BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs.	Rulemaking 18-07-005

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON EMAIL RULING REQUESTING COMMENTS ON PIPP STRAW PROPOSAL

Evelyn Kahl, General Counsel and Policy Director
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
(415) 254-5454
regulatory@cal-cca.org

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- Allow eligibility of Family Electric Rate Assistance Program (FERA) customers in the pilot along with California Alternate Rates for Energy (CARE) customers.
- Revise the PIPP Straw Proposal to require a PIPP Benefit Cap for all, rather than only two, climate zones in California.
- Require investor-owned utilities (IOUs) to cooperate with CCAs in their Marketing Education and Outreach (ME&O), including co-branding of materials regarding the PIPP for eligible unbundled customers of CCAs.
- Require IOUs to facilitate outreach efforts by community-based organizations (CBOs) for not only bundled customers, but also eligible CCA unbundled customers.
- Direct IOUs to request CBO recommendations from CCAs to augment support services already provided by IOU-identified CBOs.
- Require IOUs to apply the bill cap to the entire customer bill and provide reports to participating CCAs that specify the maximum CCA charges that can be billed to a participating customer.

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The California Community Choice Association[1] (CalCCA) submits these Comments in response to the *Email Ruling Requesting Comments On PIPP Straw Proposal*, dated June 17, 2021 (ALJ Email Ruling) and *Procedural Email Extending Comment Deadlines for PIPP Pilot Straw Proposal Ruling*, dated June 28, 2021.

I. INTRODUCTION

CalCCA represents the interests of operating CCAs and additional affiliated cities and counties interested in exploring the opportunities of community choice energy. CalCCA's members strongly support this proceeding's aim to reduce the number of customers experiencing disconnection after nonpayment. The PIPP Straw Proposal set forth in the ALJ Email Ruling proposes a workable structure to reduce eligible vulnerable customer's bills, with the goal of reducing the rate of disconnections.

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[1] California Community Choice Association represents the interests of 22 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

CalCCA has consistently supported the implementation of a PIPP, with the goal set forth in Decision (D.) 20-06-003 of "help[ing] make monthly payments towards utility bills more affordable . . . for households who are struggling to meet their monthly obligations."[2] In responses to ALJ rulings during this proceeding requesting comments on aspects of a PIPP, CalCCA has: (1) supported the implementation of a PIPP; (2) supported the inclusion of unbundled customers if the pilot duration exceeds 1.5 years; (3) advocated that the PIPP be implemented as a bill credit; (4) advocated for testing the concept of an energy usage cap; (5) supported funding for the PIPP through the Public Purpose Programs Charge (PPPC); and (6) supported outreach efforts, including involving CBOs focused on customers at risk of disconnection due to arrearages.[3]

The Straw Proposal provides a comprehensive and thoughtful approach for evaluating aspects of a PIPP program through a 48-month pilot, during which a Working Group with IOUs, CCAs, consumer advocates, and outreach CBOs, all coordinated by a third-party facilitator, will provide advice and oversight.[4] An independent evaluator will also provide at least one report on the results of the PIPP.[5]

The Straw Proposal authorizes PPPC cost recovery for the pilot and applies the Arrearage Management Program (AMP) Resolution E-5114 approach to CCA cost recovery and third-party

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2 D.20-06-003, *Phase 1 Decision Adopting Rules and Policy Changes to Reduce Residential Customer Disconnections For the Larger California-Jurisdictional Energy Utilities,* June 11, 2020 (Phase 1 Decision), at 129.

3 *See* CalCCA Jan. 8, 2021 Comments (in response to *E-mail Ruling Requesting Responses From the Parties to Seven Questions,* Nov. 24, 2020); CalCCA Feb. 5, 2021 Comments (in response to *E-mail Ruling Requiring Responses to the Following Three Questions Concerning Energy Use and the Percentage of Income Plan,* Dec. 7, 2020); CalCCA Mar. 5, 2021 Comments (in response to *E-mail Ruling Request Comments on Four Questions,* Jan. 28, 2021); CalCCA May 5, 2021 Comments (in response to *Email Requesting Comments on Percentage of Income Payment Plan's Implementation and Coordination with Existing Programs,* Apr. 20, 2021).

