

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

Application of Southern California Edison  
Company (U 388E) for Approval of its Energy  
Savings Assistance and California Alternate  
Rates for Energy Programs and Budgets for  
Program Years 2015-2017.

And Related Matters.

Application 14-11-007  
(Filed November 18, 2014)

Application 14-11-009  
Application 14-11-010  
Application 14-11-011

**ANNUAL REPORT OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)  
ON THE RESULTS OF ITS ENERGY SAVINGS ASSISTANCE AND CALIFORNIA  
ALTERNATE RATES FOR ENERGY PROGRAMS**

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Dated: May 1, 2017

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In accordance with Decision 12-08-044, and the annual reporting directives contained therein, Pacific Gas and Electric Company files this Annual Report on the results of its Energy Savings Assistance and California Alternative Rates for Energy program efforts for the 2016 program year.

Respectfully submitted:

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By: DARREN P. ROACH

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**PACIFIC GAS AND  
ELECTRIC COMPANY**

**Energy Savings Assistance (ESA) Program and  
California Alternate Rates for Energy (CARE)  
Program Annual Report For Program Year 2016**

**May 01, 2017**

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## Energy Savings Assistance Program and CARE Program 2016 Summary Highlights

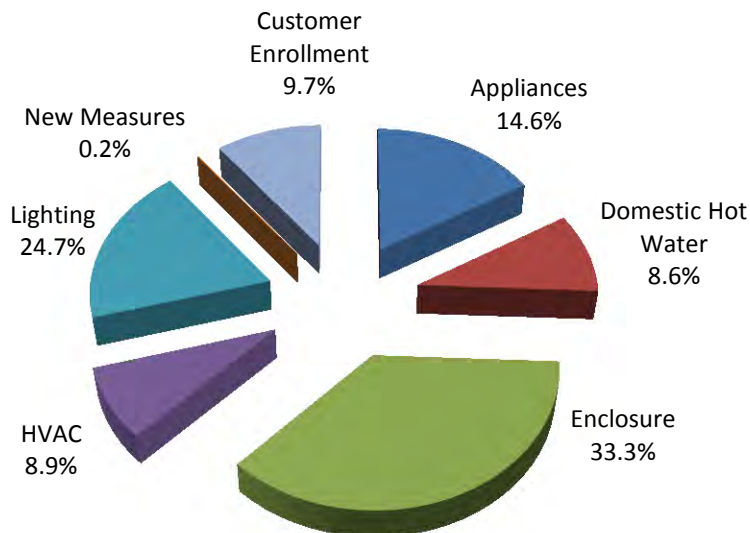
The tables below provide a summary of Program Year (PY) 2016 Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Program expenditures and activities.

### ESA Program

2016 Energy Savings Assistance Program Summary			
2016	Authorized / Planning Assumptions	Actual	%
Budget	\$163,946,778 <sup>1</sup>	\$105,094,305	64%
Homes Treated	119,940	74,319	62%
kWh Saved		26,463,569	
kW Demand Reduced		5,346	
Therms Saved		1,561,652	

<sup>1</sup> The authorized budget and actuals include employee benefit costs approved in the GRC D.14-08-032.

### PY2016 ESA Expenditures By Measure Group



### CARE Program

2016 CARE Program Summary			
2016	Authorized Budget	Actual	%
Administrative Expenses	\$15,942,853	\$12,216,187	77%
Subsidies and Benefits	\$605,950,000	\$587,716,066	97%
<b>Total Program Costs and Discounts</b>	<b>\$621,892,853</b>	<b>\$599,932,252</b>	<b>96%</b>
<b>2016 CARE New Enrollments</b>	<b>Automatically Enrolled via Data Sharing, ESA Participation, etc.</b>	<b>Self Certified as Categorically Eligible</b>	<b>Self Certified as Income Eligible</b>
Method	18,795	96,206	149,743
<b>2016 CARE Penetration</b>	<b>Estimated Eligible Participants</b>	<b>Participants</b>	<b>Penetration Rate</b>
Total Enrolled	1,612,148	1,423,324	88%

## ENERGY SAVINGS ASSISTANCE PROGRAM

### 1. Energy Savings Assistance (ESA) Program

Pacific Gas and Electric Company (PG&E or the Company) has offered free energy efficiency programs to income-qualified customers in its 48 counties since 1983. The ESA Program's objective is to assist customers who income-qualify to reduce their energy consumption and costs while increasing their comfort, health and safety. The ESA Program, formerly known statewide as the Low Income Energy Efficiency (LIEE) program and marketed to PG&E customers prior to 2011 as Energy Partners,<sup>1</sup> utilizes a prescriptive, direct install approach to provide free home weatherization, energy efficient appliances and energy education services to income-qualified PG&E customers throughout the Company's service area.

The ESA Program is ratepayer-funded and is available to PG&E customers living in all housing types (single family, multifamily, and mobile homes), regardless of whether they are homeowners or renters. To qualify for the ESA Program, the total customer household income must be equal to or less than 200 percent of the Federal Poverty Guidelines, with income adjustments for family size. The 2016 ESA Program treated 74,319 homes with a mix of measures and services, including energy education, energy efficient appliances, and home weatherization.

PG&E filed an ESA Program Application in November 2014 in which it proposed new ESA budgets, targets, strategies, studies and pilots for 2015-2017. The Commission authorized bridge funding for 2016 and a status quo program based on authorized 2014 budgets and targets as described below.

Authorization for the 2016 ESA Program is pursuant to California Public Utilities Commission (CPUC or Commission) Decision (D.) 14-08-030, issued on August 20, 2014, on the 2012-2014 ESA and CARE Programs. D.15-12-024 and D.16-06-018 authorized 6 months of bridge funding each for the ESA and CARE Programs from January 1, 2016 to June 30, 2016, and from July 1, 2016 to December 31, 2016. D.15-12-024 and D.16-06-018 each authorized six month funding of \$80,931,055.50 for the ESA Program. The total 2016 ESA Program budget--including employee benefit costs approved in General Rate Case D.14-08-032--was \$163,946,778.

The two bridge funding decisions continued D.14-08-030 authorization for the Investor Owned Utilities (IOUs)<sup>2</sup> to treat 2016 as a continuation of the 2012-2014 program cycle for the purpose of shifting funds. The two bridge funding decisions also continued PG&E's 2014 target of 119,940 homes treated as its target for 2016.

Consistent with treatment of 2016 as a fifth program year of the 2012-2014 program cycle, PG&E continued to use the 2012-2014 reporting structure and goals for this 2016 Annual Report; however, some of the reporting sections developed to capture D.12-08-044 requirements and progress toward 2012-2014 targets were no longer relevant in 2016. For example, all 2012-2014 studies and pilots were completed in 2014, as discussed in Sections 1.10 and 1.11.

---

<sup>1</sup> D.08-11-031 and D.09-10-012 mandated that PG&E and the other investor-owned utilities develop a new statewide name and brand identity for the LIEE program. The investor-owned utilities (IOU) worked with Energy Division (ED) to develop a new statewide name during 2010, the Energy Savings Assistance Program. This name was implemented in 2011.

<sup>2</sup> The IOUs are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SCG), and San Diego Gas and Electric Company (SDG&E).

## 1.1. Alignment of ESA Program with Strategic Plan Goals and Strategy

The long-term California Strategic Plan vision for the ESA Program is to have 100 percent of all eligible and willing low-income customers receive all cost-effective ESA Program measures by 2020. The California Strategic Plan lays out two goals in achieving the ESA Program vision: (1) by 2020, all eligible customers will be given the opportunity to participate in the ESA Program; and (2) the ESA Program will be an energy resource by delivering increasingly cost-effective and longer-term savings.

### 1.1.1. Please identify the IOU strategies employed in meeting Goal 1: Improve Customer Outreach

Implementation Plan and Timeline		
Strategies	LongTerm 2016-2020	IOU Strategy Employed This Program Year
1.1.1. a) Strengthen ESA Program outreach using segmentation analysis and social marketing tools.	<b>Continue to assess and evaluate customer-behavior and energy savings; improve upon outreach to eligible communities.</b>	In 2016, PG&E continued its multi-touch customer acquisition campaigns that included direct mail, email and automated voice messaging, targeting customers with a high propensity for eligibility.  PG&E's 2016 outreach included channels such as: digital and social media paid and earned media, community events and bill inserts. The channels targeted low income customers with an emphasis on those who speak Spanish and Chinese
1.1.1. b) Develop a recognizable and trustworthy Brand/Tagline for the ESA Program.	<b>Evaluate integrated branding progress/refine strategy.</b>	PG&E continued to use the ESA brand developed in 2011 in all PG&E program communications in 2016.
1.1.1. c) Improve program delivery	<b>Use information from segmentation analysis to achieve efficiencies in program delivery.</b>  <b>Leverage with local, state, and federal agencies as well as other organizations to increase seamless coordination, efficiency and</b>	The ESA Program outreach team leveraged various community organizations' programs and knowledge of their communities to promote and enroll customers in the ESA Program throughout 2016.

Implementation Plan and Timeline		
Strategies	LongTerm 2016-2020 enrollment.	IOU Strategy Employed This Program Year
1.1.1. d) Promote the growth of a trained ESA Program workforce.	<b>Implement ESA workforce education and training. Coordinate LIEE workforce and service providers with broader market.</b>	PG&E continued to implement education and training for the Energy Specialists, Weatherization Specialists, Duct Test and Seal technicians and NGAT technicians in the ESA program, and trained 246 ESA implementers in 2016. These efforts are discussed in Section 1.8.

**1.1.2. Please identify the IOU strategies employed in meeting  
Goal 2: ESA Program Is an Energy Resource**

Implementation Plan and Timeline		
Strategies	Long Term 2016-2020	IOU Strategy Employed This Program Year
1.1.2. a) Increase collaboration and leveraging of other low income programs and services	<b>Continue to expand partnerships with stakeholders and seek new opportunities for data sharing.</b>	As part of Residential Rate Reform education campaign efforts, the ESA and CARE Programs partnered with other community based organizations and other PG&E programs in strategic community events across PG&E's service area.
1.1.2. b) Coordinate and communicate between ESA Program, energy efficiency and Demand-Side Management (DSM) programs to achieve service offerings that are seamless for the customer.	<b>Continually reevaluate and update programs to take advantage of new technologies.</b>  <b>Explore in-home displays; home area networks and/or "pay-as-you-go" technology to assist low income customers manage their use.</b>	In 2016, ESA continued to collaborate with its EE program and products groups to consider new technologies that may be ripe for inclusion in the ESA Program. If appropriate, these products will be included in the mid-cycle process authorized in D.16-11-022.  Marketing and outreach for the low income programs—including the ESA Program, CARE and the low income CSI Program—continued to be implemented by PG&E's Community Engagement and Solutions Marketing teams in



Implementation Plan and Timeline		
Strategies	Long Term 2016-2020	IOU Strategy Employed This Program Year
		<p>2016, allowing better integration of messaging and customer education.</p> <p>In 2016, PG&amp;E's ESA team participated in working groups to propose AB793-compliant energy management technology for the Program.</p>
<p><b>1.1.2. c)</b> Provide low income customers with measures that result in the most savings in the ESA Program.</p>	<p><b>Continue to assess and evaluate opportunities to incorporate new energy efficiency measures into the ESA Program, e.g., plug-load reduction, new HVAC technology.</b></p>	<p>The Decision to authorize new ESA program measures and pilots proposed in PG&amp;E's 2015-2017 ESA Application was not authorized until November 2016, and PG&amp;E continued to implement its 2014 ESA Program throughout 2016.</p> <p>PG&amp;E's ESA team continued to meet with the other IOU ESA teams in 2016 to discuss potential new measures for inclusion in the ESA Program.</p>
<p><b>1.1.2. d)</b> Increase delivery of efficiency programs by identifying segmented concentrations of customers.</p>	<p><b>Continue to evaluate approach to determine whether additional segments are needed.</b></p>	<p>In 2016, PG&amp;E continued to provide targeted referral lists to ESA subcontractors to help them locate and target high-poverty areas. Additionally, PG&amp;E managed automated outbound voice, text messaging and direct mail campaigns in areas where customers were likely to qualify for the program.</p> <p>PG&amp;E optimized its ESA propensity model in 2016 with a wider array of data variables for both the customer and the home. The model focuses marketing investment among customers with the highest propensity to participate, enhancing media targeting and lowering marketing costs.</p>

## 1.2. Energy Savings Assistance Program Overview

### 1.2.1. Provide a summary of the Energy Savings Assistance Program elements as approved in D.12-08-044.

Budgets and targets authorized for PY2016 were the same as ESA budgets and homes treated targets authorized for PY2014 in D.12-08-044. D.15-12-024 and D.16-06-018 authorized the continuation of PG&E's PY2014 target of 119,940 homes treated as the ESA target for PY2016.

PG&E's authorized PY2016 targets were developed for PG&E's 2012-2014 ESA Application filed in May 2011. Since 2011, PG&E has been very successful in providing ESA to its eligible customers. Updated planning assumptions were proposed in PG&E's 2015-2017 ESA Program Application filed in November 2014. D.16-11-022 authorizing an updated 2017-2020 ESA Program was issued in November 2016, and implementation will begin in 2017. See Section 1.4.3 for a more detailed discussion regarding PG&E's ability to meet 2016 targets.

The PY2016 ESA Program Summary Table below compares PY2016 results to PY2016 authorized budgets and targets.

PY 2016 ESA Program Summary			
	PY2016 Authorized	PY2016 Actual	%
Budget [1]	\$163,946,778	\$105,094,305	64%
Homes Treated	119,940	74,319	62%
kWh Saved	NA	26,463,569	N/A
kW Demand Reduced	NA	5,346	N/A
Therms Saved	NA	1,561,652	N/A

[1] Program budgets have been updated to include employee benefits costs approved in the GRC Decision, D.14-08-032.

## 1.3. Marketing, Education and Outreach

### 1.3.1. Provide a summary of the geographic segmentation strategy employed, (i.e., tools and analysis used to segment "neighborhoods," how neighborhoods are segmented and how this information is communicated to the contractor/CBO).

PG&E and the other California IOUs used the joint utility methodology adopted by the CPUC in D.01-03-028 for developing eligibility estimates by geographic area in 2016. This method entails an annual estimation of eligibility for CARE, ESA, and other income-by-household size parameters at the small area (block group, census tract, ZIP+2, etc.) for each IOU territory and for the state as a whole. The joint utility methodology is further described in CARE Section 2.1.2.

