## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Relating to Energy Assistance in Section 12 of the Clean Energy Transformation Act

**DOCKET UE-200629** 

# PUBLIC COUNSEL RESPONSE TO SEPTEMBER 15TH NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS

**October 9, 2020** 

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#### I. INTRODUCTION

1. Pursuant to the Washington Utilities and Transportation Commission's ("Commission")
Notice of Opportunity to File Written Comments ("Notice") issued on September 15, 2020,
Public Counsel submits the following comments in response to the questions posed in the
Commission's Notice.

#### II. COMMENTS AND ANSWERS TO NOTICE QUESTIONS

#### A. General Comments

2.

- Public Counsel appreciates this opportunity to comment on the energy assistance requirements included in the Clean Energy Transformation Act (CETA). Public Counsel provides general comments as well as answers to the Notice Questions, below. Public Counsel looks forward to reviewing other comments submitted by stakeholders and participating in additional discussions and workshops on the issues raised in this docket.
  - Establishing principles and guidance for evaluating utility compliance with RCW

    19.405.120 is key to ensuring low-income customers receive the assistance they need as the state shifts towards clean energy. Public Counsel is concerned, however, that some of the issues raised in these comments may require more than non-binding policy guidance. For example, CETA is explicit in its requirement that utilities offer energy assistance programs to low-income households. The statute and definitions, however, may be interpreted in different ways by the utilities, which may lead to varied programs in the utility service territories. While this result is not necessarily negative, given the statewide requirement to offer energy assistance to low-income households, the Commission should draft rules to ensure that the utilities all provide at least the same minimum level of assistance and have the same understanding of the requirements for the programs they offer. Additional requirements such as filing deadlines may also be more COMMENTS OF PUBLIC COUNSEL

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suited to rules rather than a policy statement. Public Counsel looks forward to discussing this issue further in this docket.

#### **B.** Answers to Notice Ouestions

- 1. RCW 19.405.120(2) requires utilities make "programs and funding" available for energy assistance to low-income households by July 31, 2021.
  - a. What does the term "programs" mean in the context of RCW 19.405.120(2)? Is a program the same or different than the four types of energy assistance included in the "energy assistance" definition in RCW 19.405.020(15):
    - monetary assistance;
    - conservation, weatherization, and efficiency services;
    - direct distributed energy resource ownership, and;
    - other additional strategies.

# Please explain your answer.

- 4. Energy assistance is defined by RCW 19.405.020(15) as "a program undertaken by a utility to reduce the household energy burden of its customers." The term "programs" used in RCW 19.405.120(2) should align with and encompass the same programs included in the definition of "energy assistance." The definition includes monetary assistance, conservation, weatherization, efficiency services, and direct distributed energy resource ownership but does not limit the potential energy assistance programs to just those listed types. The defining characteristic of energy assistance programs is that they are undertaken by a utility to reduce the household energy burden of its customers.
  - Public Counsel reads this characteristic as a limitation on the utility activities that can be counted towards compliance with RCW 19.405.120(2). The program must be primarily intended to reduce the energy burden of low-income households. For instance, a vegetation management program that reduces the potential for wildfires could, technically, reduce the energy burden for all customers by reducing the risk that utility infrastructure could cause a destructive fire that would ultimately result in increased rates to replace lost infrastructure. The program, however,

could not be counted towards compliance with RCW 19.405.120 because it would not be undertaken by a utility for the purpose of reducing household energy burdens nor would it be targeted towards low-income households. This limitation applies to the term "programs" in both RCW 19.405.020(15) and RCW 19.405.120(2).

Public Counsel cannot discern a reason at this time why the term "program," as used in RCW 19.405.120(2), should be different from the programs included in RCW 19.405.020(15). Public Counsel looks forward to stakeholder comments and additional discussions on this topic.

b. How should the Commission determine whether a utility's "programs" and "funding" comply with RCW 19.405.120(2)?

