Application No: A.26-01-011
Exhibit No: SCG-04
Witnesses: Octavio Verduzco & Roy Christian

SUPPLEMENTAL TESTIMONY OF

OCTAVIO VERDUZCO AND ROY CHRISTIAN

ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

August 10, 2026

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SUPPLEMENTAL TESTIMONY OF
OCTAVIO VERDUZCO AND ROY CHRISTIAN

1. INTRODUCTION

Southern California Gas Company (SoCalGas) provides the following Supplemental Testimony pursuant to the Administrative Law Judge's (ALJ) Ruling directing additional testimony[1] regarding potential modifications to the Energy Savings Assistance Program to be served by applicants issued on May 28, 2026 (ALJ Ruling), and subsequent ALJ Ruling directing additional party record development related to definitional issues[2] issued on June 29, 2026 (ALJ Ruling on Definitional Issues).

2. ADDITIONAL SUPPLEMENTAL TESTIMONY FOR SAN JOAQUIN VALLEY AFFORDABLE ENERGY PILOT PROJECTS

Rulemaking (R.) 15-03-010 required Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and SoCalGas to administer San Joaquin Valley (SJV) Affordable Energy Pilot Projects (SJV Pilots), which provided residents access to weatherization measures, fuel switching measures, and additional bill discounts as financial protection measures. Among them, there were eleven pilots.

The lessons learned from the completed SJV Pilots can provide an opportunity to consider how the Energy Savings Assistance (ESA) Program might further advance access to affordable energy for income qualified households in the SJV. As part of Scoping Memo Issue 3(b), PG&E, SCE, and SoCalGas were directed to submit Supplemental Testimony by August 10, 2026, with information responsive to the set of questions in this testimony.

SoCalGas appreciates the Commission's interest in understanding the importance of the SJV Pilot within disadvantaged communities. Consistent with its longstanding commitment to providing safe, reliable, and affordable energy,[3] SoCalGas views the pilot as an opportunity to advance these core objectives while addressing the unique needs of the community. The pilot's findings reinforce the value of this commitment. As reported by the independent, third-party

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[1] ALJ Ruling at 4-5.

[2] ALJ Ruling on Definitional Issues at 11-13.

[3] *See* SoCalGas, *ASPIRE 2045 Sustainability Strategy, available at:* https://www.socalgas.com/sustainability/aspire-2045.

evaluator, Evergreen Economics, the SJV pilot had positive impacts to its participants.[4] The benefits that were provided to its participants included an average reduction of $767 in total annual energy costs per household,[5] achieved net energy reduction of 16 million British thermal units (MMBtus) per household by switching from bulk fuels to natural gas appliances,[6] and there were significant non-energy benefits which included improving participants' health, comfort, and safety (HCS).[7] Most participants reported stable or improved home comfort after appliance installations, with the greatest gains in heating and cooling comfort.[8]

SoCalGas supports extending the measures offered through the SJV Pilot to ESA-eligible customers within the existing ESA Program, as the pilot findings demonstrate benefits that align with the objectives of Assembly Bill (AB) 2672, codified in California Public Utilities Code Section 783.5 in relevant part as follows:

783.5 (1) Identify disadvantaged communities based on the criteria specified in subdivision (a).

(2) Analyze the economic feasibility of the following options:

(A) Extending natural gas pipelines to those disadvantaged communities.

(B) Increasing subsidies for electricity for residential customers in those disadvantaged communities.

(C) Other alternatives that would increase access to affordable energy in those disadvantaged communities that the commission deems appropriate

Before SoCalGas can offer the measures provided under the SJV Pilot within the ESA Program, the Commission would need to authorize the switching from bulk fuel to natural gas service, including the installation of natural gas infrastructure and the conversion, repair, or replacement of existing appliances as necessary to confirm they are safe and functional. This testimony identifies the barriers to expanding these measures into the ESA Program, and outlines

4 SoCalGas San Joaquin Valley Disadvantaged Communities Pilot Impact Evaluation (September 4, 2025) (SJV Impact Evaluation), *available at*: https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M579/K066/579066505.PDF.

5 *Id.* at 32.

6 *Id.* at 33.

7 *Id.*

8 *Id.*

where Commission intervention, guidance, or authorization would be needed to permit implementation.

2.1. Describe any changes to the current ESA program approach that would be needed to offer to ESA-eligible customers in the San Joaquin Valley the measures available via the San Joaquin Valley Affordable Energy Pilot Projects, including (but not limited to) any program changes to:

a. Measure offerings;
b. Fuel-switching rules;
c. Contractor recruitment and engagement;
d. Home remediation offerings; and
e. Panel upgrade offerings.

SoCalGas appreciates the Commission's request for additional information to better understand how the current ESA Program could be modified to provide ESA Program-eligible customers the same energy efficiency measures offered through the SJV Pilot. SoCalGas provides the following response for each of the requested topics.

2.1.1. Changes to Measure Offerings

The following measures were provided in the SJV Pilot: gas line extension, gas furnaces (HVAC), water heaters (tank or tankless), cooktops/ranges, clothes dryers, remediation services, and weatherization services. Among these measures, the current ESA Program can provide gas furnaces, both tankless and storage water heaters, and lastly weatherization services. SoCalGas's current ESA Program does not repair/replace cooktops/ranges, clothes dryers, and remediation services, nor are ESA Program contractors equipped to retrofit a home or perform gas line extension services. SoCalGas's filed ESA Program and CARE programs Budgets for Program Years 2028-2033 Application[9] (IQP Full Cycle Application) does not include projections for these costs. Should the Commission determine, in its final decision on the IQP Full Cycle Application, that the above-referenced measures are to be delivered through the ESA Program, SoCalGas is committed to provide such services, provided the Commission establishes the necessary regulatory direction and an implementation framework (*see* Section 2.1.2 Changes to Fuel-Switching Rules).

