

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget (U 39 M)	Application 08-05-022 (Filed May 15, 2008)
Application of San Diego Gas & Electric Company (U 902 M) for Approval of Low Income Assistance Programs and Budgets for Program Years 2009 – 2011	Application 08-05-024 (Filed May 15, 2008)
Application of Southern California Gas Company (U 904 G) for Approval of Low Income Assistance Programs and Budgets for Program Years 2009 – 2011	Application 08-05-025 (Filed May 15, 2008)
Application of Southern California Edison Company (U 338-E) for Approval of Low Income Assistance Programs and Budgets for Program Years 2009, 2010, and 2011	Application 08-05-026 (Filed May 15, 2008)

**ANNUAL REPORT OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) ON THE RESULTS  
OF ITS LOW INCOME ENERGY EFFICIENCY AND CALIFORNIA ALTERNATIVE RATES  
FOR ENERGY PROGRAM EFFORTS FOR PROGRAM YEAR 2009**

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Dated: May 3, 2010

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In accordance with Decision 05-10-041, Ordering Paragraph 2, and the report requirements in Decisions 89-07-062 and 01-03-028, Pacific Gas and Electric Company files this Annual Report on the results of its Low Income Energy Efficiency (LIEE) and California Alternative Rates for Energy (CARE) program efforts for the 2009 program year. In previous years, the LIEE and CARE Reports were submitted separately. Beginning with the 2009 program year, the Energy Division and Joint Utilities agreed to minimize the reporting requirements by combining the reports and to standardize the report templates and tables. Today's report reflects these changes.

Respectfully submitted,

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May 3, 2010



# **Pacific Gas and Electric Company**

## **Low Income Energy Efficiency (LIEE) AND California Alternate Rates for Energy (CARE)**

### **Program Annual Report For Program Year 2009**

**May 3, 2010**

**LIEE AND CARE PROGRAMS ANNUAL REPORT**

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## LOW INCOME ENERGY EFFICIENCY PROGRAM

### 1. LIEE Executive Summary

Pacific Gas and Electric Company (PG&E) has offered free energy efficiency programs to income-qualified customers in its 48 counties since 1983. The Low Income Energy Efficiency (LIEE) program’s objective is to help income-qualified customers reduce their energy consumption and costs while increasing their comfort, health and safety. The LIEE program, marketed to PG&E customers as the Energy Partners Program, utilizes a “whole house” approach to provide free home weatherization, energy efficient appliances and energy education services to income-qualified PG&E customers throughout the Company’s service area.

The LIEE program is ratepayer-funded and is available to PG&E customers living in all housing types (single family, multifamily, and mobile homes), regardless of whether they are homeowners or renters. To qualify for the LIEE program, the total customer household income must be equal or less than 200 percent of the Federal Poverty Guidelines, with income adjustments for family size. The 2009 program treated 81,308 homes with a mix of measures and services, including energy education, energy efficient appliances, and home weatherization.

The 2009-2011 LIEE program was authorized by the California Public Utilities Commission on November 10, 2008 in Decision (D.) 08-11-031. PG&E’s authorized annual LIEE program budget for 2009 was \$109,056,366 million.

#### 1.1. Alignment of LIEE with Strategic Plan Goals and Strategy

*The long-term California Strategic Plan vision for the LIEE program is to have 100% of all eligible and willing low income customers receive all cost effective Low Income Energy Efficiency measures by 2020. The Plan lays out two goals in achieving the LIEE vision: 1) By 2020, all eligible customers will be given the opportunity to participate in the LIEE program, and 2) The LIEE programs will be an energy resource by delivering increasingly cost-effective and longer-term savings.*

##### 1.1.1. Please identify the IOU strategies employed in meeting Goal 1: Improve Customer Outreach

Implementation Plan and Timeline		
Strategies	Near Term 2009 – 2011	IOU strategy employed this program year

<b>Implementation Plan and Timeline</b>		
<b>Strategies</b>	<b>Near Term 2009 – 2011</b>	<b>IOU strategy employed this program year</b>
1.1: Strengthen LIEE outreach using segmentation analysis and social marketing tools.	<ul style="list-style-type: none"> <li>Identify, implement and evaluate effective marketing, education and outreach methods for targeting low income customer segments.</li> <li>Use social marketing to effectively engage low income customers in program participation.</li> </ul>	<p>In 2009, PG&amp;E identified and implemented effective outreach methods for segmenting and targeting its low income customer segments, including:</p> <ul style="list-style-type: none"> <li><b>Multi Ethnic AD campaign:</b> Targeting Chinese, Vietnamese, Hispanic and African American customers;</li> <li>Bilingual Bill Insert targeting 5.2 million residential customers;</li> <li><b>Saber es Poder Campaign:</b> In partnership with CARE and the Mexican Consulate in the City of Fresno &amp; San Francisco;</li> <li><b>Direct Mail</b> letters sent to targeted neighborhoods notifying customers of their eligibility for the LIEE program;</li> <li><b>Radio:</b> Radio Bilingue: Six 1 hour live interviews in Spanish. The interviews aired on six local stations all based in the Central Valley;</li> <li>Enviro Bro “Green Show” Radio Interview targeting the Sacramento area;</li> <li>Events &amp; Presentations; and</li> <li>Multilingual Collateral.</li> </ul>
1.2: Develop a recognizable and trustworthy Brand/Tag line for the LIEE programs.	<ul style="list-style-type: none"> <li>Develop a statewide program name and description for LIEE which is coordinated with the ME&amp;O efforts for energy efficiency, demand response and any other demand-side options.</li> <li>Implement branding.</li> </ul>	<p>PG&amp;E is working closely with Energy Division and the other IOUs to develop a statewide program name and description for LIEE. Energy Division hired a consultant in 2010 to accomplish this goal. PG&amp;E is actively participating in this statewide LIEE/EE team effort and will implement branding when a brand/tag line is authorized.</p>
1.3: Improve program delivery	<ul style="list-style-type: none"> <li>Use information from segmentation analysis to achieve efficiencies in program delivery.</li> <li>Leverage with Local, State, and Federal agencies as well as other organizations to increase seamless coordination, efficiency and enrollment</li> </ul>	<p>PG&amp;E began a Low Income Household Market Segmentation Study (with SCE) in 2009 to better target outreach to potential LIEE customers. This analysis will be completed in 2010.</p> <p>PG&amp;E’s LIEE program outreach team worked with many local, state and federal agencies and other community organizations to promote the LIEE program and enroll new customers. In 2009, events were held in Bakersfield, Stockton, San Pablo, Fresno, Sacramento, Selma, Soledad, Richmond, San Rafael, Milpitas, Oakland, Wasco, Madera, and Firebaugh.</p>

Implementation Plan and Timeline		
Strategies	Near Term 2009 – 2011	IOU strategy employed this program year
1.4: Promote the growth of a trained LIEE workforce.	<ul style="list-style-type: none"> <li>• Incorporate LIEE training needs into the Workforce Training needs assessment.</li> <li>• Develop Training Roadmap which includes funding requirements and sources other than IOUs.</li> <li>• Implement LIEE workforce education and training.</li> </ul>	<p>PG&amp;E is working with Energy Division to implement the Low Income Workforce, Education and Training pilot.</p> <p>PG&amp;E's LIEE trainers are actively involved with the Statewide Workforce, Education and Training efforts to help CA education and training facilities develop appropriate curricula for training energy and weatherization specialists capable of working in PG&amp;E and other energy programs.</p> <p>In 2009, PG&amp;E trainers conducted 64 sessions for 892 students representing a total of 4,564 student days of LIEE training. This represented an increase of over 40% from 2008.</p>

**1.1.2. Please identify the IOU strategies employed in meeting  
Goal 2: LIEE is an Energy Resource**

Implementation Plan and Timeline		
Strategies	Near Term 2009 – 2011	IOU strategy employed this program year
2.1: Increase collaboration and leveraging of other low income programs and services	<ul style="list-style-type: none"> <li>• Identify key areas where data sharing would be possible and advantageous.</li> <li>• Develop partnerships with community organizations and other agencies to leverage resources available from local governments, federal, state, and private project funding sources.</li> </ul>	<p>In 2009, PG&amp;E shared LIEE program data with the other IOUs to help automatically enroll income-qualified customers into each utility's LIEE and CARE programs. Most data sharing agreements enroll customers into the CARE program. CARE customers are targeted by PG&amp;E's LIEE subcontractors for participation in the LIEE Program. Data sharing of CARE customers already occurs between PG&amp;E and SMUD, MID, and LIHEAP.</p> <p>In 2009, PG&amp;E partnered with many agencies and local governments to leverage resources. This led to whole neighborhood approach activities and events in Bakersfield, Stockton, San Pablo, Fresno, Sacramento, Selma, Soledad, Richmond, San Rafael, Milpitas, Oakland, Wasco, Madera, and Firebaugh. For example, PG&amp;E worked with SoCalGas and local legislators to host a community event in Wasco to sign customers up for CARE, LIEE, and other utility and community low income programs.</p>
2.2: Coordinate and	<ul style="list-style-type: none"> <li>• Ensure LIEE participants</li> </ul>	PG&E developed joint program brochures



<b>Implementation Plan and Timeline</b>		
<b>Strategies</b>	<b>Near Term 2009 – 2011</b>	<b>IOU strategy employed this program year</b>
communicate between LIEE, energy efficiency and DSM programs to achieve service offerings that are seamless for the customer.	<p>are aware of energy efficiency and DSM/EE programs.</p> <ul style="list-style-type: none"> <li>• Coordinate with CSI programs to provide LIEE program services in qualified low income housing for both single family and multifamily CSI programs.</li> <li>• Coordinate AMI delivery and LIEE Programs</li> </ul>	<p>in multiple languages to describe PG&amp;E rate discounts and energy efficiency services/programs available to help customers.</p> <p>PG&amp;E program staff from rates, energy efficiency, solar programs, and metering departments came together at many customer events in 2009 to explain the services we offer to help customers with their bills and energy use. PG&amp;E staff demonstrated SmartMeters and other new technologies to customers</p> <p>PG&amp;E program staff from multiple areas meet together regularly to discuss and explore integration opportunities.</p>
<b>2.3:</b> Provide low income customers with measures that result in the most savings in the LIEE program	<ul style="list-style-type: none"> <li>• Assess design of programs to ensure increasingly cost effective measures, while reducing low income customers' bills and improving quality of life.</li> <li>• Continue to include measures that provide long term energy savings, such as refrigerators.</li> </ul>	<p>New impact and process evaluations of the 2009 LIEE program are being conducted to assess program design and impacts. PG&amp;E is also participating with Energy Division and the other utilities on a new study to update and assess non-energy benefits.</p> <p>PG&amp;E regularly solicits new measure ideas and suggestions from contractors and others at quarterly public meetings and LIEE contractor meetings. PG&amp;E also requests suggestions from PG&amp;E's EE research staff and looks at measures included in other EE and LIEE programs throughout the U.S.</p>
<b>2.4:</b> Increase delivery of efficiency programs by identifying segmented concentrations of customers.	<ul style="list-style-type: none"> <li>• Identify and develop segmented approach to deliver services to households</li> <li>• Improve use of CBOs in delivering services</li> </ul>	<p>PG&amp;E is conducting a Low Income Household Market Segmentation Study in 2009–2010 to identify and develop a segmented approach. During 2009, PG&amp;E worked closely with CARE Outreach, PG&amp;E's marketing team and other in-house marketing experts to help develop effective methods of marketing the program. PG&amp;E also continued to work with our LIEE subcontractors and community agencies to target and reach out to hard-to-reach and at-risk customers. PG&amp;E provided ZIP-7 eligibility breakdowns to our subcontractors to help them locate and target areas with high poverty demographics.</p> <p>In 2009 PG&amp;E had 61 subcontractors working in our LIEE program, an increase of 23% from 2008. 15 of these were CBOs.</p>

**1.2. Low Income Energy Efficiency Program Overview**

**1.2.1.** Provide a summary of the LIEE Program elements as approved in Decision 08-11-031:

<b>PY 2009 LIEE Program Summary</b>			
	<b>Authorized / Planning Assumptions [1]</b>	<b>Actual</b>	<b>%</b>
Budget	\$109,056,366	\$ 92,395,409	84.7
Homes Treated	90,903	81,308	89.4
kWh Saved	32,512,408	33,137,731	101.9
kW Demand Reduced	6,504	6,129	94.2
Therms Saved	1,402,586	1,590,073	113.4

[1] Budget and Homes Treated were authorized in D.08-11-031; kWh, kW and Therm savings are planning assumptions, from PG&E 2009-2011 LIEE-CARE Program Application Testimony, May 15, 2008.

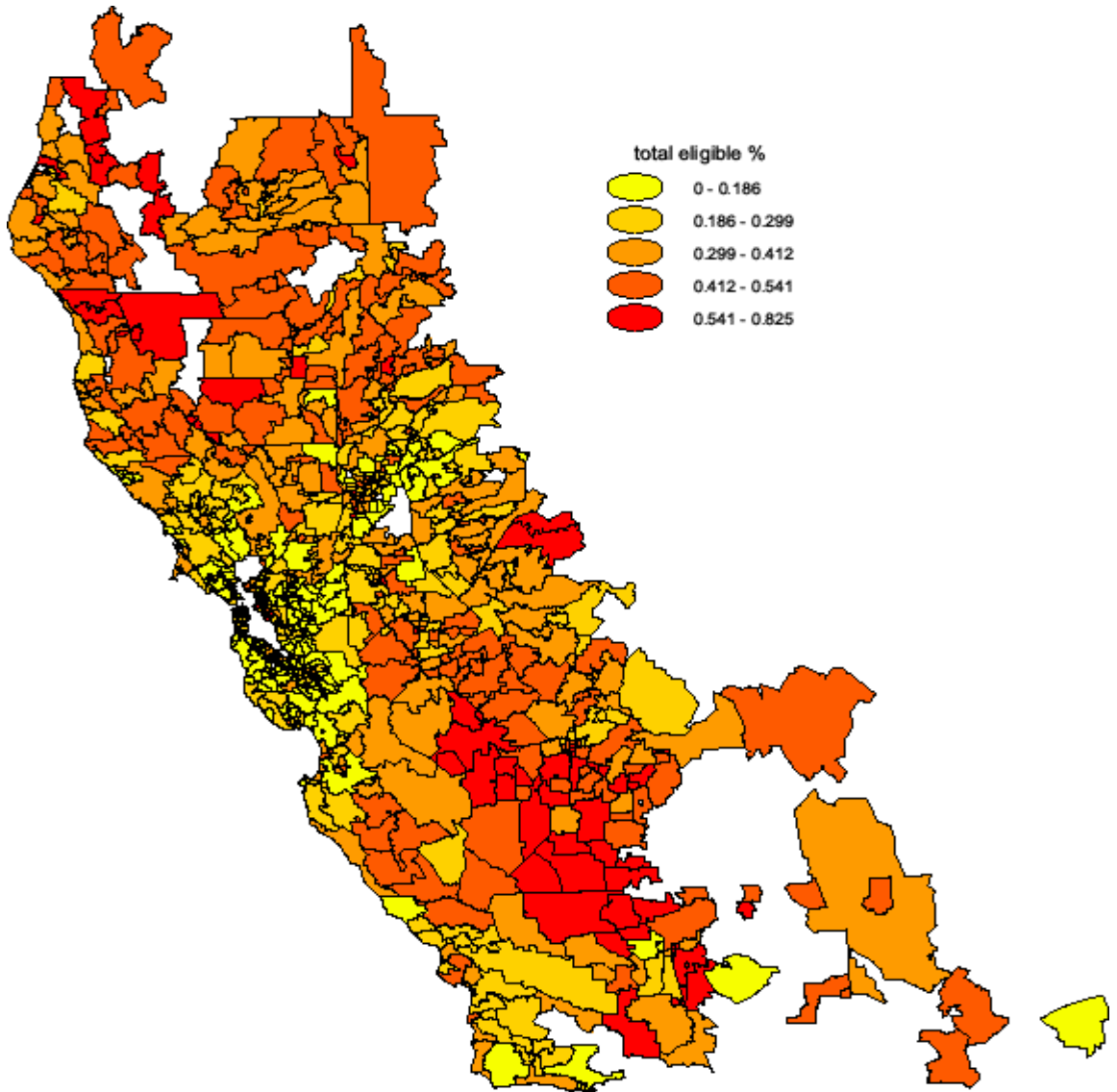
**1.3. Whole Neighborhood Approach (WNA) Evaluation**

**1.3.1.** Provide a summary of the geographic segmentation strategy employed, (i.e. tools and analysis used to segment “neighborhoods,” how neighborhoods are segmented and how this information is communicated to the contractor/CBO).

PG&E identifies and targets geographic neighborhoods with large populations of low income customers. ZIP-7 areas are ranked by percent of LIEE estimated eligibility. Energy usage, delinquent payments, and previous LIEE participation information is also correlated to help determine promising areas to target for WNA efforts.

PG&E is currently conducting a Low Income Household Market Segmentation study with SCE that is expected to generate valuable information for targeting and enrolling income-qualified LIEE customers, as well as to identify potential neighborhoods and communities to outreach in the future. PG&E provides more detail on customer segmentation and LIEE outreach approaches and strategies in Section 1.3.2.

The following map shows the percent of PG&E customers eligible for LIEE by county.



- 1.3.2.** Provide a summary of the customer segmentation strategies employed (i.e. tools and analysis used to identify customers based on energy usage, energy burden and energy insecurity) and how these customer segments are targeted in the Whole Neighborhood Approach to program outreach.

In D.08-11-031 and the subsequent Whole Neighborhood Approach White Paper, the Commission described a Whole Neighborhood Approach to LIEE installation under which the IOUs install all feasible measures in the homes of eligible customers on a neighborhood-by-neighborhood basis. The Commission believes this approach will increase energy savings, reduce overhead and transportation costs, and encourage leveraging with local entities.

The following is a discussion of PG&E's ideas, plans, and 2009 experience for successfully reaching the LIEE-eligible population through Whole Neighborhood Approaches and other targeting strategies.

#### **Neighborhood Identification**

***Identify neighborhoods with large numbers of low income customers with the aid of census or other demographic information. Within each neighborhood, identify customers based on energy usage. We expect the IOUs to use their customer databases to the maximum extent possible to target neighborhoods and customers before sending contractors into the field. (D.08-11-031)***

PG&E identifies neighborhoods with large numbers of low income customers with the aid of census and other demographic information and correlates it with PG&E customer energy usage information, as directed in D.08-11-031.

PG&E currently implements its LIEE program in a "whole neighborhood approach." PG&E's LIEE implementation contractors typically arrange their appointments geographically to reduce their costs and usually work through their assigned areas geographically for the same reason. They often enroll participants by canvassing likely neighborhoods, and PG&E provides its LIEE implementation contractors with a database of CARE customers to help them identify and target potential neighborhoods to canvass, call or mail information.

In addition to continuing to share its CARE customer data with LIEE contractors, PG&E analyzes and selects potential target neighborhoods with the key variables defined by the Commission in D.08-11-031: high incidence of poverty and high energy use, as well as high energy insecurity.<sup>1</sup>

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<sup>1</sup> Energy burden is the percent of income that goes towards payment of energy bills, and energy insecurity refers to customers experiencing difficulty in paying energy bills and actual or threatened utility shut-offs.

