

Decision **PROPOSED DECISION OF COMMISSIONER HOUCK**  
(Mailed 1/9/2024)

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

Order Instituting Rulemaking to  
Consider New Approaches to  
Disconnections and Reconnections to  
Improve Energy Access and Contain  
Costs.

Rulemaking 18-07-005

**DECISION APPROVING COMMUNITY-BASED ORGANIZATION ARREARS  
CASE MANAGEMENT PILOT PROGRAM**

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### Attachment A – Adopted CBO Pilot Program

**DECISION APPROVING COMMUNITY-BASED ORGANIZATION ARREARS  
CASE MANAGEMENT PILOT PROGRAM****Summary**

This decision approves a Community-Based Organization Arrears Case Management Pilot Program to reduce residential energy service disconnections by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company. The utilities shall contract with community-based organizations to provide case management services to assist up to 12,000 customers with managing their unpaid bills, enrolling in energy assistance and energy efficiency programs, and arranging bill payment plans. Within 180 days of the effective date of this decision, the utilities shall award contracts for such assistance to community-based organizations. The pilot program shall conclude 790 days after the effective date of this decision. This proceeding remains open.

**1. Background****1.1. Procedural Background**

On July 12, 2018, the Commission approved the Order Instituting Rulemaking for this proceeding pursuant to Senate Bill (SB) 598 (Hueso), Stats. 2017, ch. 362 to address residential disconnection rates across California's electric and gas investor-owned utilities. The primary goal of this proceeding is to reduce residential disconnections and improve reconnection processes.

Phase 1 of this proceeding established immediate and near-term disconnections improvements for Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) (together, the Large Utilities or IOUs).

On December 13, 2018, the Commission issued Decision (D.) 18-12-013, which established immediate interim rules to reduce residential disconnections by the Large Utilities. On June 11, 2020, the Commission issued D.20-06-003, which adopted ongoing rules to reduce residential disconnections by the Large Utilities, created the Arrearage Management Payment Plan (AMP) program, and concluded Phase 1 of this proceeding. The small and multi-jurisdictional energy utilities (SMJUs) were exempted from the requirements of the Phase 1 decisions.

On October 11, 2021, the Commission approved Percentage of Income Payment Plans (PIPP) pilot programs for the Large Utilities in D.21-10-012, concluding the PIPP phase of this proceeding.

The Commission approved residential disconnection protections for the SMJUs in D.22-08-037, which concluded Phase 1-A of this proceeding.

On April 18, 2022, the Commission issued D.22-04-037 in Rulemaking 21-02-014 to require the development of a Community-Based Organization (CBO) Arrears Case Management Pilot Program (CBO Pilot Program) in this proceeding.

On July 15, 2022, the assigned Commissioner issued a Phase 2 scoping memo and ruling to establish the scope and schedule for this proceeding and request party comments on Phase 2 issues. SCE, Utility Consumers' Action Network (UCAN), SDG&E/SoCalGas, Center for Accessible Technology and National Consumer Law Center (CforAT/NCLC), California Community Choice Association (CalCCA), The Utility Reform Network (TURN), PG&E, and the Joint SMJUs<sup>1</sup> filed opening comments on August 5, 2022. CalCCA, PG&E, SCE, SDG&E/SoCalGas, TURN, the Public Advocates Office at the California Public

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<sup>1</sup> The Joint SMJUs consist of Bear Valley Electric Service, Inc., Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d.b.a. Pacific Power, and Southwest Gas Corporation.

Utilities Commission (Cal Advocates), and CforAT/NCLC filed reply comments on August 19, 2022.

On August 29, 2022, PG&E filed a proposal (CBO Pilot Proposal) on behalf of the CBO Pilot Working Group in this proceeding. On September 9, 2022, TURN, Cal Advocates, and CforAT/NCLC filed opening comments. On September 23, 2022, the Large Utilities filed joint reply comments.

On October 17, 2022, the Commission's Energy Division held a workshop to discuss Phase 2 issues. Administrative Law Judge (ALJ) Wang issued a ruling on November 10, 2022, that requested party comments on questions relating to the Phase 2 workshop. On December 9, 2022, SCE, CforAT/NCLC, PG&E, SDG&E, UCAN, TURN, Cal Advocates, CalCCA, and SoCalGas filed opening comments. On January 10, 2023, PG&E, CforAT/NCLC, SCE, SDG&E, Cal Advocates, CalCCA, and SoCalGas filed reply comments.

On February 13, 2023, ALJ Wang issued a ruling that requested party comments on additional questions about the CBO Pilot Proposal. On February 24, 2023, SCE, CforAT/NCLC, SDG&E, SoCalGas, UCAN, Cal Advocates, and PG&E filed opening comments on the February 2023 ruling. On March 13, 2023, PG&E, SDG&E, UCAN, SCE, CalCCA, and SoCalGas filed reply comments on the February 2023 ruling.

On August 24, 2023, the assigned Commissioner issued a ruling to request additional comments on the payment structure for the CBO Pilot Proposal. Cal Advocates, CforAT, The Greenlining Institute (Greenlining), PG&E, SCE, SDG&E, SoCalGas, TURN, and UCAN filed opening comments on September 11, 2023. CforAT, Greenlining, PG&E, SCE, SDG&E, SoCalGas, TURN, and UCAN filed reply comments on September 25, 2023.

## **1.2. Submission Date**

This matter was submitted on September 25, 2023, upon the filing of reply comments on the August 24, 2023 ruling.

## **2. Issues Before the Commission**

The issue before the Commission is whether to approve the CBO Pilot Proposal.

## **3. Whether the Pilot Proposal Development Process Complied with the Requirements of D.22-04-037**

In D.22-04-037, the Commission provided the following directions for the pilot proposal development process.

- PG&E will convene an initial meeting of stakeholders to form the CBO Pilot Working Group within 60 days of the issuance of D.22-04-037.<sup>2</sup>
- The CBO Pilot Working Group will be co-led by PG&E and one CBO nominated and selected by the working group.<sup>3</sup>
- The CBO Pilot Working Group will be comprised of the representatives listed in Attachment A to D.22-04-037.<sup>4</sup>
- PG&E will file on behalf of the CBO Pilot Working Group a proposed CBO Pilot Program in the docket of this proceeding within 120 days of the issuance of D.22-04-037.<sup>5</sup>

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<sup>2</sup> D.22-04-037 at Ordering Paragraph 1.

<sup>3</sup> D.22-04-037 at Conclusion of Law 4.

<sup>4</sup> D.22-04-037 at Attachment A. The decision required the CBO Working Group to include one representatives of each of the Large Utilities, one Community Choice Aggregator from each Large Utility's service territory, one CBO from each targeted region (Southern California, Central California, Northern California), one representative of Tribal communities from each of the Large Utilities' service territories, a representative of the Commission's Energy Division, a Low Income Oversight Board Member or designee, a Disadvantaged Communities Advisory Group Member, and a Self-Help Enterprises representative. D.22-04-037 also required PG&E to invite at least three consumer advocacy organizations to participate in the working group.

<sup>5</sup> D.22-04-037 at Ordering Paragraph 5.

According to the CBO Pilot Proposal, the CBO Working Group met six times between May 31, 2022, and July 5, 2022, to develop the proposal in accordance with D.22-04-037. All meetings were made public, and notices were served to the service lists of this proceeding and the low-income energy proceedings.<sup>6</sup>

The CBO Working Group nominated and selected Valley Clean Air Now to co-lead with PG&E the working group at the first meeting on May 31, 2022. Valley Clean Air Now is a 501(c)(3) public charity founded in 2001 that is dedicated to delivering assistance to low-income residents of San Joaquin Valley disadvantaged communities.<sup>7</sup>

The CBO Pilot Working Group included the co-leads (Valley Clean Air Now and PG&E) and the following organizations: SCE, SoCalGas, SDG&E, Redwood Coast Energy, Clean Power Alliance, San Diego Community Power, Project GO, Inc., Lived Experiences, Self-Help Enterprises, North Fork Rancheria of Mono Indians of California, Association of California Community and Energy Services, Cal Advocates, TURN, CforAT, California Department of Community Services and Development, the Commission's Energy Division, and the Commission's Executive Division.<sup>8</sup>

PG&E filed the CBO Pilot Proposal on behalf of the CBO Pilot Working Group in this proceeding on August 29, 2022.<sup>9</sup>

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<sup>6</sup> CBO Pilot Proposal at 2-3.