Using the 2016 geographic area list of ESA-eligible customers. PG&E broke out ZIP-7 areas eligible for "self-certification" enrollment (by having over 80 percent of households living at or below 200 percent of the Federal Poverty Guideline Level). These ZIP-7 geographic area lists were provided to ESA Program contractors, so they could be specifically targeted for enrollment. Most implementation contractors then scheduled

their appointments geographically to minimize costs and typically worked through their assigned areas geographically for the same reason.

## **2016 ESA Outreach Campaign Activity Highlights**

PG&E continued to conduct and build upon marketing education and outreach efforts authorized in D.12-08-044.<sup>3</sup>

The 2016 integrated marketing strategy for the Energy Savings Assistance (ESA) Program leveraged insights from previous years' ESA and CARE Program outreach, including the use of broad-based awareness campaigns and direct marketing campaigns (targeted to CARE-enrolled customers living in ESA-eligible homes). Strategies used in 2015 were evaluated and either optimized or discontinued to lower costs, increase effectiveness and ensure a positive customer experience. Tactics deployed in 2016 included direct mail and email, energy statement inserts, customer newsletters, digital advertising, media and events.

In 2016, PG&E worked closely with Richard Heath and Associates (RHA), PG&E's ESA Program Administrator, to continue a "warm transfer" outreach method, enhancing targeting and outreach efforts to streamline the enrollment and treatment process for qualified customers. The following sections provide a description of the "warm transfer" outreach method and the various outreach channels PG&E utilized to reach eligible customers during its 2016 ESA Program outreach campaign.

### **"Warm Transfer" Outreach Method**

To minimize barriers and encourage local support for each project area, PG&E, RHA and its ESA implementation contractors employed a "warm transfer" outreach method to enroll qualified customers. In this warm transfer approach, PG&E coordinated and communicated its marketing strategies and shared leads with RHA and its contractors on a regular weekly basis so they could better target these customers. By working closely with RHA and its contractors on ESA's outreach plans, PG&E helped ESA implementers target and outreach more low income customers in need of assistance with their energy bills. In Q3, contractors were provided with customer lists for follow-up communication after the direct marketing campaign was deployed. While that test did not generate a lift in program participation, we continue to look for ways to optimize the warm transfer outreach method.

### **Direct Outreach**

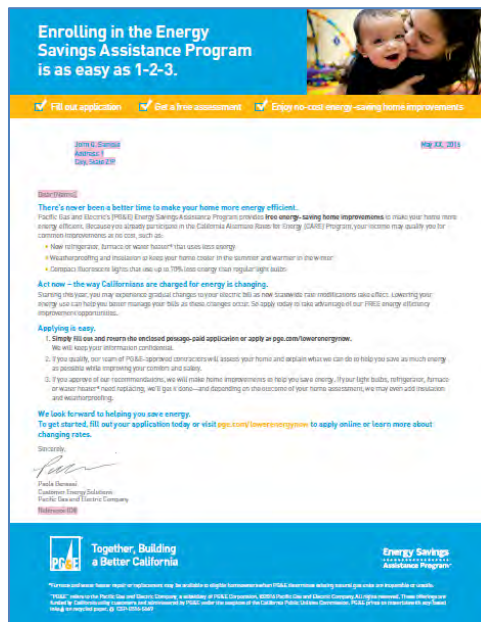
In 2016, PG&E conducted marketing outreach to generate warm leads for ESA Program sub-contractors. Quarterly direct marketing campaigns, targeted CARE-enrolled customers living in ESA-eligible homes and prioritized customers who showed the highest likelihood for participation based on customer data modeling. Campaigns included direct mail, and additional emails for customers with emails on file. Each campaign was bi-lingual (English/Spanish) to address accessibility barriers.

Each quarterly campaign included a letter and a personalized partially pre-filled response form designed to make the process easier for the customer. Each campaign then included testing variables as outlined below. Customers with a valid email address on file also received an email message prior to receiving the direct mail, intended to lift the

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<sup>3</sup> D.12-08-044 OP31 and OP32 ordered PG&E to continue to conduct approved ME&O efforts for the ESA and CARE Programs so as not to lose any momentum and progress being made in the ongoing ME&O efforts.



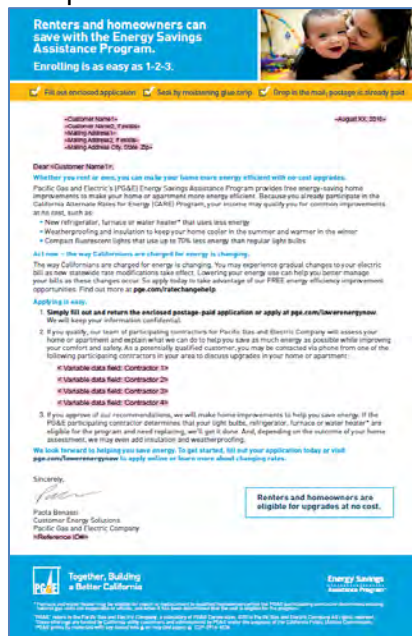


### 3<sup>rd</sup> Quarter: reaching out to renters and testing sub-contractor follow-up calls

PG&E tested two variables in the third quarter: messaging targeted to renters and the coordination of sub-contractor follow-up calls.

The campaign deployed to 100,000 customers and generated a 6.2% overall response rate. The follow-up contractor phone call did not affect overall response rates (customers in that group responded at the same rate as customers in the control segment). Seventeen percent of respondents received a home assessment. Messaging directed to renters did not generate an increased response among this group and we will continue to test tactics to increase renters' interest in the program.

### Sample creative:





#### 4<sup>th</sup> Quarter: streamlining the response form

PG&E tested two variables in the fourth quarter: a new letter and a streamlined response form, designed for visual appeal and easier response. The new letter kept integrated rate reform messaging and highlighted that renters are also eligible for the program. The new response form was simplified by design (the questions remained the same) and made double-sided (English on one side, Spanish on the other) to make it easier for the customer to navigate.

Both new creative elements tested well, and the overall campaign generated an 11% response rate. Twenty-six percent of respondents received a home assessment.

#### Sample creative:

**Upgrade the comfort, safety, and efficiency of your home—at no cost to you.**  
You may be eligible for no-cost home energy improvements which could include appliances, attic insulation and more.

**ENERGY SAVINGS ASSISTANCE PROGRAM APPLICATION**  
Pacific Gas and Electric Company's PG&E Energy Savings Assistance Program provides home improvements at no cost to help keep your home more energy efficient, safe and comfortable.

Getting started is as easy as 1-2-3:  
☐ Fill out this application    ☐ Seal in enclosed envelope; postage is already paid    ☐ Drop in the mail

**ABOUT YOU AND YOUR HOUSEHOLD**

YOUR NAME:    
 YOUR PHONE NUMBER:   
 YOUR HOME ADDRESS:   
 YOUR PG&E ACCOUNT NUMBER:   
 YOUR PG&E ACCOUNT WITH CHK, DIRT:

Do you authorize PG&E to email you information on PG&E utility service as well as PG&E programs and services that are available to you? ☐ Yes ☐ No

Is your house, apartment or mobile home at least 5 years old? ☐ Yes ☐ No

Number of people living in your household as their primary residence (more than 50% of the time):  
 Adults:  + Children (under 18):  =

Are you an owner or renter at your current residence? ☐ Owner ☐ Renter

Total annual household income: \$  (For internal use only)

**PROGRAM INCOME GUIDELINES**  
Effective June 1, 2016 to May 31, 2017

# of people in household	1-2	3	4	5	6	7	8	Each additional person, add
TOTAL GROSS ANNUAL HOUSEHOLD INCOME*	\$32,000 or less	\$41,320 or less	\$48,000 or less	\$56,880 or less	\$65,140 or less	\$73,400 or less	\$81,760 or less	\$8,320

\*Gross annual income includes all taxable and nontaxable revenues from all people living in the home, from whatever sources derived, including but not limited to wages, salaries, interest, dividends, capital and child support payments, public assistance payments, Social Security and pensions, housing and military allowances, rental income, income from self-employment and all employment-related work code income.

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#### Energy Statement Inserts

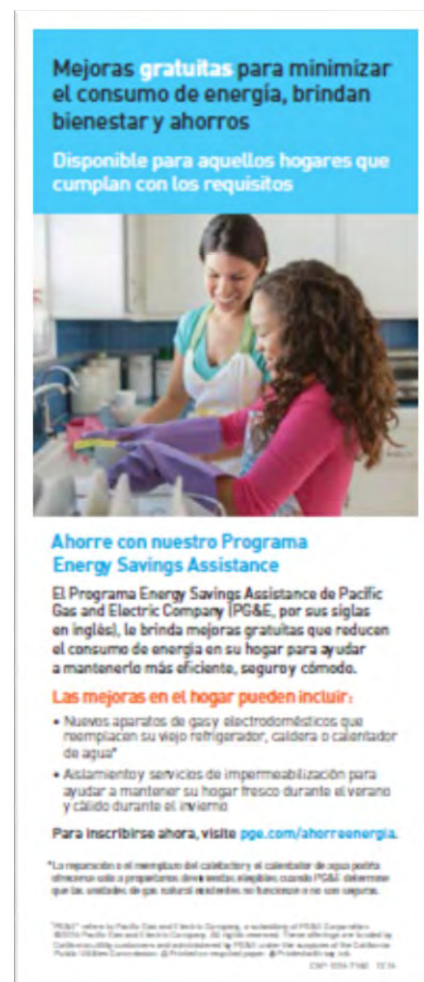
PG&E deployed inserts into the energy statements of CARE-enrolled customers twice in 2016 to generate awareness of the ESA Program and to generate warm leads for sub-contractor follow-up.

In March 2016, CARE-enrolled customers received an ESA Program brochure with a business reply mail response form. More than 45,000 customers responded (a 3.24% response rate).

## Sample bill insert creative:



In December 2016, CARE-enrolled customers received an ESA Program buckslip directing them to apply online. This creative change was an effort to reduce the cost of processing unqualified responses (usually due to prior treatment of the home). The piece was double-sided with English on one side, and Spanish on the other.

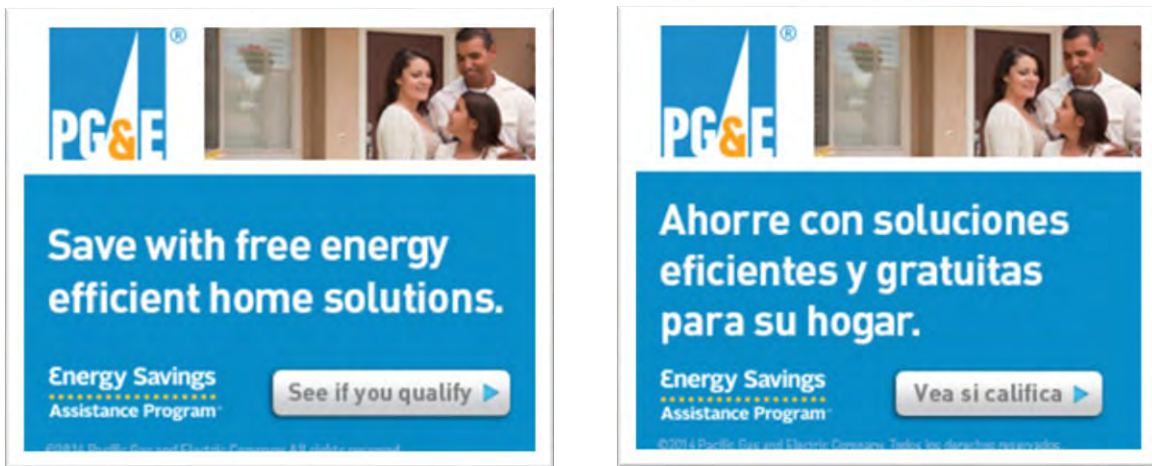


## Digital Media

PG&E continues to utilize its website at [www.pge.com/energysavings](http://www.pge.com/energysavings) to promote ESA and encourage inquiries via phone and online response form. Program information is available online in English, Spanish, Chinese, Vietnamese, Korean, Hmong and Russian. This material is presented in a format that is easy to download and print. Detailed information about the ESA Program is provided along with links to other assistance programs of potential interest to customers.

In 2016, PG&E continued its digital advertising and online search campaign. The campaign's main focus remained on Spanish and Chinese-speaking audiences, though advertising is also displayed on English sites. As with other marketing and outreach strategies, digital advertising is continuously optimized to ensure presence of top performing creative on the most effective sites. In total, PG&E generated more than 6,522 ESA Program responses through digital advertising alone.

Sample digital advertising creative:



## Paid and Earned Media

In 2016, PG&E continued to leverage radio as a way to reach ethnic audiences through targeted mass channels as this marketing strategy proved to be successful when tested the previous year. Radio has proven to be a strong tool in complementing digital advertising to increase ESA Program responses. In fact, PG&E experienced a consistent increase and rising trend in website visits and enrollments through digital advertising whenever radio was running.

As with other marketing channels, the PG&E outreach team continued to test various television and radio stations to raise awareness for the ESA Program and targeted Spanish and Chinese-speaking audiences in Fresno, Modesto, Sacramento and the San Francisco Bay Area.

Additionally, PG&E participated in television, radio and print interviews to promote the CARE and ESA Programs. Sample media outlets include:

- KABE Univision 39, which serves the Hispanic population in Bakersfield
- KBHH, which serves the Bay Area's Hispanic community
- KEST-News for Chinese Radio, which encompasses six Bay Area counties and many cities including San Francisco, San Jose, Oakland, Berkeley, San Mateo and Union City



- KFTV-Univision 21, which serves the Hispanic population in and around the Central Valley
- KIQI, which serves the Bay Area's Hispanic community
- KLOQ, which serves the Hispanic population in Merced and Stanislaus counties
- KKSF ESPN Deportes, which serves the Hispanic community in the Bay Area, Sacramento, Stockton and Modesto
- KLBX, which serves the Bay Area's Hispanic and African American communities
- KMYX, which serves the Bay Area's Hispanic community
- KOND Radio, which serves the Hispanic population of Fresno, Madera, Merced, Visalia, Tulare and Kings Counties
- KRDA and KWRU, serving the Hispanic community in Fresno, Madera, Merced, Visalia, Tulare and Kings Counties
- KSFO-FM *Servicio a la Comunidad*, which serves the Hispanic population in Fresno, Univision Radio, which serves the Hispanic population in the Fresno, Madera, Merced, Visalia, Tulare and King counties
- KSMS, which serves the Hispanic community in Monterey, Salinas and Santa Cruz
- KSQQ Sound of Hope Radio, which serves the Bay Area's Chinese community
- KTFF Unimas 61, which serves the Hispanic population in the Fresno, Madera, Merced, Visalia, Tulare and King counties
- KTRB ESPN Deportes, which serves the Hispanic population of the Bay Area and other areas of Northern California
- KVTO-Sing Tao Radio, which offers programs in both Mandarin and Cantonese serving the Chinese population in the Bay Area
- KXSE and KRCX, which serve the Hispanic community in Sacramento, Modesto and Stockton

### Digital Newsletter and Home Energy Reports

In 2016, ESA was featured in PG&E's monthly digital residential newsletter targeting low-income customers. The program was also featured in PG&E's Home Energy Reports. The purpose of both of these placements was to drive awareness of and generate leads for the program.


