

San Joaquin Valley Affordable Energy Pilot Program

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California Public
Utilities Commission

Outline

1. Program Background
2. Pilot Components
3. Pilot Results
4. Lessons Learned Thus Far
5. Petition for Re-Opening of SJV Proceeding
6. Next Steps

Background (1 of 3)

- AB 2672 (Perea, 2013) added Section 783.5 of the Public Utilities (PU) Code. Directs CPUC to do the following:
 - 1. Identify San Joaquin Valley Disadvantaged Communities (SJV DAC)
 - 2. Find ways to increase access to affordable energy in a cost-effective manner
 - 3. Assess economic feasibility of potential options for increasing access to affordable energy
- Proceeding (R.15-03-010) opened on March 26, 2015



Background (2 of 3)

- Phase 1 (*complete*): Adopted methodology for identifying SJV DAC communities and approved a list of 179 communities. Eligibility criteria outlined in § 783.5 says communities must lack access to natural gas service and:
 - (1) be located in Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, or Tulare county
 - (2) at least 25% of residential households with electric service enrolled in CARE
 - (3) a population >100 people
 - (4) has geographic boundary no further than seven miles from the nearest natural gas pipeline

Background (3 of 3)

- Phase 2 (*complete*):
 - Track A: Authorized implementation of pilots to explore ways to provide cleaner and affordable energy.
 - Track B: Defined data gathering needs and created a plan for collecting this data to inform a future economic feasibility study of expanding energy options for all 179 communities.
- In September 2025, parties filed a petition* requesting that the Commission immediately reopen the SJV proceeding and complete the economic feasibility framework study
 - The Commission voted to deny the petition in May 2026, citing ongoing work on the EFF
- Current Work: Assess cost-effectiveness and economic feasibility of options
 - Energy Division staff are currently working with independent contractor to draft an Economic Feasibility Framework (EFF) that will inform the cost-effectiveness and feasibility assessment of potential program expansion.

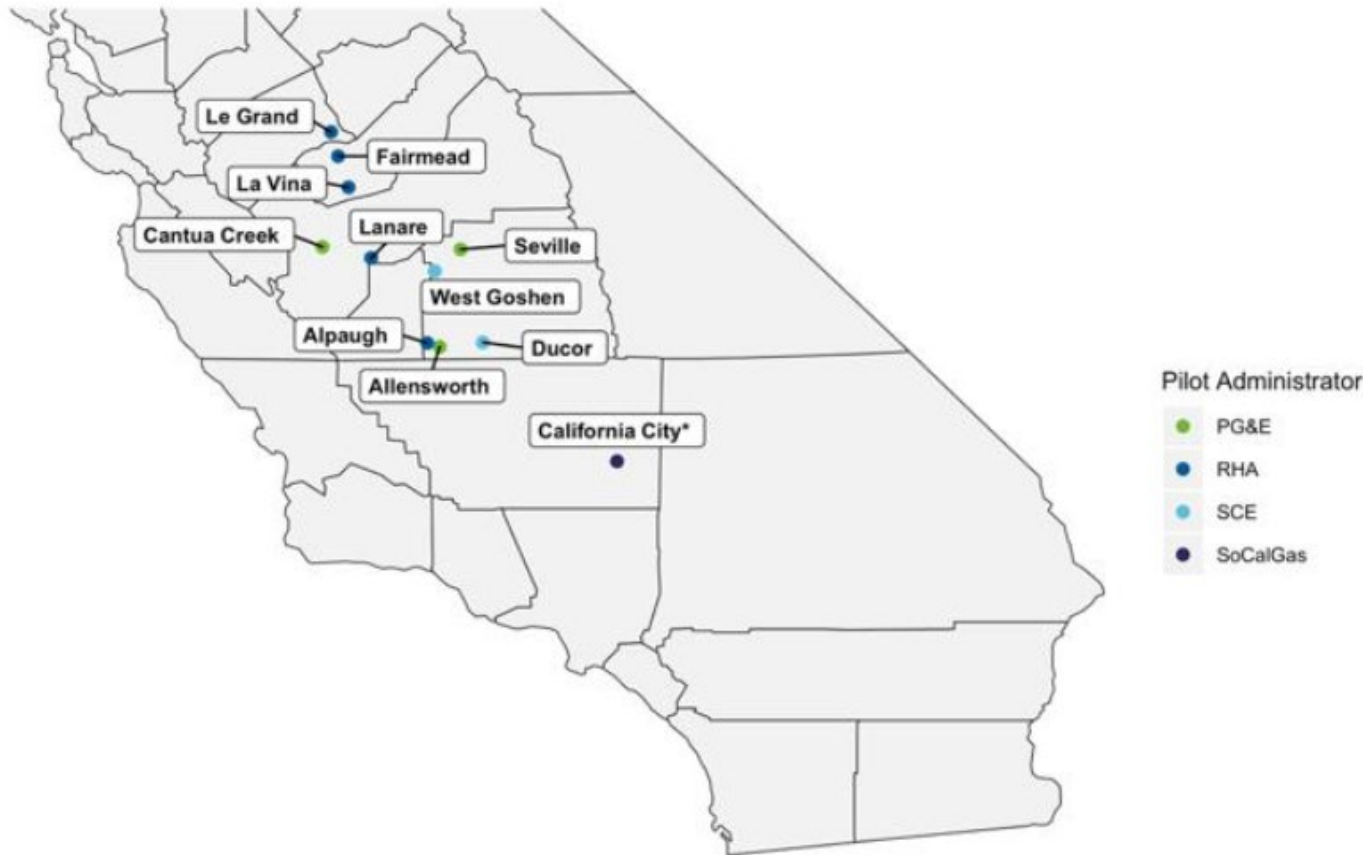
[*Petition \(P.\) 25-09-009](#)

