

Percentage of Income Payment Plan (PIPP) Pilot

Low Income Oversight Board Meeting

Quarterly Meeting

December 15, 2021

Topics and Timing

PIPP Overview	10 minutes	Anthony Abeyta
SCE Presentation	5 minutes	Anthony Abeyta
SCG Presentation	5 minutes	Kristine Hulganga
PGE Presentation	5 minutes	Jessica Chancellor
SDGE Presentation	5 minutes	Erin Maturo

PIPP Overview

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PIPP Pilot Program – Summary

- Rulemaking 18-07-005 mandates IOU's to "implement a Percentage of Income Payment Plan [PIPP] pilot program".
- Utilities will apply monthly bill caps set at 4% of household income for both electricity and gas during 4-year pilot.
- Program is limited to customers who are enrolled in the California Alternate Rates for Energy (CARE) program and who either:
 1. Located in one of the **zip codes with the highest rates of recurring disconnections** prior to the disconnections moratorium, or
 2. **Have been disconnected 2 or more times** during the 12 months prior to the disconnections moratorium.

PIPP Pilot Program – Bill Caps and Standard Assumptions

	Customers with incomes between 0-100% FPG	Customers with incomes between 101-200% FPG
Reference income	50% of FPG	150% of FPG
Monthly income for household of 3	\$905	\$2,745
Cap based on 4% of monthly income	\$37	\$109

Bill caps will be updated annually to reflect current income guidelines, concurrently with CARE program income guideline updates.

PIPP Pilot Program – Participation Requirements

- Incomes between 0-100% of Federal Poverty Guidelines
 - Participants who request a bill cap for 0-100% of Federal Poverty Guidelines **must prove their income within 90 days** or they will be moved to a bill cap for participants at 101-200% of Federal Poverty Guidelines
- Incomes between 101-200% of Federal Poverty Guidelines.
 - Participants who request a bill cap for 101-200% of Federal Poverty Guidelines will be **subject to the CARE post-enrollment verification processes**
- Any participant that is removed from the CARE program shall also be removed from the PIPP pilot

PIPP Pilot Program - Goals

Test whether a PIPP program can:

- Reduce the number of low-income households at risk of disconnection
- Encourage participation in energy saving and energy management programs
- Increase access to essential levels of energy service, and
- Control program costs.

PIPP Pilot Evaluation

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PIPP Pilot Evaluation

- **Did the Pilot meet its goals?**
 - Reduce the number of low-income households at risk of disconnection?
 - Encourage participation in energy saving and energy management programs?
 - increase access to essential levels of energy service?
 - Control program costs?
- **Third-party evaluator/independent firm**
 - Assess pilot based on first 18 months of pilot data
 - Recommend pilot modifications (if needed)
 - Recommend whether IOUs should file a joint application for a long-term program
- **IOU to file reports every six months**

PIPP Workshops

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Workshop Objective

The PIPP Working Group is to provide a preliminary understanding of each Investor-Owned Utilities (IOU) approach to implementing their respective PIPP pilot programs

- IOUs will highlight key components of the PIPP implementation plan
- Receive response and Stakeholder Feedback

