

WEAF Advisory Group

Agenda

March 29, 2023

KEY TOPICS: Bill discount rate tiers and discount percentages, income collection as part of qualification process, post-qualification verification process

GOALS FOR MEETING OUTCOME: Finalize bill discount rate tiers and discount percentages, potentially finalize income collection approach as part of qualification process.

1. Bill discount rate tiers and discount percentages – Chris Mickelson
2. Income collection as part of Bill discount qualification process (if time permits) – CAAs
3. Post-Qualification Verification process (if time permits) – Dan Tillis
4. Set key topic(s) for next meeting – Dan Tillis

Lorena Shah

While we are starting the recording, this is Lorena. I just wanted to say caveat that some of the other agencies have not seen this yet unless they had a chance to look at the e-mail. This was work that Yochi and I did earlier this morning.

Tillis, Daniel

Lorena - Do you want to walk us through the recommendations to share those with everyone and then we can talk about from there?

Lorena Shah

Sure. We are proposing to move tier one, which is currently at the income guideline up to 5% of FPL, to 0 to 20% of FPL. We had a similar conversation with PSE, and we moved tier one up to 20% as well. Mostly because this is just functional 0 income. Sort of the nuance between 5% and 20% of FPL is rather negligible, so we wanted to propose to move that up to 20. We are happy with the actual discount rate though for that tier, and then we are proposing to move the actual discount on Tier 5, which is our highest income lowest discount tier, moving that just up a little from 7% to 10%. And this really has to do with the optics of it, feeling like a significant enough discount for folks to make it worth their while to apply for it especially for those that are seeking assistance that are higher income. The first thing we would like to just see is rounding discounts up to the whole percentage just for easier messaging.

Mickelson, Christopher

Alright, thank you for that. So, I'll first start with going from 5% to 20%. Part of the reason Cascade proposed the 5% was to align more with Avista where we have probably more service territories. Bumping up next to Avista more than we do with PSE, which is one service area, so that's kind of the rationale why we went with 5 instead of our original proposal of 25. But if everybody wants to go with 20, that's fine. But while now we may be in alignment in one service territory that bumps up against with PSE, we won't have that alignment with Avista who is at 5% for their first tier, and we have more service territories that are closer to them, so something to consider there. The second; rounding the discounts, that's fine however, the first-tier discount will have to go down because right now it puts them below a 1% energy burden. As for the perception of 10% going to from 7 to 10, the reason we gave 7 is really this group, at least on an energy discount, before they get anything, is already below the other threshold where we were shooting in between 3 and 4% for all the tiers, so 3 1/2 is kind of where we were putting it, they're already below that before we even apply the discount. By going into this they would be getting that or arrearage management and that's still a hefty sum of a grant. Something to maybe reconsider there. Any thoughts to those aspects? I'm just giving you the reasons of why we originally proposed what we did.

Charlee Thompson

I did have a thought on expanding Tier 1 from 5% to 20%. You said that it was Cascade's reasoning that more of your service territory align with Avista, which has that 0 to 5% for the first tier versus PSE which has the zero to 20%. I personally like the expanded 20% for Yochi and Lorena's reasoning. Of course, that is still effectively 0 income, but if it helps alleviate Cascade's concern, or at least speaks to your reasoning, I anticipate that stakeholders involved in Avista's BDR program, at least for year two, as I think their tiers have been set, will probably try to change that in the future and try to increase their tier to 20% or at least higher than what it is. I would say we can try to get Avista in alignment with Cascade in year 2.

Mickelson, Christopher

I have no problem setting it at 20 and then running the analysis again, that puts that discount, once rounding everything, at 8, and I would push back on going to 10% on that 5th Tier, they're still getting the arrearage management and the discount, which will put them well below the energy burden threshold of 6%. Maybe we'll take a step back, it sounds like we're good with this type of tier breaking point levels to 20 for Tier 1, then 21 up to 50 for Tier 2, 51 to 100 for Tier 3, 101 to 150 Tier 4, 151 to 200 for Tier 5 - are we good with that?

Roberts, Andrew (UTC)

I don't see the e-mail from I'm assuming Yochi, with the proposal. My question is what's the difference between a 5% FPL and 20% FPL?

Mickelson, Christopher

What do you mean? What's the difference?

Roberts, Andrew (UTC)

What's the income at 5% FPL and what's the income at 20% FPL?

Mickelson, Christopher

It will vary based off the counties.

Corey Dahl I'll just jump in while Chris is doing some calculations here, I think the most important point to think about in terms of 5% versus 20% FPL is that though the dollar amounts are obviously going to be different at all household sizes, it's still functionally zero. The amount of income a person earns at 20% is pretty small and even in comparison to 5%, so that's the way I'm thinking about it.

