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Exhibit No:
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Application of San Diego Gas & Electric
Company (U902M) for Approval of Low
Income Assistance Programs and Budgets
for Program Years 2015-2017.

Application 14-11-____
(Filed November 18, 2014)

**PREPARED DIRECT TESTIMONY OF
SANDRA WILLIAMS AND HORACE TANTUM IV
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM PLANS
AND BUDGETS FOR PROGRAM YEARS 2015, 2016 AND 2017**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

November 18, 2014

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6 **I. CARE PROGRAM PLANS AND BUDGETS APPLICATION FOR PY 2015-2017**

7 **A. CARE PROGRAM BACKGROUND**

8 **1. History**

9 Provide a brief history of the CARE Program and how it helps low-income customers,
10 how it is funded and how the program has changed over the years, including any prior
11 guidance given by the Commission;

12 The California Alternate Rate for Energy (“CARE”) program is a low-income ratepayer
13 assistance program providing a monthly discount on qualified residential (individually metered
14 or submetered) customer’s monthly energy bill. The program is funded through a Public
15 Purpose Program (“PPP”) surcharge paid through non-participating customer’s monthly energy
16 bills. In 1987 Senate Bill 987 was enacted which granted greater flexibility in the pricing
17 baseline service for electricity and natural gas. The bill was enacted in response to high winter
18 bills caused by a disparity in baseline and non-baseline rates. The bill directed the California
19 Public Utilities Commission (“Commission”) to mitigate the impact on low income customers
20 caused by the narrowing of the baseline/non-baseline differential. The cost of the assistance
21 program was not to be borne solely by any single class of customer. Over the years, the
22 Commission has issued decisions evolving the program into the program administered today.
23 Below is a brief synopsis of the many decisions the Commission has issued affecting the CARE
24 program’s administration today and providing guidance to the proposed CARE program
25 administration for program years 2015-2017:

- 26
- D. 89-07-062 the Commission authorized implementation of the Low Income
27 Ratepayer Assistance Program (“LIRA”).

- 1 • D. 89-09-044 set the discount level to 15% and the income eligibility criteria at
2 150% of the Federal Poverty Guidelines (“FPG”) based on the Commission’s
3 Universal Lifeline Telephone Service (“ULTS”).
- 4 • D. 94-12-049 changed the program name from LIRA to CARE Program and
5 expanded the program to include eligibility for qualified non-profit group living
6 facilities.
- 7 • D.95-10-047 authorized residents of agricultural housing facilities managed by
8 the Office of Migrant Services, to qualify for CARE.
- 9 • D.01-06-010 increased the discount from 15% to 20% and changed the income
10 eligibility criteria from 150% to 175% of the FPG.
- 11 • D.04-02-057 established a large household program for lower-middle income
12 households with income levels between 175% and 250% of the FPG, now
13 referred to as the Family Electric Rates Assistance (“FERA”) Program.
- 14 • D.05-10-044 approved various new initiatives for low-income programs during
15 the winter of 2005-2006 (“Winter Initiative”). One of the major changes adopted
16 by the Commission was the revision of the CARE income eligibility guidelines
17 from 175% to 200% of the FPG. The Decision also authorized SDG&E to
18 temporarily enroll certain prospective CARE-qualified households by telephone
19 for the period of November 1, 2005 – April 30, 2006.
- 20 • D.06-12-038 adopted the utilities’ program plans and budgets for 2007-2008 and
21 also authorized the following program changes: 1) implementation of categorical
22 eligibility, which permitted customers to qualify for CARE based on their
23 participation in certain state or federal public assistance programs; 2) four-year

1 recertification for low- income customers on a fixed income; 3) implementation
2 of a process to enroll certain prospective CARE-qualified households by
3 telephone; 4) implementation of a process to allow customers to recertify their
4 CARE eligibility through its Interactive Voice Recognition (“IVR”); and, 5)
5 internet-based CARE enrollment and recertification.

- 6 • D. 08-11-031 set a 90% CARE penetration goal for all Investor-Owned Utilities
7 (“IOU”s) and recognized the difficulty of reaching a 100% penetration goal for
8 CARE.
- 9 • Resolution CSID 004, dated November 19, 2010, approved a one-year pilot
10 program to provide energy related education, need and dispute resolution and
11 outreach to limited English proficient (“LEP”) customers of the IOUs. The pilot
12 program would be administered by the same contractor administering the
13 Commission’s Telecommunication Education and Assistance in Multiple
14 Languages program. The pilot program became known as the Community Help
15 and Awareness of Natural Gas and Electricity Services (“CHANGES”). The
16 Commission determined that the CHANGES pilot program would be funded
17 through the CARE outreach budget.
- 18 • D.11-05-020 authorized the sharing of low-income information between energy
19 and water utilities. Additionally, the Decision permitted energy utilities to
20 include data sharing costs in their 2012-2014 budget applications.
- 21 • D.11-11-010 adopted month-to-month bridge funding for the period of January 2,
22 2012 – June 30, 2012 to allow the continuation of the programs in the absence of
23 the Application decision.

- 1 • Resolution Consumer and Service and Information Division (“CSID”) 005
2 extended the duration of the CHANGES pilot program would be extended until
3 the Commission makes a final determination on whether or not it should become
4 a permanent program. In addition, the Commission directed CSID and Energy
5 Division to hire a consultant to conduct an independent evaluation of the pilot
6 program to determine its ability to effectively assist LEP customers and to
7 evaluate the benefits of the pilot’s use of CARE funds.
- 8 • D.12-06-030 extended bridge funding for the low-income programs on a month-
9 to-month basis from July 1, 2012 until the Commission adopted a decision for the
10 2012-2014 low-income proceeding.¹
- 11 • D.12-08-044 adopted, with modifications, the utilities’ program plans and budgets
12 for 2012-2014 and retained the 90% CARE penetration goal. The utilities were
13 directed to retain the current list of categorical eligible programs and to file an
14 Advice Letter to update list of qualifying programs by January 31st of each year
15 which would be reviewed by the Energy Division. The utilities were also directed
16 to develop a long term Post Enrollment Verification model using specific factors
17 outlined in the Decision.
- 18 • D.12-12-011 approved continued funding for the CHANGES pilot program
19 through the end of the 2012-2014 program cycle. The Commission also directed
20 the CSID and the Energy Division to work with the CHANGES contractor and
21 the utilities to develop additional tracking, reporting requirements and success
22 criteria.

¹ A. 11-05-017, *et al.*

- D.14-08-030 addressed Phase II issues outlined in D.12-08-044. It authorized a 12-month bridge funding for the PY 2015, made minor corrections and clarifications to D.12-08-044, adopted key recommendations from the 2013 Low-Income Needs Assessment for CARE, and continued further review on issues regarding the definition of income and categorical eligibility issues.

2. Summary

Provide a summary of the CARE program, including descriptions of:

i. The legal framework of CARE Program

The CARE program is statutorily mandated by Public Utilities Code § 739.1 and 739.2.

The program is established to assist eligible low-income households, with total household gross income which is no greater than 200% of the FPG, with a monthly discount on their gas and electric bills.² Currently, SDG&E provides a 20% discount on gas and electric bills, with additional rate exemptions³. However, changes regarding the level of discount and how the discount is provided are expected within the 2015-2017 program cycle due to Assembly Bill (AB) 327 which became effective on January 1 2014. The bill had several impacts to the CARE program. Most notably, the bill required the utilities to restructure the CARE rates and to set an effective electric rate discount between 30-35%. The Commission is currently addressing

² See Section 739.1 of the Public Utilities Code.

³ Additional exemptions included: tiered residential rates based on "% of baseline" were implemented on October 1, 2001, in accordance with AB1X and D.01-09-059; additional CARE Exemption (up to 130% of Baseline): additional benefits CARE customers received from lower rates on usage up to 130% of baseline; additional CARE Exemption (above 130% of Baseline): additional benefits CARE customers received from lower rates on usage above 130% of baseline; bond Charge Exemption for CARE customers established in D.02-10-063; AB1X total rate cap implemented in D.04-02-057; additional AB1X subsidies adopted for non-residential CARE customers in Resolution E-3907; and, CARE Rate Exemption Amounts do not reflect the 20% CARE discount, exemption from the CARE surcharge, or exemption from the California Solar Initiative ("CSI")

1 proposals submitted by SDG&E as part of a R.12-06-013⁴. SDG&E’s proposal is discussed in
2 further detail in Section A-3 below.

3 **ii. The eligible population.**

4 SDG&E uses the methodology adopted by the Commission in D. 01-03-028 to estimate
5 the CARE eligible population each year⁵. This method entails annual estimation of eligibility for
6 CARE and the Energy Savings Assistance (ESA) Program, and other income-by-household size
7 parameters at the small block area (block group, census tract, zip) for each IOU service territory
8 and for the state as a whole. Sources for this information include the Commission’s current
9 income eligibility guidelines, current year small area vendor distribution on household
10 characteristics, Monthly Current Population Survey data (“CPS Monthly”, U.S. Census); Census
11 Public Use MicroData Sample (PUMS); 2005-2009 American Community Survey (ACS/UMS,”
12 U.S. Census); and Integrated Public Use MicroData Services (“IPUMS-CPS,” Minnesota
13 Population Center, University of Minnesota); Labor Market Information Data (“EDD/LMID”);
14 California Employment Development Department and additional vendor data sources, including
15 projected small area unemployment data from Synergos Technologies, Inc., and Environmental
16 Systems Research Institute, Inc.

17 **3. Program Eligibility Guidelines**

18 Provide a summary of the program eligibility guidelines, including income, categorical
19 eligibility qualifications, self-certifications, and the process for getting enrolled. Identity
20 any proposed changes from the 2012-2014 framework and implications associated with
21 the recent adoption of AB 327 (Perea 2013).

⁴ Direct Testimony of Cynthia Fang submitted on February 28, 2014 addresses SDG&E’s proposal for complying with AB327 effective rate discount requirements.

⁵ The joint IOUs filed 2014 annual estimates of customers eligible for the CARE program on February 14th, 2014.

1 The CARE program is available to all SDG&E customers who wish to participate and
2 meet either of two qualifications guidelines. First, if the total gross (before tax) income of all
3 persons in the household is at or below 200% of the FPG⁶, as seen in the following table:

4 **Table 1 – Current CARE Program Guidelines**

Maximum Annual Household Income June 1, 2014 through May 31, 2015	
Household Size	CARE
1-2	\$31,460
3	\$39,580
4	\$47,700
5	\$55,820
6	\$63,940
7	\$72,060
8	\$80,180
Each additional person, add	\$8,120

14 Customers may also qualify if they or another household member are participating in one
15 of the following Commission approved⁷ list of public assistance programs: Bureau of Indian
16 Affairs General Assistance, CalFresh/Supplemental Nutrition Assistance Program (“SNAP”),
17 CalWORKs/Temporary Assistance for Needy Families (“TANF”), Head Start Income Eligible
18 (“Tribal Only”), Low-Income Home Energy Assistance Program (“LIHEAP”), Medicaid/Medi-
19 Cal for Families A & B, National School Lunch Program (“NSLP”), Supplemental Security
20 Income (“SSI”), Tribal TANF, or the Women, Infants, and Children Program (“WIC”).

⁶ Pursuant to Resolution E-3524, adopted February 1998, the Commission ordered the Director of the Energy Division to communicate new income levels to utilities by no later than May 1st of each year and to require the utilities to file revised tariffs effective June 1st if each year reflecting the new income levels. Ordering Paragraph (OP) 119 of D 12-08-044 changed the annual income letter release date from May 1 to April 1 of each year.

⁷ Per D.06-12-03, Ordering Paragraph 21, approved the utilities request to implement Categorical Enrollment. Programs include: WIC, LIHEAP, Medi-Cal, Healthy Families A&B, Food Stamps and TANF. D.08-01-031, Ordering Paragraph 7, directed the utilities to add to the list of programs to align with the California Lifeline Program.

1 Once enrolled, most customers will be required to recertify their eligibility for CARE
2 every two years. For customers on a fixed income or who pass a probability model indicating
3 their likelihood of eligibility, recertification is required every four years. Once enrolled, a
4 random selection of customers may be required to provide supporting income documentation to
5 validate eligibility, as part of the CARE Post Enrollment Verification (PEV) process.

6 In D. 12-08-044, the Commission established additional verification requirements for
7 customers with high electric usage as a condition for continued participation in CARE. The
8 High Usage Verification (“HUV”) process is a comprised of two tiers:

- 9 • Customers exceeding 400% must provide additional verification documentation
10 and, agree to participate in the ESA Program
- 11 • Customer exceeding 600% must complete the requirements for the 400% tier and
12 must also reduce and maintain their usage below 600% of baseline.
- 13 • Customers not agreeing to the requirements will not be able to participate in the
14 CARE program for 24-months.

15 Consistent with Commission directives in D.14-08-030,⁸ SDG&E is not proposing any
16 programmatic changes to eligibility guidelines or list of categorical eligibility programs for
17 CARE during the 2015-2017 program cycle. However, changes regarding the level of discount
18 and how the discount is provided are expected within the program cycle due to implementation
19 of AB 327 requirements which became effective on January 1 2014. The bill required the
20 utilities to restructure the CARE rates and to set an effective electric rate discount between 30-
21 35%. SDG&E is currently in the process of addressing the discount level through Residential
22 Rate Order Instituting Rulemaking R.12-06-013 and has proposed gradual changes to discounted

⁸ Ordering Paragraph (“OP”) 47

1 rates in order to minimize the impacts to low-income customers. The impacts of these changes
2 will be clearly communicated to CARE customers as they develop. Plans for customer
3 communication are discussed further in Section M of this testimony.

4 **4. Current Proposals**

5 **a) Explain your proposal and plans for the CARE program** 6 **during the upcoming 2015-2017 budget cycle**

7 SDG&E plans for 2015-2017 are to continue to improve on many of the successful and
8 existing strategies developed over the past several years, incorporate best practices being utilized
9 amongst the IOUs, and improve upon existing efforts to retain enrollment of qualified customers
10 who are required to recertify their eligibility or who have been selected for PEV. SDG&E also
11 reviewed recommendations contained within the Low-Income Needs Assessment (LINA) study⁹,
12 which identified areas of opportunity for SDG&E, to develop strategies to increase enrollment in
13 underserved communities.

14 For 2015-2017, CARE will also continue to align itself with the SDG&E marketing
15 efforts for all residential customers to deliver comprehensive offerings that customers value and
16 find easy to understand. SDG&E will also improve on how it identifies and targets customer
17 segments which have historically been hard-to-reach, as well as providing more customized
18 messages, when possible. The following is a summary of marketing and outreach plans that are
19 detailed further in section B-1 below.

20 **Connect through mass marketing**

21 Mass marketing campaigns focus on improving the general awareness and provide a
22 platform for higher-level program education including, overall program offer, benefits, and

⁹ Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs, Final Report, dated December 16, 2013.

1 qualifications/eligibility. SDG&E will continue to promote the CARE program through mass
2 marketing tactics (i.e. television, radio, print, online media, social media, bill inserts) to ensure
3 customers are reminded that these programs are available. Using mass marketing provides a
4 foundation and overall awareness to customers that the program is available and allows SDG&E
5 to leverage direct marketing and community engagement tactics to improve customer enrollment.

6 **Connect with individual customers**

7 SDG&E is proposing to implement a process where customers will be able to enroll in
8 CARE through its Customer Contact Center. Starting in 2016, the Customer Contact Center
9 will begin enrolling customer in CARE by phone through the Energy Service Specialist (ESS) as
10 agreed to in the current Disconnection proceeding (R.10-02-005) settlement agreement approved
11 by the Commission in D. 14-06-036.¹⁰ As part of the settlement agreement, SDG&E agreed to
12 seek funding for this activity as part of its Low-Income Programs proceeding. Funding for this
13 new effort is detailed in Section B-6 in the written testimony of Witness Alex Kim, Section C-1.

14 SDG&E will also continue targeted outreach and engagement efforts through direct
15 marketing tactics, such as automated phone enrollment campaigns, email campaigns, multi-
16 lingual door-to-door enrollment, and direct mail. Using newly available customer data elements,
17 such as a customer's willingness to take action towards their energy consumption, SDG&E will
18 improve on current initiatives by providing customized messaging and tactics for customer
19 enrollment. For example, customers will receive a CARE direct mail piece with a customized

¹⁰ D. 14-06-036 Final Decision Approving Settlement Agreement on Credit, Collection, and Disconnection Practices, Attachment A, Article 4.3.1. Parties to the Settlement Agreement include: Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, The Utility Reform Network, Greenlining Institute, the Office of Ratepayer Advocates, (now the Division of Ratepayer Advocates), and the Center for Accessible Technology.

