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PACIFIC GAS AND ELECTRIC COMPANY

**TESTIMONY IN SUPPORT OF APPLICATION FOR THE
2012, 2013, AND 2014 ENERGY SAVINGS ASSISTANCE PROGRAM AND
THE CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM**

PREPARED TESTIMONY



PACIFIC GAS AND ELECTRIC COMPANY
 TESTIMONY IN SUPPORT OF APPLICATION FOR THE
 2012, 2013, AND 2014 ENERGY SAVINGS ASSISTANCE PROGRAM AND
 THE CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM
 PREPARED TESTIMONY

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PACIFIC GAS AND ELECTRIC COMPANY

CHAPTER 1

**APPLICATION FOR PROGRAM YEARS 2012, 2013 AND 2014
FOR THE ENERGY SAVINGS ASSISTANCE PROGRAM AND
THE CALIFORNIA ALTERNATE RATES FOR ENERGY
PROGRAM**

PACIFIC GAS AND ELECTRIC COMPANY
 CHAPTER 1
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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **CHAPTER 1**
3 **APPLICATION FOR PROGRAM YEARS 2012, 2013 AND 2014 FOR**
4 **THE ENERGY SAVINGS ASSISTANCE PROGRAM AND THE**
5 **CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM**

6 **I. Introduction**

7 **A. Overview**

8 **1. Energy Savings Assistance Program Summary**

9 Pacific Gas and Electric Company (PG&E) has offered the
10 Energy Savings Assistance (ESA) Program (formerly the Low Income
11 Energy Efficiency (LIEE) program, also known as the Energy
12 Partners program) to income-qualified customers in its 48 counties
13 since 1983. The objective of the ESA Program is to help income-
14 qualified customers reduce their energy consumption and costs while
15 increasing their comfort, health and safety. The ESA program,
16 utilizes a “whole house” approach to provide free home
17 weatherization, energy-efficient appliances and energy education
18 services to income-qualified PG&E customers throughout the
19 Company’s service area.

20 The ESA Program is ratepayer-funded and is available to PG&E
21 customers living in all housing types (single-family, multi-family, and
22 mobile homes), regardless of whether they are homeowners or
23 renters. To qualify for the ESA Program, the total customer
24 household income must be equal to or less than 200 percent of the
25 Federal Poverty Guidelines, with income adjustments for family size.
26 The 2010 program treated over 130,000 homes with a mix of
27 measures and services, including energy education, energy-efficient
28 appliances, and home weatherization.

29 PG&E’s proposed 2012-2014 ESA Program further contributes to
30 the California Public Utilities Commission’s (CPUC or Commission)
31 programmatic initiative of treating all willing and qualified customers
32 by 2020.

1 **2. Utility Requests**

2 Table 1-1 summarizes PG&E’s 2012-2014 ESA Program’s
3 proposed number of treated homes, budget and energy savings.

**TABLE 1-1
PACIFIC GAS AND ELECTRIC COMPANY
2012-2014 ESA PROGRAM GOALS, BUDGET AND ENERGY SAVINGS**

Line No.	Program Year	Home Goal	Budget	kWh	kW	Therms
1	2012	110,000	\$137,904,000	48,756,877	14,108	1,960,407
2	2013	132,500	167,525,000	58,306,139	16,012	2,361,462
3	2014	132,500	173,422,000	58,306,139	16,012	2,361,462
4	Total	375,000	\$478,851,000	165,369,155	46,132	6,683,331

4 **(a) Existing Program Elements and Strategies to Be Continued**

5 During 2009-2011, PG&E’s ESA Program will meet the goals
6 of the Strategic Plan; specifically the Commission’s Programmatic
7 Initiative of providing energy efficiency measures and services to
8 25 percent of eligible and willing low-income customers. This
9 represents a huge step towards meeting the Strategic Plan’s key
10 policy objective of making the ESA Program a reliable energy
11 resource for the state of California. In this application, PG&E
12 proposes a 2012-2014 ESA Program and associated budgets
13 that continues the elements and strategies of the successful
14 2009-2011 LIEE program, including:

- 15 1. Using customer segmentation to improve program delivery,
16 increasing the opportunities for program participation and
17 energy savings.
- 18 2. Pursuing collaboration and leveraging of other programs.
- 19 3. Integrating low-income EE programs with EE and other
20 demand-side programs.
- 21 4. Developing and integrating ESA Program workforce training
22 requirements into the Workforce Education and Training
23 (WE&T) strategy aimed at reaching minority and other
24 disadvantaged communities.

- 1 5. Specifying and employing program elements that emphasize
- 2 long-term and enduring energy savings.
- 3 6. Specifying and deploying Marketing, Education and Outreach
- 4 (ME&O) for the ESA Program consistent with EE strategies.

5 **(b) New Program Elements and Strategies to Be Implemented;**
6 **Including Estimates of Budgets for These New Approaches**

7 PG&E proposes several new program elements to the
8 2012-2014 ESA Program. These are described below.

9 **Refrigerators**

10 For the 2012-2014 ESA Program, PG&E proposes to update
11 the refrigerator replacement criteria to include refrigerators
12 manufactured prior to 1999. Expanding refrigerator replacement
13 eligibility to include the early replacement of these refrigerators
14 built through 1998 will produce long and durable savings for
15 PG&E's customers.

16 **Mid-Cycle Updates and Program Modifications**

17 In this application, PG&E seeks authority from the
18 Commission to propose programmatic adjustments to the ESA
19 Program through advice letter in instances where no additional
20 funding is required after the Commission issues the decision in
21 this proceeding. PG&E will base any potential mid-cycle
22 measure corrections on the relative costs and benefits to
23 customers, and believes that such flexibility will optimize offerings
24 to customers and create an efficient mode of communication
25 between investor-owned utilities (IOU) and the Commission.

26 **Quarterly Public Low-Income Program Meetings**

27 PG&E proposes that the poorly attended low-income program
28 quarterly public meetings (mandated by Decision 06-12-038,
29 Ordering Paragraph (OP) 7) be replaced with a Low Income
30 Program forum, to be held once a year, following the Utility's Low
31 Income Annual Report filings. This forum would include focused
32 presentations and discussions about the program, including
33 program results and responses of PG&E's low-income
34 customers, findings and lessons learned. The forum could create

1 an opportunity for the public, as well as other low-income service
2 providers to have in-depth discussions about what worked, what
3 didn't, and ideas for making the programs better. In addition to
4 the annual California Utilities Low Income Programs Forum, the
5 utilities would continue to facilitate topic-oriented meetings, such
6 as those occurring currently to revise the Statewide Energy
7 Savings Assistance Program Installation Manual.

8 **ESA Program Coordination With Energy Upgrade**
9 **California's Proposed Multi-Family Offering**

10 PG&E's ESA Program is working with its core EE program
11 teams to propose a coordinated project addressing the specific
12 needs of the low-income multifamily housing sector. Now that the
13 Energy Upgrade California (EUCA) program has launched, and
14 the EUCA multi-family program is under development, the timing
15 is right to develop a project targeted at multi-family buildings.
16 The project being developed would leverage funding from various
17 sources to assess and provide energy saving opportunities
18 through building measures that are not being provided with ESA
19 Program funding.

20 A participating multi-family building could be assessed for
21 whole building EE upgrade opportunities (such as boilers and
22 windows). The ESA Program would pay for prescriptive
23 ESA Program measures available to income-qualified
24 households, the same as they would receive currently. For the
25 other parts of the building, including households that are not
26 income-qualified and common areas, the EE programs, including
27 EUCA, would be the mechanism used to provide a combination
28 of deemed and performance rebates (when available) based on
29 the measures and services provided, as well as the anticipated
30 performance of the upgrades. Interactions between the various
31 EE and ESA Program services would be largely transparent to
32 the building owner, as the utility would provide a turn-key or
33 one-stop-shop service. EUCA and ESA Program staff and
34 installers will be trained on requirements of both programs as

1 feasible to provide more comprehensive services to qualified
2 dwelling units.

3 **(c) Proposed Pilots and Studies to Be Conducted**

4 PG&E joins Southern California Edison Company (SCE),
5 Southern California Gas Company (SoCalGas) and San Diego
6 Gas and Electric Company (SDG&E) in proposing two studies
7 during the 2012-2014 ESA Program cycle: an impact evaluation
8 and an energy education study.

9 **(d) New Measures to Be Implemented**

10 PG&E proposes to add the following three new measures to
11 the ESA Program during 2012-2014:

- 12 • Thermostatic Low Flow Showerhead (1.6 gallons per minute
13 or GPM)
- 14 • SmartAC™ Fan Delay Relay With Premium Motor
- 15 • Microwaves

16 **(e) Existing Measures to Be Retired**

17 Three existing measures, Duct Test and Seal, Central Air
18 Conditioning, and Room Air Conditioning, did not pass
19 cost-effective test thresholds and are not included in the
20 2012-2014 ESA Program.

21 **(f) Total Requested Budget of the Portfolios for Each Year, and for
22 the Entire Budget Cycle, Including Any Requests to Carry-Over
23 Funds From Prior Budget Cycles**

24 PG&E's total requested budget for the 2012-2014
25 ESA Program is \$478.9 million. This is shown in Attachment A-1.

26 **(g) Total Number of Homes to Be Treated for Each Year, and for
27 the Entire Budget Cycle, (Including the Homes Projected for
28 But Not Reached in Program Years 2009-2011)**

29 PG&E anticipates meeting its 2009-2011 goal of treating
30 340,884 homes. Any homes treated over this goal will be applied
31 towards the 2012-2014 goal, decreasing the total number of
32 homes that PG&E expects to treat through 2014. PG&E

1 proposes to treat 375,000 homes during the 2012-2014
2 ESA Program. PG&E will treat fewer homes during the first year
3 in order to ramp the program up gradually, and therefore
4 proposes to treat 110,000 homes in 2012, and 132,500 homes
5 each in 2013 and 2014. Since the total goal is more important
6 than each annual goal, PG&E will apply excess homes treated
7 each year as well as annual under-achievements towards the
8 total 3-year goal. The number of homes treated is shown in
9 Attachments A-2 and A-3.

10 **(h) Estimated Energy Savings for Each Year and for the Entire**
11 **Budget Cycle**

12 PG&E estimates to save 165,369,155 kilowatt-hours (kWh),
13 46,132 kilowatts (kW), and 6,683,331 therms through the mix of
14 EE measures and services offered to customers through the
15 2012-2014 ESA Program. Energy savings provided by the ESA
16 Program are reinforced and strengthened through personalized,
17 in-home energy education provided to all ESA Program
18 participants. Estimated energy savings are shown in
19 Attachment A-2.

20 **(i) Exceptions Requested**

21 Several existing measures, including Attic Insulation, Air
22 Sealing and Envelope Measures, and Water Conservation
23 Measures, passed cost-effectiveness criteria at much lower levels
24 than in the past. Rather than making them available in less
25 climate zones and housing types than they were previously,
26 PG&E proposes that these measures remain in the 2012-2014
27 ESA Program for comfort, health, and safety reasons. In addition
28 to the non-energy benefits they provide, these measures
29 (especially attic insulation) also increase the potential for
30 long-term energy savings.

1 **B. Background**

2 **1. ESA Program Summary – Legal Framework of ESA**

3 PG&E has offered free EE programs to income-qualified
4 customers in its 48 counties since 1983. The ESA Program’s
5 objective is to help income-qualified customers reduce their energy
6 consumption and costs while increasing their comfort, health and
7 safety. The program utilizes a “whole-house” approach to provide
8 free home weatherization, energy efficient appliances and energy
9 education services to income-qualified PG&E customers throughout
10 the Company’s service area.

11 The ESA Program is ratepayer-funded and is available to PG&E
12 customers living in all housing types (single-family, multi-family, and
13 mobile homes), regardless of whether they are homeowners or
14 renters.

15 During the winter of 2000-2001, California experienced an energy
16 crisis and rolling blackouts. In May 2001, in Decision 01-05-033, the
17 Commission instituted a rapid deployment strategy to mitigate the
18 impacts of rate increases and energy burden on the low-income
19 customer. The Rapid Deployment Program expansion effectively
20 doubled PG&E’s LIEE program budget from \$29 million to \$60 million,
21 added new measures to the traditional mix of weatherization
22 measures and refrigerators (the “Big Six” measures) that have been
23 included in the program since its inception,^[1] and changed measure
24 qualification criteria to include more measures available to renters.
25 PG&E instituted its Rapid Deployment Program, dramatically
26 expanding its LIEE program offerings to more customers and
27 increasing the number of CARE enrollees by over 50 percent.

[1] Direct assistance to low-income customers in the form of EE education and physical measures became a statutory requirement in 1990 with the passage of Senate Bill (SB) 845.1. SB 845 added § 2790 to the Public Utilities Code which was amended by Assembly Bill 1393 effective January 1, 2000. This statute directs the Commission to require gas and electric corporations to perform home weatherization services for low-income households, and defines those services to include the following “Big Six” measures: (1) attic insulation; (2) caulking; (3) weather-stripping; (4) low-flow showerheads; (5) water heater blankets; and (6) door and building envelope repairs which reduce infiltration (D.01-05-033).

1 In the years following the Rapid Deployment Program, the
2 low-income EE programs continued to grow to treat more customers.
3 Program offerings were standardized among the four IOUs,
4 coordination between the utilities increased, a Low Income Needs
5 Assessment was completed, and low-income EE program
6 cost-effectiveness tests including non-energy benefits, were
7 developed to better account for low-income program specific criteria.

8 By 2007, the State's increasing energy needs once again drove a
9 movement to increase EE for all customer segments, including low
10 income. Decision 07-12-051 directed the development of a Strategic
11 Plan for LIEE through 2020, established a 3-year program planning
12 cycle for 2009-2011, and required 2009-2011 LIEE and California
13 Alternate Rates for Energy (CARE) Program Applications.

14 Decision 07-12-051 established the following programmatic
15 initiative for low income EE:

16 *To provide all eligible customers the opportunity to participate in*
17 *the LIEE programs and to offer those who wish to participate all*
18 *cost-effective energy efficiency measures in their residences*
19 *by 2020.*

20 Decision 07-12-051 also committed to changing the way
21 low-income EE programs were approached by adopting the following
22 policies and guiding principles:

- 23 • The complementary objectives of LIEE programs will be to
24 provide an energy resource for California while concurrently
25 providing low-income customers with ways to reduce their bills
26 and improve their quality of life.
- 27 • LIEE programs should emphasize opportunities to save energy.
- 28 • LIEE programs should be designed to take advantage of all
29 cost-effective EE opportunities.
- 30 • LIEE programs should include measures that may not be
31 cost-effective but that may promote the quality of life of
32 participating customers.
- 33 • LIEE programs should emphasize effective ways to inform
34 customers of the benefits to themselves and their communities of

1 conservation and EE measures, as well as the way EE promotes
2 environmental values and reduces greenhouse gases (GHG).

- 3 • LIEE programs should be integrated with other EE programs to
4 allow the utilities and customers to take advantage of the
5 resources and experience of EE programs, promote economies
6 of scale and scope, and improve program effectiveness.
- 7 • LIEE programs should take advantage of other resources, such
8 as federally-funded programs, local efforts, the work of
9 businesses and publicly-owned utilities.

10 California is demanding that the next generation of EE measures
11 help meet its energy, environmental and economic goals for 2020 and
12 beyond. In Decision 07-12-051, the Commission called for a fresh
13 look at LIEE programs as an energy resource for California, working
14 in concert with other efforts to address climate change and for
15 meeting the needs of more low-income customers.

16 Decision 07-12-051 directed that LIEE programs be considered
17 as an integral element in the statewide EE strategic planning efforts.

18 The draft *California Energy Efficiency Strategic Plan (CEESP)*—
19 prepared and filed jointly by PG&E, SCE, SDG&E and SoCalGas on
20 June 2, 2008—was the first step in a new, ongoing, statewide
21 strategic planning effort. The objective of this effort is to define
22 innovative new paths to aggressively deliver EE to homes, offices,
23 factories and farms—and to significantly contribute to the state’s goal
24 of having a reasonably priced, stable, reliable and clean portfolio of
25 energy resources. In July 2008, Commission Staff issued the
26 *California Long Term Energy Efficiency Strategic Plan*, a blueprint for
27 achieving maximum energy savings in California for 2009 and
28 beyond.

29 Low-income EE program efforts are a significant part of the
30 strategic plan for California, and include:

- 31 1. Develop customer segmentation to improve program delivery,
32 increasing the opportunities for program participation and energy
33 savings.

- 1 2. Pursue collaboration and leveraging of other programs.
- 2 3. Integrate low-income EE programs with EE and other
- 3 demand-side programs.
- 4 4. Develop and integrate ESA Program workforce training
- 5 requirements into the WE&T strategy aimed at reaching minority
- 6 and other disadvantaged communities.
- 7 5. Specify and employ program elements that emphasize long-term
- 8 and enduring energy savings.
- 9 6. Specify and deploy ME&O for the ESA Program consistent with
- 10 EE strategies.

11 Short-term CEESP strategies were incorporated in the 2009-2011
12 Low Income Program Application, and those strategies were
13 approved by the Commission in Decision 08-11-031 in
14 November 2008 at \$416,912,752 million. The 2012-2014 ESA
15 Program Application elements also encompass the foundational
16 short-term strategies and are all designed to enable PG&E to achieve
17 longer-term statewide 2020 goals.

18 PG&E's proposed Program Years (PY) 2012-2014 ESA Program
19 will meet the Commission's key policy objective for the ESA
20 Programs: providing the most cost-effective energy resources in the
21 form of energy savings while reducing low-income customers' bills.

22 PG&E's program emphasizes opportunities to save energy and
23 takes advantage of the most cost-effective EE opportunities. The
24 2012-2014 ESA Program portfolio includes some measures that do
25 not meet standard cost-effectiveness tests but nevertheless, do
26 promote the quality of life of participating customers.

27 **2. Program Eligibility Guidelines**

28 To qualify for the ESA Program, the total customer household
29 income must be equal or less than 200 percent of the Federal
30 Poverty Guidelines, with income adjustments for family size, as
31 defined by the Commission.

32 The joint utility methodology to derive the number of customers
33 potentially eligible for CARE and ESA Program services in each
34 utility's service area was adopted by the Commission in

1 Decision 01-03-028 and is updated annually. Sources for this
2 estimation include the Commission's current guidelines; current year
3 small area vendor marginal distributions on household characteristics;
4 Census Public Use Microdata Sample (PUMS) 2000 and PUMS 2007
5 sample data, utility meter and master meter household counts,
6 Department of Finance Consumer Price Index (CPI) series, and
7 various Geographic Information System (GIS) sources. ZIP-7s are
8 smaller breakdowns of postal ZIP codes that are used for small area
9 research in census data. They are the smallest geographical area for
10 which reliable income and demographic data is available.

11 PG&E also uses categorical eligibility and self-certification in its
12 enrollment processes, as authorized by Decision 08-11-031.

13 In the 2009-2011 ESA Program, PG&E's implementation
14 contractors streamlined customer enrollment strategies by
15 incorporating categorical eligibility and self-certification into ESA
16 Program processes where applicable. They also worked with
17 property agents to get Property-Owner Waivers signed for entire
18 multifamily complexes so they could install the EE measures in all of
19 the units at the same time.

20 PG&E added the programs that qualified under the categorical
21 eligibility requirements for the ESA Program to the program
22 enrollment forms for contractors to check off. This allowed certain
23 customers to skip showing proof of household income. The
24 Commission-approved programs that provided categorical eligibility
25 for ESA were also added to the ESA Program online database (EPO).

26 PG&E continued to encourage contractors to work in the
27 80 percent self-certification areas by providing them with breakdowns
28 of estimated eligible customers by ZIP-7 to use in their customer
29 recruitment activities. PG&E discussed targeting strategies at
30 contractor meetings and helped plan enrollment events with
31 contractors and community organizations.

32 **3. Eligible Population**

33 PG&E's plans for the 2012-2014 ESA Program are based on the
34 objective of achieving the Commission's Programmatic Initiative as

1 adopted in Decision 07-12-051 and reiterated in Decision 08-11-031
2 and the Commission's Long-Term EE Strategic Plan:

3 *By 2020, 100 percent of eligible and willing customers will have*
4 *received all cost effective Low Income Energy Efficiency*
5 *measures.*

6 The 2009-2020 interval consists of four 3-year program cycles.
7 The goal in 2009-2011 was to treat 25 percent of the homes
8 remaining to be treated. The 2012-2014 cycle consists of three of the
9 remaining nine years to achieve the Programmatic Initiative. The
10 IOUs have recalibrated the estimated eligible target by first deriving
11 the number of customers potentially eligible for the ESA Program
12 services in each IOU service area. The IOUs used the joint-utility
13 methodology adopted by the Commission in Decision 01-03-028 to
14 estimate the ESA Program eligible customers. CARE and ESA
15 Program estimates are developed annually through this methodology.
16 The latest CARE annual eligibility estimates were filed with the
17 Commission on December 30, 2010. Eligibility estimates for the ESA
18 Program were developed concurrently with the CARE estimates
19 according to the joint-utility methodology that is used to annually
20 estimate the number of customers eligible for the ESA Program and
21 CARE services, for each utility area, and for the State as a whole.^[2]

22 The IOUs then escalated the 2010 estimate by 1 percent annually
23 to obtain the estimated eligible ESA Program customers as of 2020.
24 The Commission adopted a 1 percent escalation rate to account for
25 customer growth in Decision 08-11-031. The 2020 eligibility figure is
26 adjusted by deducting customers who are unwilling or unable to
27 participate. Deductions are made for homes that have been treated
28 through the ESA Program during 2002-2011. Additional deductions
29 are made for actual and projected Low Income Home Energy
30 Assistance Program (LIHEAP) activity through 2020.

[2] Sources for this estimation include the Commission's current guidelines, current year small area vendor marginal distributions on household characteristics, Census PUMS 2000 and PUMS 2004-2006 sample data, utility meter and master meter household counts, Department of Finance CPI series, and various GIS sources.

1 Decision 08-11-031 determined that customers who have been
2 served by the federal government's LIHEAP and Weatherization
3 Assistance Program (WAP) should be considered as already-treated
4 customers because LIHEAP and WAP offers most, if not all, of the
5 same measures provided by the ESA Program, as well as some
6 additional measures not offered by the ESA Program. Moreover, any
7 home that has been served by LIHEAP/WAP would also be deemed
8 ineligible for service under the ESA Program at the time of an ESA
9 Program assessment because these homes have already been made
10 energy efficient and should not need any additional measures or
11 services offered under the ESA Program. PG&E included customers
12 treated by LIHEAP and WAP providers using American Reinvestment
13 and Recovery Act (ARRA) funds through 2010.

14 PG&E received information on homes treated through LIHEAP by
15 county prior to filing the 2009-2011 low-income programs application
16 with the Commission. The Commission adopted estimates of treated
17 through LIHEAP in 2002-2007 based on estimates received by the
18 utilities from the California Department of Community Services and
19 Development (CSD). PG&E did not obtain specific data for homes
20 treated through LIHEAP in 2008. Estimates by county were provided
21 for 2009 and 2010.

22 The IOUs believe it is appropriate to develop an estimate of
23 LIHEAP activity through 2020. This is done by taking the 2002-2007
24 LIHEAP homes-treated figures that were adopted by the Commission
25 in Decision 08-11-031 and then projecting LIHEAP activity for
26 2008-2020 at 90 percent of the average annual activity that occurred
27 during 2002-2007. This LIHEAP estimate encompasses a period of
28 expanded funding due to the ARRA and (by decreasing the estimate
29 of annual activity by 10%) also addresses present concerns that
30 federal LIHEAP funding may be reduced over the next few years in
31 order to address the federal budget deficit.

32 After making the above deductions, the IOUs are able to estimate
33 the number of homes that will require treatment in 2012-2020 in order
34 to meet the Programmatic Initiative. The IOUs then take one-third of

1 the 2012-2020 homes remaining to be treated to obtain the number of
2 homes that must be treated during the 2012-2014 program. This is
3 shown in Attachment A-3a.

4 **Unwillingness and Inability to Participate**

5 The next step in developing an adjusted eligibility base was to
6 estimate how many customers would likely decline to participate in
7 the ESA Program. Decision 08-11-031 authorized a 5 percent
8 unwillingness factor, so the utilities discounted 5 percent of customers
9 from the 2014 estimated eligible population. The basis for the
10 5 percent is the 1,530 responses to the following survey question in
11 the Household Energy Needs Survey section of the KEMA Phase II
12 Low Income Needs Assessment:

13 *Assuming your household was eligible, how willing would you be*
14 *to participate in the program now? Would you say you'd be:*

- 15 • *Not at all willing*
- 16 • *Only a little willing*
- 17 • *Somewhat willing*
- 18 • *Very willing*

19 KEMA reported that 3 percent of customers were “only a little
20 willing” and 5 percent of customers were “not at all willing” to
21 participate in the ESA Program.^[3]

22 In addition to customers who are unwilling to participate, there
23 are certain customer dwellings where treatment is infeasible.
24 Examples where treatment is infeasible includes homes where the
25 required minimum three measures (or one significant energy-savings
26 measure) cannot be identified, and homes where various physical
27 conditions exist that make measure installation infeasible. Such
28 conditions were identified in the *California Low Income Energy*
29 *Efficiency Program 2009-2010 Process Evaluation* (completed by

[3] All Household Energy Needs Survey respondents spent time responding to the survey, likely contributing some level of “willingness” bias in the responses. Although KEMA attempted to address this bias, it is unclear whether customers who are unlikely to respond to requests, whether for surveys or offers for program services are adequately accounted for.

1 Research Into Action in 2011), and include: combustion appliance
2 problems, pests, unsanitary conditions, pets, hoarders, unsafe
3 (violent) conditions, mold, and home in bad repair (Process
4 Evaluation Table 19). Some of these problems are insurmountable
5 obstacles that cannot be corrected through this program and—
6 together with customers that cannot be treated because the home
7 assessment cannot identify the minimum number of measures
8 required for program participation—should be estimated and
9 combined with the percent of unwilling customers to account for the
10 number of customers that will remain unable to be treated through
11 this program.

12 The utilities are tracking the number of homes served and the
13 number of customers unwilling to participate in order to better
14 estimate the number of customers unwilling or unable to participate in
15 the ESA Program. In 2009-2011, one of the IOUs—SCE—
16 implemented a specific effort to track customer receptiveness to the
17 ESA Program. The results of this effort support using higher
18 customer unwillingness than the 5 percent allowed for 2009-2011.
19 SCE reviewed their ESA Program leads data for the 2009 and 2010
20 program years. When customers were presented with the
21 opportunity to participate in the ESA Program, approximately
22 60 percent were able to participate.

23 The IOUs presume there are many reasons why these findings
24 exceed the 5 percent unwillingness figure cited in the KEMA Needs
25 Assessment study. The ESA Program requires customers to make
26 time and allow people to be within the home in order to assess the
27 home and subsequently install measures. SCE's tracking data for
28 2009-2010 also revealed that more than 12 percent of customers are
29 unable to participate in the program even if they are willing to
30 participate. Anecdotal evidence suggests that most of these
31 customers are unable to produce sufficient documentation to prove
32 income eligibility for the program. As indicated in Table 1-2, SCE's
33 non-participating customer data for the 2009-2010 ESA Program

1 indicates 24 percent of customers are unwilling or unable to
 2 participate in the ESA Program.

**TABLE 1-2
 PACIFIC GAS AND ELECTRIC COMPANY
 SCE WILLINGNESS TO PARTICIPATE
 FOR ESA PROGRAM IN 2009 AND 2010**

Line No.	Unwilling to Participate Sources	2009-2010 Customers
1	SCE Call Center – customer contacted SCE to initiate enrollment process	8,707
2	CARE Referral – customer indicated interest when enrolling in CARE	439
3	Income Verified through CARE or Energy Assistance Fund and indicated interest in the ESA program	2,495
4	Self-Certified 80% Rule - SCE generated list of customers and sent contractor to initiate enrollment process	1,869
5	Served by another Program then referred to SCE	1,701
6	Other	75
7	Total	15,286
8	Unable to Participate – After initiating contact with enrollment contractor, customer is unable to provide documentation, such as income or owner’s authorization.	17,534
9	<u>Summary</u>	
10	Total Unwilling or Unable to Participate(a)	32,820
11	Automated – Outbound Calls – (IVR) Phone Contact) – Not Interested/Refused(b)	19,884
12	ESA Enrollments from SCE Generated Leads	82,252
13	Total Customer Contacts from SCE Generated Leads	134,956
14	% of Total Customer Contacts Unwilling or Unable to Participate	24%

(a) All customers were referred by SCE to a program contractor to complete the enrollment process but customers refused the contractors’ offers.

(b) SCE introduced Automated Outbound Calls to its outreach tactics in 2010. Because customers are not speaking to a live representative, it is possible that some customers refused the service in error. To avoid introducing this bias, SCE elected not to include these customers in the Unwilling to Participate customer grouping.

3 Rather than using the 24 percent figure obtained through SCE’s
 4 ESA Program customer data, the IOUs expect the statewide brand
 5 and additional marketing to help reduce the unwillingness figures in
 6 future years. Thus at this time, PG&E is projecting a more
 7 conservative 15 percent rate for customers who are unwilling or
 8 unable to participate during 2012-2020.

1 In Table 1-3, according to the methodology described above,
 2 PG&E projects it would need to treat 287,517 homes in 2012-2014 to
 3 remain on pace to meet the Programmatic Initiative. PG&E proposes
 4 to treat 375,000 homes through the ESA Program during 2012-2014,
 5 exceeding this minimum required target by over 87,000 homes.

6 The calculation methodology for the ESA Program's adjusted
 7 eligibility and PG&E's proposed homes treated goals for 2012-2014
 8 are described in Table 1-3:

**TABLE 1-3
 PACIFIC GAS AND ELECTRIC COMPANY
 PROGRAMMATIC INITIATIVE METHODOLOGY**

Line No.	PG&E Customers	Parameter
1	1,983,285	Estimated ESA Program eligible for 2011 (filed 12/30/2010)
2	2,169,090	A. Estimated eligible for 2020 (escalated by 1 percent per year).
3	325,363	B. 15 percent Estimated as Unwilling or Unable to participate.
4	629,143	C. Number served by ESA Program 2002 through 2010
5	126,248	D. 2011 estimated homes treated
6	76,537	E. Number served by LIHEAP 2002 thru 2007
7	149,247	E1. Number of customers served by LIHEAP 2008-2020 (90% of 2002-2007 Average Annual Achievement)
8	862,551	F. Subtract A – (B:C:D:E:E1). This is the Adjusted Eligibility for calculating the 2012-2014 programmatic initiative.
9	95,839	G. Annual Target: Eligible customers (F) divided by nine remaining years to 2020.
10	287,517	3-Year Target required for 2012-2014
11	375,000	PG&E 3-Year Proposed Target

9 PG&E's calculations determined that treating 95,839 customers
 10 each year would allow PG&E to reach the 2020 goals; however,
 11 PG&E decided to maintain its annual 2010-2011 level of program
 12 activity throughout the 2012-2014 program cycle, and propose
 13 treating 375,000 homes (an average of 125,000 each year). The
 14 represents a 10 percent increase over the 2009-2011 goal of
 15 340,884 homes treated (an average of 113,628 per year).

16 The utilities have agreed to work together to refine this standard
 17 means of deriving the number of eligible ESA Program customers on
 18 which to base the achievement of the Commission's programmatic
 19 initiative.

1 **C. Program Goals**

2 In this section, PG&E identifies how its goals for the 2012-2014
3 proposed ESA Program align with the vision, goals and strategies
4 outlined in the California Energy Efficiency Strategic Plan.

5 **1. Strategic Plan Vision**

6 **(a) By 2020, 100 Percent of Eligible and Willing Customers Will**
7 **Have Received All Cost-Effective Low Income Energy**
8 **Efficiency Measures**

9 PG&E has made significant progress on the Commission’s
10 goal of providing 100 percent of eligible and willing customers
11 with all ESA Program measures. PG&E will have treated over
12 341,000 customers during the 2009-2011 ESA Program, meeting
13 the Commission’s 25 percent mandate for the program cycle.
14 PG&E proposes to treat an additional 375,000 customers during
15 the 2012-2014 ESA Program cycle; this is 41 percent of the
16 remaining eligible customers, and is well over the number of
17 customers PG&E calculated it needed to treat through 2014 to
18 maintain progress towards meeting the 2020 goal. The
19 calculation methodology is described in Section B.3.

20 **2. Strategic Plan Goals**

21 **(a) By 2020, All Eligible Customers Will Be Given the Opportunity**
22 **to Participate in the ESA Program**

23 PG&E’s ESA Program outreach team, program managers,
24 and implementation contractors work together to identify,
25 outreach and deliver the program to eligible customers
26 throughout the service area. Through their combined efforts, the
27 ESA Program will be offered to all eligible and willing customers.

28 PG&E’s program team has taken advantage of recent study
29 results, and incorporated recommendations from the *California*
30 *Low Income Energy Efficiency Program 2009-2010 Process*
31 *Evaluation* to make program delivery more efficient and mitigate
32 barriers to participation. The outreach team used the Market
33 Segmentation Study results to develop strategies to better

1 identify and market the ESA Program to eligible customers, as
2 described in Sections C.3.f and D.1.a.

3 **(b) The ESA Program Will Be an Energy Resource by Delivering**
4 **Increasingly Cost-Effective and Longer-Term Savings**

5 PG&E is committed to offering the most cost-effective mix of
6 measures in its ESA Program. Cost-effectiveness tests
7 incorporating non-energy benefits are performed at both the
8 portfolio level and the individual measure level, as required by the
9 Commission and described in Section E.2. However, the
10 low-income program is not very cost-effective, and the
11 cost-effectiveness threshold set for the 2009-2011 program was
12 only 0.25.

13 Many of the measures offered are fairly low-cost
14 weatherization measures that have traditionally been the
15 foundation of low-income energy programs in the United States
16 (U.S.). Individually, these measures produce small energy
17 impacts, and most of their effect is achieved together as a
18 package producing both energy savings and less tangible,
19 comfort, health, and safety benefits when measures in a
20 whole-house context.

21 One of the most significant sources of long-lasting energy
22 savings may be the personal, customer-specific energy education
23 that focuses on creating behavior change fostering greater
24 energy benefits. This idea was suggested by the *2009 LIEE*
25 *Program Impact Evaluation*, and was also discussed at the
26 Impact Evaluation Workshop (held on March 29, 2011).
27 ECONorthwest hypothesized that low-to-zero results seen for the
28 attic insulation and duct test and seal measures (as well as
29 furnaces) are dependent on high energy use (i.e., customers that
30 receive these measures but do not use them, will not save
31 energy, regardless of climate zone). Measure savings driven by
32 behavior are more susceptible to effective energy education.
33 PG&E suggests that this linkage be studied further during this
34 program cycle so that the ESA Program may take advantage of

1 any linkage to help design more cost-effective and effective
2 programs. (See Section I regarding the IOU's proposed energy
3 education study.)

4 **3. Strategic Plan Approaches**

5 **(a) Improve Program Delivery**

6 PG&E is constantly assessing and reassessing program
7 delivery strategies. PG&E meets regularly with its prime
8 contractor and implementation subcontractors to discuss and
9 improve program processes. Contractors share strategies and
10 lessons learned to improve program delivery, and IOU program
11 managers meet regularly to discuss best practices. PG&E
12 incorporated recommendations from the *California Low Income*
13 *Energy Efficiency Program 2009-2010 Process Evaluation* to
14 maximize efficient program delivery.

15 **(b) Promote the Growth of a Trained ESA Program Workforce**

16 PG&E's Energy Training Center (ETC) in Stockton is the
17 longest continuously operated Energy Center of its kind in the
18 U.S. Since 1978, the ETC has been a positive force in the
19 development of education and training for thousands. For over
20 30 years, the ETC has been a driver of EE education and
21 installation. Since 1978, the ETC has trained over
22 86,000 students, including implementers of both PG&E's
23 ESA Program and the State's LIHEAP program. From 2009
24 through April 2011, ETC trained 2,038 students over the
25 combined course of 10,493 days to perform energy assessments,
26 educations, installations, and natural gas appliance tests for
27 PG&E's ESA Program.

28 In 2012 through 2014, PG&E will continue to train all
29 ESA Program contractors and subcontractors at the ETC to
30 deliver energy education, weatherization services and measure
31 installation provided through the ESA Program. PG&E's
32 implementation subcontractors are already fully staffed to deliver
33 125,000 homes per year, so PG&E anticipates maintaining a
34 similar number of ESA Program implementers to provide EE

1 services to the next 41 percent of the ESA Program eligible
2 homes in PG&E's service area over the next three years.

3 PG&E's ESA Program implementation subcontractors hire
4 most in-home workers from the communities in which they will be
5 working. These ESA Program field personnel bring their local,
6 in-language knowledge to help recruit ESA Program participants
7 from the communities in which they live and work. PG&E's EE
8 training provides them with skills and work experience that are
9 transferable to other green jobs.

10 In support of the long-term strategic planning goals, PG&E is
11 also completing its 2009-2011 authorized pilot to explore online
12 training for some of its ESA Program Weatherization Specialists
13 or Energy Specialists. Following the completion of the online pilot
14 this year, PG&E will evaluate the benefits of incorporating more
15 decentralized training to help reduce—where and when feasible—
16 training time at the ETC.

17 During the 2009-2011 program cycle, PG&E also worked with
18 the Energy Division to develop and implement a low-income
19 workforce education and training pilot. Energy Division worked
20 with San Francisco Office of Economic Workforce and
21 Development (SF OEWD) in partnership with San Francisco
22 City College in the Bay Area, and Los Angeles Trade Technical
23 College (LATTC) in southern California to develop and implement
24 a curriculum and training program to prepare low-income
25 students for ESA Program jobs. Energy Division and the IOUs
26 are currently assessing results and lessons learned through this
27 pilot experience and in the Statewide Needs Assessment,
28 released in March 2011. PG&E will continue to work with the
29 Energy Division and others to develop training curriculum and
30 certifications acceptable for delivering ESA Program services.

1 **(c) Increase Collaboration and Leveraging of Other Low-Income**
2 **Programs and Services**

3 PG&E’s 2012-2014 ESA Program will continue to increase
4 collaboration and leveraging of other low-income programs and
5 services.

6 PG&E ESA Program managers meet frequently with the
7 other IOUs to share successful program practices and discuss
8 ESA Program strategies, research and outreach. The utilities
9 conduct joint evaluations and market research studies, with input
10 from the Energy Division. Additionally, the IOUs currently host
11 joint quarterly public meetings on both the ESA Program and the
12 CARE program to discuss ESA Program issues and approaches
13 with interested parties.

14 PG&E leverages with other utilities, in addition to the other
15 energy IOUs that run ESA Programs, municipal utilities, small
16 multi-jurisdictional utilities (SMJU), irrigation districts, and water
17 utilities. PG&E continues to share ESA Program data with the
18 other IOUs to help automatically enroll income-qualified
19 customers into each utility’s ESA Program and CARE program.
20 Most data sharing agreements enroll customers into the CARE
21 program. CARE customers are targeted by PG&E’s ESA
22 Program subcontractors for participation in the ESA Program.
23 Data sharing of CARE customers already occurs between PG&E
24 and Sacramento Municipal Utility District (SMUD), Modesto
25 Irrigation District (MID) and LIHEAP.

26 PG&E low-income program staff meet regularly with other
27 low-income councils in its service area, such as the Sacramento
28 coalition of low-income and senior service agencies. PG&E will
29 continue to leverage resources with LIHEAP through supporting
30 federal legislation, and continuing the refrigerator program.

31 PG&E will also continue to leverage established partnerships
32 with local communities, such as the cities of San Jose and
33 San Joaquin, the Glenn County Human Services Agency, the
34 Redwood Community Action Agency, and the Amador-Tuolumne

1 Community Action to connect with otherwise hard to reach
2 low-income customers in those communities (particularly
3 customers who are either rural or experience language barriers).
4 In 2009-2011, PG&E partnered with many agencies and local
5 governments to leverage resources, including Bakersfield,
6 Stockton, San Pablo, Fresno, Sacramento, Selma, Soledad,
7 Richmond, San Rafael, Milpitas, Oakland, Wasco, Madera and
8 Firebaugh. For example, PG&E worked with SoCalGas and local
9 legislators to host a community event in Wasco to sign customers
10 up for CARE, LIEE, and other utility and community low-income
11 programs.

12 As PG&E learns from its ESA Program activities, it will
13 expand leveraging those approaches that show the most
14 promise.

15 PG&E will collaborate and leverage ESA Program marketing
16 efforts with other programs and organizations serving similar
17 customers, including programs offered by private, public,
18 non-profit or for-profit, local, county, state and federal government
19 sectors. This is especially true of those offering EE measure
20 installations in low-income households. The program has already
21 established partnerships with various city and county programs,
22 municipal utilities, community-based organizations, and
23 school-based programs. Through these partnerships, the ESA
24 Program successfully reaches and disseminates information to
25 income-qualified customers. PG&E will continue to strengthen
26 these relationships, specifically by:

- 27 • Coordinating monthly meetings with SMUD, Turlock Irrigation
28 District (TID), and MID. These monthly meetings allow PG&E
29 to creatively discuss and plan outreach strategies and
30 potential partnership opportunities, and to share challenges
31 and best practices.
- 32 • Collaborating with community based organizations (CBO)
33 delivering programs to families and children, seniors and
34 disabled. In working with these CBOs, the ESA Program

1 staff ensures it is reaching customers who most benefit from
2 EE services. Partner organizations include: Community
3 Action Agencies, Self-Help for the Elderly, Congress of CA
4 Seniors, housing coalitions, neighborhood collaboratives,
5 Healthy Start, LIHEAP, and housing authorities.

- 6 • Collaborating with local school districts and programs
7 including: Free School Lunch programs, Healthy Start,
8 Women Infant and Children (WIC), and similar programs. In
9 2012-2014, the ESA Program outreach staff will continue to
10 create relationships with parent-teacher associations,
11 participate in already established school activities, and
12 promote the ESA Program at school events and community
13 meetings.
- 14 • Continuing to foster relationships with local city and county
15 programs which target income-qualified customers. By
16 establishing relationships with these entities, the ESA
17 Program outreach staff will raise awareness and encourage
18 customers to enroll. Strategies that have been especially
19 effective in this area are community programming,
20 newsletters, radio and television programming, events and
21 working directly with departments whose focus is EE and
22 community development.

23 Through continued coordination with the programs listed
24 above, PG&E will leverage resources to better serve customers
25 with high-energy burden and high-energy insecurity, including
26 seniors and the disabled.

27 **(d) Coordinate and Communicate Between LIEE, Energy Efficiency**
28 **and Demand-Side Management Programs to Achieve Service**
29 **Offerings That Are Seamless for the Customer**

30 Since the inception of its low-income EE program in 1983,
31 PG&E has been delivering EE services through its ESA Program
32 to low-income customers in close integration with its other EE
33 portfolio offerings. As a result, PG&E customers can learn about

1 and receive ESA Program options through a variety of EE
2 marketing and delivery channels, such as its Energy Solutions
3 and Sales staff, Third-Party programs, and Partnership programs.

4 In alignment with Commission desires and as part of an
5 overarching goal to offer customers holistic offerings, PG&E has
6 organized service and delivery teams that integrate EE and the
7 ESA Program, as well as Demand Response (DR) and
8 Distributed Generation, which includes the California Solar
9 Initiative (CSI) and Self-Generation Incentive Program.

10 Additionally, PG&E has developed an internal integration team
11 comprised of staff from these various programs and marketing
12 and delivery channels. This team has been meeting weekly and
13 collaborates with the other IOUs on the statewide Integrated
14 Demand-Side Management (IDSMS) Task Force to leverage ideas
15 and opportunities that have been identified internally.^[4] Taken
16 together, these efforts will serve to increase the existing
17 integration between the ESA Program and EE.