4 PIPP Pilot Straw Proposal (June 2021) (Straw Proposal) at 4, §§ 11, 14.

5 *Id.* at 4, § 14.f, and 5, § 15.a.

charges.[6] Therefore, the IOUs will recover PIPP pilot bill discounts and costs through the PPPC and remit to each CCA its pro rata share. The PPPC is the appropriate rate component to use to recover PIPP pilot costs as the PPPC was established by Public Utilities Code Section 381 to fund "in-state benefits" that are in the public interest,[7] and the PPPC is used to fund other low-income and public benefit programs such as the AMP.[8] CalCCA fully supports the Straw Proposal's cost recovery provisions, which will ensure maximum participation by both IOUs and CCAs, and ensure fair and equitable cost recovery for this important public benefit program.

CalCCA supports many aspects of the Straw Proposal, including:

- ✓ The opportunity for CCAs to participate in the PIPP, with the CCA pilot participation cap separate from (and therefore in addition to) the IOU's participation cap.
- ✓ IOU administration of the pilot, including pilot enrollment, income verification, and billing.
- ✓ Application of the AMP Resolution E-5114 approach to CCA cost recovery for the PIPP pilot.
- ✓ Authorization of cost recovery for the pilot costs for both the IOUs and CCAs through the PPPC.
- ✓ Leveraging the IOU verification processes to reduce administrative costs and avoid customer confusion.
- ✓ Application of annual PIPP Benefits Caps based on baseline usage in different climate zones.
- ✓ Encouraging all customers enrolled in the PIPP pilot, both bundled and unbundled, to participate in the ESA and LIHEAP Weatherization programs to advance the

6 Straw Proposal at 1, § 3, and 4, § 10; *see* Cal. Pub. Util. Comm. Resolution E-5114 at 23 (Dec. 17, 2020) (requiring IOUs to remit to CCAs participating in the AMP the generation related costs for unbundled customers receiving arrearage forgiveness, after the IOU recovers the costs through the PPPC).

7 Pub. Util. Code § 381 (establishing the PPPC rate component to fund programs that provide "in-state benefits" that are in the public interest).

8 Resolution E-5114 at 22 (authorizing IOUs to "include costs for forgiven arrearages through AMP plans in their annual adjustments of their electric [PPPC] and recover those costs from all customers accordingly").

energy efficiency of low-income households, contribute to the comfort of low-income customers, and manage PIPP program costs.

CalCCA's comments offer the following recommendations to refine the Straw Proposal, in response to the four questions posed in the ALJ Email Ruling. These recommendations are all reflected in the proposed Straw Proposal revisions set forth in Attachment A.

- Clarify the eligibility rules for customers of CCAs that opt to participate in the PIPP pilot to (1) allow CCAs to designate eligible zip codes within their service territory with high disconnection rates, and (2) allow eligibility for CCA customers more than 90 days in arrears for two or more billing cycles during the year prior to the disconnections moratorium.
- Allow eligibility of FERA customers in the pilot along with CARE customers.
- Revise the PIPP Straw Proposal to require a PIPP Benefit Cap for all, rather than only two, climate zones in California.
- Require IOUs to cooperate with CCAs in their ME&O, including co-branding of materials regarding the PIPP for eligible unbundled customers of CCAs.
- Require IOUs to facilitate outreach efforts by CBOs for not only bundled customers, but also eligible CCA unbundled customers.
- Direct IOUs to request CBO recommendations from CCAs to augment support services already provided by IOU-identified CBOs.
- Require IOUs to apply the bill cap to the entire customer bill and provide reports to participating CCAs that specify the maximum CCA charges that can be billed to a participating customer.