To identify potential neighborhoods to target for the LIEE programs, PG&E starts with its estimates of LIEE eligibility by ZIP-7, derived from census data.<sup>2</sup> PG&E ranks ZIP-7 areas with the highest populations of estimated LIEE-eligible customers<sup>3</sup> in its service area and correlates them with information on PG&E customer energy use,<sup>4</sup> the number of 48-hour shut-off notices sent, actual shut-offs over the last year, and the number of customers in PG&E's Third-Party Notification Program. PG&E also correlates this data with the current CARE penetration rate and the number of customers who have already participated in LIEE since 2002 (thus making them ineligible for participation at this time).

Using this information to help determine potential neighborhoods to approach with the LIEE program, PG&E's LIEE program managers work with both internal and external groups to help make each neighborhood event a success and continue to generate LIEE participation in other neighborhoods in the local community. PG&E works closely with its LIEE implementation contractors, CARE outreach contractors, PG&E local government relations and communications staff, and state Low Income Home Energy Assistance Program (LIHEAP) agencies to help establish contact with government representatives and neighborhood leaders.

### **Outreach**

***Target customers within each neighborhood based on energy usage, with high energy users targeted more aggressively. (D.08-11-031)***

In 2009, PG&E's LIEE program dedicated a LIEE employee to manage community outreach. This person works closely with CARE outreach staff, PG&E energy efficiency, government partnerships, third party programs, and PG&E communities to promote LIEE

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<sup>2</sup> The joint utility methodology to derive the number of customers potentially eligible for CARE and LIEE services in each utility's service area was adopted by the Commission in Decision 01-03-028 and is updated annually. Sources for this estimation include the Commission's current guidelines; current year small area vendor marginal distributions on household characteristics; Census Public Use Microdata Sample (PUMS) 2000 and PUMS 2007 sample data; utility meter and master meter household counts; Department of Finance CPI series; and various Geographic Information System (GIS) sources. ZIP-7s are smaller breakdowns of postal ZIP Codes that are used for small area research in census data. They are the smallest geographical area for which reliable income and demographic data is available.

<sup>3</sup> Customers with household incomes at or below 200% of the Federal Poverty Level are eligible for both LIEE and CARE.

<sup>4</sup> To calculate energy use, PG&E's electric customers were divided into low, medium and high tiers, based on their electric use at Tiers 1-2 (Low Electric Use below 130% of baseline), Tier 3 (Medium Electric Use from 131% to 200% of baseline) and Tiers 4-5 (High Electric Use above 200% of baseline). A customer is considered at the highest tier use if they overused electricity during at least two months over the previous 12-month period. PG&E chose to use a 2-month tier trigger rather than a 1-month trigger to help filter out atypical usage patterns caused by unusual weather spikes, temporary home visitors, or other outlier events that are not indicators of normal household energy usage.

In order to accurately assess home energy use, a customer must have a minimum six-month billing history to be eligible to participate in the program. Customers with less than a six-month history will be re-evaluated after they have sufficient billing history.

PG&E also tiered gas usage and divided gas customers into Tier 1 below-baseline low usage customers, and Tier 2 above-baseline high usage customers. PG&E used the same 2-month trigger described above for electric tiering.

awareness, strengthen relationships with key organizations and community leaders, and facilitate successful neighborhood initiatives. PG&E identifies and selects potential neighborhoods for outreach events and other activities as described above, based on incidence of poverty, energy use and energy insecurity. The following is PG&E's approach to outreaching customers to participate in the LIEE program.

Currently, PG&E's marketing and outreach is performed by LIEE implementation subcontractors. These contractors are responsible for enrolling LIEE participants to meet their contract goals. PG&E provides a database containing current CARE customers in their contract area for their use. This database is updated on a weekly basis to include new CARE enrollments as well as other new PG&E customer account information (such as new service, service stops and moves). In addition, the program database notes which customers have participated previously and are thus ineligible to receive LIEE services.

PG&E contractors currently use many strategies to enroll LIEE customers, including canvassing neighborhoods; targeted direct mail; outbound calls; advertising in local venues; speaking to local groups; and outreaching at community events. Customers who call into PG&E's customer service are referred to the LIEE program and assigned to the contractor in their area who sets up an appointment with them.

PG&E helps its contractors continue these successful marketing and outreach strategies. PG&E's most important strategy to enroll LIEE participants for 2009-2011 is helping its contractors mine the CARE list for leads. PG&E's CARE rate discount program ended in 2009 with an 86 percent penetration rate among eligible low income customers. It is also prudent to start with the CARE list because those customers already receive a subsidized rate discount, and it will help fund the expansion of the CARE and LIEE programs to first eliminate as much subsidy as possible for inefficient energy use through LIEE efficiency improvements.

Rather than duplicating effort and cost, PG&E's LIEE program team is integrating marketing and outreach with its highly successful CARE team's outreach. To increase participation in the LIEE program, PG&E leverages CARE and LIEE messaging strategies to reach the same targeted customer segment while incurring only incremental LIEE costs. For example, CARE outreach efforts reach customers through a variety of activities including its network of CARE Outreach Contractors (COCs), community outreach, direct mailings and bill inserts, participation in local community events, presentations, paid media (including advertising in local and in-language newspapers, television and radio), grassroots media, and partnerships with government agencies and faith-based organizations. LIEE information was included with CARE direct mailings to Medical Baseline customers, third-party notification customers, and with shut-off notices and 15-day notices. CARE's outreach campaign also includes key media, charitable organizations and government agencies serving targeted counties and communities in multiple languages.

By working through the CARE outreach team, LIEE also takes full advantage of CARE's successful low income customer segmentation and targeted marketing strategies. CARE outreach targets seniors, disabled customers, families, ethnic populations, rural and urban customers, and other low income PG&E customers.

PG&E coordinates LIEE neighborhood events with scheduled CARE events and publicizes them in advance through targeted mailings, door hangers, local community

partners (including but not limited to civic and social leaders, churches, and low income service agencies), and local media communications (print, radio and television). PG&E's LIEE community coordinator works to publicize and promote events with local community and civic leaders and to enlist their support and partnership in making neighborhood events a success. PG&E contractors all carry door hangers to leave behind at the homes of customers that were not home at the time of the neighborhood visit. The door hanger includes program information and contact information so that the customer can schedule a visit.

During 2009-2011, PG&E is identifying and targeting high energy-use CARE customers who may elect to participate in the LIEE program while building more general awareness about the program through advertising, direct mail, and other approaches. Increasing awareness will be particularly important in later years as PG&E's LIEE penetration increases and eligible customers may become incrementally harder to find and serve.

PG&E continues to support Energy Division and Commission efforts to develop statewide marketing approaches and a tag line for the LIEE program. Each utility will be able to add the readily recognizable LIEE program tag line to its own LIEE program name.

During 2009-2011, the LIEE Program will work closely with PG&E communications and marketing teams working on other Energy Efficiency programs to promote all opportunities that may be advantageous and feasible to low income customers. PG&E's LIEE program management staff meets regularly with Energy Efficiency, Demand Response, California Solar Initiative, climate change and other program groups and the government relations and marketing staff to integrate strategies and coordinate outreach efforts. PG&E's LIEE staff is also exploring opportunities with other utilities and agencies (municipalities, water, local governments, and LIHEAP) and expanding grassroots outreach efforts with Community-Based Organizations (CBOs) and other agencies.

As described above, PG&E believes marketing expenses for the 2009-2011 program can be minimized by working closely with its CARE program outreach efforts. PG&E believes a more aggressive outreach campaign may be necessary in the next phase of this LIEE program initiative, beginning in 2012. PG&E will continue to work with Energy Division and the Commission in their efforts to develop a statewide tag line for immediate use with its LIEE "Energy Partners" program name and to develop marketing plans for a more aggressive statewide marketing campaign to promote greater program awareness and participation for future phases of the program.

## **Enrollment**

### ***Permit targeted self-certification in certain neighborhoods. (D.08-11-031)***

D.08-11-031 permits targeted self-certification and enrollment activities in areas of the IOUs' service territories where 80% of the customers are at or below 200% of the federal poverty line. (D.08-11-031, O.P.6) PG&E is ranking ZIP-7 areas by percent of LIEE estimated eligibility. As described above, areas with the highest estimates of LIEE eligibility, correlated with high energy usage, the number of 48-hour shut-off notices sent, actual shut-offs over the last year, and low previous LIEE participation, are evaluated and selected first for the Whole Neighborhood events. Many of the areas

selected are over 80% LIEE-eligible. These neighborhoods where over 80% of the customers are at or below 200% of the federal poverty level are self-certified.

**Assessment/Energy Audit and Measure Installation**

***Conduct a site-specific energy audit at each residence. Install feasible measures based on housing type and climate zone<sup>5</sup>; increase measure-level cost effectiveness. (D.08-11-031)***

PG&E continues to conduct a site-specific energy assessment at each residence and to install all feasible measures based on housing type and climate zone, as authorized in D.08-11-031. As much as possible, PG&E minimizes the number of visits to a home. During Whole Neighborhood Approach events in selected neighborhoods, PG&E ensures that audit and installation personnel will be present in the neighborhood at the same time, minimizing the need for separate trips to enroll participants, assess their homes, and install measures. Appointments are scheduled for any follow-up visits necessary for appliance delivery and specialized installation work which cannot occur at the same time as the energy assessment. However, in all neighborhoods, PG&E continues to do its best to minimize contractor visits and schedule installation as close to the home assessment as possible, at the convenience of the customer.

To help make the neighborhood events a success, PG&E works closely with local government representatives and low income community leaders to coordinate their support and presence for the targeted Whole Neighborhood Approach activities before the neighborhood event is scheduled. PG&E also works with LIHEAP and other local community action agencies to leverage services to all low income neighborhood residents.

**1.3.3. Describe how the current program delivery strategy differs from previous years, specifically relating to Identification, Outreach, Enrollment, Assessment, energy Audit/Measure Installation, and Inspections.**

PG&E believes the Whole Neighborhood Approach (WNA) modified the existing LIEE approach rather than constituting a completely new approach to program delivery. There are many elements of WNA that make sense because they work, and PG&E's contractors are already implementing many of these strategies. Many are described in Section 1.3.2, but are discussed below in terms of PG&E's 2009 LIEE activities and Whole Neighborhood Approach experiences.

PG&E actively partners with community agencies and local governments to promote awareness of our LIEE program and services. In 2009, PG&E's LIEE program staff participated in over 60 community events and programs promoting the program and

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<sup>5</sup> "To the extent the energy audit also examines a customer's energy usage, this information should not be used to determine which measures are 'feasible.' Feasibility relates to the topics we discuss in the Section entitled 'Segmentation is a Lawful Means of Focusing LIEE Resources,' below." (D.08-11-031, pg. 12, fn. 11)



services to income-qualified customers. For example, PG&E distributed program information through various nonprofit agencies and local food banks.

PG&E identifies and targets neighborhoods with large populations of low income customers. ZIP-7 areas are ranked by percent of LIEE estimated eligibility. Energy usage and previous LIEE participation information is correlated to help determine promising areas to target for WNA efforts.

Using this information helps determine potential neighborhoods to approach with the LIEE program. PG&E's LIEE program managers then work with both internal and external groups to help make each neighborhood event a success which can continue to generate LIEE participation in other neighborhoods in the local community. PG&E is working closely with its LIEE implementation contractors, CARE outreach contractors, PG&E local government relations and communications staff, and state LIHEAP agencies to help establish contact with government representatives and neighborhood leaders.

PG&E provides the following feedback and information on the status of our Whole Neighborhood Approach Implementation strategies and lessons learned from implementing a Whole Neighborhood Approach:

**An overview of WNA pilots / projects currently being conducted within the IOU's service territory**

PG&E has implemented several projects that are moving the LIEE program to a more fully integrated Whole Neighborhood Approach. Internally, LIEE has been working to integrate outreach efforts with the CARE program. The two programs are working together to integrate LIEE and CARE program information into joint program outreach materials, saving both time and money. This strategy includes:

- Incorporating LIEE and CARE enrollment information into PG&E's direct mailings;
- Designing a joint LIEE-CARE bill insert;
- Making educational presentations internally and externally;
- Attending common events; and
- Coordinating enrollments in both programs.

Externally, LIEE outreach team members have broadened outreach through relationship building with key community leaders and participation in various events and have raised awareness of the program in various communities in PG&E's service territory.

- PG&E's LIEE staff attended over 60 community events that included Chamber of Commerce meetings; senior and disabled town hall meetings; Rotary Club meetings; neighborhood association meetings; job and resource fairs; housing coalition meetings; and housing authority meetings.
- PG&E's LIEE staff participated with the Commission in *We CARE* events in Colusa, Bakersfield and Stockton.
- The LIEE program and CARE program coordinated with the Mexican Consulates in Fresno and San Francisco to provide information about the two programs.

- Through a program called “*Saber es Poder*,” LIEE was included in a vignette that ran in the Consulate office waiting area. Information on LIEE and CARE is also provided in a resource guide available to all who visit the Consulate office.

## **Successful WNA Strategies**

### ***PG&E’s Firebaugh WNA effort***

Firebaugh is a small Central Valley farm worker community of about 5,600 people in Fresno County. Irrigation to Firebaugh has been severely cut back by drought and California’s economic conditions with devastating impacts. Lack of water for farmers has created a soaring 40% unemployment rate in Firebaugh.

#### *Creating Awareness and Excitement for LIEE*

On June 11, 2009, the LIEE team conducted initial WNA outreach in the city of Firebaugh at a booth at the downtown Farmers’ Market.

The LIEE Team worked closely with internal departments such as Government Relations, External Communications, Local Government Partnerships and others. Externally the LIEE team collaborated with the City of Firebaugh, the City Manager and the Firebaugh school district.

Through the WNA Farmers’ Market outreach event, PG&E’s LIEE staff and contractors were able to enroll enough customers to provide local LIEE contractors with over three weeks worth of first wave WNA appointments. Also participating at the Firebaugh WNA Farmers’ Market event were the PG&E CARE, REACH and Energy Watch programs, as well as the American Lung Association and the National Parks Foundation. We believe that including all of these programs and organizations at the event gave PG&E’s LIEE program a higher profile and created an even greater level of interest in our booths than we would have seen had we conducted our outreach individually.

#### *Coordination with Firebaugh City Staff*

Coordination with Firebaugh city staff, specifically the City Manager, was key to the success of our outreach efforts. The City Manager’s presence in the planning stages ensured that we were spending time and resources at a high traffic event and that we would have all the resources needed to conduct a successful event available to us, e.g., electricity for laptops and sufficient lighting at the evening event. His presence and short speech to open the event also provided a visible link between the community and PG&E and demonstrated how the company is coordinating with known local leaders to provide as many services to as many people as possible.

#### *Pre-Publicity: Coordination with Firebaugh Schools and Businesses*

In addition, the City Manager’s staff provided access to the local school district, which promoted LIEE presence by making LIEE flyers available for distribution from all of the schools. (A copy of the flyer is attached.) The school district also recorded a bilingual robo-call that was placed to homes three consecutive days prior to the event.

A list of business owners was provided by city staff and letters were sent promoting the Energy Watch and Exchange a Light program as well. All information that was mailed

out was provided in both English and Spanish since the City of Firebaugh is 90% Spanish speaking.

PG&E believes that the awareness resulting from the City and school district's pre-publicity was a key component in the success of the Firebaugh WNA Farmers' Market enrollment event. There were about 3,000 Farmers' Market attendees, and many customers came prepared with income documentation and PG&E bills that led to on-site enrollments and appointments, as opposed to leads for later follow-up.

PG&E previously used a coordinated low income neighborhood approach to implement its program in the 1980's, and continued this coordination in its 2009 WNA efforts. The Firebaugh implementation efforts are not complete enough to fully analyze and incorporate lessons learned. As the LIEE program continues into 2010 and 2011, PG&E is assessing these efforts so that we can learn what works, build on our successes, and understand our challenges.

### **Targeting the Right Events for WNA Outreach**

PG&E's LIEE staff participates in many community events each year. The Firebaugh Farmers' Market WNA event was successful because it is a popular gathering place for the local community and because of the huge pre-publicity effort PG&E made to make people aware that we would be there. Cost in terms of PG&E and contractor staff time and effort was high and may be difficult to sustain over multiple concurrent events throughout PG&E's territory.

Targeting existing events for increased LIEE staff presence and collaboration efforts has also been problematic as many of these events are in areas with low percentages of income-qualified customers. We are trying to be strategic in how we use our outreach dollars to stretch our limited marketing, education and outreach (ME&O) budget wisely. Conducting pre-event research and planning has taken much staff time and has not allowed us to move as fast as we would want.

### **Lessons Learned from PG&E's Previous Neighborhood Approach**

The current LIEE Program (PG&E's "Energy Partners" Program) is derived from the early 1980's "Project Help Program." Project Help utilized Community-based Organizations (CBOs) and contractors to install the "Big Six" energy efficiency measures (caulking, door weather-stripping, duct wrap, attic insulation, water heater blankets and low flow shower heads) using a process that was similar to today's LIEE program. The process began with outreach workers finding and qualifying customers and units. Outreach was followed by the installation crew and later by a third party to conduct inspections. The entire process took less than thirty days and served about 30,000 homes yearly.

Project Help included door-to-door outreach and event-related outreach and also utilized leads from PG&E. The door-to-door approach targeted low income neighborhoods as outreach workers literally walked door-to-door and block-to-block. This approach made sense, as it does today, simply because low income customers live in neighborhoods where they are often located in close proximity to other low income individuals. Given the opportunities right next door, outreach workers usually did not leave the neighborhood until their canvassing was no longer productive. This was an approach very similar to the White Paper's Whole Neighborhood Approach. Most homes were

brought into the Project Help program in this manner with estimates ranging from 60-80% of all participants.

LIEE contractors have always used opportunity and event marketing. An opportunity would be as simple as an individual being offered Project Help/ LIEE as they signed up for another program in an agency office. Events are much larger venues, a county fair, for example. This event-related effort enrolls individuals directly into the program and starts the required Property Owner Waiver (POW) process. It also helps brand the program, which makes it easier for subsequent door-to-door or other outreach activities. These approaches account for many program leads.

Lastly, the leads could come from PG&E marketing activities, including flyers, bill stuffers, and web-based advertising. Interested individuals are directed to call PG&E or another provider's toll-free program line to sign up for the program. Based on PG&E's previous experience, leads or referrals from these sources have usually accounted for about 20% of all participants in these LIEE programs.

Very quickly the 1980's Project Help Program morphed into the Energy Partners Program (PG&E's LIEE program) and included private contractors as well as CBOs. Many of these field energy workers have now worked in their assigned service areas for over fifteen years. They adopted the same approaches as the original CBOs, namely the door-to-door neighborhood approach because it worked. What was true then is true now: the bulk of new jobs come into the program from door-to-door canvassing that has strong whole neighborhood elements. Since many of the Energy Specialists are paid on a piece work basis, their income depends on being as efficient as possible, so they work an area until they exhaust the supply of jobs and then they move on.

Of course, no one approach is completely and consistently successful. Approaches must be modified from area to area as needed. Significant barriers to higher penetration rates continue to be: a lack of people being home during the day, language and immigration concerns for non-native speakers, fear and suspicion of racially-mixed crews, and the misimpression that any printed material is actually an advertisement ("Where's the catch; you don't get something for nothing").

It should be noted that the variety of outreach techniques utilized by LIEE contractors have been very successful. Since 2001, PG&E has met every program production goal set by the Commission and over the last four years has averaged about 62,000 completed units per year.

