

# Low Income Oversight Board Energy Division Update

Presented by Kapil Kulkarni, Energy Division Staff  
June 17, 2021



California Public  
Utilities Commission

# Agenda

- ESA/CARE/FERA Decision and Proceeding update
  - Revisions for Approved Decision
- Low Income Needs Assessment update
- Potential and Goals (P&G) Study update

## 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
  - **Approves \$210 million bridge funding budget for 2nd half of 2021**
  - 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 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:
  - **By Oct 1, 2021** – Workshop to solicit ideas on pilot program designs
  - **By Dec 31, 2021** – IOUs submit program designs and budgets for CPUC approval
  - **By Q3 2022** – IOUs begin implementation after approval

## ESA Working Group (will meet quarterly)

- Comprised of Energy Division staff, IOUs, parties, and other stakeholders to ensure program success
- Tasked with discussing:
  - Measure and program changes, with notification through monthly reports
  - Progress towards program goals, review of 2023 Potential and Goals study, 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 New Opportunities

- Requires IOUs to hold a workshop on identifying new opportunities for program coordination, and reaffirms existing coordination efforts
- 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

## Next steps

- The Decision was approved at the 6/3 CPUC Voting Meeting and has taken effect.
- **By Sep 1**, IOUs will submit a compliance filing to align customer segments, treatment tiers, and measures.
- **By Oct 1**, workshops on:
  - Staff Proposal pilot design and stakeholder feedback
  - Low income and clean energy programs coordination
- All proceeding documents, including monthly reports, 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.

# SMJU ESA/CARE Proceeding Schedule

- The Small and Multi-Jurisdictional Utilities (SMJU) ESA/CARE proceeding (A.20-03-014) schedule is ongoing and as follows:
  - **May 2020:** Alpine, Bear Valley Electric Service, Liberty, PacifiCorp, South West Gas and West Coast Gas submitted applications for ESA and CARE programs for PY 2021-2026 (no FERA for SMJUs per statute)
  - **Jan/Feb 2021:** Energy Efficiency Council (EEC), and the Public Advocates Office (CalPA) submitted intervenor testimony.
  - **Mar/Apr 2021:** Opening and reply briefs filed by EEC, CalPA, and the SMJUs.
  - **Q3 2021:** Proposed Decision and Final Decision is expected.

# Questions?

# 2022 Low Income Needs Assessment

## Recent Activity

- Draft research plan reviewed at LIOB LINA Sub-Committee Meeting on March 5, 2021
- Incorporated some changes based on member feedback and public comment
- Final research plan and response to comments posted to Energy Division's Public Document Area on April 9, 2021 (link to [PDA](#))

# 2022 Low Income Needs Assessment

## Current Activity

- Interviewing contractors and CBOs to (a) help provide context for the renter and landlord surveys and (b) understand how to reach non-English speaking households more effectively in future studies
- Developing phone survey interview guide

## Upcoming Activity

- Data collection and analysis continues through June 2022
- Draft report will be presented at LIOB public meeting October 2022

