Application: A.26-01-010

Exhibit No.: SDGE-05

Witness: Vanessa Mapula Garcia

SUPPLEMENTAL TESTIMONY OF

VANESSA MAPULA GARCIA

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

AUGUST 10, 2026

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I. INTRODUCTION

On January 16, 2026, San Diego Gas & Electric (SDG&E) filed Application (A.) 26-01-10, along with supporting testimony, requesting approval and funding for its Income-Qualified Programs (IQPs) portfolio for 2028-2033. The Application presents program descriptions, budgets, and goals for the 2028-2033 period in support of these IQPs. The programs covered in the Application include the Energy Savings Assistance (ESA) Program, the California Alternate Rates for Energy (CARE) Program, and the Family Electric Rate Assistance (FERA) Program.

On April 7, 2026, following a March 12, 2026, prehearing conference (PHC), an *Assigned Commissioner's Scoping Memo and Ruling* (Scoping Memo) was issued establishing the scope and schedule of the proceeding, and requesting supplemental testimony from SDG&E, Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), and Southern California Gas Company (SoCalGas), collectively the investor-owned utilities (IOUs), regarding the ESA, CARE, and FERA programs. The Scoping Memo required Supplemental Testimony to provide additional information on specific topics for all IOUs and SDG&E-only. Parties were also asked to submit briefs on definitional issues, scoping memo topics:

- 7(a) Legal Interpretation of "substantially the same" as used in Public Utilities (P.U.) Code Section (§) 739.1(f)(1), for purposes of determining which programs can be used for categorical eligibility (CE), including whether statute requires the income thresholds of categorical eligibility programs to perfectly align with the income threshold of the income-qualified program (IQP);
- 7(b) Definition of "income" as used in P.U. Code Section 739.1(a) and 739.12(a) for purposes of determining eligibility for the CARE and FERA programs; and
- 7(c) Definition of "household" sizes as used in P.U. Code Section 739.1(a) and 739.12(a) for purposes of determining eligibility for IQPs.[1]

[1] *Assigned Commissioner's Scoping Memo and Ruling* (April 7, 2026) at Attachment 5.

Opening Briefs were filed on May 15, 2026, by SDG&E and other Parties. Reply Briefs were filed on June 5, 2026, by SDG&E and other Parties. On June 29, 2026, the Administrative Law Judge issued *Administrative Law Judge's Ruling Directing Additional Party Record Development Related to Definitional Issues* (ALJ Ruling) providing an opportunity for Parties to provide supplemental testimony in response to the ALJ Ruling questions to aid the Commission in developing the Categorical Eligibility Policy Framework, processes and definitions. This Supplemental Testimony addresses these ALJ Ruling questions.

SDG&E is additionally providing an update to its cost effectiveness test results provided for the 6-year and 4-year ESA portfolio in this Supplemental Testimony. On June 26, 2026, a corrected version of the Avoided Cost data used in the 2026 Cost-Effectiveness Tool (CET) was released and made available through the California Energy Data and Reporting System (CEDARS). Following the correction, the updated CET was used to re-calculate the cost-effectiveness results. The updated results are included in the Attachment.

II. RESPONSES TO SPECIFIC QUESTIONS POSED IN THE RULING ISSUED JUNE 29, 2026

A. Categorical Eligibility Policy Framework Questions

1. Should the Commission adopt the policy framework laid out by the Joint Advocates for evaluating potential categorical eligibility programs (the "Income Eligibility Threshold Comparison Test" plus the "Qualifying Unit Test")? Should any modifications be made to the proposed framework?

SDG&E does not support adoption of the Joint Advocates'[2] proposed framework as currently drafted. The policy framework laid out by the Joint Advocates to evaluate potential

[2] Center for Accessible Technology (CforAT), The Utility Reform Network (TURN), National Consumer Law Center (NCLC), and Sierra Club, collectively, are the Joint Advocates.

categorical eligibility (CE) programs includes the following two tests and their respective components:

Income Eligibility Threshold Comparison Test (IETCT)

- How does the program's income eligibility threshold quantitatively compare to the CARE threshold?
- If the threshold exceeds 200% of Federal Poverty Level, do at least 90% of program participants have incomes at or below 200% of Federal Poverty Level?
- Would the program offer unique administrative efficiencies for enrolling customers via categorical eligibility, even if it may include some households with incomes beyond 200% of Federal Poverty Level?
- Does the program serve communities that have historically been hard to reach and enroll in CARE, even if it may include some households with incomes beyond 200% of Federal Poverty Level?

Qualifying Unit Test (QUT)

- Does the public assistance program calculate income for purposes of determining eligibility using a "qualifying unit" that is substantially similar to the "household" income approach used by the CARE program?
- Would it be reasonable to use the public assistance program for categorical eligibility for one-person households, even if the program should not confer CARE eligibility to larger households?[3]

SDG&E supports consideration of the first component of the IETCT, which evaluates how a program's income eligibility threshold quantitatively compares with CARE's annual household incomes that are no greater than 200 percent of the federal poverty guideline (FPG) levels threshold.[4] SDG&E likewise supports consideration of the first component of the QUT, which evaluates whether a program uses a qualifying unit that is substantially similar to CARE's household-income methodology.

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[3] *Joint Opening Brief on Definitional Questions by Joint Advocates* (May 15, 2026) (Joint Advocates Opening Brief) at 16-22 (describing the IETCT, including the proposed 90 percent participant threshold, and the Qualifying Unit Test).

[4] P.U. Code § 739.1(a).

Together, these factors evaluate the two fundamental components of CARE's income eligibility framework:

- the income level at which eligibility is established; and
- the total household qualifying unit whose income is assessed for eligibility

Because these factors evaluate the eligibility requirements themselves, they directly address the statutory inquiry required by P.U. Code Section 739.1(f)(1).[5] The current CARE and FERA household-income qualifying unit is illustrated in Table 1 below.

