BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for 2021-2026 Program Years. (U39M).	Application 19-11-003 (Filed November 4, 2019)
Application of Southern California Edison Company (U338E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2021-2026.	Application 19-11-004 (Filed November 4, 2019)
Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2021-2026.	Application 19-11-005 (Filed November 4, 2019)
Application of Southern California Gas Company (U904G) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2021-2026.	Application 19-11-006 (Filed November 4, 2019)
Application of Marin Clean Energy for Approval of its Multifamily Whole Building Program under the Energy Savings Assistance Program 2021-2026.	Application 19-11-007 (Filed November 4, 2019)

COMMENTS OF THE UTILITY REFORM NETWORK ON THE ENERGY DIVISION STAFF PROPOSAL AND UTILITY APPLICATIONS

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COMMENTS OF THE UTILITY REFORM NETWORK ON THE ENERGY DIVISION STAFF PROPOSAL AND UTILITY APPLICATIONS

I. INTRODUCTION

On June 25, 2020, the Commission issued the *Administrative Law Judge's Ruling Seeking Comments* (ALJ Ruling), directing parties to submit responses to questions set forth in the ruling regarding the Energy Division Staff Proposal (Staff Proposal) and other issues relevant to the investor owned utilities' (IOUs') applications. The ALJ Ruling requires parties to provide responses in comments filed by July 24, 2020, but permits parties to indicate that they have "no comment" if they "do not have a position on that issue and/or cannot formulate a meaningful response within the time allotted."[1]

Pursuant to the ALJ Ruling, The Utility Reform Network (TURN) respectfully submits these responses to the questions set forth in the ALJ Ruling.

II. QUESTIONS ON THE ENERGY DIVISION STAFF PROPOSAL[2]

A. Segmenting the ESA Population

1. <u>All Parties</u>: Given the goals laid out in the Energy Division Staff Proposal (Staff Proposal) and suggested segmentation approach, how should the IOUs prioritize customer segments for treatment? Which customer segments have an immediate need and are the most vulnerable to climate change/bill impacts/energy use and should be treated first?

TURN supports Staff's effort to give the utilities more guidance on customer segmentation and prioritization, structured around factors that drive customer need for

[1] ALJ Ruling, p. 1.

[2] TURN uses the question numbering in the ALJ Ruling and includes all questions, even those directed primarily to the IOUs.

ESA. As a general matter, segmentation is useful to the extent that it allows the utilities to better reach customers who are qualified for the program, are hard-to-reach, and are likely to have needs that the program can effectively address. Only variables that help the utilities identify those customers should be given priority. Otherwise, adding to the variables could expand the pool of targeted customers to the point that the program is not able to serve those with the greatest need. Similarly, tracking many variables for customer segmentation will increase administrative costs. Thus, it is important to identify the variables that really matter. Furthermore, the segmentation variables should not supplant the eligibility requirements of ESA.

TURN recommends that the Commission adopt segmentation variables linked to customer "vulnerability" designations, as these designations can help the utilities identify those customers for whom ESA treatments could provide much-needed improvements in bill affordability and health, comfort, and safety. TURN believes the new Affordability Metrics adopted by the Commission this month in D.20-07-032, issued in R.18-07-006, should be used for this purpose, as discussed more fully below in response to Question 4. The "Socioeconomic Vulnerability Index" or SEVI score, in particular, is intended to allow for the identification of communities that may be disproportionately impacted by a uniform rate change due to the underlying socioeconomic vulnerability of that area.[3] For the same reason, it may make sense to target zip codes with the highest rates of disconnection (see Question 20 below), tracked by the utilities for Disconnections Reporting in R.18-07-005. TURN has not mapped these zip codes onto the SEVI score maps to understand the extent of overlap and thus mentions both as options for

[3] *See* D.20-07-032, Appendix A, Affordability Metrics Framework - Staff Proposal, p. 32.

segmentation and targeting.

TURN also supports the use of Medical Baseline enrollment as a segmentation variable. Medical Baseline offers a household-level rather than census tract-level focus for targeting, but similarly helps the utilities identify customers with particular need for bill reduction and health, comfort, and safety benefits from ESA because of their medical needs.

TURN believes that customer profiles for ESA purposes should indicate whether the customer resides in a Disadvantaged Community (DAC). Different definitions of DAC have been used by the Commission for different programs. TURN has in mind the definition adopted in D.18-06-027 for the DAC Solar programs developed pursuant to Assembly Bill (AB) 327 (Perea, 2013). For these programs, the Commission defines a DAC as a community that appears among the top 25 percent of census tracts identified by CalEnviroScreen statewide, as well as 22 census tracts in the highest 5 percent of CalEnviroScreen's Pollution Burden, but that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.[4] Location in a DAC gives customers access to several very valuable clean energy programs that reduce bills, as discussed below in Question 18 and 20. Flagging DAC status will enable targeted coordination between ESA and these other clean energy programs, thus maximizing available benefits for this segment of low-income households.

However, TURN recommends that SEVI be used instead of DAC to prioritize treatment because of its more direct link to energy affordability challenges. For instance, some DACs in the Bay Area include relatively affluent communities that are located in

[4] *See* https://www.cpuc.ca.gov/SolarInDACs/.

highway corridors.[5] The Commission can re-visit segmentation mid-cycle if it appears that SEVI is not working as intended as a segmentation variable.

While TURN supports using the metrics from the affordability proceeding, high disconnection zip codes, and Medical Baseline for customer targeting, they should not be the sole means of identifying customers. None of these segmentation variables measure energy savings potential *per se*. Consistent with the Commission's guidance in D.19-06-022, energy savings is a key objective of the ESA program.[6] Thus, energy savings potential should be a key variable for identifying potential program participants especially for resource measures.

Utilities could offer non-resource measures to customers who have low savings potential but high vulnerability. TURN notes, however, that non-resource measure offerings should be structured to avoid significantly increasing energy cost burdens (as measured by the change in the Hours at Minimum Wage or in the Affordability Ratio, two of the new Affordability Metrics adopted in R.18-07-006). Further, guidance will need to be developed to steer the utilities' investments in non-resource measures, to ensure that these funds provide appreciable benefits. For instance, as TURN will further explain in testimony, California should guard against utility expenditures that increase consumption or have the potential to keep customers captive to service, especially regarding fossil fuel resources. Promotion of long-lived fossil-fuel consuming equipment runs counter to state policies on carbon reduction and could leave the most vulnerable

[5] See https://oehha.maps.arcgis.com/apps/View/index.html?appid=c3e4e4e1d115468390cf61d9db83efc4.

[6] D.19-06-022, pp. 2-3.

customers captive to a system that will be facing a decline in the next few decades.

2. <u>All Parties:</u> How can the Staff Proposal's suggested segmentation approach be used with the proposed auditing tool to recommend the most appropriate treatment among the three-tiered options? Are there other tools or approaches that would simplify program delivery to low-income households?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

3. <u>All Parties</u>: How can the IOUs include renter participation in all treatment Tiers?