18 PG&E has taken integration of EE and the ESA Program in
19 several directions—from coordinating between programs to
20 conducting joint marketing efforts to establishing pilots that can
21 serve as examples for the state and the other IOUs. The
22 sections below provide detailed examples of specific PG&E
23 programs and coordination strategies that PG&E's 2012-2014
24 ESA Program will continue to implement that demonstrate the
25 strong connection between its ESA and EE programs.

26 **Direct Install for Manufactured and Mobile Homes Program**

27 PG&E's Direct Install for Manufactured and Mobile Homes
28 Program is being implemented by Energy Efficiency, Inc.,
29 DBA Synergy EE. This EE program installs a comprehensive set
30 of EE measures in the customer's home, at no cost to the
31 customer.

[4] The statewide IDSMS activities are described in the Program Implementation Plan filed in PG&E Advice Letter 3079-G/3595-E, and approved by the Commission with an effective date of March 12, 2010.

1 Synergy personnel introduce the program to mobile home
2 park managers and owners. If these decision makers agree to
3 make the program available to park residents, the Synergy team
4 then sets up a neighborhood meeting in a community site and
5 delivers program information (a letter and flyer) to the residents.
6 Synergy invites an ESA Program representative to attend and
7 participate with the Synergy marketing team at these meetings.

8 Residents who decide to participate can either set a date for
9 a technician visit and installation of measures at the
10 neighborhood meeting or call the company's toll-free number for
11 an appointment. Synergy's process includes asking if the
12 customer qualifies for the ESA Program and if they have ever
13 received services from the ESA Program. ESA Program-eligible
14 customers who have never received ESA Program services will
15 be provided for as follows:

- 16 • Those within Synergy's service territory will be serviced by
17 Synergy.
- 18 • All others will be submitted as leads to Richard Heath &
19 Associates (the ESA Program prime contractor), who will
20 ensure delivery of the ESA Program services.

21 **ESA Program Marketing and Outreach**

22 The ESA Program marketing and outreach initiatives focus
23 on coordinating activities and advertising with ESA Program
24 service providers and other PG&E EE programs and rate options
25 likely to reach low-income customers. For example, PG&E
26 requires its ESA Program contractors to inform customers about
27 other programs (such as CARE) for which they may be eligible.
28 PG&E combines its ESA Program and CARE outreach activities
29 to leverage low-income outreach efforts and provide PG&E's
30 low-income customers with the knowledge and tools to access
31 the full range of PG&E's free energy services.

32 ESA Program staff will continue to make regular
33 presentations about the PG&E's low-income programs at

1 community and company events throughout its service area.
2 These presentations educate customers about EE and inform
3 them about assistance programs and opportunities available
4 through PG&E. ESA Program marketing staff implements
5 outreach initiatives to increase EE awareness and interest in
6 hard-to-reach customer segments, leading to customer
7 participation and enrollment in PG&E programs. Marketing and
8 outreach initiatives will continue to include information about the
9 ESA Program and CARE in multiple languages, including English,
10 Spanish, Chinese, Vietnamese, Korean, Hmong and Russian.

11 PG&E will continue efforts like the *Breathe Easy* brochure,
12 which incorporates CARE, the ESA Program, EE and DR
13 information in one place, and is a prime example of integrated
14 marketing. These programs are also cross-referenced on
15 PG&E's website, www.pge.com. Further, information on the ESA
16 Program and other EE and DR programs are included in the
17 introductory information provided to customers when their
18 SmartMeter™ is installed. The ESA Program team will continue
19 to work closely with the Statewide ME&O team to ensure
20 coordinated efforts related to the new statewide brand,
21 Engage 360, and use of the Statewide Marketing web portal for
22 connecting customers to programs and information relevant to
23 their needs.

24 PG&E's ESA Program marketing staff also coordinates with
25 its ESA Program contractors on strategies to enroll eligible
26 customers in the ESA Program. These strategies include
27 canvassing neighborhoods, targeting direct mail, making
28 outbound calls, advertising in local venues, speaking to local
29 groups, and conducting outreach at community events.

30 **Partnerships**

31 PG&E's partnership agreements with public sector agencies,
32 including cities, counties, and quasi-government organizations
33 (e.g., associations of local governments), are designed to help
34 these partners achieve EE in their facilities and communities.

1 Leveraging and targeting communications to more effectively
2 reach customers who have not responded to traditional utility
3 marketing approaches, Partnerships funnel customers to PG&E's
4 core and third-party programs, as well as serve customers
5 directly through local direct install programs. Working with
6 Partnerships on customized approaches enables PG&E's
7 programs to be creative and responsive to local needs.

8 Recognizing that Partnerships provide a vital channel for
9 promoting the ESA Program, PG&E will continue to work with
10 Partnerships to identify potential opportunities for integrating the
11 ESA Program into outreach opportunities through presentations
12 to community leaders and stakeholders. These presentations
13 highlight the opportunity for eligible customers to receive EE
14 improvements in their homes.

15 **Moderate Income Direct Install**

16 The connection between the Partnerships and the
17 ESA Program is critical to implementing PG&E's Moderate
18 Income Direct Install (MIDI) program, which leverages the ESA
19 Program infrastructure to provide audit and installation services
20 free of charge to underserved moderate income customers.

21 Currently, ESA Program contractors encounter customers
22 who do not qualify for ESA Program services because they either
23 have income level above the ESA Program income threshold
24 (200 percent of federal poverty guidelines) or cannot produce the
25 appropriate documentation. ESA Program providers that
26 participate in the MIDI program will serve these non-ESA
27 Program qualifying customers by completing a home audit and
28 installing EE measures, including comprehensive lighting, attic
29 and pipe insulation, low-flow showerheads, and faucet aerators—
30 all at no cost to the customer.

31 Under the MIDI program, ESA Program contractors will
32 receive Partnerships funding to serve these moderate income
33 customers. The local Partnerships will work closely with the ESA
34 Program provider to identify underserved neighborhoods and

1 leverage local social service and other community resources.
2 The MIDI program implementer, Richard Heath & Associates,
3 launched MIDI in 2010 and will continue the effort the during the
4 upcoming ESA Program portfolio cycle.

5 The MIDI program will also coordinate with PG&E’s EUCA
6 program (see below) and initiatives funded under the ARRA.

7 **Energy Upgrade California**

8 This program promotes the “house as a system” approach by
9 providing contractor training and customer incentives for a variety
10 of retrofits that improve a home’s energy profile. The program
11 outlines two paths to efficiency:

- 12 • Prescriptive Path: Includes individual measures—such as
13 attic insulation, air sealing, duct sealing, and combustion
14 safety—with required minimum EE performance values.
- 15 • Performance Path: Delivers comprehensive improvement
16 packages tailored to the needs of each existing home and its
17 owner and will include all prescriptive measures, as well as
18 major heating and cooling systems, and hot water systems.

19 Customers can receive incentives up to \$1,000 for the
20 prescriptive path and up to \$3,500 for the performance path.

21 PG&E’s teams are exploring the feasibility of integrating the
22 ESA Program with EUCA through the MIDI program (see above).
23 Specifically, the MIDI program may be a channel for offering
24 prescriptive path measures to customers who fall just outside of
25 the ESA Program eligibility requirements. Program teams are
26 evaluating the feasibility of expanding the existing MIDI measure
27 list to include the complete package of prescriptive path
28 measures. PG&E will provide lessons learned to other IOUs on
29 this effort.

30 Further, customers inquiring about EUCA will receive
31 information on the ESA Program. EUCA and ESA Program staff
32 is discussing which EUCA marketing materials should contain

1 summary information on the ESA Program and CARE/Family
2 Electric Rate Assistance (FERA).

3 PG&E's ESA Program is also exploring integrating with
4 EUCA to develop a new multifamily component. This is
5 described in more detail below.

6 **Energy Upgrade California Multi-Family Buildings Project**

7 PG&E is working with its EE program teams to propose
8 one coordinated program project to address the specific needs of
9 the low income multi-family housing sector. PG&E has been
10 working with the Energy Division, multi-family housing owners
11 and operators, and other interested parties over the last year to
12 develop a pilot project targeted at multifamily buildings.

13 **Background**

14 The penetration rate of multi-family dwelling units treated by
15 the ESA Program already represents a significant portion of the
16 total eligible housing stock. However, focus will be placed on
17 multi-family properties in an effort to encourage the installation of
18 comprehensive EE measures that will benefit both the property
19 owners and tenants. Property owner and manager education is
20 needed to motivate active participation in EE programs that both
21 improve the efficiency of the building common area and tenant
22 units.

23 The ESA Program is targeted at low-income households and
24 its goals are based on serving all willing and eligible qualified
25 low-income customers. Property owners are still responsible for
26 capital building improvements that are not covered by the ESA
27 Program, which only installs measures and appliances within a
28 unit. However, there are general EE incentives for property
29 owners, both currently available and under development that
30 provide assistance for whole building and common area
31 measures. The goal of the low-income multi-family strategy
32 described below is to leverage the various programs and
33 channels of outreach to continue addressing the low-income

1 multi-family retrofit sector and help to break down the barriers of
2 participation with both property owners and tenants.

3 PG&E is not proposing to develop a separate “program” with
4 distinct measures and eligibility criteria for multi-family buildings.
5 Rather, this effort intends to take full advantage of the ESA
6 Program’s presence within multi-family buildings to promote the
7 delivery of services through core EE programs described below.
8 The no-cost incentive structure and eligibility criteria for the ESA
9 Program measures will remain focused on eligible low-income
10 occupants within single and multi-family buildings.

11 **Energy Upgrade California and Core Energy Efficiency** 12 **Programs**

13 The multi-family component of EUCA is currently under
14 development. The goal would be to encourage building owners
15 or managers to consider the building as a system, rather than as
16 a series of isolated components. For those building owners or
17 managers who are ready to engage in a performance-based,
18 whole-building approach, the EUCA multi-family component
19 would help to drive the implementation of a series of more
20 comprehensive measures.

21 A significant portion of the EUCA development work is
22 focused on ensuring the safety of PG&E customers by
23 developing an understanding of the combustion safety
24 implications of tightening the shell of an existing multi-family
25 building. This understanding will be compiled through the work of
26 external and internal experts and will precede launch of the
27 multi-family component.

28 **Coordinated Approach**

29 In accordance with the California Energy Efficiency
30 Long-Term Strategic Plan, PG&E will implement an approach that
31 coordinates core EE programs with the ESA Program, and the
32 multi-family component of EUCA when it is available. This
33 coordinated approach will help to advance comprehensive EE
34 measures as described by the EE loading order. The desired

1 outcome of coordinating core EE program offerings with the ESA
2 Program is to realize long-term energy savings through the
3 installation of energy-efficient products not only in dwelling units,
4 but also in common area locations.

5 Understanding that it can be time consuming for a property
6 owner or manager to sort through the wide range of individual
7 measure and targeted participation programs available, this
8 coordinated program approach is intended to provide participants
9 with a turn-key solution. When the initial contact within a
10 multi-family building is made through EUCA, the EUCA team will
11 facilitate the delivery of ESA Program services for eligible
12 residents so that comprehensive services are delivered to the
13 property and its tenants as feasible. When the initial visit to a
14 multi-family facility is made through the ESA Program, an initial
15 contact with the property owner or manager will be attempted in
16 order to educate building owners and managers on the benefits
17 of EE, while also facilitating entry into EUCA and core EE
18 services.

19 As with all of the EE programs, insight gleaned from early
20 Evaluation Measurement and Verification (EM&V), impact
21 evaluations, and ex post EM&V studies will help inform the
22 program staff in order to continuously improve the program for
23 effectiveness and accessibility.

24 **Home Energy Efficiency Rebates**

25 All of the ESA Program-EE integrated outreach is aimed at
26 encouraging customers to participate in EE programs by applying
27 for rebates. Examples of outreach that link the ESA Program to
28 EE rebates include the Breathe Easy brochure, which links
29 low-income pages to EE pages, and collateral and presentations
30 provided directly to customers at community events and
31 meetings.

32 Conversely, the Home Energy Efficiency Rebates application
33 (available at www.PGE.com) now includes a description of both
34 the CARE and ESA programs to increase rebate customer

1 awareness of the free EE services and appliances that are
2 available through the ESA Program, and the monthly bill discount
3 available with CARE. This coordination will continue in the next
4 ESA Program cycle.

5 **Multi-Family Affordable Solar Housing and Single-Family**
6 **Affordable Solar Housing**

7 The Multi-family Affordable Solar Housing (MASH) program
8 provides incentives to owners/operators of multi-family affordable
9 housing units to encourage them to install solar units on their
10 buildings. Since launching MASH in early 2009, PG&E has held
11 numerous online and live training sessions for applicable
12 customers on the value of integrating PG&E's low-income
13 program offerings, and specifically, on the value of installing EE
14 technologies prior to installing solar technologies. Additionally,
15 PG&E representatives have offered and participated in several
16 workshops throughout the service territory, including
17 presentations for San Francisco's Low Income Oversight Board,
18 Oakland's Green Affordable Housing Coalition and Sacramento's
19 Annual Housing California conference.

20 While PG&E's MASH Track 1 incentive budget is fully
21 subscribed, PG&E will continue outreach to the industry on
22 MASH Track 2 incentives to facilitate reaching such program
23 goals as increasing awareness and appreciation of the benefits of
24 solar and EE, as well as improving the overall quality of
25 affordable housing through the application of both technologies.

26 PG&E is also working to further integrate its EE and the ESA
27 Program and services with Single-Family Affordable Solar
28 Housing (SASH) program. For example, PG&E has been
29 leveraging interest in the SASH program to promote EE by
30 regularly working with the program administrator, GRID
31 Alternatives, to jointly promote the respective programs to a
32 qualified list of customers. Through partnering with the
33 SASH program, the ESA Program has received 24 new
34 enrollments since January 2011. Another 41 customers who are

1 participating in the SASH program have already received ESA
2 Program services in the past.

3 **Multi-Family Energy Efficiency Rebate Program**

4 Multi-Family Energy Efficiency Rebate (MFEER) Program
5 offers property owners and managers incentives for installing
6 energy efficient measures, slated for the retrofit of existing
7 multifamily properties of two or more units. ESA Program
8 outreach is integrated into outreach for MFEER. For example,
9 when multifamily property owners/managers participate in the
10 MFEER Program, they receive a welcome packet that includes
11 descriptions of the ESA, CARE and FERA programs. The ESA,
12 CARE and FERA programs are also promoted at MFEER
13 outreach events and property owner/manager conferences.
14 Income-eligible residents may enroll in the ESA Program to
15 receive measures not provided by the MFEER program.

16 **Workforce Education and Training School Programs**

17 The ETC, one of the WE&T Centergies programs, has
18 supported training for the ESA Program continuously for 32 years
19 and is the focal point for substantive integration of the WE&T EE
20 program with the ESA Program WE&T. ETC support for the ESA
21 Program includes the following:

- 22 • Training for weatherization specialists (installation crews) and
23 energy specialists (assessors/educators).
- 24 • Assistance in reviewing curricula for Energy Division's
25 2009-2011 pilot program with LATTTC and SF OEWD to test
26 options to develop certification for ESA Program training.

27 To address coordination with community college and
28 Workforce Investment Board recipients of federal and state
29 funding for green jobs, PG&E expanded its PowerPathway
30 program to create the PowerPathway Training Network on
31 Energy Efficiency (PPTNEE) and Renewable Energy.

32 PPTNEE supports the ESA Program workforce by preparing
33 members of the disadvantaged communities for jobs in their

1 communities while keeping green career ladders and stackable
2 credentials in mind for a pathway toward rewarding careers. This
3 new program was formed by a competitive request for
4 applications sent to all community colleges in PG&E's service
5 area. Six community colleges were selected to be part of the
6 PPTNEE and receive assistance in developing entry-level EE
7 training, mentoring of instructors, and submitting grants. Further,
8 ETC will articulate training with PPTNEE to reduce the time and
9 expense of centralized training.

10 In 2010, there were two PowerPathways certification trainings
11 designed and delivered specifically for the San Francisco City
12 College EE program and one session for graduates of the
13 Laney College EE program. Graduates of the 3-day ETC session
14 are considered the equivalent of graduates of the required 8-day
15 ESA Program Energy Specialist Certification class.

16 ESA Program contractors could—and did—interview and hire
17 from this pool of new Energy Specialists. Approximately
18 23 students of the WE&T (City College of San Francisco, or
19 CCSF) and PowerPathways (Laney College) training were hired
20 by interested Energy Procurement contractors. This number is
21 approximate because contractors continue to hire those students.

22 The WE&T Connections school programs also provide
23 services for hard-to-reach and disadvantaged communities.
24 The Energenius and PEAK WE&T K-12 programs track
25 participation by ZIP code and will set quantifiable goals related to
26 low-income and disadvantaged student communities.

27 **Demand Response**

28 The ESA Program team is working with the DR team to
29 include SmartAC in the local roll-out of the ESA Program.
30 PG&E's ESA Program team is also working with contractors to
31 ensure that SmartAC opportunities are not missed when installing
32 other EE measures in ESA Program-qualified homes. In
33 particular, the team is targeting Heating, Ventilation and Air
34 Conditioning contractors who are working in the ESA Program in

1 order to identify opportunities to sign up customers for the
2 SmartAC program.

3 **(e) Provide Low Income Customers With Measures That Result in**
4 **the Most Savings in the ESA Program**

5 PG&E's 2012-2014 ESA Program portfolio includes a mix of
6 measures providing the most savings for low income customers.
7 For this application, PG&E analyzed measures offered in the
8 2009-2011 program, and other measures suggested by
9 contractors and others in public meetings and workshops.
10 Cost-effectiveness tests and measures included in the 2012-2014
11 portfolio are described in Section F.

12 New impact and process evaluations of the 2009-2010 LIEE
13 (ESA) Program were conducted to assess program design and
14 impacts. PG&E also participated with Energy Division and the
15 other IOUs on studies to update and assess non-energy benefits.
16 The results of these studies were used to inform this 2012-2014
17 ESA Program Application.

18 PG&E regularly solicits new measure ideas and suggestions
19 from contractors and others at quarterly public meetings and
20 LIEE contractor meetings. PG&E also requested suggestions
21 from PG&E's EE research staff and looked at measures included
22 in other EE and LIEE programs throughout the U.S.

23 **(f) Identify Segmented Concentrations of Customers to Improve**
24 **Delivery**

25 The ESA Program will continue to use available information
26 to improve its targeting of customers with appropriate outreach
27 methods. Marketing plans are based on customer demographics
28 acquired through program participation, focus groups and
29 studies. Additionally, PG&E uses information about energy use,
30 CARE participation and participation in other income-qualified
31 programs to reach the appropriate customer segments.

32 A Low Income Household Market Segmentation Study has
33 been conducted during the 2009-2011 cycle to identify and
34 develop a segmented approach. The resulting segmentation tool

1 will allow us to better identify and target geographic areas with
2 high concentrations of “high priority” segments. Moreover, PG&E
3 expects that contractors will also be able to apply these
4 customized (targeted) outreach and marketing strategies based
5 on the profiles of the regions they are serving. Once the final
6 results of this study are available later this summer, and the
7 targeting tool is operational, these results will continue to inform
8 and improve program delivery efforts throughout the 2012-2014
9 program cycle.

10 During 2010, PG&E worked closely with CARE Outreach,
11 PG&E’s marketing team and other in-house marketing experts to
12 help develop effective methods of marketing the program. PG&E
13 also continued to work with its ESA Program subcontractors and
14 community agencies to target and reach out to hard-to-reach and
15 at-risk customers. PG&E provided ZIP-7 eligibility breakdowns to
16 its ESA Program contractors to help them locate and target areas
17 with high poverty demographics.

18 Decision 08-11-031 set a goal for the IOUs to increase their
19 enrollment of households containing persons with disabilities for
20 the 2009-2011 program years so that customers with disabilities
21 comprise approximately 15 percent of new ESA Program
22 enrollments annually. PG&E enrollment of disabled customers
23 remains above 15 percent. PG&E’s segmented marketing efforts
24 include targeted outreach to customers with disabilities. PG&E’s
25 outreach team collaborates with agencies delivering programs
26 and services to its disabled customers and will continue these
27 efforts in the 2012-2014 ESA Program.

28 **D. Program Delivery**

29 **1. Existing Strategies**

30 The 2012-2014 ESA Program continues the 2009-2011
31 Program’s objective of helping income-qualified customers reduce
32 their energy consumption and costs while increasing their comfort,
33 health and safety. The ESA Program utilizes a “whole house”
34 approach to provide free home weatherization, energy efficient

1 appliances and energy education services to income-qualified PG&E
2 customers.

3 Customers learn about and are enrolled in the ESA Program in
4 several ways. Potentially income-qualifying customers who
5 experience problems paying their PG&E bills or who request EE
6 assistance are referred to PG&E's ESA Program. To increase CARE
7 participation and make customers aware of the services provided by
8 PG&E to income-qualified customers, PG&E requires contractors to
9 market the ESA Program to existing CARE customers and customers
10 requesting weatherization services.

11 PG&E also provides its ESA Program implementation contractors
12 access to a web-based database that tracks all of the ESA Program
13 work. The database includes PG&E customer data and allows
14 specific access to contractors based on their assigned areas.
15 Contractors can tell if a PG&E customer is on the CARE rate, and if
16 the customer has been served by the ESA Program before. PG&E's
17 contractors ensure that customers are made aware of the CARE
18 program and if needed, assisted customers in filling out a CARE
19 program application. ESA Program contractors use many strategies
20 to market the program and enroll customers, including telemarketing,
21 door-to-door, speaking at local churches and community centers, and
22 participating at local events that potential customers are likely to
23 attend.

24 In addition to direct marketing performed by the ESA Program
25 contractors, PG&E identifies and targets neighborhoods with large
26 populations of low income customers for outreach and marketing.
27 ZIP-7 areas are ranked by percent of its ESA Program estimated
28 eligibility. Energy usage and previous ESA Program participation
29 information is correlated to help determine promising areas to target.

30 PG&E also actively partners with community agencies and local
31 governments to promote awareness of the ESA Program and
32 services. In 2010, PG&E's ESA Program staff participated in
33 130 community events and activities promoting the ESA Program and
34 services to income-qualified customers. For example, PG&E

1 distributes program information through various nonprofit agencies
2 and local food banks.

3 PG&E’s ESA Program contractors conduct a site-specific energy
4 assessment at each participant residence, perform in-home,
5 individualized energy education, and install all feasible measures
6 based on housing type and climate zone, as authorized in
7 Decision 08-11-031. Appointments are scheduled for any follow-up
8 visits necessary for appliance delivery and specialized installation
9 work which cannot occur at the same time as the energy assessment.

10 **Energy Education**

11 The ESA Program will continue to offer comprehensive, in-home
12 energy education to income qualified customers. Energy education is
13 performed onsite at customers’ homes by contractors that cover such
14 concepts as EE measures, behavioral changes that reduce energy
15 use, information on CARE and other programs, safety, reading the
16 utility bill, GHG emissions, water conservation, compact fluorescent
17 lamp (CFL) disposal, recycling, and others. Direct customer
18 education occurs predominantly during a contractor’s enrollment and
19 assessment visit, and as such, energy education presents itself as a
20 critically important opportunity to reinforce energy saving practices on
21 a personalized level. The *2009-2010 California Low Income Energy*
22 *Efficiency Program Process Evaluation Report* recognized that,
23 “PG&E emphasizes the role of customer education in the enrollment
24 and assessment visit more heavily than the other IOUs,” and
25 “...expects enrollment contractors to spend 20-30 minutes educating
26 the customer by both ‘walking the wall’ with the customers, discussing
27 energy savings tips as they walk around the home to assess energy
28 saving potential in the home, and also sitting down with the customer
29 to discuss those tips and walk through the energy savings
30 educational materials.”^[5]

[5] Draft Final Report California Low Income Energy Efficiency Program
2009-2010 Process Evaluation. Research Into Action, Inc., March 21, 2011,
p. 20.

1 The Process Evaluation Report also noted that “more time spent
2 on customer education may positively influence customer satisfaction
3 with the energy saving information ...and investing more time into the
4 customer education process may lead to potential energy
5 savings.”^[6] The Process Evaluation Report recommended that IOUs
6 reinforce enrollment and assessment contractors’ training on specific
7 approaches to effective customer education and “investigate the
8 creation and dissemination of energy education DVDs to augment the
9 current customer education strategy.”^[7]

10 As such, PG&E plans to continue to administer, refine and
11 expand its energy education methods for customers and contractors,
12 including online training materials for contractors. PG&E recognizes
13 energy education and contractor training as a critical component of
14 expanding awareness on EE and IDSM program offerings. As such,
15 PG&E believes in continuing to build and reinforce the value and
16 benefits of energy saving measures as part of a customer’s overall
17 energy management strategy. PG&E proposes to accomplish this by
18 continuing to build awareness about EE behaviors and energy
19 management tools. PG&E will leverage EE, DR and other IDSM
20 education tools to encourage customers to change behaviors to save
21 energy and support clean energy solutions. Additionally, PG&E plans
22 to leverage its SmartMeter™ program to provide energy education on
23 how customers can save energy overall and potentially save even
24 more by shifting their energy use to off-peak hours.

25 PG&E understands that emerging and enabling technology
26 solutions, when ready for the market, can empower customers to
27 better understand, respond and manage their energy usage, and
28 allow low-income customers to receive the most current mix of
29 applications in the market. PG&E plans to study lessons learned of
30 emerging and enabling technology solutions piloted by other IOUs

[6] *Id.*, p. VI.

[7] *Id.*, p. VI.

1 during the 2012-2014 period, and will monitor these initiatives to build
2 on supplementing existing energy education efforts in the future.

3 **(a) Marketing, Education and Outreach**

4 The ESA Program has refined and improved its outreach
5 methods and practices over the course of the 2009-2011 program
6 cycle. During this time, new multilingual media
7 campaigns—specifically radio, television and print—have been
8 developed and launched. More direct outreach methods have
9 also been built including automated voice messaging, text
10 messaging and direct mail.

11 During the 2009-2011 program cycle, the ESA Program ran
12 the following media:

- 13 • Print advertisements in English, Spanish, Chinese and
14 Vietnamese, which ran across the service area.
- 15 • Television commercials in English in the San Francisco
16 Bay Area.
- 17 • Television commercials in Hmong and Vietnamese in
18 Sacramento, Stockton and Fresno.
- 19 • Radio commercials in English, Spanish, Chinese and
20 Vietnamese in the San Francisco Bay Area.
- 21 • Radio commercials in English and Spanish in Fresno and
22 Sacramento.

23 Moving into the next cycle, outreach staff will incorporate the
24 *Engage 360* brand into its outreach and continue to build stronger
25 relationships with other EE programs wherever possible.
26 Effectiveness of media campaigns will also continue to be
27 evaluated to gain a clearer picture on the return on investment.

28 Direct mail campaigns were a large part of the ESA
29 Program's outreach during the 2009-2011 cycle as well. A
30 postcard and letter were developed for mailings to increase
31 enrollments on their own, and also support Whole Neighborhood
32 Approach canvassing activities (discussed in Section D.1.e).

1 These campaigns saw a response rate of around 2.5 percent,
2 standard for the medium.

3 Automated voice messaging (AVM) for the ESA Program was
4 developed in the later part of 2010 and used to target
5 neighborhoods estimated to be highly eligible. To date, these
6 AVM efforts have delivered promising results. Accounting for all
7 factors, AVM delivers a response rate almost twice that of direct
8 mail, approximately 4.5 percent.

9 Additionally, the launch of this campaign revealed that by
10 filtering out mobile phone numbers for dialing, well over half of
11 customers in the targeted neighborhoods were not being
12 reached. Analysis indicated that this is because low-income
13 customers use mobile phones exclusively more than other
14 customer classes and therefore trend away from landline use.
15 This information led to the development and launch of a text
16 message campaign in early 2011 that will be evaluated
17 throughout 2011.

18 The change from “Energy Partners” to “Energy Savings
19 Assistance Program” provided a great opportunity to reevaluate
20 and refresh all aspects of outreach. This included the actual
21 program description to be used in all collateral and outreach,
22 which was made simpler and more customer-friendly. The ESA
23 Program webpage was an immediate beneficiary of this change
24 and underwent an overhaul that included simplification and
25 improvement of the entire online experience.

26 Partnerships have played an important part in outreach for
27 the 2009-2011 program cycle. Relationships and joint projects
28 were created with cities and municipal utilities across PG&E’s
29 service area. One of the largest of these was “The Avenues”
30 weatherization project in Sacramento, in which PG&E, SMUD,
31 the local LIHEAP provider Community Resources Project Inc.,
32 and ESA Program contractor Naildown Construction leveraged
33 PG&E ESA Program funds, SMUD funds, LIHEAP funds, and

1 ARRA funds for the benefit of residents of the Avenues
2 neighborhood.

3 During the 2012-2014 cycle, the ESA Program outreach staff
4 plans to continue to evaluate outreach choices and refine
5 strategies and tactics. What has traditionally proven successful
6 in the past will not necessarily continue to provide quality leads
7 for enrollments as PG&E moves closer to the Strategic Plan goal
8 of 100 percent participation of eligible and willing customers by
9 2020. For this reason, is seeking to raise general awareness of
10 the program through an expanded media effort that will provide a
11 “local feel” to customers living in various parts of PG&E’s service
12 area.

13 Community partnerships will continue to play an important
14 role as PG&E builds the more “local feel” into outreach efforts.
15 These relationships with local governments and community
16 organizations provide a trusted partner who best know the local
17 populace.

18 PG&E also seeks to identify and utilize all of the most
19 effective outreach methods in the top 20 percent of estimated
20 eligible areas. As part of this effort, PG&E is researching why
21 current outreach methods do not prompt certain customers to
22 enroll and how PG&E can most effectively communicate to them.
23 The Household Market Segmentation Study authorized in
24 Decision 08-11-031 will provide valuable targeting profiles that
25 will be used in 2012-2014 outreach strategies. As PG&E
26 continues to create more sophisticated outreach methods and
27 improve existing ones, PG&E expects to discover valuable
28 information that will also be shared in other areas of PG&E
29 Marketing to help better serve these customers.

30 **(b) Workforce Education and Training**

31 The ETC, one of the WE&T Centergies programs, has
32 supported training for the ESA Program continuously for 32 years
33 and is the focal point for substantive integration of the WE&T EE
34 program with ESA Program WE&T efforts. ETC support for the

1 ESA Program includes the following: training for weatherization
2 specialists (installation crews); and energy specialists
3 (assessors/educators). ESA Program-employed graduates of the
4 Weatherization Specialist and Energy Specialist classes are
5 eligible to attend both the natural gas appliance testing class
6 (teaching them to perform the gas safety check performed by
7 specially trained ESA Program contractors), and the duct testing
8 and sealing class, also performed by specially trained ESA
9 Program contractors.

10 The ETC also works with disadvantaged communities to
11 develop and conduct training programs that prepare workers for
12 participation in EE careers, including municipal power companies
13 looking to expand their LIEE offerings. The ETC is also adding
14 “train-the-trainer” classes for community-based organizations that
15 are not currently part of the California Community Services
16 Department-managed low-income EE and weatherization
17 programs or PG&E’s ESA Program.

18 PG&E also participated in Energy Division’s Workforce
19 Education and Training Pilot project to provide certification and
20 training for members of disadvantaged communities to work in
21 the ESA Program. This is described in Section D.2.g.

22 **(c) Leverage Available Resources**

23 PG&E leverages with other utilities, including the other
24 energy IOUs that run ESA Programs, municipal utilities, SMJU,
25 irrigation districts, and water utilities. PG&E low-income program
26 staff meet regularly with other low-income councils in its service
27 area. For example, PG&E ESA Program and CARE program
28 staff participates in a Sacramento coalition of low-income and
29 senior service agencies that includes the SMUD low-income
30 program staff.

31 PG&E will also continue to leverage the contacts already
32 established by the City of San Jose, the city of San Joaquin, the
33 Glenn County Human Services Agency, the Redwood
34 Community Action Agency, and the Amador-Tuolumne

1 Community Action to connect with otherwise hard to reach
2 low-income customers in those communities (particularly
3 customers who are either rural or experience language barriers).

4 PG&E and the other IOUs have met with representatives of
5 the CSD, which manages the LIHEAP contracts in California to
6 discuss ways to leverage the two low-income programs more
7 successfully. PG&E will leverage resources with LIHEAP by
8 continuing to coordinate on the minimum measure rule,
9 supporting federal legislation, and continuing the refrigerator
10 leveraging program.

11 PG&E has discussed strategies to change the ESA Program
12 and LIHEAP home weatherization minimum 3-measure rules to
13 qualify a home for treatment. PG&E is willing to waive its
14 minimum measure rules with the Commission's approval, which
15 will allow homes referred from LIHEAP to receive any additional
16 measures feasible under the ESA Program and would be happy
17 to work with CSD and the DOE so that this rule may be waived
18 for LIHEAP agencies receiving referrals from PG&E.

19 PG&E is planning to continue its successful refrigerator
20 leveraging program with LIHEAP providers. Under this program,
21 interested LIHEAP agencies that are not ESA Program
22 contractors may contract with PG&E to provide refrigerators to
23 eligible PG&E customers. By providing the refrigerator under
24 ESA Program funding, the LIHEAP agency can cost-effectively
25 offer more services to more homes. PG&E will pay for these
26 replacement refrigerators and recycling at the same negotiated
27 discount cost that it pays for refrigerators under the ESA
28 Program.

29 PG&E, SCE, SDG&E and SoCalGas previously prepared a
30 list of organizations and resources for low-income programs that
31 was attached to the *California Energy Efficiency Strategic Plan*.
32 PG&E plans to continue to coordinate and work with these
33 organizations and resources in 2012-2014, and to continue to
34 seek out new organizations and resources to work with.

1 **The California Department of Community Services and**
2 **Development**

3 PG&E and the other IOUs have met multiple times with CSD
4 and Commission staff to discuss leveraging and strategies to
5 increase coordination between the LIHEAP and the ESA
6 Program. Topics discussed included data sharing, Natural Gas
7 Appliance Testing (NGAT)/Combustion Appliance Safety testing,
8 the ARRA funding restrictions, prevailing wage issues, and ways
9 to work together on homes to increase delivery efficiencies and
10 leverage measure funding.

11 Stemming from discussions at these meetings with CSD and
12 Commission staff, PG&E implemented a leveraging pilot (the
13 Avenues Weatherization Project) in Sacramento with Community
14 Resource Project, Inc., (CRP) and SMUD in 2010.

15 PG&E will continue to work with CSD and the Commission to
16 initiate more efficient leveraging strategies.

17 **Municipal Utilities**

18 The ESA Program worked closely with municipal utilities and
19 irrigation districts including: SMUD, TID and MID. Monthly
20 meetings were held to discuss best practices, updates to each
21 program, leveraging opportunities, and implementation of
22 neighborhood approaches, challenges and creative outreach
23 opportunities. These meetings allowed the ESA Program to
24 become better at communicating with its eligible customers,
25 share knowledge and experiences, improve efficiencies in
26 communicating the program internally and externally and create a
27 forum for open dialogue and information sharing across
28 municipalities.

29 In 2010, PG&E implemented a leveraging pilot in Sacramento
30 with CRP and SMUD.

31 Free weatherization and EE services are available to
32 qualifying low-income households through a variety of different
33 programs, including the PG&E-ratepayer-funded ESA Program,
34 the SMUD ratepayer-funded Low Income Weatherization

1 program, ARRA funded by DOE WAP, and the tax-dollar funded
2 LIHEAP.

3 PG&E, CRP and SMUD each provide free weatherization and
4 EE services to qualifying low-income households through one or
5 more of these programs and developed a project to work together
6 to leverage the resources available to qualifying households in
7 the Sacramento Avenues Weed and Seed Area of ZIP 95824.

8 Services provided by PG&E, CRP and SMUD to their
9 income-qualifying customers through their respective free
10 weatherization/EE programs include attic insulation, energy
11 efficient refrigerators, furnace repair and replacement, energy
12 efficient and central room air conditioners, duct sealing, energy
13 efficient lighting, weather stripping, caulking, low-flow
14 showerheads, water heater blankets, and door and building
15 envelope repairs which reduce air infiltration.

16 Together, PG&E, CRP and SMUD informed, recruited and
17 qualified low-income households to receive LIEE/ESA Program
18 and LIHEAP services through the project. All feasible gas and
19 electric measures and services were provided through one of the
20 Project team members (PG&E, CRP and SMUD) and billed back
21 to the appropriate funding source. Program services were
22 provided through PG&E, SMUD, DOE WAP and/or LIHEAP. The
23 end result was a successful one-stop shop to fully weatherize
24 homes with minimal disruption for the participant.

25 This collaboration, while successful, was very time
26 consuming and took a large amount of resources to execute.
27 However, specific processes developed to facilitate effective
28 leveraging of the ESA Program funding as well as resources from
29 CSD will continue. Monthly meetings were effective in keeping
30 communication ongoing, and allowed for better exchange of
31 information and ideas.

32 Following the success of the Sacramento Avenues Weed and
33 Seed Project, PG&E will continue to explore cost-effective

1 opportunities to leverage with SMUD and other municipal utilities
2 in its service area during the 2012-2014 ESA Program cycle.

3 **Community Based Organizations and Communities**
4 **Receiving Federal Energy Efficiency Funds**

5 PG&E's ESA Program staff continues to pursue outreach and
6 leveraging opportunities with CBOs and communities that have
7 received Federal EE Funds. The Sacramento Avenues Weed
8 and Seed Project leveraging funding between PG&E, CRP and
9 SMUD, is described above. PG&E is currently working to
10 implement leveraged projects with the cities of Richmond and
11 San Pablo, among others. These projects are likely to continue
12 into 2012, and as they are completed, lead to other potential
13 projects with other communities. PG&E sees this type of
14 outreach to implement community projects as ongoing, and will
15 pursue additional projects in 2012-2014.

16 Working with CBOs provides a great opportunity for
17 participation in community meetings, events, health fairs and
18 placing information in newsletters. Building relationships with
19 CBOs allows the ESA Program to gain trust, increase visibility
20 and opportunities to communicate directly with potential
21 customers. In 2009-2011, the ESA Program worked closely with
22 CBOs that also administered the LIHEAP program, allowing
23 customers to benefit from both programs.

24 **(d) Integration of the ESA Program With Existing Utility Energy**
25 **Efficiency Infrastructure**

26 In 2010, PG&E undertook a significant reorganization of its
27 internal infrastructure surrounding EE, DR, solar, pricing and
28 other customer services, along with marketing and delivery to
29 customers. The PG&E Customer Energy Solutions (CES)
30 organization is now integrated and aligned by function. The main
31 groups under this new organization include Products, Regulatory,
32 Energy Solutions and Sales (ES&S), and Marketing.

33 The ESA Program-focused staff is now organized by function
34 between PG&E's Regulatory, Marketing and ES&S groups in the

1 CES organization. ESA Program team members work within the
2 Residential groups in the Marketing and ES&S organizations.
3 This new alignment focuses on the PG&E customer experience
4 and ensures better integration.

5 PG&E has been able to leverage this infrastructure to better
6 enhance the customer experience. Some examples include:

- 7 • Integrated marketing collateral for residential customers
8 offering ESA Program, CARE, EE and DR options in
9 one place.
- 10 • Work with ESA Program contractors to deliver DR and
11 EE offerings to ESA Program customers.

12 **(e) Whole Neighborhood Approach**

13 In Decision 08-11-031, the Commission described a “Whole
14 Neighborhood Approach” (WNA) to LIEE installation, under which
15 the IOUs would install all feasible measures in the homes of
16 eligible customers on a neighborhood-by-neighborhood basis.
17 The Commission believed this approach would increase energy
18 savings, reduce overhead and transportation costs, and
19 encourage leveraging with local entities.

20 The Commission provided direction to the utilities and
21 contractors regarding the following WNA delivery steps:
22 Neighborhood Identification, Outreach, Enrollment, and
23 Assessment/Energy Audit and Measure Installation.

24 During the 2009-2011 ESA Program, all of the IOUs
25 conducted various WNA projects. IOUs targeted customers by
26 neighborhood, and worked cooperatively with community action
27 agencies, local governments, housing authorities, neighborhood
28 councils, other utilities and other low income service providers to
29 enroll customers and provide ESA Program services.

30 PG&E will continue to pursue the most cost-effective WNA
31 strategies. PG&E and its ESA Program implementation
32 contractors continue to identify and target high segments of
33 low-income customers by geography and other demographic

1 identifiers. For example, to identify potential neighborhoods to
2 target for the ESA Programs, PG&E starts with its estimates of
3 ESA Program eligibility by ZIP-7, derived from census data.
4 PG&E ranks ZIP-7 areas with the highest populations of
5 estimated ESA Program-eligible customers in its service area.
6 PG&E also correlates this data with the current CARE penetration
7 rate, and the number of customers who have already participated
8 in LIEE or the ESA Program since 2002 (thus making them
9 ineligible for participation at this time).

10 Currently, ESA Program implementation contractors arrange
11 their appointments geographically to reduce their costs, and work
12 through their assigned areas geographically for the same reason.
13 This was a key WNA concept that contractors have always
14 implemented, and will continue to use in implementing the ESA
15 Program. PG&E's contractors often enroll participants by
16 canvassing likely neighborhoods, and PG&E provides its ESA
17 Program implementation contractors with a database of CARE
18 customers to help them identify and target potential
19 neighborhoods to canvass, call or mail information. Allowing
20 customers living in neighborhoods where over 80 percent of the
21 customers are at or below 200 percent of the federal poverty level
22 has been especially helpful.

23 Using this information to help determine potential
24 neighborhoods to approach, PG&E's ESA Program managers
25 work with both internal and external groups to help make each
26 neighborhood event is successful in continuing to generate ESA
27 Program participation in other neighborhoods. In 2012-2014,
28 PG&E will continue to work closely with its ESA Program
29 implementation contractors, PG&E local government relations
30 and communications staff, and government representatives and
31 neighborhood leaders to form community and neighborhood
32 partnerships to promote the ESA Program.

33 In addition to using this information to help determine
34 potential neighborhoods to approach, PG&E's ESA Program

1 managers work closely with the program's implementation
2 contractors, PG&E Government Relations and Communications
3 staff to help establish contact with government representatives
4 and neighborhood leaders.

5 While the WNA as described has provided effective
6 strategies for targeting the appropriate customers and has
7 presented PG&E with great opportunities to leverage with other
8 entities, the associated costs related to these partnerships have
9 been very high. Resources spent coordinating the partnerships
10 between as many as four or five different entities have been
11 much higher than they would be otherwise. This is especially
12 true of Whole Neighborhood activities in which PG&E's partners
13 offer EE services that are similar to the ESA Program, but with
14 different rules and eligibility criteria.

15 **(f) Customer Service Improvements**

16 PG&E's goal for the 2012-2014 ESA Program remains to
17 offer a program that is simple and convenient for its customers.
18 PG&E tries to efficiently schedule convenient appointments for
19 customers. Contractors keep paperwork to the minimum
20 required, and inform customers what documents will be required
21 to help them qualify in advance. In addition, contractors inform
22 the customer of what to expect from program participation.

23 PG&E continues to streamline and improve program
24 processes, and has already incorporated suggestions from the
25 2009-2010 Process Evaluation. For example, PG&E outreach
26 staff are looking into including more customer testimonials, and
27 ESA Program implementation contractors work with building
28 owners and landlords wherever possible (and especially when
29 dealing with multifamily complexes) to get Property-Owner
30 Waiver forms for whole buildings so that they can schedule work
31 on units at the same time. At regular contractor meetings, PG&E
32 and program contractors discuss ways to prepare customers in
33 advance of their initial assessment appointment what paperwork
34 they will need to show and what to expect when participating in

1 the program. PG&E's incorporation of Process Evaluation
2 recommendations into the ESA Program are discussed in
3 Section D.2.a.

