# WEAF Advisory Group

Agenda

*May 10, 2023*

***KEY TOPICS: TEP Feedback on Agreements/Decisions to Date, AMP Options, AMP Program Design***

***GOALS FOR MEETING OUTCOME: Level set on agreements to date, decide on upfront relief vs. 12-month installments for relief, begin discussion on overall AMP design***

1. Finish review of TEP's feedback for Agreements and AMP – Yochi

Tillis, Daniel
OK, so to save us a little bit of time, I'm not going to share the agenda as we start. I sent it out via e-mail. If you don't have it for some reason, I'll put the topics in the chat. Last week we decided we would continue where we left off on the discussion of TEP's feedback for the agreements, and in this case, AMP. We've had discussions on whether or not we want to go with the company's recommendation to provide all relief, whether it's full forgiveness or partial forgiveness up front or spread the partial forgiveness part over a 12-month relief period for Tiers 3 through 5. At that point I'll likely leave the meeting and then turn it over to Chris and Shannon to facilitate the AMP discussion. As far as starting to build the major components of that program design depending on where we decide on #2, that will take that conversation down whichever path we decide. Next week is the full advisory group meeting and we have a draft agenda for that. One of the items on the draft agenda includes providing the full advisory group an update on where we're at with the decisions we've made so far in this small group. And Jennifer Gross, on our regulatory team, has put together a draft of a presentation to share with that group. After today's meeting, we will update that with any decisions made around AMP. We'll actually socialize it with this group to give us feedback before next Wednesday's full advisory group meeting. So, we'll probably have that out by early Friday and would like to have feedback by midday Tuesday so that we have time to make any edits before the Wednesday afternoon meeting on the 17th. The other topic to share that we're going to cover, and it's within the presentation a little bit, for bill discount rate and AMP is the CBO program we all agreed on, so we'll update the group on where we landed with that and what the plans are for the rest of this year. We will also discuss other agencies opting in for next year. If you have any other thoughts on any other topics, let us know. That will probably be quite a bit of time on those two topics. I'm going to share the e-mail we were reviewing last week on TEP's feedback on the decisions and agreements. Where we left last week was a discussion around a potential extended term for customers on fixed income and the agency shared three or four types of income that would be considered in that fixed income category. The reason TEP asked to consider it is because those customers' income rarely change and when it does it's not significant changes and wouldn't force a requalification for enrollment. The company shared feedback that we think that could actually harm customers in the fixed income category because if their income is lagging farther behind, and they initially qualified for Tier 3 to 5, but now they might qualify for Tier 2 or 1, then we won't know that unless they contact the company or an agency to requalify. We also felt that 24 months is already an

the extended term; customers can requalify when they possibly get an AMP or LIHEAP or Winter Help. Any of those programs would automatically requalify the customer in any program year. It seems like it might be treating a customer with a fixed income at $500.00 a month differently than a customer with a non-fixed income at $500.00 a month. So same income, potentially same financial situation. I think we talked about all of that and then we decided to move to Shay presenting Avista's AMP program or components of that and decided to come back to this this week. If I missed anything, feel free to jump in and share. Jenn asked if the Winter Help pledge range is still $50 to $200 for the next program year; we really haven't gotten into any Winter Help changes we need to make or want to make. That's a topic we need to discuss, and I think that's open for remaining the same or potentially changing. The company's position at this point would be stay with the 24-month term for every customer regardless of fixed or non-fixed income and qualify them for the tier based on their income level and requalify every two yearsif they don't get any other assistance in between that time period or if they happened to qualify for some other assistance.

Yochi Zakai
So I guess I'll throw this question towards the agencies to hear your experiences working with fixed income. Are these the kind of people that we could see some benefit in extending this longer than two years because they struggle to make contact and reach out when they need help or is this a population where we generally see people may be coming in every year for LIHEAP anyway.

Misty Velasquez
From Skagit standpoint, our seniors are ones that we know call every single year. They know when they've got their last assistance. They know when they need to call in again. Those aren't the ones that I worry about having the proof or having the information needed. They're pretty on top of their finances.

Yochi Zakai
And the other major group is disabled folks that are in this fixed income category.

Misty VelasquezIt's pretty much the same. They know what their income is and what their income is going to be. They know about the programs, and they come and get their assistance regularly every single year. They're part of our group that we target at the beginning of our season, so they're getting notices from us.

Lorena Shah
I would say for Whatcom, similar to Skagit, I think this is normal and customary. Seniors and other fixed income folks with disabilities are well attuned to getting in touch with us. There is probably some argument that there is a group of fixed income folks that may be newly welcoming into these programs that don't normally come to the CAPs. I'm fine with starting off with the two years for folks and then this might be an area that we revisit to see if it makes sense to extend these folks depending on what we learn in the next year or so.

