

2021-2026 Low Income Program Application Presentation to the Low Income Oversight Board

September 16, 2019



Guiding Principles

1. One Destination, Many On Ramps

Increase low income program participation and engagement through improved customer experiences by using data driven insights to provide simple processes for engagement and enrollment.

2. Get Buy In

Increase program participation through tailored approaches, whether it's owners/renters for ESA or the hard-to-reach rural populations for CARE.

3. Be Innovative

Align competing priorities through innovation, executing new approaches to the market that leverage partnerships and other opportunities.

4. Provide Value

Build value for participants by offering measures, enrollment and recertification options, energy efficiency and health, comfort and safety measures alongside education on ways to reduce bills for all customers.

CARE & FERA

2021 – 2026 CARE/FERA Strategy Overview

Purpose

To continue successful enrollment efforts for CARE and find new avenues for FERA while streamlining program process and technologies to improve lives and create seamless and easy interaction with customers

Key Objectives

Optimize marketing and outreach based on lessons learned + new capabilities

Streamline delivery and cross promotion

Increase positive perception and promote added value through CBO partnerships

Maintain participation of new and recertified customers



Enrollment Goals:
 Maintain 90% Penetration for CARE
 Increase to 50% Penetration for FERA

CARE Program Challenges and Opportunities Post 2020

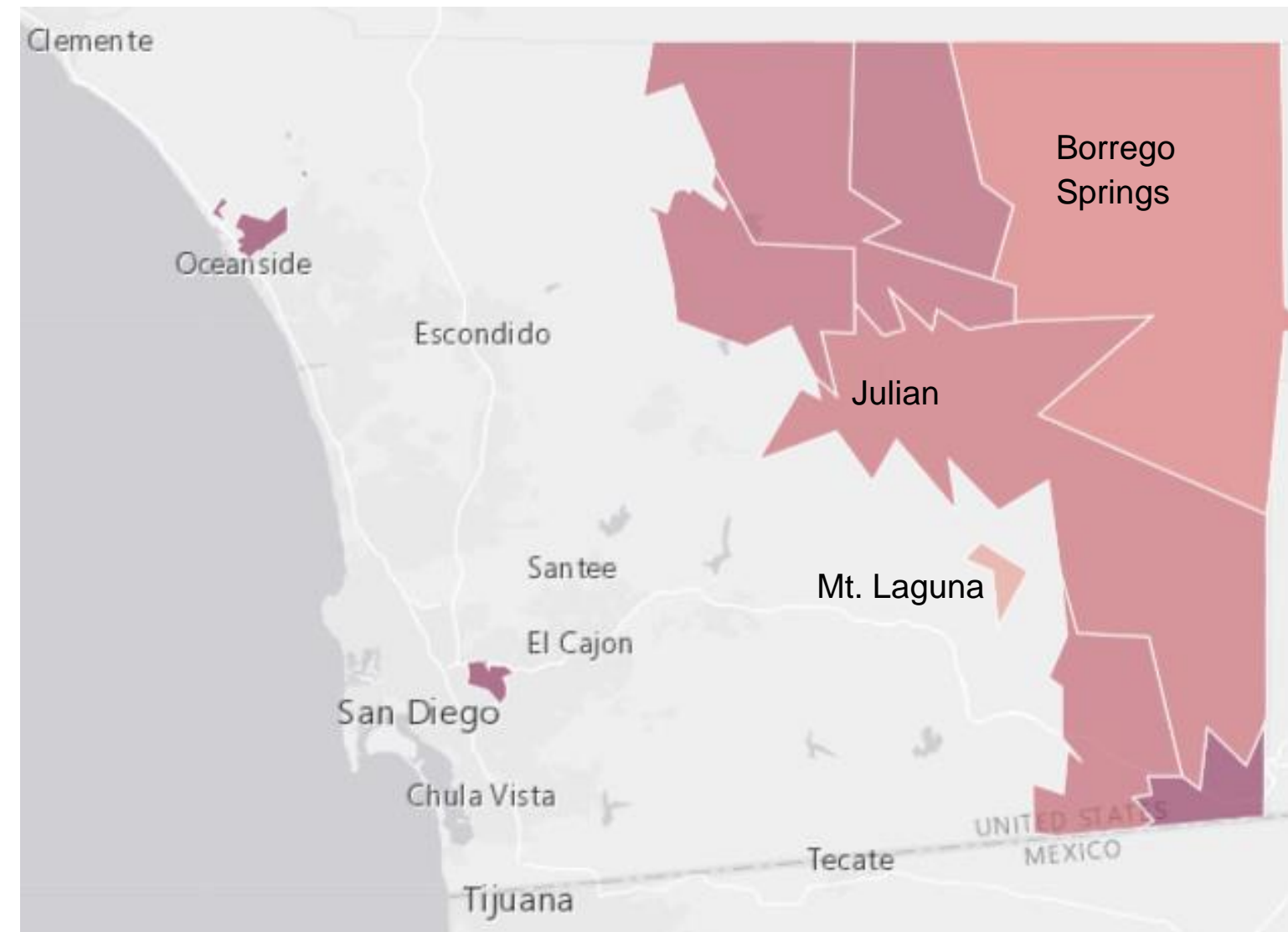
| Challenge | Opportunity |
|---|---|
| SDG&E at 92% penetration; remaining customers are hard to reach and require more intensive resources. | Continue targeting with marketing and outreach strategies to find and enroll the hardest to reach population. |
| CARE High Usage Verification (HU PEV) thresholds require households with minor, seasonal spikes in usage to comply with HU PEV requirements. | Assess impacts of HU PEV thresholds. |
| Program limited in methods of communication. | Introduce a customer preference center to allow customers to choose preferred method and/or language. |
| Discrepancies in reporting based on different systems used for billing and program operations. | SDG&E's Customer Information System replacement project online in 2021; will support CARE enrollment and billing and will allow for additional efficiencies and reduction in program costs. |
| Treating FERA as an “add on” to CARE may mean we are missing a segment of the population that does not believe they qualify for assistance based on non-qualification for categorical programs. | Meet requirements to treat CARE + FERA together, but create standalone efforts to increase FERA penetration. |

