

Application No.: A.25-06-022

Exhibit No.: SDG&E-02

Witness: Roland Mollen

**PREPARED DIRECT TESTIMONY OF
ROLAND MOLLEN
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

ERRATA

August 28, 2025

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3

4 **I. INTRODUCTION**

5 The purpose of this Prepared Direct Testimony is to present the 2027 program
6 descriptions, budgets and goals in support of San Diego Gas & Electric Company's (SDG&E)
7 Application for Approval of Low-Income Assistance Programs and Budgets for Bridge Funding
8 for Program Year 2027. The low-income assistance programs covered are Energy Savings
9 Assistance (ESA) Program, California Alternate Rates for Energy (CARE) Program, and Family
10 Electric Rate Assistance (FERA) Program.

11 **II. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAM**

12 **A. CARE Program Description**

13 The CARE Program is statutorily mandated by California Public Utilities (P.U.) Code
14 Sections 739.1 and 739.2 to assist income-eligible households with a monthly discount on their
15 gas and electric bills. The CARE Program currently provides a 20% discount on natural gas
16 charges and a 35% discount on electric rates.¹ To qualify for the CARE Program, eligible
17 customers must have a total household gross income of no greater than 200% of the Federal
18 Poverty Guideline (FPG). Households that participate in certain means tested assistance
19 programs (referred to as Categorical Eligibility) are also eligible for CARE. Eligible customers
20 include residents in non-profit group living facilities, agricultural employee housing facilities,
21 and migrant farm worker housing centers.

¹ D.24-05-028, at Conclusions of Law (COL) 11 and Ordering Paragraph (OP) 4; SDG&E Advice Letter (AL) 4588-E-A, approved February 19, 2025 and effective February 1, 2025. As noted in AL 4572-E-A filed on January 24, 2025, when accounting for the benefits CARE customers receive from certain rate exemptions in addition to the fixed, line-item CARE discount of 35%, SDG&E estimates the total effective CARE discount to be approximately 38%.

1 Key directives approved in D.21-06-015 that have been implemented in the 2021-2026
2 cycle are:

- 3 • The extension of the CARE Expansion program recertification period from two
4 years to four years;
- 5 • The establishment of an exemption for fixed income households from
6 recertification and verification requests until their account is closed, customer of
7 record is altered, or a minimum of six years has transpired since the customer's
8 income was verified using program approved documentation;
- 9 • The establishment of a four-year recertification cycle for CARE customers with
10 a high probability score (at least 80 percent);
- 11 • The modification of the post-enrollment verification requirements for customers
12 that exceed 400 percent of baseline from one time in 12 months to three times in
13 a 12-month period;
- 14 • An outbound call pilot for "attempted but failed" post-enrollment verified
15 households;
- 16 • An increase in capitation fees from \$20 to up to \$30 per enrollment;
- 17 • Program budget of \$10,515,012 for the Community Help and Awareness of
18 Natural Gas and Electricity Services (CHANGES) program for years 2021 –
19 2026;

- A program evaluation for CHANGES by an independent third party to detail the benefits and cost-effectiveness of services delivered to low-income customers; and
- The retention of the 90 percent CARE enrollment rate requirement.²

For more information on SDG&E's CARE 2024 activities, please refer to SDG&E's *Annual Report Activity on Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) Programs 2024 Results*.³

B. 2027 Program Highlights

SDG&E will maintain the CARE goal of 90% enrollment and Post Enrollment Verification (PEV) rate of up to 6%. CARE ME&O efforts will prioritize outreach to the higher poverty zip codes where the current CARE enrollment rate is below 70%. CARE recertification, auto-enrollment, CHANGES and capitation will remain the same as 2026 levels.

SDG&E CARE administration budget will remain the same as 2026 at approximately \$7.4 million. SDG&E's administration budget will include funding for its share to conduct the 2027 CARE-FERA Eligibility Study.⁴

If SDG&E encounters issues or challenges to customer enrollment, SDG&E will inform Energy Division (ED) in a timely manner through its various regulatory reports and/or direct communication. SDG&E notes that its administration budget is sufficient to address any potential customer enrollment issues, including submetering issues.

² D.21-06-015 at OPs 4, 6, 7, 9, 10, 13, 14, 20, and 21.

³ The SDG&E 2024 Annual Report will be available on July 1, 2025.

⁴ D.21-06-015, Attachment 1, Table 2: CARE Approved Budgets.

SDG&E forecasts the customer rate discount using the assumption of 1% per year growth in SDG&E's service territory with an estimated household enrollment target of 90%. Because SDG&E's original 2025-2026 forecast in A.19-11-005 is no longer current, SDG&E updated its discount base to the actual 2024 level prior to applying the 1% per year growth to determine the updated 2025, 2026 and 2027 discount level. SDG&E forecasts the CARE 2027 customer discount to be approximately \$219 million.

Please refer to Attachment A, BF Tables 1-2, B-1 and B-2 for CARE goals and budgets.

III. FAMILY ELECTRIC RATE ASSISTANCE (FERA) PROGRAM

A. FERA Program Description

The FERA Program is statutorily mandated by California P.U. Code Sections 739.1 and 739.12 to assist low- to middle-income-eligible households with a monthly average effective discount of 18% on their electric bills. In D.21-06-015, the Commission authorized the FERA program to be consolidated with the CARE and ESA proceeding.⁵ As such, investor-owned utilities' (IOUs) FERA goals, budgets and program design elements will be scoped into the IOUs' low-income applications moving forward. D.21-06-015 also approved FERA Administrative and Rate Discount Budgets separate from CARE budgets.⁶

The 2027 FERA budget and program activities will incorporate changes implemented in 2025 and 2026 to comply with Senate Bill 1130 (SB 1130). SB 1130, which was approved in September 2024, introduced significant changes to the FERA program to enhance accessibility and promote participation.⁷ Key impacts of SB 1130 on the FERA Program are as follows:

⁵ D.21-06-015 Findings of Fact (FOF) 26 and COL 18.

⁶ *Id.*, at FOF 25, COL 18, and OP 6.

⁷ SB Stats. 2023-2024, Ch. 457 (Cal. 2024).

- 1) **Expanded Eligibility:** SB 1130 eliminated the requirement that a household consists of 3 or more persons, thus allowing households of one and two persons to qualify, provided they meet the income criteria of 200% (plus \$1) up to 250% FPG. With this change, SDG&E's estimated FERA-eligible population has nearly doubled from 41,373 in 2024 to 81,019 in 2025.⁸
- 2) **Enhanced Oversight and Reporting:** The bill requires that by March 1, 2025, and annually thereafter, the IOUs must report their efforts to enroll customers in the FERA program. SDG&E implemented the new eligible household requirement, in accordance with SB 1130, on June 1, 2025.⁹ SDG&E filed Tier 3 Advice Letter (AL) 4646-E seeking approval of incremental administrative funds for 2025 and 2026 to implement program changes to comply with SB 1130.¹⁰

For more information on SDG&E's FERA 2024 program, please refer to the *Annual Report Activity of San Diego Gas & Electric Company on Family Electric Rate Assistance Program for 2024, March 3, 2025*.

