BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Regulated Utility Response to the COVID-19 Pandemic	DOCKET U-200281 SECOND COMMENTS OF THE ENERGY PROJECT

SECOND COMMENTS OF THE ENERGY PROJECT

February 12, 2021

I. INTRODUCTION

1 The Energy Project (TEP) files these comments in response to the Notice of Opportunity to File Written Comments, issued January 26, 2021. The Energy Project continues to coordinate with the other consumer advocates in this docket in order to present the best array of options to the Commission for consideration in planning COVID-19 response. Along with the other advocates, TEP has met with utility representatives to address issues raised in the Notice, and contacts are ongoing.

2 The following comments by TEP focus in particular on the deployment of COVID-19 related relief funds for eligible low-income customers in the context of the disconnection moratorium protecting access to critical utility services during the pandemic emergency, as well as the management of potential resumption of collection and disconnection activity by the utilities.

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II. COMMENTS

A. Careful Planning And Management Is Required For Any Transition To Resumption of Collection And Disconnection.

3 It is TEP's recommendation that the existing moratorium on disconnection and fees be extended, given the current status of health and economic impacts on Washington utility customers, especially those with limited incomes. While we do not have a specific recommendation, any extension should most likely be at least 90 days, until July 31, 2021 at a minimum.

4 Based on discussions with the utilities, it is our understanding that utilities propose to roll-out new COVID-19 Bill Assistance offerings beginning April 1, 2021, in conjunction with a potential 90-day extension of the moratorium, but would begin collection activity prior to the end of the moratorium. Our significant concern with this approach is that this does not allow a sufficient amount of time for customers to be served by these funds <u>before</u> utilities are allowed to resume collection and disconnections.

5 It has taken a substantial period of time for new COVID-19 Bill Assistance programs to be developed and they need to be allowed time to work. The onus is on the utilities to effectively conduct outreach and get the new dollars to their customers. Prematurely accelerating the resumption of collection and disconnection at this point is highly likely to result in unnecessary and avoidable disconnections of customers who are eligible, and for whom funds are available. There must also be adequate planning for the delivery of funds to prevent overloading the delivery system once households in need begin to access the COVID relief dollars

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6 The Energy Project understands that the utilities may propose initiating collection by informing customers during the moratorium, that disconnections will resume after July 31, by means of the 30-day notice required by Order 01. This has at least two significant drawbacks. First, the fixed end date of the moratorium cannot be definitively known when the 30-day notice goes out. The moratorium could be further extended based on new compelling circumstances by either the Commission or the Governor's office. Telling customers that disconnection will resume on a given date when the date certain is not known with certainty will lead to widespread customer confusion if there is a change. Second, as discussed above, households must be allowed to access these dollars before they face the threat of disconnection, and the utility roll-out effort should focus on maximizing that access prior to resumption. Collection activities, beginning with the required 30-day notice, should not begin until after the Resumption date.

7 Utilization of an auto enrollment strategy that allows for expedited service for recent recipients of bill assistance or Low-Income Weatherization programs has generally been well received and should help reduce a bottleneck somewhat. It is important to remember, however, that while approximately 20 percent of eligible households are served through Investor-owned Utility (IOU) bill assistance programs, and those households may be auto-enrolled in COVID relief programs, that leaves 80 percent of eligible low-income customers who aren't currently served. These customers will need more outreach and a more a manual process to access these funds, which will also likely need additional time. The Energy Project strongly urges the Commission to take this into consideration.

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8 The data indicate that the existing COVID relief funds, in combination with existing bill assistance programs may be able to cover a significant portion of the past-due balances for eligible households. There is simply no need for customers to face any possibility of disconnection for arrearages in most cases. Proper planning and an adequate timeframe are needed for this to be achieved, however. Furthermore, any disconnections that occur unnecessarily will increase the likelihood of bad debt that utilities will need to recover. This is not to mention the negative impacts that customers will experience from being sent to collections for these debts. Unfortunately, premature and unneeded disconnections of households who are eligible for assistance will be a likely result of poor planning, an inadequate implementation period, and a premature effort on behalf of the utilities to return to "business as usual".