4 PG&E's energy assessment contractors conduct
5 individualized in-home energy educations. The assessment
6 specialist walks through the home with the customer, explaining
7 various simple energy saving opportunities the customer can take
8 to save energy and money on their utility bill. The Process
9 Evaluation reported that more time spent on customer education
10 positively influences customer satisfaction. In fact, PG&E's ESA
11 Program customer satisfaction scores are high, and customers'
12 responses about the energy education they received are positive.
13 PG&E continues to provide specific energy education training to
14 contractors that will be providing energy education to customers.

15 **2. Incorporating Evaluation and Study Results**

16 **(a) Process Evaluation Study Results**

17 A Process Evaluation was conducted by Research Into
18 Action.^[8] The Study was managed by Energy Division. The
19 contract was held and managed by PG&E on behalf of Energy
20 Division. The Study assessed the effectiveness of the 2009-2011
21 LIEE program and developed recommendations for program
22 design and delivery to help improve the effectiveness of the
23 program. The primary deliverable was a final report that
24 presented the findings and recommendations for possible
25 program changes; however, the study also provided usable
26 information and recommendations as the evaluation progressed
27 to allow ESA Program managers timely feedback.

28 The 2009-2011 LIEE program included several new
29 components, such as the Whole Neighborhood Approach and a
30 statewide awareness campaign. The 2009-2011 Process
31 Evaluation provided the Joint Utilities and the Commission with

[8] California Low Income Energy Efficiency Program 2009-2010 Process Evaluation, conducted by Research Into Action for the CPUC (Draft Final Report issued March 2011).

1 an opportunity to understand how these new approaches
2 impacted key Commission and utility program objectives, thus
3 allowing program elements to be improved to increase program
4 participation and effectiveness.

5 The Process Evaluation found that the ESA Program is a
6 mature program in which many processes have already been
7 refined through years of experience and opportunities to build
8 upon lessons learned.

9 The Process Evaluation made recommendations in several
10 areas, including ME&O, Enrollment and Assessment, Paperwork,
11 Home Assessment, Energy Education, and Installation and
12 Inspection. Results were shared with the IOUs as the study was
13 being conducted in 2010 and 2011, and PG&E has already
14 implemented many of the Process Evaluation recommendations.

- 15 • **ME&O** – The Process Evaluation team recommended that
16 ESA Program outreach use more customer testimonials,
17 incorporate cell phone protocols, and improve
18 Property-Owner Waiver forms and signature processes
19 (especially for multifamily buildings). PG&E’s outreach team
20 is looking at using customer testimonials. PG&E currently
21 uses free-to-end-user text messages if a cell phone is the
22 customer’s phone on record. PG&E does not call cell phones
23 since those calls are charged to the customer. Since many
24 purchased phone lists do not include cell phone numbers,
25 better methods for outreaching customers who primarily use
26 cell phones is being investigated. As described in
27 Section D.1.f., PG&E’s ESA Program contractors currently
28 work with building owners and landlords wherever possible
29 (and especially when dealing with multifamily complexes) to
30 obtain signed Property-Owner Waiver forms for whole
31 buildings so that they can schedule work on units at the same
32 time.
- 33 • **Enrollment and Assessment** – The Process Evaluation
34 suggested that reminding customers of appointments and

1 what paperwork to have ready would help to facilitate
2 successful initial appointments and manage customer
3 expectations. PG&E contractors keep the amount of
4 paperwork at a minimum, and inform customers in advance
5 what documents will be required to help them qualify, and
6 what to expect from program participation. Most contractors
7 either send appointment confirmation postcards, or make
8 reminder calls the day before appointments, and many of
9 them go over income documentation requirements with the
10 customer in advance. PG&E ESA Program staff are working
11 with the program administrator and contractors to consider
12 the efficacy of standardizing pre-appointment letters or
13 documentation lists that contractors may use.

- 14 • **Paperwork** – The Process Evaluation suggested several
15 potential paperwork improvements: promoting Tablet PCs for
16 field contractors, creating new forms and updating databases
17 to collect more robust home information, and upgrading
18 databases to allow contractors to edit information after
19 entering it. PG&E allows contractors to determine what
20 equipment to use as long as data is entered daily, and
21 PG&E’s program database supports laptop or tablet interface.
22 PG&E updates data collection forms annually as needed, and
23 also considers the priority, expense and feasibility of
24 database enhancements regularly. Many types of data
25 regarding the home are already collected for program data
26 files, including photos and other supporting documentation.
27 PG&E contractors already have the ability to edit information
28 in the program database.
- 29 • **Home Assessment** – The Process Evaluation suggested
30 that contractors could better document special circumstances
31 or potential problems in a home in order to better prepare
32 installation contractors for their initial visit and reduce the
33 chance for a second visit (update forms, add check-boxes,

1 etc.). PG&E contractors already document special
2 circumstances, and it is in their best interest to document
3 potential problems thoroughly in case there are questions
4 later. PG&E always looks for additional ways to help
5 contractors complete paperwork without it increasing unduly,
6 including creating simpler forms and checklists. PG&E and
7 its contractors meet regularly to discuss ESA Program
8 implementation issues, and data collection and processes are
9 discussed.

10 • **In-Home, Individualized Energy Education** – The Process
11 Evaluation highlighted the importance of robust energy
12 education in PG&E’s program. More time spent on customer
13 education positively influences customer satisfaction with the
14 energy saving information received from the IOUs. Also,
15 investing more time into the customer education process may
16 lead to increased potential energy savings. PG&E trains all
17 of its contractors to conduct thorough, personalized in-home
18 energy education. Customer satisfaction surveys show
19 satisfaction with PG&E’s ESA Program, and with the energy
20 education offered. In focus groups and conversations with
21 ESA Program participants, these customers often report
22 unsolicited examples of energy savings behaviors they
23 continue to practice.

24 • **Installation and Inspection** – The Process Evaluation
25 recommended that the IOUs should investigate opportunities
26 to: (a) improve communication with customers about the
27 extent to which LIEE can assist them and when their needs
28 surpass the limitations of LIEE policies; and (b) ensure
29 contractors provide customers with referrals to other program
30 services in their area. PG&E contractors provide information
31 about LIHEAP and other community services that may
32 provide additional assistance to customers; however, PG&E
33 does not guarantee that assistance will be available. LIHEAP

1 is often oversubscribed and LIHEAP providers usually prefer
2 that PG&E not make direct referrals.

3 **(b) Impact Evaluation Study Results**

4 The objective of the Impact Evaluation was to provide electric
5 and gas savings estimates by measure, utility, household, and
6 weather zone, and other relevant dimensions for the 2009 LIEE
7 program. The results of this evaluation informed the planning
8 and development of the 2012-2014 application.

9 The *2009-2011 Impact Evaluation* was performed by
10 ECONorthwest.^[9] As per Decision 08-11-031, the contractor
11 was selected by Energy Division and the project was managed by
12 Energy Division. SCE holds the contract for the project.

13 The results provided data to quantify the 2009 program
14 achievements and document the relative value of various
15 measures in producing energy savings. Analyses of the program
16 impacts on energy savings were used to update savings
17 forecasts, complete other ESA Program analyses, and meet filing
18 and reporting requirements. The Impact Evaluation conducted
19 during the 2009-2011 program cycle focused additional resources
20 on understanding behavioral and/or housing-related variables
21 relevant to heating and cooling impacts. In particular, more
22 in-depth data was collected and further analyses were conducted
23 on furnaces and evaporative coolers.

24 The primary analyses of the data were done via utility billing
25 data. Additional primary data collection included phone surveys
26 with participants and non participants; as well as in-home audits
27 and interviews with a smaller sample of participants. Engineering
28 analyses of some small and new measures were also conducted.

29 In general, the 2009 Impact Evaluation found lower savings
30 than were found for the 2005 Impact Evaluation. These impacts
31 were used to assess cost effectiveness of the ESA Program

[9] Impact Evaluation of the 2009 California Low Income Energy Efficiency Program, conducted by EcoNorthwest for the CPUC (Draft Final Report issued March 2011).

1 measure portfolio. This analysis is described in more detail in
2 Sections E.1 and 2, and the resulting measure portfolio is
3 described in Section F.

4 As was the case in 2005, refrigerators and lighting account
5 for most of the program savings. In addition, the study revealed
6 that evaporative coolers exhibited significant program savings
7 and demonstrated nearly two times the savings estimates
8 provided in the 2005 evaluation. According to the study, other
9 factors influencing lower energy savings included the finding that
10 many customers are not using their poorly functioning units very
11 much prior to program intervention. As a result, when a new unit
12 is installed and customers begin to use it more, the associated
13 usage for that measure increases, thus reducing the overall
14 impacts.

15 **(c) Household Segmentation Study Results**

16 The Customer Market Segmentation Study is a joint study
17 between PG&E and SCE.^[10] While the study is jointly funded,
18 because the primary utility data bases are not the same, the
19 research contractor executed parallel projects for the two utilities.
20 The results of the study are assisting program managers in
21 developing more effective or streamlined targeting and outreach
22 methods.

23 The research contractor for this project was Hiner and
24 Partners. The majority of the data collection and analyses were
25 conducted during 2010 and 2011. The project gathered
26 information to enable program managers to improve program
27 delivery and/or marketing and educational materials to be tailored
28 to the needs and issues of various groups (segments) of
29 customers.

30 An initial comprehensive data request analyzed CARE
31 customer billing data. The use of this data required numerous

[10] Low Income Energy Efficiency Program Household Segmentation Study, conducted by Hiner and Partners for SCE & PG&E (Preliminary Draft Report available March 2011).

1 discussions and clarifications of the available data. Following this
2 phase of the work, the research contractor, began preliminary
3 analyses of billing data and other variables to identify and define
4 several initial segments of the low income customers. Focus
5 groups and phone surveys were conducted to gather additional
6 information on the identified segments. This data, along with
7 relevant census data were analyzed in conjunction with the
8 analyses of the existing utility customer data in providing details
9 on customer segments. Particular attention was paid to
10 examining differences in customer needs based on variables
11 such as high usage, disability, energy burden, bill payment issues
12 and other database-driven variables that may be relevant to
13 improving program outreach and targeting practices.

14 Hiner first developed specific targeting plans for SCE. Their
15 research identified key segments which are primarily
16 differentiated by usage, bill payment problems and some relevant
17 demographic variables. In addition, CARE customers were
18 scored on variables that would allow them to be placed in the
19 identified segments. PG&E-specific plans will be completed by
20 summer 2011, but have progressed sufficiently for PG&E to
21 develop outreach strategies for February 2014, as described in
22 this ESA Program Application.

23 The results of the segmentation study will assist PG&E in
24 targeting outreach efforts based on geography, relevant
25 demographics (e.g., language preference), social networks,
26 energy burden, energy insecurity, and level of energy use. The
27 research will also be useful in creating targeting plans that
28 include a method to facilitate the identification of households that
29 are especially likely to benefit from the program. For example,
30 given the specific measures that are offered via the program,
31 PG&E may prioritize “maximum-value” customers based on one
32 or more particular household or demographic variables (i.e., age
33 of house, number of occupants, etc.).

1 Segmentation results will allow for the creation of utility-
2 specific customer targeting plans and methodologies that PG&E
3 can implement on an ongoing basis to reach the aggressive
4 long-term goals regarding the identification and treatment of the
5 homes of low-income customers. The results will also allow
6 PG&E contractors to more effectively target specific homes within
7 a neighborhood as well as target overall neighborhood
8 communities.

9 **(d) High Usage Needs Assessment Study Results**

10 This was an SCE study.^[11] PG&E is very interested in
11 hearing more about the conclusions of this study, and will be
12 interested to use any insights that may be relevant to its customer
13 base to enhance strategies to more effectively target high-energy
14 users.

15 **(e) Refrigerator Degradation Effective Useful Life Study Results**

16 Typically, appliance replacement is based on the effective
17 useful life (EUL) and degradation of measures, from which is
18 determined at what stage of their lifecycle it becomes
19 cost-effective to replace them to receive the most energy savings
20 benefits. Under previous programs, old refrigerators were eligible
21 for replacement with new energy-efficient refrigerators in the ESA
22 Program if they were manufactured before 1993. ESA Program
23 statistics indicate that the pre-1993 refrigerator replacement
24 market is already saturated; however, impact evaluation results
25 and other research indicate that energy-efficient refrigerators are
26 still one of the most cost-effective, energy-saving measures in the
27 ESA Program. This study updated refrigerator replacement
28 criteria to garner new, significant and cost-effective energy
29 savings for the ESA Program.^[12]

[11] High Usage Needs Assessment, conducted by Hiner and Partners for SCE (Preliminary Draft Report available March 2011).

[12] LIEE Refrigerator Replacement Energy Consumption, Memo prepared by KEMA for Phase 1 of the Refrigerator Degradation Effective Useful Life Study (May 2011).

1 The central goal of the refrigerator degradation study was to
2 determine which, if any, alternate refrigerator replacement criteria
3 lead to maximum, cost-effective energy and demand savings for
4 the ESA Program. Specifically, the Joint Utilities were looking for
5 a criterion for refrigerator replacement in the form of either a date
6 at which manufacturer and technological changes in efficiency
7 occurred or a determined age of refrigerators to be replaced.

8 KEMA was hired to perform the refrigerator study. In their
9 Phase 1 results, the KEMA study team determined that
10 refrigerator savings from pre-1993 replacements are higher than
11 savings from post-1993 replacements, although energy savings
12 from these newer replacements are still high (and cost-effective).
13 The Joint Utilities propose to add newer refrigerator replacement
14 criteria in 2012-2014. This proposed addition is described in
15 Section G.6.

16 **(f) Non-Energy Benefits Study Results**

17 The Non-Energy Benefits (NEB) Study was a statewide study
18 managed by SDG&E.^[13] The Study was conducted by SERA.
19 The Study was designed to be carried out in two phases. The
20 first phase provided an extensive literature review describing the
21 use of NEBs in the industry. The ranges of relevant values used
22 in other low-income EE programs were summarized, and the
23 consultant recommended an approach for updating NEB
24 estimates and incorporating them into the required
25 cost-effectiveness tests for the ESA Program.

26 The Phase 1 deliverable (including the literature review and
27 recommendations for Phase 2) was delivered in 2010. A public
28 workshop was held to present the study results. The results of
29 the study showed that the current NEB values used by the utilities
30 fall within the range of values reported from other low-income and
31 EE programs. The second phase of the study was originally

[13] Non-Energy Benefits: Status, Findings, Next Steps, and Implications for Low Income Program Analyses in California, conducted by Skumatz Economic Research Associates (SERA). (Final Report available May 2010.)

1 intended provide updated calculations for estimating the NEBs
2 used in the program, however the statewide advisory group
3 determined that further analysis by the consultant was not
4 required, as the results of the “phase one” study showed that
5 values were for the most part consistent with those used by other
6 low-income EE programs, and minor updates could be performed
7 by the IOUs with data on hand.

8 NEB inputs were updated based on the results of this study,
9 and cost-effectiveness tests incorporating these updated NEBs
10 were used in this application.

11 **(g) Workforce Education and Training Results**

12 In Decision 08-11-031, the Energy Division was ordered to
13 develop a pilot to recruit and train residents of disadvantaged,
14 low-income communities to install EE measures in households as
15 part of the IOUs’ low-income EE programs. Pilot teams were
16 required to include partners from educational institutions,
17 program implementation contractors, and the IOUs. Each team
18 was responsible to develop and implement a certificate program
19 (offered through an educational institution) that included both
20 in-class and hands-on training that could be used to train
21 students in the core competencies they would require to find work
22 as Energy and Weatherization Specialists in the ESA Program.

23 Los Angeles Trade Technical College conducted the WE&T
24 pilot in the SoCalGas service area and the SF OEWD—CCSF
25 team conducted a northern California pilot in PG&E’s service
26 area. The Energy Division requested PG&E to administer the
27 contract and funds for the two pilots on behalf of the other IOUs.

28 The PG&E ETC in Stockton collaborated with the SF OEWD-
29 CCSF WE&T pilot project to develop a training curriculum
30 preparing students for jobs as ESA Program Energy and
31 Weatherization Specialists. However, in the SF OEWD project,
32 PG&E found that few of the students went on to pursue ESA
33 Program jobs. In addition, students were not always willing or
34 able to travel to jobs outside of the San Francisco area, where

1 the majority of jobs are located. In general, the few students that
2 were hired to work for PG&E's ESA contractors have done well
3 and PG&E continues to maintain partnerships with SF OEWD
4 and other community colleges through its PowerPathways
5 workforce education pilot (described in Section C.3.d.).

6 **3. Incorporating Experiences From 2009-2011 Implementation**

7 The ESA Program has made several process enhancements that
8 will be continued into 2012-2014. PG&E made a significant database
9 enhancement in 2010 to allow pre-payment for the Appliance Repair
10 and Replacement (R&R) contractors via PG&E's ESA Program online
11 database (EPO). This change reduced the payment timeline, thereby
12 improving contractor cash flow and allowing them to take on more
13 jobs.

14 In 2009, PG&E transitioned all R&R contractors to use the same
15 EPO database already used by the ESA Program Energy Specialists
16 and Weatherization Specialist contractors. Whereas before this
17 transition, the R&R jobs were handled via e-mail and paper invoices.
18 This is an obvious improvement to the process in all aspects, most
19 notably making them individually accountable for Customer Service
20 Complaints and allowing them to keep better track of their ESA
21 Program jobs so that none fall through the cracks.

22 Going forward, PG&E is looking to work more closely with its
23 partners in the Central Inspection Program (CIP), incorporating
24 random CIP ride-alongs and pre-inspections with the R&R contractors
25 to help ensure efficient use of ESA Program funds and potentially
26 reduce return visits for corrections.

27 In the start of 2011, PG&E's ESA Program R&R team developed
28 a partnership with SMUD to assist both qualified PG&E (gas) and
29 SMUD (electric) customers with combination furnace/AC
30 replacements. This collaboration now allows PG&E to lengthen its
31 reach by helping those customers who historically would not have
32 been eligible for replacement of their non-op appliance due to their
33 split commodities.

1 **4. New and Proposed Strategies**

2 PG&E provides a brief description of new strategies that will be
3 employed below.

4 **(a) New ME&O Efforts to Be Employed, Including the Integration of**
5 **the New Low Income Brand as Well as the New EE Brand**

6 As mandated in Decision 08-11-031, the Statewide ME&O
7 team developed a new name, brand and word mark for the LIEE
8 program. PG&E began using the new name and word mark in
9 2011, and will continue to use the ESA Program name and word
10 mark wherever applicable to help build the statewide brand. The
11 program will also incorporate the new statewide *Engage 360* logo
12 in the next program cycle, furthering the streamlining of EE
13 offerings in California.

14 ESA Program outreach staff is evaluating the feasibility of
15 creating a new webpage to serve as a comprehensive resource
16 for property owners and managers looking to make EE
17 improvements to their buildings. This site would include
18 information about the ESA Program, rebates, solar programs and
19 other offerings.

20 ESA Program Outreach staff also feels there is a need to
21 educate customers about the benefits of EE, the Smart Grid,
22 time-of-use rates and their interactions. Developing a customer
23 guide to those topics in multiple languages will be examined as
24 the program moves into the next cycle.

25 Because of the nature of the program and the steps required
26 of customers (e.g., letting strangers into their homes and
27 providing income documentation), there is a strong need to
28 reassure customers that the program is a legitimate utility
29 program that will benefit them. One of the best ways to reach
30 customers is through word-of-mouth from a friend or neighbor.
31 As an extension of this, ESA Program outreach staff feels
32 testimonial advertisements would also be effective. Multi-lingual
33 advertisements are also under evaluation for the 2012-2014
34 cycle.

1 **(b) Engage 360 and the Energy Savings Assistance Program Will**
2 **Be Used in ESA Program Marketing**

3 To help customers become smarter energy users and move
4 them through the continuous engagement cycle, the utilities plan
5 to implement the following Statewide ME&O strategies and efforts
6 during 2012-2014:

- 7 • **Incorporating the Energy Savings Assistance Program**
8 **Name, Logo, and Messaging into Engage 360 Efforts as**
9 **Appropriate**

10 This will include tactics such as brochures, promotional
11 items, website, press releases, and outreach scripts and
12 talking points.

- 13 • **Utilizing Engage 360 Grassroots Opportunities**

14 At the core of the approach are the tactics of grassroots
15 marketing, with a focus on overcoming the barriers that limit
16 the reach of traditional awareness campaigns. Community-
17 based grassroots marketing acknowledges the necessity of
18 speaking to the interests, concerns and motivations of the
19 individual as a member of the community, and of using
20 community networks to drive awareness of EE programs and
21 behaviors.

22 Grassroots marketing has proven particularly effective in
23 reaching the low-income market. This marketing strategy
24 enables the development of personal relationships with
25 low-income consumers and breaks trust barriers commonly
26 held by the low-income segment.

Grassroots Marketing Techniques	
<i>Connecting with Individual Consumers</i>	
<i>Connecting with Community Leaders</i>	

Grassroots Marketing to the Low-Income Consumer Breaking Trust Issues by Connecting to the Community	
I. Connecting with Individual	II. Connecting with Community Leaders
Using One-on-One Marketing through: <i>Events (Community- and Faith-based)</i> <i>Door-to-Door Outreach</i>	Using Community Spokespeople such as: <i>Church Leaders</i> <i>Small Business Leaders</i> <i>Politicians</i> <i>Pundits</i>

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- **Connecting With Individual Consumers**

This approach concentrates on providing information about Engage 360 to one customer at a time by identifying and then meeting their individual needs through interaction at outreach events and door-to-door outreach. These individuals will be asked to participate in the program in the form of personal commitments and menus of actions. When applicable, for instance in underserved communities, individuals will be made aware and provided with information on the ESA Program. Customers will be reached on an individual level through a combination of Engage 360 outreach activities, as well as through the utilities’ network of community based organizations.

- **Connecting With Community Leaders**

Progressive marketing organizations often forge partnerships with key community figures such as church leaders, hoping to use them as spokespeople in the community. According to a 2004 Gallup Poll, more than

1 two-thirds of those surveyed trust the ethics and integrity of
2 their church leaders. Engage 360 will utilize these
3 community leaders to deliver the campaign messages to their
4 constituents and drive awareness when appropriate for the
5 ESA Program. Engage 360 will forge new partnerships with
6 community leaders, in addition to leveraging the extensive
7 partnerships that already exist between utilities and key
8 community organizations.

9 • **Leveraging Engage 360 Social Media Activities**

10 The social web has given rise to a new way of marketing:
11 people are engaged in conversations online and markets
12 have become conversations. The most trusted form of
13 advertising today is a recommendation from another person
14 “just like me.” Engage 360 will tap into these conversations
15 and determine where the audience is spending time online
16 and what subjects and issues are of interest to them. To
17 reach the consumer successfully, Engage 360 will tell stories
18 directly, including tips and how-to advice, co-create new
19 narratives with customers and customer groups, and
20 re-package existing content and messaging—all in a way
21 intended to spark conversations. When applicable, the ESA
22 Program will become a part of those conversations.

23 • **Incorporating Energy Savings Assistance Program
24 Messaging Onto the Engage 360 Website**

25 Engage 360.com will act as the knowledge library and
26 information portal for the effort. Information and links for
27 program sign up will be incorporated into the website.

1 (c) **New WE&T Strategies for 2012-2014. Include Specific Training**
2 **Strategies for Reaching Disadvantaged Communities and How**
3 **the Utility Will Work With Community Stakeholders to Assist in**
4 **the Development of Training Strategies. Also Include Any**
5 **Recommendations Resulting From the California Workforce**
6 **Needs Assessment Report.**

7 PG&E's Energy Training Center in Stockton will continue to
8 train contractors and field staff for the ESA Program. The ETC
9 trains over 896 contractor staff a year to work as Energy
10 Specialists and Weatherization Specialist in the ESA Program.
11 Space at the ETC will continue to be made available for future
12 ESA Program-related training.

13 The ETC will continue to team with interested community
14 colleges to develop innovative EE curricula as their EE programs
15 continue to change and (hopefully) grow.

16 ETC Staff will continue to support additional WE&T training
17 opportunities now that Energy Division's WE&T pilot is
18 completed. The ETC will continue work with San Francisco
19 Community College, Laney, and other college training courses in
20 support of EE curricula certification that ties in with the
21 ESA Program.

22 (d) **New Leveraging Opportunities, Strategies and Relationships**
23 **for 2012-2014**

24 The ESA Program will employ new leveraging opportunities
25 and strategies, and further build on existing relationships as well
26 as develop new ones to meet its goal of 100 percent enrollment
27 of eligible and willing customers by 2020. The ESA Program will
28 continue to broaden its relationships with other entities, develop
29 relationships with new nonprofits targeting multilingual
30 communities and create awareness campaigns through creative
31 direct mailings, and automated voice and text messaging
32 campaign. It will refine its partnerships and build new
33 partnerships with cities, counties and non-profit organizations as

1 well as incorporate direct outreach to ensure customers are
2 informed of the new statewide name for the ESA Program.

3 The ESA Program will also continue to strengthen
4 relationships with organizations serving seniors and those with
5 disabilities. Enrolling into the program can at times appear
6 overwhelming when not fully informed of the necessary steps to
7 complete enrollment. The program will develop relationships with
8 organizations that provide opportunity for face-to-face interaction,
9 create collateral that will visually assist customers in learning
10 about the program and participate in events to support and enroll
11 this customer base.

12 Multi-lingual campaigns—specifically radio, television and
13 print—have proven to be beneficial in targeting hard-to-reach and
14 multi-lingual communities. The ESA Program will continue to
15 seek out opportunities to leverage resources with other programs
16 such as WIC, school-based programs, and community partners
17 serving multi-lingual communities.

18 Significant barriers, such as lack of trust can deter customers
19 from participating in the ESA Program. To support the program
20 goals and create greater legitimacy for the program, PG&E must
21 continue building valuable relationships with local cities and
22 counties. This type of activity creates trust in the community,
23 allows for multiple services to a customer at once, and allows
24 PG&E to target customers more effectively as city and county
25 programs can assist in identifying areas and neighborhoods with
26 a large concentration of eligible customers.

27 **(e) New Integration Opportunities and Strategies for 2012-2014**
28 **Integrating Demand Response Activities With the**
29 **ESA Program**

30 PG&E's DR team takes advantage of the opportunity to
31 directly target low income customers during the in-home,
32 individualized energy education provided to all ESA Program
33 participants. The ESA Program works closely with DR staff to
34 educate these customers about DR opportunities available to

1 them. For example, PG&E provides SmartAC cycling education
2 to ESA Program customers to encourage more of them to sign up
3 for DR programs. PG&E also leverages the SmartMeter™
4 program to provide energy education on how customers can save
5 energy overall and potentially save even more by shifting their
6 energy use “off-peak” and therefore helping them reduce their
7 bills.

8 The DR Program has recently filed an application for the
9 2012-2014 program. PG&E DR and ESA Program staff will work
10 closely together in this program cycle to leverage the
11 two programs to better serve low income customers.

12 The ESA Program continues to integrate with the solar
13 programs to fast-track qualifying low income customers through
14 ESA Program participation prior to their receiving solar measures.
15 The CSI has been successful in providing low-income customers
16 with solar energy. The Commission earmarked 10 percent of the
17 overall CSI program budget (\$2.2 billion) for low-income
18 customers with separate programs for SASH and MASH. SASH
19 is continuing to provide higher incentives for customers and
20 remains managed by GRID Alternatives. MASH, managed by
21 Program Administrators (PA), has been very successful, and
22 MASH Track 1, based on a fixed-rebate model, currently has a
23 wait-list of customers as PAs work on new funding options.
24 Currently, PAs along with the Commission, are examining
25 re-allocating funds between MASH Track 2 and MASH Track 1 in
26 order to continue this track of the program.

27 **(f) Other New Strategies Identified Through Past Evaluations,**
28 **Studies, Focus Groups, Etc.**

29 Several strategies to lowering barriers to participation were
30 identified through focus groups held to gather customers’
31 opinions on the statewide program name:

- 32 • To optimize participation in the program and mitigate the
33 potential stigma and misunderstanding of the term
34 “assistance,” communication materials should:

- 1 – Highlight the breadth of products and services the
- 2 program offers
- 3 – Inform potential participants of the actual percentage of
- 4 Californians who qualify
- 5 – Strongly encourage everyone (e.g., homeowners as well
- 6 as renters) to investigate their possible eligibility for the
- 7 program

8 The statewide name development also revealed that

9 language being used to describe the program was not easily

10 understood by customers and it was not clear to them what the

11 program offered. The language has since been simplified and

12 made more customer-friendly. ESA Program staff will be

13 incorporating all of these lessons into its collateral development

14 moving forward.

15 PG&E gained valuable information regarding low-income

16 customers' propensity to use mobile cell phones rather than

17 landlines, after several rounds of calling PG&E's most highly

18 "estimated eligible" areas. It was determined that 57 percent of

19 these customers exclusively used a mobile phone. PG&E then

20 filtered these cell phone only customers out to eliminate the costs

21 incurred from calling these customers. PG&E has developed a

22 "free-to-end-user" text campaign in light of this information,

23 allowing the most highly eligible customers to be reached through

24 outreach methods that they most likely use.

25 Results of the Hiner Market Segmentation Study will be used

26 to identify and target qualifying low income customers, as

27 described in Sections D.1.a. and D.2.c.

28 **(g) New Customer Service Improvements**

29 New customer service improvement strategies are described

30 in Section D.1.f. The 2012-2014 ESA Program is a continuation

31 of the 2009-2011 program. The PG&E ESA Program team is not

32 proposing any significant process changes. Process

33 Evaluation-recommended program enhancements are essentially

34 minor modifications to an overall process that already works very

1 well. PG&E will continue to work with contractors and program
2 administrators in 2012-2014 to hone program processes and
3 incorporate best practices to deliver EE appliances, services and
4 education to customers. PG&E also continues to meet regularly
5 with contractors, the other IOUs, community service agencies,
6 and low-income advocates to share and discuss program
7 implementation. PG&E listens to the voice of its customers
8 through direct community outreach, surveys and focus groups
9 and it helps PG&E reduce barriers and enhance the customer
10 experience.

11 **E. Cost-Effectiveness and Energy Savings**

12 **1. Energy Savings**

13 Attachment A-2 shows the 2012-2014 ESA Program planned
14 energy savings. These are also shown in Table 1-1. Program
15 impacts are estimated from the mix of measures PG&E proposes to
16 install through its 2012-2014 ESA Program portfolio. Measure
17 savings estimates are based on the 2009 Impact Evaluation, as
18 directed by the Energy Division. For measures that were not included
19 in the 2009 Impact Evaluation, measure savings are derived from
20 either Database of Energy Efficiency Resources (DEER) values,
21 previous impact evaluations, or other studies or analyses as indicated
22 in Attachment A-2.

23 **2. Cost-Effectiveness of Overall ESA Program**

24 Below, PG&E discusses the overall program benefit/cost ratio
25 and cost-effectiveness using the Utility Cost Test and Modified
26 Participant Cost Test. PG&E explains assumed values and variables
27 and other model components and discusses the overall program
28 benefit/cost ratio and cost-effectiveness using the Total Resource
29 Cost (TRC) Test, as presented in the California Standard Practice
30 Manual. Finally, PG&E discusses what value is recommended for
31 adoption for the benefit/cost ratio of measures to be installed in the
32 2012-2014 program cycle.

1 **Benefit/Cost Ratio of Program**

2 As the Commission directed, PG&E reviewed the cost-
3 effectiveness of the proposed ESA Program. The results of PG&E’s
4 cost-effectiveness analyses are appended as Attachments A-5
5 through A-7. PG&E performed the work according to the
6 Commission’s instructions, using the two cost tests previously
7 adopted for the ESA Program: the Utility Cost Test (UCT) and the
8 Modified Participant Cost (PC_m) Test, and identifying the benefit/cost
9 ratio for each measure and for the program as a whole. In addition,
10 PG&E also performed the TRC test and includes these results as
11 directed for comparative and informational purposes.

12 **Background and Methodology**

13 In 2001, the Commission ordered the utilities to develop a cost
14 benefit test that included non-energy benefits to assess low-income
15 EE program cost-effectiveness, both for the overall program and for
16 the individual low-income program measures.^[14] LIEE cost-
17 effectiveness was assessed at both the LIEE *program* level, and at
18 the *individual measure* level, using low income cost-effectiveness
19 tests incorporating such non-energy benefits as comfort, health and
20 safety as well as direct energy-related benefits.^[15]

21 The cost-effectiveness approach adopted by the Commission in
22 Decision 02-08-034 directed the application of two tests: the PC_m

[14] *Final Report for LIEE Program and Measure Cost Effectiveness*, submitted to the CPUC by the Cost Effectiveness Subcommittee of the Reporting Requirements Manual (RRM) Working Group and the LIEE Standardization Project Team, March 28, 2002; *The Joint Utilities Revised Results of Measure Cost Effectiveness*, submitted to the CPUC by the LIEE Standardization Project Team, January 6, 2003; and *LIEE Measure Cost Effectiveness Final Report*, submitted to the CPUC by the LIEE Standardization Project Team, June 2, 2003.

[15] The Low Income Public Purpose Test model was created for the RRM Working Group (including representatives from PG&E, SCE, SDG&E, SCG, CPUC Energy Division, CPUC Office of Ratepayers Advocates (ORA), and the public) by TecMRKT Works, SERA Inc., and Megdal Associates in 2001. The cost-effectiveness methodology was later modified by the Cost-Effectiveness Subcommittee of the RRM Working Group and the LIEE Standardization Team in 2002 to incorporate two separate tests, UCT and a Modified Participant Test, both that incorporate non-energy benefits working in conjunction with Equipoise Consulting, Inc.

1 Test, which assesses measures from the perspective of ESA
2 Program participants;^[16] and the UCT, which is calculated from the
3 point of view of the utility. Both tests incorporate a set of non-energy
4 benefits as well as direct energy-related benefits. These non-energy
5 benefits capture a variety of effects such as changes in comfort and
6 reduction in hardship, which are not captured by the energy savings
7 estimates derived from load impact billing evaluations, and are
8 ignored in more traditional cost-effectiveness approaches like the
9 TRC Test. The comprehensive non-energy benefits developed for
10 these modified tests were initially designed for use at the program
11 level and were allocated to individual measures according to measure
12 types their energy savings.

13 A study to update the non-energy benefits used in the
14 two cost-effectiveness tests was authorized in Decision 08-11-031.
15 Research was performed by SERA in 2009-2010 for SDG&E,
16 SoCalGas, PG&E and SCE, with Energy Division guidance. As a
17 result of this study, specific non-energy benefits were updated in the
18 cost-effectiveness tests used for this 2012-2014 Application.

19 **Testing for the 2012-2014 ESA Program**

20 For the 2012-2014 program cycle, the Commission instructed the
21 utilities to provide program level and measure level benefit/cost ratios
22 using the UCT, the PC_m, and the TRC tests.^[17] These results are
23 shown in Tables A-5, A-6 and A-7. This analysis was conducted in a
24 similar manner to the previous 2009-2011 program analysis.

25 Because the measure level benefit cost ratios produced for this
26 application are to assess the cost-effectiveness of the program as a

[16] The Participant Test was modified to use utility LIEE program costs in order to create a benefit/cost ratio, since low-income customers do not incur out-of-pocket expenses to obtain LIEE measures. The CPUC ORA wanted to estimate and use for this test the opportunity costs incurred by low-income customers in lieu of any out-of-pocket expenses incurred; however, the final Team decision was to base the benefit/cost ratio on known costs (in this case, the direct costs incurred by the utilities to install the measures), hence the Modified Participant Test.

[17] *Assigned Commissioner's Ruling Providing Guidance for Low-Income Energy Efficiency 2009-2011 Budget Applications*; Rulemaking 07-01-042, April 1, 2008.

1 whole, indirect costs were included in the analysis, in a similar
2 manner to the analysis completed previously for the 2009-2011
3 program. In addition, the E3 Calculators for 2009-2011 EE Program
4 Planning^[18] were used in this analysis to determine avoided cost
5 benefits. The steps involved in conducting the cost-effectiveness
6 tests for the 2012-2014 programs are summarized as follows.

7 The PC_m Test was conducted using the methodology approved
8 by the Commission for the PY 2003 evaluation. The previous model
9 was updated with the proposed measure installation quantities,
10 proposed program costs, and updated energy savings impacts.^[19]
11 The benefit/cost ratio for the PC_m Test consists of the Net Present
12 Value (NPV) of energy savings and updated NEBs^[20] for the
13 participant in the numerator, and the cost of the program (both
14 measure installation and indirect costs) in the denominator. For
15 measure level benefit/cost ratios, the administration costs were
16 allocated based on the energy savings of the measure.

17 The UCT was conducted in two stages. First, the NEBs model
18 used in the PY 2009 evaluation was used to calculate program level
19 NEBs, similar to the analysis for the PC_m but with utility-specific NEBs
20 specified rather than participant-specific NEBs. Second, the
21 E3 Calculators were used to derive the avoided cost benefits. The
22 Calculator was populated with the proposed measure installation
23 quantities, proposed program costs, and the energy savings impacts
24 described above for the PC_m. The benefit/cost ratio for the UCT test
25 consists of the NPV of avoided cost savings for the utility plus the
26 utility NEBs in the numerator, and the cost of the program (both
27 measure installation and indirect costs) in the denominator. For

[18] E3 cost-effectiveness calculators used are titled “PG&E10-12 4G8” and were downloaded from <http://www.ethree.com>.

[19] Most of the impacts used in the analysis were taken from the 2009 Impact Evaluation conducted by ECONorthwest (with West Hill Energy & Computing) and described later in this testimony. Where impacts were not provided in this study, they were taken from the DEER, previously low-income evaluations, or workpapers.

[20] NEBs were updated in a study authorized by Decision 08-11-031 and completed in 2011.

1 measure level benefit/cost ratios, the administration costs were
2 allocated based on the energy savings of the measure.

3 The TRC test was conducted using the E3 Calculators for
4 2009-2011 EE Programs, as described above. The Calculator
5 provides program level results and measure-specific results with
6 administration costs allocated based on the energy savings of the
7 measure. The TRC test does not include NEBs, so in this respect it
8 is not comparable to the results of the PC_m Test and the UCT.

9 **F. Measure Portfolio Composition**

10 **1. Overall Portfolio Composition**

11 **Many 2009-2011 LIEE Program Measures Will Continue in the** 12 **2012-2014 ESA Program Portfolio**

13 ESA Program participants receive all feasible measures for which
14 they qualify. Feasibility criteria may include: housing type, climate
15 zone, home ownership, building infrastructure and code criteria, and
16 age/efficiency of current measures to be replaced. The ESA Program
17 proposed to continue all of the 2009-2011 measures that passed the
18 proposed 0.25 cost-effectiveness threshold, with the addition of
19 two new measures and one measure piloted during the 2009-2011
20 program cycle that passed the proposed 0.25 cost-effectiveness
21 threshold. These measures are shown in Attachments A-6 and A-7,
22 and include:

- 23 • Hard-Wired Compact Fluorescent Porch Lights
- 24 • Interior Hardwire Compact Fluorescent Lamps
- 25 • Screw-In Compact Fluorescent Lamps
- 26 • Occupancy Sensors
- 27 • Torchieres
- 28 • Refrigerator Replacement (pre-1998)
- 29 • Evaporative Coolers
- 30 • Central AC Tune-Up
- 31 • Furnace Repair/Replacement (homeowners only)

- 1 • Water Heater Repair/Replacement (homeowners only)
- 2 • Energy Education
- 3 • Hot Water Conservation Measures
 - 4 – Faucet Aerators
 - 5 – Pipe Wrap
 - 6 – Low-Flow Showerheads
 - 7 – Water Heater Blankets
- 8 • Air Infiltration Measures
 - 9 – Door Weather-Stripping
 - 10 – Caulking
 - 11 – Outlet Gaskets
 - 12 – Evaporative Cooler Covers
 - 13 – Minor Home Repairs
- 14 • Attic Insulation
- 15 • Microwaves (2009-2011 pilot measure)

16 **(a) Cost-Effectiveness and Other Criteria for Program Measures**

17 In this section, PG&E describes the criteria used to compose
 18 the 2012-2014 ESA Program portfolio. PG&E’s discussion will:

- 19 • Describe how the portfolio composition results in improved
 20 cost-effectiveness.
- 21 • Describe how measures included in the portfolio achieve the
 22 dual objectives of maximizing long-term and enduring energy
 23 savings and enhancing the participants’ quality of life.
- 24 • Demonstrate how measures included in the portfolio pass or
 25 fail the current cost effectiveness criteria as per
 26 Decision 08-11-031.
- 27 • Provide justification for any measures included in the portfolio
 28 that do not meet the current criteria of cost-effectiveness but
 29 serve other important policy objectives.

30 PG&E performed cost-effectiveness analyses on all existing
 31 measures in the ESA Program. For weather-sensitive measures,

1 PG&E ran tests on all possible variations, regardless of whether
2 or not these variations currently qualify for inclusion in the ESA
3 Program. Possible variations broken out and analyzed
4 individually include: housing type, fuel and climate zone. For
5 example, PG&E does not currently offer air conditioner
6 replacement in the cool, Bay Area Climate Zone 3 for any
7 housing type, and would not normally have run that combination
8 in the analyses. However, this caused confusion in the
9 2009-2011 LIEE Program Application, so this time PG&E ran
10 these possible measures variables. Measure cost-effectiveness
11 results are shown in Attachments A-6 and A-7.

12 PG&E proposes to maintain the current cost effectiveness
13 threshold at 0.25. Many program measures pass above 0.5
14 cost-effectiveness, and the measures that are lowest are attic
15 insulation and air sealing and envelope measures, especially in
16 marginal climate zones and for multi-family housing types. PG&E
17 proposes that these two traditional “Big Six” measures remain in
18 the ESA Program, for both equity and comfort, health and safety
19 reasons.

20 **Attic Insulation**

21 PG&E proposes that attic insulation remain in the ESA
22 Program on a *status quo* basis; and be offered to qualifying
23 households in the same climate zones and housing types that
24 were served in the 2009-2011 LIEE Program. Additionally, PG&E
25 proposes to include attic insulation to single-family households in
26 Climate Zone 14.

27 This measure did not formulate positive results in the 2009
28 Impact Study, and one of the reasons may be based on energy
29 use of low-income customers. PG&E anecdotally knows from the
30 KEMA Needs Assessment and other research regarding
31 low-income energy behaviors, that many low-income persons will
32 wrap up rather than turning their heat up (and vice versa for
33 cooling).

1 Attic insulation is a measure that's savings derive specifically
2 from energy use. In other words, the more you use, the more you
3 save, and households that do not use a lot of heating or cooling
4 in an effort to save money on their bill, will not see any savings
5 benefit from attic insulation, even if they feel the direct
6 non-energy benefit of increased comfort due to the decreased
7 draft.

8 PG&E believes that the non-energy benefits for attic
9 insulation may be greater than what is captured in the
10 cost-effectiveness analyses, thus proposes that attic insulation
11 that was included in the 2009-2011 LIEE Program be kept in the
12 2012-2014 ESA Program.

13 **Air Sealing and Envelope Measures**

14 PG&E proposes that the Air Sealing and Envelope measures
15 be kept in the ESA Program, even though they do not pass the
16 0.25 cost-effectiveness threshold for many housing types and
17 climate zones. This measure group includes the following
18 individual elements: outlet cover plate gaskets, attic access
19 weatherization, door weather-stripping, caulking and minor home
20 repairs. (Minor home repairs predominantly are door jamb repair
21 or replacement, door repair, and window putty.) These are often
22 low-cost and were grouped together in the impact study due to
23 their statistically small savings.

24 The Air Sealing and Envelope measures are part of the
25 traditional "Big Six" weatherization measures that are the
26 foundation of low-income programs in the U.S., and are often the
27 only viable measures available to customers residing in
28 multi-family units. Although they provide low savings, they are
29 also low-cost and PG&E believes they should be provide to all
30 qualifying customers in all climate zones and housing types.

