

December 20, 2018

Commissioner Clifford Rechtschaffen  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Via Email Submission to [Public.Advisor@cpuc.ca.gov](mailto:Public.Advisor@cpuc.ca.gov)

**Re: Low Income Oversight Board ESA Post-2020 White Paper & Letter**

Dear Commissioner Clifford Rechtschaffen:

As chair of the Low-Income Oversight Board (“LIOB”), I am writing today to update you on the board’s goals, visions and principles for the Energy Savings Assistance (“ESA”) program post-2020. The LIOB has agreed that post-2020 decision-making should provide for an *added* focus on identifying and helping low-income customers who are overburdened by high energy bill costs, fraud and utility disconnections.

The LIOB was established by the State Legislature to advise the California Public Utilities Commission (“CPUC”) on low-income electric and gas customer issues and to serve as a communicative liaison to the CPUC to provide a voice for low-income ratepayers and their advocates/representatives. Since November 2018, the LIOB has been deliberating on a working white paper providing the LIOB’s focused post ESA 2020 vision that identifies specific initiatives that help low-income customers who are overburdened by high energy bill costs, extreme climate conditions, rising disconnections health and safety impacts.

Our ESA subcommittee has identified 15 areas of primary focus (initiatives) to guide the drafting of our ESA post-2020 goals (see attachment). The draft of the attached initiatives was affirmed by the full LIOB meeting on December 6, 2018.

Ultimately, the LIOB is focused on how ESA programs can more effectively reach and benefit disadvantaged communities burdened by pollution and socio-economic challenges, including rural and tribal communities. This LIOB post ESA 2020 vision is in keeping with the vision of both legislation and energy policy that targets disadvantaged communities in California.

LIOB recommendations include stepping away from a “template-oriented energy saving program effort” and developing a more flexible “need-based” formula to maximize low-income energy program efficiency opportunities that may also help customers with the highest need in reducing or better managing their energy bills; minimize disconnections and foster affordable energy rates enabled by increased energy education and demand side management technologies. Other goals include identifying specific ways ESA can achieve more with health, comfort, safety, and resilience standards, objectives and guidelines. This would include establishing public and private partnerships to leverage additional health and safety data, along with funding to establish referral mechanisms via public health departments and hospitals.

Also, our 2020 vision urges the CPUC to prioritize the low-income multi-family housing agenda and maximize opportunities for innovation and new perspectives, including workshops early in the design process. We are also focused on engaging and educating communities and building owners about energy use and the numerous energy assistance programs available to them.

We urge you to review the full ESA White Paper, which serves as a starting point for the LIOB's Post 2020 goals and a mechanism to reframe CPUC low-income and ESA programs. This working paper is designed as an evolving document for the CPUC to add, delete, opine on and/or revise.

As you know, the LIOB is authorized in statute to advise the Commission given the purview of low-income assistance programs that the LIOB oversees; the Energy Savings Assistance program is such a program. For your further edification, I have attached a copy of the ESA Post 2020 discussion and specific recommendations that were approved by the full LIOB on December 6, 2018.

Thank you for your consideration.

Sincerely,

*Robert Castaneda*

Chairman Low Income Oversight Board

Attachment

c.c. Commissioner Martha Guzman Aceves  
Commissioner Liane M. Randolph  
Commissioner Carla J. Peterman  
Commission President Michael Picker  
LIOB Vice-Chair Benito Delgado Olson  
LIOB Member Lourdes Oliva  
LIOB Member Marlene Murphy-Roach  
LIOB Member Jeff Linam  
LIOB Member Patricia Watts  
LIOB Member Larry Gross  
LIOB Member Charlie Toledo  
LIOB Member Jason Wimbley  
LIOB Member Maria Stamas

### **Attachment: ESAP Subcommittee Meeting Summary Draft**

The LIOB Subcommittee on ESA met on November 13, 2018 to discuss and deliberate on a vision and principles for the ESA program post-2020. The board discussed the following;

- Health, safety and comfort provisions, including the HVAC Program;
- Post 2020 ESA opportunities regarding go-backs; and guidelines for both re-treatment and appliance replacement, weatherization, home repair and common area measures for multi-family;
- Cost effectiveness and its role in the ESA program;
- Decision-making approvals that consider and continue the current overall portfolio approach to energy savings;
- The value of integrating with LIWP and solar initiatives in better serving low-income households;
- Energy savings targets and program performance.

