

CPUC Public Agenda 3494

Thursday, October 7, 2021, 10:00 a.m.

Remote Presentation

Commissioners:

Marybel Batjer, President

Martha Guzman Aceves

Clifford Rechtschaffen

Genevieve Shiroma

Darcie L. Houck

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California Public
Utilities Commission

CPUC Mission

We Empower California through:

- Assuring utility services are clean and safe.
- Providing for critical services and infrastructure.
- Designing rates that are fair and reasonable.
- Protecting the interests of consumers and ratepayers

CPUC Core Values



Accountability



Excellence



Integrity



**Open
Communication**



Stewardship

Commissioner Code of Conduct

- I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.
- II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.
- III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.
- IV. Commissioners are public officials who should uphold the integrity of their office at all times.

Public Comment

- Per Resolution ALJ-252, **any member of the public** (excluding parties and their representatives) **who wishes to address the CPUC about matters before the Commission** must call in to toll-free number:



1-800-857-1917

Passcode: 9899501

- ***Para escuchar esta reunión en español, por favor llame: (800) 857-1917, código de acceso: 3799627.***
- Once called, each speaker has up to 1 minute at the discretion of the Commission President. *Depending on the number of speakers.*
- A bell will ring when time has expired.
- Public Comment is not permitted on the following items:
 - 12 and 24
 - All items on the Closed Session Agenda

Public Agenda Changes

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.

- Items on Today's Consent Agenda are:
1, 2, 4, 5, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20 and 21.
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **Item 27** from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **No Item** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - **Held to 10/21/21: 3, 6, 12 and 13.**

Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov
- Late changes to agenda items are available on the Virtual Escutia Table.

Regular Agenda | Energy Orders

Item #22 [19833] – Percentage of Income Payment Plan Pilot Programs

R.18-07-005

Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs.

Ratesetting

Comr. Houck - Judge Wang

PROPOSED OUTCOME:

- Orders Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company to implement Percentage of Income Payment Plan pilot programs for up to 15,000 total participants.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this order.

ESTIMATED COST:

- The estimated cost of the pilots over the four-year pilot period is around \$38 million.

Regular Agenda | Energy Orders (continued)

Item #23 [19878] – Safety Culture Assessments Pursuant to SB 901

R. _____

Order Instituting Rulemaking to Develop Safety Culture Assessments for Electric and Natural Gas Utilities.

PROPOSED OUTCOME:

- New Order Instituting Rulemaking Adopting Safety Culture Assessments Pursuant to SB 901.

SAFETY CONSIDERATIONS:

- The purpose of this Order Instituting Rulemaking is to develop and adopt a safety culture assessment framework and identify the structure, elements, and process necessary to drive each regulated investor-owned electric and natural gas utility and gas storage operator to establish and continuously improve their organization-wide safety culture.

ESTIMATED COST:

- There are no costs associated with this decision.

Regular Agenda | Orders Extending Statutory Deadline

Item #24 [19873] – Order Extending Statutory Deadline

C.19-04-005

Fred Sahadi, individually and as Trustee of the Fred Sahadi Revocable Living Trust vs. San Jose Water Company.

Adjudicatory

Comr. Houck - Judge Ferguson

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until February 8, 2022.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Regular Agenda | Orders Extending Statutory Deadline (continued)

Item #25 [19875] – Order Extending Statutory Deadline

A.18-10-008, A.18-10-009 and A.18-10-010 - Related matters.

Application of Pacific Gas and Electric Company in Compliance with Ordering Paragraph 37, Resolution E-4906.

Ratesetting

Comr. Guzman Aceves - Judge Hymes

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until October 19, 2022.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Regular Agenda | Orders Extending Statutory Deadline (continued)

Item #26 [19881] – Order Extending Statutory Deadline

A.20-04-020, A.20-04-021 - Related matters.

Application of the San Diego Association of Governments for an order authorizing construction of a pedestrian-rail grade separated crossing in the City of Del Mar, San Diego County, California.