1st PIPP Workshop: Monday Dec 6th, 2021

2nd PIPP Workshop: Monday Dec 20th, 2021

3rd PIPP Workshop: Monday Jan 10th, 2022

4th PIPP Workshop: Monday Jan 24th, 2022

Percentage of Income Payment Plan (PIPP) Pilot

Southern California Edison

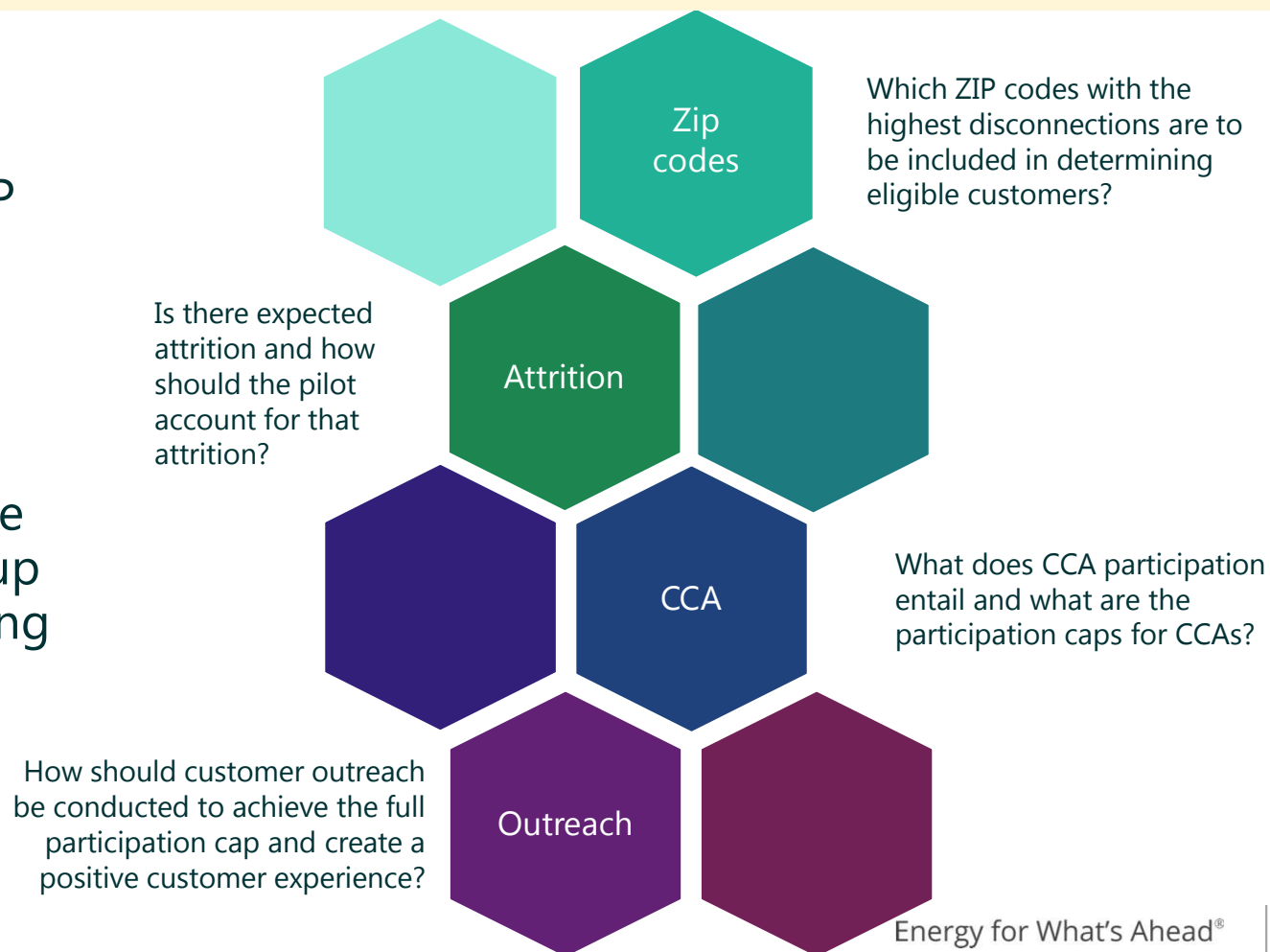
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Percentage of Income Payment Plan (PIPP Pilot)

Parameters and requirements for the PIPP pilot are outlined in Decision 21-10-012.

SCE appreciates the opportunity to participate in the PIPP Working Group to help refine the following parameters of the pilot.





