

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

Order Instituting Rulemaking on the Commission's)
Proposed Policies and Programs Governing Energy)
Efficiency, Low-Income Assistance, Renewable)
Energy and Research, Development and)
Demonstration.)

Rulemaking 98-07-037
(Filed July 23, 1998)

**REPORTING REQUIREMENTS MANUAL (RRM) WORKING GROUP REPORT FOR
LOW INCOME ASSISTANCE PROGRAMS**

Submitted on behalf of the RRM Working Group by

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Dated: October 2, 2000

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In accordance with the Commission's directives in the Assigned Commissioner's Ruling dated April 28, 2000 in Rulemaking 98-07-037, the Southern California Edison hereby respectfully submits on behalf of the Working Group the Reporting Requirements Manual Working Group Report for Low Income Assistance Programs.

Respectfully submitted,

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Executive Summary

The California Public Utilities Commission (Commission) on April 28, 2000, issued an Assigned Commissioner's Ruling (ACR) that directed the RRM Working Group to propose further modifications to the low income assistance component of the RRM for use during the Program Year (PY) 2002 planning cycle. The Commission directed the Working Group to submit a report including revised sections of the RRM no later than October 1, 2000. This report includes recommendations for revisions to the current version of the RRM based on consensus recommendations and a discussion of remaining areas of disagreement for Low Income Energy Efficiency (LIEE) programs. For the first time, this report proposes a working definition for energy-related hardship for LIEE programs. The Working Group recommends that a separate RRM be created for reporting California Alternate Rates for Energy (CARE) program results. While technically a separate issue from reporting requirements, the parties have developed definitions for administration and implementation, as well as internal and outsourced costs. The Working Group has developed technical recommendations for low income cost effectiveness that are presented in this report.

Recommendations

The RRM Working Group presents the following recommendations to the Commission:

- The Commission should direct the RRM Working Group to reconvene in two years to develop recommendations to revise reporting requirements as appropriate for low income programs. (Page 9)
- The Commission should undertake an immediate review of existing LIEE and CARE reporting requirements, within and outside of the proposed RRM2 revisions and CARE RRM, to determine if reports that no longer are useful can be deleted. (Page 9)
- The Commission should allow interim reporting of results by permitting utilities to use the existing reporting requirements and/or leave fields blank in the revised tables, because some data may not immediately be available for reporting of PY 2000 results in 2001. (Page 10)
- The Commission should create a separate CARE RRM for reporting CARE program results that would include the CARE annual progress report outline and tables in this report. (Pages 5, 9, 22 – 37)
- The CARE annual report should continue to be filed separately from LIEE program results. CARE is not an energy efficiency program. Utilities do

- not receive shareholder earnings for administration of the CARE program, thus there is no reason to include annual CARE program results with the Annual Earnings Assessment Proceeding (AEAP) filings. (Page 5)
- The Commission should adopt the CARE program cost classifications as presented in Table 5 of the CARE RRM recommendations. (Pages 16, 33)
 - The Commission should adopt the revised monthly expenditure report for CARE. (Pages 38, 39)
 - The Commission should adopt the proposed interim methodology for estimating the number of households eligible for the CARE rate. Funding for this effort has been requested in the budget augmentation filings submitted by the utilities in September 2000, and will be required to complete this task. (Pages 17 – 21)
 - The Commission should adopt for annual LIEE reporting the revisions to the narrative and tables in Section 7 and Technical Appendix (TA) Section 7 of the RRM2. (Pages 40 – 47)
 - The Commission should delete the requirement to report separately on mandatory versus non-mandatory measures. (Page 40)
 - The Commission should adopt the revised reporting category definitions for low income programs in Appendix B of the RRM 2. (Page 50)
 - The Commission should adopt the LIEE program cost classifications as presented in Table TA 7.2. (Pages 17, 45)
 - The Commission should adopt the revised monthly expenditure report for LIEE. (Pages 48, 49)
 - The Commission should adopt the Working Definition for Energy-Related Hardship for LIEE programs. (Pages 11 – 12)
 - The Commission should direct utilities to report on how the LIEE programs address energy-related hardship within the narrative of the Energy Efficiency Programs Annual Report. (Pages 11, 40, 41)
 - The Commission should direct the RRM Working Group to develop a formal cost effectiveness test for LIEE programs in a second phase with a March 31, 2001 due date for recommendations to the Commission. Funding for this effort has been requested in the budget augmentation filings submitted by the utilities in September 2000, and will be required to complete this task. (Pages 9, 10 – 11, 15)

- The Commission should adopt the cost effectiveness recommendations in this report. The primary modification that is being proposed by the Working Group is the addition of the Participant Test on an interim basis. To ensure comparability with prior program years, the Total Resource Cost (TRC) and Utility Cost tests are maintained. In Table 7.3, the Current Year Societal Cost Test is replaced with the TRC Test for consistency in reporting with Last Year activities. Table 7.4 has been added to show the net benefits for the TRC and Participant tests. (Page 14)
- The Commission should not adopt the Public Purpose Test (PPT) for LIEE programs. (Pages 14 – 15)
- The Commission should adopt for LIEE programs the definitions in the report for administrative costs, implementation costs, internal costs, and outsourced costs. (Pages 15 – 16)

Background

Prior Commission Direction

The initial RRM resulted from the Commission's direction, provided in Decision (D.) 86-12-095, for Commission staff to develop a consistent and common framework for reporting on Demand-Side Management (DSM) activities for all major utilities. The RRM has been revised several times since, with the most recent revision occurring in 1999. On February 11, 1999, the Assigned Commissioner directed the Energy Division to conduct a workshop with the utilities and interested parties to address reporting issues raised by the California Board for Energy Efficiency. The 1999 RRM Working Group submitted a report on April 2, 1999, with an addendum on June 1, 1999. Of greatest significance, the 1999 revision separated the RRM into two documents: RRM1 for reporting costs and effects from DSM programs administered by the utilities prior to January 1, 1998, and RRM2 for reporting costs and effects from energy efficiency programs (including LIEE) administered by the utilities since January 1, 1998.

The sequence of activities leading to this report began when the Commission issued Resolution (Res.) E-3585 in December 1999, which directed the utilities to submit a proposal for standardized reporting guidelines to the Low Income Advisory Board (LIAB).¹ In compliance with Res. E-3585, the utilities² submitted

¹ Formerly known as the Low Income Governing Board (LIGB).

² Pacific Gas and Electric (PG&E), San Diego Gas & Electric (SDG&E), Southern California Gas (SoCalGas), and Southern California Edison (SCE).

a proposal on May 1, 1999, to the LIAB. The LIAB submitted its recommendations to the Commission on June 1, 1999.

In January 1999, the Commission issued Res. E-3586 which recognized the need to further standardize utility administrative costs for these programs. On May 17, 1999, the utilities submitted a joint proposal for standardizing the treatment of administrative costs for low income programs. LIAB submitted comments on the utilities' proposal to the Commission on June 30, 1999.

No further action occurred until the April 28, 2000, ACR. With the benefits of the information presented by parties and the Low Income PY 2000 hearings held in fall 1999, the Working Group determined it would be appropriate to take a fresh approach in complying with the April 28, 2000, ACR. The Working Group did consider the above-noted LIAB recommendations in developing the recommendations in this report.

Who are the Working Group Members?

After considerable discussion, the Energy Division realized in June 2000, that the membership in the RRM Working Group was not formally defined. In fact, history seems to indicate that an ad hoc group of individuals from various parties and groups has assembled as necessary to handle tasks assigned to the RRM Working Group. Given the direction in the April 28, 2000, ACR to modify the low income assistance section of the RRM, and the unprecedented directive to expand the scope of the RRM beyond energy efficiency (i.e., CARE reporting), the utilities, Office of Ratepayer Advocates (ORA), and the Energy Division staffed the Committee with personnel directly involved with the delivery of low income program services. Three Working Group members, one from PG&E, one from SoCalGas, and another from SDG&E, also serve on the California Measurement Advisory Council's (CALMAC) Low Income Measurement & Evaluation Committee (LIMEC). An additional factor in these staffing decisions was the need for ongoing expertise and familiarity with the Weatherization Installation Standards (WIS) Project Team, and other aspects of evolving low income program requirements. Two Working Group members, one from PG&E and another from ORA, also serve on the WIS Project Team. A representative from the Insulation Contractors Association (ICA) participated extensively as a member of the Working Group. The full membership in the Working Group is provided in Table A.

