

Application No.: A.19-11-  
Exhibit No.: SDG&E-  
Witness: Sara Nordin

**PREPARED DIRECT TESTIMONY OF**  
**SARA NORDIN**  
**ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S**  
**CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM PLANS**  
**AND BUDGETS FOR PROGRAM YEARS 2021 THROUGH 2026**



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

**NOVEMBER 4, 2019**

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5

6 **I. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAM PLAN**  
7 **AND BUDGET**

8           **A. CARE Program Context**

9                   **1. History:**

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

14           The CARE Program is a low-income ratepayer assistance program that provides a  
15 monthly discount on qualified residential (individually metered or sub-metered) customer  
16 monthly energy bills and is funded through a Public Purpose Program (PPP) surcharge paid  
17 through non-participating customer monthly energy bills. In 1987, Senate Bill 987 was enacted  
18 to grant greater flexibility in the pricing baseline service for electricity and natural gas in  
19 response to a disparity in baseline and non-baseline rates that resulted in high winter bills. In an  
20 effort to mitigate the impact on low-income customers, the bill directed the California Public  
21 Utilities Commission (Commission) to address the baseline to non-baseline differential and  
22 ensure that the resulting assistance program cost was not borne by any single customer class.  
23 Over the years, the Commission has issued various decisions that have evolved the program into  
24 the program administered today. The synopsis below outlines the history and evolution of the  
25 CARE Program:

- 26           • In July 1989, the Commission authorized implementation of the Low-Income  
27           Ratepayer Assistance (LIRA) Program in Decision (D.) 89-07-062.

- 1 • In September 1989, the LIRA Program discount level was set at 15% and the  
2 income eligibility criteria at 150% of the Federal Poverty Guidelines (FPG) in D.  
3 89-09-044.<sup>1</sup> The decision was based on the Commission’s Universal LifeLine  
4 Telephone Service.
- 5 • In December 1994, the Commission changed the program name from LIRA to  
6 CARE and expanded the program to include eligibility for qualified non-profit  
7 group living facilities in D.94-12-049.<sup>2</sup> This is known as the “CARE Expansion”  
8 Program.
- 9 • In October 1995, the Commission authorized CARE Program eligibility for  
10 residents of agricultural housing facilities managed by the Office of Migrant  
11 Services in D.95-10-047.<sup>3</sup>
- 12 • In June 2001, the Commission increased the CARE Program discount from 15%  
13 to 20% and changed the income eligibility criteria from 150% to 175% of the  
14 FPG in D.01-06-010.<sup>4</sup>
- 15 • In October 2005, the Commission approved various new initiatives for low-  
16 income programs to support eligible customers for the winter beginning in 2005  
17 (Winter Initiative) in D.05-10-044. One major change adopted by the  
18 Commission was an increase to the CARE Program income eligibility guideline

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<sup>1</sup> D.89-09-044 at 5 and 12.

<sup>2</sup> 1994 Cal. PUC LEXIS 1067 at \*1-3.

<sup>3</sup> 1995 Cal. PUC LEXIS 903 at \*1.

<sup>4</sup> 2001 Cal. PUC LEXIS 314 at \*1.

1 from 175% to 200% of the FPG.<sup>5</sup> Another major change authorized SDG&E to  
2 temporarily enroll certain prospective CARE-qualified households by telephone  
3 for the period of November 1, 2005 through April 30, 2006.<sup>6</sup>

- 4 • In December 2006, the Commission adopted the investor-owned utilities' (IOUs)  
5 program plans and budgets for program year (PY) 2007 and PY 2008 in D.06-12-  
6 038. The Commission also authorized the following CARE Program changes:
  - 7 ○ Implementation of categorical eligibility, which permitted customers to  
8 automatically qualify for CARE based on participation in certain state or  
9 federal public assistance programs;
  - 10 ○ Four-year recertification for low-income customers on a fixed income;
  - 11 ○ Implementation of a process to enroll certain prospective CARE-qualified  
12 households by telephone;
  - 13 ○ Implementation of a process to allow customers to recertify their CARE  
14 eligibility through Interactive Voice Response (IVR); and
  - 15 ○ Internet-based CARE enrollment and recertification.
- 16 • In November 2008, the Commission set a 90% CARE Program penetration  
17 aspirational goal (target) by PY 2020 for all IOUs and recognized the difficulty of  
18 reaching a 100% penetration goal for CARE in D.08-11-031.<sup>7</sup>
- 19 • On November 19, 2010, Commission Resolution CSID 004 approved a one-year  
20 pilot program that is currently known as the Community Help and Awareness of

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<sup>5</sup> D.05-10-044 at 2.

<sup>6</sup> *Id.* at 11.

<sup>7</sup> D.08-11-031 at 6-7.



1 Natural Gas and Electricity Services (CHANGES) Program. The purpose of the  
2 pilot was to provide energy related education, need and dispute resolution, and  
3 outreach to limited English proficient (LEP) customers of the IOUs. The pilot  
4 program would be administered by the same contractor administering the  
5 Commission's Telecommunication Education and Assistance in Multiple  
6 Languages program and funded through the CARE outreach budget.

- 7 • In May 2011, the Commission authorized the sharing of low-income information  
8 between energy and water utilities in D.11-05-020.<sup>8</sup> Additionally, the  
9 Commission permitted energy utilities to include data sharing costs in their 2012  
10 through 2014 funding applications.
- 11 • In November 2011, the Commission adopted month-to-month bridge funding in  
12 D.11-11-010 for the period of January 1, 2012 through June 30, 2012 to allow the  
13 continuation of the CARE and Energy Savings Assistance (ESA) Programs in the  
14 absence of an application decision.
- 15 • On November 10, 2011, Commission Resolution, CSID 005 extended the  
16 CHANGES pilot program while the Commission deliberated whether CHANGES  
17 should be a permanent program. In addition, the Commission directed the  
18 Consumer Service and Information Division (CSID) and Energy Division (ED) to  
19 hire a consultant to conduct an independent evaluation of CHANGES to  
20 determine its ability to effectively assist LEP customers and the benefits of the  
21 pilot's use of CARE funds.

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<sup>8</sup> D.11-05-020 at Ordering Paragraph (OP) 9.

- 1 • In June 2012, the Commission extended month-to-month bridge funding in D.12-  
2 06-030 for the low-income programs from July 1, 2012 until the Commission  
3 could issue a decision for the 2012 through 2014 low-income proceeding  
4 approving program plans and budgets.
- 5 • In August 2012, the Commission adopted, with modifications, the IOUs' program  
6 plans and budgets for PYs 2012 through 2014 and retained the 90% CARE  
7 penetration target established by D.12-08-044.<sup>9</sup> The IOUs were directed to retain  
8 the current list of categorically eligible programs and file an Advice Letter (AL)  
9 to update the list of qualifying programs by January 31st of each year for Energy  
10 Division review. The IOUs were also directed to develop a long-term Post  
11 Enrollment Verification (PEV) model using specifically outlined factors.
- 12 • In December 2012, the Commission continued funding for the CHANGES pilot  
13 program through the end of the 2012 through 2014 program cycle in D.12-12-011.  
14 The Commission also directed CSID and ED to work with the CHANGES  
15 contractor and IOUs to develop additional tracking, reporting requirements, and  
16 success criteria.
- 17 • In August 2014, the Commission issued D.14-08-030 which addressed and  
18 corrected Phase 2 issues outlined in D.12-08-044. The Commission authorized a  
19 12-month bridge funding period for PY 2015, made minor corrections and  
20 clarifications to D.12-08-044, adopted key recommendations from the 2013 Low-  
21 Income Needs Assessment (LINA) study, and provided additional review on  
22 issues regarding the definition of income and categorical eligibility.

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<sup>9</sup> D.12-08-044 at 15.

- 1 • In July 2015, the Commission issued D.15-07-001, which directed the IOUs to  
2 meet the requirements of Assembly Bill (AB) 327 by decreasing the CARE  
3 discount by 1% each year until an average effective discount of 35% is reached by  
4 2020.<sup>10</sup>
- 5 • In December 2015, the Commission established CHANGES as a permanent  
6 program in D.15-12-047 and stated that a new source of funding for CHANGES  
7 should be identified. The Commission also approved the IOUs' bridge funding  
8 for continuation of the CARE and ESA programs from January 1, 2016 through  
9 June 30, 2016 in D.15-12-014.
- 10 • In June 2016, the Commission approved the IOUs' bridge funding for  
11 continuation of the CARE and ESA programs from July 1, 2016 through  
12 December 31, 2016 in D.16-06-018.
- 13 • In November 2016, the Commission approved the IOUs' 2015 through 2017  
14 program plans and budgets plus extended the application cycle through 2020 in  
15 D.16-11-022.
- 16 • In December 2017, the Commission issued D.17-12-009, which modified D.16-  
17 11-022 and resolved the issues brought forth by the IOUs and Joint Parties in their  
18 respective PFMs that had been filed previously that year.
- 19 • On June 27, 2019 the Commission issued D.19-06-022, which provided guidance  
20 to the IOUs for CARE and ESA Program Applications Post 2020; adopted a  
21 funding level, should funding be required, to bridge the period between

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<sup>10</sup> D.15-07-001 at 236.

1 authorized funding for the current 2017-2020 CARE Program and the post-2020  
2 CARE Program.

3 **2. Summary:**

4 **Provide a CARE program summary, including descriptions of the**  
5 **legal framework of the CARE program and eligible population:**

6 The CARE Program is statutorily mandated by California Public Utilities (P.U.) Code  
7 Sections (§) 739.1 and 739.2 to assist eligible low-income households with a monthly discount  
8 on their gas and electric bills. Eligible customers must have a total household gross income no  
9 greater than 200% of the FPG. The statute mandates that “the average effective CARE discount  
10 shall not be less than 30 percent or more than 35 percent of the revenues that would have been  
11 produced for the same billed usage by non-CARE customers.”<sup>11</sup> Furthermore, D.15-07-001  
12 directs SDG&E to decrease the CARE discount by 1% each year until an average effective  
13 discount of 35% is reached in 2020. Pursuant to SDG&E’s Glidepath AL 3183-E, approved  
14 April 25, 2019 and effective May 1, 2019, SDG&E is currently providing a 37% and 20%  
15 discount on electric and gas bills, respectively, with a decrease in the electric discount to 35% to  
16 take place in 2020.