B. 2027 Program Highlights

SDG&E plans to continue its ME&O efforts to strive to meet the FERA enrollment goal of 70% established in D.21-06-015 and will also maintain the 3% PEV rate in 2027.

⁸ On April 14, 2025, PG&E on behalf of the IOUs, submitted the Annual CARE and FERA Eligibility Report in accordance with OP 189 of D.21-06-015. The updated figure reflects estimates of SDG&E's FERA Eligible population for 2025.

⁹ AL 4648-E/3418-G, submitted April 25, 2025.

¹⁰ AL 4646-E, submitted April 25, 2025. On June 6, 2025 Energy Division issued a data request for more detailed budget assumptions and breakdown. This advice letter is pending Commission approval at the time of this application.

1 For 2027, SDG&E requests the same administration budget requested for 2026, after
2 inclusion of the incremental funds requested in AL 4646-E, less the one-time Information
3 Technology (IT) budget to implement SB 1130 changes, as described above. SDG&E's 2027
4 administration budget request is approximately \$0.98 million. Consistent with its budget
5 allocation for this study in 2021-2026, SDG&E's administration budget will include funding to
6 conduct the 2027 CARE-FERA Eligibility study.¹¹

7 If SDG&E encounters issues or challenges to customer enrollment, SDG&E will inform
8 Energy Division (ED) in a timely manner in its regulatory reports and/or direct communication.
9 SDG&E notes that its administration budget is sufficient to address any potential customer
10 billing issues, including submetering issues.

11 In A.19-11-005, SDG&E used a per year growth rate of 12.5% to determine the annual
12 FERA rate discount. To determine the FERA rate discount for 2027, SDG&E applied the same
13 per year growth rate of 12.5% beginning with the actual 2024 discount to update the discount
14 budget for 2025, 2026 and 2027. SDG&E's FERA customer discount budget request is
15 approximately \$5.45 million.

16 Please refer to Attachment A, BF Tables 3-4, D-1 and D-2 for more details on FERA
17 goals and budgets.

18 **IV. ENERGY SAVINGS ASSISTANCE (ESA) PORTFOLIO**

19 **A. Overview**

20 The ESA Program offers no-cost weatherization services, energy efficient lighting,
21 energy efficient appliances, energy education, and other services to income-qualified customers

¹¹ A.19-11-005, *Prepared Direct Testimony of Sara Nordin on behalf of San Diego Gas & Electric Company's California Alternate Rates For Energy Program Plans And Budgets For Program Years 2021 Through 2026* (November 4, 2019) at p. SN-CARE-24.

1 to reduce the hardship of low-income households, while improving health, comfort, and safety of
2 customers.¹² D.21-06-015 approved the IOUs to shift the ESA Program away from treating all
3 eligible and willing households towards a customer-centered prioritization model based on
4 household needs and customer profile.¹³ Additionally, the Decision ordered the implementation
5 of a new ESA Multifamily Whole Building Program (MFWB), which includes all multifamily
6 sectors, including in-unit, common areas, and the whole building,¹⁴ and the implementation of
7 the Pilot Plus and Pilot Deep Program (PPPD).

8 The ESA portfolio consists of the following programs:

9 1. ESA Main

10 The ESA Main program provides services to single family and mobile
11 homeowners and renters. The program is designed to focus on achieving
12 energy savings through targeted outreach efforts, while continuing to offer
13 health, comfort, and safety measures to low income customers.

14 2. ESA Southern Multifamily Whole Building (MFWB)

15 The Southern MFWB Program offers ESA Services for In-Unit, Common
16 Area Measures (CAM), and Whole Building (WB) Measures under one
17 Program to Deed Restricted and Non-Deed Restricted multifamily buildings.
18 SDG&E is the lead utility on behalf of Southern California Edison Company

¹² P.U. Code § 2790.

¹³ D.21-06-015 at OP 57.

¹⁴ *Id.* at OP 119.

(SCE) and Southern California Gas Company (SoCalGas) for the Southern Region MFWB program.¹⁵

3. ESA Pilot Plus Pilot Deep (PPPD)

The ESA PPPD program provides more advanced energy savings measures tailored to customer needs that complement and build upon the ESA Main Program measure packages. The Pilot Plus package provides and/or replaces certain equipment and appliances plus load shifting and electrification measures that should reduce annual energy usage by 5 to 15%. The Pilot Deep package offers more advanced measures that should reduce energy usage 15 to 50%. The results of the PPPD program will provide insight into the feasibility of a more strategic measure delivery approach, the level of investment required, realized savings to the household, long term benefits of the treatments, and cost effectiveness of each treatment tier.¹⁶

In addition, the ESA portfolio also includes a Multifamily Single Point of Contact (SPOC) service. This service provides a one-stop resource for multifamily (MF) property owners and managers, including supporting benchmarking services.

For more information on SDG&E's ESA 2024 activities, please refer to SDG&E's *Annual Report Activity on Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) Programs 2024 Results*.¹⁷

¹⁵ *Id.* at OP 120.

¹⁶ *Id.* at OP 38.

¹⁷ The SDG&E 2024 Annual Report will be available on July 1, 2025.

SDG&E is not proposing major changes to its program design or delivery for its ESA Program portfolio during the 2027 bridge period. As approved in D.21-06-015, SDG&E will continue to utilize the measure modification processes (i.e., adding, modifying and removing measures), in coordination with, and approved by, the ESA Working Group throughout the bridge period and report changes in its monthly reports.¹⁸ SDG&E will be using the same ESA cost effectiveness test (ESACET) methodology approved for the 2021-2026 portfolio.

SDG&E will maintain its current program staff levels. Labor costs are escalated based on the same methodology used in SDG&E's latest General Rate Case when escalating labor costs.¹⁹ In consultation with its implementers, SDG&E has accommodated the necessary cost adjustments to measure costs. Once the Commission has approved SDG&E's application, SDG&E will commence contract extensions for 2027 to prevent gaps in program services.

SDG&E's ESA Program portfolio revenue requirement will be less than the 2026 annual budget as SDG&E is requesting the carry forward/carry over/roll-over²⁰ of unspent 2026 funds by program to fund most of the 2027 budget request.

Please refer to Attachment A Tables 5-6, Table 7 for ESA portfolio goals and budgets. Table A-1 presents the cost effectiveness of the ESA portfolio.

¹⁸ D.21-06-015 at OP 61.

¹⁹ A.22-05-016, SDG&E 2024 General Rate Case available at [SDG&E 2024 General Rate Case | San Diego Gas & Electric](#).

²⁰ Definition of "Carry forward" Funding: Utilities are permitted to carry over all remaining, unspent funds from program year to program year or budget cycle to budget cycle and shall include all anticipated carry over funds in the upcoming budget applications. D.12-08-044 OP 135 (b)(ii)b., at 415. The term "carry over/roll over" will be used to describe the use of the carry forward funding.