Some (but not all) members of the Working Group have expertise and background in the reporting of cost effectiveness results or the standard practice tests. Low income programs serve equity objectives, thus, detailed knowledge of the formal tests has never been essential to low income program managers. The Working Group in a letter to Commissioner Neepser dated August 9, 2000, (Attachment A) stated its assumption that it would provide background and lay the foundation for future consideration of cost effectiveness for LIEE programs

and that the RRM Working Group would attempt to reach consensus on broad policies concerning LIEE cost effectiveness – not technical modifications to the tests. The Working Group as assembled has accomplished these objectives and is prepared to adjust its membership to facilitate development of a formal test for LIEE cost effectiveness in a subsequent phase.

The Working Group was able to make substantial progress in modifying CARE and LIEE reporting requirements. Moreover, the Working Group was able to reconcile annual reporting obligations with somewhat recent efforts directed at monthly reporting for LIEE and CARE program expenditures. The Working Group developed an interim methodology for estimating the number of households eligible for the CARE rate – a necessary step that underlies CARE penetration level computations. Another accomplishment was the development of the first working definition of “energy-related hardship.”

Working Assumptions

The RRM2 contains the reporting requirements for energy efficiency programs that are to be followed in preparing the Energy Efficiency Programs Annual Report and Technical Appendix that is filed as part of the AEAP. The RRM2 does not address reporting for other purposes such as quarterly energy efficiency reports, nor earnings tables for the AEAP.

To remain consistent with the general direction of the existing RRM2, the Working Group developed its LIEE recommendations in the spirit of providing general program information and background that is useful to external stakeholders and allows for the presentation of meaningful information on an annual basis. While the same approach has been used for CARE, the Working Group, as noted elsewhere in this report, recommends the establishment of a separate CARE RRM for the reporting of CARE program results. The Working Group believes the CARE annual report should continue to be filed separately from LIEE program results. Utilities do not receive shareholder earnings for administration of the CARE program, thus there is no reason to include annual CARE program results with the annual AEAP filings.

Areas of Disagreement

This report describes revisions made to the current version of the RRM based on consensus recommendations and a discussion of remaining areas of disagreement. The ACR directed the Working Group to present a discussion of any remaining areas of disagreement among Working Group participants regarding modifications to low income assistance program reporting requirements, with a short description of the participants’ opposing views. Parties have submitted dissenting opinions for inclusion in this report on the issues of public input and energy-related hardship.

Public Input

Table A provides attendance by parties at RRM Working Group meetings. With the exception of the meeting on September 14, 2000, all meetings were held in accordance to the Work Plan and Timeline that were attached to the August 9, 2000 letter to Commissioner Neeper. The letter and attachments were provided to the R.98-07-037 distribution list. All meetings were posted in advance and agendas were mailed in advance to all attendees of the first July 12, 2000, meeting of the Working Group. In recognition of the burden attached with attending ongoing meetings of the WIS Project Team, LIAB, and LIAB Technical Committee, teleconferencing was made available at all meetings. The teleconferencing equipment malfunctioned the afternoon of the meeting on August 3, 2000. In an effort to provide certainty to parties unable to attend the meetings, public input was held at every meeting at 10:30 AM.

Although the above provisions were in place, public input by parties other than the utilities and the Commission dwindled as meetings progressed. This may be due to the perception that the reporting requirements have less direct impact on outside parties than specifics pertaining to the installation of measures and issues before the LIAB and its Technical Committee. In any case, the general consensus and lack of dissent needs to be viewed from the perspective of limited outside attendance.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the discussion on public input.

Dissent

Bill Parker of the Community Action Agency of San Mateo County submits the following dissent to the public input section of this report: "The conjecture stated in this section of the report is not accurate as to why some of my colleagues and I were not in attendance at all of the working group sessions. The number of meetings beyond those scheduled for the Technical Committee created an unacceptable amount of time away from our offices. When we became members of the Technical Committee, we were told there would be approximately two (2) meetings a month. We never anticipated that there would be the number of the working groups carrying out work that the Technical Committee was designed to accomplish."

"I believe that there can be a better effort to include the low income and the public in the discussion and development of programs, reports, and other issues that affect their lives. The Commission must allow the public to be a meaningful part of this process. It must also make the time and technology available for the public to participate."

**Table A - RRM Working Group Participation
July 12, 2000 - September 14, 2000**

	July 12 San Francisco	July 24 Los Angeles	Aug 3 San Francisco	Aug 14 San Diego	Aug 28 Downey	Aug 31 Downey	Sep 5 Irwindale	Sep 14 San Francisco
CPUC	A	A	A	A	A	A	A	A
ORA	A	A	A	A	A	A	A	A
LIAB	A	A	A	A	A	A		
LIMEC	A	A	A	A	A	A	A	A
SCE	A	A	A	A	A	A	A	A
SoCalGas	A	A	A	A	A	A	A	A
PG&E	A	A	A	A	A	A	A	A
SDG&E	A	A	A	A	A	A	TC	A
<i>Insulation Contractors Association (ICA)</i>	A	A	A				TC	A
The East Los Angeles Community Union (TELACU)	A	A						
Proteus		A						
Community Action Agency of San Mateo County		A	A					
Community Resource Project		A						
California State Department of Community Services Development (CSD)		A		A				
Southern California Forum		A		TC				

A=Attendance

TC=Teleconferencing

LIAB Participation

In the April 28, 2000, ACR, the Assigned Commissioner stated:

"I also want to avoid any duplication of effort. Therefore, I encourage the Low-Income Advisory Group (LIAB) to participate in the meetings / workshops set up by the Working Group, and make its views known during the RRM revision process."

Steve Rutledge represented the LIAB on the Working Group and attended most meetings. Mr. Rutledge presented input on behalf of the LIAB throughout the Working Group process.

Additional Reporting Requirements

Revisions to cost effectiveness and evolving changes to the working definition for energy-related hardship might result in the need to augment or change the reporting requirements as proposed in this report. The parties did not identify additional reporting requirements emanating from D.00-07-020. The parties discussed the passage of Assembly Bill (AB) 1393 and felt that the energy-related hardship definition and reporting, and cost effectiveness policies in this report specifically address AB 1393. Moreover, separate from the RRM effort, the Commission has requested the utilities to report on the access of their low income program participants to programs provided by community service providers. The interim reports will be submitted by October 1, 2000, with the final reports due by April 1, 2001, and should address Public Utilities Code Section 327(a). and Section 381.5(a). The WIS Project Team effort will promote compliance with Public Utilities Code Section 381.5(b).

Specific Working Group Activities

Based on the Working Group report that was submitted in 1999, the Commission in the April 28, 2000, ACR identified several unresolved issues outstanding, including the following:

- *"The need for and how to report 'reduction in hardships' associated with the low-income energy efficiency programs, such as comfort levels, employment, safety and security."*

RESPONSE: The Working Group developed a working definition of energy-related hardship and interim reporting requirements to address such hardship.

- *"The need by LIAB to have utilities provide information on specific outreach efforts, on enrollments and on certifications and discounts on a requested and timely basis, rather than in an annual report."*

RESPONSE: The Working Group supports specific monthly reports for CARE and LIEE expenditures.

- *“Modifications to cost-effectiveness tests, such as use of a Modified Participants Test and narrative describing the limited applicability of the economic tests to low-income programs.”*

RESPONSE: The Working Group developed parameters for a revised cost effectiveness test and discussed the need to incorporate hardship into such a test. In addition to the currently reported Total Resource Cost (TRC) and Utility Cost Test results, the Working Group recommends that results for the Participant Test be reported on an interim basis until a formal test for low income programs can be developed.

The actual development of this test will be addressed in a second phase by the RRM Working Group. Recommendations will be reported to the Commission by March 31, 2001. The RRM Working Group expects to receive advice and input from LIMEC during this second phase.

- *“What are the information needs for the future? Should the RRM include information from past annual reports for CARE reporting? Should the RRM include tables that summarize major decisions/changes, total number of electric and gas customers, average number of customers for the year, eligibility levels that underlie penetration level computations, average consumption of CARE and non-CARE residential customers, information on certification procedures, etc.?”*

RESPONSE: The RRM never has included information on CARE. Annual CARE reports have been prepared based on separate directives from the Commission. The Working Group recommends that CARE reporting requirements be included in a separate CARE RRM.

The Working Group has developed revised tables for LIEE and CARE, and has developed an interim proposal for estimating the number of households eligible for the CARE rate – a necessary step that underlies CARE penetration level computations.

To address the dynamic changes that are occurring with low income programs, the Working Group recommends that it reconvene in two years to develop recommendations to revise reporting requirements as appropriate.

The Working Group recommends that the Commission undertake an immediate review of existing LIEE and CARE reporting requirements, within and outside of the proposed RRM2 revisions and CARE RRM, to determine if reports that no longer are useful can be deleted.