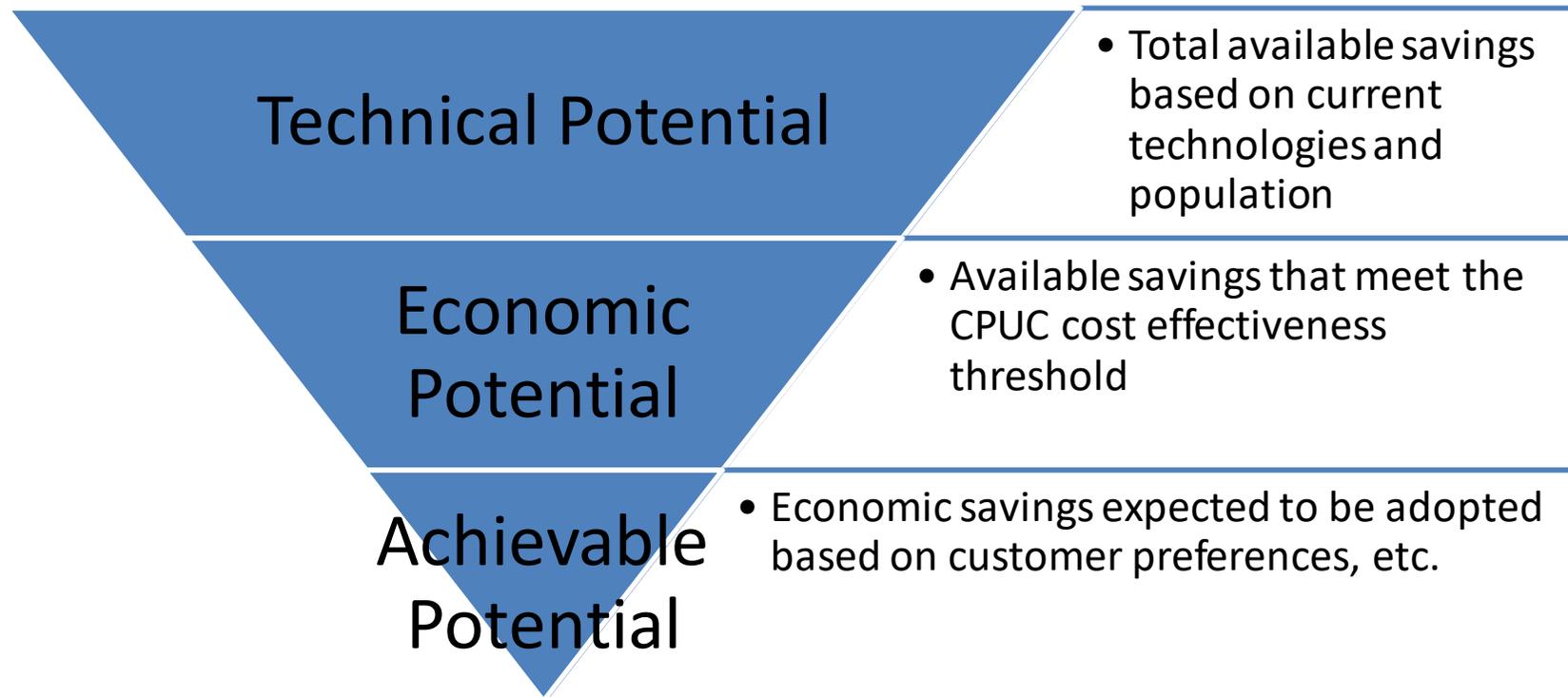
# 2022 Low Income Needs Assessment

2022 Low Income Needs Assessment Schedule												
Task	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>LIOB LINA Sub-Committee Meeting</i>	■											
Develop Scope of Work	■	■										
<i>LIOB LINA Sub-Committee Meeting on SOW</i>		■										
RFP released			■									
Consultant selection				■								
Develop Research Plan					■	■						
<i>LIOB LINA Sub-Committee Meeting on Research Plan</i>					■							
Data collection and analysis						■	■	■	■	■		
Draft Report											■	
<i>LIOB LINA Sub-Committee Meeting on Draft Report</i>												■
Final Report												■

# Questions?

# Energy Efficiency Goalsetting Process

- The CPUC sets energy efficiency goals for investor-owned utilities by decision, using information from the bi-annual "Potential and Goals" study.
- The Potential and Goals study assesses three levels of possible energy efficiency savings which could occur in investor-owned utility territory.



# Objective of the 2021 Low-Income Potential Study

- Develop a forecast of the Technical and Achievable Potential for energy savings for the ESA Program
- Improve upon previous modeling efforts of the Low-Income sector energy savings potential
- Inform the CPUC and stakeholders on the energy savings potential within the ESA program and residential low income sector in the years to come.