Top 10 Areas of Focus

Rural parts of San Diego have lower penetration, but relatively lower percentages of eligible population (relative to size).

Only one area of San Diego has an eligible population above 50% and penetration below 90% (Jacumba).

| City | Zip | Estimated Eligible Population | Current CARE Penetration |
|----------------------|-------|-------------------------------|--------------------------|
| Jacumba | 91934 | 64.1% | 83.3% |
| Borrego Springs | 92004 | 46.4% | 36.3% |
| Boulevard | 91905 | 44.4% | 54.7% |
| Santa Ysabel | 92070 | 43.0% | 59.9% |
| Ranchita | 92066 | 42.0% | 65.7% |
| San Diego (Talmadge) | 92115 | 40.9% | 84.6% |
| Warner Springs | 92086 | 39.4% | 59.3% |
| Oceanside | 92058 | 35.3% | 75.6% |
| Julian | 92036 | 34.8% | 50.2% |
| Mount Laguna | 91948 | 34.6% | 10.1% |



*The darker the color, the higher the penetration rate

2021 – 2026 CARE Program Targets

- Maintain 90%+ CARE penetration rate;
- Maintain CARE annual program administrative expenses;
- Increase FERA penetration rate to 50%

| Enrollment Estimates | Authorized Current State | Proposed Annual Average 2021-2026 |
|--------------------------------|--------------------------|-----------------------------------|
| CARE Year End Enrollment | 292,976 | 301,893 |
| CARE Year End Penetration Rate | 91% | 90% |
| CARE Discount | \$73M | \$120M |
| FERA Year End Enrollment | 47,286 | 51,204 |
| FERA Year End Penetration Rate | 17% | 50% |
| FERA Discount | \$1.4M | \$2M |

2021 – 2026 CARE/FERA Program Initiatives

Modifying CARE high usage threshold to allow for customers to reach 400% three times in a rolling 12-month period.

Revising CARE Expansion program recertification from 2 to 4 years.

Reassessing the acceptable categorical programs to ensure eligibility requirements are aligned.

Proposing to move FERA program budget to low-income proceeding.

Evaluation of marketing & outreach from end-to-end.

Automation of program processes out of new CIS replacement.

