

SOUTHERN CALIFORNIA GAS COMPANY
ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR
ENERGY PROGRAMS & BUDGETS FOR PROGRAM YEARS 2021-2026

(A.19-11-006)

(DATA REQUEST CALADVOCATES-ESA-CARE-KS6-SCG10)

RECEIVED: JUNE 22, 2020

SUBMITTED: JULY 6, 2020

QUESTION 1:

Please provide the CARE propensity or probability model used to determine which customers are most likely to be CARE eligible.

a. Include an explanation of the inputs used in the model.

RESPONSE 1:

The following probability model was developed by SoCalGas and is used to determine which CARE customers are most likely to qualify for the program.¹

$$\text{Logit}(P) = a_0 + \sum_{i=1}^n a_i (\text{CARE factor})_i$$

Where

P = probability of qualifying for CARE enrollment

n = number of factors in the model

Table A: CARE Factor definitions and default values

CARE factor	Variable Description	Coefficient	Definition	Explanation
Intercept	Intercept	-0.6884		Constant parameter
bill_amt	Annual bill amount	-0.00029	Non-sub-metered: if has 12 bills (current charge), annual bill = sum of revenue in the last 12 month; if has 6-11 bills, annual bill = average bill *12; if has less than 6 bills, annual bill = \$437) Sub-metered: annual bill = sum of revenue in the last 12 month/ # of sub-metered Units	Sum of each customer's last 12 bill amounts; if some bills not available, impute from average amount
hh_size	PRIZM average HH size	0.3708	see PRIZM HH Size table below	Each customer's average household size on zip code level
prizm_y1	PRIZM Life stage: young high income	-0.1409	If PRIZM_CD =(3,8,11,12,19,25,30, or 37) then set m4_y1=1, else set m4_y1=0	Binary variable, 1 if a customer fall into the category

¹ SoCalGas Advice Letter 4537, September 3, 2013, pg. 10.

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				of young and high income, 0 if not
prizm_y3	PRIZM Life stage: young low income	0.3199	If PRIZM_CD = (42,44,45,47,48,53, or 56) then set m4_y3=1, else set m4_y3=0	Binary variable, 1 if a customer fall into the category of young and low income, 0 if not
prizm_f4	PRIZM Life stage: family low income	0.3217	if PRIZM_CD = (63,64,65, or 66) then set m4_f4=1, else set m4_f4=0	Binary variable, 1 if a customer fall into the category of family and low income, 0 if not
prizm_m1	PRIZM Life stage: mature high income	-0.0721	If PRIZM_CD = (1,7,9, or 10) then set m4_m1=1, else set m4_m1=0	Binary variable, 1 if a customer fall into the category of family and low income, 0 if not
prizm_m4	PRIZM Life stage: mature low income	0.1106	If PRIZM_CD = (55,57,58,59,60,61,or 62) then set m4_m4=1, else set m4_me=0	Binary variable, 1 if a customer fall into the category of mature and low income, 0 if not
inc_el	Income eligible enrollment	0.3597	if CARE_ELIG_PROOF_CD = 2 set m5a_inc_el=1, else set m5a_inc_el=0	Binary variable, 1 if a customer enrolled into CARE with income eligible, 0 if not
Auto_en	Automatic enrollment	0.4369	if CARE_ELIG_PROOF_CD=0, set m5a_aut_en=1, else set m5a_aut_en=0	Binary variable, 1 if a customer enrolled into CARE automatically, 0 if not
de_enroll	Previously de-enrolled	0.7374	if last CAA_DOC_STAT_CD = (DN, or TR), set m7a=1, else set m7a=0	Binary variable, 1 if a customer enrolled into CARE and was denied or terminated later, 0 if not
enroll	No. of days in CARE	0.000342	no. of days from sp_st_dt	Number of days since a customer enrolled into CARE
SF	Single family home	-0.0135	If LC_CD = "A" then set LC_CD_A = 1;	Binary variable, 1 if a customer has single family home, 0 if not
Fixed_Inc	fixed-income customer	0.299	if FIX_INCM_SW = Y then set Fixed_Income_Flag=1, else set Fixed_Income_Flag=0	Binary variable, 1 if a customer enrolled in Fixed Income program, 0 if not
Medi-Cal	Medi-Cal under 65 participant	0.4801	if MEDI_CAL_65UDR_SW=Y then set Medical_Under_65_flg=1, else set Medical_Under_65_flg=0	Binary variable, 1 if a customer enrolled in Medi-Cal program, 0 if not
LIHEAP	LIHEAP participant	0.4635	if LIHEAP_SW=Y, set LIHEAP_Flag=1, else set LIHEAP_Flag=0	Binary variable, 1 if a customer enrolled in LIHEAP program, 0 if not
WIC	WIC participant	0.465	if WIC_SW = Y set WIC_Flag=1, else set WIC_Flag = 0	Binary variable, 1 if a customer enrolled in WIC program, 0 if not
food_stamp	Food Stamps participant	0.3954	if FD_STP_SW= Y set Food_Stamp_Flag=1, else set Food_Stamp_Flag=0	Binary variable, 1 if a customer enrolled in Food Stamp program, 0 if not
income	PRIZM HH Medium Income	-0.00002	see PRIZM HH Medium Income below	Each customer's average income on zip code level
Pprls	Paperless billing	-0.1922	sub-metered: pprls=0 Non-sub-metered: ifOPT_SVC_CD='SCGPPRLS' set pprls =1, else set pprls=0	Binary variable, 1 if a customer enrolled in Paperless Billing program, 0 if not