Sample digital newsletter creative:



### Website

The ESA Program was promoted on PG&E's homepage at pge.com in January 2016, generating both awareness and an increase in online ESA Program responses.

Sample pge.com homepage pod creative:



**Receive Free Energy Upgrades**

Improving your home's efficiency can reduce your energy bills. If you qualify, we'll make upgrades at no charge.

### **Community Events**

Throughout 2016, PG&E participated in Hispanic and Chinese community events to engage with customers about the CARE and ESA Programs.

#### *Chinese Lunar New Year*

In February 2016, PG&E participated in the San Francisco Lunar New Year Community Fair. This two-day event, corresponded with the city's Lunar New Year parade, which PG&E also participated in as a company. The PG&E outreach team leveraged this community event to engage with Chinese-speaking customers about the CARE and ESA Programs, as well as other PG&E programs and services that help customers save money and energy. Before the events, PG&E promoted both the CARE and ESA Programs on Chinese language radio stations, following up through one-on-one in-language conversations at the events. Nearly 3,000 customers engaged with the booth and 149 ESA responses were generated.

#### *Grocery Stores*

In December 2016, PG&E conducted outreach events at Hispanic grocery stores throughout Northern California with the objective of educating and enrolling customers in the CARE and ESA Programs. Similar to previous community events, PG&E promoted the CARE and ESA Programs through radio endorsements leading up to these grocery store events and one-on-one in-language conversations at the events.

The PG&E outreach team held 4 two-day grocery store events, engaging with customers in Spanish. PG&E spoke with more than 3,000 customers and generated more than 330 ESA responses.

- 1.3.2. Provide a summary of the customer segmentation strategies employed (i.e., tools and analysis used to identify customers based on energy usage, energy burden and energy insecurity) and how these customer segments are targeted in program outreach.

ESA Program outreach employs multiple strategies to reach income qualified customers with high energy use, burden and insecurity, including integration with CARE high usage communications.

PG&E's ESA Program propensity model considers multiple customer data points, including energy usage, bill amount, payment patterns and CARE data model scores to ensure that PG&E is reaching customers who could most benefit from the ESA Program.

- 1.3.3.** Describe how the current program delivery strategy differs from previous years, specifically relating to Identification, Outreach, Enrollment, Assessment, energy Audit/Measure Installation, and Inspections.

In 2016, PG&E leveraged learnings from the past several years of ESA Program marketing outreach as well as learnings from CARE Program outreach. The direct mail offering was enhanced to include integrated marketing with residential rates communications, messaging targeting renters, and a response form that's easier to read. A multi-touch strategy was deployed for customers with email addresses on file.

In addition to enhancements of our traditional outreach channels, PG&E deployed targeted in-person, in-language outreach at grocery stores and community events. These events generated a significant number of ESA Program responses, and allowed PG&E to reach some of our hardest-to-reach customers who prefer to interact with PG&E in Spanish or Chinese.

#### **1.4. ESA Program Customer Enrollment**

- 1.4.1.** Distinguish between customers treated as "go backs" and brand new customers so that the Commission has a clear idea of how many new customers the IOUs are adding to the ESA Program.

In 2016, PG&E treated 209 "Go-Back" customers. Go-Back customers are customers that have been treated by ESA since 2002. Although these previously-treated customers are eligible to be treated again, D.08-11-031 stressed that the IOUs should first seek out new households that have not yet been treated, and report previously treated customers in Annual Reports.

- 1.4.2.** Please summarize new efforts to streamline customer enrollment strategies, including efforts to incorporate categorical eligibility and self-certification.

In 2016, PG&E's ESA Program contractors streamlined customer enrollment strategies by continuing to incorporate categorical eligibility and self-certification into ESA Program processes, where applicable. Contractors worked with property agents to get signed Property Owner Waivers for entire multifamily complexes in order to perform work on all of the units at the same time.

PG&E customers may enroll through categorical eligibility programs that are included on the ESA Program enrollment forms. This allows eligible customers to skip showing proof of household income. The Commission-approved categorical eligibility programs were also added to the ESA Program database.

PG&E continued to encourage contractors to work in the 80 percent self-certification areas<sup>4</sup> by providing them with breakdowns of estimated eligible customers by ZIP-7 to use in their customer recruitment activities. PG&E discussed targeting strategies at contractor meetings and helped plan enrollment events with contractors and community organizations.

- 1.4.3.** If the IOU has failed to meet its annual goal of number of households served, please provide an explanation of why the goal was not met. Explain the programmatic modifications that will be implemented in order to accomplish future annual goals of number of households served.

PG&E treated 74,319 customer homes in PY2016, and reached 62 percent of the annual goal authorized in D.12-08-044. PG&E's ESA target for 2016 was 119,940, based on 2014 goals established in D.14-08-044.

This decreasing number of ESA treated customers is in-line with PG&E expectations for this stage of the Strategic Initiative program. PG&E proposed updated planning assumptions in its 2015-2017 ESA Program Application filed in November 2014. PG&E's proposed plans included decreasing targets for the 2015-2017 ESA Program, as well as a separate, parallel ESA II "Go-Back" program to continue to outreach, engage and treat customers who participated in the program after 2002.

PG&E anticipated difficulties maintaining ESA enrollments at the 2014 level in its 2015-2017 ESA Program Application, and implemented a "simple measures" offering in 2016 to help increase customer enrollment by addressing barriers faced by some renters and ESA contractors in obtaining a Property Owner Waiver (POW) from their landlords. This approach provided ESA-eligible customers that are renters with non-infiltration measures in cases where the POW cannot be obtained. In addition to Energy Education, these ESA customers received energy-efficiency measures that did not directly affect the condition and/or structure of the home. These measures included:

- CFLs
- Faucet Aerators
- Microwaves
- Showerheads
- Smart Power Strip
- Thermostatic valve
- Torchieres

The continuation of status quo bridge funding authorized in two six month increments also created uncertainty and implementation challenges for the 2016 ESA Program. Similar to 2015, the 2016 program was implemented as a caretaker program, continuing the status quo until a new program could be authorized. Program funding uncertainty contributed to contracting difficulties, and contractors were reluctant to ramp up in 2016, or to commit to new infrastructure investments, especially while awaiting a new program decision that was widely anticipated to redefine key tenants of the ESA program.

PG&E is very close to the end of the Commission's 2020 Strategic Initiative to provide the ESA Program to 100% of eligible and willing low income customers. PG&E is still on

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<sup>4</sup> Customers living in Zip codes having 80% or more households at or below the ESA-qualifying 200% of Federal Poverty Guideline Level are allowed to self-certify their eligibility, per D.08-11-031, OP6.

target to meet this ambitious 2020 goal despite the slower than anticipated enrollments throughout 2015-2016.

D.16-11-022 authorizing an updated 2017-2020 ESA Program was issued in November 2016, and will be implemented in 2017. Go-Back customers that were ineligible to participate again in the the ESA Program in 2016, will be eligible in 2017.

## 1.5. Disability Enrollment Efforts

### 1.5.1. Provide a summary of efforts to which the IOU is meeting the 15 percent penetration goal.

Disabled customers made up 21 percent of the ESA Program enrollees in 2016, exceeding the 15 percent penetration goal.<sup>5</sup> Because contractors may not ask about disabled inhabitants, households with disabled occupants are counted and recorded by ESA contractors based on visual observations, or unsolicited comments by inhabitants. Thus, participation of households with a disabled inhabitant is likely to be higher than recorded.

### 1.5.2. Describe how the ESA Program customer segmentation for ME&O and program delivery takes into account the needs of persons with disabilities.

PG&E's ESA Program regularly takes the needs of persons with disabilities into account. PG&E provides specialty measure enhancements to ESA customers with disabilities. For example, side-by-side and bottom mount refrigerators are available to customers with disabilities, and in 2016 ESA installed 701 of these special-order refrigerators. PG&E produces ESA program materials to help customers with impaired vision. A large-print ESA fact sheet is available on PG&E's website, and printed copies are provided to the ESA contractors.

### 1.5.3. Identify the various resources the IOUs utilize to target the disabled community and the enrollments as a result:

2016 Disability Enrollments			
Source	Total Enrollments	Disability Enrollments	% of Disability Enrollment
Various contractor recruiting and sign-ups			
<b>Total Enrollment Rate</b>	74,319	15,618	<b>21%</b>

At this time, PG&E has no data-sharing agreements with agencies serving disabled clients. PG&E will continue to explore new partnership opportunities and seek out new ways to better reach its disabled customers.

<sup>5</sup> PG&E does not have disability data to determine the eligible disabled population, and so uses enrollment data as a proxy to calculate a "penetration" rate.

**1.5.4.** If participation from the disabled community is below the 15 percent goal, provide an explanation why:

As stated above, PG&E's 2016 ESA Program disabled community participation was 21 percent – above the Commission's 15 percent goal.

**1.6. Leveraging Success, Including Low Income Home Energy Assistance Program (LIHEAP)**

D.08-11-031 defined leveraging as “an IOU's effort to coordinate its ESA Program with programs outside the IOU serving low income customers. These include programs offered by the public, private, non-profit or for-profit, local, state, and federal government sectors that result in energy efficiency measure installations in low income households.” In 2016, PG&E continued to leverage resources to support low income customers. Success is measured by tracking the following criteria:

- *Dollars saved.* Leveraging efforts are measurable and quantifiable in terms of dollars saved by the IOU (Shared/contributed/ donated resources, elimination of redundant processes, shared/contributed marketing materials, discounts or reductions in the cost of installation, replacement and repair of measures, among others are just some examples of cost savings to the IOU).
- *Energy savings/benefits.* Leveraging efforts are measurable and quantifiable in terms of home energy benefits/savings to the eligible households.
- *Enrollment increases.* Leveraging efforts are measurable and quantifiable in terms of program enrollment increases and/or customers served.

**1.6.1.** Describe the efforts taken to reach out and coordinate the ESA Program with other related low income programs offered outside the IOU that serve low income customers.

PG&E continues to proactively seek out and take advantage of all leveraging opportunities for ESA with other programs offered in California, as mandated by D.12-08-044, OP17. Leveraging partnerships with the California Department of Community Services and Development (CSD)'s Low Income Home Energy Assistance Program (LIHEAP) provide one of the most obvious examples of leveraging opportunity, and PG&E's 2016 work with CSD is described in Section 1.6.3.

**1.6.2.** In addition to tracking and reporting whether each leveraging effort meets the above criteria in order to measure the level of success, please describe the Other Measurable Benefits resulting from this particular partnership not captured under the 3 criteria described above.

See ESA Program Table 14 – Leveraging & Integration.

**1.6.3.** Please provide a status of the leveraging effort with CSD. What new steps or programs have been implemented for this program year? What was the result in terms of new enrollments?

PG&E continued to implement its successful refrigerator leveraging program with LIHEAP providers. Through this leveraging program, LIHEAP agencies in PG&E's service area that are not ESA contractors can receive ESA Program funding to purchase refrigerators for qualified PG&E electric customers, thus freeing up more LIHEAP funding to provide other services to low income households. PG&E counts these refrigerators and their

savings, but not the CSD “treated” home. In 2016, 40 ESA refrigerators (\$32,000 in funding) were funded through LIHEAP leveraging contracts.

Additionally, ESA Program implementation contractors referred 196 customers to LIHEAP in 2016<sup>6</sup> and an additional 914 to other low-income programs.<sup>7</sup>

PG&E, SCE, SDG&E and SoCalGas met with CSD and Energy Division staff monthly starting on October 16, 2012 to discuss other leveraging opportunities, in compliance with D.12-08-044 directives. In 2016, no regular meetings occurred, but ESA and CSD staff met several times regarding specific leveraging opportunities.

### **Leveraging with Other IOUs**

PG&E continued to work with the other IOUs in 2016 to share successful leveraging models and duplicate leveraging effort successes per D.12-08-044, OP.21. The utilities met in 2016 to update and learn from each other.

Additionally, PG&E program staff made trips to southern California to meet with each IOU separately. PG&E continues to actively explore new opportunities and coordinate program delivery to promote long-term enduring energy savings and cost efficiency.

### **1.7. Integration Success**

As defined in D.08-11-031, “Integration constitutes an organization's internal efforts among its various departments and programs to identify, develop, and enact cooperative relationships that increase the effectiveness of customer demand side management programs and resources. Integration should result in more economic efficiency and energy savings than would have occurred in the absence of integration efforts.” D.12-08-044 (OPs14 and 16) ordered the IOUs to continue their tracking and report to the Commission on the status of each of their ESA Program specific integration efforts, and to identify and explain if those efforts meet at least two of the four ESA Program integration goals (interdepartmental coordination, program coordination, data sharing, and marketing education and outreach coordination).

PG&E continued distribution of the redesigned customer-assistance-focused “Integrated Services Brochure” in multiple languages in 2016. This brochure offers enrollment information for the following programs, in addition to ESA:

- California Alternate Rates for Energy (CARE)
- Relief for Energy Assistance through Community Help (REACH)
- Balanced Payment program
- Payment arrangements
- Bill guaranty
- Third Party Notification
- Pge.com/myenergy
- Cooling Centers
- Medical Baseline

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<sup>6</sup> Self-reported from implementation contractors

<sup>7</sup> Other programs include Investor Owned Utility ESA Programs

**1.7.1. Describe the new efforts in program year to integrate and coordinate the ESA Program with the CARE Program.**

PG&E continued efforts to integrate ESA messaging into CARE outreach and offer ESA services to high-energy users on CARE. There were no new integration activities begun in 2016.