Table 1: Illustration of CARE and FERA Qualifying Unit[6]

Income Qualification for CARE & FERA Programs
Effective June 1, 2026 - May 31, 2027

Number in Household	CARE Program	FERA Program
	Total Annual Household Income*	
1 or 2	$43,280	$43,281-$54,100
3	$54,640	$54,641-$68,300
4	$66,000	$66,001-$82,500
5	$77,360	$77,361-$96,700
6	$88,720	$88,721-$110,900
7	$100,080	$100,081-$125,100
8	$111,440	$111,441-$139,300
Each Additional Person, add	$11,360	$11,360-$14,200

* To figure your current total gross household income, combine all money and non-cash benefits received by every person living in your home.

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[5] Evergreen Economics, *2022 Categorical Eligibility Study* (June 26, 2023) (2022 Study) at 16-17. The 2022 Study identified "Unit of Eligibility" and "Income Eligibility Thresholds" as core criteria for evaluating whether third-party programs align with CARE and ESA eligibility requirements.

[6] SDG&E Residential Rate Assistance Application for CARE and FERA, *available at*: https://sdge.com/sites/default/files/142-740%20CARE_EZ_App_LrgFnt_ENG_0.pdf.

SDG&E is concerned, however, that the remaining components of the IETCT and QUT framework extend the analysis beyond the determination of eligibility and into the assessment of participant outcomes and broader policy objectives. This expands the scope, is not necessary, and adds considerable cost.

The fundamental consideration should be that the program's eligibility requirements satisfy P.U. Code Section 739.1(a). As SDG&E explained in its Opening Brief and Reply Brief, the statutory requirement that programs have "substantially the same income eligibility requirements" does not require a public assistance (PA) program to be identical to CARE in every respect. The Legislature's use of the phrase "substantially the same," rather than "identical," indicates that some differences among programs may be permissible. However, SDG&E explained that such flexibility does not extend to material departures from CARE's statutory framework. Programs should continue to rely on household income as the basis for eligibility, remain aligned with CARE's statutory income threshold, and otherwise be sufficiently consistent with CARE's eligibility structure to avoid extending CE to customers who would not qualify under CARE's own income requirements.[7]

As SDG&E explained in its Opening Brief, a program cannot be considered to have substantially the same income eligibility requirements if it routinely permits enrollment of households whose income exceeds CARE's statutory eligibility threshold.[8] Programs that determine eligibility using individuals, tax households, assistance units, or other non-household methodologies may produce materially different outcomes than CARE's household-income approach, even where income thresholds appear similar, particularly if the income threshold is

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[7] *Opening Brief of SDG&E on Definitional Questions* (May 15, 2026) (SDG&E Opening Brief) at 7; *Reply Brief of SDG&E on Definitional Questions* (June 5, 2026) (SDG&E Reply Brief), at 5-9.

[8] SDG&E Opening Brief at 7-9.

applied only to individuals and not their entire household. This occurs because CARE evaluates income at the household level, whereas other methodologies may assess only a subset of household members' income. Consequently, alignment of income thresholds alone does not ensure comparable eligibility outcomes. Evaluating the appropriate qualifying-unit alignment is necessary to determine whether a program's eligibility framework is substantially similar to CARE's.

SDG&E disagrees that the following remaining components should be incorporated as part of the policy framework for evaluating potential categorical eligibility programs:

IETCT

- If the threshold exceeds 200% of Federal Poverty Level, do at least 90% of program participants have incomes at or below 200% of Federal Poverty Level?
- Would the program offer unique administrative efficiencies for enrolling customers via categorical eligibility, even if it may include some households with incomes beyond 200% of Federal Poverty Level?
- Does the program serve communities that have historically been hard to reach and enroll in CARE, even if it may include some households with incomes beyond 200% of Federal Poverty Level?

QUT

- Would it be reasonable to use the public assistance program for categorical eligibility for one-person households, even if the program should not confer CARE eligibility to larger households?

- **Using the criterion of whether at least 90% of program participants have incomes at or below 200% of FPL is noncompliant with P.U. Code Section 739.1**

Joint Advocates' IETCT second component proposes that a program should receive a rebuttable presumption of alignment if at least 90 percent of participants have incomes at or below 200 percent of the FPG level. SDG&E opposes this proposal because it would broaden

CE beyond programs that provide a sufficiently reliable indication of compliance with CARE's statutory income requirements. Although CE can be an effective enrollment mechanism when another PA program's eligibility criteria closely correspond to CARE income standards, a 90 percent threshold would permit enrollment of customers from programs that, by design, include participants whose household incomes exceed the CARE income limit.

The existence of the post-enrollment verification (PEV) and recertification processes for CARE does not support creating a CE standard that knowingly incorporates a population containing customers whose incomes exceed CARE limits. Rather, it reflects the Commission's ongoing efforts to ensure that CARE benefits are directed to eligible households.

Joint Advocates cite the Commission's ESA multifamily "80/20 rule" as support for allowing some degree of income mismatch within CE programs. [9, 10] SDG&E does not believe the ESA framework provides an appropriate model for CARE CE. The ESA multifamily policy serves a different purpose and produces different outcomes than CARE enrollment. ESA measures are installed at a property and continue to provide energy-saving benefits regardless of future tenant occupancy. As a result, the benefits of ESA investments remain available to future residents, including income-qualified households.[11] By contrast, CARE provides an ongoing

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9 Joint Advocates Opening Brief at 18-19.

10 The "80/20 rule" means that to qualify an entire multifamily building for measures offered by the program, at least 80% of all units must be occupied by income-qualified households. *See* Joint Advocates Opening Brief at 19 (citation omitted).