Today, all of the following neighborhood-based approaches are being used with varying degrees of success:

- Door-to-door canvassing by an Energy Specialist within a neighborhood.
  - The simplest, most used and often the most productive approach; it is also fairly inexpensive. The Energy Specialist's canvassing identifies a home where the home and the resident qualify for the program.
  - Usually based on the Energy Partners Online database (EPO)-provided lists of customers, their CARE status, and previous program status. Recently, ZIP-7 lists have been provided by PG&E and note areas where most residents will meet the program's income requirements.

- The delay between the Energy Specialist outreach and the appearance onsite by the Weatherization Crew provides time for the required POW form to be correctly completed and collected.
- Same day neighborhood approach – This is similar to the Commission’s White Paper vision because it tries to deliver services the same day as the outreach. Collection of the completed POW forms can be a problem especially in the case of multifamily units with absentee owners. Advance work and preparation is the key to this approach.
  - Multifamily unit approach – The Energy Specialist gets a master POW signed by the owners or the management company. Flyers and other outreach materials are distributed touting the upcoming push. On the day of the event, the contractor arrives with multiple Energy Specialists and Weatherization crews. The problem with the “one day fits all approach” is that customers are often not all at home on the chosen day and the contractor must come back in order to complete the effort.
    - A variant of this approach is to get the POW and permission from the owners to distribute flyers and door hangers advertising LIEE. The Energy Specialist then finds qualified homes and the installations are then handled on an individual basis.
  - Single family/mobile home approach – The contractor promotes the program through telemarketing and groups the appointments into neighborhoods after they receive a signed POW form. The contractor then attempts to provide education and installation efforts into one stop at the customer’s home. One of PG&E’s LIEE contractors has been very successful in making only one visit to the customer including installing attic insulation. The few homes requiring follow-up visits were to install specialty glass, mobile home door or an uncommon part of some kind.
    - Telemarketing or appointment setting is increasingly being used by the contractors and CBOs to reduce the number of actual trips to a neighborhood.
- WNA and event marketing – An example: PG&E recently teamed with the City of Firebaugh and the local LIEE contractor to utilize a local farmers’ market to advertise the LIEE program and set appointments. PG&E promoted the event with a mailing of 2,500 letters to residents and a strong, supportive presence at the event. Individuals attended the market with their letters in hand where they were income-qualified and their status checked with PG&E supplied computers. Customers were signed up for appointments at their homes the following week and were categorized into routes for different days to reduce miles driven. Each filled out a Property Waiver form or left with one to have it ready. Almost two weeks of appointments were made, with slots left open to add in nearby customers. Clearly a success, LIEE is well known in Firebaugh as one-half of the homes have already been treated by the program.
- Whole Neighborhood Approach – Rarely implemented exactly as the Energy Division’s White Paper envisions it because of the time and coordination involved to successfully organize an effort of this type. However, in 2009 PG&E began plans for

an event utilizing that approach with SMUD and Community Resource Project in Sacramento, to be implemented in 2010. Several meetings occurred in 2009 with organizations that can sponsor community gatherings to inform customers about LIEE and distribute POW forms. These will be used to set up appointments with as many people as possible.

The LIEE Program has always utilized a Whole Neighborhood Approach, but not through one single, proscriptive method as outlined in the Commission's White Paper. It has always been cost-effective to drive as few miles as possible and to reduce the number of visits to the customer. Thus, while WNA is not a new idea, it remains a good idea. PG&E believes it should be utilized in all its various forms as needed by individual contractors to outreach and address customers in a given neighborhood or situation. With our LIEE contractors and other energy efficiency partners, PG&E will continue to explore the various facets of WNA to help us enroll 25% of our willing low income customers by the end of 2011.

#### **1.4. LIEE Customer Enrollment Evaluation**

- 1.4.1.** Distinguish between customers treated as “go backs” and brand new customers so that the Commission has a clear idea of how many new customers the IOUs are adding to the LIEE program.

In 2009, 6,975 “Go-Back” customers were treated.

- 1.4.2.** Please summarize new efforts to streamline customer enrollment strategies, including efforts to incorporate categorical eligibility and self-certification.

In 2009, PG&E's LIEE contractors streamlined customer enrollment strategies by incorporating categorical eligibility and self-certification into LIEE processes where applicable and working with property agents to get signed POWs for entire multifamily complexes so they can start work on all of them at the same time. These strategies are described in Section 1.3.2 and 1.3.3.

PG&E added the categorical eligibility programs to the LIEE (Energy Partners) enrollment forms for contractors to check off, allowing categorically eligible customers to skip showing proof of household income. The Commission-approved categorical eligibility programs were also added to the EPO program database.

PG&E encouraged contractors to work in the 80% self-certification areas by providing them with breakdowns of estimated eligible customers by ZIP-7 to use in their customer recruitment activities. PG&E discussed targeting strategies at contractor meetings and helped plan enrollment events with contractors and community organizations.

**1.4.3.** If the IOU has failed to meet its annual goal of number of households served, please provide an explanation of why the goal was not met. Explain the programmatic modifications that will be implemented in order to accomplish future annual goals of number of households served.

PG&E treated 81,308 customer homes in 2009, 89.4% of the goal authorized in D.08-11-031. This is largely attributable to the slow start and ramp-up for the 2009 program, confounded by the delayed modification of the 3-Measure Minimum Rule.

Following Commission authorization of the 2009-2011 LIEE program in D.08-11-031 in November 2008, PG&E re-bid all of its program contracts. The 2009 program represented a significant increase in both budget and goals over the 2008 program. New contractors were brought on board, and additional work crews were hired and trained, while all existing contractors required updated training to go over program changes, new measures, and new program practices before going back into the field. All of this contributed to a slow start-up.

However, the most significant delay was caused by the revised 3-Measure Minimum Rule, which effectively prohibited PG&E from implementing the LIEE program in several parts of its service area.

**The 3-Measure Minimum Threshold Rule**

D.08-11-031 eliminated the 3-measure minimum required for a home to be treated under the LIEE program and replaced it with a new threshold based on energy savings. Specifically, Ordering Paragraph 47 stated:

*We eliminate the 3 Measure Minimum rule (which prohibits IOUs from installing measures in a home that does not require at least three measures) in favor of a rule that allows IOUs to install one or two measures in a home, as long as the measures achieve energy savings of at least either 125 kWh/annually or 25 therms/annually. Attachment G to this decision specifies, based on the data the IOUs provided with their applications, which measures qualify.*

These minimum therm and kWh savings requirements effectively excluded most customers in areas receiving gas or electricity by an entity other than an IOU from participating in the LIEE program.<sup>6</sup> In addition, it excluded many multifamily dwellings from qualifying, thus creating a barrier to increasing participation by renters in the program.

The reason for this is that there are only three LIEE gas measures. The typical measures installed in most gas homes are Air Sealing and Envelope Repair, which may consist of one or more of the following: weather-stripping; caulking; minor home repairs; attic ventilation; evaporative cooler covers; and outlet gaskets. Domestic Hot Water, which

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<sup>6</sup> These are areas jointly served by an IOU and an SMJU, municipal utilities, or irrigation districts, and include, for example: Sacramento, where PG&E provides gas only to SMUD electric customers; Long Beach, where SCE provides electric service to Long Beach Municipal Gas customers; and Los Angeles, where SCG provides gas to LADWP electric customers.

may consist of one or more of the following: low-flow showerheads; faucet aerators; water heater blanket; and water heater pipe wrap. Neither of these measure groups meet the prescribed energy savings threshold for therm savings for any of the IOUs, even in combination. Attic insulation is the other measure installed in gas homes. It *does* meet the minimum energy savings threshold, offering the largest therm savings, but is installed much less frequently than in the past, as most homes already have adequate insulation levels. Additionally, this measure is rarely feasible in multifamily units.

PG&E's contractors were unable to work in large gas-only areas such as Sacramento since we could not guarantee any number of qualified customer installations. This meant these areas did not come into the program until after June 19, 2009 when the Commission issued D.09-06-026, which clarified and modified D.08-11-031 ("Modified 3-Measure Minimum Rule and Augmenting One-E-App Pilot Project Budget").

D.09-06-026 clarified that for purposes of qualifying a home, the measures used are individual measures, not measure groups, so that two gas measure groups (Air Sealing and Envelope Repair and Domestic Hot Water) could be broken out and counted for qualifying homes based on their individual component measures).

PG&E will accomplish its future annual goals for number of households served by the end of 2011. The 9,595 homes not served in 2009 will be added to PG&E's 2010-2011 goals. PG&E is on target to enroll and treat these customer homes through its increased 2010 outreach and contractor infrastructure. More contractors have been brought on for 2010, and more outreach efforts begun in 2009 are showing results.

## **1.5. Disability Enrollment Efforts**

### **1.5.1. Provide a summary of efforts to which the IOU is meeting the 15% penetration goal.**

In 2009, PG&E partnered with various statewide organizations that provide information and support to the disabled and seniors. These organizations included the California Foundation for Independent Living Centers, California Association of Area Agencies on Aging, Congress of California Seniors, and the California Alliance of Retired Americans. Outreach and communication with these organizations provided the LIEE program the opportunity to present information to over 200 disability and senior organizations throughout the state and disseminate information during their annual conferences as well as present workshops at their various annual meetings and general membership events. In addition, outreach was done to present information at the annual Deaf and Disabled conference in Fresno and a dialogue was begun through a series of meetings with the CA State Department of Social Services. Through these partnerships and outreach we raised the level of awareness around the LIEE program.

The LIEE outreach efforts also included participation at various events, resource fairs, and workshops. These events included the Escalon Senior Day Event, Oakland Senior Resource Fair, 27<sup>th</sup> Richmond Senior Information and Health Fair, Manteca Senior Breakfast, Congress of California Seniors Convention, 12<sup>th</sup> Annual Senior Resource Fair-Living Longer, Growing Stronger San Leandro, 8<sup>th</sup> Annual Healthy Aging Fair (National



Lifeline Awareness Week), Escalon Senior Breakfast, California Foundation for Independent Living Centers annual meeting, and Fresno Seniors Town Hall Meeting.

**1.5.2. Describe how the LIEE customer segmentation for ME&O and program delivery takes into account the needs of persons with disabilities.**

PG&E is currently conducting a Low Income Household Market Segmentation study with SCE that is expected to generate valuable information for targeting and enrolling income-qualified LIEE customers. Customer segmentation will include information disabilities and targeting strategies.

LIEE continues to strengthen its relationship with statewide and local organizations. Through its partnership with the California Foundation for Independent Living Centers, LIEE will reach out to all of the local Independent Living Centers throughout its service area. The program will continue to provide literature and information to be included in newsletters, brochures and create targeted direct mail pieces. LIEE will continue to attend forums, workshops and make presentations at various events and annual meetings. The LIEE program seeks to gain new partnerships in 2010 and work closely with other organizations.

**1.5.3. Identify the various resources the IOUs utilize to target the disabled community and the enrollments as a result:**

<b>2009 Disability Enrollments</b>			
<b>Source</b>	<b>Total Enrollments</b>	<b>Disability Enrollments</b>	<b>% of Disability Enrollment</b>
Various contractor recruiting and sign-ups			
<b>Total Enrollment Rate</b>	<b>81,308</b>	<b>14,921</b>	<b>18%</b>

As described in Section 1.5.1, PG&E partnered with various statewide organizations that provide information and support to the disabled and seniors in 2009. LIEE outreach efforts also included participation at various events, resource fairs, and workshops. While many of these customers who learned about the LIEE program may eventually follow up to enroll in LIEE, no 2009 enrollments were directly the result of these events, or of data sharing between PG&E and disability organizations. At this time, PG&E has no data-sharing agreements with agencies serving disabled clients. PG&E will continue to explore new partnership opportunities, and to seek out new ways to better track its disabled customers.

**1.5.4. If participation from the disabled community is below the 15% goal, provide an explanation why:**

PG&E's 2009 disabled community participation is above 15%. However, PG&E is concerned that this percentage has been steadily decreasing since the IOUs were prohibited from asking whether a member of the household is disabled. Currently, PG&E contractors list disability status only if directly observable or volunteered (unsolicited) by the customer.

PG&E works with agencies serving disabled clients to encourage their clients to participate in the LIEE program, and continues to seek out new partnerships and opportunities. For example, PG&E is currently working with the California Foundation for Independent Living Centers to enroll participants from among their clients, but unless a customer is signed up directly from a sponsored event, PG&E has no way of knowing later that a specific customer is a disabled client. Unlike CARE customers who are able to enroll in CARE by filling out a simple one-page application, most LIEE participants do not enroll straight onto LIEE at an event. LIEE requires more significant time and effort from participants who must allow contractors into their homes and provide documentation verifying income. Many customers become aware of the program from a sponsored event or mailing, but call back to schedule an appointment later at their convenience, making it difficult to track that they were referred or learned about the program through an agency that works with disabled clients.

**1.6. Leveraging Success Evaluation, Including LIHEAP**

*Decision 08-11-031 defines leveraging as "an IOU's effort to coordinate its LIEE programs with programs outside the IOU that serve low income customers, including programs offered by the public, private, non-profit or for-profit, local, state, and federal government sectors that result in energy efficiency measure installations in low income households." Progress will be measured by tracking the following criteria:*

- *Dollars saved.* Leveraging efforts are measurable and quantifiable in terms of dollars saved by the IOU (Shared/contributed/ donated resources, elimination of redundant processes, shared/contributed marketing materials, discounts or reductions in the cost of installation, replacement, and repair of measures, among others are just some examples of cost savings to the IOU).
- *Energy savings/benefits.* Leveraging efforts are measurable and quantifiable in terms of home energy benefits/ savings to the eligible households.
- *Enrollment increases.* Leveraging efforts are measurable and quantifiable in terms of program enrollment increases and/or customers served.

**1.6.1. Describe the efforts taken to reach out and coordinate the LIEE program with other related low income programs offered outside the IOU that serve low income customers.**

In 2009, PG&E worked with other agencies to coordinate the LIEE program with other related programs serving low income customers. These included local governments, State service agencies, national service associations, foreign governments, community advocacy groups, community and grassroots media, and other utilities.

For example, in 2009 PG&E's LIEE program staff partnered with the Sacramento Housing Coalition, the City of Firebaugh, the Mexican Consulate, the American Lung Association, the Oakland Housing Authority, SMUD, LIHEAP, Univision, and others to promote the LIEE program. Some of these efforts resulted directly in LIEE enrollments. For example, The Firebaugh Whole Neighborhood Project in which PG&E coordinated with the City of Firebaugh, CARE, REACH, the American Lung Association, and the National Parks Association to promote LIEE awareness along with other low income services resulted in LIEE enrollments and energy savings, as shown in Table 14. (The Firebaugh Whole Neighborhood Project is described more fully in Section 1.3.3, under "Successful WNA Strategies.")

Most of PG&E's 2009 efforts to develop partnerships with other agencies have not yet borne any fruit. Some 2009 efforts created awareness that will help result in future enrollments, but this is hard to quantify in terms of dollars or energy saved. Other LIEE staff efforts involved much time and many meetings with potential partner agencies, but have not yet resulted in joint efforts or coordinated outreach. PG&E noted that requests from local governments and other agencies to meet with our staff to discuss possible partnerships have increased with each successfully implemented effort, and believes that 2010 and 2011 will show more quantifiable results.

PG&E's LIEE leveraging efforts are described in Table 14.

**1.6.2. In addition to tracking and reporting whether each leveraging effort meets the above criteria in order to measure the level of success, please describe the Other Benefits resulting from this particular partnership not captured under the 3 criteria described above.**

See LIEE Table 14.

**1.6.3. Please provide a status of the leveraging effort with CSD. What new steps or programs have been implemented for this program year? What was the result in terms of new enrollments?**

In 2009, PG&E and the other IOUs met multiple times with California Department of Community Services and Development (CSD) and Commission staff to discuss leveraging and strategies to increase coordination between the LIHEAP and LIEE programs. Topics discussed included data sharing, NGAT/CAS testing, the American Recovery and Reinvestment Act (ARRA) funding restrictions, prevailing wage issues,

and ways to work together on homes to increase delivery efficiencies and leverage measure funding.

Stemming from discussions at these meetings with CSD and Commission staff, PG&E began plans for a leveraging pilot in Sacramento with Community Resource Project, Inc. (CRP) and Sacramento Municipal Utility District (SMUD). This pilot project will be implemented in 2010.

### **The Sacramento Avenues Weed and Seed Area Pilot Project**

Free weatherization and energy efficiency services are available to qualifying low income households through a variety of different programs, including the PG&E ratepayer-funded LIEE program, the SMUD ratepayer-funded Low Income Weatherization program, ARRA funded by Department of Energy Weatherization Assistance Program (DOE WAP), and the tax-dollar funded LIHEAP.

PG&E, CRP and SMUD each provide free weatherization and energy efficiency services to qualifying low income households through one or more of these programs and developed a pilot project to work together to leverage the resources available to qualifying households in the Sacramento Avenues Weed and Seed Area of ZIP 95824.

Services provided by PG&E, CRP and SMUD to their income-qualifying customers through their respective free weatherization/energy efficiency programs include attic insulation, energy efficient refrigerators, furnace repair and replacement, energy efficient and central room air conditioners, duct sealing, energy efficient lighting, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

Together, PG&E, CRP and SMUD plan to inform, recruit and qualify low income households to receive LIEE and LIHEAP services through the Pilot. All feasible gas and electric measures and services will be provided through one of the Pilot team members (PG&E, CRP and SMUD) and billed back to the appropriate funding source. Program services will be provided through PG&E, SMUD, DOE WAP and/or LIHEAP. The end result will be a one-stop shop to fully weatherize homes with minimal disruption for the participant.

PG&E, CRP and SMUD will develop and implement an outreach and marketing plan to target and notify area residents of the Pilot and to schedule appointments. PG&E, CRP and SMUD are planning to work with the local elementary school, neighborhood community associations and local community leaders to disseminate information and fully engage their participation in the program. Pre-implementation activities include design, printing and distribution of flyers, a direct mail piece, posters and door-hangers, and PG&E, CRP and SMUD presence at local community events. PG&E, CRP and SMUD anticipate participating in a kick-off media event during which several pre-selected homes will be weatherized.

CRP will take the lead to arrange local contacts with the community and the school. SMUD and PG&E will design and print the material. PG&E will pay for the printed material. PG&E, CRP and SMUD will distribute all printed materials through their local sources. Materials will be co-branded with the logos of each Pilot team member. All Pilot team members will approve the material before it is distributed.

## **1.7. Integration Success Evaluation**

*According to Decision 08-11-031, “Integration constitutes an organization’s internal efforts among its various departments and programs to identify, develop, and enact cooperative relationships that increase the effectiveness of customer demand side management programs and resources. Integration should result in more economic efficiency and energy savings than would have occurred in the absence of integration efforts.”*

### **1.7.1. Describe the new efforts in program year to integrate and coordinate the LIEE program with the CARE Program.**

In 2009, PG&E coordinated with CARE through marketing, implementation and internal efforts. LIEE program staff worked to develop the jointly funded, multi-language “Breathe Easy” brochure to inform customers about the free services PG&E provides, including CARE, LIEE and Energy Efficiency rebate programs.<sup>7</sup> In addition to developing the “Breathe Easy” brochure, PG&E also coordinated with CARE on direct mail, print advertising campaigns, bilingual bill inserts, presentations and events targeting low income customer segments. PG&E’s LIEE and CARE staff participated together in enrollment events throughout its service area, including Bakersfield, Stockton, San Pablo, Fresno, Sacramento, Selma, Soledad, Richmond, San Rafael, Milpitas, Oakland, Wasco, and Firebaugh.

