



CAC Item C6
Staff Report Item 17

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, VP Marketing and Account Services
JP Ross, VP Local Development, Electrification, and Innovation

SUBJECT: Overview of SMUD EnergyHELP and Connected Communities
(Informational Item)

DATE: March 17, 2021

Recommendation

Receive a summary overview of the SMUD EnergyHELP program, as an example of what a municipal utility is doing to support customers struggling to pay bills; how this does and does not apply to EBCE; and, plans for future customer payment support programs through Connect Communities

Background

The Sacramento Municipal Utility District (SMUD) is a municipal utility that provides customers with electricity service as well as the distribution of power. The SMUD EnergyHELP¹ program allows a customer to identify a specified amount be added to their bill each month and then donated to a charity partner of the customer's choice. According to SMUD's website, 14,000 customers participate in the program which has supported 37,000 households (<5% of EBCE accounts) in its nearly 17 years of operation. Donations are not directly applied to specific customer bills to avoid arrearage that could result in disconnection.

The charity partners are non-profit organizations that provide various social services. A list of charities and services are provided in the table below.

¹ <https://www.smud.org/en/In-Our-Community/Help-your-Community>

Charity Partner	Services
Community Resource Project	Improving opportunities for people in need through energy efficiency, health and education.
Folsom Cordova Community Partnership	Enhancing the health, education, and well-being of our community by assisting those in need
LAO Family Community Development Inc.	Advancing the economic well-being of our community through employment, housing, education and support services
Sacramento Food Bank & Family Services	Giving a hand up, rather than a hand out through grassroots community involvement
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Analysis & Discussion

SMUD provides both generation service and delivery service. This differs from EBCE who provides only generation service, while PG&E charges customers for delivery. In our case, a customer may be disconnected only by PG&E.

In the normal course of business, PG&E will disconnect an electricity customer for nonpayment per Electric Rule 11² as summarized below:

- PG&E must provide a 15-day, 48-hour, and 24-hour notice.
- PG&E must offer payment arrangements for a twelve (12) month duration.
- PG&E offers to enroll eligible customers in all applicable benefit programs administered by PG&E
- Customers shall not be disconnected if they currently have a Low-Income Home Energy Assistance Program (LIHEAP) pledge pending.
- PG&E shall visit, in-person, special needs profiled customers that have previously been identified as Medical Baseline, Life Support, or has self-certified that they have a serious illness or condition that could become life threatening if service is disconnected, within the 48 hours prior to, or at the time of, service termination.
- Service may be terminated to any customer, including special needs profiled customers who do not comply with a payment arrangement.
- When the customer and PG&E have agreed upon payment arrangements, PG&E will not terminate service as long as the customer complies with the arrangements. However, if the customer fails to comply, PG&E may terminate services the customer is receiving after notice is given.

EBCE may send a customer to PG&E service based on its Delinquent Accounts and Collections Policy, most recently updated in January 2021³, based on the following:

- Customer with an outstanding balance for EBCE charges exceeds \$250 in charges overdue for more than 90 days.

² https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_11.pdf

³ https://res.cloudinary.com/diactiwk7/image/upload/v1610763039/Item_12_-_Extension_of_Payment_Policy_SfIDrg.pdf

- The customer will be provided 60 days to pay or make payment arrangements.
- If payment in full is not received within 60 days from the date of notification, or the terms of an activated payment arrangement are not fulfilled, the EBCE customer account may be closed and returned to PG&E bundled generation service.

Forgiving or paying off EBCE charges on customer accounts could, in theory, help avoid disconnection if the customer utilizes those savings to pay off outstanding balances due to PG&E. However, if a customer continues to carry a balance with PG&E and does not take any of the above noted actions, per Rule 11, even with a zero balance with EBCE, a customer could still be disconnected.

