

Energy Assistance in CETA Workshop

December 1, 2020

1 p.m. – 5 p.m.

Docket UE-200629



Workshop goals

- Set context for Commission guidance
 - Statute and UTC decisions to-date
 - Status of utility programs
- Gather additional input
- Inform next steps

Agenda

- Overview presentation
- Utility presentations
- Discussions by topic:
 - Programs and funding
 - Demonstrate progress
 - Prioritization
- Scoping discussion
- Open comment
- Next steps



Virtual Workshop Instructions

Do:

- ✓ Try to participate using your computer
- ✓ Mute your mics and turn off your camera when not speaking
- ✓ Provide your name before speaking
- ✓ Use chat
- ✓ Respect the pause

Don't:

- ✗ Hesitate to ask a questions
- ✗ Speak over the presenter or speaker
- ✗ Forget this is a public workshop. The presentation and comments will be recorded and posted



Overview of Energy Assistance in CETA

Workshop scope

Decisions to-date



Energy Assistance in CETA

- Section 12 of the Clean Energy Transformation Action (CETA)
 - Codified as RCW 19.405.120
 - Related definitions in RCW 19.405.020
- “It is the intent of the legislature to demonstrate progress towards making energy assistance funds available to low-income households.”



RCW 19.405.120(2)

Scope of workshop

- Utilities “must make programs and funding available for energy assistance to low-income households by July 31, 2021.”
- Utilities “must demonstrate progress in providing energy assistance” in the following areas:
 - Effectiveness
 - Outreach
 - Funding
- Utilities must “to the extent practicable, [prioritize]... low-income households with a higher energy burden.”



Definition of: Low-income

RCW 19.405.020(25); WAC 480-109-060(22)

“Low-income” means household incomes as defined by the department or commission, provided that the definition may not exceed the higher of eighty percent areas median household income or two hundred percent of the federal poverty level, adjusted for household size.



Definition of: Energy Assistance

RCW 19.405.020(15)

“Energy assistance” means a program undertaken by a utility to reduce the household energy burden of its customers.

(a) Energy assistance includes, but is not limited to, weatherization, conservation and efficiency programs or discounts for lower income households, intended to lower a household’s energy burden.

(b) Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other conservation and demand-side measures.



Energy Burden

RCW 19.405.020(17)

“Energy burden” means the share of annual household income used to pay annual home energy bills.



Energy Assistance Need

RCW 19.405.020(16)

“Energy assistance need” means the amount of assistance necessary to achieve a level of household energy burden established by the department or commission.

UTC Rules: WAC 480-109-060(14) and WAC 480-100-605

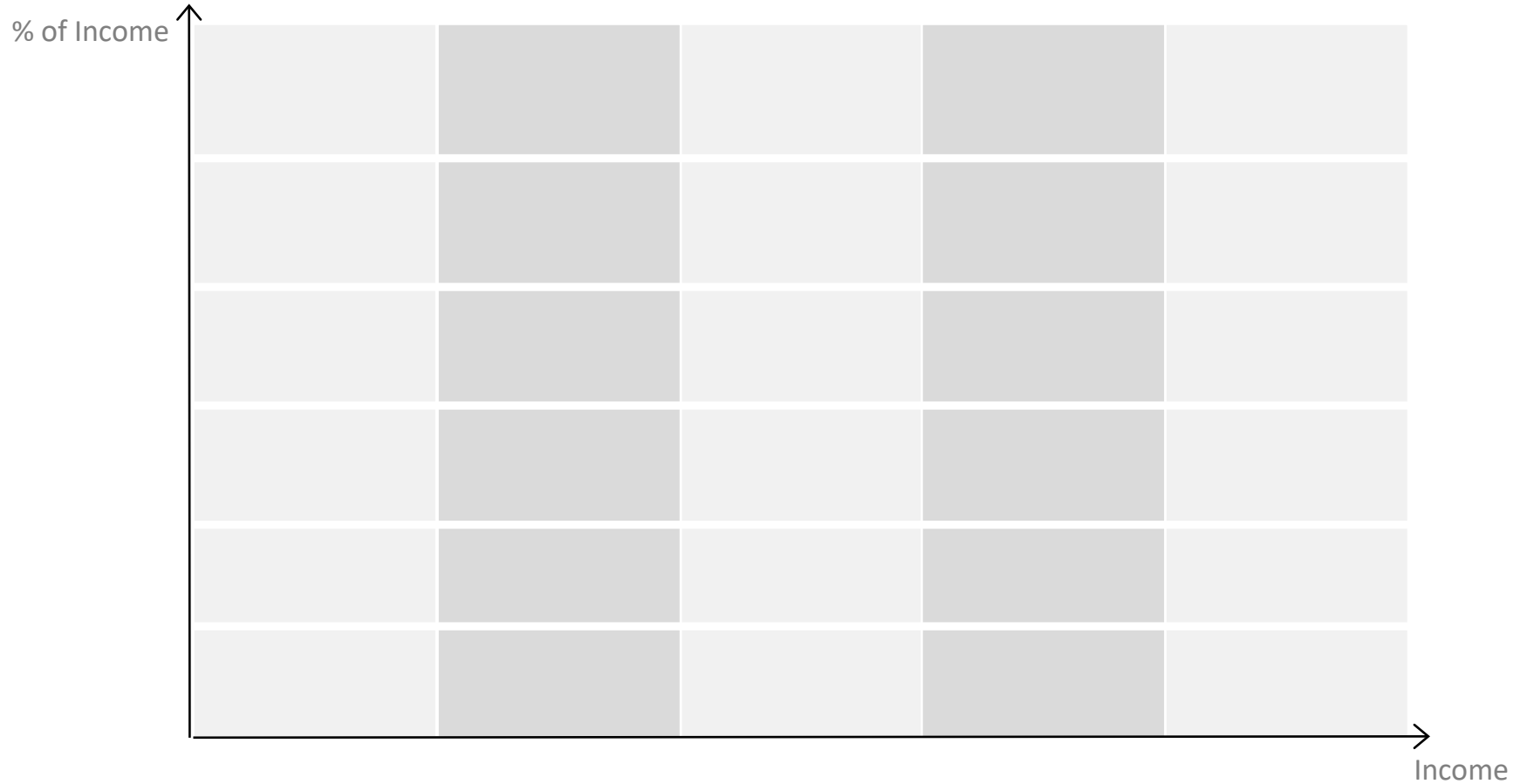
“Energy assistance need” means the amount of assistance necessary to achieve an energy burden equal to six percent for utility customers.



