

## **ESAP Subcommittee Meeting Summary**

The LIOB Subcommittee on ESA met on November 13, 2018 to discuss and deliberate on a vision and principles for the ESA program post-2020. The board discussed the following;

- Health, safety and comfort provisions, including the HVAC Program;
- Post 2020 ESA opportunities regarding go-backs; and guidelines for both re-treatment and appliance replacement, weatherization, home repair and common area measures for multi-family;
- Cost effectiveness and its role in the ESA program;
- Decision-making approvals that consider and continue the current overall portfolio approach to energy savings;
- The value of integrating with LIWP and solar initiatives in better serving low-income households;
- Energy savings targets and program performance.

Member Stamas suggested that the subcommittee take an open-minded perspective given our discussion/comments of a post-2020 vision. “Allow us to dismiss any preconception of governance given past or current guidelines and or rules. Within statutory authority, if we could recraft ESA, what would it be?”

The discussion by the subcommittee members and some in attendance either in person or on the phone was informative and nonconventional (out of the box thinking). The subcommittee members determined to draft a working white paper to take to the full LIOB when we meet on December 5, 2018 in Stockton.

### **ESA Post 2020 Draft White Paper**

This draft of that “ESA White Paper” is the “thoughtful thinking” of the ESAP Subcommittee and will serve as a “jumping off” document for the full LIOB to add, delete, opine on and/or revise. It is important to make the full LIOB aware of the fact that the LIOB meets only four (4) times a year and the December 5, 2018 scheduled full board meeting will be the final meeting before the to the CPUC issues a draft Guidance Document for the upcoming ESA/CARE Decision. It is crucial that the board members finalize their comments and edits to this “White Paper” by or during the December 5<sup>th</sup> LIOB Meeting. The LIOB requests that a Guidance Document be provided to the IOUs in a timely manner in order to allow for thoughtful applications from the IOUs.

Given our discussion on the aforementioned agenda, key points outlined below were made. These recommendations made by ESAP committee members will serve as the guide for this ESA post-2020 draft; they are:

1. Post 2020 decision-making should focus on trying to identify and help low income customers who are overburdened by high energy bill costs. This could be used as a targeting tool to help identify the populations with the greatest need. (Marlene);
2. Explore opportunities/ feasibility for the ESA Program to help reduce Greenhouse Gas Emissions; (Marlene, Maria)
3. Develop a “need-based” formula to maximize low-income energy program efficiency opportunities that may also help customers with the highest need reduce or better manage energy bills, minimize disconnections, and foster affordability of energy costs; (Marlene, Robert, and Maria)
4. Determine who has not been served by ESA and how new program designs and approaches could better reach them;<sup>1</sup> (Robert & Maria Stamas)
5. Identify specific ways and means that ESA can achieve more with health, comfort, safety, and resilience objectives and guidelines. This would include establishing public and private partnerships to leverage additional health and safety data, funding and to establish referral mechanisms e.g. via public health departments and hospitals; (Maria and Robert)
6. Explore the potential to introduce high-value energy saving measures, for example, to reduce water heating as well as heating and cooling energy consumption in applicable climate zones. The goal is to ensure that households that are served are provided with measures that will have a significant impact on bills and health/comfort; (Maria)
7. Recommend that the Low Income Multi Family Housing agenda be on a separate track from single family low-income housing. Multi Family issues are distinct and the challenges/barriers are complex. To facilitate an efficient regulatory process that maximizes opportunity for innovation and new perspectives, this track could begin with a Rulemaking, which includes workshops and the consideration of the role of third-party implementation, similar to the San Joaquin Decision where a separate track was identified or the SOMAH Proceeding where the CPUC Energy Division served as the primary administrator and considered program designs from a range of utilities and implementers. (Maria)
8. Offer a holistic program design (not separate in-unit and common area programs) that meets the needs of renters in affordable housing by lining up offerings with affordable housing refinancing cycles and increasing the flexibility of the program overall. For market-rate multifamily housing, focus on providing a holistic offering that includes an owner co-pay for common areas and contractual restrictions on rent increases as a result of the program; (Maria)
9. Engage and educate communities and building owners about energy use and the numerous energy assistance programs available to them in terms of eligibility, access and leveraging; Provide full service technical assistance and a universal application to ensure enrollment is accessible and streamlined; (All Members)

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<sup>1</sup> Further enable and empower CBO engagement by conducting a community focused/sponsored unmet needs assessment consisting of focus groups, surveys and localized community forums across all service territories of both large and small IOUs. This effort will be complete with findings and conclusions as to enhanced program design and fulfillment.

10. Encourage workforce development opportunities that promote hiring from within local communities, especially the Disadvantaged Communities (DACs), and where possible good career-ladder jobs. ESA contracts already encourage contractors to hire locally and require contractors to provide advance notice of job opportunities in local communities; (Robert)
11. Streamline income eligibility and expand categorical enrollment through partnerships with other need-based state programs. Ensure income eligibility, especially for multifamily housing—which currently has separate regulations for common area and in-unit programs, is simplified and aligned with other assistance programs; (Maria & Robert)
12. Identify specific measures and policies that reduce utility costs to low-income energy. Certainly, solar initiatives targeting this market are vital, but so is the introduction of new and targeted technologies (appliances and weatherization measures and demand side measurement); (Robert)
13. Recommend that the health, safety and comfort provisions (deliverables) within the statute must be made more effective and clearer. Ambiguity leaves unacceptable living and health conditions in place. Create clear goals here to address deferred maintenance issues through referrals, partnerships, cost-sharing, or other mechanisms; (Robert & Maria)
14. Recommend a “LIOB Working Group” or similar mechanism to provide a mechanism for the consideration of new and emerging technologies and program designs that better serve the low-income and ESA program; (Robert)
15. Recommend the IOUs partner with CBOs, Community Colleges and Workforce investment Boards, and report on WE&T and job placement activities generating from the DACs and other low-income or underserved areas. This baseline of reporting will begin to quantify one element within community benefit as designated by legislation. (Robert)

#### **ESA Post 2020 Draft White Paper Discussion Items (Marlene)**

While we will continue to look at new technologies, we think this application is a good time to step back and rethink ESA for the post-2020 phase. PG&E is considering the following:

- How can we leverage opportunities to support wider decarbonization and other cost burdens, integrate with DR and EV charging, and manage TOU rates?
- Are there specific goals around average bill reduction, health/safety deficiencies corrected, customer satisfaction, leveraged dollars, and workforce impacts that we can design to?
- What are the desired ESA program goals and objectives?
- Should the program offer different solutions for the neediest of the needy?

- How to define “needy?”
- Who are the neediest customers, and what do they need?
- What is the energy burden of low-income customers in CA?
- What does this mean for targeting customers in ESA? How would this align with focusing on the “needy”?
- What can ESA offer? Should the program be prescriptive or one-size fits all or tailored by market segment, need, climate, etc.? Should we offer different accelerated versions of the program based on customer need?
- What other opportunities exist? Can we affect customer behavior through energy education and new customer engagement strategies?

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