

Low Income Oversight Board

Low Income Energy Assistance Programs (LIEAP) Subcommittee Meeting

March 4, 2024

Teleconference Meeting (Webex)

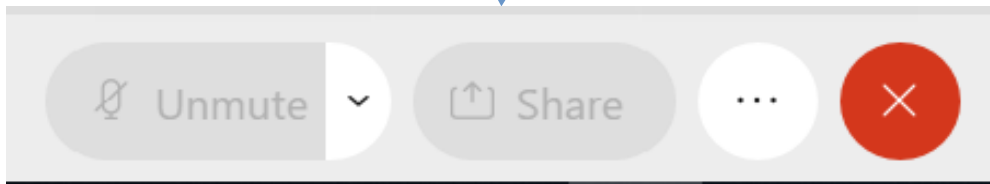


California Public
Utilities Commission

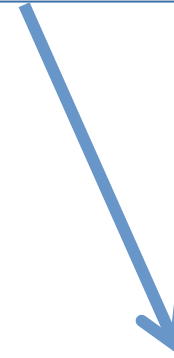


Webex Participant Guide

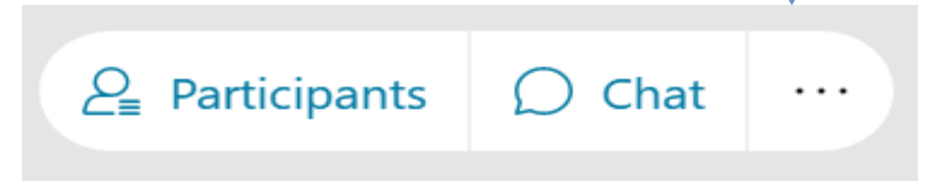
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Click to see the participants



