The Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) program

LIOB TAC Subcommittee Meeting

July 23, 2025

Outline

- The CHANGES Program Funding
  - IOUs' responsibilities in the CHANGES program per D.21-06-015
  - IOUs' financial accounting of the funding for the CHANGES program
- The CHANGES Program Evaluations
- Summary and Recommendations

The CHANGES Program Funding

The CHANGES Program: Background

Decision 15-12-047 approved CPUC's CHANGES program to provide outreach, education, and case assistance on natural gas and electricity bills and services to Limited English Proficient (LEP) consumers through a statewide network of CBOs.

- CHANGES is managed by CPUC's Consumers Affairs Branch (CAB). The CHANGES Program Year (PY) runs from June 1 through May 31*

While

- CHANGES is funded from the CARE program, which operates on calendar year (CY) that runs from January 1 through December 31

* The State of California operates on Fiscal Year (FY) that runs from July 1 to June 30.

The CHANGES Program: D.21-06-015

- CHANGES funding is authorized at ~ $1.75 million annually for the current program cycle and the costs are shared by IOU ratepayers
  - Includes an evaluation budget of up to 4% of the 2021-2026 budget ($420,600) for at least 2 independent third-party evaluations
  - The Commission directed PG&E to conduct the solicitation for the CHANGES evaluation, but the **evaluation scope is determined by CPUC staff (CAB and ED) and the IOUs**, with final approval by CPUC staff
- The IOUs' main functions in CHANGES are to collect revenues and reimburse CPUC for CHANGES costs incurred as invoiced, up to the authorized amounts

CHANGES Authorized Budget								
Utility	**Share**	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**	**CY 2025**	**CY 2026**	**Total**
PG&E	30%	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 3,150,000
SCE	30%	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 3,150,000
SoCalGas	25%	$ 437,502	$ 437,502	$ 437,502	$ 437,502	$ 437,502	$ 437,502	$ 2,625,012
SDG&E	15%	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 1,590,000
Total	**100%**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 10,515,012**

IOU Program Report Information

The IOUs provide an accounting of their share of CHANGES costs in the CARE program monthly and annual reports against the authorized budget by calendar year (vs CPUC operates on FY/PY).

While IOUs' reported expenses may include reimbursements to the CPUC for the CHANGES CBO contract, the reporting also includes other CHANGES expenses. **Information in the IOU program reports is NOT intended to inform the budget status of the CHANGES CBO contract.**

CHANGES Authorized Budget							
Utility	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**	**CY 2025**	**CY 2026**	**Total**
PG&E	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 3,150,000
SCE	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 525,000	$ 3,150,000
SoCalGas	$ 437,502	$ 437,502	$ 437,502	$ 437,502	$ 437,502	$ 437,502	$ 2,625,012
SDG&E	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 265,000	$ 1,590,000
Total	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 1,752,502**	**$ 10,515,012**

CHANGES Expenses as Reported in IOU Reports [1]							
Utility	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**	**CY 2025**	**CY 2026**	**Total**
PG&E [2]	$ 555,754	$ 892,854	$ 192,591	$ 511,675	$ 120,230	$ -	$ 2,273,103
SCE	$ 527,909	$ 490,735	$ 668,782	$ 529,128	$ 32,223	$ -	$ 2,248,778
SoCalGas	$ 322,869	$ 387,240	$ 429,668	$ 581,727	$ 139,979	$ -	$ 1,861,483
SDG&E	$ 244,182	$ 273,967	$ 278,739	$ 265,000	$ 91,366	$ -	$ 1,153,253
Total	**$ 1,650,714**	**$ 2,044,796**	**$ 1,569,780**	**$ 1,887,530**	**$ 383,798**	**$ -**	**$ 7,536,617**

[1] Source Annual Reports and monthly reports.
[2] PG&E's CHANGES expenses included CHANGES program payments, CHANGES evaluation payments, reimbursements from IOUs for CHANGES evaluation, and accruals according to accounting principles
[3] PG&E reported higher expenses in 2022 primarily due to the cost for the CHANGES program evaluation, which was later reimbursed by the IOUs in 2023/2024.

