

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Agenda ID #21138
RESOLUTION E-520
December 15, 2022

R E S O L U T I O N

Resolution E-5200. Approval of Percentage of Income Payment Plan Pilots and Joint Proposals for Large Investor-Owned Electric and Gas Utilities and Community Choice Aggregators in Compliance with D.21-10-012

PROPOSED OUTCOME:

- Approves with modifications Percentage of Income Payment Plan (PIPP) Pilots pursuant to D.21-10-012 in Tier 3 Advice Letters.
- Approves a statewide PIPP bill cap ratio of seventy-five percent of the monthly cap applying to electric bills and twenty-five percent applying to natural gas bills.
- Requires utilities to file Tier 1 Advice Letters to update PIPP bill caps to align with updated California Alternate Rates for Energy (CARE) Income Guidelines.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- This resolution is expected to result in costs to ratepayers to provide bill subsidies to pilot participants and fund utilities' administrative costs over the four-year pilot period. Pursuant to D.21-10-012, the cost of participating customers' bill subsidies for electric services will be recovered through the Public Purpose Program Charge. Bill subsidies for gas services will be recovered from all gas customers in transportation rates on an equal-cents-per-therm basis, as follows:
 - Southern California Edison's proposed PIPP pilot cost estimate is in the range of \$3.33 million to \$13.85 million over four years.

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- Pacific Gas & Electric Company's proposed PIPP pilot cost estimate is in the range of \$16.79 million to \$26.89 million, excluding the cost of hiring an independent evaluator, payment to community-based organizations for pilot support, and any costs associated with Community Choice Aggregator participation.
- San Diego Gas & Electric Company's proposed PIPP pilot cost estimate is in the range of \$4.67 million to \$14.97 million.
- Southern California Gas's proposed PIPP pilot cost estimate is in the range of \$2.19 million to \$19.26 million.

By Advice Letters (AL):

- PG&E AL 4569-G/6493-E, jointly filed with the following Community Choice Aggregators (CCAs): Central Coast Community Energy AL 31-E, East Bay Community Energy AL 36-E, Marin Clean Energy AL 59-E, Pioneer Community Energy AL 10-E, Redwood Coast Energy Authority AL 14-E, and Valley Clean Energy Alliance AL 12-E, Filed on February 4, 2022.
- SCE AL 4710-E, jointly filed with the following CCAs: Apple Valley Choice Energy AL 10-E, Central Coast Community Energy AL 30-E, Clean Power Alliance of Southern California AL 15-E, Lancaster Choice Energy AL 19-E, Pico Rivera Innovative Municipal Energy AL 14-E, Pomona Choice Energy AL 4-E, Rancho Mirage Energy Authority AL 8-E, and San Jacinto Power AL 12-E, Filed on February 4, 2022. SCE AL 4710-E-A, Filed on March 16, 2022.
- SDG&E AL 3941-E/3058-G, jointly filed with the following CCAs: San Diego Community Power AL 007-E, and Clean Energy Alliance AL-004 E, Filed on February 4, 2022.
- SoCalGas AL 5936, Filed on February 4, 2022.

SUMMARY

This Resolution approves with modifications the Percentage of Income Payment Plan (PIPP) pilot proposals submitted via Tier 3 Advice Letter (AL) by Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas &

Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), collectively the Investor-Owned Utilities (IOUs), and participating Community Choice Aggregators (CCAs), pursuant to Decision (D.) 21-10-012.

BACKGROUND

In 2018, in accordance with Senate Bill 598 (Hueso, 2017), the California Public Utilities Commission (CPUC) opened Rulemaking (R.)18-07-005 to examine new approaches to reducing customer service disconnections statewide due to nonpayment. Disconnecting electric or gas service can create unsafe conditions for customers who depend on utility service to meet basic needs such as heating, cooking, and lighting. The compounding effects of disconnection include disruption of the customer's normal daily activities (e.g. potentially, the ability to maintain employment), as well as broad public health and social impacts associated with the lack of electric and gas service.

In Decision (D.) 21-10-012 (Decision), the CPUC authorized PG&E, SCE, SDG&E, and SoCalGas (IOUs) to establish PIPP pilot programs, in accordance with certain guidelines.¹ The PIPP pilots set utility bill payment amounts at an affordable percentage of participants' monthly income. Participants will receive a monthly bill cap for electricity and gas charges based on the established threshold of four percent of their household's monthly income. Monthly bill caps will be standardized for households in two income tiers: 0-100% and 101-200% of Federal Poverty Guidelines.

The goal for establishing the PIPP pilots is to test whether and to what extent it can: (i) reduce the number of low-income households at risk of disconnection, (ii) encourage participation in energy saving and energy management programs, (iii) increase access to essential levels of energy service, and (iv) control program costs.² Eligibility for the pilot is limited to customers who are enrolled in the California Alternate Rates for Energy (CARE) program and who are either (i) located in one of the zip codes with the highest rates of recurring disconnections prior to the disconnections moratorium, or (ii) have been disconnected 2 or more times during the 12 months prior to the disconnections moratorium.³

¹ See D.21-10-012 at OP 1.

² D.21-10-012, Attachment A, p.1.

³ *Id.*

The Decision required the IOUs to file Tier 3 ALs within 120 days that outlined the PIPP pilot and established associated balancing and memorandum accounts.⁴ The Decision also required each utility to propose in its PIPP AL eligible zip codes with the highest rates of recurring disconnections and a sufficient number of CARE-eligible customers for utilities to meet target enrollment levels within six months after pilot enrollment begins. The IOUs filed ALs on February 4, 2022 to establish their PIPP pilots and associated accounts.

In addition, D.21-10-012 authorized a PIPP working group which advised on CCA implementation, identification of eligible high recurring disconnection rate zip codes, outreach, pilot implementation, the evaluation plan, and the long-term program design, including funding sources for the program.⁵ The proposed PIPP pilots have incorporated input and feedback from the PIPP working group on a variety of pilot implementation details.

Below is a summary of the IOUs' proposed PIPP pilots in accordance with the program requirements listed in Attachment A to D.21-10-012.

1.1 Pilot Size and Duration

The Decision authorized a PIPP pilot with a participation cap of 15,000 customers statewide and a pilot duration of 48 months.⁶ The Decision established pilot participation caps for each IOU as well as target enrollment levels for each IOU to be met within six months after pilot enrollment begins. In compliance with the Decision, the IOUs proposed the following participation caps: PG&E 5,000; SoCalGas 5,000; SCE 4,000; and SDG&E 1,000. The proposed target enrollment levels effective six months after pilot enrollment begins are as follows: PG&E 2,500; SoCalGas 2,500; SCE 2,000; and SDG&E 500.

1.2 Eligibility and CCA Participation

Per D.21-10-012, eligibility for the pilots is limited to customers who are enrolled in the CARE program and who are either (i) located in one of the zip codes with the highest rates of recurring disconnections prior to the disconnections moratorium, or (ii) have

⁴ D.21-10-012 at OP 2.

⁵ The PIPP working group included the utilities administering the pilots, participating CCAs, consumer advocates, and community-based organizations contracted to conduct PIPP outreach. SCE hired a third-party facilitator to coordinate the working group, which met on 12/06/21, 12/20/21, 1/10/22, and 1/24/22.

⁶ D.21-10-012, Attachment A, at 1.

been disconnected two or more times during the 12 months prior to the disconnections moratorium. If a customer moves within the same utility service territory (and establishes service at the new location within 30 days of terminating service at the previous location), they remain enrolled in the pilot.⁷ If a customer moves and does not meet the above criteria, the Decision requires the customer be removed from the pilot and receive notice of how to apply to participate in the PIPP pilot in other service territories or their current service territory if service is established at a new location more than 30 days from terminating service at the previous location.⁸

The Decision permits the IOUs to limit pilot participation to customers enrolled in the most commonly enrolled residential rates.⁹ Customers who enroll in the Arrearage Management Plan (AMP) program are allowed to concurrently enroll in the PIPP pilots.¹⁰ The following customer groups are excluded from pilot participation:¹¹

(i) master-metered operators and their sub-metered tenants, (ii) direct access customers, (iii) customers who do not have a Smart Meter, (iv) customers are currently billed through PG&E's Advanced Billing System, (v) customers who are enrolled in any other pilot, and (vi) customers taking service under net energy metering tariffs.

In addition, D.21-10-012 authorizes the participation of CCAs in a utility's PIPP pilot if participating CCAs meet certain participation requirements and notify the utility with a copy to the service list within 30 days of the effective date of the decision.¹² The CCA pilot participation target is proportional to the utility's participation cap, based on the CCA's projected share of customers in the utility's service territory, and counts toward the utility's participation cap. A CCA may propose eligible high recurring disconnection rate zip codes within its service territory regardless of whether the utility proposes the same high recurring disconnection rate zip codes.

1.2.1 SCE

Pursuant to D.21-10-012, SCE proposed the eligible zip codes with highest rates of recurring disconnections prior to the disconnections moratorium. As such, SCE proposed the following 18 zip codes for customer eligibility.

⁷ D.21-10-012, Attachment A, at 2.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* at 6.

¹¹ D.21-10-012, Attachment A, at 1.

¹² See D.21-10-012, Attachment A, 5.Community Choice Aggregators (CCAs).

Table 1: SCE's Proposed Zip Codes¹³

	Zip Code	City
1	90201	Bell/Bell Gardens/Cudahy
2	90706	Bellflower
3	90805	North Long Beach
4	91730	Rancho Cucamonga
5	92301	Adelanto
6	92335	Fontana
7	92345	Hesperia/Lugo
8	92376	Rialto
9	92401	San Bernardino
10	92404	San Bernardino
11	92405	San Bernardino
12	92410	San Bernardino
13	92551	Moreno Valley
14	92553	Moreno Valley
15	93250	McFarland/Vinland/Calico
16	93501	Mojave/Fleta/Bissel
17	93505	California City
18	93550	Palmdale/Vincent

Notably, SCE proposed to cap the participation of eligible PIPP pilot customers who face disconnection and contact SCE's Customer Contact Center (CCC) to discuss their collections activity.¹⁴ SCE proposes that the CCC contact participation cap be 20 percent of SCE's total participation cap (exclusive of participating CCA enrollment caps).¹⁵ Once the cap is reached, SCE's Energy Advisors would cease offering the PIPP pilot to eligible customers who call in.¹⁶ SCE asserts that this approach (1) accomplishes the Decision's intent regarding the purpose of the pilot, (2) incorporates recommendations from working group participants to offer the pilot to customers who are facing disconnection and would benefit from reduced bills, (3) is consistent with the Decision's marketing directives by also enrolling customers reached through community-based organizations (CBOs) and general outreach, and (4) improves the potential value and reliability of the evaluation results.¹⁷

¹³ SCE AL 4710-E at 7.

¹⁴ SCE AL 4710-E at 11-12.

¹⁵ *Id.* at 12.

