

Low Income Oversight Board – 4th Quarterly Meeting

December 12, 2024 - 9:00 AM – 3:00 PM

In-person: The California Endowment, 2000 Franklin Street, Oakland, California 94612

Virtual: via Webex

Meeting Presentations: <https://liob.cpuc.ca.gov/previous-liob-meetings/> - -

Board Members Present (In-Person): Delgado-Olson, Wimbley, Castaneda, Watts, Baker, Medina, Irwin, Tang, Murphy-Roach

Board Members Present (Virtually): None

Board Members Absent: Lisa Castilone

Quorum reached: at approximately 9:15 am

CPUC Staff in-Person: Jen Gordon, Ankit Jain, Gillian Weaver, Cherie Chan, Kapil Kulkarni, Jacob Coby

1. Welcome and Introductions

Meeting called to order at approximately 9:15 am. Benito Delgado-Olson, LIOB Chairperson welcomed attendees to Oakland, expressing enthusiasm for his hometown and sharing notable facts about the city. He acknowledged Oakland's diversity and highlighted its role as a focal point of the affordability crisis.

2. Approval of the September 5, 2024, LIOB Meeting Minutes – Action Item (5 min)

Board Member Castaneda moved to approve the minutes from the September meeting and [inaudible] seconded the motion. The LIOB members approved the minutes unanimously, except for Board Member Murphy-Roach, who was not an LIOB member and Irwin who was absent at the September meeting and thus abstained from voting.

3. Public Comment (20 min)

In Person:

Rocky Hernandez, Director of Government Affairs at the Center for Sustainable Energy, noted that SOMAH credits are paid for by polluters (Cap and Trade Funds), urged CPUC and the Commissioners to continue working with data.

Telephone/Call in:

Lourdes Herrera from Madera County– worked for a non-profit which helps with electric bills, which are very high in the summer. Board Member Castaneda had some clarifying questions, asked CPUC to take down Ms. Herrera's information. Ms. Herrera noted that she did not receive much help from the local IOU, and LIHEAP is insufficient.

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Ginger with Chinatown Service Center, a health and human services nonprofit based in LA County. Ginger noted that they have not had a new budget since 2015, these budgets are essential, because even educated, highly educated clients are being sent to them. Within four months, they have spent 126% of their budgets needed for case units. Asking for an emergency authorization for additional funds.

Sophie Fo with Opster – Serves Cambodians in the San Joaquin Valley through the CHANGES program. Expressed that she was concerned over the potential lack of funding.

Shushik Avakian, Director of Operations at Armenian Relief Society Social Services –in Glendale, which serves immigrants. The programs they provide through CHANGES are not duplicated by any other program. They have exhausted a majority of their budgets.

Eunice Chun with Korean American Community Services from Santa Clara County noted that their budget hasn't increased since 2015, despite increasing demand. Without additional funding, they will be forced to discontinue services. Asked to please prioritize budget increase.

Cindy Louryang, Program Manager at the Fresno Center in the Central Valley – in the past 12 years, they haven't received funding to expand their budget. They have over 50 cases per month. About 50% of their clients are elderly, with the majority on Social Security.

Ana Barawana, with the Asian American Resource Center in San Bernadino, is asking for an emergency infusion of funds to get through winter. Patched us through with client, Julliette.

Julliette, a single parent of three kids, expressed that she will no longer be able to receive the program anymore.

Aurelio, who works for low-income families in the Bay Area. He is asking the LIOB to reconsider the program to address difficulties in getting property owners involved and ensure emergency services are provided promptly.

Dina Wong, Director of the Southeast Asian Community Center in San Fransisco. The cost of living continues to rise, especially during the winter heating system. The LIHEAP program resulted in three-months delays for their clients.

