



October 9, 2020

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
6221 Woodland Square Loop SE
Lacey WA 98503

**Re: In the Matter of Energy Assistance in Section 12 of the Clean Energy Transformation Act,
Docket UE-200629**

The NW Energy Coalition (NWECC) appreciates this opportunity to offer initial comments on the specific questions posed by Staff in the Issue Discussion portion of the Notice issued September 15th, 2020, as well as some general comments regarding RCW 19.405.120. These are aligned with comments we have made previously at several workshops and in comments on the proposed rules for CETA and the EIA in Docket UE-190652.

Commission Staff invites stakeholders to provide any general comments related to the energy assistance provisions in RCW 19.405.120(2), which includes three distinct, though inter-related, requirements:

- a) **An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021;**
- b) **Each utility must demonstrate progress in providing energy assistance pursuant to the assessments and plans required in RCW 19.405.020(4); and**
- c) **To the extent practicable, priority must be given to low-income households with a higher energy burden.**

RCW 19.405.020(4) requires utilities to provide both an assessment of and a plan for improvement of utility energy assistance programs in three distinct areas:

- **The effectiveness of programs and mechanisms in the short-term and sustained reduction of energy burden;**
- **The outreach strategies used to encourage participation of eligible households, including: Consultation with community-based organizations and Indian tribes as appropriate and**

- **The linguistic and culture appropriateness of comprehensive enrollment campaigns for customers in vulnerable populations; and**

Funding levels compared to the funding needed to meet:

- **60 percent of the current energy assistance need or increasing energy assistance by 15 percent over the amount provided in 2018, whichever is greater, by 2030; and**
- **90 percent of the current energy assistance need by 2050.**

The statutory intention, which the NW Energy Coalition supports, is clear - every utility, not just IOUs, must make available energy assistance programs and funding to low-income households, prioritized as best as possible to those with the highest energy burden. That assistance should, over time, become more targeted and focused, based on plans developed under 19.405.120(4)(b) that makes the energy assistance programs more effective. This very intentional approach to low income energy assistance calls for carefully crafted rules to ensure the intent of the law is achieved. As such, we think that an eventual outcome of this discussion should be rules – as opposed to policy guidance or other less binding outcomes.

The Commission requests comments in response to the following questions.

- 1) As noted above, RCW 19.405.120(2) requires utilities make “programs and funding” available for energy assistance to low-income households by July 31, 2021.**
 - a. What does the term “programs” mean in the context of RCW 19.405.120(2)? Is a program the same or different than the four types of energy assistance included in the “energy assistance” definition in RCW 19.405.020(15):**
 - **monetary assistance;**
 - **conservation,**
 - **weatherization, and efficiency services;**
 - **direct distributed energy resource ownership; and other additional strategies.**

Please explain your answer.

Yes, we interpret a program as the same as the definition. The statute at RCW 19.405.020(15)(a) states “Energy assistance means a program undertaken...to reduce the household energy burden of its customers” and at (15)(a) “Energy assistance includes, but is not limited to, weatherization, conservation and efficiency services and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household’s energy burden”, we would interpret “program” to mean, at minimum, the first three kinds of energy assistance cited above. Further, “program” should also include direct low-income customer ownership in distributed energy resources or other strategies (the fourth point above), if such a program can achieve reductions in energy burden for a customer that is

in addition to the reductions achieved through conservation and demand-side measures, per the definition at 19.405.020(15)(b).

b. How should the Commission determine whether a utility’s “programs” and “funding” comply with RCW 19.405.120(2)?

Utilities must provide “programs” per the requirements of 19.405.020(15)(a) and in optionally, (15)(b), by July 31, 2021. The IOUs currently report to the Commission on assistance and weatherization programs. For the first time, the Department of Commerce is collecting energy assistance data from each utility that includes the amount and type of energy assistance currently provided, the number and type of household served by those programs, the estimated level of energy burden and need among customers served and the amount spent on third party administered programs, RCW 19.405.120(3). It should be relatively straight forward to determine if the programs comply with 120(2).

