LOW INCOME OVERSIGHT BOARD MEETING (LIOB)

California Public Utilities Commission
Auditorium
505 Van Ness Avenue
San Francisco, CA 94102
1-866-642-1440 Code 7516937#
video webcast:
http://www.adminmonitor.com/ca/cpuc/

Tuesday, February 23rd, 2016

Low Income Oversight Board (LIOB)

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California Public Utilities Commission
Auditorium
505 Van Ness Avenue
San Francisco, CA 94102

10:00am – 4:00pm
www.liob.org
Call - In Number 1-866-642-1440 - Passcode 7516937#
The meeting will be accessible in real-time via video webcast at: http://www.adminmonitor.com/ca/cpuc/

[10:00am -10:10am.]	1.	Welcome and Introductions— Robert Castañeda, LIOB Chair and Commissioner Catherine J.K. Sandoval (10 minutes) *Standing Item*
[10:10 a.m. – 10:20 a.m.]	2.	Election of LIOB Chair and LIOB Vice-Chair– Facilitated Chairman Castaneda (10 minutes) *Action Item*
[10:20 a.m. – 10:30 a.m.]	3.	Public Comments— Facilitated by Robert Castañeda, LIOB Chair (10 minutes) *Informational/Standing item*
[10:30 a.m. – 10:35 a.m.]	4.	Approval of the October 29th, 2015 LIOB Meeting Minutes, Facilitated by Robert Castañeda, LIOB Chair (5 minutes) *Action Item*
[10:35 a.m. – 10:45 a.m.]	5.	Announcement of the appointments to the LIOB Commissioner Catherine J.K. Sandoval (10 minutes) *Informational Item* • Board Members Larry Gross, Ortensia Lopez and Patricia Watts • CSD Representative – Jason Wimbley • Water Representative – Jeff Linam
[10:45 a.m. – 10:55 a.m.]	6.	SB 350 – Background of SB 350 and Work Plan Development – Melicia Charles (10 minutes) *Informational Item*
[10:55 a.m. –11:15 a.m.]	7.	Legislative Update – CPUC- Office of Governmental Affairs – (20 minutes) *Informational/Standing Item*
[11:15 a.m. -1 1:30 a.m.]	8.	Water Utilities' Current Issues – Viet (Kevin) Troung, Utilities Engineer, Division of Water and Audits (15 minutes) *Update/Informational/Standing Item*
[11:30 a.m. - 11:50 p.m.]	9. a)	Highlights of Upcoming Activities for Low-Income Energy Programs – Energy Division Staff (20 minutes) *Standing Item* Update on the Low Income Needs Assessment
[12:00 p.m. – 1:00 p.m.]		Lunch (60 minutes)

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[1:00 p.m. – 1:15 p.m.]	10.	2016 Public Purpose Audit Program (including CARE) Overview – Carl Danner, Chief Internal Audit Unit (15 minutes) - *Informational Item*
[1:15 p.m. – 2:00 p.m.]	11.	Susan E. Walters, Senior Vice President, California Emerging Technology Fund Follow Up Report: Outreach to Low-Income Households and Collaboration with Energy Utilities as a Green Strategy (45 minutes) – *Informational Item*
[2:00 p.m. – 2:25 p.m.]	12.	Investor Owned Utilities Reports – Utility Representatives (25 minutes) *Standing /Action/Discussion Item* a) CARE Enrollment Penetration and Expenditures b) ESA Homes Treated and Program Expenditures c) Projected Year-End Expenditures and Unspent Funds
[2:25 p.m. – 2:40 p.m.]	13.	Lifeline Telephone Program Update – Anna Jew, CPUC -Consumer Programs – Communications Division (15 minutes) *Informational/Standing Item* a) Lifeline Proceeding Update b) Update on Lifeline Direct Application Project c) Tribal Lifeline Update
[2:40 p.m. – 2:55 p.m.]	14.	Telecommunications Education and Assistance in Multiple-Languages (TEAM) – Ravinder Mangat and Kyle DeVine - Public Advisor's Office (15 minutes) *Informational Item*
[2:55 p.m. – 3:10 p.m.]	15.	Community Help and Awareness of Natural Gas and Electric Services (CHANGES) Program Ravinder Mangat and Kyle DeVine – Public Advisor's Office (15 minutes) *Informational Item*
[3:10 p.m. – 3:30 p.m.]	16.	Subcommittee Reports and Updates – Facilitated by Robert Castañeda, LIOB Chair (20 minutes) *Standing /Action/Discussion Item* a) Marketing & Outreach (Board Members Toledo, Gross, Watts, Delgado-Olson & Rendler) b) ESAP and CARE Implementation (Board Members Castaneda, Wimbley, Watts, Lopez & Rendler) c) Workforce Education and Training (Board Members Hernandez & Castaneda) d) Water Industry (Board Members Lopez and Castaneda) e) Emerging Issues/Climate Change (Board Members Toledo & Delgado-Olson) f) AB 327 Subcommittee (Board Members Hernandez, Lopez, & Wimbley)
[3:30p.m. – 3:45 p.m.]	17.	Future Meetings Dates & Agenda Items for Future Meeting (15 minutes) *Discussion Item*

<u>Tuesday, July 19th 2016</u> Sacramento City Hall Historic Building Hearing Room #204, 2nd Floor 915 I Street Sacramento, CA	<u>Thursday, September 22nd, 2016</u> Eureka City Hall Council Chambers 531 "K" Street Eureka, CA 95501	November – Date/Location TBD Long Beach, CA

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Auditorium
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This is a public meeting. The meeting is accessible to the physical disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting, may make a request by contacting Zaida Amaya at (916) 928-4702 or sending a written request to 180 Promenade Circle, Suite 115, Sacramento, CA 95834. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.

Interested parties may attend in person or via teleconference. Notice of the Low Income Oversight Board meeting can be accessed at: www.liob.org

All times indicated and the order of business is approximate and subject to change.

This meeting notice is being sent to all parties on the service lists of Applications A.14-11-007, et al; and A.15-02-001, et al., And solely for the purposes of Commission's Ex Parte Communication Requirements, this notice will be deemed a functional equivalent of the notice pursuant to Commission's Rules of Practice and Procedure, Rule 8.3 (c)(1) for the proceedings A.14-11-007, et al; and A.15-02-001, et al.

Please note: the CPUC will be limiting the amount of meeting packages provided at the LIOB meetings in an effort to conserve paper and curtail printing expenses.

Welcome and Introductions

Low Income Oversight Board Members

Robert Castaneda
LIOB Chair
Proteus, Inc.
1830 N. Dinuba Blvd.
Visalia, CA 93291
(619) 852-6290
robertprm@gmail.com
Public Member Position

Patricia Watts
LIOB Vice-Chair
President/CEO
FCI Management Consultants
3850 E Gilman St
Long Beach, CA 90815
(562) 719-9300
patwatts@fcimgt.com
Private Weatherization Contractor Representative

Catherine J.K. Sandoval
Commissioner
California Public Utilities Commission
505 Van Ness Avenue, Room 5213
San Francisco, CA 94102
(415) 703-3700
CatherineJ.K.Sandoval@cpuc.ca.gov
Commissioner

Ortensia Lopez
Executive Director
El Concilio of San Mateo County
1419 Burlingame Ave. Suite N
Burlingame, CA 94010
(650) 373-1087
or10sia@aol.com
Public Member Position

Jason Wimbley
Department of Community Services and Development
2389 Gateway Oaks Drive
Sacramento, CA 95833
(916) 576-7129
jwimbley@csd.ca.gov
California Department of Community Services and Development Appointee

Jose Atilio Hernandez
IDEATE California
1901 Landis Street
Burbank, CA 91504
(818) 455-1942
jhernandez@ideatecal.com
Public Member Position

Charlie Toledo
Director, Suscol Intertribal Council
P.O. Box 5386
Napa, CA 94581
(707) 256-3561
suscol@suscol.net
Public Member Position

Larry Gross
Executive Director
COALITION for ECONOMIC SURVIVAL
514 Shatto Place, Suite 270
Los Angeles, CA 90020
(213) 252-4411 ext. 201
contactces@earthlink.net
Public Member Position

Benito Delgado-Olson
K to College
7730 Pardee Lane
Oakland, CA 94621
(510) 569-5862
benito@ktocollege.org
Governor Appointee

Daniel J. Rendler
Director – Consumer Programs and Assistance
Southern California Gas Company
555 West Fifth Street,
Los Angeles, CA 90013
(213) 244-3480
DRendler@semprautilities.com
Electrical/Gas Corporation Representative

Jeff Linam
California American Water
1033 B Avenue, Suite 200
Coronado, CA 92118
Jeffrey.linam@amwater.com
Water Corporation Representative

* Per Article Six of the LIOB Charter, Officers shall serve a one year term

Election of LIOB Chair and LIOB Vice-Chair

Public Comments

Approval of the October 29th, 2016 LIOB Meeting Minutes

Low Income Oversight Board Meeting (LIOB)

Seaside City Hall
Council Chambers
440 Harcourt Avenue
Seaside, CA 93955
10:00am -3:30pm
Call - In Number 1-866-642-1440 - Passcode 7516937#
www.liob.org

Draft Meeting Minutes

Meeting Called to order at 10:10am by Chairman Castaneda

LIOB Board Members Present:
Chairman Robert Castaneda, Vice-Chairwoman Patricia Watts, Commissioner Catherine J.K. Sandoval, Dave Stephenson, Dan Rendler, Larry Gross, Jason Wimbley, Jose Hernandez and Charlie Toledo

LIOB Members Absent:
Benito Delgado-Olson and Ortensia Lopez

California Public Utilities Commission (CPUC) Staff Present:
Joanna Gubman, Lisa Paulo, Jonathan Lakritz, Anna Jew, Kevin Troung and Zaida Amaya

Public Present:
Yvette Vazquez, Joy Yamagata, Mayda Bandy, Mark Aguirre, Andrew Steinberg, Richard Heath, Mary O'Drain, Patti Landry, Julie Garcia, Sheila Lee, Roberto DelReal, E Russel, Lauri Walker and Sunne McPeak

Via Conference:
Dennies Guido, Jim Hodges, Ted Humprey and Emma Ponco, Castilla inaunible

1. **Welcome and Introductions— Robert Castañeda, LIOB Chair and Commissioner Catherine J.K. Sandoval -*Standing Item***

Chairman Castañeda welcomed all present to the Low Income Oversight Board Meeting. Commissioner Sandoval thanked the City of Seaside for their hospitality and allowing the LIOB to utilize its facility to hold the quarterly LIOB meeting.

Chairman Castaneda thanked the Commission for the action taken on the recent Bridge Funding Decision. He also thanked staff at the CPUC for their dedication.

