

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKET UE-230172
(Consolidated)

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS'

Petition for Order Approving Deferral of
Increased Fly Ash Revenues

DOCKET UE-210852
(Consolidated)

EXHIBIT SNS-5

SHAYLEE N. STOKES

ON BEHALF OF THE ENERGY PROJECT

*Empower Dataworks, Energy burden
definitions for the Clean Energy
Implementation Plan (CEIP) vs. CETA
Section 120 (July 25, 2022), provided in
response to WUTC Data Request 57*

MEMO: Energy burden definitions for the Clean Energy Implementation Plan (CEIP) vs. CETA Section 120

Date: 7/25/2022

From: Hassan Shaban, Empower Dataworks

To: Charity Spires, PacifiCorp

Context

In 2022, Empower Dataworks completed an energy burden assessment (EBA) to assist PacifiCorp with its compliance requirements for CETA Section 120, related to estimating energy burden, assistance need and identifying targets for energy assistance programs. Different estimates for the number of high-burden customers may be calculated depending on the definition of “high-burden”. This memo clarifies the methodology used in the energy burden assessment and why its estimates are different from PacifiCorp’s 2021 CEIP.

Difference in methodology

CETA Section 120 defines energy burden as the annual household energy expenses for residential or domestic purposes, including any fuel source (i.e. electricity, natural gas, propane, wood, etc.). The current CETA Section 120 high energy burden threshold (6%) has been set through rulemaking based on **total** household energy expenses. Electric utilities do not have access to household natural gas bills for gas-heat customers, but it is possible to adjust the high-burden threshold to account for this.

There is currently no guidance on flagging high burden for gas-heat homes for CETA Section 120 reporting. The state of New Jersey uses a split high burden threshold by fuel: for customers with natural gas and electric service from different utilities, no more than 3% of income should be devoted to each. In the energy burden assessment, Empower Dataworks used this as a guideline for gas-heat homes, recognizing that there could be different interpretations or methods for designating customers as “high-burden”. The dashboard allows for adjusting the energy burden thresholds, in order to test different reasonable thresholds.

According to the December 2021 CEIP, PacifiCorp used a 6% threshold to define high energy burden for all customers, regardless of home heating type (see page 51 of the CEIP). The December 2021 CEIP energy burden analysis conducted by PacifiCorp also excluded natural gas expenditures from the energy burden calculation. On the other hand, Empower Dataworks used a 6% threshold for electric heating customers and 3% threshold for natural gas heating customers.

In essence, the CEIP identifies customers with a high *electricity* energy burden as high-burden, while the energy burden assessment identifies customers with a high *overall* energy burden as high-burden. If the Empower Dataworks analysis used the same criterion as used in the

December 2021 CEIP (6% for all customers), it would designate approximately 17,000 customers as high-burden (approx. 15% of 112,000 total residential customers), which is within the margin of error for the baseline energy burden estimate of 13.2% provided in the December 2021 CEIP.

We believe it is appropriate to use these two approaches for the CEIP and CETA Section 120. CETA Section 120 has concrete goals related to reducing *overall* customer energy burden, while the CEIP uses energy burden as an indicator of vulnerability. For the purposes of the CEIP, customers with a high *electricity* burden are indeed the most impacted by PacifiCorp's resource planning decisions, and should be designated as a vulnerable population.