PG&E’s LIEE and CARE staff continued sharing new participant information. All LIEE customers not already on CARE were automatically enrolled onto the CARE rate. Sharing data in the other direction, PG&E LIEE contractors have access to customer databases that include current CARE status to use in targeting eligible LIEE participants.

### **1.7.2. Describe the new efforts in program year to integrate and coordinate the LIEE program with the Energy Efficiency Residential Program.**

In 2009, PG&E coordinated with Energy Efficiency programs through marketing, implementation and internal efforts. Members of the LIEE team sit on PG&E’s internal integration team that meets on a weekly basis to coordinate efforts across Energy Efficiency, Demand Response, Distributed Generation, and LIEE programs through integrated marketing and delivery channels. Marketing efforts included development of the multi-language “Breathe Easy” brochure that had Energy Efficiency rebate

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<sup>7</sup> PG&E’s “Breathe Easy Solutions” brochure is a multi-language brochure describing free services, rates, payment plans and other cost management solutions available to assist residential customers; and includes information on LIEE, CARE, FERA, REACH, HEAP, Medical Baseline, Third-Party Notification, Automatic Payment Service, Balanced Payment Plan, Bill Guaranty, Payment Arrangement, Cooling Centers, Energy Efficiency Rebates, and the SmartAC Program

information for residential customers, as well as information on free services available to PG&E customers. These services included: CARE, FERA, REACH, HEAP, Medical Baseline, Third-Party Notification, Automatic Payment Service, Balanced Payment Plan, Bill Guaranty, Payment Arrangement, Cooling Centers, and the SmartAC Program.

**1.7.3. Describe the new efforts in program year to integrate and coordinate the LIEE program with the Energy Efficiency Government Partnerships Program.**

In 2009, PG&E worked with the Government Partnerships program to begin identifying opportunities to coordinate with the Government Partnerships efforts as channels for promoting and implementing LIEE efforts within the purview of the Government Partnerships. With the new Energy Efficiency portfolio approved for 2010-2012, PG&E will continue to work with new and old government partners to promote channel strategies. PG&E has also been working to set the stage for a coordinated pilot effort that will focus on middle-income level residents. PG&E will launch a Middle Income Direct Install (MIDI) pilot program during 2010 through a number of local government partnerships.

**1.7.4. Describe the new efforts in program year to integrate and coordinate the LIEE program with any additional Energy Efficiency Programs.**

In 2009, PG&E coordinated with Energy Efficiency programs through marketing, implementation and internal coordination efforts. Members of the LIEE team sit on PG&E's internal integration team that meets on a weekly basis to coordinate efforts across Energy Efficiency, Demand Response, Distributed Generation, and LIEE programs through integrated marketing and delivery channels. The LIEE team worked closely with the statewide marketing team to ensure coordinated efforts related to statewide branding and web portal.

PG&E staff from multiple programs participated together in integrated program events at which information on many PG&E programs was available.

**1.7.5. Describe the new efforts in program year to integrate and coordinate the LIEE program with the Demand Response Programs.**

In 2009, PG&E worked with the Demand Response team to include SmartAC in the local roll-outs of LIEE programs. Demand Response staff joined LIEE staff at various events and public forums to encourage LIEE and other customers to sign up for SmartAC in addition to the LIEE program. PG&E's LIEE team is working with contractors to ensure that SmartAC opportunities are not missed when installing other energy efficiency measures in LIEE qualified homes. For example, at an integrated PG&E program event in Oakhurst, SmartAC staff brought along programmable thermostats and AC switches to demonstrate their use in the SmartAC program. LIEE staff found that these live, hands-

on demonstrations attracted more customers to the LIEE table and helped increase LIEE sign ups at the event. In Firebaugh, LIEE program staff worked with PG&E’s SmartAC, Smart Rate and Energy Efficiency Rebates program staff, as well as Energy Watch and other community organizations to provide a variety of helpful energy information to PG&E customers.

**1.7.6. Describe the new efforts in program year to integrate and coordinate the LIEE program with the California Solar Initiative Programs.**

In 2009, PG&E worked with Grid Alternatives to integrate and coordinate the single family solar program. Grid Alternatives submitted a list of participating single family solar customer names and addresses to PG&E on a weekly basis. PG&E’s LIEE staff would verify homes eligible for LIEE and refer those homes directly to LIEE program contractors to expedite installation of measures. PG&E’s LIEE staff tracked the progress of LIEE installation work on the solar participant homes, and regularly forwarded a list of all completed solar participant homes and measure installations to Grid Alternatives to complete the solar work.

**1.8. Workforce Education & Training**

**1.8.1. Please summarize efforts to improve and expand LIEE workforce education and training. Describe steps taken to hire and train low income workers and how such efforts differ from prior program years.**

In 2009, PG&E’s Energy Training Center – Stockton (ETC) provided training for a total of 892 students or 4,564 “student days” in six different sessions (listed below). This represents a 41% increase in the number of sessions conducted for LIEE/Energy Partners in 2009. Each of the students attending sessions at the ETC had been hired by a participating contractor prior to attending.

**1.8.2. Please list the different types of training conducted and the various recruitment efforts employed to train and hired from the low income energy efficiency workforce.**

Type of training or recruitment conducted	Employees trained	Employees hired
EP Energy Specialists Certification Training	270	270
EP Crew Training	293	293
EP NGAT Training	141	141
EP NGAT Tune Up	46	46
EP ES Installer	29	29
EP Duct Testing & Sealing	113	113

## **1.9. Legislative Lighting Requirements Status**

- 1.9.1.** Provide a summary on current and future CFL supply issues, as experienced by the IOU. Any current / future problems as well as potential solutions should be discussed in this paragraph.

CFL availability is still poor in discount, independently owned retailers and small grocery retailers. In 2009, PG&E continued the upstream residential lighting program. Working with over 2,000 retail locations, we have bought down the price of efficient light sources.

- 1.9.2.** Provide a summary explaining how IOU promotes the recycling/ collection rules for CFLs.

In 2009, PG&E developed a simple, easy-to-understand CFL Recycling Fact Sheet. This fact sheet is distributed to all LIEE program participants by the LIEE Energy Specialist during the energy education/energy assessment home visit. The fact sheet explains what mercury is and why it is harmful to people and the environment, and describes safe removal and storage of CFLs, safe disposal of used CFLs, and what to do when a CFL breaks. Safe CFL recycling practices are also covered during LIEE contractor training modules.

Currently, Energy Star requires manufacturers to print a CFL recycling resource website on CFL packages. Additionally, PG&E encourages lighting manufacturers we work with to also print this same information on the base of the bulb, so it is handy for the customer when they are ready to dispose of the bulb, long after the package is gone. This information is also available on PG&E's website.

- 1.9.3.** Complete Table 16 (in Appendix). In addition, please briefly summarize the CFL procurement process for the IOU, including manufacturers, distributors, warehousing, and contractor delivery.

Traditionally, the electric IOUs have procured CFLs and other lighting measures independently of each other. For the 2009-2011 LIEE program cycle, the electric IOUs coordinated the procurement of the CFLs in order to obtain the highest quality at the lowest possible price. Each IOU remained responsible for issuing their own agreement to the successful bidder to authorize the purchase of CFLs.

The successful lighting supplier was selected based on product availability, quality, pricing, experience, warranty, location, and warehousing. The LIEE program agreement requires the supplier to maintain at least 30 days of product for all service providers and deliver product to the service provider's facility within 14 days from the order date. In addition, the supplier will include a unique identifier, currently stating "CA LIEE" on the ballast of the CFL.



**1.9.4.** Provide a summary of IOU activities in preparation for a draw down of CFL-supporting subsidies at the end of the 2009-2011 cycle, and where, as experienced by the IOU, they feel new lighting technologies could be used in the LIEE program

CFLs provide cost-effective energy savings, but as long as less expensive incandescent choices are widely available, these less energy efficient measures will continue to be purchased and used by low income customers. Customers with limited income during the drawdown period will continue to purchase less expensive incandescent bulbs and pay higher operating costs. CFLs are among the most cost-effective energy measures and can provide immediate and measurable bill savings to customers who need it most. Increasing awareness of CFLs in advance of the standards will increase customer awareness of available options and help ease the transition when incandescent bulbs begin to disappear from store shelves.

At some point, Assembly Bill 1109 will require customers to buy only CFLs in California. As the effects of this legislation become more widespread it will be even more important to provide CFL fixture assistance to LIEE customers, who will find it harder to perform the necessary rewiring than the average customer. At that point, PG&E will reassess the efficacy of LIEE CFL measures. One option would be to decrease the number of CFLs that are provided through the LIEE program and increase the number of CFL fixtures. PG&E installed an increasing number of hardwired lighting fixtures through the LIEE program in 2009.

## **1.10. Studies**

**1.10.1.** For each Study, provide 1) a summary describing the activities undertaken in the study since its inception;2) the study progress, problems encountered, ideas on solutions; and 3) the activities anticipated in the next quarter and the next year.

### **Joint Utility<sup>8</sup> Non-Energy Benefits (NEBs) Study**

The Non-Energy Benefits (NEBs) Study is a statewide study managed by San Diego Gas & Electric. The Study was designed to be carried out in two phases. The first phase, currently underway, seeks to provide a literature review describing the use of NEBs in the industry and to recommend an approach for updating the estimation of NEBs and incorporating them into the required cost-effectiveness tests for the LIEE program. The second phase of the study, expected to start in 2010, will provide updated calculations for estimating the NEBs used in the program.

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<sup>8</sup> The Joint Utilities are PG&E, Southern California Edison Company (SCE), Southern California Gas Company (SCG), and San Diego Gas and Electric Company (SDG&E).

To date, the following activities have taken place: a Request for Proposals for Phase I of the Study was written and approved by the participating utilities and Energy Division in June 2009, and the RFP was then distributed the same month. In July 2009, Skumatz Economic Research Associates (SERA), located in Boulder, Colorado, was selected as the contractor for the project, and SERA's subcontractor on the project is The Cadmus Group, located in Portland, OR. A project kick-off meeting was held in San Diego in August 2009. A subsequent follow-up meeting was held in San Francisco in October 2009, and the project tasks and schedule were finalized later that month. A draft literature review was presented in December 2009.

During the first quarter of 2010, we anticipate finalizing the deliverable that includes the literature review and recommendations for Phase 2. Once finalized, a public workshop will be scheduled to present the results. During the second quarter of 2010, we anticipate finalizing the Phase 1 report and developing the work scope for Phase 2.

### **Joint Utility 2009 LIEE Process Evaluation**

The Process Evaluation will assess the effectiveness of the current LIEE program and develop recommendations for program design and delivery that will improve the effectiveness of the program. The primary deliverable is a final report that will present the findings and recommendations for possible program changes; however, the Joint Utilities are also seeking usable information and recommendations as the evaluation progresses, so that LIEE program managers can get timely feedback.

The 2009-2011 LIEE program includes several new components, such as the Whole Neighborhood Approach and a statewide awareness campaign. The 2009 Process Evaluation will give the Joint Utilities and the Commission the first opportunity to understand how these new approaches are impacting key Commission and utility program objectives, so that program elements can be fine-tuned to increase program participation and effectiveness.

A new process for obtaining bids from contractors for this evaluation was introduced in 2009. As such, a Request for Qualifications was posted during the first quarter of 2010. The Request for Proposals was disseminated to qualified bidders in the first quarter 2010. We expect to select a contractor and begin work on this evaluation during the second quarter 2010. We anticipate that the Final Report will be completed by January 2011. The results from this study will be used to develop the 2012-2014 LIEE Program Applications.

### **Joint Utility 2009 LIEE Impact Evaluation**

The Impact Evaluation is a statewide study managed by Energy Division. Southern California Edison (SCE) holds the contract for the project. The objective of the Impact Evaluation research is to provide electric and gas savings estimates by measure, utility, household, and weather zone, and other relevant dimensions for the 2009 LIEE Program. It is anticipated that the results will provide data to quantify the 2009 program achievements and document the relative value of various measures in producing energy savings. It is further expected that analyses of the program impacts on energy savings

will be used to update savings forecasts, complete other LIEE analyses, and meet filing and reporting requirements.

To date, the following activities have taken place: a Request for Proposals was written and approved by the participating utilities and Energy Division in June 2009; the RFP was distributed in July 2009; and ECONorthwest was selected as the contractor for the project in August 2009. The firm is working with several sub-contractors, one of which includes the contractor that conducted the 2005 LIEE Impact Evaluation. The project kick-off meeting was held in September 2009. The research plan was presented at an initial public workshop held in November 2009. The utilities provided customer data to the contractor in December 2009 and January 2010. A sample plan was finalized for the survey data collection effort (one component of the project) in January 2010. An initial draft of the participant survey instrument was circulated in March 2010.

During the next quarter, we anticipate that survey data will be collected for LIEE participants and non-participants, on-site audits will be conducted, and some initial billing analyses will be completed. The engineering analyses of selected measures and additional billing analyses on all of the measures will be conducted during the following quarter. We anticipate remaining on schedule to receive the final report on the project in December of 2010.

### **Joint Electric Utility<sup>9</sup> Refrigerator Degradation Study**

Typically, appliance replacement is based on the effective useful life (EUL) and degradation of measures, from which is determined at what stage of their lifecycle it becomes cost-effective to replace them to receive the most energy savings benefits. Currently, old refrigerators are eligible for replacement with new energy efficient refrigerators in the LIEE program if they are manufactured before 1993. LIEE program statistics indicate that the pre-1993 refrigerator replacement market is already saturated; however, the Joint Utilities believe energy efficient refrigerators are still one of the most cost-effective, energy-saving measures in the LIEE program. This study will update refrigerator replacement criteria to garner new, significant and cost-effective energy savings for the LIEE program.

The central goal of the refrigerator degradation study is to determine which, if any, alternate refrigerator replacement criteria lead to maximum, cost-effective energy and demand savings for the LIEE program. Specifically, the Joint Utilities are looking for a criterion for refrigerator replacement in the form of either a date at which manufacturer and technological changes in efficiency occurred or a determined age of refrigerators to be replaced.

No activities on this project occurred during 2009. A Request for Proposal is expected to be distributed during 2010. The study is expected to begin in the third quarter of 2010. We anticipate that this study will be completed during the fourth quarter 2010.

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<sup>9</sup> The Joint Electric Utilities are: PG&E, Southern California Edison Company (SCE), and San Diego Gas and Electric Company (SDG&E).

### **PG&E/SCE LI Market Segmentation Study**

The Customer Segmentation Study is a joint study between PG&E and SCE. It is anticipated that the results of the study will assist program managers in developing more effective or streamlined targeting and outreach methods. In addition, it is intended to gather information to enable program managers to improve program delivery and/or marketing and educational materials insofar as they are tailored to the needs and issues of various groups (segments) of customers.

The following program activities took place during 2009: A request for proposal with a project scope and project objectives was written and approved by the two participating utilities and the Energy Division staff. The RFP was distributed to potential bidders in June 2009. Proposals were reviewed and scored by the study team. HINER and Partners was selected as the Evaluation Contractor for the project in July 2009. A project kick-off meeting was conducted in September 2009. A draft research plan was created and modified based on feedback from the team. A revised research plan was presented at a public workshop in November, 2009. The project was scoped to include four phases of data collection. During the last part of 2009 and the early part of 2010, the participating utilities have been working with HINER and Partners on scoping the data request based on available data and pulling the necessary customer data for the initial segmentation analyses. This work is still ongoing. The second phase of data collection involves conducting focus groups. The SCE focus groups were conducted in February 2010. Comparable PG&E focus groups are expected to be conducted in March 2010.

During the next quarter we anticipate gathering additional primary data via qualitative and quantitative methods of data collection. These data will be analyzed in conjunction with the analyses of existing utility customer data to provide details about customer segments. While contingent on not encountering unexpected delays or problems, we anticipate receiving a final report on the project in May or June of 2010.

Ongoing efforts have been made, and will continue to be made, to coordinate the planning and execution of this study with what has been done via the Statewide ME&O Segmentation Study. In particular, the results, data, and instruments have been reviewed by the LIEE project team in order to both capitalize on what has been done, as well as to insure that these efforts can appropriately inform one another.

- 1.10.2.** If applicable, submit Final Study Report describing: 1) Overview of study; 2) Budget spent vs. authorized budget; 3) Final results of study; and 4) Recommendations.

No studies were completed in 2009.

## 1.11. Pilots

- 1.11.1. For each Pilot, provide 1) a summary describing the activities undertaken in the study since its inception; 2) the study progress, problems encountered, ideas on solutions; 3) the activities anticipated in the next quarter and the next year; and 4) Status of Pilot Evaluation Plan (PEP).

### Microwaves

While researching new LIEE measures to include in its 2009-2011 LIEE Program Application, PG&E looked at microwave ovens which are already offered through other low income energy programs. Microwave ovens use approximately 50% less energy than conventional ovens and can provide both electric and gas savings depending on the type of oven or stovetop that is being displaced. In addition to saving energy, microwave ovens generally cook food much faster. Because they don't generate as much heat in your kitchen, microwaves may also save on air conditioning costs during the summer. Microwaves are especially good for small portions and leftovers. Microwave ovens are not well suited to cooking large-sized portions, and full-size ovens don't efficiently cook small quantities of food.

Microwave ovens impact both total energy use and demand. The KEMA Low Income Needs Assessment report indicated 96% of low income homes have a microwave oven.<sup>10</sup> As many as 9.3% of very low income families do not have microwave ovens, according to the 2004 CA Statewide Residential Appliance Saturation Survey (RASS).

Initially the objective of this pilot was to partner with the Meals on Wheels Program in local communities to provide energy saving microwave ovens to customers who do not have one. Meals on Wheels is a community-based program through which local volunteers deliver meals to homebound seniors.

As PG&E's LIEE program staff researched this opportunity, we found that there were significant barriers for Meals on Wheels volunteers to deliver and install the microwave ovens in customers' (seniors and disabled) homes that are enrolled in the Meals on Wheels program. PG&E discovered two major barriers to the originally proposed Meals on Wheels delivery. First, Meals on Wheels clients are not income-qualified. PG&E's original proposal was predicated on the belief that Meals on Wheels clients, in addition to being homebound seniors and disabled persons, were low income customers. Although many of them are low income, income is not a criteria for participation in Meals on Wheels.

The second major barrier is the equipment and outlet feasibility checks that would need to be performed by the Meals on Wheels volunteers. The volunteer would have to ensure that the outlet was grounded prior to installing the microwave, as PG&E will not install

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<sup>10</sup> Table 4-47, p. 4-49. KEMA, Phase 2 Low Income Needs Assessment. Final Report to the CA Public Utilities Commission, September 7, 2007.

any appliance (including microwaves) in ungrounded outlets. This extra step would require the volunteer to physically reach the outlet behind the microwave and test it with a grounding device.

Meals on Wheels volunteers are not trained to check outlets and this work is outside of their normal scope and creates additional work and liabilities for them. The additional grounding check also creates an additional visit to the customer's home. Currently, the volunteer carries the microwave into the customer's home, plugs it in and shows them how to use it. In addition to the grounding check step, the volunteer also needs to check the customer's oven to ensure that it is working properly and is served by PG&E's fuel commodity. Making volunteers responsible for performing these extra tasks was a significant barrier to participation for Meals on Wheels, which remains interested in working with PG&E on other projects and activities within their usual scope of work.