The CPUC has required its regulated utilities to make plans for dealing with customer debt as a result of COVID. Staff is currently tracking the development of a [PG&E COVID-19 Emergency Customer Protections Transition Plan](#)⁴. This draft plan outlines how PG&E intends to manage disconnections, presents initial potential payment plan options, and describes the reinstatement of low-income program participation verification. Staff attended a presentation of this plan given by PG&E to the CPUC's Low Income Oversight Board on March 11, 2021 [JR1][AH2][JR3]. Staff is also providing comments to the Order Instituting Rulemaking to Address Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic (R.21-02-014)⁵ to ensure the fair treatment of EBCE customers.

Rather than mirror the SMUD program or rely solely on PG&E's efforts, staff recommends we find meaningful ways to avoid customer disconnections. A portfolio of efforts is managed through the Connected Communities Program.

- **Focus Groups** - EBCE is convening focus groups with customers that have experienced arrearage and disconnections to understand the challenges customers have in paying their bills. The first round of focus groups has been completed in English, Spanish, and Cantonese. These focus groups have identified a series of insights that EBCE will continue to explore in a second round of meetings, which will include a session in Tagalog. EBCE will use the insights gained from these focus groups to structure outreach and bill payment programs and discounts for customers struggling to pay their bills.
- **CARE/FERA Enrollment** - EBCE conducts regular direct email outreach to provide potential participants with information and enrollment applications for CARE and FERA, which provide discounts of 17 to 35% on energy bills. EBCE has created an information page on our website with a video about how qualification guidelines and ways to enroll at ebce.org/care.

⁴ https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2021/02/E_Pacific-Gas-Electric-PGE_-Emergency-Customer-Protections-Transition-Plan_Draft.pdf

⁵ <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M366/K563/366563533.PDF>

- **Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT)** - These programs will give CARE customers living in the top 25% of CalEnviroScreen 3.0 census tracts an additional 20% discount on their bundled rate. There are approximately 15,000 accounts that are eligible for DAC-GT and CS-GT across EBCE's service territory. EBCE will be rolling out this program after the CPUC approves the advice letter submitted in September 2020. EBCE will be able to offer this discount to approximately 1,800 accounts and will be evaluating the impact of this discount on customer arrearages and likelihood of disconnection.
- **Arrearage Management Program (AMP)** - This Program is a CPUC-sponsored program that provided customers with debt forgiveness if they are able to pay current bills over the course of a year. Eligible customers can erase 1/12 of their current debt each month they pay their current due amount. This will allow customers to erase their debt balance over the course of a full year. EBCE will be encouraging customers to participate in this program and evaluating the results to determine the effectiveness of this intervention in reducing arrearage and likelihood of disconnection.
- **Solar PV for customers in arrears** - EBCE is partnering with Grid Alternatives to leverage the Disadvantaged Communities Single-Family Affordable Solar Homes (DAC-SASH) incentive to provide solar photovoltaic systems to a limited number of homeowners in EBCE territory that are in arrears and face the threat of disconnection. EBCE is funding the cost gap between available incentives and the cost of installing a solar system to offer this program to customers. Grid Alternatives is completing customer outreach and using local labor to install the systems.

Staff will continue to track PG&E efforts related to debt relief and customer payment plans, as well as build out the portfolio of efforts under Connected Communities.

Attachments:

- A. Connected Communities presentation

MARCH 2021

Connected Communities

EBCE's Efforts to Reduce Utility Disconnections



CPUC/PG&E Disconnection Overview

- In normal course of business EBCE cannot disconnect customers. EBCE has the option to send non-paying customers back to PG&E, and PG&E can disconnect a customer according to Rule 11, which requires multiple notifications and steps prior to disconnection.
- The CPUC has instituted a disconnection ban until July 1, 2021.
- The CPUC is now requiring load serving entities (LSEs) to offer programs, such as the Arrearage Management Plan (AMP), to help customers reduce outstanding debts.
- The CPUC continues to review the impact of COVID on a customer ability to make payments through the Low-Income Oversight Board and a proceeding to address “Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic”.

