

LIOB Subcommittee Q&A

LIEAP Subcommittee Meeting on November 30, 2022

1. What are the IOUs budgets for the 2023 Program Year?

PG&E’s planned PY 2023 budgets for the ESA Program are provided in the table below (outlined in red)

ESA Programs/Pilots	2023 Planned Budget	2023 Authorized Budget
ESA Main	\$112,569,288 ²	\$112,569,288
Multi-family (MF) ¹	\$19,520,888 ³	\$36,493,866
Pilot Plus/Pilot Deep (PP/PD)	\$11,804,213 ⁴	\$8,782,607

¹Multi-family offerings will be replaced by the Northern Multi-family Whole Building (Northern MFWB) program starting in 2023.

²This amount does not include the potential infusion of approximately \$9 million from unspent funds from MASH/SASH (D.15-01-027, OP 12).

³ The reduced MF budget for 2023 considers the ramp-up activities (e.g., outreach/project scope/evaluation) for the new MFWB program, which is expected to begin in Q1 2023. The reduced amount is being shifted to future program years to support Northern MFWB program implementation.

⁴This amount includes an estimated fund shift of \$3,021,606 from the 2022 budget for PP/PD. Current projections are based on 2022 expenses to-date and include forecast expenses for November and December. The actual amount of the 2022 fund shift will be included in the ESA Annual Report.

1a. How do these budgets differ from the authorized budgets from D.21-06-015?

PG&E’s planned PY 2023 budgets for MF and PP/PD are different from the budgets authorized in D.21-06-015. Please refer to the table in Question 1 for comparison.

1b. Are they higher or lower than 2022, and 2024?

The direction of variances between of PG&E’s planned 2023 budgets and the authorized budgets for 2022 and 2024 is summarized in the table below (outlined in blue)

ESA Programs/Pilots	2022 Authorized	2023 Planned Budget	2024 Authorized	2022 - 2023	2023 - 2024
ESA Main	\$103,732,423	\$112,569,288 ²	\$104,331,278	+	-
Multi-family (MF) ¹	\$25,890,417	\$19,520,888 ³	\$44,512,082	-	+
Pilot Plus/Pilot Deep (PP/PD)	\$8,782,607	\$11,804,213 ⁴	\$8,782,607	+	-

¹Multi-family offerings will be replaced by the Northern Multifamily Whole Building (Northern MFWB) program starting in 2023.

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²This amount does not include the potential infusion of approximately \$9 million from unspent funds from MASH/SASH (D.15-01-027, OP 12).

³ The reduced MF budget for 2023 considers the ramp-up activities (e.g., outreach/project scope/evaluation) for the new MFWB program, which is expected to begin in Q1 2023. The reduced amount is being shifted to future program years to support Northern MFWB program implementation.

⁴This amount includes an estimated fund shift of \$3,021,606 from the 2022 budget for PP/PD. Current projections are based on 2022 expenses to-date and include forecast expenses for November and December. The actual amount of the 2022 fund shift will be included in the ESA Annual Report.

1c. Have the IOUs supplemented or plan to supplement these authorized budgets with additional funds, such as from committed and unspent funds, fund shifting from within the program, or fund shifting from another program?

- **ESA Main:** There is a possibility that ESA Main could receive a transfer of approximately \$9 million from unspent MASH/SASH funds in 2023*. The funding is contingent upon CPUC's approval of the proposed transfer of unspent funds from MASH/SASH to ESA. The IOUs are required to file an advice letter at the close-out of the MASH/SASH programs; the advice letter will include the unspent funds and identify the recipient program for those funds. The IOUs plan to submit the advice letter as required by D.15-01-027 in Q1 2023. (**D.15-01-027 OP 12: Any money unspent and unencumbered on January 1, 2022, shall be used for "cost-effective energy efficiency measures in low-income residential housing that benefit ratepayers," as set forth in Public Utilities Code Section 2852(c)(3).*)
- **PP/PD:** PG&E plans to supplement the PY 2023 authorized budget for PP/PD with unspent funds from 2022. Currently, PG&E estimates the transfer to be approximately \$3,021,606; however, the final transfer amount may differ from this early estimate. (Note: D.21-06-015 OP 181 allows cross-year fund shift for pilots, including PP/PD, and MFWB).
- **Northern MFWB:** N/A. At this time, PG&E is in the process of finalizing its MFWB contract.