Click to see the Q&A and enter questions



This meeting is being recorded

Welcome & Introductions

Low Income Oversight Board

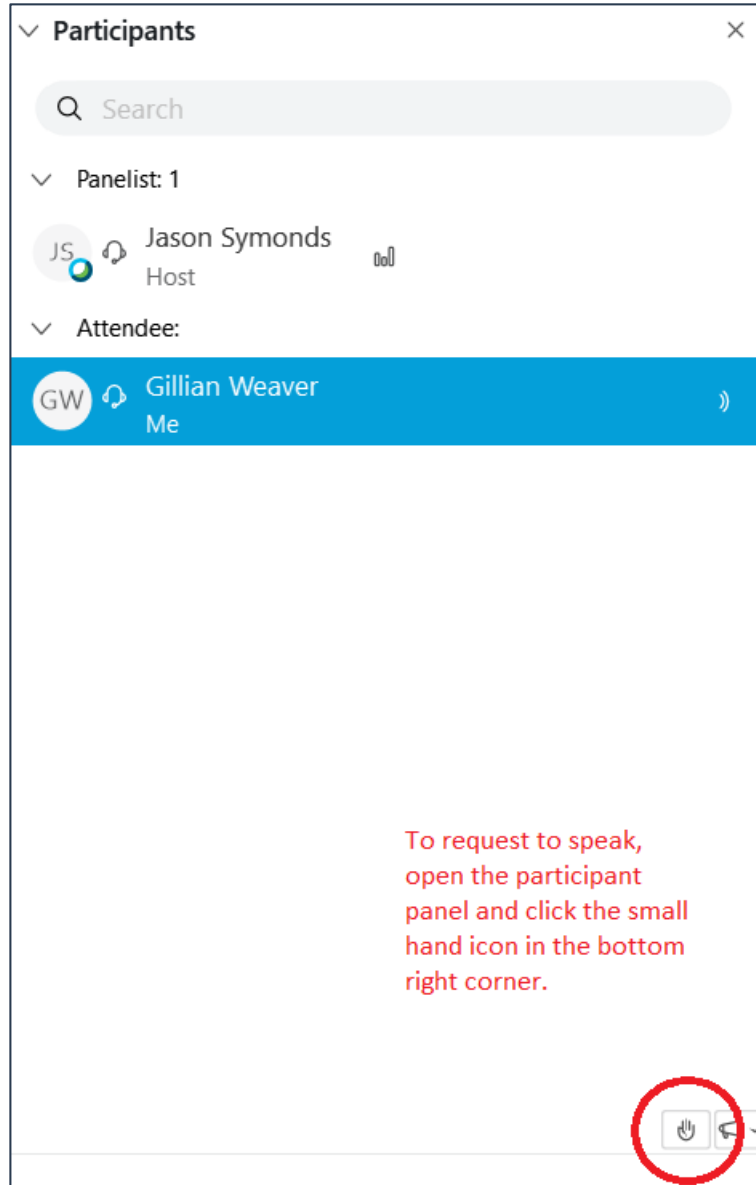
LIEAP Subcommittee

- Robert Castaneda (Chair)
- Pat Watts
- Lourdes Medina
- Paul Irwin
- Lisa Castilone
- Maria Stamas
- Jason Wimbley
- Hollie Bierman

Agenda

- 1. Welcome & Introductions**
- 2. Public Comment**
- 3. Presentation of the LIOB/Energy Savings Assistance Status Letter**
- 4. Categorical Eligibility Advice Letter Discussion**
- 5. Discussion & Closing Remarks**

Public Comment



Public Comment

- English - Please use the “Raise Hand” feature in Webex window to request to speak
- Public comment is intended to provide an opportunity for members of the public who wish to address the board on a topic that is not on the agenda. Members of the board are not allowed to take any formal action on an item not on the agenda. If possible, it is requested that public comment be limited to 2 minutes per speaker

Presentation of the LIOB/Energy Savings Assistance Status Letter

- **Comments from Subcommittee Members**
- **Priority Actions to Include: Contractor Advances (SCE), Market Rate Study, ESA Program Procurement**
- **IOU comments/response and actions to date**
- **Energy Division Comments**

Categorical Eligibility Advice Letter Discussion

Categorical Eligibility Programs

- **Joint IOUs submitted an Advice Letter (AL) on 10/13/2023**

- The advice letter proposes updates to the list of categorically eligible programs based on the study final report.
- Protests were filed by the Public Advocates Office (CalPA), and jointly by The Utility Reform Network (TURN) and Center for Accessible Technology (C4AT); Joint IOUs then submitted a reply to the protests.
- ED Staff has suspended the advice letter to allow more time for review, and is currently meeting with these parties and the IOUs to resolve the proposals.

Final report available here:

<https://pda.energydataweb.com/#!/documents/2814/view>

Joint Utilities' Advice Letter Proposing an Updated list of Categorical Programs for CARE and ESA

LIOB LIEAP Subcommittee Meeting
March 4, 2024





Categorical Eligibility Study and Advice Letter

Currently, customers **self-attest** that they qualify for CARE by stating household participation in one or more of the accepted public assistance programs (“categorical programs”) **OR** by providing household income information. Proof of eligibility is not required at the time of application.

D.21-06-015, OP 170 and OP 171

- Approved a Categorical Eligibility study to examine the “eligibility requirements of currently authorized programs and seek to add others with similar criteria”
- Directed the IOUs to file a joint Tier 2 advice letter proposing an updated list of categorical programs for CARE, FERA, and ESA (“Low-Income Programs”) based on the study’s recommendations

2 Household qualification

Fill out Section 2A **OR** Section 2B.

2A Public assistance programs

Check all the programs in which you, or someone in your household, participate.