SJV Pilots - Objectives

1. Provide access to affordable energy options in participating pilot host communities;
2. Reduce household energy costs for participating pilot host customers;
3. Increase health, safety and air quality of participating host pilot communities;
4. Test approaches to efficiently implement interventions;
5. Assess potential scalability; and
6. Gather inputs to assess cost-effectiveness and feasibility of future pilots.

Phase 2, Track A

Pilot Communities



- \$57.1 million allocated to pilots
- 12 projects in 11 pilot communities of ~7,381 households
 - Of which ~2,667 / 36% lack access to natural gas
- 11 projects focused on electrification and 1 on gas extension. California City has electrification & gas extension
- Across all residents of these 11 communities (not just pilot participants)*:
 - 85% qualify for CARE
 - \$31,000 average annual income
- 52% households are owner occupied; 37% renter-occupied; remainder vacant or uninhabitable

Pilot Structure

Table 1: Pilot Team

Role	Description	Organization			
Investor-Owned Utilities (IOUs)	Each IOU is a Pilot Administrator for pilots in their service territories.	SCE	SoCalGas	PG&E	
Pilot Administrator (PA)	Organizations tasked with administering the pilots.	SCE	SoCalGas	PG&E	RHA
Pilot Implementer (PI)	Manages home assessment and measure installation.	Proteus	Staples Energy	RHA	
Community Energy Navigator Program Manager (CPM)	Responsible for initial outreach through application process with customers. Employs and manages Community Energy Navigators (CENs) and "Community" CENs, who are CENs who live in the targeted communities.	Self Help Enterprises (SHE)			

SoCalGas	California City
SCE	California City
	West Goshen
	Ducor
PG&E	Allensworth
	Cantua Creek
	Seville
RHA	Alpaugh
	Fairmead
	Lanare
	La Vina
	Le Grand

Pilot Overview (Electrification)

- Participants offered, at no cost: heat pump HVAC and water heaters, induction stoves, electric clothes drying and associated upgrades (e.g., rewiring, panel/service upsizing, and remediation)
- Leveraged other programs (SGIP, DAC-SASH, ESA, CSGT and DAC-GT)
- **Bill protection: 36% in total (two 20% discounts stacked)**
 - 20% SJV discount
 - Additional 20% discount for solar: participants could either enroll in the Community Solar Green Tariff (CSGT), Disadvantaged Community Green Tariff (DAC-GT), or the transitional community solar discount, for 10 years
 - 5 years into the bill protection program, PG&E and SCE conducted an evaluation to determine if discount stays at 20% or drops to 10%
 - Bill Impact Evaluations conducted by PG&E and SCE found that many participants experience energy cost increases, so 20% was retained for 5 more years

Tenant Protections

- An agreement signed by tenant, property owner, and Community Energy Navigator
- Starts on date of agreement's execution and continues five years after installation measures fully completed
- Limits rent increases to 3.6% per year (*unless increase is due to increases in property taxes, operating and maintenance costs, or amortizing costs of other improvements*)
- Evictions can only happen if tenant doesn't pay rent or violated the lease, tenant uses the property for illegal purposes, or the property owner (or family member) reoccupies the property
- Community Energy Navigator enforces the agreement
- No major issues reported during the pilot