1 rate education report that will include information on potential bill savings if the customer were
2 to enroll in CARE.

3 Additionally, a multi-channel approach will continue to be utilized with hard-to-reach
4 customers who may not initially engage through the use of a single tactic such as direct mail or
5 e-mail. Follow-up live or automated phone enrollment calls will be utilized to support previous
6 direct mail or email efforts. Automated calls are available in English and Spanish, while agents
7 making live calls will have the availability of utilizing the Language Line, should additional
8 languages be necessary.

9 SDG&E will also continue to simplify enrollment processes for customers whenever
10 possible. For instance, by combining the online enrollment process featured on the SDG&E
11 website, customers can now sign up for both the CARE and ESA Programs through one web
12 portal, instead of two. Customers submit eligibility information and are validated against
13 SDG&E databases to determine the appropriate program offering. If the customer meets program
14 eligibility criteria for CARE, and the premise has not been served by the ESA Program, the
15 customer will be offered both programs. If the eligibility indicates they meet the criteria for the
16 FERA Program, they will be offered an opportunity to enroll in FERA.

17 In order to retain eligible customers in CARE, SDG&E will continue to build on
18 successful recertification strategies, such as notifying customers by phone that they are due to
19 recertify their eligibility. SDG&E will expand notification efforts to include alerts through
20 SDG&E's MyAccount or the SDG&E mobile app. SDG&E will expand the notifications to
21 customers who are being asked to provide income verification as a requirement for continued
22 participation. SDG&E will also be conducting data analysis and market research to identify

1 opportunities to improve the income verification process in an effort to retain qualified
2 customers in the program.

3 **Connect to customers through partners**

4 SDG&E has developed a solid foundation of partnerships with third-party organizations
5 throughout the community. SDG&E utilizes community-based organizations (CBOs),
6 government and community leaders, agencies, media and its own employees to connect
7 customers to solutions including the CARE program. During the 2012-2014 program cycle,
8 SDG&E implemented an Energy Solutions Partner network (ESP) consisting of over 200 CBOs
9 in select areas of its service territory, where there are high concentrations of potentially eligible
10 CARE customers. SDG&E's close partnerships with these organizations have been successful in
11 improving CARE and ESA Program enrollments. For instance, SDG&E successfully increased
12 program enrollments through its CARE Partners (Capitation) from 2,574 in 2012 to 5,250 in
13 2013 and to over 5,300 from January through September 2014. Additionally, multilingual
14 representatives were recruited to help staff and engage customers at multicultural events and
15 presentations. During 2015-2017, SDG&E will continue building partnerships with
16 organizations who directly serve these communities, especially those within the multicultural and
17 special needs (customers with disabilities) segments.

18 **b) Discuss how the elements and strategies in the proposed 2015-**
19 **2017 CARE program are specifically designed to reach a**
20 **penetration goal of 90%.**

21 SDG&E is proposing to continue to aggressively promote CARE enrollment through mass
22 marketing, direct marketing, and utilization of CARE community partners. SDG&E will also be
23 adding new Customer Contact Center Phone enrollment, live phone enrollment through
24 outbound calling, and increased door-to-door efforts in underpenetrated areas.

1 In order to improve the success of enrollment campaigns and increase penetration,
2 SDG&E will improve targeting efforts by leveraging previously available data with newly
3 available customer account data. SDG&E will overlay Athens Research data with its Residential
4 Segmentation Study, which identifies distinct segments among residential customers based on
5 various factors such as:

- 6 • Demographics and home characteristics
- 7 • Household electricity consumption, contact history, program participation
- 8 • Household-level PRIZM segments
- 9 • Perceived ability and willingness to take action to change energy consumption
10 patterns and behaviors
- 11 • Motivations for adopting new behaviors, including underlying values that drive
12 decisions
- 13 • Attitudes toward energy efficiency and environmental issues
- 14 • Affinity for new technologies and energy management tools
- 15 • Communication channel preferences
- 16 • Preferred sources of information
- 17 • Age of home
- 18 • Social media use

19 By continuing to improve on the utilization of segmentation data, SDG&E will be able to
20 be more efficient in targeting customers with CARE enrollment offering. Providing customers
21 with the right message through the right channel will help improve response rates and improve
22 participation rates for the CARE Program. SDG&E initiatives are discussed in more detail in
23 Section B-1.

1 c) **Provide an estimate of the number of households projected to**
2 **be enrolled in the 2015-2017 program years, along with overall**
3 **budget requested to meet this goal**

4 SDG&E continues to strive to meet the Commission’s goal of enrolling 90% of its
5 eligible and willing customers in CARE. As such, SDG&E has estimated net enrollments of
6 8,000 in 2015, 17,000 in 2016, and 20,000 in 2017 to reach close to 90% by 2017. For 2015
7 SDG&E is anticipating a significant drop in customers participation due the full implementation
8 of the HUV process discussed in A-3, and has therefore estimated a lower net enrollment rate for
9 2015. For 2016 and 2017, SDG&E’s anticipates the commencement of new initiatives identified
10 in Section B-1, such as Customer Contact Center Phone enrollment, will help drive a significant
11 increase in CARE participation.

12 In order to reach the projected enrollment goals and fund the 2015-2017 program cycle
13 SDG&E is requesting administrative budgets of \$5.48 million¹¹ for PY 2015, \$6.68 million for
14 PY2016, and \$6.83 million for 2017.

15 d) **Explain how your current proposal has changed from**
16 **that in prior years, if any**

17 SDG&E’s plans have not dramatically changed from the previous program cycle;
18 however, the addition of live Customer Contact Center phone enrollment, recertification and
19 verification alerts, and simplifying the CARE/FERA Program enrollment process through
20 SDG&E’s mobile application, IVR, and the SDG&E website will create more strategic
21 enrollment opportunities. Implementation of system enhancements will also be geared towards
22 improving enrollment, recertification, and income verification processes. SDG&E will also
23 continue using outreach channels proven to be successful during 2012-2014. In addition,
24 SDG&E proposes to utilize the ESA Program’s outreach and assessment contractors as door to

¹¹ SDG&E administrative budget for PY2015 was adopted in D.14-08-030 OP 2

1 door contractors to enroll eligible customers on the CARE Program who opt to not participate in
2 the ESA Program. The budget for this initiative is included in the CARE Outreach budget.

- 3 e) **Based on your review of all of the study findings and working**
4 **group recommendations and in light of new technologies and**
5 **opportunities for partnership and collaboration, are there any**
6 **new strategies or best practices that could be considered for**
7 **inclusion in this program that could benefit California**
8 **customers? For example, to promote eligible households to**
9 **enroll or re-enroll in the CARE program, consider the use of**
10 **apps, text media including social media and non-English**
11 **language media, partnerships with California and Federal**
12 **Lifeline providers, partnerships with water, telephone or**
13 **energy utilities, CBOs, non-profits, business or trade**
14 **associations, consultations with tribal governments, and other**
15 **avenues or means of effectively communicating with eligible**
16 **customers**

17 SDG&E is working with the San Diego County Water Authority, including member
18 water agencies (regulated and non-regulated entities) to leverage opportunities to promote the
19 CARE and ESA Programs and improve program delivery. For example, in 2014, SDG&E
20 coordinated efforts and staffed more than 20 events with water agencies where CARE and ESA
21 Programs were actively promoted to all event attendees. SDG&E plans to continue these efforts
22 during the 2015-2017 program cycle.

23 SDG&E has identified 37 organizations which include CBOs, tribal organizations, and
24 other public and private organizations that work in conjunction with the California Lifeline
25 and/or the Covered California agencies. SDG&E proposes to use the services of an outside
26 contractor to develop and implement a grassroots leveraging program and has detailed their plans
27 in Section H.

28 SDG&E will continue to leverage with SoCalGas to coordinate outreach efforts in
29 southern Orange County, the shared territory where SDG&E is the electricity provider and
30 SoCalGas is the natural gas provider.

1 SDG&E is utilizing an integrated approach to coordinate outreach efforts through its
2 network of over 200 ESPs, which represent the diversity of SDG&E's service area. For instance,
3 at outreach activities with California Tribes, SDG&E is promoting the CARE and ESA
4 Programs, along with energy efficiency programs including rebates and the Reduce Your Use
5 program thermostat, and tools including My Account/My Energy, online goals and alerts and the
6 online Home Energy audit tool. Information on the CARE and ESA Programs are also promoted
7 through various county and city health and human service agencies, such as the County of San
8 Diego's Aging and Independence Services, and at county and city health and wellness events.

9 **B. CARE PROGRAM GOALS AND BUDGETS FOR 2015, 2016 AND 2017**
10 **PROGRAM YEARS**

11 **In the CARE Program Goals section of the application, the IOUs must provide a**
12 **description of the 2015-2017 program requests, including:**

- 13 **1. A detailed description of all proposed programs activities and**
14 **program participation goals for each year. Include the number of**
15 **eligible households.**

16 As of September 2014, the number of estimated eligible customers in SDG&E's service
17 territory is approximately 372,000 customers, with 288,371 customers enrolled and resulting in a
18 77.5% penetration rate. For the 2015-2017 program cycle, SDG&E plans to attain a net
19 enrollment of 8,000 in 2015, 17,000 in 2016, and 20,000 in 2017, with a projected penetration
20 rate of 80%, 85% and 90% respectively. Given SDG&E's challenges to reach 90% over the
21 2012-2014 program cycle, SDG&E realizes that this goal will be difficult to achieve and will
22 require diligent effort to improve enrollment and retention for the CARE program. To support
23 these goals, SDG&E will continue successful outreach tactics employed during previous
24 program cycles, in addition to adding new initiatives that focus on increasing enrollment,
25 especially in underserved areas. SDG&E has outlined program plans below that will be utilized
26 to help SDG&E successfully improve enrollment efforts during the 2015-2017 program cycle.

1 **New Initiatives**

2 **SDG&E Customer Contact Center Phone Enrollment**

3 Beginning in 2016 SDG&E proposes to implement CARE enrollments by its Customer
4 Contact Center representatives for customers calling to establish new service, make payment
5 arrangements, or inquiring about the CARE program. Currently, customers calling the Customer
6 Contact Center are offered CARE through the IVR system¹². Customers speaking with an
7 Energy Service Specialist (ESS) are also informed of the availability of the CARE program and
8 referred to the automated enrollment IVR, the CARE online enrollment process, or mailed an
9 application. Beginning in 2016, the ESS will actively enroll customers using the current
10 SDG&E online forms. The Language Line and TTY will also be utilized in support of the
11 Customer Contact Center phone enrollment efforts. The ESS will verbally guide the customer
12 through the CARE enrollment form, gathering all necessary enrollment information to complete
13 the enrollment process. The customer will be asked to attest to the accuracy of the information
14 provided to the representative in order to complete the application process. Once completed, the
15 application will be reviewed by CARE processing staff to determine the customer's eligibility
16 and enroll them in the program if they qualify.

17 **CARE Rate Education Reports**

18 In 2016, SDG&E will also launch a new component to direct mail efforts aimed at
19 increasing enrollment in CARE through personalized rate education reports. SDG&E will
20 identify households that would likely qualify for CARE but are not currently enrolled in the rate
21 assistance program. Then, through a targeted direct mail and electronic campaign, these
22 customers will receive a report that contains personalized energy use information, with a focus

¹² In compliance with PU Code Section 739.4 (b)

1 on a comparison between the household's current utility bill and the household's utility bill if the
2 customer qualified for and received the CARE discount. In addition to the rate comparison, the
3 report will include a description of the CARE program and the eligibility requirements necessary
4 to enroll in the program. The report will also include conservation tips and energy education to
5 help customers better manage their home's energy use and energy bills. The report may also be
6 used as a reminder to customers that they are due to recertify their eligibility for CARE.

7 Customers will be directed to enroll or renew online or through the CARE enrollment IVR.

8 **High Usage Alerts**

9 In 2013, SDG&E began implementation of the CARE HUV process described in Section
10 A-3. As part of the HUV process, customer must maintain their usage below 600% of baseline
11 in order to continue their participation in the CARE program. In support of retention of
12 customers who have verified their income eligibility for the program, SDG&E will launch high
13 usage alerts to notify CARE customers that their usage may exceed 600% of baseline if action is
14 not taken to reduce their use.

15 **California Lifeline Leveraging**

16 Beginning in 2015, SDG&E is proposing to partner with organizations which include
17 CBOs, tribal organizations, and other public and private organizations that work in conjunction
18 with the California Lifeline and/or the Covered California agencies. SDG&E anticipates using
19 the services of an outside contractor to develop and implement a grassroots leveraging program
20 and has detailed this initiative in Section F.

21 **Enlisting ESA Program contractors as CARE door-to-door contractors**

22 In the 2015-2017 program cycle, SDG&E proposes to utilize the ESA Program outreach
23 and assessment contractors to work as CARE door-to-door contractors that sign-up eligible

1 customers to the CARE Program. Currently the ESA Program outreach and assessment
2 contractors canvass neighborhoods to enroll eligible customers in the ESA Program. Through
3 the ESA Program enrollment process, customers are also provided with the CARE Program
4 information and if interested are signed up for CARE at that time. However, during the ESA
5 Program canvassing, missed opportunities were identified related to CARE promotion and
6 enrollments. If during the ESA Program canvassing efforts, a customer decides they are not
7 interested in the ESA Program, the ESA Program contractors walk away without discussing the
8 CARE program. As discussed in Witness Alex Kim's written testimony, SDG&E respectfully
9 request the Commission revise its prior policy regarding its ability to reimburse ESA Program
10 contractors for enrolling customers in CARE (but have declined to participate in the ESA
11 Program) which will enable SDG&E to enroll qualified customers in CARE who may have
12 otherwise been missed. It will also help SDG&E in increasing its CARE enrollments in an effort
13 to meet the Commission's 90% penetration goal.

14 **Continuing Initiatives**

15 **Multilingual Mass Media Campaign**

16 For television, new testimonial spots, in both Spanish and English will be developed
17 using actual SDG&E CARE customers. The spots will depict "everyday" people who the
18 customers can connect with. Both English and Spanish spots will be developed to run on
19 English and Spanish television, as well as through social media channels and CBO offices.

20 For radio, additional program visibility will be given through 15- and 30-second
21 promotions during traffic reports on both English and Spanish language radio stations. Print
22 media is essential for targeting ethnic communities and hard to reach areas. Advertisements
23 (English, Spanish, Chinese, Tagalog, and Vietnamese) will run in various publications with

1 circulation to the African-American, Chinese, Filipino, Latino and Vietnamese communities.
2 SDG&E will also run in publications targeted to seniors and rural communities.

3 **Direct Mail**

4 SDG&E has improved its direct mail capability through the use of its Residential
5 Segmentation study data which allows for better targeted messages to CARE-eligible customers.
6 The data segments residential customers based on various factors such as: household electricity
7 consumption, contact history with SDG&E, SDG&E program participation, communication
8 channel preferences and preferred sources of information. SDG&E will use this data to better
9 target potential CARE-eligible customers in ongoing efforts utilizing a multi-tactic approach,
10 which includes direct mail, email, telephone, and door-to-door campaigns. SDG&E is also
11 proposing to incorporate rate education reports, discussed previously in New Initiatives, as a
12 component of direct mail efforts. The report provides a comparison between the household's
13 current utility bill and the household's utility bill if the customer qualified for and received the
14 CARE discount. In addition to the rate comparison, the report will include a description of the
15 CARE program and the eligibility requirements necessary to enroll in the program.

16 **Bill Inserts & Bill Messages**

17 The CARE Program is mandated to have one bilingual bill insert two months prior to the
18 peak summer month of the year¹³. SDG&E is also permitted to include unscheduled bill inserts,
19 should space become available through the year. The insert is provided in English and Spanish
20 and informs customers of the recent CARE income guidelines changes and is included in all non-
21 CARE residential SDG&E bills in July of each year. The insert is source coded and is a smaller
22 version of the program application. The CARE bill insert also refers customers to other

¹³ D. 89-09-044, Finding of Fact 9.

1 programs that may be eligible for, including the ESA Program and Medical Baseline.
2 Additionally, both CARE and the ESA Program are promoted on SDG&E's bill itself through
3 on-bill messaging (onserts), as well as the bill insert newsletter. As an improvement for 2015-
4 2017, SDG&E will be evaluating the possibility of enhanced targeting through bill inserts and
5 onserts using the Residential Segmentation and Athens Research overlay.