31 **Water Conservation Measures**

32 Water Conservation measures (low-flow showerheads, water
33 heater blankets, water heater pipe insulation, and faucet
34 aerators) exceeded the 0.25 cost-effectiveness threshold for all

1 housing types but multi-family. PG&E believes that these
2 measures should be available to qualifying multi-family customers
3 and proposes to keep them in its 2012-2014 ESA Program. As
4 with the Air Sealing and Envelope measures, the Water
5 Conservation measures are low-cost and are often the only
6 measures available to multi-family residents. If measures from
7 both measure groups are not available to low-income multi-family
8 customers, the ESA Program will be essentially unavailable to
9 PG&E's low-income customers in multi-family housing dwellings.

10 **Furnace and Water Heater Repair/Replacement**

11 These two measures have never been cost-effective, and
12 have always been included for homeowners based on comfort,
13 health and safety. Furnaces and water heaters are repaired or
14 replaced when the existing measure fails NGAT and is in a
15 hazardous condition. PG&E proposes to continue this safety
16 element for homeowners.

17 **(b) New and Proposed Measures**

18 **Potential Measure Additions Proposed for 2012-2014**

19 Following the mandates of Decision 08-11-031, all measures
20 in the ESA Program must be individually cost-effective, and new
21 measures must meet both the ESA Program UCT and PC_m
22 criteria. The following potential new measures were tested for
23 inclusion in PG&E's 2012-2014 ESA Program, as shown in
24 Table 1-4.

**TABLE 1-4
PACIFIC GAS AND ELECTRIC COMPANY
2012-2014 ESA PROGRAM – NEW MEASURE COST-EFFECTIVENESS RESULTS**

Line No.	Proposed New Measures	Cost-Effectiveness Results
1	<u>New Measures</u>	
2	Thermostatic Low-Flow Showerhead (1.6 GPM)	Pass
3	Smart AC Fan Delay Relay With Premium Motor	Pass
4	Furnace Standing Pilot Light Retrofit	No Pass
5	Furnace Clean and Tune	No Pass
6	<u>Measure Enhancements</u>	
7	Increase Attic Insulation Levels	No Pass
8	Refrigerator Replacement (1993-1998)	Pass
9	<u>Measures Piloted in 2009-2011</u>	
10	Microwaves	Pass

1 PG&E met with implementation contractors and held public
2 meetings to solicit input regarding potential new measures for the
3 2012-2014 ESA Program. Based on this public input, PG&E ran
4 cost-effectiveness analyses on four new measures, two measure
5 enhancements, and one previously piloted measure, in addition
6 to testing the cost-effectiveness of the existing ESA Program
7 measures. New and existing measure cost-effectiveness results
8 are shown in Attachments A-6 and A-7.

9 Of the new and enhanced measures, PG&E proposes to
10 include all four measures that passed the 0.25 cost-effectiveness
11 threshold: Thermostatic Low-Flow Showerheads, SmartAC Fan
12 Delays, 1993-1998 Refrigerator Replacements, and Microwaves.
13 All four of these measures handily passed the cost-effectiveness
14 threshold for both the UCT and the PC_m test, as specified by
15 Decision 08-11-031.

16 Three of the proposed new measures (Furnace Standing
17 Pilot Light Retrofits, Furnace Clean and Tune, and Increased
18 Attic Insulation levels) did not pass the proposed 0.25 cost-
19 effectiveness threshold and are not included in PG&E's
20 2012-2014 ESA Program portfolio.

21 In addition to the measures proposed for this ESA Program
22 cycle, the PG&E ESA Program team believes the light-emitting

1 diode technology may prove to be a promising one to watch for
2 future inclusion in the ESA Program. However, at this point it is
3 still an emerging technology that is not thoroughly developed to
4 include in the ESA Program.

5 **(c) Retired Measures**

6 PG&E is not proposing to retire any existing measures that
7 passed the cost-effectiveness threshold described in Section G.1.
8 Duct Test and Seal and Air Conditioning (Room and Central)
9 showed very low savings in the *2009 Impact Evaluation*, and did
10 not pass the cost-effectiveness test threshold proposed in this
11 application. These two measures will not be included in the
12 proposed 2012-2014 ESA Program for that reason.

13 **G. Other ESA Program Elements and Policies – New, Existing, to**
14 **be Retired, or to Be Expanded**

15 **1. Cost-Effectiveness Threshold**

16 PG&E proposes to maintain the 0.25 cost-effectiveness used for
17 the 2009-2011 LIEE program. As described in Section F.1.a., this
18 allows the program to retain most of the current weatherization
19 measures that are a traditional foundation of the low-income EE
20 programs in the U.S.

21 **2. Utility Gas/Electric Budget Split**

22 In Decision 08-11-031, the Commission adopted an expense ratio
23 to assign PG&E's LIEE program costs between PG&E's electric and
24 gas customers. The expense ratio was based on a forecast of the
25 cost of electric and gas LIEE measures to be installed for PG&E's
26 customers in the current program period. PG&E's Advice
27 Letter 2979-G/3375-E[21] further refined its gas and electric expense
28 ratio to reflect the actual mix of measures approved in
29 Decision 08-11-031. The electric and gas expense ratio approved for
30 the 2009-2011 LIEE program through Advice Letter 2979-G/3375-E
31 was 59/41, respectively. PG&E proposes to update its ESA Program

[21] The Commission approved Advice Letter 2979-G/3375-E on September 23, 2009.

1 cost apportionment between electric and gas customers to reflect the
2 proposed program budgets shown in Table I-7. Based on PG&E's
3 proposed budget, the electric revenue requirement, net of franchise
4 fees and uncollectible (FF&U), is \$79.98 million and the gas revenue
5 requirement is \$57.92 million for 2012.**[22]** Consequently, PG&E's
6 ESA Program expense electric/gas ratio for 2012-2014 rounds to
7 58/42.

8 **3. Joint Utility Funding Split for Joint Projects**

9 PG&E supports the continuation of the current Joint Utility
10 Funding Split for joint projects funded between the four IOUs. The
11 current split (as shown in Table 1-5) is:

**TABLE 1-5
PACIFIC GAS AND ELECTRIC COMPANY
JOINT UTILITY FUNDING SPLIT**

Line No.	Utility	Funding Split
1	PG&E	30%
2	SCE	30%
3	SCG	25%
4	SDG&E	15%

12 **4. 3-Measure Minimum**

13 Decision 08-11-031 eliminated the 3-measure minimum required
14 for a home to be treated under the LIEE program and replaced it with
15 a new threshold based on energy savings. Specifically, OP 47
16 stated:

17 We eliminate the 3 Measure Minimum rule (which prohibits IOUs
18 from installing measures in a home that does not require at least
19 three measures) in favor of a rule that allows IOUs to install one
20 or two measures in a home, as long as the measures achieve
21 energy savings of at least either 125 kWh/annually or
22 25 therms/annually. Attachment G to this decision specifies,
23 based on the data the IOUs provided with their applications,
24 which measures qualify.

25 These minimum therm and kWh savings requirements effectively
26 excluded most customers in areas receiving gas or electricity by an

[22] Gas funding is not subject to FF&U.

1 entity other than an IOU from participating in the ESA Program.^[23]
2 In addition, it excluded many multifamily dwellings from qualifying,
3 thus creating a barrier to increasing participation by renters in the
4 program.

5 The reason for this is that there are only three ESA Program gas
6 measures. The typical measures installed in most gas homes are Air
7 Sealing and Envelope Repair, a measure group which may consist of
8 one or more of the following individual measures: weather-stripping;
9 caulking; minor home repairs; attic ventilation; evaporative cooler
10 covers; and outlet gaskets; and Domestic Hot Water, which may
11 consist of one or more of the following: low-flow showerheads; faucet
12 aerators; water heater blanket; and water heater pipe wrap. Neither
13 of these measure groups meet the prescribed energy savings
14 threshold for therm savings for any of the IOUs, even in combination.
15 Attic insulation is the other measure installed in gas homes. In the
16 past 2009-2011 program, attic insulation *did* meet the minimum
17 energy savings threshold, offering the largest therm savings of the
18 gas measures. However, even in the 2009-2011 ESA Program, it
19 was installed much less frequently than in the past, as most homes
20 already have adequate insulation levels. Additionally, this measure is
21 rarely feasible in multifamily units. Furthermore, in the 2012-2014
22 ESA Program—based on the 2009 Impact Evaluation—attic
23 insulation has much lower-term savings, and does not fall above the
24 minimum energy savings threshold.

25 PG&E's contractors were unable to work in large gas-only areas
26 such as Sacramento since it could not guarantee any number of
27 qualified customer installations. This meant these areas did not come
28 into the program until after June 19, 2009, when the Commission
29 issued Decision 09-06-026, which clarified and modified

^[23] These are areas jointly served by an IOU and an SMJU, municipal utilities, or irrigation districts, and include, for example: Sacramento, where PG&E provides gas only to SMUD electric customers; Long Beach, where SCE provides electric service to Long Beach Municipal Gas customers; and Los Angeles, where SCG provides gas to Los Angeles Department of Water and Power electric customers.

1 Decision 08-11-031 (“Modified 3-Measure Minimum Rule and
2 Augmenting One-E-App Pilot Project Budget”).

3 Decision 09-06-026 clarified that for the purpose of qualifying a
4 home, the measures used are individual measures, not measures
5 groups, so that two gas measure groups (Air Sealing and Envelope
6 Repair and Domestic Hot Water) could be broken out and counted for
7 qualifying homes based on their individual component measures.

8 PG&E recommends that the individual component measures of
9 measure groups continue to count toward the 3-Measure Minimum
10 criteria.

11 **5. Definition of Treated Household**

12 A “treated” home was defined in Decision 02-12-019 as an
13 income-qualified home that has received any measure or service
14 under the ESA Program, including energy education, compact CFLs,
15 weatherization and appliances. Under the ESA Program, a treated
16 home must receive all feasible measures for which it qualifies.
17 “Weatherized” homes are a subset of treated homes, and are defined
18 as income-qualified homes that have received any weatherization
19 measure (e.g., weather stripping and caulking) under the ESA
20 Program. Decision 01-12-021 defined weatherization measures to
21 include attic insulation, caulking, weather-stripping, low-flow
22 showerheads, water heater blankets and door and building envelope
23 repairs which reduce infiltration.

24 **6. Refrigerator Replacement Age**

25 Refrigerator replacement has been a significant source of
26 cost-effective savings for the ESA Program, however, market
27 research and program experience indicates that the market for
28 pre-1993 refrigerator replacements is saturated. As described in
29 Section D.2.e., the Joint Utilities have undertaken a study to
30 determine which, if any, alternate refrigerator replacement criteria
31 lead to maximum, cost-effective energy and demand savings for the
32 ESA Program. Specifically, the Joint Utilities were looking for a
33 criterion for refrigerator replacement in the form of either a date at

1 which manufacturer and technological changes in efficiency occurred
2 or a determined age of refrigerators to be replaced.

3 The first phase of the study, conducted by KEMA, indicates that
4 decreasing the replacement criteria from pre-1993 would still be
5 cost-effective. While KEMA's research shows that pre-1993
6 refrigerator replacements save significantly more energy than
7 refrigerators younger than 1993, savings are still high.

8 The Joint Utilities are proposing decreasing the replacement
9 criteria to refrigerators manufactured prior to 1999 for the 2012-2014
10 ESA Program. Expanding refrigerator replacement eligibility to
11 include the early replacement of these refrigerators built through 1998
12 will produce long and durable savings for PG&E's customers.

13 **7. Mid-Cycle Updates and Program Modifications**

14 PG&E seeks flexibility to modify the 2012-2014 ESA Program
15 with the ability to make mid-cycle changes to reflect updated
16 information and analyses. PG&E requests the ability to propose
17 programmatic adjustments by advice letter in instances where no
18 additional funding is required after the Commission issues the
19 decision in this proceeding. PG&E intends to base measure
20 corrections on the relative costs and benefits to customers, and
21 believes that such flexibility will optimize offerings to customers and
22 create an efficient mode of communication between IOUs and the
23 Commission.

24 **8. Quarterly Public Low-Income Program Meetings**

25 Decision 06-12-038, OP 7, required the utilities to sponsor
26 quarterly public meetings at which parties could share ideas and
27 information to facilitate improvements to program elements,
28 processes and practices. The utilities held the first public quarterly
29 meeting on February 22, 2007 to solicit opinions about the Statewide
30 LIEE Policy and Procedures Manual and Installation Standards
31 Manual.^[24] Since then, other topics discussed included the

[24] Formerly the Statewide Weatherization Installation Standards Manual and the Installation Standards Manual included installation standards for all services and measures provided under the LIEE program.

1 Statewide LIEE Policy and Procedures and Installation Manuals,
2 2009-2011 LIEE program application plans, and the CEESP.

3 While the utilities support the concept of these meetings as a
4 means of soliciting public input, this venue has not proven to be
5 viable. Despite the fact that the public may attend in person, or via
6 teleconference or video-conference in various locations throughout
7 the utilities' service areas, nevertheless, these meetings have been
8 poorly attended by the public.

9 The utilities propose that a Low Income Program forum be held
10 once a year, following the utility Low Income Annual Report filings.
11 This forum would include focused presentations and discussions
12 about the programs, including program results and responses from
13 low-income customers, findings and lessons learned. In-depth
14 discussions about what worked, what didn't, and ideas for making it
15 better could lead to more interest and participation from the public, as
16 well as other low-income service providers.

17 In addition to the annual California Utilities Low Income Programs
18 Forum, the utilities will continue to facilitate topic oriented meetings,
19 such as are occurring currently to revise the Energy Savings
20 Assistance Program Installation Manual.

21 **H. Pilots**

22 PG&E is not proposing any ESA program pilots.

23 **I. Studies**

24 PG&E is proposing two studies to help inform current and future
25 program design and implementation using information from past program
26 assessments: an ESA Program impact evaluation and a study specifically
27 focused on evaluating energy education practices. Both of these studies
28 will be jointly funded between PG&E, SCE, SoCalGas and SDG&E.

29 An accurate determination of measure savings is critical for guiding
30 program delivery and determining cost effectiveness. Timely impact and
31 process evaluations facilitate the achievement of the Programmatic
32 Initiative by determining measure savings and improving programs that
33 generate savings.

1 Therefore, PG&E anticipates the need for estimated 3-year total
 2 funding as shown in Table 1-6 below for the following measurement and
 3 evaluation work related to the 2012-2014 ESA Program:

**TABLE 1-6
 PACIFIC GAS AND ELECTRIC COMPANY
 MEASUREMENT & EVALUATION OF PG&E’S ESA PROGRAM**

Line No.	Statewide Evaluation Studies – Contract Costs	Total Cost	PG&E Share	PG&E Cost
1	Impact Evaluation of the ESA Program	\$600,000	30%	\$180,000
2	Energy Education Study	300,000	30%	90,000
3	Total	\$900,000		\$270,000

4 The ESA Program is guided by complementary objectives that center
 5 on providing low income population with a resource that assists
 6 customers in lowering energy costs, reducing the financial burden of
 7 energy bills, and improving quality of life in terms of issues related to
 8 physical comfort and safety. Since energy savings is a key objective of
 9 the program an accurate determination of estimated savings for “measure
 10 groups” and specific installed measures is critical for guiding decisions
 11 related to measure installation program delivery and determining
 12 cost-effectiveness.

13 The Impact Evaluation will serve two key purposes: (a) to provide
 14 information about the energy savings accomplishments of the ESA
 15 Program during the 2010-2014; and (b) to facilitate the understanding of
 16 how, what and where energy savings measure can be delivered to
 17 generate maximum benefit and savings for future program development.
 18 The Impact Evaluation will estimate the program’s electric and gas
 19 savings as a whole as well as disaggregated by individual measures
 20 and/or measure groups as relevant for projecting savings to be expected
 21 under different “scenarios” involved in planning future program mixes of
 22 measures and targets within the program eligible population. Dimensions
 23 such as climate zones, utility, housing type and other variables will be
 24 included to determine accurate savings estimates that can be used in
 25 preparing the 2015-2017 budget applications. It is anticipated that the

1 Impact Evaluation for this program cycle will first revisit methodological
2 issues of the past impact research. The evaluation will develop and
3 utilize a methodology that would produce reliable estimates for the
4 program and its component measures, with a special focus on those
5 measures and measure groups for which the past evaluations have not
6 been able to produced reliable and disaggregated savings estimates for
7 use. Further details are outlined in Attachment C-1.

8 The *2009-2010 Process Evaluation* proposed that the IOUs should
9 collaboratively investigate the extent to which various customer education
10 approaches are effective in increasing customer knowledge of energy
11 saving practices and actual behavior change. Following this
12 recommendation, a study of energy education practices is also proposed
13 for 2012-2014. This evaluation will explore attitudinal and behavioral
14 aspects of the ESA Program population. In particular, PG&E is interested
15 in determining customer willingness to participate in energy saving
16 programs and how low-income customers respond to energy education
17 and communication efforts.

18 The Joint Utilities also propose systematic examination of the Energy
19 Education component of the ESA Program in order to examine the
20 current and potential value of the education provided to customers.
21 Research findings from the 2009-2011 program cycle^[25] suggest that
22 further exploration may be needed to maximize the savings benefits of
23 customer education in the ESA Program. Moreover, the educational
24 component of the ESA Program has the capability to take on a more
25 significant role within the program, thanks to the introduction of and
26 potential of SmartMeter™ technology, as well as National and Statewide
27 strategic initiatives becoming increasingly directed towards inciting

[25] “Impact Evaluation of the 2009 California Low Income Energy Efficiency Program” conducted by EcoNorthwest for the CPUC (Draft Final Report issued March 2011); “California Low Income Energy Efficiency Program 2009-2010 Process Evaluation” conducted by Research Into Action for the CPUC (Draft Final Report issued March 2011); “Low Income Energy Efficiency Program Segmentation Study” conducted by Hiner and Partners for SCE and PG&E (Preliminary Draft Report available March 2011); “High Usage Needs Assessment” conducted by Hiner and Partners for SCE (Preliminary Draft Report available March 2011).

1 sustained behavior and attitude changes in customers to reach long-term
2 GHG goals. This combination of factors suggests the need for a more
3 focused evaluation effort on the education component of the
4 ESA Program.

5 These studies are described in Attachments C-1 through C-2.

6 **J. Budget**

7 This chapter presents PG&E's proposed budget for 2012-2014 ESA
8 Program. The chapter is organized as follows:

- 9 • Section 1 – Budget Discussion
- 10 • Section 2 – Tracking and Reporting Program Costs
- 11 • Section 3 – Budget Flexibility and Fund Shifting
- 12 • Attachment A – Contains tables and charts of the proposed budget

13 **1. Budget Discussion**

14 PG&E's 2012-2014 program supports the Commission's
15 programmatic initiative adopted in Decision 07-12-051. In order to
16 deliver assistance to serve the proposed target of 375,000 homes by
17 2014, PG&E has established the budgets and home-treated goals
18 shown in Table 1-7.

**TABLE 1-7
PACIFIC GAS AND ELECTRIC COMPANY
2012-2014 ENERGY SAVINGS ASSISTANCE PROGRAM BUDGET**

Line No.	Program Year	Home Goal	Budget(a)	Budget Increase From 2011
1	2011(a)	125,000	\$156,789,036	
2	2012	110,000	137,904,000	-12.0%
3	2013	132,500	167,525,000	+ 6.9%
4	2014	132,500	173,422,000	+10.6%
5	Total for 2012-2014	375,000	\$478,851,000	

(a) Budget amounts shown exclude NGAT dollars.

1 To accommodate PG&E's proposed ESA Program goal of
2 enrolling 41 percent of the remaining estimated eligible low-income
3 customers in the 2012-2014 program cycle, the ESA Program budget
4 has increased. Since the program inception in 1983, the original ESA
5 Program focus was on delivering weatherization services through the
6 Big Six measures: caulking, minor home repairs, attic insulation, door
7 weather-stripping, low-flow showerheads and water heater blankets.
8 The program has continued to evolve, especially since the Rapid
9 Deployment Decision in 2001, and new measures were added, the
10 ESA Program was standardized statewide, and utility budgets were
11 increased.

12 PG&E's ESA Program team re-evaluated the reasonableness
13 and cost-effectiveness of prior program installation decisions. To
14 design its 2012-2014 ESA Program, PG&E considered what new
15 measures should be added, while focusing on saving the customer's
16 money. PG&E closely examined a range of options, focusing on the
17 number of housing units treated, and the variety of measures to be
18 installed. In this process, PG&E developed its list of measures to be
19 offered, all while examining cost-effectiveness and overall energy
20 savings for ESA Program customers.

- 21 • The most significant cost variables that have gone into planning
- 22 the ESA Program budget include: number of units treated.
- 23 • Cost per unit treated.

- PG&E’s goal to treat the second 25 percent of eligible and willing customers in the 2012-2014 program cycle which would contribute to the Commission’s overall goal of treating all willing and eligible low income customers by 2020.

PG&E’s program managers estimated budget categories based on their experience and understanding of the typical low-income population housing stock and measure needs in PG&E’s service area. PG&E program managers assessed the percentage of customers that required a measure in previous years and identified any significant trends. For example, PG&E has noted the need for attic insulation has decreased over the years as more older homes have already been weatherized or retrofitted in California and insulation has become standard in newer homes. The ESA Program measures available to customers are described in Section F. The upward and downward trends in historical measure installation rates in different housing stock types and climate zones were analyzed to develop penetration installation rates. These rates were then applied to each measure to plan the anticipated number of measures to be installed. Budgets were calculated by multiplying the projected number of measures by the average install cost per measure. Escalation costs of 3.5 percent were applied to 2013-2014 program years in anticipation of cost of living increases.

In planning the 2012-2014 ESA Program and budget request, PG&E program managers took into account past program trends and housing stock; however, they will constantly assess and reassess their initial assumptions as the program years progress so that all participating homes each year will get all measures for which they qualify.

PG&E’s ESA Program budget includes program activities to educate customers through PG&E’s Energy Training Center and Smarter Energy Line. PG&E expects an increase in program activity in both areas. Funding will be used to meet the growing demand for ESA Program workforce training and to address additional inquiries about the ESA Program at call centers.

1 PG&E's ESA Program budget also includes marketing and
2 outreach funds to integrate EE and DR programs. These funds will
3 be used to integrate program messages across EE programs.

4 PG&E believes that the requested level of funding provides the
5 optimal balance between the important and increasingly visible
6 benefits that the ESA Program provides to its customers, and the
7 ongoing need to keep rates low and stable.

8 **2. Tracking and Reporting Program Costs**

9 PG&E proposes to track program costs consistent with the
10 program budget categories defined in Attachment A-1 of this
11 testimony. The program budget categories in Attachment A-1 are
12 used for monthly and annual ESA Program reporting and were most
13 recently approved by the Commission in a November 2007 letter from
14 the Energy Division Director to the utilities. Program reporting was
15 substantially revised for the 2009-2011 time period. The budget and
16 expense categories have remained fairly consistent since 2001,
17 which has facilitated continuity of reporting throughout the decade.
18 PG&E proposes to maintain monthly and annual reporting according
19 to the approved ESA Program reporting categories in 2012, 2013 and
20 2014. PG&E believes this will permit comparable cost benefit
21 analysis of each program element across the utilities. PG&E will
22 continue to work with Energy Division to adjust the content and
23 format of the reports with the goal of presenting streamlined
24 information that facilitates program oversight.

25 **3. Budget Flexibility and Fund Shifting**

26 PG&E is not proposing any changes to the fund shifting rules as
27 detailed in recent decisions.

28 **K. Revenue Requirements and Rate Impacts**

29 This section describes PG&E's 2012-2014 ESA Program electric
30 revenue and gas Public Purpose Program (PPP) funding requirements
31 and cost recovery proposal. PG&E proposes to decrease its 2012 ESA
32 Program electric revenue requirement by \$12.27 million and to decrease
33 its 2012 gas PPP-ESA Program funding requirement by \$6.35 million.

1 PG&E’s proposed funding requirements for all three program years are
 2 presented in Table 1-8 below. The subsequent sections of this testimony
 3 address PG&E’s proposed 2012-2014 ESA Program expenditure
 4 budgets, related funding requirements, and cost recovery. Rate and bill
 5 impacts are also presented.

**TABLE 1-8
 PACIFIC GAS AND ELECTRIC COMPANY
 ESA PROGRAM ELECTRIC REVENUE AND
 GAS FUNDING REQUIREMENTS FOR 2012-2014
 (\$ THOUSANDS)**

Line No.	Description	2011	2012	2013	2014	2012-2014 Funding Total
1	Electric Revenue Requirement (including FF&U)	\$93,454	\$80,847	\$98,212	\$101,670	\$280,730
2	Gas ESA Program PPP Funding Requirement	64,284	57,919	70,360	72,837	201,117
3	Total	\$157,738	\$138,767	\$168,573	\$174,507	\$481,848

6 **Electric Revenue Requirement and Gas PPP Funding Requirement**
 7 **for the Proposed 2012-2014 ESA Program Portfolio**

8 As discussed in Section J of this testimony, PG&E proposes the
 9 2012-2014 annual ESA Program budgets shown in Table I-8 above. The
 10 amounts to be recovered in rates consist of PG&E’s total annual program
 11 budgets, less any unspent budget amounts carried over from the
 12 2009-2011 program period that have already been recovered in
 13 rates.^[26] An allowance for FF&U accounts expense is included in
 14 PG&E’s proposed electric ESA Program revenue requirement.

15 As discussed in Section G.2., PG&E proposes to update its ESA
 16 Program expense ratio between electric and gas customers to reflect the
 17 proposed program budgets shown in Table 1-8. Based on PG&E’s
 18 proposed budget, the electric revenue requirement, net of FF&U, is

[26] Carry-over amounts are forecasted to be \$22.4 million for electric and \$0 for gas. These amounts include carry over from PY 2008 and PYs 2009-2011. Final amounts will not be known until after a decision is issued in this proceeding and are not reflected in any amounts in this application. PG&E intends to reduce the 2012 gas and electric revenue requirement by the actual LIEE carryover amounts.

1 \$277.7 million and the gas revenue requirement is \$201.1 million for
2 2012-2014. Consequently, PG&E's ESA Program expense electric/gas
3 ratio for 2012-2014 rounds to 58/42.

4 **Recording of PG&E's Electric and Gas ESA Program Expenses**

5 PG&E will record 2012-2014 ESA Program expenses consistent with
6 the adopted electric/gas expense ratio adopted in this proceeding. This
7 proposed method is consistent with the method adopted for the recording
8 of EE program expenses by the Commission in Decision 05-09-043.
9 Accordingly, PG&E will record ESA Program expenditures based on a
10 ratio of 58/42 percent for electric and gas, respectively. PG&E will
11 continue to monitor the expenses on a measure per measure basis during
12 the budget period and may propose revisions to the electric/gas split.

13 **Rate and Bill Impacts**

14 Approval of PG&E's proposed 2012-2014 ESA Program budgets will
15 result in increases in PG&E's gas and electric PPP charges over the
16 3-year program cycle. PG&E's proposed 2012-2014 ESA Program rate
17 and bill impacts among PG&E's electric and gas customer classes are
18 shown in Tables 1-9 and 1-10 for PG&E's electric and gas customers,
19 respectively.

**TABLE 1-9
PACIFIC GAS AND ELECTRIC COMPANY
ESTIMATED ELECTRIC RATE IMPACTS FROM
2012-2014 LOW-INCOME ENERGY EFFICIENCY PROGRAM REQUEST
(\$THOUSANDS)**

Line No.	Class/Schedule	2011 to 2012		2012 to 2013		2013 to 2014		2013 to 2014 Percentage Change
		Proposed Revenue Increase/ (Decrease)	Percentage Change	Proposed Revenue Increase/ (Decrease)	Percentage Change	Proposed Revenue Increase/ (Decrease)	Percentage Change	
1	<u>Bundled</u>							
2	Residential	(\$4,985)	-0.10%	\$6,865	0.14%	\$1,367	0.03%	0.03%
3	Small Commercial	(1,671)	-0.10%	2,302	0.14%	458	0.03%	0.03%
4	Medium Commercial	(1,602)	-0.10%	2,206	0.13%	439	0.03%	0.03%
5	Large Commercial	(1,344)	-0.10%	1,852	0.13%	369	0.03%	0.03%
6	Streetlights	(76)	-0.11%	105	0.15%	21	0.03%	0.03%
7	Standby	(42)	-0.10%	58	0.13%	12	0.03%	0.03%
8	Agriculture	(653)	-0.09%	899	0.12%	179	0.02%	0.02%
9	Industrial	(989)	-0.08%	1,362	0.12%	271	0.02%	0.02%
10	Total Bundled Change	(\$11,362)	-0.10%	\$15,649	0.13%	\$3,115	0.03%	0.03%
11	<u>Direct Access Service</u>							
12	Residential	(\$36)	-0.17%	\$49	0.23%	\$10	0.05%	0.05%
13	Small Commercial	(20)	-0.15%	28	0.20%	6	0.04%	0.04%
14	Medium Commercial	(161)	-0.19%	222	0.26%	44	0.05%	0.05%
15	Large Commercial	(395)	-0.20%	545	0.28%	108	0.06%	0.06%
16	Agriculture	(1)	-0.12%	1	0.17%	0	0.03%	0.03%
17	Industrial	(4)	-0.13%	6	0.18%	1	0.04%	0.04%
18		(449)	-0.20%	619	0.28%	123	0.05%	0.05%
19	Total Direct Access Change	(\$1,067)	-0.20%	\$1,469	0.27%	\$292	0.05%	0.05%

1 Under PG&E's ESA Program budget proposal, the 2012 bill for a
2 typical bundled residential electric customer using 550 kWh per month will
3 decrease \$0.05 from \$79.70 to \$79.65. The bill for a typical bundled
4 residential customer using approximately twice the average baseline
5 allowance, or 850 kWh per month, will decrease \$0.28 from \$178.64
6 to \$178.36.

**TABLE 1-10
PACIFIC GAS AND ELECTRIC COMPANY
ESTIMATED GAS RATE IMPACTS FROM
2012-2014 LOW INCOME ENERGY EFFICIENCY PROGRAM REQUEST
(\$THOUSANDS)**

Line No.	2011 Current Revenues (a)	2011 to 2012 Proposed Revenue Change (b)	2011 to 2012 Percent Change (c)	2012 to 2013 Proposed Revenue Change (d)	2012 to 2013 Percent Change (e)	2013 to 2014 Proposed Revenue Change (f)	2013 to 2014 Percent Change (g)
1							
		<u>Core Retail – Bundled(a)</u>					
2	\$1,686,073	(\$3,733)	-0.22%	\$3,565	0.21%	\$5,018	0.30%
3	542,593	(1,201)	-0.22%	1,147	0.21%	1,615	0.30%
4	551,064	(375)	-0.07%	358	0.07%	504	0.09%
5	36,672	(134)	-0.36%	128	0.35%	179	0.49%
6		<u>Core Retail – Transportation Only(b)</u>					
7	13,609	(61)	-0.45%	59	0.43%	82	0.61%
8	4,380	(20)	-0.45%	18	0.43%	27	0.61%
9	81,574	(135)	-0.17%	129	0.16%	182	0.22%
10	5,430	(67)	-1.22%	64	1.17%	89	1.65%
11		<u>Noncore – Transportation Only(b)</u>					
12	43,941	(171)	-0.39%	163	0.37%	230	0.52%
13	93,423	(275)	-0.29%	263	0.28%	370	0.40%
14	450	(191)	-42.42%	182	40.51%	257	57.02%
15	30,570	0	-0.00%	0	0.00%	0	0.00%
16	21,182	0	-0.00%	0	0.00%	0	0.00%
17		<u>Wholesale – Transportation Only(b)</u>					
18	82	0	-0.00%	0	0.00%	0	0.00%
19	72	0	-0.00%	0	0.00%	0	0.00%
20	1,493	0	-0.00%	0	0.00%	0	0.00%
21	16,080	0	-0.00%	0	0.00%	0	0.00%
22	167,493	0	-0.00%	0	0.00%	0	0.00%
23	\$3,296,182	(\$6,364)	-0.19%	\$6,077	0.18%	\$8,554	0.28%

(a) Bundled core revenues are based on rates that include: (i) an illustrative procurement component that recovers intrastate and interstate backbone transmission charges, storage, brokerage fees and an average annual Weighted Average Cost of Gas per therm; (ii) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and (iii) where applicable, a gas PPP surcharge that recovers the costs of low income CARE, low income EE, customer EE, Research Development and Demonstration program and BOE/CPUC Administration costs. Actual procurement rate changes monthly.

(b) Transportation only revenues are based on rates that include: (i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and (ii) where applicable, a PPP surcharge that recovers the costs of low income CARE, low income EE, customer EE, Research Development and Demonstration program and BOE/CPUC Administration costs. Transportation only customers must arrange for their own gas purchases and transportation to PG&E's Citygate/local transmission system.

1 Under PG&E's ESA Program budget proposal, the bill for a typical
2 bundled residential customer using 37 therms per month in 2012 will
3 decrease \$0.09 from \$44.22 to \$44.13.

4 PG&E will incorporate the annual electric ESA Program revenue
5 requirement authorized in this proceeding into electric rates in the Annual
6 Electric True-Up with other rate changes effective January 1 of each year
7 in the program budget period, or as soon thereafter as possible. Any
8 required ESA Program electric rate change resulting from this proceeding
9 will be implemented in accordance with the then-current adopted revenue
10 allocation and rate design methods adopted for the ESA Program
11 revenue component of electric PPP rates.

12 PG&E will incorporate the gas funding requirement authorized in this
13 proceeding into gas rates in the annual gas PPP surcharge advice letter
14 and Annual Gas True-Up filings with other rate changes effective
15 January 1 of each year in the program budget period, or as soon
16 thereafter as possible. Similarly, any gas ESA Program revenue change
17 will be allocated among customer classes consistent with then-current
18 adopted practice. If a decision is not issued in time to incorporate the
19 proposed funding requirement in PPP surcharge rates by October 31,
20 2011, PG&E requests authority to supplement its PPP surcharge advice
21 letter to incorporate changes adopted in this proceeding.

22 On March 17, 2011, the Senate and Assembly passed Fiscal Year
23 2011-2012 Budget Bill Senate Bill (SB) 69 that would allow for a transfer
24 of up to \$155 million by the Controller from the Gas Consumption
25 Surcharge Fund (Fund) to the General Fund ("sweep"). In the event that
26 SB 69 is enacted into law and insufficient Gas PPP surcharge funds are
27 returned to PG&E from the Board of Equalization such that all or a portion
28 of the ESA Program is impacted, PG&E requests authorization to
29 suspend or modify the gas portion of the ESA Program. Additionally,
30 PG&E requests authorization to immediately change the current
31 administrative-type cost allocation (below the line costs) of 65 percent
32 electric, 35 percent gas to 100 percent electric, 0 percent gas (assuming
33 all the ESA Program gas funds are taken) to properly reflects
34 administrative costs in the absence of a gas program.

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L. Conclusion

In conclusion, PG&E proposes a 2012-2014 ESA Program that continues where the 2009-2011 program left off, with the ultimate goal of realizing the programmatic initiative of treating all willing and qualified customers by 2020. PG&E's ESA Program provides cost-effective energy savings to an additional 375,000 low-income customers over the next three years, at a cost of \$478.9 million.

PACIFIC GAS AND ELECTRIC COMPANY

CHAPTER 2

**ENERGY SAVINGS ASSISTANCE PROGRAM AND CALIFORNIA
ALTERNATE RATES FOR ENERGY BUDGET APPLICATIONS
FOR PROGRAM YEARS 2012, 2013, AND 2014**

PACIFIC GAS AND ELECTRIC COMPANY
 CHAPTER 2
 ENERGY SAVINGS ASSISTANCE PROGRAM AND CALIFORNIA ALTERNATE
 RATES FOR ENERGY BUDGET APPLICATIONS FOR PROGRAM YEARS 2012,
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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **CHAPTER 2**
3 **ENERGY SAVINGS ASSISTANCE PROGRAM AND CALIFORNIA**
4 **ALTERNATE RATES FOR ENERGY BUDGET APPLICATIONS FOR**
5 **PROGRAM YEARS 2012, 2013, AND 2014**

6 In this 2012-2014 California Alternate Rates for Energy (CARE) application,
7 Pacific Gas and Electric Company (PG&E) proposes specific initiatives to ensure
8 eligible customers are able to receive CARE Program benefits while mitigating
9 impacts to other non-CARE customers.

10 **I. CARE PROGRAM PLAN AND BUDGETS APPLICATION FOR**
11 **PROGRAM YEAR 2012-2014**

12 **A. OVERVIEW**

13 **1. CARE Program Summary**

14 **(a) Elements and Strategies in the Proposed 2012-2014 CARE**
15 **Program Are Specifically Designed to Reach a Penetration Goal**
16 **of 90 Percent**

17 The CARE Program provides a monthly discount of no less
18 than 20 percent on energy bills for income-qualified residential
19 single-family households, tenants of sub-metered residential
20 facilities, non-profit group living facilities, agricultural employee
21 housing facilities and migrant farm worker housing centers.
22 PG&E has administered the CARE Program since its inception as
23 the Low-Income Rate Assistance (LIRA) program and as
24 authorized in Decision 89-07-062 and Decision 89-09-044 by the
25 California Public Utilities Commission (CPUC or Commission).
26 By year-end 2011, nearly \$5 billion in cumulative subsidies will
27 have been provided to PG&E CARE customers since 1989.

28 In Decision 08-11-031, which authorized PG&E's 2009-2011
29 Low Income and CARE Program and Budget, the CPUC
30 established a goal for all Investor-Owned Utilities (IOU) to enroll
31 90 percent of eligible low income households by 2011. In
32 accordance with this decision, PG&E implemented new outreach

1 elements and strategies to achieve this milestone. As a result
2 PG&E has exceeded this goal, with a total of 1,545,645
3 households, or 91 percent of the estimated CARE eligible
4 population, enrolled as of March 31, 2011. Participation in the
5 CARE Program increased 32 percent from 2008 to 2010, due to
6 the growing number of eligible households caused by the
7 downturn in the California economy and unemployment rates as
8 high as 13 percent,^[1] as well as aggressive outreach efforts to
9 meet the goals established by the Commission. Consequently,
10 the annual CARE gas and electric subsidies have grown
11 significantly from approximately \$450.1 million in 2008 to
12 \$724.7 million in 2010.

13 For Program Year (PY) 2012-2014, PG&E proposes to
14 maintain the 90 percent penetration target while ensuring CARE
15 subsidy goes to the customers that are truly in need of this
16 benefit. In the past three-year program cycle, the focus on
17 achieving this high penetration level coupled with an open
18 enrollment process, as well as the unprecedented economic
19 downturn, drove customer participation in CARE Program to
20 record levels. As the economy continues to shift, PG&E has the
21 dual responsibility to ensure that all eligible customers are
22 enrolled in CARE while balancing the financial burden that is
23 placed on non-CARE customers.

24 In keeping with the Commission's goal to ensure eligible low
25 income households are enrolled in the program, PG&E proposes
26 to refine its outreach efforts and Post Enrollment Verification
27 (PEV) process. To ensure the penetration level remains at or
28 above the 90 percent goal, PG&E will develop and execute
29 targeted outreach tactics to reach the remaining households
30 estimated to be eligible for CARE, while focusing on retaining
31 those households who continue to qualify for CARE.

[1] US Department of Labor, Bureau of Labor Statistics.

1 PG&E proposes the following specific initiatives that are
 2 explained in more detail below:

- 3 1. Implementation of participation requirements to address
- 4 CARE households with extremely high energy usage levels.
- 5 2. Broadening of local support for enrolling potential CARE
- 6 customers by further utilizing Community Outreach
- 7 Contractors (COC).
- 8 3. Expanding in-language communications to households.
- 9 4. Recommendation that the Commission revisit the categorical
- 10 programs accepted for automatic eligibility for CARE.

11 **(b) Number of Households to Be Enrolled in the 2012-2014**
 12 **Program Years with a Three-Year Program Budget of**
 13 **\$35 Million to Meet Program Goals.**

14 Eligibility estimates for the CARE Program are provided
 15 annually by Athens Research, using the joint utility methodology
 16 adopted by the CPUC in Decision 01-03-028. The enrollment
 17 forecast is based on a number of factors including planned
 18 outreach initiatives, scheduled recertification dates, and historical
 19 trends related to enrollment, retention, and attrition. PG&E
 20 projects a CARE enrollment increase of three percent or a net
 21 increase of approximately 47,000 households over the program
 22 cycle. This net increase takes into account the projected
 23 2.33 million recertifications and 1.16 million new enrollments that
 24 will compensate for attrition, as shown in Table 2-1 below.

TABLE 2-1
PACIFIC GAS AND ELECTRIC COMPANY
FORECAST OF 2012-2014 CARE ENROLLMENT ACTIVITY

Line No.	CARE Program Activity	2012	2013	2014	Total
1	Recertifications	720,000	780,000	828,000	2,328,000
2	New Enrollments	387,000	375,000	399,000	1,161,000
3	Attrition	(368,000)	(362,000)	(384,000)	(1,114,000)
4	Net Increase	19,000	13,000	15,000	47,000
5	Year-End Enrollment	1,553,000	1,566,000	1,581,000	1,581,000

1 Also shown in the table, PG&E projects total attrition of
 2 1.11 million households over the three-year cycle. On average,
 3 2 percent of enrolled households are expected to drop off the
 4 program every month due to a number of events including
 5 customers choosing to close their accounts, failing to recertify,
 6 informing PG&E of ineligibility, or customers not responding to
 7 PG&E's PEV requests. Table 2-2 shows the percentage of
 8 overall attrition due to each activity.

**TABLE 2-2
 PACIFIC GAS AND ELECTRIC COMPANY
 FORECASTED ATTRITION ACTIVITY**

Line No.	Attrition Activity	Percentage of Total Attrition
1	Account Closed	51%
2	Failure to Recertify	32%
3	Ineligible / PEV Failure	17%

9 PG&E proposes an annual administrative budget of
 10 \$12,081,000 for PY 2012, \$11,287,000 for PY 2013 and
 11 \$11,650,000 for PY 2014. The three-year administrative budget
 12 for PY 2012-2014 is \$35,018,000. The program budget is fully
 13 described in Section H-1.

2. Utility Requests

(a) Existing Program Elements and Strategies to Be Continued

16 In the 2012-2014 program cycle, PG&E will continue to
 17 implement outreach strategies that were successful during the
 18 2009-2011 cycle. These strategies include: COC partnerships,
 19 community event participation, door-to-door canvassing,
 20 automated phone enrollment, online enrollment, direct mail
 21 initiatives, bill inserts, ethnic media advertising, automatic
 22 enrollment, local office partnerships, welcome packet inserts and
 23 15-day past-due payment notice inserts. For further details
 24 regarding these strategies, see Section D-1.

1 **(b) New Program Elements and Strategies to Be Implemented; and**
2 **Associated Budget for These New Approaches**

3 PG&E plans to implement the following new program
4 elements and strategies in the 2012-2014 program cycle:

- 5 • A new approach to address the top ~1 percent of CARE
6 households with extremely high usage indicating income
7 ineligibility as defined below:
 - 8 – CARE households with energy usage at or above
9 600 percent of baseline annually (approximately
10 0.4 percent of CARE households) have consumption
11 levels that indicate their inability to qualify for the CARE
12 Program based on income guidelines established by the
13 Commission and as such may be declared ineligible for
14 the program and moved to a regular non-CARE
15 residential rate plan.
 - 16 – CARE households with energy usage between
17 400 percent and 600 percent of baseline (approximately
18 0.7 percent of CARE households) have extreme
19 consumption levels compared to typical CARE
20 households. As a condition of continued participation in
21 the CARE Program, PG&E proposes to require that
22 these participants demonstrate that they are indeed
23 income qualified by providing standardized income
24 eligibility documentation, and demonstrate a commitment
25 to becoming more energy efficient by consenting to
26 participate in the Energy Savings Assistance (ESA)
27 Program which will provide energy education and
28 appropriate energy efficiency measures to assist these
29 households to lower their monthly bill and enable long
30 term savings.
- 31 • Expanded in-language communications to households to
32 include: Russian, Hmong and Korean, and the
33 implementation of CARE status notification via letters, phone
34 and email.

