

Draft meeting notes

Wednesday December 15, 2021, 10:00 AM – 4:00 PM

Webex Virtual Meeting

Board Member Attendance:

Present: Shiroma, Delgado-Olson, Stamas, Wimbley, Castaneda, Medina, Watts, Irwin, Castilone, Linam, Lim

Absent: None

1. Welcome and Introductions

Board Chair Delgado-Olson opened the meeting of the Low Income Oversight Board (LIOB) at approximately 10:00 AM. Commissioner Shiroma followed by providing her opening remarks, which included a summary of the meeting's contents, as well as notes on low income program cycle transitions and responsiveness to summer reliability goals. Board Member introductions followed.

2. Approval of the September 29, 2021 Meeting Minutes – Action Item

Board Vice-Chair Stamas moved to approve the minutes from the September meeting and Board Member Wimbley seconded the motion. The LIOB approved the minutes unanimously.

3. Public Comment

Anna Solorio of Community Housing Opportunities Corporation (CHOC) provided comment. Ms. Solorio acknowledged Commissioner Shiroma for her leadership and shared that as a result of some comments made at last LIOB meeting, Pacific Gas & Electric (PG&E) met with their low income program contractors to discuss restoring some funding to the first part of next program year. Ms. Solorio expressed concern with Energy Savings Assistance (ESA) Procurement Review Group (PRG) membership, as she feels that no organizations that work directly with low income communities are included in the group. One task is to monitor the scope of the low income multifamily procurement process and Ms. Solorio would like to see more openness and transparency for other community organizations to participate.

Jay T. of Energy Efficiency Resources Inc. provided comment. Energy Efficiency Resources Inc. is a supplier of appliances and one of their primary clients is Southern California Edison (SCE). Energy Efficiency Resources Inc. is experiencing issues from the supply chain crisis, inflation, raw material shortages, and a large reduction in the work forecast for 2022. The company has previously been able to leverage large purchasing orders to keep the costs of business down,

however with less inventory guaranteed and rising prices of materials, there will be a negative impact on operations.

Paul Rael of Pinnacle Appliance Distributing provided comment. Pinnacle Appliance Distributing provides appliances to SCE and appreciates the opportunity to supply low income households with Energy Star appliances. In order to meet the previous demands of the program, the company has procured additional inventory storage and staff. If the program demands are reduced, the company will not be able to justify the additional costs for warehouse space and staff.

Mike M. of Champion Coolers provided comment. Champion Coolers provides evaporative and other cooler products for the ESA program. Their company is also feeling the burden of supply chain issues, cost increases, and decreased program forecasts.

John H. of Allied Air provided comment. Allied Air supplies residential air conditioners and heat pumps for low income programs. The company set up a process of continuing delivery through pandemic, despite experiencing supply chain issues. Demand for their products from low income households remains strong.

There were no Spanish commenters on the Spanish Verizon phone line at this time.

4. Joint Investor-Owned Utilities Status Reports

Chair Delgado-Olson moved to agenda item 4 by sharing that he has received a number of inquiries from the contractor community expressing concerns over the new program and asking for clarity. In advance of the LIOB meeting, the Board Chair sent representatives from all investor owned utilities (IOUs) a series of questions: does your utility have “all hands” meetings/forums with contractors?; does your utility have the ability to restore/add funding to the program during this transition through the same or other means as RHA/PG&E?; and are there any workforce reductions known or expected at this point in time? PG&E responded that they have do have regular all hands meetings and have already made funding adjustments for 2022. San Diego Gas & Electric (SDG&E) answered that they have quarterly meetings with contractors and that their funding for 2022 has increased from 2021 so they are not looking to add additional funds or have workforce reductions. Southern California Gas (SoCalGas) conducts all hands meeting and most recently held one on October 19. SoCalGas plans to allocate their budget as authorized. SCE holds quarterly contractor meetings and is looking at ways to reallocate or commit to work in advance of 2022 to offset budget reductions.

