

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Regulated Utility
Response to the COVID-19 Pandemic

DOCKET U-200281

COMMENTS OF THE ENERGY
PROJECT

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April 30, 2021

I. INTRODUCTION

1 The Energy Project (TEP) files these comments in response to the Notice of Opportunity to File Written Comments, served March 31, 2021. Since the issuance of Order 02 in this docket, TEP has been working with the utilities in the energy assistance advisory groups, and communicating with Staff and other stakeholders about the COVID-19 response effort. The Energy Project appreciates and supports the Commission decision in Order 02 to schedule this matter for review in May in order to reassess the status of the pandemic and other factors that bear on the investor-owned utilities (IOU) resumption of collection activity and disconnection of customers, including customer outreach efforts, COVID-19 relief program updates and utility readiness to support customers.¹ The Commission has identified these as “crucial” issues to be considered as part of this reassessment.²

¹ Order 02, ¶¶ 11, 19.

² Order 02, ¶ 22.

2 Given the evolving nature of the pandemic, and of the economic impacts, relief efforts,
and effects on customers, the Commission has appropriately stated that it remains flexible, and
that it remains open to extending the moratorium or taking other action as appropriate.³

3 These comments are by necessity preliminary in some respects. A significant amount of
new information will not be available to the parties or the Commission until on or after April 30,
including: (1) arrearage and other data for first quarter 2021, updating the prior data filings
required by Order 01; (2) responses to the Commission data request regarding the new COVID-
19 bill assistance programs that are beginning to be offered this month; (3) utility responses to
the Staff April 15 information requests regarding communications and outreach; and (4) any new
information in the April 30 comment filings. Accordingly, TEP plans to file supplemental
comments, after review of the new information, prior to the Open Meeting.⁴

4 A major component of TEP’s work since Order 02 has been an in-depth analysis of the
arrearage data and a correlation of that data with utility-provided zip code information and the
Washington Department of Health (DOH) analysis of highly impacted and vulnerable
communities. The analyses provide new insights that will be helpful in the May reassessment
process. The zip code analysis materials for each company are provided for Commission review
as Attachment A to these April 30 comments. The arrearage data analysis will be presented with
our supplemental comments so that we can incorporate the new first quarter 2021 data.⁵

³ Order 02, ¶ 22.

⁴ In recognition that the new data will not be available until on or after April 30, Staff has advised stakeholders that comments can be filed after April 30.

⁵ The data filings by the utilities pursuant to Order 01 have provided data up through December 2020. The new data filing will update that information through March 31, 2021 both for arrearage and for zip code breakdown. Because we do not expect a significant change in the zip code results, the zip code analysis is presented with these

II. DISCUSSION

A. The Pandemic Is Showing A Concerning Trend

5 The overall context for the Commission’s decisions in this docket continues to be the COVID-19 pandemic. While there has been significant progress in vaccination rates in recent weeks, other recent developments are raising concerns about re-emergence of the virus. Last week Governor Inslee announced publicly that Washington state has entered its “fourth wave” of the COVID-19 pandemic.⁶ The Governor called the trend “too dangerous to persist,” pointing to data showing an increase in cases, a rise in hospitalizations, and the spread of new virus variants.⁷

6 Because of this trend, in mid-April, Pierce, Cowlitz, and Whitman counties moved back to Phase 2, a more restrictive phase of Washington’s Healthy Washington plan.⁸ On Tuesday of this week, the Seattle/ King County Director of Public Health advised the King County Council that the county was failing key metrics under the Healthy Washington plan and barring any change should expect to be rolled back from Phase 3 to Phase 2 on May 3.⁹ These rollbacks show that the severity of the problem exists both in the largest cities in the state as well as in

comments. As noted, our arrearage analysis will be updated with the 1Q 2021 information and filed with supplemental comments. We also intend to update the zip code analysis to the extent possible.

