

November 16, 2022

Via Electronic Mail

Cascade Washington Energy Assistance Fund
Advisory Group

Re: The Energy Project's Feedback on Bill Discount Rate Proposal

Dear Cascade Washington Energy Assistance Fund Advisory Group:

Cascade requested written feedback on its Bill Discount Rate (BDR) proposal by Wednesday November 16, 2022. Accordingly, below you will find the feedback of The Energy Project (TEP).

TEP supports the Cascade Fall 2022 Energy Assistance Term Sheet provided jointly today by members of the advisory group. As a part of this, we request that Cascade hire a third party with experience working with vulnerable populations to set the agenda and facilitate future meetings on this topic. This is necessary because TEP does not feel that Cascade's facilitation of meetings provides an appropriate opportunity for advisory group members to explain their concerns or present alternative proposals.

Further, we request that future BDR program discussions focus on one element of the BDR program at a time, instead of covering the entire program design in one meeting. An in-depth discussion of individual program elements will allow participants to think through each aspect of the BDR program design and Cascade to more carefully design its BDR proposal.

If you have any questions, please do not hesitate to contact me or Lorena Shah.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP

Yochanan Zakai

1. Design the BDR to maximize use of federal funds and minimize impacts to all ratepayers, e.g., LIHEAP and CSBG.
 - a. Calculating LIHEAP and BDR benefits: The program design should maximize the use and availability of federal funds, including LIHEAP. The proposal presented by Cascade appears to apply the bill discount rate before LIHEAP, which would mean that customers and other ratepayers miss out of a significant amount of federal funding. TEP proposes that the Company apply LIHEAP grants to a customer's bill before applying the BDR, thereby preserving the customer's original billing totals for the purposes of LIHEAP. That sequence ensures that customers get significant benefits while conserving ratepayer funds through effective use of federal funding.
 - b. Develop a to plan maximize the use of federal LIHEAP and CSBG funding: The Company and CAAs should develop a plan to encourage customers that are able to provide the documentation needed for LIHEAP enrollment and information necessary to support federal funding. A key part of this plan will be an effective script for utility call center representatives vetted by CAAs.
 - i. Information sharing: When customers enroll in the program, what information must customers provide? And what customer information do utilities share with CAAs? Cascade's program proposal does not answer these questions.
 - ii. The advisory group requires specific information on customer served in order to monitor program efficacy (including for equity considerations and statutory compliance). CAAs require specific information to enroll customers in other benefits such as LIHEAP, weatherization, childcare, rental, banking, water assistance, ect; and maintain eligibility for federal Community Services Block Grants (CSBG) and other funding.
 - iii. Cascade should collect and provide to CAAs the information that CAAs need to monitor program efficacy, equity in program delivery, and to maintain federal CSBG funding. The advisory group should identify the data that a utility is required to collect from enrolled customers and provide to the CAA. Data points that some CAAs report needing for federal CSBG funding include: name, address, zip code, email, fuel sources, gender, birth date, ethnicity, race, education level, disability status, income, number of individuals residing in household, veteran status, preferred language, health insurance, citizenship status, work status, substance abuse, and mental health.

2. The BDR should serve customers with incomes above 200% FPL: At minimum, the bill discount rate should use the eligibility the Commission approved for the WEAF program in the last GRC.¹
3. Accessing other CAA services via referral: When a utility enrolls a customer, how can we ensure that customers know about and receive other services offered by CAAs? Cascade's program proposal does not answer this question.
 - a. Background: CAAs administer a range of important assistance programs, including weatherization, LIHEAP, childcare, rental, banking, food, and water assistance, among others. Implementation of BDR and AMP should include sufficient procedures to connect customers enrolled by a utility to other services and benefits provided by CAAs.
 - b. Referral process: Cascade has not presented a plan for how the referral process will work.
 - i. Cascade and CAAs should jointly design the script the call center uses, as well as written and electronic communication to the customer about the BDR.
 - ii. Cascade should collect and provide to CAAs the information that CAAs need to follow up with customers, monitor program efficacy, equity in program delivery, and to maintain federal CSBG funding. Enrollment in the program automatically results in sharing customer information with the CAA. Customers cannot opt-out from information sharing, which serves both as the referral and plays an important role in program administration.
 - c. Tracking referrals and targets for enrollment in other services: Cascade and CAAs should track and include in regular reports the number of customers who proceed from utility enrollment to CAA intake and eventually receive weatherization and other services. The advisory group should set a target for the percentage of customers who enroll through the utility and proceed to a CAA intake so that we can monitor and continuously improve referral practices.
 - i. This is necessary because outreach by CAAs to customers, a.k.a. cold calling, is resource intensive and historically has not been effective. To overcome this known barrier, the program design should facilitate and incentivize customers to proactively connect with CAAs and Cascade to support this effort.
4. Outreach Plan: Cascade should provide a plan to conduct additional inclusive outreach, particularly through community partnerships. The plan should include specific steps, timeline for implementation, and commitments to funding outreach efforts.

¹ Docket UG-210755, Order 09, ¶ 75.