# Overview

- Assess the energy savings potential from the ESA program absent any program restrictions

## What is different in 2021 Study?

2017 Study: Extrapolated savings based on historical ESA programs and budget

2019 Study: Analyzed potential using customer willingness algorithms (used for the residential sector EE equipment rebate programs) to calculate adoption

2021 Study: Unique analysis focused on ESA measure list, technology category historical and proposed adoption rates, and consideration on the incremental adoption of the existing technical potential

## Not in scope

- Economic potential analysis
- Fuel Substitution measures
- Demand response savings
- New construction building types

## Looking ahead

- Results of the 2021 Low Income Potential Study can be found on CPUC P&G study website:

<https://www.cpuc.ca.gov/General.aspx?id=6442464362>

- The 2023 P&G study will be used to help inform any mid-cycle goals updates to the ESA program.
  - The LIOB, parties, and other stakeholders will have the opportunity to participate in related workshops and other discussions to design and refine the study.

Thank you!

# APPENDIX

## 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

**298 GWh –**

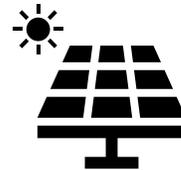
Enough to power  
about 36,000



homes for one year

**69 MW –**

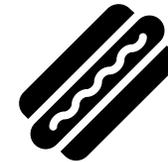
Equivalent to the installation  
of about 18,000



home solar PV systems

**15 million therms –**

Equivalent to the emissions  
from about 13 million



propane cylinders

## ESA Household Treatment Goals and Targets

IOU	2021 (Goals) (July 1 to Dec. 31)	2022 (Targets)	2023 (Targets)	2024 (Targets)	2025 (Targets)	2026 (Targets)	Total
PG&E	50,000	59,340	60,437	54,876	52,954	51,099	328,705
SCE	43,562	27,051	37,871	64,922	59,512	56,806	289,725
SoCalGas	60,000	94,600	69,837	69,837	69,837	69,837	433,948
SDG&E	5,973	13,760	11,711	14,138	14,780	16,065	76,427
Total	159,535	194,751	179,857	203,773	197,083	193,807	1,128,805

# 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	\$89,362,820	\$152,758,877	\$172,231,361	\$171,757,189	\$171,120,842	\$170,915,152	\$928,146,242
SCE	\$40,926,750	\$58,773,576	\$69,127,408	\$91,154,996	\$96,372,294	\$74,799,327	\$431,154,350
SoCalGas	\$67,066,667	\$122,802,317	\$122,824,705	\$122,814,843	\$122,849,884	\$122,541,070	\$680,899,486
SDG&E	\$10,729,079	\$25,832,330	\$27,043,980	\$29,894,951	\$31,768,583	\$33,329,042	\$158,597,966
<b>Total</b>	<b>\$208,085,316</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>\$2,198,798,044</b>

# ESA Program Design

<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	

## CARE Enrollment Goals

PY	PG&E	SCE	SoCalGas	SDG&E
	Participation/ Enrollment Goal	Participation/ Enrollment Goal	Participation/ Enrollment Goal	Participation/ Enrollment Goal
2021	93%	90%	95%	90%
2022	93%	91%	95%	90%
2023	93%	91%	95%	90%
2024	93%	91%	95%	90%
2025	93%	91%	95%	90%
2026	93%	92%	95%	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
Total	\$1,383,113,494	\$1,393,898,454	\$1,406,734,378	\$1,419,581,208	\$1,433,996,389	\$1,448,423,657	\$8,485,747,580

## FERA Enrollment Goals

PY	PG&E	SCE	SDG&E
	Participation/ Enrollment Goal	Participation/ Enrollment Goal	Participation/ Enrollment Goal
2021	30%	30%	30%
2022	40%	40%	40%
2023	50%	50%	50%
2024	60%	60%	60%
2025	65%	65%	65%
2026	70%	70%	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
<b>Total</b>	<b>\$38,073,646</b>	<b>\$49,268,956</b>	<b>\$61,180,637</b>	<b>\$73,263,021</b>	<b>\$81,774,362</b>	<b>\$90,569,389</b>	<b>\$394,130,011</b>