



Lower rates · Cleaner electricity · Local control

Community Advisory Committee

Thursday, July 11, 2019 - 3:30pm

Meeting Agenda

73710 Fred Waring Drive, Room #115
Palm Desert, CA 92260
(760) 346-1127

If you are unable to attend in person, you are welcome to call in to the meeting:

Conference line: (877) 873-8017

Access Code: 2063991#

- I. Introductions
- II. Overview of Community Choice Aggregation and Desert Community Energy - Benjamin Druyon
- III. Low Income (CARE/FERA) Enhanced Enrollment program discussion (please see Attachment 1)
 - a. Establish CARE/FERA review committee
- IV. Discussion of Election of Chair and Vice chair
- V. Questions
- VI. Set future meeting dates & times
- VII. Meeting adjourned

Attachment:

1. CARE/FERA Enhanced Enrollment Program - Draft Scope of Work
2. CARE/FERA Staff Report - April 15, 2019

The POWER of choice

73710 Fred Waring Drive, Suite 200, Palm Desert, CA 92260 | (855) 357-9240

www.DesertCommunityEnergy.org

Draft

CARE/FERA Enhanced Enrollment Program

Scope of Work

Background:

Desert Community Energy (DCE), formed by Cathedral City, Palm Desert, and Palm Springs, is a Community Choice Aggregation (CCA) program that was scheduled to launch in 2018, saving its customers millions of dollars each year. Community Choice Aggregation (CCA) allows cities and counties to pool or aggregate their buying power to purchase electricity on a region-wide basis, to offer competitive rates to their consumers with the option of purchasing power from greener sources.

A Community Choice Aggregation program is consistent with ongoing DCE efforts to promote cost savings for energy consumers, energy efficiency and renewable energy, climate action goals, and regional collaboration. Through DCE, local governments and their constituents can achieve a powerful range of objectives:

- Enhance local control of electricity rate structure, and sources of power;
- Provide electric power and other forms of energy to customers at a competitive cost;
- Reduce greenhouse gas emissions related to the use of power and provide an electricity supply with a lower carbon footprint;
- Carry out programs to reduce energy consumption and increase the use of renewable energy;
- Stimulate and sustain the local economy by developing local jobs in renewable and conventional energy; and
- Promote long-term electric rate stability, energy security and reliability for residents through local control of electric generation resources.

Due to uncertainties in the energy market, the DCE board decided to postpone the launch. As it looks at a new start date – which could be as soon as 2020 – DCE is also exploring ways to maximize the benefits to the community.

An analysis by DCE staff has shown potential to produce as much as 30 percent savings for low-income customers who are not currently enrolled in the California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs. This analysis found:

- There are 18,000+ customers currently signed up for CARE in the three DCE cities. DCE staff estimates over 6,000 customers are eligible for CARE and FERA enrollment, but not currently signed up.
- If even 25% of those potential new CARE and FERA customers were enrolled, they would benefit from nearly \$900,000 in annual savings on their utility bills.

Table 1. Estimate of eligible customers not enrolled in CARE or FERA for each DCE City and economic benefit for various levels of enrollment.

| City | Total CARE Accts | Max New CARE Electric Accts | Max New CARE Gas Accts | Max New FERA Electric Accts | Annual Combined Incremental Benefit if Enroll Given % of New CARE and FERA Customers | | | |
|--------------|------------------|-----------------------------|------------------------|-----------------------------|--|--------------------|--------------------|--------------------|
| | | | | | 25% | 50% | 75% | 100% |
| Cathedral | 7145 | 1163 | 582 | 1353 | \$341,370 | \$682,741 | \$1,024,111 | \$1,365,482 |
| Palm Spring | 4943 | 805 | 402 | 936 | \$236,164 | \$472,329 | \$708,493 | \$944,657 |
| Palm Desert | 6173 | 1005 | 502 | 1169 | \$294,931 | \$589,861 | \$884,792 | \$1,179,723 |
| | | | | | | | | |
| Total | 18261 | 2973 | 1486 | 3458 | \$872,465 | \$1,744,931 | \$2,617,396 | \$3,489,861 |