- *“Whether to break out administrative cost categories by function, rather than by labor, non-labor and contract categories.”*

RESPONSE: Information in both formats is useful. The Working Group proposes reports that capture information both by function and by labor, non-labor, and contract.

- *“How to specifically define administrative vs. implementation costs, internal and out-sourced costs.”*

RESPONSE: Definitions are provided in the report. These definitions apply to the LIEE programs and not to the CARE program, since implementation within this context is specific to LIEE program delivery functions. The Working Group agreed it would be more useful to report types of “administrative” costs in greater detail to allow meaningful comparisons of LIEE programs across utilities.

- *“The need for interim reporting.”*

RESPONSE: The Working Group developed its recommendations based on future objectives rather than present capabilities. As some information may not be collected currently in 2000 for reporting in May 2001, certain fields may be blank in the May 2001, CARE and LIEE reports. Utilities expect to be able to collect the data to populate all fields beginning in PY 2001 for reporting in May 2002. If significant quantities of data are unavailable, the RRM Working Group recommends that utilities also provide reports that adhere to the existing reporting requirements.

Outstanding Issues

The Working Group was able to provide background and lay the foundation for future consideration of cost effectiveness for LIEE programs, but was unable to develop technical modifications to the test during this phase. Simply put, the Working Group as constituted did not have the technical expertise from some parties that was essential to developing and discussing detailed modifications. The RRM Working Group notified Commissioner Neeper of its expectations and assumptions, including those related to cost effectiveness in its August 9, 2000, letter. Recently, the Commission in D.00-09-036 dated September 7, 2000, stated its expectations that the RRM would develop specific modifications to the tests. The RRM Working Group is unable to accomplish this task by October 1, 2000. The RRM Working Group will form a subcommittee of members with technical expertise to develop a cost effectiveness test for LIEE programs in a second phase. The RRM Working Group also expects to solicit input from LIMEC in the development of the test. Funding for this effort has been requested in the budget augmentation filings submitted by the utilities in September 2000,

and will be required to complete this task. The second phase recommendations will be submitted to the Commission by March 31, 2001.

Energy-Related Hardship

The Working Group discussed the need to develop a working definition of energy-related hardship. The State in 1989, through Senate Bill 845, added Section 2790 to the Public Utilities Code. Section 2790 was modified by the State in 1999 through enactment of AB1393. Subsection 2790(a) remains unchanged from 1989 and states:

2790. (a) The commission shall require an electrical or gas corporation to perform home weatherization services for low-income customers, as determined by the commission under Section 739, if the commission determines that a significant need for those services exists in the corporation's service territory, taking into consideration both the cost effectiveness of the services and the policy of reducing the hardships facing low-income households.

With the legislative history as background, the Working Group agreed that the definition should apply only to LIEE programs, and not to the CARE program.

A significant concern during the meetings was how to address financial aspects of hardship in the definition. The parties agreed that the preamble to the following definition addresses financial considerations and/or the issue of energy burden. The Working Group believes that “energy burden” is not a measurement that quantifies the effectiveness of a program, but instead is best used for allocating limited funds. CARE is a utility rate reduction program designed to generally address the economic burden facing low income customers on a statewide basis. The Working Group agrees that the Needs Assessment, the WIS Project Team, and LIMEC are likely to offer additional input on the definition in the not too distant future. At this time, the Working Group recommends that the utilities report on how programs address energy-related hardship within the narrative of the Energy Efficiency Programs Annual Report.

The Working Group recommends that the Commission adopt the following working definition for energy-related hardship:

Energy-Related Hardship – Working Definition

Low income energy efficiency programs have been implemented in recognition of the limited financial resources and access that might hinder low income customer participation in conventional energy conservation programs. The intent was to create equity for customers who might not be able to take advantage of energy efficiency measures or otherwise manage their energy costs, thereby relieving the energy-related difficulties faced by low income customers. The following definition seeks to characterize “hardship” as it relates to customers participating in low income energy efficiency programs.

Energy-related hardship is defined as adverse impacts on the comfort, health, and safety of low income customers that can be mitigated by access to low income energy efficiency programs and services.

Within the context of this definition, the following adverse elements of hardship can be mitigated:

- *Comfort - Ease energy-related stress resulting from inadequate control over ambient climate or temperature due to insufficient energy efficiency measures or uninformed decision making on energy use; thereby promoting effective energy management behaviors.*
- *Health - Enhance physical and mental well-being through improved ambient temperature and increased dwelling unit protection from weather-related elements.*
- *Safety - Increase home and personal security through the application of energy efficiency measures.*

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the Working Definition for Energy Hardship.

Dissent

Bill Parker of the Community Action Agency of San Mateo County submits the following dissent to the Energy-Related Hardship section of the report: “The working group recommends that the utilities report on how programs address energy-related hardship....” AB 1393 sec. 3, section 2790 (b) (1) “The policy of reducing the hardships facing low-income households.” The working group’s Energy- Related Hardship—Working Definition causes me to strongly dissent the definition of both comfort and health. I do not believe the utility companies will be able to report in their annual report that they objectively eased energy related

stress much less being able to determine which households have it and which ones do not. This concern also holds true for mental well being as stated in the definition of health.”

Cost Effectiveness

The Working Group acknowledges the tests in the Standard Practice Manual (SPM) as the framework from which the cost effectiveness tests for evaluating energy efficiency programs in California are derived. The following excerpt on the background of the SPM and the SPM Working Group is from the April 2, 1999 Reporting Requirements Workshop Report:

“The Standard Practice Manual Working Group was an ad hoc group which met and developed the Standard Practice Manual (SPM). This manual contains the cost-benefit methodology for evaluation of utility sponsored programs that affect utility customer demand. The manual contains definitions and equations for specific tests and examples of benefit-cost analysis for different program types. The SPM Working Group disbanded after the publication of the SPM, though SPM update pages have been incorporated through members of the original group who continue to be involved in EE program evaluation.”

The RRM Working Group believes the previous paragraph provides a useful context to its proposed direction on cost effectiveness as highlighted in its August 9, 2000, letter to Commissioner Neeper.

“The RRM Working Group will attempt to reach consensus on broad policies concerning LIEE cost effectiveness – not technical modifications to the tests

The Working Group will provide background and lay the foundation for future consideration of cost effectiveness for LIEE programs. The April 28 ACR refers to modifications to the cost effectiveness tests as being an unresolved issue that should be addressed by the RRM Working Group. The Working Group intends to provide broad policy direction on the applicability and use of tests as defined within the current Standard Practice Manual, noting that LIEE programs may serve purposes distinct from the resource deferral objectives of other energy efficiency programs. The Working Group will provide the Commission with a recommendation as to what quantitative and qualitative measures of cost effectiveness tests are most appropriate in reporting to the Commission and how these should be reported. The Working Group continues to believe that formal technical modifications to currently approved cost effectiveness tests for energy efficiency and low income energy efficiency programs are appropriately within the realm of CALMAC. Such modifications will not be included in the RRM Working Group October 1

report. If the RRM Working Group agrees to report cost effectiveness results using the participant test, it may request input from CALMAC on the development of long-term rate forecasts to be used solely in the determination of participant bill reductions as a component of that test.”

The Commission in D.00-09-036 has provided subsequent direction that the RRM Working Group’s responsibilities extend beyond policy recommendations to encompass actual test development.

“In its comments on the draft decision, SCE refers to CALMAC participation in designing cost-effectiveness tests for the LIEE program. (See SCE Comments on Draft Decision, pp. 2-3.) As we stated in D.00-05-019, CALMAC is not an official Commission-sponsored advisory body. (D.00-05-019, mimeo., pp. 22-23.) We clarify our expectation that the Reporting Requirements Manual Working Group will develop recommendations in response to the April 28, 2000 Assigned Commissioner’s ruling. While the Working Group is free to solicit input from CALMAC, it is the Working Group (and not CALMAC) that is responsible for evaluating program cost-effectiveness and for presenting recommendations on unresolved issues to the Commission for resolution.”

The RRM Working Group is unable to provide technical modifications to the cost effectiveness tests in this report and will need to address this issue in a subsequent phase of work.

