

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

Relating to Energy Assistance in Section 12
of the Clean Energy Transformation Act

DOCKET UE-200629

**PUBLIC COUNSEL RESPONSE TO NOVEMBER 18TH
NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS**

December 18, 2020

I. INTRODUCTION

1. Pursuant to the Washington Utilities and Transportation Commission's ("Commission") Notice of Opportunity to File Written Comments ("Notice") issued on November 18th, 2020, modified by the addendum issued on December 4, 2020, Public Counsel submits the following comments in response to the questions posed in the Commission's Notice and discussed at the December 1st workshop.

II. ANSWERS TO NOTICE QUESTIONS

A. General Comments

2. Public Counsel appreciates this additional opportunity to comment on the energy assistance requirements included in the Clean Energy Transformation Act (CETA). The utility presentations at the December 1st workshop indicated that the companies already have a number of programs that will act as the foundation for a robust energy assistance framework that must grow and evolve to meet the requirements of CETA and the critical needs of customers.
3. In order for the programs to change over time, we must create a framework with set expectations, clear guiding principles, and strong accountability mechanisms while also providing flexibility to adapt to the specific characteristics and needs of each utility and their customers. To that end, Public Counsel continues to believe that certain definitions, interpretations, targets, minimum requirements, and deadlines would be better suited to a rule rather than a policy statement for consistency across the utilities while some issues, such as program specifics or prioritization methodology, may require more flexible policy guidance at a later point.

B. Answers to Notice Questions

- 1. 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?**

4. Staff's presentation at the December 1st workshop included a list of principles that were proposed by stakeholders to guide the development and implementation of effective energy assistance programs.¹ Public Counsel agrees with all of these principles but would emphasize that the overarching principle and key metric of effectiveness must be the requirement that energy assistance programs reduce customer energy burdens. While this seems obvious, it is important to reiterate CETA's intent to reduce energy burdens for eligible customers given the potential for programs to focus on related but distinct issues such as preventing disconnections or reducing utility undercollections.

- 2. 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)?**

5. Public Counsel does not have a specific answer for this question. The statute states that utilities "must make programs and funding available for energy assistance to low-income households."² Rather than focusing on a defined number of programs, utilities must make certain that they have a sufficient number of programs such that all eligible customers could, assuming sufficient funding is available, receive assistance to reduce their energy burden. If a utility chooses to only implement a single energy assistance program, that program must be made available to *all* eligible customers. Beyond that first program, whatever suite of programs a

¹ Staff Workshop Presentation at 34 (Dec. 1, 2020).

² RCW 19.405.120(2).

utility chooses to implement must, in aggregate, provide all eligible customers with some form of assistance and ensure that all customers within a particular income range can actually avail themselves of the offered assistance. For example, if the only program available to customers at the income level of 150 to 200 percent of the federal poverty is a home weatherization program, the utility would not be in compliance with CETA mandates because otherwise eligible renters may not be able to benefit from this form of assistance. It may, therefore, behoove utilities to implement at least one program that is applicable to and beneficial for all eligible customers. Other than these guidelines, Public Counsel declines to prescribe an exact number of programs that a utility must implement.

3. How should the Commission interpret “short-term and sustained energy burden reduction” in RCW 19.405.120(4)(a)(i)?

6. Short term and sustained energy programs both have the potential to reduce customer energy burdens. Short-term programs include programs such as one-time payments and bill assistance that provide benefits only over a short duration, but offer enough assistance to still reduce customer energy burdens. Sustained energy programs should run over a longer term and include programs that bring energy burden down over time or for a consistent amount over the longer interval. Those programs could include things such as weatherization and energy efficiency that will ultimately lower the energy bill each month, but could also include bill assistance programs that run for a longer duration of time such as a discounted low-income energy rate. Public Counsel briefly addressed this in our prior comments, but want to emphasize that actual reduction in energy burden is critical to programs.

4. 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?

7. Through the presentations given in the December 1st workshop and the utility advisory groups, the utilities demonstrate that prioritization is already an aspect of existing programs. Therefore, we do not believe that implementing prioritization to CETA compliant programs will necessarily delay provision of assistance. We suggest utilities use knowledge gained through current methods and continually improve on them to increase effectiveness. Program design is an iterative process. The ideas we discuss, below, can be implemented without hindering successful programs now or ongoing program development in the future. As programs are enhanced and evolve through time, these ideas provide a valuable framework to ensure efficacy.

8. In Public Counsel’s previous comments, we provided the following framework³ for the commission to use to determine whether utilities prioritized those with the highest energy burden:

1. Marketing and Outreach

- a. How does the utility determine which households have the highest need?
- b. How does the utility reach these customers?
- c. How does the utility engage in a more personal way to build trust?
- d. How does the utility address questions regarding the “split incentive” that exists in the landlord/tenant setting?

2. Behavioral

- a. What programs deliver value and fit the lifestyle of those with the highest energy burden?
- b. Was the customer experience differentiated in order to prioritize those with the highest energy burden?

3. Partnerships

- a. What stakeholders did the utility engage?
- b. How did the utility leverage funds creatively to have the greatest impact?

³ Public Counsel adapts this approach from recommendations for enrolling low-income customers in demand side management programs. See Cindy Boland O’Dwyer, *Engaging and Enrolling Low Income Consumers In Demand Side Management Programs*, DEFG (Jun. 23, 2013), available at: <http://defgllc.com/publication/engaging-and-enrolling-low-income-consumers-in-demand-side-management-programs/>.

4. Transactional

- a. How does the utility maintain customer protections while also providing additional flexibility and new payment options?