IOU Reimbursement Process

The Commission invoices each IOU for the work performed under the CHANGES CBO contract based on the cost share attributed to each IOU

- No set schedule for receiving invoices from the Commission; the IOUs could be invoiced in some months and not others
- Typically, there is a delay between when CBO work is performed and when the IOUs are invoiced by the Commission per their assigned cost-share
- For example, as of July 2025, PG&E received and paid 4 invoices with the most recent invoice received in June for CBO work performed in April

The IOUs provide reimbursements to the Commission for the CBO contract costs incurred

- PG&E: Typically 1-2 days to process the invoice upon receipt; 2-3 weeks for CPUC to receive reimbursement checks
- SCE: On average 2-3 days to process the invoice upon receipt; 2-3 weeks for CPUC to receive reimbursement checks
- SDG&E: On average 8 days to process and issue payment upon receiving the invoice from CPUC; 2-3 weeks for CPUC to receive reimbursement checks
- SoCalGas: Typically within 2 days to process the invoice upon receipt; 2-4 weeks for CPUC to receive reimbursement checks

CHANGES Reimbursements by IOU						
Utility	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**	**CY 2025 Jan-May**	**Total**
PG&E	$ 482,158	$ 484,561	$ 524,999	$ 525,000	$ 141,299	$ 2,158,017
SCE	$ 574,695	$ 488,197	$ 548,031	$ 537,125	$ 129,102	$ 2,277,150
SoCalGas	$ 322,869	$ 387,240	$ 429,668	$ 581,727	$ 139,979	$ 1,861,483
SDG&E	$ 244,182	$ 273,967	$ 278,739	$ 265,000	$ 91,366	$ 1,153,254
Total	**$ 1,623,904**	**$ 1,633,965**	**$ 1,781,437**	**$ 1,908,852**	**$ 501,746**	**$ 7,449,904**

The CHANGES Program Evaluations

Decision Requirements and Evaluation Process

I. D.21-06-015 requires at least 2 independent third-party evaluations for the CHANGES program -

- Authorized Budget: Up to 4 percent of the combined PY 2021-26 CHANGES program budget
- The Commission directed PG&E to lead contract management for the evaluations
- Evaluation scope is determined by CPUC staff (CAB and ED) and the IOUs, with final approval by CPUC staff

II. Scope Elements Required by Decision

- Benefits and cost-effectiveness of services delivered to low-income customers
- Benchmarking with similar initiatives nationwide
- Include a determination of the most appropriate funding source for the CHANGES program based on the beneficiaries of the program

III. Evaluation Process for 2019-21 and 2025 Evaluations

- Both evaluations conducted by third-party independent evaluators, selected through competitive solicitation process
- For each evaluation, two public workshops are held to solicit and incorporate stakeholder feedback. The CHANGES implementer was informed by the CPUC of project updates throughout the evaluations.
- For the 2025 Evaluation, a pre-scoping public workshop was held in February 2024 to solicit ideas from stakeholders to inform evaluation scope
- The CPUC actively oversees the evaluation process for the CHANGES program to prevent any conflicts of interest and to ensure that the third-party evaluators conducting assessments can do so independently and without influence

Evaluation Finding on Program Funding Level

I. **The 2019-21 Evaluation concluded** – “While there is no definitive evidence within this evaluation period to suggest that expanding funding for the CHANGES Program is warranted, COVID-related budget impacts and demand fluctuations suggest that a longer time horizon is needed to comprehensively assess the basis for funding expansion”.

- Excerpt from CPUC’s comment response – “The CPUC feels that the IOU staff made efforts to provide objective advice regarding program evaluation. IOUs did not dictate any outcomes or use any undue process to influence the outcome of the study. The study has been conducted in an objective manner.”
- The Final Report and Stakeholder Comment Responses are available at https://pda.energydataweb.com/#!/documents/2807/view.

II. **As a result, the 2025 Evaluation included a funding assessment task to determine whether a change in program funding is warranted**, considering 1) program activities and financial data for PY 2022-24 and relevant historical program data and trends, and 2) any program changes that might have taken place over time, given program funding has remained at the same level ($1.75M) since PY 2016.

