

Income-Qualified Program Application

Low-Income Oversight Board (LIOB)
Technical Advisory Committee Meeting
November 10, 2025



Draft – For Discussion Purposes Only



Application Guiding Principles

- **Support affordability** of rates for income-qualified customers and maximize household-level benefits
- **Enhance accessibility** and participation of eligible customers so that no one is left behind
- **Encourage qualified household participation** while addressing disparities in program participation and outcomes
- **Support decarbonization** strategies that support income-qualified customers
- **Improve efficiency** while ensuring programs support broader environmental, social justice and state policy goals



CARE Proposal Summary (Preliminary)

Maintain ~Full Enrollment Goals

- Retain 93% enrollment goal
- Maintain PEV authorized cap at 200% of 2011 rate
- Maintain enrollment, recertification, and PEV processes

Continue Focus on Improving Customer-Facing Tools and PEV Experience

- Continue to identify opportunities to streamline enrollment and PEV processes
- Pursue new third party platform to assist customers with uploading income documentation

Continue Support for CBO Activities

- Increase CARE Community Outreach Contractor (COC) capitation fee from \$30 to \$40 per enrollment
- Continue Community-Based Organization (CBO) Grant Program and pay-for-performance compensation approach



FERA Proposal Summary (Preliminary)

Set Attainable Enrollment Goals

- Adopt the methodology and recommendations from the PG&E's FERA Barriers Study to determine FERA enrollment goals
- Enrollment goals: ~30-35%

Utilize CARE Program Improvements on Processes/Customer Experience

- Maintain enrollment, recertification, and PEV processes
- Implementing improvements via the same tools as expected with CARE as applicable
- Consider potential third-party services (e.g., outbound calls, canvassing) for improving enrollment outcome

Continue Support for CBO Activities

- Increase capitation program fee from \$30 to \$60 per enrollment
- Continue CBO Grant Program and activities



ESA Proposal Summary (Preliminary)

Maintain core program design & delivery, improve efficiency & flexibility, introduce electrification

Continue the Existing Core Delivery Structure of ESA Main & MFWB

- Similarly structured ESA Main & MFWB program design to 21-26 cycle
- Continue 3rd party implementer model
- Similar customer eligibility & enrollment, with some changes to segmentation

Continue Energy Savings as the Prevailing ESA Goals, Prioritize HCS via Program Design.

- Expecting to propose similar cost-effectiveness targets to 21-26 cycle
- Propose budget flexibility between ESA programs & line items to support program delivery

Retain Measure Offerings Flexibility & Shift Towards Electrification

- Retain flexibility to adapt and modify measure portfolio during the cycle
- Transition measure mixture to electric appliances

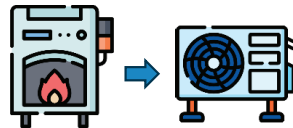
Incorporate Relevant Evaluation/Study Findings when Available

- ESA Main & MFWB Impact/Process Evaluations are expected to be completed in 2027 and 2028
- Proposing an Advice Letter process to make program modifications informed by the ESA impact evaluation and other studies results



ESA Decarbonization Summary (Preliminary)

Installing no new gas appliances by mid-program cycle, transitioning appliance replacements to electrification via a phased ramp up.



1. Furnace/Water Heater Replacements:

Multi-year transition from gas to electrification for failed appliance replacement (R&R)

- Begin with BAAQMD Zero NOx compliance (Bay Area)
- To allow for the program to adapt processes and provide smoother customer experience, proposing **incrementally transitioning** ESA from gas to heat pump measures.
- Continue offering appliance repairs.

2. Targeted deeper savings & fuel-substitution:

Target priority customers with highly inefficient equipment approaching or past useful life & favorable deeper savings opportunities.

- Leverage learnings from Pilot Plus/Pilot Deep.

Some Key Notes:

- Bill impacts and customer equity are key elements of the proposed approaches.
- PG&E anticipates working closely with implementers and contractors to transition processes & capabilities.
- Number of homes treated trends may reduce from current program cycle trends given higher materials & installations costs.