17 SDG&E uses the joint utility methodology adopted by the Commission in D.01-03-028 to  
18 determine the eligible population for the CARE Program. This method produces estimates of the  
19 total number of households that are technically eligible for the program. A consultant<sup>12</sup> is  
20 retained to produce population estimates for the IOUs based on analysis of census and other data

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<sup>11</sup> P.U. Code § 739.1(c)(1).

<sup>12</sup> This work is commonly referred to in this testimony as “Athens Research.”

1 sources. The IOUs are required to update eligibility estimates annually, and to file them by  
2 December 31, pursuant to D.12-08-044.<sup>13</sup>

3 **3. Program Eligibility Guidelines:**

4 **Provide a summary of the program eligibility guidelines, including**  
5 **income, categorical eligibility qualifications, self-certifications, and**  
6 **the enrollment process. Identify any proposed changes from the**  
7 **current framework.**

8 The CARE Program is available to all SDG&E customers who wish to participate and  
9 meet either income and/or categorical eligibility program requirements. Eligible customers are  
10 able to enroll by phone, mail, internet, or at community outreach events. Eligible customers self-  
11 certify their eligibility for the CARE Program and are subject to random verification of income  
12 and/or participation in a categorically eligible program. Customers are income qualified for the  
13 CARE Program if the total gross (before tax) income of all persons in the household is at, or  
14 below, 200% of the FPG. The household income eligibility guidelines are included in **Table 1**  
15 below.

**Table 1: Income Qualifications for CARE**

Maximum Annual Household Income June 1, 2019 through May 31, 2020	
Household Size	Income Limit
1-2	\$33,820
3	\$42,660
4	\$51,500
5	\$60,340
6	\$69,180
7	\$78,020
8	\$86,860
Each additional person, add	\$8,840

16  

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<sup>13</sup> D.12-08-044 at 289.

1 For purposes of determining CARE Program income eligibility, all income is considered  
2 from all household members, including (but not limited to) wages, salaries, interest, dividends,  
3 child support, spousal support, disability or veterans' benefits, rental income, social security,  
4 pensions, and all social welfare program benefits before deductions.

5 Customers may also qualify if they, or another household member, are participating in  
6 one of the following Commission-approved public assistance categorical programs:

- 7 • Bureau of Indian Affairs General Assistance
- 8 • CalFresh/Supplemental Nutrition Assistance Program (SNAP)
- 9 • CalWORKs/Temporary Assistance for Needy Families (TANF)
- 10 • Head Start Income Eligible (Tribal Only)
- 11 • Low-Income Home Energy Assistance Program (LIHEAP)
- 12 • Medicaid/Medi-Cal for Families A & B
- 13 • National School Lunch Program (NSLP)
- 14 • Supplemental Security Income (SSI)
- 15 • Tribal TANF
- 16 • Women, Infants, and Children Program (WIC)

17 Once enrolled, as a part of the CARE PEV process, a random selection of customers may  
18 be required to provide supporting income documentation to validate program eligibility.

19 Pursuant to D.16-11-022, SDG&E randomly selects between 3% and 6% of its enrolled  
20 population for PEV.<sup>14</sup> In addition, most CARE customers will be required to recertify their

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<sup>14</sup> D.16-11-022 at 282 (requiring that the utilities maintain verification levels at no more than 200% of their 2011 PEV rates, which for SDG&E was 3%).

1 eligibility via self-certification every two years. For customers on a fixed income, recertification  
2 is required every four years.

3 In D.12-08-044, the Commission established additional verification requirements for  
4 customers with high electric usage as a condition for continued participation in CARE. The  
5 High Usage PEV process categorizes high usage customers in one of two tiers:

- 6 1. Customers exceeding 400% of baseline one time in any billing period  
7 must provide additional income verification documentation and agree to  
8 participate in the ESA Program.
- 9 2. Customer exceeding 600% of baseline one time in any billing period must  
10 complete the requirements for the 400% baseline tier above *plus* reduce  
11 and maintain their usage below 600% of baseline.<sup>15</sup>

12 Customers who are unable to comply with the High Usage PEV requirements, or who fail  
13 to verify income, are removed from CARE and excluded from participation for 24 months.

14 Consistent with Commission directives in D.19-06-022, SDG&E is not proposing any  
15 programmatic changes to CARE eligibility guidelines for the 2021 through 2026 program cycle.  
16 However, as discussed in Section C.1.g below, SDG&E is proposing to re-evaluate the current  
17 approved list of categorically eligible programs that qualify customers for the CARE Program.

18 **B. CURRENT PROPOSAL SUMMARY FOR PROGRAM YEARS (PYs) 2021-**  
19 **2026:**

20 **1. Explain your plans for the CARE program budget for 2021-2026**

21 SDG&E intends to continue to build on the successful delivery of the CARE Program  
22 during the next program cycle through continuation of effective marketing, education and

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<sup>15</sup> D.12-08-044 at 17.

1 outreach (ME&O) strategies as described in the Prepared Direct Testimony of Horace Tatum  
2 IV. Maintaining the 90% penetration rate will require successful retention strategies for  
3 currently enrolled customers as well as a steady pipeline of new enrollments to overcome  
4 program turnover. SDG&E also intends to specifically target the rural and hard-to-reach  
5 communities in its service territory, especially where current penetration against the estimated  
6 eligible population is low. By leveraging data, implementing best practices and creating  
7 opportunities for greater engagement through community partners, SDG&E will use the next  
8 cycle program budget to continue the necessary work that creates awareness of and enrollment in  
9 the program.

10 SDG&E's CARE Program Administrative budget for PYs 2021 through 2026 on an  
11 annual average basis is lower than current authorized annual average amounts by 1.3%. From an  
12 operational perspective, the largest changes on an annual average basis are related to a 36%  
13 increase for PEV that will support forecasted increases in program enrollment and a 27%  
14 decrease in forecasted Information Technology (IT) programming expenses due to expected  
15 efficiencies that should be gained as part of the implementation of SDG&E's new Customer  
16 Information System (CIS), as approved in D.18-08-008.

17 **2. Discuss how elements and strategies in the proposal are specifically**  
18 **designed to reach and maintain the 90% penetration goal that was**  
19 **established in D.08-11-031.**

20 SDG&E has demonstrated a track record of success in CARE enrollment penetration by  
21 not only meeting, but exceeding, the 90% penetration target by PY 2020. SDG&E achieved the  
22 90% CARE enrollment penetration target in July 2018 (see Table 3 below) and has continued to  
23 increase its enrollment penetration rate in 2019. Also noted in Table 4 below, of August 2019,  
24 SDG&E's enrollment penetration for CARE is at 93%. For the 2021 through 2026 program  
25 cycle, SDG&E plans to maintain a 90% or higher penetration rate by continuing methods that



1 have demonstrated the most success. SDG&E has outlined its 2021 through 2026 program cycle  
2 plans and strategies in Section D below.

3 **3. Provide an estimate of the number of households projected to be**  
4 **enrolled, along with the overall budget requested to meet this goal for**  
5 **each program year.**

6 As discussed further in Section C1 below, SDG&E estimates increasing CARE Program  
7 enrollment to approximately 308K households<sup>16</sup> by PY 2026, which assumes 1%-meter growth  
8 and a 90% penetration rate. To adequately fund CARE enrollment growth and activities for PYs  
9 2021 through 2026, SDG&E is requesting a total administrative budget of \$42,600,254 which is  
10 detailed in Application Table B-1, attached hereto. This supports a forecasted subsidy, which is  
11 included in the budget table for illustrative purposes, of \$740,600,742. The subsidy amount is  
12 provided based on customers' economic need, pursuant to P.U. Code § 739.1(f)(2).

13 **4. Explain any proposed changes from prior years.**

14 Due to the enrollment penetration success in the current cycle, SDG&E is not proposing  
15 significant modifications to its current CARE Program design and strategy in this application. In  
16 the current program cycle, SDG&E added live Customer Contact Center phone enrollment,  
17 recertification and verification alerts, and simplified the CARE and FERA Program enrollment  
18 process through SDG&E's mobile application, IVR, and the SDG&E website. SDG&E will  
19 continue to monitor, evaluate, and improve these program additions to leverage their full benefits  
20 and seek additional strategic enrollment opportunities.

21 However, there are several changes that SDG&E is proposing with this application that  
22 are related to policy and/or program funding changes that will help streamline program

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<sup>16</sup> The estimated eligible number of households is subject to change pending the annual advice letter that the IOUs are required to file updating CARE program eligibility per D.12-08-044 at OP 130.

1 operations. As discussed in the Prepared Direct Testimony of Alex Kim, SDG&E proposes the  
2 following changes to the CARE Program:

- 3 1. SDG&E requests that the Commission extend the annual deadline for filing  
4 Annual Eligibility Estimates from December 31 to February 12 of the following  
5 year.
- 6 2. SDG&E proposes to modify the high usage PEV process threshold from one time  
7 to three times in a rolling 12-month period. This recommendation is further  
8 discussed in Section D.1.c below.
- 9 3. SDG&E requests to transition CHANGES funding and reporting to the General  
10 Rate Case. This recommendation is further detailed in Section F of this testimony  
11 and in the Prepared Direct Testimony of Alex Kim.
- 12 4. SDG&E proposes to change CARE Expansion program recertification from two  
13 years to four years, as discussed further in Section D.1.a below.
- 14 5. **Based on your review of study findings and/or working group and**  
15 **LIOB recommendations, which new strategies or best practices do**  
16 **you propose for inclusion in this program to increase participation**  
17 **and retain eligible households?**

18 The Low-Income Oversight Board (LIOB) has recommended that the IOUs initiate  
19 automatic enrollment and outreach efforts with other state agencies assisting low-income  
20 customers to ensure enrollment of all eligible low-income customers. Based on this  
21 recommendation, SDG&E proposes to assess existing categorically-eligible programs for CARE  
22 and other state low-income programs in order to determine if other programs should be added  
23 and/or if existing programs should be removed based on alignment of income qualification. This  
24 study would follow the previously commissioned study from 2013 with a similar objective and  
25 provide an update to the Commission on programs where alignment across eligibility can be best

1 achieved. SDG&E believes an updated study is necessary to identify additional low-income  
2 programs where new leveraging opportunities to enroll eligible customers may exist in order to  
3 help to make sure that the IOUs are reaching the intended targeted eligible population.