Mickelson, Christopher

Yes it should be fairly small. I do agree with that. So, let's take an annual income of \$1100, which is 5%. Something tells me 5% will be under \$1000, so you're talking somewhere between 50 to \$100 a month. And then let's just say roughly it's somewhere between 400 to 450 a month at a 25%.

Roberts, Andrew (UTC)

Yeah, that's pretty low. You mentioned bringing it up to 20 would change that Tier 1 benefit level. Any idea what that would look like?

Mickelson, Christopher

It would be 88% of the bill.

Roberts, Andrew (UTC)

OK. And what is it currently or what is it at say 5 percentage?

Mickelson, Christopher

A 5%, we did 97%.

Roberts, Andrew (UTC)

OK. I think that takes care of my questions. Thank you.

Mickelson, Christopher

It looks like we agree – woohoo, we're getting there. I don't see any problem with the rounding. I think even Dan mentioned that last time we talked about rounding the discount to the whole percent. The last issue is Tier 5. Is it 8% or is it 10? I could see going to 8 and it still keeps this in a nice energy burden range. But I can't really see the point of going to 10, other than we're just increasing the program costs and that's another aspect I've been trying to consider in design. This is keeping this overall program burden that all other customers will be paying at trying to keep that as low as possible. Any thoughts?

Tillis, Daniel

I guess the thought I have on the Tier 5 percentages, is it more important to have a percentage discount for that tier that reduces the energy burden to a more favorable level than reducing the energy burden for the other tiers? Or, is it more important to have a percentage that is more motivating for those customers who fall into that income level; to motivate them to contact us or the agencies to try to qualify for the discount. I think my position is we should set it at the most appropriate level and treat those customers as similar and as fairly as other customers in the other tiers. And you know if it's enough to motivate them to contact us, great. And if it's not worth their time, then that's their decision to make.

Charlee Thompson

I've been silent here because I don't actually have a very strong opinion either way on 8% or 10% here. I

can see both and I understand the reasoning or the push for both. So, for what that's worth and also to break the silence but curious if others have strong opinions. Thanks.

Mickelson, Christopher

And by the way, because of the AMP for this set of customers, they're still going to get a substantial arrearage forgiveness which is comparable to what they get with WEA, so if these customers are still reaching out within these income percentages now, I don't see why they would not, considering they're going to get similar to what they get in WEA plus an additional discount. So, I don't think we're really losing the incentive.

Corey Dahl

In terms of the 8% discount versus 10% discount for Tier 5, I'm in a similar position as Charlee, I would accept a 10% discount, but looking at the effective energy burden the difference between those is pretty small. But obviously curious to hear what Misty and Lorena think about that if they have an opinion.

Lorena Shah

Misty, where are you? Just because I already kind of stated our position as you know the reason, we proposed the 10% was just to make it more attractive and to have it be more substantial for somebody to apply for. And I also completely hear Cascade's side of it this, personally speaking, I'm more concerned about the raising the income tier to 20% and as far as what we're just talking about here, I think TEP can live with 8%.

Misty Velasquez Community Action of Skagit

Lorena, I'm here and I would probably agree with you on all of that. I just know we have a hard time now getting people in at that top level tier and Cascade wants us to do a lot of outreaches to get these people in here. But I could live with either.

Charlee Thompson

I had a question that maybe we haven't discussed this in this group. Do we know if we plan to advertise the percent discounts to customers?

Tillis, Daniel

I'm trying to think about what we've been doing; I don't actually think we put the percent discounts in any of our outreach material. I think we maybe have said at some point you could qualify for discount up to a certain percentage at the highest percentage, but I'm reasonably confident that we haven't actually advertised the discount levels to customers.

Charlee Thompson

OK. And I'm not saying do one way or the other, but I guess I was thinking about that because 8% to 10% is not that much different, but we're worried about 8% not sounding as good as 10%, if we don't advertise it, that might lighten or lessen, for what that's worth.

Tillis, Daniel

Right it's a really good point. If you're a customer who's in that income bracket and you're interested in assistance if you saw it at 8%, you probably would be like, well, maybe not worth my time. But if you don't know what that number is, then you might at least ask about it. And since you're on the phone with somebody, move forward with the application process. Great point.