¹⁶ *Id.*

¹⁷ *Id.*

Pursuant to the Decision, CCAs in SCE's territory may participate in SCE's PIPP pilot provided the CCA is participating in AMP or has served notice of its intent to participate in the AMP in accordance with Resolution E-5114 as of the effective date of the Decision.¹⁸ As required by D.21-10-012,¹⁹ CCAs that opt to participate in SCE's PIPP pilot must (i) notify SCE (with a copy to the service list of the Disconnections Rulemaking, R.18-07-005) within 30 days of the effective date of the Decision, (ii) participate in the PIPP working group, and (iii) jointly submit with SCE a consolidated Tier 3 AL within 120 days of the Decision to propose a targeted enrollment level, eligible high disconnection zip codes, a marketing, education, and outreach plan, and a proposed budget.

Central Coast Community Energy (CCCE) did not timely serve its intent to participate in SCE's AMP as of the effective date of the Decision, October 7, 2021. As a result, SCE and CCCE jointly requested a waiver for CCCE to participate in the PIPP pilot. As justification for granting the waiver request, SCE and CCCE cite the following reasons:²⁰

- CCCE launched CCA service on October 1, 2021, a week before the Decision's effective date of October 7, 2021.
- CCCE has met all other requirements for a CCA to participate in the PIPP pilot.
- CCCE served its intent to participate in AMP on December 13, 2021 and is currently participating in AMP.

This Resolution finds the justification reasonable and grants the waiver.

The Decision allows the CCAs to propose eligible high recurring disconnection rate zip codes within the CCA's service territory regardless of whether the utility proposes the same high disconnection rate zip codes.²¹ Provided below is each participating CCA's proposal for eligible high recurring disconnection rate zip codes within the CCA's service territory.²²

¹⁸ D.21-10-012, Attachment A, p.2-3.

¹⁹ *Id.* at 28.

²⁰ SCE AL 4710-E at 16.

²¹ *Id.* at 17.

²² *Id.* at 17-18.

Table 2: Proposed Zip Codes by Participating CCAs:

CCA	Zip Code	City
San Jacinto Power (SJP)	92582	San Jacinto
SJP	92583	San Jacinto
Rancho Mirage Energy Authority (RMEA)	92270	Rancho Mirage
Pomona Choice Energy (POME)	91709	Chino Hills
POME	91766	Pomona
POME	91767	Pomona
POME	91768	Pomona
Pico Rivera Innovative Municipal Energy (PRIME)	90660	Pico Rivera
Lancaster Choice Energy (LCE)	93534	Lancaster
LCE	93535	Lancaster
LCE	93536	Lancaster
Clean Power Alliance of Southern California (CPA)	90250	Hawthorne
CPA	90022	Commerce/East Los Angeles
CPA	93033	Oxnard
CPA	90723	Paramount
Central Coast Community Energy (CCCE)	93111	Santa Barbara
Apple Valley Community Energy (AVCE)	92307	Apple Valley
AVCE	92308	Apple Valley

Furthermore, per the Decision, SCE proposed to proportionally allocate the participation cap with participating CCAs based on the CCA's projected share of customers in the IOU's service territory (see the Table below).²³

²³ SCE 4710-E, at 16-17.

Table 3: CCA PIPP Pilot Participant Cap²⁴

Provider	Residential Households	Percentage of Residential Households	PIPP Participant Cap
Southern California Edison	3,389,178	76.4%	3,054
Apple Valley Choice Energy	23,096	0.5%	21
Central Coast Community Energy	31,172	0.7%	28
Clean Power Alliance of Southern California	871,662	19.6%	786
Lancaster Choice Energy	45,852	1.0%	41
Pico Rivera Innovative Municipal Energy	15,182	0.3%	14
Pomona Choice Energy	35,764	0.8%	32
Rancho Mirage Energy Authority	12,890	0.3%	12
San Jacinto Power	12,840	0.3%	12
Total	4,437,636	100%	4,000

1.2.2 PG&E

In accordance with the Decision, PG&E estimated the amount of eligible CARE customers in each zip code by reviewing 12 months of CARE billing data through September 2021 and then removed ineligible customers as well as customers who were not enrolled in electric rates E-1, E-TOU-C, EV2-A, and gas rate G-1, and Core Transportation Agent and Budget Billing customers.²⁵

Notably, while the Decision does not address customers on levelized bills, PG&E proposed to exclude Budget Billing customers because only customers with a history of timely payments are eligible for Budget Billing. PG&E stated that Budget Billing customers are not the population targeted for assistance from the PIPP program as the intent of the PIPP is to help those struggling to make on-time payments.²⁶

²⁴ *Id.*

²⁵ PG&E AL 4569-G/6493-E at 5.

²⁶ *Id.* at 3-4.

As shown in Table 4, PG&E's proposal for eligible zip codes is the top twenty zip codes of the total number of CARE disconnections between March 2019 and February 2020.²⁷

Table 4: PG&E's Proposed Eligible Zip Code List²⁸

#	Zip Code	City	County
1	93304	Bakersfield	Kern
2	93305	Bakersfield	Kern
3	93306	Bakersfield	Kern
4	93307	Bakersfield	Kern
5	93308	Bakersfield	Kern
6	93309	Bakersfield	Kern
7	93458	Santa Maria	Santa Barbara
8	93702	Fresno	Fresno
9	93705	Fresno	Fresno
10	93706	Fresno	Fresno
11	93722	Fresno	Fresno
12	93726	Fresno	Fresno
13	93727	Fresno	Fresno
14	94509	Antioch	Contra Costa
15	94533	Fairfield	Solano
16	94565	Pittsburg	Contra Costa
17	94590	Vallejo	Solano
18	95205	Stockton	San Joaquin
19	95206	Stockton	San Joaquin
20	95207	Stockton	San Joaquin

²⁷ *Id.* at 4-5.

²⁸ *Id.* at 5.

Table 5: PG&E's Pilot Participation Targets of Bundled and Unbundled Customers²⁹

Customer Group	Total Number of CARE Customers	Ratio of CARE CCA to PG&E Bundled CARE Customers	CCA PIPP Participation Cap
Total CARE Bundled	897,458		
Central Coast Community Energy (CCCE)	92,373	10%	515
East Bay Community Energy (EBCE)	126,125	14%	703
Marin Clean Energy (MCE)	105,299	12%	587
Pioneer Community Energy (PIO)	13,477	2%	76
Redwood Coast Energy Authority (RCEA)	16,556	2%	93
Valley Clean Energy (VCE)	13,078	1%	73
PIPP Pilot Summary			
Total CCA (Unbundled) Participation Target	2,047		
Total PG&E Bundled Participation Target	2,953		
Total PIPP Pilot Participation	5,000		

While the Decision provides direction around CCA participation, it does not specifically address Core Transportation Agent (CTA) customers. As with CCA customer participation, PG&E proposed to require the CTA to file an intent to participate in the PIPP pilot.³⁰ This is because CTA customers are similar to DA customers or a CCA but for gas instead of electricity.³¹ Because no CTA did so, PG&E proposed to exclude CTA

²⁹ PG&E AL 4569-G/6493-E at 7.

³⁰ PG&E AL 4569-G/6493-E at 3.

³¹ *Id.*

customers from the PIPP pilot.³² PG&E suggested that the issue of CTA participation can be revisited if PIPP scales to a full program.

1.2.3 SDG&E

SDG&E's contends that its eligibility proposal adheres to the exclusions for PIPP pilot participation.³³ In SDG&E's service territory, both of the currently active CCAs - Clean Energy Alliance (CEA) and San Diego Community Power (SDCP) - notified SDG&E and the service list of their intent to participate in the PIPP Pilot on October 25, 2021 and November 11, 2021 respectively.³⁴ If the PIPP Pilot is launched in 2022, the projected proportional share between CEA, SDCP, and SDG&E will be substantively different than 2023 because most SDG&E customers will transition from SDG&E to a CCA as their service provider in 2023.³⁵ Consequently, SDG&E, SDCP, and CEA agreed to calculate and allocate the proportional share of the 1,000 PIPP Pilot participant enrollment cap using 2023 projections for the duration of the 48-month pilot.³⁶ SDG&E, SDCP, and CEA proposed the following participation caps as a starting point with the flexibility to pivot from these caps, within the 1,000 participant cap, to accommodate future CCA expansion as well as any potential movement of PIPP Pilot participants within SDG&E and CCAs' service territories during the four-year PIPP Pilot.³⁷ In addition, SDG&E, SDCP, and CEA proposed zip codes eligible for the PIPP pilot set forth in Tables 7-9.

Table 6: Proposed Proportional Share of SDG&E Enrollment Participation Cap³⁸

Service Provider	Projected Proportional Share	Customer Enrollment Participation Cap
CEA	10%	100
SDG&E	25%	250
SDCP	65%	650
Total	100%	1000

³² *Id.* at 4.

³³ SDG&E AL 3941E/3058-G Attachment C at. 2

³⁴ *Id.* at 1.

³⁵ *Id.*

³⁶ *Id.* at 1-2.

³⁷ *Id.* at 2

³⁸ *Id.*

Table 7: Eligible Zip Codes proposed by San Diego Gas & Electric (SDG&E)³⁹

Count	Zip Code	City
1	91945	Lemon Grove
2	92054	Oceanside
3	92057	Oceanside/San Luis Rey
4	92071	Santee
5	92081	Vista
6	92651	South Laguna
7	92656	Laguna Hills/Aliso Viejo
8	92672	San Clemente
9	92677	Laguna Niguel
10	92691	Mission Viejo

Table 8: Eligible Zip Codes proposed by Clean Energy Alliance (CEA)⁴⁰

Count	Zip Code	City Name
1	92008	Carlsbad
2	92009	Carlsbad & Rancho La Costa
3	92010	Carlsbad
4	92011	Carlsbad
5	92014	Del Mar
6	92025	Escondido
7	92026	Escondido
8	92027	Escondido
9	92029	Escondido
10	92069	San Marcos
11	92078	San Marcos
12	92075	Solana Beach

Table 9: Eligible Zip Codes proposed by San Diego Community Power (SDCP)⁴¹

Count	Zip Code	City Name	Count	Zip Code	City Name
1	91901	Alpine	41	92061	Pauma Valley
2	91902	Bonita	42	92065	Ramona
3	91905	Boulevard	43	92067	Rancho Santa Fe

