

LOW INCOME OVERSIGHT BOARD MEETING

**Los Angeles City Hall
John Ferraro Council Chamber
200 N. Spring Street
Los Angeles, CA**

Thursday, May 22, 2014



LOW INCOME OVERSIGHT BOARD (LIOB)

May 22, 2014

Los Angeles City Hall
John Ferraro Council Chamber, Room 340
200 N. Spring Street
Los Angeles, CA 90012
10am – 4:00pm
www.liob.org

Call - In Number 1-866-687-1443 Passcode **1186966#**

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| [10:00 a.m. –
10:15 a.m.] | 1. | Welcome and Introductions— Patricia Watts, LIOB Vice-Chair and Commissioner Catherine J.K. Sandoval (15 minutes) <i>Standing Item</i> |
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| [10:15 a.m. –
10:55 a.m.] | 2. | Public Comments— Facilitated by Patricia Watts, LIOB Vice-LIOB Chair (40 minutes) <i>Informational/Standing item</i>
a) Electrical Vehicle (EV) Charging/Port Issues |
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| [10:55 a.m. –
11:00 a.m.] | 3. | Approval of the February 26, 2014 LIOB Meeting Minutes, Facilitated by Patricia Watts, LIOB Vice-Chair (5 minutes) <i>Action Item</i> |
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| [11:00 a.m. –
11:20 a.m.] | 4. | Lifeline Telephone Program Update – Anna Jew, CPUC -Consumer Programs – Communications Division - (20 minutes) <i>Informational/Standing Item</i>
a) Lifeline Proceeding Update (<i>Standing Item</i>)
b) Update on Lifeline Direct Application Project |
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| [11:20 a.m. –
11:40 p.m.] | 5. | Legislative Update – Lynn Sadler - CPUC- Office of Governmental Affairs (20 minutes) <i>Informational/Standing Item</i> |
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| [11:40 a.m. –
12:00 p.m.] | 6. | Highlights of Upcoming Activities for Low-Income Energy Programs – Energy Division Staff (20 minutes) <i>Standing Item</i> |
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- Lunch 12:00pm – 1:00pm
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- | | | |
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| [1:20 p.m. –
2:00 p.m.] | 7. | Utilities’ Reports— Utility Representative (40 minutes) <i>Standing /Action/Discussion Item</i>
1. Current Penetration Rates for CARE & ESAP & PY 2013 Annual Report Overview
a) Progress Report on 2020 Goals
2. High Usage Verification Report
3. Appointment of new utility representative for PG&E |
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Los Angeles, CA 90012

[2:00 p.m. – 2:30 p.m.]	8.	Subcommittees Reports and Updates – Facilitated by Patricia Watts, LIOB Vice- Chair (30 minutes) <i>Update/Standing Item</i> <ul style="list-style-type: none">a) Marketing & Outreach (Board Members Toledo, Kim, Gross and Watts)b) ESAP and CARE Implementation (Board Members Wimbley, Watts & Lopez)c) Workforce Education and Training (Board Members Kim)<ul style="list-style-type: none">• Overview of “Workforce Issues and Energy Efficiency Programs: A Plan for California’s Utilities” (Cecilia Estolano - Estolano LeSar Perez Advisors)d) Water Industry (Board Members Stephenson & Lopez)e) Emerging Issues/Climate Change (Board Members Toledo & Kim)f) AB 327 (Board Members Wimbley, Lopez & Kim)
[2:30 p.m. – 3:00 p.m.]	9.	Commissioner Sandoval’s Report (30 minutes) <i>Informational Item</i> <ul style="list-style-type: none">a) High Cost Fund A and Tribe Visits in Northern Californiab) SMJU Decision
[3:00 p.m. – 3:30 p.m.]	10.	Water Utilities’ Current Issues – Rami Kahlon, Director, Division of Water and Audits (30 minutes) <i>Update/Informational/Standing Item</i> <ul style="list-style-type: none">a) Governor’s Latest Drought Statement
[3:30 p.m. – 3:50 p.m.]	11.	Disconnection OIR – Camille Watts-Zagha, - CPUC Office of Ratepayer Advocates (20 minutes) <i>Informational Item</i>
[3:50 p.m. – 4:00 p.m.]	12.	Agenda Items for Future Meetings (5 minutes) <i>Standing Item</i> Future Events/Meeting Dates – <i>Standing Item (5 minutes)</i>

Wednesday, August 20, 2014
Sacramento New City Hall Council Chambers 915 I Street-First Floor
Sacramento, CA

Tuesday, October 28, 2014
Fresno City Hall 2600 Fresno Street
Fresno, CA 93721

This is a public meeting. Those persons wishing to attend the meeting and who may require special accommodations pursuant to the provisions of the Americans with Disabilities Act are requested to contact Zaida Amaya at (916) 928-4702 or by sending a written request to 180 Promenade Circle, Suite 115, Sacramento, CA 95834. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.

Interested parties may attend in person or via teleconference. Notice of the Low Income Oversight Board meeting can be accessed at: www.liob.org. Teleconference Information: Call - In Number 1-866-687-1443 Passcode 1186966#

This meeting notice is being sent to all parties on the service lists of Applications A.08-05-022 et al, A.11-05-017, A.11-05-018, A.11-05-019, A.11-05-020 and A. 11-06-016 as well as the utilities, contractors and agency contacts. And solely for the purposes of Commission's Ex Parte Communication Requirements, this notice will be deemed a functional equivalent of the notice pursuant to Commission's Rules of Practice and Procedure, Rule 8.3 (c)(1) for the proceedings A.08-05-022 et al, A.11-05-017, A.11-05-018, A.11-05-019, A.11-05-020 and A.11-06-016

Welcome and Introductions

Public Comments

*Approval of the February 26, 2014
Meeting Minutes*

LOW INCOME OVERSIGHT BOARD (LIOB)

February 26, 2014

California Public Utilities Commission - Auditorium
505 Van Ness Ave.
San Francisco, CA
10am – 4:00pm
www.liob.org

Call - In Number 1-866-687-1443 Passcode 1049466#
Draft Meeting Minutes

Meeting called to order by Chairman Hernandez at 10:00am.

