

California Public Utilities Commission



**Consumer
Service and
Information
Division**

CHANGES

Pilot Evaluation

December 18, 2014

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EXECUTIVE SUMMARY

This is the California Public Utilities Commission (CPUC) Consumer Service and Information Division's (CSID) evaluation of the Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) pilot program. The CHANGES pilot provides energy-related (natural gas and electricity) education and bill issue assistance for limited English proficient (LEP) consumers in the language of their choice through a statewide network of community based organizations (CBOs). It is administered by CSID with support from the four major Investor Owned Utilities (IOUs).¹ The CHANGES pilot activities are managed by an outside contractor. The task with which CSID is charged is to evaluate the pilot based on the following:

Need	➤ Is there a need for such a program?
Usefulness	➤ Is a program similar to the CHANGES pilot useful to aid the LEP community?
Performance	➤ Was the pilot's performance valuable?
Unique	➤ Is CHANGES a unique energy-related service?
Management	➤ Should the program be managed by the CPUC?
Funding	➤ What should its funding level and source be?

¹ The IOUs in this instance are Pacific Gas and Electric Company, San Diego Gas and Electric, Southern California Edison, and Southern California Gas Company.

CSID has completed the evaluation of the CHANGES pilot program and has determined that it is needed and should become an ongoing program under direction of the CPUC's CSID, managed by an outside contractor and funded at \$1,600,000 annually.

The evaluation reaches this conclusion based on the following:

- The LEP population in California is significant.
- The needs of the LEP population cannot be met directly through the IOUs or the CPUC.
- Currently the IOUs and CPUC have staff which provide direct assistance in about six languages, but that falls short of the 70 languages spoken in California, according to the U.S. Census.
- The CHANGES pilot program provides direct assistance in more than 40 languages.
- Because of the lack of information in non-English languages, many LEP clients do not know of benefits and services available to them; this lack of information may leave them vulnerable to service interruptions.
- Over the phone interpretation services provide word for word interpretation, and do not help the LEP client identify their problems, and possible solutions.
- The LEP population frequently needs advocates to help them pursue bill disputes and the IOUs do not provide that role.
- Sixty-seven percent of the clients assisted through CHANGES have energy utility accounts that are in good standing.
- The CHANGES program is not a duplication of, nor replacement for, the services provided through the IOUs, CPUC, or the IOUs' California Alternate Rates for Energy (CARE) capitation program.
- CHANGES and the CPUC's similar telecommunications program should be provided through the same contractor and CBOs, to provide a holistic approach and to realize economies of scale.
- CHANGES should be funded at \$1,600,000 annually to ensure reasonable statewide coverage in locations accessible to LEPs.
- CSID will request that the CPUC Executive Director work with CPUC Administrative Services to bring the CHANGES permanent program funding "on-budget."
- Until a permanent CHANGES program can be implemented, the pilot should continue and should be funded as a reimbursement from CARE funds at \$1,600,000 annually. The higher level of funding will permit expansion of CHANGES services, which have demonstrated value to California's LEP community.

- Funding the CHANGES pilot program is not a duplicative expenditure of CARE funds.
- The financial impact of the CHANGES program on the IOUs ratepayers is minimal, about 0.0005 % of the IOUs combined sales of \$31.4 billion annually.

CSID was assigned the ongoing responsibility of developing and leading the CHANGES pilot since the pilot's creation through CPUC Resolution CSID - 004. CSID's responsibility for the program continued under CSID - 005. Also both Resolutions directed CSID to evaluate the pilot program.

The CSID evaluation is based on documents on the record in the California Alternate Rates for Energy (CARE) proceeding A.11-05-017 for program years 2012 - 2014 including IOU monthly reports, a report by an evaluator who is independent from the CPUC and the IOUs, and CSID's 2013 annual report of the CHANGES program. The CSID evaluation also references direction found in two CPUC Resolutions, CSID - 004 and CSID - 005. Additionally, the evaluation contains results CSID staff obtained through evaluating bill issue data and the contractor's monthly reports every month, CSID staff first hand observations as developed in response to CPUC Decision D. 12-12-044, and data requested from the IOUs. This evaluation considers the need for the program, its impact (whether the pilot is having its intended effects), performance monitoring (how the pilot is operating), and its social return on investment (how the investment in the program is beneficial to society).

BACKGROUND

The CHANGES pilot program is modeled after the CPUC's Telecommunications Education and Assistance in Multiple-Languages (TEAM) program, which in June 2008, started providing education and complaint resolution assistance on telecommunications related issues.

The CHANGES pilot was developed as a coordinated effort led by CSID and included the IOUs and the contractor. Its program contains four components that are offered in more than 40 languages. The components are as follows:

1. **Outreach** where CBOs inform consumers about the program and its existence at their organization.
2. **Education** where CBOs explain components of the utility bill, assistance programs, service, or about safe practices when using or being around natural gas or electricity.
3. **Needs Resolution** where the CBOs will help consumers secure something they need, such as financial assistance, completing a Medical Baseline application, or coordinating with the utility or a contractor for installation of energy savings appliances or other energy saving devices.
4. **Dispute Resolution** where the CBO will advocate for the consumer if there is a dispute with the bill or if consumers need payment arrangements other than what the utility had planned for them.

Shortly after TEAM began implementation, it was apparent the LEP consumers might also benefit from similar services for energy issues. Following is the history of the CPUC administered TEAM program and the subsequent creation of the CHANGES pilot program.

February 2000 - R.00-02-004- CPUC Begins Evaluating Consumer Protections: D.06-03-013 Directs CSID to Manage a Telecommunications Education Program

In a comprehensive CPUC Rulemaking proceeding, referred to as the Telecommunications Consumer Protection Initiative (R.00-02-004), the CPUC received testimony that vulnerable consumers should be protected from potential abuse and fraud of unscrupulous telecommunications carriers. The consumers should also be empowered with knowledge about telecommunications services and rates to help them make informed choices. A decision stemming from that proceeding, (D.06-03-013) noted that vulnerable customers are those who are limited or non-English speakers, seniors and disabled people. That same decision ordered CSID to create and manage a consumer education program related to telecommunications issues.