³⁹ *Id.* at 4.⁴⁰ *Id.*⁴¹ *Id.*

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4	91906	Campo	44	92070	Santa Ysabel
5	91910	Chula Vista	45	92078	San Marcos
6	91911	Chula Vista	46	92082	Valley Center
7	91913	Chula Vista	47	92083	Vista
8	91914	Chula Vista	48	92084	Vista
9	91915	Chula Vista	49	92086	Warner Springs
10	91916	Descanso	50	92091	Rancho Santa Fe
11	91917	Dulzura	51	92101	San Diego
12	91931	Guatay	52	92102	San Diego
13	91932	Imperial Beach	53	92103	San Diego
14	91934	Jacumba	54	92104	San Diego
15	91935	Jamul	55	92105	San Diego
16	91941	La Mesa	56	92106	San Diego
17	91942	La Mesa	57	92107	San Diego
18	91948	Mount Laguna	58	92108	San Diego
19	91950	National City	59	92109	San Diego
20	91962	Pine Valley	60	92110	San Diego
21	91963	Potrero	61	92111	San Diego
22	91977	Spring Valley	62	92113	San Diego
23	91978	Spring Valley	63	92114	San Diego
24	91980	Tecate	64	92115	San Diego
25	92003	Bonsall	65	92116	San Diego
26	92007	Cardiff	66	92117	San Diego
27	92019	El Cajon	67	92119	San Diego
28	92020	El Cajon	68	92121	San Diego
29	92021	El Cajon	69	92122	San Diego
30	92024	Encinitas	70	92123	San Diego
31	92025	Escondido	71	92124	San Diego
32	92026	Escondido	72	92126	San Diego
33	92027	Escondido	73	92127	San Diego
34	92028	Fallbrook	74	92128	San Diego
35	92029	Escondido	75	92129	San Diego
36	92036	Julian	76	92130	San Diego
37	92037	La Jolla	77	92131	San Diego
38	92040	Lakeside	78	92139	San Diego
39	92058	Oceanside	79	92154	San Diego
40	92059	Pala	80	92173	San Ysidro

1.2.4 SoCalGas

SoCalGas proposed to exclude Core Aggregation Transportation (CAT) customers from the pilot since their billing information may not be available to SoCalGas as well as customers that do not have an Advanced Meter (AM).⁴² Customers who do not have an AM and have opted out may choose to have an AM installed in order to participate in the pilot. PIPP participation is dependent upon CARE enrollment; therefore, if a customer is not already enrolled, the customer must first enroll in CARE prior to participation in the PIPP.⁴³ Accordingly, SoCalGas proposed that any participant removed from CARE shall also be removed from PIPP. Per the Decision, SoCalGas will allow concurrent enrollment in PIPP and AMP.⁴⁴

SoCalGas proposed to target market the PIPP to the following 20 eligible zip codes with the highest rates of recurring disconnections prior to the disconnections moratorium with a sufficient number of CARE-eligible customers.⁴⁵

Table 10: SoCalGas Eligible Zip Codes⁴⁶

Number	Zip Code	City
1	90011	Los Angeles
2	90044	Los Angeles
3	90003	Los Angeles
4	93230	Hanford
5	90047	Los Angeles
6	90037	Los Angeles
7	90255	Huntington Park
8	90280	South Gate
9	90018	Los Angeles
10	90001	Los Angeles
11	90731	San Pedro
12	90201	Bell, Bell Gardens & Cudahy
13	90008	Los Angeles
14	90043	Los Angeles

⁴² SoCalGas Advice Letter 5936 pg. 3

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.* at 4.

⁴⁶ *Id.*

15	90016	Los Angeles
16	90220	Compton, Rancho Dominguez
17	90250	Hawthorne
18	90002	Los Angeles
19	92335	Fontana
20	90302	Inglewood

SoCalGas proposed to offer all available customer assistance programs, including PIPP, dependent on the customer's eligibility.⁴⁷ Customers subject to disconnection may call into SoCalGas's Customer Contact Center (CCC) and speak with a customer service representative to receive information about customer assistance programs, which they may qualify for, including information on eligibility and how to enroll.⁴⁸ SoCalGas proposed to reserve 500 spaces in its PIPP pilot to the customers who call into their CCC so that a proportion of the PIPP participant cap would be represented by customers subject to disconnection.⁴⁹

1.3 Income Eligibility Verification

The Decision adopted the following income verification and reverification provisions:⁵⁰

- i. PIPP pilot participants must comply with CARE income verification and reverification rules;
- ii. Any participant who is removed from the CARE program shall also be removed from the PIPP pilot;
- iii. Participants who request a bill cap for 0-100% of Federal Poverty Guidelines must prove their income within 90 days or they will be moved to a bill cap for participants at 101-200% of Federal Poverty Guidelines;
- iv. Participants who request a bill cap for 101-200% of Federal Poverty Guidelines will be subject to the CARE post-enrollment verification processes;
- v. Participants will not be required to verify their income if they have verified their income for CARE within the past two years;
- vi. Utilities will contract with CBOs to provide upfront income verification services for PIPP pilots during pilot intake and enrollment if such CBOs currently provide upfront income verification services for CARE and/or Energy Savings Assistance Program (ESAP);

⁴⁷ *Id.* at 10.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ D.21-10-012, Attachment A, at 21.

- vii. The PIPP pilots will rely on the CARE income reverification processes and will not have separate income reverification requirements.

In accordance with the Decision, SCE and SDG&E proposed all of the income eligibility verification criteria set above.^{51,52} SoCalGas proposed to abide by provisions i. through v., but did not mention working with CBOs or address income reverification requirements.⁵³ PG&E did not address income verification in its AL. Regardless, this Resolution requires all utilities comply with the income eligibility verification requirements that were adopted in the Decision.

1.4 Taxes and Fees

The Decision found it was reasonable to apply the PIPP bill cap to a customer's bill prior to calculating any third-party taxes, charges and fees.⁵⁴ In compliance with the Decision, SoCalGas proposed to show the PIPP bill cap as a line-item discount and apply it prior to calculating third-party taxes, charges, and fees.⁵⁵ SCE and SDG&E also proposed to comply with the Decision's provision on taxes and fees.^{56,57} PG&E did not specify how the PIPP bill cap would be calculated relative to taxes and fees in its AL and should follow the provision set forth in the Decision.

1.5 Bill Caps

The Decision established monthly bill caps at 4% of household income for both electricity and gas with the following standard assumptions: (1) household size of 3 people; reference income of 50% of Federal Poverty Guidelines for households with incomes between 0-100% of Federal Poverty Guidelines; and (2) reference income of 150% of Federal Poverty Guidelines for households with incomes between 101-200% of Federal Poverty Guidelines. The PIPP pilot bill cap will be applied to a customer's bill prior to calculating any third-party taxes, charges, and fees and will appear as a line-item discount. The line-item discount will be either (a) the difference between the bill cap and the actual bill, or (b) zero if the actual bill is lower than the bill cap. All IOUs' bill cap proposals are compliant with the criteria above.

⁵¹ SCE AL 4710-E at 8-9.

⁵² SDG&E AL 3941E/3058-G Attachment C at 6.

⁵³ SoCalGas AL 5936 Attachment A Rule 12, Rendering and Payment of Bills, Sheet 8.

⁵⁴ D.21-10-012, Attachment A, at 34.

⁵⁵ SoCalGas AL 5936 Attachment A, Rule 12, Rendering and Payment of Bills Sheet 7.

⁵⁶ SCE AL 4710-E at 4.

⁵⁷ SDG&E AL 3941E/3058-G Attachment C at 7.

In addition, D.21-10-012 required that where customers are served by two utilities for electricity and gas, the utilities should include a joint proposal for splitting each bill cap between electric and gas for two different groups of climate zones in their ALs.⁵⁸ Where a utility provides both electric and gas service, the utility is required to propose how to split the bill cap between electric and gas for two different groups of climate zones, and should be based on the average annualized CARE customer bill for electricity and gas in two categories of climate zones. However, all IOUs proposed a statewide bill cap split between electric and gas, regardless of the climate zones in which both electric and gas services are provided, with seventy-five percent of the monthly cap applying to electric bills, and twenty-five percent applying to natural gas bills.⁵⁹ In other words, electric service customers will be capped at three percent (3%) and gas service customers will be capped at one percent (1%) of the reference household income.

PG&E provided the following reasons for the proposed statewide bill cap ratio of 75/25 (electric/gas)⁶⁰ based on discussions with the IOUs and the PIPP Working Group:

First, when reviewing the analysis of CARE customers within each IOU's territory, it became apparent that the electric/gas commodity split was fairly similar, where 2-3% difference does not have meaningful or material impact on the overall subsidy. Second, it is possible for a CARE customer to be served by two separate IOUs (one for gas and for electric), which would result in a confusing customer experience if there were differing bill caps for different customers based on whether they were a single or dual commodity customer. Third, adopting the 75/25 ratio approach would mirror the existing process of the CARE guidelines, which are set statewide rather than specific to each IOU. Thus, for the purposes of the PIPP pilot, a single statewide bill cap ratio of 75/25 is sufficient until further customer data can inform an alternative approach (if applicable).

SCE also noted that:

[A] single statewide split across all climate zones will result in reduced customer confusion and increased operational efficiencies. Additionally, there was support for the joint IOUs' proposed approach and no [working group] participant voiced opposition to this approach during the [working group] meetings. Each

⁵⁸ D.21-10-012 at COL 20 and Appendix A at 5.

⁵⁹ *Id.* at 5.

⁶⁰ PG&E AL 4569-G/6493-E at 9-10.

IOU's analysis resulted in minimal variation of the electric to gas percentage split and given the limited pilot size, the resultant difference to each IOU's cash flow is also minimal....⁶¹

SDG&E and SoCalGas also supported the joint IOUs' proposal of a 75% electric and 25% gas bill cap split as it creates an ease of understanding for the customer and stakeholders, and increases operational simplicity for the PIPP pilot.^{62,63} In addition, the joint IOUs recommended that the evaluation be used to determine whether more detailed splits are necessary based on season, climate zone, and/or zip code.⁶⁴

Table 11 below presents the applicable income guidelines and the bill caps proposed by the IOUs.

Table 11: Proposed Statewide Income Guidelines and Proposed Bill Caps

	Customers with Incomes from 0%-100% of Federal Poverty Guidelines		Customers with Incomes from 101%-200% of Federal Poverty Guidelines	
Reference Income	50% of Federal Poverty Guidelines		150% of Federal Poverty Guidelines	
Monthly Reference Income for 3-Person Household	\$905		\$2,745	
Cap of 4% of Household Income	\$37		\$109	
	75% Electric	25% Gas	75% Electric	25% Gas
Individual IOU PIPP bill cap (before taxes and fees)	\$28	\$9	\$82	\$27

Because the PIPP bill caps are based on CARE income guidelines, PG&E proposed to file a subsequent Tier 1 AL to reflect the appropriate bill caps based on the June 1, 2022 updated CARE income guidelines.⁶⁵ SoCalGas also proposed to update bill caps annually to reflect current income guidelines, concurrently with CARE program income

⁶¹ SCE AL 4710-E at 5-6.

⁶² SDG&E 3941-E/3058-G, Attachment C, at 8.

⁶³ SoCalGas AL 5936 at 6.

⁶⁴ *Id.*

⁶⁵ PG&E AL 4569-G/6493-E at 18.

guideline updates.⁶⁶ This Resolution finds the proposals for updating the bill caps reasonable and directs the utilities to implement them.