<sup>7</sup> CBO Pilot Proposal at 3.

<sup>8</sup> CBO Pilot Proposal at 3-5.

<sup>9</sup> PG&E originally filed a joint advice letter on behalf of the Large Utilities to propose the CBO Pilot Proposal on August 16, 2022. ALJ Wang issued a ruling on August 22, 2022, to direct PG&E to withdraw the advice letter and file the CBO Pilot Proposal in the docket of this proceeding in accordance with D.22-04-037 and the Phase 2 scoping memo.

No party raised concerns in comments in this proceeding about the process for developing the CBO Pilot Proposal or the composition of the CBO Pilot Working Group.

We find that the CBO Pilot Proposal development process and the composition of the CBO Pilot Working Group complied with the requirements of D.22-04-037.

#### **4. Whether to Approve the Proposed Pilot Size and Eligibility**

The Commission provided the following pilot size and eligibility directions in D.22-04-037:

- The CBO Pilot Working Group should propose the number of residential utility customer participants for the pilot.<sup>10</sup>
- The Commission expected that “approximately 12,000 customers” would receive services from the pilot.<sup>11</sup>
- All customers in specified zip codes who have outstanding electric and/or gas bill debt should be eligible for the pilot program. The CBO Pilot Working Group should establish criteria for selecting pilot zip codes and propose the pilot zip codes.<sup>12</sup>

The CBO Pilot Proposal included the following pilot size and eligibility proposals:

- **Pilot size.** Pilot participation will be capped at 12,000 customers statewide and allocated between utilities as follows: 4,800 in PG&E’s territory, 4,800 in SCE’s and SoCalGas’s territories, and 2,400 in SDG&E’s territory.
- **Pilot eligibility.** Any residential customer, regardless of income, will be eligible for the pilot if they both (a) reside

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<sup>10</sup> D.22-04-037 at Conclusion of Law 6.

<sup>11</sup> D.22-04-037 at 2.

<sup>12</sup> D.22-04-037 at Attachment B, at 2.



in a selected zip code and (b) have arrears that are at least 90 days old and may be at risk for disconnection (defined as being in active collection and/or disconnection process).

- **Pilot zip codes.** The selected zip codes scored the highest on the Commission's affordability ratio metric for a representative gas or electric utility customer at the 20th percentile of household income.<sup>13</sup> The CBO Pilot Proposal included the list of selected zip codes based on the Commission's affordability ratio metrics in 2020.<sup>14</sup>

The proposed pilot size is consistent with the directions in D.22-04-037. No party opposed the proposed pilot size or allocation of pilot participants among the Large Utilities. It is reasonable to cap pilot participation at 12,000 customers statewide and allocate the pilot cap between utilities as follows: 4,800 in PG&E's territory, 4,800 in SCE's and SoCalGas' territories, and 2,400 in SDG&E's territory.

The proposed pilot eligibility criteria and method for selecting pilot zip codes are consistent with D.22-04-037. No party opposed the proposed eligibility criteria, the proposed method for selecting pilot zip codes, or the proposed list of pilot zip codes.

Most parties specifically supported not requiring pilot participants to meet income eligibility criteria. NCLC/CforAT and Cal Advocates argued that imposing income requirements for participating in the pilot would create

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<sup>13</sup> In D.20-07-032, the Commission adopted Affordability Metrics providing the power to divide and rank California into small geographic areas by resource levels and affordability of essential quantities of utility service. Complete details can be found here <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.

<sup>14</sup> D.22-04-037 ordered the CBO Pilot Working Group to leverage the Commission's affordability metrics, which provide a readily available, reasonable method to narrow disadvantaged communities to those likely to have become most vulnerable to disconnection of essential electric and gas service during the COVID-19 pandemic (at 25).

additional barriers to receiving assistance. TURN argued that the COVID-19 pandemic caused moderate-income customers to fall into arrears and not have the ability to afford the combination of their monthly bill and outstanding arrears.<sup>15</sup> UCAN argued that the pilot should focus on customers who either lack sufficient income to pay their utility bills or have experienced unusual expenses, such as emergency medical bills, that make paying utility bills difficult.<sup>16</sup>

It is not necessary to create additional barriers to accessing arrearage relief by requiring customers to prove that they meet income requirements or have experienced unusual expenses that make it difficult to pay their utility bills.

It is reasonable to adopt the proposed pilot eligibility criteria in Attachment A and the list of pilot zip codes in the CBO Pilot Proposal.

## **5. Whether to Approve the Proposed Pilot Design**

In D.22-04-037, the Commission determined that a CBO Pilot Program was “necessary due to the utility bill debt crisis in California that predated the COVID-19 pandemic and has only been exacerbated by it.”<sup>17</sup> The Commission provided the following pilot design directions in D.22-04-037: (a) the pilot should be conducted over a two-year period;<sup>18</sup> (b) the pilot scope of work should include arrearage case management, defined as repeated interventions with a customer over time until the customer’s arrearage is either eliminated or a concrete plan to eliminate the arrearage over time is established, and the customer is able to

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<sup>15</sup> Comments of SCE, PG&E, SDG&E, SoCalGas, CalCCA, CforAT/NCLC, and TURN filed on December 9, 2022.

<sup>16</sup> UCAN’s comments filed on December 9, 2022.

<sup>17</sup> D.22-04-037 at 34.

<sup>18</sup> D.22-04-037 at Conclusion of Law 6.

execute the plan and manage current bills going forward;<sup>19</sup> and (c) the Large Utilities will refer customers in communities eligible for the pilot to the CBO Pilot Program if they will receive disconnection notices within the next three months.<sup>20</sup>

The CBO Pilot Proposal included the following pilot design elements:<sup>21</sup>

- CBOs will be selected to participate in the pilot based on key criteria, including close geographic proximity to the target communities, ability to provide in-language support for customers, familiarity with energy programs and services, and ability to comply with customer data protection requirements.
- The Large Utilities will provide selected CBOs with customer contact information for eligible customers.
- During the customer intake and enrollment process, the CBOs will assess the customer's financial situation and family needs to develop an action plan. Specifically, CBOs will assess customer eligibility for the pilot, identify immediate and long-term needs, initiate billing dispute and resolution actions, develop and discuss an initial action plan for the customer, and have the customer sign a case management agreement to enroll in the pilot.
- Once a customer signs an agreement to enroll in the pilot, pilot program services are anticipated to last for twelve months, with a CBO-customer follow-up interaction approximately once per quarter.
- Case management services will be divided into three tiers. Not all customers will need all three tiers of services.
- After 12 months from the date of enrollment, the CBO will report on whether the pilot customer remained current in

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<sup>19</sup> D.22-04-037 at Attachment B, page 1.

<sup>20</sup> D.22-04-037 at Attachment B, page 2.

<sup>21</sup> CBO Pilot Proposal at 5 and 10-12.

their utility account or was better able to address any newly acquired debt. For customers whose debts have been successfully resolved, the CBO will hold a follow-up session. Other customers will exit from the pilot program and transfer to normal customer care provided by the IOUs.