4         The Commission’s Environmental and Social Justice Action Plan, published in February  
5 2019, identifies that Disadvantaged Communities (DACs) should equally receive financial  
6 benefits, while considering affordability.<sup>17</sup> Based on this plan, SDG&E emphasizes its work  
7 with a robust local Energy Solutions Partner (ESP) network, community-based organizations  
8 (CBOs), and non-profit entities that focus on SDG&E’s DACs to not only maintain existing  
9 enrollment, but cost-efficiently increase new enrollment of eligible customers in the CARE  
10 Program.

11         The preliminary results of the 2019 LINA state that while CARE is effectively  
12 maintaining eligible customers, there is a population of eligible customers that are being  
13 removed from CARE during post-enrollment processes—including high usage PEV.<sup>18</sup>

14         “Inconvenience . . . was more commonly reported by those removed at high-user  
15 verification, followed those removed at income-verification, and then those removed at  
16 recertification. More past participants removed at income verification reported not knowing how

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<sup>17</sup> California Public Utilities Commission, *Environmental and Social Justice Action Plan* (February 21, 2019) at 61.

<sup>18</sup> Opinion Dynamics, 2019 California Low-Income Needs Assessment Full Draft Report Version 1: Volume 1, (August 15, 2019) (“2019 LINA Draft Report”) at: 9 (stating, August 15, 2019: Conclusion 1: CARE post-enrollment processes are successfully removing most of the ineligible participants and retaining the eligible participants who need CARE the most. However, a substantial proportion of the past participants removed at income verification, high-user verification, and, to a lesser extent, recertification, are income-eligible. Some of these eligible past participants were removed due to process issues rather than a lack of need for CARE).

1 to continue compared to the others. Those removed at high-user verification were also less likely  
2 to report not knowing why they were removed from CARE.”<sup>19</sup>

3 To address eligible customers being removed due to the inconvenience factor associated  
4 with high-usage verification, SDG&E proposes to revise the requirement for High Usage PEV  
5 when a customer hits the high usage threshold in one month. This proposal, discussed in more  
6 detail in Section D.1.c below, is expected to retain eligible customers while newly-eligible  
7 customers are enrolled.

8 **C. CARE PROGRAM GOALS AND BUDGETS FOR PYs 2021-2026**

9 **In the CARE Programs Goals and Budgets section of the application provide**  
10 **a description of the 2021-2026 program requests, including:**

- 11  
12 **1. Provide proposed program activities and program participation goals**  
13 **for each year. Include the number of eligible households.**

14 As of August 2019, the number of estimated eligible customers in SDG&E’s service  
15 territory is approximately 319,125 customers, with 297,084 customers enrolled, a 93%  
16 penetration rate. As illustrated in Table 2 below, SDG&E plans to maintain enrollment at or  
17 above the 90% penetration rate for each year in the 2021 through 2026 program cycle. SDG&E  
18 has outlined program plans in Section D below to help successfully maintain the penetration  
19 target during the 2021 through 2026 program cycle.

**Table 2: Participation Goals for PYs 2021 through 2026**

Program Year	Cumulative Estimated Eligible <sup>20</sup>	Projected Cumulative Households Enrolled	Penetration Rate
2021	325,539	292,985	90%
2022	328,795	295,915	90%

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<sup>19</sup> *Id.* at 86.

<sup>20</sup> Assumes 1%-meter growth. Subject to change pending annual eligibility estimates to be filed by the IOUs.

2023	332,083	298,874	90%
2024	335,404	301,863	90%
2025	338,758	304,882	90%
2026	342,145	307,931	90%

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- a. Provide actual participant data from 2018, including CARE participant counts and percentage rates for program enrollment. Also provide estimated participation data for 2019.

**Table 3: CARE Penetration Rates for 2018**

<b>Program Year 2018</b>			
<b>Month</b>	<b>Cumulative Households Enrolled</b>	<b>Cumulative Estimated Eligible</b>	<b>Penetration Rate</b>
January	281,889	321,323	88%
February	282,264	321,323	88%
March	284,219	321,323	88%
April	284,213	321,323	88%
May	286,339	321,323	89%
June	287,525	321,323	89%
July	287,751	321,323	90%
August	291,962	321,323	91%
September	292,887	321,323	91%
October	291,774	321,323	91%
November	288,920	321,323	90%
December	292,999	321,323	91%

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**Table 4: CARE Penetration Rates for 2019**

<b>Program Year 2019</b>			
<b>Month</b>	<b>Cumulative Households Enrolled</b>	<b>Cumulative Estimated Eligible</b>	<b>Penetration Rate</b>
January	293,548	319,125	92%
February	291,924	319,125	91%
March	291,637	319,125	91%
April	292,454	319,125	91%
May	293,441	319,125	91%
June	293,399	319,125	91%
July	295,472	319,125	92%
August	297,084	319,125	93%
September*	287,213	319,125	90%
October*	287,213	319,125	90%

November*	287,213	319,125	90%
December*	287,213	319,125	90%
*CARE participation for September - December 2019 are 90% estimates			

1  
2  
3                   **b.       Discuss potential reasons for any significant variations in enrollment during the current program cycle.**

4                   SDG&E made several program improvements that helped drive program penetration rate  
5 above 90% in 2018 and 2019. These improvements include:

- 6                   • Contracting a new fulfillment vendor to reduce costs and to improve efficiencies  
7                   for transactional communications
- 8                   • Improved email campaigns with refreshed design and messaging and an improved  
9                   targeting model
- 10                  • System enhancements to improve the reliability, security, and efficiency for  
11                  processing enrollments and managing the program

12                  Minor variations in enrollment were observed, which SDG&E attributes to expected  
13 seasonal differences and high usage PEV. For instance, SDG&E historically sees an increase in  
14 program enrollment during the summer months when customers actively search for ways to save  
15 money on their energy bill, which may be higher during that time. Additionally, in 2018, 62% of  
16 CARE customers that were required to undergo high usage PEV were removed from the program  
17 because they did not respond to program inquiries.

18                   **c.       Discuss issues, if any, that present challenges toward reaching  
19                   and maintaining the enrollment goal established by the  
20                   Commission.**

21                  SDG&E’s primary challenge in maintaining program enrollment is related to the number  
22 of customers that drop from the program as a result of the current high usage PEV process. For  
23 the reasons outlined in Section D.1.c below, SDG&E is proposing to change the high usage PEV

1 threshold from one time to three times on a rolling annual basis. Additionally, in an effort to  
2 make it easier for customers to respond to high usage PEV documentation requirements, the  
3 IOUs are in the process of modifying the requirement for an Internal Revenue Service tax  
4 transcript in order to allow for additional types of official income documentation including W-2s,  
5 paystubs or Form 1099.

6 SDG&E has also experienced challenges related to limited methods of program  
7 communication. Outside of electronic high usage alerts, mail is the only current method of  
8 communication for transactional messages. To address this, SDG&E proposes to combine  
9 traditional mail communication with email and text to not only make it easier to respond, but to  
10 provide customers a choice in the way SDG&E communicates with them. In order to facilitate  
11 these additional methods of communication, SDG&E requires system enhancements to allow  
12 email and text functionality, estimates for which are included in proposed IT programming  
13 budgets.

14 **d. Identify how the utility's CARE program goals for the 2021-**  
15 **2026 CARE program aligns with Commission directives of**  
16 **reaching a penetration goal of 90%.**

17 SDG&E's CARE Program target for the 2021 through 2026 cycle is the same as the  
18 Commission's 90% penetration goal, which is supported by SDG&E's early achievement and  
19 ongoing maintenance of high levels of program enrollment, above the Commission target.

20 **e. Describe existing program elements and strategies that will**  
21 **continue.**

22 SDG&E will continue to utilize program elements implemented over past program cycles  
23 that have proven to be successful. These elements include:

- 24
  - Enrollment and income verification via Categorical Eligibility;

- 4-year recertification cycles for fixed income customers or customers passing a probability model test;
- Use of a probability model for income verification; and
- Enrollment leveraging with the ESA Program or low-income programs administered by other entities.

SDG&E also proposes to continue program strategies to reach all eligible customers across the service territory, whether they are reaching out to SDG&E directly via the Customer Contact Center or hearing about the program from one of the ESPs. These methods are described below:

- High Usage Alerts: SDG&E implemented the CARE high usage PEV process described in Section A.3 above and intends to continue these notifications in the next program cycle. As directed in D.12-08-044, customers must maintain their usage below 600% of baseline to continue participation in the CARE Program.<sup>21</sup> In support of retention of customers who have verified their income eligibility for the program, SDG&E launched high usage alerts to notify CARE customers that their usage may exceed 600% of baseline if action is not taken to reduce their use. These high usage alerts will be transitioned to SDG&E's new CIS when it launches in early 2021 and the program will optimize the alerts using information provided by the new CIS system to get a better understanding of how to alert customers of their program status.
- Data Sharing: Leveraging with other organizations is a cost-effective and efficient way to identify and enroll eligible customers. Through SDG&E's internal

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<sup>21</sup> D.12-08-044 at 17.



