



2012-2014 Low Income Programs Application

Energy Savings Assistance Program and CARE



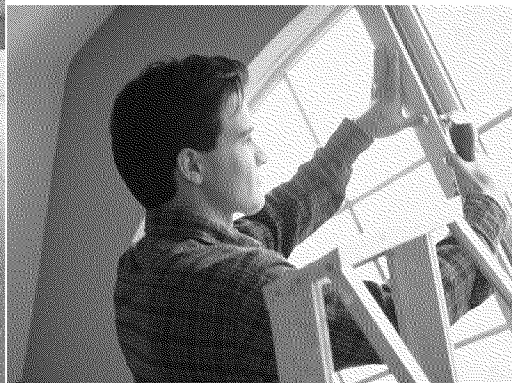
Public Workshop
San Ramon, CA
February 17, 2011

- D.08-11-031 authorized the 2009-2011 LIEE and CARE Programs and Budgets
- D.08-11-031 implied that a 2012-2014 (3) year cycle would follow the 2009-2011 Program, on same or similar schedule, to continue towards achieving 2020 Low Income goals: *to give all eligible low income customers the opportunity to participate in the low income energy efficiency program by 2020; and to enroll all eligible (and willing) customers in CARE.*
 - We assume a May 2011 Application filing for 2012-2014
 - CPUC has indicated a probable due date of May 15; this is on track for Fall 2011 CPUC adoption of LI programs
 - CPUC issued a draft scoping memo in November 2010; PG&E is working with ED and the other IOUs to prepare consistent and comparable Application sections and tables
 - Continue to support the CA EE Strategic Plan initiatives



Energy Savings Assistance Program

Application Strategies





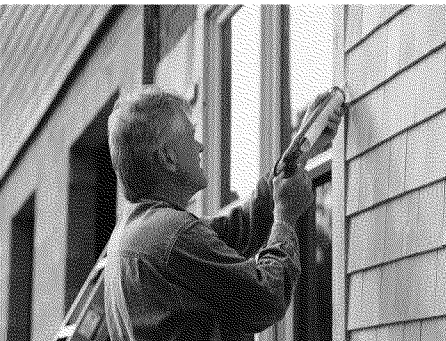
Low Income Energy Efficiency: Overview

- The *Energy Savings Assistance Program* (formerly *Energy Partners* or *Low Income Energy Efficiency*) provides income-qualified PG&E customers free energy education, weatherization measures and energy-efficient appliances to reduce gas and electric usage

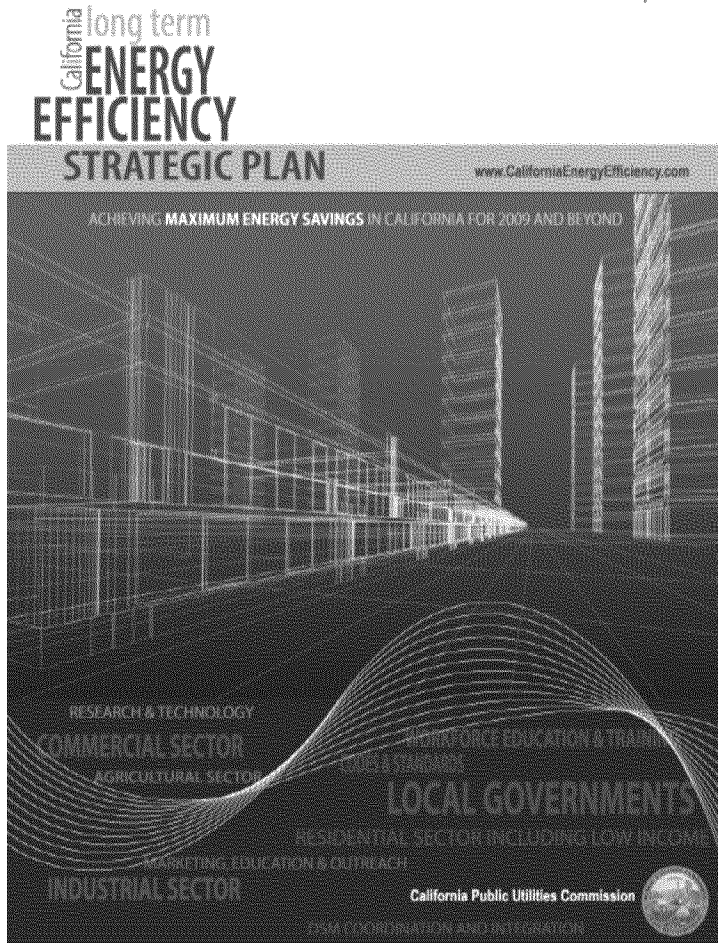
- Operated by PG&E since 1983
- Funded through a public purpose charge on customer utility bills
- Serves single-family, multi-family and mobile homes and is available to both owners and renters
- Energy Savings Assistance Program participants receive all feasible measures for which they qualify
- Serves customers at or below 200% of federal poverty guidelines

LIEE 2010 (preliminary results)

- Expenditures: \$144,754,628
- Homes Treated: 129,856
- Energy Savings and Demand Reduction
 - kWh – 48,981,281
 - kW– 12,224
 - Therms – 2,700,009
- Measure Installations
 - Water Heating – 98,875
 - Infiltration & Space Cond. – 101,660 Homes
 - Refrigerators – 20,606
 - Lighting – 769,722
 - Cooling – 17,481
 - Heating -- 2,969



- The ESA Program has increased the number customers served annually
 - Over 130,000 participants were served in 2010
- PG&E participated in community outreach events increasing customer awareness and creating ESA Program referrals
 - PG&E developed partnerships with SMUD, LIHEAP, MID, CA Dept. of Social Services, HUD Housing, County Food Banks, the Mexican Consulates in SF, Fresno Sacramento, and San Jose, and School Districts
 - PG&E participated in customer events in Bakersfield, Wasco, Stockton, San Pablo, Fresno, Sacramento, Selma, Soledad, Richmond, San Rafael, Milpitas, Oakland, Firebaugh
- Since 2009, PG&E's ESA Program hired 14 new weatherization contractors and 11 new repair & replacement contractors, and trained over 1500 people as energy specialists and installers.



- **All eligible low income customers will be given the opportunity to participate in the low income energy efficiency program by 2020**
- **LI Goal: Improve Customer Outreach**
 - Strengthen customer outreach by using customer segmentation analysis and social marketing tools
 - Develop recognizable statewide branding
 - Improve program delivery
 - Promote the growth of a trained LIEE workforce
- **LI Goal: LIEE as an energy resource for long term, cost-effective savings**
 - Increase collaboration among and leveraging of other low income programs and services
 - Integrate LIEE programs with energy efficiency and other demand-side management programs
 - Provide customers with measures that result in higher and longer term energy savings

*More information available at
www.californiaenergyefficiency.com*

- Enhance the current LIEE Program
 - Incorporate process improvement and findings of the LIEE Process Evaluation
 - Propose to create an un-dedicated annual contingency fund for innovations and special projects that come up during the program cycle
 - Propose methodology to make mid-cycle corrections
- Treat a number of homes during the 2012-2014 cycle that will maintain progress towards 2020 100% goals
 - As we get closer to the goal, the harder-to-reach customers will become more of a challenge
- Statewide ME&O for the re-named low income program will begin
 - Expect increased marketing budget
 - New branding for Energy Savings Assistance Program



- CPUC Guidance Docun
 - We are working closely with Energy Division, the other IOUs, and external parties to finalize the Application Guidance Document and Reporting



2009-2011 LIEE Program Measures

- Hard-Wired Compact Fluorescent Porch lights
- Interior Hardwire Compact Fluorescent lamps
- Screw-in Compact Fluorescent lamps
- Occupancy Sensors
- Torchieres
- Refrigerator Replacement
- Evaporative Coolers
- Central Air Conditioners
- Window/Wall Air Conditioners
- Central AC Tune Up
- Furnace repair/replacement (home-owners only)
- Water Heater repair/replacement (home-owners only)
- Energy Education
- Hot Water Conservation Measures
 - Faucet Aerators
 - Pipe Wrap
 - Low Flow Showerheads
 - Water Heater Blankets
- Air Infiltration Measures
 - Door Weather-stripping
 - Caulking
 - Outlet Gaskets
 - Evaporative Cooler Covers
 - Minor Home Repairs
- Duct Testing and Sealing
- Attic Insulation
- Clothes Washers (pilot measure)
- Microwaves (pilot measure)



Potential Measure Additions Proposed for 2012-14

PG&E is currently exploring adding several new measures, including:

New Measures

- Thermostatic Low Flow Showerhead (1.6 GPM)
- Furnaces: Forced Air Unit Standing Pilot Retrofit
- Smart Fan Delay relay with premium motor
- Furnace Clean and Tune

Changes

- Increase Attic Insulation Levels

Measures Piloted in 2009-2011

- Microwaves

All Measures must be individually cost-effective, and New Measures must meet both the ESA Program's Utility Cost Test and Modified Participant Cost Test criteria.



- Timing: PG&E is considering asking for a 4-year LI program cycle
 - We are investigating whether we should ask for a 4-year cycle for the ESA Program and CARE in this Low Income Programs Application
 - 4-year program would remain off-cycle with EE program cycle
 - Same schedule will tax infrastructures of both utilities and ED staff
 - LI schedules are not held up while parties work out EE issues that do not pertain to ESA Program and CARE
- Propose methodology to address mid-cycle changes or corrections
 - Use Advice Letters for certain kinds of changes or corrections
 - Create un-dedicated annual “contingency” fund to allow pilot creation, new measures or other mid-cycle proposals
 - Subject to Commission approval
 - PG&E would submit Advice Letter explaining proposal
 - Any annual funding undedicated by end of year would revert to energy efficiency categories for next year

- IOUs currently hold Public Low Income Program Meetings quarterly
 - Meetings are poorly attended. When there are no current issues to discuss, the main topic is presenting Monthly Report statistics
 - PG&E proposes holding an annual low income program forum following the preparation and release of the Program Annual Reports in May to discuss program progress, lessons learned and new ideas
 - This forum would be well-planned and could include special topics or discussions about relevant findings or research conducted by the utilities
 - PG&E would work with Energy Division and other interested parties to prepare the agenda
 - PG&E remains committed to holding public meetings on other topics as useful and needed
 - For example: the IOUs are hosting a series of meetings with interested parties to work together on updating the program Installation Standards



- PG&E is looking at a pilot for multifamily buildings
 - Working with Energy Division, GREEN (Green Rental Home Energy Efficiency Network), and other interested parties
 - Coordinating and combining services of low income programs with Energy Efficiency multifamily, commercial and other program offerings
 - Funding from multiple sources: low income services and measures would be provided and funded under the Energy Savings Assistance Program
 - Using a whole building, performance-based approach
 - Proposing a single point of entry for low income multifamily properties



CARE

Application Strategies





- The *California Alternate Rates for Energy (CARE)* program provides a monthly discount on energy bills for income-qualified residential single-family households, tenants of sub-metered residential facilities, nonprofit group living facilities, agricultural employee housing facilities and migrant farm worker housing centers throughout PG&E’s service area.
- CARE income guidelines are at 200 percent of the Federal Poverty Guidelines.
- Customers self-certify and are subject to random post-enrollment verification
- Funded through a public purpose charge on customer utility bills paid by non-CARE customers

2010 CARE Results

CARE Participation

- Estimated Eligible: 1,619,856
- Total participants: 1,499,942
- Penetration: 93%
- CARE Subsidies: \$724,661,810

2010 CARE Budget and Expenditures

CARE Authorized Budget:

- Outreach: \$6,100,000
- Operation: \$1,900,000
- Other: \$1,216,000

CARE Expenditure:

- Outreach: \$5,736,372
- Operation: \$1,488,218
- Other: \$745,555



2009-2011 CARE Program Successes

- Throughout the program cycle, we broadened our outreach to reach more customers:
 - In 2010 alone, CARE partnered with 177 community organizations, reaching disabled, senior, ethnic, family-based and faith-based customers across each of our 48 counties
 - Also participated in 130 outreach events including job, community, senior, health, and ethnic fairs
- Enrolled over 350,000 new CARE customers from January 2009 to December 2010.
- Last December, CARE exceeded 90% penetration target based on 2010 eligibility estimates.
- Recognized as a finalist in the “Multicultural Campaign” category of the 2010 Platinum PR Awards given by PR News

- Increase Communication with CARE Customers
 - Notify of certification, recertification and accepted post enrollment verification documents
 - Adding additional languages (Russian, Hmong, Korean) in print, toll-free, website and program support
- Ensure the Right Customers Participate
 - Propose changes to Categorical Enrollment Programs
- Address High Energy Users
 - Explore options to decrease the impact of these customers on the subsidy
- Broaden our involvement with Community Organizations
 - Explore increasing capitation fee for new enrollment
 - Explore offering a fee for assistance with post enrollment verification or recertification process



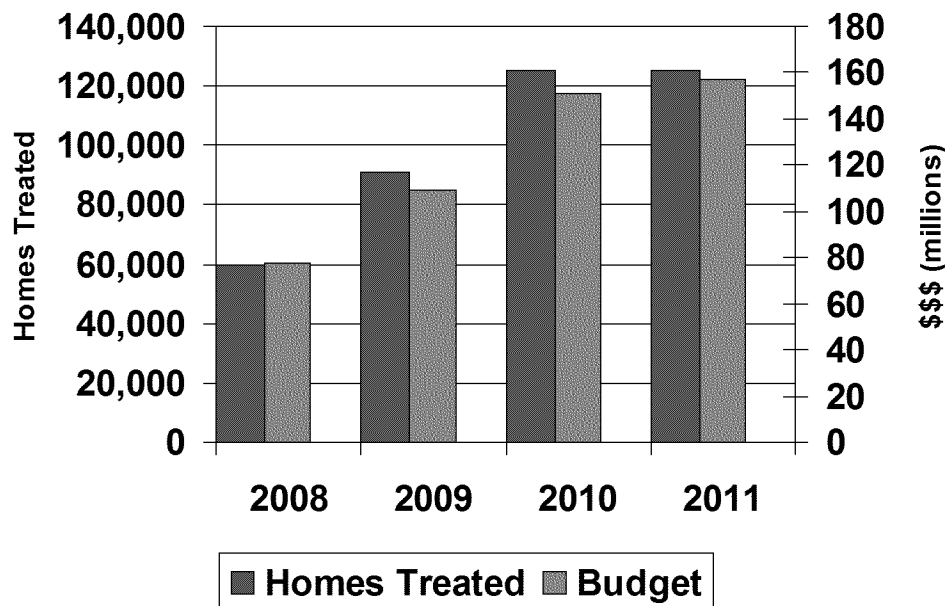
Low Income Programs: Recent Results

Appendices

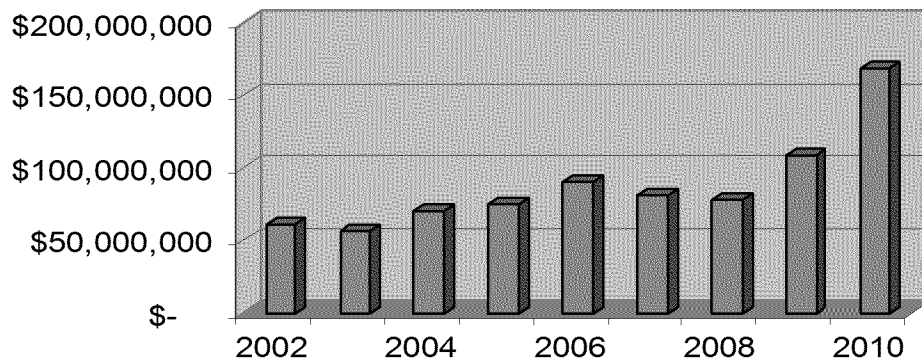


Appendix: 2009-2011 LIEE at PG&E

PG&E LIEE Goals: 2009-2011				
	2009	2010	2011	Cycle Total
Budget	\$109,056,366	\$151,067,347	\$156,789,038	\$416,912,751
Homes To Treat	90,903	124,991	124,991	340,885

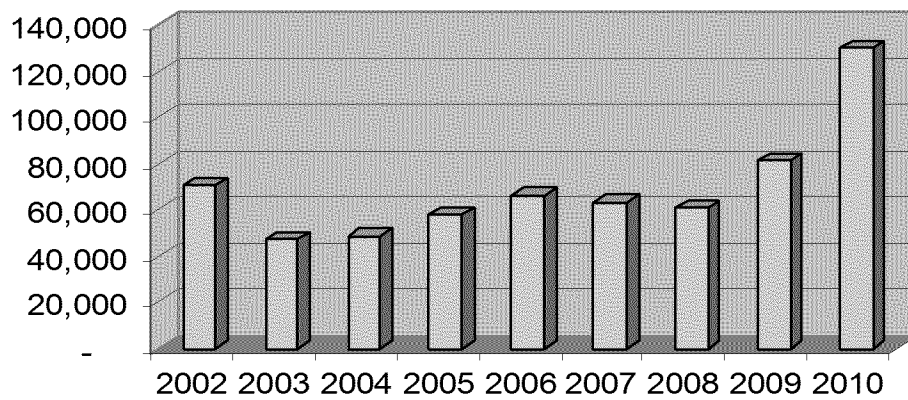


LIEE Budget Expenditures: 2002-2010



- Total 2002-2010 Budget: \$788,271,430

LIEE Treated Homes: 2002-2010

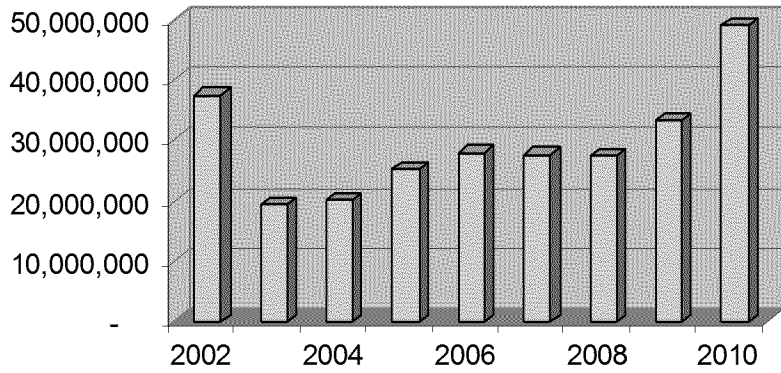


- Total 2002-2010 Treated Homes: 625,670

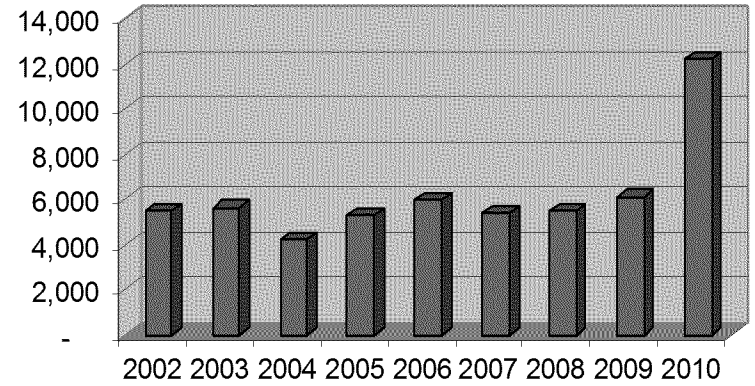


Appendix: 2002-2010 LIEE at PG&E: Impacts

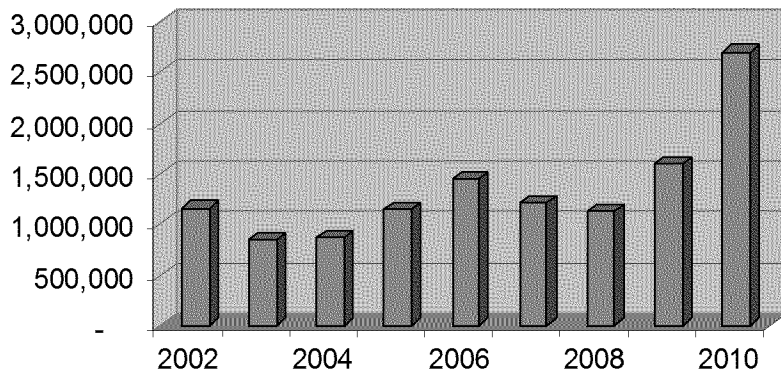
LIEE kWh Savings: 2002-2010



LIEE kW Savings: 2002-2010

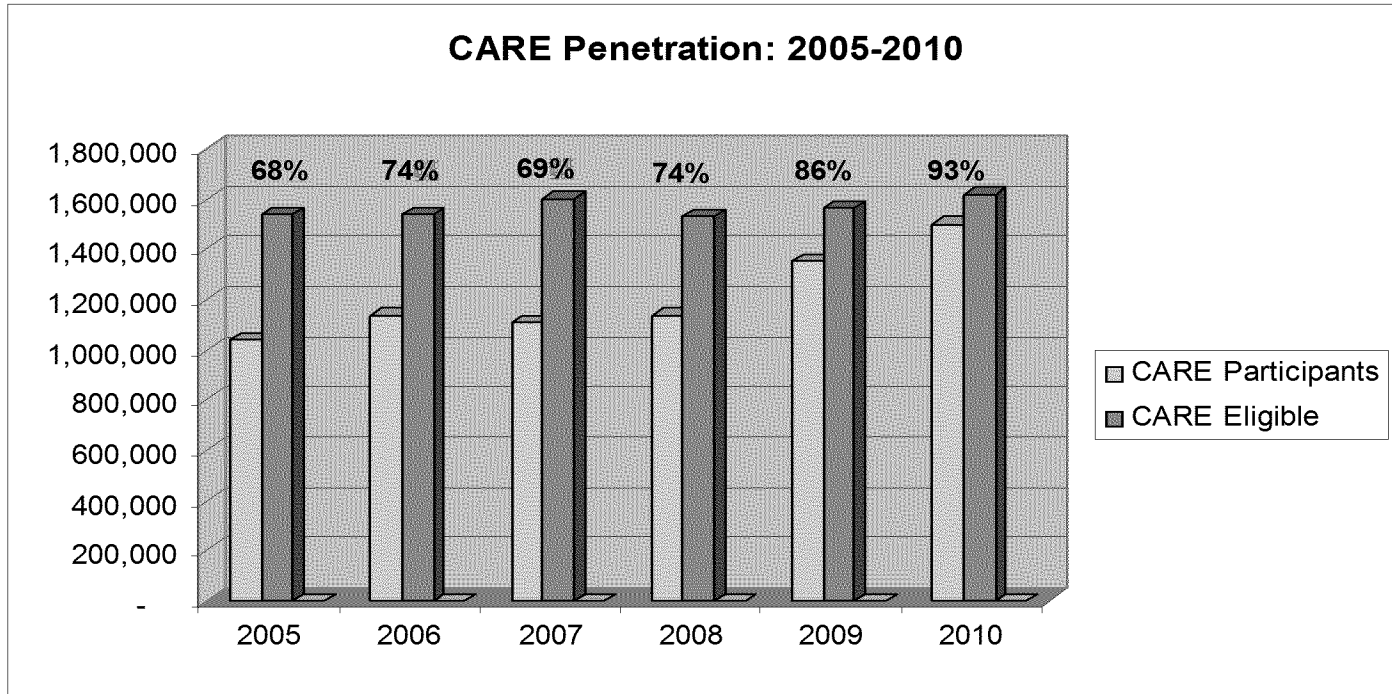


LIEE Therm Savings: 2002-2010

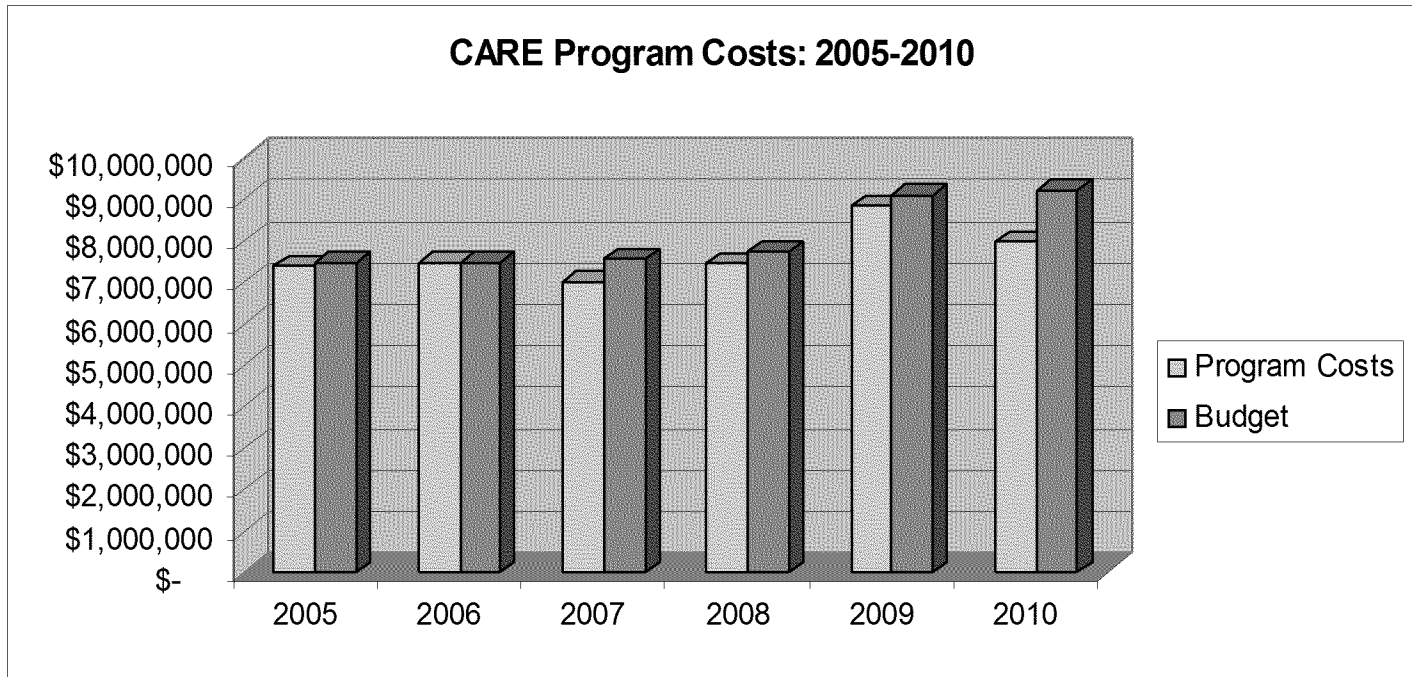


Total 2002-2010 LIEE Impacts

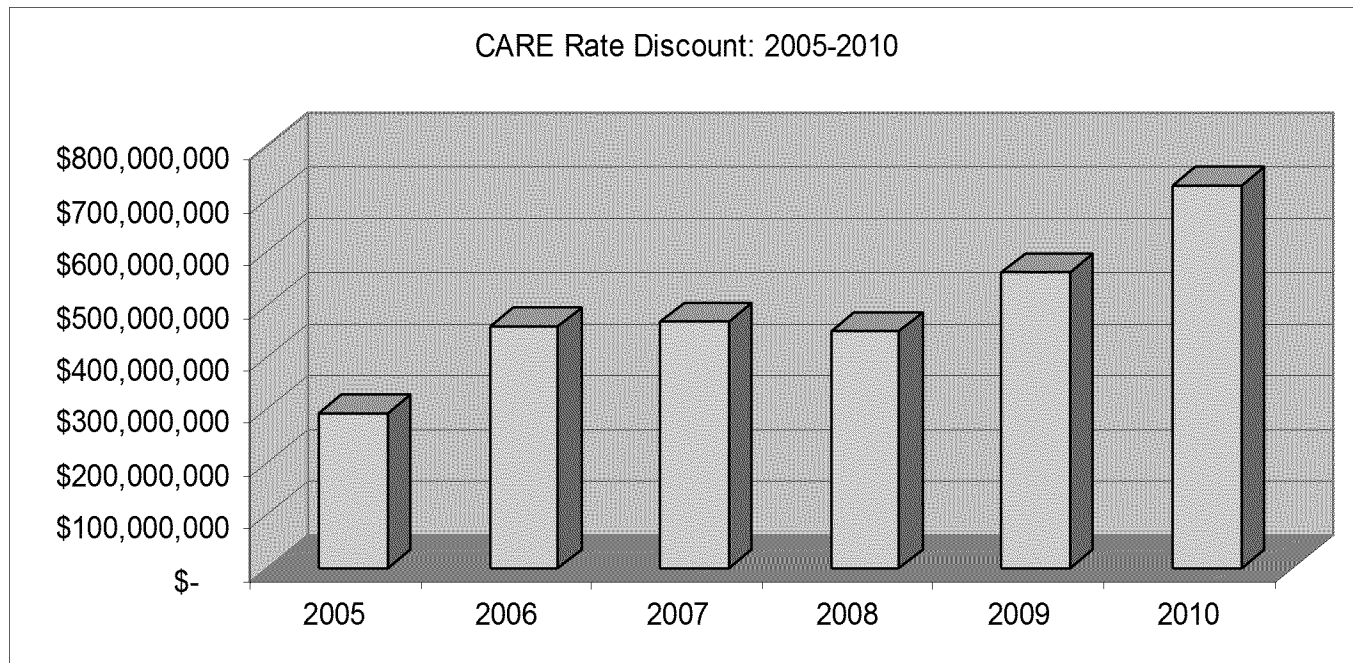
- kWh: 266,753,676
- kW: 55,896
- Therms: 12,105,314



- CARE successfully utilizes community groups and grassroots media to reach new customers
- Estimated eligibility is based on census data that lags behind reality; real eligibility rates in a slow economy may be higher than reported
- Increasing Post-Enrollment Verification rates may increase the number of customers removed from CARE



- CARE program costs include Outreach, Processing/ Certification/ Verification Automatic Enrollment, Information Technology/Programming, Pilots and Studies, Regulatory Compliance, General Admin, and CPUC Energy Division Staff costs.
- Recertification costs will increase as large numbers of customers enrolled over the last two years come up for recertification and drop off.



- CARE rate discounts are subsidized by other PG&E ratepayers
- Increasing income eligibility levels greatly increases the number of residential customers eligible for discounts while decreasing the number of customers subsidizing the CARE discounts
- Higher CARE discounts for high-tier users do not send signals to conserve or use energy efficiently