Renters make up a large share of current program participants living in single family homes and small multi-family buildings (1-4 units). In 2019, rented single family and small multi-family buildings constituted 24 percent of ESA participants statewide.[7] Some measures, such as central heat pumps, may be easier to install in single family and small multi-family buildings than in large multi-family buildings. TURN encourages the utilities to offer measures that work for single and small-multi-family rentals, as well as the offerings more specific to large multi-family rental properties. TURN looks forward to reviewing other parties' comments specific to multi-family renters, which comprise most multi-family program participants.

The Commission should also take care to ensure that ESA treatment for tenants does not result in rent increases or eviction. TURN has concerns about displacement for all renters treated by ESA, particularly if the program provides increasingly valuable measures and services. Question 31 asks about this risk in regards to the Multifamily

[7] Calculated using PG&E 2019 Annual report, ESA Table 4A; SCE 2019 Annual report, ESAP Table 4; SoCalGas 2019 Annual report, ESA Program Table 4; and SDG&E 2019 Annual report, ESAP Table 4.

program, but TURN addresses it more broadly here.

The Commission has previously required the inclusion of tenant protections as part of service agreements between building owners and utilities for building improvements to rental property provided through ratepayer-funded programs. For instance, the Solar on Multifamily Affordable Housing (SOMAH) program, which installs rooftop solar on multifamily affordable housing, requires a commitment from property owners through the "Tenant Benefits Affidavit" to allocate the benefits of the installed solar systems to tenants to lower their energy bills for life of the system or 20 years, whichever is less.[8] The Commission adopted a different approach for the San Joaquin Valley (SJV) Pilots Program authorized in R.15-03-010. Property owners must sign the "Split Incentives Agreement" in order for renters to participate in the SJV Pilots, which limits rent increases and eviction for a period of five-years after pilot appliance installations.[9] In adopting these requirements, the Commission explained in D.18-12-015, "A central objective of the pilot is ensuring that all households, including those occupied by tenants, experience bill savings as a result of the pilot and do not suffer negative unintended consequences."[10]

In the context of the ESA program, where the goals are energy and bill savings

[8] Host customers must sign the "Tenant Benefits Affidavit" in addition to completing the Virtual Net Metering Allocation Form to be eligible for SOMAH. *See* SOMAH Handbook, Section 2.9, p. 44, available at https://www.cpuc.ca.gov/General.aspx?id=6442454736 under the heading "The SOMAH Program Handbook".

[9] Resolution E-5043, adopted April 16, 2020, Ordering Paragraphs 2 and 3 (adopting the "Split Incentives Agreement" in Appendix B and the "Split Incentives Approach" in Appendix C). The Commission rejected calls for a longer tenant benefit agreement, similar to that used in SOMAH, because the SJV Pilots will primarily serve single-family homes with a mix of electrification and gas measures (with different useful lives), distinguishing it from the SOMAH program. *Id.*, p. 13.

[10] D.18-12-015, p. 85.

and increased health, comfort, and safety for participants, it is equally important to avoid unaffordable rent increases or tenant displacement. For this reason, TURN strongly recommends that the Commission ensure that the tenant participants in ESA do not face the risk of rent increases or eviction because of the increase in property value stemming from ESA treatment (particularly under a higher tier level of treatment). An approach similar to that adopted for the SJV Pilots could be adaptable to ESA for tenants in single-family housing or multi-family housing. TURN is open to other approaches, as well, and looks forward to considering the responses to this question and Question 31.

4. <u>All Parties</u>: The CPUC Affordability Proceeding (R.18-07-006) issued a proposed decision on June 4, 2020 for adopting metrics and methodologies for assessing the relative affordability of utility service. If this proposed decision is approved, how can the customer segmentation process described in the Staff Proposal be coordinated with affordability metrics in this proceeding? Specifically, how can areas with poor affordability metric scores be identified and prioritized for different Tiers of ESA treatments?

On July 22, 2020, the Commission adopted D.20-07-032 in R.18-07-006, which adopts three metrics for assessing affordability, i.e. the degree to which a representative household is able to pay for an essential utility service charge, given its socioeconomic status.[11] The three metrics are Hours at Minimum Wage (HM), the Socioeconomic Vulnerability Index (SEVI), and the Affordability Ratio (AR). The HM metric reflects the number of hours that a household earning minimum wage would need to work to pay for essential utility service charges.[12] SEVI allows comparison of census tracts in terms of poverty, unemployment, educational attainment, linguistic isolation, and percent of

[11] D.20-07-032, p. 10.

[12] D.20-07-032, p. 11.

income spent on housing.[13] Similar to energy burden, the AR is the percent of a representative household's discretionary income that is required to pay for an essential utility service.[14]

TURN supports the use of the Hours at Minimum Wage (HM), Socioeconomic Vulnerability Index (SEVI), and the Affordability Ratio (AR) for the purposes of customer segmentation for the ESA program. Use of these metrics by the utilities will help them to better hone in on the most vulnerable customers. As explained by TURN in response to Question 1, TURN recommends that the SEVI metric be used for geographic targeting instead of DAC status.

However, it is important to keep in mind that none of the affordability metrics (HMW, SEVI, and AR) measure energy savings potential. The level of treatment to provide a customer should depend in part on the potential for energy savings, particularly for resource measures. While non-resource measures can provide important benefits other than energy savings, some non-resource measures increase energy consumption. For communities targeted based on the affordability metrics, it is especially important to ensure that ESA treatment does not exacerbate affordability challenges. This should be a factor guiding the selection of resource and non-resource measures to provide to such customers.[15] Consideration should also be given to other clean energy programs that could offer bill reduction benefits to help offset consumption increases from non-resource measures.

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[13] D.20-07-032, p. 13.

[14] D.20-07-032, p. 16.

[15] See also TURN's response to Question 1, citing other potential unintended harms to participants.

B. Goals, Targets, and Metrics

5. <u>All Parties</u>: The Staff Proposal's Goal #1 for household energy savings is dependent on setting a baseline. Taking into account that the IOUs should be delivering a mix of Tiered treatments, how should this starting value, or baseline, from which to increase by at least 5 percent annually, be calculated? For example, the baseline could be calculated using the average household energy savings value for resource measures (annual kWh and therms per household) for program year 1 or the average savings per household the IOUs proposed in their applications for 2021, or another suggested starting value.

The Staff Proposal recommends that the household-level average savings goal increase by at least 5 percent annually over the course of the 2021-2026 period.[16] This question deals with setting the starting point against which the 5 percent would be measured.

The Commission should undertake a baseline study, or add a baseline study onto the next planned potential study, to determine initial, average ESA participant consumption. The starting value for savings from which to measure the utilities' year-over-year improvement should be calculated using the initial ESA participant consumption found by this study, and average evaluated savings for the same year.