Tillis, Daniel
I think that approach makes sense. I think there's a lot of components we'll want to revisit and see how it's going. And I think this is a really good one to put in that category about newly entered folks in the program who maybe aren't working with today. That leads me to ask if we could partner with you all to effectively reach seniors and disabled populations so our outreach is more effective,

whether that's direct outreach or whether that's through you all through the CBOs. It might be a good use of the CBO program if there are organizations out there who work with the disabled for an example and can help us educate those customers on the new programs.

Charlee Thompson
I also agree with Lorena. That was one thing I was thinking; we could just do a two-year term for now and revisit this next year. Another thought that I had was regarding the concern of having an extended term for fixed income folks could potentially harm them if they qualify for higher discounts and aren't receiving that higher discount. Hearing from Misty and seeing the comments in the chat from the other agencies about how many of the regular fixed income folks that they've been working with so far, seniors and disabled, knowing that they come in frequently and are on top of their finances and come back every year does make me think if there is some sort of change to their income, they would report that or would qualify for a higher discount, so I'm going to reconnect with the CAP or the company anyway. All that to say, I'm not sure if it's a huge concern, but I don't know this as well as the CAP agencies.

Tillis, Daniel
Yeah. One of the things that we're all going to have to figure out and we haven't even discussed it in Oregon is what does it look like at the end of two years as far as a communication to those customers who are coming off of their two-year term, to say your two-year term on your discount ends on X date and if you feel like you still qualify, you need to contact the company or the local agency by X date to keep that discount? The company does plan to have proactive communication to those customers to remind them that the term is ending, and they need to requalify.

Jen Rightsell
For fixed income they usually are subject to just a COLA increase every year so if they qualify in 2023, then if we extend this for two years, they wouldn’t really qualify for a lesser discount next year because their income could be higher than this year.

Misty VelasquezI was just going to say the same thing as Jen, that their income really doesn't change all that much other than the COLA at the beginning of the year.

Tillis, Daniel
So it sounds like we have consensus to start with everybody receiving at a 24-month term for the bill discount rate and then evaluating how that's working for fixed income customers sometime within the first year or two of the programs. Anybody object with making that decision?

Yochi Zakai
That sounds good. My one last question on this topic would be, is there data that we could include in the annual report that would help us look at this question like the frequency at which fixed income customers are reenrolling? That might require tracking folks who are disabled or fixed income and not all folks who are senior or fixed income.

Tillis, Daniel
We are going to collect income types as part of the qualification process so we should be able to use that data point to track and identify their activity, behavior, and requalification; that's a good item to put on the reporting list.

Mickelson, Christopher
I think we had a disability as one of the optional questions in the demographics, so if the customer answers, then we would have that information too.

Yochi Zakai
Great. So, can the company note that as an addition to the annual report?

Tillis, Daniel
Yes, we'll put that on the reporting list. That takes us to the next item on as far as the key performance indicators and reporting. Typically, in our filing for programs like this, we do state that will have reporting and typically we state the interval, monthly or quarterly. We don't typically list every type of report we're going to provide. Two questions: one is does anybody have any thoughts on the frequency of reporting? And then do you have any KPIs that you've all decided upon yet that you could share with this group and the company? I think in Oregon we only do quarterly reporting on our bill discount rate program there. Any answers to those questions or any other thoughts on the topic of KPI so reporting?

Yochi Zakai
We haven't discussed tracking the success of customers enrolled by the company. How many have contacted the Community Action Agency for additional services? So that's something that I'm interested in seeing if we can develop as kind of a joint reporting between the company and the agencies. In terms of the Commission enrollment reporting and stuff like that, I haven't really thought about it but quarterly seems reasonable. But I think for most of the KPI's I would probably be OK with just an annual report to being an addendum to or replace the existing WEAF annual report.

Corey Dahl (PCU-he/him)
Yes, I'll second the request for referral data in terms of the success of customers enrolling in other programs when they're referred to the agencies. I guess just in terms of other indicators, I think it will be really helpful to review the requirements and duplicate those in Washington.

Tillis, Daniel
OK. Thank you, Yochi and Corey. And would it be fair to say that we agree that we'll provide reporting on certain KPI's quarterly and then we'll file an annual report with the Commission to replace the WEAF annual report, and the KPI's themselves are TBD, once we get to that part of the discussion.

Corey Dahl (PCU-he/him)
Yeah, I think that makes sense.