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[9] A.26-01-011, Application of SoCalGas for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2028-2033 (January 16, 2026).

2.1.2. Changes to Fuel-Switching Rules

The SJV Pilot initiative[10] was implemented under a separate proceeding that operates under its own scope, objectives, and regulatory framework. Under that framework, SoCalGas was permitted to convert willing participants from wood and propane to natural gas service by extending natural gas lines to their homes. Because these activities involved fuel switching from non-utility fuels, such as wood and propane, to natural gas service, implementation required specific authorization. Accordingly, SoCalGas has identified two areas where Commission authorization would be needed to offer similar measures through the ESA Program.

First, the current ESA Program Policy and Procedures Manual (P&P Manual)[11] will need to be updated to allow fuel switching. This manual describes the policies and procedures followed in the ESA Program administered by the investor-owned utilities (IOUs) as well as the Small Multi-Jurisdictional Utilities (SMJUs).The P&P outlines ESA Program customer eligibility requirements for fuel substitution (electrification) are as follows: (1) the customer must be served by an active CPUC-regulated gas and/or electric account/meter; (2) the property must be eligible to be served by the ESA Program; and (3) there must be an active CPUC-regulated or municipal natural gas service to the home.

Second, the Commission stated in Decision (D.) 19-08-009 that it should continue to permit fuel substitution, but not fuel switching, within the portfolios of the energy efficiency program administrators, regardless of whether both electricity and natural gas are provided by Commission-regulated entities.[12] Currently, fuel switching measures are not allowed in the Main ESA Program, unless specifically authorized by the Commission.[13]

SoCalGas believes that under the current ESA Program framework its ability to expand the SJV Pilot is limited. The Commission will need to adopt changes that permits the ESA Program to fuel-switch by making corresponding revisions to the P&P Manual that supersede the directives set forth in D.19-08-009. Upon adoption of these revisions, SoCalGas submits that it

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10 SJV Impact Evaluation at 1 (stating "The pilot aimed to reduce energy burden and insecurity by replacing household propane and wood use with natural gas service.").

11 Statewide Energy Savings Assistance Program 2021-2026 Cycle Policy and Procedures Manual (v1.6) (P&P Manual) at 9, *available at:* https://www.cpuc.ca.gov/-/media/cpuc-website/consumer-support/documents/20260630-statewide-esa-program-pp-manualv16.pdf.

12 D.19-08-009 at 53 (Conclusion of Law (COL) 2).

13 P&P Manual (v1.6) at 103.

would be able to offer through the ESA Program energy efficiency, weatherization, and HCS measures. SoCalGas emphasizes that gas line extensions may be offered only to eligible ESA participants who agree to pay the full cost of new gas line extensions. Pursuant to D.22-09-026 within the Building Decarbonization OIR (R.19-01-011), this decision adopts the Commission's staff proposal to eliminate gas line extension allowances, refunds, and discounts for all customer classes, with limited exceptions, effective July 1, 2023.[14] SoCalGas proposes that customers be required to meet existing ESA Program eligibility requirements, including having a household income at or below 250 percent of the Federal Poverty Level[15] or being enrolled in a qualifying public assistance program.[16]

2.1.3. Changes to Contractor Recruitment and Engagement

SoCalGas does not foresee needing changes to its contractor recruitment and engagement practices. As discussed in Exhibit (Ex.) SCG-01, SoCalGas will continue working with its existing contractor network while maintaining flexibility to scale as needed.[17] When onboarding additional contractors, SoCalGas will follow established competitive solicitation processes to enhance transparency, fairness, and reliability in program delivery" and "SoCalGas intends to incorporate best practices and lessons learned from the use of Independent Evaluators (IEs) and the Procurement Review Group (PRG), as applied in both Main EE programs and the regional Multifamily Whole Building (MFWB) ESA sub-program solicitation.[18] Contractors are engaged to deliver measures in accordance with applicable program requirements. If new measures are

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[14] D.22-09-026 at 26 and 81 (Ordering Paragraph (OP) 1) (Phase III Decision Eliminating Gas Line Extension Allowances, Ten-Year Refundable Payment Option, and Fifty Percent Discount Payment Option Under Gas Line Extension Rules); *see also id.* at 80 (Conclusion of Law (COL) 1).

[15] Pub. Util. Code § 2790(f)-(g) provides as follows: "(1) For purposes of this section, 'low-income customers' means persons and families whose household income is at or below 250 percent of the federal poverty level […] This section shall become operative on July 1, 2022."

[16] Per D.12-08-044 at 394-395 (OP 88(b)(i)): "Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company shall retain and follow our current Categorical Eligibility and Enrollment Program to continue to allow continued ease of access for enrolling into the California Alternate Rates for Energy Program with the following modifications: (i) These lists, once approved, shall be updated annually and be used to implement the Categorical Eligibility and Enrollment Program for California Alternate Rates for Energy and Energy Savings Assistance Program, for the upcoming fiscal year."

[17] Ex. SCG-01 (Verduzco/Christian) at 168.