RCW 19.405.120(2) requires utilities to make programs and funding available for energy assistance to low-income households by July 31, 2021, and also demonstrate progress towards providing assistance pursuant to the biennial assessment and plans required in Subsection 4 of this section. In order to determine whether a utility has complied with RCW 19.405.120(2), utilities should file a compliance report with the Commission to show that they have made programs and funding available on or before July 31, 2021. To demonstrate further progress, the Commission should review each utilities' biennial assessment and plan submitted to the Department of Commerce, as required under RCW 19.405.120(4). Utilities should submit their biennial assessment and plan to the Commission as required by RCW 19.405.100(5) and should include all information and attachments submitted to the Department of Commerce.

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6.

- c. How does the meaning of "low-income" relate to the eligibility requirements for energy assistance programs and funding offered by utilities? Do you agree with any of the four interpretations, or parts of the interpretations, offered by stakeholders to date? The four interpretations are summarized below.
  - A utility must offer at least one low-income program where the eligibility for the program does not exceed the income levels established in the low-income definition.
  - A utility must have at least one program that is available to all customers up to the income levels established in the low-income definition.
  - The utility must have at least two programs that are available for all customers up to the income levels established in the low-income definition.
  - The utility must serve all customers up to the income levels established in the low-income definition for all energy assistance programs offered by the utility.

## Please explain your answers.

For the purposes of compliance with CETA, RCW 19.405.020(25) defines low-income to mean, "household incomes as defined by the department or commission, provided that the definition may not exceed the higher of eighty percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size." The statute sets the upper bound for income eligibility and applies the definition to just household incomes, as opposed to commercial or industrial customers. The statute otherwise leaves the definition of low-income to the Department of Commerce and the Commission. The Commission has defined "low-income" in previous CETA rulemaking dockets to match the upper bound set in the CETA statute. Therefore, for the purposes of CETA compliance at the Commission, low-income means "household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size."

9.

RCW 19.405.120(2) requires electric utilities to "make programs and funding available for energy assistance to low-income households." This language appears clear and ties the scope of the programs to the definition of low-income, as set by the Commission. Public Counsel interprets the statute and definition to require utilities, at a minimum, to offer some form of assistance to any and all qualifying customers up to the upper limit set by the Commission's definition of "low-income." This meets the requirements of the statute, while also affording utilities the flexibility to provide specific programs to subsets of their low-income customer populations. For example, utilities can offer targeted assistance to serve the lowest income earners or programs serving senior or disabled customers so long as all eligible customers are offered some type of assistance.

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It is possible, however, that without clarification, the current language could be interpreted in a variety of ways that could result in otherwise eligible customers failing to receive assistance. For instance, it could be interpreted to allow utilities to do nothing more than provide a single program targeted at low-income customers who are at 100 percent of the federal poverty level so long as the eligibility requirements for the program do not exceed the upper limit set by RCW 19.405.020(25). Another example would be for a utility to only offer weatherization or energy efficiency programs that would not likely help income-eligible renters. Public Counsel disagrees with this interpretation, and, as stated above, reads the statute to require utilities to provide assistance to all eligible customers. It is equally possible that the language can be interpreted to mean that every energy assistance program intended to comply with CETA must be made available to all customers who meet the definition of "low-income," which could mean smaller, more targeted programs would not count towards CETA compliance. In order to avoid any confusion with the interpretation of program scope, eligibility, or targeting, the Commission

should clarify in rule whether its definition of low-income limits program scope to the entire set of low-income households or otherwise clarify the requirements of programs utilities must offer.