PIPP Pilot- Eligible Customer Identification

Southern California Edison (SCE) Recommendation

Create PIPP pilot that reflects overall SCE service territory by allowing eligibility to be defined as follows:

1. CARE customers that experienced two or more disconnections between Mar. 2019 and Feb. 2020 = ~8,100 CARE customers
2. Top 10 ZIP codes with highest number of residential disconnections between Mar. 2019 and Feb. 2020 = ~124,000 CARE customers
 - Because CARE customers have a suppressed rate of disconnections, use of CARE disconnections may not truly reflect where customers may be most impacted. As a result, SCE used total residential disconnections in calculating the ZIP codes with the highest count of disconnection.
 - Use of only top 10 ZIP codes with highest disconnections results in pilot being focused on ZIP codes with the largest populations.
3. Top 10 ZIP codes with highest rate of disconnections between Mar. 2019 and Feb. 2020 = ~ 51,000 CARE customers
 - Only 1 ZIP code (92404) appears on both lists.
 - Allows for inclusion of less populated ZIP codes (i.e., Mojave, McFarland, California City).

By Residential Disconnections			
ZIP Code	City	# of Residential Disconnections	# of CARE Customers*
92404	San Bernardino	4,238	10,536
92553	Moreno Valley	4,219	11,846
92335	Fontana	4,038	15,970
93550	Palmdale/Vincent	3,874	13,764
92376	Rialto	3,626	13,365
90201	Bell/Bell Gardens/Cudahy	3,480	15,237
90805	North Long Beach	3,465	12,470
90706	Bellflower	3,384	10,182
92345	Hesperia/Lugo	3,354	12,543
91730	Rancho Cucamonga	3,343	7,903
	Total	37,021	123,816

By Residential Disconnection Rate				
ZIP Code	City	# of Disconnections	# of Residential Customers*	# of CARE Customers*
92401	San Bernardino	209	582	389
93501	Mojave/Fleta/Bissel	518	2,062	1,020
92404	San Bernardino	4,238	18,601	10,536
92410	San Bernardino	2,968	13,366	8,815
93250	McFarland/Vinland/Calico	214	982	698
92301	Adelanto	2,126	10,007	6,064
92553	Moreno Valley	4,219	20,039	11,846
92405	San Bernardino	1,947	9,399	5,243
93505	California City	992	4,968	2,160
92551	Moreno Valley	1,401	7,079	3,979
	Total			50,750

* Number of Residential or CARE enrolled customers as of 10/31/21



PIPP Pilot – Enrollment Targets: Attrition, Goals and Methodology

Goal

Pilot Size = 4,000

- **Maintain 4,000 pilot size for maximum data gathering and customer assistance**
- **Target enrollment in D.21-10-012 of 2,000 customers or more within first 6 months of pilot**

Estimates

2019 Care Overall Attrition = 23%

- **Annual Estimated PIPP Attrition @ 23% = 920**
- **4 Year Pilot Attrition = 3,680**
- **Total households needed to maintain pilot size over 4 years = 7,680 (192% of Pilot Size)**

Recommendation

Use of staggered, targeted outreach, with a waitlist, to prevent large number of customers being excluded from the pilot.

- **Provides better evaluation data as there is more control over how participants are spread over the service area**
- **Also supports coordination of allocating participants for CCAs**



PIPP Pilot- Enrollment Targets: Waitlist

Goal

- Establish a waitlist of interested eligible customers to participate in the pilot as customers are removed from PIPP.

Methodology

- Establish goals for each target areas
 - CCAs service area
 - Territory Wide
 - Sparsely populated areas
 - Densely populated areas
 - CBO intake/enrollment
 - Reserve for customers subject to disconnection?
- Enroll customers in PIPP up to 4,000 customer participation cap
- Place additional, interested customers on waitlist
- Close PIPP enrollment phase in areas that have reached their goals (including attrition)



PIPP Pilot- Enrollment Targets: Waitlist

Benefits

- Available pool customers ready to participate
- Clearly defined open and close of enrollment period (per target area)
- Reduced Marketing and Outreach cost with finite, concentrated efforts

