TURN
THE UTILITY REFORM NETWORK

CPUC Docket: A.25-06-022 et al.
Exhibit Number: TURN-02
Witness: Hayley Goodson

PREPARED TESTIMONY OF HAYLEY GOODSON

ADDRESSING FUNDING FOR THE COMMUNITY HELP AND AWARENESS WITH NATURAL GAS AND ELECTRICITY SERVICES PROGRAM

SUBMITTED ON BEHALF OF
THE UTILITY REFORM NETWORK

THE UTILITY REFORM NETWORK
360 Grand Ave., #150
Oakland, CA 94610

Telephone: (415) 929-8876
Facsimile: (415) 912-1422
E-mail: hayley@turn.org

November 21, 2025

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PREPARED TESTIMONY OF HAYLEY GOODSON

I. INTRODUCTION AND OVERVIEW

This testimony is presented on behalf of The Utility Reform Network (TURN) by Hayley Goodson. Ms. Goodson addresses the budget for the Community Help and Awareness With Natural Gas and Electricity Services (CHANGES) program. Ms. Goodson has 22 years of experience as a TURN attorney and has developed, or assisted in the development of, TURN's positions in many of the major energy-related proceedings before this Commission. Ms. Goodson has 27 years of experience working directly on issues impacting the lives and well-being of low-income people. Her qualifications appear at the end of this testimony.

II. SUMMARY OF RECOMMENDATIONS

TURN offers the following three recommendations regarding the CHANGES program, each of which will be addressed in more detail below.

(1) The Commission should increase the annual budget for the CHANGES program by $855,000 for the 2027 bridge year, as recommended by Energy Division staff.

(2) The Commission should revisit the CHANGES annual budget in the next program cycle proceeding.

(3) The Commission should clarify how the CHANGES program contractor and the Commission's External Affairs Division implemented the two recommendations of the Commission's Internal Audit.

III. FUNDING FOR THE COMMUNITY HELP AND AWARENESS WITH NATURAL GAS AND ELECTRICITY SERVICES PROGRAM

The CHANGES program provides outreach, education, and individual case assistance to limited English proficient gas and electric utility consumers.[1] Individual case assistance includes billing dispute resolution, assistance in applying for bill reduction programs, and disconnection support.[2] CHANGES is managed by the Consumer Affairs Branch (CAB) within the Commission's External Affairs Division and delivered by a prime contractor through a statewide network of community based organizations (CBOs). CHANGES uses a unique model that "leverages culturally competent CBOs to deliver services in multiple languages and provides holistic case management that addresses clients' natural gas and electricity utility service issues."[3]

The Commission initially established CHANGES in 2011 as a pilot program with an annual budget of $500,000.[4] The Commission converted CHANGES into an ongoing statewide program with an annual budget of $1.75 million in D.15-12-047.[5] In D.21-06-015, the Commission authorized this same annual budget for CHANGES for program years 2021-2026, covering program delivery and two third-party evaluations over the six year program cycle.[6]

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[1] D.15-12-047, p. 2.

[2] Assigned Administrative Law Judge's Ruling Allowing Party Consideration of Staff Proposal for CHANGES, 11/10/25, Attachment 1 – Staff Proposal on the CHANGES Budget, p. 1; Attachment 3 – CPUC Internal Auditor Review of International Institute of Los Angeles – Final Report (IA2024-08), p. 2.

[3] Draft 2022-2024 CHANGES Program Evaluation, available at https://pda.energydataweb.com/api/view/4249/CHANGES%20Evaluation%202022%20to%202024_Draft%20Report.pdf.

[4] Resolution CSID-004, Ordering Paragraphs 1-4.

[5] D.15-12-047, p. 2.

[6] D.21-06-015, pp. 74-75.

