

Application No.: A.26-01-xxx

Exhibit No.: SDG&E-02

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**PREPARED DIRECT TESTIMONY OF**

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HORACE (TY) TANTUM  
AND MIA GRAFF**

**ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S  
CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) AND  
FAMILY ELECTRIC RATE ASSISTANCE (FERA) 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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4

5   **1.     INTRODUCTION**

6           San Diego Gas & Electric Company (SDG&E) respectfully submits its proposed  
7   California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA)  
8   program funding and activities for Program Years (PY) 2028–2033. This CARE and FERA  
9   testimony presents SDG&E’s strategic vision, program plans and budget requests to provide  
10   equitable rate assistance to income-qualified customers throughout its service territory.  
11   SDG&E’s testimony presents a forward-looking strategy to enhance affordability, streamline  
12   program operations, and improve customer experience. The proposed budgets and program  
13   improvements are designed to meet evolving customer needs and regulatory expectations while  
14   maintaining fiscal responsibility and equitable access for income-qualified households.

15           The CARE Program is a foundational resource for SDG&E’s income-qualified  
16   customers, offering significant rate discounts on electric and natural gas charges. In the current  
17   program cycle, PY 2021-2026, SDG&E has achieved enrollment rates well above the 90%  
18   enrollment goal established by the California Public Utilities Commission (Commission), while  
19   maintaining high customer satisfaction and ease of access to the program. SDG&E also  
20   implemented automation in processing activities to improve operational efficiency and enhance  
21   the overall customer experience.

22           For the next PY 2028-2033 cycle, SDG&E’s focus for CARE will be maintaining  
23   enrollment at or above the 90% goal while continuing to support program integrity and further  
24   improving customer experience. Key initiatives include expanding the My Energy Center  
25   platform for streamlined enrollment and verification, increasing the post-enrollment verification

1 (PEV) cap from 6% to 20%, automating additional processes such as those related to  
2 recertification, and executing targeted outreach to underserved communities.

3 The FERA Program provides support to low- to middle-income customers by also  
4 offering electric rate discounts. Recent legislative changes have significantly increased the  
5 estimated eligible population. For the next program cycle, SDG&E's focus for FERA will be on  
6 expanding enrollment to reach a 70% participation goal by 2033. Key strategies include targeted  
7 marketing and outreach activities, implementing automatic enrollment in FERA for Low Income  
8 Home Energy Assistance Program (LIHEAP)-certified households through data sharing with the  
9 California Department of Community Services and Development (CSD), utilizing a standalone  
10 FERA application, and enhancing digital tools such as My Energy.

11 For PY 2028-2033, SDG&E is requesting budgets totaling \$1.362 billion and \$96.8  
12 million for CARE and FERA, respectively. The funding requests and SDG&E's planned  
13 activities supported by this funding are discussed in further detail below.

## 14 **2. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE)**

15 The CARE Program, statutorily mandated by California Public Utilities (P.U.) Code  
16 Sections 739.1 and 739.2, assists income-eligible households with a monthly discount on their  
17 electric and natural gas bills. The CARE Program currently provides an effective 38% discount  
18 on electric rates and a 20% discount on natural gas charges.<sup>1</sup> To qualify for the CARE Program,  
19 eligible customers must have a total household gross income of no greater than 200% of the

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<sup>1</sup> D.24-05-028, at 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%.

Federal Poverty Guidelines (FPG).<sup>2</sup> Households that participate in certain means-tested assistance programs (referred to as Categorical Eligibility) are also eligible for CARE. Customers eligible under the CARE Expansion Program include residents of non-profit group living facilities, agricultural employee housing, and migrant farm worker housing centers.<sup>3</sup>

## **2.1 CARE Program Goals and Budget**

### **2.1.1 SDG&E's proposed annual and next program cycle goals and budget**

For PY 2028-2033, SDG&E proposes to maintain the current Commission-approved CARE enrollment goal of 90%. SD&GE requests approval of a \$1.362 billion CARE budget, consisting of \$1.313 billion for Customer Rate Discounts and \$49.1 million for Program Administration. The annual budget breakdown for the upcoming cycle is presented in the following table:

**Table 1: CARE Proposed Budget (Total Natural Gas and Electric)**

Categories	PY 2028	PY 2029	PY 2030	PY 2031	PY 2032	PY 2033	Total
<b>Administrative</b>	\$7,711,323	\$7,965,911	\$8,034,643	\$8,317,714	\$8,416,425	\$8,703,733	\$49,149,749
<b>CARE Discount</b>	\$213,416,309	\$215,550,473	\$217,705,977	\$219,883,037	\$222,081,867	\$224,302,686	\$1,312,940,350
<b>CARE Total</b>	<b>\$221,127,632</b>	<b>\$223,516,383</b>	<b>\$225,740,621</b>	<b>\$228,200,751</b>	<b>\$230,498,292</b>	<b>\$233,006,420</b>	<b>\$1,362,090,099</b>

For more details on the budget, see Attachment G, Table B-1.

### **2.1.2 How SDG&E's proposed goals and budget compare to the 2021-2026 goals and actual results?**

SDG&E's proposed 90% CARE enrollment goal for the new program cycle is consistent with its PY 2021-2026 program enrollment goal as authorized in D.21-06-015.<sup>4</sup> As of August

<sup>2</sup> Office of the Assistant Secretary for Planning and Evaluation, Poverty Guidelines, available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

<sup>3</sup> Decision (D.) 94-12-049, 1994 Cal. PUC LEXIS 1067 at 1-3.

<sup>4</sup> D.21-06-015 at Attachment 1, Table 1.

2025, the number of CARE enrolled customers is at 291,660 out of the 287,738 estimated eligible households, resulting in 101% enrollment rate.<sup>5, 6</sup> SDG&E forecasts that the enrollment rate will gradually decline towards the Commission’s 90% goal based on trends seen from 2022 through 2025, as illustrated in Table 2 below.<sup>7</sup>

**Table 2: PY 2028-2033 CARE Enrollment/Participation Goals**

<b>Program Year</b>	<b>Estimated Year End Participation</b>	<b>Estimated Eligible<sup>8</sup> Households</b>	<b>Estimated Year End Enrollment Rate</b>
2028	277,502	287,738	96%
2029	273,002	287,738	95%
2030	269,002	287,738	93%
2031	265,502	287,738	92%
2032	262,502	287,738	91%
2033	260,002	287,738	90%

SDG&E’s total requested CARE administrative budget for PY 2028–2033 reflects a 17% increase over the PY 2021-2026 cycle budget goal to support anticipated operational needs. Actual PY 2021-2024 spend in processing, certification and re-certification exceeded the forecasted budget for these activities, as SDG&E did not anticipate the higher-than-expected volume of application processing and the operational complexity of related proceedings, such as

<sup>5</sup> A.19-11-003, et al., Monthly Report of SDG&E on Low Income Assistance Programs for August 2025 (September 22, 2025) at 26.

<sup>6</sup> CARE’s estimated eligible population is based on the joint utility methodology adopted by the Commission in D.01-03-028 at 40-51 and Findings of Fact (FOF) 46-49 at 63 with final approval in D.02-07-033, OP 4 at 60-61.

<sup>7</sup> SDG&E Low Income Assistance Programs Annual and Monthly reports; CEDARS Income Qualified Program, Data Table 33 of 52.

<sup>8</sup> Eligible CARE households will fluctuate based on the annual CARE/FERA/Energy Savings Assistance (ESA) Eligibility Report issued in the second quarter of each program year.

COVID and emergency protections, and application interventions such as call center inquiries, processing exceptions, and multilingual support. Increased staffing and system support were needed to manage the high CARE enrollment rates and post-COVID program demands.

The following factors drive the increase in the new program cycle budget request:

- SDG&E's PY 2028-2033 forecast in categories related to application processing and income verification increases 130% compared to the PY 2021-2026 program cycle; and
- IT/Programming costs are forecasted to increase by 19% compared to PY 2021-2026 due to SDG&E's expanded efforts to modernize and automate program delivery. Key drivers include enhancements to the My Energy Center platform, which will support more efficient customer interactions, and increased automation of recertification and PEV processes. These upgrades are necessary to manage CARE enrollment levels, integrate eligibility and tracking with the Income Graduated Fixed Charge (IGFC) and improve customer experience through multi-channel communication tools such as text message reminders.

Cost categories with a lower forecast compared to the PY 2021-2026 program cycle budgets are as follows:

- **Marketing, Education & Outreach (ME&O):** CARE is a mature program with high enrollment levels since 2018 and is forecasted to remain above the 90% rate throughout the next cycle. A reduction of 17% was applied to the ME&O budget to account for this and pivot towards targeted tactics to reach potentially eligible customers with a focus on four key customer segments, as described in Section 2.4; and



- **General Administration:** For PY 2028-2033, SDG&E’s forecasted CARE general administration budget is 89% of the PY 2021-2026 general administrative budget.

The requested administrative budget supports the CARE Rate Discount budget forecasted for the new program cycle of \$1.313 billion as illustrated above in Tables 1 and 2 CARE Budget and Enrollment, respectively.

## **2.2 CARE Program Delivery**

### **2.2.1 What changes may be needed to address issues with program delivery, including reducing barriers to enrollment, improving the application, and making the recertification/PEV processes less burdensome on CARE applicants but still ensure that currently enrolled customers are CARE-eligible? Address each of the following:**

SDG&E’s 2024 CARE Outreach Effectiveness and Customer Satisfaction Study findings show an overall satisfaction with the CARE Program remains very high (88%) and the majority of customers find the enrollment process easy to understand (91%).<sup>9</sup> Nevertheless, SDG&E is committed to continuously seek ways to reduce barriers to enrollment and further efficiencies in the recertification and PEV processes as described in the following sections.

#### **2.2.1.1 CARE Recertification**

Once enrolled, CARE customers are required to recertify their CARE eligibility according to their customer segment as shown in the table below pursuant to D.21-06-015.

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<sup>9</sup> 2024 SDG&E CARE Program, Outreach Effectiveness and Customer Satisfaction Study, Travis Research (October 2024) at 7 and 9. This is an annual study conducted by Travis Research on behalf of SDG&E to gain insights on customer sentiment around the CARE program.

**Table 3: CARE Customer Recertification Requirements**

CARE Customer Segment	CARE Recertification Cycle
Fixed-income CARE customers who verify income <sup>10</sup>	Every 6 years
High likelihood of CARE eligibility per probability model <sup>11</sup>	Every 4 years
CARE Expansion Program <sup>12</sup>	Every 4 years
All other CARE customers, not in the segments above	Every 2 years

Since resuming recertifications in 2021, as illustrated in Figure 1 below, SDG&E's CARE recertification approval rate has improved, due to the integration of additional customer touchpoints and various options to complete the recertification process. These include:

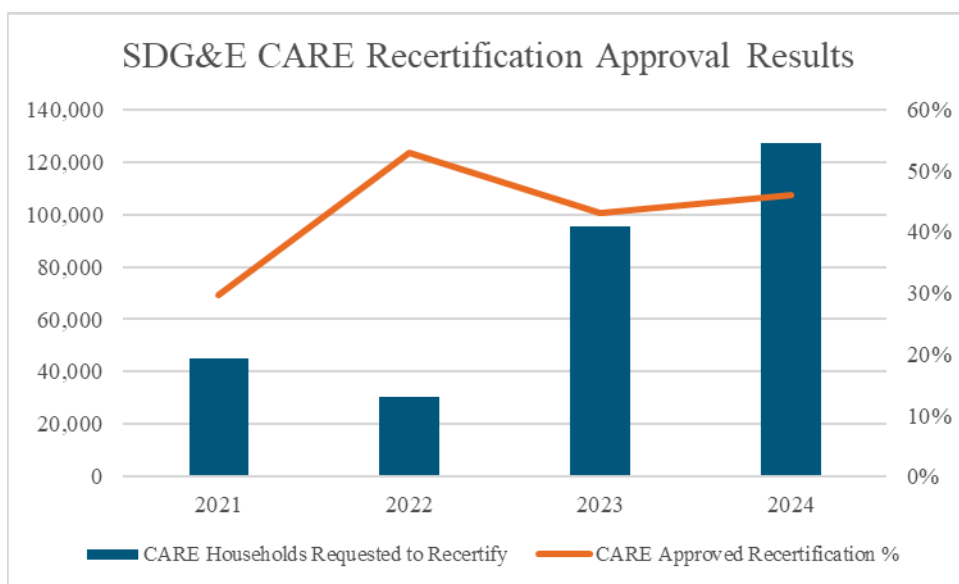
- Email notification sent 120 days in advance of a household's CARE recertification date;
- Postage mail recertification notice sent to CARE households with no email address on file;
- Outbound call campaign notifying households at risk of being removed from CARE due to non-response; and
- Various options for completing recertification:
  - Through the CARE online application;
  - By phone/interactive voice response (IVR);
  - Via paper mail;
  - With the assistance of an SDG&E customer service representative; and
  - With the assistance of a CARE capitation partner

<sup>10</sup> D.21-06-015, OP 7 at 472-473.

<sup>11</sup> *Id.*, OP 9 at 473.

<sup>12</sup> *Id.*, OP 6 at 472.

**Figure 1: SDG&E CARE Recertification Results<sup>13</sup>**



SDG&E does not propose changes to the current CARE recertification process for this program cycle. However, as part of SDG&E’s continuous efforts to improve customer experience and satisfaction with the enrollment processes, SDG&E is exploring adding recertification reminders via text message notifications as another layer of communication reminders for CARE customers.

#### **2.2.1.2 CARE Post-Enrollment Verification (PEV) Strategies**

To protect the integrity of the CARE Program’s self-certification option, the Investor-Owned Utilities (IOUs) use a random sampling income-verification process, known as PEV. This process “balances the desire for the maximum number of eligible customers to participate

<sup>13</sup> A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE and FERA Programs for 2024 (June 27, 2025), Appendix A at A-34, CARE Table 6 - CARE Recertification Results Program Years 2021-2024.

1 with the need to verify eligibility” to maintain the integrity of the CARE Program.<sup>14</sup> Presently,  
2 SDG&E conducts PEV of up to 6% of enrolled CARE customers annually using a statistical  
3 model that identifies enrollees who have the probability of being less likely to be eligible in the  
4 program.<sup>15</sup> The 6% cap is based on SDG&E’s 2011 PEV rate pursuant to D.12-08-044. At the  
5 time this limit was established in 2011, SDG&E’s CARE enrollment rate was below the  
6 Commission-established 90% CARE enrollment goal.<sup>16</sup>

7 SDG&E met its enrollment goal for the first time in 2018 and reached its peak enrollment  
8 rate of 123% in 2022, largely due to the implementation of COVID-19 Emergency Customer  
9 Protections to ensure customers were not removed from receiving the CARE or FERA program  
10 discount during the pandemic.<sup>17, 18</sup> Although COVID-related protections ended in mid-2021,  
11 SDG&E’s CARE enrollment has remained at historically high levels (consistently exceeding  
12 100% of the estimated CARE-eligible population) resulting in increased CARE Program and  
13 Rate Discount costs. These costs place additional rate pressure on non-CARE customers who  
14 fund the CARE Program through the Public Purpose Program (PPP) surcharge. For example, the  
15 total forecasted cost impact on non-CARE customers for the CARE Program’s inclusion in 2025

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<sup>14</sup> D.21-06-015 at 6.

<sup>15</sup> D.12-08-044, OP 89 at 395-396.

