

DRAFT



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April 1, 2021

ADVICE LETTER XXXX-E/XXXX-G
(U902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: FILING ESTABLISHING THE RESIDENTIAL AND SMALL BUSINESS
CUSTOMER TRANSITION PLAN PURSUANT TO RESOLUTION M-4849**

San Diego Gas & Electric Company (SDG&E) hereby submits this advice letter for approval to the California Public Utilities Commission (Commission) of its Residential and Small Business Customer Transition Plan as shown in Attachment A.

PURPOSE

Pursuant to Ordering Paragraph (OP) 5 of Resolution M-4849, approved on February 11, 2021, SDG&E is filing this advice letter (AL) to establish its Transition Plan for the expiration of COVID-19 Emergency Customer Protections for Residential and Small Business Customers.

BACKGROUND

In 2019, with Decision (D.) 19-07-015, the Commission implemented an Emergency Disaster Relief Program and established a set of minimum emergency disaster customer protection measures that the utilities are directed to implement in the event of a declared emergency.

On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency in response to the outbreak of novel coronavirus, COVID-19.¹ On March 13, 2020, President Trump signed an Emergency Declaration to facilitate federal response to the emerging pandemic.²

On March 13, 2020, as an initial response to the developing crisis, SDG&E implemented a voluntary moratorium on all disconnections of service for non-payment.

¹ See Office of Governor Gavin Newsom, *Governor Newsom Declares State of Emergency to Help State Prepare for Broader Spread of COVID-19* (March 4, 2020), available at <https://www.gov.ca.gov/2020/03/04/governor-newsom-declares-state-of-emergency-to-help-state-prepare-for-broader-spread-of-covid-19/>.

² See National Conference of State Legislatures, *President Trump Declares State of Emergency for COVID-19* (March 25, 2020), available at <https://www.ncsl.org/ncsl-in-dc/publications-and-resources/president-trump-declares-state-of-emergency-for-covid-19.aspx>.

On March 17, 2020, the Commission's Executive Director sent a letter to the California energy, water and communications corporations stating the Commission's expectation that they should "extend the same applicable consumer protections directed in D.19-07-015" to utility customers due to the COVID-19 pandemic, retroactive to March 4, 2020.³

On March 19, 2020, pursuant to direction from the Executive Director as well as D.19-07-015, SDG&E submitted AL 3516-E/2854-G, implementing its emergency disaster relief program for customers impacted by the COVID-19 pandemic.

On April 16, 2020, the Commission adopted Resolution M-4842 to ratify the directions provided in the Commission's Executive Director's March 17, 2020 letter. Resolution M-4842 provided that the applicable protections would remain in place for one year, through April 16, 2021, or as otherwise extended.

On May 1, 2020, consistent with M-4842, SDG&E submitted Supplemental Advice Letter 3516-EA/2854-G-A to describe the full suite of protections it was offering its customers, explain which customer protections were inapplicable during the COVID-19 pandemic, and to confirm the costs to be tracked in the COVID-19 Pandemic Protections Memorandum Account (CPPMA).

On February 11, 2021, the Commission approved Draft Resolution M-4849, directing the utilities to extend the emergency customer protections through June 30, 2021, and to separately file a Tier 2 AL with transition plans for the expiration of the COVID-19 Emergency Customer Protections by April 1, 2021.

DISCUSSION

SDG&E respectfully submits this Transition Plan for the expiration of the COVID-19 Emergency Customer Protections of residential and small business customers on June 30, 2021 for approval pursuant Resolution M-4849. The full Transition Plan is included here within in Attachment A.

As stated in Resolution M-4849, the goal of SDG&E's Transition Plan is to proactively enroll customers in programs to manage their utility bills, inform relevant customers of the changes to programs to which they are enrolled and potentially qualify, and to effectively ease customers through a transition off of the COVID-19 Emergency Customer Protections.

SDG&E's Transition Plan includes a timeline of resumed customer credit, collections, and customer program administration activities, SDG&E's marketing, education, and outreach strategy, an explanation of how the plan accounts for compliance and safety and a progress tracking and reporting plan.

In developing its Transition Plan, SDG&E coordinated with other utilities across California, the Low Income Oversight Board (LIOB), as well as the Community Choice Aggregators (CCAs) and Community Based Organizations (CBOs) in our service territory in order to establish a comprehensive plan designed to help customers be successful in their transition to an environment without COVID-19 Emergency Customer Protections.