The CBO Pilot Proposal also included the following tiers of case management services:

- Tier 1 Services provide immediate relief and assistance to remove the risk of disconnection in months 1-3, including basic energy education, financial education, training, and best practices; and immediate program relief, including enrollment in the Low-Income Home Energy Assistance Program (LIHEAP), AMP, the California Alternate Rates for Energy Program (CARE) program, the Family Electric Rate Assistance (FERA) program, and other locally available program options; and negotiation of payment plans.
- Tier 2 Services continue supporting customer relief in months 4-6 by offering continued energy and financial education, and best practices; enrollment in IOU and non-IOU energy efficiency programs and the most beneficial rate plan options; and renegotiation of payment plans and disconnection status.
- Tier 3 Services provide ongoing support in months 7-12 through evaluation of the customer's progress out of debt; consideration of changes in circumstances and necessary changes to the action plan; energy education and sound financial practices; and monitoring.

SCE and SDG&E confirmed that the pilot zip codes in their service territory include community choice aggregator (CCA) customers, and PG&E confirmed that CCAs do not serve customers in the pilot zip codes in its service

territory.<sup>22</sup> SDG&E supported communicating with the CCAs in its service territory about the implementation of the program and encouraging CCA contact centers to refer customers to the pilot program.<sup>23</sup> CalCCA commented that alerts should be placed on the accounts of pilot customers so that in the event a pilot customer calls its CCA, the CCA account representative will be aware of the customer's participation in the pilot.<sup>24</sup>

It is reasonable to require SCE and SDG&E to provide the following information to each CCA that serves pilot zip codes: (a) pilot marketing materials and contact information for the CBOs that serve pilot zip codes in the CCA's service territory at least 10 business days before pilot enrollment commences, and (b) a list of the customer accounts that are participating in the pilot within 10 business days of the end of each month based on the latest information received from CBOs.

Parties acknowledged that some of the case management services in the CBO Pilot Proposal overlap with the energy education provided by the Energy Savings Assistance Program and the immediate relief and assistance services provided by the Commission's Community Help and Awareness of Natural Gas and Electric Services Program (CHANGES).

SCE asserted that what differentiates the Tier 1 service in the pilot from existing energy education offerings is the additional time and personalized support provided to the customer and the focus on bill savings.<sup>25</sup> PG&E and

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<sup>22</sup> Comments of SCE, SDG&E, and PG&E filed on December 9, 2022.

<sup>23</sup> SDG&E comments filed on December 9, 2022.

<sup>24</sup> CalCCA comments filed on December 9, 2022.

<sup>25</sup> SCE comments filed on December 9, 2022.

SDG&E provided similar comments.<sup>26</sup> UCAN argued that the pilot should avoid duplication of efforts with other existing programs.<sup>27</sup> No other party proposed to remove or modify the energy education services provided by the pilot.

The Large Utilities, Cal Advocates, and UCAN agreed that the main difference between CHANGES and the proposed pilot program is customer eligibility. CHANGES provides case management services that are similar to the proposed pilot services to customers with limited English proficiency.<sup>28</sup> No party proposed to modify the proposed pilot services to avoid duplication of services with CHANGES.

This decision will adopt the proposed case management services as set forth in Attachment A and will prohibit CBOs from receiving double compensation for providing case management services to a given customer through both CHANGES and the CBO Pilot Program.

It is reasonable for the case management services to be funded by ratepayers because the CBOs will help enroll eligible customers in arrearages management programs, to help customers remain in the program, reduce their energy bills and arrearages over time, and reduce the risk of service disconnection.

The CBO Pilot Proposal defined an enrolled pilot participant as a customer with a signed agreement to participate in case management. No party opposed this proposal. It is reasonable to adopt this definition as set forth in Attachment A.

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<sup>26</sup> Comments filed by PG&E and SDG&E on December 9, 2022.

<sup>27</sup> UCAN comments filed on December 9, 2022.

<sup>28</sup> Comments filed by PG&E, SCE, SDG&E, UCAN, and Cal Advocates on December 9, 2022.

The CBO Pilot Proposal did not include proposals for how to define unenrollment or withdrawal from the pilot, or how to address participants who move after enrollment in the pilot.

The Large Utilities each commented that the pilot should have a standard unenrollment process for unresponsive customers based on the CARE post-enrollment verification process, which removes customers from the CARE program if the customer does not respond to at least three communications over a 60-day period. The Large Utilities also commented that CBOs should be encouraged to allow a substantial amount of time to elapse between communications to ensure that participants are not unenrolled prematurely.<sup>29</sup> Cal Advocates and UCAN each commented that CBOs should contact unresponsive customers in several different ways, including text messages, before unenrolling a participant.<sup>30</sup> Based on these comments, this decision adopts a 60-day unenrollment process that includes text messages and at least three attempts at communication for unresponsive pilot participants as set forth in Attachment A.

The Large Utilities and UCAN argued that they should be able to address pilot participants who move differently depending on whether they move outside of the CBO's ability to stay in contact with the customer, outside of the utility's service territory, or out of state.<sup>31</sup> CforAT/NCLC proposed that customers who move after enrollment should be allowed to remain in the pilot, for so long as they continue to respond to CBO communications, because a

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<sup>29</sup> Comments of PG&E, SCE, SDG&E, and SoCal Gas filed on February 24, 2023.

<sup>30</sup> Comments of Cal Advocates and UCAN filed on February 24, 2023.

<sup>31</sup> Comments of PG&E, SCE, SDG&E, SoCalGas, and UCAN filed on December 9, 2022.

customer who moves retains the obligation to pay debts and thus needs arrearage assistance.<sup>32</sup>

The purpose of this pilot is to test an approach to reducing the number of residential disconnections. A customer who moves out of state or to another utility's service territory is not at risk of disconnection due to arrearages accrued at the previous address. By contrast, a customer who moves to a new address within the utility's service territory is still at risk of disconnection and therefore should be allowed to remain in the pilot program, subject to the unenrollment provision above for failure to respond to CBO communications.

The CBO Pilot Proposal did not address standardization of pilot marketing, education, or outreach (ME&O) for CBOs or utilities. Each of the Large Utilities initially opposed standardization of pilot ME&O for CBOs or utilities, arguing that standardization of content, timing, or methods of ME&O would be counterproductive to the purpose of the pilot and measurement of the impact of the pilot.<sup>33</sup>

CforAT/NCLC, Cal Advocates, and UCAN, on the other hand, strongly supported a pilot working group to develop standard ME&O content and methods. UCAN emphasized the importance of standard training and materials, such as videos, for explaining the various utility bill assistance programs. CforAT/NCLC asserted that a common baseline of quality outreach and education about existing low-income programs is necessary to evaluate the pilot program. CforAT/NCLC envisioned that CBOs would take the lead on creating

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<sup>32</sup> CforAT/NCLC's comments filed on December 9, 2022.

<sup>33</sup> Comments of PG&E, SCE, SDG&E, and SoCalGas filed on February 24, 2023.



accurate and culturally appropriate translations and variations of the standard educational materials.<sup>34</sup>

In response to party comments, PG&E agreed that it would be appropriate to standardize onboarding training for CBOs, including information about customer programs, and standard templates for marketing the pilot.<sup>35</sup> SDG&E and SoCalGas supported convening a working group to discuss standardization of CBO and IOU ME&O while providing flexibility for CBO communications.<sup>36</sup>

We conclude that a Pilot Implementation Working Group should meet to discuss the development of standard informational materials about the pilot and standard training materials for providing case management services before the CBO Pilot Program commences. CBOs may adjust the standard content and the education and outreach methods in culturally appropriate ways.

The Pilot Implementation Working Group should include, at minimum, representatives of the Large Utilities, the Commission's staff, and at least one CBO contractor from each service territory. PG&E should invite CCAs and parties to this proceeding to participate in the Pilot Implementation Working Group. PG&E should convene and facilitate Pilot Implementation Working Group meetings. CBO contractors should be invited to participate in Pilot Implementation Working Group meetings after they enter into contracts to provide pilot services.

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<sup>34</sup> Comments of UCAN, Cal Advocates, and CforAT/NCLC comments filed on February 24, 2023.

<sup>35</sup> PG&E comments filed on March 13, 2023.

<sup>36</sup> SDG&E and SoCalGas filed on March 13, 2023.