As specified in PG&E's LIEE 2009-2011 Application, our goal for this pilot is to install up to 3,750 microwave oven units throughout PG&E's service territory in program years 2009-2011. PG&E came to the conclusion that the microwave pilot project as proposed is not the most feasible or effective way to deliver the microwave ovens. The Meals on Wheels organizations PG&E contacted thought they could deliver 5-10 microwaves each, and estimated up to a maximum of 25 microwaves per year. They noted that most of their clients currently have microwaves, which is in line with KEMA Needs Assessment estimates that 96% of low income households already have a microwave. However, because of the high potential savings from microwaves, PG&E continues to believe that they present a cost-effective opportunity under a different delivery strategy to provide them to the 4% of homes that need them.

Following its additional research of microwave delivery options, PG&E modified its pilot implementation plan with the Commission to propose that microwave identification and delivery occur as part of PG&E's LIEE Energy Partners Program. Participant homes needing microwaves could be easily identified by PG&E's energy specialists while they are doing their initial home energy assessment. Additionally, the Meals on Wheels organizations will continue to let PG&E know about any of their clients that qualify to receive a microwave oven through LIEE.

The expected outcome of the pilot will reduce energy use in customers' homes which will result in lower energy bills and less demand on the grid. Microwaves were a new measure to the LIEE program in 2009 and implementation began in the fourth quarter of 2009 following approval of PG&E pilot advice letter. PG&E identified and installed 117 microwaves in 2009.

### **High Efficiency Clothes Washers**

Research indicates that the single best thing you can do to improve clothes washer efficiency is to replace an old inefficient machine with a new high efficiency washer. However, like refrigerators, washing machines are a sizeable investment for most low income families and the difference in cost between a high efficiency clothes washing machine and a standard machine can be great. Thus, low income families will not replace their old machine until it has been run into the ground, and when faced with a choice between a less costly standard machine and an expensive high efficiency machine, will consistently choose the less expensive machine. By replacing old standard clothes

washers with new high efficiency machines, PG&E will create an energy savings opportunity that would not otherwise exist among low income families.

In its 2009-2011 LIEE Program Application, PG&E proposed the High Efficiency Clothes Washer Measure Pilot to explore the feasibility of adding high efficiency clothes washers into the LIEE program on a small scale, with the intention of expanding the measure to the entire utility.

The goal of this pilot was to replace up to 1,000 standard clothes washers with new high efficiency clothes washers in 2009. Implementation began in the fourth quarter of 2009 following approval of PG&E's pilot advice letter. PG&E installed 27 clothes washers in 2009.

PG&E planned to provide replacement clothes washers only in qualified low income homes within the greater Bay Area region. This would allow us to have a large pool of customers in a relatively small, controlled geographical area; but due to the late start in 2009, PG&E decided to expand the pilot implementation to its entire service area.

Customers eligible to participate in the pilot must be enrolled in the LIEE program, have five or more people living at the residence, and have a non-landlord owned standard, non-energy efficient clothes washer that is at least seven years old.

PG&E used its existing refrigerator delivery contractors to market and assess LIEE customers for participation in this pilot program. The refrigerator contractor assessed the home for a washer installation at the time of the refrigerator delivery. If the customer qualified for a washer replacement, the refrigerator delivery contractor installed one at that time. The delivery contractor was also responsible for disposing of and recycling (de-manufacture) the original, replaced clothes washers in an environmentally safe manner and in accordance with federal, state, and local regulations and codes.

PG&E expects success to be cost-effective energy savings for feasible installations. In addition to determining impacts for this measure, PG&E wants to establish feasible installation criteria to achieve maximum savings at the lowest cost. By offering washing machine replacements as a pilot measure, PG&E will be able to discover any unanticipated installation issues that could adversely affect measure cost or savings. Because PG&E did not begin pilot implementation until the end of 2009, the efficacy and feasibility of high efficiency clothes washer replacements were not able to be adequately assessed in 2009. PG&E installed 27 clothes washers during 2009. PG&E is continuing to implement clothes washers as a pilot during 2010. After 1,000 clothes washers are installed, PG&E will evaluate the pilot.

PG&E is capturing appropriate data to conduct evaluations, including age and model number of old washing machines, number of people in household (including approximate ages), and number of loads per week. In addition to information about washing machines, customer demographics, and washing behaviors, PG&E also captures data regarding the other energy efficiency measures installed under the LIEE program in its program database. Pre- and post-billing information will also be available to the evaluation consultant for analysis.

PG&E will hire an evaluation consultant to design and conduct appropriate data collection activities. PG&E expects the consultant to conduct a review of relevant washing machine literature. The consultant will suggest an appropriate protocol-

compliant impact analysis plan, which could include billing analysis and/or engineering analysis. Participant washing machine data will be captured by PG&E's LIEE contractors during the LIEE home energy assessment and customer qualification process, and will be available to the consultant. The consultant may conduct surveys or on-sites to collect additional data regarding washing machine practices and behaviors and changes to participant home situations since the new high efficiency machine was installed (including more or less inhabitants living in the home).

### **City of San Joaquin (Fresno County)**

A 2009-2011 Pilot Project was created by PG&E and the City of San Joaquin. The Pilot Project was designed to target the hardest-to-reach low income residential market sector to identify new and creative strategies for successfully engaging these customers in a replicable and sustained manner.

San Joaquin is a small, closely knit, rural community. The majority of its 4,000 residents are of Hispanic descent, many of which are non-English speakers and agricultural workers. Additionally, there is a high rate of poverty, low rates of high school graduation, and a small tax base with which to finance community public services. These characteristics have traditionally served as barriers to the adoption of the energy ethic the utilities and Commission seek to create.

The goal of the Pilot Project is to demonstrate the effectiveness of a city-utility partnership model that empowers rural municipal governments, with hard-to-reach low income customers, to take a leadership role in integrating utility energy efficiency programs and services into their portfolio of city services and developing innovative outreach methods for community engagement. This would result in increased participation, energy education and awareness, municipal leadership and energy savings that can be replicated in similar California communities. The Pilot Project is a comprehensive, integrated approach to local government empowerment and leadership. Through a joint filing with PG&E's Energy Efficiency Local Government Partnership department, the Pilot Project is an integral component of the San Joaquin Energy Watch Partnership Program (the Partnership Program). This whole-city approach will allow the entire community to be brought into the campaign. To effectively build municipal leadership, the Partnership Project will focus on municipal facility energy retrofits and outreach services to members of the community that do not qualify under the Pilot Project.

Through the Pilot Project, PG&E and the City will employ a grassroots, community and municipal-based approach within the city's targeted low income neighborhoods. The Pilot Project will offer an integrated portfolio of utility programs to customers; distribute introductory efficiency items, such as compact fluorescent light bulbs (CFLs); and a range of residential energy appliance and measure retrofits and repairs. Key to the success of the Pilot Project is the deployment of a variety of marketing, education and outreach (ME&O) strategies.

To further address the Pilot Project goal of sustainability and the empowerment of the local government and its constituents to take responsibility for their energy future, the Pilot Project will also employ a Workforce Education and Training (WE&T) initiative. The WET effort will focus on engaging individuals from this targeted sector to



participate in training and education programs with PG&E, the City and its contractors. This will create opportunities for individuals to gain valuable work experience in the energy industry that will support the growing need for local energy efficiency workers. Under the initiative, two specific WET opportunities have been identified by the City as integral to the Pilot Project, project implementation staffing and contractor apprenticeship.

This Pilot Project did not begin in 2009 and is expected to begin implementation during 2010. Planning discussions between PG&E, the City, and the Energy Coalition have largely focused on value-adds the City is in a unique position to create and contribute to. This includes developing additional program collateral and strategies that would most effectively communicate the many benefits of participation in the pilot program to Spanish speaking residents of the City and PG&E customers beyond the city limits. Discussions and follow-up have also allowed PG&E to establish that the City is estimated at 80% eligible for the LIEE program and therefore the entire population qualifies for self-certification.

Training schedules are currently being looked at and the pilot is expected to be in full implementation mode in the first half of 2010.

PG&E will evaluate the program's success during the course of the pilot in a mid-pilot evaluation report and at the conclusion of the pilot. The Pilot contractor and City of San Joaquin communicate their thoughts, recommendations and lessons learned with the PG&E program manager regularly so that PG&E can incorporate pilot lessons into the regular LIEE program and the Whole Neighborhood Approach as appropriate.

### **On-Line LIEE/Energy Partners Training**

PG&E requested \$150,000 for this on-line training pilot, to be conducted during the 2009-2011 program. In D.08-11-031, the Commission authorized \$150,000 for each year, for a total of \$450,000. PG&E will spend up to \$150,000 total on this study, as requested in its application and subsequent expanded Pilot Implementation Plan filing. This pilot will begin in 2010 and will be completed in 2011.

The goal of this pilot is to explore what LIEE training currently conducted on-site at the PG&E Energy Training Center (ETC) in Stockton California can be moved to a web-based and/or off-site curriculum without decreasing effectiveness or results.

In support of the Long-Term Strategic Plan's vision that "By 2020, California's LIEE workforce is trained and engaged to provide the human capital necessary to achieve California's economic energy efficiency and demand-side management potential," PG&E hopes to implement a variety of field staff development strategies that encourage and nurture the development of green collar jobs and attitudes through a new Workforce Development strategy.

This project will be integrated into the current LIEE PG&E Energy Partners Program Weatherization Specialists Certification Training during 2010. Final evaluation of results will be available in 2011. Specifically, the pilot will allow evaluation of the effectiveness of selected topics for on-line training in lieu of sending all students to a single location for all elements of the certification program. The integration of an on-line training component may prove to be a potential savings to the participating Energy Partners

contractor with regards to the costs associated with the training of the Weatherization Specialist. The ETC will continue to be the source for on-site laboratory, workshop, and materials-driven LIEE training.

The intent is to simultaneously run the on-line pilot (beta version) and the current five-day Weatherization Specialist training. Students enrolled in a class with the on-line element will also attend the ETC for appropriate sessions that require use of the extensive labs, props, and materials unique to the facilities. Student success with the on-line training will be evaluated through observation and performance in the field. Impacts and effectiveness of the pilot training on an individual basis will not be assessed until a student has completed both the ETC and on-line portions of training.

On-line students will be given a finite amount of time (to be determined) to complete the assignments and take any quizzes and the exit exam. Quizzes will be topic specific. The final exam or exams will be based on the quizzes. Different methods of proctoring final exam or exams will be explored to ensure accuracy and student compliance.

PG&E will play an integral role in this assessment, which will identify areas of training infrastructure and capacity, as well as help in anticipating future program training and delivery needs.

The pilot is scheduled to go out for award by the first week of June 2010. Four firms were invited to respond to the request for bid. The on-line training pilot will be implemented in the third and fourth quarters of 2010, and results will be evaluated in 2011.

### **Low Income Direct Install High Efficiency Toilet Replacement Pilot**

In a pilot project that began in 2008, PG&E partnered with the Santa Clara Valley Water District (SCVWD) to install high efficiency toilets in qualifying single family homes. The Low Income Direct Install High Efficiency Toilet (HET) Replacement Project was specifically designed to serve lower income customers. PG&E began HET pilot installations in April 2009.

Pursuant to the Assigned Commissioner's Ruling and Scoping Memo dated April 23, 2007, PG&E designed an innovative one-year Water Embedded Energy Savings pilot program in 2008, in partnership with water agencies. The pilot explored water-related energy, including water-related efficiency program potential, delivery mechanisms, new technologies, methodologies for evaluation, measurement, and verification and determination of cost-effectiveness. Together, the partners developed program strategies that would reduce energy consumption related to water use and test a diverse set of water energy programs and measures, with a special emphasis on new technologies and low income customers.

PG&E's HET pilot will offer up to 1,000 direct install HETs to income-qualified PG&E-SCVWD customers. PG&E is leveraging its existing LIEE program to identify the target customers, manage a direct install contractor, and deliver the installation. The HET replacement pilot is available to Santa Clara Valley residents who meet the current LIEE

income criteria,<sup>11</sup> are customers of both SCVWD and PG&E, and qualify for a water agency rebate (specifically, the existing toilet is an older, higher flow toilet). PG&E is managing the direct installation of the HET and will invoice SCVWD for its share of the program.

The HET pilot costs were estimated, as were the non-low income Residential HET program costs, to be \$280 per toilet. SCVWD will pay \$150 per toilet, and PG&E will cover the remaining cost. The pilot analysis assumed up to 1,000 toilets will be installed in SCVWD territory. PG&E calculated this distribution based on the number of low income customers the LIEE program intends to reach in a year in SCVWD's water territory and assumed 30 percent of these homes would already have low-flow toilets and not be eligible for the rebate.

The pilot has been completed. A total of 478 HETs were installed. The evaluation of the pilot is currently being conducted by a third party vendor contracted by the CPUC.

- 1.11.2.** If applicable, submit Final Pilot Report describing: 1) Overview of pilot; 2) Description of Pilot Evaluation Plan (PEP); 3) Budget spent vs. authorized budget; 4) Final results of pilot (including effectiveness of the program, increased customer enrollments or enhanced program energy savings); and 5) Recommendations.

No studies were completed in 2009.

## **1.12. "Add Back" Measures**

*For measures that fall below the cost effectiveness threshold under Decision 08-11-031, we require additional reporting to show the cost, energy savings impacts, and related metrics.*

- 1.12.1.** If the "add-backs" compromise the IOUs' ability to meet the 2020 Plan goal that 100% of eligible and willing customers will have received all cost effective LIEE measures, how does the IOU propose to address the shortfall in other parts of the LIEE program?

See Table 18. The add-back measure expenditures (\$3,581,893) comprised 4.6% of PG&E's total \$77,233,738 LIEE measure expenditure in 2009. At this time, it is too

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<sup>11</sup> LIEE-qualifying households have income at or below 200 percent of the Federal Poverty Level.

early to address whether or how add-back measures may compromise our ability to meet the 2020 Plan goals.

## CARE Program

### 2. CARE Executive Summary

The California Alternate Rates for Energy (CARE) program provides a monthly discount on energy bills for income-qualified residential single-family households, tenants of sub-metered residential facilities, nonprofit group living facilities, agricultural employee housing facilities and migrant farm worker housing centers throughout PG&E's service area.

The CARE Program was originally referred to as the Low Income Rate Assistance (LIRA) Program, as authorized in D.89-07-062 and D.89-09-044 by the California Public Utilities Commission (CPUC) on November 1, 1989, to provide a 15 percent discount on energy rates to residential households with income at or below 150 percent of the Federal Poverty Guidelines. The program name was later changed from LIRA to CARE as authorized in D.92-04-024.

In D.01-06-010 and D.02-01-040, the CPUC authorized an increase in CARE eligibility from 150 percent to 175 percent of Federal Poverty Guidelines and the rate discount from 15 percent to 20 percent. The CARE eligibility level was later increased to 200 percent of Federal Poverty Guidelines in D.05-10-044.

In D.08-11-031, the CPUC approved the CARE Program for Program Years (PY) 2009-2011.

#### 2.1. Participant Information

- 2.1.1.** Provide the total number of residential CARE customers, including sub-metered tenants, by month, by energy source, for the reporting period and explain any variances of 5% or more in the number of participants.

See CARE-Table 8.

During the 2009 program year, no monthly variances of 5 percent or more occurred.

- 2.1.2.** Describe the methodology, sources of data, and key computations used to estimate the utility's CARE penetration rates by energy source.

PG&E and the other California Investor-Owned Utilities (IOUs) used the joint utility methodology adopted by the Commission in D.01-03-028 for developing quarterly and monthly penetration estimates in 2009. This method entails annual estimation of eligibility for CARE, Low Income Energy Efficiency (LIEE), and other income-by-household size parameters in a small area (block group, census tract, zip+2, etc.) for each IOU's territory and for the state as a whole.

Sources for this estimation include the Commission's current guidelines, current year small area vendor marginal distributions on household characteristics,

Census PUMS 2000 and PUMS 2005-2007 sample data, utility meter and master meter household counts, Department of Finance Consumer Price Index (CPI) series, and various Geographic Information System (GIS) sources.

Estimates from the block group level are aggregated to the county/utility and whole utility level, among other aggregations. Each quarter, the utility applies county/utility level eligibility fractions to a new set of “technical eligibility counts” (for CARE, these are metered and sub-metered occupied housing units) obtaining an estimate of income/demographic eligibility in household count form.

Every month, including each quarter, the utility counts the number of households (by small area, by county, and overall) that are enrolled in CARE. The CARE household total, including individually metered and sub-metered occupied housing units, is divided by the total income/demographic eligibility.

In November 2007, Athens Research made a refinement to the joint utility method. This method uses available (and legitimately obtainable) Census data (Advance Query, PUMS, and SF3) tabulations to produce block group level estimates of eligibility at 200 percent of Federal Poverty Guidelines among individual metered, sub-metered, and non-sub-metered master metered households. These estimates may be aggregated in various ways to provide current year estimates of eligibility by “payer status”, i.e., individually metered, sub-metered, and non-sub-metered.

The most recent estimates of eligibility by payer status, from November 2008, are used to disaggregate the overall CARE eligibility rate that has been estimated historically, yielding CARE eligibility and penetration estimates that differ between individual and sub-metered households (and which are consistent with the overall estimate).

- 2.1.2.1.** Describe how the estimates of current demographic CARE-eligibility rates, by energy source for the pre-June 1st periods, were derived.

The joint utility methodology, as described above, was used throughout 2009.

- 2.1.2.2.** Describe how the estimates of current CARE-eligible meters were derived. Explain how total residential meters were adjusted to reflect CARE-eligible meters (i.e., master meters that are not sub-metered or other residential meter configurations that do not provide residential service.).

CARE eligibility rates by small and large areas are developed so that they apply to individual residential meters and sub-metered dwelling units only. Non-sub-metered master meters and other meters that do not provide residential service are not included in the “technical eligibility” meter counts.

**2.1.2.3.** Discuss how the estimates of current CARE-eligible households were developed.

See PG&E's response above to Section 2.1.2. Note that the methodology is based on estimating small area (block group) level household size, by income and householder-age tabulations for the current year and connecting these estimates with small area counts of households that are individually metered or sub-metered. Block group/utility-specific estimates are then disaggregated/aggregated to various geographic levels within a given utility area: zip+2, zip, tract, county, territory, etc. Statewide estimates, regardless of utility boundaries, are also provided at small and large area levels.

**2.1.2.4.** Describe how current CARE customers were counted.

PG&E runs a monthly report of the billing system for all accounts currently enrolled in CARE. This monthly report includes all CARE customer information necessary for reporting, including energy source information (electric, gas, or both) and CARE enrollment and recertification dates.

In the case of sub-metered tenants receiving CARE discounts from their master-metered facilities, PG&E runs a separate monthly report to count the number of sub-metered dwelling units that are flagged as being enrolled in CARE.

**2.1.2.5.** Discuss how the elements above were used to derive the utility's CARE participation rates by energy source.

The participation rate by energy source is the total number of participating CARE customers by energy source divided by the estimated eligible CARE population by energy source.

**2.1.3.** Provide the estimates of current demographic CARE-eligibility rates by energy source at year-end.

Electric-only estimated eligible:	445,269
Gas-only estimated eligible:	265,292
Combined electric/gas estimated eligible:	853,227
Total CARE eligibility:	1,563,788

CARE eligibility estimates are based on 200 percent of the Federal Poverty Guidelines.

**2.1.4. Provide the estimates of current CARE-eligible sub-metered tenants of master-meter customers by energy source at year-end.**

45,696 electric and 32,957 gas sub-metered tenants are estimated to be eligible for CARE at year-end.

**2.1.5. Provide the current CARE sub-metered tenant counts by energy source at year-end.**

29,820 electric and 26,618 gas sub-metered tenants were enrolled in CARE at year-end.

