

Attachment: LIEAP Subcommittee Meeting Summary & Recommendations for the Post 2020 ESA and CARE Decision

The LIOB Subcommittee (LIEAP) on ESA met on May 7, 2019 to discuss and deliberate on recommendations for the ESA program post-2020 Decision. The Subcommittee discussed and opined on the following:

Maria Stamas on Cost Effectiveness: The Subcommittee recommends flexibility in the proceedings as reflected on pages 14 & 15 of the Guidance Document. To enforce a measure by measure cost-effectiveness standard in the ESA program may constrain the IOUs on program design. More clarity and direction from the CPUC is needed. Neither the Proposed Decision nor the Guidance Document appear to be referencing a specific cost-effectiveness test. The ESA Impact Analysis Study and the Non-Energy Benefits Study (not yet released) may better inform the cost-effectiveness decision-making process. So, do we use the old standard(s)? Pacific Gas & Electric commented they would employ the older standard in the post 2020 application. This course would not be as flexible as a yet to be decided new approach to balancing cost-effectiveness with health, comfort and safety provisions within the ESA program structure.

The question of what the LIEAP Subcommittee would recommend with regard to the aforementioned cost-effectiveness debate was put to the subcommittee. Discussion is as follows:

Robert Castaneda: Recommends flexibility with the cost-effectiveness standard with regard to climate zones with extreme temperatures. Castaneda went on to say: “There is much in the way of public health data that can inform the nexus between extreme temperatures and health; we should use that data to inform decisions on measures that may not be cost-effective. There should be a formula/hierarchy of need designated in the ESA program as was delineated in the LIOB ESA White Paper.”

Lourdes Medina: “Low Income communities are especially affected by pollutants causing respiratory diseases and other ailments caused by particulate matter in the air. This causes people to miss work and then they cannot pay their PG&E bill resulting in increased disconnections. In the Central Valley there are too many swamp coolers and make shift air conditioners. ESA should address this condition.”

Maria Stamas: “CSD has a list of eligible measures (what is possible and available) to better address energy efficiency, GHG reduction, and more effectively treat the household. This approach affords greater flexibility with regard to cost-effectiveness.”

SCE on the aforementioned discussion of increased flexibility: “SCE supports enhanced flexibility – especially at the mid-cycle – due to the fact that newer technologies may come available. We [SCE] may want to add those technology advance measures to the program without having to go through the entire process. SCE sees flexibility as beneficial in ESA program operations.”

Jason Wimbley (CSD) Comments on CO-Benefits as part of the Cost-Effectiveness Formula:

Co-benefits under CSD's Low Income Weatherization Program (LIWP) are many and vary across the subprograms operating under LIWP. However, there are several co-benefits that rise to a level of greater importance that CSD aims to better quantify and track.

They are: 1) Workforce development and 2) leveraged resources and other economic investments benefiting individuals and/or the community.

The following is a recommended short list of specific co-benefits CSD desires for future iteration of ESA programs to impact. Over the years the Board and other stakeholders have identified many potential co-benefits such as:

1. Workforce Development (which under this broad category could be defined as)
 - a. job creation or creating pathways to employment within disadvantaged or low-income areas
 - b. Improving wages paid to ESA workers
 - c. Job training
2. Climate Adaptation
 - a. ESA services should provide services to make homes more resilient to climate change
3. Health
 - a. Right now, the ESA program provides limited health impacting measures. Do we wish to make this an important co-benefit in which ESA services make a more concerted effort to address health benefiting measures/investments within low-income housing or leverage this in from other resources?
4. Comfort
 - a. This could relate climate adaptation or be a standalone co-benefit
5. Economic Impacts
 - a. Provide meaningful reduction to household energy burden
 - b. We suggest the IOUs emphasize using local contractors where ESA operations can provide economic benefit to communities or areas in which these contractors reside.

Cost Effectiveness Motion: After a lengthy discussion a motion was put to the committee as to a recommended cost-effectiveness standard.

Discussion: (Jason Wimbley) The subcommittee's recommendation is to go through an exercise of trying to identify specific co-benefits for the IOUs to contemplate and address in their ESA applications. I think it will be a tall order for IOUs to do all, but maybe within reason for them to address a couple. Also, it might be useful for the Board to identify a list of all potential co-benefits and rank them in order of importance. From there the IOUs could use the list and decide on those they believe

align with interest and ability to impact – and help with formulating goals or other metrics for measuring progress and impact. We [LIEAP Subcommittee] use this opportunity to succinctly message the Board’s position on this.