For reporting purposes, the RRM Working Group on an interim basis is recommending tests for which adopted methodologies currently are available for reporting PY2000 results in May 2001. The primary modification to program cost effectiveness that is being proposed by the Working Group constitutes the addition of the Participant Test on an interim basis. In simplest terms, the benefits are likely to be utility bill energy savings and utility incentives, and the costs are likely to be measure costs. With low income programs, the incentive usually is equal to the measure costs; thus, utility bill energy savings approximate the net total benefits from this test. The Working Group will seek input from CALMAC in order to develop a forecast of rates solely for use in estimating bill savings for the Participant Test. For purposes of comparability with prior program years, the Total Resource Cost (TRC) and Utility Cost tests are maintained. In Table 7.3, the Current Year Societal Cost Test is replaced with the TRC Test for consistency in reporting with Last Year activities. Table 7.4 has been added to show the net benefits for the TRC and Participant tests.

The RRM Working Group believes it is important to clarify that the Public Purpose Test (PPT) never has been adopted for low income programs. The TRC and Utility tests continue to be used for reporting LIEE cost effectiveness. In essence, the tools available to implement the PPT presently are insufficient, thus for all non-low income energy efficiency programs, the PPT results typically

match the TRC test results. As such, the RRM Working Group does not recommend that the Commission adopt the PPT for LIEE programs.

Per Commission direction in D.00-09-036, the RRM Working Group will form a subcommittee of members with technical expertise to develop a cost effectiveness test for LIEE programs in a second phase. The RRM Working Group also expects to solicit input from LIMEC in the development of the test. Funding for this effort has been requested in the budget augmentation filings submitted by the utilities in September 2000, and will be required to complete this task. The second phase recommendations will be submitted to the Commission by March 31, 2001. The Working Group plans to use the discussion of cost effectiveness in the LIEE Standardization Project Phase I Report Sections 3.3.3 and 3.3.4 as a resource in the development of the test. The report discusses issues including modifications to the participant test by including non-participant program costs; adders for arrearages and environmental benefits; and the valuation of direct energy benefits. Currently, cost effectiveness for both low income and non-low income energy efficiency programs is performed using tests defined in the Standard Practice Manual. These tests are performed from particular well-defined perspectives of participant, ratepayer, utility, and total resources. The RRM Working Group will need to determine whether it is important to reconcile these distinct perspectives with modifications to the participant test. To accomplish this task in a subsequent phase, some participants may need to augment or adjust their membership on the Working Group with personnel more directly involved in cost effectiveness analysis. The Working Group expects LIMEC will play an important role in providing input during the proposed second phase test development.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the cost effectiveness recommendations in this report.

Dissent

Dissenting opinions were not received for the cost effectiveness recommendations in this report.

Definitions

The parties have developed definitions in response to the April 28, 2000 ACR directive to specifically define administrative versus implementation costs, internal and out-sourced costs. These definitions apply to the LIEE programs and not to the CARE program, since implementation within this context is specific to LIEE program delivery functions. The Working Group agreed it would be more useful to report types of “administrative” costs in greater detail to allow meaningful comparisons of LIEE programs across utilities. The Working Group recommends that the Commission adopt the following definitions:

Administrative Costs

(Existing Program Administrative Costs definition from RRM 2 with minor edits)
Cost to the utility of managing an identified energy efficiency program, including salaries, materials, advertising, computer support, overhead and regulatory cost. Does not include rebates, efficiency equipment purchases, or other financial incentives offered to customers. Administrative costs consist of direct costs and indirect costs:

- **Direct administrative costs** are tied directly to a project or program by invoice, timesheet, or factual analysis of recorded costs.
- **Indirect administrative costs** are allocated to programs based on preset formulas.

Implementation Costs

Costs associated with delivering program services, including labor and materials necessary to the installation of program measures.

Internal Costs

Labor or non-labor costs that may include administrative or implementation costs.

Outsourced Costs

Contract costs for administrative or implementation costs.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the recommended definitions in this report.

Dissent

Dissenting opinions were not received for the recommended definitions in this report.

CARE Program Cost Classifications

The recommended CARE Program cost classifications are provided in Table 5 of the CARE RRM recommendations. Due to the limited time available, and the presumed lack of any significant benefit that would result from the effort, the parties did not attempt to standardize the classification of these costs across both LIEE and CARE.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the recommended CARE cost classifications in this report.

Dissent

Dissenting opinions were not received for the recommended CARE cost classifications in this report.

LIEE Cost Classifications

The Working Group recommends that cost classifications be reported as indicated in Table TA 7.2. This Table also provides recorded expenditures for the prior year's program by Labor, Non-labor, and Contract definitions, as well as the functional classifications.

The same classifications in Table TA 7.2 also appear in Table 7.1 and the monthly LIEE expenditure report. Shareholder incentives also are reported in Table 7.1.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the recommended LIEE cost classifications in this report.

Dissent

Dissenting opinions were not received for the recommended LIEE cost classifications in this report.

Interim Methodology for Estimating Eligible CARE customers

The Working Group was assigned the task of developing a methodology for estimating the number of CARE eligible customers. An interim methodology is proposed until the 2000 Census data becomes available. When actual CARE customers are compared to CARE-eligible customers, CARE penetration rates can be estimated. Because the recommended approach currently is not used by any of the utilities, the proposed methodology may require minor adjustments when it is implemented for the first time. The utilities propose to jointly contract with an economic data expert to estimate CARE-demographic-eligibility rates to ensure the methodology is applied consistently across the utilities. Funding for this effort has been requested in the budget augmentation filings submitted by the utilities in September 2000, and will be required to complete this task.

Until the 2000 Census data become available in 2002, the 1990 Census data will provide the foundation for determining demographic estimates of household size and household income. The 1990 Census data will be adjusted for growth in households and income using other recognized sources to inflate the numbers appropriately. The 1990 Census data are used because the census is the best

source for data on the coincidence of household income levels by household size, which is needed to “count” which households were and were not eligible for CARE using 1989 income guidelines by household size. The 2000 Census data will be used when it becomes available and will provide more current data on the coincidence of household income levels by household size. Elements of the described methodology may remain useful for adjusting 2000 Census data in subsequent years. The Working Group’s recommended proposal was developed jointly by the utilities and is described below in detail:

JOINT UTILITIES TENTATIVE CONCEPTUAL APPROACH TO ESTIMATING CARE PENETRATION RATES

Objective

To develop and implement common formulas and use common data and approaches to derive county-level CARE penetration rates reflecting the service territories of PG&E, SCE, SDG&E, and SoCalGas.

Recommendations

Formulas

The CARE penetration rate is a function of (1) current demographic CARE-eligibility rates (which is based on household size and household income), (2) current CARE-eligible meters (which is based on tariff rates and meter configurations that are eligible and ineligible for CARE), (3) current CARE-eligible households (accounts), and (4) current CARE customers (accounts).

First, the current demographic CARE-eligibility rates are estimated:

(1) Current Demographic CARE-Eligibility Rate = Demographically-Eligible Households / Total Households

Then current CARE-eligible meters are estimated:

(2) Current CARE-Eligible Meters = Total Residential Meters – CARE-Ineligible Master Meters + CARE-Eligible Submetered Units

Then current CARE-eligible households are derived:

(3) Current CARE-Eligible Households = Current Demographic CARE-Eligibility Rate * Current CARE-Eligible Meters

Then current CARE customers are counted:

(4) Current CARE Customers

Finally, the CARE penetration rates can be determined:

(5) CARE Penetration Rate = Current CARE Customers / Current CARE-Eligible Households

Data

Decennial Census data, annual Census or market research data, and utility meter and CARE customer data will be used. Until the 2000 Census data become available in 2002, the 1990 Census data will be used, adjusted for growth in households and income using other recognized sources to inflate the numbers appropriately. *[NOTE: 1990 Census data are used because there are data on the coincidence of household income levels by household size, which is needed to “count” which households were and were not eligible for CARE using 1989 income guidelines by household size.]*

Current CARE-eligible meters and current CARE customers will be determined by each utility using the billing-cycle data for the last month of the quarter in which the CARE penetration rates are to be estimated.

Effective Date

The utilities will implement the standardized calculation of demographic-eligibility rates on June 1, 2001. The current demographic CARE-eligibility rates will remain in effect for one year.

Reporting

The utilities will estimate current CARE penetration rates at the end of each quarter: March 31st, June 30th, September 30th, and December 31st of each year. The utilities request that the submittal date for each respective quarter be: May 1st, August 1st, November 1st of each year, and February 1st of the following year.

This means that at the end of each quarter, the utilities will estimate:

1. current CARE-eligible meters by energy source, by county, by utility; and
2. current CARE-eligible households by energy source, by county, by utility (using the current demographic CARE-eligibility rates for that year by energy source, by county, by utility).

The utilities will then determine current CARE customers by energy source, by county, by utility. This will enable the utilities to derive CARE penetration rates by energy source, by county, by utility.