<sup>16</sup> D.12-08-044, OP 92 at 397 stated “[IOUs] shall not exceed 200% of the Utilities’ 2011 post enrollment verification rate in setting an interim probability model and verification rate; and if a utility finds that it requires that its interim verification rate must exceed 200% of the utility’s 2011 post enrollment verification rate to meet the criteria set forth in this decision, the utility may submit a Tier 2 Advice Letter seeking approval of such rate and demonstrating its justifications”; A.11-05-017, et al., Annual Report Activity of SDG&E on Low Income Assistance Programs for 2011 (May 1, 2012), CARE Table 5 at 89, SDG&E’s CARE enrollment was 85% at the end of 2011, available at <https://docs.cpuc.ca.gov/PublishedDocs/EFILE/CF/165940.PDF>.

<sup>17</sup> A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE and FERA for 2022 (May 1, 2023) at 64 and CARE Table 5, at 162.

<sup>18</sup> SDG&E Advice Letter 3516-E-D/2854-G-D, approved June 15, 2020 and effective March 19, 2020.

1 rates is approximately \$198 million.<sup>19</sup> To uphold SDG&E’s fiduciary responsibility to all  
2 customers and address the impact of those who may be ineligible for the program, SDG&E seeks  
3 authorization to raise its annual PEV rate cap from 6% to 20%. This would enable SDG&E to  
4 confirm CARE eligibility for a larger percentage of enrolled customers, strengthening the CARE  
5 Program’s integrity and supporting affordability for all ratepayers.

6 To address possible concerns with increasing the annual PEV rate, SDG&E notes that the  
7 2016 Low Income Needs Assessment (LINA) Study investigated whether income documentation  
8 requirements for the CARE and ESA programs posed a barrier to participation.<sup>20</sup> Consistent  
9 with findings from the preceding 2013 LINA study, the 2016 research, using customer phone  
10 surveys, mailings and qualitative input from Community Based Organizations (CBOs), found  
11 that income documentation was not a major obstacle for income-qualified households motivated  
12 to participate. CBOs noted that the documentation requirements for CARE and ESA were  
13 similar to other means-tested programs and services and that IOUs often offer more flexible and  
14 proactive approaches, such as limiting verification to households that cannot be vetted through  
15 other means. The 2016 LINA study recommended that “the IOUs maintain their current income  
16 verification processes, as they have not been found to be a substantial barrier to participation.”<sup>21</sup>  
17 These findings are further supported by SDG&E’s 2024 CARE Outreach Effectiveness and

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<sup>19</sup> SDG&E Advice Letter 4504-E, approved and effective January 1, 2025, Attachment B at 1-3.

<sup>20</sup> Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs, Volume 1 of 2 Final Report (December 15, 2016), at 159, available at CALMAC ID: SCE0396.01.

<sup>21</sup> *Id.*, at 11.

1 Customer Satisfaction Study results, where 86% of CARE customers surveyed said they were  
2 willing to provide proof of eligibility, such as income documentation, when requested.<sup>22</sup>

### 3 **2.2.1.3 Other Efforts to Improve CARE Enrollment,** 4 **Recertification, and PEV Process**

5 To further improve the enrollment, recertification, and PEV processes, SDG&E will  
6 continue to explore additional tools to assist customers. Some of these tools include but are not  
7 limited to:

- 8 • Text message reminders for customers who are selected for recertification and PEV;
- 9 • Integration of the enrollment, recertification, and PEV process in the My Energy Center  
10 customer tool; and
- 11 • How-to video providing step-by-step instructions on how to complete the PEV process.

#### 12 **a. My Energy Center Feature CARE Enhancements**

13 SDG&E intends to enhance its My Energy Center customer tool for CARE enrollment,  
14 recertification, and PEV documentation within the next program cycle. This enhancement will  
15 allow customers to complete the enrollment, recertification, and PEV processes directly in the  
16 My Energy Center tool, offering a seamless option for customers to enroll and complete program  
17 requirements. The tool will also display the customer's enrollment status and allow them to opt-  
18 in to program alerts and reminders. SDG&E expects to see a reduction in customer calls  
19 inquiring about their CARE enrollment status with the addition of the new My Energy Center  
20 features.

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<sup>22</sup> 2024 SDG&E CARE Program, Outreach Effectiveness and Customer Satisfaction Study, prepared by Travis Research (October 2024), at 41.

1                   **b. Ongoing Support for CARE PEV Process Completion**

2                   Pursuant to D.21-06-015, SDG&E completed an outbound calling pilot designed to assist  
3 CARE households that “attempted but failed” the PEV process.<sup>23</sup> SDG&E adopted a one-time  
4 courtesy call for CARE customers who submit incomplete or incorrect documentation as best  
5 practice moving forward.<sup>24</sup> SDG&E will continue to employ these calls as an extra effort to  
6 support completion of the PEV process. SDG&E will also continue to offer the option to upload  
7 or email income documentation and/or proof of eligibility to complete the PEV process.

8                   **c. High Usage CARE PEV**

9                   To make the PEV processes less burdensome on high usage CARE customers, D.21-06-  
10 015 modified PEV requirements established in D.12-08-044 for high usage customers that  
11 exceed 400% of baseline usage from one time in a 12-month period to three times in a 12-month  
12 period.<sup>25</sup> CARE customers flagged for high usage PEV can also verify their income using  
13 standard documents, further simplifying the process.<sup>26</sup> SDG&E is not proposing any changes to  
14 the PEV requirements for high usage customers and the same process improvements mentioned  
15 above apply.

16                   SDG&E’s PEV success rates have increased with the implementation of these CARE  
17 PEV improvements in the PY 2021-2026 program cycle as illustrated in the charts below.<sup>27</sup>

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<sup>23</sup> D.21-06-015, OP 13 at 474.

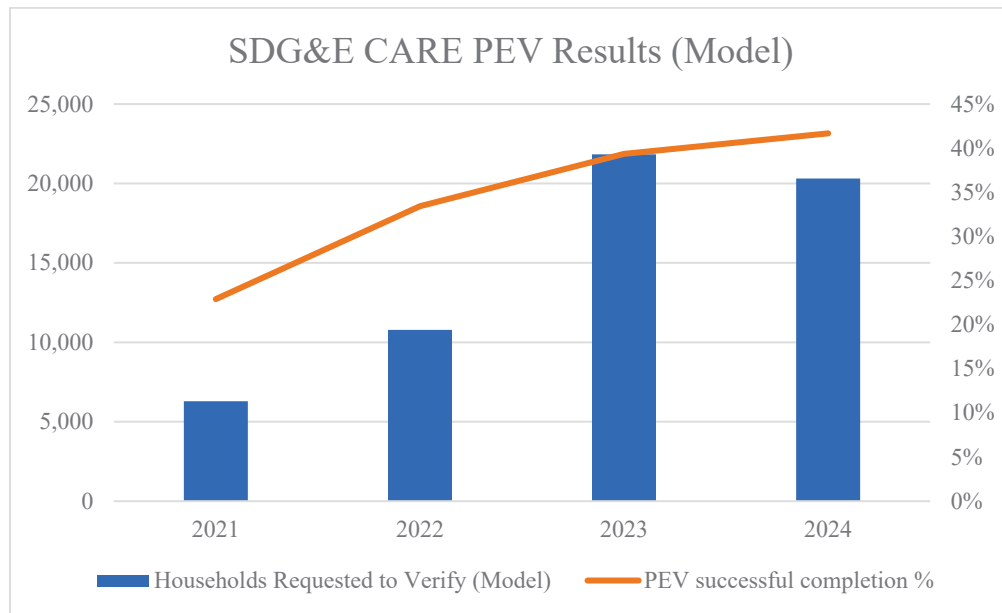
<sup>24</sup> SDG&E Advice Letter 4265-E, approved September 11, 2023 and effective August 30, 2023, at 4.

<sup>25</sup> D.12-08-044, OP 101 at 400-402; D.21-06-015, OP 10 at 473.

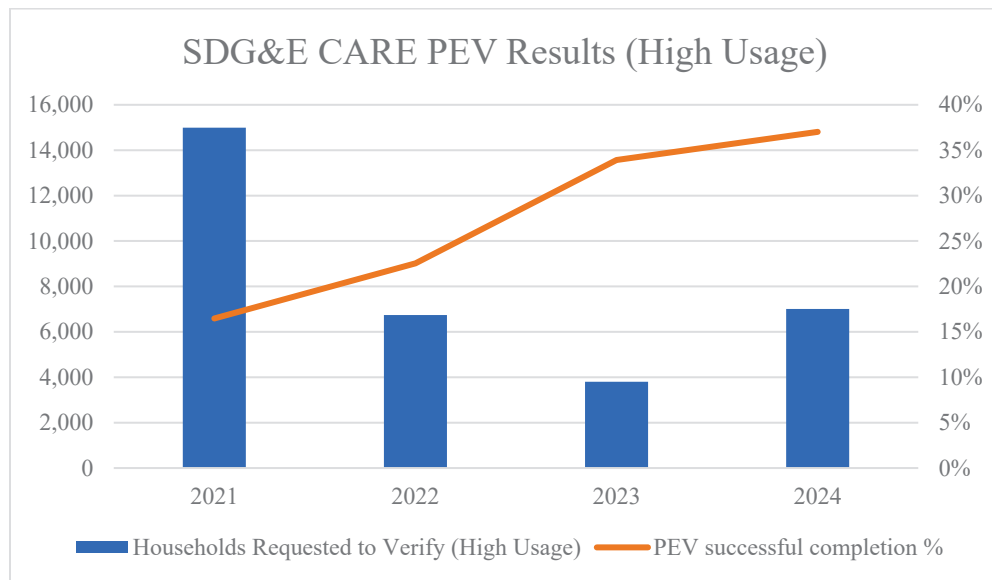
<sup>26</sup> D.21-06-015, OP 11 at 473-474.

<sup>27</sup> A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE and FERA Programs for 2021-2024 (June 27, 2025), Appendix A at A-31, CARE Table 3A (PEV Probability Model) and CARE Table 3B (PEV Electric High Usage).

**Figure 2: SDG&E CARE Post-Enrollment Verification Results (Probability Model)<sup>28</sup>**



**Figure 3: SDG&E CARE Post-Enrollment Verification Results (High Usage)<sup>29</sup>**



<sup>28</sup> A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE and FERA Programs for 2021-2024 (June 27, 2025), Appendix A at A-31, CARE Table 3A - CARE Post-Enrollment Verification Results (Model).

<sup>29</sup> A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE and FERA Programs for 2021-2024 (June 27, 2025), Appendix A at A-31, CARE Table 3B (PEV Electric High Usage).



#### 2.2.1.4 CARE Probability Algorithm/Propensity Model

SDG&E does not propose changing its existing CARE probability model but will update the model periodically as authorized in D.21-06-015.<sup>30</sup> SDG&E's CARE probability model for PEV is based on the CPUC-approved methodology to cost-effectively identify CARE Program enrollees who have the probability of being less likely to be eligible in the program, while tailoring the model to SDG&E's service territory that takes into account the basic probability factors, populations and administration costs.<sup>31</sup> The methodology used includes criteria such as ZIP code, median household income, and household energy usage.

#### 2.2.1.5 Community Based Organizations (CBOs) and Capitation Fees

SDG&E proposes to continue partnering with social service agencies, CBOs, and capitation agencies to support CARE enrollment, recertification, and program delivery. SDG&E currently partners with 21 social service agencies and works closely with a network of approximately 200 CBOs in its Energy Solutions Partner Network to help enroll the hardest-to-reach customers. These partners play a critical role in reaching underserved populations, including Tribal, multicultural, multilingual communities, individuals with Access and Functional Needs (AFN), and Limited English Proficient (LEP) households. To support these partners in effective enrollment of eligible households in CARE, FERA, and ESA, SDG&E provides ongoing training and resources. The training includes detailed program overviews, application procedures, eligibility guidelines, and best practices for outreach and engagement. In 2024, these partnering organizations generated over 2,900 approved new CARE enrollments or

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<sup>30</sup> D.21-06-015, OP 8 at 473.

<sup>31</sup> SDG&E Advice Letter 2515-E-A/2224-G-A, approved November 20, 2013 and effective October 3, 2013.

1 recertifications.<sup>32</sup> For 2025 year-to-date, the capitation agencies and CBOs have generated over  
2 1,300 new enrollments or recertifications for CARE.<sup>33</sup> As such, SDG&E does not propose  
3 changes to its CARE capitation fee of up to \$30 per enrollment.<sup>34</sup>

## 4 **2.3 CARE Program Administration**

### 5 **2.3.1 What changes may be needed to improve operational efficiencies,** 6 **coordination, and reduce administrative costs?**

7 SDG&E remains committed to continuous improvement in the administration of its  
8 income-qualified programs and strives to increase operational efficiencies, strengthen  
9 coordination, and reduce administrative costs while maintaining program integrity and equitable  
10 access for eligible customers. The following examples illustrate operational efficiencies SDG&E  
11 has implemented, along with key areas identified for continued improvement:

#### 12 **a. Operational Efficiencies**

13 SDG&E has automated paper form intake for the CARE/FERA Recertification  
14 application, which has significantly enhanced both customer experience and internal operations.  
15 The redesigned application is now easier to understand and complete by customers, resulting in  
16 higher data quality and quicker customer responses. Internally, automating data extraction and  
17 entry into the customer information system has streamlined processing recertifications, allowing  
18 the system to determine eligibility directly, reducing reliance on manual review/data entry.  
19 These improvements have accelerated response times and virtually eliminated the risk of

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<sup>32</sup> A.19-11-003, et al., Annual Report Activity of San Diego Gas & Electric Company on ESA, CARE, and FERA Programs for 2024 (June 27, 2025) at A-39, CARE Table 11 – CARE Capitation Applications and Energy Solutions Partner Network enrollments and recertifications at 71.

<sup>33</sup> A.19-11-003, et al., Monthly Report Activity of San Diego Gas & Electric on ESA, CARE, and FERA programs for September 2025 (October 21, 2025), CARE Table 6 at G27 and Energy Solutions Partner Network enrollments and recertifications.

<sup>34</sup> D.21-06-015, OP 14 at 474.

1 processing backlogs. The success rate of full end-to-end automation is 86%, with only 14%  
2 requiring manual processing in cases where automation was not successful. SDG&E will  
3 continue redesigning other CARE/FERA forms, such as for PEV and High Energy Usage  
4 Verifications, to support similar improvements in efficiency, data quality, and customer  
5 satisfaction.

#### 6 **b. Automation of PEV Process**

7 Currently, the PEV process remains largely manual due to the wide range of supporting  
8 documents submitted to verify eligibility. To reduce the time required for processing PEV  
9 requests, SDG&E is exploring automation solutions. These solutions would leverage artificial  
10 intelligence (AI) or similar technologies to intake documents and recognize and extract text from  
11 scanned files, images, or photos of printed and handwritten text. By implementing automation,  
12 SDG&E anticipates a reduction in the per-unit cost associated with processing PEV requests.

#### 13 **c. Coordination with Stakeholders**

14 SDG&E will continue to coordinate with other IOUs, CBOs, Low Income Oversight  
15 Board (LIOB), Energy Division, and other stakeholders to share best, cost-effective practices and  
16 identify operational efficiencies.