Alternatives

- Smaller, as needed, campaigns
 - Would require starting and stopping of multiple efforts
 - Additional lead time to ensure enrollment volumes are met
- No Waitlist (cap participation at 4,000 pilot size)
 - Reduces the number of households that could benefit from PIPP
 - Dilutes the available data set for evaluation



PIPP Pilot- Targeted Areas: CCA

Southern California Edison (SCE) Goals/Methodology

GOAL - CCA Participation target based on share of customer base

Provider	Residential Households*	% of Residential Households	PIPP Participants (% Residential)	PIPP Participants (Incl. Waitlist)
Southern California Edison	3,389,178	76.4%	3,054	5,864
Apple Valley Choice Energy	23,096	0.5%	21	40
Central Coast Community Energy	31,172	0.7%	28	54
Clean Power Alliance	871,662	19.6%	786	1,509
Lancaster Choice Energy	45,852	1.0%	41	79
Pico Rivera Innovative Municipal Energy	15,182	0.3%	14	27
Pomona Choice Energy	35,764	0.8%	32	61
Rancho Mirage Energy Authority	12,890	0.3%	12	23
San Jacinto Power	12,840	0.3%	12	23
Total Residential*	4,437,636	100%	4,000	7,680

*Excludes territories of non-participating CCAs (1.7% or 77K of Residential Households)

METHODOLOGY

- Establish goals for each CCA territory (above) as defined by total number of residential households
- Enroll customers in PIPP up to goal (including waitlist goal)



PIPP Pilot- Outreach

Direct Marketing

- Targeted communications to PIPP eligible customers territory wide in English and Spanish
- Directs the customer where they can find more information (CBOs, website, Call Center)
- Extending the opportunity to participate (or be placed on waitlist)

Community Based Organizations (CBOs)

- RFPs to be submitted by CBOs outlining communities served and experience with other program offerings (CARE, ESAP, AMP, LIHEAP, Income Verification)
- Enrollment goals based on areas served (similar to CCAs)
- CBOs to conduct Outreach, Enrollment, and/or Income Verification

Website

- Explaining the PIPP pilots, its benefits, and eligibility requirements
- Frequently Asked Questions (FAQs)
- Web Content Accessibility Guidelines (WCAG) Complaint

Call Center

- Answer customer questions participants may have about PIPP
- Assist in customer application submission
- In-language support

CCA Collaboration

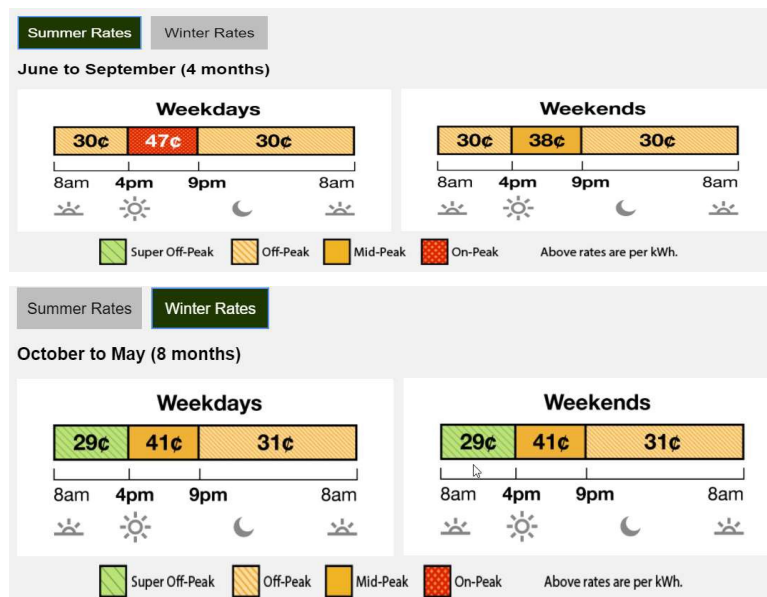
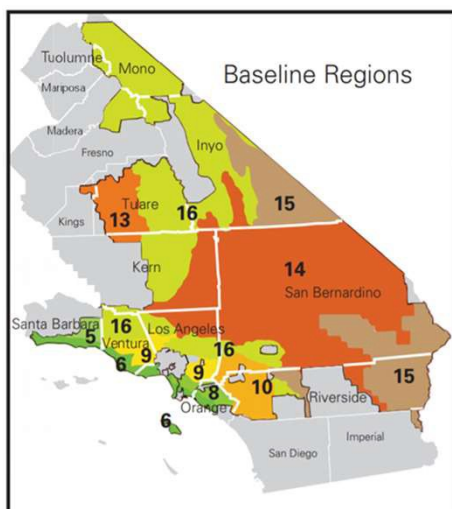
- Partnership to ensure target goals are met and potential for cross promotional outreach