- Expansion to the role of local organizations in CARE customer enrollment and retention. Historically, local organizations have played an integral role in enrolling customers in the CARE Program based on their relationship and position in the community. PG&E proposes that local organizations will continue to provide this support and will also play a pivotal role to participants during the PEV process. PG&E proposes to increase the nominal fee paid for enrolling new CARE customers from \$15.00 to \$18.00.
- In an effort to capture required household income information on CARE applicants, PG&E plans to revise the CARE application to request household income be provided even if the customer is enrolling under Categorical Enrollment (CE).
- PG&E recommends that the Commission revisit the programs accepted under CE to ensure those permitted are in alignment with the CARE income guidelines and household income qualification view.

These proposals are further described in Section D-3.

(c) Proposed Pilots and Studies

PG&E does not propose any new Pilots or Studies to be conducted during PY 2012-2014.

(d) Total Requested Budget of the Portfolios for Each Year, and for the Entire Budget Cycle

To effectively carry out CARE Program plans and initiatives to support the Commission's goal of enrolling all eligible households by 2020, PG&E proposes an annual administrative program budget of \$12,081,000 for PY 2012, \$11,287,000 for PY 2013 and \$11,650,000 for PY 2014. The entire administrative budget for PY 2012-2014 is \$35,018,000.

PG&E forecasts the CARE subsidy of \$660,220,000 for PY 2012, \$633,029,000 for PY 2013 and \$605,950,000 for

1 PY 2014. The total CARE subsidy forecast for PY 2012-2014 is
2 \$1,899,199,000.[2]

3 The CPUC establishes a rate to recover forecasted CARE
4 subsidy costs, and then authorizes the recovery of any difference
5 between actual and forecasted costs in the utility's next
6 rate-setting proceeding, e.g., the Annual Electric True-Up (AET)
7 Advice filing for electric costs and the Gas Public Purpose
8 Program (G-PPP) Surcharge filing for gas costs. The costs
9 associated with this CARE subsidy are recovered through the
10 CARE rate surcharge on a pass-through basis.[3]

11 Attachment B-1 shows PG&E's proposed PY 2012-2014
12 CARE budget by category.

13 **(e) Total Number of Households to Be Enrolled for Each Year, and**
14 **for the Entire Budget Cycle**

15 PG&E estimates that 1,581,000 households will be enrolled
16 in CARE by year-end PY 2014. PG&E projects a net enrollment
17 increase of 19,000 households in PY 2012, 13,000 households in
18 PY 2013, and 15,000 households in PY 2014. This equals a net
19 enrollment increase of 47,000 households for the entire budget
20 cycle. See Section 1.b. above for more details.

21 **(f) Exceptions Requested**

22 PG&E does not request any exceptions in this application.

[2] The CARE subsidy forecast assumes implementation of the electric CARE Tier 3 rate in 2011, in concurrence with both the Proposed Decision and the Alternate Proposed Decision in the General Rate Case (GRC) Phase 2 proceeding, and subsequent CARE Tier 3 rate increases of \$0.015 in 2013 and 2014.

CARE customers are also exempt from paying costs for Department of Water Resources Bonds, CARE Public Purpose Programs, and the California Solar Initiative. These exemptions are not reflected in the subsidy forecast and will total an additional estimated \$380 million in PY 2012-2014.

[3] CPUC Decision 02-09-021, Section 3.4.

1 **B. BACKGROUND**

2 **1. CARE Summary - Legal Framework of CARE Program**

3 The CARE Program is a ratepayer-funded and has been
4 administered by the IOUs since its inception in 1989. Based on
5 Senator Share’s Universal Lifeline Telephone Service bill (signed into
6 law in the 1980s), Senate Bill (SB) 987 (Dills – Chapter 212)
7 established an assistance program to provide rate relief to low
8 income households from increasing baseline differentials brought
9 about by baseline rate reform in the mid-1980’s. This bill also
10 established that the cost of the program would not be borne solely by
11 any single class of customer.

12 The CARE Program was originally referred to as the LIRA
13 Program, as authorized in Decision 89-07-062 and
14 Decision 89-09-044 by the CPUC on November 1, 1989, to provide a
15 15 percent discount on energy rates to residential households with
16 income at or below 150 percent of the Federal Poverty Guidelines
17 (FPG). The program name was later changed from LIRA to CARE as
18 authorized in Decision 92-04-024.

19 Table 2-3 describes mandated regulatory changes to the CARE
20 Program over the past 10 years.

**TABLE 2-3
PACIFIC GAS AND ELECTRIC COMPANY
CARE REGULATORY HISTORY**

Decision Number	CPUC Ruling
D.01-06-010 and D.02-01-040	<p>Increased CARE income eligibility from 150% to 175% of Federal Poverty Guidelines.</p> <p>Increased the discount rate from 15 to 20%.</p> <p>Included a capitation fee of up to \$12 for new enrollment.</p>
D.02-07-033	<p>Adopted CARE Automatic Enrollment for participants of LIHEAP, WIC, Medical and Healthy Families.</p>
D.05-10-044	<p>Increased the CARE income thresholds from 175% to 200% of the Federal Poverty Guidelines.</p>
D.06-12-038	<p>Authorized the increase of Community Outreach Contractor (COC) Capitation fees from up to \$12 to up to \$15.</p> <p>Provided CARE discount to common areas of nonprofit group living facilities.</p> <p>Adopted Categorical Enrollment.</p> <p>Adopted four-year certification period for fixed income residential and sub-metered customers.</p>
D.08-11-031	<p>Approved the CARE Program for PY 2009-2011.</p> <p>Extended the certification period for sub-metered and expanded program customers from one year to two years.</p> <p>Made all categorical eligibility requirements that apply to Universal Lifeline the same as those for CARE.</p> <p>Adopted One-e-App pilot project in two counties in PG&E's service area.</p> <p>Added a requirement to report customer complaints about recertification in monthly and annual reports.</p> <p>Established the goal of 90% enrollment of eligible customers by the end of 2011.</p>

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2. Program Eligibility Guidelines

The CARE Program serves five separate categories of eligible customer segments:

- Single-family residential households with their own PG&E gas and/or electric accounts.
- Sub-metered tenants of master-metered households in facilities such as mobile home parks and sub-metered apartment complexes.

- 1 • Nonprofit group living facilities such as half-way homes,
2 rehabilitation facilities, homeless shelters, women’s shelters, and
3 hospices.
- 4 • Agricultural employee housing facilities such as migrant farm
5 labor facilities, private employee housing, and non-profit farm
6 labor housing.
- 7 • Migrant Farm Worker Housing Centers operated by the Office of
8 Migrant Services or by a non-profit entity.

9 **3. Program Guidelines**

10 As adopted on February 19, 1998, the Director of the Energy
11 Division (ED) will communicate new income levels to energy utilities
12 no later than May 1 of each year and energy utilities are required to
13 file revised tariffs effective June 1 of each year reflecting the new
14 income levels. In Decision 05-10-044, the income guidelines for the
15 CARE Program were changed to at or below 200 percent of the FPG.

16 **4. Processing/Certification/Re-certification/Verification**

17 In accordance with CPUC guidance, PG&E allows households to
18 self-certify (and self-recertify) their eligibility for the CARE Program.
19 Self-certification involves the customer signing the declaration at the
20 bottom of the application certifying that their household meets the
21 program guidelines and agreeing to provide proof of income if asked.

22 Customers can apply for the CARE Program via paper
23 application, online application, or Automated Voice Messaging (AVM).
24 The process for participating in CARE begins with the customer
25 providing the following information:

- 26 • Account number, name, address, phone number, and number of
27 adults/children in the household.
- 28 • Customer must provide the total amount of their gross annual
29 household income, identify all sources of income and
30 participation in any of the approved public assistance programs.
- 31 • Signing the declaration that the information provided is true and
32 correct.

1 The CARE certification period is two years for non-fixed income
2 households and four years for fixed income households. At the end
3 of the certification period, customers are notified by phone and/or
4 mail that they have 90 days to recertify their eligibility for the program.
5 Similar to the initial enrollment process, PG&E currently allows
6 customers to self-recertify their household's eligibility for the CARE
7 Program by paper application, online application, or AVM, including
8 the declaration that their household meets the program guidelines
9 and agreement to provide proof of income if asked. Currently,
10 customers who do not recertify within 90 days of the original request
11 are removed from the program. Enrolled households are subject to
12 selection for PEV. PG&E utilizes a variety of factors in selecting
13 households for PEV that include, but are not limited to, enrollment
14 source, usage levels based on baseline territory and random
15 selection. In accordance with the aforementioned goal of ensuring
16 participants are income qualified, during the 2012-2014 program
17 cycle, PG&E plans to modify certain elements of recertification and
18 PEV processes as well as the method in which customers are
19 selected for PEV. These modifications may increase the number of
20 requests processed.

21 **C. PROGRAM GOALS**

22 PG&E's CARE program goals for PY 2012-2014 include maintaining
23 a 90 percent penetration rate by ensuring qualified households remain on
24 the program and eligible households can easily enroll in CARE.

25 **D. PROGRAM DELIVERY**

26 **1. Existing Strategies to Be Continued**

27 PG&E's strategy for the 2009-2011 program cycle involved
28 ensuring qualified households can easily enroll in CARE. PG&E
29 achieved this objective through a multi-pronged outreach approach.
30 A more detailed CARE Program Outreach and delivery strategy can
31 be found in PG&E's ESA and CARE Programs Annual Report

1 submitted May 2, 2011.[4] The following is a summary of PG&E
2 outreach efforts that have proven effective in reaching potential
3 customers:

4 **(a) 15-Day Past-Due Payment Notices**

5 PG&E includes a CARE application in 15-day past-due
6 payment notices. Customer's experiencing financial difficulties
7 and meet the income qualification guidelines can be assisted
8 through the CARE Program.

9 **(b) Automated Phone Enrollment**

10 PG&E conducts automated outbound phone calls, enabling
11 customers to verify their eligibility and enroll/recertify for CARE
12 via a touchtone phone.

13 **(c) Automatic Enrollment**

14 PG&E conducts automated CARE enrollment via
15 collaboration with other internal and external assistance
16 programs and cross-utility data sharing. PG&E runs monthly
17 reports of customers who have participated in the ESA Program,
18 Low Income Home Energy Assistance Program (LIHEAP), or
19 Relief for Energy Assistance through Community Help Program,
20 and automatically enrolls these customers in CARE. PG&E also
21 leverages with other investor-owned and municipal utilities by
22 exchanging data of enrolled CARE customers in the shared
23 service areas with Southern California Gas, Southern California
24 Edison Company, Sacramento Municipal Utility District, and
25 Modesto Irrigation District.

26 **(d) Bill Insert**

27 PG&E inserts a postage-paid, self-addressed CARE
28 application in all residential, non-CARE customer bills, generally
29 three times per year.

[4] PG&E's 2011 Annual Report:
<http://docs.cpuc.ca.gov/efile/REPORT/134805.pdf>

1 **(e) Community Outreach Contractor Partnerships**

2 PG&E contracts with community-based organizations to
3 promote CARE to their clients, including disabled, senior, ethnic,
4 and faith-based customers. PG&E contracts with at least one
5 COC in each of the 48 counties that PG&E provides service.
6 PG&E supports COCs by providing collateral materials, a monthly
7 newsletter, a toll-free phone/fax line, an email address and
8 holding regional meetings, office visits, training sessions and
9 partnered enrollment events. In 2012-2014 PG&E plans to
10 expand the scope of work these COC's provide to include
11 retention of customers enrolled in the program and support the
12 Commission's goal of providing assistance to all eligible
13 customers by 2020.

14 **(f) Community Events**

15 PG&E participates in outreach events across the service area
16 (including job, community, senior, health, and ethnic fairs).
17 CARE representatives provide customers with face-to-face
18 assistance and help them to complete the CARE application.

19 **(g) Direct Mail**

20 PG&E implements a number of targeted, bi-lingual direct mail
21 initiatives. PG&E contacts customers at their homes and
22 in-language using a postage-paid, self-addressed application,
23 thereby reducing barriers to accessibility of CARE enrollment
24 information.

25 **(h) Door-to-Door Canvassing**

26 The CARE Program works closely with two third-party
27 vendors to conduct door-to-door outreach. One of these vendors
28 concentrates on remote rural areas, targeting the
29 hardest-to-reach segment of CARE-eligible customers and the
30 other works in more suburban and urban areas.

1 **(i) Ethnic Media**

2 PG&E partners with ethnic media channels (including
3 television, radio and print) to drive CARE Program awareness
4 among eligible households.

5 **(j) Local Office Partnership**

6 PG&E partners with local offices to maintain self-service
7 kiosks, which allow customers to apply for CARE while waiting to
8 speak to a customer service representative.

9 **(k) Online Enrollment**

10 PG&E facilitates online enrollment, enabling customers to
11 complete a CARE application and enroll their household in the
12 program electronically. This initiative is highly cost effective since
13 it produces a large number of enrollments at a minimal cost. A
14 paperless application process also reduces environmental
15 impact.

16 **(l) Social Media**

17 PG&E promotes CARE through Facebook to encourage
18 awareness and enrollment of qualifying customers.

19 **(m) Welcome Packet**

20 PG&E inserts a postage-paid, self-addressed CARE
21 application in welcome packets distributed to customers who
22 open a new account.^[5]

23 **2. Incorporating Evaluation and Study Results**

24 In 2010, PG&E conducted a qualitative study to understand the
25 reasons why a significant percentage of households, approximately
26 18 percent for recertification and 48 percent for PEV requests, do not
27 respond. The survey was conducted via in-depth telephone
28 interviews with 48 interviewees in English, Spanish and Chinese.
29 The study indicated the following preliminary findings:

[5] Customers who were enrolled in CARE on a previous account within the past 90 days will have their discount automatically transferred when they open a new account.

- PEV respondents who have not heard back from PG&E in direct response to their original application are often unsure about their status as participants, leaving them uncertain as to whether they are enrolled in the program. For this reason, many conclude that they are ineligible and the request for income verification is perceived as questioning their eligibility.
- Customers find the recertification forms and PEV letter are clear and easy to understand. However, many PEV customers are overwhelmed by the number of documents requested.

The study found the primary reason the forms are not returned is the household's financial situation has changed and no longer meets the program requirements. New employment, increased income and changes in dependent or marital status are among the reasons given for dropping off the CARE Program.

The study discovered that PEV respondents who do not return the required financial documents fail to do so for a variety of reasons, such as: gathering income documentation is time-consuming, fear that information may be mishandled, or knowledge that they do not qualify for the program.

The study's main recommendations are as follows:

- Increase, and provide more clarity in communications with customers before, during and after the PEV process so they are aware of the status of their participation in CARE.
- Clarify and streamline the list of documents and sources of information that are acceptable as proof of income.
- Re-engineer the PG&E bill to make the CARE discount more prominent, adding a note when recertification is near.
- Promote the use of online and phone recertification.

Because apprehension is greatest among low income Hispanics, the study also recommends increasing efforts among this group with bi-lingual support and in-language materials.

1 While some recommendations are not feasible due to insufficient
2 funding, resources or timing, PG&E is exploring the possibility of
3 implementing many of the above recommendations in the 2012-2014
4 program cycle including:

- 5 • Increasing the fee paid to COCs from \$15.00 to \$18.00 per new
6 enrollment. This will enable the COCs to better reach
7 geographically dispersed CARE qualified households and break
8 down barriers to those uncomfortable providing personal
9 information.
- 10 • Paying the COCs up to \$18.00 for assisting customers with
11 completion of the PEV process which according to the study
12 results is a difficult process to complete for many customers.
- 13 • Providing in-language notification/confirmation of the household's
14 status on CARE (enrollment and un-enrollment). This will
15 minimize confusion noted by some customers in the study as to
16 whether or not they are enrolled in CARE.
- 17 • Increase awareness of online and phone recertification
18 processes.

19 **3. New and Proposed Strategies**

20 **(a) Context for Proposed Changes and Strategies**

21 From 2008 to 2010, PG&E saw the number of very high
22 usage CARE households increase by over 70 percent, compared
23 to a 32 percent increase in overall CARE population. This growth
24 has substantially increased the subsidy supported by other
25 ratepayers. PG&E completed internal analyses on household
26 demographics, characteristics and usage patterns to better
27 understand the breakdown of users and assess possible causes
28 of this growth. PG&E looked both at CARE households and
29 non-CARE households as comparators to better understand the
30 similarities and differences between the two bases. In addition,
31 PG&E conducted a survey of studies done by various industry
32 groups and energy experts, including the Commission sanctioned
33 KEMA Needs Assessment, to explore the relationship between

1 income, usage and other factors such as appliance load and
2 number of residents in the household.

3 Studies done by expert groups reveal the following
4 information. First, there is a very clear correlation between usage
5 and income levels noted in all studies reviewed.^[6] The 2008
6 study “A Comparison of Per Capita Electricity Consumption in the
7 United States and California,” noted that on average, an
8 additional \$1,000 of income corresponds to 40 kilowatt-hour
9 (kWh) annually (p. 8-128).

10 Second, on average, low income customers spend less on
11 their energy costs. As noted in the KEMA study, “the average
12 low income household spends nearly \$950 on annual energy
13 costs (or nearly \$80 per month), which compares to just about
14 \$1,200 per year (or \$100 per month) for the average residential
15 household” (p. 4-26).

16 Lastly, the KEMA study also notes that low income
17 households tend to be smaller and have fewer appliances and
18 electronics than do non-low income households. While these
19 electricity-consuming devices do tend to be less efficient in low
20 income homes and there are, on average, more people living in
21 the home, these differences do not overcome the gap from the
22 “considerably smaller” square footage.

[6] KEMA Low Income Needs Study, 2007.
A Comparison of Per Capital Electricity Consumption in the United States and
California, 2008.
Study by NREEP - Bringing Residential Energy Efficiency to Scale, 2009.
California Statewide Residential Saturation Study website -
<http://websafe.kemainc.com/RASS2009/Query.aspx?QType=1&tabid=1>

**TABLE 2-6
PACIFIC GAS AND ELECTRIC COMPANY
HIGH USAGE CARE CUSTOMER CHARACTERISTICS COMPARISON**

Line No.	House Characteristics	Avg 600 Percent+ Baseline Customer	Avg 400-600 Percent Baseline Customer	"Average" Customer(a)
1	Square Footage(a)	6,000	3,000	1,438
2	No. Inhabitants	9	5	3
3	Heating/Cooling Load	Double (200%)	133%	Avg (100%)
4	Auxiliary heat	3,750	1,200	—
5	Pool Equipment	3,400	2,650	—
6	Hot Tub/Spa	1,000	1,000	—
7	Lighting/Misc.	4,400	2,700	1,750
8	Refrigerator	1,100	1,100	1,100
9	Stand Alone Freezer	1,100	1,100	—
10	Central AC	6,650	2,750	1,350
11	Clothes Dryer	2,700	1,350	750
12	TVs	1,800	1,200	750
13	Dishwasher	1,350	650	350
14	Cooking	700	600	400
15	Microwave	500	350	200
16	Electronics	1,250	700	250
17	Water Well	2,950	1,650	—
18	Total Annual kWh	32,650	19,000	6,900
19	Weighted Average(b)	~40,000	~21,500	~7,800

(a) The "Average" customer represents one with all standard appliances, whereas the average low income customer may not, and therefore would use less energy.

(b) Weighted Average takes into consideration water and space heating for the 16 percent of customers with all electric service.

1 PG&E proposes the following strategies to address extreme
2 high energy users on CARE to be implemented in the 2012-2014
3 program cycle:

4 **(b) PG&E Proposes an Enhanced Process for Notifying Customers**
5 **Above 400 Percent of Baseline**

6 As described above, approximately 1 percent of current
7 CARE Program participants have average annual usage above
8 400 percent of baseline. To address the current households in
9 this group, PG&E proposes a notification process to give
10 customers the opportunity to take the actions necessary to
11 continue participation in the CARE Program.

12 PG&E's proposed process will involve sending selected
13 customers a letter in-language that notifies them that their energy

1 usage level is extremely high (>400 percent of baseline) and
2 inconsistent with a typical CARE household's usage.

3 For households with usage between 400 percent and
4 600 percent of baseline, the notice will indicate that they have
5 been selected for PEV and in order to continue receiving the
6 CARE discounted rate, they must demonstrate they are qualified
7 to be on the program and make a commitment to becoming more
8 energy efficient by consenting to participate in the ESA Program.
9 The letter will explain that ESA involves an in-home energy
10 efficiency audit, and if eligible, improvements to their house,
11 apartment or mobile home.

12 Customers who respond within the allotted timeframe with the
13 appropriate income documentation and ESA Program consent
14 form will be later contacted by an ESA Program Contractor to
15 complete the program, and will remain on CARE. Those who do
16 not comply will be removed from the program and must follow the
17 stated requirements in order to re-enroll in CARE.

18 For households with usage at or above 600 percent of
19 baseline, the notice will indicate that they will automatically be
20 deemed ineligible for the CARE Program, effective in 180 days
21 from the date of notice, unless they are able to reduce, and
22 sustain, their usage below the 600 percent level. The notice will
23 also provide information about resources that are available to
24 customers to reduce usage. After 180 days, if the average
25 annual usage has not dropped below 600 percent of baseline, the
26 household will be removed from the CARE Program in the next
27 billing cycle and the customer will be notified of this action. If a
28 household is able to reduce its usage to demonstrate the annual
29 average below the 600 percent level, such customer will then
30 receive the notices described above for households between
31 400 percent and 600 percent of baseline.

32 The budget impact for PG&E's proposed strategies for
33 addressing the top ~1 percent of high use customers will be
34 approximately \$73,000 in PY 2012 to add a flag in the Customer

1 Care and Billing System. The other activities are integrated with
2 existing processes and procedures, resulting in no incremental
3 expense.

4 **(c) PG&E Proposes Declaring Households With Annual Electric**
5 **Usage at or Above 600 Percent of Baseline Ineligible for the**
6 **CARE Program**

7 PG&E has identified approximately 5,000 CARE households
8 with energy consumption at egregious levels. These outlying
9 customers, with usage at or above 600 percent of baseline,
10 represent less than 0.4 percent of the total CARE population.
11 Households exhibiting usage at this level are inconsistent with
12 typical low-income CARE household profile. Customers with the
13 capacity to generate this level of usage and support their energy
14 costs at this amount are not likely to be true low income
15 customers. Yet these users continue to benefit from CARE
16 subsidies that PG&E's non-CARE customers must bear.

17 Therefore, in the 2012-14 program cycle, PG&E requests that
18 households with usage above 600 percent of baseline be
19 deemed ineligible for the CARE Program because their level of
20 usage indicates they are income ineligible for the CARE Program.
21 These customers will be moved to a regular residential rate plan.
22 Customers removed from CARE for this reason will be allowed to
23 re-enroll in CARE when they demonstrate their annualized level
24 of usage has consistently dropped below the 600 percent of
25 baseline threshold for at least 90 days. However, customers that
26 reduce their usage and re-enroll in the CARE Program may also
27 be subject to more stringent income documentation and
28 agreement to participate in the ESA Program. PG&E offers a
29 variety of programs and services to help customers in their
30 conservation efforts and lower their overall usage.

1 **(d) PG&E Proposes Households With Annual Electric Usage**
2 **Between 400 Percent and 600 Percent of Baseline Demonstrate**
3 **Commitment to Energy Efficiency by Consenting to Participate**
4 **in the ESA Program and Provide More Stringent Income**
5 **Documentation**

6 PG&E has identified approximately 0.7 percent of
7 participants, or 10,000 CARE households, with extremely high
8 usage as identified by annual consumption between 400 percent
9 and 600 percent of baseline. PG&E non-CARE ratepayers are
10 currently subsidizing this extreme usage. PG&E has a
11 responsibility to ensure these customers are income qualified and
12 that they agree to participate in the ESA Program in order to
13 assist with efforts to make their house as energy efficient as
14 possible.

15 Since these customers may have difficulty becoming energy
16 efficient and decreasing their usage on their own, CARE
17 households with extremely high usage can particularly benefit
18 from the ESA Program. In Decision 08-11-031, the CPUC
19 concurred with this sentiment, stating *“High energy users are*
20 *more likely to need retrofits to their housing structure in order to*
21 *reduce their energy consumption.”*

22 This is also reiterated on page 19 of the 2009 National
23 Residential Energy Efficiency Program (NREEP) study, “Bringing
24 Residential Energy Efficiency to Scale”, where the following is
25 noted about customers at or below 200 percent of the Federal
26 Poverty Level (FPL):

27 *“These poorest households have a higher need for energy*
28 *efficiency because they live in older, less efficient homes and do*
29 *not have the resources to pay for these higher energy costs.*
30 *They also have the least ability to pay for efficiency*
31 *improvements because of their lower income and net worth.”*

32 PG&E seeks authorization from the Commission to put in
33 place a process which would require that those customers with
34 annual electric usage between 400 percent and 600 percent of

1 baseline, agree to participate in the ESA Program as a condition
2 of their continued participation on CARE.

3 For many years, the CARE Program and the ESA Program
4 have been closely integrated to serve qualified households, and
5 this proposal further integrates these two programs.

- 6 • CARE Households– participation in the ESA Program will
7 enable them to decrease their bills and become more energy
8 efficient. A recent quarterly survey of CARE households
9 indicates that many are interested in PG&E providing further
10 measures to help them decrease their bills.
- 11 • Non-CARE Households – decreasing high CARE usage will
12 lessen the amount of subsidy these customers pay through
13 their rates.
- 14 • ESA Program – the closer connection with the CARE
15 households represents an efficient and realizable source of
16 leads towards the target goals.

17 PG&E’s CARE Program and ESA Program management will
18 work together closely to implement this requirement at a
19 manageable pace, taking into account customer response rates
20 and contractor availability. Prior to removing any customer from
21 CARE for failure to respond, PG&E will provide these customers
22 with ample opportunity to participate in the ESA Program and a
23 courtesy reminder to complete the consent agreement.

24 **(e) PG&E Proposes Adoption of Standard Income Verification**
25 **Document for Users Between 400 and 600 Percent of Baseline**

26 As discussed previously, the number of households using at
27 or above 400 percent of baseline and the size of the CARE
28 subsidy for this group is a growing concern. PG&E is responsible
29 for ensuring its CARE customers are eligible for the program and
30 that non-CARE ratepayers are not subsidizing unqualified
31 customers.

32 The current array of income documents that customers can
33 provide to PG&E for PEV, which includes a self-certified letter

1 declaring their income, is insufficient for this group of high-use
2 customers. Given the level of subsidy consumed by those
3 between 400 percent and 600 percent of baseline,^[7] PG&E
4 proposes that this group be obligated to provide a more stringent
5 proof of income verification, regardless of whether they qualified
6 for the program under the categorical option. Therefore, PG&E
7 proposes that customers between 400 and 600 percent of
8 baseline selected for PEV must, as a condition to remain on
9 CARE, provide a state or federally verified form of income proof,
10 such as the household's annual tax returns.

11 **(f) PG&E Proposes Increase of Capitation Fee Paid to COCs**

12 Decision 01-06-010 and Decision 02-01-040 authorized a
13 capitation fee of up to \$12.00 for each new CARE enrollment,
14 which was increased to up to \$15.00 in Decision 06-12-038.
15 Because PG&E has exceeded the 90 percent penetration rate,
16 there are greater barriers to reaching the remaining eligible
17 customers. In addition, the costs of fuel have risen considerably
18 in recent years, making the COC outreach more expensive to
19 conduct. Therefore, PG&E requests an increase of the capitation
20 fee from up to \$15.00 to up to \$18.00 for each new enrollment.

21 **(g) PG&E Proposes Implementation of a PEV Capitation Fee to**
22 **COCs**

23 In pursuit of our goal to ensure only income qualified
24 customers are enrolled in the CARE Program, PG&E strives to
25 strengthen the PEV process. As noted in the preliminary PEV
26 study results, it is crucial to ensure CARE customers have
27 various trusted resources available to support them through this
28 process and clarify outstanding questions or confusion they may
29 have. To this end, PG&E proposes a new PEV fee of up to
30 \$18.00 for COCs who assist customers in completing and
31 submitting their PEV documentation.

[7] Approximately \$30 million in aggregate annually based on PG&E's proposed GRC Phase 2 rates.

1 The estimated budget for both fees combined is \$200,000
2 annually.

3 **(h) PG&E Proposes Additional Languages: Russian, Hmong and**
4 **Korean**

5 Currently, PG&E offers English, Spanish, Chinese and
6 Vietnamese in-language communication. PG&E requests
7 additional funding to add the following languages: Russian,
8 Hmong and Korean in order to reach more CARE customers
9 in-language and remain consistent with the ESA Program's
10 outreach languages. This would require creation of new
11 materials, toll-free line verbiage, website verbiage, event
12 participation and other outreach efforts. The estimated budget for
13 this approach is \$374,000 for PY 2012-2014.

14 **(i) PG&E Recommends the Commission Revisit the Categorical**
15 **Programs Accepted for Automatic Eligibility for CARE**

16 Decision 06 12-038 first adopted CE, which was expanded in
17 Decision 08-11-031 to make all categorical eligibility requirements
18 that apply to LifeLine also apply to Low Income Energy Efficiency
19 (LIEE) and CARE. In that decision, the Commission also stated
20 *"If the IOUs find that certain listed programs have eligibility*
21 *requirements that differ from the requirements applicable to LIEE*
22 *and CARE, they may renew their request for a workshop, listing*
23 *the programs that present problems, the problems at issue, and*
24 *their proposed response."*

25 At this time, PG&E's review of the guidelines for the CE's
26 public assistance programs has determined most do not align
27 with CARE Program guidelines. As described in the Table 2-7,
28 programs' income guidelines are either higher than 200 percent
29 of the FPL, or are individually, rather than household based.

**TABLE 2-7
PACIFIC GAS AND ELECTRIC COMPANY
CURRENT PROGRAMS WHICH QUALIFY A CUSTOMER TO
CATEGORICALLY ENROLL IN CARE**

Program Name	Eligibility Criterion	Does the program eligibility criterion align with CARE / ESA Program eligibility? (Yes/No)
CARE	Total household income must be at or below 200% of the Federal Poverty Guidelines. Gross income from all sources of all persons living in the home. A household may also qualify if they participate in a specific public assistance program.	N/A
Energy Savings Assistance Program	Total household income must be at or below 200% of the Federal Poverty Guidelines. Gross income from all sources of all persons living in the home. A household may also qualify if they participate in a specific public assistance program.	N/A
Medicaid/Medi-Cal	<p>Various Income guidelines, depending on program. Incomes range from 100% to 200% of Federal Poverty Guidelines.</p> <p>Qualification is based on family size and income rather than household size.</p> <p>Gross family income less allowable expenses: \$90 in work expense, \$50 in child support, dependent adult care up to \$175; child care expenses up to \$200.</p> <p>Income not included: income of step parent, SSI/SSP, foster care payments CALWORKS, General Relief, Loans, College Work Study, Gov benefits. Medicare costs.</p>	No. Medicaid/Medi-Cal does not consider the income of all people living in the household. Allows exemptions for certain types of income which is inconsistent with CARE and Energy Savings Assistance Program guidelines.
Supplemental Security Income (SSI)	An individual can qualify for the program. Can be independent or living in a household with other persons. Anyone who meets the eligibility criteria can receive it. Disabled or blind children can also receive SSI.	No. SSI does not consider the income of all people living in the household. Allows exemptions for certain types of income which is inconsistent with CARE and Energy Savings Assistance Program guidelines.

**TABLE 2-7
PACIFIC GAS AND ELECTRIC COMPANY
CURRENT PROGRAMS WHICH QUALIFY A CUSTOMER TO
CATEGORICALLY ENROLL IN CARE
(CONTINUED)**

Program Name	Eligibility Criterion	Does the program eligibility criterion align with CARE / ESA Program eligibility? (Yes/No)
CalFresh/Supplemental Nutrition Assistance Program (SNAP)/Food Stamps	<p>Gross Monthly Income of 130% of the Federal Poverty Guidelines for non-senior or non-disabled households.</p> <p>Gross Monthly Income of up to 165% of the Federal Poverty Guidelines for the elderly or persons with a disability.</p> <p>Households have to meet income tests unless all members are receiving TANF, SSI, or in some places general assistance. Most households must meet both the gross and net income tests, but a household with an elderly person or a person who is receiving certain types of disability payments only has to meet the net income test.</p> <p>Everyone who lives together and purchases and prepares meals together is grouped together as one household. However, if a person is 60 years of age or older and he or she is unable to purchase and prepare meals separately because of a permanent disability, the person and the person's spouse may be a separate household if the others they live with do not have very much income. (More than 165% of the poverty level.)</p>	No. CalFresh/SNAP/Food Stamps does not consider the income of all people living in the household.
Low Income Home Energy Assistance Program (LIHEAP)	Income guidelines are based on 75% of the State's median income (between 210%-215% of the Federal Poverty Guidelines).	No. LIHEAP income guidelines may exceed CARE and Energy Savings Assistance Program income guidelines depending on number of people in the household.
Women, Infants, and Children (WIC)	Gross family income instead of household income.	No. WIC does not consider the income of all people living in the household. There can be multiple families within the dwelling unit. Total household income could exceed CARE and Energy Savings Assistance Program income guidelines.

**TABLE 2-7
PACIFIC GAS AND ELECTRIC COMPANY
CURRENT PROGRAMS WHICH QUALIFY A CUSTOMER TO
CATEGORICALLY ENROLL IN CARE
(CONTINUED)**

Program Name	Eligibility Criterion	Does the program eligibility criterion align with CARE / ESA Program eligibility? (Yes/No)
Healthy Families A & B	<p>Yearly Income is 200% & 250% of Federal Poverty Guidelines and not eligible for Medi-Cal.</p> <p>Parent's gross monthly income after allowance for certain child and dependent adult care expense and other sources of income.</p> <p>Income not included: income of step parent, SSI/SSP, foster care payments CALWORKS, General Relief, Loans, College Work Study, Gov benefits.</p> <p>Allowable expenses include \$90 in work expense, \$50 in child support, dependent adult care up to \$175; child care expenses up to \$200.</p>	No. Healthy Families does not consider the income of all people living in the household.
CalWORKs/Temporary Assistance for Needy Families (TANF) and Tribal TANF	<p>Family income instead of household income. Must have a net monthly income less than the maximum aid payment for family size. \$2,000 - \$3,000 for seniors' property limit excluding vehicles and \$5,000 in restricted bank accounts. Gross income must be below \$784 per month. Non-countable income allowance of \$90 per month per employed household member.</p> <p>Criteria for Tribal TANF can vary for each Tribe.</p>	No. CalWORKs/TANF/Tribal TANF does not count "gross income" from all household members and has income exemptions for some working family members.
National School Lunch Program (NSLP)	<p>Below 130% of FPG for free lunch and milk.</p> <p>Gross annual income of family unit. Related or non-related members living as one economic unit.</p>	No – while income guidelines are within the parameters of CARE, it has categorical programs not within CARE parameters that present loopholes.
Bureau of Indian Affairs General Assistance	<p>Is decided by each federally recognized tribe. Income eligibility cannot exceed that of the State or Federal Poverty Guidelines. Exhausted all other prior resources before they will be eligible.</p> <p>Establish household sources of income and amounts, including gambling winnings.</p>	No – does not count individuals in the household.

1 conducting further analysis of in-house customer information. By
2 focusing on improved targeting strategies, PG&E aims to
3 increase enrollment rates and decrease overall project costs.

4 **(k) CARE Tier 3 Rate Communication**

5 As noted in the KEMA study, it is important to educate
6 potential customers about the program as well as inform
7 customers enrolled in the program about changes so that they
8 can better manage their usage and monthly bill. This is
9 particularly important given that CARE households could be
10 impacted by even small changes in the amount they owe, and will
11 need to proactively manage their energy consumption. To
12 ensure CARE customers are well informed of upcoming General
13 Rate Case (GRC) Phase II rate changes, PG&E plans to
14 communicate via the following methods: multi-lingual direct mail,
15 Interactive Voice Response phone calls, collateral distribution to
16 COCs and third-party partners and door-to-door canvassing. The
17 estimated budget for this is \$1 million in PY 2012.

18 **E. OTHER CARE PROGRAM ELEMENTS**

19 **1. Cooling Centers Program**

20 Cooling Centers are facilities opened to the public and operated
21 during hot summer months to provide shelter from heat. The use of
22 Cooling Centers can reduce the risk of experiencing heat-induced
23 ailments for the targeted population of elderly and low-income
24 citizens.

25 PG&E's Cooling Centers Program worked with local governments
26 to support their existing cooling centers, to educate targeted
27 customers on heat preparedness, and to publicize the location and
28 accessibility of Cooling Center locations within PG&E's service area.
29 Decision 08-11-031 adopted the Cooling Centers Program for
30 2009-2011, funded within the CARE Program.

31 For 2012–2014 cycle, PG&E requests the continuing of the
32 Cooling Centers Program. The estimated budget for this program is

1 \$229,000 for PY 2012, \$236,000 for PY 2013, and \$243,000 for
2 PY 2014.

3 **2. Community Help and Awareness with Natural Gas and Electricity**
4 **Services (CHANGES)**

5 The CHANGES pilot program was ordered by CPUC Resolution
6 CSID-004 which will provide energy-related (electric and natural gas)
7 education, needs resolution and outreach program for limited English
8 proficient consumers.

9 This pilot program is supported by the four major IOUs in
10 California and administered by Self-Help for the Elderly. The pilot will
11 be funded at \$500,000 through CARE outreach funds, consistent with
12 Public Utility Code Section 739.4 (d), which permits the use of the
13 funds to provide services to help low income utility customers and
14 seniors to avoid unnecessary disconnections by providing information
15 about assistance in enrolling programs, payment arrangements, and
16 level payment plans. PG&E's portion of the pilot program and
17 evaluation is \$150,000. The pilot program runs from February 1,
18 2011-November 31, 2011. Following the completion of the
19 CHANGES Program an evaluation will be completed. At that time the
20 Commission will determine if the CHANGES Program will be
21 continued and if applicable, the source and amount of funding. By
22 December 31, 2011, the Commission's Consumer Service and
23 Information Division shall recommend to the Commission whether the
24 CHANGES pilot should continue as a permanent ongoing
25 Commission program.

26 **3. Water Utility Data Sharing Order Instituting Rulemaking 09-12-017**

27 PG&E expects that the implementation of data sharing
28 agreements with the water utilities will be a continuation and slight
29 expansion of existing processes. PG&E's existing data sharing
30 processes generally entail smaller volume exchanges and are only
31 semi-automated. Nevertheless, PG&E believes that the costs
32 incurred to implement these agreements will be minimal; provided
33 that there are not new parameters added which will reduce PG&E's
34 ability to utilize existing processes and procedures or a significant

1 increase in the frequency and complexity of exchanges required with
2 the individual Class A and Class B water utilities. Thus, PG&E
3 anticipates that the proposed budget for the Information Technology
4 (IT) Programming category will be sufficient to fund these costs.
5 However, PG&E requests that the Commission allow the IOUs to
6 seek additional funding in this area through a Tier 2 advice letter in
7 the event that any unforeseen substantial costs are incurred.

8 **F. PILOTS**

9 PG&E is not proposing new pilots for the CARE Program in this
10 application.

11 **G. STUDIES**

12 PG&E is not proposing new studies in this application.

13 **H. BUDGET**

14 **1. Specific Strategies and Programs for the Budget Years 2012-2014**

15 To effectively carry out CARE Program plans and activities to
16 support the Commission's goal of enrolling all eligible customers,
17 PG&E proposes an annual administrative budget of \$12,081,000 for
18 PY 2012, \$11,287,000 for PY 2013 and \$11,650,000 for PY 2014.
19 The entire administrative budget for PY 2012-2014 is \$35,018,000.
20 (Refer to Attachment B-1) In PY 2009-2011, the approved
21 administrative budget was \$27.8 million. The increase in this budget
22 cycle is due primarily to:

- 23 • Additional \$200,000 for increased capitation fee and creation of
24 fee for PEV assistance.
- 25 • Cooling Center budget decreases to align with budget spend in
26 2009 and 2011.
- 27 • General Administration budget increases by \$1.4 million annually
28 for increased customer notification (annual notice to current
29 CARE customers and notice when a customer is enrolled in or
30 removed from CARE).
- 31 • IT Programming costs of \$473,000 annually for enhancements
32 and updates to the CARE online application and for additional

1 data sharing requirements as well as adding a customer
2 designation flag in the billing system.

- 3 • Cost of \$1 million to communicate a new Tier 3 CARE rate
4 increase to CARE customers.

5 The following is a description of each cost category:

6 **(a) Marketing and Education**

7 PG&E's marketing costs are estimated to \$6,651,000 for
8 PY 2012, \$5,818,000 for PY 2013, and \$6,001,000 for PY 2014.
9 In each year, this cost category includes: printing and mailing
10 CARE applications and correspondence, bill inserts, SB 920
11 annual notification; postage (outbound and inbound); brochures,
12 flyers, and other collateral; purchase and storage of promotional
13 items; advertising (includes ethnic print and broadcast mass
14 media); campaigns (direct mail, email, and telephone); toll-free
15 line maintenance and operation; third party outbound call
16 contractor and outreach contractors; community events, e.g.,
17 fees, local sponsorships, catering, support; marketing staff labor
18 and travel expenses; capitation payments; and other marketing,
19 education and enrollment efforts.

20 **(b) Processing, Certification and Recertification**

21 PG&E's processing, certification and recertification costs are
22 estimated to \$1,607,000 for PY 2012, \$1,667,000 for PY 2013,
23 and \$1,729,000 for PY 2014. This cost category includes:
24 opening and sorting CARE application forms, processing, data
25 entry, scanning and associated labor; initiating and responding to
26 customers' inquiries by mail or phone regarding CARE
27 application/program participation; resolving billing issues related
28 to CARE Program enrollment; tracking CARE operating statistics
29 in support of operations, management and regulatory support;
30 and training.

31 **(c) Post Enrollment Verification**

32 PG&E's PEV costs are estimated to \$375,000 for PY 2012,
33 \$388,000 for PY 2013, and \$402,000 for PY 2014. These costs

1 are in alignment with the 2009-2011 program cycle. This cost
2 category includes: opening and sorting CARE verification
3 correspondence, data entry, scanning and associated labor;
4 initiating and responding to customers' inquiries by mail or phone
5 regarding CARE PEV; resolving billing issues related to CARE
6 PEV; tracking CARE operating statistics in support of operations,
7 management and regulatory support; and training.

8 **(d) Pilots**

9 PG&E is not proposing any pilots during PY 2012-2014 and
10 therefore did not include budget for this cost category.

11 **(e) IT Programming**

12 PG&E's IT programming costs are estimated to \$751,000 for
13 PY 2012, \$646,000 for PY 2013, and \$651,000 for PY 2014. This
14 cost category includes: software enhancements, maintenance
15 and licensing; system maintenance; IT labor for programming and
16 data exchanges (including implementation of data sharing with
17 water utilities); on-line application development and website
18 support; and automatic enrollment.

19 **(f) Measurement and Evaluation (M&E)**

20 PG&E's M&E costs are estimated to \$45,000 for PY 2012,
21 \$46,000 for PY 2013, and \$48,000 for PY 2014 for annual joint
22 utilities' CARE Program eligibility update. PG&E is not proposing
23 any M&E studies for the CARE Program during PY 2012-2014
24 therefore did not include a budget for them.

