

# WEAF Advisory Group

## Agenda

December 7, 2022

**KEY TOPICS:** *Current year WEAFF changes and initial discussion on rate discount and arrearage management program topic list.*

**GOALS FOR MEETING OUTCOME:** *Gain agreement on current year WEAFF changes to be presented and discussed with the full advisory group. Begin discussion on rate discount and arrearage management program design meeting topic list.*

1. Stakeholder recommendations for current year WEAFF changes related to rate increases:

### Key Decisions for Agenda item #1:

Recommendation to bring to full Advisory Group:

- File for current year WEAFF changes listed in 1a and 1b.
  - For 1b, modify the WEAFF calculator to add 25% to the pledge amount the current calculator generates based on unadjusted energy usage history.
  - Increase past grants/pledges issued to customers from 10/1/22 up to effective date by 25%, Cascade would calculate and issue the grants. Cascade will provide updated credit amounts to each agency so they can update their records.
  - Timeline – discuss at full Advisory Group on 12/21. If consensus is gained file on 12/22 with goal to have on the Commission Open Meeting agenda on 1/12/23. Cascade will request approval with Less than Statutory Notice with goal to have effective date shortly after 1/12/23.
- a. Increase max grant by 25% to \$625 to adjust for the GRC and PGA increases.

### Discussion:

**Lorena** – Would this start as of Jan 1 or go back and recalculate October through whenever the start date is?

**Dan** – Depending on how long it takes us to get these changes made, we could retroactively issue customer grants for 25% more than what they've already received up to the cap of \$625. It's something we could probably do internally at Cascade with the data we've already received, rather than needing to have the agencies do that if this group thinks that is the right approach.

**Lorena** – I like that idea a lot. That would be a question to bring up to the larger group. I know how we track, and I think it would be relatively easy to adjust our records. For those that have agency databases it might be more complicated.

**Yochi** – I would just note for comparison purposes, PSE was requiring the agencies go through and recalculate. To the extent Cascade doing it on their own, the agencies would welcome the help.

**Dan** – Did PSE retroactively do something like that with increasing past grants?

**Yochi** – Yes, they did to October 1<sup>st</sup> for the beginning of the program year.

**Dan** – It sounds like we have general support for reactively doing that.

**Hanna** – To effectuate this change, do you need to file a deferred accounting petition, or would this require a tariff change or both?

**Lori** – We looked through our WEAFF tariff and I think it would require a tariff change. We will present to the full committee on the 21<sup>st</sup>. The last Commissions open meeting for 2022 is 12/22, so we wouldn't be able to get anything on their agenda, but would be for the January 12<sup>th</sup> meeting, then the next one is the 26<sup>th</sup>.

- b. Allow agencies to gross up past energy usage data by 25% to adjust for the GRC and PGA increases.

Additional questions discussed – Should we retroactively increase grant amounts for current year recipients from 10/1 to effective date? If so, would company do it or agencies? What complexities does it create for agency records? Bring discussion back to the larger group. January open meeting.

**Discussion:**

**Dan** – How would we make the gross up change to calculation? Chris has idea but not here.

**Lori** – He wanted to know if instead of doing past energy usage, use bill.

**Lorena** – Would it work to just add 25% to what the grant amount is and not use energy usage price?

**Lori** – I think that is what he was suggesting.

**Lorena** – What if we just add 25% on top of whatever the grant was up to \$625?

**Dan** – So your suggestion is to use the pledge amount the current calculator provides and have a formula to gross that up 25%? For example, if it says \$400, then you increase by 25%.

**Lorena** – Have another row in current calculator that adds the 25%, that would be ideal.

**Dan** – For the retroactive who received a grant between Oct 1 and whatever the effective date ends up being, we have reports that could add the 25% and then have those applied to the customer's account. We would then provide the updated pledge amounts to the agencies so they can update their records.

- Options for incorporating AMI into the WEAFF grant calculation.

**Key Decisions for Agenda item #2:**

Stakeholders indicated the agencies could work with 2 calculators. Lori and Chris to provide more information on a possible approach via email and we'll schedule a meeting with the small group to discuss further if necessary. Goal is to bring recommendation to 12/21 full Advisory Group meeting once we have consensus.

**Lori** – Chris is not here so I will try to relay the information accurately. Chris visited with PSE and Avista to try and get some insight on what they are doing. PSE looked at counties they serve with median income and are basing the AMI calculation off the median county. I believe Avista is trying to create a calculator for each county, but only for a certain level above FPL. For the interim piece where we serve 17 counties in WA, it would be time consuming to create 17 calculators. If you think PSE's approach will work, maybe not permanently but for this year, that would be faster.

**Lorena** – Question – How Avista does it, once above 150% FPL, then it goes to AMI – would it be 2 calculators? One 0-150% and the other 150% up to 80%?