## **6. Whether to Approve the Proposed Metrics and Reporting Plan**

The Commission included the following directions for establishing requirements for pilot metrics and reporting in D.22-04-037:

- The Large Utilities should track and report the progress that CBOs contracted under the CBO Pilot Program make toward resolving customer debt.<sup>37</sup>
- The CBO Pilot Working Group will consider the Emergency Rental Assistance Program model of tracking and reporting.<sup>38</sup>
- The CBO Pilot Working Group shall develop and propose data tracking requirements and meetings or workshops during the first year of the CBO Pilot Program to interpret the reported metrics, and informal recommendations and lessons learned based on data reports and stakeholder meetings or workshops.<sup>39</sup>

The CBO Pilot Proposal would require the Large Utilities to report to the Commission, as part of the existing monthly disconnections report filed in this proceeding, the number of customer accounts enrolled in the pilot and the amount owed by these pilot customers.

The CBO Pilot Proposal would also require the Large Utilities to report to the evaluation contractor the following pilot metrics:

- Number of customers and dollar amount of arrears of all customers facing arrears (excluding pilot accounts), 12

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<sup>37</sup> D.22-04-037 at Conclusion of Law 9.

<sup>38</sup> D.22-04-037 at Attachment B, at 3. The Emergency Rental Assistance Program, administered by California Housing and Community Development, was a new program that became available to relieve utility bill debt associated with the COVID pandemic.

<sup>39</sup> D.22-04-037 at Attachment B, at 3.

months after pilot initiation, per CBO geographic location;<sup>40</sup>

- Number of customers and dollar amount of arrears of enrolled pilot accounts facing arrears, 12 months after pilot initiation, per CBO geographic location;
- Number and percentage of pilot accounts that successfully completed case management service and eliminated all arrearages within 12 months of pilot enrollment;
- Number of pilot accounts that successfully remained current on energy bills, 24 months after pilot enrollment;
- Number and dollar amount of pilot accounts with arrearages, 24 months after pilot enrollment;
- Number and percentage of pilot customers who successfully reduced arrearage but did not eliminate all debt, 12 months after pilot enrollment; and
- Number and percentage of pilot customers with no change, who withdrew from the pilot, or with an increased arrearage, 12 months after pilot enrollment.

In addition, the CBO Pilot Proposal proposed to require selected CBOs to report to the Large Utilities the following pilot metrics monthly:

- Number of customers in the sample group;
- Number of pilot customers contacted through outreach by each CBO;
- Number of signed customer participation agreements;
- Number of customers enrolled in each service level tier;
- Number of completed case management action plans;
- Number of customers who have completed the first six months of the case management program;

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<sup>40</sup> Eligibility for the CBO Pilot Program is based on zip code, rather than CBO geographic location. Accordingly, the adopted metrics should refer to “target zip code” rather than “CBO geographic location.”

- Number of customers who have completed the twelve months of the case management program;
- Number of customers that unenrolled (or withdrew) from the case management program;
- Number of disconnections from pilot program enrolled and unenrolled customers;
- Total and average number of programs recommended per customer;
- Total and average number of programs enrolled in per customer (based on customer self-report);
- Number of customers enrolled/confirmed enrolled in each program;
- Average LIHEAP Cash Relief per customer; and
- Participating customers' arrearage status: (a) arrearage at the time of the signed participation agreement compared to subsequent arrearage by each month-end; and (b) calculate pilot program aggregate and per account difference: (i) increased arrearages, by dollar and percentage of accounts, and (ii) same/reduced arrearages, by dollar and percentage of accounts.<sup>41</sup>

In a ruling on November 10, 2022 (November 2022 Ruling), ALJ Wang requested comments on whether the pilot should collect data to help identify the characteristics of customers who can benefit from AMP or PIPP. Parties filed opening comments on December 9, 2022, and reply comments on January 10, 2023.

CforAT/NCLC recommended collection of two metrics relating to AMP success: total household income and whether household income fluctuates

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<sup>41</sup> We expect that the Large Utilities, not the CBOs, will track and report customers' arrearage status.

throughout the year.<sup>42</sup> UCAN and Cal Advocates each recommended collection of household income data and monthly bills.<sup>43</sup> TURN recommended collection of a broad range of demographic data, such as income, assets, gender, number of people in the household, number of income earners in the household, age, home renter or owner, and income fluctuation.<sup>44</sup> We agree that the pilot should collect, at minimum, data on household income and income fluctuation. The Large Utilities should also be required to report on pilot participants' average monthly energy bills and seasonal variability of energy bills.

In a ruling on February 13, 2023 (February 2023 Ruling), ALJ Wang requested party comments on the following pilot metrics proposed by the California Policy Lab at the University of California, Berkeley.<sup>45</sup>

- Number of participants in the treatment group versus the control group;
- Number of unique outreach attempts made to pilot participants;
- Number of attempted agreements (i.e., potential participants who began the intake process but did not sign an agreement to participate);
- Percentage of enrolled participants who are eligible for each service level tier;
- Percentage of participants who completed a case management action plan;
- Number of customers who completed the first six months and first twelve months of the case management program;

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<sup>42</sup> CforAT/NCLC's comments filed on December 9, 2022.

<sup>43</sup> Comments of UCAN and Cal Advocates filed on December 9, 2022.

<sup>44</sup> TURN's comments filed on December 9, 2022.

<sup>45</sup> The Commission's staff consulted the California Policy Lab on pilot metrics refinement.

- For customers who unenrolled, indicate at what stage they left the program and, if feasible, why they left the program;
- For customers who were offered pilot services but declined to participate, arrearages at the time of declining service compared to subsequent arrearages by each month-end; and
- Number and percentage of pilot customers who enroll in CARE or FERA.

Cal Advocates and CforAT/NCLC supported all of the additional metrics proposed by the California Policy Lab, and UCAN supported several of the additional metrics.<sup>46</sup> The Large Utilities did not oppose the additional pilot metrics proposed by the California Policy Lab but recommended that the Commission defer to a third-party evaluation contractor to recommend the final list of proposed metrics for assessing pilot performance and effectiveness.<sup>47</sup> PG&E also asserted that CBOs should be required to report on the percentage of pilot participants who enroll in all programs offered through the pilot, not just CARE and FERA.<sup>48</sup> We will adopt the additional metrics from the California Policy Lab with the refinement offered by PG&E.

In comments on the proposed decision, SCE and SoCalGas requested a clarification that utilities can provide monthly reports based on the latest data provided by CBOs to the utilities. We agree that the Large Utilities may provide monthly reports based on the latest data provided by CBOs.

In comments on the proposed decision, CalCCA commented that the evaluation metrics should be revised to allow for the evaluation report to address the

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<sup>46</sup> Comments of Cal Advocates, CforAT/NCLC, and UCAN filed on February 24, 2023.

<sup>47</sup> Comments of PG&E, SCE, SDG&E, and SoCalGas filed on February 24, 2023.

<sup>48</sup> PG&E's comments filed on February 24, 2023.

effectiveness of the pilot specifically for CCA customers. This decision was revised to require reporting of enrollment metrics specifically for CCA customers.

In comments on the proposed decision, SCE requested a clarification that the evaluation contractor may recommend adjustments to evaluation requirements. This decision clarifies that the evaluation contractor may propose additional pilot data collection requirements or other adjustments to the evaluation plan that do not contradict the evaluation requirements in this decision.

It is reasonable to adopt the CBO Pilot Program metrics and reporting requirements in Attachment A.

## **7. Whether to Approve the Proposed Evaluation Plan**

In D.22-04-037, the Commission anticipated that the pilot proposal would include a budget for an independent evaluation.<sup>49</sup>

The CBO Pilot Proposal included the following scope of work for the independent evaluation of the pilot program:

- Assess if case management is effective in reducing arrearage and level of disconnection, as well as quantify the pilot's impacts on these objectives;
- Determine if quantitative and qualitative benefits sufficiently outweigh costs to warrant program expansion. Based on overall evaluation findings, recommend if case management pilot should expand in scale beyond the pilot phase;
- Determine which interventions or combination of interventions are effective in arrearage and disconnection reductions;

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<sup>49</sup> D.22-04-037 at Attachment B, at 3.