**1.7.2. Describe the new efforts in program year to integrate and coordinate the ESA Program with the EE Residential Program.**

PG&E continued its successful 2015 integration strategies into 2016. As part of the Residential Integrated Campaign, the Residential Newsletter is sent out monthly to over 1.8 million residential customers, with approximately 789,000 receiving aversion tailored to low income customers. The goal of this effort is to go beyond a transactional one-time interaction with our customers in exchange for a continued dialogue about energy efficiency and management. Emails were sent out monthly to general population and low-income customers.

**1.7.3. Describe the new efforts in program year to integrate and coordinate the ESA Program with the Energy Efficiency Government Partnerships Program.**

The ESA Program continued to coordinate on best practices throughout the year in 2016. The Moderate Income Direct Installation (MIDI) program was able to treat 2,072 households in 2016 using contractors who also provided ESA services.

**1.7.4. Describe the new efforts in program year to integrate and coordinate the ESA Program with any additional EE Programs.**

In 2016, worked with PG&E Energy Efficiency (EE) teams on Assembly Bill (AB) 793 implementation plans to incorporate energy management technologies into utility energy efficiency programs. ESA staff met regularly with EE staff to leverage EE strategies and approaches into the ESA program as appropriate.

**1.7.5. Describe the new efforts in program year to integrate and coordinate the ESA Program with the DR Programs.**

ESA continued its integration efforts with the SmartAC Program in 2016. The SmartAC Program sought to increase customer participation by integrating ESA as a marketing and outreach channel.

In 2016, PG&E installed 724 SmartAC devices as part as the leveraging effort between the ESA Program and the DR team.

**1.7.6. Describe the new efforts in program year to integrate and coordinate the ESA Program with the CSI Programs.**

**Single Family Affordable Solar Housing (SASH) Program**

PG&E's ESA Program works with Grid Alternatives to deliver ESA services to customers that have been approved to participate in the SASH Program. Grid Alternatives refers SASH-eligible homes to PG&E on a regular basis. If the customer has not yet participated in the ESA Program, the customer is enrolled in the ESA Program. The



home is assessed and delivery of all eligible measures is expedited. PG&E then notifies Grid Alternatives of the measures that were installed in the home. Grid Alternatives uses this data in their calculations to accurately size the SASH solar unit to be installed. Year-to-date, the ESA Program has completed treatment of 40 homes that were selected for SASH Program participation. PG&E supplied ESA measure installation data for SASH-selected homes that were treated through the ESA Program in prior years.

## 1.8. Workforce Education and Training

### 1.8.1. Please summarize efforts to improve and expand ESA Program workforce education and training (WE&T). Describe steps taken to hire and train low income workers and how such efforts differ from prior program years.

In 2016, PG&E had 28 ESA contractors, with approximately 795 staff implementing the program in the field. PG&E's ESA Program implementation subcontractors hire most in-home workers from the communities in which they will be working. These ESA Program field personnel bring their local, in-language knowledge to help recruit participants from the communities in which they live and work. PG&E's training in ESA home assessment, energy education, weatherization services and measure installation, provides workers with skills and work experience that are transferable to other green jobs.

### 1.8.2. Please list the different types of training conducted and the various recruitment efforts employed to train and hired from the low income energy efficiency workforce.

PG&E's Energy Training Center (ETC) has supported training for the ESA Program continuously for over 33 years. The ETC provides training for the weatherization specialists (installation crews) and energy specialists (assessors/educators) that implement PG&E's ESA Program. The ETC trained over 246 contractor staff in 2016 to work as Energy Specialists, Weatherization Specialists, Duct Test and Seal technicians, and NGAT technicians<sup>8</sup> for the ESA Program. Each of the students attending sessions at the ETC were hired by a participating contractor prior to attending.

ESA contractor training conducted at the ETC in 2016 is shown in the following table:

**Table 1.8.2: 2016 ESA Program Training**

Type of ESA Training Conducted	Length of Training	2016 Employees trained	Student Days
Energy Specialists (ES) Certification Training	8 day	148	1,184
Weatherization Specialist (WS) Training	3 day	37	111
NGAT Training <sup>9</sup>	6 day	28	168
Duct Testing & Sealing	1 day	23	67
ESA Management Boot Camp	1 day	10	10

<sup>8</sup> NGAT training costs are recorded to PG&E's General Rate Case.

<sup>9</sup> Ibid.

ESA contractors were responsible for recruiting employees to implement the ESA Program. Contractors typically recruited and hired within their respective local communities, helping provide greater program awareness and acceptance within the communities served by the ESA contractor. These ESA Program field personnel bring their local, in-language knowledge and community ties to help locate and enroll ESA Program participants from the communities in which they live and work.

Some of the techniques used by ESA Program contractors to recruit potential employees include the following:

- Placing ads on Craig's List and other similar on-line sites
- Advertising in local newspapers
- Recruiting ESA program participants who express an interest in being an Energy or Weatherization Specialist
- Word of mouth within their respective communities

## **1.9. Legislative Lighting Requirements Status**

- 1.9.1.** Provide a summary on current and future compact fluorescent lamp (CFL) supply issues, as experienced by the IOU. Any current/future problems as well as potential solutions should be discussed in this paragraph.

In 2016, PG&E continued to provide low income customers participating in the ESA Program up to eight (8) free CFLs and the option for a quantity override with the ESA Program Manager's approval. There were no significant CFL supply issues in 2016. In late 2015, several lighting manufacturers announced they would stop manufacturing CFLs by the end of 2016 and would advocate LEDs as the preferred energy efficient household product. This led to the beginning of CFL supply issues in late 2016 and significant shortages starting in early 2017. The ESA Program 2015-2017 application proposed transitioning to LED lamps as a means of addressing potential CFL supply issues. D.16-11-022 approved transitioning to LEDs in 2017, and the ESA Program worked to have LEDs included in the Program in 2017.

- 1.9.2.** Provide a summary explaining how IOU promotes the recycling/collection rules for CFLs.

PG&E continued to provide a CFL Recycling fact sheet to all ESA Program participants in 2016. This was provided and discussed by the ESA Program Energy Specialist during the energy education/energy assessment home visit. The fact sheet explains what mercury is and why it is harmful to people and the environment, and describes safe CFL removal and storage practices, including safe disposal of used CFLs and what to do when a CFL breaks. Currently, ENERGY STAR® requires manufacturers to print a CFL recycling resource website on CFL packages. Safe CFL recycling practices are also covered during ESA Program contractor training modules.

- 1.9.3.** Complete Table 15 (in Appendix). In addition, please briefly summarize the CFL procurement process for the IOU, including manufacturers, distributors, warehousing, and contractor delivery.

During PY2016, ESA Program contractors directly purchased CFLs and other lighting products used in the ESA Program through wholesale materials vendors and big box retail outlets.

## 1.10. Studies

**1.10.1.** For each Study, provide (1) a summary describing the activities undertaken in the study since its inception; (2) the study progress, problems encountered, ideas on solutions; and (3) the activities anticipated in the next quarter and the next year.

Four statewide studies were proposed by the IOUs for the 2015-2017 ESA Program cycle following the procedures in the Guidance Document issued in D.14-08-030. These were: (1) a low income needs assessment (LINA) study; (2) an impact evaluation of the 2015 ESA Program (Impact Evaluation); (3) a non-energy benefits and equity criteria evaluation; and (4) a Phase II ESA energy education study. A Decision in the A.14-11-007 et al. proceeding authorizing three of the proposed studies was not issued until November 2016. Following the direction of Energy Division, the IOU's proceeded to bid out two time-sensitive studies in 2015: the LINA Study and the Impact Evaluation.

The LINA Study is mandated to be updated every three years per AB327 and PUC Sec. 382(d), with a new LINA Study to be completed by December 2016. The LINA Study was completed in 2016, and is discussed in Section 1.10.2 below

A Request for Proposals to perform the ESA Impact Evaluation was released in November 2015, and was awarded in February 2016. However, no work was conducted during 2016 while the IOUs waited for funding approval and authorization to proceed. D.16-11-022 authorized this study, and a study initiation meeting was held in February 2017.

Table 1.10.1 provides an overview of the proposed 2015-2017 ESA Studies.

**TABLE 1.10.1: 2015-2017 PROPOSED ESA PROGRAM STUDIES**

Proposed ESA Program Study	Lead Consultant	Managing Utility	Project Initiation	Public Meetings	Final Report Due
Low Income Needs Assessment Study	Evergreen Economics	SCE	11/23/2015	1/28/2016	12/2016
ESA PY2015 Impact Evaluation <sup>1</sup>	KEMA	SCG	2017	TBD	TBD
Non-Energy Benefits and Equity Criteria Evaluation <sup>1</sup>	TBD	SDG&E	2017	TBD	TBD
Phase II ESA Energy Education Study <sup>2</sup>	NA	NA	NA	NA	NA

<sup>1</sup> These studies were proposed in PG&E's 2015-2017 ESA-CARE Application and were authorized by D.16-11-022 in November 2016. There was no work done in 2016.

<sup>2</sup> This study was proposed in PG&E's 2015-2017 ESA-CARE Application. D.16-11-022 did not authorize the Energy Education Study.

- 1.10.2.** If applicable, submit Final Study Report describing: (1) overview of study; (2) budget spent vs. authorized budget; (3) final results of study; and (4) recommendations.

### **Joint Utility<sup>10</sup> Low Income Needs Assessment (LINA) Study**

The LINA Study is mandated to occur every 3 years, pursuant to AB 327 requirements. The previous LINA Study was completed in December 2013. In compliance with the directives of the D.14-08-030 Guidance Document, PG&E proposed a new Joint IOU LINA Study in its 2015-2017 ESA Application.

The overall 2016 LINA Study objective was to provide information on the needs of low-income customers eligible for the ESA and CARE Programs. The 2016 LINA Study was the third in a series of low income needs assessment studies required by the Commission. The key topic areas examined in the 2016 LINA Study were: energy burden and insecurity, beneficial energy efficiency (and other) measures, unique customer needs, and income documentation.

The Low Income Needs Assessment was directed and overseen by members of the participating IOUs and Energy Division. Southern California Edison Company (SCE) served as study team coordination lead and contract manager, with Energy Division serving as the overall lead and study director of the project.

A Public Workshop to gather input on the LINA Scope of Work was held on May 13, 2015. The workshop included discussion of general topic areas included in the D.14-08-030 Guidance Document, and was intended to assist in developing the scope of work for the 2016 LINA. A Request for Proposals (RFP) was developed following the workshop, and an RFP was released on July 22, 2015 through a competitive bidding process. The contract was awarded to Evergreen Economics, and work began in November 2015. A public meeting to discuss the research plan was held on January 28, 2016, and a public meeting to discuss the draft report findings was held on November 14, 2016. The final report was completed in December 2016 is available on <http://www.cpuc.ca.gov/igap/>.

Key LINA Study findings included:

- **Energy Burden**
  - California IOUs' low income customers faced energy bills that, on average, amounted to 5.6 percent of their self-reported income. The median energy burden was 3.9 percent, while the range was 0 to 41 percent. National comparisons show that California's energy burdens are among the lowest in the country.
- **Unique Customer Needs**
  - Households that include a member who is a senior and/or disabled person tend to reflect similar energy related interests and needs. These households have high awareness of both ESA and CARE and seem to be well served by existing marketing approaches, although they tend to use electronic communication less than most other low income households. These households also reported needing more heating and cooling to stay comfortable.

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<sup>10</sup> The Joint Utilities are PG&E, Southern California Edison Company (SCE), Southern California Gas Company (SCG), and San Diego Gas and Electric Company (SDG&E).

- Low income tenants in multifamily buildings have higher energy burdens largely due to their lower incomes. Their energy usage is lower than that of low income households in single-family homes, pointing to potentially fewer energy savings opportunities.
- Beneficial Measures
  - Low income households perceive a need for envelope measures in most areas of the state; households in the Central Valley and much of Southern California also expressed a desire for air conditioning measures.
  - Customers report an interest in usage alerts to help them manage day-to-day energy choices as they manage monthly costs.
  - Customized energy education continues to be of interest to customers. High burden energy focus group attendees and multifamily tenants were interested in receiving customized information on their usage and opportunities for energy savings practices customized to their household from their utility.
- Income Documentation
  - Providing income documentation is not likely a major stumbling block to CARE enrollment or ESA/FERA program participation. In fact, the existing program participation rules associated with CARE and ESA tend to be more flexible and accommodating than many means-tested programs.

Following the directives of Energy Division, the LINA Study was conducted and paid for from 2016 Bridge funding in the amount shown in Table 1.10.2.

**TABLE 1.10.2: 2015-2017 AUTHORIZED ESA PROGRAM STUDIES: EXPENDITURES**

ESA Program Study	Lead Consultant	Managing Utility	Authorized Budget <sup>1</sup>	PG&E Budget	2016
Low Income Needs Assessment Study	Evergreen Economics	SCE	\$500,000	\$150,000	\$149,654
ESA PY2015 Impact Evaluation <sup>2</sup>	KEMA	SCG	\$550,000	\$165,000	0
Non-Energy Benefits and Equity Criteria Evaluation <sup>2</sup>	TBD	SDG&E	\$150,000	\$45,000	0

<sup>1</sup> This amount represents the total Joint Utility study budget, authorized in D.16-11-022. Bridge funding was authorized to pay for work completed on the LINA Study. The authorized Joint Utility budget split for all studies is: PG&E--30%, SCE--30%, SCG--25%, and SDG&E--15%.

<sup>2</sup> There was no work done on the Impact or NEB Studies in 2016.

## 1.11. Pilots

- 1.11.1.** For each Pilot, provide (1) a summary describing the activities undertaken in the study since its inception; (2) the study progress, problems encountered, ideas on solutions; (3) the activities anticipated in the next quarter and the next year; and (4) status of Pilot Evaluation Plan (PEP).

No ESA Program pilots were authorized for the 2016 bridge year.

- 1.11.2. If applicable, submit Final Pilot Report describing: (1) overview of pilot; (2) description of PEP; (3) budget spent vs. authorized budget; (4) final results of pilot (including effectiveness of the program, increased customer enrollments or enhanced program energy savings); and (5) recommendations.

No ESA Program pilots were authorized for the 2016 bridge year.