Nothing in CETA appears to require a specific number of programs to be made available to eligible customers, but RCW 19.405.120(2) does state, "electric utilities must make programs," in plural, "available for energy assistance to low-income households." This language is not merely permissive and appears to require more than one program. Additionally, RCW 19.405.120(4)(a)(iii) states that utilities must assess their funding levels against the amount needed to meet, "A) sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and B) ninety percent of the current energy assistance need by 2050." Utilities must demonstrate their progress in providing energy assistance pursuant to this assessment.<sup>2</sup> It is unlikely that a utility could meet both these targets with a single program, but Public Counsel does not have a specific number of programs in mind at this time. Public Counsel expects additional discussion on this topic will be necessary.

d. Do utility programs that are primarily intended to avoid disconnection, such as emergency assistance that are not income qualified, reduce energy burden as defined in RCW 19.405.020(17)?

Utility programs that are primarily intended to avoid disconnection that are not income qualified do not necessarily reduce energy burden, as defined in RCW 19.405.020(17). Energy burden is defined as, "[t]he share of annual household income used to pay annual home energy bills." The percentage of household income spent on energy bills provides an indication of energy affordability. Some factors that may contribute to increased energy burdens include the physical condition of a home, a household's ability to invest in energy-efficient upgrades, and

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<sup>&</sup>lt;sup>2</sup> RCW 19.405.120(2).

<sup>&</sup>lt;sup>3</sup> RCW 19.405.020(17). COMMENTS OF PUBLIC COUNSEL

the availability of energy efficiency programs and incentives.<sup>4</sup> Programs that are primarily intended to avoid disconnection such as emergency assistance, would not reduce energy burden. They only provide immediate bill relief. Providing a one-time fix, or a one-time monetary payment towards a customer's bill will not be effective in lowering the overall annual energy burden of the customer. Continuing bill assistance, energy efficiency and weatherization programs are the most efficient and effective ways to truly lower energy burden.

Programs that would assist in lowering those high energy burdens could include bill assistance (rate discounts, modified rate design, modified billing methods), weatherization, and energy efficiency. A bill assistance program can be beneficial especially to customers with high energy burdens who are renting their home or apartment. The U.S. Department of Energy Low-Income Energy Affordability Data (LEAD) Tool data estimates that 59 percent of low-income households are renters, not owners, of their homes. Oftentimes, landlords will deny energy improvement programs because of what is known as the split incentive. The split incentive is especially problematic in multifamily buildings and exists when benefits of a transaction pass to someone other than the party paying the cost. In these scenarios, the landlord would be responsible for the costs of the investment, but the tenant would be the one reaping the benefits in the form a lower utility bill. Because renters have to deal with landlords and property owners, renters do not have the freedom to participate in weatherization and energy efficiency programs even if they wanted to, because those types of decisions have to have approval of the landlord/property manager. Bill assistance programs that are set up to lower bills for a lengthy

<sup>&</sup>lt;sup>4</sup> American Council for an Energy Efficient Economy (ACEEE), UNDERSTANDING ENERGY AFFORDABILITY, ACEEE Policy Brief (2019), https://www.aceee.org/sites/default/files/energy-affordability.pdf.

<sup>&</sup>lt;sup>5</sup> Low-Income Community Energy Solutions, OFFICE OF ENERGY EFFICIENCY & RENEWABLE ENERGY, <a href="https://www.energy.gov/eere/slsc/low-income-community-energy-solutions">https://www.energy.gov/eere/slsc/low-income-community-energy-solutions</a> (last visited Oct. 6, 2020).

<sup>&</sup>lt;sup>6</sup> Don Hynek, Megan Levy & Barbara Smith, "FOLLOW THE MONEY": OVERCOMING THE SPLIT INCENTIVE FOR EFFECTIVE ENERGY EFFICIENCY PROGRAM DESIGN IN MULTI-FAMILY BUILDINGS, at 6-136 (ACEEE 2012), https://www.aceee.org/files/proceedings/2012/data/papers/0193-000192.pdf.

period of time, not just for a month or two, would have a significant impact on a customer's energy burden.