2. **Public Comments – Facilitated by Robert Castañeda, LIOB Chair – Informational/Standing Item**

No comments were offered during public comment.

3. **Approval of the August 19th, 2015 LIOB Meeting Minutes, Facilitated by Robert Castañeda, LIOB Chair- Action Item**

Motion to approve the August 19th, 2015 minutes; moved by Board Member Toledo, seconded by Board Member Gross. (Yes: Commissioner Sandoval, Board Members Rendler, Gross, Stephenson, Watts, Toledo and Castaneda; motion passed) (Members Abstained: Board Member Wimbley)

4. **Investor Owned Utilities Reports – Utility Representatives** - *Standing /Action/Discussion Item*
   a) **CARE Enrollment Penetration and Expenditures**
   b) **ESA Homes Treated and Program Expenditures**
   c) **Projected Year-End Expenditures and Unspent Funds**

Ms. Mary O'Drain, representing PG&E, provided an update on the current enrollment, penetration and expenditures for the CARE and ESA programs. Ms. O'Drain also provided a report on the projected year-end expenditures and unspent funds. The amount authorized in 2015 was $162,218,020; PG&E projects expenses at approximately $137,000,000, leaving $25,218,020 of projected unspent funds. The total unspent funds through 2014 is $93,059,282.
Board Member Gross inquired how the unspent funds through 2014 will be spent.
Commissioner Sandoval explained that this is an issue in the CARE and ESA proceeding and is one of the issues that the Commission is looking at. PG&E's presentation can be viewed and downloaded at:
http://www.liob.org/docs/Item%204.%20PGE%20CARE%20ESA%20Participation%20and%20Expense%20LIOB%202015-10-29%20FINAL%20rev.ppt

Mr. Roberto DelReal, representing SCE, provided an update on the current enrollment, penetration and expenditures for the CARE and ESA program. On the projected year-end expenditures and unspent funds; SCE's authorized amount in 2015 was $72,736,630; SCE projects expenses at $48,300,000, leaving $24,436,630 of projected unspent funds. The total unspent funds through 2014 is $88,218.830.

Mr. DelReal explained that SCE encountered challenges over the last 2-3 years in reaching the ESA targets and that although the penetration rate shows as 40% of treated homes, the actual number is approximately 68%-70% . He further explained that challenges have been related to existing program rules policies, which do not permit certain homes be counted as treated homes.

Vice-Chairwoman Watts expressed concern about contractors who are out in the field outreaching and trying to enroll income qualified customers, but due to the 3 minimum measure rule or other challenges, these customers are not accounted for, therefore, the contractors are not compensated.

The Board asked SCE to file a letter with an explanation of the percentage of expenditures for measures in the projected year-end and unspent funds table; (2) 2015 ESA measures program experience; and (3) challenges in meeting homes treated goal due to existing policies. A response from SCE was filed on 12-15-15.
http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M156/K748/156748366.PDF

Commissioner Sandoval asked for clarification on the energy division expenses.

Ms. O'Drain explained that the IOU's pay for the portion of the administration for these programs. Most of the IOU's have a standard budget that they use every year, the IOU's typically check with Commission staff to determine if changes are necessary, this budget line item is typically underspent and historically the amount has been the same every year.

Ms. Gubman added that the creation of this line item was related a settlement associated with the LIOB and implementing it per the Statute.

SCE's presentation can be viewed and downloaded at:

http://www.liob.org/docs/Item%204.%20SCE%20CARE%20ESA%20Participation%20and%20Expense%20LIOB%202015-10-29%20FINAL.ppt

Ms. Mayda Bandy, representing SDG&E, provided an update on the current enrollment, penetration and expenditures for the CARE and ESA program. On the projected year-end expenditures and unspent funds; SDG&E's authorized amount in 2015 was $23,772,250; SDG&E projects expenses at $26,904,989, leaving $5,072,250 of projected unspent funds. The total unspent funds through 2014 is $20,078,232 (this amount stretches back to 2006)

Ms. Bandy concluded her presentation by reiterating the importance for dual-fuel utilities of having greater flexibility to shift funds between authorized gas and electric program budgets to help minimize unspent funds in the future. The Board asked SDG&E to send a letter to the LIOB members to describe SDG&E's fund shifting request that was included in its Application. A response from SDG&E was filed on 11-12-15
http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=156455022

SDG&E's presentation can be viewed and downloaded at:
http://www.liob.org/docs/Item%204.%20SDGE%20CARE%20ESA%20Participation%20and%20Expense%20LIOB%202015-10-29%20FINAL.ppt

Mr. Andrew Steinberg, representing SoCalGas, provided an update on the current enrollment, penetration and expenditures for the CARE and ESA program. On the projected year-end expenditures and unspent funds; SoCalGas' authorized amount in 2015 was $131.4M; SoCalGas' projects expenses at $75.9M leaving $55.5M of projected unspent funds. The total unspent funds through 2014 are $113.3M.

Chairman Castaneda asked on the type of collective ME&O outreach SoCalGas and SCE engage in.

Mr. Steinberg responded that both utilities engage with one another on a regular basis and coordinate delivery of their services. He also mentioned that one of SoCalGas' proposals in the most recent application was a nuance to the 3 measure minimum. SoCalGas proposed that once a home has been determined to require three measures (or otherwise meeting the 3-Measure Minimum Rule), the rule should be interpreted to allow the installation of one or two measures, when the third (or other 3-Measure Minimum Rule qualifying) measure is expected to be provided by another entity, including that of a different utility. This proposal will be addressed in the Commission's final decision.

Vice-Chairman Castaneda added that although areas, regions and communities are different for the each IOU, he would like to see standards on how the enrollment dollars are spent. He also expressed concern about the low percentages on the willingness to participate, and the fact that there are more low income individuals on fixed income that are becoming seniors, as well as individuals on categorical eligibility programs.

Mr. Steinberg pointed out that as their monthly reports shows; SoCalGas has numerous relationships with community based organizations, especially those that work with aging communities or communities with customers who have disabilities, as well as customers that face challenges with literacy. SoCalGas has also requested an opportunity to study the effects of documentation status as a barrier to enrollment.

SoCalGas' presentation can be viewed and downloaded at:

http://www.liob.org/docs/Item%204.%20SCG%20CARE%20ESA%20Participation%20and%20Expense%20LIOB%202015-10-29%20FINAL.ppt

Commissioner Sandoval requested that in the interest of transparency and abundance of caution, parties to the CARE and ESA proceeding should file an Exparte.

SDG&E and SCG Exparte - Mayda Bandy & Andrew Steinberg
http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=157362223

SCE Exparte
http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=156236822

5. *Legislative Update – CPUC- Office of Governmental Affairs* – Informational/Standing Item

OGA was not present to provide a current update. A summary of the Low Income Related Bills can be found at:
http://www.liob.org/docs/Item%205.%20Legislative%20Update.pdf

Board Member Stephenson provided briefs on the water related legislation.
AB 401 (Dodd)
SB 7 (Wolk)
SB 13 (Pavley)
SB 226 (Pavley)
AB 1390 (Alejo)

Board Member Hernandez commented on the importance of SB 350 (DeLeon) and AB 693 (Eggman). Board Member Hernandez also informed the Board that there has been a shift in leadership; Assembly member Anthony Rendon was selected to be the next Speaker of the Assembly. Assembly member Autumn Burke will be the chair of utilities. He reminded the Board that this is a great opportunity for the LIOB to get involved with the Legislature.

Commissioner Sandoval invited Ms. Sunne Wright McPeak to provide comments on the recent passing of AB 1262 (Wood). Ms. Wright McPeak informed the Board that AB 1262 passed the Legislature unanimously. This Bill had a broad base of support throughout California from community organizations and also from regional civic leader groups and recognition by the CPUC. AB 1262 reallocated $5 Million of the authorized funding for the California Advanced Services Fund (CASF) Broadband Infrastructure Revolving Loan Account (Loan Account) to the CASF Rural and Urban Regional Consortia Grant Account (Consortia Account). The purpose is to help bridge the Digital Divide by encouraging broadband deployment through the Rural and Urban Regional Broadband Consortia Grant Account. Legislation was necessary to continue funding the consortia grant activities beyond 2015. Current authorized funding for the Consortia Grant Account has been fully allocated for consortia grantees during the 2012-2015 grant cycle.

Commissioner Sandoval commented that the consortia makes sure that we remain focused on not only the large cities, but smaller cities such as Hollister, San Benito, Gonzales, Seaside and all the communities in between these towns, and really understand that we cannot assume that the level of connectivity available in San Francisco is enjoyed by the people of Gonzales, and that having this focus of regional leadership has been absolutely critical.

The Board thanked Ms. Wright McPeak for her input on AB 1262.

Chairman Castaneda provided highlights from SB 350 (DeLeon); he indicated that there are specific inserts within the Bill that specifically relate to the low income community, which indicates barriers to access for low-income customers to all forms of renewable energy being generated in the state and added that there are opportunities to not only work more effectively with the CPUC but also with other implementing agencies, such as the Energy Commission and the Air Resources Board.
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0301-0350/sb_350_bill_20151007_chaptered.pdf

Board Member Toledo thanked the Legislation for addressing the remote rural issues, which has been long time coming.

6. Water Utilities' Current Issues – Kevin Troung, Division of Water and Audits - Update/Informational/Standing Item

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Mr. Keving Troung from Division of Water and Audits provided the Board with the history and background on Governor Brown's Executive Order for a 25% water reduction. As of August 2015, Californians as a whole have saved 29% , and the CPUC regulated companies have saved an average of 30%. The 2010 Water Action Plan was adopted to guide the Commission in ensuring clean, safe and reliable water at reasonable rates. Mr. Troung also mentioned that there has been an increase in penetration rates, there are approximately 250,000 customers enrolled, compared to 115,000 in 2013. The CPUC hosted a workshop in the current Balance Rates Rulemaking in R.11-11-008; this rulemaking explores the potential for a comprehensive realignment of ratemaking for water utilities. Some of the issues discussed in regards to the low income were –●fixed discounts ●low-income areas with high participation ●self-certification ●multi-residential housing and ●lack of public agency program (AB 401). He explained that SB 401 is collaboration between SWRCB (State Water Resources Control Board), BOE (Board of Equalization) and relevant stakeholders to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program.

Chairman Castaneda encouraged Board members to participate in Rulemaking R.11-11-008.

Board Member Gross inquired as to whether there was any discussion regarding buildings that are low income and that have government subsidies or are non-profit affordable housing buildings.

Board Member Stephenson commented that by law, discounts are not provided to multi-residential complexes, even when those buildings are designated as low-income buildings.

Board Member Wimbley commented that CSD entered in an inter-agency agreement with the Department of Water Resources to launch a low-income toilet replacement program, which is a great opportunity to include it as part of CSD's energy efficiency services. He explained that one of the challenges CSD is facing is with the definitions of disadvantage communities that the Department of Water Resources has defined, and inquired as to whether any water companies have embarked on similar efforts in the past.

