

April 9, 2020

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop S.E.
Lacey, WA 98503

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04/09/20 11:17

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**Re: PSE Dockets UE-200331/UG-200332
April 10, 2020, Open Meeting Agenda Items: A4, A5**

Dear Mr. Johnson:

This letter supplements The Energy Project's (TEP's) letter filed on April 7, 2020. The Energy Project has now had an opportunity to review the Puget Sound Energy (PSE) CACAP proposal filed late Monday. A written version of this proposal was not shared with The Energy Project, with Community Action Agencies, or with the HELP Advisory Committee prior to its filing.

The Energy Project supports creative efforts by Washington utilities to address the COVID-19 emergency in Washington. In TEP's view, the best way to address the current crisis is through transparent and collaborative work by the whole community of stakeholders, including a company's existing network of experienced low-income program providers, and other important stakeholders, as we have seen in the case of Avista and other companies. Unfortunately, that has not happened to date in this case. PSE's proposal to create a new assistance program should have been brought to the HELP Advisory Committee much earlier in the process of its development. That was the purpose of establishing the Advisory Committee and there was time for that to occur. Instead, for several weeks, PSE chose to pursue this proposal independently, without collaboration or clear communication with directly affected stakeholders and agencies. As a result of the lack of consultation, the CACAP proposal as filed presents a number of issues that need to be resolved if the plan is to move forward.

With these considerations in mind, TEP respectfully recommends that the following modifications be required as conditions to approval by the Commission of the PSE CACAP proposal.

1. Allow Direct Access to CACAP by Telephone or Written Application. Clarify that customers may access the program by telephone or written application directly without using the Energy Assistance Portal. The current tariff allows these options only if "a Customer is unable to submit their CACAP application through the electronic application process." This disadvantages customers without computer access or ability.
2. Streamline HELP Program Delivery. Direct PSE to work with Community Action Agencies (CAAs) to assist with streamlining HELP

The
Energy
Project

Shawn Collins
Director

3406 Redwood Ave.
Bellingham, WA 98225

shawnc@oppco.org

(360) 389-2410

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delivery via necessary agency contract and tariff modifications, and other appropriate means. To the extent possible, parity of agency delivery with the streamlined CACAP approach will assist with the distribution of HELP benefits. PSE should report results to Commission within 2 weeks. Advisory Committee meetings addressing this began last week.

3. Enhance Outreach/Promotion for HELP. Develop a plan for immediate enhancement of publicity by PSE to drive increased enrollment to the existing HELP program. Report results to the Commission within 2 weeks. The plan should address how CACAP applicants will be informed about HELP and LIHEAP eligibility and how the programs will coordinate.
4. Report on CACAP Outreach. The Advice Letter states that CACAP outreach will be not be reported on until the May 2021 Annual HELP Report. PSE should be required to file an initial report on CACAP Outreach within 2 weeks so that the Commission and stakeholders can evaluate clarity and fairness of messaging.
5. Require Correct Application Of Gas And Electric Funds. The Company is focusing its CACAP program on customers who have not qualified for assistance before but who meet a higher threshold (250% FPL) and who are impacted by COVID-19 (through a job loss for example). The proposal is to use unspent funds for this effort. Of these, 66 percent of the unspent funds are for gas. However, 71 percent of the funds PSE is proposing to use are collected for the electric program. If the Company is hoping to address a core CACAP population of higher income earners, then the focus should be on the fuel source most used by those households, as well what the majority of the rollover funds are dedicated for.

It is TEP's understanding that available funds for bill assistance in this program year are as follows:

\$22 million dollar balance in roll-over funds;

\$7.9 million electric;

\$14.5 million natural gas;

\$11 million remaining available for the current HELP program year;

\$8 million electric; and

\$3 million natural gas.

Puget Sound Energy proposes to use \$7.8 million of the \$7.9 million of electric rollover funds. This would leave no remaining rollover electric dollars for the agencies to access and disregards the fact that the majority of rollover funds are gas. The tariff includes electric and gas fund caps, but the language creates uncertainty about how this will work in practice, stating that "the

The Energy Project

Shawn Collins
Director

3406 Redwood Ave.
Bellingham, WA 98225

shawnc@oppco.org

(360) 389-2410

a program of:



Company may re-evaluate these combined and individual cap amounts, at the point that they become fully distributed.”