9. We believe these questions also provide a program design framework for utilities to use when considering prioritization options, and we explain each section in more detail below.

Marketing and Outreach

10. As mentioned in our previous comments, energy customer research shows that low-income customers are often more difficult to reach due to a number of factors. This becomes especially true for those with the highest energy burden.

11. Utilities have access to microdata provided by the U.S. Census, which classifies energy need on a city, county, or census tract level. While this is aggregated data and individual households will obviously differ, it provides a decent characterization in absence of individual customer data, and is sufficient to prioritize outreach and marketing in areas with the highest need.

12. Prioritizing those with the most need is not a new concept, especially when it comes to outreach. The utilities have demonstrated, in workshop presentations as well as advisory groups, marketing and outreach efforts within their service territories. The questions posed in our framework provide a means to evaluate existing programs, build new ones, and continue to increase outreach engagement and impact.

Behavioral

13. This aspect of program design provides utilities a flexible approach to prioritizing assistance within programs. There are two main ways to do this:

Funding Prioritization

14. Utilities already commonly prioritize customers through funding amounts granted in different programs. PSE Help grants \$100–\$1000 per customer to pay 20 percent to 60 percent of a household’s energy usage; PacifiCorp uses income level to determine the discount rate of its low-income bill assistance program; and Avista LIRAP Heat awards \$100–\$1000 based on customer criteria. Further, there is extensive research on federal programs such as LIHEAP that provides best practices for prioritizing customers with the highest energy burden. It is important to note what is working and work to enhance it over time to meet the energy assistance goals set in CETA.

Timing Prioritization

15. This method of prioritization begs the question, “How can energy assistance programs be structured to prioritize low-income households that have the highest energy burden without delaying provision of assistance to applicants?” Public Counsel agrees that timing prioritization should not exclude or particularly burden customers in its efforts. However, creative program design such as early enrollment periods for vulnerable customers can alleviate this problem.
16. It is important to note that this framework provides some flexibility for utilities to determine the programs that work best for them and their customers. The utilities should not be restricted to use just one or absolutely both of these methods. What is important is that they can answer the questions in part two of the framework and meaningfully show that they are differentiating the customer experience to prioritize and deliver value to those with the highest burden, whether by timing, amount, or other method. Effectiveness is key.

Partnerships

17. Community organizations establish close connections with customers throughout utility service territory. Collaborating with these organizations allows utilities to more meaningfully and successfully connect with customers. Stakeholder engagement should be a part of program design of low-income assistance programs to ensure value, effectiveness, and impact. There is no reason to believe that this effort will delay the provision of assistance. The Washington State Department of Commerce developed a framework for agencies to sub-contract directly with community-based organizations for rental assistance that can also be applied to energy assistance programs. Working with community stakeholders could potentially increase response time through collaboration and creating efficiencies. It could also increase enrollment in underserved populations with the highest energy burden through provision of language needs and cultural competencies.

Transactional

18. In designing low-income assistance programs, utilities must maintain customer protections while also providing additional flexibility for payment options that create opportunities for improved cash, credit, and energy management within program design.
19. As mentioned above and in our previous comments, what is important in program design is actual effectiveness in reducing energy burden. In order to meet these targets and protect their most vulnerable customers, utilities should use some method of prioritization within program design, and creatively plan programs so as not to cause delays to others seeking assistance. The above provides a holistic method of program design and evaluation for both utilities and the commission to consider when evaluating the utilities' success in prioritizing, to the extent practicable, those with the highest energy burden.

5. For each of the three requirements (i.e., programs and funding, demonstrating process, and prioritizing assistance), when and in what type of proceeding should the Commission determine compliance for investor-owned utilities?

20. As described in our previous comments, Public Counsel believes in order to determine whether a utility has the appropriate programs and funding, the utilities should file a compliance report with the Commission to show that they have made these available, on or before July 31, 2021. Utilities should subsequently submit their biennial assessment and plan to the Commission as required by RCW 19.405.100(5) and should include all information and attachments submitted to the Department of Commerce. The Commission should use this information to assess utility progress and determine compliance. This compliance review should occur with each biennial filing.

6. 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?

21. While this investigation must initially focus on ensuring all utilities have CETA-compliant programs and policies in place by July 21, 2021, Public Counsel recommends additional issues that may warrant discussion to ensure the long-term effectiveness of energy assistance programs. Using the data and information submitted as required by RCW 100-405-120(3) and (4), utilities and stakeholders should collaboratively compare the approaches of the different utilities to determine which programs and policies are the most effective at reducing customer energy burdens. Similarly, the utilities' programs should be compared to assess different outreach, prioritization, and funding approaches. While the utilities' programs may differ significantly due to characteristics of each service territory, this comparison could provide valuable insight into best practices and program approaches. Program funding should also be compared across the utilities to determine if eligible customers across the state are receiving

similar assistance levels and what barriers exist that may result in significantly different funding levels. Finally, Public Counsel recommends additional discussion regarding funding mechanisms to support the development of consistent, dependable, and sufficient funding for energy assistance programs.

III. CONCLUSION

22. Public Counsel appreciates the opportunity to provide comments on these issues. We look forward to reviewing other parties' comments and participating in further discussions on these topics. If there are any questions regarding these comments, please contact Nina Suetake at Nina.Suetake@ATG.WA.GOV, Sarah Laycock at Sarah.Laycock@ATG.WA.GOV, or Shay Bauman at Shay.Bauman@ATG.WA.GOV.

Dated this 18th day of December, 2020.

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