ALJ/VUK//PD1/mph **Date of Issuance 12/8/2020**

Decision 20-12-003 December 3, 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 REGARDING PETITION FOR MODIFICATION OF DECISION 18-06-027 AND PROVIDING DIRECTION REGARDING MARKETING AND OUTREACH OF THE DISADVANTAGED COMMUNITIES – SINGLE-FAMILY SOLAR HOMES

Summary

This decision modifies program eligibility for the Disadvantaged Communities – Single-Family Solar Homes (DAC-SASH) program to include California Indian Country, as specified for the Self-Generation Incentive Program. This modification is in response to a petition for modification of Decision 18-06-027 by GRID Alternatives. All other requests included in GRID Alternatives' petition for modification are denied without prejudice.

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This decision also provides directions to the DAC-SASH program administrator and the large electric investor owned utilities to enhance consumer outreach and education about the program.

This proceeding remains open.

1. Background

In Decision (D.) 18-06-027 the California Public Utilities Commission (Commission or CPUC) established three new programs to promote the installation of renewable generation among residential customers in disadvantaged communities (DACs), as directed by the California Legislature in Assembly Bill (AB) 327 (Stats. 2013, Ch. 611). Among these new programs, the Disadvantaged Communities – Single-Family Solar Homes (DAC-SASH) program, modeled after the Single-Family Affordable Solar Homes (SASH) program, provides assistance in the form of up-front financial incentives towards the installation of solar generating systems on the homes of low-income homeowners. The DAC-SASH program is available to low-income customers who are resident-owners of single-family homes in DACs. D.18-06-027 defines DACs as the top 25 percent Cal EnviroScreen (CES) census tracts statewide, as well as the 22 census tracts in the highest five percent of the CES Pollution Burden index, but that do not have an overall CES score because of unreliable socioeconomic or health data.

Unlike the SASH program, eligibility for DAC-SASH is not limited to designated affordable housing units, thus the DAC-SASH program is available to a broader group of low-income homeowners than the SASH program. The incentives provided through DAC-SASH assist low-income customers in overcoming barriers to the installation of solar energy, such as a lack of upfront capital or credit needed to finance solar installation.

The DAC-SASH program has an annual budget of $10 million from 2019 through 2030. D.18-06-027 designated the funding source for the DAC-SASH program as the electric utilities' greenhouse gas (GHG) allowance proceeds, to the extent that such funding is available, and if insufficient GHG allowance revenues are available in a given year, the remainder of the budget would be collected through customer rates.

D.18-06-027 determined there should be a single statewide program administrator for DAC-SASH, responsible for marketing and outreach, development of program materials and procedures, general program management, and data collection and reporting on program operation and outcomes. Pursuant to D.18-06-027, GRID Alternatives (GRID) was selected to serve as program administrator for the DAC-SASH program, and the program launched upon the Commission's approval of the DAC-SASH program handbook and program implementation plan in September 2019.

On April 24, 2020, GRID filed a petition for modification of D.18-06-027 (petition), requesting the Commission to adopt the following modifications to the DAC-SASH program:

1. Change the geographic threshold for DAC-SASH to include tribes and low-income census tracts.
2. Change the income threshold for DAC-SASH eligibility to 80 percent of area median income (AMI), instead of basing DAC-SASH customer eligibility on alignment with the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs.
3. Double the annual budget for DAC-SASH (from $10 million to $20 million per year), beginning in 2020.

In general, the petition describes the proposed modifications as justified because, GRID asserts, several aspects of the program are "unworkable, which will cause the program to fail in certain regions." Additionally, the petition notes the Commission's adoption of an Environmental and Social Justice (ESJ) Action Plan, which includes specific recommendations for "ESJ Communities"; the Commission's recent launch of a new Equity Resiliency budget for energy storage under SGIP, as an opportunity to pair with rooftop solar under DAC-SASH; and the economic downturn caused by the global COVID-19 pandemic as added impetus for bill reduction solutions like DAC-SASH.