1d. How have the IOUs communicated their 2023 Program Year budgets and other program changes to their implementers and contractors?

PG&E holds quarterly meetings with its implementers and contractors. Program budgets are discussed in every meeting. The next quarterly meeting for ESA Main is scheduled for December 14, 2022.

PG&E held a quarterly meeting with its Pilot Plus/Deep Implementer on November 10, 2022, during which 2022-2023 financial projections were presented.

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2. What approaches are the IOUs taking to achieve deeper energy savings starting in 2023? What are the challenges associated with these approaches?

PG&E has been, and will continue to, conduct quarterly review of program cost-effectiveness (ESACET) and utilizing the information to identify opportunities to adjust measure offerings to optimize portfolio savings for ESA Main.

In addition, the ESA program is using historical ESA customer information and information from home energy audits (e.g., CARE/FERA customers that indicated they have a pool or electric heat) to identify households that may be eligible for high saving measures such as refrigerators, heat pump water heaters, pool pumps, etc. PG&E is targeting these customers via measure-specific postcards.

PD/PD is designed to explore the feasibility of achieving deeper energy savings. Lessons learned may be applied to ESA Main where applicable.

At this time, PG&E believes it is too early to assess the challenges associated the approaches described above.

3. Do IOUs plan to extend current contracts / what is the timeline for new contracts?

- **ESA Main:** Not applicable. PG&E had completed its RFP process and all contracts are in place for implementation starting in January 2023.
- **PP/PD:** Not applicable. PP/PD is a new offering; there is no prior contracts.
- **Northern MFWB:** To facilitate the transition from MF CAM to the new Northern MFWB Program (which is expected to launch in Q1 2023), PG&E plans to extend its existing MF CAM/SPOC contract through March 2023 to continue maintaining and updating project waitlist for the Northern MFWB, communicating Northern MFWB program updates to waitlisted customers.

4. What are the IOUs' overall plans in terms of program transition?

For example, how do the IOUs plan to extend contracts with current implementers and contractors until any new contracts (resulting from all the solicitations in 2022) are in place?

- **ESA Main:** Not applicable. All contracts are in place for implementation starting in January 2023.
- **PP/PD:** Not applicable.
- **Northern MFWB:** D.21-06-015 OP 128 requires PG&E to continue to support MF in-unit and CAM until the Northern MFWB program is up and running in 2023. PG&E plans to extend its existing CAM contract through March 2023 to continue maintaining and updating project waitlist for the Northern MFWB, communicating MFWB program updates to waitlisted customers. The in-unit

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treatment will continue to be implemented through ESA Main using the 2023 ESA Main budget following the existing process until MFWB is launched.

5. What challenges do the IOUs foresee in 2023 and how do they plan to mitigate them?

- **ESA Main:** PG&E is not anticipating challenges at this time.
- **PP/PD:** PG&E intends to derive enough information from the Pilot Plus/Deep efforts to inform the broader ESA Portfolio's approach to achieve deep energy savings while assessing potential impact on ESACET. While there is no set number of projects that can be estimated to derive useful information, PG&E intends to complete as many projects as is feasible in 2023 to ensure a sufficient base of projects can be evaluated for mid-cycle and 2027 applications. Given the short timeframe, a steep ramp-up is required. One factor that may impede steep ramp-up is customer skepticism (i.e., Pilot offering may seem too good to be true), which is being addressed through co-branded marketing on Pilot outreach materials, and a dedicated Pilot information page on pge.com validating the Pilot offerings.
- **Northern MFWB:** D.21-06-015 OP 122 requires the lead IOUs to submit an advice letter for their respective MFWB programs, and the advice letter must be to and approved by the CPUC prior to program implementation (D.21-06-015 at p.359). As of November, PG&E is in the process of finalizing the contract for the Northern MFWB program and plans to file the required Advice Letter as soon as the contract is fully executed. At this time, PG&E anticipates the Northern MFWB program to launch in Q1 2023. However, delays with the advice letter approval (e.g., protests) may result in delays with the planned program launch and negatively impact project pipeline/retreatment goals/timeline.