1.6 Energy Usage

The Decision states that the high usage rules of the CARE program will apply to PIPP participants:⁶⁷ CARE customers who exceed 400% of baseline usage three or more times in a 12-month period must undergo income verification and are required to apply for ESAP.⁶⁸ The PIPP pilots as proposed by PG&E, SCE, and SDG&E are in compliance with this provision of the Decision; however, the high usage rules do not apply to SoCalGas, as it is a gas-only utility.^{69,70}

1.7 Missed Payments and Arrearages

The IOU PIPP pilot proposals are in compliance with the Decision's requirement that the utilities follow existing bill collection processes to address missed payments,⁷¹ meaning that the PIPP bill caps only apply to current charges and not past-due charges.

1.8 Marketing, Education and Outreach

The Decision requires each IOU to include in its PIPP AL a marketing, education, and outreach (ME&O) plan with specific components, as follows:⁷² (1) a contract with CBOs that serve eligible high recurring disconnection rate zip codes and conduct outreach for ESAP and/or the Low-Income Home Energy Assistance Program (LIHEAP) to facilitate intake and enrollment for the pilots, (2) offer to enroll eligible customers in the PIPP before disconnecting them, (3) allow eligible customers the opportunity to enroll in PIPP when checking their account online or when communicating with a CCC representative, and (4) offer all eligible customers the opportunity to enroll in the program in targeted zip codes, including by an informational communication that directs customers to CBOs.⁷³

Each IOU included ME&O plans with these required components; however, the IOUs are concerned about the high level of interest in participation and along with a relatively low enrollment cap. Consequently, the IOUs proposed to conduct ME&O in a

⁶⁶ SoCalGas AL 5936 at 5.

⁶⁷ *Id.* at 4.

⁶⁸ D.21-06-015 at 37.

⁶⁹ SoCalGas AL 5936 at 4.

⁷⁰ *Id.*

⁷¹ D.21-10-012, Attachment A, Section 10, at 6.

⁷² *Id.* at 11.

⁷³ *Id.* 11f., g, and h.

targeted, phased approach through a variety of channels to ensure balanced customer representation. SCE's PIPP pilot is capped at 4,000 participants, while the estimated number of eligible customers for the PIPP pilot is approximately 279,000.⁷⁴ SCE proposed to recruit customers by selecting a random sample of PIPP eligible customers for each phase. SCE also provides interested eligible customers with an opportunity to enroll in the PIPP pilot.⁷⁵ PG&E estimated a total of 209,301 customers eligible for the PIPP pilot⁷⁶ with the enrollment cap of 5,000. In order to reduce the risk of over-enrollment, PG&E proposed to send enrollment information to eligible customers in each zip code in "waves" and provide them with a timeframe by which to complete their PIPP application.⁷⁷ PG&E also proposed to maintain flexibility as to which marketing channels to employ based on customer response.⁷⁸ SDG&E proposed to send targeted communications, such as direct mail and email, to eligible CARE/FERA customers to provide awareness of the PIPP pilot and promote enrollment.⁷⁹ If space permits, secondary messaging about PIPP will be included in printed material and other collateral email. SoCalGas proposed to complete customer communications in two phases in the targeted zip codes.⁸⁰ SoCalGas will target CARE customers that have experienced disconnection in Phase 1 and target Non-CARE customers that have experienced disconnection and may be eligible for CARE in Phase 2.

In addition, SCE, PG&E, and SoCalGas proposed a waitlist mechanism to maintain the PIPP pilot participation caps while accounting for participation attrition that could occur. The proposed waitlist space is equal to the enrollment cap for each IOU. SCE used the overall CARE attrition rate from 2019 and estimated that its PIPP pilot will lose approximately 23%, or 900 participants, per year and will therefore need approximately 8,000 customers over the PIPP pilot period to maintain its 4,000 PIPP participation cap.⁸¹ SCE noted that the PIPP Working Group did not oppose this waitlist proposal and that each IOU agreed to detail its proposed PIPP waitlist process in its respective AL. SoCalGas proposed to add customers with a past due balance who are interested in

⁷⁴ SCE AL 4710-E at 9.

⁷⁵ *Id.* at 10.

⁷⁶ PG&E AL 4569-G/6493-E, at 11.

⁷⁷ *Id.* at 12.

⁷⁸ *Id.* at 11.

⁷⁹ SDG&E AL 3941-E/3058-G, Attachment C.

⁸⁰ SoCalGas AL 5936 at 8.

⁸¹ SCE AL 4710-E at 12.

joining the pilot to the PIPP waitlist⁸² and will contact customers to confirm interest and enrollment when slots are available.

PG&E also proposed a waitlist process and would fill any slots that may become available roughly every two months, but may do so sooner or later to match both customer need and operational feasibility.⁸³ PG&E proposed to collaborate with CCAs to align with PG&E's waitlist approach or develop an alternative pilot process. SDG&E did not propose a waitlist or other similar mechanism.

In addition, the IOUs proposed that their CCC representatives will assist and offer to enroll eligible customers when contacted and/or before disconnection.

Pursuant to D.21-10-012, the IOUs proposed to contract with CBOs that serve eligible high recurring disconnection rate zip codes and who currently conduct outreach for ESAP and/or LIHEAP to facilitate intake and enrollment for the PIPP pilot.⁸⁴ SCE will utilize a flat fee CBO compensation structure for enrollment and income verification of PIPP participants that is comparable to that of CARE, Family Electric Rate Assistance (FERA), and ESAP. Additionally, because SCE's PIPP pilot participation is capped at 4,000 customers, SCE will also provide enrollment caps to each CBO and will work with them to manage continued enrollments. PG&E proposed to direct customers from the PG&E PIPP web page to a designated CBO for more information on the application process⁸⁵ while also educating eligible customers about other assistance programs, such as ESAP and the AMP. SoCalGas proposed to use customer data recorded during the ESAP enrollment process to inform potentially eligible customers of the PIPP pilot. SoCalGas also proposed to leverage existing CBO relationships, including ESAP contractors and community and faith-based organizations that work in the targeted zip codes to reach low-income and hard-to-reach populations.⁸⁶ SDG&E proposed to provide relevant PIPP information to specific CBOs that serve the most at-risk communities to help communicate program benefits and requirements,⁸⁷ even when conducting outreach for CARE, ESAP, AMP, or other assistance programs.

⁸² SoCalGas AL 5936 at 10.

⁸³ PG&E AL 4569-G/6493-E at 14.

⁸⁴ See D.21-10-012, Attachment A, 11a. SCE will not work with LIHEAP providers for the PIPP pilot as SCE does not currently have contracts with them. In addition, SCE does not have any CBOs that conduct income verification for CARE.

⁸⁵ PG&E AL 4569-G/6493-E at 12.

⁸⁶ SoCalGas AL 5936 at 10.

⁸⁷ SDG&E AL 3941-E/3058-G, Attachment C at 9.

As required in the Decision,⁸⁸ each IOU's ME&O proposal includes informing customers of the PIPP opportunity when conducting outreach for CARE, ESAP, AMP, or other payment plans. In addition, the IOUs proposed to create and maintain dedicated webpages that include an explanation of the PIPP pilot and eligibility requirements, including a frequently asked questions section. This Resolution approves the IOUs' proposals.

1.9 Cost Recovery

In accordance with D.21-10-012, the IOUs have proposed to recover the costs of their electric PIPP pilots through the Public Purpose Programs (PPP) Charge and will recover the costs of their natural gas PIPP pilots through gas transportation rates on an equal-cents-per-therm basis.⁸⁹ In addition, the IOUs will record bill subsidies in a two-way PIPP Balancing Account (PIPPBA)⁹⁰ and will record administrative costs in a PIPP Memorandum Account (PIPPMA).⁹¹ The request of the IOUs for cost recovery is approved.

1.10 Evaluation Report and Contractor

D.21-10-012 specified the research questions that will be included in the PIPP pilot evaluation report⁹² and authorized PG&E to conduct a Request for Proposals (RFPs) and contract with an evaluation contractor with experience in evaluating low-income energy programs, based on direction from the Commission's Energy Division, within six months of this decision.⁹³ Specifically, OP 13 of D.21-10-012 required PG&E to contract with a measurement and evaluation vendor for the PIPP pilot programs by April 7, 2022.

On March 25, 2022, PG&E sent a letter to the CPUC Executive Director requesting an extension of time to comply with the requirement of contracting with an evaluator vendor to August 31, 2022. The letter stated that additional time is needed to complete the RFP process in accordance with D.21-10-012, and that PG&E planned to release the

⁸⁸ D.21-10-012, Attachment A, 11c.

⁸⁹ D.21-10-012 at OP 9.

⁹⁰ *Id.* at OP 10.

⁹¹ *Id.* at OP 11.

⁹² See D.21-10-012, Attachment A, "14. Evaluation report."

⁹³ *Id.* at 15.

PG&E 4569-G/6493-E, SCE 4710-E, SDG&E 3941-E/3058-G, SCG 5936/JSU

request for proposals by April 15, 2022. On April 6, 2022, the CPUC Executive Director granted PG&E's request for an extension from April 7, 2022 to August 31, 2022.

In the second letter requesting another extension from August 31, 2022 to September 30, 2022, PG&E asserted that additional time is needed to complete the contract negotiation process.⁹⁴ On August 23, 2022, the CPUC Executive Director granted this request but stated that no further extensions of the deadline for this requirement will be granted.

On August 12, 2022, Energy Division approved the selection of the evaluation contractor for the statewide IOU PIPP pilots. As granted, PG&E will complete the contracting requirements with the selected contractor by September 30, 2022. Energy Division will approve key deliverables, including the scope of work, the evaluation plan, the reporting metrics, and the evaluation report.

NOTICE

A copy of each IOU advice letter was served to interested parties and parties on the service list of R.18-07-005 either electronically or via the U.S. mail.

PROTESTS

SCE 4710-E and SoCalGas 5936 were timely protested, and all four ALs were timely responded to by the Center for Accessible Technology (CforAT).

SCE 4710-E was protested by the Public Advocates Office (Cal Advocates) and the Utility Reform Network (TURN) on February 24, 2022. The Center for Accessible Technology (CforAT) timely filed a response to SCE 4710-E on February 24, 2022. SCE replied to the protests of Cal Advocates and TURN and response of CforAT on March 3, 2022.

SoCalGas 5936 was timely protested by TURN and responded to by CforAT on February 24, 2022. SoCalGas replied to the response on March 3, 2022.

⁹⁴ PG&E states that the factors contributed to the need for additional time include (1) a 10-day extension to reply to the solicitation at the request of several bidding firms, (2) delays due to scheduling conflicts, (3) the scoring committee requested additional information from the bidders, and (4) requesting, receiving, reviewing, and incorporating vendor responses into the scoring process required time that was not accounted for in the timeline provided in PG&E's earlier request for an extension.

PG&E 4569-G/6493-E was timely responded to by CforAT on February 24, 2022.
PG&E replied to the response on March 3, 2022.