Board Member Stephenson mentioned that this type of information would be with each individual water company and added that companies usually have funds in their conservation programs. He also mentioned that there are counties and areas that have mandatory retrofit programs, such as in Monterey, which requires that any house resold has to be completely retrofitted to current standards.

Commissioner Sandoval suggested reaching out to the water districts as some water districts have toilet replacement programs, and added that the CPUC has not authorized toilet replacement for the most part in the energy efficiency program. She mentioned that this might be a great opportunity to help the multi-family housing, as a lot of multi-family owners are very interested in water measures as they tend to pay the water bill. Commissioner Sandoval suggested reaching out to the landlords associations, which might be very fruitful and also working with the people who are working on the California Advance Services Fund (CASF) which might create a one-stop shop for the multi-family.

Commissioner Sandoval commended the customers of the regulated utilities for exceeding the Governor's goals, as well as the regulated water utilities who have done a tremendous job in outreaching to their customers.

Mr. Troung's presentation can be viewed and downloaded at: http://www.liob.org/docs/ACF8C.ppt

7. **Lifeline Telephone Program Update – Anna Jew, CPUC -Consumer Programs –Communications Division (25 minutes)** ***Informational/Standing Item***
   - a) **Lifeline Proceeding Update**
   - b) **Update on Lifeline Direct Application Project**
   - c) **Update on Current Outreach Contractor**
   - d) **Tribal Lifeline Update**
     1. **Average Subscriber Subsidy**
     2. **Xerox Update on Potential Customers Qualifying for Tribal Lifeline**
     3. **Propose Methods to Increase Penetration Rates for the Tribal Lifeline Program**

Ms. Anna Jew from the Communication Division provided a report on the participation status of the current CA LifeLine wireless providers noting that there are 13 approved wireless providers. TracFone Wireless was recently approved as a Federal Lifeline wireless provider. There are 8 pending wireless carriers requesting CA Lifeline and 3 pending wireless for Federal Lifeline.

Mr. Jonathan Lakritz noted that the FCC requires that handsets provided to LifeLine participants be unlocked. As of September 30th, 2015 the combined CA LifeLine and Federal LifeLine participation is approximately 2.2 million, it was noted that the CA wireline participants continues to steadily decline, however, CA LifeLine wireless has started to leveled out. Mr. Lakritz explained that the income threshold falls at 150% of the Federal poverty level and that for major social services programs it falls at 200% of the Federal poverty level. The Commission requires a 200% threshold through program based and 150% on income based; this is true for the Federal LifeLine program as well, their income threshold is more restrictive to qualify on income basis than on program basis. He added that about 80% of the program participants qualify through program based.

The participation rate on the combined CA LifeLine wireline and wireless is about 73%. There are currently 133 enhanced LifeLine participants. It was explained that the enhanced Lifeline programs offers a deeper discount to qualified customers who live on federally-recognized Tribal lands. The LIOB had queried as to the causes of decrease in enhanced LifeLine participation. Ms. Jew informed the Board that the decrease was due to carriers incorrectly coding customers as eligible for enhanced LifeLine, but that this issue has been corrected. Ms. Jew informed the Board that the CPUC started analysis by focusing on consumers already participating in CA LifeLine and residing in Tribal Lands, which many of these customers very likely qualify. This analysis helped understand CA LifeLine participant's preferences for wireline versus wireless on Tribal Lands. Currently, there are 28 customers participating in the wireline enhanced LifeLine program; 942 customers currently participate in the basic landline service, and 1,484 wireless customers, which both could potentially qualify for enhanced LifeLine; however, the

Commission has not approved wireless providers to offer enhanced LifeLine, a potential applicant is being review and many other carriers are seeking interest to offered enhanced LifeLine. The analysis concluded that the majority of CA participants have wireless and very few CA participants choose to participate in Enhanced LifeLine, and the majority of CA participants reside in Riverside County. The next steps on this process is to inform current CA LifeLine participants on Tribal Lands of both the wireline and wireless of Enhanced LifeLine; work with selected carriers to better identify eligible customers; encourage wireless LifeLine providers to participate in Federal Enhanced LifeLine and consult with Tribal organizations and FCC to understand barriers. The input, comments and suggestions from the LIOB are also welcome in improving the Enhanced LifeLine participation.

Board Member Toledo commented that the report shows people currently registered/sign-up with LifeLine, but it does not reflect the actual individuals residing in the federally recognized tribes. Board Member Toledo encouraged telecommunications to continue with this effort and would like to receive regular updates. She noted that the majority of telecommunications carriers seem to be reluctant to serve the more remote areas.

Commissioner Sandoval commented that this is an issue that the CPUC has looked at in a variety of proceedings, and added that 5 of the 11 workshops in public participation hearings were held on California Reservations and in towns where tribes reside. She added that many reservations such as Morongo or Soboba only have phone service available with dial-up internet. Commissioner Sandoval acknowledged and thanked AT&T, Verizon and Frontier for accepting all of the money that they are eligible from the Federal Government for the Connect America Fund (CAF). California will receive over $550 million dollars over the next 6 years to build-out networks in the high-cost rural areas, however, some areas such as Yurok reservation is not eligible for this fund because the FCC defines it as a remote area.

Lastly, Mr. Lakritz informed the Board that there is no activity currently being undertaken with regards to the outreach contractor.

Commissioner Sandoval suggested inviting the TEAM (Telecommunications Education and Assistance in Multiple- languages) program and contractor to provide an update on their activities and also to report on the key trends that they are seeing in terms of customer complaints or customers' requests for assistance.

The Board thanked Ms. Jew and Mr. Lakritz for their report.

Ms. Jew's presentation can be viewed and downloaded at:
http://www.liob.org/docs/Item%207.%20California%20LifeLine%20Presentation%20LIOB%20October%2029%202015%20in%20Seaside.ppt

8. **Highlights of Upcoming Activities for Low-Income Energy Programs – Energy Division Staff - *Standing Item***
   a) **Update on the Low Income Needs Assessment**
   b) **Update on SB 350: by Chairman Castaneda**

Ms. Lisa Paulo from Energy Division provided an update on the LINA (Low Income Needs Assessment) study and an update on the status of the low income proceeding schedules. Ms. Paulo highlighted that a motion was issued to extend the timeline and issue a bridge fund period. Ms. Paulo informed the Board that Energy Division is in the process of finalizing a contract for a vendor for the LINA. Board Members

Castaneda and Lopez are the leads representing the LIOB. Ms. Paulo provided a background report on the low income potential analysis. The low income market potential was first included in the potential model in 2011. The study was conducted by Navigant Consulting, Inc. and input was obtained from IOU reports and interviews with IOU staff. The 2013 study used the same data inputs used in the 2011 study. AB 327 requires a triennial low income needs assessment; in Decision 14-08-030, the Commission required, at minimum, four objectives for the low income needs assessment, including estimates for remaining low income potential; in view of this requirement and since the energy efficiency umbrella potential study was on its way, the LINA study group conferred with the Navigant consulting team, resulting in a revised final 2015 potential study. The study included two primary data input revisions – Unit Energy Savings (UES,) which is an estimate per savings per dwelling, primarily for the ESA program, as well as participation forecast, these are key data inputs in trying to calculate low income potential as part of the Needs Assessment. Ms. Paulo shared the trends between these two revisions that were made, and how it impacted the results. Lastly, Ms. Paulo presented the research recommendations by Navigant Consulting, Inc. Ms. Paulo's full presentation and report can be viewed and downloaded at: http://www.liob.org/docs/Item%208.%20ED%20highlights%20for%20October%2029%202015%20%20LIOB.ppt

9. Subcommittee Reports and Updates – Facilitated by Robert Castañeda, LIOB Chair *Standing /Action/Discussion Item*

a) Marketing & Outreach (Board Members Toledo, Gross, Watts, Delgado-Olson & Rendler)

The Marketing & Outreach Subcommittee did not meet; however, Board Member Toledo reminded the Board that the IOUs and the Telecommunication providers have been requested to provide an annual report on their marketing, outreach and strategies.

b) ESAP and CARE Implementation (Board Members Castaneda, Wimbley, Watts, Lopez & Rendler)

The ESAP and CARE Implementation Subcommittee did not meet.

Board member Wimbley commented that careful thought needs to be given to the issue of cost effectiveness, and added that within CSD's weatherization program, measures are looked at individually, to evaluate their cost effectiveness, based on cost and return on energy savings. He added that the Cap and Trade funding is forcing them to look at a higher quantification to support the soundness of energy efficiency, and to shift some of the cost effectiveness standards; to focus more on the package of measures that are put into a home and to allow certain measures to offset other ones, which favors the low-income customer. Board member Wimbley also mentioned they've had challenges with the 3 minimum measure rule, and that they had to weigh-out the benefits and look at it from the stand point of total cost, rather than the cost of the measures themselves. Studies for the weatherization programs shows that the motives for low income individuals are different from non-low income individuals; non-low income individuals focus on becoming green or see the value of these investments; low-income individuals are not necessarily looking at energy efficiency, but are reacting to a need that they have in their home. He stated that this comes at a higher cost to provide incentives to low-income individuals and encourage them to participate in these programs and that it is not appropriate to make direct comparisons or measurements of cost effectiveness with low-income to non-low-income energy efficiency programs, because of the inherit differences between the two, and that this could serve as an impediment to really serve the low-income needs. Lastly, he added that there needs to be an adjustment to the policies around the changing dynamics in the low-income section that we are serving.

c) Workforce Education and Training (Board Members Hernandez & Castaneda)

The Workforce Education and Training subcommittee did not meet. Chairman Castaneda informed the Board that the IOUs held a Statewide Workforce Education and Training Stakeholder Engagement Forum. The meeting went well and it had a lot of valuable information and looks forward to the development of some action items discussed at this forum.

d) **Water Industry (Board Members Stephenson, Lopez and Castaneda)**

The Water Industry Subcommittee meeting met on October 28th, 2015 in the Monterey Public Library from 1:30pm-3:30pm. The subcommittee discussed the current drought, as well as the need for the water companies to be aware of what is going on in the energy CARE program updates, he added that the CARE program is directly tied to what the water companies do in a lot of cases, and that it is important for the water companies to understand, and to keep in mind that as the proceeding moves forward, there is going to be dual impact. The subcommittee also discussed the water energy Nexus OIR, and the requirements in the final decision. On the balance rate, a phase II workshop was held. One of the issues discussed was that no matter what changes happened in the rate design; it will have an impact on the low income side. The subcommittee also discussed Legislation related to water issues.