Charlee Thompson
That sounds good.

Tillis, Daniel
OK, great. Any objections to that approach? All right, the last is on a communication plan. I know this was on the original emails you sent Yochi as far as creating one of these, and I definitely think it's something we're going to need to work on. I don't think it's necessary we make any decisions on

this topic today and that anything there would be critical to filing. If we wanted to state in there the company and CAAs will design and implement a joint communication plan, we could do that.

Yochi Zakai
Yeah, I think that's good for the purpose of this filing.

Tillis, Daniel
We're keeping a list of agreements and decisions and also on things that still need to be decided and those are actually included in that presentation that Jennifer Gross put together that I referenced earlier.

Corey Dahl (PCU-he/him)
I assume that also means that items we discussed that we'll come back to next year and reassess will be included, correct?

2. AMP – Upfront relief for all tiers vs. 12-month relief period for tiers 3 – 5 – Dan

Tillis, Daniel
We'll try to identify what we've talked about as far as that goes and get those added to a list. We haven't been collecting those items to this point as far as I know, but we'll put together a list of those items that we want to evaluate during the first year or two of the program and discuss more and share it with this group. I think that covers everything that was in the email. The next topic on the agenda is the decision we need to make today on the design, the idea of providing forgiveness including tiers 3 through 5 partial, partial forgiveness there or split up, the company forgiveness or ratepayer forgiveness over 12 months and then a customer's obligated to make on time monthly payments of their percentage of the agreement over that 12-month period as well. I sent an email on the company's position on why we think the upfront forgiveness approach is better.

Yochi Zakai
I think it would be helpful if you could kind of summarize your thoughts on why your approach is better. Again, sorry, I know you put it in an email, but for me at least the verbal back and forth is how I engage best.

Tillis, Daniel
We think the biggest reason is the immediate help provided to the customer where, with the 12-month approach, the customer has to be concerned with their commitment for the 12-month period in order to earn the forgiveness in Tiers 3 through 5. With the upfront approach and Tier 3, there is 80%; The customer would get that forgiveness immediately on their past due balance and then we would work with them on the remaining 20% on a TPA the customer is comfortable with, within reason up to 12-18 months. If they've missed one of those commitments, we wouldn't take the arrearage forgiveness back and we would then work with them on another arrangement or on other options, potentially Winter Help, or something like that so there's no risk to the customer whatsoever. We think it's less complex and easier to understand for everybody involved-- the company, the agencies, the customer. Granted the agencies would be working with a different approach for the other utilities, but we think it's less complex and easier to understand. It's less complex implementation for the company, which means we would have fewer manual processes

and less opportunity for failure in a manual process, lower costs would be eligible for recovery from for the company. And, the one a few folks in this group have mentioned a few times is that it might be interesting for the utilities to try a couple of different approaches in various components of the programs as we've been working on design and we agree it would be interesting to see, when we look at all the KPIs and the reporting, if this approach is more or less effective than what Avista or PSE might be doing, whereas if we all go with the traditional AMP, where we spread over 12 months and we really don't have any way of knowing if one is better than the other. The TPAs really also help a customer acclimate to a routine of making on time payments. There's no risk that they might lose any financial benefit, but there is risk that they could go into the collections process so there is motivation there to make those on time payments. Anybody else from the company can feel free to jump in and share anything I might have missed.

Corey Dahl (PCU-he/him))
To your last point that you made, Dan, in terms of getting in the habit of on time payments, I think that is the real benefit or one of the real benefits of the other approach similar to what Avista is doing. And given the burden placed on the customer for the payments, it seems like those are more manageable payments. They would have to take care of their portion of the 10% of the arrearage. That brings me to my next question just in terms of what these discount percentages that you've listed would mean in terms of what the average responsibility would be for those customers at that income level. For customers in the Tier 5 income level, how big on average are the arrearages, being responsible for 60% of that spread out over time, is that reasonable or not? I don't know. What does the actual customer's responsibility under a payment arrangement actually look like?

Tillis, Daniel
The average bill for low-income customers designated as low income is $860.00 annually.

Mickelson, Christopher
We did have it by the income. That's how it was reflected in the model. Here's the average arrears; here's the grant; here's what their post balance would be. I just calculated what their monthly payment arrangement would be, and as you can see, it arranged between $13 and $43, probably roughly on average.

Yochi Zakai
And that's assuming a 12-month payment plan?

Mickelson, Christopher
Yes.

Misty Velasquez
And that's on top of their bill.

Mickelson, Christopher
They're normal bills, but as Dan said, the payment arrangement for these balances could be greater than 12 months, maybe 18.

