



Low-Income Oversight Board

Advice Letter for ESA-CARE Proceeding A.19-11-003 and PPE Costs

DRAFT FOR MEETING

December 10, 2020

The Honorable President and Commissioners
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Sent via Email

Subject: Low-Income Oversight Board Recommendations for Proceeding A.19-11-003 and PPE Costs

Dear President Batjer and Commissioners:

The Low-Income Oversight Board (LIOB) is pleased to provide its recommendations for Proceeding A.19-11-003 and on the immediate issue of Center for Disease Control (CDC) and Public Health Departments' mandated Personal Protective Equipment (PPE) and their associated costs. The LIOB finalized these recommendations through a process that included a joint Low-Income Energy Assistance and Technical Advisory Committee meeting on Tuesday, November 17, 2020 and a Low-Income Oversight Board Meeting on Thursday, December 10, 2020. The recommendations included are separated by subject and in no order of prioritization.

Background

As you may know, the LIOB is a statute-mandated board with a mission to advise the Commission on low-income electric, gas and water customer programs and to serve as a liaison for the Commission to low-income customers and representatives. The LIOB's vision is to maximize the benefits of utility, state and federal low-income programs to improve the health, safety and comfort of low-income customers while reducing energy consumption and greenhouse gas emissions. Other responsibilities include advising on certain aspects of the Lifeline program related to coordinated outreach with the CARE program and a statutory requirement to assist in periodic assessments of low-income rate payer need (see July 31, 2020 Letter from LINA Committee: *Low-Income Oversight Board LINA Committee Recommendations*).

To meet its statutory obligation to advise on Proceeding A.19-11-003, the LIOB scheduled a joint Low-Income Energy Assistance and Technical Advisory Committee meeting on Tuesday, November 17, 2020, to discuss subject areas for the Board to include in this recommendation letter. The outcome of that meeting and those deliberations are reflected in the language below. These recommendations were approved at the Low-Income Oversight Board Meeting on Thursday, December 10, 2020.

On Mandatory Personal Protective Equipment Costs during COVID-19 for ESA Contractors

Since the resumption of work following the initial stay at home order, the cost for essential PPE equipment and supplies required by the CDC, state and/or county public health departments has been absorbed by ESA contractors, as it is required to do work. It is the LIOB's understanding that the Investor



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Owned Utilities (IOUs), the Commission and the ESA Contractors did not predict or consider these costs or the COVID-19 Pandemic impacts during the time IOUs executed contracts, as this took place substantially before the virus. The LIOB believes that these added expenses are not part of the cost of doing business in the context of the time of these agreements' approval and recognizes they pose an additional hardship during the pandemic.

Recommendation: The LIOB requests the Commission convene representatives of the IOUs and ESA Contractors to determine what the specific previous, current and future costs of PPE are per measure or some other quantifiable method with the goal of providing a mutually agreeable mechanism for reimbursement of these costs to the greatest extent possible.

LIOB's Recommendations for Proceeding A.19-11-003

Energy Savings Assistance (ESA) Program

Bridge Funding: In the past, bridge funding caused ESA service providers to reduce their workforce, purge infrastructure and in some cases leave the program due to its funding volatility. In 2016 there was a bridge period in place that lasted nearly two years before a CPUC ESA/CARE Program decision was made. During that near two year bridge gap ESA funding was limited and resulting program impacts had reached a crisis point where contractors, both public (CBOs) and private, provided compulsory comments to the LIOB on behalf of not only the financial health of their respective enterprises, but also the low-income communities that they serve.¹ For example, the California Human Development Corporation's (CHDC) Director stated that needy households went unserved due to limited ESA funding. ESA bridge funds were inadequate to support the CHDC ESA program staff and the program itself. As a result, CHDC dropped out of the ESA program. This is significant when you consider that CHDC is a fifty year plus CBO whose primary clientele are farmworkers and their families in the Sonoma (Russian River) region. This hard to reach and serve population is indicative of growing agricultural regions across California where CBOs are a lifeline to critical services. There were also many other ESA service providers with similar accounts of staff layoffs and questioning the commitment to the communities that ESA is intended to serve.

As reflected in the meeting minutes, at the Wednesday, July, 20, 2016, LIOB meeting the Board heard from several contractors and advocates who articulated similar hardships. The LIOB is concerned that a loss of ESA service provider infrastructure will result in prolonged negative impacts such as an inability to meet programmatic goals.

Recommendation: The LIOB requests that the IOUs and their ESA budgets be held harmless (without penalty) during the bridge period, allowing ESA 2020, pre-COVID budgets to remain intact for the bridge period to the greatest extent possible. This accommodation best safeguards low-income ESA services as well as preventing program lay-offs and closures of both community based organizations and small businesses that function as ESA service providers.