If a utility estimates that there are fewer than 5,000 current CARE-eligible meters by energy source for a county, the CARE penetration rate will not be estimated, although the county will be listed. Current CARE customer counts will continue to be provided on a quarterly basis.

[NOTE: The foregoing is recommended since data limitations may not produce meaningful results in such cases. It will be difficult to reliably estimate current demographic CARE-eligibility rates using Public Use Micro-Sample (PUMS) data that are only available for considerably larger geographic areas if the utility serves a few hundred or thousand customers that are highly concentrated.]

However, little error is introduced in terms of overall CARE penetration rates if the demographic CARE-eligibility rate for a large area is applied to a small area with a few hundred or thousand CARE-eligible households.]

Revisions

The utilities will update current demographic CARE-eligibility rates on June 1st of each calendar year. The current demographic CARE-eligibility rates will remain in effect until May 31st of the following year.

Assumptions

The utilities proposed reporting and revision dates are predicated on the necessary data, information, and/or reports being available to the utilities no later than May 10 of each calendar year so that the utilities can perform the required calculations and conduct the appropriate sensitivity analyses. The utilities require, at minimum, the revised CARE income guidelines, 1990 or 2000 Census PUMS data and/or updates, market research data, and any other comparative data.

Validation of Results

The results of the proposed approach will be compared to other published data sources to validate the reasonableness of the results. The utilities seek input and guidance on possible sources of comparison data sources available for use.

Sensitivity analyses will be conducted to ascertain the robustness of the approach relative to the results. For example, the estimates of demographic CARE-eligibility rates may be compared to county-specific changes in overall counts of low income households and/or income that can be obtained from commercial vendors of marketing data such as Claritas.

If the relationship between household size and income distributions has changed somewhat over the years since 1990, it is possible that current demographic CARE-eligibility rates may be slightly over- or under-estimated relative to the true current-year CARE-eligibility rates. If this is determined in the sensitivity analysis, a slight modification to the eligibility estimation procedure will be made as described in the next section.

Approach and Application

The utilities propose to jointly contract with an economic data expert to estimate CARE-demographic-eligibility rates. The consultant's most important task would be to estimate the total number of households that meet the current CARE income-eligibility guidelines by energy source, by county, and by utility.

The consultant would derive current CARE-eligible households using updated 1990 decennial Census' PUMS data. PUMS data (5% long-form survey responses) allow the number of households by size that meet the CARE income-eligibility guidelines to be estimated. A brief description of how this will be done follows.

First, PUMS county data will be adjusted to approximate households NOT served electricity and/or gas, as appropriate, for each utility. For example, the Los Angeles County PUMS for SoCalGas will exclude all-electric households and households in Long Beach and Vernon (gas municipal utilities), while for SCE it will exclude households in Azusa, Burbank, Glendale, Los Angeles, Pasadena, and Vernon (electric municipal utilities). This will involve eliminating PUMS geographical zones (“PUMAS”) known to include places and tracts not served by each respective utility.

The relevant Consumer Price Index (CPI) information will then be used to adjust 1989 income data (gathered in the 1990 Census) to current income levels. After this adjustment is performed, the current-year (say 2001) demographic-eligibility rates for CARE, if applied to a given county in 1990, can be obtained. These rates are applicable to the approximate service areas served by each utility by energy source by county.

If the sensitivity analyses results indicate that the relationship between household size and income has substantially changed between 1990 and today for a utility’s service area or a county, separate current-year estimates of household size distributions and household income distributions will be used to adjust the 1990-based cross-tabulations. These adjustments will be made using a standard statistical technique called “iterative proportional fitting”. Such adjustments to the 1990-based cross-tabulation are only required until the new PUMS 2000 long-form Census sample data are available – in 2001, but definitely too late for the June 1, 2001, eligibility rate estimation.

The current demographic CARE-eligibility rates can then be applied to utility-specific CARE-eligible meters, to obtain utility-specific estimates of current CARE-eligible households. *[NOTE: This assumes a one-to-one relationship between meters (or submeters when submetering occurs) and households.]*

Then CARE customers (active CARE accounts) will be counted for the most recent billing cycle. *[NOTE: This assumes that customers added and removed from the CARE rates at a future date effective back to the current billing cycle cancel each other out.]*

Finally, CARE penetration rates can be estimated: current CARE customers / current CARE-eligible households. The calculations must be done by energy source, by county, by utility, to reflect county-by-county differences in service territories, meter configurations, energy sources, and the like.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the proposed methodology for estimating CARE eligible customers and the CARE penetration rate as presented in this report.

Dissent

No dissents were received regarding the proposed methodology for estimating CARE eligible customers and the CARE penetration rate as presented in this report.

CARE Reporting

Annual

The Working Group proposes the following outline and tables of annual reporting requirements for CARE and recommends that the outline and tables be included in a separate CARE RRM.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the annual CARE reporting requirements as presented in this report.

Dissent

No dissents were received regarding the annual CARE reporting requirements as presented in this report.

CARE ANNUAL PROGRESS REPORT OUTLINE

Each utility files its CARE Annual Progress Report by May 1st of each year. The report discusses program activity in the preceding calendar year.

CARE Residential Program

I. Participant Information

- A. Provide the total number of residential CARE customers, including submetered tenants, by month, by energy source, for the reporting period. See Table 1.
 1. Explain any monthly variance of 5% or more in the number of participants.
- B. Describe the methodology, sources of data, and key computations used to estimate the utility's CARE penetration rates by energy source.
 1. Describe how the estimates of current demographic CARE-eligibility rates, by energy source for the pre-June 1st and post-June 1st periods, were derived.

2. Describe how the estimates of current CARE-eligible meters were derived. Explain how total residential meters were adjusted to reflect CARE-eligible meters (including submetered tenants) and CARE-ineligible meters (i.e., master meters that are not submetered or other residential meter configurations that do not provide residential service.)
 3. Discuss how the estimates of current CARE-eligible households were developed.
 4. Describe how current CARE customers were counted.
 5. Discuss how the elements above were used to derive the utility's CARE participation rates by energy source.
- C. Provide the total number of CARE residential customers, CARE-eligible households, and CARE participation rates, by energy source, by quarter. See Tables 2 through 2.4. Gas or electric (single-commodity) utilities will use the format shown in Table 2. Gas and electric (dual-commodity) utilities may use Tables 2.1 through 2.4. in lieu of Table 2.

CARE Submetered Participants (Tenants of Qualifying Master-Meter Customers)

- D. Provide the estimates of current demographic CARE-eligibility rates by energy source at year-end.
- E. Provide the estimates of current CARE-eligible submetered tenants of master-meter customers by energy source at year-end.
- F. Provide the current CARE submetered tenant counts by energy source at year-end.
- G. Provide the current CARE submetered penetration rates by energy source at year-end.
- H. Discuss any problems encountered during the reporting period administering the CARE program for submetered tenants and/or master-meter customers.

II. Usage and Bill Information

- A. Provide a comparison of CARE and non-CARE residential usage by tier (Baseline and Non-Baseline), excluding usage of residential master-meter customers, by energy source. See Table 3.

- B. Provide a comparison of the average monthly bill for CARE and non-CARE residential customers, excluding bills of master-meter residential customers, by energy source. See Table 4.

III. Program Costs

A. Discount Cost

1. State the average monthly CARE discount received, in dollars per CARE customer, by energy source.
2. State the annual subsidy (discount) for all CARE customers by energy source.

B. Administrative Cost

1. Show the CARE Residential Program's administrative cost by category. See Table 5, Standardized CARE Administrative Cost Reporting Categories.
2. Explain what is included in each administrative cost category.

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

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

- E. 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 Table 6.

IV. Outreach

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

- B. Discuss each of the following:

1. Most effective outreach method, including a discussion of how success is measured.
2. How CARE customer data and other relevant program information is shared by the utility with other utilities sharing its service territory.

3. 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.
 4. Attach a copy of the utility's agreement with CSD. 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.)
 5. Discuss barriers to participation encountered during the reporting period and steps taken to mitigate them.
- C. 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.

V. Processing CARE Applications

A. Processing Self-Certification and Self-Recertification Applications (Individual and Submetered Customers)

1. Provide the total number of third-party CARE applications received, approved, denied, pending/never completed, or duplicates in the reporting period. See Table 7. (Note: Pursuant to Res. E-3601, a report will be submitted to the Commission discussing the results of the CARE Outreach Pilot at its conclusion. The CARE Outreach Pilot runs from June 1, 2000, through May 31, 2001.)
2. Provide the number of utility CARE self-certification and self-recertification applications provided, received, approved, denied, pending/never completed, or duplicates for the reporting period. See Table 8.
3. Provide a table showing the number of customers removed from CARE by month due to the recertification process. (NOTE: Customers may be removed due to a variety of reasons including: non-response to a request to recertify, failure to complete the application process,

ineligibility, or by customer request due to changed eligibility status.)
See Table 9.

