

# Low Income Oversight Board – LIEAP Subcommittee Summary of ESA/CARE/FERA Proposed Decision

Presented by Kapil Kulkarni, Energy Division Staff  
May 14, 2021



California Public  
Utilities Commission

# Agenda

- Background
- ESA Goals and Budgets
- ESA Program Design
- ESA Pilot and Multi Family Whole Building
- Working Group, Tribal Outreach, and New Opportunities
- Low Income Needs Assessment, CARE, and FERA
- Next Steps
- Additional Questions
- Appendix

## Summary of ESA/CARE/FERA Proposed Decision

- Energy Division Staff will provide a high-level summary of the ESA/CARE/FERA Proposed Decision. The purpose of this summary is to ease the LIOB and parties' effort required to familiarize with major contents of the decision.
- Staff will be able to answer technical or clarifying questions, as well as simple procedural questions. However, Staff may not be able to answer questions related to the deliberative process.
- Comments by parties are due Monday 5/17, with reply comments due Monday 5/24.

## ESA / CARE Proceeding Background

- The IOUs submitted applications for their post-2020 ESA/CARE programs in November 2019.
- Additional information on the record:
  - Responses to Staff Proposal and Ruling Questions – July 2020
  - Intervenor and Rebuttal Testimony – Sep/Oct 2020
  - Opening and Reply Briefs – Nov/Dec 2020
  - Responses to ALJ Ruling on Tribal Outreach – Dec 2020
- Proceeding documents are available in the docket card for A.19-11-003 at <https://www.cpuc.ca.gov/proceedings/> as well as through the service list.

## ESA Goals

- Moves towards deeper energy savings per household
- Largely approves IOUs' proposed energy savings goals
  - Includes 10 percent reduction to account for budget reduction
  - Includes 4 percent reduction to account for ESA pilot

**317 GWh –**

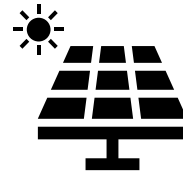
Enough to power  
about 38,000



homes for one year

**72 MW –**

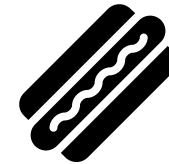
Equivalent to the installation  
of about 19,000



home solar PV systems

**17 million therms –**

Equivalent to the emissions  
from about 14 million



propane cylinders

# ESA Budget

- Reaffirms the need for funding to support the program's goals
- Largely approves IOUs' proposed budgets
  - **\$2.2 billion** over 5.5 years, compared to proposed budget of \$2.6 billion over 6 years
  - Includes 10 percent reduction to account for historical underspending
  - Sets aside 4 percent of originally proposed budget for ESA pilot
  - Approves budget for 2nd half of 2021; precludes need for bridge funding
- Approves cap of 10% for administrative costs
- Any unspent **and uncommitted** funds **shall be automatically carried over and applied** to offset the next year's revenue collection
- Established cost-effectiveness **guidelines** of a 0.7 benefit-cost ratio for the portfolio, and 0.3 for individual measures

## ESA Budget (historical)

- Approved budgets are 25% percent higher than historical spending

<b>IOUs' Actual ESA Program Expenditures Levels, PYs 2009-2020</b>					
	2009-2011	2012-2014	2015-2016	2017-2020	2009-2020 (Avg)
Avg. Annual Authorized Budget (\$M)	\$306	\$374	\$392	\$410	\$372
Avg. Annual Actual Expenditures (\$M)	\$274	\$301	\$259	\$308	\$290
% Underspend	10%	20%	34%	25%	22%

# Questions?



## ESA Program Design

- Focuses on the ESA customer, and complements goal of deeper energy savings
- Approves IOUs' proposed program designs, including customer-centered prioritization model
- Requires post-decision compliance filing for IOUs to align treatment tiers, customer segments, and measures
- Requires post-decision reporting on activity by customer segment, including by demographic, financial, geographical, and health condition categories (on next slide)

## ESA Program Design (continued)

<b>Demographic</b>	<b>Financial</b>	<b>Location</b>	<b>Health Condition</b>
Housing type	CARE	DAC	Medical Baseline
Rent vs Own	Disconnected	Rural	Respiratory
Previous vs new participant	Arrearages	Tribal	Disabled
Seniors	High usage	PSPS Zone	
Veterans	High energy burden	Wildfire Zone	
Hard-to-reach	SEVI	Climate Zone	
Vulnerable	Affordability Ratio	CARB Communities	

# Questions?

## ESA Pilot

- Approves \$104 million for a pilot to test the feasibility of deeper energy savings, including electrification measures
  - Plus package – achieve up to 15% energy savings per household
  - Deep package – achieve up to 50% energy savings per household
- Timeline:
  - Q3 2021 – Workshop to solicit ideas on pilot program designs
  - Q4 2021 – IOUs submit program designs and budgets for CPUC approval
  - Q1 2022 – IOUs begin implementation after approval