¹ LIOB Quarterly Meeting, State Personnel Board, Sacramento, CA Wednesday, July, 20, 2016



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ESA Flexibility: Stay at home orders, mass layoffs and other economic consequences of the pandemic all significantly affected customer affordability, resulting in a surge in CARE enrollment. This will not be the only disaster to affect California's low-income ratepayers. The LIOB previously heard from the IOUs about several pilot programs to address customer needs during Public Safety Power Shutoffs (PSPS) such as home batteries and/or generators. The IOUs have stated they expect PSPS to continue for the next ten years or more. Considering these realities, to better sustain services to our communities, meet unforeseen expanded needs of low-income and DAC communities and ensure workforce stability, the ESA program structure and budget will require greater flexibility. Contractors will also require adequate flexibility to meet the needs of those income qualified households without bridge funding or other barriers that would result in a reduction treated homes and people served at a time of highest need.

RECOMMENDATION: The LIOB recommends the Commission create an ESA structure that can react in real-time to disasters and better meet unforeseen needs. The Board also requests this refreshed structure include a greater data exchange of newly enrolled CARE households during times of crisis to ensure low-income households can be serviced as soon as responsibly feasible.

Measuring Eligibility - ESA and CARE: Does 200% FPL Make Sense?

According to [the U.S. Department of Housing and Urban Development](#) (HUD), the average fair market rent for a two-bedroom apartment in Alameda County is \$2,126 per month. In Fresno County, it is \$956 per month, while Los Angeles County is \$1,791 per month. Humboldt County is \$998 per month, while San Diego is \$2,068 per month. The cost of living in California varies greatly. These two programs (CARE & ESA) represent multi-billion dollar program investments into the poorest communities in our state.

While there may have been a time that the cost of living differentials in California were not large enough to question a single criterion for program eligibility across the state, that is not the reality of today and for the LIOB to ignore it and maintain the status quo would be a disservice to the people of California.

RECOMMENDATION: The LIOB requests the Commission examine and study alternative methods of measuring eligibility for CARE and ESA that is considerate of the varying costs of living throughout our State. While a change to the current eligibility standards will ultimately require a change in PUC code, the LIOB believes convening stakeholders and examining other approaches to develop a new model as a first step is feasible and necessary to improve programs for low-income households.

Coordination with Public Assistance Programs

Two years ago the LIOB formed a Technical Advisory Committee (TAC) to streamline enrollment into the (CARE) program by leveraging existing county public assistance programs that verify incomes of individuals and households. The Committee focuses on a new method of outreach that consists of county social services entities screening and enrolling eligible individuals into the CARE program in conjunction with the enrollment of CalFresh, CalWORKS and MediCal. As illustrated in the table below, these programs all meet the eligibility for CARE.



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The TAC also coordinates with Investor Owned Utilities (IOUs), county social services agencies and relevant association leadership. The Committee's purview also includes analyzing the additional benefits such as streamlining enrollment into weatherization programs, reducing energy consumption, shutoffs and disconnections.

Program	Income Eligibility			
	Family of 2	Family of 3	Family of 4	Eligible for CARE (<200%FPL)?
CalFresh	\$2,820	\$3,556	\$4,292	✓
CalWORKs	\$1,171	\$1,453	\$1,724	✓
MediCal	\$23,792	\$29,974	\$36,156	✓
CARE	\$34,480	\$43,440	\$52,400	N/A

TABLE 1: INCOME REQUIREMENTS BY PROGRAM. ALL ARE BELOW 200% OF THE FEDERAL POVERTY LEVEL – THE MAXIMUM INCOME FOR CARE.

RECOMMENDATION: While the Committee's work is ongoing, the LIOB requests the Commission to encourage IOUs to coordinate and collaborate with these and other public assistance programs to the greatest extent possible. The LIOB believes partnership and data sharing are key to improved programmatic efficiencies and outcomes.

Capitation Code

The capitation code of \$20 per enrollment of CARE participant has not changed in years. Since this fee structure is based on enrollments and does not cover outreach or other fixed costs for community based Organizations, it is not a sufficient incentive for community based organizations or others to participate.

RECOMMENDATION: The LIOB recommends the Commission examine the capitation code fee reimbursement structure and assess its effectiveness at the current level or should the fee be increased or if the structure of the CARE enrollment process should otherwise change and replaced with a more suitable alternative.

Tribal Outreach and Inclusion, ESA/CARE Programs, and Capacity Support

Decision 16-11-022 required IOUs to:

"Conduct tribal consultations for tribal sovereign nations being served in the utility service territory. Tribal consultations may require the use of additional database upgrades for synchronizing utility customer account databases with addressing customs unique to tribes,



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providing holistic customer access to ESA contractors when treating tribal customers, or other customized actions to deploy ESA measures to eligible tribal customers...By the end of 2020, we direct each utility to assess every tribal community (as defined by the U.S. census definition) in its service territory, including ESA program eligibility and [willingness to participate] WTP analysis developed through tribal consultation. Progress made towards treating tribal communities should result in an adjustment to these household treatment goals and be included in the mid-cycle update. IOUs shall report quarterly to the LIOB and annual in their reports to the Commission on tribal consultations and updates to the willingness to participate factor" (p.278-280).