#### 1.11.3. ESA Initiatives.

Although PG&E did not conduct any pilots in 2016, PG&E did undertake initiatives to increase coordinate and leverage water conservation services with water agencies in its service area.

### **Water Partnership Initiative**

In response to the Governor's Drought Emergency, PG&E began exploring leveraging opportunities to partner with water agencies in 2015. These activities continued throughout 2016.

In 2015, PG&E began research on ways to work collaboratively with water agencies and other water industry stakeholders. The goal of this research initiative was to collect information to inform future program design for the integration of expanded water conservation program offerings. Since no new measures or unauthorized measures were included, this research initiative was funded through the ESA General Administration budget.

In the first phase of the leveraging research initiative, 250 water agencies within PG&E's service area were identified, and a comprehensive matrix of water conservation program offerings was developed. Informed by the research results, PG&E conducted outreach with twelve water agencies and seven water industry associations to solicit feedback on a framework for building collaborative programs that would leverage existing conservation efforts in both the water and energy areas.

PG&E also held a Water Partnership Forum on March 21, 2016. The goal of the forum was to increase shared knowledge of water-energy collaboration experiences and develop overarching strategies for partnership. PG&E discussed water-energy pilot experiences, along with the unique needs of low income communities in an effort to identify the deployment of joint programs, including key aspects of program design. There were 17 participants, representing seven water agencies, PG&E staff and RHA, PG&E's consultant helping to coordinate this effort. Key findings from this forum were that the water agency funding and decision-making structures are very different than investor owned energy utilities, and that the majority of water agencies were not very interested in spending a lot of resources on the residential sector that contributes to minimal water savings.

Based on the information gathered, a test program was designed to complement existing offerings and augment water conservation efforts. The program incorporated options for indoor and outdoor water usage assessments, leak detection, enhanced water conservation education and incremental water conservation measures. This test program design was discussed with four water agencies and further refined to mitigate barriers to

water agency participation. Barriers identified included: budget constraints, resource constraints, infrastructure differences, data sharing issues.

An agreement was executed with California American Water to conduct test programs in multiple metropolitan areas. The test program launched in Sacramento in late 2015. The Monterey/Salinas market was added in the fall of 2016. The Solano County Water Agency also agreed to conduct a test program, which launched in the fall of 2016.

In total, 200 households were served in 2016. 98% received a hose nozzle, 94% received up to 3 shower timers, 36% had up to 3 inefficiency toilets replaced with low-flow toilets, and 22% had up to 3 leaky toilet flappers replaced.

### 1.12. “Add Back” Measures

For measures that fall below the cost effectiveness threshold under D.12-08-044, we require additional reporting to show the cost, energy savings impacts, and related metrics, per D.12-08-044, OP 38b.

- 1.12.1.** If the "add-backs" compromise the IOUs' ability to meet the 2020 Plan goal that 100 percent of eligible and willing customers will have received all cost effective ESA Program measures, how does the IOU propose to address the shortfall in other parts of the ESA Program?

PG&E's 2016 ESA Program continued installation of the 2012-2014 ESA authorized measures based on the cost effectiveness framework and impacts authorized for that cycle. This framework continued focus on measures that met the minimum 0.25 cost effectiveness threshold, in compliance with D.12-08-044, OP 36 directives that the IOUs shall ensure installation of those measures. D.12-08-044 also “added-back” into PG&E's ESA Program some measures with cost effectiveness scores below the adopted threshold, based on perceptions that these add-back measures provided comfort, health, or safety non-energy benefits that may not have been adequately quantified in the ESA Program's cost effectiveness tests.

PG&E's add-back measures for 2016 were determined by Appendix H.1 and Appendix H.2 in D.12-08-044. Add-back measures are measures having cost effectiveness scores below 0.25 in the Utility Cost Test and/or the Modified Participant Cost Test.<sup>11</sup> Add-backs include both measures requested by PG&E and included in its 2012-2014 ESA budget application, as well as measures ordered through D.12-08-044 that were not included in PG&E's budget application.

Note that the two new cost effectiveness tests developed by the Cost Effectiveness Working Group—the program level ESA Cost Effectiveness Test (ESACET) and the Resource Measure Total Resource Cost Test (Resource Measure TRC)—and more recent impacts from the 2011 ESA Impact Evaluation, will not be used for ESA Program reporting until the 2017-2020 ESA Program authorized in D.16-11-022 is reported. These

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<sup>11</sup> Previously included ESA measures only had to pass the cost effectiveness threshold of 0.25 for one test; new measures proposed to be added into the 2012-2014 ESA Program were required to pass the cost effectiveness threshold for *both* of these two cost effectiveness tests authorized for the 2012-2014 ESA Program.

tests and impacts were used in PG&E's 2015-2017 ESA Applications, and will be used to report results of the ESA Program authorized in A.14-11-007 et al.

The add-back measure expenditures (\$10,331,157) comprised 12 percent of PG&E's total \$87,954,279 ESA measure expenditure in 2016 and are well within the program's approved budget. See Table 16 – Add Back Measures for the cost, energy savings impacts, and related metrics.

### **1.13. Low Income Working Groups**

D.12-08-044 authorized Energy Division to form three Working Groups during the 2012-2014 program cycle: (a) the Energy Savings Assistance Program Cost-effectiveness Working Group, (b) the Energy Savings Assistance Program Workforce, Education and Training Working Group, and (c) the Mid-Cycle Working Group to review those components of the Commission's Energy Savings Assistance Program and California Alternate Rates for Energy Programs to make recommendations for refinements to improve, wherever possible, the design, administration, delivery and ultimate success of these programs. D.16-11-022 re-convened the Cost Effectiveness and Mid-Cycle Working Groups in 2016, however there was no Working Group activity in 2016.

### **1.14. Annual Public ESA-CARE Meeting**

D.12-08-044 ordered the IOUs to convene a minimum of one public meeting per year, within 60 days of their filing of the annual report, and other public meetings as deemed necessary by the IOUs, the Energy Division, the ALJ, or the Commission. Additionally, IOUs were directed to use these meetings as a forum to host the working groups.

In compliance with D.12-08-044, PG&E and the other IOUs held a public forum in Irwindale, California on June 1, 2016. The IOUs presented an overview of their 2014 ESA and CARE results.

## **2. California Alternate Rates for Energy (CARE) Program**

The CARE program provides a monthly discount on energy bills for qualifying 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.

The CARE program was originally referred to as the Low Income Rate Assistance (LIRA) Program, as authorized in D.89-07-062 and D.89-09-044 by the CPUC on November 1, 1989, to provide a 15 percent discount on energy rates to residential households with income at or below 150 percent of the Federal Poverty Guidelines (FPG). The program name was later changed from LIRA to CARE as authorized in D.92-04-024.

In D.01-06-010 and D.02-01-040, the CPUC authorized an increase in CARE eligibility from 150 percent to 175 percent of FPG and the rate discount from 15 percent to 20 percent. The CARE eligibility level was later increased to 200 percent of the FPG in D.05-10-044.

D.12-08-044, issued on August 30, 2012, adopted the 2012-2014 CARE Program. General Rate Case D.14-08-032 issued on August 14, 2014 approved employee benefit costs for 2014-2016.



PG&E filed a CARE Program Application in November 2014 proposing new CARE budgets and program strategies for 2015-2017. In D.14-08-030, the Commission authorized 12-month bridge funding for 2015 at the authorized 2014 budget level.<sup>12</sup> D.14-08-030 also approved continued bridge funding for the Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) pilot program until the end of 2015.<sup>13</sup>

D.15-12-024 and D.16-06-018 authorized PG&E to expend an amount not to exceed the 2015 authorized budget to continue the CARE Program, from January 1, 2016 until December 31, 2016 or until the Commission adopts a final decision on the IOU's budget applications for 2015-2017. D.15-12-024 and D.16-06-018 also approved continued bridge funding for CHANGES pilot program and on-going program until the end of 2016.

D.15-12-047 approved continued funding for the CHANGES Pilot Program on a month-to-month basis, at current funding level of \$61,200 a month until the ongoing CHANGES program contract, including selection of Community-Based Organizations under the new consultant contract, can commence.

Assembly Bill (AB) 327 (Perea 2013) revised Public Utilities Code Section 739.1. (a) to require that the CARE income eligibility level for one-person households to be based on two-person household guideline levels effective January 1, 2014. AB 327 also established that the CARE electric discount be no less than 30 percent and no greater than 35 percent of revenue.

## **2.1. Participant Information**

- 2.1.1.** Provide the total number of residential CARE customers, including sub-metered tenants, by month, by energy source, for the reporting period and explain any variances of 5 percent or more in the number of participants.

See CARE-Table 8 – Participants per Month.

During the 2016 program year, no monthly variances of 5 percent or more occurred.

- 2.1.2.** Describe the methodology, sources of data, and key computations used to estimate the utility's CARE penetration rates by energy source.

PG&E and the other California IOUs used the joint utility methodology adopted by the CPUC in D.01-03-028 for developing monthly penetration estimates in 2016. This method entails annual estimation of eligibility for CARE, ESA, and other income-by-household size parameters at the small area (block group, census tract, ZIP+2, etc.) for each IOU territory and for the state as a whole.

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<sup>12</sup> For the 2014 CARE program and activities, the authorized administrative budget was \$15,790,513, which included \$134,904 for PG&E's Cooling Centers Program and \$222,491 for the CHANGES Pilot Program per D.12-12-011.

<sup>13</sup> The CHANGES Pilot provides funding to Community Based Organizations (CBOs) to assist Limited English Proficient (LEP) customers with energy education and billing issues. D.14-08-030 authorized a CHANGES budget of \$61,200 a month until the end of 2015, a 2% increase from the authorized 2014 CHANGES funding level. CHANGES is discussed in Section 2.7.

The requirements for 2016 eligibility, corresponding to the current estimation, again used the January Health and Human Services (HHS) Poverty Guidelines [Federal Register /Vol. 81, No. 15 /Monday, January 25, 2016 /Notices; p.4036], “bundling” one- and two-person households at the HHS-defined 200% FPG limit as required by AB 327.

Sources for the estimation include the current HHS guidelines, current year small area vendor marginal distributions on household characteristics, Census 2010 SF3 data, Census American Community Survey 2010-2014 Public Use Microdata Sample (PUMS) data, utility meter and master meter household counts, Department of Finance Consumer Price Index series, and various Geographic Information System sources. An important change has been implemented since 2011, which involves adjusting small area (block group) income distributions to match the latest American Community Survey distributions at the Public Use Microdata Area.

Estimates from the block group level are aggregated to county/utility and whole utility level, among other aggregations. Annually, PG&E applies county/utility level eligibility fractions to a new set of “technical eligibility counts” (for CARE these are metered and sub-metered occupied housing units) obtaining an estimate of income/demographic eligibility in household count form.

PG&E counts the number of households (by small area, by county, and overall) that are enrolled in CARE on a monthly basis. The CARE household total, including individually metered and sub-metered occupied housing units, is divided by the total income/demographic eligibility.

A refinement in 2007 made use of Census Advance Query, PUMS, and SF3 tabulations to develop estimates specific to “payer types”: i.e., individually metered, sub-metered, and non-sub-metered master meters.

In 2009, the method was augmented to better incorporate the impact of labor force changes (unemployment and other forms of job separation, as well as positive changes that are expected to occur in California subsequent to the recession). The method adjusted block group marginal distributions on household income based on sub-state modeling that incorporated Current Population Survey, Integrated Public Use Microdata Survey data, American Community Survey Data, and California Employment Development Department county and Metropolitan Statistical Area level labor force series. This adjustment to block group income marginal is then incorporated into the otherwise “standard” estimation approach to produce small area estimates reflecting small area income changes due to labor market forces.

In 2012, Athens developed an improved method for estimation of payer status-specific eligibility. This method took into consideration American Community Survey microdata relationships between guideline status (above/below 200 percent FPG), tenure, and fuel payment relationships. These cross-classifications are fitted to small area (block group) marginal to produce payer-type specific distributions, which can be aggregated to various other geographical levels.

- 2.1.2.1.** Describe how the estimates of current demographic CARE-eligibility rates, by energy source for the pre-June 1st periods, were derived.

The joint utility methodology, as described above, was used throughout 2016.

- 2.1.2.2.** Describe how the estimates of current CARE-eligible meters were derived. Explain how total residential meters were adjusted to reflect CARE-eligible meters (i.e., master meters that are not sub-metered or other residential meter configurations that do not provide residential service.).

CARE eligibility rates by small and large areas are developed so that they apply to individual residential meters and sub-metered dwelling units only. Non sub metered master meters and other meters that do not provide residential service are not included in the “technical eligibility” meter counts.

- 2.1.2.3.** Discuss how the estimates of current CARE-eligible households were developed.

See PG&E’s response above to Section 2.1.2. Note that the methodology is based on estimating small area (block group) level household size by income and householder-age tabulations for the current year and connecting these estimates with small area counts of households that are individually metered or sub metered. Block group/utility-specific estimates are then disaggregated/aggregated to various geographic levels within a given utility area: zip+2, zip, tract, county, territory, etc. Statewide estimates, regardless of utility boundaries, are also provided at small and large area levels.

- 2.1.2.4.** Describe how current CARE customers were counted.

PG&E runs a monthly report of the billing system for all accounts currently enrolled in CARE. This monthly report incorporates all CARE customer information necessary for reporting, including energy source information (electric, gas, or both) and CARE enrollment and recertification dates.

In the case of sub-metered tenants receiving CARE discounts from their master-metered facilities, PG&E runs a separate monthly report to count the number of sub metered dwelling units that are flagged as being enrolled in CARE.

- 2.1.2.5.** Discuss how the elements above were used to derive the utility’s CARE participation rates by energy source.

The participation rate by energy source is the total number of participating CARE customers by energy source divided by the estimated eligible CARE population by energy source.

- 2.1.3.** Provide the estimates of current demographic CARE-eligibility rates by energy source at year-end.

Electric-only:	33.2%
Gas-only:	33.4%
Combined electric/gas:	28.9%
Total:	30.6%

- 2.1.4.** Provide the estimates of current CARE-eligible sub-metered tenants of master-meter customers by energy source at year-end.

PG&E estimates that 53,826 electric and 41,162 gas sub metered tenants were eligible for CARE at year-end.

**2.1.5. Provide the current CARE sub-metered tenant counts by energy source at year-end.**

As of year-end 2016, there were 28,480 electric and 24,486 gas sub-metered tenants enrolled in CARE.