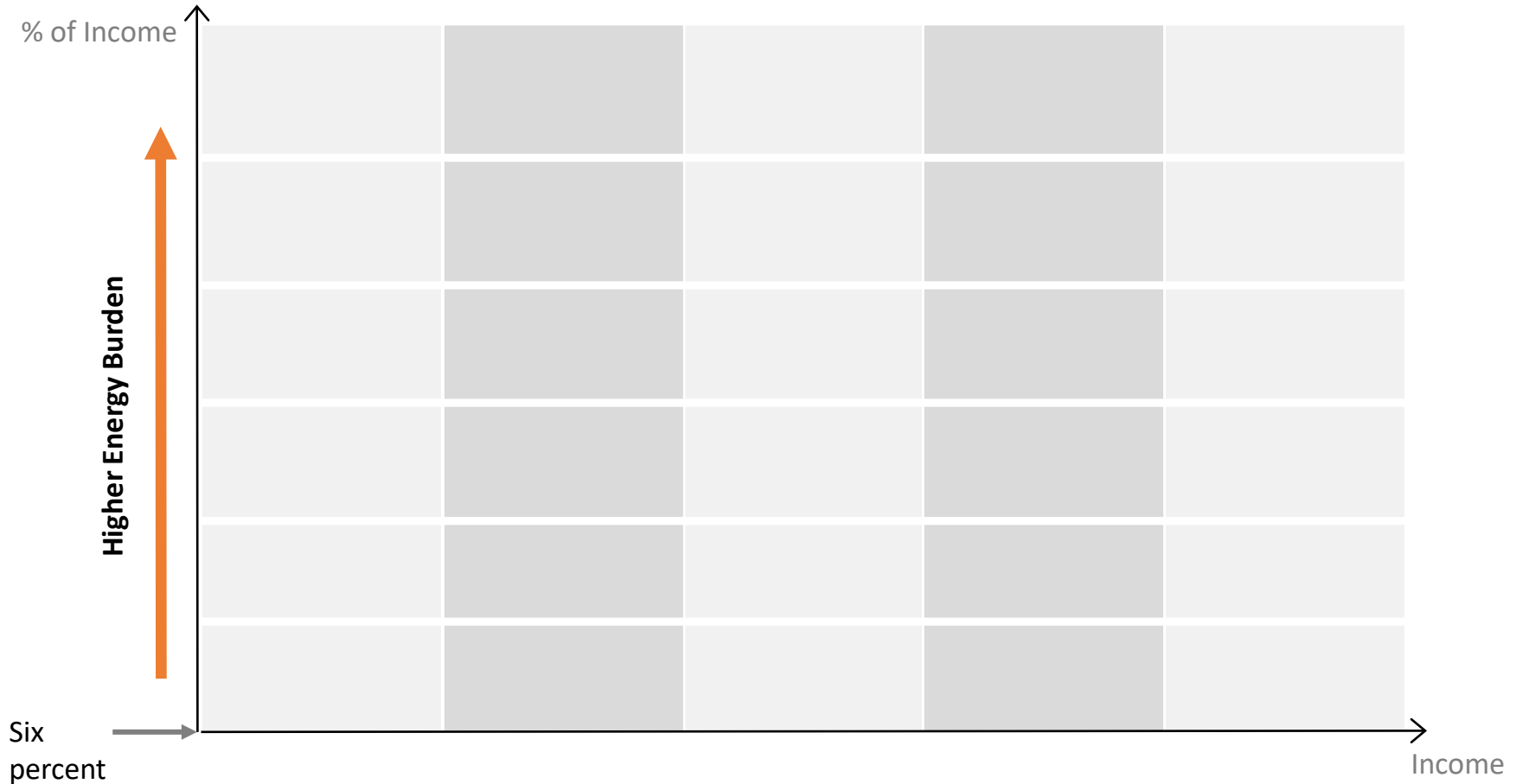
Energy Assistance Need: Visualized



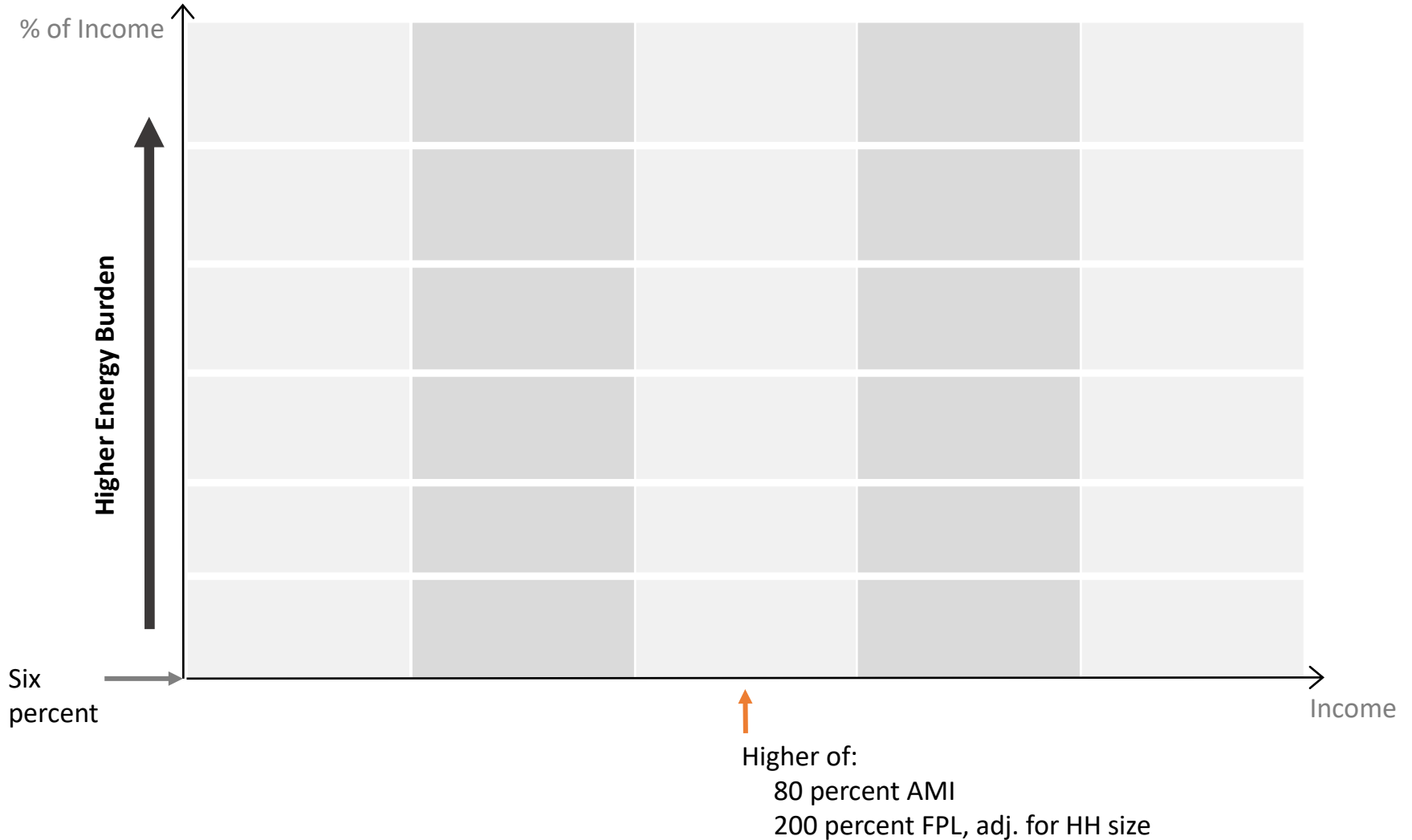
