Application No.: A.26-01-xxx
Exhibit No.: SDG&E-01
Witness: Kazeem Omidiji

PREPARED DIRECT TESTIMONY OF

KAZEEM OMIDIJI

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S

POLICY - ENERGY SAVINGS ASSISTANCE, CALIFORNIA ALTERNATE RATES FOR ENERGY, AND FAMILY ENERGY RATE ASSISTANCE PROGRAM PLANS AND BUDGETS FOR PROGRAM YEARS 2028-2033

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

January 16, 2026

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PREPARED DIRECT TESTIMONY OF KAZEEM OMIDIJI
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

1. INTRODUCTION

The purpose of this Prepared Direct Testimony is to present policy in support of San Diego Gas & Electric Company's (SDG&E) Application for Approval of the Income-Qualified Programs and Budgets for Program Years (PY) 2028-2033. Specifically, this Testimony addresses policy issues for the PY 2028-2033 Energy Savings Assistance (ESA) Program, California Alternate Rates for Energy (CARE) Program, and Family Electric Rate Assistance (FERA) Program (jointly referred to as SDG&E's "Income-Qualified Programs"). In addition, this Testimony presents recommendations to revise certain California Public Utilities Commission (Commission) adopted policies and rules for the ESA, CARE, and FERA programs beginning in PY 2028.

During the PY 2028-2033 cycle, SDG&E will continue its commitment to provide programs and services designed to meet the needs of its low-income customers who may benefit from SDG&E's Income-Qualified Programs.

2. PORTFOLIO GUIDING PRINCIPLES

2.1. Improve Affordability For All Ratepayers

San Diego County is experiencing a significant increase in the cost of living, which is disproportionately affecting low-income households. San Diego has also experienced the highest year-over-year inflation rate in the country.[1] As a result, low-income households continue to rely heavily on public and nonprofit assistance programs.

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1 *See* MSN, San Diego tops nation with highest inflation rate, new data shows (August 13, 2025), available at https://www.msn.com/en-us/money/news/san-diego-tops-nation-with-highest-inflation-rate-new-data-shows/ar-AA1Ku7cb?ocid=entnewsntp&pc=U531&cvid=6c2700f21c924b478e47c4511a9a0510&ei=40.

San Diego's cost of living has escalated by 20% in the past six years mainly due to factors such as rising housing prices, inflationary pressures on food, healthcare, and stagnant wage growth among low income earners.[2][3] According to the San Diego Foundation's *Economic Equity Report*, approximately 335,000 residents, including 86,000 children, live below the federal poverty line.[4] Furthermore, the report states that 38% of households spend more than 30% of their income on housing, and nearly 35% do not earn a self-sufficient wage.

The estimated annual income required for a family of four to meet basic needs in San Diego is approximately $95,000. However, a substantial portion of the population earns significantly less, particularly within Latino and immigrant communities, who also face systemic barriers to education and homeownership.[5]

This economic strain has led to increased reliance on assistance programs for many in San Diego. Below are examples of the support provided by assistance programs available in San Diego.

- The San Diego Food Bank distributed over 50 million pounds of food in the past fiscal year, with notable increases in demand from seniors;[6]

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[2] *See* San Diego Post, San Diego's cost of living jumps to $104,654—The biggest hike in the nation (March 13, 2025) available at https://www.sandiegopost.com/2025/03/13/san-diegos-cost-of-living-jumps-to-104654-the-biggest-hike-in-the-nation/

[3] *See* The Hill, Wage growth is sinking for poorest workers (August 19, 2025) available at https://thehill.com/business/5458142-inflation-wage-gap-widens/

[4] *See* San Diego Economic Equity Report (October 2023) at 5, available at https://www.sdfoundation.org/wp-content/uploads/2023/10/San-Diego-Economic-Equity-Report.pdf.

[5] *Id.*

[6] *See* San Diego Food Bank Annual Report 2024, available at https://www.sandiegofoodbank.org/about/annual-report-2024/.

- Feeding San Diego anticipates a surge in food insecurity following federal budget cuts to Supplemental Nutrition Assistance Program (SNAP) and Medicaid, which may affect over 65,000 and 327,000 residents, respectively;[7]
- San Diego Unified School District announced that it would support 34,000 students in the summer of 2025, serving as many as 250,000 meals.; and[8]
- Over 200,000 residents in San Diego County lack health insurance, and according to the San Diego Regional Policy & Innovation Center, an alarming number of San Diegans are struggling to pay for their housing and other basic needs.[9]

These statistics indicate a broader shift in the socioeconomic landscape, where emergency food and healthcare services are becoming essential for food-insecure households, seniors, and low-income families.

In this context, SDG&E's Income-Qualified Programs, including the ESA portfolio (ESA Main, Multifamily Whole Building and Electrification Pilot), CARE, and FERA programs, remain critical lifelines. These programs provide essential relief by reducing energy costs and improving energy efficiency for income-qualified customers.

However, managing program costs is equally important for sustainability. The financial support provided to income-qualified households through the ESA, CARE, and

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[7] *See* Feeding San Diego: Cuts to Medicaid and SNAP, available at https://feedingsandiego.org/cuts-to-medicaid-and-snap/.

[8] *See* San Diego Unified School District: 2025 Summer Learning Opportunities, available at https://www.sandiegounified.org/about/newscenter/all_news/2025_summer_learning_opportunities.

[9] *See* San Diego Economic Equity Report (October 2023), available at https://www.sdfoundation.org/wp-content/uploads/2023/10/San-Diego-Economic-Equity-Report.pdf.

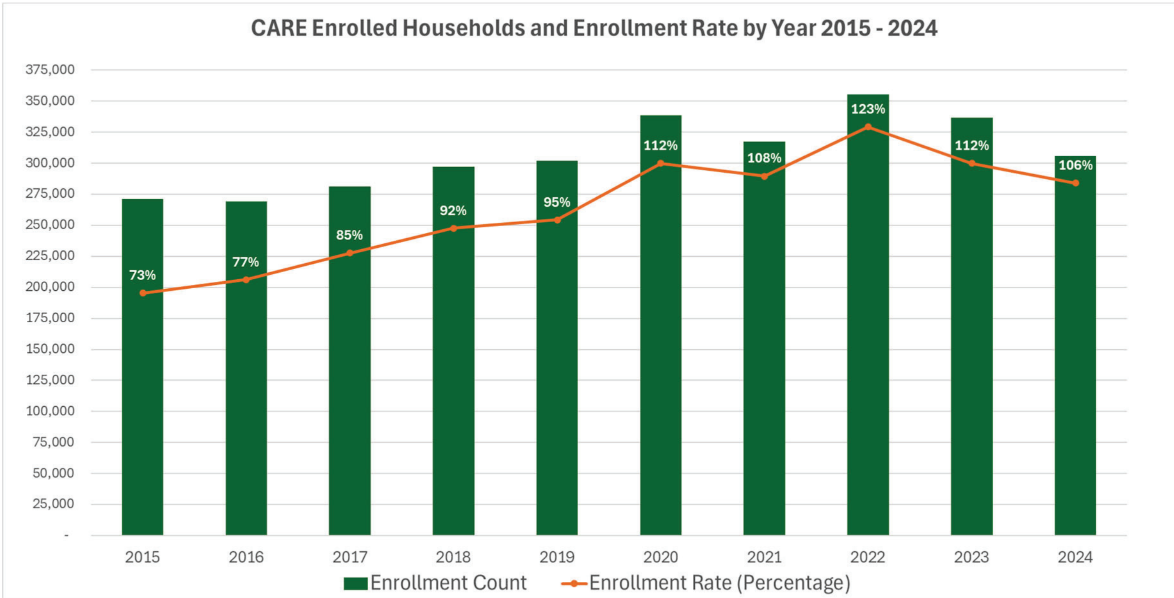
FERA programs is funded mostly by non-income-qualified ratepayers. As participation in these programs grows, so does the cost burden on the broader customer base. This dynamic necessitates a strategic balance between providing meaningful support to San Diego's vulnerable populations while maintaining fairness and affordability for all ratepayers.