B. ESA Main Program

1. Program Description

D.21-06-015 approved a new ESA Main Program delivery approach, focusing on a customer-centered prioritization model based on household needs and customer profiles rather than meeting household treatment goals of the previous program design. The customer-centered prioritization model seeks to maximize the individual household's energy savings, and health, comfort and safety (HCS) benefits based on the household's unique profile. Each household profile should include, but is not limited to, characteristics based on demographics, financial situation, geography, and health status. This delivery model includes allowing online audits prior to in-home visits, limited self-installation of simple measures, limited self-assessments, targeted treatment tiers based on customer segments and needs, and the move towards deeper and more thoughtful retrofits.²¹ The new design also transitioned multifamily in-unit treatments from the ESA Main Program to the new regional Southern Multifamily Whole Building Program (MFWB).

SDG&E has updated many of the workpapers for its ESA Main program measures with the intention of standardizing how measure savings are calculated, resulting in updated measure savings. These workpapers were presented to the ESA Working Group's measure modification process, and the updated measure savings were implemented in 2024 and 2025.

2. 2027 Program Highlights

The 2027 ESA Main Program will continue delivering the approved program design. SDG&E has updated its savings forecasts utilizing the most recent updated workpapers and savings values, as described above. Forecasted measure quantities and pricing were developed

²¹ D.21-06-015, at 164.

1 in consultation with SDG&E's implementer. After accounting for the measure and program costs
2 increases, the ESACET is calculated at 0.28, which is lower than the forecasted 2026 ESACET
3 approved by the CPUC in Joint AL 3842-E/3012-G.²² SDG&E is proposing the 2027 budget at
4 the 2026 authorized level.

5 **C. Southern Multifamily Whole Building (MFWB) Program**

6 **1. Program Description**

7 The ESA MFWB Program is designed to serve low-income multifamily households in the
8 Southern investor-owned utility (IOU) territories of SDG&E, Southern California Edison and
9 Southern California Gas Company. Consistent with D.21-06-015, the Program offers ESA
10 services for in-unit, common area measures (CAM) and whole building measures to deed
11 restricted and non-deed restricted multifamily customers. The Program is administered by
12 SDG&E through an implementer, Richard Heath and Associates (RHA), in all three utility
13 territories mentioned above. The Program provides a streamlined, enhanced ESA experience
14 offering a single intake application, and the support needed to overcome barriers to program
15 participation for Owners and Customers. RHA and the IOU's Single Point of Contact (SPOC)
16 coordinate on referrals so that customers can take advantage of other utility programs that could
17 benefit them such as Demand Response, Self-Generation Incentive, and other utility services.
18 The program will result in upgraded properties that realize deeper energy savings, greater health,
19 safety and comfort for tenants and a reduction in overall energy burden.

20 SDG&E has updated many of the workpapers for its ESA MFWB Program measures
21 with the intention of standardizing how measures savings are calculated resulting in updated

²² AL 3842-E/3012-G, approved December 22, 2021 and effective October 1, 2021.

1 measure savings. These workpapers were presented to the ESA Working Group’s measure
2 modification process. These savings were implemented in 2024 and 2025.

3 **2. 2027 Program Highlights**

4 The Southern MFWB forecasted measure quantities and pricing for 2027 were developed
5 in consultation with the program implementer. The 2027 forecast includes the completion of 210
6 whole building projects and 38,000 in-units. The Southern MFWB ESACET is 0.65. Please
7 refer to Attachment A, Table A-1a.

8 SDG&E proposes to extend the MFWB Program cycle through 2027, utilizing unspent
9 funds from the 2022–2026 program years. This extension is necessary to compensate for the
10 program’s delayed start and to ensure the completion of a substantial number of projects
11 currently in the pipeline. Given the volume of projects already enrolled and those forecasted
12 through 2026, an additional year is essential to close out all in-unit and CAM projects effectively.

13 The Southern MFWB Program’s proposed 2027 budget includes an increase of
14 approximately \$9.7 million over the 2026 budget. This budget adjustment will support the 2027
15 completion of all enrolled projects as of the end of 2026.

16 SDG&E’s share of the 2027 budget will increase by approximately \$2.0 million
17 compared to its 2026 budget share, primarily due to the higher volume of in-unit and whole
18 building projects that were delayed or initiated late in the program cycle. This increase in
19 projects will also require a corresponding increase in administrative and implementation
20 resources required to ensure timely and effective project closeout in 2027. SCE and SoCalGas
21 will continue to fund a portion of SDG&E's administrative expenses.²³ SDG&E proposes to

²³ AL 4482-E/3324-G, approved August 29, 2024 and effective August 22, 2024.

1 utilize the program’s 2022-2026 unspent funds to cover the 2027 budget.²⁴ Therefore, SDG&E’s
2 proposed portion of the MFWB Program 2027 budget requires no new revenue requirement as
3 carry over/roll-over funds will be used to fund the 2027 budget.

4 Please refer to Attachment A, Tables 5a-6a and 7a for Southern MFWB goals and
5 budgets.

6 **D. Multifamily Single Point of Contact (SPOC)**

7 **1. Program Description**

8 Originally authorized under Decision 16-11-022, the Multifamily SPOC was established
9 as a one-stop resource for multifamily (MF) property owners and managers including supporting
10 benchmarking services and technical assistance.²⁵ Decision 21-06-015 defined the SPOC’s
11 scope as 1) offer benchmarking services (through EPA Portfolio Manager), 2) offer financial
12 services, 3) be a “true one stop model” whereby a property owner, manager or tenant will rely on
13 them to facilitate and coordinate program access, and 4) continue to offer on-bill financing to
14 qualified deed-restricted multifamily properties.²⁶ The MF SPOC continues to serve as a central
15 hub, leveraging leads and coordinating efforts with existing SDG&E programs such as MF
16 Energy Efficiency programs, Solar on Multifamily Affordable Housing (SOMAH), Energy
17 Savings Assistance Program (ESA Main), CARE and external programs such as the Residential
18 Zero Net Energy program and the San Diego County Water Authority (SDCWA) programs.
19 Additionally, the SPOC plays a pivotal role in evaluating MF properties and offering On-Bill
20 Financing (OBF) and Benchmarking services during customer interactions.

²⁴ D.21-06-015, OP 181.

²⁵ D.16-11-022 at 210.

²⁶ D.21-06-015, OP 130.

1 D.21-06-015 approved SDG&E's original SPOC model proposal with the requested
2 budget. However, the Decision fundamentally transformed the multifamily program design,
3 from a local MFWB program focused on Common Area Measures (CAM), to the all-inclusive
4 (in-units and CAM) regional program administered by a third-party. This shift placed greater
5 responsibility on the MFWB implementer to engage, enroll, and market the program directly to
6 property owners as part of delivering whole building treatments. As a result of these changes,
7 the revised SPOC model still adheres to OP 130 but does not require the original budget that was
8 allocated to this function.

9 **2. 2027 SPOC Program Highlight**

10 The SPOC proposed budget of approximately \$0.46 million will be less than the 2026
11 budget by approximately \$0.19 million. SDG&E proposes utilizing the program's 2022-2026
12 unspent funds to cover the 2027 budget.²⁷ Funds will be primarily allocated to staff and
13 outreach activities. Please refer to Attachment A, Table 7 for the SPOC budget.