For renters who are able to make changes, and for homeowners (including manufactured homes), energy efficiency and weatherization programs can address longer-term energy needs of households by making home repairs and upgrades. Weatherization programs are aimed at improving the building envelope, such as weather stripping doors and windows, air sealing, and installing insulation, whereas energy efficiency programs tend to focus on specific measures such as efficient lighting, high-efficiency showerheads, etc.<sup>7</sup> Both weatherization and energy efficiency programs will lead to lower energy bills, which would in turn lower the percentage of household income spent on energy bills. These types of programs also come along with added benefits such as better indoor air quality, safety, and comfort, positively impacting human health.<sup>8</sup>

2. What principles and information should the Commission consider when determining whether a utility has "demonstrated progress in providing energy assistance?" Are the principles and information the same or different for the three elements of energy assistance: effectiveness, outreach, and funding?

As previously stated, energy assistance is defined as "a program undertaken by a utility to reduce the household energy burden of its customers." The overarching principle guiding the assessment of utility energy assistance programs must be whether the programs actually reduce customer energy burdens. The general principles and information the Commission should consider when determining whether a utility has "demonstrated progress toward providing energy assistance" should include, but not be limited to, the same principles and information as

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<sup>&</sup>lt;sup>7</sup> Ariel Drehobl & Lauren Ross, LIFTING THE HIGH ENERGY BURDEN IN AMERICA'S LARGEST CITIES: HOW ENERGY EFFICIENCY CAN IMPROVE LOW-INCOME AND UNDERSERVED COMMUNITIES, at 27 (ACEEE and Energy Efficiency for All 2016), <a href="https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf">https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf</a>.

<sup>&</sup>lt;sup>8</sup> Low-Income Community Energy Solutions, OFFICE OF ENERGY EFFICIENCY & RENEWABLE ENERGY, https://www.energy.gov/eere/slsc/low-income-community-energy-solutions (last visited Oct. 6, 2020).

<sup>&</sup>lt;sup>9</sup> RCW 19.405.020(15).

the three elements of energy assistance. The elements stated in RCW 19.405.120(4)(a) are:

i. The programs and mechanisms used by the utility to reduce energy burden and the *effectiveness* of those programs and mechanisms in both short-term and sustained energy burden reductions;

ii. The *outreach* strategies used to encourage participation of eligible households, including consultation with community based organizations and Indian tribes as appropriate, and comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations; and

iii. A cumulative assessment of previous *funding* levels of energy assistance compared to the funding levels needed to meet (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent of the amount provided in 2018, whichever is greater, by 2030; and (B) Ninety percent of the current energy assistance need by 2050.<sup>10</sup>

Effectiveness – Part of the "demonstration of progress" must be an assessment of whether the programs have been effective in reducing customer energy burdens in both the short-term and long-term. Public Counsel believes having the necessary data to determine the impact of specific energy assistance programs is crucial to evaluating the ongoing progress and overall success of the programs. In assessing whether a utility has demonstrated progress towards reducing customer energy burdens, Public Counsel believes that information collected by the Department of Commerce in accordance with Subsection 3 would be extremely useful. This information includes data that is necessary to determine if programs have been effective, including:

- i. The estimated number and demographic characteristics of households served by energy assistance for each utility and the dollar value of the assistance;
- ii. The estimated level of energy burden and energy assistance need among customers served, accounting for household income and other drivers of burden;
- iii. Household characteristics including housing type, home vintage, and fuel types;

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iv. Energy efficiency potential;

