



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

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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
ADMINISTRATIVE LAW JUDGE'S RULING ON NEXT STEPS FOR THE
ARREARAGE MANAGEMENT PLAN PROGRAM**

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SUMMARY OF RECOMMENDATIONS

- Continue considering Arrearage Management Plan (AMP) program issues in this rulemaking rather than opening a new rulemaking, given the AMP program is one tool among many being considered in this rulemaking to prevent disconnections;
 - Extend the AMP program for another four years beyond June 11, 2024, but do not connect the extension to the Community Based Organization Pilot (CBO Pilot) given AMP covers a far wider range of customers than the CBO Pilot; and
 - Order an evaluation for the AMP program similar to the Percentage of Income Payment Program evaluation process, to begin immediately, to methodically assess the effectiveness of the AMP program.
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The California Community Choice Association¹ (CalCCA) submits these Comments in response to the *Administrative Law Judge’s Ruling on Next Steps for the Arrearage Management Plan Program*² (Ruling), dated April 10, 2023.

I. INTRODUCTION

When the California Public Utilities Commission (Commission) opened this Disconnections proceeding in July 2018,³ and ordered the four-year Arrearage Management Plan (AMP) program in June 2020,⁴ it could not have foreseen the impact of the upcoming and lengthy COVID pandemic, and the financial distress that resulted for many Californians. Despite the pandemic, the focus of the proceeding remains the same – to address rising disconnection rates recognizing the critical impact of “energy access . . . to economic and social stability and well-being.”⁵ As energy costs continue to rise, customers struggle to stay current on their energy bills, while disconnections for non-payment

¹ California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Energy For Palmdale’s Independent Choice, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, 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, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy: <https://cal-cca.org/>.

² *Administrative Law Judge’s Ruling on Next Steps for The Arrearage Management Plan Program*, Rulemaking (R.) 18-07-005 (Apr. 10, 2023).

³ See *Order Instituting Rulemaking*, R.18-07-005 (July 12, 2018), at 1.

⁴ See D.20-06-003, *Phase I Decision Adopting Rules and Policy Changes to Reduce Residential Customer Disconnections for the Larger California-Jurisdictional Energy Utilities*, R.18-07-005 (June 11, 2020) (AMP Decision).

⁵ *Id.* at 4.

resume after the pandemic moratorium.⁶ Customers are only now beginning to benefit from the suspension of disconnections while actively enrolled in AMP.

CalCCA has continuously supported the AMP program, while suggesting modifications to the program to increase customer success.⁷ CalCCA also understands from the comments and data provided by the investor-owned utilities (IOUs) that consistent evaluation of the effectiveness of the overall AMP program has been difficult given the COVID pandemic, the disconnections moratorium, the COVID long term payment plans, and the substantial assistance provided by the California Arrearage Payment Program.⁸ As Californians deal with post-pandemic financial struggles, however, CalCCA appreciates the Administrative Law Judge's (ALJ's) focus on "next steps" for the AMP program.

In response to the questions in the Ruling, CalCCA recommends:

- Continuing to consider AMP program issues in this rulemaking rather than opening a new rulemaking, given the AMP program is one tool among many being considered in this rulemaking to prevent disconnections;
- Extending the AMP program for another four years beyond June 11, 2024, but not connecting the extension to the Community Based Organization Pilot (CBO Pilot) given AMP covers a far wider range of customers than the CBO Pilot; and
- Ordering an evaluation for the AMP program similar to the Percentage of Income Payment Program (PIPP)⁹ evaluation process, to begin immediately, to methodically assess the effectiveness of the AMP program.

⁶ See, e.g., *Pacific Gas and Electric Company's (U 39 M) Monthly Disconnection Data Report*, R.18-07-005 (April 20, 2023), Attachment A at 3 (total PG&E customers in arrears for March 2023 was 1,137,602, with 388,256 more than 121 days in arrears; 16,155 customers experienced disconnections for non-payment in March 2023).

⁷ See *California Community Choice Association's Comments on Administrative Law Judge's Ruling Relating to the Phase 2 Workshop in October 2022*, R.18-07-005 (Dec. 9, 2022); *California Community Choice Association's Reply Comments on Administrative Law Judge's Ruling Relating to the Phase 2 Workshop in October 2022*, R.18-07-005 (Jan. 10, 2023); *California Community Choice Association's Reply Comments on Administrative Law Judge's Ruling Directing Utilities to Provide Data and Requesting Comments on Pilot Questions*, R.18-07-005 (Mar. 13, 2023).