II. RESPONSES TO QUESTIONS

1. Do you have program design suggestions for refining the attached straw proposal?

Yes. CalCCA provides the following recommendations for refinement of the program design.

a. The Commission Should Clarify PIPP Pilot Eligibility for CCA Customers

The Straw Proposal should be refined to better define the eligibility rules for customers of CCAs that opt to participate in the PIPP pilot. Eligibility for the PIPP pilot includes:

> CARE-eligible customers (200% of Federal Poverty Level) that either (i) are located in zip codes with highest rates of recurring disconnections, or (ii) were disconnected 2 or more times during the 12 months prior to the disconnections moratorium. . . .[9]

With respect to eligibility under subsection (i), IOUs must "include in its Consolidated Advice Letter the eligible zip codes with the highest rate of recurring disconnections based on utility data."[10] CCAs who opt to participate in the PIPP pilot must "file a consolidated Tier 3 advice letter . . . to propose a pilot participation cap, a target enrollment level, [and] eligible high disconnection zip codes . . . ."[11] The CCA participation cap "shall be separate from the IOU's participation cap."[12] Therefore, a CCA customer, who is a customer of both the CCA (for generation) and the IOU (for transmission and distribution), will not contribute to the IOU participation cap, but rather will be counted towards meeting the CCA participation cap. CalCCA requests that the Straw Proposal be clarified to specify that CCAs are able to designate "eligible high disconnection zip codes <u>within the CCA's service territory</u>," as the IOU's designated high disconnection zip codes may or may not be within a certain CCA's territory. This clarification will ensure that CCAs have the discretion to choose which high disconnection zip code(s) within their service territory will be eligible for PIPP participation.

Subsection (ii), which provides eligibility for the category of customers who "were disconnected 2 or more times during the 12 months prior to the disconnections moratorium. . . ,"

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9 Straw Proposal at 1, § 4.
10 *Id.* at 1, § 4.a.
11 *Id.* at 1, § 3.c.
12 *Id.*

unfairly excludes CCA customers from eligibility given that CCA customers who would have been disconnected (prior to the moratorium) would have been previously returned to the IOU because of nonpayment. As an alternative pathway for eligibility as a CCA customer under subsection (ii), the Straw Proposal should be revised to include CCA customers more than 90 days in arrears for two or more billing cycles during the year prior to the moratorium. Adding this category of customers will allow CCAs to identify and offer a PIPP to customers on the cusp of being returned to the IOU for nonpayment.

b. FERA-Eligible Customers Should Be Eligible To Participate In the PIPP Along With CARE-Eligible Customers

While eligibility for enrollment in the PIPP is limited under the Straw Proposal to CARE-eligible customers (200% of Federal Poverty Level (FPL)), CalCCA supports also including FERA-eligible customers (250% of FPL). Allowing FERA-eligible customers to participate will not only allow the PIPP's benefits to reach a wider population of vulnerable customers but will also increase the customer base from which to evaluate the success of the PIPP program. In addition, including FERA as well as CARE customers in the PIPP will prevent customer confusion and allow customer service representatives to relay consistent messaging regarding eligibility to enroll in AMP and/or PIPP.

c. The PIPP Straw Proposal Should Be Revised to Require a PIPP Benefit Cap for All Climate Zones in California

The Straw Proposal's annual PIPP Benefits Caps, meant to encourage energy conservation and manage program costs,[13] should not be defined by only two climate zone groups, but rather by all climate zone groups in an IOUs territory. Section 7.e. of the Straw Proposal states:

> "Each IOU will propose a set of PIPP Benefits Caps based on 250% of baseline quantities, applied on an annual basis, in their

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[13] *Id.* at 3, § 7.b.

> Consolidated Advice Letters. The caps will include two climate zone groups."[14]

The Benefits Caps will presumably apply to both IOU bundled and CCA unbundled customers. While CalCCA is supportive of the IOU Benefit Caps applying to unbundled customers, the Benefits Caps proposed by an IOU should not be limited to two climate zones, but instead should be based on all climate zones in an IOUs territory. As proposed, customers who live in climate zones with different baseline quantities than those used to set the Benefits Caps may have a smaller or bigger benefit cap than what is justifiable based on the climate zone in which they reside. CalCCA proposes the following revisions and additions to Section 7.e.:

> Each IOU will propose a set of PIPP Benefits Caps based on 250% of baseline quantities, applied on an annual basis, in their Consolidated Advice Letters. The caps will ~~include two climate zone groups~~ be specified for all climate zones represented by each baseline region in an IOUs territory. For a CCA participating in the PIPP pilot, the applicable IOU's PIPP Benefits Caps will also apply to CCA PIPP customers depending on the IOU climate zone in which the CCA customers reside.