On May 26, 2020, the California Solar & Storage Association (CALSSA); the Public Advocate's Office of the Public Utilities Commission (Cal Advocates); Pacific Gas and Electric Company (PG&E); Southern California Edison Company (SCE); San Diego Gas & Electric Company (SDG&E); and Marin Clean Energy, City and County of San Francisco, East Bay Community Energy, Peninsula Clean Energy Authority, Clean Power Alliance of Southern California (joint CCAs) filed responses to the petition.

CALSSA and the joint CCAs support each of the petition's proposed modifications to the DAC-SASH program, citing the same general reasons as the petition regarding alignment with the SGIP Equity Resiliency budget and the ESJ Action Plan. Cal Advocates supports the proposal to expand program eligibility to low income areas and tribes, but recommends denying the remaining proposed modifications. Cal Advocates observes that modifying the household income threshold to 80 percent of AMI could divert funds toward households with significantly higher incomes and away from those most in need of assistance, and further that the lack of a deed-restriction requirement means that program funds could be allocated to a property that is subsequently sold to a non-low-income buyer, which is inconsistent with the purpose of the program.

With respect to the proposed budget increase, Cal Advocates argues the GHG auction allowance revenues for 2020 will likely be significantly less than what was forecasted, given the current COVID-19 pandemic and the anticipated recession, thus doubling the budget at this time is not advisable. PG&E supports expanding eligibility to tribes, but recommends denying the remaining proposed modifications. PG&E argues that including low-income census tracts goes against AB 327, which specifically directs the Commission to establish alternatives for disadvantaged communities, and that the Commission already considered and dismissed the option to set an AMI-based income threshold in D.18-06-027. PG&E also asserts that doubling the budget so soon after program launch is premature; PG&E instead suggests that guidance on specific marketing and outreach approaches, for instance to further align DAC-SASH and the SGIP Equity Resiliency budgets, is appropriate. SCE and SDG&E recommend denying all of the proposed modifications, asserting generally that the Commission should not consider program changes until after the independent review ordered in D.18-06-027 is completed. SCE and SDG&E also raise concerns with a program administrator proposing changes to a program that it was selected to administer via a competitive solicitation process, asserting such a situation presents a conflict of interest.

On June 5, 2020, GRID filed a reply to parties' May 26, 2020 responses (reply). GRID's reply asserts the petition does not present a conflict of interest, arguing the "shortcomings" the petition seeks to remedy would be the same regardless of who/which entity administers the program, and that any other program administrator would have acted as GRID did, in the interests of impacted communities. The reply asserts there is near consensus on the proposal to expand program eligibility to tribes, and responds to arguments against the petition's other proposals, in general reiterating a need to align the eligibility requirements of the DAC-SASH program with those of the SGIP Equity Resiliency budget.

2. Expansion of DAC-SASH program eligibility to California Indian Country; all other proposed modifications denied

We generally agree with SCE and SDG&E that consideration of any proposed modifications to the DAC-SASH program, before an independent evaluation is completed and given that the program has only recently launched, is premature. There is a trade-off: expanding eligibility makes the program available to more customers, but it also means the funds are less targeted towards the most vulnerable, low-income and DAC customers who need them most. We remain interested in the potential for programs like DAC-SASH to provide benefits to more customers, particularly since consumer protections may be less of a concern in these programs than in the general NEM program; but particularly given the potential for a budget decrease due to lower GHG auction revenues, we decline to expand the budget at this time. The Commission may consider these issues in the future in Rulemaking 20-08-020.