In addition to receiving a 20% discount on natural gas charges and an effective 38% discount on electric charges, CARE customers benefit from an increased effective discount due to recent rate design changes.[10] Specifically, the implementation of the Base Services Charge (BSC) has enhanced the overall value of the CARE Program by setting the discounted monthly fixed charge of $6 for CARE customers, compared to a charge of approximately $24 for non-income-qualified customers. Figure 1 below illustrates the increased participation in SDG&E's CARE Program over the past ten years:[11]

[10] Decision (D.) 24-05-028, Conclusions of Law (COL) 11, and Ordering Paragraph (OP) 4; SDG&E Advice Letter (AL) 4588-E-A, approved February 19, 2025 and effective February 1, 2025. As noted in AL 4572-E-A, filed on January 24, 2025, when accounting for the benefits CARE customers receive from certain rate exemptions in addition to the fixed, line-item CARE discount of 35%, SDG&E estimates the total effective CARE discount to be approximately 38%.

[11] Enrollment rate data collected from California Energy Data and Reporting System (CEDARS) (CARE ENROLLMENT Power BI report at 33).

Figure 1: CARE Enrolled Households and Enrollment Rate by Year 2015-2024



As participation and associated costs grow, it is important to ensure these programs remain accessible to those who need them, while being mindful of the cost impacts for non-income-qualified customers. SDG&E is committed to maintaining thoughtful eligibility practices and sound program management to ensure that assistance reaches only eligible households, and that programs operate efficiently and fairly. SDG&E is proposing targeted improvements to its Income-Qualified Programs to enhance affordability, streamline operations, and better serve vulnerable customers. SDG&E plans to undertake the following activities to support this commitment:

- **Customer Segmentation Focus**: A refined ESA Main segmentation strategy will prioritize households based on location and environmental conditions, such as Tribal communities, disadvantaged areas, and regions impacted by extreme heat or wildfire risk, rather than previous need-state criteria. Community Based Organizations (CBOs) will play a central role in outreach and enrollment, leveraging their trusted relationships within the community to improve customer engagement.

- **Program Administration Cost Management**: SDG&E will manage its ESA Program administration cost to the 10% administrative cost cap using authorized program budgets.[12] This ensures consistent and predictable funding for essential administrative functions while providing the majority of program budgets towards customer services.
- **Multifamily Whole Building (MFWB) Program Redesign:** For multifamily properties, a tiered strategy will prioritize basic upgrades and introduce cost-sharing for complex projects. Additionally, SDG&E proposes transitioning the MFWB Program to a locally administered model to improve responsiveness and reduce administrative complexity.
- **Update Post-Enrollment Verification (PEV) Rate**: SDG&E reaffirms its commitment to maintaining a 90% enrollment rate for the CARE Program and proposes increasing the Post-Enrollment Verification (PEV) cap to 20%.
- **Pursuing FERA Program Enrollment Goal**: Through enhanced marketing and outreach aimed at increasing the reach of eligible FERA customers, SDG&E will continue striving to reach a 70% enrollment goal by the end of PY 2028-2033 cycle.
- **Update Categorical Eligibility (CE)**: SDG&E recommends removing the National School Lunch Program (NSLP) from CE as it is no longer a means-based program.[13] Promoting further efficiency, SDG&E proposes leveraging

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[12] D.21-06-015, OP 112.

[13] *See* National School Lunch Program Overview, California Department of Education, available at https://www.cde.ca.gov/ls/nu/sn/nslp.asp.

Low Income Home Energy Assistance Program (LIHEAP) data for automatic enrollment and recertification into FERA as income requirements between these two programs are more closely aligned.

By continuing to serve vulnerable customers with compassion and care, while also safeguarding affordability for all ratepayers, SDG&E can uphold its mission to deliver reliable energy solutions that support the well-being of the entire community.

2.2. Focus On Customer Needs And Benefits – "Be Customer Centric"

SDG&E proposes a comprehensive set of customer experience enhancements across its ESA, CARE, and FERA programs for PY 2028-2033. These improvements are designed to reduce enrollment barriers, streamline program delivery, and ensure equitable access to benefits for income-qualified customers.

- **Expand CARE and FERA Automatic Enrollment**: SDG&E plans to expand automatic enrollment by leveraging a data-sharing agreement with public assistance programs such as LIHEAP. This initiative will simplify the enrollment process for customers and improve access for eligible households;
- **Improve Marketing, Education and Outreach (ME&O) Efforts**: Outreach efforts will be strengthened through continued partnerships with over 200 CBOs in SDG&E's Energy Solutions Partner Network. Marketing and education initiatives will include culturally and linguistically appropriate materials, community events, and digital engagement strategies. SDG&E also plans to co-market with the California Emerging Technology Fund (CETF) to promote digital inclusion alongside energy assistance. ESA Main will adopt a location-based segmentation strategy to prioritize outreach and delivery to

customers in Disadvantaged Communities (DACs), High Fire Threat Districts, Heat Health Event Areas, and High Energy Burden Areas. Tribal communities will continue to receive focused engagement through a dedicated outreach team, including a Tribal Liaison and Community Relations Representatives, offering mini-grants to improve participation and trust within Tribal Nations;

- **Enhance Program Delivery and Reporting**: Program delivery will be refined to maintain flexibility while promoting deeper energy savings. SDG&E will retain the Basic and Plus tier structure, and emphasize health, comfort, and safety (HCS) benefits, particularly in areas with limited energy savings potential. Program reporting will be enhanced through household-level data and scorecard dashboards to improve transparency and program evaluation; and
- **Transition Regional to Local MFWB Model**: SDG&E proposes transitioning the MFWB Program from a Southern region administered model to a locally administered model. This change is intended to improve responsiveness, reduce administrative complexity, and better align with local customer needs. Key updates include streamlined enrollment, revised eligibility definitions, and replacing the Tenant Protection Agreement (TPA) requirement with references to existing state laws.

Workforce development will remain a priority, through continued support of local contractor training and skill development through partnerships and supplemental funding.

These efforts aim to ensure a qualified workforce capable of delivering program services effectively and equitably.

2.3. Support Clean Energy And Long-Term Decarbonization

SDG&E proposes a targeted Electrification Pilot (Pilot) as part of the ESA Program to support advancing California's clean energy, decarbonization and equity goals. The Pilot is designed to test the integration of electrification measures with weatherization and energy efficiency upgrades, emphasizing bill neutrality and customer education. This approach reflects lessons learned from prior pilots and addresses structural barriers to clean energy adoption in income-qualified households. The Pilot will target high gas usage and vulnerable households. A bill impact modeling tool will be used to help customers understand potential savings before installation. The Pilot is expected to generate actionable insights for future program design, including cost-effectiveness, workforce readiness, and customer acceptance.

3. PROGRAM OBJECTIVES FOR THE ESA, CARE, AND FERA PROGRAMS

3.1. ESA Portfolio

D.21-06-015 established the current ESA portfolio, which includes ESA Main, the MFWB Program, and Pilot Plus and Pilot Deep (PPPD). ESA Main offers no-cost weatherization services, energy efficient lighting, energy efficient appliances, energy education, and other services to income-qualified owners and renters of single family and mobile homes. The Southern Regional MFWB Program, which covers SDG&E, Southern California Gas Company (SoCalGas), and Southern California Edison Company (SCE) service territories, offers ESA services for in-unit, common area measures (CAM) and whole building measures to deed restricted and non-deed restricted multifamily customers. SDG&E is the administrator for the Southern Regional MFWB Program. Lastly, SDG&E's

PPPD provides more advanced measures designed to achieve between 5% and 50% energy savings for single family households.

D.21-06-015 directed the utilities to continue to incorporate the Commission's Environmental and Social Justice (ESJ) Principles through segmentation strategies and targeting underserved communities, such as DACs, Tribal lands, and customers in low income census tracts.[14] The Decision authorized measure delivery based on customers' need states (e.g., high usage, Medical Baseline, disconnections, wildfire prone) and ordered new leveraging activities to improve access to clean energy.[15] In addition, D.21-06-015 authorized an expansion of enrollment methodologies, including the implementation of treatment tiers and the introduction of ESA Program online enrollment efforts.[16] The Commission further provided utilities with discretion to adopt innovative enrollment strategies tailored to customers in distinct "need states."[17] Lastly, the Commission granted increased flexibility for program fund-shifting, established administrative spending caps for utility program operations, and enabled more agile modifications to ESA Program measures relative to prior program cycles.[18]

Considering the substantial program design and delivery reforms adopted in D.21-06-015, SDG&E proposes targeted and modest modifications to the ESA programs design for PY 2028-2033. The proposed adjustments reflect and incorporate stakeholder feedback and

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[14] D.21-06-015 at 407-409.