LIOB Board Members Present:

Chairman Jose Atilio Hernandez, Commissioner Catherine J.K. Sandoval, Charlie Toledo, Jason Wimbley, Ortensia Lopez, Dave Stephenson, Janine Scancarelli, Alex Kim and Larry Gross (quorum present)

LIOB Members Absent: Patricia Watts and Jason A. Hobson

California Public Utilities Commission (CPUC) Staff Present:

Hazlyn Fortune, Syreeta Gibbs, Tory Francisco, Amy Baker Carmen Rocha, Zaida Amaya, Ben Schein, Anna Jew, Camille Watts-Zagha, Rami Kahlon, Gabe Petlin, and Nick Zanjani

Public Present:

Celine Apo, Ann Gressani, Patti Landry, Carol Edwards, John Fasana, Andrew Steinberg, Ron Garcia, Jose Landeros, Kyle Jeffery, Yvette Vazquez, Sandra Williams, Mary O'Drain, Carmen Rudshagen, Hilary Corrigan, Robert Castaneda, Anna Solorio, Alice Glasner, Mark Aguirre, Tom Barrett, Elise Kleiber, Chris Kleiber, David Clark, Kim Hassan, Kari Klobberdanz, and Allen Fernandez Smith

Participants Via Conference:

Jim Hodges, Allan Rago, Wallace Winegard, Richard Villasenor, Jake Thomas, Emma Ponco, Pamela Wu, Mike Thomplin, and Melinda Martinez

Item 1. Welcome and Introductions— Jose Hernandez, LIOB Chair and Commissioner Catherine J.K. Sandoval - *Standing Item*

Chairman Hernandez and Commissioner Sandoval welcomed all participants to the LIOB meeting.

Item 2. Announcement of the appointments to the LIOB — Commissioner Catherine J.K. Sandoval - *Informational/Standing item*

Commissioner Sandoval announced that during the February 5, 2014 Commission meeting, the Commission unanimously approved the re-appointments of public Board Members Ortensia Lopez, Larry Gross and Board Member Patricia Watts, who serves as the Private Weatherization Contractor Representative.

Item 3. Public Comments - Facilitated by Jose Hernandez, LIOB Chair - *Informational/Standing Item*

Ms. Anna Solorio from the Energy Efficiency Council (EEC) commented on the Multi-Family Study and expressed her disappointment in the way the study was conducted. She felt that it was rushed and failed to include low income individuals and multi-family building owners, which is the intent of the ESA program. Anna's organization, EEC, will file these and other concerns in the formal proceeding.

Item 4. Approval of the November 6, 2013 LIOB Meeting Minutes, Facilitated by Jose Hernandez, LIOB Chair - *Action Item*

A motion was made to approve the November 6, 2013 LIOB minutes. Motion moved by Board Member Gross and seconded by Board Member Scancarelli (Motion passed unanimously).

Item 5. Subcommittees Reports and Updates – Facilitated by Jose Hernandez, LIOB Chair - *Update/Standing Item*

a) Marketing & Outreach (Board Members Toledo, Kim, Gross and Watts)

The Marketing & Outreach Subcommittee did not meet. Board Member Toledo mentioned that the utilities will provide a full report on the marketing & outreach efforts during the August meeting. Board Member Toledo also mentioned the possibility of obtaining a report from the phone companies regarding the lifeline marketing in the future.

b) ESAP and CARE Implementation (Board Members Wimbley, Watts & Hobson)

The ESAP and CARE Subcommittee was unable to hold a meeting on 2-25-14 as scheduled due to an unforeseen emergency with Board Member Hobson and Bagley Keene restrictions. Board Member Wimbley and Chairwoman Watts held a conversation with those present about the December 2013 ESA and CARE expenditures filed by the IOU's. During this conversation, there was mention of the IOU's disconnection OIR (Order Instituting Rulemaking) and concerns that have been raised by local agencies and interested parties. Staff informed the Board that the disconnection OIR is closed. There was also discussion regarding the Governor's 2014 budget which includes an investment of \$80 million dollars for the Department of Community Services and Development to provide weatherization services to disadvantaged communities.

c) Workforce Education and Training (Board Members Kim, Hernandez & Hobson)

The Workforce Education and Training Subcommittee did not meet.

d) Water Industry (Board Members Stephenson, Lopez & Hobson)

The Water Industry Subcommittee met on 2-25-14 in San Francisco. Board Member Stephenson indicated that approximately 17 Bills that affect water are pending review. Many of these Bills pertain to the Delta Project and some are related to funding. AB 1434 (Yamada), requires that the PUC implement a program and provide rate relief for low income ratepayers at a 20% discount. This Bill would be applicable to every regulated water utility; however, the Bill is being reviewed for potential amendments to include all water providers in the state. The Subcommittee also discussed the water energy nexus, which is an OIR that looks at how to develop a way to provide benefits and determine how they should be allocated. The subcommittee discussed the new regulations that the California Department of Public Health (CDPH) will be adopting with regard to Chromium 6 regulation, the proposed levels are due by April 15, 2014. Lastly, the subcommittee discussed the drought and the impacts to California customers, adding that water is a localized issue and that keeping it localized does not always work. One recommendation the subcommittee proposed was for the Board to take to the

Commission is that there needs to be some interaction between the Commission, the Governor and the Legislature to explore how to address these crucial issues more globally. Board Member Stephenson mentioned that the Governor has established a task force that meets weekly to address this crucial situation.

Board Member Toledo added that it is important to include the headwaters that continue to dry, specifically in Klamath River, Eel River, Lassen County, Eagle Lake, Lake County and the headwaters of Putah Creek.

e) Emerging Issues/Climate Change (Board Members Toledo & Kim)

The Emerging Issues/Climate Change subcommittee did not meet.

Item 6. Residential Rate Design – Order Instituting Ruling (OIR) – Gabe Petlin- Energy Division – Informational Item

a) AB 327

Mr. Petlin provided an update and overview of the efforts underway by the Commission to implement AB 327 and the residential rate structure reform. Mr. Petlin provided details on the executive summary of staff's proposed recommendations. Commissioner Sandoval emphasized that this is a proposal and that it is still in the development stage. She encouraged parties to participate in this proceeding.

