

**EXH. CLW-6  
DOCKETS UE-240004/UG-240005  
2024 PSE GENERAL RATE CASE  
WITNESS: CAROL L. WALLACE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-240004  
Docket UG-240005**

**FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**CAROL L. WALLACE**

**ON BEHALF OF PUGET SOUND ENERGY**

**FEBRUARY 15, 2024**

# Bill Discount Rate Update to EAG

May 31, 2023



## Project Status 6/1/23 ♦ and Small Workgroup Sessions

PSE has continued to meet regularly with the LIAC (Low Income Advisory Committee) small work group.

- ◆ The two 2-hour meetings per week have now been scheduled one day per week May-June
- ◆ The project is almost finished with the Planning and Design phase and transitioning to the technical build phase. The meeting cadence will soon change to a monthly status update with the full LIAC plus ad hoc meetings with the small workgroup as needed
- ◆ Launch date is scheduled for 10/1/23

## Bill Discount Rate and PSE HELP

- ◆ BDR is for a residential customer and for their primary residence
- ◆ BDR will utilize self-attestation of income and household size and the PSE HELP program will also move to self-attestation.
- ◆ No documentation required upfront to receive the assistance/be put on a discount rate
- ◆ A 5% subset of customers receiving assistance will be selected for eligibility verification, which will be performed by the CAP agencies. Customers will agree to this as part of the application process. Regardless of the outcome of verification, there will not be retroactive BDR program adjustments.
- ◆ BDR and PSE HELP will utilize the same definitions of household and income.

# Final Bill Discount Rate Tiers and Discounts

## Final Bill Discount Rate (BDR) Tiers

**PSE Bill Discount Rate (BDR) program:**

BDR Tiers	FPL (AMI) Bracket	BDR Discount %
T1	0% FPL to ≤ 20% FPL	45%
T2	>20% FPL to ≤50% FPL	40%
T3	>50% FPL to ≤100% FPL	20%
T4	>100% FPL to ≤150% FPL	15%
T5	>150% FPL to ≤200% FPL	10%
T6	>200% FPL & ≤80% AMI	5%

*FPL: Federal Poverty Line; AMI: Area Median Income*

## Analyses overview using BDR Discount Tiers

Tiers	FPL Brackets	Customer count	Avg. Income	Avg. Annual Bill	Avg. HELP Award*	Avg. Energy Burden	Avg. Annual Bill Post-HELP+ BDR	Avg. EB post HELP+ BDR
T1	0% to <= 20%	3,705	\$379	\$1,271	\$644	>>100%	\$55	14%
T2	>20% to <=50%	32,683	\$7,226	\$1,056	\$573	21%	\$61	1%
T3	>50% to <=100%	55,901	\$14,577	\$1,108	\$560	11%	\$326	2%
T4	>100% to <=150%	66,920	\$24,907	\$1,197	\$546	7%	\$472	2%
T5	>150% to <=200%	71,703	\$34,766	\$1,198	\$493	5%	\$585	2%
T6	>200% & <=80% AMI	265,109	\$57,845	\$1,230	\$375	3%	\$794	1%

*\*This is the PSE HELP benefit based on population data (estimated low income). The average PSE HELP benefit using 2022 program year recipient actuals is very similar.*



## Bill Discount Rate and PSE HELP

- ◆ When a customer applies through PSE.com, they will only need to enter their information into a single application. EnergyHelp will take that information and create two applications, one for BDR and one for PSE HELP.
- ◆ For non-computer use applications can also be created by calling PSE Customer Care, or sent by mail if they prefer.
- ◆ A process for LIHEAP referral is part of the design
- ◆ Similarly, when PSE or a CAP agency starts an application in the PSE system *EnergyHelp*, information will only be entered once and EnergyHelp will create two applications, one for BDR and one for PSE HELP.
- ◆ For upload agencies, the BDR application will be created when a file syncs from Commerce to EnergyHelp
- ◆ EnergyHelp will prevent a customer from having more than one active application per program. This already exists for PSE HELP.

## Income for Bill Discount Rate and PSE HELP



### Income for BDR and for PSE HELP:

- ◆ We will ask the customer to provide gross income but base the BDR tier and PSE HELP grant on an adjusted amount
- ◆ Customer to supply household income for different buckets of income types
- ◆ Behind the scenes, EnergyHelp will deduct an appropriate percentage from each bucket (for instance, taking 20% off for taxes from earned income)
- ◆ This information will appear in the Application Wizard on the first step and be duplicated over to the Household Information step
- ◆ If customer has zero income, they enter 0 into each income box

## Bill Discount Rate and PSE HELP



To start, The BDR duration will be 13 months. Customers will be able to reapply during the last month of the program.

- ◆ This keeps PSE HELP and BDR applications aligned
- ◆ This duration is open to be changed in the future
- ◆ PSE HELP remains an October 1 – September 30 program year



Process flows for BDR and for PSE HELP are almost done and we are reviewing and modifying them as part of the small workgroup sessions

## Eligibility Verification

- ◆ 5% of customers will be randomly selected for eligibility verification
  - ◆ Will use the first year to explore a non-random based approach to eligibility verification selection with LIAC
- ◆ A customer can reach out to report an eligibility change but we will not require or encourage it. In this instance, we will use the self-attested information to change their BDR tier by cancelling their existing BDR application and creating a new one with a new 13 month clock.
  - ◆ Any customer doing this will be included in eligibility verification as the exception to random selection
  - ◆ Will watch for issues with the process and change if needed (for instance, overwhelmed agencies or these customers being the only customers who are verified)

## Eligibility Verification

### Eligibility Verification outcomes:

- ◆ A Tier Change is Needed: cancel the existing BDR application and use updated information to create a new BDR application (update the customer to be on the correct tier and restart the 13 month clock). Do not retroactively change the tier
- ◆ On The Correct Tier: use a status update in EnergyHelp to restart the 13 month clock
- ◆ No Response From Customer: remove from BDR and do not retroactively change the tier
- ◆ Not Eligible: remove from BDR and do not retroactively change the tier

## Communication ♦

CAP agencies will be able to see BDR applications in EnergyHelp.

- ♦ Information on the customer's discount rate will be included on the Customer Dashboard in EnergyHelp for the agency to view.
- ♦ Customers logged into their MyPSE account will be able to see the status of their BDR application, like they are able to see the status of their PSE HELP application today.
- ♦ PSE will be adding the BDR program to its Energy Assistance web page and updating the description of the PSE HELP program to reflect the move to self-attestation.

## Outreach efforts to come



### Outreach efforts to come:

- ◆ PSE has several programs along with the BDR launching in the Fall so they are working now to prepare for website changes, customer communication, and foreign language translation
- ◆ PSE's outreach team will be engaged in the training, for their channels of communication throughout PSE's service territory.