Commissioner Shiroma asked for a two-minute brief verbal overview from each IOU on their ESA, California Alternative Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) status updates to supplement the detailed information included in the IOU slide decks. The Commissioner noted that there are many new program changes for 2022, notably, legislation will go into effect that increases the eligibility of the ESA program to 250% of the Federal Poverty Guidelines (FPL).

SCE shared that they are operating at pre-pandemic levels and are close to exceeding 80,000 homes this year. SCE also noted that the new legislation to expand eligibility to 250% FPL for ESA is great opportunity to treat new homes but comes with limitations. SCE has a significant budget cut in 2022, from approximately \$80 to \$58 million. SCE is looking at whatever amount of unspent funds there are at the end of 2021 to reassign dollars to contractors in 2022 in order to offset some of the budget decreases. SCE contractors have been informed that budgets and targets are lower in the new program cycle.

PG&E noted that the numbers in the slide deck are as of October 2021 and that they are expecting to treat 100,000 homes in total in ESA program this year. Approximately 53,000 homes were treated during the first half of the bridge funding period and close to 50,000 homes will be treated during the second half. PG&E continues to offer workforce training opportunities and information for contractors.

SDG&E is on track to meet homes treated goal of 12,000 homes in the second half of bridge period. 2022 funding has increased over 2021 levels so there is less contractor concern over budgets but there are concerns with hiring staff capacity and ramping up to meet the new program levels.

SoCalGas's budget is decreasing 14% from 2021 to 2022 and they are trying to communicate early to contractors so they can make adjustments. SoCalGas is looking at contractor allocations one by one to make sure they are going to be able to use their budgets effectively. The total reduction from 2021 to 2023 budgets is an approximately 32% decrease. SoCalGas is on track to meet the 2021 homes treated goal.

Board Member Medina would like to see some report of the impact on the pandemic on costs and how costs are going up. Additionally, she asked if there was interest generated from the unspent funds accounts.

Board Member Castaneda commented that there was a complex set of issues being addressed. For one, the year-to-date expenditures are much lower than the authorized budgets. Now, there are new rules about unspent funds and decreasing budgets. Board Member Castaneda commended SoCalGas for their candor on the budget realities and PG&E for meeting openly with contractors. At the end of the day, these programs value workers as well as the reduction of energy burden and increase in health comfort and safety for customers. Contractors in SCE territory are looking at downsizing and layoffs in response to the budget reductions. For some ESA contractors, serving customers in remote areas may result in a loss, but contractors make those financial sacrifices to help customers. It is important to keep in mind that these contractors employ workers who are stakeholders in this program. Board Member Castaneda recommended that each IOU meet with their contractors together at least twice a year, and that a survey be used to see what kinds of layoffs are occurring.

Vice-Chair Stamas expressed agreement with Board Member Castaneda that there are some incongruencies and asked about the millions of dollars in unspent funds for this program year.

Vice-Chair Stamas commented that CPUC rules do not currently allow them to be reallocated, but that it does not seem fair in this current time of increased need and eligibility for those funds to be returned to all ratepayers. She asked about energy savings reductions and how SCE is achieving such high estimated energy savings. SCE answered that they will double check these numbers to make sure they are accurate, but think that some of the savings are coming from lighting upgrades.

Board Member Watts spoke the increasing costs of doing business for contractors. For example, there is a 6.7% inflation rate nationally, which affects supply chain increases. There are also higher costs of hiring and wages, higher costs of insurance and many new liability requirements, and increases in fuel costs. Within the contractor community, there are concerns over the solicitation timeline. Given how many solicitation deadlines for different IOUs are close to one another, contractors have to have a lot of staff capacity and resources in order to apply on time. Board Member Watts also expressed concern over the number of women-, minority- or veteran-owned businesses shifting over the course of the new program cycle. She asked what percentage of current ESA contractors and community based organizations (CBO) are of women-, minority- or veteran-owned businesses.

Chair Delgado-Olson asked if it would be helpful to request of the IOUs a timeline with weekly granularity to provide to contractors. Board Member Watts replied affirmatively but noted that it would also be helpful to be flexible and adjust the timelines slightly.