### 17 **2.4 CARE Marketing, Education and Outreach (ME&O)**

#### 18 **2.4.1 SDG&E-Specific ME&O plans**

##### 19 **2.4.1.1 CARE Marketing**

20 Effective ME&O plans are crucial for the success of any program, especially those aimed  
21 at assisting traditionally vulnerable and hard-to-reach customers. SDG&E's marketing efforts  
22 continue to evolve over the years in response to shifting market conditions, advancements in  
23 technology, fragmented media consumption habits, and other factors that create barriers to

1 program awareness and enrollment. Given the pace of technological change, SDG&E intends to  
2 maintain flexibility to adapt and innovate as media channels shift and customer behavior evolves.  
3 SDG&E plans to continue using a comprehensive marketing approach in PY 2028-2033 that  
4 combines successful techniques and channels with research-based analytics and other key  
5 learnings, as outlined below. Through a combination of awareness, education, and conversion  
6 tactics, SDG&E expects its marketing campaign to effectively support the CARE Program’s  
7 enrollment goals. This approach will enable SDG&E to reach diverse audiences in the various  
8 ways they consume information, communicate the benefits of the CARE Program, and provide  
9 them with the information they need to enroll.

10 SDG&E’s CARE Program aims to maintain a 90% enrollment goal for PY 2028-2033  
11 with a dual focus on retaining currently enrolled customers and increasing participation of  
12 eligible customers in hard-to-reach areas, Disadvantaged Communities (DACs), Environmental  
13 and Social Justice (ESJ) communities, and low-enrollment ZIP codes. SDG&E provides more  
14 information on these customer segments in the target audience section below. By employing a  
15 customer-centric approach, SDG&E can better serve vulnerable populations and reach those  
16 most in need.

#### 17 **2.4.1.2 CARE Marketing Learnings**

18 SDG&E’s proposed marketing strategy for the CARE Program in PY 2028-2033 is  
19 grounded in insights from its 2024 SDG&E CARE Outreach Effectiveness and Customer  
20 Satisfaction Study.<sup>35</sup> SDG&E continues to prioritize customer-centric outreach strategies, and  
21 the 2024 satisfaction study reaffirms the effectiveness of several tactics already in place. Email

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<sup>35</sup> 2024 SDG&E CARE Program, Outreach Effectiveness and Customer Satisfaction Study, prepared by Travis Research (October 2024).

remains the most preferred communication channel for both program information (56%) and renewal communications (79%), supporting SDG&E's ongoing investment in personalized, demographic-driven email campaigns. Based on the study, the customer base has shifted to younger, more Hispanic, and increasingly mobile device-enabled. SDG&E is committed to delivering bilingual, culturally relevant content using mobile-first design to ensure accessibility and engagement.

Traditional advertising and community outreach have shown a decline in impact. For example, bill package awareness dropped from 39% in 2023 to 17% in 2024, and CBO awareness fell from 19% in 2023 to 9% in 2024. However, these channels remain vital for reaching customers without reliable internet access or digital literacy. SDG&E will continue to support these methods while reassessing its media mix and exploring partnerships with trusted local influencers and community leaders to enhance visibility and trust. These findings validate the current outreach approach and provide clear direction for refining and amplifying efforts moving forward.

#### **2.4.1.3 CARE Target Audience**

SDG&E continues to segment and refine its residential customer population with detailed profiles that consider energy-related attitudes and behaviors, media consumption habits and lifestyle preferences. By leveraging demographic and psychographic customer segmentation models, SDG&E can more effectively reach potentially eligible customers. Tools such as Potential Rating Index for ZIP Markets (PRIZM) segmentation for propensity modeling and estimated eligibility data further support efforts to identify income-qualified customers who are likely to qualify for CARE. This data-driven approach enables SDG&E to tailor marketing efforts based on key behavioral and preference indicators, such as:

- Motivations for seeking assistance, including the values and circumstances that influence decision-making;
- Technology usage, including access to and comfort with internet, smart phones, and digital platforms;
- Openness to new technologies and energy management tools; and
- Communication needs and preferences, including language, format, and accessibility considerations.

SDG&E will continue to use available data analytics to segment and target potential CARE customers based on likelihood of engagement, past enrollment history, and other relevant factors. This ensures outreach efforts are both efficient and equitable, helping connect eligible customers with the support they need.

For PY 2028-2033, SDG&E will continue to focus its marketing efforts on broad awareness while prioritizing customers that fall into one or many of the following key customer segments.

**a. Environmental and Social Justice Communities (ESJs)**

ESJ Communities are identified as those where residents are predominantly communities of color or low-income; underrepresented in the policy setting or decision-making process; subject to a disproportionate impact from one or more environmental hazards; and likely to experience disparate implementation of environmental regulations and socio-economic investments in their communities.<sup>36</sup>

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<sup>36</sup> CPUC, Environmental and Social Justice Action Plan Version 2.0 (April 7, 2022), Executive Summary at 2, available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

1           These communities may also include DACs, Tribal lands, low-income households  
2 (defined as household incomes below 80 percent of the area median income), and low-income  
3 census tracts (defined as census tracts where aggregated household incomes are less than 80  
4 percent of area or state median income).

5           **b. Disadvantaged Communities (DACs)**

6           DACs are geographic areas identified by the State of California using tools like  
7 CalEnviroScreen, which assess environmental pollution and socioeconomic indicators. These  
8 communities typically rank in the top 25% of CalEnviroScreen scores, including Tribal lands,  
9 rural areas, and urban neighborhoods disproportionately impacted by environmental and  
10 economic stressors. Residents in DACs often face systemic barriers such as poor air quality,  
11 lower income levels, limited access to healthcare, and housing insecurity.

12           **c. Low Enrollment ZIP Codes**

13           These are ZIP codes where CARE enrollment rates are below average despite high  
14 eligibility. Low enrollment may result from a lack of program awareness, limited access to  
15 outreach channels, language barriers, or distrust of institutional programs.

16           **d. Hard-to-Reach Customers**

17           This segment includes individuals who face logistical, linguistic, or technological barriers  
18 to program participation. Examples include:

- 19           • Renters and residents of multi-family housing, who may not receive utility  
20           communications directly;
- 21           • Non-English-speaking households, who may struggle with language accessibility; and/or
- 22           • Digitally limited customers, including seniors or low-income individuals without reliable  
23           internet or smartphone access.

1                   **e. Low-literacy populations or those with limited access to transportation or**  
2                   **community resources.**

3                   These customers often require tailored outreach strategies, such as multilingual materials,  
4 in-person enrollment support, and partnerships with local organizations that serve vulnerable  
5 populations.

6                   **2.4.1.4 CARE Marketing Objectives**

7                   The overarching objective of SDG&E’s CARE marketing efforts is to ensure that  
8 income-qualified customers are aware of the program, understand the benefits, and can equitably  
9 access enrollment.

10                  For PY 2028-2033, marketing efforts will be strategically aligned to support the goal of  
11 maintaining CARE enrollment at or above the 90% enrollment goal, with a strong emphasis on  
12 both awareness and education. Marketing efforts will be guided by a customer-centric focus that  
13 includes:

- 14                  • **Accessibility:** Ensuring program information is easy to find, understand, and act on,  
15                   following Access and Functional Needs (AFN) best practices, such as font size,  
16                   captioning and color use;
- 17                  • **Cultural relevance:** Tailoring messaging to reflect the values, languages, and preferences  
18                   of diverse communities;
- 19                  • **Scalability:** Deploying a flexible mix of broad and targeted marketing tactics to reach  
20                   customers where and how they consume media with the most effective messaging, as  
21                   further defined in the Marketing Tactics section below; and
- 22                  • **Continuous improvement:** Refining strategies based on customer feedback,  
23                   performance data, and evolving media habits.



1 This approach will allow SDG&E to connect with a diverse range of eligible customers,  
2 support sustained enrollment, and ensure that marketing efforts remain effective, inclusive, and  
3 aligned with program goals.

#### 4 **2.4.1.5 CARE Marketing Strategies**

5 SDG&E continues to find that the most effective way to drive program awareness and  
6 enrollment among income-qualified customers is through a comprehensive, integrated marketing  
7 strategy. SDG&E provides customers with timely, relevant, and actionable information through  
8 mass media, digital channels, or community touchpoints. Key components of the strategy may  
9 include:

- 10 • **Nurture Campaigns:** Email campaigns will use a “nurture” model, where follow-up  
11 messaging is triggered based on customer behavior. For example, if a customer clicks on  
12 an email but does not complete enrollment, they will receive a tailored follow-up  
13 message offering assistance to complete the enrollment process or highlighting benefits  
14 of enrolling into CARE. This approach helps guide customers through the enrollment  
15 journey with timely, supportive messaging.
- 16 • **Bill Comparisons:** Select communications will include personalized bill comparisons  
17 showing customers how their energy costs could be reduced through enrollment in  
18 CARE. Quantifying the potential cost savings in this manner will help customers connect  
19 participation in the CARE Program to a tangible benefit.
- 20 • **Optimization:** SDG&E optimizes messaging, timing, and channels based on  
21 performance of tactics like customer engagement from initial outreach through to  
22 enrollment.

1       • **Various methods for communication to accommodate customer preferences:**

2       Understanding that customers' contact and communication preferences vary, SDG&E's  
3       materials are created and provided through different mediums to address different  
4       preferences. For example, while digital engagement continues to grow, SDG&E  
5       recognizes that some customers may have limited or unreliable internet access.

6                   **2.4.1.6 CARE Marketing Tactics**

7       Marketing tactics for CARE are structured around a layered communications model  
8       designed to reach eligible customers across multiple touch points. This approach provides data-  
9       informed opportunities to ensure that marketing efforts are inclusive and responsive to the unique  
10      needs of each customer segment. SDG&E's ME&O tactics include general awareness, direct  
11      marketing, and community engagement. Outreach and community engagement details are  
12      discussed in Section 2.4.1.6.c.

13       It is a generally held marketing principle that it may take seven to ten touchpoints to lead  
14      a customer from awareness to a desired action. This underscores the importance of consistent,  
15      layered communication across various channels to ensure that CARE messaging is seen,  
16      remembered, and acted upon. To ensure consistency and reinforce messaging across channels,  
17      all tactics are aligned under a unified creative platform and messaging framework. Unique calls  
18      to action are embedded in marketing materials, directing customers to the program-specific  
19      landing pages or SDG&E's Customer Care Center where they can learn more and begin the  
20      enrollment process.

1                   **a. General Awareness Tactics**

2                   To build foundational awareness and maintain program visibility, SDG&E will  
3 implement a multi-channel general awareness campaign that reaches customers across diverse  
4 media platforms and consumption habits. These tactics are designed to reinforce messaging,  
5 drive traffic to enrollment resources, and support consistent exposure across customer segments:

- 6                   • **Streaming Television & Audio:** These platforms allow for geo-targeted messaging and  
7 audience segmentation, helping SDG&E reach customers in communities across the  
8 service territory with relevant foundational messaging. SDG&E plans to use a  
9 combination of produced campaign creative, along with Public Service Announcement-  
10 style interview segments, as available.
- 11                  • **Out-of-Home (OOH) Advertising:** Placements in high-traffic community spaces, such  
12 as transit shelters, grocery stores, and barber shops, will help maintain visibility in areas  
13 with high concentrations of income-qualified customers.
- 14                  • **Digital Advertising:** A mix of display ads, paid search, and paid social media placements  
15 will be used to reach customers where they consume digital content. These tactics  
16 support both broad awareness and selective targeting based on geography and customer  
17 profile. For example, leveraging social media influencers allows SDG&E to connect  
18 with potentially eligible CARE customers through trusted, personal, and locally resonant  
19 voices creating a more authentic and relatable channel for program awareness and  
20 engagement.
- 21                  • **Print:** Used strategically to reach specific customer segments like seniors, rural  
22 communities and multilingual households, print ads may be produced in languages most

prevalent in SDG&E's service territory, including English, Spanish, Vietnamese, and Filipino.

- **Bill Package:** On-bill messaging and printed bill inserts will continue to serve as a trusted communication channel for customers who may not engage digitally, reinforcing program benefits and encouraging enrollment or recertification.
- **Organic Social Media:** SDG&E's social media channels will be used to share educational content and program updates, helping build trust and engagement over time. This includes social media platforms such as Instagram, Facebook, Nextdoor and X (formerly Twitter).

#### **b. Direct Marketing Tactics**

To complement and support general awareness tactics, SDG&E will deploy data-informed direct marketing tactics that deliver personalized communications to customers most likely to benefit from CARE. This integrated, data-driven approach to direct marketing is essential to achieving enrollment goals. By meeting customers where they are, both digitally and physically, SDG&E aims to reduce barriers to participation and ensure that eligible households receive the support they need.

- **Email:** Personalized emails will highlight potential savings with bill comparisons using examples of how the CARE discount would impact their bill. Content will guide customers through the enrollment or recertification process, as appropriate, and include direct links to the CARE application. Messaging may be tailored based on enrollment history, categorical eligibility or other key drivers.
- **Direct Mail:** For customers without a valid email address on file, SDG&E will send personalized letters that compare past bill amounts to potential CARE savings. This

1 approach highlights potential savings in a tangible way while maintaining cost-  
2 effectiveness by prioritizing email outreach first and reserving direct mail for customers  
3 who cannot be reached digitally.

- 4 • **Outbound Call Campaign:** These targeted customer calls encourage enrollment in  
5 CARE. The campaign provides SDG&E with a way to directly connect with customers  
6 in low income and hard-to-reach areas. Eligible customers are enrolled over the phone.

### 7 c. Outreach Tactics

8 SDG&E's outreach efforts aim to ensure that income-qualified customers are aware of  
9 and understand the full range of customer assistance programs and services available to help  
10 them reduce energy costs, manage their energy usage, and access other valuable resources.

11 For PY 2028-2033, SDG&E outreach objectives will support the CARE Program  
12 enrollment goal of 90% or more by:

- 13 • Enhancing customer awareness of CARE through targeted outreach strategies;
- 14 • Strengthening relationships with CBOs serving income-qualified and vulnerable  
15 communities;
- 16 • Delivering culturally and linguistically appropriate outreach materials;
- 17 • Hosting educational events to promote program awareness and enrollment; and
- 18 • Providing ongoing training and support to community partners.

1                   **i.     Community Outreach & Engagement**

2           Community events are essential to increasing program awareness and reaching audiences  
3 who may not always engage through traditional marketing tactics. Each year, SDG&E engages  
4 in hundreds of community events and presentations across its service territory. By participating  
5 in local gatherings and connecting directly with customers in familiar settings, SDG&E builds  
6 trust and provides personalized support, including in-language assistance to help customers  
7 enroll in CARE. For the PY 2028-2033, SDG&E will continue to prioritize attendance at  
8 community-focused events such as multicultural festivals, health and wellness fairs, emergency  
9 preparedness expos, and environmental gatherings where customers naturally seek information  
10 and resources. Bilingual event specialists will be present to assist with enrollment.

11                   **ii.    Energy Solutions Partner Network (ESP)**

12           SDG&E's ESP network includes over 200 grassroots CBOs that play a pivotal role in  
13 educating and engaging customers across the service territory. These organizations are deeply  
14 embedded in their communities, often operating at the neighborhood level, and reflect the  
15 geographic and cultural diversity of SDG&E's customer base, particularly in areas with high  
16 potential for program enrollment.

17           The ESP network supports a wide range of customer segments, including immigrants,  
18 low-income households, military families, multicultural and Tribal communities, non-English  
19 speakers, rural residents, individuals with AFN, and youth. These trusted partners are essential  
20 in bridging gaps for customers who may face barriers such as limited access to information,  
21 language challenges, or hesitancy in seeking assistance.

22           SDG&E will continue leveraging the ESP network to promote and facilitate enrollment in  
23 offerings such as ESA, CARE, and FERA, as well as energy efficiency initiatives, demand  
24 response programs, pricing plans, and digital tools.