The Board voiced concern on the rate impacts for customers living in certain climate zones noting that any increase could have an impact on customers who are below poverty or on a fixed income. The Board expressed the importance of education outreach to ensure that the customers know and understand their options.

The detailed and thorough report provided by Mr. Petlin can be view and downloaded at:

<http://www.liob.org/docs/Item%206.%20Rate%20Reform%20Briefing%202.26.14.pdf>

The Board thanked Mr. Petlin for his detailed report.

The Board motioned to create a new subcommittee to closely monitor AB 327. Motioned moved by Board Member Toledo and seconded by Board Member Scancarelli. The AB 327 Subcommittee will be comprised of Board Members Lopez, Hernandez, Kim and Wimbley

Item 7. Highlights of Upcoming Activities for Low-Income Energy Programs – Energy Division Staff - Standing Item

Ms. Gibbs provided an update on the highlights and upcoming activities for low-income energy programs. Ms. Gibbs' report can be viewed and downloaded at:

http://www.liob.org/docs/Item%207.%20ED%20highlights%20for%20February%2026%20LIOB_.ppt

The Board discussed the best way to address issues in the Low Income Phase Two/Guidance proposed decision once it is issued. The Board elected to have ESAP & CARE implementation subcommittee take the lead on this effort. Board Member Wimbley added that discussions will need to be held with the IOU's to discuss timelines and determine the best time to offer input and recommendations from the Board.

A motion was made for Board Member Lopez to form part of the LIOB ESAP & CARE implementation subcommittee. Motion moved by Board Member Toledo and seconded by Board Member Scancarelli (Motion passed unanimously)

Item 8. Legislative Update - CPUC- Nick Zanjani - Office of Governmental Affairs – Informational/Standing Item

Mr. Zanjani from the Office of Governmental Affairs presented on the current low-income related bills as well as non-substantive spot bills.

Mr. Zanjani also reported that there have been a number of water bond bills and a number of drought related bills and water conservation bills. He noted that due to the recent water crisis rate impacts are inevitable. The Commission will continue to monitor these bonds and customer impact, particularly the low income water customers

The Board thanked Mr. Zanjani for a very clear and organized presentation.

Mr. Zanjani's presentation can be view and downloaded at:
<http://www.liob.org/docs/Item%207.%20Legislative%20Update.doc>

Item 9. Lifeline Telephone Program Update – Benjamin Schein, CPUC -Consumer Programs – Communications Division - Informational/Standing Item

- a) Lifeline Proceeding Update
 - b) Update on Lifeline Direct Application Project
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Mr. Schein provided an update on the lifeline proceeding and the direct application project. The LifeLine decision initiates a process to restore California LifeLine accessibility to eligible low income Californians who do not have a Social Security Number (SSN) due to the Federal Communications Commission's (FCC) requirement that applicants for federal Lifeline provide the last four digits of their SSN. This decision authorizes the CPUC's Communications Division to request a waiver from the FCC of the SSN requirement for access to federal Lifeline in light of California's strong LifeLine program management rules and computer database that deters fraud and catches duplicate claims before LifeLine service is authorized. Decision 14-01-036 can be view and downloaded at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M086/K541/86541587.PDF>

Commissioner Sandoval took this opportunity to thank the Communications Division, specifically Mr. Schein for all of his work and the LifeLine Team, as well as Legal Division, ALJ Division and the support of all of the Commissioners.

Mr. Schein concluded by introducing Ms. Anna Jew as the new LIOB Communications representative. Mr. Schein will be transitioning to a new position with the Chief Internal Auditor. He thanked the LIOB for allowing him to serve as the Communications Representative during the last few years and offered his continued support.

The Board thanked Mr. Schein for all of his work during his tenure as the Communications representative with the LIOB.

Mr. Schein's presentation can be view and downloaded at:
<http://www.liob.org/docs/Item%209.%20California%20LifeLine%20Presentation%20LIOB%20Feb%202014.ppt>

Item 10. Utilities' Reports— Utility Representative (40 minutes) Standing /Action/Discussion Item

- 1. Contractor's Practices and Procedures**
 - a) Lead and Asbestos Safety Practices
 - b) Public Safety Practices

Mr. Tom Barret from Richard Heath and Associates provided a report on the lead and asbestos safety practices perform by the ESAP contractors. All program installation contractors are required to comply with all state, local and federal regulations. They are responsible for all required training and recertification for their employees.

The full report can be view and downloaded at:

<http://www.liob.org/docs/Item%2010.%201a%20&%20b.%20IOU%20ESA%20Safety%20Presentation%202014-Feb-26%20LIOB.ppt>

Prior LIOB meeting follow up items

- 2. Update on IOU's Studies Reports**
 - a) Multi-Family Segment Study – PG&E
 - b) Needs Assessment Study – SCE

Mary O'Drain of PG&E informed the Board that he Multi-Family Segment Study and the Needs Assessment Study were completed in December of 2013. The purpose of the multi-family study was to understand the low-income multi-family market and its various submarkets and the low income Needs Assessment was focused on customer needs, penetration and opportunities. The ESA Multifamily Study was conducted by CADMUS and the Low Income Needs Assessment was conducted by Evergreen Economics. Ms. O'Drain provided a full overview of the study goals, areas of focus & data sources and emphasized that the IOU's plan on using these studies in their applications. Ms. O'Drain noted that the multi-family housing data that was gathered was specific and focused on low-income market and that the data sources included, program manager interviews, stakeholder interviews, phone surveys with property owners and operators. Ms. O'Drain explained that when they focused on stakeholder interviews, they looked at building owners and operators, and that they did not look at tenants and customers.

Board Member Gross expressed concern about the way the study was conducted as it did not focus on the people who are directly impacted and failed to take their input into consideration.

Ms. O'Drain explained that due to time and budget constraints they weren't able to coordinate with the Needs Assessment Study as originally planned and agreed that the study does not contain as much multi-family tenant information as they would have liked to have.