4. Describe the utility's process for recertifying submetered tenants of master-meter customers

B. Processing Random Post-Enrollment Verification Applications

1. Provide the total number of applications mailed, received, approved, denied, pending/never completed, or duplicates, for the reporting period. See Table 10.
2. Provide a table showing the number of customers removed from CARE by month due to the verification process. (NOTE: Customers may be removed due to a variety of reasons including: non-response to a request to verify income, failure to complete the verification process, ineligibility, or by customer request due to changed eligibility status.) See Table 9.

- C. 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.

VI. Program Management

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

CARE Expansion Program

This section covers the non-profit homeless shelters and group living facilities, migrant and farm worker housing centers, qualified privately-owned employee housing, and qualified non-profit housing for agricultural employees.

1. Participant Information

- a. Provide the total number of residential and/or commercial facilities by month, by energy source for the reporting period. See Table 11.
 - i. State the total number of residents (excluding caregivers) for residential facilities, and for commercial facilities, by energy source, at year-end.

2. Usage Information

- a. Provide the average monthly usage by energy source per residential facility and per commercial facility. See Table 12.

3. Program Costs

a. Administrative Cost

- i. Show the CARE Expansion Program's administrative cost by category. See Table 5, Standardized CARE Administrative Cost Reporting Categories.

b. Discount Information

- i. State the average annual CARE discount received per residential facility by energy source.
- ii. State the average annual CARE discount received per commercial facility by energy source.

4. Outreach

- a. Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.
- b. Discuss each of the following:
 - i. Most effective outreach method, including a discussion of how success is measured.
 - ii. How the CARE facility data and relevant program information is shared by the utility with other utilities sharing its service territory.
 - iii. Barriers to participation encountered in the prior year and steps taken to mitigate these, if feasible, or not, if infeasible.
- c. 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.

5. Processing CARE Applications

a. Processing Self-Certification and Self-Recertification Applications

- i. Provide the total number of third-party CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates. See Table 13. (Note: Pursuant to Resolution. E-3601, a report will be submitted to the Commission discussing the results of the CARE Outreach Pilot at its conclusion. The CARE Outreach Pilot runs from June 1, 2000 through May 31, 2001.
- ii. Provide the total number of utility CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates for the reporting period. See Table 13.

- b. 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.

6. Program Management

- a. Discuss issues and/or events that significantly affected program management in the reporting period, and how these were addressed.

TABLE 1		
Residential CARE Program Customers by Month¹		
(Year)	CARE Customers	Percentage Change
January	number	%
February	number	%
March	number	%
April	number	%
May	number	%
June	number	%
July	number	%
August	number	%
September	number	%
October	number	%
November	number	%
December	number	%

1 Total individual and submetered.

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES
MAY USE SLIGHTLY DIFFERENT FORMAT***

TABLE 2			
CARE Residential Penetration Rate			
(Year)	CARE Residential	CARE-Eligible	CARE Penetration
Quarter Ending	Customers	Customers	Rate
March 31	number	number	%
June 30	number	number	%
October 31	number	number	%
December 31	number	number	%

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES MAY USE FORMAT
SHOWN IN TABLES 2.1 THROUGH 2.4 IN LIEU OF THIS TABLE***

TABLE 2.1			
CARE Residential Penetration Rate			
Electric-Only Customers			
(Year) Quarter Ending	CARE Residential Electric-Only Customers	CARE-Eligible Electric-Only Customers	CARE Electric- Only Customers Penetration Rate
March 31	number	number	%
June 30	number	number	%
October 31	number	number	%
December 31	number	number	%

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES MAY USE THIS
FORMAT IN LIEU OF TABLE 2***

TABLE 2.2			
CARE Residential Penetration Rate			
Gas-Only Customers			
(Year) Quarter Ending	CARE Residential Gas-Only Customers	CARE-Eligible Gas-Only Customers	CARE Gas- Only Customer Penetration Rate
March 31	number	number	%
June 30	number	number	%
October 31	number	number	%
December 31	number	number	%

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES MAY USE THIS
FORMAT IN LIEU OF TABLE 2***

TABLE 2.3			
CARE Residential Penetration Rate			
Gas and Electric (Dual-Commodity) Customers			
(Year) Quarter Ending	CARE Residential Dual-Commodity Customers	CARE-Eligible Dual-Commodity Customers	CARE Dual- Commodity Customer Penetration Rate
March 31	number	number	%
June 30	number	number	%
October 31	number	number	%
December 31	number	number	%

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES MAY USE THIS
FORMAT IN LIEU OF TABLE 2***

TABLE 2.4			
CARE Residential Penetration Rate			
Households			
(Year) Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Household Penetration Rate
March 31	number	number	%
June 30	number	number	%
October 31	number	number	%
December 31	number	number	%

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES MAY USE THIS
FORMAT IN LIEU OF TABLE 2***

TABLE 3			
Average Monthly Gas / Electric Usage			
Residential Non-CARE vs. CARE Customers¹			
Customer	Gas Therms Tier 1	Gas Therms Tier 2	Total
Non-CARE			
CARE			
Customer	Electric KWh Tier 1	Electric KWh Tier 2	Total
Non-CARE			
CARE			

1 Excludes master-meter usage.

TABLE 4		
Average Monthly Gas / Electric Bill		
Residential Non-CARE vs. CARE Customers¹		
(Dollars per Customer)		
Customer	Gas	Electric
Non-CARE		
CARE		

1 Excludes master-meter usage.

TABLE 5 CARE COST REPORTING CLASSIFICATIONS

OUTREACH	REGULATORY COMPLIANCE	PROCESSING CERTIFICATION AND VERIFICATION
<ol style="list-style-type: none"> 1. Bill Inserts 2. Advertising 3. Applications (printing and mailing) 4. Posters, Brochures, Flyers 5. Postage 6. Submeter Non-Profit and Agricultural Housing Outreach 7. Information Technology (technical support and software licensing) 8. Call Center Labor 9. Staff Labor 10. Out Bound Dialing 11. 800# 12. Outreach Pilot 	<ol style="list-style-type: none"> 1. Applications 2. Advice Filings 3. Comments and Reply Comments 4. Hearings 5. Reports and Studies 6. Working Group Meetings 7. Public Input Meetings 8. Tariff Revisions 	<ol style="list-style-type: none"> 1. Staff Labor 2. Information Technology (technical support and software licensing) 3. Application Processing 4. Training 5. Programming Labor 6. Submeter Certification
BILLING SYSTEM/ PROGRAMMING	GENERAL ADMIN.	MEASUREMENT & EVALUATION
<ol style="list-style-type: none"> 1. Manual Rebilling 2. Programming and Billing Labor 	<ol style="list-style-type: none"> 1. Office Supplies 2. Market Research 3. Program Management Labor 4. Information Technology (technical support and software licensing) 	<ol style="list-style-type: none"> 1. Needs Assessment Study 2. Customer Satisfaction Survey
LIAB FUNDING	ENERGY DIV. STAFF FUNDING	SUBSIDIES AND BENEFITS
		<ol style="list-style-type: none"> 1. Rate Discounts 2. Service Establish Charge Discount (SoCalGas only)

TABLE 6					
CARE Surcharge and Revenue Collected by Customer Class					
Customer Class	Average Monthly CARE Surcharge	Average Monthly Bill	CARE Surcharge as Percent of Bill	Total CARE Surcharge Revenue Collected	Percentage of CARE Surcharge Revenue Collected
Residential	\$	\$	%	\$	%
Commercial	\$	\$	%	\$	%
Industrial	\$	\$	%	\$	%

TABLE FORMAT MAY VARY DEPENDING ON COMMODITY (GAS/ELECTRIC) PROVIDED OR CUSTOMER CLASSES REQUIRED TO PAY THE CARE SURCHARGE

TABLE 7						
CARE Outreach Pilot						
June 1, 2000 through December 31, 2000¹						
Entity	CARE Applications Submitted					
	Received	Approved	Denied	Pending/Never Completed	Duplicates	
1	number	number	number	number	number	
2	number	number	number	number	number	
3	number	number	number	number	number	
4	number	number	number	number	number	
5	number	number	number	number	number	
6	number	number	number	number	number	
Total	number	number	number	number	number	
Percentage	%	%	%	%	%	