Corey Dahl

I do see the point about making it sound more attractive because even just me thinking about it and this is obviously anecdotal, but for whatever reason 10 does sound significantly more than 8% in my head when I think of a discount, even though it's functionally not that much bigger. And in terms of budget impact, the difference doesn't seem like it would be a deal breaker. That said, regardless of where we land on this 8 versus 10%, but particularly if we land on 8% moving forward, I think it's really important, from public counsel's perspective, that we take steps to maximize the amount of federal dollars that are being leveraged in addition to the discount to make sure that customers that do get a robust tier, would not be eligible for LIHEAP. I guess that's a bit of a moot point here. But additionally, beyond that, the way that the arrearage management program piece of this is structured will definitely factor into all of this and how all the pieces of the puzzle fit together.

Mickelson, Christopher

Keep in mind I would recommend these discounts, maybe for this initial couple of program years and then once we actually get real customers in the tiers, how their bills are, where they are able to stay on the system without ever getting into any type of disconnect type scenario, then we could always come back and reevaluate were the discounts at the right levels and readjust accordingly.

Tillis, Daniel

Could we get agreement today on the discount percentages that are listed on the spreadsheet right now, or discounts to start with and evaluate the program just like we will evaluate every other component of the program once we have it in place and make adjustments as needed?

Corey Dahl

Public Council can live with 8%, but I will say again that our general support of the proposal that goes before the Commission, we will take a holistic look at all aspects of the proposal, it's contingent upon that, if that makes sense, not wholly contingent, but we'll take a detailed look at it, but also consider it on a holistic level in terms of overall program impact, so that's the way I'm thinking about it.

Tillis, Daniel

OK, that's fair. Chris, can you just plug 10% back in there again? I didn't see the after-energy burden change. Is there reason it didn't change?

Mickelson, Christopher

It did. It's a fraction of decimal points. What really changes is your overall program costs. I think it adds, say, \$100,000 based off this level, but if we ever get up to say 100% enrollment, you're talking over \$1,000,000.

Tillis, Daniel

OK. I guess the other part of this is since we are talking ratepayer funds here, since we already have that income bracket, that tier down to 3% energy burden after receiving the discount, it's already lower than the other tiers, is that really a good use of ratepayer funds to just make it more appealing or worth the effort for customers in that income bracket? The same reason I said earlier, should we utilize those ratepayer funds elsewhere?

Charlee Thompson

I think NWEA is fine with the tiers presented right now. I agree with Cory that we'll look at the holistic picture and will continue to assess the program for changes in year two and future years.

Mickelson, Christopher

To your point and Cory's, you folks said this holistic approach - what exactly do you mean by that? One thing I did want to bring up is talking about getting these types of points ironed out so we could actually get a filing to the Commission, sooner than later. I'm thinking more like by the end of April, if possible so the Commission can act on it by June 1st, but then give our billing system folks a lot more leeway and time to get things in place for the start of the program year versus July 1st and the Commission having it for 30 days and the effective date of August 1st. Those extra few months will be very beneficial, since it sounds like a lot of the programming behind the scenes will take quite a bit of time, especially in the use of federal dollars before ratepayer dollars.

Corey Dahl I understand where you're coming from here with these thoughts. Mentioning a holistic approach doesn't envision extending this process at all It's just a matter of working through all of these important details, but ultimately our hope is to have a mutually agreed upon goal, something we can all be proud of and support before the Commission. Ultimately, our recommendation to the Commission, coming from public counsel's perspective, is really dependent upon all pieces of the program and up at this point, based on what we've worked out, the program looks good, but we still have some big details to work out. We're going to be looking at it from a total perspective in terms, not only in terms of how the discount shake out related to income tiers related to discount amounts, but also how we include federal dollars for those eligible. Also, how we incorporate the AMP and how we work through processes such as income verification.

Charlee Thompson

Corey captured what I was thinking of very well. Essentially, I was also thinking what that terminology holistic was, what are we doing with the tiers and the dollars with LIHEAP and AMP and all those design elements. But I was also thinking, as Corey just mentioned, beyond the tiers, what are the other program design elements? I first went to verification and what to do with customers that don't respond to our request for verification and if those details. The detail here wouldn't stop me from supporting this program.

Mickelson, Christopher

The way I've been kind of looking at this is there are certain things that need to be in the tariff and talked about and then there's other aspects that aren't really part of the actual tariff and is more kind of the behind the scenes. The way information is shared, what customer information is collected, all those kinds of things are not in the tariff and more behind the scenes and agreement between the company and agencies, the things in the tariff are the discount tiers, the AMP, forgiveness levels and then also the audit process would be one of those things in the tariff. So, I mean if we can do those things first so we could get a filing put together I think it would be very valuable. But if those behind the scenes are part of that overall package you folks are thinking about, then maybe we do have to wait until July 1st, which based off our CC& B folks have indicated it can take anywhere from 6-9 months. If that's the case, then there will be a lot of automation, or a lot of manual processes before we can ever get some automation in place and some additional headaches for Dan's group.