Energy Savings Assistance Program

2021 – 2026 Strategy Overview

Purpose

To find the appropriate blend of energy efficiency and health, comfort & safety to improve customer's lives, reduce greenhouse gas, and decrease energy burden

Key Objectives

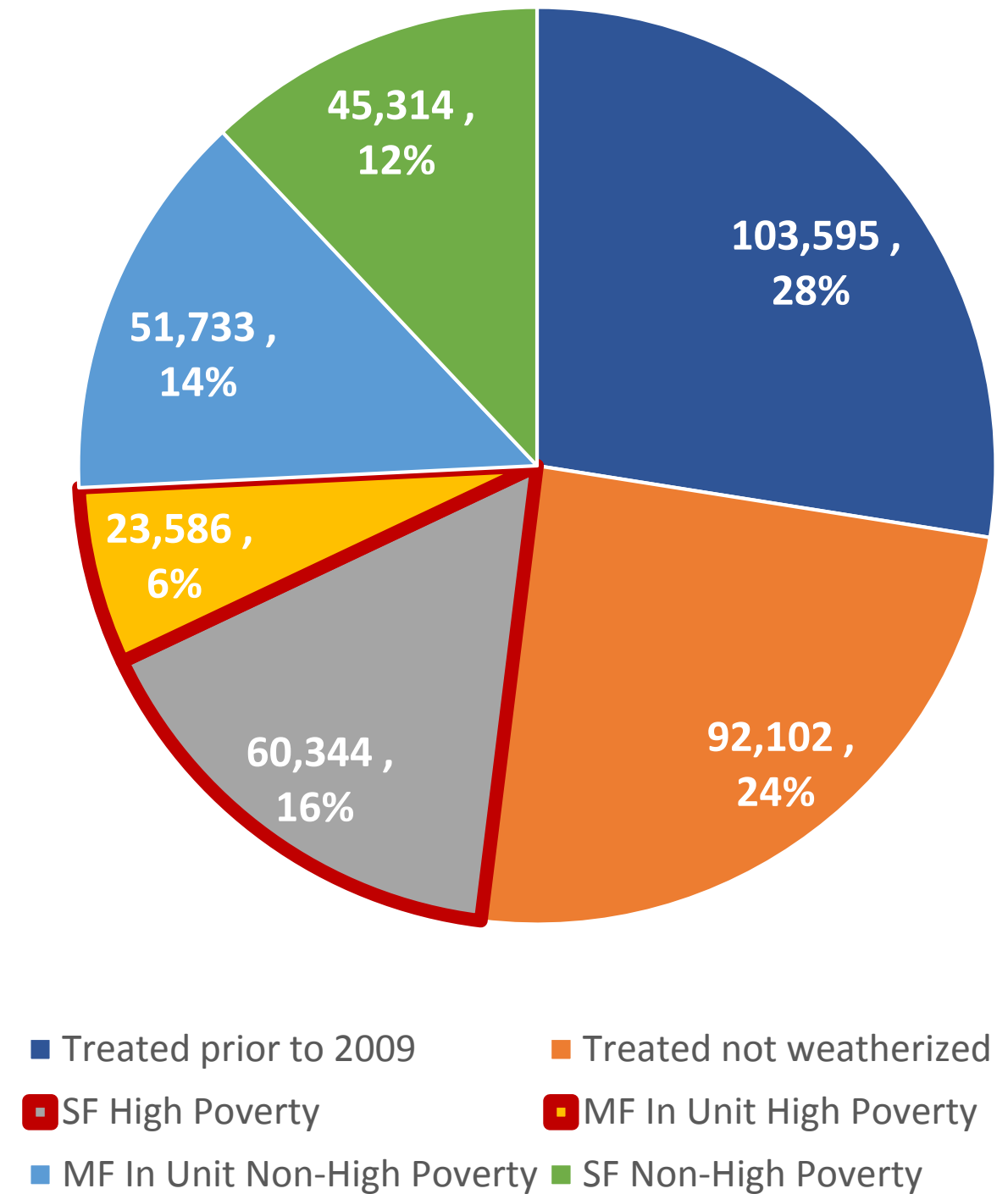
| | | | |
|---|---|---|--|
| Create tailored offers for customers based on premise, ownership and need | Streamline delivery and promote choices for customers | Increase positive perception and promoted added value | Increase participation of new and existing customers |
|---|---|---|--|

Key Performance Indicators

| | | | |
|---|---|--|---|
| <ul style="list-style-type: none"> • Tiered measure uptake • Treatments vs. retreatments • Efficiency Achieved | <ul style="list-style-type: none"> • Audit results • Weatherization conversion • Measure selection/upgrades • Self-serve education levels | <ul style="list-style-type: none"> • SDG&E Voice of the Customer surveys • Pre & post program specific surveys • Customer satisfaction tracking | <ul style="list-style-type: none"> • New vs. retreatment visits • Specialized measure uptake • Referrals and leveraging • Number and cost of measures installed |
|---|---|--|---|