[15] Id.

[16] D.21-06-015, OP 57.

[17] *Id.,* OP 65.

[18] *Id.,* OP 181.

key lessons learned from the implementation of the significant changes mandated by D.21-06-015, which fundamentally restructured the ESA programs.

SDG&E witnesses Roland Mollen, Ty Tantum, and Mia Graff present written Prepared Direct Testimony for the ESA portfolio, including detailed program operations, ME&O plans, and budget proposals for PY 2028-2033.

3.2. California Alternate Rates For Energy (CARE) Program

The CARE Program is statutorily mandated by California Public Utilities (P.U.) Code Sections 739.1 and 739.2 to assist income-qualified households with a monthly discount on their gas and electric bills. The CARE Program currently provides a 20% discount on natural gas charges and a 38% effective discount on electric rates.[19] To qualify for the CARE Program, eligible customers must have a total household gross income no greater than 200% of the Federal Poverty Guidelines (FPG). Households that participate in certain means-tested assistance programs (referred to as Categorial Eligibility) are also eligible for CARE. The CARE Program is also available to non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers that meet CARE Expansion eligibility criteria. In September 2024, Assembly Bill (AB) 2672 was approved, which extends CARE Expansion eligibility to HomeKey housing facilities, administered by the California Department of Housing and Community Development (HCD).[20]

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[19] D.24-05-028, at COL 11 and OP 4; SDG&E (AL 4588-E-A, approved February 19, 2025 and effective February 1, 2025. As noted in AL 4572-E-A filed on January 24, 2025, when accounting for the benefits CARE customers receive from certain rate exemptions in addition to the fixed, line-item CARE discount of 35%, SDG&E estimates the total effective CARE discount to be approximately 38%.

[20] P.U. Code Section 739.1 as amended by AB 2672 effective September 27, 2024.

The Prepared Direct Testimony of Roland Mollen addresses CARE Program changes, budget proposals, and ME&O plans for PY 2028-2033.

3.3. Family Electric Rate Assistance (FERA) Program

The FERA Program is statutorily mandated by California P.U. Code Sections 739.1 and 739.12, provides an 18% discount on electric bills of households with total annual gross income between 200% (plus $1) and 250% of the FPG.[21] In September 2024, Senate Bill (SB) 1130 was approved, thereby expanding the eligibility to one and two-person households, provided they meet the income criteria of 200% (plus $1) to 250% of the FPG. Additionally, SB 1130 required the electric investor-owned utilities (IOUs) to report on their efforts to enroll customers in the FERA Program by March 1, 2025, and each year thereafter. The bill also requires the Commission to review each electrical corporation's report by June 1, 2025, and each year thereafter to ensure the electric corporation has sufficiently enrolled eligible households in the FERA program commensurate with the proportion of households the Commission determines to be eligible within the electrical corporation's service territory.[22] D.21-06-015 authorized the FERA program to be consolidated with the low income proceeding.

The program goals, budgets, and operations details are discussed in the Prepared Direct Testimony of Roland Mollen for FERA.

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[21] D.05-10-044, OP 3 at 34.

[22] P.U. Code Section 739.12 as amended by SB 1130 effective January 1, 2025.

4. SUMMARY OF ESA, CARE, AND FERA PORTFOLIO BUDGETS AND GOALS

4.1. ESA Portfolio Budget And Goals

For PY 2028-2033, SDG&E proposes an ESA portfolio budget of $194.8 million. Table 1 provides the portfolio budget for the ESA portfolio.

Table 1: PY 2028-2033 ESA Portfolio Budget

Program	Budget
ESA Main	$132,664,762
ESA MFWB Program	$54,393,653
ESA Electrification Pilot	$7,697,819
Portfolio Total	**$194,756,234**

The ESA portfolio is designed to deliver energy efficiency and HCS benefits to income-qualified customers while supporting California's long-term decarbonization goals. SDG&E proposes portfolio-level energy savings goals of approximately 14.5 million kWh, 4.11 MW, and 1.19 million therms for PY 2028-2033.

4.2. CARE Program Portfolio Budget And Goals

SDG&E's current enrollment rate for CARE is 101% of the eligible population, therefore, SDG&E proposes minimal changes for CARE for the PY 2028-2033 cycle.[23] SDG&E proposes to continue utilizing marketing and outreach to support CARE enrollment of hard-to-reach customers and to strengthen retention. The budgets related to CARE's goals are included in Attachment G Table B-1: CARE Program Budgets. In summary, SDG&E proposes a six-year administrative budget of $49.1 million and a forecasted discount of $1.3 billion.

[23] A.19-11-003, et al., Monthly Report of SDG&E on Low-Income Assistance Programs [ESA, CARE, FERA] for September 2025 (October 21, 2025).

SDG&E proposes the following policy updates for the CARE Program during PY 2028-2033 which are explained in Section V.D:

- Increase the Annual CARE PEV cap to 20%;
- Use of the statutory CARE income standard to determine CE programs; and
- Removal of the National School Lunch Program (NSLP) from the list of CE programs.

4.3. FERA Program Summary And Requests

For PY 2028-2033, SDG&E's efforts will be increasingly focused on pursuing the 70% enrollment goal given the higher eligible population that resulted from the enactment of SB 1130. To support the program plans, SDG&E proposes an administrative budget of $12.2 million which includes marketing and outreach, and a forecasted discount of $84.6 million.

SDG&E proposes the following policy changes for the FERA Program during PY 2028-2033 which are explained in Section IV.E:

- Request to modify the LIHEAP to CARE automatic enrollment requirement to include FERA automatic enrollment via data sharing; and
- Request to increase the capitation fee for FERA from $30 to up to $60 per enrollment.

5. POLICY CHANGE RECOMMENDATIONS

The following policy change recommendations are designed for the ESA, CARE, and FERA programs to enhance program effectiveness, equity, and administrative efficiency within the PY 2028-2033 cycle. SDG&E respectfully submits these policy change recommendations to support and facilitate alignment with the portfolio guiding principles.

5.1. Proposed Policy Changes Related Across Income-Qualified Programs (ESA, CARE, FERA)

5.1.1. Proposal to Maintain a Six-Year Program Cycle

In D.19-06-022, the Commission extended the program cycle from three to six years to "reduce administrative burden and allow for more continuity."[24] Consistent with this expanded program cycle, SDG&E received approval for a six-year portfolio and program budget. For PY 2028-2033, SDG&E proposes the continuation of the six-year program cycle for the ESA, CARE, and FERA programs. This proposal builds on the objectives set in D.19-06-022 to reduce the administrative burden and to provide certainty and stability in the delivery of program services for contractors, CBOs, and customers.

Maintaining a program cycle of six years offers significant administrative efficiencies for both the IOUs and the implementers and contractors involved in program delivery. Frequent solicitations are resource-intensive, requiring substantial time and coordination across multiple utility departments. On average, the development and execution of each solicitation spans approximately six to nine months, representing a considerable strain on organizational capacity.

For prospective bidders, the solicitation process can be complex and costly, demanding a high level of expertise and substantial investment of time to ensure compliance and completeness of proposals. These burdens can deter participation, reducing the pool of qualified candidates. A shorter program cycle further exacerbates this issue, as potential bidders may conclude that the effort required does not justify the limited opportunity, ultimately limiting competition and innovation in program delivery.

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[24] D.19-06-022 at 5.

The proposed six-year program cycle reflects stakeholder feedback from SDG&E's ESA Program contractors, who note that a longer cycle supports stable workforce investment and improved service delivery. It reduces program staff and contractor turnover risk and provides operational continuity. In contrast, shorter cycles create uncertainty, often requiring workforce reductions and rehiring, which can disrupt program implementation.

SDG&E recognizes that evolving climate policies and forthcoming studies may influence program design and implementation within the proposed six-year cycle. To accommodate these potential changes, SDG&E and the other IOUs propose an advice letter process to enable timely program modifications, as detailed in Section V.B. Additionally, SDG&E has outlined a preliminary schedule for the six-year cycle in Table 2, which includes key milestones such as solicitations, established program operations period, conducting evaluations and integration of study findings, and the anticipated timeline for submitting the next program application, all structured to be completed within the program cycle.

