STATE OF CALIFORNIA Edmund G. Brown Jr., *Governor*



PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

**CPUC Low Income Energy Programs**

**California Alternate Rates for Energy**

 **Fact Sheet**

California Alternate Rates for Energy (CARE) - What is it?

* CARE provides a rate discount to all eligible participants. Currently the discount is between 32-39%[[1]](#footnote-1) for electric charges and 20% for natural gas charges.
* Income eligibility for CARE participation is set at 200% or less of Federal Poverty Guidelines (FPG).
* CARE is funded by non-participating CARE customers as part of a statutory “public purpose program surcharge” that appears on monthly utility bills.

CARE Enrollment and Verification Process

* CARE is administered by the utilities, often in partnership with Community Based Organizations (CBOs) who enroll eligible customers in their communities.
* CARE is a self-certification program, with targeted post enrollment income verification.
* High energy usage CARE customers are also targeted for energy efficiency program enrollment (Energy Savings Assistance Program) and other conservation efforts.

Program Year 2016 Program Accomplishments[[2]](#footnote-2):

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Utility** |  **CARE Program** | **Customer Benefit[[3]](#footnote-3)** | **Customer Subsidy** | **Admin Costs** | **Avg Monthly Discount** | **Est. Eligible CARE Customers[[4]](#footnote-4)** | **Customers Served[[5]](#footnote-5)** | **Penetration rate** |
| PG&E | Electric | 37% | $489,890,983  | $9,918,297  | $32.72  | 1,612,148 | 1,423,324 | 88% |
| Gas | 20% | $97,825,083  | $2,297,890  | $7.11 |
| SCE | Electric | 32.50% | $348,951,329  | $6,012,799  | $23.99  | 1,520,058 | 1,235,755 | 81% |
| SDG&E | Electric | 39% | $93,041,550  | $4,350,624  | $20.45  | 350,715 | 270,620 | 77% |
| Gas | 20% | $10,075,898  | $504,853  | $3.05  |
| SoCalGas | Gas | 20% | $107,303,947  | $6,662,775  | $6.17  | 1,911,495 | 1,570,566 | 82% |
| **Statewide** |   |  | **$1,147,088,790**  | **$29,747,238**  |  |  |  |  |

Program Years 2017-2020 Program Authorized Budgets (Administrative + Subsidies) and Goals[[6]](#footnote-6):

|  |  |
| --- | --- |
| **Authorized CARE Administrative Budgets & Subsidies** | **Penetration Goal** |
|  | **2017** | **2018** | **2019** | **2020** |  |
| PG&E | $597,561,454  | $604,914,453  | $610,963,597  | $617,073,233  | 90% |
| SCE | $464,298,306  | $488,745,726  | $493,633,183  | $498,569,516  | 90% |
| SDG&E | $76,827,851  | $79,973,069  | $80,772,801  | $81,580,528  | 90% |
| SoCalGas | $140,277,040  | $141,330,650  | $142,743,956  | $144,171,396  | 90% |
| **Total** | **$1,278,964,651**  | **$1,314,963,898**  | **$1,328,113,537**  | **$1,341,394,673**  |  |

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**CPUC Low Income Energy Programs**

**Energy Savings Assistance Program**

 **Fact Sheet**

Energy Savings Assistance Program (ESA) - What is it?

* The ESA Program installs weatherization and energy efficiency measures, provides minor home repairs, and energy education at no cost to income eligible program participants.
* Income eligibility for ESA participation is set at 200% or less of the Federal Poverty Guideline (FPG).
* ESA is funded by ratepayers as part of a statutory “public purpose program surcharge” that appears on monthly utility bills.
* The goal is to reduce energy consumption, resulting in bill savings, while also increasing the health, comfort, and/or safety of the household.

ESA Program Goals and Mandate

* PU Code Section 2790 requires an electrical or gas corporation to perform home weatherization services for low income customers. A utility must balance the cost effectiveness of the weatherization services and the policy of reducing the hardships facing low income households.
* By 2020, 100% of all eligible and willing low income customers will be given the opportunity to participate in the program.
* An ongoing aspiration for the ESA program is that it will be an energy resource by delivering increasingly cost-effective and longer-term savings to participants.

ESA Enrollment and Verification Process

* Customers are enrolled into the program through various channels including leads from CARE program participants, door to door neighborhood canvasing, direct mail, email, community based organizations, categorical enrollment, and community events.
* ESA is an income verified program. Customers can also enroll automatically if their household is already enrolled in another assistance program with similar financial criteria.
* As the program matures and nears its 2020 goal, the program will be targeting high energy usage and hard to reach customers not yet enrolled.