14 **E. Pilot: Pilot Plus Pilot Deep (PPPD)**

15 **1. Program Description**

16 SDG&E's PPPD allows eligible customers to benefit from a robust list of program
17 services and measures, in addition to all ESA Program measures. All targeted PPPD homes start
18 with an eligibility assessment and energy audit to properly guide participants to the appropriate
19 program path. This step includes energy savings modeling based on what the audit determines as
20 far as mitigation and measure installation opportunities. At this point, participants are guided to
21 the correct program path which will allow the PPPD to maximize potential energy savings one
22 home at a time. If the energy savings potential is less than 5%, the customer is referred to the

²⁷ D.21-06-015, OP 181.

1 ESA Main Program. If the energy savings potential is between 5% and 15%, the customer is
2 treated under the Pilot Plus subprogram. Finally, if the energy savings potential is greater than
3 15%, the customer is treated under the Pilot Deep subprogram.

4 Pilot Plus participating homes are treated with deemed savings measures while Pilot
5 Deep participating households will go through a reconciliation of what was calculated or
6 modeled during the audit phase compared to what was installed and then documented during the
7 final inspection. The data collection and reconciliation will deliver pre-and post-installation
8 energy-savings data and will allow for a true-up of a household's energy savings.

9 To select an implementer for its PPPD, in compliance with D.21-06-015 OP 107 to
10 conduct competitive solicitations for the delivery of ESA programs, SDG&E completed two
11 open competitive solicitations which unfortunately did not yield a successful bidder. This
12 resulted in a significant delay in implementing its PPPD. On May 9, 2023, SDG&E filed AL
13 4099-E/3134-G to modify the solicitation process from an open solicitation to a sole source
14 approach using a short list of qualified implementers who could meet the PPPD requirements.²⁸
15 SDG&E requested a Rule 16.6 Extension of Time to Comply to move the PPPD launch from the
16 beginning of the third quarter 2022 to the end of the second quarter of 2023. SDG&E selected
17 its implementer in August 2023. With the approval of a second extension request, SDG&E
18 executed its implementer contract in January 2024 and the PPPD launched in the first quarter of
19 2024.

20 **2. 2027 PPPD Program Highlights**

21 In 2027, SDG&E will complete all remaining projects initiated in 2026. 2027 pilot
22 operations will include final measure installations, contract administration, and continuation of

²⁸ AL 4099-E/3134-G, approved November 18, 2022 and effective November 25, 2022.

1 EM&V activities. EM&V activities are expected to conclude in 2028, as the evaluation
2 methodology requires 12-months post-installation consumption data. SDG&E forecasts that
3 approximately 250 homes will be completed by the conclusion of the pilot. The PPPD's
4 proposed 2027 budget of approximately \$1.79 million will be slightly higher than the annual
5 budget of \$1.53 million but will remain within the total program cycle budget for 2022–2026.

6 To support the 2027 budget, SDG&E is requesting the use of unspent funds from the
7 PPPD's pilot program. As a result, no new revenue requirement will be necessary. Please refer
8 to Attachment A, Table 7 for the PPPD budget.

9 **V. EVALUATION MEASUREMENT AND VERIFICATION AND STUDIES**
10 **(EM&V)**

11 D.21-06-015 authorized several statewide studies and load impact evaluations together
12 with the associated budgets. These load impact evaluations usually begin during the
13 implementation phase and complete after the program cycle, particularly if the studies involve
14 verification of savings using post-installation consumption data. As such, for the bridge year of
15 2027, SDG&E is not requesting any additional budget for ESA, CARE or FERA studies.
16 SDG&E will be working closely with the other IOUs to complete these previously authorized
17 studies in 2027. SDG&E plans to use the 2021-2026 EM&V budgets approved by D.21-06-015
18 during the bridge year as follows:

- 19 1) Use the statewide study budgets for ESA, which included \$1,500,000 for impact
20 evaluations and \$500,000 for process evaluations,²⁹ to conduct impact and process
21 evaluations for ESA and MFWB during 2027.

²⁹ D.21-06-015, OP 166 and OP 169.

- 2) Conduct an evaluation of the PPPD that will begin in 2026 and is expected to conclude in 2028. The budget for this evaluation is included in the PPPD budget.³⁰
- 3) Utilize the approved budget of \$300,000 (\$1,200,000 statewide budget) for evolving study and data needs³¹ during the remaining years of the current cycle, including the bridge year of 2027.
- 4) Plan, together with the IOUs, to scope and execute non-statutory studies with the assistance of the ESA CARE Study Working Group as directed in D.21-06-015.³²
- 5) Plan, together with the IOUs, to conduct the statewide Low Income Needs Assessment (LINA) study, beginning in 2026 with anticipated completion in 2028.³³ This study is overseen by the ED and Low-Income Oversight Board.

A. ESA Main Impact and Process Evaluation

D.21-06-015 approved impact and process evaluation funding of \$1,500,000 and \$500,000 for both ESA Main and MFWB, respectively, for the current program cycle.³⁴ Because of the program's shift from a homes-treated goal to an energy savings goal for ESA Main, the IOUs experienced a longer than expected ramp up time before the new program design and implementation could reach a steady state. Impact evaluations require a minimum of 12 months of representative post-installation consumption data for analysis to account for usage patterns and seasonality, as well as 12 months of pre-treatment data to determine attributable energy saving impacts from the energy efficiency intervention. For ESA Main, the representative

³⁰ *Id.*, at Attachment 2.

³¹ *Id.*, at OP 173.

³² *Id.*, at 410-412 and OP 176.

³³ *Id.*, at OP 167.

³⁴ *Id.*, OP 166 and 169.

1 program year at which all IOUs had reached steady state operations was 2024. Post-treatment
2 data will be collected in 2025 to understand energy usage after the energy efficiency measures
3 had been installed. As a result, 2026 is the earliest that an impact evaluation for ESA Main can
4 be conducted.

5 The IOUs are proposing that a process evaluation be conducted in conjunction with the
6 impact evaluation, to provide a more comprehensive understanding of program effectiveness and
7 to inform future program design and operational improvements. For example, if energy savings
8 for a given measure are found to be lower than anticipated through the impact analysis, the
9 process evaluation could then investigate potential causes behind the observation by assessing
10 program processes, implementation practice, and other contributing factors. The process
11 evaluation will also assess program outreach effectiveness and customer journey and experience.

12 In addition, the IOUs propose splitting the approved budget categories evenly across ESA
13 Main and MFWB. As such, proposed budgets for the combined impact and process evaluations
14 for ESA Main and MFWB are \$1,000,000 each (i.e., \$750,000 and \$250,000 for the impact and
15 process evaluation categories, respectively). Because D.21-06-015 already approved these
16 budget categories for the current program cycle, the IOUs will continue the Impact and Process
17 Evaluation for ESA Main through 2027. As authorized in the Decision, the traditional IOU
18 funding allocations will be followed, and the ESA/CARE Study Working Group will be
19 consulted on proposed scopes, budgets, timelines, statements of work, and other study scoping
20 documents before being finalized for study execution.