1 Outreach efforts will be executed through a variety of tactics, including:

- 2 • Hosted presentations and workshops.
- 3 • Sharing content on social media platforms (e.g., Facebook, X, Instagram).
- 4 • Updating partner websites with program information.
- 5 • Providing booth space for SDG&E at community events.

6 By collaborating with these trusted, community-rooted organizations, SDG&E will  
7 maintain a robust network of ambassadors who are uniquely positioned to connect with and serve  
8 the diverse populations across its service territory.

### 9 **iii. Capitation Agencies**

10 Partnering with social service agencies such as Women, Infant & Children (WIC) offices  
11 and other nonprofit intake organizations remains an effective and efficient strategy for enrolling  
12 SDG&E's hardest-to-reach customers in the CARE Program. These trusted CBOs play a critical  
13 role in connecting high-risk and income qualified individuals and families to state and federally  
14 funded assistance programs.

15 Most of these partners are located in underserved, diverse communities and service a  
16 wide range of customer segments including multicultural, multilingual seniors, veterans, AFN,  
17 and LEP households. To support their outreach efforts, SDG&E will continue offering up to \$30  
18 "capitation fee" for each successful enrollment.

1                   **iv.    2-1-1 San Diego**

2           2-1-1 San Diego is a trusted community resource that connects individuals to health,  
3 housing, disaster relief, and other essential services through a toll-free phone line and online  
4 database. 2-1-1 San Diego provides referrals for programs such as CalFresh, LIHEAP,  
5 emergency financial assistance programs, and more. As part of this collaboration, 2-1-1 San  
6 Diego screens callers for eligibility and offers over-the-phone enrollment into SDG&E's  
7 customer assistance programs, including CARE and FERA. For the PY 2028-2033, SDG&E  
8 will continue to leverage its partnership with 2-1-1 San Diego to support enrollment in these  
9 programs to ensure that vulnerable customers receive the support they need.

10                   **2.4.2   Co-marketing with Other Programs**

11           To effectively promote income-qualified programs together and with other SDG&E  
12 offerings, it's important to understand the benefits and connections between the programs and the  
13 target audience. SDG&E will look for opportunities to promote programs together when they  
14 target similar customer segments using tactics that allow for multiple offers without complicating  
15 or confusing the primary message. Some tactics may only accommodate a single message based  
16 on space requirements, but others can be used to promote multiple programs, showing how  
17 customers may receive greater benefits. The most effective co-marketing will align messaging  
18 that is complementary, for example, the CARE discount with ESA's no-cost energy-saving home  
19 improvements. Because the eligibility requirements are the same based on annual household  
20 income, it is an opportunity to market both programs to the same customer. Similarly, income-  
21 qualified customers may benefit from marketing that cross promotes both bill discounts, CARE  
22 and FERA, especially if they are uncertain about income eligibility and household size  
23 requirements. SDG&E will seek to use general marketing materials, like brochures, fact sheets,



1 websites and bill inserts, to promote multiple SDG&E offerings, with paid advertising tactics  
2 used as appropriate. Additionally, SDG&E will continue to work with CBOs to help customers  
3 connect with relevant SDG&E assistance programs.

4 It should be noted that while promoting multiple programs can be efficient and effective,  
5 in some cases, it may be best to highlight one program at a time. For example, when a program  
6 has a unique and strong message with a singular call-to-action, that message could be weakened  
7 by combining it with other offers, potentially resulting in lower engagement. Similarly, if the  
8 target audience for a program is very specific and unique with little crossover appeal compared  
9 with other offers, promoting the program individually is the preferred strategy.

### 10 **2.4.3 California Emerging Technology Fund (CETF) Stipulation**

11 SDG&E intends to continue the Joint Stipulation and collaborate with CETF during the  
12 PY 2028-2033 cycle to inform low-income customers in its service territory about affordable  
13 broadband offerings. At the time of this filing, the IOUs and CETF have aligned on an  
14 Addendum to the Joint Stipulation for Bridge Year 2027. Similarly, SDG&E intends to work  
15 with the other IOUs and CETF to review and collaborate on updates, if any, to the Joint  
16 Stipulation for the PY 2028-2033 cycle. Any additional Addendum to the joint stipulation will  
17 be submitted as part of this proceeding.

## 18 **2.5 Community Help and Awareness with Natural Gas and Electricity Services** 19 **are Marketing, Education and Outreach (ME&O)**

### 20 **2.5.1 Discuss whether SDG&E proposes to continue funding the** 21 **CHANGES program from the CARE budget, referencing the findings** 22 **from the CHANGES program evaluation**

23 D.15-12-047 approved the Community Help and Awareness of Natural Gas and  
24 Electricity Services (CHANGES) program which provides outreach, education, and bill issue

1 assistance on natural gas and electricity bills and services to LEP consumers through a statewide  
2 network of CBOs. The Commission’s Consumer Affairs Branch of the External Affairs Division  
3 administers the CHANGES ongoing statewide program, since its current duties, and its staffs’  
4 knowledge, skills, and abilities align with the CHANGES program.<sup>37</sup> SDG&E proposes to  
5 continue funding the CHANGES program from the CARE budget consistent with D.21-06-  
6 015.<sup>38</sup> The 2023 CHANGES Evaluation Study (2019-2021) examined the services provided and  
7 the customers who benefit and concluded funding the CHANGES Program through the CARE  
8 budget is appropriate.<sup>39</sup>

9 **2.5.2 If CHANGES continues to be funded through CARE, what is the**  
10 **appropriate annual funding level?**

11 SDG&E does not propose modifications to the CHANGES annual funding level.  
12 SDG&E does not manage the CHANGES contract. If the CHANGES program requires a budget  
13 adjustment, then SDG&E recommends that Consumer Affairs Branch identify the budget change  
14 together with the justification for the budget update. CHANGES funding is included in  
15 Attachment G Table B-1.

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<sup>37</sup> D.15-12-047, OP 2 at 42.

<sup>38</sup> D.21-06-015, OP 20 at 475.

<sup>39</sup> Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) Program Process Evaluation Study (2019-2021) conducted by Opinion Dynamics (May 2023) at 74, available at <https://webproda.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/cab/changes/changes-evaluation-report-2023.pdf>.

### 2.5.3 Discuss whether SDG&E proposes to change the funding split between IOUs

The IOUs discussed the allocation of the CHANGES funding and determined it is not necessary to propose a change to the IOU allocations. SDG&E's current allocation is 15% as ordered in D.21-06-015 and illustrated in Table 4 below.<sup>40</sup>

In the 2019-2021 CHANGES Program Process Evaluation, issued in 2023, the study provider observed SDG&E contributes 15% of the CHANGES program budget but receives only 6% of case assistance services and 8% of community outreach events, indicating a disproportionately low share of program benefits. Compared to other IOUs, SDG&E appears to be overpaying for the limited support its customers received through the program.<sup>41</sup> Although no changes to the IOU funding split are being recommended, SDG&E requests that the Consumer Affairs Branch manage any future contracts for a fair and equitable distribution of efforts and benefits based on the funding contribution of its service territory.

**Table 4: Comparison of Allocation of CHANGES Funding and Distribution of Program Activity by IOU**

IOU	CHANGES Funding Paid	Case Assistance Services	Community Outreach Events
PG&E	30%	64%	41%
SCE	30%	15%	51%*
SCG	25%	15%	
SDG&E	15%	6%	8%

\*SCE and SCG share common territory.

<sup>40</sup> D.21-06-015 at 73-75 and OP 21 at 475.

<sup>41</sup> Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) Program Process Evaluation Study (2019-2021) conducted by Opinion Dynamics (May 2023) Table 40 at 69 and Appendix D at 86-104, available at <https://webproda.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/cab/changes/changes-evaluation-report-2023.pdf>.

## **2.6 Assembly Bill 2672**

### **2.6.1 Describe SDG&E's plan to comply with legislative changes addressing expanded CARE eligibility to enroll public housing authority owned or administered Homekey housing facilities where the residents of the facility substantially meet the CARE program's income eligibility requirements**

In September 2024, Assembly Bill (AB) 2672 was approved, requiring that the CARE Program include public housing authority owned or administered Homekey facilities where residents of the facility substantially meet the CARE Program's income eligibility requirements and the account is in the name of Homekey, a nonprofit funded by Homekey, or the public housing authority that owns or administers the facility. SDG&E implemented the requirements of AB 2672 by June 1, 2025, based on guidance received from the Commission.<sup>42</sup> In partnership with the San Diego Housing Commission (SDHC), SDG&E has a total of three Homekey facilities as of September 2025.<sup>43</sup> SDG&E will continue to partner with the SDHC and other organizations to further promote the Expanded CARE Program to eligible Homekey facilities.

### **2.6.2 What is the new population and impacts to the program?**

In consultation with the SDHC, SDG&E estimates that approximately four Homekey facilities will be eligible to participate in the CARE Program in 2025. SDG&E will coordinate with SDHC and other organizations as additional facilities are identified and assist them in enrolling eligible Homekey facilities in the Expanded CARE Program.

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<sup>42</sup> P.U. Code Section 739.1(i) as amended by AB 2672.

<sup>43</sup> The Commission issued 2025-2026 Annual Income Limits for the CARE, FERA, and ESA Programs and the Implementation of AB 2672 and Senate Bill (SB) 1130 on March 26, 2025.

## 2.7 Revenue Requirement and Rate Impacts

### 2.7.1 Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the application period as well as the projected rate impacts that would arise due to the increased revenue requirements, including impacts to CARE and non-CARE customers

SDG&E recovers its CARE Program costs through revenues collected through the PPP rates. Program revenue requirements are based on the authorized budgets approved by the Commission. These revenue requirements are approved through the annual PPP advice letters filed in the last quarter of the year that become effective January 1 of the following year. The CARE revenue requirement can be found in Attachment G Tables B-1 and electric and natural gas rate impacts in Tables D-1 and D-2, respectively.

#### 2.7.1.1 CARE Electric Revenue

SDG&E is not proposing changes to the revenue allocation or rate design for the CARE electric rate. In accordance with D.25-09-006, SDG&E's CARE Program costs will continue to be recovered on an equal-cent-per-kWh basis applied to all non-exempt authorized sales.<sup>44</sup>

CARE Program costs are recovered through the PPP rate. Per OP 2 of D.03-04-027, SDG&E is ordered to submit an annual advice letter by October 1 to update its electric PPP rates effective January 1 of the following year. The updates reflect currently authorized annual revenue requirements, and updates to the electric PPP regulatory account amortizations. The CARE Program revenue requirement is based on the forecasted CARE rate discount and the authorized CARE administration budget.

The CARE Balancing Account (CAREBA)-Electric is a two-way balancing account that tracks the CARE Program electric expenses and the portion of electric PPP revenues collected

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<sup>44</sup> D.25-09-006, at 75. Note that CARE and Streetlighting sales are exempt from paying CARE program costs.

1 and allocable to the CARE Program. SDG&E does not propose any changes to the CAREBA-  
2 Electric at this time.

### 3 **2.7.1.2 CARE Natural Gas Revenue**

4 SDG&E is not proposing any changes to the revenue allocation or rate design for the  
5 CARE natural gas surcharge rate. SDG&E's CARE Program costs are currently recovered using  
6 an equal-cent-per-therm approach to allocate costs between the customer classes. CARE  
7 Program rates are determined by dividing the allocated Non-CARE Program expenses by the  
8 combined CARE and Non-CARE customer volumes. The portion of expenses allocated to the  
9 CARE Program is then divided by the Non-CARE customer volumes to calculate the PPP  
10 surcharge rate adder for CARE. This adder is applied to the PPP surcharge rate across all  
11 customer classes.

12 CARE Program costs are recovered through the PPP surcharge rate. In accordance with  
13 OP 22 of D.04-08-010 and as authorized AB 1002, SDG&E submits an annual advice letter by  
14 October 31 to update its natural gas PPP surcharge rates effective January 1 of the following  
15 year. The revisions to natural gas PPP surcharge rates reflect currently authorized annual  
16 revenue requirements, and updates to the natural gas PPP regulatory account amortizations. The  
17 CARE Program revenue requirement is based on the forecasted CARE rate discount and the  
18 authorized CARE administration budget.

19 The CAREBA-Gas is a two-way balancing account that tracks the CARE Program  
20 natural gas expenses and the portion of gas PPP revenues collected and allocable to the CARE  
21 Program. Additionally, CAREBA-Gas also tracks the remittances of PPP funds collected from  
22 ratepayers to the California Department of Tax and Fee Administration (CDTFA) on a quarterly

1 basis and subsequently records the reimbursement of those funds two to three months after the  
2 funds were remitted. SDG&E does not propose any changes to the CAREBA-Gas at this time.

### 3 **3. FAMILY ELECTRIC RATES ASSISTANCE (FERA)**

4 The FERA Program is statutorily mandated by California P.U. Code Sections 739.1 and  
5 739.12 to assist low- to middle-income-eligible households earning between 200% (plus \$1) and  
6 250% of FPG.<sup>45</sup> The FERA Program currently provides an effective 18% discount on monthly  
7 electric bills. In D.21-06-015, the Commission authorized the FERA Program to be consolidated  
8 with the CARE and ESA proceedings. D.21-06-015 also approved FERA Administrative and  
9 Rate Discount Budgets separate from CARE budgets. In 2024, Senate Bill (SB) 1130 was  
10 passed, removing the three or more persons requirement to be eligible for FERA. Additionally,  
11 SB 1130 authorized IOUs to optionally use a dedicated FERA application for enrollment and  
12 ordered the IOUs to submit their annual reports by March 1 of every year.<sup>46</sup>

#### 13 **3.1 FERA Program Goals and Budget**

##### 14 **3.1.1 The IOUs' proposed annual and next program cycle goals and budget**

15 SDG&E's FERA Program approach for PY 2028-2033 will largely focus on efforts to  
16 increase and retain FERA enrollment in pursuit of achieving the 70% enrollment goal established  
17 in D.21-06-015.<sup>47</sup>

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<sup>45</sup> Office of the Assistant Secretary For Planning and Evaluation, Poverty Guidelines, available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

<sup>46</sup> P.U. Code Section 739.12 as amended by SB 1130 effective January 1, 2025, available at [https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=739.12.&lawCode=PUC](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=739.12.&lawCode=PUC).

<sup>47</sup> D.21-06-015, Attachment 1 at Table 3.

**Table 5: PY 2028-2033 FERA Enrollment/Participation Goals**

<b>Program Year</b>	<b>Estimated Net Enrollment</b>	<b>Estimated Year End Participation</b>	<b>Estimated Eligible<sup>48</sup> Households</b>	<b>Estimated PY End Enrollment Rate</b>
2028	4,366	38,484	81,019	47.5%
2029	4,051	42,535	81,019	52.5%
2030	4,051	46,586	81,019	57.5%
2031	4,051	50,637	81,019	62.5%
2032	3,646	54,283	81,019	67.0%
2033	2,431	56,713	81,019	70.0%

To support these efforts, SDG&E requests approval of \$96.8 million in FERA budget, which consists of approximately \$84.6 million Customer Rate Discount and approximately \$12.2 million for Program Administration. SDG&E's FERA budget details are available in Attachment G Table C-1.