**2.1.6. Provide the current CARE sub-metered penetration rates by energy source at year-end.**

As of year-end 2016, approximately 53 percent of the estimated CARE eligible sub metered electric tenants and 59 percent of the estimated CARE eligible sub metered gas tenants were enrolled in CARE.

**2.1.7. Discuss any problems encountered during the reporting period administering the CARE program for sub-metered tenants and/or master-meter customers.**

To make the CARE program available to eligible tenants of sub-metered residential facilities, PG&E mails information packages containing program applications and posters to landlords/managers annually. However, some of these packages are either returned or undelivered due to the high turnover of landlords/managers. This results in lower new enrollments than expected.

Some landlords/managers were concerned that their CARE-enrolled tenants used more energy than the average tenant in the facility. This resulted in the master metered customer having to pass on more of a discount than they received from PG&E. In these cases, PG&E explained to the landlord/manager how the sub metered discount works. If the landlords/managers were not satisfied, PG&E advised the landlords/managers to contact the CPUC or their County's Department of Weights and Measures.

Another problematic issue was the insufficient discount information on the tenant bill from the facility billing agency. For example, the CARE discount might not be shown as a separate line item, making it difficult for the tenant to verify whether they were receiving the discount. When a tenant called PG&E with questions, PG&E confirmed that the tenant was certified for the program and reviewed the bill with the tenant to ensure they were receiving the discount. If it appeared the tenant was not receiving the CARE discount, the tenant was advised to contact their manager or billing agency for further clarification. California Civil Code Section 798.43.1(c) requires that: "The management shall notice the discount on the billing statement of any homeowner or resident who has qualified for the CARE rate schedule as either the itemized amount of the discount or a notation on the statement that the homeowner or resident is receiving the CARE discount on the electric bill, the gas bill, or both the electric and gas bills."

If the tenant did not obtain resolution with their billing agency and/or sub-metered facility manager, PG&E advised the tenant to contact their County's Department of Weights and Measures (DWM). DWM helps tenants with meter reading accuracy/testing, proper meter installation, billing accuracy, and verification of correct rate. If contacting the DWM did not resolve the tenant's billing question, the tenant was advised to file a complaint with the CPUC.

PG&E provides a CARE certification report to landlords/managers at regular intervals. PG&E also requests landlords/managers to contact PG&E when updated information is

needed. Nonetheless, some landlords/managers still fail to notify PG&E when a CARE certified tenant moves out of the facility.

PG&E observed a continued issue related to turnover within Mobile Home Park (MHP) ownership and management. When changes in ownership happened, PG&E worked with the new owners to transfer existing CARE certified tenant data to new accounts, and informed them about the CARE Program and the processes involved. When landlords change managers, they often fail to notify PG&E with new contact information which results in undelivered reports and delayed communications.

Some tenants move from one MHP to another MHP or from a residential house to a MHP and thought their CARE discount would automatically transfer. PG&E had to explain to them that their CARE discount was not transferable, and advised them to fill out a Sub-Meter application to re-apply for the CARE Program. Some new MHP owners or managers did not know how to calculate electricity and gas discounts for their tenants. PG&E's CARE staff provides high-level information regarding the tiered rate structure or refers them to the billing department for more detailed explanations.

Many MHPs have multiple account numbers or have different account numbers for either electric or gas which causes a great deal of confusion to MHP owners, tenants and CARE staff when enrolling and administering the discount. The owner or the tenant often provides the wrong account number or does not provide all of the applicable account numbers during the enrollment process, resulting in CARE staff mis-certifying or not being able to certify the tenant on all accounts.

## 2.2. CARE Budget Summary

### 2.2.1. Please provide CARE program summary costs.

CARE Budget Categories	Authorized Budget[1]	Actual Expenses[1]	% of Budget Spent
Outreach	\$5,846,455	\$7,004,035	120%
Processing, Certification, Recertification	\$3,961,081	\$1,275,813	32%
Post Enrollment Verification	\$2,097,136	\$1,092,509	52%
IT Programming	\$735,794	\$693,436	94%
Cooling Centers	\$134,904	\$122,028	90%
CHANGES Pilot Program	\$374,831	\$421,962	113%
Measurement and Evaluation	\$48,000	\$108,165	225%
Regulatory Compliance	\$387,587	\$351,659	91%
General Administration	\$2,229,066	\$1,031,301	46%
CPUC Energy Division Staff	\$128,000	\$115,279	90%
<b>Total Expenses</b>	<b>\$15,942,853</b>	<b>\$12,216,187</b>	<b>77%</b>
Subsidies and Benefits	\$605,950,000	\$587,716,066	97%
<b>Total Program Costs and Discounts</b>	<b>\$621,892,853</b>	<b>\$599,932,252</b>	<b>96%</b>

[1] Program authorized budget per D.15-12-024 and D.16-06-018, and actual expenses have been updated to include employee benefits costs approved in the GRC D.14-08-032.

**2.2.2.** Please provide the CARE program penetration rate to date.

#### CARE Penetration

Participants Enrolled	Eligible Participants	Penetration rate	Target Met?[1]
1,423,324	1,612,148	88%	No

[1] PG&E interprets the target to be the 90% CARE penetration goal set in Decision 08-11-031 by the Commission. PG&E is currently on pace to meet this goal by the end of the 2017-2020 budget cycle.

**2.2.3.** Report the number of customer complaints received (formal or informal, however and wherever received) about their CARE recertification efforts, and the nature of the complaints.

Month	Complaints Received	Nature of Complaint	Cases Resolved
January	0	n/a	n/a
February	0	n/a	n/a
March	0	n/a	n/a
April	0	n/a	n/a
May	0	n/a	n/a
June	0	n/a	n/a
July	0	n/a	n/a
August	0	n/a	n/a
September	0	n/a	n/a
October	0	n/a	n/a
November	0	n/a	n/a
December	0	n/a	n/a

## 2.3. CARE Program Costs

### 2.3.1. Discount Cost

**2.3.1.1.** State the average monthly CARE discount received, in dollars, per CARE customer by energy source.

Electric:	\$34.13
Gas:	\$7.52

**2.3.1.2.** State the annual subsidy (discount) for all CARE customers by energy source.

Electric:	\$489,890,983
Gas:	\$97,825,083
Total:	\$587,716,066

**2.3.2. Administrative Cost**

**2.3.2.1.** Show the CARE Residential Program's administrative cost by category.

See CARE-Table 1 – Overall Program Expenses.

**2.3.2.2.** Explain what is included in each administrative cost category.

**Outreach:** This cost category includes:

- Marketing and outreach campaigns, such as direct mail, e-mail, telemarketing, AVR, digital media and radio
- Retention outreach
- Printing of bill inserts, applications, advertising and promotional materials, annual notifications to Sub-metered facilities (SB 920), and other CARE Program materials.
- Postage and handling fees
- Purchase and storage of promotional items, other goods and supplies
- CARE toll-free line maintenance and operation
- Capitation fees to Community Outreach Contractors for new CARE enrollments and assistance with the Post Enrollment Verification process, community event costs, community outreach activities and partnerships
- Staff labor related to marketing and outreach
- Other expenses include travel, membership fees, sponsorships, conferences, catering and other outreach-related costs

**Processing, Certification and Recertification:** This cost category encompasses day-to-day administrative tasks associated with processing CARE applications, including:

- Opening, sorting, scanning, processing, and data entry of CARE applications
- Initiating and responding to customers' inquiries by mail, e-mail or phone regarding Program participation
- Resolving billing issues related to Program enrollment
- Tracking CARE enrollment and recertification statistics in support of operations, management and regulatory
- Training and other related costs

**Post Enrollment Verification (PEV):** This cost category encompasses day-to-day administrative tasks associated with completing PEV and High Usage verifications, including the following:

- Opening, sorting, scanning, data entry and processing of CARE PEV and High Usage correspondences

- Printing and mailing of PEV and High Usage letters
- Initiating and responding to customers' inquiries by mail, e-mail or phone regarding the PEV and High Usage process
- Resolving billing issues
- Tracking CARE PEV and High Usage statistics in support of operations, management and regulatory support
- Training and other related costs

**IT Programming:** This category includes:

- Ongoing software enhancements and licensing for PG&E's current technology supporting CARE Program activities
- Routine and non-routine system maintenance
- Automated CARE enrollment internal data exchanges among CARE, ESA, REACH and LIHEAP Programs
- External data exchanges with IOUs, municipalities and water utilities
- Data reporting and analysis
- CARE system enhancement and maintenance
- Online applications enhancement and maintenance
- Website and IVR enhancement and maintenance
- Other IT-related obligations

**Cooling Centers:** This cost category encompasses day-to-day administrative tasks associated with operating cooling centers, including:

- Direct funding to cooling centers/program administrators
- Printing of bill insert, brochures and other materials
- PG&E's Cooling Centers website and toll-free line maintenance and support
- Staff labor
- Travel expenses and other program management related costs

**Pilots:** This cost category includes any pilot projects for the program. For 2016, this includes the budget for the CHANGES Pilot program, CHANGES on-going program, and staff labor to support the pilot and on-going program.

**Measurement & Evaluation:** This cost category includes all measurement and evaluation related to the CARE Program, including contract expenses for the annual study of CARE customer eligibility estimates and other studies where appropriate.

**Regulatory Compliance:** This category includes costs for staff labor and travel expenses associated with preparing regulatory filings, including:

- Program applications
- Advice letters
- Tariff revisions, comments and reply comments
- Hearings
- Preparation of regulatory compliance reports
- Preparation of data request responses
- Attendance at working group sessions, public input meetings and public workshops
- Travel expenses and other related costs



**General Administration:** This category includes:

- Program management labor
- Office supplies and equipment
- Envelopes and printing of CARE letters
- Customer research
- Propensity model costs
- Other expenses include training, travel, membership fees, sponsorships, conferences, catering and other administrative-related costs

**CPUC Energy Division Staff:** This cost category includes funding for Energy Division staff.

**2.3.3.** Provide the year-end December 31 balance for the CARE balancing account.

At year-end December 31, 2016, the CARE electric balancing account was under-collected and reflects a year-end debit balance of \$17,754,684 while the CARE gas balancing account was over-collected and reflects a year-end credit balance of \$14,267,658.

**2.3.4.** Describe which cost categories are recorded to the CARE balancing account and which are included in base rates.

D.02-09-021 authorized the recording of all CARE administrative costs as well as the revenue shortfall associated with the CARE discount in the CARE balancing account.

**2.3.5.** Provide a table showing, by customer class, the CARE surcharge paid, the average bill paid, the percentage of CARE surcharge paid relative to the average bill, the total CARE surcharge collected, and the percentage of total CARE revenues paid.

See CARE-Table 10 – CARE Surcharge & Revenue.

## **2.4. Outreach**

**2.4.1.** Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.

### **Direct Acquisition Outreach**

During 2016, PG&E launched several multi-touch, multi-channel acquisition campaigns targeting customers with a high propensity for eligibility as well as those who had participated in the program but did not recertify. The 2016 campaigns included direct mail, email, automated voice messaging, and telephone outreach – in both English and Spanish to reduce language barriers. Through research, PG&E has learned that the majority of customers speak English and approximately 20% of customers speak Spanish, which is why the PG&E outreach continues to conduct bilingual marketing

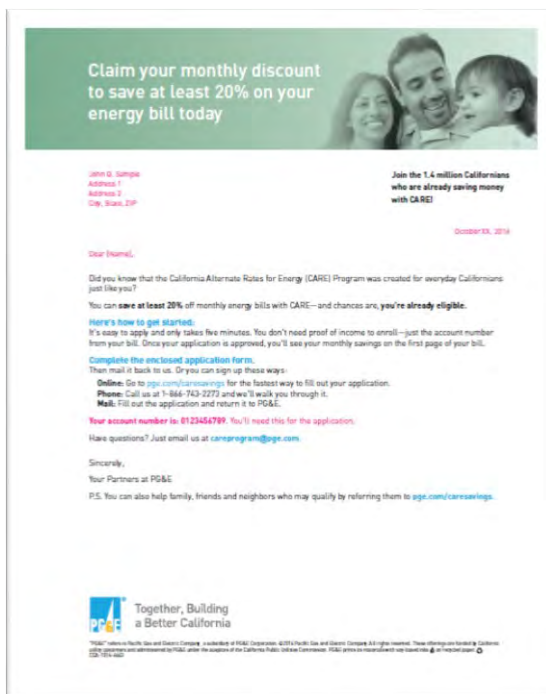
outreach. Throughout these efforts, PG&E identified opportunities and implemented learnings in real time for improved results, efficiency and cost-effectiveness.

Based on learnings from the 2015 testing efforts, PG&E launched a new multi-touch, multi-channel campaign wave in January 2016. The campaign utilized the optimized frequency and sequencing cadence of acquisition direct mail, email and automated voice messaging outreach, and ran from January to March.

The automated voice calls were discontinued as part of the ongoing campaign sequence in March, after cost-benefit analysis deemed the impact of the calls to be nominal.

Direct outreach campaigns were paused for the period from June through September while adjustments were made to the direct mail and email creative positioning. The outreach team conducted email testing that looked at the results for four distinct subject line statements with the objective of determining the optimal positioning statement for CARE acquisition. The winning statement and call-to-action was incorporated in the creative executions and the campaign was re-launched in October 2016.