- Identify data needs and recommend data collection and management processes for both IOUs and CBOs;
- Perform impact evaluation: (a) conduct baseline assessment, (b) conduct quasi-experimental design comparing participants and matched non-participants to measure pilot impacts for different customer segments, geographic factors, program enrollment status, and case management approaches, and (c) conduct evaluability assessments given the recruitment and data collection efforts; and
- Perform process evaluation: (a) design and launch surveys with customers, CBOs, and other stakeholders, (b) identify opportunities for process and customer journey improvements, and (c) to the extent possible, compare case management effectiveness across different CBOs, and identify factors contributing to efficiency and effectiveness.

The November 2022 Ruling asked parties whether the evaluation should compare pilot participants with a control group that receives enhanced utility engagement (e.g. a control group that receives calls from their utility following missed payments to reduce removal from AMP). Parties filed opening comments on December 9, 2022, and reply comments on January 10, 2023.

The Large Utilities emphasized the importance of isolating the impacts of the pilot interventions and cautioned that adding additional features to the pilot could impact confidence in the results.<sup>50</sup> SDG&E and SoCalGas noted that it may be possible to add an enhanced utility engagement pilot treatment group instead of adding enhanced utility engagement to the CBO Pilot Program.<sup>51</sup>

CalCCA, CforAT/NCLC, TURN, and Cal Advocates supported a comparison with a control group that receives a certain amount of utility

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<sup>50</sup> Comments of PG&E, SCE, SDG&E, and SoCalGas filed on December 9, 2022.

<sup>51</sup> Comments of SDG&E and SoCalGas filed on December 9, 2022.



engagement.<sup>52</sup> Cal Advocates argued that utilities should report exactly what actions constitute their standard level of support, and the associated costs, to enable a full comparison of pilot engagement compared with control group engagement.<sup>53</sup> We agree with Cal Advocates that the utilities should specify which actions constitute standard utility support (and the associated costs) for the pilot control group.

UCAN opposed evaluating CBO engagement against enhanced utility engagement, arguing that it would obscure the impact of enhanced customer engagement.<sup>54</sup> CforAT/NCLC argued that the evaluation should compare three groups: the pilot group, a control group that receives standard utility engagement, and a third group that receives enhanced utility engagement. CforAT/NCLC explained that this approach would make it possible to compare the results of all three approaches and make more nuanced findings.<sup>55</sup>

In proposed decision comments, the Large Utilities clarified that the proposed budget for the pilot does not include the costs of an enhanced utility engagement treatment group and raised concerns about finding sufficient customers for an additional treatment group for the evaluation. While we agree that CforAT/NCLC's approach would be ideal, we will not require an additional treatment group for this pilot due to insufficient record on the costs of enhanced utility engagement and the feasibility of finding sufficient customers for an additional treatment group.

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<sup>52</sup> Comments of CalCCA, CforAT/NCLC, TURN, and Cal Advocates filed on December 9, 2022.

<sup>53</sup> Cal Advocates' comments filed on December 9, 2022.

<sup>54</sup> UCAN's comments filed on December 9, 2022.

<sup>55</sup> CforAT/NCLC's comments filed on December 9, 2022.

It is reasonable to adopt the pilot evaluation plan in Attachment A.

**8. How to Select and Supervise an Independent Evaluation Contractor**

The pilot proposal recommended an independent evaluation by a third-party but did not specify how the third-party evaluator should be hired or supervised.

The February 2023 Ruling requested party comments on the selection and supervision of an evaluation contractor. Parties filed opening comments on February 24, 2023, and reply comments on March 13, 2023.

The Large Utilities recommended that PG&E facilitate a competitive solicitation to hire the independent evaluation contractor. The Large Utilities recommended that the Pilot Implementation Working Group, excluding the CBOs to prevent conflicts of interest, select and oversee the evaluation contractor.<sup>56</sup> CalCCA proposed that the Pilot Implementation Working Group, excluding the CBOs, would provide input on the hiring and supervision of the evaluation contractor.<sup>57</sup>

UCAN, TURN, and Cal Advocates each recommended that the Commission's staff be responsible for selecting and supervising the evaluation contractor.<sup>58</sup> TURN emphasized the importance of ensuring that the evaluator is independent and not beholden to the IOUs.<sup>59</sup> UCAN and Cal Advocates recommended that the Pilot Implementation Working Group be consulted and

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<sup>56</sup> Comments of PG&E, SCE, SDG&E, and SoCalGas filed on February 24, 2023.

<sup>57</sup> CalCCA's comments filed on February 24, 2023.

<sup>58</sup> Comments of UCAN and Cal Advocates filed on February 24, 2023, and TURN's comments filed on March 13, 2023.

<sup>59</sup> TURN's comments filed on March 13, 2023.

involved in the evaluator selection and supervision, but that the Commission's staff be responsible for these tasks to ensure the objectivity of the contractor.<sup>60</sup>

It is reasonable to direct PG&E to conduct a request for proposals and enter a contract with a CBO Pilot Program evaluation contractor with experience evaluating energy programs, based on direction from the Commission's Energy Division, within 240 days of the effective date of this decision. The Commission's Energy Division will provide guidance to PG&E on the selection of the evaluation contractor and approval of key deliverables of the evaluation contractor, including the scope of work, the evaluation plan, the reporting metrics, and the evaluation report. The Pilot Implementation Working Group, excluding the CBO Pilot Program contractors, will meet with Energy Division staff to discuss the selection of the evaluation contractor, the evaluation scope of work, the evaluation plan, the reporting metrics, and the evaluation report.

#### **9. Whether to Approve the Proposed Pilot Timeline**

The CBO Pilot Proposal included the following proposed timeline for pilot implementation:<sup>61</sup>

- Within 180 days of the effective date of a decision, purchase orders and contracts will have been awarded to CBOs and a third-party evaluator selected through competitive solicitation processes;
- Within 240 days of the effective date of a decision, pilot program outreach, enrollment, and third-party evaluation work will commence;
- Within 420 days of the effective date of a decision, the pilot program enrollment period will end;

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<sup>60</sup> Comments of UCAN and Cal Advocates filed on February 24, 2023.

<sup>61</sup> CBO Pilot Proposal at 19.

- Within 12 months of the commencement of pilot enrollment, a CBO Pilot working group will file an informal evaluation of the pilot program;
- Within 690 days of the effective date of a decision, the pilot program will conclude, and CBOs will no longer provide pilot services to customers; and
- Within 870 days of the effective date of a decision, the evaluation contractor will provide recommendations on the pilot.

In comments on the proposed decision, SCE, PG&E, and SoCalGas requested an additional 60 days to hire an independent evaluator and recommended adjusting the pilot commencement and conclusion deadlines accordingly to enable the selected evaluation contractor to provide input on the pilot prior to commencement of enrollment of pilot participants. This decision has been revised to make these changes.

In addition, this decision will specify that (a) PG&E will convene the first Pilot Implementation Working Group meeting within 60 days of the effective date of the decision, and (b) PG&E will file the informal evaluation on behalf of the Pilot Implementation Working Group. We will also add an additional month for CBOs to enroll participants and conclude the pilot.

The evaluation approach we approve above requires development of the evaluation plan (including a treatment group) prior to the launch of the pilot program. We will modify the timeline accordingly.

It is reasonable to adopt this timeline as refined and set forth in Attachment A.