11 *See* A.11-05-017, *Administrative Law Judge's Ruling Admitting the Multifamily Segment Study* (August 1, 2014), and Attachment, The CADMUS Group, Inc., *ESA Program Multifamily Segment Study Volume 1: Report* (December 4, 2013) at 192 ("In cases where a building qualifies for building-wide treatment (80% of occupied units have been verified as eligible), but some units have not been verified, it is very likely that within the lifetime of installed efficient equipment a low-income tenant will move into that unit. Treating every unit in a building that is largely low-income increases the probability that eligible households will eventually be reached and benefit from the upgrades installed by the program. The average cost to treat an apartment unit is relatively low: IOU ESA Program measure cost data to treat multifamily unit ranges from $200 to $500 per unit.").

monthly bill discount to an individual household. Applying a similar mismatch tolerance to CARE would increase the likelihood of households with incomes exceeding CARE's statutory threshold eligible to receive recurring ratepayer-funded subsidies. For this reason, SDG&E does not believe the ESA multifamily framework demonstrates that a program should qualify for CARE CE when a meaningful portion of its participants do not satisfy CARE income requirements.

In addition, the proposed 90 percent threshold is neither operationally feasible nor verifiable. Under the Joint Advocates' proposal, a program with income eligibility limits above 200 percent of the Federal Poverty Level (FPL) could qualify customers for CE if at least 90 percent of program participants have incomes at or below 200 percent of FPL.[12] While conceptually appealing, the proposal provides no practical mechanism for determining, validating, or continuously monitoring whether the proposed 90 percent threshold is met.

Specifically, the proposal does not identify:

- Which entity would calculate the percentage;
- What data source would be used;
- Whether the data would be auditable;
- How frequently the calculation would be updated;
- Whether utilities or Energy Division would be permitted to verify the results; or
- What corrective action would occur if a program subsequently fell below the 90 percent threshold.

Absent answers to these fundamental implementation questions, the proposed test would require the Commission to rely on unverified assumptions regarding participant income distributions. Such assumptions would be particularly problematic because CARE discounts are

[12] Joint Advocates Opening Brief at 16-18.

funded by non-participating ratepayers, and eligibility determinations should therefore be subject to objective and verifiable standards.[13]

- **The Commission should reject Joint Advocates' assertion that CE expansion would improve administrative efficiency**

The Joint Advocates also suggest that programs should qualify for CE if they provide "unique administrative efficiencies" for CARE enrollment. SDG&E does not support this proposal because the record contains no quantitative analysis demonstrating that such efficiencies exist, how they would be achieved, or whether they would outweigh the costs and administrative burdens necessary to implement and maintain the proposed framework. Administrative efficiency should be evaluated based on measurable reductions in enrollment, verification, recertification, or program-administration costs. However, Joint Advocates have not identified objective criteria for determining when a program provides sufficient administrative efficiencies to justify CE, nor have they quantified the expected benefits associated with their proposal.

To operationalize the proposed framework, utilities and program administrators (PAs) would likely need to establish data-sharing agreements, create new verification protocols, develop IT interfaces, conduct periodic compliance reviews, and perform ongoing monitoring of program eligibility criteria. These activities would create new administrative obligations and associated costs.

Notably, the 2022 Categorical Eligibility Study (2022 Study) identified data-sharing challenges, customer matching limitations, data privacy concerns, and implementation costs associated with auto-enrollment and information exchange efforts between utilities and third-

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[13] SDG&E Opening Brief at 8-9.

party program administrators.[14] The Study further concluded that future auto-enrollment initiatives should first identify a clear and measurable enrollment benefit before additional implementation costs are incurred.[15]

It is not clear and presumptive that CARE eligibility verification is a core goal of these programs, so PAs may have little incentive to devote resources to certifying participants' CARE eligibility. The Joint Advocates have not validated or quantified either the expected efficiencies or the additional implementation costs, therefore their assertion that CE expansion would improve administrative efficiency remains unsupported and speculative.

It would be more practical to partner with PAs so that they provide their participants with CARE enrollment forms or refer them to the IOU's CARE website for more information, similar to the relationship the IOUs have with the California Emerging Technology Fund (CETF).[16] The IOUs partner with community based organizations (CBOs) and CETF to reach out to CARE customers to share available affordable home internet offers to promote internet access and thereby greater access to CARE and other income-qualified utility programs. Similarly, the IOUs can partner with all PAs to promote the IOU CARE, FERA, and ESA programs. The IOUs can reciprocate by promoting these PA programs.

- **Qualifying PA program as CE is not appropriate to support enrollment of historically hard-to-reach (HTR) populations outside of the household-income qualification**

Joint Advocates also contend that CE should be expanded when it supports enrollment of historically hard-to-reach populations.[17] Joint Advocates do not provide any data to support that

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14 2022 Study at 33-37.

15 *Id.* at 37-40.

16 Decision (D.) 21-06-015 at Attachment 6.

17 Joint Advocates Opening Brief at 20-21.

by expanding CE to programs that serve historically HTR populations enrollment would increase. Expanding CE criteria to address HTR customers is not an appropriate solution, nor does it comply with P.U. Code Section 739.1(a).

SDG&E recognizes the unique circumstances of Tribal communities and remains committed to supporting Tribal engagement through enhanced marketing and outreach efforts.[18] SDG&E will continue to focus on broad awareness while prioritizing customers that fall into one or many of the following key customer segments which are considered HTR: Environmental and Social Justice Communities (ESJs), Disadvantaged Communities (DACs), Low Enrollment ZIP Code, and other HTR groups (renters, multi-family housing, non-English-speaking households, and/or digitally limited customers). These customers often require tailored outreach strategies, such as multilingual materials, in-person enrollment support, and partnerships with local organizations that serve vulnerable populations.[19]

SDG&E engages a multitude of capitation agencies to support CARE enrollment, recertification, and program delivery who likely also promote these other PA programs and therefore can be the network to promote CARE and other SDG&E customer assistance programs. SDG&E currently partners with 21 social service agencies and works closely with a network of approximately 200 CBOs in its Energy Solutions Partner Network to help enroll the hardest-to-reach customers. These partners play a critical role in reaching underserved populations, including Tribal members living off the Tribal Reservations, multicultural, multilingual communities, individuals with Access and Functional Needs (AFN), and Limited

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[18] Exhibit (Ex.) SDG&E-02, *Prepared Direct Testimony of Roland Mollen, Horace (Ty) Tantum, and Mia Graff on Behalf of San Diego Gas & Electric Company's California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) Program Plans and Budgets for Program Years 2028-2033* (Ex. SDG&E-02), at CARE/FERA - 64.