Tillis, Daniel
That's another advantage. With the traditional 12-month approach, the customers are required to go with that structure. If we go with the upfront forgiveness and then work with the customer on a

customized TPA, it's really up to the customer on what they want to schedule and it's between 151% and 200% FPL, so a customer might say you're taking care of 40%, I can take care of the 60% today or they might say spreading it over three months or they might say I need it over 12 months because my financial situation has changed drastically. It really gives the customer the opportunity to drive that partnership with our team to establish that TPA for their needs.

Corey Dahl (PCU-he/him))
I'd be curious to hear what folks from the agencies are thinking here since they are the ones that deal with customers on a more direct basis to understand what would be more manageable and ultimately for customers here.

Misty Velasquez
What we see when we have clients coming in now and they owe big amounts, and if we aren't able to help them pay off their entire amount that they owe currently, we talk to them about their budget, how much are they willing to put towards above and beyond. Are your people going to be talking to them about any of that kind of stuff because some of our clients who come in say, "We can't afford a single penny." I like having them come to the agency for help because we can go over all of that with them and talk to them about other options that might be available, so I'm wondering, are your customer service people going to be talking to them about how much they can afford?

Tillis, Daniel
I don't know if I would describe it as our team talks to customers about their budget, but that's exactly what our TPA conversations are like, and Teri is much more the expert on the details of those conversations than I am. That's where that customized TPA comes into play. We forgive 80%, $160.00, how would you like to set that up for payment arrangements? That's the flexibility. Do you want to pay it now or do you want to pay it over 12 or 18 months? And when customers receive any type of payment including an AMP pledge or a WEAF pledge, it reduces and really takes them off the risk of disconnect as well. Teri's team works a broken payment arrangement report or pay plan report and they attempt to contact the customer who might break a pay plan or arrangement to find out what happened and what else they might need or what's going on to prevent them from being at risk of disconnect for non-pay. That's part of our collections process. We don't just automatically treat any account that might break an arrangement. We contact that customer again to try to get them back on another arrangement or get them to you all for LIHEAP or Winter Help to complement the AMP and what our options would be there.

Corey Dahl (PCU-he/him)
I'm just curious about the pathways that customers take into payment arrangements. I'm not familiar offhand with how the automated voice response system works with Cascade versus other utilities, but I do know with other utilities customers can get into a payment arrangement with the automated voice system that only offers limited options and so customers aren't aware that they might be able to pay over a longer period and understand exactly what their options are. So, I'm just wondering is there an automated process that Cascade customers go through or is there always a conversation that Cascade customers will have with the customer service representative? Because my concern would be if there is an automated process that customers would just get jammed into one option and not actually do what's best for them.

Tillis, Daniel
We do have both our IVR and our website where customers can enter into a pay plan. They can't enter into an extended payment arrangement on either of those platforms. I don't can't recall exactly what the limitations are off the top of my head, but there are limitations. However, if a customer chooses to do that, we're not going to have that conversation with them on that inbound call to discuss EDP or bill discount rate or AMP. They're going to either need to respond to outreach from us or an agency or potentially end up in the collections process and be contacted by one of our outbound collections reps to discuss options, which would include bill discount rate and AMP. If that customer is choosing to go through automation to set up something then regardless of what we decide on program design, we're not really going to be able to discuss BDR or AMP with them until until they decide to talk to us one way or the other.

Corey Dahl (PCU-he/him)
Why aren't customers notified through the self-serve automated options that they might be eligible for these programs? That seems like a really easy point of access to these programs, and if customers aren't made aware how are they supposed to know that those options are available?

Tillis, Daniel
That's a great question. I would have to find out if it's technically possible. It may just not be something our IVR can do as far as when they select that option to say, by the way, you may also be eligible for, what today would be, Winter Help, LIHEAP. So that's a question I have to ask. I've never been asked that question before and never thought about it, so I can't answer it right now. I think it's a really good idea though, if we can do it.

Yochi Zakai
I agree. If one of the options is enter into a payment plan, it seems like there could be an additional option that says if you meet certain income thresholds, you're eligible for credits; select this option. And it seems like even that might be something even worth mentioning in an automated way to every customer that is going into a payment plan that; we're happy you're interested in payment plan, but also want to let you know that there are there are options available.

Tillis, Daniel
I think it's a good idea and the person on my team who manages our IVR flow is here at these meetings with me in Portland so when I see her, I'll ask if we've ever thought about doing something like that. And we'll keep it on the list of things to consider, regardless of what we decide.