³ March 17, 2020 Letter from Alice Stebbins Re: Emergency Customer Protections to Support Customers Affected by the COVID-19 State of Emergency.

EFFECTIVE DATE

SDG&E believes this submittal is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this submittal be effective on May 1, 2021 which is 30 days from the date of this filing.

PROTEST

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than April 21, 2021, which is 20 days after the date this Advice Letter was submitted with the Commission. There is no restriction on who may submit a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via e-mail to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Greg Anderson
Regulatory Tariff Manager
E-mail: GAnderson@sdge.com

NOTICE

A copy of this submittal has been served on the utilities and interested parties shown on the attached list, including interested parties in R.18-03-011, A.14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013 and A.19-09-014, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by email to SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Federal & CA Regulatory

Attachment A

SDG&E Transition Plan for the expiration of the COVID-19 Emergency Customer Protections

Background

In 2019, with Decision (D.) 19-07-015, the Commission implemented an Emergency Disaster Relief Program and established a set of minimum emergency disaster customer protection measures that utilities are directed to implement in the event of a declared emergency. In response to the COVID-19 pandemic, on April 16, 2020, the Commission directed the utilities to implement applicable protections established in the Emergency Disaster Relief Program for residential and small commercial customers for one year (through April 16, 2021). San Diego Gas & Electric Company (SDG&E) implemented the applicable emergency customer protections required by the Resolution, in addition to describing additional discretionary measures, through an approved advice letter.⁴

On February 11, 2021, the Commission approved Resolution M-4849, directing the utilities to extend the COVID-19 Emergency Customer Protections currently in effect through June 30, 2021, and to separately develop a Transition Plan to prepare for the expiration of the COVID-19 Emergency Customer Protections for its residential and small commercial customers.

The goal of SDG&E's Transition Plan is to proactively enroll customers in programs to help manage their utility bills, inform relevant customers of the changes to programs in which they are enrolled or for which they potentially qualify, and to effectively ease customers through a transition prior to the expiration of COVID-19 Emergency Customer Protections.

SDG&E's Transition Plan includes a marketing, education, and outreach strategy, the timeline of resumed customer credit activities and customer program administration activities, a statement of how the plan accounts for compliance and safety, the collaboration efforts with stakeholders, and a progress tracking and reporting plan.

SDG&E respectfully submits this Transition Plan to establish a comprehensive plan designed to assist customers with a successful transition to an environment without COVID-19 Emergency Customer Protections. In developing this Transition Plan, SDG&E coordinated with other utilities across California, the Low Income Oversight Board (LIOB), as well as the Community Choice Aggregators (CCAs) and Community Based Organizations (CBOs) in SDG&E's service territory. SDG&E's programs and processes evolve over time and at any time if there are changes or adaptations to those processes, SDG&E will adapt this Transition Plan as necessary to meet those changes, including any new directives by the Commission. SDG&E also notes the ongoing evolution of the COVID-19 pandemic, which may require additional changes or adaptations to this Transition Plan as necessary.

CURRENT COVID-19 EMERGENCY CUSTOMER PROTECTIONS

⁴ See SDG&E Advice Letter 3516-E-D/2854-G-D, approved June 16, 2020 and effective March 19, 2020.

On February 22, 2021, as directed by Resolution M-4849, SDG&E submitted Advice Letter 3699-E/2954-G to extend the applicable COVID-19 Emergency Customer Protections through June 30, 2021. Table 1 below illustrates the protections available to residential and small business customers until June 30, 2021.

Table 1: Overview of Customer Protections

Customer Protection
Waive deposit requirements for residential and small commercial customers seeking to reestablish service
Implement payment plan options for residential customers
Suspend disconnection for nonpayment and associated fees, and late fee requirements for residential and small commercial customers.
Support low-income residential customers by: <ul style="list-style-type: none"> (a) freezing all standard and high-usage reviews for the California Alternate Rates for Energy (CARE) program eligibility for 12 months and potentially longer, as warranted; (b) contacting all community outreach contractors, the community-based organizations who assist in enrolling hard-to-reach low-income customers into CARE, to help better inform customers of these eligibility changes; (c) partnering with the program administrator of the customer funded emergency assistance program for low-income customers and increase the assistance limit amount for the next 12 months; (e) indicate how the energy savings assistance program can be deployed to assist customers
Suspend all CARE and FERA program removals to avoid unintentional loss of the discounted rate during the period for which the customer is protected under these customer protections
Discontinue generating all recertification and verification requests that require customers to provide their current income information
Include these customer protections as part of their larger community outreach and public awareness plans under Section 8386(c)(16)(b);
Meet and confer with the Community Choice Aggregators as early as possible to discuss their roles and responsibilities for each emergency customer protection.