Quantifying Energy Assistance Need



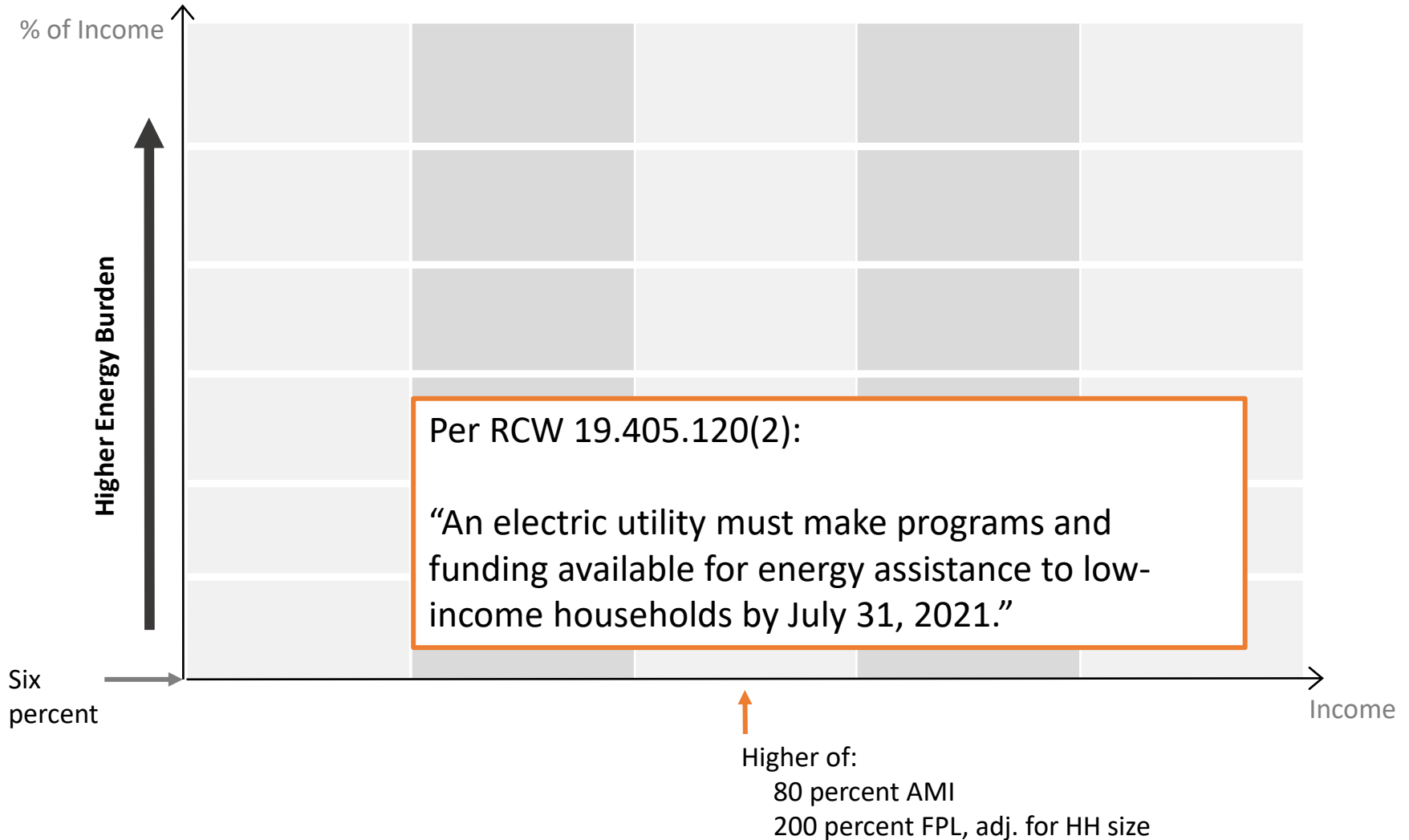
Quantifying Energy Assistance Need: UTC inputs