[19] *Id*., at CARE/FERA - 21-23.

English Proficient (LEP) households. To support these partners in effective enrollment of eligible households in CARE, FERA, and ESA, SDG&E provides ongoing training and resources.[20] Therefore, given this substantial framework of CBOs and agencies that can be employed to support outreach to hard-to-reach PA participants to assist in CARE enrollment and other customer assistance programs, Joint Advocates' proposal is both unnecessary and unfounded in its intent to support enrollment of historically hard-to-reach populations.

In response to Joint Advocates' concerns regarding Tribal Nations, including the example of American Indian and Alaska Native (AIAN) Head Start programs, SDG&E notes that its approach is guided by the CPUC Tribal Consultation Policy, which establishes a framework for respectful engagement with Tribal Nations and encourages ongoing collaboration to identify and address Tribal priorities. Through this engagement, SDG&E has observed persistent enrollment gaps among Tribal communities that are associated with unique factors, including Tribal sovereignty, historical inequities, and barriers to accessing broadband, technology, transportation, and other services.

SDG&E recognizes that federally recognized Tribes are sovereign governments with a distinct political status. As a result, considerations related to Tribal participation warrant a tailored approach that acknowledges Tribal sovereignty and the unique circumstances of Tribal communities rather than treating Tribal Nations as a subset of the broader hard-to-reach population. Addressing these enrollment challenges will require solutions developed in partnership with Tribal Nations and informed by their specific needs, priorities, and lived experiences. Accordingly, SDG&E recommends that the Commission continue to engage

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[20] *Id*., at CARE/FERA -16-17.

directly with Tribal Nations to identify appropriate pathways for wholistically addressing Tribal concerns and improving program access and participation.

- **Categorical eligibility should apply to a public assistance program as a whole and not require different rules for different household sizes.**

For the reasons detailed in policy framework question two below, SDG&E does not believe it is reasonable to use a public assistance program for CE solely for one-person households if that same program cannot reliably determine CARE eligibility for larger households. If a PA program's qualifying unit methodology is not sufficiently aligned with CARE's household-based eligibility requirements to support eligibility determinations across household sizes, it should not be used as a CE pathway. Creating a one-person-household exception would add administrative complexity, increase customer confusion, and undermine the consistency and administrability that CE is intended to provide.

For the reasons explained above, the Commission should reject Joint Advocates IETCT and QUT proposal on defining how potential enrollees qualify for these types of PA programs as it is non-compliant with P.U. Code Section 739.1(f)(1).

- **SDG&E recommends an alternative proposal to support Family Electric Rate Assistance (FERA) customers with incomes between 201 percent to 250 percent of FPG to enroll via CE.**

SDG&E proposes to expand CE pathways for electric income-qualified programs by recognizing participation in certain PA programs with household-income eligibility thresholds up to 250 percent of the FPG. Under this proposal, customers would be eligible to enroll in CARE or FERA, consistent with existing program eligibility requirements.

This approach would facilitate enrollment of moderate-income electric customers through an expanded CE pathway while ensuring customers are connected to the income-qualified program that best aligns with their eligibility status. The proposal would apply only to electric customers and would not modify eligibility or enrollment requirements for gas customers.

To implement this proposal, SDG&E would update its CARE/FERA application to allow customers participating in a qualifying PA program to identify the applicable CE program and certify whether they qualify for CARE or FERA based on the corresponding income thresholds. This process would ensure customers are enrolled in the appropriate program while preserving existing program eligibility requirements and program integrity.

For PA programs that do not satisfy these criteria, the IOUs would continue to support customer participation in CARE, FERA, and ESA through outreach, referrals, enrollment assistance, and partnerships with public assistance administrators, community-based organizations, and capitation agencies. This approach would expand customer awareness of available assistance programs while maintaining program integrity and directing benefits to eligible households.

2. How should the policy framework for categorical eligibility programs take into account mismatches between the qualifying unit for potential categorical programs and the qualifying unit for CARE, FERA, and ESA, such as when a potential categorical program enrolls an individual household member whereas CARE, FERA, and ESA eligibility is based on qualification of the entire household?

The Commission should evaluate whether the program determines eligibility using substantially the same qualifying unit of household-income that CARE, FERA, and ESA use to determine program eligibility, regardless of differences in the specific definitions of income or household employed by each program.[21] Once a PA program defines income and household, the

[21] *See* SDG&E Opening Brief at 7-8.

specific combinations of income and household should conform to the framework presented in Table 1.

The Commission should distinguish between minor definitional differences and material differences in the underlying unit used to determine eligibility.

Minor differences may include variations regarding:

- treatment of shared-custody children;
- temporary absences from the household; or
- military deployments

Such differences do not necessarily alter the fundamental economic qualifying unit being evaluated and therefore should not automatically disqualify a program from consideration for CE.[22] While minor definitional differences as described above are acceptable, the Commission should not allow programs to qualify for CE when they evaluate an entirely different qualifying unit than CARE, FERA, or ESA.