Casey McFall with the TEAM and CHANGES Program, works for Milestone Consulting. Within three months of this year, they ran out of funds. She gave the example of the 103-year-old man who had energy service shut off had to be escalated all the way to the executive office of PG&E, and funds came from another CBO. They want an emergency extension of CHANGES program, which goes through June 30th and gain support from elected officials and advocates to secure the necessary resources. What they are looking for is an emergency letter from the LIOB.

Andrea Terrez, Case Manager with TEAM and CHANGES, representing the International Institute of Los Angeles, a Los Angeles-based nonprofit organization, asked the LIOB for more funding.

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Laura Florez, Case Manager with TEAM and CHANGES International Institute of Los Angeles, reiterating with the same points.

4. CA Market Transformation Administrators (CalMTA) Presentation – Ortiz Group

Rachel Good, Resource Innovations with CalMTA, provided an overview of the CPUC's Market Transformation Framework, established under Decision D.19-12-021, which allocates \$310 million in funding over eight years. The framework considered six potential program areas: Room Heat Pumps, Induction Cooking, Efficient Rooftop Units, Foodservice Water Heating Systems, Commercial Replacement and Attachment Window Solutions, and Residential Heat Pump Water Heating. Of these, the two most promising program areas identified were Room Heat Pumps and Induction Cooking. They are engaging with manufacturers to assess market changes and demand for electrification products. Rachel noted that there is a CPUC application filed on behalf of CalMTA on 12/20/2024 by PG&E.

Melinda Lopez from the Ortiz Group presented an overview of how equity was integrated into the CalMTA program design. She highlighted the development of guides to support equity integration in market research, logic model development, and intervention strategies for ESJ communities. Key initiatives included two ESJ-focused strategy pilots: the Room Heat Pump Self-Installation Pilot, which identified barriers like compatibility with slider windows and landlord concerns, and community listening sessions that informed equity metrics and intervention strategies. Lopez announced the creation of an Equity Sounding Board composed of eight diverse members to provide ongoing guidance and feedback on market transformation initiatives. She detailed the benefits of room heat pumps and their potential to address gaps in affordability, comfort, and air quality for ESJ communities, as well as efforts to promote induction cooking as part of electrification, aiming to mitigate health impacts like poor indoor air quality and childhood asthma. She concluded by emphasizing the importance of continued engagement with stakeholders to ensure the success of these equity-focused initiatives.

Board Member Castaneda noted that he wants to hear from the manufacturers and suggests that they be included in these discussions earlier, rather than an exclusively government-led initiative.

Board Member Tang inquired about legislative efforts to phase out gas appliances for environmental benefits. Melinda responded that while she could not confirm the exact year, codes and standards for new construction are under consideration, with a possible target around 2030. She noted that, similar to heat pump water heaters, developers may still have the option to install gas for cooking, but additional requirements such as ventilation make it a more expensive choice. Rachel added that CARB (California Air Resources Board) and the Air Quality Management Districts have been refining their approach to zero-emission appliance standards, primarily focusing on space and water heating rather than cooking. Board Member Tang acknowledged that barriers have been introduced to incentivize the transition away from gas appliances and remarked on the importance of ensuring food quality remains the same with alternative cooking technologies.

Commissioner Baker noted that while room heat pumps were more efficient than electric resistance heating and safer than using stoves for heat, they could still lead to higher energy bills. He emphasized the need to consider cost impacts on consumers.

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Rachel highlighted that market transformation initiatives span 7–10 years, with long-term investments aimed at making energy-efficient technologies more accessible.

Board Member Medina shared concerns about heating costs, mold issues in poorly insulated low-income housing, and the safety risks of alternative cooking methods. She stressed the need for product testing and consumer education, particularly for renters and multifamily housing residents.

Vice-Chair Wimbley asked how can the LIOB support CalMTA’s work. Melinda answered that support can come from public comment and pick apart CalMTA’s equity approach.

5. Comment from Community Based Organizations & Special Presentations

Item 4 continued.