(Note: PG&E filed a 60-day extension request to comply with directive in D.21-06-015 OP 122 to submit an advice letter by November 30, 2022. PG&E sought relief to complete the administrative tasks required of the contract. As of the date of this response, the extension request is pending CPUC approval.)

6. Please provide an update on Marketing.

The responses provided in the Marketing section below apply to ESA Main only. PP/PD and MFWB have separate marketing plans that are specific to each program.

6a. When will the 2023 marketing outreach begin?

PG&E plans to deploy email/mail campaign on January 3, 2023. The "Always on" digital campaign will continue without interruption.

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6b. What is envisioned for the efforts?

PG&E is in the process of finalizing its marketing/outreach efforts for ESA.

Planned tactics include the following:

- 2-4 email campaigns in collaboration with contractors targeting specific households for Pool Pump, Central Heat Pump Replacement, Heat Pump Water Heater, and refrigerator offerings. Pool Pump is scheduled for the end of Q2 in time for summer.
- Nurture campaign to increase conversion of customers who have responded but have not successfully taken the next step to enroll.
- Continue to prioritize DAC segment. In Q3 2022, among the DAC segment, PG&E saw a 13% response rate via application and a 5% click through rate (CTR) via email, double the CTR of residential benchmarks.

6c. How do the IOUs leverage CARE/FERA data to generate leads?

PG&E is leveraging its CARE/FERA data to generate leads by including customers' CARE scores as an attribute in the new ESA propensity model.

LIOB Subcommittee Meeting
November 30, 2022 from 10am-12pm
~SCE Responses~

1. What are the IOUs budgets for the 2023 Program Year?

Below is Table 9 which displays the approved budget from the Decision (D.) 21-06-015. SCE's ESA Main budget (line 2-EE (A)) includes budget for contractor/vendor material along with both the Building and Electrification (BE) and Clean Energy Homes (CEH) Pilot budget as noted in the table 9a below.

Table 9: ESA Approved Budgets (SCE)⁷

SCE Approved Budgets by Category							
	2021 (July 1 to Dec. 31)	2022	2023	2024	2025	2026	Total
EE Subtotal (A+B)	\$36,098,517*	\$44,048,684	\$55,459,700	\$78,032,800	\$83,101,017	\$62,003,783	\$358,744,502
EE (A)		\$37,471,491	\$46,199,512	\$60,494,956	\$68,400,219	\$49,669,535	
EE-MF (B)		\$6,577,193	\$9,260,188	\$17,537,845	\$14,700,798	\$12,334,249	
Training Center	\$300,325	\$600,650	\$450,488	\$450,488	\$450,488	\$450,488	\$2,702,927
Workforce Education and Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inspections	\$838,704	\$1,677,406	\$968,374	\$864,125	\$950,922	\$949,618	\$6,249,148
Marketing and Outreach	\$516,906	\$1,374,878	\$1,988,580	\$2,346,963	\$2,539,025	\$2,186,503	\$10,952,855
Statewide Marketing and Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Studies	\$147,500	\$225,000	\$342,500	\$290,000	\$92,500	\$125,000	\$1,222,500
Regulatory Compliance	\$381,941	\$691,730	\$791,921	\$720,611	\$821,669	\$751,251	\$4,159,122
General Administration	\$2,617,069	\$6,218,785	\$5,189,403	\$4,513,566	\$4,480,231	\$4,396,242	\$27,415,296
SPOC	\$85,965	\$171,929	\$171,929	\$171,929	\$171,929	\$171,929	\$945,611
CPUC Energy Division	\$25,789	\$51,579	\$51,579	\$51,579	\$51,579	\$51,579	\$283,683
Subtotal - Admin	\$4,828,233	\$10,840,028	\$9,782,845	\$9,237,332	\$9,386,413	\$8,910,680	\$52,985,531
Program Total	\$40,926,750	\$54,888,712	\$65,242,545	\$87,270,132	\$92,487,430	\$70,914,463	\$411,730,032
Staff Proposal Pilot Total		\$3,884,864	\$3,884,864	\$3,884,864	\$3,884,864	\$3,884,864	\$19,424,318
Portfolio Total	\$40,926,750	\$58,773,576	\$69,127,408	\$91,154,996	\$96,372,294	\$74,799,327	\$431,154,350

