

**Pacific Gas and Electric Company**

**Energy Savings Assistance (ESA)**  
**AND**  
**California Alternate Rates for Energy (CARE)**

**Program Monthly Report**  
**For December 2011**

**(January 23, 2012)**

**PACIFIC GAS AND ELECTRIC COMPANY**

**ENERGY SAVINGS ASSISTANCE PROGRAM AND CARE PROGRAM  
MONTHLY REPORT FOR DECEMBER 2011**

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**PACIFIC GAS AND ELECTRIC COMPANY**

**ENERGY SAVINGS ASSISTANCE PROGRAM  
AND CARE PROGRAM MONTHLY REPORT  
FOR DECEMBER 2011**

This Low Income Programs Monthly Report complies with low income reporting requirements established in Decision (D.) 01-05-033, as updated by D.08-11-031, requiring the utilities to comply with reporting and program evaluation requirements previously established for the California Alternate Rates for Energy (CARE) and Energy Savings Assistance (formerly known as Low Income Energy Efficiency (LIEE)) programs. The utilities met with Energy Division staff to revise reporting tables and formats in compliance with the mandates of D.08-11-031 and now use the new, Energy Division-approved monthly reporting format for the 2010 and 2011 reports.

**1. Low Income Energy Assistance Program Executive Summary**

D.08-11-031 and D.09-10-012 authorized the utilities to work with Energy Division staff to develop a new brand for the LIEE program. PG&E began using the new brand, “Energy Savings Assistance” (ESA) Program, on January 1, 2011.

The ESA Program provides free home weatherization, energy efficient appliances and energy education services to income-qualified PG&E customers throughout the Company’s service area.

PG&E has offered energy efficiency programs to income-qualified customers in its 48 counties since 1983. The ESA Program’s objective is to help income-qualified customers reduce their energy consumption and costs while also improving their quality of life. The 2009-2011 ESA Program authorized in D.08-11-031 is a resource program emphasizing long-term and enduring energy savings. It continues to serve all eligible low income customer populations by providing all feasible ESA Program measures at no cost to the customer through a direct-install, whole house approach. All housing types are eligible to participate and the ESA Program is available to both homeowners and renters.

**1.1. Energy Savings Assistance Program Overview**

The 2009-2011 ESA Program (formerly known as Low Income Energy Efficiency) was adopted in D.08-11-031. PG&E’s authorized program budget for 2009-2011 is \$416.9 million, plus any remaining unspent carryover.

PG&E’s 2009-2011 ESA Program follows the policies and guidance given in D.07-12-051. D.07-12-051 established the following programmatic initiative for LIEE:

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

PG&E’s ESA Program has treated 126,556 customers in 2011.

**1.1.1. Provide a summary of the Energy Savings Assistance Program elements as approved in Decision 08-11-031:**

<b>Energy Savings Assistance Program Summary for Month</b>			
<b>2011</b>	<b>Authorized / Planning Assumptions</b>	<b>Year-to-Date Actual</b>	<b>%</b>
Budget	\$ 180,314,117	\$ 147,792,868	82.0%
Homes Treated	124,991	126,556	101.3%
kWh Saved	42,600,000	47,235,371	110.9%
kW Demand Reduced	7,560	13,560	179.4%
Therms Saved	1,510,000	2,500,831	165.6%

**1.2. Whole Neighborhood Approach Evaluation**

In D.08-11-031, the Commission described a Whole Neighborhood Approach (WNA) to ESA Program 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.

**1.2.1. Provide a summary of the geographic and customer 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 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. Key variables defined by the Commission in D.08-11-031 were high incidences of poverty and high energy use, as well as high energy burden and energy insecurity.<sup>1</sup>

To identify potential neighborhoods to target for the low income programs, PG&E starts with its estimates of ESA Program eligibility by ZIP-7, derived from census

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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.

data.<sup>2</sup> PG&E ranks ZIP-7 areas with the highest populations of estimated ESA Program-eligible customers<sup>3</sup> in its service area, and correlates them with PG&E billing information, including 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 the ESA Program since 2002 (thus making them ineligible for participation at this time).

Finally, D.08-11-031 permits targeted self-certification and enrollment activities in areas of the IOUs' service territory where 80% of the customers are at or below 200% of the federal poverty line. (D.08-11-031, O.P.6) PG&E ranks ZIP-7 areas by percent of ESA Program estimated eligibility. As described above, areas with the highest estimates of 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 ESA Program participation, are evaluated so that they can be selected first for the Whole Neighborhood Approach events. We anticipate that some of the areas selected will be over 80% ESA Program-eligible. These neighborhoods where over 80% of the customers are at or below 200% of the federal poverty level will be self-certified.