- | | |
|---|---|
| <input type="checkbox"/> Low-Income Home Energy Assistance Program (LIHEAP) | <input type="checkbox"/> Medi-Cal for Families (Healthy Families A&B) |
| <input type="checkbox"/> Women, Infants, and Children (WIC) | <input type="checkbox"/> National School Lunch Program (NSLP) |
| <input type="checkbox"/> CalFresh/SNAP (Food stamps) | <input type="checkbox"/> Bureau of Indian Affairs General Assistance |
| <input type="checkbox"/> CalWORKs (TANF) or Tribal TANF | <input type="checkbox"/> Medicaid/Medi-Cal (under age 65) |
| <input type="checkbox"/> Head Start Income Eligible (Tribal only) | <input type="checkbox"/> Medicaid/Medi-Cal (age 65 and over) |
| <input type="checkbox"/> Supplemental Security Income (SSI) | |

OR

2B Household income

☐ I am currently on a fixed income and receive income or benefits from one or more of the following: pensions, Social Security, SSP or SSDI, interest/dividends from retirement accounts, Medicaid/Medi-Cal (age 65 and over) or SSI.

My household income is:

Total gross annual household income \$.00

(please account for all income from every household member)

Categorical Eligibility Study: Key Findings

- None are exactly aligned, but a few programs align well with household-level income requirements for CARE/ESA
- Categorical eligibility for FERA is not practical given the narrow income range for eligibility and minimum household size
- The study's findings are similar to the results from the [2013 Categorical Eligibility Study](#) by ICF International

Category	Category Description	Recommendation	Programs
1	Best aligned	Recommended	CalFresh, WIC
2	Next best aligned	Recommended with modest risk	LIHEAP
3	Partially aligned and possibly feasible	Option to use partially if feasible to allow only income qualified	AIAN Head Start, California Head Start, CalWORKS, Lifeline, SSI
4	Partially aligned and less feasible	Not recommended	CHIP, Medi-Cal, NSLP, Section 8, Section 202
5	Least aligned	Not recommended	CMFRF, CFCIP, CCDBG
6	Unable to assess due to lack of information	No recommendation possible	BIA General Assistance

Note: The final study report and deliverables are publicly available on [Energy Division's Public Documents Area \(PDA\)](#)



Proposed Categorical Programs Update

The Joint Utilities submitted an [advice letter](#)^{*}, recommending:

Categorical Programs	SDG&E, SCE, PG&E	SCG	Evergreen Classification
CalFresh/Supplemental Nutrition Assistance Program - Food Stamps	Keep	Keep	Category 1 – best aligned
Women, Infants, and Children Program (WIC)	Keep	Keep	Category 1 – best aligned
Low-income Home Energy Assistance Program (LIHEAP)	Keep	Keep	Category 2 – next-best aligned

^{*}Joint Investor-Owned Utilities Advice Letter Pursuant to Decision 21-06-015 Proposing an Updated Program List for Categorical Eligibility for Enrollment in the Energy Savings Assistance, California Alternate Rates for Energy and Family Electric Rate Assistance Programs (SDGE 4304-E/3240-G, SCE 5122-E, SoCalGas 6206-G, and PG&E 7045-E/4812-G), submitted on October 13, 2023.

Proposed Categorical Programs Update

Categorical Programs	SDG&E, SCE, PG&E	SCG	Evergreen Classification
Head Start Income Eligible – (Tribal Only)	Remove	Keep w/ modification	Category 3 - partially aligned
Supplemental Security Income (SSI)	Remove	Keep w/ modification	Category 3 - partially aligned
CalWORKs/Temporary Assistance for Needy Families (TANF) or Tribal TANF	Remove	Keep w/ modification	Category 3 - partially aligned
Medicaid/Medi-Cal Healthy Families A&B	Remove	Keep Medi-Cal for adults only	Category 4 – do not recommend
National School Lunch Program (NSLP) - Free Lunch	Remove	Remove	Category 4 – do not recommend
Bureau of Indian Affairs General Assistance	Remove	Remove	Category 6 – could not be vetted sufficiently due to lack of information available



Proposed Categorical Programs Update

Before Effective Date: No impact to CARE and ESA participants

After Effective Date (June 1, 2025, if approved):

Affected Customers	Impact of Categorical Program Update
New CARE/ESA Applicants CARE Recertification CARE PEV (Income)	No impact to customers who choose to qualify by income
New CARE/ESA Applicants CARE Recertification CARE PEV (Categorical Eligibility)	Impact to customers who choose to qualify by categorical eligibility but are not participants of the programs on the updated list * CARE customers often indicate they participate in more than one public assistance program. It is likely that a customer could maintain CARE/ESA eligibility via another approved categorical eligibility program. Customers may also qualify by income.