Estimated Annual Billing Savings/Year/CARE Electric Account: \$744 (Average CARE account pre credit electric bill of \$147/mo based on 977 kWh/month x \$0.21/kWh x 30% credit = \$62/month credit, or **\$744/year**)

Estimated Annual Billing Savings/Year/CARE Gas Account: \$120 (Average gas bill of \$50/month based on consuming 35 therms; CARE credit of 20% or \$10/month, or **\$120/year**)

Estimated Annual Billing Savings/Year/FERA Electric Account: \$318 (Average FERA account pre credit electric bill of \$147/mo based on 700 kWh/month x \$0.21/kWh x 18% credit = \$26.46/month credit, or **\$318/year**)

Project Understanding:

California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) are two low income assistance programs that Southern California Edison offers. CARE customers receive a savings reduction of up to 30% of their energy bill, while FERA customers can save up to 18%. To qualify for CARE or FERA, customers must have someone in their household who already participates in a public assistance program, such as CalWorks or Medi-Cal, or customers can also qualify based on their household income.

According to data from SCE’s annual reports from 2013 to 2018, the average participation rate for low-income assistance programs in Edison’s service territory is 88%. In a recent data request from SCE, it was reported that participation rates for Cathedral City, Palm Desert and Palm Springs are well below 88%. Investor owned utilities enlist capitation contractors to seek out and enroll new customers into their respective low-income programs and pay them a fee for each application they secure. In the annual report, SCE lists only one capitation contractor, Desert Arc, in the Coachella Valley area. Desert Arc displays applications at their place of business but does not actively pursue new customers.

Goal:

To increase enrollment participation rates in the CARE and FERA low-income programs in Cathedral City, Palm Desert, and Palm Springs over a 2-year period, with progress to be evaluated based on the annual goals listed in Table 2.

Table 2. Annual goal for increased CARE/FERA enrollment by eligible customers

| | | CARE | FERA |
|-------------|--------------------|------|------|
| | estimated eligible | 2973 | 3458 |
| yr.1 | 10% | 297 | 346 |
| yr.2 | 15% | 446 | 519 |
| 2 yr. total | 25% | 743 | 865 |

Scope of Services:

Through this Request for Proposals (RFP), DCE is seeking a consultant to assist with development and implementation of a low-income outreach program in the cities of Palm Desert, Palm Springs, and Cathedral City. Submitted proposals should identify your firm’s proposed plan to increase enrollment, recommendations, and budget to:

- Describe the steps necessary to achieve a net 25% increase in estimated eligible CARE and FERA customers, to help these customers save on their energy bills.
- Implement a comprehensive plan for increasing enrollment of the CARE/FERA Program per the following scope of work.

- **TASK ONE: Outreach Plan**

Design and Implement an outreach plan specific to CARE/FERA eligible enrollees in Cathedral City, Palm Desert, and Palm Springs.

- Plan for Outreach should:
 - Identify key agencies, charitable organizations, faith-based organizations, community-based organizations, and other stakeholders to engage to accomplish the Goal.
 - Describe ideas for best use of outreach tools, social media, events, and other forms of outreach to encourage participation
 - Identify how proposed outreach will enhance DCE branding.
 - Outline strategy for coordination with Southern California Edison and Southern California Gas Company, leveraging their utility resources and communication with customers
 - Describe opportunities for outreach through DCE member agencies (Cathedral City, Palm Desert, and Palm Springs)
 - Identify how DCE's Community Advisory Committee can assist with CARE/FERA outreach
 - Describe recommendations for other ways to reach and enroll additional eligible customers

- **TASK TWO: Coordinate Application Process**

- If DCE becomes a capitation contractor, consultant will gather all DCE applications and submit to SCE on a weekly basis.
- If DCE cannot become a capitation contractor, consultant will notify any new capitation contractors of their responsibility to submit applications to SCE. Consultant will check in with new capitation contractors on a weekly basis to ensure applications are being submitted.

