



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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April 21, 2021

**NOTICE OF PROGRAMS AND FUNDING REQUIREMENTS FOR ELECTRIC
UTILITIES UNDER CETA**

RE: Energy assistance requirements to make programs and funding available to low-income households by July 31, 2021, pursuant RCW 19.405.120(2), Docket UE-200629

TO ELECTRIC UTILITIES:

Section 12 of the Clean Energy Transformation Act (CETA), codified as RCW 19.405.120, includes provisions regarding energy assistance, or utility programs undertaken to reduce customer energy bills. One of the energy assistance provisions in RCW 19.405.120(2) requires electric utilities to “make programs and funding available for energy assistance to low-income households by July 31, 2021.” To comply with this requirement, by July 31, 2021, utilities must either (1) file any necessary tariffs or tariff revisions with the Commission or (2) submit information to Docket UE-200629 demonstrating current compliance. Filings must meet the statutory requirements outlined in the notice below.

INCOME ELIGIBILITY

RCW 19.405.120(2) requires that electric utilities make “programs and funding available for energy assistance to *low-income households*” [emphasis added]. Commission staff (Staff) interprets this provision as requiring that at least one energy assistance program be readily available to all low-income households.¹

¹ RCW 19.405.120(2) includes additional provisions, including a requirement that electric utilities demonstrate progress in providing energy assistance. The requirement for utilities to demonstrate progress may involve electric utilities expanding income eligibility for additional energy assistance programs.

Low-income

RCW 19.405.020(25) directs the Commission and the Washington Department of Commerce (Commerce) to establish the definition of “low-income.” The Commission established the following low-income definition in its rules implementing CETA:²

- “Low-income” means household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.

Compliance actions

Based on the low-income definition currently set by the Commission, utilities must offer at least one energy assistance program that is available to households with incomes that are the higher of eighty percent of area median income or two hundred percent of the federal poverty level, adjusted for household size.³ Additionally, since Staff finds that the statute requires that all low-income households have *ready* access to the program, utilities must either update bill assistance income eligibility to comply with the statute at this time or file new monetary assistance programs that are available to all low-income customers.⁴ Currently, weatherization and other programs are not reasonably accessible to all renters and owners of manufactured homes, among others. If, in the future, program barriers are reduced for program types beyond monetary assistance, utilities may use those programs for compliance with the income eligibility component of the statutory requirement.

Staff understands that no electric utilities regulated by the Commission currently include income eligibility criteria based on area median income (AMI), and only one investor-owned electric utility (Avista) currently has income eligibility set at 200 percent of federal poverty level (FPL).⁵ Therefore, Staff expects Puget Sound Energy and PacifiCorp either to (1) file tariff revisions increasing the income eligibility for their respective bill assistance programs to comply with the low-income definition set in Commission rules or (2) file a new, compliant monetary assistance tariff. Staff expects Avista either to make a similar tariff filing or submit information to Docket UE-200629 demonstrating that 200 percent FPL, adjusted for household size, is greater than 80 percent AMI throughout its service territory.

² See WAC 480-100-605 and WAC 480-109-060(22).

³ Please note that if the Commission were to change the low-income definition in the future, utilities would need to make commensurate changes to applicable energy assistance program eligibility to maintain compliance with RCW 19.405.120(2).

⁴ “Ready access,” as used in this notice, means that program eligibility is set at the low-income definition and does not include other substantive requirements (*e.g.*, require that customers have received a disconnection notice).

⁵ See “Utility energy assistance data (.xlsx)” available at <https://www.commerce.wa.gov/growing-the-economy/energy/ceta-2/> for information submitted to the Department of Commerce pursuant to RCW 19.405.120(3). Data includes program information submitted by all three investor-owned electric utilities regulated by the Commission.

NUMBER OF PROGRAMS

RCW 19.405.120(2) requires that electric utilities make “*programs and funding* available for energy assistance to low-income households” [emphasis added]. Staff interprets this provision as requiring at least two low-income energy assistance programs.

Energy assistance

Per RCW 19.405.020(15), energy assistance means a program undertaken by a utility to reduce the household energy burden of its customers, including:

- weatherization, conservation, and efficiency services;
- monetary assistance;
- direct energy resource ownership; and
- other strategies.

Specifically, the statutory definition creates tiers for the energy assistance programs, where monetary assistance and weatherization, conservation, and efficiency services are primary programs, whereas direct customer ownership and other strategies may be included if a utility demonstrates those programs “achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.”⁶

Compliance actions

Staff understands that each of the three electric utilities regulated by the Commission currently offer at least two energy assistance programs for households at or below the low-income definition (see low-income discussion above), including at least one monetary assistance program and one weatherization, conservation, and efficiency program. Therefore, electric utilities are not required to create new low-income energy assistance programs before July 31, 2021, to comply with the statute.

To remain in compliance with the statute, electric utilities must continue to offer at least two low-income energy assistance programs. If utilities propose changes to or discontinuation of low-income energy assistance programs, Staff expects that the Commission will review the proposals within the context of the statutory requirement to offer at least two compliant programs.

ADDITIONAL INFORMATION

If you have questions about this notice, you may contact Commission policy advisor Kendra White at (360) 701-5363 or kendra.white@utc.wa.gov.

MARK L. JOHNSON
Executive Director and Secretary

⁶ RCW 19.405.020(15)(b).