1 systems integration, the CARE program automatically enrolls customers  
2 participating in the ESA Program who are not already enrolled. For 2017 through  
3 August 2019, 4,714<sup>22</sup> customers were automatically enrolled in CARE through  
4 ESA data sharing activities. SDG&E also leverages CARE customer enrollment  
5 information within the shared service territory of Southern California Gas  
6 Company (SoCalGas). For 2018, a total of 5,786 customers have been enrolled in  
7 CARE from the SoCalGas data share. Additionally, SDG&E participates in a  
8 one-way data sharing effort with California American Water and California  
9 LifeLine to assist these entities in identifying low-income customers eligible for  
10 low-income water assistance. In 2018, SDG&E provided 93,042 leads to  
11 California American Water<sup>23</sup> and in 2019 168,763 to California LifeLine.<sup>24</sup> For  
12 PYs 2021 through 2026, SDG&E will continue to seek additional opportunities to  
13 increase enrollment through data sharing.

14 In addition, SDG&E proposes to continue successful program delivery strategies as  
15 described in detail in the Prepared Direct Testimony of Horace Tantum IV. These include tactics  
16 such as enrollment through SDG&E's Customer Contact Center, delivery of personalized rate  
17 comparisons, California LifeLine leveraging, mass media and targeted marketing, live call

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<sup>22</sup> A.14-11-007, Annual Report Activity of San Diego Gas & Electric Company on Low Income Assistance Programs for 2017 (May 1, 2018) at Appendix C, CARE Table 2, which reports 2,449; A.14-11-007, Amended Annual Report Activity of San Diego Gas & Electric Company on Low Income Assistance Programs for 2018 (November 1, 2019) (“Amended Low Income Annual Report of 2018”) at Appendix E, CARE Table 2, which reports 1,596; A.14-11-007, Monthly Report of San Diego Gas & Electric Company on Low-Income Assistance Programs for August 2019 (September 23, 2019) at Appendix, CARE Table 2, which reports 669.

<sup>23</sup> Amended Low Income Annual Report of 2018 at 79.

<sup>24</sup> SDG&E began data sharing with California LifeLine in January 2019 and to date has not officially reported this activity in the monthly reports.

1 campaigns and utilization of CARE Capitation Agencies and outreach via SDG&E's ESP  
2 Network, Community Events, Cool Zones, 2-1-1 San Diego, Branch Offices and SDG&E  
3 Employees.

4 **f. Describe new program elements and strategies, if any,**  
5 **including budget estimates for new approaches.**

6 As SDG&E continues to streamline the CARE Program and focus on operational  
7 efficiencies, there are several proposed new program elements that should streamline and  
8 improve customer enrollment efforts. These include improvements to the CARE enrollment  
9 system and improvements to SDG&E's IVR system, as detailed below.

10 In early 2021, the current backend and internal user interface CARE System will be  
11 rebuilt and incorporated into SDG&E's new CIS. This CIS replacement was authorized in D.18-  
12 08-008 and technology estimates include an annual \$415,000 reduction of expenses related to  
13 internal and external labor for system maintenance starting in 2022. Post-go-live, SDG&E is  
14 requesting funding for additional system enhancements necessary to streamline enrollment  
15 automation and to enhance capabilities related to delivery of documents via text and email.  
16 Those costs are not included within scope of the CIS replacement and must be borne by the  
17 CARE Program at a one-time estimated expense of \$500,000 in 2022. In addition, there may be  
18 additional impacts from implementation of the new utility-wide CIS that are unknown at this  
19 time. Accordingly, SDG&E may be required to make system enhancements thereby incurring  
20 incremental costs above the estimate provided. If such enhancements are necessary, SDG&E  
21 would seek authority to shift available funds into the Information Technology line-item.

22 SDG&E's IVR system has not had enhancements for over seven years. With the launch  
23 of the new CIS, where interface connections will be newly established, SDG&E would like to  
24 assess the current IVR system including functionality, verbiage, and phone tree options for

1 potential enhancements that will improve the customer experience, communication, and offer  
2 more information to the customer. Associated budget for IVR improvements is \$120,000.

3 **g. Describe in detail any proposed pilots and/or studies, including**  
4 **detailed budgets and timelines.**

5 SDG&E proposes to assess the existing CARE categorical eligibility programs including  
6 additional state low-income programs, to determine whether there are additional programs that  
7 should be added and/or programs that should be removed to make sure eligible customers are  
8 enrolled and that the IOUs are reaching the intended targeted eligible population.

9 In December 2006, OP 21 of D.06-12-038 directed the statewide Investor-owned Utilities  
10 (IOU) [1] to implement categorical eligibility of means-tested state and federal programs for the  
11 CARE Program. To be categorically eligible for CARE, customers were to be enrolled in the  
12 following programs: Medi-Cal, Cal Fresh, CalWorks, the Women and Infant Children program  
13 (WIC), the federal Low-Income Home Energy Assistance Program (LIHEAP), administered in  
14 California by the Department of Community Services and Development (DCSD), and Healthy  
15 Families. In November 2008, the Commission further expanded the list of CARE-eligible  
16 categorical programs to include Supplemental Security Income (SSI), Federal Housing  
17 Assistance/Section 8, National School Lunch Program, Bureau of Indian Affairs General  
18 Assistance, and Head Start Income Eligible (Tribal only) in alignment with LifeLine.

19 In August 2012, the Commission directed the IOUs to annually assess the current list of  
20 categorically-eligible programs and submit a Tier 2 Advice Letter (AL) proposing a revised list  
21 of categorically-eligible programs. On January 31, 2013, the IOUs submitted a joint advice  
22 letter—SoCalGas (AL 4457-G), SDG&E (AL 2455-E/2170-G), SCE (AL 2849-E), and PG&E  
23 (AL 3361-G/4186-E)—proposing an updated list of categorical programs for enrollment in the  
24 low-income assistance programs. The IOUs proposal for updating the list of categorical

1 programs was based on an IOU-funded study to evaluate income thresholds or methodologies of  
2 calculating income with various public assistance programs for alignment with CARE's income  
3 guidelines.

4 On April 30, 2013, the Commission's Energy Division rejected without prejudice the  
5 protested joint advice letter referenced above, stating that it raised unforeseen policy issues  
6 relative to the Commission's categorical eligibility enrollment and post-enrollment verification  
7 programs and recommended further examination of the policy issues in the Low-Income  
8 Proceeding, and in August 2014, the Commission deferred the review of the policy issues  
9 relative to the list of categorically-eligible programs for CARE to the next program cycle and  
10 docket. In addition, D.14-08-030 directed the IOUs to preserve the current list of categorical  
11 programs until resolution of the policy issues and suspended the annual advice letter filing  
12 process ordered in D.12-08-04.<sup>25</sup>

13 Since the list of CARE categorically-eligible programs has been unchanged since 2008,  
14 SDG&E proposes to initiate a study of existing categorically-eligible programs for CARE and  
15 other state low-income programs to determine if other programs should be added and/or if  
16 existing programs should be removed based on the alignment of income qualification. The study  
17 would follow the previously commissioned study from 2013 with a similar objective and provide  
18 an update to the Commission on programs where alignment across eligibility can be best  
19 achieved. SDG&E believes an updated study is necessary to identify potential leveraging  
20 opportunities with any additional existing low-income programs to make sure that the IOUs are  
21 reaching the intended targeted eligible population and to provide the Commission with current  
22 information relative to policy issues for categorical programs. SDG&E's standard 15%

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<sup>25</sup> D.14-08-030 at Conclusion of Law (COL) 51.

1 allocation of the estimated statewide budget is \$22,500, which will be split equally between  
2 CARE and ESA, with CARE's portion being \$11,250. SDG&E proposes that a request for  
3 proposal (RFP) be issued in 2021 to obtain a qualified contractor and that the study be completed  
4 in 2022.

5 SDG&E's CARE Program has also allocated \$75,000 for two LINA studies to be funded  
6 during the 2021 to 2026 program cycle.

7 In addition, SDG&E's CARE Program has allocated its portion of the total cost for the  
8 annual eligibility estimates in the amount of \$114,784 for PYs 2021 through 2026. The annual  
9 eligibility estimates are currently required to be filed on December 31 of each year; however, as  
10 described in the Direct Prepared Testimony of Alex Kim, SDG&E is proposing to revise the  
11 submission date for the eligibility estimates to February 12 of each year to allow for inclusion of  
12 current year Department of Health and Human Services poverty guidelines into the data  
13 considered for the assessment.

14 **h. Specify the total requested budget of the portfolios for each**  
15 **program year and for the entire budget cycle.**

16 To support the proposed initiatives and day-to-day program operations, SDG&E requests  
17 Commission approval of the budget shown in Application Table B-1, attached hereto. for the  
18 2021 through 2026 program cycle.

19 **i. Estimate the total number of households to be enrolled for**  
20 **each year and for the entire budget program year cycle.**

21 SDG&E requests Commission approval of the households to be enrolled each year as  
22 shown in Table 2 above for the 2021 through 2026 program cycle. As previously stated, the  
23 table assumes 1%-meter growth in SDG&E's service territory with estimated household  
24 penetration at 90%.

1       **D.     CARE Program Delivery**

2               **1.     CARE Enrollment, Recertification, and Outreach:**

3                       **a.     Discuss any warranted changes to enrollment, recertification,**  
4                               **and/or post-enrollment verification processes.**

5       In this application, SDG&E proposes to modify:

- 6           1)     Requirements related to high usage PEV as further discussed in Section D.1.c  
7                       below.
- 8           2)     Recertification requirements for the CARE Expansion Program from 2 years to 4  
9                       years. SDG&E proposes to modify the recertification process for CARE  
10                      Expansion facilities due to account eligibility not changing as customers continue  
11                      to remain valid non-profit entities. Extending the recertification process for these  
12                      accounts from two to four years would decrease the administrative requirements  
13                      for the program. Currently, the mailing, printing, and tracking of CARE  
14                      Expansion Program recertification tasks are performed manually, and 100% of  
15                      customers must recertify. In 2018, the total number of CARE Expansion  
16                      enrollments was 626 and a total of 638 accounts completed the recertification  
17                      process. As of August 2019, the total number of CARE Expansion enrollments is  
18                      609.