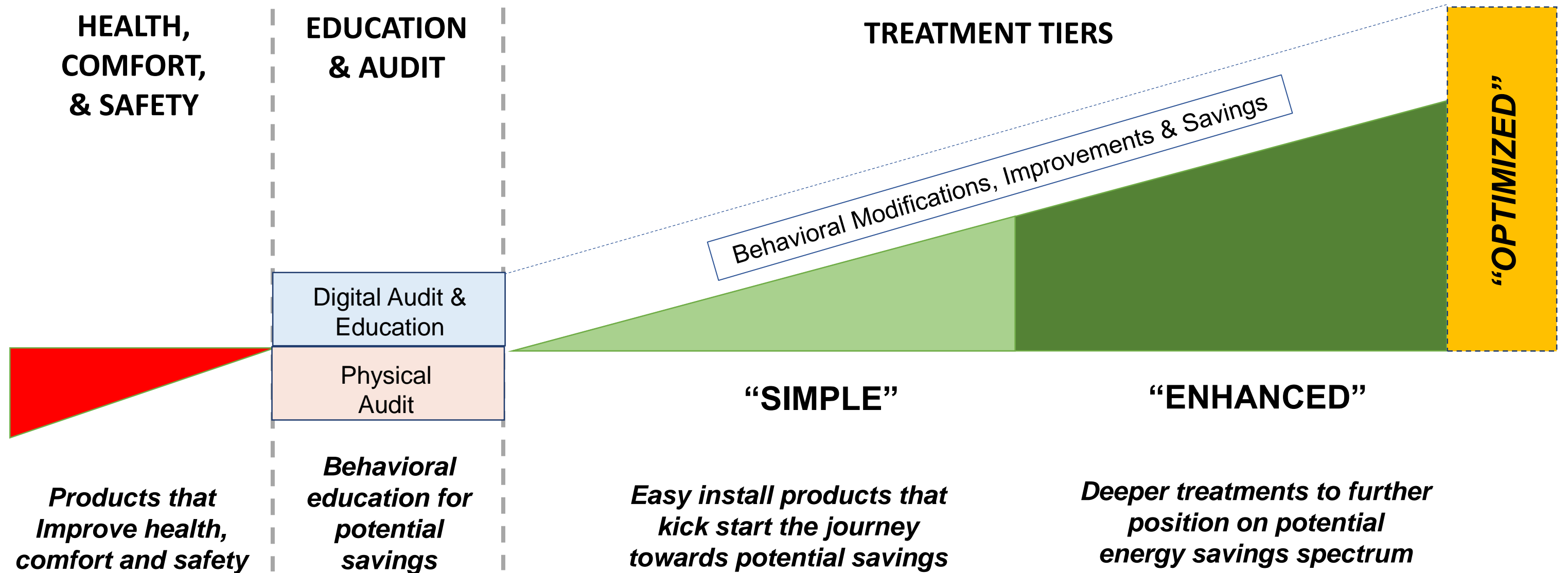
Customer Segmentation

- Target focus on SDG&E’s “High Poverty Area” customers not previously treated by the program
- 52% of previous participants are re-eligible, based on date (10 years past) or based on weatherization status
- 3,700 Multifamily properties to be targeted for Common Area Measure treatment