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- i. The amount and type of energy assistance and the number of households, if applicable served for programs administered by the utility; and
- ii. The amount of money passed through to third parties that administer energy assistance and programs. 11
- 17. In determining if the energy assistance programs have demonstrated progress towards sustained reduction in energy burdens, the Commission should evaluate the programs on:
  - 1. Reduction in monthly household energy costs for participating low-income households;<sup>12</sup>
  - 2. Reduction in shut offs for participating low-income households;
  - 3. Reduction in energy burden for participating low-income households;
  - 4. Total energy assistance need met within the utility's respective service territory;
  - 5. Participant satisfaction with the programs;<sup>13</sup>
  - 6. Change in on-time payment of energy utility bills for participating low-income households:14 and
  - 7. When available, comparison of the above metrics to prior evaluations in order to demonstrate trajectory of these programs in both the near term and in the long term.
- Public Counsel recommends the Commission evaluate the short- and long-term 18. effectiveness of the programs on a biennial basis, around the time the assessment for the Department of Commerce is completed and provided to the Commission. Public Counsel notes that "short-term" and "long-term" may need to be defined more clearly to ensure the utilities are providing information from similar timeframes.
  - Additionally, the Commission should ensure that utilities continue engaging with stakeholders to gather input on what the utilities can do to achieve progress. This includes each utility's advisory groups, which would be an appropriate platform for utilities to discuss and

<sup>&</sup>lt;sup>11</sup> RCW 19.405.120(3)(a) and (b).

<sup>&</sup>lt;sup>12</sup> See DTE Energy & Public Sectors Consulting, Inc., EVALUATION OF THE MICHIGAN ENERGY ASSISTANCE PROGRAM: SUCCESSES AND OPTIONS FOR IMPROVEMENT, at 28 (2016), https://publicsectorconsultants.com/wp-content/uploads/2017/08/MichiganEnergyAssistanceProgram Report May 2016.pdf.

<sup>&</sup>lt;sup>13</sup> *Id*.

<sup>&</sup>lt;sup>14</sup> *Id*.

share ideas with interested stakeholders on what these programs should look like. Many utilities have already reached out to their advisory groups to discuss aspects of CETA, and the conversation and evaluation should continue within these groups.

**Outreach** - Public Counsel believes outreach is a key factor in determining whether or not the program will be successful in providing assistance. As such, evaluating the outreach strategies of the utilities is vital to determining whether the utility is "demonstrating progress" towards providing energy assistance to its customers. In evaluating the short- and long-term progress and effectiveness of utility outreach efforts, the Commission should examine the following:

1. How many customers has the company contacted?

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- 2. How did the company contact customers (mail, phone, email, etc.)?
- 3. How many customers could be eligible to enroll in an energy assistance program according to the needs assessment?
- 4. How many customers have been enrolled in an energy assistance program?
- 5. How has enrollment changed since the previous assessment?
- 6. How many community-based organizations or tribes has the utility contacted?
- 7. Has the utility developed contacts with community based organizations or tribes?
- 8. What linguistic barriers has the utility encountered in its outreach efforts?
- 9. What strategies has the utility developed to handle these language barriers?
- 10. How many customers has the utility contacted that required alternative language approaches?

Public Counsel offers similar questions in response to Question 3, below, but the inquiry in that section is intended to help direct outreach activities towards a specific subset of eligible customers.

**Funding** – Finally, utility programs should be evaluated to see how and if they are making progress towards providing increasing funding towards energy assistance programs. The biennial assessment of funding levels provided to the Department of Commerce would provide a trajectory of the utility's spending on energy assistance projects. The Commission should

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evaluate utility spending to see if the utility is on track to meet the 60 and 90 percent targets outlined in Subsection 4(a)(iii). Downward trends should be noted and explained by the utility as part of this evaluation.

- 3. RCW 19.405.120(2) requires that, to the extent practicable, utilities prioritize energy assistance to low-income households with the highest energy burden.
  - What principles and information should the Commission consider a. when determining whether a utility has prioritized assistance to lowincome households with the highest energy burden?
- *22*. Research has consistently found that households with lower incomes, communities of color, elderly households, renters, and multifamily building residents tend to have higher energy burdens, on average, than other households. 15 For many low-income and otherwise vulnerable customers, energy efficiency may not be a high priority, compared to competing needs. Further, they may not be aware of the direct benefits to them as consumers that can result from energy efficiency.
- 23. Energy customer research shows that low-income customers are often more difficult to reach due to a number of factors, including but not limited to: limited access to customer information, needs that differ in degree or complexity compared to other customer groups, difficulties making contact via traditional channels, regulatory requirements, and complex intersections with energy assistance and other low-income programs, such as budget billing. 16 This becomes especially true for those with the highest energy burden.
  - In the required biennial assessment, the utilities have to address the programs and mechanisms used to reduce energy burden and their effectiveness, <sup>17</sup> "The outreach strategies

MANAGEMENT PROGRAMS (DEFG 2013), http://defgllc.com/publication /engaging-and-enrolling-low-income-consumers-in-demand-side-management-programs/.