Ms. Carol Edwards from SCE provided an overview of the Needs Assessment study. The goal of this study was to identify and understand key issues regarding customer participation and needs relevant to the CARE and ESA programs. The study focused on identifying and understanding relevant characteristics and energy efficiency related needs of the low income customers, identifying and understanding factors related to program participation, including willingness and barriers to participate. The study also examined marketing, outreach and delivery practices to facilitate reaching and enrolling eligible customers. The Needs Assessment study will be performed every three years per the Commission's order.

According to the IOU's preliminary data, they expect to meet the 2020 homes treated goals.

The utilities study reports presentation can be viewed and downloaded at:

<http://www.liob.org/docs/ACF7AA.ppt>

Copies of the completed studies can be accessed at www.energydataweb.com

3. Current Penetration Rates for CARE & ESAP

Ms. O'Drain provided an overview of the current penetration rates for CARE and ESAP. The report shows a decrease in CARE penetration rates, which is attributed to a significant number of customers who do not respond to the re-enrollment or re-certification which has to be verified every two years. The utilities use multiple approaches to inform the customer on the re-certification process, however, many customers drop-off the program due to non-responsiveness. The utilities are continuing to work hard to make sure that all eligible customers remain on the program and continue to outreach to eligible customers.

The Board discussed the correlation between this decrease and the high usage verification process as this might also be a contributing factor to this reduction. The Board requested a report on how this might be affecting the CARE penetration rates from the IOUs.

Ms. O'Drain stated that the current results are very preliminary and that the utilities are watching this process very carefully.

The Board also requested a report on the progress the IOU's are making towards the 2020 goals.

The penetration rates thru December 31, 2013 for CARE & ESAP can be viewed and downloaded at:
<http://www.liob.org/docs/Item%2010.%203.%20IOU%202014%20CARE%20Penetration%20Rates%20Participation%202014-February-26%20LIOB.ppt>
<http://www.liob.org/docs/Item%2010.%203.%20IOU%202014%20ESA%20Penetration%20Rates%20Homes%20Treated%202014-February-26%20LIOB.ppt>

Item 11. Water Utilities' Current Issues – Rami Kahlon – Director, Division of Water and Audits - Update/Informational/Standing Item

1. Debbie Davis, The Governor's Office of Planning and Research
 - a) Drought Conditions
 - b) Governor's Call for 20% Conservation
 - c) Drought Package Highlights

Ms. Debbie Davis the Community and Rural Affairs Advisor from the Governor's Office of Planning and Research participated via webcast to present an overview of the California drought conditions. Ms. Davis is also a member of the task force that Governor Brown initiated in his drought proclamation. In her overview Ms. Davis stated that heavy rain and snow would have to fall throughout California very frequently to reach average annual rain and snowfall and even with such precipitation, California would remain in drought conditions, due to low supplies from the two previous dry years. The most publicized elements of the drought so far have been that both the Central Valley Project Contractors and the State Water Contractors are projected to receive a 0% allocation. She indicated that there are already public water systems that are in jeopardy; however, she is not aware of any that are part of the PUC regulated community. She pointed out that as of now there are 10 public water systems that have less than 60 days of water supply available and are in adamant danger. Ms. Davis also mentioned that there is also concern about domestic well users and systems that have 15 or less connections, because they may not have the capacity to assess their supply reliability and may not know who to go for help. Some counties and local governments have made really good effort at creating 800 lines and other ways for customers to access resources in the systems. Another concern is that there are already pre-existing water quality

impairments with some kind of contaminant in drinking water supplies and these may worsen as groundwater levels drop. Economic impacts in the agricultural areas is a big concern as well as other water-reliant economies anticipates like food prices, which will ultimately increase as a result the lack of production in agriculture. The State has taken a number of actions, the Governor issued a drought declaration in January, and a drought task force was established. The Governor along with the leadership of the Legislature has been working on drought emergency Bills. Once the Bills are final, it will be determined which pots of funds the water IOUs might be eligible for. Moving forward, the task force will continue to meet and gather ideas on how to address and proactively mitigate future impacts of the drought. Ms. Davis thanked the Board for the opportunity to provide this report and urged the Board to contact her directly with any suggestions or to address any concerns. Finally, Ms. Davis reiterated that together we have the capacity as a State to pull together and meet the drought challenges that the State is currently facing.

The Board thanked Ms. Davis for taking the time to provide this report.

Rami Kahlon Director of Division of Water and Audits took this opportunity to address the Board and shared the concerns regarding the water drought. He stated that it is going to be a bad year and that this is an unprecedented drought. He echoed Ms. Davis statement that every agency is pulling together to save water. He added that this Commission has been focusing on conserving water since 2005, when the PUC adopted its first water action plan and the regulated utilities have been conserving water at a rate of 1-2% a year. Many of the large utilities have significantly reduced their water usage and the low-income programs are in place to those in need of assistance.

Commissioner Sandoval mentioned that due to the years of investment in leadership, the non-IOU's are having bigger issues with both water accessibility and water quality.

Carmen Rocha provided an update on the low income programs for water. Ms. Rocha highlighted that there is currently a tremendous growth of low income customer enrollment after the Data Sharing between the Energy and Water Investor Owned Utilities. Ms. Rocha's report can be view and downloaded at:

<http://www.liob.org/docs/Item%2011.%20Water%20Utilities%20Issues.ppt>

Item 12. Discussion Items for the May 22, 2014 LIOB meeting - Standing Item

IOU's Report

High Usage Verification Report

Progress Report on 2020 Goals

Appointment of new utility representative for PG&E

Board Member Toledo requested for an overview of the marketing for LifeLine and requested direction on whether the marketing and outreach subcommittee should absorb this task.

Disconnection OIR – Board is interested on general information on how this affects the low income population. Staff will contact Ms. Camille Watts-Zagha of ORA to address this request.