Energy Division staff presented a proposal in this proceeding to increase the annual budget for CHANGES by $855,000 for the 2027 bridge year, for a total funding level of $2.6 million.[7] Staff points to the value of the services provided by CHANGES, explaining that the current CHANGES prime contractor, the International Institute of Los Angeles (IILA), "partners with CBOs that speak the consumer's language and understand their cultural context" so as to fill a gap "that otherwise leaves these communities vulnerable to overcharges, disconnections, and deceptive practices."[8] Staff recommends a budget increase for CHANGES for the following five reasons:

(1) There has been no budget increase since 2015, despite rising costs and inflation;

(2) Demand for services has increased;

(3) Due to budget constraints, IILA has been forced to annually divert outreach and education funds to serve increased case assistance requests;

(4) Keeping customer payments on-time reduces uncollected debt; and

(5) In the last three program years, all funds were exhausted and CBOs were forced to implement spending controls as well as turn clients away before the end of the year (excepting for pandemic exceptions).[9]

Staff clarifies that the requested $855,000 budget increase would permit CHANGES to "serve 780 more clients, continue outreach year-round, expand educational opportunities, and implement database improvements."[10]

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[7] Assigned Administrative Law Judge's Ruling Allowing Party Consideration of Staff Proposal for CHANGES, 11/10/25, Attachment 1 – Staff Proposal on the CHANGES Budget (CHANGES Staff Proposal).

[8] CHANGES Staff Proposal, p. 1.

[9] CHANGES Staff Proposal, p. 2.

[10] CHANGES Staff Proposal, p. 2.

As explained below, TURN supports Staff's proposed budget increase for CHANGES for bridge year 2027. TURN also recommends that the Commission revisit the budget for CHANGES in the next full program cycle proceeding. Finally, TURN recommends that the Commission clarify how the two issues raised by the Commission's Auditor about CHANGES were resolved so that stakeholders can have a full understanding of the satisfactory resolution of those issues.

A. The Commission Should Adopt Staff's Proposed Budget Increase for the CHANGES Program for the 2027 Bridge Year.

TURN agrees with Staff that a budget increase for CHANGES in 2027 is appropriate given the importance of CHANGES services, the demand for those services, and the lack of any budget adjustment since 2015, despite inflationary pressures. However, Staff does not explain the basis for the specific amount of proposed increase. To more fully investigate the reasonableness of Staff's proposed $855,000 budget increase, TURN considered the following documents:

- The July 22, 2025 Letter from IILA to the Low Income Oversight Board (LIOB) explaining the basis for their request for $855,400 in additional funding during bridge year 2027 (IILA Letter to the LIOB)[11];
- The 2024-2025 CHANGES Program Annual Report, covering July 2024 – June 2025[12];

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[11] July 22, 2025 Letter from LLIA to the LIOB, available at https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2025/08/Letter-From-CHANGES.pdf. (See Appendix B to this testimony).

[12] 2024-2025 CHANGES Program Annual Report, available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/cab/changes/2024-25-changes-annual-report_final.pdf.

- "CHANGES Program Financial Report 2020-2025," presented by the Consumer Affairs Branch at the LIOB Technical Advisory Committee (TAC) Subcommittee Meeting on July 23, 2025 (CAB CHANGES Program Financial Report)[13];
- The Draft 2022-2024 CHANGES Program Evaluation prepared by Verdant Associates, LLC and published for public comment on November 19, 2025 (Draft 2022-2024 CHANGES Program Evaluation)[14];
- The Commission's June 2025 Internal Audit Report - Review of IILA (IILA Audit)[15]; and
- The October 21, 2025, Memorandum of the Commission's Internal Auditor regarding the implementation of the auditor's two recommendations (IILA Audit Implementation Memo).[16]

TURN has concluded that Staff's proposed budget increase of $855,00 is directly supported by the IILA Letter to the LIOB, the Draft 2022-2024 CHANGES Program Evaluation, the 2024-2025 CHANGES Program Annual Report, and the CAB CHANGES Program Financial Report, as explained below. Further, the IILA Audit taken together with the IILA Audit Implementation Memo do not indicate that Staff's proposed budget increase should be rejected.

1. IILA Letter to the LIOB

The IILA Letter to the LIOB provides a breakdown of IILA's request for $855,400 more in 2027, which TURN summarizes in the table below.

[13] The Consumer Affairs Branch's (CAB's) presentation is available as part of the slides for the Joint IOU and CAB presentation on July 23, 2025, at https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2025/07/ITEM-3-JOINT-IOU-AND-CAB-CHANGES-PRES-COMPLETE.pdf.