19                       **b.     Discuss any needed changes or updates to existing probability**  
20                               **models.**

21       SDG&E does not propose any changes or updates to existing probability models.

22                       **c.     Discuss any warranted changes to the high usage policy and/or**  
23                               **appeal process.**

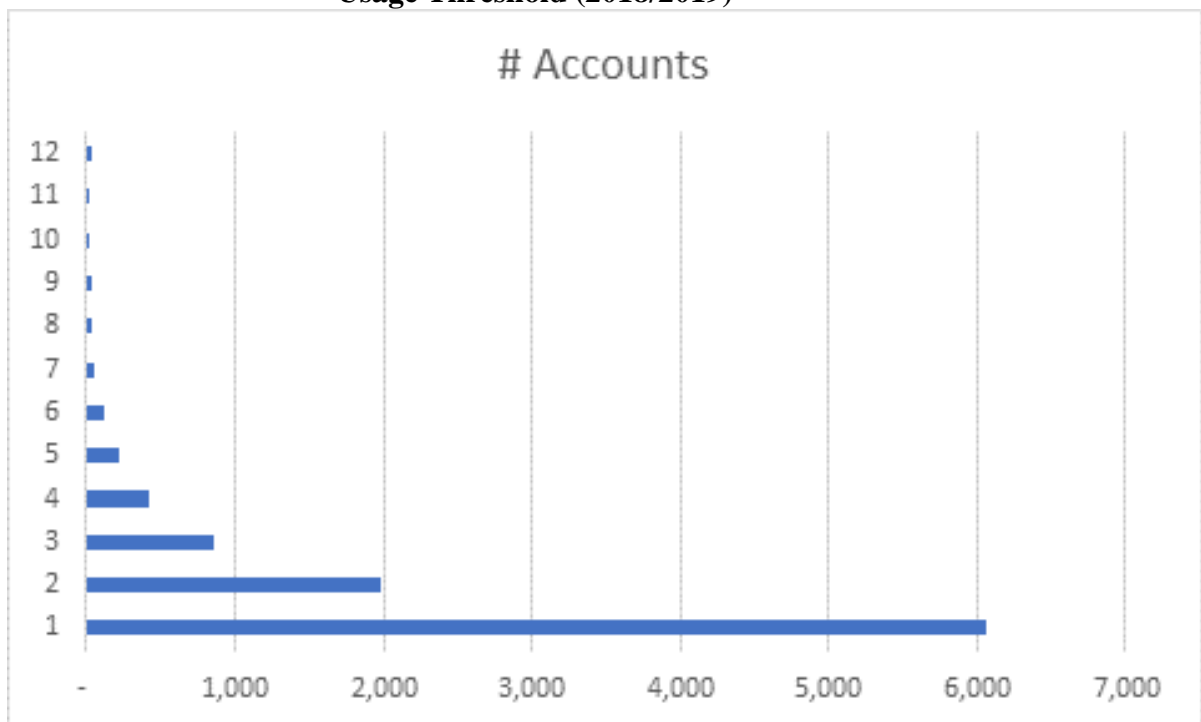
24       SDG&E is proposing to modify the high usage PEV process to address challenges in  
25       maintaining program enrollment for eligible customers.

1 In 2018, 59% of CARE Program customers reached the high usage verification threshold  
2 at least once during the summer season, which is when energy bills are typically high. Of these  
3 high usage customers, 62% were removed from the CARE Program because they did not  
4 respond to the high usage verification requirements, which has become a barrier to maintaining  
5 program enrollment. The current draft LINA study indicates the following that leads to this  
6 conclusion:

- 7 • Ineligibility was more commonly reported among past participants removed at  
8 recertification than those removed at income verification and especially those  
9 removed at high-user verification
- 10 • Inconvenience was the opposite; it was more commonly reported by those  
11 removed at high-user verification, followed by those removed at income-  
12 verification, and then those removed at recertification.
- 13 • More past participants removed at income verification reported not knowing how  
14 to continue compared to the others.
- 15 • Those removed at high-user verification were also less likely to report not  
16 knowing why they were removed from CARE.
- 17 • Past participants removed at income or high-user verification were more likely to  
18 mention process issues and privacy concerns than those removed at  
19 recertification.
- 20 • Those removed at recertification or high-user verification were more likely to  
21 report not needing CARE than those removed at income verification.
- 22 • In addition, several past participants removed at high-user verification reported  
23 issues with their high usage as reasons for removal from CARE.

1 SDG&E agrees that the high usage threshold is necessary to prevent abuse of the CARE  
2 Program, however, the one-time threshold burdens and can overly penalize CARE customers for  
3 seasonal temperature spikes. As illustrated in Figure 1 below, the number of customers who  
4 historically have crossed the high usage threshold three times versus only one time is  
5 significantly less, and as a result, the burden on eligible customers would be substantially  
6 reduced.

7 **Figure 1: Number of Times Customers Accounts Cross High**  
8 **Usage Threshold (2018/2019)**



9  
10 As a result, SDG&E requests to modify the high usage PEV process threshold from one  
11 to three times in a rolling 12-month period. This would shift the focus to those CARE customers  
12 that have shown a pattern of high usage as opposed to those impacted by seasonal usage  
13 adjustments.

14 Additionally, SDG&E will modify the Internal Revenue Service (IRS) transcript  
15 requirement for high usage PEV. The modification will allow for the IRS transcript to be an



1 option rather than a requirement. The change will reduce the barrier for customers having to  
2 request IRS transcripts and align with current PEV income documents.

3 **d. Discuss any warranted modifications to applying the CARE**  
4 **discount for Green Tariff Shared Renewables customers.**

5 In SDG&E’s service territory, the Green Tariff Shared Renewables (GTSR) programs are  
6 marketed as EcoChoice® and EcoShare<sup>SM</sup>. SDG&E does not propose any modification to  
7 applying the CARE discount for GTSR customers; in 2018, there were a total of 300 customers<sup>26</sup>  
8 on the Green Tariff component of GTSR. The average total effective CARE discount was 38%,  
9 which is above the 30% threshold set by D.17-12-009.

10 In addition to its GTSR renewable offers, SDG&E is launching two additional programs  
11 designed to expand renewable energy access to DACs.<sup>27</sup> The Disadvantaged Communities  
12 Green Tariff (DAC GT) and the Community Solar Green Tariff (CSGT) will incentivize  
13 development of qualifying solar generation projects in DACs and provide eligible participants  
14 with a 20% discount on their electric bills. The 20% discount is in addition to the CARE or  
15 FERA bill discount. DAC GT will be marketed as “EcoSaver” in SDG&E’s service territory and  
16 CSGT will be marketed as “EcoSaver Local.” These new renewable options are exclusively  
17 available to CARE or FERA eligible customers. As such, upon availability of DAC GT or  
18 CSGT program capacity, SDG&E intends to market the availability and benefits of these new  
19 programs to existing CARE and FERA customers of those communities.

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<sup>26</sup> Low Income Annual Report of 2018 at 64.

<sup>27</sup> Further details and plans for these programs are discussed in AL 3412-E, submitted August 2, 2019 pursuant to OP 5 and 6 of Resolution E-4999 (May 30, 2019) issued on June 3, 2019. AL 3412-E is pending Commission approval.

1 SDG&E's data indicates that there are approximately 19,000 currently enrolled CARE or  
2 FERA customers<sup>28</sup> located in DACs within SDG&E's service territory. Of these, 11,000<sup>29</sup> could  
3 potentially be enrolled in DAC GT or CSGT in order to receive the financial benefits of those  
4 programs in addition to their CARE and FERA benefits. SDG&E intends to also leverage DAC  
5 GT and CSGT as a tool to spread awareness of CARE and FERA to potentially eligible  
6 customers. Available program capacity for DAC GT and CSGT is dependent on development of  
7 eligible solar generation facilities.

8 Funding for DAC GT and CSGT ME&O is pending Commission approval of AL 3412-E  
9 and will be used to target customers already enrolled in CARE and FERA for enrollment in the  
10 renewable option rates. ME&O funding authorized in this application will not double dip as it  
11 will be used to enroll new customers in CARE and FERA which then allows for cross-promotion  
12 with marketing for DAC GT and CSGT.

13 **e. Discuss the current and suggested Outreach strategies and**  
14 **methods to improve CARE enrollment and retention including**  
15 **the estimated costs.**

16 The overarching ME&O strategy for the 2021 through 2026 program cycle for all low-  
17 income programs, including the CARE Program, is to make sure customers are aware of and  
18 understand the programs and services that SDG&E offers to help them save money and manage  
19 energy use.

20 To accomplish this strategy, SDG&E will continue to refine customer targeting via  
21 segmentation that identifies and targets customers that have historically been hard-to-reach with  
22 customized messages when possible. By continuing to develop a better understanding of

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<sup>28</sup> Based on available Census tract information compared with CARE system enrollments

<sup>29</sup> Based on available 18MW capacity for DAC-GT (18MW) and CSGT (5MW) per Resolution E-4999 at 14.

1 customer preferences, SDG&E will be able to reach individuals with tailored messages, offers,  
2 and solutions that speak to customer values and needs. Details on SDG&E ME&O strategies,  
3 including associated estimated budgets are included in the Prepared Direct Testimony of Horace  
4 Tantum IV.

5 **f. Discuss how Outreach efforts will result in meeting program**  
6 **participation goals including any specific population sectors or**  
7 **segments.**

8 SDG&E understands the importance of developing an overall strategic ME&O approach  
9 that directly addresses program barriers with specific populations. The detailed plan presented in  
10 the Prepared Direct Testimony of Horace Tantum IV addresses Outreach plans to meet specific  
11 goals, especially with targeted sectors or segments.

12 **2. Targeting the Rural Population and Hard-to-Reach for CARE:**

13 **a. Identify specific underserved rural areas in your territory and**  
14 **discuss what new strategies you will employ to target and**  
15 **enroll those households, and the strategies for each area, if**  
16 **different.**

17 SDG&E identified 4 zip codes within its service territory that have been designated as  
18 rural communities as defined by the Goldsmith method. SDG&E estimates that its customer  
19 population in rural communities is 27,280 with an estimated CARE eligible population of 7,818.  
20 The CARE penetration rate for SDG&E's rural communities is 80%. This penetration rate is  
21 below the territory wide CARE penetration rate of 93%, as of August 2019.