**2.1.6. Provide the current CARE sub-metered penetration rates by energy source at year-end.**

As of year-end 2009, 65 percent of the estimated CARE-eligible sub-metered electric tenants and 81 percent of the estimated CARE-eligible sub-metered gas tenants were enrolled in CARE.

**2.1.7. Discuss any problems encountered during the reporting period administering the CARE program for sub-metered tenants and/or master-meter customers.**

PG&E attempts to make the CARE program available to eligible tenants of sub-metered residential facilities by mailing information packages containing program applications and posters to landlords/managers in January and June of each year. However, many of these packages are either returned, undelivered, or do not result in any new enrollments. To resolve this issue, PG&E created a new outreach strategy of live phone calls by the CARE team to individual facility landlords/managers. More details regarding this strategy are provided in Section 2.4. Additionally, PG&E is planning an initiative in 2010 to have a third-party agency perform door-to-door canvassing of sub-metered facilities in order to enroll eligible tenants in CARE.

Some landlords/managers are concerned that their tenants who are enrolled in the CARE program use more energy than the average tenant in the facility. This results in the master-metered customer having to pass on more of a discount than they receive from PG&E. In these cases, PG&E explains to the landlord/manager how the sub-metered discount works. If the landlord/manager is not satisfied, PG&E advises the landlord/manager to contact the CPUC.

Another problematic issue is insufficient discount information on the tenant bill from the facility billing agency. For example, the CARE discount may not be shown as a separate line item, making it difficult for the tenant to verify they are receiving the discount. When a tenant calls PG&E with questions, PG&E confirms that the tenant is certified for the program and attempts to review the bill with the tenant to ensure they are receiving the discount. If it appears the tenant is not receiving the CARE discount, the tenant is advised to contact their manager or billing agency for further clarification. California Civil Code Section 798.43.1(c) requires that: "The management shall notice the discount



on the billing statement of any homeowner or resident who has qualified for the CARE rate schedule as either the itemized amount of the discount or a notation on the statement that the homeowner or resident is receiving the CARE discount on the electric bill, the gas bill, or both the electric and gas bills.”

If the tenant does not find resolution with their billing agency and/or sub-metered facility manager, PG&E advises the tenant to contact their County’s Department of Weights and Measures (DWM). DWM can help tenants with meter reading accuracy/testing, proper meter installation, billing accuracy, and verification of correct rate. If contacting the DWM does not resolve the tenant’s billing question, the tenant is advised to file a complaint with the CPUC.

Also, some landlords/managers fail to advise PG&E when a CARE-certified tenant has moved out of the facility. PG&E provides a CARE certification report to landlords/managers on a regular basis, and the landlord/manager is requested to contact PG&E if any information needs to be updated.

## 2.2. CARE Program Summary

2.2.1. Please provide CARE program summary costs.

CARE Budget Categories	Authorized Budget	Actual Expenses	% of Budget Spent
Outreach	\$5,500,000	\$5,859,789	107%
Automatic Enrollment	\$150,000	\$0	0%
Proc., Certification and Verification	\$1,800,000	\$1,653,268	92%
Information Tech./Programming	\$150,000	\$111,342	74%
Pilots : One-E-App	\$345,000	\$467,671	136%
Measurement and Evaluation	\$0	\$27,516	0%
Regulatory Compliance	\$105,000	\$80,479	77%
General Administration	\$500,000	\$426,100	85%
CPUC Energy Division Staff	\$206,000	\$114,674	56%
Cooling Centers	\$350,000	\$94,150	27%
<b>Total Expenses</b>	<b>\$9,106,000</b>	<b>\$8,834,988</b>	<b>97%</b>
<b>Subsidies and Benefits</b>	<b>\$461,250,651</b>	<b>\$560,061,086</b>	<b>121%</b>
<b>Total Program Costs and Discounts</b>	<b>\$470,356,651</b>	<b>\$568,896,074</b>	<b>121%</b>

2.2.2. Please provide the CARE program penetration rate to date

### CARE Penetration

Participants Enrolled	Eligible Participants	Penetration rate	Target Met?
1,351,415	1,563,788	86%	Yes

2.2.3. Report the number of customer complaints received (formal or informal, however and wherever received) about their CARE recertification efforts, and the nature of the complaints.

### CARE Recertification

Month	Complaints Received	Nature of Complaint	Cases Resolved
January	0	n/a	n/a
February	0	n/a	n/a
March	0	n/a	n/a
April	0	n/a	n/a
May	0	n/a	n/a

June	0	n/a	n/a
July	0	n/a	n/a
August	0	n/a	n/a
September	0	n/a	n/a
October	0	n/a	n/a
November	0	n/a	n/a
December	0	n/a	n/a

## 2.3. CARE Program Costs

### 2.3.1. Discount Cost

**2.3.1.1.** State the average monthly CARE discount received, in dollars, per CARE customer by energy source.

Electric: \$39.15

Gas: \$7.12

**2.3.1.2.** State the annual subsidy (discount) for all CARE customers by energy source.

Electric: \$481,303,401

Gas: \$78,757,685

Total: \$560,061,086

### 2.3.2. Administrative Cost

**2.3.2.1.** Show the CARE Residential Program's administrative cost by category.

See CARE-Table 1, Overall Program Expenses.

**2.3.2.2.** Explain what is included in each administrative cost category.

**Outreach:** This category includes bill inserts, applications (printing and mailing), posters, brochures, postage, sub-metered outreach, information technology (technical support and software licensing), staff labor, outbound and inbound automated phone enrollment, toll-free line, event staffing, website design, capitation fees, mass media and other outreach.

**Automatic Enrollment:** This category includes staff labor and information technology for automatically enrolling customers from other agencies or utilities.

**Processing, Certification and Verification:** This category includes staff labor for application processing, and training.

**Information Technology/Programming:** This category includes manual rebilling, programming and billing labor.

**Pilots:** This category includes any pilot projects for the program. One-e-App was the only approved pilot program in 2009.

**Measurement & Evaluation:** This category includes the needs assessment 2008 expenses from the Phase 2 Study.

**Regulatory Compliance:** This category includes program applications and advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.

**General Administration:** This category includes office supplies, market research, program management labor and information technology (technical support and software licensing).

**CPUC Energy Division Staff:** This category includes funding for the Energy Division staff.

**Cooling Centers:** This category includes outreach, direct funding and general administration of the Cooling Centers Program.

**2.3.3.** Provide the year-end December 31 balance for the CARE balancing account.

The year-end December 31, 2009 balance for the CARE balancing account (electric and gas) was under collected and reflected a year-end debit balance of \$47,824,302.

**2.3.4.** Describe which cost categories are recorded to the CARE balancing account and which are included in base rates.

D.02-09-021 authorized recording all CARE administrative costs as well as the revenue shortfall associated with the CARE discount in the CARE balancing account.

**2.3.5.** Provide a table showing, by customer class, the CARE surcharge paid, the average bill paid, the percentage of CARE surcharge paid relative to the average bill, the total CARE surcharge collected, and the percentage of total CARE revenues paid.

See CARE-Table 10.

## **2.4. Outreach**

### **2.4.1. Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.**

With a record-high 11 percent unemployment rate in 2009, an increasing number of home foreclosures and a rising cost of living, Californians were in dire need of financial relief and services. During these challenging economic times, PG&E not only outreached to the prior estimated eligible income-qualified population, but also embraced the challenges by increasing the level of CARE awareness to the newly unemployed in PG&E's service area to better serve the needs of their customers.

PG&E clearly defined its CARE-eligible households so that it could develop a targeted outreach and education plan. PG&E learned that CARE-eligible customers in its service area fall into the following demographic groups:

1. The economic crisis triggered higher unemployment rates in California which led to a new population of eligible jobless customers.
2. The majority of all eligible customers speak one of five languages at home: English, Spanish, Cantonese, Mandarin or Vietnamese.
3. CARE-eligible households are predominantly ethnic minorities. These include a mix of seniors, rural residents, agricultural farm workers and tenants of sub-metered residential facilities.

Because of the influx of new eligible customers, PG&E realized the need to reach out to customers regarding the available PG&E assistance programs. PG&E developed innovative approaches to complement its existing efforts, using the following approaches in 2009:

1. Automated phone enrollment and recertification campaign.
2. Door-to-door canvassing of hard-to-reach customers.
3. Developing a social online networking initiative to encourage customer interaction, raise program awareness, and drive new enrollments.
4. An outreach program that included direct mail projects, online enrollment, key partnerships and enrollment events.
5. Integration with other PG&E low income assistance programs and cross-utility data sharing.
6. A capitation fee program to support the participation of grassroots organizations such as Community Outreach Contractors (COCs).
7. A program of grassroots paid ethnic media placements targeting income-qualified households.

PG&E responded to the economic crisis in California by implementing innovative customer outreach initiatives. At its base of operations, PG&E enhanced its CARE enrollment process by encouraging customers to apply for CARE via a land-line phone. PG&E worked with a third-party vendor, SoundBite Communications, to develop a customized, automated phone script and service to reach out to over 1 million customers. Customers who could not be reached by phone later received a direct mail piece which

included a CARE application. Customers who did not reply to the direct mail piece were later visited by a door-to-door canvassing third-party vendor, Energy Save, to offer personal assistance with the CARE enrollment process. This multifaceted approach helped PG&E offer CARE to as many customers as possible, in a manner that makes customers comfortable in applying.

### **2009 CARE Outreach Campaign Activity Highlights**

The successful 2009 CARE outreach campaign included community outreach, direct mail, grassroots media, partnerships with COCs and public assistance agencies. Successful relationships with these organizations greatly assisted in the enrollment of CARE-eligible customers.

Direct mail remained the most effective method of reaching the target audience. This method allowed PG&E's CARE program to contact customers in their own homes and languages, thus removing a key barrier to communication. Online enrollment and the recently implemented automated phone enrollment process also greatly contributed to enhanced customer interaction, allowing customers to complete and submit their application conveniently.

Listed below are the top four methods PG&E used to reach customers during its 2009 CARE Program Outreach Campaign: phone enrollment; direct mail; door-to-door canvassing; and online enrollments. This combined approach resulted in 289,310 new enrollments.

#### **Automated Phone Enrollment**

The advent of the automated phone enrollment initiative easily became the cornerstone of PG&E's CARE outreach efforts, helping reach customers quickly and efficiently. Working with SoundBite Communications, PG&E utilized the Automated Voice Messaging (AVM) technology for its enrollment and recertification processes. The automated interactive system allowed customers to verify their eligibility and enroll/recertify in the CARE or Family Electric Rate Assistance (FERA) Programs via a touchtone phone. From April to December, CARE enrolled over 54,000 new customers after making over 1.8 million calls to landline phones. Beginning in September, CARE also revamped its recertification efforts by contacting over 200,000 customers via phone, resulting in over 34,000 qualified customers recertifying for CARE and increasing the recertification retention rate from 81 percent to 86 percent.

#### **Direct Mail**

In light of the economic crisis, the direct mail initiative would not be successful without a postage-paid, self-addressed application. Applications were mailed to customers' homes, thereby reducing barriers to accessibility of enrollment information. Current CARE-enrolled customers were removed from the mailing lists, lowering duplication rates. CARE orchestrated the following direct mail projects:

- Accounts Closed (AC) - 137,987 direct mail pieces were mailed to customers residing at addresses of recently-closed CARE accounts, resulting in 6,512 new enrollments. This was the first time PG&E targeted this group of customers and it proved to be a successful initiative.

- **Balanced Payment Plan (BPP)** – 125,000 direct mail pieces were mailed to customers participating in the Balanced Payment Plan Program, which averages out monthly payments to allow customers to budget their energy costs. This resulted in 1,648 new enrollments.
- **Bill Inserts** – 19,200,000 bill inserts were inserted in customers’ monthly energy bills. This effort resulted in 56,740 new enrollments.
- **Customer Care and Billing (CC&B)** – 598,378 direct mail pieces were mailed utilizing data from PG&E’s customer information system. The list included customers who were on Medical Baseline or receiving life support, customers who had received a 48-hour notice within the past year, and customers who were required to submit a credit deposit within the past year. This initiative produced 9,406 new enrollments.
- **Customer No Response (CNR)** – 2,463 direct mail pieces were mailed to customers who had previously requested an application but did not mail it in or complete the enrollment process, resulting in 2,463 new enrollments.
- **Executive-Sponsored (EXEC)** – 200,000 letters were sent from a PG&E director highlighting the CARE Program accompanied with an application using zip code data. This initiative resulted in 1,032 new enrollments.
- **Pay Plan-New Service (PP-NS)** - 1,250,000 direct mail pieces were mailed in two rounds to customers who requested a payment plan or started new service, resulting in 14,446 new enrollments.
- **Recertification (RDM)** – Every month, a letter and application were sent to CARE customers who were removed due to failure to recertify during the previous month, asking them to re-apply for the program if they still qualified. This monthly initiative mailed a total of 86,710 direct mail pieces, resulting in 15,422 customers re-enrolling in the program.
- **Third Party Notification (TPN)** - 1,525,000 direct mail pieces were mailed in three rounds to customers on the Third Party Notification Program which allows a customer to designate a friend or relative to receive duplicate copies of past-due payment notices. This initiative produced 24,427 new enrollments.
- **Zip Code (ZIP)** – 800,000 direct mail pieces were mailed in two rounds to customers in specific zip codes with the highest percentages of CARE-eligible, unenrolled customers, resulting in 17,707 new enrollments.
- **Volunteer Income Tax Assistance (VITA)/United Way** – CARE partnered with United Way through VITA initiative to help customers save money on their monthly energy bill during or in preparation for the tax season. 30,000 CARE applications were included in VITA packets.

### **Door-to-Door Canvassing**

As part of CARE’s multifaceted approach to contact hard-to-reach and underserved customers in urban and rural areas, CARE contracted with a third-party vendor, Energy Save, who conducted door-to-door canvassing in many neighborhoods using a zip code list that targeted income-qualified areas. Income-qualified customers were asked by the authorized canvassers to verify their eligibility and enroll in the program at their place of

residence. After completing the questions, the canvasser helped the customer to fill out an application, then collected and mailed the completed applications to PG&E. This initiative helped enroll 15,295 new customers.

Given the success of this initiative, PG&E will expand these efforts in 2010 by working with third-party vendor, Trimmer Agency, Inc., which will focus on door-to-door canvassing of sub-metered facilities.

### **Online**

PG&E continued to use its website to promote the CARE Program. Each application was posted in-language and in a format that allowed easy download and printing. Detailed information about the program was provided and links to other assistance programs were made available.

With the online application available on PG&E's website, customers were able to enroll online using one of two options: completion of a simple form which requires no registration or via "My Account", which requires registration. With the online application, customers were able to complete the necessary household and income eligibility information, accept the declaration which states the information they provided is true, and submit the application electronically. Online formats resulted in 75,729 new enrollments.

CARE launched a two-part eBill campaign to customers. The first segment consisted of a CARE message as part of the e-mail notification sent when a customer's bill is ready to view. The second segment consisted of an e-mail to 650,000 eBill customers, with a link to apply via their online account.

PG&E also utilized an online mailbox – [CAREandFERA@pge.com](mailto:CAREandFERA@pge.com) – as an internal and external communication tool for any program-related inquiries.

Listed below are the other highlights of the 2009 CARE Program Outreach Campaign:

### **African American Outreach**

PG&E participated in a variety of events to help distribute CARE applications and collateral materials directly to members of the African-American community. These events included the City of Oakland Easter Egg Hunt; Healthy Kids Day Celebration; Capital City Black Expo; San Francisco Juneteenth; Sacramento Juneteenth; Sequoyah Community Church Block Party; First AME Church- Annual Labor Day Shoe Giveaway to Low-Income Families; KDYA Radio--“Gospel in the Park Goes Green”; and the United Negro College Fund (UNCF) Walkathon.

Booths were set up and CARE applications and collateral materials were distributed to attendees. When necessary, CARE staff members assisted customers in completing their applications.

Television commercials targeting the African American community were aired on CW 44/Cable 12 in the San Francisco Bay Area. These commercials featured two CARE customers enrolled in the program via a CARE Community Outreach Contractor (COC).

Radio commercials targeting the African American community were aired on 94.9 KYLD, 98.1 KISQ, 106.1 KMEL, 910AM KNEW, and 960AM KKGW in the San Francisco Bay Area. These commercials featured PG&E employees describing the benefits of the program.



### **Asian American Outreach**

PG&E participated in a variety of events to help CARE distribute applications and collateral materials directly to members of the Asian-American community. These events included the San Francisco TET Festival; San Francisco Lunar New Year Community Fair; San Jose Vietnamese Spring Festival and Parade; Stockton Chinese and Vietnamese New Year Parade; Stockton Chinese New Year Festival; Chinatown Families Economic Resource Fair 2009; Asian Heritage Street Celebration; Pista Sa Nayon, Filipino-American Fiesta of Sacramento; Vietnamese-American Families Festival; Barrio Fiesta; Pistahan Festival; Oakland Chinatown Street Fest; San Francisco Chinatown Bill Clinic; San Francisco Chinatown Autumn Moon Festival; 15<sup>th</sup> Annual Sunset Community Festival--Spotlight on the Sunset's Children and Youth; Sunset District 5<sup>th</sup> Autumn Moon Festival; Self-Help for the Elderly Longevity Walkathon; and Hmong New Year.

In-language prompts were featured on the CARE toll-free line for Cantonese, Mandarin and Vietnamese callers. Collateral materials in Chinese and Vietnamese languages were distributed via PG&E, COCs and community events.

Targeted media was also an essential part of the Asian American program. Radio commercials in Chinese and Vietnamese aired on 94.1 FM KVTO and 1430 AM KVVN throughout the greater San Francisco Bay Area.

### **Bill Inserts**

To reach more customers during the economic crisis, CARE doubled its bill insert efforts, consisting of a postage-paid bilingual mini application in the February/March, June, July, August, September and October billing cycles. CARE inserted 19,200,000 applications into customers' monthly bills, resulting in 56,740 new enrollments.

### **Community Outreach Contractors (COCs)**

The CARE team recruited and contracted with a diverse group of community-based organizations already recognized and trusted by their constituents. 148 organizations representing a wide array of communities (e.g., ethnic, public housing authorities and independent living centers) signed on to promote CARE.

All newly contracted COCs participated in program training and were provided collateral materials (e.g., applications, brochure holders, posters, poster stands, point-of-service boxes, event giveaways, clipboards, notebooks, polybags, t-shirts, and buttons) to display at their organizations and at outreach events. CARE utilized a special COC toll-free phone, fax line and online mailbox to exclusively answer questions and offer support.

CARE supported the COCs through a variety of other channels including a kick-off meeting; quarterly regional meetings; on-site visits; monthly electronic newsletters; enrollment tips booklets; sponsored COC outreach events; monthly progress reports; mid-year incentives; and an end-of-year recognition survey. COCs helped enroll 8,265 new customers in CARE in 2009.

CARE continued the effort to expand the number of COCs and aims to have 175 COCs onboard in 2010.

### **Employee Involvement**

Employee Involvement was another outreach method utilized by the CARE Program. Throughout June, CARE executed a variety of activities that served to increase awareness and boost employee involvement in enrolling eligible customers. The CARE team asked PG&E employees to pass on an application to a friend, family member, or neighbor who may be eligible. Applications were inserted into employee paycheck envelopes. This year, CARE also inserted applications into retiree pension envelopes. CARE representatives distributed applications in the lobby of PG&E headquarters, the Concord Resource Management Center, at the Stockton Service Center Safety Fair and at the annual retiree picnic in Lodi. Employee Involvement Month was featured in PG&E's internal newsletter generating additional awareness for the campaign. PG&E employees have become dedicated advocates of the CARE program as a result of this annual initiative. These efforts resulted in 422 new enrollments.