Tillis, Daniel

I know we've been having the discussions with our CC&B IT team on both using LIHEAP funds before ratepayer funds and an AMP that spreads the remaining arrearage forgiveness or the arrearage management amounts across 12 months and both are heavy lifts, especially for the LIHEAP funds being used first. We have the same core system as Avista, but they can be very different based on how they've been set up and the modifications that have been made so we can't do everything the same way. Realistically probably 6 to 9 months for some of those changes is what we're being told. What that does mean is the earlier we can file and get approval and agree on some of the key functionality of the program, then the sooner we can have automation in place. It doesn't mean we can't start October 1, we would just likely be starting with more manual processes than we would like to have, it would be nice if we could file sooner than July 1 if at all possible. It sounds like we have agreement from everyone unless someone wants to raise their hand or provide a different opinion. At this point, I think we have agreement on the tiers and the percent discounts that are listed here. I think Yochi said he was going to miss at least the first hour. Maybe if he joins us late, we could just revisit the 8 versus 10% or the tiers that are in there now since it's a little different than what he sent in. If not Lorena, can check in with Yochi and share what we've discussed and give us feedback via e-mail before next week? That would be great, but tentatively, I'd say we have agreement and then we can move on and learn. I saw couple thumbs up. So good news. I think we can move on to the next topic which is the income collection as part of the bill discount and AMP qualification process. But since we're not really talking AMP just yet, we'll go with bill discount. Maybe someone from one of the agencies can walk us through your process for collecting income during the qualification process today, maybe both for LIHEAP and when you have a WEAFF applicant and the types of income you're collecting, how you're separating that and treating it differently, those kinds of things.

Misty Velasquez Community Action of Skagit
Are you looking at how we document our income?

Tillis, Daniel

No. Last week we had a pretty good discussion about how we are going to collect income to qualify customers for AMP and the bill discount and there's some discussion about maybe how Puget Sound's going to do it. There was some discussion about how we're doing it today in Oregon, and I think we talked about continuing that discussion today with more detail on how the agencies are collecting income.

Misty Velasquez Community Action of Skagit

I guess I could say here we set up an appointment with our client and they bring in their income documentation. We tell them at the time they schedule their appointment, what income documentation we need and then they bring that to us, at that time we then calculate their benefit. It gets pretty in depth of what income documentation we need from them.

Tillis, Daniel

Misty - how do you collect the types of income?

Misty Velasquez Community Action of Skagit

When we're on the phone with them, we go through all the different types of income that we count as income. So, our application that we have to schedule an appointment is like our pre application, we get a lot of the information that we need ahead of time to complete the file other than the document the

client brings to us. We ask them do you get Social Security; do you get child support; we go through all of the different income types with them when we're scheduling that appointment.

Tillis, Daniel

OK. And somehow you enter that into the application?

Misty Velasquez Community Action of Skagit

We have an intake form that we fill out. So, we have all of their information at the time of the appointment, and we can just go off of what we get from the client over the phone screening and then go from there at the time of the appointment for collecting their documentation and completing the files.

Tillis, Daniel

OK. And based on the income type, you treat some of those differently, like regular earned income you discount?

Misty Velasquez Community Action of Skagit

So earned income we give a 20% discount, if they have a retirement income like a pension and it's taxed, we take a 10% discount off of their pension as long as taxes are being taken out of it. If they get unemployment and they're unemployment is taxed, they get a 10% discount taken off of that income. I think if they're getting FMLA, they get a 20% discount off of that because that's treated just like earnings.

Tillis, Daniel

That's exactly what we wanted to dive into a little bit more. It came up in our last meeting and it will help determine how far into the detail we want to get in, in the income collection process. But in Oregon today, we basically just ask the customer what your current gross monthly income is, and that's what we plug into the calculator too, along with household size and arrearage. Since the calculator gives both the discount percentage and OLIBA amount that they will receive. The pledge they'll receive is to help with their past due balance and we plug that into the calculator. We don't go into the detail of different types of income and discounting. So, the question is, do we want to try to use more of the agency approach that you're using today, or do we want to utilize what we're doing in Oregon? And that's both the company and the agencies in Oregon who followed that process.

Misty Velasquez Community Action of Skagit

Right now the way we do our scheduling, if a client calls us and schedules over the phone, we go through that whole process with them. The whole paper process that I just described to you. But if they go online, currently we're doing our scheduling through Puget Sound Energy on their scheduling tool, they just put in their total gross income, how many people live in their home and they schedule their appointment where they come into our office, at which point we then have to spend more time with the client than originally. We give an hour for the appointment, and it usually takes a lot longer for clients who schedule online because we don't have all of that information up front. If we are doing auditing and we don't have that information up front, it's going to take a lot longer for us to determine what that client's actual income is and talking to that client a little bit longer, so it's going to take longer on the agency part is what I'm trying to get at there.