[14] Draft 2022-2024 CHANGES Program Evaluation, available at https://pda.energydataweb.com/api/view/4249/CHANGES%20Evaluation%202022%20to%202024_Draft%20Report.pdf.

[15] Assigned Administrative Law Judge's Ruling Allowing Party Consideration of Staff Proposal for CHANGES, 11/10/25, Attachment 3 – CPUC Internal Auditor Review of International Institute of Los Angeles – Final Report (IA2024-08).

[16] Assigned Administrative Law Judge's Ruling Allowing Party Consideration of Staff Proposal for CHANGES, 11/10/25, Attachment 4.

IILA Budget Increase Request - Breakdown Provided to LIOB	
Item	***Increase***
Unmet Demand for Deliverables	**$295,000**
Sustain current Case Assistance service levels because current service delivery outpaces funding	$110,000
Expand Case Assistance by 30 people per CBO to help meet growing service demands	$110,000
Increase Outreach funding per CBO by $1,000	$25,000
Increase Consumer Education funding per CBO by $2,000	$50,000
Inflation Adjustment	**$317,000**
No budget increase since 2015, despite inflationary pressures. The proposed increase of 19% is equal to CPI increases from Jun. 2021-Jun. 2025.	$317,000
Strategic Database Enhancements, Materials & CBO Expansion	**$243,400**
Add one new topic to Education Materials, including design and translation	$50,000
Translate 8 existing Education materials topics into 12 languages at $200 per translation topic	$19,400
Make the database improvements recommended in the 2023 CHANGES evaluation for improved Case Assistance tracking	$104,000
Add one CBO to the network to expand into a new geographical or cultural area	$70,000
TOTAL	**$855,400**

2. Draft 2022-2024 CHANGES Program Evaluation

The Draft 2022-2024 CHANGES Program Evaluation makes the following findings:

- CHANGES Program annual funding has not kept up with inflation
- Most CBO reimbursement rates have not kept up with inflation
- CHANGES Program funding levels are insufficient to serve all customers in need
- CBOs report providing significant uncompensated work

- Increases in CBO case assistance reimbursement rates absent an increase in overall program funding resulting in decreased service capacity in PY 24/25.[17]

The evaluator accordingly recommends that "CHANGES Program funding should be increased to account for inflation and unmet program demand," and suggests an annual funding level of $2.6 - $2.7 million.[18] This recommended budget is consistent with increasing the current $1.75 million budget by $855,000 to $2.6 million.

3. 2024-2025 CHANGES Program Annual Report

The 2024-2025 CHANGES Program Annual Report makes clear that the $1.75 million annual budget does not enable the program to meet the existing level of need. IILA reports that "[p]rogram activities this reporting period were impacted by the program budget and increasing energy rates."[19] Budget constraints seriously limited the program's capacity to provide Case Assistance, Consumer Education, and Outreach services from July 2024 through June 2025. As IILA explains:

> Case Assistance services were provided to 4,585 consumers, representing a 40% decrease in the total number of cases compared to the previous program year. However, the drop can be partly attributed to increases in CBO compensation rates, which had not changed since the 2012 pilot program. The budget was also lower than in the previous two years, which were boosted by unspent pandemic funds. Those unspent funds were all expended prior to the start of this program year. All available funds for this program year were expended, and funds budgeted for Consumer Education and Outreach have been reallocated to Case Assistance. CBOs ceased providing most services by early May and were unable to offer case assistance services for almost two months due to a lack of funding.[20]

[17] Draft 2022-2024 CHANGES Program Evaluation, p. 3.

[18] Draft 2022-2024 CHANGES Program Evaluation, p. 3.

[19] 2024-2025 CHANGES Program Annual Report, p. 3.

[20] 2024-2025 CHANGES Program Annual Report, p. 3.