Using this information to help determine potential neighborhoods to approach, PG&E's ESA Program managers work with both internal and external groups to target and select neighborhoods. PG&E works closely with its ESA Program

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<sup>2</sup> The joint utility methodology, which derives the number of customers potentially eligible for CARE and ESA (formerly LIEE) services in each utility's service area, was adopted by the Commission in D.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 ESA 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 if they overused electricity during at least two months of the previous twelve month period. PG&E chose to use a two month tier trigger rather than a one 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 two month trigger described above for electric tiering.

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.

In addition to neighborhoods identified and selected by PG&E for Whole Neighborhood Approach events, PG&E's contractors are also encouraged to suggest neighborhoods to target based on their knowledge of the areas in which they work. PG&E contractors are very familiar with the local neighborhoods in their assigned areas and currently use many strategies to enroll ESA Program customers, including canvassing neighborhoods; targeted direct mail; outbound calls; advertising in local venues; speaking to local groups; and outreaching at community events.

Where practical, PG&E coordinates ESA Program neighborhood events with scheduled CARE events such as "We CARE" or other community activities, including fairs or festivals, and publicizes them in advance through targeted mailings, door hangers, local community partners (e.g., civic and social leaders, churches, and low income service agencies), and local print, radio and television media. PG&E's outreach staff work 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 for customers that were not home at the time of the neighborhood visit. The door hangers include program and contact information so that the customer can schedule a visit.

### **1.3. ESA Program Customer Outreach and Enrollment Update**

PG&E coordinates activities and advertising with other PG&E energy efficiency and rate programs likely to reach low income customers and service providers. For example, PG&E's ESA Program contractors are required to inform customers about other programs for which they may be eligible. Additionally, PG&E automatically enrolls customers participating in the ESA Program onto the CARE discount rate.

PG&E employees regularly provide information on the company's low income programs at community events throughout PG&E's service area. These presentations educate customers about energy efficiency and inform them about assistance programs and opportunities available to them in multiple languages, including English, Spanish, Vietnamese, Chinese, Russian, Korean, and Hmong.

PG&E contracts directly with both community-based organizations (CBOs) and private contractors who provide a wealth of experience in the communities they serve. PG&E currently has 34 installation contractors including 11 CBOs and two appliance contractors who serve 48 counties. Of the 11 CBOs, six are LIHEAP agencies.

PG&E has five contracts with LIHEAP agencies that are not part of PG&E's ESA Program. PG&E coordinates with these LIHEAP agencies to install Energy Star® refrigerators in homes receiving PG&E electric service where the LIHEAP contractors have installed all other measures under the State Weatherization Program. This allows both the ESA Program and LIHEAP to leverage their resources and help additional low income homes. Through December, 112 refrigerators have been installed, which equates to \$89,600 leveraged.

**1.3.1. Provide a summary of the Energy Savings Assistance Program outreach and enrollment strategies deployed this month.**

PG&E and its implementation subcontractors perform outreach for the ESA Program that targets ethnic populations and other low-income PG&E customers through a combination of bill inserts and direct mailings, outbound phone calls, text messages, public service announcements, ethnic and local media, community events and partnerships and other innovative approaches. Customers who call PG&E's customer service centers are referred to the ESA Program and assigned to a contractor in their area who sets up an appointment with them. PG&E subcontractors are provided access to a database containing current CARE customers in their contract area. The ESA Program also takes full advantage of CARE's successful marketing strategies by working closely with its outreach team.

In December, PG&E's ESA Program continued the following media campaigns:

- English radio commercials in the San Francisco Bay Area, Fresno and Sacramento

In December, PG&E's ESA Program participated in the following outreach events where program representatives were available to answer questions and help customers enroll:

- San Francisco Fire Department Toy Drive in San Francisco on 12/1
- Vamos A Leer in Oakland on 12/3

**1.4. Leveraging Success Evaluation, Including CSD**

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

PG&E, SCE, SDG&E, and SoCalGas met with CSD staff, representatives from several LIHEAP agencies and CPUC staff in Downey on April 29, 2009 to discuss leveraging opportunities. Ideas discussed included: developing a shared repository database that could include customers served and customers on wait

lists by utilities and LIHEAP agencies; and sharing utility information with LIHEAP agencies about ESA Program customers who are found to be over the ESA Program income guidelines or require HVAC or other services which the utilities are unable to provide under ESA Program guidelines. PG&E has attempted to schedule follow-up meetings with CSD; however, CSD has been unable to attend. In the meantime, PG&E has also had conversations with individual LIHEAP agencies to come up with workable strategies and discuss how we can work together to implement them. One such series of meetings culminated in the successful Sacramento Avenues Weatherization Project with Community Resource Project and SMUD in April 2010. Following the success of this effort, PG&E is working to expand this project to other locations and to implement more leveraging projects with individual LIHEAP agencies.

