

Application No. A.11-05-\_\_\_\_  
Exhibit No: \_\_\_\_\_  
Witness: Reguly, Ted

**PREPARED DIRECT TESTIMONY OF TED REGULY  
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S  
ENERGY SAVINGS ASSISTANCE PROGRAM AND  
CALIFORNIA ENERGY FOR ALTERNATE RATES PROGRAM PLANS  
AND BUDGETS FOR PROGRAM YEARS 2012, 2013 AND 2014**

Before the Public Utilities Commission  
Of the State of California

May 16, 2011

**TABLE OF CONTENTS**

	<u>Page</u>
<b>I. OVERVIEW .....</b>	<b>1</b>
<b>II. SUMMARY OF SDG&amp;E’S PY2012-2014 APPLICATION REQUESTS .....</b>	<b>1</b>
<b>A. Energy Savings Assistance Program Summary and Requests .....</b>	<b>1</b>
<b>B. CARE Program Summary and Requests .....</b>	<b>2</b>
<b>III. PROPOSED POLICY MODIFICATIONS TO THE CATEGORICAL ELIGIBILITY ENROLLMENT PROCESS .....</b>	<b>3</b>
<b>A. Categorical Eligibility Background.....</b>	<b>3</b>
<b>B. Identified Issues with the Categorical Eligibility Process .....</b>	<b>5</b>
<b>C. Utility Requests .....</b>	<b>8</b>
<b>IV. REQUEST FOR MINOR MODIFICATIONS TO THE COMMISSION’S ADOPTED METHODOLOGY FOR CALCULATING THE ENERGY SAVINGS ASSISTANCE PROGRAMS’ PROJECTED NUMBER OF HOMES TO BE TREATED.....</b>	<b>9</b>
<b>A. Methodology to Calculate the Projected Number of Homes to Be Treated.....</b>	<b>9</b>
<b>B. Proposal for Revising the Calculation for Projecting the “Unwillingness”and “Ineligible” Estimate .....</b>	<b>10</b>
<b>V. PROPOSAL TO REVISE THE NUMBER OF HOMES TREATED BY LIHEAP.....</b>	<b>11</b>
<b>A. How the Number of Homes to Be Treated by LIHEAP Is Calculated .....</b>	<b>11</b>
<b>B. Utility Request.....</b>	<b>12</b>
<b>VI. REQUEST THAT THE ANNUAL INCOME UPDATES FOR CARE AND THE ENERGY SAVINGS ASSISTANCE PROGRAM BE MADE AVAILABLE BY NO LATER THAN APRIL 1<sup>ST</sup> OF EACH YEAR.....</b>	<b>13</b>
<b>VII. PROPOSAL FOR MAKING MID-PROGRAM CYCLE ADJUSTMENTS.....</b>	<b>14</b>
<b>VIII. REVISION OF THE DUE DATE FOR THE 2015-2017 CARE AND ENERGY SAVINGS ASSISTANCE PROGRAM PLANS AND BUDGETS UNTIL JULY 2014.....</b>	<b>15</b>
<b>IX. QUARTERLY PUBLIC LOW INCOME PROGRAM MEETINGS.....</b>	<b>16</b>

**X. CONCLUSION..... 17**

1 **I. OVERVIEW**

2 The purpose of my Testimony is to present policy support for San Diego Gas & Electric  
3 Company's ("SDG&E") Low Income Program Applications and Budgets for program years  
4 ("PY") 2012-2014. Specifically, I address how SDG&E's Energy Savings Assistance Program  
5 plans to support the California Public Utility Commission's ("Commission") programmatic  
6 initiative and the California Energy Efficiency Strategic Plan ("CEESP"). In support of the  
7 PY2012-2014 CARE requests, I offer testimony that demonstrates SDG&E's commitment to  
8 achieving the Commission's goal to reach 90% of the low income customers who are eligible for  
9 and desire to participate in the CARE program. In addition, I present recommendations to revise  
10 certain Commission-adopted policies and processes for the Energy Savings Assistance Program  
11 and the CARE program, beginning in PY2012.

12 **II. SUMMARY OF SDG&E'S PY2012-2014 APPLICATION REQUESTS**

13 **A. Energy Savings Assistance Program Summary and Requests**

14 In its Application, SDG&E proposes modifications to its Energy Savings Assistance  
15 Program, which are designed to meet the Commission's key policy objective of making the  
16 program a reliable energy resource and accomplishing the programmatic initiative of reaching  
17 25% of all willing and eligible households in PY2012-2014.<sup>1</sup> When developing its Energy  
18 Savings Assistance Program Application, SDG&E designed a comprehensive strategy to  
19 promote the program as a reliable energy resource, make the program available to more  
20 customers, offer more cost-efficient program measures, increase leveraging opportunities,  
21 maximize integration opportunities, and improves the cost-effectiveness of the program.  
22  
23

24 SDG&E proposes to implement new, and modify existing strategies, plans, activities,  
25 measures, policies, and budgets to increase the programs' enrollment and overall program

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<sup>1</sup> See D.07-12-051, at pp. 74-75.