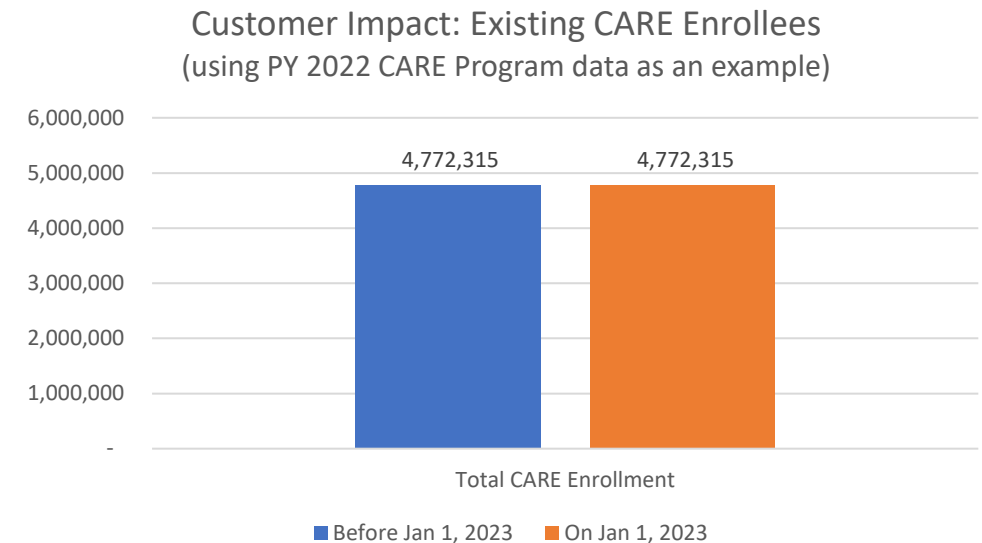
Potential Impacts: Existing CARE Customers

Concern: Millions of CARE customers will be removed from the program when the proposed update takes effect.

Response: The IOUs will not automatically de-enroll existing CARE customers if/when the proposed update goes into effect.

Example: Suppose the proposed list of categorical programs took effect on January 1, 2023:

- All 4.7 million customers enrolled in CARE at the end of December 2022 would remain on CARE on January 1, 2023
- This includes CARE customers who enrolled via categorical programs that are no longer accepted





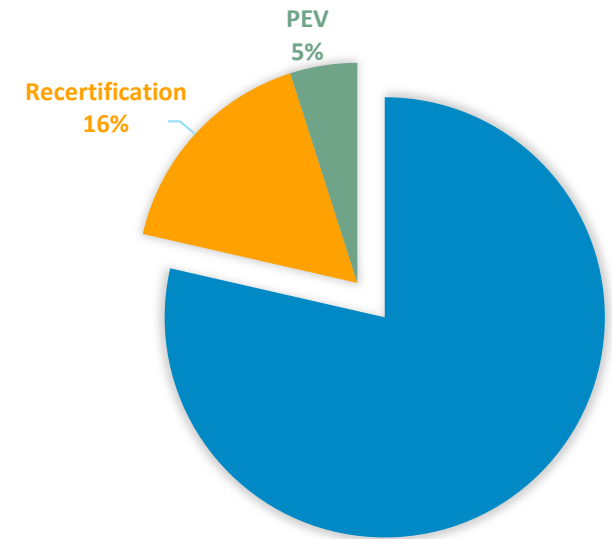
Potential Impacts: Existing CARE Customers

Concern: The proposed update will substantially reduce eligible enrollments.

