Low-Income Oversight Board

LINA Committee

April 10, 2023

The Honorable President and Commissioners
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Sent via Email

Subject: Low-Income Oversight Board LINA Committee Recommendations

Dear President Reynolds and Commissioners:

The LINA Committee of the Low-Income Oversight Board (LIOB) is pleased to provide its recommendations for the upcoming Low-Income Needs Assessment (LINA) and subsequent studies in the future. The findings of the LINA and its recommendations provide important information for Decisionmakers across the State in support of energy affordability and for the planning and the implementation of the next cycle of low-income energy efficiency programs and specifically, the ESA and CARE Programs. The LINA Committee adopted these recommendations outlined below following a 3-0 vote during the March 20, 2023 meeting. The Committee consists of the Chair, Vice Chair, and two public members. One public member was unavailable for the meetings this past month.

Background:
As you may know, the LIOB exists to advise the Commission on low-income ratepayer issues related to gas, electricity, water and certain aspects of the Lifeline program related to coordinated outreach with the CARE program. Section 382.1 of the California Public Utilities Code specifies that the LIOB shall, "Assist in the development and analysis of any assessments of low-income electricity and gas customer need." The code also specifies the parameters of this assessment as follows:

> *Beginning in 2002, an assessment of the needs of low-income electricity and gas ratepayers shall be conducted periodically by the commission with the assistance of the Low-Income Oversight Board. A periodic assessment shall be made not less often than every third year. The assessment shall evaluate low-income program implementation and the effectiveness of weatherization services and energy efficiency measures in low-income households. The assessment shall consider whether existing programs adequately address low-income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens.*[1]

To meet its statutory obligation, on June 7, 2017, the LIOB formed a LINA Committee to address this issue with the mission of seeking and identifying recommendations to the Commission to assist in the development of the LINA study. We are currently at a pivotal time for the study when Energy Division and the utilities are determining the initial scope for the 2025 study. For reference, while statute does not require the IOUs to lead the RFP process for the assessment of low-income ratepayer needs, it is our understanding this has been the practice since these assessments began in 2002 to ensure the timeliness of completion within the required three-year window.

[1]http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PUC&division=1.&title=&part=1.&chapter=2.3.&article=7.

Recommendations for 2025 LINA Scope of Study:

Following deliberation by the LINA Committee and subsequent vote of approval, and in light of utility rate increases amidst growing economic hardships, the Low-Income Oversight Board recommends the study scope assess the following interrelated research questions. The Board sees these two questions as a single integrated study and critical information for decisionmakers everywhere to assess the scope of energy poverty in California:

1. Under current budgets, program rules and offerings, and income eligibility limits, how long would it take for existing low-income bill subsidies, energy efficiency, and distributed generation programs to reduce (a) utility energy bill burdens[2] to no more than 10, 6, or 3 percent of total income for all Californians[3], (b) to completely eliminate utility bill burdens for those lowest income customers at 200% of federal poverty guidelines or below, or (c) provide adequate support to prevent utility disconnections due to nonpayment.
    - Apart from time, if current programs are not on track to achieve these energy affordability and utility shut-off thresholds, what gaps exist, whether of income eligibility, budget size, or eligible program offerings and bill subsidies?
2. How would other eligibility criteria such as 80% of area median income (AMI) (often utilized by housing programs), the supplemental poverty index (SPI) or raising the threshold to 250% FPL or higher in SB 535 Disadvantaged Communities impact or improve energy burden outcomes as outlined in #1? How could this be aligned and/or coordinated with other public social service programs to streamline implementation?

In addition, but not in lieu of the research questions above, we would support:

3. Identifying the specific needs of medical baseline customers, especially in light of PSPS and residential building electrification, and gaps in program offerings towards meeting those needs.
4. Greater coordination of California Department of Developmental Services Regional Centers and IOUs for medical baseline enrollment and certification.
5. Assessing unique needs of high and low-usage low-income energy customers, including how they are impacted by peak and non-peak time-of-use rate structures.

Our Board understands that not all findings in this assessment would be immediately actionable under existing laws and regulations; however, given the gravity of ongoing utility shutoffs, debt, and energy insecurity largely driven by increasing utility bills, we strongly urge the Commission and study group to assess the true need–regardless of its size–so all policymakers in the state of California have the

[2] We would also support an analysis that uses a comparable metric, such as the Affordability Ratio metric developed by the California Public Utilities Commission.

[3] The American Council for An Energy-Efficient Economy considers 6% a high energy burden and 10% a severe energy burden. They note: "Researchers estimate that housing costs should be no more than 30% of household income, and household energy costs should be no more than 20% of housing costs. This means that affordable household energy costs should be no more than 6% of total household income. For decades, researchers have used the thresholds of 6% as a high burden and 10% as a severe burden (APPRISE 2005). Note that high and severe energy burdens are not mutually exclusive. All severe energy burdens (> 10%) also fall into the high burden category (> 6%)." https://www.aceee.org/sites/default/files/pdfs/u2006.pdf

information they need to make informed decisions to make utility bills more affordable moving forward.

Should you have any questions regarding this matter, please contact the LIOB Chair at Benito.LIOB@gmail.com or 510.569.5862. You may also contact the Energy Division.

Thank you for your attention and consideration.

Kind Regards,

Benito Delgado-Olson
LIOB Chair

Maria Stamas
LIOB Vice Chair

Robert Castaneda
Public Member