1 delivery. These proposals are also designed to help customers reduce their energy bills, promote  
2 energy conservation, and assist customers avoid disconnections. Moreover, SDG&E remains  
3 committed to making certain that its proposed plans and measures for the PY2012-2014 Energy  
4 Savings Assistance Program are cost-effective and add to its customers' quality of life by  
5 improving their health, safety and comfort.

6 Since 2002, SDG&E's Energy Savings Assistance Program has treated approximately  
7 138,400 homes, through the end of 2010. During the 9 years, SDG&E has administered this  
8 program; customers have saved millions of dollars on their energy bills, and significantly  
9 reduced their gas use by approximately 2,465,000 therms, and electric use by approximately  
10 53,119,000 kWh. For PY2012-2014, SDG&E intends to treat approximately 60,000 (one-third)  
11 of the Commission's target total for 2020) eligible homes. To further this goal, SDG&E will  
12 increase its outreach and marketing efforts to promote the new program name and logo and  
13 communicate the benefits of the program to hard-to-reach customers, e.g., disabled customers,  
14 customers with limited English proficiency, customers who live in remote areas.

15 To achieve its goals for the PY2012-2014 Energy Savings Assistance Program, SDG&E  
16 proposes a budget of \$67.34 million, which represents a 7% increase above the current  
17 authorized budget amount of \$62.70 million.<sup>2</sup>

## 18 **B. CARE Program Summary and Requests**

19 SDG&E's CARE program provides a significant rate discount to all eligible customers  
20 who wish to participate. As of March 2011, there were 299,419 customers enrolled in SDG&E's  
21 CARE program. SDG&E's goal for the 3-year program cycle is to enroll a total of 26,483 new  
22 customers into the CARE program. SDG&E has established these goals for CARE in an effort  
23 to work towards the Commission's target of enrolling 90% of all CARE-qualified customers who  
24

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<sup>2</sup> See D.08-11-031, at Attachment A.

1 wish to participate in the program. For PY2012-2014, SDG&E plans to improve upon its  
2 outreach program and continue to further increase its CARE penetration rate, which is currently  
3 approximately 83.6%.

4 To achieve its goals for the PY2012-2014 CARE program, SDG&E requests a total  
5 administrative budget of approximately \$11.66 million for PY2012-2014. SDG&E's proposed  
6 budget reflects SDG&E's efforts to enroll an estimated 14,210 customers in PY2012, 7,886  
7 customers in PY2013, and 4,387 customers in PY2014. In addition, the budget reflects  
8 SDG&E's efforts to improve and expand program outreach and program processes.

9 **III. PROPOSED POLICY MODIFICATIONS TO THE CATEGORICAL**  
10 **ELIGIBILITY ENROLLMENT PROCESS**

11  
12 **A. Categorical Eligibility Background**

13  
14 In 2006, the IOUs<sup>3</sup> requested authority to implement a categorical eligibility process to  
15 permit customers, who participate in certain local, state, or federal income-based assistance  
16 programs (public assistance programs), to qualify for enrollment in the CARE program.<sup>4</sup>  
17 Pursuant to the categorical eligibility process, customers can self-certify that they or someone in  
18 their household participates in one of the income-based assistance programs. The purpose of the  
19 categorical eligibility process is to allow eligible customers to enroll faster and easier in the  
20 IOUs' low income assistance programs, based on their participation in assistance programs with  
21 income requirements comparable to those of the CARE program.

22 In D.06-12-038, the Commission granted the IOUs' request and directed that the IOUs  
23 work together to assess the various public assistance programs to determine which programs'  
24 income requirements are consistent with the income requirements of the CARE program. The

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<sup>3</sup> The IOUs consist of SDG&E, Southern California Gas Company, Pacific Gas and Electric Company, and Southern California Edison Company.

<sup>4</sup> The Energy Savings Assistance Program adopted use of categorical eligibility in 2007.