January 2007 - R.07-01-021 – CPUC Examines Challenges Facing LEP Consumers: D.07-07-043 Orders CSID to Design a Program to Assist LEP Consumers

Later, in a rulemaking examining the challenges facing consumers with limited English proficiency (R.07-01-021), testimony was provided urging the CPUC to utilize CBOs to assist consumers because they are staffed by people from the same culture, and speak the same languages as the communities they serve.

In the proceeding's decision D.07-07-043, the CPUC agreed and ordered CSID to "design a program that integrates CBOs into the Commission's outreach, education and complaint resolution processes, including a mechanism for compensating the CBOs for their efforts..."²

December 2007 – Resolution CSID – 002 creates TEAM

In response to that decision, the CPUC approved Resolution CSID – 002, which was CSID's plan to comply with the CPUC decision D.07-07-043. The basis for the TEAM program was created.

² D.07-07-043, Ordering Paragraph 13, p.133

Almost since the start of the TEAM program, CSID has learned, during its routine visits to CBOs and through discussions with the TEAM CBO representatives, that people who turn to the CBOs for TEAM services have also asked the CBOs for assistance with their natural gas or electricity utility bills and services. Therefore, the CPUC determined it should create a pilot program that provides assistance similar to TEAM but for natural gas and electricity utility bills and services. The CPUC also determined that as part of implementing such a pilot, the CPUC should collect foundational information to determine whether consumers will benefit by the addition of these services through an ongoing program.

November 2010 - CSID – 004 - CPUC Orders CHANGES Pilot

On November 19, 2010, through Resolution CSID-004, the CPUC ordered the creation and implementation of a pilot program, similar to the TEAM program, which would provide energy-related (natural gas and electricity) outreach, education, and resolution of disputes and needs. The pilot program is referred to as CHANGES. The CHANGES pilot program would be designed to assist limited English proficient (LEP) consumers in the language of their choice through a limited network of CBOs. The network of CBOs would be overseen by a contractor, who would be selected and managed by CSID.

The CPUC ordered that the pilot be funded at \$500,000 through CARE funds, consistent with the California Public Utilities Code, Section 739.4, which permits expenditure of funds to provide information in multilingual formats “to facilitate better penetration rates for the CARE program and to protect low-income and senior households from unwarranted disconnection of necessary electric and gas services...” The funding amount was determined after evaluating the funding level of the then in effect CARE program, including the Energy Savings Assistance (ESA) Program,³ and

³ At that time the Low Income Energy Efficiency (LIEE) was in place. It has since been replaced with the ESA program.

determining how much funding could be diverted to the CHANGES program without needing to increase program funds or detract from any of the programs implemented as part of the then current 2008-2010 CARE program.

Compensation for the program would be paid to the contractor directly by the four (IOUs), as noted in Table 1. The funding breakdown would be the same structure as outlined in D.02-09-021 which set a framework for the balancing account method of recording and recovery of these CARE-related outreach expenses. The CBOs would be compensated by the contractor based on specific work performed, invoiced and verified by the contractor's quality assurance team.

Table 1 - CHANGES Pilot Distribution		
Utility	Amount	Percent
PG&E	\$150,000	30%
SDG&E	\$75,000	15%
SCE	\$150,000	30%
SCG	\$125,000	25%
Total	\$500,000	100%

November 2011, Resolution CSID – 005 Directs CHANGES Pilot Evaluation by an Independent Evaluator: Continues Pilot, Funded up to \$60,000 a Month

CSID-004, Ordering Paragraph seven directed, "By December 31, 2011, CSID shall recommend to the Commission whether the CHANGES pilot should continue as a permanent ongoing Commission program." However, CSID, with agreement of the CPUC's Energy Division, recommended that the pilot be evaluated by an independent evaluator whose report would become part of CSID's evaluation of the pilot.

On November 10, 2011, through CSID - 005, the CPUC approved the divisions' proposal for an independent evaluation and determined that the pilot program should continue until the CPUC makes a final determination on whether the pilot should become a permanent program. The CPUC directed that there should be no gap in services or funding to ensure that consumers continue to receive services while the pilot is being evaluated. CSID-005 also increased the funding up to an amount not to exceed

\$60,000 a month (an increase of up to \$220,000 a year). The funding increase was based on two reasons:

1. The demand in northern California was so high that the CBOs serving the area reached their funding limit early and had to turn people away.
2. The CPUC anticipated increased use of the service statewide as it became more widely known.

The CPUC utilized the state of California contracting process to secure a contract with Level 4 Press, Inc., dba Level 4 Ventures, Inc. (Level 4) to conduct the evaluation. Level 4 is a leader in business analytics with support for cost model development, cost estimating, budget support, project oversight, complex acquisition support, and special financial studies. Level 4 independently interviewed CPUC staff, the IOUs, the contractor and a sampling of the CBOs involved in the program. It attended workshops at the CBOs and reviewed their records. It reviewed some randomly selected cases, assessed the assistance the clients received at the CBOs, and followed up with the IOUs to determine the assisted customers' current status. In preparing the independent evaluation of the CHANGES pilot program, Level 4 also examined the monthly reports and the database the CBOs utilize to record the cases they assist with Needs and Disputes.