Ratesetting

Comr. Shiroma - Judge Doherty

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until January 15, 2022.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Management Reports



Item #28 [19883]

Report and Discussion on Recent Consumer Protection and Safety Activities

Actions to Protect Customers During the COVID-19 Pandemic

Utility Disconnection Moratoria and Arrearage Management

Rachel Peterson, Executive Director

Edward Randolph, Deputy Executive Director, Energy and Climate



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Energy Actions to Protect Customers

Moratorium on Disconnections

- Established by Resolution M-4842 (April 2020)
 - Residential and small business customers covered
 - Ratified Executive Director letter sent to IOUs March 2020
 - Extended through June 2021 by Resolution M-4849 in February 2021
 - Extended through September 2021 by D.21-06-036
 - To give IOUs time to enroll customers in automatic payment plans
 - Medium and large commercial customers covered by D.21-04-015
 - Originally set to expire in June 2021, but D.21-04-015 automatically extends this moratorium if the resident/small business moratorium is extended
- Zero disconnections for nonpayment since implementation
- IOUs may not charge late fees or interest on past-due bills

Other Customer Protections During COVID

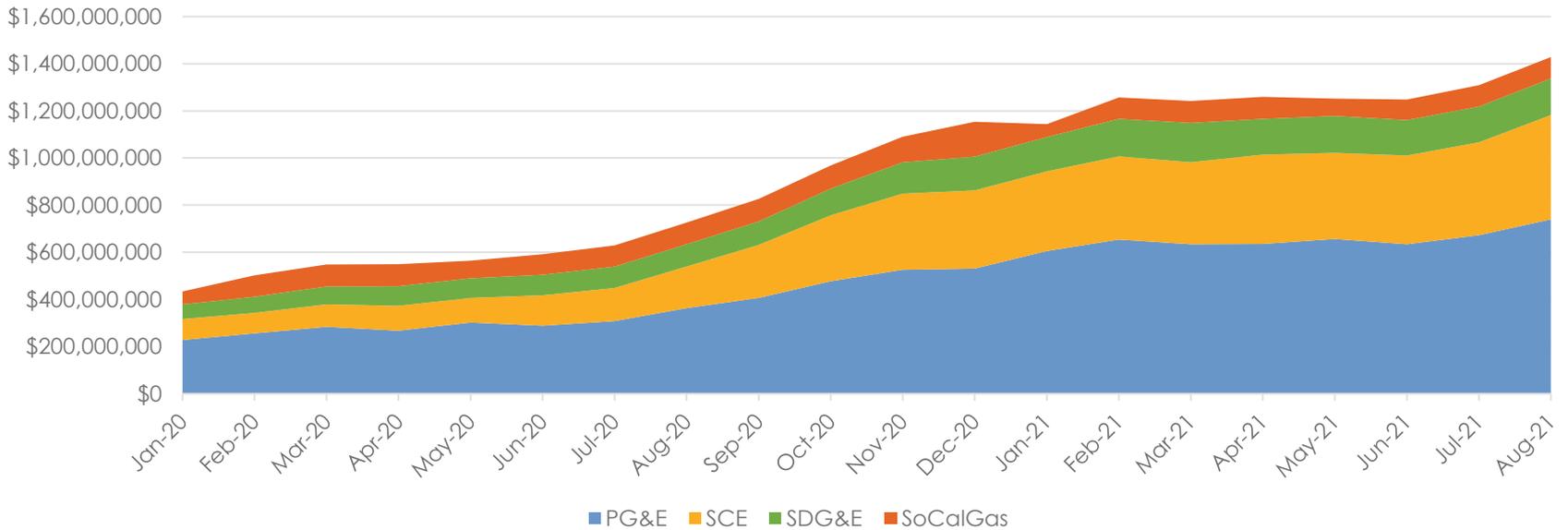
- **California Alternate Rates for Energy (CARE) and Family Electric Rates Assistance (FERA)** Protections under Resolution M-4842
 - Suspended all CARE and FERA program removals through June 30, 2021
 - Suspended all Post-Enrollment Verification (PEV)/Recertification through June 30, 2021
 - Increased CARE/FERA marketing and outreach via CBOs and increased IOU marketing to customers
- **Energy Savings Assistance (ESA)** protections under Resolution E-5074
 - To sustain an established workforce providing weatherization for income-qualified customers through shelter in place order, provided ESA contractors up to 60-day advanced payments during ESA program suspension from March to June 2020.

