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December 18, 2020

***Filed Via Web Portal***

Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

Re: **Docket UE-200629: Comments of Puget Sound Energy in response to the Commission's November 18, 2020 Notice on Energy Assistance and the Clean Energy Transformation Act**

Dear Mr. Johnson:

Puget Sound Energy ("PSE") appreciates the opportunity to respond to the questions posed in this docket and submits the following comments in response to the request in the Washington Utilities and Transportation Commission's ("Commission") Notice of Opportunity to File Written Comments issued in Docket UE-200629 ("Notice") on November 18, 2020.

PSE submitted previous comments in response to the Commission's September 15, 2020 notice in this same docket and participated in the workshop on December 1. These comments respond to the Commission questions issued in the most recent notice. Additionally, PSE reiterates its preference to receive high level guidance on this topic well in advance of the July 31, 2021 Commerce reporting deadline contained in Section 12 of the Clean Energy Transformation Act ("CETA"), as opposed to receiving more detailed guidance later in the year. PSE looks forward to continuing to work with the Commission regarding the content and scope of the high level guidance that is needed as utilities embark on implementing this section of CETA.

**Responses to Commission Questions**

**RCW 19.405.120(2) includes three distinct requirements regarding (1) programs and funding, (2) demonstrating progress, and (3) prioritizing low-income households with the highest energy burden. Which of the principles provided by stakeholders in response to the September 15, 2020, notice should the Commission include in its guidance? Are there any other principles that were not addressed, but should be included?**

### PSE Response

Principles provided by stakeholders and discussed during the December 1 workshop include many good ideas for how to demonstrate progress with RCW 19.405.120(2). PSE suggests that within those principles and ideas there are items that are within a utility's control, and items that are outside of a utility's control. For example, while utilities can take steps to more effectively market programs to eligible customers, thereby demonstrating progress, utilities cannot necessarily control participation rates in programs, as customers need to self-select or "opt-in." While it might be important to monitor both, a utility's demonstration of progress for regulatory purposes should only be based on elements that are within the control of the utilities.

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

### PSE Response

As PSE stated in previous comments, PSE advocates for language that encourages a diverse low income program portfolio allowing for creative program design and flexibility to ensure valuable utility resources are maximized to meet the energy needs, including health and safety needs, conservation and other needs, of our low-income communities.

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

### PSE Response

Short-term energy burden reduction includes payment or assistance programs that help a household achieve a reduction of energy burden on a limited time duration. One-time crisis payments would fit into this category. In contrast, sustained energy burden reductions are achieved by programs that provide a longer-term reduction of energy burden. Examples of this type of program could be weatherization assistance or rate designs that target ongoing, multiyear bill payment assistance to eligible households. Both types of programs have value under this section of CETA.

**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?**

### PSE Response

Current low-income programs are effective at prioritizing high energy burdened households. While there may be some improvements that can be made to this process, PSE is unsure at this time exactly what to recommend beyond the current process. Exploring ways to improve existing prioritization processes is an important first step to engage in with low-income advisory groups and agencies.

**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?**

### PSE Response

The majority of stakeholders responding to the September 15, 2020 notice expressed support for using existing processes to the extent possible to determine compliance for investor-owned utilities. PSE supports this approach.

**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?**

### PSE Response

**Income eligibility:** Some state programs currently have overly burdensome income qualification requirements, and it might be possible to examine and take steps at a statewide level to streamline income qualification for low income programs. One approach could be to rely more extensively on categorical eligibility across various state programs, which could ease the burden on the agencies that do that work. The Commission should encourage this type of examination and streamlining and provide policy guidance in a manner that encourages, rather than discourages, efforts to reduce burdensome process requirements. Streamlining this part of the process likely would allow programs to reach more customers and could also extend programs to a more diverse set of households.

**Non-Low-Income Customers:** During the December 1, 2020 webinar held by the Commission, there was discussion of, and presentation materials related to, customers who are not qualified for low-income assistance but may have an energy burden of six percent or higher. The discussion concerned whether those customers should be captured in assessing the overall “energy assistance need.” PSE believes this issue warrants further discussion and clarification from the Commission. PSE has consistently understood Section 12 of CETA to be referring to energy assistance need in the context of low-income households. This interpretation is supported by the intent statement in subsection (1) of RCW 19.405.120(1): *“It is the intent of the legislature to demonstrate progress toward making energy assistance available to low-income households consistent with the policies identified in this section.”*

Understanding the needs and circumstances of households that have high energy burdens but that fall outside of low-income definitions might be valuable in the context of serving customers more generally (e.g. could they be targeted for energy efficiency programs open to customers irrespective of income eligibility), and may even be relevant to other CETA conversations, particularly those around equitable distribution of benefits. However, for purposes of Section 12, PSE is concerned that focusing on a broad definition of “energy assistance need” could have unintended consequences, particularly if programs are targeted to meet households based on energy burden irrespective of income levels. First, it is important to recognize that there is a finite amount of energy assistance dollars available. The focus should be on increasing the extent to which utilities are able to improve programs to meet more of the identified low-income household need. Second, if programs provide energy assistance to non-low-income customers who may not need assistance, this may create a disincentive for those customers to reduce their energy usage, which is contrary to the goals of CETA.

PSE appreciates the opportunity to provide responses to the questions identified in the Commission's Notice of Opportunity to File Written Comments. Please contact Kara Durbin at 425-456-2377 for additional information about these comments. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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