Furthermore, when determining whether a PA program is suitable for CE, the Study specifically concluded that a minimum condition for strong alignment is that a third-party program apply income requirements to a household rather than solely to an individual applicant. The Study refers to this as the "Unit of Qualification".[23] This distinction is important because an individual may qualify for a PA program even though the individual's household would not qualify for CARE, FERA, or ESA. For example, Supplemental Security Income (SSI) evaluates eligibility based on an individual or couple rather than the household as a whole. As a result, an SSI recipient may reside in a higher-income household whose total income would exceed CARE

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22 *See* SDG&E Opening Brief on Definitional Questions at 7-8.

23 2022 Study, Section 3.3.1, at 16.

eligibility limits. Another example is the Medi-Cal program, which presents even more significant qualifying-unit concerns because eligibility may be determined at the individual level using Modified Adjusted Gross Income (MAGI) methodologies that do not necessarily include all individuals residing within a household.[24]

These examples demonstrate the importance of ensuring that the qualifying unit used by a CE program aligns with the qualifying unit required under CARE, FERA, and ESA. When a CE program evaluates the income of a group of individuals that differs materially from the household whose income must be assessed under the Commission's income-qualified programs ("IQPs"), participation in the CE program is no longer a reliable indicator of eligibility for those programs. Accordingly, the Commission should reject proposed PA programs that determine eligibility based on the income of an individual member of the household rather than the income of the entire household.

Adopting such an approach would effectively establish two distinct standards for CARE eligibility: one applicable to customers who qualify through direct household-income verification, and another applicable to customers who qualify through categorical eligibility. This outcome would create inconsistency in program eligibility determinations and could result in customers receiving CARE benefits despite not meeting the household-income requirements that apply to other applicants.

P.U. Code Section 739.1 does not suggest that the Legislature intended CE as a separate qualification standard for CARE. Rather, CE is best understood as an administrative enrollment

[24] Evergreen Economics, 2022 Categorical Eligibility Study at 50-53.

pathway that facilitates participation for customers who otherwise meet the same underlying household-income requirements applicable to CARE.[25]

3. If the Joint Advocates' proposed framework is adopted, how would this affect the existing list of categorical eligibility programs? Which programs would be added or removed, and how would this affect overall enrollment in the CARE program?

Joint Advocates' proposed framework lacks sufficient operational details to enable SDG&E to determine what programs would be added to or removed from the CE list under the Joint Advocates proposed framework, nor can SDG&E reliably quantify the resulting impact on CARE enrollment based on the current record.

To expand on this more specifically, the Joint Advocates framework evaluates programs using factors that PA programs may not collect and extend beyond direct alignment with CARE's income eligibility requirements, such as participant-level characteristics, administrative efficiencies, and service to hard-to-reach populations. Moreover, as detailed above, the latter two factors lack any objective metric by which to determine which programs should qualify for CE.

Therefore, SDG&E cannot identify which specific programs would ultimately be added or removed under the Joint Advocates proposal. Furthermore, the record does not provide sufficient information to quantify how adoption of the Joint Advocates framework would affect overall CARE enrollment.

[25] SDG&E Reply Brief at 7-9; SDG&E Opening Brief, at 7-9.

4. What steps could be taken to ensure that customers who qualify through a categorically eligible (CE) program that no longer applies as a CE program are not removed from IQP participation if they are still otherwise eligible?

If the Commission removes a program from the list of recognized CE eligible pathways, SDG&E recommends that customers currently qualifying through that program not be immediately disenrolled from CARE, FERA, or ESA. Instead, SDG&E recommends a transition period of at least six months during which impacted customers would be notified that their previously recognized CE pathway is no longer eligible and informed of available options to maintain program eligibility, including attesting to participation in another approved CE program or completing self-attestation, as applicable. This transition period is intended to provide customers with sufficient notice and avoid unnecessary interruption of benefits. Customers who establish eligibility through a new pathway would then be subject to the applicable recertification and post-enrollment verification requirements associated with that eligibility determination. A comprehensive customer education and outreach plan would involve Utilities, ESA contractors, (CBOs), and Marketing, Education, and Outreach (ME&O) providers coordinating communications that clearly explain:

- Which CE programs have changed;
- When the changes become effective;
- That existing participants are not being automatically removed from program participation;
- The alternative eligibility pathways available to customers; and
- Any actions customers may need to take to maintain eligibility.

These measures would help ensure that customers who remain otherwise eligible for CARE, FERA, or ESA do not lose access to program benefits solely because of a modification to the CE list. By providing alternative eligibility pathways, conducting robust customer outreach, and allowing for a reasonable transition period, the Commission can protect eligible customers while maintaining program integrity and implementing CE policy changes in an orderly manner.

B. Categorical Eligibility Process Question

1. Should the Commission adopt an annual process for updating the list of categorical eligibility programs for CARE, FERA, and ESA in which the IOUs gather input from stakeholders to inform a joint Tier 2 advice letter recommending changes, with the intent that Energy Division staff will evaluate the proposed changes using the policy framework adopted in this proceeding? The annual timeline for such a process could align with the June 30 implementation of the annual income guidelines update as presented below:

- **By September 30 of the previous year – IOUs will conduct a workshop and present initial recommendations for changes to the list of categorical programs (if any) and justifications based on the policy framework adopted in this proceeding for stakeholder feedback.**
- **By January 31 of the following year – IOUs file a joint Tier 2 AL recommending changes to the list of categorical programs, including an explanation of how they incorporated stakeholder input.**
- **By April 30 – ED staff issue a disposition letter either approving, approving with modifications, or rejecting the IOUs' proposed changes based on application of the adopted policy framework to the IOUs' advice letter.**

No, SDG&E does not support establishing an annual process for updating the list of CE programs for CARE, FERA, and ESA. Once the Commission adopts a policy framework for evaluating CE programs, SDG&E does not believe a standing annual review process is necessary. The relative stability of the CE framework over the past several years demonstrates that additions or removals to public assistance programs occur infrequently and do not require recurring annual review.[26]

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[26] Evergreen Economics, 2022 Categorical Eligibility Study at 40 ("We recommend that the appropriateness of categorical eligibility programs be reviewed periodically," including review

SDG&E recommends that the process for updating the list of categorical eligibility programs for CARE, FERA, and ESA be done within the broader context of IQP planning and administration for the next program cycle. Changes to the CE list can affect program participation, outreach strategies, enrollment practices, implementation activities, budgets, and customer access. As a result, the IQP application cycle provides a more appropriate forum for evaluating CE modifications because it allows the Commission and stakeholders to consider such changes alongside broader program objectives, implementation considerations, customer impacts, and lessons learned from prior program years.