Item 13. Future Events/Meeting Dates – Standing Item

Thursday, May 22, 2014 Los Angeles City Hall, John Ferraro Council Chamber, Room 340, 200 N. Spring Street - Los Angeles	Wednesday, August 20, 2014 Sacramento New City Hall Council Chambers 915 I Street-First Floor Sacramento, CA	Tuesday, October 28, 2014 Fresno City Hall 2600 Fresno Street Fresno, CA 93721
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Meeting adjourned at 4:15pm

Lifeline Telephone Program Update
Anna Jew—Consumer Programs

- a) Lifeline Proceeding Update*
- b) Update on Lifeline Direct Application Project*

California LifeLine Program Update



Presented by Communication Division

Low Income Oversight Board

May 22, 2014

Outreach Highlights

Benchmarks	Goal	Program YTD	% of Goal
Education Completed	160,000	92,228	58%
Presentations Completed	1,000	895	89%
<i>50% Enrollment Entities</i>	500	766	153%
Event Completed	90	111	123%
Association Conferences	4	6	150%
Newsletter Completed	30	18	60%
Targeted Mailings	6	0	0%

- Events Completed
 - 26,745 Attendance, 16,855 number of Brochure distributed
- Newsletter Placements
 - 18 newsletters placed with a reach of 20,966 consumers

Participation Stats

- **Current CA LifeLine Wireless Providers:**

- Telscape
- Budget Prepay

- **Pending Wireless Providers (as of May 15, 2014)**

CA LifeLine	federal Lifeline
1. Virgin Mobile	1. Total Call Mobile
2. TracFone Wireless	2. Q Link Wireless
3. AmeriMex Communications	3. Air Voice Wireless
4. Blue Jay Wireless	4. AmeriMex Communications
5. Air Voice Wireless	5. Tempo Telecom
	6. Sage Telecom
	7. TracFone Wireless
	8. Blue Jay Wireless

Total Approved LifeLine Subscribers in CA

- Wireless Participation in California LifeLine (March, 2014)
 - Telscape - 1,437 Approved
- Wireline Participation in California LifeLine (March 2014)
 - 41 Carriers 999,578 subscribers
- Wireless Participation in federal Lifeline (March, 2014)

Carrier Name	Approved
Cricket	35,226
Nexus	73,586
Telscape	772
Virgin	36,408
TAG Mobile	(approved May 15, 2014)
Boomerang Wireless	(approved May 15, 2014)

Contact Information

- Anna Jew – LifeLine Implementation
 - AML@cpuc.ca.gov; (415) 703-3087
- RHA, Inc. (Outreach Contractor) – Vanessa Anderson
 - vanderson@rhainc.com; (559) 447-7000
- Consumer Affairs Branch
 - http://www.cpuc.ca.gov/puc/cec/e_complaint/; (800) 649-7570
- CA LifeLine Administrator
 - <https://www.californialifeline.com/en>
 - (866) 272-0349 – English
 - (866) 272-0350 – Spanish
 - (866) 272-0351 – Lao/Hmong
 - (866) 272-0352 – Khmer
 - (866) 272-0353 – Tagalog
 - (866) 272-0354 – Korean
 - (866) 272-0355 – Vietnamese
 - (866) 272-0356 – Chinese
 - (866) 296-0860 – Japanese

Legislative Update
CPUC - Office of Governmental
Affairs

*Highlights of Upcoming Activities
for Low-Income Energy Programs
Syreeta Gibbs – Energy Division*



Energy Division Highlights of Recent & Upcoming Activities for Low Income Programs

**LIQB MEETING
MARCH 22, 2014
LOS ANGELES, CALIFORNIA**





Summary of Recent & Upcoming Activity

- ❑ **February 25, 2014** - Assigned Commissioner's Ruling (ACR) issued concerning categorical eligibility and enrollment and definition of income
- ❑ **March 11, 2014** - Opening Comments to ACR filed
- ❑ **March 17, 2014** - Reply comments to ACR filed
- ❑ **March 27, 2014** - Proposed Decision (PD) issued in Small Multi-Jurisdictional Utility (SMJU) proceeding
- ❑ **April 4, 2014** - Assigned Commissioner's Ruling inviting applications for appointment to the LIOB
- ❑ **May 1, 2014** - Final Decision (D.14-05-004) issued in SMJU proceeding
- ❑ **May 1, 2014** - 2013 Low Income Annual reports filed by IOUs and SMJUs
- ❑ **May 13, 2014** - IOU Phase 2/Guidance Proposed Decision (PD) issued
- ❑ **June 2, 2014** - Opening comments due (IOU PD)
- ❑ **June 9, 2014** - Reply comments due (IOU PD)
- ❑ **August 15, 2014** - 2015-2017 SMJU Low Income Budget Applications due
- ❑ **August 20, 2014** - Next LIOB Meeting in Sacramento, CA
- ❑ **September 15, 2014** - 2015-2017 IOU Low Income Budget Applications due



Utilities' Reports - Utility Representative

- 1. Current Penetration Rates for CARE & ESAP*
 - a) Progress Report on 2020 Goals*
- 2. High Usage Verification Report*
- 3. Appointment of New Utility Representative for PG&E*

CARE Participation

CARE Enrollment and Penetration by Utility, as of March 31, 2014¹

Utility	Customers Enrolled	Estimated Eligible Customers	Penetration Rate
Pacific Gas & Electric	1,370,848	1,648,774	83.1%
Southern California Edison	1,321,633	1,499,830	88.1%
Southern California Gas	1,600,381	1,894,724	84.5%
San Diego Gas & Electric	292,119	371,546	78.6%

CARE income eligibility guidelines were modified on January 1, 2014. AB 327 revised Section 739.1 (a) of the PU Code and requires the CARE income-eligibility guideline level for one-person households be based on the two-person household guideline level.



ESA Program

Number of Homes Treated by Utility, as of March 31, 2014¹

Utility	Homes Treated	2014 GOAL	% of Goal
Pacific Gas & Electric	26,803	119,940	22%
Southern California Edison	22,341	87,389	26%
Southern California Gas	14,154	136,836	10%
San Diego Gas & Electric	2,073	20,316	10%

Homes Treated totals are from IOU Monthly Reports for March 2014 (submitted April 21, 2014).



ESA Program

Progress Report on 2020 Goals

ESA Program Goal:

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

D.07-12-051, p. 28.

The Commission should articulate a programmatic initiative to provide all eligible customers the opportunity to participate in the LIEE program and to offer those who wish to participate all cost-effective energy efficiency measures in their residences by 2020. The initiative should inform LIEE budgets, program elements, strategies, and priorities.