Yochi Zakai
I see two decision points here for us; the first one that we've been talking about is should the arrearages be forgiven up front versus the 1/12th per month, and then the other is the percentage of forgiveness for each income tier. It seems like you've aligned with Avista in terms of the 100% discount for up to 50% FPL and I think we heard that Avista was providing a 90% arrearage forgiveness for all other income qualified customers, so what are the correct percentages for Tier 3 through Tier 5 customers. What I am interested in thinking through and hearing from the agencies and others in the advisory group is, it seems like giving the customer the arrearage grant and then requiring that every customer who gets the grant goes on some kind of payment plan and maybe has a default of 12-18 months that would put the customer bill in the same place as the more traditional arrearage management plan that we looked at. I'm curious to hear from the agencies and

the others. It seems to me like it might be a viable alternative to forgiving 1/12th with every payment is providing the upfront payment and then making sure that every single one of those people also end up on an extended payment plan.

Charlee Thompson
I like that idea because the main concern that I had, which is the one that I think Corey initially provided feedback on, was that the traditional 12-month approach. While it's more complex, it is intended to reduce customer burden in the long run because they figure out how to make those regular payments. It's not immediate relief, but hopefully it would be better for both the customer and the company in the long run to have a more sustainable and durable practice at the customer level and not just because of payments.

Tillis, Daniel
What are the thoughts on what we've discussed so far on Yochi's thoughts? I would say if we decide to go with the upfront versus 1/12, this would be at the top of the list of items to evaluate, and I think it'd be great if we could share our data with Avista and PSE, and they share with us and we can all look at it together and see if anybody's having a greater impact than the other and discern the reason for that greater impact.

Charlee Thompson
The idea of like if we did something different, a very strong pro for that or benefit for that would be being able to try out a different approach and see how that compares with other utilities. I think that was the strongest argument that Cascade made for the upfront approach or upfront with a long-term payment arrangement or something like that.

Corey Dahl (PCU-he/him)
In terms of overlap of customers that are served by another IOU for their electric service that they might be in a situation where their approach to taking care of arrearages for their varying utility services would look different and I don't know how much of a concern that is or not is, just something that I'm thinking about.

Tillis, Daniel
I think that's a really fair point. I think about today, we have different processes between electric and gas for sure in a lot of different areas and we're trying to align as much as we can within a lot of what we're doing, and we did that through the bill discount rate. To me, this one's valuable enough to try something different and give customers the upfront benefit and put them on an extended pay payment arrangement that's worth the difference.

Mickelson, Christopher
I was also going to say most of the IOUs you guys are working with have electric and gas and serve most of their territory overlaps where it doesn't really overlap with Cascade. We serve a lot more PUDs and municipalities where none of these programs actually exist, so you will find customers may be asking their PUD why they can't have this kind of treatment.

Lorena Shah
I don't think I'm too concerned with the differences between the utilities too much because there's always been differences with the utilities. It would be nice, as we pilot all these different

methodologies over the next few years that we can kind of land on a best practice around the state. But until that point, things will look different and I kind of like that for a way to kind of test these approaches and as far as you know the option of the upfront forgiveness, kind of a customized payment plan, it seems like a good test. That seems reasonable.

Tillis, Daniel
This seems really formal, but I'm going to make a motion to start Cascade's arrearage management plan type program and we can decide what we want to call it, with an upfront forgiveness for all tiers, 100% for sure for tiers one and two and then TBD on Tiers 3 through 5 on those percentages. And then establish TPAs where those customers who don't get 100% forgiveness to meet their budget and needs and parameters around that, guardrails to make sure that they're not getting into the Collections process if breaking those arrangements. We can evaluate that and see how it goes and then shift to the 1/12th if we feel like that's working better for the other utilities and Cascade as well.

Yochi Zakai
Yeah, I think that sounds good as long as customers are given the option for the extended payment plan and perhaps even with a default at 12 or 18 months is what I was thinking. That sounds good.

Tillis, Daniel
I certainly have no objection to starting the conversation with - you've qualified for X percent of arrearage forgiveness, which leaves you with the $200.00 balance; we can spread that over up to 18 months or whatever we decide. It makes the most sense and then let the customer tell us if they want to pay off faster than that and then have them negotiate us down to something shorter; I'm OK with that approach.

Corey Dahl (PCU-he/him)
I am not going to commit to saying whether or not Public Counsel approves of this option at this time. I'm going to have to take it back to our team to see what we think is best and what we can ultimately support down the line. Given the conversation, if Cascade would move forward, if Public Counsel would support this option, I think it would be necessary to include the option of payment plans longer than 12 months in order to provide support for this plan.