- **TASK THREE: Tracking and Reporting Progress**

Develop strategy/timeline to reach 1-year goal, 2-year goal

- Plan to reach 10% first year (based on Table 2)
 - Develop timeline for year one
 - Coordinate with SCE to track progress toward annual goal
- Plan to reach 15% second year
 - Develop timeline for year two
 - Provide tracking spreadsheet with progress toward goal
- Strategy for beyond 2nd year
 - Evaluate effectiveness of outreach program in first 2 years

- Prepare monthly reports for DCE's Community Advisory Committee and DCE Board on progress toward goal
- Two months prior to end of year 1, assess progress toward goal and revise outreach plans as needed
- Submit final report on Program successes, outcomes, suggestions for the future
 - Describe in detail any methods that were successful in increasing number of enrollees
 - Describe in detail any methods that weren't successful in increasing number of enrollees
 - Describe how the successful methods used can be replicated on a larger scale
 - Offer suggestions for making outreach strategies sustainable for future enrollment

Cost Proposal (to be included in Proposal Requirements section of RFP)

Provide detailed cost proposal which should include a description of consultant costs by task, including but not limited to job titles, estimated hours per person, hourly rates, travel time/costs, and other expenses related to these tasks. As part of the Cost Proposal, consultants may propose an option for a performance incentive based on enrollment success per application.

Item 6E



DESERT COMMUNITY ENERGY BOARD
MONDAY, APRIL 15, 2019

STAFF REPORT

Subject: CARE & FERA Low-income Program Analysis

Contact: Benjamin Druyon, Management Analyst, Energy & Environmental Resources
(bdruyon@cvag.org)
Don Dame, Consultant

Recommendation: Direct DCE staff to work with the Community Advisory Committee, once formed, to further assess, develop and implement outreach measures to achieve greater participation rates in CARE/FERA programs and other low-income assistance programs and opportunities.

Background: At the March 18 DCE Board meeting, staff and Board discussed the possibility for DCE to assist local lower income customers through increased awareness and participation in the California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs.

California Alternate Rates for Energy (CARE¹) and Family Electric Rate Assistance (FERA) are two CPUC authorized low income assistance programs offered by Southern California Edison (SCE) and SoCalGas. CARE customers receive a savings reduction of up to 30% of their energy bill, while FERA customers can save about 18%. Customers may qualify for CARE or FERA, if someone in their household already participates in a public assistance program, such as CalWorks, food stamps, or Medi-Cal. Customers may also qualify based on household income.

Recent SCE reports to the Low Income Oversight Board (LIOB) and customer data previously provided to DCE by SCE identify a combined total of about 18,500 customers currently enrolled CARE in Cathedral City, Palm Desert and Palm Springs. Our estimates are that up to 5,000 additional eligible accounts are not enrolled. SCE reports currently about 300 enrolled FERA accounts within DCE Member communities and about 3,000 to 4,000 likely qualified additional accounts that are not enrolled. Based on SoCalGas's recent LIOB monthly reporting, there are likely between 500 to 2,500 eligible residential gas accounts that are not enrolled as well.

Community Benefits: Enrolling additional qualified residential CARE (gas and electric) and FERA (electric) accounts will accordingly reduce monthly energy bills. Such customer savings will not only ease utility cost burdens but allow such savings to be used to meet other needs. On average, a newly enrolled CARE electric account, CARE gas account, and FERA electric account

¹ CARE/FERA is funded through a rate surcharge paid by all other utility customers. These income limits may be adjusted each year depending on inflation. California has a Low-Income Oversight Board (LIOB), which was established by the Legislature to advise the PUC on energy related low-income assistance programs of utilities under the PUC's jurisdiction.

is estimated to save \$744, \$120 and \$318 per year, respectively. Table 1 displays aggregated DCE customer savings based on mid-line expectations of additional qualified but not currently enrolled CARE and FERA accounts.