## **1.5. Workforce Education & Training**

### **1.5.1. Please summarize efforts to improve and expand Energy Savings Assistance Program workforce education and training. Describe steps taken to hire and train low income workers and how such efforts differ from prior program years.**

All contractors and subcontractors responsible for implementing the ESA Program are trained at the PG&E Energy Training Center (ETC) in Stockton California. Most of these ESA Program energy specialists and installation contractors are from the local communities in which they work. Because of the increased size of the 2011 ESA Program, more contractor crews have been hired to implement it; 850 individuals have been trained to deliver the ESA Program year-to-date.

PG&E selected and hired a consultant to conduct an on-line training pilot project through a Request for Proposal (RFP) process authorized by D.08-11-031. This pilot will explore what ESA Program training currently conducted on-site at the ETC can be moved to a web-based and/or off-site curriculum without decreasing effectiveness or results. Specifically, the pilot will evaluate 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 reduce the training costs of ESA Weatherization Specialists by the participating ESA contractor, which could lead to the training of more individuals.

PG&E is actively involved with the California Energy Efficiency Long Term Strategic Plan's Workforce Education and Training team that is developing plans to conduct green workforce needs assessment research. In 2010 and through April 2011, PG&E managed Energy Division's pilot project (authorized in D.08-11-031) to develop a low income workforce education and training plan. This pilot program recruited and trained residents of disadvantaged, low income communities to install energy efficiency measures in households as part of the ESA Program. Specifically, this pilot developed and implemented an in-class and hands-on curriculum that could be used as part of a certificated program to be

administered through educational institutions. Energy Division selected a Northern and a Southern California team to implement two workforce education and training pilot projects. ESA training approaches were piloted at Los Angeles Trade Tech College (LATTC) in Southern California Gas Company's service area and San Francisco Office of Economic and Workforce Development (OEWD) in PG&E's service area. PG&E is the contract administrator for both projects. The pilot was completed in April 2011. PG&E prepared a final report discussing pilot results and submitted it to the Energy Division in April 2011.

## 1.6. Miscellaneous

### Energy Savings Assistance Program Coordination with the Single Family Affordable Solar Housing Program (SASH)

PG&E's ESA Program works with Grid Alternatives to deliver ESA services to customers that have been approved to participate in the Single Family Affordable Solar Housing Program (SASH). Grid Alternatives refers SASH-eligible homes to PG&E on a regular basis. If the customer has not yet participated in the ESA Program, the customer is placed in the program. The home is assessed, and delivery of all eligible measures is expedited. PG&E then notifies Grid Alternatives of the measures that were installed in the home. Grid Alternatives uses this data in their calculations to accurately size the SASH solar unit to be installed. In 2011, the ESA Program has treated 111 homes that were selected for SASH program participation. In addition, PG&E supplied ESA measure installation data for another 144 SASH-selected homes that were treated through the ESA Program in prior years.

## 2. CARE Executive Summary

The CARE program provides a monthly discount on energy bills for income-qualified households throughout PG&E's service area.

To qualify for CARE, a residential customer's household income must be at or below 200 percent of Federal Poverty Guidelines, as required in D.05-10-044.

### 2.1. CARE Program Summary

The 2009-2011 CARE Program was adopted in D.08-11-031. The authorized CARE administrative budget is \$9,521,000 for 2011. This includes \$450,000 for PG&E's Cooling Centers program.

#### 2.1.1. Please provide CARE program summary costs

CARE Budget Categories	Authorized Budget	Actual Expenses Year to Date	% of Budget Spent
Outreach	\$5,900,000	\$5,625,012	95%
Automatic Enrollment	\$150,000	\$0	0%
Proc / Certification / Verification	\$2,000,000	\$1,782,066	89%
Information Tech / Programming	\$150,000	\$283,926	189%
Pilots	\$0	\$0	0%

Measurement and Evaluation	\$0	\$161,700	0%
Regulatory Compliance	\$115,000	\$189,332	165%
General Administration	\$550,000	\$569,082	103%
CPUC Energy Division Staff	\$206,000	\$101,058	49%
Cooling Centers	\$450,000	\$145,835	32%
Total Expenses	<b>\$9,521,000</b>	<b>\$8,858,010</b>	<b>93%</b>
Subsidies and Benefits	\$479,707,435	\$776,229,291	162%
Total Program Costs and Discounts	<b>\$489,228,435</b>	<b>\$785,087,301</b>	<b>160%</b>

**2.1.2.** Please provide the CARE program penetration rate to date

<b>CARE Penetration</b>		
<b>Participants</b>	<b>Estimated Eligible Participants</b>	<b>YTD Penetration Rate</b>
<b>1,532,692</b>	<b>1,699,660</b>	<b>90.2%</b>

**2.2. Outreach**

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

PG&E performs outreach for the CARE Program that targets ethnic populations and other low income PG&E customers through a variety of innovative approaches.