We therefore deny the petition, with one exception, which is to expand program eligibility to tribes. Such expansion is consistent with the intent of AB 327. Because CalEnviroScreen uses census tracts to delineate the health and economic factors that characterize disadvantaged communities, and therefore omits tribal lands from such designation, we must modify DAC-SASH program eligibility to explicitly include tribes. To bring the program more fully into alignment with the intent of the underlying statute and to facilitate alignment with the SGIP Equity Resiliency budget, we will adopt D.19-09-027's eligibility requirement relating to California Indian Country, as articulated in Attachment A (Self-Generation Incentive Program Modifications):

> "all California Indian Country as defined in 18 United States Code Section 1151, with the exception of privately held in-holdings, which are defined as non-Indian owned fee land located within the exterior boundaries of California Indian Country; in the event of multiple owners, such land shall be considered Indian owned if at least one owner is a tribe or tribal member, regardless of the use of the land."[1]

3. Directions to enhance DAC-SASH program marketing and outreach and coordination with other customer programs

To help support the success of the DAC-SASH program, we take the opportunity through this decision to enhance program outreach and marketing efforts. As PG&E notes, further guidance regarding marketing and outreach at this point in program implementation is appropriate, as the program only launched in September 2019.

This decision directs the electric utilities to support marketing and outreach in a similar manner as directed in D.17-12-022, for the Solar on Multifamily Affordable Housing (SOMAH) program and in other demand-side programs targeted to low-income customers. In D.17-12-022, the Commission directed the electric utilities to enter into non-disclosure agreements with the SOMAH program administrator "to facilitate the sharing of customer usage data and other personally identifiable information needed for the operation and administration of" the program. Similarly, in D.11-05-020 and D.12-08-044, the utilities were authorized to share customer data from their ESA and CARE

[1] D.19-09-027 (as modified by D.19-12-065), Attachment A.

programs with water utilities administering low-income rate subsidy programs to increase the participation rates in water low-income assistance programs. The sharing of such data, under a non-disclosure agreement, enables a more targeted approach to customer acquisition, which makes better use of limited marketing and outreach funds than a more generalized approach.

D.17-12-022 directed tasks separate from reporting – but primary to the SOMAH program's success – such as requiring the SOMAH program administrator have access to other utility-held personally identifiable customer data. Specifically, D.17-12-022 encouraged SOMAH program administrator-provided technical assistance to host customers and property owners via "coordinat[ion] with other clean energy programs" and other "innovative ways to increase the energy efficiency services delivered under this program."[2] This mandate sets an expectation that the SOMAH Program will interact and coordinate with other customer programs administered by the utilities; we have the same expectation for the DAC-SASH program. Through the careful sharing of utility customer data, including information derived from energy efficiency participation data and ESA program participation data, carried out under the auspices of a non-disclosure agreement, the DAC-SASH program can target outreach and marketing to those customers most likely to be eligible for the program.

To facilitate a more sophisticated outreach and customer acquisition approach, each of the electric utilities must execute a non-disclosure agreement with the DAC-SASH program administrator and transmit the data items listed in Appendix A within 60 days after the issue date of this decision. Further, this

[2] D.17-12-022, at 27.

decision directs the DAC-SASH program administrator to report back on implementation progress resulting from this more targeted customer acquisition approach, including coordination with the electric utilities' ESA outreach efforts/activities. To document such impact on the program, the DAC-SASH program administrator must provide its report via an update to the DAC-SASH program administrator's 2021 marketing, education and outreach (ME&O) plan;[3] this update to the 2021 ME&O plan shall be submitted no later than March 15, 2021 to afford time to incorporate new customer data into outreach and acquisition planning. The updated ME&O plan should clearly identify how the new customer data will be used to develop new program ME&O activities as well as improve existing ME&O activities.

Finally, this decision directs the DAC-SASH program administrator to periodically report on specific programmatic details to demonstrate the program's effectiveness and progress towards legislative goals. Currently, the DAC-SASH program administrator submits a semi-annual progress report documenting program implementation activities (for example, the number of customers contacted, number of customers acquired, incentives paid, size of installations, and expected aggregate annual output, etc.).[4] Beginning with the next semi-annual progress report after the issue date of this decision, the DAC-SASH program administrator must include the following additional items in each semi-annual progress report:

1. The number of customer 'profiles' provided by the IOUs under this new data exchange directive

[3] D.18-06-027, at 83.

[4] *See* Section 6 of the DAC-SASH Program Handbook.