Tillis, Daniel

I think we're going to need to link the upfront income collection process for the company to the audit process for the agency. And if we decide to take the Oregon approach and only collect monthly gross income, without all the details of how the customer gets that monthly gross income, then that's what we would expect the agency to verify is just that total gross amount. But if we decide to take a more detailed approach and get income by type and discount certain types and things like that then we would collect that up front and then pass that on to the agencies for you to use in your verification process.

Misty Velasquez Community Action of Skagit

I understand, if you folks are only collecting the total gross and there's no stating where that total gross is coming from, it's going to take the agencies a lot longer to determine where that income is coming from because the clients don't always put in their amount. It's sounding like you want us to. So, for LIHEAP, we go through a BVS system with a state which tells us specific like they have earnings, they have unearned income which could be Social Security, child support, all of that. But a lot of families don't consider child support as income. And so, they don't report that off the top when they're reporting their income. They look at solely their income as being just work, they don't look at other income in the household income. It would be a lot easier if there were check boxes for the clients to be able to say this is where our income comes from.

Tillis, Daniel

That makes sense, and that's one of the things we talked about last week and I can't remember if someone said PSE is taking that approach where they might go through a list and ask what your monthly income is, and then of your monthly income is some of it child support, some of it SSI or some of it this type, and if so, how much. I don't think right now we have a hard position on the best approach and that's what we're really wanting to try to figure out.

Lorena Shah

Is the plan when somebody is applying through the utility that there will be an online application?

Tillis, Daniel

We have an online application for Oregon right now. We don't collect income. We currently ask them if they know their FPL or SMI level. We're considering changing that to income. We haven't yet because conversations we've had in this meeting about securing the data we're going to collect, our IT team is not happy with, they're also not happy with what we're already collecting and in the way it is being transmitted. So, we've been reluctant to change FPL SMI entry to income because it's a little bit more customer specific when it's income, you'd have to have the household size to back into the income but for the individual, when they submit that online application. We're working on getting that data behind a more secure method and once we do, we would want to collect income on that initial online application from the customer. That's part of why we need to make this decision too, we need to get that work done if we're going to just collect gross monthly income that's pretty easy to add. If we're going to have customers selecting check boxes and putting in amounts for each type and data like that, it's a little bit more work.

Lorena Shah

That makes sense. We haven't quite figured out exactly what the buckets are for the handful of fields we will have, but my assumption is that you would put in your earnings from your job on one line, it would then calculate 20% off those gross earnings behind the scenes. There would be a box for fixed income

that's not taxed, fixed income that is taxed, self-employment and maybe other cash. I think four and five buckets of income that may have a calculation on the back end that it's doing in order to like to calculate it. And then we were talking about after deductions, we calculate your income as X and then that puts you into discounts. But these are generally the income sources that we're working with, and LIHEAP and what the corresponding deductions are. I put that in the chat.

Misty Velasquez Community Action of Skagit

I would say that my preference would be to at least let them put in their gross income and then check box what income they're counting and their household as part of their income, so we have at least something to go off of when we are trying to verify income.

Tillis, Daniel

Not necessarily get the amount for each type, but get the gross and then the types that they are considering and the gross - is that what you're saying?

Misty Velasquez Community Action of Skagit

Yes, that is what I'm saying. How Lorena is saying PSE is doing it, I am all for that. But if we are trying to go for less, I'd advocate for doing a gross with a check box of income so that we have something to go off of so we're not going blind when we call a client and say verify the amount of money and where it comes from.

Tillis, Daniel

That makes sense.

Sylvia Schaeffer

I agree with Misty

Corey Dahl I also agree with Misty on this, but I still have to agree with Misty in terms of what the minimum of information needed is but have a preference to collect more detailed information. And as far as some of the concerns that some of the folks that Cascade who are helping to build out these systems and would build the systems around how the data is collected and stored, it would be viable to connect them with PSE. See how they are going about it, I'm sure it's through their portal, so that's probably a third party, but it may be a useful exercise.

