

Low Income Program Application 2021 +

- ESA Program Design Concept
- CARE/FERA Program Updates

LIOB Meeting
September 16, 2019



Together, Building
a Better California

Draft Material - Content Subject to Change
For Discussion Purposes Only



ESA Program 2021- Path to Innovation

PG&E's steps included: Stakeholder Input, Benchmarking, Customer Research, Design Thinking Workshop, resulting in top four buckets of considerations for enhancements:

Address Participation Barriers

- Consider income requirements and verification, AMI/FPL changes
- Make it easier to participate, increase customer willingness
- Overcome trust issues and scheduling conflicts

Segment Customer Base and Target Certain Groups

- Focus on groups most likely to achieve greater savings
- Help those with greatest need

Add Program Measures Based on Need

- Investigate more smart technology measures
- Investigate other health, safety, comfort measures to improve home environment (possible negative savings)

Diversify Delivery and Engage Customer

- Consult external vendors for alternatives, test something new like incentives or rewards
- Ask customers to commit to behavioral changes for savings



ESA 2021- LIOB White Paper Initiatives

Single Family & Mobile Home

- Simplify eligibility and enrollment
- Reach non-participants
- Target those with greatest need,
- Provide help to manage energy bills, minimize disconnections, impact affordability
- Add measures for health, safety, comfort and resilience
- Include measures with deeper savings, significant impact, such as smart technology, solar (leveraging and referrals)
- Include LIOB in process for evaluating program design, measures and technology
- Address homes in disrepair

Multifamily

- Simplify eligibility and enrollment
- Establish working groups, hold workshops
- Design holistic program for tenants and whole building
- Consider Renter protections
- Provide tech assistance and other program awareness

Workforce

- Employee development, local jobs, partner with organizations for candidates

Other

- Explore Green House Gas Emissions

Challenges:

- Overcome barriers and treat customers that are unwilling, never participated
- Skepticism and scams run rampant in Central Valley
- Rental situations on the rise, less home ownership
- Energy savings per measure is declining
- Measures are needed to help address TOU peak pricing hours
- Program needs to be recalibrated and new goals proposed

Opportunities:

- Find ways to make enrollment easier, more appealing
- Leverage CARE program for acquisition (24% conversion with CARE Welcome Kit)
- Motivate customer to keep appointment (83% conversion rate after home assessment)
- Impact household hardship including energy, health, safety, comfort, and environment
- Evaluate new measure options beyond energy efficiency
- Introduce behavioral changes to help deal with TOU and energy use



ESA Program 2021 – New Measures under Review

AC - Portable

AC (Central) – Replacement for inoperable

Air Purifier

Ceiling Fans

Clothes Dryer Replacement

CO Alarm / Battery Sensor

Cold Storage

Exterior LED Security Light

Freezer Replacement

Generator - Battery

Minor Home Repairs PLUS

Oven/Range/Cooktop

Pool Pumps

Shade Screens

Window Film

Expansion of Insulation

HVAC Maintenance

Whole House Fan



Increase Participation, Address Barriers

- Follow CARE enrollment process, allow income self-certification for simple measures
- Remove landlord approval for simple measures
- Guarantee simple measures with home assessment visit
- Partner more closely with CARE for trust and credibility



Target Customer Groups

- Highest Users for deeper savings opportunities
- Households for hardship reduction, such as: medical baseline, disconnection
- Focused areas for hardship reduction, such as: disadvantaged communities, tribal, rural, wildfire threat zone



Update List of Measures for Impact

- New technology offerings
- Unique measures for specific need states
- Health, safety, comfort and environment



Pilot a Virtual Coach

- Customized load profiles and recommendations for savings
- Test the concept of cost effective, consistent education around customized and personalized energy management solutions

