

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

Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U 902-E) for Approval of Low-
Income Assistance Programs and Budgets for
Bridge Funding for Program Year 2027

Application 25-06-XXX
(Filed June 27, 2025)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR
APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR
BRIDGE FUNDING FOR PROGRAM YEAR 2027**

REQUEST FOR EXPEDITED SCHEDULE - RULE 2.9

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June 27, 2025

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Pursuant to Article 2 of the Commission’s Rules of Practice and Procedure, Decision (D.) 21-06-015,¹ and the February 21, 2025 email to the service list sent by Pacific Gas & Electric Company (PG&E) on behalf of itself, San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE) and Southern California Gas Company (SoCalGas) (together, the “IOUs”),² SDG&E hereby submits this application for approval of bridge funding for Program Year 2027 for its portfolio of low-income assistance programs – Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) Programs. This bridge funding application seeks a continuation of the programs approved in D.21-06-015 for Program Years 2021 through 2026 with minimal program and budget changes. As detailed below, SDG&E is submitting this request for bridge funding for Program Year 2027 on an expedited basis to ensure that a decision is issued by mid-2026 to allow for adequate time to renegotiate and extend all program contractors and subcontractors for

¹ D.21-06-015.

² Application (A.) 19-11-003, email re: *Update on Income Qualified Program (CARE/FERA/ESA) Applications* (February 21, 2025), discussing timing of filing of IOUs’ bridge year and full cycle applications for low income assistance programs.

2027. Pursuant to Rule 2.9, SDG&E includes as **Attachment A** its *Request for Expedited Schedule*, which sets forth the specific facts that constitute the need to resolve this proceeding in an expeditious manner to avoid ratepayer harm.

SDG&E plans to submit its full cycle application for Program Years 2028-2033 by the fourth quarter of 2025.

I. INTRODUCTION

SDG&E's current ESA, CARE, and FERA Program cycle approved in D.21-06-015 runs from 2021 through the end of 2026. On October 31, 2024, Energy Division issued informal guidance to the IOUs regarding their applications for the next program cycle, including proposed bridge funding for 2027. After consulting with Energy Division, the IOUs agreed to each file a bridge funding application for Program Year 2027 requesting an expedited schedule, followed by a 2028-2033 full cycle application later in the year.

SDG&E seeks bridge funding for its low-income assistance programs for Program Year 2027 (*i.e.* January 1, 2027 to December 31, 2027), because the requisite studies and data will not be available in time to fully inform a 2027-2032 full cycle application and allow for the regulatory process to approve that application prior to the conclusion of the current program cycle. To allow for an 18-month proceeding, a 2027-2032 application would need to be filed by mid-2025, but several studies SDG&E anticipates will provide data relevant to SDG&E's full cycle application will not be completed until later in 2025. Accordingly, SDG&E requests to continue the existing 2021-2026 programs into 2027 via this bridge funding application to allow additional time for data and study results to become available and leveraged for future program design in the full cycle application to be filed later this year. SDG&E's proposal ensures adequate time for the Commission to deliberate on policy and program changes for the next full program cycle post-2027, thereby avoiding market uncertainty and potential program disruption.

SDG&E's proposal further eliminates the need to seek a bridge funding decision during ongoing application proceedings should a full program cycle decision be delayed, as has happened in the past with D.15-12-024³, D.16-06-018⁴, and D.19-06-022⁵ for A.14-11-007 *et al.* and A.19-11-003, *et al.*, respectively.

An overview of SDG&E's application is provided below, along with a description of the testimony supporting the application served contemporaneously herewith. This testimony and Attachment A to the Direct Testimony of Roland Mollen provide the detail supporting SDG&E's request for bridge funding for Program Year 2027.

II. SUMMARY OF REQUESTS

SDG&E's total funding request in this application for the Bridge Year 2027 is summarized as follows:

Total Budget Request for Bridge Year 2027

	CARE	FERA	ESA
2027	\$226,280,271	\$6,434,088	\$35,741,017

SDG&E's request for bridge funding in 2027 is a request for an extension of SDG&E's previously-approved 2026 low-income assistance program budget, as the company is not proposing any new programs or pilots in 2027. The approval of funds for 2027 as a bridge year is critical, as SDG&E needs to be able to continue to provide the energy savings and bill

³ D.15-12-024, at Ordering Paragraph (OP) 1, the Commission authorized bridge funding for the large investor-owned utilities (IOUs), for the IOUs' Energy Savings Assistance and California Alternate Rates for Energy Programs, from January 1, 2016 until June 30, 2016.