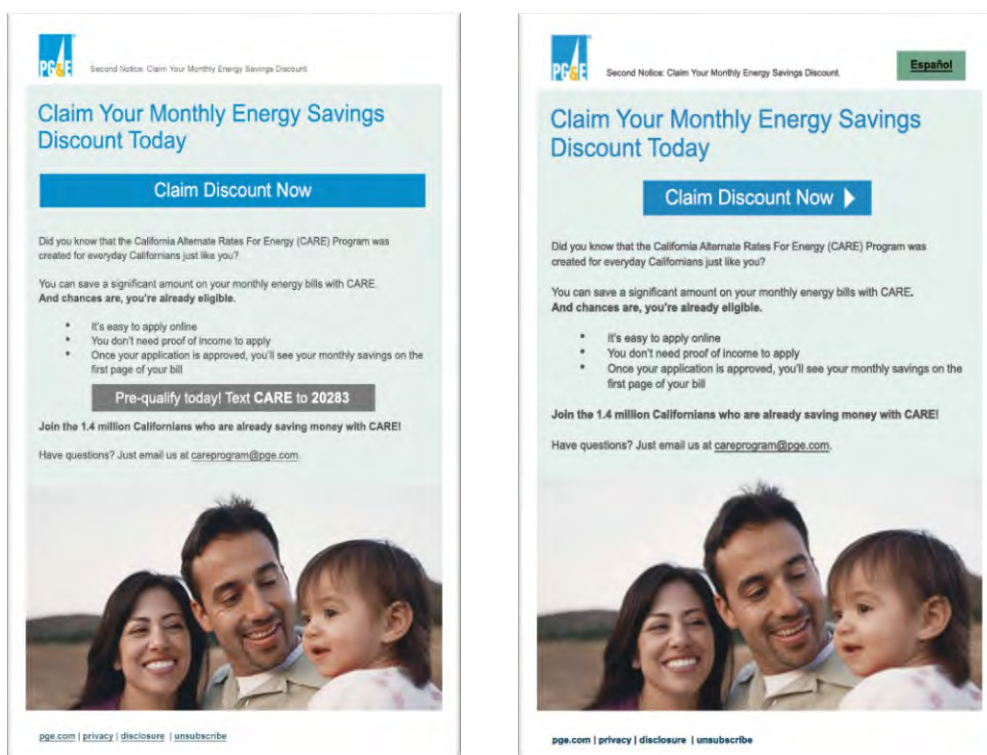
Sample direct mail campaign creative:



In October 2016, PG&E implemented an SMS call-to-action text in emails that are opened on a mobile-enabled device. Customers who respond via text are offered the opportunity to opt-in to answer the enrollment questions via text. Initial results were neutral in terms of the level of enrollments from the campaign, so testing period was carried into 2017.

Sample campaign creative:

Mobile Email - with SMS and Control (no SMS)



To increase overall campaign reach following the mid-year pause, the outreach team added a direct mail cell to target 100,000 non-responders – those who received marketing outreach in 2015 but never responded – in the campaign that ran October through December.

In total, PG&E enrolled over 33,700 customers onto the CARE Program through the multi-channel outreach campaigns in 2016.

### **Television**

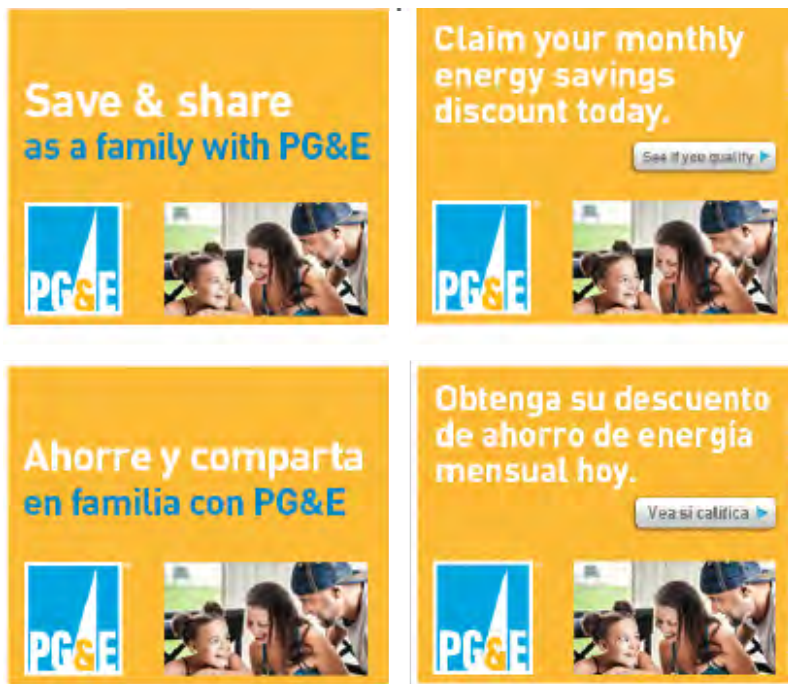
In November 2016, the CARE outreach marketing team launched the first CARE Program TV campaign. The TV spot, “New Start,” targeted CARE-eligible customers to drive awareness of the program, and support other CARE tactics in market. Spots were produced in English, Spanish and Chinese, with a call-to-action designed to compel viewers to go online and enroll. The spots aired in the San Francisco and Sacramento DMAs through the end of December. The launch of the TV and Radio campaigns in Q4 helped to drive program awareness to enhance the performance of other direct media and support increased enrollments.

### **Digital and Social Media**

In 2016, PG&E continued its digital advertising and online search campaign. The campaign’s year-over-year performance continued to improve and approximately 30% of marketing driven enrollments were through paid digital media.

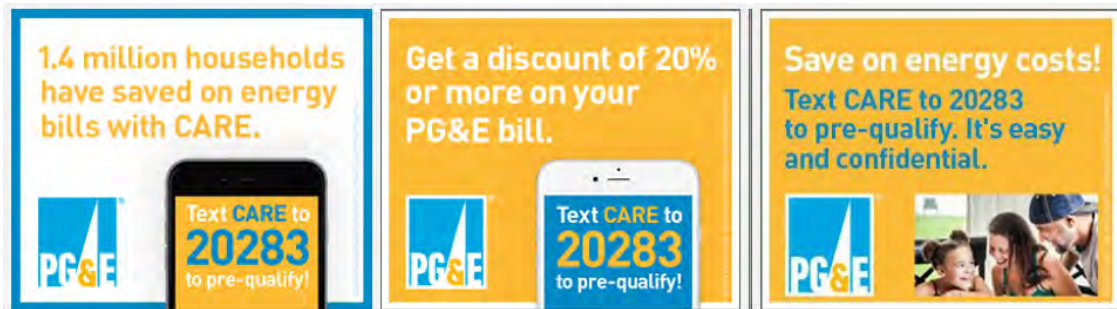
The campaign remained focused on Spanish-speaking audiences, although the ads run on sites that are in English and Spanish.

Sample digital advertising creative:



In September 2016, using banner display advertising, PG&E executed a test campaign using SMS/text as a response channel targeted online to heavy mobile users. Customers who viewed the banner on their mobile device were served the version of the ad with the call-to-action to text a response. The program is currently only available in English. The outreach team is planning to implement a Spanish SMS stream in 2017.

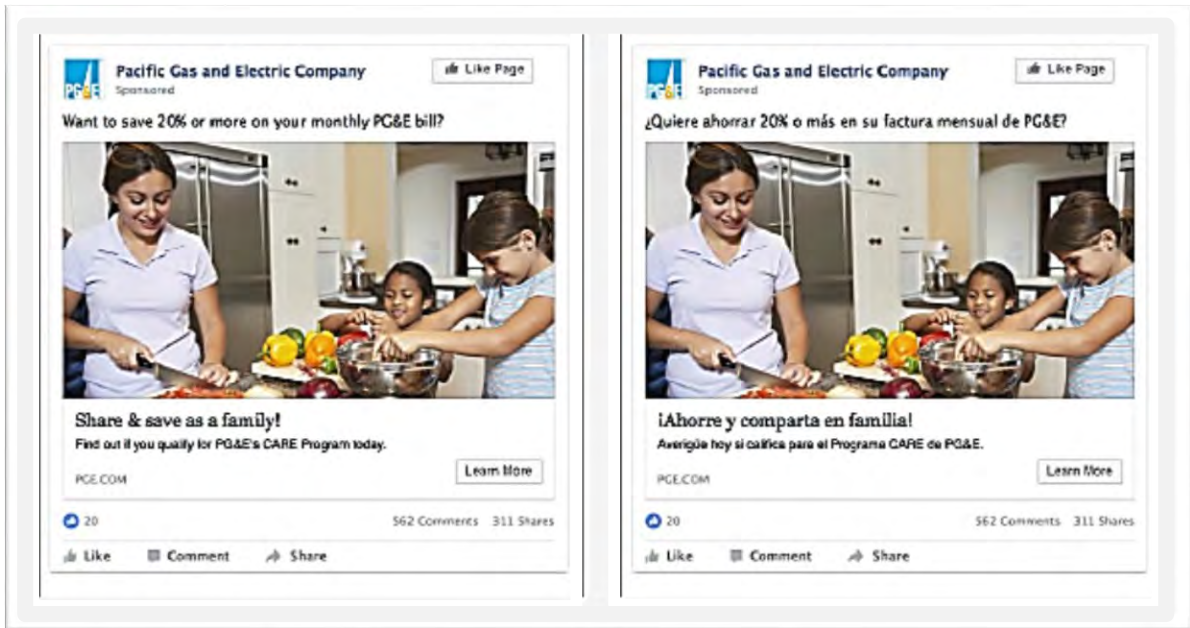
Sample of banner with text call-to-action:



Additionally PG&E ran advertising on Facebook and YouTube from November through December to complement the digital and TV campaign. The ads were placed in English, Spanish and Chinese. While video did not generate significant application volume, we saw a 33% video view completion rate, meaning that 33% of those that saw the ad watched it all the way through. Video and audio ads are tactics that drive awareness about the CARE Program rather than directly converting customers. The campaign utilized both static and video ads.

Sample Facebook static ads:





### Sample Video Ads:



As with other marketing and outreach strategies, digital advertising is continuously optimized to ensure presence of top performing creative on the most effective sites. In 2016, PG&E enrolled over 30,000 customers in the CARE Program through digital advertising channels.

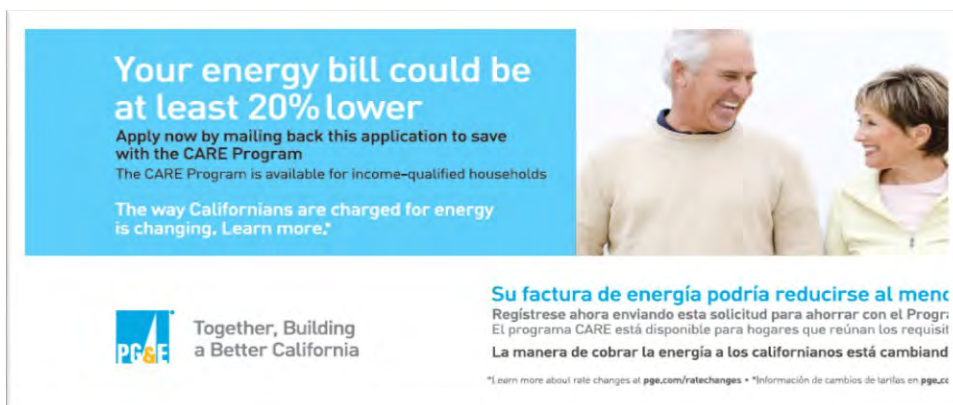
### Bill Inserts

In 2016, PG&E inserted the CARE Program mail-in application in customers' monthly bill packages four times, in January, February, August and December. The bill inserts target customers who are not currently participating in the CARE Program. In total, PG&E enrolled over 23,000 customers on the CARE Program through bill inserts.

### Sample January bill insert creative:



Sample December bill insert creative:



### **Paid and Earned Media**

In 2016, PG&E continued to leverage radio as a way to reach ethnic audiences through targeted mass channels. Radio has proven to be a strong tool in complementing digital advertising to increase enrollments into the CARE Program. In fact, PG&E experiences a consistent increase and rising trend in website visits and enrollments through digital advertising whenever radio airs.

As with other channels, the PG&E outreach team continued to air across a variety of stations to raise awareness for the CARE Program and targeted Spanish- and Chinese-speaking audiences in Fresno, Modesto, Sacramento and San Francisco Bay Area. PG&E ran over 3,200 radio spots throughout 2016.

Additionally, PG&E participated in more than 25 television, radio and print interviews to promote the CARE and ESA Programs. Sample media outlets include:

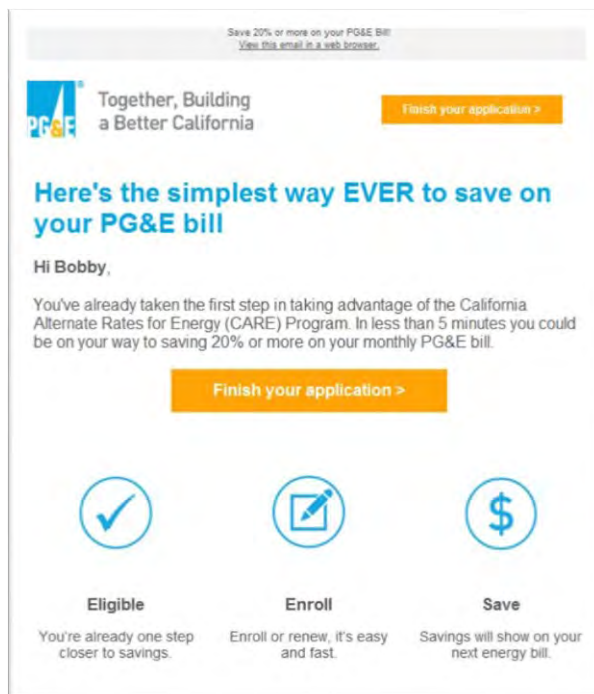
- KUVS-Univision 19's *Despierta Sacramento*, which serves the Hispanic population within 16 counties in Central and Northern California
- KFTV-Univision 21 daily morning show called *Arriba Valle Central* or *Wake up Central Valley*, which serves the Hispanic population in and around the Central Valley
- KLOQ Radio Lobo's community show, which serves the Hispanic population in Merced and Stanislaus counties
- KOND-FM *Contacto Comunitario*, Univision Radio, with coverage in greater Fresno and Madera, Merced, Visalia, Tulare, and Kings counties

- KSFO-FM *Servicio a la Comunidad*, Univision Radio, which serves the Hispanic population in the Fresno, Madera, Merced, Visalia, Tulare and King counties
- KTFF Unimas 61, which serves the Hispanic population in the Fresno, Madera, Merced, Visalia, Tulare and King counties
- KTRB ESPN Deportes, which serves the Hispanic population of the Bay Area and other areas of Northern California
- Radio Bilingue with coverage in Fresno, Modesto, Stockton, Bakersfield, Callexico, El Centro, Mendocino, Paso Robles counties
- KQEB – offers programs in Cantonese to the Bay Area’s Chinese community
- KSQQ Sound of Hope Radio, which serves the Bay Area’s Chinese community
- KVTO-Sing Tao Radio, which offers programs in both Mandarin and Cantonese serving the Chinese population in the Bay Area
- China Press, World Journal and Tsing Tao Daily, which serves the Chinese population throughout the Bay Area

### **Allconnect**

PG&E continued the new movers through a campaign delivered via Allconnect, a service available to those who would like help setting up cable, internet and satellite serves when moving to a new home or apartment. In 2016, PG&E enrolled over 3,700 customers onto the CARE Program through its partnership with Allconnect.