5. Enrollment, including self-attestation of income and audits for verification.
 - a. Background: The program should serve the greatest number of customers while ensuring public trust and confidence. Self-attestation of income is an effective tool to increase enrollment. Other states that allow customers to self-attest to income, and to monitor instances of fraud and changes in income level they audit between 3% and 10% of self-attestations. Audits should be staggered over time as not to strain CAA resources at any particular time of year.
 - b. Self-attestation: TEP supports the use of self-attestation for initial enrollment in the program, provided the information sharing and referral processes discussed above are documented supported by the advisory group.
 - c. Selecting customers for audits: The program should use transparent and equitable guidelines for selecting customers to audit. TEP opposes program approval until the Company and advisory group jointly agree on how to select the customers that will be audited, and how the need for such documentation is communicated to customers.
 - d. Type of income: No details about the income requirement are provided in Cascade's program proposal. Questions that should be answered before implementing the program include: Are customers self-attesting to net income or gross income? What time period does the self-attestation of income cover? What time period does the audit of income cover? Does the reporting income include deductions in alignment with LIHEAP? Is an additional self-attestation form required for customers enrolled in the lowest income tier?
 - e. Length of enrollment: Cascade's program proposal does not identify what happens to enrolled customers after the interim program ends on September 30, 2023. Questions that should be resolved before Cascade implements the program include: After a customer enrolls, how long do they stay enrolled in the BDR? After the initial enrollment period can the customer re-enroll with another self-attestation, or is income documentation required at that time?
 - f. Changes in income: Cascade's program proposal does not identify what happens when a customers' income changes. Are customers expected to report upward changes in income if enrolled? Can customers report a lower income to qualify for a better discount rate, and if so is documentation required?
 - g. Time to provide documentation: Cascade's program proposal does not identify the time in which customers must provide documentation. Before requesting approval of the program, Cascade and the advisory group should determine: After a customer is selected for audit, how much time do they

have to provide documentation of income to the CAA? Is this time period from enrollment date or from notification of selection for audit? If, after an audit, documentation shows that the customer's income is above the eligibility threshold, can Cascade retroactively claw-back any benefits provided under the BDR? If a customer is audited and does not provide sufficient documentation of income in time, can the customer reapply, and if so is documentation required?

- h. Responsibility for conducting audits: Any requirement for audits must consider CAA capacity constraints and funding needs. CAAs can satisfy the audit requirement by confirming a customer is enrolled in another government benefit program that requires incomes verification. This could be streamlined if the Department of Social and Health Services (DSHS) provided CAAs access to the Benefit Verification System (BVS) for enrollment in all CAA-provided programs, including energy assistance.
- i. Auto-enrollment: TEP opposes automatic enrollment of customers until a plan for maximizing federal funding is developed and vetted by the advisory group. After such a plan is in place, TEP would support automatically enrolling all customers who have had their income verified in recent years, and automatic reenrollment anytime the CAA verifies the customer's income.
- j. Utility and CAAs design a joint communications plan:
 - i. TEP opposes program approval until the Company and advisory group jointly agree on a communication plan concerning customers to fail to provide documentation or are not eligible. TEP wants to ensure that the Company and CAAs communicate that benefits are not being "taken away," but rather that enrollment based on self-attestation is temporary and enrollment after a certain date depends upon the customer providing income documentation if requested.
 - ii. Other elements of a communication plan include a start-up communications and a plan for responding to media inquiries about eligibility and instances of fraud. Approval of the BDR without a plan for addressing media inquiries concerning fraud risks jeopardizing public and political support of self-attestation programs across the state. Rushing to implement an interim program for one utility should not jeopardize the use self-attestations statewide.

6. Design of income-based tiers. Cascade proposes to use the following tiers:

Tier	Tier Levels	Energy Discount
1	0-25% FPL	90%
2	26-50% FPL	70%
3	51-100% FPL	40%
4	101-200% FPL	5%

- a. TEP supports a five-tiered rate.
 - b. For the purpose of an interim program, TEP does not oppose the rate for Tiers 1-3.
 - c. TEP opposes the discount provided in Tier 4. If an interim program includes four tiers, Tier 4 should provide a discount of 25%.
7. CAA funding: TEP opposes approval of the program using the current CAA funding mechanism because the BDR is likely to require additional work for the CAAs without a funding mechanism. TEP proposes moving away from a paypoint structure and instead provide the CAAs 21% of the total annual WEAFF budget. PSE and Avista fund their energy assistance program by providing a similar percentage of program budgets to CAAs. The advisory group should consider if additional payment is needed for the CAAs to follow-up on referrals and perform audits.
8. Arrearage Management Plan (AMP)
- a. Cascade has not proposed a traditional arrearage management program that would forgive a certain amount of the past-due balance with each on-time payment. What Cascade characterized as an AMP to its advisory group does not meet the traditional definition of an AMP. TEP requests that Cascade stop using the name AMP in reference to its proposal, and to develop a traditional AMP.
 - i. For the lowest income customers, e.g., 0-50% FPL, immediate forgiveness of all past-due balances.
 - ii. For other eligible customers, forgiveness of certain percent of past-due balances after on-time payment.
 - iii. Retain a hardship grant program for all residential customers experiencing a hardship or emergency regardless of income, separate from the arrearage management program.²

² For example, Avista's Emergency Share provides grants not to exceed \$350 to any customers with a hardship or risk of service disconnection.

9. Reporting: The advisory group should discuss what changes to energy assistance annual reporting and evaluation, beyond the referral tracking and goals discussed above, are necessary.