21 **B. MFWB Impact and Process Evaluation**

22 The proposed budget, funding allocations, and the role of the ESA/CARE Study Working
23 Group for the ESA Main Impact and Process Evaluation will similarly apply to the MFWB
24 Impact and Process Evaluation. Because MFWB is a new program design combining

1 multifamily in unit with whole building treatment, the program required a longer ramp-up time
2 to reach steady state program operations. To date, both the Northern and Southern MFWB
3 programs are still not operating at full scale, especially for whole building measures. It is
4 anticipated that both the Northern and Southern MFWB programs will reach steady state
5 operations during PY 2025-2026. Because 12 months of post-treatment data is required to
6 determine energy saving impacts, the combined process and impact evaluation for MFWB will
7 be conducted through 2027 using the authorized 2021-2026 EM&V budgets. Similar to the
8 combined Process and Impact Evaluation for ESA Main, the traditional IOU funding allocations
9 will be followed, and the ESA/CARE Study Working Group will be consulted on scope, budget,
10 and timeline before any study activities begin.

11 **C. ESA/CARE Study Working Group**

12 The ESA/CARE Study Working Group was ordered in the Decision to “provide a
13 collaborative, stakeholder-inclusive and -consensus-based process towards managing the IOUs’
14 non-statutory- ESA and CARE studies during the program cycle.”³⁵ Current working group
15 members consist of representatives from the ED, Cal Advocates, ESA contractors, The Utility
16 Reform Network (TURN), and IOU evaluation representatives. Consistent with what is
17 described in the Decision,³⁶ the working group has reviewed, provided inputs, and approved the
18 scope and timing for non-statutory ESA/CARE studies including the Categorical Eligibility
19 Study, the Non-Energy Impacts Study, and PG&E’s ESA Pilot Evaluation. The working group
20 has also provided input on interim results and final deliverables prior to study completion.

³⁵ *Id.* at 410.

³⁶ *Id.* at 411-412.

1 SDG&E, in cooperation with the other IOUs, proposes that the ESA/CARE Study
2 Working Group continue these activities through the Bridge Funding Year, since the ESA Main
3 and MFWB Impact and Process Evaluations will be ongoing and working group inputs will be
4 required for scoping, interim findings, and final deliverables.

5 Please refer to Attachment A, Table 8 for the EM&V studies budgets.

VI. COST RECOVERY AND REVENUE REQUIREMENTS

SDG&E recovers its CARE, FERA and ESA Program costs through revenues collected through the electric and gas Public Purpose Program (PPP) funds.³⁷ Program revenue requirements are based on the authorized budgets approved by the Commission. These revenue requirements are approved through the annual PPP advice letters filed in the last quarter of the year that become effective the first day of the following year. Program revenues and expenditures are tracked in the various balancing accounts described below.

A. Balancing Accounts

1. Low-Income Energy Efficiency Balancing Account (LIEEBA)-Electric

The purpose of the Low Income Energy Efficiency Balancing Account (LIEEBA) is to track the electric PPP revenues collected and allocable to the Energy Savings Assistance (ESA) program and the ESA program electric expenses pursuant to D.03-04-027.

2. Post-2005 Gas Low Income Energy Efficiency Balancing Account (PGLIEEBA)

The purpose of the Post-2005 Gas Low Income Energy Efficiency Balancing Account (PGLIEEBA) is to track gas PPP revenues collected and allocable to the Energy Saving Assistance program and the ESA program gas expenses for the program cycle beginning January 1, 2006 approved by D.05-12-026.

3. California Alternate Rates for Energy (CARE) Balancing Account- Electric

The purpose of the CARE two-way balancing account is to track the electric PPP revenues collected and allocable to the CARE program and CARE program electric expenses. The CARE balancing account consists of two subaccounts: 1) CARE – Rate Discount and 2)

³⁷ Costs of Natural Gas Appliance Test (NGAT), a required safety check any time a home receives air infiltration measures, are not recovered through the PPP, nor are they requested in this filing, but rather through SDG&E's General Rate Case (GRC) proceeding.

CARE – TANF (Temporary Assistance for Needy Families). The CARE – Rates Discount program was authorized by Decisions 89-07-062, 89-09-044, 92-04-024 and 92-06-060. The CARE – TANF as authorized by Resolution E-4328 dated April 22, 2010 to record actual expenses incurred by SDG&E for implementing the CARE/TANF Leveraging Program.

4. California Alternate Rates for Energy (CARE) Gas Balancing Account

The purpose of the CARE two-way balancing account is to track the gas PPP revenues collected and allocable to the CARE program and CARE program gas expenses. The CARE balancing account consists of two subaccounts: 1) CARE – Rate Discount and 2) CARE – TANF (Temporary Assistance for Needy Families). The CARE – Rate Discount Program was previously known as the LIRA Program, which was authorized by D.89-07-062, D.89-09-044, D.92-04-024 and D.92-06-060. The utility shall maintain a CARE balancing account commencing as of August 14, 1989. The CARE – TANF, as authorized by Resolution E-4328 dated April 22, 2010, records actual expenses incurred by SDG&E for implementing the CARE/TANF Leveraging Program. Resolution G-3303, dated December 21, 2000, as directed by Assembly Bill (AB) 1002, 1) adopted gas public purpose program (PPP) surcharge rates effective January 1, 2001, 2) exempts some customers from the surcharge who were not exempt to charges in rates prior to January 1, 2001 and 3) requires utility to make quarterly payments to the California Board of Equalization (BOE). Decision 04-08-010 authorized utilities to modify their regulatory accounts to facilitate the unbundling of PPP costs from their rates. Decision 04-08-010 also notes that interest should be apportioned to utilities according to the number of remittances and the length of time remittances were held in the State's Gas Consumption Surcharge Fund (Fund).

1 **5. Family Electric Rate Assistance Balancing Account (FERABA)**

2 The purpose of FERABA, a two-way balancing account, is to track the PPP revenues
3 collected and allocable to the FERA program and FERA program costs. The FERA program is
4 statutorily mandated by Public Utilities Code Section 739.12 and originally authorized in D.04-
5 02-057 to provide tier-exempted rate relief for income-qualified large households. In D.15-07-
6 001, the Commission revised the FERA program from a tier-exempted rate program to a line-
7 item discount. In D.21-06-015, Ordering Paragraph (OP) 37, the Commission authorized the
8 elimination of the FERA subaccount in the Baseline Balancing Account (BBA) and, in OP 35,
9 modified FERABA to record all FERA program management costs, including administrative
10 costs.

11 **B. Estimated Revenue Requirement Using Program Carry/Roll Over Funds**

12 The following table shows the 2027 proposed budget and how the forecasted unspent
13 funds will be used to offset program revenue requirement by program. Note that SDG&E's
14 MFWB, SPOC and PPPD unspent/uncommitted budget cycle funds are sufficient to cover its
15 2027 budget requirements.