Tillis, Daniel
I don't think we actually even have a max on the number of months we're willing to set the customer up for a payment arrangement. We do know that the data shows that the shorter the arrangement the greater likelihood of success in completing that arrangement when they're extended out longer. A lot of things can happen in someone's life that could have an impact on being able to honor the arrangement, but I I'd say up to 18 months is certainly acceptable to the company. Our goal is to get the customer help and also to ensure they can take care of the rest of their balance so they can stay connected and continue paying us for gas service. I don't know if Public Council not being able to commit to that today allows us to do that, but it seems like we had most everyone else agreeing that we could start there with the upfront forgiveness.

Yochi Zakai
We could go to discussing the percentage of forgiveness at each tier because that's a decision that has to be made either way, right?

Tillis, Daniel
Right.

Corey Dahl (PCU-he/him) (Guest)
I think that definitely could impact Public Counsel's position on this too.

Tillis, Daniel
Well, with that, unless there's something else for me specifically, I'm going to drop and let Chris and Shannon facilitate the rest of that or facilitate that topic. I'll read the minutes for the rest of the meeting, and then I'll create the agenda based on that as well. Make sure you save about 5 minutes to talk about the agenda for the 24th before you wrap up.

3. AMP discussion based on decision for #2 – Chris and Shannon

Mickelson, Christopher
You should be seeing the discount AMP percentages that Dan shared in his previous e-mail back to Yochi. Corey and other indicated they may be less liking the company's proposal. Obviously, any percent changes will add to the program cost and we're already starting to become very costly, and I do have concerns about the overall program costs and how that will look when we present this to the Commission.

Corey Dahl (PCU-he/him)
My position on this isn't necessarily that I like this less than the other option. It's just different than what we've discussed internally. Since I'm not sitting on all of the utilities' low-income advisory groups, I just want to run it by my colleagues to make sure that this is something we can support, or if we want to approach this with a consistent across the board. I want to be clear that I definitely see that there could be benefits to Cascade's proposed approach. I just want to make sure that our position is characterized correctly.

Mickelson, Christopher
Sorry, I'm not trying to mischaracterize anyone's position, just trying to have that open as a candid conversation, so please don't misconstrue the open candidness.

Corey Dahl (PCU-he/him)
It didn't feel antagonistic, so don't worry about that. I just wanted to make sure that our position is clearly stated, and I probably could have done a better job of stating it up front.

Mickelson, Christopher
Maybe I'll back-up a little and explain how Cascade came to these discounts. It's based very similar to WEAF and the benefit curve. Essentially the lower your FPL, the closer you are to 100% forgiveness. It never actually went to 100% forgiveness; I think it went up to 90% forgiveness. And then as you got up towards 200% FPL, you got somewhere in the 45-50% range I believe, so slightly less on the low end, but you're getting a lot more on the upper end and we figure those are the customers who need a lot more help and forgiveness because they have extremely low incomes, extreme poverty levels. Those are the people we really should be trying to focus to help. We're trying to focus on those making $500.00 or less a month than those making $3000 a month, and so looking at the WEAF benefit curve and where these FPL tier breaks were, I tried to round it up to the nearest 10 of a percent.

Yochi Zakai
Thanks, Chris. It's always super helpful to hear where the proposal came from and how you came up with that. Would you mind pulling up the spreadsheet again because I think this discussion would be well informed by being able to see the average arrearage and the grant amounts and then can I also ask in this version of the spreadsheet where is the arrearage data from?

Mickelson, Christopher
The arrearage data is based off of arrearage level. It's the percent, it comes from the assistance tab. It's based off what we've noticed over a two-year time period based off the different programs whether it was LIHEAP or Big Heart. Analyzing those different programs and seeing how much this different assistance helped customers pay off a lot of their arrearages, you get that percent off of the balance. And then we're multiplying how much of that average arrears would we forgive.

Yochi Zakai
So are you saying that the average arrears is calculated by looking at known low-income customers average arrears over the past two years?

Mickelson, Christopher
Correct. We had those average bills. We grossed it up for 25% for the most recent PGA and other pass-through increases that happened in the fall. Based off the different income levels, we were taking those averages that ultimately comes up with all this information. So yes, everything you're looking at on this dashboard is based off low-income bills or arrearages, or also from our report kind of given it into the different income tier levels.

Yochi Zakai
So I think those average arrearages are a higher than a version I had from a previous spreadsheet. Do you know why the one that I'm looking at, I think was more in the $300 for average arrearage?