Results of Other Customer Protections

- From February 2020 to August 2021, **CARE enrollment increased by 18%** between all four IOUs (an estimated **CARE-eligible enrollment rate of 110%**).
 - Individual IOUs reported increases between 13% (SDG&E) and 25% (SCE).
- **Nearly 1.5 million CARE and FERA customers did not have to recertify** during the moratorium. However, not all these customers will be required to recertify on July 1, 2021. This backlog of recertifications will be spread over the next 9 to 12 months.
- **65 ESA Contractors** received a total of **\$44 million in advance payments** between March and July 2020 providing job security to more than 1000 workers and allowing rapid return to weatherizing homes.

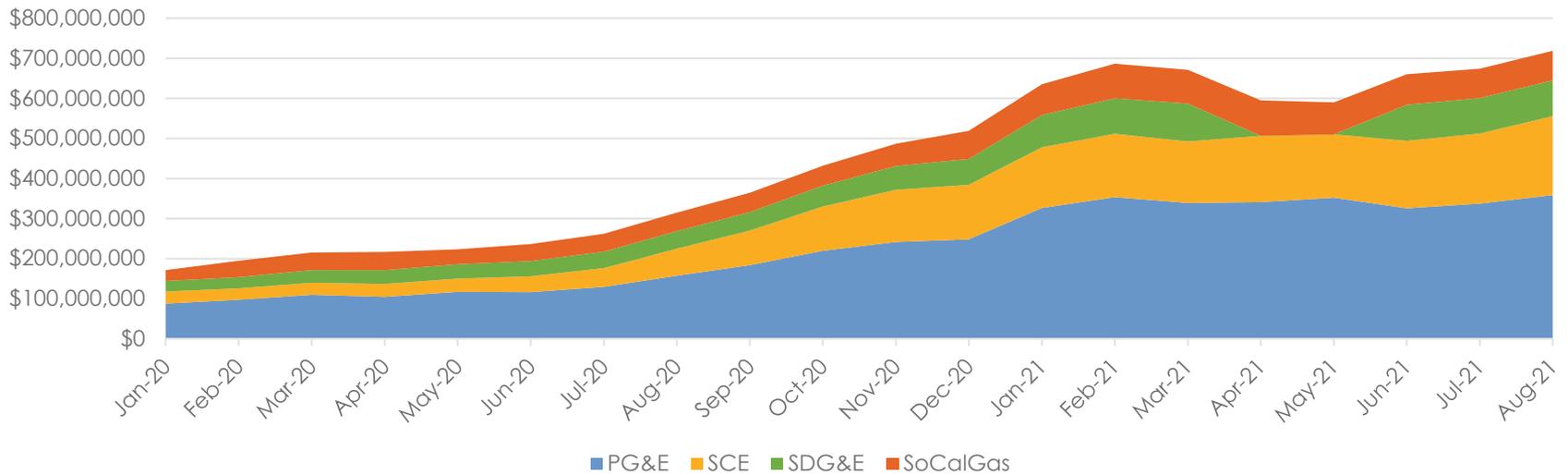
Arrearages during COVID-19 (all customers)

Total Residential Arrearages by IOU



Arrearages during COVID-19 (CARE/FERA)

Total CARE/FERA Arrearages by IOU



- SDG&E has not yet reported CARE/FERA data for April and May 2021.

California Arrearage Payment Program (CAPP)

- \$1 billion state budget allocation for past-due energy bills during COVID
 - \$694.5 million allocated for IOUs and CCAs (remainder for POU's)
 - Administered by Dept of Community Services (CSD)
 - Utilities will apply **on behalf of customers** and apply credits **automatically**
 - All residential/commercial customers with arrearages between 3/4/2020 and 6/15/2021 eligible, but not all will receive payments
- IOUs cannot disconnect **eligible** customers during application phase
- IOUs cannot disconnect **recipients** for 90 days after credit is applied