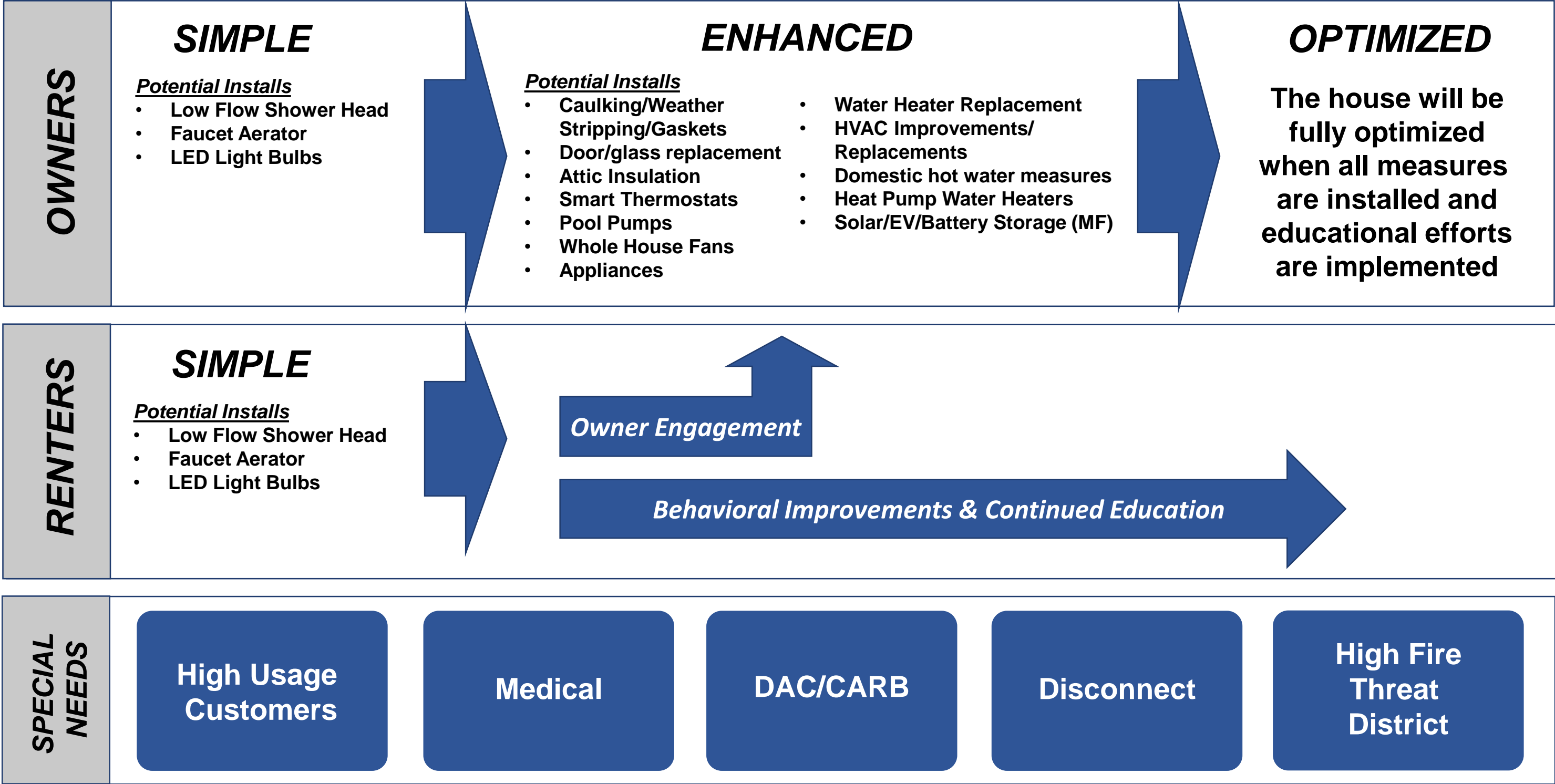


Proposed Program Design

Program design is based on the potential ability to fully treat the dwelling and compound with educational efforts to provide optimal foundation for savings potential.