IOUs based their selection of the categorically eligible public assistance programs on two criteria: 1) the income requirements must be consistent with the CARE guidelines, which were, and still are, set at 200% of the Federal Poverty Guidelines (“FPG”);<sup>5</sup> and, 2) the programs must be included in the list of programs under which a customer can be enrolled through the Commission’s automatic enrollment process, as adopted in D.02-07-033.<sup>6</sup> SDG&E included the adopted list of automatic enrollment programs in an effort to mitigate Federal privacy restrictions which made the automatic enrollment process envisioned by the Commission unworkable. Based on these criteria, the following income-based assistance programs were selected:

**Table 1**

<b>Program<sup>7</sup></b>	<b>Income Requirements</b>
Women, Infants and Children (“WIC”)	185% of the Federal Poverty Guidelines
Healthy Families Categories A	Incomes exceeding 205% of the Federal Poverty Guidelines
Healthy Families Categories B	Incomes exceeding 205% of the Federal Poverty Guidelines
Medi-Cal	Incomes range from 100% - 200% of the Federal Poverty Guidelines
Low Income Home Energy Assistance Program (“LIHEAP”)	60% of the State Median Income
Food Stamps	130% of the Federal Poverty Guidelines or 165% of the Federal Poverty Guidelines if the household has an elderly or disabled person who qualifies as a separate household
Temporary Assistance for Needy Families (“TANF”)	Gross Income Must Be Below \$784 Per Month

<sup>5</sup> See D.05-10-044, at Ordering Paragraph (“OP”) 1.

<sup>6</sup> See OP 6. Automatic enrollment is a process where a customer is enrolled in CARE through a data exchange with another utility or government agencies with similar rate discount programs within a IOUs’ service territory. In D.02-07-033, at OP 2, the Commission determined that participants enrolled in the following programs would qualify to be automatically enrolled in CARE through its proposed data-exchange process: Medi-Cal, WIC, Healthy Families, the Energy Assistance Programs managed by California Department of Community Services and Development (“CSD”). The automatic enrollment process adopted in D.02-07-033 was unsuccessful due to the partner agencies inability to share customer information due to Federal confidentiality restrictions. Categorical Eligibility is a process under which a customer can qualify for CARE or the Energy Savings Assistance Program through their participation in specific public assistance programs and self-certify their eligibility when they submit their CARE Application form.

<sup>7</sup> Since the implementation of categorical eligibility, the names of the Food Stamps program and TANF programs have changed. Currently the Food Stamps program is now known as “Cal-Fresh” and the TANF program is now known as “CalWorks.”

1  
2 The Commission expanded this list of categorically eligible public assistance programs in  
3 D.08-11-031 to include Supplemental Security Income (“SSI”), Tribal TANF, Bureau of Indian  
4 Affairs General Assistance, Head Start Income Eligible (Tribal Only), National School Free  
5 Lunch Program, and Federal Public Housing Assistance/Section 8.<sup>8</sup> In that decision, the  
6 Commission also directed the IOUs to immediately make all categorical eligibility requirements  
7 that apply to the Commission’s Telecommunication Division’s California Lifeline (“Lifeline”)  
8 program<sup>9</sup> the same as those for CARE and to allow customers receiving federal means-tested SSI  
9 to categorically qualify for CARE and the Energy Savings Assistance Program.<sup>10</sup> D.08-11-031  
10 also directed the IOUs to investigate the eligibility requirements of each of the public assistance  
11 programs that qualify customers for Lifeline to determine if any of the qualifying Lifeline  
12 programs have eligibility requirements that differ from the requirements applicable to the Energy  
13 Savings Assistance Program and CARE program. If the IOUs determined that certain Lifeline  
14 program’s income requirements differed from the income requirements of the CARE program  
15 and Energy Savings Program, then the IOUs were instructed to file with the Energy Division a  
16 workshop request, listing the programs that present problems, the problems at issue, and their  
17 proposed response.

18 **B. Identified Issues with the Categorical Eligibility Process**

19  
20 SDG&E conducted a review of the authorized Categorical Eligibility programs during  
21 PY2009-2011 which revealed that the income requirements for many of the categorically eligible  
22 income-based assistance programs do not align with the CARE income-eligibility requirements

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<sup>8</sup> D.08-11-31 determined that: “[e]ach IOU should make a reasonable effort to differentiate between eligible and ineligible public housing residents for CARE and LIEE enrollment. Given the diverse county by county discrepancy, we will leave it to the IOUs' discretion how to do this in each of their service areas, but they shall not enroll ineligible customers in the programs, at p. 135.

<sup>9</sup> The California Lifeline Program offers a discounted rate for qualifying telephone customers.

<sup>10</sup> See D.08-11-031, at OPs 7 and 8.