Marketing, Education, and Outreach (ME&O) Strategy

Prior to the end of the COVID-19 Emergency Customer Protections, SDG&E intends to emphasize customer outreach for those residential and small business customers that are most likely to be impacted by the transition, namely customers that have outstanding arrearage balances. The outreach to customers would begin at least 60 days prior to the start of collection activities. Generally, customer outreach and messaging will vary strategically and tactically for residential and small business customers and will primarily focus on program eligibility and specific customer choices aimed at helping the customer with energy bill and energy use management.

Residential Customers

SDG&E will target varied communications to residential customers based on customer needs (I.e., CARE versus non-CARE, Medical Baseline, etc.). Communications should identify options for customers such as CARE and FERA for residential customers that are not enrolled, the Arrearage Management Plan (AMP) for care CARE and FERA customers that are qualified, and payment plans for all eligible residential customers. These options will be made available to customers before disconnections resume.

Small Business Customers

SDG&E's outreach plan for small business customers will also contain variation based on customer need and offer payment plan options as well as any programs available designed to promote energy conservation.

ME&O Tactical Plan

SDG&E's ME&O plan will include a mix of general market tactics for broad awareness and more targeted communications to impacted customers, as described below. Primary messages will focus on changes to customer protections by audience with key dates, while secondary messages will provide information on programs and payment plans available to help customers manage arrears and avoid service disconnection. SDG&E's communication plan will begin two bill cycles, or 60 days, prior to lifting the COVID-19 Emergency Customer Protections and prior to the resumption of credit activities. Generally, communications will:

- Promote the end of customer protections in the SDG&E bill package (insert and/or onsert messages);
- Update the SDG&E website to include the end of customer protections on homepage, MyAccount, and relevant program pages (CARE, FERA, AMP, Medical Baseline, COVID-19, Assistance);
- Communicate the end of customer protections through social media channels (Twitter, Facebook, Nextdoor);
- Include secondary messaging regarding the end of customer protections in current CARE letters and emails (such as a bill comparison letter);

- Provide talking points in English and Spanish for CBOs and other community partners;
- Update credit and collection notices to inform customers there may be financial programs available to assist them (consistent with the requirements set forth in D.20-06-003);
- Update CARE and FERA recertification, high use and income verification letters and emails to cross-promote other assistance offers, such as AMP;
- Send up to two direct mail letters or emails to impacted residential customers regarding the end of customer protections, customer assistance programs and financial assistance options (60 days and 30 days out);
- Updated Call Center Talking points.

SDG&E's marketing and customer outreach tactical plan also includes coordination with other agencies (i.e. LIHEAP and CBOs), energy and water utilities, as well as CCAs. In addition, SDG&E will continue to leverage partnerships with SDG&E's Energy Solutions Partner Network, which includes 190 diverse and grassroots community-based organizations, to provide customer protection messaging through monthly social media messaging, virtual presentations and meetings.

Operational Plan for Credit & Collection Activities

SDG&E is developing a comprehensive timeline to support customers prior to and during the transition of resumed and new activities once the COVID-19 Emergency Customer Protections are lifted that will include additional details on available benefit programs. The plan includes the comprehensive and targeted ME&O plan (outlined above) to educate residential and small business customers regarding available options which will start as early as May 1, 2021, in advance of the COVID-19 Emergency Customer Protections being lifted. SDG&E will offer various bill payment options such as extended payment arrangements for residential customers and the Arrearage Management Payment (AMP) plan for eligible CARE and /FERA customers. One of SDG&E's new payment plan offerings, the Arrearage Management Payment (AMP) plan went live on February 1, 2021 and is available to eligible CARE or FERA customers as a way to help reduce their past due balances through debt-forgiveness, if the customer pays their current monthly bill on time. To qualify for AMP, the customer must meet specific eligibility requirements, as set forth by the Commission.