August 2012 – Report and Related Comments Submitted into CARE Proceeding

The evaluation prepared by the Level 4 evaluator was submitted on August 22, 2012, and the assigned CPUC Administrative Law Judge (Judge) issued a Ruling on November 6, 2012, accepting the report, along with its related comments which parties and the CHANGES contractor had made, into the CARE proceeding (A.11-05-017). More information about the independent evaluation is provided further in this document, but in summary, the evaluator's report supported making the pilot program an ongoing program, with funding continued through the CARE program.

December 2012 – D. 12-12-011 Orders Additional Measures and Tracking to Aid in CHANGES Evaluation; Extends the Pilot

On December 20, 2012, the CPUC approved decision D.12-12-011, indicating that “the CHANGES CBOs provide a variety of much needed services to support the California’s LEP community and do so by providing a wide range of programs and services to serve that community...That said, such a holistic program with broad focus, if effectively implemented, should be commended. The challenge is deciding how to fund such a broadly focused program...”⁴ Therefore, the CPUC determined that it needed more information to decide whether CARE program funds should be used to fund an ongoing program.

The CPUC ordered CSID to meet with the IOUs and the CHANGES pilot program contractor to develop additional tracking and reporting measures to aid in the evaluation of the funding. The CPUC again extended the duration of the pilot to ensure services would continue while the pilot was being further evaluated.

March 2013 – CPUC-Ordered Additional Measures and Tracking Were Implemented Retroactive to January 2013

The additional measures were developed and implemented, including additional tracking, monitoring and evaluation by CSID. The IOUs, as ordered, included reports on CHANGES education workshops and Needs and Dispute Resolutions along with their monthly CARE reports that the IOUs file in the proceeding (Tables 10 and 11 contain the CHANGES data).

August 2014 – D.14-08-030 – Final Decision on CARE Extends Pilot through 2015 to Allow Time for CPUC to Decide if Pilot Should Become an Ongoing Program

In August, 2014, a final decision on the CARE program years 2012 - 2014 was issued. Although CSID had completed its report of the first year’s activities since the

⁴ D.12-12-011, page 12.

additional tracking had been created (calendar year 2013), and that report was accepted into the record, the CSID evaluation had not been completed. Therefore, decision D.14-08-030 continued the funding at a level not to exceed \$61,200 a month through December 2015, to permit time for the CPUC to determine the pilot's outcome. The \$1,200 monthly increase was directed to cover the cost of living increase.

NEED

Is there a need for such a program?

Yes because without it, there is not sufficient information and assistance provided in a meaningful manner in non-English languages to aid LEP consumers.

The need for someone to be able to understand what they are paying for, how to receive services, or how get the best out of their services, is universally agreed upon.

This information is conveyed through oral or written communication, which makes provision of information in a consumer's language essential.

Through language we can connect with other people and make sense of our experiences. For centuries, linguists and social analysts have noted that language is essential to exist in society.

"Language is no longer regarded as peripheral to our grasp of the world we live in, but as central to it. In the lives of individuals and societies, language is a factor of greater importance than any other."
Ferdinand de Saussure, 1857-1913

Increasingly, the ability to assist people in multiple languages is essential in the United States, which has often been referred to as a "melting pot," where historically people from many different countries and races have migrated, all hoping to find freedom, new opportunities, and a better way of life.

The United States federal government has stressed the increased need for its agencies, and entities with which it contracts, to provide assistance in multiple languages. On August 11, 2000, the President signed Executive Order 13166,

"Improving Access to Services for Persons with Limited English Proficiency." The Executive Order requires Federal agencies to examine the services they provide, identify any need for services to those with limited English proficiency (LEP), and develop and implement a system to provide those services so LEP persons can have meaningful access to them.

Of all the states, California is the major contributor to the melting pot, as it leads the U.S. in languages spoken and immigrants, according to the U.S. Census. California is home to a multicultural population that speaks more than 70 languages.

Additionally, the 2006-2010 American Community Survey five year estimates indicate that about 43% of California residents, age five and older, speak a language other than English as their first language at home.

California's LEP population is about 6.8 million residents, or more than 20% of the population.

California is the number one state in the nation for immigrants and all indicators show that it will remain so for some time.

Californians speak more than 70 languages and more than 20% (about 6.8 million) of the population are LEP.
U.S. Census 2010 American Community Survey

Similar to the federal government, the California Legislature recognized the need for services to be provided in multiple languages. The Legislature enacted the Dymally-Alatorre Bilingual Services Act, which requires that if a state agency's information affects a person's rights/duties/privileges, and serves a large number of LEP people, then it must distribute material in the appropriate languages or provide multilingual staff. Information and services include safety, protection and prevention, implementing public programs, public hearings and other activities involving public contact.⁵ The Legislature also included in Title 9 of the California Code of Regulations, specifics that the medical profession must adhere to for provision of services in multiple languages. Additionally, the Welfare and Institution Code, Section 15600 specifies that

⁵ Dymally- Alatorre Bilingual Services Act --Govt. Code Section 7290-7299.9

the state shall foster and promote community services for the economic, social and personal well-being of its citizens.

Likewise, California Public Utilities Code, Article 7 supports the use of community service organizations and community based organizations in assisting low income consumers to benefit from assistance programs.

The need to provide the LEP community an understanding of utility bills and services in their preferred language is significant. Electric and natural gas services are essential services and virtually all members of society use these services in some manner. By providing necessary information in a consumer's preferred language, we empower these consumers to seek assistance with their bills and to enroll in services beneficial to them. Society also benefits from having informed customers who actively lower their energy usage, reducing the demand on the utility systems and improving the environment. This critical service is not available through the IOUs to a significant portion of the LEP population. The data the IOUs provided CSID in January 2014 shows that the IOUs do provide some educational material in some languages other than English, but in most cases, the non-English languages are very few (Spanish and maybe Chinese and Vietnamese, as examples), or there is inconsistency in the information provided in non-English languages. For example, one IOU provides a CARE/FERA application form in a commendable 12 non-English languages which are handed out at community events, but not mailed. Also, the very important notice advising customers that they must recertify for CARE is only provided in English and Spanish.

