

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

The Energy Project, Commission Staff, and  
NW Energy Coalition

Petitioner,

To Compel Puget Sound Energy's  
Compliance with Order 01

DOCKET UG-230470

ORDER 02

TEMPORARILY EXTENDING  
ELIGIBILITY FOR BILL DISCOUNT  
REDUCTION PROGRAM

**BACKGROUND**

- 1 In 2021, the Washington State Legislature passed the Climate Commitment Act (CCA), codified as Revised Code of Washington (RCW) 70A.65, to reduce greenhouse gas (GHG) emissions. Also referred to as “Cap and Invest,” the law establishes a declining cap on GHG emissions from covered entities and is intended to reduce emissions in the state by 95 percent by 2050. Businesses producing enough emissions to be covered by the program must acquire allowance instruments equal to the total amount of emissions they produce and then submit those allowances to the Department of Ecology at the end of the compliance period.
- 2 On June 9, 2023, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission), in Docket UG-230470, a proposed Tariff Revision to WN U-2, to implement Schedule 111, allowing PSE to recover costs associated with CCA allowances and pass back credits from allowance auction proceeds.
- 3 PSE’s revision was approved subject to several conditions set out in Order 01 of this docket. Among other requirements was for PSE to either identify known low-income customers or automatically enroll low-income customers in a bill discount or bill assistance program; the Order established a target of at least 70,000 customers to be met by January 1, 2024.
- 4 At the Commission’s August 3, 2023, Open Meeting, this item was thoroughly discussed. The Commission ultimately agreed with commenters that PSE’s proposal was insufficient and stated that it would “...require the Company to find ways to increase its enrollment of

eligible customers to ensure it complies with the CCA's requirement to eliminate any additional cost burden associated with statutory implementation to low-income customers.

5 Commission Staff (Staff) interpret the 70,000-customer requirement as a minimum perpetual threshold for the number of customers PSE needs to have identified for CCA compliance.

6 On January 9, 2024, PSE met with the Low-Income Advisory Committee (LIAC) to confirm over 70,000 low-income customers were receiving the CCA credits which offset their CCA charges to eliminate any additional cost burden associated with CCA implementation, in accordance with Order 01.

7 On April 25, 2024, PSE submitted to the Commission a Compliance Filing detailing how it was able to achieve the 70,000-customer threshold. Upon review, Staff submitted a letter acknowledging compliance with Order 01.

8 PSE's Compliance Filing explained it used third-party data to add customers to the CCA cap and invest income-eligible flag, beginning with the lowest-income customers. The Company states these customers were temporarily enrolled into the lowest tier<sup>1</sup> of the Bill Discount Rate (BDR) program, which also added those customers to the CCA cap and invest income-eligible flag.<sup>2</sup>

9 On September 18, 2023, December 12, 2023, and May 14, 2024, PSE met with its LIAC to discuss PSE's progress and the customers it had auto-enrolled through third-party data. Staff reports that it was not clear to LIAC members until the May 14, 2024, meeting that these customers would lose the CCA cap and invest income-eligible flag in addition to the BDR if such customers continued to not complete the enrollment process by providing a self-attestation.

10 During the May 14, 2024, LIAC meeting, The Energy Project (TEP), NW Energy Coalition (NVEC), and Staff asked about extending the enrollment period for these

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<sup>1</sup> BDR established in Docket UG-230561.

<sup>2</sup> See also Advice No. 2023-27, Puget Sound Energy's Natural Gas Tariff Revision, July 6, 2023 Letter from PSE to UTC ("To receive the discount under Schedule 23BDR, a customer must declare their eligibility during the enrollment process. . . . The discount tier the customer receives will be determined by the customer's declared eligibility during the enrollment process.") (emphasis added).

customers beyond the original six months set for the enrollment period. The Company expressed that it would investigate what options were available for these customers.