6 **Email**

7 SDG&E plans on conducting monthly email campaigns to potentially eligible non-CARE
8 customers, promoting both CARE and ESA programs. This low-cost option for direct marketing
9 has continued to garner higher than average click-through and open rates.¹⁴ Open rates refers to
10 the percentage of customers who opened the email, while click-through rates is the number of
11 customers who clicked the link within the emails that was sent.

12 **Online Advertising**

13 Online campaigns for CARE consist of display banner advertising and search engine
14 advertising. The online campaigns direct customers to a CARE-specific landing page where
15 customers can learn more about the program and then apply for CARE online. Display banner
16 advertising campaigns will also be used for CARE, specifically for the placement of program
17 banners on select websites (i.e. job search, local news, and etc.).

18 **Website**

19 SDGE.com continues to be improved and enhanced for ease of use and reading for all
20 customers such as those with visual, hearing, motor and cognitive disabilities so that they can
21 better understand, navigate, and interact with SDG&E's website. Many of the improvements

¹⁴ Source: SilverPop, SDG&E's consultant for digital marketing. During the period of January – August 2014, the average unique open rate is 33% compared to the industry average of 25%. The average unique click rate is 3.2% which falls within the industry average of 3-5%.

1 made to the website were based recommendations received by the Center for Accessible
2 Technology, which reviewed the SDG&E website in 2013.

3 Information on SDG&E.com is currently available in three non-English languages
4 (Spanish, Vietnamese, and Chinese). The specific CARE pages are additionally available in:
5 Arabic, Armenian, Farsi, Hmong, Khmer, Korean, Russian, Tagalog and Thai. SDG&E
6 presents all information in a textual format, so that all navigation elements throughout the
7 website can be increased in size for easy visualization (for visually-impaired customers), and
8 displayed according to the users' preference.¹⁵

9 **Mobile App**

10 In 2013, SDG&E developed a Customer Assistance button on SDG&E's mobile app
11 which connects customers directly to the online dual CARE/ESA Program application form. This
12 is a newly launched enhancement which SDG&E is currently tracking for click-through rates to
13 test effectiveness and analyze for further enhancements. SDG&E will make improvements to the
14 process based on customer feedback and effectiveness testing in 2015-2017.

15 **Social Media**

16 With a growing number of followers on SDG&E's social media channels, including
17 Facebook, Twitter and YouTube, messaging and promotion for CARE happens on a frequent
18 basis. SDG&E messages that promote no-cost home energy upgrades are further picked up and
19 re-messaged by various CBOs and partner organizations, community leaders and customers
20 which help to spread program promotion beyond SDG&E's social media subscribers and
21 followers.

22

¹⁵ See <http://www.sdge.com/our-company/accessibility>

1 **CARE Partners (Capitation Agencies)**

2 Partnering with social service agencies, such as Woman Infants and Children (WIC)
3 offices and other non-profit “intake” organizations, continues to be both an effective and
4 efficient way to enroll SDG&E’s hardest-to-reach customers in the CARE program. These are
5 largely groups that help connect high-risk and low-income individuals and families to state and
6 federally-funded assistance programs. The majority of these organizations are also located in
7 low-income, diverse communities serving multicultural/multilingual, seniors, veterans, special
8 needs (customers with disabilities) and limited English proficient (LEP) audiences. A \$20
9 “capitation fee” is provided to these partners for each successful enrollment.

10 For 2015-2017, SDG&E will continue to work in partnership with these organizations to
11 engage and enroll customers in these programs. However, as successful as these organizations
12 have been in helping SDG&E to enroll customers in CARE, may be reaching saturation. . These
13 CARE Partners still continue to be an effective and efficient way to engage customers, especially
14 the hard-to-reach and multilingual segments. SDG&E will continue to evaluate existing CARE
15 Partners as well as actively explore new partnership opportunities. It is expected that CARE
16 partners will bring in an estimated 1,200 to 1,500 enrollments each year.

17 **Door-to-Door Canvassing.**

18 Door-to-door canvassing continues to be an effective and efficient way to enroll
19 customers in the CARE and ESA Programs, as well as engage them in other energy saving
20 solutions. Using a third party vendor, multi-lingual door-to-door agents help customers to
21 complete the application needed for enrollment in these programs. Agents are provided with
22 targeted zip code lists in an effort to better canvass high-opportunity neighborhoods and
23 communities. Multilingual agents are used in targeted zip codes where there may be a high

1 opportunity of a specific language used. Enrollments can be completed either via traditional
2 paper or online. All paper applications are sent back to SDG&E for review and storage. During
3 2012-2014, program to date through August 30, 2014, 31,169 customers have been enrolled
4 through door-to-door efforts. SDG&E will continue to work with the door-to-door contractor to
5 target eligible customers by high opportunity zip code areas. For the 2015-2017, SDG&E
6 expects to enroll 10,000 customers in CARE.

7 **Energy Solutions Partner (ESP) Network**

8 SDG&E works closely with a network of over 200 ESPs to connect customers to the
9 CARE Program. These community based organizations represent the diversity of SDG&E's
10 service area. They have been recruited based on zip codes they serve as well as where there is a
11 high opportunity of enrollment in the CARE Program. A majority of these organizations are
12 small, grassroots in nature and serve customers including multicultural/multilingual, seniors,
13 veterans, special needs (customers with disabilities) and LEP audiences. These partners help to
14 engage and enroll customers in the CARE Program utilizing a variety of outreach tactics
15 including messaging via e-mail and social media channels like Facebook, Twitter and Instagram;
16 posting information on their websites; providing booth space at their events and hosting
17 enrollment day fairs at their locations.

18 Of the 200 members of the ESP Network, more than 120 serve the
19 multicultural/multilingual customer segment. By partnering with these organizations, SDG&E
20 continues to increase its efforts with customers who may have literacy or cultural barriers and
21 require extra assistance in order to participate in the program. These partners have the trust of
22 their patrons and help to streamline and customize messaging to promote the CARE Program.

1 Of the 200 members of the ESP Network, more than 35 serve the special needs
2 (customers with disabilities) customer segment. By partnering with these organizations, SDG&E
3 continues to increase its efforts with customers who may require extra assistance and/or have
4 special needs. These customers may have permanent disabilities like vision and hearing
5 impairments, customers struggling with mental or physical health challenges or customers, such
6 as seniors, who may be living on a limited or fixed income. These partners have the trust of their
7 constituents and help SDG&E to streamline and customize messaging for these offerings.

8 SDG&E's outreach team works with these partners on an individual basis to customize
9 partnership packages.¹⁶ This partnership package includes a customization of messaging to
10 educate them in energy saving solutions and assist in the application process based upon the
11 most successful tactics each organization uses to reach their patrons.

12 **Senior & Community Centers**

13 In the SDG&E service area, senior and community centers provide excellent venues and
14 events in which to engage seniors, people with special needs, veterans and families on limited
15 incomes. Often times, these organizations offer health screenings and immunization fairs, which
16 drive traffic and provide an opportunity to refer customers to the CARE Program.

17 In the 2015-2017 program cycle, SDG&E plans to expand partners in communities that
18 have a large number of potential program participants.

19 **2-1-1 San Diego**

20 2-1-1 San Diego connects people in San Diego with community, health and disaster
21 services through a toll-free phone service and searchable online database via the 2-1-1 San Diego
22 website. 2-1-1 services include disaster relief, emergency financial assistance, housing, food

¹⁶ A sample of customized packaging is included in Exhibit 1.

1 resources like Cal-Fresh, literacy, LIHEAP referrals and much more. As a partner, 2-1-1 San
2 Diego screens callers to their organization for eligibility in SDG&E's customer assistance
3 programs and offers over-the-phone enrollment services. Additionally, leveraging the calls that
4 2-1-1 San Diego receives from low-income and people at high risk for other Public Assistance
5 programs, 2-1-1 is able to successfully offer customers the CARE Program. In fact, for the
6 period of January 2012 through September, 2014, 2-1-1 enrolled more than 9,000 CARE
7 program participants. SDG&E will continue to work with 2-1-1 to enroll customers on CARE
8 and other customer assistance offerings including the ESA Program, Medical Baseline and the
9 Level Pay Plan.

10 **Ethnic Food & Farmer's Markets**

11 Many of SDG&E's multicultural and/or multilingual customers frequent the ethnic food
12 markets. By teaming up with these markets, SDG&E is able to increase engagement with this
13 audience. Additionally, multilingual personnel staff is used to staff these events. In 2015-2017,
14 SDG&E plans to continue coordinating these efforts with the assistance of multilingual partners
15 and contractors.

16 **Colleges & Language Schools**

17 In 2014, SDG&E met with more than 20 colleges and language schools to evaluate the
18 opportunity to increase awareness and enroll students in the programs. In the fourth quarter of
19 2014, SDG&E plans to partner with the financial aid department of San Diego State University
20 to send an email blast to 8,000 students receiving financial aid promoting the CARE and ESA
21 Programs. Additionally, this campaign is targeting 20 language schools to promote CARE and
22 ESA Programs to students from around the world who are learning to become proficient in

1 English. If these efforts prove to be successful, SDG&E will continue them in the 2015-2017
2 program cycle.

3 **Healthcare**

4 Teaming up with hospitals and clinics is another way used to educate customers about the
5 CARE Program. For example, clinics offer free screening and immunization fairs in the fall,
6 which allows SDG&E's outreach team the opportunity to inform customers about the CARE
7 Program. Beginning in 2015, SDG&E plans to conduct presentations to patient advocates and
8 financial services staff who are important resources in connecting their patients/clients to
9 important community resources including all of the program services offered through SDG&E.

10 **Local Government**

11 By integrating efforts with SDG&E's Emergency Preparedness program, the outreach
12 team works with first responders to promote CARE, the ESA Program and Medical Baseline in
13 SDG&E's service territory. These efforts have allowed SDG&E to attend a number of police
14 and fire station events, and emergency preparedness and safety expos hosted in San Diego and
15 southern Orange County, including some of the most rural areas. SDG&E plans to continue to
16 increase these efforts during the 2015-2017 program cycle.

17 **Branch Offices**

18 A high volume of customers who are eligible for the CARE and ESA Programs visit
19 SDG&E Branch Offices each month. Branch Office staff is trained to assist customer's to enroll
20 in the CARE Program. Additionally, each quarter during high-traffic days, the Customer
21 Solutions Outreach Team conducts educational fairs in the parking lot of the Branch Office
22 locations to increase visibility and engagement of these programs with customers. These
23 customer events promote CARE as well as other programs, services, tools and rate options.

1 **SDG&E Employees**

2 Educating and engaging SDG&E employees in helping promote bill saving solutions like
3 CARE to customers is an important component of SDG&E’s outreach efforts. Utilizing
4 employees, all of whom have their own network of family and friends, as ambassadors of these
5 solutions, is another way customers can learn and engage in these programs. As part of
6 SDG&E’s outreach efforts, education is provided a minimum of two times a year on the CARE
7 and ESA Program offerings to the general employee population through a variety of channels
8 including email blasts, digital presentation boards (digiboards), employee fairs and group
9 presentations. Additionally at employee education fairs, employees are encouraged to nominate
10 CBOs with which they have an affiliation, for a presentation on this program and other energy
11 saving solutions. For 2015-2017, SDG&E will continue these efforts with its employees.

12 **Data Sharing**

13 Leveraging with other organizations is a cost effective and efficient way to identify and
14 enroll eligible customers. Through data sharing, SDG&E’s CARE program automatically
15 enrolls customers participating in other programs such as the ESA Program. SDG&E also
16 leverages CARE customer enrollment information within the shared service territory of Southern
17 California Gas Company (SoCalGas). Additionally, every six months, SDG&E completes a data
18 sharing effort with California American Water to provide CARE enrollment information for
19 enrollment in California American Water’s low income program.¹⁷ For 2015-2017, SDG&E will
20 continue to look for data enrollment opportunities through the data sharing process.

21

¹⁷ D.11-05-020 required the water and energy utilities with overlapping service territory to share low-income customer information to increase the participation rates in the water low-income assistance programs.

1 **Technology Improvements**

2 In addition to improving targeted marketing and outreach efforts, SDG&E is
3 continuously evaluating ways to provide ease of use and cost efficiencies in the CARE
4 application, recertification and PEV processes. As recent data security issues with companies
5 such as Target and Home Depot have shown, a customer’s ease of use of company technologies
6 must be balanced with solid information security. With that in mind, SDG&E has also included
7 system improvements and enhancements as part of the 2015-2017 program plans.

8 **Customer Interface Improvements**

9 Technology provides ever increasing means for SDG&E to effectively communicate with
10 its customers. The primary goals of SDG&E’s strategy to improve customer communication
11 interfaces are to make all of its interactions easier, quicker and more efficient for the customer.
12 SDG&E plans to implement the following efforts during the 2015-2017 program cycle:

- 13 • Continue to improve the online enrollment and recertification process by
14 increasing language options and making customer identification easier by
15 eliminating the need to provide difficult to remember data, such as utility
16 account number
- 17 • Leverage existing SDG&E technologies such as MyAccount and
18 SDG&E’s Mobile App to provide alerts, messaging, and application
19 processing status along with links to other services programs that may
20 benefit our customers.

21 **Increase data integration within SDG&E systems**

22 Systems such as the CARE Program’s database “Customer Assistance Reporting and
23 Enrollment (CARE) system” and the ESA Program’s “Home Energy Assistance Tracking

1 (HEAT)” system were designed to be able to respond to changes in technology and program
2 design quicker than large enterprise systems. The challenge is these systems are separate
3 repositories for certain data. SDG&E plans on enhancing data integration with other SDG&E
4 systems for the following purposes:

- 5 • Increase automation of income verification, recertification and enrollment
6 between low income programs;
- 7 • Data communication enhancements between SDG&E’s Customer information
8 system (CISCO), the ESA Program through the Energy Efficiency
9 Collaboration Platform (EECP), and the CARE system will allow for
10 automatic CARE Program enrollments, recertifications, income verifications
11 and ESA Program referrals, assuring income qualified customers are getting
12 the maximum benefit from utility programs; and,
- 13 • Evaluate CARE integration into EECP.
- 14 • A gap analysis will be conducted of the CARE System and EECP capabilities
15 to determine whether it would be cost effective to move the CARE program
16 processing to the EECP system. As all Energy Efficiency programs and the
17 ESA Program will be operating out of this system, it would offer more
18 opportunities for integration of program participation data that would allow
19 for easier, faster and more meaningful analysis to be able to serve our low
20 income customers seamlessly with all relevant services available.
- 21 • If EECP does not prove to be a cost effective solution to CARE integration,
22 other avenues to integrate the CARE program data with other SDG&E
23 systems will be explored.

1 **Processing system automation**

2 Efficiencies, cost savings and accuracy are all achieved by automating as many processes
3 as are secure and practicable. SDG&E is planning a number of system enhancements to reduce
4 the opportunity of data entry errors, increase customer security and speed the process of
5 enrollment, recertification and income verification. These enhancements include:

- 6 • **Automated Document Tracking** – This effort will improve SDG&E’s ability
7 to track CARE applications and supporting documents throughout the
8 application, recertification and verification process. Less retrieval of physical
9 documents is needed, and documents are automatically linked to workflows
10 and tasks and distributed to responsible parties for processing.
- 11 • **Automated Task Assignment** – This enhancement works in conjunction with
12 automated document tracking, assigning tasks based on document type and
13 system rules. This includes approval routing and task escalation to assure
14 tasks are complete within a set date parameter.
- 15 • **Enhanced production reporting** - Continued improvement of production
16 reporting supporting efficient and timely processing of CARE applications,
17 recertification and verifications.
- 18 • **Electronic document storage and retrieval** - SDG&E continues to move to
19 paperless processes as much as is practical. Electronic document storage and
20 retrieval work as part of automated document tracing, incorporating coding of
21 scanned, faxed or purely electronic documents related to CARE processes,
22 while maintaining customer information security.

- **Secure customer document upload** - Secure customer document upload allows customer to electronically transfer requested documents used in post enrollment verification or recertification securely via cell phone or computer.
2. **A summary of actual participant data from 2012 and 2013, including CARE participant counts and percentage rates for program enrollment. Also provide estimated participation data for 2014 and provide a comparison to the benchmarks established by the Commission.**

Table 2 – Summary 2012-2014 CARE Program Participation

	2012	2013	2014 (Estimated)
Total Enrolled	309,605	300,554	290,554
Penetration Rate	85%	85%	78%
Penetration Goal	89%	90%	90%

3. **A discussion of any significant variations in enrollment from year to year and unique issues, if any, of your service area that presents challenges toward reaching the penetration goals of enrollment established by the Commission.**

During the 2012-2014 program cycle, SDG&E successfully enrolled over 144,000 customers into the CARE program.¹⁸ From January 2013 through September 2014, SDG&E’s net adjusted CARE enrollment has fallen due to the implementation of more stringent income verification protocols and an improving unemployment rate in San Diego.¹⁹ The corresponding enrollment numbers and penetration rates are detailed in the table above.