Table 2: Preliminary Schedule of Key Milestones for PY 2028-2033

Milestone	ESA Main	ESA Electrification Pilot	MFWB
Commission Decision	June 2027	June 2027	June 2027
RFP Release to Bidders	September 2027	September 2027	March 2028
Finalize Selection	November 2027	November 2027	May 2028
Process & Impact Eval Results – Current Cycle	Q4 2027	Q1 2028	Q4 2028
New Program Contracts Executed	April 2028	April 2028	October 2028
Implementer Ramp-Up Activities	May – July 2028	May - December 2028	November 2028 - January 2029
Established Operations	September 2028	February 2029	March 2029
Mid-Cycle Advice Letter	December 2030	December 2030	December 2030
Process Impact Eval Results – New Cycle	TBD 2030	TBD 2031 - 2032	TBD 2030

Milestone	ESA Main	ESA Electrification Pilot	MFWB
Application Filing for PY 2033+	January 2032	January 2032	January 2032

This schedule supports operational continuity, reduces administrative burden, and enhances service delivery. It is consistent with prior Commission direction and integrates stakeholder input, enabling stable workforce investment and minimizing disruptions from frequent solicitations. Therefore, SDG&E respectfully requests approval of its proposal to maintain a six-year program cycle for ESA, CARE, and FERA for PY 2028-2033.

5.1.2. Proposal for Low Income Mid-Cycle Advice Letter (MCAL) to Address Significant Program Modifications During the Program Cycle

SDG&E recommends retaining the Mid-Cycle update framework established in D.21-06-015.[25] However, SDG&E recommends that the Mid-Cycle report be submitted as a Tier 2 AL. This approach would provide the IOUs with a formal mechanism to propose adjustments to program goals, targets, and design elements, subject to stakeholder and Commission review and approval. Additionally, SDG&E proposes incorporating the CARE and FERA programs into the MCAL to facilitate comprehensive portfolio-level changes. Establishing a single MCAL filling for significant program changes is expected to enhance consistency across IOUs, streamline stakeholder engagement, and support Energy Division timely review and approval.

SDG&E is expecting the completion of both the Process Evaluation and Impact Evaluations, in 2027 and 2028 as ordered in D.21-06-015.[26] The purpose of these

[25] D.21-06-015, OP 179 at 519.

[26] *Id.,* OP 166 and OP 169 at 514-515.

evaluations is to "ensure that the program activities are consistent and producing intended outputs and outcome and to propose processes to help the program better achieve its goals and objectives."[27] The impact evaluations are particularly important to SDG&E, as the previous 2015- 2017 impact evaluation results did not provide statistically significant results for SDG&E and are nearly a decade old.[28] SDG&E expects the 2027-2028 studies to provide significant insights into the program design and the ESA's portfolio's potential to achieve its savings goals. Therefore, the MCAL will be filed no later than December 31, 2030, to accommodate study results and recommendations.

In D.16-11-022, as modified by D.17-12-009, the Commission delegated authority to Energy Division to approve budget and savings goal adjustments via a Tier 2 AL of not more than plus or minus five percent, with this authority set to expire at a specified time.[29] The decision anticipated that the Energy Efficiency Potential Study, Low-Income Needs Assessment (LINA), and Impact Evaluation would inform updates to savings targets.[30] Accordingly, the Commission directed the IOUs to adjust their 2019 and 2020 savings goals based on findings from these studies and submit a Tier 2 AL.

Similarly, the upcoming ESA Main and MFWB Program process and impact evaluations are expected to inform both program delivery strategies and measure-level savings values. Therefore, SDG&E respectfully requests that the Commission allow the IOUs to have the flexibility to use the MCAL in response to these evaluations, following the

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[27] *Id.*, at 396.

[28] 2015–2017 Final ESA Impact Evaluation Report (April 26, 2019) at 4, available at https://pda.energydataweb.com/#!/documents/2173/view.

[29] D.17-12-009, OP 3 at 453.

[30] *Id.,* at 51.

same approach previously approved by D.17-12-009. The MCAL enables IOUs to propose modifications to program design, and modifications to ESA Program goals based on the evaluation findings, without the need for a lengthier Petition for Modification or Tier 3 AL process. Therefore, SDG&E recommends the IOUs file the Tier 2 MCAL no later than December 31, 2030.

For significant changes that would require an increase in the ESA portfolio budget or reductions in goals that are not in response to the results of the impact and process evaluations, SDG&E proposes to continue to request these changes via a petition for modification or Tier 3 AL.

5.1.3. Request to Streamline Reporting

SDG&E proposes streamlining the monthly reporting process for the ESA, CARE, and FERA programs, to make reporting more digestible for stakeholders. SDG&E proposes utilizing the existing ongoing data visualization through California Energy Data and Reporting System (CEDARS) dashboards for ESA, CARE and FERA.[31] The IOUs can engage with the Energy Efficiency Reporting Project Coordination Group (EE PCG) to review the possibility of further leveraging these CEDARS dashboards to streamline low income reporting.[32] At the time of filing this application, Energy Division and the IOUs have begun discussions regarding streamlining reporting. Therefore, SDG&E is not proposing specific changes to metrics or tables in this testimony, and instead proposes the IOUs

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[31] *See* ESA, CARE and FERA dashboard displaying data beginning 2012 at Income Qualified Program Data - CEDARS.

[32] The IOUs hold regular data visualization meetings to discuss implementation, maintenance, and enhancement efforts of the online data management and visualization dashboard, CEDARS, where annual historical data on the CARE, FERA, and ESA programs is published, pursuant to D.21-06-015. PCG meetings are held regularly between Energy Division, IOUs, and other stakeholders to discuss enhancements to the EE reporting within CEDARS.

continue collaborating with Energy Division to align on the metrics that will be reported in the new program cycle to address the needs and interests of stakeholders and ensure that the data is comprehensive and presented in the most effective manner.

D.21-06-015 requires the IOUs to submit monthly compliance reports consisting of reporting tables and an Energy Division approved reporting template and format for consistency across the utilities. D.21-06-015 at OP 188 further allows the IOUs and Energy Division to determine if the online data management and visualization dashboard could replace the need for spreadsheet and PDF reports, and potentially update the annual data reporting and process.[33] Therefore, SDG&E proposes to continue working on a revised reporting scope and format to be determined by the IOUs in collaboration with the Energy Division, which would replace the existing narrative and Excel tables template. Previously ordered reporting data requirements will also be reviewed for relevancy when establishing the final reporting metrics recommendations, as there are several reporting requirements that may no longer apply, do not provide significant information, or may not be feasible. Similarly, while SDG&E does not propose specific changes to the annual report in this testimony, the annual report metrics are included as part of the group's discussion to identify opportunities to pare down the report and its format, including the narrative prompts and Excel tables.

SDG&E proposes that the IOUs maintain the option to file a Tier 2 AL if the Energy Division and/or IOUs determine that the online data management and visualization dashboard could replace the spreadsheets and PDF reports.[34] SDG&E will continue to

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[33] D.21-06-015, OP 188 at 522.

[34] *Id.*, OP 187 at 522.

comply with current reporting directives and templates for ESA, CARE, and FERA programs until a new reporting scope or format is determined.

5.1.4. Request for Continued Program Funding Beyond 2033 Absent a Timely Decision for the Next Program Cycle.

SDG&E respectfully requests that the Commission authorize the continuation of funding for the ESA, CARE, and FERA programs for 2034 and beyond at the levels approved for PY 2033, or at the level authorized for the final year of the current program cycle, in the event that a timely decision regarding the subsequent program cycle is not issued. This would prevent program interruption and a need to file for authorization for bridge funding in the interim while a final decision has not been issued for the next program cycle. This request is consistent with the Commission's directive in the Energy Efficiency Proceeding.[35]

The Commission's intent in adopting this policy in the Energy Efficiency Proceeding was to prevent funding gaps that could disrupt program operations and delivery. ESA Program contractors face similar operational uncertainty when regulatory decisions are delayed, potentially impacting program delivery for low-income customers. SDG&E respectfully requests that the same continuity provisions be extended to the income-qualified portfolio to support funding continuity for low-income customers.

