

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
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February 12, 2019

FILE No.: 16-11-022/17-12-009

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RE: Coordination with California State Department of Community Services and Development on Low Income Weatherization Program leveraging

Dear PG&E, SCE, SCG and SDG&E,

Pursuant to Decision 16-11-022, modified by Decision 17-12-009, which approved the Investor Owned Utilities' (IOUs) Energy Savings Assistance Program (ESA) and California Alternate Rates for Energy (CARE) Program Plans and Budgets for Program Years 2017-2020, the IOUs are to enter into funding agreements with California State Department of Community Services and Development (CSD).<sup>1</sup> In this decision, the Commission states "To aid in stretching [CSD's] limited Low Income Weatherization Program (LIWP) funds, we direct the IOUs to fund measures currently offered by the ESA Program and approved for multi-family households." After over two years these funding agreements are still not in place. This letter sets clear deadlines by which the Energy Division expects the IOUs to finalize their funding agreements with CSD to comply with D.16-11-022, modified by D.17-12-009.<sup>2</sup>

After six collaboration meetings between the IOUs and CSD in the first half of 2018, the IOUs held a joint public workshop with CSD to further discuss leveraging LIWP activities on June 26, 2018.<sup>3</sup> PG&E reported in their ESA/CARE Mid-Cycle Update Advice Letter filed July 16, 2018:

"In May 2018, PG&E and CSD finalized General Terms and Conditions of this leveraging effort and currently PG&E is working with CSD to finalize the funding agreement, which includes sections on

<sup>1</sup> Decision 16-11-022/17-12-009, pg 194 states "To aid in stretching the limited LIWP funds, we direct the IOUs to fund measures currently offered by the ESA Program and approved for multi-family households". Page number references throughout are to the "Clean Copy" of Decision posted 2/2/2018 and available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M208/K640/208640753.PDF>

<sup>2</sup> Decision 16-11-022/17-12-009, OP41.d., pg 454 states "the four large Investor-Owned Utilities' are to work with the Department of Community Services and Development (CSD) to calculate the projected funding level for this effort, with the goal of funding the CSD's Low-Income Weatherization Program efforts for those measures provided by the ESA Program, preserving the remaining CSD's funding for use to install central systems and common area measures not provided by the ESA Program"

<sup>3</sup> PG&E ESA/CARE Mid-Cycle Update AL 3990-G-A/5329-E-A, page 30-31.

Scope of Work, Property Eligibility and Verification, Reimbursement for Measure Installation, ESA Leveraging Measures, Reporting Requirements, and Reimbursement Procedure. CSD and PG&E are additionally developing joint-use forms between the programs to be used in implementing the LIWP leveraging in the field.”<sup>4</sup>

The Energy Division expects that the General Terms and Conditions; all funding agreement elements, inclusive of those listed in PG&E’s mid-cycle advice letter and any newly identified required elements; and the joint-use forms to be used in program implementation, be signed by PG&E and CSD by February 28, 2019.

The other utilities, for which CSD has a pipeline of LIWP projects and opportunity to leverage ESA funds, may model PGE’s effort. Therefore, Energy Division expects PG&E to share all General Terms and Conditions and elements of the Funding Agreement, except for proprietary information on contract rates, with the other IOUs. With PG&E’s groundwork, Energy Division expects SCE and SCG to sign similar agreements with CSD by April 1, 2019. Should CSD secure additional funding, SDG&E is expected to follow the model established by the other IOUs and sign a similar funding agreement with CSD within 60 days of CSD securing funding for a pipeline of LIWP projects in SDG&E’s region.

With each day that passes, and each home treated by CSD without this funding agreement in place, an opportunity is missed. Further delay by the IOUs to establish leveraging agreements, as required by the Commission, will severely compromise the potential for deeper energy efficiency savings in low-income multifamily buildings.<sup>5</sup>

Sincerely,



Edward Randolph  
Director, Energy Division

cc: Mary O’Drain, PG&E  
Davi Ibarra, SCE  
Mark Aquirre, SCG  
Giovanna Casillas, SDG&E  
Linné Stout, CSD Director  
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Pete Skala, CPUC-Energy Division  
Jennifer Kalafut, CPUC-Energy Division  
Alison LaBonte, CPUC-Energy Division  
Sarah Lerhaupt, CPUC-Energy Division

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<sup>4</sup> *ibid*

<sup>5</sup> By leveraging ESA funds for CSD’s install of ESA Program Measures, CSD limited LIWP funding can be stretched to install more central systems and common area measures not provided by the ESA Program.