⁶ As reported in the April 22, Seattle Times, updated April 23, 2021. <https://www.seattletimes.com/seattle-news/politics/inslee-washington-has-entered-its-fourth-wave-of-covid-19/>

⁷ *Id.*

⁸ *Id.*

⁹ As reported by King 5 news <https://www.king5.com/article/news/health/coronavirus/king-county-phase-2-covid-reopening-rollback-preparation/281-0b32f499-034e-4299-9a58-9477c6176926>.

more rural areas. The state is scheduled to reevaluate county status on May 3 and that information will be available to the Commission for the May Open Meeting.¹⁰

7 While there are signs of economic improvement, the people of Washington continue to endure the impacts of the global pandemic and many residential customers of Washington's five investor-owned utilities (IOUs) are struggling to pay their bills, adding to growing arrearages. The Department of Commerce Economic Recovery Dashboard indicates very high levels of participation in food assistance programs. Participation peaked in January 2021 at just under 1 million and has dropped only slightly, remaining at a high level, with 970,000 participating in February, the most recent month reported.¹¹ Participation in the TANF program (Temporary Assistance for Needy Families) continues at significantly higher levels than pre-pandemic. For February 2021, although slightly lower than the December/January levels, TANF participation of 70,000 remains higher than October/November 2020.

8 As discussed below, our analysis of the utility data filed to date shows that communities with the highest arrearages are also experiencing higher rates of unemployment, poverty, and vulnerability to COVID-19.

B. Analysis Of Data Filed By The Washington IOUs

1. Zip code analysis shows arrearages are concentrated among the most vulnerable customers

9 As part of these comments, TEP is providing the results of a detailed analysis of Washington IOUs by zip code, examining the tie between where arrearages occur and the social

¹⁰ Healthy Washington, Roadmap to Recovery Metrics. Counties are evaluated every three weeks on Mondays. <https://www.coronavirus.wa.gov/what-you-need-know/roadmap-recovery-metrics>

¹¹ Washington Department of Commerce Economic Recovery Dashboard, viewed 4/30/21. <https://www.commerce.wa.gov/datadashboard/>

and health characteristics of those communities. For each IOU, we have prepared a two-page summary analysis of zip codes in graphic and tabular form.¹² The first page of each company summary reflects an overview of the data, and the second page a more detailed analysis of the five zip codes with the highest residential and known low-income arrearages.

10 To perform this analysis, TEP reviewed the arrearage data by zip code filed by the Washington IOUs in Docket U-200281 and correlated the zip code data with information developed by the Washington Department of Health (DOH), including the DOH Environmental Health Disparities (EHD) mapping tool, to identify Highly Impacted Communities.¹³

11 The Energy Project's analysis started with an examination of the top-ten zip codes, and then took a closer look at the five zip codes with the highest residential and known low-income arrearages. We found a strong correlation between the zip codes with the highest arrearages and how those same areas rank on the Washington State Department of Health (DOH) Environmental Health Disparities (EHD) mapping tool. The DOH EHD map identifies census tracts designated as Highly Impacted Communities (HIC) under the Clean Energy Transformation Act (CETA), and also ranks Washington communities according to environmental factors and social and health vulnerability measures that influence health outcomes.

12 The following are the key findings of TEP's zip code analysis:

¹² Attachment A.

¹³ This "cumulative impact analysis" was performed by DOH pursuant to RCW 19.405.140.

- **A high percentage of residential arrearages are concentrated in only a few zip codes.** For example, 21 percent of all PSE residential arrearages come from the top 10 (4.4 percent) of PSE’s 225 zip codes.¹⁴
- **A high percentage of known low-income arrearages are concentrated in only a few zip codes.** For example, for PSE, 25 percent of known low-income residential arrearages come from the top 10 (4.4 percent) of PSE’s 225 zip codes.¹⁵ For Avista, 64 percent of known low-income residential arrearages come from the top 10 (10 percent) of Avista’s 96 zip codes.¹⁶
- **There is a strong correlation between the zip codes with the highest arrearages and how they rank on the DOH Environmental Health Disparities (EHD) Map.** As noted, the DOH EHD map identifies census tracts designated as Highly Impacted Communities (HIC) under CETA, and ranks Washington communities according to environmental factors and social and health vulnerability measures that influence health outcomes, including people of color, social vulnerability to COVID-19, unemployment and percent of population in

¹⁴See Attachment A, PSE Table 1 for a breakdown of the top 5 zip codes with the highest total residential arrearages.

¹⁵ *Id.*

¹⁶ Attachment A, Avista, p. 1.

poverty.¹⁷ For example, our review found:

- PSE's top five zip codes have the highest correlation with people of color and social vulnerability to COVID-19 of any of the IOUs.
- All of PSE's top five zip codes have areas designated as Highly Impacted Communities (HIC).¹⁸
- All of PacifiCorp's top five zip codes have areas that rank highest in the DOH analysis in each of the social and health measures shown in Table 2 of the zip code summaries.