Resumed and New Credit Activities Plan

- A. Late noticing to all customers would resume after the customer protections end.
- B. Residential disconnections would continue to be limited by disconnection cap,

ability to handle customer calls, and the other safety nets for customers per D.20-06-003.

- C. Small business disconnections would resume after the customer protections end.
- D. Late payment charges for small business customers would resume one-month after customer protections end.
- E. Deposit requests for small business customers would resume two months after customer protections end.
- F. Continue assisting residential and small business customers with reasonable payment arrangements with terms extending up to 12-months as needed.
- G. Offer and enroll eligible CARE or FERA customers in AMP to help reduce past due balances through debt-forgiveness.

Operational Plan for CARE and FERA Customers

Recertification

The recertification process for CARE and FERA is such that there is an “anniversary date” that triggers a recertification notice for program participants 90 days prior to the actual recertification deadline. This 90-day notice provides ample time for customers to complete the recertification process and for SDG&E to conduct outbound telephone recertification campaigns to support customers through the process. In addition, program participants receive 60-day reminder notices and a final 30-day reminder notice is printed on the last customer bill where the discount is applied.

When the consumer protections went into place, recertifications were halted and no further notices were sent. Upon the expiration of the COVID-19 emergency customer protections, SDG&E will commence the abovementioned recertification process for CARE and FERA customers with the first notice delivered on July 1, 2021. The recertification process will restart business-as-usual and continue to be based on the customer’s existing anniversary date. Any customers who were not required to recertify while protections were in place, will be recertified at their next anniversary date. For example, if a customer has an anniversary date of May 1, 2021 the customer will not be required to recertify due to protections and will instead receive the 90-day notice the next year on January 31, 2022, per the normal process with a recertification deadline of May 1, 2022.

Since SDG&E will not send recertification notices until July 1, 2021, customers with an anniversary date between July 1, 2021 and September 30, 2021 will have their anniversary date pushed back 90 days to allow adequate time to receive recertification notification notices and to complete the 90/60/30 day recertification process described above.

Customers will receive recertification notifications based on their preferred method of communication. As previously discussed, SDG&E will also continue to send customer recertification lists to its outbound telephone campaign contractor to complete over the telephone

recertification. Customer lists that are due for recertification are provided on a bi-weekly basis and processed within 30 days of receiving the completed recertification.

Post Enrollment Verification (PEV) and High Energy Usage Verification (HEU)

SDG&E's Transition Plan for CARE and FERA customers post enrollment verification is to commence PEV starting July 1, 2021. SDG&E will aim to complete a minimum 3% PEV by the end of 2021 to meet the requirements specified in D.12-08-044. SDG&E follows the same 90/60/30-day methodology to notify customers of verification requirements prior to the deadline and will follow the same "anniversary" date methodologies described for recertifications.

SDG&E will commence all high energy usage (HEU) verification program requirements as normal upon the expiration of customer protections. CARE program HEU notices are sent any time a customer meets or exceeds the high-usage threshold of 400% and 600% of monthly baseline.

Pursuant to D.12-08-044, SDG&E will also commence the 24-month rule for CARE customers who fail to provide requested income verification documentation or who are determined to be ineligible for the program. Under the 24-month rule, customers who are removed from the program are barred from participation for 24-months.

Operational Plan for Medical Baseline Customers

Recertification

The recertification process for the Medical Baseline program is similar to CARE and FERA, in that it is based on an "anniversary date" that is individual for each customer, based on the date of enrollment or last recertification.

SDG&E will commence sending recertification notices on July 1, 2021. Per the standard process, program participants will receive the standard recertification notifications based on their preferred method of communication. Medical Baseline Program recertification notices are sent as follows: the first notice is sent 60 days prior to the recertification deadline (or anniversary date) and the second final notice is sent 30 days prior to the recertification deadline.

Similar to CARE and FERA, Medical Baseline customers with an anniversary date between July 1, 2021 and August 30, 2021 will have their anniversary date pushed back 60 days to allow adequate time to receive recertification notices and to complete the 60/30 day recertification process described above.