1 because these public assistance programs either: 1) do not take into consideration the total  
2 household income for all persons living within the household, or 2) exempt certain forms of  
3 income from counting towards the total household income. There are two explanations for this  
4 inconsistency. First, pursuant to the Commission’s requirements in D.08-11-031, the IOUs made  
5 all categorical eligibility requirements that apply to the Lifeline program the same as those for  
6 CARE. As a result, Lifeline programs with income requirements that differed from the income  
7 requirements of the CARE program and Energy Savings Program were considered categorically  
8 eligible.

9         Second, when selecting the public assistance programs for categorical eligibility, the  
10 IOUs considered the programs’ income requirements, e.g., if the programs’ income levels were  
11 set at or below 200% of the FPG. However, the IOUs did not consider the fact that these  
12 programs did not use and apply the term “income” the same as did the IOUs when determining  
13 CARE income eligibility. For example, the CARE program assesses the total household income  
14 and defines total household income as: “[a]ll revenues, from all household members, from  
15 whatever source derived, whether taxable or non-taxable, including, but not limited to: wages,  
16 salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends,  
17 public assistance payments, social security and pensions, rental income, income from self-  
18 employment and cash payments from other sources, and all employment-related, non-cash  
19 income.”<sup>11</sup> By contrast, the following public assistance programs apply and define the term  
20 “income” differently.<sup>12</sup>

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<sup>11</sup> In D.89-07-062, the Commission determined that the eligibility for the LIRA (now CARE) program should be consistent with the eligibility criteria established for its telecommunication’s Universal Lifeline Telephone Service (now California Lifeline Program). The definition of “income” for ULTS is set out in Commission General Order 153.

<sup>12</sup> See Attachment A(13) for a detailed summary of eligibility requirements for the Categorical Eligibility public assistance programs.

- 1 • **SSI** – This program does not count “total income” of all members of the household, and  
2 exempts certain types of income, which is inconsistent with CARE and Energy Savings  
3 Assistance Program income guidelines.  
4
- 5 • **LIHEAP** – This program is based on 60% of state’s median income, which exceeds  
6 CARE and Energy Savings Assistance Program income guidelines.  
7
- 8 • **TANF/CalWorks** – This program does not count the “total income” from all household  
9 members. The program eligibility requirements exempt some forms of income for  
10 certain working family members, i.e., Non-countable income allowance of \$90 per month  
11 per employed household member.  
12
- 13 • **Tribal TANF** - This program does not count the “total income” from all household  
14 members. The program eligibility requirements permit income exemptions for some  
15 working family members.  
16
- 17 • **Native American Tribal Head Start** – This program does not count the “total income”  
18 from all household members. The program eligibility requirements exempt some forms  
19 of income for some working family members, i.e., Non-countable income allowance of  
20 \$90 per month per employed household member.  
21
- 22 • **Bureau of Indian Affairs General Assistance** – This program does not count the “total  
23 income” from all household members.  
24
- 25 • **WIC** - Because there can be multiple households within the dwelling unit<sup>13</sup>, this program  
26 does not count the “total income” from all household members, and the total income  
27 could potentially exceed CARE and the Energy Savings Assistance Program income  
28 guidelines.  
29
- 30 • **CalFresh (formerly known as Supplemental Nutrition Assistance Program or**  
31 **SNAP)** – This program does not count the “total income” from all household members.  
32
- 33 • **Medi-Cal**– This program does not count the “total income” from all household  
34 members.  
35
- 36 • **Healthy Families (A&B)** – This program does not count the “total income” from all  
37 household members.  
38

39 To conduct its research, SDG&E analyzed all self-certification and recertification applications  
40 submitted in 2009-2010 by customers who, based on their categorical eligibility, qualified for the  
41 CARE program and Energy Savings Assistance Program. A review of these documents revealed  
42 that approximately 57%, or 48,000, of these customers also voluntarily provided their total

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<sup>13</sup> Unrelated persons living within one residence are considered separate households.

1 household incomes. Of those customers, 2.3% exceeded the CARE and Energy Savings  
2 Assistance Program income requirements in 2009, and in 2010, 2.5% exceeded the CARE and  
3 Energy Savings Assistance Program income requirements.