Commissioner Sandoval took this opportunity to acknowledge and thanked Board Member Stephenson for his very dedicated service to the Low Income Oversight Board. Board Member Stephenson served as the water company representative since early 2008, attending every Board meeting the LIOB has held. Commissioner Sandoval expressed her continuous admiration of Board Member Stephenson's enthusiasm for making sure that all customers are served; specially the low income customers. She added that his knowledge in the industry, his commitment, and collaboration have been priceless. On behalf of the LIOB, she thanked him for his long dedicated and effective service, and wished him health and happiness in his upcoming retirement.

e) **Emerging Issues/Climate Change (Board Members Toledo & Delgado-Olson)**

The Emerging Issues/Climate - Board Members Toledo and Delgado-Olson met on various climate change issues.

f) **AB 327 Subcommittee (Board Members Hernandez, Lopez, & Wimbley)**

The AB 327 Subcommittee did not meet.

10. Sunne Wright McPeak, President and CEO, California Emerging Technology Fund
Overview of the California Emerging Technology Fund and the Drive to Close the Digital Divide for All Low-Income Households – *Informational Item*

Ms. Wright McPeak provided background information on the mission and role of the California Emerging Technology Fund (CETF). She explained that CETF was established by the CPUC as result of a merger in 2005 between SBC-AT&T and Verizon-MCI. AT&T and Verizon contributed $60 million in seed capital as a public benefit, this effort was organized in 2006 and it began operating in 2007. The strategic plan was based on research, fact finding and by listening to people. With the assistance of CBO's, $20 million was out into the community within the first 18 months. CETF is providing leadership to close the Digital Divide by setting goals for success. To achieve the optimal impact and a higher return on the investment of the original $60 million seed capital, CETF uses 5 overarching strategies: civic leader engagement; venture philanthropy grant-making: public policy initiatives; public awareness and education and strategic partnerships. She added that progress has been made in closing the Digital Divide, but there is still a lot to accomplish. CETF's 2015 survey tracked the progress of broadband deployment and adoption throughout California, and the poll found wide differences in broadband connectivity in the nation's largest state: 79% percent of California households have a broadband connection at home, while 21% do not, citing the cost of internet service as major reason for being unconnected. The statewide goal is to achieve 80% home adoption by 2017, with no single demographic group or region below 70%. The poll details how the lowest-income, least-educated Californians are living without an essential tool to access the educational, employment, healthcare and civic engagement opportunities that lead to self-sufficiency and a better quality of life. There are 3 primary barriers to broadband adoption by low-income households: cost, relevance and digital literacy, and in order to tackle the wall of poverty, effective digital inclusion must address all 3 barriers. Ms. Wright McPeak reported that all

$60 million seed capital will be expended by 2017, and that new public policy and additional resources are needed to close the Digital Divide. Ms. Wright McPeak spoke about the major opportunities that exist with the energy utilities, since the energy utilities have already identified customer base of low income households. She mentioned that a partnership has been created with Sacramento Municipal Utility District (SMUD) and that SMUD has reached to out 20,000 customers of their identified 110,000 low income households customers, informing them about broadband. Referrals have been directed to the Sacramento CBO's through the California Foundation for Independent Living Centers and the Food Bank. Ms. Wright McPeak reported that progress is being made with other utilities and that a meeting with SEMPRA resulted in deciding the next steps. Ms. Wright McPeak emphasized that the partnership with the utilities is significant and that aligning these partnerships would be a huge win for the utilities, as it could translate to online billing and an overall green strategy for the State. Ms. Wright McPeak stated that everything that is being done is not really about technology, but about empowering people and reaching those folks who are disadvantaged in one way or another and that there is still is a 5th of the population not participating in the digital economy. She also mentioned that low performance schools in the middle of low income neighborhoods are also challenged, and that getting technology infused in education as a policy is one of the first steps to absolutely empower low income folks and that it is going to take a real push by policy makers. Finally, Ms. Wright McPeak thanked the Board for allowing her to present before the Board, and encouraged the Board to provide input and support to help advance new public policy, align existing efforts, and assist in securing additional resources to ensure that all low-income households in California are empowered through Digital Inclusion as it aligns with the Board's mission to serve the low income community.

Chairman Castaneda thanked Ms. Wright McPeak for her presentation and encouraged the filing of Exparte to have an official document as a participant in the proceeding. He added that the success that CETF has demonstrated in reaching the rural areas has not been seen anywhere and the strategies, methodologies and approaches used have shown to be extremely successful. He encouraged the continued communication to develop strategies and to intermingle and to bring other stake holders to get assistance and continue with this effort.

Board Member Gross commented that working with the tenant's rights issues in Los Angeles areas; he has seen the impairment of not having access to the internet can cause. In many cases, access to the internet could prevent evictions and ensure that poor housing conditions are upgraded. There have been instances where landlords were forcing tenants to pay their rent online, and many seniors or disabled individuals didn't have access, which was clearly a route to try and evict these tenants. Not having internet access can result in people's homes being threaten, their health being threaten, so this is definitely a priority to ensure that everyone has access to the internet and are able to access the information that is out there.

Commissioner Sandoval thanked Ms. Wright McPeak for the powerful presentation and for her leadership on this critical important issue, and encouraged the energy utilities to take advantage of the opportunity to collaborate with CETF and to think about how to work collaboratively on deployment and reaching the same households as well as sharing information about effective administration and address the needs of California.

Ms. Wright-McPeak's presentation can be viewed and downloaded at:
http://www.liob.org/docs/Item%2010.%20CA%20Emerging%20Technology%20Fund.doc

http://www.liob.org/docs/Item%2010.%20CA%20Emerging%20Technology%20Fund%20Presentation.ppt

CETF's Annual Report can be found at:
http://www.cetfund.org/files/CETF2014-2015ARcomplete13Mar9am.pdf

11. **Elisabeth Russell, AMBAG Energy Watch Energy Efficiency & Climate Planning Programs –** *Informational Item*

Ms. Russell representing the Association of Monterey Bay Area Governments explained that she specifically manages the AMBAG Energy Watch Program, which is a local government program in partnership with PG&E that does regional energy efficiency under the auspicious of the CPUC. Ms. Russell further explained that AMBAG is a voluntary association of 18 cities and 3 counties in California's Central Coast region. In 2005 the AMBAG Board unanimously decided energy was an issue of regional significance. Since its formation, AMBAG has confronted regional issues on a cooperative, unified basis between its members and other governments. AMBAG is the designated Metropolitan Planning Organization (MPO) for Monterey, San Benito, and Santa Cruz counties. As the MPO, AMBAG is responsible for metropolitan transportation for the tri-county region. Ms. Russell provided a list of AMBAG's energy watch programs service and support that they serve, and mentioned that they focus on specifically just above low income. The two largest industries in the region are agriculture and hospitality, for which they have very specific programs to work with. They also serve small business, school districts, non-profits, municipal governments and special districts. Ms. Russell highlighted that in the public sector complex energy projects, 150 completed projects have been accomplished, with a combined annual cost savings of $2 million. The types of complex projects include: waste water & motor projects, HVAC projects, lighting projects. Ms. Russell highlighted that in 2009 they started the street lighting project, and out of 14,800 street lights in their region, they have retrofitted 12,000 lights. Between 2011-2015 the Residential Direct Installation Program for Just Above Low Income Residents (MIDI) program served 2203 households, with 3,044,837 KWh saved. AMBAG Energy Watch also supports the 21 AMBAG jurisdictions with their climate planning efforts; supporting them through the preparation of Community-Wide GHG Inventory documents for baseline year 2005, 2010, and current training for the 2015 update. The major initiative for this year was the implementation of a new efficiency program for the many school districts in the AMBAG region to access Proposition 39 funding for energy efficiency in schools. In 2015, AMBAG Energy Watch is working with thirty-four school districts to secure approximately $17 million in Proposition 39 funding for energy efficiency retrofit projects at their schools. Lastly, Ms. Russell reported that from 2006-2015, 81.7 Million kWh was achieved in energy savings, with a total of $12.2 Million incentives delivered and 17,633 MT CO2e of annual GHG reduction.

Ms. Russell thanked the Board for the opportunity to provide this report, and looks forward to continue working together and optimized all resources.

The Board thanked Ms. Russell for her report.

12. **Future Meetings Dates & Agenda Items for Future Meeting - Discussion Item**

The Board suggested meeting in San Francisco on February 23rd, 2016. There was consensus to meet in Sacramento in July, Eureka in September and Long Beach in November/December. Staff will poll Board for best dates/availability. Commissioner Sandoval suggested coordinating a visit to nearby Tribal areas in the Eureka area.

Board Member Gross will coordinate with staff on information on the NET Energy Metering issue for non-profit housing developers (multi-family) and the impacts that it might have in providing solar.

TEAM and CHANGES Presentation

Announcement of the Appointments to the LIOB

- *Larry Gross*
- *Ortensia Lopez*
- *Patricia Watts*
- *Jason Wimbley*
- *Jeff Linam*

SB 350
Background of SB 350 and Work Plan Development

Overview of SB 350

California Public Utilities Commission

Melicia Charles, Energy Division

February 23, 2016

SB 350: The Clean Energy and Pollution Reductions Act of 2015

- SB 350 sets a target for 40% economy-wide GHG emissions reduction from 1990 levels by 2030
- CPUC statutory requirements:
  - Requires **resource optimization** and an **Integrated Resource Planning (IRP) process**
  - Increase **Renewable Requirements** from 33% by 2020 to **50% by 2030**
  - Requires **doubling of Energy Efficiency savings** from electricity and natural gas end-uses by 2030
  - Encourages **transportation electrification to reduce economy wide GHGs**
  - Expresses intent for **regional expansion of the CAISO**
  - Consider impacts on **disadvantaged communities** in CPUC decision-making process

Integrated Resource Planning (IRP)

- Commencing in 2017, CPUC shall adopt a process for each load-serving entity to file an Integrated Resource Plan (IRP) that:
  - Meets the GHG emissions reduction targets established by ARB
  - Procures at least 50% eligible renewable energy resources by 2030
  - Serves customers at just and reasonable rates
  - Minimizes impacts on ratepayers' bills
  - Ensures system and local reliability
  - Minimize local air pollutants and other GHG emissions, with early priority on disadvantaged communities
- The CPUC shall both adopt a process for each load serving entity to file an IRP and shall optimize resource portfolios

Renewables Portfolio Standard

- SB 350 requires the CPUC make RPS program rule changes, such as:
  - Add consideration of the State's GHG limits and system reliability
  - Establish procurement expenditure limits that prevent disproportionate rate impacts
  - Adopt a penalty schedule for RPS non-compliance
- CEC required to complete a study on barriers and opportunities for access to renewable energy by low-income customers

Energy Efficiency

- SB 350 identifies a number of new energy efficiency sources that can count towards the goal
- Commencing in 2019, requires the CPUC to report to the Legislature every four years on progress towards maximizing EE saving contributions in disadvantaged communities.
- CEC required to complete a study on barriers and opportunities for access to EE/weatherization by low income customers, as well as study barriers to contracting opportunities for local small businesses in disadvantaged communities.

