

Pacific Gas and Electric Company

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

Program Monthly Report
For May 2012

(June 21, 2012)

PACIFIC GAS AND ELECTRIC COMPANY

**ENERGY SAVINGS ASSISTANCE PROGRAM AND CARE PROGRAM
MONTHLY REPORT FOR MAY 2012**

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**ENERGY SAVINGS ASSISTANCE PROGRAM
AND CARE PROGRAM MONTHLY REPORT
FOR May 2012**

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 resulting Energy Division-approved monthly reporting format.

D.11-11-010 adopted bridge funding to June 30, 2012 for the CARE and ESA Programs to ensure continuity of the two low income programs until the Commission adopts a final decision on the CARE and ESA Program budget application for 2012-2014. This decision authorizes PG&E and the other IOUs to expend an amount not to exceed 50 percent of their respective 2011 budget level, from January 1, 2012 until June 30, 2012.

Table 1
Bridge Funding Budgets beginning January 1, 2012- June 30, 2012
Budget Summary

Utility	ESA Program	CARE	Total
PG&E	\$78,394,519	\$244,614,218	\$323,008,737
SCE	\$31,706,930	\$108,442,500	\$140,149,430
*SoCalGas	*\$39,128,134	\$71,244,819	*\$110,372,953
SDG&E	\$10,163,803	\$26,532,227	\$36,696,030
Total	\$159,393,386	\$450,833,763	\$610,227,149

*SoCalGas's bridge funding budget is augmented, and SoCalGas is authorized an additional \$6.06 million for its ESA program, for this bridge period, in addition to \$39,128,134 shown in Table 1 above.

1. Low Income Energy Assistance Program Executive Summary

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 six-month bridge-funded 2012 ESA Program was adopted in D.11-11-010. PG&E’s authorized program budget for the bridge period is \$78.4 million. The bridge program essentially authorizes the 2009-2011 program adopted in D.08-11-031 to be carried over through June 30, 2012.

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 45,262 customers in 2012.

1.1.1. Provide a summary of the Energy Savings Assistance Program elements as approved in Decision 11-11-010:

Energy Savings Assistance Program Summary for Month			
2012	Authorized / Planning Assumptions	Year-to-Date Actual	%
Budget	\$ 78,394,518	\$ 50497895	64.4%
Homes Treated	55,000	45,262	82.3%
kWh Saved*	Na	14,949,119	na
kW Demand Reduced*	Na	2,964	na
Therms Saved*	Na	458,220	na

*Impacts for January 2012 are calculated based on West Hill Energy & Computing, 2005 California LIEE Program Impact Evaluation, Final Report (December 19, 2007). PG&E will update impact reporting for its February 2012 Monthly Report to use the ECONorthwest, 2009 LIEE Program Impact Evaluation, Final Report, as previously agreed.

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.¹

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 data.² PG&E ranks ZIP-7 areas with the highest populations of estimated ESA Program-eligible customers³ in its service area, and correlates them with PG&E billing information, including information on PG&E customer energy use,⁴ the number of 48-hour shut-off notices sent; actual shut-offs over the last year; and

¹ 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.

² 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.

³ Customers with household incomes at or below 200% of the Federal Poverty Level are eligible for both ESA and CARE.

⁴ 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.

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. PG&E anticipates 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 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 income-qualified 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 33 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 working within 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 May, 24 refrigerators have been installed, which equates to \$19,200 leveraged through this program.

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 income-qualified 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 May, the ESA Program continued the following media campaigns:

- A phone bank campaign airing on KPIX and CW stations in the San Francisco Bay Area.

In May, the ESA Program participated in the following events:

- Russian Kids Festival on 05/19/12,
- Pacific Rim Street Festival on 05/20/12, and
- Yarmarkia Event on 05/26/12.

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

slightly reduced unit goals for the first half of the 2012 ESA Program, fewer contractor Weatherization Specialists have been hired to implement it. In various capacities 212 individuals have been trained to deliver the ESA Program year-to-date.

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 2012, the ESA Program completed treatment of 59 homes that were selected for SASH program participation. PG&E supplied ESA measure installation data for 88 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

To ensure continuity of the CARE Program until the Commission adopts a final decision on the CARE budget application for 2012-2014, a bridge funding period beginning January 1, 2012 and ending June 30, 2012 was authorized in D.11-11-010 on November 10, 2011. The authorized bridge funding budget for PG&E's CARE Program is \$244,614,218 or 50 percent of authorized 2011 program budget.