D.07-12-051, Conclusion of Law 3.



ESA Program

Progress Report on 2020 Goals

Utility	Estimated Eligible Population as of 2020	ESA Treated Thru 2013	Estimated LIHEAP Treated Thru 2020 ¹	Estimated ESA Remaining for Next 7 Years (2014-2020)	Estimated ESA Homes Treated Annual Average Remaining
Pacific Gas & Electric	1,767,000	996,009	226,000	545,000	77,860
Southern California Edison	1,546,000	685,102	194,936	665,962	95,000
Southern California Gas	2,186,677	910,246	238,701	1,037,730	148,247
San Diego Gas & Electric	383,400	208,673	16,109	127,639	21,270

1. IOUs have requested data from LIHEAP, and in the meantime have estimated LIHEAP participation using projections described and adopted in PY 2012 – 2014 Applications.



CARE High Usage Verification

CARE High Usage Results by Utility, as of April 30, 2014

Utility	Customers above 400% of baseline (past 12 months) ¹	High Usage Verification Requests Mailed	High Usage Customers Removed	Percentage Point Impact to Penetration Rate
PG&E	69,317	42,238	34,717	2.1%
SCE	10,605	9,639	6,112	0.5%
SCG	N/A	N/A	N/A	N/A
SDG&E	15,074	672	548	.002%

¹ SCE data includes December 2013 pilot and January – April 2014 full roll-out



Subcommittee Reports and Updates

- a) Marketing & Outreach (Board Members Toledo, Kim, Gross and Watts)*
- b) ESAP Implementation (Board Members Wimbley, and Watts)*
- c) Workforce Education and Training (Board Member Kim)*
 - Overview of “Workforce Issues and Energy Efficiency Programs; A Plan for California’s Utilities” - Cecilia Estolano – Estolano LeSar Perez Advisors*
- d) Water Industry (Board Members Stephenson and Lopez)*
- e) Emerging Issues/Climate Change (Board Members Toledo and Kim)*
- f) AB 327 (Board Members Wimbley, Lopez & Kim)*

Commissioner Sandoval's Report

- a) High Cost Fun A and Tribe Visits in Northern California*
- b) SMJU Decision*

Water Utilities' Current Issues

Rami Kahlon, Director, Division of Water and Audits

- a) Governor's Latest Drought Statement*



State of the Drought



Low-Income Oversight Board

Rami Kahlon, Director
Division of Water and Audits
CPUC
May 22, 2014





CPUC Regulated Utility Overview

- **115 Water Utilities**
 - 9 Class A water utilities (over 10,000 connections)
 - 6 Class B water utilities (over 2,000 connections)
 - 23 Class C water utilities (over 500 connections)
 - 77 Class D water utilities (500 connections or less)
- 14 Sewer utilities, less than 1,000 connections
- Serving over 6 million Californians, or about 16% of the state's population
- \$1.4 Billion in total revenue





Water Utility Geographic Reach





Water Industry

- CPUC Charter: Clean, safe, and reliable water service at just and reasonable rates.
- Challenges and Cost Drivers
 - More stringent water quality standards
 - Aging infrastructure
 - Declining water use
 - Recession
 - Conservation mandates
 - Drought





California's Water Supply

- **Sierra Mountain Range**
- **Delta**
- **Colorado River**
- **Ground Water**
- **Storage Reservoirs**





Drought Events Timeline

- **December 2013** – Drought Task Force established
- **January 17** – Drought State of Emergency declared by Governor Brown
 - 20% voluntary conservation
- **January 31** – No water deliveries from the State Water Project
 - Might increase if it rains
- **February 21** – Central Valley Project
 - No water deliveries for farmers
 - 50% cut for urban customers





Drought Events Timeline

- **April 18** – State Water Project deliveries increased from 0% to 5%
 - Delta salinity barrier project called off
 - Federal Water project deliveries for some senior rights holders increased from 40% to 75%
- **April 25** – Governor Brown's Proclamation
 - Continued State of Emergency
 - 20 Action Items
- **May 2014** – Save our Water Month
 - Water Conservation Campaign in full swing
 - Snowpack – 9% of normal as of May 16





Governor's April 25 Proclamation

- **Highlights**

- Facilitate water transfers and exchanges
- Urban water suppliers directed to address outdoor water / waste
- Californians directed to eliminate water waste
 - Limit outdoor watering; irrigation, washing hard surfaces, car washing; Commercial establishments
- Homeowner Association rules voided
- Assist with temporary interconnections between water systems
- Protect threatened and endangered species
- CEQA / Water Code sections suspended
 - Timber harvesting
 - Water transfers





Governor's Budget

- **May Revise**
- Emergency Drought Response
 - Task Force
 - Legislation
 - \$687.4 million for drought relief
 - Accelerated expenditure of voter approved bonds
 - Includes funds for food and housing for those directly impacted
 - Expanded Fire Protection
 - Operations Plan
 - DWR, Bureau of Reclamation, Fish and Wildlife, State Board





Wildfire Activity

- **San Diego County**
 - Eight Fires, 18,000 acres burned as of Friday, May 16
 - Dozens of homes / structures destroyed / thousands evacuated
 - No major electric grid interruptions
 - Governor Brown declared a State of Emergency on May 14
- **California; 1,501 wildfires thus far this year**
 - Double than average
 - Additional funds made available for Cal Fire
 - Peak staffing expected in June





CPUC Drought Mitigation

February 27, 2014 – CPUC adopted Resolution W-4976

- Drought procedures for water conservation, rationing and service connection moratoria.
- Comply with Governor's call for 20% conservation

Tariff Rule No. 14.1

- Water Conservation and Rationing Plan
- Lists non-essential and unauthorized water uses

Tariff Schedule 14.1

- Mandatory rationing
- Requires DWA approval

All Class A utilities have voluntary conservation measures in place

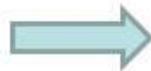
CPUC monitoring vulnerable systems





Low Income Ratepayer Assistance

- All large (Class A) water utilities offer low-income bill assistance programs.
- Over 250,000 CPUC-regulated residential water customers participating in income water assistance programs.
- Huge increase in participation rates in 2013.
- Auto enrollment program with data exchange between the energy and water utilities.