- Evaluation results will be available by December 2025.

Clarifications

- **The IOUs do not have major roles in the CHANGES program evaluations**
  - Support CPUC staff in the scoping and solicitation processes
  - PG&E has the added responsibility as the contract holder on behalf of the Commission
- **CPUC staff confirmed that the IOUs did not exert undue influence in written comments**
  - "… the IOU staff made efforts to provide objective advice regarding program evaluation."
  - "IOUs did not dictate any outcomes or use any undue process to influence the outcome of the study."
  - "The study has been conducted in an objective manner."
- **The 2019-2021 Evaluation did not call for expanding funding for the CHANGES program**

Summary and Recommendations

Summary

- The IOUs have limited involvement in the CHANGES Program
  - Act as a "Passthrough"
  - Provide reimbursements
  - Conduct study evaluator solicitation process and contract management (PG&E only)
  - Energy Division provides direct oversight of these activities
- IOU Program reports and reimbursement totals are not intended to reflect the budget status of the CHANGES CBO contract
  - Calendar Year vs Fiscal Year/Program Year accounting
  - Program reports include other CHANGES-related expenses
  - Delay between work performed date and invoice received by the IOUs from CPUC

Recommendations

- Return full control of the RFP process of future CHANGES program evaluations to the CPUC
- Consider alternate funding source for the CHANGES program
  - Align with CPUC's accounting norms (FY/PY)
  - Consider the program's primary beneficiaries
    - CARE was only 4% of CHANGES case assistance activities during 2019-21
    - LIHEAP support was the primary activity based on most recent evaluation study findings

The Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) Program Financial Report 2020-2025

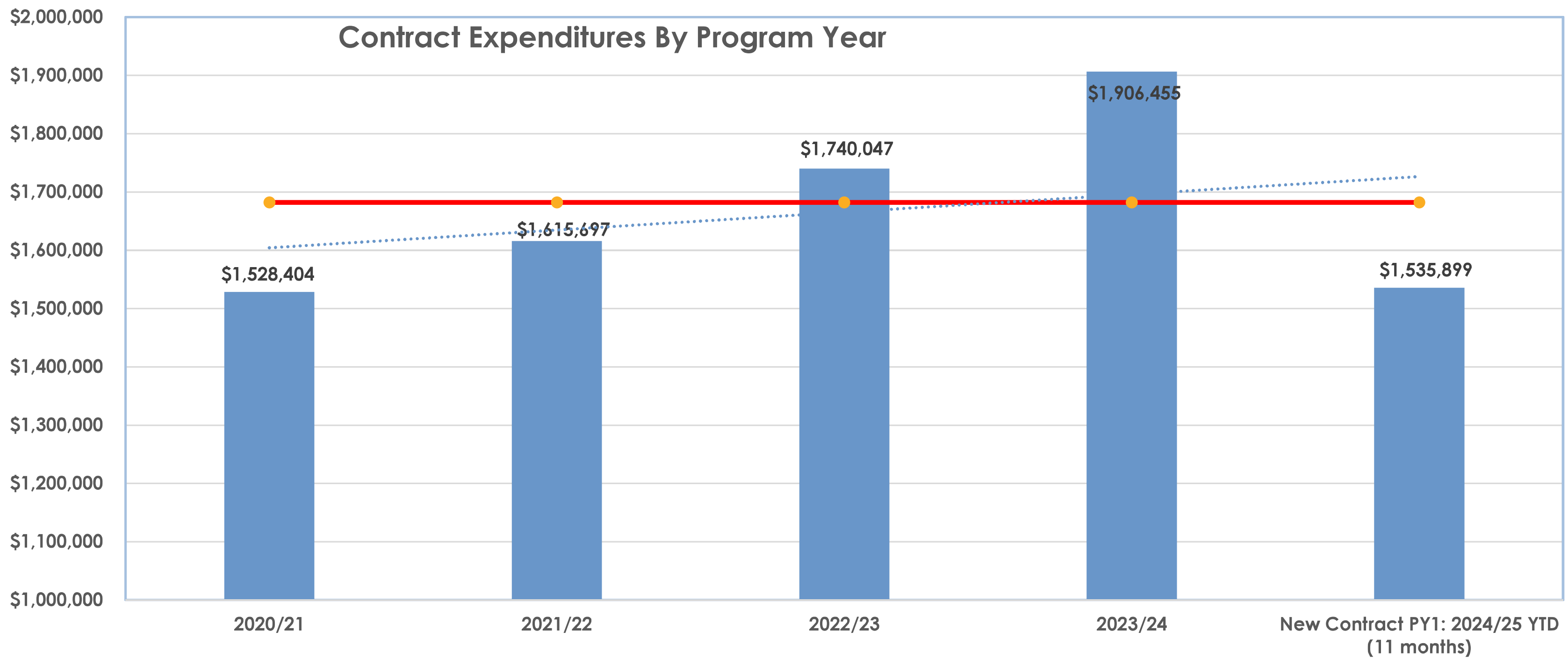
LIOB TAC Subcommittee Meeting
July 23, 2025