In lieu of the advice letter process identified by the Commission above, SDG&E proposes the following process, which should take no more than two years but should be completed in time for the new program cycle decision:

(1) The assigned or volunteer IOU will contract with an independent, third-party consultant to evaluate and recommend updates to the list of categorical eligibility programs for CARE, FERA, and ESA. The update process will use the CE framework approved by the Commission.

(2) A public workshop will be conducted with stakeholders to review the current CE list and make recommendations for any non-CE programs that should be considered.

(3) When the draft updated list is completed, a public workshop will be held to review the proposed list with accommodations to accept stakeholder input on the draft.

(4) The final list will be filed in the application proceeding so that the Commission can approve the updated CE list to be implemented in the upcoming cycle. This step would require

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intervals of every ten years for Category 1 programs and every five years for Category 2 and Category 3 programs).

the application proceeding to include the filing of the list in the proceeding scope and the schedule.

2. What process should the IOUs adopt to verify income eligibility requirements of public assistance programs to update the list of categorical programs?

Please refer to the response to B above.

III. ESA COST EFFECTIVENESS UPDATE

On June 26, 2026, a correction was made to the avoided-cost data used in the 2026 Cost-Effectiveness Tool (CET) available in CEDARS. The update addressed an error in the day-shifting code that affected electric cost-effectiveness outputs. As a result, electric cost-effectiveness metrics, including the Total Resource Cost (TRC), Program Administrator Cost (PAC), Ratepayer Impact Measure (RIM), and Societal Cost Test (SCT) were impacted. The error did not affect any energy savings values or gas-related outputs.

The January 16, 2026, Application and July 10, 2026, Supplemental Testimony were prepared using the previous version of the CET. Therefore, the updated CET was used to recalculate the cost-effectiveness results. Table 5 of the attachments to the application and supplemental filing reflect the revised cost-effectiveness outputs and are included in the Attachment A to this supplemental testimony.

IV. CONCLUSION

Maintaining program integrity is particularly important because CARE administrative and discount costs are funded by non-CARE customers. Allowing CE enrollment for customers who do not meet CARE's household income requirements would shift additional costs to non-CARE customers and extend benefits to individuals who do not qualify under the law.

Moreover, CARE continues to be a proxy for receiving bill discounts and participating in other programs and services designed to assist low-income customers (e.g., receiving a discounted Base Services Charge or eligibility for the Arrearage Management Payment Plan). The cost and affordability impacts of overextending CARE eligibility to unqualified customers as a result of CE thus extend beyond the costs of the CARE program itself. To the extent SDG&E's proposed changes to the current CE framework would suggest the removal of certain programs currently afforded CE, they would not affect any income-eligible household's access to CARE. Households currently qualifying through these programs could still apply to CARE through self-certification of their income and/or other approved CE programs.

This concludes my prepared supplemental testimony.

V. WITNESS QUALIFICATIONS

My name is Vanessa Mapula Garcia. I am the Manager of Regulatory Affairs and Compliance for Customer Programs at SDG&E. My business address is 8335 Century Park Court, San Diego, California 92123-1257. In my current position, I am responsible for leading the team who manages the regulatory affairs, policy, compliance, and risk management activities supporting SDG&E's portfolio of customer programs including the income-qualified programs, consisting of the ESA, CARE, and FERA programs. The purpose of my direct testimony is to sponsor and testify to SDG&E's PY 2028-2033 policy change recommendations for the ESA, CARE, and FERA programs. I hold a Bachelor of Science in Political Science degree from Boston College, Boston, Massachusetts. I joined SDG&E in 2015 as a Regional Public Affairs Manager where I led government relations, community relations, public affairs advocacy, stakeholder engagement, and strategic communications efforts throughout SDG&E's service territory. Since then, I have held different positions with different levels of responsibility. I have been in my present position for six years. I have not previously testified before this Commission.

ATTACHMENT A

Updated Cost Effectivness Results

San Diego Gas & Electric Company

Six Year Cycle (2028-2033)

Table 5: ESA Annual Energy Savings Goals (kWh, kW, Therms)' Budget, Cost Effectiveness Tests

Table 5a: ESA Portfolio (ESA MAIN, MFWB, other new program)

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026, Updated in A.25-06-022, Supplemental Testimony [4]	3,282,219	394	182,359	$ 29,755,102	0.28	0.33	0.20	0.20	0.14	0.27	0.28
Proposed PY 2027 (A.25-06-022, Supplemental Testimony)	3,939,709	641	247,731	$ 35,741,017	0.27	0.31	0.16	0.16	0.11	0.21	0.22
PY 2028	2,049,417	572	160,085	$ 26,864,081	0.37	0.33	0.17	0.17	0.15	0.23	0.23
PY 2029	2,481,710	705	204,983	$ 32,007,446	0.40	0.37	0.19	0.20	0.16	0.26	0.26
PY 2030	2,480,163	706	201,691	$ 32,972,541	0.40	0.37	0.19	0.20	0.16	0.26	0.26
PY 2031	2,493,055	707	205,740	$ 33,863,867	0.40	0.38	0.20	0.20	0.17	0.27	0.27
PY 2032	2,501,741	709	206,178	$ 34,909,103	0.41	0.38	0.20	0.20	0.17	0.27	0.27
PY 2033	2,535,142	713	206,402	$ 34,139,195	0.41	0.39	0.21	0.21	0.17	0.27	0.27
Total Request (2028-2033)	14,541,229	4,112	1,185,078	$ 194,756,234							