6. CPUC Standing Reports

Erin Rodriguez, Director of the Office of Governmental Affairs (OGA), provided an overview of key legislative and regulatory developments from 2024 and priorities for 2025. She highlighted the passage and implementation of two significant bills: AB-3264, which requires the CPUC to develop a framework for analyzing energy costs across various sectors, and SB-1221, which establishes a pilot program for decarbonization in designated zones. Both initiatives have moved into the implementation phase, supported by completed budget change proposals. She also discussed Governor Newsom’s October 2024 executive order addressing rising electricity costs and wildfire mitigation expenses, emphasizing directives for electric bill relief, program evaluations, and wildfire safety improvements, all due by January 1, 2025. Erin noted the start of the new legislative session on December 2, 2024, with 29 new members and a reduced bill cap of 35 per legislator, which is expected to improve the quality of proposed legislation. She anticipated that affordability, equity, and climate resiliency would remain central themes, and outlined federal funding opportunities to lower energy costs. Erin expressed optimism about the upcoming session and emphasized ongoing collaboration with stakeholders to address emerging legislative priorities.

Board Member Castaneda emphasized evaluating underperforming programs for improvement rather than elimination. He highlighted the review of program affordability and effectiveness, discussed La Cooperativa’s \$10 million in bond funding for low-income weatherization, and inquired about legislative influence on fund distribution. He stressed addressing community needs while exploring sustainable financing options.

Chair, Delgado-Olson thank Erin Rodriguez for her presentation.

Việt “Kevin” Trương from the Water Division provided an overview of how water rates are calculated for utilities regulated by the Commission. He explained that California has 88 regulated water utilities categorized into four classes based on the number of connections, with Class A being the largest. Kevin detailed the General Rate Case (GRC) process, which establishes the

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utility's revenue requirement. For Class A utilities, this is a formal proceeding involving the Commission, while smaller utilities undergo an informal process reviewed by the Water Division. The revenue requirement is determined using the formula: $\text{Rate Base} \times \text{Rate Return} + \text{Operating Expenses}$, where the rate base includes infrastructure investments, and operating expenses cover system operations. Kevin described the transition from flat rate designs to metered rates, which include a fixed service charge (based on meter size) and a variable quantity charge (based on water usage). He highlighted tiered quantity rates for residential customers, which encourage conservation by charging higher rates for increased water use. Kevin concluded by summarizing the rate development process, emphasizing the importance of just and reasonable rates, and thanked attendees for their time.

Vice-Chair Wimbley asked if factors driving energy rate increases, like wildfire mitigation and infrastructure expansion, also impact water rates and if rates are expected to rise in winter. Kevin acknowledged water constraints and ongoing efforts to address infrastructure needs, noting that GRCs assess investment necessity to balance costs.

Commissioner Baker emphasized proactive water infrastructure planning and cross-agency collaboration.

Board Member Tang supported these points, highlighting conservation, drought challenges, and rising water costs. He advocated for federal and state assistance and backed Senator Padilla's proposed low-income water assistance program to ensure affordability and reliability.

Love Asiedu-Akrofi with CPUC provided an update on the CHANGES (Consumer Help and Awareness of Natural Gas and Electricity Services) program, which supports limited English proficient and vulnerable communities across California. The program, managed by the International Institute of Los Angeles in collaboration with 25 community-based organizations (CBOs), offers case assistance, education, and outreach in over 70 locations statewide, serving clients in 77 languages. Key achievements for the 2023-2024 program year included a 32% increase in outreach events, a 3% rise in workshop attendance, and a 26% increase in case assistance. The program helps clients reduce energy bills, access financial assistance, and enroll in services like CARE, FERA, and ESA. New CBOs in Stockton and Madera have expanded access to underserved areas. The CHANGES program's current budget of \$1.75 million is secured through December 2026, with ongoing evaluations and plans for further growth. Love emphasized the program's impact and requested support for increased funding in the future.