⁴ D.16-06-018, at OP 1, the Commission extended bridge funding for the four large IOUs from July 1, 2016 until December 31, 2016.

⁵ D.19-06-022, at OP 3, the CPUC directed the four large IOUs to submit Tier 1 Advice Letters for potential ESA Program bridge funding for the 1st half of 2021.

reduction measures from these low income programs in 2027 to avoid ratepayer harm, as the Commission likely will not have a decision on its full cycle application prior to 2027. The prepared direct testimony of Hollie Bierman details the proposed budget for Bridge Year 2027 for SDG&E's low-income assistance portfolio under the authorized funding categories.

A. Background and Guiding Principles for SDG&E's Low-Income Assistance Program Portfolio for 2027

This application proposes to enable SDG&E to continue to provide its customers with the same low-income assistance programs in 2027 as are currently included in SDG&E's 2021-2026 low-income assistance program portfolio. SDG&E's 2027 CARE, FERA and ESA programs will largely be a continuation of its 2026 programs' design and delivery.

1. CARE Program

The CARE Program is statutorily mandated by California Public Utilities (P.U.) Code Sections 739.1 and 739.2 to assist income-eligible households with a monthly discount on their gas and electric bills. The CARE Program currently provides a 20% discount on natural gas charges and a 35% discount on electric rates.⁶ To qualify for the CARE Program, eligible customers must have a total household gross income of no greater than 200% of the Federal Poverty Guideline (FPG). Households that participate in certain means tested assistance programs (referred to as Categorical Eligibility) are also eligible for CARE. Eligible customers include residents in non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers.

⁶ D.24-05-028, at Conclusions of Law (COL) 11, and 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%.

For 2027, SDG&E will maintain the CARE goal of 90% enrollment and Post Enrollment Verification (PEV) rate of up to 6%. CARE Marketing Education & Outreach (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's CARE administration budget will remain the same as 2026 at approximately \$7.4 million. SDG&E forecasts the CARE 2027 customer discount to be approximately \$219 million.

2. FERA Program

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.⁷ As such, IOU 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.⁸

The 2027 FERA budget and program activities will incorporate changes implemented in 2025 and 2026 to comply with Senate Bill (SB) 1130. SB 1130, which was approved in September 2024, introduced significant changes to the FERA program to enhance accessibility and promote participation.⁹ Key impacts of SB 1130 on the FERA Program include expanded

⁷ D.21-06-015, Findings of Fact (FOF) 26, and COL 18.

⁸ *Id.*, at FOF 25, COL 18, and OP 6.

⁹ SB Stats. 2023-2024, Ch. 457 (Cal. 2024).

eligibility and enhanced oversight and reporting, as further detailed in the Direct Testimony of Roland Mollen.

In 2027, 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.

SDG&E's 2027 FERA administrative budget is aligned with its pending 2026 budget request resulting from program changes due to the implementation of SB 1130.¹⁰ SDG&E's administration budget request for 2027 is approximately \$0.98 million. SDG&E's FERA customer discount budget request is approximately \$5.45 million.

3. Energy Savings Assistance (ESA) Portfolio

The ESA Program offers no-cost weatherization services, energy efficient lighting, energy efficient appliances, energy education, and other services to income-qualified customers to reduce the hardship of low-income households, while improving health, comfort, and safety of customers.¹¹ The ESA portfolio consists of the ESA Main Program, the ESA Southern Multifamily Whole Building Program (MFWB), and the ESA Pilot Plus Pilot Deep Program (PPPD), as further detailed in Mr. Mollen's testimony. ESA Main offers ESA services to single family and mobile home customers. SDG&E is the administrator for the Southern MFWB Program. The Southern MFWB Program, which covers SDG&E's, SoCalGas's, and SCE's service territories, offers ESA program services for in-unit, common area measures (CAM) and whole building measures to deed restricted and non-deed restricted multifamily customers. The PPPD Program targets high usage, low-income customers with the most needs, then uses on-site assessment and audit, and energy software to model potential energy savings and guide the

¹⁰ SDG&E AL 4646-E, submitted April 25, 2025.