Transportation Electrification

- Specifies transportation electrification is necessary to reduce economy wide GHGs
- Defines "Transportation Electrification" to include:
  - vehicles, vessels, trains, boats, & other equipment
- Transportation electrification efforts will target charging infrastructure availability, underserved communities, new technologies for customers, and vehicle grid-integration
- ARB required to complete a study on barriers and opportunities for access to clean transportation options in disadvantaged communities

CAISO Regional Expansion

- SB 350 calls for the CAISO to consider regional expansion
  - Would coordinate electricity systems across the West and utilize ISO's infrastructure to develop one western grid.
- CAISO must study the impacts of the regional market including the benefits to ratepayers, job creation, environmental impacts and the impacts to disadvantaged communities.
- CAISO, CEC and CPUC must jointly hold a workshop on any modifications to its structure and results of the studies.

Disadvantaged Communities Advisory Board

- SB 350 adds a statutory focus on disadvantaged communities.
- CPUC/CEC must establish an advisory group of representatives from disadvantaged communities
  - Purpose: to provide advice on clean energy and pollution reduction programs and determine whether they will benefit disadvantaged communities
- Per SB 350, "Disadvantaged Communities" identified through Sec 39711 of Health and Safety Code, which includes
  - Areas disproportionally affected by pollution and other hazards that lead to negative public health effects.
  - Areas with certain attributes including: low income populations, high unemployment, high rent burden, and sensitive populations
  - CalEPA developed the CalEnviroScreen to identify disadvantaged communities
- Definitions differ from how CARE/ESA/LIHEAP identify low income populations

Where we are now

- Dec 2015: Staff held a workshop on SB 350 planning before commissioners
- February 2016: The CPUC adopted a new rulemaking that considers IRP in the current LTPP proceeding.
- CPUC staff coordinating internally across relevant proceedings, as well as with ARB/CEC/CAISO on implementing SB 350
- CPUC requested new resources to implement SB 350

THANK YOU!

Legislative Update
CPUC – Office of Governmental Affairs

Water Utilities' Current Issues CPUC - Division of Water and Audits

Highlights of Upcoming Activities for Low-Income Energy Programs CPUC – Energy Division

a) Update on the Low Income Needs Assessment

Energy Division Low Income Program Highlights & Upcoming Activities

LIOB MEETING
FEBRUARY 23, 2015
SAN FRANCISCO, CALIFORNIA

IOU and SMJU Consolidated Application Anticipated Proceeding Schedules

ACTIVITY	IOU (A.14-11-007)	SMJU (A.15-02-001)
Proposed Decision Anticipated	**1Q16**	**1Q16**
Final Decision Anticipated	**2Q16**	**2Q16**

Other updates - Energy Division recently received approval for additional staff to assist with implementing AB2672 and overseeing Order Instituting Rulemaking (R.15-03-010) to Identify Disadvantaged Communities in the San Joaquin Valley and Analyze Economically Feasible Options to Increase Access to Affordable Energy in those Disadvantaged Communities.

Commissioner Randolph and Administrative Law Judge Tsen are assigned to this proceeding.

2016 Public Purpose Audit Program (Including CARE) Overview – CPUC – Internal Audit Unit

Public Purpose Program Audit Rubric
CPUC Internal Audit
(version 3, November 2015)

A well supported public program with strong internal controls should have the following aspects:

1. Clearly defined authority to exist, including timeframes or sunset mechanisms.
    a. This addresses the "Existence/Occurrence" Audit Risk, that the program has a legal basis and that its "scope" is defined. The mission and goals of the program should be regularly addressed and redefined as necessary.

2. Well documented legal funding authority, with a predictable and reliable funding mechanism supported with clear spending limits and budgets by category or type of cost.
    a. This addresses the need for financial support, and concerns the financial/fiduciary risk that the program can be sustained though the normal course of its mandate to exist as defined by its governing document. Authorized budgets should clearly set forth sub-category spending limits along with rules for transfers between categories, and be reviewed and updated on a regular basis.

3. Clearly defined roles and responsibilities for all parties (utilities, CPUC).
    a. Duties and authority should be well defined and documented to prevent conflicts among parties, duplicative work, and wasted resources.

4. Clearly defined allowable expenditures (program costs meet CPUC authorized guidelines, expenses complying with state and CPUC authorized guidelines).
    a. The rules should clearly define what constitutes an acceptable basis for the program to spend the money it is entrusted with. These should include both "program" costs that directly support the fund's mission, as well as administrative or "support" costs. The rules should be updated on a regular basis as appropriate to consider changes in industry practices, technology improvements, code changes, etc.

5. A means to verify program eligibility for individuals, vendors, or other program fund recipients.
    a. As a corollary of #4 above, the program should have a basis to demonstrate that the source of any outlay by the fund should be eligible to receive support as defined by the rules of the program. Vendors should be registered with the state with appropriate paperwork on file (including certification that the company does not have any financial relationship with Darfur, etc.), and individuals meet the requirements to be eligible for fund support (can be verified as being "low-income", "people with disabilities", etc.).

6. A regular feedback mechanism to allow for critique and changes at either the operational or policy level (LIOB, working groups, EM&V requirements).
    a. There should be a means for the program to receive input from outside parties as to how it is working. And along with the ability to receive input, the program should have a means to make changes and improvements as a result of those recommendations. This can include inspection mechanisms to verify program measures are being achieved.

7. Regular and public updates (working group calls, workshops, PPHs, progress reports on the website).
    a. The program should be transparent to all stakeholders and the public. Ideally there should be regular briefings by staff that are able to answer questions, and regular reports should be available to public review.

8. Documented internal controls over management of programs and use of the funds. Documentation of internal controls is a basic Sarbanes-Oxley requirement for publicly traded companies, and a standard best practice in all other industries.
    a. Well documented method of regular and consistent fund transfers (or supporting rate effect calculation), with supporting documentation and regular oversight (consistent calculation methods, wire transfer forms, accounting system support for amounts transferred, funding reports).
        i. Good accounting principles include supporting documentation for financial transactions. Any fund transfers should be documented with supporting calculations. This documentation should be retained for audit purposes.
    b. Clearly defined claim forms, with supporting documentation requirements.
        i. Any request for public funds should be well supported, referencing the legal basis for the request, along with verifiable evidence to support the request.
    c. A formalized claim review process, with supporting document, data management and retention policies.
        i. Being proper stewards of public funds includes the requirement that before any outlay is made there be an established process to review and verify that the outlay is justified.
    d. A regular fund balance reconciliation process.
        i. The program administrator should know at all times how much money remains in the fund's account, subject to receivables and payables. This knowledge is needed for basic budgeting functions, including support requests for additional funding or for support for plans to deal with potential shortfalls.
    e. A budget review process, coordinated with the fund balance review.
        i. Initial budgets should be subject to review to ensure the programs are funded to support their stated mission.
    f. Oversight and approval of all third party contracts, including tracking of annual encumbrances and invoices.
        i. Many programs sub-contract to consultants or third party vendors to support the program's mission. As there is less inherent oversight over outside parties, there should be a robust review process including the initial RFP/RFO process, regular monitoring of work, review of invoices for payments, and tracking of expenditures (including annual encumbrances for multi-year contracts) to provide assurance for proper program expenditures.
    g. A verification of program expenditures should be regularly conducted.
        i. "Audits" should be regularly conducted to ensure expenditures meet the program guidelines.

CPUC Internal Audit Unit
Public Purpose Audit Program

Carl Danner
CPUC Chief Internal Auditor

Low Income Oversight Board

February 23, 2016

Governing Charter and Staffing

- IAU reports directly to the Commission, through the Finance and Administration Committee.
- Commission-adopted Charter specifies role, authority, and professional standards. (http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/History/InternalAuditCharter052115.pdf)
- Focus on CPUC's internal operations, not policy issues or judgements.
- Now fully-staffed, including Chief, Supervisor, and four working staff.

General Internal Audit Unit Activities

- Organizational risk assessment and development of initial enterprise risk management system.
- Audits:
  - Fund: Public purpose program audits (Energy and Telecom)
  - Compliance: Motor Pool Safety (currently undergoing a follow-up audit)
  - Strategic Management: Workforce Planning & Emergency Preparedness are complete, Document Management now underway
- Consulting and management advice:
  - Intervenor compensation project with ALJ Division.
  - Informal advice, when requested, on various issues (e.g. safety).
  - Additional channel to identify risks and potential mitigation, including through employee input.

Focus of the Public Purpose Fund Audits

- Prior CPUC audits have focused on carrier compliance, with emphasis on the verification of claims amounts.
- The magnitude and dollar amounts in these programs suggest there would be significant benefits to regular review and verification of operational controls.
- It is also our goal for these audits to be responsive to PU Code Section 274, and to provide assurance that the ratepayers' money is managed efficiently and effectively in these funds.

Audit Framework

- In collaboration with other CPUC auditors, we developed a Public Purpose Program Audit Rubric for evaluating their operations.
- The rubric targets the CPUC's internal oversight of public purpose programs, and will include testing and documentation of:
  - Governing authority, including methods of program funding
  - Roles and responsibilities of stakeholders, including feedback mechanisms and how the program conveys information
  - Allowable expenditures, including third-party contracts
  - Eligibility for funding, including program recipients and vendors
  - CPUC internal controls, including claim/invoice reviews, budgeting and fund reconciliation
- Potentially, we hope the Rubric may prove useful to CPUC management in helping to define expectations for the oversight of these programs.