Measures Offered Based on Varying Pathways to Efficiency and Customer Need



Multifamily Optimization

Statewide

**Served through
SW MFWB
Program**

**In-Unit and Common
Area Treatment**

**390 Deed Restricted
Properties**

Deed Restricted

Local

**In-Unit
Treatment**

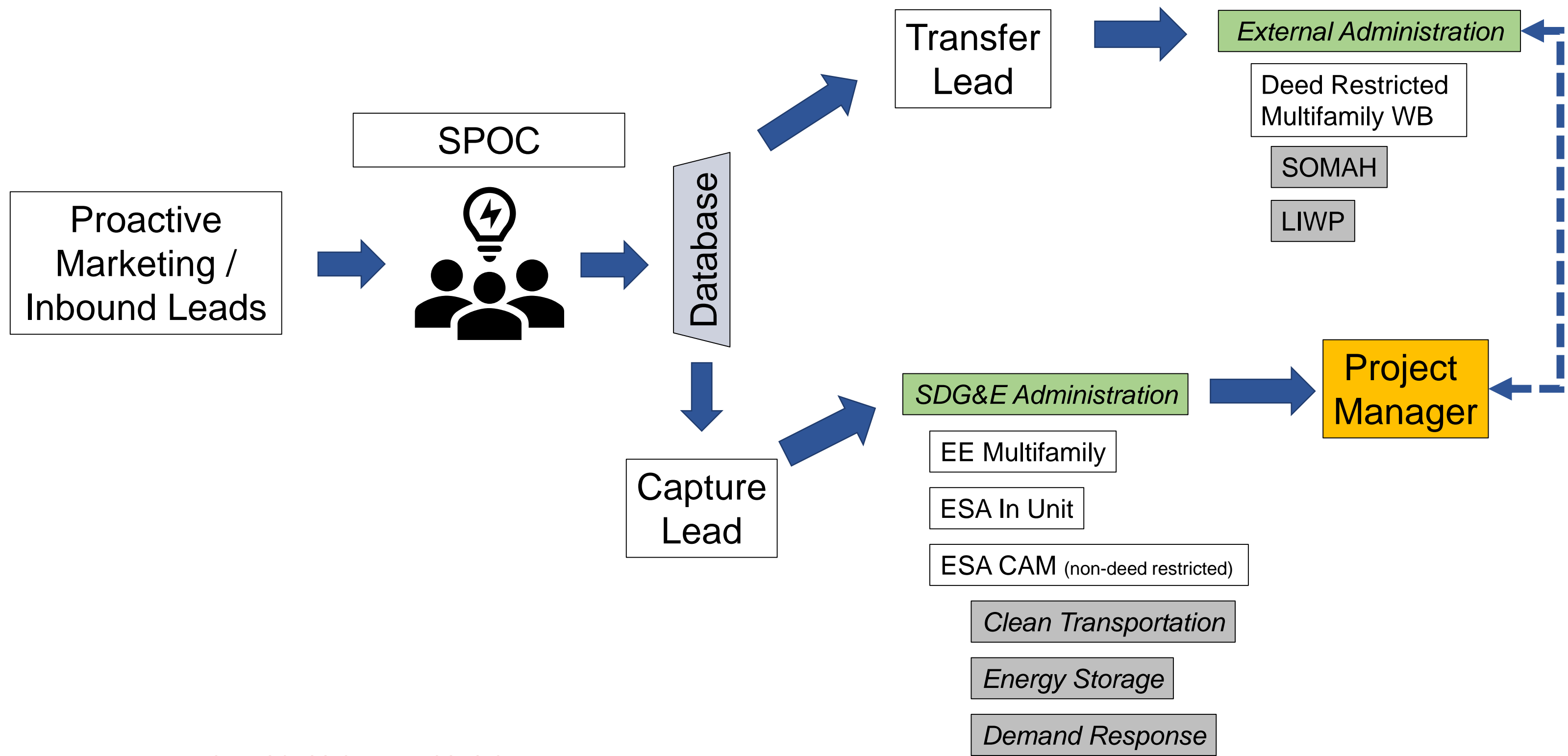
*Provide “Simple” solutions to
Owners/Renters for
individual consumption
savings*