The motion reads: The LIEAP Subcommittee supports a decision that allows for flexibility by the IOUs, coupled with a clear statement in the decision that allows for the ESA program to address hardship (extreme temperatures and energy burden). With regard to a cost-effectiveness test, the Commission should opt for a test that employs a list of co-benefits and non-energy benefits to guide program design.

The motion was carried unanimously.

Building on the San Joaquin Valley Pilot(s): Lourdes Oliva recommended that the SJV program could investigate and assist households that are on either CARE or FERA assistance, and despite this program assistance are still being disconnected. Lourdes believes that an enhanced energy education effort is also necessary to help these households better manage their utility bill. This education and outreach by ESA service providers would offset unscrupulous third-party contractors that prey on these communities. Lourdes opined that go-backs could be an important part of this effort, but maintenance of previous work is also an issue.

Third Party Administration for Workforce Education and Training (WE&T): On this issue much discussion ensued. General consensus revolved around the following statement:

The LIEAP Subcommittee supports strong workforce elements in the IOUs respective applications and a Decision that eases some of the operational costs borne by contractors. The LIEAP requests the IOUs to comment on opportunities targeting disadvantaged communities as specified by SB 350 and the CPUC’s own Social and Environmental Action Plan. We [LIEAP Subcommittee] support streamlining the process to onboard contractors who are currently certified and actively engaged by other IOUs to perform the same measures (state-wide certification). We ask the IOUs to meet with contractors to understand any workforce, education and training needs and determine what the IOUs can offer to support the ESA program that is within their scope.

Third Party Administration for Low Income Multi Family Administration: There again was much discussion, but no clear consensus.

Marketing, Education and Outreach Targeting Hard to Reach Communities: Jason Wimbley with CSD opined that ESA recruitment as a process is a “Numbers Game.” Meaning that there is no financial incentive (actually a disincentive exists) for contractors to bear the burden exclusively (an exponential cost of doing ESA/CARE business) to target “new touches.” This financial disincentive is an existential barrier to program enrollment, penetration and performance.

Discussion continued recommending the ESA/CARE Decision direct the IOUs to specifically designate tailored planning and program execution that targets hard to reach communities.

Jason Wimbley (CSD): “For CSD’s farmworker program, and recognizing the farmworker population is considered one the state’s most impoverished and hard to reach with public services programs, CSD’s RFP and program design placed significant emphasis for administrators to devise plans and strategies to provide such services targeting these communities. This targeted effort is an example where the stakeholder engagement process used by CSD provided a better illustration of need that significantly influenced program design consideration and service delivery objectives for the better. Stakeholders that engaged in the process included potential bidders, local non-profits and public organizations more grounded and entrenched in the communities where farmworkers reside.”

“CSD could have easily taken a “cookie cutter” program design used elsewhere and applied to the farmworker community, but the program would have missed the mark on understanding particular sensitivities of this population: the need for trusted organizations to run point on marketing, outreach and enrollment; better understanding of income sources and tailoring program eligibility rules around such; better understanding of housing conditions and service needs (higher investment allowance for housing repair, safety remediation, etc.); wrap around service opportunity and delivery.”

“In the end CSD has a program where real attempts were made to reduce barriers inhibiting participation and to provide a set of comprehensive services that will improve the economic stability of farmworker families, but improve the energy efficiency and the health and safety condition of the homes in which they reside. This targeted community approach better enabled a reduction of greenhouse gas emissions while providing meaningful reduction in household energy burden.”

Bridge Funding: Again, there was much discussion on this issue. PG&E anticipates a significant “ramp-up” transition process with a new program design and the utility anticipates a bridge period will be necessary. However, LIEAP member, Robert Castaneda opined that hopefully, a timely and effective ESA/CARE Decision would forego the need for Bridge Funding.

LIEAP Bridge Funding Motion: The Subcommittee recommends to the Commission that *if* a Bridge for funding is necessary that the Bridge be for no less than a year. This Bridge should hold harmless contractor compensation, services delivery and prevent layoffs.

Additional Metrics: As discussed and recommended by the Subcommittee:

- An implementation of a hierarchy of need (LIOB ESA White Paper);

- Public Health Data Implementation to identify health, comfort and safety standards;
- A weighted list of Co-Benefits for Program Implementation;
- Disadvantaged Communities Recruitment/Placement numbers for ESA WE&T program (CPUC Environmental and Social Justice Action Plan)
- Energy Education Metrics;
- Customer Relationship Management feedback (Social Media, Online Marketing and CARE/ESA brand recognition);
- Enhanced Community Collaboration that quantifies increased program performance and collaboration. (Address unwillingness to participate factor).