SDG&E 3941-E/3058-G was timely responded to by CforAT on February 24, 2022.
SDG&E replied to the response on March 3, 2022.

Protests and Response to SCE 4710-E

Pilot Evaluation

SCE's proposed pilot evaluation process was protested by TURN and Cal Advocates. In its AL, SCE stated that it "may recommend prioritizing and potentially adjusting research questions to ensure the most critical questions are sufficiently addressed."⁹⁵ In its protest, TURN asserted that "[t]his is a clear conflict of interest and is also a violation of D.21-10-012, which established questions that should be addressed by the PIPP evaluation. SCE cannot be given the authority to arbitrarily prioritize or adjust these questions."⁹⁶

Similarly, Cal Advocates argued in its protest that SCE's request to "decide which questions to answer for the evaluation report as well as the ability to potentially modify the questions"⁹⁷ is noncompliant with D.21-10-012, as the Decision does not authorize "the IOUs to modify or remove any of the research questions in the evaluation report."⁹⁸ In its reply, SCE clarified that it intends to answer all evaluation questions and "would not recommend removing any of the research questions ordered in the Decision," but rather recommended adjustments to questions for clarity only and/or further refinement.⁹⁹ To further illustrate, SCE suggested that the question "Did pilot participants avoid uncollectibles or arrearages compared with a control group?" may be modified from a "yes/no" question to "What was the difference (if any) in rate and/or amount of arrearage or uncollectible payments for pilot participants compared to a similar control group?"¹⁰⁰

⁹⁵ SCE AL 4710-E at 22.

⁹⁶ TURN's Protest to SCE AL 4710-E Regarding Its PIPP Pilot at 3.

⁹⁷ Protest of Cal Advocates to SCE AL 4710-E, SCE's PIPP Pilot and Joint Proposal for CCA Participation, at 3.

⁹⁸ *Id.*

⁹⁹ SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to Advice 4710-E, Sections I.B and III.B.

¹⁰⁰ *Id.*

SCE shall not remove or modify any research questions included in the Decision and shall answer all questions in the evaluation report. All IOUs may consider the inclusion of additional meaningful questions and recommendations in their evaluation plans.

Enrollment Cap

SCE proposed to limit the participation of PIPP pilot customers who contact SCE's (CCC) to discuss their collections activity to 20% of its participation cap.¹⁰¹ As proposed, once that 20% participation cap is full, SCE's Energy Advisors would cease offering the PIPP pilot to eligible customers who call in. SCE claimed that this approach would allow customers facing disconnection and calling SCE's CCC to have the opportunity to enroll in the PIPP, while other customers eligible for PIPP would be solicited through CBOs and general outreach for pilot enrollment. Furthermore, SCE claimed that tracking participation across many Energy Advisors would require real-time or near real-time tracking of the participation cap to halt enrollment once the cap is reached, resulting in increased administrative costs for the pilot. SCE stated that its proposed approach would improve the potential value and reliability of the evaluation results, as the participation of this customer segment (i.e., customers who contact the CCC to discuss their collections activity) would not be overrepresented.¹⁰²

In its protest, TURN argued that SCE's proposed 20% participation cap is noncompliant with D.21-10-012, as the Decision required the IOUs to offer to enroll eligible customers in the PIPP before disconnection without prioritizing certain groups of eligible customers over others.¹⁰³ In addition, TURN argued that SCE's proposal is unreasonable because the administrative issue raised by SCE would exist whether or not SCE limits enrollment of customers contacting the CCC to 20%. TURN contended that SCE will have to conduct outreach to more customers than available pilot spots and therefore have to turn away customers who wish to enroll when the pilot is full. TURN further reasoned that this is why most IOUs, including SCE, have proposed a waitlist mechanism.

According to TURN, SCE's claim that administrative costs would increase without the proposed 20% participation cap is also unreasonable, as SCE would still need to track pilot enrollment regardless of any particular cap allocation by customer segment.

¹⁰¹ SCE AL 4710-E at 11-12.

¹⁰² Southern California Edison Company's Reply to Protests of Public Advocates Office and The Utility Reform Network and Response of Center for Accessible Technology to Advice 4710-E, at 7.

¹⁰³ TURN's Protest to Southern California Edison Company Advice Letter 4710-E Regarding Its Percentage of Income Payment Plan Pilot, at 1.

Furthermore, TURN strongly disagreed with SCE's statement that "offering the pilot to all eligible customers calling about collections activity will also interfere with the evaluator's ability to inform the potential expansion of the PIPP pilot to a full program."¹⁰⁴ Rather, TURN argued that customers facing disconnection is the exact group that the PIPP program was intended to reach in order to achieve the primary goal of the Disconnections rulemaking: to "reduce disconnections and improve reconnection processes and outcomes for disconnected customers."¹⁰⁵

Cal Advocates also protested SCE's proposal but on different grounds.¹⁰⁶ Specifically, while Cal Advocates contended that the proposal would facilitate the majority of SCE's PIPP enrollment through alternative means (such as CBOs and targeted outreach for CARE and ESAP), Cal Advocates raised the concern that the 2,000 customer minimum in the first six-month enrollment period required by the Decision might not be met given the proposed 20% limit. Accordingly, Cal Advocates recommended that the CPUC authorize SCE to implement its proposed 20% limit for only the first three months of the six-month enrollment period. If SCE does not meet its 2,000 customer enrollment threshold after the first three months of pilot enrollment, the utility's 20% cap would be lifted to enable more enrollment in PIPP to meet this minimum requirement.

On March 3, 2022 SCE filed a reply to the protests of TURN and Cal Advocates. SCE agreed with Cal Advocates' recommended approach to lift its proposed 20% enrollment cap if it cannot meet the enrollment target timeline.¹⁰⁷ In response to TURN, SCE argued that its proposal of capping the enrollment spots offered prior to disconnection is compliant with D.21-10-012 because (1) it complies with the Decision's requirement that each utility's ME&O outreach plan includes offering to enroll eligible customers before disconnection and (2) still maintains consistency with the Decision's other directives or considerations regarding marketing and evaluation.¹⁰⁸

In addition, SCE contended that its proposal supports gathering data to inform the development of a long-term PIPP program by reserving enrollment spots to low-income

¹⁰⁴ SCE AL 4710-E at 11.

¹⁰⁵ Assigned Commissioner's Percentage of Income Payment Plan Phase Scoping Memo and Ruling at 1-2.

¹⁰⁶ Protest of the Public Advocates Office to Southern California Edison Company's (SCE) Advice Letter 4710-E, Southern California Edison Company's Percentage of Income Payment Plan Pilot and Joint Proposal for Community Choice Aggregator Participation at 4.

¹⁰⁷ Southern California Edison Company's Reply to Protests of Public Advocates Office and The Utility Reform Network and Response of Center for Accessible Technology to Advice 4710-E, at 1-2.

¹⁰⁸ *Id.* at 6-8.

customers who make on-time payments, are not in arrears, and do not face disconnections. SCE argued that the premise of a long term PIPP program is to reduce energy burden and increase affordability by allowing customers to pay a predetermined affordable percentage of their monthly income toward their utility bill. SCE explained that, given that it is unlikely that a PIPP program will condition participation based on the degree of a customer's arrearage, if pilot participants are largely customers in arrears, the evaluation results would not correctly reflect the pilot's impact on energy burden, affordability, or bill payment struggles of low-income customers in general. In addition, the purpose of SCE's proposed waitlist is not to address the risk of excess interest from eligible customers but to address the attrition rates that occur with the pilot implementation.

Furthermore, SCE disagreed with TURN's claim that SCE would still incur costs related to training all of its Energy Advisors in SCE's CCC even if SCE's proposed cap is accepted. SCE argued that a 20% cap would create a more manageable number of potential enrollments via phone calls for trained Energy Advisors and could also result in a simple and more manageable approach to track in real-time or near real-time the participation cap in order to cease enrollments once the cap is reached.

This Resolution rejects SCE's proposal to limit the participation of PIPP pilot customers who contact SCE's CCC to discuss collection activities. We agree with TURN that customers who call the CCC to discuss collection activities generally need assistance from the utility and are the target group for PIPP. Cal Advocates request is moot given that we are rejecting SCE's proposed enrollment cap.

Proposed ME&O Plan

In its response, CforAT requested that SCE clarify various elements of its pilot proposal, including the outreach plan, CBO compensation structure, online and print marketing material accessibility, and estimated costs. CforAT stated that SCE's proposed PIPP ME&O Plan is unclear and requested further information as to how SCE intends to balance enrollment from customers who contact the CCC with other eligible customer segments (i.e., customers in targeted zip codes, CCA customers, and customers with multiple disconnections).¹⁰⁹ SCE replied that the ME&O strategies are included in AL 4710-E to conduct outreach for these additional eligible customer segments. For example, outreach will be performed in phases to allow eligible customers an opportunity to apply for and subsequently enroll in the PIPP pilot. SCE also proposed

¹⁰⁹ CforAT's Response to SCE's Advice Letter 4710-E (Service List R.18-07-005) at 2.

to provide its contracted CBOs with enrollment caps and to work with CBOs to manage continued PIPP pilot enrollments.¹¹⁰ This Resolution concludes that SCE's AL and Reply sufficiently address CforAT's concern.

CBO Compensation

SCE proposed to compensate CBOs providing support to its customers enrolled in the PIPP pilot through a flat fee compensation structure for each enrollment and income verification.¹¹¹ CforAT stated that this is not an appropriate method as it appears to fail to compensate CBOs for ongoing work after enrollment to support customers throughout the pilot period.¹¹² CforAT requested clarification that SCE will develop a payment model to ensure that CBOs will be compensated appropriately for their time and effort to enroll eligible customers and provide ongoing support. In its Reply, SCE stated that the CBO compensation model is appropriate as it is consistent with SCE's CARE and FERA capitation pay structure.¹¹³ In addition, SCE argued that D.21-10-012 does not contemplate CBOs supporting PIPP customers throughout the pilot, but requires contracted CBOs to conduct outreach, intake, and enrollment for the pilot.¹¹⁴

SCE's explanation of and proposal for CBO compensation is reasonable and in compliance with the CBO compensation requirements of the Decision. The Decision references CARE and/or ESAP as program models for CBOs to provide upfront income verification services for PIPP pilots¹¹⁵ and authorizes the IOUs to contract with CBOs that currently conduct outreach for ESAP and/or LIHEAP to conduct outreach, intake, and enrollment for the PIPP pilot.¹¹⁶ Therefore, we approve SCE's proposed CBO compensation model, as it is consistent with the CARE and FERA capitation pay structure.

Customer Communications

SCE indicated that its website explaining the PIPP pilot will include content in multiple languages and that it will be compliant with Web Content Accessibility Guidelines

¹¹⁰ SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to AL 4710-E at 3-4.

¹¹¹ SCE AL 4710-E at 13.

¹¹² CforAT's Response to SCE's AL 4710-E at 2.

¹¹³ SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to AL 4710-E at 4.