4. CAB CHANGES Program Financial Report

CAB reports that CHANGES program expenditures, excluding funding set aside for evaluation, reached $1.74 million in Program Year 2022/2023 and $1.90 million in Program Year 2023/24, thanks to funds remaining from the COVID-19 pandemic years.[21] Like IILA, CAB concluded that the CHANGES program "is able to service many more consumers but is constrained by budget limits in the current contract year."[22]

5. IILA Audit and IILA Audit Implementation Memo

TURN considered whether the June 30, 2025, IILA Audit cautions against a budget increase for CHANGES. The objective of the IILA Audit was to "assess IILA's compliance with the specific terms of the agreement for the TEAM and CHANGES Programs," specifically, "IILA's adherence with the requirements for outreach, education, and case assistance (needs assistance and dispute resolution) services" from May 15, 2024, through May 16, 2025.[23]

The IILA Audit reported the following positive observations:

- The case assistance records were complete and aligned with agreement requirements.
- The service materials reviewed met the agreement's foreign language provisions.
- The invoices contained all required elements and matched the approved cost worksheet format.
- IILA conducted required CBO spot checks based on the field visit summaries reviewed.[24]

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[21] CAB CHANGES Program Financial Report, Slides 3, 7.

[22] CAB CHANGES Program Financial Report, Slide 7.

[23] IILA Audit, p. 2.

[24] IILA Audit, p. 1.

The IILA Audit also reported two findings of noncompliance. First, the IILA Audit found that IILA did not meet certain oversight documentation requirements specified in the contract with the Commission, including maintaining a forward-looking 12-month events calendar, ensuring consistent use of and submission of evaluation tools by CBOs for education sessions, and obtaining and retaining consumer consent.[25] Second, the IILA Audit found that IILA did not submit invoices for outreach activities using the agreed upon billing method pertaining to the number of attendees.[26] For both areas of concern, the IILA Audit recommended that IILA should ensure staff adhere to the executed agreement or collaborate with Commission staff to clarify and/or amend the relevant terms of their contract.[27] This recommendation stemmed, in part, from IILA's response that its practices adhere to its accepted and approved Proposal submitted in response to the Commission's Request for Proposals and/or verbal understandings between IILA and Commission staff.[28]

On October 21, 2025, the Commission's Office of Internal Audit Services confirmed that the two recommendations presented in the IILA Audit had been implemented.[29] While it is unclear how IILA and Commission staff resolved the Audit findings, TURN is pleased that the Audit recommendations have been implemented. Given this prompt resolution, as well as the IILA Audit's positive observations, TURN does not believe that the IILA Audit cautions against increasing the CHANGES budget for 2027 by $855,000, as proposed by Energy Division staff.

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[25] IILA Audit, pp. 4-5.

[26] IILA Audit, p. 6.

[27] IILA Audit, pp. 5, 6.

[28] IILA Audit, Appendix A – IILA's Response.

[29] IILA Audit Implementation Memo.

For all of these reasons, TURN supports increasing the CHANGES budget in bridge year 2027 by $855,000 to approximately $2.6 million. TURN agrees with staff that this budget increase is appropriate in light of the demand for CHANGES services, the importance of those services, and the fact that the budget has been constant for the past 10 years despite inflation.

B. The Commission Should Revisit the CHANGES Budget in the Next Program Cycle.

While TURN supports a $2.6 million budget for CHANGES in bridge year 2027, this budget may not be appropriate for the next program cycle for two reasons. First, part of IILA's support for the requested $855,400 budget increase appears to be tied to non-recurring costs. For example, the catch-up inflation adjustment, covering CPI increases from June 2021 – June 2025, would be a one-time adjustment, although a smaller inflationary adjustment might be reasonable in the future. Similarly, IILA's proposed funding for adding one new topic to Educational Materials, translating eight existing Education Materials, and investing in database improvements seem to be one-time costs. On the other hand, adjustments to sustain and expand Case Assistance, Outreach, and Consumer Education services and add one new CBO to the network are likely recurring costs. Additionally, it will be important to monitor the activities and expenditures for the CHANGES programs throughout the remainder of this program cycle to determine whether demand for services continues to escalate over levels seen in recent years.

TURN accordingly recommends that the Commission revisit the funding level for the CHANGES program after 2027 in the next program cycle proceeding.