PG&E contracted with 184 Community Outreach Contractors (COCs) throughout its service area. These COCs represent a variety of communities, including African-Americans, Hispanics, Asian Pacific Islander Americans (Chinese, Vietnamese, Laotian, Hmong), Native Americans, seniors, rural residents, agricultural workers, sub-metered tenants, and nonprofit living facilities. Year-to-date, this initiative has generated 3,013 new enrollments.

PG&E maintained a CARE Facebook fan page to reach new customers of the web-savvy generation. The fan page served to increase awareness about the program and encouraged customers to apply online.

PG&E's CARE program enrolled eligible customers via automated phone calls, online enrollment, door-to-door canvassing, and local office partnerships:

- Automated Phone Calls – PG&E utilized the CARE toll-free line and contracted with a third-party vendor to enroll new customers and recertify existing customers by telephone. Year-to-date, this initiative has generated 36,566 new enrollments and 77,788 recertified customers.

- Online Enrollment – PG&E utilized its website to enroll customers online. Year-to-date, this initiative has generated 72,642 new enrollments.
- Door-to-Door Canvassing – PG&E contracted with third-party vendors to conduct door-to-door outreach among urban and rural customers who have not responded to traditional outreach efforts. Year-to-date, this initiative has generated 15,222 new enrollments.
- Local Office Partnerships – PG&E partnered with local offices by placing self-service kiosks in the lobby. Customers were able to pick up, complete and deposit their CARE application while waiting in line. Year-to-date, this initiative has generated 19,543 new enrollments.

In December, PG&E's CARE program rolled out the following direct mail initiatives:

- Recertification – Direct mail pieces in English, Spanish, Chinese, and Vietnamese were sent to customers who had not recertified for CARE. Year-to-date, this initiative has generated 12,364 re-enrolled customers.
- Welcome Packet Insert – English/Spanish applications were inserted into new customers' welcome packets. Year-to-date, this initiative has generated 20,870 new enrollments.
- 15-Day Notice Insert – English/Spanish applications were inserted into customers' 15-day notices. Year-to-date, this initiative has generated 3,778 new enrollments.
- Zip code – English/Spanish applications were mailed to 700,000 customers residing in low income zip codes within PG&E's service area. Year-to-date, this initiative has generated 17,307 new enrollments.
- English/Spanish Direct Mail – Applications were mailed to a targeted list of the following customer segments: Veteran, African American, Senior, Hispanic and General.
- English/Chinese Direct Mail - Applications were mailed to a targeted list of Chinese customers.
- English/Vietnamese Direct Mail - Applications were mailed to a targeted list of Vietnamese customers.

In December, PG&E's CARE Program continued the following media campaigns:

- Chinese and Vietnamese radio commercials in the San Francisco Bay Area
- English/Spanish newspaper advertisement in Santa Clara County

In December, PG&E's CARE program participated in the following outreach events where program representatives were available to answer questions and help customers enroll:

- San Francisco Fire Department Toy Drive in San Francisco on 12/01

- Vamos A Leer in Oakland on 12/03

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

PG&E currently exchanges data with Southern California Edison (SCE) Company and Southern California Gas (SCG) Company to automatically enroll their CARE customers who also receive PG&E service. PG&E also participates in data exchanges of qualified low income customers with the Sacramento Municipal Utility District (SMUD) and Modesto Irrigation District (MID). PG&E provides natural gas in the SMUD and MID electric service areas and will automatically enroll qualified low income customers served by SMUD and MID in CARE. Year-to-date, 8,262 customers have been automatically enrolled through this method.

PG&E utilizes an internal report to automatically enroll customers who receive LIHEAP and REACH payments. Year-to-date, 9,979 LIHEAP customers and 817 REACH customers have been automatically enrolled in CARE.

PG&E automatically enrolls customers that receive ESA Program services. Year-to-date, 28,897 ESA participants have been enrolled in CARE.

In addition, PG&E continues to integrate CARE and ESA outreach efforts to effectively provide eligible customers with the knowledge and tools to access all of PG&E's free energy services.

**2.2.3.** Recertification Complaints

D.08-11-031, Ordering Paragraph 90, directed the IOUs to report in their monthly and annual reports, the number of customer complaints received regarding CARE recertification efforts and the nature of the complaints beginning with the first report due on or about December 31, 2008.

PG&E reports that it received no complaints about CARE recertification in December.

**2.3. Miscellaneous**

D.08-11-031, Ordering Paragraph 64, granted the IOUs discretion about how to enroll eligible public housing residents in each of their service areas. In response, PG&E contracted with 12 Public Housing Authority (PHA) as a Community Outreach Contractor (COC) to enroll their eligible residents in the program.

**3. Appendix: ESA Tables and CARE Tables**

ESA- Table 1- ESA Program Expenses

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