[18] *Id.*

added to the ESA Program, SoCalGas anticipates continuing its partnership with contractors to develop the expertise and training to perform installations. SoCalGas will also determine if necessary to engage with new contractors capable of delivering new measures and/or services.

2.1.4. Changes to Home Remediations Offerings

The evaluation found that remediation work was necessary in 81% of participating homes.[19] The most common remediation categories within the SJV Pilot included HVAC, water heater, cooking appliance, clothes dryer, and electrical equipment.[20] HVAC installations (52%) and water heater installations (61%) were the majority of appliances that required remediation.[21] According to P&P Manual for the ESA Program, there are two types of allowable remediation: (1) electrical remediations, which are defined as electrical system repairs necessary to facilitate the safe and code compliant installation of electrification measures, and (2) building remediations, which are defined as non-electrical repairs unique to the physical condition of the dwelling unit that must be completed to safely install electrification measures.[22] SoCalGas would need Commission authorization and revision to the P&P Manual to provide remediation to non-electrical measures as seen in the SJV Pilot.

2.1.5. Changes to Panel Upgrade

SoCalGas recognizes that electrical panel upgrades may be necessary to facilitate electrification in some homes; however, these upgrades can substantially increase project costs.[23] These costs are in addition to the remediation cost cap for the SJV Pilot. Given the focus

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[19] SJV Impact Evaluation at 3.

[20] R.15-03-010, Southern California Gas Company's San Joaquin Valley Pilot 2022 Q4 Quarterly Progress Report (January 31, 2023) at 4, *available at:* https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M501/K847/501847831.PDF.

[21] SJV Impact Evaluation at 3.

[22] P&P Manual (v1.6) at 106.

[23] As reported in SCE's 2023 Annual Progress report on SJV Pilot Projects at Table 8, page 5, the average cost per project or household was $27,56 which includes the average cost of electrical upgrades of $4,467 per household. *Available at* https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M521/K745/521745691.PDF; As reported in PG&E's 2023 SJV Disadvantaged Communities Pilot Program Annual Report at Table 10A, page 20, the average cost per household was $22,831 which included average cost of electrical upgrades of $5,141 per household. This does not include external funding of $7,828 per household as reported in Table 10B. *Available at* https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M521/K572/521572762.PDF.

surrounding affordability concerns and the impact on all ratepayers, as emphasized by Commissioner Matthew Baker during the August 18, 2025 Prehearing Conference for A.25-06-022 *et al*., the funds that support the income qualified programs should be cost effective as they have an impact on the income qualified customers and the ratepayers who contribute to these funds on their monthly bills. SoCalGas recommends that the Commission should maintain oversight that panel upgrades remain within reasonable and cost-effective parameters.

2.2. Quantify any incremental or other implementation considerations associated with the program changes described above, including the application of available non-ratepayer funds for home remediation and panel upgrades.

As discussed in Section 2.1.2 above, fuel switching or establishing new natural gas service for households that rely on unregulated fuels is outside the scope of the current ESA Program framework. This process entails securing the appropriate permits for construction and submitting an application to SoCalGas to establish natural gas service[24], including the installation new pipeline infrastructure and a gas meter at the residence. As reported by Evergreen Economics, SoCalGas's SJV Pilot was limited to a single disadvantaged community (DAC) within the San Joaquin Valley, California City. Of the 5,254 households located in the community, the pilot served 83 households. Based on conversions completed between July 2020 and September 2023, the average cost was approximately $22,300 per participating household.[25] In addition, the SJV Pilot included a remediation cost cap of $5,000 per household to address remediation needed to make the appliances functional. Should the Commission permit an expansion of the current ESA Program, SoCalGas would utilize the costs identified above to quantify the associated incremental and implementation costs, including adjustments for inflation and other applicable cost increases.

The proposed budget in its Application was developed with affordability as a primary objective, focusing on minimizing impacts to natural gas bills while continuing to serve customers who rely most on these programs.[26] To achieve this, SoCalGas proposes maintaining its Energy Efficiency (EE) budget in 2028 at the same funding level approved at the conclusion

[24] Application for Residential New Construction Natural Gas Installation, *available at*: https://gis.socalgas.com/costestimator/#/residential-application.

[25] SJV Impact Evaluation at 2.

[26] Ex. SCG-02 (Steinberg) at 8.

of the current program cycle in 2026. This approach provides funding stability, limits bill impacts, and provides the continued delivery of energy savings, efficiency upgrades, and health, safety, and comfort benefits to eligible customers.

Under the proposed budget, SoCalGas forecasts serving 92,369 customers and achieving annual savings of 1,620,094 therms for PYs 2028-2033.[27] Requiring the ESA Program to provide the same services and measures offered through the SJV Pilot would significantly increase program costs and jeopardize SoCalGas's ability to meet these customer and energy savings goals. As a result, vulnerable customers across the broader service territory could lose access to critical energy efficiency and health, comfort, and safety measures and services.

SoCalGas recommends that the services provided by the SJV pilot be addressed through a separate proceeding, such as the SJV Proceeding (R.15-03-010), which supports a clear distinction and tracking between ratepayer and non-ratepayer funding sources. SoCalGas remains committed to evaluating and expanding access to cleaner and more affordable energy options in the SJV.

2.3. Propose ways that ESA programs can incorporate learnings from the San Joaquin Valley Affordable Energy Pilot Projects, the completed PG&E SJV Impact Evaluation,[28] and any other relevant studies.