If a customer has a billing problem and is unable to resolve it through the utility, he/she can contact the CPUC to file a complaint that may resolve the issue. This is important consumer protection the CPUC provides; however, many LEP people do not take advantage of this because they fear contacting government agencies. Therefore, if

LEP consumers have an issue with the utility and are unable to resolve it with the utility, the consumers may be left unprotected, since they will not reach out to the CPUC.

The Level 4 report also agrees with a need for the service and also states on page 22 that in the IOUs 2011 CARE and ESA annual report that the IOUs agree there are gaps that CBOs can fill. Level 4 quotes SDG&E as saying that “Cultural, language and ethnic barriers are more readily overcome by CBOs. PG&E stated, “Lack of trust, and customers questioning the legitimacy of the programs, continues to present a significant barrier.” SCE also stated that it believes, “...some barriers to participation [by LEPs in the CARE program] exist.”

USEFULNESS

Is a program similar to the CHANGES pilot useful to aid the LEP community?

Yes, the CBOs are located in LEP communities; their staffs speak the language of the community, are of the same culture and are well versed in utility services.

Prior to the CHANGES pilot, the need for understanding utility bills and services was only partly met through the utilities and the CPUC. For example, refugees who come to this country are overwhelmed with the lifestyle adjustments and may shy away from large corporations and governments. However, the CHANGES CBOs are situated in their communities; they speak the same languages, and are of the same culture. In the case of refugees, before entering the United States, caseworkers from the CHANGES CBOs are in contact with the refugees to arrange assistance for them upon arrival. The CBOs often help them get settled with housing and may assist them to search for employment. In other words, the LEP consumers are familiar and appreciative of the services CBOs provide them. Therefore, education and bill issue assistance from the CBO is administered in a positive environment.

The need was also not being met due to the manner in which assistance in language is provided. The IOUs and the CPUC’s Consumer Affairs Branch (CAB)⁶ do have some staff who collectively are fluent in six languages spoken in California⁷ and when another language is being spoken, both the IOUs and CAB utilize an over the phone, word for word, interpretation service. This can be a challenge to LEP consumers because they are so unaware of utility services and bills that they may not know the right questions to ask⁸ or understand that they can dispute their bills. On the other hand, the CHANGES CBOs collectively speak more than 40 languages and since the contacts are always in person, a broader and more culturally-sensitive communication⁹ can be achieved, compared to over the phone, linear, word for word interpretation.

“If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart.”

Nelson Mandela, 1918 – 2013

The CHANGES pilot program operates differently from any IOU program or service available in the state. When clients are introduced into the CHANGES program, CBO social workers build a more personal relationship with clients in comparison to the relationships which the CARE program’s marketing, education and outreach services (ME&O) or IOU phone representatives build with their customers. This type of relationships is based on trust and understanding. These relationships allow CBO workers to dive deeper into the problems that clients have with their bills, social and financial situations, as well understand the barriers that keep these clients from

⁶ The Consumer Affairs Branch is the CPUC’s department that assists with consumer inquiries and complaints against utilities.

⁷ The data requests, which were provided to CSID by the four IOUs in January 2014, show that SCG has staff that can assist in English, Spanish, Chinese, Korean and Vietnamese. PG&E staff can assist in English and Spanish. SDG&E can assist in English and Spanish. SCE can assist in English, Spanish, Chinese, Korean, Vietnamese and Cambodian.

⁸ CBO caseworkers and clients have informed CSID that the utilities’ customer service representatives answer only specific questions that are asked, and as representatives of the utilities, they are reluctant to extend payment arrangements over several months.

⁹ Communication is more than spoken word; in fact, scholars will argue that the nonverbal intonation, gestures, posturing and even appearance are far more effective in correctly relaying a message than words.

receiving help. Once a CBO worker learns as much as they can about a client's situation, they consider the various potential solutions at their disposal. Unlike CHANGES CBOs, the CARE program's ME&O or IOU phone representatives do not produce solutions to clients seeking help; they mainly provide the services that clients specifically ask for. IOU customer service representatives (CSRs) are closely monitored for time spent with customers and information/assistance provided.

The Level 4 report agreed that the CHANGES pilot was useful. It meets federal and state requirements of providing information and assistance in the language of the consumer's choice, it advocates and educates in efforts of securing or maintaining natural gas and electric essential services and it is implemented through CBOs which are linguistically and culturally capable of providing the service.

PERFORMANCE

Was the pilot's performance valuable?

Yes, updated data shows that the workshops were well attended, and consumers were assisted with, on average, 2.4 services during Needs and Dispute sessions.

In D.12-12-011, the CPUC ordered improvements to the data collection to better track the pilot's Education and Needs and Disputes activities.

Needs and Disputes

In response to D.12-12-011, the CHANGES pilot program contractor improved some of the tracking in the database used to collect data on Needs and Disputes.

During the improvement activity, CSID found that while the database utilized by the CBOs collected case notes which often showed a variety of services provided, the statistical field used to designate the resolution of the case recorded only one service provided. CSID came to the realization that the CHANGES pilot program provides more services to clients than previously recorded in the database and reported in the

CHANGES Monthly Reports. The contractor’s CHANGES Monthly Reports only provided the total number of cases for a given month, and one resolution per case, when in actuality, there could be multiple services provided per case. After careful review of the database, CSID determined that cases receive an average of 2.4 services per case. CSID discussed this with the contractor and realized that tracking all this data would require major changes to the database, and additional training of the CBOs to learn a new database system. The funds for both database improvements and CBO training would have to be diverted from funds used to provide services to consumers. Due to this, CSID determined it would track and monitor this data by creating its own datasheet where cases are recorded along with every resolution found in case notes written by CBO caseworkers. Then this data would be provided to the IOUs to provide as part of the monthly reports they file in the CARE proceeding, as directed in D.12-12-011 (Table 10). Under this new method, which began in June 2013, CSID began recording and submitting its data to the IOUs, retroactive to January 2013.