13 These conclusions are generally representative of the results for all the IOUs shown in the attached summaries. The Energy Project will review the new data to be filed on April 30 and update the zip code analyses as needed.

14 Overall, this analysis highlights that customers facing the financial challenges of large unpaid utility bills are disproportionately concentrated in vulnerable, highly impacted, low-income communities, and communities of color. These are the same communities feeling the greatest job and income losses from COVID-19, and the greatest health impacts of the pandemic itself. These are also the communities which it is often most challenging to reach with bill assistance due to language barriers, lack of technology access, and immigration status. Effective outreach is critical. The Energy Project is concerned at this point that adequate conditions have

¹⁷ The DOH EHD mapping tool is part of the DOH Tracking Network (WTN) mapping tool. The EHD includes several socio-economic measures and the WTN includes a measure of "Social Vulnerability to COVID-19." <https://fortress.wa.gov/doh/wtn/WTNIBL>

¹⁸ See, Attachment A, Table 2 in each of the company zip code summaries for a breakdown of the top five zip codes and their DOH social and health vulnerability measures and HIC rankings.

not yet been established to resume collection and disconnection in these communities on June 1.

2. Preliminary results of arrearage analysis

15 The Energy Project has also conducted a separate detailed analysis for each Washington IOU of the arrearage data filed by the IOUs in this docket, pursuant to Order 01. That data is currently limited to the period through December 2020, and, therefore somewhat dated. The IOUs are scheduled to provide data for the first quarter of 2021 on or about April 30. This will complete the picture for arrearages through the winter of the pandemic. The Energy Project will update its company arrearage analyses with the new first quarter data, which is expected to show significant arrearage growth. The updated analysis for each company will be filed for the Commission's review prior to the Open Meeting, as part of TEP's supplemental comments.

16 While more analysis remains to be done based on the new data to be received shortly, the 2020 arrearage data provided to date reflects the following:

- Not surprisingly, the data confirm that arrearages grew substantially between December 2019 and 2020.
- For most IOUs,¹⁹ arrearages for both residential and known low-income customers (KLI) are concentrated in the "90 days overdue" vintage.²⁰
- For each company, the share of arrearages 90 days or more overdue for known low-income customers is greater than or equal to the share for residential customers.²¹

¹⁹ Northwest Natural Gas res arrearages 30 days overdue and 90 days overdue are at the same percentage, and the majority are less than 90 days overdue. Cascade did not report known low-income.

²⁰ Residential customer range across companies: 58-74 percent at 90 days or more, KLI range: 66-87 percent.

²¹ E.g. Avista KLI 87 percent, res 74 percent; PacifiCorp KLI 66 percent, res 58 percent; PSE KLI and Res both 71 percent.

- The number of households receiving low-income energy assistance has seen growth by varying degrees among the companies. Increases over 2019 levels range from 10 percent for PSE to 157 percent for Avista.

As noted, TEP will supplement or modify these conclusions based on the new first quarter data when it is received. The Energy Project expects to file the detailed analyses for each company prior to the Open Meeting.

C. A Substantial Gap Remains To Be Served By Bill Assistance Programs

17 The Energy Project is pleased that the utilities are offering new COVID-19 bill assistance programs that include automatic grants to known low-income customers to provide debt relief for past due bills. However, in evaluating whether it is appropriate to allow collection and disconnection to resume, it is critical that the Commission recognize that these automatic grants will ultimately reach only a small portion of the customers struggling to pay their energy bills.

18 This issue of the “gap” between those eligible for automatic debt relief, and the substantial numbers of households with arrearages but no history of LIHEAP or utility bill assistance, was discussed at the Commission’s March 25, 2021 Open Meeting in this docket. Utilities reported the following at that time regarding the “gap”:

- Avista indicated that about 1/3 of its customers with arrearages would be eligible for the automatic grant, and thus 2/3 would not be eligible.²²

²² Mr. Shawn Bonfield, on behalf of Avista.