Program Year 2016 Program Accomplishments[[7]](#footnote-7):

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Utility** |  **ESA Program** | **Expenditures** |  **Energy Saved (Annual kWh , Therms)**  |  **Homes Weatherized[[8]](#footnote-8) in 2016**  | **Avg 1st Year Bill Savings / Treated Households**  | **Avg Lifecycle Bill Savings / Treated Households** |
| PG&E | Electric | $59,116,944  |  25,859,062  |  72,459  | $75   | $721   |
| Gas | $46,069,237  |  1,524,512  |
| SCE | Electric | $56,855,018  |  27,490,490  |  41,070  | $87  | $1,076  |
| SDG&E | Electric | $8,444,373  |  3,259,200  |  17,740  | $38 | $373   |
| Gas | $8,975,217  |  264,716  |
| SoCalGas | Gas | $58,235,948  |  950,355  |  56,608  | $9  | $79  |
| **Statewide** |   |  **$237,696,736**  |  |  **187,877**  |  |  |

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**CPUC Low Income Energy Programs**

**Energy Savings Assistance Program**

**Fact Sheet (cont.)**

Program Treatment Rate:

|  |
| --- |
| **ESA Treatment Rate as of December 2016** |
|  **IOU**  |  **Est. Eligible ESA Households**[[9]](#footnote-9) |  **Households Treated by ESA Program 2002-2016**  |  **% Households Treated by ESA Program 2002-2016**  |  **Remaining Households to treat by 2020**  |
|  PG&E  | 1,471,142 | 1,292,580 | 88% | 178,562 |
|  SCE  | 1,178,140 | 856,017 | 73% | 322,123 |
|  SDG&E  | 305,140 | 270,452 | 89% | 34,688 |
|  SoCalGas  | 1,628,596 | 1,135,633 | 70% | 492,963 |

Program Years 2017-2020 Program Authorized Budgets & Household Treatment Goals[[10]](#footnote-10):

|  |
| --- |
| **Authorized ESA Program Budgets** |
|  | **2017** | **2018** | **2019** | **2020** |
| PG&E | $152,928,421  | $155,920,833  | $159,039,250  | $162,220,000  |
| SCE | $62,375,617  | $62,540,498  | $63,791,300  | $65,067,100  |
| SDG&E | $30,649,505  | $31,631,921  | $32,264,550  | $32,909,800  |
| SoCalGas | $126,782,639  | $129,251,729  | $131,836,750  | $134,473,450  |
| **Total** | **$372,736,182**  | **$379,344,981**  | **$386,931,850**  | **$394,670,350**  |

|  |
| --- |
| **ESA Household Treatment Goal 2017-2020** |
|  | **2017** | **2018** | **2019** | **2020** | **Total** |
| PG&E | 90,030  | 94,532  | 99,258  | 104,221  | 388,041  |
| SCE | 54,509  | 57,234  | 60,096  | 63,101  | 234,940  |
| SDG&E | 20,316  | 21,332  | 22,398  | 23,518  | 87,564  |
| SoCalGas | 110,000  | 115,500  | 121,275  | 127,339  | 474,114  |
| **Total** | **274,855**  | **288,598**  | **303,027**  | **318,179**  | **1,184,659**  |

*\*Household treatment goals allow for first time treatments (homes never treated or treated pre-2002) as well as retreatments (homes treated post 2002).*

1. SB 327 (2012) provides that CARE discounts should be not less than 30% and not more than 35%, discounts are being reduced in phases to prevent rate shock. [↑](#footnote-ref-1)
2. Source: Investor Owned Utilities’ Dec 2016 Monthly CARE and ESA program Report unless otherwise noted. [↑](#footnote-ref-2)
3. PGE AL 5011-E, SDG&E AL 3033-E, SCE AL 3509-E [↑](#footnote-ref-3)
4. Source: 2017 Athens Report of Annual Estimates of CARE Eligible customers. Measures the number of households qualified for the program in each utility’s service territory, and does not account for overlapping customers who receive service from more than one IOU. [↑](#footnote-ref-4)
5. Some customers are enrolled in more than one program, for example SCE for electricity and SoCalGas for natural gas. [↑](#footnote-ref-5)
6. Decision 16-11-022 [↑](#footnote-ref-6)
7. Source: Investor Owned Utilities’ Dec 2016 Monthly CARE and ESA program Report unless otherwise noted. [↑](#footnote-ref-7)
8. Some households may have been treated by more than one program, for example SCE for electricity and SoCalGas for natural gas. [↑](#footnote-ref-8)
9. Source: Advice Letters PG&E AL 3830-G/5043-E, SDG&E AL 3065-E/2568-G, SCG AL5111, SCE AL 3585-E. These estimates are based on the 2017 Athens Report of Annual Estimates of CARE Eligible customers, and are then adjusted for the 60% willingness to participate factor, and Homes treated by CSD. [↑](#footnote-ref-9)
10. Decision 16-11-022, and does not include $400M in unspent funds accumulated between 2009-2015 [↑](#footnote-ref-10)