**Table 6: FERA PY 2028-2033 Proposed Budget**

<b>Categories</b>	<b>PY 2028</b>	<b>PY 2029</b>	<b>PY 2030</b>	<b>PY 2031</b>	<b>PY 2032</b>	<b>PY 2033</b>	<b>Total</b>
<b>FERA Administrative</b>	\$ 1,979,370	\$1,992,889	\$2,017,310	\$2,052,553	\$2,074,158	\$2,100,782	\$12,217,062
<b>FERA Discount</b>	\$11,254,869	\$12,439,592	\$13,624,315	\$14,809,038	\$15,875,288	\$16,586,122	\$84,589,223
<b>FERA Total</b>	<b>\$13,234,239</b>	<b>\$14,432,481</b>	<b>\$15,641,625</b>	<b>\$16,861,591</b>	<b>\$17,949,446</b>	<b>\$18,686,904</b>	<b>\$96,806,285</b>

<sup>48</sup> Eligible CARE households will fluctuate based on the annual CARE/FERA/ESA Eligibility Report issued in the second quarter of each program year.



### 3.1.2 How the IOUs' proposed goals and budget compare to the 2021-2026 goals and actual results

SDG&E's PY 2028-2033 FERA enrollment percentage goal of 70% is consistent with its 2026 goal of 70% as ordered by D.21-06-015.<sup>49</sup> In August 2025, FERA enrollment was at 21%, with 16,953 participating households out of SDG&E's estimated FERA eligible population of 81,019.<sup>50, 51</sup> SDG&E forecasts enrollment will be at 70% by the end of the PY 2028-2033 program cycle, as shown in the table below, mainly due to increased Marketing, Education & Outreach (ME&O) activities.

The administrative budget for PY 2028-2033 has increased by 221% from the PY 2021-2026 program cycle budget. This is primarily due to the requested increase in the ME&O budget that will be used to enhance marketing and outreach in support of the expanded estimated eligible population since the implementation of SB 1130. Similarly, budgets for processing, certification and recertification, PEV, and general administration were adjusted to support the expected increase in FERA enrollment. FERA IT and Programming proposed budget is likewise significantly higher at 738% greater than the PY 2021-2026 cycle budget due to anticipated improvements in automation and system enhancements to comply with Commission mandates and increase operational efficiencies.

The FERA Rate Discount forecasted budget for PY 2028-2033 is \$84.6 million. The FERA Rate Discount budget for PY 2028 was adjusted to \$11.3 million based on the forecasted

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<sup>49</sup> D.21-06-015, Attachment 1 at Table 3.

<sup>50</sup> A.19-11-003, et al., Monthly Report of SDG&E on Low Income Assistance Programs for August 2025 (September 22, 2025) at 36 and Table 4, FERA Program at 74.

<sup>51</sup> See A.19-11-003, et al., Compliance Filing of ...[IOUs] Regarding Annual Estimates of CARE and FERA Eligible Customers and Related Information (April 14, 2025). PG&E, on behalf of the IOUs, submitted the *Annual CARE and FERA Eligibility Report* in accordance with OP 189 of D.21-06-015. This number reflects estimates of SDG&E's CARE Estimated Eligible Participants for 2025.

run rate of annual FERA enrollment growth through the 2027 Bridge Funding period and is forecasted to increase to approximately \$16.6 million in 2033 assuming solid net enrollment growth.

Compared to its authorized 2026 FERA ME&O budget of \$0.38 million, SDG&E's proposed FERA ME&O budget was adjusted to approximately \$1.1 million for PY 2028 with projected annual increase of 1% per year in PY 2029-2033 to target ME&O to the expanded eligible population and to cross-promote FERA to SDG&E's Base Services Charge (BSC) customers assigned to Tier 2 and not enrolled in either FERA or CARE. ME&O objectives, strategies, and plans are detailed in Section 3.3 below.

## **3.2 FERA Program Delivery**

### **3.2.1 What changes may be needed to address issues with program delivery, including reducing barriers to enrollment, improving the application, and making the recertification/post-enrollment verification (PEV) process less burdensome on FERA applicants but still ensure that currently enrolled customers are FERA-eligible? Address each of the following:**

According to the 2024 Outreach and Customer Satisfaction study findings, overall satisfaction with the FERA Program remains very high (82%) and the majority of customers find the enrollment process easy to understand (87%).<sup>52</sup> Similar to CARE Program delivery, SDG&E is committed to continuously seeking ways to reduce enrollment barriers and improve the customer's experience with FERA enrollment.

#### **a. LIHEAP to FERA Automatic Enrollment**

To support that commitment, SDG&E proposes expanding the existing LIHEAP to CARE automatic enrollment requirement to include FERA, using LIHEAP participant data from

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<sup>52</sup> 2024 FERA Program, Outreach Effectiveness and Customer Satisfaction Study, Prepared by Travis Research (October 2024), Executive Summary at 6 and 8.

1 California Department of Community Services and Development (CSD). LIHEAP participants  
2 are income certified through a data sharing and non-disclosure agreement with CSD. In D.02-  
3 07-033, the IOUs were ordered to automatically enroll customers in CARE if they participate in  
4 any of the following programs: Medi-Cal, administered by the California Department of Health  
5 Services (DHS); Healthy Families, administered by Managed Risk Medical Insurance Board  
6 (MRMIB); WIC, administered by DHS, and Energy Assistance Programs administered by the  
7 Department of Community Services and Development (DCSD). With the implementation of  
8 automatic enrollment, income-qualified customers shall be eligible to participate in CARE if  
9 they meet the current CARE income/household size criteria or if the household participates in  
10 any one of the programs listed above.<sup>53</sup> Additionally, this requirement excluded automatically  
11 enrolled customers from the random post-enrollment verification process.<sup>54</sup> SDG&E requests  
12 this order be updated to automatically enroll customers in FERA if they meet the current FERA  
13 income and household size criteria. This customer information would be provided via the data  
14 sharing agreement with CSD. As discussed further in Section 7.4, this change would require the  
15 removal of LIHEAP as categorical eligibility for CARE. In addition, SDG&E proposes to  
16 exclude FERA automatically enrolled households from PEV as is presently required for CARE.

17 To further support this proposal, D.21-06-015 directed the IOUs to explore the topic of  
18 data sharing opportunities in the 2022 Categorical Eligibility Study.<sup>55</sup> One of the study  
19 objectives was to inform potential future automatic enrollment of participants from  
20 recommended categorical eligibility programs. The study found automatic enrollment for CARE

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<sup>53</sup> D.02-07-033, OP 6 at 61-62.

<sup>54</sup> *Id.*, COL 5 at 59.

<sup>55</sup> D.21-06-015, OP 170 at 516.

and FERA is a feasible process albeit it would require time and resources to set up. However, at that time, the study also found that none of the 17 programs that were reviewed as part of the study matched the eligibility criteria for FERA.<sup>56</sup> Since then, the LIHEAP household income eligibility has changed and is now more closely aligned with FERA than CARE. In the past five years, California State Median Income, on which LIHEAP is based, has risen at a faster rate than the FPG, on which FERA and CARE are based, therefore improving program eligibility alignment. Table 7 below illustrates how LIHEAP eligibility criteria have evolved from 2019 to 2025, particularly in relation to California's CARE and FERA income thresholds.

**Table 7: Comparison of LIHEAP CARE/FERA Eligibility, 2019 versus 2025**<sup>57, 58</sup>

2019 LIHEAP				2025 LIHEAP		
All households eligible for:				All households eligible for:		
Household Size	CARE (200% FPG)	FERA (250% FPG)		Household Size	CARE (200% FPG)	FERA (250% FPG)
1	N/A	N/A		1	N/A	N/A
2	NO	YES		2	NO	YES
3	YES	YES		3	NO	YES
4	YES	YES		4	NO	YES
5	YES	YES		5	NO	YES
6	YES	YES		6	NO	YES
7	YES	YES		7	NO	YES
8	YES	YES		8	YES	YES
	<b>KEY</b>					
	<b>FPG: Federal Poverty Guidelines</b>					

<sup>56</sup> 2022 Categorical Eligibility Study, A Report to the California Investor-Owned Utilities (June 26, 2023) at 33-34, available at <https://pda.energydataweb.com/api/downloads/2814/Categorical%20Eligibility%20Report%20-%20Final.pdf>.

<sup>57</sup> CSD, LIHEAP Income Eligibility, available at <https://www.csd.ca.gov/Pages/LIHEAP-Income-Eligibility.aspx>.

<sup>58</sup> Office of the Assistant Secretary For Planning and Evaluation, Poverty Guidelines, available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

	<b>2019 LIHEAP</b>				<b>2025 LIHEAP</b>	
	<b>All households eligible for:</b>				<b>All households eligible for:</b>	
Household Size	CARE (200% FPG)	FERA (250% FPG)		Household Size	CARE (200% FPG)	FERA (250% FPG)
Used with household size to qualify a household for CARE or FERA						

Some relevant observations regarding eligibility alignment between LIHEAP, CARE and FERA are listed below.

- In 2019, LIHEAP eligibility closely aligned with the CARE Program, which uses a threshold of 200% of the FPG. Most household sizes of three and up qualified under both CARE and FERA, indicating that LIHEAP targeted lower-income households.
- In 2025, LIHEAP eligibility for certain household sizes shifted to more closely align with the FERA Program, which uses a higher threshold of 250% of the FPG. Some households with three to seven members that previously qualified for CARE no longer meet the income eligibility criteria, but they do qualify under FERA income eligibility limits. This indicates that LIHEAP now includes slightly higher-income households than before.

This change reflects a broader effort to expand energy assistance to moderate income families who may still face affordability challenges but were previously excluded under stricter income limits.

Because categorical eligibility supersedes income eligibility for LIHEAP recipients, SDG&E proposes a pathway to enroll LIHEAP participants in the most appropriate rate discount program via data sharing and requests updates to both D.02-07-033 for automatic enrollment and D.06-12-038 for categorical eligibility as discussed in Section 5.

1                   **b. Other Improvements to Enrollment Barriers and Improving the Application**

2                   To further address improvements with program enrollment, SDG&E intends to leverage a  
3 standalone FERA application form as approved by SB 1130.<sup>59</sup> SDG&E expects that having a  
4 separate FERA-specific application form will have a positive effect on FERA enrollments.

5                               **3.2.1.1 FERA Recertification**

6                   Once enrolled, FERA customers are required to recertify their FERA eligibility via self-  
7 certification every two or four years. SDG&E does not propose any changes to the FERA  
8 recertification timing as ordered in D.21-06-015. To assist customers with the recertification  
9 process, SDG&E sends three written notifications and makes one final attempt via a phone call  
10 before the customer is removed from the program. As previously mentioned in CARE Section  
11 2.2.1.1, SDG&E has improved its recertification process by automating the recertification intake  
12 form to make it easier for customers to complete and to process. SDG&E intends to automate  
13 FERA recertification. Additionally, SDG&E intends to implement text notifications as another  
14 layer of reminder notifications for customers who are due for recertification.

15                               **3.2.1.2 FERA PEV Strategies**

16                   SDG&E does not propose any changes to the FERA PEV process. As approved by D.21-  
17 06-15, SDG&E plans to PEV up to 6% via random selection of all FERA customers annually.  
18 SDG&E offers the option to upload or email income documentation and/or proof of eligibility to  
19 complete the PEV process. SDG&E also makes a one-time courtesy phone call for customers

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<sup>59</sup> P.U. Code Section 739.12(4) available at  
[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=739.12.&lawCode=PUC](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=739.12.&lawCode=PUC).

1 who provide incomplete or incorrect documentation and assists customers with providing the  
2 proper documentation for PEV.

### 3 **3.2.1.3 Other Efforts to Improve Enrollment, Recertification, and** 4 **PEV Processes**

5 To further help address any barriers in enrolling and completing the recertification and  
6 PEV process, SDG&E will continue to explore additional tools to assist customers. These tools  
7 include, but are not limited to:

#### 8 **a. My Energy Center Feature FERA Enhancements**

9 SDG&E intends to enhance its My Energy Center customer tool for FERA enrollment,  
10 recertification, and PEV integration as part of its continuous efforts to improve customer  
11 experience with the enrollment process. The planned enhancements will allow customers to  
12 complete the enrollment, recertification, and PEV processes directly through My Energy Center  
13 tool, making it a one-stop shop for customers to enroll and complete program recertification  
14 requirements. My Energy Center will also display the customer's current enrollment status and  
15 allow customers to opt in to receive program alerts and reminders as needed. By displaying the  
16 current enrollment status in My Energy Center, SDG&E expects to see a reduction in customer  
17 generated calls inquiring about their FERA enrollment status.

#### 18 **b. Text Message Notifications**

19 In addition, SDG&E intends to introduce text message notifications to further support  
20 customer awareness and timely action related to both recertification and PEV requirements.  
21 These efforts are designed to minimize unnecessary disenrollment and ensure continued access  
22 to program benefits for eligible participants.  
23

1                   **c. How-To Video**

2                   SDG&E will develop a how-to-video, which provides step-by-step instructions on how to  
3 complete the PEV process.

4                   **d. High Customer Satisfaction Surveys**

5                   SDG&E's 2024 FERA Outreach Effectiveness and Customer Satisfaction Study results  
6 indicated that the majority of customers found the enrollment process easy to understand and are  
7 willing to provide proof of eligibility such as income documentation if asked.<sup>60</sup> SDG&E will  
8 continue to monitor its enrollment, recertification, and PEV process and make improvements  
9 based on best practices shared by other IOUs and feedback received through its annual customer  
10 satisfaction study.

11                               **3.2.1.4 FERA Probability Algorithm/Propensity Model**

12                   SDG&E does not propose changing its existing FERA probability model and will update  
13 the model periodically as authorized in D.21-06-015.<sup>61</sup> SDG&E's FERA PEV probability model  
14 is based on the CPUC-approved methodology to cost-effectively identify FERA Program  
15 enrollees who have the probability of being less likely to be eligible in the program, while  
16 tailoring the model to SDG&E's service territory that takes into account the basic probability  
17 factors, populations and administration costs.<sup>62</sup> The methodology used includes criteria such as  
18 ZIP code, median household income, and household energy usage.<sup>63</sup> As previously mentioned,  
19 SDG&E will update its probability model as needed.

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<sup>60</sup> 2024 FERA Program, Outreach Effectiveness and Customer Satisfaction Study, Prepared by Travis Research (October 2024) at 26 and 29.

<sup>61</sup> D.21-06-015, OP 8 at 473.

<sup>62</sup> SDG&E Advice Letter 2515-E-A/2224-G-A, approved November 20, 2013 and effective October 3, 2013.

<sup>63</sup> D.12-08-044, OP 120.



### 3.2.1.5 CBOs and Capitation Fees

To continue supporting FERA enrollment, recertification and program delivery, SDG&E proposes to continue partnering with social service agencies, CBOs, and capitation agencies. SDG&E currently works closely with 21 social service agencies and with a network of approximately 200 CBOs in its Energy Solutions Partner Network to help enroll the hardest-to-reach customers. In 2024, these partnering organizations contributed over 30 FERA new enrollments.<sup>64</sup>

In support of its efforts to increase FERA enrollment to 70% by the end of the PY 2028-2033 cycle, SDG&E proposes to increase its FERA capitation fee from up to \$30 to up to \$60 per enrollment. Despite the increased estimated eligible population for FERA due to SB 1130, identifying eligible households for FERA remains challenging. Increasing the capitation fee would enable SDG&E to support increased engagement from grassroots organizations who often operate with limited budgets and resources to serve the most vulnerable and hard-to-reach communities. Based on feedback received from CBOs, many organizations rely on community partnerships, including capitation fees to sustain their outreach programs. Increased flexibility in the capitation fee will help incentivize CBOs to prioritize FERA enrollments, dedicate staffing for targeted campaigns, and provide more thorough application support, reducing the number of rejected or incomplete applications.