Table 9a: SCE's ESA Approved Budgets

	2022	2023	2024	2025	2026	TOTAL
ESA Core	30,829,878	36,197,756	48,501,378	54,738,388	41,168,312	211,435,712
BE PILOT	4,641,612	8,001,756	9,993,578	11,661,831	6,501,223	40,800,000
CEH PILOT	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
TOTAL	37,471,491	46,199,512	60,494,956	68,400,219	49,669,535	

- **How do these budgets differ from the authorized budgets from D.21-06-015?**

SCE's 2023 budget is aligned with the budgets authorized in D.21-06-015.

- **Are they higher or lower than 2022, and 2024?**

SCE's budgets are lower than the previous program cycle 2017-2020. However, the 2023 authorized budget is higher than program year (PY) 2022 and lower than the 2024 budget.

- **Have the IOUs supplemented or plan to supplement these authorized budgets with additional funds, such as from committed and unspent funds, fund shifting from within the program, or fund shifting from another program?**

SCE may supplement the 2023 budgets with Single-family Affordable Solar Homes Program (SASH)/Multifamily Affordable Solar Housing (MASH) funding as directed in D.15-01-027 and potentially from a fundshift from the CEH pilot to the ESA Core program.

- **How have the IOUs communicated their 2023 Program Year budgets and other program changes to their implementers and contractors?**

SCE has not yet communicated the PY2023 budgets to individual contractors since contracts have not yet been awarded for the ESA Core program. Typically, this is communicated during the Purchase Order (PO) stage of solicitations which SCE anticipates will occur within the first week of December 2022.

2. What approaches are the IOUs taking to achieve deeper energy savings starting in 2023? What are the challenges associated with these approaches?

For 2023, SCE plans to identify customers who fall within the Basic or Basic Plus tier based on their energy usage and provide leads to contractors for the ESA Core program. This will help determine which customers may achieve deeper energy savings.

- The following challenges may arise with this new approach:
 - Customers may want measures they are not eligible for. For instance, a customer may be in a hot climate zone, but does not qualify for an HVAC because they have low usage
 - SCE forecasts similar constraints (e.g., supply chain, impact to workforce, etc.) in PY 2023

SCE

- To mitigate these challenges, SCE will ensure that contractors are trained and well equipped to discuss the tiered model approach to our customers. Additionally, all of our customer facing materials will also include information about the ESA program's Basic and Basic Plus offering as well as the program's focus on energy efficiency.

3. Do IOUs plan to extend current contracts / what is the timeline for new contracts?

SCE plans to only extend contracts for its exiting MF In Unit and MF CAM contractors until the Southern MFWB program is implemented. Any remaining customers will be provided as lead to the MFWB contractor. However, new contracts will become effective on January 1, 2023 for SCE's ESA Core program contractors. By December 2022, new contractors can begin to schedule appointments for January 2023. By January 2023, SCE plans to pull remaining customers from waitlist, determine eligibility, analyze usage and provide leads to its new contractors. By January 2023, new contractors can begin scheduling customer visits and installations.

4. What are the IOUs' overall plans in terms of program transition?

- **For example, how do the IOUs plan to extend contracts with current implementers and contractors until any new contracts (resulting from all the solicitations in 2022) are in place?**

Please refer to SCE's Q.3 response. SCE does not plan to extend contracts for the ESA Core contractors. SCE transition plans will ensure there is no gap in service to its customers.