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<sup>&</sup>lt;sup>15</sup> American Council for an Energy Efficient Economy (ACEEE), UNDERSTANDING ENERGY AFFORDABILITY, ACEEE Policy Brief (2019), https://www.aceee.org/sites/default/files/energy-affordability.pdf. <sup>16</sup> Cindy Boland O'Dwyer, ENGAGING AND ENROLLING LOW INCOME CONSUMERS IN DEMAND SIDE

<sup>&</sup>lt;sup>17</sup> RCW 19.405.120(4)(i).

used to encourage participation of eligible households, including consultation with community-based organizations and Indian tribes as appropriate, and comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations[.]"<sup>18</sup>

25. Because households with the highest energy burden are often the most difficult to reach and engage, the Commission should analyze the biennial assessment using the following approach, <sup>19</sup> to determine whether the utility prioritized those with the highest energy burden.

#### 1. Marketing and Outreach

- a. How does the utility determine which households have the highest need?
- b. How does the utility reach these customers?
- c. How does the utility engage in a more personal way to build trust?
- d. How does the utility address questions regarding the "split incentive" that exists in the landlord/tenant setting?

#### 2. Behavioral

- a. What programs deliver value and fit the lifestyle of those with the highest energy burden?
- b. Was the customer experience differentiated in order to prioritize those with the highest energy burden?

## 3. Partnerships

- a. What stakeholders did the utility engage?
- b. How did the utility leverage funds creatively to have the greatest impact?

#### 4. Transactional

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a. How does the utility maintain customer protections while also providing additional flexibility and new payment options?

Relating to 1.a. above, the Commission should direct the utilities to apply a data driven method to quantify what classifies as the "highest energy burden," in order to target those households. This can be done a number of ways, but is often done using U.S. Census microdata. For instance, the U.S. Department of Energy Low-Income Energy Affordability Data (LEAD)

<sup>&</sup>lt;sup>18</sup> RCW 19.405.120(4)(ii).

<sup>&</sup>lt;sup>19</sup> Public Counsel adapts this approach from recommendations for enrolling low-income customers in demand side management programs. *See* Cindy Boland O'Dwyer, ENGAGING AND ENROLLING LOW INCOME CONSUMERS IN DEMAND SIDE MANAGEMENT PROGRAMS (DEFG 2013), available at: <a href="http://defgllc.com/publication/engaging-and-enrolling-low-income-consumers-in-demand-side-management-programs/">http://defgllc.com/publication/engaging-and-enrolling-low-income-consumers-in-demand-side-management-programs/</a>.

classifies energy need on a city, county, or census tract level using data from the American Community Survey (ACS).<sup>20</sup> In Avista's Low Income Needs Assessment, Evergreen Economics did their own analysis of the ACS within its service territory. Utilities could use this data to determine which areas in its service territory have the highest need and increase outreach efforts in those areas. While these methods are only available at aggregated levels, i.e. households within each area may vary in energy burdens, it provides a decent characterization in absence of conducting costly primary customer research.

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When aggregate customer research is used, such as in Avista's needs assessment, the Commission should direct utilities to use data from applications for energy assistance to supplement determining priority. This way, the unit of analysis still becomes the individual household. In order to do this, there must be a cutoff metric that would determine priority. This metric can be a measure of energy burden depending on the average within a utility's territory.