Evergreen Economics made five recommendations[29] in its evaluation report from SoCalGas's SJV Pilot. These recommendations were focused on outreach, bill credits, functionality of appliances, non-energy benefits, and participation barriers:

- Outreach: Focus on how new appliances can help customers manage and offset rising energy costs through net savings, rather than promising direct bill reductions.
- Bill Credits: Evaluate the purpose of bill credits and determine whether they are necessary in a long-term program design, particularly where participants already experience net energy cost savings.

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[27] Ex. SCG-01 (Verduzco/Christian) at 122.

[28] PG&E and RHA San Joaquin Valley Disadvantaged Communities Pilot Impact Evaluation (PG&E SJV Impact Evaluation) (December 9, 2024), *available at*: https://pda.energydataweb.com/api/view/4084/PG%26E%20RHA%20SJV%20DAC%20Impact%20Evaluation%20Report%20FINAL.pdf.

[29] SJV Impact Evaluation at 4-5.

- Functionality of Appliances: Collect information on the condition and functionality of existing appliances during assessments to better evaluate program benefits and equity impacts.
- Non-Energy Benefits: Additional research should be conducted to estimate the incidence, magnitude, and value of non-energy benefits, including improvements to occupant health, comfort, and safety, to provide a more comprehensive assessment of overall program benefits.
- Participation Barriers: Develop strategies to reduce barriers faced by renters and other underrepresented groups, as the evaluation found that renters were less likely to participate than homeowners.[30]

SoCalGas's ESA Program can incorporate lessons learned from the evaluation related to customer outreach strategies and participation barriers. The recommendation regarding bill credits is not applicable to the ESA Program, as the program does not provide bill credits to offset potential bill impacts associated with the installation of new appliances.

SoCalGas uses a blend of general awareness efforts, direct marketing, advertising campaigns and community-based outreach to interest and deliver program services to eligible households. As part of ESA Program services, assessments are conducted on existing appliances to gauge both functionality and efficiency. Upon enrollment, the program is able to provide meaningful benefits through the replacement of outdated appliances, improving insulation, and educating customers on conservation practices, thereby improving safety and increasing their energy affordability. To reduce participation barriers faced by renters, SoCalGas is assessing outreach strategies on messaging that engage both renters and property owners that reassures tenants that the program will work directly with landlords. In addition, SoCalGas is reviewing ways to improve education and messaging around ESA Program benefits, especially health-related improvements, to overcome misconceptions about the program's value.

[30] *Id*.

3. ADDITIONAL SUPPLEMENTAL TESTIMONY ON DEFNITIONAL ISSUES

3.1. CATEGORICAL ELIGIBILITY POLICY FRAMEWORK QUESTIONS

3.1.1. Should the Commission adopt the policy framework laid out by the Joint Advocates[31] for evaluating potential categorical eligibility programs (the "Income Eligibility Threshold Comparison Test" plus the "Qualifying Unit Test")? Should any modifications be made to the proposed framework?

SoCalGas does not recommend the Commission adopting the Joint Advocates' proposed framework to the extent it permits categorical eligibility (CE) for programs with income thresholds that exceed the statutory CARE income limit of 200 percent of the Federal Poverty Level (FPL).[32] The Commission's evaluation should first assess statutory compliance and then determine whether public assistance programs are sufficiently aligned for purposes of categorical eligibility. While public assistance programs may differ in their income eligibility requirements, those requirements remain acceptable so long as they do not exceed the applicable statutory income threshold. Accordingly, SoCalGas supports considering public assistance programs with partially aligned eligibility criteria as qualifying programs for CARE and ESA eligibility.[33] While Joint Advocates proposed framework seems to be a structured methodology for evaluating CE programs, several elements are subjective, administratively challenging, and could significantly expand eligibility beyond the statutory income thresholds established for CARE.

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[31] Center for Accessible Technology (CforAT), The Utility Reform Network (TURN), National Consumer Law Center (NCLC) and Sierra Club (collectively "Joint Advocates").

[32] Pub. Util. Code § 739.1(a) provides as follows: "The commission shall continue a program of assistance to low-income electricity and gas customers with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels, the cost of which shall not be borne solely by any single class of customer. For one-person households, program eligibility shall be based on two-person household guideline levels. The program shall be referred to as the California Alternate Rates for Energy or CARE program. The commission shall ensure that the level of discount for low-income electricity and gas customers correctly reflects the level of need."

[33] SoCalGas Opening Brief on Definitional Issues at 6 (stating "Income Methodology: a. The program's methodology clearly defines income treatment ("total household annual gross income" as opposed to net income) and applies it consistently. b. The program must have eligibility criteria at or below 200% of the Federal Poverty Guidelines (FPG). However, based on the CE Study, SoCalGas supports consideration of partially aligned CE programs as qualifying customers for CARE and ESA Program. Partially aligned CE programs include Head Start Income Eligible (Tribal Only), SSI, and CalWORKs/TANF or Tribal TANF, Medi-Cal for adults only. Nonetheless, eligibility into partially aligned CE programs must be income-based.").

Within the "Income Eligibility Threshold Comparison Test," Joint Advocates present a series of hypothetical questions to evaluate whether a public assistance program's eligibility standards are substantially the same as CARE.[34] For instance, if certain programs exceed 200% of FPL (exceeding CARE statutory limit), as long as 90% of program participants have incomes at or below 200% of FPL, then the public assistance program should be accepted as being "substantially the same."[35] This proposal is difficult to implement because participant-level income data are often unavailable, inconsistently collected, or not routinely verified across public assistance programs.[36] This could create significant administrative burdens and require ongoing analyses that may not be feasible to conduct or validate.