- 11 On May 17, 2024, PSE met separately with TEP, NWECA, and Staff to discuss the collective concerns regarding PSE's intention to disenroll more than 70 percent of the customers it had enrolled in response to Order 01. During this May 17, 2024, meeting, TEP requested PSE to extend the enrollment period and for PSE to conduct additional outreach to encourage those customers to complete an energy assistance application with PSE. During the meeting, PSE expressed its verbal support for this plan, but the Company would need to discuss it internally and get approval to extend.
- 12 The LIAC did not meet in June 2024.
- 13 On June 20, 2024, Staff submitted a Compliance Letter to the Commission acknowledging PSE's compliance demonstrated in its April 25, 2024, filing.
- 14 The Company did not provide any further detail about these customers until the July 2024 LIAC meeting in which PSE said it made the decision not to extend the enrollment period for over 50,000 customers who had pre-qualified through third-party data and been auto-enrolled into the programs but had not self-attested to their low-income status
- 15 On July 9, 2024, PSE advised its LIAC it would be disenrolling the 50,000+ customers who had not declared their eligibility during the enrollment process. This disenrollment was scheduled to be effective August 31, 2024. PSE advised the LIAC that customers would be removed from both the BDR program and the CCA cap and invest income-eligible flag. LIAC members did not voice support for PSE's decision. TEP, NWECA, and Commission Staff voiced their strong opposition to PSE's decision.
- 16 On July 16, 2024, Staff met with TEP, NWECA, and Public Counsel regarding a collective, planned approach with PSE. The parties collaborated over two weeks before sending PSE a final request. On July 31, 2024, Staff sent a request via email to PSE requesting extension of the enrollment period for these customers to maintain those party's interpretation of compliance with Order 01. On August 19, 2024, PSE notified Staff via email it would be declining to take the requested action under advice of counsel.
- 17 On August 19, 2024, PSE also filed a letter to the Commission's counsel in the Attorney General's Office providing its interpretation of events.

- 18 On August 20, 2024, TEP submitted the Joint Petition on which Staff and NWECA have signed.
- 19 On August 23, 2024, PSE, filed a letter requesting the Joint Petition be postponed and the Company be allowed further time to respond to the Joint Petition.
- 20 On August 26, 2024, PSE filed a response to the petition, challenging characterizations of the posture contained within the Joint Petition. In its response, PSE argued that the Company was not de-enrolling customers, but instead was declining to take additional action to extend enrollment for those who had not self-attested to eligibility. Further, PSE argued that the Company should not extend enrollment for those customers, as such action was never contemplated in the proceeding and would be inconsistent with PSE's BDR tariff and the collaborative efforts made to date.
- 21 This matter came before the Commission at its regularly scheduled open meeting on August 29, 2024, where the Commission heard comments from Staff, PSE, TEP, the Alliance of Western Energy Consumers (AWEC), NWECA, and PC. Staff reiterated their position and expressed their impression that, following a meeting with PSE, they believed that PSE would extend the program enrollment period for an additional six months. In turn, the Company asserted that Order 01 in this docket specifically contemplated that the enrollment period would last six months and that it is good public policy to let programs like this sunset. The Company also stated its position that although it did express a potential willingness to extend the program, management ultimately felt that further efforts were not required and were in fact against the BDR tariff. It should be noted that the BDR tariff requires customers to declare eligibility initially as well as on an annual basis going forward. Further, the Company argued that continuing the program unjustly shifts costs onto other customers.
- 22 In its open meeting comments TPE claimed that PSE was not always transparent as to how the auto-enrollment program was going. TEP also advocated for the Commission to continue to push PSE to improve its rates of qualified customers who are enrolled in low-income programs. TEP pointed out that PSE's BDR tariff allows disenrollment through selecting a random sample of customers to enter a verification process or to require annual verification but does not allow disenrollment in the manner being pursued by PSE in this docket. TEP also requested further efforts for outreach, including U.S. mail and targeted phone calls to a subset of the 20 percent most vulnerable customers. When asked, TEP disclaimed the expertise to opine on what conversion rate from an outreach campaign would have been "reasonable."