Table 5b: ESA MAIN

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026, Updated in A.25-06-022, Supplemental Testimony [5]	2,008,318	286	109,161	$ 19,832,922	0.26	0.28	0.17	0.17	0.12	0.23	0.23
Proposed PY 2027, Updated in A.25-06-022, Supplemental Testimony [6]	1,921,995	456	92,536	$ 22,011,220	0.25	0.26	0.13	0.13	0.10	0.17	0.18
PY 2028	1,412,994	464	105,223	$ 20,379,166	0.36	0.28	0.15	0.15	0.12	0.20	0.20
PY 2029	1,418,646	465	105,644	$ 21,139,444	0.36	0.28	0.15	0.15	0.12	0.21	0.21
PY 2030	1,424,320	467	106,067	$ 21,851,074	0.36	0.28	0.16	0.16	0.12	0.21	0.21
PY 2031	1,430,017	469	106,491	$ 22,474,158	0.37	0.29	0.16	0.16	0.12	0.21	0.21
PY 2032	1,435,738	471	106,917	$ 23,085,978	0.37	0.29	0.16	0.16	0.12	0.21	0.21
PY 2033	1,440,045	472	107,238	$ 23,734,942	0.38	0.29	0.16	0.16	0.13	0.22	0.22
Total Request (2028-2033)	8,561,760	2,809	637,580	$ 132,664,762							

Table 5c: ESA MFWB and SPOC

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET) [5]	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026, Updated in A.25-06-022, Supplemental Testimony [7]	1,273,901	109	73,198	$ 8,395,497	0.32	0.44	0.27	0.28	0.16	0.38	0.39
Proposed PY 2027 (A.25-06-022, Supplemental Testimony) [8]	2,017,714	185	155,195	$ 11,938,738	0.31	0.38	0.21	0.22	0.15	0.28	0.29
PY 2028	636,423	109	54,862	$ 6,043,887	0.42	0.54	0.24	0.24	0.22	0.32	0.32
PY 2029	1,063,064	239	99,339	$ 9,124,395	0.47	0.61	0.29	0.29	0.24	0.39	0.39
PY 2030	1,055,843	239	95,624	$ 9,393,265	0.47	0.61	0.28	0.29	0.24	0.38	0.38
PY 2031	1,063,038	238	99,249	$ 9,672,437	0.48	0.62	0.29	0.30	0.25	0.39	0.39
PY 2032	1,066,003	238	99,261	$ 9,957,826	0.49	0.63	0.30	0.30	0.25	0.40	0.40
PY 2033	1,095,097	241	99,164	$ 10,201,843	0.50	0.64	0.30	0.31	0.25	0.41	0.41
Total Request (2028-2033)	5,979,469	1,303	547,498	$ 54,393,653							

NOTE: IF THERE ARE OTHER PROGRAMS, E.G., PILOTS THEN ADD ANOTHER Table 5d etc.

Table 5d: PPPD & New Pilot Program

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026 for PPPD (D.21-06-015) [9]	n/a	n/a	n/a	$ 1,526,683	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Proposed PY 2027 for PPPD (A.25-06-022) [10]	n/a	n/a	n/a	$ 1,791,059	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2028 [11]	n/a	n/a	n/a	$ 441,028	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2029 [11]	n/a	n/a	n/a	$ 1,743,607	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2030 [11]	n/a	n/a	n/a	$ 1,728,201	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2031 [11]	n/a	n/a	n/a	$ 1,717,273	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2032 [11]	n/a	n/a	n/a	$ 1,865,299	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2033 [11]	n/a	n/a	n/a	$ 202,411	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Request (2028-2033)	-	-	-	$ 7,697,819	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Cost Effectiveness Notes:

[1] Formerly known as the Resource TRC, updated per: June 2018 Recommendations of the ESA Cost Effectiveness Working Group.

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

[3] SCT provided in compliance with D.24-07-015 OP1. There are two values for SCT: SCB or SCT Base and SCH or SCT High.

[4] - PY 2026, ESA Portfolio CET values are from ESA Main and MFWB values revised in A.25-06-022 Supplemental Testimony, Attachment A. Energy savings and budget are aggregated from Tables 5b-5d.

[5] - PY 2026, ESA Main CET values are from authorized SDG&E AL 3842-E/3012-G et.al. effective October 1, 2021, and revised in A.25-06-022 Supplemental Testimony, Attachment A.

[6] - PY 2027 ESA Main CET values are from A.25-06-022 Supplemental Testimony, Attachment A.

[7] - PY 2026 MFWB CET values are from authorized SDG&E Advice Letter 4115-E/3144-G, Table 4, effective Dec 30, 2022 and revised in A.25-06-022 Supplemental Testimony, Attachment A.

[8] - PY 2027 MFWB CET values are from A.25-06-022 Supplemental Testimony, Attachment A.

[9] - PY 2026 PPPD Budget from D.21-06-015. No CET conducted and values are not available, per D.21-06-015 OP 38 and Attachment 2.

[10] - PY 2027 PPPD Budget from A.25-06-022. No CET conducted and values are not available, per D.21-06-015 OP 38 and Attachment 2.

[11] - Similar to D.21-06-015 OP 38 and Attachment 2 Guidance for Pilot Plus/Pilot Deep, no ESACET threshold was determined for new Electrification Pilot but shall be tracked during the cycle.