EBCE Arrearage and Disconnection Overview

- Since COVID-19 EBCE has not sent customers back to PG&E for non-payment.
 - Current suspension of non-payment policy in place until April 21, 2021. Staff will ask for extension until July 1, 2021 at the April board meeting.
- EBCE has not referred customers with unpaid debt to collections agencies, which could result in reduced credit scores and further impact their borrowing potential.
- EBCE can forgive customer debt, but this does not directly impact PG&E's disconnection decision, as PG&E disconnection is based on PG&E debt, not EBCE debt.
- EBCE increased its uncollectable debt budget by 4x from \$2.4M in FY'20 to \$9.9M in FY'21, the mid-year budget update now forecasts uncollectable debt at \$10.9M.

SMUD EnergyHELP Summary

CHARITY PARTNER	SERVICES
Community Resource Project	Improving opportunities for people in need through energy efficiency, health and education.
Folsom Cordova Community Partnership	Enhancing the health, education, and well-being of our community by assisting those in need
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- The SMUD EnergyHELP program has been operating for 17 years and ~14k accounts have participated
- SMUD provides funding for local CBOs that provide assistance to low-income households and the program estimates that ~37k households have been supported
- SMUD and its partners do not provide direct bill debt relief or payment through this program
- EBCE has provided \$1.3M in grants to local CBOs since COVID-19

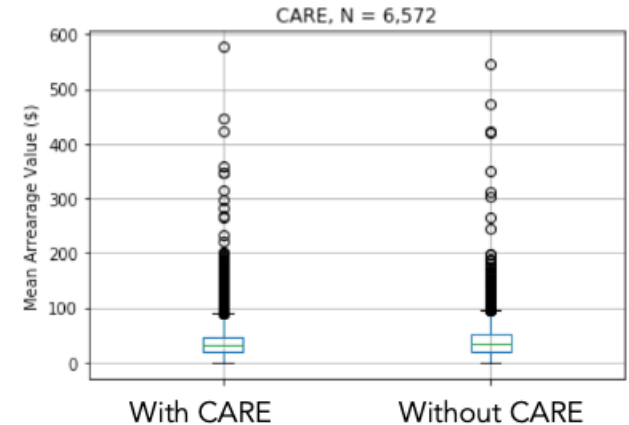
CONNECTED COMMUNITIES

Goal - Reduce arrearage and disconnections for EBCE customers

- Use data to drive decisions about program design and outreach
 - Review past arrearage and disconnection data to predict propensity for non-payment
 - Complete customer focus groups to understand why customers are not paying bills on-time or at all
- Partner with UC Berkeley to analyze arrearage data and design test interventions that effectively reduce arrearages and disconnections, including:
 - DAC-GT / CS-GT
 - Arrearage management plan
 - Usage/bill notifications
- Additional options surfaced by focus groups

CARE / FERA IMPACTS ON ARREARAGE ARE MARGINAL

- EBCE evaluated data for CARE/FERA customers on electricity usage and arrearage
- Existing data indicates that CARE /FERA have a marginal impact on arrearage and disconnection rates
- Arrearage declines by ~\$3 while the bill reduction from CARE is much larger (~\$30-\$40/month)
- Disconnection rates declined minimally when comparing CARE to non-CARE customers
- Customers may be using savings from CARE to pay other bills



This figure shows the mean arrearage for customers with and without CARE. The mean arrearage amount with CARE is marginally lower.

CARE/FERA OUTREACH GRANTS

- EBCE ran a solicitation for Community Outreach partners in August 2019¹
 - Objective to work with trust community-based organizations (CBOs) to encourage CARE enrollment within targeted zip codes
- Selected CBOs
 - Spectrum Community Services (Hayward): a non-profit that assists low-income individuals, families, and seniors through programs like Low Income Home Energy Assistance Program (LIHEAP), Low Income Weatherization Program, and Meals on Wheels
 - Interfaith Power and Light (Oakland): a statewide network of almost 700 congregations (~50 in EBCE territory) of all faiths committed to addressing climate change
- Each organization received a \$10,000 grant for CARE/FERA outreach and enrollment with a goal of 500 enrollments
 - Outreach included: direct 1:1 interactions, presentations, tabling, leadership trainings, e-newsletter, social media, and flyers.
- Successfully enrolled ~100 customers despite grant outreach running through Spring 2020 COVID-19 shutdown
- Lessons Learned
 - Many customers already enrolled in CARE
 - Ongoing technical issues with PG&E enrollment process
 - Allow for more time for ramp up