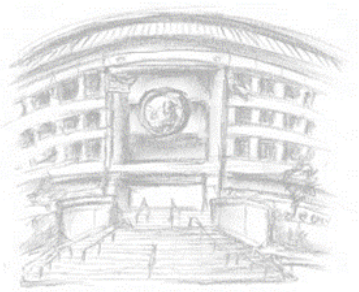
Ongoing Fund Audits

- The Internal Audit Unit is currently authorized to perform the following PP fund audits:
  - Energy
    - In Process – CARE, ESA
    - Pending – R&D, Energy Efficiency, EM&V
  - Telecommunications
    - In Process – CHCF-A, CHCF-B, DDTP
    - Pending – CA LifeLine
    - CASF already conducts regular financial and managerial audits
    - CTF is currently undergoing a proceeding, IAU will postpone

Thank you!
For additional information feel free to contact:
Carl Danner, Chief IAU
Carl.danner@cpuc.ca.gov
415-703-1823 or any IAU staff person

We look forward to working with stakeholders of the Public Purpose Programs !

www.cpuc.ca.gov



California Emerging Technology Fund
Follow Up Report: Outreach to Low-Income Households and Collaboration with Energy Utilities as a Green Strategy

CETF

CALIFORNIA EMERGING TECHNOLOGY FUND

CPUC Low Income Oversight Board

February 23, 2016

CALIFORNIA EMERGING TECHNOLOGY FUND Mission

CONNECT ✦ COMMUNICATE ✦ COMPETE

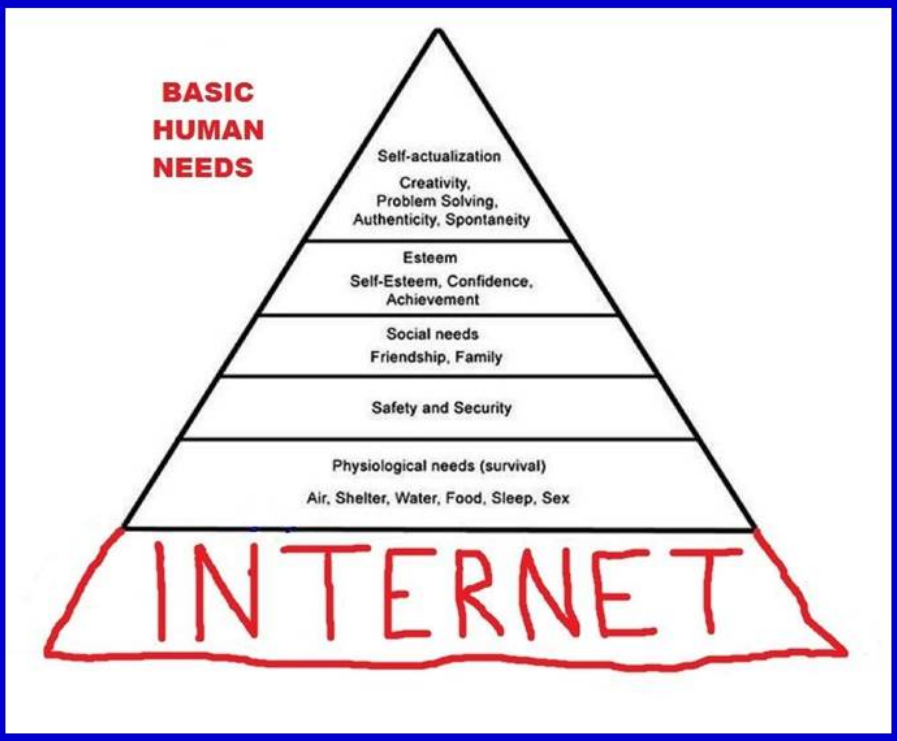
Mobilize leadership statewide to close the Digital Divide by accelerating the deployment and adoption of broadband to unserved and underserved communities.

Ensure that California is a global leader in the availability and use of broadband technology.

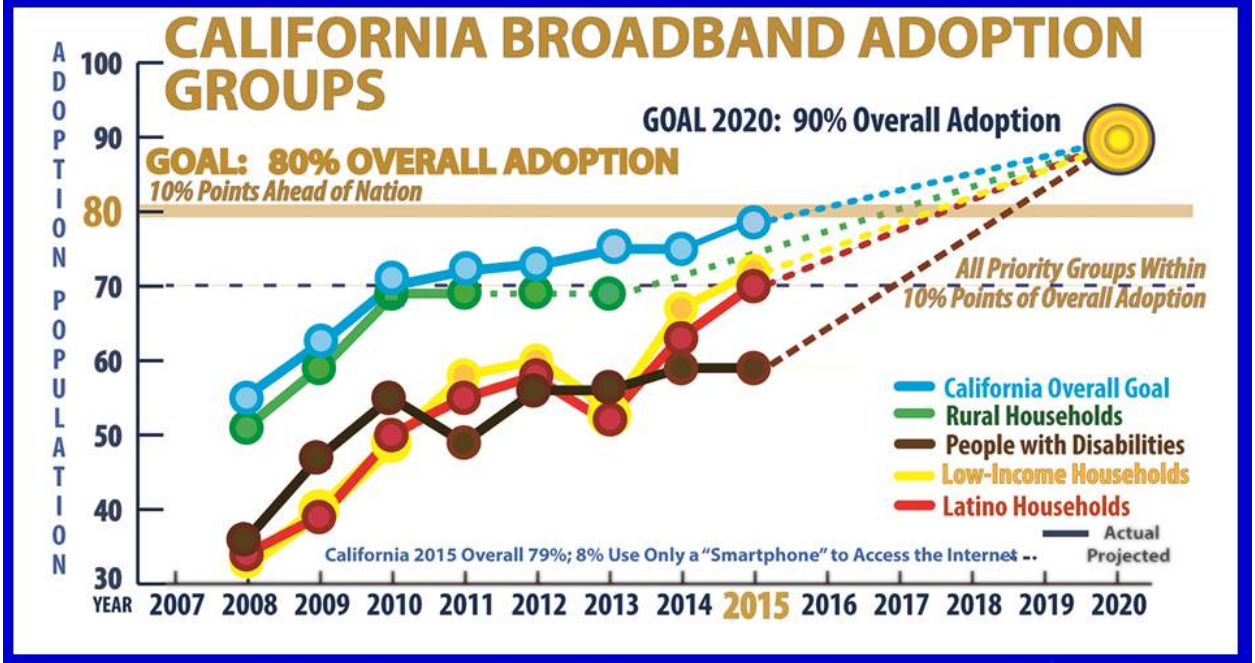
FOCUS ✦ ACTION ✦ RESULTS

CETF

BASIC HUMAN NEEDS



2015 Statewide Survey Results



Digital Divide is Greatest for the Disadvantaged

Percentage of Californians with Broadband at Home

- 65% of Households Earning Less Than $20,000 a Year
  (16% by smart phone only – 35% not connected)
- 63% of Households with Spanish-Speakers
  (21% by smart phone only – 37% not connected)
- 59% of People with Disabilities
  (8% by smart phone only – 41% not connected)
- 57% of Adults Age 65 or Older – Seniors
  (1% by smart phone only – 43% not connected)
- 52% of Non-High School Graduates
  (18% by smart phone only – 48% not connected)

CPUC Low Income Oversight Board Opportunities to Tackle Poverty

- LIOB would be a welcomed ally on key strategies:
  - FCC Broadband Lifeline Proceeding
  - Additional Funding for CASF
  - Education Policy (School2Home Model and NT)
- LIOB would be a powerful voice and collaborator on partnerships with energy utilities:
  - Consider endorsing strategy and sending letter of recommendation to CPUC Commission.
  - Align energy efficient programs with Digital Inclusion.
  - LIOB sponsor roundtable with energy utilities.
  - Train CBOs participating in energy efficiency programs.

LIOB LEADERSHIP NEEDED

- **Champion a strategy that promotes equity and green benefits.**
- **Pass a resolution calling for IOUs to include broadband adoption in their outreach programs with CARE and ESSA funds.**
- **Encourage utilities to do a pilot to understand the benefits and cost of connecting low-income customers to the Internet.**

BENEFITS TO UTILITIES

- The transaction costs will decrease for billing and communications.
- Low-income customers have equal access to emergency notification and information.
- Low-income customers have equal access to products and services that require Internet access.
- Low-income customers can use info from smart meters to manage their usage.
- Low-income customers can pay bills online when cash is available without having to spend time and money to pay bills in person.

California Emerging Technology Fund

- There are 3 primary barriers to broadband adoption by low-income households:
  - Cost
  - Relevance
  - Digital Literacy
- Effective Digital Inclusion programs must address all 3 barriers to tackle the "wall of poverty".

California Emerging Technology Fund Partnership with Energy Utilities

- SMUD/CFILC Partnership today:
  - Partnership Agreement has been signed.
  - Full implementation October 2015-April 2016
  - Results to date: 47,500 letters sent; 15,000 calls to CFLIC; 30% adoption).
  - CFILC provides info about the SMUD online portal.
- SCE/CFILC Partnership today:
  - Pilot: Mail letters to 10,000 customers with disabilities will begin in April.
  - Letter describes offer and that CFILC is the partner handling calls. Toll-free number provided.

PILOTS LOOK LIKE

- Train existing CBOs on how to do adoption.
- Recruit new CBOs with experience doing adoption.
- CBOs can refer customers to a call center or complete the adoption. Reimbursed at different rates.
- Support CBOs and a Call Center financially.
- Distribute (mail) letters about the offer weekly.
- Utility staff does not need to handle calls or be an expert on adoption.

PROGRAM COMPONENTS

- Call Management System
  - Calls go to Call Center for adoption
  - Referred to Other CBOs for Devices and Training
- Affordable Devices
  - Referred to New or Refurbished $85 to $250
- Digital Literacy Training
  - Vetted partners that conduct regular classes near customer