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Another metric to consider, though, is one that implements household income, energy burden, and energy need. For instance, if two households that apply have the same energy burden, but one has an elderly resident, the home with the elderly resident should be given priority because of a higher energy *need*. An elderly person is more likely to be adversely affected by a high energy burden, compared to a young person, which establishes a higher need for assistance.

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An example of this type of metric has been implemented by the state of Arizona to prioritize customers for LIHEAP benefits. This method could be adapted for prioritizing energy assistance programs to comply with CETA. Arizona uses a point system that incorporates the three concepts of income, burden, and need. A household at 0-74 percent of the federal poverty

<sup>&</sup>lt;sup>20</sup> U.S. Department of Energy – Office of Energy Efficiency and Renewable Energy, *Low-Income Energy Affordability Data Tool*, <a href="https://www.energy.gov/eere/slsc/maps/lead-tool">https://www.energy.gov/eere/slsc/maps/lead-tool</a> (last visited Oct. 6, 2020).

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level is assigned five points, and a household at 151-200 percent is assigned one point. A household whose energy burden is 21 percent or more is assigned six points and one whose burden is five percent is assigned zero points. The energy need criteria assigns one point for an elderly resident, one point for a disabled resident, one for each child six years and under, etc.<sup>21</sup> This metric is beneficial because it not only helps utilities determine priority according to RCW 19.405.120, but it allows them to prioritize those that truly need it the most.

In contrast, in prioritizing LIHEAP benefits, the state of Washington currently uses a heat-cost method. This method incorporates household size, household income, and annual heat costs. This method could be applied to CETA conceptually, but would need to be adjusted with more information in order to capture all the components of energy burden. As is, this method does not incorporate energy burden as a whole because it only incorporates heat costs.<sup>22</sup> Energy burden, however, is the sum of *all* energy utility expenses divided by household income.<sup>23</sup> In order to prioritize those with the highest burden, the Washington LIHEAP targeting method would need to be adjusted when applied to CETA to incorporate total energy utility expense.

b. How should the Commission evaluate what is practicable? How should the Commission's evaluation differentiate between what is practicable in the short-term versus the long-term?

In the biennial assessment, utilities are required to submit a cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet:

"(A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety

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<sup>&</sup>lt;sup>21</sup>LIHEAP Clearinghouse, *Targeting LIHEAP Benefits – State Strategies Based on Household Income, Energy Burden, and Heating Costs*, U.S. DEPT. OF HEALTH & HUMAN SERVICES (March 2010), https://liheapch.acf.hhs.gov/pubs/510targ.htm.

 $<sup>^{22}</sup>$  Id

<sup>&</sup>lt;sup>23</sup> Ariel Drehobl & Lauren Ross, LIFTING THE HIGH ENERGY BURDEN IN AMERICA'S LARGEST CITIES: HOW ENERGY EFFICIENCY CAN IMPROVE LOW INCOME AND UNDERSERVED COMMUNITIES (ACEEE and Energy Efficiency for All 2016), <a href="https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf">https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf</a>.
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percent of the current energy assistance need by 2050."24

32. The Commission should consider what is practicable in the context of the targets set in

this code. In order to meet these targets, utilities must provide and prioritize energy assistance for

those with the highest energy burden. What is practicable for each utility year-to-year may differ

depending on programs, funding, and customer demographics. In the short term, the Commission

should analyze the efforts to prioritize those with the highest burden based on the progress

demonstrated in the direction of the long-term targets.

As mentioned in the above sections, Public Counsel believes that actual reduction in

energy burden is critical to these programs, in both the short- and long-term. Therefore, that

which is practicable is that which will be successful in reducing energy burden as codified.

III. CONCLUSION

33. Public Counsel appreciates the opportunity to provide comments on these Notice

Questions. We look forward to reviewing other parties' comments and participating in further

discussions on these topics. If there are any questions regarding these comments, please contact

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Dated this 9th day of October, 2020.

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