DISCONNECTION PROPENSITY MODEL

- Data team continues work that was initiated with UC Berkeley Data science team to build a disconnection propensity model
 - Accuracy was limited by a lack of household level income data
 - EBCE tested outreach through email and outbound calls to attempt to enroll customers in CARE using this data, but results were mixed, and outreach through outbound calling was expensive (\$4.50/call)
- Continuing to develop propensity model and adding new sources of data
 - Requesting more data from PG&E on past payment/disconnection
 - DMV records to scrape Kelly Blue Book vehicle resale value as proxy for income
 - Purchasing data from companies that can provide household level insights
- An accurate propensity model would allow EBCE to target efforts to those customers most at risk of disconnection

CUSTOMER FOCUS GROUPS

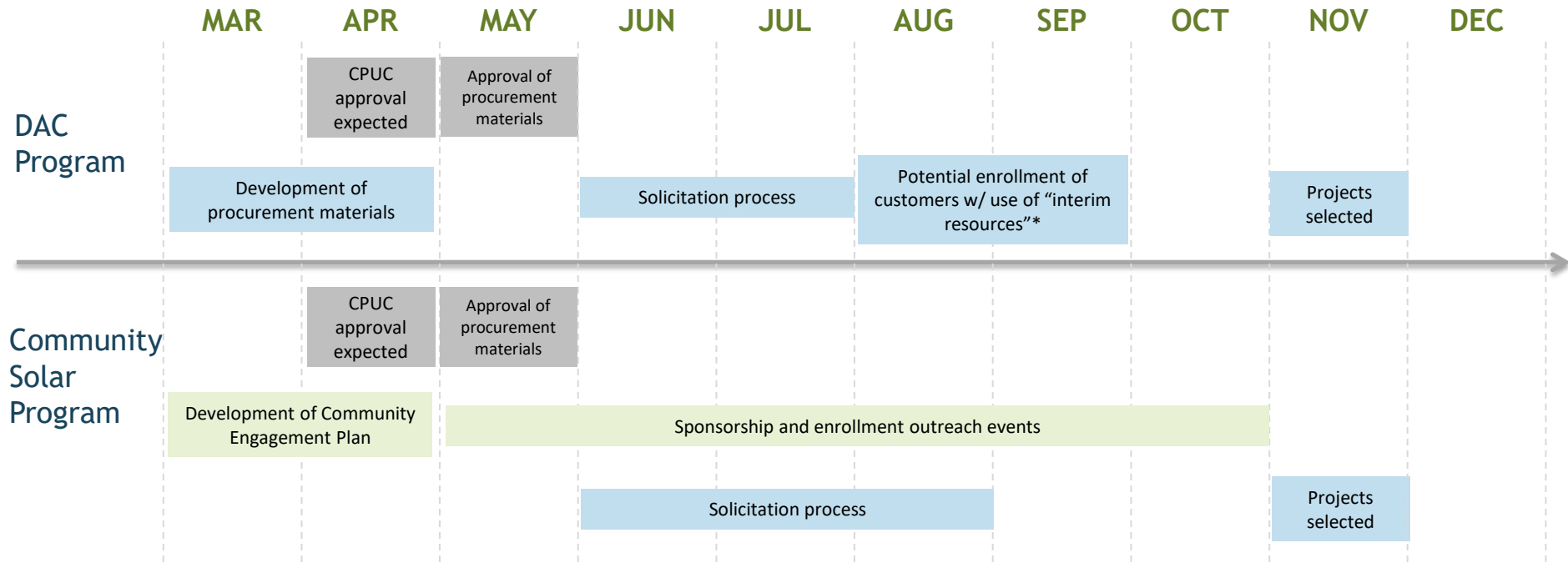
- EBCE hired consultant, EJ Solutions, to facilitate customer focus groups to identify challenges in paying bills and identifying potential solutions.
- Conducting 9 focus groups in 3 languages (English, Spanish, Cantonese) between November and March
- Focus groups have identified challenges with existing programs such as CARE and automatic payment plans as well as PG&E call center processing, bill comprehension, and payment options.
- We are now extracting lessons for EBCE program enrollment such as our Low-Income Energy Efficiency program and potential new interventions to test impacts in reducing arrearages.