¹¹⁴ SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to AL 4710-E at 4.

¹¹⁵ D.21-10-012, Attachment A, at 2.

¹¹⁶ *Id.* at 6.

(WCAG).¹¹⁷ CforAT requested clarification that the website will meet the standard within the WCAG, which is WCAG 2.1 AA, and be available in-language and in accessible format, including key information in large print for all printed material.¹¹⁸ In its reply, SCE clarified that at the launch of the PIPP pilot website, the content will meet the minimum WCAG 2.0 compliance standard required by the Web Accessibility Initiative.¹¹⁹

As described in AL 4710-E, printed communications sent to all eligible PIPP customers will be in both English and Spanish, which are the appropriate languages identified by SCE and proposed during the working group meetings.¹²⁰ Due to increased costs associated with printed large font materials, SCE will not send large-font printed materials to all eligible customers; however, large-font printed materials and application will be available upon request. SCE's proposed in-language communications and clarifications in response to CforAT's request are consistent with the requirements of D.21-10-012.

Manual Implementation of the PIPP Pilot

CforAT requested more information about why SCE proposed to manually implement the PIPP pilot, given that SCE has engaged in a substantial and lengthy process to update its billing system, and how it developed its estimated costs for the required staffing.¹²¹ In its reply, SCE stated that the decision to implement manual billing was based on the Customer Service Re-Platform (CSRP) system constraints, costs, and timing.¹²² The CSRP is not currently configured to apply a dollar cap to monthly billing charges. Additionally, due to the uncertainty of the billing related requirements for the final PIPP pilot and the timing for the pilot start date, SCE would not have enough time to implement a fully automated PIPP pilot. Therefore, SCE proposed to perform the billing manually and provided additional information on cost estimates, including required staffing, for the PIPP pilot.¹²³ SCE disaggregated cost estimates associated with

¹¹⁷ SCE AL 4710-E at 14.

¹¹⁸ CforAT's Response to SCE's Advice Letter 4710-E (Service List R.18-07-005), at 2-3.

¹¹⁹ SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to Advice 4710-E at 4-5. As SCE continues to develop the website, it will be updated to "WCAG 2.1 AA".

¹²⁰ *Id.* at 5.

¹²¹ CforAT's Response to SCE's AL 4710-E at 3.

¹²² SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to Advice 4710-E, at 5.

¹²³ *Id.* at 5-6.

upfront development versus ongoing processing costs.¹²⁴

In preparing SCE's reply to CforAT's response, SCE discovered inadvertent errors regarding estimates in AL 4710-E. SCE submitted AL 4710-E-A on March 16, 2022 to correct the estimated number of full-time employees (FTEs) required to implement and operationalize the manual billing process. The estimated number of required staff for Billing Operations were corrected from 4 –13 FTEs to 6 FTEs (see the table below).¹²⁵ The estimated cost (\$1,180,432) for Billing Operations remains unchanged.

Table 12: Updated Estimated Costs for SCE's Proposed PIPP Pilot

Budget Item	Estimated Cost Over Life of the Pilot
Customer Bill Subsidy	\$768,000 to \$11,136,000
Administrative and Implementation	
• Program Administration (1.2 FTEs)	\$581,000
• Billing Operations (6 FTEs)	\$1,180,432
• Income Verification Processing	\$200,000
Marketing and Outreach to Pilot Customers	\$250,000
Measurement and Outreach to Pilot Customers	\$350,000 to \$500,000
Total	\$3,329,432 to \$13,847,432

We approve SCE's proposal to manually implement the PIPP pilot.

Response to PG&E 4569-G/6493-E and Reply

Exclusion of Budget Billing Customers

PG&E proposed to exclude customers enrolled in Budget Billing from the PIPP pilot since they are “not the population of customers targeted for assistance from the PIPP Program (e.g. those who are struggling to make on-time payments).”¹²⁶ PG&E explained that only customers with a history of timely payments are eligible for Budget

¹²⁴ Development costs are inclusive of developing the robotic and billing calculation tools, developing the processes associated with properly applying capped charges and received payments to SCE's revenue reporting system, and training the resources who will be leveraging the process and tools to manually bill customers each month. Processing costs are inclusive of the ongoing labor costs required to bill PIPP pilot customers on a monthly basis.

¹²⁵ SCE AL 4710-E-A at 2.

¹²⁶ PG&E AL 4569-G/6493-E at 3.

Billing. Therefore, Budget Billing customers have a lower risk of being disconnected compared to customers not enrolled in Budget Billing. In addition, Budget Billing customers already experience a fixed bill (though subject to periodic adjustment), similar to the customers who will enroll in the PIPP pilot. Therefore, Budget Billing and PIPP are mutually exclusive.

CforAT requested clarification on PG&E's proposal to exclude Budget Billing customers.¹²⁷ If PG&E proposed to exclude Budget Billing customers who otherwise meet the pilot eligibility, CforAT objected because "it is not appropriate to penalize customers who have been making attempts to manage their energy bills from participation in the PIPP if they are otherwise eligible."¹²⁸ In its reply, PG&E explained that far more customers are eligible for PIPP than the pilot can support, as noted in AL 4569-G/6493-E.¹²⁹ Therefore, PG&E intends to prioritize the limited PIPP enrollment slots to customers that most need the benefits of PIPP. Budget Billing customers are not part of that demographic by definition because, in order to be eligible for Budget Billing, customers are required to make regular on-time payments.

This Resolution approves PG&E's proposal.

PG&E's ME&O Plan

CforAT sought additional clarification as to how PG&E proposed to send enrollment information to eligible customers in "waves" and how to develop a targeting plan to ensure the enrollment process is as equitable as possible.¹³⁰ Additionally, CforAT requested clarification on balancing the enrollment of individuals from the targeted zip codes with those eligible based on other criteria adopted by the Commission.¹³¹ Lastly, CforAT requested that PG&E confirm that outreach will be conducted in-language as appropriate based on the target zip codes and that material will be available in accessible formats, including key information in large print in web-based and non-web-based information.

In its reply, PG&E stated that it intends to enroll eligible and interested customers on a first come, first served basis in a way that is consistent with the Decision. PG&E stated

¹²⁷ CforAT's Response to PG&E's Advice Letter 4569-G/6493-E (Service List R.18-07-005) at 2.

¹²⁸ *Id.* at 2.

¹²⁹ PG&E's Reply to CforAT to PG&E's AL 4569-G/6493 at.1-2.

¹³⁰ *Id.* at 2.

¹³¹ *Id.* at 2.

that, based on the proposed ME&O plan and the differences in bundled and unbundled customers, it is likely that PG&E will have a diverse PIPP population.¹³² For example, 41% of the maximum PIPP participants will be allocated to the six CCA territories participating in PIPP. In addition, PG&E confirmed that it plans to provide accessible outreach materials in languages appropriate for the areas targeted as well as multiple enrollment channels, including online and over the phone, as well as through a response card, and CBO outreach. We find that PG&E's ME&O plan is consistent with the Decision's directives and its reply sufficiently addresses CforAT's specific requests for clarification.

CBO Compensation

CforAT asserted that PG&E's plan for CBO support for PIPP customers is unclear and requested confirmation that all CBOs expected to provide support for PIPP customers during the pilot will be provided with appropriate compensation for their time and effort to effectuate the program.¹³³ Consistent with the Decision, PG&E confirmed in its reply that it plans to compensate CBOs for assisting with education and enrollment into the PIPP pilot.¹³⁴

Anticipated Cost

CforAT argued in its response that PG&E's discussion of anticipated costs is unclear. In AL 4569-G/6493-E, PG&E stated that it expects to incur incremental administrative expenses, and further indicated that it "may incur incremental capital expenditures to implement the PIPP pilot."¹³⁵ CforAT requested additional information about the type of capital expenditures associated with pilot implementation and, in the absence of substantial additional information from PG&E, would oppose the designation of any implementation costs as capital expenditures.¹³⁶

In its reply, PG&E indicated that "PG&E's accounting policies will be applied to the incremental costs recorded to the PIPPMAs to determine expense or capitalization treatment," further clarifying that those policies apply to "property, plant and

¹³² PG&E's Reply to CforAT to PG&E's AL 4569-G/6493 at 2-3.

¹³³ CforAT's Response to PG&E's Advice Letter 4569-G/6493-E (Service List R.18-07-005) at 3.

¹³⁴ PG&E's Reply to CforAT to PG&E's AL 4569-G/6493 at 3.

¹³⁵ PG&E AL 4569-G/6493-E at 17.

¹³⁶ CforAT's Response to PG&E's Advice Letter 4569-G/6493-E (Service List R.18-07-005) at 3.

equipment as well as *computer software*.”¹³⁷ PG&E will need specific computer software to accommodate PIPP in its billing system and therefore envisions that a portion of those costs will receive capital treatment. Furthermore, PG&E noted that these expenditures will be included in the memorandum account and be subject to a reasonableness review. Therefore, the CPUC and other stakeholders will have an opportunity to provide feedback if they disagree with the incurred costs once PG&E files for cost recovery. The additional information on the identification and treatment of implementation costs provided by PG&E is consistent with the requirements of the Decision.

Response to SDG&E 3941-E/3058-G and Reply

SDG&E’s ME&O Plan

CforAT filed a response to SDG&E 3941-E/3058-G and stated that SDG&E’s ME&O plan is unclear and requested further information as to how SDG&E intends to conduct effective outreach while balancing enrollment from the various eligible customer groups.¹³⁸ CforAT also requested clarification that the proposed PIPP website will be fully accessible in compliance with WCAG 2.1 AA standards, and that all other forms of outreach will be available in-language and in accessible formats. Finally, CforAT requested information about SDG&E’s plan, if any, to develop a wait list or other mechanism for addressing customer interest in PIPP after the pilot enrollment slots are allocated.

In its reply,¹³⁹ SDG&E stated that it intends to initially use a targeted ME&O plan to reach the most vulnerable customers in its service territory, including customers enrolled in the CARE program that have been disconnected two or more times in the year before the pandemic. SDG&E also intends to reach out to potential eligible participants in the proposed zip codes and will monitor enrollment status across its service territory to determine whether additional outreach tactics are necessary (i.e., targeted outbound calls) to enroll more customers in PIPP. Additionally, SDG&E explained that it will utilize software to ensure the PIPP website is in compliance with ADA, Section 508 and WCAG 2.1. SDG&E will provide communications and enrollment materials in English and Spanish with key information in accessible formats

¹³⁷ PG&E’s Reply to CforAT to PG&E’s AL 4569-G/6493 at 3.

¹³⁸ CforAT’s Response to SDG&E Advice Letter 3941-E/3058-G (Service List R.18-07-005) at 2.

¹³⁹ SDG&E’s Reply to Response of Joint Advice Letter 3941-E/3058-G et al. at 2.

including large print. Finally, SDG&E does not intend to implement a waitlist after the initial enrollment slots are allocated.

