" (emphasis added)).

DAC-GT decision, and also appeared troubled that only one large electrical corporation was considered for automatic enrollment out of the three large electrical corporations.⁷

As to SDG&E's first argument regarding process, their comments claimed that the ACR "seeks input as to whether customers who fit certain criteria not contained in the original programs' designs could be defaulted to, or automatically enrolled in, the programs by the utility."⁸

The ACR sought input on whether certain customers otherwise eligible for the DAC-GT program should be automatically enrolled based on certain hardship criteria. The ACR did not propose brand new criteria for judging eligibility in the DAC-GT program, as implied by SDG&E's argument. The existing program criteria established by D.18-06-027 are unchanged by the ACR's proposal; and instead *additional* criteria are proposed to determine which of the otherwise eligible customers should be automatically enrolled in DAC-GT.

SDG&E raised several operational arguments concerning the ACR's proposal, including whether an electrical corporation's marketing and administrative efforts would be sufficient to adapt to an automatic enrollment of customers where the original program design envisioned opt-in enrollment.⁹ These points are valid, however PG&E is a party to the proceeding and had the opportunity to actively participate in the process leading to this decision. The

⁷ SDG&E comments at 1-2.

⁸ SDG&E comments at 2.

⁹ SDG&E comments at 2-3.

record reveals no objection by PG&E, on operational grounds or otherwise, to the ACR's proposal. This decision therefore concludes that PG&E does not share SDG&E's concerns regarding the ACR's proposal, including the marketing and outreach implications of the automatic enrollment proposed.

SDG&E's arguments concerning the implication of the ACR proposal on rates for non-participating customers and the overall DAC-GT budget are misplaced as the ACR proposes no changes to the overall budgetary structure of the program, including enrollment limitations. These budgetary issues were considered by the Commission and disposed of in D.18-06-027 and Resolution E-4999, and are unaffected by this decision.

As a final point on process, SDG&E expressed concern that PG&E was the only electrical corporation chosen to utilize automatic enrollment of DAC-GT customers, and it noted that "any changes in rules and implementation ordered by a Commission decision may be changed only by subsequent Commission decision pursuant to procedures in the Public Utilities Code."¹⁰ As this is a Commission decision, supported by a record developed by the ACR and the parties to this proceeding, it is reasonable for the Commission to adjust the implementation of the DAC-GT program for PG&E and not for other large electrical corporations. It should also be noted that PG&E is the only large electrical corporation ready to launch the DAC-GT program with its existing capacity, meaning that this decision focuses on the operational considerations for

¹⁰ SDG&E comments at 4.

DAC-GT that are ripe for consideration, rather than attempting to exclude other large electrical corporations. While SDG&E expressed some discomfort with this approach, it cited to no law or Rule of Commission Practice and Procedure that forbids the Commission from focusing its implementation mandates on a single utility to the exclusion of others that may be involved in a program such as DAC-GT.

The automatic enrollment of certain otherwise eligible PG&E customers approved by this decision should be considered an initial step to bring immediate benefit to these PG&E customers in light of PG&E's operational capacity and the economic hardship resulting from the COVID-19 pandemic. Future rulings and Commission decisions may further refine DAC-GT requirements for the other large electrical corporations.

In reply comments, GRID Alternatives generally concurs with the Joint CCAs that the ACR's proposal has merit by targeting those customers that may be in most need of the financial assistance provided by the DAC-GT program. However, GRID Alternatives claimed that automatically enrolled customers may be less interested in enrolling in the Disadvantaged Communities – Single-Family Homes (DAC-SASH) program as a result. GRID Alternatives recommends increasing the marketing of the DAC-SASH program to automatically enrolled DAC-GT customers to ensure that they do not lose sight of their opportunities in that other program.¹¹

¹¹ GRID Alternatives comments at 2-3.

GRID Alternatives is the administrator of the DAC-SASH program. As such, this decision recognizes the concern expressed by GRID Alternatives and assures it that there is no intent to dissuade customers from enrolling in DAC-SASH if they are otherwise eligible to do so. However, the Commission declines at this time to adjust the administrative parameters of the DAC-SASH program in response to the automatic DAC-GT enrollment authorized in this decision, based on the speculation provided by GRID Alternatives. It may be more appropriate to revisit this issue at another time when the totality of the DAC-SASH program, including its marketing budget, is reviewed.

Given that the automatic enrollment process described in the ACR and this decision will help the Commission fulfill the objectives of the Commission's Environmental and Social Justice Action Plan, mitigate the adverse economic consequences of the COVID-19 pandemic and the stay-at-home order for specific customers, comply with the DAC-GT program requirements and rules as set out in D.18-06-027, and align with PG&E's operational readiness to implement the DAC-GT program, it is reasonable to automatically enroll certain PG&E customers eligible for the DAC-GT program using the criteria described in the ACR and this decision.