LIOB Member Stamas suggested that the subcommittee take an open-minded perspective given our discussion/comments of a post-2020 vision. "Allow us to dismiss any preconception of governance given past or current guidelines and or rules. Within statutory authority, if we could recraft ESA, what would it be?"

The discussion by the subcommittee members and some in attendance (either in person or on the phone) was both informative and nonconventional (out of the box thinking). The LIOB ESAP subcommittee members determined to draft a working white paper to take to the full LIOB when we meet on December 5, 2018 in Stockton.

#### **ESA Post 2020 Draft White Paper**

This draft of that "ESA White Paper" is the "thoughtful thinking" of the ESAP Subcommittee and will serve as a "jumping off" document for the full LIOB to add, delete, opine on and/or revise. It is important to make the full LIOB aware of the fact that the LIOB meets only four (4) times a year and the December 5, 2018 scheduled full board meeting will be the final meeting before the to the CPUC issues a draft Guidance Document for the upcoming ESA/CARE Decision. The LIOB requests that a Guidance Document be provided to the IOUs in a timely manner in order to allow for thoughtful applications from the IOUs.

Given our discussion on the aforementioned agenda, key points outlined below were made. These recommendations made by ESAP committee members will serve as the guide for this ESA post-2020 draft; they are:

1. Post 2020 decision-making should focus on trying to identify and help low income customers who are overburdened by high energy bill costs. This could be used as a targeting tool to help identify the populations with the greatest need;

2. Explore opportunities/ feasibility for the ESA Program to help reduce Greenhouse Gas Emissions;
3. Develop a “need-based” formula to maximize low-income energy program efficiency opportunities that may also help customers with the highest need reduce or better manage energy bills, minimize disconnections, and foster affordability of energy costs;
4. Determine who has not been served by ESA and how new program designs and approaches could better reach them;<sup>1</sup>
5. Identify specific ways and means that ESA can achieve more with health, comfort, safety, and resilience objectives and guidelines. This would include establishing public and private partnerships to leverage additional health and safety data, funding and to establish referral mechanisms e.g. via public health departments and hospitals;
6. Explore the potential to introduce high-value energy saving measures, for example, to reduce water heating as well as heating and cooling energy consumption in applicable climate zones. The goal is to ensure that households that are served are provided with measures that will have a significant impact on bills and health/comfort;
7. Recommend that the low-income multi-family housing agenda maximize opportunities for innovation and new perspectives, including workshops early in the design process;
8. Offer a holistic program design (not separate in-unit and common area programs) that meets the needs of renters in affordable housing by lining up offerings with affordable housing refinancing cycles and increasing the flexibility of the program overall. For market-rate multifamily housing, focus on providing a holistic offering that includes an owner co-pay for common areas and contractual restrictions on rent increases as a result of the program;
9. Engage and educate communities and building owners about energy use and the numerous energy assistance programs available to them in terms of eligibility, access and leveraging; Provide full service technical assistance and a universal application to ensure enrollment is accessible and streamlined;
10. Encourage workforce development opportunities that promote hiring from within local communities, especially the Disadvantaged Communities (DACs), and where possible good career-ladder jobs. ESA contracts already encourage contractors to hire locally and require contractors to provide advance notice of job opportunities in local communities;
11. Streamline income eligibility and expand categorical enrollment through partnerships with other need-based state programs. Ensure income eligibility, especially for multifamily housing—which currently has separate regulations for common area and in-unit programs, is simplified and aligned with other assistance programs;
12. Identify specific measures and policies that reduce utility costs to low-income energy. Certainly, solar initiatives targeting this market are vital, but so is the introduction of

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<sup>1</sup> Further enable and empower CBO engagement by conducting a community focused/sponsored unmet needs assessment consisting of focus groups, surveys and localized community forums across all service territories of both large and small IOUs. This effort will be complete with findings and conclusions as to enhanced program design and fulfillment.

new and targeted technologies (appliances and weatherization measures and demand side measurement);

13. Recommend that the health, safety and comfort provisions (deliverables) within the statute must be made more effective and clearer. Ambiguity leaves unacceptable living and health conditions in place. Create clear goals here to address deferred maintenance issues through referrals, partnerships, cost-sharing, or other mechanisms;
14. Recommend a "LIOB Working Group" or similar mechanism to provide a mechanism for the consideration of new and emerging technologies and program designs that better serve the low-income and ESA program;
15. Recommend the IOUs partner with CBOs, Community Colleges and Workforce investment Boards, and report on WE&T and job placement activities generating from the DACs and other low-income or underserved areas. This baseline of reporting will begin to quantify one element within community benefit as designated by legislation.

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