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ovd_ntc	no. of overdue notices in the last 12 months	0.0766	sub-metered: ovd_ntc=0 Non-sub-metered: OVD_NTC = sum(OVD_NTC1 – OVD_NTC12)	Sum of each customer's overdue notices in the last 12 months
pay_ext	no. of payment extension in the last 12 months	0.0719	sub-metered: pay_ext =0 non-sub-metered: PAY_EXT = sum(PAY_EXT1 – PAY_EXT12)	Sum of each customer's payment extension in the last 12 months

Note: highlighted items denote confidential data. Please refer to accompanying Confidentiality Declaration.

Table B: PRIZM household size and income

PRIZM CODE	HH Size MEAN	HH Income Medium
1	3.017442	121186
2	4.233994	126538
3	3.181583	109351
4	3.316663	91104
5	3.845598	107442
6	3.506249	112580
7	3.258647	93457
8	3.254674	78008
9	4.280284	87539
10	4.428492	82495
11	4.574298	88614
12	3.977837	77320
13	4.168733	88455
14	4.635516	75295
15	4.920462	76099
16	3.989096	57083
17	2.657085	80026
18	3.861808	76379
19	4.002522	72029
20	3.465735	78775
21	3.925475	55328
22	4.231793	51684
23	4.170522	60401
24	5.276403	53521
25	3.782954	75315
26	5.097756	59750

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27	5.474698	54620
28	4.35725	58032
29	4.733172	58517
30	5.990176	53267
31	2.977989	37252
32	4.444871	59158
33	5.919199	58421
34	3.380757	55007
35	5.236184	41971
36	4.511244	53463
37	4.108851	56558
38	5.150752	45533
39	6.622612	51622
40	3.542527	43049
41	2.648727	41314
42	5.048051	45230
43	4.57803	45809
44	5.704987	32558
45	4.809569	45183
46	6.606547	32545
47	4.163905	25010
48	4.098076	33559
49	4.162618	36412
50	4.942451	44328
51	6.307423	44107
52	3.885142	35221
53	5.129458	30719
54	4.06261	36945
55	4.978147	33029
56	5.691691	33752
57	3.727221	32107
58	5.792408	33627
59	4.94421	26113
60	6.044912	25342
61	5.389144	29292
62	4.98186	28882
63	4.55228	31842

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64	5.000512	28978
65	5.653622	33055
66	4.273632	25761
67	3.783143	44370(S)/36780(M)
68	6.906576	44370(S)/36780(M)

Note: PRIZM medium income, PRIZM household size, default values, and Probability Model coefficients may be updated annually.

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QUESTION 2:

Please describe in detail how the CARE propensity or probability model is incorporated into the CARE program (e.g., marketing and outreach strategy, recertification, post enrollment verification (PEV), high energy use recertification, income verification).

- a. If the model is used to exempt certain households from recertification or PEV, please provide the total number of households exempted on an annual basis.
- b. If the model modifies the recertification or PEV cycles for certain households, please provide the total number of households affected.