4 Extrapolation of these results across all categorically enrolled and recertified applications  
5 in 2009, indicates that approximately 976 categorically enrolled or recertified customers had  
6 total household incomes that exceeded the CARE and Energy Savings Assistance Program  
7 income guidelines. And in 2010, approximately 1,123 such customers had total incomes that  
8 exceeded the CARE and Energy Savings Assistance Program income guidelines. The average  
9 annual gas and electric CARE subsidy per customer totaled \$206.88 in 2009 and \$212.64 in  
10 2010. The impact to subsidizing ratepayers is estimated to be:

SDG&E	2009	2010
Total Number of Categorically Enrolled Customers	39,025	44,924
Number of CE customers w/incomes exceeding CARE guidelines by \$1 - \$20,000 or more	976	1,123
Average Annual Gas & Electric Subsidy Per Customer	\$ 206.88	\$ 212.64
Average Annual Gas & Electric CARE Subsidy Per Over Income CE Customers	\$ 201,914	\$ 238,794

12  
13 **C. Utility Requests**

14 Seemingly, the Commission did not intend for utility ratepayers to subsidize those  
15 households with incomes that exceed the CARE income eligibility guidelines. For that reason  
16 and consistent with D. 08-11-031,<sup>14</sup> on May 9, 2011 SDG&E requested that the Energy Division  
17 conduct workshops to determine if the list of the categorical eligibility public assistance  
18

19 ///

20 ///

21 ///

22  

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<sup>14</sup> D.08-11-031, at OP 9.

1 programs should be modified to exclude those programs that do not consider the total income of  
2 all residents in the household.<sup>15</sup>

3 In addition, and in order to help SDG&E better track the extent to which categorically  
4 enrolled CARE and Energy Savings Assistance Program customers have total household  
5 incomes that exceed the CARE and Energy Savings Assistance Program income guidelines,  
6 SDG&E requests Commission authorization to revise its CARE program and Energy Savings  
7 Assistance program application forms to require customers who categorically enroll to also  
8 provide their total household income to ensure it does not exceed the CARE income guidelines.

9 In addition, SDG&E requests authorization to require categorically enrolled customers to provide  
10 income documentation, in addition to providing proof of participation in one of the categorical  
11 programs, when and if randomly selected for post-enrollment verification.

12 **IV. REQUEST FOR MINOR MODIFICATIONS TO THE COMMISSION'S**  
13 **ADOPTED METHODOLOGY FOR CALCULATING THE ENERGY SAVINGS**  
14 **ASSISTANCE PROGRAMS' PROJECTED NUMBER OF HOMES TO BE**  
15 **TREATED**

16  
17 **A. Methodology to Calculate the Projected Number of Homes to Be Treated**

18 In D. 08-11-031, the Commission adopted a methodology for the IOUs to utilize to  
19 calculate the estimated number of Energy Savings Assistance Program homes to be treated in  
20 order to meet the Commission's programmatic initiative of serving all eligible and willing  
21 households by 2020. The Commission's adopted methodology is as follows:

- 22 1. Use the estimated number of income eligible households utilizing the estimates  
23 submitted in the IOUs annual Estimated Eligibility Updates.  
24

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<sup>15</sup> In addition, in Joint Opening Comments of San Diego Gas & Electric Company and Southern California Gas Company on the Proposed Decision on Large Investor-Owned IOUs' 2009-11 Low Income Energy Efficiency and California Alternate Rates for Energy Applications (A.05-08-022, *et. al.*), dated October 6, 2008, SDG&E and SoCalGas asked the Commission for the opportunity to review the eligibility requirements for the means-tested programs that qualify for the Lifeline program's program-based enrollment to ensure the eligibility requirements for these programs comport with the eligibility requirements for CARE and the Energy Savings Assistance Program's categorical enrollment processes.

- 1           2. Add a 1% annual growth factor accounting for population growth and economic  
2           conditions.
- 3
- 4           3. Deduct the estimated number of households “unwilling to participate” in the  
5           program. The Commission adopted a 5% factor based on the estimate from the  
6           KEMA Needs Assessment Report.
- 7
- 8           4. Deduct the number of homes treated by the Energy Savings Assistance Program  
9           between 2002 through year-end of the most current program year completed.
- 10
- 11          5. Deduct the projected number of homes treated by the Energy Savings Assistance  
12          Program for the current program year.
- 13
- 14          6. Deduct the number of homes treated by the LIHEAP program between 2002  
15          through year-end of the most current year completed. The number of homes  
16          treated for the current year (2008) should be deducted from the next program  
17          cycle because current year data is not finalized at the time the IOUs’ Applications  
18          are submitted for approval.
- 19
- 20          7. Multiply the result by 25% to determine the estimated number of homes to be  
21          treated in the next program cycle.<sup>16</sup>
- 22

23           **B.     Proposal for Revising the Calculation for Projecting the “Unwillingness”and**  
24           **“Ineligible” Estimate**

25           During 2009 and 2010, SDG&E tracked customer responses from over 38,000 customer  
26           leads that were contacted for by SDG&E’s Energy Savings Assistance Program to determine the  
27           number of customers who were unwilling or ineligible to participate in the program. The  
28           customers responded with one of the following reasons:  
29

30           ///

31           ///

32           ///

33           ///

34           ///

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35           <sup>16</sup> See D.08-11-031, at pp. 108-114.