Medical Baseline customers who enrolled in the program during the COVID-19 Emergency Customer Protection period of March 4, 2020 through June 30, 2021 without a medical professional certification are tracked as having a non-permanent medical condition and will be required to provide medical professional certification one year from their enrollment date. Similar to CARE and FERA, Medical Baseline customers who were not required to recertify

while protections were in place will be extended to 2022 and will receive the standard 60/30-day notices as mentioned above.

Application Requirements

In addition, effective July 1, 2021, SDG&E will reinstate the Medical Baseline program requirement for new applicants to have their medical doctor, doctor of osteopathy, physician assistant, or nurse practitioner certify in writing to the utility that the additional energy, heating, or cooling allowance is medically necessary to sustain the life of a person being treated for a life-threatening illness or a compromised immune system or to prevent deterioration of that person's medical condition.

Compliance and Safety Focus

Implementation of this Transition Plan will not preclude SDG&E's compliance with existing statutes, regulations, and ordinances. For instance, D.20-06-003 requires SDG&E to implement permanent support measures for residential customers such as the elimination of deposits for establishing and re-establishing service, and the implementation of 12-month payment arrangements for customers facing an inability to pay their bill. In addition, D.20-06-003 prevents SDG&E from disconnecting residential customers if the customer has a LIHEAP Pledge pending; is on a 12-month payment arrangement and is current on both monthly bills and the payment arrangement; is participating in AMP and is current on current months bills; if the customer qualifies for Medical Baseline and agrees to a 12-month payment arrangement; or if temperatures are forecasted to be above 100- or below 32-degrees on a 72-hour look ahead. SDG&E's transition plan will comply to these and all other Commission directives as well as all safety guidelines.

As the COVID-19 pandemic continues to evolve, this Transition Plan necessarily requires some flexibility in implementation as California and the communities in SDG&E's service territory work to control the spread of COVID-19. SDG&E will continue to monitor developments and governmental directives (federal, state, and local) to maintain compliance with all applicable health and safety ordinances. SDG&E reserves the right to postpone or change some or all of the provisions of this Plan as necessary to protect the safety of its employees, customers, and the public. SDG&E will apprise the Commission and stakeholders if such changes become necessary.

Statewide IOU, LIOB, and Agency Coordination

IOU Coordination

SDG&E has met with the other large investor-owned utilities (IOUs) on a weekly basis to collaborate and evaluate proposals for best practices and potential areas of consistency in development of this Transition Plan.

SDG&E will continue to collaborate with the IOUs and adjust as needed.

Low Income Oversight Board (LIOB) Coordination

Resolution-4849 directs the IOUs to present each respective Transition Plan at the first quarterly LIOB meeting of 2021, or March 11, 2021. SDG&E will present the draft Transition Plan during the LIOB meeting, and will assess and incorporate LIOB, Commission staff, and community feedback where feasible for inclusion in the Tier 2 advice letter by April 1, 2021.

CCA Coordination

SDG&E will meet with its current and soon-to-launch CCAs, Solana Energy Alliance (SEA), Clean Energy Alliance (CEA) and San Diego Community Power (SDCP), to coordinate on and share SDG&E's proposed Transition Plan and to maintain coordinated communication to unbundled customers in SDG&E's service territory regarding the end of COVID-19 Emergency Customer Protections.

Progress Tracking and Reporting

SDG&E's Transition Plan will leverage existing reporting mechanisms to track and report important information, such as the Monthly CARE and Disconnections Reports.

SDG&E would also like to note that due to SDG&E's transition to its new Customer Information System, and the necessary stabilization following the transition, SDG&E will be unable to report on the following metrics, which were provided for illustrative purposes as examples of progress metrics in the Resolution:

- Number of customers enrolled in AMP as a percentage of total customers eligible for AMP;
- Number of customers identified as eligible and interested in enrolling in payment programs and percent of these successfully enrolled; and
- Number of SDG&E customer care center complaints concerning payment plans.

Budget/Cost Recovery

SDG&E's Transition Plan utilizes many tactics that are no-cost or low-cost options for customer outreach and communication. However, to the extent that tactics and strategies require unforeseen incremental increases in cost, SDG&E proposes that incremental costs associated with this Transition Plan be tracked in SDG&E's COVID-19 Customer Protection Plan Memorandum Account (CPPMA).