2.1.1. Please provide CARE program summary costs

CARE Budget Categories	Authorized Budget	Actual Expenses Year to Date	% of Budget Spent
Outreach	\$2,835,500	\$1,898,877	67%
Automatic Enrollment	\$30,000	\$21,646	72%
Proc / Certification / Verification	\$1,000,000	\$870,002	87%
Information Tech / Programming	\$200,000	\$44,874	22%
Pilots	\$0	\$0	0%

Measurement and Evaluation	\$0	\$0	0%
Regulatory Compliance	\$127,500	\$42,903	34%
General Administration	\$350,000	\$271,329	78%
CPUC Energy Division Staff	\$103,000	\$33,206	32%
Cooling Centers	\$114,500	\$34,408	30%
Total Expenses	\$4,760,500	\$3,217,246	68%
Subsidies and Benefits	\$239,853,718	\$288,205,246	120%
Total Program Costs and Discounts	\$244,614,218	\$291,422,492	119%

2.1.2. Please provide the CARE program penetration rate to date

CARE Penetration		
Participants	Estimated Eligible Participants	YTD Penetration Rate
1,536,237	1,663,059	92.4%

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 income-qualified customers through a variety of innovative approaches.

PG&E contracted with 129 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 718 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 continues to enroll eligible customers in the CARE program via automated phone calls, online enrollment, door-to-door canvassing, local office partnerships, recertification, welcome packet inserts and 15-day notice inserts:

- Automated Phone Calls –A third-party vendor is contracted to enroll new customers and recertifies existing customers by telephone. Year-to-date, this initiative has generated 8,225 new enrollments and 31,492 recertified customers.

- Online Enrollment – The company website is being utilized to enroll customers online. Year-to-date, this initiative has generated 33,112 new enrollments.
- Door-to-Door Canvassing – Third-party vendors 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 5,549 new enrollments.
- Local Office Partnerships – Through the placement of self-service kiosks in the lobby through our local office partnerships, customers are able to pick up, complete and deposit CARE applications while waiting in line. Year-to-date, this initiative has generated 9,013 new enrollments.
- Recertification –English, Spanish, Chinese and Vietnamese applications and letters are mailed to customers who had not recertified for CARE. Year-to-date, this initiative has generated 5,708 re-enrolled customers.
- Welcome Packet Insert –English/Spanish applications are inserted into new customers’ welcome packets. Year-to-date, this initiative has generated 8,454 new enrollments.
- 15-Day Notice Insert – English/Spanish applications are inserted into customers’ 15-day notices. Year-to-date, this initiative has generated 1,653 new enrollments.

In May, the CARE program continued the following media campaigns:

- A Cantonese radio campaign through KVTO 1400 AM in the San Francisco Bay Area;
- A Tagalog print ad campaign in Manila Mail throughout Northern California;
- A Spanish print ad campaign in El Reportero in the San Francisco Bay Area; and
- A Vietnamese print ad campaign in ThoiBao Daily in the San Francisco Bay Area.

In May, the CARE program participated in the following events:

- 15th Anniversary of Santa Clara County Unity in Diversity on 05/01/12.

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, 839 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, 3,034 LIHEAP customers and 820 REACH customers have been automatically enrolled in CARE.

PG&E automatically enrolls customers that receive ESA Program services. Year-to-date, 7,422 ESA Program 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 May.

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

ESA- Table 2- ESA Measure Installations and Savings

ESA- Table 3- Average Bill Savings per Treated Home

ESA- Table 4- ESA Homes Treated

ESA- Table 5- ESA Customer Summary

ESA- Table 6- Expenditures for Pilots and Studies

ESA- Table 7- Whole Neighborhood Approach

CARE- Table 1- CARE Program Expenses

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

CARE- Table 3- Standard Random Verification Results

CARE- Table 4- CARE Self-Certification and Self-Recertification Applications

CARE- Table 5- Enrollment by County

CARE- Table 6- Recertification Results

CARE- Table 7- Capitation Contractors

CARE- Table 8- Participants as of Month-End