TABLE 1
Estimated Aggregated Savings from Increased CARE/FERA Enrollment

| City | Max New CARE Electric Accts | Max New CARE Gas Accts | Max New FERA Electric | Annual Combined Incremental Benefit if Enroll Given % of New CARE and FERA Customers | | | |
|--------------|-----------------------------|------------------------|-----------------------|--|--------------------|--------------------|--------------------|
| | | | | 25% | 50% | 75% | 100% |
| | | | | Cathedral City | 1163 | 582 | 1353 |
| Palm Springs | 805 | 402 | 936 | \$236,164 | \$472,329 | \$708,493 | \$944,657 |
| Palm Desert | 1005 | 502 | 1169 | \$294,931 | \$589,861 | \$884,792 | \$1,179,723 |
| | | | | | | | |
| Total | 2973 | 1486 | 3458 | \$872,465 | \$1,744,931 | \$2,617,396 | \$3,489,861 |

The estimates in Table 1 suggest total annual customers savings between approximately \$875,000 and \$3,500,000 given incremental enrollment of 25% up to 100% of eligible accounts that are currently not enrolled. These savings reflect midline existing CARE/FERA participation rates. If existing local participation rates are higher than average, combined customer savings could reduce to between \$500,000 to \$2,000,000 annually; or, if existing local participation rates are lower than average, combined customer savings could increase to between \$1,300,000 to \$5,400,000 annually.

Enhancing Program Participation Rates: To identify opportunities for enhanced participation, staff looked at what is currently being done to increase CARE/FERA enrollment. To aid with community outreach in hard-to-reach locations such as the Coachella Valley, SCE uses agencies which are paid a capitation fee based on the number of successful enrollments. The capitation fee program is geared toward non-profit and community organizations which must fill out a one-page application to qualify to receive capitation payments (\$20 from SCE and up to \$12 from SoCalGas). According to SCE, the Coachella Valley has only one active capitation contractor, Desert Arc. Desert Arc, based in Palm Desert, displays hard copies of low-income assistance program application materials on site and assists customers in determining eligibility. Desert Arc staff indicates they do not do any additional outreach to promote these programs for SCE.

DCE member communities can achieve savings by actively increasing participation in financial assistance programs for income-eligible customers. The formation of a Community Advisory Committee (CAC) is another important step in assisting with outreach to the community. An initial area of focus for the CAC could be to assist DCE staff in development of strategies to reach low-income and under-served customers. One element that has been identified as important for successful outreach is to partner with community based and faith-based organizations which have already established a trusted relationship with potential participants. Community based organizations that focus on assistance to low-income families, such as United Way of the Desert and Senior Advocates of the Desert, are ideal candidates to partner with to increase participation in low-income programs. DCE can collaborate with these agencies and seek their assistance in contacting eligible low-income customers, gaining trust that might not be accomplished through a partnership with an Investor Owned Utility such as Southern California Edison.

Some other operational CCA's have developed additional programs to encourage participation in low income programs, such as offering one-time grants or bill-pay assistance for those who qualify. For example, Peninsula Clean Energy, an active CCA serving San Mateo County, offers a community outreach small grants program to nonprofits to expand outreach to low-income residents to help them save money on their electric bills. Such a program could be considered once DCE is up and running and has established reserves.

In order to expand participation rates in CARE/FERA programs, DCE staff is proposing the following steps:

- Task the Community Advisory Committee (CAC), when formed, with providing input and helping develop plans for outreach measures to achieve greater participation rates in CARE/FERA
- Enhance outreach to DCE communities by using:
 - ✓ Community based organizations
 - ✓ Faith based organizations
 - ✓ Community events
 - ✓ City websites and newsletters
 - ✓ Social media and email
 - ✓ Word of mouth
- Work with CAC to identify more local agencies to be capitation contractors
- Work with The Utility Reform Network (TURN) which offers free training to capitation contractors
- Continue working with SCE and SoCalGas to collaborate where possible and leverage CARE/FERA outreach and promotion in DCE territory
- Consider funding for an outreach program

The suggested approaches and activities should be reviewed, discussed, and expanded by the advisory committee with a recommendation presented to the DCE Board before additional low-income enrollment expansion efforts commence.

Fiscal Analysis: DCE staff is still analyzing the likely costs associated with a CARE/FERA outreach program. The proposed steps would require additional staff time. Use of third-party contractors, if appropriate, would require Board approval.