SDG&E has historically experienced a lower penetration rate than the other IOUs. There are a couple of unique service territory differences that affect SDG&E’s enrollment efforts that do not affect the other IOUs in the same manner.

¹⁸ Through September 2014. Enrollments calculated from Annual and Monthly Report Table 2, Total New Enrollments

¹⁹ The unemployment rate for San Diego in August of 2014 was 6.2% compared to 8.5% in September of 2012. [http://www.calmis.ca.gov/file/1fmonth/sand\\$pd.pdf](http://www.calmis.ca.gov/file/1fmonth/sand$pd.pdf)

- 1 • Data Sharing - The other IOUs have larger overlapping areas where they are able
2 to share CARE enrollment information. For example, if SoCalGas enrolls a
3 customer that is a shared customer of SCE, SCE is able to enroll that customer
4 into CARE without any need to further engage in enrollment efforts. Since
5 SDG&E's service territory overlaps with only a small portion of SCG's service
6 territory, enrollment results from data sharing have had limited results. For
7 example, data sharing efforts in 2013 only resulted in 164 CARE enrollments for
8 SDG&E. However, SCG was able to enroll 64,613²⁰ through its data sharing
9 efforts, while SCE enrolled 36,821.²¹
- 10 • The number of customers removed for ineligibility or non-response during the
11 CARE recertification process or PEV process has almost doubled since 2011. A
12 contributing factor is the number of verification requests increasing from a little
13 over 9,000 in 2011 to over 14,000 in 2013.
- 14 ○ 2011 Verification removal rate = 1.8% of CARE population vs. 2.45% in
15 2013
- 16 ○ 2011 Recertification removal rate = 2.8% of CARE population vs. 5.2%
17 rate in 2013
- 18 • Marketing tactics previously used are no longer yielding the same enrollment
19 results. For example, in 2011 telephone enrollment campaigns yielded a 2%
20 response rate. In 2013, that rate decreased to less than 1%.

²⁰ Southern California Gas Company 2013 Annual Report, Table 2, Inter-Utility Automatic Enrollment

²¹ Southern California Edison 2013 Annual Report, Table 2, Inter-Utility Automatic Enrollment

- 1 • The implementation of the automated CARE HUV Process is expected to
2 negatively impact CARE participation. In 2013, the impacts were small due to
3 the utilization of a manual process. However, 90% of the 600 customers who
4 were selected for HUV have been removed for non-response. Once fully
5 implemented, thousands of customers may be removed. For example, in
6 September 2013, over 11,000 CARE customers reached usage of above 400% of
7 baseline. This number extends to over 20,000 when considering the impact the
8 very hot summer of 2014 has had on customer usage. If 90% are removed,
9 approximately 18,000 customers would drop in one month which would be a
10 significant impact to enrollment. This is an extreme example since SDG&E only
11 has minimal data on response rates associated with the High Use CARE
12 customers.

13 **4. A discussion of how the utility’s CARE program goals for the 2015-**
14 **2017 CARE program align with Commission directives of reaching a**
15 **penetration goal of 90%.**

16 SDG&E’s goal is to enroll all willing and eligible customers in CARE, in alignment with
17 D.08-11-031.²² SDG&E anticipates the challenge to reach 90% eligibility will not become any
18 easier during the 2015-2017 program cycle and it will continue diligent efforts to increase
19 enrollment of all eligible and willing customers through marketing and outreach efforts outlined
20 earlier in section B-1. With the implementation of live CARE phone enrollment using Customer
21 Contact Center ESS’, SDG&E can maximize the enrollment opportunities in a cost effective and
22 efficient manner. Continuing to partner with its numerous community partners will also help
23 ensure SDG&E is reaching those customers who are Limited English Proficient. For customers

²² D.08-11-031, at OP 89.

1 who are already enrolled, providing customer alerts for recertification and PEV will also help
2 ensure those eligible customers continue their participation in the program. SDG&E's combined
3 enrollment and retention strategies will be key to ensuring continued improvement in program
4 enrollment in alignment with the Commissions goals of 90% program penetration.

5 **5. A description of your utility's existing program elements and**
6 **strategies to be continued.**

7 In addition to continuing Marketing and Outreach initiatives outlined in
8 Section B-1, SDG&E will continue to utilize program elements implemented over
9 the past program cycles. These elements include:

- 10 • Enrollment and income verification via Categorical Eligibility
- 11 • 4-year recertification cycles for fixed income customers or customers passing
12 a probability model
- 13 • Data Sharing
- 14 • Use of a probability model for income verification
- 15 • High Usage verification
- 16 • Enrollment leveraging with ESA Program and other organizations

17 **6. A description of any new program elements and strategies to be**
18 **implemented, including estimates of budgets for these new**
19 **approaches.**

20 **Customer Contact Center Phone Enrollment**

21 Starting in 2016, the Customer Contact Center will begin enrolling customer in CARE by
22 phone through its ESS' as agreed to the Settlement Agreement reached in the current
23 Disconnection proceeding (R.10-02-005) approved by the Commission in D. 14-06-036.23 As

23 D. 14-06-036 Final Decision Approving Settlement Agreement on Credit, Collection, and
Disconnection Practices, Attachment A, Article 4.3.1. Parties to the Settlement Agreement include:

1 part of the Settlement Agreement, SDG&E agreed to seek funding for this activity as part of its
2 Low-Income Application proceeding. SDG&E estimates approximately 20,000 CARE
3 enrollments through this effort annually, which is an increase of 235% over current Customer
4 Contact Center enrollments received through paper applications mailed to customers. SDG&E is
5 requesting to fund 1.5 ESS agents and has budgeted \$78,608 for 2016 and \$80,738 in 2017 to
6 fund Customer Contact Center activity. SDG&E has also requested concurrent funding for this
7 effort as part of its Test Year (TY) 2016 General Rate Case (GRC) Application to be filed in
8 November 2014. Should funding be approved as part of this Low-Income Application
9 proceeding, SDG&E will remove its funding request for this effort in the GRC.²⁴

10 **CARE Rate Education Reports**

11 As discussed in detail in Section B-1, SDG&E will launch a new component of direct
12 mail, adding more customized messaging to marketing efforts. The direct mail will include a
13 Rate Education Report which will contain personalized energy use information, with a focus on a
14 comparison between the household's current utility bill and the household's utility bill if the
15 customer qualified for and received the CARE discount. The mailers would be targeted to non-
16 CARE customer in areas of high eligibility.

Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, The Utility Reform Network, Greenlining Institute, the Office of Ratepayer Advocates, (now the Division of Ratepayer Advocates), and the Center for Accessible Technology

²⁴ Cost of \$72,000 included in the GRC Prepared Direct Testimony of Brad Baugh, exhibit SDG&E-14 were not inclusive of incremental pay increases or payroll taxes, which are covered in the direct testimonies of Ragan Reeves SDGE-29 and Scott Wilder SDGE-33 respectively.

1 **High Usage Alerts**

2 In support of customers who have verified their income eligibility for the program,
3 SDG&E will launch high usage alerts to notify CARE customers that their usage may exceed
4 600% of baseline if action is not taken to reduce their use.

5 In support of the Rate Education Reports and High Usage Alerts, SDG&E has budgeted
6 \$125,000 for 2016 and \$150,000 for 2017.

7 **Enlisting ESA Program contractors as CARE door-to-door contractors**

8 As discussed in detail in Section B-1, SDG&E proposes to utilize the ESA Program
9 outreach and assessment contractors to work as CARE door-to-door contractors that sign-up
10 eligible customers to the CARE Program. If SDG&E is allowed to utilize the ESA Program
11 contractors as CARE door-to-door contractors, the customer will get the benefit of hearing and
12 enrolling in the CARE program. In support of this initiative, SDG&E has budgeted \$499,476 for
13 2016 and \$505,379 for 2017.

14 **Coordination between CARE and California Lifeline**

15 Beginning in 2015, SDG&E is proposing to partner with organizations which include
16 CBOs, tribal organizations, and other public and private organizations that work in conjunction
17 with the California Lifeline and/or the Covered California agencies. SDG&E anticipates using
18 the services of an outside contractor to develop and implement a grassroots leveraging program
19 and has detailed this initiative in Section F. SDG&E has budgeted \$80,000 in 2015, \$81,930 in
20 2017 and \$83,868 for 2017 in support of this initiative.

- 21 **7. A detailed description of any proposed pilots and/or studies to be**
22 **conducted, including detailed proposed budgets.**

1 **2016 Low Income Needs Assessment Study**

2 With the enactment of AB 327 in 2013, the utilities are directed to conduct a Low Income
3 Needs Assessment (LINA) Study every three years. The last LINA Study was completed and
4 released in 2013. In order to comply with AB 327, SDG&E is proposing an updated LINA
5 Study to be completed in 2016. In D-12-08-044, the utilities were ordered to fund the LINA
6 study through the Energy Savings Assistance Program.²⁵

7 **CHANGES Pilot Program**

8 In Commission Resolution CSID-004, dated November 19, 2010, the Commission
9 approved the CHANGES pilot to provide LEP customers an in-language education, need and
10 dispute resolution, and outreach program for energy matters. The pilot will be conducted for
11 one-year and the Commission’s Consumer Service and Information Division (“CSID”) will
12 evaluate the effectiveness of the pilot and recommend to the Commission if the program should
13 become an on-going program. The Commission determined that the cost of the pilot should be
14 charged to the utilities CARE account as part of their outreach funding. In D.12-12-011 the
15 Commission ordered continued funding of the CHANGES program through the 2012-2014
16 program cycles and also ordered improved tracking, monitoring and oversight of the pilot’s
17 efforts. In D-14-08-030 the Commission ordered continued bridge funding through the 2015
18 pending review of the CHANGES pilot.²⁶,

19 For 2015, approved funding for the pilot is \$61,200 monthly, which includes a 2% cost of
20 living increase from the 2014 funding level. SDG&E’s pro-rata share of the authorized funding
21 is \$9,180, annualized to \$110,160. SDG&E has included \$112,363 for 2016 and \$114,610 for
22 2017 should the Commission approve the CHANGES program as an ongoing program, and

²⁵ OP 107 (a)

²⁶ Finding of fact 35 and Conclusion of Law 52

1 determines what the budget should be, and whether it is appropriate to continue the funding of
2 CHANGES through the CARE Program.

3 SDG&E does not plan to conduct any additional CARE studies or pilots during the 2015-
4 2017 program cycle.

5 **8. Your utility’s total requested budget of the portfolios for each year,
6 and for the entire budget cycle.**

7 To support the proposed initiatives and day-to-day program operations, SDG&E is
8 requesting Commission approval of the following budget for the 2015-2017 program cycle.

9 **Table 3: 2015-2017 CARE Budget Portfolio**

	PY 2015 Bridge Funding Authorized in D. 14-08-030	PY2016	PY2017	Total Program Cycle
Administrative Budget	\$5,485,965	\$6,647,205	\$6,835,212	\$18,968,381
Subsidy	\$71,766,318	\$69,916,644	\$73,102,151	\$214,785,113
Total Budget	\$77,252,283	\$76,563,848	\$79,937,363	\$233,753,494

10 **9. Estimates of the total number of households to be enrolled for each
11 year, and for the entire budget cycle.**

12 SDG&E estimates that the proposed program efforts will be successful in generating the
13 following net enrollment levels:

14 **Table 4 – Estimated Net Enrollments 2015-2017**

	2015	2016	2017	Total Program Cycle
Households enrolled	8,000	17,000	25,000	45,000

15 **10. Request for any exceptions as necessary.**

16 SDG&E is not requesting any exceptions for the 2015-2017 program cycle.

1 **C. PROGRAM DELIVERY**

2 **1. Existing Strategies**

3 Discuss the mechanics of the program and provide a brief description of the
4 strategies employed during 2012-2014 that will be continued through 2015-2017,
5 including a description of activities performed by third-parties and other
6 stakeholders.

7 There are three components of the CARE program; new enrollments, recertification, and
8 PEV. Every aspect of the CARE program is administered by SDG&E staff including, but not
9 limited to, processing all new and recertification applications, verification requests, handling all
10 customer inquiries, managing incomplete applications and/or insufficient proof of income
11 submittals, and developing and engaging in outreach and marketing activities.

12 **Enrollment**

13 Customers interested in enrolling in CARE can apply by completing a self-certification
14 application that qualifies them either through their income or through their participation in an
15 approved public assistance program. Applications are available , using SDG&E’s online
16 application form, using the SDG&E mobile phone app, calling the CARE toll-free IVR
17 enrollment phone line, or by responding to AVM telephone enrollment campaign. Customers
18 wishing to utilize the U.S. mail begin by completing a hard copy application form and mailing it
19 to SDG&E using a postage paid return envelope supplied by SDG&E. Customers who prefer to
20 use the internet may access CARE/FERA/ESA Program integrated web application process on-
21 line. Customers completing the on-line process provide information once and are provided with
22 enrollment options for the programs they are eligible for. For example, if they are CARE or
23 FERA eligible and the premise has not been served by the ESA Program, the customers will be
24 offered enrollment options for both programs without completing separate forms.

25 In some instances customers may be enrolled in CARE through various data sharing

1 efforts. For example, SDG&E customers who have been qualified for the ESA program can be
2 automatically enrolled in CARE without completing a separate SDG&E CARE application.
3 SoCalGas customers who have enrolled in CARE can be automatically enrolled in SDG&E's
4 CARE program through a joint utility data sharing agreement.

5 **Recertification**

6 SDG&E CARE customers and CARE tenants of submetered facilities are required to
7 recertify their program eligibility when requested by the utility. To minimize attrition of
8 customers who are most likely eligible for CARE, SDG&E utilizes two and four year
9 recertification periods. Customers on "fixed income" (e.g. those receiving Social Security
10 benefits, certain pensions, Supplemental Security Income and/or Medi-Cal benefits) are
11 requested to recertify every four years. Additionally, at the time of recertification, customers are
12 passed through a probability model to determine the likelihood of eligibility. Customers
13 determined to be most likely eligible, are also provided a four year recertification period. All
14 other customers are subject to a two-year recertification period.

15 Regardless of the two or four year requirements, all customers are notified by SDG&E
16 when their recertification is due and are offered the option to recertify via U.S. mail, by
17 telephone (through an AVM recertification reminder or by accessing the CARE Recertification
18 IVR system) or on-line. Customers are provided two recertification reminder notices by mail
19 and a notice on their bill informing them that they will be removed from the program if they do
20 not respond. Customer's that do not reply to a CARE recertification request are removed from
21 the CARE rate approximately 90 days after the recertification request mail date.
22

1 **PEV**

2 PEV is utilized to help ensure ineligible customers do not continue to receive a discount
3 they are not qualified to receive. Since the early 90's, SDG&E's process for income verification
4 remained relatively unchanged. Customers are randomly selected for the PEV process and
5 subjected to a probability model to determine the likelihood of eligibility. Customers deemed
6 less likely eligible are provided a PEV request. In D.12-08-044,²⁷ the utilities were directed to
7 implement changes to previously utilized probability models. On September 3, 2013, SDG&E
8 filed Advice Letter 2515-E/2224-G detailing the SDG&E long-term probability model. At the
9 Energy Division's request, SDG&E filed a supplement to Advice Letter 2515-E/2224-G on
10 October 21, 2013.²⁸ SDG&E received approval for their model and has made the required
11 adjustment to the probability model as discussed in further detail in the following section.
12 Additionally, in D.12-08-044, the SDG&E was directed to implement a more extensive
13 verification process for customers with electric usage exceeding 400% and 600% of baseline, as
14 described in Section A-3.

15 To support the program processes above, SDG&E utilized various marketing and
16 outreach strategies and tactics to improve customer participation during the 2012-2014 program
17 cycle. SDG&E will continue to build on the success of marketing and outreach strategies during
18 the 2015-2017 program cycle. Activities will include the following:

- 19 • Direct Marketing (e.g. Direct mail, AVM, email, rate education reports)
- 20 • Phone Enrollment and Phone Recertification – CARE IVR and AVM
- 21 • Bill Package – bill insert, onsert and bill newsletter

²⁷ OP 90-96

²⁸ Advice Letter 2515-E-A/2224-G-A, Partial Supplemental Filing - San Diego Gas & Electric Company's Proposed California Alternate Rates For Energy Long Term Probability Model

- 1 • Website and Phone App– SDGE.com and SDG&E mobile phone app
- 2 • Mass Marketing – Television, radio, print
- 3 • Social Media – Facebook, You Tube, and Twitter
- 4 • Digital Advertising – online banner and search engine ads
- 5 • Collateral – education booklets, application forms and program information sheets
- 6 • Community Outreach – events, presentations, and trainings

7 SDG&E works closely with a network of over 200 community-based organizations to
8 connect customers to the CARE Program. These organizations represent the diversity of
9 SDG&E's service area.