Based on presentations from the IOUs throughout this year and subsequent discussion at the joint Low-Income Energy Assistance and Technical Advisory Committee meeting on Tuesday, November 17, 2020, IOUs will not meet the timeline set in this Decision. The LIOB noted that there are also substantial inconsistencies in reporting of their progress in this regard, as well as the assessment and willingness of tribal entities to participate. To develop long-term solutions, the LIOB convened a panel of tribal experts at the referenced Committee meeting. These panelists and the Committee discussion contributed to the recommendations in this letter.

The panel noted that the definition of consultation may have also caused some confusion, as it has a specific written definition for many tribal entities. The panel also proposed other solutions that to improve the implementation of programming to tribal communities such as capitation codes, staffing, multiple tribal liaisons per tribe, workforce development and other measures.

An additional challenge for Tribes is their often remote and close-knit societies. Tribes are often gated and not easily accessible or adaptable to traditional outreach methods. To find the right contact person in each community can be challenging and allowing individuals not part of the community into homes can often be a difficult barrier for ESA services providers. These remote communities may also have unpaved roads, homes without listed addresses and no GPS signal or cell service available. Due to these and other factors, ESA approved services are often delayed. One tactic has been to group projects from multiple households before a contractor visits a tribal community to ensure it is worthwhile. For the CARE program, the current capitation code may also be a barrier in that it is not an incentive that justifies the resources and time for outreach in these circumstances.

RECOMMENDATIONS: The LIOB requests the Commission identify IOU outreach to Tribal Communities as "outreach" and not "consultations," to avoid future confusion. We recommend this outreach include, but not be limited to the following measures:

- 1. The normal outreach process to all low-income households.
- 2. An additional outreach process specific to tribal nations, communities and other entities, as defined by the Commission, that includes but is not limited to the following:
 1. **Initial Phase:** This should consist of email, phone calls and letters through traditional mail and/or other tools to establish contact and develop a meaningful relationship if one does not exist.



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2. Establish No Less Than Two Main Contacts: Following initial outreach and communication, IOUs should establish two contacts, as Tribes sometimes experience high turnover. These may be any persons employed or on the governing council for all Native American Tribes within the State of California (in their respective service areas). These individuals should be liaisons to their tribal community for the ESA and CARE programs.
3. Tribal Outreach Mini-Grant: Provide participating Tribes a grant of no less than \$5,000 tied to two point persons at the Tribe maintaining regular communications with the IOUs and assisting in outreach for ESA and CARE. The LIOB suggests the grant program should have, but not be limited to the following benchmarks to help improve program outcomes:
 - a. Face to face or virtual meeting between IOU representative and tribal points of contact
 - b. Tribal receipt of IOU Point of Contact (Name, title, email and phone) for all inquiries
 - c. Developed understanding of Program Information for ESA and CARE to ensure an ability to serve as a liaison to the community
 - d. Be informed on all other outreach activities from the IOUs and their contractors
4. Quarterly Updates: The IOUs provide quarterly updates to LIOB on these efforts as part of their regular reports

To provide time to the IOUs and other stakeholders, the LIOB suggest the Commission extend the original deadline in Decision 16-11-022, set goals as described above in addition to any others in Decision 16-11-022 and/or from the Commission and make expectations clear.

Low Income Needs Assessment (LINA)

Section 382.1 of the California Public Utilities Code specifies that the LIOB shall, “Assist in the development and analysis of any assessments of low-income electricity and gas customer need.” The code also specifies the parameters of this assessment as follows:

Beginning in 2002, an assessment of the needs of low-income electricity and gas ratepayers shall be conducted periodically by the commission with the assistance of the Low-Income Oversight Board. A periodic assessment shall be made not less often than every third year. The assessment shall evaluate low-income program implementation and the effectiveness of weatherization services and energy efficiency measures in low-income households. The assessment shall consider whether existing programs adequately address low-income electricity and gas customers’ energy expenditures, hardship, language needs, and economic burdens.²

²http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PUC&division=1.&title=&part=1.&chapter=2.3.&article=7.



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To meet its statutory obligation, on June 7, 2017, the LIOB formed a LINA Committee to address this issue with the mission of seeking and identifying recommendations to the Commission to assist in the development of the LINA study. At that time, an existing LINA was already in the process of soliciting bids, so the Board chose to make recommendations for the subsequent LINA. Those recommendations were sent in a letter to the Commission on July 31, 2020, entitled, “Low-Income Oversight Board LINA Committee Recommendations.” That letter is attached for reference.

RECOMMENDATION: The LIOB makes the following recommendations related to the LINA:

1. To consider all recommendations in the July 31, 2020, letter to the Commission regarding the LINA in the context of this proceeding.
2. Consider implementing any budget adjustments needed to accommodate these recommendations

Should you have any questions regarding this matter, please contact the Energy Division or the LIOB Chair at Benito.LIOB@gmail.com or 510.569.5862.

Thank you for your attention and consideration.

Kind Regards,

LIOB MEMBERSHIP VOTING IN THE AFFIRMATIVE