Until the results of that study are available to set baseline consumption, the base savings level should be set to 2020 planned average ESA savings, revised to reflect 2020 year-to-date experience. The required percentage improvement for 2021 should be calculated relative to that revised planned savings level. Once the study results are available, savings for all future years should be measured relative to the baseline from the

[16] Staff Proposal, p. 2.

baseline study.

a. Will the minimum 5 percent annual increase incentivize deeper energy retrofits, or are there other components that will?

Not necessarily. If the target is annual savings and not lifetime savings, the IOUs could increase emphasis on less expensive, shorter-lifetime measures instead of the deeper energy retrofits that the Commission is looking to promote--which may be more complex and more expensive, and face more barriers to installation. To encourage deeper energy retrofits, a lifetime energy savings goal should be adopted.

b. In parallel with, or in place of the proposed 5 percent annual increase, how can the IOUs measure long-term customer value in relation to program costs, similar to the current Lifecycle Bill Savings to Program Cost Ratio metric?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

6. <u>All Parties:</u> Should the energy savings percentages by Tier (up to 5 percent for Tier 1, 5 to 15 percent for Tier 2, and 15 to 50 percent for Tier 3) remain as guidelines or be set as goals for the IOUs to meet?

Savings should be a primary focus for the utilities, rather than energy savings per tier. Energy savings percentages for each tier should be guidelines to give the utilities flexibility to cost-effectively meet overall savings goals.

The specific guidelines on energy savings per tier (up to 5 percent for Tier 1, 5 to 15 percent for Tier 2, and 15 to 50 percent for Tier 3) should be informed by a potential study focused on the low income sector. Until the potential study is completed, the proposed energy savings percentages by tier could serve as guidelines.

Once the potential study is complete, the Commission should establish guidelines

for numbers of participants per tier. This will provide the utilities with guidance on the Commission's expectations, as informed by overall policy.

7. **<u>IOUs:</u> What is your IOU's estimated average budget per household and estimated average ESA Cost-Effectiveness Test (ESACET) for each of the tiers, and how are these budgets and ESACET averages anticipated to change over time?**

8. **<u>All Parties:</u> What other targets or metrics should be considered that complement the average treated household energy savings goal? Examples could include, but are not limited to, household bill savings, or greenhouse gas (GHG) reductions.**

The goals and targets for ESA should track the three-fold purpose of the program. In D.19-06-022, the Commission explained that the ESA program is intended to: (1) conserve energy; (2) reduce energy costs for participants; and (3) improve health, comfort and safety.[17] This articulation of ESA's purpose generally tracks the Commission's earlier directive in D.08-11-031 that ESA must serve as "resource program that garners significant energy savings in our state while providing an improved quality of life for California's low income population."[18] TURN supports the adoption of an average household energy savings goal, as proposed by Staff. Beyond this goal, TURN recommends metrics and targets that correspond with the purpose of ESA.

The following table summarizes the metrics recommended by TURN, the purpose for each metric, and TURN's suggestions regarding targets.

[17] D.19-06-022, pp. 2-3.

[18] D.08-11-031, p. 2.

Metric	Purpose	Target
Average household electric and gas bill reductions	Reducing energy costs for participants is a goal of the program. Without a meaningful reduction in energy costs, ESA will fail to improve bill affordability for low-income customers struggling to afford their bills.	TURN recognizes that changes in energy bills are driven not only by energy savings, but also changes in electric and gas rates, household composition, and usage patterns. For this reason, TURN recommends that the Commission adopt an *aspirational target* for this metric of a 10% reduction in average monthly electric bills for participants pre- and post-treatment. Performance relative to this target should be calculated both with and without customers receiving building electrification measures. It is an average of all households treated, irrespective of tiers. For gas bills, TURN recommends an *aspirational target* of a 10% reduction. Performance relative to this target should be calculated both with and without customers who receive heating or water heating non-resource measures. Tracking performance relative to these aspirational targets will allow the Commission to assess the ability of the program to provide bill reduction benefits to participants. The Commission should

		leave open the possibility of adopting "hard" targets mid-cycle, depending on performance in the first few years of reporting.
Percentage of ESA customers who enroll in other ratepayer-funded clean energy programs that reduce hardship at the household level by decreasing energy consumption, decreasing energy bills, or increasing access to reliable energy in the event of power shutoffs[19]	As the Staff proposal recognizes, other clean energy programs exist to help low-income utility customers lower their bills and/or prepare for planned power shutoffs. Because of the level of contact between program implementers and participants, ESA should be used to facilitate increased enrollment in other clean energy programs. See TURN's coordination recommendations in response to Questions 18 and 20.	TURN has not developed an estimate of the number of ESA-eligible customers who would also be eligible for one or more of the other clean energy programs identified in Questions 18 and 20, nor the number of participants that can be served with existing budgets. However, to start the discussion of this issue, TURN proposes that the initial target for this metric be set at 10% for PG&E and SCE, meaning that 10% of customers treated by ESA each year will also enroll in one or more of the other clean energy programs identified by the Commission for coordination with ESA. TURN recommends an initial target of 5% for SDG&E because we expect that fewer ESA-eligible customers will be able to enroll in one of the "DAC Solar" programs.

[19] TURN appreciates that promoting other clean energy programs will provide incremental bill reduction benefits for customers treated by ESA, which will be reflected in the "average bill reduction" metric. For instance, the DAC-Green Tariff program provides a 20% bill reduction. At this point, TURN does not recommend trying to disaggregate the bill reductions from ESA from the impacts of other clean energy programs.

		TURN does not propose a target for SoCalGas at this time.
Bill Affordability-Related Metrics: • Percentage of customers treated by ESA who request payment assistance in the 12 month period following treatment, as compared to the percentage of the same customers who requested payment assistance in the 12 months prior to treatment. • Percentage of customers treated by ESA with an active payment plan in the 12 month period following treatment, as compared to the percentage of the same customers with an active payment plan in the 12 months prior to treatment. • Percentage of customers treated by ESA who are in arrears in the 12 month period following treatment, as compared to the percentage of the same customers who were in arrears in the 12 months prior to treatment. • Percentage of customers treated by ESA who are sent a disconnection	Reducing energy insecurity for low-income customers will promote health, comfort, and safety, one of the purposes of ESA. Further, California Public Utilities Code § 382 points to ESA as one of several ratepayer-funded affordability programs intended to "ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures." Tracking the data associated with these "Bill Affordability Metrics" can inform the need for future changes in program goals or design.	TURN recommends that the Commission require reporting on these metrics but not adopt a target at this time. The Commission should leave open the possibility of adopting a target mid-cycle, depending on what the data shows in the first few years of reporting.

notice in the 12 month period following treatment, as compared to the percentage of the same customers who are sent a disconnection notice in the 12 months prior to treatment. • Percentage of customers treated by ESA who are disconnected for nonpayment in the 12 month period following treatment, as compared to the percentage of the same customers who are disconnected for nonpayment in the 12 months prior to treatment.		
Estimated GHG emissions reductions	Energy savings are valuable to the State in part because of the associated GHG reductions.	At this point, TURN recommends tracking estimated GHG emissions reductions, based on the load shapes of measures installed in the program. TURN does not recommend a target at this time. TURN notes that estimating GHG emissions from electric savings (as opposed to gas savings) requires consideration of how changes in California energy demand impacts GHG emissions from across the Western Electric Coordinating Council. Changes in electric generation dispatch can result in lower GHG emissions in California but higher GHG emissions

		elsewhere in the WECC. Related, it is overly simplistic to assume that a kWh reduced by EE translates into GHG reductions – even within California – because at some times the marginal resource displaced by EE is GHG-free. Even with this complexity, the Commission should track the impact of ESA on GHG emissions to ensure that the program is providing a positive contribution to the State's climate goals.