DAC-GT/CSGT Program Summary

- **Both programs** allow CARE and FERA-eligible customers living in disadvantaged community (“DAC”) census tracts to receive 100% solar energy at a 20% discount on their electric bills.
- The key difference between the two programs is that the Community Solar Green Tariff program requires a **community sponsor of the project** and will result in projects **located within five miles of the community** it serves.

	DAC Program	Community Solar Program
Program Size:	~5.7 MW (serves ~1,700 customers)	~1.6 MW (serves ~450 customers)
Participant Requirements:	Residential customers who are CARE/FERA eligible and live in a DAC	At least 50% of participants must be residential customers who are CARE/FERA eligible; all participants must live in a DAC
Other Requirements:	N/A	<ul style="list-style-type: none">▪ Community Sponsor▪ Located within 5 miles of community served▪ Workforce development requirements

Preliminary Project Timeline (2021)



*Program rules permit energy providers to serve DAC program customers through already-existing solar projects that meet DAC-GT eligibility requirements on an "interim" basis until new projects come online.

Becoming a Community Sponsor: Overview

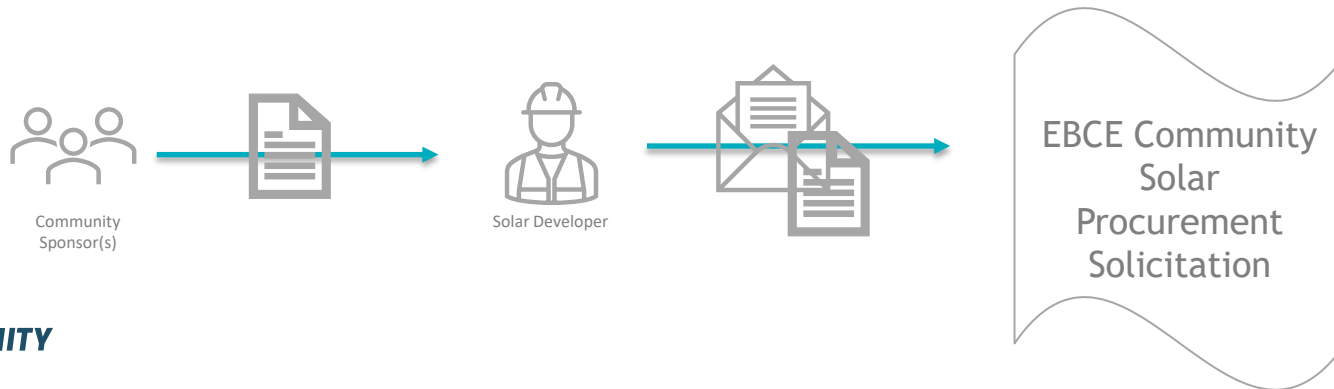
- **Eligibility:**
 - Non-profits, local governments, and schools
 - Located in a DAC that is within 5 miles of the project
- **Benefits to sponsor:**
 - 20% bill discount
 - May subscribe to up to 25% of solar project output
 - Potential to receive Marketing, Education & Outreach funds to educate and recruit subscribers
- **Sponsor's role: Help project developers and the community come together.**
 - Identify community-suggested project sites
 - Work with EBCE to conduct outreach and create interest in subscribing to the project
 - Provide a Letter of Commitment (see next slide)
- **Projects may have more than one sponsor.**

Community Sponsor “Commitment Letter”

The CPUC requires that project developers obtain a **letter of commitment from a project sponsor** that includes:

- “Demonstration of substantial interest of community members in subscribing to project;
- Estimated number of subscribers, with justification to ensure project is sized to likely demand;
- A preliminary plan to conduct outreach and recruit subscribers (which may be conducted in conjunction with the developer and/or EBCE); and
- Siting preferences, including community-suggested host sites, and verification that the site chosen for the bid is consistent with community preference.”