RESPONSE 2:

SoCalGas' probability model for CARE eligibility evaluation serves two purposes:

- 1) Customers who are scheduled for two-year recertification and have an 85% or better probability of being CARE-eligible, are exempted from two-year recertification once. These customers are granted *Soft CARE Recertification* in SoCalGas' Customer Information System (CIS), which means, they are granted a one-time exemption from being mailed a recertification application and automatically recertified for another two years.
- 2) Approximately one month, or one billing cycle after SoCalGas customers are enrolled or recertified on the CARE program, they are run through the model. CARE customers with a low CARE eligibility score of 30% or less are subject to verification and are mailed a PEV application.

The CARE Probability model is not used for marketing and outreach. High energy usage required income verification is not applicable to SoCalGas.

- a. In 2019, 216,890 CARE customers were exempted from recertification once, and granted *Soft CARE Recertification* in 2019. In addition, 448,892 newly enrolled or recertified CARE customers received a CARE eligibility score of higher than 30% and were exempted from a PEV request in 2019.
- b. SoCalGas CARE probability model does not have PEV cycles but does modify the recertification cycle for certain CARE households as stated above.

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Additionally, but not related to the CARE probability model, CARE customers who indicate they are on a fixed income when they enroll are exempt from recertification for 1 cycle, and not required to recertify for 4 years.

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QUESTION 3:

Please provide data on CARE attrition due to non-response to recertifications and PEV. Include total CARE eligible customers, new annual enrollments, attrition, and attrition due to non-response for:

- a. 2017-2020 CARE program cycle.
- b. 2021-2026 CARE program cycle

RESPONSE 3:

SoCalGas objects to this request on the grounds that it calls for forecasted data that is speculative due to the uncertainty surrounding the COVID-19 pandemic and the resulting economic impact. Subject to and without waiving the foregoing objection, SoCalGas responds as follows.

Year	Total eligible customers	Total CARE Participants	New enrollments**	Total Attrition**	Attrition due to non-response**
2017	1,819,451	1,564,126	270,642	277,082	130,347
2018	1,793,870	1,615,527	311,911	260,510	144,530
2019	1,685,526	1,609,738	313,763	319,552	134,907
2020**	1,705,389	1,620,120	317,461	235,739	33,142
2021*	1,719,976	1,633,977	320,176	324,364	136,938
2022*	1,734,946	1,648,199	322,963	327,187	138,130
2023*	1,750,137	1,662,630	325,790	330,052	139,340
2024*	1,765,398	1,677,128	328,631	332,930	140,555
2025*	1,780,639	1,691,607	331,468	335,804	141,768
2026*	1,795,844	1,706,052	334,299	338,671	142,979

*CARE participant forecast for 2020-2026 provided in SoCalGas 2021-2026 Low Income Application, Table B-4

**New enrollment, Total Attrition and Attrition due to non-response forecasts for 2020-2026 are calculated based on 2019 new enrollment and attrition values (as reported in SoCalGas 2019 Low Income Annual Report, CARE Table 2) which is the last complete year of data available.

† No CARE customers removed due to non-response from March 4, 2020-April 16, 2021 due to COVID-19 Customer Protections enacted per Advice Letter 5604-B.

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QUESTION 4:

Please provide any plans for CARE outreach to newly unemployed customers impacted by COVID-19.

- a. If SoCalGas has already conducted CARE outreach in response to the COVID-19 crisis, what actions has SoCalGas taken?
- b. What are the results for the CARE outreach?
- c. Was SoCalGas's outreach strategies effective? Why?

RESPONSE 4:

In April, SoCalGas began reaching out to newly unemployed customers about the CARE program. Below is a list of marketing and outreach efforts that SoCalGas has completed and plans to continue.

- a. SoCalGas conducted the following in response to the COVID-19 crisis:
 - Launched an advertising campaign in April 2020 called "SoCalGas CARES" on TV, radio, and social media in English, Spanish and multiple Asian languages (Chinese, Vietnamese and Korean). The campaign messaging incorporated the current challenges related to COVID-19, specifically addressing those who have recently been unemployed, to provide customers information on how to enroll online via the quick, easy-to-use application.
 - Included a COVID-19 related message about CARE on outbound bill envelopes. The message stated, "If you're recently unemployed, you may be eligible to save 20% on your natural gas bill through our CARE program at socialgas.com/care".
 - Sent emails and texts to customers communicating they may qualify for the CARE discount if there has been a change in income.
 - Updated SoCalGas' CARE webpage to include "change in income" messaging informing recently unemployed customers they may now be eligible for CARE.
 - Added CARE program information on SoCalGas' COVID-19 information page.