Electric heat is the primary heat source for low-income homes and access to those funds should be preserved for these lower-income households (< 150% FPL). Most customers in need who have not previously needed or qualified for assistance (target population for CACAP) will likely be higher income earners. We know that more affluent areas tend to have more gas heated homes. The CACAP program should focus on these hard to reach customers using available gas funds.

6. Preserve Access to HELP Funding. All funding collected under existing tariffs should remain available to customers under the existing HELP program.¹ The tariff should be amended to state that the \$11 million CACAP amount is a hard cap, not subject to “re-evaluation” by the Company.

The Energy Project is not as confident as Staff that “CACAP will not impact HELP resources.” By definition, CACAP at the outset reallocates funds already collected for the HELP program. If, as expected, there is a major surge in HELP applications and grants, the remaining available HELP funds under the CACAP proposal could be exhausted, particularly for electric customers. If funds remain in the CACAP program at that time, enrollment in CACAP should be closed and HELP should have access to the funds. Puget Sound Energy and agencies can maintain communication about funding levels in order to anticipate exhaustion of funds.

This is not an unrealistic scenario. Although there is currently a relatively high rollover balance, historically, high percentages of HELP funds have been expended and rollovers have been fairly limited in scope.² Approximately one quarter million PSE customers are at or below the current eligibility level of 150 percent of Federal Poverty Level. Given predictions of as much as 20-30 percent unemployment, demand for HELP funding may increase very significantly.³ There is a significant risk that reallocation of funds collected from ratepayers under Schedule 129 for the HELP program could be problematic in that scenario.

7. CACAP Is Supplemental. Staff’s Open Meeting memorandum states that customers would still be eligible for HELP and LIHEAP in addition

The Energy Project

Shawn Collins
Director

3406 Redwood Ave.
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shawnc@oppco.org

(360) 389-2410

a program of:



¹ All funds collected to date under the Schedule 129 tariff riders are for the purpose of funding the HELP program as specified in the tariff. That includes roll-over funds. “Total Benefits not expended in one program year will be included in Total Benefits for the following program year and be allocated along with funding for the current program year.” There is no functional segregation of the funds.

² Recent underspending of HELP funds appears to be a result of reduced applications due to improved economic conditions, fear of application for government benefits, and warming temperatures.

³ In the last two weeks of March over 317,000 initial unemployment claims were filed in Washington.

<https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/newsroom/Statistics/wkly-initial-claims-count-table.pdf>. Weekly claim levels in February and earlier were in the 5000-10,000 range.

to CACAP. The Energy Project agrees with that approach. The proposed tariff language should be amended to make this clear.

8. Improved Reporting. PSE does not propose to report on the program until the scheduled May 2021 annual HELP report. This is not timely or sufficient for tracking the program. PSE should be required to file a status report about CACAP every 30 days after implementation to monitor participation and track problems that may arise that would need attention in the Advisory Committee or the Commission.
9. Sunset Date. The program should have a sunset date of September 30, 2020 (end of the current program year), or whenever CACAP funds are exhausted, whichever comes first. While the Staff memorandum states the program is temporary, the Advice Letter and tariff filing do not appear to provide for a sunset date.
10. No cost to ratepayers. CACAP should be provided at no additional cost to ratepayers, including no third-party contractor or outside consultant costs (for example for Avertra). PSE has verbally agreed to this and the tariff should be amended to reflect the that.
11. Ensure that private customer information is protected. The Energy Project has concerns about the involvement of PSE collections employees in the CACAP program. The customer should be notified that by applying for CACAP he or she “grants the Company the right to receive their personal information.” This notification does not appear to be included in the tariff. The tariff should also clarify that WAC 480-100-153 (disclosure of private information) remains applicable to protect customers from disclosure of personal information to third parties.
12. Schedule Regular Advisory Committee meetings. (on at least a monthly basis). Regular meetings are important during the crisis to monitor program operations, identify issues, and respond to problems in a timely fashion.

Given the short time-lines involved with this matter, including the Less Than Statutory Notice requested in the PSE filing, TEP respectfully requests leave to file this letter after the time specified in WAC 480-07-900(5)(c).

Thank you for considering adoption of these modifications to the PSE CACAP proposal. I will participate in the Open Meeting on Friday, April 10 to address these recommendations and answer any questions.

Sincerely,



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Shawn Collins
Director

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