Board Member Castaneda also confirmed that a more detailed timeline or calendar would help and recognized Board Member Watts comments. Board Member Castaneda also noted that regarding the ESA-CARE-FERA decision, Commissioner Rechtschaffen commented that he would like to see higher wages for program participants. Board Member Castaneda commented that implementing this solicitation requires a lot of analysis, and was concerned that more work needed to be done up front. He ended his comments by agreeing that any increase in information from IOUs to contractors would be helpful.

Board Member Wimbley asked how contractors of IOUs navigate the issues and budgets when there are significant cost increases, and whether the contractors have to absorb the added costs, or whether the IOUs take proactive steps.

Board Member Watts answered that many of these increases are new issues, and the program has not seen price increases to this degree before. There are also many unknowns, like how long supply chain issues will go on for. Board Member Watts noted that in preparing bids and listing pricing, it is hard to know how to forecast for cost increases while also being a competitive bidder.

At this point in the meeting, Board Chair Delgado-Olson moved onto the next agenda item and noted that remaining comment could be received under agenda item 11.

5. Comment from Community Based Organizations – Village Solutions Foundation

Reverend Frank Jackson Jr. from Village Solutions Foundation provided a presentation on Village Solutions Foundation to the Board. Village Solutions Foundation is a faith-based community development corporation established in 1999 that is a low income programs contractor for SCE.

Board Member Watts thanked Reverend Jackson for his commitment to the African American community and for his presentation.

Board Member Lim also thanked Reverend Jackson for the presentation and for being a partner with SCE.

Board Member Castaneda expressed esteem for not only the work that Village Solutions does, but for their model which add values to the actions of the program. This organization demonstrates that ESA not only impacts low income customers, but also the community as a whole due to energy education and career opportunities.

At this point in the meeting, the Board adjourned for lunch.

6. Affordability Metrics Implementation Staff Proposal Update

Board Chair Delgado-Olson reconvened the Board at approximately 1:10 PM. Ankit Jain of the CPUC Energy Division and Jefferson Hancock of the CPUC Water Division provided an update on the Affordability Proceeding (R.18-07-006) and the phase 2 staff proposal.

Board Chair Delgado-Olson thanked the presenters and asked if the expected period of comment on the proposal was scheduled for September 2022. Mr. Hancock answered that comments on implementation staff proposal are due January 10, 2022.

Board Chair Delgado-Olson asked about the relationship between this work and climate change. He noted that the Board received a presentation from the National Weather Service (NWS) on heat index and how different government agencies are using heat indexes alongside socioeconomic data. The Board Chair asked if the affordability metrics could take climate data into consideration. Mr. Jain answered that the affordability staff team has not worked with the NWS, but that the relationship to weather comes into play on energy side through the definitions of essential use levels. Currently essential use is defined as energy baselines, which are climate zone dependent. SCE is working on an essential use study and CPUC staff are interested in understanding how that report defines essential usage, and whether that is different from baseline definition.

Board Member Castaneda asked if the genesis of this proceeding was legislation. Mr. Hancock answered that the proceeding did not come legislation but was Commission led to look at affordability issues in general. Board Member Castaneda then asked what the definition of

stakeholders was. Mr. Jain answered that stakeholder refers to anyone who would be a party to a particular rate setting proceeding, which would include groups that represent low income ratepayers. Board Member Castaneda also inquired if the action items from this data was for future rate-setting proceedings only, or if there were other applications. Mr. Jain responded that in addition to rate-setting proceedings, staff develop annual reports which take a more retrospective look at the state of affordability within current rates. Board Member Castaneda suggested that this data be used to better develop target markets for CPUC low income programs. Mr. Jain replied affirmatively that the second use case is trying use these metrics in allocating CPUC resources and funding. In order to use them in program development and targeting, it comes down to the right people within the CPUC and outside stakeholders understanding the metrics and how to use them.