To spur innovative ideas amongst the CARE team, individuals were encouraged to work with the Outreach team and contribute ideas for outreach opportunities. These ideas led to implementation partnerships with the following groups: Veterans Affairs; California Department of Housing and Community Development (CDHCD); Department of Developmental Services; and school districts. Together these efforts resulted in 372 new enrollments and demonstrated engaged employees providing creative ideas.

### **Enrollment Events**

One of the most effective ways to break down barriers, engage community leaders, and build trust in communities is through community events. The CARE team participated in 154 multicultural events, bringing a face and personality to the CARE Program. These events provided an opportunity for CARE staff to distribute collateral materials and hold face-to-face conversations with customers. In many cases, staff members aided customers in completing applications on-site via paper or online application. These events also allowed CARE to partner with COCs to rally further support for the program. Finally, CARE utilized events as opportunities to meet and network with organizations with similar goals and needs.

During these challenging economic times, the California Public Utilities Commission (CPUC), Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SCG), Southern California Edison (SCE), and San Diego Gas and Electric Company (SDG&E) combined forces to alleviate utility customers' monthly energy bills. Recognizing the CARE program's ability to provide immediate assistance to the newly unemployed, the CPUC and Investor Owned Utilities (IOUs) quickly organized efforts, called "WeCARE California," to position multiple community events across the state in economically challenged counties. Each utility contributed its own resources to increase the level of CARE awareness to customers facing financial hardship in their service area. The CPUC and IOUs embraced the challenges to better serve the needs of utility customers throughout the state. These combined outreach events resulted in 534 new enrollments.

### **Hispanic Outreach**

PG&E participated in a variety of events to help CARE distribute applications and collateral materials directly to members of the Hispanic community. These events included the Migrant Education Parent Conference; Latino Youth Conference; 2009 Mission Asset Building Fair (Sacando Provecho a Su Dinero en Tiempos Dificiles);

Festival de la Familia; Families Helping Families; Celebracion Del Campo; Encuentro Latino-Bi-National Health and Wellness Fair; Soledad Fiesta Days; San Jose Mariachi Festival; Fiesta Del Mar; Viviendo Verde Summit; and Dia de los Muertos.

In-language prompts for Hispanic callers were featured on the CARE toll-free line. Collateral materials in Spanish were distributed via COCs and community events.

PG&E CARE, SABEResPODER and the Mexican Consulate in Fresno and San Francisco hosted a joint press conference to raise awareness in the Latino community about several programs PG&E offers to help customers manage their energy bills. To increase enrollment among Latinos who are financially eligible for PG&E's programs, an educational campaign was coordinated between the partnerships of the three entities. This entailed the distribution of basic financial service information such as CARE and Energy Partners to visitors of the Consulates. In addition, visitors viewed a presentation of these programs through a continuous video loop located in the main lobbies of the Consulates. This pilot initiative resulted in 31 new enrollments.

### **Integration and Leveraging**

CARE integrated with other PG&E low income assistance programs, e.g., FERA, Cooling Centers and Energy Partners (PG&E's LIEE Program), in order to generate enrollments. CARE applications were on display and available to visitors at Cooling Centers who partnered with PG&E. Data exchanges were conducted monthly with Energy Partners to automatically enroll eligible customers into CARE. Customers who applied for FERA but qualified for CARE were also automatically enrolled. PG&E also ran monthly reports of customers receiving bill payments through the Low Income Home Energy Assistance Program (LIHEAP) and Relief for Energy Assistance through Community Help (REACH) Programs and automatically enrolled eligible customers in CARE.

For leveraging, PG&E exchanged listings of enrolled CARE customers in the shared service areas with SCG, SCE, Sacramento Municipal Utility District (SMUD), and Modesto Irrigation District (MID).

By sharing customer data, PG&E enrolled 18,135 qualified customers in CARE. Additionally, PG&E began working on a matrix of municipal energy utilities where there are shared service areas and plans to expand its leveraging efforts with the following interested parties in 2010: Silicon Valley Power; Alameda Municipal Power; Lodi Electric Utility; Redding Electric Utility; Roseville Electric; and Turlock Irrigation District.

Representatives from PG&E, SCG, SCE, SDG&E, SMUD, and Southwest Gas (SWG) meet bimonthly to discuss and share best practices. During these meetings, representatives share details of their latest outreach initiatives, costs, and whether others should incorporate them. These joint meetings provide tremendous value to the utilities in terms of leveraging ideas, creating communication channels, and promoting teamwork between programs.

### **Kiosks**

Through the Local Office initiative implemented in 2004, American Disability Act (ADA)-compliant self-service kiosks have been installed to create an easy-to-use touch point for customers to apply for CARE. The kiosks help raise awareness and generate

new enrollments while providing a convenient way for customers to fill out a CARE application. In addition to the kiosks, local office customer service representatives have been trained to speak about the benefits of CARE with every customer.

These kiosks include an application holder as well as a slot where the customer can deposit the completed application. Each kiosk comes with a lock and key in order to help maintain security and confidentiality. This gives customers the opportunity to enroll themselves while waiting in line to pay their bills. The local office staff replenishes the supply of applications in the kiosk and mails completed applications to the CARE Program on a regular basis.

PG&E local offices collectively enrolled 21,679 new customers into the CARE Program in 2009, more than doubling their 2008 enrollment efforts.

### **Multicultural Collateral**

A variety of collateral materials was produced and used to help CARE and its partners in grassroots outreach efforts. Brochure applications were printed and distributed to potential CARE customers. These brochures came in three versions: English/Spanish, English/Chinese and English/Vietnamese. Bilingual posters, banners, brochure holders, in-language buttons, clipboards with calculator, enrollment tips booklets and t-shirts were distributed to various organizations and constituted great tools to share information about the program. Collateral giveaway materials included pens, mirror brushes, coin purses, first-aid kits, pill boxes and coloring books. These items were distributed to potential customers at multicultural events as well as through COCs. All items contained the CARE tag line (“Save Money on your PG&E bill”) and the CARE toll-free phone number.

### **Native-American Outreach**

PG&E participated in a variety of events to help CARE distribute applications and collateral materials directly to members of the Native-American community. These events included the Standing Bear PowWow 2009; American Indian Care Awareness Day; 5<sup>th</sup> Annual American Indian Market and PowWow; and 42<sup>nd</sup> Annual California Native American Day.

In addition to the community events, PG&E discussed CARE and Energy Partners information with the Department of Social Services. The discussions highlighted how PG&E programs can leverage with Tribal Temporary Assistance for Needy Families (TANF) assistance programs. The discussions led to an invitation to present PG&E’s low income programs to the directors of Tribal TANF offices. These initial discussions helped develop an ongoing relationship for expansion in 2010.

### **Paid Media**

PG&E efficiently used local radio and television to reach large numbers of eligible customers because they are a highly consumed and trusted media source for low income consumers. Grassroots media builds awareness quickly and enhances the effectiveness of other activities such as community outreach.

Television commercials targeting both the general market and African American community were aired on CW 44/Cable 12 in the San Francisco Bay Area. These

commercials featured two CARE customers who were enrolled in the program via a CARE COC.

Radio commercials targeting both the general market and the African American community were aired on 94.9 KYLD, 98.1 KISQ, 106.1 KMEL, 910AM KNEW, and 960AM KKGN in the San Francisco Bay Area. These commercials featured PG&E employees describing the benefits of the program.

Targeted media was also an essential part of the Asian American program. Radio commercials in Chinese and Vietnamese aired on 94.1 FM KVTO and 1430 AM KVVN throughout the greater San Francisco Bay Area.

PG&E CARE, SABEResPODER and the Mexican Consulates in Fresno and San Francisco hosted a joint press conference to raise awareness in the Latino community about several programs PG&E offers to help customers manage their energy bills. To increase enrollment among Latinos who are financially eligible for PG&E's programs, the partnership's educational campaign coordinated the distribution of basic financial service information from SABEResPODER, as well as PG&E's CARE and Energy Partners materials, to visitors at the Fresno and San Francisco Mexican Consulates. In addition, visitors viewed a presentation of these programs through a continuous video loop located in the Consulate's main lobbies.

Through the *Asian Journal* publications, PG&E helped income-qualified customers save money on their monthly energy bills by promoting CARE and Energy Partners. The horizontal half-page advertisement was included in the community section of the *Asian Journal*, a Filipino-American community newspaper. The ad ran weekly in the San Francisco Bay Area. The ad featured the benefits of CARE and Energy Partners, specifically prompting readers to look for the CARE/FERA application inserted in the newspaper. This initiative resulted in 64 new enrollments.

### **Partnerships**

PG&E partnered with a variety of public assistance organizations, such as the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), health and human service organizations and food banks. These partnerships allowed PG&E to raise awareness of the program among the partnering organizations. Applications were mailed to the key contacts at each of these organizations and were then distributed to their clientele. The partnerships with public agencies and nonprofit organizations resulted in 84 new enrollments.

### **Public Affairs**

The CARE program maintained open communication with PG&E's governmental relations representatives by keeping them informed of major outreach efforts on a monthly basis. The representatives served as a conduit between CARE and the community and connected the program with community-based organizations that were interested in becoming COCs.

### **Public Housing Authorities**

In an effort to enroll eligible public housing residents into CARE, PG&E recruited Public Housing Authorities (PHAs) as COCs. Through the supplemental income assistance, PG&E strived to provide an incentive for PHAs to participate in all 48 counties in

PG&E's service area. As a result, 10 PHAs have partnered with CARE. The partnerships with PHAs resulted in 125 new enrollments.

PG&E will continue to recruit additional PHAs in 2010.

### **Recertification Efforts**

Customers are required to recertify for CARE every two years or four years for customers on a fixed-income.

PG&E mails a recertification application package in four languages (English, Spanish, Chinese and Vietnamese) to customers 90 days prior to the expiration of their CARE discount. An automated reminder phone call is made to customers who have not responded 45 days prior to the expiration of their CARE discount. A reminder letter is mailed to customers who still have not responded 30 days prior to the expiration of their discount and serves as a final reminder to recertify.

Working with SoundBite Communications, PG&E expanded its use of automated voice messaging technology for its CARE recertification process beginning in September 2009. To reduce mailing costs, the initial phone call goes out prior to the recertification package being mailed. Calls are then made monthly throughout the 90 day recertification period to allow customers the opportunity to recertify by phone instead of filling out the application.

Through these combined outreach efforts, CARE recertified 261,540 customers and increased the retention rate to 86 percent.

### **Survey**

PG&E aims to better understand the unique challenges and special needs of CARE customers. PG&E conducted quarterly customer opinion surveys in order to assess overall satisfaction among these customers. The opinion survey was conducted in English, Spanish and Chinese via a series of questions over the phone. CARE staff listened in on the customer opinion surveys throughout the year, implemented survey revisions, and achieved a customer satisfaction score of 78 percent excellent/very good.

### **Senior and Disabled Outreach**

CARE continued its outreach to seniors and those with disabilities. With respect to the challenges associated with financial assistance programs, seniors and those with disabilities may be overwhelmed with the steps involved in completing the application. CARE focused attention on this customer population and utilized large-print applications in multiple languages and participated in targeted outreach events for face-to-face interactions.

CARE attended senior/disabled events and distributed applications and collateral materials. These events included the Edgewater Isle Senior Apartments presentation; 2009 Life Without Limits Week; Life Without Limits; Santa Rosa Senior Center Health and Wellness Fair; Escalon Senior Day Event; Foster Grandparent Volunteer Program; Oakland Senior Resource Fair; 27<sup>th</sup> Richmond Senior Information and Health Fair; Sierra-Nevada In-Home Support Services Presentation; PSEA Retiree Picnic; Manteca Senior Breakfast; Congress of California Senior Convention; 12<sup>th</sup> Annual Senior Resource Fair- Living Longer; Growing Stronger San Leandro; 8<sup>th</sup> Annual Healthy

Aging Fair (National Lifeline Awareness Week); Escalon Senior Breakfast; Self-Help for the Elderly Longevity Walkathon; and the 13<sup>th</sup> Annual Tribute to Seniors.

CARE strived to recruit and contract with Independent Living Centers (ILCs) to reach out to the disabled population. Twelve ILCs were successfully recruited as COCs. These partnerships resulted in 107 new enrollments.

### **Social Online Media**

PG&E launched its own CARE Facebook fan page to promote the CARE Program and its benefits, becoming the first California IOU to do so. The social online networking media was designed to build a fan base for the CARE Program--specifically to outreach to the web-savvy generation. The page also prompts customers to apply for CARE online, using a Facebook link to the PG&E CARE website. With a base of over 500 fans, customers also have the ability to ask questions, make comments about CARE and learn about upcoming events. Through this medium, CARE customers have another outlet to communicate with PG&E, especially the new population of income-qualified customers.

### **Sub-Metered**

Through multiple outreach initiatives, including direct mail and mass mailing, PG&E learned that there were 387 sub-metered facilities with a total of 11,794 tenants that were not enrolled in CARE. To reach out to these facilities, PG&E utilized an outreach method which had not been previously used--calling each of these facility landlord/managers and asking if they knew about the CARE program or if the facility needed applications. As a result, contact information for facilities was updated; 58 managers requested applications; 1,075 applications were mailed; and 169 new tenants were certified for CARE.

### **Toll-Free Line**

PG&E's CARE campaign utilized a toll-free line (1-866-PGE-CARE or 1-866-743-2273) to help customers learn more about CARE and address any questions about the program. The 24-hour toll-free line operates in five languages: English, Spanish, Chinese, Mandarin and Vietnamese. It provided customers with the following information: answers to frequently asked questions; a list of COCs by zip code/area code; a prompt to request a CARE application; a listing of CARE events; and information about recertification procedures.

PG&E also utilized additional toll-free phone and fax lines to assist customers: COC (1-800-239-5170/1-800-239-6410); Post Enrollment Verification (1-877-302-8558/1-877-302-7563); Sub-Metered (415-972-5732); and Non-Profit (415-973-7288). These lines operate Monday through Friday from 8:00 a.m. – 5:00 p.m.

All calls are monitored, tracked and analyzed as part of the ongoing effort to provide effective customer service.

### **Workforce Initiative**

In light of the high unemployment rates in California, the CARE Program implemented a workforce initiative in partnership with a third-party vendor, Trimmer Agency. Trimmer Agency coordinated with local Rapid Response Teams and the Employment Development Department to obtain a list of employers with upcoming layoffs. This initiative was designed to include a CARE application in every employer layoff packet

explaining the benefit of CARE. Approximately 500 employers participated, such as Gottschalks, CISCO Systems Inc, Sears Roebuck & Co, and Wal-Mart. Over 200,000 CARE applications were distributed and resulted in 260 new enrollments.

**2.4.2. Discuss the most effective outreach method, including a discussion of how success is measured.**

The most cost-effective method was contacting income-qualified customers via multiple communications. Initial contact would begin by encouraging customers to apply for CARE via their land-line phone. The customers who could not be reached by phone later received a direct mail piece which included a CARE application. Customers who did not reply to the direct mail piece were later visited by an authorized third-party representative who provided assistance with the application process and enrollment into CARE. These different communication methods enabled the same income-qualified customer to enroll into CARE as conveniently as possible. This multifaceted approach helped minimize the geographical barriers and enabled CARE to reach out to more customers, helping to enroll over 460,000 new customers in 2009.

**2.4.3. Discuss barriers to participation encountered during the reporting period and steps taken to mitigate them**

**Awareness**

With the greater number of eligible customers, particularly the unemployed, making people aware of the program who had never been accustomed to any form of assistance was a barrier. PG&E created an economic crisis taskforce to implement effective methods to reach out to customers affected by the economic downturn. The CARE Team also utilized information previously gathered by internal departments and community-based organizations to establish targeted outreach strategies appropriate for each community.

In light of the new population of income-qualified customers, PG&E updated its information to reflect that the CARE discount was immediately available once a customer's income situation changed. In addition, PG&E highlighted other free assistance programs through its Breathe Easy Solutions brochure.

**Trust**

Lack of trust continued to present a significant barrier to participation. Previously, cultural factors played a part in customers' mistrust. However, customers questioning the legitimacy of this free financial assistance program posed a new barrier to the program. To counter customer misperception, the CARE Team prepared a variety of outreach methods, which included 154 events and contracting with 148 COCs to educate customers about the benefits of CARE throughout PG&E's service area. These community events, presentations and partnerships, often working in particular communities previously unreachable by CARE, have been instrumental in breaking down barriers and enrolling new customers.



**2.4.4. Discuss how CARE customer data and other relevant program information is shared by the utility with other utilities sharing its service territory**

A small geographic location of PG&E's service area is shared with other investor owned or municipal utilities. PG&E continued automatic enrollment agreements with SCG, SCE, SMUD, and MID to exchange listings of enrolled CARE customers that are identified in the shared service areas. By sharing customer data, PG&E was able to enroll qualified customers in CARE and vice versa. Through these exchanges, PG&E enrolled over 10,000 customers in the CARE program in 2009. PG&E will attempt to expand its leveraging efforts with the following parties in 2010: Silicon Valley Power; Alameda Municipal Power; Lodi Electric Utility; Redding Electric Utility; Roseville Electric; and Turlock Irrigation District.

**2.4.5. Discuss how CARE customer data and other relevant program information is shared within the utility, for example, between its LIEE and other appropriate low income programs.**

A database of all CARE customer contact information is uploaded for weekly distribution to PG&E's LIEE program providers to use for their outreach. Since November 1, 2005, when the LIEE and CARE income guidelines became the same at 200 percent of the Federal Poverty Guidelines, CARE has been able to automatically enroll customers who have participated in the LIEE program.

Since the CARE discount is noted in the customer information system, Customer Service Representatives (CSRs) are able to see the CARE status of any customer calling PG&E's contact centers for assistance. This provides important information for the customer service representative to use when discussing other benefits and services that may be of assistance to the income-qualified customer.

CARE features other financial assistance information on its applications. Each 8.5" x 11" applications provide a brief description of other assistance programs available as well as contact numbers.

CSRs in PG&E's contact centers provide customers with information about the federally funded, state-administered Low Income Home Energy Assistance Program (LIHEAP), as well as PG&E's free assistance programs (including Energy Partners, CARE, FERA, REACH, Medical Baseline, Third-Party Notification, Energy Efficiency Rebates, Automatic Payment Service, Balanced Payment Plan, Bill Guaranty, Payment Arrangement, Cooling Centers and SmartAC). The CARE Processing Center also provides referral information to customers in need of additional assistance.

PG&E continues to automatically enroll customers into CARE who participate in the Energy Partners (LIEE), LIHEAP, and Relief for Energy Assistance through Community Help (REACH). Through these exchanges, PG&E enrolled over 25,000 customers in CARE in 2009.

**2.4.6. Describe the efforts taken to reach and coordinate the CARE program with other related low income programs to reach eligible customers.**

In an effort to reach out to more eligible customers, PG&E worked directly with Public Assistance Agencies such as Woman and Infant Children (WIC), Head Start, and Tribal TANF to compliment their existing services. CARE also partnered with the California Department of Social Services, Employment Development Department, United Way of the Bay Area, food banks, free medical clinics, and community colleges. CARE provided each with brochure applications, brochure holders and posters in various languages. Additionally, CARE attempted to partner with school districts in an effort to compliment their National School Lunch Program.