Mickelson, Christopher
I have this toggle on arrearages instead percent, so is that more what you were seeing on a previous version?

Yochi Zakai
Yes, exactly. Can you explain to me the difference in those two?

Mickelson, Christopher
Based off what I've been hearing, especially with the some of the maximum amounts, I was looking at different ways; one is the historical percent type base and then one based off just full average arrears and what that would possibly look like impacting the overall program costs. So, I built a new toggle. I don't think you have that yet, but kind of depending on where we put our maximum cap limit on this program would probably indicate which toggle will want to reflect.

Yochi Zakai
I'm going to have to ask you to explain again the difference between the two inputs when you toggle it.

Mickelson, Christopher
It is based off that average arrear forgiveness level. One is basing it on the average bill and the

portion they would get so unfortunately, it's a formula. You could maybe kind of figure it out, but I could try to think of another way to explain.

Yochi Zakai
Yeah. Could you? I'm sorry because the numbers are really different. And so, I just want to understand because I assume that you have well thought out reasons for why both are important to consider. And so, if maybe you could try to put that in writing to us, I would appreciate it because I think that would help me think about the decision that we have to make here.

Misty Velasquez
I'm just so confused. I know that you took numbers from WEAF and what people are getting from WEAF, but those top three tiers, all of those people would qualify for LIHEAP as well, which would probably take them down to not owing anything and not having to use an AMP if they got LIHEAP. You made a statement in there that you're focusing on that group of people more because they're going to be the ones who definitely need the help more, but they have more help than any of the other people available to them. Am I thinking about this wrong?

Mickelson, Christopher
So unfortunately, this is where we're kind of taking our internal historical information based off county. So, you can see the information here, what the total bills were by county, how many customers got served and the total assistance they received through WEAF,, So you see total bill minus the total assistance. There was something left there. Now we're kind of taking this information and combining that with our LINA report to figure out what portion coincides within those counties, at what income tier. There are some assumptions based within that and so it's not going to be perfect. That's kind of where I've indicated along the way, obviously a lot of this will change, especially after we have the program in place 3-5 years, and we have real good solid data. We will have a trend line we can start to go back really then and look at our discount levels, look both for their arrearage management and energy discount to make sure there is proper alignment. So unfortunately, right now we don't have all the information we need to make the soundest decision.
Did that help?

Misty VelasquezNo, but that's OK. The reason I'm bringing it up is because I know that we want to help people who are most in need, but those people probably will never have to use this program because they're going to come and get the other assistance that they have available to them. But the people who really, in my opinion, are most needing of this program are the people who don't qualify for LIHEAP.

Mickelson, Christopher
So you're saying we wouldn't even need 100% for these top two tiers if I'm hearing correctly?

Misty Velasquez
If the clients are coming to us and getting LIHEAP, I don't see why they would need an AMP program at all because they're going to be coming to us and getting LIHEAP. They're going to be getting the rate discount program which would take their bill down, probably won't have an arrearage. If they do, I understand we need to have that in there, but I don't foresee a client who's at that income

level needing an AMP because they have so many more programs available to them than the people who are above 150%. Does that make sense?

Yochi Zakai
Misty, could I respond to that? So, I think there are two things: one is should eligibility be contingent upon exhausting other forms of assistance? You know primarily LIHEAP and I think that's a question for this group to consider. Is this the kind of program where you're going to have to come in and try to get LIHEAP first before you can get arrears? And if so, then it seems like it is the kind of program which is probably best provided exclusively by the agencies. Because getting LIHEAP is going to be one of the needs or one of the prerequisites. And then the second thing that this brings up, and this is more of a direct response to your point, is they are going to be customers who don't have papers and who are at that lower income level but still are not eligible for LIHEAP. And I think for those customers it would be important to keep the program design as is.

Misty Velasquez
I agree, but that's why I said most of the people who would be coming in wouldn't really need this. But I agree that there are going to be some people who do.

Yochi Zakai
And do you think we should require folks to come in and try to get LIHEAP first?

Misty Velasquez
Oh, definitely. I think we need to utilize the LIHEAP program for everything that we can because in my opinion, all these programs are going to harm the federal program at some point.

Yochi Zakai
And that also goes to Chris's point about the total cost of the program. If we're requiring folks to come in for LIHEAP first, before getting this arrearage forgiveness, then we're ensuring that we're maximizing federal dollars instead of using ratepayer dollars.

