CPUC HTR Definitions and Context for CAEECC UWG (also relevant to Equity WG)

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# Context

This document, based on an email from Nils Strindberg, Senior Policy Analyst at the CPUC, to the CAEECC Facilitators in October 2020, expounds on how the CPUC’s approved definition of HTR has evolved over time. The HTR definition is relevant to the Underserved Working Group because the CPUC has suggested that the appropriate regulatory approach after the Working Group has come up with a new definition would be to submit a motion to the Proceeding to change the definition of HTR as adopted in Decision 18-05-041or a motion with a definition for underserved.

# Definitions

## Original Definition from Attachment 1 (first EE Policy Manual pg 12-13) to D.01-11-066, the assumption was just one criteria had to be met:

**Residential Hard-to-Reach**:  Those customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a language, income, housing type, geographic, or home ownership (split incentives) barrier.  These barriers are defined as:

* Language – Primary language spoken is other than English, and/or
* Income – Those customers who fall into the moderate income level (income levels less than 400% of federal poverty guidelines), and/or
* Housing Type – Multi-Family and Mobile Home Tenants, and/or
* Geographic – Residents of areas other than the San Francisco Bay Area, San Diego area, Los Angeles Basin or Sacramento, and/or
* Homeownership – Renters

**Nonresidential Hard-to-Reach:**Those customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a language, business size, geographic, or lease (split incentive) barrier.  These barriers are defined as:

* Language – Primary language spoken is other than English, and/or
* Business Size – Less than ten employees and/or classified as Very Small (as defined above), and/or
* Geographic – Businesses in areas other than the San Francisco Bay Area, San Diego area, Los Angeles Basin or Sacramento, and/or
* Lease – Investments in improvements to the building benefit the business only during the lease period; landlords benefit longer.

## From DEER resolution G-3497 pgs 63-64:

Specific criteria were developed by staff to be used in classifying a customer as hard-to-reach. Two criteria are considered sufficient if one of the criteria met is the geographic criteria defined below. There are common as well as separate criteria when defining hard-to-reach for residential versus small business customers. The barriers common to both include:

* + Those customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a combination of language, business size, geographic, and lease (split incentive) barriers. These barriers to consider include:
    - Language*–* Primary language spoken is other than English, and/or
    - Geographic*–*Businesses or homes in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area  and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County.
  + For small business added criteria to the above to consider:
    - Business Size*–*Less than ten employees and/or classified as Very Small (Customers whose annual electric demand is less than 20kW, or whose annual gas consumption is less than 10,000 therm, or both) , and/or
    - Leased or Rented Facilities*–*Investments in improvements to a facility rented or leased by a participating business customer
  + For residential added criteria to the above to consider:
    - Income*–* Those customers who qualify for the California Alternative Rates for Energy (CARE) or the Family Electric Rate Assistance Program (FERA), and/or

## From page 48 of D.18-05-041:

In response to comments on the proposed decision, we acknowledge the hard-to-reach definition in Resolution G-3497 may be overly narrow, although we maintain that the definition in the Policy Manual is overly broad.  A party comment on the PD was to include disadvantaged communities (as designated by CalEPA) in the geographic criteria or hard‑to‑reach customers.  Given the overlap in socioeconomic characteristics of both classifications and their closely related policy objectives, the Commission found it reasonable to adopt the recommended modification.