## ESA Multi-Family Whole Building

- Approves an IOU-designed, contractor-implemented Multi-Family Whole Building (MFWB) program.
  - The Northern California program will be led by PG&E
  - The Southern California program will be led by SDG&E
  - This comprehensive program will address in-unit, common, and whole building areas.
- Timeline:
  - 2021/22 - IOUs continue implementation of current Multifamily programs (in-unit and common areas) with budget of about \$100 million
  - Q3 2022 – Following third-party solicitation and selection, and draft contract, IOUs submit advice letters to CPUC
  - Q1 2023 – IOUs begin implementation after advice letter approval
  - 2023/26 - IOUs implement MFWB program with budget of about \$350 million

# Questions?

## ESA Working Group (will meet quarterly)

- Delegates responsibility from CPUC to IOUs, parties, and other stakeholders to ensure program flexibility
- Tasked with discussing:
  - Measure and program changes, with notification through monthly reports
  - Progress towards program goals, and recommending program changes as part of the mid-cycle update process
  - Cost-effectiveness test considerations and execution of Non-Energy Benefits (NEBs) study
  - Development of Universal Application System (UAS) and overseeing development of Multifamily Central Portal

## ESA Tribal Outreach

- Requires IOUs to conduct outreach to Tribes (federal and state) at least 2x per year
- Requires IOUs to maintain at least 2 contacts with each Tribe
- Encourages the IOUs to enter into funding agreements with Tribes, similar to existing agreements with CBOs and other partners
- As part of the customer-centered prioritization model:
  - Approves specific IOU proposals to prioritize Tribes for treatment, and
  - Requires reporting on outreach to and activity by Tribes, even if they are not prioritized for treatment



# ESA New Opportunities

- Reaffirms eligibility at 200% of Federal Poverty Level
  - Approves Categorical Eligibility study to review eligibility changes
- Requires IOUs to hold a workshop on identifying new opportunities for program coordination, and reaffirms existing coordination efforts
- Directs the IOUs to conduct primary research on Non-Energy Benefits (NEBs) to incorporate into reporting
- Approves SCE Electrification pilots totaling about \$50 million
  - Approves Building Electrification pilot of about \$40 million for single family, high-using households in DACs to retrofit for electrification measures
  - Approves Clean Energy Homes pilot of about \$10 million for low-income housing developers to install new electrification measures
- Direct IOUs to align Workforce Education and Training (WE&T) efforts with California Workforce Development Board

# Questions?

## Low Income Needs Assessment

- Approves funding for the 2025 and 2028 LINA studies, at up to \$500,000 for each
- Requires the IOUs to conduct the assessments using survey tools that are available in the top three non-English languages that are primarily used in low income households
- Allows for additional funding to come from overall Study budget
- Reaffirms and outlines the LINA study timelines, including coordination with the LIOB LINA subcommittee

# CARE Program

- Approves IOUs' proposed enrollment goals
- Reaffirms overall 90% enrollment goal
  
- Approves IOUs' proposed budgets of \$8.5 billion over 6 years
  - Subsidy budget of \$8.2 billion
  - Administrative budget of \$253 million
    - CHANGES funding of \$10.5 million
  
- Updates processes to lower customer burden and reduce attrition
- Approves co-marketing of affordable broadband

## FERA Program

- Moves program into ESA/CARE proceeding
- Sets enrollment goal at 50% for 2023, and 70% for 2026
- Approves IOUs' proposed budgets of \$394 million over 6 years
  - Subsidy budget of \$368 million
  - Administrative budget of \$26 million
- Allows FERA-specific marketing, and new capitation program similar to CARE

# Questions?

## Next steps

- Comments by parties are due Monday 5/17.
- Reply comments by parties are due Monday 5/24.
- Comments and replies will be available in the docket card for A.19-11-003 at <https://www.cpuc.ca.gov/proceedings/> as well as through the service list.
- The Decision may be voted on as early as the Thursday 6/3 CPUC Voting Meeting.
- The Decision would take effect upon voting approval; the budget would take effect 7/1.

Thank you!