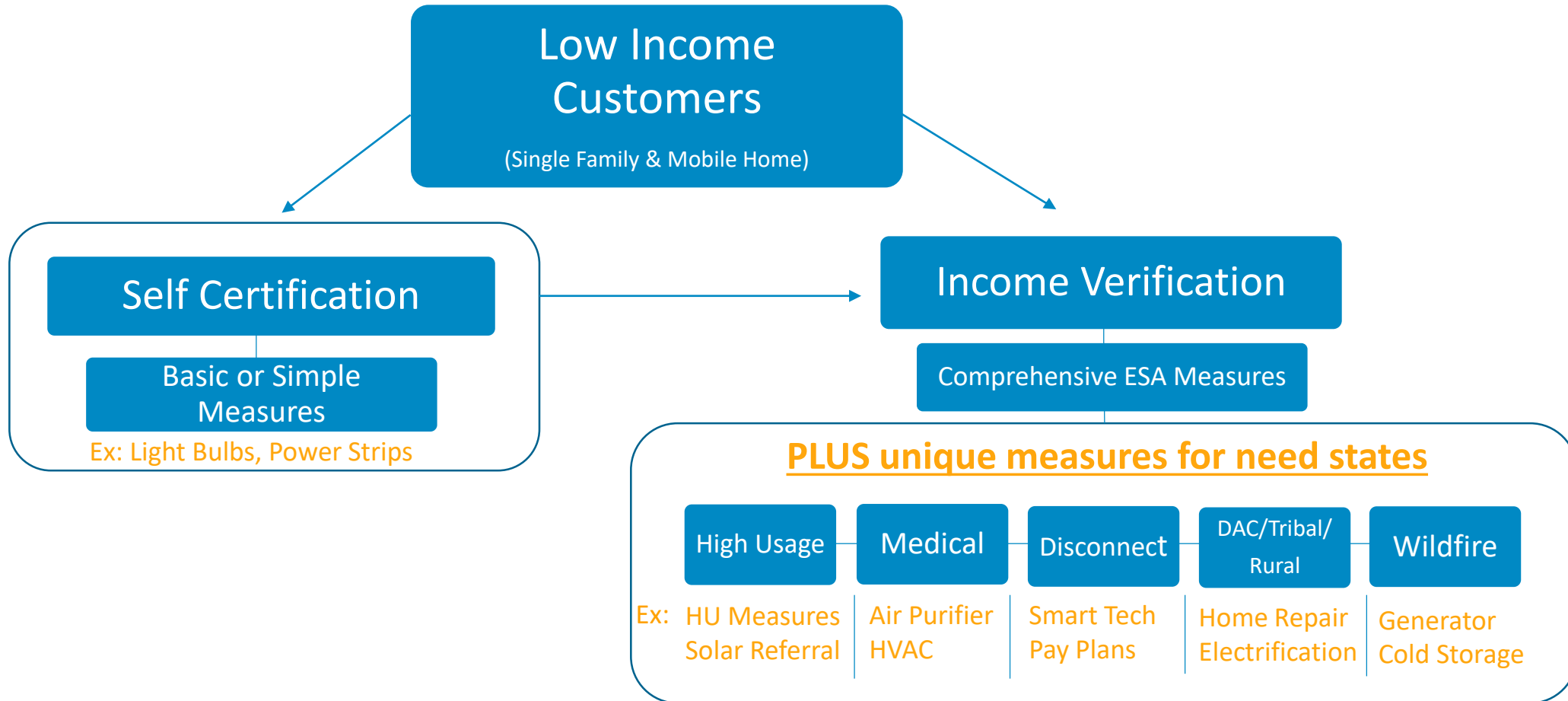
Self-certify
for Income
Verification

5 Need
States
Identified

Unique
Measures
Offered

Savings
from
Behavior
Changes

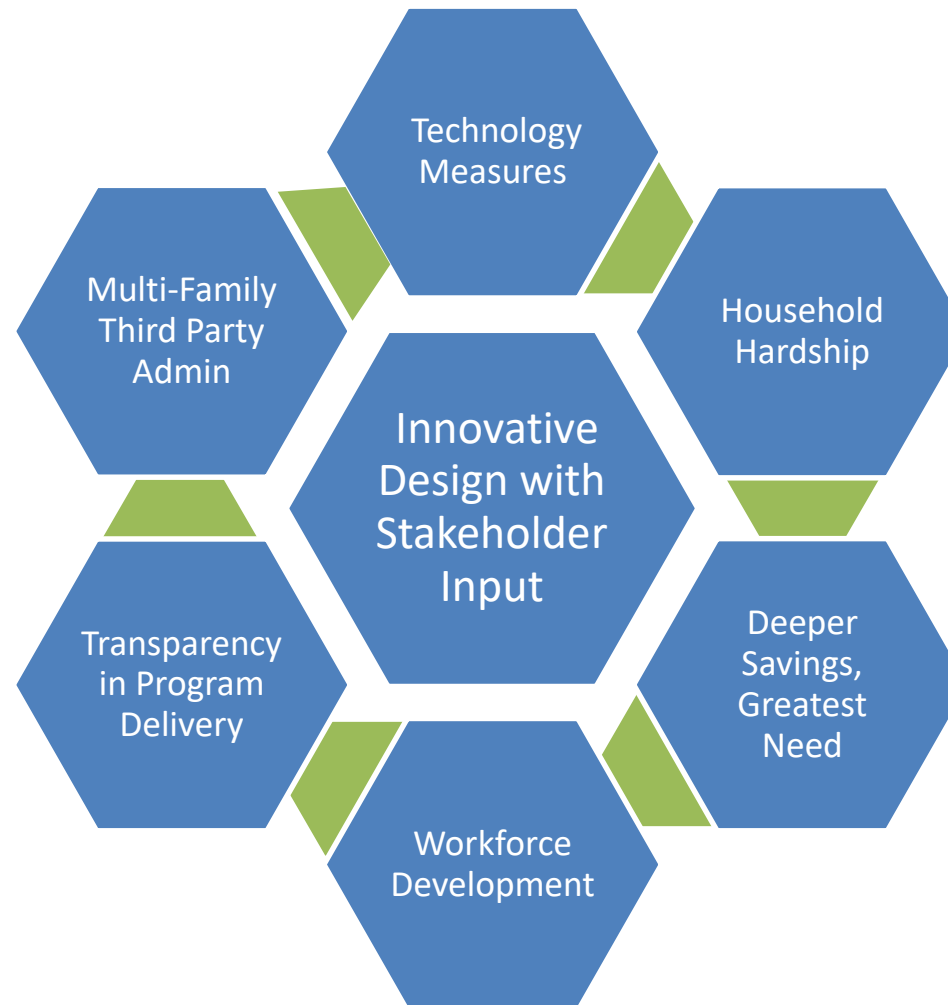
ESA Program 2021 - Proposed Design Concept



VIRTUAL COACH vs CONTROL GROUP

Major Components in Design Development

PG&E Guiding Principals
in support of CPUC goals





Details of Proposed New ESA Program Design

	CURRENT	PROPOSED PROGRAM				
		SINGLE FAMILY				MULTIFAMILY
	COMPREHENSIVE ESA through 2020	BASIC Simple Start	COMPREHENSIVE Standard Program	COMPREHENSIVE PLUS Targeted Segments	PILOT	MultiFamily Whole Building (MFWB) Plus Program
Objective	Offer all eligible customers all feasible measure	Provide simple, easy way to get started with guaranteed services, reduce barrier of unwillingness	Provide offers/services for low – moderate energy users to help reduce use and increase health, safety and comfort	Provide unique offers/services to target segments such as Highest Users, Medical, Disconnects, DAC/Tribal/Rural	Test concept of “virtual coach” to drive savings via behavioral changes with education and incentives	Holistically treat Deed and Non-Deed restricted buildings with low-income customers <u>AND</u> low-income MF households