5.1.5. Request to Modify the ESA Working Group (WG) to Include ESA, CARE, and FERA

SDG&E, in consultation with the other IOUs, recommends the ESA WG be replaced by an all-encompassing Income Qualified Programs (IQP) Workshop, occurring at a

[35] D.21-05-031, OP 9 at 82 (stating that energy efficiency funding "shall not lapse unless the Commission explicitly orders funding to cease.").

minimum twice a year for half a day, in person. This IQP Workshop would include the current ESA WG tasks that are still relevant in the next cycle, as well as any emerging topics inclusive of CARE and FERA.

The IOU proposal provides a forum and process to review programs together efficiently since the programs influence each other and have similar stakeholders. SDG&E presents the IOUs' proposal in further detail in the Prepared Direct Testimony of Roland Mollen for ESA, Section 15.

5.1.6. Request for Concurrent Application System (CAS) Budget

SDG&E is proposing to include funding to support on-going maintenance for CAS Phase I, ordered in D.23-05-006.[36] SDG&E received approval for funding through 2027 in AL 4543-E/3365-G, however the Commission directed the IOUs to include any additional funds beyond 2027 in their upcoming program Application. As such, SDG&E is requesting approval of Phase I maintenance costs through 2033. The request is further detailed in the Prepared Direct Testimony of Roland Mollen for ESA, Section 13.

5.1.7. Request for Removal or Modification of Other Compliance Requirements

SDG&E is proposing to retire or modify certain compliance requirements from prior decisions. These requirements have been identified as outdated, impractical, or more effectively addressed through alternative channels. By streamlining these obligations, SDG&E aims to reduce unnecessary costs and improve operational efficiency. The specific requirements are outlined in Appendix A: Compliance Requirements to Retire.

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[36] D.23-05-006, OP 2.

5.2. Proposed Policy Revisions Specific To ESA Programs

5.2.1. Request Fund Shifting Flexibility for ESA Programs (PY 2028-2033)

SDG&E requests that the entire ESA portfolio annual budget be treated as fungible throughout the six-year application cycle. This means that SDG&E is not restricted to spending within the confines of each individual year's budget. Instead, SDG&E may allocate and utilize funds at any point during the six-year period, as needed, to meet program and policy objectives. Funds may then be used for successful programs that support ESA portfolio goals or reduce/offset the need for additional revenue collection in subsequent program years. This approach supports SDG&E's ability to achieve portfolio level savings goals by providing flexibility to shift funds from underperforming programs to those that support achievement of energy savings goals.

SDG&E's proposal requests the following revisions to the fund shifting rules established in D.21-06-015, OP 181:

- **No Change:** Fund shifting of any amount between budget categories and between electric and gas budgets is allowed within the program year, with reporting of any shifts in the annual reports (no need for monthly reporting, and no need for advice letters unless otherwise noted below).

- **No Change:** This applies to the CARE and FERA administrative budgets (not discount budgets), and the total ESA Program budget (including administrative budgets).

- <u>Modify</u>: Any fund shifting must comply with the existing cap on ESA administrative costs (currently set at no more than 10 percent of total program ~~costs~~ ***authorized budget***, ~~or the Utilities' historical five-year average spend on administrative costs as a~~

~~percentage of total program costs budget, whichever is greater)~~, and any other caps established in this decision (minor home repairs, etc.) or future decisions, unless otherwise noted.

- **Modify:** Fund shifting ~~in and out~~ of ***any amount between*** the ESA programs ~~multifamily whole building (MFWB) programs, and pilots (including the Pilot Plus and Pilot Deep program), must be requested via a Tier 2 advice letter.~~, ***is allowed, with reporting of any shifts in the annual reports (not required for monthly reporting, and no required advice letters unless otherwise noted).***

- **Modify:** Fund shifting is ~~not~~ allowed between program years; any remaining uncommitted and unspent funds at the end of a program year ~~must~~ ***may*** be used to offset the next year's collection, ***or to support ESA portfolio goals within the cycle.***
    - ~~An exception to this rule is granted for the MFWB programs, pilots (including the Pilot Plus and Pilot Deep program), and studies (where funds may be rolled over to the next program year or borrowed from a future program year within the cycle, to allow for flexibility in scheduling changes with these efforts).~~

- **No change:** Fund shifting activities must also be reported to the Low Income Oversight Board (LIOB) via quarterly LIOB reports.

SDG&E's recommendations aim to allow the timely direction of resources where they are most needed without delay or administrative barriers. SDG&E's proposal includes continuing to report fund shifting activity via annual reports and LIOB quarterly meetings.

5.2.2. Request Consistent Application of ESA Utility Administrative Caps

SDG&E requests that the Commission apply utility administrative caps consistently across the ESA portfolio. In D.21-06-015, the Commission directed a 10% cap on utility administrative expenses for ESA Main based on total program expenditure, while the MFWB Program and PPPD were to utilize program budgets to calculate compliance with this directive.[37] The use of program expenditures as the basis for calculating the cap creates uncertainty in crucial funding that is necessary for day-to-day essential operations, such as IT system maintenance, contractor invoice processing, reporting management, and other essential operational activities which should not be subject to the variability of program expenditure.

On the other hand, the MFWB Program and Pilots are subject to the 10% administrative cost cap using authorized program budgets. This methodology ensures consistent and predictable funding for essential administrative functions. Therefore, to promote consistency and support operational continuity across the ESA portfolio, SDG&E requests that the Commission adopt a standardized approach to calculating utility administrative expenses based on program budgets for the ESA Main, MFWB Program, and proposed Pilot. This methodology is consistent with calculating the administrative cap in the Energy Efficiency Proceeding.[38]

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[37] D.21-06-015, OP 112 at 498-499; *see also id*., OP 150 at 510 and Attachment 2.

[38] Energy Efficiency Policy Manual Version 6 (April 2020) at Appendix C, available at 6442465683-eepolicymanualrevised-march-20-2020-b.pdf.

5.2.3. Request Change to ESA MFWB Local Administration

SDG&E is proposing to transition the MFWB Program from a regional model to a locally administered structure in the PY 2028-2033 cycle. SDG&E's request is informed by operational challenges, stakeholder feedback, and lessons learned during the PY 2021-2026 cycle. In addition, SDG&E does not believe it is necessary to include an Independent Evaluator or Procurement Review Group as part of its solicitation process, as required in D.21-06-015.[39] This proposal is detailed in the Prepared Direct Testimony of Roland Mollen for ESA, Section 7.

5.2.4. Request to Modify Definition of Multifamily Properties

SDG&E is proposing to modify the definition of multifamily properties ordered in D.21-06-015 to address barriers identified through the implementation of the MFWB Program.[40] The proposed definition supports the inclusion of the diverse housing configuration in multifamily properties, which will improve the delivery of the MFWB Program. This proposal is detailed in the Prepared Direct Testimony of Roland Mollen for ESA, Section 7.1.4.

5.2.5. Request to Eliminate Multifamily Properties Tenant Protection

SDG&E is proposing to remove the tenant protections requirements ordered in D.21-06-015.[41] SDG&E recommends leveraging compliance with existing state tenant protection laws, such as California's AB 1482, which provide robust statewide protections that apply to most properties in the SDG&E service territory. Instead of a standalone tenant protection agreement, SDG&E recommends referencing current laws in the program enrollment forms.

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[39] D.21-06-015 OP 116 at 500.

[40] *Id.*, OP 156 at 511.

[41] *Id.*, OP 139 at 506.

Details are contained within the Prepared Direct Testimony of Roland Mollen for ESA, Section 7.1.5.

5.2.6. Request to Eliminate Multifamily Central Portal

SDG&E proposes to discontinue the use and maintenance of the Multifamily Central Portal (MCP) ordered in D.21-06-015, due to its limited functionality and utilization, and redundancy to tools available through the IOUs or third-party implementers.[42] The portal, as envisioned in Section 6.2 of the Decision, did not evolve into the functional enrollment tool anticipated. Further details are included in the Prepared Direct Testimony of Roland Mollen for ESA Program, Section 7.2.3.1.