Tillis, Daniel

Thanks, Cory. We can definitely connect with PSE to find out how they are going to collect and store the data, we've had some initial conversations with them on their programs. I did have a meeting with our IT and cybersecurity teams on Monday morning to talk about the collection of the income data and then all the other data we have talked about in this forum, and we think we have a solution. The good news is we need to get it in place for Oregon anyway, so we do not need to wait to get that process started. I would anticipate we will be good with that by the time October 1 rolls around and we implement the new programs in Washington, and I don't expect a delay on that beyond that date. The sooner we can lay out how we want to collect the data, less risk we will have and not being able to collect what we want as far as building out the form itself. So, what I am hearing right now is at a minimum that gross monthly income and then the types of income that make up that total, and then potentially asking the customer to provide the amounts for each of those sub income types. To me that actually feels easier on the website than in the conversations with the CSRs. I am a little concerned that the customer tells us

they make \$1000 a month and then we ask for the amounts of the subtypes, they add up to 1400. Then, we have to say, which one is right and then go back and reduce and those are not conversations our team's accustomed to and could really put us in a position of some staffing concerns if the calls are taking too long, so just something to think about there. Lorena, as I look at that table you put in the chat, I think one of the things we will need from the agencies as we start to outline for our team is the training and process to collect this data is maybe some more descriptions around what each of those income types are. Again, our team members are not accustomed to discussing income with customers at all other than in Oregon. When we ask them for their gross monthly income, we do not get into any details about the types of income they receive and so I would really want our team members to have a good understanding of what each income type is in case they ask that question. And the customer says, I do not know what that is, can you tell me. If you all have something, some resource you could provide that would give that the more detail or description or definition of those income types that would be really helpful. I am sure there are sources out there we could go find it, but if you have something handy, it would be helpful and save us some time. Anything else on the topic of how we collect income, what we collect? We have a good framework right now of the minimum and we'll consider also trying to get the sub amounts for each of those types if it works out.

Misty Velasquez Community Action of Skagit

When we do our phone intakes it takes our Screener about 10 to 15 minutes per phone call to do that.

Tillis, Daniel

We're anticipating these to be longer calls than normal and we know we're going to have to consider that in our staffing needs, the other part of the challenge is that mid-September through mid-November is actually our busiest time of the year because it's getting colder obviously, and some customers turn their gas off in the summer, especially if they use it for heat only, then call us in the early fall, typically, depends on the temperatures, to turn it back on and so we're extremely busy especially through the month of October, and that's not just Cascade it's for other brands as well. It is just all the things we have to consider as part of this is, we don't want those customers wanting to turn their service back on or customers calling to get help or for any other reason to have to wait too long. We have worked really hard to get our answer time and service level back to a really good place and we want to keep it there, so we want our team to be as efficient as possible through all of our processes, including this one. The third topic we had on the list was post qualification verification process if time permits. Do we want to get into that today in our last twenty-five or so minutes that we have scheduled, or just talk about our key topics for next week. Obviously, we agreed in the past that the agencies will conduct that for us, and I think a big part of this is tied to the discussion we just had, and Misty did an excellent job of stating this, the agencies are going to need info based on our intake process at the company. We are talking about 6%, in Oregon, we've been talking about 3%, I think I mentioned in the last meeting that I'm starting to think maybe that's a little too low. We could talk about that today, if anybody has a strong opinion on that 6% number, I did not ask Ana how they picked that, I should have, I was thinking maybe 5% to have a rounder number but we're open to whatever volume the agencies think they could handle. We also talked about the 90-day window after the verification process starts and the agencies made some really good points on why that might be a reasonable time frame to start with. We have not had this discussion internally at the company yet. My position would be I am pretty comfortable with a lot of this this framework and don't have any major objections to launch what they're doing right now but would want to talk about the percentage a little bit more to land on the number. I am comfortable with

the 90 days to start with random sample of the self-attested population. Does anybody have any opinions on any of that or any other parts of the verification process you want to talk about today?

Lorena Shah

Does CNG have a breakdown of what 3-6% would look like for each agency's area? That really helped us when we were looking at it with PSE last week. I hoping we are going to land somewhere in the five to six range with them but wasn't sure if you have that data available to share with us.

Tillis, Daniel

We do not, but I bet my friend Chris could put something together for us with some estimates.

Lorena Shah

I think that would be really helpful for us.

Mickelson, Christopher

So based off Oregon, and we have been kind of averaging between 80 and say 100 customers a month and that was with an initial enrollment target of around 30%. Obviously, Washington service territory is a little bit bigger. Historical look assistance recipients over the last 12 years and auto enroll those customers, and if we know their discount levels or energy income percentage will place them in the correct tier. Otherwise, we will default them to the lowest tier until they reach out to readjust and for those customers, we wouldn't audit them since they've in all likelihood, they've already gone through the agencies to receive assistance, whether that's LIHEAP or whatever else.