The CPUC finds SDG&E's ME&O proposal, including the in-language and accessible formats, compliant with the Decision. However, SDG&E did not provide a rationale as to why it does not intend to implement a waitlist strategy, like other IOUs. As SCE noted, like the CARE program, the PIPP pilot is likely to experience attrition over time. To ensure that pilot participation remains at or close to the enrollment cap as well as to ensure adequate sample data for pilot evaluation, the CPUC directs SDG&E to implement a waitlist strategy to ensure alignment across all IOU pilots. Mirroring SCE's proposed waitlist which has slots equal to its enrollment cap, SDG&E should establish a waitlist equal to its enrollment cap (1,000 customers).

SDG&E's Plan for CBO Support

CforAT sought information about compensation for CBOs that support the implementation of the PIPP pilot.¹⁴⁰ In addition, CforAT requested clarification that SDG&E will appropriately engage and compensate CBOs for their time and effort to effectuate the program, including work enrolling eligible customers.

SDG&E replied that it plans to leverage a select list of CBOs within its Energy Solutions Partner Network as well as CBOs that provide income verification. Compensation will be provided to align with CBO efforts to effectuate the program in terms of (1) enrollment and income verification based on a stipend, and (2) general outreach in specific zip codes and communities based on formal agreements and up-front funding amounts.¹⁴¹

SDG&E's plan to engage and compensate CBOs are consistent with the directives of the Decision.

¹⁴⁰ CforAT's Response to SDG&E Advice Letter 3941-E/3058-G at 2.

¹⁴¹ SDG&E's Reply to Response of Joint Advice Letter 3941-E/3058-G et. al. at 2.

Protest and Response to SoCalGas AL 5936**Reserving Enrollment Spaces**

SoCalGas proposed to reserve 500 enrollment spaces to eligible customers subject to disconnection.¹⁴² TURN protested as “SoCalGas does not provide any support for its proposal to limit enrollment of eligible customers facing disconnection to 500.”¹⁴³ In addition, TURN stated that SoCalGas’s proposal is noncompliant with D.21-10-012. Like SCE’s proposal of limiting 20% of pilot spaces to customers who contact SCE’s customer service center to discuss collection activities, SoCalGas’s proposal of limiting enrollment should also be rejected according to TURN.

In its reply, SoCalGas clarified that it proposed to *reserve*, not limit, 500 spaces to customers subject to disconnection.¹⁴⁴ SoCalGas explained that, “[g]iven that enrollment in the PIPP pilot is on a first come, first served basis, absent this reservation of 500 spaces, there would be a risk that without this allocation, customers subject to disconnection would not be offered the PIPP pilot program if the utility had reached its PIPP pilot participant cap.” This Resolution finds SoCalGas’s clarification reasonable and approves its proposal to reserve pilot spaces for most in-need customers.

Plan for Customer Outreach and Enrollment

CforAT requested information on customer outreach and enrollment, specifically how to ensure that customers in the various eligibility categories all receive information and have the opportunity to enroll. CforAT also requested additional detail on how SoCalGas will manage communications if the number of customers expressing interest in PIPP exceeds the available spots.¹⁴⁵ In addition, CforAT requested confirmation that outreach will be conducted in-language as appropriate based on the target zip codes and that material will be available in accessible formats, including key information in large print as part of all materials. According to CforAT, all information provided online should meet WCAG 2.1 AA web accessibility standards.

¹⁴² SoCalGas AL 5936 at 10.

¹⁴³ TURN’s Protest to Southern California Gas Company AL 5936 Regarding Its Percentage of Income Payment Plan Pilot at 1

¹⁴⁴ Reply to Protest of SoCalGas Advice No. (AL) 5936 - Southern California Gas Company’s Percentage of Income Payment Plan (PIPP) Pilot Program, Pursuant to Decision (D.) 21-10-012 at 2.

¹⁴⁵ CforAT’s Response to SoCalGas Advice 5936, at 2.

In its reply, SoCalGas provided additional information as requested in CforAT's Response.¹⁴⁶ SoCalGas states that it plans to market the PIPP pilot to the 20 targeted zip codes with the highest rates of recurring disconnections prior to the disconnections moratorium. SoCalGas will target CARE customers that have experienced disconnection in Phase 1 and target non-CARE customers that have experienced disconnection and who may be eligible for CARE in Phase 2. The methods of communication will include email and direct mail, depending on customer preference. Mirroring best practices utilized in other implementation efforts such as the Arrearage Management Plan, SoCalGas plans to send PIPP communications and enrollment materials in English and Spanish. In addition, SoCalGas proposed to provide PIPP key information in additional languages on www.socalgas.com. SoCalGas also confirmed that large font format in compliance with WCAG 2.1 AA web accessibility will be available to customers. This Resolution approves SoCalGas's proposed plan.

SoCalGas Plan for CBO Support for PIPP Customers

CforAT requested information about the form and amount of compensation that will be provided to the CBOs supporting customers who are enrolled in the PIPP pilot.¹⁴⁷

In its reply, SoCalGas clarified that CBO compensation will be based on feedback by each respective CBO to the utility, based on the number of resources and funding required.¹⁴⁸ Currently, SoCalGas CBOs are compensated based on agreements recorded in Memorandum of Understanding Agreement (MOU) documents. Separate MOUs for the PIPP pilot will be developed and agreed upon based on general terms and conditions, the scope of work for each CBO, organization overview, goals, objectives, compensation schedule, and reporting.

SoCalGas's plan for CBO support is consistent with the directives of the Decision.

DISCUSSION

The CPUC has reviewed the IOUs' ALs and party protests and finds that anything not specifically addressed below is in compliance with the directives of D.21-10-012, Attachment A.

¹⁴⁶ Reply to Protest of SoCalGas Advice No. (AL) 5936 - Southern California Gas Company's Percentage of Income Payment Plan (PIPP) Pilot Program, Pursuant to Decision (D.) 21-10-012, at 3.

¹⁴⁷ CforAT's Response to SoCalGas Advice 5936 at 2.

¹⁴⁸ Reply to Protest of SoCalGas Advice No. (AL) 5936 - Southern California Gas Company's Percentage of Income Payment Plan (PIPP) Pilot Program, Pursuant to Decision (D.) 21-10-012, at 4.

Pilot Evaluation

SCE's proposed pilot evaluation process was protested by TURN and Cal Advocates. Both argued that SCE does not have the authority to prioritize or adjust the research questions ordered in D.21-10-012. In its reply, SCE clarified that it intends to answer all evaluation questions and "would not recommend removing any of the research questions ordered in the Decision," but rather recommended adjustments to questions for clarity only and/or further refinement.¹⁴⁹ To further illustrate, SCE suggested that the question "Did pilot participants avoid uncollectibles or arrearages compared with a control group?" may be modified from a "yes/no" question to "What was the difference (if any) in rate and/or amount of arrearage or uncollectible payments for pilot participants compared to a similar control group?"¹⁵⁰

SCE shall not remove or modify any research questions included in the Decision and recognizes that SCE will answer all questions in the evaluation report. All IOUs may consider the inclusion of additional meaningful questions and recommendations in their evaluation plans, such as the above example offered by SCE to better inform long-term PIPP program design, but may not exclude any question in the Decision.

Customer Enrollment

TURN protested SCE's proposal to limit PIPP participation to customers who contact SCE's CCC to discuss collection activities to 20%. TURN argued that the Decision required the IOUs to offer to enroll eligible customers in the PIPP before disconnection without prioritizing certain groups of eligible customers over others.¹⁵¹ In addition, TURN argued that customers facing disconnection is the exact group that the PIPP program was intended to reach in order to achieve the primary goal of the Disconnections rulemaking to reduce disconnections. In its reply, SCE argued that its proposal of capping the enrollment spots offered prior to disconnection is compliant with D.21-10-012 because (1) it complies with the Decision's requirement that each utility's ME&O outreach plan include offering to enroll eligible customers before disconnection and (2) still maintains consistency with the Decision's other directives or

¹⁴⁹ SCE's Reply to Protests of Cal Advocates and TURN and Response of CforAT to Advice 4710-E, Sections I.B and III.B.

¹⁵⁰ *Id.*

¹⁵¹ TURN's Protest to Southern California Edison Company Advice Letter 4710-E Regarding Its Percentage of Income Payment Plan Pilot, at 1.

considerations regarding marketing and evaluation.¹⁵² In addition, the proposal supports gathering data to inform the development of a long-term PIPP program by reserving enrollment spots to low-income customers who make on-time payments, are not in arrears, and do not face disconnections.

The CPUC rejects SCE's arguments and rejects SCE's proposal to limit the participation of PIPP pilot customers who contact SCE's CCC to discuss collection activities. We agree with TURN that customers who call the CCC to discuss collection activities generally need assistance from the utility and are the target group for PIPP, as do customers that reach out through other means. We agree that it is equally important to offer customers who faced multiple disconnections or live in disadvantaged communities the opportunity to enroll in the PIPP pilot and equally important to enroll customers through other ME&O efforts beside the CCC. In providing equal opportunity for all potentially eligible customers to participate in the program, we find no reason to require a limitation as to any specific group of customers. SCE is the only IOU that proposed such an enrollment cap with the assertion that it would ensure a balanced, unbiased evaluation result of the PIPP pilot. We disagree with this assertion, and disallow such variation.

CforAT requested clarification on PG&E's proposal to exclude Budget Billing customers.¹⁵³ If PG&E proposed to exclude Budget Billing customers who otherwise meet the pilot eligibility, CforAT objected because "it is not appropriate to penalize customers who have been making attempts to manage their energy bills from participation in the PIPP if they are otherwise eligible."¹⁵⁴ In its reply, PG&E explained that far more customers are eligible for PIPP than the pilot can support, as noted in AL 4569-G/6493-E.¹⁵⁵ Therefore, PG&E intends to prioritize the limited PIPP enrollment slots to customers that most need the benefits of PIPP. Budget Billing customers are not part of that demographic by definition because, in order to be eligible for Budget Billing, customers are required to make regular on-time payments.

The CPUC approves PG&E's proposal of excluding Budget Billing customers from the PIPP pilot. We find reasonable PG&E's proposal targeting customers who cannot make regular payments and who are at high risk of disconnection. Given the limited number

¹⁵² *Id.* at 6-8.

¹⁵³ CforAT's Response to PG&E's Advice Letter 4569-G/6493-E (Service List R.18-07-005) at 2.

¹⁵⁴ *Id.* at 2.

¹⁵⁵ PG&E's Reply to CforAT to PG&E's AL 4569-G/6493 at.1-2.

of slots for the pilot, it is appropriate to prioritize the most in-need customers to help them manage their energy bills and avoid disconnections.