PIPP Pilot- Gas/Electric Split

Southern California Edison (SCE)

- SCE will be able to calculate customers' average monthly bills utilizing zip code and climate zone data, either by including User Utility Taxes (UUT) and fees or excluding them.
- SCE will include in their calculations all Residential CARE customers, including TOU and Tier Rates.
- Split to be based on average CARE customers bill amounts by climate zone and season.
- Split to be adjusted for all electric customers
- SCE & SCG are developing a joint analysis for split





PIPP Pilot- Conclude

Southern California Edison (SCE)

Thank You



PERCENTAGE OF INCOME PAYMENT PLAN (PIPP) PILOT

LOW INCOME OVERSIGHT BOARD (LIOB) QUARTERLY MEETING

December 15, 2021

PIPP Implementation Plan

1. Target Population
2. Communications / Outreach
 - Marketing, Education, and Outreach (ME&O)
 - CBO Involvement
3. PIPP Enrollment & Income Verification
4. Electric/Gas Bill Cap Splits

Target Population

1. Top 10 Zip Codes with the highest recurring # of disconnections of enrolled CARE Residential customers

Zip Code	Total CARE Customers (disconnected 2 or more times)	Total CARE Customers (disconnection 1x or no disconnection)	Total Non-CARE Customers (Disconnected)
1			
2			
3			
...			

2. Top 10 Zip Codes with highest Residential disconnections
3. Reserve 10% of Total PIPP pilot participation cap for Customers Subject to Disconnection

Communication / Outreach

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

- PIPP web page / Intake Enrollment Form will be developed on the SoCalGas website
- Create awareness of the PIPP pilot program through meaningful consistent and tailored communications
- Targeted communications to specific CARE and Non-CARE Residential customers
 - Email and direct mail letters
- On-Going Support:
 - Primary Contact: Customer Contact Center (CCC) is the first point of contact for customer support
 - Secondary Contact: Issues then will be escalated to either the Billing Team and/or CARE Program Team for resolution

» Community Based Organization (CBO) Support

- Leverage select CBOs that are currently partners in the low-income decision to educate and build awareness to PIPP pilot program based on the targeted geographical zip codes
- For example: Potential opportunity to leverage the existing partnership with United Way of Greater Los Angeles through Gas Assistance Fund (GAF) Agencies^{/1}
 - GAF Agencies^{/2} currently handle upfront intake income verification documents
 - Income eligibility verification: Participants who request a bill cap for 0-100% of Federal Poverty Guidelines (FPG) must prove their income within 90 days or they will be moved to a bill cap for participants at 101-200% of FPG

^{/1}: Network of GAF agencies that partner with United Way of Greater Los Angeles (UWGLA) offers assistance for the entire SoCalGas service territory.

^{/2}: GAF agencies are non-profit organizations.