Should the Commission decide to adopt the Joint Advocates' proposed framework, SoCalGas requests the Commission and its staff to evaluate these tests, oversee, implement, and provide directive to IOUs on which public assistance programs should be considered "substantially the same" thereby qualifying for CARE program. A Commission staff-led process would help eliminate any perceived biases associated with utility-led evaluations. The IOUs have previously been directed to evaluate public assistance programs for CE.[37] To comply with this requirement, an independent third party evaluation team was hired to conduct the research, and both evaluation results and recommendations[38] were not approved by the Commission[39].
To the extent the Commission adopts portions of the Joint Advocates' framework, SoCalGas recommends modifications that:

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34 Joint Advocates Opening Brief on Definitional Issues at 16.

35 *Id.*

36 *See* Attachment A – Data Request No. TURN-SoCalGas-03, SoCalGas Response to Question 1 at 5-6.

37 Per D.12-08-044 and D.21.06-015.

38 ICF International, CARE Categorical Eligibility Study (January 15, 2013) *available at:* https://pda.energydataweb.com/api/view/2580/ICF%20Categorical%20Eligibility%20Study%202013%2001%2015%20.pdf; 2022 Categorical Eligibility Study, A Report to the California Investor-Owned Utilities, Submitted by Evergreen Economics (June 26, 2023). *Available at*: https://www.calmac.org/publications/Categorical_Eligibility_Report_-_Final.pdf.

39 SoCalGas Advice Letter 6206-G, Joint IOU Advice Letter Pursuant to Decision 21-06-015 Proposing an Updated Program List for Categorical Eligibility for Enrollment in The Energy Savings Assistance, California Alternate Rates for Energy and Family Electric Rate Assistance Programs (October 13, 2023), Disposition: Letter, Rejected, *available at:* https://tariffsprd.socalgas.com/view/filing/?utilId=SCG&bookId=GAS&flngKey=4620&flngId=6206-G%20et%20al&flngStatusCd=Rejected.

- The Commission's evaluation should first assess statutory compliance and then determine whether a public assistance program is sufficiently aligned or partially aligned for categorical eligibility, provided they do not exceed statutory income thresholds;
- Require evaluation of a program's actual eligibility requirements rather than participant demographics;
- Require verification safeguards such proof of eligibility documentation for any aligned CE programs; and
- Preserve the distinction between CARE and FERA and ESA statutory eligibility thresholds.

Lastly, SoCalGas reiterates that a CE program should be considered "substantially the same" if they satisfy four foundational criteria[40]:

1. Uses a reasonably comparable household definition;
2. Applies a clearly defined and consistently administered income methodology;
3. A public assistance program is sufficiently aligned or partially aligned for categorical eligibility, eligibility into partially aligned CE programs must be income-based and is within the limit of statutory income thresholds; and
4. Uses income limits that align with CARE at less than or equal to 200% FPL, and FERA/ESA at less than or equal to 200%-250% FPL.[41]

3.1.2. How should the policy framework for categorical eligibility programs take into account mismatches between the qualifying unit for potential categorical programs and the qualifying unit for CARE, FERA, and ESA, such as when a potential categorical program enrolls an individual household member whereas CARE, FERA, and ESA eligibility is based on qualification of the entire household?

Within the current CARE eligibility framework, a customer may qualify for the CARE Program either through meeting the applicable household income requirements or through participation in a CE program. When a household is enrolled in CARE via a CE program, they

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40 SoCalGas Opening Brief on Definitional Issues at 5-6.

41 SB 756 updated Pub. Util. Code § 2790 by changing the income limits of ESA program eligibility from referencing Pub. Util. Code § 739.1 (which defined low-income as households with income no greater than 200 percent of the Federal Poverty Guidelines) to establishing the ESA Programs' income limits at or below 250 percent of the Federal Poverty Guidelines beginning July 1, 2022.

are not required to provide individual household member income. Once enrolled in CARE via a CE program, households are considered eligible for the ESA Program and may elect to participate in the program based on the household's needs for ESA Program measures and services. SoCalGas does not believe there is a mismatch between the CARE and ESA Programs in this instance because CARE enrollment is based on at or below 200% FPL and will automatically qualify a customer for ESA Program that is based on at or below 250% FPL.

For customers who qualify for CARE through household income verification, the reported household income can be subsequently used to determine eligibility for the ESA Program. If the Commission determines that CARE enrollment obtained through CE pathway is sufficient to establish ESA eligibility, a qualifying-unit mismatch may arise because certain CE programs assess eligibility based on an individual's income or circumstances, whereas CARE and ESA eligibility are based on the income and reporting of the entire household. This could result in an individual-based CE determination serving as the basis for eligibility in programs that otherwise rely on a household-based eligibility framework.

Should the Commission decide to shift away from the current CARE/ESA Program eligibility framework, the new policy framework should explicitly recognize that CARE, FERA, and ESA Program eligibility is determined at the household level only, whereas some public assistance programs may determine eligibility based on an individual beneficiary. When a CE program evaluates eligibility at the individual level, the Commission should consider whether that enrollment through that CE program provides sufficient information to determine whether the household as a whole satisfies CARE, ESA, or FERA eligibility requirements. Failure to account for this distinction may create circumstances where a qualifying individual resides in a household that exceeds applicable income thresholds.