¹¹ P.U. Code § 2790.

customer to either Pilot Plus (5% to 15% savings) or Pilot Deep (15% to 50% savings). In addition, the ESA Program portfolio 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.

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. SDG&E will be using the same ESA cost effectiveness test (ESACET) methodology approved for the 2021-2026 portfolio.

SDG&E's ESA Program portfolio budget request of approximately \$35.7 million will be higher than 2026 by approximately \$2.1 million due to the requested increase in Southern MFWB budget to complete all the projects in the pipeline. The ESA Main Program will require the same budget as authorized for 2026. The MFWB Program and the PPPD Program will roll over/carry over¹² unspent/uncommitted funds from their respective authorized 2021-2026 program cycle budgets. Any remaining unallocated unspent funds from these programs will be used to offset the ESA Main Program 2027 revenue requirements. Because SDG&E is requesting to carry over/roll over unspent 2026 funds to fund most of the 2027 budget request, SDG&E's ESA Program portfolio revenue requirement will be less than the 2026 annual budget.

¹² 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. Evaluation Measurement and Verification (EM&V) Studies

D.21-06-015 authorized several statewide studies and load impact evaluations together with the associated budgets. For the bridge year of 2027, SDG&E is not requesting any additional budget for ESA, CARE or FERA Program EM&V studies. SDG&E will be working closely with the other IOUs to complete previously authorized studies in 2027. SDG&E's plans to use the 2021-2026 EM&V budgets approved by D.21-06-015 during the bridge year are detailed in Mr. Mollen's testimony.

C. 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. Program revenues and expenditures are tracked in various balancing accounts. Program revenue requirements are based on the authorized budgets approved by the Commission. These revenue requirements are approved through annual PPP advice letters filed in the last quarter of the year that become effective the first day of the following year.

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

¹³ As a result of this offset and use of unspent funds, CPUC approval of this application would result in a decrease in rates compared to current rate levels. Accordingly, SDG&E has not included Rule 3.2 exhibits in this application.

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

Program	2027 Budget	Forecasted Unspent Funds	Revenue Requirement Request	% Revenue Request relative to 2027 Budget
	(a)	(b)	(c)=(a)-(b)	(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.

III. SUPPORTING TESTIMONY

In support of this Application, SDG&E is contemporaneously serving the following prepared direct testimony:

- Direct Testimony of Hollie K. Bierman: Principles guiding the development of SDG&E's 2027 low-income assistance program portfolio,

summary of the ESA, CARE, and FERA EM&V studies together with the requested budgets, and justification for the bridge funding period.

- Direct Testimony of Roland Mollen: Descriptions of the ESA, CARE, and FERA Programs, 2027 highlights for each program, EM&V studies and cost recovery and revenue requirements.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) – (c)

This application is filed pursuant to P.U. Code Sections 451, 701, 702, 728, and 729, the Commission’s Rules of Practice and Procedure, prior decisions, orders, and resolutions of the Commission. In accordance with Rule 2.1 (a) – (c) of the Commission’s Rules of Practice and Procedure, SDG&E provides the following information.

1. Rule 2.1 (a) - Legal Name

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E’s principal place of business is 8330 Century Park Court, San Diego, California 92123. SDG&E’s attorney in this matter is Cameron Biscay.

2. Rule 2.1 (b) - Correspondence

Correspondence or communications, including any data requests, regarding this Application should be addressed to:

Alan Salazar
Regulatory Case Administrator
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3. Rule 2.1 (c)

a. Proposed Category of Proceeding

In accordance with Rule 7.1, SDG&E requests that this application be categorized as ratesetting because SDG&E proposes to recover the costs described in this application from its ratepayers and the costs will therefore influence SDG&E's rates.

b. Need for Hearings

SDG&E does not believe that approval of this application will require evidentiary hearings. As SDG&E is seeking to extend the current program cycle by one year with minimal changes, SDG&E anticipates that there will not be any material issues of fact in dispute. Moreover, SDG&E has provided ample supporting testimony, analysis and documentation that provide the Commission with a sufficient record upon which to grant the relief requested. However, to the extent that evidentiary hearings may be required, SDG&E requests that any schedule set forth by the Commission include a procedural mechanism by which the parties can specifically identify material issues of fact in dispute that warrant an evidentiary hearing. Similarly, pursuant to Rule 2.6 (b), any protest that requests evidentiary hearings "must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the application."

c. Issues to be Considered

The issues to be considered in this application are as follows:

1. Whether the Commission should approve SDG&E's request for bridge funding for its CARE Program for Program Year 2027;
2. Whether the Commission should approve SDG&E's request for bridge funding for its FERA Program for Program Year 2027;
3. Whether the Commission should approve SDG&E's request for bridge funding for its ESA Program for Program Year 2027.