2. The number of customers outreached to from item #1 (above).
3. The number of installations resulting from #2 (above).

4. Comments on Proposed Decision

The proposed decision of the ALJs 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 November 23, 2020 by GRID, PG&E, SCE and SDG&E, and reply comments were filed on November 30, 2020 by GRID.

All parties suggest modifications to the required data items included in Appendix A. We have modified the table in Appendix A in alignment with GRID's and SDG&E's comments. We do not agree entirely with PG&E's proposed modifications, particularly to remove the high usage flag, as our intention with DAC-SASH is to consider the prioritization of customers most at risk of disconnection, and high usage is an important indicator of this risk. And we adopt all of SCE's proposed modifications except that we maintain the requirement for service capacity information, if it is available, because it would help target outreach efforts as SCE acknowledges. We have also provided more time, as requested, for the electric utilities to submit their non-disclosure agreements and initial data sets, and for GRID to update its 2021 ME&O plan as directed by the proposed decision.

SDG&E asserts that to require "administrative program support" without also providing for cost recovery is illegal,[5] and recommends modifying the

[5] *Comments of San Diego Gas & Electric Company (U 902-E) on Proposed Decision Regarding Petition for Modification of Decision 18-06-027 Regarding Petition for Modification of Decision 18-06-027 and Providing Direction Regarding Marketing and Outreach of the Disadvantaged Communities – Single-Family Solar Homes*, filed November 23, 2020, at 2-5.

proposed decision to provide cost recovery if the data sharing requirement is retained. Neither PG&E nor SCE make such an assertion; moreover, SCE's comments make clear it has already collaborated with GRID to market the SASH program to its customers participating in the CARE program, with no mention of a need or requirement for cost recovery. We nevertheless allow, but do not require, the electric utilities to seek recovery of costs reasonably incurred to support the enhanced marketing effort directed by the proposed decision; we expect that any such costs should be minimal.

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. It is generally premature to consider proposed modifications to the DAC-SASH program before an independent evaluation is completed.
2. Expansion of DAC-SASH program eligibility to tribes is consistent with the intent of AB 327.
3. Adopting the eligibility requirement specified in D.19-09-027, relating to California Indian Country, would facilitate tribes' participation in both the DAC-SASH program and the SGIP Equity Resiliency budget.
4. The careful sharing of utility customer data would facilitate a more targeted approach to marketing and outreach, including coordination with the electric utilities' ESA outreach efforts, for the DAC-SASH program.
5. Previous Commission decisions did not provide electric utilities with program cost recovery for costs reasonably incurred to support DAC-SASH program administration or marketing, because the Commission determined in

D.18-06-027 to designate a single statewide program administrator for the program.

Conclusions of Law

1. It is reasonable to deny the petition because an independent evaluation of the DAC-SASH program has not been completed.
2. It is reasonable to modify DAC-SASH program eligibility to include tribes.
3. It is reasonable to adopt the eligibility requirement, specified in D.19-09-027, regarding California Indian Country.
4. It is reasonable to direct the DAC-SASH program administrator and the electric utilities to support marketing and outreach of the DAC-SASH program in a similar manner as directed for the SOMAH program.
5. It is reasonable to direct each of the electric utilities to execute a non-disclosure agreement with the DAC-SASH program administrator and transmit the data items listed in Appendix A.
6. It is reasonable to direct the DAC-SASH program administrator to report on progress toward a more targeted customer acquisition approach, including coordination with the electric utilities' ESA outreach efforts.
7. It is reasonable to direct the DAC-SASH program administrator to periodically report on programmatic details relating to the more targeted outreach effort directed in this decision.
8. It is reasonable to permit the electric utilities to seek recovery of costs reasonably incurred to support enhanced marketing of the DAC-SASH program, as directed by this decision.