Questions and Comments



Technical Advisory Committee (TAC) Meeting

SCE's Income Qualified Programs Application

*California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA) and Energy Savings Assistance (ESA)
for program years 2028-2033*

November 10, 2025

Energy for What's AheadSM



SCE's Application - Guiding Principles

Guiding Principles

Improve Affordability For All Ratepayers	<ul style="list-style-type: none">▪ Establish clear, consistent & reasonable program goals, targets, metrics▪ Leverage other program funding within ESA such as CEC's Equitable Building Decarbonization (EBD), TECH, SGIP, and LIHEAP programs▪ Address affordability across SCE's Low-Income Portfolio
Focus on Customer Needs & Benefits "Be Customer Centric"	<ul style="list-style-type: none">▪ Strengthen integrity by qualifying CARE/FERA customers appropriately▪ Standardize Post Enrollment Verification and recertification processes▪ Provide all qualifying measures to address health, comfort and safety in addition to energy savings
Support Long-Term Decarbonization	<ul style="list-style-type: none">▪ Expand measures offering include panel upgrades and other home remediation/repairs, make-ready upgrades, and rate education

ESA Program Proposal

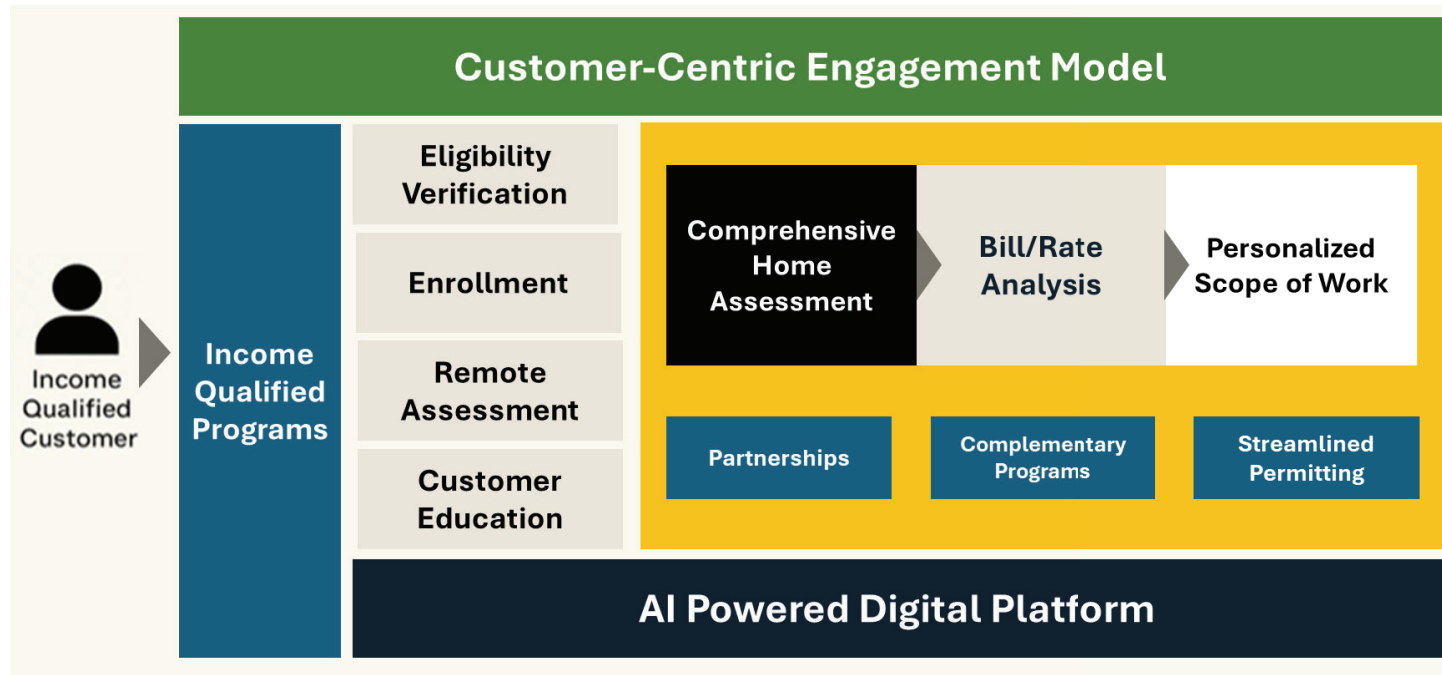
Vision: Aims to advance equitable decarbonization, prioritize customer empowerment, and climate resilience. It reflects a strategic shift from traditional energy efficiency models to a holistic, customer-centric approach that integrates electrification, affordability, and health, comfort, and safety outcomes.