The new method demonstrates that CHANGES is providing more services to clients than previously reported. This is illustrated in the charts below (Figure 1 and Figure 2). Figure 1 illustrates how many cases were being reported prior to CSID evaluation and collection of CHANGES data. Figure 2 shows the number of cases and related services that CHANGES provides. In January there were 2.2 services per case. In February there were 2.08 services per case and in March, 1.7 services per case.

Figure 1.

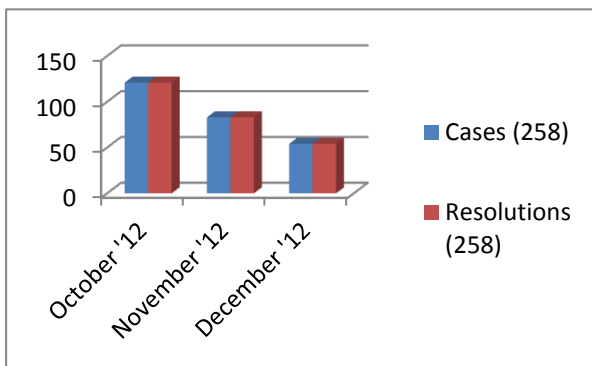
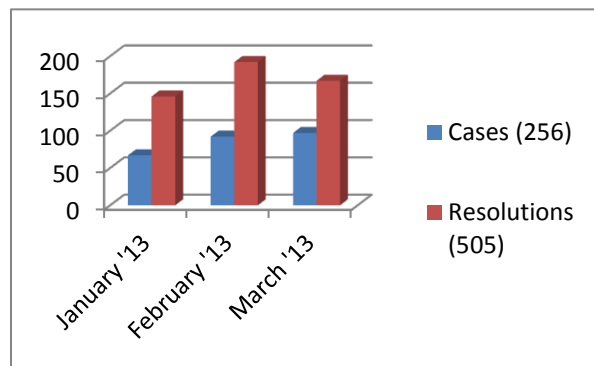


Figure 2.



Education Workshops

The program performance also measures the CHANGES education workshops where several consumers attend to learn about one or more issues. The leader (CBO caseworker) has been trained about the specific issues, has been given a few bullet points to mention and then is left to develop a “lesson plan” tailored to the community the CBO serves. The leader also engages the attendees to share their experiences and ideas about the subject. Often the workshop notice invites people to bring their bills to discuss any concerns they have with the caseworker. The topics include:

1. Conservation and Energy Efficiency
2. Baseline
3. Understanding a Bill
4. CARE and Other Assistance Programs
5. Safety
6. Payment Plans
7. Avoiding Disconnection
8. CTAs (Core Transport Agents)
9. High Use

CSID staff and the independent evaluator attended workshops and found the workshops had a high level of attendance. It was observed that the people attending seemed comfortable with the leader and quickly contributed to the discussions. At one event, several people brought their utility bills and questions about them and more people attended and asked for assistance than the CBO could handle that day. The CBO caseworkers subsequently, made follow-up appointments with several of them in order to assist the ones that could not be helped during the actual workshop hours.

The CHANGES pilot is overseen by the CPUC’s CSID. CSID consistently monitors and evaluates the CHANGES pilot program on a regular basis using an online database. Since January 2013, monthly data reports on the pilot’s performance have been included in the CARE proceeding’s compliance filings as part of the IOUs Monthly Reports on Low Income Assistance Programs. CSID has a summary of the CHANGES

program's performance based on these reports. From January 2013, through August 2014, the 19 CBOs participating in the pilot have achieved the following:

- Provided assistance to LEP clients in 30 different languages.
- Helped 2,000 LEP clients resolve bill disputes and apply for low-income financial assistance programs to help pay their bills.
- Provided assistance in filing about 1,700 applications for financial assistance programs such as HEAP/LIHEAP, Medical Baseline, ESAP, and other utility specific low income programs.
- Helped more than 1,885 clients receive and maintain energy access by assisting them with establishing new service, advocating on their behalf to avoid disconnection, and help restore service after a disconnection. Thirteen percent of these clients avoided disconnection through assistance with setting up payment extensions or payment plans.
- Reached potentially 2.3 million consumers, increasing awareness of the CHANGES program through outreach.
- Educated 23,025 LEP consumers about energy services and bills in order to help them lower their energy usage, avoid disconnections, and understand payment arrangements.

Increased meetings with the CHANGES Contractor

CSID has increased its meetings with the CHANGES pilot program contractor to make sure the program is running smoothly, and to improve data collecting processes. CSID, the CHANGES contractor and the IOUs meet regularly every month to review the prior month's activity and to discuss issues or changes. Also the CHANGES contractor and CSID meet frequently to monitor the accuracy of data flowing between CBOs, the CHANGES contractors, CSID and the IOUs. This is done by double checking data after every step of the data collecting process from initial input, to transferring to tables, and again after submitting to the IOUs. If inaccuracies show up, CSID verifies customer account numbers, names, and services provided.

Meetings with, and monitoring, CBO activity

The CHANGES pilot program contractor's lead staff reviews and verifies every component that the CBOs request compensation for. This includes Outreach activities, Education workshops, and Needs and Dispute Resolution. Documentation the CBOs submit to verify activities are also reviewed. Overall, the CBOs accurately present their invoices. Transaction accuracy in the database is also evaluated and significant improvement has been made, as expected, as the CBOs became more familiar with program.