**NEW- Common Area
Treatment**

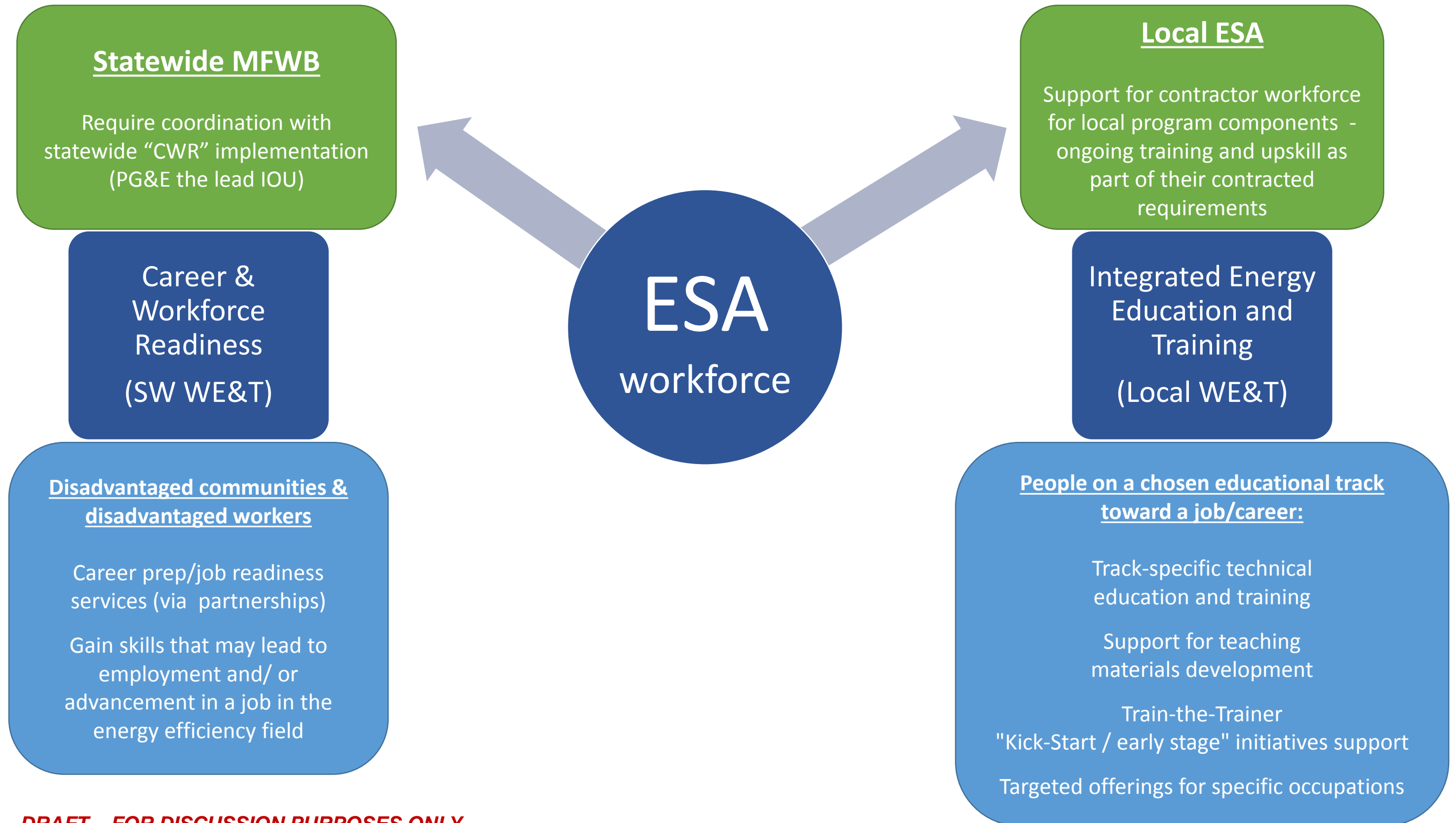
- *Require 65% in-unit eligibility*
- *Rely on Federal rent restriction laws
& enforcement*

Non-Deed Restricted

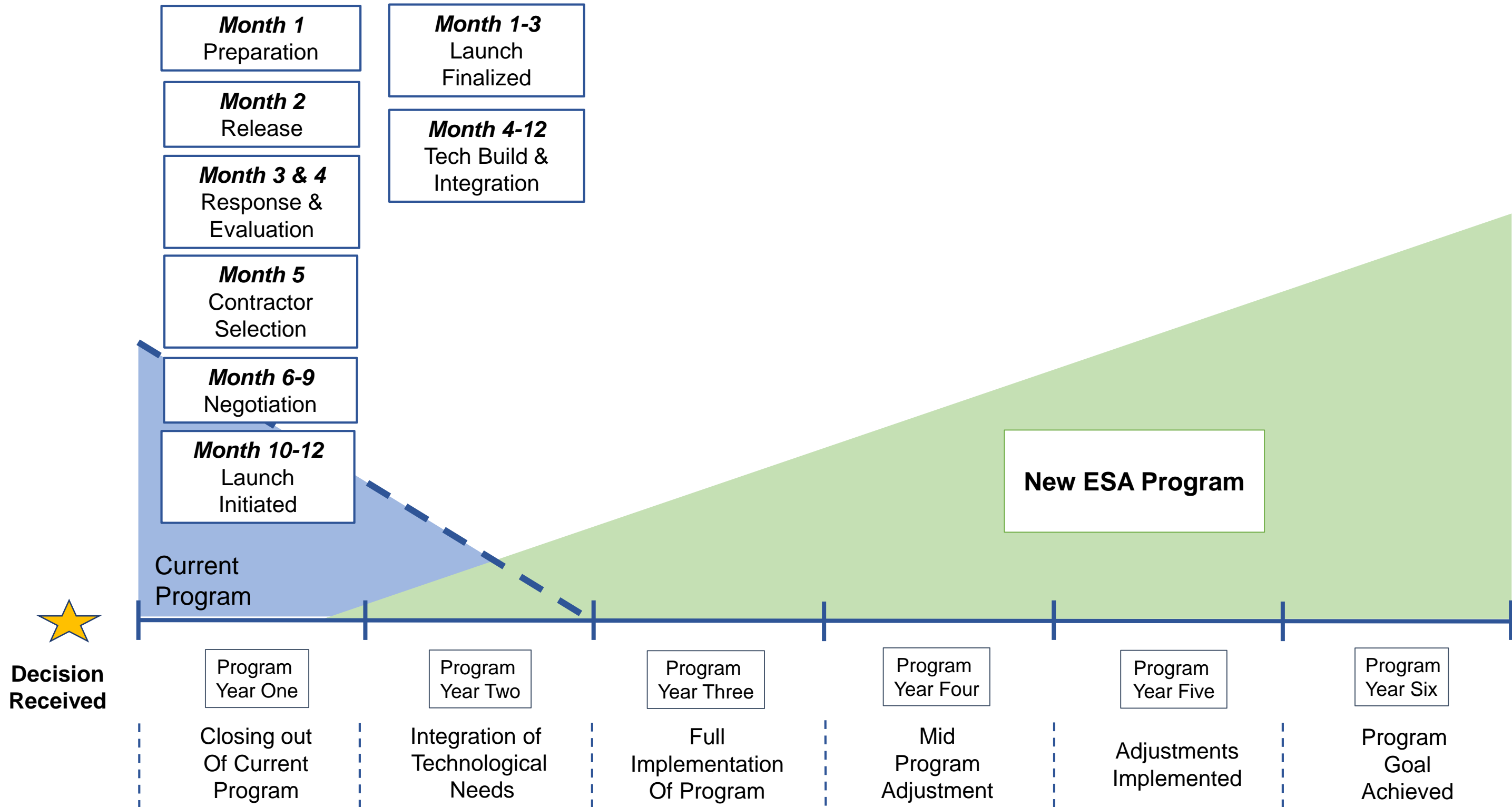
Incorporating Best Practices for the Multifamily Single Point of Contact