**Table 5: CARE Penetration In SDG&E'S Rural Zip Codes / High Fire Threat Districts**

<b>Area</b>	<b>Zip Code</b>	<b>Penetration</b>	<b>High Fire Threat District</b>
Alpine	91901	73%	Y
Descanso	91916	77%	Y
Spring Valley	91978	82%	Y
Fallbrook	92028	82%	Y

1 All four zip codes that are designated as rural fall within the High Fire Threat Districts  
2 (HFTD) in SDG&E's service territory. Please see Exhibit CARE-001, attached hereto, for a map  
3 that overlays the rural zip codes with the HFTDs. These HFTD areas in SDG&E's service  
4 territory are a new area of outreach focus to leverage the CARE Program as an additional  
5 solution to prepare low-income customers for Public Safety Power Shutoff (PSPS) events. As  
6 detailed in the Prepared Direct Testimony of Horace Tantum IV, within the HFTDs, SDG&E  
7 intends to:

- 8 • Increase partnerships with local CBOs that service HFTD communities.
- 9 • Cross promote SDG&E programs and efforts with the rural audience (CARE,  
10 FERA, ESA, Medical Baseline, PSPS education and Wildfire Resiliency).
- 11 • Deploy targeted tactics to reach customers where they want to be reached. These  
12 may include, but are not limited to, direct mail and targeted live call campaigns.

13 **b. Identify Hard-to-Reach customers in your territory and**  
14 **discuss what new strategies you will employ to target and**  
15 **enroll those households, and the strategies for each area, if**  
16 **different.**

17 Hard-to-Reach customers include potentially eligible customers in categories such as:

- 18 • Zip codes with below-average CARE penetration rates;
- 19 • High poverty areas with below-average CARE penetration rates;
- 20 • Rural areas with below-average CARE penetration rates; and
- 21 • Customers with limited English proficiency and/or literacy

22 As detailed in the Prepared Direct Testimony of Horace Tantum IV, in areas where  
23 population density is high enough, SDG&E intends to implement door to door and Live Call  
24 campaigns to enroll more hard-to-reach customers. By targeting door to door outreach in  
25 coordination with an outbound dial campaign, SDG&E believes it can effectively drive increased

1 enrollment in the hard-to-reach community. For customers in areas with lower population  
2 density, the ESP network will continue to be utilized to reach customers via trusted partners in  
3 their local neighborhoods.

4 **3. Targeting the High Poverty Areas and Disadvantaged Communities**  
5 **for CARE:**

- 6 **a. Identify the very high poverty areas (income less than 100% of**  
7 **Federal Poverty Guidelines) within your service territory that**  
8 **are underserved by county and discuss what new strategies you**  
9 **will employ to increase penetration in these areas.**

10 To provide a detailed view of high poverty areas in SDG&E’s service territory, it does  
11 not make sense to take the area median income (AMI) which is only available at the county  
12 level. SDG&E’s service territory is only made up of two counties. Therefore, SDG&E defines  
13 “high poverty areas” herein as those zip codes where the number of estimated customers at or  
14 below 100% of the FPG level is 2,500 or more.

15 The zip codes that contain SDG&E’s highest poverty areas (income less than 100% of  
16 FPG) are shown in Table 6 below:

**Table 6: SDG&E High Poverty Zip Codes and Penetration Rates**

<b>Area</b>	<b>Zip Code</b>	<b>Penetration</b>
Chula Vista	91910	105%
Chula Vista	91911	122%
National City	91950	126%
El Cajon	92020	135%
El Cajon	92021	122%
San Diego	92105	115%
San Diego	92113	125%

San Diego	92115	84%
San Diego	92154	119%
San Diego	92104	95%
San Diego	92122	48%
Spring Valley	91977	115%
San Diego	92114	114%
San Diego	92102	102%
San Diego	92101	57%

1  
2 The zip codes listed above are mostly well above target penetration and/or are well  
3 covered by SDG&E’s Energy Solutions Partner network. It should be noted that penetration  
4 rates above 100% are common; this is due to the fact that the number of customers who may be  
5 technically eligible within a zip code are only estimates. Where penetration rates go above 100%  
6 is an indicator of where estimates may have been too low. New strategies include targeted  
7 outreach through in-person (door-to-door and Live Call) campaigns to drive increased  
8 enrollment. In these areas, efforts will be made to identify and partner with additional CBOs  
9 where needed, such as refugee agencies or community centers, in order to spread engagement  
10 from trusted voices in the high poverty communities.

11 **b. Identify Disadvantaged Communities in your territory and**  
12 **discuss what new strategies you will employ to target and**  
13 **enroll those households, and the strategies for each area, if**  
14 **different.**

15 SDG&E’s DACs are unlike most other DACs in the rest of the state in that they are  
16 predominantly urban rather than rural or agricultural. DACs can be roughly mapped against zip

1 codes in SDG&E’s service territory to give a picture of current enrollment penetration. Overall,  
2 SDG&E sees very high penetration within DACs, as illustrated in Table 7 below.

3 **Table 7: Penetration Rates In SDG&E Disadvantaged Communities**

Area	Zip Code	Penetration
Chula Vista	91910	105%
Chula Vista	91911	122%
National City	91950	126%
San Diego	92102	102%
San Diego	92113	125%
San Ysidro	92173	128%
El Cajon	92020	135%
San Diego	92101	57%
San Diego	92105	115%

4  
5 Due to its high penetration rates, SDG&E believes that customers in DACs are well  
6 served and will not be employing new strategies to target these communities. Instead, SDG&E  
7 will continue its current strategies that have resulted in high penetration rates by partnering with  
8 CARE Capitation Agencies and the ESP network to make sure there is high enrollment  
9 penetration even as customers come and go from these communities.

10 **4. Other New and Proposed Strategies:**

- 11 **a. Provide a brief description of new strategies that will be**  
12 **employed, including a description of activities performed by**  
13 **third parties and other stakeholders.**

14 SDG&E has addressed new strategies that will be employed in the response to Section  
15 C.1.f above. As indicated in this testimony, SDG&E relies heavily upon third parties,  
16 community-based organizations, and the ESP network to conduct targeted outreach across the  
17 service territory.

1                   **5. Leveraging:**

2                   **a. Discuss progress, developments, and additional enhancements**  
3                   **to streamline coordination with California Lifeline.**

4                   SDG&E has continually sought opportunities to partner with LifeLine providers and  
5 recognizes that the Commission is addressing confidentiality concerns with program  
6 administration. As previously discussed, SDG&E continues to bi-annually data share with the  
7 Commission for California LifeLine efforts and will do so as part of the next program cycle.

8                   **b. Discuss progress, developments, and additional enhancements**  
9                   **to streamline coordination with CSD to expedite applications**  
10                   **and approval for Low-Income Home Energy Assistance**  
11                   **Program (LIHEAP) crisis grants for CARE accounts at risk of**  
12                   **disconnection.**

13                   SDG&E is proud of its coordination efforts with the three LIHEAP contractors in its  
14 service territory and notes that those three LIHEAP contractors are also ESA contractors in San  
15 Diego and Orange County. Through ongoing conversations and collaboration with LIHEAP  
16 agencies, SDG&E has identified one way to mitigate disconnection risk for customers seeking  
17 LIHEAP assistance. Currently, when a customer is approved for a pledge (LIHEAP or HEAP),  
18 it may take 10 to 12 weeks for the payment to post as paid on their account. In response,  
19 SDG&E adjusted its billing practice to allow up to four months from the date a pledge is entered  
20 on a customer account, giving CSD more time to submit/resubmit a pledge should there be any  
21 issues. This allows the customer more time to prevent disconnection of service.

22                   **E. CARE PROGRAM ADMINISTRATION**

23                   **1. Describe the administration of the program and any proposed**  
24                   **changes or improvements.**

25                   The following describes the administration of the program and descriptions of proposals  
26 within the categories to support these activities for PYs 2021 through 2026:



1           **Outreach**

2           Outreach costs represent all costs associated with ME&O efforts to increase program  
3 enrollment. Costs include: printing and mailing of CARE applications / documents, printing and  
4 mailing of the annual notification, postage, bill inserts, brochures and flyers, advertising, targeted  
5 direct mail and telephone campaigns, community event sponsorships, CARE Partner (Capitation)  
6 efforts, ESP network efforts, distribution of collateral materials, outreach staff labor, and other  
7 outreach and enrollment efforts. SDG&E does not propose any changes to this cost category for  
8 the 2021 through 2026 program cycle.

9           **Processing, Certification and Recertification**

10          The Processing, Certification, and Recertification cost category includes the CARE  
11 Administration Group labor and data entry costs. The function of the CARE Administration  
12 Group includes: opening and sorting CARE application forms, processing/data entering all  
13 CARE applications, initiating and responding to customer inquiries regarding CARE  
14 applications/program, fielding telephone calls related to CARE Program participation, and  
15 resolving billing issues related to CARE Program enrollment. Given the status of SDG&E's CIS  
16 replacement project, there are no anticipated changes to this administration component at this  
17 time.

18          **Post Enrollment Verification**

19          The PEV cost category includes costs associated with handling day-to-day PEV activity.  
20 This includes processing labor for CARE income verification and CARE high usage PEV  
21 processes, responding to customer inquiries regarding CARE income verification, resolving  
22 customer issues related to income verification, and analyzing the verification probability model.  
23 SDG&E proposes to modify the high usage PEV process as described in Section D.1.c above.

1                   **Information Technology (IT) /Programming**

2                   The IT Programming cost category represents all IT support costs to maintain the CARE  
3 billing system, CARE documents, CARE database, system reports, data exchange with other  
4 utilities, system enhancements to comply with Commission mandates, and improving operational  
5 efficiencies. As previously discussed in Section C.1.f, SDG&E is replacing the utility CIS as  
6 authorized by D.18-08-008, which will have an impact on IT costs for the 2021-2026 program  
7 cycle.

