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April 12, 2024

Via UTC Web Portal

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Sq. Loop SE
Lacey, Washington 98503

Re: The Energy Project's Comments on Puget Sound Energy's Schedule
129 Energy Assistance Funding, Dockets UE-UG-240194-95

Dear Jeff Killip:

The Energy Project (TEP) strongly supports Puget Sound Energy's (PSE) proposal to increase funding for its Home Energy Lifeline Program (HELP). If the Commission does not approve additional funding, low-income customers will not have access to PSE's largest energy assistance program and PSE will fall behind in its efforts to meet the Clean Energy Transformation Act's (CETA) goal of reducing the energy burden of low-income customers.

After implementing enhanced energy assistance programs, PSE's low-income customers are asking Community Action Agencies and PSE for assistance in record numbers. The Commission should respond by ensuring sufficient funding is available to meet the needs of these vulnerable customers.

These comments describe CETA's goal to reduce low-income customers' energy burden, the design of PSE's enhanced assistance programs, the data PSE relied on when setting the new funding level, the advisory group process that PSE used to develop this tariff revision, and the reasonableness of the funding increase.

I. Background

A. PSE's energy assistance programs are designed to work together to meet CETA's goal to reduce low-income customers' energy burden to a specific target.

CETA set a goal of reducing the energy burden for low-income households.¹ As the Washington State Department of Commerce observed in its 2023 Low-Income Energy Assistance Report, the previous generation of utility-operated assistance programs and federal Low Income Home Energy Assistance Program (LIHEAP) fell “short of addressing the energy burdens of low-income households.”² In the past, many eligible customers did not receive energy assistance, and those that did often received aid that was insufficient to reduce their energy burden to 6% or less of household income, as prescribed by CETA.³

The causes for the gap between the substantial need for energy assistance and the amount of aid actually delivered are varied, but Commerce identified insufficient levels of program funding and onerous enrollment processes as two major causes.⁴ In collaboration with its Low Income Advisory Committee (LIAC), PSE designed its enhanced energy assistance programs, which include the HELP and a bill discount rate (BDR), to address this gap. The HELP and BDR programs work together within a single design in order to:

- expand the avenues available for customers to enroll by declaring their income,⁵
- provide assistance that is appropriately sized to reduce energy burden to 6% of household income by using discounts that vary based on a customer's income,
- increase available funding, and

¹ RCW 19.405.120.

² WA State Dept. of Commerce, *Low-Income Energy Assistance 2023 Legislative Report* (2023 Legislative Report), at 3 (March 6, 2023), <https://deptofcommerce.app.box.com/s/qazu3yweu5w6udvvnvw97qk5dwzop56p5>.

³ RCW 19.405.120(1)-(2) (directing utilities to “make programs and funding available for energy assistance to low-income households” to address unmet energy assistance need); WAC 480-100-605 (defining energy assistance need as the “the amount of assistance necessary to achieve an energy burden equal to six percent for utility customers”).

⁴ 2023 Legislative Report at 3, 16-18.

⁵ A customer submits a single energy assistance application and is then enrolled in both HELP and BDR.

- leverage the capabilities of Community Action Agencies and Community Based Organizations to provide better services to customers.

Lack of sufficient funding was a key barrier identified by the Commerce report; these programs are designed to overcome that barrier by providing ratepayers funding sufficient to meet customers' need. The enhanced energy assistance programs approved by the Commission for PSE, Avista, PacifiCorp, Cascade, and NW Natural over the past year represent an emerging consensus in both Washington State and elsewhere regarding best practices for providing energy assistance to low-income customers.

B. PSE developed this filing in consultation with its LIAC and based on reasonable data.

PSE developed this filing using reasonable data and in consultation with its LIAC, which includes TEP, Public Counsel, NW Energy Coalition, and Community Action Agencies. The data PSE provided shows that the enhanced programs have been successful by enrolling record numbers of customers in low-income assistance programs, consistent with the goal set in CETA to reduce low-income customers' energy burden. Another way to describe this success is that our vulnerable neighbors are struggling to get by, and in record numbers are reaching out to Community Action Agencies and PSE for assistance.

However, the available funding for PSE's HELP is not sufficient to meet low-income customers' need this program year. Data presented by PSE shows HELP needs an additional \$37 million this program year. PSE presented scenarios of various forecasts of HELP program enrollment, customer benefits, and available funds to the LIAC on March 6, 2024. Members of the LIAC asked questions about the calculation of the available funds, projected new enrollments, and the application of shareholder funding from penalties recently assessed to PSE. PSE confirmed to the LIAC that shareholder funding from penalties has been properly applied to the HELP budget.

As a result of this discussion, members of the LIAC expressed support for PSE's approach to increasing funding. The Energy Project thanks PSE for working collaboratively with its LIAC to propose this change.

II. TEP strongly supports PSE's proposal to increase funding for HELP.

The Commission should approve PSE's request to increase HELP funding.

If the Commission does not approve additional funding, vulnerable customers will no longer be able to access PSE's largest energy assistance program. The HELP and

BDR programs were designed together to reduce a customer's energy burden to 6% or less of household income. A single application is used to apply for both programs. A majority of the financial benefits of the programs are delivered via the HELP program, and a smaller amount through the BDR. The actual amount of energy burden reduction provided through each program varies based on the individual customer's income and energy use, however almost all enrolled customers will receive more than half of their energy assistance from the HELP grant. Notably, the average customer enrolled in Tiers 4-6 receives over 75% of their energy burden reduction from the HELP grant and less than 25% of their energy burden reduction from the BDR. Thus, if HELP funding is limited, low-income customers will no longer have access to sufficient energy assistance to reduce their household energy burden to 6%, and PSE will fall behind on meeting CETA's energy burden reduction goals.

Additionally, PSE's temporary arrearage relief program is also using the HELP program budget. This temporary program awards up to \$500 additional assistance when a HELP grant does not cover all of a customer's arrears. This temporary program will be replaced by PSE's permanent arrearage management plan on October 1, 2024.

TEP acknowledges that a \$37 million funding increase for HELP is substantial. Approving this substantial funding increase is reasonable and appropriate because it is sized to meet the substantial and demonstrated need among PSE's low-income customers. Moreover, it is appropriate for commercial and industrial customers to fund programs designed to provide assistance to their vulnerable neighbors in need.

Further, there is little downside to increasing HELP funding beyond the amount needed this program year. The HELP tariff ensures that any increased funding not used this program year can be applied to a future year's budget. Unused HELP funds can also go towards BDR benefits.

Finally, the Commission regularly increases the budget of energy assistance programs to ensure that low-income customers retain access to a full suite of energy assistance programs for the entire program year. In the past year, the Commission approved mid-year funding increases for both Cascade and NW Natural.⁶ The

⁶ Dkt. UG-230551, Cascade Natural Gas, Advice No. W23-06-02 (mid-year increase to funding for the Washington Energy Assistance Fund to ensure energy assistance is available to customers for the full program year); Dkt. UG-230614, NW Natural Gas, Advice No. 23-04 (mid-year increase to funding for Gas Residential Energy Assistance Tariff to ensure energy assistance is available to customers for the full program year).

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Commission should continue its practice of allowing mid-year increases to energy assistance program budgets when needed to provide support to customers in need.

TEP thanks the Commission for the opportunity to submit these comments, and will make a representative available at the April 25, 2024 open meeting to answer any questions.

Very truly yours,

/s/ Yochanan Zakai
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