5.2.7. Request to Adopt Working Group Recommendation to Discontinue the Resource Test

D.21-06-015 directed the formation of a cost effectiveness sub-working group for the ESA Program to discuss various issues. Among other things, the sub-working group was asked to address two specific questions regarding the Resource Test: (1) How can the Resource Test continue to provide benefit to ESA Program decision making and program design, and (2) Should the Resource Test be continued or discontinued. The cost effectiveness sub-working group completed its Task 1 recommendations and submitted them to the Energy Division's Public Document Area (PDA) on March 30, 2023.[43] The recommendation from the sub-working group is to discontinue the use of the Resource Test because it has limited usefulness and does not provide a complete picture of the program. SDG&E requests the Commission adopt the working group recommendation to discontinue

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[42] *Id.*, OP 126 at 503.

[43] ESA Cost Effectiveness Sub Working Group DRAFT Progress Report for Task 1: Cost Effectiveness Test Considerations (March 2023) at 11-14 available at https://pda.energydataweb.com/#!/documents/2783/view.

the inclusion of the portfolio level Resource Test in future program applications. A detailed discussion is in Prepared Direct Testimony of Roland Mollen for the ESA Program, Section 9.1. The results of the Resource Test for PY 2028-2033 are presented in Attachment G Table 5.

5.2.8. Request to Add Natural Gas Appliance Testing (NGAT) as a Program Measure and Cost in the ESA Portfolio

SDG&E proposes to fully incorporate NGAT as a measure within the ESA portfolio, aligning its oversight, execution, and funding with the program it exclusively serves. This proposal would transfer NGAT costs from the General Rate Case (GRC), where they are currently approved, tracked and funded, to the ESA portfolio budget for approval in this proceeding and its successors.

NGAT is a safety protocol embedded within the ESA Programs, designed to identify potentially hazardous conditions caused by natural gas appliances. NGAT is conducted only in dwelling units that receive ESA infiltration reduction measures, such as caulking or weather stripping, and that contain at least one natural gas appliance affecting the living space. It is not a standalone inspection, but a required step in the ESA Program service delivery process to ensure the safe installation of energy saving measures.[44]

In alignment with Commission directives, NGAT has historically been funded through the GRC, and the IOUs have complied with this structure. The IOUs have previously requested to move NGAT funding from their GRCs to the ESA Program and have been denied this request.[45] The Commission has primarily asserted that safety is a core part

[44] California Statewide Energy Savings Assistance Program Policy and Procedures Manual, Chapter 10 at 46, available at https://pda.energydataweb.com/#!/documents/4144/view.

[45] D.05-04-052, OP 18 at 103-104 and at 68; D.08-11-031, OP 65 at 231.

of the utilities' general function and should be part of base rates, whereas ESA is focused on energy savings. While energy and bill savings remain the foundational goals of the ESA Program, the increased emphasis on HCS has also become core to the program, transforming these benefits into a critical and inseparable component of the program and directly enhancing the well-being and quality of life for participating households. For this reason, SDG&E believes revisiting how NGAT costs are integrated into the program budget warrants additional discussion to ensure the appropriate and efficient tracking of all customer benefits and costs offered through the ESA Program.

The Commission's approval of various safety-related measures within the ESA Program in D.21-06-015 further supports SDG&E's proposal to shift NGAT funding to the Income-Qualified Program portfolio as a measure. In the 2019 Applications filed by the IOUs, each IOU presented proposals to target specific customer segments with new measures, including many that were provided for safety reasons to specific customer segments.[46] The Decision ordered the IOUs to submit a Tier 2 AL with their proposed measure mix for approval.[47] As outlined in Table 3, in addition to the IOUs' standard measures, the IOUs introduced specific HCS measures that offered **no energy savings** but were targeting specific customer needs or provided added safety for customers.[48]

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[46] Applications of Pacific Gas & Electric Company (PG&E) (A.19-11-003), SCE (A.19-11-004), SDG&E (A.19-11-005), and SoCalGas (A.19-11-006).

[47] D.21-06-015, OP 56 at 483; *see also id.,* at OP 115 at 499-500.

[48] SDG&E Advice Letter 3842-E/3012-G, approved December 22, 2021 and effective October 1, 2021.

Table 3: Utility-Approved HCS Measures

IOU	Measure	Segment
PG&E	Cold Storage	High Wildfire Threat Zone
PG&E & SDG&E	Air Purifiers	Medical Baseline (MBL) and DAC/Tribal/Rural
SoCalGas	Comprehensive Home Health and Safety Check-ups	All customer segments and needs states
PG&E & SoCalGas	CO and Smoke Alarms	All customer segments and needs states

As demonstrated by the Commission's approval of the IOU measure mix, including measures ***only*** for HCS and no energy savings values, the ESA Program has evolved over time into an energy savings program with a strong focus on providing customers with safety benefits. Specifically, SoCalGas introduced Home Health and Safety Check-ups, which are more comprehensive than NGAT but offer specific safety-related items that are similar to those offered as part of the NGAT process, including checking for adequate combustion and ventilation air (CVA), gas leaks, and if gas appliances are operating correctly.[49] The Commission's approval of such measures illustrates that the ESA Program is more than an energy savings program, and includes safety as an integral part of the program as well.

Reclassifying NGAT into the ESA Program as a measure at this time is reasonable. Not only will it align NGAT delivery with the Commission's current HCS objectives for the ESA Program, but it would improve oversight and administrative efficiency by consolidating all ESA-related activities and costs under a single proceeding. SDG&E's proposal would include NGAT as a measure in the program and would report on installation rates and costs

[49] SDG&E AL 3842-E/3012-G, at Table 1, n.2.

along with other safety measure in its monthly and annual reports.[50] This change would also allow the Commission to consider the total cost and cost effectiveness of the ESA portfolio in one place, rather than across separate regulatory tracks. This alignment not only reflects how NGAT is operationally delivered but also supports a more transparent and integrated approach to managing the ESA portfolio.

For all the foregoing reasons, SDG&E requests to transition NGAT as an ESA measure and ESA Program cost for PY 2028-2033 onwards and remove NGAT cost from the GRC.

5.2.9. Request for Removal of Career Workforce Readiness Program Requirements

SDG&E is requesting to retire requirements to fully leverage Career Workforce Readiness (CWR) programs for the ESA workforce and the associated metric tracking requirements.[51] CWR is not suitable for ESA Program contractors due to misaligned training objectives. Details are discussed further in the Prepared Direct Testimony of Roland Mollen for the ESA Program, Section 11.

5.3. Proposed Policy Revisions Specific To CARE

As detailed below, SDG&E proposes the following changes to existing CARE policies for modification or expansion.

5.3.1. Request to Increase the Annual CARE PEV Cap to 20%

SDG&E requests increasing the annual PEV cap for the CARE Program from up to 6% to up to 20% to strengthen program integrity by ensuring enrolled customers are CARE-

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[50] IOUs report on measure installations in ESA Table 2 of the monthly and annual low income reports.

[51] D.21-06-015, at 285-286.

eligible and to support affordability for all its rate payers. SDG&E's current PEV cap of 6% was established in D.12-08-044 based on its 2011 PEV rate.[52] SDG&E reached the CPUC CARE enrollment goal of 90% of the eligible population in 2018 and has remained well above this 90% goal since then. In fact, from 2020 through 2025, SDG&E's CARE enrollment rate has consistently *exceeded* 100% of the estimated CARE-eligible population. Enrollment in the CARE Program serves as a key eligibility criterion for several other benefits and programs, for example, the BSC and the Arrearage Management Payment (AMP) Plan.[53] To expand further, D.24-05-028 required utilities to update their CARE discount methodology, which ultimately increased SDG&E's CARE effective discount from 35% to approximately 38%.[54] With SDG&E's implementation of the BSC in October 2025, the increased CARE effective discount results in non-CARE customers absorbing a larger share of the overall discount costs. As such, ensuring that participating households meet qualification requirements is critical, given the impact on other discounts and benefits.

To address potential customer attrition concerns that increasing the annual PEV rate may have, it is important to note that the same random selection process for PEV requests that was established in 2013 pursuant to D.12-08-044 will remain, targeting only a subset of customers that the probability model has determined may be less likely to be eligible for CARE.[55] Furthermore, SDG&E will continue to support and complete automatic

[52] D.12-08-044, OP 92 at 326.

[53] D.24-05-028, COL 13 and 18; D.20-06-003 at 108 and OP 69 at 159.

[54] D.24-05-028, COL 11 and OP 4; SDG&E AL 4572-E-A approved August 19, 2025: when accounting for the benefits CARE customers receive from certain rate exemptions in addition to the fixed, line-item CARE discount of 35%, SDG&E estimates the total effective CARE discount to be approximately 38%.