- Puget Sound Energy indicated that about 10 percent of customers with arrearages would be served by the automatic grant program.²³
- PacifiCorp and Cascade Natural Gas both indicated that only about 11 percent of its customers with arrearages would qualify for the automatic grant, based on their review at that time (and thus 89 percent of customers with arrearages would not get any automatic assistance).²⁴

19 As this reflects, the automatic grant programs, while a helpful part of the overall COVID-19 relief picture, are practically speaking addressing the “low hanging fruit,” the customers who are the easiest to reach. The bulk of customers with arrearages will not be served by these automatic grants. As described in the previous section, analysis of the utility arrearage data by zip code shows that arrearages are heavily clustered in communities that have been hit particularly hard by the COVID-19 pandemic, have higher rates of unemployment, and have also been designated as “highly impacted communities” by the DOH. These areas are historically the hardest to reach, with barriers of language, lack of information, distrust or fear of government and utilities, and lack of access to technology. The robust outreach efforts required to reach these customers are beginning but are not well advanced in most cases. Utilities and agencies are presenting plans for reaching these communities, but they need time to work, just as time is needed to allow new funding to be put in place for disbursement.

20 Prior to the Commission’s May 12, 2021, Open Meeting, the utilities will be providing information regarding their COVID-19 relief programs. It will be especially helpful if the utility

²³ Ms. Theresa Burch, Manager of Customer Solutions, on behalf of Puget Sound Energy.

²⁴ Ms. Ariel Son, representing PacifiCorp; Mr. Michael Parvinen, representing Cascade Natural Gas.

filings address the issue of the “gap” and provide updated information regarding the numbers of customers served by the automatic grant programs compared to the most recent numbers of customers with arrearages. As an example, Avista filed comments with the Commission prior to the March 25, 2021, Open Meeting with provided detail regarding the number of customers eligible for automatic grants as of February 15.²⁵

D. Status Of Assistance Delivery By IOUs

21 This is a key issue for the Commission to consider. The “readiness” for resumption of collection is critically dependent on the effective and timely deployment of bill assistance funding to customers. There are some preliminary indicators of concern. Puget Sound Energy has notified its HELP Advisory Group that a part of its new COVID-19 relief program will not begin until May. The Northwest Natural Gas program did not take effect until this week. This issue will be primarily addressed in our supplemental filing after a more complete picture is available from the utility filings.

E. Recommendations

22 The Energy Project will reserve a final recommendation until a review of the comment filings on April 30, the first quarter data, and the company responses to the data request regarding the new April COVID-19 relief programs just going into effect this month. As noted, TEP plans to file supplemental comments once it has had a chance to review this material.

23 However, even at this time, it is possible to observe several indicators that point towards the need for an extension of the moratorium on disconnection and collection activity.

²⁵ Dockets UE-210114/UG-210115, Avista Letter re Schedule 73, Residential Debt Relief Program, February 19, 2021, p. 5.

These factors include:

- The troubling “fourth wave” resurgence of the pandemic, including in King and Pierce counties, Washington’s largest metropolitan areas.
- The timeline for availability of federal energy assistance funds and the need for time to reach underserved communities.
- Our recent zip code analysis underlining that the highest arrearage levels are concentrated in large part in Highly Impacted Communities, among people of color, with higher unemployment, more social vulnerability to COVID-19, and higher poverty levels. These are also the customers who are the hardest to reach.
- The significant gap between the percentage of customers reached by the automatic grant programs (the new April relief programs) and the total number of residential customers with arrearages. The utilities estimate that as many as 90 percent of eligible low-income customers will not be reached by the automatic grant programs, leaving much work to be done to deploy assistance more broadly.

24 In addition, TEP continues to recommend, at a minimum, a primary focus on getting relief to the customers most in need, those with arrearages overdue for 90 days or more. This also, of course, represents the largest dollar total amount due from the utility perspective. At a minimum, this group of customers should continue to be protected from disconnection until all possible steps have been taken to connect them with available assistance funds.

III. CONCLUSION

25 The Energy Project respectfully requests that the Commission consider the issues and information identified in these comments and review the accompanying zip code analyses for the companies. We expect to supplement this filing prior to the Open Meeting once we have had a chance to review the April 30 comment filings, the first quarter data required by Order 01, and the response to the data request regarding the new COVID-19 programs performance.

RESPECTFULLY SUBMITTED

Dated April 30, 2021.

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