Lorena Shah
I share the fear with Misty around maximizing the federal dollars and Yochi, I think in a perfect world it would be nice to have these AMPs exclusively delivered by the CAP agency. I don't think we have a sense of how many of those we would be getting on a regular basis, which makes it a little bit hard to commit to that, but I think that would be a worthy goal to have those come to the agency so that we can apply Federal funds, and Winter Help, if appropriate. And then looking at bringing the AMP in as the last piece of it. Many of our lowest income are going to be coming to us and so maybe they won't be using an AMP regularly, but I still think there's going to be times. I mean we have seen throughout this pandemic, we have thrown a lot of money through a lot of different programs that are arrears, and they are staying persistently high so. I do think these will be coming into play even for some of our lowest income folks who it appears shouldn't need it. But I think you're going to see that data seems to be showing when we look at arrears across the state landscapes, so I do definitely hear the argument for the higher income folks perhaps needing a bit more. I think its an interesting one to track over time. These numbers are adjustable over the years as we learn more, but they do definitely have more resources than our lowest income folks, even though I know we hear that they just can't be squeezed another dollar. Hopefully, by applying everything they are eligible for, the CAP agency will leave them with an AMP plan and the resulting payment agreement

plan that they can meet. I mean, we do know that clients all the time enter into payment agreements just to avoid disconnect today

Misty Velasquez
Exactly. That's what I am afraid is going to start happening.

Lorena Shah
I think with the approach that Dan talked about with their customer service reps, our own way of how we approach it, hopefully we can sort of get them into a payment plan that's going to work for them. But I do think the data is going to tell us the story. And just like Chris said, we'll see trend lines and we can adjust as needed.

Yochi Zakai
We're running out of time, but I wonder if we if folks want to have more discussion about the idea of requiring folks to go to the agency and get LIHEAP before receiving this arrearage program. Or, if that's something that we can come away with from this meeting as a decision point.

4. Topics for 5/17 Meeting – All

Mickelson, Christopher
I say we bring it up again at the next meeting or maybe towards the end of the next meeting. Just to kind of wrap that up, plus we can then talk about again the toggles and how these different average arrears calculations came into place. And the accounting deferral application, there was a question about a rate spread and the current rate spread in place that I reflect here, which is a base revenue is how the WEAF program was initially set up. After that initial setup, from that point forward, it was an equal percent to all rates based off however much the program actually grew. So, I would say we will likely do that same approach for this program too. Maybe we can get consensus on that topic also.

Yochi Zakai
Chris, I would just repeat the request that we made earlier, that the description of the toggles be provided in writing. I found it really helpful when you did that write-up before and even after hearing it verbally a couple times, it's stuck once it came through in writing. If you wouldn't mind doing that as well, I'd appreciate it. It would be helpful to have it written for the proposal for the rate spread too.

Mickelson, Christopher
OK. I think Dan did indicate we have an agenda which is mostly going over everything we've talked about and after that, maybe we'll pick up some of these issues. Another thing I would ask everyone to think about is an actual name for the arrears management program and energy discount. We are running out of time between when we ultimately are trying to get these things filed and program set up so having a good name, we could start getting that taken care of for logo paper, flyers, notices, etc. Gives you something fun to do. Use family and friends.

Corey Dahl (PCU-he/him)
Before we go, Chris, I put an observation in the chat. We don't need to discuss it, but it might be worth considering. I'm wondering if the average arrearages estimated here are artificially low

compared to the full population of income-eligible customers. My thinking is that known low-income customers are those who have qualified for assistance and have received those dollars which would reduce bills and, thus, reduce how much would be in arrears. It can be folded into a future discussion.

Mickelson, Christopher
When you say artificially low, are you talking these 300 numbers you're seeing currently right here.

Corey Dahl (PCU-he/him)
Just that the arrearages among known low-income customers versus the overall population of income eligible customers. The best projection we can have based on available data might not be telling the full story just given the fact that we are looking at customers who have been served by some type of energy assistance program, which is how we know they're low-income customers, so I'm just concerned that this may not be displaying the full extent of arrearages among low-income customers that the numbers might actually be higher.

Mickelson, Christopher
That’s part of the reason I reflect this current toggle earlier and so I'll try to explain how it was calculated and how we came to that. So hopefully that will answer your question. Alright, thank you everyone.

Yochi Zakai
An item for next week's agenda - since we're back with the big group, there was originally many months ago a discussion of Cascade using an algorithm to provide targeted arrearage forgiveness. I haven't heard anything about that in a couple of months and I was wondering if we might be able to add a status update on that.

Mickelson, Christopher
We should be able to provide a status. I do know our consultant got sick and then his father got sick, so that project got delayed probably a month or so from what we were originally proposing. But we could add some kind of update for that too. Alright, thank you.