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Submitted for your consideration are Cascade Natural Gas Corporation's comments associated with docket UE-190652. We recognize these comments are being submitted past the deadline, and appreciate the Commission's time in reviewing our response.

Low-income conservation

Do stakeholders have concerns with the additions of the statutory definitions for "energy assistance" and "energy burden" in WAC 480-109-060?

The full list of services provided under statutory definition in WAC 480-109-60 are much broader than typically used by Cascade. The Company supports the definition of "energy assistance" as it pertains to monetary assistance, grant, or discount programs for lower income households.

Weatherization could also be considered a form of energy assistance, but whereas the former addresses the immediate crisis faced by a household by offering relief to a customer's bill, the latter refers to whole-home improvements designed to lower a household's energy burden through energy efficiency.

"Conservation, weatherization, and efficiency services" are grouped together as energy assistance options for lower income households. It would be helpful if the definitions for these categories were further broken out.

Part B of the "energy assistance definition" includes direct customer ownership in distributed energy resources or other strategies that achieve a reduction in energy burden for the customer above other available energy efficiency and demand side measures. The Company seeks clarification on if and how this definition would be incorporated into planning requirements associated with future Conservation Plans.

Cascade supports the definition of "energy burden" as meaning the share of annual household income used to pay annual home energy bills.



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Please propose a definition of “low-income” based on area median household income or percentage of the federal poverty level. Please explain and provide justification for your proposal. The maximum allowed in Laws of 2019, Chapter 288, § 2(25), is the higher of 80 percent of area median household income or 200 percent of federal poverty level, adjusted for household size. Investor-owned utilities currently use 200 percent of the federal poverty level, adjusted for household size, for the low-income conservation programs.

Cascade supports the continued use of an energy burden definition consistent with that used by the Department of Commerce in the administration of its Weatherization Assistance Program.

Do stakeholders have concerns with the proposed changes to WAC 480-109-100(10) addressing funding and programs for low-income energy assistance as described in the Laws of 2019, Chapter 288, §§ 2(16) and 12? Is additional language necessary? If so, please propose alternative rule language.

The language under WAC 480-109-100(10) reads as follows:

- (a) A utility may must fully fund low-income conservation measures that are determined by the implementing agency to be cost-effective consistent with the Weatherization Manual maintained by the department. Measures identified through the priority list in the Weatherization Manual are considered cost-effective. In addition, a utility may must fully fund repairs, administrative costs, and health and safety improvements associated with cost-effective low-income conservation measures.*
- (b) The utility’s biennial conservation plan must include low-income conservation programs and mechanisms identified pursuant to the Laws of 2019, chapter 288, section 12(4)(b), which pertains to energy assistance and progress toward meeting energy assistance need.*
 - (i) A utility must consider the costs and benefits that accrue to the customer over the life of each conservation measure.*
 - (ii) To the extent practicable, a utility must prioritize energy assistance to low-income households with a higher energy burden.*

Cascade’s Conservation Plan currently includes a section dedicated to the operation of its Weatherization Incentive Program (WIP) and Enhanced Weatherization Incentive Program (EWIP) which offer rebates to agencies delivering low income weatherization services in Cascade’s service territory.

Regarding Part A, the sentence referencing the priority list in the Weatherization Manual should be removed based on the recent change to Department of Commerce guidelines that will no longer allow the use of the Priority List in determining measure cost-effectiveness beginning in 2020.



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The Company also notes that some repairs, administrative costs, and health and safety improvements can be applicable to work necessary to the completion of overlapping electric and gas weatherization measures. Cascade seeks further guidance regarding how such costs will be shared between gas and electric ratepayers under such circumstances. Consideration should also be given to how to best clarify that all measures associated with a fuel type must be fully funded by the respective gas or electric utility, to ensure language does not inadvertently mandate a gas utility fund an electric measure (or vice versa) based on its inclusion in the Department of Commerce Weatherization Manual.

Regarding Part B, the Company seeks clarity as to whether the term “low-income programs and mechanisms” refers to a requirement for the consideration of programs beyond weatherization assistance. The language should also confirm that “energy assistance” in this case specifically applies to weatherization services as opposed to bill assistance or other monetary-based programs.

Part B(i) mandates utilities consider the costs and benefits that accrue to customers over the life of each measure. Since whole home weatherization is by its nature a custom program, measure costs and benefits are specific to a given project. The Company determines measure costs and benefits based from the agency performed TREAT audit, or other cost screening methodologies currently approved by Commerce. Measures are also eligible under the Deemed Measures List that assumes certain weatherization measures are cost-effective for agencies to pursue under most circumstances. In such cases, costs and benefits are not as clearly delineated as they are under the TREAT methodology, but are assumed cost-effective and in the interests of low-income customers. Cascade’s current Conservation Plan does not report the findings associated with specific TREAT auditing outcomes. However, all measures are screened by the agencies to ensure cost-effectiveness on a measure by measure level.

Part B(ii) directs utilities to prioritize energy assistance to low income households with a higher energy burden to the extent practicable. Cascade seeks clarification as to whether this pertains exclusively to low income energy efficiency programs, or includes bill assistance programs as well.

Cascade does not track low income customer income data and would therefore be unable to confirm a customer’s energy burden. Some prioritization may be accomplished to the extent that Cascade is able to coordinate with the low-income agencies delivering weatherization services to our customers. However, we recommend caution when considering any program requirement that might inadvertently screen otherwise qualified customers from program eligibility. Please see the Company’s response to question 5 for further detail.



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The Laws of 2019, Chapter 288, § 12(2), requires utilities to plan for the provision of energy assistance aimed toward reducing household energy burdens. To the extent practicable, this energy assistance must prioritize low-income households with higher energy burdens. What considerations should the Commission consider in determining what is practicable in the context of low-income conservation?

Over the last year, Cascade Natural Gas has made significant progress in increasing qualified agency participation in its Weatherization Incentive Program. This has been achieved by a combination of program improvements including increasing the funds available via a 15% project coordination fee and a 10% indirect rate; removing the \$10,000 cap on per-project funding. Cascade has also worked hard to streamline the rebate application process for its agencies, and to expediate rebate processing wherever possible.

Cascade supports having conversations with its agencies to determine their capacity to prioritize customers by energy burden, along with the other determining factors already utilized by the DOE Weatherization Assistance Program subgrantees. However, Cascade does not track customer income data and does not feel it would be appropriate for the utility to conduct such screening.

Because the responsibility of screening by energy burden is associated with the weatherization agencies performing the work, it's important that any change in requirements be coordinated with the Washington Department of Commerce and weatherization agencies, and be constructed in a manner that does not inadvertently delay or otherwise prevent eligible customers from receiving weatherization services.

Additional questions

13. Do stakeholders believe a workshop is necessary for this rulemaking?

Cascade supports a workshop in association with this rulemaking.

Thank you again for the opportunity to provide comment in this docket. If you have any questions, please contact Alyn Spector, alyn.spector@cngc.com; 206-310-1120.

Respectfully Submitted,

Alyn Spector,
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Cascade Natural Gas Corporation