PIPP Enrollment & Income Verification

Envisioned Process

1. SoCalGas will proactively send targeted communications to potential PIPP eligible customers
2. Interested customers will be directed to apply for the PIPP pilot program online via an Interest Intake Form
3. SoCalGas will manage PIPP enrollment through the Interest Intake Form
4. SoCalGas will perform income verification through document submission on the Interest Intake Form



Electric/Gas Bill Cap Split

- » Bill cap will be split into separate bill cap for electric and gas service
- » SoCalGas will apply monthly bill caps set at 4% of household income for gas
- » PIPP bill cap will be implemented as a line-item bill credit



SoCalGas Proposal

- » Bill Cap Split based on the Average Annualized CARE Customer Bill for Electricity and Gas by Climate Zone
- » Methodology to estimate Average Bill Amount:
 - 36-month Average Bill for CARE Residential Customers
 - Exclude Core Aggregation Transportation (CAT) Customers

Calculation of Total Current Charges:

- Include CARE Program Discount
- Exclude Users Utility Tax (UUT)

Percentage of Income Payment Plan (PIPP) Pilot Implementation Considerations

Low Income Oversight Board
Quarterly Meeting

December 15, 2021



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PIPP Implementation Overview

Billing Implementation

- Currently considering options on how to implement
- Timeline and complexity to build in IT system may require manual billing

Targeted Population

- Reviewing eligible customer data to determine population of customers targeted to participate
 - Identifying zip codes with highest disconnections
 - Pulling disconnections data for areas serviced by our interested CCA partners
 - CBOs ability to accommodate the ME&O needs of the areas targeted

Marketing, Education & Outreach

- Outlining a phased ME&O plan to target selected zip codes & eligible customers
 - Limited enrollment slots available in consideration of the total volume of customers eligible to participate
 - Phased approach to avoid a large excess of customers interested in the pilot beyond the enrollment cap resulting in a poor customer experience



PIPP Implementation – Billing Implementation

Options to implement the billing functions for the pilot are currently being researched and reviewed.

Bill Caps

- Considering Gas and Electric commodity bill caps versus total bill caps regardless of whether 1 or 2 commodities is served
- Implementing a bill cap per commodity would ensure a consistent customer experience across IOUs and commodities served, and would be equitable
 - Illustrative Bill Cap:
 - Customer would have a cap per commodity.
 - With both commodities the customer would receive the full bill cap.
 - With 1 commodity the customer would only be billed for the cap of that commodity
 - Electric: \$27.00
 - Gas : \$10.00
 - Note:
 - Cap split shown above (in addition to the split between PG&E charges vs. CCA charges) is still pending final determination
 - Per the decision, the split will be based on the average annualized CARE customer bill for Electricity & Gas in 2 climate zones

Cost Recovery

- Electric costs will be recovered through Public Purpose Programs (PPP) from all customers and Gas costs through transportation rates from all customers
- Process enlisted for AMP Resolution E-5114 will be utilized to remit the generation portion of the electric subsidy costs to the CCA



PIPP Implementation – Targeted Population

Given the large volume of eligible customers, an intentional strategy is required in selecting targeted zip codes & eligible customers.

- Top 20 zip codes with the highest number of disconnections includes **over 200K eligible customers** to participate in a 5K enrollment pilot.
 - **More than 40X the enrollment cap**
- **7 CCAs** have cited interest to participate in the pilot
 - Top 20 zip codes for highest number of disconnections includes areas served by only **2 of the 7 participating CCAs**
 - Most CCA serviced areas currently do not include a high number of disconnections
 - Per direction of the decision the CCA pilot population allocation will be based on percentage of CCA's total Res customer population in comparison of the total Res population
 - Compiling disconnections data for zip codes serviced by CCAs interested in participating
- Considerations for customer with **2 or more disconnections** & **customers pre-disconnection** as a last resort for resources
 - Considering to reserve a portion of the cap for these scenarios



PIPP Implementation – ME&O

With a positive customer experience at the forefront and to avoid excess interest in the pilot beyond the 5K enrollment cap, a phased and targeted marketing, education & outreach plan is necessary.