9 In this regard, The Energy Project also recommends that the Commission require the utilities to provide a written report to the Commission, including relevant data, regarding progress in deployment of new COVID-19 Bill Assistance funding, at an Open Meeting approximately 30 days prior to the end of the moratorium.

B. COVID-19 Relief Funding Should Be Prioritized For Customers With The Greatest Need.

10 Through participation in each of the Investor-Owned Utilities' Low-Income Bill Assistance Advisory Groups, TEP and the Community Action Partnership (CAP) agencies have been working diligently with staff from the companies, UTC, Public Counsel, and NW Energy Coalition to ensure that the design and distribution of COVID relief funds approved by the Commission will be utilized in such a way as to:

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1. Direct the funds to those most in danger of disconnection once the existing disconnect moratoriums end,
2. Complement the existing bill assistance funds available through the IOU programs, Low-income Rate Assistance Program Low-income Rate Assistance Program (LIHEAP), and other sources, and
3. Reduce the potential for agencies delivering assistance to be overwhelmed by a flood of customers in need seeking assistance at the same time to prevent disconnection.

The Energy Project's recommendations to the companies in their consideration of how to deploy the COVID relief dollars has been focused on prioritization of customers who are at the greatest risk of disconnection once the existing disconnect moratorium ends. As a practical matter, this means those accounts with high dollar arrearage balances in the 90 day past due category. The utilities generally agree that this is the most problematic customer segment. The Energy Project recommends that companies prioritize assistance funds by beginning with the accounts at 90 days or more past due, followed by accounts 60 days past due, and so on, until all eligible past due customers are addressed with assistance funds or until the funds are exhausted. An COVID-19 relief funds remaining could be used for ongoing bill payment assistance. Prioritization in this manner will ensure that COVID-19 relief dollars are working effectively to reduce arrearages and thereby prevent disconnection once utilities resume that practice.

11 The Energy Project has a specific recommendation regarding customers with accounts 90 days or more past due. After resumption, customers in this category should be exempt from

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disconnection until they have been provided with COVID-19 Bill Assistance funds or have failed to maintain a long-term payment plan.

12 Finally, using COVID relief funds to address arrearages also serves the purpose of complementing existing bill assistance programs. By focusing relief funds on past due balances, existing LIHEAP and IOU bill assistance programs can thereby be used to address ongoing utility bill affordability. This should help to provide, to some extent, a 'safety net' from disconnection for households in dire economic straits by providing them with an account credit for future bills during the pandemic.

C. Status of Arrearage Management Plans (AMP).

13 The Energy Project has also participated in discussions with the IOUs concerning AMPs. Avista has recently filed a tariff to implement a new permanent AMP/PIPP program. In every case except for Avista, these AMP discussions are very preliminary and have not seen much progress due to the extended discussions concerning the COVID relief funds. The Energy Project's view is that Avista's AMP/PIPP efforts provide an excellent example of a Washington-based program that has been vetted by the relevant stakeholders and has been demonstrated to be successful. This should serve as a model for replication for the other utilities, rather than each utility seeking to 'reinvent the wheel' with to program design. At this point, TEP for keeping customers connected to essential utility service. Given the limited analysis to date, it is premature for other utilities to decline to pursue AMP, or for the Commission to accept that approach. The Energy Project commits to further work with the other IOUs, and the advisory groups on this issue.

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D. General Status of Other Types of Customer Assistance Programs.

14 In addition to the COVID relief funds and the existing IOU bill assistance programs, there are significant funds available to assist Washington households deal with economic and utility challenges. These include a 2020 total LIHEAP allocation for Washington State of approximately $40 million, an amount of over $100 million in rental assistance, and the anticipated water utility bill assistance programs, all of which CAP agencies are helping to deliver in one way or another. These funds will take time to be fully distributed and for their impact to felt in helping customers survive over the next months of the pandemic. This underscores the importance of allowing time for the COVID-19 Bill Assistance programs to be effectively deployed.

III. CONCLUSION

15 The Energy Project appreciates the Commission's careful attention to these issues. We look forward to remaining engaged in the very important discussion and would be happy to answer any questions you may have. Representatives of The Energy Project will be in attendance at the February 17 Open Meeting.

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