9. <u>All Parties:</u> If the average household energy savings goal is based on resource measures only, should a separate goal be set for equity measures? If yes, what is reasonable? What is the best metric, for example, percent of budget spent, to track progress?

TURN recommends setting a household energy savings goal based on resource measures, while also adopting policies to ensure that ESA continues to provide non-resource measures as appropriate to promote health, comfort, and safety. TURN supports the conceptual proposal presented by the National Consumer Law Center (NCLC) and Natural Resources Defense Council (NRDC) in their June 5, 2020, joint informal comments on the May 20 and May 21 ESAP Workshops. NCLC/NRDC propose that the Commission "set up a separate budget for repairs and investments that do not directly lead to energy savings, but that do lead to improvements in health, comfort and safety, or

that are essential to achieve energy savings in a particular property."[20] NCLC/NRDC recommend a per home spending cap, as well as a total program sending cap. As an example, they point to the Massachusetts LEAN program, which caps total expenditures on repairs that are necessary to access the energy savings potential in a home (e.g., roof repairs, removing dangerous knob-and-tube wiring) at 1% of total program budget.

TURN recommends that the Commission designate a portion of the ESA budget for non-resource measures to ensure that program administrators and implementers perceive no conflict between a greater focus on deeper energy savings in the program and promoting health, comfort, and safety through beneficial non-resource measures. TURN does not recommend a specific budget aside-aside amount at this time, but we may do so in testimony.[21] Additionally, as explained in Question 1, the Commission should provide guidance on non-resource measure spending to ensure sufficient benefits are provided to participants to justify the cost of these measures.

TURN also looks forward to reviewing the recommendations offered by other parties and may address additional aspects of this question in testimony.

C. Budget and Costs

10. <u>All Parties:</u> What cost-effectiveness tests, other than the ESACET, and criteria should be used to evaluate the ESA program as designed under the Staff Proposal? For example, can the Societal Cost Test be an effective assessment?

Ideally, the benefit-cost test for low-income resource measures should be the

[20] NCLC/NRDC Informal Comments on May 20 & 21 Workshops, p. 7.

[21] TURN notes that some jurisdictions limit spending on health and safety measures or repairs to a percentage of total spending on the home. Some permit exceptions with utility permission. Others, as noted by NCLC/NRDC, provide a total dollar cap per home rather than a percent of spending on the home.

same as is used to assess other energy efficiency and other distributed energy resources, except for the inclusion of additional non-energy benefits that have been found to be specific to low-income offerings. For example, in Rhode Island and Massachusetts, utility low-income programs follow the same cost-effectiveness test as market rate offerings, but for certain measures and programs, additional non-energy benefits are applied. The inclusion of all applicable non-energy benefits is critical to whatever test is implemented. Low-income programs in Rhode Island for example, apply a suite of non-energy benefits ranging from bad debt write-offs and arrearages to improved safety, health benefits, and rental unit marketability.[22]

TURN recommends that the Commission use the ESACET to evaluate the ESA program because it provides the best accounting of non-energy benefits (NEBs), which are critical to any analysis of the value of the program to participants and ratepayers. The Societal Cost Test includes two environmental NEBs, the "Avoided Social Cost of Carbon Adder" and "Air Quality Adder" adjustments to the modified Total Resource Cost Test (TRC), but it does not include the participant NEBs captured by the ESACET.[23] The Commission may want to consider the SCT as an additional source of information about the benefits of ESA, but TURN does not recommend its use at this time for evaluating the ESA program.

As explained in response to Question 11, TURN recommends that the valuation of NEBs continue to be improved to support a more comprehensive assessment of ESA's

[22] National Grid Rhode Island 2020 Energy Efficiency Plan Technical Reference Manual. Available at: http://www.ripuc.ri.gov/eventsactions/docket/4979-NGrid%20TRM%202020/TRM%20Documents/PY2020%20RI%20TRM.pdf

[23] *See, generally* D.19-05-019, "Decision Adopting Cost-Effectiveness Analysis Framework Policies for All Distributed Energy Resources".

benefits using the ESACET.

11. <u>All Parties:</u> Refocusing the ESA program on deeper treatments in the next program cycle to maximize per household energy savings may decrease program cost-effectiveness compared to previous cycles. To ensure ratepayer funds are prudently spent, should the CPUC adopt a minimum threshold for program cost-effectiveness, and if yes, what should that threshold be? Should it be a hard goal or soft target?

There is value in having cost-effectiveness play a larger role in program design and administration. If the test reflects all relevant costs and benefits, a cost-effectiveness threshold or target at the program level would help to ensure that investments are directed where they provide the greatest value.

Currently, however, the ESACET is somewhat skewed, in part because significant non-energy benefits (NEBs) have not been included. For example, indoor air quality benefits have not been accounted for.[24] Other important NEBs, such as missed days of school and work, have not been accepted for inclusion in the NEB 2.0 model.[25] It is critical that there is a comprehensive accounting for NEBs in the ESACET, as NEBs tend to significantly impact cost-effectiveness for low-income programs across the country.

The California IOUs recently commissioned Applied Public Policy Research Institute for Study and Evaluation (APPRISE) to conduct an assessment of the NEBs methodology for the ESA program. This study will review and identify issues with the 46 NEBs identified in the 2019 Skumatz Navigant study.[26] Also, it will identify benefits,

[24] ESA Cost Effectiveness Working Group, June 2018, p. 7.

[25] Skumatz Economic Research Associates and Navigant Consulting, Inc. 2019. Non-Energy Benefits and Non-Energy Impact (NEB/NEI) Study for the California Energy Savings Assistance (ESA) Program, Vol. 1. Final.

[26] APPRISE, May 2020, "California Energy Savings Assistance Program Non-Energy Benefit Methodology Assessment: Final Work Plan."

costs, and data that are currently missing and make recommendations for filling these gaps. TURN supports this effort in order to give more confidence in the NEBs that are included in the cost-effectiveness assessment, identify costs and benefits that are missing, and to support a larger role for cost-effectiveness testing in program design.

TURN will address cost-effectiveness and NEBs more in testimony.