#### **10. Whether to Approve the Proposed Budget, Cost Recovery, Payment Structure, and Cost Allocation**

The Commission included the following CBO Pilot Program budget, cost recovery, and payment structure direction in D.22-04-037:

- The Commission may consider funding the CBO Pilot Program through the COVID-19 Pandemic Protection Memorandum Account (CPPMA). The CPPMA is the most readily available source of funds and is specific to COVID-19 relief efforts.<sup>62</sup>
- The budget proposal should include utility administration costs, direct payments to CBOs, and evaluation contractor costs. The cost recovery proposal should include tracking and reporting obligations per CBO.<sup>63</sup>
- The CBO Pilot Working Group should consider a grant model of payment for selected CBOs, where CBOs are paid in advance for their work. The CBO Pilot Working Group will identify initial and subsequent grant amounts that allow for training and capacity building of the CBOs, in addition to direct services to utility customer clients.<sup>64</sup>

The CBO Pilot Proposal included the following budget, cost recovery, and payment structure provisions:<sup>65</sup>

- The pilot budget includes \$8,500,000 for CBO case management services, \$1,000,000 for evaluation costs, and \$1,740,000 for utility ME&O, and administration costs.
- CBOs will be paid an upfront grant to cover pilot pre-planning and set-up costs, not to exceed 30% of the total contract amount. Thereafter, CBOs will receive monthly payments for each customer enrolled at the end of the preceding month.
- The monthly case management per enrolled customer fee will be calculated as follows: the total awarded amount of the contract minus upfront payment, divided by

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<sup>62</sup> D.22-04-037 at 28 and Conclusion of Law 6.

<sup>63</sup> D.22-04-037 at Attachment B, at 2.

<sup>64</sup> D.22-04-037 at Attachment B, at 2.

<sup>65</sup> CBO Pilot Proposal at 13, 17, and 18.

12 monthly payments, divided by the estimated number of customers to be served.

- Costs will be tracked and funded through the CPPMA.
- Costs will be allocated as set forth in the proposed pilot budget.

The November 2022 Ruling asked parties how the proposed utility administrative costs differ from the proposed utility ME&O costs.

The Large Utilities commented that the administration costs include contract administration, payment processing, reporting, and a single-point-of-contact for CBOs. The utilities' ME&O costs include initial outreach to customers in eligible zip codes about the pilot.<sup>66</sup>

No party objected to the proposed budget. We find the proposed budget to be consistent with D.22-04-037.

TURN recommended that the Commission recover the costs of the pilot without increasing rates. TURN recommended using utilities' existing budgets for ME&O and covering pilot costs with shareholder funds.<sup>67</sup> TURN did not provide a legal justification for ordering utilities to use shareholder funds to cover the costs of the pilot.

Cost recovery for the pilot through the CPPMA is consistent with D.22-04-037. No party other than TURN opposed the cost recovery element of the CBO Pilot Proposal or offered an alternative to funding the pilot through the CPPMA.

It is reasonable for the CBO Pilot Program to be funded by ratepayers because the CBOs will help enroll eligible customers in arrearage management

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<sup>66</sup> Comments of PG&E, SCE, SoCalGas, and SDG&E filed on December 9, 2022.

<sup>67</sup> TURN's comments filed on August 5, 2022.

programs, help customers remain in the program, reduce their energy bills and arrearages over time, and reduce the risk of service disconnection.

On August 24, 2023, the assigned Commissioner issued a ruling to request party comments on whether to convert CBO payments for enrolling participants to grant payments, and if so, how to structure the grant payments.

Greenlining, TURN, CforAT, and UCAN supported a 100% grant-based payment structure for the pilot rather than linking any portion of CBO payments to the number of participants enrolled in the pilot. Greenlining argued that CBOs should not be required to expend their own resources, and potentially never realize payment for expended hours and costs, under a capitation-based model.<sup>68</sup> Cal Advocates and the Large Utilities continued to advocate for structuring later payments to CBOs as performance-based payments to increase accountability for CBOs and the cost efficiency of the pilot.<sup>69</sup>

The proposal to make monthly payments to CBOs based on the number of customers enrolled in the pilot is not consistent with D.22-04-037, which directed the working group to consider a grant-based structure where CBOs are paid in advance for their work. Accordingly, we will adopt the following 100% grant-based payment structure for the pilot: (a) CBOs will be paid an upfront grant to cover pilot pre-planning and set-up costs, not to exceed 30% of the total contract amount, and (b) thereafter, CBOs will receive upfront payments on a quarterly basis for its projected hours to be spent on conducting pilot services.

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<sup>68</sup> Comments of Greenlining, TURN, CforAT, and UCAN filed on September 11, 2023.

<sup>69</sup> Comments of Cal Advocates and each of the Large Utilities filed on September 11, 2023.

To address concerns about accountability for CBOs and the cost efficiency of the pilot, we will require the Large Utilities to collect from the CBOs and report to the evaluator the number of staff hours each CBO spent on providing pilot services for each month of the pilot. As discussed in the metrics and reporting section above, utilities will also be required to collect performance metrics from CBOs, including the number of participants enrolled in the pilot.

Parties proposed a range of hourly rates for compensating CBOs, ranging from UCAN's proposal to pay CBOs at least \$25 per hour with adjustments based on regional costs to CforAT's proposal to pay CBOs \$150 per hour.<sup>70</sup> The Large Utilities commented that the budget of the CBO Pilot Proposal was based on a CBO rate of \$50 per hour, and approving a different hourly rate would require substantial adjustments to the proposed budget.<sup>71</sup> It is reasonable to approve a rate of \$50 per hour for upfront grant payments to CBOs for conducting pilot services.

It is reasonable to adopt the proposed budget, cost allocation, and CBO payment structure as set forth in Attachment A. The Large Utilities shall track and recover pilot costs through the CPPMA. The utilities' pilot implementation advice letters should specify how the utilities will leverage their existing ME&O budgets.

## **11. Summary of Public Comment**

Rule 1.18 of the Rules of Practice and Procedure (Rules) allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding

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<sup>70</sup> Comments of CforAT and UCAN filed on September 11, 2023.

<sup>71</sup> Comments of each of the Large Utilities filed on September 25, 2023.



on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. There are no relevant public comments on the Docket Card.

## **12. Comments on Proposed Decision**

The proposed decision of Commissioner Darcie L. Houck in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3. Comments were filed on January 29, 2024 by CalCCA, CforAT, PG&E, SCE, SDG&E, SoCalGas, and UCAN, and reply comments were filed on February 5, 2024 by CforAT, PG&E, SCE, SDG&E, SoCalGas, and UCAN.

CalCCA commented that CCAs need to receive information about which CCA customers are enrolled in the pilot more frequently and that the evaluation report should address pilot performance for CCA customers specifically. This decision was revised to require monthly reporting to the CCAs about enrolled customer accounts and monthly metrics reporting about the number of enrolled unbundled pilot participants.

The Large Utilities commented that the enhanced utility treatment group should be eliminated because the budget does not include the costs of enhanced utility engagement and it would be difficult to find sufficient customers for a second treatment group. This decision was modified to remove the enhanced utility treatment group and clarify that the Large Utilities must specify the amount of engagement provided to the remaining control group.

SCE commented that CBOs should not be included in the Pilot Implementation Working Group until after they enter into a contract to provide pilot services to prevent potential conflicts of interest. This decision was modified as requested.

SCE, PG&E, and SoCalGas requested that the Commission adjust the deadline for hiring an evaluation contractor and subsequent deadlines by 60 days to allow time for consulting with the Commission's staff to hire an evaluation contractor. UCAN supported this request in reply comments. This decision was modified as requested.

CforAT commented that CBOs should be allowed to provide case management service tiers in any order. Appendix A of this decision was clarified as requested.

### **13. Assignment of Proceeding**

Darcie L. Houck is the assigned Commissioner and Stephanie Wang is the assigned Administrative Law Judge in this proceeding.