⁸ See *Joint Meet and Confer Report*, R.18-07-005 (Feb. 23, 2023).

⁹ See D.21-10-012, *Decision Authorizing Percentage of Income Payment Plan Pilot Programs*, R.18-07-005 (Oct. 7, 2021) (PIPP Decision).

II. CALCCA'S RESPONSE TO QUESTIONS

- 1. Should the Commission continue to consider AMP program issues in this rulemaking rather than open a new proceeding to consider AMP program issues?**

Yes. Given the AMP program is one tool among several (including the PIPP and the CBO Pilot) being considered in this proceeding to prevent disconnections, it makes sense to consider the overall impact and success of the programs together in one proceeding.

- 2. Should the Commission extend the AMP program beyond June 11, 2024, and if so, for how long? If the Commission approves a Community Based Organization (CBO) pilot program in this proceeding, should the Commission extend the AMP program for a period that relates to the CBO pilot period?**

The Commission should extend the AMP program beyond June 11, 2024. The AMP program should be extended for at least another four years beyond 2024 while an evaluation of the effectiveness of AMP through a process established by the Commission, with stakeholder input, is undertaken. As set forth below, the Commission should ensure that a meaningful study to measure the efficacy of AMP should occur within these four years.

CalCCA does not recommend extending the AMP for a period that relates to the CBO Pilot period. The AMP covers a far wider range of customers than the CBO Pilot and should be evaluated independently.

- 3. When should the Commission evaluate the effectiveness of the AMP program?**

The evaluation of the effectiveness of the AMP should begin now, to provide a baseline for future evaluation.

- 4. How should the Commission evaluate the effectiveness of the AMP program for reducing disconnections and determine whether to modify, extend, or conclude the AMP program? Should the Commission require an independent evaluation of the program, similar to the evaluation provisions we adopted of the Percentage of Income Payment Plan pilot program? What evaluation criteria should the Commission set for the AMP program?**

CalCCA recommends that the Commission establish an evaluation program similar to that established for the PIPP program.¹⁰ A third-party evaluation contractor should be retained as part of the AMP evaluation process. As with PIPP, one IOU should be required to conduct a Request for Proposals to hire the independent evaluator based on direction from Energy Division. Energy Division

¹⁰ See PIPP Decision at 73-75.

should then select and supervise the independent evaluator and approve key deliverables, including scope of work, data and metrics required for the evaluation, and the evaluation report.

Included within the overall scope of work for the evaluation contractor is to define what effectiveness of the program looks like based on the goals of the AMP program, and recommendations for improvements to meet program goals. Stakeholders should be given the opportunity to comment on the scope of work, questions being addressed, data and metrics required, and overall evaluation criteria. The evaluator should start with the questions asked by the ALJ of the IOUs in the November 10, 2022 Ruling Relating to the Phase 2 Workshop in October 2022,¹¹ and the follow-up questions in the February 13, 2023 ALJ Ruling,¹² all providing data on customers enrolled in AMP versus other programs. Overall, the evaluator should study not only the reduction in arrearages and overall disconnections, but whether the AMP resulted in behavior change by customers previously in an arrearage “cycle.” Demographic information on who is accessing and benefitting from AMP will also be useful in the overall evaluation. In addition, the evaluator should focus on how IOU and/or community choice aggregator (CCA) marketing, outreach and education (ME&O) impacts customers, including initially enrolling in the program and a customer’s ability to remain successful in AMP. Finally, the evaluator should study how different ME&O and customer service techniques by the IOU and/or CCAs result in different enrollment and success rates.

The costs of the third-party independent evaluator, as well as administrative costs incurred by the IOUs and the CCAs, should be recoverable through the AMP program.

III. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests consideration of its recommendations and looks forward to an ongoing dialogue with the Commission and stakeholders.

Respectfully submitted,



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April 26, 2023

¹¹ *Administrative Law Judge’s Ruling Relating to the Phase 2 Workshop in October 2022*, R.18-07-005 (Nov. 10, 2022).

¹² *Administrative Law Judge’s Ruling Directing Utilities to Provide Data and Requesting Comments on Pilot Questions*, R.18-07-005 (Feb. 13, 2023).