

December 5, 2018

Commissioner Michael Picker
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Broadband Connectivity, Energy Policy, and CARE Customers

Dear President Picker:

The Low Income Oversight Board is very concerned with the persistent Digital Divide in California. According to data from the 2017 Broadband Adoption Survey by UC Berkeley IGS Broadband Adoption Survey 31% of Californians continue to lack meaningful Internet access, a gap that has remained the same since 2010. We have reached the conclusion that for the benefit of the state, the utilities, and the customers themselves it is imperative that the CPUC work with the IOUs to help connect their customers to existing, quality, affordable offers for stand-alone broadband Internet service.

We note that on the CPUC's own website most of the forward-looking energy planning and policy documents are relying on the ability of the smart grid to provide significant energy management benefits. However, it will be impossible to realize those benefits if 31% of Californians are not connected to the Internet at home.

Further, we know IOUs increasingly rely on high-speed Internet home service to communicate with, bill, and provide information about energy efficiencies and savings to their customers. Getting low-income customers online is imperative for their ability to offer comparable products and services to all customers.

The CPUC has a spectrum of programs to assist low-income consumers, which presents an opportunity to align and leverage existing resources to get utility customers online. We think those existing programs, specifically the CARE program, provide an excellent opportunity to inform lower-income households about the availability of affordable broadband. The data from the 2017 Broadband Adoption Survey shows that 38.4% of households making less than \$40,000 in annual income lack meaningful Internet access. That income level is right in the middle of the CARE income brackets, making it highly efficient to target those customers with broadband adoption efforts.

We have received information on a number of innovative projects that have been conducted with California energy utilities. A project with 90,000 low-income SMUD customers found promising results, as did a pilot project with SDG&E and 211 San Diego. Those pilot projects provide a good blueprint for additional outreach efforts.

These pilot projects have shown a number of cost-effective ways to outreach and connect households. As there will be significant energy savings when households are connected and able to use smart meters and smart thermostats, we think the Energy Savings Assistance Program (ESAP) funds can be used to pay for the outreach efforts. ESAP can be used to purchase a smart thermostat such as a Nest, but without broadband connectivity a smart meter or thermostat loses its energy savings functionality. Assembly Bill 793 (Chapter 589, Statutes of 2015) amended the

Energy Savings Assistance Program (EASP) to allow “energy management technology” to count as a weatherization program, and the statute defines “energy management technology” saying it “...may include a product, service, or software that allows a customer to better understand and manage electricity or gas use in the customer’s home.” We believe that broadband qualifies as a “service” under this definition, and it seems a prudent and cost-effective use of the funds to inform CARE customers of existing, affordable broadband offers.

Further, we are aware that the latest reauthorization of the California Advanced Services Fund (CASF) contains \$20 million for the new Broadband Adoption Account. If energy utilities partnered with community-based organizations (CBOs) experienced in Digital Inclusion, those non-profits potentially could apply for matching funds.

A program that builds off the pilot projects and uses ESAP and CASF funds will go a long way to closing the Digital Divide among the IOU’s CARE customers. That connectivity will not only benefit the customers, but the utilities and the state as a whole.

Sincerely,