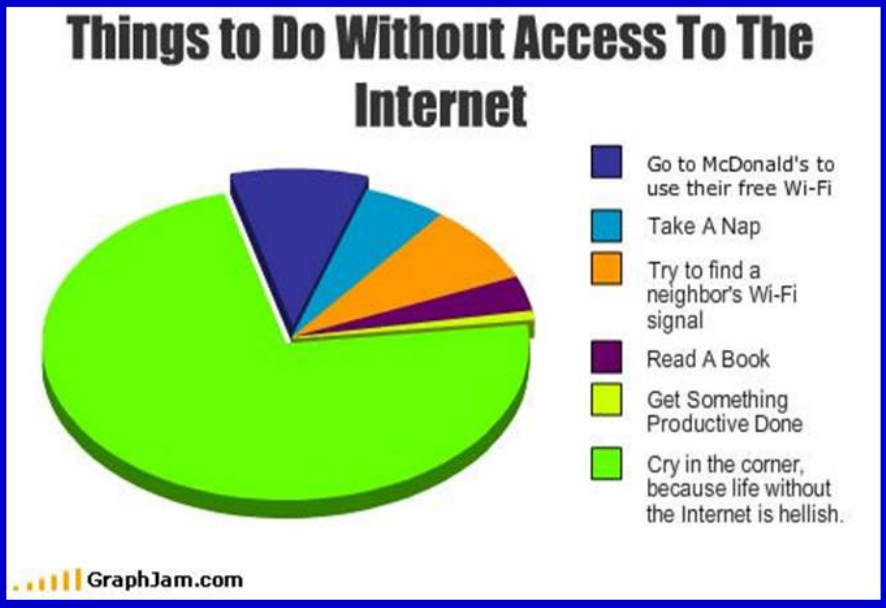
PROGRAM COMPONENTS

Affordable Offers

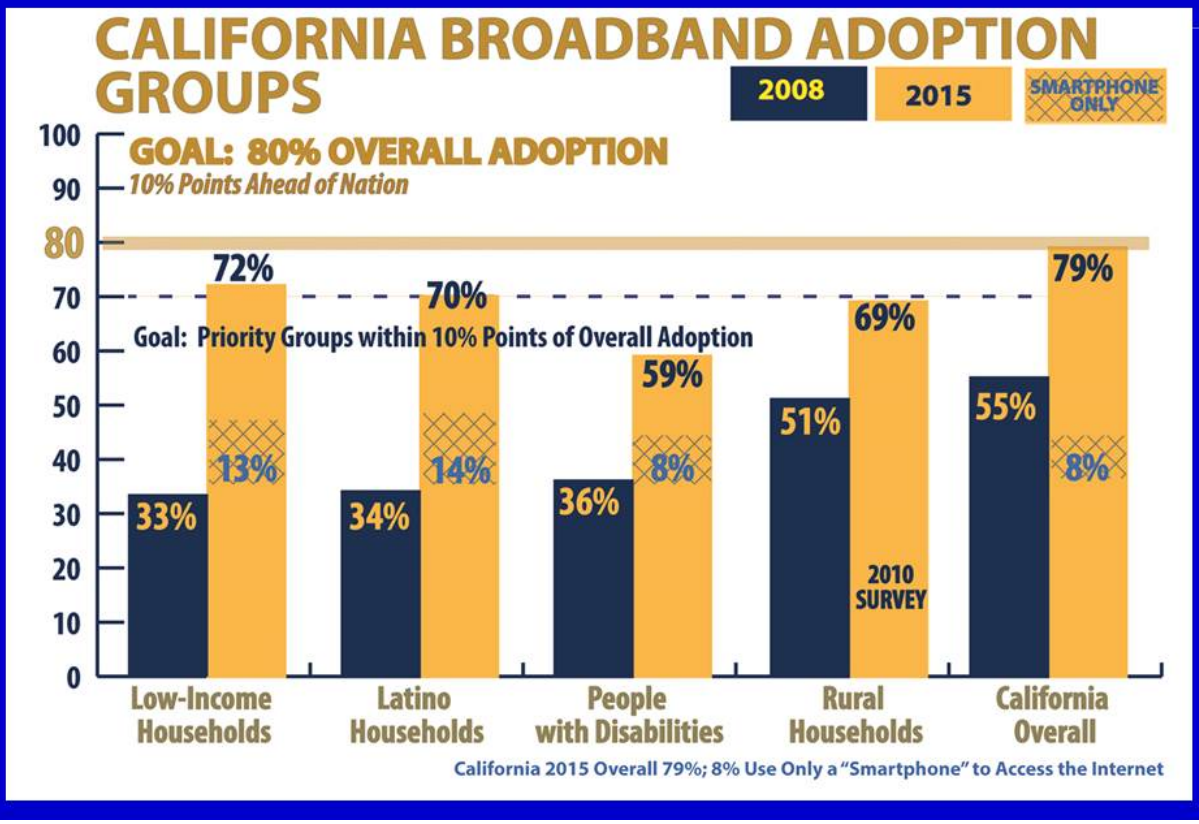
- Basic Internet $72 Hot Spot $10 per month
  No Eligibility requirements
- Comcast Free Modem/Router $10 per month National School Lunch Program
- AT&T Free Modem only $5 and $10 per month CalFresh enrollment
- Frontier Free Modem/Router $13.99 per month with Lifeline subscription

CPUC AND UTILITY SUPPORT

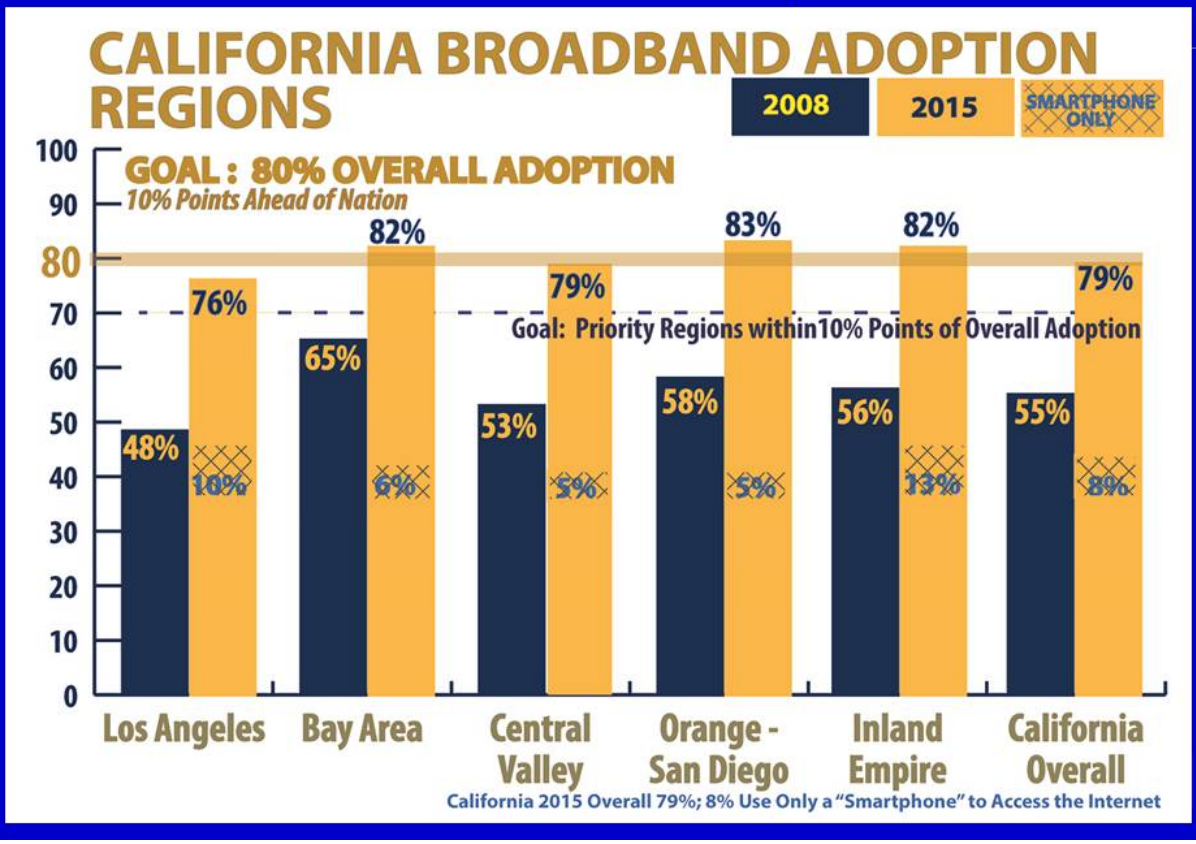
- Progress is being made with other utilities:
  - Sempra meeting resulted in decision to take next steps.
  - SCE is doing a pilot with CFILC.
  - DWP wants to meet in March.
  - PG&E has expressed interested and wants to meet.
- CPUC support key to encouraging this strategy and investments by energy utilities in CBOs.
  - Residential staff is supportive and sees it as consistent with finding new ways to enroll new households and ways to be more efficient.
  - Suggested pilots so costs would be know when producing the budget for new three year cycle to begin in xxxx.



2015 Statewide Survey Results



2015 Statewide Survey Results



CALIFORNIA EMERGING TECHNOLOGY FUND

CONNECT ✦ COMMUNICATE ✦ COMPETE

Thank You

Low Income Oversight Board

FOCUS ✦ ACTION ✦ RESULTS

Investor Owned Utilities Reports- Utility Representatives

a) CARE Enrollment Penetration and Expenditures
b) ESA Homes Treated and Program Expenditures
c) Projected Year-End Expenditures and Unspent Funds

PG&E CARE-ESA Program Update

Low Income Oversight Board Meeting

San Francisco, CA
February 23, 2016

PG&E CARE Program

CARE Enrollment, Penetration and Expenditures

Year	Customers Enrolled	Estimated Eligible Customers	Penetra-tion Rate	Expenditures	% of Authorized	Discounts
2015 Year-End [1]	1,423,989	1,635,673	87%	$ 14,135,806	89%	$558,560,274
2014 Year-End	1,413,334	1,648,774	86%	$ 12,281,846	78%	$ 607,206,765
2013 Year-End	1,386,070	1,574,844	88%	$ 8,826,133	61%	$ 703,432,080

[1] Based on Dec 2015 (Year End) Monthly Report. Final expenditures will be reported in 2015 AR in May 2016.

PG&E ESA Program

Number of Homes Treated and Program Expenditures

Year	Homes Treated	Goal	% of Goal	Expenditures	% of Authorized
2015 Year End [1]	98,646	119,940	82%	$135,270,515	83%
2014 Year End	123,539	119,940	103%	$145,940,449	88%
2013 Year End	123,566	119,940	103%	$142,181,389	91%

[1] Based on Dec 2015 (Year End) Monthly Report. Final number of homes treated and expenditures will be reported in 2015 AR in May 2016.

PG&E ESA Program

2015 Year-End Expenditures and Unspent Funds

Expenses 2015 [1]	Amount Authorized 2015	Unspent Funds in 2015 [1]	Unspent Funds 2009 - 2014 [2]	Total Unspent Funds 2009 - 2015
$135,270,515	$163,946,779	$28,676,181	$93,046,715	$121,722,896

[1] Based on Dec 2015 (Year End) Monthly Report. Final expenditures will be reported in 2015 AR in May 2016.

[2] The $41.1M in electric funds included in the total and requested to be applied to the 2016 revenue requirement in PG&E's Application has been adjusted to $38.4M to reflect an accounting adjustment.

2009 - 2015	2009 - 2015 Total Unspent	Unspent as Percent Of Authorized	Explanation [4]
Measures [1]	$97,122,294	10%	Fund shifting rule restrictions between categories
Marketing & Statewide Marketing [2]	$2,339,230	18%	Marketing efforts lower in previous years, increased contractor support to locate customers
Regulatory Compliance	$732,344	30%	Amount varies per year depending on Regulatory needs and requests
General Administration	$4,289,497	16%	Increased efficiencies led to lowered expenses
CPUC Energy Division	$308,462	59%	Same amount budgeted annually, actual expenses based on Energy Division needs.
Other [3]	$16,931,069	33%	NGAT inspection costs moved to GRC
Total	**$121,722,896**	**12%**	

[1] Includes In-Home Education and Customer Enrollment
[2] Statewide Marketing has no unspent funds
[3] Includes Training, Inspections, and Evaluations/Studies
[4] Utilities must not overspend authorized budgets to avoid mid-cycle program shut down

PG&E CARE-ESA Contacts

Allen Fernandez Smith, Manager Low Income Programs and Strategy
A1FP@pge.com

Mary O'Drain, Expert Regulatory Reporting and Policy
MJOb@pge.com

Southern California Edison ESA and CARE Enrollment, Penetration, and Expenditure Update

February 23, 2016

Southern California Edison CARE Program

CARE Enrollment, Penetration, and Expenditures

Year	Customers Enrolled	Estimated Eligible Customers	Penetration Rate	Expenditures	% of Authorized	Discounts
2015 Year-End	1,281,620	1,499,342	85.5%	$4,292,232	61%	$372,593,533
2014 Year-End	1,311,210	1,499,830	87.4%	$5,094,434	73%	$386,148,028
2013 Year-End	1,335,607	1,410,534	94.7%	$4,797,688	39%*	$358,025,586

Notes: * D.14-08-030 addressed SCE's Petition for Modification of D.12-08-044, filed in 2012, to reduce the 2012-2014 CARE Administration budget. The 2013 budget was reduced from $12,256,000 to $7,429,460.