10 Activities that these partners conduct include:

- 11 • Door-to-door canvassing
- 12 • In person enrollment services
- 13 • Presentations and events
- 14 • Delivery of program material/collateral on their websites, social media
15 channels (Facebook, Twitter, Pinterest, LinkedIn), email blasts, e-
16 newsletters and print newsletters
- 17 • Promotion and customize messaging to targeted audiences

18 2. PEV Long Term Probability Model

19 a) **Discuss the results of both the interim and long term CARE** 20 **probability models implemented during the 2012-2014** 21 **program cycle.**

22 In the fall of 2012, SDG&E began using its interim probability model. The model was
23 used for selecting customers for PEV from the fourth quarter of 2012 through February 2014. In
24 total 14,714 customers were selected using the interim probability model. In February, 2014,

SDG&E began using its long term probability model. As of September, 5,976 customers were selected using the long term probability model and were provided the requisite time to respond. The results of the PEV process by year and model are listed in the table below.

Table 5 – PEV Model Results

PEV Classification	Interim Probability Model						Long Term Probability Model	
	2012	Percent	2013	Percent	2014	Percent	2014	Percent
Income eligible	369	35.5%	4,242	32.1%	152	32%	2142	36%
Removed Non-Response	550	52.8%	7,150	54.2%	258	54.3%	2955	49%
Income ineligible or requested removal	122	11.7%	1,806	13.7%	65	13.7%	879	15%
Total	1,041	100%	13,198	100%	475	100%	5976	100%

While it is too early to provide a conclusion to the effectiveness of the long-term model, preliminary results, as illustrated in Table 5 above, indications are that the long term model is better at selecting ineligible customers, as the number of ineligible customer responses increased from 11.7% in 2012 to 15% in 2014. SDG&E will continue to monitor its PEV results and provide an update in its 2014 ESA Program and CARE Annual Report.

b) Identify the factors used, any identifiable best practices, and explain how the results will be incorporated into the 2015-2017 program cycle.

SDG&E’s long-term PEV model uses the factors identified below to screen customers to determine the “likelihood for eligibility:”

- Energy Use
- Home Ownership
- Residence Type
- Neighborhood Characteristics

- CARE program Characteristics (self-certified vs. categorical enrollment, i.e., how household signed up for CARE)

Due to the use of the long-term PEV model being in its infancy stage, SDG&E has not yet been able to identify any best practices. However, plans to continue to review the results of the long term probability model and compare to the results of previous models. In Section 2.c below, SDG&E plans to investigate the factors that cause customers to fail to respond to the PEV notifications. SDG&E anticipates that the results of this work will positively change either the probability model or the way the PEV is implemented.

c) The IOUs' long-term probability advice letters and supplemental advice letters (SDG&E 2515-E-A/2224-G-A), noted that CARE customers who fail to respond to requests for income verification during the PEV process may not be ineligible for the CARE program. However, much is not known as to why these CARE customers fail to respond, nor is much known as to the characteristics of this customer segment - precisely because they fail to respond to utility requests for further information. Discuss the efforts and strategies your IOU will be implementing in the 2015-2017 budget cycle to learn more about this customer segment and to decrease the number of CARE customers who fail to respond to income verification requests during the PEV process.

SDG&E's utilizes a PEV probability model which is designed to focus selection on customers that have a high probability of being ineligible. This verification process leads to three possible outcomes: (1) eligibility confirmed; (2) eligibility rejected; or (3) non-response. It has been presumed that CARE customers who failed to respond to the requests for income verification during the PEV process were likely ineligible for the CARE Program. However, SDG&E agrees that there is uncertainty as to why these CARE customers fail to respond because of the lack of response to the utility's requests for further information. For the 2015–2017 program cycle, SDG&E plans to implement the strategies identified below to learn more about

1 this customer segment and to decrease the number of CARE customers who fail to respond to
2 income verification requests during the PEV process.

3 In order to better understand the non-respondent population SDG&E is proposing to
4 conduct a two-step process to better understand the reasons customers fail to respond to income
5 verification. The first step will include a thorough data analysis of non-responders. Included in
6 the review will be:

- 7 • a summary of CARE program activity over the previous year;
- 8 • a literature review of other studies that have examined non-respondents to
9 the PEV process;
- 10 • a database that includes non-respondent customer characteristics and
11 census data at the census tract or block group level;
- 12 • an analysis of the attributes of customers that fail to respond to program
13 verification efforts; and,
- 14 • a process evaluation of the internal procedures and materials used to
15 verify, re-certify, transfer, and track CARE customers.

16 The second step of the PEV non-responder process will be the completion of a survey.
17 While the application process yields some useful data on CARE participants (e.g., name,
18 address), additional information would have to be generated to develop a more complete
19 understanding of the non-respondent population. Ideally, individual-level customer attributes
20 (age, income, household size, etc.) would be used to help explain a significant amount of the
21 non-response. This requires the completion of a customer survey.

22 Once the analysis and surveys are complete, and more insight has been gleaned as to why
23 CARE customers fail to respond to the PEV process, SDG&E will implement improvements that

1 support recommendations identified through the review of PEV non-responders. SDG&E will
2 also continue to identify and implement system improvements that support improving the PEV
3 process, such as secure document uploads.

4 **d) These long-term probability advice letters and supplemental**
5 **advice letters include extensive detail in outlining what specific**
6 **customer factors may indicate eligibility and ineligibility for**
7 **the CARE program. How do these factors relate to the findings**
8 **in the Low Income Needs Assessment (“LINA”)? Will the**
9 **factors need to be updated to correspond with the Needs**
10 **Assessment findings? What process will be employed to**
11 **conduct this update?**

12 As is illustrated in Table 1 below, important drivers of CARE eligibility within a census
13 block group include specific measures of income, education, household size, home ownership,
14 and energy usage. Also illustrated are the variables utilized in “2013 Needs Assessment for the
15 Energy Savings Assistance and the California Alternate Rates for Energy Programs Report”.
16 There is substantial similarity between the two variable lists. The primary difference is that the
17 Needs Assessment Report had access to and therefore considered a larger range of variables than
18 the SDG&E PEV model. But many of the variables within a specific variable class (e.g., income
19 distribution or energy usage) are highly collinear and could be considered almost perfect
20 substitutes for one another. That is, using *Maximum Summer Electric Usage* or *Average Energy*
21 *Usage* likely yields very similar model results. The other significant difference between the lists
22 is that the SDG&E PEV model does not consider household language or seasonal metrics such as
23 heating and cooling degree days. SDG&E will undertake a re-examination of its PEV model to
24 evaluate the efficacy of including these variables. If the estimation is significantly improved
25 SDG&E will update its PEV model and submit an advice letter outlining the update process and
26 results.

Table 6 - Variable used in Recent Program Assessments

Variable	SDG&E PEV Model	Low Income Needs Assessment Report
Income Distribution		
PRIZM Median Household Income	X	
Census Median Household Income	X	X
Fraction Below 200% of Poverty Level	X	X
Population Density and Rural/Urban		
Population per Square Mile		X
Rural/Urban Designation		X
Fraction High School Diploma or Less	X	
Household		
Persons per Home		X
Average Household Size	X	
Median Household Size	X	
Race/Ethnicity		X
Primary Languages		X
CARE Signup Method	X	
Participation in Low Income Programs		X
Home		
Home Ownership	X	X
Home Type		X
Home Size		X
Home Vintage		X
Housing Stock		
Housing Starts		X
Vacancy Rates		X
Home Prices, Rental Rates		X
Energy Usage		
Average Energy Usage		X
Energy Usage Per Square Foot		X
Energy Usage Per Square Household		X
Seasonal Metrics		X
Maximum Summer Electric Usage	X	

- e) **The utility long-term probability model advice letters illustrated some variation in the application of these tools, and some best practices are identified as well. How quickly, and at what cost, can your utility implement the following PEV procedures:**
- i. **Prior to probability model screening, require random selection of 1% of all CARE customers for post-enrollment verification?**

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3
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1 Should the Commission order a change in PEV requirements, SDG&E could implement a
2 random selection of 1% of all CARE customers within 30-days. There would be no added cost
3 as SDG&E has in-house capabilities to randomly select the customers.

4 **ii. Subject all remaining CARE customers (not including**
5 **those on CARE for 20 days or less, or passing**
6 **verification in the last 24 months, or users with electric**
7 **usage above 400% baseline who must undergo PEV**
8 **separately per D.12-08-044) to your utility’s individual**
9 **probability models?**

10 SDG&E’s PEV probability model assigns an eligibility probability to all customers.
11 Customers with probability values closer to “1.0” are less likely to be eligible for CARE and
12 conversely customers with values closer to “0” are more likely to be eligible. SDG&E assigns
13 an eligibility threshold designed to select a specific number of customers. In D. 12-08-044 the
14 utilities were ordered to maintain verification levels at no more than 200% of their 2011 PEV
15 rates.²⁹ SDG&E’s 2011 PEV rate was 3%³⁰ and subsequently has set current verification levels
16 at 6%. As of SDG&E’s September 2014 Monthly Report, there are 288,371 customers enrolled
17 in CARE. With a PEV threshold of 6%, SDG&E will verify approximately 18,000 of enrolled
18 CARE customers.

19 A common concern when selecting any customer for PEV is that an eligible customer
20 may be removed from the CARE due to non-response. Since little is known about non-
21 responders, SDG&E is hesitant to make changes in the current PEV approach and verification
22 levels. SDG&E believes that the proposed review of non-responders described above in Section
23 2.c will help it refine the way the PEV is implemented.

24 **iii. Using past program data, project/estimate the total**
25 **number of CARE customers that would be selected (by**

²⁹ Ordering Paragraph 92

³⁰ SDG&E 2011 CARE Annual Report, Table 3

**month, and by percentage of total CARE population)
that would be required to undergo the PEV process
using the above procedures as well as the projected
administrative costs to facilitate implementation**

SDG&E proposes to continue at the current 18,000 customer level for PEV in 2015. This includes both the customers randomly selected and those selected by the probability model. SDG&E may adjust the level after more is learned about non-responders and a retention methodology can be developed. In addition, SDG&E will continue the HUV process, required in D.12-08-044.

3. Targeting Rural Population

Identify specific underserved rural areas (by ZIP code or county, tribal area or appropriate area), as discussed in the latest Needs Assessment or as additional analysis to assess rural population needs, and discuss what new strategies your IOU will employ to better target and enroll those households. Include a discussion on your utility's strategies to be carried out in each area, if different.

SDG&E identified 23 zip codes within its service territory that have been designated as rural communities.³¹ The SDG&E estimates that its customer population within the rural community is 64,500, with an estimated CARE eligible population of 12,219. The CARE penetration rate for SDG&Es rural communities is 63.5%. This penetration rate is below the CARE penetration rate of 77.5%, as of September 2014. As identified in the LINA study, customers in rural areas tend to be less trusting of the utilities and unfamiliar with the availability of the CARE program.³² Strategies and tactics used to target densely populated areas, such as door-to-door, are more expensive and difficult to implement. Also, because of the lack of trust of the utilities, direct mail or telephone campaigns may be less impactful.

³¹ See SDG&E CARE Rural Population Worksheet

³² LINA Study Section 3.3.3.1 CARE participation Characteristic and Barriers to Participation

1 During 2015-2017, SDG&E will engage with community-based partners who provide
2 direct services to customers residing in rural communities. Leveraging community partnerships
3 with organizations having a strong presence in rural and tribal communities can help break down
4 the trust barrier experienced in the rural areas. SDG&E will leverage existing partnerships with
5 police and fire departments, and agencies that have a role in emergency preparedness to provide
6 information on CARE, the ESA Program and other customer solutions at outreach events
7 conducted by these agencies. Many of these events are held in some of San Diego's most rural
8 areas of the county. SDG&E will also use its new Residential Segmentation data to implement a
9 multi-tactic campaign consisting of direct mail, followed by either outbound calling or door-to-
10 door outreach, where appropriate, to customers who did not initially respond to the direct mail
11 piece. SDG&E will continue to build on current efforts and leverage CARE program
12 information to help improve customer participation in rural areas.

13 **4. Targeting the High Poverty Areas (income less than 100% of federal**
14 **poverty guidelines)**

15 Identify the very high poverty areas within your service territory that are
16 underserved (by ZIP code or county), and discuss what new strategies
17 your IOU will employ to increase CARE penetration in these areas.

18 SDG&E has identified 63 out of 118 zip codes within its service territory where at least
19 10% of the population is considered high poverty (100% of the FPL or below). The CARE
20 Program penetration is 83% for those high poverty areas. SDG&E believes that this penetration
21 rate reflects the success of the CARE Program in reaching its high poverty areas. SDG&E plans
22 to continue building on its success by utilizing its new Residential Segmentation data and will
23 work closely with its door-to-door outreach contractors to implement a multi-tactic campaign
24 consisting of direct mail, outbound calling, and leaving door hangers when customer is not at

1 home. Education and outreach efforts will continue with organizations that serve high poverty
2 communities.

3 SDG&E will continue to leverage outreach opportunities with tribal and local
4 governments, and CBOs. Activities will continue to include enrollment days with COBs and
5 tribal organizations and presenting information at public meetings with cities and counties,
6 which are rebroadcast on public access channels. Beginning in 2015, SDG&E's plan is to also
7 leverage the California and Federal Lifeline program providers to offer education, training,
8 materials, enrollment assistance, and direct messaging on the CARE Program.

9 **5. Other New and Proposed Strategies**

10 Discuss the mechanics of the program and provide a brief description of
11 new strategies that will be employed, including a description of activities
12 performed by third-parties and other stakeholders.

13 As described in Section C-1, the mechanics of the CARE program are enrollment,
14 recertification, and post enrollment verification. SDG&E will employ the following new
15 strategies for the 2015-2017 program cycle:

16 **New Enrollment**

- 17 • Customer Contact Center phone enrollment
- 18 • CARE Rate Education Reports targeting potentially eligible customers
- 19 • Utilize updated customer segmentation information to improve targeting efforts
- 20 • Multi-tactic marketing efforts using, direct mail, email, live phone enrollment,
21 and door-to-door canvassing
- 22 • Increase language options on the online enrollment form
- 23 • Leverage partnerships with community based organizations (CBOs), tribal
24 organizations, and other public and private organizations that work in conjunction
25 with the California Lifeline and/or the Covered California agencies

- Simplify customer identification for the online forms by eliminating the need to provide difficult to remember data, such as utility account number
- Utilize ESA Program contractors for door-to-door outreach.

Recertification

- Customer alerts utilizing MyAccount and/or SDG&E’s mobile application.
- Multi-tactic marketing efforts using, direct mail, email, phone enrollment, and door-to-door canvassing.
- Improved delivery of recertification process on SDGE.com.
- Increased language options for the online recertification.
- Simplify customer identification for the online forms by eliminating the need to provide difficult to remember data, such as utility account number.

PEV

- Customer alerts utilizing MyAccount and/or SDG&E’s mobile application.
- Improve delivery of verification process on SDGE.com.
- Document uploading using a secure portal.
- Increased language options for verification.

Other Initiatives

- High usage alerts to notify CARE customers that their usage may exceed 600% of baseline so they can take action to reduce their use to remain enrolled in CARE.
- Processing system automation.

6. New and Proposed Strategies to Reach the “Hard to Reach”

Discuss how your utility will address the needs of hard to reach low-income customers.

1 The CARE and ESA programs have been successful in reaching many segments of the
2 low income population that might be considered hard to reach such as non-English speakers,
3 African-American households, seniors, larger households, single parent households and, for the
4 ESA Program, reaching those with a chronic medical condition suggesting that the programs are
5 effectively designed to reach those segments.

6 As indicated in the LINA study,³³ the CARE program is not reaching as many renters and
7 rural areas (addressed in Section C-3), all else constant, suggesting the CARE program could
8 improve its outreach to these customers. In SDG&E’s service territory, two thirds of the low
9 income renter population, resides in multifamily properties. Multifamily renters have relatively
10 lower energy bills and energy burden and may be less motivated to respond to a utility request to
11 participate. Rural residents have greater trust issues and also may not be as likely to accept
12 assistance or to know they are qualified.