5. What challenges do the IOUs foresee in 2023 and how do they plan to mitigate them?

SCE believes the following challenges may arise during the PY2023:

- Implementing new policies or procedures such as contractors providing all services to a customer (previously this was separated)
 - Mitigation: communication, training, discuss inspection results, and job shadowing in the field
- Learning to work with new contractors and learn the program
 - Mitigation: contractor training, constant communication between SCE program team and contractor staff
- Having customers understand the Tiered offering
 - Mitigation: improved website, new marketing material, training contractors
- Transitioning to our new database
 - Mitigation: training and engaging contractors during system testing

SCE

6. Please provide an update on Marketing.

- **When will the 2023 marketing outreach begin?**
- **What is envisioned for the efforts?**

SCE marketing efforts (direct mail) will begin in January 2023. SCE is targeting customers who have not been previously served by the program. Customers will already be identified as Basic or Basic Plus. SCE will coordinate marketing efforts with the contractors so that when the customers receive direct mail in parallel.

- **How do the IOUs leverage CARE/FERA data to generate leads?**

In January, SCE will be targeting FERA customers who are now newly eligible for the program.

- **SCE/SoCalGas: Describe the referral process so that the ESA customer can benefit from a single visit to install all eligible measures? (The Commission over the years has ruled that single fuel utilities should collaborate their ESA programs.)**

SCE and SoCalGas plan to share and leverage enrollment information. However, this may not always occur on the initial customer visit. As mentioned in response#2, in 2023 SCE's customer target list may vary considerably from SoCalGas' target customers for the following reasons:

- SCE is offering building electrification measures in this cycle
- SCE high usage customers (eligible for Basic Plus) may not be SoCalGas's high usage customers

Low Income Oversight Board, LIEAP Subcommittee Meeting
Wednesday, 11/30, 10-12 pm
SoCalGas Responses

1. What are the IOUs budgets for the 2023 Program Year?

SoCalGas response: **SoCalGas’s budget for the 2023 Program Year is \$122,824,705.**

Table 10: ESA Approved Budgets (SoCalGas)⁹

SoCalGas Approved Budgets by Category							
	2021 (July 1 to Dec. 31)	2022	2023	2024	2025	2026	Total
EE Subtotal (A+B)	\$61,165,214 ⁹	\$104,432,051	\$104,315,034	\$104,104,320	\$103,801,243	\$103,408,497	\$581,226,359
EE (A)		\$82,826,162	\$82,837,720	\$82,880,025	\$82,850,295	\$82,844,757	
EE-MF (B)		\$21,605,889	\$21,477,314	\$21,224,295	\$20,950,948	\$20,563,740	
Training Center	\$535,603	\$1,066,865	\$777,697	\$794,031	\$810,413	\$827,048	\$4,811,658
Workforce Education and Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inspections	\$791,002	\$1,606,551	\$1,510,696	\$1,536,622	\$1,561,997	\$1,586,833	\$8,593,701
Marketing and Outreach	\$689,766	\$1,383,806	\$1,398,505	\$1,413,383	\$1,437,876	\$1,462,019	\$7,785,355
Statewide Marketing and Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Studies	\$112,500	\$218,750	\$262,500	\$168,750	\$231,250	\$75,000	\$1,068,750
Regulatory Compliance	\$241,166	\$495,468	\$472,833	\$523,227	\$536,772	\$513,413	\$2,782,880
General Administration	\$3,485,201	\$6,993,078	\$7,478,835	\$7,662,963	\$7,855,757	\$8,050,562	\$41,526,395
SPOC	\$133,557	\$275,227	\$283,336	\$291,503	\$299,829	\$308,278	\$1,591,731
CPUC Energy Division	\$46,215	\$95,203	\$98,059	\$101,001	\$104,031	\$107,152	\$551,661
Subtotal - Admin	\$5,901,453	\$11,859,721	\$11,999,126	\$12,199,978	\$12,538,096	\$12,622,027	\$67,120,401
Program Total	\$67,066,667	\$116,291,771	\$116,314,160	\$116,304,297	\$116,339,339	\$116,030,525	\$648,346,760
Staff Proposal Pilot Total		\$6,510,545	\$6,510,545	\$6,510,545	\$6,510,545	\$6,510,545	\$32,552,726
Portfolio Total	\$67,066,667	\$122,802,317	\$122,824,705	\$122,814,843	\$122,849,884	\$122,541,070	\$680,899,486

a. How do these budgets differ from the authorized budgets from D.21-06-015?