Customer Opportunity	2019 & 2020 Homes Treated Goal	Current CARE customers, not ESA treated New CARE enrollments annually	Current CARE customers, not ESA treated New CARE enrollments annually	NEED STATES --- HU: 48K Electric, (60K Gas) MEDICAL: 86K DISCONNECT: 54K DAC/TRIBAL/RURAL: 561K	5,000 sample	Buildings with 65% of tenants ESA eligible Deed Restricted: 3,890 Non-Deed: 4,401 Low Income MF households
Income Verification	Requires Income Verification	Self-Certification	Requires Income Verification	Requires Income Verification	No Income Verification Required	Requires Income Verification at property level or individual tenant
PO Approval	Needs Property Owner Approval	No Property Owner Approval	Needs Property Owner Approval	Needs Property Owner Approval	No POA Required	POA at site level without tenant approval if with property owner
Measures	All Comprehensive measures where feasible	Simple Energy Savings measures (ex: LEDs, Power Strips)	Energy Savings measures and Health/Safety/Comfort measures (TBD)	Comprehensive measures PLUS unique measures for segments (TBD)	ESA measures, other program enrollment, ongoing communications, feedback loop	TBD based on 3 rd party solicitation
Installation Effort	Low - High	Low - Medium	Medium - High	Medium – High+	Low - High	TBD based on 3 rd party solicitation
Market Size		886k CARE, not treated 200k new CARE annually	886k CARE, not treated 200k new CARE annually	Need States: 670k unique	5k Sample Size	3,890 Deed Restricted Bldg 4,401 Non-Deed Restricted



