

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of  
  
PACIFICORP d/b/a PACIFIC POWER &  
LIGHT COMPANY,  
  
Petitioner,  
  
To Approve Tariff Revisions Regarding the  
Company's Low Income Bill Assistance  
Program

DOCKET UE-210533  
  
ORDER 01  
  
APPROVING REVISIONS TO LOW  
INCOME BILL ASSISTANCE  
PROGRAM

**BACKGROUND**

- 1 The Clean Energy Transformation Act (CETA), passed in 2019 and codified as Chapter 19.405 Revised Code of Washington (RCW), requires electric utilities to provide bill assistance to low-income households.<sup>1</sup>
- 2 On April 21, 2021, the Washington Utilities and Transportation Commission (Commission) issued a Notice of Programs and Funding Requirements for Electric Utilities Under CETA (Notice).<sup>2</sup> Because CETA imposed new requirements for low-income programs, the Commission required electric utilities to file any necessary revisions to their low-income programs by July 31, 2021.
- 3 On July 2, 2021, PacifiCorp d/b/a Power & Light Company (PacifiCorp or Company) filed proposed revisions to Schedule 17, Low Income Bill Assistance Program (LIBA) - Residential Service Optional for Qualifying Customers, and Schedule 19, Residential Service - Time of Use Pilot. In this filing, the Company proposes three revisions to LIBA effective August 1, 2021.
- 4 First, PacifiCorp proposes to change the maximum income threshold for program eligibility. Under the Company's current LIBA, the highest household income level

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<sup>1</sup> See generally Laws of 2019, ch. 288.

<sup>2</sup> See *Notice of Programs and Funding Requirements for Electric Utilities Under CETA*, Docket UE-200629 (April 21, 2021).

eligible for LIBA is capped at 150 percent of the Federal Poverty Guidelines. Tier 3 benefits apply to customers with income between 101 and 150 percent of the Federal Poverty Guidelines. The Company proposes to expand the Tier 3 Income Guideline to 200 percent of the Federal Poverty Guidelines or 80 percent of the Area Median Income, whichever is greater.

5 Second, PacifiCorp proposes to change the method of calculating the LIBA discount. LIBA is currently designed to provide credits over all 12 months of the year to income-eligible households with monthly usage over 600 kWh. PacifiCorp instead proposes a straight percentage discount on the customer's bill. The Company submits that this ensures that customers who use less than 600 kWh per month benefit from the program. This makes the discount easier to understand.

6 Third, the Company seeks to remove the annual cap on enrollment in LIBA. Until now, the annual enrollment cap was increased by two percent each year, and 5,210 households were able to enroll in LIBA in 2021-2022. PacifiCorp proposes to remove this enrollment cap to allow more customer participation. The Company submits that the agencies that administer the program have indicated that they have the staffing and resources to support the expected increase in customer participation.

7 PacifiCorp collects funds to cover LIBA program costs through Schedule 91. As of May 31, 2021, the LIBA balance account was under-collected by approximately \$2.7 million. The Company notes that it will likely propose a rate change in the coming weeks for rates effective October 1, 2021.

8 Commission staff (Staff) has reviewed the Company's proposed revisions to the LIBA program and recommends that the Commission approve these changes.

9 Staff submits that the Company's proposed change to the Tier 3 Income Guidelines brings the LIBA program into compliance with the Commission's Notice and regulations implementing CETA.

10 Staff also supports the Company's proposals to provide a straight percentage discount rate. Because LIBA currently provides a credit for monthly usage above 600 kWh, this means that some eligible households may not benefit from the program for at least a portion of the year. The proposed straight percentage discount ensures that all eligible customers receive a discount on their bill. Staff submits that this will provide similar or better benefits for eligible customers without requiring frequent tariff revisions to update

the credit amount.

- 11 Finally, Staff agrees with the Company’s proposal to remove the annual enrollment cap. Staff notes that this will bring the Company’s low-income programs into compliance with recent statutory amendments.

## DISCUSSION

- 12 We approve of PacifiCorp’s proposed changes to the LIBA program. We discuss each of these revisions in turn.

