

UE-240004
UG-240005

October 7, 2024

Washington State Utility and Transportation Commission
1300 S Evergreen Park Dr SW
Olympia, WA 98504

Dear Commissioners,

In light of the rate increase proposed by Puget Sound Energy (PSE), and the impact this increase will have on our most vulnerable residents, we, the representatives of Bothell, Issaquah, Kenmore, Kirkland, Lake Forest Park, Sammamish, Shoreline and Woodinville are writing to advocate for critical improvements in the way low-income energy discount programs are administered. Specifically, we urge the Washington State Utility and Transportation Commission (UTC) to require, as a stipulation of the approval of PSE's requested rate increase, 1) the adoption of the use of Area Median Income (AMI) as the basis for qualifying individuals and families for these vital programs, and 2) to further examine the percentage discount that is received by Very Low Income (50% AMI) and Extremely Low Income (30% AMI) residents.

Our cities face diverse economic challenges, and many residents struggle with managing energy costs. The current income qualification criteria for energy assistance programs don't account for regional variations in living costs and economic conditions. This mismatch can lead to a gap between the support provided and the actual needs of residents. We commend PSE for simplifying their utility assistance application and implementing a tiered discount system (5%-45%) that recognizes the broad range of needs within "low-income" categories. We further acknowledge that the PSE Bill Discount Rate Program was designed to work in conjunction with their HELP grant, an annual bill assistance lump-sum grant that is intended to lower each household's energy burden to less than 6% of annual income. While these assistance programs were developed in collaboration with the PSE Low Income Advisory Committee, it is unclear if these programs combine to meet the goal of reducing customer energy burden to less than 6% of annual income. What is clear, and illustrated below, is given PSE's use of the Federal Poverty Level for income qualification, most extremely low-income households in King County receive minimal rebates through the PSE Bill Discount Rate Program, and the impact of these rebates varies based on local cost of living.

The following tables are intended to be illustrative of the issue. All tables are for a **single-person household**, and the AMI calculation is based on the Department of Housing and Urban Development (HUD) 2024 income guidelines.

The table below shows the percentage discount Extremely Low Income (30% AMI), Very Low Income (50% AMI) and Low Income (80% AMI) residents would receive from the PSE Bill Discount Rate Program in three PSE service areas. The impacts of the utility discount program vary across locations, and more importantly, Very Low Income and Extremely Low

Income households are receiving a discount far below the advertised potential 45% rate discount.

County	% Discount @ 30%AMI (Extremely Low Income)	% Discount @ 50%AMI (Very Low Income)	%Discount @ 80%AMI (Low Income)
Thurston	10%	5%	5%
Pierce	10%	5%	5%
King	5%	5%	0%

This table illustrates the local Area Median Income across the same three areas that is required to receive the advertised 5%-45% rate discount. It is notable that across all three areas examined, an Extremely Low Income household would only receive a 5-10% discount. It is hard to imagine a resident in any of the counties receiving a 45% discount, as a single person household with a gross income of \$234/month is most likely either unhoused or living in a housing unit with a substantial subsidy.

%Discount	Discount Annual Income Limit	King County AMI Limit	Thurston County AMI Limit	Skagit County AMI Limit
45%	\$2,916 (\$243/mo)	2.7% AMI	3.7% AMI	3.6% AMI
40%	\$7,290 (\$608/mo)	6.9% AMI	9.2% AMI	9.0% AMI
20%	\$14,580 (\$1,215/mo)	13.8% AMI	18.4% AMI	18% AMI
15%	\$21,870 (\$1,823/mo)	20.7% AMI	27.7% AMI	27% AMI
10%	\$29,160 (\$2,430/mo)	27.7% AMI	36.9% AMI	36% AMI
5%	\$70,650 (\$5,888/mo)	67%AMI	89% AMI	87% AMI

The use of Area Median Income for income eligibility, instead of Federal Poverty Level limits, would allow for more equitable and effective support, particularly in high-cost regions like the Seattle metro area, where residents face greater financial strain. By requiring AMI as the qualification standard, the UTC can help provide more accurate eligibility assessments and tailored assistance that better meets the needs of all residents. Additionally, examining the discounts available to Very Low Income and Extremely Low Income households will be critical to addressing rising energy costs on these economically vulnerable households.

In response to inquiries from the City of Kenmore related to these program, PSE has noted that starting this fall, they will begin analyzing whether the combined BDR + HELP programs are effectively meeting their goal of reducing energy burden for low-income customers to less than 6% of annual income, and then working with their Low Income Advisory Committee to jointly determine if modifications are needed to these programs. We commend them for that analysis and follow up, and believe that our requests will be valuable tools to move that conversation forward and assist their Low Income Advisory Committee in their recommendations to PSE regarding these programs.

We respectfully request that the UTC consider this proposal and take the necessary steps to 1) incorporate Area Median Income into the qualifications for low-income energy programs, and 2) reevaluate the percentage discount that is received by Extremely Low Income (30% AMI) and Very Low Income (50% AMI) households. These changes would represent a significant step forward in addressing the diverse needs of our communities, ensuring that all residents have access to the support they need, and protecting our most vulnerable residents from the substantial energy rate increase that has been requested.

Thank you for your attention to this important issue. We look forward to your response and are hopeful for a positive resolution that will benefit our collective communities. If you have any questions regarding this request, please contact Tambi Cork, City of Kenmore Housing and Human Services Manager, at tcork@kenmorewa.gov.

Sincerely,

Mayor Mason Thompson
City of Bothell



Mayor Nigel Herbig
City of Kenmore



Mayor Tom French
City of Lake Forest Park



Mayor Chris Roberts
City of Shoreline



Mayor Mary Lou Pauly
City of Issaquah



City Manager Kurt Triplett
City of Kirkland



Mayor Kali Clark
City of Sammamish



Mayor Mike Millman
City of Woodinville