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**Table 3**

<b>Reason Not Enrolled</b>	<b>2009</b>	<b>2010</b>
Customer unwilling to provide income documents.	18	35
Customer unable to provide proof of income.	771	1,021
Customer unable to provide proof of home ownership.	35	90
Customer not interested in program.	3,811	4,592
Customer over 200% FPL.	2,013	1,868
Customer moving.	208	170
<b>Total</b>	<b>6,856</b>	<b>7,776</b>
<b>% of Total Leads Generated</b>	<b>19%</b>	<b>20%</b>

2

3 Based on this data, SDG&E proposes to revise the “unwilling” percentage from the 5% figure  
4 adopted in D. 08-11-031 to 15% because it now has more precise information based on the actual  
5 data tracked during 2009 and 2010. In addition, this proposal is consistent with language in  
6 D.08-11-031, in which the Commission stated that future estimates of unwillingness may be  
7 more precise and may be considered for the 2012-2014 budget cycle.<sup>17</sup>

8 SDG&E also proposes to modify the “unwillingness” category to include the number of  
9 “unwilling *and ineligible*” because SDG&E now has more precise information on which to base  
10 its “willingness” calculations and to determine how many of the projected number of qualified  
11 customers actually do not qualify for the Energy Savings Assistance Program.

12 **V. PROPOSAL TO REVISE THE NUMBER OF HOMES TREATED BY LIHEAP**

13 **A. How the Number of Homes to Be Treated by LIHEAP Is Calculated**

14 In projecting the number of homes to be served during PY2009-2011, the Commission-  
15 adopted methodology considered the number of homes treated by the LIHEAP program between  
16  
17

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<sup>17</sup> D.08-11-031, at p. 110.

1 2002 and 2007,<sup>18</sup> but did not project the number of homes to be treated by LIHEAP during 2008  
2 because the final figures were not available at the time D.08-11-031 was adopted. The utilities  
3 were instead directed to subtract the actual 2008 figures from the estimate of households treated  
4 during the 2012-2014 budget cycle.

5 In preparation of their PY2012-2014 Applications, the utilities contacted the California  
6 Department of Community Services and Development (DCSD) to request updated figures on the  
7 number of homes treated by LIHEAP from 2008 to 2010. DCSD provided updated figures for  
8 2009 and 2010, but did not provide the figures for the number of homes treated by LIHEAP for  
9 2008. Therefore, SDG&E was forced to estimate the number of homes treated by LIHEAP  
10 during 2008 based on a historical average. This estimate was used in the calculation for  
11 projecting the remaining number of homes to be treated by the Energy Savings Assistance  
12 Program through 2020.

### 13 **B. Utility Request**

14  
15 The Commission-adopted methodology for calculating the number of homes treated by  
16 the LIHEAP program should also be revised to project the number of homes to be treated by  
17 LIHEAP through 2020, so as to provide the utilities with more realistic estimates of the  
18 remaining number of homes to be treated by the Energy Savings Assistance Program between  
19 now and 2020. Specifically, the Commission should project the number of homes to be treated  
20 by LIHEAP between now and 2020, based on an historical average. This modification will  
21 facilitate SDG&E's ability to properly plan to meet the objectives articulated in the Strategic

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<sup>18</sup> The number of homes treated by LIHEAP during 2002-2007 was based on data provided directly to the Commission by the California Department of Community Services and Development (DCSD) who administers the LIHEAP program.

1 Plan that “[b]y 2020, 100% of eligible and willing customers will have received all cost-effective  
2 Low Income Energy Efficiency measures.”<sup>19</sup>

3 To assist the Commission, below, SDG&E provides the projected the number of homes  
4 to be treated by LIHEAP between now and 2020, based on an historical average, which should  
5 serve as the basis for determining the number of homes to be treated by SDG&E during PY2012-  
6 2014.