Accordingly, programs with qualifying-unit mismatches should either:

- Demonstrate that their qualifying-unit methodology produces outcomes substantially similar to household-based eligibility determinations; or
- Incorporate supplemental verification procedures sufficient to confirm household eligibility.

This approach balances enrollment efficiencies with program integrity by promoting consistent eligibility determinations across programs, and supports categorical eligibility remaining reasonably aligned with the statutory requirements and policy objectives of CARE and ESA Program.

3.1.3. If the Joint Advocates' proposed framework is adopted, how would this affect the existing list of categorical eligibility programs? Which programs would be added or removed, and how would this affect overall enrollment in the CARE program?

The impact to the overall enrollment in the CARE program, based on Joint Advocates' proposed framework, would require program-specific analysis that relies on a new list of CE programs. This new list of CE programs currently does not exist, and therefore the overall impact on CARE enrollment is uncertain and would depend on the number of public assistance programs that will be added or removed. Removal of existing CE programs could reduce enrollment by limiting qualifying pathways, while the addition of new programs could increase enrollment by expanding access to otherwise eligible customers. Beyond enrollment impacts, a framework that results the addition of CE programs that is over the CARE statutory guideline programs could increase administrative complexity by requiring ongoing updates to enrollment processes, customer communications, system configurations, training materials, and compliance activities, while also creating potential customer confusion regarding qualifying pathways.

Should the Commission adopt the Joint Advocates' proposed framework, SoCalGas proposes the process to determine the CE list of programs be conducted by the Commission. Based on the framework proposed by Joint Advocates, some programs that currently exceed CARE's statutory income threshold or lack sufficient alignment with household-based eligibility criteria could potentially qualify as CE programs.

Alternatively, SoCalGas recommends the Commissions to consider SoCalGas's proposed framework.[42] The proposal put forth by SoCalGas, evaluates programs based on the degree to which their income eligibility requirements, household definitions, and qualifying units align with CARE Program's statutory requirements. A public assistance program may be considered sufficiently aligned or partially aligned for categorical eligibility if eligibility is income-based and the program's income limits do not exceed the CARE statutory income thresholds, at or below 200 percent of FPL.

[42] SoCalGas Opening Brief on Definitional Issues at 5-6.

3.1.4. What steps could be taken to ensure that customers who qualify through a categorically eligible (CE) program that no longer applies as a CE program are not removed from IQP participation if they are still otherwise eligible?

SoCalGas recommends that customers enrolled through a CE program that is subsequently removed from the Commission-approved list be provided notice and an opportunity to demonstrate eligibility through standard income-based and eligible CE certification or recertification processes before losing program benefits. Transitioning customers through existing recertification cycles, coupled with targeted outreach and education regarding alternative eligibility pathways, would help protect eligible customers from unnecessary disruption while maintaining compliance with Commission-adopted eligibility requirements.

3.2. Categorical Eligibility Process Question

3.2.1. Should the Commission adopt an annual process for updating the list of categorical eligibility programs for CARE, FERA, and ESA in which the IOUs gather input from stakeholders to inform a joint Tier 2 advice letter recommending changes, with the intent that Energy Division staff will evaluate the proposed changes using the policy framework adopted in this proceeding? The annual timeline for such a process could align with the June 30 implementation of the annual income guidelines update as presented below:

By September 30 of the previous year – IOUs will conduct a workshop and present initial recommendations for changes to the list of categorical programs (if any) and justifications based on the policy framework adopted in this proceeding for stakeholder feedback.

By January 31 of the following year – IOUs file a joint Tier 2 AL recommending changes to the list of categorical programs (CE), including an explanation of how they incorporated stakeholder input.

By April 30 – ED staff issue a disposition letter either approving, approving with modifications, or rejecting the IOUs' proposed changes based on application of the adopted policy framework to the IOUs' advice letter.

SoCalGas supports periodic reviews of CE programs to maintain an accurate and current list of qualifying programs. SoCalGas supports a transparent and predictable review process that incorporates stakeholder input to determine the additions to or removals from the CE programs list. However, SoCalGas does not support an annual review schedule or a process that requires the IOUs to solicit stakeholder input and submit a joint Tier 2 Advice Letter recommending CE program changes.

The Commission has previously implemented an annual CE program review process. Specifically, D.12-08-044[43] directed the utilities to jointly and annually review and submit, by Tier 2 Advice Letter, an updated list of proposed categorically eligible low-income programs. The Commission's experience with that process demonstrates that CE evaluations involve complex policy and statutory interpretation issues that extend beyond routine administrative updates. Following the initial review required by D.12-08-044, significant questions arose regarding income standards, household composition, qualifying units, and the interpretation of the "substantially the same" requirement, resulting in additional Commission review throughout the 2021-2026 program cycle. These issues can materially affect customer eligibility and enrollment and therefore warrant Commission-led process to establish consistent statewide policy.

Alternatively, SoCalGas recommends a periodic review of the CE program list to align with each Low-Income Program cycle and this process to be administered by Commission staff. It is recommended that the evaluation of adding or removing CE programs be administered by Commission staff from start to finish to support an objective and transparent process and to avoid any perceived bias associated with utility-led recommendations.

Lastly, the proposed disposition date of April 30 does not adequately account for existing CARE implementation requirements, including annual updates to income eligibility guidelines filed on May 1st of each year. The IOUs are required to implement updated eligibility guidelines on an established annual schedule, a January advice letter filing and April disposition process would not provide sufficient lead time to incorporate approved changes into enrollment systems, customer communications, training materials, operational procedures, and compliance activities before implementation deadlines.