O R D E R

IT IS ORDERED that:

1. The April 24, 2020 petition for modification of Decision 18-06-027 is denied with the exception of the proposal to expand program eligibility to tribes. Program eligibility for tribes is as provided here, or as subsequently modified by the Commission for the Self-Generation Incentive Program Equity Resiliency budget. Eligibility to participate in the Disadvantaged Communities – Single-Family Solar Homes program is expanded to all California Indian Country as defined in 18 United States Code Section 1151, with the exception of privately held in-holdings, which are defined as non-Indian owned fee land located within the exterior boundaries of California Indian Country; in the event of multiple owners, such land shall be considered Indian owned if at least one owner is a tribe or tribal member, regardless of the use of the land.

2. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company must each execute a non-disclosure agreement with the Disadvantaged Communities – Single-Family Solar Homes program coordinator and transmit the data items listed in Appendix A within 60 days after the issue date of this decision.

3. No later than March 15, 2021, the Disadvantaged Communities – Single-Family Solar Homes program coordinator must submit an update to its 2021 marketing, education and outreach plan. This update must include a report on progress made toward a more targeted customer acquisition approach, including coordination with Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company's Energy Savings Assistance program outreach efforts. The update must also clearly identify how the new customer data will be used to develop new program marketing,

education and outreach activities as well as improve existing marketing, education and outreach activities.

4. Beginning with the next semi-annual progress report after the issue date of this decision, the Disadvantaged Communities – Single-Family Solar Homes program administrator must include the following additional items in each semi-annual progress report:

> 1) The number of customer 'profiles' provided by Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company under this new data exchange directive
>
> 2) The number of customers outreached to from item #1 and corresponding campaign metrics (above).
>
> 3) The number of installations resulting from #2 (above).

6. Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company (together, the utilities) are authorized to each submit a Tier 2 advice letter within 30 days of issuance of this decision with their proposed annual budgets for 2021 for reasonable administrative costs needed to support the Disadvantaged Communities – Single Family Solar Homes program. The utilities may submit such budgets annually, on the same schedule as the other solar programs addressed in Decision 18-06-027.

7. Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company are authorized to seek recovery of their approved administration costs through their respective Disadvantaged Communities – Single Family Solar Homes balancing accounts, and to include such costs in their annual Energy Resources Recovery Account proceedings for reasonableness reviews similar to the other programs addressed in Decision 18-06-027.

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

This order is effective today.

Dated December 3, 2020, at San Francisco, California.

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

APPENDIX A

APPENDIX A

For all IOU customers known to meet the following four criteria:

- **Household income at or below DAC-SASH threshold;**
- **Single Family Home;**
- **Owner Occupied; and**
- **Customer located in a DAC or Tribal area,**

The IOUs shall generate and transmit the following low-income customer profiles to the DAC-SASH program administrator on an annual basis (beginning with the initial data set due within 60 days of the issue date of this decision), until the program is 95 percent reserved in the IOU territory.

Data Element	IOU Data Source	Notes
Household income at or below DAC-SASH threshold?	From ESA/CARE Program data	If yes, share. If no, no profile generated.
Single Family Home?	From ESA Program data	If yes, share. If no, no profile generated.
Owner Occupied?	From ESA Program data	If yes, share. If no, no profile generated.
Is Customer located in a DAC or Tribal area?		If yes, share. If no, no profile generated.
ESA Enrollment date	From ESA Program data	Added to profile.
Customer name	From ESA Program data / IOU Customer Database	Added to profile.
Customer address	From ESA Program data / IOU Customer Database	Added to profile.

Customer contact information (email, mailing address, phone number, etc.)	From ESA Program data / IOU Customer Database	Added to profile.
Customer language preference	From ESA/CARE Program data / IOU Customer Database	Added to profile.
High Usage (Last 12 months) Customer Flag (from CARE program)	From CARE Program data / IOU Customer Billing Database	Added to profile.
Monthly kWh consumption data (previous 12 months)	From IOU Customer Billing Database	Added to profile.
Address service capacity (if available)		Added to profile. To determine if a customer address has the service amperage (line drop capacity) to support a solar installation

(END OF APPENDIX A)