**Lori** – That is the way I understood. Calculate FPL and then once it is reached, it was up to 150%. Then, it looked at AMI. Yes, 2 step process, not sure if 2 calculators.

**Dan** – Then we will need to file incorporating our AMI into our calculation, correct?

**Lori** – The tariff would be simple because it would just add FPL or AMI, so all of this is behind the scenes.

**Dan** – Ok, so then we don't need to know exactly how we'll incorporate AMI by the 22nd.

**Lori** – We will need to figure it out for the large group meeting on 12/21.

**Lorena** – The CAP agencies recognize the time it's going to take to even do simplified version so I think we can accept 2 calculators.

**Dan** – Lori – do you think Chris can email this group with his recommendation to have 2 calculators per agency and how that would work? And then we can get feedback via email. We have a meeting next week, so we can review his email.

**Lori** – I think we canceled the one on the 21st.

**Yochi** – Believe we changed to January.

**Dan** – Let's try the email approach and if that doesn't work set up a meeting?

**Lori** – I think the main thing is using 2 calculators for now and use the median county approach – I think we can have that in place in January.

**Yochi** – The eligibility is set individually by county based on the higher 200% or 80% AMI. But the benefit curve is based on median county, so the eligibility level does have to be calculated individually for each county.

**Lori** – Is the eligibility included in the calculator or is that something the agencies identify?

**Lorena** – In PSEs, that is included. Household income, household size, then determines benefit.

**Yochi** – I'm surprised PSE's eligibility is based on median county. For some counties there will be 1 calculator because 80% AMI is going to be lower than 200% FPL.

3. Initial discussion on topic list for rate discount and arrearage management program creation.

**Key Decisions for Agenda item #2:**

The group agreed to the list below as our initial topic list with understanding that the list will likely change as discussions progress.

- Arrearage Management and Rate Discount Design
  - Design of income-based tiers
- Joint administration between utilities and community action agencies (CAA)
  - Ensuring utility-enrolled customers can access other services, including LIHEAP, weatherization, childcare, rental, banking, water assistance, etc.
  - Tracking number of customers enrolled by utilities that proceed to CAA intake.
  - Information sharing, i.e., individual customer demographics provided to CAAs.
- Enrollment
  - Self-attestation of income/HH size
  - Audits for verification
  - Type of income, length of enrollment, processing changes in income, time to provide documentation, selecting customers for audit, etc.
  - Use of categorical eligibility to either very incomes or enroll customers.
- Utility and CAA design a joint communication plan documenting:
  - Program launch, informing customers they are selected for audit, informing customers they are not income-qualified, and responding to media inquiries about eligibility and fraud.
- Managing overlap between LIHEAP and bill discount program; developing a plan to maximize use of federal funding.
- Reporting

**Discussion:**

**Dan** – We would like to get your feedback on key topics for our next small group discussions scheduled for January. I think we're at the point where those topics will be about rate discount and arrearage management program creation. One approach we could take is using the feedback the stakeholders provided on Cascade's temporary EDP as a guide for topics.

**Yochi** – I provided a list based off of the EDP feedback and put it in the meeting chat. One of the topics was monitoring legislation concerning CAA's use Dept of Social Health Services Benefit Verification System for income. Didn't want that added.

**Dan** – Interesting topic. We are close to finalizing in Oregon, use of OCHS data, mostly related to LIHEAP qualification. The data from OHCS will provide us the customer name, account number and household income size, FPL, SMI type information that we can use to auto enroll those customers into rate discount program at the correct tier level. We would like to figure out how we can get similar data for WA.

**Charlee** – Income based tiers came up first with Avista and early with PSE – it's a natural leaning. Allows for smooth conversation, get more in depth, then come back and rely on income-based tiers. Everyone on this call has the detailed list so we're all familiar with it, and I don't think there are any objections or additions.

**Dan** – Lori, Chris and I have been in contact with Avista since last Friday. We've requested information about the process they've been following and asked for documentation they would be willing to share. They sent recent presentations they used for one of the meetings. It looks like they have 5 tiers for EDP. Program design should probably be up front, not just talking about a rate discount but potentially redesigning WEAFA/arrearage management program as well. For example, some utilities provide certain discount for forgiveness then customer must contribute a certain amount to sustain that, which I believe the Stakeholder group sees as a traditional AMP. I don't know how Avista is doing that.

**Charlee** – I don't recall but can check.

**Dan** – Another topic to add to the list would be reporting for both stakeholders and commission.

#### 4. Set key topic(s) for next meeting

##### **Key Decisions for Agenda item #2:**

After a brief discussion the group selected the topics listed below for Key Topics for our next small group meeting scheduled for 1/11/23.

- Arrearage Management and Rate Discount Design
  - Design of income-based tiers