- Currently under consideration:

Direct Marketing

- Mass mailer type communications to eligible customers providing avenue to express pilot interest and confirm eligibility

CBOs

- Identifying CBOs in the targeted areas that can support the ME&O efforts
 - RFP process is currently underway and will be completed before year-end
- Outlining CBO role and functions
 - CBOs ability to complete targeted outreach & identify ways for CBO to assist with enrollment process
 - New role for CBOs to verify proof of income & complete enrollments beyond stated income

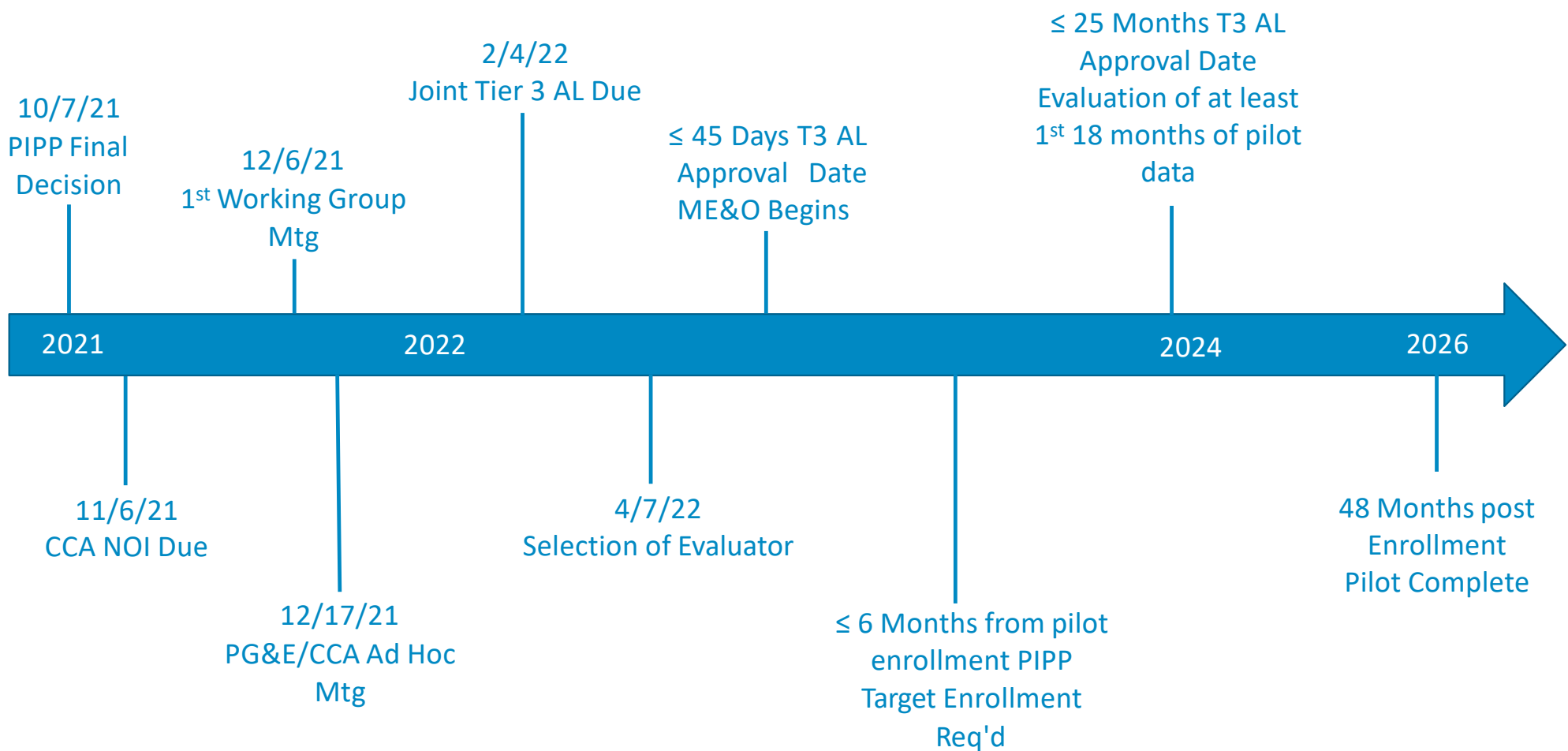
Appendix



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PIPP Timeline



Percentage of Income Payment Plan (PIPP) Pilot

LIOB Meeting
December 15, 2021

Agenda



- PIPP Pilot Implementation Overview
- Billing Implementation
- Targeted Population
- ME&O
- Q&A