California Public
Utilities Commission

Introduction

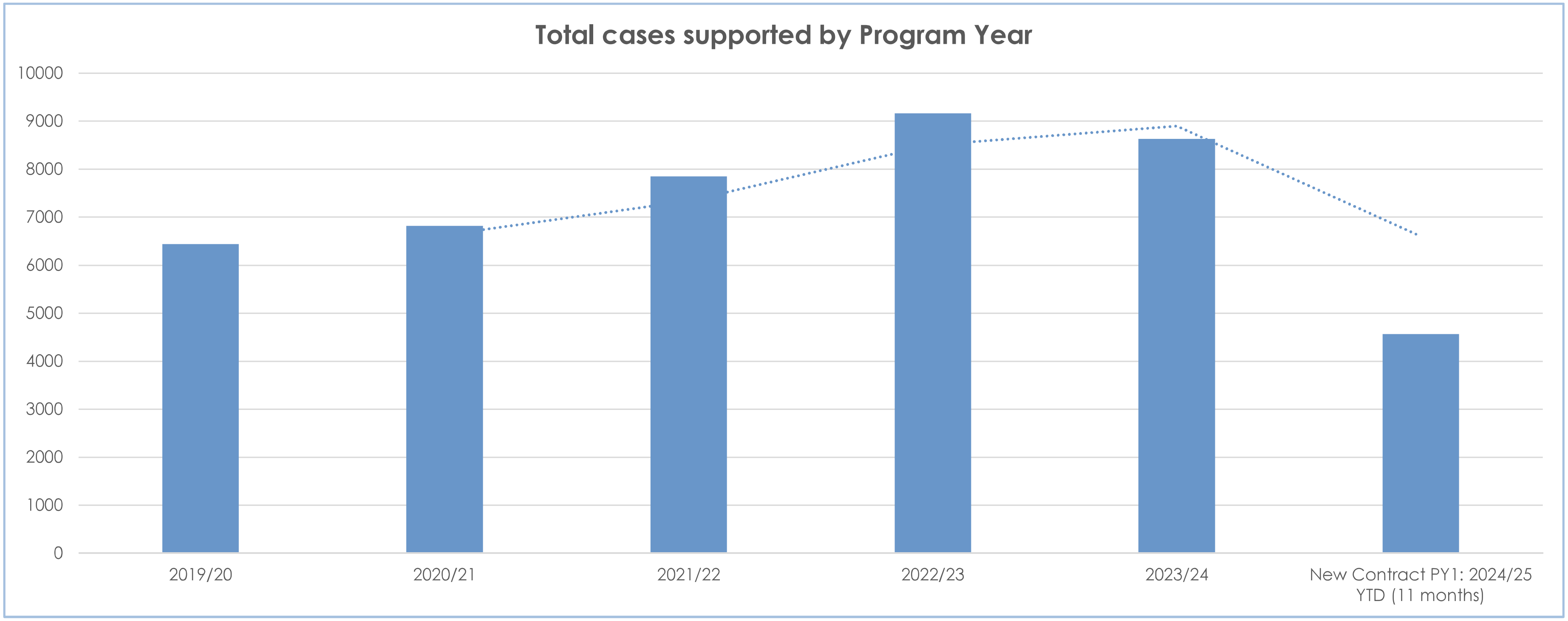
- CPUC created CHANGES to support Limited English Proficient (LEP), disabled, and senior consumers that have issues with their energy services.
- Three main components: outreach, education, and individual case assistance (needs assistance or dispute resolution).
- Contract oversight by the CPUC's Consumer Analysis & Programs (CAP) group in the External Affairs Division.
- New contract started in July 2024 – the lead contractor is International Institute of Los Angeles.
- CHANGES annual funding of **~$1.75m** set in the 2021 CARE/FERA ESA Decision - **$1.68m** for CHANGES program and **$70k** for ongoing CHANGES evaluation