San Diego Gas & Electric Company

Four Year Cycle (2028-2031)

Table 5: ESA Annual Energy Savings Goals (kWh, kW, Therms)' Budget, Cost Effectiveness Tests

Table 5a: ESA Portfolio (ESA MAIN, MFWB, other new program)

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026, Updated in A.25-06-022, Supplemental Testimony [4]	3,282,219	394	182,359	$ 29,755,102	0.28	0.33	0.20	0.20	0.14	0.27	0.28
Proposed PY 2027 (A.25-06-022, Supplemental Testimony)	3,939,709	641	247,731	$ 35,741,017	0.27	0.31	0.16	0.16	0.11	0.21	0.22
PY 2028	2,049,417	572	160,085	$ 27,599,657	0.37	0.33	0.17	0.17	0.15	0.23	0.23
PY 2029	2,481,710	705	204,983	$ 32,292,677	0.40	0.37	0.19	0.20	0.16	0.26	0.26
PY 2030	2,480,163	706	201,691	$ 33,333,234	0.40	0.37	0.19	0.20	0.16	0.26	0.26
PY 2031	2,493,055	707	205,740	$ 34,618,942	0.40	0.38	0.20	0.20	0.17	0.27	0.27
Total Request (2028-2031)	**9,504,346**	**2,690**	**772,498**	**$ 127,844,510**							

Table 5b: ESA MAIN

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026, Updated in A.25-06-022, Supplemental Testimony [5]	2,008,318	286	109,161	$ 19,832,922	0.26	0.28	0.17	0.17	0.12	0.23	0.23
Proposed PY 2027, Updated in A.25-06-022, Supplemental Testimony [6]	1,921,995	456	92,536	$ 22,011,220	0.25	0.26	0.13	0.13	0.10	0.17	0.18
PY 2028	1,412,994	464	105,223	$ 20,379,166	0.36	0.28	0.15	0.15	0.12	0.20	0.20
PY 2029	1,418,646	465	105,644	$ 21,139,444	0.36	0.28	0.15	0.15	0.12	0.21	0.21
PY 2030	1,424,320	467	106,067	$ 21,851,074	0.36	0.28	0.16	0.16	0.12	0.21	0.21
PY 2031	1,430,017	469	106,491	$ 22,544,158	0.37	0.29	0.16	0.16	0.12	0.21	0.21
Total Request (2028-2031)	**5,685,977**	**1,865**	**423,425**	**$ 85,913,842**							

Table 5c: ESA MFWB and SPOC

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET) [5]	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026, Updated in A.25-06-022, Supplemental Testimony [7]	1,273,901	109	73,198	$ 8,395,497	0.32	0.44	0.27	0.28	0.16	0.38	0.39
Proposed PY 2027 (A.25-06-022, Supplemental Testimony) [8]	2,017,714	185	155,195	$ 11,938,738	0.31	0.38	0.21	0.22	0.15	0.28	0.29
PY 2028	636,423	109	54,862	$ 6,043,887	0.42	0.54	0.24	0.24	0.22	0.32	0.32
PY 2029	1,063,064	239	99,339	$ 9,124,395	0.47	0.61	0.29	0.29	0.24	0.39	0.39
PY 2030	1,055,843	239	95,624	$ 9,393,265	0.47	0.61	0.28	0.29	0.24	0.38	0.38
PY 2031	1,063,038	238	99,249	$ 9,672,437	0.48	0.62	0.29	0.30	0.25	0.39	0.39
Total Request (2028-2031)	**3,818,369**	**825**	**349,073**	**$ 34,233,984**							

NOTE: IF THERE ARE OTHER PROGRAMS, E.G., PILOTS THEN ADD ANOTHER Table 5d etc.

Table 5d: PPPD (PY 2026-2027) & Electrification Pilot (PY 2028-2031) [12]

Category	kWh	kW	Therms	Budget	Energy Savings Assistance Cost Effectiveness Test (ESACET)	Resource Test [1]	TRC [2]	PAC [2]	RIM [2]	SCB (Base) [3]	SCH (High) [3]
PY 2026 for PPPD (D.21-06-015) [9]	n/a	n/a	n/a	$ 1,526,683	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Proposed PY 2027 for PPPD (A.25-06-022) [10]	n/a	n/a	n/a	$ 1,791,059	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2028 [11]	n/a	n/a	n/a	$ 1,176,604	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2029 [11]	n/a	n/a	n/a	$ 2,028,837	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2030 [11]	n/a	n/a	n/a	$ 2,088,895	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PY 2031 [11]	n/a	n/a	n/a	$ 2,402,348	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Request (2028-2031)	-	-	-	**$ 7,696,684**	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Cost Effectiveness Notes:

[1] - Formerly known as the Resource TRC, updated per: June 2018 Recommendations of the ESA Cost Effectiveness Working Group.

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

[3] - SCT provided in compliance with D.24-07-015 OP1. There are two values for SCT: SCB or SCT Base and SCH or SCT High.

[4] - PY 2026, ESA Portfolio CET values are from ESA Main and MFWB values revised in A.25-06-022 Supplemental Testimony, Attachment A. Energy savings and budget are aggregated from Tables 5b-5d.

[5] - PY 2026, ESA Main CET values are from authorized SDG&E AL 3842-E/3012-G et.al. effective October 1, 2021, and revised in A.25-06-022 Supplemental Testimony, Attachment A.

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[8] - PY 2027 MFWB CET values are from A.25-06-022 Supplemental Testimony, Attachment A.

[9] - PY 2026 PPPD Budget from D.21-06-015. No CET conducted and values are not available, per D.21-06-015 OP 38 and Attachment 2.

[10] - PY 2027 PPPD Budget from A.25-06-022. No CET conducted and values are not available, per D.21-06-015 OP 38 and Attachment 2.

[11] - Similar to D.21-06-015 OP 38 and Attachment 2 Guidance for Pilot Plus/Pilot Deep, no ESACET threshold was determined for new Electrification Pilot but shall be tracked during the cycle.

[12] Intentionally left blank - pending Commission approval and selection of implementer. Final electrification measures, quantities and savings will be determined once the Pilot implementer has been contracted.