#### **Findings of Fact**

1. The CBO Pilot Proposal development process and the composition of the CBO Pilot Working Group complied with the requirements of D.22-04-037.
2. The CBO Pilot Proposal size, eligibility criteria, and method for selecting pilot zip codes are consistent with the directions provided in D.22-04-037.
3. The CBO Pilot Proposal zip codes in the service territories of SCE and SDG&E include CCA customers.
4. CCAs do not serve customers in the CBO Pilot Program zip codes in PG&E's service territory.
5. The CBO Pilot Proposal metrics and reporting requirements are consistent with the directions provided in D.22-04-037.
6. The CBO Pilot Proposal budget is consistent with the directions provided in D.22-04-037.
7. The CBO Pilot Proposal payment structure is not consistent with the directions provided in D.22-04-037.

**Conclusions of Law**

1. It is reasonable to adopt the CBO Pilot Program participation caps and eligibility criteria in Attachment A.
2. It is reasonable to adopt the list of eligible zip codes in the CBO Pilot Proposal.
3. It is reasonable to require SCE and SDG&E to provide the following information to each CCA that serves pilot zip codes: (a) pilot marketing materials and contact information for the CBOs that serve pilot zip codes in the CCA's service territory at least 10 business days before pilot enrollment commences, and (b) a list of the customer accounts that are participating in the pilot within 10 business days of the end of each month based on the latest information received from CBOs.
4. CBOs should not receive double compensation to provide case management services to a given customer through both CHANGES and the CBO Pilot Program.
5. It is reasonable to adopt the CBO Pilot Program provisions for enrollment, unenrollment, and customers who move to a new address in Attachment A.
6. It is reasonable for a Pilot Implementation Working Group to meet to discuss the development of standard informational materials about the pilot and standard training materials for providing case management services before the CBO Pilot Program commences.
7. It is reasonable for CBOs to adjust the standard ME&O content and case management methods in culturally appropriate ways.
8. The Pilot Implementation Working Group should include, at minimum, representatives of the Large Utilities, the Commission's staff, and at least one CBO contractor from each service territory.

9. PG&E should invite CCAs and parties to this proceeding to participate in the Pilot Implementation Working Group.

10. PG&E should convene and facilitate Pilot Implementation Working Group meetings.

11. CBO contractors should be invited to participate in Pilot Implementation Working Group meetings after they enter into contracts to provide pilot services.

12. It is reasonable to adopt the CBO Pilot Program metrics and reporting requirements in Attachment A.

13. The Large Utilities should specify which actions constitute standard utility support (and the associated costs) for the pilot control group.

14. It is reasonable to adopt the CBO Pilot Program evaluation plan in Attachment A.

15. It is reasonable to direct PG&E to conduct a request for proposals and enter into a contract with a CBO Pilot Program evaluation contractor with experience evaluating energy programs, based on direction from the Commission's Energy Division, within 240 days of the effective date of this decision.

16. It is reasonable for the Commission's Energy Division to provide guidance to PG&E on the selection of the CBO Pilot Program evaluation contractor and approval of key deliverables of the evaluation contractor, including the scope of work, the evaluation plan, the reporting metrics, and the evaluation report.

17. The Pilot Implementation Working Group, excluding the CBO contractors, should meet with Energy Division staff to discuss the selection of the CBO Pilot Program evaluation contractor, the evaluation scope of work, the evaluation plan, the reporting metrics, and the evaluation report.

18. It is reasonable for the CBO Pilot Program to be funded by ratepayers because the CBOs will help enroll eligible customers in arrearages management programs, help customers remain in the program, reduce their energy bills and arrearages over time, and reduce the risk of service disconnection.

19. It is reasonable to adopt the CBO Pilot Program budget, cost allocation, and CBO payment structure set forth in Attachment A.

20. The Large Utilities should track and recover CBO Pilot Program costs through the CPPMA.

21. The Large Utilities' CBO Pilot Program implementation advice letters should specify how the utilities will leverage their existing ME&O budgets.

22. The Pilot Implementation Working Group should discuss payment plans participation data and best practices of CBOs and Large Utilities for improving successful outcomes for payment plans when advising on the enhanced utility treatment group and evaluating the CBO Pilot Program.

## **O R D E R**

### **IT IS ORDERED** that:

1. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each file a Tier 2 advice letter within 180 days of the effective date of this decision that includes: (a) an implementation plan for the Community-Based Organization (CBO) Arrears Case Management Pilot Program that complies with Attachment A to this decision; (b) a list of all CBOs under contract with the utility to provide CBO Pilot Program services; (c) a list of all CBOs that have contracts with the utility to provide services through both the CBO Pilot Program and Community Help and Awareness of Natural Gas and Electric Services Program (CHANGES); (d) an affirmation that each CBO Pilot Program contract

prohibits a CBO from providing services to any customer for both the CBO Pilot Program and CHANGES for the duration of the CBO Pilot Program; (e) a tracking and reporting process for ensuring that a CBO will not receive compensation for providing services through both the CBO Pilot Program and CHANGES to any customer between the date that the CBO Pilot Program enrollment period begins and the conclusion of the CBO Pilot Program; and (f) a specific description about how the utilities will leverage their existing marketing, education, and outreach budgets to implement the pilot.

2. Pacific Gas and Electric Company shall conduct a request for proposals and enter into a contract with an evaluation contractor for the Community-Based Organization Arrears Case Management Pilot Program with experience evaluating energy programs, based on direction from the Commission's Energy Division, within 240 days of the effective date of this decision.

23. Rulemaking 18-07-005 remains open.

This order is effective today.

Dated \_\_\_\_\_, at Lake Forest, California.

**ATTACHMENT A**

**Attachment A**

## Adopted CBO Pilot Program

Participation caps. Pilot participation is capped at 12,000 customers statewide. The cap is allocated between utilities as follows: 4,800 in PG&E's territory, 4,800 in SCE's and SoCalGas's territories, and 2,400 in SDG&E's territory.

Eligibility. Any residential customer, regardless of income, will be eligible for the pilot if they both (a) reside in a pilot zip code and (b) have arrears that are at least 90 days old and may be at risk for disconnection (defined as being in active collection and/or disconnections process).

Zip codes. The pilot zip codes scored the highest on the Commission's affordability ratio metric for a representative gas or electric utility customer at the 20th percentile of household income. The pilot zip codes are listed in the CBO Pilot Proposal.

CBO selection. CBOs will be selected to participate in the pilot based on key criteria, including close geographic proximity to the target communities, ability to provide in-language support for customers, familiarity with energy programs and services, and ability to comply with customer data protection requirements.

Case management services overview. The Large Utilities will provide selected CBOs with customer contact information for eligible customers. During the customer intake and enrollment process, the CBOs will assess the customer's financial situation and family needs to develop an action plan. Specifically, CBOs will assess customer eligibility for the pilot, identify immediate and long-term needs, initiate billing dispute and resolution actions, develop and discuss an



initial action plan for the customer, and have the customer sign a case management agreement to enroll in the pilot. Once a customer signs an agreement to enroll in the pilot, pilot program services are anticipated to last for twelve months, with a CBO-customer follow-up interaction approximately once per quarter. After 12 months from the date of enrollment, the CBO will report on whether the pilot customer remained current in their utility account or was better able to address any newly acquired debt. For customers whose debts have been successfully resolved, the CBO will hold a follow-up session. Other customers will exit from the pilot program and transfer to normal customer care provided by the IOUs.

Case management services tiers. Case management services will be divided into three tiers. Not all customers will need all three tiers of service. These services do not need to be provided in chronological order.

- Tier 1 Services provide immediate relief and assistance to remove the risk of disconnection in months 1-3, including basic energy education, financial education, training, best practices, immediate program relief (including enrollment in LIHEAP, AMP, CARE, FERA, and other locally available program options), and negotiation of payment plans.
- Tier 2 Services continue supporting customer relief in months 4-6 by offering continued energy and financial education, best practices, enrollment in IOU and non-IOU energy efficiency programs, enrollment in the most beneficial rate plan options, and renegotiation of payment plans and disconnection status.
- Tier 3 Services provide ongoing support in months 7-12 through evaluation of the customer's progress out of debt, consideration of changes in circumstances and necessary changes to the action plan, energy education and sound financial practices, and monitoring.