Integration with Energy Efficiency Workforce Education and Training



Program Transition Timing



DRAFT – FOR DISCUSSION PURPOSES ONLY

2021-2026 ESA Program Budgets

- Maintain current cycle authorized annual budget level of approximately \$30M.
- Unspent funding to be used for future innovative solutions without requiring increased funding levels; remainder used to offset rates.
- Number of treated homes for the new cycle only represent a % of Total ESA Population. New program estimates will be based on:
 - Historical spend rates
 - Average cost of homes treated
 - Measure mix analysis and trends from current cycle
 - Climate zone distribution
- Budget segmentation divided out by market potential opportunity.
 - Multifamily In Unit
 - Multifamily CAM
 - Single Family
 - MFWB Deed-Restricted

ESA Program Policy Changes

The following policy changes support program innovation:

- Online Audits / Customer Choice and Self Service
 - Enrollment online in addition to enrollment through outreach contractor
 - Customer installation of certain measures
 - In-home audit to be conducted by customer or service provider
 - In-home audit and energy education to be counted as a home treated when no other services are needed
- Improve Program Cost Effectiveness and Reach
 - Appliance eligibility criteria to be based on the expected useful life (EUL) as a rolling year for replacements in lieu of manufactured date
 - Enrollment of CARE self-certification customers to receive simple measures only
 - Property Owner Authorization or multifamily unit waiver to be valid for more than one year
- Other Program Efficiencies
 - Continue the advice letter process for measure changes and fund shifting
 - Simplified rules to allow for fund shifting between program categories

Questions?

SDG&E Contacts

| Name | Title | Email |
|----------------|------------------------------------|--|
| Sara Nordin | Customer Programs Manager | Snordin@sdge.com |
| April Johnson | Customer Programs Supervisor | Ajohnson@sdge.com |
| Irma DePratti | ESAP Senior Program Advisor | IDePratti@sdge.com |
| Alan Salazar | ESA CAM Program Advisor | AOSalazar@sdge.com |
| Henry De Jesus | SPOC Program Advisor | HDeJesus@sdge.com |
| Pedro Ramirez | CARE Program Advisor | PRamire4@sdge.com |
| Kathy Wickware | ESAP/CARE Senior Policy Advisor | Kwickware@sdge.com |
| Sheila Lee | Senior Strategy and Policy Advisor | Slee4@sdge.com |
| Alana Hammer | Regulatory Case Manager | ANHammer@sdge.com |