SoCalGas response: **Budgets are the same as the authorized budgets from D.21-06-015.**

b. Are they higher or lower than 2022, and 2024?

SoCalGas response: **Program Year 2023’s budget is higher than Program Year 2022 by \$22,388. The Program Year 2023 budget is higher than the Program Year 2024 budget by \$9,862.**

c. Have the IOUs supplemented or plan to supplement these authorized budgets with additional funds, such as from committed and unspent funds, fund shifting from within the program, or fund shifting from another program?

SoCalGas response: **SoCalGas has not supplemented, nor do we plan to supplement the authorized budget, as outlined in Table 10 in the response to Q1 above, with committed or unspent funds or from fund**

shifting with other programs. SoCalGas may shift funds within program categories for ESA Main or from year to year for Pilot Plus and Pilot Deep as provided for in D.21-06-015.

- d. How have the IOUs communicated their 2023 Program Year budgets and other program changes to their implementers and contractors?

SoCalGas response: **SoCalGas has held periodic all-hands contractor meetings, as well as 1x1 contractor meetings regarding budgets and program changes. In addition, SoCalGas has sent communications via email and through the HEAT system, our technology platform that allows us to include announcements and alerts.**

2. What approaches are the IOUs taking to achieve deeper energy savings starting in 2023? What are the challenges associated with these approaches?

SoCalGas response: **SoCalGas restructured agreements and compensation for 2023 to align with the new ESA Program focus on achieving therm savings. SoCalGas also modified contractor training, provided email notifications and updated the software technology platform to shift focus to therm savings goals and installing high therm saving measures. A primary challenge of the focus on achieving therms savings is balancing it with addressing customers' health, comfort and safety needs through certain measures which provide little to no reportable savings towards the goal.**

3. Do IOUs plan to extend current contracts / what is the timeline for new contracts?

SoCalGas response: **SoCalGas is not extending current (2022) contracts. SoCalGas is executing new contracts with successful bidders in SoCalGas' Main ESA Program solicitation which will be effective on January 1, 2023.**

4. What are the IOUs' overall plans in terms of program transition?

- a. For example, how do the IOUs plan to extend contracts with current implementers and contractors until any new contracts (resulting from all the solicitations in 2022) are in place?

SoCalGas response: **2023 contracts with successful bidders in SoCalGas' Main ESA Program solicitation will be effective on January 1, 2023. SoCalGas is currently in the contract execution phase and is awarding and issuing contracts to contractors that are continuing into 2023, as well as new contractors beginning in 2023.**

7. What challenges do the IOUs foresee in 2023 and how do they plan to mitigate them?

SoCalGas response: **SoCalGas will continue to face challenges in optimizing its measure delivery to achieve its 2023 savings goal while balancing customers'**

SoCalGas

health, comfort and safety needs through certain measures which provide little to no reportable savings towards the goal. SoCalGas is working with its contractor network to achieve its program goals by assigning individual savings goals, implementing savings related KPIs and performance-based incentives.

8. Please provide an update on Marketing.

a. When will the 2023 marketing outreach begin?

SoCalGas response: **The ESA Program is promoted year-round via traditional outreach in tandem with other SoCalGas assistance programs including CARE. In the first quarter of 2023 the ESA Program will be included in a SoCalGas Assistance Programs Umbrella Advertising Campaign in order to leverage the Winter timeframe.**

b. What is envisioned for the efforts?