C. The Commission Should Clarify How the Issues Raised in the IILA Audit Have Been Resolved.

In Section II.A.5 above, TURN summarizes the findings in the IILA Audit. TURN also explains that the Commission's Office of Internal Audit Services confirmed that the two recommendations presented in the IILA Audit had been implemented as of October 21, 2025. However, the IILA Audit Implementation Memo offers no insight into how those recommendations were implemented by IILA and CAB. The IILA Audit recommended either that IILA change its practices or that IILA and the External Affairs Division work together to clarify or amend their contract to bring IILA into conformance with requirements related to "Oversight and Documentation Requirements" and "Outreach Activities Invoicing".[30]

TURN believes it is important to add clarity surrounding the resolution of the audit findings, some of which may be of concern to stakeholders. IILA raises important considerations regarding the feasibility and practicality of certain requirements suggested by the auditor.[31] At the same time, the auditor raises important considerations regarding contract compliance. So as to relieve any lingering concern about the Commission's oversight of the CHANGES program and the performance of the current prime contractor IILA, TURN recommends that the Commission provide additional information regarding the resolution of the specific issues identified in the IILA Audit. Such information should include whether the contract was amended or clarified to conform to IILA's current practices, IILA's current practices have changed to conform to the current contract, or something else.

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[30] IILA Audit, pp. 5, 6.

[31] *See* IILA Audit, Appendix A – IILA's Response.

IV. CONCLUSION

The CHANGES program plays a unique and important role in protecting low-income utility consumers whose needs may not be met through traditional customer service channels offered by the utilities and CAB.[32] The Commission should adopt the staff proposal to increase the budget for CHANGES in bridge year 2027 by $855,000 so that CHANGES can better fulfill its purpose.

[32] While CHANGES is not an income-qualified program, 96 percent of the recipients of CHANGES services in Program Year 2024-2025 qualified for the CARE discount. (2024-2025 CHANGES Program Annual Report, p. 9).

APPENDIX A

STATEMENT OF QUALIFICATIONS OF HAYLEY GOODSON

My name is Hayley Goodson, and my business address is The Utility Reform Network, 350 Grand Avenue, #150, Oakland, California. I am currently a Managing Attorney at TURN. Since 2003, I have represented TURN on energy utility regulatory law and policy matters, and I also advise TURN's consumer advisor on issues impacting TURN's members and other consumers who contact TURN with complaints about utility services. My work at TURN has focused on electric and natural gas utility services, including but not limited to utility general rate cases; rate design; cost of capital; energy storage policies and procurement; CPUC enforcement actions; energy efficiency and conservation programs; utility billing, credit and collection practices; and policies and programs targeting low-income consumers. Most relevant here, I sponsored testimony on behalf of TURN in the two most recent low-income energy programs proceedings, A.19-11-003 et al. and A.11-05-017 et al.

Prior to joining TURN's legal staff, my professional work focused on various economic and social justice issues, including tenants' rights and domestic violence. I worked at the Louisville Tenants Association in Kentucky and the Rhode Island Women's Health Collective. During law school, I worked with several San Francisco Bay Area public interest legal organizations, including the East Bay Community Law Center, Bay Area Legal Aid, and Stand! Against Domestic Violence, as well as with the Maine Civil Liberties Union in Portland, Maine.

My education includes a Bachelor of Arts degree in Women's Studies with a focus in public policy from Brown University (1996) and a law degree from the University of California, Berkeley School of Law (2003).

APPENDIX B

Letter from the CHANGES Prime Contractor IILA to the Low Income Oversight Board Explaining the Basis for the Proposed Budget Increase for Bridge Year 2027

July 22, 2025

July 22, 2025

Dear Members of the Low-Income Oversight Board,

This is a follow-up letter to the one we submitted to LIOB on 14th July 2025, in advance of the joint subcommittee meeting on July 15th, 2025. That letter highlighted that the CHANGES program urgently needs a funding increase. At that LIOB meeting, several board members requested that we quantify the size of the funding increase with supporting justification. This letter responds to that request from LIOB members.

Funding Increase Request & Impact

We are requesting a **total increase of $855,400** to the CHANGES program budget as part of the bridge funding application. This amount addresses three urgent areas:

- **Unmet program demand for Deliverables**
- **Inflation-related cost increases,** and
- **Strategic Database Enhancements, Materials & CBO Expansion**

This request is not only justified by spending and inflation trends, but also by the **measurable, direct impact** it would have on the communities we serve.