13 To address renters, SDG&E will continue to use a multi-tactic approach, which includes
14 direct mail, AVM, and multi-lingual door-to-door efforts. Offering a live phone enrollment
15 option through SDG&E’s Customer Contact Center will also provide an opportunity to engage
16 customers when they turn on or transfer service. SDG&E will also continue to integrate CARE
17 program messaging with other offerings such as the ESA Program, Medical Baseline, Level Pay
18 Plan, and energy efficiency programs. SDG&E will also leverage relationships with property
19 owner/managers to educate and encourage tenant participation in the CARE program as
20 appropriate.

³³ LINA Study Summary of Key Findings and Recommendations, number 6.

1 **7. Leveraging with California Department of Community Services and**
2 **Development**

3 Consistent with the directives of D.12-08-044, Ordering Paragraphs 24, 25
4 and 26, the IOUs’ leveraging proposal(s)for the 2015-2017 program cycle
5 shall incorporate the IOUs’ plans with the California Department of
6 Community Services and Development (CSD) to (a) continue and improve
7 upon the efforts to develop and implement an effective leveraging plan
8 between the ESA Program and CSD; (b) continue and improve upon their
9 current efforts of utilizing dual providers for ESA and CSD in program
10 delivery, where feasible; and (c) continue and improve upon their current
11 efforts toward refining the data sharing activities with CSD’s Low Income
12 Home Energy Assistance Program (LIHEAP)/Weatherization Assistance
13 Program(WAP), etc.

14
15 Third-party, off-the-shelf software solutions are available to help
16 streamline the data exchange between Low-Income Home Energy
17 Assistance Program (LIHEAP) utility assistance providers and the IOU
18 customer service representatives who oversee customer billing and
19 accounting. How will your utility seek to improve the application of
20 LIHEAP crisis grants for those CARE customer accounts at risk of
21 disconnection? What customer credit or customer billing system upgrades
22 or enhancements has your utility considered to reduce the delay in
23 applying LIHEAP crisis grants/pledges for CARE customers?

24 SDG&E, in conjunction with the other IOUs, have coordinated with CSD to review the
25 processing of LIHEAP crisis grants for customers account. SDG&E will continue to work with
26 CSD on grant posting procedures as well as, how to best leverage the bill assistance funds to
27 ensure that customers receive the greatest benefit. In addition, SDG&E will continue to
28 communicate with CSD on technical issues and process updates. In 2014, the IOUs and CSD
29 held a series of meetings addressing technical issues addressing customer data format changes.
30 SDG&E does not believe it is necessary to purchase any third-party off-the-shelf software
31 products to streamline the process as the current process is working. SDG&E plans to continue
32 on-going discussions with CSD on the coordination of LIHEAP services.

33 **D. PROGRAM ADMINISTRATION**

34 Describe the administration of the program, including outreach, and any change
35 or improvement being implemented by category. Include cost by category
36 (should match the budget table).

1 CARE program administration costs are categorized in alignment with reporting
 2 requirements outlined in Table B-1. SDG&E 2015 budget levels are consistent with the funding
 3 levels authorized in D.14-08-030³⁴, which authorized one-year bridge funding to continue the
 4 existing CARE Program activity and determined that 2015 should be treated as the fourth
 5 program year of the 2012-2014 program cycle.³⁵ However, SDG&E has shifted funding levels
 6 within categories to address program needs to support 2015 activity, as authorized in previous
 7 commission decisions³⁶. The following table lists the proposed CARE program funding for
 8 2015-2017.

9 **Table 7 - 2015-2017 Proposed CARE Program Budget**

CARE Budget Categories	2015	2016	2017	Program Cycle
Outreach	\$2,300,352	\$3,186,046	\$3,250,245	\$8,736,642
Processing, Certification, Recertification	\$643,206	\$660,164	\$676,972	\$1,980,341
Post Enrollment Verification	\$437,912	\$369,581	\$341,012	\$1,148,505
IT Programming	\$1,098,580	\$1,375,387	\$1,485,444	\$3,959,411
Cool Centers	\$35,985	\$36,853	\$37,725	\$110,563
Pilots	\$110,160	\$112,363	\$114,610	\$337,133
Measurement and Evaluation	\$24,750	\$24,750	\$24,750	\$74,250
Regulatory Compliance	\$244,408	\$250,875	\$257,659	\$752,942
General Administration	\$533,900	\$573,107	\$587,342	\$1,694,349
CPUC Energy Division Staff	\$56,712	\$58,080	\$59,454	\$174,246
SUBTOTAL MANAGEMENT COSTS	\$5,485,965	\$6,647,204	\$6,835,212	\$18,968,381
Subsidies and Benefits	\$71,766,318	\$69,916,644	\$73,102,151	\$214,785,113
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$77,252,283	\$76,563,848	\$79,937,363	\$233,753,494

³⁴ COL 56 and OP 2(b),

³⁵ D. 14-08-030, OP 3.

³⁶ D. 06-12-038, OP 16 allowed the utilities to shift CARE Program funds within budget categories. D. 08-11-031 authorized fund shifting consistent with previous cycle but directed the utilities to report fund shifting activity. The Utilities include fund shifting activity in the CARE Annual Reports, Table 1.

1 The following describes the administration of the program, descriptions of proposals
2 within the categories and the budget requested to support these activities for 2015-2017.

3 **Outreach**

4 Outreach costs represent all costs associated with marketing and outreach efforts to
5 increase program enrollment. Cost include: printing and mailing of CARE
6 applications/documents, printing and mailing of the annual notification, postage, bill inserts,
7 brochures and flyers, advertising, targeted direct mail and telephone campaigns, community
8 event sponsorships, CARE Partner (Capitation) efforts, ESP network efforts, distribution of
9 collateral materials, outreach staff labor, and other outreach and enrollment efforts. SDG&E has
10 also included the cost of the new Customer Contact Center phone enrollment initiative in this
11 cost category for 2016 and 2017.

12 SDG&E is requesting to expand door-to-door activity to support rural and underserved
13 high poverty areas. Additionally, live follow-up calls will be added, which are traditionally more
14 expensive than AVM calls. New initiatives, including the Customer Contact Center enrollment,
15 Energy Education Reports, High Usage alerts, and ESA Program contractors used for door-to-
16 door efforts are also included in within the Outreach Budget. SDG&E proposes funding of
17 \$2,300,352, \$3,186,046 and \$3,250,245 for 2015, 2016, and 2017 respectively to support
18 marketing and outreach efforts.

19 **Processing, Certification and Recertification:**

20 The Processing, Certification and Rectification cost category includes the CARE
21 Administration Group labor and data entry costs. The function of the CARE Administration
22 Group includes: 1) opening and sorting CARE application forms; 2) processing/data entering all
23 CARE applications; 3) initiating and responding to customers' inquiries regarding CARE

1 applications/program; 4) fielding telephone calls related to CARE program participation; and, 5)
2 resolving billing issues related to CARE program enrollment. SDG&E is not proposing any
3 changes in processing activity in 2015-2017. SDG&E proposes funding of \$643,206, \$660,164
4 and \$676,972 for 2015, 2016, and 2017 respectively.

5 **PEV**

6 The Verification cost category includes administrative cost associated with handling day-
7 to-day PEV activity. This includes: 1) processing labor for CARE income verification and CARE
8 HUV processes; 2) responding to customers' inquiries regarding CARE income verification; 3)
9 resolving customer issues related to income verification, and; 4) cost associated with analyzing
10 and updating the verification probability model. SDG&E proposes funding of \$437,912
11 \$369,581 and \$341,012 for 2015, 2016, and 2017 respectively.

12 **Information Technology ("IT") /Programming**

13 This category represents all IT support costs to maintain the CARE billing system, CARE
14 documents, CARE database, system reports, data exchange with other utilities, undertaking
15 system enhancements to comply with Commission mandates, and improving operational
16 efficiencies. SDG&E has identified several system modifications that are needed to improve
17 data integrity, create processing efficiencies, and deliver program information more efficiently
18 and effectively and has outlined the request in Section B-1. SDG&E proposes funding of
19 \$1,098,580, \$1,375,387 and \$1,485,444 for 2015, 2016, and 2017 respectively.

20 **Pilots**

21 SDG&E has not requested any new pilots for the 2015-2017 program cycle. However,
22 SDG&E is including the cost already approved in D.14-08-030 for continuing the CHANGES
23 Pilot Program during 2015. For 2015, approved funding for the pilot is \$61,200 monthly, which

1 includes a 2% cost of living increase from the 2014 funding level. SDG&E's pro-rata share of
2 the authorized funding is \$9,180, annualized to \$110,160. SDG&E has included \$112,363 for
3 2016 and \$114,610 for 2017 should the Commission approve the CHANGES program as an
4 ongoing program, and determines what the budget should be, and whether it is appropriate to
5 continue funding the CHANGES through the CARE Program.

6 **Cool Centers**

7 SDG&E is not proposing changes to continue to support the County of San Diego's Cool
8 Center (Cool Zone) program. Included in this category are costs to print Cool Zone collateral
9 pieces, purchasing and distributing portable fans to home-bound low-income seniors. The details
10 of SDG&E's Cool Zone program are outlined further in Section G of the Application. SDG&E
11 proposes funding of \$35,985, \$36,853 and \$37,725 for 2015, 2016, and 2017 respectively.

12 **Measurement and Evaluation:**

13 The costs for CARE Measurement and Evaluation (M&E) are associated with proposals
14 submitted by Athens Research to conduct the annual eligibility update, and subsequent request
15 for information regarding CARE program eligibility. SDG&E is not proposing any additional
16 studies and is requesting \$24,750 for each year 2015-2017.

17 **Regulatory Compliance**

18 These costs include labor and non-labor costs related to the preparation of various
19 regulatory filings, including program applications, advice letter filings, regulatory reports,
20 comments, tariff revisions, attendance at working group meetings, public input meetings and
21 other Commission hearings or meetings. SDG&E proposes funding of \$244,408, \$250,875 and
22 \$257,659 for 2015, 2016, and 2017 respectively.

1 **General Administration**

2 General Administration costs reflect the day-to-day program operation cost, including all
3 program management personnel. Additional cost include: office supplies; training and
4 developments; office equipment; facilities cost; CARE market research, and; business
5 reimbursements. SDG&E is not proposing any changes in General Administration and has
6 proposed funding of \$533,900, \$573,107 and \$587,342 for 2015, 2016, and 2017 respectively.

7 **Commission Energy Division Staff Funding**

8 The expenses included in this category reflect costs incurred by the Commission’s
9 Energy Division staff in support of the Commission’s authorized low-income program.
10 SDG&E proposes funding of \$56,712, \$58,080 and \$59,454 for 2015, 2016, and 2017
11 respectively.

12 **CARE Subsidies and Benefits**

13 SDG&E estimates CARE subsidy costs of \$71,766,318 million for PY2015, \$69,916,644
14 million for 2016 and \$73,102,151 for PY2017 based on its estimated CARE participation levels
15 of 298,554 customers in 2015, 315,554 customers in 2016, and 335,554 customers in 2016, as
16 shown in tables B-1 and B-5 respectively.

17 **E. OTHER CARE PROGRAM ELEMENTS PROGRAM DELIVERY**

18 Discuss the existing policies that should be reiterated and should be continued
19 into the 2015-2017 cycle, any existing policies that are being proposed to be
20 retired, and any existing policies that are being proposed to be expanded or
21 modified in the next cycle.

22 For the 2015-2017 program cycle, SDG&E will continue will all current program
23 policies, including:

- 24 • Enrollment and income verification via Categorical Eligibility

- 1 • 4-year recertification cycles for fixed income customers or customers passing
- 2 a probability model
- 3 • Use of a probability model for income verification
- 4 • High Usage verification
- 5 • Enrollment leveraging with ESA Program and other organizations
- 6 • Exclusion of housing subsidies in the calculation of income

7 SDG&E is proposing implementation of CARE Customer Contact Center phone
8 enrollment as outlined in section B-1 above. Details related to funding for this new effort are
9 addressed in Section VI in the written testimony of Witness Alex Kim.

10 On September 26, 2014 Governor Brown signed into law AB 2218 which would require
11 each electrical and gas corporation, subject to direction and supervision by the Commission, to
12 develop and implement a program of rate assistance to eligible food banks³⁷, at a fixed
13 percentage to be determined by the Commission. As of the time of this filing, SDG&E had not
14 received Commission direction and has not including funding as part of the 2015 – 2017 CARE
15 Program budget requests. Should the Commission adopt a rate assistance program for Food
16 Banks during the 2015-2017 program cycle, SDG&E will record any expenses incurred in the
17 CARE Balancing Account and seek cost recovery through the annual Advice Letter filings made
18 to update the electric public purpose program rate and public purpose program gas surcharge
19 rate.

³⁷ Per CPUC Code 739.3 (c) (1) “Eligible food bank” means a qualified eligible recipient agency that has executed an agreement with the State Department of Social Services in order to participate in The Emergency Food Assistance Program administered by the Food and Nutrition Service of the United States Department of Agriculture.

(2) “Eligible recipient agency” has the same meaning as defined in Section 251.3(d) of Title 7 of the Code of Federal Regulations.(3) “Agreement” means an agreement executed in compliance with Section 251.2 of Title 7 of the Code of Federal Regulations.

1 **Enlisting ESA Program contractors as CARE door-to-door contractors**

2 In the 2015-2017 program cycle, SDG&E proposes to utilize the ESA Program outreach
3 and assessment contractors to work as CARE door-to-door contractors that sign-up eligible
4 customers to the CARE Program. Currently the ESA Program outreach and assessment
5 contractors canvass neighborhoods to enroll eligible customers in the ESA Program. Through
6 the ESA Program enrollment process, customers are also provided with the CARE Program
7 information and if interested are signed up for CARE at that time. However, during the ESA
8 Program canvassing, missed opportunities were identified related to CARE promotion and
9 enrollments. If during the ESA Program canvassing efforts, a customer decides they are not
10 interested in the ESA Program, the ESA Program contractors' walk away without discussing the
11 CARE program. As reported in SDG&E's 2013 Annual Report, the ESA Program identified
12 9,034 leads that did not result in enrollments because the customer/landlord refused the program
13 or did not respond. In addition, 3,358 leads or 37% of those leads have never been on or applied
14 for CARE. And, as of October 2014, that number is even greater with 6,049 out of 11,356 (53%)
15 having no CARE status. SDG&E believes utilizing this new approach with ESA contractors will
16 result in additional CARE program enrollments.

17 As discussed in Witness Alex Kim's written testimony, SDG&E respectfully request the
18 Commission revise its prior policy regarding its ability to reimburse ESA Program contractors
19 for enrolling customers in CARE (but have declined to participate in the ESA Program) which
20 will enable SDG&E to enroll qualified customers in CARE who may have otherwise been
21 missed. It will also help SDG&E in increasing its CARE enrollments in an effort to meet the
22 Commission's 90% penetration goal.

1 **Explicit Authorization For The Utilities To Engage In Joint Contracting For**
2 **Statewide Program Activities To Further The Goals Of The Low Income Programs**

3 In Ordering Paragraph 7 of D. 14-08-030, the Commission approved SDG&E's request
4 for the Commission to expressly adopt specific language requiring utilities to engage in joint
5 contracting for statewide program activities for the 2012-2014 program cycle, to avoid potential
6 legal issues regarding joint utility cooperation posed by antitrust laws.

7 SDG&E repeats its request for the 205-2017 program cycle and asks that the Commission
8 adopt the same language, with modifications, adopted in Ordering Paragraph 7 of D. 14-08-030
9 related to joint contracting during the 2015-2017 program cycle, and in future program cycles as
10 follows:

- 11 a. Joint and cooperative consultations between and among these
12 utilities and energy efficiency contractors to assist with
13 determination of the contract requirements of their jointly
14 administered and jointly funded energy efficiency *and low income*
15 programs;
- 16 b. Joint cooperative process among the four utilities for the sourcing
17 and negotiation (including program requirements, performance,
18 price, quantity, and specifications) of joint contracts for energy
19 efficiency *and low income* to be managed and run by one lead
20 utility, subject to the approval and review by the other utilities;
- 21 c. Joint submission to the Commission for its approval of proposed
22 energy efficiency *and low income* program contracts pertaining to
23 implementation of statewide programs; and,

1 d. Other joint and collaborative activities pertaining to the
2 collaboration and joint contracting for statewide energy efficiency
3 *and low income* programs as the four utilities may determine is
4 necessary for implementation of statewide programs, subject to the
5 Commission's oversight.