Results

- A total of 1,824 homes were deemed eligible for electrification
 - Ineligible homes included those that were already all electric, already had natural gas, vacant, businesses, landlord did not approve, etc.
- 1,043 (57% of eligible homes) submitted applications
- 929 (89% of applicants) completed in-home assessments
- 827 (89% of homes that received assessments) received completed installations
- **45% all eligible homes received completed installations**

Remediation Needs

- ~88%* (657) of homes assessed did not exceed the \$5k remediation cap
 - 26% (216) needed no remediation at all
 - 53% (441) that required remediation fell under the \$5k cap
 - The average remediation cost for these homes was \$1,806
- ~16%* (116) of homes assessed exceeded the \$5k remediation cap
- For homes that exceeded the \$5k remediation cap, the Technology and Equipment for Clean Heating (TECH) program provided additional funding. A handful of homes also leveraged Self-Help Enterprises grant funding.
- Reasons for excessive remediation included safety issues (black mold, asbestos), knob and tube wiring, and trenching for service line upsizing (mostly for mobile/manufactured homes)

*Percentages are approximate and add up to >100% as total number of homes assessed exceeds total number of homes ultimately converted

Costs per Household

		Energy efficiency & weatherization outside of existing programs	General construction work to accommodate appliances	Electric panels, circuits, wiring	Appliances, energy efficiency, remediation, electrical work
	Avg. Appliance Costs	Avg. Cost of Other Measures	Avg. Cost of Remediation	Avg. Cost of Electrical Upgrades	Avg. Total Cost per HH
SoCalGas	\$8,693	\$0	\$276	\$187	\$9,157
SCE	\$20,005	\$0	\$3,598	\$4,467	\$27,561
PG&E	\$13,635	\$2,088	\$3,027	\$5,141	\$22,831
RHA	\$13,548	\$1,800	\$1,802	\$3,895	\$20,740
Avg. for electrification pilots	\$14,738	\$1,535	\$2,388	\$4,263	\$21,184

Completed Pilot Evaluations

- The SJV pilots were completed in early 2024
- Pilot Process Evaluation
 - Conducted by independent evaluator
 - Intended to examine the pilot design, implementation process, and areas for improvement
- Bill Impact Evaluations
 - Conducted by each implementer (SCE, PG&E, RHA)
 - Assessed impacts of electrification and bill discounts on participant monthly bills
 - Also compared to avoided cost of propane or wood

Bill Impacts

- Results varied depending on service territory. On average, with bill protection measures:
 - PG&E participants saw a **net increase of \$26** in total annual energy costs
 - SCE participants saw **net decrease of \$1,268** in total annual energy costs
- Electric rate increases contributed the most to increased electric costs for participants, more so than additional electricity use due to electrification measures
 - In PG&E territory, participants saw a \$782 electric bill increase in their annual energy bill post-electrification; however, \$657 of this was attributable to rate increases
 - For PG&E participants \$782 electric bill increase was greater than the \$664 of savings from reduced wood and propane usage
 - For SCE participants, a \$440 electric bill increase eclipsed the \$316 of electric bill savings resulting from the program (most bill savings was attributable to avoided cost of propane)
- For reducing annual energy costs, the SJV-specific bill protection measures had a greater impact than fuel switching to new, efficient electric appliances
- Caveats: unregulated (propane & wood) fuel costs are rough estimates; the analysis conducted before implementation of the base services charge, it's unclear if all customers enrolled in the best rate for electrification after program treatment

Challenges and Lessons Learned:

- Community-by-community approach > scattershot approach
 - Saves time and money. More consistent work for crews. More efficient – for contractors, for service upgrades, for outreach.
- Cost savings was the largest driver for participation (Non-participants often didn't cite reasons; but those who did cited fears of increased electricity costs)
- Service upgrades are costly and can be a barrier to future electrification
- Manufactured homes incurred greater costs; may need more funds to cover remediation
- Most homes though were able to be remediated for under \$5k

Next steps

Economic Feasibility Framework (EFF)

- Anticipated completion in Q4 2026
- Engagement Opportunities
 - April – July 2026, contractor conducted informal outreach to petitioners and other interested parties, pilot implementors, involved community-based organizations for initial input
 - Comment periods for all draft EFF materials, once released
 - Public workshops for the draft EFF to explain results, answer questions, and receive further comments prior to final draft
- Results of EFF will inform cost effectiveness and feasibility assessments of expansion of SJV pilots to other eligible DACs

Questions?