8                   **Cooling Centers**

9                   As discussed in Section G below, the Cool Zone Program is no longer included in CARE  
10 Program Administration.

11                   **CHANGES**

12                   SDG&E has included a new line item in the program budget to address funding for the  
13 CHANGES Program, which was previously included under “Pilots.” As discussed in Section  
14 F.1 below, SDG&E proposes to move funding for CHANGES out of the low income proceeding  
15 and into SDG&E’s next General Rate Case (GRC) application; however pending a decision the  
16 funding for the program is requested here.

17                   **Pilots**

18                   SDG&E is not proposing any pilots for the CARE Program with this Application.

19                   **Measurement and Evaluation**

20                   The costs for the Measurement and Evaluation (M&E) cost category are associated with  
21 the annual customer satisfaction survey, proposals submitted by Athens Research to conduct the  
22 annual eligibility estimate update, and subsequent information requests regarding CARE

1 Program eligibility. Other costs associated with the M&E category are outlined under Section  
2 C.1.g above and include the categorical eligibility study and two LINA studies.

3 **Regulatory Compliance**

4 The Regulatory Compliance cost category includes: labor and non-labor related to the  
5 preparation of various regulatory filings, including program applications, AL filings, regulatory  
6 reports, comments, tariff revisions, attendance at working group meetings, public input meetings,  
7 and other Commission hearings or meetings. SDG&E does not propose any changes to this  
8 category for the 2021 through 2026 program cycle.

9 **General Administration**

10 The General Administration cost category reflects the day-to-day program operations  
11 costs, including all program management personnel. Additional costs include: office supplies,  
12 training and development, office equipment, facilities, CARE market research, and business  
13 reimbursements. SDG&E does not propose any changes to this category for the 2021 through  
14 2026 program cycle.

15 **Commission Energy Division Staff Funding**

16 The Commission ED Staff Funding cost category reflects costs incurred by the  
17 Commission's ED staff in support of the Commission's authorized low-income program.  
18 SDG&E does not propose any changes to this category for the 2021 through 2026 program cycle.

19 **2. Changes and improvements should leverage learnings from both**  
20 **internal and external audits. Provide background via response to 'a'**  
21 **and 'b' below and how audit results have influenced this application**  
22 **in response to 'c':**

23 **a. Internal Audits: Describe internal audits of the utility's CARE**  
24 **program during the current program cycle and all utility-**  
25 **initiated audits of the CARE program by the 3<sup>rd</sup> party**

**consultant. Include your utility's response and corrective measures.**

In 2016, Sempra Energy internal auditors completed their review of SDG&E's CARE program for the period of July 1, 2014 through August 31, 2015. The audit objectives were to determine whether business controls over CARE activities are adequate and if SDG&E reasonably complies with internal and regulatory requirements, in the following areas: customer enrollments, PEV, recertifications, high energy use screening, customer terminations and maintenance of company records for the CARE program.

Six business control issues and three business enhancements were presented to management for consideration and corrective action. SDG&E agreed with these issues and established a corrective action plan, which resolved the issues. A summary of the business issues and management corrective actions are noted below:

- Issue 1 related to the PEV process needing improvement. Management Corrective Actions included improving reports and updating the policy and associated procedures.
- Issue 2 observed that the HEU process needed improvement. Management Corrective Actions comprised updated program procedures and training for Program Assistants.
- Issue 3 identified that the recertification process needed improvement. Management Corrective Actions included modifying the recertification request letters.
- Issue 4 advised increasing safeguards for customer information. Management Corrective Actions consisted of adding locked storage, masking products and updated procedures.
- Issue 5 addressed PEV reminder requests and associated action dates. Management Corrective Action was to update the procedures.

- Issue 6 related to timely processing of applications. Management Corrective Actions comprised of updated procedures to include daily reports to monitor processing of applications.

**b. External Audit Findings: Include your utility’s response to the audits conducted by the State Controller’s Office for PYs 2013-2015 along with a summary of all corrective measures implemented to ensure compliance. Specify where each corrective measure is also properly reflected and/or documented e.g., monthly and/or annual report, formal filings, etc.**

In 2017, the State Controller’s Office audited SDG&E’s CARE Program for the period January 1, 2013 through December 31, 2015. The objectives of the audit were to: (1) determine whether SDG&E manages the CARE Program in conformance with applicable laws, regulations, and agreement terms and conditions; (2) assess whether SDG&E’s CARE Program is in compliance with applicable laws, regulations, and agreement terms and conditions; (3) identify opportunities and priorities in which financial management governance may help to strengthen key controls; and (4) follow up on prior audit findings and evaluate the effectiveness of remediation.

This audit had one finding relating to the fact that CARE Program customer files tested lacked adequate documentation regarding eligibility through categorical enrollment. The documentation provided did not clearly indicate that the customers were currently participating in a categorical program that granted them eligibility for the CARE Program. SDG&E agreed with the recommendation to obtain sufficient, appropriate documentation from CARE customers to clearly demonstrate eligibility for the CARE Program.

1                                   **c.       Describe how Internal and External Audits’ findings**  
2                                   **influenced this proposal for administration of the program.**

3                   As a result of internal and external audits noted above, SDG&E made some process  
4 changes including automation initiatives to standardized processes and minimize potential for  
5 input errors including revised procedures with a transition that focuses on quality control.  
6 SDG&E’s CARE processing team now has exception reports for review which identify potential  
7 CARE deficiencies. These improvements are not reflected in this proposal, rather they are now  
8 part of the current program process, which SDG&E will continue in the future.

9                   **F.       Community Help and Awareness with Natural Gas and Electricity Services**  
10                   **(CHANGES):**

11                   **1.       Discuss whether you propose to continue the CHANGES program**  
12                   **funding from the CARE budget. Why or why not?**

13                   In this application SDG&E requests to transition funding and reporting of the CHANGES  
14 Program from the CARE Program to the GRC, which is expected to be filed in 2020.<sup>30</sup> To  
15 prevent disruption of the CHANGES Program, SDG&E has included the applicable funding in  
16 this Low-Income Proceeding for all years in the program cycle. If funding for the CHANGES  
17 Program is approved in the next GRC, SDG&E will discontinue CARE Program funding for  
18 CHANGES and adjust the revenues accordingly. The recommendation to shift funding to the  
19 GRC is based on two primary reasons:

- 20                   1) The CHANGES Program, via the Commission’s selected Contractor, provides  
21                   services to all LEP utility customers regardless of income. According to the  
22

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<sup>30</sup> Adoption of a four-year GRC cycle is currently being considered in Rulemaking 13-11-006.

1 CHANGES Program Annual Report<sup>31</sup> for PY ending April 30, 2018:

2 The CHANGES program provides limited English proficient (LEP) utility consumers  
3 with natural gas and electricity education as well as assistance with navigating  
4 billing, payment and service issues, and dispute resolution advocacy in the  
5 consumers' preferred languages. The program includes assistance to help LEP  
6 consumers establish or renegotiate payment arrangements, avoid disconnection,  
7 and/or arrange reconnection of their service. It helps them apply for financial  
8 assistance programs and receive adjustments or corrections to their bills or accounts.  
9 These services are provided through a statewide network of community-based  
10 organizations (CBOs).

11 In 2018, CHANGES contractors provided 291 services to residential customers in  
12 SDG&E's service territory. Of the 291 services provided, 280 (96%) of the  
13 services were for bill payment assistance, account changes, payment plans,  
14 reconnections, and payment extensions. The majority of inquiries appear to be  
15 related to general billing issues and not low-income program administration or  
16 enrollment.

17 2) D.15-12-047 states that an alternate funding source for CHANGES should be  
18 identified following the 2015-2017 Funding Cycle.<sup>32</sup> While D.15-12-047  
19 recommends the preferred long-term funding source for CHANGES be through  
20 the Commission's reimbursable account, it seems more prudent to fund and  
21 manage the CHANGES Program in the GRC due to the services provided as  
22 described above.

23 In addition to recommended funding source changes, D.15-12-047 states, "[o]nce an

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<sup>31</sup> California Public Utilities Commission, *CHANGES Program, Community Help and Awareness of Natural Gas and Electricity Services, Annual Report* (May 1, 2017 – April 30, 2018) at 3, available at [https://www.cpuc.ca.gov/uploadedFiles/CPUC\\_Website/Content/About\\_Us/Organization/Divisions/News\\_and\\_Outreach\\_Office/PAO/Documents/CHANGES\\_Documents/CHANGES%20Annual%20Report%20May%202017-%20April%202018.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/About_Us/Organization/Divisions/News_and_Outreach_Office/PAO/Documents/CHANGES_Documents/CHANGES%20Annual%20Report%20May%202017-%20April%202018.pdf).

<sup>32</sup> D.15-12-047 at 31, Finding of Fact 8, and COL 10.

1 ongoing funding source out of the Commission’s reimbursable budget is authorized, the IOUs’  
2 role will change. They will no longer be required to include CHANGES activities in their CARE  
3 monthly reports when the funding no longer comes from the CARE program.”<sup>33</sup> In accordance  
4 with this Commission direction, SDG&E also proposes to transition CHANGES monthly,  
5 annual, and LIOB reporting to the Commission-selected contractor if SDG&E’s proposal in the  
6 next GRC is approved.

7 **G. Cooling Centers:**

8 **Discuss whether your utility’s cooling center budget is incorporated into your**  
9 **most recent General Rate Case (GRC) as directed in D.16-11-022, as**  
10 **modified by D.17-12-009.**

11 As directed by D.16-11-022 and modified by D.17-12-009,<sup>34</sup> SDG&E incorporated  
12 funding for its Cool Zone Program in its GRC Application and accompanying testimony filed in  
13 October 2017.<sup>35</sup> A final Decision for SDG&E’s GRC Application was issued in September  
14 2019, which approved funding for the Cool Zone Program.<sup>36</sup> Therefore, SDG&E is not  
15 including any budget dollars for the Cool Zone Program in this 2021 through 2026 Low-Income  
16 Application.  
17

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<sup>33</sup> *Id.* at 28.