The sponsor provides the letter to the project developer, who includes it in their bid package to EBCE.



Next Steps Related to Community Sponsors

- **Development of an Engagement Plan for identifying Community Sponsors, including:**
 - **Engagement Principles**
 - Relying on best practices developed by CEJA, Greenlining
 - **Strategies and process for identifying project sponsors**
 - Potential examples:
 - Information Sessions: Hosting (virtual) information sessions for potential sponsors, including by leveraging existing partnerships and collaborating on events
 - Website Updates: Posting a form on EBCE's website where prospective Sponsors can express interest, and maintaining a list of interested sponsors on the site for potential Developers to contact
 - Matchmaking Events: Hosting a (virtual) developer/sponsor informal meet-and-greet
- **Upcoming meetings: Staff to seek CAC feedback on Engagement Plan and process for identifying project sponsors**

AMP - ARREARAGE MANAGEMENT PLAN

- Program to forgive debt to customers who have >\$500 in arrears to PG&E and have made payment
 - These are customers “on-the-bubble” who have shown some ability to pay but with significant debt accumulated on their account
- CCAs can participate and recover costs through Public Purpose Program Charge (PPPC).
- Allows forgiveness of arrearage amount up to \$8k/year
- Each monthly payment made by a customer forgives 1/12 of arrearage, after 12 monthly payments 100% of arrearage is forgiven
- If customer misses 2 consecutive monthly payments, they are removed from program for 1 year
 - Debt is forgiven each month, so even if customer doesn't complete the 12-month plan, some debt is still forgiven.
- PG&E has started enrolling. 311 EBCE customers already enrolled with 14k customers eligible. Average arrearage of EBCE enrolled customers is \$330
- EBCE is developing an outreach plan for education/enrollment.
- EBCE is working with UC team to determine options for robust evaluation of results.

GRID ALTERNATIVES SOLAR OFFER

- EBCE has partnered with Grid Alternatives to leverage DAC-SASH (Single-family Affordable Solar Homes) solar incentive and install solar on 7 homes at risk of disconnection.
- EBCE funding is filling the gap in DAC-SASH so that eligible customers can receive a free solar system including necessary service panel upgrades.
- EBCE is co-marketing with Grid Alternatives to enroll customers.



ADDITIONAL NON-DISCOUNT OPTIONS

- Based on our Focus Group discussions and in addition to testing bill discounts, we are evaluating other ways to increase payment and reducing arrearage such as:
 - Text message alerts/reminders when the bill is coming due
 - A concierge service to alert customers on auto-pay about upcoming payments and assist customers that need to change payment dates in order to avoid over-drawing accounts and paying bank fees
 - Encouragement₁ into autopay or other commitment devices
 - Information for understanding how bills work/bill literacy (see here₂ and here₃)

1 - https://www.mitpressjournals.org/doi/abs/10.1162/REST_a_00465

2 - <https://www.aeaweb.org/articles?id=10.1257/aer.104.2.537>

3 - <https://www.tse-fr.eu/sites/default/files/TSE/documents/sem2018/environment/shaffer.pdf>

SUMMARY

- EBCE has been supporting CBOs that provide relief to customers challenged to pay bills and suffering from COVID impacts to the economy
- EBCE has been working to provide customers with immediate relief while also using customer focus groups and data to identify options that will help our customers.
- The Connected Communities Program will deliver a suite of solutions from bill discounts to solar installations to assist customers in reducing late payments and debt.
- We need to identify scalable solutions that can grow with the size of this problem while still allowing EBCE to serve all customers with choice and competitive electricity.

3/15/2021

CAC Informational Update: DAC and Community Solar Green Tariff Programs