Therefore, PG&E shall automatically enroll residential customers otherwise eligible for the DAC-GT program as soon as practicable if they meet all of the following criteria:

- Located in one of the statewide CalEnviroScreen top 15 percent census tracts located in PG&E's service territory;
- Eight or more late payment notices triggering three to six collection processes per year;

- Two or fewer “Return to Maker” payments (*i.e.*, returned checks);
- Two or fewer disconnections within 12 months;
- Six or more payments within the last 12 months (indicating a customer’s effort to pay); and
- “Total Balance Owing” is greater than \$0 (with no credit balance on account).

PG&E shall automatically enroll eligible DAC-GT customers in its territory meeting these criteria not to exceed its capacity limit of 54.82 MW. If all customers eligible for automatic enrollment are enrolled and the cap is not reached, all other customers eligible for DAC-GT may apply for enrollment into the DAC-GT program, otherwise, customers shall be randomly enrolled or placed on a waitlist if PG&E has reached its enrollment cap of 54.82 MW.

4. Comments on Proposed Decision

The ALJs’ proposed decision 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 by PG&E on June 22, 2020. Reply comments were not filed by any party. Changes have been made throughout the decision in response to PG&E’s comments in order to clarify the Commission’s intent for the process of auto-enrollment.

5. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Patrick Doherty and Valerie U. Kao are the assigned Administrative Law Judges in this proceeding.

Findings of Fact

1. The ESJ Action Plan has several goals, including to increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.
2. Many residential customer bills are increasing due to increased usage at a time when economic activity is suppressed due to the COVID-19 pandemic.
3. The existing program criteria established by D.18-06-027 are unchanged by the automatic enrollment process; and instead additional criteria are proposed to determine which of the otherwise eligible customers should be automatically enrolled in DAC-GT.
4. PG&E does not share SDG&E's operational concerns regarding the ACR's proposal, including the marketing and outreach implications of the automatic enrollment proposed.
5. The automatic enrollment process makes no changes to the overall budgetary structure of the program, including enrollment limitations.
6. This decision approving the automatic enrollment process is supported by a record developed by the ACR and the parties to this proceeding.
7. PG&E is the only large electrical corporation ready to launch the DAC-GT program with its existing capacity.
8. The automatic enrollment process will help the Commission fulfill the objectives of the Commission's Environmental and Social Justice Action Plan.
9. The automatic enrollment process will help mitigate the adverse economic consequences of the COVID-19 pandemic and the stay-at-home order.

10. The automatic enrollment process will comply with the DAC-GT program requirements and rules as set out in D.18-06-027.

11. The automatic enrollment process aligns with PG&E's operational readiness to implement the DAC-GT program.

Conclusions of Law

1. It is reasonable to adjust the implementation of the DAC-GT program for PG&E and not for other large electrical corporations.

2. No law or Rule of Commission Practice and Procedure prevents a focus of implementation mandates on a single utility to the exclusion of others that may be involved in a program such as DAC-GT.

3. It is reasonable to automatically enroll certain PG&E customers eligible for the DAC-GT program using the criteria described in the ACR and this decision.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company shall automatically enroll residential customers otherwise eligible for the Disadvantaged Communities Green Tariff program as soon as practicable if they meet all of the following criteria:

- a. Located in one of the statewide CalEnviroScreen top 15 percent census tracts located in PG&E's service territory;
- b. Eight or more late payment notices triggering three to six collection processes per year;
- c. Two or fewer "Return to Maker" payments (*i.e.*, returned checks);
- d. Two or fewer disconnections within 12 months;
- e. Six or more payments within the last 12 months (indicating a customer's effort to pay); and

f. "Total Balance Owing" is greater than \$0 (with no credit balance on account).

2. Pacific Gas and Electric Company shall automatically enroll customers eligible for the Disadvantaged Communities Green Tariff (DAC-GT) program in its territory meeting the criteria in Ordering Paragraph 1 not to exceed its capacity limit of 54.82 megawatts (MWs). If all customers eligible for automatic enrollment are enrolled and the cap is not reached, all other customers eligible for DAC-GT may apply for enrollment into the DAC-GT program, otherwise, customers shall be randomly enrolled or placed on a waitlist if Pacific Gas and Electric Company has reached its enrollment cap of 54.82 MWs.

3. Within 45 days of the effective date of this decision, Pacific Gas and Electric Company shall file a Tier 1 advice letter to modify any of its tariff sheets related to the Disadvantaged Communities Green Tariff program, specifically any tariff sheet that refers to the first-come, first-served nature of the program, in order to give effect to the orders of this decision.

4. Rulemaking 14-07-002 and Application 16-07-015 remain open.

This order is effective today.

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

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