PIPP Pilot Implementation Overview

Billing Implementation

- Currently gathering IT requirements to integrate into billing system

Targeted Population

- Reviewed eligible customer data to determine population of customers targeted to participate
- Shared data with our interested CCA partners
- Considered data needed to accommodate the ME&O needs of the areas targeted

Marketing, Education & Outreach

- Phased plan that considers the target population and the volume of customers eligible to participate
- Outlined a multi-channel, multi-step approach to target selected zip codes & eligible population
- Considers CCA participation



PIPP Pilot Billing Implementation Overview

- Implementing the billing functions for PIPP Pilot will be determined through integration into billing system

Bill Cap

- For customers receiving gas and electric service, taking into consideration that 4% of total income is the bill cap, the bill will be allocated using the average CARE customer bill for electricity and gas by two categories of climate zones
 - Inland/coastal
 - Desert/mountain
- Use average percentages from the calculations to determine the gas and electric service allocation up-to the 4% monthly bill cap
- For single energy service, bill cap calculated as 4% of income

Target Population – initial starting point

- Target all CARE customers within the territory with 2 or more disconnections (pre-pandemic) = 1,225 customers
- Target top 26 zip codes with highest disconnection rates = 81,602

Eligibility	CEA	SDCP	SDG&E
Count out of 1,000	42	520	438
Proportional Share	4.16%	51.96%	43.87%
2> disconnections	41	516	668
Top 10 zip codes	5,974	68,972	6,656

- Table reflects CARE enrolled at time of data extraction, using date range (Mar '19 – Mar '20 prior to moratorium), is a target demonstrating eligibility at initial starting point (point of launch approximately July 2022).
- This is a target for the first tranche of enrollments.
- We anticipate the count by each participating group will shift over the duration of the pilot.
- SDG&E will work with the CCAs to identify which zip codes (with high disconnection rates in CCA (or soon to be CCA) territories) they would like to include.

Target Population – top zip codes

Zip Code	City Name	Service Territory
92059	PALA	SDGE
91980	TECATE	SDGE
91906	CAMPO	SDGE
92061	PAUMA VALLEY	SDGE
91934	JACUMBA	SDGE
91962	PINE VALLEY	SDGE
91917	DULZURA	SDGE
91905	BOULEVARD	SDGE
91931	GUATAY	SDGE
92083	VISTA	SDGE

- Visual represents zip codes using date range (Mar '19 – Mar '20 prior to moratorium)
- Zip codes displayed are representative of starting point, July 2022 launch.

ME&O Plan

Targeted, multi-step approach, monitored and adjusted using enrollment levels as guidance

1. SDG&E

- Dedicated PIPP webpage including requirements, benefits, FAQs
- Direct Communication
 - Primary: direct communication to current CARE customers (direct mail, and email in English and Spanish)
 - Secondary: awareness communication for at-risk customers in select zip codes
 - As space permits, printed material, or other collateral like email
- Customer Care Center/Customer Assistance Call Center support – Q&A and enrollment assistance
- Outbound calls conducted by Outreach Partner, only as needed should minimum target population not met near target date

2. Community Based Organizations (CBOs)

- Relevant information at CBOs that serve at risk communities
- Inform customer when conducting outreach for CARE, ESAP, AMP, or other assistance programs

3. CCAs

- Collaboration with SDG&E to ensure information is made available to potential PIPP pilot participation