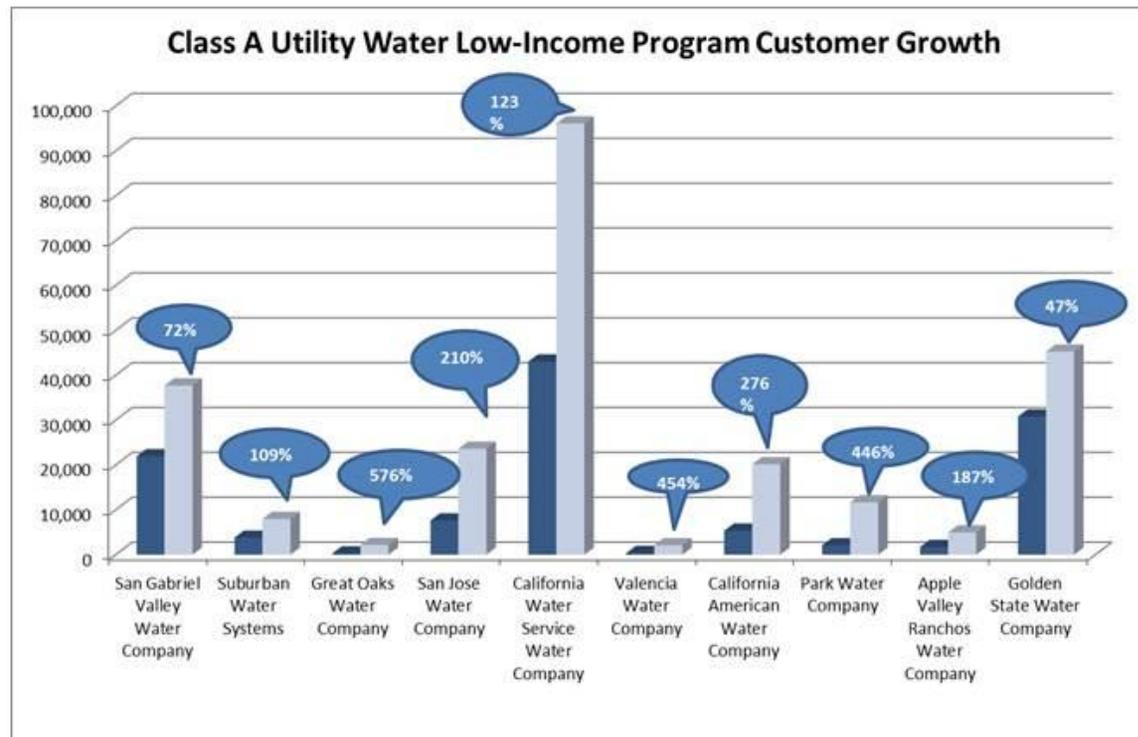


Low-income programs for water started in 2006.