7 **Table 4**

<b>Year</b>	<b>Definition</b>	<b>Homes Treated</b>
2002-2007	Actual number of homes treated by LIHEAP per D. 08-11-031	7,700
2008	Estimate Based on 2002-2007 LIHEAP average	1,283
2009-2010	2009-2010 actual per DCSD	3,277
2011-2020	Estimate Based on 2002-2007 LIHEAP average	12,830

8  
9 **VI. REQUEST THAT THE ANNUAL INCOME UPDATES FOR CARE AND THE**  
10 **ENERGY SAVINGS ASSISTANCE PROGRAM BE MADE AVAILABLE BY NO**  
11 **LATER THAN APRIL 1<sup>ST</sup> OF EACH YEAR**

12  
13 Each year, the Energy Division issues a notice to the utilities to update the CARE, FERA,  
14 and Energy Savings Assistance Program’s Income Guidelines. The notice is issued no later than  
15 May 1<sup>st</sup> of each year. The utilities are required to file Advice Letters to revise their tariffs and to  
16 update their CARE forms with the new income guidelines, and any other forms requiring  
17 revision, by no later than June 1<sup>st</sup> of each year.<sup>20</sup>

18 In recent years, SDG&E has developed a number of computer-generated and web-based  
19 CARE forms in an effort to facilitate customer enrollments into the CARE program and to  
20 streamline the processing of CARE forms to keep program costs down. In addition, SDG&E  
21 now translates the CARE application and web-based application forms into 12 languages and has

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<sup>19</sup> D.07-12-051, at p.2.

<sup>20</sup> Commission Resolution E-3524, dated February 19, 1998.



1 large font print versions available for visually impaired customers. SDG&E estimates that it  
2 makes updates to 19 CARE application forms each year. The lead time necessary to program the  
3 computer generated and web-based forms has increased and it has become an increasing  
4 challenge for SDG&E to meet the June 1<sup>st</sup> deadline each year.

5 In order to allow SDG&E adequate time to continue to meet the Commission's deadline  
6 for updating its CARE forms annually, SDG&E requests that the Commission change the date  
7 for the Energy Division to issue the annual CARE, FERA, and Energy Savings Assistance  
8 Program income guideline update notification, from May 1<sup>st</sup> of each year to April 1<sup>st</sup> of each  
9 year.

## 10 **VII. PROPOSAL FOR MAKING MID-PROGRAM CYCLE ADJUSTMENTS**

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12 To allow the utilities more flexibility to modify their programs during the mid-program  
13 cycle, SDG&E seeks Commission authorization for the utilities to make program revisions  
14 during the current three year program cycle using the Tier 2 Advice Letter process. Currently,  
15 to make mid-program cycle adjustments, the utilities must file a Petition for Modification (PFM)  
16 of the decision which approved the utilities' low income assistance program plan budgets and  
17 applications.<sup>21</sup> The PFM process is more time consuming and consequently does not facilitate  
18 the utilities' abilities to make timely and needed adjustments to their CARE and Energy Savings  
19 Assistance Programs. Use of the Tier 2 Advice Letter process will not only alleviate these  
20 issues, but also allow the Commission a reasonable opportunity to assess and address the  
21 utilities' proposals, and allow interested parties an opportunity to provide input. For these  
22 reasons, SDG&E asks the Commission to allow the utilities to file an Advice Letter when

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<sup>21</sup> In D.10-12-002 at p.7 approved in part, the Petition for Modification of San Diego Gas & Electric and Southern California Gas Company. The Commission noted that the Petition came in the late stage of this budget cycle and urged the IOUs to bring new errors to the Commission's attention in the beginning of the budget cycle upon issuance of a decision and not at this late juncture.

1 requesting to adjust CARE and Energy Savings Assistance Program in mid-cycle. If the  
2 proposed program change requires an increase in the authorized budget, SDG&E will  
3 incorporate the budget increases in its Annual Update to the Public Purpose Surcharge filed in  
4 October of each year.

5 **VIII. REVISION OF THE DUE DATE FOR THE 2015-2017 CARE AND ENERGY**  
6 **SAVINGS ASSISTANCE PROGRAM PLANS AND BUDGETS UNTIL JULY**  
7 **2014**

8  
9 On March 30, 2011, an Assigned Commissioner’s Ruling was issued which: 1) provided  
10 guidance to the IOUs on the requirements for filing CARE and Energy Savings Assistance  
11 Program plans and budgets for 2012-2014; 2) directed the IOUs to file their upcoming 2012-  
12 2014 CARE and Energy Savings Assistance Program budget applications by May 15, 2011; and,  
13 3) directed the IOUs to immediately roll out the new Energy Savings Assistance Program title  
14 and logo.<sup>22</sup>

15 In addition to the preparation and submittal of its Applications, the same SDG&E staff  
16 also had to devote extensive resources to complete the Annual Reports for CARE, the Family  
17 Electric Energy Assistance (“FERA”) and Energy Savings Assistance Program for Program Year  
18 2010, due to the Commission on May 1, 2011; the CARE and Energy Savings Assistance  
19 Program Monthly Reports, due on April 21, 2011; and the CARE and Energy Savings Assistance  
20 Program Monthly Report due on May 21, 2011. The overlapping deadlines for the Application  
21 and the Reports has put an overwhelming strain on SDG&E resources, especially on the program