Current ESA Portfolio	Future ESA Portfolio
<ul style="list-style-type: none">• ESA Main program serves income-qualified customers living in single-family or mobile homes.• Southern Multifamily Whole Building (MFWB) program targets customers in multifamily dwellings.¹• ESA Whole Home pilot (pilot plus/deep) supports high-energy, income-qualified users.• ESA Building Electrification (BE) pilot focuses on converting space and water heating systems from natural gas to electric heat pumps, with the goal of reducing energy costs and greenhouse gas (GHG) emissions.• ESA Clean Energy Homes (CEH) Pilot focused on offers technical design assistance, financial incentives, and coordinated education and outreach to overcome barriers to affordable all-electric construction²	<ul style="list-style-type: none">• Integrate ESA program services for income-qualified customers living in single-family homes, manufactured/mobile homes, and multifamily properties under a single cohesive model.• Expand electrification offerings from the BE and Whole Home pilot successes and learnings into ESA Main program.

¹ Regional program lead by San Diego Gas & Electric Company and implemented by Resource I/RHA

² SCE's Clean Energy Homes Pilot was sunset in 2025.

SCE's Customer-Centric ESA Program Strategy



Objective: Deliver equitable, customer-centric energy solutions to income-qualified households.

Integration: Combine energy efficiency, electrification, health and safety improvement, and resiliency measures.

Gateway: Position ESA as the central access point for low-income and equity-focused initiatives.

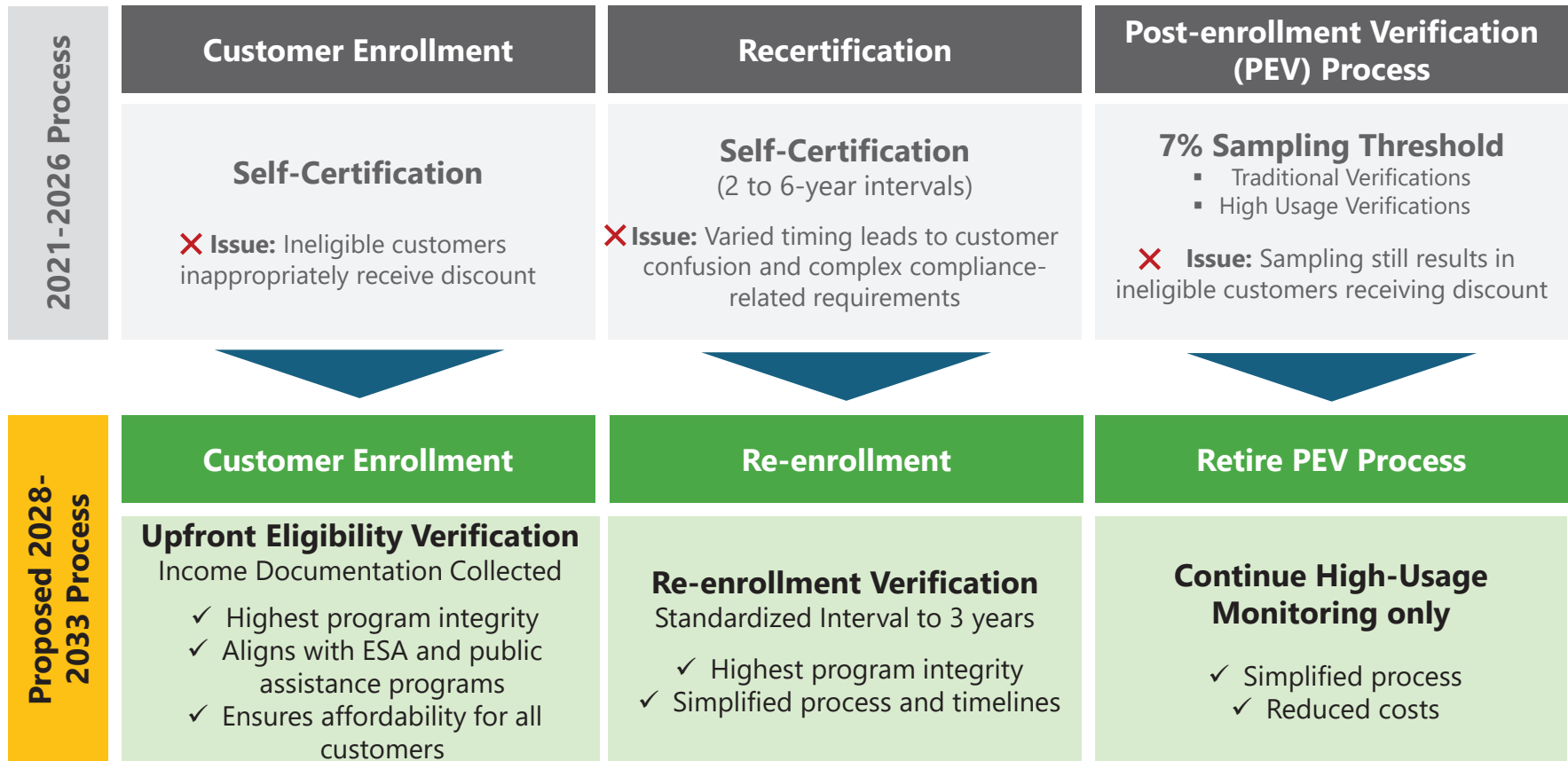
Vision: A comprehensive redesign of its CARE and FERA programs for the 2028–2033 cycle, focused on improving program integrity, administrative efficiency, and equitable access