The funding reported to Commerce for Commerce’s biennial report under 19.405.120(3), must be based on each utility’s most recent completed budget, RCW 19.405.120(3)(c). And each utility must also assess funding levels compared to the amounts needed to meet the longer-term goals in 19.405.120(4)(a)(iii). While the methodology for demonstrating progress towards meeting 120(4) was not specified in CETA, the clear intention in 120(2) is to continually serve more of those with higher energy burdens. Progress will depend on how many low-income customers are determined to need assistance (which could change over time), which programs are offered and how much funding is allocated to them, how well outreach tactics are working and, ultimately, if the desired goal of reduced energy burdens is achieved.

c. How does the meaning of “low-income” relate to the eligibility requirements for energy assistance programs and funding offered by utilities? Do you agree with any of the four interpretations, or parts of the interpretations, offered by stakeholders to date? The four interpretations are summarized below.

- i. A utility must offer at least one low-income program where the eligibility for the program does not exceed the income levels established in the low-income definition.
- ii. A utility must have at least one program that is available to all customers up to the income levels established in the low-income definition.
- iii. The utility must have at least two programs that are available for all customers up to the income levels established in the low-income definition.

- iv. The utility must serve all customers up to the income levels established in the low-income definition for all energy assistance programs offered by the utility.**

Please explain your answers.

The fourth interpretation is the most consistent with the intent of CETA, the language at 19.405.020(25) and the proposed definition in UE 190652, which defines low income as 200% of the federal poverty level or 80% of the Area Median Income, whichever is greater. The definition of low-income is defined as households, not *some* households, that meet the income definition, so assistance programs should be available to *all* households that meet the definition. Limiting assistance eligibility to a subset of the low-income households, for example, those at a lower income level than 200% of the federal poverty level, would not conform with the intent of CETA. CETA also prioritizes assistance to those with higher energy burdens, but does not limit assistance to just those with high energy burdens.

We also understand that “all energy assistance programs” offered by the utility means just that; the statute does not allow limiting some programs to only segments of low-income households. Nor does CETA limit the number of programs offered to “at least one program.”

- d. Do utility programs that are primarily intended to avoid disconnection, such as emergency assistance that are not income qualified, reduce energy burden as defined in RCW 19.405.020(17)?**

No. Disconnection assistance is a one-time payment, usually made to keep the power on for a household in crisis. Disconnection assistance is not designed to reduce energy burdens or lower bills on an ongoing basis. The definition of energy assistance clearly defines energy assistance as a program undertaken to *reduce the household energy burden* of the customer 19.405.020(15), which non-income qualified emergency assistance does not accomplish, even if it is provided for several monthly bills. In contrast, other energy assistance, such as weatherization programs, result in consistently lower energy bills, by making a house more energy efficient and thereby reduce energy burden.

- 2) What principles and information should the Commission consider when determining whether a utility has “demonstrated progress in providing energy assistance?” Are the principles and information the same or different for the three elements of energy assistance: effectiveness, outreach, and funding?**

The principles and information utilities provide in the biennial reports should be complete enough to be used by the utility to conduct the assessments required in 19.405.120(4)(i), (ii) and (iii). The statute is clear the utility must assess the effectiveness of their programs, how effective their outreach is in reaching target households and how much funding will be

needed to meet an increasing portion of need by 2030 and 2050. The data and the assessments are the basis for the plan required at 19.405.020(4)(b) to improve the effectiveness of the mechanisms and strategies toward meeting the energy assistance need. Those three assessment values are meant to ensure that programs have actual impact and fulfill the intention, not just the letter, of the law – if a new efficiency program is offered, but outreach is weak and few end up learning about the program or participating, then a utility has not “demonstrated progress”. Progress needs to be measured in real world impacts.

3) RCW 19.405.120(2) requires that, to the extent practicable, utilities prioritize energy assistance to low-income households with the highest energy burden.

a. What principles and information should the Commission consider when determining whether a utility has prioritized assistance to low-income households with the highest energy burden?

Many existing assistance programs are based on combinations of low income and highest energy costs or needs and report that information already. Those could be models for how programs could be prioritized in practicable terms to serve those with the most need first under 19.405.120(2).

b. How should the Commission evaluate what is practicable? How should the Commission’s evaluation differentiate between what is practicable in the short-term versus the long-term?

The Oxford dictionary defines “practicable” as “able to be done or put into practice successfully; able to be used or useful”. There are a number of existing programs and national guidelines for best practices that could be considered to understand how “practicable” can be understood in real world applications.

NWEC appreciates this opportunity to submit comments and anticipates we may have additional comments as this the issues in this docket evolve. We look forward to working with the Commission and others on these important equity questions.

Cordially,

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