CAPP Priority Groups

- Funds must be prioritized by groups of customers, per statute
 - Group #1: Active residential customers at risk of disconnection absent CAPP
 - Group #2: Active residential customers not at imminent risk of disconnection
 - Group #3: Inactive residential customers
 - Group #4: Active commercial customers
- No customers expected to fall in Group #1 due to automatic payment plans ordered by D.21-06-036
- Group #2 total expected to exceed each utility's total allocation
 - Therefore Groups #3 and #4 are unlikely to receive relief even if eligible
 - CSD to publish more guidance on allocation of relief soon
 - Will advise on how to distribute funds within Group #2

CAPP Timeline

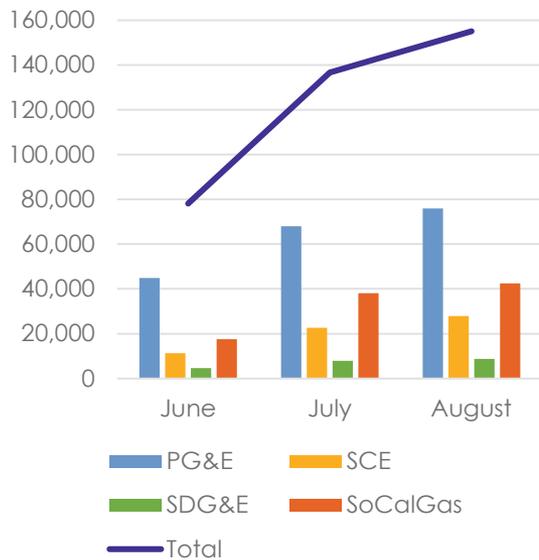
- August-September: CSD distributed survey to all utilities to determine total arrearage amounts by priority group
 - Survey was closed on 9/16
 - Survey will be used to determine specific allocation amounts for each utility proportionate to the utility's share of arrearages
 - Will be published before application window opens
- Mid-October: CSD will open the application window
 - Window closes mid-December
 - CSD reviews applications on flow basis for adherence to rules
 - IOUs apply bill credits within 60 days of receipt of funds from CSD
- January 31, 2022: statutory deadline for all funds to be disbursed to IOUs

Arrearage Management Plans (AMP)

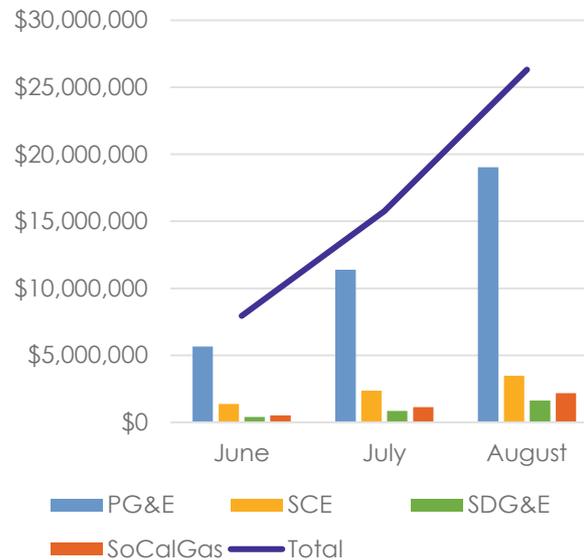
- Established in Phase I Disconnections Decision (D.20-06-003)
- Allows forgiveness of eligible arrearages for income-qualified customers
 - Eligible arrearages are 90+ days old, \$500+ (\$250+ for gas-only)
 - For each on-time payment of their normal monthly bill, IOU forgives 1/12 of the customer's beginning arrearage balance up to \$8,000
 - All collections/disconnection processes are suspended while on AMP
 - Customers removed for 2 missed payments in a row or 3 total
 - Allowed to re-enroll after 12 months
 - CCAs may choose to participate (almost all have)
 - Costs of forgiven arrearages tracked in Residential Uncollectibles Balancing Accounts and recovered from PPP Charge and gas transportation rates