25 **(g) Regulatory Compliance**

26 PG&E's regulatory compliance costs are estimated to be
27 \$311,000 for PY 2012, \$316,000 for PY 2013, and \$342,000 for
28 PY 2014. This cost category includes: labor and travel expenses
29 related to preparing regulatory filings including applications,
30 advice letters, comments, tariff revisions, reports, studies,
31 measurement, and attendance at meetings and workshops; and
32 contractor cost for data support.

1 **(h) General Administration**

2 PG&E's general administration costs are estimated to
3 \$1,984,000 for PY 2012, \$2,042,000 for PY 2013, and
4 \$2,106,000 for PY 2014. This cost category includes: labor,
5 non-labor; expenses for travel, conferences and training; office
6 supplies; office equipment; printing; market research; and
7 technical hardware/software and database maintenance and
8 technical updates.

9 **(i) CPUC Energy Division Staff**

10 The ED provided projected costs of \$128,000 annually for
11 PY 2012-2014. This cost category includes invoices for CPUC
12 ED Staff costs.

13 **(j) Cooling Centers**

14 PG&E's Cooling Centers Program budget are currently
15 recovered through the CARE Account during 2009-2011 PYs.
16 These costs are estimated to be \$229,000 for PY 2012, \$236,000
17 for PY 2013, and \$243,000 for PY 2014. This cost category
18 includes: direct funding to cooling centers/program
19 administrators; collateral materials and printing; transportation;
20 Cool Center website development and support; toll-free line
21 maintenance and operation; events; and staff labor and travel for
22 program management.

23 **2. Consistent Program Tracking Program Costs Across the Utilities.**

24 PG&E proposes to track program costs consistent with the
25 program budget categories defined in Attachment B-1 of this
26 testimony. The program budget categories in Attachment B-1 are
27 used for monthly and annual CARE Program reporting and were most
28 recently revised in 2009 for the 2009-2011 program cycles. PG&E
29 proposes to maintain monthly and annual reporting according to the
30 approved CARE Program reporting categories in 2012, 2013 and
31 2014. PG&E believes this will permit comparable cost benefit
32 analysis of each program element across the utilities. PG&E will
33 continue to work with ED to adjust the content and format of the

1 reports with the goal of presenting streamlined information that
2 facilitates program oversight.

3 **3. Budget Flexibility and Fund Shifting**

4 PG&E's 2012, 2013 and 2014 CARE budgets include anticipated
5 expenditures based on current Commission directives and program
6 parameters, and do not include any expenditures for additional
7 administrative activities that the utilities may be ordered to undertake
8 in the future. Moreover, the uncertainty posed by implementation of
9 any unknown or undefined Commission project could require
10 subsequent revision to the administrative budget if actual utility
11 expenditures exceed the Commission's and PG&E's initial estimates.
12 If actual expenditures for implementing all aspects of CARE
13 administration, including customer outreach, exceed the proposed
14 budget due to an increase in the Commission's initial scope of work,
15 PG&E will seek to be fully compensated for any reasonable increased
16 costs incurred as a result of implementing the Commission's policy. If
17 the Commission is delayed in issuing a decision on PG&E's
18 2012-2014 ESA Programs budget application, PG&E requests interim
19 authorization from the Commission to continue CARE Program
20 administration activities into 2012 to avoid any interruption of the
21 CARE Program.

22 PG&E is not requesting any changes to the current CARE fund
23 shifting rules as authorized in Decision 08-11-031.

24 **I. REVENUE REQUIREMENTS AND RATE IMPACTS**

25 This section presents the electric revenue and gas CARE funding
26 requirements and cost recovery proposal supporting PG&E's 2012-2014
27 CARE shortfall and administration-related cost proposal. PG&E proposes
28 to increase its 2012 electric CARE administration revenue requirement by
29 \$2.15 million and to increase its 2012 gas CARE administration funding
30 requirement by \$.39 million. PG&E's proposed CARE
31 administration-related funding requirements for all three program years
32 are presented in Table 2-8 below.

33 The subsequent sections of this testimony address PG&E's proposed
34 2012-2014 CARE Program expenditure budgets, related funding

1 requirements, and cost recovery. Rate and bill impacts are also
2 presented.

TABLE 2-8
PACIFIC GAS AND ELECTRIC COMPANY
ELECTRIC REVENUE AND
G-PPP CARE FUNDING REQUIREMENTS FOR 2012-2014
(\$ THOUSANDS)

Line No.	Description	2012	2013	2014	Total
1	Electric Revenue Requirement (including FF&U)	\$9,872	\$9,241	\$9,538	\$28,651
2	G-PPP CARE Funding Requirement	2,291	2,145	2,214	6,649
3	Total	\$12,163	\$11,386	\$11,752	\$35,301

3 **1. Subsidy and Benefit Costs**

4 The CARE administrative budget includes costs to cover
5 outreach, application processing, certification, recertification,
6 post-enrollment income verification, system programming, program
7 supervision, regulatory, and other general administrative costs.
8 Approximately 850,000 PG&E CARE Program applications are
9 currently processed annually, and PG&E anticipates that this level of
10 activity will continue to increase through the 2012-2014 period.
11 CARE discounts are available to PG&E's gas and electric customers
12 with income levels not exceeding 200 percent of the FPL. Gas
13 customers are eligible to receive a 20 percent discount on their
14 monthly gas bills. Total electric CARE discounts range from
15 approximately 30 percent for Tier 1 usage to 55 percent for Tier 5
16 usage (based on PG&E's proposed GRC Phase 2 rates). As detailed
17 in Table 2-9, the CARE subsidy for both gas and electric customers is
18 forecast in 2012 to be \$660.22 million, a decrease of \$47.04 million
19 over the amount currently in rates for 2011.[9]

[9] The decrease in the CARE subsidy is due primarily to the assumption of the implementation of the electric CARE Tier 3 rate, in concurrence with the Proposed Decision and Alternate Proposed Decision for GRC Phase 2.

**TABLE 2-9
PACIFIC GAS AND ELECTRIC COMPANY
2012-2014 CARE SUBSIDY FORECAST
(\$ THOUSANDS)**

Line No.	CARE Subsidy Forecasts			
	Year	Electric(a)	Gas	Total(b)
1	2012	\$545,698	\$114,522	\$660,220
2	2013	\$515,644	\$117,385	\$633,029
3	2014	\$485,630	\$120,320	\$605,950

(a) The CARE subsidy forecast assumes implementation of the electric CARE Tier 3 rate in 2011, in concurrence with both the Proposed Decision and the Alternate Proposed Decision in the General Rate Case (GRC) Phase 2 proceeding, and subsequent CARE Tier 3 rate increases of \$0.015 in 2013 and 2014.

(b) CARE customers are also exempt from paying costs for Department of Water Resources Bonds, CARE Public Purpose Programs, and the California Solar Initiative. These exemptions are not reflected in the subsidy forecast and will total an estimated additional \$380 million in PY 2012-2014.

2. Balancing Account

PG&E proposes to continue the currently adopted method for allocating CARE administrative costs between gas and electric customers. Consistent with Decision 89-07-062, PG&E currently allocates the CARE administrative costs between electric and gas in proportion to the discounts received by CARE customers in the previous year. Consequently, for 2012-2014, PG&E will assign 81 percent of the CARE administrative costs to electric customers and 19 percent to gas customers.

Based on the \$35 million three-year CARE administrative cost budget proposed in Section III, PG&E will recover in rates \$28.65 million of CARE administrative costs, net of franchise fees and uncollectibles (FF&U), in the electric CARE rate components and \$6.65 million in the G-PPP CARE surcharge rates in 2012-2014.

Pursuant to Public Utilities Code Section 739.1, PG&E is authorized to record all reasonable administrative costs associated with the implementation of the CARE program. The total amount collected through CARE rates is equal to the sum of forecasted CARE discounts, forecasted CARE administrative costs, and end-of-year forecasted balances in the CARE balancing accounts.

CARE rates are equal to the CARE electric revenues and gas surcharges allocated to each applicable customer class divided by each customer classes adopted sales forecast.

3. Rate and Bill Impacts for CARE Administrative Costs Over the 2012-2014 Period

Approval of PG&E’s proposed 2012-2014 CARE Administrative budgets will result in an increase in PG&E’s electric Public Purpose Program (PPP) charges and an increase in PG&E’s G-PPP charges. PG&E’s proposed 2012-2014 electric CARE administrative cost increases among customer classes are shown in Table 2-10 for electric customers and the proposed 2012-2014 gas CARE administrative cost decreases among customer classes are shown in Table 2-11 for PG&E’s gas customers, below.

**TABLE 2-10
PACIFIC GAS AND ELECTRIC COMPANY
ESTIMATED ELECTRIC RATE IMPACTS FROM
2012-2014 CARE ADMINISTRATIVE PROGRAM REQUEST
(\$ THOUSANDS)**

Class/Schedule	2011 to 2012		2012 to 2013		2013 to 2014	
	Proposed Revenue	2011 to 2012	Proposed Revenue	2012 to 2013	Proposed Revenue	2013 to 2014
	Increase/(Decrease) (\$1,000's)	Percentage Change	Increase/(Decrease) (\$1,000's)	Percentage Change	Increase/(Decrease) (\$1,000's)	Percentage Change
Bundled						
Residential	\$670	0.01%	(\$199)	0.00%	\$91	0.00%
Small Commercial	\$291	0.02%	(\$86)	-0.01%	\$39	0.00%
Medium Commercial	\$295	0.02%	(\$87)	-0.01%	\$40	0.00%
Large Commercial	\$270	0.02%	(\$80)	-0.01%	\$36	0.00%
Streetlights	\$0	0.00%	(\$0)	0.00%	\$0	0.00%
Standby	\$9	0.02%	(\$3)	-0.01%	\$1	0.00%
Agriculture	\$138	0.02%	(\$41)	-0.01%	\$19	0.00%
Industrial	\$243	0.02%	(\$72)	-0.01%	\$33	0.00%
Total Bundled Change	\$1,917	0.02%	(\$568)	0.00%	\$259	0.00%
Direct Access Service						
Residential	\$6	0.03%	(\$2)	-0.01%	\$1	0.00%
Small Commercial	\$4	0.03%	(\$1)	-0.01%	\$0	0.00%
Medium Commercial	\$30	0.04%	(\$9)	-0.01%	\$4	0.00%
Large Commercial	\$79	0.04%	(\$23)	-0.01%	\$11	0.01%
Standby	\$0	0.03%	(\$0)	-0.01%	\$0	0.00%
Agriculture	\$1	0.03%	(\$0)	-0.01%	\$0	0.00%
Industrial	\$112	0.05%	(\$33)	-0.01%	\$15	0.01%
Total Direct Access Change	\$232	0.04%	(\$69)	-0.01%	\$31	0.01%

If PG&E’s CARE administration cost proposal is adopted, the bill for a typical bill bundled electric customer using 550 kWh per month

1 will increase \$0.01 from \$79.70 to \$79.71. The bill for a typical
 2 electric bundled customer using approximately twice the average
 3 baseline allowance, or 850 kWh per month, will increase \$0.03 from
 4 \$178.64 to \$178.67.

**TABLE 2-11
 PACIFIC GAS AND ELECTRIC COMPANY
 ESTIMATED GAS RATE IMPACTS FROM
 2012-2014 CARE ADMINISTRATIVE PROGRAM REQUEST
 (\$ THOUSANDS)**

Line No.	2011 Current Revenues	2011 to 2012 Proposed Revenue Change	2011 to 2012 Percent Change	2011 to 2013 Proposed Revenue Change	2011 to 2013 Percent Change	2011 to 2014 Proposed Revenue Change	Percent 2011 to 2014 Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Core Retail - Bundled *							
1	\$1,686,073	\$1,238	0.07%	\$1,998	0.12%	\$2,841	0.17%
2	\$542,593	\$398	0.07%	\$643	0.12%	\$914	0.17%
3	\$551,064	\$627	0.11%	\$1,012	0.18%	\$1,438	0.26%
4	\$36,672	\$53	0.14%	\$85	0.23%	\$121	0.33%
Core Retail - Transportation Only**							
5	\$13,609	\$20	0.15%	\$33	0.24%	\$47	0.34%
6	\$4,380	\$7	0.15%	\$11	0.24%	\$15	0.34%
7	\$81,574	\$226	0.28%	\$364	0.45%	\$518	0.64%
8	\$5,430	\$26	0.48%	\$43	0.78%	\$60	1.11%
Noncore - Transportation Only**							
9	\$43,941	\$276	0.63%	\$446	1.02%	\$634	1.44%
10	\$93,423	\$896	0.96%	\$1,447	1.55%	\$2,057	2.20%
11	\$450	\$621	138.04%	\$1,003	222.86%	\$1,425	316.80%
12	\$30,570	\$0	0.00%	\$0	0.00%	\$0	0.00%
13	\$21,182	\$0	0.00%	\$0	0.00%	\$0	0.00%
		\$1,794					
Wholesale - Transportation Only **							
14	\$82	\$0	0.00%	\$0	0.00%	\$0	0.00%
15	\$72	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	\$1,493	\$0	0.00%	\$0	0.00%	\$0	0.00%
17	\$16,080	\$25	0.16%	\$41	0.26%	\$58	0.36%
18	\$167,493	\$0	0.00%	\$0	0.00%	\$0	0.00%
19	\$3,296,182	\$4,414	0.13%	\$7,126	0.22%	\$10,130	0.31%

* Bundled core revenues are based on rates that include: i) an illustrative procurement component that recovers intrastate and interstate backbone transmission charges, storage, brokerage fees and an average annual Weighted Average Cost of Gas (WACOG) per therm; ii) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and iii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Actual procurement rate changes monthly.

** Transportation Only revenues are based on rates that include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and ii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Transportation only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.

5 If PG&E's CARE administration cost proposal is adopted, the bill
 6 for a typical bundled residential gas customer using 37 therms per
 7 month in 2012 will increase \$0.04 from \$44.22 to \$44.26.

8 PG&E will incorporate the annual electric CARE revenue
 9 requirement authorized in this proceeding into electric rates in the

1 AET with other rate changes effective January 1 of each year in the
2 program budget period, or as soon thereafter as possible. Any
3 required CARE electric rate change resulting from this proceeding will
4 be implemented in accordance with the then-current adopted revenue
5 allocation and rate design methods adopted for the CARE revenue
6 component of electric PPP rates.^[10]

7 PG&E will incorporate the gas funding requirement authorized in
8 this proceeding into gas rates in the annual G-PPP surcharge advice
9 letter and Annual Gas True-Up (AGT) filings with other rate changes
10 effective January 1 of each year in the program budget period, or as
11 soon thereafter as possible. Similarly, any gas CARE revenue
12 change will be allocated among customer classes consistent with
13 then-currently adopted practice. If a decision is not issued in time for
14 the October 31, 2011 PPP surcharge filing, PG&E requests that the
15 authority to supplement its PPP surcharge advice letter to incorporate
16 changes adopted in this proceeding. PG&E will consolidate the gas
17 funding requirement authorized in this proceeding into gas rates in
18 the annual G-PPP surcharge advice letter and AGT filings with other
19 rate changes effective January 1 of each year in the program budget
20 period, or as soon thereafter as possible. If a decision is not issued
21 in time for the October 31, 2011 PPP surcharge filing, PG&E
22 requests that the authority to supplement its PPP surcharge advice
23 letter to incorporate charges adopted in this proceeding.

24 On March 17, 2011, the Senate and Assembly passed Fiscal
25 Year 2011-2012 Budget Bill SB 69 that would allow for a transfer of
26 up to \$155 million by the Controller from the Gas Consumption
27 Surcharge Fund (Fund) to the General Fund (“sweep”). In the event
28 that SB 69 is enacted into law and insufficient Gas PPP surcharge
29 funds are returned to PG&E from the Board of Equalization such that
30 all or a portion of the CARE Program is impacted, PG&E requests
31 authorization to suspend or modify the gas portion of the CARE
32 Program. Additionally, PG&E requests authorization to immediately

^[10] The current methods for setting electric PPP rates, including the CARE surcharge, were adopted in Decision 07-09-004.

1 change the current administrative cost allocation of 81 percent
2 electric, 19 percent gas to 100 percent electric, 0 percent gas
3 (assuming all the CARE Program gas funds are taken) to properly
4 reflects administrative costs in the absence of a gas program.

5 **J. CONCLUSION**

6 For the aforementioned reasons, PG&E respectfully requests that the
7 Commission approve its CARE Program plans and budgets for
8 PY 2012-2014, as described in this testimony and PY 2012, PY 2013 and
9 PY 2014 CARE Program plan and forecasted administrative costs.

- 10 • Approval to continue existing CARE Program in 2012, using PY 2012
11 funds should the Commission be delayed in issuing a decision in this
12 proceeding before year-end 2011.
- 13 • Authorization to implement CARE Program changes and activities as
14 described in this testimony.
- 15 • Authorization to continue to reallocate funding among cost categories.

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENTS A THROUGH D

PACIFIC GAS AND ELECTRIC COMPANY
LOW INCOME PROGRAMS PY 2012-2014

EXCEL ATTACHMENTS

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PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT A
ESA PROGRAM

**PY 2012-2014 Energy Savings Assistance Program Proposed Electric & Gas Budget
Pacific Gas and Electric Company**

	PY2011 Authorized	PY 2012 Year-End Projected	PY 2013 Year-End Projected	PY 2014 Year-End Projected
Energy Savings Assistance Program				
Energy Efficiency	\$126,697,157			
Appliances ¹		\$29,189,000	\$36,041,000	\$37,324,000
Domestic Hot Water ²		\$9,221,000	\$11,397,000	\$11,802,000
Enclosure ³		\$33,985,000	\$41,950,000	\$43,444,000
HVAC ⁴		\$3,787,000	\$4,719,000	\$4,884,000
Maintenance		\$0	\$0	\$0
Lighting ⁵		\$24,699,000	\$30,488,000	\$31,573,000
Miscellaneous ⁶		\$9,487,000	\$11,523,000	\$11,932,000
Customer Enrollment	\$1,654,446	\$1,570,000	\$1,877,000	\$1,944,000
In Home Education	\$14,890,018	\$13,188,000	\$16,279,000	\$16,859,000
Pilot	\$516,666	\$0	\$0	\$0
Energy Efficiency Total	\$143,658,287	\$125,126,000	\$154,274,000	\$159,762,000
Training Center				
Inspections	\$942,706	\$914,000	\$944,000	\$976,000
Marketing and Outreach	\$5,917,128	\$5,847,000	\$6,046,000	\$6,252,000
Statewide Marketing Education and Outreach	\$1,988,195	\$1,856,000	\$1,913,000	\$1,980,000
Measurement and Evaluation Studies ⁷	\$0	\$120,000	\$123,000	\$127,000
Regulatory Compliance	\$289,752	\$90,000	\$93,000	\$95,000
General Administration ⁸	\$3,892,750	\$346,000	\$404,000	\$371,000
CPUC Energy Division ⁹	\$100,220	\$3,550,000	\$3,673,000	\$3,804,000
		\$55,000	\$55,000	\$55,000
TOTAL PROGRAM COSTS	\$156,789,038	\$137,904,000	\$167,525,000	\$173,422,000
Funded Outside of LIEE Program Budget				
Indirect Costs ¹⁰	N/A	N/A	N/A	N/A
NGAT Costs ¹¹	N/A	N/A	N/A	N/A

Footnotes

- ¹ Includes: Refrigerators, Evap coolers, Room & Window AC, LIHEAP Leveraging, and Microwaves
- ² Includes: Water heater repair, water heater replacement, water heater blanket, water heater pipe wrap, faucet aerators, shower start
- ³ Includes: Weatherization/ Minor Home Repairs
- ⁴ Includes: Central AC Tune-Up, Central AC, Furnace Repair, Furnace Replacement, R&R Service Calls
- ⁵ Includes: Occupancy sensors, interior hardware fixtures, CFLs, hard wired porch lights, torchieres
- ⁶ Includes: Attic insulation, and SmartFan Delay
- ⁷ M&E includes funding for the two Joint Utility Studies - the Impact Evaluation and the Energy Education Study.
- ⁸ Includes PG&E costs such as Smarter Energy Line. Cost escalation was applied using labor escalation rates from the union contract and non-labor escalation rates developed by Global insights in Q2 2010
- ⁹ CPUC Energy Division budget was developed based on historical spend 2009-10
- ¹⁰ Indirect costs are funded outside of the ESA Program budget.
- ¹¹ NGAT costs are funded outside of the ESA Program budget

**PY 2012-2014 Energy Savings Assistance Program Proposed Electric Budget
Pacific Gas and Electric Company**

	PY2011 Authorized	PY 2012 Year-End Projected	PY 2013 Year-End Projected	PY 2014 Year-End Projected
Energy Savings Assistance Program				
Energy Efficiency	\$72,476,873			
Appliances ¹		\$27,645,900	\$34,136,500	\$35,351,250
Domestic Hot Water ²		\$799,000	\$986,300	\$1,021,400
Enclosure ³		\$5,097,750	\$6,292,500	\$6,516,600
HVAC ⁴		\$1,509,000	\$1,880,000	\$1,946,000
Maintenance		\$0	\$0	\$0
Lighting ⁵		\$24,699,000	\$30,488,000	\$31,573,000
Miscellaneous ⁶		\$2,223,750	\$2,557,200	\$2,647,450
Customer Enrollment	\$1,075,390	\$1,020,500	\$1,220,050	\$1,263,600
In Home Education	\$9,678,511	\$8,572,200	\$10,581,350	\$10,958,350
Pilot	\$77,500	\$0	\$0	\$0
Energy Efficiency Total	\$83,308,274	\$71,567,100	\$88,141,900	\$91,277,650
Training Center	\$612,759	\$594,100	\$613,600	\$634,400
Inspections	\$3,846,133	\$3,800,550	\$3,929,900	\$4,063,800
Marketing and Outreach	\$1,292,327	\$1,206,400	\$1,243,450	\$1,287,000
Statewide Marketing Education and Outreach	\$0	\$78,000	\$79,950	\$82,550
Measurement and Evaluation Studies ⁷	\$0	\$58,500	\$60,450	\$61,750
Regulatory Compliance	\$188,338	\$224,900	\$262,600	\$241,150
General Administration ⁸	\$2,530,287	\$2,307,500	\$2,387,450	\$2,472,600
CPUC Energy Division ⁹	\$65,142	\$35,750	\$35,750	\$35,750
TOTAL PROGRAM COSTS ¹	\$91,843,260	\$79,872,800	\$96,755,050	\$100,156,650
Funded Outside of LIEE Program Budget				
Indirect Costs ¹⁰	N/A	N/A	N/A	N/A
NGAT Costs ¹¹	N/A	N/A	N/A	N/A

Footnotes

- ¹ Includes: Refrigerators, Evap coolers, Room & Window AC, LIHEAP Leveraging
- ² Includes: Water heater blanket, water heater pipe wrap, faucet aerators
- ³ Includes: Weatherization/ Minor Home Repairs
- ⁴ Includes: Central AC Tune-Up, Central AC
- ⁵ Includes: Occupancy sensors, interior hardware fixtures, CFLs, hard wired porch lights, torchieres
- ⁶ Includes: Attic insulation
- ⁷ M&E includes funding for the two Joint Utility Studies - the Impact Evaluation and the Energy Education Study.
- ⁸ Includes PG&E costs such as Smarter Energy Line. Cost escalation was applied using labor escalation rates from the union contract and non-labor escalation rates developed by Global insights in Q2 2010
- ⁹ CPUC Energy Division budget was developed based on historical spend 2009-10
- ¹⁰ Indirect costs are funded outside of the ESA Program budget.
- ¹¹ NGAT costs are funded outside of the ESA Program budget

**PY 2012-2014 Energy Savings Assistance Program Proposed Gas Budget
Pacific Gas and Electric Company**

	PY2011 Authorized	PY 2012 Year-End Projected	PY 2013 Year-End Projected	PY 2014 Year-End Projected
Energy Savings Assistance Program				
Energy Efficiency	\$54,120,284			
Appliances		\$1,543,100	\$1,904,500	\$1,972,750
Domestic Hot Water ¹		\$8,422,000	\$10,410,700	\$10,780,600
Enclosure ²		\$28,887,250	\$35,657,500	\$36,927,400
HVAC ³		\$2,278,000	\$2,839,000	\$2,938,000
Maintenance		\$0	\$0	\$0
Lighting		\$0	\$0	\$0
Miscellaneous ⁴		\$7,263,250	\$8,965,800	\$9,284,550
Customer Enrollment	\$579,056	\$549,500	\$656,950	\$680,400
In Home Education	\$5,211,507	\$4,615,800	\$5,697,650	\$5,900,650
Pilot	\$439,166	\$0	\$0	\$0
Energy Efficiency Total	\$60,350,013	\$53,558,900	\$66,132,100	\$68,484,350
Training Center				
Inspections	\$329,947	\$319,900	\$330,400	\$341,600
Marketing and Outreach	\$2,070,995	\$2,046,450	\$2,116,100	\$2,188,200
Statewide Marketing Education and Outreach	\$695,868	\$649,600	\$669,550	\$693,000
Measurement and Evaluation Studies ⁵	\$0	\$42,000	\$43,050	\$44,450
Regulatory Compliance	\$101,414	\$31,500	\$32,550	\$33,250
General Administration ⁶	\$1,362,463	\$121,100	\$141,400	\$129,850
CPUC Energy Division ⁷	\$35,077	\$1,242,500	\$1,285,550	\$1,331,400
		\$19,250	\$19,250	\$19,250
TOTAL PROGRAM COSTS	\$64,945,777	\$58,031,200	\$70,769,950	\$73,265,350
Indirect Costs ⁸	N/A	N/A	N/A	N/A
NGAT Costs ⁹	N/A	N/A	N/A	N/A

Footnotes

- ¹ Includes: Water heater repair, water heater replacement, water heater blanket, water heater pipe wrap, faucet aerators, shower start
- ² Includes: Weatherization/ Minor Home Repairs
- ³ Includes: Furnace Repair, Furnace Replacement, R&R Service Calls
- ⁴ Includes: Attic insulation, attic insulation/R13, and SmartFan Delay
- ⁵ M&E includes funding for the two Joint Utility Studies - the Impact Evaluation and the Energy Education Study.
- ⁶ Includes PG&E costs such as Smarter Energy Line. Cost escalation was applied using labor escalation rates from the union contract and non-labor escalation rates developed by Global insights in Q2 2010
- ⁷ CPUC Energy Division budget was developed based on historical spend 2009-10
- ⁸ Indirect costs are funded outside of the ESA Program budget.
- ⁹ NGAT costs are funded outside of the ESA Program budget

**Energy Savings Assistance Program Penetration
Pacific Gas and Electric Company**

	Number of Customers in Utility Service Area [1]	Number of Eligible Low Income Customers [2]	Number of Customers Served by ESAP in Past 10 Years [3]	Number of Customers Enrolled in CARE [4]	Number of Eligible and Willing ESAP Customers [5]	Customers to be Treated by ESAP Program [6]	Percent of ESAP Programmatic Initiative Achieved [7]
PY 2007	6,137,507	1,868,598	353,472	1,107,733	1,588,308	63,319	
PY 2008	6,191,516	1,782,605	414,506	1,136,237	1,515,214	61,034	
PY 2009	6,218,307	1,821,950	495,814	1,351,415	1,548,658	81,308	
PY 2010	6,200,511	1,868,686	629,143	1,499,942	1,588,383	133,329	
PY 2011	6,224,995	1,983,285	755,391	1,534,000	1,685,792	126,248	
PY 2012	6,237,451	2,003,118	865,391	1,553,000	1,702,650	110,000	
PY 2013	6,243,689	2,023,149	997,891	1,566,000	1,719,677	132,500	
PY 2014	6,249,933	2,043,381	1,130,391	1,581,000	1,736,874	132,500	0.65

[1] Technically eligible customers. Actual data through 2010. The figures are escalated by 1% annually in 2012-2014.

[2] Number of estimated income eligible customers at or below 200 percent of the Federal Poverty Line. Actual data through 2010.

[3] Cumulative customers served from January 2002 through program year 2014. 2011 is estimate based on achieving D.08-11-031 adopted 2009-2011 program goals.

[4] Actual year-end enrollment data through 2010. 2012-2014 estimates are proposed in 2012-2014 CARE Application.

[5] A 15% reduction is applied to Column C. As described in testimony, IOUs estimate 15% of customers are not willing or able to participate in ESA.

[6] Cumulative data. PG&E plans to treat 110,000 homes in 2012, and 132,500 homes in each of 2013 and 2014.

[7] 2014 penetration does not include customers treated by LIHEAP/WAP. These customers would be already weatherized, thus not requiring any ESAP measures. These customers are included in Table A-3a penetration estimates.

Energy Savings Assistance Program Penetration Pacific Gas and Electric Company

	Number of Customers in Utility Service Area [1]	Number of Eligible Low Income Customers [2]	Number of Customers Served by ESAP in Past 10 Years [3]	Number of Customers Enrolled in CARE [4]	Number of Eligible and Willing ESAP Customers [5]	LIHEAP Customers Treated Since 2002 [6]	Customers Remaining to Receive ESAP Services by 2020 [7]	Number of Customers Planned to be Treated by ESA in 2012 - 2014 [8]	Projected Customers Remaining to be Treated by PG&E 2015 - 2020 [9]	Percent of ESAP Programmatic Initiative Achieved [10]
					C - 15% of C		F - D - G		H - I	(D + I) / F19
PY 2007	6,137,507	1,868,598	353,472	1,107,733	1,588,308	76,537	1,158,299			
PY 2008	6,191,516	1,782,605	414,506	1,136,237	1,515,214	88,018	1,012,691			
PY 2009	6,218,307	1,821,950	495,814	1,351,415	1,548,658	99,498	953,345			
PY 2010	6,200,511	1,868,686	629,143	1,499,942	1,588,383	110,979	848,261			
PY 2011	6,262,516	1,983,285	755,391	1,534,000	1,685,792	122,459	807,942			
PY 2012	6,287,245	2,003,118	865,391	1,553,000	1,702,650	133,940	703,319	110,000		
PY 2013	6,299,826	2,023,149	997,891	1,566,000	1,719,677	145,420	576,365	132,500		
PY 2014	6,306,126	2,043,381	1,130,391	1,581,000	1,736,873	156,901	449,582	132,500	317,082	0.68
PY 2015	6,312,432	2,063,814	1,130,391	1,596,810	1,754,242	168,381	455,470			
PY 2016	6,318,744	2,084,452	1,130,391	1,612,778	1,771,785	179,862	461,532			
PY 2017	6,325,063	2,105,297	1,130,391	1,628,906	1,789,502	191,343	467,769			
PY 2018	6,331,388	2,126,350	1,130,391	1,645,195	1,807,397	202,823	474,183			
PY 2019	6,337,720	2,147,613	1,130,391	1,661,647	1,825,471	214,304	480,777			
PY 2020	6,344,057	2,169,090	1,130,391	1,678,263	1,843,726	225,784	487,551			

[1] Technically eligible customers. Actual data through 2010. The figures are escalated by 1% annually in 2012 - 2020.

[2] Number of estimated income eligible customers at or below 200 percent of the Federal Poverty Line. Actual data through 2010. The figures are escalated by 1% annually in 2011 - 2020.

[3] Cumulative customers served from January 2002 through program year 2014. 2011 is estimate based on achieving D.08-11-031 adopted 2009-2011 program goals.

[4] Actual year-end enrollment data through 2010. CARE Application estimates for 2012-2014. The figures are escalated by 1% annually in 2015 - 2020.

[5] A 15% reduction is applied to Column C. As described in testimony, IOUs estimate 15% of customers are not willing or able to participate in ESA.

[6] Cumulative Data. LIHEAP Homes Treated 2002 - 2007 from D.08-11-031. PG&E projects 90% of 2002 - 2007 annual average will be treated in 2008 - 2020.

[7] Does not account for homes receiving ESAP services beyond 2011.

[8] Cumulative data. PG&E plans to treat 110,000 homes in 2012, and 132,500 homes in each of 2013 and 2014.

[9] The annual rate of homes treated is lower than PG&E's projections for 2012 - 2014.

[10] The number of 2020-eligible ESAP customers treated as of December 2014.

**Energy Savings Assistance Program Detail by Housing Type
Pacific Gas and Electric Company**

	PY 2010		PY 2011 (Projected)		PY 2012 (Projected)		PY 2013 (Projected)		PY 2014 (Projected)	
	Customers Eligible	Customers Treated	Customers Eligible	Customers Treated	Customers Eligible	Customers Treated	Customers Eligible	Customers Treated	Customers Eligible	Customers Treated
Gas and Electric Customers										
Owners - Total										
Single Family	593,495	42,347	629,891	40,097	636,190	34,937	642,552	42,084	648,978	42,084
Multifamily	5,793	408	6,148	386	6,210	337	6,272	405	6,334	405
Mobile Homes	49,146	3,512	52,160	3,325	52,682	2,897	53,209	3,490	53,741	3,490
Renters - Total										
Single Family	430,732	30,732	457,147	29,100	461,719	25,355	466,336	30,541	470,999	30,541
Multifamily	207,798	14,827	220,541	14,039	222,747	12,233	224,974	14,735	227,224	14,735
Mobile Homes	5,606	394	5,950	375	6,009	325	6,069	392	6,130	392
Electric Customers (only)										
Owners - Total										
Single Family	132,877	9,473	140,813	8,969	142,221	7,815	143,644	9,414	145,080	9,414
Multifamily	1,495	100	1,587	95	1,602	83	1,619	99	1,635	99
Mobile Homes	29,525	2,106	31,336	1,994	31,649	1,738	31,966	2,093	32,285	2,093
Renters - Total										
Single Family	90,631	6,466	96,189	6,122	97,151	5,335	98,123	6,426	99,104	6,426
Multifamily	65,404	4,663	69,415	4,415	70,109	3,847	70,810	4,634	71,518	4,634
Mobile Homes	10,278	739	10,908	701	11,017	610	11,127	734	11,239	734
Gas Customers (only)										
Owners - Total										
Single Family	126,323	9,017	134,070	8,538	135,411	7,439	136,765	8,961	138,133	8,961
Multifamily	374	26	397	25	401	21	405	26	409	26
Mobile Homes	14,015	1,003	14,875	949	15,023	828	15,174	997	15,325	997
Renters - Total										
Single Family	79,232	5,653	84,091	5,353	84,932	4,664	85,782	5,618	86,639	5,618
Multifamily	25,227	1,798	26,774	1,702	27,042	1,483	27,313	1,787	27,586	1,787
Mobile Homes	934	65	992	62	1,002	53	1,012	64	1,022	64

**Summary of Energy Savings Assistance Program Cost Effectiveness
Pacific Gas and Electric Company**

	Ratio of Program Benefits over Program Costs		
	Utility Cost Test	Modified Participant Test	Total Resource Cost Test
PY 2008	0.48	0.62	0.37
PY 2009	0.59	0.61	0.45
PY 2010	0.59	0.66	0.47
PY 2011 (1)	0.45	0.71	0.34
PY 2012	0.62	0.62	0.51
PY 2013	0.62	0.60	0.50
PY 2014	0.61	0.59	0.48

(1) Values from last Application filing

**Low Income Customer Usage Levels
Pacific Gas and Electric Company**

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E,G)	Climate Zone (Number)	Ratio of Benefits Over Costs*		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
New AC TIME DELAY MH/CZ13	HVAC	MH	E	13	2.03	6.43	1.73
New AC TIME DELAY MH/CZ14	HVAC	MH	E	14	2.02	6.43	1.73
New AC TIME DELAY MH/CZ11	HVAC	MH	E	11	1.95	5.34	1.68
New AC TIME DELAY MH/CZ12	HVAC	MH	E	12	1.87	4.35	1.62
New AC TIME DELAY MH/CZ4	HVAC	MH	E	4	1.65	3.09	1.42
A/C Tune-up- Central w/CZ14 w/SF	HVAC	SF	E	14	1.64	3.08	1.40
New AC TIME DELAY MH/CZ16	HVAC	MH	E	16	1.64	3.06	1.42
A/C Tune-up- Central w/CZ14 w/MH	HVAC	MH	E	14	1.62	3.00	1.39
New AC TIME DELAY MH/CZ22	HVAC	MH	E	2	1.55	2.56	1.34
New AC TIME DELAY SF/CZ13	HVAC	SF	E	13	1.54	2.55	1.32
New AC TIME DELAY SF/CZ14	HVAC	SF	E	14	1.53	2.55	1.31
New AC TIME DELAY SF/CZ11	HVAC	SF	E	11	1.45	2.14	1.25
A/C Tune-up- Central w/CZ14 w/MF	HVAC	MF	E	14	1.37	2.01	1.18
A/C Tune-up- Central w/CZ13 w/SF	HVAC	SF	E	13	1.36	1.96	1.17
New AC Tune-up- Central w/CZ11 w/SF	HVAC	SF	E	11	1.30	1.71	1.12
New AC TIME DELAY MH/CZ25	HVAC	MH	E	5	1.20	1.66	1.02
New AC TIME DELAY MH/CZ6	HVAC	MH	E	6	1.20	1.66	1.02
A/C Tune-up- Central w/CZ13 w/MH	HVAC	MH	E	13	1.25	1.63	1.07
New AC TIME DELAY MF/CZ14	HVAC	MF	E	14	1.23	1.59	1.06
New AC TIME DELAY MF/CZ13	HVAC	MF	E	13	1.24	1.59	1.06
New AC TIME DELAY MH/CZ3	HVAC	MH	E	3	1.19	1.44	1.03
A/C Tune-up- Central w/CZ11 w/MH	HVAC	MH	E	11	1.18	1.42	1.02
A/C Tune-up- Central w/CZ13 w/MF	HVAC	MF	E	13	1.14	1.38	0.98
New AC TIME DELAY SF/CZ12	HVAC	SF	E	12	1.18	1.35	1.03
New AC TIME DELAY MF/CZ11	HVAC	MF	E	11	1.13	1.30	0.98
A/C Tune-up- Central w/CZ12 w/SF	HVAC	SF	E	12	1.22	1.11	0.96
A/C Tune-up- Central w/CZ11 w/MF	HVAC	MF	E	11	1.05	1.15	0.91
Evap Coolers R&R SF/CZ13	HVAC	SF	E	13	1.03	1.15	0.88
Evap Coolers R&R SF/CZ14	HVAC	SF	E	14	1.02	1.15	0.88
Evap Coolers R&R SF/CZ16	HVAC	SF	E	16	1.03	1.14	0.88
Air Sealing / Envelope MH/CZ13/G-wAC	HVAC	MH	E	13	0.53	1.08	0.45
Air Sealing / Envelope MH/CZ14/G-wAC	HVAC	MH	EG	14	0.52	1.08	0.45
A/C Tune-up- Central w/CZ12 w/MH	HVAC	MH	E	12	1.03	1.07	0.89
New AC TIME DELAY SF/CZ16	HVAC	SF	E	16	1.00	1.07	0.86
Evap Coolers R&R MH/CZ14	HVAC	MH	E	14	0.97	1.06	0.83
Evap Coolers R&R MH/CZ13	HVAC	MH	E	13	0.98	1.06	0.83
Air Sealing / Envelope SF/CZ13/G-wAC	ENCLOSURE	SF	EG	13	0.52	1.04	0.44
Air Sealing / Envelope SF/CZ14/G-wAC	ENCLOSURE	SF	EG	14	0.52	1.04	0.44
Air Sealing / Envelope MH/CZ16/G-wAC	ENCLOSURE	MH	EG	16	0.49	0.98	0.41
Air Sealing / Envelope SF/CZ16/G-wAC	ENCLOSURE	SF	EG	16	0.48	0.95	0.41
Air Sealing / Envelope MH/CZ11/G-wAC	ENCLOSURE	MH	EG	11	0.48	0.94	0.40

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E, G)	Climate Zone (Number)	Ratio of Benefits Over Costs*		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
Air Sealing / Envelope SF/CZ11/G-wAC	ENCLOSURE	SF	EG	11	0.45	0.88	0.38
New AC TIME DELAY MF/CZ12	HVAC	MF	E	12	0.91	0.87	0.79
Air Sealing / Envelope MH/CZ12/G-wAC	ENCLOSURE	MH	EG	12	0.44	0.84	0.38
A/C Tune-up- Central w/CZ16 w/SF	HVAC	SF	E	16	0.84	0.83	0.72
Evap Coolers R&R MH/CZ11	HVAC	MH	E	11	0.85	0.81	0.73
New AC TIME DELAY SF/CZ4	HVAC	SF	E	4	0.83	0.81	0.71
Evap Coolers R&R SF/CZ11	HVAC	SF	E	11	0.84	0.81	0.73
Evap Coolers R&R SF/CZ12	HVAC	SF	E	12	0.84	0.78	0.73
Air Sealing / Envelope SF/CZ12/G-wAC	ENCLOSURE	SF	EG	12	0.41	0.77	0.35
Air Sealing / Envelope MF/CZ14/G-wAC	ENCLOSURE	MF	EG	14	0.40	0.75	0.35
Air Sealing / Envelope MF/CZ13/G-wAC	ENCLOSURE	MF	EG	13	0.40	0.75	0.35
Evap Coolers R&R MH/CZ12	HVAC	MH	E	12	0.82	0.75	0.71
Air Sealing / Envelope MH/CZ13/E-wAC	ENCLOSURE	MH	E	13	0.40	0.74	0.34
Air Sealing / Envelope MH/CZ14/E-wAC	ENCLOSURE	MH	E	14	0.40	0.74	0.34
Air Sealing / Envelope SF/CZ13/E-wAC	ENCLOSURE	SF	E	13	0.40	0.73	0.34
Air Sealing / Envelope SF/CZ14/E-wAC	ENCLOSURE	SF	E	14	0.39	0.73	0.34
Air Sealing / Envelope MF/CZ14/E-wAC	ENCLOSURE	MF	E	14	0.39	0.73	0.34
Air Sealing / Envelope MF/CZ13/E-wAC	ENCLOSURE	MF	E	13	0.40	0.73	0.34
A/C Tune-up- Central w/CZ16 w/MH	HVAC	MH	E	16	0.76	0.72	0.65
New AC TIME DELAY MF/CZ16	HVAC	MF	E	16	0.77	0.72	0.66
Air Sealing / Envelope MH/CZ1/G-wAC	ENCLOSURE	MH	EG	1	0.34	0.72	0.29
Air Sealing / Envelope MH/CZ1/G-noAC	ENCLOSURE	MH	G	1	0.35	0.72	0.29
A/C Tune-up- Central w/CZ12 w/MF	HVAC	MF	E	12	0.75	0.66	0.65
Air Sealing / Envelope SF/CZ1/G-wAC	ENCLOSURE	SF	EG	1	0.32	0.65	0.27
Air Sealing / Envelope SF/CZ1/G-noAC	ENCLOSURE	SF	G	1	0.32	0.65	0.27
A/C Tune-up- Central w/CZ4 w/SF	HVAC	SF	E	4	0.70	0.65	0.60
Air Sealing / Envelope MF/CZ16/G-wAC	ENCLOSURE	MF	EG	16	0.35	0.64	0.30
A/C Tune-up- Central w/CZ6 w/MH	HVAC	MH	E	6	0.63	0.62	0.53
Air Sealing / Envelope MH/CZ2/G-wAC	ENCLOSURE	MH	EG	2	0.32	0.62	0.27
New AC TIME DELAY MF/CZ4	HVAC	MF	E	4	0.67	0.61	0.58
Air Sealing / Envelope MF/CZ16/E-wAC	ENCLOSURE	MF	E	16	0.34	0.61	0.29
Air Sealing / Envelope SF/CZ16/E-wAC	ENCLOSURE	SF	E	16	0.33	0.58	0.28
Air Sealing / Envelope SF/CZ2/G-wAC	ENCLOSURE	SF	EG	2	0.30	0.57	0.25
Air Sealing / Envelope MH/CZ16/E-wAC	ENCLOSURE	MH	E	16	0.32	0.57	0.28
Air Sealing / Envelope MH/CZ5/G-wAC	ENCLOSURE	MH	EG	5	0.28	0.57	0.23
Air Sealing / Envelope MH/CZ6/G-wAC	ENCLOSURE	MH	EG	6	0.28	0.57	0.23
A/C Tune-up- Central w/CZ6 w/SF	HVAC	SF	E	6	0.59	0.57	0.49
New AC TIME DELAY SF/CZ2	HVAC	SF	E	2	0.65	0.56	0.56
Air Sealing / Envelope MH/CZ4/G-wAC	ENCLOSURE	MH	EG	4	0.54	0.54	0.24
Air Sealing / Envelope MH/CZ3/G-wAC	ENCLOSURE	MH	EG	3	0.27	0.53	0.23
A/C Tune-up- Central w/CZ4 w/MH	HVAC	MH	E	4	0.61	0.53	0.52
Air Sealing / Envelope SF/CZ5/G-wAC	ENCLOSURE	SF	EG	5	0.27	0.53	0.22
Air Sealing / Envelope SF/CZ6/G-wAC	ENCLOSURE	SF	EG	6	0.27	0.53	0.22
New AC TIME DELAY MH/CZ1	HVAC	MH	E	1	0.59	0.53	0.51
Air Sealing / Envelope MF/CZ11/G-wAC	ENCLOSURE	MF	EG	11	0.30	0.52	0.26