Contract Expenditures 2020/1 – 2024/25



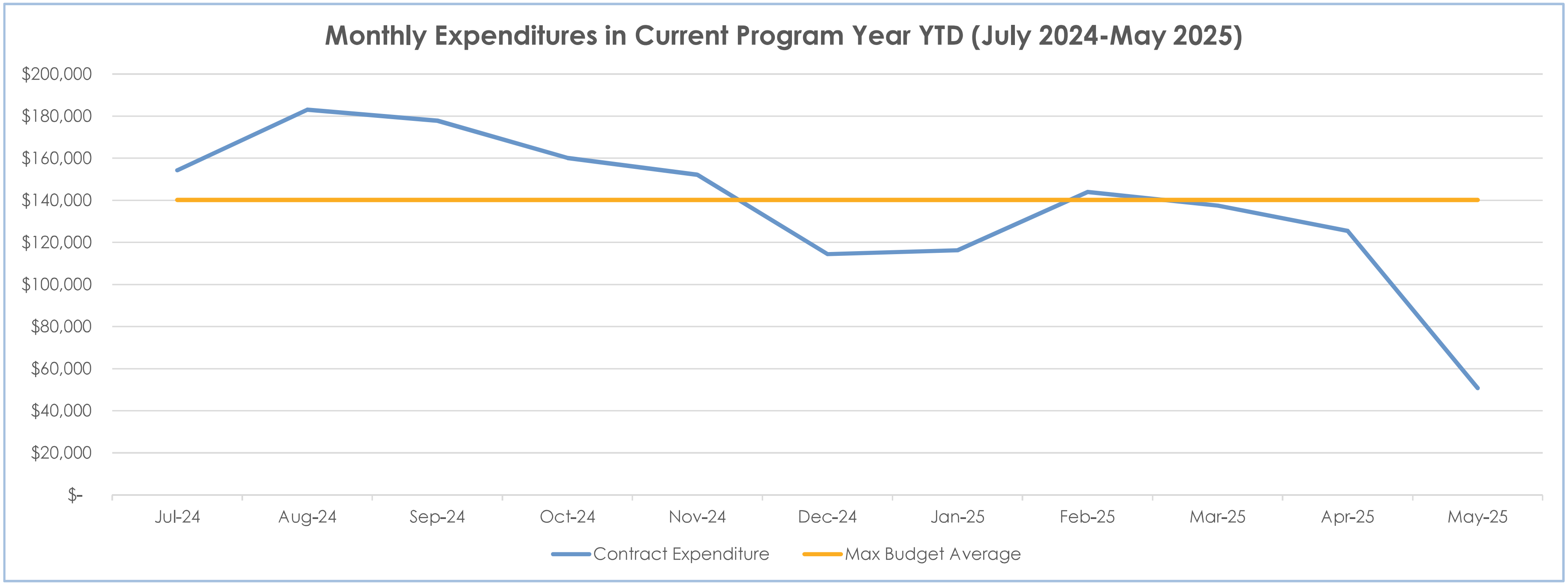
- Expenditure consistently and rapidly increased following 2020/21 program year, well exceeding budget in 2022/23 and 2023/24