Southern California Edison ESA Program

Number of Homes Treated and Program Expenditures

Year	Homes Treated	Goal	% of Goal	Expenditures	% of Authorized
2015 Year End	48,573	87,389	56%	$50,206,660*	69%
2014 Year End	76,983	87,389	88%	$55,886,233	77%
2013 Year End	69,031	87,389	79%	$55,604,816	77%

Notes: SCE enrolled 77,025 customers during PY 2015.
**2015 Year End expenditures are preliminary.*

Southern California Edison ESA Program

Projected Year-End Expenditures and Unspent Funds

Expenses 2015	Amount Authorized 2015	Unspent Funds in 2015	Unspent Funds 2009 - 2014	Total Unspent Funds 2009 - 2015
$50,206,660	$72,736,630	$22,529,970	$88,218,830	$110,748,800

2009 - 2015	Total Unspent 2009 - 2015	Unspent as Percent Of Authorized	2009 - 2015 Explanation
Measures	$89,745,983	22%	SCE underspent in all years except 2010. Reasons for underspending include: • Nearly doubling budget in 2009 requiring workforce expansion • Meeting homes treated goal in 2011 while underspending by $13 million • 2012 month-to-month bridge period created great program uncertainty • In 2013 through 2015 factors include customer unwillingness and the Modified Three Measure Minimum Rule
Local & Statewide Marketing	$4,459,601	60%	
Regulatory Compliance	$1,184,692	33%	
General Administration	$11,238,226	35%	
CPUC Energy Division	$326,039	61%	
Other	$3,794,260	29%	
Total	$110,748,800	24%	

Notes: The authorized ESA budgets for 2009 – 2015 total approximately $548 million
"Other" includes Training, Inspections, Studies, Pilots. "Measures" include Enrollment and In-home education

Southern California Edison Contacts

CARE Program – Rosie Casillas, Manager
(626) 302-0715 rosie.casillas@sce.com

ESA Program – Roberto Del Real, Manager
(626) 302-0720 roberto.delreal@sce.com

Regulatory – Sheila Lee
(626) 302-5762 sheila.lee@sce.com

SDG&E CARE and ESA Program Update

Low Income Oversight Board Meeting - February 23, 2016

San Francisco, CA

SDG&E CARE Program

CARE Enrollment, Penetration and Expenditures

Year	Customers Enrolled	Estimated Eligible Customers	Penetration Rate	Expenditures	% of Authorized	Discounts
2015 Year-End[1]	272,077	370,088	74%	$5,367,083	98%	$76,448,948
2014 Year-End[2]	278,931	368,229	76%	$4,530,706	82%	$63,897,068
2013 Year-End[2]	300,554	353,997	85%	$3,453,771	63%	$64,079,640

[1] Preliminary 2015 CARE program data reported for December year-end activity. Final 2015 data will be submitted to CPUC in Annual Report filing on May 2, 2016.
[2] 2014 and 2013 Annual data reported in SDG&E's Low Income Report submitted to CPUC May 1 of each year.

SDG&E ESA Program

Number of Homes Treated and Program Expenditures

Year	Homes Treated	2015 Goal	% of Goal	2015 YTD Expenditures	% of Authorized
2015 Year-End[1]	12,857	20,316	63%	$17,389,218	73%
2014 Year-End[2]	22,039	20,316	108%	$19,143,282	71%
2013 Year-End[2]	17,568	20,316	86%	$17,874,649	81%

[1] Preliminary 2015 ESA Program data reported for December year-end activity. Final 2015 data will be submitted to CPUC in Annual Report filing on May 2, 2016. The homes treated is based on completed and paid invoices and not on year-end estimated accruals, which SDG&E anticipates will result in more than 20,000 homes being treated in 2015.
[2] 2014 and 2013 Annual data reported in SDG&E's Low Income Report submitted to CPUC May 1 of each year.

SDG&E ESA Program

Projected Year-End Expenditures and Unspent Funds

Projected Expenses 2015	Amount Authorized 2015	Unspent Funds in 2015	Total Unspent Funds Through 2014	Unspent Funds Through 2015
$26,904,989	$23,772,250	$9,515,771	$20,078,232	$29,594,003

Total Unspent Funds by Category from 2006 through 2015

Category	Total Unspent 2006 - 2015	Unspent as Percent Of Authorized	Explanation
Measures[1]	$23,914,702	14%	Unspent funds are attributable to : 1) Timing of the Phase II low income decision which granted SDG&E's budget augmentation; 2) Timing of the decision also caused SDG&E to limit go-backs ; and 3) The measure mix provided to dwelling varied from SDG&E's forecast. SDG&E proposed to use approx. $6 M to partially offset 2016/2017 revenue requirements. Also SDG&E is awaiting the Decision on the 2015-2017 Application to implement proposed program enhancements and new measures and services.
Marketing & Statewide Marketing	$1,784,893	22%	In meeting or exceeding goal, larger scale marketing efforts were reserved.
Regulatory Compliance	$864,097	29%	Expenditures varied annually based upon Regulatory needs.
General Administration	$2,474,932	15%	Expenditures varied i.e., process improvements and database enhancements.
CPUC Energy Division	$239,567	63%	Expenditures varied based on invoices received from Energy Division staff.
Other[2]	$315,814	20%	Projects such as M&E studies proposed in 2015-17 program cycle have not yet been authorized due to the delay in the Decision.
Total	$29,594,003	15%	

[1] Includes In-Home Education and Customer Enrollment
[2] Other = Inspections and Evaluations/Studies categories

SDG&E Contacts

CARE & ESA Program

Joy Yamagata

Regulatory Manager

858-654-1755

JYamagata@semprautilities.com

SoCalGas CARE Program

CARE Enrollment, Penetration and Expenditures

Year	Customers Enrolled	Estimated Eligible Customers	Penetration Rate	Expenditures	% of Authorized	Discounts
2015 Year-End	1,556,906	1,899,820	81.95%	$109,296,227	74.09%	$102,281,402
2014 Year-End	1,568,011	1,898,302	82.60%	$117,510,411	80.00%	$109,488,808
2013 Year-End	1,604,411	1,798,002	89.23%	$125,388,452	86.00%	$118,556,705

Notes: The 2013 and 2014 data are as reported in the Low Income Annual Reports. The 2015 data are preliminary and final participation count and expenditures will be reported the 2015 Annual Report in May, 2016.

SoCalGas ESA Program

Number of Homes Treated and Program Expenditures

Year	Homes Treated	Goal	% of Goal	2015 YTD Expenditures	% of Authorized
2015 Year End	80,316	136,836	58.69%	$74,234,062	56.06%
2014 Year End	92,967	136,836	67.94%	$93,781,355	71.00%
2013 Year End	106,948	136,836	78.16%	$97,554,614	83.00%

Notes: The 2013 and 2014 data are as reported in the Low Income Annual Reports. The 2015 data are preliminary and the final treated count and expenditures will be reported in 2015 Annual Report in May, 2016.

SCG ESA Program

2015 Year-End Expenditures and Unspent Funds

Expenses 2015	Amount Authorized 2015	Unspent Funds in 2015 [1]	Total Unspent Funds Through 2014	Total Unspent Funds Through 2015 [1]
$74.2M[1]	$131.4M[2]	$57.1M	$113.2M	$170.3M

[1] Final treated count and expenditures will be reported in 2015 Annual Report in May, 2016.

[2] Excludes $1.0 million 'Carry Back Funding' authorized for 2014, not applicable to the 2015 Bridge period.

2015	2012-2015 Total Unspent ***	Unspent as Percent Of Authorized	2015 Explanation
Measures *	$158.6M	33%	Treated units below authorized.
Marketing & Statewide Marketing	$0.6M	13%	Request to scale back on M&O spending in 2012.
Regulatory Compliance	$0.1M	6%	Not applicable.
General Administration	$3.2M	15%	Various.
CPUC Energy Division	$0.3M	87%	Budget prepared per ED guidance.
Other **	$7.5M	46%	Treated units below authorized.
Total	$170.3M	33%	

Notes:
* Includes Energy Education and Customer Enrollment budgets.
** Includes Training, Inspections and EM&V budgets.
*** Represents total carry forward balances as of year end 2015.

SoCalGas Utility Contacts

CARE Program – Carmen Rudshagen, Program Manager @ CRudshagen@semprautilities.com

ESA Program – Mark Aguirre, Program Manager@ MAguirre2@semprautilities.com

CARE/ESA Program M&O – Regina Lugani, Manager@ RLugani@semprautilities.com

Regulatory Policy & Reporting – Andrew Steinberg, Manager@ ASteinberg@semprautilities.com

Lifeline Telephone Program Update - CPUC - Consumer Programs –Communications Division

a) Lifeline Proceeding Update
b) Update on Lifeline Direct Application Project
c) Tribal Lifeline Update

Telecommunications Education and Assistance in Multiple-Languages (TEAM)

Community Help and Awareness of Natural Gas and Electric Services (CHANGES) Program

Subcommittee Reports and Updates

a) *Marketing & Outreach (Board Members Toledo, Gross, Watts, Delgado-Olson and Rendler)*
b) *ESAP Implementation (Board Members Castañeda, Wimbley, Watts, Lopez and Rendler)*
c) *Workforce Education and Training (Board Members Hernandez and Castañeda)*
d) *Water Industry (Board Members Lopez and Castañeda)*
e) *Emerging Issues/Climate Change (Board Members Toledo and Delgado-Olson)*
f) *AB 327 (Board Members Hernandez, Lopez and Wimbley)*

Future Meeting Dates and Agenda Items for Future Meeting

Tuesday, July 19th 2016 Sacramento City Hall Historic Building Hearing Room #204, 2nd Floor 915 I Street Sacramento, CA	**Thursday, September 22nd, 2016** Eureka City Hall Council Chambers 531 "K" Street Eureka, CA 95501	November 2016 Date/Location TBD Long Beach, CA