Enrollment and unenrollment from the pilot. An enrolled pilot participant is a utility customer with a signed agreement to participate in the CBO Pilot Program. Pilot participants may voluntarily unenroll from the pilot program or

be removed from the pilot program for not responding to CBO communications. Pilot participants who do not respond to any CBO communications, including text messages and at least three communications, within a 60-day period will be unenrolled from the pilot program. A pilot customer who moves to a new address within the utility's service territory should be allowed to remain in the pilot program, subject to the unenrollment policy above.

Metrics. As part of the existing monthly disconnections report filed in this proceeding, the Large Utilities will report the number of customer accounts enrolled in the pilot (specifying how many bundled customer accounts and how many unbundled customer accounts are enrolled in the pilot) and the amount owed by these pilot customers from the date that pilot enrollment commences through the date that the pilot concludes.

The Large Utilities will report, at minimum, the following metrics to the pilot evaluation contractor and the Pilot Implementation Working Group two times: within 30 days after the pilot has enrolled participants for 12 months and within 30 days after the conclusion of the pilot.

- Number of customers and dollar amount of arrears of all customers facing arrears (excluding pilot accounts) per target zip code at the end of each month;
- Number of customers and dollar amount of arrears of enrolled pilot accounts facing arrears per target zip code, including: (a) arrearages at the time of signed participation agreement, (b) arrearages at the end of each month, and (c) percentage of customers each month with the same, higher, or reduced arrearages compared with arrearages at the time of the signed participation agreement;
- Number and percentage of pilot accounts that eliminated all arrearages within 12 months of pilot enrollment;
- Number and percentage of pilot accounts that completed all three tiers of pilot case management services;

- Number and percentage of pilot accounts that successfully remained current on energy bills, 12 months and 24 months after pilot enrollment;
- Number and dollar amount of current and former pilot accounts in arrears, 12 months and 24 months after pilot enrollment;
- Number and percentage of pilot customers who successfully reduced arrearages but did not eliminate all debt, 12 months after pilot enrollment;
- Number and percentage of pilot customers who have no change in arrearages or increased arrearage, 12 months after pilot enrollment;
- Number and percentage of pilot customers who withdrew from the pilot each month;
- Number of participants in the treatment group versus each control group each month;
- Number of unique outreach attempts made to pilot participants each month;
- Number of attempted agreements (i.e., potential participants who began the intake process but did not sign an agreement to participate) each month;
- Number of signed customer participation agreements each month;
- Number and percentage of enrolled participants who are eligible for each service level tier each month;
- Number and percentage of participants who completed a case management action plan each month;
- Number of customers who completed the first six months and first twelve months of the case management program, stratified by their eligibility, each month;
- Number of disconnections from pilot program enrolled and unenrolled customers each month;
- Percentage of customers that unenrolled at each service tier and, if feasible, why they left the program, each month;

- Number of customers who were offered pilot services but declined to enroll, and the total arrearages for these customers at the time of declining service compared to subsequent arrearages by each month-end;
- Number and percentage of pilot customers who enrolled through the pilot in each assistance program offered through the pilot program each month;
- Household income of pilot customers based on customer self-reporting at the time of signing the pilot participation agreement;
- Pilot participants' average energy bill amounts by zip code each month;
- Average LIHEAP Cash Relief per pilot participant;
- Number and percentage of pilot customers who are enrolled in CARE, FERA, or other programs; and
- The number of staff hours each CBO spent on providing pilot services for each month of the pilot.

Evaluation Plan. The evaluation plan shall include, at minimum, the following scope of work and requirements:

- Evaluation contractor will assess if case management is effective in reducing arrearage and level of disconnection, as well as quantify the pilot's impacts on these objectives.
- Evaluation contractor will determine if quantitative and qualitative benefits sufficiently outweigh costs to warrant program expansion. Based on overall evaluation findings, recommend if case management pilot should expand in scale beyond the pilot phase.
- Evaluation contractor will determine which interventions or combination of interventions are effective in arrearage and disconnection reductions.
- Evaluation contractor will identify data needs and recommend data collection and management processes for both IOUs and CBOs.

- Evaluation contractor will perform an impact evaluation: (a) conduct baseline assessment, (b) conduct quasi-experimental design comparing participants and matched non-participants to measure pilot impacts for different customer segments, geographic factors, program enrollment status, and case management approaches, and (c) conduct evaluability assessments given the recruitment and data collection efforts.
- Evaluation contractor will perform a process evaluation: (a) design and launch surveys with customers, CBOs, and other stakeholders, (b) identify opportunities for process and customer journey improvements; and (c) to the extent possible, compare case management effectiveness across different CBOs, and identify factors contributing to efficiency and effectiveness.
- The Large Utilities will report which actions constitute standard utility engagement (for the control group) and the associated costs of standard utility engagement.
- Evaluation contractor will compare the impacts and costs of standard utility engagement (control group) and CBO pilot engagement (pilot group).

Pilot timeline. The Large Utilities will conduct the pilot in accordance with the following timeline:

- Within 60 days of the effective date of the decision, PG&E will convene the first Pilot Implementation Working Group meeting.
- Within 180 days of the effective date of this decision, the Large Utilities will file a Tier 2 advice letter that includes an implementation plan for the pilot.
- Within 180 days of the effective date of the decision, purchase orders and contracts will have been awarded to CBOs.

- Within 240 days of the effective date of the decision, the evaluation contractor will have been selected through a competitive solicitation process and PG&E will have contracted with the evaluation contractor.
- Within 280 days of the effective date of the decision, the evaluation contractor will propose an evaluation plan for the pilot.
- Within 300 days of the effective date of the decision, pilot program outreach, enrollment, and third-party evaluation work will commence.
- Within 510 days of the effective date of the decision, the pilot program enrollment period will end.
- Within 12 months of the commencement of pilot enrollment, PG&E on behalf of the Pilot Implementation Working Group will file informal recommendations on the pilot program in this proceeding.
- 790 days after the effective date of the decision, the pilot program will conclude, and CBOs will no longer provide pilot services to customers.
- Within 930 days of the effective date of the decision, the evaluation contractor will provide a final evaluation report to the Commission's Energy Division and the Pilot Implementation Working Group.

CBO payment structure. CBOs will be paid an upfront grant to cover pilot pre-planning and set-up costs, not to exceed 30% of the total contract amount. Thereafter, CBOs will receive upfront payments on a quarterly basis for its projected hours to be spent on conducting pilot services at a rate of \$50 per hour.

Pilot budget. The decision adopts the following budget from the CBO Pilot Proposal.

**Table 4: Proposed Pilot Budget**

Category	PG&E	SDG&E	SCG	SCE	Total
Case Management Planning/Overhead	\$80,000	\$40,000	\$40,000	\$40,000	\$200,000
CBO Outreach, Customer Enrollment and Reporting	\$1,100,000	\$550,000	\$550,000	\$550,000	\$2,750,000
Case Management Services and Reporting	\$2,220,000	\$1,110,000	\$1,110,000	\$1,110,000	\$5,550,000
<b>Total Arrearage Case Management CBO Services</b>	<b>\$3,400,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$8,500,000</b>
EM&V	\$400,000	\$200,000	\$200,000	\$200,000	\$1,000,000
ME&O	\$185,000	\$50,000	\$60,000	\$60,000	\$355,000
Administration*	\$415,000	\$400,000	\$120,000	\$450,000	\$1,385,000
<b>Total IOU Marketing, Evaluation and Administration</b>	<b>\$1,000,000</b>	<b>\$650,000</b>	<b>\$380,000</b>	<b>\$710,000</b>	<b>\$2,740,000</b>
<b>Grand Total</b>	<b>\$4,400,000</b>	<b>\$2,350,000</b>	<b>\$2,080,000</b>	<b>\$2,410,000</b>	<b>\$11,240,000</b>

\* Administration portion of the budget includes Single Point of Contact costs to support CBOs with specific customer account resolution issues

**(END OF ATTACHMENT A)**