Trend in case assistance provided 2019/20 – 2024/25



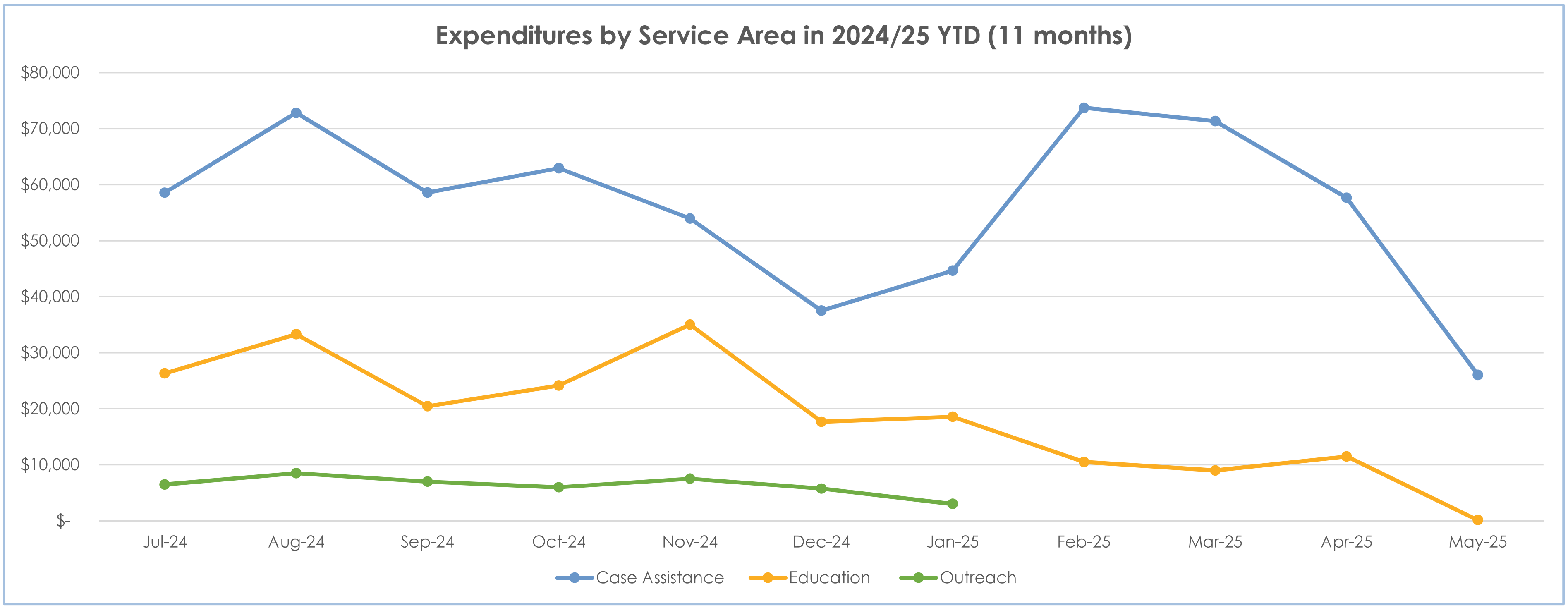
- Consistent increases each year until current program year

Monthly expenditures in current program year



- Expenditures well above budget in first 5 months of the year, requiring budget to be controlled for the remainder of year.

Expenditure by Service Area in Current Program Year



- Case assistance and education high in first five months but reduced due to budget constraints
- Funds shifted to case assistance from education and outreach

Conclusion

- Since the pandemic in the 2020/2021 program year, CHANGES has seen large increases in demand for services.
- The program was able to increase spending in 2022/23 and 2023/24 to meet the demand due to underspending in previous contract years caused mainly by the pandemic.
- The current program year falls under a new contract with a fixed budget of $1.68m per year.
  - Service delivery is constrained by the fixed budget. Case assistance and education started high but were reduced to ensure that the budget was not exceeded. CBOs attended the LIOB Q4, 2024 meeting to highlight budget concerns.
  - Funds were shifted from outreach and education to maintain service levels for case assistance.
- As shown by services in the previous two program years 2022/23 and 2023/24 the program is able to service many more consumers but is constrained by budget limits in the current contract year.

Any questions?