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<sup>22</sup> *Assigned Commissioner’s Ruling Providing Guidance Concerning The California Alternative (sic) Rates for Energy (CARE) Program And Energy Savings Assistance Program (Formerly And Generally Referred To As Low Income Energy Efficiency (LIEE) Program) and Related 2012-2014 Budget Applications.*

1 staff who are required to work long hours to complete all of these submittals simultaneously, in  
2 addition to managing the day-to-day program operations.<sup>23</sup>

3 In order to prevent a similar strain on its resources in the next program planning cycle  
4 and provide the utilities with adequate time to prepare and organize these data-intensive filings,  
5 SDG&E respectfully requests that the Commission change the due date for the 2015-2017 CARE  
6 and Energy Savings Assistance Program from May 2014 until July 2014. In addition, SDG&E  
7 requests that the PY2015-2017 Guidance Document be issued by the Commission by no later  
8 than December 31, 2013.

9 In addition, to give utilities adequate time to incorporate results into their program plans  
10 and budgets for the next program cycle, SDG&E requests that the Commission require that final  
11 reports for any pilot or study conducted during the previous program cycle be issued a minimum  
12 of three months prior to the due date of the low income assistance program applications. If  
13 results of these pilots and studies are not available within the 3 month time frame, the  
14 Commission should permit the utilities to file Advice Letters to revise their programs, if  
15 applicable, as outlined in SDG&E's proposal for making mid-cycle revisions described above.

## 16 **IX. QUARTERLY PUBLIC LOW INCOME PROGRAM MEETINGS**

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18 OP 7 of D.06-12-038 required the IOUs to sponsor quarterly public meetings at which  
19 parties could share ideas and information to facilitate improvements to program elements,  
20 processes and practices. The IOUs held the first public quarterly meeting on February 22, 2007  
21 to solicit opinions about the "Statewide LIEE Policy and Procedures Manual and Installation

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<sup>23</sup> The late issuance of the 2012-2014 Guidance Document and the incomplete Statewide Studies have exacerbated the strain on the program staff, who prepare the Application and Reports.

1 Standards Manual.”<sup>24</sup> Since then, other topics discussed included the “Statewide LIEE Policy  
2 and Procedures and Installation Manuals,” 2009-2011 Energy Savings Assistance Program  
3 application plans, and the California Energy Efficiency Strategic Plan.

4 While the IOUs support the concept of these meetings as a means of soliciting public  
5 input, this venue has not proven to be viable. The public may attend in person, or via  
6 teleconference or video-conference in various locations throughout the utilities’ service areas.  
7 Nevertheless, these meetings have been poorly attended.

8 The IOUs propose that a Low Income Program forum be held once a year, following the  
9 utility Low Income Annual Report filings. This forum would include focused presentations and  
10 discussions about the programs, including program results and responses of our low income  
11 customers, findings and lessons learned. In-depth discussions about what worked, what did not,  
12 and ideas for making it better could lead to more interest and participation from the public, as  
13 well as other low income service providers.

14 **X. CONCLUSION**

15  
16 Accordingly, the Commission should: 1) approve SDG&E’s proposed PY2012-2014  
17 Energy Savings Assistance Program and CARE program plans and budgets; 2) find that the  
18 programs comply with the Commission’s stated objectives for the Energy Savings Assistance  
19 Program and CARE program; and 3) adopt the proposed policy recommendations for the Energy  
20 Savings Assistance Program and the CARE program.

21 This concludes my prepared written testimony.  
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<sup>24</sup> Formerly the Statewide Weatherization Installation Standards Manual and the Installation Standards Manual included installation standards for all services and measures provided under the Energy Savings Assistance Program.

**STATEMENT OF QUALIFICATIONS**  
**TED REGULY**

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My name is Ted Michael Reguly, and I am employed by San Diego Gas & Electric Company (SDG&E). My business address is 8326 Century Park Court, San Diego, California, 92123.

My present position is Director of Customer Programs and Assistance Department at SDG&E. My primary responsibility is to oversee SDG&E Energy Efficiency, Demand Response, and Customer Assistance programs. I have been employed by SDG&E since 1981. I have held various positions of increasing responsibility in Electric Generation, Electric and Gas Distribution, Supply Management, and Gas and Electric Customer Service. From 2005 through 2010, I was responsible for SDG&E's AMI/Smart Meter program. I am a registered California Mechanical Engineer. I received a B.S. in Mechanical Engineering from California State University, Long Beach, and an MBA from San Diego State University.

I have previously testified before the California Public Utilities Commission.