# APPENDIX

# ESA Treatment Targets

Annual Household Treatment Targets							
IOU	2021 (July 1 to Dec. 31)	2022	2023	2024	2025	2026	Total
PG&E	32,960	59,340	60,437	54,876	52,954	51,099	311,665
SCE	19,622	27,051	37,871	64,922	59,512	56,806	265,785
SoCalGas	47,300	94,600	69,837	69,837	69,837	69,837	421,248
SDG&E	8,600	13,760	11,711	14,138	14,780	16,065	79,054
<b>Total</b>	<b>108,481</b>	<b>194,751</b>	<b>179,857</b>	<b>203,773</b>	<b>197,083</b>	<b>193,807</b>	<b>1,077,751</b>

# ESA Budget

<b>IOU</b>	<b>2021</b> <b>(July 1 to Dec. 31)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
PG&E	\$74,703,698	\$152,758,877	\$172,231,361	\$171,757,189	\$171,120,842	\$170,915,152	\$913,487,121
SCE	\$23,483,526	\$58,773,576	\$69,127,408	\$91,154,996	\$96,372,294	\$74,799,327	\$413,711,127
SoCalGas	\$56,581,723	\$122,802,317	\$122,824,705	\$122,814,843	\$122,849,884	\$122,541,070	\$670,414,542
SDG&E	\$12,047,099	\$25,832,330	\$27,043,980	\$29,894,951	\$31,768,583	\$33,329,042	\$159,915,985
<b>Total</b>	<b>\$166,816,046</b>	<b>\$360,167,100</b>	<b>\$391,227,455</b>	<b>\$415,621,978</b>	<b>\$422,111,603</b>	<b>\$401,584,592</b>	<b>\$2,157,528,774</b>

## ESA Multi-Family Whole Building (more info)

- MFWB Solicitation process will include statewide:
  - Independent Evaluator to provide support to Procurement Review Group (PRG), including progress and final reports
  - PRG for review of RFP, bidders, bids, and draft contracts
- Program Eligibility:
  - For Deed-Restricted properties, full participation if 65% of households are income-qualified
  - For non-Deed-Restricted properties, full participation if 80% of households are income-qualified
- Rental protections:
  - Property owners agree to no significant rent increases and keep at least 50% tenancy by income-qualified households for 10 years

# CARE Enrollment Goals

CARE Goals								
PY	PG&E		SCE		SoCalGas		SDG&E	
	Participation/ Enrollment Goal		Participation/ Enrollment Goal		Participation/ Enrollment Goal		Participation/ Enrollment Goal	
2021	1,350,000	93%	1,208,380	90%	1,633,977	95%	292,985	90%
2022	1,350,000	93%	1,210,422	91%	1,648,199	95%	295,915	90%
2023	1,350,000	93%	1,213,911	91%	1,662,630	95%	298,874	90%
2024	1,350,000	93%	1,218,197	91%	1,677,128	95%	301,863	90%
2025	1,350,000	93%	1,223,320	91%	1,691,607	95%	304,882	90%
2026	1,350,000	93%	1,230,321	92%	1,706,052	95%	307,931	90%

# CARE Budget

CARE Administrative + Subsidy Budget							
IOU	2021	2022	2023	2024	2025	2026	Total
PG&E	\$697,689,600	\$701,449,000	\$705,934,600	\$710,464,600	\$715,401,200	\$720,454,700	\$4,251,393,700
SCE	\$410,168,638	\$414,451,972	\$420,090,896	\$425,574,643	\$431,885,014	\$438,631,834	\$2,540,802,997
SoCalGas	\$148,249,646	\$149,669,161	\$150,983,280	\$152,497,417	\$154,039,114	\$155,411,268	\$910,849,886
SDG&E	\$127,005,610	\$128,328,320	\$129,725,602	\$131,044,548	\$132,671,061	\$133,925,855	\$782,700,996
<b>Total</b>	<b>\$1,383,113,494</b>	<b>\$1,393,898,454</b>	<b>\$1,406,734,378</b>	<b>\$1,419,581,208</b>	<b>\$1,433,996,389</b>	<b>\$1,448,423,657</b>	<b>\$8,485,747,580</b>

# FERA Enrollment Goals

FERA Goals						
PY	PG&E		SCE		SDG&E	
	Participation/ Enrollment Goal		Participation/ Enrollment Goal		Participation/ Enrollment Goal	
2021	49,909	30%	64,949	30%	14,374	30%
2022	65,143	40%	86,599	40%	19,681	40%
2023	81,765	50%	108,249	50%	25,107	50%
2024	99,385	60%	129,898	60%	29,887	60%
2025	106,311	65%	140,723	65%	32,872	65%
2026	115,640	70%	151,548	70%	35,843	70%

# FERA Budget

FERA Administrative + Subsidy Budget							
IOU	2021	2022	2023	2024	2025	2026	Total
PG&E	\$12,837,700	\$15,692,400	\$18,573,400	\$21,202,000	\$23,816,900	\$26,419,800	\$118,542,200
SCE	\$21,652,364	\$29,442,231	\$38,113,457	\$46,994,493	\$52,414,418	\$58,120,459	\$246,737,422
SDG&E	\$3,583,582	\$4,134,325	\$4,493,780	\$5,066,528	\$5,543,044	\$6,029,130	\$28,850,389
Total	\$38,073,646	\$49,268,956	\$61,180,637	\$73,263,021	\$81,774,362	\$90,569,389	\$394,130,011