CSID has also performed a series of CBO visits to observe how CHANGES is being carried out and ways we can improve the program. During each CBO visit, CSID staff met with CBO staff to discuss CHANGES protocol, problems, successes and potential solutions. The overall consensus among CBOs was that the CHANGES program is necessary, and provides quality results for low income and or LEP individuals. CBO staff stated that they have witnessed the difficulty that clients have communicating with IOU customer service representatives directly. The CBOs appreciate the chance to assist their community with CHANGES services and hopes that the program is expanded. The CBO caseworkers also requested industry neutral collateral materials they could hand out, because the materials reinforce what is being discussed in the workshops. CSID staff agrees that the program should have its own materials and will develop some for CBO use.

UNIQUE

Is CHANGES a unique energy-related service?

Yes, it utilizes organizations already trusted by LEPs to educate and advocate. Collectively CHANGES can communicate in more than 40 languages; interaction is in person.

The CHANGES pilot program is not a duplication of the IOUs CARE Program's (ME&O). The CHANGES pilot is also not a duplication of the services provided through the IOUs or the CPUC's CAB.

Table 2 – Comparison of Services				
IOUs, CBOs & CAB At a Glance				
	CHANGES CBOs	IOU-Contracted CBOs	IOUs	CAB
Mails assistance programs notices	No	No	Limited notices; limited languages; limited information	No
Encourages CARE enrollment	Yes	Yes	If asked	If asked
Compensated for CARE sign ups	No	Yes	Not applicable	Not applicable
Answers multiple questions about energy services	Yes	Some, others refers to IOU	If asked	Some, others refers to IOU
Meets with people face to face to interview about consumer’s needs	Yes	No	No	Rarely
Advises of all energy services available	Yes	No	No	No
Advocates to secure needs and resolve disputes	Yes	No	No	Neutral party
Language assistance	Yes, in person assistance more than 40 languages	Yes, in person assistance, unsure of how many languages	Yes collectively staffed up to 6 languages at call centers, then uses over the phone for word to word interpretation	Yes, 2 languages at the call center, then uses over the phone word for word interpretation

The CHANGES pilot program and its CBOs provide a broader range of services than what the CBOs that the IOUs contract with provides. That is because the CHANGES pilot program’s objective is broader than that of CARE Program specific ME&O objectives. The CHANGES pilot program has a bill dispute and needs assistance component. No such component exists in the CARE program related services. In the CARE related program, if a client needs to dispute a bill, has trouble paying a bill or inquires about a service not in the script, the CBO contracted by the IOU would direct the client to call the IOU’s designated phone numbers to speak to a customer representative. Conversely, the CHANGES CBOs are not provided scripts. Rather,

they are given information and encouraged to present that information with cultural sensitivity. On the other hand, to avoid duplicate compensation, CHANGES CBOs are not reimbursed for signing people up for CARE services¹⁰.

According to consumers that CSID has met while attending a CHANGES workshop, contacting a utility's customer service representative is problematic for LEP's because IOU customer service representatives do not advocate for customers when they call in, they merely follow a scripted procedure that often frustrates LEP clients. One CBO has described it as being quickly led through a series of statements where the LEP consumer becomes anxious or confused. Sometimes they are not aware that they can ask questions or that there might be other options available to them.

Furthermore, speaking to a customer representative in English or through an over the phone interpreter is not effective for LEP clients for several reasons. One reason is that LEP clients often do not know how to verbalize their issues because utility issues confuse them. The interpreters often have challenges understanding what the LEP clients are trying to explain and do not make much progress in closing the communication gap between the IOU representative and client. If a client is successful in communicating problems, IOU representatives frequently do not offer assistance which satisfies the consumer's need. For example, if a client is late on a payment, and representatives do not offer payment plans or extensions, the client has to ask for it. Even when clients ask for payment arrangements, they are unaware that they may be able to spread payments over several months and instead accept what the CSR offers, because they are led to believe that is their only option. Most clients are unaware that these options exist and often hang up feeling helpless.

Lastly, most LEP clients are averse to speaking to agencies and companies over the phone. They generally distrust large organizations because of cultural reasons, one

¹⁰ CHANGES CBOs often also contract with the IOUs to be part of their CARE Capitation program.

reason being that many LEP clients come from countries where corruption and consumer abuse is common and unregulated. LEP clients prefer in person communication because it allows them to feel safe, trusting, and it also allows them to use non-verbal gestures, and illustrate their problems by showing documents without having to explain them.

In situations like the above, the CHANGES CBO offers a service not available through any IOU or CARE related program. The CARE Capitation program provides customers with obtaining a discount on their bill, but not conflict resolution or referring or providing direct financial assistance like CHANGES does. Also, it is important to note that CHANGES does not compensate CBO's for CARE sign ups; therefore, it is also not a duplication of the CARE Capitation Fee program.

The CHANGES pilot program is also not a duplication of the work done by the CPUC's CAB which does not hold workshops or conduct outreach about its services. Although both the IOUs and CAB have some staff members who are bilingual, the amount of bilingual staff is limited in volume and languages. Both use over the phone interpretation services, but word for word. LEP clients need additional help in identifying their problems and solutions, and often do not seek assistance from government agencies. In addition, CAB encourages consumers to contact the utility before appealing to CAB for assistance.

The education component may be duplication but many scholars believe that giving people important information more than once helps them remember and apply what they learned. Lastly, the CHANGES education component serves as a feeder source for potential bill dispute and needs assistance clients, which further supports the CHANGES Program's purpose.

Neither the IOUs nor their CARE ME&O programs compare to the structure or administration of CHANGES; therefore, a dollar to dollar comparison cannot be made.

We note that the IOUs have been able to monitor their customer service department expenses, partly by measuring what is said to consumers and how long a CSR may spend, on average, with callers. We do not use those types of measurements in evaluating the CHANGES pilot program; we look more at the social return on investment.