Response: The proposed update will not substantially reduce existing enrollments because the update will only impact how a subset of existing CARE customers chooses to continue to qualify for the program.

Example: In 2022, 21% of CARE customers statewide were requested to recertify or verify eligibility

- Of the 21%, the update would not impact the subset of customers who continue to qualify by income
- The impact of the update would be limited to a subset of these customers who do not participate in an eligible categorical program and do not have a household income that meets the statutory requirement



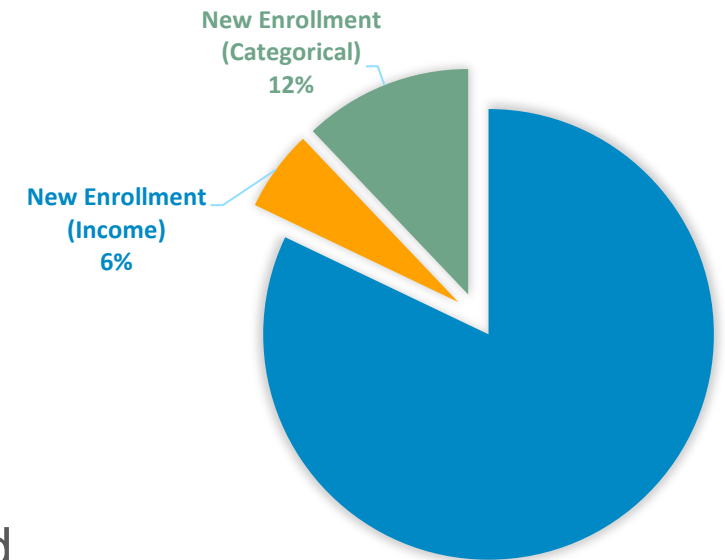
Potential Impacts: New CARE Applicants

Concern: The proposed update will substantially reduce eligible enrollments.

Response: The proposed update is unlikely to substantially reduce eligible enrollments because it does not prevent eligible new customers from enrolling in CARE.

Example: In 2022, new categorical enrollments accounted for 12% of total CARE customers statewide

- Of the 12%, many are likely to maintain categorical eligibility under the proposed update because they participate in one or more programs on the updated list
- Applicants have the option to self-certify that their household income meets eligibility
- The proposed update limits the impact to a subset of customers who do not participate in an eligible categorical program and do not have a stated household income that meets the statutory requirement





Potential Impacts

Concern: Removing certain more commonly used categorical programs will proportionally reduce the number of eligible enrollments.

Response: This is a misunderstanding of the IOUs' data which leads to an overstated potential impact of the proposed update.

- CARE customers may participate in more than one categorical program
- IOUs' reporting reflects customers' stated participation in one or more assistance programs (not unique count)

Example: In 2022, approximately 36% of the new CARE enrollees participate in Medi-Cal. Removing Medi-Cal as a categorical program would not result in a 36% loss of CARE customers because some customers also participate in other categorical programs.

**CARE Table 14 - CARE Categorical Enrollment
Pacific Gas and Electric Company
Program Year 2022 Annual Report**

Type of Enrollment	Number of Customer Enrollments ^[1]	% New Enrollment (Income and Categorical)
Bureau of Indian Affairs General Assistance	182	0.1%
CalFresh/Supplemental Nutrition Assistance Program - Food Stamps	67,599	32.2%
CalWORKs/Temporary Assistance for Needy Families (TANF) ^[2]	8,878	4.2%
Head Start Income Eligible - (Tribal Only)	552	0.3%
Healthy Families A&B	53,212	25.3%
Low-income Home Energy Assistance Program (LIHEAP)	18,475	8.8%
Medicaid/Medi-Cal	76,085	36.2%
National School Lunch Program (NSLP) - Free Lunch	18,529	8.8%
Supplemental Security Income (SSI)	29,356	14.0%
Tribal TANF ^[2]	8,878	4.2%
Women, Infants, and Children Program (WIC)	20,395	9.7%
		143.8%

^[1] Number of customers enrolled reflects categorical programs selected by customer. Customers may select more than one eligible program for a single account.