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Change in Fuel Costs: PG&E

Table 26: Change in Household Energy Costs by Fuel, Attributable to the Program

Fuel	Baseline	After Treatment	Total Change (Gross)	Natural Change	Program Impact Estimate* (Net)
Propane	\$ 854	\$ 196	- \$ 657	\$ 0	- \$ 657
Wood	\$ 120	\$ 112	- \$ 7	\$ 0	- \$ 7
Electricity	\$ 1,583	\$ 2,365	\$ 782	\$ 657	\$ 125
Total Energy Costs	\$ 2,556	\$ 2,673	\$ 117	\$ 657	- \$ 539

* The program impact is the change in bill costs, above and beyond any natural changes over this period.

Table 28: Simulated Change in Household Energy Costs by Fuel if Discounts Were Removed

Fuel	Baseline	After Treatment	After Treatment, with Discounts Removed	Simulated Change (Gross)	Natural Change	Simulated Program Impact (Net)
Propane	\$854	\$196	\$196	-\$657	\$0	-\$657
Wood	\$120	\$112	\$112	-\$7	\$0	-\$7
Electricity	\$1,583	\$2,365	\$3,135	\$1,552	\$657	\$895
Total	\$2,556	\$2,673	\$3,443	\$888	\$657	\$231

Source: [PG&E and RHA San Joaquin Valley Disadvantaged Communities Pilot Impact Evaluation](#), p. 80 and 82

Change in Fuel Costs: SCE

Table 11: Change in Household Energy Costs by Fuel, Attributable to the Program

Fuel	Baseline	After Treatment	Total Change (Gross)	Natural Change	Program Impact Estimate* (Net)
Propane	\$ 993	\$ 84	- \$ 909	\$ 16	- \$ 924
Wood	\$ 37	\$ 10	- \$ 27	\$ 1	- \$ 28
Electricity	\$ 1,572	\$ 1,679	\$ 107	\$ 423	- \$ 316
Total Energy Costs	\$ 2,601	\$ 1,773	- \$ 828	\$ 440	- \$ 1,268

* The program impact is the change in bill costs (from measures and bill credits), above and beyond any natural changes over this period (e.g., increased fuel prices).

Note: Not all participants had baseline energy cost data available for all three fuels. For this reason, there are more sites contributing to the average costs for individual fuels.

Table 12: Change in Household Energy Costs by Fuel, before Credits Were Applied

Fuel	Baseline	After Treatment (and Credits)	After Treatment, without Credits	Total Change, without Credits (Gross)	Natural Change	Total Program Impact, without Credits (Net)*
Propane	\$993	\$84	\$84	-\$909	\$16	-\$924
Wood	\$37	\$10	\$10	-\$27	\$1	-\$28
Electricity	\$1,572	\$1,679	\$2,632	\$1,060	\$423	\$637
Total	\$2,601	\$1,773	\$2,726	\$124	\$440	- \$316

* This estimated program impact is the change in bill costs (from the measures only, omitting bill credits), above and beyond any natural changes over this period (e.g., increased fuel prices).

Source: [SCE San Joaquin Valley Disadvantaged Communities Pilot Impact Evaluation](#), p. 34-37

Remediation Needs

14 homes total unable to participate due to high remediation costs: average of \$33,640 per home

#	# Homes Completed	# HH - No Remediation*	# HH - Remediation < \$5k	Avg. Cost Remediation for HH <\$5k	# HH - Remediation > \$5k	Avg. Cost Remediation for HH >\$5k
SCE	135	17	90	\$2,368	28	\$8,352
PG&E	159	54	89	\$2,034	44	\$14,312
RHA	451	145	262	\$1,536	44	\$9,344
Total # HH and % of total	745	216 (29%*)	441 (59%*)		116 (16%*)	
Avg. Costs				\$1,806		\$10,989

*Note that number of HHs estimated for > or < \$5k exceeds the total completed as not all of those assessed were converted

88% (657) of HH did not exceed \$5k remediation cap

For HH exceeding \$5k cap, costs were much greater on average; primarily in PG&E territory