

Released: May 6, 2022

CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP)

CAPP PROGRAM NOTICE NO. 2022-05

The purpose of this official correspondence is to provide implementation information and guidance to the general public and state energy utility service providers regarding the California Arrearage Payment Program (CAPP) administered by the Department of Community Services and Development (CSD).

CAPP PROGRAM NOTICE NO. 2022-05

TO: ALL ENERGY UTILITY COMPANIES

SUBJECT: CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP)
COMMUNITY CHOICE AGGREGATOR AND DIRECT ACCESS
SERVICE LOAD-SERVING ENTITY SINGLE AUDIT
REQUIREMENTS

DATE: May 6, 2022

REFERENCE: Government Code Section 16429.5
Assembly Bill 135 (Chapter 85, Statutes of 2021)
[CAPP-PN 2021-06](#)
[CAPP-PN 2021-06-E2](#)
[CAPP-PN 2021-07](#)

The purpose of this CAPP Program Notice (CAPP-PN) is to inform Community Choice Aggregators (CCAs) and Direct Access Service Load-Serving Entities (DAS LSEs) of their responsibilities related to the federal Single Audit Act and Title 2 of the Code of Federal Regulations (CFR) Part 200, and to provide information necessary to complete the Single Audit.

BACKGROUND

CAPP is funded using federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) established by the American Rescue Plan Act. CCAs and DAS LSEs directly receiving CAPP funds from their partner Investor-Owned Utilities (IOUs) for distribution of CAPP customer benefits are considered to be subrecipients of SLFRF and are therefore subject to the [U.S. Department of the Treasury's SLFRF Compliance and Reporting Guidance](#), most recently updated on February 28, 2022. This CAPP-PN pertains specifically to subrecipient CCAs' and DAS LSEs' Single Audit requirements.

SINGLE AUDIT REQUIREMENTS

The U.S. Department of the Treasury's SLFRF Compliance and Reporting Guidance states that: "Recipients and subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements."

CSD does not know each subrecipient CCA's or DAS LSE's expenditure portfolio and therefore cannot advise whether an entity is subject to a Single Audit. Through the issuance of this CAPP-PN, CSD is conveying to subrecipient CCAs and DAS LSEs that they are required to do the following:

- Ensure they are aware of the Single Audit requirements contained in [2 CFR Part 200, Subpart F](#), and the Compliance Supplement, which is routinely updated in the Federal Register and on the [Office of Management and Budget's website](#).
- Determine whether they are subject to the Single Audit and, if so, complete the Single Audit per federal requirements.
- Report to CSD, in a forthcoming survey of Utility Applicants, whether or not they are subject to the Single Audit and, if so, the date on which their Single Audit is required to be submitted to the [Federal Audit Clearinghouse](#).

INFORMATION NECESSARY TO COMPLETE THE SINGLE AUDIT

Should a subrecipient CCA or DAS LSE determine that it is subject to the Single Audit, it should refer to Appendix 1 for information necessary to complete the audit. If questions remain after consulting this information, CCAs and DAS LSEs can contact CSD at CAPP@csd.ca.gov.

Sincerely,



DAVID SCRIBNER
Director

APPENDIX 1

CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP)

INFORMATION NECESSARY TO COMPLETE THE SINGLE AUDIT

Federal Award Identification

- Subrecipient name: the Utility Applicant's name.
- Subrecipient unique entity identifier: the Utility Applicant's Data Universal Numbering System (DUNS) number.
- Federal Award Identification Number (FAIN): 68-0283471.
- Federal award date: the Utility Applicant's Partner IOU "Date of CAPP Award Approval" found in Appendix I of [CAPP-PN 2022-01](#).
- Subaward period of performance:
 - Start date – the Utility Applicant's Partner IOU "Date of CAPP Award Approval" found in Appendix I of [CAPP-PN 2022-01](#).
 - End date – the Utility Applicant's Partner IOU "6-Month Close-Out Date" found in Appendix I of [CAPP-PN 2022-01](#).
- Subaward budget period:
 - Start date – the Utility Applicant's Partner IOU "Date of CAPP Award Approval" found in Appendix I of [CAPP-PN 2022-01](#).
 - End date – the Utility Applicant's Partner IOU "6-Month Close-Out Date" found in Appendix I of [CAPP-PN 2022-01](#).
- Amount of federal funds obligated by this action by the pass-through entity to the subrecipient: the total amount of CAPP Allocation Transfer received by the CCA or DAS LSE from its partner IOU.
- Total amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation: the total amount of CAPP Allocation Transfer received by the CCA or DAS LSE from its partner IOU.
- Total amount of the federal award committed to the subrecipient by the pass-through entity: the total amount of CAPP Allocation Transfer received by the CCA or DAS LSE from its partner IOU.
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act:

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.
- Name of the federal awarding agency: U.S. Department of the Treasury.
- Name of the pass-through entity: California Department of Community Services and Development.
- Contact information for awarding official of the pass-through entity: Charles Belk, charles.belk@csd.ca.gov.

- Assistance Listings number and Title: 21.027 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
- Identification of whether the award is for Research and Development (R&D): No.
- Indirect cost rate for the federal award per 2 CFR Part 200, Subpart E, Section 200.414: Not applicable.

All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award:

- See CAPP Program Notices at <https://csd.ca.gov/Pages/CAPP.aspx>.

Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports:

- See CAPP Program Notices at <https://csd.ca.gov/Pages/CAPP.aspx>.

Information on indirect cost rate:

- Not applicable.

A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part:

- See CAPP General Terms and Conditions found in Appendix 1 of [CAPP-PN 2021-07](#).

Appropriate terms and conditions concerning closeout of the subaward:

- See CAPP General Terms and Conditions found in Appendix 1 of [CAPP-PN 2021-07](#).