SDG&E does not believe there are any issues related to safety considerations that need to be considered in this application.

d. Proposed Schedule

Pursuant to Rule 2.9, SDG&E requests an expedited schedule for this proceeding and proposes the following:

ACTION	DATE
Application filed	June 27, 2025
Protest to Application	July 31, 2025
Reply to Protests	August 9, 2025
Prehearing / Status Conference	September 2025
Scoping Memo	October 1, 2025
Intervenor Testimony	November 21, 2025
Rebuttal Testimony	December 19, 2025
Rule 13.9 Meet and Confer Deadline	January 5, 2026
Evidentiary Hearings (if needed)	Week of January 19, 2025
Opening Briefs	February 13, 2026
Reply Briefs	February 27, 2026
Proposed Decision	May 1, 2026
Opening Comments	May 21, 2026
Reply Comments	May 26, 2026
Final Decision	June 2026

4. Rule 2.2 – Articles of Incorporation

A copy of SDG&E's Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014 in connection with SDG&E Application 14-09-008 and is incorporated herein by reference.

V. SERVICE

This is a new application. No service list has been established. Accordingly, SDG&E will serve this application, testimony and related exhibits on parties to the service lists for A.19-11-003, A.19-11-004, A.19-11-005, A.19-11-006, and A.19-11-007. Electronic copies will also be served on Chief ALJ Michelle Cooke.

VI. CONCLUSION

SDG&E is pleased to make these low income assistance programs available to its customers. SDG&E respectfully requests that the Commission grant SDG&E's application as described herein and the testimony served concurrently herewith.

Respectfully submitted,

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Attorney for:

SAN DIEGO GAS & ELECTRIC COMPANY

June 27, 2025

OFFICER VERIFICATION

Dana Golan declares the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on behalf of San Diego Gas & Electric Company. I am informed and believe that the matters stated in the foregoing **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR BRIDGE FUNDING FOR PROGRAM YEAR 2027** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 27, 2025, at San Diego, California.

/s/ Dana Golan

Dana Golan
San Diego Gas & Electric Company
Chief Customer Officer

ATTACHMENT A

REQUEST FOR EXPEDITED SCHEDULE – RULE 2.9

REQUEST FOR EXPEDITED SCHEDULE – RULE 2.9

SDG&E respectfully requests that this Application be considered by the Commission on an expedited basis as it is necessary to resolve this financial matter expeditiously to avoid ratepayer harm. The Application is limited to SDG&E's request for bridge funding for Program Year 2027 that would allow SDG&E to continue to provide the same low-income assistance programs to its customers in 2027 – funding that would otherwise end in 2026. SDG&E is submitting this request for bridge funding for Program Year 2027 on an expedited basis to ensure that a decision is issued by mid-2026 to allow for adequate time to renegotiate and extend all program contractors and subcontractors for 2027. The approval of low-income assistance program funds for 2027 as a bridge year is critical, because data to fully inform a 2027-2032 full cycle application will not be available in time to submit an application and allow for the regulatory process to approve this application prior to the conclusion of the current cycle. Ceasing all existing low-income assistance programs due to a lack of funding in 2027 would cause ratepayer harm by failing to deliver crucial energy savings and bill reduction measures to low income customers.

SDG&E anticipates that this application can be resolved on an expedited timeframe because SDG&E's request for bridge funding in 2027 is not expected to be controversial, but rather is simply a request for an extension of SDG&E's previously-approved 2026 budget for low-income assistance programs. Further, because SDG&E is requesting the carry over/roll over of unspent 2026 funds to fund most of the 2027 Energy Saving Assistance programs, SDG&E's total low-income assistance portfolio revenue requirement for 2027 will be less than the current revenue requirement.

In addition, granting SDG&E's request for expedited treatment is consistent with Energy Division guidance to the IOUs and the IOUs' email notice to the service list discussing the timing of filing of IOUs' bridge year and full cycle applications for low income assistance programs.