The pilot advances understanding of utility services, and assists typically low income people to manage their bills. By lowering use, these consumers also contribute to controlling the demand on the electricity system, reducing the need to build more power plants and lowering the use of fossil fuels. It also lowers the rate of disconnections, which helps contribute to lowering the utilities debt.

CSID recently pulled a sampling of consumers who were helped by CHANGES, checked their status with the IOUs and found that 67% of them now have accounts in good standing. During the Level 4 evaluation, the contractor also sampled cases and workshops and found that the data in the database and the amount of people educated tracked very well with the supporting documents and notes from the CBOs, therefore, significant care is being taken to ensure appropriate compensation to the CBOs for their work.

A recent sampling of consumers who were helped by CHANGES indicated that 67% of them now have accounts in good standing.

Level 4 did indicate that the database notes did not track well with the IOUs. This is in part because the IOUs are never contacted for certain Needs Resolution, such as follow up with a contractor to ensure Energy Saving Assistance (ESA) program appointments are kept. Also, the IOUs have indicated to CSID that notes are not entered into the accounts when the accounts status remains unchanged. There are also communication challenges the IOUs part. For example, recently a CBO contacted a utility about payment on a bill. On a follow-up call by the contractor, the CHANGES

liaison for the utility stated the utility did not have a record of any call; however, when the liaison contacted the field office, the office affirmed that the contact had been made.

MANAGEMENT

Should the program be managed by the CPUC

Yes, to continue providing advocacy for the community; however, it should be contracted out to an independent entity with CPUC oversight.

A program like CHANGES has never been intended to replace customer service provided by the IOUs or the CPUC. A vast amount of California's population is oriented to their environment, fluent in English, and able to pursue disputes with the utilities or the CPUC's CAB without the type of assistance CHANGES provides. The CHANGES program's existence is to provide a small grass roots type of service to the already mentioned targeted community to help them benefit from the services which the CPUC, and the utilities it regulates, provide.

The impact of expanding and continuing the CHANGES pilot into a permanent ongoing program, managed through the CPUC, is significantly beneficial. The CHANGES program provides education and bill issue assistance necessary to assist LEP consumers. It cannot be directly provided by the CPUC or the IOUs because LEP consumers typically do not seek their assistance. Also, it cannot be managed by the utilities because the contractor and its CBOs may act as advocates for the consumer when necessary, while IOU CSRs will not advocate against the IOU by which they are employed. Advocating for the LEP consumers requires a certain amount of independence that the program would never realize if run by the IOUs.

CPUC responsibility includes providing assistance to the public and protecting them from fraud. It is logical that management of such a “social oriented” program, should sit with the CPUC. Even the California Legislature, through enactment of state laws, has determined that the CPUC should be working with CBOs to help low income customers. The CPUC’s organizational structure includes the Consumer Service and Information Division which is charged with assisting consumers. The program should be managed by that division.

“The commission shall...work with the [Low Income Oversight] board, interested parties, **and community based organizations** [emphasis added] to increase participation in programs for low-income customers.”
California PU Code, Section 382.1 (a) (6) (e) (1)

FUNDING

What should its funding level and source be?

CHANGES should be funded at \$1.6 million annually. The ongoing program should be funded as a reimbursement from CARE funds and CPUC Administrative Services should determine the funding source and necessary steps to bring the permanent program “on budget.”

CHANGES should become a permanent program, and should be expanded to serve the entire state of California with annual funding of \$1.6 million, using CARE funds and structured as a reimbursable program. CSID requests that the Commission direct the CPUC Executive Director and the CPUC Administrative Services Division to take the necessary steps to bring the CHANGES permanent program funding “on budget.” CSID understands that this process can take several months to a few years to complete. After the “on budget” funding process is complete, the CPUC, through CSID, will implement the permanent program through the state contracting process which may take several additional months to complete.

In order to facilitate an orderly contracting process and increase California LEP customers' access to CHANGES services while the permanent funding issues and contract process are being resolved, the CHANGES pilot program will be expanded to serve the entire state of California with annual funding of \$1.6 million, using CARE funds. The need to increase and expand CHANGES services to California's LEP community is too significant to delay this assistance. The increased funding and expansion of the pilot will take place no later than 60 days after the CPUC Decision is mailed. The amount of funding for the expanded pilot is in line with other CARE funded pilots. Recently Edison and SoCalGas participated in a joint pilot funded at \$720,000 a year. In this example, the reach of the utilities' pilot was limited to their individual service territories and only provided limited education. The CHANGES pilot covers the entire state, has several education workshops and an advocacy component.

The increase in rates, to cover either the CHANGES pilot or the proposed ongoing program, is minimal. For example, PG&E's operating revenue in 2013 was \$15.6 billion, compared to its portion of the CHANGES program of \$480,000 annually.

If the IOUs are not able to adjust their 2015-2017 CARE/ESA programs to accommodate the slight increase, CSID suggest that the CPUC permit them to modify their applications to include the increase.

Until the "on budget" funding process is complete and the CHANGES permanent program can be fully implemented, the CHANGES pilot program funding will continue to be paid for by the four major IOUs' customers, consistent with the current process. The funding source for the CHANGES permanent program may be impacted by the "on budget" funding process and contracting process and the possible outcome is not currently known.

The breakdown of the dollar amount distributed by each utility will be consistent with CPUC decisions and resolutions determining the IOUs funding when the program serves all of their territories. The funding split which is utilized in the current pilot program will continue to be used for the ongoing pilot program, as illustrated in Table 3.