[55] SDG&E AL 2515-E-A/ 2224-G-A and AL 2525-E/2224-G.

recertification of customers identified by its probability model to have a statistically high likelihood of program qualification, eliminating the need for those customers to submit documentation and eliminating the possibility of these customers being removed due to non-response.[56] SDG&E also provides direct support to customers selected to complete the PEV process in the form of direct mail reminders and one-time courtesy outbound calls for those who provide incomplete information, in an effort to increase the PEV process completion rate.

SDG&E is committed to maintaining CARE enrollment at or above the enrollment goal. As a steward of all its customers, SDG&E must balance ease of enrollment with program integrity. For these reasons, SDG&E requests to increase its annual PEV rate cap to 20%. Further details on SDG&E's proposal are included in the Prepared Direct Testimony of Roland Mollen for CARE, Section 2.2.1.2.

5.3.2. Request for Standardization to Determine Categorical Programs

Categorical eligibility, established in 2006, was designed to provide income-qualified households with an easier path for enrollment into the CARE Program.[57] In 2008, the CPUC expanded the list of categorical eligibility programs to align with those recognized under the LifeLine program.[58] In their 2011 Applications, the IOUs requested the Commission review categorical eligibility due to concerns that some of the programs pre-approved for categorical enrollment do not match the income level requirements or eligibility criteria of CARE.[59] In D.12-08-044, the Commission directed the IOUs to take necessary actions to ensure CARE

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[56] D.21-06-015 at 35-36.

[57] D.06-12-038 at OP 21 at 75.

[58] D.08-11-031 at 31.

[59] D.12-08-044 at 202.

Program integrity and to comply.[60] The IOUs hired an independent contractor, ICF International (ICF), to complete the assessment of the categorically eligibility programs.[61] In January 2013, in compliance with D.12-08-044, the IOUs filed a joint AL seeking approval to modify the list of categorical eligibility programs. On April 30, 2013, the Energy Division rejected the AL.[62] In D.21-06-015, the Commission approved the IOUs' proposal to conduct another statewide study to examine the "eligibility requirements of currently authorized programs and seek to add others with similar criteria."[63] In October 2023, pursuant to OP 171 of D.21-06-015, SDG&E submitted Joint IOU AL 4304-E/3240-G, proposing an updated list of categorical eligibility programs for enrollment in the ESA, CARE, and FERA programs based on findings and recommendations in the 2022 Categorical Eligibility Study conducted by Evergreen Economics.[64] In September 2024, the Energy Division rejected the advice letter.[65]

Given the CARE Program's foundational goal of supporting customers with the greatest financial need, SDG&E recommends that categorical eligibility programs be determined using the income standard outlined in P.U. Code Section 739.1(a):

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60 *Id.,* at 211-212.

61 ICF International, CARE Categorical Eligibility Study (January 15, 2013), available at https://pda.energydataweb.com/#!/documents/2580/view.

62 Disposition from Energy Division to SoCalGas (April 30, 2013) at 1, available at https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/submittals/GAS_4457__et_al_.pdf.

63 D.21-06-015 at 396-397.

64 2022 Categorical Eligibility Study, A Report to the California Investor-Owned Utilities (June 26, 2023), available at https://pda.energydataweb.com/api/downloads/2814/Categorical%20Eligibility%20Report%20-%20Final.pdf.

65 CPUC Energy Division Non-Standard Disposition letter rejecting AL 4304-E/3240-G was issued on September 6, 2024.

> "The commission shall continue a program of assistance to low-income electricity and gas customers with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels, the cost of which shall not be borne solely by any single class of customer."

Public assistance programs under consideration for inclusion in the list of categorical eligibility programs should meet this statutory income threshold to preserve the integrity of the CARE Program. The statute further authorizes that the Commission "may determine that gas and electricity customers are categorically eligible for CARE Program assistance if they are enrolled in other public assistance programs with <u>substantially</u> [emphasis added] the same income eligibility requirements as the CARE Program."[66] Programs that are not means-tested do not meet this statutory requirement and should not be included.

It is important to note that in alignment with P.U. Code Section 739.1(a), in D.24-05-028, the low income customer is defined "as a customer with a household income at or below 200 percent of the FPG level applicable to that household under the CARE Program."[67] This decision further supports that the CARE statute is appropriate when addressing or determining programs designed to support low income customers.

Moreover, on February 25, 2014, an Assigned Commissioner's Ruling was issued seeking input from parties regarding how the Commission should determine which of the public assistance programs have "substantially the same" income criteria as CARE.[68] In

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[66] P.U. Code Section 739.1(f)(1).

[67] D.24-05-028 at 18-19.

[68] A.11-05-017, et al., Assigned Commissioner's Ruling Concerning Categorical Eligibility and Enrollment and Definition of Income (Feb. 25, 2014), available at https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M088/K489/88489938.PDF.

response, SDG&E and SoCalGas filed joint reply comments on March 17, 2014, requesting that the Commission determine any policy decision on the legislative intent of CARE as an income-based program, with the eligibility threshold of at or below 200% of the FPG.[69] In this application, SDG&E recommends the CARE statute be used as the standard to determine categorical eligibility programs and strongly encourages the Commission to revisit the studies conducted in 2013 by ICF and 2022 by Evergreen Economics, as well as the IOU comments submitted in response to the 2014 Ruling.[70] These resources should be evaluated for their relevance to the current list of categorical eligibility programs, in consideration of affordability and the cost implications for non-participating customers.

Additionally, SDG&E recommends that eligibility for current and future categorical eligibility programs remain aligned with the CPUC's definition of a CARE customer. This is further supported and consistent with the definition used in D.24-05-028 of the BSC proceeding. The following is the CPUC's definition of a CARE customer:

> **Customer**: "The definition of a customer for purposes of Section 739.9 should support administrative efficiency and consistency with the implementation of the CARE program. It is reasonable to define 'customer' for purposes of Section 739.9 as all persons residing in one dwelling and served by the same electric meter."[71]

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[69] A.11-05-017, et al., Joint Reply Comments of San Diego Gas & Electric Company and Southern California Gas Company to Responses to the Assigned Commissioner's Ruling Concerning Categorical Eligibility and Enrollment and Definition of Income (March 17, 2014), available at https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M089/K136/89136151.PDF.

[70] 2022 Categorical Eligibility Study, A Report to the California Investor-Owned Utilities, (June 26, 2023), available at https://www.calmac.org/publications/Categorical_Eligibility_Report_-_Final.pdf.

[71] D.24-05-028 at 15.

5.3.3. Request to Remove the National School Lunch Program (NSLP) from the List of Categorical Eligibility Programs

SDG&E proposes the removal of the National School Lunch Program (NSLP) from the list of categorical eligibility programs for enrollment in the CARE Program. This recommendation is based on the evolving structure of NSLP, which is no longer a means-tested program in California and, therefore, no longer complies with P.U. Code Section 739.1(f)(1) which requires alignment with CARE's income-based eligibility requirements.[72,73] Previously, participation in the NSLP program and the ability to receive free or reduced-price lunches was based on household income. However, the California Legislature enacted AB 130, updating California Education Code (CA EDC) sections 49501.5 and 49564.3, and established the California Universal Meals Program (UMP). Beginning with the 2022–23 school year, all public school districts, all county offices of education, and all charter schools are required to provide Transitional Kindergarten through Grade 12 students with two free meals per day to any student who requests one, without consideration of the pupil's eligibility for a federally-funded free or reduced-price meal.[74] More details on SDG&E's proposal are included in the Prepared Direct Testimony of Roland Mollen for CARE, Section 5.3.

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[72] 2022 Categorical Eligibility Study, A Report to the California Investor-Owned Utilities, (June 26, 2023) at 54, available at https://www.calmac.org/publications/Categorical_Eligibility_Report_-_Final.pdf.

[73] P.U. Code Section 739.1(f)(1): The commission may determine that gas and electricity customers are categorically eligible for CARE program assistance if they are enrolled in other public assistance programs with substantially the same income eligibility requirements as the CARE program.

[74] CA EDC 49501.5 (1)(A)(i) 49564.3(3) and California Universal Meals - School Nutrition (CA Dept of Education) California Code, EDC 49501.5.; California Code, EDC 49564.3.