1 The CARE Outreach Pilot runs from June 1, 2000, through May 31, 2001.

TABLE 8						
CARE Self-Certification and Self-Recertification Applications¹						
	Provided	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	number	number	number	number	number	number
Percentage	%	%	%	%	%	%

1 Includes submetered customers.

TABLE 9			
Residential CARE Program Customers¹ Removed by Month through Recertification and Post-Enrollment Verification			
(Year)	Recertification	Post-Enrollment Verification	Total
January	number	number	number
February	number	number	number
March	number	number	number
April	number	number	number
May	number	number	number
June	number	number	number
July	number	number	number
August	number	number	number
September	number	number	number
October	number	number	number
November	number	number	number
December	number	number	number
Total	number	number	number

1 Total individual and submetered.

TABLE 10						
CARE Random Post-Enrollment Verification Applications						
	Mailed	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	number	number	number	number	number	number
Percentage	%	%	%	%	%	%

TABLE 11			
CARE Expansion Program			
Participating Facilities by Month			
(Year)	CARE Residential Facilities	CARE Commercial Facilities	Total
January	number	number	number
February	number	number	number
March	number	number	number
April	number	number	number
May	number	number	number
June	number	number	number
July	number	number	number
August	number	number	number
September	number	number	number
October	number	number	number
November	number	number	number
December	number	number	number

***GAS AND ELECTRIC (DUAL-COMMODITY) UTILITIES
MAY USE SLIGHTLY DIFFERENT FORMAT***

TABLE 12		
CARE Expansion Program		
Average Monthly Gas / Electric Usage¹		
Customer	Gas Therms	Electric KWh
Residential Facilities		
Commercial Facilities		

1 Excludes master meter usage.

TABLE 13					
CARE Expansion Program					
CARE Outreach Pilot, Other Outreach, and Utility¹					
Entity	CARE Applications Sent By Third Parties				
	Received	Approved	Denied	Pending/Never Completed	Duplicates
1	number	number	number	number	number
2	number	number	number	number	number
3	number	number	number	number	number
4	number	number	number	number	number
5	number	number	number	number	number
6	number	number	number	number	number
Utility	number	number	number	number	number
Total	number	number	number	number	number
Percentage	%	%	%	%	%

1 Describe other outreach activities undertaken during the reporting period.

Monthly

The April 28, 2000 ACR discusses the need by LIAB to receive information on a timely basis, rather than an annual report. For the CARE program, the Working Group recommends that utilities report expenditure information that can be used to compare program expenditures with annual budgets on a monthly basis. This information will be highly variable on a month-to-month basis, but over time will be useful as an indicator of program activity. Footnotes are to be used as appropriate to highlight information that may be specific to individual utilities or to clarify information in the table.

The Working Group recommends that the proposed table replace the current reports that are provided monthly to the Energy Division in response to a data request that originally was issued in the 4th quarter of 1999. The following report provides more detailed information that is consistent with the standardized CARE cost categories that have been developed by the Working Group.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the monthly CARE reporting requirements as presented in this report.

Dissent

No dissents were received regarding the monthly CARE reporting requirements as presented in this report.

CARE Monthly Expenses - (Utility Name)

CARE Program:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Annual Budget	YTD/ Budget (%)
Outreach															
Processing / Certification/Verification															
Billing System /Programming															
Pilots															
- Pilot (A)															
- Pilot (B)															
Total Pilots															
Measurement & Evaluation															
Regulatory Compliance															
Other Administration															
Indirect Costs*															
Oversight Costs															
- LIAB Start-up															
- LIAB PY Past Year**															
- LIAB PY Present Year**															
- CPUC Energy Division															
Total Oversight Costs															
TOTAL PROGRAM COSTS															
CARE Rate Discount															
Service Establishment Charge Discount															
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS															

* All program costs should be shown whether budgeted to the program or not. Footnote the amount of costs that are not part of the LIEE budget.

** Enter actual year in tables.

LIEE Reporting

Annual

The Working Group proposes the following revised Section 7 of the RRM. Section 7 consists of a narrative discussing LIEE reporting requirements and associated tables for the Energy Efficiency Programs Annual Report. The tables have been revised to provide additional functional detail as requested by LIAB. Section 7 also addresses modifications proposed for the cost effectiveness tests and reporting of energy-related hardship. The lifecycle savings information that was formerly provided in Table TA 7.3 has been deleted as members of the Working Group did not believe any parties found the information to be useful, nor was the information input directly into the cost effectiveness analyses. The revised Table TA 7.3 and newly created Table TA 7.4 provide information on dwelling types served and installed measures.

Of greatest significance, the Working Group recommends that the old practice of reporting on mandatory versus non-mandatory measures be eliminated to reflect recent policy enacted by AB 1393 that all feasible measures be installed. This change in reporting is compatible with the recently adopted approach to measure selection within the Phase I Standardization Report.

The Working Group proposes that energy-related hardship be addressed on an interim basis in the narrative supporting the low income section of the energy efficiency annual report. As quantitative indicators of energy-related hardship are developed, it may be appropriate at a later date to issue subsequent recommendations for reporting hardship.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the annual LIEE reporting requirements as presented in this report.

Dissent

No dissents were received regarding the annual LIEE reporting requirements as presented in this report.

Section 7: Low Income

The primary purpose and contents of the Low Income section is to highlight the status of energy efficiency program activities in terms of results from the previous year and plans for the current year in low income customer segments.

The Low Income section should contain subsections:

- Summary
- Low Income Energy Efficiency (LIEE) Program
- Measurement and Evaluation (M&E) and Regulatory Oversight for Low Income activities
- Shareholder Performance Incentives for Low Income activities

The Summary subsection should contain, and use as a primary reference for the summary narrative, a set of standard tables: Table 7.1 (costs); Table 7.2 (effects, expressed as first-year annualized energy reductions), and Tables 7.3 and 7.4 (cost-effectiveness). The narrative should briefly address the methods used by the utility to market and promote the LIEE program. The primary focus of the narrative for the summary section should be on the ways and means by which the utility believes its accomplishments and plans:

- Support and are consistent with Commission-adopted policy objectives as they apply to this program area market;
- Address energy-related hardship; and,
- Conform with Commission-adopted policy rules applicable to this program area.

The subsequent subsections should contain narrative and supplemental tables that sufficiently describe costs and the effects in a manner that retains consistency between the standard program categories, programs, and program elements in Appendix B. Each subsection should also clearly identify the utility program marketing name used by the utility to promote participation (i.e., the products and/or services provided by or through the low income energy efficiency funds).

The values reported in the standard summary tables and, if used, supplemental tables, should be consistent with, and supported by the standard tables in the Technical Appendix for this program area.

**TABLE 7.1
SUMMARY OF COSTS: LOW INCOME - (UTILITY NAME)
(Electric and Gas Combined)***

LIEE Programs	Last Year		Current Year
	Budgeted	Recorded	Budgeted
Energy Efficiency			
- Furnaces – Gas			
- Other Measures			
- Outreach & Assessment			
- In Home Energy Education			
- Education Workshops			
Energy Efficiency TOTAL			
Pilots			
- Pilot (A)			
- Pilot (B)			
Total Pilots			
Training Center			
Inspections			
Advertising			
M&E Studies			
Regulatory Compliance			
Other Administration			
Indirect Costs**			
Oversight Costs			
- LIAB Start-up			
- LIAB PY Past Year***			
- LIAB PY Present Year***			
- CPUC Energy Division			
Total Oversight Costs			
Shareholder Incentives****			
TOTAL COSTS			

* This table actually has three sections. Although only the “electric and gas combined” section of Table 7.1 is depicted here, electric and gas also should be broken out separately and shown as separate sections of this table. The rows will be the same for all three sections. Single-fuel utilities should only prepare the electric or gas sections of this table as appropriate.

** All program costs should be shown whether budgeted to the program or not. Footnote the amount of costs that are not part of the LIEE budget.

*** Enter actual year in tables.

**** Shareholder incentives are determined in the subsequent year’s AEAP. The amounts presented are estimates only and are not part of the program budgets.