- 23 The Company responded, contending that outreach has been sufficient and that the Company has used electronic mail, bill inserts, and targeted marketing. The Company also indicated that ending the program now will send a price signal to customers to enroll in programs for which they are eligible, which will be distorted if the program ends during the winter months.
- 24 NWEC provided comments in support of Staff and TEP. NWEC also raised the concern that disconnections could result from disenrollment.
- 25 Public Counsel commented that RCW 70A.065.130(2)(a) requires the Company eliminate additional cost burden of the CCA on low-income customers. Public Counsel argued that pursuant to the statute, the low-income customers who were auto-enrolled are at least entitled to continue to receive the CCA credit. Public Counsel suggested that the statute's reference to "low-income customers" did not specify that attestation or independent verification was required.
- 26 AWEC commented that the enrollment process is streamlined and low-income is well defined through the tariff. AWEC believes that because of this, continuing the auto-enrollment program is inequitable, potentially preferential, and unduly discriminatory towards other customers.
- 27 Following comments from the parties, PSE moved for the Commission to deny the Petition because the petitioning parties have not met their burden to show that Commission action is warranted. Further, the Company asked the Commission to characterize the Petition as one seeking relief from an order, and not as a Petition asserting that PSE had violated Order 01. Staff disagreed with PSE's recharacterization of the Petition and argued that they had met the burden. Public Counsel argued that for the Company to disenroll customers and fall below the 70,000 customers automatically enrolled shifts the burden to the Company to petition for relief from Order 01.

## DISCUSSION

- 28 At this time, we decline to make a decision on the Joint Petition. The Commission has issued a Compliance Acknowledgement Letter of PSE's having met the requirements of Order 01, Paragraph 20. However, Staff posits that this letter was issued based on an understanding allegedly reached on May 17, 2024, that PSE would be extending the enrollment period and conducting additional outreach to those 50,000+ customers who

had not provided self-attestations during the enrollment period.

29 PSE states in its letter that it disagrees with Staff that it should continue providing credits to these customers it has identified as low-income through third-party data. Staff claims that PSE is now adding the stipulation that only customers who submit an energy assistance application through the company should be eligible for credits. PSE contends that the Schedule 111 Tariff definition of eligibility ties into the BDR schedule, which requires customers to complete the Company's enrollment process to participate in this service and to verify eligibility to remain enrolled.

30 Given these differing interpretations, and those provided at the open meeting, we find it appropriate to allow the parties additional time to brief whether PSE would violate Order 01 by declining to continue enrollment for those customers who failed to self-attest to eligibility.

31 In the interim, we find it appropriate for PSE to continue efforts to reach out to those customers who have not self-attested to eligibility.

### FINDINGS AND CONCLUSIONS

32 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies.

33 (2) PSE is a public service company subject to Commission jurisdiction providing service as an electric and natural gas company.

34 (3) Washington Administrative Code (WAC) 480-07-370(3) allows parties to seek relief from a Commission Order by filing a petition in the applicable docket.

35 (4) This matter came before the Commission at its regularly scheduled open meeting on August 29, 2024.

36 (5) After reviewing the petition, PSE's letter in response to Staff's initial request, Order 01 in Docket UG-230470, and having heard comments from the parties during the Commission's regularly scheduled open meeting on August 29, 2024,

and giving due consideration to all relevant matters and for good cause shown, the Commission finds that it cannot grant the requested relief at this time.

- 37 (6) We find that additional briefing is necessary to resolve the petition.
- 38 (7) While at this time, we reserve judgment on the Joint Petition, we nonetheless are concerned about the impact to low-income customers if this program enrollment was cut by 70 percent. As a result, we find it necessary to compel PSE to provide additional outreach and for PSE to continue service to those customers auto-enrolled in Schedule 111 and the Schedule 11 low-income tariff, which includes the BDR program, but who have not self-attested, through December 1, 2024.

### ORDER

#### THE COMMISSION ORDERS:

- 39 (1) Puget Sound Energy shall continue service to customers auto-enrolled in Schedule 111 and the Schedule 11 low-income tariff, which includes the BDR program, but who have not self-attested, through December 1, 2024.
- 40 (2) Puget Sound Energy will begin targeted outreach efforts to enrolled customers who have not yet submitted an energy assistance application to Puget Sound Energy. Prior to starting this effort, PSE shall meet and confer with the LIAC on how to best conduct outreach. If the parties have not submitted an agreed upon methodology to the Commission before September 13, 2024, PSE shall provide direct mail notice to those customers who have not provided self-attestation by September 27, 2024, and again, by October 25, 2024. PSE shall also make a telephone call to customers who have not provided self-attestation that have been past due in the last 24 months.
- 41 (3) The Parties shall provide further briefing on compliance with Order 01 in this docket. Simultaneous briefs shall be due on or before October 14, 2024, and shall not exceed 10 pages in length.
- 42 (4) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective August 30, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner