SENATE COMMITTEE ON ENERGY, UTILITIES AND COMMUNICATIONS
Senator Ben Hueso, Chair
2021 - 2022 Regular

Bill No:	SB 1208	**Hearing Date:**	4/26/2022
Author:	Hueso		
Version:	3/16/2022 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Nidia Bautista		

SUBJECT: Public Utilities Commission: commission-approved low-income customer assistance programs: universal application process

DIGEST: This bill requires the California Public Utilities Commission (CPUC) to develop a universal application process to enable a customer to apply for multiple CPUC-approved utility low-income customer assistance programs.

ANALYSIS:

Existing law:

1) Establishes and vests the CPUC with regulatory authority over public utilities, including gas corporations, electrical corporations, telephone corporations, and water corporations, while local publicly owned electric utilities are under the direction of their governing boards. (Article XII of the California Constitution)

2) Authorizes the CPUC to fix the rates and charges for every public utility and requires the CPUC to ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures. (Public Utilities Code §§451 and 382)

3) Requires the CPUC to ensure that an electrical corporation or gas corporation with a CPUC-approved program to provide discounts based on economic need use a single application form to enable an applicant to alternatively apply for any assistance program for which the applicant may be eligible. (Public Utilities Code §739.1)

4) Establishes the Lifeline program by requiring the CPUC to create a class of Lifeline service needed to meet basic communications needs, set rates and charges for the Lifeline program, develop eligibility criteria, and assess progress towards universal service goals, including access to telephone service by income, ethnicity, and geography. (Public Utilities Code §871 et seq.)

5) Establishes the Family Electric Rate Assistance (FERA) program, an assistance program for low-income residential customers of the state's three largest electric investor-owned utilities (IOUs) with households of three or more persons whose total annual household incomes fall between 200 percent and 250 percent of the federal poverty guideline levels. The FERA program offers an 18 percent line-item discount applied to an eligible customer's bill. (Public Utilities Code §739.12)

6) Requires an electrical or gas corporation to perform home weatherization services for low-income customers if the CPUC determines that a significant need for those services exists in the utility's service territory, as specified. (Public Utilities Code §2790)

7) Requires the CPUC to consider programs to provide rate relief for low-income ratepayers of water corporations (known as the Customer Assistance Program (CAP)). (Public Utilities Code §739.8)

8) Establishes the Community Services and Development Department (CSD) as a department within the California Health and Human Services Agency, and tasks CSD with implementing several types of federal assistance to help low-income households meet their energy needs. (Government Code §§12085-12091 and 16366.1-16367.8)

This bill:

1) Requires the CPUC, on or before June 30, 2023, to develop a universal application process to enable a customer to concomitantly apply for multiple CPUC-approved low-income customer assistance programs, specifically:

   a) The California Alternate Rates for Energy (CARE) program described in Section 739.1;
   b) Low-income water rate assistance programs implemented pursuant to Section 739.8;
   c) The FERA program described in Section 739.2;
   d) The Lifeline program described in the Moore Universal Telephone Service Act (Article 8 (commencing with Section 871); and
   e) The Energy Savings Assistance (ESA) Program described in Section 2790.

2) Requires the CPUC to use the existing eligibility verification and enrollment process for the lifeline program as a model for the universal application process.

3) Requires each local publicly owned electric utility that provides low-income customer assistance programs to streamline enrollment in those programs, including through collaboration with state and local agencies and other utilities that operate within the same service territory.

Background

CPUC administers and oversees several low-income assistance programs:

CARE program. Statute requires the CPUC to establish the CARE program, which provides assistance to low-income electric and gas customers with annual household incomes less than 200 percent of federal poverty guideline levels. The cost of this program is spread across multiple classes of customers. AB 327 (Perea, Chapter 611, Statutes of 2013) restructured the rate design for residential electric customers, including directing the CPUC to establish rates for the CARE program customers of the large electric IOUs. The set rates must effectively give a discount between 30 percent and 35 percent to eligible customers of electrical corporations with 100,000 or more customer accounts. Electrical corporations with fewer than 100,000 customer accounts offer a 20 percent discount. Customers may also be eligible for CARE if they are enrolled in public assistance programs, such as: Medicaid/Medi-Cal, Women, Infant, Children Program (WIC), Healthy Families A&B, National School Lunch's Free Lunch Program, Food Stamps/SNAP, Low Income Home Energy Assistance Program, Head Start Income Eligible, Supplemental Security Income, Bureau of Indian Affairs General Assistance, and Temporary Assistance for Needy Families (TANF). CARE enrollment participation rates are generally in the 80 percent or more of the eligible population for most of the energy utilities.

FERA program. Customers whose household income slightly exceeds the CARE allowance (up to 250 percent of federal poverty level) qualify to receive FERA discounts. Unlike CARE, FERA applies an 18 percent discount to customers of the state's three largest electric utilities – Southern California Edison (SCE), San Diego Gas & Electric Company (SDG&E), and Pacific Gas & Electric Company (PG&E). FERA was established through a CPUC decision involving the electric IOUs and ratepayer organizations. FERA is an effort to help families who may have incomes that are just above the income eligibility for CARE, but who likely still experience hardships paying their utility bills. Unlike CARE, FERA enrollment participation rates are low across the board for all three utilities. FERA was codified in statute in 2018 by SB 1135 (Bradford, Chapter 413).

ESA program. One of the state's oldest energy assistance programs, with origins in a 1983 decision by the CPUC, the ESA Program is one of the key assistance programs administered by the state's four largest IOUs. The ESA Program offers no-cost energy efficiency measures and non-energy benefits for income-qualified households. Services provided include attic insulation, energy-efficient refrigerators, energy-efficient furnaces, weather-stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs that reduce air infiltration. In providing these energy efficiency and weatherization measures, the ESA Program is able to help low-income families reduce energy consumption and optimize a more efficient use of energy, while improving quality of life and comfort. Both participating and non-participating ratepayers fund the ESA Program via a surcharge on electric and gas utility bills. For each budget cycle, the CPUC approves budgets for, and directs the electric and gas IOU's administration of, the ESA Program. Customers whose income falls at 200 percent of federal poverty are eligible for the program. Beginning in July 1st of this year, income eligibility will be adjusted, pursuant to SB 756 (Hueso, 2021), to include customers whose income falls at or below 250 percent of federal poverty.

Customer Assistance Program (CAP) for water utilities. The CPUC has authorized the largest nine water IOUs to offer low-income rate assistance programs similar in concept to those provided to electricity customers through CARE. However, each program varies in terms of the amount of the assistance provided to customers and the collection of the surcharge from non-participating customers to cover the cost of the program. All nine Class A water utilities, one Class B in a few districts, and one Class C water utility offer discounts on the monthly bills for qualifying low-income customers. Water utilities will be slowly transitioning the unique names of their low-income assistance programs to the uniform name CAP pursuant to CPUC Decision (D.)20-08-047. Discounts and surcharges supporting the programs are reviewed in each utility's general rate cases.

Lifeline program. The Lifeline program was created in the mid-1980s to ensure that low-income families could afford basic telephone service after the breakup of the Bell telephone system raised concerns about increasing local telephone costs. California's Lifeline program pre-dates the federal Lifeline program. The federal Lifeline program helps lower a participant's communications bill by $9.25 per month, and California's Lifeline program provides $14.85 per month in assistance. These discounts are provided directly to the communications provider. When enrolled in both programs, a California Lifeline subscriber can lower their communications bill by approximately $25 per month. The CPUC has broad authority over the Lifeline program, but benefits are coordinated with federal rules. While California administers the Lifeline program at the state level with a third-party administrator, the FCC administers the Lifeline program at the federal level through USAC.

CSD energy assistance programs. CSD is charged with helping to reduce poverty for Californians by leading the development and coordination of effective and innovative programs for low-income Californians. CSD administers local community services and energy assistance programs through a network of community-based organizations and nonprofit regional administrators to deliver services to low-income families, individuals, and communities with the goal of helping them achieve economic security and a higher quality of life. CSD administers several low-income energy assistance programs. The CSD has also recently been designated to administer the water crisis assistance funding from the federal funds in response to the COVID-19 crisis, and energy debt relief programs adopted by the Legislature.

CPUC Universal Application System (UAS) Working Group. In June 2020, the CPUC adopted decision (D. 21-06-015) with directed electric utilities to establish a UAS Working Group with stakeholders. The working group is intended to work towards a single application portal for, at minimum, the ESA, CARE, and FERA programs. Additionally, the working group would support and connect to other low-income and clean energy programs, including non-IOU programs. The UAS would allow for multiple registration pathways: online, in-person, by phone, text, and email. The working group consists of membership from community-based organizations, utilities, contractors, and other stakeholders. The group has had 9 public meetings since the effort kicked-off in December 2021.

Comments

SB 1208. This bill would require the CPUC to develop a universal application process to enable a utility customer to apply for multiple CPUC-approved low-income customer assistance programs, as specified. This bill would also require local electric publicly owned utilities that provide low-income customer assistance programs to streamline the enrollment in those programs, including with collaboration with state and local agencies.

Need for universal application process. As noted above, the CPUC is embarking on development of a UAS process. Based on information provided by the CPUC, they expect to have a report submitted to the full commission by July 1, 2022 to identify process for a UAS, with the goal of a CPUC decision later in the year. Although the CPUC is currently focused on CARE, FERA, and ESA programs for the UAS, they noted that they are open to other programs, including non-utility programs. The proponents of this bill would like to ensure other CPUC low-income assistance programs are included in the effort, including those for water and telecommunications customers. Proponents of this bill strongly support a universal application process as a means to increase participation in low-income programs that reduce the costs of energy, water, telecommunications services for low-income customers.

Lifeline verification as model. The proponents note that the Lifeline program for telecommunications utilizes a third-party verification provider to verify enrollment in the program. This bill would require a similar model to be used to verify enrollment in other low-income assistance programs. The proponents wish to streamline the application process, with the goal to help eligible low-income customers consent to automatic applications to other programs, beyond the initial program applied to by the customers. However, the author may wish to ensure that any model that is utilized for a universal application process allows for continued eligibility of low-income customers regardless of immigration status. As such, the author and proponents should consider whether the chosen model sufficiently addresses this concern, and whether explicit language is necessary to reflect this approach.

Amendments needed to clarify intent. In order to clarify the intent to streamline the application process, *the author and committee may wish to amend this bill to replace the language regarding developing a universal application (lines 4-6, page 3) with language that reflects the intent to streamline the application process.* Additionally, as noted by The Utility Reform Network (TURN), *the author and committee may wish to add language that states that the universal application process is intended to complement, but not replace existing application processes for each program.*

Prior/Related Legislation

SB 756 (Hueso, Chapter 248, Statutes of 2021) defined, beginning July 1, 2022, "low-income customers" for the purposes of eligibility for the ESA program to mean low-income persons or families with household income at or below 250 percent of federal poverty level.

AB 74 (Lorena Gonzalez, Chapter 410, Statutes of 2021) required the CPUC to make various changes to the enrollment and recertification process for California's Lifeline program

SB 1135 (Bradford, Chapter 413, Statutes of 2018) codified the requirements of the FERA program for the state's three largest electrical corporations and increases the program discount from 12 percent to 18 percent line-item discount on a customer's electric utility bill.

AB 327 (Perea, Chapter 611, Statutes of 2013) restructured the rate design for residential electric customers, including directing the CPUC to establish rates for the CARE program customers of the large IOUs. The set rates must effectively give a discount between 30 percent and 35 percent to eligible customers.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

California Community Economic Development Association
California Water Association
California Water Service
The Utility Reform Network, if amended
TruConnect
United Ways of California

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: The multiple organizations supporting this bill are very supportive of a universal application process that will increase access to low-income assistance programs for essential services, including energy, water, and telecommunications. The author states that efforts to streamline the application process for low-income assistance programs helps ensure our most vulnerable residents benefit from these essential services.

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