CARE/FERA – Upfront Eligibility Verification

- SCE is proposing to implement upfront verification for CARE/FERA applicants
- Result in a significant decrease from current 105% penetration rate for CARE by 2033; while increasing FERA participation
- Administrative simplification through 3-year re-enrollment which eliminates post enrollment verification (PEV) and recertification
- Leveraging artificial intelligence (AI) and expanded digital tools to support program enrollment for both CARE/FERA
- Leveraging and expanding the use of data sharing with other programs and utilities to improve Auto Enrollment.
- Achieving affordability and equity by ensuring only eligible customers receive benefits

CARE/FERA Program Proposal

Proposed CARE & FERA Eligibility Framework



Upfront Eligibility Verification – Transition Plan

Proposal	Description
1. Transition Year (2028) – Preparation Phase	<ul style="list-style-type: none">• Maintain current self-attestation while preparing for upfront verification. Activities include updating forms, enhancing systems, and training staff/CBOs
2. Customer Education & Outreach Rollout	<ul style="list-style-type: none">• Deploy multilingual, multi-channel campaigns in 2028 to explain new requirements. Provide guides, FAQs, and AI-powered virtual assistants
3. System Enhancements & Digital Portal Upgrades	<ul style="list-style-type: none">• Implement system upgrades for secure document upload, real-time tracking, and automated eligibility checks before 2029 launch
4. Full Implementation of Upfront Verification (2029)	<ul style="list-style-type: none">• Require income or categorical documentation for all new CARE/FERA enrollments. Begin standardized three-year re-enrollment for existing customers
5. Phase-out of Post-Enrollment Verification & Recertification	<ul style="list-style-type: none">• Discontinue random sampling and staggered recertifications by 2029; shift to upfront verification and standardized cycles

Cross-Cutting Proposals

Proposals	Description
ESA Budget Flexibility	Allow for flexibility and ability to direct program budget for the entire cycle to make strategic decision to meet affordability and policy needs with the option to annually roll over unspent funds or return to rate payer/offset collection.
IQP Program Reporting	Streamline current monthly and annual program reporting to a more useable and digestible format for stakeholders. For example, this may include replacing existing Excel reporting format with a dashboard or online platform.
IQP Mid-Cycle Report	Report submitted via a regulatory vehicle (i.e., Advice Letter) which would allow for mid-cycle assessment of program performance, identifying challenges, and allowing for modifications to program goals, targets, measures and/or delivery models to improve effectiveness.
IQP Workshops/Subworking Groups (SWG)	<p>Enhance stakeholder engagement by establishing a new semi-annually Income-Qualified Programs (IQP) Workshop. This new forum will replace the existing ESA Working Group and reflect a broader scope that includes the ESA, CARE and FERA programs.</p> <p>Continue with specialized SWGs: ESA Technical SWG (replaces existing Policy Procedure/Installation Standards (PPIS) SWG), Study Working Group.</p>
Compliance Requirements	Proposing to sunset requirements that were developed under legacy program structures and technological assumptions that no longer reflect current industry standards, customer expectations, or the capabilities of modern tools.



LOW INCOME PROGRAMS APPLICATION FOR CARE AND ESA PROGRAM CYCLE FOR PROGRAM YEARS (PY) 2028-2033*

*The information discussed today is based on preliminary proposals and is subject to revision.

1
Public - Draft



Guiding Principles

» Improve Affordability for All Ratepayers

- Establish clear, consistent, and reasonable CARE and ESA Program goals, targets, and metrics that align with program(s) focus.
- Update ESA Program measure offerings to reduce energy burden, maximize household benefits, or otherwise customize measures to meet specific customer needs.

Guiding Principles

» Improving Customer Experience

- Strengthen program integrity so that only qualifying customers are enrolled on CARE.
- Provide ESA Program customers with all qualifying measures, including Health, Comfort, and Safety (HCS).