### *Expanded eligibility*

- 13 CETA provides that “[a]n electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021.”<sup>3</sup> As relevant here, CETA allows the Commission or the Department of Commerce to determine the maximum eligible income level for bill assistance programs, by defining the term “low income.”<sup>4</sup> The Commission has chosen to set this income threshold at the maximum level allowed by statute, defining “low income” as “household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.”<sup>5</sup>
- 14 PacifiCorp appropriately seeks to increase the Tier 3 Income Guideline for LIBA program to reflect the Commission’s definition of the term “low income.” This tariff revision is lawful and should be approved.

### *Straight percentage discount*

- 15 Effective July 25, 2021, the legislature set forth new requirements for low-income assistance programs.<sup>6</sup> Pursuant to RCW 80.28.068(1), “[e]ach gas or electrical company must propose a low-income assistance program comprised of a discount rate for low-

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<sup>3</sup> RCW 19.405.120(2).

<sup>4</sup> RCW 19.405.020(25).

<sup>5</sup> WAC 480-109-060(22). *See also* Notice.

<sup>6</sup> *See generally* Laws of 2021, ch. 188.

income senior customers and low-income customers as well as grants and other low-income assistance programs.” The Commission shall approve, disapprove, or approve the program with modifications.<sup>7</sup>

16 We agree with PacifiCorp’s proposed straight percentage discount. This is consistent with the statutory requirement for a “discount rate” for low-income customers.

17 We also agree with both the Company and Staff that a straight percentage discount is easier for customers to understand than the current credit calculation, and it ensures that all eligible households benefit from the program.

*Removing the annual enrollment cap*

18 As noted above, electric utilities must make programs and funding available for energy assistance to low-income households.<sup>8</sup> Effective July 25, 2021, “[a] residential customer eligible for a low-income discount rate must receive the service *on demand*.”<sup>9</sup>

19 Given this statutory language, PacifiCorp appropriately seeks to remove the annual enrollment cap on the LIBA program. This allows all eligible customers to receive the benefit of the LIBA program.

**FINDINGS AND CONCLUSIONS**

20 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.

21 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.

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<sup>7</sup> *Id.*

<sup>8</sup> RCW 19.405.120(2).

<sup>9</sup> RCW 80.28.068(5) (emphasis added).

- 22 (3) Pursuant to WAC 480-109-060(22), the Commission defines “low income” as  
“household incomes that do not exceed the higher of eighty percent of area  
median income or two hundred percent of federal poverty level, adjusted for  
household size.”
- 23 (4) PacifiCorp seeks to expand the Tier 3 Income Guidelines for the LIBA program  
to 200 percent of the Federal Poverty Guidelines or 80 percent of the Area  
Median Income, whichever is greater.
- 24 (5) Pursuant to RCW 80.28.068(1), each gas or electrical company must propose a  
low-income assistance program comprised of a discount rate for low-income  
senior customers and low-income customers as well as grants and other low-  
income assistance programs.
- 25 (6) PacifiCorp proposes to provide a straight percentage discount under the LIBA  
program, rather than a credit for monthly usage over 600 kWh.
- 26 (7) RCW 80.28.068(5) provides that “[a] residential customer eligible for a low-  
income discount rate must receive the service on demand.”
- 27 (8) PacifiCorp proposes to remove the annual enrollment cap on the LIBA program.
- 28 (9) This matter came before the Commission at its regularly scheduled meeting on  
July 29, 2021.
- 29 (10) After reviewing PacifiCorp’s July 2, 2021, proposed tariff revisions, and giving  
due consideration to all relevant matters and for good cause shown, the  
Commission finds that the proposed tariff revisions should be approved with an  
effective date of August 1, 2021.

## ORDER

### THE COMMISSION ORDERS:

- 30 (1) PacifiCorp d/b/a Pacific Power & Light Company’s proposed revisions to the  
LIBA program, filed in this docket on July 2, 2021, are approved with an  
effective date of August 1, 2021.
- 31 (2) The Commission retains jurisdiction over the subject matter and PacifiCorp d/b/a  
Pacific Power & Light Company to effectuate the provisions of this Order.

Dated at Lacey, Washington, and effective July 29, 2021.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**DAVID W. DANNER, Chair**

**ANN E. RENDAHL, Commissioner**

**JAY BALASBAS, Commissioner**