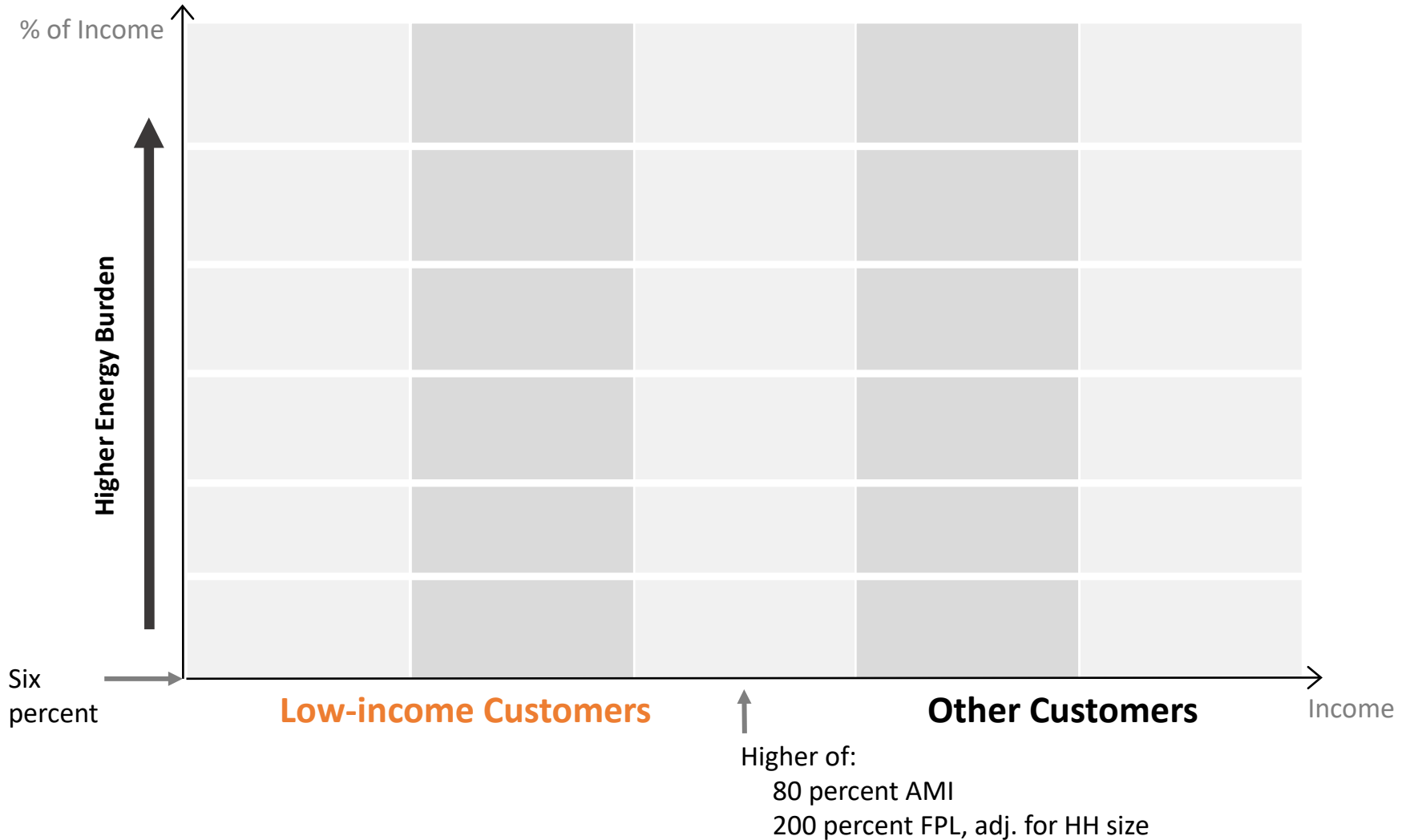
Quantifying Energy Assistance Need: UTC inputs