6 **F. COORDINATION BETWEEN CARE AND LIFELINE PROGRAM**

7 D.14-01-036 allows low-income customers to receive subsidized wireless service
8 through the California Lifeline Program. In what ways can this new opportunity be
9 leveraged to market the CARE Program and improve outreach to enroll eligible
10 households, and enhance existing PEV and re-certification processes during the
11 upcoming 2015-2017 program cycle and beyond? Be specific in your response to
12 the above and include opportunities for data sharing to support inter-program
13 coordination. In particular, address how smart phones can be used to facilitate
14 customer education/outreach, and income verification.

15 SDG&E will continue to utilize community partners to promote the CARE Program and
16 improve opportunities to enroll customers in the program, with increased emphasis in areas
17 where CARE penetration is lower than 75%. SDG&E will also leverage opportunities to work
18 alongside California Lifeline and Covered California agencies through two channels. The first
19 channel includes 32 organizations in the San Diego and Southern Orange County area network,
20 which primarily include community-based organizations (CBO), but also include tribal
21 organizations and other private/public organizations. These CBOs are proven in delivering
22 messages to targeted minority, low income and special needs populations. These organizations
23 are well-versed in providing intake, eligibility screening, and enrollment assistance; and often are
24 a one-stop shop for information, support and resources.

25 The second channel includes organizations that are best suited to distribute program
26 information, these include but are not limited to, tax preparers, hospitals, health clinics, and
27 school districts. There are an additional 32 organizations that have been identified, who have

1 high volume interaction with the low income, minority and special needs populations whose
2 time, however is dedicated to their primary purpose of delivering health services, tax services,
3 etc. SDG&E believes these organizations will be effective in offering program collateral
4 material and/or referring interested customers to SDG&E versus providing enrollment
5 opportunities.

6 SDG&E will provide education, program materials and train these organizations on
7 CARE eligibility and enrollment requirements along with the use of SDG&E's mobile
8 application feature. SDG&E's mobile phone application allows customers to easily enroll in the
9 CARE and ESA Programs, as well as can be used to facilitate education on energy efficiency and
10 other tools customers can use to save or take action. SDG&E has evaluated opportunities to
11 utilize data sharing, but currently finds it to be cost prohibitive to share data with our 100 plus
12 community partners. Instead, SDG&E believes it is more effective and efficient to leverage
13 these organizations by providing them a marketing incentive for each qualified enrollment
14 processed through this effort.

15 **G. COOLING CENTERS**

16 D.12-08-044 reinstated cooling centers restrictions previously ordered in D.05-04-
17 052 and authorized lower cooling center budgets for SCE, SDG&E and PG&E.
18 The annual cooling center reports submitted on behalf of these utilities summarize
19 recent cooling center activity and reflect overall budget surpluses for all three
20 participating IOUs. SCE, SDG&E and PG&E are directed to discuss reasonable
21 alternatives and/or enhancements to existing cooling center program models
22 including specific justification for relief from each restriction currently in place.
23 Describe existing and planned leveraging efforts with local government agencies
24 to ensure compliance with General Order 166 (re: Standards for Operation,
25 Reliability and Safety during emergencies and Disasters) and propose cooling
26 center budgets for the 2015-2017 program cycle accordingly.

27 SDG&E continues to partner with the County of San Diego's Aging and Independence
28 Services ("AIS") department to administer the Cool Zone program in SDG&E's service territory.

29 This program's purpose is to encourage seniors and people with special needs (customers with

1 disabilities) to stay cool during the summer months by going to a Cool Zone location, which is
2 not only air-conditioned but provides program information and applications specifically for the
3 CARE and ESA Programs, as well as other SDG&E offerings (Medical Baseline, Level Pay
4 Plan, My Account, Temperature Sensitive notification, etc.) By working with the County and
5 AIS, over 110 Cool Zone locations are provided throughout San Diego County to the public
6 during the months of June through October and are promoted to the public through AIS, the
7 County and SDG&E using a variety of outreach tactics including media, website, partner
8 messaging and social media.

9 SDG&E plans on continuing the partnership with the County and does not propose any
10 changes to the current program structure. As part of the current program, SDG&E has provided
11 AIS with portable fans that are distributed to home-bound senior and disabled adults who are
12 unable to travel to a Cool Zone location. The funds also support outreach efforts to increase
13 program awareness. SDG&E is requesting \$35,985 for 2015, \$36,853for 2016, and \$37,725 for
14 2017 to continue partnership efforts with San Diego County AIS Cool Zone program.

15 For the Cool Zone Program, SDG&E partners with the County of San Diego. The
16 County identifies the participating Cool Zone locations based on the understanding that the
17 location need to be open, operating and running their air conditioning during the designated time
18 period of June-September. SDG&E works with the County to make sure that these locations are
19 open the posted operating hours and days as per our annual agreement with them. Since we
20 don't pay the participating locations and/or staff them and these locations do not serve as
21 "emergency operations centers" (like hospitals and clinics), SDG&E believes that these facilities
22 would not be subject to the General Order 166 – Standards for Operation Reliability and Safety
23 during Emergency and Disasters.

1 Additionally, SDG&E has mapped the over 110 County-run centers and earmarked their
2 circuits to be exempt from any proactive shut-offs during this time period. This doesn't prevent
3 them however, from being off-line in an unplanned power outage and these centers do not have
4 back-up generation and/or have a requirement to have back-up generation. Most of these
5 facilities are local libraries, community and senior centers.

6 **H. OUTREACH REPORT**

7 **1. Describe the current and suggested Outreach methods to improve** 8 **enrollment, and include the estimated costs;**

9 SDG&E is proposing to add new initiatives and to continue with existing outreach
10 methods that are effective in supporting the enrollment goals of the program. The following is of
11 summary of efforts detailed in Section B-1:

- 12 • Customer Contact Center phone enrollment
- 13 • CARE Rate Education Reports targeting potentially eligible customers
- 14 • Utilize updated customer segmentation information to improve targeting efforts
- 15 • Multi-tactic marketing efforts using, direct mail, email, live phone enrollment,
16 and door-to-door canvassing
- 17 • Increase language options on the online enrollment form
- 18 • Leverage partnerships with community based organizations (CBOs), tribal
19 organizations, and other public and private organizations that work in conjunction
20 with the California Lifeline and/or the Covered California agencies
- 21 • Simplify customer identification for the online forms by eliminating the need to
22 provide difficult to remember data, such as utility account number
- 23 • Utilize ESA Program contractors for door-to-door outreach.
- 24 • Customer alerts utilizing MyAccount and/or SDG&E's mobile application.

- 1 • Multi-tactic marketing efforts using, direct mail, email, phone enrollment, and
- 2 door-to-door canvassing.
- 3 • Improved delivery of recertification process on SDGE.com.
- 4 • Increased language options for the online recertification.
- 5 • Improve delivery of verification process on SDGE.com.
- 6 • Increased language options for verification.

7 In support of marketing and outreach initiatives, SDG&E has requested, \$2,300,352 for
8 2015, \$3, 183,046 for 2016 and \$3,250,244 for 2017.

9 **2. Discuss how Outreach efforts will result in meeting program**
10 **participation goals, including any specific population sectors or**
11 **segments; and**

12 SDG&E has utilized a variety of tactics to contact, engage and enroll customers in the
13 CARE Program. Just as there is diversity in SDG&E's customer population, there is also
14 diversity in how SDG&E's customers prefer to be reached. As such, SDG&E connects with
15 customers through multiple channels.

16 In 2012-2014, SDG&E's various direct marketing and community engagement efforts, in
17 conjunction with general awareness education campaigns, proved to be very effective. Some of
18 these tactics include:

- 19 • **General awareness and education:** General awareness campaigns through mass
20 market tactics such as TV, radio and print advertising, social media and online
21 advertising provided a platform for high-level education including the CARE
22 Program offer, benefits and qualifications/eligibility. While SDG&E does not have
23 the ability to track general awareness campaigns for program enrollments, these
24 campaigns help to promote the offer to customers. For example, in September 2014,
25 SDG&E ran a general awareness campaign in conjunction with a direct marketing

1 campaign which resulted in a 50% increase in online applications from the month
2 prior, which only had a direct marketing component.

- 3 • **Direct Marketing:** SDG&E connects with individual customers through direct
4 marketing tactics such as direct and electronic-mail campaigns, and automated voice
5 messaging (AVM) campaigns. Direct mail and email campaigns direct customers to
6 use the SDG&E website or IVR for enrollment. From 2012 through September 2014,
7 these direct marketing tactics yielded over 67,000 enrollments for the CARE
8 Program.

- 9 • **Community Engagement:** SDG&E worked in partnership with multi-lingual door-
10 to-door contractors, community-based organizations, government and community
11 leaders, agencies, media and its own employees to connect customers to solutions
12 including the CARE and ESA programs. From 2012 through September 2014,
13 community engagement tactics yielded over 53,000 enrollments for the CARE
14 Program.

15 For 2015-2017, SDG&E plans to continue building on the success of general awareness,
16 direct marketing and community engagement efforts as described above. This will include new
17 tactics such as improved targeting and messaging, and increased community outreach with
18 partners in targeted zip codes and hard to reach populations including rural areas and hard-to-
19 reach customers.

- 20 **3. As appropriate, for each of the years from 2012 to 2013 provide a**
21 **comparison of the budgeted, recorded or estimated average Outreach**
22 **cost per household.**
23

1
2
Table 8 – Average Outreach Cost

Outreach Cost³⁸	2012	2013
Budgeted Outreach Cost Per Household	\$34.85	\$41.33
Actual Outreach Cost Per Household	\$27.17	\$34.90

3
4
I. PILOTS

5 Include a detailed description of any new pilots being proposed, if any;

6 SDG&E is not proposing any new pilots for the 2015-2017 program cycle.

7
8
J. STUDIES

9 As discussed in Section B, SDG&E is proposing update to the 2013 LINA study, in
10 compliance with AB 327. The LINA study will be helpful in further identifying program
11 challenges and provide recommendations in how to improve the delivery of the program. As
12 previously stated in Section B, SDG&E has not proposed a budget for CARE, as funding will be
13 included in the ESA Program as directed in D. 12-08-044.

14
15
K. CARE PROGRAM BUDGET

16
17
1. Strategies

18 Present a detailed budget discussion that clearly identifies specific strategies and
19 programs for the 2015-2017 budget years.

SDG&E is requesting administrative cost of \$5,485,965 for 2015, \$6,647,204 for 2016,
and \$6,835,212 for 2017. The funding levels have increased by 17% over previous program
cycles primarily to accommodate outreach initiative that are focused on reaching customers in
areas that are more difficult to reach areas, such as rural populations. SDG&E will also be

³⁸ SDG&E utilized data from Table 2 from the 2012 and 2013 annual report to identify all gross enrollments, minus those from data sharing efforts. The gross enrollments were then divided by the total outreach cost to obtain the estimated cost per enrollment. SDG&E only included new enrollment and did not include applications received through recertification or verification efforts.

1 focused on improving the effectiveness of direct marketing tactics and increasing the retention of
2 customers already participating in the CARE program.

3 As discussed in Section C-3 and C-4, SDG&E has been fairly successful in reaching
4 customers in areas of high concentrations of low income customers with penetration rates of 83%
5 compared to the current rate of 77.5% as of September 2014. The success is due to the ability to
6 leverage mass marketing and direct marketing effort with door-to-door outreach. In order to
7 reach customers in less concentrated areas and in rural communities, SDG&E will need to be
8 more aggressive with their strategies and has proposed adding live phone enrollment along with
9 door-to-door efforts in underserved communities.

10 SDG&E has also proposed several new program elements discussed in detail in Section
11 B-1 and B-6. The addition of CARE enrollments by its Customer Contact Center agents will
12 help improve CARE enrollment for customers establishing service, making payment
13 arrangement, transferring service or inquiring about the CARE program. Targeted direct mail
14 efforts, providing customers with a rate analysis report, will also help improve on the customer's
15 understanding of the benefit of the CARE program and encourage enrollment.

16 As discussed in more detail in Section B-1, SDG&E has proposed technology updates to
17 improve the customer experience when engaging in the enrollment or recertification process.
18 Simplifying the online enrollment process will support customers in completing the enrollment
19 process quickly and eliminate the opportunity for a customer to drop-off during the enrollment
20 process because they feel it is too complicated. Additionally, by providing alerts at the time of
21 recertification or income verification, program retention will be improved and support effort to
22 reach a 90% penetration rate.

1 **2. 2012-2014 Actual Expense**

2 Provide a detailed summary of your utility’s actual expenditures, along with
 3 approved budgets, from 2012 and 2013 by line item, consistent with Accounting
 4 and Reporting Requirements previously distributed. Cost should be shown on an
 5 annual basis. The 2014 approved budget should also be included.

6 **Table 9 – 2012-2014 CARE Actual Expenditures**

CARE Budget Categories	2012 Authorized	2012 Actual	2013 Authorized	2013 Actual	2014 Authorized
Outreach	\$ 2,069,410	\$ 1,657,122	\$ 2,283,171	\$ 1,927,709	\$ 2,300,352
Processing, Certification, Recertification	\$ 629,215	\$ 326,885	\$ 636,188	\$ 259,463	\$ 643,206
Post Enrollment Verification	\$ 403,200	\$ -	\$ 403,200	\$ 156,019	\$ 403,200
IT Programming	\$ 1,245,390	\$ 343,667	\$ 1,224,036	\$ 474,251	\$ 1,230,082
Cool Centers	\$ 56,000	\$ -	\$ 34,329	\$ 24,236	\$ 35,985
Pilots	\$ 108,000	\$ 88,873	\$ 108,000	\$ 101,715	\$ 108,000
Measurement and Evaluation	\$ 42,500	\$ 11,432	\$ 42,500	\$ 37,953	\$ 22,500
Regulatory Compliance	\$ 154,917	\$ 154,654	\$ 160,136	\$ 102,428	\$ 165,362
General Administration	\$ 492,559	\$ 428,030	\$ 505,430	\$ 353,385	\$ 518,406
CPUC Energy Division Staff	\$ 49,535	\$ 20,259	\$ 53,002	\$ 16,612	\$ 56,712
SUBTOTAL MANAGEMENT COSTS	\$ 5,250,726	\$ 3,030,922	\$ 5,449,992	\$ 3,453,771	\$ 5,483,805
Subsidies and Benefits	\$ 73,857,625	\$ 63,894,160	\$ 82,630,988	\$ 64,079,640	\$ 83,614,933
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$ 79,108,351	\$ 66,925,082	\$ 88,080,980	\$ 67,533,411	\$ 89,098,738

7 **3. 2012-2013 Average Cost Per Household**

8 **Table 10 - Average Cost per Enrolled Household**

9

CARE Budget Categories	2012 Actual	2012 Cost Per CARE Household	2013 Actual	2013 Cost Per CARE Household
Outreach	\$1,657,122	\$5.35	\$1,927,709	\$6.14
Processing, Certification, Recertification	\$326,885	\$1.06	\$259,463	\$0.86
Post Enrollment Verification ³⁹	\$ -	\$-	\$156,019	\$0.52
General Administration	\$428,030	\$1.38	\$353,385	\$1.18

³⁹ D.12-08-044 established a new reporting category for PEV. Prior to 2013, SDG&E reported PEV activity in the Processing, Certification and Recertification cost category.

1 **racking Program Cost**

2 SDG&E will track and report all program costs, consistent with the program categories
3 reflected in D.14-08-030, Attachment B-1. The budget categories will be used for all reporting,
4 including monthly and annual CARE reports.

5 **L. REVENUE REQRIMENTS AND RATE IMPACTS**

6 Discuss the revenue requirements necessary to achieve the program plans and objectives
7 proposed for the three year application period as well as the projected rate impacts that
8 would arise due to the increased revenue requirements.

9 **SDG&E – CARE Electric**

10 SDG&E is not proposing any change to the revenue allocation or rate design for the
11 CARE surcharge rate. Consistent with prior decisions (i.e., D.08-11-031 and D.06-12-038),
12 SDG&E proposes recovery of CARE program costs on an equal-cent-per-kWh basis applied to
13 all non-exempt authorized sales⁴⁰ as defined in D.97-08-056⁴¹.

14 SDG&E is not requesting funding for the 2015 CARE program since the Commission
15 authorized funding in Decision 14-08-030, at the authorized 2014 budget level, for a 12-month
16 period from January 1, 2015 to December 31, 2015. In addition, the Commission authorized an
17 increase in forecasted costs for the Community Help and Awareness in Natural Gas and Electric
18 Services Pilot. SDG&E filed Advice Letter (AL) 2652-E, dated October 1, 2014, to request an
19 update for the electric public purpose program (PPP) rates effective January 1, 2015.