Table 1: Portfolio Budgets and Carry Over/Roll Over Funds to Offset Revenue Requirement

Program	2027 Budget (a)	Forecasted Unspent Funds (b)	Revenue Requirement Request (c)=(a)-(b)	% Revenue Request Relative to 2027 Budget (c)/(a) x 100%
ESA Main	\$22,011,220	\$0	\$22,011,220	100%
MFWB*	\$11,476,405	\$15,941,861	-\$4,465,456	-39%
SPOC*	\$462,333	\$1,306,217	-\$843,884	-183%
PP/PD *	\$1,791,059	\$1,791,059	\$0	0%
Total ESA	\$35,741,017	\$19,039,137	\$16,701,880	47%
CARE Admin	\$7,401,649	\$0	\$7,401,649	100%
CARE Discount	\$218,878,622	\$0	\$218,878,622	100%
Total CARE	\$226,280,271	\$0	\$226,280,271	100%
FERA Admin	\$984,185	\$0	\$984,185	100%
FERA Discount	\$5,449,903	\$0	\$5,449,903	100%
Total FERA	\$6,434,088	\$0	\$6,434,088	100%

*MFWB, SPOC and PP/PD have program cycle budgets.

Please refer to Attachment A Table B-2 for the gas rate impacts and Table B-3 for the electric rate impacts.

This concludes my prepared direct testimony.

1 **VII. STATEMENT OF QUALIFICATIONS**

2 My name is Roland Mollen. My business address is 8335 Century Park Court, Suite
3 1200, San Diego, California 92123-1257. I am employed by SDG&E as its Residential
4 Customer Programs Manager. In my current position, I am responsible for managing SDG&E's
5 customer assistance programs which include ESA, CARE, and FERA. In addition, I am
6 responsible for all related processing activities such as new applications, recertifications, and
7 post enrollment verifications.

8 The purpose of my testimony is to sponsor and testify to the substance of the program
9 operations and associated budget requests for the CARE, FERA and ESA program portfolios.

10 My qualifications and experience are as follows: I attended Webster University. I
11 graduated with a Master of Business Administration degree. I was hired by SDG&E in 2016 in
12 the Marketing & Communications Department. Since then, I have held positions of increasing
13 responsibility in the Company. I have been in my present position for approximately two and a
14 half years.

15 I have not testified before this Commission previously.

ATTACHMENT A

Grey Cells

Do not enter data in the grey cells. The values are pulled from detailed program tables or the sum function is built in.

Colored Tabs

Summary Tables
ESA Budget and Savings Details
CARE Budget Goals Rate Impacts
FERA Budget & Goals

Table of Tabs

README

BF Table 1-2 CARE Enr, Budget

BF Tables 3-4 FERA Enr, Budget

BF Table 5-6 ESA Savings HT

BF Table 5a-6a SoMFWB Savings

BF Table 7 ESA Budgets

BF Table 8 - Studies Budget

BF Table 7a SoMFWB Budgets

A-1 A-1a ESA Cost Effectiveness

B-1 CARE Budget

B-2 Rate Impacts - Gas

B-3 Rate Impacts - Electric

B-4 CARE Enrollment

D-1 FERA Budget

D-2 FERA Enrollment

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Table 1: CARE Participation and Enrollment Percentage Goals

CARE Goals	2026	2027
Participation/ Enrollment Goal	90%	90%

Table 2: CARE Proposed Budgets

Categories	2026	2027
CARE Administrative Budget	\$ 7,401,649	\$ 7,401,649
CARE Subsidy -Budget	\$ 126,524,206	\$ 218,878,622
CARE Administrative + Subsidy Budget	\$ 133,925,855	\$ 226,280,271

Note

1-SDG&E's CARE Electric and Gas split is 91%-E / 9%-G.

San Diego Gas & Electric Company
2027 Bridge Funding Application

Table 3: FERA Participation and Enrollment Percentage Goals

FERA Goals	2026	2027
Participation/ Enrollment Goal	70%	70%

Table 4: FERA Proposed Budgets

Categories	2026	2027
FERA Administrative Budget (2)	\$ 640,368	\$ 984,185
FERA Subsidies Budget	\$ 5,388,762	\$ 5,449,903
FERA Administrative + Subsidy Budget	\$ 6,029,130	\$ 6,434,088

Note

1- SDG&E's FERA Electric and Gas split is 100%-E / 0%-G. FERA is electric only.

2 - The 2026 administrative budget is the current authorized budget.

The 2027 proposed budget assumes SDG&E's AL 4646-E 2026 requested incremental budget is approved and the one-time IT cost to implement the SB1130 changes will no longer be needed in 2027.

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Table 5: ESA Annual Energy Savings Goals (kWh, kW, Therms)¹

Category	kWh	kW	Therms
2026	3,169,076	463	129,739
2027	3,939,709	641	247,731

Table 6: Annual ESA Household Treatment Goals and Targets²

	Target
2026	16,065
2027	14,766

- 1 Consistent with D.21-06-015, the Proposed Annual Energy Savings Goals (kWh, kW, and Therms) for PY 2027 are for the entire ESA Portfolio, including Main ESA and MFWB. Pilot Plus/Pilot Deep and other pilots are not included.
- 2 Consistent with D.21-06-015, the household treatment goals and targets for PY 2027 for the entire ESA Portfolio, including Main ESA MFWB. Pilot Plus/Pilot Deep and other pilots are not included.

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Table 5a: Southern Multifamily Whole Building Program Annual Energy Savings Goals (kWh, kW, Therms)

	2026			2027		
	kWh	kW	Therms	kWh	kW	Therms
SDG&E	2,692,022	NA	155,383	2,017,714	185	155,195
SCE	6,912,729	NA	NA	4,567,451	343	NA
SCG	NA	NA	639,884	NA	NA	1,495,996
Southern MFWB	9,604,751	-	795,267	6,585,165	528	1,651,191

NA-Not Applicable

ESA Household Treatment Targets

	2026	2027
SDG&E	8,800	8,360
SCE	13,200	12,540
SCG	18,000	17,100
Southern MFWB	40,000	38,000

Table 6a: Annual ESA Properties Treatment Targets

	2026	2027
SDG&E	31	46
SCE	46	69
SCG	63	95
Southern MFWB	140	210

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Table 7: ESA Portfolio Budget

Category	2026	2027
EE	\$ 17,214,498	\$ 17,214,377
EE-MF 2	\$ 8,556,939	\$ 10,726,978
SPOC	\$ 651,613	\$ 462,333
EE-Pilots 1		
EE Subtotal	\$ 26,423,050	\$ 28,403,688
Training Center	\$ 160,614	\$ 160,614
Workforce Education and Training	\$ -	\$ -
Inspections	\$ 110,062	\$ 226,923
Marketing and Outreach	\$ 1,674,124	\$ 1,630,135
Studies	\$ 50,000	\$ 50,000
Regulatory Compliance	\$ 308,400	\$ 213,045
General Administration	\$ 2,433,898	\$ 2,456,346
MFWB Administration	\$ 913,937	\$ 749,427
CPUC Energy Division	\$ 59,780	\$ 59,780
Subtotal - Admin	\$ 5,710,815	\$ 5,546,270
Program Total	\$ 32,133,865	\$ 33,949,958
Staff Proposal Pilot (PPPD)	\$ 1,526,683	\$ 1,791,059
Portfolio Total	\$ 33,660,548	\$ 35,741,017

Notes:

1 - These include other pilots. N/A for SDG&E.