AMP Participation to Date

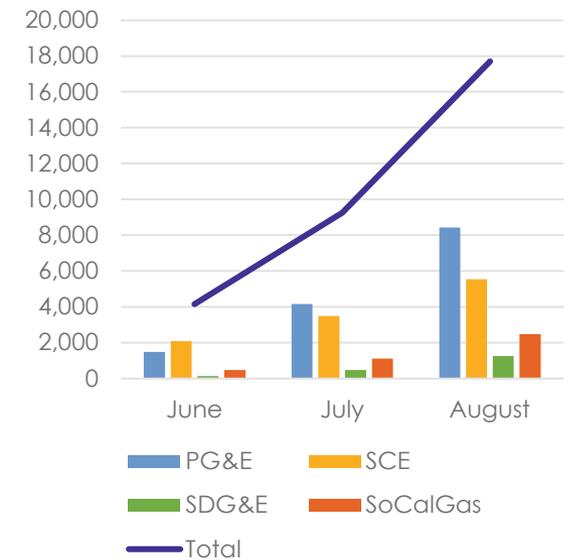
Total Enrollments in AMP by IOU



Cumulative Dollars Forgiven by IOU via AMP



Cumulative Removals for Nonpayment by IOU



New Residential Disconnection Protections

- Established by Phase I Disconnection Decision in June 2020
 - Have not been implemented due to moratorium
- Before disconnection, IOUs must:
 - Offer a 12-month payment plan
 - Offer to enroll the customer in all eligible benefit programs
 - Ensure there is no LIHEAP pledge pending for the customer
- Established annual caps for each IOU's disconnection rate
 - Resolution UEB-006 added per-customer financial penalties for violations
 - Amount of penalty doubles for each successive monthly violation
- “Benefit of Service” procedures for contesting what a customer owes
- Online LIHEAP portals to track pledges between IOUs, LSPs, and CSD

Automatic Extended Payment Plans

- Ordered by Phase I COVID Arrears Decision (D.21-06-036) in June 2021
- IOUs directed to automatically enroll eligible customers
 - Residential and small business customers
 - With arrears 60+ days old as of 9/30/2021
 - 24 month plans for residential customers, 24+ for small business
 - Small business customers' monthly bill increase for payment plan capped at 10%
 - 5% for small business customers located in a Disadvantaged Community
- Customers may miss up to 3 payments before the payment plan is considered broken and arrearages may become disconnectable
- CAPP relief may reduce length of payment plans or amount to be repaid

Non-CPUC Programs

- Housing and Community Development (HCD) Emergency Rental Assistance Program (ERAP)
 - Renters with <80% Area Median Income can receive 100% utility debt relief
 - Program is mainly focused on paying rent
 - Significant bottlenecks due to complexity of program and application
- Community Services and Development (CSD) California Arrearage Payment Program (CAPP)
 - Utility applies for funds on customer behalf, cancels some portion of debt
 - More detail on slides 8 and 9
- CSD Low Income Home Energy Assistance Program (LIHEAP)
 - Emergency assistance to customers at risk of disconnection
 - Max amount raised from \$1,000 to \$3,000 for new LIHEAP funds

Customer examples

- **Customer A** couldn't pay her bill from August to November of 2020, past-due total of **\$500**.
- Since then she's resumed paying bills, but hasn't been able to pay the balance.
- She is automatically enrolled in a 24-month plan (**~\$17/month**)
- She should also receive a credit from CAPP
- **Customer B**, a CARE customer, was laid off most of 2020 and has **\$1200** in unpaid bills
- He can't be disconnected until 90 days after his CAPP benefit is credited
- He can also enroll in AMP, with **\$100** forgiven each month when he pays his regular discounted bill
- **Customer C** couldn't pay her small business's utilities and fell behind \$4000 in early 2021
- She's technically eligible for CAPP, but probably won't get a benefit
- Her business still can't be disconnected until CSD has approved **all applications**
- Her utility has automatically enrolled her in a 30-month payment plan, paying **~\$133** per month, ensuring her bill increase is **10%** or less

Questions and Thank you



Item #28 [19883]

Report and Discussion on Recent Consumer Protection and Safety Activities

Commissioners' Reports



Commissioner
Martha Guzman Aceves



Commissioner
Clifford Rechtschaffen



President
Marybel Batjer



Commissioner
Genevieve Shiroma



Commissioner
Darcie L. Houck

The CPUC thanks you for participating in today's meeting

The next Public Meeting will be:

October 21, 2021

10:00 a.m.

remote





California Public Utilities Commission

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