Tillis, Daniel

If you just took the Oregon data and you know, even doubled it, even though we don't quite have twice the residential customers in Washington as we do in Oregon, but it's close. Overall, especially with twelve agencies in Washington versus just five in Oregon with whom we work in, just add on to that for point of clarification, in Oregon, we have just started the process where we get, for LIHEAP qualified customers. We get their household size and income level and so we can actually plug that into the calculator and enroll them in the correct discount tier up front instead of the top tier, and then have them calling back in to requalify if they feel like they might qualify for a greater discount. We talked about last meeting; it would be great if we could get that data for those LIHEAP only customers from the agencies through the portal potentially so that we could enroll them in the correct tier as well instead of at the 8 or 10% level. It helps get the customer in the right tier initially, but it also helps us avoid that additional call from the customer once we notify them that they have been auto enrolled. Yochi had the clever idea of, through the summer as we're preparing to do the initial auto enrollment, if we could collect that data ahead of time from the agencies that would be a big win. When we get the minutes for this meeting, I will pull out of those minutes, some of the key parameters that we've talked about that are going to be very similar to Avista and then some of the decisions we need to make around the verification process. We can keep this one as one of the topics for the next meeting.

Lorena Shah

I was just going to ask one more aspect of the verification that we have a chance to talk about today is, with PSE, our working plan is that the company will send over whatever that percentage is monthly to us so that we have 90 days to complete verification. Is the company at this point thinking similarly that the main thing is that these verifications be spread out over the year rather than having them given to us once a year? I am just trying to remember, is that kind of our current our thinking here too?

Tillis, Daniel

That definitely is one of the discussions points we have had in Oregon recently, there was some thought from the stakeholders that maybe they just do the verification annually and we very much disagree with that approach for a lot of reasons. One is the volume the agencies would have to work with and instead of more regular frequent volume and then just customers' lives are different a year from now and having asked them to remember the fact that they were going to need to potentially verify their income a year from now is difficult and getting them to answer the phone because they, you know, don't know why anybody's calling it. We definitely think monthly is the best and that would be a similar process at the end of the month, pull the selected percent of self-attested customers and then you work it from there. And then of course, we send our notifications from that list as well.

Misty Velasquez Community Action of Skagit

And we are thinking about quality doing the verification from the point of application, right? So, say they applied in November, we are looking at the prior month's income, October's income, that's how we do it now, is that like how you're planning on us doing it?

Tillis, Daniel

Yes, that's my current thinking, and that's current thinking in Oregon as well. I'm going to start wrapping us up here. I'll pull out these talking points into a separate list for us to go through the next meeting and keep the verification process as one of our discussion topics and so I think that brings us to our last the agenda item, which is setting the key topics for our next meeting. Lorena, you were going to touch base with Yochi on the current discounts, and Chris, are you going to send out an updated spreadsheet with those percentages or at least an e-mail with that section of the spreadsheet so that everybody can see that, and Lorena can share it?

Mickelson, Christopher

Yes, I can.

Tillis, Daniel

OK, great. Unless something changes, I'll assume we'll pull bill discount rate tiers and discount percentages off of our agenda items and add that to our agreements list. Our main topics will be post qualification verification process and potentially income collection. If we want to talk about that a little bit more - any suggestions on other topics? I was going to suggest getting started with the AMP discussion, since we're getting close to settling on the on the bill discount rate.

Lorena Shah

Was maximizing federal funds on that list?

Tillis, Daniel

It's on our list of things that we need to work on for sure. We can talk about that next if you want.

Lorena Shah

I know all of it feels equally important, so I understand the challenge of prioritizing, but if we could move that up to at least start the conversation, while we finish up these other ones, which would be awesome.

Tillis, Daniel

OK, sounds good. And I think Chris alluded to this earlier, but just to make sure everybody understood

what we're talking about, we have asked our IT team to figure out how we do that, how we exhaust any LIHEAP grant and credit it might create before we apply the EDP or the bill discount rate. That's fairly easy to do upfront if the LIHEAP grant comes in and creates a credit at the same time that we're adding the EDP, where it gets very difficult is that you know later getting it added to the discount and then later again if the during that two year discount period if the customer gets another LIHEAP grant that creates a credit, how do you then manage pulling that discount back for a while and then adding it again? Very likely it would be a manual process. I think Avista has set it up to have more automation and we probably will be able to get some automation. But again, our CC&B doesn't work exactly the way Avista's does. And so, you know we don't necessarily need to get in all the details with you, but just understand that we're working on that. That's our goal to make that happen. It just may be more with manual processes than we would like to. Alright, we'll start with maximizing federal funding, then circling back to the post qualification verification process as we review the list that we've talked about today. Potentially discussing the income collection process, if we get a list of those definitions before next meeting, we can see if we have any questions about those and talk about that a little bit more.

