

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CALIFORNIA DEPARTMENT OF COMMUNITY
SERVICES AND DEVELOPMENT**

AND

THE CALIFORNIA PUBLIC UTILITIES COMMISSION

This Memorandum of Understanding ("MOU") is made and entered into as of _____, 2020 by the California Department of Community Services and Development ("CSD") and the California Public Utilities Commission ("CPUC"); each a "party" and collectively, the "parties".

1. Purpose

The Purpose of this MOU is to enhance coordination between the parties to reduce the energy burden of individual households and create an energy resource statewide; measurable and more equitable energy efficiency and weatherization benefits for low-income Californians; and reduce the amount of utility disconnections

2. Roles and Responsibilities

- A. CSD's mission is to administer and enhance energy and community service programs that result in an improved quality of life for the low-income population of California. For forty years, CSD has fostered strong partnerships with local community organizations to provide high impact programs and leverage strategic resources resulting in ever-increasing hope, dignity and quality of life for California's low-income residents.
- B. CSD administers the federal Low-Income Home Energy Assistance Program (LIHEAP) to help low-income families achieve and maintain self-sufficiency. The funding for LIHEAP is distributed by established formulas to a network of over forty Local Service Providers (LSPs) throughout California, who provide utility assistance, weatherization services, and emergency heating and cooling services, and energy-related crisis response services to low-income households statewide. The primary objectives of LIHEAP are to reduce the energy burden and increase the health and safety of low-income households.
- C. The LIHEAP block grant, which in recent years has averaged approximately \$200 million per year for California, provides cash assistance benefits to assist low-income families with payments on their utility bills for heating and cooling, energy crisis intervention assistance to resolve a crisis situation, such as a 24- or 48-hour disconnection notice from their utility companies, emergency heating and cooling repairs, or some other energy-related crisis, and free weatherization services to reduce heating and cooling costs and improve the energy efficiency of

homes, including attic insulation, weather stripping, minor home repairs, and related energy conservation measures.

- D. Under CSD's LIHEAP grant, utility assistance payments are prioritized to low-income households with the lowest income, highest energy burden taking into consideration or vulnerable populations including young children, persons with disabilities, and the elderly. In addition, homes that are weatherized must have all feasible health and safety measures installed to mitigate hazards generated by combustion appliances, to improve indoor air quality, and address substandard wiring.
-
- E. The CPUC has established a policy framework focused on motivating California Investor Owned Utilities (IOUs)¹ to develop and continuously expand low income energy efficiency programs on behalf of their low-income customers. Recently ordering IOUs to prohibit the disconnection of elderly and medically vulnerable customers, such as those who qualify for medical baseline, life support and/or who are above 65 years old; prevent disconnections during extremely hot or freezing days; and limit the rate of disconnections to 2017 levels, the CPUC has taken the first step in addressing the ever-increasing rate of IOU customer disconnections statewide.
- F. On September 28, 2017, Senate Bill 598 was signed into law requiring the CPUC to develop rules, policies, and regulations with a goal of reducing the statewide disconnection rate of natural gas and electric utility customers by January 1, 2024. Additionally, the CPUC must analyze the impacts of any utility rate increases on disconnection rates in each utility's General Rate Case.

3. Framework for Coordination between CSD and the CPUC

- A. Under LIHEAP, CSD must enter into agreements with California's IOUs to facilitate the payment of LIHEAP utility assistance benefits directly to an applicant's utility account and outline the pledge process used by CSD and participating IOUs to assist low-income IOU customers facing an energy crisis. The CPUC will work with CSD and the IOUs to aid CSD in developing a "master" pledge agreement that can apply to all IOUs that provide for the following:
1. IOUs shall honor all LIHEAP pledges for 90 days;
 2. CSD shall receive client specific information when the pledges are placed on individual accounts such as: (i) direct pay summary sheets to show pledge date by account number; and (ii) a detailed

¹ Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Gas Company, and Southern California Edison.

report by client and summary report by pay run;

3. Determine a standard definition of pledge terms, including broken/unfulfilled pledges and late pledges in order to support the rollout of agreed-upon definitions;
 4. IOUs will provide quarterly pledge reports to CSD to address pledges that were never received by the IOU and those pledge payments received after 90 days;
 5. IOUs will provide CSD with a specific contact at each IOU to address issues or concerns with the pledge process; and
 6. IOUs will return payments to CSD within 30 business days when a direct payment benefit cannot be applied to the intended utility account.
- B. CSD will develop with CPUC assistance a plan to make CSD-requested improvements to the existing IOU pledge systems by reviewing current IOU pledge submission processes and supporting systems for adequacy and to ensure capability to:
1. Provide current balance and other account information to LSPs to assist enrollment and eligibility verification of low-income customers experiencing an energy crisis and seeking LIHEAP utility assistance;
 2. Confirm IOU acceptance of LSP pledges via a confirmation number or emailed correspondence;
 3. Allow multiple or batch pledges;
 4. Provide LSPs with information on the minimum amount needed to prevent disconnection or provide for the reconnection of energy service — not just the total owed; and
 5. Provide LSPs with accurate and timely queries on broken/cancelled or late pledge payments, including identification by county, and information on who broke/cancelled the pledge (i.e., the LSP or the client).
- C. The CPUC will provide effective oversight, in both the short- and long-term, regarding the IOUs' implementation of an online pledge system that can help low-income Californians that may be impacted by disconnections as well as those agencies that provide pledges to IOUs.
- D. CSD and the CPUC will collaborate on providing workshops, as agreed upon between CSD and the CPUC and as needed, for all entities and

individuals impacted by the pledge process in order to provide updates on short- and long-term goals regarding the pledge process.