A) Unmet Demand for Deliverables – $295,000

Case Assistance

As noted in the LIOB meeting on 7/15, it is challenging to quantify the exact demand levels with the current systems and processes, given the limitation on funding to enhance them; however, we have evidence that the program could significantly serve more consumers. According to data from the CPUC's External Affairs Division, current funding levels do not reflect the growing service demands or allow the program to meet consumer needs on scale. Over the past 2.5 years, average monthly spending has been $149,000, which exceeds the allocated monthly budget by $9,000. In 2024–25 alone, the program spent **$828,000 in just five months**, demonstrating that **current service delivery outpaces funding**. We are requesting **$220,000** in funds:

- $110,000 to enable us to **sustain current service levels** without reducing or reallocating funds from other critical program areas, such as **Outreach and Education**
- $110,000 to assist more clients; that would mean approximately 30 more people per CBO would be getting assistance.

It is important to note that these projections are based solely on services provided in previous years, which are already less than needed to address the utility issues in our communities. The number of cases completed last program year were fewer than might have been completed because CBOs were told to stop providing case assistance in March, leaving nearly an entire quarter without services in areas with greatest need. Additionally, the utilization of Education and Outreach funds for case assistance also provides a skewed view of the available budget for case assistance. We project that case assistance funds will be greatly diminished by the end of the first quarter of this program year. Basing any request for increased funds on prior years expenditures is inadequate because those projections are based on actual spending that does not reflect the suspension of services for several months, the use of program funds from other program components (Outreach and Education), changes in energy costs, and reductions in the availability of other program assistance programs such as LIHEAP, AMP, and individual utility company payment programs.

Outreach

We are requesting **$25,000** for Outreach, a $1,000 increase for each CBO.

Education

We are requesting **$50,000** for Consumer Education, $2,000 increase for each CBO. Consumer Education is often the more reliable avenue for alerting consumers that may need case assistance or that various resources are available.

B) Inflation Adjustment – $317,000

The current program budget was established in a CPUC Decision (D.15-12-047) in December 2015, and there has been **no increase in almost a decade**. Since 2015, inflation and the cost of services have increased significantly. We have again used a conservative approach to estimate inflationary pressures. If we were to look solely at the period following the pandemic, June 2021 to June 2025, according to the US Bureau of Statistics consumer price index calculator, inflation is estimated at 19% over that four-year period. To apply this to the existing CHANGES budget of $1.68 million would mean that to have kept up with inflation over just the last four years, the program would need to increase its budget by $317,000. We therefore request **$317,000** as an inflation escalator.

C) Strategic Database Enhancements, Materials & CBO Expansion

Providing estimates of the additional services is an inexact science, but we estimate that the requested funding level increase could go towards:

- Increase education provision. Over the last three program years, education spending has exceeded budgeted amounts, and services have been reduced to ensure that the overall budget is not impacted. In addition, we would like to add one new topic, which, with design and translation costs, we estimate at least **$50,000** per topic.
- If we keep materials current with evolving topics and programs, the use of CBOs would be required for input and translation. We should have material in 17 languages. In CHANGES all 8 current topics are missing 12 languages, and 1 topic is missing 1 language. Therefore, we would need translations of 8 existing topics into 12 languages, totaling 97 translations. If we pay CBOs $200 per translation topic, that would be **$19,400**.
- Making the database improvements recommended in the 2023 CHANGES evaluation. This includes updating functions to allow managers to track the outcomes for individual customers seeking case assistance in detail. Also, as the program has grown, consumers are typically offered support for multiple issues, but the current database structure makes it difficult to track any more than one consumer issue. To make these changes, we have asked our database consultant, ITTC, and they have provided an estimate of just over 800 hours at **$104,000.**
- Adding a CBO to the coalition to expand into a new geographic or cultural area would cost approximately **$70,000** annually based on budgets provided to existing CBOs, contractor administration and management overhead, and additional training and start-up costs.

Estimated Total for Strategic Database Enhancements, Materials and CBO Expansion: **$243,400**

Total Increase Requested (Parts A + B + C): $855,400

We thank you for your consideration and are available for follow-up questions or to provide more details in any of the areas highlighted above.

Sincerely,

Chrystal Dorado, Project Manager for TEAM & CHANGES Programs International Institute of Los Angeles (CPUC's TEAM & CHANGES Programs Prime Contractor)

International Institute of Los Angeles