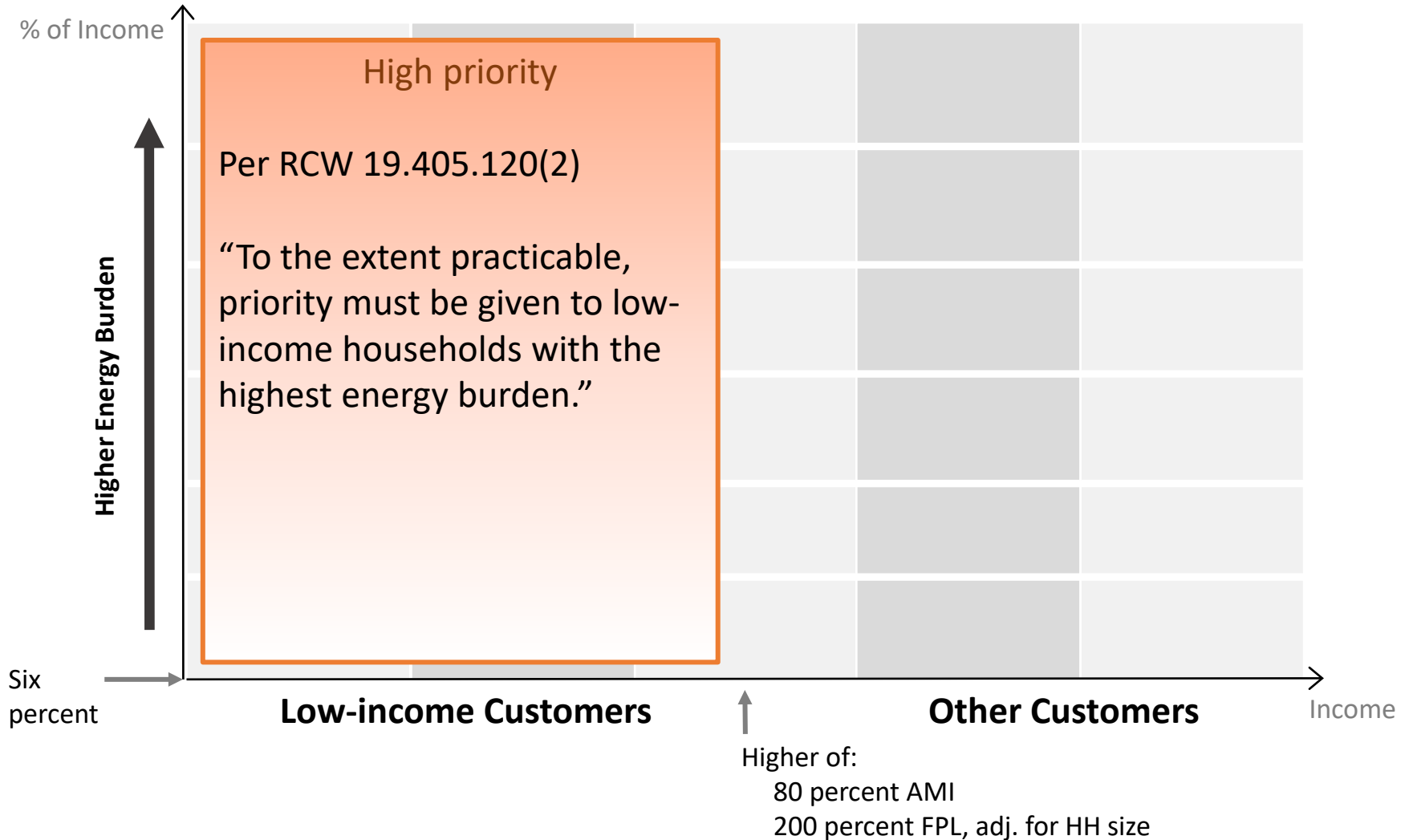
Quantifying Energy Assistance Need: Implications



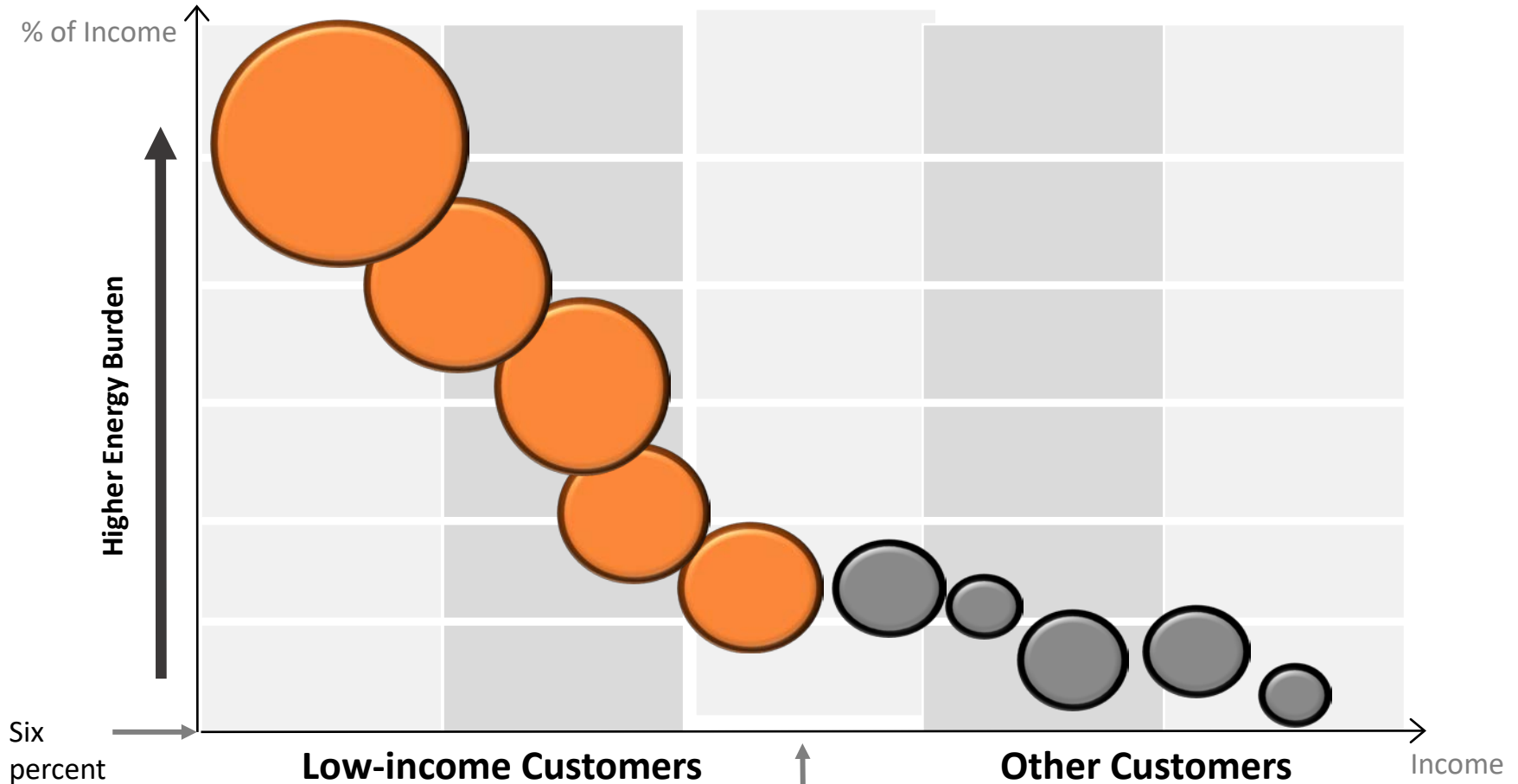
Quantifying Energy Assistance Need: Implications