The proposed language (also set forth in Attachment A) will ensure that PIPP Benefits Caps are applied to customers based on the correct baseline quantity applicable to the climate zone in which they reside.

d. Marketing, Education and Outreach Regarding the PIPP Should Be Coordinated Among IOUs and CCAs

As part of their Consolidated Advice Letter, CCAs are required to submit an ME&O plan along with their proposal for their pilot participation cap, a target enrollment level, eligible high disconnection zip codes, and a proposed budget.[15] IOUs are similarly required to include an ME&O plan in their Consolidated Advice Letter.[16] CalCCA requests that the Commission require

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[14] *Id.* at 4, § 7.e.
[15] *Id.* at 1, § 3.c.
[16] *Id.* at 4, § 9.

IOUs to cooperate with CCAs who opt to participate in the PIPP pilot in terms of ME&O, including co-branding the marketing and outreach materials (such as welcome letters and participation materials similar to the residential time of use default transition). In addition, IOUs should be required to facilitate outreach efforts by CBOs for not only bundled customers, but also for unbundled customers specified as eligible in the resolution approving a CCA's Advice Letter. CalCCA encourages the Commission to direct IOUs to solicit additional CBOs to consider as outreach partners for each CCA service area to further support the outreach effort.

2. Do you have procedural suggestions for refining the attached straw proposal?

Yes. The Straw Proposal should include a provision requiring IOUs to provide data to PIPP participating CCAs in the same form as the AMP weekly reports. The information in such weekly reports should include, but not be limited to: (1) enrollment status; (2) account identifiers (service agreement, account numbers); (3) enrollment start date; (4) last bill and payment dates; (5) monthly maximum dollar amount allowed to be billed for CCA charges; (6) a flag if usage exceeds the applicable annual PIPP Benefits Cap; (7) amount to be recovered by the CCA (i.e., the monthly usage times otherwise applicable rate minus the monthly bill cap); and (8) the count of missed payments.

It is imperative that the IOU provide participating CCAs with the maximum monthly dollar amount that a CCA can bill for CCA charges because CCAs do not have information about an unbundled customer's complete bill or income level. A CCA has no visibility into the transmission and distribution billing determinants or applicable tariffs. Thus, they cannot calculate an unbundled customer's applicable bill cap or the portion of a customer's maximum bill cap that can be billed for CCA charges.

Furthermore, the monthly bill cap should be allocated in proportion to the split between non-CCA charges and CCA charges. For example, if a customer's bill without the bill cap were $100, $70 for non-CCA charges (e.g., transmission and distribution) and $30 for CCA charges, then the monthly bill cap should be split proportionally to the charges in the bill before the bill cap is applied (a 70% / 30% split). The IOU would bill the unbundled customer for 70% of the monthly bill cap and the CCA would bill the customer for 30% of the monthly bill cap. In this example, if the unbundled customer's bill cap were $72, the IOU would inform the CCA that it could bill the customer for $21.60 (30% of $72). Without the IOU providing this data to a CCA, a CCA would not be able to calculate the amount it should bill unbundled customers who participate in the PIPP, making CCA participating in the PIPP pilot impossible.

3. Please provide updated cost estimates for the pilot as described in the attached straw proposal.

As set forth in CalCCA's March 5, 2021, Comments, PIPP program costs will likely include:

- Undercollected revenue resulting from applying a cap to PIPP customer bills;
- Program administration costs;
- ME&O costs; and
- The cost of performing data analytics mid- and post-pilot, including third-party analytics administration costs.[17]

The Straw Proposal provides that the IOUs will administer the PIPP on behalf of the CCAs, and therefore each IOU is in the best position to estimate its costs. With respect to CCA costs associated with the PIPP, CalCCA supports the Straw Proposal's incorporation of the AMP Resolution E-5114's approach to CCA cost recovery (i.e., recovery through the PPPC).[18] Despite

[17] CalCCA Mar. 5, 2021 Comments at 2.
[18] Straw Proposal at 1, § 3.