SoCalGas response: **ESA Marketing going forward will focus on specific measures delivering the highest therm savings. SoCalGas will develop microtargeted advertising campaigns to create high level awareness of the ESA Program, and drive customer interest to an online intake form. This intake form will be enhanced in Q1 2023, to capture additional qualifying customer information upfront that may help contractors prioritize their outreach. SoCalGas will also develop ad templates for contractor use.**

c. How do the IOUs leverage CARE/FERA data to generate leads?

SoCalGas response: **SoCalGas does not automatically create ESA Program leads for customers enrolled into CARE, instead SoCalGas sends emails, texts, and direct mail letters to current CARE customers in areas with the lowest ESA Program enrollment percentages and in disadvantaged communities. SoCalGas also leverages CARE enrollment to get ESA Program messaging to customers via My Account.**

d. SCE/SoCalGas: Describe the referral process so that the ESA customer can benefit from a single visit to install all eligible measures? (The Commission over the years has ruled that single fuel utilities should collaborate their ESA programs.)

SoCalGas response: **SoCalGas and SCE plan to continue sharing and leveraging enrollment information. This coordination may not always occur during the initial customer visit as each IOU may be targeting different customers initially based on their unique customer profile, but coordination will continue.**

SDGE

IOU Questions for meeting on 11/30 (10am – Noon)

1. What are the IOUs budgets for the 2023 Program Year?

Program	Budget PY 2022	Budget PY 2023	Budget PY 2024
Portfolio Total	\$25,832,330	\$27,043,980	\$29,894,951

Note: The Portfolio total consist of all the approved programs i.e., ESA main, MF CAM, MFWB - SDG&E only, and Pilot Plus and Pilot Deep. In addition, SDG&E is authorized to use MF CAM funds in 2022 and 2023 until the program transitions to MFWB.

a. How do these budgets differ from the authorized budgets from D.21-06-015?

SDG&E Response: The program budgets do not differ from the budgets authorized in D.21-06-015 (Decision).

b. Are they higher or lower than 2022, and 2024?

SDG&E Response: Please refer to the table above.

c. Have the IOUs supplemented or plan to supplement these authorized budgets with additional funds, such as from committed and unspent funds, fund shifting from within the program, or fund shifting from another program?

SDG&E Response: Pursuant to D.15-01-027, and subject to advice letter approval in early 2023, SDG&E will have the opportunity to supplement the authorized ESA Main budget by utilizing the unspent SASH/MASH funding which is approximately \$200K. At this time, SDG&E does not have any additional plans to supplement its authorized budgets.

d. How have the IOUs communicated their 2023 Program Year budgets and other program changes to their implementers and contractors?

SDG&E Response: SDG&E has held individual meetings and all hands meeting to communicate ESA upcoming program changes to contractors.

SDGE

IOU Questions for meeting on 11/30 (10am – Noon)

For Pilot, the RFP Solicitation Plan was noticed on August 17, 2022 to service lists A.14-11-007 et al., A.19-11-03 et.al., R.13-11-005, R.15-03-010, R.18-07-006, R.18-07-005 and GO96B. Additionally, it is on SDG&E's website at [Energy Savings Assistance Programs Solicitations | San Diego Gas & Electric \(sdge.com\)](https://www.sdge.com/energy-savings-assistance-programs-solicitations) and on Power Advocate. A Public Workshop was held on September 27, 2022. Additionally, direct email outreach was sent to potential bidders and interested parties on October 31, 2022 and CBO partners on November 4, 2022.

IOU Questions for meeting on 11/30 (10am – Noon)

2. What approaches are the IOUs taking to achieve deeper energy savings starting in 2023? What are the challenges associated with these approaches?

SDG&E Response: For ESA Main, the approach is to provide household disaggregated usage data to Implementer/contractors, in addition to responses from the Home Audit Tool. Both will provide insight into measure installation and savings potential and allow for prioritization of services from contractors. Implementer/contractors will also have performance incentives based on savings achieved. Challenges include setting up a process for data flow for the Implementer/contractors, getting customers to take the Home Audit, and distribution of EE kits for the low savings potential households.