Quantifying Energy Assistance Need: Implications



Quantifying Energy Assistance Need: Utility Study

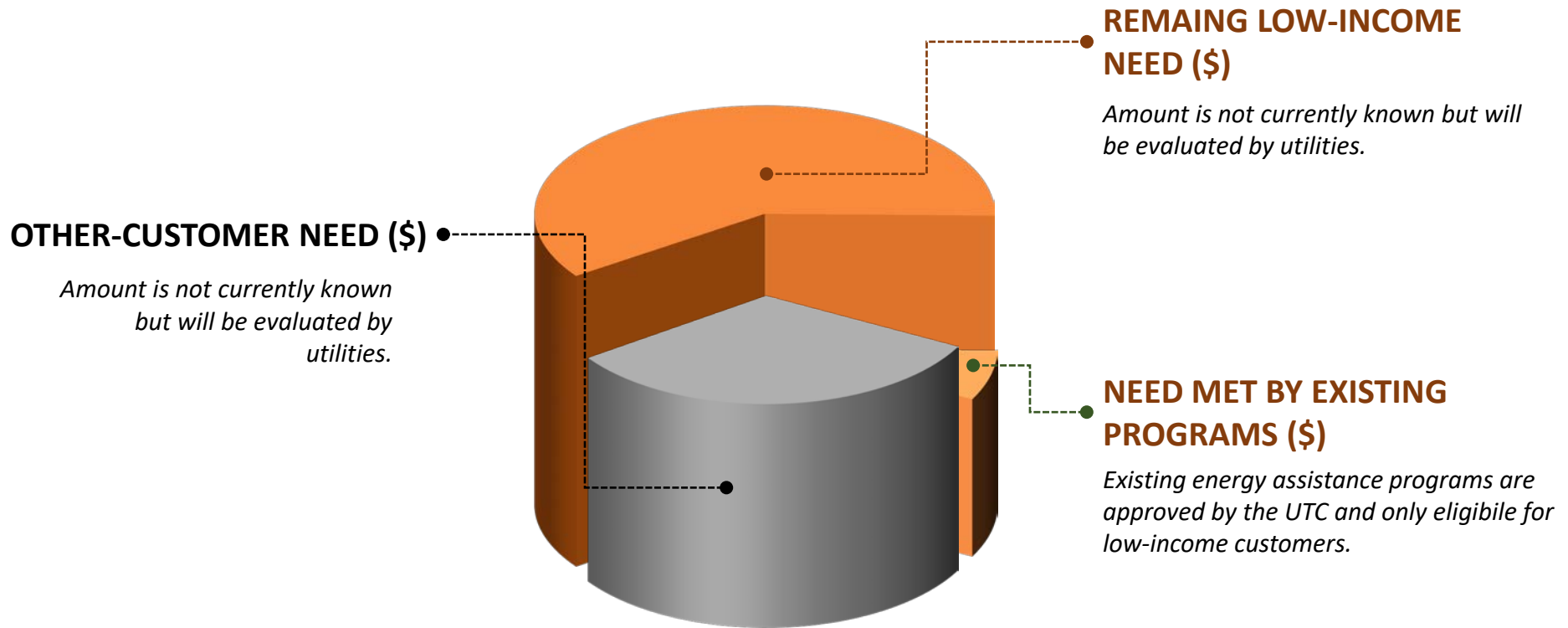


Graphic is for illustrative purposes only

Higher of:
80 percent AMI
200 percent FPL, adj. for HH size

Energy Assistance Need: Reporting

RCW 19.405.120(3)(b)