TABLE 7.2
SUMMARY OF LIEE PROGRAM EFFECTS – (UTILITY NAME)
(Annual Energy Reductions)

	Last Year (recorded)	Current Year (planned)
mWh		
mTherm		

TABLE 7.3
SUMMARY OF LIEE COST-EFFECTIVENESS – (UTILITY NAME)
(RATIO OF BENEFITS OVER COSTS)

	Last Year (recorded)			Current Year (Planned)		
	Utility Cost Test	Total Resource Cost Test	Participant Test	Utility Cost Test	Total Resource Cost Test	Participant Test
Energy Efficiency						

TABLE 7.4
SUMMARY OF LIEE COST-EFFECTIVENESS: – (UTILITY NAME)
(NET BENEFITS; \$MIL)

	Last Year (recorded)		Current Year (Planned)	
	TRC	Participant	TRC	Participant
Energy Efficiency				

Annual Energy Efficiency Report Structure: Technical Appendix

The purpose of the Technical Appendix (TA) is to provide additional information (narrative and tabular data) to document the narrative and tabular data (standard tables or otherwise) reported in the main report. Consistency between the more detailed tabular data provided in the TA and the summary tabular data in the main report should be established by way of footnotes to columns or rows of the TA tables and/or the narrative that accompanies the TA tables.

Unless stated otherwise, the information provided in the TA applies to costs, effects, and cost-effectiveness, of programs reported in the Energy Efficiency Programs Annual Report as Last Year's programs.

TA Section 7: Low Income Energy Efficiency

Technical Appendix Section 7 should include supporting documentation for Section 7 of the Energy Efficiency Programs Annual Report.

**TABLE TA 7.1
LIEE PROGRAM COST ESTIMATES USED FOR COST-EFFECTIVENESS
(UTILITY NAME)
Electric and gas combined**

	UTILITY COSTS						IMC*
LIEE	PROGRAM INCENTIVES (RECORDED)		Admin	Shareholder Incentives	Other	Total	
	Actual	Committed					
Energy Efficiency							

Electric

	UTILITY COSTS						IMC*
LIEE	PROGRAM INCENTIVES (RECORDED)		Admin	Shareholder Incentives	Other	Total	
	Actual	Committed					
Energy Efficiency							

Natural Gas

	UTILITY COSTS						IMC*
LIEE	PROGRAM INCENTIVES (RECORDED)		Admin	Shareholder Incentives	Other	Total	
	Actual	Committed					
Energy Efficiency							

* Incremental Measure Cost

**TABLE TA 7.2
LIEE COST ELEMENTS – (UTILITY NAME)
(ELECTRIC AND GAS COMBINED)***

LIEE Program	Expenditures Recorded by Cost Element – Last Year			
	Labor	Non-Labor	Contract	TOTAL
Energy Efficiency				
- Furnaces – Gas				
- Other Measures				
- Outreach & Assessment				
- In Home Energy Education				
- Education Workshops				
Energy Efficiency TOTAL				
Pilots				
- Pilot (A)				
- Pilot (B)				
Total Pilots				
Training Center				
Inspections				
Advertising				
M&E Studies				
Regulatory Compliance				
Other Administration				
Indirect Costs**				
Oversight Costs				
- LIAB Start-up				
- LIAB PY Past Year***				
- LIAB PY Present Year***				
- CPUC Energy Division				
Total Oversight Costs				
TOTAL COSTS				

* This table actually has three sections. Although only the “electric and gas combined” section of Table 7.1 is depicted here, electric and gas also should be broken out separately and shown as separate sections of this table. The rows will be the same for all three sections. Single-fuel utilities should only prepare the electric or gas sections of this table as appropriate.

** All program costs should be shown whether budgeted to the program or not. Footnote the amount of costs that are not part of the LIEE budget.

*** Enter actual year in tables.

**TABLE TA 7.3
PROGRAM DETAIL BY HOUSING TYPE AND HEATING SOURCE
(UTILITY NAME)**

	Energy Saved and Program Costs			Number of Dwellings		
	Last Year (mWh)	Last Year (mTherm)	Last Year Expenses	Last Year (Planned)	Last Year (Actual)	This Year (Planned)
Gas Heat – Own						
- Single Family						
- Multi Family						
- Mobile Home						
Sub Total Dwellings Served						
Gas Heat – Rent						
- Single Family						
- Multi Family						
- Mobile Home						
Sub Total Dwellings Served						
Electric Heat – Own						
- Single Family						
- Multi Family						
- Mobile Home						
Sub Total Dwellings Served						
Electric Heat – Rent						
- Single Family						
- Multi Family						
- Mobile Home						
Sub Total Dwellings Served						
TOTAL DWELLINGS SERVED						

**TABLE TA 7.4
PROGRAM DETAIL BY MEASURE – (UTILITY NAME)**

	Energy Saved and Program Costs			Number of Dwellings Served
	Last Year (mWh)	Last Year (mTherm)	Last Year Expenses	Last Year (Actual)
Energy Education				
- Outreach & Assessment				
- In-Home Education				
- Education Workshops				
Total Energy Education				
Furnaces Gas				
- Repair				
- Replacement				
Total Furnaces Gas				
Infiltration & Space Conditioning.				
- Caulking				
- Door Weatherstripping				
- Duct Repair				
- Cover Plate Gaskets				
- Evaporative Cooler Covers				
- Window Replacements				
- Glass Replacements				
- Wall Repair (exterior)				
- Attic Ventilation				
- Attic Insulation				
- HVAC Air Filter Replacement				
Total Infiltration & Space Conditioning				
Water Heating Savings				
- Water Heater Blanket				
- Low Flow Showerhead				
- Water Heater Pipe Wrap				
- Faucet Aerators				
Total Water Heating Savings				
Miscellaneous Measures				
Evaporative Coolers				
Refrigerators				
Compact Fluorescents (inc. porchlights)				

Monthly

The April 28, 2000 ACR discusses the need by LIAB to receive information on a timely basis, rather than in an annual report. For LIEE programs, the Working Group recommends that utilities report monthly expenditure information that can be used to compare program expenditures with annual budgets on a monthly basis. This information will be highly variable on a month-to-month basis, but over time will be useful as an indicator of program activity. Footnotes are to be used as appropriate to highlight information that may be specific to individual utilities or to clarify information in the table.

The Working Group recommends that the proposed table replace the current reports that are provided monthly to the Energy Division in response to a data request that originally was issued in the 4th quarter of 1999. The following report provides more information by functional classification that is consistent with the information that will be filed annually in the Energy Efficiency Programs Annual Report.

The report also deletes the requirement to present monthly budget information. The Working Group determined there significant effort would be required and little value received in allocating the annual budget into each month. This practice would require consistency on whether to re-spread the allocation each month to account for variances in the prior month.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the monthly LIEE reporting requirements as presented in this report.

Dissent

No dissents were received regarding the monthly LIEE reporting requirements as presented in this report.

LIEE Monthly Expenses – (Utility name)

LIEE Program:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Annual Budget	YTD/ Budget (%)
Energy Efficiency															
- Furnaces – Gas															
- Other Measures															
- Outreach & Assessment															
- In Home Energy Education															
- Education Workshops															
Energy Efficiency TOTAL															
Pilots															
- Pilot (A)															
- Pilot (B)															
Total Pilots															
Training Center															
Inspections															
Advertising															
M&E Studies															
Regulatory Compliance															
Other Administration															
Indirect Costs*															
Oversight Costs															
- LIAB Start-up															
- LIAB PY Past Year**															
- LIAB PY Present Year**															
- CPUC Energy Division															
Total Oversight Costs															
TOTAL COSTS															

* All program costs should be shown whether budgeted to the program or not. Footnote the amount of costs that are not part of the LIEE budget.

** Enter actual year in tables.

Reporting Category Definitions

The Working Group recommends that the Reporting Category Definitions for Low Income Programs in Appendix B of the RRM2 be revised as follows. The revisions reflect current Commission policy and are minor in nature.

Low Income Energy Efficiency (LIEE): Programs which are intended to provide assistance to low income customer groups. Assistance consists primarily of full subsidies of the energy efficiency measures. The primary purpose of the program is to serve an equity objective in assisting customers who are highly unlikely or unable to participate in other residential programs.

Shareholder Performance Incentives: The amount collected from ratepayers and paid to utility shareholders for the administration of LIEE programs.

M&E: The amount of the Low Income Public Goods Charge and the amounts collected from gas ratepayers used to measure and evaluate LIEE programs, the low income customer market, or LIEE service providers.

Low Income Advisory Board: The amount of the Low Income Public Goods Charge and the amounts collected from gas ratepayers used to pay for the operating costs of the LIAB, including the costs of compensation of LIAB board members, the costs of LIAB meetings, costs of administrative support services, and the costs of technical support services.

Consensus

PG&E, SoCalGas, SDG&E, SCE, Energy Division, ORA, and ICA concur with the LIEE Appendix B definitions as presented in this report.

Dissent

No dissents were received regarding the LIEE Appendix B definitions as presented in this report.

Attachment A - August 9, 2000, Letter to Commissioner Neeper

WITH ATTACHED TIMELINE AND WORK PLAN