



May 16th, 2015

Utilities and Transportation Commission

Olympia, WA

RE: Workshop on electric and natural gas utility low-income assistance
program design Docket U-140632

Dear Commissioners,

I want to thank you for this opportunity to discuss the benefits of different program designs for electric and natural gas utility low income programs. My name is Carol Weltz and I am the Energy Operation Coordinator at Spokane Neighborhood Action Partners (SNAP) in Spokane, WA. Last year we provided energy assistance to 13,916 households in Spokane County, and we expect to serve about the same number this year. We accomplished this using a combination of funding from LIHEAP and LIRAP. Below are my comments in regards to the topic. I have also attached a study that Eastern Washington University completed regarding low income heating assistance in Spokane County.

What policy goals should guide the implementation of electric and natural gas low-income assistance programs?

Comments:

It is good to have policy goals flexible enough to run or implement programs that are best for the area. Keeping low income households connected to energy services is the main goal, with lowering the energy burden being a close second. What works in Seattle won't necessarily work in Spokane. In our area we have hard winters with significant heating bills. We want to maximize the allocated funds to reach the most people with meaningful benefit. Since we don't have a limitless pot of money we will never be able

to serve everyone who is eligible in a meaningful way. Not everyone who is eligible chooses to apply for assistance.

It is better if the “decisions” about program design are the product of an agreement between the utility and the community action agencies who administer it.

Which program design elements best support those goals?

Comments:

For our area, grant based programs that mimic LIHEAP, appear to work best. Grants are big enough to have an impact; too low of a grant doesn't really help the household. With the grant based on usage, clients are better able to keep their heat connected. We have little to no duplication of service with LIHEAP so the money reaches more households. This might not hold true with other areas so it is important to have loose enough constraints that programs can be designed to best fit the local area's needs.

Consideration of other funding programs is an important factor. With the grant program mimicking LIHEAP the dollars are stretched further.

Targeting households least able to pay is another important factor.

It is important to actually reduce the heat burden for the household.

How to provide fair access if funds are insufficient to serve all eligible customers?

Comments:

First come, first serve, is the method we have found most effective. We offer equal opportunity to those who need help, want help and are eligible. We also use targeted methods to ensure the most vulnerable are reached. We do outreach in the community to populations that we know are not being reached. Examples of this are outreach to World Relief, Spokane County Regional Support Network's Supportive Living Program, and the Spokane Combat Vet Center. We have also put systems in place to provide for referrals from social service agencies serving the most vulnerable. The program the Community Action partners developed with Avista recognized that seniors are a distinct group, so a percentage of the funding is set aside to serve just seniors. Also, we know that some folks will still fail and have emergencies, so our program design included components to address those elements.

What lessons can be learned from low-income assistance programs in other states?

In California, Massachusetts, Montana and West Virginia utilities offer Straight Rate Discount: across the board discounts ranging from 30 to 40 percent of income eligible HH's. This discount does not discriminate between those who can pay their bills and those who can't. It is a simple across the board discount

Lessons:

- 1) Some households receive help twice while others remain unserved which cuts down on the number of people being helped. When local programs differ from each other clients are eligible for both.
- 2) The amount of help is not significant to ward off shut offs, providing insufficient benefits to those households in need.
- 3) The program may provide benefits to those who do not need relief and who are able to pay their bill rather than assisting those who "need" the help.

Public Service of Colorado has used a variation of the Income-Based Straight Rate Discount: It is a targeted discount based on poverty level. The rate varies based on participant's poverty level. A customer living at 25% of FPL would pay less than one living at 75% FPL. The pilot program is set at 100% FPL. The amount is based on 6 months heating consumption. If heating bill was 500.00 and the discount is 40% the credit is \$200.00. This is divided over 12 months to find "fixed monthly discount". The fixed credit will be applied for each month a payment is made.

Lessons:

- 1) Although behavior modification sounds good it doesn't always work when there is not enough money to go around in the household budget. If the client misses a payment they don't receive the credit that month.
- 2) Discount credit is not enough to stop a shut off.
- 3) Rate discount is not significant enough to really help during the cold winter months especially in our area given high heating costs. The benefit is based on the heating load, but spread across the entire year, so the credit doesn't count as much when most needed.
- 4) No way to address emergencies. Giving help in the summer when not needed. (Funding Fuels Assistance: State and Local Strategies)

Marginal Cost Based Rate:

In Maine if you are living in government subsidized housing you are not eligible for heating assistance (LIAP).

Lesson:

The programs could have some "savings" of benefits by excluding subsidized housing but most times these are the poorest of the poor.

New York HEAP program only helps those households who have a household member under 6, age 60 or older or permanent disability.

Lesson:

They cut out a large portion of the working poor that our funds currently help.

Hillsboro Oregon they only require proof of past 30 day income.

Lesson:

This may not give a good picture of the household resources.

Thank you again for taking comment on this very important topic. It is easy to see that differing areas have differing needs. It is good to have policy goals flexible enough to run or implement programs that are best for each individual area's needs. We at SNAP are available for question and discussion regarding this matter. Please feel free to contact me.

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