<sup>34</sup> *See* D.16-11-022 at 333 and OP 116; *see also* D.17-12-009 at 37-38 and OP 114.

<sup>35</sup> *See generally* A.17-10-007/-008 (cons.), Test Year 2019 General Rate Case Application of San Diego Gas & Electric Company (October 6, 2017) (approving Cooling Zone Program budget, although not specifically referenced); *see also* A.17-10-007/-008 (cons.), SDG&E Direct Testimony of Lisa C. Davidson (Customer Service Information and Technologies) (October 6, 2017) at 14.

<sup>36</sup> *See generally* D.19-09-051.



1           **H.     Senate Bill 1135 Family Electric Rate Assistance (FERA):**

2                   **Describe how your plan and proposal comply with legislative changes**  
3                   **addressing FERA enrollment in Senate Bill 1135 and goals outlined in**  
4                   **Commission decisions D.18-08-013 and D.18-11-027. Include and discuss**  
5                   **recommendations to address mandates to increase FERA participation and**  
6                   **all related budget implications.**  
7

8                   With this application, SDG&E is proposing to move FERA out of the Baseline  
9 Proceeding and into this Low-Income proceeding. The rationale for this recommendation and  
10 details for associated budget and program administration are included in the Prepared Direct  
11 Testimony of Sara Nordin for the FERA Program in this Application.

12           **I.     Revenue Requirement and Rate Impacts:**

13                   **Discuss the revenue requirements necessary to achieve the program plans and**  
14                   **objectives proposed for the application period, as well as, the projected rate**  
15                   **impacts that would arise due to the increased revenue requirements.**

16           **SDG&E – CARE Electric**

17                   SDG&E is not proposing any change to the revenue allocation or rate design for the  
18 CARE electric surcharge rate. Consistent with prior decisions (i.e., D.08-11-031 and D.06-12-  
19 038), SDG&E proposes recovery of CARE Program costs on an equal-cent-per-kWh basis  
20 applied to all non-exempt authorized sales<sup>37</sup> as defined in D.97-08-056.<sup>38</sup>

21                   SDG&E recovers its CARE Program costs through the Public Purpose Program (PPP)  
22 surcharge. The CARE Program cost is calculated from the revenue requirement, which is based  
23 on the combination of both the CARE administration costs and the CARE subsidy. SDG&E  
24 filed AL 3440-E, dated October 1, 2019, to request an update for the electric PPP rates effective  
25 January 1, 2020. AL 3440-E is pending Commission approval.

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<sup>37</sup> Per D.18-11-035.

<sup>38</sup> Per D.97-08-056, CARE and Streetlighting sales are exempt from CARE surcharge.

1 Illustrative rate impacts are presented in Table 8 below.

2 **Table 8: Present and Proposed CARE Surcharge Rates (\$/kWh)**

	Current	2021	2022	2023	2024	2025	2026
CARE							
<b>Incremental Funding Request (\$M)</b>		<b>\$0.624</b>	<b>\$1.654</b>	<b>\$0.812</b>	<b>\$1.195</b>	<b>\$1.475</b>	<b>\$1.137</b>
CARE Surcharge Rate <sup>1</sup>							
<b>Residential</b>	\$0.00623	\$0.00644	\$0.00653	\$0.00657	\$0.00664	\$0.00672	\$0.00679
<b>Small Commercial</b>	\$0.00607	\$0.00602	\$0.00610	\$0.00614	\$0.00621	\$0.00628	\$0.00634
<b>Med. &amp; Large C&amp;I</b>	\$0.00608	\$0.00652	\$0.00661	\$0.00666	\$0.00672	\$0.00681	\$0.00687
<b>Agriculture</b>	\$0.00618	\$0.00565	\$0.00574	\$0.00578	\$0.00583	\$0.00591	\$0.00596
<b>Lighting</b>	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
<b>System Total</b>	\$0.00613	\$0.00641	\$0.00650	\$0.00655	\$0.00661	\$0.00670	\$0.00676

3 <sup>1</sup>CARE Surcharge includes the CARE Rate Subsidy

4 Balancing Account

5 SDG&E maintains the electric CARE Balancing Account (CAREBA) to record the  
 6 CARE Program expenses incurred against revenue. Pursuant to D.02-07-033, the utility is also  
 7 authorized to record all costs related to automatic enrollment, which include the CARE discount  
 8 costs, utility administrative costs (including start-up and implementation), and the Commission’s  
 9 clearinghouse costs.<sup>39</sup> SDG&E maintains the CAREBA by recording at the end of each month  
 10 the CARE administrative costs, CARE discounts, and electric billed revenue.

11 Pursuant to D.03-04-027, SDG&E files an AL by October 1st of each year requesting to  
 12 establish the electric PPP rate effective January 1st of the following year.<sup>40</sup> The rate revenue  
 13 consists of: 1) the forecasted discount for the following year, 2) the Commission approved

<sup>39</sup> D.02-07-033 at 42.

<sup>40</sup> D.03-04-027 at OP 2.

administrative costs for the following year, and 3) the amortization of the forecasted current year-end CAREBA balance.

SDG&E does not propose any changes to the CAREBA at this time.

**SDG&E – CARE Gas**

SDG&E is not proposing any changes to the revenue allocation or rate design for the CARE gas surcharge rate. SDG&E’s CARE Program costs are currently recovered using an equal-cent-per-therm 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 CARE administration costs and the CARE subsidy. SDG&E filed AL 2815-G dated October 31, 2019, to request an update for the gas PPP rates effective January 1, 2020. AL 2815-G is pending Commission approval.

Illustrative rate impacts are presented in Table 9 below.

**Table 9 - Revenue Requirements and PPS Rates**

	Current	2021	2022	2023	2024	2025	2026
<b>CARE</b>							
<b>Incremental Funding Request (\$M)</b>		<b>\$9.5</b>	<b>\$0.2</b>	<b>\$0.1</b>	<b>\$0.1</b>	<b>\$0.2</b>	<b>\$0.1</b>
<b>CARE Surcharge Rate <sup>1</sup></b>							
<b>Residential</b>	\$0.02462	\$0.02371	\$0.02407	\$0.02427	\$0.02455	\$0.02488	\$0.02514
<b>Core C&amp;I</b>	\$0.02462	\$0.02371	\$0.02407	\$0.02427	\$0.02455	\$0.02488	\$0.02514
<b>Non-Core C&amp;I</b>	\$0.02462	\$0.02371	\$0.02407	\$0.02427	\$0.02455	\$0.02488	\$0.02514

<sup>1</sup> CARE Surcharge includes the CARE Rate Subsidy

<sup>2</sup> Increase in 2021 compared to 2019 due to a \$13M under-collection in balancing accounts.

1 Balancing Account

2 SDG&E maintains the CAREBA to record the CARE Program expenses incurred against  
3 gas surcharge funds reimbursed from the State Board of Equalization. The gas surcharge was  
4 established pursuant to AB 1002<sup>41</sup> and implemented by the utilities pursuant to Commission  
5 Resolution G-3303 (December 21, 2000) and the Natural Gas Surcharge D.04-08-010. Pursuant  
6 to D.02-07-033, the utility is also authorized to record all costs related to automatic enrollment,  
7 which include the CARE discount costs, utility administrative costs (including start-up and  
8 implementation), and the Commission's clearinghouse costs. SDG&E maintains the CAREBA  
9 by recording at the end of each month the CARE administrative costs, CARE discounts, and gas  
10 billed surcharges. SDG&E also records as applicable remittances/reimbursements to/from the  
11 State Board of Equalization.

12 Pursuant to D.03-04-027, SDG&E files an AL by October 31st of each year requesting to  
13 establish the gas PPP rate effective January 1st of the following year. The rate revenue consists  
14 of 1) the forecasted discount for the following year; 2) the Commission approved administrative  
15 costs for the following year and 3) the amortization of the forecasted current year-end CAREBA  
16 balance.<sup>42</sup> SDG&E does not propose any changes to the CAREBA at this time.

17 **J. CONCLUSION**

18 SDG&E respectfully requests the Commission to approve the CARE Program plans and  
19 budgets for PYs 2021 - 2026 as described in this testimony and authorize the following:

- 20 1. Approval of its PY 2021 – 2026 CARE Program plans and forecasted  
21 administrative costs.

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<sup>41</sup> AB 1002, Stats. 1999-2000, Ch. 932 (Cal. 2000).

<sup>42</sup> D.03-04-027 at OP 2.

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2  
3  
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2. Authorization to implement CARE Program changes and activities as described in this testimony.

This concludes my prepared direct testimony.

1 **II. STATEMENT OF QUALIFICATIONS**

2 My name is Sara Nordin. I am employed by San Diego Gas and Electric Company  
3 (SDG&E). My business address is 8326 Century Park Court, San Diego, CA 92123.

4 My current position is Customer Programs Manager. My primary responsibilities are to  
5 oversee program design and implementation for SDG&E’s low-income, workforce education  
6 and training, customer outreach and renewables programs. From 2006 – 2015 I held various  
7 positions of increasing responsibility in Customer Communications, Customer Programs,  
8 Business Services and Marketing. I left employment at the utility between November 2015 and  
9 July 2018 and I returned to SDG&E in 2018 under my current responsibilities as described  
10 above. I received a bachelor’s degree in English from the University of California, Davis and a  
11 master’s degree in business administration from Rice University in Houston, Texas.

12 I have previously testified before the California Public Utilities Commission in A.12-08-  
13 009 - Application of San Diego Gas & Electric Company For Approval of Statewide Marketing,  
14 Education and Outreach Program and Budgets for Years 2013 Through 2014.

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**EXHIBIT NO. CARE-001**  
**TO THE PREPARED DIRECT TESTIMONY OF**  
**SARA NORDIN**  
**ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

**November 4, 2019**