20 Illustrative rate impacts are presented in Table 11. The increase in proposed CARE
21 surcharge rates are primarily due to increase in CARE program costs presented in the SDG&E
22 guidance document table B-1 CARE Budget by witnesses Sandra Williams and Horace Tantum.

23

⁴⁰ Per D.09-09-036.

⁴¹ Per D.97-08-056, CARE and Streetlighting sales are exempt from CARE surcharge.

1

Table 11: Present and Proposed CARE Surcharge Rates (\$/kWh)

	Current	2016 CARE	2017
Incremental Funding Request (\$M)		\$ 0.857	\$ 0.150
	CARE Surcharge Rate¹		
Residential	\$0.00622	\$0.00650	\$0.00668
Small Commercial	\$0.00622	\$0.00650	\$0.00668
Med. & Large C&I	\$0.00622	\$0.00650	\$0.00668
Agriculture	\$0.00622	\$0.00650	\$0.00668
Lighting	\$0.00000	\$0.00000	\$0.00000
System Total	\$0.00622	\$0.00650	\$0.00668

¹ CARE Surcharge includes the CARE Rate Subsidy

2

3 Balancing Account

4 SDG&E maintains the electric CARE Balancing Account (“CAREBA”) to record the
5 CARE program expenses incurred against revenue. Pursuant to Commission D.02-07-033
6 effective July 17, 2002, the utility is also authorized to record all costs related to automatic
7 enrollment, which include the CARE discount costs, utility administrative costs (including start-
8 up and implementation), and the Commission’s clearinghouse costs. SDG&E maintains the
9 CARE balancing account by recording at the end of each month the CARE administrative costs,
10 CARE discounts and electric billed revenue.

11 Pursuant to Commission D.03-04-027, SDG&E files an advice letter by October 1st of
12 each year requesting to establish the electric PPP rate effective January 1st of the following year.
13 The rate revenue consists of 1) the forecasted discount for the following year; 2) the Commission
14 approved administrative costs for the following year and 3) the amortization of the forecasted
15 current year-end CAREBA balance.

SDG&E does not propose any changes to the CARE balancing account at this time. It does plan to file a cleanup advice letter to incorporate Commission approved changes that have not been reflected in the Preliminary Statement.

SDG&E – CARE Gas

SDG&E is not proposing any changes to the revenue allocation or rate design for the CARE program. SDG&E’s CARE program costs are currently recovered using an Equal Cent Per Therm (ECPT) approach to allocate costs between the customer classes. The CARE program rates are calculated by multiplying the program cost by the allocation factor and dividing by the applicable billing determinants minus any exempt throughput.

SDG&E recovers its CARE program costs through the PPP surcharge. The CARE program cost is calculated from the revenue requirement which is based on the combination of both the administration costs and the CARE subsidy. SDG&E used the CARE program costs provided in Table B-1. SDG&E filed AL 2335-G, dated October 31, 2014, to request an update for the gas public purpose program (PPP) rates effective January 1, 2015. SDG&E requests that the Commission authorize recovery of the program plans and budgets proposed in this Application by means of the proposed CARE program cost for PY 2015, PY 2016, and PY 2017.

Table 12 - Revenue Requirements and PPS Rates

Revenue Requirements and PPS Rates - CARE				
	2014	2015	2016	2017
SDG&E				
Increase (Decrease) in PPS Revenue Requirement \$ Millions:				
CARE Program	\$0	(\$0.8)	\$0.4	\$0.1
CARE Admin	\$0	\$0.0	\$0.2	\$0.0
	<u>\$0</u>	<u>(\$0.8)</u>	<u>\$0.6</u>	<u>\$0.2</u>
Total PPS Revenue	\$38	\$37	\$38	\$38
Change/year \$millions		(\$0.8)	\$0.6	\$0.2
Increase (Decrease) in PPS Rate \$/th:				
Residential		(\$0.00190)	\$0.00145	\$0.00045
Core C&I		(\$0.00190)	\$0.00145	\$0.00045
NonCore C&I		(\$0.00190)	\$0.00145	\$0.00045

1 Balancing Account

2 SDG&E maintains the CARE Balancing Account (“CAREA”) to record the CARE
3 program expenses incurred against gas surcharge funds reimbursed from the State Board of
4 Equalization. The gas surcharge was established pursuant to AB 1002 and implemented by the
5 utilities pursuant to Commission Resolution G-3303 (dated 12/21/2000) and the Natural Gas
6 Surcharge D.04-08-010. Pursuant to Commission D.02-07-033 effective July 17, 2002, the
7 utility is also authorized to record all costs related to automatic enrollment, which include the
8 CARE discount costs, utility administrative costs (including start-up and implementation), and
9 the Commission’s clearinghouse costs. SDG&E maintains the CARE balancing account by
10 recording at the end of each month the CARE administrative costs, CARE discounts, and gas
11 billed surcharges. SDG&E also records as applicable remittances/reimbursements to/from the
12 State Board of Equalization.

13 Pursuant to Commission D.04-08-010, SDG&E files an advice letter by October 31st of
14 each year requesting to establish the gas PPP rate effective January 1st of the following year.
15 The rate revenue consists of 1) the forecasted discount for the following year; 2) the Commission
16 approved administrative costs for the following year and 3) the amortization of the forecasted
17 current year-end CAREBA balance

18 SDG&E does not propose any changes to the CARE balancing account at this time. It
19 does plan to file a cleanup advice letter to incorporate Commission approved changes that have
20 not been reflected in the Preliminary Statement.

21 **M. AB327 MARKETING, EDUCATION AND OUTREACH**

22 What is your utility’s plan for communicating/messaging to the customers of the potential
23 CARE rate changes per AB 327? What are the projected costs of this expanded marketing
24 and outreach effort? Will this marketing be a statewide effort, regional, and/or local

1 effort? And if so, how will it integrate with the California Center for Sustainable Energy
2 (CCSE) Statewide Marketing effort

3 On May 7, 2014, a Joint Administrative Law Judges' Ruling was issued in R.12-06-013
4 and A11-05-017 *et. al.*:

5 (1) Avoid potential procedural confusion amongst parties by clarifying how and what
6 issues are being addressed in the above-captioned consolidated ESA and CARE
7 Proceeding and how and what issues are being addressed in the
8 RROIR Proceeding; and

9 (2) Coordinate the review and resolution of issues by directing parties to follow the
10 service list for the proceedings in which they have an interest.

11 The Joint Ruling clarified that RROIR Order Instituting Rulemaking and Scoping Memos
12 confirm that the Commission will examine issues surrounding AB 327 and CARE rates,
13 including any marketing, education and outreach concerns and messaging associated with
14 potential rate changes, the rate design aspects of these changes will be addressed in RROIR
15 Proceeding and that once the rate design aspects are resolved, implementation will be addressed
16 in the ESA and CARE Proceeding.

17 SDG&E will continue its efforts to proactively educate customers on the effect that rate
18 increases and rate reform may have on them. The overall objective of the current rate
19 reform/AB327 campaign is to provide broader messaging on the energy-saving solutions
20 SDG&E offers to residential customers to help alleviate rate increases and bill impacts. Targeted
21 messaging will continue to be developed and used specifically for the low income customers,
22 informing them of the probable impacts to their bill and providing tips and solutions such as,
23 providing no-cost energy conservation measures and signing up for SDG&E's online portal (My
24 Account) which allows them to further analyze their energy use. The cost for the general

1 campaign elements is included in general marketing cost addressed in SDG&E's GRC
2 Application filed in November 2014. SDG&E is not anticipating any additional cost will be
3 incurred by the CARE program and has not requested funding in CARE 2016-2017 program
4 budgets.

5 As part of the Marketing and Outreach plan, SDG&E will continue using mass market
6 tactics that spread awareness of rate reform, which will also include more targeted and direct
7 tactics with customized messages for specific audience segments, such as existing and potential
8 CARE/ESA customers. This is a local marketing and outreach campaign which included bill
9 impact information specific for SDG&E customers.

10 The marketing and outreach campaign related to AB 327 education include the following
11 tactics:

12 Mass Market, General Awareness

- 13 • Residential bill insert newsletter
- 14 • Compact, easy-to-use collateral pieces to be distributed to field personnel,
15 outreach teams, branch offices
- 16 • Social Media campaigns
- 17 • TV, print, Spanish radio
- 18 • Online advertising/banners

19 Direct Marketing

- 20 • Letters and/or emails to CARE, ESA, electric vehicle and commercial customers
21 educating them on rate reform and the possible bill impacts, and providing
22 solutions and assistance

1 SDG&E continues to leverage opportunities with CSE where possible in support of the
2 Energy Upgrade California campaign.

3 **N. GENERAL REPORT**

4 **1. Describe program accomplishments and challenges**

5 One of the major programmatic challenges faced by SDG&E has been in implementing a
6 High Use Verification process. The complexity of the system requirements and IT resource
7 constraints delayed the automation of the HUV process. SDG&E has manually performed
8 verifications for a much smaller number of customers than when the process is ultimately
9 automated.

10 During 2012-2014 the CARE program has also been faced with challenges to increase
11 program enrollments due to various factors, such as more stringent verification protocols and
12 improved unemployment rates in San Diego. SDG&E has provided program enrollment
13 challenges in further detail in Section B-3.

14 SDG&E has utilized a variety of solutions to address these challenges. Some solutions
15 include:

- 16 ○ In 2013, SDG&E implemented an integrated online enrollment process for the
17 CARE Program, which also considers customer eligibility for the ESA Program
18 and FERA. The new process resulted in an increase in online CARE enrollments
19 of 19%.
- 20 ○ SDG&E's CARE email campaigns yielded an average open rate of over 30% as
21 compared to 25% for the industry average. This effort resulted in over 12,000
22 CARE enrollments during 2012 – 2013.

- 1 ○ The use of Automated Voice Messaging (AVM) campaigns to recertify CARE
2 customers by phone resulted in over 16,000 CARE recertifications during 2012 –
3 2013
- 4 ○ SDG&E streamlined the number of CARE partners while continuing to see an
5 increase in CARE enrollments
- 6 ○ SDG&E added over 200 ESPs in area with high potential for CARE program
7 eligibility resulting in a 100% increase in enrollments at community events
- 8 ○ The use of Branch Offices continued to be a successful opportunity to enroll
9 customers in the CARE Program and resulted in approximately 15,000 CARE
10 enrollments during 2012 – 2013.
- 11 ○ Door-to-door continued to be a successful opportunity to enroll customers in the
12 CARE Program and resulted in over 17,000 CARE enrollments during 2012 –
13 2013.

14 SDG&E strives to continue to simplify and improve the enrollment process for
15 customers. SDG&E's efforts have been successful in improving customer satisfaction with the
16 CARE enrollment process. In 2013, 95% of customers have indicated that they were satisfied
17 with the enrollment process for the CARE program; the highest score received to-date. SDG&E
18 will continue to focus on making improvements that help enroll and retain customers on CARE.

19 **2. Describe any customer complaints or concerns.**

20 SDG&E does not receive many complaints regarding the CARE program. In general,
21 the customer complaints received tend to be related to the income verification or high usage
22 verification processes primarily in relation to having to provide income related documentation to
23 substantiate whether or not they still qualify for the program. Customers point out that they were

1 not initially asked to provide documentation and are confused or upset that they are being asked
2 to do so after they are enrolled in the program. As described in section C-2, SDG&E will be
3 conducting research on the PEV process in order to better understand the nature of customer's
4 concerns and their refusal to provide documentation. SDG&E will evaluate the
5 recommendations provided to identify process improvements that can be made to improve the
6 customer experience for customers selected for income verification.

7 **IV. CONCLUSION**

8 SDG&E respectfully requests the Commission to approve the CARE program plans and
9 budgets for PY2015, PY2016, and PY2017 as described in this testimony and authorize the
10 following:

- 11 1. Approval of its PY2015, PY2016 and PY2017 CARE program plans and
12 forecasted administrative costs.
- 13 2. Authorization to implement CARE program changes and activities as described in
14 this testimony.
- 15 3. Authorization to continue to reallocate funding among cost categories consistent
16 with the directive in OP 135 section C of D.12-08-044.

17 **Provide your utility's potential bridge funding estimates for your utility's ESA and**
18 **CARE Programs, in the event that a decision on the applications for the 2015-2017**
19 **ESA and CARE Programs is not adopted before January 1, 2015. Provide your**
20 **utility's bridge funding estimates for a delay of 3 months, 6 months, 9 months and 12**
21 **months for both the CARE and ESA Programs to continue without disruption.**

22 In D. 14-08-030 OP 2 Section b, the Commission authorized a 12 month bridge funding,
23 from January 1, 2015 to December 31, 2015. If bridge funding were required to sustain further
24 funding, SDG&E requests continued funding at 2014 levels to continue program administration.
25 The table below illustrates program funding levels requested

1 **V. EXCEL ATTACHMENTS**

2 **The IOUs must use the attached excel templates to be filed with their 2015-2017**
3 **application and testimony.**

4 **CARE**

- 5 1. CARE BUDGET PROPOSAL TEMPLATE
- 6 2. CARE RATE IMPACTS
- 7 3. CARE RATE IMPACTS- GAS
- 8 4. CARE RATE IMPACTS- ELECTRIC
- 9 5. CARE PENETRATION
- 10 6. CARE PROGRAM DETAIL- USAGE AND SAVINGS
- 11 7. CARE STUDIES AND PILOTS PROPOSAL
- 12 8. SUMMARY: ALL Proposed Changes to CARE Program

1 Colorado. I have more than twenty years of experience in marketing, communications,
2 advertising, business management, and creative direction in various industries.

EXHIBIT 1

San Diego OASIS

Energy Solutions Partner Network Highlight | **CONNECTing**

Organization Overview

Organization Name: San Diego OASIS
Target Audience: Seniors - 50+
Mission: To promote successful aging through a three-fold approach: lifelong learning, healthy living and community service.
Current membership: 36,900



Partnership Overview

As part of SDG&E's Energy Solutions Partner Network, San Diego Oasis has made connecting the seniors they serve to energy saving solutions a priority in 2013 and 2014. Through a variety of tactics including hand-on workshops, presentations, events and communications, San Diego Oasis has spearheaded over 30 activities in support of various programs, services and tools. Key programs highlighted as part of this partnership include bill discounts (CARE/FERA and Medical Baseline), home upgrades (ESA, RDI, EUC), online tools (My Account, energy alerts, RYU), safety (emergency prep, gas safety) and rebates.

Results: 30+ activities directly serving its 23,000 members

- ✓ **Quarterly hands-on workshops** connecting people ages 50+ to customized energy solutions including:
 - Online enrollment in Customer Assistance programs (CARE, ESA and Medical Baseline)
 - My Account
 - Energy use alerts and Reduce Your Use Alerts
 - My Energy online home audit
- ✓ **11 presentations** to membership and organizational leadership
- ✓ **Annual and seasonal events** including a year technology fair for seniors
- ✓ **Feature on OASIS home page** which has an average of 93,000 visitors monthly
- ✓ **Development of YouTube video** highlighting SDG&E partnership and featuring San Diego County Supervisor Ron Roberts
- ✓ **12 monthly energy saving messages** featured on social media channels
- ✓ **On-site program applications** available onsite at OASIS locations



San Diego OASIS - Activity Details

<i>Date</i>	<i>Activity</i>
6/25/2013	North County Inland Partner Briefing
9/13/2013	Member Presentation
9/23/2013	Member Presentation
10/19/2013	Escondido Health Fair
11/8/2013	Energy Solutions Partner Network Roundtable
2/12/2014	Winter Solutions Presentation
2/12/2014	Solutions Workshop #1
2/12/2014	Solutions Workshop #2
2/25/2014	Facebook Post - Gas Safety
4/2/2014	Spring Solutions Presentation
4/8/2014	Spring Solutions Presentation
4/8/2014	Facebook Post - Rebates
5/7/2014	Facebook Post - Home Upgrade
5/13/2014	Spring Solutions Presentation / My Account Workshop
5/14/2014	Facebook Post - Fire Conservation
5/15/2014	Eblast - Fire Conservation
5/15/2014	Facebook Post - Fire Conservation
6/11/2014	Presentation - Summer Solutions
6/11/2014	Facebook Post - Reduce Your Use
7/14/2014	Summer Solutions Presentation
7/25/2014	Tweet - Cool Zones
8/4/2014	Facebook Post - Oasis Partner Video
8/12/2014	Facebook Post - CARE
8/21/2014	Summer Networking Event
9/9/2014	Presentation - Fall/Preparedness
9/9/2014	Facebook Post - Energy Use Alerts
9/16/2014	Workshop - My Account/Fall Solutions
9/17/2014	Facebook Post - RYU
10/2/2014	Facebook Post - Mobile App