Board Member Medina asked if there was a connection to Time of Use (TOU) rates. Mr. Jain answered that staff are looking for opportunities to apply these metrics and one potential area is the TOU rates. For TOU rates, additional analysis would be needed.

7. Percentage of Income Payment Plan (PIPP)

Board Member Lim introduced this agenda item by sharing that the IOUs wanted this opportunity to come to the LIOB and share their Percentage of Income Payment (PIPP) implementation plans. PIPP is a CPUC directive per Rulemaking R.18-07-005. PIPP has working group that is providing feedback, but the IOUs are also looking for comments from the LIOB prior to filing implementation plans on February 4, 2022.

Representatives from SCE, SoCalGas, PG&E, and SDG&E presented the components of their respective PIPP implementation plans, include outreach, enrollment, and billing.

Board Chair Delgado-Olson asked if in the interest of time, this topic could be moved to a subcommittee meeting for more in-depth discussion. Board Member Lim responded that early January would be workable for a subcommittee meeting and IOU staff would appreciate an hour on the agenda to discuss.

8. CPUC Standing Reports – Water Division Update

Viet “Kevin” Trương of the CPUC Water Division provided an update on current Customer Assistance Program (CAP) enrollment, conservation reports, and Assembly Bill 1250.

There were no questions or comments from members of the Board on this agenda item.

9. CPUC Standing Reports – Community Help and Awareness of Natural Gas and Electric Services (CHANGES) –

Ravinder Mangat of the CPUC’s News & Outreach Division provided the biannual update on the Community Help and Awareness of Natural Gas and Electric Services (CHANGES) Program.

Casey McFall of Milestone Consulting LLC and Anni Chung of Self Help for Elderly were available to answer questions about the program.

Board Member Medina asked about how the outreach staff have been affected emotionally during the stressful time of the pandemic and whether there are resources that CBOs and staff need. Ms. McFall shared that it has been a difficult two years and that when the pandemic hit, many CBOs became frontline workers. One thing that the coalition does is provide extra support, such as credentialed coaching, weekly check-ins, and program review to the CBOs in the network. CBOs are trying to meet goals, while dealing with the difficulties and health accommodations of the pandemic.

Board Member Wimbley asked about the Arrearage Management Program (AMP) and noted the customers that have been dropped from the program. He asked what the challenges are for someone to successfully participate in the AMP. Ms. McFall answered that ultimately bills and outstanding balances can be very high. If customers had the ability to pay off their bills, they would not need payment plans. Payment plans only work if people have money to pay these balances. Board Member Wimbley responded that this is an area of interest for the Board and the Commission and that it should be evaluated whether the criteria for participation are too difficult. Board Chair Delgado-Olson followed by saying that some customers may need more opportunities for debt forgiveness.

Ms. McFall noted that using the language of “failure” isn’t fair to participants if they do not have the capacity to participate in a program that does not meet their needs. A way to help these customers might include adding PIPP to AMP or making it easier to verify income.

Chair Delgado-Olson closed discussion on this agenda item by asking the Board to consider what equity and success looks like for low income assistance. In response to the pandemic, many different types of assistance were offered and it would be useful to reflect how those assistance offerings are working.

10. CPUC Standing Reports – Energy Division Update

Kapil Kulkarni, of the CPUC Energy Division, provided updates on the large IOUs ESA/CARE/FERA program cycle, the Summer Reliability proceeding, and the Low Income Needs Assessment (LINA).

Commissioner Shiroma noted the makeup of the ESA Multifamily Whole Building (MFWB) PRG and asked about the questions of transparency. Mr. Kulkarni answered that the goal of the process is to make sure there are bids that are reviewed fairly. The IOU will produce a public report for all parties and potential bidders. Alison LaBonte of the CPUC Energy Division also commented that final bidder selection is reviewed by Energy Division via a Tier 2 Advice Letter with opportunity for comment. Mr. Kulkarni also shared that every organization that applied for the PRG were accepted except those who had a financial conflict. The ESA Working Group (WG) is a broader opportunity to provide input on the program for other stakeholders.