Chair Delgado-Olson thanked Love for a detailed and impactful presentation on the CHANGES program. Chair Delgado-Olson inquired about the CHANGES program's \$1.75 million annual budget and its allocation across 25 CBOs. Love explained that after deducting contractor operations, administrative costs, and subcontractor expenses, approximately \$32,000 is allocated per CBO. Love clarified that funding depletion reported by several CBOs within three to four months of the fiscal year is due to varying activity levels influenced by seasonal events and community needs.

Love also outlined periodic budget reallocation practices conducted by the contractor to address disparities. Funds may be shifted from less active CBOs to those experiencing higher demand, ensuring that limited resources are maximized to assist consumers effectively.

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Board Member Murphy-Roach sought clarification on the program's case numbers, estimating that with roughly 9,000 cases annually and 25 CBOs, the program supports about seven cases per week per CBO. Love explained that while this calculation may seem accurate, it does not fully capture the scope of assistance provided. Often, a consumer may present with one overarching issue but require help with multiple related concerns. Due to contract billing structures, CBOs typically record and bill such instances as a single case, even if they address several underlying issues. Therefore, while the reported figure reflects approximately seven cases weekly per CBO, the actual workload and scope of assistance provided may be significantly higher. Murphy-Roach thanked Love for the clarification.

Chair Delgado-Olson highlighted concerns about the overlap between the two programs, noting a lack of coordination and a significant budget disparity, with CHANGES operating on ~\$2 million while the pilot program received \$11 million.

Board Member Murphy-Roach explained that the pilot was developed in response to recommendations from stakeholders during the Disconnections OIR to address post-COVID financial needs. The pilot aims to assist approximately 12,000 customers through localized financial education, debt reduction support, and resource linkage, but some funding will remain unspent due to difficulties finding CBOs to serve certain ZIP codes.

Vice-Chair Wimbley emphasized the urgency of addressing the affordability crisis, calling for immediate strategies to leverage resources and meet growing demand. He also questioned how program budgets are forecasted and suggested incorporating metrics to track both served and unserved clients to identify unmet needs. Love recommended that future budgets account for post-pandemic trends and data on unmet needs being compiled by the Consumer Affairs Branch.

Vice-Chair Wimbley and Murphy-Roach stressed the importance of modernizing ESA while addressing immediate financial challenges, such as arrearages and disconnections.

Murphy-Roach provided transparency on funding allocations, explaining that CHANGES and the pilot program are funded separately but share a common goal of supporting low-income customers. Vice-Chair Wimbley reiterated the need for strategic responses to address resource shortages, particularly as the affordability crisis grows.

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

Kapil Kulkarni, of the CPUC Energy Division, provided updates on recent activities, including guidance issued to EIUs for the ESA/CARE/FERA application process, a Clean Energy Programs Workshop, and discussions from the recent LIOB and Technical Advisory Committee meetings. Kapil also announced the next E-SENC working group meeting, scheduled for late January. Mia Hart with the Energy Division presented updates on Energy Division activities related to the LIOB's SB-1208 recommendations, focusing on short-term actions such as marketing and outreach strategies to increase participation in low-income assistance programs, improved program coordination through joint applications and data sharing, and streamlined enrollment processes. Updates also included progress on CAS Phase 2 recommendations, highlighting expanded eligibility verification methods and comprehensive marketing efforts. CAS Phase 1 is expected to launch in mid-2026, with Phase 2 recommendations under review. Additional updates on Lifeline

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Program recommendations and metrics for program evaluation will be provided at future meetings.

Chair Delgado-Olson thanked Mia for her presentation and encouraged questions and comments from the board. He recapped that SB 1208 was developed by a special subcommittee of the LIOB over six to seven months, with input from the full board, stakeholders, and the public.

Board member Castaneda commended Mia and the CPUC team for their collaborative efforts, highlighting that the state is well-positioned to move forward with the procurement process armed with the foundational work done to ensure a successful outcome.