IOU administration of the PIPP, each CCA will incur costs in addition to uncollected revenue (such as costs for information technology updates, ME&O costs to collaborate with the IOUs, and other administrative and evaluation costs), all of which will be included in each CCA's proposed budget as part of its Tier 3 Advice Letter. CalCCA recommends that the contents of the final budget adopted when the Commission approves a CCA's Advice Letter be eligible for recovery through the PPPC.

4. Should utilities be required to request approval for exceeding the approved administrative costs for the pilot?

Yes, while CalCCA recognizes the potential need for flexibility regarding administrative costs for a pilot program, the best way to monitor costs is for the IOUs to submit a Tier 1 or Tier 2 Advice Letter to request approval for increased administrative costs that exceed the approved budget.

III. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests consideration of this response, as well as Attachment A, and looks forward to continuing to work with the Commission and other stakeholders on the critical issues addressed herein.

Respectfully submitted,

Evelyn Kahl

Evelyn Kahl
General Counsel and Policy Director
CALIFORNIA COMMUNITY CHOICE ASSOCIATION

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ATTACHMENT A

3.b. If a CCA in their service territory opts to participate, the IOU will administer pilot enrollment, income verification, and billing. The IOU shall provide weekly status reports that specify enrollment status, account identifiers (service agreement, account numbers), enrollment start date, last bill and payment dates, monthly maximum dollar amount allowed to be billed for CCA charges, a flag if usage exceeds the applicable annual PIPP Benefits Cap, amount to be recovered by CCA (i.e., the monthly usage times otherwise applicable rate minus the monthly bill cap), and the count of missed payments to a participating CCA.

3.c. CCAs who opt to participate in an IOU PIPP pilot must (i) notify the IOU (with a copy to the service list of this proceeding) within 30 days of the final decision, (ii) participate in the PIPP Working Group, and (iii) file a consolidated Tier 3 advice letter within 120 days of the final decision to propose a pilot participation cap, a target enrollment level, eligible high disconnection zip codes within the CCA's territory, an ME&O plan, and a proposed budget. The CCA pilot participation cap shall be less than 1% of the CCA's residential customers and shall be separate from the IOU's participation cap.

4. Eligibility: CARE-eligible customers (200% of Federal Poverty Level (FPL)) and/or FERA-eligible customers (250% of FPL) that either (i) are located in zip codes with highest rates of recurring disconnections, or (ii) were disconnected 2 or more times during the 12 months prior to the disconnections moratorium (as proposed by TURN), or for CCA customers were more than ninety days in arrears for two or more billing cycles during the year prior to the disconnections moratorium.

a. Process: Each IOU shall include in its Consolidated Advice Letter the eligible zip codes with the highest rate of recurring disconnections base on utility data. Rather than direct IOUs to include the same number of zip codes, IOUs shall each propose zip codes that include a sufficient number of CARE-eligible and/or FERA-eligible customers for IOUs to meet target enrollment levels within 6 months after pilot enrollment begins. The process for CCAs opting to participate in an IOU PIPP pilot is set forth in Section 3.c.

7.e. Each IOU will propose a set of PIPP Benefits Caps based on 250% of baseline quantities, applied on an annual basis, in their Consolidated Advice Letters. The caps will~~include two climate zone groups~~ be specified for all climate zones represented by each baseline region in an IOUs territory. For a CCA participating in the PIPP pilot, the applicable IOU's PIPP Benefits Caps will also apply to CCA PIPP customers depending on the IOU climate zone in which the CCA customers reside.

9.d. Coordination with CCAs participating in the PIPP in the IOU's service territory regarding all ME&O, including but not limited to co-branding of written materials and outreach for eligible unbundled customers in a CCA's territory.

9.e. Solicitation of additional CBOs to consider as outreach partners for each service area of CCAs participating in the PIPP.