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<sup>64</sup> A.19-11-003, et al., Annual Report Activity of San Diego Gas & Electric Company on Family Electric Rate Assistance program for 2024 (March 3, 2025) at 23.

### **3.3 FERA Marketing, Education and Outreach (ME&O)**

#### **3.3.1 SDG&E-specific ME&O plans**

##### **a. FERA Marketing**

The FERA Program serves a smaller segment of SDG&E's customer base compared to the CARE Program, making targeted communications and direct marketing critical to increasing awareness and enrollment among FERA-eligible households. As stated previously, SDG&E's marketing efforts continue to evolve in response to changing market conditions, technological advancements, increasingly fragmented media channels, and shifts in customer behavior. These factors can create barriers to program awareness, understanding, and participation, especially for customers who may not actively seek assistance or are unaware of their eligibility.

For PY 2028–2033, SDG&E will implement a focused and cost-effective FERA marketing strategy that builds on key learnings and proven marketing techniques, while incorporating data-driven insights with a greater reliance on customer segmentation. This approach will allow SDG&E to reach eligible FERA customers where and how they consume information and provide the tools and support they need to identify with the program and encourage FERA applications. SDG&E is committed to expanding enrollment among eligible customers while optimizing marketing expenditures. By leveraging data-driven insights and a customer-centric approach, SDG&E intends to target FERA-eligible households to increase program participation to meet its enrollment goal of 70%.

##### **b. FERA Marketing Learnings**

FERA marketing strategies for PY 2028–2033 are informed by SDG&E's 2024 FERA Outreach Effectiveness and Customer Satisfaction Study, which surveyed recent enrollees via

1 telephone and online about the program overall.<sup>65</sup> Key findings may be used to inform  
2 marketing strategies and tactics. According to the study results, overall satisfaction with the  
3 FERA Program remains high (82%), with nearly half of respondents reporting they are “very  
4 satisfied.”<sup>66</sup> However, some customers expressed concerns about the perceived value of the  
5 discount, suggesting an opportunity to reinforce the financial impact of FERA through  
6 messaging that highlights average annual savings and bill comparisons. The research also  
7 revealed that digital channels, particularly email and the SDG&E website and mobile  
8 application, are the most common and preferred methods for learning about and engaging with  
9 the FERA Program. Additionally, email was the top choice for receiving information (62%) and  
10 renewal reminders (78%), especially among younger and Hispanic respondents.<sup>67</sup> While digital  
11 adoption is strong across age groups, traditional outreach methods such as bill inserts and phone  
12 calls remain important for older customers and those from non-Caucasian ethnicities.

### 13 **c. FERA Target Audience**

14 The target audience for the FERA Program closely mirrors that of CARE, as both  
15 programs serve income-qualified customers who may benefit from energy bill assistance.  
16 However, FERA serves a more narrowly defined customer group, resulting in a smaller pool of  
17 eligible participants. As of 2025, with the implementation of SB 1130, FERA eligibility has  
18 expanded to include households of one or more, whereas previously only households of three or  
19

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<sup>65</sup> 2024 FERA Program, Outreach Effectiveness and Customer Satisfaction Study, Prepared by Travis Research (October 2024).

<sup>66</sup> *Id.*, Executive Summary at 6.

<sup>67</sup> *Id.*, at 19 and 30.

1 more qualified. This change broadens the pool of eligible customers and increases the  
2 importance of clear outreach and messaging to ensure that newly eligible individuals are aware  
3 of the program and its benefits.

4 While FERA is often marketed alongside CARE to streamline awareness and help  
5 customers identify the program that best fits their household, the smaller eligible population  
6 requires a more nuanced approach. Precision targeting, using demographic and behavioral data  
7 to identify households just above CARE income thresholds and focusing on vulnerable segments  
8 such as customers in ESJs, which include DACs, hard-to-reach areas, and low-enrollment ZIP  
9 codes, remains critical. These customers often require tailored outreach strategies, such as  
10 multilingual materials, in-person enrollment support, and partnerships with local organizations  
11 that serve vulnerable populations.

12 At the same time, these efforts must be complemented by broader outreach strategies.  
13 Many eligible families may not reside in traditionally underserved areas or self-identify as  
14 needing assistance, despite facing affordability challenges. Casting a wider net improves  
15 SDG&E's chances of identifying untapped pockets of eligible customers and engage moderate-  
16 income households across the service territory.

17 By balancing targeted tactics with inclusive, broad-based communications, SDG&E can  
18 maximize program reach, reduce stigma around assistance programs, and improve equitable  
19 access for all eligible customers.

#### 20 **d. FERA Marketing Objectives**

21 For the PY 2028–2033 cycle, FERA marketing efforts will advance the program’s goal of  
22 achieving a 70% enrollment target by the end of the program cycle. FERA marketing will be

designed to ensure that moderate-income customers receive clear, inclusive, and actionable information about the program. Specific objectives include:

- Raising awareness among households that fall just above CARE income thresholds but may not know FERA exists;
- Clarifying eligibility through straightforward messaging and relatable examples;
- Encouraging enrollment through simplified messaging and intuitive digital and non-digital channels;
- Reaching diverse communities with culturally relevant and multilingual communications;
- Maintaining cost-effective outreach by prioritizing digital channels and leveraging existing customer data for accurate targeting; and
- Using campaign performance metrics to refine tactics and improve engagement over time.

This unified approach supports SDG&E's broader affordability strategy and ensures that FERA remains visible and accessible to eligible households.

#### **e. FERA Marketing Strategies**

FERA marketing efforts are strategically aligned with those used for CARE to leverage SDG&E's shared infrastructure, creative assets, and outreach channels. While both programs are often promoted together under a unified affordability message, FERA-specific tactics are tailored to reflect its smaller eligible population and budget. Key initiatives include:

- **Nurture Campaigns:** Sequenced FERA messaging guides customers from awareness to enrollment, using personalized content and reminders to drive action and support retention;

- **Bill Comparison Tools:** Communications highlight how the FERA discount could impact a customer’s monthly bill, helping customers visualize savings, illustrate value and simplify decision-making;
- **Optimization:** Engagement data and customer feedback inform ongoing refinements to improve targeting and effectiveness;
- **Inclusive Outreach:** Materials are culturally relevant, multilingual, and designed to reflect the diversity of SDG&E’s customer base; and
- **Cross-Promotion:** FERA is featured alongside other low-income programs to increase visibility and reduce duplication of messaging, and efficiencies.

#### **f. FERA Marketing Tactics**

The FERA Program is supported by a focused outreach effort designed to connect with moderate-income households who may not qualify for other assistance programs but still face affordability challenges. SDG&E’s communications model for FERA is built to increase visibility, drive enrollment, and reduce barriers through a combination of direct marketing, general awareness, and community engagement. Each tactic is tailored to reflect FERA’s specific eligibility criteria and customer profile, helping SDG&E achieve program enrollment goals.

#### ***General Awareness***

Multi-channel campaigns will continue to build foundational awareness of FERA, particularly in DACs and low-enrollment ZIP codes. Tactics may include:

- **Streaming Audio:** These platforms allow for geo-targeted messaging and audience segmentation, helping SDG&E reach customers in communities across the service territory with relevant, foundational messaging;

- **Out-of-Home (OOH):** Placements in high-traffic community spaces, such as transit shelters, grocery stores, and barber shops, will help maintain visibility in areas with high concentrations of income-qualified customers;
- **Digital Advertising:** A mix of display ads, paid search, and paid social media placements will be used to reach customers where they consume digital content. These tactics support both broad awareness and selective targeting based on geography and customer profile;
- **Multilingual Print Ads:** Used strategically to reach specific customer segments like seniors, rural communities and multilingual households, print ads may be produced in languages most prevalent in SDG&E's service territory, including English, Spanish, Vietnamese, and Filipino;
- **Bill Package:** On-bill messaging and printed bill inserts may continue to serve as a trusted communication channel for customers who may not engage digitally, reinforcing program benefits and encouraging enrollment or recertification; and
- **Organic Social Media:** SDG&E's social media channels will be used to share educational content and program updates, helping build trust and engagement over time. This includes social media platforms such as Instagram, Facebook, Nextdoor, and X (formerly Twitter).

### ***Direct Marketing***

FERA direct marketing efforts will use data-informed targeting to deliver personalized communications via:

- **Email Campaigns:** These may include bill comparisons and tailored messaging based on customer history and eligibility, as well as direct links to the FERA application;

- **Direct Mail:** This tactic will be used for customers without email addresses on file. Messaging will highlight potential savings in a tangible format; and

- **Outbound Call Campaign:** Targeted customer calls to encourage enrollment in FERA. The campaign provides SDG&E with a way to directly connect with customers in income-qualified and hard-to-reach areas. Eligible customers are enrolled over the phone.

#### **g. FERA Outreach Tactics**

For PY 2028–2033, SDG&E outreach objectives will support the FERA Program enrollment goal of 70% or more through the same CARE outreach strategies detailed in Section 2.4.1.6.c. Additionally, to further support education, awareness and enrollment in the FERA Program, SDG&E has implemented and will continue to utilize:

##### ***Stand-Alone Signage & Application***

SDG&E may use dedicated signage and applications at targeted community events, partner locations, and public spaces to promote the FERA Program. These signs and applications increase program visibility and help distinguish the difference between the CARE and FERA programs.

##### ***Targeted Community-based Campaigns***

CBOs continue to play a central role in outreach and enrollment. They are trusted in the communities they serve, and customers are already seeking assistance and resources through them. By partnering with CBOs in targeted FERA campaigns, it allows for efficient screening and reduces barriers to enrollment.



### ***Capitation Agencies***

To support Capitation Agencies' outreach efforts, as mentioned in Section 2.4.1.6c.iii, if approved, SDG&E will offer up to a \$60 capitation fee for each successful enrollment. Increasing the FERA enrollment capitation fee would provide a greater incentive for CBOs to invest time and resources into identifying and assisting eligible households, especially those that fall into the CARE Program eligibility gap. This added investment is anticipated to support eligible customers to complete applications more accurately, provide deeper outreach in underserved areas, and drive higher enrollment rates.

### **3.3.2 Co-marketing with Other Programs**

To effectively promote income-qualified programs together or with other SDG&E offerings, it's important to understand the benefits and connections between the programs and the target audience. SDG&E will explore opportunities to co-promote programs when they target similar customer segments using tactics that allow for multiple offers without complicating or confusing the primary message. Some tactics may only accommodate a single message based on space requirements, but others can be used to promote multiple programs, showing how customers may receive greater benefits. The most effective co-marketing will align messaging that is complementary. SDG&E will seek to use general marketing materials, such as brochures, fact sheets, website and bill inserts, to promote multiple SDG&E offerings, with paid advertising tactics used as appropriate. Additionally, SDG&E will continue to work with CBOs to help customers connect with relevant SDG&E assistance programs.

It should be noted that while promoting multiple programs can be efficient and effective, in some cases it makes more sense to focus on one program at a time. For example, when a program has a unique and strong message with a singular call-to-action, that message could be

1 weakened by combining it with other offers leading to lower engagement. Also, if the target  
2 audience for a program is very specific and unique with little crossover appeal with other offers,  
3 promoting the program individually may be the preferred strategy.

### 4 **3.3.3 California Emerging Technology Fund (CETF) Stipulation**

5 SDG&E intends to continue the Joint Stipulation and collaborate with CETF during the PY  
6 2028-2033 cycle to inform low-income customers in its service territory about affordable  
7 broadband offerings. At the time of this filing, the IOUs and CETF have aligned on an  
8 Addendum to the Joint Stipulation for Bridge Year 2027. Similarly, SDG&E intends to work  
9 with the other IOUs and CETF to review and collaborate on updates, if any, to the Joint  
10 Stipulation for the PY 2028-2033 cycle. Any changes to the Joint Stipulation will be submitted  
11 as part of this proceeding.

## 12 **3.4 FERA Program Administration**

### 13 **3.4.1 What changes may be needed to improve operational efficiencies,** 14 **coordination, and reduce administrative costs?**

15 SDG&E is committed to continuous improvement in the administration of its income-  
16 qualified programs and is constantly looking to implement operational efficiencies where  
17 possible, and strengthen coordination with other programs, IOUs and organizations with the goal  
18 of reducing administrative costs. As such, SDG&E intends to continue exploring opportunities  
19 including, but not limited to, those identified in Section 2.3.1, as the areas identified for  
20 improvement also apply to FERA's program administration.

#### 21 **a. Operational Efficiencies**

22 SDG&E has automated the paper form intake for CARE/FERA recertification, which has  
23 significantly enhanced both customer experience and internal operations. The redesigned form is  
24 now easier to understand and complete by customers, resulting in higher data quality and quicker

customer responses. Internally, automating data extraction and entry into the customer information system has streamlined processing recertifications, allowing the system to determine eligibility directly, reducing reliance on manual review/data entry. These improvements have accelerated response times and virtually eliminated the risk of processing backlogs. The 86% average success rate of full end-to-end automation has improved processing rate times, with only 14% needing manual processing in cases where automation was not successful. As SDG&E continues redesigning other CARE/FERA forms, it is expected to see similar improvements in efficiency, data quality, and customer satisfaction.

#### **b. Automation of PEV Process**

Due to the wide variety of supporting documents submitted to verify eligibility, which makes automation challenging, the PEV process remains largely manual. To help reduce the administrative time required for processing PEV requests, SDG&E is exploring automation solutions, including the use of AI and similar technologies. By implementing automation, SDG&E expects to see the per unit cost of processing PEV requests reduced.

#### **c. Coordination with Stakeholders**

SDG&E will continue to coordinate with other IOUs, CBOs, LIOB, Energy Division, and other stakeholders to improve and share best practices and identify operational efficiencies.

### **3.5 Senate Bill 1130**

#### **3.5.1 Describe how your plan and proposals comply with legislative changes addressing FERA eligibility requirements, strategies to increase enrollment, and new reporting on enrollment efforts. Include and discuss recommendations to increase FERA enrollment and related budget implications.**

As of June 2025, SDG&E has complied with SB 1130 legislative changes which include updating the household size and income guidelines and filing the first FERA annual report in

1 March of 2025.<sup>68</sup> In addition to the program eligibility and reporting requirement modifications,  
2 SB 1130 also grants the IOUs the option to implement a standalone FERA enrollment form. On  
3 April 25, 2025, SDG&E filed AL 4646-E requesting incremental funding for PY 2025 and PY  
4 2026 to (1) implement a standalone enrollment form for FERA that requires IT billing system  
5 upgrades, and (2) ME&O to reach newly eligible households. At the time of this filing, SDG&E  
6 has not yet received approval for the incremental funding requested. Consequently, should the  
7 incremental funding requested for PY 2026 not be received timely for the remaining program  
8 years in the current cycle, SDG&E intends to implement the FERA standalone enrollment form  
9 in PY 2028-2033 to test its effectiveness in driving FERA enrollments versus the existing  
10 combined CARE/FERA enrollment form.

11       Regarding strategies to increase enrollments, SDG&E will continue its outbound call  
12 campaign and additional marketing and outreach tactics. Further details on SDG&E's strategies  
13 and recommendations to increase FERA enrollment can be found in Section 3.4.

14       Lastly, FERA reporting requirements will be addressed in the collaborative meetings  
15 proposed with ED and the other IOUs to discuss streamlining reporting and data visualization as  
16 provided in the Prepared Direct Testimony of Kazeem Omidiji Section V.B.