Board member Irwin inquired whether tax returns are used for income verification. Mia Hart explained that this could be explored through the Department of Technology's Digital Identity Service, which is working to establish data-sharing partnerships with other state agencies and programs like CalFresh. This would support income verification and categorical eligibility.

7. Energy Division Guidance to the IOUs for the next ESA/CARE/FERA Program Cycle

Kapil Kulkarni from the Energy Division provided an [update on guidance for the next ESA program cycle](#).

Board member Watts expressed concerns about the effectiveness of the current workforce education and training program, citing a lack of referrals despite regular communication with the gas company. She emphasized the need for a reliable system to connect contractors with motivated job seekers and suggested exploring partnerships with community-based organizations to achieve meaningful results, particularly for the low-income communities served.

Board Member Madina raised the need for a public relations effort to better promote the benefits of the program, particularly to homeowners and landlords. She emphasized addressing concerns from renters and property owners who may perceive the program as intrusive or regulatory.

8. Technical Advisory Committee: (Action Item)

Chair Delgado-Olson discussed appointing new members to the Technical Advisory Committee and proposed recommendations for a bridge funding period, including increased flexibility and carryover of ESA funds and improved data sharing to streamline income qualification. He highlighted successful models in other states and stressed proactive action despite privacy concerns.

Vice-Chair Wimbley highlighted inconsistencies in ESA program offerings between single-family and multifamily households, noting differences in HVAC replacement requirements. He emphasized the need for equitable treatment of low-income customers across all programs to ensure consistency and fairness.

Board Member Murphy-Roach highlighted the upcoming Phase 4 of the income-graduated discharge proceeding, emphasizing the working group's role in developing best practices for income-based implementation, utilizing state agency data, and its potential impact on CARE, ESA eligibility, and affordability efforts.

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Vice-Chair Wimbley emphasized the importance of the CAS working group in facilitating data sharing for programs like CARE through a universal application process. He noted the need to secure participant consent for accessing and verifying eligibility information from state agencies, highlighting consent as a key concern for data sharing. He suggested leveraging the CAS platform as the most effective and straightforward solution.

Chair Delgado-Olson emphasized the need to reassess the goals of the ESA program beyond energy savings, considering health, safety, comfort, and equity. While acknowledging the reported \$150 savings for PG&E customers as significant, he noted that it does not adequately address the scale of arrearages many customers face. Given that there is an application deadline in June and the next meeting in Low Income Oversight Board Quarterly meeting in March, Chair Delgado-Olson proposed tabling the recommendations for further discussion.

Chair Delgado-Olson also called for the appointment of new members to the Technical Advisory Committee (TAC), noting that Ron Garcia and Marlene Murphy-Roach have expressed interest in joining.

Chair Delgado-Olson moved to appoint two new members to the Technical Advisory Committee (TAC), Marlene Murphy-Roach (PG&E) and Ron Garcia (non-LIOB member and is owner of Reliable Energy Management). The motion was seconded by Board Member Medina. The Low Income Oversight Board (LIOB) members unanimously approved the motion.

Chair Delgado-Olson asked the Low Income Oversight Board (LIOB) members if anyone wished to join or remove themselves from a subcommittee. No members responded.

9. Joint Investor-Owned Utilities Status Reports (60 min)

Agenda items 9 and 10 were not presented due to time constraints.

10. Wrap Up & Closing Remarks (10 min)

Chair Delgado-Olson concluded the meeting by expressing appreciation to the CPUC staff, IT, and all contributors for their support in coordinating the Oakland meeting. He also thanked all presenters and IOUs for their time and effort. He confirmed that the next meeting is scheduled for March 2025 in Fresno and extended gratitude to the California Endowment for providing the meeting space.

Upcoming Meetings:

- Q1: March 25, 2025, in Fresno, CA
- Meeting adjourned at approximately 3:05 PM