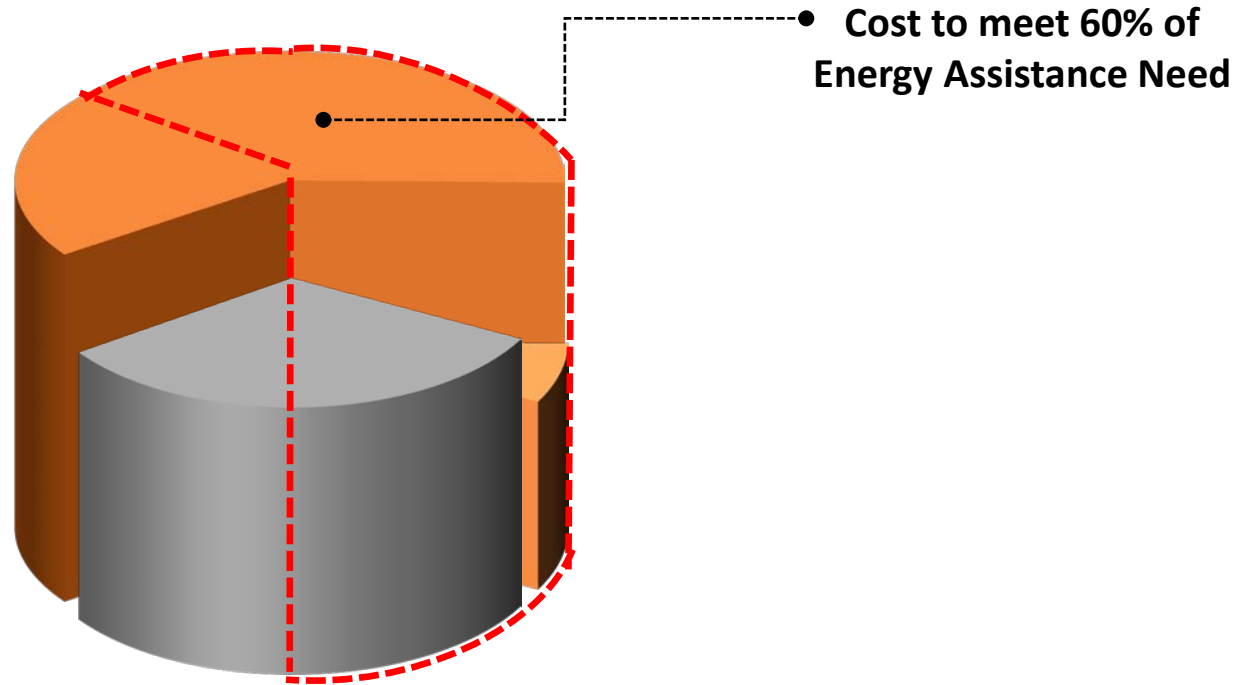


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Energy Assistance Need: Reporting

RCW 19.405.120(4)(a)(iii)

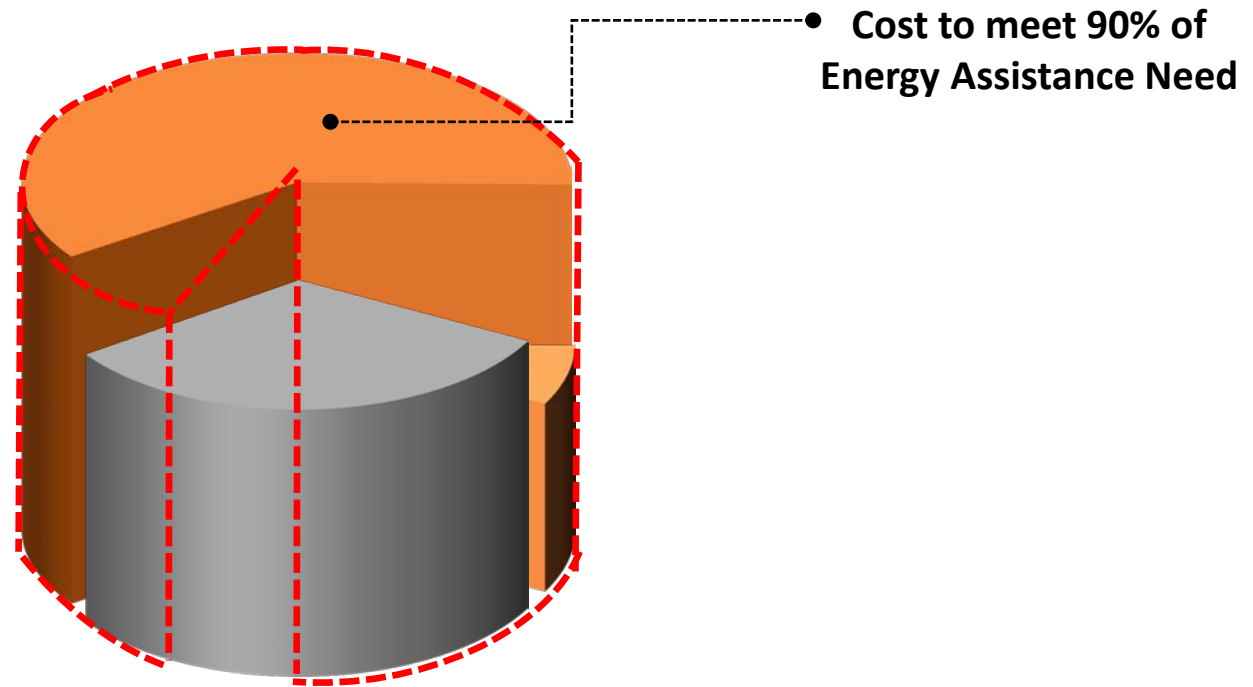


Graphic is for illustrative purposes only



Energy Assistance Need: Reporting

RCW 19.405.120(4)(a)(iii)



Graphic is for illustrative purposes only

Clarifying questions?



Utility presentations

PSE

PAC

Avista





Discussion

Programs and Funding

“An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021.”

Notice responses

Programs and Funding

Numbers of programs utilities must have to comply with statute:

- At least one
- At least two

Utilities should have one program each for:

- Weatherization, conservation, and efficiency services
- Monetary assistance

Programs need to ensure all eligible households have access to assistance

Unclear if disconnection or donation-based programs are applicable
“programs”

Discussion Question

Programs and Funding

Regardless of the total number of utility programs, how many programs must be available to all low-income households (*i.e.*, household incomes with the greater of 80 percent AMI or 200 percent FPL, adjusted for household size)?