^[2] CalWORKS and Tribal TANF are combined categorical programs with no distinction between the two programs.



Summary

The proposed update will have some impact on program enrollments, but the impact will be limited to a subset of customers

- No automatic de-enrollment for CARE customers who are already enrolled
- The update will be **presented** to new CARE/ESA applicants (18% in 2022) and existing CARE customers selected for recertification/PEV (21% in 2022).
 - No impact on customers who choose to qualify via income
 - Reducing the number of categorical programs will not result in a proportional reduction of enrollments
 - Of these customers, the **impact** will be limited to a subset who do not participate in an eligible categorical program and do not meet the statutory income requirement

Conclusion

The Joint Utilities' recommendations for categorical eligibility programs are

- Based on the results of the Study
- In adherence with the legislative and regulatory requirements of the Commission's directive

PU Code § 739.1 (f)(1) states the Commission may determine that gas and electric customers are categorically eligible for CARE assistance if they are enrolled in other public assistance programs with substantially the same income eligibility requirements as the CARE program

- Necessary to maintain program integrity while minimizing customer impacts



The Public
ADVOCATES
OFFICE

Protests to the Categorical Eligibility Study Advice Letter

Presentation to the ESA Working Group
January 25, 2024

Protests

- Protests filed by Cal Advocates, TURN, and the Center for Accessible Technology



The Public
ADVOCATES
OFFICE



Removed categorical programs are a major source of enrollments

Program	% of CARE Enrollments, 2022	% of ESA Enrollments, 2022
Medi-Cal	50%	23%
National School Lunch Program	10%	1%
SSI	9%	6%
CalWORKs	3%	<1%
Head Start (Tribal)	<1%	<1%
BIA General Assistance	<1%	<1%

Total 2022 Enrollments through “partially aligned” programs:
CARE: **482,000 to 665,000¹ customers**
ESA: **40,000 customers**

¹ Customers can indicate participation in multiple programs. The higher estimate assumes that every customer only chooses a s while the lower end is only Medi-Cal enrollees.

Categorical Programs are not a significant source of “fraud”

	Proportion of categorically enrolled customers with incomes over CARE limits ¹	Proportion of all CARE customers
SDG&E, 2009	0.023	0.004
SDG&E, 2010	0.024	0.004
SoCalGas, June-Dec 2010	0.023	Not Estimated

¹ A.11-05-017, Cal Advocates Testimony Table 1-5

IOUs have not identified a problem that would be solved by removing these programs

- P.U. Code 739.1(f)(1) only requires categorical programs to have “substantially the same” income requirements as CARE/ESA. Utilities are looking for exact alignment.
- IOUs present no evidence that the targeted programs are a source of “fraudulent” enrollments.
 - “CARE customers enrolled based on participation in categorical eligibility programs have a lower probability of failing CARE income verifications.”
– SoCal Edison Advice Letter 2936-E
 - “...households that self-certify their income on the original application, compared to households that are categorically qualified, are significantly more likely to be ineligible.” – SDG&E AL 2515-E

Removing these programs will substantially reduce eligible enrollments

- While the IOUs claim that these changes will “not change any households access to CARE and ESA,” they will remove the preferred enrollment pathway for millions while subjecting more eligible customers to an income verification process with disturbingly high non-response and mistargeting rates¹

¹ The 2019 Low Income Needs Assessment found that at least 54% of customers removed by income verification are in fact eligible.

High Costs, Near-Zero Benefits

- The removed categorical programs are the preferred enrollment method for millions of CARE and ESA participants.
- Removing these programs provides no apparent benefit:
 - IOUs have presented no evidence that it will significantly reduce “fraud”
 - The current program list complies with statute
- Removing these programs will result in substantial harms to categorically-enrolled customers.

Questions?

Contact

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Next Steps & Closing Remarks