ESA Program 2021 – Multi Family Design Concept

ESA MultiFamily Whole Building Program

(Treatment of tenant units only or common areas only or both)

Third Party Solicitation (Design and Administration)

Individual Low Income MF Households (in-unit)

Low-Income Properties (whole building)

serves

services

Common Area Measures

Communal spaces (community room or hallways), shared energy systems, or exterior envelope

Deed Restricted Properties

Non-Deed Restricted Properties

In-Unit Treatment

An attached dwelling unit

Low Income MF Households

Single Point of Contact (SPOC)

ESA

Energy Efficiency

Financing

Electric Vehicle

Demand Response

Non-PG&E Programs

Program Design and Measures TBD (based on solicitation)

MF unit = 5 or more attached dwellings



MFWB Program - Guidance Document Parameters

Guidance Decision:

7.2 MFWB

“...the Commission maintains its direction to select a third party to design and implement the program, and the recommendation to the IOUs to propose a statewide administered program with a single implementer. We decline to make any adjustments to these provisions.”

Attachment A:

Section 8. Multifamily Sector Design

“...the IOUs are directed to propose a third party designed and implemented Multi-family Whole Building Program. Section 9 does not limit the IOUs from additionally proposing to serve multifamily tenants and/or common areas by the ESA program, but any such proposals shall not duplicate services provided through the third party Multifamily Whole Building Program.”

Section 9. Multifamily Whole Building Program

“...we direct the IOUs’ 2021-2026 ESA Application to include a Multifamily Whole Building energy efficiency program designed and implemented by one or more third parties who will, taken together, serve all qualified prioritized populations in multifamily buildings identified in the Application.”



MFWB Program Solicitation – Design Criteria

- Program Innovation
- Deeper Energy Savings
- Minimal cost for in-unit treatments
 - Keep administration costs low
 - Utilize existing local certified ESA contractors
- Targeting MF tenants with the greatest need; delivering in-unit treatments regardless of property
- Addressing health, safety, and comfort for MF tenants
- Assisting MF tenants shift load to off-peak times
- Program benefits: number of units treated per year, number of properties treated per year, energy savings per year
- Budget by Resource measures and Non-Resource measures for in-unit treatment
- Ensure a seamless transition
- Working with MF properties to plan EE projects with other building upgrades or building refinancing
- WE&T: job training, collaboration with local training programs
- Leveraging other programs: LIWP, LIHEAP, SOMAH, EE, Water Agencies, etc.



ESA Program 2021 – MFWB Approach

The Guidance Document encouraged consideration of one Statewide Administrator.

PG&E proposed local administration at this time for these reasons:

- need to address the challenges associated with moving to Third Party Administrator (TPA) for design and implementation. This is a brand new approach and will have long and complex implementation ramp.
- need to gather learnings, understand and address issues, nuances of moving to this model where learnings may be applied for future statewide consideration
- need to develop best practices within own territory to ensure tenants and property owners will get a robust program across the state

Third Party Procurement Strategy:

- One step RFP
- Includes Independent Evaluator and Procurement Review Group (PRG)
- Leverages EE residential PRG/IE for efficiencies – supplementing with ESA knowledgeable group members

Budget Goal:

- maintain current level of authorized funding
 - administrative costs will increase as program goes through transition

Policy Changes:

- CARE participants enrolled 10 years or more will be required to participate in ESA, similar to high usage post enrollment verification rules
- CARE customer would not have to provide income verification to participate in ESA simple (or basic) measure installation
- A low income customer would need to be enrolled in CARE to qualify for ESA simple measure installation
- Fund Shifting Rules
- Process for introducing and/or removing measures and updates to Policy & Procedures Manuals

