

SCE Energy Savings Assistance (ESA) Program Update

Low Income Energy Assistance Program Subcommittee Meeting
May 7, 2024

Presenter(s): Carter Prescott

Agenda

- Compliance with CPUC Letter
 - Advance payments
 - Contractor Forums
 - Other ESA suggestions from the Letter
 - ESA contractor payments
 - Incentives and bulk purchasing
- 2023 Unspent Committed funds
- Next Steps

Advance Payments

- SCE is offering advance payments to eligible ESA contractors to support program goals and improve cash flow
- Positive performance impact on cycle goals is expected starting Q4 2024
- SCE has requested via Tier 2 AL 5278-E that advance payments be recorded as an expense in the ESAPAM
 - Protest period ends on May 9 and a potential Commission disposition on May 19
- Out of 17 ESA contractors, 15 received offer agreements
 - As of May 6th
 - 12 accepted, 2 more expected next week
 - 1 refused
 - Payments were provided starting May 3rd

Advance Payment Criteria

- A contractor must not be on a disciplinary action plan
- A contractor must submit recent financial documents
- *2023 Contractor Performance* – Performance was reviewed based on proportion of spend
- *Financial Risk Assessment* – Included a review of the contractor's annual revenue and net income relative to their advance payment amount
- *2024 Pipeline* – Considered relative to their advance payment amount to mitigate financial risk

Contractor Forums

- Bi-monthly forums are aimed to facilitate dialogue and collaboration on high priority issues
- SCE held its first contractor forum on April 17th
 - SCE solicited feedback and recommendations on various topics, such as additional program design changes, billing and payment timelines, system enhancements, and preferred methods of SCE-contractor communication
 - SCE is actively pursuing the feasibility of implementing some of the suggestions
- The next forum is scheduled for June 26th

ESA Contractor Payments

- SCE implemented enrollment payments within iEnergy on March 29, allowing for quicker contractor payments. A similar process for installations is on track to be rolled out by May 17th
- SCE is operating both the new iEnergy system and the old EMAPS in parallel, with no immediate plans to decommission EMAPS

Incentives and Bulk Purchasing

- Incentive payments will continue
 - Since 2023, SCE has provided ramp up dollars and incentives to help increase enrollments
 - Beginning January 2024, SCE began offering additional incentives to contractors for each job completed in SCE's new system (iEnergy)
- Bulk purchasing is a core operational strategy
 - SCE has utilized bulk purchasing of appliances and equipment at least since 2007
 - SCE is committed to monitoring these expenses and will collaborate with the contractors and vendors to manage supply chain issues that may arise

2023 Unspent Committed Funds

- SCE shifted unspent PY 2023 committed funds totaling approximately \$27M
- The following work was considered as committed work
 - Accruals from 2023
 - Leads, enrollments, installations and inspections that could not be completed in 2023
- By the end of 2024, SCE's unspent funds will be committed to 2025

Next Steps

- SCE continues to meet with the Energy Division weekly to provide updates on advanced payments and SCE's progress towards the cycle goals
- Focus on optimizing our program operations so we can continue to progress towards our goals

Appendix

ESA Program Performance Update

SCE has implemented multiple mitigation strategies which have achieved improved program success beginning in 2023 and continuing in 2024

- Reinstated joint enrollment with Southern California Gas Company
- Authorized ESA contractors to identify and enroll customers through their own outreach methods
- Lowered the high usage threshold to allow more customers to be eligible for additional measures
- Revised the measure mix to move measures from the Basic Plus Tier to the Basic Tier to increase installation opportunities

	Through Apr 26, 2024	Through May 3, 2024	% Change	PY Goal/ Target	% of Goal/ Target
Expenses	\$12,024,297	\$12,432,289	3%	59,458,992	21%
kWh	5,040,060	5,236,295	4%	31,762,240	16%
kW	990	1,022	3%	12,681	8%
Homes Treated	9,664	10,163	5%	64,922	16%