SoCalGas proposed to reserve 500 enrollment spaces to eligible customers subject to disconnection.¹⁵⁶ TURN protested as “SoCalGas does not provide any support for its proposal to limit enrollment of eligible customers facing disconnection to 500.”¹⁵⁷ In its reply, SoCalGas clarified that it proposed to *reserve*, not limit, 500 spaces to customers subject to disconnection.¹⁵⁸ SoCalGas explained that, “[g]iven that enrollment in the PIPP pilot is on a first come, first served basis, absent this reservation of 500 spaces, there would be a risk that without this allocation, customers subject to disconnection would not be offered the PIPP pilot program if the utility had reached its PIPP pilot participant cap.” Given that TURN's protest was based on limiting, rather than reserving, enrollment spaces, the CPUC approves SoCalGas's proposal of reserving 500 spaces in its PIPP pilot to customers subject to disconnection.

Proposed ME&O Plans

In response to the IOUs’ ALs, CforAT requested information as to how the IOUs will balance pilot enrollment from various ME&O channels, including customers in target zip codes, CCA customers, customers with multiple disconnections, and CBO outreach. CforAT also requested clarification from the IOUs as to whether the dedicated PIPP websites and printed materials for the PIPP pilots will be available in-language and in accessible format.

The IOUs provided information and clarification in their Replies. The CPUC finds the ME&O components explained in the Replies compliant with the Decision and approves the IOUs’ proposed ME&O plans.

CBO Compensation

CforAT responded to all four ALs requesting more information for the compensation structure provided to the CBOs that will support marketing, intake, and ongoing enrollment for the PIPP pilot. SCE proposed to compensate CBOs providing support for

¹⁵⁶ SoCalGas AL 5936 at 10.

¹⁵⁷ TURN’s Protest to Southern California Gas Company AL 5936 Regarding Its Percentage of Income Payment Plan Pilot at 1

¹⁵⁸ Reply to Protest of SoCalGas Advice No. (AL) 5936 - Southern California Gas Company’s Percentage of Income Payment Plan (PIPP) Pilot Program, Pursuant to Decision (D.) 21-10-012 at 2.

its customers enrolled in the PIPP pilot through a flat fee compensation structure for each enrollment and income verification. This is consistent with SCE's CARE and FERA capitation pay structure. PG&E proposed to compensate CBOs for assisting with education and enrollment into the PIPP pilot. SDG&E stated that it will engage and compensate CBOs for their time and effort to effectuate the program, including work enrolling eligible customers.

The Decision requires that (1) utilities contract with CBOs to provide upfront income verification services for PIPP pilots during pilot intake and enrollment if such CBOs currently provide upfront income verification services for CARE and/or ESAP; and (2) the PIPP pilots will rely on the CARE income reverification processes and will not have separate income reverification requirements. The Decision did not specify a compensation structure for contracted CBOs. The CPUC finds the IOUs' proposed CBO support compliant with the Decision.

Waiver for Central Coast Community Energy (CCCE) to Participate in PIPP

D.21-10-012 authorizes the participation of CCAs in a utility's PIPP Pilot if participating CCAs meet certain requirements and notifies the utility with a copy to the service list within 30 days of the effective date of the decision.¹⁵⁹ CCAs that opt to participate in the PIPP pilot must do the following: (1) notify the utility (with a copy to the service list of the Disconnections Rulemaking, R.18-07-005) within 30 days of the effective date of the Decision, (2) participate in the PIPP working group, and (3) jointly submit with utility a consolidated Tier 3 AL within 120 days of the Decision to propose a targeted enrollment level, eligible high disconnection zip codes, an ME&O plan, and a proposed budget.

CCCE did not timely serve its intent to participate in SCE's AMP as of the effective date of the Decision. In AL 4710-E, SCE and CCCE jointly requested a waiver for CCCE to participate in the PIPP pilot for the following reasons.¹⁶⁰ First, CCCE launched CCA service on October 1, 2021, a week before the Decision's effective date of October 7, 2021. Second, CCCE has met all other requirements for a CCA to participate in the PIPP pilot. Third, since its launch, CCCE has served intent to participate in AMP on December 13, 2021 and is currently participating in AMP. Because the timeframe was short for CCCE to timely serve its intent to participate in AMP and that CCCE has met all other requirements for a CCA to participate in the PIPP pilot, the CPUC

¹⁵⁹ D.21-10-012, Attachment A, 5.Community Choice Aggregators (CCAs).

¹⁶⁰ SCE AL 4710-E, at 16.

approves this waiver request. The waiver is not precedential and only applies to CCCE and this pilot at this time.

Statewide Electric and Gas Bill Caps

D.21-10-012 requires the utilities to include a proposal for splitting bill caps for electric and gas service separately.¹⁶¹ The electric and gas bill splits for two different groups of climate zones should be based on the average annualized CARE customer bill for electricity and gas. However, all IOUs supported a statewide PIPP bill cap split of 75/25 to electric/gas bills, regardless of the climate zones of which electric and gas services are provided. PG&E argued that after reviewing the analysis of CARE customers within each IOU's territory, it became apparent that the electric/gas commodity split was fairly similar.¹⁶² Second, a statewide bill split would mitigate any possible confusion for customers served by two IOUs. Third, adopting the 75/25 ratio approach would mirror the existing process of the CARE guidelines, which are set statewide rather than specific to each IOU. The CPUC finds the arguments above reasonable and approves the statewide electric and gas bill caps split of 75 percent and 25 percent for all IOUs.

Annual Update on Bill Caps

D.21-10-012 required utilities update bill caps annually to reflect current income guidelines concurrently with CARE program income guideline updates, provided that bill caps will not be adjusted during the first six months after the pilots are launched.¹⁶³ Accordingly, PG&E proposed to file a subsequent Tier 1 AL to reflect the appropriate bill caps based on the June 1, 2022 updated CARE income guidelines. The CPUC finds the Tier 1 AL filing appropriate for the IOUs to update bill caps aligned with the updated CARE program guideline. The IOUs should file Tier 1 AL(s) to update the bill caps aligned with the June 1, 2022 CARE income guidelines within 30 days of the effective date of this Resolution. Starting in 2023 through the conclusion of the PIPP pilot, IOUs should annually file Tier 1 AL to update the bill caps aligned the updated CARE income guidelines within 30 days of the date updated CARE income guidelines are published.

¹⁶¹ D.21-10-012, at 5.

¹⁶² PG&E AL 4569-G/6493-E, at 9-10.

¹⁶³ D.21-10-012, Attachment A at 5.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. Decision (D.) 21-10-012 directed Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE) San Diego Gas and Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) to file Tier 3 Advice Letters (AL) with detailed proposals to establish Percentage of Income Payment Plan (PIPP) pilots in accordance with Attachment A to D.21-10-012.
2. PG&E, SCE, SDG&E, and SoCalGas (collectively, the IOUs) filed Tier 3 ALs on February 4, 2022 jointly with participating Community Choice Aggregators to establish PIPP pilots that comply with the eligibility and requirements of D.21-10-012.
3. D.21-10-012 authorized the IOUs to each record pilot bill subsidies in its two-way Percentage of Income Payment Plan Balancing Account (PIPPBA). The IOUs proposed to recover electric pilot costs through the Public Purpose Programs Charge and should recover gas pilot costs from all gas customers in transportation rates on an equal-cents-per-therm basis.
4. D.21-10-012 authorized the IOUs to each record all administrative costs in its Percentage of Income Payment Plan pilot memorandum account (PIPPMA).
5. The IOUs each proposed in their ALs to establish the PIPPMAs to track incremental administrative costs for the PIPP pilot.
6. It is reasonable to approve the request of Central Coast Community Energy to participate in the PIPP pilot.

7. It is reasonable to establish a statewide bill cap split between electric and gas services for the PIPP pilot.
8. It is reasonable for the IOUs to create a waitlist mechanism to address potential pilot attrition.
9. D.21-10-012 orders the IOUs to apply monthly bill caps set at 4% of household income for both electricity and gas with the following standard assumptions: household size of 3 people; reference income of 50% of Federal Poverty Guidelines for households with incomes between 0-100% of Federal Poverty Guidelines; and reference income of 150% of Federal Poverty Guidelines for households with incomes between 101-200% of Federal Poverty Guidelines.
10. It is reasonable for the IOUs to file a Tier 1 AL within 30 days of the effective date of this Resolution to establish bill caps based on the June 1, 2022 updated California Alternate Rates for Energy (CARE) income guidelines.
11. D.21-10-012 directed the IOUs to update bill caps annually to reflect current income guidelines, concurrently CARE program income guideline updates.
12. It is reasonable for the IOUs to file a Tier 1 AL annually to update bill caps aligned with the updated CARE program guideline.

THEREFORE IT IS ORDERED THAT:

1. This Resolution approves the following requests:
 - (a) The joint request of Pacific Gas and Electric Company and participating Community Choice Aggregators to implement a Percentage of Income Payment Plan Pilot are approved as modified by this Resolution, and as requested in PG&E AL 4569-G/6493-E, Central Coast Community Energy AL 31-E, East Bay Community Energy AL 36-E, Marin Clean Energy AL 59-E, Pioneer Community Energy AL 10-E, Redwood Coast Energy Authority AL 14-E, and Valley Clean Energy Alliance AL 12-E.
 - (b) The joint request of Southern California Edison Company and participating Community Choice Aggregators to implement a Percentage of Income Payment Plan Pilot are approved as modified by this Resolution, and as requested in SCE AL 4710-E and 4710-E-A, Apple Valley Choice Energy AL 10-E, Central Coast Community Energy AL 30-E, Clean Power Alliance of Southern California AL 15-E, Lancaster Choice Energy AL 19-E, Pico Rivera Innovative Municipal

PG&E 4569-G/6493-E, SCE 4710-E, SDG&E 3941-E/3058-G, SCG 5936/JSU

Energy AL 14-E, Pomona Choice Energy AL 4-E, Rancho Mirage Energy Authority AL 8-E, and San Jacinto Power AL 12-E.

- (c) The joint request of San Diego Gas and Electric Company and participating Community Choice Aggregators to implement a Percentage of Income Payment Plan Pilot are approved as modified in this Resolution, and as requested in SDG&E AL 3941-E/3058-G, San Diego Community Power AL 007-E, and Clean Energy Alliance AL-004 E.
 - (d) The request of Southern California Gas Company to implement a Percentage of Income Payment Plan Pilot is approved as modified by this Resolution, and as requested in SoCalGas AL 5936 is approved.
- 2. The request of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company to create a statewide bill cap ratio of 75/25 for electric and gas services is approved.
 - 3. The request of Central Coast Community Energy to participate in the Percentage of Income Payment Plan Pilot is approved.
 - 4. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company should file a Tier 1 Advice Letter to update bill caps as follows:
 - (a) Within 30 days of the passage of this Resolution, based on the June 1, 2022 updated CARE income guidelines.
 - (b) Every year within 30 days of the updated CARE income guidelines are published.
 - 5. The request of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company to create Percentage of Income Payment Plan Pilot Balancing Accounts and Percentage of Income Payment Plan Pilot Memorandum Accounts, as well as to make other related Tariff changes, is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 15, 2022, the following Commissioners voting favorably thereon:

Rachel Peterson
Executive Director