External:

- Continue collaboration with Water Agencies
- Continue and expand opportunities to leverage with CSD
- Continue partnership with SMUD

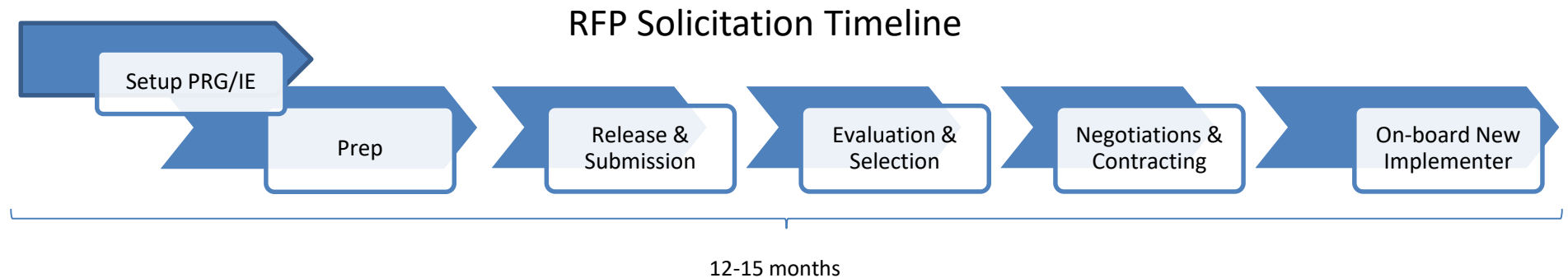
Internal:

- Continue collaboration and referrals with Smart AC, Smart Rate, Solar, etc.
- Conduct Virtual Coach Pilot, with leveraging across applicable programs including rate plans

Current ESA program will continue until new programs launch.

Single Family/Mobile Home ESA Program

RFP work will begin for new program implementor, which could take 12- 15 months.



MultiFamily Whole Building Program (MFWB)

RFP timeline will included an additional 4-6 months due to the complexity and lack of familiarity in launching a Third Party Administrator via a Procurement Review Group/Independent Evaluator (PRG/IE) model.

CARE/FERA Program 2021 - 2026



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CARE/FERA Program Challenges and Opportunities

Challenges:

- Maintain and exceed CARE penetration goal of 90+ percent
- Reach 50 percent FERA penetration rate by 2023
- Increase oversight on identifying unqualified customers while retaining high penetration levels

Opportunities:

- Enhance High Usage PEV process
- Explore broader grassroots partnerships to identify hard to reach populations
- Optimize current marketing strategies to enroll hard-to-reach groups specifically within high poverty areas, rural and disadvantaged communities
- Expand use of response mechanisms such as online, phone and text



CARE/FERA Program Targets – 2021 -2026

- Maintain the 90+ percent of CARE penetration rate
- Manage CARE program annual administrative expenses in 2021-2026 to same level as 2017-2020 or with minimal increases
- Increase FERA penetration rate through increased or expanded marketing outreach efforts per SB 1135 (Bradford)

CARE Enrollment Estimates	Annual Average 2021 - 2026
Recertifications	600,000
New Enrollments	270,000
Attrition	270,000
Year-End Enrollment	1,350,000
Year-End Penetration Rate *	93%
Electric Discount	\$520M
Gas Discount	\$133M

* Penetration rate will fluctuate based on annually updated CARE eligibility estimates

- Change certification period for Non-profit, Ag, Migrant Farm Worker housing facilities from 2 years to 4 years
- Change CARE eligibility estimate filing date from December to February
- Modify High Usage (HU) Post Enrollment Verification (PEV) process:
 - Modify documentation – propose to accept categorical documents in addition to income documents for HU process
 - Recommend changing selection criteria from any monthly usage to 3+ monthly usage exceeding 400% of baseline
- Enhance the CBOs outreach:
 - Propose increase capitation program payment from “up to \$20” to “up to \$30” for new CARE enrollment utilizing more holistic education to include ESA and rate options
 - Propose same payment for new FERA enrollment for agencies participating in the capitation program



Questions?

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