### 17                   **3.5.2 What is the new population and impacts to the program?**

18       SDG&E's new estimated population for FERA nearly doubled from 41,374 in PY 2024 to  
19 81,019 in PY 2025 since SB 1130 went into effect.<sup>69</sup> This significantly impacts the number of

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<sup>68</sup> P.U. Code Section 739.12 as amended by SB 1130, available at [https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=739.12.&lawCode=PUC](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=739.12.&lawCode=PUC).

<sup>69</sup> See A.19-11-003, et al., Compliance Filing of ...[IOUs] Regarding Annual Estimates of CARE and FERA Eligible Customers and Related Information (April 14, 2025). PG&E, on behalf of the IOUs,

households eligible to participate in FERA. The estimated eligible population for ESA, CARE, and FERA for PY 2028-2033 will be determined in the annual eligibility population study as directed by the Commission in D.21-06-015.<sup>70</sup>

### **3.6 Revenue Requirements and Rate Impacts**

#### **3.6.1 Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the application period as well as the projected rate impacts that would arise due to the increased revenue requirements, including impacts to FERA and non-FERA customers, and non-CARE customers**

SDG&E is not proposing any change to the revenue allocation or rate design for the FERA rate. Pursuant to D.25-09-006, SDG&E's FERA Program costs will continue to be recovered on an equal-cent-per-kWh basis applied to all non-exempt authorized sales.<sup>71</sup>

SDG&E recovers its FERA Program costs through revenues collected through the electric PPP rates. In accordance with OP 2 of D.03-04-027, SDG&E is ordered to submit an annual AL by October 1 to revise its electric PPP rates effective January 1 of the following year. The revisions reflect currently authorized annual revenue requirements, and updates to the electric PPP regulatory account amortizations. FERA Program revenue requirement is based on forecasted FERA discount and the authorized FERA administration budget.

Program revenues and expenditures are tracked in the Family Electric Rate Assistance Balancing Account (FERABA). The FERABA is a two-way interest-bearing balancing account that is recorded on the SDG&E's financial statements. In D.21-06-015 OP 37, the Commission authorized the elimination of the FERA subaccount in the Baseline Balancing Account (BBA).

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submitted the Annual CARE and FERA Eligibility Report in accordance with OP 189 of D.21-06-015. This number reflects estimates of SDG&E's CARE Estimated Eligible Participants for 2025.

<sup>70</sup> D.21-06-015, OP 189 at 522.

<sup>71</sup> CARE and Streetlighting sales are exempt from paying FERA program costs.

Furthermore, D.21-06-015 OP 35 modified FERABA to record all FERA program management costs, including administrative costs. SDG&E is not proposing any changes to FERABA.

The FERA revenue requirements and rate impacts can be found in Attachment G Tables C-1 and D-2, respectively.

#### **4. COORDINATION OF CARE AND FERA PROGRAMS WITH OTHER INCOME QUALIFIED PROGRAMS**

##### **4.1 Additional Metrics**

##### **4.1.1 What additional metrics can CARE and FERA report that would help compare customer bill savings and program performance with other programs targeting income-qualified households? For example, average bill savings per participant, program administration costs per participant, ongoing enrollment rates of eligible households, etc.**

SDG&E does not propose any additional reporting metrics for CARE and FERA in this application as there is a robust number of key performance indicators (KPIs) reported in multiple reports across several proceedings. Currently, the Low Income Monthly Report tables, Low Income Annual Report tables, and FERA Annual Report Tables, include data on the following:<sup>72</sup>

- Program administrative expenses, including pilots and studies, and customer discount expenses compared to the authorized budgets;
- Enrollment, Recertification & Attrition by source and by month;
- Certification and PEV successful completion rates;
- Enrollment compared to eligible participants by county and Urban vs. Rural;
- Capitation contractor designations and program enrollment metrics;

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<sup>72</sup> D.21-06-015, OPs 17, 44, 57, 72, 73, 74, 76, 79, 80, 90, 92, 95, 98, 103, 129, 143, 153, 162, 163, 165, 184 and 196.

- Program enrollment in DACs, High Poverty and High Disconnection areas and ZIP codes;
- Average Monthly Usage, Average Monthly Electric and Natural Gas bills for Program and Non-Program participants;
- Program Discount surcharge and revenue by customer class, program and average monthly surcharge amounts;
- CARE Expansion Program participating facilities, average natural gas/electric usage, self-certification and self-recertification successful completion rates;
- CARE High Usage verification, ESA Programs referrals, participation and usage monitoring; and
- CE participation by program.

Additionally, the Disconnection Settlement Monthly report includes approximately 50 tables per month detailing payment arrangements and bill assistance, arrearages, disconnection notices and terminations and ZIP codes by disconnection rate, many tables categorized by CARE, FERA, Medical Baseline and non-CARE/FERA customer segments.<sup>73</sup>

As discussed in the Prepared Direct Testimony of Kazeem Omidiji Section V.B, SDG&E is proposing to streamline the reporting requirements for PY 2028-2033. Metrics mentioned above and any new metrics for ESA, CARE, or FERA will be discussed among the IOUs and ED to support alignment and determine the most effective way to present the data.

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<sup>73</sup> See R.18-07-005, Disconnection Settlement Monthly Reports of SDG&E pursuant to the 2014 Disconnection Settlement Agreement, D.14-06-036, and OP of D.18-12-013.

## **4.2 Coordination and Integration with the Fixed Charge (D.24-05-028)**

### **4.2.1 The CARE and FERA proceeding will continue enrollment of eligible customers whereas the fixed charge proceeding (D.24-05-028) will assign CARE and FERA customers into the appropriate fixed charge tier as required by Assembly Bill 205 and provide options for enrollment. How will CARE and FERA programs coordinate and integrate with the fixed charge to increase enrollment and target CARE- and FERA-eligible households not yet enrolled?**

Coordination between the IOUs' CARE and FERA programs and D.24-05-028 is designed to ensure income-qualifying customers are automatically placed in the lowest BSC tiers without requiring additional verification, streamlining implementation, and minimizing administrative burdens. This approach leverages existing CARE and FERA enrollment data that aligns with the CPUC's equity goals by protecting lower income households from paying a higher base charge.

SDG&E will promote FERA to residential customers assigned to BSC Tier 2 in Deed Restricted Affordable Housing (DRAH) who are not enrolled in either FERA or CARE through direct marketing or outbound calling.<sup>74</sup>

### **4.3 What changes are needed to address the needs of income-qualified customers through program coordination with other programs/rates, such as LifeLine, Fixed Charge, etc.**

SDG&E partners closely with CBOs and capitation agencies to support CARE and FERA eligible customers including those enrolled in LifeLine. Through community partnerships, participation in community events, and cross promotion and education of available assistance programs including Medical Baseline, customers are made aware of available support programs. As such, SDG&E does not recommend changes at this time.

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<sup>74</sup> SDG&E Advice Letter 4492-E/E-A/E-B, approved September 8, 2025, effective December 19, 2024 at 10.



SDG&E proposes to continue partnering with CBOs and capitation agencies to support the needs of customers who meet the qualifications for other programs like Lifeline. See Section 2.4.2 for coordination with other programs and Section 4.2.1 regarding coordination with the BSC.

#### **4.3.1 How can the IOUs facilitate eligible customers to be referred to and participate in all applicable clean energy and income-qualified programs?**

SDG&E facilitates eligible customer referrals to income-qualified programs primarily through its involvement in Phase 1 of the Concurrent Application System (CAS). Section 13.1 of the Prepared Direct Testimony of Roland Mollen for the ESA Program provides further details regarding how IOUs facilitate customers applying or beginning to apply for income-qualified and clean energy programs scoped in Phase 1 of the CAS system.

#### **4.3.2 How can the IOUs facilitate eligible customers enrolled in CARE/FERA generate solid leads for the ESA program?**

SDG&E automatically refers all CARE/FERA enrollments to ESA Program administrators as leads. CARE/FERA enrollments that are designated as verified for completing the PEV process are deemed higher value or qualified leads because these enrollments have already complied with the eligibility verification process required for the ESA Program. Further, pursuant to D.12-08-044, SDG&E continues to refer CARE customers flagged for high usage PEV to apply to the ESA Program.<sup>75</sup>

SDG&E intends to explore ways to gauge customers' interest in participating in the ESA Program via the CARE/FERA application form. This may be achieved by adding a question to the CARE/FERA application form that asks whether the customer would like to receive a home

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<sup>75</sup> D.12-08-044, OP 101 at 400-402.

energy assessment to determine eligibility for no-cost energy efficiency upgrades. SDG&E plans to incorporate this question into the CARE/FERA application form in PY 2026.

#### **4.3.3 Address data leveraging and sharing issues**

SDG&E currently utilizes income data from the ESA Program to automatically enroll eligible customers into FERA when income thresholds align. Additionally, as discussed in Section 3.2.1.c, SDG&E proposes to establish a data sharing process with CSD to aid automatic enrollment into FERA.

#### **4.4 For CARE/FERA, how do the IOUs plan to coordinate with the Low Income Oversight Board (LIOB) and other state agencies, including the Community Services and Development (CSD) Department, California Department of Developmental Services' Regional Centers, California Office of Data and Innovation, California Emerging Technology Fund for Broadband, Disadvantaged Communities Advisory Group (DACAG), etc.?**

##### **a. Low Income Oversight Board (LIOB)**

SDG&E maintains ongoing coordination with the LIOB through standardized quarterly reporting and participation in regularly scheduled board meetings. During these meetings, IOUs present program highlights, challenges, and updates related to ESA, CARE, and FERA programs. These meetings also serve as a forum for LIOB members and public stakeholders to provide feedback, ask questions, and share perspectives. In addition to the LIOB meetings, SDG&E actively engages in LIOB subcommittees such as the LINA Subcommittee, Legislative Subcommittee, Technical Advisory Committee (TAC), and ongoing initiatives related to CAS, pursuant to SB 1208, which aims to streamline enrollment across income-qualified programs. These forums allow for more focused discussions on technical, policy, and implementation issues.

1                   **b. Community Services and Development (CSD)**

2                   SDG&E currently works with CSD on LIHEAP. SDG&E plans to further engage and  
3 coordinate with CSD on its proposal to expand automatic enrollment of LIHEAP customers to  
4 include FERA. More information on this proposal is included in Section 3.2.1.

5                   **c. California Emerging Technology Fund for Broadband (CETF)**

6                   SDG&E intends to extend the Joint Stipulation and collaborate with CETF in the PY  
7 2028-2033 cycle to inform low-income customers in its service territory about affordable  
8 broadband offerings. See Section 2.4.3 for additional details on how SDG&E plans to  
9 coordinate with CETF, mainly through outreach and marketing efforts.

10                  **d. Disadvantaged Communities Advisory Group (DACAG)**

11                  The DACAG advises the CPUC and California Energy Commission (CEC) to ensure  
12 clean energy programs are equitable, affordable, and accessible to disadvantaged, tribal, and  
13 rural communities. DACAG prioritizes affordability by advocating for energy programs that are  
14 cost-effective and accessible to low-income households, aligning closely with ESA, CARE, and  
15 FERA goals. DACAG supports policies that reduce energy burdens and promote inclusive  
16 program design to ensure equitable access to clean energy benefits. For Tribal relations,  
17 DACAG emphasizes meaningful engagement with Tribal and rural communities in energy  
18 planning and decision-making. It supports culturally appropriate outreach and the inclusion of  
19 Tribal voices to ensure energy programs reflect the needs and priorities of these historically  
20 underserved populations. SDG&E attends DACAG's regular meetings to maintain awareness of  
21 DACAG's priority areas.

1                   **e. California Department of Developmental Services' Regional Centers or**  
2                   **California Office of Data and Innovation**

3                   SDG&E does not presently coordinate directly with California Department of  
4 Developmental Services' Regional Centers or California Office of Data and Innovation regarding  
5 CARE and FERA programs. SDG&E does not anticipate coordinating directly in PY 2028-2033  
6 as income eligibility is not the primary focus of these agencies. Should specific programs that  
7 align with the customer-eligibility requirements of ESA, CARE, and FERA change, SDG&E will  
8 explore coordination opportunities.

9                   **4.5 What changes are needed to address the specific needs of income-qualified**  
10                   **customers and improvements to align with CPUC Tribal Policy,**  
11                   **Environmental and Social Justice (ESJ) Action Plan, and Distributed Energy**  
12                   **Resources Action Plan, severe weather conditions, disconnections, medical**  
13                   **baseline, cooling centers, decarbonization, rates, and affordability?**

14                  SDG&E is currently aligned with CPUC Tribal Policy, which establishes the framework  
15 for respectful engagement with federally recognized and non-federally recognized Tribes and  
16 ensures early and often touchpoints with Tribal nations to advance their priorities. However,  
17 feedback received from Tribes points to areas for improvement and strengthening of the utilities  
18 and Tribal relations. Tribes feel IOUs and the CPUC must respect their Tribal sovereignty, not  
19 only by recognizing historical injustices but also by redesigning Tribal support that addresses  
20 their specific and unique needs. For example, exempting them from policies that are in  
21 opposition to their sovereignty, and creating separate low-income criteria applicable to them are  
22 ways that may positively impact tribes and enhance utilities and Tribal relations.

23                  Recent focus groups and survey data indicate that Tribal leaders strongly support  
24 underground infrastructure on reservations to reduce or eliminate Public Safety Power Shutoffs  
25 (PSPS), and to expand economic opportunities through infrastructure investment and associated  
26 construction activities. Tribes are one of the most impacted segments when PSPS events happen

1 due to the long duration of these events on the reservations, and underground infrastructure could  
2 significantly benefit them by reducing the risk of PSPS events on reservations.

3 To further address the challenges that Tribes face with Commission policies, SDG&E  
4 notes that creating distinct energy savings measures tailored to Tribal households could also help  
5 support Tribes' low-income population. For example, many homes on reservations use propane  
6 and cannot benefit from natural gas and electric energy saving programs. The use of mixed fuels  
7 is necessary for survival in many instances for Tribes, calling for a different approach or set of  
8 policies and rules to be applied to Tribes given their unique needs and circumstances.

9 Establishing Tribal-specific programs or energy measures would significantly support tribes and  
10 demonstrate sovereignty recognition. SDG&E believes more discussions between the  
11 Commission and Tribes would help support a more equitable, affordable, safe, and reliable  
12 energy future, and increase understanding of Tribes' circumstances and reservation landscape  
13 limitations that may impact feasibility and practicality of some energy policies and energy saving  
14 measures.

15 The Disconnections Proceeding, R.18-07-005, is designed to reduce utility shutoffs and  
16 improve protections for income-qualified customers, particularly those enrolled in CARE,  
17 FERA, and Medical Baseline programs. Many of the safeguards established by the Commission  
18 to help customers with disconnections, such as the Arrearage Management Plan (AMP), are only  
19 available to customers who are enrolled in these assistance programs. Medical Baseline  
20 customers receive additional protections during severe weather events due to their health-related  
21 energy needs. To better serve these households, SDG&E recommends including automatic  
22 enrollment via data sharing agreements, simplifying the Medical Baseline application process,  
23 and increasing reach, especially to seniors and non-English speakers. This improvement would

1 help ensure more vulnerable customers are protected. However, SDG&E believes this is  
2 appropriate to address in the Disconnections proceeding rather than the Low Income proceeding.