For Pilot, the approach is to focus on customers with the highest energy usage and the greatest need, specifically in Climate Zones where weather conditions require more energy use for health, comfort, safety. The Pilot will utilize a whole-home approach and all measures with savings values are proposed to be included since cost effectiveness is not a threshold for installation. Challenges include contractor familiarity with whole-home energy modeling software and the coordination of multiple contractors for mitigation efforts and measure installation.

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3. Do IOUs plan to extend current contracts / what is the timeline for new contracts?

SDG&E Response:

For ESA Main, the new Implementer model contract takes effect on January 1, 2023, which excludes HVAC and Water Heating Repair and Replacement. The current HVAC contractor agreement has been extended until mid-July 2023 and the HVAC RFP will be issued in January 2023. SDG&E will also continue with its current ESA CAM contractor until the MFWB Program is launched and ready for customer enrollment.

For Pilot, the RFP responses are due on Jan 26, 2023. The contract for implementation is expected to be finalized in May 2023 and program participation will open in July 2023.

SDGE

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6. 4. What are the IOUs' overall plans in terms of program transition?
 - a. For example, how do the IOUs plan to extend contracts with current implementers and contractors until any new contracts (resulting from all the solicitations in 2022) are in place?

SDG&E Response:

- a. For Main ESA, the new Implementer has been encouraged to interview and develop working arrangements with the current ESA contractors, for a smooth transition of implementation of the program. The HVAC contractor agreement have been extended for six months under the same terms and conditions.

Transition plans are not applicable for the new Pilot program.

SDGE

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5. What challenges do the IOUs foresee in 2023 and how do they plan to mitigate them?

SDG&E Response: At this time, SDG&E does not anticipate any specific challenges in 2023, however SDG&E intends to keep LIEAP Subcommittee informed of any specific challenges, if they arise. In general, SDG&E expects to see an increase in the need for flexibility and adaptability, in order to address the numerous program changes and mitigate any issues.

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9. Please provide an update on Marketing.

a. When will the 2023 marketing outreach begin?

SDG&E Response:

For Main ESA, marketing will begin early 2023.

For Pilot, marketing may begin during the latter half of the Implementer ramp up period, scheduled for June 2023, but it depends on the final outcome of contract negotiations.

SDG&E's Outreach team continuously promotes the ESA program through its Energy Solutions Partner network, consisting of more than 200 Community-based Organizations. In 2023, SDG&E will immediately begin educating this network on the changes to the ESA program, while providing updating marketing materials, social media content and presentations to be shared with the CBOs constituents.

b. What is envisioned for the efforts?

SDG&E Response:

For Main ESA, marketing activities include direct mail and email campaigns, plus a digital advertising campaign. Contractors will also begin canvassing.

For Pilot, the marketing activities will most likely include creating flyers and/or fact sheets to help leverage CBO partners to drive awareness, sending direct mail and email to eligible customers regarding the participation opportunity, launching a dedicated webpage on sdge.com, and producing a Welcome Kit for customers.

To ensure all CBOs within SDG&E's Network are prepared to share information on the ESA program, updated social media content and marketing materials will be provided. These materials will be shared during community events, presentations, and other external engagement opportunities.

c. How do the IOUs leverage CARE/FERA data to generate leads?

SDG&E Response:

For all ESA programs, the CARE/FERA data is the starting point for direct marketing, targeted outreach and lead generation. The lists of CARE/FERA customers may include further segmentation by properties, zip codes, climate zones, energy usage and need states to assist with prioritization and messaging.

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All CBOs within SDG&E's Energy Solutions Partner Network discuss the ESA program when working with constituents interested and/or eligible for the CARE/FERA programs.

SDG&E leverages the ESA program through its network of CBOs, particularly its ~20 CARE Capitation partners, who assist with direct enrollment support in both the CARE and FERA programs.

- d. SCE/SoCalGas: Describe the referral process so that the ESA customer can benefit from a single visit to install all eligible measures? (The Commission over the years has ruled that single fuel utilities should collaborate their ESA programs.)

SDG&E Response: This question is directed to SCE and SoCalGas, therefore, SDG&E is not providing a response to this question.

End of Response