In summary, while SoCalGas supports periodic review of CE programs, SoCalGas recommends that the review and updated list of the CE program be review based on each Low Income Program Application decision. The Commission should consider whether an annual filing requirement is necessary absent material changes to public assistance program eligibility

[43] D.12-08-044 at 394-395 (OP 88).

requirements, income thresholds, income definitions, or qualifying-unit methodologies. This approach supports effective program administration with the Commission's responsibility to maintain program integrity while providing assistance programs to the customers they are intended to serve. From a customer perspective, frequent changes to the CE program list may create confusion regarding eligibility, increase uncertainty for participating households, and potentially undermine customer confidence in the programs. A more predictable review cycle would provide greater stability for customers.

3.2.2. What process should the IOUs adopt to verify income eligibility requirements of public assistance programs to update the list of categorical programs?

SoCalGas recommends that Commission staff, rather than the IOUs, be responsible for evaluating the income eligibility requirements of public assistance programs and determining whether such programs satisfy the Commission's criteria for categorical eligibility. An associated recommendation is for Commission staff to oversee the collection and review of eligibility information from other administering agencies and provide direction regarding any additions or removals from the approved list of categorical eligibility programs. This approach would promote a consistent and the perception of unbiased process across all utilities. SoCalGas recommends the Commission to conduct periodic reviews of publicly available program documentation and eligibility criteria issued by federal, state, tribal, and local program administrators to verify income eligibility requirements still align with CARE/FERA/ESA Programs.

4. CONCLUSION

SoCalGas recommends that the Commission adopt its proposal and recommendations as described in this testimony.

ATTACHMENT A
Data Request No. TURN-SoCalGas-03,
SoCalGas Response to Question 1

SOUTHERN CALIFORNIA GAS COMPANY

THE UTILITY REFORM NETWORK (TURN)
Data Request No. TURN-SoCalGas-03
RECEIVED: APRIL 21, 2026
SUBMITTED: MAY 5, 2026

Please provide electronic responses to the following questions.

The following questions pertain to **SoCalGas's Application 26-01-011 (consolidated in A.26-01-003 et al) and Supporting Testimony**.

For each question, please provide the name of each person who materially contributed to the preparation of the response. If different, please also identify the SoCalGas witness who would be prepared to respond to cross-examination questions regarding the response. If you think a question does not apply to SoCalGas, please say so and explain why.

For any questions requesting numerical recorded data, ***please provide all responses in machine-readable format, with cells and formulae functioning.***

For any question requesting documents, please interpret the term broadly to include any and all hard copy or electronic documents or records in SoCalGas's possession.

Finally, if partial responses are available prior to the requested due date, please forward them as soon as they become available. If any of these requests are unclear or otherwise objectionable, please contact Julia de Lamare as soon as possible so that we may attempt to resolve any problems.

I. GENERAL OBJECTIONS

1. SoCalGas objects generally to each request to the extent that it seeks information protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or evidentiary doctrine. No information protected by such privileges will be knowingly disclosed.

2. SoCalGas objects generally to each request that is overly broad and unduly burdensome. As part of this objection, SoCalGas objects to discovery requests that seek "all documents," "all emails," or "all information" and similarly worded requests on the grounds that such requests are unreasonably cumulative and duplicative, fail to identify with specificity the information or material sought, and create an unreasonable burden compared to the likelihood of such requests leading to the discovery of admissible evidence. Notwithstanding this objection, SoCalGas will produce all relevant, non-privileged information not otherwise objected to that it is able to locate after reasonable inquiry.

3. SoCalGas objects generally to each request to the extent that the request is vague, unintelligible, or fails to identify with sufficient particularity the information or documents requested and, thus, is not susceptible to response at this time.

4. SoCalGas objects generally to each request that: (1) asks for a legal conclusion to be drawn or legal research to be conducted on the grounds that such requests are not designed to elicit facts and, thus, violate the principles underlying discovery; (2) requires SoCalGas to do legal research or perform additional analyses to respond to the request; or (3) seeks access to counsel's legal research, analyses or theories.

5. SoCalGas objects generally to each request to the extent it seeks information or documents that are not reasonably calculated to lead to the discovery of admissible evidence.

6. SoCalGas objects generally to each request to the extent that it is unreasonably duplicative or cumulative of other requests.

7. SoCalGas objects generally to each request to the extent that it would require SoCalGas to search its files for matters of public record such as filings, testimony, transcripts, decisions, orders, reports or other information, whether available in the public domain or through FERC or CPUC sources.

8. SoCalGas objects generally to each request to the extent that it seeks information or documents that are not in the possession, custody or control of SoCalGas.

9. SoCalGas objects generally to each request to the extent that the request would impose an undue burden on SoCalGas by requiring it to perform studies, analyses or calculations or to create documents that do not currently exist.

10. SoCalGas objects generally to each request that calls for information that contains trade secrets, is privileged or otherwise entitled to confidential protection by reference to statutory protection. SoCalGas objects to providing such information to the extent it is not covered by the parties’ Non-Disclosure Agreement, if applicable.

II. EXPRESS RESERVATIONS

1. No response, objection, limitation or lack thereof, set forth in these responses and objections shall be deemed an admission or representation by SoCalGas as to the existence or nonexistence of the requested information or that any such information is relevant or admissible.