3 The Commission's ESJ Action Plan Version 2.0 emphasizes equitable access to clean  
4 energy and affordability for disadvantaged communities.<sup>76</sup> In alignment with this plan, SDG&E  
5 will continue to focus on increasing enrollment in its CARE and FERA programs through  
6 partnerships with local ESPs and CBOs, ensuring underserved customers receive meaningful  
7 financial benefits from electric and natural gas services.

8 California's Distributed Energy Resources (DER) Action Plan aligns with the CARE and  
9 FERA programs by reinforcing affordability and equity in the clean energy transition.<sup>77</sup> CARE  
10 and FERA offer monthly bill discounts to low-income households, directly supporting the DER  
11 Action Plan's goal of maintaining accessible energy costs. These programs are also considered  
12 in rate design discussions to ensure that low-income customers are not disproportionately  
13 affected by changes such as Time-of-Use (TOU) pricing. The focus on disadvantaged  
14 communities further complements the DER Action Plan's commitment to increase climate  
15 resiliency in ESJ communities.<sup>78</sup>

16 Cooling Centers are facilities where utility customers can go during the summer months  
17 to escape the heat and reduce their energy usage, and are open to the public, not just low-income  
18 communities.<sup>79</sup> Pursuant to D.21-06-015, the utility cooling centers are funded through

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<sup>76</sup> CPUC, Environmental and Social Justice Action Plan Version 2.0 (April 7, 2022), Executive Summary at 2, available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

<sup>77</sup> CPUC, Distributed Energy Resource Action Plan Aligning Vision and Action, Final Draft (April 21, 2022) available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M467/K470/467470758.PDF>.

<sup>78</sup> *Id.*

<sup>79</sup> D.21-06-015, FOF 14 at 460.

SDG&E’s general rate case because cooling centers benefit all utility customers, not just low-income customers.<sup>80</sup> Therefore, SDG&E does not propose changes to the cooling centers in this proceeding.

The Decarbonization proceeding, R.19-01-011, supports the transition to all-electric buildings while prioritizing low-income customers through targeted upgrades, cost-saving technologies, and equitable rate reforms. Specifically, “the Commission stated that a subsequent phase or sub-phase of R.19-01-011 may consider ‘ways to fund electric upgrade costs, especially for the affordable housing sector and low-income customers who are least able to afford potential service upgrade costs.’”<sup>81</sup> SDG&E will actively explore pilots that may be directed by the Commission in R.19-01-011 and coordinate them with its ESA Programs. In addition, SDG&E in this application is requesting program funding for its Electrification Pilot. Refer to the Prepared Direct Testimony of Roland Mollen for the ESA Program in Section 8.5 and 12 for more information on the Electrification Pilot.

Finally, regarding affordability, SDG&E’s portfolio guiding principle to Improve Affordability for All Ratepayers is detailed in Prepared Direct Testimony of Kazeem Omidiji Section II.

## **5. CATEGORICAL ELIGIBILITY**

### **5.1 What changes are needed to reduce barriers to enrollment, increase and maintain enrollment, and enhance the customer’s experience?**

SDG&E supports the general Commission guidelines for categorical eligibility of CARE customers: “The categorical eligibility process automatically considers low-income customers to

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<sup>80</sup> *Id.*, OP 19 at 475.

<sup>81</sup> R.19-01-011, Assigned Commissioner’s Amended Scoping Memo and Ruling (July 1, 2024) at 6-7 (citing to D.23-12-037 at 21).

1 be qualified for the CARE Program if the customer is already enrolled in one of the  
2 Commission-approved means-tested low-income public assistance programs. Means-tested  
3 programs are low-income assistance programs in which the customer's income is verified by the  
4 appropriate state and federal agencies.”<sup>82</sup>

5 As mentioned in Section 5.5.1, SDG&E proposes to automatically enroll LIHEAP  
6 income certified customers to FERA via a data sharing agreement with CSD to increase FERA  
7 enrollments.

8 In support of this modification, SDG&E also proposes the removal of LIHEAP as a  
9 categorical pathway under the CARE Program. Categorical enrollment for CARE supersedes  
10 income eligibility and, as such, SDG&E would not be able to automatically enroll customers into  
11 FERA despite transparency into the customer's income and household information.

12 Approximately 2% of CARE new enrollments came from the LIHEAP categorical path between  
13 2015-2024, which is relatively low. Therefore, based on participant data, by expanding  
14 automatic enrollment to FERA from LIHEAP, SDG&E can further improve the enrollment  
15 accuracy in CARE and FERA programs.

16 **5.2 What approach should the Commission adopt to ensure regular updates to**  
17 **the list of categorical eligibility programs for the ESA, CARE, and FERA**  
18 **programs that remove barriers to enrollment and are in alignment with**  
19 **previous CPUC policy and decision history on categorical enrollment?**

20 SDG&E recommends the Commission conduct a periodic review of eligibility  
21 requirements and program thresholds pursuant to P.U. Code Section 739.1(f)(1).<sup>83</sup> Whether

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<sup>82</sup> D.21-06-015 at 6, n.5.

<sup>83</sup> P.U. Code Section 739.1(f)(1), stating “The commission shall improve the CARE program application process by cooperating with other entities and representatives of California government, including the California Health and Human Services Agency and the Secretary of California Health and Human Services, to ensure that all gas and electricity customers eligible for public assistance



Public Assistance programs (PAPs) have “substantially the same income eligibility requirements as the CARE program” has been interpreted differently by low-income stakeholders and IOUs, which has hindered the ability to make meaningful updates to the list of categorical eligibility programs that would reduce enrollment barriers and improve customer retention.

LIHEAP’s recent income threshold update for 2025 is an example of how eligibility requirements for PAPs may change over time, warranting a need to periodically review and assess their alignment with the CARE income eligibility requirements. LIHEAP program eligibility requirements are based on state median income (SMI), which in 2025 aligns with FERA Program income eligibility requirements for certain household sizes, whereas in previous years it did not. The comparison between LIHEAP and CARE eligibility and LIHEAP and FERA eligibility in Section 3.2.1 above further demonstrates how changes in LIHEAP median income thresholds have shifted alignment of LIHEAP with CARE and FERA for certain household sizes. Since the expansion of the LIHEAP eligibility requirements, SDG&E believes certain LIHEAP households are better suited for FERA.

### **5.2.1 Any new studies proposed for categorical eligibility programs**

SDG&E does not propose any new studies for categorical eligibility programs.<sup>84</sup> In October 2023, pursuant to D.21-06-015 OP 171, SDG&E submitted Joint IOU AL 4304-E/3240-

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programs in California that reside within the service territory of an electrical corporation or gas corporation, are enrolled in the CARE program. 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. To the extent practicable, the commission shall develop a CARE program application process using the existing ULTS program application process as a model. The commission shall work with electrical corporations, gas corporations, and the Low-Income Oversight Board established in Section 382.1 to meet the low-income objectives in this section.”

<sup>84</sup> The current list of categorical eligibility programs includes Medicaid/Medi-Cal for Families A & B, CalFresh/Supplemental Nutrition Assistance Program (SNAP), CalWORKS (TANF), Head Start

1 G, proposing an updated list of categorical eligibility programs for enrollment in the ESA, CARE  
2 and FERA programs based on findings and recommendations in the 2022 Categorical Eligibility  
3 Study conducted by Evergreen Economics.<sup>85</sup> In the disposition letter issued September 2024,  
4 Energy Division rejected the advice letter and concluded the IOUs had complied with the  
5 required studies stating, “The IOUs have met their obligation to conduct the second CE Study  
6 and are not required at this time to conduct another study.”<sup>86</sup> Therefore, SDG&E does not  
7 recommend any new studies at this time.

#### 8 **5.2.2 What framework or standard would help determine whether there is** 9 **sufficient overlap in eligibility between CARE/FERA/ESA and a** 10 **proposed categorical eligibility program?**

11 The standard of comparison is the eligibility requirement of CARE, offered “to low-  
12 income electricity and natural gas customers with annual household incomes that are no greater  
13 than 200 percent of the federal poverty guideline levels” as defined in statute.<sup>87</sup>

#### 14 **5.3 Categorical Eligibility – Other Considerations**

15 SDG&E proposes that the National School Lunch Program (NSLP) be removed from the  
16 list of CE programs since it is no longer means-tested in California, and therefore no longer

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Income Eligible (Tribal Only), Low Income Home Energy Assistance Program (LIHEAP), Bureau of Indian Affairs General Assistance, National School Lunch Program (NSLP), Supplemental Security Income (SSI), and Women, Infants and Children (WIC).

<sup>85</sup> 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>.

<sup>86</sup> CPUC, Energy Division Non Standard Disposition letter rejecting AL4304-E/3240-G was issued on September 6, 2024.

<sup>87</sup> P. U. Code Section 739.1(a).

1 complies with P.U. Code Section 739.1(f)(1), putting it out of alignment with Commission  
2 policy.

3 Historically, NSLP was a means-tested program, meaning participation in the NSLP  
4 program and the ability to receive free or reduced-price lunches was based on household income.  
5 However, AB 130 created the California Universal Meals Program (UMP), such that beginning  
6 in the 2022–2023 school year, all public-schools districts, all county offices of education, and all  
7 charter schools are now required to provide Transitional Kindergarten through Grade 12 students  
8 two free meals per day to any student who requests one without consideration of the pupil’s  
9 eligibility for a federally funded free or reduced-price meal.<sup>88</sup> This revision means that every  
10 child in a public school in California can receive free meals regardless of family income.  
11 Schools may still collect optional household meal applications with income information for  
12 funding purposes and state reimbursement. Therefore, continued inclusion of NSLP as a  
13 categorical eligibility program could inadvertently allow enrollment of households who do not  
14 meet CARE income requirements.

15 SDG&E anticipates that removing NSLP from the list of categorical eligibility programs  
16 will have a modest impact on new CARE applications. Between 2013 and 2024, NSLP was  
17 selected in approximately 12% of CARE applications submitted through the categorical  
18 eligibility pathway, representing about 7% of total CARE applications.<sup>89</sup> However, CARE  
19 applicants will still be able to select from other categorical eligibility programs in which they

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<sup>88</sup> CA EDC 49501.5 (1)(A)(i) 49564.3(3) and California Universal Meals - School Nutrition (CA Dept of Education), available at [California Code, EDC 49501.5](#); [California Code, EDC 49564.3](#).

<sup>89</sup> CEDARS Income Qualified Program Data, page 40 of 52, available at [Income Qualified Program Data - CEDARS](#); A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE and FERA Programs for 2024 (June 27, 2025), Appendix A at A-43, CARE Table 15.

participate as shown below in Table 8, or self-certify their household income and size, which helps minimize the effect of this proposed change.

**Table 8: List of Categorical Eligibility Programs (excluding NSLP)**

List of Categorically Eligibility Programs (excluding NSLP)
Medicaid/Medi-Cal for Families A & B
CalFresh (Food Stamps)/Supplemental Nutrition Assistance Program (SNAP)
Head Start Income eligible (Tribal Only)
Bureau of Indian Affairs General Assistance
Women, Infants, and Children Program (WIC)
Low-Income Home Energy Assistance Program (LIHEAP)
Supplemental Security Income (SSI)
CalWORKS/Temporary Assistance for Needy Families (TANF)
Tribal TANF

Removing NSLP will help SDG&E support the integrity of the CARE self-certification option and will ultimately help reduce cost impact to non-participating ratepayers who pay for the CARE Program as part of the statutory PPP surcharge. SDG&E proposes this change to become effective at the start date of the PY 2028-2033 cycle and only intends to apply it moving forward. Current CARE participants will not be impacted until they are required to recertify, at which time they will need to select a different categorical eligibility program, or self-attest their income and household size to be enrolled into CARE.

## **6. CONCLUSION**

SDG&E respectfully requests that the Commission approve the CARE and FERA program plans and forecasted budgets for PY 2028-2033 as described in this testimony.

This concludes SDG&E's prepared direct testimony on the PY 2028-2033 CARE and FERA Portfolio budgets, targets, and program activities.

1     **7.     STATEMENT OF QUALIFICATIONS – ROLAND MOLLEN**

2             My name is Roland Mollen. My business address is 8335 Century Park Court, Suite  
3     1200, San Diego, California 92123-1257. I am employed by SDG&E as its Residential  
4     Customer Programs Manager. In my current position, I am responsible for managing SDG&E's  
5     customer assistance programs which include ESA, CARE, and FERA. In addition, I am  
6     responsible for all related processing activities such as new applications, recertifications, and  
7     post-enrollment verifications.

8             The purpose of my testimony is to sponsor and testify to the substance of the program  
9     operations and associated budget requests for the CARE and FERA program portfolios.  
10    Specifically, I am sponsoring all sections with the exception of the CARE and FERA ME&O  
11    Sections 3 and 4.

12            I attended Webster University. I graduated with a Master of Business Administration  
13    degree. I was hired by SDG&E in 2016 in the Marketing & Communications Department. Since  
14    then, I have held positions of increasing responsibility in the Company. I have been in my  
15    present position for three years.

16            I have previously submitted written testimony before the California Public Utilities  
17    Commission.

1 **8. STATEMENT OF QUALIFICATIONS – HORACE (TY) TANTUM**

2 My name is Horace (Ty) Tantum IV. My business address is 8328 Century Park Court,  
3 CP62C, San Diego, California, 92123-1569. I am employed by SDG&E as Manager of  
4 Advertising and Marketing Communications. In my current role, I am responsible for leading  
5 the marketing team to develop and implement marketing plans for Customer Programs, Wildfire  
6 and Gas & Electric Safety. I have been employed by SDG&E since 2012 in various roles.

7 The purpose of my testimony is to sponsor and testify to the substance of the marketing  
8 plans for the CARE and FERA programs. Specifically, I'm sponsoring ME&O within Sections 3  
9 and 4, and ME&O sections not covered by Witness Mia Graff.

10 Before joining SDG&E, I served as the Marketing Director for MJE Marketing in San  
11 Diego for two years, and Senior Account Supervisor for Brandon Taylor, SDG&E's general  
12 market advertising agency of record from 2002-2010. I graduated from the University of  
13 Colorado with a Bachelor of Arts degree in Economics and a Masters of Business Administration  
14 (MBA) with marketing emphasis. I have more than 30 years of experience in marketing,  
15 communications, advertising, business management, and creative direction for various industries.

16 I have previously testified before the California Public Utilities Commission.

1 **9. STATEMENT OF QUALIFICATIONS – MIA GRAFF**

2 My name is Mia Graff, and my business address is 8335 Century Park Court, Suite 1200,  
3 San Diego, California 92123-1257. I am employed by SDG&E as its Customer Outreach and  
4 Engagement Supervisor.

5 In my current role, I am responsible for managing SDG&E's customer assistance  
6 outreach strategies for key programs including CARE, FERA, and ESA. This includes  
7 overseeing outreach efforts conducted through CBOs, targeted campaigns, and direct customer  
8 engagement channels.

9 The purpose of my testimony is to sponsor and testify to the substance of the program  
10 operations and associated budget requests for the CARE and FERA programs. Specifically, I'm  
11 sponsoring Customer Outreach within Sections 3 and 4.

12 I joined SDG&E in 2006, beginning my career in the Customer Care Center, where I  
13 gained extensive experience in direct customer service, program education, and issue resolution.  
14 Over the years, I have held positions of increasing responsibility, contributing to various  
15 customer-focused initiatives and program implementations. I have served in my current position  
16 for approximately three years, during which I have led efforts to expand outreach, improve  
17 program accessibility, and strengthen engagement with hard-to-reach and underserved  
18 communities.

19 I have not previously testified before the California Public Utilities Commission.