D. Program Design Elements

12. <u>All Parties:</u> What other efficiency measures should be considered that are not mentioned in the Tier treatments section of the Staff Proposal?

a. What other non-efficiency measures, such as electrification measures, should be considered?

b. How should the IOUs incorporate electrification measures that may result in GHG reductions but may also reduce average treated household energy savings?

TURN intends to address efficiency measures and electrification in testimony.

13. <u>All Parties:</u> What level of training is needed to transition existing ESA contractors to implement Tier 2 and 3 treatments?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

14. <u>All Parties:</u> How can ESA program measures support other high priority needs/objectives of state/CPUC/customers? For example, can efficiency measures be designed to exceed building fire safety codes for resiliency purposes? In particular, are there ways that envelope insulation (floor/wall/roof) measures take fire protection beyond code?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

15. <u>All Parties:</u> When significant home repairs are

necessary, such as when knob and tube wiring is present, what maximum amount per household is reasonable? Should the ESA program have a program-wide cap or set aside for home repairs for each service territory, such as an amount (for example, $1 million per year, allocated by IOU) or a percentage (for example, 5% of the overall budget)?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

E. Program Coordination Questions

16. <u>All Parties:</u> How can program data be shared effectively amongst program implementers, including those that are administered by the IOUs as well as non-IOUs like CSD? What barriers exist?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

17. <u>All Parties:</u> What metrics should the IOUs track for coordination and leveraging of other programs?

Please see TURN's response to Question 8 for a proposed metric. TURN additionally recommends that the IOUs track referrals to other CPUC-jurisdictional clean energy programs, enrollments, and reasons for non-enrollment, as well as leveraging with LIHEAP and CSD-LIWP. The information currently provided in ESA Table 14 of the Annual Reports should be expanded to include all of this information.

18. <u>All Parties:</u> From an ESA customer perspective, which programs are highest priority to coordinate with ESA, and why? From a ratepayer perspective, which programs are highest priority to coordinate with ESA, and why?

In considering this question, TURN reviewed the list of programs identified by Staff in the "Program Coordination" section of its proposal, as well as the other programs

that might provide bill reductions or health, comfort, and safety benefits to low-income customers participating in ESA. The full list of programs considered by TURN in responding to this question and to Question 20 include the following:[27]

Non-Commission Jurisdictional Programs

- CSD-Low-Income Weatherization Program (LIWP)
- Low-Income Home Energy Assistance Program (LIHEAP)

Commission Jurisdictional Programs

- Solar on Multifamily Affordable Housing (SOMAH) Program
- Disadvantaged Communities – Single-Family Solar Homes (DAC-SASH)
- Disadvantaged Communities – Green-Tariff (DAC-GT)
- Disadvantaged Communities – Community Solar Green Tariff (CSGT)
- PG&E's, SCE's, and SDG&E's Green Tariff Shared Renewables (GTSR) programs
- Utility and Third-Party Demand Response Programs
- Self-Generation Incentive Program (SGIP) – Equity Budget and Equity Resiliency Budget
- PG&E's behind-the-meter thermal storage load shifting program, "WatterSaver"
- Transportation Electrification Programs – PG&E's Empower EV Charge Network; SCE's "Residential Make Ready Rebate Program"; and Utility "Light-Duty Charging Infrastructure" programs, including PG&E "EV Charge Network", SDG&E "Power Your Drive", SCE "Charge Ready 2".

[27] TURN does not address the three California Solar Initiative programs set to expire this year or next, Single-Family Affordable Solar Homes (SASH) Program, Multifamily Affordable Solar Housing (MASH) Program, and CSI-Thermal Low-Income.

The following table presents TURN's input on relative benefits of coordination with ESA for participants and ratepayers.

Program	**ESA Customer Considerations**	**Additional Ratepayer Considerations**	**Prioritize Coordination with ESA**
LIWP, LIHEAP	Benefits include additional energy efficiency opportunities; also, by leveraging non-ratepayer dollars, could extend ESA dollars further (more "bang for the buck" for low-income customers and all customers who pay for ESA).	Ratepayers receive similar benefits as for ESA customers, though without the program participant benefits.	Yes
SOMAH	SOMAH already requires participating properties to be treated by ESA and EE programs and makes these referrals. If the ESA MF Whole Building Program also refers property owners to SOMAH, this would benefit ESA customers through electric bill reductions.	SOMAH is funded by statute through the proceeds from the sale of GHG allowances allocated to the electric IOUs, rather than directly through electric rates. SOMAH promotes equity in the distribution of benefits from rooftop solar, which is of value to ratepayers.	Yes, to the extent not already well coordinated
DAC-SASH	DAC-SASH already requires participating customers to be treated by ESA and makes these referrals. If ESA also refers property owners to DAC-SASH, this would benefit ESA customers through significant electric bill reductions.	DAC-SASH is initially funded through the proceeds from the sale of GHG allowances allocated to the electric IOUs, with the remainder, if any, of authorized budgets coming from PPP rates. As such, this program may not have any direct impact on rates. DAC-SASH promotes equity in the distribution of benefits	Yes, to the extent not already well coordinated

		from rooftop solar, which is of value to ratepayers.	
DAC-GT, CSGT	These programs provide participants with 100% renewable energy without rooftop solar and a 20% bill discount (on top of the CARE or FERA discount). They are very beneficial to participants. In light of these significant bill reductions, the Commission in D.20-07-008 directed PG&E to automatically enroll eligible customers in DAC-DT who meet additional criteria demonstrating that they are at high risk of disconnection.	DAC-GT and CSGT are initially funded through the proceeds from the sale of GHG allowances allocated to the electric IOUs, with the remainder, if any, of authorized budgets coming from PPP rates. As such, this program may not have any direct impact on rates. These programs promote equity in the distribution of benefits from rooftop solar, which is of value to ratepayers.	Yes
GTSR	Similar to DAC-GT and CSGT, these programs allow customers to receive 50-100% of their electricity demand from renewable sources, but the cost can be higher or lower than the otherwise applicable generation rate. The CARE discount is applied to the bill before the "GTSR premium" is added. Currently, PG&E's and SDG&E's GTSR rates are slightly lower than the otherwise applicable generation rate, while SCE's GTSR rates are slightly higher. The GTSR premium changes	By statute, non-participating ratepayers are "indifferent" to GTSR.	Not at this time

	annually, so these impacts could change in the future.		
Utility and Third-Party Demand Response Programs	In D.16-11-022, the Commission required ESA to educate and encourage customers to sign up for residential demand response programs and to facilitate that, to install air conditioning cycling program controls when installing AC measures through ESA. Direct load control demand response programs, like the utility programs at issue in D.16-11-022, provide eligible customers with an opportunity to lower their electricity bills without any risk of penalty. PG&E and SCE both report success at referring ESA customers to their AC cycling programs in their Annual Reports.[28]	Ratepayers benefit from demand response programs	Yes, to the extent additional coordination makes sense. However, ESA customers should not be encouraged to participate in "stick" demand response programs, only "carrot" programs, to guard against to the possibility of bill increases.
SGIP Equity Budget and Equity Resiliency Budget	These programs provide behind-the-meter battery storage to eligible customers. Participants are not required to have solar. Adding battery storage without solar can result in an increase in customer bills, depending on the	The Equity and Equity Resiliency budgets within SGIP promote equity in the distribution of benefits from battery storage, which is of value to ratepayers. Battery storage can result in an increase in GHG emissions, depending on	Yes, for customers with solar (or being referred to DAC-SASH or SOMAH)