2. SoCalGas reserves the right to modify or supplement its responses and objections to each request, and the provision of any information pursuant to any request is not a waiver of that right.

3. SoCalGas reserves the right to rely, at any time, upon subsequently discovered information.

4. These responses are made solely for the purpose of this proceeding and for no other purpose.

III. RESPONSES

Question 1:

Please clarify whether you have income data for customers who are enrolled in CARE through Categorical Eligibility.

a. If so, please provide the number and the percentage of those customers with incomes that exceed the CARE income thresholds.
b. Please provide the information in 1.a broken down by Categorical Eligibility program and both in numbers and percentage.

SoCalGas Response:

SoCalGas customers can enroll in the CARE Program in one of two ways: by qualifying through participation in eligible public assistance programs (Categorical Eligibility) or by meeting the annual household income requirements. Customers who enroll through Categorical Eligibility are not required to submit proof of income or disclose household income amounts.

However, a subset of customers who apply through Categorical Eligibility may provide income information during the CARE application process. Accordingly, income data may exist for some customers who qualified for the CARE Program via Categorical Eligibility, but such information is not required and is not uniformly available for all CARE participants.

a. The number of customers and the percentage of those that have self-reported with incomes that exceed the CARE income thresholds is provided below.

Accounts with Categorical Type Information with Income Greater than Threshold	Number of CARE customers with incomes that exceed the CARE income thresholds	Percentage of CARE customers with incomes that exceed the CARE income thresholds
December 2025	10,073	0.58%
March 2026	9,301	0.55%

b. CARE customers Categorical Eligible (CE) with reported income over the threshold is provided below. The table includes Categorical Eligibility program in numbers and percentage for CARE customers in 2025 and as of March 2026.

2025 CARE Customers with CE over IE Type of Enrollment	Total Count	Percentage of HH* with this type of enrollment out of total CE with income greater than threshold	Percentage of HH* with this type of enrollment out of total CARE customers in 2025
Bureau of Indian Affairs General Assistance	54	0.5%	0.00%
CalFresh/Supplemental Nutrition Assistance Program - Food Stamps	3,154	31.3%	0.18%
CalWORKs/Temporary Assistance for Needy Families (TANF) or Tribal TANF	423	4.2%	0.02%
Head Start Income Eligible - (Tribal Only)	71	0.7%	0.00%
Healthy Families A&B	2,236	22.2%	0.13%
Low-income Home Energy Assistance Program (LIHEAP)	1,810	18.0%	0.10%
Medicaid/Medi-Cal 65+	4,115	40.9%	0.24%
National School Lunch Program (NSLP) - Free Lunch	2,165	21.5%	0.13%
Supplemental Security Income (SSI)	2,112	21.0%	0.12%
Women, Infants, and Children Program (WIC)	1,172	11.6%	0.07%
Medicaid/Medi-Cal Under 65	5,991	59.5%	0.35%

*HH: Household

2026 CARE Customers with CE over IE Type of Enrollment (March YTD)	Total Count	Percentage of HH* with this type of enrollment out of (total CE with income greater than threshold)	Percentage of HH* with this type of enrollment out of total CARE customers as of March 2026
Bureau of Indian Affairs General Assistance	52	0.6%	0.00%
CalFresh/Supplemental Nutrition Assistance Program - Food Stamps	2,922	31.4%	0.17%
CalWORKs/Temporary Assistance for Needy Families (TANF) or Tribal TANF	381	4.1%	0.02%
Head Start Income Eligible - (Tribal Only)	62	0.7%	0.00%
Healthy Families A&B	2,069	22.2%	0.12%
Low-income Home Energy Assistance Program (LIHEAP)	1,693	18.2%	0.10%
Medicaid/Medi-Cal 65+	3,848	41.4%	0.23%
National School Lunch Program (NSLP) - Free Lunch	2,010	21.6%	0.12%
Supplemental Security Income (SSI)	1,971	21.2%	0.12%
Women, Infants, and Children Program (WIC)	1,066	11.5%	0.06%
Medicaid/Medi-Cal Under 65	5,522	59.4%	0.32%

*HH: Household

Question 2:

Please identify the total number of customers enrolled in FERA in 2025 through categorical eligibility. Please also provide any available data for 2026.

a. Please provide the information in Q2 broken down by Categorical Eligibility program both in numbers and percentage.

SoCalGas Response:

FERA Program is not applicable to SoCalGas.

Question 3:

What types of earnings do you currently consider as “income” for purposes of determining eligibility for the CARE and FERA programs?

SoCalGas Response:

Total household income includes all sources of revenue from every household member before deductions. This includes, but is not limited to, the following: wages, salaries, interest, dividends, spousal and child support, public assistance, Social Security, pensions, rental income, self-employment income, and non-cash employment benefits.

SoCalGas’s CARE Program Documentation Guide is available at: https://www.socalgas.com/sites/default/files/2025-04/S003_CARE-PEV-Letters-Acceptable-Documents-Guide_FINAL.pdf. This guide is sent with all PEVs and is available online at socalgas.com/care. This guide explains what documents should be submitted for the different types of earnings in a household.

Question 4:

How do you currently define household sizes for purposes of determining eligibility for the CARE and FERA programs?

SoCalGas Response:

For purposes of determining eligibility for the CARE Program, household size is defined based on the information provided by the applicant on the CARE application.

Total household size for CARE eligibility is based on the total number of persons reported by the applicant. This should include the applicant, other adults, and children living in the household.