Sample Allconnect creative:



### **Community Events**

In 2016, PG&E participated in select Hispanic and Chinese community events to engage with customers about the CARE and ESA Programs.

*Chinese Lunar New Year*



In 2016, PG&E participated in the San Francisco Chinese Lunar New Year celebration in San Francisco. The San Francisco Chinese Lunar New Year Festival Community Fair in Chinatown was held on February 20-21, and attracted over 600,000 people. The PG&E outreach team leveraged this popular community event to engage with Chinese-speaking customers about the CARE Program and ESA Program, as well as other PG&E programs and services that help customers save money and energy. Before the events, PG&E promoted both the CARE and ESA Programs on Chinese language radio stations, and ran print advertising the week prior to the event to drive foot traffic to the PG&E booth. Staff at the booths were able to engage with customers in-language to educate them about the programs and support enrollment on-site. In total, the event drove an estimated 5,000 visitors to the PG&E booth, and over 300 applications for the CARE program.

Sample event photos:



#### *Grocery Stores*

In November and December 2016, PG&E launched a series of outreach events at Hispanic grocery stores throughout Northern California with the objective of educating and enrolling customers in the CARE Program and ESA Program. Similar to previous



community events, PG&E promoted the CARE Program and ESA Program through radio endorsements leading up to these grocery store events, day-of in store announcements, and through one-on-one conversations at the events.

The PG&E outreach team held four, two-day grocery store events, engaging with customers in Spanish. Despite some weekends with inclement weather, PG&E reached over 3,000 customers during the course of this outreach campaign. Over 300 application forms were filled out across the four events, and more than 400 were taken home. 39 CARE enrollments were processed in 2016, with further enrollments expected to roll over into January 2017 based on application processing dates.

Sample event photos:

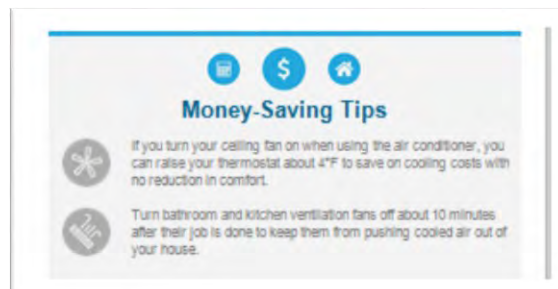
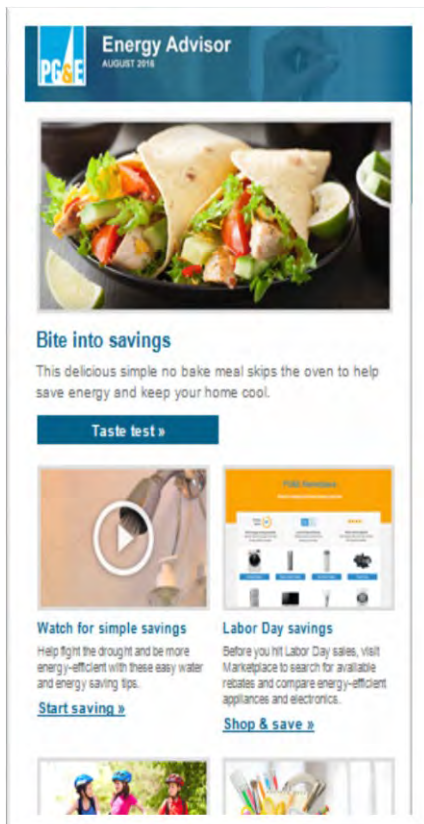




### **Digital Newsletter and Home Energy Report**

In 2016, CARE continued its monthly digital newsletter targeting customers with a high propensity for eligibility in the CARE and ESA Programs with the purpose of building awareness for both programs. The CARE Program was highlighted in the March and November digital newsletters, which generated an average 23% open rate and a 2% unique click-thru rate. In the other months, the digital newsletter provides energy savings tools and tips to help customers better manage their energy usage.

Sample digital newsletter:



Additionally, PG&E launched the CARE Program module for the electronic version of the Home Energy Report (e-HER) in October and November, and the print version of the Home Energy Report in February and March. The electronic version of the Home Energy Report was sent to over 16,500 e-HER recipients, generating a 0.7% unique click-thru rate. The Home Energy Report was sent to customers deemed most eligible for the CARE Program according to the probability model and to customers currently receiving the Home Energy Report.

Sample Home Energy Report creative:



**Need help paying energy bills?**

Apply for a significant monthly discount with CARE. PG&E's California Alternate Rates for Energy (CARE) Program offers a 30%\* or more monthly discount on your energy bill for income-qualified households.

Over 1.4 million customers participate in the CARE Program today. Applying is simple and secure.

\*30% or more savings for gas and electric customers; 20% or more savings for gas-only customers.

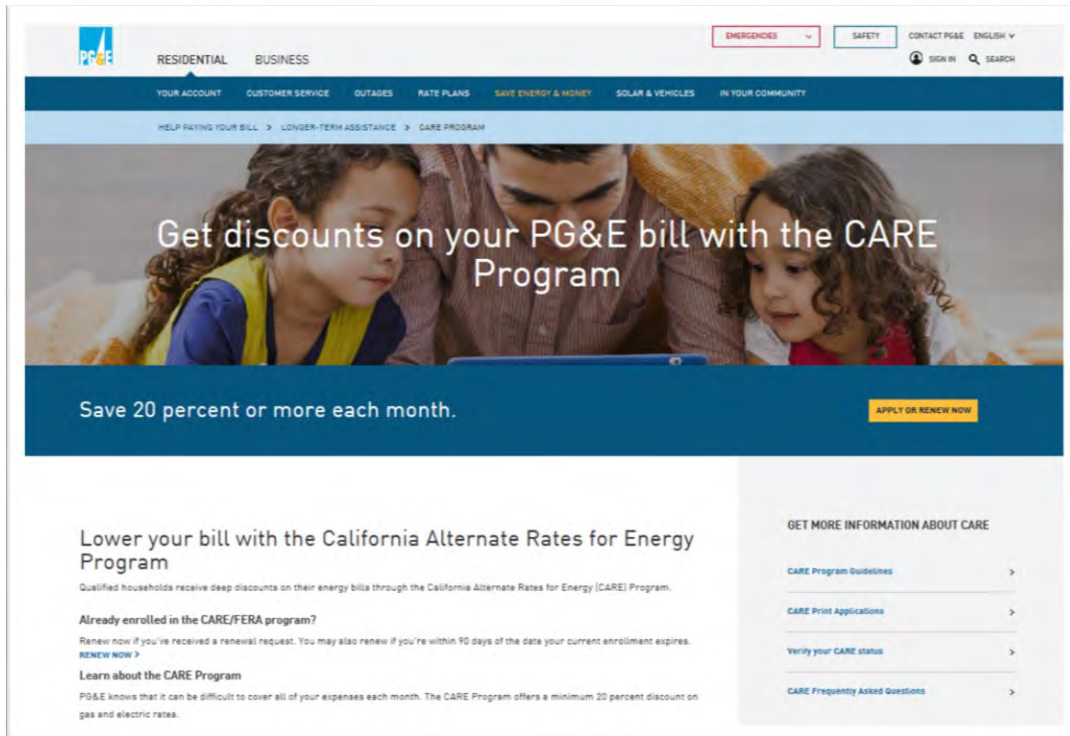


Get started today at [pge.com/joincare](http://pge.com/joincare).

## Website

In July 2016, PG&E relaunched the web portal with a new design to make the site more accessible to customers with a variety of needs, including the redesign of the CARE program pages.

Sample PG&E homepage:



PG&E RESIDENTIAL BUSINESS

EMERGENCIES SAFETY CONTACT PG&E ENGLISH

SIGN IN SEARCH

YOUR ACCOUNT CUSTOMER SERVICE OUTAGES RATE PLANS SAVE ENERGY & MONEY SOLAR & VEHICLES IN YOUR COMMUNITY

HELP PAYING YOUR BILL LONGER-TERM ASSISTANCE CARE PROGRAM

**Get discounts on your PG&E bill with the CARE Program**

**Save 20 percent or more each month.**

[APPLY OR RENEW NOW](#)

**Lower your bill with the California Alternate Rates for Energy Program**

Qualified households receive deep discounts on their energy bills through the California Alternate Rates for Energy (CARE) Program.

**Already enrolled in the CARE/FERA program?**

Renew now if you've received a renewal request. You may also renew if you're within 90 days of the date your current enrollment expires. [RENEW NOW](#)

**Learn about the CARE Program**

PG&E knows that it can be difficult to cover all of your expenses each month. The CARE Program offers a minimum 20 percent discount on gas and electric rates.

**GET MORE INFORMATION ABOUT CARE**

- [CARE Program Guidelines](#)
- [CARE Print Applications](#)
- [Verify your CARE status](#)
- [CARE Frequently Asked Questions](#)





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[COMUNIQUESE CON PG&E](#)
[ESPAÑOL](#)

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[BÚSQUEDA](#)

[SU CUENTA](#)
[SERVICIO AL CLIENTE](#)
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[PLANES DE TARIFFAS](#)
[AHORRE ENERGÍA Y DINERO](#)
[ENERGÍA SOLAR Y VEHÍCULOS](#)
[EN SU COMUNIDAD](#)

[AYUDA PARA PAGAR SU FACTURA](#)
[ASISTENCIA A LARGO PLAZO](#)
[CARE PROGRAM](#)



# Obtenga descuentos en su factura de PG&E con el Programa CARE

Ahorre un 20 por ciento o más cada mes. [INSCRÍBASE AHORA](#)

## Obtenga información sobre el programa California Alternate Rate for Energy (CARE)

En PG&E sabemos que puede ser difícil cubrir todos sus gastos cada mes. Por eso ofrecemos el Programa California Alternate Rates for Energy (CARE). CARE le brinda a los hogares que reúnen los requisitos grandes descuentos en sus facturas de energía.

### 1 Descubra si reúne los requisitos

CP 2

Los requisitos de CARE se basan en la cantidad de personas en su hogar y el total de sus ingresos brutos en el hogar.

### OBTENGA MÁS INFORMACIÓN SOBRE CARE

- [Requisitos del Programa CARE](#)
- [Imprimir las Solicitudes para CARE](#)
- [Verifique su estado de CARE](#)
- [Preguntas Frecuentes sobre CARE](#)





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[太陽能與車輛](#)
[我的社區](#)

[幫助支付帳單](#)
[長期協助](#)
[CARE PROGRAM](#)



# 加入CARE Program，享受PG&E帳單折扣優惠

每月省下至少20%的費用。 [立即申請](#)

## 了解California Alternate Rates for Energy Program

PG&E了解您的家人或您，希望透過提供帳單折扣來減輕壓力。因此特別提供California Alternate Rates for Energy Program（加州能源替代費率計劃，以下簡稱CARE）。此計劃提供符合資格的家庭享有大幅的能源使用折扣優惠。

### 1 了解您是否符合資格

CP 2

CARE資格條件取決於家庭人口和家庭總收入。

家庭人口	家庭總年收入*
1-2	\$12,000 或以下

### 了解更多關於CARE

- [CARE申請辦法](#)
- [如何CARE申請](#)
- [關於您的CARE申請進度](#)
- [CARE常見問題](#)



## Retention Campaigns

### Welcome Kit

In 2016, the PG&E outreach team continued the Welcome Kit communications to newly enrolled CARE customers. The Welcome Kit is designed to welcome customers into the CARE Program and provide them with a record of their CARE discount expiration date. In addition, the Welcome Kit highlights the significant savings customers will see on their energy bills, helps customers understand their energy bills and manage their energy usage, learn about other energy savings tips, tools and programs, as well as inform them about important requirements for staying on the program. The Welcome Kit is sent monthly to new customers via mail or email.

As part of the Welcome Kit, PG&E encourages customers to sign up for the ESA Program to help manage their energy usage. In 2016, the email version of the CARE Welcome Kit generated an overall 35% unique open rate with a 10% unique click-thru rate.

Sample Welcome Kit creative:

Save Even More in **3** Easy Steps.

**Step 1: Understand Your Energy Bill.**  
Take a closer look at your bill to understand account savings and program details, then save more at [pge.com/myenergy](http://pge.com/myenergy).


- 1. Your Account Summary:** A snapshot of your bill and related payments, charges and balance.
- 2. Savings Plan:** Break down your account and any special programs that may affect your bill charges.
- 3. New Careload Programs:** Plan new programs like CARE and any other details that affect your bill.
- 4. Monthly Billing History:** A look at your energy usage and monthly charges over the past year.

Gain more control with **My Energy**. Get personalized tips and tools to help control your energy use. Register for My Energy at [pge.com/myenergy](http://pge.com/myenergy).

**Step 2: Manage Your Energy Use.**  
Even small changes can save energy and money every day.


**ENERGY TIP**

Set your thermostat to 78°F or higher in the summer, and 68°F or lower in the winter.




**ENERGY TIP**

Wash hot loads or laundry with cold water. You'll save about 15% of the energy your washing machine would use to heat water.



**ENERGY TIP**

Set your refrigerator to 38°F in spring and your freezer to 0°F. How? Turn the coils and clean and leave them for air circulation.



**Save & Stay Safe**  
If you smell gas, leave the area immediately, then call 911 and PG&E at 1-800-743-5000.

**More Energy Tips**  
Get more energy tips by signing up to receive email communications on [pge.com/myenergy](http://pge.com/myenergy) under Profile & Alerts.

**Gain more control with My Energy**  
Get personalized tips and tools to help control your energy use. Register for My Energy at [pge.com/myenergy](http://pge.com/myenergy).  
By entering your email address, you are authorizing PG&E to send you information from time to time regarding your PG&E utility service and PG&E programs and services that may be available to you.

**Step 3: Apply for Other Savings Programs.**  
You could save more energy and money with the Energy Savings Assistance Program, which provides home improvements at no cost.

**Potential Home Improvements**

1. Door Weatherstrip
2. Attic Insulation
3. CFL Bulbs
4. New Refrigerator
5. New Furnace
6. Low-flow Showerhead
7. New Water Heater
8. Water Heater Blanket
9. Faucet Aerator
10. AC Tune Up

Apply today at [pge.com/energysavingsnow](http://pge.com/energysavingsnow)