[28] PG&E 2019 CARE/ESA Annual Report, Section 1.8.5, p. 27; SCE 2019 CARE/ESA Annual Report, Section 1.3.4, p. 16 and Section 1.7.5, pp. 27-28.

	time of day of charge and discharge, the customer's rate schedule before adding storage and after, and the customer's load profile. Adding battery storage with solar will provide bill savings for most customers. Battery storage provides some reliability benefits in the event of a power outage, but the duration of backup power depends on the size of the battery and the amount of household load the battery is serving. Backup power may last for several hours or longer. With solar, the battery can recharge during the day, extending the duration of reliability benefits. These benefits can improve health, comfort, and safety.	the marginal resource when batteries charge.[29] Installing solar on the customer side of the meter to directly charge a battery storage installation, or programming storage charging and discharging times to incorporate expected marginal GHG emission rates on the grid, can mitigate this risk.	
PG&E's WatterSaver program	This program, when operational, will provide performance incentives to customers for heat-pump and electric resistance water heater load shifting. PG&E estimates zero to very minimal bill savings for participants, but participants will receive program incentives averaging $72.50 / year.[30]	As currently proposed, this program is not cost-effective for ratepayers when the 2020 Avoided Cost Calculator is used.[31]	If the Commission approves the current program design, the incentives for participants will help make bills more affordable.

[29] D.19-08-001, pp. 4-5 (discussing the results of SGIP 2014-2015, 2016, and 2017 impact evaluations, which all found an increase in GHG emissions from storage).

[30] PG&E Advice Letter 5731-E-A.

			As a result, this program may be worth coordinating with ESA.
Transportation Electrification Programs – PG&E's Residential Empower EV Charge Network, SCE's Residential Make Ready Rebate Program	These programs provide incentives that reduce the cost for residential customers to install electric vehicle (EV) charging infrastructure at their homes. The PG&E program is for low/moderate income customers, while the SCE program requires that at least 50% of funds go to customers living in DACs. Putting aside the costs of acquiring an EV and setting up charging infrastructure, ESA customers who purchase EVs can reduce their fuel costs relative to a gas engine vehicle. EVs also improve air quality relative to driving gas engine vehicles. This air quality benefit supports improved health, comfort, and safety.	Participation by ESA customers in these programs will promote equity in the distribution of benefits from electric vehicles, which is of value to ratepayers.	At this time, TURN does not believe these programs should be high on the prioritization list because of the upfront cost for customers to acquire an electric vehicle.

19. <u>All Parties:</u> How can the IOUs participate in, and coordinate with other programs, agencies, and organizations to develop workforce education and training and development opportunities targeted to Disadvantaged Communities? (While the Guidance Decision already asked for IOU responses, we would

[31] Public Advocates Office Protest to PG&E Advice Letter 5731-E-A, pp. 6-7.

like feedback from all parties on this topic to bring forward new ideas.)

TURN looks forward to reviewing responses to this question provided by other parties.

20. <u>All Parties:</u> What services and programs listed in the Program Coordination section should be targeted to existing or new customers at risk for non-payment or disconnection? In addition, what services should be targeted to segments or zip codes with the highest disconnection rates?

In response to Question 18, TURN summarized the potential of the programs listed in Staff's Program Coordination section, as well as other customer programs, to provide meaningful bill reductions to participants. Of these programs, those with the greatest potential for bill reductions are the following: DAC-GT, DAC-SASH, and CSGT. These programs require participants to reside in a DAC.[32] They should be targeted to ESA customers at risk of disconnection in DACs, and especially to customers in zip codes (in DACs) with the highest disconnection rates.

For customers not in DACs who are at risk for disconnection or in the highest disconnection rate zip codes, TURN recommends coordinating ESA treatment with LIHEAP or CSD-WAP, as relevant to the customer. This coordination could provide greater energy savings and thus bill reductions, depending on energy savings potential.[33]

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[32] TURN notes that the DAC-SASH administrator, GRID Alternatives, filed a petition for modification of D.18-06-027 in R.14-07-002 to expand the geographic eligibility for DAC-SASH to include tribes and low-income census tracts. That petition is pending.

[33] While these figures are not specific to California, TURN notes that According to national evaluations of the Weatherization Assistance Program (to which many states divert LIHEAP funds), gas savings from WAP are 16-18%, and electric savings are 7-8 %. https://www.energy.gov/sites/prod/files/2015/08/f25/WAP_NationalEvaluation_WxWorks_v14_blue_8%205%2015.pdf *See also* PG&E's 2019 CARE/ESA Annual Report, Appendix D (Findings from the Consumption Drive Weatherization (CDWx) Pilot). The CDWx Pilot used data-driven analysis to target high usage customers to receive additional weatherization measures

21. <u>All Parties:</u> How can the IOUs promote low-income and affordable broadband programs in order to better leverage energy management technologies as part of Tier 2 – Strategic Treatments?

The ESA program provides a "high touch" level of contact with customers that is unique among ratepayer-funded low-income programs. While every contact with a low-income customer is an opportunity to educate them on available programs and how to sign up, that opportunity is even greater when the customer has expressed interest in a low-income program (and in fact has an implementer in their home). It makes sense to take full advantage of the opportunity to educate ESA customers on available low-income and affordable broadband programs. To this end, TURN supports incorporating information about such programs into the marketing and educational materials provided in conjunction with the ESA program, and specifically during the energy education component of ESA services. During energy education, the implementer could alert the customer to the energy management and savings opportunities enabled by high speed internet and provide basic information about available programs.

To facilitate this integration of outreach for affordable broadband into ESA, the Commission should prepare collateral material for use in the ESA program, including information about the California LifeLine program as well as voluntary programs offered by various broadband providers. The Commission should also maintain this information on its website in a consumer-friendly location and format so the energy utilities could provide a link through their websites. The Commission currently provides information about "Affordable Internet Service Plans" on its COVID-19 webpage which could be

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that fall outside current ESA program guidelines, with the added benefit of including CSD LIHEAP program offerings.

referenced by the utilities, but this is not necessarily a permanent webpage.[34]

22. <u>All Parties:</u> How can the IOUs leverage their existing relationships with Community Based Organizations (CBOs) and solicit feedback in order to meet the goals?

a. Can CBOs assist with the universal application in its development or use?

TURN looks forward to reviewing responses to this question provided by other parties.