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E, G)	Climate Zone (Number)	Ratio of Benefits Over Costs*		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
Air Sealing / Envelope MH/CZ11/E-wAC	ENCLOSURE	MH	E	11	0.30	0.51	0.26
Air Sealing / Envelope SF/CZ4/G-wAC	ENCLOSURE	SF	EG	4	0.27	0.50	0.22
Air Sealing / Envelope MF/CZ11/E-wAC	ENCLOSURE	MF	E	11	0.29	0.49	0.25
A/C Tune-up- Central w/CZ16 w/MF	HVAC	MF	E	16	0.57	0.49	0.49
Air Sealing / Envelope MH/CZ3/G-noAC	HVAC	MH	G	3	0.25	0.48	0.20
Air Sealing / Envelope SF/CZ11/E-wAC	ENCLOSURE	SF	E	11	0.29	0.48	0.25
Air Sealing / Envelope SF/CZ3/G-wAC	ENCLOSURE	SF	EG	3	0.25	0.47	0.21
A/C Tune-up- Central w/CZ6 w/MF	HVAC	MF	E	6	0.51	0.47	0.43
Air Sealing / Envelope MF/CZ12/G-wAC	ENCLOSURE	MF	EG	12	0.29	0.46	0.25
Air Sealing / Envelope MH/CZ2/G-noAC	ENCLOSURE	MH	G	2	0.24	0.46	0.20
Air Sealing / Envelope MH/CZ12/E-wAC	ENCLOSURE	MH	E	12	0.29	0.46	0.25
Attic Insulation SF/CZ14/G-wAC	ENCLOSURE	SF	EG	14	0.50	0.44	0.43
Attic Insulation SF/CZ13/G-wAC	ENCLOSURE	SF	EG	13	0.51	0.44	0.43
Air Sealing / Envelope MF/CZ12/E-wAC	ENCLOSURE	MF	E	12	0.27	0.44	0.24
A/C Tune-up- Central w/CZ2 w/MH	HVAC	MH	E	2	0.53	0.43	0.45
Air Sealing / Envelope SF/CZ12/E-wAC	ENCLOSURE	SF	E	12	0.27	0.43	0.23
Air Sealing / Envelope MH/CZ11/G-noAC	ENCLOSURE	MH	G	11	0.22	0.43	0.18
A/C Tune-up- Central w/CZ2 w/SF	HVAC	SF	E	2	0.51	0.42	0.44
Air Sealing / Envelope MH/CZ16/G-noAC	ENCLOSURE	MH	G	16	0.21	0.41	0.18
Air Sealing / Envelope SF/CZ2/G-noAC	ENCLOSURE	SF	G	2	0.21	0.41	0.18
Attic Insulation SF/CZ16/G-wAC	ENCLOSURE	SF	EG	16	0.47	0.41	0.40
Air Sealing / Envelope MH/CZ5/G-noAC	ENCLOSURE	MH	G	5	0.20	0.41	0.17
Air Sealing / Envelope MH/CZ6/G-noAC	ENCLOSURE	MH	G	6	0.20	0.41	0.17
Air Sealing / Envelope SF/CZ11/G-noAC	ENCLOSURE	SF	G	11	0.21	0.40	0.17
Air Sealing / Envelope SF/CZ3/G-noAC	ENCLOSURE	SF	G	3	0.20	0.38	0.16
Air Sealing / Envelope MH/CZ12/G-noAC	ENCLOSURE	MH	G	12	0.20	0.38	0.16
Air Sealing / Envelope SF/CZ16/G-noAC	ENCLOSURE	SF	G	16	0.20	0.38	0.16
Attic Insulation SF/CZ11/G-wAC	ENCLOSURE	SF	EG	11	0.45	0.38	0.38
Air Sealing / Envelope MH/CZ4/G-noAC	ENCLOSURE	MH	G	4	0.20	0.38	0.16
Air Sealing / Envelope SF/CZ5/G-noAC	ENCLOSURE	SF	G	5	0.19	0.37	0.15
Air Sealing / Envelope SF/CZ6/G-noAC	ENCLOSURE	SF	G	6	0.19	0.37	0.15
New AC TIME DELAY MF/CZ2	HVAC	MF	E	2	0.46	0.36	0.40
Attic Insulation MF/CZ14/G-wAC	ENCLOSURE	MF	EG	14	0.43	0.36	0.37
Attic Insulation MF/CZ13/G-wAC	ENCLOSURE	MF	EG	13	0.44	0.36	0.37
A/C Tune-up- Central w/CZ4 w/MF	HVAC	MF	E	4	0.44	0.36	0.38
Air Sealing / Envelope SF/CZ12/G-noAC	ENCLOSURE	SF	G	12	0.18	0.34	0.15
Air Sealing / Envelope MH/CZ14/G-noAC	ENCLOSURE	MH	G	14	0.17	0.34	0.15
Air Sealing / Envelope MH/CZ13/G-noAC	ENCLOSURE	MH	G	13	0.18	0.34	0.15
Air Sealing / Envelope SF/CZ4/G-noAC	ENCLOSURE	SF	G	4	0.18	0.34	0.15
Attic Insulation SF/CZ13/E-wAC	ENCLOSURE	SF	E	13	0.39	0.31	0.33
Attic Insulation SF/CZ14/E-wAC	ENCLOSURE	SF	E	14	0.39	0.31	0.33
Attic Insulation SF/CZ12/G-wAC	ENCLOSURE	SF	EG	12	0.39	0.31	0.33
Air Sealing / Envelope SF/CZ13/G-noAC	ENCLOSURE	SF	G	13	0.16	0.31	0.14
Air Sealing / Envelope SF/CZ14/G-noAC	ENCLOSURE	SF	G	14	0.16	0.31	0.14
Attic Insulation MF/CZ13/E-wAC	ENCLOSURE	MF	E	13	0.39	0.31	0.33

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E, G)	Climate Zone (Number)	Ratio of Benefits Over Costs*		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
Attic Insulation MF/CZ14/E-wAC	ENCLOSURE	MF	E	14	0.39	0.31	0.33
A/C Tune-up- Central w/CZ2 w/MF	HVAC	MF	E	2	0.39	0.30	0.33
Attic Insulation SF/CZ1/G-wAC	ENCLOSURE	SF	EG	1	0.30	0.27	0.25
Attic Insulation SF/CZ1/G-noAC	ENCLOSURE	SF	G	1	0.31	0.26	0.28
Attic Insulation SF/CZ16/E-wAC	ENCLOSURE	SF	E	16	0.32	0.25	0.26
Attic Insulation MF/CZ12/G-wAC	ENCLOSURE	MF	EG	12	0.33	0.25	0.28
Attic Insulation MF/CZ11/G-wAC	ENCLOSURE	MF	EG	11	0.32	0.25	0.27
Attic Insulation SF/CZ2/G-wAC	ENCLOSURE	SF	EG	2	0.29	0.24	0.24
Air Sealing / Envelope MF/CZ5/G-wAC	ENCLOSURE	MF	EG	5	0.12	0.22	0.10
Air Sealing / Envelope MF/CZ6/G-wAC	ENCLOSURE	MF	EG	6	0.12	0.22	0.10
Air Sealing / Envelope MF/CZ4/G-wAC	ENCLOSURE	MF	EG	4	0.13	0.22	0.11
Attic Insulation SF/CZ11/E-wAC	ENCLOSURE	SF	E	11	0.29	0.21	0.25
Attic Insulation SF/CZ4/G-noAC	ENCLOSURE	SF	G	4	0.24	0.21	0.20
Attic Insulation SF/CZ5/G-noAC	ENCLOSURE	SF	G	5	0.24	0.21	0.20
Attic Insulation SF/CZ6/G-noAC	ENCLOSURE	SF	G	6	0.24	0.21	0.20
New AC TIME DELAY SF/CZ3	HVAC	SF	E	3	0.28	0.20	0.24
Attic Insulation SF/CZ3/G-wAC	ENCLOSURE	SF	EG	3	0.24	0.20	0.21
Evap Coolers R&R SF/CZ2	HVAC	SF	E	2	0.27	0.20	0.23
Evap Coolers R&R SF/CZ3	HVAC	SF	E	3	0.27	0.20	0.23
Evap Coolers R&R SF/CZ4	HVAC	SF	E	4	0.26	0.20	0.22
Evap Coolers R&R SF/CZ1	HVAC	SF	E	1	0.25	0.20	0.22
Evap Coolers R&R SF/CZ5	HVAC	SF	E	5	0.24	0.20	0.20
Evap Coolers R&R SF/CZ6	HVAC	SF	E	6	0.24	0.20	0.20
Attic Insulation MF/CZ12/E-wAC	ENCLOSURE	MF	E	12	0.27	0.19	0.24
Attic Insulation MF/CZ11/E-wAC	ENCLOSURE	MF	E	11	0.26	0.19	0.23
Air Sealing / Envelope MF/CZ4/E-wAC	ENCLOSURE	MF	E	4	0.12	0.19	0.10
Air Sealing / Envelope MF/CZ5/E-wAC	ENCLOSURE	MF	E	5	0.11	0.19	0.09
Air Sealing / Envelope MF/CZ6/E-wAC	ENCLOSURE	MF	E	6	0.11	0.19	0.09
Air Sealing / Envelope MF/CZ2/G-wAC	ENCLOSURE	MF	EG	2	0.12	0.19	0.10
Evap Coolers R&R MH/CZ2	HVAC	MH	E	2	0.26	0.19	0.22
Evap Coolers R&R MH/CZ3	HVAC	MH	E	3	0.26	0.19	0.22
Evap Coolers R&R MH/CZ4	HVAC	MH	E	4	0.25	0.19	0.21
Evap Coolers R&R MH/CZ1	HVAC	MH	E	1	0.24	0.19	0.21
Evap Coolers R&R MH/CZ5	HVAC	MH	E	5	0.23	0.19	0.19
Evap Coolers R&R MH/CZ6	HVAC	MH	E	6	0.23	0.19	0.19
Evap Coolers R&R MH/CZ16	HVAC	MH	E	16	0.25	0.19	0.22
Attic Insulation SF/CZ12/E-wAC	ENCLOSURE	SF	E	12	0.25	0.17	0.22
Attic Insulation SF/CZ2/G-noAC	ENCLOSURE	SF	G	2	0.21	0.17	0.17
Air Sealing / Envelope SF/CZ4/E-wAC	ENCLOSURE	SF	E	4	0.10	0.17	0.09
Air Sealing / Envelope SF/CZ5/E-wAC	ENCLOSURE	SF	E	5	0.09	0.17	0.08
Air Sealing / Envelope SF/CZ6/E-wAC	ENCLOSURE	SF	E	6	0.09	0.17	0.08
Attic Insulation SF/CZ11/G-noAC	ENCLOSURE	SF	G	11	0.20	0.16	0.17
Air Sealing / Envelope MH/CZ5/E-wAC	ENCLOSURE	MH	E	5	0.09	0.16	0.08
Air Sealing / Envelope MH/CZ6/E-wAC	ENCLOSURE	MH	E	6	0.09	0.16	0.08
Air Sealing / Envelope MH/CZ4/E-wAC	ENCLOSURE	MH	E	4	0.10	0.16	0.09

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E, G)	Climate Zone (Number)	Ratio of Benefits Over Costs*		
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Attic Insulation SF/CZ16/G-noAC	ENCLOSURE	SF	G	16	0.19	0.16	0.16
Air Sealing / Envelope SF/CZ2/E-wAC	ENCLOSURE	SF	E	2	0.10	0.16	0.09
Air Sealing / Envelope MH/CZ2/E-wAC	ENCLOSURE	MH	E	2	0.10	0.16	0.09
Air Sealing / Envelope MF/CZ2/E-wAC	ENCLOSURE	MF	E	2	0.10	0.16	0.09
Attic Insulation SF/CZ3/G-noAC	ENCLOSURE	SF	G	3	0.19	0.15	0.15
A/C Tune-up- Central w/CZ3 w/SF	HVAC	SF	E	3	0.21	0.15	0.18
New AC TIME DELAY MF/CZ3	HVAC	MF	E	3	0.21	0.15	0.18
Attic Insulation MF/CZ4/G-wAC	ENCLOSURE	MF	EG	4	0.19	0.14	0.16
Attic Insulation MF/CZ5/G-wAC	ENCLOSURE	MF	EG	5	0.17	0.14	0.15
Attic Insulation MF/CZ6/G-wAC	ENCLOSURE	MF	EG	6	0.17	0.14	0.15
Attic Insulation SF/CZ12/G-noAC	ENCLOSURE	SF	G	12	0.17	0.14	0.14
Attic Insulation SF/CZ4/G-noAC	ENCLOSURE	SF	G	4	0.17	0.14	0.14
Attic Insulation SF/CZ5/G-noAC	ENCLOSURE	SF	G	5	0.16	0.14	0.14
Attic Insulation SF/CZ6/G-noAC	ENCLOSURE	SF	G	6	0.16	0.14	0.14
A/C Tune-up- Central w/CZ3 w/MH	HVAC	MH	E	3	0.19	0.13	0.16
Attic Insulation SF/CZ14/G-noAC	ENCLOSURE	SF	G	14	0.15	0.13	0.13
Attic Insulation SF/CZ13/G-noAC	ENCLOSURE	SF	G	13	0.16	0.13	0.13
Attic Insulation MF/CZ2/G-wAC	ENCLOSURE	MF	EG	2	0.17	0.13	0.14
Attic Insulation MF/CZ16/G-wAC	ENCLOSURE	MF	EG	16	0.16	0.13	0.14
Attic Insulation MF/CZ1/G-wAC	ENCLOSURE	MF	EG	1	0.16	0.13	0.14
Attic Insulation MF/CZ3/G-wAC	ENCLOSURE	MF	EG	3	0.16	0.12	0.14
Air Sealing / Envelope MF/CZ3/G-wAC	ENCLOSURE	MF	EG	3	0.07	0.12	0.06
New AC TIME DELAY SF/CZ5	HVAC	SF	E	5	0.14	0.11	0.12
New AC TIME DELAY SF/CZ6	HVAC	SF	E	6	0.14	0.11	0.12
A/C Tune-up- Central w/CZ5 w/SF	HVAC	SF	E	5	0.13	0.10	0.11
Air Sealing / Envelope SF/CZ3/E-wAC	ENCLOSURE	SF	E	3	0.06	0.09	0.05
Air Sealing / Envelope MF/CZ3/E-wAC	ENCLOSURE	MF	E	3	0.06	0.09	0.05
Attic Insulation MF/CZ5/E-wAC	ENCLOSURE	MF	E	5	0.12	0.09	0.10
Attic Insulation MF/CZ6/E-wAC	ENCLOSURE	MF	E	6	0.12	0.09	0.10
Attic Insulation MF/CZ4/E-wAC	ENCLOSURE	MF	E	4	0.13	0.09	0.11
A/C Tune-up- Central w/CZ5 w/MH	HVAC	MH	E	5	0.11	0.08	0.09
New AC TIME DELAY MF/CZ5	HVAC	MF	E	5	0.10	0.08	0.09
New AC TIME DELAY MF/CZ6	HVAC	MF	E	6	0.10	0.08	0.09
A/C Tune-up- Central w/CZ3 w/MF	HVAC	MF	E	3	0.10	0.07	0.09
Attic Insulation SF/CZ5/E-wAC	ENCLOSURE	SF	E	5	0.09	0.07	0.08
Attic Insulation SF/CZ6/E-wAC	ENCLOSURE	SF	E	6	0.09	0.07	0.08
Attic Insulation SF/CZ4/E-wAC	ENCLOSURE	SF	E	4	0.10	0.07	0.09
Attic Insulation MF/CZ2/G-noAC	ENCLOSURE	MF	G	2	0.09	0.07	0.07
Attic Insulation MF/CZ1/G-noAC	ENCLOSURE	MF	G	1	0.08	0.07	0.07
Attic Insulation MF/CZ16/G-noAC	ENCLOSURE	MF	G	16	0.08	0.07	0.07
Attic Insulation SF/CZ2/E-wAC	ENCLOSURE	SF	E	2	0.10	0.07	0.09
Attic Insulation MF/CZ3/E-wAC	ENCLOSURE	MF	E	3	0.09	0.06	0.08
Attic Insulation MF/CZ3/G-noAC	ENCLOSURE	MF	G	3	0.08	0.06	0.06
Central A/C Replacement SF/CZ13	HVAC	SF	E	13	0.08	0.06	0.07
Attic Insulation MF/CZ2/E-wAC	ENCLOSURE	MF	E	2	0.09	0.06	0.07

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Attic Insulation MF/CZ16/E-wAC	ENCLOSURE	MF	E	16	0.08	0.06	0.07
Attic Insulation MF/CZ1/E-wAC	ENCLOSURE	MF	E	1	0.08	0.06	0.07
A/C Tune-up- Central w/CZ1 w/MH	HVAC	MH	E	1	0.08	0.06	0.07
A/C Tune-up- Central w/CZ1 w/SF	HVAC	SF	E	1	0.08	0.06	0.07
Central A/C Replacement SF/CZ14	HVAC	SF	E	14	0.08	0.06	0.07
New AC TIME DELAY MF/CZ1	HVAC	MF	E	1	0.08	0.06	0.07
New AC TIME DELAY SF/CZ1	HVAC	SF	E	1	0.08	0.06	0.07
Attic Insulation MF/CZ12/G-noAC	ENCLOSURE	MF	G	12	0.07	0.05	0.06
Attic Insulation MF/CZ11/G-noAC	ENCLOSURE	MF	G	11	0.07	0.05	0.06
Air Sealing / Envelope MH/CZ3/E-wAC	ENCLOSURE	MH	E	3	0.03	0.05	0.03
Air Sealing / Envelope MF/CZ1/G-wAC	ENCLOSURE	MF	EG	1	0.03	0.05	0.02
Attic Insulation MF/CZ5/G-noAC	ENCLOSURE	MF	G	5	0.06	0.05	0.05
Attic Insulation MF/CZ6/G-noAC	ENCLOSURE	MF	G	6	0.06	0.05	0.05
Attic Insulation MF/CZ4/G-noAC	ENCLOSURE	MF	G	4	0.06	0.05	0.05
Attic Insulation MF/CZ13/G-noAC	ENCLOSURE	MF	G	13	0.06	0.05	0.05
Attic Insulation MF/CZ14/G-noAC	ENCLOSURE	MF	G	14	0.06	0.05	0.05
Air Sealing / Envelope MF/CZ1/G-noAC	ENCLOSURE	MF	G	1	0.03	0.05	0.02
Air Sealing / Envelope MF/CZ3/E-wAC	ENCLOSURE	SF	E	3	0.07	0.05	0.06
Central A/C Replacement SF/CZ11	HVAC	SF	E	11	0.06	0.04	0.05
A/C Tune-up- Central w/CZ5 w/MF	HVAC	MF	E	5	0.05	0.04	0.04
A/C Tune-up- Central w/CZ1 w/MF	HVAC	MF	E	1	0.05	0.04	0.04
Central A/C Replacement SF/CZ12	HVAC	SF	E	12	0.06	0.04	0.05
Central A/C Replacement SF/CZ16	HVAC	SF	E	16	0.05	0.03	0.04
Air Sealing / Envelope MF/CZ16/G-noAC	ENCLOSURE	MF	G	16	0.02	0.03	0.01
Air Sealing / Envelope MF/CZ2/G-noAC	ENCLOSURE	MF	G	2	0.02	0.03	0.01
Air Sealing / Envelope MF/CZ11/G-noAC	ENCLOSURE	MF	G	11	0.02	0.03	0.01
Air Sealing / Envelope MF/CZ3/G-noAC	ENCLOSURE	MF	G	3	0.02	0.03	0.01
Air Sealing / Envelope MF/CZ5/G-noAC	ENCLOSURE	MF	G	5	0.01	0.03	0.01
Air Sealing / Envelope MF/CZ6/G-noAC	ENCLOSURE	MF	G	6	0.01	0.03	0.01
Air Sealing / Envelope MF/CZ12/G-noAC	ENCLOSURE	MF	G	12	0.01	0.03	0.01
Air Sealing / Envelope MF/CZ4/G-noAC	ENCLOSURE	MF	G	4	0.01	0.02	0.01
Air Sealing / Envelope MF/CZ14/G-noAC	ENCLOSURE	MF	G	14	0.01	0.02	0.01
Air Sealing / Envelope MF/CZ13/G-noAC	ENCLOSURE	MF	G	13	0.01	0.02	0.01
Central A/C Replacement SF/CZ2	HVAC	SF	E	2	0.01	0.01	0.01
Central A/C Replacement SF/CZ3	HVAC	SF	E	3	0.01	0.01	0.01
Central A/C Replacement SF/CZ4	HVAC	SF	E	4	0.01	0.01	0.01
Central A/C Replacement SF/CZ1	HVAC	SF	E	1	0.01	0.01	0.01
Central A/C Replacement SF/CZ5	HVAC	SF	E	5	0.01	0.01	0.01
Central A/C Replacement SF/CZ6	HVAC	SF	E	6	0.01	0.01	0.01
Air Sealing / Envelope MF/CZ1/E-wAC	ENCLOSURE	MF	E	1	0.00	0.00	0.00
Air Sealing / Envelope MH/CZ1/E-wAC	ENCLOSURE	MH	E	1	0.00	0.00	0.00
Air Sealing / Envelope SF/CZ1/E-wAC	ENCLOSURE	SF	E	1	0.00	0.00	0.00
Attic Insulation SF/CZ1/E-wAC	ENCLOSURE	SF	E	1	0.00	0.00	0.00
New Attic Insulation-R19 SF/CZ13/G-wAC	ENCLOSURE	SF	EG	13	0.24	0.24	0.24
New Attic Insulation-R19 SF/CZ14/G-wAC	ENCLOSURE	SF	EG	14	0.24	0.24	0.24

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New Attic Insulation-R19 SF/CZ16/G-wAC	ENCLOSURE	SF	EG	16	0.22		0.22
New Attic Insulation-R19 SF/CZ11/G-wAC	ENCLOSURE	SF	EG	11	0.21		0.21
New Attic Insulation-R19 MF/CZ13/G-wAC	ENCLOSURE	MF	EG	13	0.20		0.20
New Attic Insulation-R19 MF/CZ14/G-wAC	ENCLOSURE	MF	EG	14	0.20		0.20
New Attic Insulation-R19 SF/CZ13/E-wAC	ENCLOSURE	SF	E	13	0.18		0.18
New Attic Insulation-R19 SF/CZ14/E-wAC	ENCLOSURE	SF	E	14	0.18		0.18
New Attic Insulation-R19 MF/CZ13/E-wAC	ENCLOSURE	MF	E	13	0.18		0.18
New Attic Insulation-R19 MF/CZ14/E-wAC	ENCLOSURE	MF	E	14	0.18		0.18
New Attic Insulation-R19 SF/CZ12/G-wAC	ENCLOSURE	SF	EG	12	0.18		0.18
New Attic Insulation-R19 MF/CZ12/G-wAC	ENCLOSURE	MF	EG	12	0.15		0.15
New Attic Insulation-R19 SF/CZ16/E-wAC	ENCLOSURE	SF	E	16	0.15		0.15
New Attic Insulation-R19 MF/CZ11/G-wAC	ENCLOSURE	MF	EG	11	0.15		0.15
New Attic Insulation-R19 SF/CZ11/G-wAC	ENCLOSURE	SF	EG	1	0.13		0.13
New Attic Insulation-R19 SF/CZ11/G-noAC	ENCLOSURE	SF	G	1	0.13		0.13
New Attic Insulation-R19 SF/CZ11/E-wAC	ENCLOSURE	SF	E	11	0.13		0.13
Room A/C Replacement SF/CZ13	HVAC	SF	E	13	0.13		0.13
Room A/C Replacement SF/CZ14	HVAC	SF	E	14	0.13		0.13
New Attic Insulation-R19 SF/CZ2/G-wAC	ENCLOSURE	SF	EG	2	0.13		0.13
New Attic Insulation-R19 MF/CZ12/E-wAC	ENCLOSURE	MF	E	12	0.13		0.13
New Attic Insulation-R19 MF/CZ11/E-wAC	ENCLOSURE	MF	E	11	0.12		0.12
New Attic Insulation-R19 SF/CZ12/E-wAC	ENCLOSURE	SF	E	12	0.11		0.11
New Attic Insulation-R19 SF/CZ4/G-wAC	ENCLOSURE	SF	EG	4	0.11		0.11
New Attic Insulation-R19 SF/CZ5/G-wAC	ENCLOSURE	SF	EG	5	0.11		0.11
New Attic Insulation-R19 SF/CZ6/G-wAC	ENCLOSURE	SF	EG	6	0.11		0.11
New Attic Insulation-R19 SF/CZ3/G-wAC	ENCLOSURE	SF	EG	3	0.11		0.11
Room A/C Replacement SF/CZ11	HVAC	SF	E	11	0.10		0.10
Room A/C Replacement SF/CZ12	HVAC	SF	E	12	0.09		0.09
New Attic Insulation-R19 SF/CZ2/G-noAC	ENCLOSURE	SF	G	2	0.09		0.09
New Attic Insulation-R19 SF/CZ11/G-noAC	ENCLOSURE	SF	G	11	0.08		0.08
New Attic Insulation-R19 SF/CZ16/G-noAC	ENCLOSURE	SF	G	16	0.08		0.08
New Attic Insulation-R19 MF/CZ4/G-wAC	ENCLOSURE	MF	EG	4	0.08		0.08
Room A/C Replacement SF/CZ16	HVAC	SF	E	16	0.08		0.08
New Attic Insulation-R19 SF/CZ3/G-noAC	ENCLOSURE	SF	G	3	0.08		0.08
New Attic Insulation-R19 MF/CZ5/G-wAC	ENCLOSURE	MF	EG	5	0.08		0.08
New Attic Insulation-R19 MF/CZ6/G-wAC	ENCLOSURE	MF	EG	6	0.08		0.08
New Attic Insulation-R19 SF/CZ12/G-noAC	ENCLOSURE	SF	G	12	0.07		0.07
New Attic Insulation-R19 MF/CZ2/G-wAC	ENCLOSURE	MF	EG	2	0.07		0.07
New Attic Insulation-R19 MF/CZ16/G-wAC	ENCLOSURE	MF	EG	16	0.07		0.07
New Attic Insulation-R19 MF/CZ3/G-wAC	ENCLOSURE	MF	EG	3	0.07		0.07
New Attic Insulation-R19 SF/CZ4/G-noAC	ENCLOSURE	SF	G	4	0.07		0.07
New Attic Insulation-R19 SF/CZ5/G-noAC	ENCLOSURE	SF	G	5	0.07		0.07
New Attic Insulation-R19 SF/CZ6/G-noAC	ENCLOSURE	SF	G	6	0.07		0.07
New Attic Insulation-R19 MF/CZ1/G-wAC	ENCLOSURE	MF	EG	1	0.07		0.07
New Attic Insulation-R19 SF/CZ13/G-noAC	ENCLOSURE	SF	G	13	0.07		0.07
New Attic Insulation-R19 SF/CZ14/G-noAC	ENCLOSURE	SF	G	14	0.07		0.07

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E, G)	Climate Zone (Number)	Ratio of Benefits Over Costs*		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
New Attic Insulation-R19 MF/CZ4/E-wAC	ENCLOSURE	MF	E	4	0.06		0.06
New Attic Insulation-R19 MF/CZ5/E-wAC	ENCLOSURE	MF	E	5	0.05		0.05
New Attic Insulation-R19 MF/CZ6/E-wAC	ENCLOSURE	MF	E	6	0.05		0.05
New Attic Insulation-R19 SF/CZ1/E-wAC	ENCLOSURE	SF	E	2	0.04		0.04
New Attic Insulation-R19 SF/CZ2/E-wAC	ENCLOSURE	SF	E	4	0.04		0.04
New Attic Insulation-R19 MF/CZ3/E-wAC	ENCLOSURE	MF	E	3	0.04		0.04
New Attic Insulation-R19 SF/CZ5/E-wAC	ENCLOSURE	SF	E	5	0.04		0.04
New Attic Insulation-R19 SF/CZ6/E-wAC	ENCLOSURE	SF	E	6	0.04		0.04
New Attic Insulation-R19 MF/CZ2/E-wAC	ENCLOSURE	MF	E	2	0.04		0.04
New Attic Insulation-R19 MF/CZ16/E-wAC	ENCLOSURE	MF	E	16	0.04		0.04
New Attic Insulation-R19 MF/CZ11/G-noAC	ENCLOSURE	MF	G	1	0.04		0.04
New Attic Insulation-R19 MF/CZ16/G-noAC	ENCLOSURE	MF	G	16	0.04		0.04
New Attic Insulation-R19 MF/CZ21/G-noAC	ENCLOSURE	MF	G	2	0.04		0.04
New Attic Insulation-R19 MF/CZ3/G-noAC	ENCLOSURE	MF	G	3	0.03		0.03
New Attic Insulation-R19 MF/CZ3/G-noAC	ENCLOSURE	MF	G	3	0.03		0.03
New Attic Insulation-R19 SF/CZ3/E-wAC	ENCLOSURE	SF	E	3	0.03		0.03
New Attic Insulation-R19 MF/CZ11/G-noAC	ENCLOSURE	MF	G	11	0.03		0.03
New Attic Insulation-R19 MF/CZ12/G-noAC	ENCLOSURE	MF	G	12	0.03		0.03
New Attic Insulation-R19 MF/CZ4/G-noAC	ENCLOSURE	MF	G	4	0.03		0.03
New Attic Insulation-R19 MF/CZ5/G-noAC	ENCLOSURE	MF	G	5	0.03		0.03
New Attic Insulation-R19 MF/CZ6/G-noAC	ENCLOSURE	MF	G	6	0.03		0.03
New Attic Insulation-R19 MF/CZ13/G-noAC	ENCLOSURE	MF	G	13	0.03		0.03
New Attic Insulation-R19 MF/CZ14/G-noAC	ENCLOSURE	MF	G	14	0.03		0.03
Room A/C Replacement SF/CZ2	HVAC	SF	E	2	0.02		0.02
Room A/C Replacement SF/CZ3	HVAC	SF	E	3	0.02		0.02
Room A/C Replacement SF/CZ4	HVAC	SF	E	4	0.02		0.02
Room A/C Replacement SF/CZ1	HVAC	SF	E	1	0.02		0.02
Room A/C Replacement SF/CZ5	HVAC	SF	E	5	0.02		0.02
Room A/C Replacement SF/CZ6	HVAC	SF	E	6	0.02		0.02
Attic Insulation-R19 SF/CZ1/E-wAC	ENCLOSURE	SF	E	1	0.00		0.00
Air Sealing / Envelope MF/CZ1/E-noAC	ENCLOSURE	MF	E	1	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ11/E-noAC	ENCLOSURE	MF	E	11	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ12/E-noAC	ENCLOSURE	MF	E	12	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ13/E-noAC	ENCLOSURE	MF	E	13	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ14/E-noAC	ENCLOSURE	MF	E	14	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ16/E-noAC	ENCLOSURE	MF	E	16	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ2/E-noAC	ENCLOSURE	MF	E	2	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ3/E-noAC	ENCLOSURE	MF	E	3	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ4/E-noAC	ENCLOSURE	MF	E	4	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ5/E-noAC	ENCLOSURE	MF	E	5	0.00	0.00	0.00
Air Sealing / Envelope MF/CZ6/E-noAC	ENCLOSURE	MF	E	6	0.00	0.00	0.00
Air Sealing / Envelope MH/CZ1/E-noAC	ENCLOSURE	MH	E	1	0.00	0.00	0.00
Air Sealing / Envelope MH/CZ11/E-noAC	ENCLOSURE	MH	E	11	0.00	0.00	0.00
Air Sealing / Envelope MH/CZ12/E-noAC	ENCLOSURE	MH	E	12	0.00	0.00	0.00
Air Sealing / Envelope MH/CZ13/E-noAC	ENCLOSURE	MH	E	13	0.00	0.00	0.00

Energy Savings Assistance Program Cost-Effectiveness - Non Weather Sensitive Measures
Pacific Gas and Electric Company

Measure*	Measure Group	Type of Home (SF,MH,MF)	Electric or Gas (E,G)	Ratio of Benefits Over Costs*		
				Utility Cost Test	Modified Participant Test	Total Resource Cost Test
Water Heater Pipe Insulation SF/CZ-All/Gas	Domestic Hot Water	SH	G	2.41	35.79	1.95
Water Heater Pipe Insulation MH/CZ-All/Gas	Domestic Hot Water	MH	E	2.02	12.83	1.63
Faucet Aerator SF/CZ-All/Elec	Domestic Hot Water	MH	G	1.63	6.83	1.32
Water Heater Blanket MH/CZ-All/Elec	Domestic Hot Water	SH	E	1.47	5.42	1.19
Faucet Aerator MH/CZ-All/Elec	Domestic Hot Water	MF	G	1.47	5.36	1.19
Water Heater Pipe Insulation MF/CZ-All/Gas	Domestic Hot Water	SH	G	1.45	5.10	1.18
Faucet Aerator SF/CZ-All/Gas	Domestic Hot Water	SH	G	1.23	3.68	1.00
Faucet Aerator MH/CZ-All/Gas	Domestic Hot Water	SH	E	1.19	3.44	0.96
Faucet Aerator MF/CZ-All/Gas	Domestic Hot Water	MH	E	1.19	3.44	0.96
New Low Flow Shower Head SF/CZ-All/Elec	Domestic Hot Water	SH	E	1.07	2.97	0.87
New Microwave-replacing gas oven MF/CZ-All	Appliances	MH	E	1.10	2.77	0.89
New Microwave-replacing gas oven SF/CZ-All	Appliances	MF	E	1.10	2.77	0.89
New Microwave-replacing gas oven MH/CZ-All	Appliances	MH	E	1.10	2.77	0.89
New Microwave-replacing gas oven MF/CZ-All	Appliances	MF	E	1.10	2.77	0.89
Water Heater Blanket SF/CZ-All/Elec	Domestic Hot Water	SH	E	0.98	2.59	0.80
New Low Flow Shower Head MH/CZ-All/Elec	Domestic Hot Water	SH	G	0.97	2.54	0.78
Torchiere - 55 W (D03-842 RES00AVT0r55) w/CZ w/SF	Lighting	MH	G	1.27	2.04	1.03
New Microwave-replacing electric oven SF/CZ-All	Appliances	MH	G	1.25	1.95	1.03
New Microwave-replacing electric oven MH/CZ-All	Appliances	SH	G	1.25	1.95	1.03
New Microwave-replacing electric oven MF/CZ-All	Appliances	MF	E	1.25	1.95	1.03
New Low Flow Shower Head MH/CZ-All/Gas	Domestic Hot Water	MH	E	0.80	1.85	0.65
Water Heater Pipe Insulation MH/CZ-All/Elec	Domestic Hot Water	SH	E	0.75	1.74	0.61
CFL - MF/CZ-All	Lighting	MF	G	1.15	1.72	0.94
CFL - MH/CZ-All	Lighting	MH	G	1.05	1.46	0.86
CFL - SF/CZ-All	Lighting	SH	E	1.04	1.43	0.85
New Low Flow Shower Head SF/CZ-All/Gas	Domestic Hot Water	MH	E	0.65	1.39	0.53
Water Heater Pipe Insulation SF/CZ-All/Elec	Domestic Hot Water	MF	G	0.54	1.12	0.43
Water Heater Blanket MH/CZ-All/Gas	Domestic Hot Water	MF	E	0.54	1.09	0.44
Refrigerator SFCZ-All	Appliances	SH	E	0.83	1.04	0.67
Refrigerator MHCZ-All	Appliances	MH	E	0.82	1.03	0.67
LIHEAP - Appliance SF/CZ-All	Appliances	SH	E	0.77	0.94	0.62
LIHEAP - Appliance MH/CZ-All	Appliances	MH	E	0.77	0.93	0.62
Exterior Hard wired CFL fixtures MF/CZ-All	Lighting	MF	E	0.69	0.86	0.56
Water Heater Blanket SF/CZ-All/Gas	Domestic Hot Water	MF	E	0.43	0.82	0.34
Refrigerator MFCZ-All	Appliances	SH	G	0.69	0.82	0.56
Exterior Hard wired CFL fixtures SF/CZ-All	Lighting	SH	E	0.67	0.81	0.54
Exterior Hard wired CFL fixtures MH/CZ-All	Lighting	MH	E	0.65	0.78	0.52
Interior Hard wired CFL fixtures MF/CZ-All	Lighting	MF	E	0.66	0.75	0.54
LIHEAP - Appliance MF/CZ-All	Appliances	ALL	E	0.64	0.74	0.52
Interior Hard wired CFL fixtures SF/CZ-All	Lighting	MH	E	0.63	0.71	0.51
Interior Hard wired CFL fixtures MH/CZ-All	Lighting	SH	E	0.61	0.68	0.50
Occupancy Sensor All/CZ-All	Lighting	MF	G	0.51	0.53	0.41
Water Heater Blanket MF/CZ-All/Gas	Domestic Hot Water	MF	G	0.17	0.29	0.13
New Low Flow Shower Head MF/CZ-All/Gas	Domestic Hot Water	MF	E	0.14	0.24	0.11
Faucet Aerator MF/CZ-All/Elec	Domestic Hot Water	MF	E	0.00	0.00	0.00
New Low Flow Shower Head MF/CZ-All/Elec	Domestic Hot Water	MF	E	0.00	0.00	0.00

Measure*	Measure Group	Type of Home (SF,MH,MF)	Electric or Gas (E,G)	Ratio of Benefits Over Costs*		
				Utility Cost Test	Modified Participant Test	Total Resource Cost Test
Water Heater Blanket MF/CZ-AII/Elec	Domestic Hot Water	MF	E	0.00	0.00	0.00
Water Heater Pipe Insulation MF/CZ-AII/Elec	Domestic Hot Water	ALL	E	0.00	0.00	0.00
Water Heater R&R	Domestic Hot Water	ALL	E	0.00	0.00	0.00

*Based on 2012 program year.

Color Codes

Blue: At least one of either Utility Cost Test or Modified Participant Test passes over 1.0.

Orange: At least one of either Utility Cost Test or Modified Participant Test passes over 0.25.

Green: Does not pass, but PG&E proposes to include for comfort, health, and safety non-energy benefits.

Pink: Hot Water Heaters -- does not pass, but PG&E proposes to include for comfort, health, and safety non-energy benefits (for home-owners only).

**PY 2012 - 2014 Energy Savings Assistance Program Pilots and Studies
Pacific Gas and Electric Company**

Line No.	Statewide Study	Total Cost ^[1]	Percent Paid by Utility	Total Cost Paid by Utility
1	Impact Evaluation of the 2012 ESA Program	\$600,000	30%	\$180,000
2	Energy Education Study	\$300,000	30%	\$90,000
3	Total	\$900,000		\$270,000

^[1] This is the total (contracted) cost of the study.

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT B
CARE

**PY 2012 - 2014 CARE Proposed Program Budget
Pacific Gas and Electric Company**

CARE Budget Categories	2011 Authorized	2012 Planned	2013 Planned	2014 Planned
Outreach	\$ 5,900,000	\$ 6,651,000	\$ 5,818,000	\$ 6,001,000
Processing, Certification, Recertification	\$ 2,000,000	\$ 1,607,000	\$ 1,667,000	\$ 1,729,000
Post Enrollment Verification (1)	\$ -	\$ 375,000	\$ 388,000	\$ 402,000
IT Programming	\$ 300,000	\$ 751,000	\$ 646,000	\$ 651,000
Cool Centers (2)	\$ 450,000	\$ 229,000	\$ 236,000	\$ 243,000
Pilots	\$ -	\$ -	\$ -	\$ -
Measurement and Evaluation (3)	\$ -	\$ 45,000	\$ 46,000	\$ 48,000
Regulatory Compliance	\$ 115,000	\$ 311,000	\$ 316,000	\$ 342,000
General Administration	\$ 550,000	\$ 1,984,000	\$ 2,042,000	\$ 2,106,000
CPUC Energy Division Staff (4)	\$ 206,000	\$ 128,000	\$ 128,000	\$ 128,000
SUBTOTAL MANAGEMENT COSTS (5)	\$ 9,521,000	\$ 12,081,000	\$ 11,287,000	\$ 11,650,000
Subsidies and Benefits (6)	\$ 479,707,435	\$ 660,220,000	\$ 633,029,000	\$ 605,950,000
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$ 489,228,435	\$ 672,301,000	\$ 644,316,000	\$ 617,600,000

Notes

- (1) "Post Enrollment Verification" included in "Processing, Certification and Recertification" category in 2011
- (2) Includes Cooling Centers as approved in Advice 3220-E-A.
- (3) Includes cost for annual update to joint utilities eligibility
- (4) Based on 2009 and 2010 historical spent
- (5) Cost escalation was applied using labor escalation rates from the union contract and non-labor escalation rates developed by Global insights in Q2 2010
- (6) The CARE subsidy forecast assumes implementation of the electric CARE Tier 3 rate in 2011, in concurrence with both the Proposed Decision and the Alternate Proposed Decision in the General Rate Case (GRC) Phase 2 proceeding, and subsequent CARE Tier 3 rate increases of \$0.015 in 2013 and 2014.
- CARE customers are also exempt from paying costs for Department of Water Resources Bonds, CARE Public Purpose Programs, and the California Solar Initiative. These exemptions are not reflected in the subsidy forecast and will total an estimated \$380 million in PY 2012-2014.

**PY 2012 - 2014 CARE Estimated Participation
Pacific Gas and Electric Company**

	Total Enrolled Enrolled 12-31-10	Total Enrolled Through March 2011 04/21/11 RD Report	PY 2011 Estimated Eligible	Estimated Net PY 2011 Enrollments	Estimated Year End PY 2011 Participation	Estimated PY 2011 Goal Rate	Estimated PY 2012 Goal Rate	Estimated Year End PY 2012 Participation	Estimated PY 2012 Goal Rate	Estimated PY 2013 Goal Rate	Estimated Year End PY 2013 Participation	Estimated PY 2013 Goal Rate	Estimated PY 2014 Goal Rate
(Source)	(1)	04/21/11 RD Report	(2)	(3)	(Col. B+E)	(Col. F/D)	(Col. I/D)	(Col. F+H)	(Col. I/D)	(Col. L/D)	(Col. I+K)	(Col. L/D)	(Col. O/D)
	1,499,942	1,545,645	1,699,660	34,058	1,534,000	90%	91%	1,553,000	91%	92%	1,566,000	92%	93%
					19,000			13,000			15,000		

- (1) CARE Annual Reports, dated 05/02/11
- (2) Each utility's estimate based on eligibility rates filed.
- (3) Most recent estimates of net enrollments.
- (4) Estimated PY2012, PY2013 and PY2014 Goal Rate will fluctuate based on updated CARE Eligibility information to be filed October 2011, October 2012 and October 2013.