- E. The CPUC will provide advance notice to CSD when the CPUC intends to issue a decision that impacts CSD programs or requires CSD to perform particular actions in response to a CPUC decision so that CSD may review and provide input.
- F. CSD and the CPUC will exchange data to assess low-income customer energy consumption, energy costs, arrears, and disconnections to help the formulation of LIHEAP benefit levels and service priorities.
- G. CSD and the CPUC will discuss the feasibility of aligning CARE eligibility with Federal LIHEAP eligibility guidelines and increasing CARE/FERA and medical baseline outreach and enrollment through existing partnerships with LSPs

4. Information Sharing Guidelines

- A. All Confidential Information provided to the Parties pursuant to this MOU shall be subject to Government Code Section 6254.5, subdivision (e), which exempts from public disclosure under the California Public Records Act, confidential records that one State or local agency has provided to another State or local agency pursuant to an agreement that the latter will treat the disclosed records as confidential.
- B. "Confidential Information" includes information obtained pursuant to California Public Utilities Code section 583, records exempt from public disclosure under the California Public Records Act (Government Code sections 6250, et seq.), or written or verbal information that is designated by the Parties to be exempt, prohibited, or privileged from disclosure by State or federal law.
- C. Confidential Information may be shared as described in this MOU and as allowed by law, without waiver of any privilege. Documents containing Confidential Information should be labeled as confidential or include a similar written advisory to that effect.
- D. Government Code section 6254.5(e) provides that disclosures made by any governmental agency to a governmental agency that agrees to treat the disclosed material as confidential will not constitute a waiver of any relevant exemption of the California Public Records Act. Pursuant to Government Code section 6254.5(e), investigative records exchanged by the parties will be maintained consistent with the provisions of the California Public Records Act.
- E. As provided in Government Code section 6254.5(e), confidential records will only be shared with persons authorized in writing by the Executive

Officer or Executive Director of the relevant party (or by his or her authorized delegate).

F. The parties will make all reasonable efforts to ensure that disclosure of Confidential Information will not occur. In the event an inadvertent disclosure of confidential or privileged information occurs, the party making such inadvertent disclosure will promptly notify the other party in writing and will make every reasonable effort to correct the inadvertent disclosure.

G. Documents marked confidential shall not be made public by the recipient party without an agreement in writing from the party that provided the confidential information, unless required by law or by order of a court of competent jurisdiction.

H. If either party receives a request to release, disclose, or access any confidential information provided to it by the other party (for example, pursuant to a subpoena, discovery request, or the California Public Records Act), the party receiving the request shall promptly transmit a copy of the request to the party that originally generated the confidential or privileged document or communication.

5. SCOPE

This MOU is made for the sole benefit of CSD and CPUC, and no other person or entity shall have any rights or remedies under or by reason of this MOU. Nothing in this MOU may be the basis of any third-party challenges or appeals. Nothing in this MOU creates any rights, remedies, or causes of action in any person or entity not party to this MOU.

CSD and CPUC each retain all rights, responsibilities, and authorities provided for by law. Nothing in this MOU delegates any rights, responsibilities, or authorities provided by law to either Party. Nothing in this MOU delegates or otherwise prevents, compromises, or precludes each Party from exercising all rights, responsibilities, or authorities provided by law.

6. VALIDITY, TERM, AND AMENDMENT

A. This MOU shall not be construed to provide a private right or cause of action for or by any person or entity.

B. This MOU shall remain in full force and effect unless amended, replaced, or terminated by operation of law or upon written agreement by the parties.

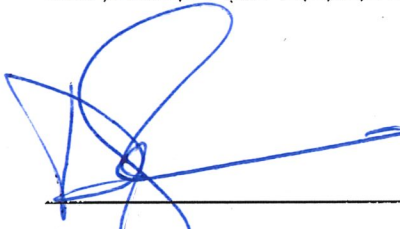
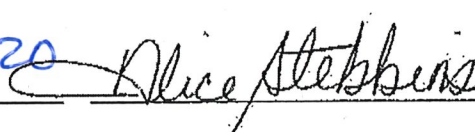
C. Unless otherwise provided for by the written agreement of both of the Parties, unilateral termination of the MOU shall be effected no sooner than 60 days from the date either party provides written notice of its intent to

terminate the MOU

- D. Termination of this MOU shall not affect the obligation of the parties to maintain the confidentiality of information pursuant to this MOU.
- E. This MOU does not restrict either of the parties from participating in any activity with other public or private agencies, organizations, or individuals.
- F. This MOU is neither a fiscal nor funds obligation document. Nothing in this MOU authorizes or is intended to obligate the parties to expend, exchange, or reimburse funds, services, or supplies, or transfer or receive anything of value.
- G. This MOU shall not be construed to impact procurement or financial assistance activities of either CSD, the CPUC, or the State of California.
- H. All agreements herein are subject to, and will be carried out in compliance with, all applicable laws, regulations, and other legal requirements.
- I. Each Party represents and warrants that it has the capacity and authority to enter into this MOU.
- J. This MOU may be executed in counterparts.

DEPARTMENT OF COMMUNITY
SERVICES AND DEVELOPMENT

THE CALIFORNIA PUBLIC UTILITIES
COMMISSION

 5/5/2020  5-4-2020

David Scribner [Date]
Acting Director
Department of Community Services and
Development

Alice Stebbins [Date]
Executive Director
California Public Utilities Commission