5.4. Proposed Policy Revisions Specific To FERA

As detailed below, SDG&E proposes the following policy changes in support of FERA.

5.4.1. Request to Modify the LIHEAP to CARE Automatic Enrollment Requirement to Include FERA Automatic Enrollment via Data Sharing

SDG&E requests that the LIHEAP to CARE automatic enrollment requirement established in D.02-07-033 be modified to allow LIHEAP to FERA automatic enrollment via data sharing of income and household size. Pursuant to D.02-07-033, customers of the IOUs are enrolled into CARE when they participate in certain public assistance programs (PAP), including LIHEAP.[75] Additionally, PAP customers who are automatically enrolled are excluded from post-enrollment verification.[76]

In 2025, the income requirements for LIHEAP changed and now align with certain household sizes of the FERA Program. As such, SDG&E proposes to leverage data sharing with the California Department of Community Services and Development (CSD) to automatically enroll customers into CARE or, alternatively, to FERA if customers' household size and income align with FERA eligibility requirements.[77] Access to household size and income provided by CSD will enable SDG&E to place customers into the appropriate program without the customer having to take additional action. Customers who apply for LIHEAP via SDG&E's local LIHEAP agencies, Campesinos Unidos, Inc. (CUI), Metropolitan Area Advisory Committee (MAAC), and CSD, already consent to CSD and its

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75 D.02-07-033, OP 6 at 61.

76 *Id.,* COL 5 at 59.

77 SDG&E holds data sharing and non-disclosure agreements with local LIHEAP agencies MAAC, CUI, and CSD.

partners and utility sharing information needed to provide services and benefits.[78] SDG&E proposes this change take effect in PY 2028 for new customers only. Any customer that has been previously automatically enrolled into CARE due to LIHEAP enrollment status will remain untouched. It is during their recertification period that these customers need to take action to remain in CARE. Otherwise, if their income and household align more closely with FERA, they would be enrolled in FERA.

For this requirement modification to work effectively, SDG&E further proposes to remove LIHEAP from the list of categorical eligibility programs for CARE. Currently, a customer may self-attest their participation in LIHEAP and be enrolled into CARE. Keeping LIHEAP as part of the list of categorical eligibility programs would cause confusion and essentially override the process of automatic enrollment to FERA via data sharing.

SDG&E's proposal supports increasing FERA enrollments by coordinating and data sharing with other state agencies and leveraging existing income verification information through existing public assistance programs, reducing the need for self-attestation of income upon enrollment and exempting these customers from the PEV process. SDG&E's proposal is further detailed in the Prepared Direct Testimony of Roland Mollen for FERA, Section 3.2.1.

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[78] CSD Consent Form CSD 081 verbiage in MAAC's LIHEAP application includes "By Signing below, I give my consent (permission) to CSD, its contractors, consultants, other federal or state agencies (CSD Partners) and to my utility company and its contractors, to share information about my household's utility account, energy usage, and/or other information needed to provide services and benefits to me as described at the end of the form."

5.4.2. Request to Increase the Capitation Fee for FERA from $30 to Up to $60 per Enrollment

SDG&E proposes to increase its FERA capitation fee from $30 to up to $60 per enrollment due to the challenge of reaching the more narrow FERA population.[79] Additionally, flexibility in the capitation fee will enable SDG&E to expand its outreach strategy for FERA. SDG&E's proposal is further detailed in the Prepared Direct Testimony of Roland Mollen for FERA, Section 3.2.1.4.

6. CONCLUSION

This concludes my prepared direct testimony.

[79] D.21-06-015 at 104.

7. WITNESS QUALIFICATIONS

My name is Kazeem Omidiji. I am the Director of Customer Programs at SDG&E. My business address is 8335 Century Park Court, San Diego, California 92123-1257. In my current position, I am responsible for leading the team who manages and administers the income-qualified programs, consisting of the ESA, CARE, and FERA programs for SDG&E. The purpose of my direct testimony is to sponsor and testify to SDG&E's PY 2028-2033 policy change recommendations for the ESA, CARE, and FERA programs. I hold a Bachelor of Science in Electrical Engineering from the University of Nevada, Las Vegas. I joined SDG&E in 2010 as an Engineering Intern. Since then, I have held different positions with different levels of responsibility including Associate Engineer, Account Executive, Project Manager, and Regulatory Case Manager. In 2021, I served as Director of Community Relations. In August 2025, I was named Director of Customer Programs. I have been in my present position for five months. I have not previously testified before this Commission.

APPENDIX A

COMPLIANCE REQUIREMENTS TO RETIRE

APPENDIX A – COMPLIANCE REQUIREMENTS TO RETIRE

CPUC Directive	Location within Decision	Description or language of Requirement	Recommended Action	Justification
D.17-12-009	Page 69	We direct the utilities to track in its reporting how many visits are "first touches" (households that have not received ESA treatment) versus "go backs." The utilities should track the number of "go backs," the energy savings resulting from the treatment from the "go back" and additional measures to determine what percentage of the utility's energy savings target (as discussed above) is a result from a "go back" versus a "first touch" for a customer.	Retire	This requirement is no longer applicable because the ESA Programs are no longer focused on the number of homes treated and have moved to prioritization based on household needs and customer profile, per D.21-06-015, OP. 56. Furthermore, the Energy Division approved the removal of these metrics in the monthly reports for the PY 2021-2026 cycle. This requirement should further be removed from the annual reporting requirements.
D.21-06-015	OP 129	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company must continue the multifamily common area measures annual reporting requirements and report the normalized energy use and savings in the Energy Savings Assistance program reports per the reporting template to be developed and issued by Energy Division staff.	Retire	Normalized energy savings analysis is not a suitable methodology for multifamily properties, as the methodology requires a minimum energy saving of 10% to effectively isolate the change in energy usage, which the MFWB Program common area measures fall short of. The methodology also requires that individual meters connected to the specific energy efficiency interventions be isolated and recorded to enable the savings analysis. For multifamily properties, multiple meters are often involved, and data is not available (on site or in utility databases) to enable a one-to-one match for a specific end use and the utility meter connected to the end use.

CPUC Directive	Location within Decision	Description or language of Requirement	Recommended Action	Justification
D.17-12-009	OP 41(a)	Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company (IOUs) shall use the Single Point of Contact model for all multi-family buildings as described in this decision including rent restricted buildings that qualify for common area measures. The IOUs shall conduct and report an annual analysis of the square footage, energy consumption, ESA program participation, and time since the last retrofit of non-deed restricted multi-family properties with a high percentage of low income tenants. This process should adopt, as appropriate, the approach outlined in SDG&E's Advice Letter	Retire	The original intent of the ordering paragraph is no longer applicable. The intent of D.17-12-009 was to gather data to determine if the IOUs should treat non-deed restricted customers. However, D.21-06-01, OP 132 established the requirement for the IOUs to treat non-deed restricted customers through the MFWB Program in the PY 2021-2026 cycle. Since the decision to include non-deed restricted customers in the MFWB Program had been made, there is no need for the IOUs to continue to gather and report on non-deed restricted properties for this purpose.

CPUC Directive	Location within Decision	Description or language of Requirement	Recommended Action	Justification
		2865 E-C, Submission of High Opportunity Projects and Programs (HOPPs) Proposal – Multi-family HOPP Program (SDG&E 3318). This report shall be submitted annually as part of the IOU annual CARE and ESA report. The multi-family Working Group shall consider options for addressing other portions of the multi-family sector beyond those authorized today, and this working group shall develop a formal evaluation plan and data collection requirements for non-deed restricted multi-family buildings.		
D.21-06-015	p. 434 - 435	The IOUs must also increase their public notification efforts by posting a notice of this meeting [Annual ESA/CARE Meeting 60 days after filing the Annual Report] on their CARE/ESA websites.	Modify	The directive was intended to encourage public participation in the annual report public meeting. However, the requirement to post meeting notices on the program page has not resulted in a significant increase in public participation in the annual report public meetings. Utility customers typically go to SDG&E Customer Assistance webpages to seek information regarding ESA, CARE, and FERA program offerings and how they can qualify for the programs. Customers do not typically seek information concerning the overall program administration and budget information. It is more appropriate for the IOUs to continue to notify stakeholders through outreach efforts and leveraging Community Based

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				Organizations and intervenors through the appropriate service list notifications.