2 - SDG&E's EE-MF 2026 forecast has been updated from the original budgeted amount in AL 4115-E and AL4482 to reflect the most recent RHA forecast (2025-2027).

3 - SDG&E's Electric and Gas split is 50%-E / 50%-G.

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Table 7a: ESA Southern Multifamily Whole Building Program Budget

	Southern MFWB		SDG&E		SCE		SCG	
Category	2026	2027	2026	2027	2026	2027	2026	2027
EE-MF	\$ 42,322,673	\$ 52,392,970	\$ 8,556,939	\$ 10,726,978	\$ 13,353,511	\$ 16,516,378	\$ 20,412,223	\$ 25,149,615
EE Subtotal	\$ 42,322,673	\$ 52,392,970	\$ 8,556,939	\$ 10,726,978	\$ 13,353,511	\$ 16,516,378	\$ 20,412,223	\$ 25,149,615
General Administration - Regional	\$ 3,131,206	\$ 3,131,206	\$ 637,069	\$ 626,241	\$ 972,602	\$ 970,674	\$ 1,521,535	\$ 1,534,291
General Administration - IOU	\$ 1,072,530	\$ 1,088,168	\$ 276,868	\$ 123,186	\$ 260,823	\$ 268,625	\$ 534,839	\$ 696,357
Non-EE Subtotal	\$ 4,203,736	\$ 4,219,374	\$ 913,937	\$ 749,428	\$ 1,233,425	\$ 1,239,299	\$ 2,056,374	\$ 2,230,648
Program Total	\$ 46,526,410	\$ 56,612,345	\$ 9,470,876	\$ 11,476,405	\$ 14,586,937	\$ 17,755,677	\$ 22,468,597	\$ 27,380,263
SPOC	\$ 1,131,820	\$ 951,788	\$ 651,613	\$ 462,333	\$ 171,929	\$ 171,929	\$ 308,278	\$ 317,526
Program Total with SPOC	\$ 47,658,230	\$ 57,564,133	\$ 10,122,489	\$ 11,938,739	\$ 14,758,866	\$ 17,927,606	\$ 22,776,875	\$ 27,697,789

2027 Bridge Funding Application

Table 8: ESA and CARE Studies Budget

	Timelines and Budgets for Remaining Studies Authorized in D.21-06-015			
	2026	2027	2028	Total
Studies ^[1]				
Joint IOU - 2028 Low Income Needs Assessment (LINA) Study ^[2]	\$ -	\$ 37,500	\$ 37,500	\$ 75,000
Joint IOU - ESA Main - Impact and Process Evaluation ^[3]	\$ 45,000	\$ 105,000	\$ -	\$ 150,000
Joint IOU - MFWB - Impact and Process Evaluation ^[4]		\$ 75,000	\$ 75,000	\$ 150,000
Total Studies	\$ 45,000	\$ 217,500	\$ 112,500	\$ 375,000
SDG&E Portion of Evolving Study & Data Needs ^[5]	TBD	TBD	TBD	\$ 300,000
^[1] Authorized per D.21-06-015, funds for studies may be rolled over to the next program year or borrowed from a future program year within the cycle, to allow for flexibility in scheduling changes with these efforts. Funding for studies is not solely supported via the ESA program budget; some studies are jointly supported via the CARE budget. Funding amounts listed reflect SDG&E's allocation among the IOUs. Final authorized budgets may be adjusted by the ESA/CARE Study Working Group per D.21-06-015.				
^[2] Authorized per D.21-06-015 (OP 167), the 2028 LINA will be conducted during PYs 2027 and 2028 and is funded 50/50 via ESA and CARE budgets.				
^[3] Authorized per D.21-06-015 (OPs 166 and 169), impact and process evaluations for ESA Main are funded by the ESA portfolio budget. Because of unanticipated delays in ramping up the ESA Main program, the IOUs are proposing to begin these evaluations in PY 2026 and complete them in PY 2027.				
^[4] Authorized per D.21-06-015 (OPs 166 and 169), impact and process evaluations for MFWB are funded by the ESA portfolio budget. Because of unanticipated delays in ramping up the MFWB program, the IOUs are proposing to begin these evaluations in PY 2027 and complete them in PY 2028.				
^[5] The evolving study & data needs budget was authorized per D.21-06-015 (OP 173). A \$1.2 million statewide budget (or 300,000 per IOU) was approved to provide flexibility for new study or data needs or to supplement the approved statewide study budgets.				

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Table A-1 ESA Portfolio Cost Effectiveness [1]

	Ratio of Program Benefits over Program Costs [4]				
	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [2]	TRC [3]	PAC [3]	RIM [3]
PY 2021*	0.74	0.41	0.19	0.19	0.14
PY 2022**	0.28	0.47	0.16	0.16	0.13
PY 2023**	0.36	0.37	0.19	0.19	0.15
PY 2024**	0.37	0.38	0.19	0.19	0.15
PY 2025**	0.35	0.35	0.18	0.18	0.15
PY 2026**	0.35	0.35	0.19	0.19	0.16
PY 2027	0.29	0.27	0.16	0.17	0.14

Notes:

* Sources of test results for PY2021 are from Attachment B of SDG&E's low-income program application for PY2021 to 2026, A.19-11-005

**Sources of projected test results from PY 2022 - PY 2026 are from SDG&E Advice Letter 3842-E/3012-G et.al. Appendix A, Table 5

[1] Cost effectiveness at the portfolio level (ESA Main and MFWB) as required by D.16-11-022 (at 198) and D.17-12-009 (at 200). This does not include pilot cost effectiveness.

[2] Formerly known as the Resource TRC, renamed Resource Test per June 2018 Recommendations of the ESA Cost Effectiveness Working Group.

[3] Provided for PY2021 through PY2026 in compliance with Decision 19-05-019.

[4] The CPUC Energy Division has not added the Societal Cost Test (SCT) functionality to the Cost Effectiveness Tool (CET) by the time of this application.

Because this functionality is required in order to calculate SCT ratios for the ESA Program, the SCT calculation is not included here but will be included in the full cycle application.

Table A-1a Southern MFWB Cost Effectiveness

	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Total Resource Cost Test (TRC)
PY 2023 [1]	0.38	0.33
PY 2024 [1]	0.46	0.44
PY 2025 [1]	0.48	0.42
PY 2026 [1]	0.54	0.48
PY 2027	0.65	0.46

Note:

[1] Source of cost effectiveness results is SDG&E AL 4115-E/3144-G Tables 8 and 9 (at 8).