Table 3 - Funding Distribution of Ongoing CHANGES Program	
Utility	Percent
PG&E	30%
SDG&E	15%
SCE	30%
SCG	25%
Total	100%

However, there will be a change in how the funding is spent. Currently, funding by a specific IOU is only to be spent in that IOU’s territory. This is problematic because it does not provide geographic flexibility to administer the program to meet changing demographic need, or address administrative expenditures that should be shared, such as upgrading and maintaining the database. The funds available in the program should be treated as one general budget to maximize the services to the LEP community, as well as aid in keeping administrative cost down. This will be a statewide program, and the CPUC will consider bids from potential contractors who have a balanced geographic and demographic selection of CBOs. The total increase to reach the recommended \$1.6 million is \$865,600. The funds required from each utility will have very little, if any, impact on ratepayers. For example, PG&E’s share of the increase would be \$259,680 a year. This increase would be a 0.0016% increase, compared to PG&E’s operating revenue of \$15.6 billion, according to PG&E Corp.’s 2013 annual report. In addition to meeting demographic need, the flexibility is reasonable because there are some areas of the state where service territories overlap and compensation for services there should be shared. All of the education components are common to all of the IOUs, such as Baseline, CARE, conservation, the concept of financial assistance, safety and other customer programs. Considering that low income people move much more frequently than the general

population¹¹, it is likely that information a consumer learns in one utility's service area will be of value to the consumer should the person move to another utility's service area. It is also reasonable to compensate for bill issue assistance from one general budget because there is always an education session related to assisting with bill issues.

It is appropriate to use CARE funds for the CHANGES program. California Public Utilities Code, Section 739.4 permits expenditure of CARE funds to provide information in multilingual formats "to facilitate better penetration rates for the CARE program and to protect low-income and senior households from unwarranted disconnection of necessary electric and gas services..." The data recorded in the CHANGES database indicates that 94% of the consumers receiving assistance qualified for CARE.

The \$1,600,000 annual budget for CHANGES will have a very minimal impact on the individual bills of all of the IOU customers. The \$1,600,000 annual budget will result in a significantly small rate increase of 0.005% in customer rates, compared to the electric and natural gas sales by the IOUs in California of approximately \$31.4 billion annually¹². Using PG&E's operating revenues in 2013 of \$15.6 billion¹³ as an example, the impact would be 0.003%. Likewise it is a minimal increase of 0.01%, compared to the revenue of approximately \$5 billion (over three years), that was designated for CARE and ESA programs in CPUC Decision D.12-08-044. Indeed with very little impact to the IOUs' customers, the CPUC will be able to provide a significant and much needed service for California's LEP population.

With the \$1.6 million funding level the CHANGES program will be expanded to include all of the CBOs that are working for the TEAM program and ultimately

¹¹ [Should I Stay or Should I Go? Exploring the Effects of Housing Instability and Mobility on Children](http://www.nhc.org/media/files/HsgInstabilityandMobility.pdf), <http://www.nhc.org/media/files/HsgInstabilityandMobility.pdf>, pg.3.

¹² According to the CPUC's statistics published in its June 2013 fact sheet.

¹³ PG&E Corporation's 2013 annual report, p.3, http://www.pgecorp.com/investors/financial_reports/annual_report_proxy_statement/ar_pdf/2013/2013_Annual_Report.pdf

combine CHANGES with TEAM. Combining the programs will create economies of scale. For example, the contractor’s travel expenses can be lowered by performing TEAM and CHANGES onsite monitoring at a CBO during the same trip.

A dollar to dollar comparison of CHANGES expenses related to the IOUs or their CARE ME&O programs is not provided because the CHANGES service is unique and does not compare to the CARE ME&O services. Rather, we look at the degree to which this pilot provides low-income consumers the maximum accessibility to programs, in a manner similar to energy efficiency programs and as provided for in the California PU Code.

“Any evaluation of the effectiveness of the low income energy efficiency programs shall be based not solely on cost criteria, but also on the degree to which the provision of services allows maximum program accessibility to quality programs to low income communities...”
California PU Code, Section 381.5 (a)

The following bullets provide guidance to illustrate how we determined that \$1,600,000 a year is a reasonable budget.

The funding level will include:

- The average cost needed to fund the CBOs, obtained by calculating the average expenses per CBO per year during full services and then multiplying by 40 CBOs (as an example).
- Training, ongoing database improvements and maintenance, fiscal responsibilities, and other administration fees including implementation of enhancements, such as development of more literature or and training of more subjects of which to educate consumers.
- Allowances for increased activity from CBOs as the program becomes more familiar.
- Allowances for increased education, and increased need and dispute resolution, during extreme weather conditions in summer and winter. This estimate is based on CAB’s caseload data which shows that the number of complaints increased 20% during the summer and winter high bill seasons compared to the rest of the year.

CONCLUSION

California has a significant population of LEP residents who need to understand their electric and natural gas utility bills, and the services available to them, including assistance in resolving billing disputes. The CHANGES pilot has provided that education, and consumer advocacy for very little revenue. It should be expanded and should continue. To provide an expanded and continuous service, funding should increase from the current \$720,000 to \$1.6 million annually. Also, because the CPUC has been given responsibility to oversee utility rates, services and to provide assistance to consumers, the program should be managed by the CPUC.

“We are trying to construct a more inclusive society. We are going to make a country in which no one is left out.”

Franklin D. Roosevelt

The CPUC has a public facing division - the Consumer Service and Information Division (CSID) - which administers the CHANGES pilot program. The division should continue to administer the ongoing CHANGES program, since the division's current duties, and its staffs' knowledge, skills and abilities align with the CHANGES program. The division's duties include, but are not limited to, the following:

- Consumer Affairs Branch answers the public's inquiries related to telecommunications and utility services, and assists with disputes.
- The Public Advisor's Office, through the CPUC's Telecommunications Consumer Protection Initiative, manages a telecommunications Consumer Education Initiative including creation of information materials, a consumer education website, and the CPUC TEAM program.
- The Public Advisor's Office oversees the CHANGES pilot program.
- The Public Advisor's Office is responsible for the CPUC bilingual services.