F. Universal Application System

23. <u>All Parties:</u> As part of Goal #3, Staff is proposing a universal application system that allows low-income households to complete one application in order to receive services from multiple programs, starting with CARE/FERA and ESA, but potentially including other clean energy programs administered by the IOUs, and other state agencies (for example, CSD) and third-parties.

a. Please address the feasibility of creating a universal application system for *CARE/FERA/ESA programs statewide.*

b. Please address the feasibility of creating a universal application system across *CARE/FERA/ESA programs statewide and other low-income programs.*

TURN looks forward to reviewing responses to this question provided by other parties.

III. QUESTIONS ON THE IOUS' APPLICATIONS

A. Budget and Costs

24. <u>All Parties:</u> The CPUC more than doubled annual ratepayer collections for ESA, from approximately $157

[34] See https://www.cpuc.ca.gov/covid19protections/.

million in 2008 to approximately $368 million in 2012, in order to achieve the statutory goal of treating all willing and eligible customers by 2020 pursuant to SB 695 (Kehoe, 2009). Budget increases starting in 2009 were based on the number of willing and eligible households not yet treated in each IOU service territory multiplied by the average cost of treatment per household in that territory. The Commission recognized in D.19-06-022 that the IOUs were on track to meet the 2020 treatment goals and that the next phase of the ESA program would be different. In their applications for program years 2021-26, the IOUs proposed to maintain ratepayer collection levels at approximately $432 million per year on average.

a. Post-2020, what criteria should the CPUC use to determine appropriate ratepayer collection levels for ESA?

b. Should the CPUC return ESA ratepayer collections to pre-SB 695 levels following completion of the 2020 treatment goal? If not, please address what budget level is needed to achieve ESA program goals once all willing and eligible homes have been treated and avoid low-income ratepayer burden.

c. How would reducing 2021-26 annual budgets from the levels proposed by the utilities to pre-SB 695 levels impact the following:

- CARE and non-CARE rates
- Average bill savings per customer
- Lifecycle bill savings divided by total budget
- Total energy savings divided by total budget
- Program-wide ESACET
- GHG emissions reductions from the program
- Health, comfort, and safety components of the program

d. While there is not a CPUC or ESA requirement to maintain a constant ESA workforce, it is appropriate to consider a transition plan to avoid abrupt change to contractors. How would reducing the budget in 2021-26 impact them? What steps could the CPUC, IOUs, and

contractors take to mitigate any negative impact (for example, workforce programs designed to help ESA contractors pivot to work on other clean energy programs)?

e. Would reducing ESA ratepayer collection levels adversely impact other CPUC programs that may have been forecasting a certain level of energy use reduction due to ESA? Please be specific.

f. How is the COVID-19 pandemic likely to impact demand for ESA services in 2021-26? How should the CPUC factor in that impact when determining appropriate ratepayer collection levels for ESA?

TURN suggests that the Commission should set goals first, then determine the budget. Historical spending can guide current spending levels but should not drive it. Please see the response to Question 8 regarding the goals of the program.

25. <u>All Parties:</u> How do ESA annual ratepayer collections compare to annual ratepayer collections for other CPUC clean energy programs serving low-income customers (e.g. SOMAH, SGIP)? How do they compare to annual ratepayer collections for the general energy efficiency budget (including breakdown of categories, such as codes and standards, etc.)? How do they compare to ratepayer-funded low-income energy efficiency programs in other states or jurisdictions?

TURN addresses the last part of this question, asking about comparisons to other states or jurisdictions. As a percent of revenue, California utilities spend roughly in line with other top-performing utilities in the U.S. on low income energy efficiency. ACEEE's 2020 utility scorecard data on low income program spending in 2018 show that SDG&E is spending slightly less than the median of the top 25 utilities in terms of low income spending.[35] As shown in the table below, PG&E and SCE are spending more than

[35] ACEEE 2020. Utility Scorecard Data, Table 27: Scores for Low Income Programs in 2018 and

the median. On this basis, the levels of IOU spending on low income electric energy efficiency appear to be appropriate or could be increased to be more consistent with what top-performing utilities in the low-income area are spending.

ACEEE Utility Scorecard: Utilities with Highest Spending on Low Income Energy Efficiency Programs

Utility	LI Spending	Revenues[36] ($000)	LI Spending as a Percent of Revenues
NG MA	$42,436,141	$2,340,736	1.81%
Ameren IL	$25,672,329	$1,497,943	1.71%
Eversource MA	$30,024,372	$2,901,061	1.03%
PG&E	$124,956,059	$13,608,079	0.92%
CPS	$18,453,718	$2,248,565	0.82%
BGE	$16,764,710	$2,088,877	0.80%
ComEd	$34,887,470	$5,013,341	0.70%
We Energies	$17,872,648	$2,838,853	0.63%
PPL	$11,401,789	$1,897,228	0.60%
SCE	$67,817,718	$ 1,849,300	0.57%
LADWP	$18,077,831	$3,821,149	0.47%
PECO	$8,800,000	$2,176,953	0.40%
Eversource CT	$11,599,848	$2,904,049	0.40%
SDG&E	$ 12,851,046	$3,804,123	0.34%
Oncor	$ 10,335,223	$3,534,746	0.29%
OG&E	$5,252,102	$1,876,060	0.28%
DTE	$ 13,752,866	$5,101,459	0.27%
AEP TC	$2,596,250	$ 997,770	0.26%
PGE	$4,567,291	$1,760,151	0.26%
CenterPoint	$5,319,615	$2,221,747	0.24%
PSE	$5,052,281	$2,175,580	0.23%
TECO	$4,361,381	$1,998,478	0.22%
Ameren MO	$5,109,576	$3,161,694	0.16%
Xcel CO	$3,779,035	$2,737,949	0.14%
Entergy AR	$2,177,777	$1,667,418	0.13%
Median			0.40%

Table 1: All Utilities by Sales Volume.

[36] TURN discovered that this table appears to contain errors in the Revenues column, as the example of SCE demonstrates. TURN may update this table with a corrected version when available.

Table note: We assume that ACEEE data on low income program spending is in dollars, not in thousands of dollars as indicated in the ACEEE spreadsheet.

26. <u>All Parties:</u> Public Utilities Code Section 382(a) requires that ESA be "funded at not less than 1996 authorized levels based on an assessment of customer need." What were the major findings of the most recent Low-Income Needs Assessment, and how should they inform the CPUC's determination on ESA ratepayer collection levels for program years 2021-26?

TURN wishes to call attention to several findings and recommendations of the 2019 Low Income Needs Assessment (LINA).