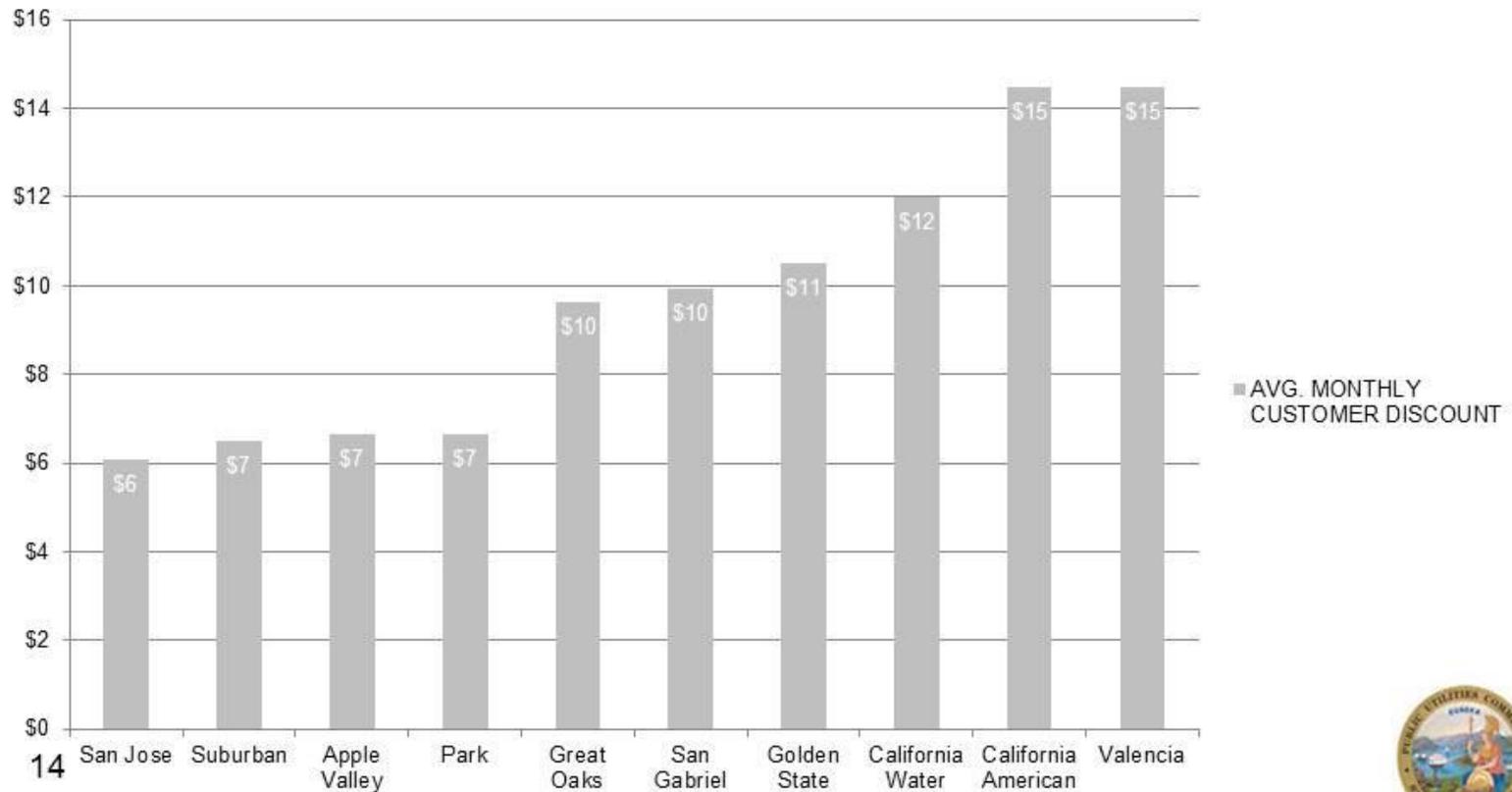
Low-Income Program Growth in 2013





Discounts for Low-Income Customers

LOW INCOME MONTHLY DISCOUNT



14





2014 Focus

- Drought
- Legislation
 - AB 1434 - 20% bill reduction across all water utilities
- Uniform Rate Rulemaking
 - Consolidation of rate making districts
- Recycled Water Decision





Uniform Rate OIR

- Uniform Rate OIR pending before the Commission
- Guidelines to implement Water Action Plan
- Examine the consolidation of rates between multi-district water utilities
- Normalize volatility of smaller district revenues and rates
- Two-fold objective;
 - Balance utility investment
 - Keep rates affordable





Recycled Water

- In November 2010 the CPUC began to develop a comprehensive policy framework for recycled water for our Class A and B water utilities.
- With technology advances, recycled water is becoming a competitive and compelling alternate to potable water when uses allow.
- The CPUC will address state policy and legislation governing the state's goals for the production, delivery, and use of recycled water, as well as interagency coordination to facilitate recycled water production and delivery.



*Disconnection OIR
Camille Watts-Zagha, Office of
Ratepayer Advocates*



Disconnection OIR

Presentation to the Low Income Oversight Board

May 22, 2014

Utility Rules

Rules governing utility payments and disconnections are in statute and utility tariffs.

The Commission enacted additional rules 2010-2013.

- ▶ Decision 10-12-051 adopted a settlement between Consumer Parties*, SDG&E and SoCalGas
- ▶ Decision 12-03-054 required PG&E and SCE to implement heightened protections.
- ▶ All 2010-2013 rules expired December 31, 2013 except for certain provisions applicable only to SCE and PG&E

The utilities and Consumer Parties** proposed a settlement for post-2013 credit and collection policies.

- ▶ Utilities voluntarily extended disconnection rules through March 17, 2014.
- ▶ Settling Parties filed Motion to Adopt Settlement April 1, 2014.

*Consumer Parties in 2010 settlement are ORA, TURN, Greenlining, Center for Accessible Technology, and National Consumer Law Center

** Consumer Parties in 2010 settlement are ORA, TURN, Greenlining, and Center for Accessible Technology



Settlement Provisions

All customers

- ▶ Series of Pay Plans pilots testing payment term lengths, customer risk factors, etc.
- ▶ Settling parties will track and discuss Pay Plan pilot outcomes.

CARE customers

- ▶ CARE customers offered option to enroll in CARE via live Customer Service Representative.
- ▶ No credit deposits for late payments.
- ▶ For credit deposits due to disconnection, option to amortize over 3-6 months.

Alternative language/communication customers

- ▶ Communication risk of disconnection
 - ▶ Certain requirements to provide notice in multiple languages
 - ▶ Certain requirements to provide notice in alternative communication formats such as large print, Braille, and accessibility of relay service

Vulnerable customers (Life Support, Medical Baseline, customer self-certifying they have a serious illness or condition that could become life threatening if service is disconnected).

- ▶ In-person field visits prior to disconnection. No fee for these visits. Opportunity to pay bill at the time of the visit.



Settlement Provisions

Term

- ▶ From approval through December 31, 2016

Tariffs

- ▶ Many provisions will be added to tariffs, although utility reserves right to file changes to tariffs upon expiration of the settlement.

Cost Recovery

- ▶ Utilities will track costs via memorandum accounts and will seek cost recovery, subject to reasonableness review, in appropriate forum.
- ▶ Future changes to credit and collections policies should occur in proceedings where cost issues can be decided concurrently, such as General Rate Cases or low-income program applications.

Reporting

- ▶ Utilities will report monthly disconnection data quarterly.
- ▶ Settling Parties will meet semi-annually to review and discuss progress.



Comparison of Disconnection Rates

Care vs. Non-Care Customers: 2007 - 2011

DISCONNECTIONS (All Occurrences, As % of Accounts)																	
	All Residential						CARE						All Residential Except CARE				
	4 IOUs	PGE	SCE	SDGE	SCG		4 IOUs	PGE	SCE	SDGE	SCG		4 IOUs	PGE	SCE	SDGE	SCG
2007	4.54%	4.00%	7.28%	2.13%	3.45%			5.69%			4.14%			3.52%			3.22%
2008	4.92%	4.40%	7.89%	2.10%	3.75%		6.67%	7.28%	9.19%	4.00%	4.65%		4.38%	3.64%	7.44%	1.68%	3.42%
2009	4.75%	5.15%	7.50%	1.92%	2.81%		6.94%	8.17%	9.96%	3.81%	4.15%		3.99%	4.24%	6.58%	1.46%	2.28%
2010	3.65%	3.39%	5.83%	1.70%	2.63%		5.52%	5.35%	8.08%	3.39%	4.02%		2.89%	2.65%	4.84%	1.23%	2.00%
2011	3.39%	3.56%	5.32%	1.65%	2.10%		5.32%	5.63%	8.18%	3.36%	3.23%		2.53%	2.71%	3.95%	1.13%	1.56%
2012	3.48%	4.41%	4.70%	1.73%	1.99%		4.32%	4.87%	5.24%	3.49%	3.19%		3.10%	4.22%	4.09%	1.19%	1.43%
2013		4.70%	7.05%	2.09%	1.87%			4.87%	6.59%	3.42%	3.25%			4.59%*	7.13%*	1.65%	1.28%*

*excludes FERA

Source: IOU Monthly Disconnection Reports

Agenda Items for Future Meetings
Future Events/Meeting Dates