Guiding Principles

» Support Long-Term Decarbonization

- SoCalGas will continue to promote energy and rate education to customers to build awareness and to help them better manage their energy usage.
- Focus on offerings that have high therm savings such as tankless water heaters and high efficiency heating.

Main ESA Program Design

- Requesting the treatment of Multi-family (MF) homes, both in-unit and common area measures (CAM), to transition back to the local ESA Program model. Current southern region MFWB program is administered by SDG&E and implemented by a third-party.
- Proposal of six-year program cycle for Program Years (PYs) 2028 through 2033.
- Continue to serve all eligible customers with a focus on energy savings while balancing vulnerable groups that are receiving HCS needs.
- Proposal to maintain ESA Cost Effectiveness Test (ESACET) threshold of 0.7.

Main ESA Program Portfolio Goals and Budget

- Requesting Program Cycle budgets, versus current model of Program Year budget allocations:
 - Allow flexibility and fund shifting between program years and between line items to better support the program.
 - Ability to return unspent funds to ratepayers and/or offset future revenue collections.
- Request for ESA Program Portfolio to be set as Program Cycle as goals with annual forecasts of therm savings.
- Request for administrative expenditures for the ESA Program to be 10% of authorized budget, compared to current guideline of 10% of total program costs.

Program Reporting

- Streamlining the overall reporting process to make reports more accessible, actionable, and meaningful for program stakeholders

Income Qualified Program (IQP) Workshop

- Proposal to establish a bi-annual Income Qualified Program (IQP) workshop to include all programs under the IQP umbrella.
 - Will include IQP Annual Reporting meeting and Clean Energy Workshop.

Questions & Answers





Low Income 2028-2033 Application

TAC Subcommittee Presentation

November 10, 2025

Note: All information shared today relates to DRAFT proposals and are subject to change.

2028-2033 Low Income Application Highlights



Guiding Principles



Overarching Items

Highlights

- Continue 6-year cycle duration (2028-2033)
- 2027 and 2028 Impact/Process Evaluations
- Establish portfolio goals with annual targets
- Consistent budget and admin caps
- Streamline reporting
- Optimize segmentation – offer customer centric solutions
- Pilot implementation of electrification

ESA Program Evolution

Current Cycle

Main

- Measures tied to segmentation unrelated to energy
- Limited renter engagement
- Tiered structure: Basic & Plus

MFWB

- Regional MFWB program (SDG&E, SCE & SoCalGas)
- Whole Building (CAM and In-Unit) treatment
- Property owners select trade ally for CAM projects
- Electrification measures without remediation

Pilot

- Focused on deeper savings, up to 50%
- Prioritizes hot climate zones (10, 14, 15)
- Separate implementer for ESA Main vs Pilot

Next Cycle

Main

- Location-based segmentation + relevant measures
- Expand renter engagement + Home Energy Kits
- Continue tiered structure

MFWB

- Local MFWB Program (SDG&E only)
- Whole Building (CAM and In-Unit) treatment
- Move to a Direct Install model for CAM projects
- Add a remediation budget for electrification measures

Pilot

- Electrification with focus on bill neutrality
- Broader service territory coverage
- Same implementer for ESA Main and Pilot

CARE Vision and Program Evolution

Vision: Promote bill affordability while minimizing cost impact on non-participants, leverage modeling and improve application process to enroll customers in the most appropriate program

Current State

1. Achieve a 90% enrollment goal
2. SDG&E's annual post-enrollment verification (PEV) cap is 6%
3. Categorical eligibility (CE) covers eleven programs, including the National School Lunch Program (NSLP)
4. Started applying automation to key CARE processes such as recertifications



Desired Future State

1. Maintain 90% enrollment goal for the next cycle
2. PEV rate of up to 20% to verify eligibility and enroll customers in the most appropriate programs
3. Removal of NSLP as a CE option for CARE as free school lunches are now universally available to any student, regardless of income in California
4. Explore expanding automation for additional processes such as Post Enrollment Verification

FERA Vision and Program Evolution

Vision: Increased resources to reach enrollment goals for FERA; leverage data sharing to auto enroll FERA customers.

Current State

1. FERA enrollment goal set with the aim to reach 70% by 2026
2. Limited ME&O budget
3. LIHEAP to CARE auto-enrollment



Desired Future State

1. Maintain 70% enrollment goal to be achieved by the end of the next cycle (2033)
2. Increase ME&O budget to reach 70% target
3. Through data leveraging, add LIHEAP to FERA auto-enrollment if income data matches



QUESTIONS?