- Alternative fuels (Alt-fuels, e.g., propane, wood/wood pellets, and oil) appear to be associated with higher energy burden and other hardships. Alt-fuel customers have higher total housing-related energy burden (8.7%) than non-alt-fuels customers do (5.5%). Alt-fuel customers report greater economic and health hardships than other customers. At the same time, alt-fuels customers experience fewer benefits from ESA participation than other customers do, because alt-fuels equipment is not eligible for ESA upgrades.[37]
- Energy burden is higher for customers with low service reliability (6.6%) than for those with high service reliability (5.3%). Low service reliability customers' higher burden appears to be associated with non-white race/ethnicity, senior household members, smaller household sizes, and

[37] Opinion Dynamics. 2019 California Low-Income Needs Assessment. Final Report: Volume 1 of 3: Summary of Key Findings, p. 9.

living in a manufactured/mobile home (vs. other housing types).[38]

The LINA makes recommendations with respect to both of these findings. Namely, it recommends monitoring alt-fuel customer characteristics and participation in ESA. It also recommends targeting outreach to alt-fuel customers, particularly propane users, to inform them of alternatives. TURN supports these recommendations, except that the emphasis should be on switching to electricity-using equipment rather than switching to natural gas.[39] (See the response to Question 1).

The LINA also recommends using reliability data (e.g., SAIDI/SAIFI) to monitor ESA penetration rates in low and high service reliability areas. Further, the LINA calls for monitoring low-reliability customers' energy usage patterns and bill amounts. These data can provide information to support targeted program development.[40]

These findings and conclusions do not suggest a specific level of funding for the ESA. They do suggest that additional funding may be needed (1) to support further research, i.e., regarding participation and energy use in low-reliability areas, and (2) to develop targeting strategies and offerings to effectively target these populations, while still maintaining or increasing offerings to other target populations (e.g., multi-family renters).

[38] Opinion Dynamics. 2019 California Low-Income Needs Assessment. Final Report: Volume 1 of 3: Summary of Key Findings, p. 10.

[39] Opinion Dynamics. 2019 California Low-Income Needs Assessment. Final Report: Volume 1 of 3: Summary of Key Findings, p. 10.

[40] Opinion Dynamics. 2019 California Low-Income Needs Assessment. Final Report: Volume 1 of 3: Summary of Key Findings, p. 11.

27. <u>All Parties:</u> IOUs have historically spent significantly less than their authorized annual ESA budgets. What measures should the CPUC adopt to improve estimates of budgetary needs moving forward?

In adopting goals for the ESA program, the Commission should seek to address the IOUs' history of underperformance. The goals should be clearly stated and verifiable. To address the historical underperformance, the utilities should be notified that if they fail to perform even after goals have been put in place, the Commission will consider putting penalties into place in future program cycles.

TURN also recommends that instead of basing goals on historical performance, goals should be based on a true baseline study. Budgets should ideally be developed around achieving energy savings goals, as well as a specific carve-out of the budget for non-resource measures.

B. Multifamily

28. <u>IOUs:</u> For the IOU's proposed Multifamily Whole Building Program, what criteria will the IOUs put forward in the solicitation process to achieve deeper energy savings? How does the proposed solicitation process follow Public Utilities Code 327(b)?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

29. <u>All Parties:</u> If a peer review group is created for the Multifamily Whole Building Program solicitation process, who should serve or be represented in this group?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

30. <u>IOUs:</u> There are substantial differences among the IOUs on such issues as serving the deed-restricted and

non-deed restricted and seeking statewide versus regional bids from implementers. Do these differences create barriers for owners with properties in multiple service areas or where gas is provided by one IOU and electric by another? If the program remains for deed-restricted properties only, and these customers typically own many properties across the state in their portfolios, is a statewide program the best option? Why or why not?

TURN looks forward to reviewing the responses to this question provided by other parties and may address this issue in testimony.

31. **<u>All Parties:</u> How can non-deed restricted housing owners be held accountable to ensure that the property is not "flipped" or that rents are not raised once the ESA retrofits are completed?**

Please see TURN's response to Question 3 which addresses the risk of rent increases and displacement for tenants in general. TURN understands that other parties will provide additional suggestions more specific to multifamily housing. TURN looks forward to working with other parties to achieve the goal of preventing harm to tenants participating in the ESA program.

C. CARE/FERA

32. **<u>IOUs:</u> Discuss, in detail, whether the budgets proposed to update existing probability models should be augmented and/or reallocated in light of COVID-19.**

33. **<u>IOUs:</u> Discuss, in detail, whether recent Athens data in filed February 2020, should be updated to account for COVID-19 impacts and the associated economic downturn resulting in significant increases in the estimated eligible population.**

34. **<u>IOUs:</u> Provide a count of households in your service territory that have been enrolled in CARE/FERA for 5 or more years consecutively but never approached or participated in ESA and propose an outreach plan and strategy to effectively target this population and**

mitigate this program participation gap?

35. **<u>IOUs:</u> Propose an outreach plan and strategy to effectively target and address specific counties with CARE penetration levels below 70 percent and in zip codes that experience the highest disconnection levels (in the top 10th percentile).**

36. **<u>All Parties</u>: How can marketing, education, and outreach materials for CARE/FERA reference the California Lifeline program (enabling income-qualified customer access to broadband services) and other low-income programs?**

Consistent with TURN's response to Question 21, TURN supports the inclusion of basic information about LifeLine in the utilities' low-income program ME&O materials. LifeLine should be listed in brochures, as well as on utility webpages with information about programs and resources for low-income customers. Information about existing affordable or low-income broadband options could be included.

To facilitate this information-sharing across sectors, the Commission should provide the energy utilities with basic, current information about LifeLine and broadband resources for low-income customers for inclusion in low-income ME&O materials. The energy utilities could provide links to a Commission-maintained webpage or program-specific website with this information as an alternative to including more content on their own websites.

The energy utilities are already doing this to some extent. For instance, PG&E provides information on its website about "Discounted phone service," which includes a link to the California LifeLine program website and a pilot program PG&E is conducting with Boost Mobile.[41] TURN is not aware of any information about affordable broadband

[41] https://www.pge.com/en_US/residential/save-energy-money/help-paying-your-bill/longer-term-assistance/care/care.page. *See also* https://www.sdge.com/residential/pay-bill/get-payment-

on the utilities' websites.

While TURN has focused on LifeLine and broadband in this response, TURN also believes that it makes sense to integrate basic information about low-income water programs (particularly Commission-jurisdictional programs) into the low-income ME&O materials used by the energy utilities. Again, TURN recommends that the Commission prepare and maintain the brochure and website content for low-income water programs.

IV. CONCLUSION

TURN shares the goal articulated in the Staff Proposal of increasing energy savings for low-income customers through ESA because it promotes equity and bill savings for participants, while also providing economic benefits to ratepayers and environmental benefits to everyone. TURN likewise supports Staff's vision of increasing these benefits for low-income customers by coordinating ESA with other clean energy programs. TURN appreciates the opportunity to address the questions raised by the ALJ Ruling regarding changes to the ESA program to promote deeper energy savings and program coordination. After considering the comments of other parties, TURN may refine the recommendations offered herein and provide new recommendations in our testimony and briefs.

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bill-assistance; https://www.sce.com/residential/assistance/care-fera.

Date: July 24, 2020

Respectfully submitted,

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