Mickelson, Christopher

I posted the spreadsheet. By the way, as part of the revised worksheet, I added a section here within the worksheet showing the audit based off 3% and this is it just kind of a rough number of how many of self-attestations in Oregon were getting say about 40% of the total, and so by county, you're kind of seeing roughly how many audits you would expect to see within the year, so some will have more and some will obviously have less, and that's partly due to population and everything else. So, you can say what if we did 5%, and maybe more people go through the agency and not the company, maybe it's 30% only go through the company, things of that nature. You can kind of play with it that way. Basically, what I'm saying is of this overall enrollment, 30% of them do self-attestation of that group, we will audit 5% of those customers. That's a yearly count.

Tillis, Daniel

We'll get the minutes out, next week because our team member who does those for us or a lot of that part of it for us is off all this week. But we'll get the agenda out with that as well.

Lorena Shah

Dan, do you want to take the next 5 minutes? Yochi just jumped on.

Tillis, Daniel

Oh, sure, yeah. Chris, share the spreadsheet again and I'll let you take back over.

Mickelson, Christopher

Here is, in essence, the tier levels we've come to agreement on. When you folks change this tier level you need to change the discount but rounding the discounts to the nearest whole percent. Initially we were proposing 7, you came with a 10, we kind of talked about our reasoning why the seven and we in essence settled at 8 with kind of the notion that, you know this program, it's kind of stage one and so as the program goes on throughout the years, we'll be looking at the data, taking actual data instead of some of the kind of hypotheticals based off good low-income research and analysis. But we'll have actual data points and see real bills for these customers once they're ultimately in these tiers and be able to go back and reevaluate. So, we settled with eight.

Yochi Zakai

The reason for 10 was because I was thinking that the customers that are going to come to us and ask for help within this top tier are going to be those that are experiencing either hardship or high energy burden and that we're not likely to see folks that are in need. And so, if we're seeing folks that are within that tier that are probably on the needy side, then it would be appropriate to give them a discount. That is a little bit more significant similarly to how we kind of set a minimum grant amount earlier.

Mickelson, Christopher

So you're talking the tier one discount?

Yochi Zakai

No, I'm talking about the Tier 5 discount.

Mickelson, Christopher

Tier 5 right now these customers technically really don't quite need it on an energy burden basis, and so using those funds in other places made more sense. These customers come to us for WEAFF and they're getting this type of funds to help with arrears, or however they're using WEAFF, and they'll still have that. So, this is really just kind of an added benefit to those customers.

Yochi Zakai

And if I could make one more point and just that when you look at the energy burden, I think especially in that top income tier, the thing we need to be mindful of is that that is an average for all customers in that tier. We are likely to see people coming to us and asking for assistance when they are in a situation that indicates a higher energy burden than the average or another form of hardship, so I think that is particularly true when you talk about the higher income tiers. You're not going to get someone who's in 80% AMI and is otherwise doing ok, that's likely to come in and ask for assistance. You're going to get people who actually need help.

Tillis, Daniel

Yeah, I think that's fair. And I think we're giving them help, whether it's 8% or 10%, but if we move it up to 10 just to give those individuals enough motivation to ask for help and follow through with the application process required to get that assistance and we're already decreasing their burden to lower than we're decreasing all the other tiers. I think it's more important to set the discount percentage at the right number in a consistent way of how we're setting it for the other tiers and let those customers decide if the percent discount is enough or is worth their effort. I think that's more important than taking the number that we think is more is going to be worth the customer's effort.

Yochi Zakai

I don't want to drag this on any longer. I apologize that I was late, but I guess the one part of it that I am going to continue to push back on is the assumption that it's the average customer that's seeking help in the top income tier because I think we're going to be seeing is customers that are more burdened and not at the average. But let me take this back and chat with the folks at TEP.

Tillis, Daniel

OK, thanks.

Sylvia Schaeffer

I just wanted to say, Yochi, you can listen to the audio. But Lorena, Misty and I were part of the conversation on being OK with the 8%. So, you can listen to what we talked about. And like Dan is talking about, you know, just making that 10% visually look like it's more even. I understand what you're talking about, the average but I think it's the agency doing the work, we're OK with the 8% and I think our clients will be as well. But that's just my opinion. I know Lorena is going to touch base with you on the conversation that was had, but I just wanted to throw that in.

Yochi Zakai

Yeah, sounds good. Happy to listen to the recording.

Tillis, Daniel

Thank you, Sylvia. Yochi, let me know if you all decide we should keep the percent discount as a topic for the next meeting. We had removed that since we had agreed on those percentages. Thanks everyone. Have a great rest of your day.