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- Utilized CBOs to promote the CARE program. Across all counties, SoCalGas currently partners with 25 organizations. During the stay-at-home orders, the CBOs were not conducting in-person outreach, instead sending emails and distributing program literature via food distribution events.

- b. Since the stay-at-home orders were enacted in late March, approximately 90,000 customers have enrolled onto the CARE program. There was a 16% enrollment increase in April, corresponding to the launch of SoCalGas' comprehensive CARE advertising campaign. The campaign also contributed to increased web visits as well as online enrollments. From March to April, online enrollments saw an 80% growth rate in that enrollment channel.

- c. Yes, SoCalGas outreach strategies were effective at driving interest and increasing enrollments among newly eligible customers. Specifically, the advertising campaign helped reach the newly eligible masses through a mix of marketing and outreach channels, including traditional channels such as TV.

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QUESTION 5:

If the CARE eligible population significantly increases, what changes to program costs does SoCalGas anticipate for:

- a. ESA
- b. CARE

RESPONSE 5:

- a. SoCalGas has filed a budget application for the 2021-2026 program cycle that would allow for treatment of 110,000 customers per year. Although ESA/CARE eligible population changes, depending on their nature, could potentially impact the effectiveness of marketing approaches, SoCalGas would not necessarily foresee these changes driving overall cost changes in the delivery of the program as proposed. If SoCalGas were to propose, or the Commission were to order, that the ESA program increase activity in response to a larger population, incremental funding would need to be adopted by the Commission, depending on what needs were identified.
- b. If the CARE eligible population significantly increases, SoCalGas would anticipate changes to program costs for CARE Processing, CARE PEV processing, Marketing and Outreach, as well as a possible increase in labor required to implement the additional activities.

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QUESTION 6:

In light of shelter in place orders and other local or state requirements related to the COVID-19 pandemic, how does SoCalGas determine when to allow ESA contractors to perform work?

- a. How does SoCalGas determine when to cease ESA contractor activity?
- b. How does SoCalGas determine when to resume ESA contractor activity?

RESPONSE 6:

- a. SoCalGas monitors and implements guidance from local, state and federal health and emergency response agencies, and relied on such guidance in determining to suspend ESA Program activity on March 18, 2020.
- b. Similar to response a., SoCalGas determined the suspension should be lifted June 1, 2020 based on the guidance of local, state, and federal health and emergency response agencies, as well as the May 21, 2020 letter of CPUC Executive Director Alice Stebbins to Program Administrators (PAs) which stated, "Energy Efficiency and ESA PAs should be following the appropriate state or local health orders and not adopting any special approach for these programs that differentiates Energy Efficiency or ESA activities from other work in the area. In order to help ensure an orderly return to work, PAs should direct energy efficiency implementers and ESA contractors to follow state or local guidance on the allowance of construction projects and in-building renovations, whichever is more restrictive. The PAs do not need to suspend program activities in a manner that is more restrictive than what has been deemed necessary and safe by the health experts and agencies."²

² Letter from Executive Director Alice Stebbins: to Energy Efficiency Program Administrators - *Guidance on Energy Efficiency and Energy Savings Assistance Program Suspensions* dated May 21, 2020, p. 4.

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QUESTION 7:

How has the COVID-19-related suspension on ESA contractor activity impacted ESA program goals?

- a. Please provide the current annual shortfall between actual installs and energy savings versus the estimated installs and energy savings.

RESPONSE 7:

The suspension from the COVID-19 pandemic has made achieving the annual goal very challenging due to the lack of ability to enter a customer's home for several months. SoCalGas' ESA Program goals for 2020 have not been adjusted as a result of the ESA Program suspension.

- a. The following table illustrates the current annual shortfall between actual installs (households treated) and energy savings (therms) as reported in SoCalGas' May 2020 Low Income Monthly Report vs. estimated annual installs and energy savings.

Current Annual Shortfall Between Actual Installs & Energy Savings (through May 2020) vs. 2020 Annual Targets			
Category	2020 Year End Target*	Actual through May 2020	Shortfall through May 2020
Households Treated	191,186	39,223	151,963
Therms Saved	6,530,000	215,713	6,314,287

*Annual households treated goals and therms saved targets approved in Disposition of Advice Letter 5325.