As directed in D.08-11-031, PG&E added the following five additional programs to the Public Assistance Program Eligibility section of the CARE/FERA application: SSI; Tribal TANF; NSL Free Lunch Program; Bureau of Indian Affairs General Assistance; and Head Start Income Eligible (Tribal Only).

**2.4.7. Describe the process for cross-referral of low income customers between the utility and CSD. Describe how the utility's CARE customer discount information is provided to CSD for inclusion in its federal funds leveraging application. (Note: These agreements are limited to sharing 1-800 phone numbers with customers and providing CARE benefit information for the federal fiscal year, October 1 of the current year through September 30 of the subsequent year. There are no tracking mechanisms in place to determine how many customers contact the other programs or actually become enrolled in other program(s) as a result of these agreements.)**

PG&E has provided assistance by leveraging federal funding through the Home Energy Assistance Program (HEAP) on an annual basis since 1989. The primary information provided to the California Department of Community Services and Development (CSD) is a monthly breakdown of the total number of participants (residential and sub-metered tenant count) along with the total dollar amount of discount provided to that portion of the population during that period.

**2.4.8. Discuss any recommendations to improve cost-effectiveness, processing of applications, or program delivery. Discuss methods investigated or implemented by the utility or third parties under contract to the utility to improve outreach and enrollment services to non-participating households in the prior year. Provide cost-effectiveness assessments, if available.**

In order to streamline efforts and cost-efficiencies, PG&E enhanced its CARE enrollment process by contacting income-qualified customers using multiple communication

methods. Initial contact began by encouraging customers to apply for CARE via their land-line phone. The phone enrollment effort resulted in a \$5.48 cost per enrollment. Customers who could not be reached by phone later received a direct mail piece which included a CARE application. The direct mail enrollment effort resulted in a \$12.26 cost per enrollment. Customers who did not reply to the direct mail piece were later visited by an authorized third party to enroll in CARE. The door-to-door canvassing resulted in a \$15 cost per enrollment. The different communication methods allowed the same income-qualified customer to enroll in CARE as conveniently as possible. At the same time, CARE applied cost-effective measures to reach the most customers at the lowest costs. This multifaceted approach helped minimize the geographical barriers and enabled CARE to reach out to more customers, helping enroll over 460,000 new customers into CARE.

As a whole, CARE implemented a comprehensive outreach effort that touched customers whether they were a recently unemployed single-family residential customer in an income-qualified zip code or a tenant living in sub-metered housing facility. CARE concentrated on making the application process easily available and convenient to the customer and implementing different ways to enroll.

## **2.5. Processing CARE Applications**

### **2.5.1. Describe the utility's process for recertifying sub-metered tenants of master-meter customers.**

Decision 08-11-031, Ordering Paragraph 100, authorized PG&E to change the certification period for sub-metered tenants from one year to two years. Due to this change, PG&E automatically extended the certification period of all certified tenants for another year. As a result, no tenants were required to recertify or be dropped due to lack of recertification in 2009.

### **2.5.2. Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility's behalf. Describe how these third-party efforts compare to the utility's efforts in comparable customer segments, such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.**

PG&E had three contracts with third-party vendors to conduct certification and recertification in 2009. These vendors were SoundBite Communications, Energy Save and Trimmer Agency. Their functions are described in detail in Section 2.4.

## **2.6. Program Management**

### **2.6.1. Discuss issues and/or events that significantly affected program management in the reporting period and how these were addressed.**

In D.08-11-031, the CPUC approved the CARE Program for Program Years (PY) 2009-2011, with the following requirements:

1. Change the certification period for sub-metered and expansion programs from one year to two years.
2. Make all categorical eligibility requirements that apply to LifeLine the same as those for CARE, except for Public Housing Section 8.
3. Coordinate all LIEE outreach with CARE.
4. One-e-App Pilot in 2009.
5. CARE Recertification and Post Enrollment Verification Non-Response Study in 2010.
6. CARE penetration goal of 90 percent by 2011.

PG&E implemented the first three requirements in the first half of 2009.

PG&E partnered with The Center to Promote HealthCare Access, Inc., (The Center) to launch the One-e-App Pilot in September of 2009. One-e-App is a Web-based, one-stop eligibility system accessible at a variety of community organizations, which connects families with a range of publicly funded health and human service programs. The pilot began in Fresno, San Joaquin, and Solano Counties. Income-qualified customers in these counties were able to meet with a Certified Application Assister and enroll in CARE through the One-e-App system. The pilot resulted in five new enrollments through year-end, and will continue in 2010. The Center submitted the One-e-App CARE Pilot Report to Energy Division on March 17, 2010.

PG&E will conduct the CARE Recertification and Post Enrollment Verification Non-Response Study in 2010.

Since there were more than 900,000 customers enrolled or recertified in 2009, of which the majority will be required to recertify in 2011, PG&E will strive to reach the 90 percent penetration goal in 2010 and focus its efforts on retaining customers and maintaining that level in 2011.

Process improvement ideas to reduce cost and improve outreach effectiveness were encouraged, promoted, reviewed and implemented at PG&E. PG&E implemented over 30 process improvements in 2009. These included easy to implement ideas, such as revising correspondence materials, a new mail opening machine, eliminating unnecessary steps in the application processing, adding new toll-free phone and fax hotlines, as well as more complex ideas, such as creating and enhancing a new database for tracking Post-Enrollment Verification (PEV), launching a new social media fan page, and improving the customer opinion survey questionnaire and interviewing process.

In an ongoing effort to protect the environment and reduce printing and mailing costs, PG&E offers sub-metered facility landlords/managers the opportunity to receive their

monthly CARE certification reports via e-mail. At year-end, 113 facilities had requested receipt of their reports electronically.

### **3. CARE Expansion Program**

#### **3.1. Participant Information**

**3.1.1.** Provide the total number of residential and/or commercial facilities by month, by energy source for the reporting period.

See CARE-Table 12.

**3.1.1.1.** State the total number of residents (excluding caregivers) for residential facilities, and for commercial facilities, by energy source, at year-end.

There were 134,566 tenants residing within facilities receiving the CARE discount by December 31, 2009. This information is not available by energy source. The resulting numbers were representative of the total number of residents housed in all facilities, both residential and commercial, and for both energy commodities.

#### **3.2. Usage Information**

**3.2.1.** Provide the average monthly usage by energy source per residential facility and per commercial facility.

See CARE-Table 12.

#### **3.3. Program Costs**

**3.3.1.** *Administrative Cost (Show the CARE Expansion Program's administrative cost by category)*

See CARE-Table 1.

##### **3.3.1.1. Discount Information**

Following is the total annual discount, by energy source, for the CARE Expansion Program:

Electric: \$6,581,892

Gas: \$936,184

Total: \$7,518,076

**3.3.1.2.** State the average annual CARE discount received per residential facility by energy source

Electric: \$888.36

Gas: \$123.36

**3.3.1.3.** State the average annual CARE discount received per commercial facility by energy source.

Electric: \$4,074.48

Gas: \$952.61

**3.4. Outreach**

**3.4.1.** Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.

PG&E conducted outreach to agricultural employee housing facilities and nonprofit group living facilities not currently enrolled in the CARE program.

Historically, agricultural employee housing facilities have been a hard-to-reach demographic for the CARE program. To be certified for CARE, these facilities must be permitted by the California Housing and Community Development Department (HCD). PG&E obtained a roster of currently permitted facilities from the HCD and mailed a CARE outreach packet to the operators. As a result of this outreach, 19 new facilities were certified for CARE.

PG&E obtained information from internet searches and previously certified facilities to outreach to nonprofit group living facilities/shelters. As a result, 17 new facilities were certified for CARE.

CARE continued to use the PG&E website as a useful source of information. As new applications and income guidelines became available, each expanded program application was made available in local offices and was also posted online in formats that allowed for easy download and printing. A *Frequently Asked Questions* section accompanied each program area and links to other assistance programs were provided.

**3.4.2.** Discuss each of the following:

**3.4.2.1.** Discuss the most effective outreach method, including a discussion of how success is measured.

The agricultural HCD outreach method mentioned in the previous section was the most effective. Agricultural employee housing facilities are difficult to reach and enroll into

CARE. For many years this segment of the CARE program has been dormant with only a few facilities certified. In the past, different methods of outreach to agricultural housing facilities have been attempted with little success. Some operators are aware of the CARE program yet continue to disregard it. Success is measured by how many applications are returned which are able to be certified for the CARE program.

**3.4.2.2.** Discuss how the CARE facility data and relevant program information is shared by the utility with other utilities sharing service territory.

PG&E does not currently exchange CARE facility data or expansion program information with other utilities in the shared service areas.

**3.4.2.3.** Discuss barriers to participation encountered in the prior year and steps taken to mitigate these, if feasible, or not, if infeasible.

There were delays from customers not supplying the supplementary documentation needed to support the application process. To mitigate the situation, various means of communication and follow-up with the client kept many of the organizations properly informed about eligibility and eventual certification.

Some nonprofit facilities applied with a single-family CARE application. PG&E contacted the applicant and provided the correct nonprofit CARE application for the organization to apply for CARE.

For the agricultural employee housing facilities, the barriers are lack of knowledge of the CARE program qualifications and a perception of inconvenient paperwork. Some operators believe their facility would not qualify because the company is a business, the tenants do not pay for utilities or the tenants do not live in the housing facility year round.

**3.4.3.** Discuss any recommendations to improve the cost-effectiveness, processing of applications, or program delivery. Discuss methods investigated or implemented by the utility or third parties on the utility's behalf to improve outreach and enrollment services to non-participating facilities in the prior year. Provide cost-effectiveness assessments, if available.

PG&E continued to reach out to agricultural facilities and implemented a variety of approaches to target those facilities not currently enrolled in the CARE program. Rather than purchasing a separate mailing list of agricultural housing facilities from a third-party vendor, CARE secured the list through California's Department of Housing and Community Development. The effort led to a direct mailing to licensed facilities, helping

CARE reach a targeted audience and enroll more hard-to-reach customers into CARE. As a result of this outreach, 19 new facilities were certified for CARE.

The Nonprofit and Agricultural Housing mass mailing initiative was created and mailed in-house to make the initiative cost-effective.

CARE is planning to leverage with other utilities in California to exchange nonprofit group living facility and agricultural employee housing information in 2010.

### **3.5. Program Management**

#### **3.5.1. Discuss issues and/or events that significantly affected program management in the reporting period and how these were addressed.**

Decision 08-11-031 extended the certification period of expanded programs from one year to two years. The agricultural and nonprofit facilities certified for CARE in 2008 were automatically extended for another year and did not have to recertify in 2009. The certified facilities were notified that their certification period had been extended for another year.

## **4. Cooling Centers Program**

Cooling centers are facilities opened to the public and operated during hot summer months in order to provide the elderly and others with shelter from heat. The use of cooling centers can reduce the risk of experiencing heat-induced ailments for the targeted population of elderly and low-income citizens.

PG&E's Cooling Centers Program worked with local governments to support their existing cooling center programs, to educate targeted customers on heat preparedness, and to publicize the location and accessibility of cooling center locations within PG&E's service area. In addition, PG&E provided material, financial and other support to selected local government-operated cooling centers for the purpose of increasing participation among low- and fixed-income customers. D. 08-11-031 adopted the Cooling Centers Program for 2009 – 2011, funded under the CARE Program.

### **4.1. Local Government Partnerships**

PG&E believes that local governments who operate existing cooling centers have a greater familiarity with the needs of their respective populations, as well as an understanding of the optimal locations and what is needed to improve participation. Additionally, many local governments in heat-susceptible areas have already established cooling centers or have filed emergency plans with the Governor's Office of Emergency Services (OES).

In order for any local government to participate in PG&E's Cooling Centers Program and receive the grant, it needs to meet the following criteria:

- Free entrance for all customers



- No discrimination in admitting attendees
- Be accessible via public transportation or shuttle service
- Provide a safe and comfortable atmosphere
- Provide seating areas
- Provide complimentary water
- List disability access
- Have specific trigger criteria to open cooling centers
- Distribute brochures advertising other PG&E services such as CARE, FERA, and Energy Partners (PG&E's LIEE Program)

Through existing 2008 partnerships and integration efforts between programs and its internal Governmental Relations department, PG&E was able to establish partnerships with the following 10 local government organizations in 2009:

- Sanger City Fire Department
- Fresno Rural Transit Agency
- City of Fresno, Parks, Recreation, After School and Community Services
- City of Fowler
- Kern County Aging and Adult Services / Kern County Department of Parks and Recreation
- Merced County Office of Emergency Services
- City of Madera Office of Emergency Services
- City of West Sacramento Senior Center
- City of San Jose Department of Parks, Recreation and Neighborhood Services
- City of Riverbank

## **4.2. Outreach**

### **Marketing and Outreach**

Through discussions with cooling center coordinators and other sources, PG&E learned that customer awareness of cooling centers was minimal. Despite the availability of cooling centers in their counties, many customers did not go to these centers because they were either unaware of their existence or of the serious risks of extended heat exposure and how to address these risks. PG&E created bilingual brochures to inform customers about how to stay cool and how to locate and contact a cooling center.

### **Website**

PG&E continued to use a dedicated PG&E Cooling Centers website - [www.pge.com/coolingcenters](http://www.pge.com/coolingcenters) - as a communication channel to cooling centers in PG&E's service area. On the website, customers can use an interactive map to locate cooling centers in their area. The website provides contact information, hours of

operation, and disability access information as available for each cooling center registered. The website also provides a link to local governments' emergency websites related to cooling centers, transportation services, general heat-related health and safety information, and PG&E assistance programs that might benefit target customers (e.g., CARE, FERA and LIEE).

Safety information is available in four languages: English, Spanish, Chinese and Vietnamese. The PG&E Cooling Centers website is also American Disability Act (ADA)-compliant to assist visually disabled customers.

Information about cooling centers was also posted on local government websites about their respective centers.

### **Toll-free Line**

PG&E continued to use an automated phone information system. Customers can call toll-free at 1-877-474-3266 to access information regarding cooling center locations, contact information, operating hours, and the accessibility of cooling centers in their area. Customers with speech and hearing impairments can also call the TDD/TTY 1-800-652-4712 to access cooling center information.

PG&E contact center staff were trained on heat preparedness education and on the PG&E Cooling Centers Program to serve customers who prefer to speak to a PG&E customer representative.

### **Bill Insert**

Information on the PG&E Cooling Centers Program and heat-preparedness was made available to customers in the form of a bill insert that was sent to customers via their paper bills or e-Bills.

### **Radio and Other Media**

During the summer when cooling centers received notice from the Mayor, City Council and City Manager's Offices to open, each local government informed customers via local media outlets of the risks associated with heat exposure, to take shelter during periods of extreme heat, and to find the cooling center nearest to them.

Each local government also, within their resources, used other channels such as fliers, posters, and local newspapers to raise awareness about cooling center availability and to make announcements of when cooling centers would be open in the area.

### **Collateral**

PG&E distributed Cooling Center brochures at PG&E events where other assistance programs were promoted. Cooling Center brochures provided tips for preparing for hot weather, identified symptoms of heat-related illnesses, and explained how to locate cooling centers. The brochure was designed utilizing a large font and was available in English, Spanish, Chinese, and Vietnamese. PG&E distributed cooling center information through CARE events, local governments, community-based organizations, and nonprofit organizations in targeted regions. Cooling Center stickers were distributed to partnered local governments to help customers identify cooling centers in their area.

### **4.3. Program Management**

Due to the State budget deficit and economic crisis, many local governments experienced a shortage of resources to support their cooling centers. Although PG&E's grant helped to subsidize some or most of the costs, many still had to cut back on locations and their hours of operation. With this in mind, PG&E plans to reevaluate and adjust the grant amounts in 2010 to ensure more locations will be open and available to public.

Through reports from local governments, PG&E learned cooling centers were not always utilized by local citizens and it was hard to differentiate between cooling center patrons and regular patrons. Due to short notice, especially when cooling centers were open on the weekends, it was also a challenge for local governments to advertise and to get the word out to communities.

## **5. Fund Shifting**

### **5.1.1. Report LIEE fund shifting activity that falls within rules laid out in Section 20.1 of D. 08-11-031**

In Compliance with Ordering Paragraph 85 of D. 08-11-031, which states: "Fund shifting from one year to another within 2009-11 cycle: Allowed up to 15% of total LIEE budget without Advice Letter subject to limitation below; Tier 2 Advice Letter pursuant to General Order 96-B required for larger amounts," PG&E filed Advice Letter 3075-G/3585-E requesting approval to carry forward its remaining Program Year (PY) 2009 funds to PY 2010. Due to a later than expected Commission decision in 2008 and a complicated "three measure" rule, which did not get resolved until June 2009, PG&E experienced a slower than expected program start-up. At the time of the advice filing, PG&E projected that by the end of the 2009 program year, it would have under spent its gas and electric LIEE budgets by approximately 17%, or \$18.7 million. The actual under spending for PY 2009 was 15.3%, or \$16.6 million.

### **5.1.2. Report CARE fund shifting activity that falls within rules laid out in Section 20.1 of D. 08-11-031**

PG&E's costs for the One-E-App Pilot were \$122,671 over the authorized budget. PG&E shifted funds from the Automatic Enrollment category in order to cover this amount. Energy Division reviewed and approved this fund shifting activity, as authorized in Section 20.3.3 of D.08-11-031.

See CARE Table 13 for all CARE fund shifting activity.

### **5.1.3. Was there any LIEE or CARE fund shifting activity that occurred that falls OUTSIDE the rules laid out in Section 20.1 of D. 08-11-031?**

There was no LIEE or CARE fund shifting activity that occurred that falls outside the rules laid out in section 20.1 of D.08-11-031.

**6. Appendix: LIEE Tables and CARE Tables**

LIEE- Table 1- LIEE Overall Program Expenses

LIEE- Table 2- LIEE Expenses & Energy Savings by Measures Installed

LIEE- Table 3- LIEE Cost Effectiveness

LIEE- Table 4- LIEE Penetration

LIEE- Table 5- LIEE Direct Purchases & Installation Contractors

LIEE- Table 6- LIEE Installation Cost of Program Installation Contractors

LIEE- Table 7- Expenditures by Cost Elements

LIEE- Table 8- Detail by Housing Type and Source

LIEE- Table 9- Life Cycle Bill Savings by Measure

LIEE- Table 10- Energy Rate Used for Bill Savings Calculations

LIEE- Table 11- Bill Savings Calculations by Program Year

LIEE- Table 12- Whole Neighborhood Approach

LIEE- Table 13- Categorical Enrollment

LIEE- Table 14- Leveraging

LIEE- Table 15- Integration

LIEE- Table 16- Lighting

LIEE- Table 17- Studies & Pilots Status

LIEE- Table 18- “Add Back” Measures

LIEE- Table 19-LIEE Fund Shifting

CARE- Table 1- Overall Program Expenses

CARE- Table 2- Enrollment, Recertification, Attrition, and Penetration

CARE- Table 3- Standard Random Verification Results

CARE- Table 4- Self-Certification and Self-Re-certification Applications

CARE- Table 5- Enrollment by County

CARE- Table 5- Capitation Contractors

CARE- Table 6- Recertification Results

CARE- Table 7- Capitation Contractors

CARE- Table 8- Participants per Month

CARE- Table 9- Average Monthly Usage & Bill

CARE- Table 10- CARE Surcharge & Revenue

CARE- Table 11- CARE Capitation Applications

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CARE- Table 12- CARE Expansion Program

CARE- Table 13- Fund Shifting by Category