Discussion Question

Programs and Funding

Which program(s) are utilities anticipating to update to meet Section 12 requirements? What types of modifications are utilities anticipating (*e.g.*, updating income eligibility to include 80 percent AMI)?



Discussion

Programs and Funding

Anything else?

“An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021.”



Discussion

Demonstrate
Progress

“Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection (4) of this section”

Notice responses

Demonstrate progress

Information that should be evaluated:

- Longitudinal data
- Holistic portfolio, including coordination across programs
- Backward-looking progress and forward-looking plans
- Near-term and long-term trajectory of programs
- Information by census tracts or zip code

Commission consideration should review all three areas:

- Effectiveness
 - Outreach
 - Funding
-

Discussion

Demonstrate
Progress:
Effectiveness

Utilities must demonstrate progress in the “effectiveness of [energy assistance] programs and mechanisms in both short-term and sustained energy burden reductions”

Notice responses

Demonstrate progress: Effectiveness principles

Program design reduces barriers to enrollment

Programs are diverse, integrated, and complementary

Reduction in shutoffs/arrearage levels

Increased percent of customers served

Change in on-time bill payment

Participant satisfaction with programs

Engagement with advisory groups

Value of dollars spent (*e.g.*, energy burden reduction, weatherization evaluations)

Program resiliency in times of crisis/emergency

Durable energy burden reduction

Programs reflect input of eligible customers

Discussion Question

Demonstrate progress: Effectiveness

How should the Commission interpret “short-term and sustained energy burden reduction” in RCW 19.405.120(4)(a)(i)?



Discussion

Demonstrate progress: Effectiveness

Anything else?

Utilities must demonstrate progress in the “effectiveness of [energy assistance] programs and mechanisms in both short-term and sustained energy burden reductions”



Discussion

Demonstrate
Progress:
Outreach

Utilities must demonstrate progress in the “the outreach strategies used to encourage participation of eligible households,” including:

- “consultation with community-based organizations and Indian tribes as appropriate,” and
- “comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations”

Notice responses

Demonstrate progress: Outreach principles

Messaging should:

- Reflect input from eligible communities
- Respect dignity, privacy, and confidentiality
- Be linguistically and culturally appropriate for vulnerable populations
- Reach all customers
- Be geographically targeted to highly impacted comm./vulnerable populations
- Includes information on programs, eligibility, customer care provisions
- Is effective (e.g., increasing conversation rates, customer impressions)

Outreach should be tracked, evaluated, and reported on regularly and clearly

Utilities should contract with trusted messengers

Utilities should develop contacts with local organizations and tribes

Discussion

Demonstrate progress: Outreach

Anything else?

Utilities must demonstrate progress in the “the outreach strategies used to encourage participation of eligible households,” including:

- “consultation with community-based organizations and Indian tribes as appropriate,” and
- “comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations”



Discussion

Demonstrate Progress: Funding

Utilities must demonstrate progress in the “the cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet:

- Sixty percent of the current energy assistance need or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and
- Ninety percent of the current energy assistance need by 2050.

Notice responses

Demonstrate progress: Funding

UTC should consider funding in context of:

- Utility budget
- Utility service territory demographics
- Ratio of energy assistance provided to energy assistance need
- Rate of increase in funding relative to 60 percent of need by 2030 and 90 percent of need by 2050

Any downward trends in percent of need met should be noted and explained by the utility

Discussion

Demonstrate progress: Funding

Anything else?

Utilities must demonstrate progress in the “the cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet:

- Sixty percent of the current energy assistance need or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and
- Ninety percent of the current energy assistance need by 2050.





Discussion

Prioritization

“To the extent practicable, priority must be given to low-income households with a higher energy burden.”

Notice responses

Prioritization

Utilities should determine which households have the highest energy burden based on:

- Census tract data or other publicly available database
- Census tract data + application information

Prioritization should apply to outreach activities

Prioritization should occur *within* every program

Energy burden calculation must include *all* home energy sources, not just heating sources

Prioritization should allow consideration of marginalized communities

Notice responses (cont.)

Prioritization principles

UTC should consider:

- What is possible – not what utilities say they can do
- Impacts on other funding (*e.g.*, LIHEAP benefits might be lowered with discounted rates)
- Program design (*e.g.*, eligibility metrics based on energy burden, addressing split incentives, maintaining privacy)
- Administrative burdens and costs
- Whether prioritization increases participation among targeted populations

“That which is practicable is that which will be successful in reducing energy burden”

Discussion Question

Prioritization

How might energy assistance programs be structured to prioritize low-income households that have the highest energy burden without delaying provision of assistance to applicants?



Discussion

Prioritization

Anything else?

“To the extent practicable, priority must be given to low-income households with a higher energy burden.”



Discussion

UTC guidance



Discussion Question

UTC Guidance

What guidance does the Commission need to provide and by when?



Discussion

UTC review



Notice responses

UTC Review

Initial standalone compliance filing for “programs and funding” before July 31, 2021, with:

- Programs offered
- Budget of each program
- Eligibility and availability information

Commission should review all new programs/program changes in general rate cases or other proceedings

Commission should evaluate demonstrate progress and prioritization requirements after receiving assessments and plans

Discussion Question

UTC Review

For each of the three requirements (*i.e.*, programs and funding, demonstrating progress, and prioritizing assistance), when and in what type of proceeding should the Commission determine compliance for investor-owned utilities?



Discussion

Open Comment



Discussion Question

Open Comment

Are there any topics not covered in the September 15, 2020, notice or the workshop discussion questions that you think the Commission should consider as it develops guidance on energy assistance as that term is used in CETA?



Thank you for your participation

Next Steps

- Written comments are due by 5 p.m. on Friday, Dec. 11, 2020.
- Docket UE-200629

Questions?

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