San Diego Gas & Electric Company
2027 Bridge Funding Application
Table B-1: CARE Program Budget

CARE Budget Categories	2026	2027
Outreach	\$ 3,501,185	\$ 2,519,823
Processing, Certification, Recertification	\$ 687,401	\$ 1,635,357
Post Enrollment Verification	\$ 533,984	\$ 533,984
IT Programming	\$ 1,202,602	\$ 1,202,602
CHANGES*	\$ 265,000	\$ 265,000
Study & Pilots	\$ -	\$ -
Measurement and Evaluation	\$ 21,538	\$ 21,538
Regulatory Compliance	\$ 347,761	\$ 358,194
General Administration	\$ 765,768	\$ 788,741
CPUC Energy Division Staff	\$ 76,410	\$ 76,410
Subtotal Program Costs	\$ 7,401,649	\$ 7,401,649
Customer Subsidies CARE Rate Discount	\$ 126,524,206	\$ 218,878,622
TOTAL PROGRAM COSTS & Customer Subsidies	\$ 133,925,855	\$ 226,280,271

San Diego Gas & Electric Company
 2027 Bridge Funding Application
 Table B-2: ESA/CARE Gas Rate impacts

Category [1]	Average Rate Excluding CARE/ESA Surcharge (\$/Therm)	CARE Subsidy Portion of Rate (\$/Therm)	CARE Administration Portion of Rate (\$/Therm)	ESA Program Portion of Rate (\$/Therm)	ESA Program Administration Portion of Rate (\$/Therm)	Total CARE/ESA Surcharge (\$/Therm)	Average Rate Including CARE/ESA Surcharge (\$/Therm)
Customer Type							
Residential (non CARE)	\$0.03829	\$0.03864	\$0.00131	\$0.01875	\$0.00415	\$0.06284	\$0.10113
Residential (CARE)	\$0.03829	\$0.00000	\$0.00000	\$0.01875	\$0.00415	\$0.02290	\$0.06119
Commercial [2]	\$0.12879	\$0.03864	\$0.00131	\$0.00530	\$0.00117	\$0.04642	\$0.17520
Industrial [3]	\$0.14429	\$0.03864	\$0.00131	\$0.00123	\$0.00027	\$0.04145	\$0.18574
Agricultural	NA	NA	NA	NA	NA	\$0.00000	NA
Lighting	NA	NA	NA	NA	NA	\$0.00000	NA
System	\$0.07395	\$0.03864	\$0.00131	\$0.01235	\$0.00273	\$0.05503	\$0.12898

Notes:

San Diego Gas & Electric Company
2027 Bridge Funding Application
Table B-3: ESA/CARE/FERA Electric Rate impacts

Category [1]	Average Rate Excluding CARE/FERA/ESA Surcharge (¢/kWh) [3]	CARE Subsidy Portion of Rate (¢/kWh)	CARE Administration Portion of Rate (¢/kWh)	FERA Subsidy Portion of Rate (¢/kWh)	FERA Administration Portion of Rate (¢/kWh)	ESA Program Portion of Rate (¢/kWh)	ESA Administration Portion of Rate (¢/kWh)	Total CARE/FERA/ESA Surcharge (¢/kWh)	Average Rate including surcharge (¢/kWh) [3]
Customer Type									
Residential (non-CARE)	36.523	1.096	0.037	0.030	0.005	0.034	0.008	1.210	37.733
Residential (CARE) [2]	36.523	N/ A	N/ A	N/ A	N/ A	0.034	0.008	0.042	36.565
Commercial	36.123	1.096	0.037	0.030	0.005	0.034	0.008	1.210	37.333
Industrial	32.599	1.096	0.037	0.030	0.005	0.034	0.008	1.210	33.809
Agricultural	25.113	1.096	0.037	0.030	0.005	0.034	0.008	1.210	26.323
Lighting	35.770	0.000	0.000	0.000	0.000	0.000	0.000	0.000	35.770
System	34.179	1.096	0.037	0.030	0.005	0.034	0.008	1.210	35.389

Notes:

- [1] Category types will vary across IOUs.
- [2] Residential CARE customer type is included for illustrative purposes and does not include the line-item discount CARE customers receive on their bill. Only CARE customers are exempt from CARE and FERA subsidy and administration costs.
- [3] Rates (cents/kWh) are based on current rates effective 6/1/2025.

Note: Associated balancing account amortizations are excluded from projected rate impacts.

San Diego Gas & Electric Company
2027 Bridge Funding Application
Table B-4: CARE Enrollment/Participation

Category	Total Households Enrolled 12-31-24 [1]	Estimated PY 2025 Net Enrollments [2]	Estimated PY 2026 Net Enrollments	Estimated PY 2027 Net Enrollments	Estimated Year End PY 2027 Enrollments	Estimated PY 2027 Enrollment Rate [3]
	305,902	-7,800	-7,800	-7,800	282,502	98%

[1] Annual Report Activity of SDG&E on ESA, CARE and FERA for 2024, July 1, 2025

[2] SDG&E assumes 2025-2027 net enrollments will be consistent with average annual net CARE enrollments between 2021 and 2024

[3] CARE enrollment rate will fluctuate based on updated CARE eligibility estimates.

San Diego Gas & Electric Company
2027 Bridge Funding Application
Table D-1: FERA Program Budget

Category	2026	2027
Outreach	\$ 375,741	\$ 625,741
Processing, Certification, Recertification	\$ 15,061	\$ 71,115
Post Enrollment Verification	\$ 1,122	\$ 35,000
IT Programming	\$ 57,963	\$ 57,963
Measurement & Evaluation	\$ 50,000	\$ 50,000
Regulatory Compliance	\$ 48,860	\$ 50,326
General Administration	\$ 80,160	\$ 82,579
CPUC Energy Division Staff	\$ 11,461	\$ 11,461
Subtotal Program Costs [1]	\$ 640,368	\$ 984,185
FERA Rate Discount	\$ 5,388,762	\$ 5,449,903
Total Program Costs & Customer Discount	\$ 6,029,130	\$ 6,434,088

[1] - The 2026 administrative budget is the current authorized budget.

The 2027 proposed budget assumes SDG&E's AL 4646-E 2026 requested incremental budget is approved and the one-time IT cost to implement the SB1130 changes will no longer be needed in 2027.

San Diego Gas & Electric Company

2027 Bridge Funding Application

Table D-2 2027 Bridge Funding FERA Estimated Penetration

Category	Total Households Enrolled 12-31-24 [1]	Estimated PY 2025 Net Enrollments	Estimated PY 2026 Net Enrollments	Estimated PY 2027 Net Enrollments	Estimated Year End PY 2027 Enrollments	Estimated PY 2027 Enrollment Rate [2]
	12,768	7,200	7,075	7,075	34,118	42%

[1] Annual Report Activity of SDG&E on Family Electric Rate Assistance Program for 2024, filed March 3, 2025, at page 8.

[2] Based on FERA eligibility in P.U. Code § 739.12(a) as amended by SB 1130.

FERA enrollment rate will fluctuate based on updated FERA eligibility estimates.

[3] The FERA enrollment goal is 70% as established in D.21-06-015.