**PY 2010-2011 CARE Outreach and Penetration Information
Pacific Gas and Electric Company**

CARE PY 2010	Outreach Method	Total Cost ⁽¹⁾	Estimated # of Customers Reached	Estimated # of Customers Enrolled	Percent of Net Enrollments for PY 2010
	Automated Voice Messaging (AVM)	\$222,000	1,538,229	62,628	14.84%
	Automatic Enrollment	\$0	N/A	38,098	9.02%
	Bill Inserts	\$278,001	8,400,000	24,487	5.80%
	Community Outreach Contractors	\$125,972	N/A	5,317	1.31%
	Direct Mail	\$834,643	1,891,447	43,456	10.29%
	Door-to-door Campaign	\$505,185	N/A	29,225	6.92%
	Events	\$46,199	N/A	440	0.10%
	Local Office Partnership	\$0	N/A	20,436	4.84%
	Media	\$228,217	N/A	N/A	N/A
	Online Enrollment	\$0	N/A	69,194	16.39%

CARE PY 2011	Outreach Method	Total Cost ⁽¹⁾	Estimated # of Customers Reached	Estimated # of Customers Enrolled	Percent of Net Enrollments for PY 2011
	Automated Voice Messaging (AVM)	\$180,000	1,200,000	25,000	6.33%
	Automatic Enrollment	\$0	N/A	40,000	10.13%
	Bill Inserts	\$475,000	14,400	36,500	9.24%
	Community Outreach Contractors	\$148,000	N/A	6,000	1.52%
	Direct Mail	\$845,000	1,700,000	41,900	10.61%
	Door-to-door Campaign	\$840,000	N/A	39,000	9.88%
	Events	\$75,000	N/A	600	0.15%
	Local Office Partnership	\$0	N/A	20,000	5.06%
	Online Enrollment	\$0	N/A	70,000	17.73%

⁽¹⁾ Only includes costs billed to "Outreach" budget category.

**PY 2012 - 2014 CARE and ESAP Rate Impacts - Electric (cents/kWh)
Pacific Gas and Electric Company**

PY 2012	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	15.20	0.62	0.01	0.09	0.01	0.73	15.93
Commercial	17.00	0.84	0.01	0.10	0.01	0.96	17.96
Industrial	12.94	0.84	0.01	0.07	0.01	0.94	13.88
Agricultural	13.77	0.84	0.01	0.07	0.01	0.94	14.71
Lighting	16.54	0.02	0.00	0.10	0.01	0.14	16.67
System	14.43	0.75	0.01	0.09	0.01	0.85	15.28

PY 2013	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	15.20	0.62	0.01	0.12	0.01	0.75	15.95
Commercial	17.00	0.84	0.01	0.13	0.01	0.99	17.99
Industrial	12.94	0.84	0.01	0.09	0.01	0.95	13.89
Agricultural	13.77	0.84	0.01	0.09	0.01	0.95	14.72
Lighting	16.54	0.02	0.00	0.13	0.01	0.16	16.70
System	14.43	0.75	0.01	0.11	0.01	0.87	15.30

PY 2014	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	15.20	0.62	0.01	0.12	0.01	0.75	15.96
Commercial	17.00	0.84	0.01	0.13	0.01	0.99	17.99
Industrial	12.94	0.84	0.01	0.10	0.01	0.96	13.90
Agricultural	13.77	0.84	0.01	0.09	0.01	0.96	14.73
Lighting	16.54	0.02	0.00	0.13	0.01	0.17	16.70
System	14.43	0.75	0.01	0.11	0.01	0.88	15.30

PY 2012 - 2014 CARE and ESAP Rate Impacts - Gas
Pacific Gas and Electric Company

PY 2011	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	1.147	0.02	0.00	0.02	0.00	0.05	1.20
Small Commercial	0.923	0.02	0.00	0.01	0.00	0.03	0.96
Large Commercial	0.708	0.02	0.00	0.03	0.00	0.05	0.76
Industrial Distribution	0.134	0.02	0.00	0.01	0.00	0.03	0.17
Industrial Transmission	0.041	0.02	0.00	0.00	0.00	0.03	0.07
Industrial Backbone	0.014	0.02	0.00	0.00	0.00	0.03	0.04
NGV1	0.634	0.02	0.00	-	-	0.02	0.66
NGV2	1.862	0.02	0.00	-	-	0.02	1.89
NGV4	0.031	0.02	0.00	-	-	0.02	0.06
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PY 2012	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	1.15	0.03	0.00	0.02	0.00	0.05	1.19
Small Commercial	0.92	0.03	0.00	0.01	0.00	0.03	0.96
Large Commercial	0.71	0.03	0.00	0.02	0.00	0.05	0.76
Industrial Distribution	0.13	0.03	0.00	0.01	0.00	0.03	0.17
Industrial Transmission	0.04	0.03	0.00	0.00	0.00	0.03	0.07
Industrial Backbone	0.01	0.03	0.00	0.00	0.00	0.03	0.04
NGV1	0.63	0.03	0.00	-	-	0.03	0.66
NGV2	1.86	0.03	0.00	-	-	0.03	1.89
NGV4	0.03	0.03	0.00	-	-	0.03	0.06
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PY 2013	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	1.15	0.03	0.00	0.02	0.00	0.05	1.20
Small Commercial	0.92	0.03	0.00	0.01	0.00	0.04	0.96
Large Commercial	0.71	0.03	0.00	0.03	0.00	0.05	0.76
Industrial Distribution	0.13	0.03	0.00	0.01	0.00	0.03	0.17
Industrial Transmission	0.04	0.03	0.00	0.00	0.00	0.03	0.07
Industrial Backbone	0.01	0.03	0.00	0.00	0.00	0.03	0.04
NGV1	0.63	0.03	0.00	-	-	0.03	0.66
NGV2	1.86	0.03	0.00	-	-	0.03	1.89
NGV4	0.03	0.03	0.00	-	-	0.03	0.06
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PY 2014	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	1.15	0.03	0.00	0.02	0.00	0.05	1.20
Small Commercial	0.92	0.03	0.00	0.01	0.00	0.04	0.96
Large Commercial	0.71	0.03	0.00	0.03	0.00	0.06	0.77
Industrial Distribution	0.13	0.03	0.00	0.01	0.00	0.03	0.17
Industrial Transmission	0.04	0.03	0.00	0.00	0.00	0.03	0.07
Industrial Backbone	0.01	0.03	0.00	0.00	0.00	0.03	0.05
NGV1	0.63	0.03	0.00	-	-	0.03	0.66
NGV2	1.86	0.03	0.00	-	-	0.03	1.89
NGV4	0.03	0.03	0.00	-	-	0.03	0.06
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:
2011 Average Gas Rates based on May 1, 2011 present rates.
Bundled rates are based on illustrative annual average procurement rates.

**Low Income Customer Usage Levels
Pacific Gas and Electric Company**

	PY 2010		PY 2011 (Projected)		PY 2012 (Projected)		PY 2013 (Projected)		PY 2014 (Projected)	
	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP
Electric										
Total	1,254,320	107,722	1,282,882	102,000	1,298,766	88,874	1,309,634	107,052	1,322,174	107,052
Tier 1*	606,060	28,810	619,861	27,280	627,536	23,769	632,787	28,631	638,846	28,631
Tier 2*	151,532	15,485	154,983	14,662	156,902	12,776	158,215	15,389	159,730	15,389
Tier 3*	305,611	31,017	312,570	29,369	316,440	25,590	319,088	30,824	322,143	30,824
Tier 4*	139,052	21,678	142,218	20,527	143,979	17,885	145,184	21,543	146,574	21,543
Tier 5*	52,065	9,182	53,250	8,694	53,910	7,575	54,361	9,125	54,881	9,125
Gas										
Total	1,139,975	100,238	1,166,257	94,914	1,180,697	82,699	1,190,577	99,615	1,201,977	99,615
Below Baseline*	473,298	18,724	484,210	17,729	490,205	15,448	494,307	18,608	499,040	18,608
Above Baseline*	666,677	81,514	682,047	77,184	690,491	67,251	696,269	81,007	702,936	81,007

* Utility may include a more detailed breakdown of gas customers' usage level and an explanation of measurement breakdown employed. The usage tier should be reported as the tier the customer was on, the maximum number of months, in the reported year.

**PY 2012 - 2014 CARE Pilots and Studies
Pacific Gas and Electric Company**

Line No.	Statewide Study	Total Cost	Percent paid by Utility	Total Cost paid by Utility
	NA			
Total				

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT C-1

IMPACT EVALUATION OF THE ENERGY SAVINGS

ASSISTANCE PROGRAM – JOINT UTILITY STUDY

(PG&E, SCE, SDG&E, SoCalGas)

Attachment C-1

Impact Evaluation of the Energy Savings Assistance Program Joint Utility Study (PG&E, SCE, SDG&E, SoCalGas)

The Joint Utilities will continue the required two-year program impact review with the Impact Evaluation of the Energy Savings Assistance Program. The primary objective of the study will be to estimate the first year electric and gas savings for the program for each utility, by housing type, and by measure group, and any other “scenario-building” or “planning-relevant” dimensions (e.g., household size, tenure) to assist the 2015-17 planning cycle of the program. Other savings impact-related program issues will likely be addressed as they arise during the program year. This study will occur in 2012-2014, after the completion of the 2010 program year and when a full year of post-installation billing data is available for 2010.

1. Overview Budget

Statewide Study	Total Cost	PG&E Cost
Impact Evaluation of the ESA Program	\$600,000	\$180,000

2. Brief Study Description

The Joint Utilities propose to conduct an impact evaluation of the 2011 ESA Program. The 2011 impact evaluation will enhance the previous impact evaluations for the ESA Program by producing a relatively flexible energy savings projection tool that will not just provide savings estimates for a particular year and program implementation, but inform future program planning.

The 2011 Impact Evaluation will provide of program savings at a needed disaggregation level for the purposes of projecting within meaningful categories of population, such as climate zones, dwelling types, dwelling age, etc. Such a level of estimation is critical for guiding current and future program delivery as well as determining program cost-effectiveness.

3. Study Rationale and Expected Outcome

The study will provide a set of program energy savings estimates at a disaggregated level that will be used for both reporting purposes and future program development. In addition, it will provide useful information on participant energy consumption and characteristics. The study will also provide a comparison with the results from previous years, and, if needed, could provide rigorous examination of whether savings achieved in the 2011 program for given measure groups or measures are significantly different, adding a cumulative, knowledge-building aspect to the evaluation effort that has been missing in most work done under the guidance of the CPUC’s Energy Division.

D.03-10-041 specified that Energy Savings Assistance Program impact evaluations should occur every two years. The Joint Utilities completed an Impact Evaluation of the 2009 Program and, as such, will be implementing the next Impact Evaluation for the 2011 program.

The 2009 Impact Evaluation approach did not provide viable Impact estimates for some of the key measures installed via the programs. In particular, pool pumps, and various weatherization measures were assigned a “0” energy savings value. In addition, the modeling approach aggregated the central air conditioning and room air conditioning into one “cooling savings” estimate. This study product severely limits the availability of disaggregated information for future program planning in trying to ascertain the additive benefits and cost effectiveness of various different measures and program delivery methods in the program.

Another problem, among others, is that while the impact estimates of several measures/measure groups were provided for specific housing types, the mechanism used to achieve this was indirect, and required the assumption that the difference between impacts for multi-family and single family dwelling *only* involved differentials in their distribution over pre-program consumption “strata.”

The 2011 Impact Evaluation will assess, causally, the impact of measures, assessments, and education from the ESA Program and how their effectiveness is mitigated or enhanced by the characteristics of dwellings and households to which the ESA Program is delivered. The proposed 2011 Impact Evaluation will be required to use methodologies and analytical strategies that will not only produce reliable Impact estimates for the program, but also provide energy savings estimates at a level that is useful for future program planning.

The 2011 Impact Evaluation will take full advantage of available analytical methods tried elsewhere in program evaluation studies to provide robust, unbiased set of savings estimates, generalizing to the entire population of participants using techniques and/or data such as:

- Taking advantage of small geographic area data as an aspect of sample design and as a sensible basis for providing ecological control in the impact evaluation.
- An optimally stratified, population-representative sample design to serve the various purposes of the study, including supporting the gross savings regression by maximizing variability across measures, climate zones, building types, tenure arrangements, and bill payer status as possible.
- Estimating gross savings over the 2010 and previous program samples, with appropriate weights, stratification-related terms reflective of the sample divisions, sample years etc.
- Combining various primary data collected through phone and/or on-site to produce a joint (tracking only and survey-assisted subsample) gross savings regression with appropriate terms reflecting measure class, and/or measure-specific impacts on kWh.
- Only as determined to be necessary, develop a secondary regression to disaggregate the savings estimates for measure groups obtained in a main gross savings analysis regression, based on constraining coefficients to values or ranges that can come from engineering priors, for example.
- Build in flexibility in the estimated model so that the interaction of population characteristics with measure delivery allows for estimating effects in the projected population that

incorporate changes in the program population, for instance increased placement of particular measures in different conjunction with other measures, in changed concentrations by climate zone, in changed concentrations by dwelling type, etc.

The 2009 Impact Evaluation utilized an analytical approach that resulted in savings estimates that were limited for a variety of technical reasons. Alternative approaches are available and have the potential to provide more robust and reliable Impact results for the Energy Savings Assistance Program, and to assess, causally, the impact of measures/audits/advice from the ESA Program and how their effectiveness is mitigated/enhanced by the characteristics of dwellings and households to which the ESA Program is delivered.

For example, an approach that clarifies the relationship between the small area data and better wed the tracking regression to the other data sources (e.g., survey or onsite data) is recommended. Likewise, technical issues including using calculations of degree days in terms of averages as was used in the 2009 Impact evaluation rather than the temperature-hours above or below the base temperature; multi-collinearity; and assigning the same dummy variable to homes that received different mixtures of measures diluted the attribution of causal impact that might be better explained using other analytical approaches.

In addition, the impact evaluation will determine the Energy Savings Assistance Program's contribution to providing energy resource benefits to California.

Although not specifically a goal of impact studies, the reporting of impact results can also highlight the role of increased penetration or population coverage on savings as opposed to the role of increasing average household savings among households served (not sure what you meant here).

4. Pilot or Study Implementation

The following implementation steps will be conducted for this study:

- Development of a detailed research plan to be submitted for approval to the joint utilities,
- Development of a sampling plan and weights,
- Data collection and verification,
- Development of a regression model for estimating energy savings,
- Analysis and evaluation of regression results, and
- Presentation of conclusions and recommendations.
- In addition, the study may include customer surveys or other data collection and analysis as approved by the Joint Utilities.
- The study will commence in 2012 and may not be completed until 2014.

5. Study Budget & Timing Table

While no proposal has been received, we anticipate the following evaluation activities to be cost drivers for this study:

Activity	Estimated Cost	Estimated Commencement
Review of current program implementation and delivery	2,500	March 2012
Review of program tracking data, measures, participant customer characteristics	2,500	March 2012
Review of prior impact studies and methodologies	2,500	March 2012
Interviews with program staff on future program planning issues	2,500	March 2012
Development of a data collection plan (sample design, sampling frames, data collection instruments) and an analysis plan (combination of statistical billing with engineering data) grounded in a sound theoretical rationale.	5,000	April 2012
Development of an Analysis Plan identifying appropriate combination of statistical billing and , engineering analyses)	5,000	April 2012
Development of draft and final Research Plans	5,000	May 2012
Gathering of billing data and secondary engineering data & preliminary analyses	10,000	May 2012
Refinement of an Analysis Plan & Preliminary Results review	10,000	June 2012
Primary Data collection through a combination of onsite, telephone, in person surveys, and Secondary Data collection (small geography demographic data)	300,000	June 2012
Full Data Analysis	150,000	Dec 2012
Reporting (early findings memos, draft and final reports & presentation of findings)	80,000	March 2013
<i>Final Report Completion</i>		<i>September 2013</i>
General Project management	25,000	ongoing

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT C-2
ENERGY EDUCATION ASSESSMENT FOR THE ENERGY
SAVINGS ASSISTANCE PROGRAM – JOINT UTILITY STUDY
(PG&E, SCE, SDG&E, SoCalGas)

Attachment C-2

**Energy Education Assessment for the Energy Savings Assistance Program
Joint Utility Study (PG&E, SCE, SDG&E, SoCalGas)**

The purpose of the Education Assessment and Needs Analysis Study is to identify ways to optimize and/or improve the educational component of the Energy Savings Assistance Program. This study is intended to examine the current and potential value of the Education that is provided to participants of the Energy Savings Assistance Program.

1. Study Budget Table

Statewide Study	Total Cost	PG&E Cost
Energy Education Assessment	\$300,000	\$90,000

2. Projected Pilot Impacts Table.

Not Applicable for Studies

3. Brief Study Description.

The Energy Education Assessment Study will examine current and potential practices related to the educational materials, delivery mechanisms, and relative value (and possible savings) associated with the education component of the ESA Program. The specific research objectives may include one or more of the following:

Description of Study Objectives:

Understand and improve practices related to the education delivery to customers, including, but not limited to (1) contractor training (2) contractor practices (3) customer responsiveness and needs. This would include examining how other similar programs deliver similar information and relevant “best practices” both in terms of customer and contractor experience. Assess opportunities for improving cost-effectiveness of how energy education is delivered.

Examine and explore needs related to educational materials. The purpose of this piece of the project would be to look at the materials and explore other curriculums and best practices with regard to energy education. In addition, understanding what consumers need and want and how they can best receive this information. What do customers not know? Where is their knowledge lacking or erroneous? What do they “want” to know more about – to assist them in being more energy efficient? Explore customized education delivery – within and across households. While additional data collection may be warranted to understand this, some of this can be garnered from data already collected (but not yet analyzed) during the 2009-11 program cycle.

Examine potential savings Impacts of energy education on ESA Program participants. The purpose of this would be to determine if we can assign reliable and valid savings estimates to education – Historically, education has not counted as a “measure” that delivers savings, and as such has received relatively less attention in the Impact Evaluations. Getting better and more focused data on this component may provide a justification to consider claiming savings for this measure. A Quasi-experimental design should allow us to examine with greater rigor, the extent to which we could attribute savings to (perhaps – even - different types of) education.

4. Pilot or Study Rationale and Expected Outcome

Research findings from the 2009-11 program cycle¹ suggest that learning more about ways that we can maximize the benefit of our customer education may produce additional meaningful savings benefits for our low income customers. For example, the Process Evaluation recognizes that education delivery is not consistent across the utilities, yet more information is needed to determine the extent to which this difference is reflected in any overall savings. Likewise, the Segmentation and High Usage Needs Assessment Studies point to some general findings that show that customers are either oblivious to, don't know about, (or don't care about) things that are resulting in unusually high energy usage - a strong education component as the potential to assist in increasing customer knowledge and thereby mitigate actions that contribute to high usage that may be causing more energy burden for these Low Income customers.

The IOUs recognize cursory findings from the Evaluations that suggest customers would benefit from more / different information and education at multiple phases of the program delivery including marketing and outreach, assessment and enrollment, and measure installation. The proposed study is expected to garner additional more in-depth data that would allow the IOUs to maximize the educational component of the program.

Moreover, the educational component of the Energy Savings Assistance Program has the capability to take on a more significant role within the program with the introduction of and potential of the Smart Meter technology as well as National and Statewide strategic initiatives become increasingly directed towards inciting long term behavior and attitude changes in customers to reach long-term GHG goals.

¹ For example:

California Low Income Energy Efficiency Program 2009-2010 Process Evaluation, conducted by Research Into Action for the CPUC, (Draft Final Report issued March,2011); and

Low Income Energy Efficiency Program Household Segmentation Study, conducted by Hiner and Partners for SCE & PG&E, (Preliminary Draft Report available March 2011); and

High Usage Needs Assessment, conducted by Hiner and Partners for SCE, (Preliminary Draft Report available March 2011).

Given how the program is delivered (in person/one-on-one), relative to other types of programs, social science research suggests that the Energy Savings Assistance Program has the potential to induce knowledge, attitude and behavior changes related to energy efficiency.

In addition, understanding customer attitudes toward program messages and energy saving opportunities will inform marketing and outreach plans which will help achieve penetration goals.

This combination of factors suggests the need for a more focused evaluation effort on the education component of the Energy Savings Assistance Program

5. Pilot or Study Implementation

The following implementation steps will be conducted for this study:

- Development of the Request for Proposals, Solicitation of Bids, Award of Research Project
- Development of a detailed research plan (by proponent contractor)
- Data collection methods and analyses plan.
- Types of data collection and analyses may include:
 - Program Delivery analyses (contractor interviews & surveys; staff interviews; customer interviews; training material and practice review; literature and other program review)
 - Energy Savings analyses (examination of savings impacts of differentiated education treatments)
 - Curriculum analyses & best practices (training material and practice review; comparative material review (w/ other programs and based on cost & assessed value)
 - Customer needs assessment for education and marketing (contractor interviews & surveys; staff interviews; customer interviews; in home assessments; secondary review of other RASS, ME&O, etc research on relevant issues for this population AND national & state trends)
- Data Analysis
- Presentation of conclusions and recommendations.

6. Study Budget & Timing Table

While no proposal has been received, we anticipate the following evaluation activities to be cost drivers for this study:

Activity	Estimated Cost	Estimated Timing
Review of current program implementation and delivery, and materials	5,000	March 2012
Development of a detailed research plan	5,000	April 2012
Data collection methods and analyses plan.	5,000	May 2012
Primary and Secondary Data Collection which may include:	170,000	June 2012
<ul style="list-style-type: none"> • Program Delivery analyses (interviews & surveys; literature and other program review) • Energy Savings analyses (examination of savings impacts of differentiated education treatments) • Curriculum analyses & best practices (training material and practice review) • Customer needs assessment for education and marketing (interviews & surveys; in home assessments; focus groups, secondary review of existing data) 		
Data Analysis	50,000	Dec 2012
Reporting (early findings memos, draft and final reports)	50,000	April 2013
General Project management	15,000	ongoing

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT D
ELIGIBILITY CRITERIA FOR CATEGORICAL ENROLLMENT
PROGRAMS FOR THE IOUS CARE AND THE ENERGY SAVINGS
ASSISTANCE PROGRAM

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
California Alternate Rates for Energy/Energy Savings Assistance Program	Investor-Owned Utilities	200% of the Federal Poverty Guidelines ¹	None	To qualify for CARE, total household income is defined as: “[a]ll revenues, from all household members, from whatever source derived, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income	---	---
Supplemental Security Income (SSI)	Social Security Administration	Income and Resource Based Criteria - Countable income including spouse and/or parents if under 18. Resources that count in deciding whether an	Resources (things that are owned) that do not count include an applicant's home and the land it is on,	An individual can qualify for the program. Can be independent or living in a household with other persons. Anyone who	No	http://www.ssa.gov/pgm/ssi.htm

¹ The Federal Poverty Guidelines are updated annually by the Federal Health and Human Services Department (HHS) <http://aspe.hhs.gov/poverty/11poverty.shtml> According to the HHS website, the following programs (among others) do not use the FPG to determine eligibility: TANF, SSI, State of Local Funded General Assistance, Section 8 Low Income Housing Assistance, and Low Rent Public Housing. <http://aspe.hhs.gov/poverty/faq.shtml#differences> When determining program eligibility, some agencies compare before-tax income to the poverty guidelines, while other agencies compare after-tax income.

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
		<p>applicant qualifies include real estate, bank accounts, cash, stocks and bonds.</p>	<p>life insurance policies with a face value of \$1,500 or less, a car, burial plots for applicant and family members, and up to \$1,500 in burial funds for the applicant and up to \$1,500 in burial funds for their spouse. Non-countable income includes \$20 of income per month, The first \$65 a month earned from working and half the amount over \$65, value of food stamps received, income tax refunds, home energy assistance, dividends, gifts, grants, student income, value-impaired work expenses, shelter from private nonprofit organizations. Also includes other</p>	<p>meets the eligibility criteria can receive it. Disabled or blind children can also receive SSI.</p>		

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
CalWorks²/ Temporary Assistance to Needy Families (TANF)	California Department of Social Services	Must have a net monthly income less than the maximum aid payment for family size. \$2,000 - \$3,000 for seniors' property limit excluding vehicles and \$5,000 in restricted bank accounts. Gross income must be below \$784 per month	exemptions for blind and disabled applicants. Non-countable income allowance of \$90 per month per employed household member. No. Does not count "gross income" from all household members. Has income exemptions for some working family members.		No	http://www.cdss.ca.gov/cdssweb/PG85.htm http://www2.sdcounty.ca.gov/hhsa/ServiceDetails.asp?ServiceID=512 http://www.dss.cahwnet.gov/cdssweb/PG141.htm
Tribal TANF	California Department of Social Services	Must meet income guidelines of equal to or less than 150% of the Federal Poverty Guidelines.	Same as CalWorks	Is dependent on the Tribes' definition of an "Indian Family" or "Tribal Family".		http://www.tanfonline.com/eligibility.html
Low Income Home Energy Assistance Program (LIHEAP)	California Department of Community Services and Development (DCSD)	2011 Income guidelines are based on 60 percent of the State median income. http://www.csd.ca.gov/Programs/EnergyIncomeGuidelines.aspx	None	Anyone living in the same dwelling unit regardless if they are tenants or boarders Persons living in board-and-care facilities, nursing or convalescent homes, or in jail or prison, are not eligible for HEAP	No	http://www.csd.ca.gov/Programs/Low%20Income%20Home%20Energy%20Assistance%20Program%20(LIHEAP).aspx
Women Infants	California	185% of the Federal Poverty	None	Applicant's Family	No	http://www.cdph.ca.gov/programs/wicwork

² CalWorks is the name of the TANF Program used in the State of California.

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name & Children (WIC)	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
CalFresh³	California Department of Social Services	<p>Guidelines</p> <p>http://www.cdph.ca.gov/program/s/wicworks/Documents/WIC-IncomeGuidelines-WIC.pdf</p>	<p>In-kind benefits – Any gain or benefit that is not in the form of money (i.e., meals, clothing, housing provided by the employer, etc.)</p> <p>Vendor Payments – Money paid to a third party for a household expense by a person or organization outside of the household</p> <p>Deferred Educational Loans</p> <p>Grants and</p>	<p>Household. A person or groups of persons who are residing in one home and are independent of any other members in that home make up a household. Unborn children count toward family</p> <p>There may be more than one household residing in a dwelling unit. total</p> <p>Everyone who lives together and purchases and prepares meals together is grouped together as one household. However, if a person is 60 years of age or older and he or she is unable to purchase and prepare meals separately because of a permanent disability, the person and the person's spouse may be a separate household if the others they live with do not have very much income. Some people who live together, such as husbands and wives and most children under</p>	No	http://www.calfresh.ca.gov/PG841.htm

³ CalFresh is the name of the National Supplemental Nutrition Assistance Program (SNAP) in California.

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
		<p>computed by deducting the following, if applicable, from gross income. The resultant amount cannot exceed 100% of the FPL.</p> <p>Resource limits are \$2,000 for all households except those that have a member who has a disability or who is 60 years of age or older. These households can have up to \$3,000 in resources. Any countable resource will be added to the household's resource limit when making an eligibility determination.</p> <p>There are also some citizenship/immigration status requirements</p>	<p>scholarships</p> <p>Cash donations from a charitable organization of not more than \$300 per calendar quarter</p> <p>Income received too infrequently/irregularly to be reasonably anticipated but not more than \$30 in a quarter In-Kind Benefits – Any gain or benefit that is not in the form of money (i.e., meals, clothing, housing provided by the employer, etc.)</p> <p>Vendor Payments – Money paid to a third party for a household expense by a person or organization outside of the household. Preferred Educational Loans</p> <p>Grants and Scholarships</p>	<p>age 22 are included in the same household, even if they purchase and prepare meals separately.</p>		

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
National School Lunch Program	US Department of Agriculture	Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals. Those with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals, for which students can be charged no more than 40 cents. Children from families with incomes over 185 percent of poverty pay a full price, though their meals are still subsidized to some extent. Local school food authorities set their	Cash donations from a charitable organization of not more than \$300 in a calendar quarter. Income received too infrequently/irregularly to be reasonably anticipated but not more than \$30 in a quarter Households that automatically qualify through participation in the CalFresh/SNAP Program have the same exemptions as the CalFresh/SNAP Program. Value of Food Stamps and FDIPIR is not counted toward household income. Examples of other exemptions include: Payments received for foster care, student financial	Definition for households automatically qualifying through their participation in the CalFresh Program use the same household definition as CalFresh. Otherwise, literature review did not indicate a definition of household for the NSLP.	No.	http://www.fns.usda.gov/cnd/lunch/AboutLunch/NSLPFactSheet.pdf http://www.fns.usda.gov/cnd/Governance/notices/legs/EligibilityManual.pdf

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
Medi-Cal	California Department of Health Care Services	<p>own prices for full-price (paid) meals, but must operate their meal services as non-profit programs.</p> <p>Afterschool snacks are provided to children on the same income eligibility basis as school meals. However, programs that operate in areas where at least 50 percent of students are eligible for free or reduced-price meals may serve all their snacks for free</p> <p>Participants of the SNAP Program automatically qualify for the NSLP.</p>	<p>assistance such as grants and loans, occasional income received on an irregular basis such as babysitting and mowing lawns; lump sum payments from settlements, and specific military benefits.</p>		No	http://www.dhcs.ca.gov/services/medi-cal/Pages/MCIIndividual.aspx

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
		<p>Various income guidelines depending on the various programs offered under Medi-Cal. Income eligibility ranges from 100% - 200% of the Federal Poverty Guidelines. Household Income over 250% of the Federal Poverty Guidelines are eligible for assistance under the Healthy Families Plan C eligibility.</p>	<p>allowable expenses. Deducts some allowable expenses such as some work expenses, child support, dependent adult care, and child care expenses up to a maximum allowable limit for each. Income not included: income of a step parent, SSI/SSP, foster care payments, CalWorks, General Relief, Loans, College Work Study, Government Benefits, and Medicare costs.</p>			
Healthy Families	California Managed Risk Medical Insurance Board	Incomes exceeding 205% of the Federal Poverty Level	Has certain income and resource exemptions that is determined through the eligibility process	Any child under age 21 living at home, or away at school and claimed as tax dependent The birth parents, adoptive parents, or a stepparent who lives with a child you are	No	<p>http://www.healthyfamilies.ca.gov/HFProgram/Income_Guidelines.aspx http://www.healthyfamilies.ca.gov/Downloads/default.aspx#general_information</p>

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
Native American Tribal Head Start	US Department of Health and Human Services California Head Start Association	Follow same guidelines as CalWorks. http://eclkc.ohs.acf.hhs.gov/hslc/Head%20Start%20Program/Program%20Design%20and%20Management/Head%20Start%20Requirements/Pis/2010/Head%20Start%20Eligibility%20Verification%20Form.%20expires%2002-28-2013.pdf	Follow same guidelines as CalWorks	<p>applying for The pregnant woman and her unborn child (if she is married, list her husband, too.)</p> <ul style="list-style-type: none"> The spouse of any teenager living in the home <p>An emancipated minor Does not count aunts, uncles, cousins, nieces, nephews, or grandparents living in the home</p> <p>Same as CalWorks</p>	No	http://eclkc.ohs.acf.hhs.gov/hslc/Head%20Start%20Program/Head%20Start%20Program%20Factsheets http://caheadstart.org/index.html
Bureau of Indian Affairs General Assistance	Bureau of Indian Affairs	Eligibility is determined by each federally recognized tribe. Income eligibility cannot exceed the State of Federal Poverty Guidelines. Must have zero income to qualify.	No	Eligibility is for indigent individuals and does not include income of other people living in the home.	No	http://www.bia.gov/
Public Housing Assistance/Sec	California Housing	Varies from 50% of the Area Median Income for Very Low	Does not count food stamps,	Counts all people living in the homes weather	No.	http://portal.hud.gov/hudportal/HUD?src=/states/california

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household related or not.	Consistent with CARE Eligibility Criteria	Information Source
<p>tion 8 Housing</p>	<p>Finance Association (on behalf of the Federal Housing Urban Development Department)</p>	<p>Families to 80% of the Area Median Income. In California, the "Area" is defined as the County. Includes some adjustments based on family size.</p> <p>For San Diego County see: http://www.huduser.org/portal/datasets/il/2010/2010summary.od □</p> <p>For Los Angeles County See: http://www.huduser.org/portal/datasets/il/2010/2010summary.od □</p>	<p>income from government training, or wages of minors-under 18.</p> <p>Does count SSI benefits for minor children.</p>	<p>related or not.</p>		

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT E

LIST OF ACRONYMS

ENERGY SAVINGS ASSISTANCE PROGRAM AND CALIFORNIA

ALTERNATE RATES FOR ENERGY APPLICATION

Acronyms Used in Energy Savings Assistance and California Alternate Rates for Energy Programs

AET	- Annual Electric True-Up	GIS	- Geographic Information System
ARRA	- American Recovery and Reinvestment Act	G-PPP	- Gas Public Purpose Program
AVM	- Automated Voice Messaging	GRC	- General Rate Case
CARE	- California Alternate Rates for Energy	IDSM	- Integrated Demand Side Management
CBO	- Community Based Organization	IOU	- Investor Owned Utility
CES	- Customer Energy Solutions	IT	- Information Technology
CCSF	- City College of San Francisco	kW	- Kilowatt
CE	- Categorical Enrollment	kWh	- Kilowatt-hour
CEESP	- California Energy Efficiency Strategic Plan	LATTC	- Los Angeles Trade Technical College
CFL	- Compact Fluorescent Lamp	LIEE	- Low Income Energy Efficiency
CHANGES	- Community Help and Awareness with Natural Gas and Electricity Services	LIHEAP	- Low Income Home Energy Assistance Program
CIP	- Central Inspection Program	LIRA	- Low Income Rate Assistance
COC	- Community Outreach Contractor	MASH	- Multi-family Solar Housing
CPUC (Commission)	- California Public Utilities Commission	M&E	- Measurement and Evaluation
CRP	- Community Resource Project	ME&O	- Marketing, Education and Outreach
CSD	- California Department of Community Services and Development	MFEER	- Multi-Family Energy Efficiency Rebate
CSI	- California Solar Initiative	MID	- Modesto Irrigation District
D.	- Decision	MIDI	- Moderate Income Direct Install
DR	- Demand Response	NGAT	- Natural Gas Appliance Testing
EE	- Energy Efficiency	NEB	- Non-Energy Benefits
ED	- Energy Division	NREEP	- National Residential Energy Efficiency Program
EM&V	- Evaluation, Measurement and Verification	OP	- Ordering Paragraph
EPO	- Energy Savings Assistance Program Online Database	PA	- Program Administrator
ESA	- Energy Savings Assistance	PC _m	- Modified Participant Cost Test
ETC	- Energy Training Center	PEV	- Post Enrollment Verification
EUCA	- Energy Upgrade California	PG&E	- Pacific Gas and Electric Company
EUL	- Estimated Useful Life	PPTNEE	- PowerPathway Training Network on Energy Efficiency
FERA	- Family Electric Rate Assistance	PUMS	- Census Public Use Microdata Sample
FF&U	- Franchise Fees and Uncollectible Expense	PY	- Program Year
FPG	- Federal Poverty Guidelines	SASH	- Single-family Affordable Solar Housing
		SCE	- Southern California Edison

SDG&E	- San Diego Gas & Electric Company	TID	- Turlock Irrigation District
SGIP	- Self-Generation Incentive Program	TRC	- Total Resource Cost Test
SMJU	- Small Multi-jurisdictional Utilities	UCT	- Utility Cost Test
SMUD	- Sacramento Municipal Utility District	WAP	- Weatherization Assistance Program
SoCalGas	- Southern California Gas Company	WE&T	- Workforce Education and Training
TANF	- Temporary Assistance for Needy Families	WIC	- Women, Infant and Children Program
		WNA	- Whole Neighborhood Approach

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT F
STATEMENTS OF QUALIFICATIONS

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF MICHAEL D. BURGER**

3 Q 1 Please state your name and business address.

4 A 1 My name is Michael D. Burger, and my business address is Pacific Gas and
5 Electric Company, 245 Market Street, San Francisco, California.

6 Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company
7 (PG&E).

8 A 2 I am a manager over the Portfolio Data & Analysis group within the
9 Integrated Demand-Side Management Department.

10 Q 3 Please summarize your educational and professional background.

11 A 3 I received a bachelor of arts degree in business administration from Niagara
12 University in 2004. Before joining PG&E in 2006, I worked for
13 PricewaterhouseCoopers in the Assurance and Business Advisory group.
14 Since joining PG&E in 2006, I have held a variety of positions with
15 increasing responsibility. I was a business finance analyst supporting Power
16 Generation; senior business finance analyst supporting Risk and Regulatory
17 Relations; supervisor/acting manager–business finance supporting
18 Demand-Side Management. Currently, I am manager of the Portfolio
19 Data & Analysis group within Integrated Demand-Side Management.

20 Q 4 What is the purpose of your testimony?

21 A 4 I am sponsoring Section J in Chapter 1 and Section H in Chapter 2, which
22 cover Budget for both Energy Savings Assistance Program and California
23 Alternate Rates for Energy Program, respectively.

24 Q 5 Does this conclude your statement of qualifications?

25 A 5 Yes, it does.

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PACIFIC GAS AND ELECTRIC COMPANY
STATEMENT OF QUALIFICATIONS OF LINDA C. FONTES

- Q 1 Please state your name and business address.
- A 1 My name is Linda C. Fontes, and my business address is 77 Beale Street, San Francisco, California.
- Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).
- A 2 I am the manager of Solutions Marketing for CARE, Cooling Centers and Energy Savings Assistance program outreach. I have held this position for approximately one year.
- Q 3 Please summarize your educational and professional background.
- A 3 I have worked at PG&E since 1978 holding several positions in the Economics and Forecasting, Information Technology, Customer Energy Efficiency and Solutions Marketing Departments. My experience includes supervision of staff; administration of policies and procedures; management of budgets and regulatory filings; and development of outreach initiatives and partnerships with external agencies, contractors and community-based organizations.
- Q 4 What is the purpose of your testimony?
- A 4 I am sponsoring the CARE, Cooling Centers and Energy Savings Assistance program outreach plans and budgets for program years 2012, 2013 and 2014.
- Q 5 Does this conclude your statement of qualifications?
- A 5 Yes, it does.

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF SUSAN F. NORRIS**

3 Q 1 Please state your name and business address.

4 A 1 My name is Susan F. Norris, and my business address is Pacific Gas and
5 Electric Company, 245 Market Street, San Francisco, California.

6 Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company
7 (PG&E).

8 A 2 I am a senior manager in the Pricing Products organization within the
9 Customer Care Business Unit. My responsibilities include product
10 management and product delivery of array of pricing products within PG&E
11 such as California Alternate Rates for Energy (CARE), Peak Day Pricing,
12 Peak Time Rebate and Time-of-Use.

13 Q 3 Please summarize your educational and professional background.

14 A 3 I joined DMC Services in 1991 which was later acquired by Honeywell
15 International. I held positions of increasing responsibilities within the Utility
16 Solutions group in the areas of process improvement, finance, and energy
17 and water conservation programs management, as well as serving as a
18 district manager overseeing energy and water conservation programs. In
19 2007, I moved to PG&E as a senior program manager overseeing the AC
20 Cycling program, SmartAC™ as well as SmartRate™ with increasing
21 responsibilities including supervisory, principal and senior manager position
22 over Integrated Demand-Side Management (IDSM) Core Products teams of
23 Demand Response; Heating, Ventilation and Air Conditioning; and Motors
24 and Business and Consumer Electronics products. I recently moved into
25 Pricing Products, a new group within PG&E's IDSM Products organization.

26 Q 4 What is the purpose of your testimony?

27 A 4 I am sponsoring the CARE Program testimony.

28 Q 5 Does this conclude your statement of qualifications?

29 A 5 Yes, it does.

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF MARY J. O'DRAIN**

3 Q 1 Please state your name and business address.

4 A 1 My name is Mary J. O'Drain, and my business address is Pacific Gas and
5 Electric Company, 245 Market Street, San Francisco, California.

6 Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company
7 (PG&E).

8 A 2 I am a senior policy analyst in the Policy and Implementation Reporting
9 group, where I work on low income policy and evaluation.

10 Q 3 Please summarize your educational and professional background.

11 A 3 I received a bachelor of arts in anthropology from the University of California
12 at Berkeley and a masters degree in anthropology from the University of
13 Texas at Austin. Over the past 20 years, I have helped designed energy
14 efficiency programs and conducted measurement and evaluation of energy
15 efficient programs first as a consultant with Barakat & Chamberlin. I began
16 work at PG&E in 1996 conducting measurement and evaluation of energy
17 efficient programs. I have worked with PG&E's low income programs since
18 2000, and am currently on the joint utility team coordinating with Energy
19 Division on the statewide Low Income Energy Efficiency/Energy Savings
20 Assistance Program studies and evaluations.

21 Q 4 What is the purpose of your testimony?

22 A 4 I am sponsoring Sections B, D.2, E and I (regarding eligibility, cost
23 effectiveness and studies) in Chapter 1, Energy Savings Assistance
24 Program testimony in PG&E's 2012-2014 Low Income Programs
25 Application.

26 Q 5 Does this conclude your statement of qualifications?

27 A 5 Yes, it does.

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF KEITH N. REED**

3 Q 1 Please state your name and business address.

4 A 1 My name is Keith Newton Reed and my business address is 77 Beale
5 Street, San Francisco, California.

6 Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company
7 (PG&E).

8 A 2 I am the senior manager for PG&E's Residential Customer Energy Efficiency
9 Program. This includes the Core Residential Program (downstream,
10 midstream upstream single/multi family rebates) and the Energy Savings
11 Assistance Program.

12 Q 3 Please summarize your educational and professional background.

13 A 3 I hold a master of business degree from National University and I've been
14 employed by PG&E for 29 years. I have been employed in energy efficiency
15 related positions for 17 years, including the last 6 years as a manager in the
16 Customer Energy Efficiency Department.

17 Q 4 What is the purpose of your testimony?

18 A 4 I am sponsoring the Energy Savings Assistance Program testimony for
19 program years 2012, 2013 and 2014.

20 Q 5 Does this conclude your statement of qualifications?

21 A 5 Yes, it does.

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF MARDI E. WALTON**

3 Q 1 Please state your name and business address.

4 A 1 My name is Mardi E. Walton, and my business address is Pacific Gas and
5 Electric Company, 77 Beale Street, San Francisco, California.

6 Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company
7 (PG&E).

8 A 2 I am senior regulatory analyst in the Customer Demand Side Management
9 Group in PG&E's Energy Proceedings Department.

10 Q 3 Please summarize your educational and professional background.

11 A 3 In 1992, I graduated from University of California, San Diego, with a
12 bachelor of arts degree in economics. I joined PG&E in 2000 as an analyst
13 in the Capital Accounting Department. In 2001, I took the position of analyst
14 in the Corporate Accounting Department. In 2005, I took the position of
15 regulatory analyst in the Gas Revenue Requirements Department. In 2006,
16 I was promoted to senior regulatory analyst. In 2007, I became a senior
17 regulatory analyst in the Customer Demand Side Management group of
18 PG&E's Energy Proceedings Department.

19 Q 4 What is the purpose of your testimony?

20 A 4 I am sponsoring the Revenue Requirement and Rate Impact sections of the
21 Low Income Assistance Programs Program Year 2012-2014 Application
22 regarding the Energy Savings Assistance Program and the California
23 Alternate Rates for Energy Program.

24 Q 5 Does this conclude your statement of qualifications?

25 A 5 Yes, it does.