Board Chair Delgado-Olson commented on the membership of the PRG and observed that none of the organizations listed have a core mission of working with low income households. Commissioner Shiroma responded that the National Consumer Law Center is an advocacy group that has represented low income and disadvantaged communities previously. The Commissioner noted a suggestion for the California Department of Community Services and Development (CSD) to be added to the PRG. Mr. Kulkarni replied that staff will look into whether it is possible to add members to the PRG. Board Member Wimbley also responded that he will follow up with Energy Division to discuss commitment and how CSD can assist.

Ms. LaBonte commented that Energy Division appreciated the comments from the last LIOB meeting and in response, has had meeting to follow up on the concerns of stakeholders. This allowed Energy Division to understand the concerns of the contractor community and ask the right questions to the IOUs.

Board Member Castaneda endorsed the suggestion of adding CSD to the PRG. Board Member Castaneda also asked about carryover funds, and what happens to funds for the pilot programs if they are not spent within 2022. Mr. Kulkarni answered that funds not spent or committed in 2022 are lost to the program and instead used to offset collections. Staying on track of program and pilot spending will be one of the responsibilities of the ESA WG.

Commissioner Shiroma noted the inclusion of ESA into Summer Reliability offerings such as the automatic load reduction program.

11. Disadvantaged Communities Advisory Group (DACAG) Update

Roman Partida-Lopez, Vice-Chair of the Disadvantaged Communities Advisory Group (DACAG) provided an update on the group's activities, priority areas for 2022, and possible areas of collaboration with the LIOB.

Commissioner Shiroma commented many organizations talk about breaking down silos, but it is hard to do. At the Commission, there are three advisory groups for low income communities that all have a unique focus and membership.

Board Member Medina asked if there were ways the LIOB could be more effective or if Mr. Partida-Lopez had comments on today's meeting. Mr. Partida-Lopez answered that there are opportunities for the two boards to work together, notably on reliability, customer assistance and arrearage.

Board Member Castaneda noted the Net Energy Metering proceeding and that proceedings relationship to low income ratepayers. That proceeding could be a potential opportunity for both advisory bodies to provide comment and input to the commission regarding low income communities.

12. Coordination Report on Low Income Weatherization Program (LIWP) & California Arrearage Payment Program (CAPP)

Board Member Wimbley provided an overview of the CAPP, including the amount of funding available and the status of fund distribution. Board Member Wimbley shared that LIWP coordination of funding and leveraging efforts with the IOUs have ceased because they could not identify any projects where funds could be leveraged. The Governor's climate investment plan committed funds to LIWP multifamily program for the next cycle.

13. Subcommittee Reports

The Low Income Energy Assistance Programs (LIEAP) and Water & Climate Change subcommittee subcommittees met on October 20, 2021 to discuss water updates, outreach on customer arrearage assistance, ESA solicitations, and IOU low income program status reports.

The Legislative and Low Income Needs Assessment (LINA) subcommittees did not meet this quarter.

Board Chair Delgado-Olson confirmed that the LIEAP subcommittee would be meeting in early January to discuss some of the follow-up issues identified in this quarterly meeting.

14. Technical Advisory Committee (TAC) Updates

The Technical Advisory Committee (TAC) did not meet during this quarter. Board Chair Delgado-Olson noted the Universal Application System (UAS) Working Group that was created in the ESA CARE decision, and which shares the same goals as the TAC. The TAC will look at ways to support that work.

15. Wrap Up & Closing Remarks

Board Chair Delgado-Olson shared that the 1st quarterly meeting date has not been set but will occur in March. The Board is still planning for a slightly belated 20th anniversary celebration at an in-person meeting.

Commissioner Shiroma shared closing remarks and wished all of the meeting participants a happy holiday season. The Commissioner also congratulated Board Chair Delgado-Olson and Board Member Wimbley for being reappointed by Governor Newsom in various roles.

Board Chair Delgado-Olson closed the meeting by thanking the presenters, the Commissioners in attendance, the utility staff, and all other attendees.

The meeting adjourned at approximately 4:15 PM.